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HOUSE OF REPRESENTATIVES—*Friday, July 15, 1977*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Show me Thy ways, O Lord; teach me Thy paths.—Psalms 25: 4.

Our Father God, amid the tumult of trying times and the demands of daily duties we would pause in this quiet moment to commit ourselves and our troubled world to Thee. In this day of challenge and opportunity Thou hast given us tasks which call for courage, strength, and wisdom. Make us strong enough to do the things we ought to do and steady enough not to do the things we ought not to do. Grant us faith to walk in the ways of truth and love which alone lead to life.

O Thou Father of us all, draw the nations together that peace and justice and freedom may come to this planet and the Earth may form one brotherhood the wide world o'er. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2502. An act to extend certain oil and gas leases by a period sufficient to allow the drilling of an ultradeep well.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5970) entitled "An act to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7552) entitled "An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1978, and for other purposes," and that the Senate agreed to the amendment of the House to the amendment of the Senate numbered 11, to the foregoing bill.

DEPOSITORS SAVINGS ASSOCIATION

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, yesterday was highly significant in the economic history of my State of Mississippi when the Bankers Trust Savings & Loan Association was reopened under the name of Depositors Savings Association. This event was made possible by the untiring efforts and excellent leadership of Mr. Robert Warren, who was named as conservator of Bankers Trust approximately a year ago. He turned what looked like a financial disaster into a sound thrift institution with membership in the Federal Home Loan Bank System and accounts insured by the Federal Savings and Loan Insurance Corporation.

This accomplishment was achieved only through the tireless work and dedication of Bob Warren; Allan D. Housley, special counsel to the conservator; officials of the Federal Home Loan Bank Board; and officials of the State of Mississippi.

I would also like to commend the some 60,000 depositors-stockholders of the former Bankers Trust for their patience and cooperation in seeing that the thrift institution was reopened on a sound financial footing.

Also under the leadership of Mr. Warren a number of other State savings and loans have been able to secure FSLIC insurance and we are hoping that other State associations will get the insurance in the near future.

Federal Government officials have given complete help and total cooperation.

REDUCTION OF 4-PERCENT FOUNDATION TAX

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I would like my colleagues to know that with Mr. CORMAN of California I am today filing a bill to reduce the tax on foundations from 4 percent to 2 percent. After 5 years of experience, we can say with some confidence that this tax is producing more than twice enough money to cover the cost of auditing the nonprofit sector. While this money was not specifically earmarked for the purpose, the 1969 Tax Reform Act which imposed other obligations on foundations established the amount of the tax with such audit expenses in mind.

Unless the tax is cut, the fertile congressional mind will continue to cast about for ways of spending revenues from this tax outside the charitable field. This tax, in effect, reduces the charitable uses from foundation benefits, since mandatory payout requirements elsewhere in the law insure that foundations do not accumulate their income.

I would like to urge any other interested colleagues to join Mr. CORMAN and me, and some 24 other members of the Ways and Means Committee, in cosponsorship of this measure.

ANNUAL ROLL CALL CONGRESSIONAL BASEBALL GAME

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, there has been a lot of talk in the last few years that political parties no longer make a difference. But all the so-called "experts" who feel this way would be swayed, at least a little, by the event coming up on

the 25th of this month. I am, of course, referring to the Annual Roll Call Congressional Baseball Game, a contest drawn strictly along party lines. On our side of the aisle, we like to call this game "wine-making night," as we are used to stomping all over the Democrats.

For the freshmen in our midst, and for those of us who might need their memories refreshed, we Republicans have a great tradition in this annual classic. I feel it is only appropriate to review this illustrious history at this time. After splitting the first two games, the Grand Old Party went on a rampage, and owned the winner's trophy from 1964 to 1974. For 11 straight years, the trophy left its case but once each year, only to be returned to its rightful resting place on the following day. I am sure I do not need to remind anyone here that the last 2 years have been unusual. Early in 1975, we started hearing murmurs from across the aisle that there might be no more game if it continued to be no contest. Fearing that the Democratic Caucus would simply change the rules of the game, and declare its team the winners, we decided to ease up in the last 2 years.

But enough is enough. As far as we are concerned, the party is over, and the annual Republican wine-making, donkey-stomping party will go on as scheduled. Over the last month, our established stars have been toiling alongside three undiscovered talents. Our team has been up at the crack of dawn, has been under strict curfew, and has been through a training regimen so severe that even a marine would shudder.

And you talk about incentive. Our version of the human vacuum cleaner, shortstop LOU FREY, making one of his final appearances in the familiar Brooklyn uniform, has vowed to go out on top. Ace hurler, "Bean Ball" BILL COHEN has a new pitch, the SSP—supersonic pitch—ready for takeoff on the 25th. Residents around Baltimore's Memorial Stadium have cleared this superpitch for landing, but, unfortunately for our distinguished opponents, it will have zoomed into the catcher's mitt by the time they see it.

Last year, we were beaten by our own mistakes, and a freshman from Ohio who hit and pitched his way to stardom. Let this statement serve as notice to that gentleman, and to his manager, the distinguished gentleman from South Carolina (Mr. DAVIS) and the gentleman from Florida (Mr. CHAPPELL) that we will not be beaten by this Mottly crew again this year.

SOCIAL SECURITY BENEFITS DECOUPLING BILL

(Mr. WHALEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHALEN. Mr. Speaker, on March 10, I introduced the social security benefits decoupling bill. This measure has received favorable comment from many sources, some of whom have produced additional information to revise and improve the proposal. Today I am pleased to be joined by my friend and colleague from Iowa, Mr. BEDELL, in introducing a revised version of that bill.

The need for "decoupling" is widely acknowledged by senior citizens' groups, by labor organizations, by the administration, and by everyone knowledgeable about social security financing. The big question is why Federal authorities have delayed so long after recognizing the need to correct a faulty benefit formula, one which "couples" payments for future retirees with automatic adjustments for present retirees—and one which, if not corrected, will eventually lead to workers receiving more after retirement than their wages before retirement.

In placing of the existing "coupled" benefits, the bill we are introducing today provides a progressive, three-step benefits formula based on the "high 10 years" of employment. It is weighted in favor of the low wage earner. The current ratio between benefits and the wages earned before retirement would be kept constant.

Most significantly, our bill does this in such a fashion as to make the system easier to understand, easier to administer, and more equitable for those who have contributed into the fund.

Finally, correction of the existing formula at this time will reduce the predicted future deficit by approximately one-half.

At this time I would like to make the section-by-section analysis of the bill a matter of record—the analysis appears in the Extensions of Remarks.

APPOINTMENT OF CONFEREES ON H.R. 1139, SCHOOL LUNCH ACT AND CHILD NUTRITION ACT AMENDMENTS OF 1977

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1139) to amend the National School Lunch Act and the Child Nutrition Act of 1966 to revise and extend the summer food service program for children, to revise the nonfood assistance program, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS, FORD of Michigan, ANDREWS of North Carolina, BLOUIN, SIMON, ZEFERETTI, MOTTL, MURPHY of Pennsylvania, LE FANTE, WEISS, HEFTEL, CORRADA, KILDEE, MILLER of California, QUIE, BUCHANAN, PRESSLER, GOODLING, Mrs. PETTIS, and Mr. PURSELL.

FEDERAL MINE SAFETY AND HEALTH ACT OF 1977

Mr. GAYDOS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4287) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. GAYDOS).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SARASIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 298, nays 3, not voting 132, as follows:

[Roll No. 419]

YEAS—298

Akaka	Duncan, Tenn.	Le Fante
Alexander	Eckhardt	Leach
Allen	Edwards, Calif.	Lederer
Ammerman	Edwards, Okla.	Lehman
Anderson, Calif.	Eilberg	Levitas
	Emery	Lloyd, Calif.
Anderson, Ill.	English	Lloyd, Tenn.
Andrews, N.C.	Erlenborn	Long, La.
Andrews, N. Dak.	Ertel	Long, Md.
	Evans, Colo.	Lujan
Annunzio	Evans, Del.	McClory
Applegate	Evans, Ga.	McCormack
Archer	Fary	McDonald
Armstrong	Fascell	McFall
Ashbrook	Fenwick	McHugh
Ashley	Findley	McKay
Aspin	Fish	Maguire
AuCoin	Fisher	Mahon
Badham	Fithian	Markey
Bafalis	Flood	Marlenee
Baldus	Flowers	Marriott
Baucus	Flynt	Martin
Bauman	Foley	Mattox
Beard, Tenn.	Forsythe	Meeds
Bedell	Fowler	Michel
Benjamin	Fuqua	Mikulski
Bennett	Gaydos	Miller, Calif.
Bevill	Gephardt	Miller, Ohio
Bingham	Giaimo	Mineta
Blanchard	Gilman	Minish
Bolling	Ginn	Moakley
Bonior	Glickman	Moffett
Bowen	Gonzalez	Mollohan
Breaux	Gore	Montgomery
Breckinridge	Gradison	Moore
Brodhead	Grassley	Moorhead, Calif.
Broomfield	Gudger	
Brown, Mich.	Guyer	Moorhead, Pa.
Broyhill	Hagedorn	Murphy, N.Y.
Buchanan	Hall	Murphy, Pa.
Burke, Calif.	Hanley	Murtha
Burke, Fla.	Hannaford	Myers, Gary
Burleson, Tex.	Hansen	Myers, John
Burlison, Mo.	Harkin	Myers, Michael
Burton, Phillip	Harris	Natcher
Butler	Heckler	Neal
Caputo	Hefner	Nedzi
Carr	Heftel	Nichols
Carter	Hightower	Nix
Cavanaugh	Hillis	Nowak
Cederberg	Hollenbeck	O'Brien
Clausen, Don H.	Holt	Oberstar
	Holtzman	Ottinger
Clawson, Del	Howard	Panetta
Clay	Hubbard	Patten
Cohen	Huckaby	Pattison
Coleman	Hughes	Pease
Collins, Tex.	Hyde	Perkins
Conable	Ichord	Pickle
Conte	Ireland	Pike
Corcoran	Jeffords	Poage
Corman	Jenkins	Pressler
Cornell	Jenrette	Preyer
Coughlin	Johnson, Calif.	Price
Crane	Jones, N.C.	Quie
D'Amours	Jones, Okla.	Quillen
Daniel, Dan	Jones, Tenn.	Rahall
Daniel, R. W.	Kasten	Railsback
Danielson	Kazen	Rangel
Davis	Kelly	Regula
de la Garza	Kemp	Reuss
Delaney	Ketchum	Rhodes
Derrick	Keys	Richmond
Derwinski	Kildee	Rinaldo
Devine	Kindness	Roberts
Dickinson	Kostmayer	Robinson
Diggs	Krebs	Rodino
Dingell	LaFalce	Roe
Dornan	Lagomarsino	Rogers
Duncan, Oreg.	Latta	Rousselot

Rudd	Steers	Waggonner
Ruppe	Steiger	Walgren
Sarasin	Stockman	Walker
Satterfield	Stokes	Watkins
Scheuer	Stratton	Waxman
Schroeder	Studds	Weaver
Sebelius	Stump	Weiss
Seiberling	Taylor	Whalen
Sharp	Thompson	White
Shuster	Thone	Whitehurst
Sikes	Thornton	Whitley
Simon	Traxler	Whitten
Sisk	Treen	Wilson, C. H.
Slack	Trible	Wirth
Smith, Iowa	Tsongas	Wright
Smith, Nebr.	Tucker	Wylie
Spence	Ullman	Yates
Staggers	Van Deerlin	Yatron
Stangeland	Vanik	Young, Fla.
Stanton	Vento	Zablocki
Stark	Volkmer	

NAYS—3

Brown, Ohio	Mitchell, Md.	Wilson, Bob

NOT VOTING—132

Abdnor	Fraser	Obey
Addabbo	Frenzel	Patterson
Ambro	Frey	Pepper
Badillo	Gammage	Pettis
Barnard	Gibbons	Pritchard
Beard, R.I.	Goldwater	Pursell
Bellenson	Goodling	Quayle
Biaggi	Hamilton	Risenhoover
Blouin	Hammer-schmidt	Roncalio
Boggs	Harrington	Rooney
Boland	Harsha	Rose
Bonker	Hawkins	Rosenthal
Brademas	Holland	Rostenkowski
Brinkley	Horton	Roybal
Brooks	Jacobs	Runnels
Brown, Calif.	Johnson, Colo.	Russo
Burgener	Jordan	Ryan
Burke, Mass.	Kastenmeier	Santini
Burton, John	Koch	Sawyer
Byron	Krueger	Schulze
Carney	Leggett	Shipley
Chappell	Lent	Skelton
Chisholm	Lott	Skubitz
Cleveland	Luken	Snyder
Cochran	Lundine	Solarz
Collins, Ill.	McCloskey	Spellman
Conyers	McDade	St Germain
Cornwell	McEwen	Steed
Cotter	McKinney	Symms
Cunningham	Madigan	Teague
Dellums	Mann	Udall
Dent	Marks	Vander Jagt
Dicks	Mathis	Walsh
Dodd	Mazzoli	Wampler
Downey	Metcalfe	Wiggins
Drinan	Meyner	Wilson, Tex.
Early	Mikva	Winn
Edgar	Milford	Wolff
Edwards, Ala.	Mitchell, N.Y.	Wydler
Evans, Ind.	Moss	Young, Alaska
Flippo	Mottl	Young, Mo.
Florio	Murphy, Ill.	Young, Tex.
Ford, Mich.	Nolan	Zeferetti
Ford, Tenn.	Oakar	
Fountain		

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 4287, with Mr. GONZALEZ in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, Thursday, July 14, 1977, the gentleman from Pennsylvania (Mr. GAYDOS) had consumed 12 minutes and the gentleman from Connecticut (Mr. SARASIN) had consumed 10 minutes.

The Chair recognizes the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, during the past 4½ years, I have supported strong Federal legislation in combination with the States to assure employee health and safety at the workplace. I will continue to support legislation I think most effective in assuring that health and safety. However, I cannot support the pending bill (H.R. 4287) since I believe the results of hearings over the last two Congresses call for more effectiveness than this bill offers our metal and nonmetallic miners.

During the 94th Congress, a bill (H.R. 13555) to amend the Metal and Nonmetallic Mine Safety Act of 1966 was before the House. That bill was lauded by the leadership of our committee. And, indeed, it should have been, since it substantially improved the provisions of the Metal Act by correcting the glaring inadequacies of that act. That bill also transferred the administration of enforcement activities—both coal and noncoal—from the Department of the Interior to the Department of Labor.

After 8 days of hearings, debate, and compromise that bill emerged with my support. Not only did I support that bill, but 308 other Members of this Chamber indicated their support. It was, and is, inexplicable to me why that bill or a similar bill is not offered before this House today by the same proponents of last year's bill. Since those proponents are not doing so, at the proper time I intend to offer as a substitute for the committee bill, a bill (H.R. 7979) which is substantially similar to last year's bill.

It is extremely important that Members understand that H.R. 4287 is not the House-passed bill of the last Congress. The bill of the last Congress amended the Metal and Nonmetallic Act. This year's bill repeals that act, and metal and nonmetal is rolled over into part of the existing provisions of the Coal Act. I object to that procedure and I object to the process which produced that result.

In regard to the latter objection, individuals affected by legislation should have an opportunity to address the issues. This is hardly the case with the Federal Mine Safety and Health Act of 1977, H.R. 4287. This legislation was hastily prepared the night before our subcommittee went to markup, and none of the witnesses who appeared before us had ever been given the opportunity to comment on its provisions. What we considered both this year and last was, first, legislation to amend and improve the Federal Metal and Nonmetallic Act of 1966 and, secondly, legislation which essentially rewrote the act but included both coal and metal and nonmetal within its provisions. Nowhere was any indication ever given that metal and nonmetal would ever be simply rolled over into the Coal Act—with absolutely no attention given to the problems that this could well entail, particularly given the diversities within the various mining industries.

As to the former objection—the provisions of the bill simply bringing metal and nonmetallic mines under the provisions of the Coal Act—I would like to focus on several of what I believe are its worst deficiencies.

The first is logic. Is it logical to lump together every industry that is connected to mining? There is no doubt but that there are vast differences. For instance, coal mines emit gas, methane, while only few nonmetallic mines contain methane. Coal seams are usually in flat, horizontal deposits or layers, and the engineering involved is very similar from seam to seam. On the other hand, metal and nonmetallic can be found in any formation. The extraction process of noncoal mining is unique, requiring different engineering in virtually every mineable deposit of valuable minerals.

Congressman UDALL, as chairman of the Interior and Insular Affairs Committee, understands these differences. In January he stated:

> I believe that geological circumstances are considerably different than fossil fuel extraction. . . . We started out four years ago to write a surface mining bill that would cover all minerals, and we soon discovered that the problems were quite different and that you can't include the same kind of provisions for both kinds of mining.

Yet, when H.R. 4287 was reported from our subcommittee, it did not even include a provision for separate standards for the industries involved. During full committee markup, an amendment offered by Mr. QUIE was adopted insuring that future standards would be promulgated as to metal and nonmetallic mines and coal mines, respectively. If something so basic to American mining was excluded, such as applicable separate standards, I really shudder at the thought of what else might be excluded from the bill.

In recognition of the differences within the overall mining industry, we have operated under two separate laws since 1966 and 1969, respectively. All of a sudden, we are throwing everything into one pot with no justification or rationalization. The issue here is not the inadequacies of the existing laws, both coal and noncoal, because we all agree with that. It is instead the fact that we are comparing apples to oranges. Because of this, we could well diminish the attention now paid to metal and nonmetallic miners by including them with coal miners.

This point is crucial to understanding the entire picture. First, there are approximately 2,500 underground coal mines in comparison to 666 underground metal and nonmetallic mines. There are 14,000 surface metal and nonmetallic mines of which 12,000 are sand and gravel pits and stone quarries, in comparison to 2,000 surface mines for coal. There are approximately 11 different metals and nonmetals mined underground and approximately 75 different metals and nonmetals mined at the surface. With coal, we are only dealing with anthracite or bituminous. These figures alone must raise doubts as to the applicability of one to the other, and certainly to the wisdom of putting sand and gravel pits and rock quarries under the Coal Act.

Proponents of this measure assert that the two acts result in discrimination against noncoal miners versus coal miners since the former have an admittedly weaker law. However, would we discriminate less putting them all together when

we consider that the different industries within metal and nonmetal will certainly not share the same interests or the same needs as will the coal miners? There are 274,500 hard rock miners and 212,000 coal miners. You can rest assured that there is relative unanimity as to safety and health in the coal industry, but nothing of the kind exists in metal and nonmetal because of the diversities.

The best example of the fact that metal and nonmetal mining is not really understood properly occurred during the debate on the floor last year. A significant portion of our time was devoted to the Scotia Mine disaster—which has absolutely nothing to do with the bill under consideration. To aggravate this even further, we are rolling both groups into advisory committees that are now strictly oriented toward coal. There is a very strong possibility that the divergent and more difficult needs of the metal and nonmetallic miner will take a back seat to the more or less uniform needs of the coal miners. We must not forget that the composition of the advisory committees are individuals with expertise in coal mine health and safety . . . not metal and nonmetal.

Beyond logic, there is also the question of safety. Is this legislation really in the best interests of metal and nonmetal miners? I think not. To begin with, this legislation does not contain a general duty clause—something essential if we are to truly insure the health and well-being of our metal and nonmetal miners. The bill does not contain the rulemaking provisions which drew so much comment by all witnesses. It does not provide for formal hearings—and this can be critical. An example of this occurred on our last day of hearings when the Trona mines testified before us. They cited one example where MESA proposed a standard which would have caused hazards to underground miners. Had it not been for the ability of industry to cross-examine the agency's witness, allowed only in formal hearings, potential disaster could have occurred. Instead, Interior changed its position and the possibility of deaths from an ill-conceived standard was averted.

In reference to the existing hearings provisions, let me give you an example of the types of problems that will arise. The Federal Coal Mine Health and Safety Act was passed by Congress in 1969, as a direct result of a coal mine disaster in Farmington, W. Va., in which 78 coal miners lost their lives. Congress recognized at that time that serious problems existed in the coal mining industry. In an effort to correct these deficiencies, Congress included in the Federal Coal Mine Health and Safety Act substantial mandatory health and safety standards. To guarantee that these standards were never reduced, Congress developed the rulemaking provisions presently found in the Coal Act. These mandatory health and safety standards, which are inapplicable to hard rock mining, are not included in H.R. 4287, and neither should the rulemaking provisions which were developed to protect those standards be included.

Finally, the ongoing oversight hearings on the Coal Act have revealed conflicts and inadequacies in that act. These hearings may still be in process, and the metal and nonmetallic mine owners have not been heard, even though they would be affected should H.R. 4287 pass. The Coal Act oversight hearings are in recognition of the fact that there are serious deficiencies within the Coal Act—deficiencies that threaten the flow of energy sources which are desperately needed by America, deficiencies that are revealed in the costly nitpicking of the act, and deficiencies that threaten the well-being of the miners.

The great majority of House Members represent States that have far more metal and nonmetal miners than they do coal miners. This bill is not going to help the coal miners. All H.R. 4287 really does is to add additional workers to a law that is in rather sorry shape, irrespective of their needs or interests. The real tragedy is that metal and nonmetal miners will now be included in a law that has a lower success rate of preventing fatalities and injuries. They will be losing a law that has resulted in constant improvements for them and that, with improvements, could rapidly enhance their chances to leave their jobs each day safe and healthy.

Mr. Chairman, it has been argued that this bill, H.R. 4287, "equalizes" the protections of both types of miners—coal and noncoal. I would like to elaborate on a few additional reasons why this is not necessarily so.

Titles II, interim health standards; III, interim safety standards; and IV, black lung benefits, of the Coal Act are not amended or touched by this bill. If we are to equalize the protections of metal and nonmetallic mines to coal mines by lumping all under one act, we should study the effect of the whole act under which we are lumping them. However, we, meaning the Education and Labor Committee, have not looked at those sections at all. Therefore, if amendments are offered to those sections, I, particularly, and we as members of the originating committee, would not be able to adequately insure that improved health and safety would be offered our Nation's miners by either accepting or rejecting amendments to those titles. Further, it is clear, that metal and nonmetallic miners are not offered the protection of legislated minimum mandatory health and safety standards, as are coal miners.

When titles II and III were originally written into the Coal Act, extensive study and investigation by the Committee on Education and Labor had been undertaken. At the present time, contrary to that enormous background work which produced the Coal Act, the Subcommittee on Compensation, Health and Safety has not even purviewed a single sentence of titles II and III of the Coal Act. In failing to do so, the committee bill has overlooked one of the most important aspects of the Coal Mine Health and Safety Act of 1969—that is, its "variance procedures," found in title III, section 301(c).

It is without doubt that mine operators need a variance procedure in order to operate. Not all mines can conform to all standards and the variance allows mines to continue to operate even if they do not comply, if they offer a guarantee that an alternate method of achieving compliance results in no less safety.

Under the bill, H.R. 4287, as reported, no variance procedure is offered metal and nonmetallic mines. It can be argued that there was no such legislative basis in the prevailing Metal and Nonmetallic Act; that the variance procedure under that act came by regulations; and that there is no need for a legislative basis for a variance procedure for metal and nonmetal mines under the Coal Act. However, that argument ignores the basis of the proponents' reasoning for rolling metal and nonmetallic mines under the Coal Act, that is, that it gives both equal protection. For if coal mines have the benefit of a legislated variance procedure, so should metal and nonmetallic mines. The variance procedure of the metal and nonmetallic industry should not be subject to the whim of the standards makers.

One interesting aspect of inclusion of metal and nonmetallic mining under the Coal Act, and an argument that it increases protection, is the fact the Coal Act mandates civil penalties. Alleged is the fact that penalties increase awareness of safety and will cause operators to come into compliance quickly.

That argument is apparently specious for two good reasons. One, the oversight hearings on the Coal Act have revealed that civil penalties create an adversary approach and do not create an atmosphere of voluntary compliance. The penalty assessment and collection procedure under the Coal Act has been severely criticized, and even the Department of the Interior has recommended legislative changes.

The second reason mandatory civil penalties are of questionable value is a June 1977 publication by MESA entitled "A Report on Civil Penalty Effectiveness," submitted at the coal oversight hearings, in which the effectiveness of civil penalties were analyzed. That report stated "only speculative conclusions may be drawn from the analysis." However, some statistical findings were of interest. Those were:

A comparison of underground mines in the coal industry and the metal and nonmetal industry, which does not have a civil penalty program, shows metal and nonmetal fatal and nonfatal injury frequency rates improving at a faster rate than coal's. However, many factors may have inhibited the reduction of coal's rate, such as improved injury reporting (no increase in injuries, but more injuries reported to MESA) and changes in the work force (inexperienced miners entering an expanding industry).

As measured in 1974–1975, the change in the disabling injury frequency rate at selected large underground coal mines has no practical statistical correlation with the various ratios of penalty amounts originally levied, currently assessed or paid, versus the numbers of violations issued or paid.

In evaluating the effectiveness of penalties, operator attitude would necessarily play an important role. What was

the report's conclusion on operator attitude? It was:

> Penalized producers saw no connection between penalties and safety. Only about 10 percent of the operators, all small, claimed to avoid violations because of fines.

However, a means of voluntary compliance may be more important than penalties. As the report states:

> Pride was a recurring issue. Operators perceived violations as "black marks" on their safety record, so violations were avoided not because of the associated penalty but for the sake of pride.

How did the miners themselves feel about penalties? The report states:

> The evaluation team visited several mines and found that most miners did not appear to know that penalties existed, or that companies paid fines; nor did they seem to care if the companies were fined. Those who did know about penalties were of the opinion that penalties do not increase miners health and safety.

Apparently, MESA inspectors were of similar views. The study team talked with a dozen MESA inspectors. Here is their conclusion:

> Those who knew the amounts assessed felt them too insignificant to contribute to health and safety. Some inspectors had no idea of the penalty assessed nor did most care to know; they felt this would be prejudicial in citing future violations. A few knew of penalty amounts from operator feedback, but most received no feedback on their Inspector's Statements and wanted to know what happened because of them.

Rather than now bringing metal and nonmetallic mines under an act with this critical penalty procedure, it would do us well to first amend and improve the Coal Act.

Finally, in rebutting the argument that equal rights and protections are now being given metal and nonmetallic miners, I must point out that they are not being included under title IV—the black lung benefits provision, a "special" compensation granted coal miners under the Coal Act. I am not asserting that we should extend these same type benefits to metal and nonmetallic miners at this time; I am simply pointing out that H.R. 4287 does not equalize rights and benefits of the different miners.

The House should also be aware that if the legislation passes as is, we will go to conference with a bill that simply places metal and nonmetal miners in with coal miners. The other body, on the other hand, has made significant changes in the Coal Act that we in the House have had absolutely no opportunity to consider, a circumstance which is unfair to Members of this House.

Again, I urge my colleagues to seriously consider the problems that will arise by inserting metal and nonmetallic mines into the Coal Act. The Coal Act was written with relatively big business in mind. The vast majority of metal and nonmetallic mines, sand and gravel pits, et cetera, are small businesses, some of only 1 or 2 workers, many with about 8 to 10 workers. As I have tried to emphasize, H.R. 4287 was hastily conceived, not well thought out, has resulted in anomalies unknown, and may not be in our miners' best interests.

Finally, a point that should be reemphasized is that this bill is not a "simple transfer bill." It is much more. It highly impacts on metal and nonmetallic mining, as I have previously stated. It is clearly much more than a mere transfer of enforcement from Interior to Labor. It is crucial that we understand the effects of this bill on the safety and health of our Nation's metal and nonmetallic miners. It is my opinion that the thoughtful analysis necessary to understand those effects have not been undertaken.

On the other hand, I believe such thoughtful analysis has been given to my substitute, H.R. 7979. My bill which will be offered as an amendment in the nature of a substitute, was addressed at our hearings in the last Congress and in this Congress. It has been favorably considered by the House.

Mr. GAYDOS. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. Mr. Chairman, I rise in opposition to the substitute amendment that has just been introduced and urge support for the Federal Mine Safety and Health Act of 1977.

In my opinion, the substitute that now is being offered is a much weaker bill, not only to the bill that is before us, but weaker than the bill that was passed last year.

I am also concerned about the discriminatory aspects of separating metal and nonmetal miners, as the substitute calls for. Besides this discriminatory treatment, there are also problems with penalties under the substitute. The substitute amendment would have discretionary rather than mandatory penalties. Mandatory penalties, as provided in H.R. 4287, are necessary to provide a strong incentive for the mine operators to comply with safety and health standards in the hazardous mining industry without waiting for a disaster to occur or until after being caught in a violation of law.

The maximum lower penalty that the substitute would set of $1,000 is also a less incentive to the coal operators to comply with coal mining health and safety laws.

Now, granted, under the present bill (H.R. 4287) it provides a $10,000 maximum and the fines are rarely going to reach that point. They are generally levied around the lower level of $1,000; but we still have to have that maximum capability in the law in order to provide for greater incentive for compliance.

Another aspect of the substitute that concerns me is the preemption of Federal enforcement. H.R. 4287, as presently written, provides for 80 percent Federal funding to the States to help them with the enforcement of this law. I think this is a vital, important part of the bill.

I urge rejection of the substitute.

Mr. Chairman, I am in support of the Federal Mine Safety and Health Act of 1977 (H.R. 4287).

First, it defines "mine" and adds "or other" after the word "coal" in most places where it appears in the Federal Coal Mine Health and Safety Act of 1969, thereby serving to bring metal and nonmetal mining and milling under the jurisdiction of the Coal Act.

Second, it repeals the Metal and Nonmetallic Mine Safety Act passed in 1966.

Third, it transfers the functions of the Secretary of the Interior under the Federal Coal Mine Health and Safety Act of 1969 to the Secretary of Labor. In addition all personnel, property, records, et cetera, within MEA are transferred to the Department of Labor, and proceedings before the Secretary of the Interior shall continue before the Secretary of Labor.

Additionally, the transfer of MESA to the Department of Labor will increase communications between MESA and OSHA, the two agencies that have the most responsibility for protecting the workers' health and will minimize jurisdictional disputes and bureaucratic buck passing.

I believe the transfer of MESA from a department whose mission is to increase coal production to a department whose mission is to protect the well-being of the American worker will be a big step toward ending a lot of bureaucratic squabbling and jurisdictional disputes.

President Carter's energy program calls for a massive expansion of coal mining, and if we intend to make coal our Nation's principal fuel, the 211,800 coal miners in this country must be protected against the hazards of their work. And the close to 30,000 members of the United Mine Workers of America in my congressional district can rest assured that we in the Congress hear their concerns and are taking action accordingly. Let us pass this legislation today for the well-being of our workers, energy policies, and our Nation.

Mr. GAYDOS. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. LE FANTE).

Mr. LE FANTE. Mr. Chairman, I rise in support of H.R. 4287, the Federal Mine Safety and Health Act of 1977.

The need for one safety and health law to cover all mines has been well documented by the report of the Committee on Education and Labor.

Historically, there has been great disparity between the protection afforded coal miners and miners employed in other kinds of mines. Mine safety and health statistics bear witness to the fact that progress in improving safety and health in noncoal mines has lagged well behind that of coal.

From the standpoint of equal protection of coal and noncoal miners, there is no reasonable justification for continuing the separate legislation for each area which now exists. Different statutory bases inevitably lead to differences in levels of protection.

Arguments against a single law covering all mines are usually predicated on the need to address the differences between coal and noncoal mining. However, there are similarities which outweigh the differences. There are under-

ground coal mines and surface coal mines. There are underground mines in the noncoal area, and there are surface mines in the noncoal area. To the extent that there are differences, these differences should be addressed in the substance of specific standards. There is no need for variation in the statutory procedures for developing standards, for enforcement of miners' rights, for inspections, or for investigations. Even now, under the present Metal Act, vertical standards are applied to different types of mining—underground, surface, and sand and gravel.

In addition, one law covering all mines is desirable from the standpoint of effective administration.

If two different statutory structures remain in place, there will be inevitable divergence between them. Obviously, it is simpler and more efficient to administer one law than two. Administrative, enforcement, and standards-setting experience under a single law can be more effectively shared and transferred within the agency. To the contrary, if two laws are in place, experience under one may not be readily translatable or useful to the other. A single law broadens the administrative and enforcement base of the agency, facilitating interchange of personnel where this might be useful. A single law facilitates compliance; all operators must comply with the same basic duties and observe the same basic procedures, even though specific standards may vary somewhat in substance.

An additional factor in administering a single law is that precedents and court decisions in one area will ordinarily be applicable to the other area. With two laws, there will evolve two different sets of precedents and judicial interpretations, which will not be mutually supportive or even mutually consistent.

All in all, a single mine safety and health statute cannot help but make for greater administrative effectiveness in carrying out the mandate of the Congress. At the same time, nothing precludes an administrative division within the agency dealing with the coal and noncoal areas, respectively. Indeed, it would seem logical for such a division to be maintained. But, when the basic ground rules are the same, everybody benefits.

Finally, it should be noted that the time is right for a single mine safety and health statute. The enactment of legislation which continues the present disparate treatment of coal and noncoal miners would be counterproductive. The longer that two different statutes exist, the more embedded the differences between them will become, and the more difficult it will become to enact a comprehensive mine safety statute in the future. Two systems will continue to diverge and will continue to evolve along different paths. Therefore, the time to mold both existing laws into one is now and I urge my colleagues to support this all-important legislation.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. LE FANTE. I yield to the gentleman from Utah.

Mr. MARRIOTT. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman a question, if I may. Coming from a State where we have Kennecott Copper's open pit mine, as well as a lot of underground coal mining, quarries, and everything else, I do not understand why we need all of these under one set of regulations.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. LE FANTE) has expired.

Mr. SARASIN. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. LE FANTE).

Mr. MARRIOTT. I cannot for the life of me understand how all of these mining operations are similar, have the same problems. So why do we need all of these under one set of regulations? They are not even in the same bsuiness, for broad general purposes.

Mr. LE FANTE. I do not think that matters much. When you are driving an automobile for recreation, the law is the same to you as for the truck driver who makes his living driving. It is safety. It is health and safety. It is as simple as that. I have attended many of these hearings. I have no mines in my State.

Mr. MARRIOTT. If the gentleman will yield further, the gentleman has no mines in his State?

Mr. LE FANTE. No, not in my district. We have no mines. Nevertheless, from my attendance at these public hearings and from hearing the testimony that was given before the committee, I think primarily what we are concerned with here is the safety and health of the individuals. To me, that takes priority. The business they are in is secondary at this point.

Mr. MARRIOTT. But the whole conditions of safety are different. In my opinion, H.R. 4287 makes no sense if it attempts to do this.

Mr. GAYDOS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me respond to the gentleman. We are talking about standards. I am sorry that I will not be able to yield at this time, but I will yield after I am finished with my statement. We are talking about standards. Even now, under the existing act which governs noncoal workers, that is, the Metallic and Nonmetallic Act, there are many, many diversified types of activity, such as gold mining, mining salt, fluorspar, uranium, silver, asbestos. The gentleman, I suggest, has not quite understood the distinction between promulgating and adopting standards on a vertical basis.

Mr. Chairman, I want to take this opportunity to express my sincere appreciation to all the members of the committee, all of those who worked so hard to bring this legislation to the floor.

The bill before us today, H.R. 4287, provides many changes in existing law by improving the safety and health conditions in the metal and nonmetal mines in three major ways.

Everyone has to understand that we are now operating under two distinct acts: No. 1, the 1966 act covers metal and nonmetal miners.

Then we have the 1969 Coal Act. The Coal Act is different. It is a different act, and it covers coal mines, both surface and underground. We have to understand that distinction.

What we are trying to do today is very simple. We are going to combine both of these acts under one act. We are going to repeal the Metal and Nonmetal Act. That is what this legislation is designed to do.

In repealing the act, we want to follow the format that has been laid out and time-tested by the 1969 Coal Act.

What am I referring to? I am referring to standards. In the Metal Act it is very difficult to develop standards. They are delayed standards. Some standards have laid around idle and have not been accepted for as long as 2 and 3 years.

Let me make a second point. What else are we doing? We are providing in this act for specific penalties.

Right now, under the Metal and Nonmetal Act, there is no penalty. How can we accept that? There is no mandatory penalty; there are only discretionary penalties. The Secretary may or may not assess a penalty. Under the Coal Act, they must put on a penalty, and they enforce the act. In order to be fair, we have to consolidate the two acts.

In this case, because of the lack of proper regulations in the existing Metal and Nonmetal Act, there is a basic unfairness between those miners who are covered under the Noncoal Act and those are covered under the Coal Act, because the Coal Act right now specifically provides walk-around rights for a miner. He has a right to walk around and inspect. Under the Metal Act, he has no such right. This is one area where we are trying to make a correction.

This is very simple. We are trying to make a case before the committee, and we say that separateness is not equality. These two acts do not give equal protection to both types of miners.

What difference does it make if a miner works in a gold mine or a silver mine and he gets hurt? What difference should there be? Why should he be subjected to more possibilities of an injury of a sustaining nature than if he worked in a coal mine? Why should there be a difference? Why should the standards be mandatory in the coal industry and not in the noncoal industries?

If the operator of a coal mine does not put the standards into effect, he is subject to a mandatory fine up to as high as $10,000 in some instances. Sometimes the fine is lower, down to $200 or $300, the average fine being around $300.

Why should a miner working in a silver mine not have at least that semblance of fairness and protection? It is just not logical, it is not fair, it is not equitable.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, in one case recently, 17 cars went off the track in Metuchen, N.J. Some of the cars were loaded with fluorine, and nobody knew

what to do. The chief of police was thinking of evacuating the town.

In Tennessee just last week or perhaps this week, a town was evacuated. That involved a tank truck loaded with bromide—it is bromide or something like that. I think they use it for headaches.

Just listen to this. Are we here setting up priorities in operations where they carry these chemicals and materials like hydrochloric acid that affect health to educate everybody as to what to do in case we have more accidents involving trucks and railroads?

Mr. GAYDOS. Mr. Chairman, let me respond to the gentleman.

This is a Mine Safety Act. We are talking about the extraction of minerals below or above ground.

Mr. PATTEN. I know that.

Mr. GAYDOS. What the gentleman refers to would properly be under OSHA. That is where they would set up standards as far as that activity is concerned, relating to railroads and trucks. That would come under safety. We do have another Railroad Act, and under that we might bring in some set of standards.

Mr. PATTEN. Would this have anything to do with it under the mining operations, once they started to transport? Do I understand this will have nohing to do with that?

Mr. GAYDOS. No. This pertains only to extraction of materials from mines below or above ground.

Mr. PATTEN. May I ask the gentleman another question.

Mr. GAYDOS. Mr. Chairman, I cannot yield any further to the gentleman. I have a statement I would like to get in the RECORD.

Let me refer to the three things that this act does do. It joins all miners, both coal and noncoal, under one legislative authority. That is, it meets a long-standing need for equalizing health and safety protections for all miners.

No. 2, it transfers administration of all mine-enforcement activities from the Department of the Interior, over to the Department of Labor. The Department of Interior historically has always been the department that had as its primary concern making sure that in this Nation we extracted all the materials and metals we had and kept that business going.

Because of some unexplainable reason, back in 1966, the responsibility of enforcing the mine law was put in a department which was primarily given the responsibility of providing for the orderly extraction of materials from the earth.

Mr. Chairman, there is an obvious contradiction of duties; and we feel that the Department of Labor, which historically has been concerned with the rights of working people, should have the responsibility of enforcing this safety and health law.

No. 3, H.R. 4287, as proposed by this House, repeals the Metal and Nonmetallic Act and upgrades the protections afforded metal and nonmetal workers, regardless of what the gentleman from Connecticut (Mr. SARASIN) is suggesting.

It is a better act. It does correct the insufficiencies of the act as we know it now.

We must remember, when we are considering this legislation, that mining has always been recognized as one of this country's most hazardous occupations. In 1975, for example, the death rate for all mining was more than four times as great as the average for all other industries; a miner's chance of being killed on the job today is eight times greater than that of a laborer working in manufacturing.

Now, for every working day, even today as we discuss this legislation, at least 1 miner is being killed; and 66 miners are being maimed or injured. Those are telling and, I think, very, very significant statistics.

Mr. Chairman, we know that in the coal mining industry, explosions get much notoriety. We know that they get talked about a lot, but I want the Members to know that the frequency rates for fatalities and injuries in the non-coal-mining area are greater underground.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. Mr. Chairman, I do not have any time. I will respond to the gentleman at the end if I do have time.

With respect to the general statistics—those are what I think the gentleman wants me to refer to—the general statistics in the coal and noncoal areas are about equal, as far as percentage rates are concerned.

Why do I mention those figures? I mention those figures because I am certain that the existing Coal Act passed in 1969 is a stronger act. It requires more than the act passed in 1966, which pertains to what we call the hard-rock mining. There is no question about it.

Why is it stronger? No. 1, it provides mandatory penalties. There are no discretionary penalties as they have in the existing Hard-Rock Mine Act, where they may or may not get fined. Under that act, they have a system whereby they put a red tag on a piece of machinery that malfunctions.

Mr. Chairman, I urge my colleagues to pay specific attention to the debate this morning and to support this bill wholeheartedly.

Mr. SARASIN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would point out to the gentleman from Pennsylvania (Mr. GAYDOS) that we obviously have a disagreement over the best method to resolve the problem and maintain health and safety for the noncoal miners in this country.

I feel very strongly that the answer to the problem is not to simply dump the noncoal miners into the Coal Act.

Mr. Chairman, we have never even looked at the Coal Act in our committee. I think that is a disaster.

The gentleman from Pennsylvania (Mr. GAYDOS) just made the statement in the RECORD that more miners are killed underground in metal and nonmetal mines than are killed in coal mines. That is patently untrue. In 1976, 109 coal miners were killed and 37 nonmetal and metal miners were killed.

In 1977, 111 coal miners were killed and 43 metallic and nonmetallic miners were killed. So the statement made by the gentleman from Pennsylvania (Mr. GAYDOS) that more miners are killed underground than are metal and nonmetallic miners is patently wrong.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. It is true that my reference in the well mistakenly was to the number of men killed, but I am talking about the fatality and injury frequency rates. The gentleman from Connecticut (Mr. SARASIN) knows that the statistics indicate that the rate of death in underground coal mines is less than in hardrock mines.

Mr. SARASIN. The statement made by the gentleman from Pennsylvania (Mr. GAYDOS) in the well was erroneous and I appreciate the gentleman admitting that it was erroneous.

But the fact is, as I said, that the metallic and nonmetallic fatal and injury frequency rates are improving at a faster rate than coal, and that is in the report on civil penalties effectiveness. And in the recommendations dated June 1977, put out by MESA, they show that the mandatory penalties, which have been described so glowingly by the gentleman from Pennsylvania (Mr. GAYDOS) did not work. That there is no correlation between the penalties and the safety in the mine. And what we are talking about in this matter, is the health and safety of the miners in this country. And here we can point to the experience in the metal and nonmetallic mines, where you do not have mandatory penalties, where you can get a cooperative situation existing between the inspection force, the laborers, and the operator to try and resolve the problem of maintaining safety and health at the workplace. In terms of the accident frequency rates, such rates are dropping faster there than they are under the Coal Act, where you have mandatory penalties, which the Department of Interior said did not work. The Department further stated that there is no correlation between the two: frequency rate and penalties. And, in fact, we are creating simply an adversary process we had back with the mandatory penalties, and exactly the same situation with OSHA where we have witnessed a nitpicking process. We will be faced with the requirement to go out and find something wrong, and we will find operators who will no longer be willing to work with the inspectors. In contrast, the cooperative relationship existing in the metal and nonmetallic mines would continue to exist if my substitute is adopted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SARASIN. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I believe that it is most important that we read the bottom line. The bottom line of both bills here is on mine safety and the health of the miners, and we are not going to be able to do this by using methods that have been disproved and that are inadequate, and that are punitive rather than the methods that will help to solve the problem.

I think it is extremely important that we remember we are going to create this continuing adversary situation which will work to the detriment and not for the betterment of the miners. If we could agree and describe what a great success the Coal Act is, that would be one thing. But we cannot do that. The argument which has been made in this well today, yesterday, and last year when we were talking about the improvement of the metallic and nonmetallic mines—which discloses as I pointed out earlier the major activities and the effectiveness of the metallic and nonmetallic law—is that let us improve the other act. But we do not do that in this bill. Let us also improve the Metallic and Nonmetallic Act. We do that with my substitute. The substitute also provides for the transfer.

Mr. GAYDOS. Mr. Chairman, if the gentleman will yield still further, does not the gentleman from Connecticut feel that the penalty rule is very worthwhile? Does the gentleman think we would be able to collect our income taxes if we did not have penalties? Penalties serve as practical means of enforcing the laws, and penalties have been proven successful under the Coal Act.

To do what the gentleman says is illogical and contradictory.

Mr. SARASIN. I would suggest to the gentleman from Pennsylvania that he certainly will not justify the mandatory penalties on that basis.

It seems to me that the gentleman in the well and a few others who took the well said mandatory penalties are necessary for safety and health, and if we do not care about safety and health, just throw the whole thing out.

Mr. GAYDOS. I would say safety and health are much more important.

Mr. SARASIN. Then we should be looking at the effectiveness of those penalties. I assume the gentleman agrees with me, we are not worrying about the revenue. The gentleman says they are effective. The Department of the Interior says they are not. The Department of the Interior says the mandatory penalty is not effective.

Mr. GAYDOS. I have an article right before me that states that mandatory penalties do result in less violations. That is a matter of record.

Mr. SARASIN. The 1977 report of civil penalty effectiveness—that is what they studied. Civil penalty effectiveness. It is not an add-on to another report. That is what they looked at. The report states, at page 5:

> As measured in 1974–1975, the change in the disabling injury frequency rate at selected large underground coal mines has no practical statistical correlation with the various ratios of penalty amounts originally leveled, currently assessed, or paid, versus the numbers of violations issued or paid.

It just does not work. The gentleman cannot show that this great big threat, this great big penalty, is effective. The thing that is effective is a closure order. That is what costs the operator money. That is what improves safety and health in the mines, and that is what H.R. 7979 would also do. That part works. The gentleman is going to destroy this and throw it out.

Mr. GAYDOS. Will the gentleman yield further?

Mr. SARASIN. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. The gentleman attended the same hearing I did, and the gentleman knows very well we talked about closure orders, the number and the frequency, and determined that efficacy did not exist. The gentleman heard witnesses time after time repeat and state that a closure order amounts to putting a red tag on a piece of machinery. For instance, let me set up a hypothetical situation.

Mr. SARASIN. Let me just recapture my time.

Mr. GAYDOS. The gentleman knows well the inefficiency of the closure order.

Mr. SARASIN. I was at every one of those hearings. I listened to the witnesses. I heard the claim made, but when MESA went out to specifically ask that question to put a report together on the effectiveness, it said:

> It appears that the civil penalty collections themselves have not been the dominant factor in reducing accident frequency rates, for without them, metal/nonmetal rates came down even faster than coal's.

The system is better under Metal and Nonmetallic than it is under Coal with the mandatory penalties. When one asks the operators, which MESA did, when one asks the miners, which MESA did, when one asks the inspectors, which MESA did, we learn the fines have nothing to do with what we ought to be looking at here, and that is safety and health. If we do not care about safety and health and we want to raise a little revenue, fine, but if we are worrying about safety and health, Metal and Nonmetallic is a better system than Coal. Yet what we are doing here is simply adding the words "or other" every time the word "coal" appears in the Coal Act so we can dump these people into it without even studying the effect the Coal Act would have. As I mentioned earlier, we do not care about safety variances any more; we do not care that the standards that may be written may not be applicable and that there is a better and safer way to do it. We are ignoring that.

Mr. GAYDOS. If the gentleman will yield further, I am going to make this a matter of record. I have a letter from the Secretary of Labor to the effect that the existing Coal Act does provide for variances. It is a matter of law, and the Secretary of Labor says under the existing Coal Act, which is now incorporated in part in this act, under H.R. 4287, the Secretary has the right to issue and grant a variance. It is going to be a procedure that they are going to follow, and for which we have already an established procedure.

In fact under the Metal and Nonmetallic Mine Safety Act, which says nothing about variance procedures, the Secretary of the Interior today grants variances.

Mr. SARASIN. Let me reclaim my time. I know the gentleman has made his point. The gentleman said originally this is an equalization, that it will bring everybody up to the same standards. It will not. Under the Coal Mine Act as it is written into the statute that variances will be allowed for safety. In the Metal and Nonmetallic Act, there is no statutory language, and there is nothing in H.R. 4287, so we are going to leave that to the Secretary to set that law, unlike we do under the coal. It is unequal treatment.

Mr. GAYDOS. In H.R. 4287 there is a provision which states that all existing regulations, pronouncements, writings, and findings are transferred.

Mr. SARASIN. They will go over until the Secretary decides, without the ability of this Congress to make a decision, but until the Secretary decides that he may want to adjust those things a little bit more. We are not treating the miners' safety.

Mr. GAYDOS. On that point, I am willing to enter into a colloquy with any of the Members to show how we do provide for variances under the Metal and Nonmetallic Act and how we are going to do that under H.R. 4287.

Mr. SARASIN. And the gentleman will be creating a situation that is automatically unequal and that is the tragedy of this bill H.R. 4287. In this quick effort to put a bill together without testimony and without hearing or without discussion, we have overlooked maintaining the variance of the coal to make it available to hard coal miners. I do not care what the gentleman says we can do by regulation. We did not do it by regulation for the coal miners. We should not be changing it now.

These are just a couple of the problems with this cut-and-paste job of trying to transfer all the miners to the coal instead of trying to come up with a bill to do something for both of them. This bill H.R. 4287 does not do that.

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from Nebraska.

Mr. SANTINI. Mr. Chairman, I would like to say I am concerned particularly with the nonfuel minerals. I am concerned that we look before we leap. I just take that to be part of the thrust of the gentleman's message.

I ask the Members of the majority side and those carrying the responsibility for the bill today as well: Can they advise this Member as to the prospective administrative structure within the Department of Labor assuming this bill is adopted today?

Mr. SARASIN. I yield to the gentleman from Pennsylvania (Mr. GAYDOS) to explain his bill, this terrible bill he has put together.

Mr. GAYDOS. I thank my colleague for being so kind.

It is very simple and concrete and exact. In our bill we provide that the transfer shall occur and that all the regulations and all the findings and standards shall remain and be transferred over to the Department of Labor under an Assistant Secretary of Labor and he shall have a separate budget.

Mr. LEDERER. Mr. Chairman, one of the most important features of H.R. 4287 is that for the first time coal miners and hard rock miners will be covered by a single mine safety and health law with

a single structure for enforcement and administration.

For too long the hard rock segment of the industry has suffered under inadequate and inferior safety health laws. The committee bill will provide the equal protection of the law which our Nation's hard rock miners are entitled to.

However, it is important to note that H.R. 4287 does not require that all standards be the same for hard rock miners and for coal miners. There is nothing in this bill that requires that standards be universally applicable throughout the mining industry.

What H.R. 4287 does do is establish uniformity in how these standards will be developed, administered and enforced. Indeed, section 301(b) of H.R. 4287 clearly indicates that current standards under the Coal and Metal Acts are to be carried over as standards for coal mines or metal and nonmetallic mines respectively, under this act. Moreover, there is nothing in H.R. 4287 that suggests that the Secretary should not continue to promulgate separate standards for the separate segments of the industry.

I have heard it argued that because coal mines are different from hard rock mines that different standards should apply to these different mines. I will not dispute that.

However, in some respects, hard rock miners may face some of the same hazards as coal miners. There have been fires in hard rock mines as well as in coal mines. For example, in the Sunshine Silver mine in Idaho, 91 miners lost their lives in a tragic fire in a mine that, incidentally, had only recently been inspected and found to be in substantial compliance with the weak requirements of the Metal Act. There have been dust explosions in hard rock mines as well as in coal mines. Indeed, our hearings on this legislation revealed that Trona miners sometimes face the same hazards as coal miners from the dangers of methane gas explosions. On the other hand, we are aware that our Nation's hard rock miners may face much different hazards from those faced by coal miners. Hard rock miners confront radioactive elements and asbestos dust to a much greater extent than coal miners. So, as you can see, there are similarities and there are differences between coal mines and a wide variety of hard rock mines. What is needed are standards that are geared to deal with the specific hazards that a miner is exposed to, whether he be a lead miner, a Trona miner or a bituminous coal miner.

Under H.R. 4287 we accommodate these concerns. Under H.R. 4287 separate standards would apply to separate segments of the industry to no less an extent than separate standards apply to separate segments of the industry under current law. And I will note that even now vastly different kinds of hard rock mines are governed by a single statute, just as they would be governed by a single statute under the committee bill.

I cannot agree with the position that differences among various types of mines supports the conclusion that there should be entirely separate acts for hard rock and coal mines, with different enforcement and administrative structures. There is no good reason why a hard rock miner in a lead mine should receive unequal protection and inferior enforcement of a standard applicable to him. The lead miner has every right to expect that he will receive just as committed a Federal enforcement of the standard applicable to him as the coal miner receives. There is no argument for why different enforcement should apply to different segments of the industry. A hard rock miner deserves the same feeling of confidence in his job safety and health as a coal miner does.

As long as there are two separate mine safety and health laws, which provide for different enforcement and administration, our miners will not be equally treated. The time to merge both existing laws into one and provide equal protection to all our Nation's miners has come.

Mr. UDALL. Mr. Chairman, on page 72 of the report I am quoted in the minority views, from a statement of last January dealing with the Interior Committee decision to take up coal surface mining legislation separately from noncoal surface mining problems. The implication is that I oppose the structure and purpose of H.R. 4287. This is not the case. I intend to vote for the bill and against the Sarasin substitute and other attempts to weaken it.

Environmental questions are quite separate from the question of safety. We were faced with a serious, ongoing problem of environmental damage from strip mining. The damage from surface mining minerals other than coal is more complex, lesser in scope and under some measure of control. Safety is safety in either kind of mining, and safety cannot wait, and ought to be uniform.

I would have liked to write a comprehensive, all-minerals kind of surface mining bill. We faced a practical set of problems and could not do so. This has nothing to do with my support for this bill's goal: a single, uniform, centrally administered program of safety for all mines.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will now read by titles the committee amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 4287

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Mine Safety and Health Amendments Act of 1977".

TITLE I—AMENDMENTS TO THE GENERAL PROVISIONS OF THE FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969

SHORT TITLE

SEC. 101. The first section of the Federal Coal Mine Health and Safety Act of 1969 is amended to read as follows: "That this Act may be cited as the 'Federal Mine Safety and Health Act of 1977' ".

DEFINITIONS AND APPLICABILITY

SEC. 102. (a)(1) Section 2 of the Federal Coal Mine Health and Safety Act of 1969 is amended by inserting "or other" immediately after "coal" wherever it appears.

(2) Section 2(g)(1) of such Act is amended by striking out "the Interior" and inserting in lieu thereof "Labor".

(b)(1) Section 3(a) of such Act is amended by striking out "the Interior" and inserting in lieu thereof "Labor".

(2) Section 3(h) of such Act is amended to read as follows:

"(h)(1) 'coal or other mine' means (A) an area of land from which minerals are extracted in nonliquid form or, if in liquid form, are extracted with workers underground, (B) private ways and roads appurtenant to such area, and (C) lands, excavations, underground passageways, shafts, tunnels and workings, structures, facilities, equipment, machines, tools, or other property including impoundments, retention dams, and tailings ponds, on the surface or underground, used in, or to be used in, or resulting from, the work of extracting such minerals from their natural deposits in nonliquid form, or if in liquid form, with workers underground, or used in the milling of such minerals, or the work of preparing coal, and includes custom coal preparation facilities, except that with respect to protection against radiation hazards such term shall not include property used in the milling of source minerals defined in the Atomic Energy Act of 1954, as amended. In making a determination of what constitutes mineral milling for purposes of this Act the Secretary shall give due consideration to the convenience of administration resulting from the delegation to one Assistant Secretary of all authority with respect to the health and safety of miners employed at one physical establishment;

"(2) For purposes of titles II, III, and IV, 'coal mine' means an area of land and all structures, facilities, machinery, tools, equipment, shafts, slopes, tunnels, excavations, and other property, real or personal, placed upon, under, or above the surface of such land by any person, used in, or to be used in, or resulting from, the work of extracting in such area bituminous coal, lignite, or anthracite from its natural deposits in the earth by any means or method, and the work of preparing the coal so extracted, and includes custom coal preparation facilities;".

(3) Sections 3(d), (e), (g), and (j) of such Act are each amended by inserting "or other" immediately after "coal" wherever it appears.

(4) Section 3 of such Act is amended by striking out the word "and" at the end of paragraph (l), by striking out the period at the end of paragraph (m) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(n) 'Administration' means the Mine Safety and Health Administration in the Department of Labor."

(c) Section 4 of such Act is amended by inserting "or other" immediately after "coal".

TITLE II—MINE SAFETY AND HEALTH STANDARDS AMENDMENTS

AMENDMENTS TO TITLE I

SEC. 201. (a) Title I of the Federal Coal Mine Health and Safety Act of 1969 is amended by inserting "or other" immediately after "coal" wherever that term occurs.

(b) Section 101(g) of such Act is amended by adding at the end thereof the following new paragraph:

"The Secretary of Health, Education, and Welfare, as soon as possible after the date of enactment of the Federal Mine Safety and Health Amendments Act of 1977 but in no event later than three years after such date, and on a continuing basis thereafter, shall, for each toxic material or harmful physical agent which is used or found in a coal or other mine, determine whether such material

or agent is potentially toxic at the concentrations in which it is used or found in a coal or other mine. The Secretary of Health, Education, and Welfare shall submit such determination to the Secretary, together with all pertinent criteria, and a proposed standard.".

TITLE III—MISCELLANEOUS PROVISIONS

TRANSFER MATTERS

SEC. 301. (a) Except with respect to the functions assigned to the Secretary of the Interior pursuant to section 501 of the Federal Coal Mine Health and Safety Act of 1969, the functions of the Secretary of the Interior under the Federal Coal Mine Health and Safety Act of 1969, as amended, and the Federal Metal and Nonmetallic Mine Safety Act are transferred to the Secretary of Labor.

(b) (1) The mandatory standards relating to mines, issued by the Secretary of the Interior under the Federal Metal and Nonmetallic Mine Safety Act and standards and regulations under the Federal Coal Mine Health and Safety Act of 1969 which are in effect on the date of enactment of this Act shall remain in effect as standards applicable to metallic and nonmetallic mines and to coal mines respectively under the Federal Mine Safety and Health Act of 1977 until such time as the Secretary shall issue new or revised standards applicable to metal and nonmetallic mines and new or revised standards applicable to coal mines.

(2) Within sixty days after the effective date of this Act, the Secretary shall establish an advisory committee which shall, within one hundred and eighty days after the date of the establishment of such advisory committee, review the advisory health and safety standards issued by the Secretary of the Interior under the Federal Metal and Nonmetallic Mine Safety Act and recommend to the Secretary which of those standards (or any modification of such standards which does not substantially diminish the health and safety of miners) should be promulgated as health and safety standards under the Federal Mine Safety and Health Act of 1977. The Secretary shall publish, within sixty days after any recommendations of the advisory committee under this paragraph, each of the standards so recommended for adoption with or without modification as a health and safety standard under such Act by publication of such standard in the Federal Register, and afford interested persons a period of twenty-five days after publication to submit written data or comment. Within thirty days after the close of the comment period specified in the preceding sentence, the Secretary shall promulgate by publication in the Federal Register a standard based upon the advisory committee recommended with or without modification, and the data and comments received thereon, unless the Secretary determines that such a standard will not promote the health and safety of miners and publishes an explanation of that determination in the Federal Register.

(3) All interpretations, regulations, and instructions of the Secretary of the Interior or the Director of the Bureau of Mines, in effect on the date of enactment of this Act and not consistent with any provision of this Act or any amendment made by this Act, shall be published in the Federal Register and shall continue in effect until modified or superseded in accordance with the provisions of this Act.

(c) (1) All unexpended balances of appropriations, personnel, property, records, obligations, and commitments which are used primarily with respect to any function transferred under the provisions of subsection (a) of this section to the Secretary shall be transferred to the Department of Labor. The transfer of personnel pursuant to this paragraph shall be without reduction in classification or compensation for one year after such transfer, except that the Secretary of Labor shall have full authority to assign personnel during such one-year period in order to efficiently carry out functions transferred to him under this Act.

(2) All orders, decisions, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges (A) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this section by any department or agency, any functions of which are transferred by this section, and (B) which are in effect at the time this section take effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Labor, by any court of competent jurisdiction, or by operation of law

(3) The provisions of this section shall not affect any proceedings pending at the time this section takes effect before any department or agency, functions of which are transferred by this section; except that such proceedings, to the extent that they relate to functions so transferred, shall be continued fore the Secretary of Labor. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Labor, by a court of competent jurisdiction, or by operation of law.

(4) The provisions of this section shall not affect suits commenced prior to the date this section takes effect and in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this section had not been enacted; except that if before the date on which this section takes effect, any department or agency (or officer thereof in his official capacity) is a party to a suit involving functions transferred to the Secretary, then such suit shall be continued by the Secretary of Labor. No cause of action, and no suit, action, or other proceeding, by or against any department or agency (or officer thereof in his official capacity) functions of which are transferred by this section, shall abate by reason of the enactment of this section. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or the Secretary as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this paragraph.

(d) For purposes of this section, (1) the term "function" includes power and duty, and (2) the transfer of a function, under any provision of law, of an agency or the head of a department shall also be a transfer of all functions under such law which are exercised by any officer or officer of such agency or department.

MINE SAFETY AND HEALTH ADMINISTRATION

SEC. 302. (a) There is established in the Department of Labor a Mine Safety and Health Administration to be headed by an Assistant Secretary of Labor for Mine Safety and Health appointed by the President, by and with the advice and consent of the Senate. The Secretary is authorized and directed, except as specifically provided otherwise, to carry out his functions under the Federal Mine Safety and Health Act of 1977 through the Mine Safety and Health Administration.

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following paragraph:

"(114) Assistant Secretary of Labor for Mine Safety and Health.".

AMENDMENTS WITH RESPECT TO MINE SAFETY AND ADMINISTRATION

SEC. 303. (a) (1) Section 501(a) of the Federal Coal Mine Health and Safety Act of 1969 is amended by inserting "or other" immediately after "coal" wherever it appears therein, and by striking out "The Secretary and" and inserting in lieu thereof "The Secretary of the Interior and".

(2) Section 501(b) of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein and by inserting after "Welfare" the following: through the National Institute for Occupational Safety and Health established under the Occupational Safety and Health Act of 1970"; and by striking out the period at the end thereof and inserting in lieu thereof "of the Interior in coordination with the Secretary".

(3) Section 501(d) of such Act is amended by inserting "or other" immediately after "coal".

(b) Section 502 of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein.

(c) (1) Section 503(a) of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein.

(2) Section 503(b) of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein.

(d) (1) Section 503(f) of such Act is amended by inserting "or other" immediately after "coal".

(2) Section 503(g) of such Act is amended by inserting "or other" immediately after "coal".

(e) (1) Section 505 of such Act is amended by striking out "the mining of coal" and inserting in lieu thereof "in mining".

(2) Section 505 of such Act is further amended by striking out the period at the end of the second sentence thereof and inserting in lieu thereof "; *Provided, however,* That, to the maximum extent feasible, in the selection of persons for appointment as mine inspectors, no person shall be so selected unless he has the basic qualifications of at least five years practical mining experience and in assigning mine inspectors to the inspection and investigation of individual mines, due consideration shall be given to the extent possible to their previous experience in the particular type of mining operation where such inspections are to be made."

(f) Section 506(b) of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein.

(g) (1) Section 511(a) of such Act is amended by inserting "or other" immediately after "coal".

(2) Section 511(b) of such Act is amended by inserting "or other" immediately after "coal".

(h) Section 502 of such Act is amended by adding at the end thereof the following new subsection (c):

"(c) (1) The National Mine Health and Safety Academy shall be maintained as an agency of the Department of the Interior. The Academy shall be responsible for the training of mine safety and health inspectors under section 505 of this Act, and in training of technical support personnel of the Mine Safety and Health Administration established under section 302 of the Federal Mine Safety and Health Amendments Act of 1977; and for any other training programs for mine inspectors, mining personnel, or other persons as the Secretaries of Labor and Interior shall designate. In performing this function, the Academy shall have the authority to enter into cooperative educational and training agreements with educational institutions, State governments, labor organizations, and mine operators and related industries. Such training shall be conducted by the Academy in accordance with curricu-

lum needs and assignment of instructional personnel established by the user.

"(2) In performing its function pursuant to this section, the National Mine Health and Safety Academy shall use the facilities and personnel of the Department of the Interior, and such other personnel as shall be mutually agreed upon by the Secretaries of Labor and Interior. The Secretary of the Interior, upon request by the Academy, shall appoint or assign to the Academy such officers and employees as the Director of the Academy deems necessary for the performance of the duties and functions of the Academy.

"(3) The Secretary of the Interior shall conduct his safety research responsibilities under section 501 of this Act in coordination with the Secretary of Labor, and the Secretaries of Labor and the Interior are authorized to enter into contractual or other agreements for the performance of such safety related research.".

SAVINGS PROVISION

SEC. 304. Nothing contained in this Act or any amendment made by this Act shall be construed to reduce the number of inspectors engaged in enforcement of the Federal Coal Mine Health and Safety Act of 1969 and the Federal Metal and Nonmetallic Mine Safety Act as in effect prior to the effective date of this Act or to reduce the number of inspectors engaged in the enforcement of the Occupational Safety and Health Act of 1970.

BUDGET PROVISION

SEC. 305. In the preparation of the Budget message required under section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), the President shall set forth as separate appropriation accounts amounts required for appropriation for mine health and safety pursuant to the Federal Mine Health and Safety Act of 1977 and for occupational safety and health pursuant to the Occupational Safety and Health Act of 1970.

REPEALER

SEC. 306. The Federal Metal and Nonmetallic Mine Safety Act is repealed.

EFFECTIVE DATE

SEC. 307. This Act and the amendments made by this Act shall take effect 90 days after the date of the enactment of this Act except that the Secretary of Labor is authorized to establish such rules and regulations as may be necessary for the efficient transfer of functions provided under this Act.

Mr. GAYDOS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENTS OFFERED BY MR. GAYDOS

Mr. GAYDOS. Mr. Chairman, I offer 3 conforming amendments, which were printed in the RECORD on July 12 at page 22581, and I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. GAYDOS: On page 80, immediately following line 23, insert the following:

"(b) Section 101(c) of such Act is amended by striking out 'Labor' and inserting in lieu thereof, 'the Interior'.

On page 80, line 24, strike out "(b)" and insert in lieu thereof, "(c)".

On page 87, line 15, strike the period following the word "therein", and insert the following: ", and by striking 'Labor' and inserting in lieu thereof, 'the Interior'."

Mr. GAYDOS (during the reading). Mr. Chairman, I ask unanimous consent that these amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAYDOS. Mr. Chairman, the purpose of these amendments is to correct errors in the printed text. They have been distributed to the minority, and to my information they have received approval.

Mr. Chairman, these technical amendments are offered to eliminate a redundancy in the bill as written. Sections 101(c) and 503(a) of the Coal Act, which H.R. 4287 makes applicable to "coal or other" mines, refer to the Secretary of Interior, the Secretary of Health, Education, and Welfare, and the Secretary of Labor. Because of the transfer of administration and enforcement activities to the Department of Labor from the Department of Interior, the bill as written refers to the Secretary of Labor, the Secretary of Health, Education, and Welfare, and the Secretary of Labor. The technical amendments correct this redundant reference by amending the bill to read "the Secretary of Labor, the Secretary of Health, Education, and Welfare, and the Secretary of Interior.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania (Mr. GAYDOS).

The amendments were agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SARASIN

Mr. SARASIN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. SARASIN:

That this Act may be cited as the "Federal Metal and Nonmetallic Mine Safety and Health Act Amendments of 1977".

SEC. 2. The Federal Metal and Nonmetallic Safety Act is amended to read as follows:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Federal Metal and Nonmetallic Mine Safety and Health Act'.

"CONGRESSIONAL FINDINGS AND PURPOSES

"SEC. 2. (a) Congress finds and declares that—

"(1) the first priority and concern of all in the metal and nonmetallic mining industry must be the health and safety of its most precious resource—the miner;

"(2) deaths and serious injuries from unsafe and unhealthful conditions and practices in metal and nonmetallic mines cause grief and suffering to the mines and to their families;

"(3) there is an urgent need to provide more effective means and measures for improving the working conditions and practices in the Nation's metal and nonmetallic mines in order to prevent death and serious physical harm, and in order to prevent occupational diseases originating in such mines;

"(4) the existence of unsafe and unhealthful conditions and practices in the Nation's metal and nonmetallic mines is a serious impediment to the future growth of the mining industry and cannot be tolerated;

"(5) the operators of such mines, with the assistance of the miners, have the primary responsibility to prevent the existence of such conditions and practices in such mines; and

"(6) the disruption of production and the loss of income to operators and miners as a result of metal and nonmetallic mine accidents or occupationally caused disease unduly impedes and burdens commerce.

"(b) The Congress therefore declares it to be its purpose and policy—

"(1) to encourage employers and employees in their efforts to reduce the number of occupational safety and health hazards in metal and nonmetallic mines and to stimulate employers and employees to institute new and to perfect existing programs for providing safe and healthful working conditions;

"(2) to provide that employers and employees have separate but dependent responsibilities and rights with respect to achieving safe and healthful working conditions;

"(3) to authorize the Secretary of Labor to set mandatory safety and health standards applicable to metal and nonmetallic mines affecting interstate commerce;

"(4) to authorize the Secretary of Health, Education, and Welfare and the Secretary of the Interior to conduct research in the field of metal and nonmetallic mine safety and health, and to develop innovative methods, techniques, and approaches for dealing with metal and nonmetallic mine safety and health problems;

"(5) to explore ways to discover latent diseases, establishing causal connections between diseases and work in environmental conditions, and conducting other research relating to health problems, in recognition of the fact that mine health standards present problems often different from those involved in mine safety;

"(6) to provide medical criteria which will assure insofar as practicable that no metal or nonmetallic mine employee will suffer diminished health, functional capacity, or life expectancy as a result of his work experience;

"(7) to provide an effective enforcement program which shall include a prohibition against giving advance notice of any inspection and protection from discrimination against any miner instituting or testifying in any proceeding involving an alleged violation of this Act; and

"(8) by providing for appropriate reporting procedures with respect to metal and nonmetallic mine safety and health, which procedures will help achieve the objectives of this Act and accurately describe the nature of the metal and nonmetallic mine safety and health problem.

"DEFINITIONS AND COVERAGE

"SEC. 3. (a) For the purposes of this Act:

"(1) The term 'commerce' means trade, traffic, commerce, transportation, or communication among the several States, or between a State and any place outside thereof, or within the District of Columbia, the Commonwealth of Puerto Rico, or a possession of the United States (other than the Trust Territory of the Pacific Islands), or between points in the same State but through a point outside thereof.

"(2) The term 'mine' means (1) an area of land from which minerals (other than coal or lignite) are extracted in nonliquid form or, if in liquid form, are extracted with workers underground, (2) private ways and roads appurtenant to such area, and (3) land, excavations, underground passageways, and workings, structures, facilities, equipment, machines, tools, or other property, on the surface or underground, used in the work of extracting such minerals (other than coal or lignite) from their natural deposits in nonliquid forms, or if in liquid form, with workers underground, or used in the

milling of such minerals, except that with respect to protection against radiation hazards such term shall not include property used in the milling of source material as defined in the Atomic Energy Act of 1954, as amended.

"(3) The term 'operator' means any person, partnership, association, or corporation, or subsidiary of a corporation operating a mine, and owning the right to do so, and includes any independent contractor therewith and any agent thereof in cases where such contractor or agent is charged with responsibility for the operation of such mine or for the supervision of the miners in such mine.

"(4) The term 'Secretary' means the Secretary of Labor.

"(5) The term 'Commission' means the Federal Metal and Nonmetallic Mine Safety and Health Commission established under section 18.

"(6) The term 'State' includes a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

"(7) The term 'miner' means any individual working in a mine.

"(8) The term 'injury' means (A) any harmful change in the human organism which can be determined to be work related, whether or not the result of an accident, and includes any occupational disease, and (B) any damage to or loss of prosthetic and orthotic devices.

"(9) The term 'imminent danger' means danger which could reasonably be expected to cause death or serious injury immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided by this Act, and includes such danger resulting from exposure of miners to toxic materials or harmful physical agents.

"(b) Each mine the products of which regularly enter commerce, or the operations of which affect commerce, shall be subject to this Act.

"(c) Nothing in this Act shall be construed to supersede or in any manner affect any workmen's compensation law or to enlarge or diminish or affect in any other manner the common law or statutory rights, duties, or liabilities of operators and miners under any law with respect to injuries, diseases, or death of miners arising out of, or in the course of, employment.

"DUTIES

"SEC. 4. (a) Each operator of a mine—

"(1) shall furnish to each of his miners employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious injury to his miners;

"(2) shall comply with health and safety standards promulgated under this Act.

"(b) Each miner shall comply with health and safety standards promulgated under this Act and all rules, regulations, and orders issued pursuant to this Act which are applicable to his own actions and conduct.

"HEALTH AND SAFETY STANDARDS

"SEC. 5. (a)(1) The health and safety standards promulgated and designated as mandatory by the Secretary of the Interior under section 6 (as such section existed immediately prior to the effective date of section 2 of the Mine Safety and Health Act of 1977) shall be deemed, as of the effective date of section 2 of the Mine Safety Health Act of 1977, to be health and safety standards promulgated under this section.

"(2) The Secretary shall establish an advisory committee under subsection (d) which shall, within six months after the date of the establishment of such advisory committee, review the health and safety standards promulgated by the Secretary of the Interior (but not designated as mandatory) under section 6 (as such section existed immediately prior to the effective date of section 2 of the Mine Safety and Health Act of 1977) of this Act, and recommend to the Secretary which of those standards (or any modification of such standards which does not substantially diminish the health and safety of miners) should be promulgated as health and safety standards under this section. The Secretary shall publish each of the standards recommended for adoption with or without modification by that advisory committee as a health and safety standard under this section in the Federal Register and afford interested persons a period of forty-five days after publication to submit written data or comments. Within thirty days after the close of the comment period specified in the preceding sentence, the Secretary shall promulgate by publication in the Federal Register a standard based upon the standard recommended with or without modification by the advisory committee and the data and comments received thereon, unless the Secretary determines that such a standard will not promote the health and safety of miners and publishes an explanation of that determination in the Federal Register.

"(3) Within six months after the effective date of section 2 of the Mine Safety and Health Act of 1977, the Secretary shall determine which of the occupational safety and health standards promulgated under section 6 of the Occupational Safety and Health Act of 1970 pertain to miners employed in the milling of minerals in mines subject to this Act. The Secretary shall publish in the Federal Register each such standard so determined, unless the Secretary determines that such standard does not promote the health and safety of miners employed in the milling of minerals in mines subject to this Act. The Secretary shall afford interested persons a period of forty-five days after publication to submit written data or comments. Unless the Secretary determines, on the basis of such data and comments, that a standard does not promote the health and safety of such miners, the Secretary shall promulgate by publication in the Federal Register, within thirty days after the close of the comment period specified in the preceding sentence, a standard based upon the standard published under the second sentence of this paragraph and the data and comments received thereon, together with an explanation of the reasons such standard is pertinent to such miners. Any health and safety standard deemed under the preceding sentence to be a health and safety standard promulgated under this section shall supersede any corresponding standard in effect under paragraph (1) or (2) of this subsection with respect to miners employed in the milling of minerals in mines subject to this Act, if such standard under the preceding sentence provides substantially as effective protection to miners as the standard it would supersede.

"(4) Within one year after the effective date of section 2 of the Mine Safety and Health Act of 1977, the Secretary shall review all occupational safety and health standards promulgated under section 6 of the Occupational Safety and Health Act of 1970 and shall commence proceedings for promulgation of those standards which are appropriate for miners in accordance with subsection (b).

"(b) The Secretary shall by rule promulgate any health or safety standard under this section, and modify, or revoke any health and safety standard promulgated under this section, in the following manner, but any such modification or revocation of any such health and safety standard shall be accompanied by an explanation, to be published in the Federal Register, of how that modification or revocation provides substantially as effective protection to the health or safety of miners:

"(1) Whenever the Secretary, upon the basis of information submitted to him in writing by an interested person, a representative of any organization of operators or miners, a nationally recognized standards-producing organization, the Secretary of Health, Education, and Welfare, the National Institute for Occupational Safety and Health, the Director of the Bureau of Mines, or a State or political subdivision, or on the basis of information developed by the Secretary or otherwise available to him, determines that a rule should be promulgated in order to serve the objectives of this Act, the Secretary may request the recommendations of an advisory committee appointed under subsection (d), but the Secretary shall request the recommendation of an advisory committee when considering the standards under (a)(4) of this section. Whenever the Secretary receives in writing from any person a proposal for the promulgation, modification, or revocation of any health and safety standard under this section, the Secretary shall review such proposal, and respond, within sixty days after receipt of such proposal, as to whether or not proceedings with respect to such proposal will be initiated under this subsection. The Secretary shall provide such an advisory committee with any proposals of his own or of the Secretary of Health, Education, and Welfare, together with all pertinent factual information developed by the Secretary or the Secretary of Health, Education, and Welfare, or otherwise available, including the results of research, demonstrations, and experiments. An advisory committee shall submit to the Secretary its recommendations regarding the rule to be promulgated within ninety days from the date of its appointment or within such longer or shorter period as may be prescribed by the Secretary, but in no event for a period which is longer than two hundred and seventy days.

"(2) The Secretary shall publish a proposed rule promulgating, modifying, or revoking health and safety standards in the Federal Register and shall afford interested persons a period of sixty days after publication to submit written data or comments. Where an advisory committee is appointed and the Secretary determines that a rule should be issued, he shall publish the proposed rule within sixty days after the submission of the advisory committee's recommendations or the expiration of the period prescribed by the Secretary for such submission.

"(3) On or before the last day of the period provided for the submission of written data or comments under paragraph (2), any interested person may file with the Secretary written objections to the proposed rule, stating the grounds therefor and requesting a public hearing on such objections: *Provided*, That any hearing held pursuant to this section shall conform to the provisions of section 554 of title 5, United States Code. Within thirty days after the last day for filing such objections the Secretary shall publish in the Federal Register a notice specifying the health and safety standard to which objections have been filed and a hearing requested, and specifying a time and place for such hearing.

"(4) Within sixty days after the expiration of the period provided for the submission of written data or comments under paragraph (2), or within sixty days after the completion of any hearing held under paragraph (3), the Secretary shall issue a rule promulgating, modifying, or revoking a health and safety standard or make a determination that a rule should not be issued which shall be published in the Federal Register, together with an explanation of the reasons for such determination. Such a rule may contain a provision delaying its effective date for such period (not in excess of ninety days) as the Secretary determines may be

necessary to insure that affected operators and miners will be informed of the existence of the standard and of its terms and that operators affected are given an opportunity to familiarize themselves and their miners with the existence of the requirements of the standard.

"(5)(A) The Secretary, in promulgating standards dealing with toxic materials or harmful physical agents under this subsection, shall set the standard which most adequately assures, to the extent feasible, on the basis of the best available evidence, that no miner will suffer material impairment of health or functional capacity even if such employee has regular exposure to the hazard dealt with by such standard for the period of his working life. Development of standards under this subsection shall be based upon research, demonstrations, experiments, and such other information as may be appropriate. In addition to the attainment of the highest degree of health and safety protection for the miner, other considerations shall be the number of miners exposed to the hazard, the latest available scientific data in the field, the feasibility of the standard, experience gained under this Act, the Occupational Safety and Health Act of 1970, the Federal Coal Mine Health and Safety Act of 1969, and the Atomic Energy Act of 1954, and experience gained by appropriate Federal agencies with expertise relating to conditions and practices in mines subject to this Act. Whenever practicable, the standard promulgated shall be expressed in terms of objective criteria and of the performance desired.

"(B) Any standard dealing with toxic materials or harmful physical agents promulgated under this section shall provide for miners or their representatives the opportunity to observe monitoring and measuring of miner exposures to toxic materials or harmful physical agents required to be monitored or measured under such standard and the opportunity for access to the records thereof required to be maintained under section 8(b)(3). Such standard shall provide that each miner or former miner shall have access to such records of medical examinations and other tests as will indicate his own exposure to such toxic materials or harmful physical agents, and each operator shall promptly notify any miner who has been or is being exposed to such toxic materials or harmful physical agents in concentrations or at levels which exceed those prescribed by the standard, and shall inform any miner who is thus being exposed of the corrective action being taken. Where appropriate, the standard shall provide that where a determination is made that a miner may suffer a material impairment of health or functional capacity by reason of exposure to the hazard covered by the standard, that miner shall be removed from such exposure and reassigned. In such event, the standard shall also provide that there shall be no loss of earnings, seniority, or status to the miner as a result of such removal and reassignment.

"(6) Any standard promulgated under this section shall prescribe the use of labels or other appropriate forms of warning as are necessary to insure that miners are appraised of all hazards to which they are exposed, relevant symptoms and appropriate emergency treatment, and proper conditions and precautions of safe use or exposure. Such standard shall also prescribe suitable protective equipment and control and technological procedures to be used in connection with such hazards and shall provide for monitoring and measuring miner exposure at such locations and intervals, in such manner as may be necessary for the protection of miners. In addition, where appropriate, any such standard shall prescribe the type and frequency of medical examinations and other tests which shall be made available by the operator or at his cost, to miners exposed to such hazards in order to most effectively determine whether the health of such miners is adversely affected by such exposure. In the event such medical examinations are in the nature of research, as determined by the Secretary of Health, Education, and Welfare, such examinations may be furnished at the expense of the Secretary of Health, Education, and Welfare. The results of such examinations and tests shall be furnished only to the Secretary, the Secretary of Health, Education, and Welfare, the operator or his authorized agent (except in the case of examinations furnished by the Secretary of Health, Education, and Welfare), and, at the request of the miner, to himself, his authorized representative, or his physician. The Secretary, in consultation with the Secretary of Health, Education, and Welfare, may by rule promulgated pursuant to section 553 of title 5, United States Code, make appropriate modifications in the foregoing requirements relating to the use of labels or other forms of warning, monitoring or measuring, and medical examinations, as may be warranted by experience, information, or medical or technological developments acquired subsequent to the promulgation of the relevant standard.

"(7) As soon as possible after the date of enactment of the Mine Safety and Health Act of 1977, but in no event later than three years after such date, the Secretary of Health, Education, and Welfare shall, for each toxic material or harmful physical agent which is on the list required under section 23(h) and which is not covered by a health and safety standard promulgated under this section, determine under such section 23(h) whether such material or agent is potentially toxic at the concentrations in which it is used or found in a mine, and shall immediately submit such determination to the Secretary, together with all pertinent criteria. Within ninety days after receiving any determination together with criteria in accordance with the preceding sentence, the Secretary shall either appoint an advisory committee to make recommendations with respect to a health and safety standard covering such material or agent in accordance with paragraph (1) or publish a proposed rule promulgating such a health and safety standard in accordance with paragraph (2).

"(8) In determining the priority for establishing standards under this section, the Secretary shall give due regard to the urgency of the need for mandatory health and safety standards, including the recommendations of the Secretary of Health, Education, and Welfare regarding such need.

"(c)(1) The Secretary shall provide, without regard to the requirements of chapter 5, title 5, United States Code, for an emergency temporary standard to take immediate effect upon publication in the Federal Register if he determines (A) that miners are exposed to grave danger from exposure to substances or agents determined to be toxic or to cause injury or from other hazards, and (B) that such emergency standard is necessary to protect miners from such hazard: *Provided*, That the Secretary may not propose a civil penalty under section 16 of this Act for a violation of an emergency temporary standard.

"(2) Such standard shall be effective until superseded by a standard promulgated in accordance with the procedures prescribed in paragraph (3).

"(3) Upon publication of such standard in the Federal Register the Secretary shall commence a proceeding in accordance with subsection (b) of this section, and the standard as published shall also serve as a proposed rule for the proceeding. The Secretary shall promulgate a standard under this paragraph no later than nine months after publication of the emergency standard as provided in paragraph (2).

"(d) The Secretary may establish an advisory committee to assist him in his standard-setting functions under this section. Each such committee shall consist of not more than fifteen members, including as members designees of the Secretary of Health, Education, and Welfare and of the Secretary of the Interior, and including among its members an equal number of persons qualified by experience and affiliation to present the viewpoint of the employers involved, and of persons similarly qualified to present the viewpoint of the workers involved, as well as one or more representatives of mine health and safety agencies of the States. Any such advisory committee may also include such other persons as the Secretary may appoint who are qualified by knowledge and experience to make a useful contribution to the work of such committee, including one or more representatives of professional organizations of technicians or professionals specializing in mine safety or health, and one or more representatives of nationally recognized standards-producing organizations, but the number of persons so appointed to any such advisory committee shall not exceed the number appointed to such committee as representatives of Federal and State agencies. Persons appointed to advisory committees from private life shall be compensated in the same manner as consultants or experts under section 3109 of title 5, United States Code. The Secretary shall pay to any State which is the employer of a member of such a committee who is a representative of the mine health or safety agency of that State reimbursement sufficient to cover the actual cost of the State resulting from such representative's membership on such committee. Any meeting of such committee shall be open to the public and an accurate record shall be kept and made available to the public. No member of such committee (other than representatives of employers and employees) shall have an economic interest in any proposed rule.

"(e) Any person who may be adversely affected by a standard issued under this section may at any time prior to the sixtieth day after such standard is promulgated file a petition challenging the validity of such standard with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review of such standard. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The filing of such petition shall not, unless otherwise ordered by the court, operate as a stay of the standard. The determinations of the Secretary shall be conclusive if supported by substantial evidence in the record considered as a whole.

"VARIANCES

"SEC. 6. (a) Any affected operator may apply to the Secretary for a rule or order for a variance from a standard promulgated under section 5. Affected miners shall be given notice of each such application and an opportunity to participate in a hearing. The Secretary shall issue such rule or order if he determines on the record, after opportunity for an inspection where appropriate and a hearing, that the proponent of the variance has demonstrated by a preponderance of the evidence that the conditions, practices, means, methods, operations, or processes used or proposed to be used by an operator will provide employment and places of employment to his miners which are as safe and healthful as those which would prevail if he complied with the standard. The rule or order so issued shall prescribe the conditions the operator must maintain, and the practices, means, methods,

operations, and processes which he must adopt and utilize to the extent they differ from the standard in question. Such a rule or order may be modified or revoked upon application by an affected operator or miner, or by the Secretary on his own motion, in the manner prescribed for its issuance under this subsection at any time after six months from its issuance.

"(b) The Secretary may grant a variance from any standard or portion thereof whenever he determines, or the Secretary of Health, Education, and Welfare or the Secretary of the Interior certifies, that such variance is necessary to permit an operator to participate in an experiment approved by him or by the Secretary of Health, Education, and Welfare or the Secretary of the Interior designed to demonstrate or validate new and improved techniques to safeguard the health or safety of miners, if the Secretary determines that adequate protection is afforded to the health and safety of miners.

"(c)(1) Any operator may apply to the Secretary for a temporary order granting a variance from a standard or any provision thereof promulgated under section 5. Such temporary order shall be granted only if the operator files an application which meets the requirements of paragraph (2) and establishes that (A) he is unable to comply with a standard by its effective date because of unavailability of professional or technical personnel or of materials and equipment needed to come into compliance with the standard or because necessary construction or alteration of facilities cannot be completed by the effective date, (B) he is taking all available steps to safeguard his miners against the hazards covered by the standard, and (C) he has an effective program for coming into compliance with the standard as quickly as practicable. Any temporary order issued under this subsection shall prescribe the practices, means, methods, operations, and processes which the operator must adopt and use while the order is in effect and state in detail his program for coming into compliance with the standard. Such a temporary order may be granted only after notice to miners and an opportunity for a hearing: *Provided*, That the Secretary may issue one interim order to be effective until a decision is made on the basis of the hearing. No temporary order may be in effect for longer than the period needed by the operator to achieve compliance with the standard or one year, whichever is shorter, except that such an order may be renewed not more than twice as long as the requirements of this subsection are met and if an application for renewal is filed at least ninety days prior to the expiration date of the order. No interim renewal of an order may remain in effect for longer than one hundred and eighty days.

"(2) An application for a temporary order under this subsection shall contain—

"(A) a specification of the standard or portion thereof from which the operator seeks a variance;

"(B) a representation by the operator, supported by representations from qualified persons having first-hand knowledge of the facts represented, that he is unable to comply with the standard or portion thereof and a detailed statement of the reasons therefor;

"(C) a statement of the steps he has taken and will take (with specific dates) to protect miners against the hazard covered by the standard;

"(D) a statement of when he expects to be able to comply with the standard and what steps he has taken and what steps he will take (with dates specified) to come into compliance with the standard; and

"(E) a certification that he has informed his miners of the application by giving a copy thereof to their authorized representative, posting a statement giving a summary of the application and specifying where a copy may be examined at the place or places where notices to miners are normally posted, and by other appropriate means.

A description of how miners have been informed shall be contained in the certification. The information to employees shall also inform them of their rights to petition the Secretary for a hearing.

"(d) The Secretary, on the record, after notice and opportunity for a hearing, may provide such reasonable limitations and may make such rules and regulations allowing reasonable variations, tolerances, and exemptions to and from any or all provisions of this Act as he may find necessary and proper to avoid serious impairment of the national defense. Such action shall not be in effect for more than six months without notification to affected miners and an opportunity being afforded for a hearing.

"(e) Whenever the Secretary grants any variance, variation, tolerance, or exception under this section, he shall include a statement of the reasons for such action, which shall be published in the Federal Register.

"INSPECTIONS

"SEC. 7. (a) In order to carry out the purposes of this Act; the Secretary or an authorized representative upon presenting appropriate credentials to the owner, operator, or agent in charge, and for the purposes of developing improved mandatory health standards the Secretary of Health, Education, and Welfare, or an authorized representative, are authorized—

"(1) to enter without delay, and at reasonable times, any mine subject to this Act, and

"(2) to inspect and investigate, during regular working hours and at other reasonable times, within reasonable limits, and in a reasonable manner, any such and all pertinent conditions, structures, machines, apparatus, devices, equipment, and materials therein, and to consult privately with any such employer, owner, operator, agent, or miner. In carrying out the requirements of this section in each mine, the Secretary shall make inspections of each entire underground mine at least four times a year and inspections of each entire surface mine and each milling operation of a mine at least two times a year. No advance notice shall be given for any inspection or investigation under this section except upon the authorization of the Secretary.

"(b) In making his inspections and investigations under this Act the Secretary may require the attendance and testimony of witnesses and the production of evidence under oath. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of a contumacy, failure, or refusal of any person to obey such an order, any district court of the United States or the United States courts of any territory or possession, within the jurisdiction of which such person is found, or resides or transacts business, upon the application by the Secretary, shall have jurisdiction to issue to such person an order requiring such person to appear to produce evidence if, as, and when so ordered, and to give testimony relating to the matter under investigation or in question, and any failure to obey such order of the court may be punished by said court as a contempt thereof.

"(c) Subject to regulations issued by the Secretary, a representative of the operator and a representative authorized by his miners shall be given an opportunity to accompany the Secretary or his authorized representative during the inspection of any mine under subsection (a). Where there is no authorized miner representative, the Secretary or his authorized representatives shall consult with a reasonable number of miners concerning matters of health and safety in the mine. To the extent that the inspector determines that more than one representative from each party would further aid the inspection, he can permit each party to have an equal number of such additional representatives. Any representative of miners who is also an employee of the operator shall suffer no loss of pay as a result of his participation in the inspection made under this subsection.

"(d)(1) Any miner or representative of miners who believes that a violation of section 4(a) exists which may cause injury, or that an imminent danger exists, may request an inspection by giving notice to the Secretary or his authorized representative of such violation or danger. Any miner or representative of miners who requests such an inspection on the grounds that an imminent danger exists shall notify the operator of such request. Upon such notification the Secretary shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if such violation or danger exists, unless the Secretary determines there are no reasonable grounds to believe that a violation or danger exists, in which case he shall notify the miners or representative of the miners in writing of such determination. The Secretary shall make an inspection or give notification under the preceding sentence within thirty days after receipt by the Secretary of a notification of violation or imminent danger under the first sentence of this paragraph.

"(2) Prior to or during any inspection of a mine, any miners or representative of miners employed in such mine may notify the Secretary or any representative of the Secretary responsible for conducting the inspection of any violation of this Act which they have reason to believe exists in such mine. The Secretary shall inspect such alleged violation as soon as practicable after, but in no event later than ten days after, receipt of such notification, except as provided under the following sentence. The Secretary shall, by regulation, establish procedures for informal review of any refusal by a representative of the Secretary to conduct an inspection or issue a citation with respect to any such alleged violation and shall furnish the miners or representatives of miners requesting such review a written statement of the reasons for the Secretary's final disposition of the case within thirty days after the request for informal review.

"(3) Upon the request of any individual giving notice under this subsection, his name and the names of individual miners referred to in such notice shall not appear on any record published, released, or made available under this Act. A copy (subject to the requirement of the preceding sentence) of any notice given under this subsection shall be given, at the time of the inspection, to the operator.

"REQUIREMENTS IN CASES OF ACCIDENTS; RECORDS AND REPORTS

"SEC. 8. (a)(1) For purposes of this section, the term 'accident' includes any mine explosion, ignition, fire, unintentional roof fall, or inundation, whether or not resulting in the death or injury of any miner, and includes any other accident which results in the death or injury (other than a minor injury requiring only first aid treatment and which does not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job) of any miner.

"(2) Each accident in a mine shall be investigated by the operator or his agent to determine the cause and the means of preventing a recurrence. Records of such accidents and investigations, together with a description of any conditions similar to those which caused the accident which exist in other areas of the mine, and a description of the actions taken by the operator to prevent a similar accident in the same or another area of the mine, shall be kept by the operator and made available to the Secretary or

his authorized representative. Such records shall be open for inspection by miners or representatives of miners who are accompanying the Secretary or his authorized representative pursuant to section 7(c).

"(3) In the event of any accident occurring in a mine, the operator shall promptly notify the Secretary thereof and shall take appropriate measures to prevent the destruction of any evidence which would assist in investigating the cause or causes thereof. In the event of any accident occurring in a mine where rescue and recovery work is necessary, the Secretary or an authorized representative of the Secretary shall take whatever action he deems appropriate to protect the life of any person, and he may, if he deems it appropriate, supervise and direct the rescue and recovery activity in such mine.

"(4) During any inspection in accordance with section 7, the Secretary or his authorized representative shall investigate all conditions relating to accidents which have occurred in such mine, shall review records pertaining to accidents required to be maintained under this section, and shall determine whether actions have been taken by the operator to prevent accidents similar to any such accidents so recorded, and whether any failure to take preventive action violates any health and safety standard promulgated under section 5.

"(b)(1) Each operator shall keep and make available to the Secretary or the Secretary of Health, Education, and Welfare, or Secretary of Health, Education, and Welfare regarding his activities relating to this Act as the Secretary, after consultation with the Secretary of Health, Education, and Welfare and the Secretary of the Interior, may prescribe by regulation as necessary or appropriate for the enforcement of this Act or for developing information regarding the causes and prevention of accidents and illnesses in the mines subject to this Act. In order to carry out the provisions of this subsection such regulations may include provisions requiring operators to conduct periodic inspections.

"(2) The Secretary, in cooperation with the Secretary of Health, Education, and Welfare and the Secretary of the Interior, shall prescribe regulations requiring operators to maintain accurate records of, and to make prompt reports on, work-related deaths and injuries (other than minor injuries requiring only first aid treatment and which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job). The Secretary shall forward to the Secretary of Health, Education, and Welfare records of such deaths and injuries which are caused by disease.

"(3) The Secretary, in cooperation with the Secretary of Health, Education, and Welfare, shall issue regulations requiring operators to maintain for an appropriate length of time accurate records of miner exposures to potentially toxic materials or harmful physical agents which are required to be monitored or measured under section 5, and shall develop and maintain an effective program of collection, compilation, and analysis of statistics relating to health and safety in mines subject to this Act, including accurate statistics on all disabling, serious, or significant work injuries, whether or not involving loss of time from work, other than minor injuries requiring only first aid treatment and which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job.

"MINIMUM BURDEN ON SMALL BUSINESS

"SEC. 9. (a) Any information obtained by the Secretary, the Secretary of Health, Education, and Welfare, or a State agency under this Act shall be obtained with a minimum burden upon operators of small mines subject to this Act. Unnecessary duplication of efforts in obtaining information shall be reduced to the maximum extent feasible.

"(b) The Secretary shall provide to each operator of a mine subject to this Act an accurate and complete copy of the health, and safety standards promulgated under section 5 including any emergency temporary standard under subsection (d) of such section, together with any regulations under this Act which affect such operator, at the first inspection in accordance with section 7 which occurs after (1) the commencement of operations in such mine or (2) the effective date of section 2 of the Mine Safety and Health Act of 1977, whichever is later, and at least once each year after that inspection. In addition, at each inspection of a mine in accordance with section 7, the Secretary shall furnish the operator with current copies of any such standards and regulations which have been changed since the previous inspection of such mine. Compliance with this subsection shall not be a jurisdictional prerequisite to the enforcement of any provision of this Act.

"MINER EDUCATION AND ACCESS TO INFORMATION

"SEC. 10. (a) Copies of records of miners' exposures to toxic materials or harmful physical agents required to be maintained under section 8(b)(3) shall be furnished to the Director of the National Institute for Occupational Safety and Health established under section 22 of the Occupational Safety and Health Act of 1970 upon request. The Director of the National Institute for Occupational Health and Safety shall advise miners (or their authorized representatives) and the operator (or his agent) on any injury or risk of injury indicated by such records, as he deems appropriate.

"(b)(1) The Secretary, in cooperation with the Director of the National Institute for Occupational Safety and Health, and in cooperation with any State program of education and training in the field of mine safety and health, shall carry out a program of education and training for miners employed in mines subject to this Act. Such program shall include publications to be made available to such miners and regular visits by health experts to such mines, for the purpose of improving the health and safety of such mines, and assistance to miners (or their authorized representatives) in evaluating their exposures to toxic materials or harmful physical agents.

"(2) As part of the program of education and training for miners under this subsection, the Secretary shall develop, publish, and disseminate to miners manuals, and annual supplements to or revisions of such manuals, which contain an explanation of all health and safety standards promulgated under section 5 and all regulations under this Act which affect the health and safety of miners, and an explanation of personal protective equipment and the use of such equipment. Such manuals shall be designed so as to assist miners to become more knowledgeable with respect to health and safety in mines.

"(c) The Secretary shall issue regulations requiring that operators, through posting of notices or other appropriate means, keep their miners informed of their protections and obligations under this Act, including the provisions of applicable standards. Such regulations shall provide for the posting, at conspicuous locations, of notices (to be provided to operators by the Secretary) which shall advise miners of such protections and obligations together with the address and telephone number of the nearest regional office of the Department of Labor. Copies of the health and safety standards promulgated under section 5 and regulations under this Act which affect such operators which are furnished to such operators under section 10(b) shall be available in a location in or about each mine subject to this Act which is easily accessible by miners and at which miners check in and out on a daily basis.

"CITATIONS

"SEC. 11. (a) If, upon inspection or investigation, the Secretary or his authorized representative determines that an operator of a mine subject to this Act has violated a requirement of section 4 of this Act, of any standard, rule, or order promulgated pursuant to section 5 of this Act, or of any regulations prescribed pursuant to this Act, he shall with reasonable promptness issue a citation to the operator. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the Act, standard, rule, regulation, or order alleged to have been violated. In addition, the citations shall fix a reasonable time for the abatement of the violation. The Secretary may prescribe procedures for the issuance of a notice in lieu of a citation with respect to de minimis violations which have no substantial direct or immediate relationship to safety or health.

"(b) Each citation issued under this section or a copy or copies thereof, shall be prominently posted, as prescribed in regulations issued by the Secretary, at or near each place a violation referred to in the citation occurred, and at a location on or about the mine in which the violation occurred at which miners check in and out on a daily basis.

"(c) No citation may be issued under this section after the expiration of six months following the occurrence of any violation.

"CLOSURE PROCEDURES

"SEC. 12. (a)(1) If, upon any inspection or investigation of a mine which is subject to this Act, an authorized representative of the Secretary finds that conditions or practices in such mine are such that an imminent danger exists, such representative shall determine the extent of the area of such mine throughout which the danger exists, and issue an order requiring the operator of such mine to cause all persons, except those referred to in subsection (a)(2), to be withdrawn from, and to be prohibited from entering, such area until an authorized representative of the Secretary determines that such imminent danger no longer exists. The issuance of an order under this subsection shall not preclude the issuance of a citation under section 11 or the proposing of a penalty under section 16.

"(2) Persons who shall not be prohibited from entering an area of a mine under an order issued under paragraph (1) are:

"(A) any person whose presence in such area is necessary, as determined jointly by the operator of the mine and an authorized representative of the Secretary, or as determined by an authorized representative of the Secretary, to eliminate the danger described in the order;

"(B) any public official whose official duties required him to enter such area; or

"(C) any legal or technical consultant, or any representative of the employees of the mine, who is a certified person qualified to make mine examinations, or is accompanied by such a person, and whose presence in such area is necessary, as determined jointly by the operator of the mine and an authorized representative of the Secretary, or as determined by an authorized representative of the Secretary, for the proper investigation of the conditions described in the order.

"(3) Whenever and as soon as an inspector concludes that conditions or practices described in paragraph (1) exist in any mine, he shall inform the affected miners and operators of the danger and that he is issuing an order under this subsection.

"(b) If the Secretary arbitrarily or ca-

priciously fails to take appropriate action under subsection (a), any miner who may be injured by reason of such failure, or the representative of such miners, may bring an action against the Secretary in the United States district court for the district in which the imminent danger is alleged to exist or the operator has its principal office, or for the District of Columbia, for an order to compel the Secretary to issue such an order and for such further relief, as may be appropriate.

"(c) If, upon any inspection or investigation of a mine which is subject to this Act, an authorized representative of the Secretary finds that there has been a failure to correct a violation for which a final order is in effect under section 13, within the time period specified pursuant to a citation under section 11(a), he shall also find the extent of the area which is affected by such violation. Thereupon, he may promptly make an order requiring the operator of such mine to cause all persons in such area, except those referred to in subsection (a)(2), to be withdrawn from, and to be prohibited from entering, such area until an authorized representative of the Secretary determines that such violation has been corrected. The issuance of an order under this subsection shall not preclude the issuance of a citation under section 11 or the proposing of a penalty under section 16.

"(d) Orders issued pursuant to this section shall contain a detailed description of the conditions or practices which cause and constitute an imminent danger or a violation of any health or safety standard promulgated under section 5 or a violation of section 4, as the case may be, and, where appropriate, a description of the area of the mine from which persons must be withdrawn and prohibited from entering.

"(e) Each order issued under this section shall be given promptly to the operator or his agent by an authorized representative of the Secretary issuing such order, and all such orders shall be in writing and shall be signed by such representative.

"(f) The Secretary shall by regulation establish a procedure for informal review of any closure order issued under this subsection (c), and the Secretary may, in modifying or setting aside such order, order that the operator shall not be obligated for part of, or all of, the compensation to which miners are entitled under section 24, and shall furnish any operator requesting such review a written statement of the reasons for the Secretary's final disposition of the matter within three days after the request for informal review.

"(g) Any person adversely affected or aggrieved by an order issued under this section may obtain a review of such order in the United States district court for the district in which the danger or violation is alleged to exist or in which the operator has its principal office by filing in such court within sixty days following the issuance of such order a written petition praying that the order be modified or set aside, and the court may, in modifying or setting aside such order, order that the operator shall not be obligated for part of, or all of, the compensation to which miners are entitled under section 24. The modification or setting aside of such an order by any court shall not preclude the issuance of a citation under section 11 or the proposing of a penalty under section 16.

"PROCEDURES FOR ENFORCEMENT

"SEC. 13. (a) If, after an inspection or investigation, the Secretary issues a citation under section 11(a), he shall, within a reasonable time after the termination of such inspection or investigation, notify the operator by certified mail of the penalty, if any, proposed to be assessed under section 16 and that the operator has thirty working days within which to notify the Secretary that he wishes to contest the citation or proposed assessment of penalty. If, within thirty working days after the receipt of the notice issued by the Secretary the operator fails to notify the Secretary that he intends to contest the citation or proposed assessment of penalty, and no notice is filed by any miner or representative of miners under subsection (c) within thirty working days after the citation is posted under section 11(b), the citation and the assessment, as proposed, shall be deemed a final order of the Commission and not subject to review by any court or agency.

"(b) If the Secretary determines that an operator has failed to correct a violation for which a citation has been issued within the period permitted for its correction (which period shall not end until the entry of a final order by the Commission, in the case of any review proceedings under this section initiated by the operator wherein the Commission orders, after an expedited hearing, the suspension of the abatement requirements of the citation after determining that the operator will suffer irreparable loss or damage from the application of those requirements), the Secretary shall notify the operator by certified mail of such failure and of the penalty proposed to be assessed under section 16 by reason of such failure, and that the operator has thirty working days within which to notify the Secretary that he wishes to contest the Secretary's notification of the proposed assessment of penalty. If within thirty working days after the receipt of notification issued by the Secretary, the operator fails to notify the Secretary that he intends to contest the notification or proposed assessment or penalty, the notification and assessment, as proposed, shall be deemed a final order and not subject to review by any court or agency.

"(c) If an operator notifies the Secretary that he intends to contest a citation issued under section 11(a) or notification issued under subsection (a) or (b) of this section, or if, within thirty working days after a citation is posted under section 11(b), any miner or representative of miners files a notice with the Secretary alleging that the period of time fixed in the citation for the abatement of the violation is unreasonable, the Secretary shall immediately advise the Commission of such notification, and the Commission shall afford an opportunity for a hearing (in accordance with section 554 of title 5, United States Code, but without regard to subsection (a)(3) of such section). The Commission shall thereafter issue an order, based on findings of fact, affirming, modifying, or vacating the Secretary's citation or proposed penalty or directing other appropriate relief, and such order shall become final thirty days after its issuance. Upon a showing by an operator of a good faith effort to comply with the abatement requirements of a citation, and that abatement has not been completed because of factors beyond his reasonable control, the Secretary, after an opportunity for a hearing as provided in this subsection, shall issue an order affirming or modifying the abatement requirements in such citation. The rules of procedure prescribed by the Commission shall provide affected miners or representatives of affected miners an opportunity to participate as parties to hearings under this subsection. Commencement of proceedings under this subsection shall not operate as a stay of the abatement requirements of any citation issued under section 11(a) unless the Commission, after determining that the operator will suffer irreparable loss or damage from the application of those requirements, so orders, after an expedited hearing.

"(d)(1) No person shall discharge or in any manner discriminate against or interfere with the exercise of the statutory rights of any miner because such miner has filed or made a complaint under or related to this Act, including a complaint notifying his labor or safety representative of an alleged danger or safety or health violation in the mine, or because such miner has instituted or caused to be instituted any proceeding under or related to this Act or has testified or is about to testify in any such proceeding, or because of the exercise by such miner on behalf of himself or others of any statutory right afforded by this Act, or because the miner has refused to work in any area of a mine from which persons must be withdrawn and prohibited from entering pursuant to an order under section 12.

"(2) Any miner who believes that he has been discharged, interfered with, or otherwise discriminated against by any person in violation of paragraph (1) of this subsection, or any miner who has not received compensation due under section 24 or who has been deprived of any right created by or under sections 5(b)(5)(B), 5(b)(6), and 7(c) may, within thirty days after such violation occurs, file a complaint with the Secretary alleging such discrimination or deprivation. Upon receipt of such complaint, the Secretary shall cause such investigation to be made as the Secretary deems appropriate. If, upon such investigation, the Secretary determines that there is probable cause to believe that the provisions of paragraph (1) of this subsection have been violated, or that a miner has not received compensation due under section 24 or has been deprived of a right created by or under sections 5(b)(5)(B), 5(b)(6), and 7(c), as the case may be, the Secretary shall file a complaint with the Commission within ninety days after such determination of probable cause, and the Commission shall immediately serve upon the alleged violator and the miner notice of the allegation of such discrimination or deprivation and a proposed order granting appropriate relief. The Commission shall afford an opportunity for a hearing (in accordance with section 554 of title 5, United States Code, but without regard to subsection (a)(3) of such section) and thereafter shall issue an order, based upon findings of fact, affirming, modifying, or vacating the proposed order, or directing other appropriate relief; and such order shall become final thirty days after its issuance. The Commission shall have authority in such proceedings to require a person committing a violation of this subsection to take such affirmative action to abate the violation as the Commission deems appropriate, including, but not limited to, the rehiring or reinstatement of the miner to his former position with back pay and interest.

"(3) Within ninety days of the receipt of a complaint filed under paragraph (2) of this subsection, the Secretary shall notify the miner in writing of the Secretary's determination as to whether a violation has occurred. If the Secretary, upon investigation, determines that the provisions of paragraph (1) of this subsection have not been violated, or that there has been no failure to provide compensation due under section 24, or that there has been no deprivation of a right created by or under sections 5(b)(5)(B), 5(b)(6), and 7(c), as the case may be, the complainant shall have the right, within thirty days of notice of the Secretary's determination, to request a hearing before the Commission, and the Commission shall conduct a hearing, in accordance with the provisions of paragraph (2) pertaining to the conduct of a hearing, on such complainant's charges. Whenever an order is issued sustaining the miner's charges under this paragraph, a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) as determined by the Commission to have been reasonably incurred by the miner for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the person

committing such violation. Proceedings under this section shall be expedited by the Commission. Any order issued by the Commission under this paragraph shall be subject to judicial review in accordance with section 14. Violations by an operator of paragraph (1) of this subsection or deprivation by an operator of any right of any miner created by or under section 5(b)(5)(B), 5(b)(6), 7(c), or 24 shall be a violation for which a penalty may be assessed under section 16(a).

"JUDICIAL REVIEW

"SEC. 14. (a)(1) Any person adversely affected or aggrieved by an order of the Commission issued under subsection (c) or (d) of section 13 may obtain a review of such order in any United States court of appeals for the circuit in which the violation is alleged to have occurred or where the operator has its principal office, or in the Court of Appeals for the District of Columbia Circuit, by filing in such court within sixty days following the issuance of such order a written petition praying that the order be modified or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Commission or to the Secretary, whichever is appropriate, and to the other parties, and thereupon the Commission or the Secretary, whichever is appropriate, shall file in the court the record in the proceeding as provided in section 2112 of title 28, United States Code. Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such record a decree affirming, modifying, or setting aside in whole or in part, the order of the Commission or the Secretary, as the case may be, and enforcing the same to the extent that such order is affirmed or modified. The commencement of proceedings under this subsection shall not, unless ordered by the court, operate as a stay of the order of the Commission or the Secretary, as the case may be.

"(2) In the case of an order of the Commission, no objection that has not been urged before the Commission shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Commission with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Commission, the court may order such additional evidence to be taken before the Commission and to be made a part of the record. The Commission may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original order.

"(3) Upon the filing of the record with it, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code. Petitions filed under this subsection shall be heard expeditiously.

"(b) The Secretary may also obtain review of any final order of the Commission by filing a petition for such relief in the United States court of appeals for the circuit in which the alleged violation occurred or in which the operator has its principal office, and the provisions of subsection (a) shall govern such proceedings to the extent applicable. If no petition for review, as provided in subsection (a), is filed within sixty days after service of the Commission's order, the Commission's findings of fact and order shall be conclusive in connection with any petition for enforcement which is filed by the Secretary after the expiration of such sixty-day period. In any such case, as well as in the case of a noncontested citation or notification by the Secretary which has become a final order of the Commission under subsection (a) or (b) of section 13, the clerk of the court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the order and shall transmit a copy of such decree to the Secretary and the operator named in the petition. In any contempt proceeding brought to enforce a decree of a court of appeals entered pursuant to this subsection or subsection (a), the court of appeals may assess the penalties provided in section 16, in addition to invoking any other available remedies.

"(c) The Secretary may institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which a mine is located or in which the operator of such mine has his principal office, whenever such operator or his agent (1) violates or fails or refuses to comply with any order issued under section 12, or (2) interferes with, hinders, or delays the Secretary or his authorized representative, of the Secretary of Health, Education, and Welfare or his authorized representative, in carrying out the provisions of the Act, or (3) refuses to admit such representatives to the mine, or (4) refuses to permit the inspection of the mine, or the investigation of an accident or occupational disease occurring in, or connected with, such mine, or (5) refuses to furnish any information or report requested by the Secretary or the Secretary of Health, Education, and Welfare in furtherance of the provisions of this Act, or (6) refuses to permit access to, and copying of, such records as the Secretary or the Secretary of Health, Education, and Welfare determines necessary in carrying out the provisions of this Act. The court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure except that the time limit in such orders, when issued without notice, shall be seven days from the date of entry. Except as otherwise provided herein, any relief granted by the court to enforce an order under clause (1) of this subsection shall continue in effect until the completion or final termination of all proceedings for review of such order under this Act, unless, prior thereto, the district court granting such relief sets it aside or modifies it. In any action instituted under this subsection to enforce an order issued by the Secretary after a public hearing in accordance with section 551 of title 5 of the United States Code, the findings of the Commission or the Secretary, as the case may be, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

"REPRESENTATION IN CIVIL LITIGATION

"SEC. 15. Except as provided in section 518(a) of title 28, United States Code, relating to litigation before the Supreme Court, the Solicitor of Labor may appear for and represent the Secretary in any civil litigation brought under this Act but all such litigation shall be subject to the direction and control of the Attorney General.

"PENALTIES

"SEC. 16. (a) Any operator who violates a safety or health standard prescribed by or under this Act, or any of the requirements of section 8, or any rule, order, or regulation promulgated pursuant to this Act, may be assessed a civil penalty of not more than $1,000 for each such violation.

"(b) Any operator who fails to correct a violation for which a citation has been issued under section 11(a) within the period permitted for its correction (which period shall not end until the entry of a final order by the Commission, in the case of any review proceedings under section 13 initiated by the operator wherein the Commission orders, after an expedited hearing, the suspension of the abatement requirements of the citation after determining that the operator will suffer irreparable loss or damage from the application of those requirements, or until the entry of an order of the court, in the case of any review proceedings under section 14 initiated by the operator wherein the court orders the suspension of the abatement requirements of the citation) shall be assessed a civil penalty of not more than $1,000 for each day during which such failure or violation continues.

"(c) Whenever a corporate operator violates a safety or health standard prescribed by or under this Act, or any rule, order, or regulation promulgated pursuant to this Act, any director, officer, or agent of such corporation who knowingly authorized, ordered, or carried out such violation shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsection (a), (b), (d), (e), (f), or (g) of this section.

"(d) Any operator who willfully violates a safty or health standard prescribed by or under this Act, or any rule, order, or regulation promulgated pursuant to this Act, shall be assessed a civil penalty of not more than $10,000.

"(e) Any operator who willfully violates a safety or health standard prescribed by or under this Act, or any rule, order, or regulation promulgated pursuant to this Act, and that violation causes death to any individual, shall, upon conviction, be punished by a fine of not more than $25,000 or imprisonment for not more than one year, or both.

"(f) Any person who gives unauthorized advance notice of any inspection to be conducted under this Act shall, upon conviction, be punished by a fine of not more than $1,000 or by imprisonment for not more than six months, or both.

"(g) Whoever knowingly makes any false statement, representation, or certification in any publication, record, report, plan, or other document filed or required to be maintained pursuant to this Act shall, upon conviction, be punished by a fine of not more than $1,000, or by imprisonment for not more than six months, or by both.

"(h) Any operator who violates any of the posting requirements, as prescribed under the provisions of this Act, shall be assessed a civil penalty of up to $500 for each violation.

"(i) Any miner who willfully violates the mandatory safety standards relating to smoking or the carrying of smoking materials, matches, or lighters shall be subject to a civil penalty assessed by the Commission of not more than $250 for each occurrence of such violation.

"(j) The Commission shall have authority to assess all civil penalties provided in this Act. In assessing civil monetary penalties the Commission shall give due consideration to the gravity of the violation, the good faith of the person charged, the history of previous violations, and the appropriateness of the penalty with respect to the size of the business of any mine operator being charged: *Provided*, That, in proposing civil penalties under this Act, the Secretary may rely upon a summary review of the information available to him and shall not be required to make findings of fact concerning the above factors.

"(k) Civil penalties owed under this Act shall be paid to the Secretary for deposit into the Treasury of the United States and shall accrue to the United States and may be recovered in a civil action in the name of the United States brought in the United States district court for the district where the violation is alleged to have occurred or where the employer resides or maintains a place of business.

"EFFECT ON STATE LAWS

"SEC. 17. (a) Nothing in this Act shall prevent any State agency or court from exercising enforcement or other authority under the State law to protect the public health and welfare.

"(b) Nothing in this Act shall prevent any State from carrying out a program (independent of or in conjunction with the program developed under section 10(b)) of education and training in the field of safety and health in mines subject to this Act, or any program of consultation, gathering and compilation of statistics, or research and development of technology in such field.

"THE FEDERAL METAL AND NONMETALLIC MINE SAFETY AND HEALTH COMMISSION

"SEC. 18. (a) The Federal Metal and Nonmetallic Mine Safety and Health Commission is hereby established. The Commission shall consist of three members, appointed by the President by and with the advice and consent of the Senate, from among persons who by reason of training, education, or experience are qualified to carry out the functions of the Commission under this Act. The President shall designate one of the members of the Commission to serve as Chairman.

"(b) The terms of the members of the Commission shall be six years, except that—

"(1) members of the Commission, first taking office after the date of enactment of the Mine Safety and Health Act of 1977, shall serve, as designated by the President at the time of appointment, one for a term of two years, one for a term of four years, and one for a term of six years; and

"(2) a vacancy caused by the death, resignation, or removal of any member prior to the expiration of the term for which he was appointed shall be filled only for the remainder of such unexpired term.

Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(3) The Chairman shall be responsible on behalf of the Commission for the administrative operations of the Commission. The Commission shall appoint such employees as it deems necessary to assist in the performance of the Commission's functions and to fix their compensation in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and general pay rates. The Commission shall appoint such hearing examiners as it deems necessary to carry out the functions of the Commission. Assignment, removal, and compensation of hearing examiners shall be in accordance with sections 3105, 3344, 5362, and 7521 of title 5, United States Code.

"(c) Two members of the Commission shall constitute a quorum and official action can be taken only on the affirmative vote of at least two members.

"(d) A hearing examiner appointed by the Commission to hear matters under this Act shall hear, and make a determination upon, any proceeding instituted before the Commission and any motion in connection therewith, assigned to such hearing examiner by the Commission, and shall make a report of any such determination which constitutes his final disposition of the proceedings. The report of the hearing examiner shall become the final order of the Commission within thirty days after its issuance, unless within such period any member of the Commission has directed that such report shall be reviewed by the Commission.

"(e)(1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(64) Chairman, Federal Metal and Nonmetallic Mine Safety and Health Commission'.

"(2) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(108) Members, Federal Metal and Nonmetallic Mine Safety and Health Commission'.

"(3) The principal office of the Commission shall be in the District of Columbia. Whenever the Commission deems that the convenience of the public or of the parties may be promoted, or delay or expense may be minimized, it may hold hearings or conduct other proceedings at any other place.

"(4) Every official act of the Commission shall be entered of record, and its hearings and records shall be open to the public. The Commission is authorized to make such rules as are necessary for the orderly transaction of its proceedings. Unless the Commission has adopted a different rule, its proceedings shall be in accordance with the Federal Rules of Civil Procedure.

"(5) The Commission may order testimony to be taken by deposition in any proceeding pending before it at any stage of such proceeding. Any person may be compelled to appear and depose, and to produce books, papers, or documents, in the same manner as witnesses may be compelled to appear and testify and produce like documentary evidence before the Commission. Witnesses whose depositions are taken under this paragraph, and the persons taking such depositions, shall be entitled to the same fees as are paid for like services in the courts of the United States.

"(6) For the purpose of any proceeding before the Commission, the provisions of section 11 of the National Labor Relations Act (29 U.S.C. 161) are hereby made applicable to the jurisdiction and powers of the Commission.

"ASSISTANT SECRETARY FOR MINE SAFETY AND HEALTH

"SEC. 19. (a) There is established in the Department of Labor an office of the Assistant Secretary for Mine Safety and Health, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. The Secretary shall carry out his functions under this Act (except section 5(a)(3) and section 22(c)) through the Assistant Secretary for Mine Safety and Health.

"(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(109) Assistant Secretary for Mine Safety and Health.'

"ADVISORY COMMITTEE

"SEC. 20. (a)(1) There is hereby established a National Advisory Committee on Metal and Nonmetallic Mine Safety and Health consisting of twelve members appointed by the Secretary, four of whom are to be designated by the Secretary of Health, Education, and Welfare and the Secretary of the Interior, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and composed of representatives of management, labor, metal and nonmetallic mine health and safety professions, and of the public. The Secretary shall designate one of the public members as Chairman. The members shall be selected upon the basis of their experience and competence in the field of metal and nonmetallic mine health and safety.

"(2) The Committee shall advise, consult with, and make recommendations to the Secretary, the Secretary of Health, Education, and Welfare, and the Secretary of the Interior on matters relating to the administration of this Act. The Committee shall hold no fewer that two meetings during each calendar year. All meetings of the Committee shall be open to the public and a transcript shall be kept and made available for public inspection.

"(3) The members of the Committee shall be compensated in accordance with the provisions of section 3109 of title 5, United States Code.

"(4) The Secretary shall furnish to the Committee an executive secretary and such secretarial, clerical, and other services as are deemed necessary to the conduct of its business.

"PUBLICATION, ANNUAL REPORT, AND REGULATIONS

"SEC. 21. (a) The Secretary, the Secretary of Health, Education, and Welfare, and the Secretary of the Interior are authorized to compile, analyze, and publish, either in summary or detailed form, all reports or information obtained under this Act.

"(b) The Secretary shall transmit to the Congress no later than February 1 of each year a report on the administration of this Act, including the progress toward achieving the purposes of this Act, the needs and requirements in the field of metal and nonmetallic mine safety, any other relevant information (including information regarding health and safety standards established under section 5, and a summary of inspection and enforcement activity undertaken, and analysis and evaluation of research activities), and recommendations for additional legislation.

"(c) The Secretary, the Secretary of Health, Education, and Welfare, and the Secretary of the Interior shall each prescribe such rules and regulations as he may deem necessary to carry out his responsibilities under this Act, including rules and regulations dealing with the inspection of a mine subject to this Act.

"TRANSFER MATTERS

"SEC. 22. (a) The functions of the Secretary of the Interior under this Act (as this Act was in effect immediately prior to the effective date of section 2 of the Mine Safety and Health Act of 1977) are transferred to the Secretary, except those which are transferred to the Commission or to the Secretary of Health, Education, and Welfare or which remain as functions of the Secretary of the Interior under this Act (as in effect on the effective date of section 2 of the Mine Safety and Health Act of 1977).

"(b)(1) All unexpended balances of appropriations, personnel property, records, obligations, and commitments which are used primarily with respect to any function transferred under the provisions of subsection (a) of this section to the Secretary shall be transferred to the Department of Labor. The transfer of personnel pursuant to this paragraph shall be without reduction in classification or compensation for one year after such transfer, except that the Secretary shall have full authority to assign personnel during such one-year period in order to efficiently carry out functions transferred to him under this section.

"(2) All orders, decisions, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges (A) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this section by any department or agency, any functions of which are transferred by this section, and (B) which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, the Commission,

the Secretary of Health, Education, and Welfare, by any court of competent jurisdiction, or by operation of law.

"(3) The provisions of this section shall not affect any proceedings pending at the time this section takes effect before any department or agency, functions of which are transferred by this section; except that such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Secretary or the Commission. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary, the Commission, by a court of competent jurisdiction, or by operation of law.

"(4) The provisions of this section shall not affect suits commenced prior to the date this section takes effect and in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this section had not been enacted; except that if before the date on which this section takes effect, any department or agency (or officer thereof in his official capacity) is a party to a suit involving functions transferred to the Secretary, then such suit shall be continued by the Secretary. No cause of action, and no suit, action, or other proceeding, by or against any department or agency (or officer thereof in his official capacity) functions of which are transferred by this section, shall abate by reason of the enactment of this section. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or the Secretary as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this paragraph.

"(c) In making a determination under section 5(a)(3) of this Act of which of the occupational health and safety standards promulgated under section 6 of the Occupational Safety and Health Act of 1970 pertain to the milling of minerals in mines subject to this Act, including a determination of what constitutes mineral milling for purposes of section 3(a)(2), the Secretary shall give due consideration to the convenience of administration resulting from the delegation to one Assistant Secretary of all authority with respect to the health and safety of miners employed at one physical establishment.

"(d) For purposes of this section, (1) the term 'function includes power and duty, and (2) the transfer of a function, under any provision of law, of any agency or the head of a department shall also be a transfer of all functions under such law which are exercised by any officer or officer of such agency or department.

"RESEARCH AND RELATED ACTIVITIES

"SEC. 23. (a)(1) The Secretary of Health, Education, and Welfare and the Secretary of the Interior, as appropriate, after consultation with the Secretary and with other appropriate Federal departments or agencies, shall conduct (directly or by grants or contracts) research, experiments, and demonstrations relating to safety and health in mines subject to this Act including studies of lung and respiratory diseases and carcinogenic substances, and studies of psychological factors involved, and relating to innovative methods, techniques, and approaches for dealing wtih safety and health problems associated with mines subject to this Act.

"(2) The Secretary shall coordinate, as he deems appropriate, any research, experiments, or demonstrations under this Act conducted by the Secretary of Health, Education, and Welfare and the Secretary of the Interior.

"(b) Activities under subsection (a) in the field of mine health, including research related to the development of personal protective equipment, shall be carried out by the Secretary of Health, Education, and Welfare, and activities under subsection (a) in the field of mine safety shall be carried out by the Secretary of the Interior.

"(c) Within two years after the date of enactment of the Mine Safety and Health Act of 1977, and annually thereafter, the Secretary of Health, Education, and Welfare shall conduct and publish industrywide studies of the effect of chronic or low-level exposure to mine materials, processes, and stresses on the potential for illness, disease, or loss of functional capacity in aging adults.

"(d) The Secretary of Health, Education, and Welfare shall from time to time consult with the Secretary in order to develop specific plans for such research, demonstrations, and experiments as are necessary to produce criteria, including criteria identifying toxic substances, enabling the Secretary to meet his responsibilities for the formulation of safety and health standards under this Act; and the Secretary of Health, Education, and Welfare, on the basis of such research, demonstrations, and experiments and any other information available to him, shall develop and publish at least annually such criteria as will effectuate the purposes of this Act.

"(e) The Secretary of Health, Education, and Welfare, on the basis of research, demonstrations, and experiments, and any other information available to him, shall develop criteria dealing with toxic materials and harmful physical agents and substances which will describe exposure levels that are safe for various periods of employment in mines subject to this Act, including but not limited to the exposure levels at which no miner will suffer impaired health or functional capacities or diminished life expectancy as a result of his work experience.

"(f) The Secretary of Health, Education, and Welfare shall also conduct special research, experiments, and demonstrations relating to safety and health in mines subject to this Act as are necessary to explore new problems, including those created by new technology in mine safety and health, which may require ameliorative action beyond that which is otherwise provided for in the operating provisions of this Act. The Secretary of Health, Education, and Welfare shall also conduct research into the motivational and behavioral factors relating to the field of mine safety and health.

"(g) The Secretary of Health, Education, and Welfare, in order to comply with his responsibilities under subsection (d), and in order to develop needed information regarding potentially toxic substances or harmful physical agents, may prescribe regulations requiring employers to measure, record, and make reports on the exposure of miners to substances or physical agents which the Secretary of Health, Education, and Welfare reasonably believes may endanger the health or safety of miners. The Secretary of Health, Education, and Welfare also is authorized to establish such programs of medical examinations and tests as may be necessary for determining the incidence of occupational illnesses and the susceptibility of miners to such illnesses. Nothing in this or any other provision of this Act shall be deemed to authorize or require medical examination, immunization, or treatment for those who object thereto on religious grounds, except where such is necessary for the protection of the health or safety of others. Upon the request of any operator who is required to measure and record exposure of miners to substances or physical agents as provided under this Act, the Secretary of Health, Education, and Welfare shall furnish full financial or other assistance to such employer for the purpose of defraying any additional expense incurred by him in carrying out the measuring and recording as provided in this subsection.

"(h) The Secretary of Health, Education, and Welfare shall publish within six months after the enactment of the Mine Safety and Health Act of 1977 and thereafter as needed but at least annually a list of all known toxic substances and physical agents occurring or found in mines subject to this Act by generic family or other useful grouping, and the concentrations at which such toxicity is known to occur. He shall determine following a written request by any operator or authorized representative of miners, specifying with reasonable particularity the grounds on which the request is made, whether any substance or agent normally found in the mine has potentially toxic effects in such concentrations as used or found; and shall submit such determination both to operators and affected miners as soon as possible. Upon request of any individual for such determination under this subsection, his name and the names of individual miners referred to in such request shall not appear on any record published, released, or made available under this Act. If the Secretary of Health, Education, and Welfare determines that any substance is potentially toxic or harmful at the concentrations in which it is used or found in a mine, and such substance is not covered by a safety or health standard promulgated under section 5, the Secretary of Health, Education, and Welfare shall immediately submit such determination to the Secretary, together with all pertinent criteria.

"(i) The Secretary of Health, Education, and Welfare is authorized to make investigations and question operators and miners as provided in section 7 of this Act, and have access to all records pertaining to employee exposures, and to make medical examinations available to miners exposed to health and safety hazards in mines subject to this Act, in order to carry out his functions and responsibilities under this section. The results of such medical examinations shall be made available to the miner and his authorized representative.

"(j) The Secretary is authorized to enter into contracts, agreements, or other arrangements with appropriate public agencies or private organizations for the purpose of conducting studies relating to his responsibilities under this Act. In carrying out his responsibilities under this subsection, the Secretary shall cooperate with the Secretary of Health, Education, and Welfare, the Secretary of the Interior, and any other appropriate administrative head of any agency of the United States, in order to avoid any duplication of efforts under this section.

"(k) In carrying out his responsibilities under this Act, the Secretary is authorized to—

"(1) use, with the consent of any Federal agency, the services, facilities, and personnel of such agency, with or without reimbursement, and with the consent of any State or political subdivision thereof, accept and use the services, facilities, and personnel of any agency of such State or subdivision with reimbursement; and

"(2) employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, except that contracts for such employment may be renewed annually; compensate individuals so employed at rates not in excess of the rate specified at the time of service for grade GS–18 under section 5332 of title 5, United States Code, including traveltime, and allow them while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of

title 5, United States Code, for persons in the Government service employed intermittently, while so employed.

"(l) Information obtained by the Secretary, the Secretary of Health, Education, and Welfare, and the Secretary of the Interior under this section shall be disseminated by the Secretary to operators of mines subject to this Act and miners and organizations thereof.

"(m) The functions of the Secretary of Health, Education, and Welfare under this Act shall, to the extent feasible, be delegated to the Director of the National Institute for Occupational Safety and Health established by section 22 of the Occupational Safety and Health Act of 1970.

"ENTITLEMENT OF MINERS

"SEC. 24. If a mine or area of a mine is closed by an order issued under section 12, all miners who are idled as a result of such order including any miner who refuses to work in any area of a mine from which persons must be withdrawn and prohibited from entering pursuant to such an order, in cases where the operator fails or refuses to comply with such order, shall be entitled (except as provided in section 12(f) and section 12(g)) to full compensation by the operator at their regular rates of pay for the period they are idled, but for not more than one week.

"CONFIDENTIALITY OF TRADE SECRETS

"SEC. 25. All information reported to or otherwise obtained by the Secretary or his representative in connection with any inspection or proceeding under this Act which contains or which might reveal a trade secret referred to in section 1905 of title 18 of the United States Code shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this Act or when relevant in any proceeding under this Act. In any such proceeding the Secretary, the Commission, or the court shall issue such orders as may be appropriate to protect the confidentiality of trade secrets.

"REPORT OF COMMENCEMENT OF OPERATION OF A MINE

"SEC. 26. Each operator of a mine subject to this Act who employs three or more miners shall report any commencement, after the effective date of section 2 of the Mine Safety and Health Act of 1977, of operations in such mine to the Secretary.

"ECONOMIC ASSISTANCE TO SMALL MINE OPERATORS

"SEC. 27. (a) Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended—

"(1) by striking out the period at the end of paragraph (8) and inserting in lieu thereof '; and'; and

"(2) by adding after paragraph (8) a new paragraph as follows:

"'(9) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern, which is an operator of a mine as defined in the Federal Metal and Nonmetallic Mine Safety Act and which is subject to that Act; in effecting additions to or alterations in the equipment, facilities, or methods of operation of such business in order to comply with the applicable standards promulgated pursuant to section 5 of the Federal Metal and Nonmetallic Mine Safety Act, if the Administration determines that such concern is likely to suffer substantial economic injury without assistance under this paragraph.'

"(b) The third sentence of section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by striking out 'or (8)' and inserting in lieu thereof '(8), or (9)'.

"(c) Section 4(c)(1) of the Small Business Act (15 U.S.C. 633(c)(1)) is amended by inserting '7(b)(9),' after '7(b)(8),'.

"(d) Loans may also be made or guaranteed for the purposes set forth in section 7(b)(9) of the Small Business Act (as added by the amendments made by subsection (a)) pursuant to the provisions of section 202 of the Public Works and Economic Development Act of 1965.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 28. (a) There are hereby authorized to be appropriated to the Secretary and the Commission for any fiscal year such sums as may be necessary to carry out the provisions of this Act.

"(b) There are hereby authorized to be appropriated to the Secretary of Health, Education, and Welfare and to the Secretary of the Interior for any fiscal year such sums as may be necessary to carry out functions under this Act.

"QUALIFICATIONS OF MINE INSPECTORS

"SEC. 29. To the maximum extent feasible, in the selection of persons for appointment as mine inspectors, no person shall be so selected unless he has the basic qualification of at least five years practical mining experience or three years practical mining experience and appropriate mining education and in assigning mine inspectors to the inspection and investigation of individual mines, due consideration shall be given to their previous practical experience in the State, district, or region, and in the particular type of mining operation where such inspections are to be made.

"STATE PLANS

"SEC. 30. (a) In order to promote sound and effective coordination in Federal and State activities within the field covered by this Act, the Secretary shall cooperate with the official mine inspection or safety agencies of the several States.

"(b) Any State which, at any time, desires to develop and enforce health and safety standards in mines located in the State which are subject to this Act shall submit, through a State mine inspection or safety agency, a State plan for the development of such standards and their enforcement.

"(c) The Secretary shall approve the plan submitted by a State under subsection (b), or any modification thereof, whenever the State gives evidence satisfactory to the Secretary that under such plan—

"(1) the State agency submitting such plan is the sole agency responsible for administering the plan throughout the State and contains satisfactory evidence that such agency will have the authority to carry out the plan: *Provided*, That the Secretary may, upon request of the Governor or other appropriate executive or legislative authority of the State responsible for determining or revising the organizational structure of State government, waive the single State administrative structure or arrangement if the Secretary determines that the objectives of this Act will not be endangered by the use of such other State structure or arrangement,

"(2) such agency has adequate legal authority to enforce existing health and safety standards for the purpose of the protection of life, the promotion of health and safety, and the prevention of accidents in mines in the State that are subject to this Act, which are, in his judgment, substantially as effective for such purposes as the mandatory standards designated under section 5 and which provide for inspection at least four times annually of all underground mines, other than quarries and sand and gravel pits,

"(3) the agency has adequate qualified personnel necessary for the enforcement of the plan,

"(4) the State will devote adequate funds to the administration and enforcement of such standards,

"(5) reasonable safeguards exist against loss of life or property arising from mines which are closed or abandoned after the effective date of this Act, and

"(6) the agency shall make such reports to the Secretary, in such form and containing such information, as the Secretary shall from time to time require.

"(d) The Secretary shall, on the basis of reports submitted by the State agency and his own inspection of mines, make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan (or any assurance contained therein), he shall notify the State agency of his withdrawal of approval of such plan and upon receipt of such notice such plan shall cease to be in effect.

"(e) The provisions of sections 12(c) and 12(g) of this Act shall not be applicable in any State in which there is in effect a State plan approved under subsection (c).".

SEC. 3. (a) There are hereby transferred to and vested in the Secretary of Labor all functions of the Secretary of the Interior and of other offices and officers of the Department of the Interior under title I, title II, title III, and so much of title V as pertains to the field of coal mine health and safety (except for research with respect thereto), of the Federal Coal Mine Health and Safety Act of 1969 (as such Act was in effect immediately before the effective date of this section), except that all such functions of authorized representatives of the Secretary of the Interior are hereby transferred to and vested in authorized representatives of the Secretary of Labor. The Secetary shall carry out such functions and duties through the Assistant Secretary for Mine Safety and Health established by section 2 of this Act.

(b)(1) All unexpended balances of appropriations, personnel, property, records, obligations, and commitments which are used primarily with respect to any function transferred under the provisions of subsection (a) of this section to the Secretary of Labor shall be transferred to the Department of Labor. The transfer of personnel pursuant to this paragraph shall be without reduction in classification or compensation for one year after such transfer, except that the Secretary of Labor shall have full authority to assign personnel during such one-year period in order to efficiently carry out functions transferred to him under this section.

(2) All orders, decisions, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges (A) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this section by any department or agency, any functions of which are transferred by this section, and (B) which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Labor, by any court of competent jurisdiction, or by operation of law.

(3) The provisions of this section shall not affect any proceedings pending at the time this section takes effect before any department or agency, functions of which are transferred by this section; except that such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Secretary of Labor. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted; and orders issued in

any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Labor, by a court of competent jurisdiction, or by operation of law.

(4) The provisions of this section shall not affect suits commenced prior to the date this section takes effect and in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this section had not been enacted; except that if before the date on which this section takes effect, any department or agency (or officer thereof in his official capacity) is a party to a suit involving functions transferred to the Secretary of Labor, then such suit shall be continued by the Secretary of Labor. No cause of action, and no suit, action, or other proceeding, by or against any department or agency (or officer thereof in his official capacity) functions of which are transferred by this section, shall abate by reason of the enactment of this section. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or the Secretary of Labor as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this paragraph.

(c) For purposes of this section, (1) the term "function" includes power and duty, and (2) the transfer of a function, under any provision of law, of an agency or the head of a department shall also be a transfer of all functions under such law which are exercised by any officer or officer of such agency or department.

(d) Section 3(a) of the Federal Coal Mine Health and Safety Act of 1969 is amended by inserting immediately before the semicolon: ", except where the functions, powers, and duties vested in the Secretary of the Interior under this Act are transferred to and vested in the Secretary of Labor under section 3 of the Mine Safety and Health Act of 1977".

SUNSHINE IN GOVERNMENT

SEC. 4. (a) Each officer or employee of the Secretary of the Interior, Secretary of Labor, and the Secretary of Health, Education, and Welfare who—

(1) performs any function or duty under this Act or the Federal Coal Mine Health and Safety Act of 1969 and the Federal Metal and Nonmetallic Mine Safety Act which are amended by this Act; and

(2) has any known financial interest (A) in any operator or mine subject to such Acts or (B) in any person who applies for or receives any grant, contract, or other form of financial assistance pursuant to such Acts, shall, beginning on February 1, 1978, annually file with appropriate Secretary a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

(b) The appropriate Secretary shall—

(1) act within ninety days after the date of enactment of this Act—

(A) to define the term "known financial interest" for purposes of subsection (a) of this section; and

(B) to establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the appropriate agency head of such statements.

(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the action taken in regard thereto during the preceding calendar year.

(c) In the rules prescribed in subsection (b) of this section, each Secretary may identify specific positions within each agency which are of a nonregulatory or nonpolicy-making nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

(d) Any officer or employee who is subject to, and knowingly violates, this section, shall be fined not more than $2,500 or imprisoned not more than one year, or both.

SEC. 5. Sections 2 and 3 of this Act shall take effect July 1, 1978, and all transfers of functions under the amendment made by section 2 and under section 3 shall be completed not later than September 30, 1978.

SEC. 6. Nothing contained in this Act or any amendment made by this Act shall be construed to reduce the number of inspectors engaged in enforcing the provisions of the Federal Coal Mine Health and Safety Act of 1969 (as such Act was in effect immediately before the effective date of section 3 of this Act), and the Federal Metal and Nonmetallic Mine Safety Act (as such Act was in effect immediately before the effective date of section 2 of this Act), or to reduce the number of inspectors engaged in the enforcement of the Occupational Safety and Health Act of 1970.

Mr. SARASIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Essentially, H.R. 7979, strengthens the existing Metal and Nonmetallic Act, thereby keeping coal and noncoal separate. It contains a "general duty" clause; omitted from either H.R. 4287 or the Coal Act. It upgrades the standards setting process by: First, setting time limitations on standards setting procedures; second, quickly bringing OSHA standards as to milling to the forefront for promulgation; third, considering all OSHA standards applicable to miners within 1 year; fourth, provides for issuance of emergency temporary standards; fifth, provides for health standards; and sixth, allows miners to observe monitoring and measuring of miner exposures to possibly harmful substances—a right that is denied metal and nonmetallic miners under the Coal Act.

A variance procedure is legislated under H.R. 7979; inspections are mandated; inspectors are to have minimum qualifications; reports and records are required, and there are strict procedures for enforcement, including civil penalties and citations. Additionally, miner entitlements are provided as a result of a closure. The substitute, as well, provides for the transfer of the administration of enforcement of both the Coal and Noncoal Acts from the Secretary of the Interior to the Secretary of Labor.

Additionally, my substitute provides for State plans, a provision now existing in the Metal and Nonmetallic Act.

Mr. Chairman, the following section-by-section analysis will explain the details of H.R. 7979:

SECTION-BY-SECTION ANALYSIS OF H.R. 7979

1. Definitions and Coverage (Section 3):

A. The term operator includes independent contractors.

2. Duties (Section 4): A. A general duty clause is provided whereby the operator must furnish to each of his employees . . . a place of employment which is free from recognized hazards that are causing or are likely to cause death or serious injury to his miners.

3. Health and Safety Standards (Section 5):

A. The Secretary is required to establish an Advisory Committee within 6 months to review the health and safety standards promulgated by the Secretary of the Interior as advisory standards under the Federal Metal and Nonmetallic Mine Safety Act, and determine which standards should be promulgated.

B. The Secretary, with the assistance of an advisory committee, is required to determine within 6 months which of the occupational safety and health standards promulgated under the Occupational Safety and Health Act pertain to miners employed in the milling of minerals in mines subject to this Act. The Secretary must then publish such determination in the Federal Register.

(1) A comment period of 45 days is provided.

(2) A similar procedure is provided for review and promulgation of OSHA standards applicable to all miners except that this determination can be made by the Secretary within 1 year.

C. Informal procedures for promulgation of standards is provided, with optional consultation with an advisory committee, except that all hearings held under section 5 shall conform to 5 USC 554 (Formal Hearings).

D. Where a miner is reassigned to a new position because it has been determined that he may suffer a material impairment of health or functional capacity by reason of exposure to a hazardous or toxic material, he shall suffer no loss of earnings, seniority or status.

E. The Secretary is authorized to promulgate "emergency temporary standards" which become law by publication in the Federal Register without any rulemaking procedures. Such standards may remain in effect for up to 9 months and shall serve as a proposed rule for the rulemaking proceeding. No civil penalty may be proposed for violation of an emergency temporary standard.

F. In promulgating standards dealing with toxic materials or harmful physical agents, the Secretary must set the standard which most adequately assures, to the extent feasible on the basis of the best available evidence, that no miner will suffer material impairment of health or functional capacity even if the employee has regular exposure for the period of his working life.

G. Miners or their representatives are to have the right to observe monitoring and measuring of miner exposures to substances required to be monitored and measured. Miners shall also have access to records that will indicate their own exposure to such substances.

H. Any person adversely affected by a standard may within 60 days challenge the validity of such standard in the U.S. Court of Appeals.

4. Variances (Section 6):

A. Variance procedures are provided, as well as procedures for seeking a temporary order granting a variance from a standard.

B. The temporary order can be for up to 1 year with opportunities for two renewals not to exceed 180 days each.

5. Inspections (Section 7):

A. The Secretary must inspect each underground mine at least 4 times a year, and each surface mine and milling operation at least 2 times a year.

B. The Secretary of HEW is authorized to make investigations for the purpose of improving mandatory health standards.

C. The Secretary, in making his inspections,

may require the attendance and testimony of witnesses under oath and the production of evidence.

D. A walk-around provision (with pay) is included for one or more miners, at the discretion of the inspector, or a representative of the miners.

E. A miner may request an inspection on the grounds that an imminent danger exists, or that there is a violation of section 4(a) (General Duty Clause). Any request for an inspection on the grounds that an imminent danger exists necessitates immediate notification of the operator.

F. If a miner has reason to believe that a violation of any provision of this Act exists, he can request an inspection. There is no requirement here that he notify the operator.

6. Requirements in Cases of Accidents; Records and Reports (Section 8):

A. All accidents in mines must be investigated by the operator, and records of investigations . . . must be kept by the operator.

B. Accidents are defined to include any mine explosion, ignition, fire, unintentional rooffall, or inundation, whether or not resulting in the death or injury of any miner. Would also include any other accident resulting in death or medical treatment of a miner.

C. The operator is required to notify the Secretary promptly of all accidents.

D. The Secretary is authorized to supervise and direct any rescue and recovery operations made necessary by the occurrence of any accident in a mine.

7. Miner Education and Access to Information (Section 10): A. The Director of the National Institute for Occupational Health and Safety shall upon request be privy to records of miner exposures to toxic materials or harmful physical agents required to be maintained by the operator under section 8.

8. Citations (Section 11):

A. A citation may be issued if an inspector "determines" that a violation has occurred.

B. All citations must be prominently posted according to regulations to be promulgated by the Secretary.

9. Closure Procedures (Section 12):

A. Closure orders will lie for imminent danger determinations and for failure to abate a violation within the time provided.

B. A procedure for the review of closure orders in the U.S. District Courts is provided.

10. Procedures for Enforcement (Section 13):

A. Operators have 30 working days to notify the Secretary if they intend to contest a citation or proposed assessment of penalty.

B. If within 30 days of receipt of the notice of the proposed assessment, an operator does not notify the Secretary of his intent to contest the citation or the penalty, the citation and proposed assessment shall be deemed a final order of the Commission.

C. No person may discriminate by discharging or otherwise discriminating against a miner because such miner has filed or made a complaint under or related to this Act.

11. Judicial Review (Section 14):

A. Any person adversely affected or aggrieved by an order of the Commission may obtain a review of such order in the U.S. Court of Appeals.

B. Any petition for review must be filed within 60 days of the issuance of the order.

12. Penalties (Section 16): A. Penalties of up to $1000 per violation may be assessed, depending on their seriousness, and whether they were committed willfully.

13. The Federal Metal and Nonmetallic Mine Safety and Health Commission (Section 18): A. Review of an Administrative Law Judge's decision is descretionary with members of the Commission.

14. Advisory Committees (Section 20): A. A National Advisory Committee on Metal and Nonmetallic Mine Safety and Health is established to advise and consult with the Secretary.

15. Transfer Matters (Section 22): A. Basically enforcement of the Federal Metal and Nonmetallic Mine Safety Act and the Federal Coal Mine Health and Safety Act is transferred from the Secretary of the Interior to the Secretary of Labor.

16. Research and Related Activities (Section 23): A. All research in the field of mine health is designated as the responsibilities of the Secretary of HEW.

17. Entitlement of Miners (Section 24): A. All miners who are idled as a result of a closure order are entitled to full compensation by the operator at their regular rates of pay for the period they are idled, but for not more than one week.

18. Qualifications of Mine Inspectors (Section 29): A. Mine inspectors must have, to the extent feasible at least five years practical mining experience and appropriate mining education.

19. State Plans (Section 30): A. State plans are retained from the existing Federal Metal and Nonmetallic Mine Safety Act.

There are some differences between the bill I offer as a substitute and the House-passed bill of last year (H.R. 13555).

The memorandum follows:

DIFFERENCES BETWEEN SARASIN SUBSTITUTE AND H.R. 13555

Sarasin substitute is basically similar to H.R. 13555 which passed the House overwhelmingly in the 94th Congress. The substitute amends and upgrades the Metal and Nonmetallic Mine Safety Act of 1966. It provides for a "general duty" clause, provides for development of standards, will, hopefully work out the problems of separate jurisdiction over milling operations, allows issuance of emergency temporary standards, provides for variances, mandates inspections underground four times a year, provides for citations and permissive penalties, in addition to closure orders and walkaround rights and other special rights for miners. My substitute also includes transfer to DOL.

The changes from H.R. 13555 as it passed the House written into my substitute include:

1. coverage of independent contractors under the definition of "operator." H.R. 13555 only covered "owner-operators," while my substitute will cover them as well as non-owner operators. (Page 6)

2. provides that an Advisory Committee must be established to consider OSHA standards applicable to mining. The mandatory Advisory Committee has been requested and recommended by most witnesses, and even the Senate bill, S. 717, rejected the Administration's suggestion to do away with Advisory Committees in mining. (Page 11)

3. explicates the reason that the Department of HEW is allowed to enter and inspect a mine as "for the purposes of developing improved mandatory health standards." Otherwise, the language would indicate that both the Labor and HEW Departments could inspect, cite, and propose penalties, which was not the intent of the bill. (Page 25)

4. in issuing a citation, an inspector must "determine" that an operator has violated the Act or regulations rather than just "believe" a violation occurred. (Page 35)

5. in a similar manner, the Secretary must "determine" that an operator has failed to correct a violation before the Secretary may propose a penalty for such failure, instead of just "believing" the operator has failed to correct. (Page 41)

6. allows 30 working days to contest a citation or a failure to correct, instead of only 15 days. (Pages 40, 41 and 42)

7. strikes "or repeatedly" from penalty provisions for two reasons:

(a) an operator can be "repeatedly" in violation if he operates more than one mine; and

(b) conditions in mines are constantly changing, thereby affording an opportunity for numerous "repeated" violations. (Page 53)

8. provides that where a miner requests an inspection because of "imminent danger" conditions, that it is mandatory that the miner notify the operator. If there is possibly an imminent danger, it should be corrected immediately if possible (Page 28).

9. adds a new section 29, entitled "Qualifications of Mine Inspectors," which requires inspectors to have five years practical experience or three years experience and appropriate mining education (Page 73).

10. provides for formal hearings (Page 13).

11. adds a new section 30 preserving State plans as they exist under the present Federal Metal and Nonmetallic Mine Safety Act (Page 75).

12. prohibits the issuance of fines in conjunction with emergency temporary standards until such time as those standards become permanent. Allows closure orders in those circumstances (Pages 18–19).

13. removes Congressional veto of administrative regulation.

Mr. SARASIN. Mr. Chairman, there is a reason for separation. The reason is specific and the reason for having a bill especially designed for the hard-rock miners and a bill especially designed for coal is that there is a tremendous difference. I pointed out earlier that this was recognized by the gentleman from Arizona (Mr. UDALL) when he attempted to put together a surface-mining bill and cover all surface miners. It could not be done, because of the differences between the surface mining of coal and the surface mining of other minerals.

This bill does everything the bill in the last session did, all the things we talked about that were important, all the things that the labor unions insisted had to be included in the piece of legislation. This was the bill they fought and died for last year and suddenly, while I am consistent, they are inconsistent; suddenly they no longer like the piece of legislation they wanted so badly last year and they are looking for something else which denies the hard-rock miners of today their rights.

Again, when we remember that there are only 666 underground metal and nonmetal mines, and 14,000 surface mines, 12,000 of which are sand and gravel and quarry operations, and that most of the Members in this body have sand and gravel and quarry operations—I cannot imagine any State without them—I wonder what they are going to tell those operators and workers when they find out that they are subject to the jurisdiction of the Coal Act. It just does not seem to make any sense.

I have seen so many loopholes existing in H.R. 4287 that the best way to control them is to adopt H.R. 7979. This is the bill which was studied; this is the bill on which hearings were held; this is the bill which was supported by 308 Members in the last session. H.R. 4287, unlike the comments of the chairman yesterday, is not just a simple transfer bill. I agree with those who support the transfer and I agreed last year. That is in H.R. 7979.

We will retain MESA, lock, stock, and barrel. I agree with all the reasons for doing that, and it is done in this bill. I also agree that State plans which are as good as or better than the Federal plans should be allowed to exist. That is denied under H.R. 4287. I know I am not alone in this strong feeling for State plans.

The general duty clause is in here. The requirement that a safe and healthful workplace be maintained as a general obligation is not even in H.R. 4287.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent, Mr. SARASIN was allowed to proceed for 30 additional seconds.)

Mr. SARASIN. Mr. Chairman, I take this additional few seconds only to urge support of H.R. 7979 again, because we are talking about a very, very important bottom line. That bottom line is the health and safety of the miners which, frankly, has been overlooked with the possible enactment of H.R. 4287 by its lack of the general duty clause and the other points I have mentioned, which are extremely important.

I urge support of my substitute, H.R. 7979.

Mr. LE FANTE. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, my colleagues on the committee, I rise in opposition to the Sarasin substitutes. I think we need to address the penalties provisions of this legislation. The suggestion that penalties should be discretionary rather than mandatory as they are currently in the Coal Act and in H.R. 4287 would represent a retreat from our fundamental commitment to make mining as safe as humanly possible.

The bill follows the present Coal Act in requiring mandatory civil penalties where there has been a violation of the act or any standard, rule, order, or regulation issued under the act. Civil monetary penalties are essential as a part of a wider range of enforcement tools. Without them, there is only a limited incentive for compliance before inspection. The Supreme Court recently recognized this, in discussing the provisions of the Coal Act, when it held that—

> A major objective of Congress was prevention of accidents and disasters; the deterrence provided by monetary sanctions is essential to that objective.—(*National Independent Coal Operators Association* v. *Kleppe*, 423 U.S. 388, 401, January, 1976.)

Mandatory civil penalties remove any uncertainty in that if you violate the act, you will receive a civil penalty. Accompanying that certainty is the deterrence that is essential to assure compliance with standards. Mining is an area where even so-called minor violations of the act's provisions could result in death or serious physical injury. Given the Congress overriding objective of preventing accidents and disasters, there is no such thing as a nonserious violation. That is why civil penalties must be mandatory under this bill.

SERIOUS VERSUS NONSERIOUS

In promulgating the Coal Act of 1969 Congress recognized that even minor violations of health or safety standards can result in catastrophic accidents. In view of the serious stake our miners have in the safety of their mines, it is unreasonable to attempt to distinguish among the dangers and hazards that they face. How do you draw the line between a violation that should be penalized and one that should not? You have to resort to some sort of awkward legalistic hairsplitting about whether a violation is "serious" or "nonserious" or some such formula. Moreover, you multiply the number of people involved in the administration of the law who are trying to decide whether a violation could have killed a miner or only seriously maimed him. The arguments that making penalties discretionary will somehow simplify the law, or release personnel now involved with penalty setting functions for violations are misguided.

Violations of standards in the exceptionally hazardous working environments associated with mining should not be subject to complicated distinctions between what is serious and what is not serious between what is subject to a monetary penalty and what is not. Compliance with the law must be mandatory. The deterrence effect of a definite monetary penalty is obvious. In discussing the importance of the mandatory civil penalty structure of section 109 of the Coal Act, the Supreme Court noted the incentive effect of mandatory civil penalties:

> The importance of section 109 in the enforcement of the Act cannot be overstated. Section 109 provides a strong incentive for compliance with the mandatory health and safety standards. That the violations of the Act have been abated or miners withdrawn from the dangerous area before section 109 comes into effect is not dispositive; if a mine operator does not also face a monetary penalty for violations, he has little incentive to eliminate dangers until directed to do so by a mine inspector.—(*National Independent Coal Operators Associations* v. *Kleppe*, 423 U.S. 388, 401 (January, 1976))

Mr. Chairman, I can think of nothing that would so confuse the enforcement of this act as discretionary civil penalties in an industry that is so hazardous that even violations of housekeeping standards can kill miners.

I urge the rejection of this substitute.

Mr. SARASIN. Will the gentleman yield?

Mr. LE FANTE. I yield to the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. I thank the gentleman for yielding.

Mr. Chairman, I would really go back to the colloquy that the gentleman from Pennsylvania (Mr. GAYDOS) and I had here earlier when we talked about this very issue and the fact that Interior, through MESA, has published a report indicating mandatory penalties do not work; that there is no correlation between mandatory fines and health and safety. That ought to be something we are concerned about. In fact, metal and nonmetallic is doing better even under the present law, which is not as adequate as it should be, but they have discretionary penalties in nonserious violations. That is important.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. LE FANTE) has expired.

(On request of Mr. SARASIN and by unanimous consent, Mr. LE FANTE was allowed to proceed for 3 additional minutes.)

Mr. SARASIN. If the gentleman will yield further, I would simply go back to that point, in spite of what the Supreme Court said. They were not deciding this issue on the basis of investigation. They held as a matter of law that it is an incentive, but as a matter of fact it is not. I think that is what we ought to look at, that as a matter of fact you do not establish a correlation.

Are we going to allow such things as the horrendous situation in the application of the Coal Act, where an unsanitary toilet outside the mine caused the closure of the mine? Is that what we are looking for? Or are we looking for an incentive to try to solve the problem? It seems to me there has been criticism of OSHA as being a terrible law because of the nitpicking, arbitrary attitude of the inspectors.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

First, Mr. Chairman, let me respond to my good friend, the gentleman from Connecticut (Mr. SARASIN), and say again that our bill does not have the general duty clause.

The general duty clause is a catchall. We have been using every effort we can to provide specific standards so that if they violate standards they are fined. That is fair. That is just what we are talking about.

The general duty clause catches them for a violation of practically anything an inspector may consider a serious violation. So in responding to individuals who have been critical of standards and how they are met and enforced, we say specifically, "Forget about the general duty clause." That standard is now a positive standard. It is exacting and it is accurate. That is what we have been talking about, and I do not know why there has been so much to do about the general duty clause.

In reference to the gentleman from Arizona (Mr. UDALL) and what he said and the interpretation placed on that by my good friend, let me say this: I spoke personally to the gentleman from Arizona (Mr. UDALL) about this. He would insert his explanation in the RECORD, and he would be on the floor of the House now if he were not tied up somewhere else. He would explain to us that somebody is misinterpreting what he said.

When he said the chief sponsor and the chairman were dealing with the surface mine bill on this point—and he told me this specifically, and I have been authorized to quote him—that was not his intention. If anybody interpreted him when he made those remarks as substantiating or supporting the position of

the gentleman from Connecticut (Mr. SARASIN), that is completely erroneous.

Mr. Chairman, let us just take a look at the Sarasin substitute. I think I must point out that the Sarasin substitute was not the substitute my good friend, the gentleman from Connecticut, offered before the subcommittee when we marked the bill up and finally passed the bill out of the subcommittee, nor was his bill the same as the substitute that he offered before the full committee. He has been playing around with that bill a little bit; he has been adding some things to it.

In fact, the day we first went to the Committee on Rules, which was June 23, the gentleman from Connecticut (Mr. SARASIN) introduced his present substitute as H.R. 7979. In the meantime, what has he done to this bill?

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, obviously we are talking not about the introduction of the substitute but the date of the filing of the bill in the hopper here as a regular bill. Is that not correct?

Mr. GAYDOS. The gentleman is correct.

Mr. SARASIN. Mr. Chairman, I thank the gentleman.

Mr. GAYDOS. Mr. Chairman, the gentleman from Connecticut made some changes to it. It was a different bill than the one that was presented before the committee.

The three changes the gentleman placed in it are very revealing. The three changes are these: No. 1, it provides that the Secretary of Labor in this legislation is obliged in promulgating standards to follow the adjudicatory provisions of the Administrative Procedures Act. What that means in layman's language is that every time they make a standard or try to get a standard adopted, they are having all kinds of lawyers taking up time day after day and submitting all kinds of formal objections. Thus they delay the setting up of standards, just as standards have been delayed under the existing Metal and Nonmetal Act. They have been delayed as long as 2, 4, and 5 years.

That is what the adjudicatory process means. Under that process we depart from commonsense. Commonsense dictates this: Yes, we should give people—all kinds of people, operators, workers, and everybody interested, including public service groups—an opportunity to appear and to make their views known. But we should not clutter this up with some kind of formal proceedings whereby we destroy the actual standard-making process.

There is another little area in the bill where we are talking about making a provision for emergency temporary standards, but, on the other hand, the bill would prohibit the Secretary of Labor from imposing any civil penalties against the operator for violation of a temporary standard. Those two things are contradictory.

The one big thing in this addition involves preempting the Federal Government. What is included in this substitute is a provision that says that the Federal Government can be preempted in insuring the health and safety of miners in the metal and nonmetal mines of this Nation. We have certain States that have mine health and safety acts, States which have adopted plans that are acceptable to the Federal Government, and they do enforce the act in those States. They have enacted legislative acts for coal.

They do enforce them. They have personnel.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(By unanimous consent, Mr. GAYDOS was allowed to proceed for 5 additional minutes.)

Mr. GAYDOS. To continue, Mr. Chairman, as a practical matter, what happens? These 12 States produce roughly 93 percent of all of the coal produced in the United States. As a practical matter, when these 12 States enforce their legislative enactments, they have inspectors who go into a mine. In fact, I just went to one out in Pennsylvania, and at this hearing we had the Federal people there; we had the State people there; and we had some of their department secretaries. They were there and they were making inquires. Therefore, the State law complements the Federal law.

H.R. 4287 provides funds for the States to do this. We encourage that the States enact legislation. We teach them how to do it. We provide funds to enable them to do it. We even provide training funds for them to help them set up educational programs, all of which is to help them in the enforcement of the health and safety acts.

We do this for them. We expect the States to support us and to inspect along with the Federal Government, but we do not allow the Federal Government to be preempted, as is provided in the substitute amendment, under which the State comes in, and if it is a weak State, that weak State has exclusive jurisdiction in enforcing their act providing health and safety for miners. The Federal Government is left out in the cold.

Mr. Chairman, that is exactly what they want. Presently we have the Metal and Nonmetal Act of 1966. We have presently six States that have taken advantage of that provision which allows States to do exactly that which we do not allow in our act. When we allow the States to do that, out of these six States, five States have records which are worse than we have under the Coal Acts.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. In a State such as North Carolina, which has a plan approved by the present Department of the Interior as being superior to the Federal act or legislation, what would happen under the terms of this bill to the State of North Carolina?

Mr. GAYDOS. Two things would happen. No. 1, North Carolina would now qualify for funding up to 80 percent of what it is costing them to continue on with the enforcement of that act. No. 2, with respect to all provisions which are superior in their act to the provisions of the Federal act, if adopted here, North Carolina would have exclusive jurisdiction over those provisions because its regulations are superior; and North Carolina would get Federal funding to continue. Furthermore the North Carolina legislative enactments would prevail because they would fill in that void that is there. Therefore, I think it is a good thing as far as North Carolina is concerned.

Mr. JONES of North Carolina. I thank the gentleman very much, Mr. Chairman.

Mr. GAYDOS. Mr. Chairman, I want to thank the gentleman for bringing up a very important point, which clearly shows how a State activity can supplement, can fortify, and can work along with what our concept is as far as Federal jurisdiction is concerned.

I think if for no other reason but that reason alone, the substitute should be soundly defeated.

I also want to point out, Mr. Chairman, that in this legislation we are talking about separation. There is no question, that the time has come to put all mining legislation in one department. We have to put it in the one department in which it belongs. We have to get rid of that Metal and Nonmetal Act. We have to have one act.

Mr. Chairman, we have done this in H.R. 4287, and we have a good act. We have an act which, if it is enacted—and I am sure it will be—is going to finally recognize that all miners, regardless of what they are mining are going to be protected.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding.

I strongly support his position. I strongly oppose the Sarasin substitute amendment.

We know what we are talking about here. Let us make this an accomplished fact. Let us strengthen metal mining protection.

Let us not dress up last year's Christmas trees with old, wornout ornaments, let us take a brandnew tree, let us make a brandnew program and give it the strength of the provisions of the Coal Safety Act that the gentleman has so well described, and move ahead and defeat this substitute amendment.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I was interested in hearing the comments made by the gentleman from Minnesota (Mr. OBERSTAR) about the Christmas tree, and so forth. But, may I point out that when the gentleman was in the well of the House last year, he was strongly planting that tree, and, oh, it was so good,

then, and, suddenly, it is not all that good today.

It was not a qualified endorsement, it was a good one.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. SARASIN and by unanimous consent, Mr. GAYDOS was allowed to proceed for 5 additional minutes.)

Mr. SARASIN. Mr. Chairman, will the gentleman yield further?

Mr. GAYDOS. I yield further to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I would like to refer back to the earlier comment of the gentleman about the terrible things that are in this bill. The adjudicatory procedure under the formal rulemaking process of H.R. 7979—yes, it is there, it is there, and I state that as a fact, it is there—to allow the mining community to come in and cross-examine witnesses rather than allow this arbitrary selection of standards without the opportunity of cross-examination to be sure that the law is a good law and not a bad one.

The gentleman will recall that I pointed out the incident where the miners had pointed out that under the Metallic and Nonmetallic Act, that does have formal rulemaking, that they were able to prevent a disastrous standard from going into effect because they had the ability to cross-examine the witnesses, and the administrative law judge was in a better position, then, to judge the facts. But that situation does not exist in the provisions in this bill.

Again, when we look at the decrease in the accident rate, when we look at the success of the metallic and nonmetallic situation today, in spite of its shortcomings, then I see no reason to destroy what has worked so well in these areas, and the emergency, temporary standards, we are talking about temporary standards providing for a situation that develops and it can only last for 9 months. And the biggest threat and the most effective threat to the metallic and nonmetallic mines today is closure, not the dollar amount of the fines.

I believe that what MESA has done in their studies of this is to put to bed the fact that there is a correlation between dollar fines and the health and safety of the miners.

Mr. GAYDOS. If closure is so important, if closure has been proven to be so effective, then why in your substitute do you only have two areas for closure, while in the bill we have before us we have at least five areas? If you are talking about closure being so magical and so all-important, then why have you only put in closure orders covering two areas; why did you not put in more?

Mr. SARASIN. I am sure the gentleman is aware that there are three.

Mr. GAYDOS. We have five.

Mr. SARASIN. What is so magic about five or six?

Mr. GAYDOS. I would not want to put three more in if they are identical. I submit that they are separate and apart, but fit together.

Mr. Chairman, let me respond to argument that took place last year when we passed H.R. 1355, which was handled by Dominick Daniels. We passed it. Most of us supported it. But it was passed under a threat of veto. Something was better than nothing at that time. It was all we could get then. And personally I had some reservations. I also believe that many of the Members at that time knew that we wanted to do it at that time, to bring the two together so as to amalgamate the laws into one law.

Mr. SARASIN. If the gentleman will yield further, let me say that I have reread the hearings, the arguments and the debate in the CONGRESSIONAL RECORD of last year, and I did not see one qualifying statement by the gentleman now in the well, or anyone else, including myself, who supported that bill. They supported it enthusiastically. They said many times, especially in answer to questions by our former colleague, the gentleman from West Virginia, Mr. Hechler, that, oh, yes, we will maintain the separation, because it was so important and now here we are, throwing it out the window.

Mr. GAYDOS. Mr. Chairman, I would like to conclude my remarks by saying that I think that it is commonsense, that it is a natural conclusion of analytical people to have the two put together. If we want fairness and if we want quality for all, it should emanate from one act. You cannot have this act split up, because when we have two jurisdictions split, two separate acts, then it is obvious what has happened with the metallic and nonmetallic mines, where standards have difficulty in being adopted, where they are not as enforceable.

Why would anybody refuse to defend the proposition that when a man is mining coal in a coal mine that there are penalties, there are standards that are mandatory, there are fines, while over here, on the other hand, if a man is mining asbestos then he does not have that protection and those penalties?

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

Is not the answer simple? Just change the law.

Mr. GAYDOS. That is what we are doing.

Mr. KAZEN. Put the penalties in there, but keep them where they are.

Mr. GAYDOS. We are changing the law.

Mr. KAZEN. There are two different types of mining. There are two different jurisdictions, and do not put them together. Just change the law. Make it fair.

Mr. GAYDOS. There are two different types of mining. There are around 650 different types of mining presently covered in the Metal and Nonmetallic Act.

Mr. Chairman, I yield back the remainder of my time.

Mr. Chairman, in continuation of the colloquy that got cut short in our efforts during general debate, I would continue to share my concerns with the Members. Safety is certainly a laudable objective. I doubt within recent history on this House floor that any Member has taken to the well to advocate unsafety. But this issue we are looking at is what legislative vehicle should we put on track in order to arrive at the destination of the laudable objective of safety. In one instance we have allowed the Department of the Interior through its subagency, MESA, to serve as the implementing entity for this responsibility. The very dedicated Committee on Education and Labor has come forward and suggested no, it should be all under the Department of Labor.

With regard to proposition No. 1, I have been continually troubled, as a member of the Committee on Interior and Insular Affairs, and as a member who is very much concerned with issues related to nonfuel minerals, with whether or not the Department of the Interior was in fact the entity that should be fulfilling this responsibility. I have been troubled by the question of whether or not this responsibility is a logical extension of the general statutory mandate creating the Department of the Interior. I am not sure it is.

Conversely, I have experienced some very distressed constituents voicing their objections to the fairness and efficiencies found within OSHA. Some have suggested that they would have been better off being accused of homicide, criminal homicide, than they would have been being accused of an infraction of an OSHA rule or regulation.

I would assume that each member of the Labor Committee would concede that there have been problems of administrative excess and abuse. My reservations and concerns enunciate themselves in this context. Do we solve the need for safety in our mines by compounding the problems that have inhered in the general administration at the street and business level of the OSHA? Are we creating a baby OSHA? Are we creating and compounding the problems that have occurred because of the judge-jury-executioner general authority that has been implanted within OSHA by bringing that judge-jury-executioner authority and putting it in our mines?

Mr. Chairman, I think that there has been a measured improvement in some of the administrative activities OSHA has taken over the last year or year and a half. But I cannot concur with or subscribe to the general proposition so well enunciated by the gentleman who just preceded me in the well, that all these apples and all these oranges are of precisely the same definition and dimension and we can throw them all into the same basket and come out with exactly the same solution.

That strikes me as inherently illogical in implementation because there is a world of difference between a copper mine and a coal mine and between a sand and gravel pit and a coal mining strip.

I think if we fail at the legislative beginning we could in a very real sense

compound the negatives that have characterized some aspects of the operation of OSHA. In doing so we would resolve nothing in terms of the laudable objectives of mine safety. We would merely compound, confuse and conflict with the inevitable administrative potential for bureaucratic excess that is inherent in any governmental department action or activity.

I know that certainly is not the intent of the gentleman.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

(By unanimous consent, Mr. SANTINI was allowed to proceed for 3 additional minutes.)

Mr. SANTINI. Mr. Chairman, I yield to the gentleman to afford him an opportunity to respond to my observations.

Mr. GAYDOS. Mr. Chairman, in response to the gentleman from Nevada, I know he is sincere in raising the point. I just want to point out we are talking about the enforcement of standards, and we are providing that standards presently in existence in the metal and nonmetallic field, will be maintained.

Nowhere in the present language of this legislation or in any projected interpretations would we have any difficulty in that area of standards, because the standards are vertical. There will be standards for salt mines, there will be standards for the coal industry, there will be standards for the gravel mines, and there will be standards for other mines. That is how it works. I do want to point that out to the gentleman.

Mr. SANTINI. Do we throw the baby out with the bath with this bill?

Mr. GAYDOS. No, we do not.

Mr. SANTINI. Do we do that in the sense that we paint too broadly with the legislative brush? Could we not reach the inequities we have clearly suggested exist without transferring the responsibility altogether.

Mr. GAYDOS. The proof of the pudding is that we are doing just that. We have standards that provide for coal mining and for silver mining and for other mining. Those standards are there. I can assure the gentleman in all good conscience that will not be a problem, real or imagined.

Mr. SANTINI. If that problem develops, will the gentleman assist me in explaining to my constituents?

Mr. GAYDOS. Unqualifiedly yes.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, as far as the transfer is concerned, in my bill H.R. 7979 and in the gentleman's bill, H.R. 4287, they are identical. They take over the regulations, lock, stock, and barrel, but separately.

But as to new standards, when we talk about lumping hard-rock miners with coal miners we have a mess and a problem that would not exist if H.R. 7979 were adopted as a substitute.

Mr. GAYDOS. If the gentleman will yield further, I have complete disagreement with that observation. It does not create that problem at all because the language states they shall be separate.

In fact, the gentleman from Minnesota (Mr. QUIE), by the gentleman's authority on that side, in the full committee made us put in that amendment and we accepted it, that there will be separate standards.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Texas.

Mr. Chairman, does the gentleman mean they will be different and separate standards?

Mr. GAYDOS. Mr. Chairman, if the gentleman will yield, yes, as they exist, and all future standards. The Quie amendment says that the promulgation of all future standards shall be separate. It is in the bill.

Mr. KAZEN. I would hope that they would be different. That is what concerned me.

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I listened with great interest to my colleague, the gentleman from Pennsylvania, the chairman of the subcommittee (Mr. GAYDOS). When the gentleman was speaking from the well a few minutes ago, the gentleman argued for equal treatment, that we should put the metalic and nonmetallic into the same act as the coal miners, because it is only fair to treat them equally.

I hope the gentleman will remember that and act consistent with that argument next week when we have the black lung bill on the floor of the House, as I am advised we will, because I think that is a good principle for treating those who are disabled as a result of having pneumoconiosis from working in the coal mines. I think they should be treated equally, given the same amount of compensation, the same chance to get compensation as workers who are disabled through other industrial diseases in other industries.

Now, I do know that the gentleman from Pennsylvania has supported the black lung compensation law that is on the books today, as I did initially, that was in the Coal Mining Health and Safety Act of 1969. I was the ranking Republican on the subcommittee that wrote that bill, so I am somewhat familiar with both the safety and health and the compensation provisions of that legislation. It was argued at that time that the Federal program was necessary to take care of old claims, but in the future everybody would be treated alike under workers compensation. It is time that that promise was fulfilled and next week I am going to offer an amendment to the black lung bill in the nature of a substitute that will put the black lung sufferers in the same position as others who are entitled to compensation for industrial disease. I hope the gentleman from Pennsylvania will be on the floor in the well arguing for equal treatment next week, as the gentleman was today. I rather doubt that the gentleman will be, of course, because what he will be trying to do next week is give black lung compensation to people who are not ill. They want to give black lung compensation to all ex-coal miners, calling it compensation, but it will, in reality, be a Federal pension for this particular industry and I hope we do not do that.

Now, as far as the substitute is concerned, I rise in support of the substitute amendment offered by the gentleman from Connecticut. I see no reason why we should treat metallic and nonmetallic the same as coal. I think the gentleman from Connecticut has pointed out we have gassy mines. We have an altogether different situation in the coal mine areas.

I think the gentleman is quite consistent in offering this substitute amendment and those who would oppose it today are being quite inconsistent, because as the gentleman pointed out repeatedly, the same bill that they championed last year was a good idea then and it is a good idea today. I did not champion it then. I did not think it was a good idea to put enforcement over in the Department of Labor. I think it is being done for the sake of satisfying organized labor, because they think the Department of Labor is their own captive Department in the hierarchy of Government. The opposition seems to have dissipated to that transfer. Let us go ahead and make that transfer, but let us not, as the gentleman who preceded me in the well said, "Throw the baby out with the bathwater." Let us keep the separate acts, and recognize that these are totally different types of endeavors, mining fuel coal in highly dangerous combustible situations and mining other metals and nonmetals that are of a totally different nature.

So I again repeat, I hope the gentleman from Pennsylvania (Mr. GAYDOS) will show us the gentleman's consistency next week by taking the well in support of my substitute bill, as I am supporting the substitute amendment offered by the gentleman from Connecticut, and I hope it will be adopted.

Mr. CORNELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems obvious from the debate today that some of our colleagues are concerned about the question of whether the same standards would be applicable for all types of mining. This is certainly not true under the provisions of H.R. 4287.

I would like to refer my colleagues to page 10 of the committee report, at the top of that page, which states:

> The new act distinguishes between statutory provisions which empower the Labor Department with enforcement authority to protect all miners, and statutory standards, which the Congress enacted in 1969 to correct specific workplace conditions in coal mines. It is only the statutory provisions of the Coal Act which are made applicable to all mines, and not the statutory standards. In addition, promulgated standards, which evolved through the rule-making process of the Coal Act and the Metal and Non-metallic Act, and which apply to specific workplace conditions, respectively, in coal and noncoal mines are not made universally applicable to all mines. Promulgated standards will retain the same scope of coverage as they did before the passage of this bill.

That quotation makes it very clear that there will be different standards for different types of mines, just as they exist today.

AMENDMENT COVERED BY MR. GUDGER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SARASIN

Mr. GUDGER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. GUDGER to the amendment in the nature of a substitute offered by Mr. Sarasin: Page 6, line 8, strike out the word "Labor" and insert the word "Interior".

Page 31, lines 24 and 25, delete the words "And the Secretary of Interior".

Page 59, lines 23 and 24, delete the words "And the Secretary of Interior".

Page 60, lines 10, 11, and 25, delete the words "and the Secretary of Interior".

Page 61, line 15, delete the words "the Secretary of Interior".

Page 65, line 18, delete the words "the Secretary of Interior".

Page 70, line 4, delete the words "the Secretary of Interior".

Page 80, line 7, delete the word "Labor" and insert the word "Interior".

Page 81, line 3, delete the words "Secretary of Labor".

Mr. GUDGER. Mr. Chairman, I am very impressed with the arguments advanced by the gentleman from Connecticut, and by his suggesting that there is a great deal of disharmony between the administration of mine safety and health standards in three different areas which have such distinct characteristics. Coal mining, to me, is vastly different from the mining in my part of western North Carolina, where we have a great deal of feldspar, mica and other surface extraction. Certainly I see equally singular disparities between coal mining and metal mining at depth.

I have studied the dissenting opinion of Congressman SARASIN. I think he has well developed those points. However, in his argument, he has pointed out that the Department of the Interior has done reasonably well, and MESA has served a useful purpose in the administration of those responsibilities which have been allocated to it. As a matter of fact, on page 75 of the report, commenting from his remarks, he states:

In the past, there have been compelling arguments for opposing transfer of MESA from the Department of Interior to the Department of Labor, and there have been substantial arguments supporting the case for transfer. The transfer, in this Congress, is supported by the present administration, aware of the issues that have been raised in the past.

In not opposing the transfer, since some of us have opposed transfer in the past, we wish to make it clear that we do not cast any aspersions upon the Department of Interior or MESA. The statistics supplied show that fatalities and disabling injuries in mines have shown an encouraging downward trend. We hope that trend will continue at an accelerating rate, no matter which Department enforcement is located.

My point is this: Where a department has discharged its responsibilities well; where it has developed new processes and new methods of safety and health direction; where it is not shown to have failed in the discharge of its duties in administering those new standards, I see little occasion for justifying a transfer of the functions of that department into another department.

Therefore, I feel that the gentleman's substitute is validated, in that he submits that we should address this year what was addressed last year, that is, changes in existing law, not the elimination of two substantial propositions in our law. But I see no justification in eliminating the responsibility of Interior when it has been doing a good job. Therefore, I feel that we would be remiss if we did not allow this body to pass upon the proposition of retaining in Interior the very authority which it has exercised in the past and the authority under which the Sarasin amendment, in effect, finds its basis, because it has been the Interior Department which has developed most of these changes of the law which he is advocating in his substitute.

I, therefore, generally support the substitute, but I do so subject to the amendment which I have set forth.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in response to the gentleman's amendment, first, let me say that I assume that the amendment provides for negating the transfer over from the Department of the Interior to the Department of Labor. And I say that assumptively because I do not have a copy of the amendment. So with that assumption, I will proceed to make my argument.

Am I correct, is that what the gentleman's amendment does?

Mr. GUDGER. If the gentleman will yield, that is correct. It deletes the word "Labor" and substitutes the word "Interior," and deletes the Department of the Interior in those instances where that Department has concurrent responsibility with the Department of Labor. Where "Secretary" is used in the act, it refers to the Secretary of the Interior under my amendment. It refers to the Secretary of Labor under the Sarasin substitute.

Mr. GAYDOS. Mr. Chairman, there are several reasons why I oppose such a transfer. The primary reason is that it is a conflict of mission. The Interior Department, which is now responsible for MESA, is hampered by the conflicting mission of working with mine operators to enhance production of the natural resources of this Nation. Everybody knows the accident rate goes up, particularly since the President now has called for increased production of things like coal and other energy-producing materials, and this Department stands in a conflicting position. It has always been the conclusion held by those people who know the inner workings of the Department.

Secondly, we have maintained MESA's enforcement function which is not inextricably linked with Interior's mining and research function. Therefore, we do allow and provide for safety research in MESA. They have the experience. They will be doing research. That will be made avaailable to the Secretary of Labor, and the ultimate adoption of and promulgation and enforcement of standards. So the Department of Interior's expertise is not overlooked. It is going to be utilized in the future. And, in addition, all of the personnel are going to be transferred from the Department of the Interior over to the Department of Labor in bulk. We cannot change that. So we are not destroying anything. We are going to move it over in an orderly fashion.

If the legislation is supported and ultimately passes, we are going to have enforcement of the mining rights where it should be, in the Department of Labor. Secretary Andrus has testified before the committee that he is in support of this transfer. Secretary Marshall is in support of the transfer. The President is in support of the transfer. All knowing labor union leaders are in support of the transfer. And, yes, some of the employers and people in the industry are in support of the transfer, and the substitute is in support of the transfer.

Mr. HANSEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think this is a very, very serious amendment in the sense that we are talking about who can best look after the safety of those who are gainfully occupied in the mines and the mining processes of the industry of the United States.

I think it is a very glib thing we are doing when we talk about transferring MESA into an area where OSHA has gained such disrepute.

The Occupational Safety and Health Administration is something about which I have for a long time made a great deal of study, and I can tell the Members that OSHA's track record is so lousy that if we really want to have problems in the mine inspection area, we can just transfer this authority over to the Department of Labor with OSHA.

We talk about conflicts of interest, and we really have conflict of interest when we talk about bringing MESA over into an area with OSHA where we have all the types of known harassments that could happen because of the fact that anybody can pull the plug on the mine owners or anyone else as the result of irresponsible complaints. That is what they are doing under OSHA in too many instances.

I understand we are talking about results, and I know that the gentleman from Kentucky (Mr. PERKINS) has been very concerned about problems in mine safety, but I can say this: that when we look at the kepone record of OSHA and the record it has had in many other respects, any inadequacy of MESA will not be solved in the Department of Labor. If we look at the safety record of industry in the past 30 or 40 years, we find that before OSHA we had good progress, and since OSHA we have had virtually no progress in the general area of safety as far as American industry is concerned. At least if there is progress, it is not discernible.

The point is that we have wastefully spent a lot of money. I think there are a number of areas where we could have worked out something for the increased safety of the workingman, but OSHA has not worked effectively for the working-

man's safety. In fact we seem to be losing ground because many safety programs have sat back and said, "Well, OSHA will take care of these things." But OSHA has not done it.

The way this OSHA complex has operated reminds me of a scene in a ballpark where two or three fielders are running after a high fly ball and they all stop and the ball falls between them. Other safety programs have waited for OSHA and OSHA dropped the ball—kepone being the prime example.

Let me say this also. OSHA is in deep trouble. It is in trouble in the courts resulting from the way it has been operating. They have lost court case after court case, both Federal and State.

In fact, they have not won a case on the fourth amendment basis involving inspections without warrant in the last 18 months. One of these cases is before the Supreme Court now for final decision which is expected next spring.

To bring MESA into OSHA under the Department of Labor at a time when OSHA is in very questionable circumstances seems to me to be really jeopardizing the well-being of the MESA program. More than this, let me say that the Carter administration itself is actually circulating a memo that is supposed to have gone to the President from high levels of the administration, and in that they advocate backing off from OSHA and giving more enhanced responsibilities to the workmen's compensation law and a better system of fines against those who have bad accident records.

So, Mr. Chairman, I would say that this is absolutely the wrong time for a transfer of MESA, and it is the wrong thing to be doing. I support the amendment fully.

I might bring to the attention of the Members the fact that just this week the U.S. District Court for the Southern District of California ruled that the OSHA provisions providing for warrantless inspections violate the fourth amendment. This is the second Federal case holding section 8(a), which is the inspection provision of OSHA, unconstitutional as written, and not interpreting it to authorize a warrant procedure.

So I would say that OSHA is in so much trouble that we should not jeopardize the MESA program by taking this transfer action. OSHA will not be clarified until the Supreme Court finally decides the case which they are scheduled to hear this fall. No decision is expected until next year.

Mr. Chairman, I think these facts make it absolutely premature to put MESA in Labor with OSHA particularly at this time.

Mr. PERKINS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment and in opposition to the amendment in the nature of a substitute.

Mr. Chairman, first let me state that I am not up here defending OSHA. In many respects OSHA has not done a good job, especially in some instances, involving nondangerous situations.

But in instances, such as the steel mills, where OSHA has conducted inspections, and in other more dangerous situations, OSHA has done a good job. However, there are so many little things that the people are complaining about that we forget about all the good they have done. This has come about because of OSHA's messing around with so many little operations where its enthusiasm has overreached its judgment.

If we recall something about the history of mine safety, we know that in 1952 for the first time we gave the Secretary of the Interior the police power to close down mine operations that were found to be unsafe. That was exercised for the first time after the Centralia disaster, after more than 119 people lost their lives.

We authorized Interior to close title II Mines and withdraw workers if conditions amounted to imminent danger of accidents.

They did just that throughout eastern Kentucky. I can name dozens and dozens of mines that MESA closed down pursuant to that 1952 act in eastern Kentucky, West Virginia, and south West Virginia. We further strengthened the imminent danger section in the 1966 amendments.

Then we came to the Farmington disaster of 1968, in which some 78 people lost their lives. We tried to write a strong act, hoping that Interior would keep up with the most dangerous mines in the country, especially the most gassy mines, in which explosions were likely to take place. Legislative history clearly shows our intention that they would not permit those mines to operate until those dangerous conditions were corrected.

We gave Interior that authority. It did not use it.

There were other cases. After MESA was established in 1973 there was the case of the Scotia mine disaster in which 26 lives were lost. That was in March, a year ago. That was wholly unnecessary and inexcusable.

However, Mr. Chairman, the problem here is that MESA commenced to hide behind the claim that it did not have authority, when it did have authority. The top echelons of Interior just did not want to use it. What was wrong with the situation? They were not looking after the most dangerous mine in eastern Kentucky. It was not being properly inspected. MESA did not keep up with the rigorous inspection that one of the most dangerous mines in the Nation should have had. If those inspections had been sufficiently stringent, Scotia mine would have been shut down.

Mr. Chairman, if a condition like that exists, we should transfer the enforcement agency to a department that has the welfare of the working people in mind. We have no other department other than the Department of Labor. MESA is responsible for this transfer. It is because of its own dilatoriness insofar as inspections are concerned.

We cannot afford to go any further with an agency that has not had sufficient departmental backing to enforce the stringent safety requirements that Congress voted. MESA must be transferred to the Labor Department.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. PERKINS) has expired.

(By unanimous consent, Mr. PERKINS was allowed to proceed for 2 additional minutes.)

Mr. PERKINS. We can no longer accept the excuse that they do not have authority in face of the fact that hundreds of mines were closed down when we first gave Interior police power in 1952, and broadened it in 1966. Apparently they thought that people had forgotten all about what had taken place over a period of years, and they never could give us the inspection service that was needed. The Interior Department has substantially more authority today than it had in the early 1950, when it was closing down dangerous mines routinely.

Mr. Chairman, this enforcement agency needs to be transferred to the Department of Labor. Transfer MESA to save human lives.

I am hopeful, Mr. Chairman, that the amendment to the substitute amendment will be voted down, and that, likewise, the substitute amendment will be voted down.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to the amendment.

I have only two very fast observations. No. 1, the bill provides that MESA will not be merged with OSHA. That is in response to the question of the gentleman who raises that problem. The bill specifically sets aside a separate budget for OSHA and MESA and for separate Assistant Secretaries for OSHA and MESA. I conclude by suggesting to the gentleman that he need have no fears that that is going to occur.

Mr. GUDGER. Mr. Chairman, I wonder if the gentleman from Pennsylvania would yield for a question.

Mr. GAYDOS. I yield for one question, and then I will yield back the remainder of my time.

Mr. GUDGER. I thank the gentleman for yielding.

The question is this: Is it not true that when the Secretary of the Interior spoke not in opposition to the transfer, did he not say that he was personally opposed to the transfer but would not take a departmental position against it?

Mr. GAYDOS. He did not say that. It is obvious he would not say that because the Secretary did have a meeting with the President of the United States and other Cabinet members. This was discussed, but the Secretary absolutely did not state that before the committee. I think I am accurate, and I think I have other members of the committee here who will so verify.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman for yielding.

I think the statement by the Secretary was that it was his personal position that

he did not favor the transfer from the Department of the Interior. He felt that the Department of the Interior had done a very good job of enforcement, but the position of the administration was to make the transfer, and he was in support of that as a member of the administration, although his personal view was something other than that.

Mr. GAYDOS. I could understand the man's personal view. He has the Department. He is a new Secretary. He would like to have everything under it. He wants a bigger budget. Sure, that is a natural conclusion, and I would do the same thing. But the fact of the matter is the administration has analyzed this. They have taken a position. The President has spoken, and the Secretary has spoken as the Secretary and has taken a formal position on the record. The formal position is that he favors the transfer.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Idaho.

Mr. HANSEN. I thank the gentleman for yielding.

I am perfectly aware that there is no merging of the two in the Department of Education and Labor but that they are very close. But the point I want to make is that the gentleman referred to, the Secretary of the Interior, is from my State of Idaho. There are big mines there, and we have had problems, and I think that he speaks more from a position of authority than from a position of empire building. I would like that clear for the record.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. GUDGER) to the amendment in the nature of a substitute offered by the gentleman from Connecticut (Mr. SARASIN).

The question was taken; and on a division (demanded by Mr. GUDGER) there were—ayes 10, noes 19.

Mr. HANSEN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Idaho (Mr. HANSEN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 112, noes 227 answered "present" 1, not voting 93, as follows:

[Roll No. 420]

AYES—112

Abdnor	Fountain	Moore
Ambro	Fowler	Moorhead, Calif.
Andrews, N.C.	Gephardt	Nichols
Archer	Ginn	O'Brien
Armstrong	Gonzalez	Panetta
Ashbrook	Grassley	Pattison
Badham	Gudger	Poage
Bauman	Guyer	Preyer
Beard, Tenn.	Hagedorn	Quie
Bellenson	Hall	Quillen
Breaux	Hammer-schmidt	Regula
Broomfield	Hansen	Rhodes
Brown, Mich.	Harsha	Roberts
Brown, Ohio	Hefner	Robinson
Broyhill	Heftel	Rousselot
Burgener	Hightower	Rudd
Burke, Fla.	Holt	Santini
Burleson, Tex.	Huckaby	Satterfield
Butler	Hyde	Sebelius
Cederberg	Ichord	Shuster
Clausen, Don H.	Jones, N.C.	Smith, Nebr.
Clawson, Del	Kazen	Spence
Cochran	Kelly	Stangeland
Coleman	Ketchum	Stockman
Collins, Tex.	Kindness	Stratton
Conable	Lagomarsino	Stump
Corcoran	Latta	Taylor
Crane	Leach	Thone
Daniel, Dan	Lujan	Trible
Daniel, R. W.	McClory	Volkmer
Derwinski	McDonald	Waggonner
Devine	McKay	Whitehurst
Dickinson	Mahon	Whitley
Duncan, Tenn.	Marriott	Whitten
Erlenborn	Martin	Wilson, Bob
Evans, Ga.	Mathis	Young, Alaska
Findley	Miller, Ohio	
Flynt	Montgomery	

NOES—227

Akaka	Delaney	Jones, Okla.
Allen	Dellums	Jones, Tenn.
Ammerman	Derrick	Kasten
Anderson, Calif.	Diggs	Kastenmeier
Anderson, Ill.	Dingell	Kemp
Andrews, N. Dak.	Downey	Keys
Annunzio	Drinan	Kildee
Applegate	Duncan, Oreg.	Kostmayer
Ashley	Eckhardt	Krebs
Aspin	Edgar	LaFalce
AuCoin	Edwards, Calif.	Le Fante
Baldus	Edwards, Okla.	Lederer
Baucus	Eilberg	Lehman
Beard, R.I.	Emery	Levitas
Bedell	English	Lloyd, Calif.
Benjamin	Ertel	Lloyd, Tenn.
Bennett	Evans, Colo.	Long, La.
Bevill	Evans, Del.	Long, Md.
Biaggi	Fary	McCloskey
Bingham	Fascell	McCormack
Blanchard	Fenwick	McDade
Blouin	Fish	McFall
Boggs	Fisher	McHugh
Boiling	Fithian	Madigan
Bonior	Flood	Maguire
Bonker	Florio	Markey
Bowen	Flowers	Marks
Breckinridge	Foley	Mattox
Brodhead	Ford, Tenn.	Meeds
Buchanan	Forsythe	Meyner
Burke, Calif.	Fuqua	Michel
Burlison, Mo.	Gaydos	Mikulski
Burton, John	Gilman	Miller, Calif.
Burton, Phillip	Glickman	Mineta
Caputo	Gore	Minish
Carr	Gradison	Mitchell, Md.
Carter	Hanley	Moakley
Cavanaugh	Hannaford	Moffett
Chappell	Harkin	Mollohan
Clay	Harris	Moorhead, Pa.
Cohen	Heckler	Moss
Conte	Hillis	Murphy, Pa.
Conyers	Hollenbeck	Murtha
Corman	Holtzman	Myers, Gary
Cornell	Horton	Myers, Michael
Cornwell	Howard	Natcher
Coughlin	Hubbard	Neal
D'Amours	Hughes	Nedzi
Danielson	Ireland	Nix
Davis	Jacobs	Nowak
de la Garza	Jeffords	Oakar
	Jenrette	Oberstar
	Johnson, Calif.	Patten
Pease	Scheuer	Ullman
Pepper	Schroeder	Van Deerlin
Perkins	Seiberling	Vanik
Pettis	Sharp	Vento
Pickle	Sikes	Walgren
Pike	Simon	Walker
Pressler	Sisk	Wampler
Price	Slack	Watkins
Pritchard	Smith, Iowa	Waxman
Pursell	Spellman	Weaver
Rahall	Staggers	Weiss
Railsback	Stanton	Whalen
Rangel	Stark	White
Reuss	Steed	Wilson, C. H.
Richmond	Steers	Wirth
Rinaldo	Steiger	Wolff
Risenhoover	Stokes	Wright
Rodino	Studds	Wylie
Rogers	Thompson	Yates
Rooney	Thornton	Yatron
Roybal	Traxler	Young, Fla.
Ruppe	Treen	Zablocki
Russo	Tsongas	
Sarasin	Udall	

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—93

Addabbo	Gibbons	Obey
Alexander	Goldwater	Ottinger
Badillo	Goodling	Patterson
Barnard	Hamilton	Quayle
Boland	Harrington	Roe
Brademas	Hawkins	Roncalio
Brinkley	Holland	Rose
Brooks	Jenkins	Rosenthal
Brown, Calif.	Johnson, Colo.	Rostenkowski
Burke, Mass.	Jordan	Runnels
Byron	Koch	Ryan
Carney	Krueger	Sawyer
Chisholm	Leggett	Schulze
Cleveland	Lent	Shipley
Collins, Ill.	Lott	Skelton
Cotter	Luken	Skubitz
Cunningham	Lundine	Snyder
Dent	McEwen	Solarz
Dicks	McKinney	St Germain
Dodd	Mann	Symms
Dornan	Marlenee	Teague
Early	Mazzoli	Tucker
Edwards, Ala.	Metcalfe	Vander Jagt
Evans, Ind.	Mikva	Walsh
Flippo	Milford	Wiggins
Ford, Mich.	Mitchell, N.Y.	Wilson, Tex.
Fraser	Mottl	Winn
Frenzel	Murphy, Ill.	Wydler
Frey	Murphy, N.Y.	Young, Mo.
Gammage	Myers, John	Young, Tex.
Giaimo	Nolan	Zeferetti

Mr. HUBBARD and Mr. LONG of Maryland changed their vote from "aye" to "no."

Mr. BROOMFIELD changed his vote from "no" to "aye."

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, when we voted in the subcommittee I followed the leadership of my leader on the Republican side of our subcommittee and supported his substitute. At this time I rise, however, in opposition to that substitute for several reasons, but I will discuss one that I believe to be important.

I call the attention of the committee to page of our committee report in which we point out that while much attention is quite rightly focused on the harsh safety statistics in mining, little attention has been directed to the dangerous health conditions existing in many noncoal mines.

Mr. Chairman, I do invite the attention of the Members to this, because I

think this to be an important subject. That is what are we going to do to protect miners and those who work in mines from the health hazards that are part of their jobs in many cases. NIOSH testified:

Metal miners extract about 50 commodities including copper, mercury, gold, silver, lead, zinc, uranium, and asbestos. These miners are exposed to perhaps an additional 50 potentially toxic substances and harmful physical agents during mining processes. Adequate information does not exist on the levels at which most of these substances are present in mines. As a group, workers in metal mines and mills are also exposed to an even wider range of pneumoconioses-producing dusts than are coal miners. They are also exposed to a number of carcinogens, including asbestos, arsenic, uranium and beryllium.

The point is that the committee accepted an amendment which I offered when this matter was before the full committee which did direct that the Secretary of Health, Education, and Welfare, as soon as possible after the date of the enactment of this bill, but in no event later than 3 years thereafter, and on a continuing basis thereafter, shall, for each toxic material or harmful physical agent which is used or found in the mines, determine whether such material or agent is potentially toxic at the concentrations in which they are used or found in the mines, and to submit such determination to the Secretary of Labor, together with all pertinent criteria, and a proposed standard.

What the committee bill does is direct that research be immediately made and such standards be prepared to protect many thousands of miners from many dangers and health hazards in terms of exposure to toxic or carcinogenic substances about which not enough is known by our Government to presently enforce. This is contained in the committee bill.

Indeed, the Metal and Nonmetallic Mining Act does not even include the word "health" in its title.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Connecticut.

Mr. SARASIN. I certainly appreciate the gentleman's yielding and would thank him for offering the amendment in the full committee which took care of this very, very important aspect dealing with toxic material. But I would refer the gentleman to page 17 of H.R. 7979, section 7, which has exactly the same language which he offered in committee as an amendment to H.R. 4287. So the concern of the gentleman, which is a very good concern—and it was an excellent amendment—is already addressed in H.R. 7979. It is not left out, and it was not overlooked in my substitute.

Mr. BUCHANAN. I thank the gentleman for his answer.

There would, however, be a substantial difference in enforcement and implementation under the circumstances created by the committee bill. Procedurally, the differences could be important toward prompt attention to this vital problem. Also, in the committee bill, we find not only protection for health but we find a needed addition of protection for safety as well. While there has been debate on the statistics, I am convinced from the testimony of MESA and other witnesses that if we want to do that which is necessary to protect the health and safety of miners, then it is clear the thing to do is to adopt this committee position.

May I say the question has been raised as to whether differing kinds of mines will receive unreasonable restrictions or actions from MESA because of the differences between coal and metal mines.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SARASIN, and by unanimous consent, Mr. BUCHANAN was allowed to proceed for 3 additional minutes.)

Mr. BUCHANAN. I would say that MESA has testified, and I am convinced, that they will deal appropriately with this difference in underground and surface operations and the distinctions between coal and other mines. I believe we ought to defeat this substitute and stick with the committee bill.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Connecticut.

Mr. SARASIN. I thank the gentleman for yielding.

I would point out to the gentleman, my colleague from Alabama, that MESA never testified on this bill, the committee bill. No one testified on the committee bill. We never held hearings on the committee bill. It was cut and pasted and put together an hour before the subcommittee met. We held hearings on the bill that would revise Coal and Metal and Nonmetallic and combine them. We never held hearings on anything that simply takes the Coal Act and dumps the noncoal people into it. That is the reason for the substitute which I offered, which has had hearings held on it, and witnesses have testified on my substitute.

Mr. BUCHANAN. As my friend is aware, however, they have testified on the substance and the content of this bill.

I urge defeat of this amendment.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address a question to my colleague, the gentleman from Connecticut, who I know is an active member of this committee.

Let us review again. The gentleman means the bill that is before this Congress was tacked together in about an hour's time?

Mr. SARASIN. Mr. Chairman, if the gentleman will yield, the gentleman is absolutely correct.

Mr. ROUSSELOT. So this bill is not much different from the bill we had yesterday, the so-called consumer cooperative bank bill, which was tacked together in our committee in about a half hour. This seems to be a new practice, to rapidly tack bills together in committee and bring them to the floor without much understanding of what the provisions really are.

Mr. SARASIN. I cannot compare the two bills, but I would agree with the characterization of H.R. 4287. It was cut and pasted together and there was never a hearing on it. We keep talking about the Scotia mine and the tragedy. This bill does not touch the coal mine safety at all except to dump the coal miners and all others together.

Mr. ROUSSELOT. No wonder people are losing confidence in the Congress when we legislate in this way.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Connecticut (Mr. SARASIN).

The question was taken; and on a division (demanded by Mr. GAYDOS) there were—ayes 47, noes 47.

RECORDED VOTE

Mr. SARASIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 151, noes 188, answered "present" 1, not voting 93, as follows:

[Roll No. 421]

AYES—151

Abdnor	Fish	Moorhead, Calif.
Alexander	Flynt	Neal
Anderson, Ill.	Fountain	Nichols
Andrews, N.C.	Fowler	O'Brien
Andrews, N. Dak.	Gephardt	Panetta
Archer	Ginn	Pettis
Armstrong	Glickman	Poage
Ashbrook	Gradison	Pressler
Badham	Grassley	Preyer
Bauman	Gudger	Pritchard
Beard, Tenn.	Guyer	Quie
Bedell	Hagedorn	Quillen
Blouin	Hall	Railsback
Boggs	Hammer-schmidt	Regula
Bowen	Hansen	Rhodes
Breaux	Harsha	Roberts
Broomfield	Hefner	Robinson
Brown, Mich.	Heftel	Rogers
Brown, Ohio	Hightower	Rousselot
Broyhill	Hillis	Rudd
Burgener	Holt	Santini
Burke, Fla.	Hubbard	Sarasin
Burleson, Tex.	Huckaby	Satterfield
Butler	Ichord	Sebelius
Cederberg	Jacobs	Shuster
Chappell	Jones, N.C.	Smith, Nebr.
Clausen, Don H.	Jones, Okla.	Spence
Clawson, Del	Kasten	Stangeland
Cochran	Kazen	Stanton
Coleman	Kelly	Steiger
Collins, Tex.	Kemp	Stockman
Conable	Ketchum	Stratton
Corcoran	Keys	Stump
Coughlin	Kindness	Taylor
Crane	Lagomarsino	Thone
Daniel, Dan	Latta	Treen
Daniel, R. W.	Levitas	Trible
de la Garza	Long, La.	Ullman
Derrick	Lujan	Volkmer
Derwinski	McClory	Waggonner
Devine	McDonald	Walker
Dickinson	McKay	Wampler
Duncan, Oreg.	Mahon	Watkins
Duncan, Tenn.	Marlenee	White
Edwards, Okla.	Marriott	Whitehurst
English	Martin	Whitley
Erlenborn	Mathis	Whitten
Evans, Del.	Michel	Wilson, Bob
Evans, Ga.	Miller, Ohio	Wylie
Findley	Montgomery	Young, Fla.
	Moore	

NOES—188

Akaka	Beard, R.I.	Buchanan
Allen	Bellenson	Burke, Calif.
Ambro	Benjamin	Burlison, Mo.
Ammerman	Bennett	Burton, John
Anderson, Calif.	Bevill	Burton, Phillip
Annunzio	Biaggi	Caputo
Applegate	Bingham	Carr
Ashley	Blanchard	Carter
Aspin	Bolling	Cavanaugh
AuCoin	Bonior	Clay
Baldus	Bonker	Cohen
Baucus	Breckinridge	Conte
	Brodhead	Conyers

Corman	Kildee	Price
Cornell	Kostmayer	Pursell
Cornwell	Krebs	Rahall
D'Amours	LaFalce	Rangel
Danielson	Le Fante	Reuss
Davis	Lederer	Richmond
Delaney	Lehman	Rinaldo
Dellums	Lloyd, Calif.	Risenhoover
Diggs	Lloyd, Tenn.	Rodino
Dingell	Long, Md.	Roe
Downey	McCloskey	Rooney
Drinan	McCormack	Roybal
Eckhardt	McDade	Ruppe
Edgar	McFall	Russo
Edwards, Calif.	McHugh	Scheuer
Eilberg	Madigan	Schroeder
Emery	Maguire	Seiberling
Ertel	Markey	Sharp
Evans, Colo.	Marks	Sikes
Fary	Mattox	Simon
Fascell	Meeds	Sisk
Fenwick	Meyner	Slack
Fisher	Mikulski	Smith, Iowa
Fithian	Miller, Calif.	Spellman
Flood	Mineta	Staggers
Florio	Minish	Stark
Flowers	Mitchell, Md.	Steed
Foley	Moakley	Steers
Ford, Tenn.	Moffett	Stokes
Forsythe	Mollohan	Studds
Fuqua	Moorhead, Pa.	Thompson
Gaydos	Moss	Thornton
Gilman	Murphy, Pa.	Traxler
Gonzalez	Murtha	Tsongas
Gore	Myers, Gary	Udall
Hanley	Myers, Michael	Van Deerlin
Hannaford	Natcher	Vanik
Harkin	Nedzi	Vento
Harris	Nix	Walgren
Heckler	Nowak	Waxman
Hollenbeck	Oakar	Weaver
Holtzman	Oberstar	Weiss
Howard	Ottinger	Whalen
Hughes	Patten	Wirth
Ireland	Pattison	Wolff
Jeffords	Pease	Wright
Jenrette	Pepper	Yates
Johnson, Calif.	Perkins	Yatron
Jones, Tenn.	Pickle	Young, Alaska
Kastenmeier	Pike	Zablocki

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—93

Addabbo	Goldwater	Nolan
Badillo	Goodling	Obey
Barnard	Hamilton	Patterson
Boland	Harrington	Quayle
Brademas	Hawkins	Roncalio
Brinkley	Holland	Rose
Brooks	Horton	Rosenthal
Brown, Calif.	Hyde	Rostenkowski
Burke, Mass.	Jenkins	Runnels
Byron	Johnson, Colo.	Ryan
Carney	Jordan	Sawyer
Chisholm	Koch	Schulze
Cleveland	Krueger	Shipley
Collins, Ill.	Leach	Skelton
Cotter	Leggett	Skubitz
Cunningham	Lent	Snyder
Dent	Lott	Solarz
Dicks	Luken	St Germain
Dodd	Lundine	Symms
Dornan	McEwen	Teague
Early	McKinney	Tucker
Edwards, Ala.	Mann	Vander Jagt
Evans, Ind.	Mazzoli	Walsh
Flippo	Metcalfe	Wiggins
Ford, Mich.	Mikva	Wilson, C. H.
Fraser	Milford	Wilson, Tex.
Frenzel	Mitchell, N.Y.	Winn
Frey	Mottl	Wydler
Gammage	Murphy, Ill.	Young, Mo.
Giaimo	Murphy, N.Y.	Young, Tex.
Gibbons	Myers, John	Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Burke of Massachusetts against.

Mr. Jenkins for, with Mr. Addabbo against.

Mr. Young of Missouri for, with Mr. Zeferetti against.

Mr. Cunningham for, with Mr. Cleveland against.

Mr. Dornan for, with Mr. Tucker against.

Mr. Frenzel for, with Mr. Horton against.

Mr. Frey for, with Mr. Brademas against.

Mr. Goldwater for, with Mr. Ford of Michigan against.

Mr. Hyde for, with Mr. McEwen against.

Mr. Leach for, with Mr. Cotter against.

Mr. Lott for, with Mr. Mitchell of New York against.

Mr. Skubitz for, with Ms. Chisholm against.

Mr. Symms for, with Mr. Snyder against.

Mr. Wiggins for, with Mr. Gammage against.

Mr. Winn for, with Mr. Shipley against.

Mr. DERRICK changed his vote from "no" to "aye."

Mr. LLOYD of California changed his vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MICHAEL O. MYERS

Mr. MICHAEL O. MYERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHAEL O. MYERS: Page 87, immediately after line 22, insert the following:

"(3) Section 503(h) of such Act is amended by deleting '$5,000,000' and by inserting in lieu thereof, '$10,000,000', and by inserting before the final period the following: '*Provided*, That no less than one-half of such sums shall be allocated to coal producing States'."

Mr. MICHAEL O. MYERS. Mr. Chairman, section 16 of the Federal Metal and Nonmetallic Mine Safety Act, entitled "State Plans," provides that States may develop and implement plans setting forth mine safety and health standards. Such State plans, if approved by the Secretary of the Interior, would govern in lieu of federally approved and enforced safety and health standards. Currently, six States have approved plans in place, and these States bear the full financial burden of administrative and enforcement costs associated with their plans.

Section 503 of the Coal Act, entitled "Assistance to States," with the passage of H.R. 4287 will apply to coal, metal, and nonmetallic mining States. This section provides for grants to States which wish to develop and implement mine health and safety standards concurrently with Federal standards. Such States having safety and health standards approved by the Secretary of the Interior are eligible for matching-funds grants of up to 80 percent of funds they expend in carrying out such a program. There is $5 million appropriated for each fiscal year to carry out the provisions of section 503.

With the inclusion of metal/nonmetal mining States under the State assistance provisions of the Coal Act, the number of States which could become eligible for such grants is thereby increased. It is obvious that additional funding will be required.

This amendment stipulates, however, that of the increased appropriation of $10 million, half of that amount must be allocated to coal-producing States which wish to take advantage of these provisions.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. MICHAEL O. MYERS. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I wish to commend the gentleman for his perceptiveness. The amendment he has offered is a good amendment, as far as we are concerned on this side. The committee finds the amendment acceptable.

It is my understanding that the minority also finds it acceptable.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. MICHAEL O. MYERS. I will be glad to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I want to be sure that I understand the gentleman's amendment.

As I understand it, under the Coal Act now $5 million is already available for this purpose, and we are doubling that amount to $10 million because the Coal Act now has new responsibilities for metal and nonmetal mining?

Mr. MICHAEL O. MYERS. The gentleman is correct.

Mr. SARASIN. And the gentleman is saying that that $5 million will remain protected for the coal-producing States?

Mr. MICHAEL O. MYERS. Yes, that is right.

Mr. SARASIN. My question is this: What happens to the metal and nonmetal miners in those coal-producing States? Are they also going to share in that $5 million the gentleman is grandfathering in?

Mr. MICHAEL O. MYERS. I understand they would. It is my understanding they would be able to apply for that, and they would set up two separate procedures for enforcement.

Mr. SARASIN. Mr. Chairman, if the gentleman will yield further, may I ask this question: Would there be the possibility of having additional funds out of that remaining $5 million flowing into those coal-producing States for the purpose of taking care of metal and nonmetal miners?

Mr. MICHAEL O. MYERS. Yes, I would say to the gentleman.

Mr. SARASIN. Mr. Chairman, I thank the gentleman.

I agree with the majority with respect to the gentleman's amendment. I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MICHAEL O. MYERS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURTHA

Mr. MURTHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURTHA: Page 87, immediately below line 10, insert the following:

(4) Section 501(e) of such Act is amended by inserting immediately before the period at the end of the first sentence thereof the following: "ending prior to October 1, 1977, and $60,000,000 for the fiscal year ending September 30, 1978, and for each succeeding fiscal year thereafter".

Mr. MURTHA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MURTHA. Mr. Chairman, I am offering an amendment to raise the authorization ceiling for coal mine health and safety research from $30 million to $60 million under the Bureau of Mines.

In my work on the Interior Subcommittee of the Appropriations Committee, I have reviewed in careful detail the work being done by the Bureau of Mines, MESA, ERDA, and other agencies with roles in stimulating coal production and use. I believe we have a great deal to accomplish in technological improvements and mining development and training if we hope to reach President Carter's coal production goals for the next decade.

I asked the Bureau of Mines for a list of some of the work they would be able to accomplish with the proposed increase in funds. Here are just a few of the more significant projects from a list of 22 they indicate need research, but are impossible within present funding levels:

Determining the accuracy and reliability of present dust measurements in the mines;

Developing a reliable rotary water seal for ripper-type continuous miners which would produce about a 25 percent dust reduction compared to conventional water spray systems;

Demonstrating safety techniques to protect against coal dust explosions;

Developing innovative rescue team equipment;

Creating new roof support evaluation methods;

Improving design for noise control of major types of underground electric face equipment;

Completing new work in toxic product criteria for explosives; and

Developing controlled surface blasting techniques for improved highwall stability.

Projections indicate the Nation will need 200,000 new miners by 1985 to meet the President's coal production goals. We are not going to attract young men into the mines unless safety is improved, and unless we give them the technological means to do the quickest, most productive, safest job. The work these funds can produce at the Bureau of Mines can be extremely significant in taking steps to reach production goals.

Economically, I would like to add that the present $30 million authorization ceiling has effectively been reduced by inflation to purchasing power of $18 million. Certainly our efforts to increase coal production in the United States justifies this funding.

I believe this is a very important amendment which will significantly help the Nation's coal efforts.

Mr. GAYDOS. Mr. Chairman, I rise in support of the amendment.

The committee has analyzed the amendment. Needless to say, we find it most acceptable; and the committee is willing to accept the amendment.

Mr. SARASIN. Mr. Chairman, I move to strike the last word.

I would ask the gentleman, the author of the amendment, whether the amount requested here is already in the budget or already appropriated.

Mr. MURTHA. Mr. Chairman, if the gentleman will yield, there is only $10 million of the additional money that has been appropriated. We had requests for more, but we felt it would be inappropriate until we got a higher authorization. If there is a supplemental appropriation, which we feel there will be, we are going to consider the additional requests at that time for additional money. I might add that we have had detailed hearings on this matter.

Mr. SARASIN. Mr. Chairman, I thank the gentleman for his explanation, and I would have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MURTHA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ANDREWS OF NORTH CAROLINA

Mr. ANDREWS of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS of North Carolina: Page 8, after line 12, insert the following:

STATE PLANS AND LAWS

SEC. 202. Title I of the Federal Coal Mine Health and Safety Act of 1969 is amended by adding at the end thereof the following new section:

"STATE PLANS AND LAWS RELATING TO METAL AND NONMETALLIC MINES

"SEC. 112. (a) In order to promote sound and effective coordination in Federal and State activities relating to mines (other than coal mines as defined in section 3(h)(2)) subject to the provisions of this Act, the Secretary shall cooperate with the official mine inspection or safety agencies of the several States.

"(b) Any State which, at any time, desires to develop and enforce health and safety standards in mines (other than coal mines as defined in section 3(h)(2) located in the State which are subject to this Act shall submit, through a State mine inspection or safety agency, a State plan for the development of such standards and their enforcement.

"(c) The Secretary shall approve the plan submitted by a State under subsection (b), or any modifications thereof, whenever the State gives evidence satisfactory to the Secretary that under such plan—

"(1) the State agency submitting such plan is the sole agency responsible for administering the plan throughout the State and contains satisfactory evidence that such agency will have the authority to carry out the plan: *Provided*, That the Secretary may, upon request of the Governor or other appropriate executive or legislative authority of the State responsible for determining or revising the organizational structure of State government, waive the single State agency provision hereof and approve another State administrative structure or arrangement if the Secretary determines that the objectives of this Act will not be endangered by the use of such other State structure or arrangement.

"(2) such agency has adequate legal authority to enforce existing health and safety standards for the purpose of the protection of life, the promotion of health and safety, and the prevention of accidents in mines (other than coal mines as defined in section 3(h)(2)) in the State that are subject to this Act, which are, in his judgment, substantially as effective for such purposes as the mandatory standards under section 101 and which provide for inspection at least annually of all such mines, other than coal mines, as defined in section 3(h)(2), quarries, and sand and gravel pits.

"(3) the agency has adequate qualified personnel necessary for the enforcement of the plan.

"(4) the State will devote adequate funds to the administration and enforcement of such standards.

"(5) reasonable safeguards exist against loss of life or property arising from mines (other than coal mines as defined in section 3(h)(2)) which are closed or abandoned after the effective date of this Act, and

"(6) the agency shall make such reports to the Secretary, in such form and containing such information, as the Secretary shall from time to time require.

"(d) The Secretary shall, on the basis of reports submitted by the State agency and his own inspection of mines (other than coal mines as defined in section 3(h)(2)), make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan (or any assurance contained therein), he shall notify the State agency of his withdrawal of approval of such plan and upon receipt of such notice such plan shall cease to be in effect.

"(e) The provisions of sections 104(c), (h), and (i) of this Act shall not be applicable in any State in which there is in effect a State plan approved under subsection (c) of this section.

"(f) No State or territorial law which relates to mines (other than coal mines as defined in section 3(h)(2)) subject to this Act and which is in effect upon the effective date of this section or which may become effective thereafter, shall be superseded by any provision of this Act, except insofar as such State or territorial law is in conflict with this Act, or with orders issued pursuant to this Act.

"(g) Provisions in any State or territorial law which relates to mines (other than coal mines as defined in section 3(h)(2)) subject to this Act and which is in effect upon the effective date of this section, or which may become effective thereafter, which provide for greater safety of persons in a mine (other than a coal mine as defined in section 3(h)(2)) subject to this Act, than do provisions of this Act, which relate to the same phrase of operations, shall not be construed or held to be in conflict with this Act. Provisions in any State or territorial law which relates to mines (other than coal mines as defined in section 3(h)(2)) subject to this Act and which is in effect upon the effective date of this section, or which may become effective thereafter, which provide for the safety of persons in a mine (other than a coal mine as defined in section 3(h)(2)) subject to this Act concerning which no provision is contained in this Act, shall not be construed or held to be suspended by this Act.

"(h) To the extent that provisions of this Act apply to mines other than coal mines as defined in section 3(h)2), nothing in such provisions as applicable to such mines shall be construed or held to supersede or in any manner affect the workmen's compensation laws of any State or territory, or to enlarge or diminish or affect in any other manner the common law or statutory rights, duties, or liabilities of employers and employees under State or territorial laws in respect of injuries, occupational or other diseases, or death of employees arising out of, or in the course of, employment."

Mr. ANDREWS of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ANDREWS of North Carolina. Mr. Chairman, the amendment I offer is a relatively simple one, but it is very important. It preserves a relatively small portion of the current law.

Mr. Chairman, as I presume is known, we are now dealing with two acts. One of these acts relates to safety and health, inspection, et cetera, with respect to coal mines. The other deals with the same subject matter with respect to noncoal mines, for lack of a more appropriate term.

Under the noncoal mine act—the Metal and Nonmetallic Act—States are permitted to submit their own plans to the Secretary of the Interior. That would be changed now in this act, I believe, to the Secretary of Labor.

The Secretary may permit each of such States to adopt its own plan with regard to these matters, to perform their own inspections with respect to those plans.

This has been the law since the Metal and Nonmetallic Act was first adopted and, as I understand it, the current law is.

We are now in the circumstance where the current act, without making any reference to that portion of the current law, without any testimony that it is or is not good or should or should not be permitted, simply by merging the Metallic and Nonmetallic Act into the Coal Act, we do away with the permission for these individual States, of which there are now six, to promulgate their own plans, again only if the Secretary, in this case the Secretary of Labor, finds that such State plan adequately complies with his and the Federal guidelines.

My amendment would simply permit these States to promulgate their own safety plans and perform their own inspections.

I might say this is a rather important matter to our States and there is considerable unanimity among them, to permit this to be handled by those certain States, and they have asked for the adoption of my amendment, so as to make it certain that these States do have the privilege to continue to exercise their States' rights in the manner that they have been doing, insofar as the plan to turn all of the 50 States into a uniform system of plan and enforcement under the Department of Labor, without any opportunity for individual States for input into the matter.

Mr. NEAL. Mr. Chairman, I support the amendment offered by my colleague, Mr. ANDREWS. It seems illogical to me that those States which took the initiative in establishing State mine and quarry safety programs for non-coal-producing mines should be penalized by having their role suddenly preempted by the Federal Government. These States, including my own North Carolina, have the expertise as well as the organization, already at work, to do the best job of enforcing this new law.

The Occupational Safety and Health Act which passed in 1970 contained this kind of provision for State administration of Federal law. This concept should be the aim of this Congress, if we mean what we say about reducing the interference from Washington. This amendment would not in any way lessen the increased protection which this bill will give workers, but it would be an important action for the States which already have safety programs and for those Americans who do not buy the supposition that "the Federal Government always can do it better." I commend my most distinguished colleague from North Carolina for offering this much-needed amendment and urge my colleagues to vote for it.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina (Mr. ANDREWS).

Mr. Chairman, to state the problem accurately and succinctly, the Members should know that there is presently under the metallic and nonmetallic laws a provision which does allow the various States, if they so choose, to pass statutes which would enforce their own particular safety and health regulations pertaining to metallic and nonmetallic mining. Also under the Coal Act of 1969 there is a similar provision but the similar provision has one limitation. You cannot preempt the Federal jurisdiction.

So for all purposes, those States, and there are six of them presently carrying on this type of procedure, with their own State plans, will be taken care of in two ways. First, under the act submitted to the committee, we will make money available for the first time to those six States which they can use to carry out their plans. That money will be made available to them, which has not been made available to them under the existing metallic and nonmetallic law.

Second, under title V, section 506 of the Coal Act, and I believe it very clearly explains the problem, it states:

SEC. 506. (a) No State law in effect on the date of enactment of this Act or which may become effective thereafter shall be superseded by any provision of this Act or order issued or any mandatory health or safety standard, except insofar as such State law is in conflict with this Act or with any order issued or any mandatory health or safety standard.

The second section in (b) goes on to state that the provisions of any State law or regulation in effect upon the operative date of this act, or which may become effective thereafter, which provide for more stringent health and safety standards applicable to mines than do the Federal regulations shall continue in effect. If the Federal statute is silent, the State law governs, or if the State law is more stringent as far as requirements are concerned, State law governs.

So, Mr. Chairman, the problem as pointed out by the gentleman from North Carolina (Mr. ANDREWS) in offering his amendment is well taken care of in the existing Coal Act, which, in turn, is part of this act, H.R. 4287 which is before the committee.

I urge a vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. ANDREWS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ANDREWS of North Carolina. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 165, noes 169, answered "present" 1, not voting 98, as follows:

[Roll No. 422]

AYES—165

Abdnor	Fountain	Neal
Alexander	Fowler	Nichols
Anderson, Ill.	Fuqua	O'Brien
Andrews, N.C.	Gephardt	Pease
Andrews, N. Dak.	Gilman	Pettis
Archer	Ginn	Pickle
Armstrong	Gradison	Poage
Ashbrook	Grassley	Preyer
Badham	Gudger	Pritchard
Bauman	Guyer	Quie
Bedell	Hagedorn	Quillen
Boggs	Hall	Railsback
Bowen	Hammer-schmidt	Regula
Breaux	Hansen	Rhodes
Breckinridge	Harris	Roberts
Broomfield	Harsha	Robinson
Brown, Mich.	Heckler	Rousselot
Brown, Ohio	Hefner	Rudd
Broyhill	Heftel	Ruppe
Buchanan	Hightower	Santini
Burgener	Hillis	Sarasin
Burke, Fla.	Holt	Satterfield
Burleson, Tex.	Hubbard	Sebelius
Butler	Huckaby	Shuster
Caputo	Ireland	Sikes
Cederberg	Jeffords	Sisk
Chappell	Jenrette	Smith, Iowa
Clausen, Don H.	Jones, N.C.	Smith, Nebr.
Clawson, Del	Jones, Okla.	Spence
Cochran	Kasten	Stangeland
Cohen	Kazen	Stanton
Coleman	Kelly	Steed
Collins, Tex.	Kemp	Steiger
Conable	Ketchum	Stratton
Conte	Kindness	Stump
Corcoran	Lagomarsino	Taylor
Crane	Latta	Thone
Daniel, Dan	Leach	Treen
Daniel, R. W.	Levitas	Trible
de la Garza	Lloyd, Tenn.	Ullman
Derrick	Long, La.	Volkmer
Derwinski	Lujan	Waggonner
Devine	McClory	Walker
Dickinson	McDonald	Watkins
Duncan, Oreg.	Madigan	White
Duncan, Tenn.	Mahon	Whitehurst
Edwards, Okla.	Marlenee	Whitley
Emery	Marriott	Whitten
English	Martin	Wilson, Bob
Erlenborn	Mathis	Wirth
Evans, Del.	Michel	Wylie
Evans, Ga.	Miller, Ohio	Young, Alaska
Fenwick	Montgomery	Young, Fla.
Findley	Moore	
Fish	Moorhead, Calif.	
Forsythe	Natcher	

NOES—169

Akaka	Bingham	D'Amours
Allen	Blanchard	Danielson
Ambro	Blouin	Davis
Ammerman	Bolling	Delaney
Anderson, Calif.	Bonior	Dellums
Annunzio	Bonker	Dingell
Applegate	Brodhead	Dodd
Ashley	Burke, Calif.	Downey
Aspin	Burlison, Mo.	Drinan
AuCoin	Burton, John	Eckhardt
Baldus	Burton, Phillip	Edgar
Baucus	Carr	Edwards, Calif.
Beard, R.I.	Carter	Eilberg
Beilenson	Cavanaugh	Ertel
Benjamin	Clay	Evans, Colo.
Bennett	Conyers	Fary
Bevill	Corman	Fascell
Biaggi	Corneli	Fisher
	Cornwell	Fithian

Flood	Marks	Rodino
Florio	Mattox	Roe
Flowers	Meeds	Rogers
Foley	Mikulski	Rooney
Ford, Tenn.	Miller, Calif.	Rosenthal
Fraser	Mineta	Roybal
Gaydos	Minish	Russo
Glickman	Mitchell, Md.	Scheuer
Gonzalez	Moakley	Schroeder
Gore	Moffett	Seiberling
Hamilton	Mollohan	Sharp
Hanley	Moorhead, Pa.	Simon
Hannaford	Moss	Slack
Harkin	Murphy, Pa.	Spellman
Holtzman	Murtha	Staggers
Howard	Myers, Gary	Stark
Hughes	Myers, Michael	Steers
Jacobs	Nedzi	Stokes
Johnson, Calif.	Nix	Studds
Jones, Tenn.	Nolan	Thompson
Kastenmeier	Nowak	Thornton
Keys	Oakar	Traxler
Kildee	Oberstar	Tsongas
Kostmayer	Ottinger	Udall
Krebs	Panetta	Van Deerlin
LaFalce	Patten	Vanik
Le Fante	Pattison	Vento
Lederer	Pepper	Walgren
Lehman	Perkins	Waxman
Lloyd, Calif.	Pike	Weaver
Long, Md.	Pressler	Weiss
McCloskey	Price	Whalen
McCormack	Rahall	Wolff
McDade	Rangel	Wright
McFall	Reuss	Yates
McHugh	Richmond	Yatron
Maguire	Rinaldo	Zablocki
Markey	Risenhoover	

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—98

Addabbo	Goldwater	Obey
Badillo	Goodling	Patterson
Barnard	Harrington	Pursell
Beard, Tenn.	Hawkins	Quayle
Boland	Holland	Roncalio
Brademas	Hollenbeck	Rose
Brinkley	Horton	Rostenkowski
Brooks	Hyde	Runnels
Brown, Calif.	Ichord	Ryan
Burke, Mass.	Jenkins	Sawyer
Byron	Johnson, Colo.	Schulze
Carney	Jordan	Shipley
Chisholm	Koch	Skelton
Cleveland	Krueger	Skubitz
Collins, Ill.	Leggett	Snyder
Cotter	Lent	Solarz
Coughlin	Lott	St Germain
Cunningham	Luken	Stockman
Dent	Lundine	Symms
Dicks	McEwen	Teague
Diggs	McKay	Tucker
Dornan	McKinney	Vander Jagt
Early	Mann	Walsh
Edwards, Ala.	Mazzoli	Wampler
Evans, Ind.	Metcalfe	Wiggins
Flippo	Meyner	Wilson, C. H.
Flynt	Mikva	Wilson, Tex.
Ford, Mich.	Milford	Winn
Frenzel	Mitchell, N.Y.	Wydler
Frey	Mottl	Young, Mo.
Gammage	Murphy, Ill.	Young, Tex.
Giaimo	Murphy, N.Y.	Zeferetti
Gibbons	Myers, John	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Burke of Massachusetts against.

Mr. Gammage for, with Mr. Addabbo against.

Mr. Beard of Tennessee for, with Mr. Zeferetti against.

Mr. Cleveland for, with Mr. Brademas against.

Mr. Dornan for, with Mr. Cotter against.

Mr. Frenzel for, with Mr. Badillo against.

Mr. Frey for, with Mr. Koch against.

Mr. Goldwater for, with Mrs. Chisholm against.

Mr. Hyde for, with Mr. Ford of Michigan against.

Mr. Lott for, with Mr. Diggs against.

Mr. Wiggins for, with Mr. Carney against.

Messrs. GLICKMAN, MOLLOHAN, and ASHLEY changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PEASE

Mr. PEASE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEASE: On page 81, insert after line 12 the following new subsection:

(c) Section 101 of such Act is further amended by adding after subsection (k) the following new subsection:

"(l) Subsection (c) of section 301 (relating to modification of application of mandatory safety standards to mines) shall apply to application of any mandatory safety standard to a coal or other mine.".

Mr. PEASE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. PEASE. Mr. Chairman, first, I would like to make it clear that I am a supporter of this bill. This amendment is offered in an effort to make it even more workable. I do not wish to sabotage the bill in any way. I would like to direct the attention of the members of the committee to the subject of variances from the mandatory safety standards.

Mr. Chairman, current law and regulations establish procedures for having variances from the mandatory safety standards for mines, so long as those variances do not in any way reduce the safety of those mines. There are two points to be made about the variances. One is that such variances are allowed for both coal mines and metal and nonmetallic mines currently. There is no change. Second, the committee intent clearly is that such variances should be allowed to continue. Furthermore, it is clear that there is a statutory basis for allowing variances in coal mines.

Section 301(c) of title III of the Federal Coal Mine Health and Safety Act of 1969 provides that procedure. What is not clear is whether there will be under H.R. 4287 a statutory basis for variances in metal and nonmetallic mines. There may be in section 301(c), but it is not clear. My amendment would do nothing more and nothing less than make it clear that the statutory basis for variances already in existence for coal mines would continue for metal and nonmetallic mines, as is the intent of the committee which reported this bill.

Mr. Chairman, I ask support for the amendment.

Mr. GAYDOS. Mr. Chairman, I rise in reluctant opposition to the amendment.

Mr. Chairman, the amendment is well directed. However, it is redundant. The amendment is unnecessary at this time, and in support of that conclusion let me read first a letter from the United States Department of Labor. In part, this is what the letter states:

It is our view that under the legislation—

That is H.R. 4287—

the variance procedure would be applicable in the same manner to metal and nonmetallic mine standards as to coal mine standards. The language of section 301(c) broadly covers the granting of variances respecting "any mandatory safety standard to a mine." This language is not limited in any way to coal mines.

Mr. Chairman, I also call the Committee's attention to the Code of Federal Regulations. These regulations are promulgated by the Secretary of the Interior, and in this Code of Federal Regulations we have stated variance procedures which have been allowed and granted for the metal and nonmetallic mines.

In conjunction with that, this happens to be a regulation of the Secretary of the Interior. That regulation is saved on page 83, subsection (3) in the existing bill, and this is how the bill saves it: "All interpretations, regulations,"—and this is a regulation—"and instructions of the Secretary of the Interior or the Director of the Bureau of Mines * * * not inconsistent with any provision of this Act or any amendment made by this Act, shall be published in the Federal Register" and shall become, for all purposes, law.

The natural and proper conclusion to draw therefrom is that since there are variances that have been allowed in the Code of Federal Regulations of the Metal and Nonmetal Act and since this section of the bill before the House saves and perpetuates that section and all those rules and regulations, the amendment is unnecessary. It can properly be assumed, therefore, that the amendment as proposed is superfluous and that the Act takes care of the problem that is properly raised by the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I am very happy to have those comments of the distinguished chairman of the subcommittee, because this makes clear that the intent of the committee, as well as my own intent, is to allow for that variance procedure, and I think that is important to have in the record.

I would only say that the law for coal mines spells out clearly in black and white that there is a variance procedure. That is not true for metal and nonmetal mines. My amendment would seek to make it clear so that any court who ever has to interpret this point will come to the obvious conclusion that the Congress did intend to have a variance procedure.

Mr. Chairman, I thank the gentleman for yielding.

Mr. GAYDOS. Mr. Chairman, I ask that the amendment be rejected.

Mr. SARASIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think clearly the amendment offered by the gentleman from Ohio (Mr. PEASE) indicates, before we even come to the point of final passage, that this is not a bill that provides equality for miners. In fact, we have rules in the statute that apply to coal mines which do not apply to metal and nonmetal mines.

I believe the amendment is a good amendment, and that the amendment

should be supported and adopted so that we will establish very clearly that this Congress does intend to allow the safety standard procedures to exist for metal and nonmetal miners as they do for coal miners. H.R. 4287 simply does not provide that.

Mr. Chairman, I raised this point earlier. I had an amendment that was prepared with a slightly different perspective to accomplish the same thing. I think it is absolutely essential that this be done, and I urge support of the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. PEASE).

The question was taken; and on a division (demanded by Mr. PEASE) there were—ayes 32, noes 58.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANSEN: On page 78, strike lines 15, 16, 17 and 18.

On page 79, strike lines 21 through 25.

On page 80, strike lines 1, 2, and 6.

On pages 80 through 85, strike section 301.

On page 85, strike section 302.

On page 86, strike lines 3 through 10.

On pages 87, 88, and 89, strike section 303(h).

On page 90, insert a period after the word "Act" on line 4 and strike the word "except" on line 4 and all that follows through line 6.

Mr. HANSEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SARASIN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Idaho (Mr. HANSEN).

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Idaho (Mr. HANSEN) for the same reasons that I objected to the earlier amendment to the Sarasin amendment in the nature of a substitute.

The amendment offered by the gentleman from Idaho (Mr. HANSEN) would prevent the transfer of MESA. As I pointed out earlier, I am not convinced as to the arguments that have been made concerning an inherent conflict of interest, but I do believe that there are valid reasons to transfer MESA into the Department of Labor because of their expertise and their responsibility for safety and health in the workplace of the American worker, and thus it does make sense to me to put those all in one place.

I agree with many of the gentleman's statements concerning occupational safety and health.

I would hope we can inspire the implementation of this act, and I would most certainly hate to see it destroyed. By the same token I do not want to see the enforcement of the safety features destroyed. I think we can make sure that MESA will continue to do the good job they are doing and will enable them to do a better job if we place them within responsibility of the Secretary of Labor.

There will be a separation, in fact, we are not talking about combining the Occupational Safety and Health Act in MESA and we are not talking about commingling of funds. We are talking about trying to be sure that there is an agency in our Government that does pertain to the safety and health of the American worker and that is the responsibility of the Department of Labor.

So, in that manner it makes inherently good sense to me to allow this transfer to take place and to defeat the amendment offered by the gentleman from Idaho (Mr. HANSEN).

Mr. GAYDOS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask that the amendment offered by the gentleman from Idaho (Mr. HANSEN) be defeated. We have already voted on this amendment. It is certainly clear in the legislation that we have separate funds, a separate budget, and separate Secretaries and the proposed amendment would do nothing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. HANSEN).

The question was taken; and on a division (demanded by Mr. HANSEN) there were—ayes 28, noes 76.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SARASIN

Mr. SARASIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SARASIN: Page 81, after line 12, insert the following new subsection (c):

(c) Section 101 of such Act is amended by adding at the end thereof the following new subsection (1):

"(1) Upon petition by the operator or the representative of miners, the Secretary may modify the application of any mandatory safety standard to a coal or other mine if the Secretary determines that an alternative method of achieving the result of such standard exists which will at all times guarantee no less than the same measure of protection afforded the miners of such mine by such standard, or that the application of such standard to such mine will result in a diminution of safety to the miners in such mine. Upon receipt of such petition the Secretary shall publish notice thereof and give notice to the operator or the representative of miners in the affected mine, as appropriate, and shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of such operator or representative or other interested party, to enable the operator and the representative of miners in such mine or other interested party to present information relating to the modification of such standard. Before granting any exception to a mandatory safety standard, the findings of the Secretary or his authorized representative shall be made public and shall be available to the representative of the miners at the affected mine. The Secretary shall issue a decision incorporating his findings of fact therein, and send a copy thereof to the operator or the representative of the miners, as appropriate. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code."

Mr. SARASIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SARASIN. Mr. Chairman, the Committee on Education and Labor has stated in its report to accompany H.R. 4287 that the purpose of this measure is to bring the same measure of health and safety protection to the noncoal miners of this country, which is presently enjoyed by the coal miners of this country. Yet, while H.R. 4287 attempts to do this by placing mandatory civil penalties on the operators, and streamlining the rulemaking provision, H.R. 4287 would not provide operators, and in some cases workers, the protection afforded by the Federal Coal Mine Health and Safety Act of 1969.

The effort to bring noncoal miners to the same level as coal miners insofar as health and safety is concerned falls well short in that the variance procedure from a mandatory safety standard established in title III of the Federal Coal Mine Health and Safety Act, does not apply to noncoal mine operators. Only titles I and V of the Federal Coal Mine Health and Safety Act apply to noncoal mines. Just as the working environment changes in coal mines so does it change in noncoal mines. With each passing day the working place may be totally different from the previous day. With these unique circumstances, it is certainly inappropriate to grant to one segment of the mining industry a variance procedure while prohibiting the other segment of that same industry from enjoying the same rights established by a health and safety law common to both.

A variance procedure is not only a right to be enjoyed by operators, but also affords to the mine workers one means of protection which cannot be gained by any other method. For instance, in an underground mine where the strata may vary from day to day or week to week, in an effort to guarantee that the overhead strata is controlled it may be necessary to vary from the approved roof control plan. A variance from an approved roof control plan could not be accomplished without the establishment of a variance procedure in the statute.

The argument will be raised that a variance procedure presently exists in 30 CFR for the noncoal mining industry. This argument will be followed by the assertion that no statutory variance procedure is necessary. This is totally incorrect. After passage of any law, which would require administration such as either of the two under consideration today, the executive branch of the Government is given full responsibility to administer that law. The Congress seldom has an opportunity to amend that law; however, the secretary of the executive branch department, in this case the Secretary of Labor, can make amendments to the regulations at any point in which he chooses to do so. I point this out in an effort to make all of you aware of the fact that the Secretary of Labor, once this measure is passed, can eliminate the variance procedure through the streamlined rulemaking procedure of title I of the Coal Act. In an effort to guarantee that these variance procedures are never reduced, I hereby propose my amendment H.R. 4287, which would establish only a statutory variance procedure from

safety standards. There would be no variance procedure for health standards. I should further point out that this is the same procedure afforded the coal industry in title III of the Federal Coal Mine Health and Safety Act.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. I thank the gentleman for yielding.

The committee has closely examined the gentleman's amendment. I would like to ask one question. Can he assure the committee that the amendment is identical to and provides the same as section 301(c) of the current Coal Act?

Mr. SARASIN. I point out to the gentleman that "Yes," it mentions the language from sections 301 (c) and (d) which require publication in the Federal Register, which was not taken care of.

Mr. GAYDOS. The committee accepts the amendment and has no objection.

Mr. SARASIN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. SARASIN).

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. GONZALEZ, Chairman of the Committe of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4287) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes, pursuant to House Resolution 682, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SARASIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 244, nays 88, answered "present" 1, not voting 100, as follows:

[Roll No. 423]

YEAS—244

Akaka	Florio	Nowak
Alexander	Flowers	O'Brien
Allen	Foley	Oakar
Ambro	Ford, Tenn.	Oberstar
Ammerman	Forsythe	Ottinger
Anderson, Calif.	Fraser	Panetta
Anderson, Ill.	Frenzel	Patten
Andrews, N. Dak.	Gaydos	Pattison
Annunzio	Gilman	Pease
Applegate	Ginn	Pepper
Ashley	Glickman	Perkins
Aspin	Gonzalez	Pickle
AuCoin	Gore	Pressler
Baldus	Gradison	Price
Baucus	Hamilton	Pritchard
Bedell	Hanley	Pursell
Bellenson	Hannaford	Quie
Benjamin	Harkin	Rahall
Bennett	Harris	Railsback
Bevill	Heckler	Rangel
Bingham	Heftel	Regula
Blanchard	Hightower	Reuss
Blouin	Hillis	Richmond
Boggs	Holtzman	Rinaldo
Bolling	Howard	Risenhoover
Bonior	Hubbard	Rodino
Bonker	Hughes	Rogers
Bowen	Ireland	Rooney
Breaux	Jacobs	Rosenthal
Breckinridge	Jeffords	Roybal
Brodhead	Jenrette	Ruppe
Broomfield	Johnson, Calif.	Russo
Brown, Mich.	Johnson, Colo.	Sarasin
Buchanan	Jones, N.C.	Scheuer
Burke, Calif.	Jones, Tenn.	Schroeder
Burke, Fla.	Kasten	Seiberling
Burlison, Mo.	Kastenmeier	Sharp
Burton, John	Kemp	Sikes
Burton, Phillip	Keys	Simon
Caputo	Kildee	Sisk
Carr	Kostmayer	Smith, Iowa
Carter	Krebs	Smith, Nebr.
Cavanaugh	LaFalce	Spellman
Cederberg	Le Fante	Staggers
Clay	Leach	Stanton
Cohen	Lederer	Stark
Conte	Lehman	Steed
Corman	Levitas	Steers
Cornell	Lloyd, Calif.	Steiger
Cornwell	Lloyd, Tenn.	Stockman
D'Amours	Long, La.	Stokes
Danielson	Long, Md.	Stratton
Davis	McCloskey	Studds
Delaney	McCormack	Thompson
Dellums	McDade	Thone
Derrick	McFall	Thornton
Derwinski	McHugh	Treen
Dingell	Madigan	Tsongas
Dodd	Maguire	Udall
Downey	Markey	Ullman
Drinan	Marks	Van Deerlin
Duncan, Oreg.	Marlenee	Vanik
Duncan, Tenn.	Mattox	Vento
Eckhardt	Meeds	Volkmer
Edgar	Meyner	Walgren
Edwards, Calif.	Mikulski	Walker
Eilberg	Mikva	Waxman
Emery	Miller, Calif.	Weaver
Ertel	Mineta	Weiss
Evans, Colo.	Mitchell, Md.	Whalen
Evans, Del.	Moakley	White
Evans, Ga.	Moffett	Whitten
Fary	Mollohan	Wilson, Bob
Fascell	Moorhead, Pa.	Wirth
Fenwick	Murphy, Pa.	Wolff
Findley	Murtha	Wright
Fish	Myers, Gary	Wylie
Fisher	Myers, Michael	Yates
Fithian	Natcher	Yatron
Flood	Nedzi	Young, Alaska
	Nix	Young, Fla.
	Nolan	Zablocki

NAYS—88

Abdnor	Chappell	Daniel, R. W.
Andrews, N.C.	Clausen, Don H.	de la Garza
Archer	Clawson, Del	Devine
Armstrong	Cochran	Dickinson
Ashbrook	Coleman	Dornan
Badham	Collins, Tex.	Edwards, Okla.
Bauman	Conable	English
Brown, Ohio	Conyers	Erlenborn
Broyhill	Corcoran	Fountain
Burgener	Crane	Fowler
Burleson, Tex.	Daniel, Dan	Gephardt
Butler	Gudger	Grassley
Guyer	McClory	Rhodes
Hagedorn	McDonald	Roberts
Hall	Mahon	Robinson
Hammer-schmidt	Mann	Rousselot
Hansen	Marriott	Rudd
Harsha	Martin	Santini
Hefner	Mathis	Satterfield
Holt	Michel	Sebelius
Huckaby	Miller, Ohio	Shuster
Jones, Okla.	Montgomery	Spence
Kazen	Moore	Stangeland
Kelly	Moorhead, Calif.	Stump
Ketchum	Neal	Taylor
Kindness	Nichols	Trible
Lagomarsino	Pettis	Waggonner
Latta	Poage	Whitehurst
Lujan	Preyer	Whitley
	Quillen	

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—100

Addabbo	Goldwater	Quayle
Badillo	Goodling	Roe
Barnard	Harrington	Roncalio
Beard, R.I.	Hawkins	Rose
Beard, Tenn.	Holland	Rostenkowski
Biaggi	Hollenbeck	Runnels
Boland	Horton	Ryan
Brademas	Hyde	Sawyer
Brinkley	Ichord	Schulze
Brooks	Jenkins	Shipley
Brown, Calif.	Jordan	Skelton
Burke, Mass.	Koch	Skubitz
Byron	Krueger	Slack
Carney	Leggett	Snyder
Chisholm	Lent	Solarz
Cleveland	Lott	St Germain
Collins, Ill.	Luken	Symms
Cotter	Lundine	Teague
Coughlin	McEwen	Traxler
Cunningham	McKay	Tucker
Dent	McKinney	Vander Jagt
Dicks	Mazzoli	Walsh
Diggs	Metcalfe	Wampler
Early	Milford	Watkins
Edwards, Ala.	Minish	Wiggins
Evans, Ind.	Mitchell, N.Y.	Wilson, C. H.
Flippo	Moss	Wilson, Tex.
Flynt	Mottl	Winn
Ford, Mich.	Murphy, Ill.	Wydler
Frey	Murphy, N.Y.	Young, Mo.
Fuqua	Myers, John	Young, Tex.
Gammage	Obey	Zeferetti
Giaimo	Patterson	
Gibbons	Pike	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Beard of Tennessee.
Mr. Addabbo with Mr. Cleveland.
Mr. Zeferetti with Mr. Coughlin.
Mr. Brademas with Mr. Frey.
Mr. Carney with Mr. Goldwater.
Mr. Cotter with Mr. Hyde.
Mr. Badillo with Mr. Lott.
Ms. Chisholm with Mr. Wiggins.
Mr. Ford of Michigan with Mr. Goodling.
Mr. Diggs with Mr. Hollenbeck.
Mr. Harrington with Mr. Quayle.
Mr. Biaggi with Mr. Cunningham.
Mr. Koch with Mr. McEwen.
Mr. Rostenkowski with Mr. Walsh.
Mr. Boland with Mr. Young of Texas.
Mr. Dent with Mr. Winn.
Mr. Murphy of New York with Ms. Jordan.
Mr. St Germain with Mr. Sawyer.
Mr. Shipley with Mr. Krueger.
Mr. Murphy of Illinois with Mr. Horton.
Mr. Obey with Mr. Luken.
Mr. Byron with Mr. Skubitz.
Mr. Gammage with Mr. Wampler.
Mr. Tucker with Mr. Leggett.
Mr. Evans of Indiana with Mr. Lent.
Mr. Giaimo with Mr. Watkins.
Mr. Early with Mr. Schulze.
Mr. Hawkins with Mr. Mazzoli.
Mr. Fuqua with Mr. McKinney.
Mr. Mottl with Mr. McKay.
Mr. Solarz with Mr. Snyder.
Mr. Ryan with Mr. Wydler.
Mr. Roncalio with Mr. Mitchell of New York.
Mr. Lundine with Mr. Symms.
Mr. Young of Missouri with Mr. Milford.

Mr. Brinkley with Mr. Vander Jagt.
Mr. Beard of Rhode Island with Mr. Barnard.
Mr. Holland with Mr. Ichord.
Mr. Jenkins with Mr. Metcalfe.
Mr. Minish with Mr. Moss.
Mr. Charles Wilson of Texas with Mr. Teague.
Mr. Traxler with Mr. Skelton.
Mr. Slack with Mr. Roe.
Mr. Rose with Mr. John T. Myers.
Mr. Charles H. Wilson of California with Mr. Pike.
Mr. Runnels with Mr. Gibbons.
Mr. Patterson of California with Mr. Flynt.
Mr. Flippo with Mr. Edwards of Alabama.
Mr. Dicks with Mr. Brown of California.
Mrs. Collins of Illinois with Mr. Brooks.

Mr. WAGGONNER and Mr. HALL changed their vote from "yea" to "nay."

Mr. FINDLEY changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. GAYDOS. Mr. Speaker, pursuant to House Resolution 682, I call up from the Speaker's table the Senate bill (S. 717) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

AMENDMENT OFFERED BY MR. GAYDOS

Mr. GAYDOS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GAYDOS: Strike out all after the enacting clause of S. 717 and insert in lieu thereof the text of H.R. 4287, as passed by the House, as follows:

That this Act may be cited as the "Federal Mine Safety and Health Amendments Act of 1977".

TITLE I—AMENDMENTS TO THE GENERAL PROVISIONS OF THE FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969

SHORT TITLE

SEC. 101. The first section of the Federal Coal Mine Health and Safety Act of 1969 is amended to read as follows: "That this Act may be cited as the 'Federal Mine Safety and Health Act of 1977' ".

DEFINITIONS AND APPLICABILITY

SEC. 102. (a) (1) Section 2 of the Federal Coal Mine Health and Safety Act of 1969 is amended by inserting "or other" immediately after "coal" wherever it appears.

(2) Section 2(g) (1) of such Act is amended by striking out "the Interior" and inserting in lieu thereof "Labor".

(b) (1) Section 3(a) of such Act is amended by striking out "the Interior" and inserting in lieu thereof "Labor".

(2) Section 3(h) of such Act is amended to read as follows:

"(h) (1) 'coal or other mine' means (A) an area of land from which minerals are extracted in nonliquid form or, if in liquid form, are extracted with workers underground, (B) private ways and roads appurtenant to such area, and (C) lands, excavations, underground passageways, shafts, slopes, tunnels and workings, structures, facilities, equipment, machines, tools, or other property including impoundments, retention dams, and tailings ponds, on the surface or underground, used in, or to be used in, or resulting from, the work of extracting such minerals from their natural deposits in nonliquid form, or if in liquid form, with workers underground, or used in the milling of such minerals, or the work of preparing coal, and includes custom coal preparation facilities, except that with respect to protection against radiation hazards such term shall not include property used in the milling of source minerals defined in the Atomic Energy Act of 1954, as amended. In making a determination of what constitutes mineral milling for purposes of this Act the Secretary shall give due consideration to the convenience of administration resulting from the delegation to one Assistant Secretary of all authority with respect to the health and safety of miners employed at one physical establishment;

"(1) For purposes of titles II, III, or IV, 'coal mine' means an area of land and all structures, facilities, machinery, tools, equipment, shafts, slopes, tunnels, excavations, and other property, real or personal, placed upon, under, or above the surface of such land by any person, used in, or to be used in, or resulting from, the work of extracting in such area bituminous coal, lignite, or anthracite from its natural deposits in the earth by any means or method, and the work of preparing the coal so extracted, and includes custom coal preparation facilities;".

(3) Sections 3 (d), (e), (g), and (j) of such Act are each amended by inserting "or other" immediately after "coal" wherever it appears.

(4) Section 3 of such Act is amended by striking out the word "and" at the end of paragraph (l), by striking out the period at the end of paragraph (m) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(n) 'Administration' means the Mine Safety and Health Administration in the Department of Labor."

(c) Section 4 of such Act is amended by inserting "or other" immediately after "coal".

TITLE II—MINE SAFETY AND HEALTH STANDARDS AMENDMENTS

AMENDMENTS TO TITLE I

SEC. 201. (a) Title I of the Federal Coal Mine Health and Safety Act of 1969 is amended by inserting "or other" immediately after "coal" wherever that term occurs.

(b) Section 101(c) of such Act is amended by striking out "Labor" and inserting in lieu thereof, "the Interior".

(c) Section 101(g) of such Act is amended by adding at the end thereof the following new paragraph:

"The Secretary of Health, Education, and Welfare, as soon as possible after the date of enactment of the Federal Mine Safety and Health Amendments Act of 1977 but in no event later than three years after such date, and on a continuing basis thereafter, shall, for each toxic material or harmful physical agent which is used or found in a coal or other mine, determine whether such material or agent is potentially toxic at the concentrations in which it is used or found in a coal or other mine. The Secretary of Health, Education, and Welfare shall submit such determination to the Secretary, together with all pertinent criteria, and a proposed standard.".

(d) Section 101 of such Act is amended by adding at the end thereof the following new subsection (1):

"(1) Upon petition by the operator or the representative of miners, the Secretary may modify the application of any mandatory safety standard to a coal or other mine if the Secretary determines that an alternative method of achieving the result of such standard exists which will at all times guarantee no less than the same measure of protection afforded the miners of such mine by such standard, or that the application of such standard to such mine will result in a diminution of safety to the miners in such mine. Upon receipt of such petition the Secretary shall publish notice thereof and give notice to the operator or the representative of miners in the affected mine, as appropriate, and shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of such operator or representative or other interested party, to enable the operator and the representative of miners in such mine or other interested party to present information relating to the modification of such standard. Before granting any exception to a mandatory safety standard, the findings of the Secretary or his authorized representative shall be made public and shall be available to the representative of the miners at the affected mine. The Secretary shall issue a decision incorporating his findings of fact therein, and send a copy thereof to the operator or the representative of the miners, as appropriate. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code."

TITLE III—MISCELLANEOUS PROVISIONS

TRANSFER MATTERS

SEC. 301. (a) Except with respect to the functions assigned to the Secretary of the Interior pursuant to section 501 of the Federal Coal Mine Health and Safety Act of 1969, the functions of the Secretary of the Interior under the Federal Coal Mine Health and Safety Act of 1969, as amended, and the Federal Metal and Nonmetallic Mine Safety Act are transferred to the Secretary of Labor.

(b) (1) The mandatory standards relating to mines, issued by the Secretary of the Interior under the Federal Metal and Nonmetallic Mine Safety Act and standards and regulations under the Federal Coal Mine Health and Safety Act of 1969 which are in effect on the date of enactment of this Act shall remain in effect as standards applicable to metallic and nonmetallic mines and to coal mines respectively under the Federal Mine Safety and Health Act of 1977 until such time as the Secretary shall issue new or revised standards applicable to metal and nonmetallic mines and new or revised standards applicable to coal mines.

(2) Within sixty days after the effective date of this Act, the Secretary shall establish an advisory committee which shall, within one hundred and eighty days after the date of the establishment of such advisory committee, review the advisory health and safety standards issued by the Secretary of the Interior under the Federal Metal and Nonmetallic Mine Safety Act and recommend to the Secretary which of those standards (or any modification of such standards which does not substantially diminish the health and safety of miners) should be promulgated as health and safety standards under the Federal Mine Safety and Health Act of 1977. The Secretary shall publish, within sixty days after any recommendations of the advisory committee under this paragraph, each of the standards so recommended for adoption with or without modification as a health and safety standard under such Act by publication of such standard in the Federal Register, and afford interested persons a period of twenty-five days after publication to submit written data or comment. Within thirty days after the close of the comment period specified in the preceding sentence, the Secretary shall promulgate by publication in the Federal Register a standard based upon the advisory committee recommended with or without modification, and the data and comments received thereon, unless the Secretary determines that such a standard will not promote the health and safety of miners and publishes an explanation of that determination in the Federal Register.

(3) All interpretations, regulations, and instructions of the Secretary of the Interior or the Director of the Bureau of Mines, in effect on the date of enactment of this Act

and not inconsistent with any provision of this Act or any amendment made by this Act, shall be published in the Federal Register and shall continue in effect until modified or superseded in accordance with the provisions of this Act.

(c)(1) All unexpended balances of appropriations, personnel, property, records, obligations, and commitments which are used primarily with respect to any function transferred under the provisions of subsection (a) of this section to the Secretary shall be transferred to the Department of Labor. The transfer of personnel pursuant to this paragraph shall be without reduction in classification or compensation for one year after such transfer, except that the Secretary of Labor shall have full authority to assign personnel during such one-year period in order to efficiently carry out functions transferred to him under this Act.

(2) All orders, decisions, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges (A) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this section by any department or agency, any functions of which are transferred by this section, and (B) which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Labor, by any court of competent jurisdiction, or by operation of law.

(3) The provisions of this section shall not affect any proceedings pending at the time this section takes effect before any department or agency, functions of which are transferred by this section; except that such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Secretary of Labor. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Labor, by a court of competent jurisdiction, or by operation of law.

(4) The provisions of this section shall not affect suits commenced prior to the date this section takes effect and in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this section had not been enacted; except that if before the date on which this section takes effect, any department or agency (or officer thereof in his official capacity) is a party to a suit involving functions transferred to the Secretary, then such suit shall be continued by the Secretary of Labor. No cause of action, and no suit, action, or other proceeding, by or against any department or agency (or officer thereof in his official capacity) functions of which are transferred by this section, shall abate by reason of the enactment of this section. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or the Secretary as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this paragraph.

(d) For purposes of this section, (1) the term "function" includes power and duty, and (2) the transfer of a function, under any provision of law, of an agency or the head of a department shall also be a transfer of all functions under such law which are exercised by any officer or officer of such agency or department.

MINE SAFETY AND HEALTH ADMINISTRATION

SEC. 302. (a) There is established in the Department of Labor a Mine Safety and Health Administration to be headed by an Assistant Secretary of Labor for Mine Safety and Health appointed by the President, by and with the advice and consent of the Senate. The Secretary is authorized and directed, except as specifically provided otherwise, to carry out his functions under the Federal Mine Safety and Health Act of 1977 through the Mine Safety and Health Administration.

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following paragraph:

"(114) Assistant Secretary of Labor for Mine Safety and Health.".

AMENDMENTS WITH RESPECT TO MINE SAFETY AND HEALTH ADMINISTRATION

SEC. 303. (a)(1) Section 501(a) of the Federal Coal Mine Health and Safety Act of 1969 is amended by inserting "or other" immediately after "coal" wherever it appears therein, and by striking out "The Secretary and" and inserting in lieu thereof "The Secretary of the Interior and".

(2) Section 501(b) of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein and by inserting after "Welfare" the following: "through the National Institute for Occupational Safety and Health established under the Occupational Safety and Health Act of 1970"; and by striking out the period at the end thereof and inserting in lieu thereof "of the Interior in coordination with the Secretary".

(3) Section 501(d) of such Act is amended by inserting "or other" immediately after "coal".

(4) Section 501(e) of such Act is amended by inserting immediately before the period at the end of the first sentence thereof the following: "ending prior to October 1, 1977, and $60,000,000 for the fiscal year ending September 30, 1978, and for each succeeding fiscal year thereafter".

(b) Section 502 of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein.

(c)(1) Section 503(a) of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein, and by striking "Labor" and inserting in lieu thereof, "the Interior".

(2) Section 503(b) of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein.

(d)(1) Section 503(f) of such Act is amended by inserting "or other" immediately after "coal".

(2) Section 503(g) of such Act is amended by inserting "or other" immediately after "coal".

(3) Section 503(h) of such Act is amended by deleting "$5,000,000" and by inserting in lieu thereof, "$10,000,000", and by inserting before the final period the following: *"Provided,* That no less than one-half of such sums shall be allocated to coal producing States".

(e)(1) Section 505 of such Act is amended by striking out "the mining of coal" and inserting in lieu thereof "in mining".

(2) Section 505 of such Act is further amended by striking out the period at the end of the second sentence thereof and inserting in lieu thereof ": *Provided, however,* That, to the maximum extent feasible, in the selection of persons for appointment as mine inspectors, no person shall be so selected unless he has the basic qualification of at least five years practical mining experience and in assigning mine inspectors to the inspection and investigation of individual mines, due consideration shall be given to the extent possible to their previous experience in the particular type of mining operation where such inspections are to be made."

(f) Section 506(b) of such Act is amended by inserting "or other" immediately after "coal" each time it appears therein.

(g)(1) Section 511(a) of such Act is amended by inserting "or other" immediately after "coal".

(2) Section 511(b) of such Act is amended by inserting "or other" immediately after "coal".

(h) Section 502 of such Act is amended by adding at the end thereof the following new subsection (c):

"(c)(1) The National Mine Health and Safety Academy shall be maintained as an agency of the Department of the Interior. The Academy shall be responsible for the training of mine safety and health inspectors under section 505 of this Act, and in training of technical support personnel of the Mine Safety and Health Administration established under section 302 of the Federal Mine Safety and Health Amendments Act of 1977; and for any other training programs for mine inspectors, mining personnel, or other persons as the Secretaries of Labor and Interior shall designate. In performing this function, the Academy shall have the authority to enter into cooperative educational and training agreements with educational institutions. State governments, labor organizations, and mine operators and related industries. Such training shall be conducted by the Academy in accordance with curriculum needs and assignment of instructional personnel established by the user.

"(2) In performing its function pursuant to this section, the National Mine Health and Safety Academy shall use the facilities and personnel of the Department of the Interior, and such other personnel as shall be mutually agreed upon by the Secretaries of Labor and Interior. The Secretary of the Interior, upon request by the Academy, shall appoint or assign to the Academy such officers and employees as the Director of the Academy deems necessary for the performance of the duties and functions of the Academy.

"(3) The Secretary of the Interior shall conduct his safety research responsibilities under section 501 of this Act in coordination with the Secretary of Labor, and the Secretaries of Labor and the Interior are authorized to enter into contractual or other agreements for the performance of such safety related research.".

SAVINGS PROVISIONS

SEC. 304. Nothing contained in this Act or any amendment made by this Act shall be construed to reduce the number of inspectors engaged in enforcement of the Federal Coal Mine Health and Safety Act of 1969 and the Federal Metal and Nonmetallic Mine Safety Act as in effect prior to the effective date of this Act or to reduce the number of inspectors engaged in the enforcement of the Occupational Safety and Health Act of 1970.

BUDGET PROVISION

SEC. 305. In the preparation of the Budget message required under section 207 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), the President shall set forth as separate appropriation accounts amounts required for appropriation for mine health and safety pursuant to the Federal Mine Health and Safety Act of 1977 and for occupational safety and health pursuant to the Occupational Safety and Health Act of 1970.

REPEALER

SEC. 306. The Federal Metal and Nonmetallic Mine Safety Act is repealed.

EFFECTIVE DATE

SEC. 307. This Act and the amendments made by this Act shall take effect 90 days after the date of the enactment of this Act except that the Secretary of Labor is authorized to establish such rules and regulations as may be necessary for the efficient transfer of functions provided under this Act.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 5287) was laid on the table.

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill (S. 717) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes, and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. GLICKMAN). Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and, without objection, appoints the following conferees: Messrs. DENT, MURPHY of Pennsylvania, CORNELL, ZEFERETTI, LE FANTE, MICHAEL O. MYERS, MILLER of California, PERKINS, SARASIN, BUCHANAN, SHUSTER, and QUIE.

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 4287, Federal Mine Safety and Health Act of 1977.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5400, UNIVERSAL VOTER REGISTRATION ACT OF 1977

Mr. DELANEY, from the Committee on Rules, submitted a privileged report (Rept. No. 95–502) on the resolution (H. Resolution 685) providing for consideration of H.R. 5400, to establish a universal voter registration program, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERSONAL EXPLANATION

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, on Monday, July 11, 1977, I attended, in my capacity as a member of the congressional delegation to the Law of the Sea Conference, several meetings held in New York at the United Nations. I was unavoidably detained at these meetings, thus missing part of Monday's legislative session. Had I been present, I would have voted in the following fashion: House Joint Resolution 24, to provide for the designation of a week as "National Lupus Week," roll 403: "yes;" H.R. 2960, providing for a memorial in honor of the Signers of the Declaration of Independence, roll 404: "yes;" and House Resolution 642, the rule for H.R. 5023, Indian claims statute of limitations amendments, roll 405: "yes."

JOINT REFERRAL OF H.R. 8280, RESTRICTING ACCESS BY FEDERAL GOVERNMENT TO CONSUMER REPORTS AND FINANCIAL, CREDIT, AND INSURANCE RECORDS MAINTAINED BY THIRD PARTIES TO THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS AND THE COMMITTEE ON THE JUDICIARY

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the bill (H.R. 8280) to restrict access by the Federal Government to consumer reports, and to financial, credit, and insurance records which are maintained by third parties be jointly referred to the Committee on Banking, Finance and Urban Affairs and the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman from Texas (Mr. GONZALEZ) tell us the necessity for this request?

Mr. GONZALEZ. Mr. Speaker, if the gentleman will yield, I will be delighted to do so.

The Privacy Study Commission has made recommendations, and its recommendations have recently come out. One of these bills involved in that privacy area is H.R. 8280, which has been introduced by two Members of the House, and it would restrict Government action to individual records held by third parties. While this bill covers records held by institutions within this committee's jurisdiction, it also includes records held by other entities. Even though it has been referred to the Committee on Banking, Finance and Urban Affairs, we feel the bill should also go to the Committee on the Judiciary because of this aspect contained in the bill.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 6884, INTERNATIONAL SECURITY ASSISTANCE ACT OF 1977

Mr. ZABLOCKI submitted the following conference report and statement on the bill (H.R. 6884) to amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorities of that act, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 95–503)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6884) to amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorities of that Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective House as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security Assistance Act of 1977".

CONTINGENCY FUND

SEC. 2. Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1976 not to exceed $5,000,000 and for the fiscal year 1977 not to exceed $5,000,000" and inserting in lieu thereof "for the fiscal year 1978 not to exceed $5,000,000".

INTERNATIONAL NARCOTICS CONTROL

SEC. 3. Section 482 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 482. AUTHORIZATION.—To carry out the purposes of section 481, there are authorized to be appropriated to the President $39,000,000 for the fiscal year 1978. Amounts appropriated under this section are authorized to remain available until expended.".

ASSISTANCE TO PORTUGAL

SEC. 4. Chapter 10 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 497. BALANCE OF PAYMENTS LOAN FOR PORTUGAL.—(a) In recognition of the established interest of the United States in fostering a democratic government in Portugal, in maintaining the strength of the North Atlantic Treaty Organization alliance, and in supporting European economic recovery, the purpose of this section is to provide essential balance of payments assistance to Portugal.

"(b) The President is authorized to make balance of payments support loans to Portugal as part of a special international effort to assist that country in the development and implementation of a program to gain financial stability and economic recovery.

"(c) There are authorized to be appropriated to the President not to exceed $300,000,000 for the fiscal year 1978 to carry out the purposes of this section, which amount is authorized to remain available until expended.".

MILITARY ASSISTANCE

SEC. 5. (a) Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $228,900,000 for the fiscal year 1978. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1978:

"Greece	$33,000,000
Portugal	25,000,000
Spain	15,000,000
Turkey	48,000,000
Jordan	55,000,000
Indonesia	15,000,000
Philippines	19,600,000
Thailand	8,000,000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1978 may be increased by not more than 10 per centum of such

amount if the President deems such increase necessary for the purposes of this chapter.

"(2) Except with respect to costs incurred under the authority of section 516(b) or as otherwise specifically authorized by law, none of the funds available for assistance under this chapter may be used to provide assistance to any recipient other than the countries specified in paragraph (1).

"(3) The authority of section 610(a) and of section 614(a) may not be used to increase any amount specified in paragraph (1) or to waive the limitations of paragraph (2).

"(4) Amounts appropriated under this subsection are authorized to remain available until expended.".

(b) Section 516(b) of the Foreign Assistance Act of 1961 is amended by striking out "paragraphs (2) and (3)" and inserting in lieu thereof "paragraph (2)".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 6. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$93,750,000 for the period beginning July 1, 1975, and ending September 30, 1976, and $125,000,000 for the fiscal year 1977" and inserting in lieu thereof "$270,000,000 for the fiscal year 1978".

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 7. (a) Section 515 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 515. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.—(a) No military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act or the Arms Export Control Act may operate in any foreign county unless specifically authorized by the Congress. The prohibition contained in this subsection does not apply to regular units of the Armed Forces of the United States engaged in routine functions designed to bring about the standardization of military operations and procedures between the Armed Forces of the United States and countries which are members of the North Atlantic Treaty Organization or other defense treaty allies of the United States.

"(b)(1) In order to carry out his responsibilities for the management during the fiscal year 1978 of international security assistance programs conducted under this chapter, under chapter 5 of this part, or under the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to perform necessary functions with respect to such programs in the countries specified in section 504(a)(1) and in the Republic of Korea, Panama, Brazil, Morocco, Iran, Kuwait, and Saudi Arabia. Members of the Armed Forces assigned under this subsection shall have as their primary functions logistics management, transportation, fiscal management, and contract administration of country programs. It is the sense of the Congress that advisory and training assistance in the countries specified above shall primarily be provided by personnel who are not assigned under this subsection and who are detailed for limited periods to perform specific tasks.

"(2) The total number of members of the Armed Forces assigned under this subsection to each country specified in paragraph (1) of this subsection may not exceed the number justified to the Congress in the congressional presentation materials, unless the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives are so notified.

"(3) Members of the Armed Forces authorized to be assigned to Iran, Kuwait, and Saudi Arabia by paragraph (1) of this subsection may only be assigned to such countries on a fully reimbursable basis under section 21(a) of the Arms Export Control Act, except that this requirement shall apply only to the extent that the number of members of the Armed Forces assigned to each country exceeds six.

"(c) The President may assign not to exceed three members of the Armed Forces to any country not specified in subsection (b)(1) to perform accounting and other management functions with respect to international security assistance programs conducted under this chapter, chapter 5 of this part, or under the Arms Export Control Act, except that not to exceed three additional members of the Armed Forces may be assigned to a country to perform such functions when specifically requested by the Chief of the Diplomatic Mission as necessary to the efficient operation of the Mission.

"(d) The total number of members of the Armed Forces assigned to foreign countries under subsections (b) and (c) may not exceed 865 for the fiscal year 1978.

"(e) Members of the Armed Forces assigned to a foreign country under subsection (b) or (c) shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission in that country.

"(f) Defense attachés may perform overseas management functions described in this section only if the President determines that the performance of such functions by defense attachés is the most economic and efficient means of performing such functions. The President shall promptly report each such determination to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations and the chairman of the Senate Committee on Armed Services, together with a description of the number of personnel involved and a statement of the reasons for such determination. The number of defense attachés performing overseas management functions in a country under this subsection may not exceed the number of defense attachés authorized to be assigned to that country on December 31, 1976.

"(g) The entire costs (including salaries of United States military personnel) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter, including any such costs which are reimbursed from charges for services collected from foreign governments pursuant to sections 21(e) and 43(b) of the Arms Export Control Act. The prohibition contained in subsection (a) of this section and the numerical limitations contained in subsections (b), (c), and (d) of this section shall not apply to members of the Armed Forces performing services for specific purposes and periods of time on a fully reimbursable basis under section 21(a) of the Arms Export Control Act."

(b) Section 516(a) of the Foreign Assistance Act of 1961 is amended by striking out "515(b)(2)" and inserting in lieu thereof "515".

(c) Section 631(d) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "this Act" and inserting in lieu thereof "part I of this Act"; and

(2) by striking out all that follows after "economic officer of the mission" and inserting a period in lieu thereof.

(d) Section 43(b) of the Arms Export Control Act is amended to read as follows:

"(b) Charges for administrative services calculated under section 21(e)(1)(A) of this Act shall include recovery of administrative expenses incurred by any department or agency of the United States Government, including any mission or group thereof, in carrying out functions under this Act when—

"(1) such functions are primarily for the benefit of any foreign country; and

"(2) such expenses are not directly and fully charged to, and reimbursed from amounts received for, sale of defense services under section 21(a) of this Act.".

SECURITY SUPPORTING ASSISTANCE

SEC. 8. (a) Section 531 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out in the last sentence thereof "The" and inserting in lieu thereof "Except for programs in southern Africa, the"; and

(2) by adding at the end thereof the following new sentence: "In planning security supporting assistance programs intended for economic development, the President shall take into account to the maximum extent feasible the policy directions set forth in chapter 1 of part I of this Act.".

(b) Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 532. AUTHORIZATION.—(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1978 not to exceed $1,890,000,000, of which not less than the following amounts shall be available only for the following countries:

"Israel	$785,000,000
Egypt	750,000,000
Jordan	93,000,000
Syria	90,000,000
Lebanon	20,000,000
Cyprus	15,000,000

"(2) Of the amount authorized to be appropriated by paragraph (1) for the fiscal year 1978 which is available for Israel, not less than $300,000,000 shall be available only for budgetary support on a grant basis.

"(b) Amounts appropriated under this section are authorized to remain available until expended.".

(c) Chapter 4 of part II of such Act is amended by adding at the end thereof the following new section:

"SEC. 533. SOUTHERN AFRICAN SPECIAL REQUIREMENTS FUND.—(a)(1) Of the funds authorized to be appropriated by section 532 for the fiscal year 1978, $80,000,000 shall be available only for the countries of southern Africa to address the problems caused by the economic dislocation resulting from the conflict in that region, and for education and job training assistance for Africans from Namibia and Zimbabwe (Southern Rhodesia). Such funds may be used to provide assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts and to provide trade credits for the purchase of United States products to those countries in the region adversely affected by blocked outlets for their exports and by the overall strains of the world economy.

"(2) Of the funds made available under this section, not more than the following amounts may be made available for the following:

"Botswana	$15,000,000
Lesotho	15,000,000
Swaziland	5,000,000
Regional programs for education, training, and refugee assistance	45,000,000

"(3) To the extent practicable consistent with the purposes specified in paragraph (1), assistance under this section should be used to meet the objectives set forth in sections 102 (c) and (d) and in other sections of chapter 1 of part I of this Act.

"(4) Before obligating any funds under this section, the President shall notify the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate with respect

to the specific projects and programs for which such funds will be used.

"(b) Of the funds made available under subsection (a) of this section for regional programs, not to exceed $1,000,000 may be used by the President for the preparation of a comprehensive analysis of the development needs of southern Africa to enable the Congress to determine what contribution United States foreign assistance can make.

"(c)(1) None of the funds made available under this section may be used for military, guerrilla, or paramilitary activities in any country.

"(2) No assistance may be furnished under this section in Mozambique, Angola, Tanzania, or Zambia, except that the President may waive this prohibition with respect to any such country if he determines (and so reports to the Congress) that furnishing such assistance to that country would further the foreign policy interests of the United States.

"(d) It is the sense of the Congress that the United States should support an internationally recognized constitutional settlement of the Rhodesian conflict leading promptly to majority rule based upon democratic principles and upholding basic human rights. The Congress declares its intent to support United States participation in a Zimbabwe Development Fund. The Congress intends to authorize the necessary appropriation when progress toward such an internationally recognized settlement would permit establishment of the Fund."

REVIEW OF SECURITY SUPPORTING ASSISTANCE PROGRAM FOR EGYPT

SEC. 9. (a) It is the sense of the Congress that the security supporting assistance program for Egypt plays an important role in the Middle East peace effort and that the Executive branch should concentrate its efforts in order to make the program a success.

(b) In furtherance of the policy expressed in subsection (a), the Secretary of State shall convene a Special Interagency Task Force (hereafter in this section referred to as the "Task Force") to review and prepare a study on the security supporting assistance program for Egypt. The Task Force may employ consultants for the purpose of carrying out such study.

(c)(1) The Task Force shall review planned United States economic assistance to Egypt and shall suggest alternatives to such assistance. In carrying out this paragraph, the Task Force shall consider—

(A) the interrelationship of United States and Egyptian economic and political interests;

(B) the possibility of emphasizing programs designed to enhance the opportunities in Egyptian private business and agriculture sectors, with special emphasis on low-cost approaches to expedite development; and

(C) to the extent appropriate, the reviews of Egyptian economists and government officials.

(2) Based on an analysis of the considerations described in paragraph (1) and on such other considerations as it may find to be relevant, the Task Force shall develop a plan for the use of future United States economic assistance to Egypt. Such plan shall include, where necessary, suggestions for revising legislation, for specific development projects, and for the staff requirements of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.

(d)(1) In carrying out its responsibilities under paragraphs (1) and (2) of subsection (c), the Task Force shall consult, on a regular basis, with the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(2) The Task Force shall transmit the plan developed pursuant to subsection (c)(2) to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate not later than February 15, 1978.

(e) Not to exceed $750,000 of the funds authorized and earmarked for security supporting assistance to Egypt in the fiscal year 1977 shall be available to carry out this section.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 10. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out "$27,000,000 for the fiscal year 1976 and $30,200,000 for the fiscal year 1977" and inserting in lieu thereof "$31,000,000 for the fiscal year 1978".

PROHIBITION AGAINST ASSISTANCE AND SALES TO ARGENTINA

SEC. 11. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 620B. PROHIBITION AGAINST ASSISTANCE AND SALES TO ARGENTINA.—After September 30, 1978—

"(1) no assistance may be furnished under chapter 2, 4, or 5 of part II of this Act to Argentina;

"(2) no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Argentina;

"(3) no sales of defense articles or services may be made under the Arms Export Control Act to Argentina; and

"(4) no export licenses may be issued under section 38 of the Arms Export Control Act to or for the Government of Argentina.".

NUCLEAR ENRICHMENT AND REPROCESSING TRANSFERS; NUCLEAR DETONATIONS

SEC. 12. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by striking out section 669 and inserting in lieu thereof the following new sections:

"SEC. 669. NUCLEAR ENRICHMENT TRANSFERS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance, providing military or security supporting assistance or grant military education and training, or extending military credits or making guarantees, to any country which, on or after the date of enactment of the International Security Assistance Act of 1977, delivers nuclear enrichment equipment, materials, or technology to any other country, or receives such equipment, materials, or technology from any other country, unless before such delivery—

"(1) the supplying country and receiving country have reached agreement to place all such equipment, materials, or technology, upon delivery, under multilateral auspices and management when available; and

"(2) the recipient country has entered into an agreement with the International Atomic Energy Agency to place all such equipment, materials, technology, and all nuclear fuel and facilities in such country under the safeguards system of such Agency.

"(b)(1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that—

"(A) the termination of such assistance would have a serious adverse effect on vital United States interests; and

"(B) he has received reliable assurances that the country in question will not acquire or develop nuclear weapons or assist other nations in doing so.

Such certification shall set forth the reasons supporting such determination in each particular case.

"(2) Any joint resolution which would terminate or restrict assistance described in subsection (a) with respect to a country to which the prohibition in such subsection applies shall, if introduced within thirty days after the transmittal of a certification under paragraph (1) of this subsection with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"SEC. 670. NUCLEAR REPROCESSING TRANSFERS AND NUCLEAR DETONATIONS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance, providing military or security supporting assistance or grant military education and training, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977—

"(1) delivers nuclear reprocessing equipment, materials, or technology to any other country or receives such equipment, materials, or technology from any other country (except for the transfer of reprocessing technology associated with the investigation, under international evaluation programs in which the United States participates, of technologies which are alternatives to pure plutonium reprocessing); or

"(2) is not a nuclear-weapon state as defined in article IX(3) of the Treaty on the Non-Proliferation of Nuclear Weapons and which detonates a nuclear explosive device.

"(b)(1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

"(2) Any joint resolution which would terminate or restrict assistance described in subsection (a) with respect to a country to which the prohibition in such subsection applies shall, if introduced within thirty days after the transmittal of a certification under paragraph (1) of this subsection with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.".

MIDDLE EAST PEACE

SEC. 13. Section 903 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a), by striking out "for the fiscal year 1976 not to exceed $50,000,000 and for the fiscal year 1977 not to exceed $35,000,000" and inserting in lieu thereof "for the fiscal year 1978 not to exceed $25,000,000, of which not less than $12,200,000 shall be available only for the Sinai support mission,";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking out "and" at the end of clause (B), and

(ii) by inserting immediately before the semicolon at the end thereof ", and (D) the reasons why the President has determined

that it is in the national interest to use funds appropriated under this section for such purpose rather than (i) using funds available for such purpose under part I, or (ii) if no funds are available for such purpose under part I, awaiting the enactment of legislation making funds specifically available for such purpose"; and

(B) in paragraph (2), by striking out "provided by clauses (A), (B), and (C) of" and inserting in lieu thereof "required by"; and

(3) in subsection (e), by striking out "1977" and inserting in lieu thereof "1978".

PROHIBITION ON ASSISTANCE FOR NUCLEAR POWERPLANTS

SEC. 14. None of the funds made available to carry out the Foreign Assistance Act of 1961 for the fiscal year 1978 may be used to finance the construction of, the operation or maintenance of, or the supply of fuel for, any nuclear powerplant under an agreement for cooperation between the United States and any other country.

REPEAL OF PROHIBITION RELATING TO THE TWELVE-MILE FISHING LIMIT

SEC. 15. Section 3(b) of the Arms Export Control Act is repealed.

CONGRESSIONAL DISAPPROVAL OF THIRD COUNTRY TRANSFERS

SEC. 16. Section 3(d) of the Arms Export Control Act is amended—

(1) by striking out ", 30 days prior to giving such consent," in the text preceding paragraph (1);

(2) by redesignating such section as section 3(d)(1) and redesignating paragraphs (1) through (5) thereof as subparagraphs (A) through (E), respectively; and

(3) by adding the following new paragraph at the end thereof:

"(2) Unless the President states in the certification submitted pursuant to this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until 30 calendar days after the date of such submission and such consent shall become effective then only if the Congress does not adopt, within such 30-day period, a concurrent resolution disapproving the proposed transfer.".

TRANSFERS OF DEFENSE ARTICLES AND DEFENSE

SEC. 17. Section 3(d) of the Arms Export Control Act, as amended by section 16 of this Act, is further amended by adding the following new paragraph at the end thereof:

"(3) This subsection shall not apply—

"(A) to transfers of maintenance, repair, or overhaul defense services, or of the repair parts or other defense articles used in furnishing such services, if the transfer will not result in any increase, relative to the original specifications, in the military capability of the defense articles and services to be maintained, repaired, or overhauled;

"(B) to temporary transfers of defense articles for the sole purpose of receiving maintenance, repair, or overhaul; or

"(C) to cooperative cross servicing arrangements among members of the North Atlantic Treaty Organizations.".

PROHIBITION AGAINST SALES, CREDITS, AND GUARANTIES TO COUNTRIES WHICH GRANT SANCTUARY TO INTERNATIONAL TERRORISTS

SEC. 18. Section 3 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

"(f)(1) Unless the President finds that the national security requires otherwise, he shall terminate all sales, credits, and guaranties under this Act to any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism. The President may not thereafter make or extend sales, credits, or guaranties to such government until the end of the one year period beginning on the date of such termination, except that if during its period of ineligibility for sales, credits, and guaranties pursuant to this section such government aids or abets, by granting sanctuary from prosecution to, any other individual or group which has committed an act of international terrorism, such government's period of ineligibility shall be extended for an additional year for each such individual or group.

"(2) If the President finds that the national security justifies a continuation of sales, credits, or guaranties to any government described in paragraph (1), he shall report such finding to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

SEC. 19. Section 31 of the Arms Export Control Act is amended—

(1) in subsection (a), by striking out all in the first sentence after "not to exceed" the first time it appears and inserting in lieu thereof "$667,000,000 for the fiscal year 1978.";

(2) in subsection (b), by striking out all after "shall not exceed" the first time it appears and inserting in lieu thereof "$2,102,350,000 for the fiscal year 1978, of which not less than $1,000,000,000 shall be available only for Israel."; and

(3) in subsection (c)—

(A) in the first sentence, by striking out "the fiscal years 1976 and 1977" and inserting in lieu thereof "the fiscal year 1978"; and

(B) in the last sentence, by striking out "each".

LICENSES FOR THE EXPORT OF CERTAIN MAJOR DEFENSE EQUIPMENT

SEC. 20. Section 38(b)(3) of the Arms Export Control Act is amended by adding at the end thereof the following new sentence: "The prohibition contained in the first sentence of this paragraph shall not apply to the issuance of licenses under this section for the export of major defense equipment to Australia, Japan, or New Zealand, or major defense equipment sold commercially in implementation of an agreement between the United States Government and the government of a foreign country for the production of the major defense equipment to which such licenses relate if the President has submitted a certificate with respect to such proposed agreement, prior to its signature, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate in the same form as the certification required under section 36(b) of this Act and subject to the requirements of such section.".

FISCAL YEAR 1977 AUTHORIZATIONS AND LIMITATIONS

SEC. 21. Authorizations of appropriations and limitations of authority applicable to the fiscal year 1977 contained in provisions of law amended by this Act shall not be effected by enactment of this Act.

ASSISTANCE AND SALES TO GREECE AND TURKEY

SEC. 22. (a) In addition to any amounts authorized to be appropriated by any amendment made by this Act which may be available for such purpose, there are authorized to be appropriated such sums as may be necessary for the fiscal year 1978 to carry out international agreements relating to defense cooperation with Greece and Turkey.

(b) No funds appropriated under this section may be obligated or expended to carry out any agreement described in subsection (a) until legislation has been enacted approving such agreement.

(c) Funds appropriated for the fiscal year 1978 may not be obligated for assistance to Turkey under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961, other than in accordance with section 620(x) of such Act.

(d) Section 620(x)(1) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "for the fiscal year 1976, the period beginning July 1, 1976, and ending September 30, 1976, and the fiscal year 1977," and inserting in lieu thereof "for the fiscal year 1978";

(2) by striking out "(A) during the fiscal year 1976 and the period beginning July 1, 1976, and ending September 30, 1976, the total value of defense articles and defense services sold to Turkey under such Act, either for cash or financed by credits and guaranties, shall not exceed $125,000,000, and (B) during the fiscal year 1977," and inserting in lieu thereof "during the fiscal year 1978"; and

(3) by striking out "$125,000,000" the second place it appears and inserting in lieu thereof "$175,000,000".

ARMS SALES AND UNITED STATES DEFENSE READINESS

SEC. 23. The President shall prepare and submit to the Congress not later than March 15, 1978, a report on the impact of United States foreign arms sales and transfers on United States defense readiness and national security. The report should focus on arms sales since 1972 and discuss the impact of such sales on United States troops stationed overseas. The report shall also include an analysis of United States foreign arms sales and transfers which have involved agreements entered into by the United States for the purchase or acquisition by the United States of defense articles, services, or equipment, or other articles, services, or equipment of any foreign country or international organization in connection with or as consideration for such United States foreign arms sales and transfers, including—

(1) an analysis of the impact such agreements have had upon United States business concerns which might otherwise have provided such articles, services, or equipment to the United States;

(2) an estimate of the costs incurred by the United States in connection with such agreements compared with the costs which would otherwise have been incurred;

(3) an estimate of the economic impact and unemployment which have resulted from such agreements; and

(4) an analysis of whether such costs and such domestic economic impact have justified entering into such agreements.

STUDY OF TECHNOLOGY TRANSFERS

SEC. 24. (a) The President shall conduct a comprehensive study of the policies and practices of the United States Government with respect to the national security and military implications of international transfers of technology in order to determine whether such policies and practices should be changed. Such study shall examine—

(1) the nature of technology transfer;

(2) the effect of technology transfers on United States technological superiority;

(3) the rationale for transfers of technology from the United States to foreign countries;

(4) the benefits and risks of such transfers;

(5) trends in technology transfers by the United States and other countries;

(6) the need for controls on transfers of technology, including controls on the use of transferred technology, the effectiveness of existing end-use controls, and possible unilateral sanctions if end-use restrictions are violated;

(7) the effectiveness of existing organizational arrangements in the Executive branch in regulating technology transfers from the United States;

(8) the adequacy of existing legislation and regulations with respect to transfers of technology from the United States; and

(9) the possibilities for international agreements with respect to transfers of technology.

(b) In conducting the study required by subsection (a), the President shall utilize the resources and expertise of the Arms Control and Disarmament Agency, the Department of State, the Department of Defense, the Department of Commerce, the National Science Foundation, the Office of Science and Technology Policy, and such other entities within the Executive branch as he deems necessary.

(c) Not later than the end of the one-year period beginning on the date of enactment of this section, the President shall submit to the Congress a report setting forth in detail the findings made and conclusions reached as a result of the study conducted pursuant to subsection (a), together with such recommendations for legislation and administrative action as the President deems appropriate.

POLICY OF ZAIRE

SEC. 25. No assistance of any kind may be furnished for the fiscal year 1978 for the purpose, or which would have the effect, or promoting or augmenting, directly or indirectly, any military or paramilitary operations in Zaire unless and until the President determines that such assistance should be furnished in the national security interests of the United States and submits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report containing—

(1) a detailed description of the assistance proposed to be furnished, including the amounts of such assistance, the categories and specific kinds of assistance proposed, and the purposes for which such assistance will be used; and

(2) a certification that the President has determined that the furnishing of such assistance is important to the national security interests of the United States and a detailed statement, in unclassified form, of the reasons supporting such determination.

POLICY STATEMENT ON UNITED STATES ARMS SALES TO ISRAEL

SEC. 26. In accordance with the historic special relationship between the United States and Israel and previous agreements and continuing understandings, the Congress joins with the President in reaffirming that a policy of restraint in United States arms transfers, including arms sales ceilings, shall not impair Israel's deterrent strength or undermine the military balance in the Middle East.

REVIEW OF ARMS SALES CONTROLS ON NON-LETHAL ITEMS

SEC. 27. The President shall undertake a review of all regulations relating to arms control for the purpose of defining and categorizing lethal and non-lethal products and establishing the appropriate level of control for each category.

REPUBLIC OF KOREA

SEC. 28. (a)(1) It is the sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigation (including any resulting prosecutions) being conducted by the Department of Justice with respect to allegations of improper activity in the United States by agents of the Republic of Korea.

(2) Accordingly, the President is requested to report to the Congress, within ninety days after the date of enactment of this Act and once during each ninety-day period thereafter while such investigation (including any resulting prosecutions) is underway, with respect to the extent to which the Republic of Korea is cooperating with such investigation.

(b) It is the further sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigations being conducted by committees of Congress.

PIASTER CONVERSION

SEC. 29. No provision of law shall be construed to prevent payment of claims of former and present Vietnamese employees of the Agency for International Development, who presently reside in the United States, for the conversion of Vietnamese piasters to dollars because such conversion cannot take place in the territory of the former Republic of Vietnam or because the official with whom such piasters were deposited was not a United States disbursing officer.

And the Senate agree to the same.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
LEE H. HAMILTON,
LESTER L. WOLFF,
CHARLES C. DIGGS, Jr.,
HELEN MEYNER,
DON BONKER,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
LARRY WINN, Jr.,
Managers on the Part of the House.

JOHN SPARKMAN,
HUBERT H. HUMPHREY,
FRANK CHURCH,
JOE BIDEN,
DICK CLARK,
CLIFFORD P. CASE,
JACOB K. JAVITS,
CHARLES H. PERCY,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

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JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6884), to amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorization of that Act, and for other purposes, submit the following joint statement to the House and to the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference recommends a substitute for both the House bill and the Senate amendment.

The differences between the two Houses and the adjustments made in the committee of conference are noted below except for clerical corrections, necessary conforming changes and minor drafting and clarifying changes.

The committee of conference agreement contained authorizations for appropriations for international security assistance for fiscal year 1978 of $3,195,900,000 which represents a reduction of $6,950,000 in the House figure, an increase of $1,200,000 in the Senate figure and a reduction of $53,050,000 in the amount requested by the executive branch.

The amounts approved by the committee of conference compared to the amounts requested by the executive branch and recommended by the House and Senate follow:

[In millions of dollars]

	Executive request	House recommendation	Senate recommendation	Conference agreement
Military assistance programs:				
Grant military assistance	230.0	228.9	230.0	228.9
International military education and training	35.0	31.4	30.0	31.0
Foreign military sales credits	707.75	675.85	678.5	677.0
FMS aggregate ceiling	[1] (2,217.5)	[1] (2,098.5)	[1] (2,104.5)	[1] (2,102.35)
Economic assistance programs:				
Security supporting assistance	[2 3 4] 1,907.2	[3 4] 2,214.7	[3 4] 1,875.0	1,890.0
Loan to Portugal	[3] 300.0	(5)	[3] 300.0	[3] 300.0
Middle East Special Requirements Fund	[4] 25.0	8.0	[4] 37.2	[4] 25.0
Other programs:				
International narcotics control	39.9	39.0	39.0	39.0
Contingency fund	5.0	5.0	5.0	5.0
Total	3,248.95	3,202.85	3,194.7	3,195.9

[1] The FMS aggregate ceiling represents the total program which could be funded under FMS credit authorization of $677,000,000. The aggregate ceiling is not an authorization of funds.

[2] This figure includes $20,000,000 which the executive branch requested be authorized as disaster relief assistance for Lebanon for fiscal year 1978. Both the House bill and the Senate amendment authorize $20,000,000 in security supporting assistance for Lebanon for fiscal year 1978.

[3] The executive branch requested and the Senate authorized $300,000,000 for a balance of payments loan for Portugal. The House included $300,000,000 in its authorization for security supporting assistance for economic development loan on nonconcessional terms for Portugal.

[4] The executive branch requested and the House authorized $12,200,000 in security supporting assistance for the Sinai support mission. The Senate included $12,200,000 for Sinai support mission in its authorization for the Middle East Special Requirements Fund. Of the $25,000,000 agreed to by the conference committee for the Middle East Special Requirements Fund, $12,200,000 is earmarked for the Sinai support mission.

SHORT TITLE

The short title of the House bill was the "International Security Assistance Act of 1977".

The short title of the Senate amendment was the "International Security Assistance and Arms Export Control Act of 1977".

The committee of conference adopted the House title.

NARCOTICS CONTROL ASSISTANCE EARMARKING FOR MEXICO

The Senate amendment amended Section 482 of Foreign Assistance Act of 1961 to provide that not less than $12,500,000 of the International Narcotics Control authorization will be expended for narcotics control programs in Mexico.

The House bill did not contain a comparable provision for this account.

The committee of conference accepted the House position with the understanding that, barring unforeseen circumstances, $12,500,000 of the amount authorized for narcotics control assistance in fiscal year 1978 would be made available for programs in Mexico. In addition, the committee of conference questions the advisability of providing four fixed-wing aircraft to Burma under the narcotics control assistance program. Given the terrain in eastern Burma, helicopters are much more effective than fixed-wing aircraft. The Department of State should review the narcotics control assistance program for Burma. In the event that the decision is made to proceed with the program as presented to the Congress, every assurance should be obtained that the aircraft will be used for narcotics control purposes and not against those insurgents that are not involved in the illegal production of or trafficking in narcotics and other dangerous drugs.

STOCKPILING

The House bill amended section 514 of the Foreign Assistance Act of 1961 and established a ceiling of $255 million on the value of fiscal year 1978 additions to "War Reserve Stocks—Allies".

The Senate amendment established a ceiling of $270 million.

The committee of conference adopted the Senate provision.

INTERNATIONAL MILITARY ASSISTANCE AND SALES MANAGEMENT

A. Prohibition on military assistance advisory groups

The House bill retained the provisions of section 515 of the Foreign Assistance Act of 1961 which provides that no military assistance advisory groups, including missions or other organizations of U.S. military personnel performing military advisory functions may operate in any foreign country unless specifically authorized by the Congress.

The Senate amendment amended section 515 of the Foreign Assistance Act of 1961 to authorize the assignment of members of the Armed Forces to perform necessary functions with respect to military assistance and sales programs.

The committee of conference adopted the House version. The committee of conference supports the continued phase-out of military assistance advisory groups and expects the executive branch to review thoroughly the need for such groups in fiscal year 1979.

B. Authorization for management teams

The House bill authorized the assignment for fiscal year 1978 of overseas management teams in Greece, Portugal, Spain, Turkey, Jordan, Indonesia, Philippines, Thailand, Korea, and Panama to perform necessary functions relating to the management of military assistance, international military education and training and foreign military sales programs.

The Senate amendment amended the same section to authorize the assignment of overseas management teams in the same countries specified in the House bill and also in Brazil, Iran, Kuwait, Liberia, Morocco, Saudi Arabia, and Zaire. The primary functions are to be procurement, logistics, management, transportation, fiscal management, and contract administration of country programs.

The committee of conference adopted the House provision, but amended it to authorize additional management teams in Kuwait Iran, Saudi Arabia (on a fully reimbursable basis) and in Brazil and Morocco.

Furthermore, the committee of conference adopted Senate language which states that the primary functions of such management teams shall be logistics management, transportation, fiscal management and contract administration of country programs. Procurement is not a primary function and foreign governments should be encouraged, to the maximum extent possible, to establish their own procurement offices in the United States. It is the conference committee's intent that the management teams for Korea, Panama, Brazil, and Morocco will be authorized for 1 year only. Since currently the United States maintains in Liberia and Zaire respectively 9 and 10 military personnel, a reduction to a maximum of 6 such personnel is viewed as imposing no undue obstacle to efficient management and continued close cooperation with these two countries.

C. Limitation on size of management teams

The House bill provided that the aggregate number of Armed Forces personnel assigned to perform military assistance management functions in the countries designated above may not exceed 400.

The Senate amendment provided that the number of Armed Forces personnel assigned under subsection (b)(1) to each designated country may not exceed the number proposed in the congressional presentation materials unless the appropriate congressional committees are notified. The Senate amendment also provided that the total number of Armed Forces personnel authorized either to the overseas management teams or as members of the 3/6 member teams (see item D below) performing similar functions may not exceed 900.

The committee of conference accepted the Senate version with an amendment to specify that the House International Relations Committee and Senate Foreign Relations Committee are the appropriate congressional committees. The committee of conference also accepted a compromise limit on the total number of personnel authorized of 865.

D. Authorization for three/six member teams

The House bill authorized the President to assign three members of the Armed Forces to perform "accounting and similar management" functions in countries other than those for which a specific authorization has been made. This provision also authorized the President to assign three additional members when requested by the Chief of the Diplomatic Mission and when judged by the President to be in the national interest and so reported to the Congress.

The Senate amendment was similar except that it allowed these teams to perform procurement, logistics management, transportation, fiscal management, and contract administration of country programs with respect to military assistance, training, and sales programs. The Senate amendment did not require a Presidential determination of national interest for the assignment of three additional members.

The committee of conference adopted the House version with an amendment changing "similar" to "other" management functions. It also eliminated the Presidential determination requirement. The committee of conference interprets other management functions to include limited security assistance and advisory services.

E. Defense attachés

The House bill prohibited defense attachés from performing security assistance management functions in the countries having an overseas management team or a 3/6 member team. In countries not having such a team, defense attachés could perform accounting and similar management functions if the President determined that it was in the national interest and so reported to Congress.

The Senate amendment provided that defense attachés may not perform security assistance functions unless the President determined such performance is the "most economic and efficient means of performing such functions" and so reported to Congress. The number of attachés assigned by Presidential determination to perform management function in a country could not exceed the number authorized to be so assigned to that country as of December 31, 1976. The Senate amendment also provided that mem-

bers of the Armed Forces assigned to overseas management teams or to 3/6 member teams may not serve concurrently as defense attachés.

The committee of conference adopted a compromise version that allows attachés to perform overseas management functions with respect to security assistance programs if the President determines that attaché performance is the "most economic and efficient means of performing such functions" and so reports to Congress. The committee of conference retained the Senate provision limiting the number of attachés assigned to perform security assistance functions to the number authorized to be assigned on December 31, 1976.

F. Performance of advisory and training functions

The House bill stated that the prohibitions relating to performance of military advisory functions do not apply to personnel performing services on a fully reimbursable basis under the Arms Export Control Act.

The Senate amendment stated that the limitations on the number of personnel assigned to perform security assistance functions do not apply to personnel performing services "for specific purposes and periods of time" on a fully reimbursable basis under section 21 of the Arms Export Control Act.

The Senate amendment also stated that it is the sense of the Congress that advisory and training assistance overseas shall primarily be provided by personnel not assigned pursuant to this authorization and who are detailed for limited periods to perform specific tasks.

The committee of conference adopted the Senate amendment, but interprets "specific purposes and periods of time" to mean, generally, that personnel of the armed forces overseas under this section have as their mission a single definable task to be completed in a period of time not to exceed two years.

G. Charges for administrative services

The Senate amendment amended section 43(b) of the Arms Export Control Act to clarify accounting procedures relating to foreign military sales of defense services.

The House bill did not contain a comparable provision.

The committee of conference accepted the Senate provision.

PURPOSE OF SECURITY SUPPORTING ASSISTANCE

The House bill amended section 531 of the Foreign Assistance Act of 1961 to provide that to the extent possible, consistent with the primary purposes of security supporting assistance to promote economic and political stability, such assistance should be used to meet the "New Directions" objectives—that is—involve the poor in development. In particular, such assistance should avoid large scale projects requiring substantial capital such as highway building and improvement.

The Senate amendment directed the President, in planning Security Supporting Assistance programs intended for economic development, to take into account to the maximum extent feasible the "New Directions" policy directives.

The committee of conference adopted the Senate provision, with the understanding that the executive branch is to be strongly encouraged to avoid to the extent practical using Security Supporting Assistance for large scale projects requiring substantial capital such as highway building and improvement. The committee of conference notes that the security supporting assistance program is increasing. It is, therefore, essential that funds authorized and appropriated to finance such programs not be obligated or expended without taking into consideration the long term consequences to the economic well being of the recipient country.

EARMARKINGS FOR SECURITY SUPPORTING ASSISTANCE

A. Budgetary support for Israel

The House bill amended section 532 of Foreign Assistance Act of 1961 to provide that not less than $300 million of the amount authorized for Israel shall be available only for budgetary support on a grant basis.

The Senate amendment did not have a comparable provision, but the Foreign Relations Committee report stated that the committee intended that not less than $300 million of the amount appropriated for Israel be provided as a cash grant.

The committee of conference adopted the House provision.

B. Grant assistance for Egypt

The House bill amended section 532 of the Foreign Assistance Act of 1961 to provide that not less than 60% of the funds authorized for assistance to Egypt shall be on a grant basis.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the Senate provision. It is the intent of the committee of conference, however, that the executive branch will consider providing a greater percentage of security supporting assistance to Egypt in the form of grant rather than on a loan basis.

C. Assistance for Cyprus

The House bill amended section 532 of Foreign Assistance Act of 1961 to provide that not less than $7.5 million of the funds authorized for security supporting assistance shall be available for Cyprus.

The Senate amendment amended the same section to provide that not less than $15 million of the funds authorized for security supporting assistance shall be available for Cyprus.

COUNTRY LIMITATIONS ON SECURITY SUPPORTING ASSISTANCE

The House bill amended section 532 of Foreign Assistance Act of 1961 to provide that Cyprus, Lebanon, and Portugal shall not be counted in fiscal year 1978 for purposes of the 12-country limitation established under section 531 of the Foreign Assistance Act of 1961.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the Senate position.

ASSISTANCE FOR SOUTHERN AFRICA

A. Southern Africa Special Requirements Fund

The House bill:

(1) Earmarked $100 million of Security Supporting Assistance for a Southern Africa Special Requirements Fund for the countries of Southern Africa. [In addition, the worldwide Security Supporting Assistance program approved by the House included but did not earmark the following amounts for the following recipients, $10 million for Zaire, $10.5 million for Swaziland, $3 million for Botswana, $5 million for Lesotho, and $6.5 million for regional programs in southern Africa.]

(2) Provide that the money in the Southern African Special Requirements Fund be used to address the problems caused by the economic dislocation resulting from the conflict in that region, and for education and job training assistance for Africans from Namibia and Zimbabwe (Southern Rhodesia). Such funds could be used to provide assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide trade credits for the purchase of United States products to those countries in the region adversely affected by blocked outlets for their exports and by the overall strains of the world economy. To the extent practicable, consistent with the above purposes, assistance should be furnished to meet the "New Directions" objectives.

(3) Also provide that the President shall notify the Congress before obligating money in the Southern African Special Requirements Fund, specifying the specific projects and programs to be funded.

The Senate amendment had no comparable provision, but amended section 532 of the Foreign Assistance Act of 1961 to provide that not more than the following amounts of Security Supporting Assistance shall be available for the following countries: $10 million for Zaire, $17.5 million for Zambia, $17.5 million for Swaziland, $17.5 million for Botswana, and $12.5 million for Lesotho, and that no security assistance funds shall be used in countries of southern Africa for military, guerrilla, or paramilitary activities.

The committee of conference adopted the House provision with an amendment reducing the amount for the Southern African Special Requirements Fund from $100 million to $80 million. Of this amount, the committee of conference authorized not more than $15 million for Botswana, $15 million for Lesotho, $5 million for Swaziland, and $45 million for regional programs in countries in southern Africa for purposes specified in A(2) above, and for a study of the development needs of southern Africa. The committee of conference also retained the prohibition on the use of funds in countries of southern Africa for military, guerrilla, or paramilitary activities.

Although no funds are earmarked for Zaire it is the understanding of the committee of conference that not more than $10 million of Security Supporting Assistance will be used for programs in that country in fiscal year 1978. Furthermore, although no funds have been specifically earmarked for Zambia, in either the overall security supporting assistance program authorization or the Southern African Special Requirements Fund, the committee of conference intends that up to $30 million of the overall program funds be spent on Zambia.

B. Study of development needs of Southern Africa

The Senate amendment amended Section 532 of the Foreign Assistance Act of 1961 to provide that not to exceed $1 million of the security supporting assistance authorization may be used for the preparation of a comprehensive analysis of the development needs of Southern Africa.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision with an amendment providing that the study will be funded out of funds for regional programs in the Southern African Special Requirements Fund.

The committee of conference supported the language in the Senate report relating to the use of funds for the Southern Africa study and in addition suggested that the following guidance would be helpful to the executive branch. The close cooperation of the State Department and AID with leading African scholars and nationals from Southern Africa is vital to the success of the project. U.S. objectives in Southern Africa should be clearly defined, and U.S. assistance should be coordinated with other donors and international agencies. It is important to examine the development needs of an independent Zimbabwe in order to determine the extent and type of U.S. participation in the proposed Zimbabwe Development Fund, but a parallel effort is required to develop an overall coordinated foreign assistance strategy for the independent countries in Southern Africa to which assistance is being provided under this legislation.

C. Assistance to Mozambique, Angola, Tanzania, or Zambia

The House bill added a new section 533 to the Foreign Assistance Act of 1961 to prohibit the use of money in the Southern African Special Requirements Fund for Mozambique, Angola, Tanzania, or Zambia. The President could waive the prohibition if he determined that furnishing assistance would further U.S. foreign policy interests.

The Senate amendment prohibited the use of any assistance under this act for the same countries with the same waiver provision.

The committee of conference adopted the House provision.

D. Zimbabwe development fund

The House bill added a new section 533 to the Foreign Assistance Act of 1961 to state that the Congress supports the President's efforts to bring about a negotiated transition to majority rule in Zimbabwe (southern Rhodesia) and encourages the President upon the conclusion of a firm agreement on majority rule in Zimbabwe (southern Rhodesia) to take the initiative in mounting an international effort to develop and support a special fund for Zimbabwe (southern Rhodesia) to further economic justice and development under the new government.

The Senate amendment amended section 532 of the Foreign Assistance Act of 1961 to provide that it is the sense of the Congress that the United States should support an internationally recognized constitutional settlement of the Rhodesia conflict leading promptly to majority rule based upon democratic principles and upholding basic human rights, that the Congress intends to support United States participation in a Zimbabwe Development Fund as a means of promoting these objectives, with the understanding that the initial United States contribution to this Fund would be $100 million, and that the Congress intends to authorize the necessary appropriation when progress toward such an internationally recognized settlement would permit establishment of the Fund.

The committee of conference adopted the Senate provision with an amendment to delete the specific amount of the Fund.

BALANCE OF PAYMENTS LOAN FOR PORTUGAL

The House bill amended section 532 of the Foreign Assistance Act of 1961 to authorize $300 million in security supporting assistance for economic development loans on nonconcessional terms for Portugal. It also added a new section 534 to the Foreign Assistance Act of 1961 to provide that not more than $200 million may be used for such purpose unless the President (1) certifies that other countries will contribute at least $300 million, or (2) explains to the House International Relations Committee and Senate Foreign Relations Committee why more than $200 million should be used for this purpose and the respective committees approved such use.

The Senate amendment added a new section 497 to the Foreign Assistance Act of 1961 to authorize the appropriation of $300 million for "balance of payment support loans to Portugal as part of a special international effort to assist that country in the development and implementation of a program to gain financial stability and economic recovery." The Senate amendment also had the following statement explaining why such assistance was being authorized: "In recognition of the established interest of the United States in fostering a democratic government in Portugal, in maintaining the strength of the NATO alliance and in supporting European economic recovery, the purpose of this section is to provide essential balance of payments assistance to Portugal."

The committee of conference adopted the Senate provision.

REVIEW OF SECURITY SUPPORTING ASSISTANCE PROGRAMS FOR EGYPT

The Senate amendment added a new section 534 to the Foreign Assistance Act of 1961 to direct the Secretary of State to convene a special Interagency Task Force to review the security supporting assistance program for Egypt. The task force was to be advised by and to report (not later than February 15, 1978) to an advisory board consisting of four Members of Congress. Not to exceed $1 million of security supporting assistance funds for Egypt was to be available to finance the study.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision with an amendment which deleted the provision creating an advisory board made up of Members of the Congress. Instead, the task force would be required to consult with the Foreign Relations Committee of the Senate and the Committee on International Relations of the House, and to report to the Speaker of the House and the Foreign Relations Committee of the Senate. The amount available to fund the study was reduced from $1 million to $750,000.

PROHIBITION ON USE OF FOREIGN ASSISTANCE ACT FUNDS FOR NUCLEAR POWERPLANTS

The House bill added a new subsection (4) to Section 620 of the Foreign Assistance Act of 1961 to prohibit the use of funds authorized under the Foreign Assistance Act of 1961, to finance the construction, operation or maintenance of, or the supply of fuel for, any nuclear powerplant.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the House provision with an amendment limiting the prohibition on the use of such funds for nuclear powerplants to fiscal year 1978 only.

PROHIBITION AGAINST MILITARY ASSISTANCE AND SALES TO ETHIOPIA AND ARGENTINA

A. Ethiopia

The Senate amendment added a new section 620B to the Foreign Assistance Act of 1961 to prohibit—

(1) grant military assistance, international military education and training, security supporting assistance, and foreign military sales financing for Ethiopia;

(2) foreign military sales to Ethiopia; and

(3) deliveries to Ethiopia of any military equipment financed under grant military assistance or foreign military sales programs.

This provision also permitted the President to waive the provisions prohibiting further military sales and deliveries of military equipment if he determined such sales and deliveries to be in the national interest and so reported to Congress.

The House bill did not contain a comparable provision although funding for Ethiopia was deleted from the military assistance program, international military education and training program and foreign military sales authorizations in the provision of the bill authorizing funds for such programs.

The committee of conference adopted the House position with the intention that no funds would be used for programs to Ethiopia. It is also the understanding of the committee of conference that the current policy of the United States is not to provide defense articles and defense services to Ethiopia. Should this policy change because of political changes in Ethiopia it is expected that the executive branch will consult with the Congress in advance of any such policy change.

B. Argentina

The Senate amendment also added a new section 620C to the Foreign Assistance Act of 1961 to prohibit after fiscal year 1978—

(1) grant military assistance, military education and training, security supporting assistance, and foreign military sales financing to Argentina; and

(2) foreign military sales and the issuance of export licenses to Argentina.

The House bill did not contain a comparable provision although funds which were programed for foreign military sales financing for Argentina were deleted from the provision of the House bill authorizing funds for the worldwide foreign military sales program.

The committee of conference adopted the Senate provision with an amendment specifying that the prohibition on granting of export licenses is intended to apply only to licensed sales of defense articles or services to or for the Government of Argentina (which would include any agency or representative of the Government of Argentina).

NUCLEAR ENRICHMENT AND REPROCESSING TRANSFERS: FOREIGN ASSISTANCE CUTOFF FOR NUCLEAR DETONATION

The House bill makes no changes in existing law (section 669 of the Foreign Assistance Act) which prohibits economic, military, international military education, and training security supporting assistance, and foreign military sales credits or guaranties to any country which delivers or receives nuclear reprocessing or nuclear enrichment equipment, materials, or technology unless it will be placed under multilateral auspices and management when available subject to International Atomic Energy Agency safeguards. The President may, by Executive order effective 30 days after issuance, waive this prohibition if he determines (1) it would have a serious adverse effect on vital U.S. interests, and (2) he has received reliable assurances that the recipient country will not acquire or develop nuclear weapons or assist other countries in doing so. A waiver must be reported to Congress, setting forth the reasons supporting the determination. The Congress may by joint resolution terminate or restrict assistance, or take any other action with respect to such assistance, for a country subject to the prohibition. If such a resolution is introduced within 30 days of a waiver, it is considered in the Senate under an expedited procedure.

The Senate amendment amended section 669 of the Foreign Assistance Act and added a new section 670 to do the following:

(1) Exempt from the prohibition transfers which occur before enactment of this bill.

(2) Eliminate the requirement that waivers be by Executive order.

(3) Eliminate the 30-day delay in the effectiveness of a waiver.

(4) Eliminate the statement that a joint resolution might take action with respect to assistance other than terminate or restrict it. The effect being that a joint resolution which did something other than terminate or restrict assistance could not be considered in the Senate under an expedited procedure.

(5) Exempt from the prohibition transfers of nuclear reprocessing equipment, materials, or technology which are associated with the investigation of technologies which are alternatives to pure plutonium reprocessing under international evaluation programs with U.S. participation.

(6) Prohibit (subject to waiver) economic, military, international military training assistance, security supporting assistance and foreign military sales credits or guarantees to any non-nuclear weapons state which detonates a nuclear explosive device after enactment of this bill.

(7) Makes the standard to be applied for a Presidential waiver, in cases of nuclear detonation and nuclear reprocessing transfers, whether cessation of assistance would be seriously prejudicial to the achievement of U.S. nonproliferation objectives or other-

wise jeopardize the common defense and security.

(8) Require that if the President uses the waiver authority described in paragraph (7), he must state the "specific" reasons for the waiver.

The committee of conference adopted the Senate provision.

REPORT ON MIDDLE EAST SPECIAL REQUIREMENTS FUND

The House bill amended Section 903 of the Foreign Assistance Act of 1961 to require that reports on the use of funds from the Middle East Special Requirements Fund include the reasons why the President has determined it is in the national interest to use such funds rather than using funds available under part I of the Foreign Assistance Act of 1961 or, if no part I funds were available, awaiting the enactment of legislation making funds specifically available for the project to be funded.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the House provision.

REPEAL OF PROHIBITIONS RELATING TO THE 12-MILE FISHING LIMIT

The Senate amendment repealed section 3 (b) of the Arms Export Control Act which provides that no sales, credits, or guaranties be made to any country that seizes or fines a U.S. fishing vessel operating outside the 12-mile limit.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision.

CONGRESSIONAL DISAPPROVAL OF THIRD COUNTRY TRANSFERS

The House bill amended section 3(d) of the Arms Export Control Act to allow Congress to preclude executive branch consent to any proposed third party transfer of defense articles, related training or other defense services acquired under the military assistance or sales programs by adoption of a concurrent resolution of disapproval at any time within 30 calendar days after the proposed transfer is notified to the Congress, unless the President certified that an emergency existed which required immediate consent in the national security interests of the United States.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the House provision.

TRANSFERS OF DEFENSE ARTICLES AND SERVICES FOR MAINTENANCE AND REPAIR

The House bill amended section 3(d) of the Arms Export Control Act to remove the requirement to report to Congress proposed third party transfers of defense articles and services when the transfer is for purposes of maintenance, repair, and overhaul that do not result in any increase in the original military capability of such articles and services, temporary transfers for the same purposes and cases of third party transfers involving cooperative cross-servicing arrangements among NATO countries.

Th Senate amendment to section 3(d) differed in two respects. It made no reference to increases in military capability and it removed the reporting requirement in cases of minor modification.

The committee of conference adopted the House provision with the understanding that proposed transfers which result in minor modifications because of circumstances making it difficult to maintain the original specifications, need not be reported when there is no intention to deliberately increase the military capability of such articles and services.

COPRODUCTION LICENSES FOR MAJOR DEFENSE EQUIPMENT

The Senate amendment amended section 38(b)(3) of the Arms Export Control Act to exempt from the prohibition on the licensing of commercial exports involving major defense equipment valued at more than $25 million to countries other than NATO countries, Japan, New Zealand, and Australia those sales implementing bilateral coproduction agreements.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision. The committee of conference notes that such export sales agreements would be reported to the Congress under the provisions of section 36(b) of the Arms Export Control Act.

STUDY OF EFFECTS OF ARMS EXPORT CONTROL REFORMS

The Senate amendment amended section 218(b) of the International Security Assistance and Arms Export Control Act of 1976 to extend from June 30, 1977, to January 15, 1978, the deadline for submission of the report on the effects of the arms control reforms enacted in security assistance legislation for fiscal years 1976 and 1977.

The House bill did not contain comparable provision.

The committee of conference accepted the House position.

FISCAL YEAR 1977 AUTHORIZATIONS AND LIMITATIONS

The House bill provided that the authorizations and limitations applicable to fiscal year 1977 remain in effect notwithstanding the changes in law made by this legislation.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the House provision.

LIMITATIONS ON MILITARY ASSISTANCE AND TRAINING TO TURKEY

The House bill provided that funds appropriated for assistance and sales to the Government of Turkey and international military education and training programs for fiscal year 1978 may be obligated only in accordance with section 620(x) of the Foreign Assistance Act of 1961.

The Senate amendment contained a similar provision but included the limitations of section 620(x) in the section of the bill authorizing funds for grant military assistance and did not include a reference to fiscal year 1978.

The committee of conference adopted the House provision.

STUDY OF TECHNOLOGY TRANSFERS

The House bill contained a provision that directed the President to conduct a comprehensive review of the implications of international transfers of technology, with the assistance of the Arms Control and Disarmament Agency, the Departments of State, Defense and Commerce, the National Science Foundation, the Office of Science and Technology Policy, and such other entities in the executive branch as he deems necesary. The results were to be reported to Congress within 1 year.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the House provision. It is the understanding of the committee of conference that the study called for by this provision will be done in conjunction with the studies mandated in Public Law 95-52.

PROHIBITION ON ASSISTANCE FOR REPRESSION

The House bill amended section 502 of the Foreign Assistance Act of 1961 to prohibit military assistance and sales for the purpose of, or which would have the effect of, aiding directly or indirectly the efforts of foreign governments to repress the legitimate rights of the population in such countries contrary to the Universal Declaration of Human Rights.

The Senate amendment did not contain a comparable provision.

The committee of conference accepted the Senate position. While the committee of conference firmly believes that no military assistance or sales should go to any country which engages in a consistent pattern of gross violations of fundamental human rights, the deleted language would have had an application so broad as to be impractical and impossible to implement. In addition, the provisions of section 502B of the Foreign Assistance Act of 1961, already provide for serious consideration of the relationship between security assistance and human rights in the formulation and implementation of security assistance programs worldwide. The Executive Branch is urged to provide U.S. military assistance advisory groups and trainees with adequate guidance and training so that section 502B can be properly implemented.

REVIEW OF ARMS SALES CONTROLS ON NONLETHAL ITEMS

The House bill contained a provision that directed the President to undertake a review of all arms control regulations for the purpose of defining and categorizing lethal and nonlethal products and establishing appropriate levels of controls for each category.

The Senate amendment contained a provision that directed the President to develop definitions of lethal and nonlethal products and to establish procedures for the expeditious consideration of requests to export nonlethal products and to report to Congress within 120 days on the regulations and procedures to be applied to those systems determined to be nonlethal.

The committee of conference adopted the House provision. The committee of conference understands that the purpose of this review is to determine the feasibility of establishing a distinction between lethal and nonlethal products and appropriate levels of control and procedure for each. Further, the explanation of the purpose of the review in the provision is not intended to presuppose the results of the review. Although the committee of conference dropped the Senate provision with respect to the 120-day reporting requirement, it did so with the expectation that the President would make every effort to submit a report within that time period.

REPUBLIC OF KOREA INVESTIGATION

The House bill contained a provision that expressed the sense of Congress that the President take effective measures to assure that Korea is cooperating with the investigation of the Department of Justice and report on the degree of cooperation every 90 days. The House bill also expressed the sense of Congress that the President take effective measures to assure that Korea is cooperating with Congressional investigations.

The Senate bill did not contain a comparable provision.

The committee of conference adopted the House provision.

POLICY STATEMENT ON ARMS SALES TO ISRAEL

The Senate amendment contained a provision that reaffirmed that the U.S. policy of restraint in U.S. arms transfers shall not impair Israel's deterrent strength or undermine the military balance in the Middle East.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision.

ARMS SALES AND U.S. DEFENSE READINESS

The Senate amendment amended section 21(h) of the Foreign Assistance Act of 1961 to require a report by March 15, 1978, on the impact of U.S. arms sales and transfers to U.S. defense readiness and national security. This provision also required the President to analyze agreements for the purchase or acquisition by the United States of defense articles, services or equipment from any foreign country or international organization in connection with U.S. arms sales and transfers including an analysis of the impact such agreements have had on United States business concerns.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision.

SANCTUARY FOR TERRORISTS

The Senate amendment amended section 3 of the Arms Export Control Act to terminate the sale of defense articles and defense services for 1 year to any country granting sanctuary to international terrorists unless the President found (and so reported to Congress) that U.S. national security justified a continuation of sales.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision.

REPORT ON ARMS SALES TO IRAN AND SAUDI ARABIA

The Senate amendment contained a provision which directed the President to report to Congress by February 15, 1978, on past, current, and projected arms sales to Iran and Saudi Arabia and the need for such sales.

The House bill did not contain a comparable provision.

The committee of conference adopted the House position.

PIASTER CONVERSION FOR AID EMPLOYEES

The Senate amendment contained a provision which allowed for the conversion of piasters to dollars for certain Vietnamese employees of the Agency for International Development.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision.

The committee of conference understands that this provision would also apply to cover Vietnamese employees in other U.S. agencies.

ADDITIONAL INFORMATION REQUIREMENTS FOR SECTION 36(b) REPORTS TO CONGRESS

The Senate amendment amended section 36(b) of the Arms Export Control Act to make mandatory the submission of certain information, now available on committee request, with respect to proposed letters of offer reported to Congress under section 36 (b) of the Arms Export Control Act when the sale would be to a non-NATO country.

The House bill did not contain a comparable provision.

The committee of conference adopted a House position but expressed dissatisfaction with the inadequate policy justifications which accompany current section 36(b) reports of letters of offer to sell defense articles or defense services. The committee of conference expressed the firm desire to have more comprehensive and thoughtfully prepared reports accompanying advance notifications and letters of offer submitted under the provisions of section 36(b) of the Arms Export Control Act.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
LEE H. HAMILTON,
LESTER L. WOLFF,
CHARLES C. DIGGS, Jr.,
HELEN MEYNER,
DON BONKER,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
LARRY WINN, Jr.,
Managers on the Part of the House.

JOHN SPARKMAN,
HUBERT H. HUMPHREY,
FRANK CHURCH,
JOE BIDEN,
DICK CLARK,
CLIFFORD P. CASE,
JACOB K. JAVITS,
CHARLES H. PERCY,
Managers on the Part of the Senate.

APPOINTMENT OF CONFEREES ON S. 1377, EXTENDING TIME FOR COMMENCING ACTIONS ON BEHALF OF AN INDIAN TRIBE, BAND, OR GROUP

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1377) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, with the House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? The Chair hears none, and, without objection, appoints the following conferees: Mr. DANIELSON, Mr. UDALL, Miss JORDAN, and Messrs. MAZZOLI, HARRIS, MOORHEAD of California, and COHEN.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I have asked for this time to inquire of the distinguished acting majority leader as to the program for the balance of the week and for the following week.

Mr. FOLEY. Mr. Speaker, will the distinguished minority leader yield?

Mr. RHODES. I yield to the distinguished acting majority leader.

Mr. FOLEY. Mr. Speaker, the schedule for the week of July 18, 1977, is as follows:

On Monday the House will meet at noon for the call of the Consent Calendar. There are no bills scheduled. There are 14 bills on the Suspension Calendar for Monday, as follows:

First. H.R. 6936. Amend Election Campaign Act of 1971.

Second. House Joint Resolution 372, National Family Week.

Third. H.R. 7012. Paperwork reduction in agricultural census.

Fourth. H.R. 2387. Salary adjustments for OMB Director and Deputy.

Fifth. H.R. 6974. Increase in supergrades for Federal Court Administration.

Sixth. H.R. 6975. Increase in number of hearing examiners.

Seventh. H.R. 4319. Retention of Federal life and health benefits during retirement.

Eighth. H.R. 3755. Restoration of certain annuities.

Ninth. H.R. 1550. Reduce tariffs on spark plug insulators.

Tenth. H.R. 2849. Suspend tariffs on rubber mattress blanks.

Eleventh. H.R. 2850. Suspend tariffs on latex sheets.

Twelfth. H.R. 3387. Continue tariff suspension on synthetic rutile.

Thirteenth. H.R. 5263. Suspend tariffs on certain bicycle parts.

Fourteenth. H.R. 5285. Clarify tariff treatment of acrylic resin sheets.

Mr. Speaker, following the bills considered under suspension of the rules, there are 15 unanimous-consent bills from the Committee on Ways and Means.

After the consideration of these bills, we will take up the conference report on H.R. 7557, the Department of Transportation and Related Agencies Appropriation Act, 1978; and the conference report on H.R. 7556, the Departments of State, Justice, Commerce, and the Judiciary, and Related Agencies Appropriation Act, 1978.

On Tuesday, the House will meet at noon.

The Private Calendar will be called, but there will be no suspensions on that day, according to the present plan.

We will start consideration of H.R. 7171, the Agricultural Act of 1977, which will be before the House for the adoption of the rule, with 2 hours of general debate and consideration under the 5-minute rule.

On Wednesday the House will meet at noon to continue consideration of H.R. 7171, the Agricultural Act of 1977. Hopefully, we will complete action on that bill on that day.

On Thursday the House will meet at 10 a.m. to consider H.R. 5400, the Universal Voter Registration Act of 1977, under an open rule, with 2 hours of general debate.

On Friday the House will meet at 10 a.m. to consider H.R. 4544, the Black Lung Benefits Reform Act of 1977, subject to a rule being granted.

We will also consider House Resolution 70, creation of Select Committee on Population.

The House will adjourn by 3 p.m. on Fridays and at 5:30 p.m. on all other days, except Wednesdays.

Of course, this is subject to the usual reservation that conference reports may be brought up at any time.

Any further program will be announced later.

Mr. RHODES. Did I understand the gentleman to say that we would adjourn at 5:30 p.m. on all other days except Wednesday?

Mr. FOLEY. At 5:30 pm.; that is correct.

Mr. RHODES. I know the gentleman said that hopefully we would complete consideration of the Agricultural Act of 1977 on Wednesday. On that day I assume we will continue in session until that act is completed; is that correct?

Mr. FOLEY. We will, hopefully, be in a situation so that we can complete the act. I think Members should count on a relatively long session on Wednesday night. However, if we are not far enough along on the bill so that there will be a prospect of finishing in a late session, we might have to go over until Thursday.

Mr. RHODES. Mr. Speaker, I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

ADJOURNMENT TO MONDAY, JULY 18, 1977

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

REFERRAL OF H.R. 8112, FROM COMMITTEE ON HOUSE ADMINISTRATION TO COMMITTEE ON GOVERNMENT OPERATIONS

Mr. PREYER. Mr. Speaker, I ask unanimous consent that H.R. 8112, previously referred to the Committee on House Administration on June 29, 1977, be referred instead to the Committee on Government Operations. The bill is not within the jurisdiction of the Committee on House Administration and was referred to it in error.

Mr. Speaker, that bill is the bill introduced by the Subcommittee on Government Operations at the request of GSA to abolish the Federal Records Council.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdom, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On July 11, 1977:

H.R. 6668. An act to amend the Age Discrimination Act of 1975 to extend the date upon which the U.S. Commission on Civil Rights is required to file its report under such act, and for other purposes;

H.J. Res. 539. Joint resolution to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians.

REORGANIZATION OF THE EXECUTIVE OFFICE OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–185)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I herewith transmit my plan for the Reorganization of the Executive Office of the President (EOP), Reorganization Plan No. 1 of 1977. This plan is the first of a series I intend to submit under the reorganization authority vested in me by the Reorganization Act of 1977 (P.L. 95–17). It adheres to the purposes set forth in Section 901 (a) of the Act.

This plan in conjunction with the other steps I am taking will:

—eliminate seven of the seventeen units now within the EOP and modify the rest. There were 19 units when I took office; the President's Foreign Intelligence Advisory Board and the Economic Policy Board have already been abolished. Thus with this plan I will have eliminated nine of 19 EOP units.

—reduce EOP staffing by about 250 which includes the White House staff reduction of 134 or 28% which I have already ordered.

—improve efficiency by centralizing administrative functions; and

—improve the process by which information is provided for Presidential decisionmaking.

These recommendations arise from a careful, systematic study of the EOP. They are based on the premise that the EOP exists to serve the President and should be structured to meet his needs. They will reduce waste and cost while improving the service the President, and the nation, receive from the EOP.

The EOP now consists of the immediate White House Office, the Vice President's Office, the Office of Management and Budget, and fourteen other agencies. The EOP has a budget authority of about $80,000,000 and 1,712 full time employees.

The White House Office concentrates on close personal support including policy and political advice and administrative and operational services. The Office of the Vice President provides similar support to him. OMB's primary mission is to develop and implement the budget; it also carries out a number of management and reorganization activities.

Three EOP units have responsibility for policy development:

—National Security Council

—Domestic Council

—Council on International Economic Policy

The other 11 are more specialized offices that offer analysis and advice, help develop policy in certain areas, or carry out special projects. These are:

—Council of Economic Advisers

—Council on Wage and Price Stability

—Office of the Special Representative for Trade Negotiations

—Council on Environmental Quality

—Office of Science and Technology Policy

—Office of Drug Abuse Policy

—Office of Telecommunications Policy

—Intelligence Oversight Board

—Federal Property Council

—Energy Resources Council

—Economy Opportunity Council

To make the EOP more effective, four steps are necessary:

I. Strengthen management of policy issues.

II. Limit the EOP, wherever possible, to functions directly related to the President's work.

III. Centralize administrative services.

IV. Reduce size of White House and EOP staffs.

I. STRENGTHEN PROCESS MANAGEMENT OF POLICY ISSUES

Perhaps the most important function of the President's staff is to make sure he has the wide variety of views and facts he needs to make decisions. By building a more orderly system for collecting information and advice, the President can make sure that he will hear all the views he should—and hear them in time. To better insure that this happens, I am taking the following actions to:

—Institute for domestic and economic issues, a system similar to the Presidential Review Memorandum process currently used for National Security issues.

—Create a committee of Presidential advisers, chaired by the Vice President, to set priorities among issues and oversee their staffing.

—Assure that Presidential decision memoranda on policy issues are coordinated with Cabinet and EOP advisers most involved with the issue.

—Consolidate under the Staff Secretary the two current White House paper circulation systems.

—Appoint a group of advisers to review the decisionmaking process periodically.

—Give the Assistant to the President for Domestic Affairs and Policy clear responsibility for managing the way in which domestic and most economic policy issues are prepared for Presidential decision.

—Assign follow-up responsibility for Presidential decisions as follows: immediate follow-up will be handled by the NSC or Domestic Policy Staff most directly involved in the issue; long term follow-up on selected issues will be handled by the Assistant to the President for Intergovernmental Relations.

These actions recognize that the White House and Executive Office staff must use their proximity to the President to

insure that the full resources of the government and the public are brought to bear on Presidential decisions in a timely fashion. It is my purpose in instituting these changes to strengthen Cabinet participation in Presidential decisions.

II. RATIONALIZE EOP STRUCTURE BY LIMITING EOP, WHEREVER POSSIBLE, TO FUNCTIONS WHICH BEAR A CLOSE RELATIONSHIP TO THE WORK OF THE PRESIDENT

As the President's principal staff institution, there are several major things the EOP must do:

—Provide day-to-day operational support (e.g., scheduling, appointments) and help the President communicate with the public, the Congress, and the press.

—Manage the budget and coordinate Administration positions on matters before the Congress.

—Manage the Presidential decision-making processes efficiently and fairly, and bring the President the widest possible range of opinions.

—Help the President: plan and set priorities; monitor and evaluate progress toward achieving the President's objectives; understand and resolve major conflicts among line subordinates; manage crises, especially in national security matters.

In order to restructure the EOP around these basic functions, the functions of seven units should be discontinued or transferred, and ten units, including the White House Office, should be retained but modified.

Seven units should be discontinued or their functions transferred. These are:

1. Office of Drug Abuse Policy
2. Office of Telecommunications Policy
3. Council on International Economic Policy
4. Federal Property Council
5. Energy Resources Council
6. Economic Opportunity Council
7. Domestic Council

The functions of the *Office of Drug Abuse Policy* (ODAP) can be performed by a smaller staff reporting to a Presidential adviser in the EOP. The Office itself will be discontinued.

Much of the work done by the *Office of Telecommunications Policy* (OTP) can be more effectively performed outside the EOP. It is important that the EOP have the capacity to resolve differences and that the President have immediate advice on telecommunications and information policy, especially on national security, emergency preparedness and privacy issues. This only requires a small staff within EOP. The Office of Management and Budget would take responsibility for federal telecommunications procurement and management policy and arbitration of interagency disputes about frequency allocation. All other functions except developing Presidential policy options would be transferred to a new office within the Department of Commerce, headed by a new Assistant Secretary for Communications and Information, who will perform many of the functions previously performed by the head of the OTP.

I propose that the *Economic Opportunity Council* be discontinued; it is dormant and its only active function (preparation of the Catalogue of Federal Domestic Assistance) is being performed by OMB. Three other units are also inactive and should be discontinued: *Council on International Economic Policy*, the *Federal Property Council*, and the *Energy Resources Council*.

The *Domestic Council* should be abolished. It has rarely functioned as a Council, because it is too large and its membership too diverse to make decisions efficiently. Its functions have been performed entirely by its staff. This *Domestic Policy Staff* should report to the Assistant to the President for Domestic Affairs and Policy. Under the policy process system described earlier, they should manage the process which coordinates the making of domestic and most economic policy. They should work closely with the Cabinet departments and agencies to insure that the views of the Cabinet and agency heads are brought to the President before decisions are made.

The ten EOP units which will continue with some modification are:

1. White House Office
2. Office of the Vice President
3. Office of Management and Budget
4. Council on Environmental Quality
5. Council of Economic Advisers
6. Office of Science and Technology Policy
7. Office of the Special Representative for Trade Negotiations
8. National Security Council
9. Intelligence Oversight Board
10. Council on Wage and Price Stability

The operations of the *Office of the Vice President* reflect the combination of constitutional, statutory, and Presidentially assigned duties that make it unique among EOP units. Because his interests and assignments cover the same range as the President's, the Vice President requires a staff with expertise in diverse areas. Its basic functions should not be changed. However, I propose that certain support functions—involving accounting, personnel services, and supply—be transferred to a centralized EOP Administrative Unit.

The *Office of Management and Budget* would remain as a separate entity in the EOP, but some functional changes should be made. Four functions should be transferred from OMB to other parts of the government:

—Administration to the new EOP Central Administrative Unit;

—Executive Department/Labor Relations (except for Pay Agent, Executive Level Pools, and Legislative Analysis) to the Civil Service Commission;

—Advisory Committee Management Secretariat to the General Services Administration;

—Statistical Policy (except Forms Clearance) to the Department of Commerce.

I have asked the OMB to reorganize its management arm to emphasize major Presidential initiatives, such as reorganization, program evaluation, paperwork reduction, and regulatory reform.

The *Council on Environmental Quality* (CEQ) should remain in the EOP as an environmental adviser to the President. The CEQ's major purpose is to provide an independent assessment of our policies for improving the environment. Toward this end, it will analyze long term trends and conditions in the environment. It will advise OMB on the reorganization of natural resources functions within the Federal government. The Council will retain the functions it now has under NEPA and Executive Order No. 11514 with the exception of routine review of the adequacy of impact statements and the administrative aspects of their receipt and handling. The EPA will take over CEQ's evaluation responsibility under the Federal Nonnuclear Energy Research Development Act of 1974. The CEQ will continue to review and publish the Annual Report on Environmental Quality.

The strength of the *Council of Economic Advisers* (CEQ) lies in its economic analysis of current policy choices. It also presents objective economic data, makes macroeconomic forecasts, and analyzes economic trends and their impact on the national economy. It will continue with a small reduction in staff.

The *Office of Science and Technology Policy* (OSTP) should retain those science, engineering, and technology functions which can be so useful in helping the President and his advisers make decisions about policy and budget issues. Instead of the Intergovernmental Science, Engineering, and Technology Advisory Panels, the President should rely on an intergovernmental relations working group, chaired by the Science Adviser. The Federal Coordinating Council on Science and Technology should operate as a sub-Cabinet working group chaired by the Science Adviser. The reorganization work of the President's Committee on Science and Technology would be part of the overall reorganization effort. The responsibility for preparing certain reports should be transferred to the National Science Foundation.

The proposal places manageable limits on OSTP's broad mandate while emphasizing functions that support the President.

The *Office of the Special Representative for Trade Negotiations* (STR) is now operating effectively and will be retained essentially as is. With the difficult negotiations now underway in Geneva, the benefits of transferring the STR to another agency are outweighed by the potential reduction in its effectiveness as an international negotiator.

The *National Security Council* (NSC) will be retained in its present form and its staff slightly reduced.

Intelligence Oversight Board (IOB) should be retained to insure that abuses of the past are not repeated and to emphasize Presidential concerns regarding intelligence issues.

The *Council of Wage and Price Stability* (COWPS) is a necessary weapon in the continuing fight against inflation and will be retained. To be sure that its work is closely coordinated with the economic analyses performed by the

Council of Economic Advisers (CEA), COWPS should be directed by the Chairman of CEA.

III. CENTRALIZE ADMINISTRATIVE FUNCTIONS

About 380 (22%) of the full-time, permanent EOP personnel perform administrative support services in EOP units. Most EOP units besides the White House and OMB are too small to provide a full complement of administrative services. They depend on the White House, OMB, GSA, other federal departments, or several of these sources for many of these services. This approach is inefficient; the quality is uneven and the coordination poor. Some services are duplicated, others inconsistently distributed (excess capacity in some units and deficiences in others), and most too costly.

I propose to combine administrative support operations into a Central Administrative Unit in EOP to provide support in administrative services common to all EOP entities. It should be a separate EOP entity because of the need to assure equal access by all other units.

This consolidation will result in:

—saving of roughly 40 positions and about $1.1 million
—improved and more innovative services
—a focus for monitoring the efficiency and responsibility of administrative services
—a base for an effective EOP budget/planning system through which the President can manage an integrated EOP rather than a collection of disparate units.

The EOP has never before been organized as a single, unified entity serving the President. It is only by viewing it as a whole that we can improve efficiency through steps like the Central Administrative Unit.

IV. REDUCE THE SIZE OF WHITE HOUSE AND EOP STAFFS

I am reducing the White House staff by 28%, from the 485 I inherited from my predecessor to 351. This involves cuts in my policy and administrative staffs as well as transfers to the Central Administrative Unit.

I estimate that this plan and the other steps I am taking will reduce staff levels in the EOP by about 250, from 1,712 full-time permanent positions to about 1,460 and will save the taxpayers at least $6 million.

As in the rest of the government, I will be reluctant to add staff unless necessary to help me do my job better.

* * * * *

I ask that you support me in improving the operations of the Executive Office of the President by approving the attached reorganization plan.

In summary this plan would:

—Abolish the Domestic Council and establish a Domestic Policy Staff.
—Establish within the EOP a Central Administrative Unit.
—Transfer certain functions of the Council on Environmental Quality to the President for redelegation.
—Abolish the Office of Drug Abuse Policy and vest functions in the President for redelegation.
—Abolish the Office of Telecommunications Policy and transfer functions to the Department of Commerce and to the President for redelegation.
—Create an Assistant Secretary of Commerce for Communications and Information.
—Vest some Office of Science and Technology Policy functions in the President for redelegation.
—Abolish the Economic Opportunity Council and vest those functions in the President for redelegation.
—Transfer the Committee Management Secretariat function of the Office of Management and Budget to the President for redelegation.
—Make other incidental transfers attendant to those mentioned above.

Each of the changes set forth in the plan accompanying this message is necessary to accomplish one or more of the purposes set forth in Section 901(a) of Title 5 of the United States Code. I have taken care to determine that all functions abolished by the plan are done so only under statutory authority provided by Section 903(b) of Title 5 of the United States Code. The provisions in the plan for the appointment and pay of any head or officer of any agency have been found by me to be necessary.

As we continue our studies of other parts of the Executive Branch, we will find more ways to improve services in the EOP and elsewhere. This plan is only a beginning, but I am confident that it represents a major step toward a more efficient government that will serve the needs of the people and the President well.

JIMMY CARTER.

THE WHITE HOUSE, *July 15, 1977.*

BLACKOUT IN NEW YORK CITY AND WESTCHESTER COUNTY A NIGHTMARE

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, the blackout in New York City and Westchester County yesterday was a nightmare in more ways than one. Obviously, we all must be concerned that the power for 10 million of our citizens in the Nation's largest metropolitan area could suddenly be cut off for almost 24 hours. And the fact that this power company had taken special precautions in light of the New York City blackout 12 years ago, only makes this most recent experience more horrifying.

But, Mr. Speaker, I would like to suggest to my colleagues that the sociological implications of the looting and rioting that took place under the cover of this blackout are far more disturbing than the technological implications of the loss of power itself. In the earlier New York City blackout only around 500 arrests were made and rioting and arson was at a minimum.

Contrast the comparative peace and tranquillity of November 1965 with the violence and disruption of July 1977. More than 2,700 people were arrested for plundering, vandalising, rioting, and setting fires. The arrest rate was so great that the Tombs, New York City's oldest prison, which has been closed for 3 years because of its inadequacy as a reliable prison facility, had to be reopened. More than 80 police officers were injured in attempting to apprehend suspects and firemen had bottles and stones thrown at them as they tried to fight fires.

What puzzles me, and I believe what should be puzzling to others as well, is what made the public's reaction to the 1977 blackout so different from the public's reaction to the blackout in 1965. One police officer was quoted in today's New York Times as explaining that "You have an entirely different element in the city now. Anything goes." This type of explanation seems imprecise and insufficient to me. We must learn more, far more, and we must act on what we learn.

Mr. Speaker, I intend to initiate inquiries into the changes in circumstances that might explain the startling reaction of the populace to this week's blackout. Questions which I believe need to be addressed include:

First. As precisely as possible, in what types of neighborhoods did the preponderance of the looting and violence occur? In particular, what was the unemployment rate in those neighborhoods?

Second. What was the role of illegal immigrants in the looting and violence? How many of the arrestees were illegal immigrants?

Third. What are some of the demographic factors which have shifted from 1965 to 1977? Which of these factors might have contributed to the shift in behavior? Could it be levels of education achievement, the standard of housing, the age of the population, the median income of the population, or the unemployment rate? Is it some combination of these factors?

Fourth. Is there any reasonable and acceptable way by which the looting, vandalism, arson, and violent attacks against policemen and firemen could have been better contained and controlled?

I intend to ask the General Accounting Office, the Congressional Research Service, the Community Relations Service of the Department of Justice, the Departments of HEW, and Labor, and a consortium of New York university and foundation experts to look into these questions. The blackout in New York may well have illuminated some critical underlying and pressing sociological problems which urgently require our attention.

CONGRESSIONAL APPROPRIATIONS FOR POSTAL SERVICE SHOULD INSURE SATURDAY MAIL DELIVERY

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, Yesterday in adopting the conference report on the Treasury-Postal Service Appropriations bill, the Congress failed to put itself on record as being opposed to the

proposed reduction in the current 6-day mail delivery week. The conference committee dropped an amendment which prohibited the use of any funds appropriated under this bill for a reduction in 6-day mail delivery service. This amendment, which I strongly supported, would have served notice on the Board of Governors of the U.S. Postal Service that the Congress will not allow 6-day mail service to be eliminated.

Since we have set up an independent postal authority and relinquished congressional control over the day-to-day operations of the Postal Service, it becomes vitally important that we exercise care in appropriating vast sums of money to subsidize those operations. The people of this Nation do not expect us to act as postmasters and postmistresses, but they certainly will hold us responsible for exercising control over the pursestrings of the multibillion dollar Postal Service. The American people do not want Saturday mail delivery stopped, and we should have insisted on inclusion of this amendment. It would have sent a clear message to the Postal Service Management.

BILL TO REDUCE 4-PERCENT FOUNDATION TAX

The SPEAKER pro tempore (Mr. WRIGHT). Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 20 minutes.

Mr. CONABLE. Mr. Speaker, I am introducing today, along with my colleague on the Ways and Means Committee, Congressman JAMES CORMAN, a bill to reduce the present 4-percent tax on foundation investment income to 2 percent. Twenty-four other members of the Ways and Means Committee are joining us in cosponsoring this bill.

The broad support of these bills among the membership of the Ways and Means Committee tells us something about the merits of the issue to which the bills are addressed. Let me review the substance of that issue briefly.

The 4-percent tax on foundations was added to the Internal Revenue Code in 1969. Six years of experience with this tax reveals that it produces revenue which is well over twice the amount which the Internal Revenue Service spends in its functions concerning all classes of tax-exempt organizations—including not only foundations, but also social clubs, trade associations, labor unions, fraternal groups, and many others. That experience shows also that the real burden of the tax falls very directly upon the charitable service projects and programs to which foundations make grants.

In the United States, private philanthropy shares with Government the responsibility for many human needs which in other nations are solely or almost exclusively the concern of Government. Our approach represents our traditional view that a strong society is one with vigorous private institutions, foundations among them. The Government now plays a substantial role in supporting medical research, assisting the performing arts, alleviating problems of rural health and nutrition, and providing legal services for poor and disadvantaged groups. Not only were foundations active in all of these areas before Government, but the experience gained through relatively modest foundation projects has frequently enabled Government to chart its course more wisely and more efficiently. Foundations have provided a marketplace for new ideas and programs, a fund of risk and venture capital for enlarging knowledge, and a source of support alternate to Government, for citizen groups, including the poor, minorities, women, and others.

Government and foundations, therefore, share goals and objectives. They are partners—not adversaries. If these underlying assumptions about the desirability of private initiative, the decentralization of power, and the utility of a broad base of decisionmaking are correct—and I fervently believe they are—we, as representatives of the people, must take care not unnecessarily to tax, and thereby diminish, the foundation resources that help support the private service structure. It is counter-productive to do so.

Our experience with the foundation tax shows that, at the 4 percent rate, this levy does precisely what it ought not to do. It unnecessarily reduces the flow of foundation funds to our hospitals, schools, universities, museums, youth groups, minorities, community programs, and the range of human benevolent activity supported by foundation giving.

Lowering the tax by one-half would increase quite directly the amount that foundations pay to their charitable beneficiaries. That result would follow necessarily because, under a provision which we added to the Internal Revenue Code in 1969, every year foundations must pay out for their charitable purposes the greater of their net income or 5 percent of their investment value. In applying this minimum payout requirement, foundations credit as a payout for charitable purposes the amount they pay under the 4-percent tax. A reduction of the tax would, therefore, increase specifically the amount that foundations are compelled to distribute to their charitable beneficiaries.

On the basis of recent collections of the Treasury from this tax, we could expect a 2-percent rate to restore about $30 million a year to charitable service activities. Based on Internal Revenue Service estimates of expenditures in 1975—the most recent year for which the IRS made such data public—the remaining $30 million of revenue that a 2-percent tax would produce for the Government would exceed by approximately $20 million dollars the IRS costs of supervising foundations.

Whether one views the 4-percent tax as a way of returning to the Government the expense of supervising foundations or as a necessary imposition to assure that foundations pay some share of the general costs of Government, our experience now tells us that a 2-percent rate is more than adequate. Consequently, adjustment of the rate of the tax is now very much in order.

Mr. CORMAN. Mr. Speaker, I am pleased to join today with my colleague, BARBER CONABLE and other members of the Ways and Means Committee in introducing legislation to reduce the present 4-percent tax on foundation income.

In 1969, Congress became concerned over abuses that had developed among some foundations, and stringent reforms were adopted. One of the provisions of the 1969 act required the Internal Revenue Service to conduct intensive audits of foundations. An excise tax at the rate of 4 percent was requested by the Service as necessary to cover audit costs. Since then, the Service has audited almost every foundation in the country at least once. It has found a high level of compliance with the reforms enacted in 1969, and has determined the tax could be reduced to 2 percent and still cover the costs of auditing.

The 1969 act also requires that every grantmaking foundation pay out each year, for charitable purposes, the greater of its net income or 5 percent of its asset value. It imposes broad restrictions on self-dealing and business holdings, special new requirements for grants by foundations to individuals, a set of safeguards for grants by foundations to organizations other than public charities, and strict limitations on foundation efforts to influence legislation or to participate in voter registration.

These restrictions are enforced by very substantial penalty taxes imposed on foundations, individuals, and foundation managers who approve prohibited transactions.

Grant-making and operating foundations make vital contributions to our society. Foundation support was responsible for the development of our public library system in the United States, and helped devise medical answers to malaria, hookworm, yellow fever, typhus, rabies, tuberculosis, and a number of other diseases. Foundations have played a major role in the development of public television in this country, and provide important continuing sustenance for our colleges and universities.

In light of the clear record of accomplishment by foundations and in light of the success of our 1969 reforms, we should act now to reduce the 4 percent tax on foundation income to 2 percent. The additional 2 percent could be returned to foundations to flow through to scholarship recipients, medical research programs, and other projects that meet the needs of the community as well as the individual. I hope that this legislation will receive early and favorable consideration.

MIDDLE EAST PEACE RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, we Americans share with our friends in the Middle East the anxiety of those who wait, unsure of what the future brings to that restive region.

With others we greeted 1977 expectantly, thinking that this year would usher in what no year since 1948 has:

the beginnings of a true peace in the Middle East. The ensuing months, however, have lessened our optimism without increasing our understanding of why we should relinquish our hope of peace. With gloomier thoughts have come predictions that failure to convene a Geneva Conference by the fall will provoke war. Countering these observations, some dispute that war is either imminent or inevitable.

Such speculation does not serve us well. We cannot predict war. We do not know whether war in the Middle East will come tomorrow or in October or in June or whether it will come at all. What alone is certain is that the conditions that have produced four wars in 29 years continue to destabilize the region and create a high risk of renewed conflict. Our efforts, undeterred by spells of optimism or pessimism, must be directed, toward removing the conditions for war and minimizing the probability of conflict.

Continuity of the concern, initiative, commitment, and perseverance that have long characterized U.S. policy toward the Middle East is extremely important at this time. This concern and initiative inspired us to support the creation of the State of Israel. Commitment and perseverance have enabled us unrelentingly to stand by Israel when few others did.

Further manifestations of our Middle East policy are the economic, diplomatic, and military assistance we have provided to that region during the past three decades. In recent years, we have infused large amounts of aid into this area. We have offered our diplomatic services in calming overt conflict and devising ways to restrain further hostilities. We have made available in support of the 1975 Sinai accord between Egypt and Israel not only U.S. technology but also U.S. citizens to monitor that technology.

In return for our efforts, we have earned many dividends. Our aid has helped promote the well-being and security of Israel while it has also facilitated improved relations with Arab States. We have, in Israel, a strong, viable, and democratic friend. Our new friendships with Arab nations have enhanced our ability to act as mediator and have reduced an often pernicious and disturbing Soviet influence in the Middle East. In an area where trust has been totally lacking, the Sinai support mission has functioned as a workable example of how Israel and Egypt can coexist.

Arab leaders have at last expressed a willingness to come to terms with Israel and have indicated their readiness to accept the fact of Israel in the Middle East. Progress toward peace has occurred.

But much remains to be done. No one can go so far as to characterize the situation in the Middle East as good. Budgets sag under military expenditures that drive up inflation. This inflation oppresses the disadvantaged and threatens regimes that are moderate and progressive. Living constantly with uncertainty and fear disturbs Arab and Israeli populace alike, driving some away, alienating others. Nations, armed to the teeth, scrutinize each other's movements, ever watchful for one sign which may signal new bloodshed.

A diminishment of U.S. efforts in furthering peace is unthinkable. We debate the perimeters of our role but we may not deny it. It will approach in the future what it has always been in the past. We will continue to demonstrate our concern and will re-pledge our commitments. We will aid and support; we will suggest, cajole, plead, and badger. We will not impose, however, for that is not only beyond our means but unlikely to produce a settlement that is either realizable or durable. But we have too much at stake to sit this one out.

The United States has much to contribute to the building of a momentum toward peace in the Middle East. We can help to create the conditions which will give promise to a Geneva-type conference. We can give assistance and support to the parties participating in negotiations. We will serve as mediator and conciliator of differences. We will undoubtedly also be involved in offering, as we did in 1975, a means to guarantee a successful outcome. We must help to assure not only that a conference takes place but, equally important, that the conference is based on a sense of purpose and understanding which will enable it to succeed. We can, therefore, encourage the participants to move toward acceptance of broad and basic principles that are vital to a peace settlement by setting forth the general outlines of what we deem to be essential ingredients of peace. We can seek to stimulate a growing consensus on the nature of peace in the Middle East that will impel them toward a final settlement.

With that in mind, I am introducing today a resolution which embodies basic principles which I believe are fundamental and essential to peace in the Middle East. They are consistent with U.N. Security Council Resolution 242 which has been accepted as the framework for negotiations by Israel and the Arab States directly involved.

The first principle of the resolution reiterates language of U.N. Security Council Resolution 242 and calls for the renunciation of the use of force to settle disputes. The right of Israel to exist unchallenged as a sovereign and independent state within secure and recognized boundaries is basic to the settlement and crucial to peace.

Principle two must be at the heart of any agreement. Peace will remain precarious and without solid foundation unless each party agrees to establish diplomatic relations and move toward full economic and political relations with all other parties. Cultural and educational exchanges and tourism are examples of unfettered movement and contacts that are needed to enlarge the mutual understanding of differing societies and make peace meaningful. This principle must be the supreme objective of any peace agreement.

Israeli withdrawal from territory occupied in 1967 is intrinsic to U.N. Security Council Resolution 242, will be central to any settlement, and is therefore called for by principle three of the resolution. Territorial aggrandizement by armed conflict is unacceptable; it risks setting a precedent that may one day be turned against Israel, prejudicing that Nation's own security and survival. However, some limited modifications of Israeli borders from those existing in 1967 may be necessary to render those boundaries more defensible.

Principle four calls for establishment of zones that will assist the implementation of the agreement. These zones must be free of national military forces, patrolled by U.N. troops, and should be of proportionate width on either side of the boundaries established between Israel and her neighbors. Flexibility and commonsense will be necessary in assuring the fair and effective application of this principle. The size and geography of Israel will preclude exact proportionality in certain areas.

In the fifth principle, the resolution calls for self-determination for inhabitants of the west bank and Gaza. The settlement may provide a link between the west bank and Jordan. The critical element is self-determination, letting the inhabitants decide their own future. Unless the interests and rights of the Palestinians are met by a final settlement, a just and durable peace will not be achieved. However, just as there must be a Palestinian homeland, the Palestinians must recognize Israel and the right of Israel to maintain its identity and character as a Jewish state.

Equitable compensation for those who have suffered economic losses as a result of their displacement forms principle six.

The seventh principle acknowledges that some refugees may wish to return to the locale from which hostilities displaced them. This should be permissible to the extent that it does not undermine the national security or destroy the national identity of the states involved.

As expressed in principle eight, freedom of navigation of the Red Sea, the Gulf of Aqaba, and the Suez Canal should be the right of all parties to the agreement.

Principle nine recognizes that Jerusalem is a holy city for the Jewish, Christian, and Moslem faiths. All individuals should be free to enter Jerusalem to observe their religious beliefs. This principle, fortunately, has existed in practice since 1967.

A final peace settlement on these principles presages a formalization of the ever-increasing American role in the Middle East. In the event of a final agreement based on these principles, this resolution, in section two, expresses a sense of Congress that the United States should guarantee the settlement.

This commitment should not be aimed against any party to the agreement but, instead, would support the principles agreed upon in the peace settlement to the benefit of all parties. Although Congress expressed great concern during its evaluation of the 1975 Sinai agreement that the United States not guarantee a situation that continued to be unstable and in flux, it is my belief that it would approve a U.S. guarantee of a final and overall settlement.

In a sense, Congress would be taking one further step and formalizing what already exists as a vague and ill-defined American commitment to the security of Israel. Beyond that, of course, Congress would be dealing fairly with the interests of Arab states. In 1973 we placed our forces on alert when Arab armies threatened to overrun Israel. We went to considerable lengths which included the weakening of our own military preparedness to speed emergency supplies to Israeli troops. We have continued since then to send high levels of military aid to that nation.

In the context of a final peace settlement in the Middle East, and only then, I would argue that it is in our interest, and in the interest of Israel and of all nations to seek peace and stability in the Middle East for the United States to establish a military base in Israel as part of the American guarantee. Israel, of course, would have to want and accept the existence of a U.S. base on its territory in order for this to occur. But I believe that we would all have much to gain by this clarification of the security relationship between the United States and Israel and by a U.S. security commitment to guarantee a peace—a just peace for all parties—based on the principles I have described. A U.S. security guarantee of the final settlement would be, therefore, a logical part of a peace package.

I am introducing the following resolution on Middle East peace in the hope that the United States will approach the fall of 1977 with neither optimism nor pessimism but with a sense of realism that will generate renewed and practical efforts toward peace.

Text of the resolution follows:

H. CON. RES. 284

Whereas peace in the Middle East is essential to world peace and to the peace and well-being of the people of the United States, Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States should seek agreement by all parties to a peace settlement in the Middle East based upon the following principles:

(1) Termination of all claims or states of belligerency and respect for and acknowledgment of the sovereignty, territorial integrity, and political independence of every State in the area and the right of each to live in peace within secure and recognized boundaries free from threats or acts of force.

(2) Development of full diplomatic and economic relations among all parties to the agreement.

(3) Withdrawal by Israel to boundaries approximating those of June 5, 1967.

(4) Establishment and control by the United Nations Security Council of a zone of proportionate width on each side of the borders between Israel and its contiguous neighbors, the security and inviolability of which is to be maintained by United Nations forces subject only to the authority of the United Nations Security Council and removable only by its affirmative vote, such zone to be free of nationally controlled military forces.

(5) The right of Palestinians to self-determination within the West Bank of the Jordan River and Gaza, subject to Palestinian recognition of and respect for the sovereignty and integrity of Israel within the agreed boundaries.

(6) Just compensation for Arab and Jewish refugees from the region who have suffered losses as a result of their displacement.

(7) The right, limited only by overriding considerations of national identity and security of the States involved, of displaced persons of the region to return to their homes.

(8) Guaranteed freedom of navigation through the Suez Canal and all international waterways of the area to all parties to the agreement.

(9) Guaranteed unhindered access to the city of Jerusalem to persons of all religious faiths.

SEC. 2. It is the further sense of the Congress that the United States should guarantee a final settlement based on the principles stated above.

A $48 BILLION PRESIDENTIAL ERROR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, those who persistently oppose the deregulation of natural gas cite as justification the need to provide financial protection to consumers. However, as my two esteemed colleagues, Representative DAVID STOCKMAN of Michigan and Representative CLARENCE BROWN of Ohio, have just demonstrated in their analysis, "The Cost of Natural Gas Deregulation: A Reestimate," deregulation will actually benefit consumers. Indeed, they have reached the logical conclusion that our Nation can no longer afford not to deregulate. I commend their study to all my colleagues. I would also like to place in the RECORD an editorial from the Wall Street Journal, "A $48 Billion Presidential Error," which fully supports the Stockman-Brown analysis:

A $48 BILLION PRESIDENTIAL ERROR

When the House Commerce Committee two weeks ago voted 22-to-21 against deregulation of new natural gas, President Carter and his energy people celebrated a victory. The White House had come down to using the argument that deregulation would give producers a "windfall" of more than $71 billion in revenues. This is over and above what they would get from the $1.75 per thousand cubic feet (mcf) price ceiling in the Carter plan. Perish the thought, even though producers would probably invest almost as much in exploration and production as they receive in revenues.

Mr. Carter's energy people have been shamelessly playing with numbers like this all year to support their case for continued regulation, scaring people with the idea that deregulation will cost consumers a lot more money. What they carefully avoid mentioning is that continued regulation will cost even more.

In a careful, conservative study that bends over backward to be fair to the White House, two Republican Congressmen this week estimated that the Carter plan will cost $48 billion more than deregulation between now and 1990. Here is how Rep. David Stockman of Michigan and Rep. Clarence Brown of Ohio came to this conclusion:

They first reject the incredible White House assumption, implicit in its numbers game, that at a price above $1.75 per mcf zero gas will be produced. The study instead reckons that over the 13-year period, an additional 25 trillion cubic feet (tcf) will be produced as a result of deregulation. Current production is about 20 tcf a year, and the estimate of 25 tcf from deregulation is highly conservative. More production, of course, would mean more savings from deregulation.

If American consumers are denied 25 tcf of natural gas, they will have to get the energy instead from oil or liquefied natural gas or synthetic gas from naphtha or coal. All are more expensive than gas is likely to be under deregulation. The cost of these fuels adds $168 billion to the energy bill. And by moving 25 tcf less gas through the pipeline system, the distribution charges rise per unit to the consumer. This comes to another $44 billion cumulatively. The administration simply ignored these hidden costs in making its case.

The 13-year energy costs under deregulation are then calculated by Stockman-Brown at $414.2 billion. The parallel figure under the Carter plan is $461.8 billion with the gap between the two widening every year thereafter.

If there is any error in these numbers, the Carter plan gets the best of it, considering the length to which Reps. Stockman and Brown went to be fair. For example, they hold OPEC pricing constant through the 13 years. But obviously, if the United States must substitute for 25 tcf of domestic natural gas, it most likely will have to import the energy equivalent. This increase in demand would permit OPEC to increase its oil price by at least $1 per barrel for all oil. This adds an average of roughly $33 billion to the U.S. import bill during the 13 years, and adds $100 billion to the import bill of Europe, Japan and the Third World. The Stockman-Brown $48 billion estimate charitably ignores these costs.

Even if the increased demand has zero impact on OPEC pricing, it would still mean the United States would have to increase imports of Arab oil by nearly 500,000 bbls. per day when compared to a deregulated scenario. The Stockman-Brown study figures the Carter plan will mean an extra $26 billion in the U.S. import bill over these years even without a price increase.

The Carter people will no doubt want to quibble with these numbers, if they can't find a way of ignoring them altogether. But there is absolutely no logical way deregulation can cost consumers more than the Carter plan. The only way the President's people can defend their position is by sticking to their assumption that there is no gas to be found above $1.75. It is hard to see how any serious person can accept such an assumption. Even the most pessimistic of the three estimates in the ERDA MOPPS study, for example, found twice as much gas at a price of $3.25 than at $1.75.

Mr. Carter is supposed to be good with numbers and logic, and ought to sit down with his own slide rule, taking the administration's gas deregulation position as seriously as the B–1 or the neutron bomb. It's inconceivable that a good engineer would make a $48 billion mistake.

CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, during this 19th observance of Captive Nations Week, it is fitting that we extend our encouragement to the millions of people in the captive nations who yearn for the freedom we take for granted.

In his inaugural address, President Carter committed himself and our Na-

tion to steady and forthright action on behalf of human rights, when he said:

Because we are free we can never be indifferent to the fate of freedom elsewhere . . . The passion for freedom is on the rise. Tapping this new spirit, there can be no nobler nor more ambitious task for America to undertake . . . than to help shape a just and peaceful world that is truly humane.

President Carter's stand on human rights expresses the popular basis of our foreign policy, one which chooses activism instead of apathy, and vigilance instead of negligence. Public opinion polls show that Americans, many of whom trace their origins to the captive nations, are more concerned by the challenge to human rights than by any other aspect of international affairs.

Taking action on their feelings, as in Chicago, where thousands will march tomorrow in the annual Captive Nations Parade, means a conscious choice on the part of a great many Americans to use the tools of our democracy in reaffirming hope and support to those captive nations which aspire to national independence.

Under the dynamic leadership of Viktors Viksnins, chairman of the Captive Nations Committee in my own city of Chicago, a week-long observance of the plight of the captive nations is being held, culminating in a reception at the Palmer House Hotel. Rev. Hugo Grivans, who was allowed to leave Communist Russia after spending over 16 years in a Siberian concentration camp, is also visiting Chicago during this week, and I was glad to have a part in his release through communications with the Soviet authorities.

A copy of the Captive Nations Week proclamations by Chicago's Mayor Michael Bilandic and Chairman Viktors Viksnins follow:

OFFICE OF THE MAYOR, CITY OF CHICAGO,
PROCLAMATION

Whereas, our city's annual observance of Captive Nation's Week will be highlighted by a State Street parade at noon on July 16th; and

Whereas, under auspices of the Captive Nation's Friends Committee, the week's activities will direct public attention to the plight of people whose homelands are under Communist control; and

Whereas, many citizens of these countries are linked by family ties to residents of this community, and it is commendable that United States citizens, in appreciation of their freedom, should extend sympathy and the hope of freedom to their fellow-men and women whose liberty has been denied:

Now, therefore, I, Michael A. Bilandic, Mayor of the City of Chicago, do hereby proclaim the period of July 11 through July 16, 1977, to be Captive Nations Week in Chicago and urge all citizens to take cognizance of the special events arranged for this time.

[From the Captive Nations Committee, Chicago, Ill.]

CHICAGO CAPTIVE NATIONS WEEK JULY 11–JULY 16, 1977—RESOLUTIONS

Whereas, the Senate and the House of Representatives have authorized the President of the United States of America to proclaim the third week of July as Captive Nations Week, and

Whereas, communist imperialism has already enslaved one third of mankind and is making further inroads in Asia, Southern Europe, Africa and Latin America, and

Whereas, the military strength of the Western Powers is declining relative to the strength of the Soviet Union, making it harder to deal from a position of strength, and

Whereas, Western political and Business leaders, are making further concessions to the Soviets, concessions which only strengthen the power that oppresses tens of millions of Eastern European and Asian people, and which threatens all free countries, and

Whereas, the Soviet Union has failed to live up to the provisions of the Helsinki Conference concerning the basic human rights of individual and Religious Freedom and freedom of movement.

Now, therefore, be it resolved, by the Chicago Captive Nations Week Committee, to urge the United States to assume real and moral leadership in dealing with these problems. We urge the United States to consider beforehand, the effect any of its agreements and policies with the Soviet Union may have on the oppressed people of Eastern Europe, Asia and Cuba. We remind the United States and the Western countries that, agreeing to the Soviet Unions illegal annexations and occupations would set a precedent for accepting international lawlessness.

Be it further resolved, that the restoration of the sacred rights of all nations based on principles of democracy, self-determination, and sovereignty within their respective boundaries, must become the goal of Western and Soviet Policy. Only then will the world have a chance for a just and lasting peace. The United States is deceiving itself if it thinks it can bring peace to Europe as a partner of the Soviet Union while ignoring the wishes of the captive people of Europe.

Be it further resolved, that the United States maintain its strong stand on human rights at the Belgrade conference, dealing with the violations of the Helsinki Agreement as outlined in the House of Representatives, resolution No. 249 and Senate resolution No.

Be it further resolved, that the United States stop selling equipment and technology to the Soviet Union, which enhances the ability of an oppressive Soviet Government to stay in power.

Be it further resolved, that the United States, build up its military power relative to the Soviet Union. The present decline in United States power, if it continues, could prove fatal to the United States.

Be it further resolved, that the United States abstains from giving diplomatic recognition to Cuba and aid its Communist government through trade.

Be it further resolved, that the United States continues its support of Free Republic of China.

Be it further resolved, that this committee, once again urge the establishment of the permanent Captive Nations Committee (House Resolution 211) and Freedom Academy, which, is long overdue.

It will be my pleasure to participate tomorrow as grand marshal of Chicago's Captive Nations Parade and as the main speaker after the parade, because I firmly believe that we as Americans should take a strong stand in defense of the rights of oppressed peoples. As Americans, we are able, when many millions of others are not, to make choices as to where we will live and travel, and how we will raise our children. The recognition that others are not as fortunate in maintaining their cultural and religious heritage must drive us relentlessly toward action on behalf of the peoples of the captive nations.

The list of captive nations is long and grows longer with each passing year. The following is a current established list of captive nations:

ESTABLISHED LIST OF CAPTIVE NATIONS

THE CAPTIVE NATIONS—WHO'S NEXT?

Country, people, and year of Communist domination

Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkestan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia (Serbs, Croats, Slovenians, etc.)	1946
Poland	1947
Romania	1947
Czecho-Slovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
South Vietnam	1975
Laos	1975

Mr. Speaker, this is not a time for acceptance and resignation, but a time for confidence and determination. Free men and women and free nations, acting in unity, are more than a match for any totalitarian system. The spirit of freedom can never be crushed, but freedom itself can be gradually eroded. We face this danger today in Europe, and such a threat, if unchallenged, could have serious consequences not only for Europe but for democracies all over the world including our own.

If we value freedom, we as a Nation and as a people will face this challenge, steady our vigilance, and renew our determination to overcome it. Europe is the cradle of our civilization, and the nations of Europe remain our strongest allies and closest working partners. This tradition and heritage of freedom and cooperation with the countries of Europe remains our best hope of final victory over the totalitarianism that threatens us all.

Mr. Speaker, during this Captive Nations Week, observance in many parts of our country symbolize America's rededication to the struggle for liberty and human rights. And at the same time, the steadfastness and courage shown to us by the suffering citizens of the captive nations continues to provide inspiration to us all. We shall together remain adamant in our opposition to this tyranny until the struggle is won and the captive nations once again take their

rightful place in the community of free nations.

ALICE PAUL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

Mrs. MEYNER. Mr. Speaker, the news of Dr. Alice Paul's death at the age of 92 saddened me greatly. I had hoped she would live to see her equal rights amendment become a part of the U.S. Constitution.

Dr. Paul devoted the greater part of her life to working on the ERA's passage and, unfortunately, as she spent the last days of her life in a New Jersey nursing home, the "life" of the ERA is uncertain.

Her legacy remains, and she will continue to live in the hearts of the many women she has inspired. An excellent editorial on the imprint she left in "her story" appeared in the Washington Star on July 14, and I commend it to the attention of my colleagues.

ALICE PAUL

Before Betty Friedan had stopped waxing her kitchen floor, before Gloria Steinem knew enough not to wear pink, even before Shirley Chisholm decided to run for President, there was Alice Paul. When she died last week at 92, this indomitable woman had been fighting for women's rights for more than 70 years.

Hers was the generation that took the real heat in women's battle for the vote. These were the suffragists who went to jail, starved themselves on hunger strikes and endured force feeding to dramatize their determination.

Alice Paul got her first exposure to militant feminism in England around the turn of the century. She was one of the followers of Emmeline Pankhurst and she exposed herself to the same hazards and penalties, prison included.

Back in the United States, she added D.C. jail and the Occoquan workhouse to her prison experience. She also had a taste of life in the psychopathic ward of a hospital where she was taken after her prison hunger strike had weakened her to the point where she needed medical care.

It worked, of course. The 19th amendment was passed, and women had the vote.

For Alice Paul, though, this was a preliminary skirmish in a large war. In 1923, she wrote the first Equal Rights Amendment submitted to Congress. The National Women's Party, which she helped to found, saw to it that the amendment was introduced in every Congress for the next 49 years, until it was passed in 1972. Alice Paul lived to see it ratified by 35 states—all but the last three needed to make it official as the 27th amendment to the Constitution of the United States.

The shifting status of women in society is one of the dramas of modern times, and only the shift in itself is more significant than the way it has come about. It is not too much to say that feminists of the Alice Paul kind virtually invented the style of guerrilla politics that has now become so central an instrument of social change for our times.

There had been civil disobedience before, but these women were pioneers in the manipulation of public opinion through its display. They used their position as members of an educated and well-born elite-Alice Paul graduated from Swarthmore at a time when university training was for few men and extremely few women. They used the chivalries and taboos community mores still attached to their femaleness. They developed great expertise at maneuvering policemen and government officials into brutalities.

The heritage of their tactical genius has not been entirely happy. And yet, it is always inspiring to be reminded, as the life of Alice Paul reminds us, of the way individual courage and determination do change the world.

HELSINKI'S UNFULFILLED PROMISES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

Mr. GLICKMAN. Mr. Speaker, my family and I enjoy rights and freedoms here in the United States, rarely available to citizens in any other nation on Earth. But I am not here today to extol the virtues of the American system. I would like, instead, to relate a story of a family who is not so fortunate.

A constituent of mine, Mr. Sam Hardage of Wichita, Kans., visited the Soviet Union recently and met with Victor and Irina Breilovsky and their children, a Soviet Jewish family who has been denied an exit visa to Israel by the Russian authorities.

After returning to the United States, Mr. Hardage alerted me to the suffering of the Breilovsky's. I told him I would bring their situation to the attention of Congress through the "Helsinki's unfulfilled promises" project.

Five years ago the Breilovsky's applied for a visa to emigrate. The day after the application was made both Mr. Breilovsky and his wife were fired from their jobs. In addition, their telephone service was cut off and their mail intercepted and heavily censored. During this time the family has been subsisting on income earned by Mr. Breilovsky from freelance interpretation under the name of a friend.

Prior to their application, Mr. Breilovsky was a research scientist, and his wife, a mathematician. While his request to emigrate was accepted, Mrs. Breilovsky's was not on the basis that her work with paritive equations might have exposed her to state secrets. This branch of mathematics is well known and practiced worldwide. To my knowledge, there is nothing secret about what she was doing.

In addition to the suffering caused by their loss of jobs, their son Leonid, has been subject to repeated and severe harassment by school officials. He has been forced to change schools three times, each school more inferior to the previous one. Leonid is now faced with the prospect of being drafted into military service, which according to Soviet authorities, will expose him to state secrets. This would automatically exclude him emigrating.

On the basis of Leonid's situation and because of the KGB's recent interrogation of Mr. Breilovsky, the family has decided that they would like to have any member of their family emigrate.

Despite the Soviet's agreement to the Helsinki Accords, situations like that of the Breilovsky family continue to exist. It is essential, therefore, that we increase, even amplify our efforts to let the Soviets know of our feelings in this abrogation of human rights.

HEARINGS TO BEGIN ON MAIL OPENING BY CUSTOMS SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

Mr. PREYER. Mr. Speaker, I discussed in this Chamber last month a concern with the 6-year-old practice by which the Postal Service permits the Customs Service to open sealed mail from abroad without a search warrant.

My Government Operations Subcommittee on Government Information and Individual Rights has been examining this matter. On Thursday, July 28 at 9:30 a.m. the subcommittee will open public hearings by receiving testimony from the U.S. Postal Service. Witnesses for the Treasury Department and Customs Service will testify at a subsequent hearing.

Any Member who has received complaints about the opening of sealed letters from abroad is welcome to forward those materials to the subcommittee staff.

CIGARETTE SMUGGLING: THE NEED FOR FEDERAL ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

Mr. DRINAN. Mr. Speaker, the illegal transportation and sale of cigarettes across State lines is a serious and growing crime which receives far too little attention. Criminals purchase large quantities of cigarettes wholesale in a State with a very low tax on cigarettes and transport them to a State with a much higher tax. They then sell them at a black market price lower than the legal market price of the high-tax State, but at a large profit over the initial purchase cost in the low-tax State.

Law enforcement officials have compiled overwhelming evidence that organized crime is largely responsible for cigarette bootlegging. Organized crime derives hundreds of millions of dollars annually from this activity—money which is stolen from the majority of the States. Bootlegging not only robs millions in revenue from the States; it also robs legitimate cigarette wholesalers and packers of their livelihoods and, in some cases, their lives. It is emphatically not a victimless crime.

Revenue losses include not only tax dollars, but also increased costs for law enforcement and for unemployment compensation payments to those who lose their jobs as a result of massive illegal wholesaling of cigarettes. The transportation of contraband for illegal sale is by definition an interstate activity, thereby making it impossible for the States to deal effectively with this type of crime. Only the Federal Government can

take the measures required to alleviate this serious and growing problem.

Cigarette bootlegging arises as a result of the wide disparity in the rates at which the individual States tax cigarettes. In Massachusetts, for example, the cigarette tax is 21 cents per pack; in North Carolina, the tax is but 2 cents per pack. Cigarettes are bought wholesale in North Carolina or in several other low-tax States and then sold in Massachusetts, Texas, Connecticut, Minnesota or any of a large number of high-tax States at a black market price, yielding enormous profits for organized crime. The retail price of cigarettes, including State taxes, varies from a high of 57.6 cents in Connecticut down to 35.8 cents in North Carolina—a 21.8 cents diflerential. It is this differential which makes cigarette bootlegging so profitable—and therefore inevitable.

The extent of organized crime's involvement in cigarette bootlegging is well documented. According to the Advisory Commission on Intergovernmental Relations, organized crime is responsible for the illegal transportation and sale of more than a billion packs of cigarettes annually, resulting in criminal profits of more than $105 million and losses to wholesalers and State tax bureaus of more than $500 million.

Because of the huge illegal interstate traffic in cigarettes, more than 2,500 drivers, packers, and salesmen in New York State alone have lost their jobs, and nearly half of New York's legitimate cigarette wholesalers have gone out of business. Other high-tax States have suffered similar job and revenue losses. The remaining wholesalers are forced to pay enormous sums annually for skyrocketing insurance premiums and for security guards. Despite these measures, the profitability of bootlegging is such that theft and hijacking continue to increase.

Among the majority of the 50 States which are substantially affected in terms of the percent of cigarette tax revenue lost due to smuggling are the following: Connecticut, 20.0 percent; Washington, 18.8 percent; Florida, 17.5 percent; New York, 17.4 percent; Texas, 17.3 percent; Arkansas, 15.8 percent; New Jersey, 15.3 percent; Wisconsin, 14.2 percent; Pennsylvania, 13.6 percent; and Minnesota, 14.9 percent. The annual net loss in tax revenues from the States as a whole as a result of cigarette bootlegging is approximately $337 million. The States losing the most revenue are New York, $172.3 million, Texas, $143.1 million; Pennsylvania, $35.6 million; Florida, $35.7 million; and New Jersey, $26.0 million.

Individual States are clearly unable to deal with this problem. Federal action is essential to foster effective law enforcement and to remove the incentives for the illegal interstate transportation and sale of cigarettes. Cigarette smuggling can be reduced significantly only by congressional action to eliminate the enormous State tax differentials. The States cannot be expected to adopt more uniform tax rates in the absence of Federal incentives. The high-tax States have pressing revenue needs and are, therefore, unlikely to lower their cigarette tax rates; the low-tax tobacco-producing States generally do not have equivalent revenue needs and are not favorably disposed to increasing the tax on their major product.

In short, only the Federal Government has the authority and the resources to combat cigarette smuggling and remove this large and growing source of revenue for organized crime. An effective solution requires comprehensive Federal legislation that will bring about a more uniform tax rate among all the States and thereby eliminate the incentive for cigarette smugglers.

In the near future I will introduce legislation to accomplish this goal. The bill which I will introduce will include both incentives for more uniform State taxation of cigarettes and a formula to insure that revenues are distributed in an equitable fashion so that no State suffers an undue financial burden or an undeserved windfall. I hope that Congress will act expeditiously and decisively to put the cigarette smugglers out of business and end the drain on State treasuries.

HUMAN RIGHTS DRIVE PERSISTS UNDER SOVIET PRESSURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, two remarkable documents recently received from the Soviet Union give powerful testimony of the strength Soviet human rights activists are displaying under mounting adversity. Both reports are from the Groups to Promote Observance of the Helsinki Accords in the USSR, one from the original Moscow group and one from the organization created in the Ukraine to monitor compliance with human rights pledges in that part of the Soviet Union.

Both speak of the growing repression against members of the groups, of the trial and cruel sentences given Ukrainian Helsinki advocates Mikola Rudenko and Oleksiy Tykhy, of the trumped-up charges of arson used to exile Moscow group member Malva Landa to Siberia—supposedly for setting fire to her own apartment. The trial of Rudenko, a distinguished writer, and of Tykhy, a schoolteacher, was not even held in a courtroom. It was staged in a village factory far from the cities where the men were arrested last February. It was entirely closed to their friends and barred—for the first 6 days—to their womenfolk. It was also sealed completely, of course, against the critical gaze of foreigners who have their own stake in seeing how the Soviet Union honors the pledge it gave at Helsinki to "promote and encourage the effective exercise of civil and political rights."

Both documents also evidence a fierce determination to go on holding the Soviet leadership's Helsinki performance up to the scrutiny of world opinion. The KGB, these dedicated men and women maintain, is trying not only to crush the Helsinki monitors but to convince outsiders that they have already been battered into submission. "We declare," say the members of the Moscow group, "before the entire world that these claims are without any basis whatsoever." Though arrests and exiles have cut deeply into the group's founding membership, new supporters have joined in Moscow and the Ukraine. "The groups are enduring, replenishing," the leaders assert. "The best indicators of this are the documents of the groups and the incessant flow of declarations concerning violations of the Helsinki Accords in the Soviet Union that make their way to the groups.

In spite of the intensification of repressions, the work . . . is continuing.

The full documents were made available to the Commission on Security and Cooperation in Europe by the New York-based Committee for the Defense of Soviet Political Prisoners. They are appalling and simultaneously encouraging. I believe they will be of interest to all our colleagues.

DECLARATION OF THE MOSCOW GROUP TO PROMOTE OBSERVANCE OF THE HELSINKI ACCORDS

In conjunction with speeches made at the Belgrade Conference, the KGB has begun to settle matters with the arrested members of Soviet Helsinki Monitoring Groups. We are referring, in particular, to the leader of the Ukrainian group, Mykola Rudenko and group member Oleksiy Tykhy. Simultaneously, in Odessa, the philologist Vasyl Barladyanu is being tried for the dissemination of the materials of this group.

In Moscow, formal court proceedings, based on provocational charges against Helsinki group member Malva Landa were initiated in regard to a fire in her apartment, and against a tactician of the Jewish movement, Josef Begun, who was charged with parasitism.

The trials of Rudenko, Tykhy and Barladyanu are taking place in total secrecy. The Kiev-resident Rudenko was taken 800 kilometers from Kiev to Donetsk, and the trial against him and Tykhy was begun in the working-class village of Druzhkivka, 100 kilometers from Donetsk. The trial began in the "Red Corner" * of a closed enterprise.** The trial-room was filled by individuals approved by the KGB. Not only were the friends of the accused not allowed into the trial-room, but neither were the arriving relatives; among them the 80-year old mother of Oleksiy Tykhy, who with great difficulties had made her way to Druzhkivka. The workers from the factory where Tykhy was employed were also forbidden from entering the site of the trial. They had arrived there in order to attend the court proceedings, but were denied the right of entry. The trial of V. Barladyanu is also a "closed" proceeding. We don't know what is going on behind the closed doors of these trials, in which the verdicts will, naturally be claimed to be "OPEN".

But what is coming to pass? Total injustice. Is this the way that "socialist democracy" is being expanded? Similarly, we have learned from a letter by former political prisoner Yuri Fedorov, that the organs of the KGB are attempting to construct a frame-up against Aleksander Ginzburg and Yuri Orlov along the lines of the Shakhtivsky Case, the Industrial Party Case, the case of the "SVU" (Ukrainian Liberation League), and the case of the "Social-Democratic Center"; "legal" and "illegal" "centers". The KGB is attempting to create such centers from among the ranks of former prisoners through

* A Communist Party information center.
** A factory for which one needs a special security pass to gain entrance.

the utilization of physical force, promises and threats. All this is being in order to carry out reprisals against the leading participants in the movement for the defense of human rights in the USSR; to slander and blacken all opposition in our country. The ultimate purpose of all this is to serve in disseminating false KGB-inspired rumors, spread into the West by such correspondents as Kraft, concerning the fact that the opposition movement in our country has been crushed, that the Helsinki Group has ceased its activity.

We declare, before the entire world that these claims are without any basis whatsoever. In spite of arrests and emigration to the West which have resulted in the decline of our membership by half, it is with a feeling of great pride for our leading members, that we note that in answer to the repressions many new friends have appeared, and a number of them have expressed the desire to enter into the ranks of the Group. The Moscow Group has added the outstanding Soviet lawyer Sofia V. Kalistratova. Petro Vins, (the son of prominent religious activist Georgiy Vins, who is currently incarcerated) has joined the Ukrainian Group, as has Oiha Heyko, the wife of arrested Group member, Mykola Matusevych. The Groups are enduring, replenishing. The best indicators of this are the documents of the Groups and the incessant flow of declarations concerning the violation of the Helsinki Accords in the Soviet Union that make their way to the Groups.

In spite of the intensification of repressions, the work begun by Orlov, Ginzburg, Shcharansky, Rudenko, Tykhy, Matusevych, Marynovych, Gamsakhurdia, Kostava and other member of the Groups, is continuing.

DECLARATION OF THE UKRAINIAN GROUP TO PROMOTE OBSERVANCE OF THE HELSINKI ACCORDS; ON THE TRIAL OF MYKOLA RUDENKO AND OLEKSIY TYKHY

Such is "socialist democracy"! And so, seven years strict regime and five years exile have been meted out to the leader of the Ukrainian Group to Promote the Implementation of the Helsinki Accords; the poet and philosopher Mykola Rudenko; and ten years of special regime and five years' exile for a member of the Group, the school teacher Oleksiy Tykhy. Can what occurred be called a trial? No!

People are tried openly and justly (if they are criminals), but in this case people have been tyrannized for many years and afterward secretly taken away for investigation in a gangster-like manner, 800 km. away from their native city. For the site of the trial they chose a place (Druzhkivka) even 100 kilometers further away. A "Red Corner" * situated in a closed enterprise ** was transformed into a court-room and filled with a carefully selected audience. No friends or observers were allowed into the court-room. Not even close friends or family had been informed, either about the conclusion of the investigation or the beginning of the trial.

As a result the defendants were left without any defense. And the wife of Rudenko and the 80-year old mother of Tykhy were admitted only on the 6th day. They were shaken by the appearance of the accused. Both defendants appeared tired and exhausted. During the course of the defense and especially during his final statement Mykola Rudenko felt faint several times. This is not surprising, as five months of detention in a Donetsk prison, situated in a heavily polluted "industrialized" region, could not have passed without having taken their toll.

The Court declared the Ukrainian Group to be an anti-Soviet organization and its documents were regarded as anti-Soviet. This is a blatant falsehood. Among the documents of this Group there isn't one which we do not support. We find only documents which discuss the actual violation of the Helsinki Accords in our country. One can easily be convinced of this provided all the facts we have reported are subjected to public examination. But such a public examination was not even attempted. Worse than this, measures were adopted so that even the public would not know what was taking place in the court.

The organizers of the trial behaved in a Mafia-like way; abducting the victims and isolating them. This is precisely the principle they followed by choosing Druzhkivka as the place of the trial. In a large city, for example in Donetsk, it would have been more difficult to spot an outsider. But in Druzhkivka the militia knows all the inhabitants. This is why friends of the defendants arriving from Kiev and Moscow immediately fell into the hands of the authorities. Some were detained for three days in a preliminary detention cell, and then were forcibly sent home. Naturally, in conditions of extreme isolation, it is possible for the authorities to make false charges and mete out punishment for a truthful account of repressive activities on the part of the authorities. In such conditions reprisals can be made with gangster-like cruelty.

The court sentence for Mykola Rudenko means death. Due to his war wounds he will not last long under the conditions of a strict regime concentration camp. For Oleksiy Tykhy the verdict virtually means life imprisonment. Tykhy is a fifty-year old, infirm person, and even if he survives the conditions of a special regime camp, followed by exile, his health will undoubtedly deteriorate.

Only universal indignation can be the answer to such inhumanity. Shame on the executioners of the judicial cover-up! Shame on those who inspire these executioners! Freedom for Mykola Rudenko, Oleksiy Tykhy and Vasyl Barladyanu, (who was convicted concurrently in Odessa on the 29th of June) for distributing materials of the Ukrainian Group! Freedom for the other arrested members of the Helsinki Groups: Puri Orlov, Aleksandr Ginzburg, Anatoly Shcharansky, Mykola Matusevych, Myroslav Marynovych, Zviad Gamakhurdia and Merab Kostava! Freedom for all political prisoners in the USSR!

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* A Communist Party information center.

** A factory for which one needs a special security pass to gain entrance.

U.N. LAW OF THE SEA CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, the United Nations Law of the Sea Conference has just completed its summer session, and later today will release a composite draft treaty which embodies the Conference's recommendations for the orderly management of our oceans. I would like to take this opportunity to commend our able U.S. delegation for its hard work and dedication on this highly significant international effort, and I look forward to hearing Ambassador Richardson's report on the Conference which will be presented in executive session before the House International Relations Committee next Tuesday, July 18, 1977.

The Law of the Sea Conference in New York considered a variety of important issues. However, the greatest controversy surrounds the question of deep sea mining.

There are two basic schools of thought on this issue. One camp argues that exploitation of mineral resources on the ocean floors should be postponed until an international agreement governing such development is devised. The other contends that since American mining companies have the technological ability to exploit these resources now, they should proceed to do so, with the Federal Government guaranteeing their investment in such an operation.

I have been involved in the dispute over access to mineral deposits on the deep seabed as a congressional delegate to the Law of the Sea Conference, and I am opposed to unilateral development. I believe that there has been considerable misunderstanding in the national debate on the deep sea mining issue and I would like to attempt to put it into better perspective.

Mr. Speaker, the driving force behind the unilateral approach are four mining consortiums. As a lifelong businessman, I believe that I understand their rationale in advocating this option. These four companies are not interested in waiting for the negotiation of a new law of the sea treaty. They simply do not perceive such a strategy to be in their best interest.

These four mining companies are primarily concerned with maximizing their profits—which is understandable. They have thus devoted considerable time, energy, and financial resources to selling their position to U.S. officialdom and the American people. Their representatives sat in on U.N. deliberations in New York. They participated in discussions at briefings. And they are very active in lobbying Congress. In fact, one company, Kennecott Copper, even hired a former U.S. law of the sea negotiator as legal counsel and lobbyist. In view of the tremendous potential profits of deep sea mining operations, it appears to make sense for the industry to expend the money and the effort necessary to implement legislation and a treaty which are favorable to them.

Having outlined some of the reasons why the four mining consortiums have mounted a formidable campaign in behalf of unilateral action, let me explain briefly why I feel that it would be a mistake for the Congress to encourage such a course of action by enacting legislation which would require the Federal Government to compensate the mining companies for any loss in investment suffered as a result of a subsequent ratification of an ocean treaty.

In my judgment, the deep sea mining issue transcends the perceived self-interest of a select group of mining companies. It involves the question of who will prevail when the pursuit of world harmony and order conflicts with the short-term financial interests of a small component of American industry. And, in addition, it raises a fundamental question about the relationship between the short-range and long-range interests of American business in the international environment.

Several weeks ago, former Secretary of State, Henry Kissinger, addressed a business seminar conducted by Georgetown University's Center for Strategic and International Studies. During his appearance, Dr. Kissinger commented on what he feels is the shortsighted approach which much of American business applies to public policy issues, and suggested that many of the positions which business takes on these issues are actually counterproductive to their own best interests. In fact, Dr. Kissinger went so far as to say, in comments to the press—and I am quoting now—"business has no perception of its long-range interests," and that, "when business gets into trouble, it sends its lobbyists around."

I do not agree with Dr. Kissinger's sweeping generalizations about the motivations and perspicacity of American industry. And I think that he is being unfair to much of the business community with his stereotype. However, I do believe that the law of the sea issue constitutes a good example of a case where blind adherence to short-term profits is contrary to good public policy and, in the long run, is indeed counterproductive to business' own best interest.

It is important to understand that the relationship between the developed and developing worlds lies at the heart of the international debate over the establishment of an authority to regulate deep sea mining. The developing nations, long victims of an unequal distribution of the world's wealth, have a legitimate demand for equity, and for a greater share of the fruits of global economic development. But they cannot escape, any more than the industrial nations, the reality that their future depends on the health and stability of the international economic system. This is the common thread that binds all participants in the international comity of nations.

In his recent Georgetown University address, Dr. Kissinger commented that:

It is one of the urgent tasks of government to make clear, on an agreed basis, the ground rules for foreign investment. Developing countries have a right to ensure that private capital is admitted in areas or ways consistent with the national priorities and legitimate regulations of a sovereign government. But investors and the industrial nations have a right to know in advance what the ground rules are, and not to have them altered arbitrarily and capriciously in the middle of the game. Both sides have obligations; both sides can benefit from agreed principles cooperatively achieved.

Later on in this same speech, Dr. Kissinger touched upon the role of industry in this scheme. Thus, he said:

Governments of the industrial nations must assume a major responsibility. New agreed practices of international cooperation, and new institutions which have the confidence of all parties, are needed to provide a framework of public commitment and private incentive within which the multinational corporation can make a constructive contribution to development in the decade ahead.

Mr. Speaker, this is sound counsel, and I would suggest to my colleagues in the Congress that nowhere is this more clear than in the case of the law of the sea.

The four mining companies who wish to proceed with unilateral exploitation of the deep seabed have assumed a very narrow view of this issue. In my opinion, corporate planners should realize that if they would be more patient, and give negotiation a chance, they would benefit in the long run. The establishment, by general agreement, of an international authority to govern development of the deep seabed would be far better for all parties concerned than chaos in the absence of a treaty.

Mr. Speaker, I am greatly disturbed that the anti-treaty, pro-unilateral action lobbying efforts of four mining companies may jeopardize the opportunity to negotiate an acceptable international solution to the deep sea mining question, and, in the process, may taint the public perception of American business. Such an outcome could be unfortunate in the extreme—for the American people, for American industry, and for the international community. When it comes to deep sea mining and the law of the sea, I must agree with Dr. Kissinger's assessment that business is working against its own interests.

AGRICULTURAL ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I rise today in order to call to the attention of the House the broad based support which has formed behind my amendment to strike title XV from the Agricultural Act of 1977. This title, which would establish a wheat research and promotion program, would adversely affect consumers, farmers, and processors. I would like to read for the benefit of my colleagues some correspondence which I have recently received from representatives of each of these groups in favor of the amendment which I will offer:

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., July 14, 1977.

DEAR REPRESENTATIVE: This week the House will vote on H.R. 7171, the Agricultural Act of 1977.

At its most recent Board of Directors meeting on June 8, 1977, CFA's Board approved a policy resolution on the Farm Bill, a copy of which is attached.

The purpose of this letter is to specifically communicate to you CFA's strong opposition to Title XV of the bill, and urge you to vote for the Wolff amendment which would delete that provision.

While we agree that there are important consumer concerns about the nutrition supply and marketing aspects of the wheat industry, we do not feel that the scope and structure of Title XV of the Agricultural Act will optimally address them.

At its most recent annual meeting, on February 12, 1977, CFA adopted the following policy resolution concerning commodity and promotion boards:

Commodity and promotion boards which are in any way sponsored, administered, or supported by the government should not be allowed. By promoting certain commodities at the expense of other commodities, these boards violate basic principles of fairness, represent an inappropriate involvement of government officials and taxpayer revenues in private industry gimmickry, and ultimately result in an increased consumer cost of the commodities promoted.

During Congressional consideration of the Beef Research and Information Act, the Office of Management and Budget foresaw the dangers of commodity boards when it stated that the bill:

. . . would not be in the long-run interest of agriculture, the food industry, or consumers in general. The involvement of the Federal Government in the promotion of a particular commodity at the expense of other commodities would compel other commodity groups to seek similar assistance in order to maintain their share of the food market. The net effect of such action would be to unnecessarily increase costs to both producer and consumers.

CFA is concerned that any assessment will be passed on to consumers, particularly in light of the oligopolistic character of certain segments of "end product manufacturers." In addition, a substantial portion of the collected assessment is bound to go toward advertising and promotion in view of the apparent preference of many "end product manufacturers" for the short term benefits of advertising versus the long term benefits of product improvement and lowering of prices.

We therefore urge you to vote for the Wolff amendment to delete Title XV of H.R. 7171. The title is clearly anti-consumer provision.

You will be receiving additional communications from CFA as to our position on other specific features of this legislation.

Sincerely,

KATHLEEN F. O'REILLY,
Executive Director.

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., July 15, 1977.

Hon. LESTER L. WOLFF,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WOLFF: The American Farm Bureau Federation opposes Title XV of the proposed Agricultural Act of 1977, H.R. 7171.

Farm Bureau has given careful consideration to various commodity promotion programs over the years. In the case of the so-called Wheat and Wheat Foods Research and Nutrition Education Act, the AFBF Board of Directors has approved a recommendation of the AFBF Wheat Advisory Committee, composed of wheat producer leaders from 15 major producing states, that this legislation be opposed.

Although the proposal provides that funds would be checked off from end product manufacturers, it is to be expected that such funds ultimately would come from the returns paid to farmers from raw commodities.

Farm Bureau urges deletion of Title XV from H.R. 7171 by the House of Representatives.

Sincerely,

JOHN C. DATT,
Director, Washington Office.

THE BISCUIT AND CRACKER MANUFACTURERS' ASSOCIATION,
Washington, D.C., July 13, 1977.

Hon. LESTER L. WOLFF,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WOLFF: Title XV of H.R. 7171, Agricultural Act of 1977, contains the Wheat and Wheat Foods Research and Nutrition Education Act which would authorize a tax on all products containing wheat to finance baking industry research programs. Provisions of this Title would establish sweeping government interference in industry nutrition, research and education programs. Taxing power of government should not be used to finance private indus-

try programs. Cookie and cracker industry which uses 70 million bushels of wheat annually opposes Title XV. We believe this legislation undesirable from any standpoint. We urge you to support amendment to strike Title XV from H.R. 7171 on floor.

Sincerely,

JOSEPH M. CREED,
Executive Vice President and General Counsel.

SOCIAL SECURITY SYSTEM

(Mr. BEDELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BEDELL. Mr. Speaker, the financial stability of the social security system is of great concern to us all. In recent years, we have heard much discussion about projected deficits in the system which, in turn, have precipitated alarm in Congress and throughout the country.

The general parameters of the problem are well known. The social security system faces both an immediate and long-term financial crisis, as is evidenced by the growing imbalance between expenditures and income in the social security trust fund. The question is how to best deal with this problem.

Today, the gentleman from Ohio, Mr. WHALEN, and I are introducing legislation which is designed to correct the long-range financial dilemma of the social security system. This proposal, entitled the Social Security Benefits Decoupling Act, would cut the predicted long-term deficit in half. It would also simplify accounting procedures, and make the benefits system comprehensible to the layman. And it would give a fair shake to workers who participate in the social security system, while having no effect on present retirees. The bill contains a 10-year "hold harmless" provision to avoid inadvertent lowering of benefits for any individual.

Let me take just a moment to amplify.

The projected imbalances in funding in the social security system are attributable to two factors: First, a basic change in demographic trends which have created a situation where fewer workers will be supporting a larger retired segment of the population; and, second, a flaw in the automatic benefit formula for the computation of benefits which was established in the Social Security Act Amendments of 1972. It is this latter problem which the Whalen-Bedell proposal seeks to redress.

Social security authorities, both in and out of Government, agree that the current ratio between earnings before retirement and benefits is appropriate and equitable. But, under existing law, this ratio does not remain stable. It increases progressively over time. Thus, each time present retirees receive an automatic social security cost-of-living increase, the ratio of benefits to earnings for future retirees also rises. The net result is that, if the present situation, which "couples" employee contributions with automatic benefit adjustments, continues, many future retirees will actually draw larger social security benefits than their wages before retirement. It does not take much imagination to perceive the implications of such a contingency for the long-range financial stability of the social security system.

The Whalen-Bedell proposal would "decouple" payments for future retirees from automatic adjustments for present retirees thus assuring that future benefit levels will not be tied to wage and price increases and that replacement rates will remain relatively constant. Such a change would not, of course, restrict benefit amounts, which would continue to be based on the Consumer Price Index. For a more detailed discussion of this issue I would refer you to the March 10, 1977, CONGRESSIONAL RECORD, page 7064.

The Whalen-Bedell bill is not a complicated measure. It proposes a three-step progressive benefit formula based on the average of the wages earned in any "high 10" years of the worker's employment. That is all there is to it.

This is not a new or radical concept. Of the 65 existing Federal income security programs, five of the leading 10 programs base benefits on the average of a top-X number of years. Foreign service officers, for example, receive benefits based on the highest average salary earned during any 3 consecutive years of service multiplied by 2 percent times the years of service.

Social security, on the other hand, currently involves a complicated eight-step guide to computation of benefits. If an applicant wishes to compute his benefits, he must first complete these eight steps only then to discover that he still must decipher the actuarial benefit tables. And, to top matters off, these tables change almost every year, and, of themselves, involve a nine-step formula for determination of benefits.

Mr. Speaker, over 33 million Americans contribute to the social security system. I believe that they are entitled to a program which is as workable and fair as those available to foreign service officers, or civil service employees, or to the employees of the Tennessee Valley Authority and to District of Columbia policemen, firemen, and teachers. It seems to me that participants in the social security system—which is the largest retirement program in the United States—should be assured equitable treatment relative to other Federal retirement programs and should have confidence in the viability and responsiveness of their program. Sadly, this does not appear to be the case at present.

Mr. Speaker, Congress has already delayed action on the social security trust fund issue for too long. The need for the substitution of a new benefit formula for the present "coupled" system has been universally recognized. It is time to implement a well-conceived decoupling proposal. It is also time to provide participants with a system that is equitable, responsive and comprehensible. I hope that the Ways and Means Committee hearings on social security financing problems, which are scheduled to begin on Monday, July 18, will contribute to that end.

ARE THE GLOBAL BUREAUCRATS WORTH THEIR HIRE?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, while we argue about congressional pay and, indeed about nearly everyone's pay in our own country, we overlook the biggest ripoff of them all in salaries. The bureaucrats in organizations such as the United Nations and the World Bank apparently have found the happiest hunting grounds of all. They are paid salaries and provided benefits which are literally out of this world.

A recent article in the Christian Science Monitor by Mr. John Dillian states, for example, "A U.S. Federal employee with a GS–18 earns $47,500 as a result of this year's pay hike. But at the World Bank pay for the same type of job is $74,-100, and at the United Nations it is $85,-500."

Mr. Dillian goes on to note, "Bureaucrats drawing salaries of $40,000 and up have become commonplace. Figures compiled here show that at the World Bank, the average salary for more than 2,000 members of the 'professional' staff * * * is $48,050 a year."

As an issue related to those bloated salaries, a recent survey done by the General Accounting Office called attention to the fact that although the United States contributes a minimum of one-fourth and sometimes as much as one-third of the funds for the operation of the United Nations, only 13 percent of the U.N. professional employees are Americans.

The House has just passed the largest foreign aid bill in the last quarter of a century. Despite the best efforts of some dedicated Members to reduce this bill, it wound up as a whopping $6 billion. I doubt seriously that the people back home are happy about this situation. One of the contributing factors to the high cost of foreign aid is the salary of the people who work for the United Nations and related organizations.

I would urge my colleagues in both the House and the Senate to take note of this development. It should be of interest to know also that the work force of the United Nations has doubled in the past 10 years; that the State Department estimates that the basic salaries of the U.N. professionals are 38 to 57 percent higher than the salaries of the U.S. civil servants; and that pensions for U.N. employees are as much as 55 percent higher than for our civil servants.

It is clearly time for the Congress to increase its scrutiny of these organizations with particular regard to the salaries and benefits paid. We should not expect the American taxpayer to continue to fund agencies which are clearly out of line with unreasonable salary and benefit schedules. In no case should the United States contribute to the payment of salaries in world organizations in amounts higher than those drawn by employees of comparable responsibilities in U.S. Government departments.

WHAT PRICE SHOULD WE PAY FOR RELATIONS WITH COMMUNIST CHINA?

(Mr. SIKES asked and was given permission to extend his remarks at this

point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Secretary of State Vance is preparing for his forthcoming trip to mainland China in August. In a recent major speech on Asia, he stressed normalization of relations between our country and Red China. He gave scant treatment to the issue of human rights which, in other nations, has received so much emphasis from the Carter administration. Perhaps it is things he did not say that spoke the loudest. He omitted any mention of Taiwan or American guarantees for Taiwan against Communist aggression. This could well be interpreted as a signal to Peking that the United States is ready to abandon its support for the Republic of China. The omission immediately caught the attention of other non-Communist Asian countries who have cabled the U.S. State Department to learn whether the United States is beginning a withdrawal from its commitments in the region in order to placate Communist China. An angry statement from Taiwan suggested that Washington is selling out 16 million nationalist Chinese and betraying its own moral principles while trying to establish full diplomatic ties with the Peoples' Republic of China.

It is difficult to understand the emphasis which apparently is being given by the United States toward formation of diplomatic ties with Red China. True, it is a nation of 800 million people, but one which has harnessed its entire populace to the task of providing enough food and clothing for their own requirements. The volume of trade to be expected from Red China is limited. They are not a military threat to the United States, but they do have sufficient power to overrun countries like Taiwan if the United States withdraws the protection we now accord those nations.

Red China's primary concern is to avoid the conflict with Russia while pushing for leadership among world Communist nations. China has been very active in Africa, and, indeed, is providing more competition than any other nation to Russia's dreams of domination there. Peking needs the U.S. support and friendship far too much to risk losing it over the question of Taiwan. Simply stated, we have given them reason to feel that we want to curry favor sufficient to drop Taiwan.

We are all aware that Peking, in the Shanghai communique of 1972, insists that there be recognition of one China—the mainland. We saw the result of such insistence during the 1976 Olympic games, during which the Canadians acceded to the Communist Chinese demands that only one team represent "China." It is unfortunate if the speech of Secretary Vance can now be taken as an indication of a major change in our policy and the American Security Treaty with Taiwan. The Red Chinese will take full advantage of this.

Mr. Speaker, there are certain advantages to normalized relations with mainland China, not the least of which is a form of buffer to the ever-present Soviet threat. It is apparent that there remains no love lost between these two Communist powers, and reasonable actions by this Nation to build some relationship with the mainland Chinese may be to our advantage.

Yet I strongly reject any claim that this Nation must accede to the Communist Chinese in their demand that there be U.S. relations with only one government representing the Chinese people. I feel, Mr. Speaker, that this Nation, this administration, and this Congress should emphasize that it is the Chinese mainland which stands to gain by a more formal relationship with the United States. It is time for them to begin to respect our other relationships and to be prepared to deal with this Nation on some of our terms. The matter of diplomacy is a two-way street and I suggest we begin to see some traffic in our direction before we step on the accelerator and rush to meet their demands.

The Washington Star in an editorial entitled "Taiwan as a Pawn," stated the situation forcefully and clearly. I submit it for reprinting in the RECORD:

[From the Washington Star, July 11, 1977]

TAIWAN AS A PAWN

Everything President Carter and the State Department say about relations with the People's Republic of China, as well as everything they don't say, sounds more and more like the United States abandoning Taiwan. And, true to the rule every country but ours seems to follow, the more accommodating we become, the sterner the People's Republic grows on the subject.

That ominous word "liberation" is in the air.

The 16 million people of Taiwan, of course, have other words for that: "aggression," "invasion," "betrayal" to begin with.

It is a situation full of ironies. The leaders of the People's Republic of China have obvious reasons for wanting to do just what they say they want to do, which is to incorporate Taiwan into the Communist Chinese state. Taiwan's industrial capability, widely recognized as a wonder of development comparable only to the post-World War II Japanese achievement, would be a distinct benefit to the faltering economy of the mainland. But material gain is perhaps less important than the prestige value of taking over Taiwan.

The leadership of Hua Kuo-feng is still imperfectly consolidated after the purge of the radical element identified with Chairman Mao's widow, Chiang Ching, which seems to have involved a gang of considerably more than four. Diversion of public attention to an external enemy always helps to solidify control at home. So does a conspicuous triumph.

Whether it happened by force or not, taking over Taiwan would be a show of strength to impress the world. It would be seen as a humbling of the United States, which had made so many promises to Taiwan, as well as a vindication of communism in general and Communist Chinese power in particular.

This is where more of the ironies set in. Among those who would not be pleased to see such a flaunting of Chinese might would be the Soviet Union. It is even possible that, with the United States standing aside, the Soviets might divert some of the arms their interests no longer called for in Indochina to the Taiwan defenses, simply as a means of forestalling their great rival's advancement.

Such a possibility could make the Hua government reluctant to invade Taiwan. And, even if Taiwan had neither American nor Soviet equipment and other aids, its own defenses and spirit are in good repair. An invasion by liberators from the mainland could fail. As the Bay of Pigs so eloquently testified, it can happen.

At best, a successful invasion of Taiwan would involve Peking in a sticky situation. The USSR's embarrassments over Hungary and Czechoslovakia have lingered; furthermore, it's likely that it would take considerably more bloodshed to overturn the entrenched government in Taipeh than to put down a few disorganized Hungarian Freedom Fighters.

As for the possibility of a negotiated reunification of the two Chinas, it's remote. The only carrot Peking could dangle would be autonomy and a chance to keep the fruits of its superior energy and skill. Not much chance there, ideological passion being what it is. The only stick would be cutting off Taiwanese trade. Peking has already done much of what can be done on that one, strongarming, for example, Japanese firms to forego doing business with Taiwan as the price of doing business with mainland China. It would just about have to be invasion.

And, with all the hazards weighed, the main inducement for invasion may be that American readiness to give in to anything Peking asks in order to arrive at full diplomatic relations has maneuvered the People's Republic Chinese into a posture of such belligerence. Even that's not the final irony, though. The final irony is that it's so hard to think of anything we will gain by abandoning Taiwan that we couldn't have without disavowing a long friendship and a lot of high-sounding pledges.

Trade? The Chinese are as eager for it as the American companies. Good will in the Third World? Looking weak next to a large Marxist nation won't win us points with a small one. And abandoning allies under pressure never looks good to anybody.

Nobody proposes that we send troops to Taiwan or so involve ourselves in its defense that we risk another Vietnam. All that's required by honor and self-interest is use our bargaining strengths in the current negotiations to assert Taiwan's right to exist outside Peking's control, or at least to make its own terms for reunification. There's still time.

NATION FACING CRUCIAL DECISIONS OVER POLICIES ON COMMUNICATIONS

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, as you know, I have spoken recently at a number of forums on the future of postal service in the United States. It is my belief, and the belief of many experts, that the future clearly lies with electronic communications. There appeared in the July 8 edition of the New York Times an excellent comprehensive look at this very subject. The article was written by a fine reporter, David Burnham. I would like, at this time, to share this article with my colleagues:

NATION FACING CRUCIAL DECISIONS OVER POLICIES ON COMMUNICATIONS

(By David Burnham)

WASHINGTON, July 7.—Fundamental changes in the way that Americans communicate are forcing the Federal Government to make policy decisions that could alter the fortunes of the nation's largest communication organizations and the lives of most citizens.

The pending decisions confronting the Carter Administration, Congress and the Federal Communications Commission involve a complex balancing of such questions as the competing rights of large corporations, the pos-

sible demise of the United States Postal Service, delicate diplomatic negotiations over the use of the air waves by individual nations and the importance of privacy to individual citizens.

The communication changes, made possible by the increasing use of several technologies, are expected to transform the way that many Americans conduct their lives: how they send written messages, pay their bills, talk to their politicians, get their pay, obtain medical care and receive entertainment, news and other information in their homes.

According to interviews with scores of communication experts and reports by dozens of different agencies, commissions and consultants, some of the most difficult pending questions awaiting resolution are the following:

How is the Carter Administration going to shape the executive branch agencies under its control to deal with communications issues? At present, according to several officials, Mr. Carter is planning to abolish the existing White House Office of Telecommunications Policy and scatter its functions among a few Presidential assistants and the Commerce Department.

Should Congress follow the lead of the House Communications Subcommittee and attempt a total revision of the Communications Act of 1934, the basic framework for regulation of all communications in the United States and a document that many experts contend has been largely outmoded and is now slowing the application of the most advanced technologies?

Should the Federal Communications Commission continue its policy of gradually subjecting the American Telephone and Telegraph Company to increasing competition in the sale of specific kinds of telephone equipment and communication services?

Should Congress grant the United States Postal Service a legal monopoly on electronic mail similar to the one it enjoys with conventional mail in the hope that such an extension could subsidize the sagging fortunes of the Postal Service and guarantee the continuation of first-class mail delivery? Or should electronic mail, like the telephone, be operated by private industry?

PARALLEL WITH ENERGY SEEN

Should there be a single clearing house within the Federal Government to serve as a highly efficient central switching point for the steadily increasing volume of financial transactions completed by electronics and computers, or would such a clearing house pose a threat to individual liberty?

"Communications now has the potential to change the way Americans live more than any other sector of the American economy," said one White House staff official.

"But there seems to be a close parallel between communications today and energy 20 years ago. You could see the energy problem was coming back in 1957, but because there weren't any gas lines then, it was impossible to get a consensus that it was something that required careful consideration."

Another factor contributing to the difficulty of developing communications policy is the sheer size of the industry. According to such experts as Marc U. Porat, an economist now working with the Aspen Institute, more than half of the wages paid in the United States and nearly half of the nation's $1.8 trillion gross national product "originate with the production, processing and distribution of information goods and services."

In a recent article, Dr. Porat argued that while "information occupations" accounted for only 10 percent of the work force at the turn of the century, they now represent "45 percent of all jobs in the United States."

While there are economists who argue with some of Dr. Porat's definitions, there is no question that communication encompasses a huge sector of the American economy and some of the largest and most powerful institutions: the National Letter Carriers Association, the International Business Machines Corporation, the advertising industry, the three television networks, the Communication Workers of America, the movie industry and Ma Bell's empire.

SOCIAL PROBLEMS RAISED

Beyond sheer size, the new technologies raise difficult social problems, according to many experts.

The development of electronic systems for the transfer of funds, in which cash and checks are replaced by blips on a computer, has been made possible by the availability of increasingly cheap and reliable computers in banks, insurance companies and retail establishments. The growth of relatively small electronic funds systems has suggested the need for a national clearing house where all such transactions could be sorted out and possibly stored.

The Federal Reserve System, for example, recently initiated an experimental project in which its customary role as a clearing house for banks was broadened to include the handling of tapes carrying transactions of individual electronic-fund transfers.

Last year, John M. Eger, then acting director of the White House Office of Telecommunications, challenged the Federal Reserve plan on the ground that it might one day be used to build centralized Government files on the buying habits and movements of individual citizens.

The Federal Reserve plan, Mr. Eger said in a brief filed in opposition to it, could ultimately give the Federal Government "a highly effective tool for keeping track of people and enforcing 'correct' behavior."

Representative Lionel Van Deerlin, the chairman of the House Communications Subcommittee, discussed some of the stakes involved in the decisions awaiting resolution.

"What we have now in communications is government by court edict," the California Democrat said. "The 1934 Communications Act, in large part a rewrite of the 1887 Interstate Commerce Act, is hopelessly out of date. There is no overall policy statement from Congress, and the F.C.C.'s regulations therefore are frequently arbitrary and capricious."

Mr. Van Deerlin said that a major result of the outdated law and faltering regulation was that competition was being discouraged throughout the communications industry, and that the American people were therefore being deprived of "better, faster and cheaper communications."

Representative Timothy E. Wirth, a Colorado Democrat who is a member of the Communications Subcommittee, talked about other aspects of the situation in a speech last fall to the Institute for Telecommunication Sciences.

"There is very little recognition of the social significance of the computer and communication revolution," he said. "The unspoken fact is, in today's society, that information is power, and the terms of access to information determine who has influence and who reaps benefits in our society.

"Think of that for a moment. We are talking about economic power, about social and intellectual standing and about political participation. All are fundamentally affected by the availability of knowledge, which depends upon information which is rooted in technology."

HIGH SKILLS REQUIRED

A White House staff member discussed the same issue in somewhat different terms. Noting that the increasingly complicated communications environment was going to require "very high skills" to operate, the official speculated that this "may make it even harder than it is today for important segments of our society to take part in the economy."

In an effort to develop a more informed consensus about some of these issues, the House Communications Subcommittee two months ago published a 486-page staff report that tried to define some of the key communications issues and the possible steps that Congress might take to resolve them.

Various chapters in the report dealt with the use of the radio spectrum, broadcasting, domestic telephone service, international telecommunications, cable television and privacy.

The subcommittee, which has been holding hearings on these issues, now hopes to complete by December a draft proposal for rewriting the 1934 Communications Act.

Richard E. Wiley, the outgoing chairman of the F.C.C., said in a recent interview that the commission's effort to develop new policies "may slow down the introduction of new services."

"I would like to have more national direction, we could use policy guidance," he said, noting that the 1934 Act naturally contained no reference to recent technologies.

Three key technologies are involved in the communication revolution. First is the computer, which each year grows cheaper, more reliable and smaller. In a report published several years ago by the Conference Board, a nonprofit business research organization, it was reported that since the early 1950's, the physical size of computers has diminished by a factor of about 1,000, the costs have dropped a hundredfold and the capacity has grown by a factor of 1,500.

NEW SATELLITE PLANNED

A recent article in Science magazine described the results of these changes. In 1950, the Federal Government ordered its first two big computers. Today, the article said, there are 220,000 computers in the United States, 40 percent of them medium or large size, manned by 2.5 million computer professionals.

The second key technical development is the high-altitude communications satellite, which can transmit directly to roof-top antennas. The potential of direct broadcasting from satellite has prompted Japan to consider developing a single transmitting station in space for all its people. In a world where large numbers of nations in Africa, South America and Asia are unable to afford conventional television broadcast stations, the social and educational possibilities are enormous.

In another application, a company established by I.B M. and Aetna Insurance has won permission from the F.C.C. to launch a satellite that would permit corporations to transmit data between offices and factories all over the United States without ever picking up a telephone or going near a post office.

The third and possibly most significant new technology is fiber optics communications, which is now being pursued by A. T. & T., the International Telephone and Telegraph Corporation, Siemans A. G. of Germany, Nippon Electric and Corning Glass. According to virtually all experts, fiber optics is expected to cost less than coaxial cable, be far smaller and lighter and be capable of transmitting far more information.

Fiber optics deals with the transmission of light and images, as around bends and curves, through a flexible bundle of plastic optical fibers.

Assuming the resolution of the remaining technical problems, such as how to achieve simple splices, many experts believe that within a few years A.T. & T. can begin a program to replace the copper telephone wire running into almost every building with fiber optics, which would be able to carry two-way television, a variety of two-way teletype services, dozens of conventional television channels and telephone messages.

The combined impact of these new tech-

nologies on the way Americans live will be enormous, most experts agree.

"If you link fiber optics with a teletype machine, you could do much of your banking from home, some of your shopping from home, buy airline tickets from home and maybe even work at home," said Richard Neustadt, one of several White House staff members now spending much of their time on communication issues.

The new communication technologies, he said, could also mean major improvements in the delivery of various social services, especially in rural areas where vast distances could be erased by electronics in the delivery of medical and school services.

Representative Van Deerlin sees the new communication systems leading to profound changes in politics, with candidates campaigning over citizens' band radio and elected officials being able to have "town meetings" via two-way cable television that would allow give-and-take conversations with all constituents who cared to turn on their sets.

But beyond the specific changes expected in the way that Americans bank, shop and obtain information and news, some experts believe that the communication and information revolution may ultimately strongly influence some of the basic values of society.

In an essay published several years ago, John McHale, director of the Center for Integrative Studies, State University of New York, speculated that the rapid growth of communications might affect the value of real property.

With more and more wealth being generated by information and communication technologies that, unlike coal and oil and uranium, cannot be used up, material property will no longer be the sole basis of economic power, Mr. McHale suggested.

In the industrial age, he said, wealth resided in visible assets such as land, buildings, machines and animals. But with the increasing value of information processing, physical properties "already have less and less intrinsic wealth values themselves."

HEARINGS IN ALASKA PROMOTE UNDERSTANDING ON ALASKA WILDERNESS BILLS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the Subcommittee on General Oversight and Alaska Lands of the Interior and Insular Affairs Committee utilized the July recess to conduct a series of hearings, meetings, and field inspections in southeastern Alaska. As chairman of the subcommittee, I was especially gratified that seven of its members took a portion of their recess time to travel to Alaska and participate in the strenuous schedule of activities that the subcommittee carried out there between July 1 and 10.

The subcommittee heard at its official hearings a total of around 600 witnesses in three 12-hour sessions, one each in Sitka, Juneau, and Ketchikan. In addition, the members met informally with many residents of those cities and traveled to the towns of Pelican, Hoonah, Petersburg, Kake, and Angoon for informal meetings with several hundred residents of those places. Inspection and briefing trips were also made to a number of logging sites and potential mining sites in various parts of southeast Alaska.

In between hearings and meetings, subcommittee members and staff visited all but one of the proposed wilderness areas in southeastern Alaska that would be established by H.R. 39, the principal bill pending before the subcommittee. The only one we missed is the proposed Yakutat Forelands Wilderness, which was closed in by weather conditions. The subcommittee expects to include a visit to that area as part of its scheduled hearing and field inspection trip to interior Alaska during the August recess.

Mr. Speaker, I think I can safely say that every member who made the trip came back impressed and exhilarated by the breathtaking beauty of the vast expanse of forests, fiords, islands, and mountains, with their sparkling lakes, winding rivers, ice-capped peaks, and gleaming glaciers spreading out with infinite variety along the rugged southeastern coast of the Nation's largest State. Although there are scattered logging scars, most of the land shows no sign of man's presence. Here and there in the coves and bays, one spots an occasional fishing vessel or raft of cut timber. However, the chief signs of life are an occasional wandering bear or soaring eagle, along with flocks of gulls, ducks, and geese. Several times the members thrilled to the sight of spouting whales and leaping porpoises.

Mr. Speaker, it is the combination of spectacular scenery and vast stretches of wilderness that makes Alaska unique. Until now, Alaska's huge size, remoteness and long, dark winters have protected its wilderness character. But rapidly escalating pressures for development are such that it can no longer be assumed that the prime wilderness features of Alaska will survive unless they are given protected legal status.

The 1958 Alaska Statehood Act and the 1971 Alaska Native Claims Settlement Act provide for the transfer of a total of 144 million acres of Federal land to the State and the Natives. When completed, this will be the largest transfer of public land in the Nation's history. Even then, however, the Federal Government will still own approximately 60 percent of the land in Alaska. When the Native Claims Settlement Act was being debated in 1971, there was concern that some portion of these huge Federal holdings be set aside for future enjoyment by the American people. Accordingly, the Congress approved section 17(d)(2) of that act, authorizing the Secretary of the Interior to withdraw from mining and other uses up to 80 million acres of these Federal lands so that Congress could consider whether to provide permanent wilderness, park, or other protected status for them. Under the law, these lands will remain withdrawn until December of next year. If Congress does not act by then, the 80 million acres will once more be open to uses that may be destructive of their wilderness values.

H.R. 39, introduced by our distinguished colleague, the Honorable MORRIS UDALL and drawn up in collaboration with Alaskan conservationists, would include the lands designated by the Secretary and additional Federal lands in Alaska in the national park system, the national wildlife refuge system, the national forest system, and the National Wild and Scenic Rivers System. The bill would also place all these lands, plus existing wildlife refuges and national parks in Alaska, under the National Wilderness Preservation Act. Thus the total land affected would be about the same in size as the total Federal land to be transferred to the State and the Natives under the existing legislation. Needless to say, any proposed transfer of this magnitude raises many issues and requires careful study and analysis.

The subcommittee commenced the hearing process this spring with 7 days of hearings in Washington, D.C. Secretary of the Interior Cecil Andrus, Assistant Secretary of Agriculture Rupert Cutler, Alaska Gov. Jay Hammond, and other government officials testified, as well as representatives of the logging industry, the mining industry, the oil and gas industry, many national organizations, and individual citizens. Because of the tremendous nationwide interest in the proposed legislation, the subcommittee then went "on the road" and held hearings in Chicago, Atlanta, Denver, and Seattle. These hearings were all held on Saturdays, so that working people could more easily attend. In all, about 1,000 witnesses from all walks of life were heard in these hearings, and many more presented written testimony. The subcommittee has also been given a formal briefing by the U.S. Geological Survey and the Bureau of Mines and has scheduled a briefing by the National Forest Service for later this month.

While the testimony was overwhelmingly supportive of legislation to preserve key wilderness areas in Alaska, fears were expressed, mostly by business interests, that H.R. 39 would "lock up" too much of Alaska's potential mineral and timber resources and would block access to key areas by residents of the State.

The July recess was the first opportunity the subcommittee had to travel to Alaska to inspect the areas covered by the bill and to listen to local residents and officials. For months before then, opponents of the bill conducted an extensive campaign in the Alaskan news media to create the impression in Alaska that the bills would eliminate existing jobs and prevent future growth of the State's economy. This campaign exploited Alaskan residents' sense that they have long been a "stepchild" of the Nation, subjected to the whims of remote bureaucrats in Washington, D.C. Unfortunately, past experience, to some extent, justifies this sense of grievance on the part of Alaskans. Moreover, the failure of previous administrations to carry out expeditiously the transfer of the 100 million acres of Federal lands that were promised to the State under the Statehood Act and the 44 million acres promised to the Natives has aggravated the sense of frustration in Alaska.

For these reasons, the subcommittee expected to be confronted by an atmosphere of hostility when it commenced hearings in Alaska. This was, indeed, the case when the first hearing commenced on July 5 in Sitka. In fact, a well organized campaign had brought about the closing of a substantial number of the stores in Sitka on that day in protest, and the members of the subcommittee were met with numerous signs, pickets, and other demonstrations. I am happy to report, however, that by the time of our third hearing, July 9 in Ketchikan, a much more constructive atmosphere prevailed. The hearings were well attended and were carried in full on the local radio stations. Thus, those present and the residents of the entire area could see for themselves that the members of the subcommittee were sincerely interested in listening to the views of the local people and in understanding and adjusting to local concerns.

They could also see that their interests were being forcefully represented on the subcommittee by their own Congressman, The Honorable DON YOUNG, who sat through all the lengthy hearings and provided outstanding assistance and advice, even though he was in strong disagreement with some features of the proposed legislation.

As a result, the subcommittee received much useful and specific information and ideas from the witnesses in Alaska. This information was made more meaningful because members of the subcommittee had personally familiarized themselves with the land in question. On the basis of what we have learned thus far, I believe it is going to be possible to preserve significant areas of wilderness in southeast Alaska, to protect the existing industry, to allow room for economic expansion, and to enable continuation of the traditional local lifestyles and land uses. Indeed, one of the major industries of southeast Alaska, the fishing industry, appears to need the designation of some areas as wilderness in order to assure the continued protection of the fisheries resource.

Southeastern Alaska is large enough so that there is plenty of room for multiple uses. It is a question of marking out certain of the extensive Federal lands there for prime use as a wild resource, leaving the majority of those lands available for logging, mining, and other development. It is also a question of establishing procedures for adjusting uses in wild areas to meet overriding national and local needs and procedures for coordinating the future management of these areas with State and local organizations. The subcommittee is dedicated to developing such legislation before the end of this session of Congress.

Mr. Speaker, at our July 7 hearing in Juneau, the witnesses were about evenly balanced between those supporting and those opposing H.R. 39 in its present form. The next day, the Juneau newspaper, Southeast Alaska Empire, published an editorial reflecting the shift beginning to take place in Alaskan attitudes toward such legislation. The editorial points out:

We don't want to see existing jobs eliminated and future jobs co-opted but it is time that all of us recognize there is enough Tongass National Forest for all types of people to enjoy, whether they be Oregon itinerant loggers, "posey sniffers," fishermen, tourists, prospectors or subsistence hunters.

Once we set aside portions of the Tongass for wilderness and for commercial developments so each group is mollified, it could boost the economic well-being of Southeast. . . . That means there will have to be some wilderness areas and the faster they are established, the quicker we can get to the business of building a region aesthetically pleasing and financially sound.

The subcommittee plans 2 more weeks of hearings, meetings, and field inspections during the August recess, this time in interior Alaska and the Alaska Peninsula. If we and residents of Alaska continue efforts to reach mutual understanding, I believe we can and will develop legislation that will be satisfactory to the majority of people in both Alaska and the rest of the Nation and that will also protect some of the glories of that great land for the people of Alaska and the Nation to use and enjoy for generations to come.

Mr. Speaker, the full text of the editorial from the Southeast Alaska Empire of July 8 follows these remarks:

[From the Southeast Alaska Empire, July 8, 1977]

WILDERNESS VS. ECONOMY?

Mike Miller, the veteran Juneau legislator, dropped a bomb in his backyard yesterday. He told a congressional committee holding hearings in Juneau that he supported the "Udall bill," federal legislation that would put 114 million acres of Alaska into preserved status—wilderness, including four million acres of the Tongass Forest.

It was an act of courage or a foolish political move, maybe both.

At the very least it was aberrant behavior for a politician. Many of the breed seem content to follow rather than lead. His stand in favor of wilderness will be read instead as a stand against Southeast's economic progress. There is no doubt he is bucking the tide of public opinion.

But Mr. Miller was speaking for a sizable minority of Juneau residents and what appears to be, from the shape of hearings held "outside," a majority of Americans. He expressed the considerable frustration that many have with the lack of direction that has been evident for the last 50 years in the Tongass Forest.

It is only in recent years that the Forest Service has tried to develop a comprehensive guide to Tongass Forest use. Conservationists have been frustrated since the beginning of the century in their efforts to preserve a portion of the Tongass in wilderness state. As sops to conservation sentiment (which has built to crescendo pitch in years past) Glacier Bay National Monument was created, then expanded, a small portion of Admiralty Island was set aside as a bear refuge and another small section as eagle habitat.

In contrast, more and more of the forest has been committed to the saw, while the feds have studied and restudied wilderness sections. Conservationists became even more alarmed when they saw that areas being studied for preservation were sections of the Tongass that were patently unfit for timber exploration. It seemed to confirm fears that the Forest Service was not interested in setting aside a portion of the Tongass which included a 'typical' Southeastern forest habitat.

Because of the situation it is no wonder that conservationists have embraced the 'Udall bill' as their only salvation. They learned in the past that the Forest Service had not listened. They were not willing to wait and see what the new Tongass Guide would offer a couple of years hence. They have grown tired of waiting. Rep. Miller's acceptance of the Udall bill is not surprising in that light.

While we cannot accept the Udall bill and its instant wilderness policy for Alaska, including the Tongass Forest, we do think it is time that a portion of the Tongass, perhaps Admiralty Island, be dedicated to a preserved status and not just logging.

We don't want to see existing jobs eliminated and future jobs co-opted but it is time that all of us recognize there is enough Tongass National Forest for all types of people to enjoy, whether they be Oregon itinerant loggers, 'posey sniffers,' fishermen, tourists, prospectors or subsistence hunters.

Once we set aside portions of the Tongass for wilderness and for commercial developments so each group is mollified it, could boost the economic well-being of Southeast. The spector of additional court battles and fratricidal in-fighting is the other alternative. That means there will have to be some wilderness areas and the faster they are established, the quicker we can get to the business of building a region aesthetically pleasing and financially sound.

STRONGLY OPPOSE OUR RELATIONS WITH CUBA

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, one of the reasons why I strongly oppose the normalization of our relations with Cuba as long as it is dominated by the Communist Castro is that Castro has made Cuba a Russian military base 90 miles from the United States in the Caribbean. I have before me a letter of July 8 by Dr. Manolo Reyes, distinguished Latin commentator for Channel 4 television in Miami, who points out that Russian warships are performing joint maneuvers with Cuban gunboats in the Gulf of Mexico and pointing out other uses of Cuba and Cuban waters as a naval base of Russia. Dr. Reyes, with his letter of July 8 to me, also sent me a copy of a pamphlet advertising a conference on future trade and investment opportunities in Cuba. This certainly violates the action previously taken by the House of Representatives in respect to trade with Cuba and the policy of the U.S. Government respecting trade with Cuba. I ask unanimous consent that this pamphlet and Dr. Reyes letter to me appear in the RECORD following these remarks:

DR. MANOLO REYES,
Miami, Fla., July 8, 1977.

Congressman CLAUDE PEPPER,
U.S. Congress,
Washington, D.C.

DEAR CONGRESSMAN PEPPER:

Just a few hours ago I learned that Russian war ships were performing joint maneuvers with Castro's gunboats in the Gulf of Mexico.

As you know, for the last six years, on twelve occasions, I have denounced this situation before the U.S. Congress and Senate at different hearings.

Here is the way I denounced the new Soviet naval task force to Cuba.

Dr. Manolo Reyes informed that four Soviet war ships have been performing naval maneuvers in the past hours in the Gulf of Mexico. The four Soviet war ships are two destroyers, a cruiser and a supply ship.

The naval maneuvers have been taking place outside the coast of Cuba in international waters, just 35 miles away from the U.S. coast. Russian ships are seldom this close to the American coast when performing naval maneuvers. The four Soviet ships were joined by two Castro gunboats on the night of Wednesday, July 6, 1977.

The U.S. destroyer BIGELOW has been observing the naval maneuvers of the Russian and Cuban ships.

All this proves once again that Castro's regime has given Cuba over to the Soviets, who use it as a strategic military base, both aerial and naval, for their excursions in the Atlantic and the Gulf of Mexico, and that this is dangerous to the security of the United States and the American continent.

I also attach a copy of a pamphlet in reference to a conference to be given in New York this month about trade and investment opportunities in Cuba. I feel this is in direct opposition of the motion approved by the House of Representatives against trading with Cuba.

Awaiting your reply, I am sincerely,

Dr. Manolo Reyes.

COMING TRADE AND INVESTMENT OPPORTUNITIES IN CUBA

JULY 18, 1977/AMA HEADQUARTERS, NEW YORK CITY

Briefing runs from 9:00 a.m. through 5:00 p.m.:

How to stand out in the crowd of U.S. companies lining up for business with Cuba.

Virtually every industry is interested in doing business with Cuba. But few have the hard data they need to evaluate the potential.

Americans going to Cuba on business are confronted with the problem of who to see . . . and when.

There's also a problem in getting the Cuban bureaucracy to respond to your inquiries.

To help you over some of the hurdles . . . and give you guidelines that are working for other organizations . . . we've scheduled this information-filled briefing.

You'll hear from an outstanding group of speakers. These are people with on-the-scene experience and plenty of business savvy.

They'll cover the kind of facts you need in order to make the most profitable decisions for your company.

For example—

The best ways to deal with the Cuban bureaucracy.

The steps involved in getting a project approved.

How much you can reasonably expect to accomplish on a trip to Cuba.

How to make sure you see the right people—and the importance of timing.

What happens to any letters you write—and why it often takes months to get a response.

And more.

Case histories will highlight what the Cubans want from U.S. companies—and what the Cubans are willing to give in return.

In addition—a get-acquainted reception at the conclusion of the program will let you meet and chat with the speakers on an informal, off-the-cuff basis.

You're urged to register early for this important briefing.

You can use the registration card provided on this announcement. Or, wire or phone the Registrar in New York City. Either way—act now to assure places for yourself and a team of your key people.

If you'd like further information on this important program, please contact John T. Cunningham at AMA Headquarters in New York City (212–586–8100).

COCHAIRMEN

Burton M. Joseph, President, I. S. Joseph Co., Minneapolis, Minn.

Kirby Jones, President, Alamar Associates, Inc., Washington, D.C.

GUEST SPEAKERS

Robert Dockery, Executive Assistant to the Chief of Staff, Senate Foreign Relations Committee, Washington, D.C.

John H. Keller, President, Caribbean Holidays, Inc., New York, N.Y.

Lawrence H. Theriot, Policy Analyst for Cuba, Bureau of East-West Trade, Department of Commerce, Washington, D.C.

Robert C. Chinn, Senior Vice President, Control Data Corp., Minneapolis, Minn.

Mira Berman, Principal, Gemini Images, Inc., New York, N.Y.

Eugene A. Theroux, Esq., Partner, Baker & McKenzie, Washington, D.C.

BRIEFING AGENDA

Economic and Political Overview:

What products went into pre-1959 U.S.-Cuba trade?

What are U.S. foreign policy objectives?

What is the current pattern of Cuba's foreign trade?

What are the prospects for U.S.-Cuba trade?

How Does Cuba's Foreign Trade Apparatus Work?

What is its function?

How is it organized?

Selling to Cuba: Case Histories:

What are prospects for direct U.S.-Cuba transactions?

What is the status of indirect U.S.-Cuba transactions?

What does Cuba want to buy?

Buying From Cuba: Case Histories:

What does Cuba have to sell?

What procedures will be involved?

Negotiations:

What special techniques are involved?

How do you handle arbitration and dispute settlements?

Current Legal Framework for U.S. Business With Cuba:

How would U.S. Export Licensing work?

What is the status and prospects for payment of claims against Cuba?

What financing and payment practices can be expected?

Business Travel to Cuba:

Who can travel to Cuba now?

How to approach travel.

What are the prospects for increased travel?

Group Discussions:

What are other companies doing?

How should a company be planning with regard to Cuba?

Three ways to register fast!

Important: Always give your Priority Number when registering.

1. By phone: Dial (212)566–8100. Ask for Registration. Give Registrar your Priority Number. You'll get immediate confirmation of your registration.

2. TWX 710–851–1530: Please include Priority Number, Meeting Title, Dates and City. Also name, title, company, address and phone of each registrant.

3. By mail: Complete and mail registration card on this anouncement. Be sure to specify your Priority Number.

You can register up to the time of the meeting, but don't come to a meeting without confirmation. If it has not arrived before the meeting date, call AMA's Registrar at (212)586–8100.

AMA's Hotel Service: AMA does not arrange hotel accommodations. However, the following hotels will hold a bloc of rooms up to two weeks before your meeting starts. To make a reservation, contact the hotel directly. Be sure to act promptly—and mention AMA for preferred treatment.

New York: The New York Hilton at Rockefeller Center, 1335 Avenue of the Americas (two blocks from the American Management Associations Building). Contact the Hilton Reservation System 212–594–4138. Specify the priority number of the AMA meeting you are attending.

Chicago: Marriott Motor Hotel—312–693–4444 (immediately adjacent to the AMA Management Center—Chicago, O'Hare Airport).

Other locations: Contact the hotel where your meeting is held at least two weeks before your meeting starts.

Cancellation policy: Confirmed registrants cancelled later than one week before the meeting are subject to a $25 service charge. Registrants with confirmed applications who fail to attend are liable for the entire fee unless they contact AMA's Registrar prior to to the meeting to cancel.

Tax deduction for educational expenses: Treasury regulation § 1.162–5 permits an income tax deduction for educational expenses registration fees and cost of travel, meals and lodging undertaken to: (1) maintain or improve skills required in one's employment or other trade or business, or (2) meet express requirements of an employer or a law imposed as a condition to retention of employment, job status or rate of conpensation.

Registration fees: The full fee is payable in advance and includes the cost of meeting materials.

Individual fees: Each 1-day meeting, AMA Members, $190; Nonmembers, $215.

Send teams at reduced rates—During the meeting, they'll compare notes and pool thinking on how the ideas and concepts presented relate to your company's specific problems. Back on the job, they'll be able to tackle these problems with a highly coordinated team approach. The special fees for a company team of three managers attending the same meeting are:

Team fees: Each 1-day Meeting (per person), AMA Members $165; Nonmembers[1] $190.

Note: Other discounts are available for larger groups. For details please contact AMA's Registrar.

MAYOR BRENNER'S CALL TO SURVIVORS ON MEMORIAL DAY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I would like to commend to our colleagues an eloquent speech by my good friend, Mayor Sam Brenner of Surfside, Fla., who has issued a strong challenge to all the survivors of those we commemorated with sorrow and pride on Memorial Day 1977. He urges us all and the nations of this world to strengthen the United Nations' goals for peace and its capacity to contribute to such aims as will guarantee a more secure and reasonable environment for us as well as for the other nations of this world, which have seen the horrible wars of this century, and lives in anticipation of more. I believe that Mayor Brenner offers us all food for careful thought.

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[1] Nonmembers: Difference between member and nonmember registration fee can be applied to AMA membership. Check box on card for full information.

The speech follows:

THE INVISIBLE FLAG

In a few moments you will hear the bugle blow "taps" and the drum roll to the calling of the names of our dearly departed who gave their lives to preserve our Nation. As I hear their names called forth to the strains of this mournful music, the roll of the drum ruffles an invisible flag stirring in the hearts of men.

Oh! Yes, there is a new flag stirring in the hearts of men! It is the flag of the coming of international law and order, the prime priority of our times. There is no eulogy we can deliver for these men greater than the hoisting of that flag. What better time and place for the people to be heard than on an occasion of memorial services for our departed soldiers? We shall return here year after year to eulogize these men and to mark our progress for peace. I do not come here only to weep for dead soldiers. The time for tears is passed! I come here also to take action for the living so that we do not perish as they perished.

Look to the heavens! Look to the skies! Look for that invisible flag unfurling before our aching eyes. In order to begin its revelation and spangling in the sunlight, on this 29th day of May, 1977 I charge President Carter and all the leaders of the world with:

Step No. 1. To call for all the member nations of the United Nations to contribute 15 percent or some adequate agreed upon percentage of their fighting forces into a heterogeneous peace-keeping force for an experimental 5-year period, during which time there is to be a moratorium on the production of armaments.

I charge President Carter and all the leaders of the world with:

Step No. 2. To call for the restructuring of the United Nations voting procedure to include an international House of Representatives as well as the General Assembly and for the overriding of the veto by a ⅔ vote of both Houses.

I charge President Carter and all the leaders of the world with:

Step No. 3. To call for the relinquishment of nations' sovereignity to wage war, upon the similar simultaneous action of all member nations.

I charge President Carter and all the leaders of the world with:

Step No. 4. To call for mutally supervised periodic inspections to check up on the adherence of member nations to their agreements.

There could be more charges but these are enough for now and the benefits to be derived are too numerous to mention. Ultimately this will lead to a turnover of all capital weapons and to the dismantling and confiscation of all nuclear bombs. From these few steps mankind will take another "giant step" . . . First the moon and now the stars of the hope of man. This is a blueprint for man to touch the stars, and for these men whose memory we honor today to stop twisting and turning with agony and anguish in their graves. For surely they cannot be sleeping, for we who are here to honor them have also betrayed them.

Do you know what it says on this monument? "Dedicated to those who served in preserving this nation." Preserving this nation for what? For holocaust? President Carter's disarmament negotiator, Paul Warnke, tells us "now as your intercontinental ballistic missiles become both more dangerous and more vulnerable, there is a lowering of the nuclear threshold—and there is the temptation to strike first because you fear you won't be able to strike second.' '

A great mind of our times, Albert Einstein, wrote in his book "Out of My Later Years" . . . "The only hope for protection lies in securing of peace in a supranational way. A world government must be created which is able to solve conflicts between nations by judicial decision. This government must be based on a clearcut constitution which is approved by the governments and the nations and which gives it the sole disposition of offensive weapons . . ." Einstein's theories of relativity brought us successfully to the threshold of a new world, surely his theories of world government can bring us to the threshold of a workable peace.

In all these 32 years since the birth of the United Nations what failing was there among us that prevented the creation of an adequate peace keeping force? Who can deny that we have failed these men whom we honor today? Where is the peace they fought for? Peace is a wounded soldier, we must heal the wounds of that soldier even as the mad race for armaments accelerates more and more each year.

We can no longer live in a world where nations are wild beasts roaming the jungles of nationalism. We must now clear the jungles and tame the wild beasts. Man has become the greatest predatory beast of all times. He has lost his right to declare war and must relinquish that sovereignty. How many Hitlers do we have to outlive before we can take our rightful place alongside a brotherhood of nations in an organization of international law and order? Hitler was the direct product of international anarchy! There could never have been a Hitler as we knew him had there been international law and order.

International law and order is long overdue and must be created for the protection of all nations. Its realization will insure the survival of mankind. There is a soundless tocsin that peals for peace inside all of us and its tolling will lure us toward the creation of the new order.

Oh! There is a new flag stirring in the hearts of men! Blow the bugle and ruffle the drum and call the roll one by one, not of those present but of those past, not of the living but of the dead who march again before our eyes, bearing a new flag these men can see with sightless eyes. Blow the bugle and sound the drum and call the roll one by one!

Mayor SAM BRENNER,
Sureside, Fla.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I have been on a factfinding trip to the Middle East with a delegation of other Members for the past 2 weeks. As a result, I have missed a number of recent rollcall votes.

On Monday, July 11, I would have voted "yes" on roll No. 403, House Joint Resolution 24, to designate a week as National Lupus Week. I also would have voted "yes" on roll No. 404, H.R. 2960, to erect a memorial in the District of Columbia in honor of the 56 signers of the Declaration of Independence. I would have cast a "yes" vote for House Resolution 642, roll No. 405, the rule under which the Indian claims bill was considered.

Tuesday, I would have voted "yes" on roll No. 406, H.R. 7658, to provide housing for certain disabled veterans. I also would have cast a "yes" vote on roll No. 407, H.R. 7345, the Veterans' and Survivors' Pension Adjustment Act. On final passage of the Indian claims bill, H.R. 5023, roll No. 408, I would have voted "yes."

On Wednesday, I would have cast a "no" vote on H.R. 5970, roll No. 409, the Defense Department procurement authorization conference report. I would have voted "no" on roll No. 410, the McCloskey amendment to the maritime authorization that sought to prohibit the use of operating subsidies for the carriage of grain to the Soviet Union. On final passage of the maritime bill, H.R. 4963, roll No. 411, I would have voted "yes." I would have cast a "yes" vote for the rule under which the National Consumer Cooperative Bank bill, H.R. 2777 was considered (roll No. 412).

Yesterday, I would have voted "yes" on roll No. 413, a motion for the House to resolve itself into the Committee of the Whole for consideration of the National Consumer Cooperative Bank bill. I would have cast a "no" vote on the LaFalce substitute to the Consumer Cooperative Bank bill, roll No. 414. On the Rousselot amendment, roll No. 415, that terminates on December 31, 1982, all authorities granted under the same bill, I would have voted "yes." I would have voted "yes" on final passage of H.R. 2777, roll No. 416. I also would have voted "yes" on House Resolution 658, establishing a permanent Select Committee on Intelligence (roll No. 417). On the rule for the mine safety bill, House Resolution 682, I would have cast a "yes" vote. I would have voted "yes" on roll No. 419, for going into committee. On roll No. 420, the Gudger amendment, I would have voted "no." On roll No. 421, the Sarasin amendment, I would have voted "yes." On roll No. 422, the Andrews amendment, I would have voted "no."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CARNEY (at the request of Mr. WRIGHT), for today, on account of official business of the Committee on Veterans' Affairs.

Mr. COTTER (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. FOUNTAIN (at the request of Mr. WRIGHT), after 4:30 p.m. on July 14 until 11:30 a.m. on July 15, on account of official business.

Mr. YOUNG of Missouri (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COLEMAN) and to revise and extend their remarks and include extraneous matter:)

Mr. FINDLEY, for 5 minutes, today.

Mr. EDWARDS of Oklahoma, for 5 minutes, today.

(The following Members (at the request of Mr. GEPHARDT) to revise and extend their remarks and include extraneous matter:)

Mr. SIKES, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.
Mrs. MEYNER, for 5 minutes, today.
Mr. GLICKMAN, for 5 minutes, today.
Mr. PREYER, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Mr. ECKHARDT, for 5 minutes, today.
Mr. WOLFF, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. NEAL, immediately following the remarks of Mr. ANDREWS of North Carolina, on H.R. 4287 in the Committee of the Whole today.

(The following Members (at the request of Mr. COLEMAN) and to include extraneous matter:)

Mr. FINDLEY in two instances.
Mr. KASTEN.
Mr. STEIGER in two instances.
Mr. MCCLORY in two instances.
Mr. GILMAN.
Mr. SARASIN.
Mr. QUAYLE.
Mr. HORTON.
Mr. ASHBROOK in three instances.
Mr. KETCHUM.
Mr. DERWINSKI.
Mr. BOB WILSON in three instances.
Mrs. HOLT.
Mr. WHALEN.
Mr. ROUSSELOT in two instances.
Mr. KEMP in two instances.
Mr. RUDD.
Mr. COLEMAN.
Mr. CARTER.

(The following Members (at the request of Mr. GEPHARDT), and to include extraneous matter:)

Mr. STUDDS.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BAUCUS.
Mr. MCHUGH.
Mr. MURTHA.
Mr. GAYDOS.
Mr. ALEXANDER.
Mr. DRINAN in 10 instances.
Mr. LEHMAN.
Mr. PANETTA.
Mr. O'NEILL.
Mr. BEILENSON.
Mr. DE LUGO.
Mr. WOLFF.
Mr. JENRETTE.
Mr. UDALL.
Mr. HARKIN.
Mr. NOLAN.
Mr. ENGLISH.
Mr. EILBERG.
Mr. WALGREN.
Mr. TUCKER.
Mr. MINETA.

ADJOURNMENT

Mr. GEPHARDT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (3 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until Monday, July 18, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1937. A letter from the Director, Selective Service System, transmitting notice of a delay in the submission of the semiannual report covering the operation of the Selective Service System to adjust to the new fiscal year ending September 30, 1977 (section 10 (g) of the Military Selective Service Act); to the Committee on Armed Services.

1938. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of two new personal record systems for the Department, pursuant to 5 U.S.C. 552(a)(o); to the Committee on Government Operations.

1939. A letter from the Director, National Science Foundation, transmitting notice of a new records system for the Foundation pursuant to 5 U.S.C. 552(a)(o); to the Committee on Government Operations.

1940. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin defense articles and services to the Government of the United Kingdom, pursuant to section 3(d) of the Arms Export Control Act; to the Committee on International Relations.

1941. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate John D. Negroponte, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1942. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Jean M. Wilkowski, and her family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1943. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

1944. A letter from the Acting Secretary, Interstate Commerce Commission, transmitting notification of the Commission's extension of the proceedings in docket No. 36491, *Wheat, Oklahoma and Kansas to Texas Gulf Ports*, pursuant to section 15(8)(a) of the Interstate Commerce Act, as amended (90 Stat. 31); to the Committee on Interstate and Foreign Commerce.

1945. A letter from the President, Legal Services Corporation, transmitting a report on the delivery of legal services to the poor, pursuant to section 1007(g) of the Legal Services Corporation Act; to the Committee on the Judiciary.

1946. A letter from the Executive Director, Reserve Officers Association of the United States, transmitting a copy of the audit of the Association's account for the year ended March 31, 1977, pursuant to section 16 of Public Law 81–595; to the Committee on the Judiciary.

1947. A letter from the Secretary of Transportation, transmitting a report on the study of soundproofing schools and public health facilities located near airports, pursuant to section 26(3) of Public Law 94–353; to the Committee on Public Works and Transportation.

1948. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 319); to the Committee on Public Works and Transportation.

1949. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 509); to the Committee on Public Works and Transportation.

1950. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide customs procedural reform, and for other purposes; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 685. Resolution providing for the consideration of H.R. 5400. A bill to establish a universal voter registration program, and for other purposes (Rept. No. 95–502). Referred to the House Calendar.

Mr. ZABLOCKI: Committee of conference. Conference report on H.R. 6884 (Rept. No. 95–503). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL (for himself, Mr. THONE, Mr. MINETA, Mr. BAUCUS, and Mrs. HECKLER):

H.R. 8340. A bill to require that all reports concerning certain sales of meat and meat food products meet standards set by the Secretary of Agriculture concerning accuracy and completeness; to the Committee on Agriculture.

By Mr. BIAGGI (for himself, Mr. PREYER, Mr. WYDLER, Mr. MURPHY of New York, Mr. FLORIO, Mr. KOCH, and Mr. GILMAN):

H.R. 8341. A bill to amend title XIX of the Social Security Act to provide that an individual who is unable to care for his or her personal needs without assistance shall be eligible as a disabled person (even though employable) for the services of a home health aide under the applicable State plan approved under such title; to the Committee on Interstate and Foreign Commerce.

By Mr. CLAY (for himself, Mr. FORD of Michigan, Mr. HARRIS, Mr. LOTT, Mr. SOLARZ, Mr. TAYLOR, Mr. UDALL, and Mr. CHARLES H. WILSON of California):

H.R. 8342. A bill to amend title 5, United States Code, to provide for the application of local withholding taxes to Federal employees who are residents of such locality; to the Committee on Post Office and Civil Service.

By Mr. CONABLE (for himself, Mr. CORMAN, Mr. BRODHEAD, Mr. BURLESON of Texas, Mr. COTTER, Mr. CRANE, Mr. DUNCAN of Tennessee, Mr. FISHER, Mr. FORD of Tennessee, Mr. FRENZEL, Mr. GEPHARDT, Mr. GRADISON, Mr. HOLLAND, Mr. JACOBS, Mr. JONES of Oklahoma, Mr. KETCHUM, Ms. KEYS, Mr. LEDERER, Mr. MARTIN, Mr. MIKVA, Mr. PICKLE, Mr. SCHULZE, Mr. STEIGER, Mr. TUCKER, and Mr. VANDER JAGT):

H.R. 8343. A bill to amend section 4940 of the Internal Revenue Code of 1954 to reduce the excise tax based on the investment income of private foundations from 4 percent to 2 percent; to the Committee on Ways and Means.

By Mr. CONABLE (for himself, Mr. CORMAN, and Mr. WAGGONNER):

H.R. 8344. A bill to amend section 4940 of the Internal Revenue Code of 1954 to reduce the excise tax based on the investment income of private foundations from 4 percent to 2 percent; to the Committee on Ways and Means.

By Mr. DELANEY (for himself, Mr. ROONEY, Mr. MARKEY, Mr. RINALDO, Mr. EARLY, Mr. STRATTON, and Mr. NOLAN):

H.R. 8345. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

By Mr. EDGAR (for himself and Mr. KOSTMAYER):

H.R. 8346. A bill to amend the Urban Mass Transportation Act of 1964 to revise the program of Federal operating assistance provided under section 17 of such act; to the Committee on Public Works and Transportation.

By Mr. GILMAN (for himself, Mr. BENJAMIN, Mr. HARRINGTON, Mr. YOUNG of Alaska, Mr. LAGOMARSINO, and Mr. FISH):

H.R. 8347. A bill to amend title 38, United States Code, in order to entitle veterans to 54 months of educational assistance for all educational programs under chapter 34 of such title, to eliminate the time limitation within which educational assistance must be used, and to restore on behalf of certain veterans educational assistance benefits previously terminated; to the Committee on Veterans' Affairs.

By Mr. HAMMERSCHMIDT (for himself, Mr. JOHNSON of California, Mr. YOUNG of Alaska, Mr. ROUSSELOT, Mr. CORNWELL, Mr. GOLDWATER, Mr. WALKER, Mr. RONCALIO, Mr. GINN, Mr. ROBERTS, Mr. DON H. CLAUSEN, Mr. MINETA, Mr. HOWARD, Mr. HUBBARD, Mr. STUMP, Mr. RAHALL, Mr. CLEVELAND, Mr. TUCKER, Mr. CORCORAN of Illinois, Mr. HOLLENBECK, Mr. DE LA GARZA, Mr. DEVINE, Mr. SHUSTER, Mr. FLIPPO, and Mr. DICKINSON):

H.R. 8348. A bill to amend the Airport and Airway Development Act of 1970 to require the establishment of a system of automated flight service stations; to the Committee on Public Works and Transportation.

By Mr. HILLIS:

H.R. 8349. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Ms. HOLTZMAN (for herself and Ms. BURKE of California):

H.R. 8350. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany; to the Committee on the Judiciary.

By Mr. JENRETTE:

H.R. 8351. A bill to provide emergency assistance to producers who suffer loss of feed grain production due to disastrous drought conditions in 1977; to the Committee on Agriculture.

By Mr. KASTEN (for himself, Mr. ADDABBO, Mr. BOWEN, Mrs. CHISHOLM, Mr. FISH, Mr. GEPHARDT, Mr. GLICKMAN, Mr. HAGEDORN, Mrs. HECKLER, Ms. KEYS, Mr. MOAKLEY, Mr. QUAYLE, and Mr. SCHULZE):

H.R. 8352. A bill to amend the National Housing Act to provide for the insurance of graduated payment mortgages, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. KAZEN:

H.R. 8353. A bill to amend section 10 of the act of August 4, 1976 (90 Stat. 1090) the Federal Coal Leasing Amendments Act of 1975; to the Committee on Interior and Insular Affairs.

By Mr. McDONALD:

H.R. 8354. A bill to amend the Immigration and Nationality Act to facilitate the adoption of more than two children; to the Committee on the Judiciary.

By Mr. MATHIS:

H.R. 8355. A bill to amend the Tariff Schedules of the United States by repealing item 807 of schedule 8, part 1, subpart B; to the Committee on Ways and Means.

By Mrs. MEYNER:

H.R. 8356. A bill to establish a Commission on Proposals for a National Academy of Peace and Conflict Resolution; to the Committee on International Relations.

By Mr. MOAKLEY:

H.R. 8357. A bill to amend title II of the Social Security Act to increase from 22 to 26 the age until which child's insurance benefits may be paid on the basis of full-time student status, and the age before which a child must have become disabled in order to qualify for such benefits on the basis of disability; to the Committee on Ways and Means.

By Mr. NEDZI (for himself, Mr. AMMERMAN, Mr. HAWKINS, Mr. PATTISON of New York, Mr. PANETTA, Mr. STOCKMAN, and Mr. THOMPSON):

H.R. 8358. A bill to amend title 44, United States Code, to provide for the designation of libraries of accredited law schools as depository libraries of Government publications; to the Committee on House Administration.

By Mr. RODINO (for himself, Mr. BROOKS, Mr. FLOWERS, Mr. SEIBERLING, Ms. JORDAN, Mr. MAZZOLI, and Mr. HUGHES):

H.R. 8359. A bill to restore effective enforcement of the antitrust laws; to the Committee on the Judiciary.

By Mr. RODINO (for himself, Mr. KOCH, and Mr. ALLEN):

H.R. 8360. A bill to amend chapter 5 of title 5, United States Code (commonly known as the Administrative Procedure Act), to permit awards of reasonable attorney's fees and other expenses for public participation in Federal agency proceedings, and for other purposes; to the Committee on the Judiciary.

By Mr. ROONEY (by request):

H.R. 8361. A bill to amend the Federal Railroad Safety Act of 1970 to clarify and strengthen the role of the States in promoting safety on the Nation's railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. SHARP (for himself and Mr. DRINAN):

H.R. 8362. A bill to amend the worker adjustment assistance provisions of the Trade Act of 1974 in order to provide that workers may be covered under certification of eligibility to apply for such assistance if they are totally or partially separated from adversely affected employment within 2 years before the date of the petition for such certification; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. ADDABBO, Mr. BENJAMIN, Mr. BONIOR, Mr. CAPUTO, Mr. CUNNINGHAM, Mr. ERTEL, Mr. FARY, Mr. GAYDOS, Mr. GILMAN, Mr. GLICKMAN, Mr. JENRETTE, Mr. KILDEE, Mr. LE FANTE, Mr. LENT, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. LOTT, Mr. MAGUIRE, Mr. MURPHY of New York, Mr. ROE, Mr. ROYBAL, Mr. RYAN, and Mr. BEDELL):

H.R. 8363. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods, and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

By Mr. SOLARZ:

H.R. 8364. A bill to allow a person having a claim for damages against an individual entitled to diplomatic immunity to bring an action in the Court of Claims for recovery of such damages from the United States; to the Committee on the Judiciary.

By Mr. STAGGERS (for himself, Mr. ROONEY, Mr. CARNEY, Mr. MADIGAN, and Mr. RINALDO):

H.R. 8365. A bill to amend the act of March 4, 1907, commonly referred to as the Hours of Service Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN:

H.R. 8366. A bill to amend the act of October 26, 1974, providing for the establishment of certain units of the national park system, to revise the boundaries of the John Day Fossil Beds National Monument in the State of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VANIK (for himself and Mr. JONES of Oklahoma):

H.R. 8367. A bill to provide customs procedural reform, and for other purposes; to the Committee on Ways and Means.

By Mr. WHALEN (for himself and Mr. BEDELL):

H.R. 8368. A bill to amend title II of the Social Security Act to reduce the effect of wage and price fluctuation on old-age, survivors, and disability benefits, with such benefits being computed on the basis of the workers' 10 or less years of highest earnings; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. GILMAN, Mr. BAUCUS, and Mr. STARK):

H.R. 8369. A bill to amend title 38, United States Code, to provide counseling for certain veterans; to permit acceleration of monthly educational assistance payments to eligible veterans and dependents; to revise the criteria for nonaccredited courses; to provide alternative financial and educational assistance to peacetime post-Korean veterans affected by the expiration of their delimiting period; to provide for a conditional extension of the delimiting period for certain Vietnam-era veterans; to provide for the development of additional educational, employment, and readjustment assistance programs for veterans; to provide for the correction and preclusion of, and protection against, abuses and misuse of veterans benefits; and to otherwise enhance and improve the effectiveness, integrity, and utilization of veterans readjustment assistance programs; to the Committee on Veterans' Affairs.

By Mr. HARRINGTON:

H.R. 8370. A bill to restore the effective enforcement of the antitrust laws; to the Committee on the Judiciary.

By Mr. EILBERG (for himself, Mr. PHILLIP BURTON, Mr. MAZZOLI, Mr. MONTGOMERY, Mr. MURPHY of Pennsylvania, Ms. FENWICK, Mr. EVANS of Georgia, Mr. ERTEL, Mr. MICHAEL O. MYERS, Mr. STOKES, Mr. WINN, Mr. FISH, Mr. LEDERER, Mr. BADILLO, Mr. PEPPER, Mr. LAGOMARSINO, and Mr. FARY):

H.J. Res. 548. Joint resolution to designate the calendar week beginning February 5, 1978, as National Electrical Safety Week; to the Committee on Post Office and Civil Service.

By Mr. BLANCHARD:

H. Con. Res. 283. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. FINDLEY:

H. Con. Res. 284. Concurrent resolution on Middle East peace; to the Committee on International Relations.

By Mr. ROBERTS:

H. Con. Res. 285. Concurrent resolution providing for printing of summaries of legislation concerning veterans; to the Committee on House Administration.

By Mr. RUSSO:

H. Con. Res. 286. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. STUDDS (for himself, Mr. BEILENSON, Mr. CAVANAUGH, Mr. HARRINGTON, Mrs. MEYNER, Mr. DRINAN, Mr. BRODHEAD, Mr. EILBERG, Mr. LLOYD of California, Mr. OTTINGER, Mr. WAXMAN, Mr. SISK, Mr. PANETTA, Ms. HOLTZMAN, Mr. MITCHELL of Maryland, Mr. LEACH, Mr. KOSTMAYER, Mr. HARKIN, Mr. DOWNEY, Mr. PATTISON of New York, Mr. MILLER of California, Mr. HUGHES, Mr. BAUCUS, Mr. DELLUMS, and Mr. IRELAND):

H. Con. Res. 287. Concurrent resolution disapproving the proposed sale of airborne early warning aircraft to Iran; to the Committee on International Relations.

By Mr. WOLFF (for himself and Mr. VENTO):

H. Con. Res. 288. Concurrent resolution expressing the sense of the Congress that the President actively seek an international convention which has as its goal a multilateral treaty to deny sanctuary to international terrorists; to the Committee on International Relations.

By Mr. YATRON:

H. Con. Res. 289. Concurrent resolution calling for freedom and self-determination for Lithuania, Latvia, and Estonia; to the Committee on International Relations.

By Mr. ROE:

H. Res. 686. Resolution to create a select committee to conduct a study of the circumstances surrouding both product liability and professional liability insurance rate increases, and of any other product and professional liability insurance coverage issues the committee shall determine; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

220. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to Federal assistance to agricultural industries; to the Committee on Agriculture.

221. Also, memorial of the Legislature of the State of Louisiana, relative to Federal programs for flood victims; to the Committee on Banking, Finance and Urban Affairs.

222. Also, memorial of the Legislature of the State of Louisiana, relative to nuclear facility construction; to the Committee on Interior and Insular Affairs.

223. Also, memorial of the Legislature of the State of New York, relative to the security of the Republic of China; to the Committee on International Relations.

224. Also, memorial of the Legislature of the State of California, relative to telephone rates; to the Committee on Interstate and Foreign Commerce.

225. Also, memorial of the Legislature of the State of Louisiana, relative to the effects of saccharin; to the Committee on Interstate and Foreign Commerce.

226. Also, memorial of the Legislature of the State of Louisiana, relative to regulation of the insurance business; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HARKIN:

H.R. 8371. A bill for the relief of John H. R. Berg; to the Committee on the Judiciary.

H.R. 8372. A bill for the relief of Conrad C. Stork; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 8373. A bill for the relief of Dr. John C. Hume; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

147. The SPEAKER presented a petition of the Sport Fishing Institute, Washington, D.C., relative to a national wetlands protection policy; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

H.R. 5400

By Mr. LEVITAS:

Page 26, line 19, insert "(i)" after "(B)".

Page 26, line 25, strike out "(i)" and insert in lieu thereof "(I)".

Page 27, line 4, strike out "(ii)" and insert in lieu thereof "(II)".

Page 27, after line 7, insert the following new clause:

(ii) Any State may provide by law, in accordance with the provisions of this clause, that such State shall not be subject to the requirements of subsection (a) or any other requirement of this Act. Any such provision by a State shall not apply to the general election for Federal office in 1978. No such law enacted by any State shall be considered to be in effect for purposes of this clause unless such State completes all action necessary to place such law in effect before the close of December 31, 1981.

By Mr. RHODES:

Page 30, after line 17, insert the following new paragraph:

(8)(A) Each State and unit of general local government shall require that any individual who registers to vote in a Federal election under subsection (a)(1), and any individual who registers to vote in a Federal election during the 7-day period immediately before such election, shall vote in such election through the use of a paper ballot.

(B) Any paper ballot cast by any individual in accordance with subparagraph (A) shall be sealed in a separate unmarked envelope by such individual and returned to a State or local official at the polling place involved. Such State or local official shall attach the envelope to any registration information and materials required to be furnished by such individual under this subsection or under the laws of the State or unit of general local government involved.

(C)(i) Each State and unit of general local government may take such steps as may be necessary, in accordance with any applicable State law, to inspect and verify any registration information and materials specified in subparagraph (B), in the case of any individual who votes by paper ballot in accordance with subparagraph (A). Such State or unit of general local government shall make such information and material available to any official representative of a political party, upon written request, for purposes of such inspection and verification. Any such inspection and verification shall be completed within a reasonable time after the election involved.

(ii) Any paper ballot cast in accordance with subparagraph (A), and any registration information and materials specified in subparagraph (B), shall be subject to challenge in accordance with any applicable State law in the State involved. If any such ballot is disallowed as a result of any such challenge, such ballot may not be included in the voting tabulation for the Federal election involved by the State or unit of general local government involved.

(iii) Any paper ballot cast in accordance with subparagraph (A) shall be detached from any registration information and materials accompanying it before such ballot is tabulated by the State or unit of general local government involved.

H.R. 7171

By Mr. BONIOR:

Page 67, after line 11, insert the following new subsection.

SEC. 1106. (a) On or before January 31, 1978, and every second year after 1978, the Secretary of Agriculture, in consultation with the administrator of the Agency for International Development, shall prepare and transmit to each House of the Congress a hunger impact statement concerning domestic and international food assistance programs administered through the Department of Agriculture and such programs administered through the Agency for International Development. Such statement shall at least include, with respect to food assistance programs carried out, or to be carried out, within two years of the date on which such statement is transmitted, the following:

(1) a description of areas in which food assistance has been, or will be, provided, including income levels, nutritional characteristics, and food production in such areas;

(2) a description of the nutritional value of agricultural commodities which have been, or will be, distributed under such programs; and

(3) an evaluation of such programs, including the efficiency of administration and the effects of such programs with respect to nutritional improvement, if any, of individuals receiving benefits from such assistance.

(b) The Secretary may secure directly from any department or agency of the United States information necessary to enable him or her to carry out the provisions of this section. Upon request of the Secretary, the head of such department shall furnish such information to the Secretary.

By Mr. HARKIN:

Page 14, line 18, strike "$1.75 per bushel for the 1977 crop and".

Page 14, line 19, strike "1978" and insert in lieu thereof: "1977".

Page 16, line 4, strike "$1.85" and insert in lieu thereof: "$2.00".

Page 64, immediately after line 16, insert the following:

"AGRICULTURAL CONSERVATION PROGRAM

"SEC. 1013. Subsection (a) of section 7 of the Soil Conservation and Domestic Allotment Act (49 Stat. 1149, as amended; 16 U.S.C. 590(a)) is amended to read as follows:

"(a) Congress recognizes that agricultural producers, as the suppliers of the Nation's food and fiber and owners and operators of private lands, have the responsibility for making the management decisions relating to (1) changes in land use or cropping systems which are needed to conserve, develop, and protect soil and water resources on agricultural land; (2) the installation of soil and water conservation measures to provide enduring protection to agricultural land from erosion, deterioration, pollution by natural and manmade causes; (3) the improvement of water quality through the prevention and abatement of agricultural-related pollution. It is hereby declared to be the policy and purpose of this act to assist agricultural producers in attaining these objectives and thereby help assure (1) the continued supply of food and fiber necessary for the maintenance of a strong and healthy

people and economy and (2) the conservation of vital natural resources and enhancement of the environment. The activities necessary to attain these objectives shall be carried out to the extent feasible in such a way as to benefit fish and wildlife resources; promote recreation; preserve open space and enhance natural beauty; preserve vital historic and archeological sites; maintain important aquatic areas to help prevent floods and improve water management; prevent pollution and environmental degradation; and avoid the creation of hazards to persons or animals.

"SEC. 1014. Section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h) is amended by—

(a) striking out the first three sentences of subsection (b) and inserting in lieu thereof the following:

"(b) The Secretary is authorized to carry out the policy and purpose specified in section 7(a) by providing financial assistance to agricultural producers, based in the case of long-term agreements, on farm and ranch conservation plans approved by local conservation districts, where such districts are organized, for carrying out enduring conservation and environmental enhancement measures. For the purpose of this section, the term "long-term agreement" refers to a multiyear agreement not in excess of ten years. Eligibility for financial assistance shall be based upon the existence of conservation or environmental problems which cause a reduction in the productive capacity of the Nation's land and water resources or cause a degradation of environemntal quality. The local committees provided for hereinafter shall determine, in accordance with the provisions of this Act and criteria established by the Secretary, the types of conservation problems that exist on farms and ranches, the priorities of such problems, and the practices needed to solve them. The amount of financial assistance to be provided shall be that portion of the cost of effectuating the physical installation of conservation and environmental enhancement measures, which the Secretary determines is necessary. In determining level of payment, consideration will be given to—

"(1) the farmer's inability to carry out the measures to the needed extent with his own resources.

"(2) the amount of expected conservation or environmental benefit accruing to society;

"(3) the total cost of carrying out the needed measures;

"(4) the degree to which the farmer benefits from other public programs aimed at conservation and environmental enhancement; and

"(5) the degree to which appropirate conservation or pollution abatement practices will be applied in the absence of financial assistance.

"The Secretary, informulating the national program, shall take into consideration:

"(1) The need to control erosion and sedimentation from agricultural land and to conserve the water resources on such land.

"(2) The need to control pollution from animal wastes.

"(3) The need to facilitate sound resource management systems through soil and water conservation.

"(4) The need to encourage voluntary compliance by agricultural producers with Federal and State requirements to solve point and nonpoint sources of pollution.

"(5) National priorities reflected in the National Environmental Policy Act and other current congressional and administrative actions.

"(6) The degree to which the measures contribute to the national objective of assuring a continued supply of food and fiber necessary for the maintenance of a strong and healthy people and economy.

"(7) The type of conservation measures needed to improve water quality in rural America.";

(b) striking out ", and, wherever practicable, they shall be classified on two bases: (a) Soil-depleting crops and practices, (b) soil-building crops and practices." in the last sentence of the first paragraph of subdivision (b);

(c) striking out subsection (c) and inserting in lieu thereof the following:

"(c) Funds appropriated for carrying out the purpose of this Act may not be utilized to provide financial or technical assistance for drainage or filling on wetlands designated as wetland types 3 through 20 in the United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956, or other equivalent reports issued subsequently; *Provided,* That the Secretary shall encourage the preservation of wetlands types 1 and 2 where they are adjacent to wetlands types 3 through 20 and are needed to maintain a balanced aquatic or semi-aquatic ecosystem; *Provided further,* That this section shall not affect authorities provided in Public Law 87–732."

(d) striking out subsection (d);

(e) striking out the first three paragraphs of subsection (e) and inserting in lieu thereof the following:

"(e) Payments made by the Secretary under subsection (b) to agricultural producers shall be divided among landlords, tenants, and sharecroppers in proportion to the extent such landlords, tenants, and sharecroppers contribute to the cost of carrying out the conservation or environmental enhancement measures.

"The maximum payment which may be made to any person shall be determined by the Secretary.";

(f) striking out subsection (f); and

(g) striking out the second sentence of subsection (g).

"SEC. 1015. Section 10 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590j) is repealed.

"SEC. 1016. Section 12 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590l) is repealed.

"SEC. 1017. Section 13 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590m) is amended by striking out 'Production and Marketing Administration' each place it appears and inserting in lieu thereof 'Agricultural Stabilization and Conservation Service', by striking out 'Administration' and inserting in lieu thereof 'Service'.

"SEC. 1018. Section 15 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590o is amended—

"(a) by adding the following new sentences at the end of the first paragraph:

"The amount appropriated shall be available until expended. A specified amount or percentage of the appropriation shall be designed for long-term agreements. The Secretary shall distribute the funds available for financial assistance among the several States in accordance to their conservation needs, as determined by the Secretary; and

"(b) by striking out the second undesignated paragraph of such section.

"SEC. 1019. Subsections (a) and (e) of section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(a) and 590p (e)) are repealed.

"SEC. 1020. The Act of June 16, 1938 (52 Stat. 710, 746; 16 U.S.C. 590h–1), is amended by striking out the last proviso in the undesignated paragraph under the heading 'CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES, DEPARTMENT OF AGRICULTURE'.

"SEC. 1021. The provisions of sections 1013 through 1020 shall become effective October 1, 1977."

By Mr. MAHON:

Page 24, on line 16, strike the words "shall immediately" and insert in lieu thereof the word "may".

By Mr. NOLAN:

Page 1, insert the following immediately after line 13:

"SEC. 102. Section 101(4) of the Agricultural Act of 1970, as amended, is renumbered as section 101(5) and the new section 101(4) is added as follows:

"(4) No payments shall be made under the annual programs established under the Agricultural Act of 1949, as amended, for the 1978 through 1981 crops of wheat, feed grains, upland cotton, and rice to;

"(a) a corporation, partnership, or other legal entity comprised of more than one person if a majority interest in such legal entity is held by stockholders, partners, or persons who themselves are not engaged in farming operations as a sole proprietorship;

"(b) a trust or similar arrangement established by a person who would not have been eligible for payment under this subsection;

"(c) The provisions of this subsection shall not prohibit prgram participation by:

"(i) Any farmer-owned and controlled cooperative, corporation, or association which meets the requirements of the Act entitled "An Act to authorize association of producers of agricultural products", approved February 18, 1922 (42 Stat. 388, 7 USC 291–292, the Capper-Volstead Act) or as defined in section 15(a) of the Agricultural Marketing Act of 1929 (49 Stat. 317; 12 USC 1141).

"(ii) Any family farm corporation founded primarily for the purpose of earning income from agriculutral production. A majority of the shares must be held by, and a majority of the shareholders must be, close relatives. To qualify, a farm must be lived on or actively operated by one of the related family member stockholders.

"(iii) An organization described in section 501(c)(3) of the Internal Revenue Code of 1954 and exempt from tax under 501(a) of such Code."

By Mr. PANETTA:

Page 123 line 4, after "Conservation," insert "Water Conservation,".

Page 123, after line 24, insert the following new paragraph and redesignate the subsequent paragraph accordingly:

(d) Water conservation, including the development and dissemination of scientific and technological information to improve methods, procedures and practices for conserving water (such as irrigation management, tail water reuse, desalination, and crop conversion);

By Mr. SEBELIUS:

Page 8, line 20, insert the following new paragraph:

(p) "Elderly person" in this Act shall mean a person 65 years of age or older.

Title XI, on page 67, immediately after line 4, insert the following new section and redesignate existing section 1105 as section 1106:

"(e) Bagged commodities for the purpose of financing by the Commodity Credit Corporation under this Act shall be considered 'exported' upon delivery at port, and upon presentation of a dock receipt in lieu of an on-board bill of lading.".

By Mr. SMITH of Iowa:

Strike line 20 page 44 through line 19 on page 46 and in lieu thereof substitute the following:

SEC. 902. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 109. (a) Notwithstanding the provisions of any other section of this Act or the provisions of any other law, the Secretary of Agriculture shall establish, maintain and dispose of a separate reserve of wheat,

corn, and other enumerated feed grains through storage contracts with producers as described in this section and in accordance with the provisions of this Section. Such reserves shall be no less than twenty-five million tons nor more than thirty-five million tons: *Provided*, (i) That such maximum amount may be adjusted by the Secretary as required to meet such commitments as may be assumed by the United States pursuant to an international agreement containing provisions relating to grain reserves; (ii) that the Secretary is authorized to proportion reserve stocks of grain to correspond to usual marketing demands; and (iii) that the aforementioned totals and proportions of stocks are to be considered norms or averages and shall not prohibit the accumulation or release of stocks as authorized under other provisions of this section. The Secretary shall not charge interest on a loan on grain held by a producer in such reserve.

"(b) The reserve shall be constituted by offering to producers who have eligible commodities under a Commodity Credit Corporation loan or purchase agreement an opportunity to enter into a storage agreement of not less than three nor more than five years, and by providing for storage payments to producers of such amounts as the Secretary determines appropriate to cover the cost of storing the commodities held under these agreements. The grain initially stored under a producers storage contract shall have been produced by the producer and stored at his expense for the first eight months of the marketing year in which it was produced. Such producer agreements shall permit producers to cancel the agreement or redeem the commodity held under the terms of this section during such periods as the Secretary determines that the market price for that commodity exceeds 140 per centum of the then current loan rate for such commodity, and payments for storage shall cease during these same periods. The Secretary shall establish interest and storage penalties sufficient to offset any advantages which might accrue to producers due to premature redemption of loans (that is, redemption which occurs when the Secretary has determined the market price equals or is below 140 per centum of the then current loan rate), or any other actions in violation of the terms of this subsection.

"(c) Storage contracts made under provisions of this section shall contain a provision permitting cancellation by the Secretary of storage agreements, and cancellation of any Commodity Credit Corporation loans made under provisions of this section at such time as the Secretary determines that the market price for the commodity exceeds the higher of the following:

"(1) 165 per centum of the then current loan rate for that commodity, or

"(2) 130 per centum of the average market price for the preceding three marketing years:

Provided, however, That the quantity of the commodity covered by such cancellations shall be limited to the net quantities by which estimated domestic consumption and exports exceed estimated domestic production, imports, and carryovers for the marketing year.

"(d) The Secretary may, at his option, reconcentrate all grains stored in commercial warehouses at such points as he deems to be in the public interest, taking into account factors including transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations which assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by his commitment. In the event of failure to cover his commitment with either the quantity or quality of grain specified, the holding producer shall be required to reimburse the government for any deficiencies in value and the holding warehouseman shall pay twice the amount of any such deficiencies in value.

"(e) The net additional quantity of any commodity covered by such long-term storage contracts under this section in any marketing year shall not exceed the lesser of the following:

"(1) the net additional estimated total carryover in excess of normal for the marketing year; or

"(2) the amount the maximum reserve inventory determined for the given commodity in subsection (a) above exceeds the total stocks of such commodity held in the reserve at the beginning of the marketing year.

"(f) Except as provided in subsection (g) herein, notwithstanding any other provision of law, the Commodity Credit Corporation shall not sell any wheat, corn, barley, rye, oats or grain sorghum owned or controlled by it for less than 150 per centum of the then current respective loan rates. The provisions of this subsection shall not apply to sales or other disposals of such commodities under (a) the fifth and sixth sentences of section 407 of this Act; (b) the Act entitled 'An Act to authorize the sale at current support prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes', approved September 21, 1959 (73 Stat. 574), and (c) section 813 of the Agricultural Act of 1970.

"(g) The Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such commodities which the Commodity Credit Corporation owns or controls. Such purchases to offset sales shall be made within two market days. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions entered into hereinunder.

"(h) The Secretary shall use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this section; and to the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.".

By Mr. WOLFF:

Page 157, strike out line 16 and all that follows through line 4 on page 181 (and amend the table of contents on page 2 accordingly).

SENATE—*Friday, July 15, 1977*

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. GEORGE MCGOVERN, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Dear Lord and Father of mankind, we thank Thee for Thy mercies which are new every morning. Rekindle the flame of Thy holy spirit within us. Renew our minds. Strengthen our bodies. Fill our hearts with Thy love. Equip us, O Lord, not for selfish pursuits, but for service to the whole Nation and to our fellow man everywhere.

"With Thee began, with Thee shall end the day:
Guard Thou the lips from sin, the hearts from shame,
That in this house have called upon Thy name." JOHN ELLERTON, 1866.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 15, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable GEORGE MCGOVERN, a Senator from the State of South Dakota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MCGOVERN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Thursday, July 14, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

OUTER CONTINENTAL SHELF BILL

Mr. ROBERT C. BYRD. Mr. President, I inquire of the minority leader as to whether or not there might be a possibility that we could get a further reduction in the time limitation on any amendments about which he may know.

Mr. BAKER. Mr. President, I thank the majority leader for his inquiry.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The ACTING PRESIDENT pro tempore. The Senate will be in order.

Mr. BAKER. Mr. President, I made inquiry of Members on this side, following our colloquy last night, about the possibility of reducing time. I am happy

to report that on this measure—the only one where we did not have a reduction of time was the Bartlett amendment—Senator BARTLETT has indicated his willingness to reduce that time from 2 hours to 1 hour.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader for this information.

I make such a request at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE APPROPRIATIONS BILL

Mr. BAKER. Mr. President, if the majority leader would permit me, I would also say that if he plans today to try to turn to the consideration of the legislative appropriations bill, I believe we might be able to reach an agreement on that measure, as well.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

I would plan to call up that measure today. Does he have a suggestion as to the time?

Mr. BAKER. Mr. President, if the majority leader will yield, I took the liberty of inquiring on this side of the aisle about approval for a limitation of time of 1 hour on the bill and 30 minutes on amendments to the bill, and if that has any appeal to the majority leader I would be happy to agree to that arrangement.

Mr. ROBERT C. BYRD. Very well.

Mr. President, I ask unanimous consent that on the legislative appropriation bill there be a time limitation of 1 hour to be equally divided between Mr. HUDDLESTON and Mr. SCHWEIKER, that there be a time limitation on any amendment thereto of 30 minutes, a time limitation on any debatable motion or appeal, or point of order, if such is submitted to the Senate, of 20 minutes, and that the agreement in respect to the division and control of time be in the usual form.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I thank the majority leader, Mr. President.

Mr. ROBERT C. BYRD. I thank the minority leader.

Mr. President, I think the Senate should be aware that the legislative appropriation bill will be called up today. If there is a hiatus at some point prior to the completion of the OCS bill which would lend itself to the transaction of business on the legislative appropriation bill, the leadership will attempt at that point to bring up the legislative appropriation bill.

However, if that does not occur, upon final disposition of the OCS bill the leadership will then call up the legislative appropriation bill.

I personally do not know of any specific problem with that bill. I doubt that a great deal of time will be needed to dispose of it. But Senators should be alerted to the fact that final action on the OCS bill will not necessarily mean that the Senate has completed its business today or that the final rollcall has occurred.

Now, it may very well be that no rollcall votes will be necessary on the legislative appropriation bill, but I think that both cloakrooms should be aware of this so that Senators may be so informed.

I thank the distinguished minority leader.

OUTER CONTINENTAL SHELF BILL

Mr. BAKER. Mr. President, if I could speak one moment in that respect, I would also hope that our colleagues on this side of the aisle, who may not intend to call up their amendments which are printed at the desk, might let us know this as soon as possible so that we can plan on this side the sequence of those amendments during the course of the day.

Mr. ROBERT C. BYRD. This leads me, if I may suggest, Mr. President, to the distinguished minority leader, that we ask our respective cloakrooms to determine, if possible, the number of amendments Senators intend to call up, as we did the other day and it was very successful in that event, and I would be willing on my side to see if any Senators on this side of the aisle plan to call up amendments and, if so, we will know who they are and we will be able, perhaps, to expedite the calling up of those amendments.

Mr. BAKER. Mr. President, I think that is a good suggestion. I will then ask our cloakroom to put out a so-called hot line telephone message advising our Members that it is the intention of the majority leader to try to dispose of the legislative appropriation bill today and also to inquire if Members on this side of the aisle have amendments which are not printed and if they intend to call up the amendments which have been printed.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I will be happy to report the results of that telephone query to the majority leader as soon as I have it.

Mr. ROBERT C. BYRD. Yes, and the minority leader, I believe, has in mind amendments to the OCS bill.

Mr. BAKER. That is correct.

Mr. ROBERT C. BYRD. So do I.

I think this has been a helpful discussion, Mr. President. I again thank the minority leader.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I yield the remainder of my time under the standing order to the distinguished Senator from Kansas.

The ACTING PRESIDENT pro tempore. The Senator from Kansas is recognized.

THE FARM CRISIS IS DEEPENING

Mr. DOLE. Mr. President, I appreciate the distinguished minority leader yielding this time because I would like to speak very briefly about the deepening farm crisis.

Mr. President, I am afraid that the plight of U.S. farmers, especially wheat and feed grain producers, who find themselves caught in a vicious cost-price squeeze is not fully understood by most Americans—except for those whose livelihoods are in some way affected directly by farming or related enterprises.

While wheat farmers have seen the items comprising their cost of production escalate, they have seen the price of wheat plunge from around $4 per bushel to less than $2, which is about $1 below the cost of production for most farmers.

You find out rather quickly how serious the situation is for the grain farmers and for the rural communities dependent on their income by talking with bankers, implement dealers, grain dealers, and farmers in grain producing areas such as my State of Kansas.

COMMENTS FROM KANSAS

I would like to share with Senators some of the comments I have heard from back in Kansas.

From grain dealers I am hearing these comments:

Farmers Cooperative Association, Parsons, Kans., Dean Walker:

> Farmers are having a real problem recovering their cost of production. Commodity prices are just too low. Soybeans have dropped $3.00 in the last two weeks. The whole market needs a little bit of stability. Fuel, taxes, machinery, fertilizer—everything is up price-wise for the farmer, but the price is pretty low. The outcome is that many farmers who are now out on a limb with mortgages on their property and high interest payments are going to be bankrupt very soon. We (cooperatives) have a high number of accounts receivable—higher than we have ever had, and I am a little bit worried about getting it back. I can't see the market getting better the way it is right now. I have been in the grain business since 1939 and the last couple of years have been the shakiest I have ever been through. It is a vicious circle—unions strike for higher wages and companies then have to raise their prices on goods produced and thus the cost of living goes up. Then the unions strike for higher wages and it starts over again. While this is going on, the farmers are out in the fields producing. They have to pay the higher price for the machinery and everything because the unions have forced the prices up, but their commodity is just given away.

Fort Scott Grain & Feed Co., Inc., Fort Scott, Kans., Jack Prather:

> When the farmers make money, we do, and they aren't making money. Because the prices are so low the farmers in this area aren't going to produce wheat next year. Because the prices are so low, they are going to plant fall crops instead, such as soybeans and sorghum.
>
> Because they are going to plant fall crops, they are going to inflate the fall market and that will lower the price on beans and sorghum and increase the problems all the way around. Elevators are closing all over the State. The reason is because they are not making money, and they are not making money because the farmers are not making money and that goes back to the top of the argument.

AGCO, Inc., Russell, Kans., Loren Dinkel:

paying a little to the bank and none to the grain dealer or vice versa—cannot pay both. The farm economy is very bad. Some are There isn't enough money in the farmer's hand to go around. The farmer doesn't need more credit—he has had too much already. What he needs is a profit.

Garden City Co-Op, Garden City, Kans., Harley Foulks, manager:

We all know that the farm problem will have a domino effect on the rest of the economy in our agricultural areas. I think it will spread from farm areas to industrial areas if something is not done.

Implement dealers, who are among the first to feel the effects of a farm depression, have made these comments to me:

This is one of the most depressed economic times we've ever seen. There is no way things can continue as they are—we can't last. We need to have foreign grain sales or immediate government help—not in six months, but now. We won't last six more months.

Farm implement dealer, Garden City, Kans., Cecil O'Brate:

The ripple effect of the declining farm economy is being felt by implement dealers. One of my stores which sold 40 tractors last year has sold only 6 this year.

Western Kansas Manufacturers, Inc., Dodge City, Herb Greenstreet, executive secretary:

Since 1975, tractor sales in nine wheat producing states declined 15.5 percent. A survey of Kansas implement dealers showed a 17.7 percent decrease in dollar volume and a 35.9 percent decrease in employment since 1975. In the first quarter of the year, combine sales are off 27.7 percent and tractor sales are off 27.3 percent. We don't see anything better in the next two to three years for farm equipment manufacturers.

The Emporia Gazette, of Emporia, Kans., carried the following interesting statement on July 8, 1977, in its "60 Years Ago" column:

The first wheat of the 1917 crop has been sold to the Soden's Mill by Ed Collins of the Fowler neighborhood. It brought $2.00 a bushel.

Here we are 60 years later and the Ed Collins' cannot get $2 for a bushel of wheat.

KANSAS BANK SURVEY

My colleague, Representative SEBELIUS, recently surveyed the Kansas Bankers Association. Survey returns from over 300 Kansas banks showed that 45 percent of Kansas farmers are in "serious trouble" and indicate that 86 percent of the States' wheat producers will lose money this year because of the current farm crisis. Those farmers in "serious trouble" included 8.7 percent of farm bank customers who cannot repay current debts and 36.2 percent of farm customers who have gone through major refinancing of their assets.

PRICE COMPARISONS: INAUGURATION DAY VERSUS CURRENT

I would like to compare some cash prices for farm crops carried in the Wall Street Journal on Inauguration Day, January 20, 1977, with those quoted in the same paper on Tuesday, July 12, 1977:

Farm commodity	Jan. 20, 1977	July 11, 1977	Decline since Jan. 20 1977
Wheat, No. 2 Ord. Hard Kansas City (bushel)	$2.70¾	$2.34½	$0.36
Wheat, No. 2 Soft Red Chicago (bushel)	2.73½	2.20½	.53
Milo, No. 2 Kansas City hundredweight	4.10	3.30	.80
Corn, No. 2 Yellow Chicago bushel	2.59	2.07¼	.51¾
Oats, No. 2 Milling Minneapolis (bushel)	1.82	1.20	.62
Rye, No. 2 Minneapolis (bushel)	2.90	2.15	.75
Barley, top quality Minneapolis (bushel)	3.35	2.50	.85
Soybeans, No. 1 Yellow Chicago (bushel)	7.15½	5.93	1.22
Flaxseed, Minneapolis (bushel)	7.50	5.15	2.35
Sugar, cane raw New York (pound)	11.55	.0964	.02
Cotton, 1 1/16 in mid-Memphis (pound)	.6565	.6040	.05¼

The public was led to believe that the Carter administration would would get the "economy moving." Well, it has not happened for producers of crops.

All of the grain crops, soybeans, sugar, and cotton have suffered drastic declines in the prices producers received for their products while their costs have increased substantially.

This week, in hearings on problems of international trade before the Subcommittee on International Trade of the Senate Finance Committee, Tom Smith, a witness for American Cotton—AMCOT—which is the sales arm of four major U.S. cotton marketing cooperatives, testified that cotton prices are down $100 per bale from prices received earlier in the marketing year.

In the first 5 months of the Carter administration, wheat is down 53 cents per bushel. Corn is off 52 cents per bushel, soybeans are off $1.22 per bushel, flaxseed is down $2.35 per bushel. Also, sugar prices are down.

These declines in prices have not been addressed by any innovative ideas or programs of the new administration that I have seen during their first 5 months in office.

I see the Canadians outselling us in world markets, including China. I hear threats of a veto if target prices are high enough for a farmer to recover his cost of production.

HEARING ON INTERNATIONAL TRADE

On Wednesday, July 13, 1977, we held a hearing in the Subcommittee on International Trade of the Senate Committee on Finance on the problems of international trade. Witnesses included Secretary Bergland and representatives of various commodity groups. I detected a strong sentiment for greater use of CCC credits to make U.S. farm products more competitive in world markets. Secretary Bergland confirmed that the CCC "makes a profit" on the CCC credit program. I believe that this program, which does not affect the taxpayers' pocketbooks, should be used more vigorously to facilitate exports, and I invite the administration's support of legislation which I have proposed to expand its use in world markets where it is now prohibited.

ADMINISTRATION SHOULD REASSESS POSITION

To help alleviate the distress in rural America caused by slack demand and falling prices, I hope the administration will reassess its position concerning its acceptance of the farm support levels in the Senate farm bill.

We attempted in that bill to do two things regarding needed support for farm commodities. First, we set the loan level for commodities at a point that would permit U.S. grain to remain competitive in world markets; and second, we felt that the target or income supplement price should be high enough to enable farmers to recover, on the average, their cost of production—not a guaranteed profit, but merely production costs.

This seems fair not only to the farmers who take their chances against the vagaries of weather, insects, and disease, but, also, to the consumers who have a vital interest in maintaining a viable farm economy that can deliver to the tables of America and the world a stable supply of food at reasonable prices.

Thus, these principles were embodied in the Senate farm bill and they resulted in a wheat target price of $2.90 per bushel in 1977 and $3.10 in 1978. I urge my colleagues in the House to increase their target levels to conform with those of the Senate. Twenty-five cents per bushel, which is the difference between the House and Senate target prices for 1977, equates to a possible $100 million in my State of Kansas and $500 million nationally in potential farm income.

It is my contention, and my colleagues have concurred with their votes on the floor of the Senate, that farmers deserve to recover their cost of production, as represented in the Senate figures. To compromise on these figures would be, in essence, "picking the farmers' pockets."

SENATE FARM BILL EQUITABLE AND FAIR

This Senator believes that the Senate farm bill is equitable and fair to the farmer, the consumer, and the taxpayer. I do not see how President Carter could veto this legislation without losing credibility. After all, it has been less than a year since, as a candidate, he said:

If I am elected, we will make sure that our crop support prices are at least equal to the cost of production. That will not guarantee a profit—no real farmer wants that—but it will give the determined farmer a chance to stay in business . . . .

FARM CRISIS NOT A LOCALIZED PROBLEM

The Dallas Federal Reserve Bank in its June economic report shows that the farm income problem is not localized in any one State. Farm debt, which increased $11 billion in 1976 and stood at $100 billion at the start of 1977, is continuing "with a large increase expected again this year." The report says that financial problems are greatest for borrowers in the Midwest and Southwest who are "having difficulty servicing their debts as a result of the cost-price squeeze caused by higher production costs and lower farm prices.

I should like to conclude my statement

with some quotes from people affected by the farm crisis in States other than Kansas. Depressed prices are spreading from wheat to feed grains to the detriment of the farm economy in many States. I would like to share these comments from feed grain areas:

COMMENTS FROM CORN BELT

Demeter, Inc., Fowler, Ind., Don Brouilette:

We have the worst of two worlds in this local area—low prices and drought. With $1.90 corn and no rain, the corn farmer cannot do anything but lose on his crop. Soybeans could still provide him some income.

We have had some farmers undercapitalized, and I would guess that some will bite the dust in the next couple of years unless something is done to keep them in farming.

A local implement dealer that has been in business about seven years told me that last week was the first week since he has been in business he hasn't sold a single piece of equipment—not even a small insignificant sale.

The price levels in the Senate bill would help farmers stay in farming. It looks like a fair way to correct the situation until exports return.

Farmers are going to put most of their harvest under loan this year, and this will make prices climb so that higher loan levels will be more workable.

Farmers Union Coop Association, Greenwood, Nebr., John Jones, Manager:

It's beginning to get critical. You get the tune from the farmer that they are "losing faith in the government."

The price of grain is down. Last year they got fifty, sixty to seventy bushels of wheat per acre and got by, but this year if they didn't get at least forty to fifty bushels per acre (and many didn't), they cannot make their cost of production.

This increase in target prices and deficiency payments is essential to keep the farmer going, and, with some production controls next year, they ought to make it until increased exports and better prices return.

National Bank of Monticello, Monticello, Ill., C. N. Finson:

Farmers last year were in good shape. They are now getting $1.84 per bushel for corn, which is well below the cost of production. They are holding corn. Looks like another good production year and price won't come back because of large supply. There is no profit in it. Beginning to feel pressure on cash flow—operating costs, taxes, and cost of living. The farmers in the biggest bind are the ones who have made land purchases. Banks can refinance without much difficulty. Concern about the farm bill is the loan levels. Farmers feel they will be priced out of world market.

Farmers State Bank, Trimont, Minn., Leslie Peterson:

Beginning to run into increased problems with cash flow. Corn is selling at $1.78 to $1.80 per bushel. Farmers refuse to sell at $2.00 per bushel. Will have some problems handling 15 to 20 percent of farmers. I am concerned over farm bill deficiency payments and feel they are extremely important. Old allotments are out of date and need to be based on current planting and production levels. Farmers need to know what payments will be in order to plan ahead.

Farmers Elevator Co., Bondurant, Iowa, Norman Havel, manager:

We have given farmers the idea we need full production through statements from government officials and increased prices from increased exports.

Supply and demand is still the best process, but this year there is a good supply of grain throughout the world and this has resulted in decreased exports and depressed prices. Now we must cut production.

We're going to have some failures due to lack of moisture in Iowa, but there is no incentive to cut back production if the loan level is only $1.48 per bushel for corn.

If the loan level for corn can be increased to $2.00 per bushel as is provided in the Senate-passed bill, our farmers will be willing to cut production and take their chances on increased exports in the future. Most of our people are going to make it through this year, but it is going to be critical. We need this increased loan and reduced production in order to avoid a repeated and far more critical situation in 1978.

CONCLUSION

These comments are from the people most affected by declining grain prices. They deserve a better response to their problems than they are getting from the administration.

If the House and Senate farm bills go to conference with the low target levels now in the House bill for wheat, this Senator does not plan to accede to target levels below those now in the Senate bill. If this means a veto by the President, then he can explain to the farmers of America why he feels they should not recover their cost of production as he promised as a candidate for the office he now holds.

QUORUM CALL

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now resume consideration of S. 9, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

The Senate proceeded to consider the bill.

AMENDMENT NO. 507

The ACTING PRESIDENT pro tempore. The pending question is on the adoption of amendment No. 507, by the Senator from New Hampshire (Mr. DURKIN), on which there shall be 30 minutes of debate. The Senator from New Hampshire is recognized.

Mr. DURKIN. I thank the Chair. I do not think we thought up any new arguments overnight either for or against it, and if the other side is prepared to yield back their time at this time, I am prepared to yield back the time at this time and we can proceed to a vote.

Mr. JACKSON. Mr. President, I would strongly suggest that we proceed to vote. We discussed this at some length at the last hour, and I think most Members are ready to vote. I would hope the time would be yielded back, as suggested by the Senator from New Hampshire.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. ROBERT C. BYRD. I believe a great many Senators are on notice that a vote may occur as early as somewhere between 10 and 10:15, but I doubt that they are aware of the fact that a vote could occur at this point.

I wonder if we could use 6 or 8 minutes in the meantime, we can let our cloakrooms know and they can be alerting Senators' offices that the vote is about to occur.

Mr. JACKSON. Why not have an understanding, I would say to the majority leader, that we will yield back the time and the vote will start at 10 o'clock and, in the meantime, all Members will be advised. Committee meetings will be starting, and they will want to have that notice.

Mr. HANSEN. Well, I would not want to say how quickly. I do have a statement, Mr. President, I would like to make. I realize that because so few people are here in the Chamber to hear it there is a likelihood that the Durkin amendment may pass.

Mr. JACKSON. Well, the Senator is very modest, as always.

Mr. HANSEN. I always am. [Laughter.] I do not have a long statement, and I will be happy to do that.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield? I would suggest that our respective cloakrooms alert Senators' offices that a rollcall vote may occur at any time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. JOHNSTON. Mr. President, will the Senator yield me a couple of minutes?

Mr. HANSEN. Yes.

Mr. DURKIN. Mr. President, this is on their time.

The ACTING PRESIDENT pro tempore. Yes.

Mr. JOHNSTON. I would like to ask the distinguished Senator from New Hampshire a couple of questions about this amendment. Is it not true this also has broad Government drilling both offshore and onshore in this amendment?

Mr. DURKIN. No; this is not as broad a drilling provision as the Senate adopted yesterday. The amendment says, among other things—

An independent estimate of total discovered reserves, including proved and indicated reserves, and undiscovered resources, including hypothetical and speculative resources, of natural gas and crude oil by fields and reservoirs based on, where necessary,

I think those words "where necessary" are very, very important.

geological and geophysical explorations carried out by Federal or other appropriate agencies.

So it does not contemplate the extent or the scope of drilling the Senate adopted yesterday in the amendment of the Senator from the State of Washington.

Mr. JOHNSTON. But it does contemplate Federal exploration, where necessary?

Mr. DURKIN. Not Federal exploration. I think you have to distinguish with respect to exploration. I think, quoting the Senator yesterday, he said the only way to know is to drill, and you never know——

Mr. JOHNSTON. I am not trying to argue it right now. I am just trying to find out. Did not the Senator use the word "exploration" just a minute ago?

Mr. DURKIN. No.

Mr. JOHNSTON. Exploration is not—the Federal Government may not explore under this amendment? Yea or nay, that is my question.

Mr. DURKIN. Well, I think if the Senator is asking the question he is going to have to give me time to answer it.

Mr. JOHNSTON. All right.

Mr. DURKIN. I am not sure which one of the three questions you want answered. We are not talking about exploration to the extent that the Senate adopted yesterday in the Jackson amendment, which I supported. This says the President shall have the authority, where necessary, to conduct geological and geophysical exploration for the purpose of ascertaining a true picture of the reserves for oil and natural gas onshore and offshore in this country.

Mr. JOHNSTON. I think that is my answer. There is Federal drilling, where necessary.

Who determines where necessary?

Mr. DURKIN. The President.

Mr. JOHNSTON. All right. It is onshore and offshore. So what we have in this amendment is a Federal drilling program. There is nothing in here, by the way, to indicate that this could be carried on by independent contractors, is there?

Mr. DURKIN. No; but it does not mandate it. It gives the President complete flexibility that he can use existing authority that is contained in the FTC, FEA, FPC, USGS, the Interior Department or he has the flexibility to contract it out as contemplated and set forth in the Jackson amendment yesterday.

Mr. JOHNSTON. Very well.

Mr. President, I hope the Senate realizes what the implications of this amendment are. We were told yesterday we needed a very small program of Federal drilling in order to tell in some instances what was on the Outer Continental Shelf.

Now we have a granddaddy amendment, a "Big Bertha" amendment of Federal drilling. We have now stripped away the pretense of going through inlimiting this Federal drilling to the Outer Continental Shelf, but it is anydependent contractors, and we are not where both onshore and offshore, a Federal drilling program.

I do not know how much money Congress wants to put up for this kind of program, but I can tell you we are talking about a multibillion-dollar program.

It seems to me that to replace the independent drillers, who drill over 90 percent of the wells onshore, by a Government oil company which this contemplates is absolutely insane, absolutely silly; at a time when we are trying to speed up and do something about the energy crisis, to form a Government oil company, I guess a Government oil company, or either just have the Interior Department do it directly is absolutely ridiculous.

We also have some information provisions in the act. Everyone is for information, but these provisions of this amendment were rejected by the committee on the Natural Gas Act, as I recall.

In any event, we have information legislation which ought to be considered in committee on its merits and not go into this kind of a broad legislation on the floor of the Senate.

Mr. President, this kind of legislation has not been considered by the committee in depth. To the extent that it has we have other legislation pending that ought to be able to work its way.

It just seems as though we are in an "Alice in Wonderland" atmosphere in the Senate in which the most successful independent energy-producing segment of industry in the world, the American oil companies, are being replaced, or we are laying the groundwork for replacing them, both independents and majors, by Federal endeavors.

I just cannot believe this Senate understands or understanding the depth and breadth of this amendment, the scope of it, the possible implications, would vote for it. I hope we will vote this amendment down, Mr. President.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. MELCHER addressed the Chair.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. MELCHER. Mr. President, will the Senator from Wyoming yield me 3 minutes?

Mr. HANSEN. Which side are you on?

Mr. MELCHER. You will find out if you will yield to me. [Laughter.]

Mr. HANSEN. I yield 3 minutes to my good friend from Montana.

Mr. MELCHER. Mr. President, I thank the Senator for yielding.

I have trouble with this section of this amendment that deals with the President, meaning somebody in Interior or somebody in another Federal agency, being involved with exploration wells onshore.

Collecting this kind of data is absolutely essential, but that data are collected by wildcatters, independents who go out and sink the drills and drill the well, hoping they are going to hit oil or gas. It is not an area that is overlooked. It is not an area that is neglected. It simply is an area that is being taken care of by independents now.

And this particular section on page 5 which has been referred to by the Senator from Louisiana disturbs me very greatly and I believe detracts from the amendment to the extent that I must vote against the amendment because it goes much beyond a collection of data. It gets into the position of actual wildcatting, that independents are doing now. Therefore, I regretfully must oppose the amendment.

Mr. HANSEN. Mr. President, I thank my good friend from Montana for his very astute observations. I yield myself what time I will require.

I point out that the basic premise of the amendment before us—that company reserves data are suspect—is fallacious. These data are in all cases verified by State regulatory agencies. We have heard recurring charges of reserves doctoring or production withholding by companies. However, study after study has refuted these charges.

An independent inventory by the Federal Government—besides being an enormous waste of taxpayers' money—would take years to accomplish, and require continual updating and revision, and require massive amounts of manpower grossly in excess of the present swollen Federal payroll.

With regard to the first point; the hundreds of thousands of wells in this country each require individual investigation if any reasonable reserve figures are to be arrived at. This is a constant vigil for the some 10,000 producers of oil and gas in this country. It would be literally an impossible task for the Federal Government. But taking only one look at a well is not enough. As any gas or oil well continues to produce, circumstances change and a little more information becomes available and estimates of proven recoverable reserves are revised.

They are sometimes revised upward, they are sometimes revised downward. But they are constantly being revised and corrected by the people who drill the wells, produce them, maintain and repair them, live and breathe with them. No Federal bureaucrat can possibly glean any more information from that well than the man who has worked with that well for all the years of its life.

The prodigious task of the Federal Government separately collecting all this voluminous data, and attempting to arrive at an independent determination of reserves and production potential, is frankly beyond my rather vivid imagination.

With regard to the second point, the manpower requirements of this amendment are, in my opinion, impossible to meet. The Federal Government does not presently have sufficient personnel with the expertise to make reserves and production determinations. There is frankly no way they can hire sufficient personnel. If they could, it would cost the taxpayer through the nose.

In summary, Mr. President, I will simply repeat that the study contemplated by this bill would require inordinate amounts of time, manpower, and money. This would be a genuine taxpayer ripoff.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. HANSEN. I am happy to yield.

Mr. JOHNSTON. Does the Senator have any idea how much it will cost to do all this drilling on lands both offshore and onshore? Of course, this includes Government drilling on private lands as well, does it not?

Mr. HANSEN. Yes, it does. That is my understanding.

Mr. JOHNSTON. How many billions of dollars would it take to carry out that kind of program?

Mr. HANSEN. I suppose in order to give an accurate, informed answer to the Senator's question would in itself cost a slug of money. I do not think anyone knows now. I do not have the faintest notion that anyone in Government even knows what it would cost simply to try to provide that answer, and I would imagine that, if we were to ask GAO what it would cost them in order to gather the information together to make a responsible answer to the Senator's question, they would want a pretty sizable budget allowance just to try to put that information together.

Mr. JOHNSTON. Does the Senator not suppose that if the Department of the Interior had the mandate to do this drilling offshore and onshore on Federal and private lands, as this amendment requires, they would see this as a great challenge to being accepted with enthusiasm and to have the typical bureaucratic reaction which is to staff up for the job and to seek comparability of pay with private geologists?

Mr. HANSEN. My answer to that is a resounding yes. In the first place, I think having listened to the rhetoric in this Chamber and on the Hill for some several years and having heard repeated time after time, "we do not know what the facts are, all we want is the information," I can easily understand how enthusiastic some young eager beavers could be in trying to accept that challenge, and I suspect they would do precisely what the Senator from Louisiana anticipates. I think they would go out real gung ho determined to compile the information together in sufficient depth that it would be one whale of an undertaking and undergoing, too, that this country could ill afford to make, in the first place costwise and, second, would delay the overall operation interminably.

Mr. JOHNSTON. Does the Senator have an opinion as to the constitutionality of the Federal Government exploring on private lands without the consent of the owner?

Mr. HANSEN. I happen to think that that is a clear invasion of the rights of a private property owner. I think that it could be contended that it would be a taking. If I were involved I am certain that I would want to explore with a competent lawyer what the constitutional ramifications of such a proposed action would be. It would occur to me that if the Federal Government would presume to think that it can go, as this amendment would indeed direct it to do, as I understand it, on privately owned land and say, "We want to know what is down there and whether you give us permission or not does not matter, we are going to drill the wells," I should think that there would be lawsuits filed from one end of the country to the other.

Mr. JOHNSTON. Is it the history of Federal programs to start off on a modest basis and stay on the modest basis?

Mr. HANSEN. The Senator from Louisiana knows, as does everyone who is a student observing the national scene—and few have his competency I would add—nevertheless, the fact is invariably every little program that we began a long time ago, started out modestly and then once you bring a group of Government workers together and the program becomes surrounded by bureaucrats it grows and grows and grows just like Topsy, and I have no doubt at all but what we would find this to be precisely that kind of a small seedling that would encompass the whole United States if we are foolish enough to proceed with it.

Mr. JOHNSTON. Yesterday, the Jackson amendment, which was proffered to us, which was a very limited amendment, was going to be used only in very unusual circumstances and was protected by the so-called Stevens amendment which required a budgetary line item before the power could be used. There is no such limiting language in this amendment, is there?

Mr. HANSEN. I find none at all.

Mr. JOHNSTON. This money could be taken out of general appropriations, to the Interior Department, could it not?

Mr. HANSEN. In my opinion, that is precisely right.

Mr. JOHNSTON. And the chances are it will be for both to staff up and hire the geologists and the others to conduct such a program of drilling and conduct the drilling as well?

Mr. HANSEN. I am sorry. I was distracted.

Mr. JOHNSTON. I say that expenditure is likely to follow not only from the staffing up standpoint but from the standpoint of hiring the number of geologists and the other staff support necessary to conduct such a program of Government drilling but also from the standpoint of expenditures for the drilling itself.

Mr. HANSEN. That is my understanding.

Mr. JOHNSTON. What percent of the present wells drilled onshore are drilled by the majors? It is less than 10 percent, is it?

Mr. HANSEN. My understanding is that that is right. I do not have an updated figure on that, but I think that that figure is right in the ball park. Most of the wells that are drilled inland are not drilled by the majors.

Mr. JOHNSTON. They are drilled by independents?

Mr. HANSEN. That is right.

Mr. JOHNSTON. So that the power in this bill with respect to drilling onshore on public and private lands, to the extent that authority is used, is likely to supplant by a factor of about 90 percent the independents; in other words, it is Government in lieu of independents. We are not talking about Exxon now; we are talking about the small independent driller who drills most of the wells onshore at this time.

Mr. HANSEN. That is exactly right. And, of course, I think that in itself poses a real danger.

ADDITIONAL STATEMENTS SUBMITTED

Mr. JACKSON. Mr. President, I support Senator DURKIN's reserve-information-gathering amendment.

The disturbing question this amendment raises is why do we not yet know the true extent of our oil and gas reserves. Part of the reason is that debate has centered on the question of whether the Government actually has the authority to collect the data necessary to independently determine the status of reserves without having to rely on industry data—data which is understandably suspect as being self-serving.

It is now too late to postpone the vital energy policy decisions we must make shortly while we wait for a definitive study of our reserves. However, it is not too late to mandate the collection of this information so we may later refine or even alter the course of our energy policy to accord with the realities of our energy supplies.

At present Federal data-collection authority is spread unevenly and inconsistently over several agencies including the Federal Power Commission and the U.S. Geological Survey. The Department of Energy will consolidate many of these authorities. However, there are still serious questions about the overall power of any agency of the Federal Government to make the necessary inspections, drillings, and data verifications necessary to give the Government the ability to independently determine the true extent of our oil and natural gas reserves.

The amendment would authorize and direct the President to get this urgently needed information and to report it to Congress annually.

The bill leaves to Presidential discretion the manner in which information is to be gathered. The President need not duplicate existing efforts, but may, if he chooses, rely in part upon work now being performed under other provisions of law, provided he assures the accuracy, independence, and credibility of the energy information he reports annually to Congress.

Mr. President, this is an eminently reasonable amendment, especially in view of the continuing problem we have in having to rely on oil company figures. It is high time that the public had assurances that those figures are fact or fiction. I urge my colleagues to support Senator DURKIN's amendment.

Mr. MCINTYRE. Mr. President, I rise to support the amendment that is being offered by my friend and distinguished colleague and fellow New Hampshire Senator (Mr. DURKIN). We have only begun to emerge from decades of ignorance about our energy supplies. This experience should have taught us all by now that the public and the Government need accurate and untainted information about the Nation's supplies of oil and natural gas. And right now, we are not getting that kind of information.

All my colleagues from New England can certainly recall winters of fear such as that of 1966–67, when we had a mysterious shortage of home heating oil, followed by predictable increases in the price. It was not explained until some time later, after an investigation by the House Small Business Committee. It was then found that the major companies had substantially expanded their capacity to store oil at terminals along the Colonial Pipeline and the Plantation Pipeline which run north from Louisiana to the Northeast. They used that storage space to hold back the oil from the New York spot market until prices rose.

This information did us no good after the winter had passed.

And certainly all of my esteemed colleagues will recall the winter of 1973–74 and the confusing days of the Arab oil embargo. The newspapers were full of stories predicting a permanent world oil shortage. Everyone was afraid they were right, and the economy fell into its worst slump in more than a decade.

There were long lines at the gas pumps. Most people turned their thermostats down because they were genuinely afraid they would run out of heating oil. The oil companies were the only source of information we had—and they said we were in the middle of a terrible shortage.

So we complained, but not too much, when the price of oil continually rose. The oil companies said it was necessary, or we would run out.

We had no way to dispute what they said. The Federal Government got all its information from the oil companies—and still does. We had to take their word for it.

But to this day, no one has explained to my satisfaction why there were oil tankers waiting off the east coast, or why there was a glut of home heating oil in February of 1974, 3 weeks before the embargo ended.

During that time, the oil companies kept saying we had to do away with price controls or there would be a permanent shortage.

It has been 3 years since the embargo ended, and they are still singing the same tune.

And at the same time, the oil companies are trying to convince us that they know what is best for us. They are saying, "Just turn over your offshore reserves and we will find the oil for you." They do not want us to take the trouble of finding out how much oil lies in the public domain offshore, or how far down below the seabed the oil is, or how hard it is to extract. They want us to believe that the oil is expensive, scarce, and hard to find—so that we believe only big oil can find it, at a high price.

This debate over S. 9 reminds me very much about a debate we had 4 years ago, in the summer of 1973, over Alaskan oil. I stood here with the man who was then the distinguished Senator from Minnesota (Mr. MONDALE), who is now Vice President of the United States and President of this august body. We tried to convince our colleagues that the pipeline to carry Alaskan oil should be built through Canada, so that the oil could be used by the whole Nation.

We lost that debate because the major oil companies were the only ones who had any information about North Slope oil and about the oil needs of the west coast. They said all the oil would be needed there, and that they had no intention of shipping any oil to Japan. And they had reams of facts and figures to prove that all the oil would be used on the west coast. So, they said, a pipeline across Canada was needlessly expensive.

Well, lo and behold, 1977 rolls around, the pipeline is finished—at nearly 10 times the original cost estimates given to us by the oil companies—and all of a sudden, the west coast cannot use all the oil. And where do the oil companies want to send that oil but to Japan.

Thankfully, those of us who believe that some harm could result from increasing our imports while shipping off our Alaskan oil have gotten the point across to the administration.

But the debates over Alaskan oil, and this debate over the Outer Continental Shelf amendments, are clear examples of what happens when the Government sets public policy using statistics that private corporations develop for their own benefit.

Facts and figures are much like pets. They are very loyal to their owners. And that is why I am giving my full support to the amendment proposed by my distinguished New Hampshire colleague (Mr. DURKIN). I wish to compliment my colleague for having the courage to stand up and offer this amendment, and I urge this respected body to adopt the amendment.

All that the distinguished Senator (Mr. DURKIN) wants is to have the Government collect some facts and figures about our oil and natural gas supplies so that the people of the United States have some good, sound information to compare with the figures that the oil companies give us. Then, and only then, can we do a good job of deciding what steps we must take to solve our energy problems.

Mr. HANSEN. Mr. President, I would offer a couple of additional comments on Senator DURKIN's amendment.

First, no one opposes the general concept of supplying accurate, reliable OCS data to the Federal Government for energy policy decisions.

However, oil and gas companies are already heavily burdened by reserve report requirements. In fact at the present time there is in existence an "ad hoc interagency committee" which includes the following agencies with jurisdictional interests in oil and gas reserve and production data:

FPC, FEA, USGS, ERDA, FTC, SEC and GAO.

These agencies have recently reached agreements on how best to coordinate their data requirement and share such data in a manner which involves the least duplication of effort by reporting companies. I have a recent article discussing the suggestions of this committee. In view of this recent development I question the need for a new investigative effort at this time.

Furthermore, there has never been any evidence that the data presently supplied by industry is unreliable. In 1976 the FEA conducted a thorough evaluation of reserve data supplied by API and AGA. There were no significant differences between the estimates reached by FEA and those supplied by the industry.

However, beyond this general observation I would note two specific objectionable features which should be removed from this amendment.

First, in subsection (d)(2) on page 3, Senator DURKIN proposes to authorize Government exploration. This issue is, or was, the subject of an amendment by Senator JACKSON and need not be addressed here again.

Second, subsection (h) on page 5 attempts to bar future litigants who may contest the legalities of portions of this act from obtaining injunctive relief from a court. This represents an unnecessary and unacceptable incursion into the role of the judicial branch and I question the constitutionality of such a provision.

Both of these sections should be stricken from the amendments.

Mr. President, I ask unanimous consent that an excerpt from the report of the Ad Hoc Interagency Committee on the Oil and Gas Reserves Survey, entitled "A Plan for Collecting Oil and Natural Gas Reserves Data," published in the January 1977 edition of Statistical Reporter, be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Federal Energy Administration (FEA) was required to do a "complete and independent" evaluation of U.S. oil and gas reserves for 1974. Their final report, published in October 1975, indicated that proved reserves estimates produced by API and AGA were in close agreement at the national level.

Oil reserves (billions of barrels): FEA, 38.0; industry, 34.2 (API).

Gas reserves (trillions of cubic feet): FEA, 240.2; industry, 233.2 (AGA).

These differences do not appear to be outside of the range of estimating error since reserves estimating is not an exact science—different experts will arrive at different estimates from the same basic data due to judgmental factors and the use of different but generally accepted methodology.

Mr. WILLIAMS. Mr. President, I would like to commend Senator JACKSON and his committee for continuing their efforts to complete a major and long overdue reform of the law governing the development of our Outer Continental Shelf's oil and natural gas reserves. I am certain the new statute will lead to a substantially improved and accelerated program because it recognizes the need to balance our economic and energy needs with our concern for the coastal environment.

Along the New Jersey coast, this means balancing the risks off-shore energy development pose to our coastal resorts with the potential benefits to our State's economic situation from an increase in both our own and the Nation's domestic energy supply. As much as I favor the rapid exploration of these oil and gas reserves, we cannot proceed without first assessing the State and local environmental impact and providing adequate safeguards.

The new statute provides precisely for this careful review and I strongly support it. I am similarly encouraged by the administration's equally strong support for OCS reform legislation, both on its merits and as part of an overall national energy policy. Needless to say, if these reforms had been adopted by the previous administration, the OCS leasing program would not today be bogged down in lawsuits, conflicts with States and other delays. If changes we had proposed in the last Congress were not scuttled at the last minute, I am confident we would now be exploring the mid-Atlantic shelf rather than awaiting the results of lengthy and costly court proceedings.

The present statute, passed more than two decades ago, does not come close to requiring the kind of review that is an absolute necessity today. We have unfortunately discovered in recent years that without a legislative mandate, the administration, specifically the Department of Interior, might willfully ignore the rights of coastal communities when ordering the leasing of OCS tracts. This has naturally alarmed residents of New Jersey's coastal towns, as well as millions of tourists, who fear offshore energy development might destroy the special character and lifestyle they cherish. Moreover, since many of these communities depend on tourism, many livelihoods might be lost were energy facilities constructed adjacent to or on the beaches.

The court action which has brought OCS leasing off New Jersey's coast to a halt came because of the previous administration's attitude toward OCS leasing. Today we are extremely fortunate in having an Interior Secretary who clearly understands the concerns of States and local communities. Secretary Andrus strongly favors this new statute, though I am sure he would act responsibly in administering OCS leasing without the changes. But we may not always be so lucky in having an Interior Secretary who seeks to avoid an adversary relationship with States and local communities; thus the amendments are necessary.

I believe the new statute will go far in correcting the inadequacies of the old law, which has clearly failed to insure rapid exploratory development of OCS resources. It has also failed to promote effective competition among oil companies, failed to balance adequately the non-energy resource values of the continental shelf and coastal zone with their potential energy values, and failed to guarantee compensation for all business and individual injuries suffered as an outgrowth of continental shelf exploration. The new law will recognize that the public treasury must receive full and fair value for the public's resources and that OCS development must fall within the context of a coherent national energy policy.

In recent years, continued confusion over the future direction of the Nation's OCS policy has created paralysis at a time when we need bold, positive action. The Nation has suffered a substantial loss of public confidence in the Federal Outer Continental Shelf management program. Secretary Andrus is working hard to restore the trust eroded by previous administrations, but the legislative reforms contained in S. 9 will insure rapid and permanent restoration of that trust. I therefore urge its swift approval.

(This concludes additional statements submitted.)

The PRESIDING OFFICER (Mr. ANDERSON). The time of the proponent has expired. The Senator from Washington has 12 minutes remaining.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. DURKIN. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from New Hampshire. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. EASTLAND) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Jersey (Mr. CASE), the Senator from Missouri (Mr. DANFORTH), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "yea."

The result was announced—yeas 54, nays 39, as follows:

[Rollcall Vote No. 287 Leg.]

YEAS—54

Abourezk	Gravel	Muskie
Anderson	Hart	Nelson
Bayh	Haskell	Nunn
Biden	Hathaway	Pell
Brooke	Hollings	Proxmire
Bumpers	Humphrey	Randolph
Byrd, Robert C.	Inouye	Ribicoff
Cannon	Jackson	Riegle
Chafee	Kennedy	Roth
Chiles	Leahy	Sarbanes
Church	Magnuson	Sasser
Clark	Matsunaga	Schweiker
Cranston	McGovern	Stafford
Culver	McIntyre	Stevenson
DeConcini	Metcalf	Stone
Durkin	Metzenbaum	Talmadge
Eagleton	Morgan	Williams
Glenn	Moynihan	Zorinsky

NAYS—39

Allen	Hatch	Packwood
Baker	Hatfield	Pearson
Bartlett	Hayakawa	Percy
Bentsen	Heinz	Schmitt
Burdick	Helms	Sparkman
Byrd, Harry F., Jr.	Huddleston	Stennis
Curtis	Javits	Stevens
Dole	Johnston	Thurmond
Domenici	Laxalt	Tower
Ford	Long	Wallop
Garn	Lugar	Weicker
Goldwater	McClellan	Young
Hansen	McClure	
	Melcher	

NOT VOTING—7

Bellmon	Eastland	Scott
Case	Griffin	
Danforth	Mathias	

So Mr. DURKIN's amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DURKIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 506

Mr. METZENBAUM. Mr. President, I call up amendment No. 506.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM), for himself, Mr. WEICKER, Mr. JACKSON, Mr. HOLLINGS, Mr. KENNEDY, Mr. DECONCINI, Mr. RANDOLPH, Mr. BAYH, and Mr. LEAHY proposes amendment No. 506.

On page 156, line 19, strike out "66⅔" and insert in lieu thereof "50".

Mr. THURMOND. Mr. President, will the Senator yield to me about 3 seconds?

Mr. METZENBAUM. Yes.

Mr. THURMOND. I ask unanimous consent that Mr. Robert Lyon of my staff be accorded the privilege of the floor during consideration and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, this amendment would reduce the amount of cash bonus bids that would be permitted under the law from 66⅔ percent to a maximum of 50 percent. The amendment might appropriately be called the "free enterprise amendment," because the issue this amendment addresses is whether or not Congress believes that all of the leases on the Outer Continental Shelf should continue to be awarded to the large oil companies, or whether we want to make it possible to use the six alternative bidding procedures provided in the legislation to encourage independent companies to compete for leases.

Very recently, the staff of the Committe on Energy and Natural Resources did an analysis of what has transpired in the past when cash bonus bidding was used. This analysis compared lease sale No. 40, the recent mid-Atlantic sale in which cash bonus bidding was used and lease sale No. 36, the only sale ever to use royalty bidding. In both instances, it was quite evident that the majors dominate under the cash bonus bidding procedure.

In lease sale No. 40, all 20 of the 20 highest bid tracts were awarded to major oil companies. One company, Exxon, took five of the top 20 tracts and 33 of the 93 tracts sold—more than a third. The companies provided cash bonus bids totaling $1.13 billion, of which 30 percent came from Exxon alone.

It is obvious that when we are talking about dollar amounts as large as these, very few corporations in this Nation are in a position to bid. Most companies do not have the resources to compete. Of the few that do, those which have an interest in competing are the major oil companies.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. METZENBAUM. I yield to the Senator from West Virginia.

Mr. RANDOLPH. I am gratified at the opportunity to share with him cosponsorship, under his leadership, of this amendment. I think that is very important. The only reason I asked the Senator to yield to me now is that I must leave the Chamber for some other work.

I think it is important for us to realize that now, as we talk about giving the independents an opportunity for bidding—that is really what it is. They now, in effect, are shut off from that opportunity. We are not in anywise saying that those companies that are majors are not being given the opportunity to bid.

Is that correct?

Mr. METZENBAUM. The Senator from West Virginia is, as usual, 100 percent correct. Everyone can bid. The point is only to limit the cash bonus bidding system because this system is weighted so heavily in favor of the major oil companies. The Senator is 100 percent accurate.

Mr. RANDOLPH. I think that the equity that is apparent to me, and I think it is the thrust of this amendment, should appeal to the membership of the Senate.

Mr. METZENBAUM. I hope that it does, and I very much appreciate cosponsorship of this amendment by the Senator from West Virginia.

This truly is an amendment that has to do with fairness. It has to do with equity. It has to do with a reasonable approach to the entire question of what we are going to do with these great reserves that sit in the Outer Continental Shelf. Are we going to say that there are just a few companies in this country that have the capacity, the ability, and the will to find the oil that we need so badly? I cannot believe that the Senate believes that. I cannot believe that the people of this Nation want that. I truly question whether or not the major oil companies, themselves, would not recognize the fairness of trying to open the door so that they, as well as others, may have an opportunity to bid on a fair basis with all of the other companies.

In lease sale No. 36, which was conducted in October of 1974, all of the tracts went to the smaller firms: Why? Because, in that lease sale, royalty bidding was permitted. At that time the independent companies said to the Government:

> We are not going to raise millions of dollars in advance and put it in the Federal Treasury. Rather we want to use our dollars for the purpose of drilling. We are willing, if you give us that opportunity, to pay the Government a far greater percentage of the amount of oil and gas we produce than the Government would otherwise receive from the oil and gas produced in those tracts under cash bonus bedding arrangements.

As a consequence, the Government received bids ranging from 51 percent to 78 percent in lease sale No. 36.

Husky Oil Co. was one of the winning bidders in lease sale No. 36, and I might say that Husky Oil Co. is not, itself, a small company. It is a company with vast resources, very substantial income, a company that has done an excellent job. But in communication with the Chairman of the Committee on Energy and Natural Resources, Husky Oil has recommended that a new Outer Continental Shelf bidding system should have, as its prime objective, the largest possible commitment of companies and drilling activity to secure more oil and gas reserves for our Nation.

Husky Oil officials have testified that, in some instances, their company was not in a position to bid because of the cash bonus bidding procedures. As Husky stated in a letter to the Chairman:

> Each time we have removed ourselves from the competition, simply because we lacked the finances required for a high bonus bid, plus the funds necessary to begin an active high-cost drilling program.

Mr. President, I ask unanimous consent a copy of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HUSKY OIL CO.,
Washington, D.C., March 4, 1977.

Hon. HENRY M. JACKSON,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JACKSON: Over the years Husky has repeatedly evaluated the economics of bidding in the OCS. Each time we have removed ourselves from the competition, simply because we lacked the finances required for a high bonus bid, plus the funds necessary to begin an active high-cost drilling program. It wasn't until 1975 that the Department of the Interior permitted limited royalty bidding that Husky competed for OCS leases. We were successful, not only in receiving a bid award, but also in making a commercial gas discovery on that lease, for which a platform is now being constructed.

Some of the alternative bidding systems currently proposed would be helpful to the modest-sized domestic companies. Others would not. Husky favors the following:

1. A work commitment coupled with a net profits interest. (See our testimony dated June 25, 1974 on this subject, copy enclosed.)

2. Royalty bidding with a sliding scale provision on production that would avoid premature well abandonments.

3. A combination royalty and cash bonus system that will result in a fixed low cash bonus with the emphasis on royalty payments, thus permitting the successful bidders to use their cash resources for actual drilling.

The OCS bidding system should have as its prime objective the largest possible commitment of companies and drilling activity to secure more oil and gas reserves for our nation. This is best accomplished by encouraging more companies to bid competitively and to use their financial resources in drilling as many wells as possible, which after all is the only way of discovering oil and gas. This is contrasted with the present policy of high bonus cash bids which discourages some companies from considering the OCS, and places bonus funds in the U.S. Treasury rather than in the search for new oil and gas reserves.

To the extent that risks can be spread through joint bidding, companies should be allowed to do so, regardless of size. The present practice does not reduce competition. It does permit companies the freedom of enlarging their exploration exposure by taking a lesser percent interest in more activity within their exploratory budget capabilities. Such joint venture enterprises have long been recognized in our free enterprise system, and should be allowed.

If we can furnish additional information on this matter, we would be pleased if you would call on us.

Yours very truly,

M. DALE ENSIGN,
Vice President.

Mr. President, there was another house sale, a third one, held more recently than those in 1974 and 1976 to which I have referred. The most recent lease sale took place in June of 1977 for Gulf of Mexico tracts. The cash bonus bidding procedure was again used and the high bids came to $1,210 million for 152 tracts. Who was the major bidder? Who won the greatest number of tracts? Gulf Oil, one of the largest companies in the world, one of the Seven Sisters was the most successful.

Gulf was the high bidder on 13 tracts for a total of $349 million. And who were the other successful bidders? Other major winners were Exxon, Atlantic Richfield, and Shell.

Now, look at the amounts they had to come up with. Those figures speak for themselves, indicating that the independents are not in a position, in spite of their reasonably successful operations in a free enterprise system, to be able to successfully compete for the Outer Continental Shelf tracts.

Exxon was awarded 9 tracts for $88 million. Arco was the high bidder, alone or with others, on bids totaling $83.5 million. Shell won 12 tracts for over $100 million.

In every study that has been made of this subject, whether by the committee staff or by some other group, it has been evident that bidding on a cash bonus bid basis plays into the hands of the majors and that if bidding is on a royalty basis, it gives the free enterprise system a chance to work.

Mr. JOHNSTON. Will the Senator yield?

Mr. METZENBAUM. For a question, without losing my right to the floor.

Mr. JOHNSTON. Yes.

I am wondering how much money was put in the budget estimates for bonus bidding and how much the Senator's amendment, if we went up at least to 50 percent, would take away from that bonus revenue, and whether that has been taken into account by the Budget Committee in those targets.

In other words, whether this would bust the budget in terms of targets.

Mr. METZENBAUM. I do not know the answer to that. But I say to the distinguished Senator from Louisiana that if we were to have an initial loss by reason of that fact, I feel totally confident that it would be a one-time loss to the Federal Treasury and that over a longer period of time, the Federal Treasury would gain very substantially by reason of increased revenues because of the use of royalty bidding, and of the other kinds of procedures provided for under this bill.

Mr. JOHNSTON. By one-time losses, the Senator does not mean a 1-year loss. Actually, the leadtime is in many instances 5 to 8 years in getting the production, so that it would be a one-time loss stretching over every year, over a period of 5 to 8 years, would it not?

Mr. METZENBAUM. I do not think I agree with the Senator from Louisiana on that score.

It would be a one-time loss if the Office of Management and Budget had provided an anticipated amount of return by reason of the bonus bids.

In future years, we would not lose anything because by that time, they would understand that we were going to be using other kinds of bidding, rather than cash bonus bidding. The only loss would be in the year the bids were taken when the bonuses would not be paid.

Mr. JOHNSTON. When the Senator says, "a loss," he means we would have to lower the budget estimates for next year, but for every year after that, those estimates would automatically be smaller, but that would not be a loss because it would be an anticipated loss.

Mr. METZENBAUM. No, I do not mean that. I mean we would have a one-time loss because of failure to obtain the bonus in the year of the bid. But once drilling

started and the wells began to produce, there would actually be a gain, as I see it, and I believe the facts would confirm my projections in that area. In the future the budget would actually gain because new bidding systems would generate additional revenues.

Mr. JOHNSTON. When the Senator says, "a one-time loss," he means per lease. But in terms of the budgetary impact, there will be a loss in fiscal year 1978, fiscal year 1979, fiscal year 1980, fiscal year 1981, and fiscal year 1982, and hopefully, if this works, then along about fiscal year 1983, fiscal year 1984, and fiscal year 1985, we will realize, if the Senator's theory is correct, more revenue at that time, is that correct?

Mr. METZENBAUM. If it takes that long in order to have the oil come on stream. I do not believe it would take that long, although I would yield to the Senator from Louisiana's greater expertise in the area of oil, since there is so much done offshore in his area. But in my opinion, when a loss would occur only if receipts of this kind were anticipated in the budget.

I have not been informed by the administration that they have any concern whatsoever with respect to any anticipated diminution of income due to the failure to have this income from bonus bidding.

I do not believe that is considered a part of the budget on an annual basis. But if the Senator from Louisiana knows that is the fact, I would appreciate being informed.

Is it the fact, as the Senator understands it, that they anticipate certain income in the budget from bonus bidding?

Mr. JOHNSTON. Yes, bonus revenues are included. I cannot say what that figure is. I will attempt to get it. I was wondering whether this had been checked.

I do not know of any opposition from the administration, but as far as that goes, I do not know of any knowledge by the administration of this factor.

Mr. METZENBAUM. I am pleased to tell the Senator from Louisiana that I have spoken with someone from the administration today with respect to this amendment and have been advised the administration is sympathetic to the amendment and is going in this direction. The administration feels that a lower level of bonus bidding will work out to the administration's benefit and to the country's benefit in the long run.

Mr. JOHNSTON. I see.

Mr. METZENBAUM. A Congressional Research Service study done in January 1976 documented a high degree of concentration in Outer Continental Shelf lease ownership. That concentration developed because of cash bonus bidding.

Nine of the 10 top owners of OCS leases are also among the top 10 oil producers.

Continental Oil is not one of the top 10 oil producers. It falls all the way down to No. 13 in that category, but it is one of those top 10 on the Outer Continental Shelf. These 10 firms—Chevron, Texaco, Exxon, Shell, Union, Arco, Gulf, Continental, Mobile, and Amoco—hold 62 percent of the Outer Continental Shelf acreage that has been leased. Six of those firms: Shell, Texaco, Gulf, Exxon, Chevron, and Continental, account for 70 percent of the offshore oil production.

I believe that this is the kind of amendment that those of us who believe in, and who have been products of, the free enterprise system, should support. This amendment is based on the belief that everybody ought to have an opportunity in this system, I believe that this amendment gives fair and equitable treatment to all.

This is not to say, as the distinguished Senator from West Virginia pointed out, that the largest companies will be precluded from bidding. This is not to suggest that merely because a company has volume or assets or net worth at a certain figure, that it cannot compete.

All this amendment says is that the Federal Government shall not use an inequitable form of bidding, one that favors the largest firms, in more than 50 percent of the cases.

I think, Mr. President, that this amendment should be supported by every Member of the Senate who believes in free competition.

Mr. HANSEN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. Mr. President, in the first place, I do not yield to the Senator from Ohio in opposing him by implying that I am not a believer in the free enterprise system.

As a matter of fact, I happen to be. Maybe I would not measure up according to the definition that some Members of the Senate might wish to place upon a free enterpriser. But, so far as I am concerned, I think there is great virtue in that system; and it is precisely because of my belief in that system that I oppose this amendment.

Let us look at the spokesmen for the small independents. Let us examine what they say. What do they say?

Small companies and independents, with regard to the kind of competition that the Senator from Ohio is talking about, cannot afford to operate offshore exploration and production activities. They are presently participating as fully as they wish and have every opportunity to increase their participation in the future as they may desire.

Both the Domestic Petroleum Council—and Husky Oil is a member of that council—representing small and independent sized oil and gas companies, and the Independent Petroleum Association of America, representing more than 4,500 independent producers, endorse the present law and adamantly maintain that the present law assures them as much participation in offshore activities as they can handle.

The bidding system that has been advocated here by a number of people, including the Senator from Ohio—it is one of the systems—is the variable royalty system. Do Senators know how that system works? Let me explain. This is the system I would like to see more greatly utilized through the adoption of this amendment.

Increased use of the variable royalty provision will not increase participation by small and independent sized companies. It may increase participation if by participation all you mean is being able to make a bid. But let me tell Senators what is going to happen.

It will open the door for the large natural gas pipeline companies to go out on the Outer Continental Shelf and bid astronomical royalty percentage levels—70 percent, 80 percent, 90 percent; yes, even greater than a hundred percent, as Senator LONG mentioned yesterday.

How could they do this? How could anyone possibly bid in excess of 100 percent royalty? Well, it just happens that the interstate gas pipelines, being public utilities, have the assurance in the operation of those pipelines that they are guaranteed a profit on the use of those pipelines. So all they have to do is to put the natural gas that they might find into the pipeline, go to the respective public service commissions in the States, to the Interstate Commerce Commission, to the Federal Power Commission, and says, "Here is what the gas is costing us, and here is what we have to receive from the ultimate consumer in order to be guaranteed the 10 percent or 15 percent profit," or whatever it is that the regulatory authorities deem they are deserving of receiving.

So it really does not matter to them what the gas is going to cost them, so long as it can be put into the system and the rates that they will be able to charge the final user will be determined by including a certain percentage of profit. That is the way it works. That is why the users of natural gas in America—and that includes most Americans—have a very real interest in trying to increase the domestic supply of natural gas. If only half as much gas is put through that system as might have been flowing through it in the year previous, the gas pipeline companies are not going to lose money. All they have to do is to go to the regulatory commission and say, "give us this as the amount we can charge for the gas we sell in order to guarantee that the profit we are entitled to will be made."

Anyone without very much mathematical background can easily understand precisely what that means.

So the Senator from Louisiana (Mr. LONG) was right yesterday, when he said that if we embark on this kind of system, let us understand what we are doing. If anyone thinks that that is going to guarantee cheaper gas by increasing participation among people who are able to bid on a royalty basis, it sounds great—and that is what this amendment by the Senator from Ohio proposes to do. It proposes to set aside 50 percent of all the land that will be under the administration of the Secretary of the Interior, to say that it can be bid for on a basis different from a cash bonus bid basis. It sounds great, but it is the greatest ripoff of the American public that we will ever see.

Although this amendment may be adopted—I realize that there are not all that many people around here listening to the debate—if this goes through and if 50 percent of the land that would be eligible for leasing under the old system,

which has been working so well, should be set aside and this means of bidding has become a fact, then I think there may be some good questions that the public will be asking Members of Congress later on.

They will want to know why we changed a workable system that was delivering good results for one that results in an inordinate escalation of their natural gas expenses.

I am pleased that the distinguished senior Senator from Louisiana is on the floor, because I have tried to make, in what I fear is a rather ineffective way, the extremely perceptive point he made last night. Let us not fool ourselves in thinking that this is going to be in the public interest. It will not be in the public interest at all. The old system that has been used historically in this country when the Government has business to do has been to go out and call for bids on the business.

Of course, I cannot go out and drill on the Outer Continental Shelf. Those wells probably cost an average of $10 million, and they are pretty expensive.

I spoke last night about the Destin tract, a tract that sold for $1.4 billion, when you add together all the bids that were taken by the Federal Government on those tracts. This is the point that the junior Senator from Louisiana impliedly referred to, when he spoke about the revenues that would come to the Federal Government as a consequence of the bonus bids on the Outer Continental Shelf. It has a very real budget impact.

Eighty-six cents out of every dollar that has been produced on the Outer Continental Shelf has gone back into the Federal Treasury. Only 14 cents out of every dollar has gone to the oil companies.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. HANSEN. I am happy to yield to the Senator from Louisiana.

Mr. LONG. If we are going to make any headway toward solving the energy problem, our best hope, all things considered, would be to get some additional production from that area that lies under the Atlantic Ocean under the Gulf of Mexico and under the Gulf of Alaska. That area probably includes about as much land as the Government owns elsewhere, and only 1.5 percent of it has been subject to development.

We have here a bill to impede production of oil in the areas where we are most likely to find some. It is a bill to impede production of gas in the areas from which we are most likely to obtain some gas. We have already passed a bill to impede the production of coal in the areas where we are most likely to get some coal.

So if we think in terms of what we can do to make the energy crisis worse, Congress is moving steadily in that direction. It is passing bills to reduce the production of coal; it is passing bills to reduce the production of oil; it is passing bills to reduce the production of gas. The people wonder whether we are crazy. What is our excuse for this?

It would seem to me that when we had a Republican President in the White House there might have been some wisdom in our mischief because at that point when we were passing these bills to put more and more stumbling blocks in the way of production of energy which the Nation desperately needed, the Democrats could pretty well count on the fact that the Republican administration would get credit for it because it happened while a Republican occupied the White House.

But what is our excuse now? We now have a Democratic majority in the Congress, and one would think we would like to keep it that way. One would think we would like to keep a Democrat in the White House.

Can the Senator tell me what logic there is in passing more bills to make it more difficult to produce energy in this country?

Mr. HANSEN. I would have to respond to my good friend from Louisiana the logic, if there is any in it, totally escapes me.

I compliment him for his understanding in depth of problems that surround trying to produce adequate energy for this country. I do not know any reason at all.

I did want to make one additional point that I had not made. I spoke about this Destin tract that sold for $1.4 billion. Anyone can go down there and lease land there now. Do you know why? Because oil companies drilled 14 dry holes down there.

They had about all of that pleasure they could enjoy, and a little bit more than they could stand, and they turned it back to the Government, $1.4 billion—they abandoned all of the leases because they do not want any more of that kind of pleasurable experience.

Mr. LONG. Mr. President, will the Senator yield at that point? Is the Senator aware of the fact that from under the waters beyond the State's 3-mile limit the oil companies have not made anything? I am talking about the oil companies as a group. They have put billions of dollars into it bidding on leases and exploring and drilling for oil and have found a lot of oil, but they do not have their money back. They are behind by literally billions of dollars, and yet one would think that that is some enormous bonanza out there.

If and when they ever do get their money back out of it, when they get out of the red and into the black, the Government will be collecting 48 cents out of the dollar in taxes.

Would you not think that would be an incentive for someone to permit them to make a profit out of all of this?

Mr. HANSEN. I would think so.

I yield to my good friend, the junior Senator from Louisiana.

Mr. JOHNSTON. I have a perfecting amendment or perhaps a substitute for this amendment. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MORGAN). Until the time has expired this amendment to the amendment is not in order.

Mr. JOHNSTON. I see.

I wonder if the Senator from Ohio, the sponsor of the amendment, would just as soon have it considered at this time? I am not trying to—I will not be long in discussing. It is a very simple amendment.

Mr. METZENBAUM. Quite the opposite of it being a simple amendment, as I read the Senator's amendment it totally vitiates my amendment, so I must object to it being considered until the time has elapsed. I would be happy to consider it later.

Mr. JOHNSTON. Very well.

Mr. President, will the Senator yield me some time?

Mr. HANSEN. Yes.

Mr. JOHNSTON. Mr. President, my good friend, who is the sponsor of this amendment, has been very assiduous in his attendance of meetings. He has probably been there more than most Senators on the Energy Committee, so I imply no criticism at all when I say when we considered royalty bidding in the Energy Committee I happened to have been the only one there, the staff and I, and after hearing all the evidence the staff made its recommendations as they do on most of these bills, and the staff recommended not only that we not go with this amendment but that we eliminate royalty bidding altogether.

The staff, believe me, Mr. President, is not a captive of big oil, but the staff just happened to listen, as I listened, to the evidence.

If any fair person will listen to this evidence, he will see this is not a question of the little man trying to put Mom and Pop offshore into business, but this is a question of what is the best way to manage the Government's resources to produce the most oil and get the most money out of it.

I think it is not arguable, and if anyone cares to listen—and, Mr. President, I wish I had more eloquence to get more people to listen—but as I see these votes come about today I feel, as I said a moment ago, like we are Alice in Wonderland. We just authorized the Federal Government directly, not through subcontractors, to get into the drilling business onshore, offshore, private lands, public lands, the whole schmear, and it passed here by a 60 percent vote. So I am not so sure that the people really listen on the floor of the Senate.

But let me tell you, for those who do care, what the evidence indicates. First of all, the Federal Government is going to lose a lot of money on next year's budget. I do not know what that figure is. I am sending staff out now to check on it. I know we got over $1 billion in bonuses on the Destin Dome.

If this amendment were in operation on the Destin Dome, we would have lost at least half, maybe the whole amount, of that $1 billion.

I know we bid Lease Sale 40 out in the Atlantic at $1.4 billion. That would be at least half or at least all of that which would be gone. So I do not know what the budgetary impact is, but I can tell you we do have an estimate for next year as to that budgetary impact. I am informed that last year it was $1.4 billion. This year so far it is $2.7 billion. Staff just handed me that.

I do not know what the estimate is for next year, but I hope Mr. MUSKIE can respond. You are talking about losing at

least half of that $2.7 billion. I do not know what program we are going to take it out of, but I hope this Congress is ready to pare next year's budget by at least $1.3 billion if it is based on the same figures as this year.

Now, what were the other arguments about this royalty bidding? At first, premature abandonment. We have tried royalty bidding before. The Interior Department has tried it. They have authority. Do you know what they found? They found it did not help the independents.

We hear about the shedding of crocodile tears for the independents on the floor of the Senate. The independents testified in our committee, and do you know what they said? They said "We do not want it. Do not do it for our benefit." And yet this is the free enterprise amendment, that these independents want to be helped.

We found that you had premature abandonments in this sort of situation where, for example, you have a bonus bid of 80 percent, as we had in the experiment that the Interior Department conducted, and then when you have to pay out 80 percent of every dollar that comes off every barrel of oil you produce, what do you find? Very quickly you pass that point at which it is no longer economical to produce the oil.

Mr. METZENBAUM. Mr. President, will the Senator from Louisiana yield at this point for a question?

Mr. JOHNSTON. Not at this point, but I will in a moment.

But more important than the premature abandonment, because there are provisions in law where you can readjust that royalty, the most serious part about this amendment, in my view, is the decision not to develop.

It is a mathematical formula that is really very simple, and let me explain it to you. If you assume that you have a royalty bid of 80 percent, and an 80 percent royalty bid is precisely what we had in Interior's experiment, then it means that the value of the oil in the ground must exceed your expenses by that same ratio in order to be able to make that decision to drill.

What does this mean? Let us say you have $100 million worth of oil in the ground. You went out and explored and you found $100 million worth of oil. You know it is there, but you have to have one of these rigs to drill in a thousand feet of water, and that costs you $50 million, so your expenses are $50 million. You have $100 million worth of oil in the ground.

Now, under the present situation where you put up your bonus on the front end that money is gone, you cannot recover that. But thereafter, all you have to pay the Federal Government is one-sixth of the rest, so you can develop that $100 million worth of oil in that kind of situation.

But if you have to pay the Federal Government 80 percent, you did not pay them anything to begin with, but if you have to pay them 80 percent of all the rest, then it is not economical to order that rig, to invest $50 million to develop it, because if you put up your $50 million to develop and you only get $20 million of the remaining $100 million, then you have gone in the hole as far as developing that tract.

Now admittedly that situation happens only when you find oil and you find it in less quantities than you had hoped for. Mr. President, that is not an unusual thing. That frequently happens. When it does happen, the Federal Government, the people, the taxpayer, the consumer, is going to be the one to lose the oil.

Mr. HANSEN. If the Senator from Louisiana will yield for an observation, let me state, Mr. President, that it seems to me also that this particular amendment encourages speculation by people who can bid a high royalty bid and not do a thing about it because they do not have to pay the royality until the oil is actually produced. It discourages development, as the Senator is pointing out, for this reason.

The successful bidder can sit on the tract, let tracts around it be developed, and then when they are developed, if they are successful, he will not have to do a single thing. He can rip off the Government, disposing of his lease, at a higher price than might otherwise have been anticipated without having put up very much more money. Is that not the situation?

Mr. METZENBAUM. Mr. President, will the Senator from Wyoming yield?

Mr. HANSEN. No. I am asking the Senator from Louisiana if that is not the situation.

Mr. JOHNSTON. That was my next point.

Mr. HANSEN. I beg the Senator's pardon.

Mr. JOHNSTON. I am glad the Senator brought it up because this was testified about. The answer to this is, and I am going to yield in just a moment to the Senator from Ohio, but I will anticipate the answer, that is, he will say it is possible to have a work commitment. The problem of work commitments is that work commitments are by necessity small in percentage to the cost, because exploration is small in relation to the percentage of bonus bids. For example, on the Destin Dome they spent over a billion dollars on bonuses but only a couple hundred million dollars on the actual exploration, and that kind of ratio of about 20 percent is not unusual at all.

So, there is just no way that you can devise a work commitment that is sufficient in size and in scope to insure that you are going to have enough drilling done and if you make your work commitment too big you are going to scare away these independents for whose benefit this amendment is allegedly contrived.

Finally, let me say that this amendment brings up that problem of rolled in pricing on natural gas. Where you have a company that can sell its natural gas to the customer and can pass along whatever its expenses are to customers and then make a profit on top of that, as you can with these interstate gas companies, then he can bid 100 percent because whatever he bids if he finds gas out there he can simply pass it along to his customers on the rolled in pricing.

Let me say I would like very much to be able to solve that problem of rolled in pricing as opposed to incremental pricing. In last year's Pearson-Bentsen amendment we attempted to do that, but it is not an easy problem to solve because you cannot regulate the price to the customer when these interstate pipelines pass over a State border and are connected in what we call the Henshaw lines. We have tried to get at that problem and we just have not come up with the legislative formula so far to be able to do it.

So all I can tell Senators is that after considering all this testimony in the committee the staff, who as I say is not working for Exxon, recommended against this royalty bidding. I was the only one there. It was clear to me, and I do not expect you to accept my word for it. But I would just like an answer to these questions particularly the one about what do you do about that decision not to develop. In other words, you find oil out there, it is in commercial quantities, it is in large quantities, but you bid so much that it is not worthwhile to develop it. I just think it is clear. You can say this is for the benefit of the independents, free enterprise, and for the flag, motherhood, and all that, but I can tell you Senators the evidence does not support it. The independents do not support this, and I do not think the interest of the American people is supported by this amendment either.

Mr. METZENBAUM. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I yield.

Mr. HANSEN. Mr. President, I want to hear, as I know the Senator from Louisiana does, but we have a limited amount of time remaining. Would the Senator mind speaking on his own time?

Mr. METZENBAUM. I thought this would be charged to my own time.

The Senator talked about the independents being opposed to this. Was there not testimony from Ford Graham, a Louisiana independent, testifying that he would prefer any system that let him put his money up front into the ground rather than the bonus system, which is what is permitted under this law as it came out of committee?

Mr. JOHNSTON. No, he did not. I was there when Mr. Graham testified. He is from Louisiana. I know him well. What he said is this, that they like the present system. He is going to live under whatever system you have, and if the Senator will check the transcript, he will find that he said this. He said he is going to live under whatever they do. He said he does not think it is in the national interest. But if you come up with work commitment or bonus bidding or whatever, he and his company are going to be out there bidding.

Mr. METZENBAUM. What is in the national interest? He said he did not think bonus bidding was in the national interest. Is that what the Senator is saying?

Mr. JOHNSTON. No.

Mr. METZENBAUM. What is the Senator saying he said was not in the national interest?

Mr. JOHNSTON. Let me check the transcript. He said not in the national interest.

Mr. METZENBAUM. Do we have the transcript available with respect to Mr. Graham's testimony?

Mr. JOHNSTON. No, but I recall very well.

Mr. METZENBAUM. If we could obtain it.

Mr. JOHNSTON. Mr. Graham was not for royalty bidding. I can stand to be corrected. I can find it.

Mr. METZENBAUM. I did not say he was. I said I think he indicated he was not for bonus bidding, that he would like to invest his money into the drilling operation, putting it up front, as he stated it.

I think it is important that the Senate understand that the Senator from Wyoming and the Senator from Louisiana have both been talking about this horrendous idea of abandonment. What are we going to do when a fellow bids a high royalty and then walks away from the bid? Let me point out to the Senator that at the instance of Senator BARTLETT, I recognized this when in committee and suggested an important modification in royalty bidding procedure. It was Senator BARTLETT who talked to us in the committee about work commitment, and it was I who offered an amendment to add a work commitment to the royalty bidding provision to see to it that the problem the two Senators have been talking about cannot arise.

Mr. JOHNSTON. Will the Senator yield?

Mr. METZENBAUM. One moment. And when we talk about what the staff recommendation was, the staff recommendation took place before we had changed the language with respect to royalty bidding. What we now say on royalty bidding is the following:

Variable royalty bid based on a percentum of amount or value of the production saved, removed or sold.

But then there is something else. Something else is in this legislation now that was not in it when the staff made its recommendation, and something else that I believe the distinguished Senator from Wyoming and the distinguished Senator from Louisiana have forgotten about. And that is that we added a provision saying one of two things. With either a fixed work commitment based on dollar amount for exploration, which could be an amount of $300,000 or $1 million or $5 million, as much as you are prepared to put in the ground, which would be set by the Secretary of the Interior based upon his own analysis of how much it would need. Or if that would not be sufficient to protect the interests of the United States, the Secretary of the Interior may provide for a fixed cash bonus in order to see to it that you could not abandon a proposal once you had moved forward on it.

Mr. JOHNSTON. Will the Senator yield on that point?

Mr. METZENBAUM. No, not quite. But there is something more that is in this amendment that we put in. We said that if the whole question of a fixed work commitment will not answer the problem, and if a fixed cash bonus will not answer this problem, and if you want to be certain that you have the individual locked in tight and that he will not abandon his royalty bid, then the Secretary of the Interior can do something over and beyond. He can have the fixed work commitment and the royalty bid and the bonus amount both combined together so that the interest of the United States will be protected and there need never again be a chance of any abandonment of a royalty bid which has been awarded to an individual who does not have enough money invested to see to it that he can continue forward.

I think that that language has been totally overlooked in the arguments that have been made so ably today by both of the Senators who have opposed this measure, and I think there is another point that we must discuss before this debate concludes. That has to do with the fact that Senators would seem to suggest that there are two possibilities, one possibility being for royalty bidding and the other possibility being for bonus bidding. But that is not what the law provides. There are five other possibilities, and I think that Senators ought to be aware of those possibilities. Under (A), you can have bonus bidding. Under (B) you can have the variable royalty bid, which combines with it this question of work commitment or bonus as well, or both.

But you can also have a cash bonus bid or a work commitment bid based on dollar amount or exploration with diminishing or sliding royalty, as fixed by the Secretary of the Interior.

You can have a cash bonus bid with a fixed share of the net profit of no less than 30 percent.

You can have a fixed cash bonus with the net profit share reserved as the bid variable.

You can have a cash bonus bid with a royalty at no less than 12½ percent, fixed by the Secretary in amount or value of the production saved, removed, or sold, and a per centum share of net profits of no less than 30 percent.

And, yes, you can have a work commitment—this is the amendment offered by the distinguished Senator from Oklahoma (Mr. BARTLETT)—a work commitment based on a dollar amount for exploration with a fixed cash bonus and a fixed royalty in amount or value of the production saved, removed, or sold, as set by the Secretary of the Interior.

The options are wide open as to what you can do. To suggest that it is either-or is to deny the facts of the language in this measure as we are considering it.

Mr. JOHNSTON. Mr. President, will the Senator yield at this point?

Mr. METZENBAUM. For a question, not losing my right to the floor.

Mr. JOHNSTON. Very well. The Senator talked about work commitments for exploration. I was not talking about work commitments for exploration. I talked about that in my speech a while ago. What I was talking about is a work commitment for development, and there is none in that language.

Mr. METZENBAUM. If the Senator from Louisiana is prepared to offer language providing for a work commitment for development along the lines of the language presently in the bill, either with or without the present language for exploration, the Senator from Ohio will be pleased to join him in offering such an amendment.

Mr. JOHNSTON. The problem is, it cannot be done, because you cannot require a person to develop to a certain extent until you know whether he has oil, or how much oil he has.

Mr. BENTSEN. Mr. President, how much time do we have left before we have a vote on this proposal? The Senator from Texas has been trying for some time to get recognition.

The PRESIDING OFFICER (Mr. BURDICK). The proponent of the amendment has 33 minutes, and the opponents have 34 minutes.

Mr. HANSEN. Mr. President, as quickly as the Senator from Ohio has concluded, let me serve notice now that I would like to yield as much time to the Senator from Texas as he may desire.

Mr. METZENBAUM. I certainly want to hear from the Senator from Texas, but the Senator from South Carolina has been waiting for the floor, and I am pleased to yield to him. How much time does the Senator wish?

Mr. HOLLINGS. About 5 minutes.

Mr. METZENBAUM. I yield the Senator from South Carolina 5 minutes.

Mr. HOLLINGS. Mr. President, I will probably be even more brief. This wonderful contest we have been having down there with the Phillips 66 team, I was engaged in that for 5 or 6 years, but now that has gone on to the Energy Committee and my friend the Senator from Ohio, who I must say is doing a better job than I.

But I want the Senators from Louisiana, while the senior Senator is here, to listen a moment before they say, "Let's leave that and jump to the matter of pricing."

When this crowd came on to the floor yesterday, when we had the exploratory drilling concept in contest, we were like pigs in a poke. We know who the pigs were, but it was like we were in a poke, trying to get out of the poke and into the game; namely, have a look-see at what oil they have.

Maybe with exploratory drilling, we will have some sensibility as to what we are doing here in the Government. But now this morning, when we are trying to bring flexibility into it, they go to the budget and they say, "Oh, Senator from Louisiana, we are losing a lot of money."

Do you think that crowd is really worried about the budget? I have worked with them on the Finance Committee, and I have not seen their assistance in trying to hold the budget down.

Second, with respect to the hearing and who was there, I was not. But you do not have to look to a hearing. The best hearing we ever had on this is what the Senator from Louisiana has been telling us for 10 years on this floor, that where you drill you have got to go down deeper, and how expensive it is. And who does it? The independents do 80 percent of it.

When we had the oil depletion allowance before us here, we put in a specific provision for the independents as a matter of national policy, because of the persuasive views of the senior Senator

from Louisiana. He said the independents did all the drilling. Because the big majors, you know, are running ads, with Mobil sponsoring plays and TV shows—they are sending me ads in the mail now; we do not even have to see them in the newspapers. They are buying dignity every evening at 7 o'clock, with "This is the way it was," "We want you to know we are working for your trust," and all the time looking to buy a circus, or another can company, or something else.

But the independents cannot do that. They have to stay in there and just fight, and when we come to the pricing, which will be on Labor Day, you and I will be in rhythm, but you will go off in a different direction.

With respect to that hearing, we were trying to get the independents, who were onshore doing all the drilling, in essence, to go offshore and have an impact out there. But the name of the game has been: "Secretary of the Interior: Mr. President, I have got to balance the budget. The President: I am with you." And at the end of the year you have to put on one, two, or three, but that was like a transfer of title, transferring title to the public lands to the major oil companies, who squatted, who just rested, and who never explored any at all, because they did not have to.

Mr. President, what has held up the energy crisis in this country is right here in the Congress of the United States, because we cannot make reasonable, rational business decisions with respect to competition and opening up the gates so the independents can get into the game.

That is all the Metzenbaum amendment is about. It provides all kinds of alternatives, with the Secretary not bound by any, because if they do not work or they do not cooperate, he can call back the contract and we can go with another one.

They do it everywhere else, no matter how far away. Even in the North Sea, the most difficult of all. Seven dollars a barrel is what they are getting in the North Sea, and you have Phillips, Gulf, and Exxon there, not walking away. They do it with other governments, and that government has got 51 percent. Here we are talking about 100 percent. The British people have 51 percent ownership, and the major oils are not worrying about private enterprise and all these ads, TV shows, and news programs.

They are out there in every other country, working in those countries, not debating and everything else. But here they have a largesse, a wonderful nest egg.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. Excuse me; I will yield back my 5 minutes in just 1 minute.

Mr. President, they are just relying on the stupidity of Congress. Like this week, the first thing they talk about is deterioration of the air.

Do you know where the policy has been, Senator from Montana? It has been in the back pocket of the major oil companies. Of course, they want to keep us confused with these silly arguments, and there will be no policy at the Government level, and they will run the policy themselves. That has been the dilemma in this country.

The Senator from Ohio is trying to open up matters and let the same independents who operate competitively and successfully on land go offshore and compete in the same fashion, with similar rigs and everything else.

Mr. HANSEN. Mr. President, will the Senator yield for a question?

Mr. HOLLINGS. On your time, because I have run out of minutes.

Mr. HANSEN. Yes. Mr. President, let me say I did indicate a few minutes ago, maybe 10 minutes, that I would yield next to the Senator from Texas.

If the Senator from Louisiana would not mind withholding his request a moment in order that the Senator from Texas might first be heard, I would like to do it that way.

Mr. BENTSEN. I am opposed to the amendment of the Senator from Ohio. I believe it overreaches. Let me say that the Senator from Texas was the first one, I believe, to introduce an amendment for alternative bidding. The Senator from Texas did that 5 years ago. I introduced a production sharing proposal similar to the Indonesian contract which first provides recovery of costs to the producer, then a sharing of net profits above the costs of production. I urged that the Congress agree with that. It is not a total panacea, and it is not a total answer, but I believe it helps. I had the head of an oil company sit in my office and he said, "Senator, my choking point is something less than $100 million. When it comes to offshore bidding, I would like to go off shore and compete as I have done on shore."

When it comes to cash bonus bidding, often the amount of money involved is in the hundreds of millions of dollars and eligibility is extremely limited.

I want to see more people participate. I want to see them do it something like the Indonesian contract, where there is a recovery of costs and then a participation in the net profits thereafter.

There are about 11 countries in the world which have that kind of a contract.

But I also know that this is not a total answer. That is why I feel we should experiment with alternative bidding systems in no more than one-third of the leases. I also believe any such alternative bid provides first for the opportunity of return of costs then a division of net profits above costs of operation.

Some of the arguments on the other side are quite legitimate. There is a great temptation to overbid on a participation. There is a great temptation for some of the under-capitalized companies to bid when they cannot handle a major blowout with the resulting environmental problems.

One of the problems will be, and why I am going to support a random selection amendment which will be offered by Senator JOHNSTON, is that we might see that the very best structures are given this kind of a bid while bonus bidding will be left to the poor structures. That would not bring in much revenue for us and would distort the results. I will support a random selection or awarding of these kinds of formulas on a variety of acreage.

The other problem we have in trying to solve this energy problem is the shortage of capital We do want them to put as much of that money in the ground as possible. Even for the big companies, when we talk about a billion dollar bidding deal, as we saw on the Destin Dome, that is a drain, and that means that much less money they can spend on drilling.

So I support the concept of an alternative bidding system similar to my Indonesian proposal, always have, and will continue to.

We have seen it done on land, we have seen it done with private owners and on State lands.

I believe this will give some competition to the major companies, competition offshore, which I think will be a healthy thing for the country.

I do believe we ought to try to chart this middle course between the rhetoric I have heard on both sides of this argument, and see that we keep it to the one-third limitation.

Mr. METZENBAUM. Will the Senator from Texas yield for a question on my time?

Mr. BENTSEN. I yield.

Mr. METZENBAUM. Does the Senator realize that the committee did not have a position on this point?

Mr. BENTSEN. Then it is my position.

Mr. METZENBAUM. The committee split right down the middle. I wanted to be certain that the Senator knew the committee split right down the middle.

Mr. HANSEN. Mr. President, I will yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I would like to say to my friend from South Carolina that I have voted for the kind of bidding we are talking about here. I voted for it in the past and I will vote for it again. Texas is different from Louisiana. For years Texas has been letting out some of their bids on a royalty basis and some on a front-end basis. I have advocated that the same thing be done in Louisiana and on the Continental Shelf. I voted that way here on the Senate floor.

Mr. HOLLINGS. Will the Senator yield for a question?

Mr. LONG. Yes.

Mr. HOLLINGS. Does the Senator think the independents really would love to participate in that Outer Continental Shelf?

Mr. LONG. Yes.

Mr. HOLLINGS. I am confident that they would. That is all I wanted to know.

Mr. LONG. But we are talking about a bill which seeks to do that kind of thing. It says that one-third of the leases would be let on that basis.

We have to keep in mind that this is not just a black and white proposition. There are advantages to doing it both ways. The major companies would prefer the big cash up front. I understand that. A man like Ford Grant speaking for the Louisiana exploration would say:

> That is not the way I would like to do it. Why not let me put the money into drilling, rather than the leases. You will get more drilling that way.

When people bid on these leases, they ought to be permitted to put the money they bid into drilling on the lease rather than just paying the money into the Treasury. That would help the independ-

ents. A company like Louisiana Land, which is about 23d in size, would be delighted to see it that way. We ought to get more drilling when they do it.

But this thing brings problems with it. Some of the problems were discussed by my colleague from Louisiana.

In certain areas, for example in the Gulf, if you find anything, you know you will find gas. That is shown by experience.

A big pipeline company chief executive officer told me some years ago:

> If that is how you are going to do business, we will bid on it. We will bid 100 percent. If someone else bids 100 percent, we will bid 101 percent the next time because from our point of view we need the gas. If we have to pay for that gas, we are willing to pay in order to put it into the pipeline because we are having difficulty serving our customers. If we do not serve them, we will lose those customers. From our point of view, we are desperate enough for gas that we are in no position to quarrel about the price we have to pay for it. We will pay 100 percent and if someone bids 101 percent, we will bid 102 percent.

If we do it that way, we wind up paying a lot more for the gas than if done another way. But if they get the lease on that basis, if they are paying more than 101 percent, the more they run the cost up the more profit they make. That is the one where they put the brother-in-law on the payroll to help operate that particular lease.

It is kind of like that story I told about the people who had the round of drinks at the Mayflower Hotel in World War II.

One man said, "Let me have the check. I am on an expense account. It won't cost me anything."

The other fellow said, "I would just as soon have it. I have a 90-percent excess profits tax. It won't cost me but 10 cents on the dollar."

The other man said, "Hell, no, let me have the check. I am on a cost plus contract. I will make a 10-percent profit."

So that kind of thing gets into it when we let one of these big pipeline companies go out and produce the gas. Sometimes we find we have frustrated our own purpose. Instead of letting the independents bid on it we have put the pipeline company into the position to rip off the consumer. The Senator does not want that to answer any more than I do. He does want the independents to compete.

If we look at the equipment the independents have available to them, it is expensive equipment. If they want to get it, they have to get their equipment on order, and get in line to buy it. They might not be able to lease the equipment, because someone is out to get it if there is to be a lease to drill. I suspect we will find that with the equipment which can be made available in the foreseeable future, that would be as much as those people could drill.

I applaud what the committee has done. I think it is a good idea. We ought to explore it and see the extent to which it would bring about more production. But just because something is a good idea does not mean we have to go completely hog wild about a thing until we see how it works out.

Mr. METZENBAUM. Will the Senator from Louisiana yield for a question?

Mr. LONG. On the Senator's time.

Mr. METZENBAUM. If he thinks it is going hog wild, would the Senator from Louisiana be good enough to explain why he voted for the very same provision in the same bill 2 years ago? It was 50 percent 2 years ago.

Mr. LONG. I thought I just got through explaining why. Frankly, my impression is that I know a little more now than I did 2 years ago. I like to think I learn something every day around this place.

Mr. METZENBAUM. I understand. Now the Senator is back on the time of the Senator from Wyoming.

Mr. LONG. Frankly, when that situation occurred at that time, we were not debating whether it ought to be one-third or one-half, and we were not talking about the very point I am talking about. Do the independents have that much equipment to drill with? Can the Senator answer that question?

Mr. METZENBAUM. I should think that the independents would be in as good a position to have the equipment as the majors. I think that, since there are more independents than there are majors, there is a better chance that they would be able to procure the equipment through their own ingenuity. I think the private enterprise system works that way.

Mr. LONG. Now the Senator is thinking. I asked for information, not what the Senator thinks.

Mr. METZENBAUM. I apologize to the Senator for thinking.

Mr. BUMPERS. Will the Senator from Ohio yield me a couple of minutes?

Mr. METZENBAUM. How many minutes?

Mr. BUMPERS. Five.

Mr. METZENBAUM. I yield to the distinguished Senator from Arkansas.

Mr. BUMPERS. I always thought Senators were open-minded.

Mr. HANSEN. I am open-minded.

Mr. BUMPERS. I see we have about seven Senators in the Chamber and they are all as open-minded as Senator HANSEN just said he is.

I would like to make a couple of observations. Why do the major oil companies resist this amendment? Why do they want to stay on the cash bonus basis? I suggest that there are two reasons.

No. 1, as long as they are on a cash bonus basis, they are going to get the bids. The Senator from Ohio read off a list of the last sale. It is Exxon and all that crowd, just as it always is, because they have the money and they can put it up.

The Senator from Texas, a while ago, said he talked to a small Texas oil company man and he said, "I would choke on a hundred million dollars." Exxon throws that much away every day. Their sales are $50 billion a year.

As I stated, they know that they are going to get the bids as long as it is on a cash bonus basis.

No. 2, they know that the Secretary is not going to demand and nobody else is going to demand a very big royalty on the part of the U.S. Government, as long as there is a gigantic cash bonus on the front end.

I really must confess that there is not a great deal of difference in the committee bill which now says that the Secretary will take up to two-thirds of the bids on a cash bonus basis. The difference between that and 50 percent, which the Senator from Ohio is recommending, is not all that much.

My personal preference would be to do away with all cash bonus bidding. Let everybody come in and say, "I will do the work and I will give the Government a fair share of the product, whatever it is."

The U.S. Government is about the only government in the world that even permits private oil drilling. There are Pemex in Mexico, Pertamina in Indonesia. British Petroleum, and French Petroleum. Just because we want the United States to drill on the Outer Continental Shelf to see what we have, before we let Exxon and Texaco and Mobil and all the rest of them start producing and developing the oil and gas, you would think the country had gone Communist. Nothing could be further from the truth.

Let me digress just a moment to say that those outrageous ads that the Mobile Oil Co. puts in the Wall Street Journal and the New York Times every day are an absolute insult to a person's intelligence. I get so tired of looking at those things that I could scream. They say that we have to deregulate. That is the free enterprise system, deregulate.

Do you know why? Because they know what is going to happen to the price when we deregulate. The price is going to go sky high. They know we are running out of oil and gas. The price is going to go up. They happen to control all of the reserves. Of course, they want to deregulate.

What do they say? It is the free enterprise way. It is free enterprise to let the marketplace decide. That is the biggest smoke screen ever perpetrated on the American people. It is the biggest hoax ever perpetrated on the American people.

What do they say next? As the Senator from South Carolina said:

> We just have to drill so deep nowadays, it just costs so much that we cannot stand it; we have to have more money for our product.

What do they do with the money they have? I tell you what Mobil does: They go out and buy the Marcor Corp., Montgomery Ward, and American Can Co. for $800 million cash. That shows how sensitive they are to the energy needs of this country.

This is the same old story. I am going to support the amendment. I am going to vote for it. I do not think it is that big a deal, but it is at least a chink in the armor. It gives the Secretary a little discretion. It gives him the right to say that we are at least going to give some people who have not had a chance to drill on the Outer Continental Shelf a chance.

Do you know what the majors are going to say? "We cannot take this. You let competition interfere with the free enterprise system."

That is the whole argument in a nutshell, Mr. President.

I am happy to support the amendment. On behalf of the committee, I can say that the same amendment was offered in the committee. Senator METZENBAUM offered it in the committee.

The same amendment there was defeated on a 9 to 9 vote, a tie vote. But I hope that it will not be defeated here today, for all the reasons I have just stated.

I thank the Senator for yielding me time.

Mr. HANSEN. Mr. President, I yield such time as he may desire to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am sorry that Senator HOLLINGS is not here. I should like to have shared my thoughts with him for a few moments.

I have listened this morning to this debate. I listened attentively to the Senator from Arkansas in his last discussion. I think we are making noises this morning that do not even address the issue that is before us. Let me tell what the amendment before us reminds me of in terms of what is happening to our Government.

It appears to me—and I used this example one other time, but it fits here even better—that we come to the conclusion, in the Senate, that anything worth doing is worth overdoing. That is really the issue here.

The Senator from Arkansas is absolutely right when he says that this amendment does not do much, except that, on an approach to capturing the resources offshore that have not worked to this point, we are mandating that 50 percent of it be done that way. The way the committee did it was to say, "If it is that good, Mr. Secretary, you can do 50 percent, you can do 80 percent." All the bill says is that no more than 66⅔ percent will be cash bonus. If he finds that it has all these wondrous cures that have been alleged here, he can put 50 percent into royalty bidding if he wants. The thing that we are doing here today is saying that, in an untried experiment, we are going to tie the Secretary's hands.

The committee recognized that we ought to try royalty bidding. It is in there. It is permitted. Everyone here has so much confidence in the integrity of the Secretary of the Interior, in the Secretary's concern about getting the best deal for the American taxpayer and getting oil produced and gas produced. Then, why in the world, if we have all that confidence, do we want to adopt an amendment that immediately says to him, "You must use 50 percent of a system that is speculative, that we are not even sure will work," and mandate it?

What the committee did is to say, "If it is that good, you can do 50 percent, but we are not ordering you to. The only thing we are saying is, you cannot use the old system for more than two-thirds of it."

That is the issue. For those who are talking about flexibility and the great qualities and attributes of this new system that we want to use, the committee has already provided for that. What we are doing with that amendment that is before us is saying, if it is worth doing, let us just go wild with it. Anything worth doing, do it all the way, when we do not even know the effects. I suspect the effects are going to be less production in the short term—at least in the next 7 or 8 years—if we force the Secretary to take a new approach that we do not know will work and mandate that a full half of all the leases will be done that way.

Having said that, let me just talk a minute about the so-called independent. I really do not understand how we can be here on the floor talking about independents as if we are talking about the Ma and Pa grocery store. This approach costs $50, $60, or $100 million right off the bat. So we are certainly not talking about the independents, that are drilling over there in New Mexico, forming a joint venture to put a half million dollars together. They are not drilling offshore. They know that the technology and investment is beyond them.

Let me tell the facts about independents as I have found them. I did not get these from any oil company or Phillips 66 team, as some have alleged who are worried about America's energy.

I have the recap from the Secretary of the Interior on the last major lease that was let. It says that there were 478 companies, large and small, that bid and got an interest in that lease. Four hundred and seventy-eight, Mr. President.

Now, I will state what else it shows. It shows that of that total, 326 independents—that is the non-16 major oil companies—326 of the leases are owned partially or in toto by the nonmajors and 126 by the 16 majors.

Does that mean the independents in this country are not participating in the offshore drilling activity promoted by the U.S. Government with its resources?

And, incidentally, the Senator from Arkansas commented about what is going on all over the rest of the world, suggesting, I think, perhaps we ought to nationalize, as I read what he said.

But it is interesting, do we know who they are using to do their drilling, Mr. President, those other countries in the North Sea and in Mexico? Who do we think will be doing the work?

The same American companies that we are down here accusing of working in a way that is not in the interest of the United States.

Even those other countries recognize that they know how to do it, that they have developed the skill and ability and technological approach to even the most difficult things.

Here we sit in the Congress talking about an energy crisis and we talk about the private sector of the United States, in particular, the oil companies, as if they obviously are the kind of thing we ought to get rid of.

I say this, if we do not have a tax structure that taxes enough, change it. If we do not have a good enough antitrust law, pass a better one. But do not sit here and talk about wanting to help the independents when, as a matter of fact, they have been participating, and they are not here asking for this approach.

In fact, I believe the junior Senator from Louisiana is right. The compelling testimony before the committee, is that they are getting a fair share.

I checked it out myself.

I will submit for the RECORD a 6-page list of those who participated, and on the last public bid, it contains 326 independents, those who are not part of the so-called big 16.

Where did they get their interest?

This is not a private interest, Mr. President. It is in the hands of the Secretary of the Interior.

Mr. President, I will submit a summary of all the sales since December 1970, which summarizes the interest of the independents in the offshore ownership and activities of public leases, offshore, of the United States.

Mr. President, it is revealing, if anyone is interested in facts, because they already have an interest. They are already partners, and to the extent they can afford it, that is what they are getting.

Certainly, they cannot afford a $200 million project, so they own 10 percent of it.

But they are not here asking for us to experiment, experiment with the huge resource that is there.

In conclusion, for those who are certain, and I am not, for I am no expert, I do not have any interest in my State, I could not be further from the offshore activities existing or to come, but for those who are certain the royalty bidding approach combined with work requirements, and the like, is the greatest thing since chocolate cake, then I resubmit that the Secretary of the Interior can award 50 percent of the future offshore leases to them. It is that flexible.

What we are doing with the Metzenbaum amendment is to say that before they even know it will work, they are obligated to put 50 percent there.

I submit in the interest of the diversity that exists in terms of resources, technological ability, capacity to do the job, that what we ought to do is precisely what the committee did and say that no more than 66⅔, the old way, and I stress "no more than," it leaves at least one-third for the experiment, the experiment in motherhood we have been talking about here today. If it works, they can have 50 to 70 percent of it that way.

But why insist on tying the Secretary's hands with an approach that we do not even know will work?

I ask unanimous consent that the two recapitulations of the facts on the bids to this point be printed in the RECORD.

I thank the Senator from Wyoming.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OCS LEASE SALE NO. 47—SUCCESSFUL OCS BIDDERS

Member company	Number of tracts bid on	Number of tracts obtained	Average interest in participation (percent)
Allied Chemical		1	25
Amax Petroleum		1	15
Amerada Hess		5	30-50
American Natural Gas		4	39
Aminoil	15	6	39
Amoco		3	25-100
Anadarko		2	12-20
Ashland Explor		2	11-25
Atlantic Richfield		25	33-100

Member company	Number of tracts bid on	Number of tracts obtained	Average interest in participation (percent)
City Service		8	40
Chevron		11	67–100
CMG Producing		2	17–50
Continental		8	45–100
Decalta International		7	22
Diamond Shamrock		2	20–25
El Paso		1	50
Energy Reserves Group		4	21
Exchange Oil/Gas		1	21
Exxon		9	100
Freeport	17	5	20
General American		5	7–33
General Crude		6	18–75
Getty Oil		6	30–50
Gulf		13	100
Hamilton Bros		1	13
Highland Resources		1	9
Houston Oil & Minerals		1	100
Hunt Industries		1	3
Hunt Oil		1	31
Hunt Petroleum		1	2
Ermagee		4	17–25
Knobb Hill Oil/Gas		1	1
Cook Industries		3	33
Louisiana Land		2	15
Marathon		3	34–50
McMoRan Explor		4	6
Masa Petroleum		5	34–100
Mobil		12	63–100
Murphy		1	5
Natomas Explor		8	28
Newmont		6	16
Northern Natural Gas		4	33
Ocean Oil/Gas		3	8–50
Ocean Producing		4	2–50
Oil Development of Texas		3	25
Occidental Petroleum		5	20
Pancanadian Petroleum		2	21
Pelto Oil		2	10
Pioneer Producing		2	8
Placid Oil Gas		4	31–100
Plato		1	30
Pogo		2	30–90
Research Oil		3	14
Sabine Producing		3	25
Samedan Offshore Oil		2	10
Santa Fe Mineral		9	8
Shell		12	100
Sohio Petroleum		2	25
Sonat Explor		6	28
South Coast		1	22
Southland Royalty		1	10
Sun Oil		1	50
Superior		8	3–100
Tenneco		9	50–100
Texaco		5	33–50
Texas Eastern Explor		2	33–50
Texas Gas Explor		2	20–50
Texas Gulf		4	20–50
Offshore Co		6	5
Total petroleum		1	10
Transcontinental producing		6	46
Transocean		2	34
Union of California		9	50–100
United Gas Pipeline		1	25

MAJOR OIL COMPANIES—BREAKDOWN OF INTEREST IN PARTICIPATION BY TRACT

Company	Tracts	Participation (percent)
Amoco	3	25, 50, and 100.
Atlantic Richfield	25	5–33, 20–100.
Chevron	11	3–100, 8–60.
Exxon	9	100.
Gulf	13	100.
Mobil	12	1–100, 11–63 to 65.
Shell	12	100.
Sohio	2	25.
Texaco	5	4–50, 1–33.

OCS PARTICIPATION BY DPC MEMBERS

Member company	Bidders	Number of tracts bid on	Number of tracts obtained	Average interest in participation (percent)
Aminoil	X	15	6	40
Penzoil	X	9	2	50–60
Tenneco	X	18	9	50–100
Louisiana Land	X	7	2	15
Freeport Sulphur Co	X	17	5	20
Hunt Oil	X		1	31
Santa Fe	X		9	8
Southland Royalty	X		1	10

LEASE SALE BIDDING STATISTICS FOR 16 LARGEST MAJOR (1) COMPANIES AND INDEPENDENTS

(1) "Major" company by 1976 FEA definition; (2) statistics from offshore oil scouts as directed by the BLM OSC sales 1970 through 1976—Gulf of Mexico

Lease sales	Total bids	Number of companies	Number of bids, 16 majors	Number of majors	Number of bids, independents	Number of independents	Percent independents	Tracts leased: Total	Tracts leased: 16 majors	Tracts leased: Independents	Tracts leased: Percent independents
1. December 1970	1,930	53	755	15	1,175	38	61	245	92	153	62
2. September 1972	697	55	285	15	412	40	59	136	83	53	39
3. December 1972	2,060	72	650	15	1,410	57	68	308	138	170	55
4. June 1973	1,899	75	516	15	1,383	60	73	386	96	290	75
5. December 1973 (MAFLA)	1,019	51	466	15	553	36	54	208	141	67	32
6. March 1974	1,409	81	463	14	946	67	67	322	118	204	63
7. May 1974	973	77	357	15	616	62	63	349	148	201	58
8. July 1974	152	43	55	9	97	34	64	46	16	30	65
9. October 1974 (S. Tex.)	1,062	80	351	14	711	66	67	447	170	277	62
10. February 1975	697	48	269	13	428	35	61	239	118	121	51
11. May 1975	482	67	146	13	336	54	70	212	69	143	67
12. July 1975	478	65	152	13	326	52	68	183	69	144	62
13. February 1976	166	53	64	14	102	39	61	67	28	39	58
14. November 1976	287	72	96	14	191	58	67	137	31	106	77
Total	13,311		4,625		8,686		65	3,285	1,317	1,998	61
15. June 1977	822	80	344	15	478	65	58	326	126	200	6

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Mr. HANSEN. Mr. President, I congratulate the distinguished Senator from New Mexico for having spelled out very clearly, very understandably, in terms that everyone should be able to comprehend, what the facts are.

When he spoke about the independents as not being people who would compare with the mom and pop grocery store and the extreme costs of trying to develop oil reserves and oil resources on the Outer Continental Shelf, I wish everyone might have been listening to him, because that is precisely the problem.

I must say, Mr. President, I was somewhat amazed when it was implied here earlier this morning that the American Nation, the United States, is the only nation that has followed this course of letting private entrepreneurs handle the development of its oil and gas resources.

Let us look at that from the other side of the coin. It is true. This country has about 6 percent of the total population of the world, which now is estimated to be almost 4 billion people, or whatever, and it is rather unique, indeed it is, that we should seek people in the private sector of our economy to develop the oil and gas resources.

But when we look at the success ratio, when we understand that although we are about 6 percent or 5 percent of the world's population, and we use roughly one-third of the world's energy, we ought to be able to understand why that is true.

It is true because we have had a system working in this country that has been so successful that we were able to have at our disposal that great amount of energy. This is an energy-intensive nation.

We talk about balance of trade, and the only reason we are not in extremely tough circumstances as far as balance of payments go is that the American farmer is able to produce far more than we can possibly consume in this country and, as a consequence, we are able to export from the State of North Dakota and a lot of other States a whale of a lot of corn and wheat and soybeans and other products, as well. That has accounted for keeping the balance of payments down at controllable levels.

All we need to do if we are to make comparisons, England has nationalized things. They nationalized the coal mines.

I flew over to England a few years ago when we were going into the Middle East and some people on the plane said, "You know, this reminds me of World War II days."

I was not sure what they meant. They said, "Look at the city down there, it is nearly black."

When we got to the hotel, 10:30 at night, the sign on the door said, "There will be no hot water until tomorrow morning."

We almost had to grope our way down the hallway because they had about a 30-watt lightbulb at rather long distances to try to conserve energy.

England nationalized its energy and it did not work too well.

I think a lot of British people would be tickled to death to have to put up with the free enterprisers who find the oil and gas in this country.

Who developed the oil fields in Saudi Arabia? Did the Saudi Arabian Government do it? They did not. The Saudi

Arabians are pretty smart people and when they wanted to have their oil resources developed and their gas resources developed they did not go to the blacksmith to have it done. They went to the companies who knew how to do it.

When the resources were developed in the North Sea, who did both countries that have access to a proportional share of the North Sea go to? They went to the experts. They came right back to the American oil industry to get the job done because they wanted to have it done by people who knew what they were doing.

The trouble with having the Government in this business, and that is the whole thread of this OCS bill, it seems to me, is that it presumes that we are going to save money, that we are not going to have this rip-off by the major oil companies.

People forget that Americans own the major oil companies, and people forget that the first concern of the board of directors of Mobil—and they have been maligned here this morning because they bought some stock that was owned by Montgomery Ward. I think they acted with good reason. If they are listening to the debates that take place on this floor, as I suspect they have from time to time, they cannot escape the conclusion that, despite the kind of job they have been doing, this Congress is bound and determined to put them out of business.

If I were on a board and if I were responsible to the stockholders—which I am not—and somebody wanted me to take care of their interests, I would have to conclude that this might be a good time to diversify; because if there is one thing that impresses me as being an overwhelming sentiment among a majority of the Members of this Congress it is the fact that, whatever may be said, the oil companies are bad guys and any way you can put them out of business, any way you can hurt them, any way you can make it tougher for them to operate, that is good sense.

The fact is that we have more energy available in this country than any other country on earth. For every hour of work we put in on a farm or ranch, we burn 1.2 gallons of fuel oil. A gallon is about one-third or one-fourth as costly in the United States as it is anywhere else in the world.

It so happens—and I remind my good friend from Arkansas once again—that that oil so far has been produced not by the Government of the United States but by the independents and by the majors. They have done a whale of a good job of it, and they have been supplying that oil for about one-third or one-fourth as much per gallon cost of gasoline as is true anywhere else.

When they had the tragic fire in the North Sea, did the Government of Norway call in its Norweigian experts to put out the fire? They may have consulted with them earlier, but they went down to Texas to get a guy named Red Adair, because he knew what he was doing, and he put out the fire.

I must say that it distresses me to see people stand on this floor and say that the major oil companies and the independents are not any good. I think the record speaks for itself. We have done the greatest job I have ever seen done in this country, and I hope we will have the good sense to say, "Let us not try to outlaw success. Let us not try to outlaw efficiency."

I yield to the Senator from North Dakota.

(Mr. HARRY F. BYRD, JR., assumed the chair.)

Mr. BURDICK. Mr. President, I have listened to this debate and find it very interesting. There is one issue that does not seem to be settled in my mind.

What was the testimony with regard to the wishes of the independents? If we are going to make room for the independents, what was the testimony in the committee?

Mr. HANSEN. I did not hear all the testimony, but what I did hear was that both the IPAA and the Domestic Petroleum Council, which represents the middle-sized group, testified that the law under which we have been operating is entirely satisfactory to them. They did not testify in support of the bill we have before us now.

Does that answer the Senator's question?

Mr. BURDICK. I believe it does.

Mr. METZENBAUM. May I respond further to the Senator?

Mr. HANSEN. On the time of the Senator from Ohio.

Mr. METZENBAUM On my time.

I think there was testimony on both sides with respect to the independents. Husky Oil Co. testified—and this is their quotation:

> Under the present bonus bid system, companies like Husky do not have sufficient capital for successful cash bonus bids to acquire leases plus the high costs of exploration and production.

They went on to say:

> We believe the best method of assuring development of millions of acres coming to bid on the OCS is for companies to bid a lease on the basis of a work commitment, coupled with a net profits interest to the Government when oil or gas is actually produced.

The bill that came out of committee, I am certain, is far more acceptable to Husky, which is one of the major independents, than it would be with just the bonus bidding procedure.

Mr. BURDICK. I understand that the independents have an organization representing their views. I understand there are several hundred independents in the country. Did they or their organizations appear and testify and give their position?

Mr. METZENBAUM. I believe that the independents did testify. The Senator from Louisiana sat through more of that hearing than I did.

Would the Senator from Louisiana care to respond?

Mr. JOHNSTON. I think it is fair to say that the independents oppose this amendment. In fact, they oppose royalty bidding. We are talking here about royalty and not profit bidding. They oppose royalty bidding principally because they are afraid of competition from the gas companies, the pipeline companies, the gas pipeline companies, who can come in and bid 100 percent and roll it into their prices and have a cost-plus deal.

Mr. HANSEN. If the Senator will yield, on my time, let me observe, for the benefit of the Senator from Ohio, that of all the members of the Domestic Petroleum Council, so far as I know, Husky Oil is the only member that testified in support of royalty bidding.

Mr. LONG. Here is the point—and I have not heard one word of defense against this argument, because I do not think they have any defense against it: With respect to most of these leases off Louisiana and Texas—and that is the only place you can drill now, unless at some point between now and the hereafter, the Environmental Protection Agency will let us drill elsewhere in the Atlantic—most of what you have to drill for out there is gas.

The pipeline companies, such as Columbia Gas, Tenneco, and the rest of them, can bid 100 percent. Who can bid more than 100 percent? Even Exxon cannot do that, unless they want to lose money.

Mr. METZENBAUM. On whose time is this, Mr. President?

The PRESIDING OFFICER. The time of the Senator from Wyoming.

Mr. LONG. Even Exxon cannot bid 100 percent, unless they would love to lose some money. But a pipeline like any one of the majors—United or others—can go out and bid 100 percent because they need the gas for their customers. They can put it on their rate basis and make a profit on top of it, as they do with a cost-plus deal.

So, from their point of view, no matter how much it costs, they make a profit. That is why the independents testified against it, because they cannot bid against the pipelines. Even Exxon cannot bid against the pipelines.

I am curious to hear the Senator answer how he proposes to have the independents bid more than 100 percent.

Mr. METZENBAUM. Responding further to the Senator from North Dakota: When the independents testified against the royalty bidding, that had to do with that specific issue. At that time, the bill had not been amended to require either a cash bonus in addition to the royalty or a work commitment. I doubt very much that they would be opposed to the language as is, although I do not know that to be the case. However, the fact is that there are seven different ways you can bid under this law.

So that the question of whether you are for royalty bidding or not for royalty bidding is not directly pertinent to the issue before us today. The question before us only has to do with the maximum amount of the tracts that may be put out on cash bonus bidding alone. The evidence is unequivocally clear that only the majors have been successful when there was bonus bidding. They are the ones who have obtained the major tracts, and in some instances as much as 100 percent of the tracts.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. BUMPERS. No self-respecting public service commission or any other

ratemaking authority, such as the Federal Power Commission, is going to allow any pipeline transportation company to pass along 100 percent royalty. To suggest that the gas companies are just busting to get out on the Outer Continental Shelf and bid 100 percent royalty so they can siphon the gas off into their pipelines is totally specious. Of course, that is not going to happen.

The Federal Power Commission regulates the price of gas in interstate commerce.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. BUMPERS. Let me make this point. The Federal Power Commission is going to regulate the price of interstate gas.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BUMPERS. Yes.

Mr. LONG. One of the chief executive officers of the biggest pipeline told me he would bid 100 percent. Furthermore, whatever the Federal Power Commission will let them charge for the gas the company is prepared to bid, just anything they let them bid.

Mr. BUMPERS. That is just my point.

Mr. LONG. How can you bid against anybody when he is in position to say the Government gets it all, "and anything you let me bid I bid?" How can you bid against him? The pipeline companies said, "Anything you will let me bid I will bid." How can you beat that?

Mr. BUMPERS. My point is the Federal Power Commission is not going to let them bid like that because they are not going to let them pass on any such exorbitant cost.

Mr. LONG. The Federal Power Commission would have to let them charge something for the gas.

Mr. BUMPERS. Something, but not 100 percent.

Mr. LONG. All right, whatever the Government would let them charge for the gas is what they will bid. How can you bid more than that?

Mr. HANSEN. Is it not a fact, furthermore, that when people are out of gas, as they were last winter, they would pay any amount? We passed legislation authorizing the President of the United States to make whatever kind of arrangement could be made in order to get gas. Can you say the Federal Power Commission is not going to do something? Believe me, when they are out of gas in Ohio, as they were last winter, I do not care what it costs, when people are out of gas that becomes pretty important. That is the first priority.

Mr. BUMPERS. Mr. President, if the Senator will yield at that point, the President put a cap on that. The President said up to $2.25.

Mr. LONG. Let us just pin the point down because you cannot answer this. Let me put this point to you. Let us say—you say the FPC will not let you put your gas in at 100 percent. All right. Then I say to you if I am a pipeline company trying to bid, I say, "Mr. Federal Power Commission, if you would not let me bid 100 percent, tell me what can I bid? Can I bid 90 percent? Can I bid 99 percent? What can I bid, because anything you will permit me to bid I will bid for it." How can an independent outbid that?

Mr. METZENBAUM. I find this discussion an amazing one. Here I find two men, both of whom have stood on this floor and have been two of the strongest advocates for deregulation of the price of natural gas—who have said by their votes that they do not want the Federal Power Commission to have any authority—two men standing here and telling us that the Federal Power Commission will let them increase as much as they need to increase if they bid at 100 percent.

Well, the facts are the Federal Power Commission, if you permit it to have the power that it now has, will not do so because the Federal Power Commission does not permit the amount paid on royalties to be cranked into the price. But instead of that you are coming here and using an argument that this amendment is going to play into the hands of the natural gas pipeline companies and the Federal Power Commission. The fact is that nothing could be further from the truth.

Mr. LONG. Mr. President, who had the floor?

Mr. HANSEN. You can have as much time as you want.

Mr. LONG. Senator, you cannot escape the argument—you are trying to escape it—you cannot escape it, you have to try to answer it.

Let me try to explain it to you again. Here is the point: The pipeline company needs the gas. If the independent gets the gas, he has to sell it to the pipeline company. That is where it has to go, and the pipeline companies are ready to bid because they need it. They do not want to take the chance of losing it, because somebody else needs the gas. They do not like to drill but they need the gas—however, they will drill because they desperately need the gas.

Now, the gas is to be sold at the price the Federal Power Commission says you can sell it for. So from the point of view of the producer, of the pipeline company bidding for it, they will say to the Federal Power Commission, "If you won't let us bid a hundred percent, tell us what you will let us bid for it because we will bid anything you let us bid for it."

I would be curious to know why not. And the independent bidding against it is bidding against the very company to whom he hopes to sell the gas. So basically the pipeline company is bidding whatever he is permitted to charge for it, and he is willing to bid a hundred percent. If he cannot bid a hundred percent he will bid anything they will let him bid. How can the independent bid against even 95 percent or 90 percent.

Mr. BUMPERS. Let me answer that. The independent producers are not subject to regulation by the Federal Power Commission. They could conceivably bid more than a hundred percent, but I do not buy the argument. They could bid a hundred percent royalty for the oil and 50 percent royalty for the gas, and they are not subject to regulation by anybody.

Mr. JOHNSTON. Does the Senator understand that all natural gas by independents and majors is now under regulation?

Mr. BUMPERS. Of course.

Mr. LONG. You just got through saying it is not.

Mr. BUMPERS. The independent can sell it to anybody he wants to, but he will be selling it to someone who is regulated. That is why I say they are not going to do it, nobody is going to do it. I do not know the president of the oil company you mentioned, I think he ought to have a saliva test and they ought to call the net boys. Nobody is going to do it at 100 percent.

Mr. TOWER. You say the independents are not subject to regulation?

Mr. BUMPERS. Independents who want to bid on this oil, who want to go out there and want to drill for it, are not subject to regulation.

When the pipeline company buys it from them, they are the ones who are going to be regulated.

Mr. LONG. Where did the Senator get the information?

Mr. BUMPERS. Tell me how they are regulated.

Mr. JOHNSTON. Mr. President, will the Senator yield? They are regulated by the Natural Gas Act of 1938, as amended by this Congress and extended by everybody. All interstate gas is subject to Federal Power Commission price control.

Mr. BUMPERS. But not oil.

Mr. JOHNSTON. Not oil. We are talking about natural gas.

Mr. LONG. That is what we are talking about, natural gas. That is what I have been saying all the time.

Mr. HANSEN. That is where you came in.

Mr. LONG. I am saying in practically all of the Texas part of the Gulf and most of the Louisiana part of the Gulf you know by geography where you are going to find gas. If you are going to find anything in certain areas, it is going to be gas. When you go to drill for the gas, you are subject to just exactly what I have been saying. I was not talking about oil. I did not think I was.

Mr. JOHNSTON. Mr. President, I would like to——

Mr. HANSEN. The Senator is yielded all the time the Senator may require.

Mr. JOHNSTON. Just to answer the question of how the independents feel about this bill, the distinguished Senator from North Dakota asked a question, and if he will give me his attention, I have gone over and gotten these statements.

First of all, to quote very briefly from the Domestic Petroleum Council in their testimony before our hearings they said, referring to section 205 on royalty bidding:

> It would actually reduce the level of participation by companies outside. The DPC strongly favors retaining the present bidding system of the cash bonus with a fixed royalty of not less than 12.5 percent. Additionally, the DPC would favor on an experimental basis a work commitment bidding system as will be detailed later.

So this is the Domestic Petroleum Council composed of independents.

Mr. METZENBAUM. Mr. President, will the Senator from Louisiana be good enough to explain to the Senate who

comprise the DPC, because it is my understanding it is actually controlled by the members of the majors.

Mr. JOHNSTON. It is a group of 21 small to medium-sized companies primarily concerned with domestic production of oil and gas. Some members are strictly producing, some are totally integrated, and some are affiliated with companies outside the industry.

Nineteen to twenty-one members' domestic production range from approximately 3,000 to 100,000 barrels of oil per day and up to 150 million cubic feet of gas per day.

These are the companies really, these intermediate-sized companies are the only ones, who can get out on the——

Mr. HANSEN. Husky Oil is a member of that Domestic Petroleum Council?

Mr. JOHNSON. That is right.

As far as what Mr. Graham said, I have now gotten his statement. On page 5 he goes on to talk about the bidding system presently used, and he said, "Something must be all right about the current law," speaking of the bid system. He goes on to analyze this bill in great detail, and he ends up with this conclusion. He says:

As a private citizen, I would like to see this Nation carry out the policy provisions stated in 102(1) of the bill. But if this bill becomes law in its present form just the opposite will be achieved.

So if the Senator would like, I can either give him a copy of Mr. Grant's statement or put it in the RECORD. I was there when he gave the statement, and I thought I had recalled that correctly, and the statement bears that out.

The fact of the matter is everybody who testified on this bill, the independents, with the exception of Husky Oil, all were against royalty bidding, and we are talking about royalty bidding. Nobody on the committee opposed the work commitment bids or the net profit bids on an experimental basis, but this bill goes overboard, 50 percent or more of royalty bidding, or these other kinds of bidding which, I think, is a grave mistake, and all the other independents think it is a grave mistake. Who thinks it is a good idea other than certain Senators? Nobody that I know of, nobody—maybe Husky Oil, if they ever change their opinion.

Mr. BUMPERS. If the Senator will yield to me, I think the American people think it is a good idea. Right now the U.S. Government is getting about 16⅔ percent royalty on the oil that it has sold so far on the Outer Continental Shelf plus those bids.

I would like the Senator to tell me what Phillips Petroleum Co. is paying Norway for the oil they found in the North Sea.

Mr. JOHNSTON. I cannot give the Senator the figures.

Mr. BUMPERS. I can tell the Senator it is over 50 percent. That is all we are doing here, just trying to make sure the American people receive what they are entitled to for what they own.

Mr. JOHNSTON. They received $2.7 billion last year in front end bonuses.

Mr. BUMPERS. What does the Senator think $2.7 billion will be in the North Sea where the reserves are estimated to be 15 to 20 billion barrels?

Mr. METZENBAUM. If the Senator from Arkansas will yield a moment, I wish to correct the Senator from Louisiana on that. May I have the attention of the Senator from Louisiana?

I am informed that the anticipated revenues do not indicate that that amount would be available from bonuses. That $1.1 billion would come in from royalties in escrow and only $1.6 from bonuses. All you would be doing under this bill is affecting the bonus part and you would be increasing the royalty part so I think that the $2.7 billion figure is a distorted one. These are figures I just obtained since the debate started this morning.

Mr. JOHNSTON. This is fiscal year 1978 the Senator is talking about.

Mr. METZENBAUM. That is correct.

Mr. JOHNSTON. I am talking about fiscal year 1977, $2.7 billion bonuses. So what the Senator is saving is his amendment will cost only $800 million for next year?

Mr. METZENBAUM. No, I am not willing to say my amendment will cost anything at all. My amendment will produce more revenue for the Federal Treasury over a period of time whether or not there might be some impact.

Mr. JOHNSTON. If the Senator will just get to next year's budget, when he says $1.6 billion in bonuses and his amendment does away with at least half of the bonus.

Mr. METZENBAUM. That is not correct. Mine does not do away with that much in bonuses. I have to point out to the Senator there are other provisions in the bill that make it possible to obtain up front figures, including bonuses that are possible under several of the other different sections, although those bonuses could be set by the Secretary of the Interior. So my opinion is that the impact of this bill with respect to future revenue would be very modest indeed, and whether it would have some impact is merely a matter for conjecture on both of our parts.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I support the Metzenbaum amendment. It was adopted by the Senate in 1975 when we last considered the Outer Continental Shelf leasing reform. The amendment furthers the objectives of the alternative leasing systems to, first, increase availability of funds for exploration, second, make it easier for independent oil companies to participate in the OCS development, and third, reduce the front-end cash bonus and increase the Government's share of oil and gas produced.

The limitation only lasts for 5 years and can be extended by the Secretary after a congressional review.

Finally, Mr. President, I think what the Senator from Arkansas said just a moment ago goes to the heart of this problem. The international oil companies, when they explore and develop in the North Sea, pay the British and Norwegians far in excess of anything they pay the United States for publicly owned property.

Mr. President, I think that is one of the key issues. We want to be fair about this. But I think it is ridiculous that oil companies oppose royalty bidding when they agree to bonuses and royalties set by other countries that far exceed anything that is being asked in this legislation or the amendment by the Senator from Ohio.

Mr. President, I simply want to see a fair return to the American people and I want to see a fair opportunity for private enterprise to engage in this undertaking. No one can honestly say that an ordinary entrepreneur who may be worth $100 million can really go compete with the kind of competition engaged in the OCS now, in which major oil companies bid into the billions of dollars.

I strongly urge my colleagues to support this amendment which we have previously adopted and do it by a substantial margin.

I thank the Senator from Ohio.

ADDITIONAL STATEMENT SUBMITTED

Mr. WEICKER. Mr. President, the present language of S. 9 would give the lion's share of the OCS leasing areas to the large oil companies.

Up to 66⅔ percent of prime oil and gas leasing areas can be offered each year under a cash bonus bidding system with a royalty. The consequence of this language is to offer most of the submerged lands likely to produce oil and gas to those bidders that have large amounts of front money.

Those bidders with small cash reserves would, in effect, be bidding on only the remaining one-third of the potential oil- and gas-producing lands. The likelihood of these remaining leases to be high producers is slight.

The many small independent gas companies that would like to compete in the OCS leases would not be able to effectively do so.

In my own State of Connecticut there are independent gas companies that are anxious to participate in the OCS activities but will be barred by economic barriers that S. 9 will impose.

The amendment to S. 9 that is before you would change the percentum of lease lands to be offered under the bonus bidding system from 66⅔ to 50. This would allow for a greater number of companies to compete for OCS leases. By opening more of the prime producing lands to such competition the leases would be distributed more fairly than is now provided by S. 9.

I urge my colleagues to vote in favor of this important amendment to insure fair competition and greater efficiency in OCS development and production.

Mr. HANSEN. Mr. President, if the Senator from Ohio is ready to yield his time back, I will be ready.

Mr. METZENBAUM. In just one moment I will.

Mr. HANSEN. I will withhold them.

Mr. METZENBAUM. I point out for Members of the Senate that those who have been the strongest opponents of this amendment, voted for legislation 2 years ago which contained roughly equivalent language, certainly to the same effect

which would accomplish the same purpose, include the distinguished Senator from New Mexico, the distinguished Senator from Wyoming, and both of the Senators from Florida.

Two years ago there was a limitation of 50 percent. All this amendment would do is make the law the same as that which it was when it passed the Senate 2 years ago.

Mr. President, if the Senator from Wyoming is prepared to yield back his time, I am prepared to yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

Mr. METZENBAUM. I yield back the remainder of my time.

Mr. HANSEN. Have the yeas and nays been ordered?

Mr. METZENBAUM. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered.

The question is on agreeing to the amendment of the Senator from Ohio (Mr. METZENBAUM).

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. MORGAN), the Senator from Minnesota (Mr. ANDERSON), the Senator from Louisiana (Mr. LONG) and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) and the Senator from Minnesota (Mr. ANDERSON) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Missouri (Mr. DANFORTH), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 57, nays 33, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—57

Abourezk	Hart	Nelson
Bayh	Hathaway	Nunn
Biden	Heinz	Pell
Brooke	Hollings	Percy
Bumpers	Huddleston	Proxmire
Burdick	Humphrey	Randolph
Cannon	Inouye	Ribicoff
Case	Jackson	Riegle
Chafee	Javits	Sarbanes
Chiles	Kennedy	Sasser
Church	Leahy	Schweiker
Clark	Magnuson	Stafford
Cranston	Matsunaga	Stevenson
Culver	McGovern	Stone
DeConcini	McIntyre	Talmadge
Durkin	Melcher	Thurmond
Eagleton	Metcalf	Weicker
Ford	Metzenbaum	Williams
Gravel	Moynihan	Zorinsky

NAYS—33

Allen	Byrd, Harry F., Jr.	Dole
Baker	Byrd, Robert C.	Domenici
Bartlett	Curtis	Garn
Bentsen	Goldwater	Glenn
Hansen	Laxalt	Sparkman
Haskell	Lugar	Stennis
Hatch	McClellan	Stevens
Hatfield	McClure	Tower
Hayakawa	Packwood	Wallop
Helms	Pearson	Young
Johnston	Roth	
	Schmitt	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Long, against.

NOT VOTING—10

Anderson	Griffin	Muskie
Bellmon	Long	Scott
Danforth	Mathias	
Eastland	Morgan	

So Mr. METZENBAUM's amendment was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RANDOLPH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG subsequently said: Mr. President, on the preceding vote I have a pair with the Senator from Maine (Mr. MUSKIE). If he were present and voting, he would vote "yea." I would vote "nay."

Mr. EAGLETON addressed the Chair.

Mr. JOHNSTON. Mr. President, if the Chair will recognize me, I will yield to the distinguished Senator from Missouri.

The PRESIDING OFFICER (Mr. SASSER). The Senator from Missouri is recognized.

AMENDMENT NO. 487

Mr. EAGLETON. Mr. President, I call up my amendment No. 487, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON), for himself, Mr. DANFORTH, Mr. PEARSON, and Mr. DOLE, proposes amendment No. 487.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 258, between lines 10 and 11 add the following new section 504 and renumber subsequent sections accordingly:

SEC. 504. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by adding the following new section at the end thereof:

"LIMITATION ON CURTAILMENT PLANS

"SEC. 24. (a) No curtailment plan, applicable to a natural gas company that transports natural gas in interstate commerce, prescribed or approved by the Commission or any successor agency pursuant to the provisions of this Act, shall directly or indirectly exclude or deny deliveries of natural gas prior to full curtailment of service to all other classes or priorities of uses prescribed or identified in such a curtailment plan.

"(b) For the purposes of this section the term 'high priority use' means—

"(1) use of natural gas in a residence;

"(2) use of natural gas in a commercial establishment in amounts of less than 50 Mcf on a peak day; or

"(3) any other use of natural gas the termination of which would endanger life, health, or maintenance of physical property.

"(c) Nothing contained in this section shall restrict the right of State utility commissions to impose load growth limitations on high priority uses.".

Mr. EAGLETON. Mr. President, this amendment has two purposes. First, it would assure that highest priority is given to human need uses of natural gas in any curtailment plan which is prescribed or approved by the Federal Power Commission. Human needs are defined by the amendment as use of gas in a residence, a small business, or any other activity necessary to protect life, health, or maintenance of physical property.

Second, the amendment would reserve to affected State or local utility commissions the authority to decide how to distribute available gas supplies as between new and existing uses.

Mr. President, on June 14, the Federal Power Commission issued an order in the Cities Service case which prescribes a new gas curtailment plan affecting some 500 communities in Missouri, Kansas, Oklahoma, Nebraska, and Texas. Incredibly, the order places large commercial customers, including hospitals, nursing homes, and some apartment complexes in a secondary priority below that of industrial process and feedstock uses. The order also establishes a virtual moratorium on new residential hookups even though there are excellent prospects that Cities Service supplies will increase in years ahead as a result of new gas discoveries. This means that gas which could and should be used for human needs will instead be diverted for use as boiler fuel or other low-priority activities.

This FPC order is totally inconsistent with everything Congress has had to say on the matter. In the recently enacted Emergency Natural Gas Act of 1977, for example, human needs are accorded priority above all else and the President is authorized to divert gas from other areas of the country if necessary to meet those needs.

Obviously, there are other uses of gas which are of pressing importance including gas for industrial processes, feedstock, irrigation, and grain drying and I believe those activities should be given a priority. But no use of gas should come ahead of human needs.

The priority categories of use which are contained in this measure are taken word for word from the high priority uses defined in the Emergency Gas Act of 1977, and parallel the policy guidelines set down by the FPC itself in a 1975 order, No. 467–B.

My amendment, which is cosponsored by Senators DANFORTH, PEARSON, and DOLE simply says the FPC may not curtail either new or existing human need uses prior to full curtailment of service to all other classes or priority of uses. It is made clear, however, that State or local utility commissions are free to establish such limitations or moratoriums on new gas use as local conditions and priorities may warrant.

It is my position that Congress intended in the Natural Gas Act to leave control over end use of gas to State regulation, for the good reason that State and local conditions vary so much that it is impractical to try to deal with them on the basis of a single FPC order affecting as many as five or six States at a time.

An example is the recent FPC order in the case of Cities Service. The FPC

order reversed the decision of the administrative law judge and declared a moratorium on all new residential hookups after January 1, 1978. Many of the small communities served by Cities Service provided gas only for residential use. The effect of the FPC order is to deny growth to these communities and to make the gas they might otherwise use for home heating available for such low priority industrial uses as boiler fuel and space heating.

I am under no illusion that this is a simple problem and I recognize there may be cases where industrial use of gas should have precedence over other high priority uses, including heating of schools and other public buildings. My amendment attempts to deal with those complexities by leaving it to the State and local jurisdictions to tailor their own programs within the volume of gas made available to them by the FPC.

Certainly, this is an important policy question which needs to be addressed by Congress in the context of its overall energy program. The action of the FPC in the Cities Service case makes it clear that we can no longer allow the issue to be decided on a case-by-case basis.

Mr. JACKSON. Let me say to the distinguished Senator from Missouri that I agree with his statement that the question of how we distribute available supplies of natural gas is of major importance and must be addressed by the Congress. Having said that, however, I would still hope that the Senator from Missouri will not press his amendment at this time on this particular bill.

The Committee on Energy and Natural Resources has just completed its hearings on natural gas price policy legislation. We hope to begin our markup of that legislation before the end of the month, possibly even next week.

I believe it would be more appropriate to consider the curtailment priority issue in connection with that legislation instead of in the context of the Outer Continental Shelf legislation.

Mr. EAGLETON. Can I have the commitment of the distinguished Senator from Washington that the curtailment issue will be considered as part of the natural gas package?

Mr. JACKSON. I can certainly assure my colleague that the issue will be considered. While the Carter natural gas price policy legislation does not address the issue, two other bills before the committee do so. The Senator from Missouri's bill which parallels this amendment, S. 1814, is before the committee. S. 256, cosponsored by Senators PEARSON and BENTSEN, has a curtailment priority section and has already been subject to extensive hearings before the committee. There is no doubt in my mind that the issue will come up during the committee's natural gas markup sessions. I will assure the Senator that his proposal will be discussed by the committee at the appropriate time.

Mr. EAGLETON. With that assurance, I will not press my amendment at this time. I ask unanimous consent that letters from the Federal Power Commission and the Federal Energy Administration, commenting on my amendment, be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., July 13, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SENATE JACKSON: I have reviewed S. 1814, the proposed amendment to the Natural Gas Act which will require the Federal Power Commission or its successor agency to extend high priority classification under natural gas curtailment plans to uses of natural gas which are essential to protect life, health, or the maintenance of physical property. I understand that the provisions of S. 1814 will be offered as an amendment to S. 9, the Outer Continental Shelf Lands Act Amendments of 1977.

I concur that such essential uses for natural gas should be given a higher priority than industrial process or feedstock uses. In fact, this definition of essential uses was proposed and adopted in the Emergency Natural Gas Act of 1977 for purposes of reallocation of natural gas among pipelines. It would seem consistent to curtail natural gas using the same basis; however, there may be somewhat different considerations between priorities in an emergency and those which should be adopted as a long range curtailment policy.

FEA does not believe that consideration of the Outer Continental Shelf Lands Act Amendments of 1977 is a proper forum for deciding natural gas curtailment priorities. FEA believes that this very significant policy decision should be resolved in the broader context of deliberation on the natural gas provisions included in the National Energy Act.

For these reasons, FEA opposes adoption of the proposed amendment to S. 9, the Outer Continental Shelf Lands Act Amendments of 1977.

Thank you for providing me an opportunity to comment on this proposal to amend S. 9.

Sincerely,

JOHN F. O'LEARY,
Administrator.

FEDERAL POWER COMMISSION,
Washington, D.C., July 13, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of July 11, 1977, requesting my views on a proposed amendment to S. 9 which is identical to S. 1814, enclosed with your letter.

It is my understanding that this proposal is in response to Commission Opinion No. 805 issued on June 14, 1977, concerning the Cities Service Gas Company curtailment case. Since the Commission's opinion is now pending on rehearing, it would be inappropriate for me to discuss the proposed legislation insofar as it relates to pending Commission matters. Some general policy issues raised by the proposed amendments, however, are noted for your consideration.

In general, the proposed amendment would legislate a series of "high priority uses" to guide Commission adjudication of curtailments of service by interstate natural gas pipelines. In past testimony before Senate and House committees, the Commission has supported the enactment of legislative guidelines in this most difficult area of allocating limited supplies of interstate natural gas. The lack of legislative guidelines is reflected, in part, by the fact that the Commission's curtailment orders have been in continuous litigation since 1971.

It is clear that this issue of resources allocation is one which has profound implications for the entire nation. Thus, it is my belief that it is a policy issue which should be approached with sufficient opportunity to consider and weigh the many relevant factors before reaching a decision on the merits, including, for example, the relative impact of the legislation upon individual regions of the nation. In my opinion, the proposed amendment to S. 9 does not appear to provide the Congress with sufficient opportunity to consider such factors.

I appreciate the opportunity to present my views on the proposed legislation.

Sincerely,

RICHARD L. DUNHAM,
Chairman.

Mr. DOLE. Mr. President, I have joined with my distinguished colleagues from Missouri, Senators EAGLETON and DANFORTH, and my distinguished senior colleague from Kansas, Senator PEARSON, in an attempt to insure that homeowners will not be forced to bear the burden of our past errors in gas price regulation.

The FPC in recent weeks has publicized their concern for a worse gas shortage next winter than last, even though gas production is rising this year as a result of emergency deregulation-type gas prices. The FPC has also decreed that Cities Service Gas Co. must curtail new residential connections, even though Cities Service production also has improved this year.

The ultimate solution to gas distribution lies in deregulation and a free market process with other energy sources. All energy costs are obviously rising, forcing energy users to more carefully evaluate the most efficient, least expensive fuel for their own needs.

Industrial and large commercial users have been changing to alternate fuels as rapidly as possible. Schools and hospitals are trying to convert, but their budgets do tend to complicate their problems. I am studying ways to assist schools and hospitals meet these temporary needs.

Residential users have the greatest difficulty in meeting the higher costs of energy, particularly in the Midwest and Southwest where gas has been so plentiful and inexpensive. To completely deny them any residential use during this transition period adds even more burden. With deregulation, we would have a balance within a few years in which gas would be used only for those requirements which cannot be met by other energy sources. Residential use would continue to be one of those applications in many cases.

I say to the Senator from Washington, I am very pleased to learn that his natural gas price policy legislation could be ready as early as next week. The FPC opinion at issue here is nearing final implementation this week. Time is of the essence.

I have received many calls and letters from Kansans who feel this FPC ruling was unnecessary and penalizes the wrong people even if it were justified. After considerable study, I agree with them and have made every effort to ultimately set aside this ruling.

However, on the chairman's assurance of quick action with his new legislation, I concur that we should not press this amendment at this time.

Mr. PEARSON. Mr. President, I have joined my distinguished colleague from Missouri (Mr. EAGLETON) in cosponsoring the pending amendment, because of the urgent need to address a most serious issue. Deepening and pervasive curtailments of natural gas service experienced by many major interstate pipelines and their customers over the past 7 years have resulted in nationwide economic and social dislocations and hardships.

When a necessary commodity is in scarce supply and high demand, shortages will inevitably occur. This is precisely the situation in which our natural gas dependent nation finds itself. Due to the tremendous reliance by all segments of our society on this essential natural resource, it is imperative that we decide and implement the best national policy with respect to natural gas at the earliest possible date.

The recent Federal Power Commission order imposing a permanent curtailment plan upon the Cities Service Gas Co. is indicative of the difficulties that arise in an energy shortage situation. Under that curtailment order many end-users which serve essential human needs, such as hospitals and nursing homes, would be forced to seek expensive alternative sources of energy. In addition, due to load growth limitations placed on the Cities Service system by the curtailment plan, hundreds of communities, many of them rural and small, will be unable to develop in an orderly manner due to inability to acquire necessary volumes of natural gas for residential use.

I find the Cities Service order particularly perplexing with respect to my own State of Kansas which is a major producer and net exporter of natural gas. It is understandably difficult for Kansans to rationalize why they should not be allowed access to natural gas produced in their own State while such gas is being made available to millions of others located outside of Kansas.

No doubt, the legislation which we have proposed would adversely affect other essential users of natural gas. Essential agricultural uses of gas other than farming—such as natural gas used in fertilizer production—would not qualify for the highest priority classification contained within the pending amendment. However, it is my conviction that a denial of natural gas to these processes that are essential to food and fiber production would cause irreversible injury to the Nation and world's consumers.

Mr. President, yesterday I received a letter from the National Council of Farmer Cooperatives which further describes the situation I have just mentioned. I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
July 14, 1977.

Hon. JAMES B. PEARSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PEARSON: Members of the National Council of Farmer Cooperatives are major users of natural gas, primarily for fertilizer manufacturing and food processing. As a result, the Council strongly opposes an Amendment No. 487 to S. 9 and S. 1814 designed to permit wholesale additions of new customers (residential and commercial) to the nation's natural gas system. This legislation would severely restrict FPC authority to limit new customer additions during this period of declining natural gas supplies.

A recent FPC curtailment projection indicates that interstate pipelines will have less gas available for delivery next winter than they had during the 1976–77 heating season. In releasing the report the Commission said:

"The report shows that pipelines project a net incremental deficiency of firm gas deliveries for next winter of 169.9 billion cubic feet, meaning they expect to have that much less gas available to deliver than was available last winter." (FPC Bureau of Natural Gas Staff Report, June 1977)

In view of declining supplies of natural gas, service to high priority feedstock and process users, as well as residential customers, is threatened. Adding new residential loads at this time will magnify the problem of maintaining service to these customers. In a similar case, the FPC said:

"[N]ew customers will result in a greater first priority load factor, indicating that very few lower-priority users would be available to be curtailed during times of peak use . . . If colder than normal weather appears and the middle levels are already curtailed, there is nowhere to curtail but upward. Thus the [new] customers served . . . may also have unheated homes 10 years later because of it." (*Northern Natural Gas Company*, Initial Decision 14, Docket No. CP76–52, et al.)

This legislation also attempts to distort the basic premise of long standing FPC policy of placing existing residential customers in the highest curtailment priority in an effort to encourage addition of new residential customers. It is generally recognized that residential service is interrupted last in a curtailment plan because a reduction in service presents serious safety problems. (*Texas Eastern Transmission Corp.*, Docket No. RP74–39–3, January 20, 1975.) This safety reason for placing residential users in Priority 1 applies only to previously attached users and does not relate to the issue of whether new residential customers should be added.

The National Council is particularly concerned that the proposed legislation ignores the necessity of protecting certain high priority industrial uses of natural gas. By definition the FPC has characterized industrial process, feedstock and plant protection requirements as high priority uses for which there is no substitute. In agriculture, failure to provide sufficient supplies of natural gas for these purposes will result in declining output and higher food prices. Of course, curtailment of gas service to feedstock and process users in other industries will result in lost production, plant shutdowns and unemployment.

Service to new residential customers during this period of declining supply will be at the expense of existing natural gas customers. By encouraging growth, sustained curtailment of process and feedstock loads is greatly enhanced since an increasing share of supplies are reserved for the highest priority uses of residential and certain commercial customers.

It is important to note that this letter is not an effort to justify low priority industrial uses of natural gas nor is it an effort to suggest that existing residential customers not be accorded the highest priority in any allocation plan. The National Council is acutely aware of increasing natural gas curtailments and supports the need to conserve remaining supplies for high priority needs including industrial uses for feedstock and process requirements.

Instead of promoting conservation as natural gas supplies decline, the legislation has the effect of encouraging additional natural gas consumption. Due to the nature of pipeline curtailments, local distribution companies and interstate pipelines will be forced to engage in a race to add as many new residential customers as possible in order to receive increased allocations of natural gas. In fact, a pipeline or distribution company that does not add new residential users will find itself in a position of losing gas to other companies which promote the addition of new residential customers.

While the measure purports to leave the issue of load growth to state utility commissions, the legislation may actually prevent a particular state from acting in the best interests of its residents by ordering a moratorium on load growth as a result of declining natural gas supplies. A state that unilaterally orders a moratorium will be placed at a competitive disadvantage with other states and as a result will lose some existing gas to states which do not order such a moratorium.

In summary, S. 1814 and Amendment No. 487 will reverse years of careful planning and curtailment implementation by the FPC, interstate pipelines and their customers and will compel local gas distribution companies to add new loads to their systems in order to avoid erosion of their share of gas supplies. States would be powerless to control load additions because a unilateral moratorium would simply divert gas from that state to neighboring states which do not impose a moratorium. Finally, the legislation removes all protection from critical high priority industrial users which by definition have no substitute fuel capability causing a potential threat to jobs and production in vital industries.

Sincerely,

BILL BRIER,
Vice President, Energy and Natural Resources.

Mr. PEARSON. The distinguished Senator from Washington has stated that the Energy and Natural Resources Committee, which he chairs, will consider curtailment priorities when his committee takes up overall natural gas policy in the very near future. The so-called Pearson-Bentsen bill, S. 256, is pending before that committee and contains proposed statutory priorities for pipeline curtailments which I believe are equitable. I would hope that the Energy Committee would focus on both my bill and the pending amendment in attempting to establish a workable and fair allocation scheme for delivering scarce supplies of natural gas to essential users.

Mr. President, in conclusion, it is my belief that the true solution to the curtailment situation must come through the establishment of a comprehensive natural gas policy which will maximize production while at the same time will phase out unessential uses of natural gas. It is in the national interest for the Senate to consider and act on such a policy in the very near future.

Mr. EAGLETON. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 658

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) for himself, Mr. LONG, Mr. BENTSEN, and Mr. GRAVEL, proposes an unprinted amendment No. 658.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 157, after line 2, insert a new Section 205(a)(6)(B) as follows and renumber succeeding sections accordingly:

"The lease tracts to which the bidding systems authorized by subparagraphs (B) through (G) of paragraph (1) of this subsection are to be applied shall be chosen by random selection following receipt by the Department of public nominations of lease tracts to be included in a proposed lease sale, but prior to the initial announcement by the Bureau of Land Management of the tracts selected for incusion in the proposed lease sale. The Secretary shall immediately following such selection publish a notice in the Federal Register designating the lease tracts selected and the alternative bidding system or systems which shall be used for each such lease tract."

Mr. JOHNSTON. Mr. President, I shall be very brief. I hope the manager of the bill will listen to this. I think this is a very reasonable amendment. I hope not to speak more than 3 or 4 minutes.

All this amendment does, Mr. President, is to provide that as to those new kinds of bidding procedures which are selected, that they be selected on a random basis on leases. Under this amendment, we can have 50 percent of the leases on the new basis. All I would like is for that 50 percent to be on a random basis.

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats or retire to the cloakrooms for conversations.

The Senator from Louisiana is recognized.

Mr. JOHNSTON. As I say, Mr. President, I hope this amendment can be accepted. All it provides is that we accept those on a random basis and we do not skim all the cream off the top of the milk by taking all of the best leases and putting them in on any particular kind of basis.

The facts show that some 30 percent of the offshore leases produce oil. Some of those are a lot better than others. I simply would like that selection to be on a random basis. I hope the manager of the bill can accept the amendment.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum, the time not to be taken out of either side at the moment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DURKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded for the sole purpose of proposing a unanimous-consent request with respect to staff assistants on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Mr. President, I ask unanimous consent that Mark Kovin be accorded the privilege of the floor during consideration and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll, subject to the same condition.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 658

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I suggest the absence of a quorum, on the same basis.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, the Senator from Louisiana (Mr. JOHNSTON) has offered an amendment. I have some reservations about that amendment, but I am prepared to take it to conference. I think we ought to go into it further. He does raise some points that I think have some merit. In the interest of time—and I know of the Senator's deep concern about this problem—I think the sensible thing is to accept the amendment at this time. I am willing to do that.

Mr. JOHNSTON. I thank the Senator.

Mr. BENTSEN. Mr. President, I have always been a supporter of an alternative bidding system. In fact, in 1974, I introduced a production sharing proposal similar to the Indonesian contract which provides recovery first of costs to the producer, then a sharing of net profits above the costs of production. My goal at that time was to insure the maximum possible competition for our offshore resources without sacrificing any needed production. This is still my aim.

However, the committee has recognized that the bidding systems it proposed are untried. The Department of the Interior has very little experience with any method other than the cash bonus system.

In order to gain this experience, I propose that the Secretary of the Interior choose by lot the tracts where the alternative bidding systems will be used. A lot selection process will provide the department with opportunities to test these methods in various situations.

We do not want a situation a Government administrator might choose to try this alternative bidding just on what he estimates to be the best structures and leave all the cash bonus bids to the poorer structures; such a procedure would distort the results.

Mr. President, all this amendment will provide is that when the Department of the Interior experiments with the country's OCS land, it will try these bidding systems on all types of acreage.

Mr. JACKSON. I yield back the remainder of my time.

Mr. JOHNSTON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana (Mr. JOHNSTON).

The amendment was agreed to.

AMENDMENT NO. 502

Mr. CRANSTON. Mr. President, I call up amendment 502 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes amendment 502.

On page 157, line 1, delete the phrase "outside the Santa Barbara Channel".

On page 194, lines 12 and 13, delete the phrase "or the Santa Barbara Channel".

On page 195, line 12, delete the phrase "or the Santa Barbara Channel".

On page 196, lines 15 and 16, delete the phrase "or the Santa Barbara Channel".

Mr. CRANSTON. Mr. President, this amendment is a very simple one. It would remove language, where it appears in four places in the bill, which affects the Santa Barbara Channel off the coast of California. As the bill is now written, the Santa Barbara Channel is treated as if it were a well-developed oil- and gas-producing region analogous to the Gulf of Mexico. In fact, it is not. By eliminating the language, as my amendment proposes, the Santa Barbara Channel is restored the full protections envisioned by S. 9 for all other OCS regions. The Santa Barbara Channel is not only at a relatively early stage of development with respect to oil and gas production, but it is a geologically unstable region deserving of the full procedural protections of S. 9.

There is much else that I am prepared to say about this amendment, but I do not know that that is necessary. I have discussed it with the distinguished floor manager (Mr. JACKSON). I understand that he supports it. I should be grateful for his comments and his help.

Mr. JACKSON. Mr. President, I understand that the main thrust of the amendment is to make certain that the Santa Barbara channel is included within the provisions of the pending legislation.

Mr. CRANSTON. That is correct.

Mr. JACKSON. Mr. President, we have had a slight bit of controversy in the past over drilling in that area. That is the understatement of the year. I think this amendment is in order. I am prepared to accept it.

I yield back the remainder of my time, if the Senator is willing to yield back his time.

Mr. HANSEN. Mr. President, there is some interest on our side in this. In order to expedite things—not to try to delay them—I suggest the absence of a quorum and that the time be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that the pending amendment, the Cranston amendment, be set aside temporarily so that we can consider an amendment by Senator HATCH, where there is no controversy, so we can act expeditiously.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 659

Mr. HATCH. Mr. President, I call up my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes unprinted amendment No. 659.

Mr. HATCH. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 206, line 12, insert the following after the word "Act"; "but no information transmitted by the Secretary hereunder shall identify any particular tract with the name or names of any particular party so as not to compromise the competitive position of any party or parties participating in the nominations."

INTEGRITY OF THE BIDDING SYSTEM

Mr. HATCH. Mr. President, this amendment protects the confidentiality of each party's bid on each particular OCS tract when the Secretary gives information to the States about the bidders and the tracts nominated. A State may need to know which tracts in a pending sale received nominations, or how many nominations a tract has received, it may even want to know what companies are bidding, but it does not need to know which particular tract has been nominated by a particular company. If such information were somehow to become public, it would compromise the competitive positions of each company and destroy the fairness of the bidding. The amendment simply insures the integrity of the tract nominating system.

I am prepared to yield back the remainder of my time and move that this amendment be accepted.

Mr. JACKSON. Mr. President, I see no objection to this amendment. I am prepared to accept it.

I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection it is so ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 504

Mr. KENNEDY. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. It will take unanimous consent to further set aside the Cranston amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that the Cranston amendment be temporarily set aside pending the consideration of the Kennedy amendment.

Mr. CRANSTON. May I ask how long that amendment will take?

Mr. KENNEDY. I give assurance that if it does get into any longer consideration, I shall be glad to yield to consider the Cranston amendment whenever it is agreeable. This might take until 6 o'clock.

The PRESIDING OFFICER. Without objection, the clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) for himself and Mr. METZENBAUM, proposes amendment No. 504.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, after line 10, insert the following new subsection and redesignate succeeding subsections accordingly:

(f) After December 31, 1980, it shall be unlawful for any person who owns or controls a pipeline which is used in transporting petroleum on or across the Outer Continental Shelf, to transport by such pipeline any petroleum which such person has produced, owns or controls, or in which such person has an economic interest. For purposes of this subsection—

(1) the term "person" includes all affiliates of such person;

(2) the term "affiliate" of a person means any other person which controls, is controlled by, or is under common control with, such person;

(3) the term "petroleum" means crude oil or condensate; and

(4) "control" shall be deemed to exist whenever any person owns or has the power to vote 10 per centum or more of the outstanding voting securities of a corporation or other entity.

Mr. KENNEDY. Mr. President, this amendment would separate the ownership and operation of the petroleum pipelines on the Outer Continental Shelf from other industry operations. The purpose of it is to insure that the pipelines on the Outer Continental Shelf are operated as common carriers. This would insure that they are operated in such a way that all the shippers have equal access to the pipeline transportation.

In legislation affecting common carriers we have recognized the inherent conflict of interest when the carrier is permitted to ship his own goods. For example, Congress has prohibited railroads from shipping goods in which they have an interest. The recent report of the Department of Justice on deepwater ports quotes internal memoranda from a large oil company as saying: "In practice, privately owned carriers have not been readily accessible to nonowners." And, "* * * there are many subtle ways that nonowners can in effect, be locked out by limiting grade, tankage use, batch size, scheduling, etc."

Aside from being able to exclude independent competitors from low cost transportation, the major companies that own pipelines are able to expand their control over the industry's crude supply. This, in turn, enables them to exercise monopoly power at the refining and marketing levels. Last year, the Judiciary Committee, in a report, concluded that:

Control of the crude oil pipeline system greatly expands the major's control of the domestic crude supply far beyond the amount they produce themselves.

Attorney General Levi, in his deepwater ports report, concluded that integrated companies as owners of pipelines have an incentive to restrict capacity and access through various overt and subtle devices in order to enhance their profits in downstream markets.

There are a number of independent pipelines presently in operation, Mr. President. They have two characteristics. First of all, they are very profitable. Second, because they are independent they seek consumers by providing services rather than trying to limit access.

Mr. President, I know there were not hearings on this particular aspect of the OCS development, although in the Antitrust Committee, over the period probably in the last 10 years under Senator HART, a very ample record was developed on this particular issue.

It is not really a strange issue to the Members of this body because there have been very extensive hearings over this period of time.

It does seem to me appropriate that as, we are moving in this important area of development on the Outer Continental Shelf, and particularly since we are talking about production on public lands, that basically belongs to the American people, that we insure as much competition as is possible in the production and the movement of this particular product.

For these reasons, it seems to me appropriate to call up this particular amendment.

I have had a chance to talk with the manager of the bill briefly about this particular amendment. I was interested in gaining his reaction to this particular proposal and see if it is not possible to work out, I think, at least some arrangement to insure the greatest degree of competition as we proceed to meet our energy needs.

The Outer Continental Shelf development is an extremely important part of the President's program and we on the Antitrust Committee have been reviewing the different aspects of the President's program in terms of the competitive impact.

There are a variety of different issues that will have to be considered in the fashioning of a national energy policy and the competitive aspects are not an unimportant feature of it.

It seems to me, as we move into a new area of development and encouragement, that this particular issue should be addressed.

Mr JACKSON. Mr. President, I must say that the Senator has raised very important questions. I am sympathetic with what he is trying to do, and that is to enhance competition.

I express the hope that he would defer action on this amendment on the very important work that he is engaged in as

chairman of the Antitrust Subcommittee of the Senate Judiciary Committee, until such time as we in our committee have had a chance to really get into this problem in more detail.

We have not made a record here, that is, in our hearings, and I would respectfully request my good friend to defer action at this time in light of the things we have to do that are very important in connection with adequate marshaling of all the facts.

I am certainly sympathetic with the need to enhance the competitive marketplace, which is the thrust, really, of the Senator's amendment.

Mr. KENNEDY. I appreciate the comments of the Senator from Washington and indicate to him the interest of the members of our Antitrust Committee in working closely with him as he and the members of the Finance Committee examine the legislative proposals of the administration and those proposals which have been developed in the Congress to deal with the energy program and to work in helping to consider the competitive impact, because it is an extremely important aspect.

This issue of the separation of the pipelines, from the major companies, is going to be something we will work on during the period of this debate and discussion.

But I understand the position that has been taken by the Senator from Washington and what I would like to do is send a somewhat different amendment to the desk as a substitute for that amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator withdraw his amendment?

Mr. KENNEDY. I withdraw my amendment and send another to the desk.

Mr. JACKSON. Before we act on this, the junior Senator from California has arrived, may we complete action on the Cranston amendment?

Mr. KENNEDY. Fine. I am more than glad to withhold that amendment if I can be assured of recognition at the conclusion of it.

Mr. JACKSON. Mr. President, I ask unanimous consent that immediately after consideration of the Cranston amendment, the Senator from Massachusetts be recognized for the offering of the amendment which has been sent to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 502

The clerk will state the amendment of the Senator from California.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes amendment No. 502.

Mr. HAYAKAWA. Mr. President, I rise in opposition to the amendment offered by my good friend and colleague from California, Senator CRANSTON.

As my colleagues know, this amendment would redefine the Santa Barbara Channel off the coast of California as a "frontier area." That is, an area where no prior exploration or production activities have taken place.

Mr. President, there are currently 3 leases with a total of 200 wells actually producing oil in the Santa Barbara Channel, and there are 17 more leases that have discoveries and could possibly produce. I find it difficult to understand how we can call such an area a frontier.

My colleague's concern stems from the 1969 blowout in the Dos Quadres field. However, the problems associated with that blowout have been corrected.

That was 8 years ago and I do not know how many more decades we will have to worry about that which happened in 1969.

That blowout was caused by an improperly installed blowout preventer and thus was a mechanical failure, not a geological fault. In addition, since the blowout, a technician has been in the field every single day carefully inspecting each well to insure safety.

Mr. President, the protection afforded frontier areas in the bill we are debating today is designed to apply highly exacting standards and procedures to areas that have never been explored.

Exploration has been taking place in the Santa Barbara Channel for almost 10 years. To apply these same standards to an area already producing could cause the entire Santa Barbara Channel to be unnecessarily shut down. The leases in this area produce approximately 40,000 barrels of oil per day. Do my colleagues really want to stop production of that much American oil?

I believe it is important to point out that there are already sufficient measures in the bill which would add additional environmental protection practices to the Santa Barbara Channel.

The Coastal Zone Management Act amendments adopted by Congress last year, which are now law, give the Governor the right to veto all future exploration plans as well as future development and production plans in the Santa Barbara Channel, as soon as the California coastal zone management program is approved.

S. 9 also provides for input from California to the Secretary of Interior regarding the Outer Continental Shelf in the Santa Barbara Channel. It states that the Secretary has to accept the State's recommendation for the channel unless he makes a specific finding that a contrary decision is necessary.

Mr. President, I suggest that the need for this amendment has not been demonstrated and the delays it would produce are unwarranted and unnecessary. Therefore, I hope my colleagues will join me in voting against it.

In summary, Mr. President, I do not believe the frontier designation for this area is appropriate and that is the reason for my objection.

Mr. CRANSTON. Mr. President, there is no suggestion in my amendment that the Santa Barbara Channel is a frontier area—defined by the USGS as a region about which we know little of the geology. The point is that we know a great deal geologically about that area, and it is because of what we know about it that we feel that some protection should be applied.

Specifically, my amendment would do the following:

(1) It amends section 205(a) to include the Santa Barbara Channel within the provision which precludes the Secretary of Interior from applying a cash bonus/fixed royalty bidding system to more than 66⅔ percent of the total area offered for lease each year.

(2) It amends section 25 by striking the phrase "or the Santa Barbara Channel" where it appears in three places. By striking this language, my amendment restores to any new leases in the Santa Barbara Channel the requirement that the lessee must submit and the Secretary must approve a development and production plan prior to the development and production of oil or gas. Existing leases in the channel would not be affected by my amendment.

The development and production plan, set forth in section 25, is at the core of the policy reform in S. 9 which separates the exploration phase of OCS development from the production phase. This reform is endorsed by the National Governor's Conference, the National Conference of State Legislatures, and the Coastal States Organizations. I have advocated this reform for several years and am delighted that it is an integral part of S. 9. It is a significant mechanism which will improve the planning process for OCS development as well as enhance the participation of State and local governments in this process.

The thrust of my amendment, then, is to be certain that this key reform is applicable to the Santa Barbara Channel.

Mr. President, it is not clear to me just exactly why the committee bill contains the language exempting the Santa Barbara Channel from the various provisions of S. 9. I can only presume that the committee acted on the mistaken assumption that the Santa Barbara Channel, like the Gulf of Mexico, has a long history of oil and gas production that would make the application of S. 9 burdensome.

In fact, the two regions are not analogous. Until December 1975, the Federal OCS leasing program was confined primarly to the Gulf of Mexico. The only exception to this was the small area leased in the Santa Barbara Channel in 1968.

As of calendar year 1976, the Gulf of Mexico was producing 1,000 times more gas than the Santa Barbara Channel and 22 times more oil. In the Santa Barbara Channel, of the 72 leases sold to date, only three are currently producing.

Moreover, the history of Santa Barbara Channel oil development since the disastrous blowout in January 1969, is instructive. Just days after the massive blowout and spill, then Secretary of Interior Walter Hickel ordered the suspension of drilling and production operations on six active leases and safety reviews were made of all other leases in the channel to determine if further operations could be conducted safely. Clearance to proceed were granted on a lease-by-lease basis. In addition, Secretary Hickel issued a Public Land Order in March 1969, withdrawing from leasing certain Outer Continental Shelf lands adjacent to the State of California's Santa Barbara oil sanctuary,

thereby creating a Federal ecological preserve.

In 1970, the administration submitted legislation to the Congress to terminate 20 existing leases immediately seaward of the State oil sanctuary, the Federal ecological preserve and the Federal buffer zone. In 1971 and again in 1973, similar legislation was submitted to the Congress by the administration but was expanded to terminate 35 existing leases in the channel.

This situation prevailed until November 1973, when in testimony before Congress on pending Santa Barbara Channel legislation administration witnesses announced a reversal of position and withdrew administration support from its own bill to create a Federal ecological preserve in the channel.

Subsequently, on August 16, 1974, the Acting Secretary of the Interior John Whitaker approved the plan of development for the Santa Ynez unit in the northern part of the channel. Production on this structure has not yet commenced.

A parallel development occurred on the State of California's tidelands in the channel. Immediately after the 1969 spill, the State lands commission, the State agency responsible for administering the State tidelands, suspended activities on State leases in the channel. This order was not lifted until December 11, 1973, when the State lands commission voted to end the moratorium on State tidelands production. Actual production on State leases is only recently resuming, however, because the decision to resume production required both an environmental impact report, pursuant to California law, and a permit from the State coastal commission.

In sum, while there is a history of Federal and State oil and gas development in the Santa Barbara Channel, the intervening suspension of activities resulting from the 1969 spill has left the channel today in an early stage of development.

OCS lease sale No. 48, a major new lease sale off the coast of southern California, was scheduled to occur in March 1978, until Secretary Andrus' recent decision to revise the OCS leasing schedule. Under the revised schedule, lease sale No. 48 has been postponed, probably until 1979 or 1980. This sale proposes to offer for sale a total of 217 tracts, of which 108—545,633 acres—are in the Santa Barbara Channel. Unless my amendment is adopted, these 108 leases would benefit from none of the procedural protections of section 25. As my amendment would not affect existing leases in the channel, I see no reason why the sale of future leases should be denied the protections afforded all other areas of the OCS by S. 9.

To exclude the Santa Barbara Channel from important provisions of this bill would not only be unwise and unfair, it would also do violence to the principle of State and local participation in Federal decisions affecting local interests and local living.

A major thrust of this bill—especially section 25 which is at issue here—is to give a greater role to State and local governments in the management of oil and natural gas resources in the Outer Continental Shelf, and in the protection of marine life and the coastal environment.

Specifically, for example, section 25 provides for a development and production plan to be formulated by the lessee and to be submitted for Department of Interior approval.

That plan would also be submitted to the affected State, county, and city governments for their consideration, comment, and criticism.

That is, all States and local governments except those in the gulf area and the Santa Barbara Channel.

Under the present bill, no such development and production plan would be required of any lessee in the channel and no mechanism would be provided for input by the State of California, the county of Santa Barbara, or any of the cities or communities concerned.

Why should the State of California and local governmental entities around the Santa Barbara Channel be denied the opportunity to have a say in Federal decisions vitally affecting their economies and their way of life?

Why should they be denied what most other States and localities in the Nation are being afforded?

Why should the citizens of California have to pray that people in Washington—3,000 miles away and far less familiar with local conditions—will have the sense and judgment to make right decisions about such locally important matters?

Not all wisdom resides in Washington. Not by a very long shot. As a matter of fact, in cases such as these, far more wisdom resides in the people of the States and communities intimately knowledgeable about local conditions and personally affected by basic changes in those conditions.

My amendment would give back to the people of California and the Santa Barbara area basic rights that this bill has taken away from them.

I urge that every Senator concerned about conserving and protecting environmental quality, concerned about conserving and protecting our natural resources and concerned about conserving and protecting State and local rights against unnecessary Federal preemption vote for my amendment.

I also want to make very clear that this is not an effort to prevent oil development in Santa Barbara Channel. It is simply an effort to make sure that that development is conducted in a sensible and orderly way.

Mr. President, I have discussed this amendment with the distinguished floor manager—Mr. JACKSON—and understand that he supports this amendment. I would be grateful for his comments at this time. And I will be happy to answer any questions.

Mr. HANSEN. I yield myself such time as I may require.

First, Mr. President, I express my high regard for the senior Senator from California, and I thank the junior Senator from California for performing a very worthwhile service.

In this bill, which has been the subject of consideration and markup for a long time by the Committee on Energy and Natural Resources, we recognized that there had been ongoing offshore development in both the Gulf of California and the Santa Barbara Channel for some time.

I think it would be easy to misunderstand what the junior Senator from California was saying. He was simply pointing out that there has been growing activity there.

I do not accuse the senior Senator from California of saying this at all; but in order that others may understand, I wish to make clear that the thrust of the remarks by the junior Senator from California was that there is a factual situation out there which reflects the presence of drilling rigs, of drilling activity, in the Santa Barbara Channel.

With that understanding, I have no desire further to delay action on the amendment of the senior Senator from California, and we are willing to accept it on this side.

Mr. CRANSTON. I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Under the previous agreement, the Senator from Massachusetts is recognized.

UP AMENDMENT NO. 660

Mr. KENNEDY. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 660.

The amendment is as follows:

On page 152, after line 15 insert the following new subsection:

"(h)(1) Every right-of-way or other grant of authority for the transportation by pipeline on or across the Outer Continental Shelf of oil or gas shall require that the pipeline be operated in accordance with the following competitive principles:

"(A) The pipeline must provide open and non-discriminatory access to both owner and non-owner shippers;

"(B) Any shipper, owner or non-owner, able to provide a guaranteed level of throughput must have the unilateral right to demand expansion of throughput capacity within technological limits;

"(C) Any non-owner shipper must be able to demand an ownership interest in proportion to his guaranteed level of throughput at a cost reflecting depreciated replacement cost; and

"(D) Ownership interests must be subject to frequent revision to maintain ownership in proportion to throughput.

"(2) The Secretary shall consult with and give due consideration to the views of the Attorney General and the Federal Trade Commission on specific conditions to be included in any right-of-way, or other grant of authority in order to ensure that pipelines are operated in accordance with such competitive principles."

Mr. KENNEDY. Mr. President, this amendment would require the Secretary

to include in grants of pipeline rights-of-way on the OCS provisions which would implement four competitive principles: First, nondiscriminatory access to all shippers; second, right of shippers to demand expansion of capacity within technological limits; third, right of shippers to demand ownership share in proportion to throughput; and fourth, frequent revision of ownership to reflect throughput.

This amendment seeks to insure that OCS pipelines are true common carriers, accessible on equal terms to all shippers. It requires the Secretary to condition grants of pipeline rights-of-way with terms that will prevent the pipeline owners from abusing their natural monopoly position.

Improving the ability of smaller and independent producers to bid for OCS leases does little if their production simply falls into the control of the major companies who own the pipeline systems. Numerous investigations have concluded that integrated companies who own pipelines use their position to deprive nonowners of low-cost transportation. Moreover there is ample evidence that major companies have used their control of pipelines to enhance their control of crude oil supplies.

In his report on deepwater ports, Attorney General Levy concluded that integrated companies as owners of pipelines have an incentive to restrict capacity and access through various overt and subtle devices in order to enhance their profits in downstream markets.

While this problem could best be solved by separating pipeline operations from industry functions, the Department of Justice has proposed a second-best solution which involves implementing the four competitive principles set out in this amendment. These principles seek to limit the restrictive effects of shipper-ownership by opening the lines to all shippers and opening the owner's club to new members.

Mr. President, I have received a letter from John Shenefield as a result of questions during his testimony before our Antitrust Committee, and I should like to read the relevant portions:

I was asked whether there exists any regulatory device which could make a vertically integrated petroleum pipeline behave as if it were independently owned.

I believe that by requiring pipelines to operate pursuant to certain rules, is a second-best alternative to divestiture—

They favor the divestiture. But he indicated that establishing certain rules is the second best alternative.

. . . it might be possible to approximate independent operation.

Then he indicates what those rules would be. Those are the rules which have been incorporated in the amendment.

These conditions, I believe, would approximate the incentives which an independent pipeline owner has to maximize capacity and throughput.

Secondly, I would ask whether there exists any doubt in my mind whether particular petroleum pipelines ought now to be divested from their vertically integrated parent company.

Then he comments on that issue indicating that the Justice Department is reviewing it.

It seems to me if we had these rules accepted we would insure an important competitive element in the development, the production and the distribution of petroleum products off the coast, and I would hope that this amendment would be accepted so that in the letting of any pipeline rights-of-way those conditions could be complied with.

Mr. President, I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
June 30, 1977.

Hon EDWARD M. KENNEDY,
Chairman, Antitrust and Monopoly Subcommittee, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During the course of my testimony before the Subcommittee on June 23, 1977, you addressed to me two questions which I believe should be answered more fully.

First, I was asked whether there exists any regulatory device which could make a vertically integrated petroleum pipeline behave as if it were independently owned.

(Material to be supplied, transcript, page 118.)

I believe that by requiring pipelines to operate pursuant to certain rules, as a second-best alternative to divestiture, it might be possible to approximate independent operation.[1] The rules would be as follows:

(1) Crude oil and petroleum product pipelines must provide open and nondiscriminatory access to both owner and nonowner shippers.

(2) Any shipper, owner or nonowner, able to provide a guaranteed level of throughput must have the unilateral right to demand expansion of throughput capacity within technological limits.

(3) Any nonowner shipper must be able to acquire an ownership interest upon demand in proportion to his guaranteed level of throughput at a price reflecting depreciated replacement cost.

(4) Ownership interest must be subject to frequent revision to maintain ownership in proportion to throughput.

These conditions, I believe, would approximate the incentives which an independent pipeline owner has to maximize capacity and throughput

(Material to be supplied, transcript, page 121.)

Second, I was asked whether there exists any doubt in my mind whether particular petroleum pipelines ought now to be divested from their vertically integrated parent company.

While the problems arising out of vertically integrated ownership of pipelines, which I raised in my testimony, do, as a general matter, suggest the wisdom of divestiture, I do not think it appropriate at this time to commit the Department of Justice to seeking divestiture of any particular pipeline. There are two reasons for my reluctance in this regard. First, the Department has several investigations of pipelines in progress and I would not want to predict what decision we will reach with respect to one or more of those investigations. Second, we are currently weighing the respective benefits of proceeding through case-by-case litigation, based on the results of our investigations, and the efficacy of a legislative proposal to require divestiture in all cases.

I would like to thank you again for the opportunity to appear before your Subcommittee.

Sincerely yours,

JOHN H. SHENEFIELD,
Acting Assistant Attorney General, Antitrust Division.

Mr. HANSEN. Mr. President, will the Senator from Massachusetts explain for the benefit of the Senator from Wyoming how this changes existing law.

Mr. KENNEDY. Will, there is no requirement under the existing legislation that would separate the ownership of production from the ownership of pipeline operations on the Outer Continental Shelf.

I previously offered an amendment which would have separated ownership of production from the ownership of pipelines. The chairman of the committee indicated that this had not been a subject which had been developed during the course of their hearings, even though in the Antitrust Committee over a period of the last 10 years, and under the chairmanship of Senator PHILIP HART, I think a very substantial case has been made.

I think the more recently, the Deepwater Ports Report, issued under Attorney General Levi, and the conclusions of the present Assistant Attorney General for Antitrust, conclude that the separation is desirable in terms of the competitive situation.

But the present assistant attorney general indicated that a second best solution would be to insure that there would be certain protections for access to the pipelines by nonowner shippers and by the independents and, therefore, he set out four criteria which should be complied with.

The thrust of this amendment is to insure that those criteria would be complied with in the granting of rights-of-way for Outer Continental Shelf pipelines.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. BUMPERS. First of all, on behalf of myself, and I speak only for this side of the aisle, the committee would accept the amendment.

I am advised that this is essentially the same language now contained in the Deepwater Ports Act and, of course, I am always for anything that will guarantee competitive practices.

I had one question about the definition of "throughput," under subparagraph (b) which states:

Any shipper, owner or non-owner able to provide a guaranteed level of throughput must have the unilateral right to demand expansion of throughput capacity within technological limits.

Could the Senator put that in layman's language for me?

Mr. KENNEDY. Basically for "throughput" you could substitute the word "volume" in layman's language.

Mr. BUMPERS. I assume that is what it meant.

Well, as far as I am concerned, Mr. President, the amendment is acceptable. I cannot speak for the other side of the aisle.

Mr. HANSEN. What is that?

[1] *See* Report of the Attorney General on the Applications of Loop, Inc., and Seadock, Inc., for Applications for Deepwater Port Licenses (1976).

Mr. BUMPERS. As far as I am concerned, the committee on this side accepts the amendment.

Mr. HANSEN. Mr. President, I am pleased that the ranking member on the Judiciary Committee is here, Senator THURMOND.

Let me say while there is certainly much about this amendment that I do not understand and have not had an opportunity to study until now, it occurs to me we ought to understand that if a pipeline is built any place, as I read the amendment—and I have read it only hastily—whoever builds that pipeline undertakes some responsibilities to transport oil from other wells.

What bothers me about that is that part of the gain, part of the consideration in drilling wells and in trying to produce oil on the Outer Continental Shelf, has to contemplate not only the expenses in acquiring the lease, the drilling of the well and in producing the oil, but getting it to market as well.

I am just wondering what effect this added responsibility on the part of a well owner who wants to build a pipeline from his well to shore might have on his being willing to go ahead with the whole operation.

It occurs to me it would be a clear disincentive for an individual lease owner to have to contemplate and accept the added expense that seems to me to be implicit in this amendment. I may not be reading it correctly, but that offhand would be a concern I would have.

Mr. KENNEDY. There are a couple of points I mentioned. First of all, a pipeline is obligated under existing law to take oil on a nondiscriminatory basis.

But, second, the pipeline construction industry is a competitive industry. For example, in the development of the Outer Continental Shelf there are companies that would jump at the chance to build pipelines if they could get throughput commitments. But they are effectively precluded from that kind of competition at the present time.

There are pipeline companies that are prepared to enter the market, and I think it would have been preferable, quite frankly, to have permitted them to enter the market. But assuming now that they will not be permitted to enter the market, all this amendment does is to assure that shippers are going to be able to move their oil through, and are going to have their rights protected in an important and significant way, because the evidence, old studies, as well as recent studies, primarily, the deepwater ports report, indicate quite clearly that outsiders have a very significant competitive disadvantages in terms of being able to move a product.

These are just basic regulations, and I would hope this could be accepted and taken to conference; that the members of the committee would consult with the Justice Department on this particular issue, and that we would be able to convince the House as to its wisdom.

Mr. HANSEN. I thank the distinguished Senator from Massachusetts for his clarifying remarks.

Let me say I know so little about the operations of the Outer Continental Shelf that I hesitate to try to spell out what the situation there may be.

I can say, however, that inland one of the problems that is faced time and time again by drillers for oil is the cost of finding a way to get oil from the well to the market or to a pipeline. It is not so much a case of pipeline companies being willing to lay the pipe and to establish a pipeline as it is a problem of persuading someone, investors specifically, that there will be sufficient return from the pipeline to justify the expense.

I again speak with some degree of knowledge on that point, because I know a number of independents that have discovered oil that have had to haul that oil and, believe me, it gets to be a pretty onerous burden.

So I would not want Senators to think there are funds available and that people are just jumping over each other trying to build pipelines if only they had the authority to build them, because quite often it is just the other way around.

I would like to yield briefly to my friend from Louisiana.

Mr. JOHNSTON. Mr. President, this amendment, like some others we have had today, has a good ring to it when you look at it. I am trying to say we have not had hearings on it in the Energy Committee, so I cannot speak to it as an expert. But, on the face of it, it creates what seems to me to be some insoluble problems and, perhaps, the Senator from Massachusetts can help shed some light on this.

In the Gulf of Mexico we now have over 20,000 oil wells that are drilled out there. Every major oil company that I know anything about, or most of the majors, should I say, have drilled wells. In the process of producing that whole infrastructure in the Gulf of Mexico they have built a whole system of pipelines that serves particular areas of the gulf.

Now, frequently we will have consortia put together between the big oil companies and the independents, because it is so expensive.

Would not this amendment effectively preclude any of the majors from drilling in the Gulf of Mexico if they have pipelines out there already built?

Mr. KENNEDY. No. The answer to that would be categorically "No."

Mr. JOHNSTON. I mean if they have a pipeline built, let us say, to block 50 that serves, say, block 50 out in the Gulf of Mexico, they effectively cannot build on block 50 if their pipeline serves that block 50.

Mr. KENNEDY. This is not the divestiture amendment. I withdrew the divestiture amendment. What this would be is just the establishment of regulations for the utilization of pipelines. I favored the separate ownership of pipelines, but in light of the statements of the members of the committee it appeared appropriate to offer that at some other time. This would only establish regulations for pipelines in order to really carry through the basic legislative intent of the existing law going back I guess for about 50 years.

Mr. JOHNSTON. Let me ask this, then, and I thank the Senator for that answer: Is this entirely consistent with the Interstate Commerce Commission Act, or has that phase of it been studied?

Mr. KENNEDY. It is completely consistent. There has been some question as to the ICC's power to carry out effective regulation. I think it does, in a legislative form, the ICC should have been able to do. It is quite clear from the existing situation that additional law is needed in order to do the job of making pipelines common carriers.

Mr. JOHNSTON. These regulations would be promulgated and run by the Secretary of the Interior, would they not, and not by the ICC? If so, do we not then have bifurcation of regulatory authority here which can only result in conflicts? Is that not true?

Mr. KENNEDY. I do not see this as being any more complex than a variety of different regulatory situations. Quite frankly, what I would see happening is that this would be boilerplate language in the leasing arrangements and that would be the most important part of the Interior's involvement, and the enforcement of that could be done by the ICC. Basically, all we are trying to insure is that in the right-of-way grants these provisions be included. I think the enforcement could be done by the ICC. An arrangement could be worked out between the Energy Department and the ICC.

Mr. JOHNSTON. Certainly, the Secretary of the Interior is going to enforce his own regulations under this; is he not?

Mr. KENNEDY. Yes. He would enforce it, but in terms of working out the enforcement mechanism, it seems to me that something could be worked out. The Secretary of the Interior is going to insure that these provisions are complied with. Between the Department of the Interior and the ICC there can be an agreement on the implementation. We have a division of responsibility now between the Federal Trade Commission and the Antitrust Division for antitrust enforcement, just as we have other divisions of responsibilities between agencies. Obviously these are matters that can be worked out.

Mr. JOHNSTON. Mr. President, the trouble with this amendment is we do not really know what it does and what it does not do. I mean, everyone is for nondiscriminatory access to both owner and nonowner shippers. I believe the Interstate Commerce Act presently provides for that.

It may be and I am advised that it is in conflict with the recently enacted Deepwater Ports Act. I cannot say this is a fact. I am advised that that is so.

We are having a difficult enough time putting together deep water ports in the Gulf of Mexico. Sea Dock has recently fallen apart. The loop project in Louisiana is still alive at this time, but it is in serious trouble.

I hate to accept anything like this that has not had hearings which provides for a new group, that is, the Secretary of the Interior, to get into the business of providing regulations for pipelines out in the Outer Continental Shelf. There are a lot of things here that we do not

know precisely what they mean. For example, it says:

Any nonowner shipper must be able to demand an ownership interest in proportion to his guaranteed level of throughput at a cost reflecting depreciated replacement cost; . . .

Someone has to monitor constantly ownership interests, what is a guaranteed level of throughput, and what is cost. That is a job, it seems to me, that should properly be regulated by the Interstate Commerce Commission.

Mr. BUMPERS. Mr. President, will the Senator yield for a moment?

Mr. JOHNSTON. I yield.

Mr. BUMPERS. I say to the Senator from Massachusetts I have just been advised that the bill on page 151, already has a proviso which reads as follows:

That such oil or gas pipelines shall transport or purchase without discrimination, oil or natural gas in such proportionate amounts as the Federal Power Commission, in the case of gas, and the Interstate Commerce Commission, in consultation with the Administrator of the Federal Energy Administration, in the case of oil, may, after a full hearing with due notice thereof to the interested parties, determine to be reasonable, taking into account, among other things, conservation and the prevention of waste. Failure to comply with the provisions of this section or the regulations and conditions prescribed under this section shall be ground for forfeiture of the grant in an appropriate judicial proceeding instituted by the United States in any United States district court having jurisdiction under the provisions of this Act.

Let me ask the Senator from Massachusetts why is that language not satisfactory to accomplish essentially what he wants.

Mr. KENNEDY. Because it is the same language that exists in the Mineral Leasing Act and it has been rather ineffective. In response to the Senator from Louisiana earlier about the division of authority between Interior and the ICC, as I understand under the existing law, Interior has enforcement responsibilities regarding OCS pipelines under section 5(c) of the Mineral Leasing Act and the ICC also has responsibilities regarding the same pipelines.

So we already have existing a situation shared responsibility between Interior and the ICC. The particular language that the Senator read is language which had been included in the Mineral Leasing Act and has been found ineffective in dealing with present competitive problems at the present time, at least in the way it has been interpreted, implemented, and the way the regulations under it have been promulgated.

Mr. BUMPERS. There are two things about the Senator's amendment that trouble me. Would the Senator interpret subparagraph (b) to mean that a shipper could demand that the pipeline company expand to the point of building another pipeline if the shipper could guarantee a certain volume even if it might be uneconomical to do so?

Mr. KENNEDY. No. It is obviously a question of fact whether the expansion possibilities of the line itself are limited in technical terms.

What we have found in the deepwater ports situation, for example, the major companies have proposed to construct much more than they could economically construct, and the effect of that was to freeze out other users of the common-carrier facilities. That was the finding of the Justice Department, in the deepwater port investigation.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. HANSEN. Mr. President, I, too, am disturbed about this amendment. In recent days some of the earlier parties, though they had indicated an interest in building seadock in the Gulf of Mexico, have pulled out. I think Exxon was the most recent one to withdraw. I think Mobil, Exxon, and Gulf, together representing 52 percent of the interest in the project, have pulled out of the project. They did so primarily, I am informed, because the Department of Transportation letters contained these kinds of provisions.

I make that observation because, instead of broadening access to oil pipelines, I think it left precisely the opposite effect: Instead of making more pipelines available, it will result in fewer pipelines being built, and I was wondering if the Senator from Massachusetts would agree to strike subparagraphs (B), (C), and (D). Those are the ones that trouble this Senator.

There are, as the Senator knows, already antitrust laws on the books, so that some of the situations of which he is fearful, I think, are contrary to law now anyway.

I think that, absent hearings before the appropriate committees and consideration and markup by the Judiciary Committee as well as our committee, I would not want to support this amendment unless we could drop subparagraphs (B), (C), and (D).

Mr. BUMPERS. I do not know whose time this is.

Mr. HANSEN. On my time.

Mr. BUMPERS. There are two things that trouble me about the amendment. Under subparagraph (B), some shipper with 20,000 barrels of production a day could demand that another pipeline be laid, even though that 20,000 barrels of production would not pay that pipeline off in 100 years.

First, subparagraph (B) could be changed to some extent to make it not only within technological limits, but also to make it economically feasible.

Second, it appears that the Senator is turning this into a cooperative. If an owner wants to, he can make the demand that he be allowed to buy into it. This actually turns a pipeline company into a cooperative. I have difficulty with this provision, because someone has to stick his neck out for a lot of money.

I champion the thrust of what the Senator's amendment would do. I believe that pipelines indeed have in the past been discriminatory, and small operators have suffered as a result. In my State, as far as gas is concerned, we have had only one pipeline, and it has been a very unhealthy situation from time to time.

I wish the Senator would find it possible to accept the suggestion of the Senator from Wyoming. On behalf of the Energy Committee, I would be more than happy to guarantee to the Senator that we will hold hearings almost immediately, or as soon as possible, to discuss these three provisions, because they may have some merit if they were changed to some extent.

Mr. KENNEDY. Mr. President, let me respond to the Senator by saying the pipelines are, in the law, common carriers, and have been treated like common carriers with the exception that the integrated companies have been able to control them. The law does permit other common carriers such as airlines and railroads to be owned by shippers. That has been the law in this country during the last 50 years.

If you go before the ICC, you can require the expansion of railroad service. The ICC has that authority, to require the expansion of a spur in a particular area, just as they can permit a reduction in service.

We are tracking and following the common-carrier concept.

Mr. BUMPERS. It is true——

Mr. KENNEDY. Although in the popular view, pipelines are more often regarded as ordinary industry rather than utilities. We are attempting to develop similar concepts to those that apply to other common carriers, to apply them to pipelines, with the recognition that it has been because of the failure to apply such standards in the past that we have found extraordinarily noncompetitive or monopolistic factors at work in pipeline operations.

I am willing to work closely with the members of the committee. I was hopeful that we could profit on the basis of what we have found, or the Justice Department has found, in terms of the deepwater ports, and we could make sure that as we move into a whole new additional area, we could avoid the mistakes of the past.

But we are attempting to track what does exist in terms of common carriers and other utilities. We are doing it against the background of the fact that some of the most profitable operations in the country at the present time are the pipelines. The owners of the Colonial Pipeline Co., in the Eastern United States, recovered their investment in a 3-year period. Pipelines are usually safe and profitable investments.

Moreover, we are doing this against the background that there were independent pipeline operators closed out of competition in the development of the gulf.

(Mr. HART assumed the chair.)

Mr. BUMPERS. Mr. President, I do not believe this is an accurate or valid analogy between this and the ICC regulation of railroads. In that case, the shipper who wants a railroad to expand in order to accommodate him has to go before the ICC, which is the regulatory body constituted for that very purpose. There is no such provision in this amendment as far as I can see.

I have to confess that I have an aversion to a provision in the amendment, which says:

Any non-owner shipper must be able to demand an ownership interest in proportion to his guaranteed level of throughput at a cost reflecting depreciated replacement cost.

I am lost by that.

No. 1, I do not believe we are going to get anybody to build a pipeline with language like this on the books.

No. 2, there is not an element of equality or fairness in saying that somebody can come in and demand ownership. To demand, as under paragraph (B), that the shipper had the right to use the pipeline and that the owner could be required to expand within technological limits would be acceptable if we added, "as long as it is economically feasible to do so."

I think the last part of the Senator's amendment is excellent language, and I certainly subscribe to it. It says:

The Secretary shall consult with and give due consideration to the views of the Attorney General and the Federal Trade Commission on specific conditions to be included in any right of way or other grant of authority in order to insure that pipelines are operated in accordance with such competitive principle.

I think that is noble and fine language and I support it. But those other three subparagraphs cause me to pause.

Mr. KENNEDY. The difference, I would say, Mr. President, is that we are talking about a monopoly. Eastern Airlines flies from either New York to Boston or New York to Washington. Under their agreement with the CAB, if they have one more passenger than one plane will carry, they fly another plane. It is not possible for other airlines to come up there and start the business tomorrow. Eastern effectively has a monopoly on that kind of service.

The pipelines have a monopoly in terms of this particular service, an absolute monopoly.

If there were two pipelines out there, or three pipelines, these various provisions would not be applicable and this amendment would not be necessary. But with the existing situation, we are basically talking about a clear monopoly which is owned by the producer. This amendment is to insure the access of outsiders.

If we adjusted the ownership provisions, and I believe those are important, would the Senator be willing to accept it?

Mr. BUMPERS. Could the Senator be more specific?

Mr. KENNEDY. If we dropped section (D) of the amendment.

Mr. BUMPERS. I do not think so. Let me say this: I find no fault with subparagraph (A). Subparagraph (B) I would find no fault with, if the Senator was willing to add, after "technological limits," language similar to "and economically feasible."

Subparagraph (C) is the one that I find troublesome, because that is the one that allows an owner to demand an interest in the pipeline, which, in effect, turns the pipeline into a co-op and quite frankly, I believe, would be self-defeating, if it were adopted.

Mr. KENNEDY. We would be glad to see what could be worked out.

Mr. BUMPERS. Would the Senator be willing to lay this amendment aside temporarily?

Mr. KENNEDY. Yes. I have one other brief amendment.

AMENDMENT NO. 505

Mr. KENNEDY. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the amendment will be temporarily laid aside.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment No. 505.

On page 36, after line 17, insert the following new subsection:

"(6) provide a requirement that the lessee offer 20 per centum of the crude oil, condensate, and natural gas liquids produced on such lease, at the market value and point of delivery applicable to Federal royalty oil, to small and independent refiners as defined in the Emergency Petroleum Allocation Act of 1973.".

Mr. KENNEDY. Mr. President, this is a very simple amendment. The basic independent aspect of the refinery industry at the present time has anywhere from 23 to 27 percent of the refinery capacity in the United States. This amendment is an attempt to insure that the independents are going to have first call on at least 20 percent of the new offshore production. I think there are some serious questions in terms of the way the President's program has been structured. Basically, there is a question as to whether the independent refiners are going to be able to survive. This 20 percent set-aside will at least assure accessibility to crude oil at the market price to the independent refiners.

I would think there should not be any reluctance to do this because the producers are going to get a market price in any event. The price they are going to receive will not be affected. What this amendment does do is assure the independents of a supply which they may not otherwise get from Outer Continental Shelf oil. That is the purpose of the amendment and why I believe it is advisable and necessary.

Mr. McCLURE. Mr. President, I am constrained to oppose the amendment. I understand the motivation by which the amendment is offered. However, I think it is fair to say that Congress has created a number of preferences for independent refiners. I might point to the small refiner bias and the preferential access to Government royalty crude. Incidentally, if there is any royalty bidding on the Outer Continental Shelf, the independent refiner would have preferential access to that Government royalty crude under existing law and regulation.

There is a guaranteed percentage of purchase of fuel by Government at highest prices; preference for the independent refiners in access to crude under the FEA mandatory crude oil allocation program; special exception relief by FEA from the obligation to purchase old oil rights and relaxation from meeting environmental timetables.

All these have already been given as preference or some special assistance to the independent refiners. Most of those have had my support because I think independent refiners have needed to have a little assistance to make them viable competitors in a period of shortage and in a period of crisis.

The small refiner bias under the FEA entitlement program alone provides a subsidy up to 4¼ cents per gallon over crude oil processed by larger refiners. That 4¼ cents per gallon subsidy should be contrasted to profit margins of less than 2 cents per gallon by the large refiners. Even under these circumstances, I believe the Senator will see that unfair competitive results are beginning to be apparent under that provision.

I think there has been no showing made that the refiners are currently having problems in obtaining crude oil supplies. If there is evidence that they are having trouble getting crude oil supplies, perhaps we would have to take a look at this, but there is no such evidence, to my knowledge. If a difficulty should arise, I believe they could be easily handled under the FEA's mandatory crude oil allocation program.

I do not believe there are sufficient facts, at least not facts presented to the Energy Committee, which would justify the kind of a mandatory allocation that is required here.

FEA currently has a study under way to determine whether such a problem does exist at the present time. The Justice Department studies have indicated that the current subsidy programs are anticompetitive in that they are designed to protect competitors and not competition.

For all of these reasons, because Justice is opposed to further subsidy and further anticompetitive practices in this field on behalf of the independent refiners, and because FEA is studying to see whether the independents do have this problem, I think it is premature at this time to try to make this mandatory allocation. Therefore, I oppose the amendment.

Mr. KENNEDY. Mr. President, I have just a few points of clarification.

First of all, this is not a subsidy. The independents will be purchasing at the world price.

Second, the administration's program will end the allocation program. We are operating with that basic assumption, so those kinds of setasides and entitlements will no longer exist, under the administration's program.

Third, the record of the last 10 years, in terms of development of Outer Continental Shelf oil, has indicated that the independent refiners have, effectively, been squeezed out. That has been well documented.

So, for the purpose of trying to give them the assurance that they will be eligible at least for the 20 percent setaside, it seems to me to be wise to insist on this amendment.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, will the Senator from Massachusetts indicate where this amendment is intended to be inserted? I think there is an error in the amendment.

Mr. KENNEDY. I ask unanimous consent to change "On page 36" on line 1 to "On page 162" and the number "6" on line 3 to "7."

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 162, after line 17, insert the following new subsection:

"(7) provide a requirement that the lessee offer 20 per centum of the crude oil, condensate, and natural gas liquids produced on such lease, at the market value and point of delivery applicable to Federal royalty oil, to small and independent refiners as defined in the Emergency Petroleum Allocation Act of 1973.".

Mr. KENNEDY. Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. Does the Senator from Arkansas yield back his time?

Mr. BUMPERS. Mr. President, I am not sure I am the one to yield back. I do not think I am going to vote for the amendment. I think the Senator from Idaho should control the time of the other side.

Mr. McCLURE. Mr. President, we are prepared to yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Massachusetts.

The yeas and nays have been ordered.

Mr. KENNEDY. Mr. President, I further indicate that this has the support of the Independent Refiners Association. Earlier today, a number of them appeared.

The PRESIDING OFFICER. The Senator yielded back his time.

Mr. KENNEDY. All right.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CANNON (after having voted in the negative). On this vote I have a live pair with the Senator from Maine (Mr. MUSKIE). If he were present and voting, he would vote "yea." I have already voted "nay." I, therefore, withdraw my vote.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. MORGAN), the Senator from Maine (Mr. MUSKIE), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Missouri (Mr. DANFORTH), the Senator from Michigan (Mr. GRIFFIN), the Senator from Illinois (Mr. PERCY), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 54, nays 33, as follows:

[Rollcall Vote No. 289 Leg.]

YEAS—54

Allen	Case	Cranston
Bayh	Chafee	Culver
Biden	Chiles	DeConcini
Brooke	Clark	Durkin
Eagleton	Kennedy	Proxmire
Ford	Laxalt	Ribicoff
Garn	Leahy	Riegle
Hart	Matsunaga	Roth
Haskell	McGovern	Sarbanes
Hatch	McIntyre	Sasser
Hatfield	Melcher	Schweiker
Hathaway	Metcalf	Sparkman
Hayakawa	Metzenbaum	Stafford
Heinz	Moynihan	Stevens
Huddleston	Nelson	Thurmond
Humphrey	Packwood	Weicker
Inouye	Pearson	Williams
Javits	Pell	Zorinsky

NAYS—33

Baker	Glenn	McClure
Bartlett	Goldwater	Randolph
Bentsen	Gravel	Schmitt
Bumpers	Hansen	Stennis
Burdick	Helms	Stevenson
Byrd, Harry F., Jr.	Hollings	Stone
	Jackson	Talmadge
Byrd, Robert C.	Johnston	Tower
Church	Long	Wallop
Curtis	Lugar	Young
Dole	Magnuson	
Domenici	McClellan	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Cannon, against.

NOT VOTING—12

Abourezk	Eastland	Muskie
Anderson	Griffin	Nunn
Bellmon	Mathias	Percy
Danforth	Morgan	Scott

So, Mr. KENNEDY's amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

UP AMENDMENT NO. 660, MODIFIED

The PRESIDING OFFICER (Mr. HASKELL). The question occurs on amendment No. 660.

Mr. KENNEDY. Mr. President, I understand that I am entitled to modify my amendment, and I do so in the ways that I send to the desk, and I ask that my amendment be modified to that extent.

The PRESIDING OFFICER. The clerk will state the modification.

The legislative clerk read as follows:

Change the page from 152 after line 15 to 151, after line 18, and strike lines 12 through 17.

On line 7, after the word "shippers;" add the word "and"; and on line 11 after the word "limits" add "and economic feasibility."

The PRESIDING OFFICER. The amendment is so modified.

Mr. KENNEDY. Mr. President, I think this deals with the concerns of the floor manager of the bill. With his assurance that he will work closely with us in this other area, and the assurance of the committee earlier, from the chairman of the committee, the Senator from Washington, I think we can address this issue in a more comprehensive way later.

It seems to me to put us on record in insuring sensitivity to the competitive implications of shipper ownership. I understand that the Senator will accept this amendment.

Mr. BUMPERS. I thank the Senator from Massachusetts for his cooperation. I assure him again that those two provisions which have been stricken may indeed have great merit. I know I speak for the chairman of the committee as well as the other members of the committee in saying that we will cooperate in holding hearings and taking testimony along that line, at the request of the Senator from Massachusetts.

I have looked over the amendment as modified, and it is acceptable at this point.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, I wonder whether we may have the amendment read.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

On page 151, after line 18 insert the following new subsection and redesignate succeeding subsections accordingly:

"(f)(1) Every permit, license, easement, right-of-way, or other grant of authority for the transportation by pipeline on or across the Outer Continental Shelf of oil or gas shall require that the pipeline be operated in accordance with the following competitive principles:

"(A) The pipeline must provide open and non-discriminatory access to both owner and non-owner shippers; and

"(B) Any shipper, owner or non-owner, able to provide a guaranteed level of throughput must have the unilateral right to demand expansion of throughput capacity within technological limits and economic feasibility.

"(2) The Secretary shall consult with and give due consideration to the views of the Attorney General and the Federal Trade Commission on specific conditions to be included in any permit, license, easement, right-of-way, or grant of authority in order to ensure that pipelines are operated in accordance with such competitive principles."

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, will someone yield to me?

Mr. HANSEN. I yield time to the Senator.

Mr. JOHNSTON. Mr. President, the problem with this amendment is in subsection (B), which says this:

Any shipper, owner, or non-owner, able to provide a guaranteed level of throughput must have the unilateral right to demand expansion of throughput capacity within technological limits and economic feasibility.

Let us take a pipeline like the Alaskan pipeline, and you are getting ready to put in that pipeline. It is not already built, but you are getting ready to put it in position. You are trying to make the decision of whether to build it or not. You know that any owner or nonowner would have the right to require you to expand that pipeline from its present capacity of 1.2 million barrels a day up to 2 million barrels a day, and somebody is going to interpret economic feasibility.

The problem, it seems to me, is that instead of having all your economic facts on which to work at the time you make your decision to build or not to build the pipeline, you defer those down the line until some owner or nonowner—identity unknown—comes in to make his request as to whether to expand it or not. If he makes that request, then some-

one determines whether that is economically feasible.

It seems to me that that would be likely to discourage the building of some pipelines, because it would add a new unknown, when you are trying to finance a pipeline which might be as vast as the $7 billion Alaskan pipeline or an even larger trans-Alaskan or trans-Canadian gas pipeline. I am not sure that that would be the effect. It appears to me that it would. We have not had any hearings, and it seems a little dangerous to me to accept such a far-reaching amendment.

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. McCLURE. One of the problems I have is that if the concept of the amendment is to say that this line is a common carrier or that the owner of the line must allow access to the line within that capacity of the line, to the extent of unused capacity, and that the nonowner of the line would be permitted to use that line to the extent of the unused capacity, that is one thing. But to say that they have the unilateral right to demand the expansion of their throughput, it seems to me, could be construed to mean that the owner of the pipeline must take some of ther own oil out and let the nonowner put his oil in.

Does the Senator agree with me that that possibility exists?

Mr. JOHNSTON. I think that might be a possibility. Another possibility you might have is the situation you have in Alaska. Again you have the throughput of a capacity of 1.2 million barrels a day and a total eventual capacity of 2 million for which additional pumping stations would be required. Now, they will need that 2 million total if they develop the Kaporik and Lisbon Fields, and if additional activity on Pet 4 and other areas comes through.

Under this amendment, it seems to me that someone could go up and drill and find a new discovery and displace the present owners if they were first in point of time. I guess it would be a question of who is first in point of time under this amendment. So if you are there first, you can demand not only the capacity but the throughput, and it does not make any difference that one of the owners would have a prospective discovery coming on line a few months later. That may not be the way it would work, but it seems to me a logical conclusion, and the kind of thing we ought to have hearings on.

Mr. McCLURE. Mr. President, will the Senator yield further?

Mr. JOHNSTON. Yes.

Mr. McCLURE. A pipeline capacity is not just a finite capacity. It has a number of variables, including the degree of the number of pumping stations, the amount of pressure, the velocity, and a number of other things that may be varied.

Now, economic feasibility might mean you can do other things to increase the throughput, but it will cost you more per unit to do that. That would still be economically feasible to put it through because in the sense that the product can still be marketed, after having borne the cost of transportation, but it would increase the unit cost of all the rest of the product that is being put through the line at the same time. So that a nonowner of the pipeline, I would assume, under this amendment could impose an additional economic burden upon the owner of the pipeline or the other producers that are putting product through the pipeline and, according to the amendment, would have the unilateral right to impose that economic burden upon the people who are already in the pipeline.

I am not certain that is the intention of the amendment, but I think that might be the necessary result of its application.

Mr. JOHNSTON. I am afraid what it would do, frankly, to the Trans-Canadian—Trans-Alaskan pipeline, and no one really knows because we do not have any hearings on this.

I wonder if the Senator from Massachusetts would be willing to take out subsection (B) and introduce it as a bill on which the Commerce Committee could have hearings, because I think that would be in the jurisdiction of the Commerce Committee?

Mr. KENNEDY. When I have an opportunity I will respond to these arguments, but I would like to be able to get the floor and then I would be glad to answer.

Mr. JOHNSTON. I would be glad to yield the floor.

Mr. KENNEDY. Mr. President, as we have seen in the Antitrust Committee, over the last 20 years or so, is that basically those who control pipeline capacity use it to carry their particular product downstream, and do it only to carry forward their own rather narrow economic interests. That happens to be the fact of the matter and that has been demonstrated and testified to for about 15 years before the Antitrust Committee. That happens to be the real world we are talking about.

What we are doing is recognizing that there is a real common carrier concept that ought to be applied to the pipeline.

There are those—and I include myself—who feel there ought to be separation between the production and the pipeline ownership, and there are pipeline companies that are ready, willing, and able to compete in this area.

But the fact of the matter is, Mr. President, that with regard to these strawmen that have been raised in terms of whose oil will go and whose oil will not go, and if there are prior agreements will they be overruled, these questions are basically worked out in the prorationing understandings and regulations. These are not the issues. Those are the regulations that are already in effect in the industry, and they apply on the Outer Continental Shelf.

The particular fact situation, stated by the Senator from Idaho, that there may be additional pumping station requirement for the flow of the product that may raise the cost to the principal utilizer of that line, may also very well result in a reduction of costs for the users. It may lower the costs with additional volume.

What we are making very clear here is that when the pipeline does incur additional costs which make additional volume not economically feasible, there is no legal obligation or responsibility for them to accept that additional volume of ingredient, but where they can do it and it is economically feasible they ought then to be performing as common carriers and make the increase for the advantage of the American consumer. That essentially is the reason for this particular amendment or those are the reasons.

On the other question about the terms of ownership provisions, these are intricate issues. They raise questions, and I am willing to see that we work closely with other committees on them. Although on those issues the Antitrust Committee has held years of hearings, I am glad to take the time to work with other members of the committee to deal with them.

But when we are talking about opening up to the American people the new kinds of opportunities to help meet our energy problem, then the reluctance of this body to require the expansion of those particular pipelines when it is economically feasible and when it is technologically possible to bring more oil to the American consumer is virtually incomprehensible to me.

I can understand why those major oil companies that have the oil and have the means of getting the oil to the shore, may have some reluctance when they obviously have clear economic interests in pumping through that pipeline only their own product so they can make greater profits downstream.

All we are attempting here in this very limited way is to insure that others are going to be able to use what ought to be a common carrier.

Mr. MAGNUSON. Mr. President, will the Senator yield? Has the Senator added to his amendment the words "economically feasible"?

Mr. KENNEDY. Yes, I added those words.

Mr. MAGNUSON. I was thinking like the Senator from Louisiana was thinking. Take the case of the Alaskan——

Mr. KENNEDY. There is no application because it is not Outer Continental Shelf. It would have absolutely no application.

Mr. MAGNUSON. I wanted to be clear because there may be a question of some oil and in that case it seems unreasonable. But it may be true and it has to be taken care of.

Mr. KENNEDY. I want to make it clear it has absolutely no application whatsoever.

Mr. MAGNUSON. I thank the Senator.

Mr. JOHNSTON. Mr. President, will the Senator yield on that question?

Mr. KENNEDY. Yes.

Mr. JOHNSTON. It says here "every right of way or other grant of authority for the transportation by pipeline or across the Outer Continental Shelf of oil or gas," et cetera. Now, does not the present Alaskan pipeline cross the Outer Continental Shelf? In other words, when you build your superport out there your pipeline comes right out to your superport buoy, does it not?

Mr. KENNEDY. My understanding is the superports are covered by the Deepwater Ports Act, and this would not be applicable to the Alaskan situation.

We would be glad to specify it. It is my understanding that is the case, but I would be glad to specify that if that will clarify it for the Senator.

Mr. JACKSON. Mr. President, will the Senator yield for just a point of clarification?

Mr. JOHNSTON. Yes.

Mr. JACKSON. It is my understanding that no part of the Alaskan pipeline crosses the Outer Continental Shelf.

Mr. JOHNSTON. This has reference to new pipelines, and I thought perhaps the new trans-Canadian might happen to cross the shoreline.

Mr. JACKSON. No.

Mr. JOHNSTON. If it does not then that is perhaps clear. But I think it ought to be made clear that this does not conflict with the deepwater ports bill because it does not make an exception for not applying to deepwater ports.

Mr. KENNEDY. I am glad to clarify that in the legislative history and in the language. It is my understanding, as the chairman of the committee stated that it would not apply, and that is certainly my understanding.

Mr. JOHNSTON. Very well.

Is it the understanding of the chairman of the committee that this amendment would not apply to a pipeline, a superport pipeline, that goes from onshore, crosses the Outer Continental Shelf, and terminates at the monobuoy out in the gulf or wherever?

Mr. JACKSON. The superport, I assume, is in the Outer Continental Shelf.

Mr. KENNEDY. My understanding is that is correct, and it is regulated by the Deepwater Ports Act.

Mr. JOHNSTON. Is it necessary to have a specific exemption here for deepwater ports, or can this legislative history clear that up? Perhaps counsel can speak to that question.

Mr. KENNEDY. It is certainly not the intention, and I am sure that can be a matter in the conference that can be clarified if there is any question about it. It is certainly not the intention.

Mr. JACKSON. I ask the author of the amendment. I think that would be the best way. I would not want to attempt to interpret the legislation.

Mr. KENNEDY. It is not necessary. The Deepwater Ports Act language is clear.

Mr. McCLURE. This is under the rights-of-way.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Does the Senator from Wyoming yield time to the Senator from Idaho?

Mr. HANSEN. I yield such time as he desires.

Mr. McCLURE. I thank the Senator from Wyoming.

I have only this remaining question. I do not disagree at all with the specific thrust of the amendment as I understand it. If there is unutilized capacity in that pipeline it should be made available.

My concerns are two: one is the question of whether or not the authority under the amendment can be utilized in such a way as to increase the cost of throughput to the owner of the line. I read it to say that it can.

I take it that the Senator from Massachusetts agrees that it might indeed increase the cost of throughput of the owner's own product. If that is the case, there is a very substantial deterrent to the original investment.

The second concern that I have is that it does not seem to me there is anything in this amendment that prohibits the owner of the other product from displacing the product of the owner of the pipeline. He has the unilateral right to demand the expansion of throughput of his product at the expense of the product of the owner of the line.

The PRESIDING OFFICER. The time of the opponents of the amendment has expired.

Mr. KENNEDY. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. KENNEDY. I am glad to yield 2 minutes to the Senator.

Mr. McCLURE. I thank the Senator from Massachusetts for yielding.

If that is the case, it seems to me there is a very real deterrent to the original investment. I do not believe that that is the intention of the Senator from Massachusetts. It seems to me the language can be drawn to limit those two effects: The effect of displacement of the owner's product in favor of the nonowner's product and the effect of increasing the cost of transmission of product which is at least a possibility under the amendment. If those two objections could be removed from the amendment, I would have no trouble supporting the amendment.

Mr. KENNEDY. Mr. President, in the final 2 minutes, of course any increase in volume may very well mean some additional cost. As I mentioned earlier it may also mean some reduction. We have been trying to be clear that where it is economically not feasible the requirement would not lie. It would appear increased costs would be a reason to increase the tariff for utilization of those lines where there is any increased cost. That is clearly the intent of the author of the amendment. If such tariffs are not going to be forthcoming it would not be economically feasible, and I would think they would not have any further legal requirement. But assuming to the contrary, there would be at least a responsibility to move ahead. So it was within those kinds of parameters that the amendment is offered.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

(Putting the question.)

The PRESIDING OFFICER. The ayes appear to have it. The ayes have it.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. HANSEN. Mr. President, will the Senator yield to me for one moment?

Mr. BARTLETT. I yield.

Mr. HANSEN. On behalf of Senator GRAVEL I ask unanimous consent that Deming Cowles be accorded the privilege of the floor during the consideration of and any votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma.

AMENDMENT NO. 494

Mr. BARTLETT. Mr. President, I thank the Senator, and I call up my amendment No. 494 and point out that the amendment was introduced by my colleague, Mr. BELLMON. I ask unanimous consent to have the amendment correctly shown as mine with my good friend and colleague as the first cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT), for himself and Mr. BELLMON, proposes an amendment numbered 494.

Page 204, strike lines 1 through 10, and insert in lieu thereof: "Secretary access to all basic data obtained from such activity and shall provide copies of such specific data as the Secretary may request. Such data shall be provided in accordance with regulations which the Secretary shall prescribe.

"(B) No lessee or permittee shall be compelled to provide the Secretary access to or copies of interpretations of basic data referred to in subparagraph (A) of this paragraph.".

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield for a unanimous-consent request?

Mr. BARTLETT. I yield.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the amendment by Mr. HATCH there be a 15-minute time limitation to be equally divided in accordance with the usual form.

I cleared this with Mr. HATCH, the minority leader, Mr. JACKSON, and Mr. HANSEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the following Senators be listed as cosponsors: Mr. DOMENICI, Mr. GRAVEL, Mr. HANSEN, Mr. HAYAKAWA, Mr. SCHMITT, Mr. STEVENS, and Mr. TOWER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, the purpose of this amendment was read by the clerk.

"No lessee or permittee shall be compelled to provide the Secretary access to or copies of interpretations of basic data referred to in Subparagraph (A) of this paragraph."

Among the states purposes of the act are expeditious development of oil and natural gas resources in the Outer Con-

tinental Shelf, preservation and maintenance of free enterprise competition, and assurance to the public of a fair and equitable return on OCS mineral resources.

Mr. President, this bill would change a system that for 20 years has helped provide this Nation with its energy requirements and made it the leader in the world. The core of our domestic exploration success story lies in the private enterprise system that encourages the individual or group of individuals to devise a system that is better than that of others. The "confidentiality of information" and the opportunity to design, produce, and benefit from a better "mousetrap" is the prime lever that has propelled this Nation into high gear in the exploration and production of fossil fuels.

The principal planning and action agency under the present system, the Department of Interior, has stated that one of its aims is to encourage competition. Section 26 will be a major step backward in the effort to accomplish this accepted purpose.

The requirement that interpretations, as well as other data, be revealed to Federal, and in some cases State, agencies, will discourage rather than encourage competition. Required disclosure through the expenditure of its own manpower and financial resources will discourage further efforts to develop this information. There will be greatly reduced incentive for expenditures of time and money to gather information, or to develop new techniques such as geophysical "bright spots." Such forced disclosure provisions are of questionable legality and may lead to challenges in the courts and cause delay in exploratory operations.

A reduction in the effort to obtain geological and geophysical data through surveys or exploratory drilling will inhibit the exploration and development of domestic offshore reserves now so desperately needed. The disclosure of information on leased and unleased acreage would remove any competitive advantage the lessee would otherwise have as a result of its proprietary efforts. Revelation of interpretative data would impose a severe security problem that could lead to the entrance into the OCS area of speculators without proper financial or technical qualification who would not otherwise have access to the information. The ownership of leases by such persons, as opposed to qualified lessees, would impair the rapid development of new reserves, and could jeopardize the remarkable saftey record in OCS exploration and production.

This section would impose almost impossible collection, storage, compilation, interpretation, and administrative requirements on the Department of Interior, as well as the States. It must be remembered that there are more than a hundred lessees and the accumulation of data alone would be a staggering job.

The requirements of reserve data, size and timing of development, location of pipelines, and onshore facilities are questions that cannot be answered until after oil and gas are discovered.

In summary, section 26 would complicate and delay an efficient, effectively working system and impose requirements on Government and industry that are complex, unnecessary, anticompetitive, and extremely costly.

This amendment will in no way diminish the power of the Secretary of the Interior to gather basic exploration and production data. What it will do is protect offshore operators from the forced disclosure of proprietary, professional interpretations of such data.

I strongly urge passage of this amendment.

Mr. President, in the Energy Committee, in discussing the Outer Continental Shelf bill, on many occasions we have talked about the desire to increase exploratory activity in the Outer Continental Shelf, and to increase the recovery of oil and gas from what we hope to be very large and very meaningful reserves.

In talking about this, we have emphasized the importance of competition, which our chairman has mentioned on many occasions. We have had some differences of opinion as to how to improve competition; nonetheless, we have felt that competition in the free enterprise system is most valuable to a maximization of the efforts to find new oil and gas resources in the Outer Continental Shelf.

To me the essence of competition in the free enterprise system is in the encouragement of people who are participating to profit from their interpretations of ideas, approach to a problem, building a better mousetrap, and in having a different idea from someone else, an idea which works; whereas the other more customary, mundane, or usual approach has failed.

In our copyright laws, we recognize that the exclusive right to the publication, production, or sale of the rights to a literary, dramatic, musical, or artistic work, or to the use of a commercial print or label, will go by law for a specific period to an author, composer, artist, distributor, and so on. We grant exclusive rights to ideas and interpretations in patents, which Webster defines as "an official document, open to public examination, granting a certain right or privilege: letters patent; especially a document"—and I think it is interesting the words they use—"granting the monopoly right to produce, sell, or gain profit from an invention, process, and so forth, for a specific number of years."

So what we recognize as the essence of the machinery of private enterprise is the protection of the rights of interpretation, of approaches to solutions of problems, to the creation of machinery, technology, and so on; and this right is given to individuals and corporations.

In my opinion, the role of Government in the area of freedom of enterprise is the role of a referee, not a participant along with private enterprise. I believe that to the extent that Government invades the arena as a participant rather than a referee, its role of referee is going to be inferior to what it should be.

Its role should be one of protector of the competitive rights of individuals and companies, to protect, with our antitrust laws, by judicial interpretations and lawsuits, the free competition of the free enterprise system.

So, we would see, in this case, companies being required, at the request of the Secretary, to provide interpretations of exploratory information at any time during the exploratory process—and I would like to stress that the exploratory process, particularly in the Outer Continental Shelf, is a continuing process from the time of a company becomes interested in bidding on tracts until it finally completely drills up a particular tract. They are apt to require from time to time additional geophysical information or basic geological information, and then interpret those data; and if this interpretation is required by the Secretary to be furnished on a confidential basis, but also on a basis under which he can release it as he sees fit and apparently when he sees fit, then I think there is going to be a very stark reduction in the contribution that will be made by the tremendous competition that takes place today, in the Outer Continental Shelf and elsewhere, in the drilling of wells.

I think that this is shown by the recent bidding that took place in the last six or so lease sales in the Outer Continental Shelf, in that 46 percent of the money bid was left on the table, showing that there was not collusion, showing that there is a great, wide variance in opinion as to the value of leases, obviously itself based on a wide variance in interpretation of basic data.

The interpretation of data is a stock in trade of the geologist, the geophysicist, the engineer, those who are responsible for conducting the exploratory efforts of an oil company.

When you compare this with the U.S. Government having this information, there is going to develop in the Government, just as there develops in a company, a certain way of interpretation, a certain manner of interpretation, a certain approach. And to the extent that the Federal Government invades the private sector competition in acquiring information and participating in the drilling of wells, there will be just that much, and it is a considerable amount, of reduction in competition. The Federal activity will be following one approach, one idea. It may change; and I do not think we could expect it to be very adventuresome. In the area of politics, I think it would be most difficult to expect the Secretary of the Interior or the head of the Energy Department to be extremely aggressive, to be a wildcatter who is going to stick his neck way out to drill a bunch of dry holes, to interpret and reinterpret. So, as I say, I see a real, significant reduction in competition.

What else will obviously happen? I believe that the companies are going to find an impediment, because of this requirement of releasing information, to encouraging them to do the amount of exploratory work that they have done for years. I think they would do it on a very restrictive basis, and decide to put their eggs in other baskets.

There are other baskets. Some of the baskets are in the interior of the United

States, in the deep basin natural gas, for instance, and some of the other baskets are in other nations, in other countries where there are not these unwise restrictions.

I think there would be a sharp reduction in the building up of data, because of the required release of the interpretation of it, that would greatly reduce the effort in the Outer Continental Shelf—just the opposite of the stated goals of the bill.

I think it would also lead to those with the companies involved not divulging fully their interpretations, which I think would be unfortunate, but I think this would be the result of this bad legislation, where they would try to fudge on what they would divulge to the Secretary.

I also think the Secretary is going to have a real security problem. If someone in his office—and there are bound to be a number of somebodies who would have access to the interpretative data—if it just appeared to one particular somebody that one man's interpretation was different from that of others, and that lo and behold, here is a great possibility of a large strike in a different part of this lease from what anyone else has thought, and he has that information, I think the temptation would be extremely great for him to dishonestly pass this on to interested parties.

So I do not think this is a good provision in the law. It is one that is not going to fulfill the goals desired by the committee and desired by Congress in having a new OCS bill.

I think it will reduce exploratory activity at a time when we want increased exploratory activity. I think it will reduce the activity of producing leases once they are discovered, for the same reason.

It is not that there would not be protection for the lease once production is found, but there is also the problem of adjoining leases which might be available for bidding.

So, Mr. President, I urge my colleagues to support this amendment. We are in no way proposing to limit the Secretary's access to the basic data. It is just the company's or individual's interpretation of the data. I believe this amendment is completely consistent with the approach this Nation has taken toward private enterprise, toward competition.

I think it is rather interesting in the description of the word "patent" by Webster's dictionary, that they use the words "the monopoly right, the full right, to produce, to sell, to obtain profit."

This is what we are interfering with. Interfering with this basic right, which is the driving force of private enterprise, will deter the efforts of those engaged in developing our Outer Continental Shelf resources.

Mr. President, I reserve the remainder of my time.

Mr. BUMPERS. Mr. President, this matter was debated extensively a couple of years ago. The Senate overwhelmingly adopted virtually the same language which is in the bill now. I will make my comments as brief as possible on this, but I would like my colleagues to be aware of just what we are talking about.

The bill provides that the Secretary is entitled to interpretive data. There are three kinds of data. There is raw data. That does not mean anything until it is put through a computer. Second, there is processed data, which is the raw data after it has been put through a computer. Interpretive data is the third type of data, and that is what we are talking about here.

The interpretive data is nothing more or less than what the oil company says. "These are our conclusions based on this seismic, geological, and geophysical information."

If this were going to be a matter of public record, Mr. President, I would agree with the Senator from Oklahoma and I would vote for his amendment. But I have two thoughts about it:

No. 1, these resources, as has been said no less than 100 times on this floor in the last 24 hours, belong to the people of the United States. They are entitled to know all they can find out about what they are.

No. 2, the Secretary has a right to lease or grant a permit. He can grant a permit to somebody to go onto certain tracts and explore them. They cannot go without his permission. Once the permittees go out and shoot off some blasts and do the other exploratory work, the permittee has to tell the Secretary what he found under this provision in the bill.

I do not see anything wrong with that. As a matter of fact, that person probably is going to wind up with a competitive advantage.

Let me give a scenario. Let us assume that I permit, under a written agreement, the Senator from Oklahoma, whom we will say is an oil company, to go out and explore a certain tract. He comes back with all kinds of good information. It looks good. The information indicates there is a structure which will produce either oil or gas, or both. He gives the Secretary that information. The Secretary will then subsequently offer this tract for lease. The Senator from Oklahoma has a right to bid. He and he alone would have access to this information. He would know what to bid for it.

Mr. President, I see absolutely nothing wrong with the Secretary acquiring this data. He is entitled to it. Nobody is put at a competitive disadvantage. Oil companies have argued—they have always argued—that this is proprietary information. But the point is, it should only be proprietary information if it pertains to their own property. The OCS is not their property.

There is not an oil company in the United States which would let somebody go on their property and do this kind of investigative and exploratory work without telling them what there was there. I do not think we ought to ask the U.S. Government to do less.

This is a good provision in the bill. I urge my colleagues to defeat the amendment of the Senator from Oklahoma.

Mr. HANSEN. Mr. President, the Freedom of Information Act clearly recognizes that certain information, obtained by private enterprise, has competitive value. As such, the law seeks to protect proprietary information, and requires Government—in certain cases—to maintain the confidentiality of the information it obtains. Any disclosure of data obtained at corporate expense and given to the Government in confidence could seriously impair the effort to collect OCS exploratory data.

The danger of exposure of confidential information probably would induce the companies to refrain from drilling exploratory wells, for fear that public disclosure of data might highlight for competitors the probability of potential reserves in adjacent open tracts. The decision not to conduct exploratory drilling and acquire information would thus lead to a lower bonus bid on the open tract when it is later put up for lease, because the risk is higher where such data are not available.

There also would be a strong incentive for individual companies not to conduct detailed seismic surveys after an initial group shoot. Why invest in the acquisition of proprietary information when it would be made available at no cost to every competitor? The probability is that companies would prefer to base their bids on less definitive information, thus accepting a higher risk on each tract and lowering their bonus bids accordingly. The collective effect of having less information will be lower bids generally—a result clearly contrary to the interests of the public.

Another important adverse effect would be a severe loss of business on the part of independent geophysical contractors. Geophysical contractors forecast a sharp decrease in the sale of nonexclusive geophysical surveys if mandatory disclosure is enacted into law. This would make less data available, especially to the independent oil and gas producer, who relies heavily on purchased information of this nature.

Currently, the Bureau of Land Management makes its own analysis of the presale value of individual tracts in order to arrive at what it considers a minimum acceptable bid for each tract. This is a realistic procedure which should be continued. Nevertheless, that analysis represents only one more estimate, which can be as wrong or as right as any single company's evaluation.

It is obvious that more competitive bids would result in a more accurate fair market value assessment. However, mandatory disclosure of proprietary data, and interpretations of those data, would discourage the collection and/or purchase of such information by companies. This would result in higher risks, fewer bids and lower bonuses. In fact, with individual companies each having access to the same data, competitive bidding would be substantially decreased.

The public interest—far from being better served by the disclosure of proprietary information and/or the elimination of the private sector from the exploratory phase of offshore operations—would be seriously impaired. The combined loss of revenues to the Treasury, and the adverse impact on petroleum exploration in the offshore, would deal a serious blow to the struggle for energy self-sufficiency.

I wholeheartedly support this amendment to limit the Secretary's subpena

power to simply basic offshore exploration and production data, and not interpretations.

Mr. President, if we could, I prefer to go to a vote right now because there are some Senators who are going to leave. Does the Senator want the yeas and nays?

Mr. BARTLETT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. DURKIN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, I yield back the remainder of our time.

Mr. BUMPERS. Mr. President, I yield back the remainder of our time.

Mr. HATCH. Will the Senator withhold that?

Mr. HANSEN. I do not have any time.

Mr. HATCH. Will the Senator yield 1 minute?

Mr. BUMPERS. I will be happy to yield, Mr. President.

Mr. HATCH. I want to support the amendment by Senator BARTLETT, Mr. President. This bill gives such broad authority to the Government to acquire any sort of data it wants that I do not see why the Government ought to have the proprietary information or the interpretations of the companies involved.

The Secretary can conduct independent geological and geophysical investigations and gather and process all the data he wants. Why should he have access to the interpretive data of the independent private sector contractors with regard to this? That is the reason I want to support Senator BARTLETT. I think we have gone too far already in this particular bill. I do not see why we have to go all the way and have the Government become big brother in every sense of the word.

I thank the Senator.

ADDITIONAL STATEMENTS SUBMITTED

Mr. GRAVEL. Mr. President, as we look at this vital piece of legislation aimed at setting up an appropriate mechanism to guide our exploration and development of the Nation's Outer Continental Shelf, we must ask ourselves one question: What is the appropriate role of the Federal Government vis-a-vis the private enterprise system? We must weigh our views of the Government's and the public's right to know with the concept of proprietary information essential to the health of our capitalist system.

Mr. President, as my affirmative vote on the preceding Durkin amendment shows, I am very much in favor of allowing the Federal Government to have the data it needs to determine what the reserves of oil, gas, coal, and other energy minerals are and what they are anticipated to be. It may even be necessary to conduct some actual field tests to verify that data provided by industry. I do not happen to distrust that data provided by industry, but to the extent verification by a Government-sponsored independent source is helpful in showing the worth of that data, then I am all for it. My only question on the provision concerning industry data is why the Government does not use that which it already has. Witness the recent interchange between the Energy and Natural Resources Committee and the Energy Research and Development Administration concerning the withholding of vital statistics on gas reserves. Witness the President's overlooking of reserve estimates of oil and gas that the USGS and the National Petroleum Council have made available for some time. So the question is not whether the Government should have vital data, but rather it is whether it should have all types of data, and what the Government does with the data once it has it.

One type of data I do not think the Federal Government should have, and my views are supported by the Energy Information Act, is interpretive data derived as a result of geological and geophysical or other exploratory type activity. In most cases, the raw data is provided to the Federal Government, often gratuitously and often as a condition requisite to governmental authorization. The Government has its own analysts to determine the worth of the data and the value they will place on a prospect as a result of their own interpretation. Having the data owner's interpretation serves no real purpose other than to cause the risk of disclosure of that data to the press or to other competitive companies. You see, Mr. President, I am of the impression that we should encourage competition rather that to discourage competition. Since the interpretation of raw data is the real competitive edge in the petroleum business, I do not want to have the Federal Government interfering.

In short, I am afraid that in our zeal to make sure that the petroleum companies are not ripping us off by concealing information we have a right to, that we are being unreasonable to the point of jeopardizing the competitive system by requiring the disclosure to the Government of data that is not necessary or proper. The Federal Government will have the raw data on which to do its own analysis or to have an independent analysis run. The Government can base its decisions on its own interpretation. And as we can tell from the fact that different companies have differing interests in tracts under consideration both in the tract nomination process and in the bidding process, there is a great variance in interpretation of raw data. What useful purpose does it serve to have the actual interpretations when the Government is aware of the results of those interpretations through the bidding and nomination processes? After reserves are proved, the Government will receive necessary information in accordance with this act and appropriate regulations and requirements. It is the proprietary nature of the interpretation, as well as the yet undetermined need for such information, which prompts me to prod the conscience of the Senate to encourage their support of our amendment.

Mr. BARTLETT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from North Carolina (Mr. MORGAN), the Senator from Maine (Mr. MUSKIE), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from Maine (Mr. MUSKIE).

If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Maine would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Missouri (Mr. DANFORTH), the Senator from Michigan (Mr. GRIFFIN), the Senator from Illinois (Mr. PERCY), the Senator from Virginia (Mr. SCOTT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 32, nays 54, as follows:

[Rollcall Vote No. 290 Leg.]

YEAS—32

Baker	Goldwater	Melcher
Bartlett	Gravel	Packwood
Bentsen	Hansen	Roth
Byrd, Harry F., Jr.	Hatch	Schmitt
	Hayakawa	Stafford
Chafee	Helms	Stevens
Chiles	Johnston	Stone
Curtis	Laxalt	Thurmond
Dole	Long	Tower
Domenici	Lugar	Wallop
Garn	McClure	Weicker

NAYS—54

Abourezk	Hart	Metzenbaum
Allen	Haskell	Moynihan
Bayh	Hatfield	Nelson
Biden	Hathaway	Pearson
Brooke	Heinz	Pell
Bumpers	Hollings	Proxmire
Burdick	Huddleston	Randolph
Byrd, Robert C.	Humphrey	Ribicoff
Cannon	Inouye	Riegle
Case	Jackson	Sarbanes
Church	Javits	Sasser
Clark	Kennedy	Schweiker
Cranston	Leahy	Sparkman
Culver	Magnuson	Stennis
DeConcini	Matsunaga	Stevenson
Durkin	McGovern	Talmadge
Eagleton	McIntyre	Williams
Glenn	Metcalf	Zorinsky

NOT VOTING—14

Anderson	Griffin	Nunn
Bellmon	Mathias	Percy
Danforth	McClellan	Scott
Eastland	Morgan	Young
Ford	Muskie	

So Mr. BARTLETT's amendment was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 661

Mr. JACKSON. Mr. President, I call up my technical amendments which are at the desk.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes an unprinted amendment numbered 661.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

1. Page 143, line 18, after the comma following the first "Act" insert "as amended".
2. Page 145, line 21, strike "in" and insert in lieu thereof "of".
3. Page 151, line 4, after "burial" insert "not consistent with regulations promulgated by the Secretary of Transportation under the Natural Gas Pipeline Safety Act of 1968,".
4. Page 153, strike lines 11 and 12 and insert in lieu thereof the following:
"(c) cash bonus bid, or work commitment bid based on a dollar amount for exploration with a fixed cash bonus, and a diminishing or"
5. Page 154, line 1, after "a" insert "fixed".
6. Page 155, line 3, beginning with "In" strike through line 7.
7. Page 167, lines 5 and 6, strike "including core and test drilling".
8. Page 179, in line 18, strike "are not consistent with the national interest" and insert the following: "provide or do not provide for a reasonable balance between the national interest and the well being of the citizens of the affected state".
9. Page 184, line 1, strike "this Section or in Section 22 of"; line 11, strike "interim".
10. Page 188, line 6, after "-sentative" insert "or the Attorney General,".
11. Page 200, lines 9 and 10, strike "in operating waters" and insert "or operating orders".
12. Page 204, line 13, after "lessee" insert "or permittee"; line 17, after "lessee" insert "or permittee"; lines 18 and 19, strike "or by a permittee".

Mr. JACKSON. Mr. President, I ask unanimous consent that they be considered en bloc. We have cleared this on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 662

Mr. JACKSON. Mr. President, I call up my next amendment for myself and Mr. MUSKIE.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself and Mr. MUSKIE, proposes an unprinted amendment No. 662:

On page 223, line 7, strike "damages were" and insert in lieu thereof "discharge was".

On page 223, line 21, strike "damages were" and insert in lieu thereof "discharge was".

On page 226, line 14, strike the comma and "and costs" and insert a period and the following: "(3) Costs".

On page 226, line 20, strike "(3)" and insert in lieu thereof "(4)".

The PRESIDING OFFICER. May we have order?

Mr. JACKSON. Mr. President, the first of these amendments, and I have one other, clarifies the provisions that there will be no limit on liability for damages where the discharge of oil is due to gross negligence or willful misconduct of the owner, operator, or person in charge of an offshore facility or a vessel. The bill had used the phrase "where such damages" were the result of such negligence or misconduct. The amendments simplify this by specifying that where the discharge itself results from gross negligence or willful misconduct, liability for damage is not limited.

The amendments also make it clear that cleanup costs resulting from the discharge of oil incurred pursuant to this act or State or local law can be paid by the fund. Cleanup costs paid by the owner or operator of an offshore facility or vessel where the discharge is caused by an act of war negligence on the part of the Federal Government is clearly a different category.

Mr. President, I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

Mr. JACKSON. Vote!

The PRESIDING OFFICER. Both sides having yielded back the remainder of time, the question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

UP AMENDMENT NO. 663

Mr. JACKSON. Mr. President, I call up my next amendment for myself and Mr. MUSKIE.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself and Mr. MUSKIE, proposes unprinted amendment No. 663.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 217, line 13, before "and which" strike the comma and insert "or in the navigable waters of the United States (as the term 'navigable waters' is defined in section 502 of the Federal Water Pollution Control Act),".

On page 217, line 14, strike the comma after "facility" and all that follows down through line 19, and insert in lieu thereof a period.

Mr. JACKSON. Mr. President, a separate amendment modifies this title to eliminate the change in liability that otherwise would result when a vessel transporting oil from an offshore facility passes from the waters above the Outer Continental Shelf into the navigable waters of the United States.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. May we have order in the galleries, as well?

Mr. JACKSON. The bill provides one measure of liability for such a vessel under this bill and apparently leaves in place the different liability provisions of section 311 of the Federal Water Pollution Control Act for the same vessel once it enters the navigable waters.

The amendment eliminates this distinction. Any vessel transporting oil directly from an offshore facility would be subject to the liability provisions of this bill until the oil is unloaded, regardless of the waters in which it is operating. Section 311's provisions would be superseded for such a vessel.

Mr. President, I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 664

Mr. HANSEN. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. HANSEN) on behalf of himself and Mr. BARTLETT proposes an unprinted amendment numbered 664.

Page 156, line 5, after the word "abandonment,'", insert the following:
"including the drilling of wells sufficient to determine the size and areal extent of any newly discovered field, and".

Mr. HANSEN. Mr. President, this clause was inadvertently not included when Senator BARTLETT proposed language to define what constitutes a work commitment—language which was accepted unchanged by committee.

Confirmation wells are an integral part of any exploration program, as no single well can adequately evaluate a discovery. The costs involved are substantial—every well drilled costs a little more than the one before. If we are to fulfill the intent of the work commitment provision of this bill—that is, to combat the huge front-end capital drain—then we should include the cost of these wells as a part of the commitment.

It is certainly not intended to include every field development well with this amendment. All that is intended—and the language is explicit on that point—is to include those wells "sufficient to determine the size and areal extent of any newly discovered field."

I strongly urge adoption of this amendment.

Mr. JACKSON. Mr. President, we have no objection to the amendment.

I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HANSEN. Mr. President, section 26 of the bill, at the top of page 204, calls for the disclosure of not only basic offshore oil and gas exploration and production data, but also interpretations of that data—as we have previously discussed.

The language is ambiguous, however, in that it is unclear whether the interpretations to be disclosed are those existing at the time of the secretary's request, or whether a company might be required to make some interpretation at the request of the secretary.

Surely the latter is not contemplated. Such a requirement would be absurd on its face, and just as ridiculous upon further reflection.

I would appreciate it if the manager of the bill would confirm that, indeed, all that is contemplated in this provision is the disclosure to the secretary of data interpretations already in existence at the time of the secretary's request or an interpretation that the lessee or permittee might make later.

Mr. JACKSON. The answer to the Senator's question is "Yes."

Mr. HANSEN. I thank the manager of the bill.

UP AMENDMENT NO. 665

Mr. HATCH. Mr. President, I call up my unprinted amendment at this time.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an unprinted amendment numbered 665.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. METZENBAUM. Mr. President, I object. I would like to know what the amendment provides.

The assistant legislative clerk read as follows:

On page 162, strike out all of Subsection 8(c) beginning at line 24 and continuing through page 163, line 23; and in lieu thereof substitute the following:

"(c) Upon issuing a lease the Secretary shall notify the Federal Trade Commission of the issuance. Such notification shall contain such information as the Federal Trade Commission may require in order to determine whether such lease may create or maintain a situation inconsistent with the antitrust laws. The Federal Trade Commission may, by rule, exclude from the requirements of this subsection any class of lease which it determines would, if issued, be unlikely to create or maintain a situation inconsistent with the antitrust laws."

Mr. HATCH. Mr. President, this amendment would change section 205(c) of the proposed amendments to the Outer Continental Shelf Lands Act. The proposal now before the Senate requires that the Secretary of the Interior notify the Federal Trade Commission 30 days before any lease is to be awarded. The FTC makes a determination as to whether the lease may violate the antitrust laws and, if so, notifies the Secretary.

The Secretary must abide by the FTC's decision, unless he holds public hearings and finds that the overall public benefit outweighs the possible adverse effect upon competition, and there is no less adverse alternative. In short, the provision puts the Secretary in the business of antitrust enforcement. Worse, there is an immediate delay of 30 days, then an indefinite delay involving a hearing and possible challenges to the decisions of the FTC and the Secretary through the Federal courts. All this time, other bidders must wait to see if the firm which received the award actually can develop the land or whether the Secretary will have to make a new decision on another bidder.

My amendment simplifies the process and eliminates the delays.

I propose that the Secretary give the FTC whatever information it requires at the time he issues the lease award. Then the FTC can make the investigations it deems necessary without delaying the lease process. If the FTC then determines there may be an antitrust violation, other provisions elsewhere permit the FTC to take the action it decides upon.

In fact the FTC itself has testified before the House Ad Hoc Select Committee on the OCS that the provision which is now in the bill—and which I desire to modify—is not necessary. Walter T. Winslow, Jr., Assistant Director of the Bureau of Competition stated the following:

Since hundreds of offshore leases may be issued in any year, since it would be unusual for the issuance of any one lease to tend to create or maintain a situation inconsistent with the antitrust laws, the commission does not believe that antitrust review by the commission of proposed leases can or should be relied on to provide significant antitrust protection in this area.

In other words, it is unrealistic to expect that the FTC will come up with any finding of monopolistic effects from a single lease except in a very unusual case.

The FTC then advised the House that "the preferable means of maintaining competition with respect to offshore leases is to build antitrust protections into the Secretary's decisionmaking process." In other words, the Secretary of Interior's own method of offering, receiving, and selecting bids should incorporate built-in protections without the necessity of bringing in the FTC for consultation before issuing the lease. That is what my amendment will accomplish.

The FTC closed its discussion of this issue by declaring that the current OCS bill, "already contains provisions that should accomplish that purpose," without section 205(c).

I ask unanimous consent that Mr. Winslow's testimony before the House be printed at the conclusion of my remarks. The statement goes to great lengths to show that sufficient advisory and procedural safeguards already exist throughout the bill. Although the FTC does not oppose section 205(c), the FTC does make it clear that this provision is not needed to protect competition.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATCH. To round out this issue, Mr. President, it should be noted that there are provisions in other recent legislation, not to mention the longstanding antitrust laws themselves, which provide further protection. For instance, assurance of no anticompetitive effects from lease sales has been included in the Department of Energy legislation, S. 82. Although we have not yet seen the Department in action, one of its many purposes, as stated in the bill, is "to foster and assure competition among parties engaged in the supply of energy fuels."

It has been suggested that the Energy Department's powers will adequately deal with the antitrust implications of OCS leasing policy, and that the provisions we are talking about in S. 9 may conflict. This inconsistency will only become clear as the Energy Department begins to assume its new role. There is a more immediate inconsistency before us, however, which I think must be addressed.

We are trying to expedite development of the OCS. What are we doing allowing this unneeded, time-wasting provision to remain in the bill? If we are trying to streamline development of one of America's greatest oil resources, how can we justify this hindrance? If we say we are worried about fairness and antitrust security we have the FTC's own testimony telling us there is no need for concern. Section 205(c) as now before us is not warranted.

Therefore, Mr. President, since monopolization is nearly impossible when hundreds of leases are involved, and since the FTC itself has found the provisions unnecessary given the bill's other safeguards, and in the light of our critical need to develop the offshore resources of this Nation, I urge my colleagues to vote to modify section 205(c) in accordance with my amendment.

EXHIBIT 1

STATEMENT BY WALTER T. WINSLOW, JR.

Good morning: I am Walter T. Winslow, Jr., and I am an Assistant Director of the Federal Trade Commission's Bureau of Competition. I appreciate this opportunity to present the views of the Commission on H.R. 1614, the Outer Continental Shelf Lands Act Amendments of 1977.

With me today are Darius W. Gaskins, Jr., Director of the Bureau of Economics, and David J. Saylor, an Assistant Director of the Bureau of Competition. After I present a somewhat abbreviated version of the Commission's written statement, Mr. Gaskins would like to make a brief statement on his own behalf, and then all three of us will be available to answer the Committee's questions.

H.R. 1614 represents a major effort to bring the Outer Continental Shelf Lands Act into accord with the United States' present energy and environmental needs. Although many aspects of this bill deal with matters outside the Commission's expertise, the Commission in general supports this Committee's efforts at comprehensive reform and in particular endorses the Committee's apparent commitment to bring about that reform in a manner that will maintain competition in this important aspect of the Nation's economy. The Commission has a number of specific comments on the provisions of the bill that, as noted in this Committee's March 15 letter to Chairman Collier, relate to the maintenance of competition.

AMENDED SECTION 5(a): CONSULTATION ON PROPOSED REGULATIONS

Section 204 of the bill would amend Section 5(a) of the Act and set forth a variety of requirements concerning the promulgation and enforcement of regulations necessary to implement the Act. "At each stage in the formulation and promulgation of regulations," the Secretary of the Interior is required to seek and duly consider the Attorney General's opinion of matters affecting competition, but there is no such requirement with respect to the Commission's views on competitive matters. The Commission also

notes that amended Section 5(a) would require the Secretary to "cooperate with the relevant agencies of the Federal Government and of the affected States" concerning the enforcement of safety, environmental, and conservation laws and regulations, but the Secretary would not be required to consult or cooperate with such agencies in the formulation and promulgation of such regulations.

The regulations to be issued by the Secretary would deal with a wide range of issues, and both the Commission and other agencies may wish to furnish advice to the Department of the Interior as proposed regulations are being formulated and promulgated. The Commission recommends that there be added to the bill's present provisions a general requirement that the Secretary furnish information to and consider the views of any agency that chooses to become involved in the formulation and promulgation of regulations.

AMENDED SECTION 8(a): BIDDING SYSTEMS

Section 205 of H.R. 1614 would amend Section 8(a) of the Outer Continental Shelf Lands Act in four ways that are of particular interest to the Commission: (1) it would authorize the Secretary to utilize a number of new oil and gas lease bidding systems [1]; (2) it would limit the amount of acreage that the Secretary could lease by cash bonus bid with a fixed royalty of not less than 12½ percent [2]; (3) it would require the Secretary to make an annual report to the Congress on the use of the various authorized bidding systems [3]; and (4) it would prohibit joint bidding on oil and gas leases in certain circumstances.[4] The Commission has comments on each of these amendments.

The Secretary is currently permitted, at his discretion, to offer oil and gas leases for bid either on the basis of a cash bonus with a fixed royalty of not less than 12½ percent per year or on the basis of a royalty of not less than 12½ percent per year with a fixed cash bonus.[5] Amended Section 8(a) would expand the Secretary's bidding alternatives to include, among others: variable royalty bidding with a fixed cash bonus,[6] cash bonus bidding with a fixed share of at least 30 percent of the bidder's profits from oil and gas produced on the leased area,[7] and net profit share bidding with a fixed cash bonus.[8] Amended Section 8(a) would also allow the Secretary to defer the payment of any part of a successful bidder's cash bonus bid for up to five years from the date of the lease sale or until such time as the bidder secures approval of his development and production plan, whichever of the two dates first occurs.[9]

In October 1975, the Commission published a Staff Report on Federal Energy Land Policy.[10] In that report, the Bureaus of Competition and Economics concluded that large cash bonus bids, coupled with high exploration costs, work to the relative disadvantage of smaller firms, which are either excluded altogether or virtually compelled to enter joint ventures.[11] The Commission is pleased that amended Section 8(a) seems to reflect some of the concerns expressed by the Commission's staff regarding the current cash bonus bidding system. In particular, the Commission supports the Committee's apparent desire to provide the Secretary with a wide variety of new bidding alternatives.

Although H.R. 1614 provides the Secretary with oil and gas lease bidding system options not currently available to him, the amendment is still of a limiting nature. The Commission is of the opinion that the Secretary should be free to experiment with variations of the bidding systems listed in amended Section 8(a) as well as with new bidding systems not so enumerated.[12] By such experimentation, the Secretary would be able to determine which system or systems are most consistent with the purposes and policies expressed in the bill, including the increasing of competition.[13]

An example of a bidding system that may have merit but does not appear to be available to the Secretary under amended Section 8(a) is the two-stage bidding system recommended by the Bureaus of Competition and Economics in the Commission's Staff Report on Federal Energy Land Policy.[14] Under such a system, exploration rights would be leased separately from development and production rights. Bids for exploration rights would require no "front-end" monetary payment, but instead would take the form of an agreement to accept a certain share of the bonus payment paid to the Government if and when the production and development rights to the property were leased. The firm agreeing to accept the lowest share of the Government's payment would receive the exploration rights to the property. If the property proved to be productive, the development and production rights to the property would then be offered to the firm bidding the highest cash bonus. A portion of this bonus payment would go to the firm holding the exploration rights to the property. If the property proved to be non-productive, its production and development rights would, of course, be valueless, and the firm holding the exploration rights would receive nothing.

It was the conclusion of the Staff Report that this two-stage bidding system would be the most competitive alternative to the current cash bonus system,[15] and the Commission understands that the Department of the Interior is presently studying a similar two-tier system.[16] The Commission believes that the Secretary should have these and other options available to him.

Section 205 of the bill would also amend Section 8(a) to prohibit the Secretary from leasing by cash bonus bid with a fixed royalty of not less than 12½ percent more than two-thirds of the total area offered for lease each year.[17] The Commission would support some such limitation to ensure that alternative bidding systems are utilized, but the Commission is not currently in possession of enough information to assess this "two-thirds rule."

Amended Section 8(a) would also require the Secretary to file an annual report to the Congress with respect to the utilization of the various authorized bidding systems.[18] The Commission supports the requirement that the Secretary include in his report a description of the benefits and costs associated with the various bidding systems and an analysis of the capability of each bidding system to increase competition.[19]

Section 205 would also amend Section 8(a) to prohibit joint bidding for oil and gas leases under certain circumstances. Joint bids could not be submitted if ". . . more than one of the joint bidders, directly or indirectly, controls or is chargeable worldwide with an average daily production of one million six hundred thousand barrels a day or more, or the equivalent, in crude oil, natural gas, and liquefied petroleum products." [20]

The Commission's Staff Report on Federal Energy Land Policy urged that serious consideration be given to the costs and benefits of prohibiting offshore oil and gas bidding ventures among the major oil companies.[21] Shortly after the Staff Report was published, the Congress enacted the Energy Policy and Conservation Act of 1975. Section 105 of that Act required the Secretary of the Interior to issue regulations that, in terms similar to those of amended Section 8(a), prohibit joint bidding by oil companies more than one of which produce on the average at least 1.6 million barrels per day of "crude oil, natural gas liquids equivalents, and natural gas equivalents." The Commission assumes that the Committee intends amended Section 8(a) to supersede Section 105 of the EPCA and the regulations issued thereunder, though the bill is not explicit on this point.

The 1.6-million-barrels-per-day test in the EPCA establishes a fixed limitation, but in amended Section 8(a) this same test would be used to fix only a maximum beneath which the Secretary could establish joint bidding restrictions by regulation.[22] The Commission is not in a position to state whether 1.6 million barrels per day is an appropriate maximum or whether any maximum is necessary, but the Commission agrees that the Secretary should have the ability to adjust the joint bidding restriction in light of changes in market conditions. Indeed, if the alternative bidding systems succeed in making it easier for small firms to submit bids on their own, the Commission believes that the Secretary should be required to issue regulations setting forth stricter restrictions on joint bidding. The Commission recommends that whether or not a maximum is adopted, the Secretary be required (perhaps on an annual basis) to consider adjusting the joint bidding restriction in light of changed market conditions.

PROPOSED SECTION 8(c): ANTITRUST REVIEW OF PROPOSED LEASES

Section 205(b) of the bill sets forth a proposed Section 8(c) that would require the Secretary to hold in abeyance for 30 days the initial issuance of any lease and to furnish the Attorney General and the Commission with such information as they may require in order to advise the Secretary whether the proposed lease "may create or maintain a situation inconsistent with the antitrust laws." Upon receipt within the 30-day period of advice from either agency that a lease may cause such antitrust problems, the Secretary could issue the lease only if he found, on the basis of a public hearing, "that the overall benefit to the public from the issuance or extension of such lease clearly outweighs any possible adverse effect upon competition and that there is no reasonable alternative which would have a lesser adverse effect upon competition."

Since hundreds of offshore leases may be issued in any year, and since it would be unusual for the issuance of any one lease to tend to create or maintain a situation inconsistent with the antitrust laws, the Commission does not believe that antitrust review by the Commission of proposed leases can or should be relied on to provide significant antitrust protection in this area. The preferable means of maintaining competition with respect to offshore leases is to build antitrust protections into the Secretary's decision-making process. H.R. 1614 already contains provisions that should accomplish that purpose. The requirement of antitrust advice concerning proposed regulations has already been discussed, and other opportunities for antitrust advice will be discussed at later points in this statement.

Given the Commission's reservations about the efficiency and necessity of antitrust review outside the Department of the Interior, the Commission is pleased to note that H.R. 1614 would not require the Commission to submit comments on all proposed leases. In fact, as the Commission interprets proposed Section 8(c), neither the Commission nor its staff would be required to consider every proposed lease. If the Committee shares this interpretation, the Commission has no objection to the provision, though the Commission is concerned about whether an antitrust review of a proposed lease can be accomplished in only 30 days. The Commission also recommends that in its report on H.R. 1614 the Committee make clear its intention that neither the Commission nor its staff be required to consider every proposed lease.

The Commission supports the standard enunciated by proposed Section 8(c), namely whether a lease "may create or maintain a situation inconsistent with the antitrust

Footnotes at end of article.

laws." This standard recognizes that the Commission's advice would be prospective and deal in probabilities. The Commission also endorses the use of the criterion of "inconsistency" with the antitrust laws: the public hearing process of Section 8(c)(1) should be set in motion when the Secretary is advised that certain proposed leases are discordant with the legal and economic policies underlying the antitrust laws, even if the reviewing agencies are unable to conclude that such leases would violate those laws.

Important to any analysis of proposed Section 8(c) is the provision in proposed Section 8(e) that nothing in the Act shall be deemed to immunize any person or business entity from civil or criminal antitrust liability or to create defenses to antitrust actions. The Commission vigorously supports this important provision which recognizes that the mere fact that the Commission and the Attorney General failed to object to a proposed lease under Section 8(c), or that the Secretary approved a lease after receiving negative antitrust advice, should not bar an antitrust suit. Under Section 8(c), the Commission, the Attorney General, and the Secretary will all be looking to the future and will necessarily speak in terms of probabilities. If new information or changed circumstances subsequently indicate that the issuance of a lease has created a situation inconsistent with the antitrust laws, there must exist the opportunity to bring an appropriate suit.

As presently drafted, Section 8(c)(2) empowers the Secretary to issue a lease despite negative antitrust advice from the Attorney General or the Commission if he finds, inter alia, that the public benefit of issuance "clearly outweighs any possible adverse effect upon competition." In the Commission's view, this language fails to allow for the fact that the Secretary will be dealing with future events: it would require him to predict whether the future public benefit of a not-yet-extant lease "clearly" outweighs any "possible" anticompetitive consequence of the lease. The Commission believes that a more administrable test that would accomplish antitrust objectives is whether the overall public benefit of a proposed lease outweighs all of the probable anticompetitive effects identified by the Commission, the Attorney General, and the Secretary. The Commission further believes that the Secretary's determination to issue a lease in this situation should be required to set forth with specificity the nature, likelihood, and severity of the anticompetitive effects and the reasons why the public benefit of the lease outweighs such effects.

AMENDED SECTION 15: REPORTS CONCERNING COMPETITION

Section 207 of the bill would amend Section 15 of the Act by requiring the Secretary to file additional annual reports with the Congress. In particular, amended Section 15(2) would require a report concerning such topics as competitive bidding systems, restrictions on joint bidding in promoting competition, and measures to encourage the entry of new competitors. In preparing the report, the Secretary is to consult with the Attorney General, whose own recommendations or findings regarding competition in the leasing of Outer Continental Shelf lands are to be incorporated into the report. Although this section does not call for consultation with the Commission, there is no apparent need for an amendment. If the Commission wishes to comment upon the Secretary's annual report, it can do so by reporting to the Congress on its own initiative.

PROPOSED SECTION 18: PROPOSED LEASING PROGRAM

Section 208 of the bill would add a new Section 18 to the Act. Section 18(d)(1) would permit the Attorney General to comment upon the anticipated competitive effects of the Outer Continental Shelf leasing program proposed by the Secretary. In addition, any state, local government, Regional Outer Continental Shelf Advisory Board, or other person may submit to the Secretary comments and recommendations regarding "any aspect" of such program. Section 18(d)(2) would then require the Secretary to submit to the President and the Congress the proposed leasing program and any comments received under Section 18(d)(1), and to explain why he rejected any specific recommendation of the Attorney General or of a state, a local government, or a Regional Outer Continental Shelf Advisory Board.

The Commission notes that the comment and recommendation mechanism of Section 18(d)(1) contains no reference to the Commission or to any of the agencies of the Federal Government (save the Attorney General). The Commission may well want to submit comments and recommendations regarding proposed leasing programs, as may other federal agencies, and the Commission urges the addition to Section 18(d)(1) of "Federal agency," between the words "any" and "State." Likewise, "Federal agency," should be inserted into Section 18(d)(2) between "a" and "State." Under such an approach, there would be no need to include a specific reference to the Commission.

MISCELLANEOUS COMMENTS

Finally, the Committee's letter to Chairman Collier called the Commission's attention to the provisions of the bill dealing with (1) citizen suits and judicial review and (2) affirmative action to preclude discrimination. The Commission supports the apparent enforcement and antidiscrimination purposes of these two provisions, but defers to the Department of Justice for a detailed statement of views.

FOOTNOTES

[1] This amendment would be contained in amended Section 8(a)(1)-(2) of the Act. Unless otherwise indicated, all section references hereinafter are to provisions of the Act as it would be amended by the bill.

[2] § 8(a)(6)(C)(i).

[3] § (a)(6)(D)(i)-(vi).

[4] § 8(a)(7).

[5] 43 U.S.C. § 1337(a).

[6] § 8(a)(1)(B).

[7] § 8(a)(1)(D).

[8] § 8(a)(1)(E).

[9] § 8(a)(2).

[10] Bureaus of Competition and Economics Staff Report, *Report to the Federal Trade Commission on Federal Energy Land Policy: Efficiency, Revenue, and Competition* [hereinafter denoted as "Commission's Staff Report"] (October 1975).

[11] *Id.* at 731.

[12] We note that the Department of the Interior has expressed a similar view. Letter from the Honorable Cecil D. Andrus, Secretary of the Interior, to the Honorable John M. Murphy, Chairman, House of Representatives Ad Hoc Select Committee on Outer Continental Shelf (March 21, 1977) at 2-3.

[13] § 8(a)(6)(A)(ii).

[14] Commission's Staff Report at 733-750.

[15] *Id.* at 747-748.

[16] Letter from the Honorable Cecil D. Andrus, Secretary of the Interior, to the Honorable John M. Murphy, Chairman, House of Representatives Ad Hoc Select Committee on Outer Continental Shelf at 3.

[17] § 8(a)(6)(C)(i).

[18] § 8(a)(6)(D)(i)-(vi).

[19] § 8(a)(6)(D)(iii), (vi).

[20] § 8(a)(7).

[21] Commission's Staff Report at 749.

[22] Another difference between the approach of the EPCA and the approach of amended Section 8(a) is that the EPCA permitted the Secretary to exempt from the prohibition leases that he determined to be "high-risk" or "high-cost" ventures, while amended Section 8(a) would apparently not permit any exemptions. An exemption for such ventures could as a theoretical matter result in more rapid development of the United States' offshore oil and gas resources without anticompetitive consequences, but the Commission does not possess sufficient information to determine whether as a practical matter an exemption is justified.

Mr. HATCH. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. I would like to yield, Mr. President, to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. I am grateful to the Senator from Utah. As I see it, his amendment is an attempt to simplify the legislation that has been presented, is that correct?

Mr. HATCH. That is correct.

Mr. HAYAKAWA. The Senator said the Federal Trade Commission and the Justice Department already have sufficient authorization in the committee bill to assure the public there will be no anticompetitive factors in the leasing.

Mr. HATCH. I could give the Senator three pages of citations giving them complete authority to take care of this without the present provisions in the bill.

Mr. HAYAKAWA. What are some of the safeguards?

Mr. HATCH. Well, section 204, amendment section 5(2) of the act says:

At each stage in the formulation and promulgation of regulations" the Secretary of Interior is required to seek and duly consider the Attorney General's opinion of matters affecting competition.

1. The bill contains a wide variety of new bidding alternatives, all commended by the FTC as helps toward expanding competition.

A certain portion of these new bidding alternatives are mandated to be used, including the filing of an annual report to Congress with respect to the utilization of these bidding systems, including an analysis of how each system increased competition (sec. 205, amended sec. 8(a)).

2. Section 205 amends section 8(a) to prohibit joint bidding for oil and leases under certain circumstances.

Also under the Energy Policy and Conservation Act of 1975, section 105 of that act requires the Secretary of Interior to issue regulations that also prohibit joint bidding by oil companies under certain circumstances (if more than one produces 1.6 million barrels per day crude oil, gas, or natural gas equivalents).

Section 205 of this bill builds on these regulations.

3. Section 207, amends section 15 of the act by requiring the secretary to file additional annual reports, particularly reports concerning competitive bidding systems, restrictions on joint bidding to promote competition, and measures to encourage new competitors. (see 15(2)).

The Secretary, in preparing the report, must consult the Attorney General whose recommendations regarding OCS competition are to be incorporated in the report.

4. Section 208, adding a new section 18(d)(1) to the act, permits Attorney General to comment upon anticipated competitive effects of OCS leasing program proposed by Secretary, but also any State, local govern-

ment or any other person may submit comments and recommendations regarding "any aspect" of the program. The Secretary must report to the President and the Congress on his actions responding to these recommendations.

5. Section 205, adding section 8(e); provides that nothing in the bill or act shall be deemed to immunize any person or business entity from civil or criminal antitrust liability or to create defenses to antitrust actions.

This assures that even if section 205 8(c) did not exist, an antitrust suit could not be barred at any time in the OCS procedure.

If new information or changed circumstances subsequently indicate that the issuance of a lease has created antitrust problems, the opportunity always exists for an FTC or Justice Department suit.

Thus:

There is ample reason for the FTC to comment that the OCS bill ". . . already contains provisions that should accomplish . . ." the purpose of ". . . significant antitrust protection in this area." Without section 205, 8(c).

I have already commented on a variety of other measures in my original statement.

Mr. HAYAKAWA. Mr. President, will the Senator from Utah yield further?

Mr. HATCH. Yes, I would be happy to yield to the Senator from California.

Mr. HAYAKAWA. I asked a simple question for a simple answer and I got an avalanche in reply.

I thank the Senator from Utah.

Mr. HATCH. I thank the distinguished Senator from California, and I reserve the remainder of my time.

Mr. JACKSON. Mr. President, the committee reviewed this matter very carefully. I would point out that the Federal Trade Commission did not testify on this provision. Their testimony was related to the original bill, not the bill now before the Senate.

The language in the bill on page 163 makes it clear that the Federal Trade Commission can specify the class of leases it wishes to review, and I will read it, on line 5, page 163:

The Federal Trade Commission may, by rule, exclude from the requirements of this subsection any class of lease which it determines would, if issued, be unlikely to create or maintain a situation inconsistent with the antitrust laws. If the Federal Trade Commission advises the Secretary, within such thirty-day period, that a proposed lease may create or maintain a situation inconsistent with the antitrust laws, the Secretary may issue such lease . . .

Mr. President, I think it speaks for itself, and I am prepared to yield back the remainder of my time.

May I inquire what the time situation is? It was 15 minutes all told for both sides.

Mr. METZENBAUM. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. It is 7½ minutes to a side; is that not correct?

The PRESIDING OFFICER. That is correct.

Mr. METZENBAUM. Will the Senator, Mr. President, permit me to take 1 minute, please?

Mr. JACKSON. I yield 1 minute.

Mr. METZENBAUM. I would hope the Senate would not see fit to accept this amendment, because what we are really talking about is whether or not the Federal Trade Commission is going to have the right to determine the antitrust implications of the OCS leasing program. There is a procedure established. It will not be a lengthy procedure. They may exclude a class of leases if necessary. But to delete all of this language as proposed by the distinguished Senator from Utah from the bill would truly do violence to the beliefs of those of us who do believe that the antitrust laws of this country should be enforced, should be applied, and should have a relevance in connection with the OCS leases.

I hope very much the Senate will not see fit to accept this amendment.

Mr. HATCH. Mr. President, will the distinguished Senator from Ohio yield for a question?

Mr. METZENBAUM. Certainly.

Mr. HATCH. Is the Senator aware this does not do away with the antitrust laws applicability in this case nor does it do away with the Federal Trade Commission's—my amendment does not do away with the Federal Trade Commission's—right to bring an enforcement action? All it does is to do away with the 30-day delay, which does not benefit anybody anyway. It is basically a technical amendment, and the FTC has made it clear they have every ability to do everything they need to do anyway. Why have another 30-day delay?

Mr. METZENBAUM. I have great respect for the legal ability of the distinguished Senator from Utah. I will say that although the FTC might have every legal right to do everything you say they do, including the language in the law as it is proposed in the legislation, it will mean that the FTC will have a special kind of obligation in connection with these leases, and it cannot turn its back on the question, and the question is whether or not one would hope for the normal procedures to be effectuated for the FTC to come into a situation or whether in drafting this bill we think the FTC has a special kind of responsibility in order to see that anticompetitive aspects of these lease awards are not negated.

Mr. JACKSON. Mr. President, I am prepared to yield back the remainder of my time. I think all time will have expired.

Mr. HATCH. If I could just finish with one statement.

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. HATCH. The only thing I care to add is that, frankly, this denies the FTC in no way—the FTC has an obligation to do this, has an obligation to make sure there are no anticompetitive practices and, frankly, admits it is very unlikely they will ever have to utilize their authority. Therefore, I think it is almost ridiculous to have a 30-day delay. That is what this amendment does, it does away with that but does not deprive the FTC or anybody else in curbing anticompetitive practices to do what they should do.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from North Carolina (Mr. MORGAN), the Senator from Maine (Mr. MUSKIE), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that, if present and voting, the Senator from Maine (Mr. MUSKIE), and the Senator from North Carolina (Mr. MORGAN) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Missouri (Mr. DANFORTH), the Senator from Michigan (Mr. GRIFFIN), the Senator from Illinois (Mr. PERCY), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 22, nays 63, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—22

Allen	Hansen	McClure
Baker	Hatch	Schmitt
Bartlett	Hayakawa	Thurmond
Curtis	Helms	Tower
Domenici	Javits	Weicker
Garn	Laxalt	Young
Goldwater	Long	
Gravel	Lugar	

NAYS—63

Bayh	Hart	Pearson
Bentsen	Haskell	Pell
Biden	Hatfield	Proxmire
Brooke	Hathaway	Randolph
Bumpers	Heinz	Ribicoff
Burdick	Hollings	Riegle
Byrd, Harry F., Jr.	Huddleston	Roth
	Humphrey	Sarbanes
Byrd, Robert C.	Inouye	Sasser
Cannon	Jackson	Schweiker
Case	Kennedy	Sparkman
Chafee	Leahy	Stafford
Chiles	Magnuson	Stennis
Church	Matsunaga	Stevens
Clark	McGovern	Stevenson
Cranston	McIntyre	Stone
Culver	Melcher	Talmadge
DeConcini	Metcalf	Wallop
Dole	Metzenbaum	Williams
Durkin	Moynihan	Zorinsky
Eagleton	Nelson	
Glenn	Packwood	

NOT VOTING—15

Abourezk	Ford	Morgan
Anderson	Griffin	Muskie
Bellmon	Johnston	Nunn
Danforth	Mathias	Percy
Eastland	McClellan	Scott

So Mr. HATCH's amendment was rejected.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from Alaska.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I yield to the majority leader.

TIME LIMITATION AGREEMENTS ON AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to ascertain, if it is possible to do so, the number of amendments that remain, and whether or not it will be possible to get a reduction in time on those amendments, keeping in mind that we must finish this bill today, and then we have scheduled the legislative appropriation bill to follow it today. There is a time limitation agreement on that bill, and I would not anticipate its taking too long. Could we have a show of hands as to amendments still remaining?

Mr. STEVENS, Mr. THURMOND, and Mr. GLENN.

Mr. STEVENS. I will be glad to make mine 20 minutes, 10 minutes on a side.

Mr. BUMPERS. Mr. President, Senator MELCHER also has an amendment.

Mr. ROBERT C. BYRD. All right. The Senator from Alaska (Mr. STEVENS) has agreed to 20 minutes on his amendment, to be equally divided.

Mr. JACKSON. What about 15 minutes?

Mr. STEVENS. Some Senators may have questions.

Mr. ROBERT C. BYRD. I make that request; not to exceed 20 minutes, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. GLENN tells me he has three amendments. He suggests 20 minutes, equally divided, on each of those three amendments. He said he will not take that much time. I make that request.

Mr. STEVENS. Mr. Majority Leader, for the benefit of some of the other Senators, we are under a unanimous-consent agreement right now to vote by 6 o'clock. Senator GLENN's three amendments, in the unlikely event he would take the full hour, would take until 10 past 5. That would leave Senator THURMOND, Senator MELCHER, and Senator STEVENS 50 minutes for their amendments.

Mr. ROBERT C. BYRD. The Senator assures me he will not take that much time. I make the request on behalf of Mr. GLENN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. THURMOND?

Mr. THURMOND. Mr. President, I might make a brief statement. We have five amendments. We feel that they have merit in them, but one of those amendments concerns attorneys' fees, a matter now being considered by the Judiciary Committee. I have received assurance from the managers of the bill that when the Judiciary Committee acts on this bill, if it does, concerning attorneys' fees, they would agree then to a position on attorneys' fees in this bill and other legislatin that might be affected.

The other amendments were mostly concerning the erosion of the power of the Attorney General of the United States. I feel that this bill does erode his power. On the other hand, he has not contacted, I believe, anyone here in the Senate about that. He is a Democratic Attorney General, and I presume he would have, if he felt strongly about it; and in view of the fact that we have received no information from him in this respect, I am not going to push my amendments, for the reason that I think in conference some of these things can be ironed out. Others might be straightened out in the Judiciary Committee, and I feel sure the Attorney General will make contact with whomever he chooses if he finds that the action included in this bill is too repugnant to his office.

In view of that, I will not offer my amendments.

Mr. President, I want to say also that one reason I am doing that is the lateness of the hour, and the desire of Senators to go home, because it is Friday afternoon. I felt, in the spirit of cooperation, that that was appropriate.

Mr. ROBERT C. BYRD. I thank the Senator. Does the Senator from Montana (Mr. MELCHER) wish to reduce the time on his amendment?

Mr. MELCHER. Mr. President, what is the suggestion of the majority leader?

Mr. ROBERT C. BYRD. The minimum time the Senator would be satisfied with.

Mr. MELCHER. Under the previous order, what is the maximum time?

Mr. ROBERT C. BYRD. The Senator has 1 hour.

Mr. MELCHER. There are two or three amendments, Mr. President, and it is obvious they cannot all take an hour. I would suspect that 25 minutes, equally divided, would be sufficient.

Mr. DURKIN. Mr. President, I am going to have to resist that amendment, because it is to undo what was done this morning.

Mr. ROBERT C. BYRD. Would 30 minutes, equally divided, then, be sufficient, realizing the power of the Senator's arguments, and the gravity with which the Senator can state them?

Mr. DURKIN. Equally divided, I would say that is plenty of time.

Mr. ROBERT C. BYRD. I make the request, for 30 minutes equally divided on the Melcher amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I inquire of the minority leader whether he feels it might be possible to reduce the time on rollcalls for the remainder of the day to 10 minutes.

Mr. BAKER. Mr. President, while we are trying to get that, I wonder if the Senator from Arkansas will yield to me, so that I might ask a question of the majority leader.

Mr. BUMPERS. I am glad to yield.

Mr. BAKER. Mr. President, we will be hard put to finish even with the consideration of those matters within the time limits as we have now stipulated by 6 o'clock. Even after that, we have the legislative appropriation bill to be considered. Would it be possible to ask the majority leader to have an arrangement so that we could debate the legislative appropriation bill this afternoon, and postpone the vote until sometime on Monday?

Mr. ROBERT C. BYRD. It might be that those votes will be voice votes. It would be agreeable with me, if it is agreeable with the manager of the bill (Mr. HUDDLESTON) and the ranking minority member (Mr. SCHWEIKER), that if any rollcall votes are ordered on that bill, they go over until Monday.

Mr. BAKER. I will make that unanimous-consent request.

Mr. ROBERT C. BYRD. I would rather not make the request until I clear it.

Mr. BAKER. Very well.

Mr. STEVENS. Mr. President, I have an amendment at the desk.

Mr. BUMPERS. Mr. President, if the Senator from Alaska will withhold that for a moment, will the Senator yield to the Senator from Massachusetts? He has a conference report.

Mr. STEVENS. I yield.

HEALTH PLANNING AND HEALTH SERVICES RESEARCH AND STATISTICS EXTENSION ACT OF 1977—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on H.R. 4975 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MATSUNAGA). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 4975) to amend the Public Health Service Act to extend through the fiscal year ending September 30, 1978, the assistance programs for health services research; health statistics; comprehensive public health services; hypertension programs; migrant health; community health centers; medical libraries; cancer control programs; the National Cancer Institute; heart, blood vessel, lung, and blood disease prevention and control programs; the National Heart, Lung, and Blood Institute; National Research Service Awards; population research and voluntary family planning programs; sudden infant death syndrome; hemophilia; national health planning and development; and health resources development; to amend the Community Mental Health Centers Act to extend it through the fiscal year ending September 30, 1978; to extend the assistance programs for home health services; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 14, 1977.)

Mr. KENNEDY. Mr. President, I ask unanimous consent that the printing requirement be waived, since the conference report was printed in the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I am pleased to bring up for consideration the conference report on H.R. 4975. The Senate and House conferees have met and agreement has been reached on all matters. The major purpose of this legislation is to extend for 1 year, fiscal year

1978, the numerous expiring health authorities under the Public Health Service Act and the Community Mental Health Centers Act without making major substantive revisions in the programs. This approach was taken to meet the May 15 reporting requirement of the Budget Act and at the same time give the Congress and administration a reasonable period of time to develop proposals for substantive improvements in these important programs. These programs will be substantively reevaluated in the months ahead by the Subcommittee on Health and Scientific Research.

At the conference, the conferees agreed to delay the effective date of the capitation condition with respect to the transfer of U.S. citizens from foreign medical schools until the school year 1978–79 under the Health Professions Educational Assistance Act of 1976. The conferees agreed that final resolution of this issue should occur shortly.

Finally, I wish to draw to the attention of the Senate an important technical and clarifying amendment made by the conferees to section 707 of the Public Health Service Act. This section, which became law last October, was and is intended to recentralize the performance of most health manpower functions in Washington, D.C. I am very concerned at the seeming inability of the Department of HEW to comply with the clear intent of the Congress regarding the administration of the health manpower program on a national basis from its central offices. It has now been 9 months since the enactment of Public Law 94–484, and the one transitional year, which the Congress deliberately built into this legislation in order to provide for an orderly changeover from the old law to the sweeping revisions contained in Public Law 94–484, is almost over. And yet, incredibly, the Department has yet to provide to the Central Office of the Bureau of Health Manpower the essential resources it will need to effectively implement the new law. This technical and clarifying amendment adopted by the conferees is explicitly designed to finally resolve this issue.

This is urgently needed legislation so that our Nation's vital health programs can continue to operate. I move that the conference report be adopted.

Mr. CRANSTON. Mr. President, the Health Assistance Programs Extension Act of 1977 conference report authorizes the continuation of several important health programs for 1 year without substantive change. During the coming year, we will be developing legislation including proposals for substantive improvements in those programs to be effective in fiscal year 1979. In the meantime, the many people who are dependent upon the services provided through such programs as migrant health centers, neighborhood health centers, and community mental health centers, family planning centers, alcoholism and drug treatment centers, among other programs, can be assured of continued availability of health care.

FAMILY PLANNING

I would like to express my deep appreciation to the conferees for agreeing to an appropriations authorization of $140 million for title X family planning services. This $140 million consists of $136,400,000 for project grants for family planning services, $3,000,000 for training programs in family planning services, and $600,000 for family planning information and education programs.

In addition, special recognition should be given to Senator JAVITS, Senator WILLIAMS, Senator PACKWOOD, and Senator RIEGLE for their vigorous support of adequate family planning services programs.

Special thanks are due the distinguished Senator from Massachusetts (Mr. BROOKE) for his steadfast and effective support of an adequate level of funding for these programs. It was his floor amendment to H.R. 4975 which increased the level of authorizations for these programs $10 million over the $130 million included in the Senate Human Resources Committee bill pursuant to my amendment in committee.

Then in the Appropriations Subcommittee consideration of H.R. 7555, the Labor-HEW Appropriations Act for fiscal year 1978, Senator BROOKE was successful in amending that act to provide appropriation of the full $140 million amount authorized by Senate action on H.R. 4975 for fiscal year 1978. The conference report figure sustains the Senate appropriations level.

FAMILY PLANNING SERVICE PROGRAMS

Mr. President, I am sure the Members of the Senate are well aware of the magnitude of the need for family planning services. The population for whom this program is especially intended consists of 5.8 million women between the ages of 15 and 45 whose incomes are below 150 percent of the poverty level. In addition, there are 2.2 million teenagers above that income level who face obstacles other than income in obtaining family planning services, such as shyness about approaching the family physician because of suspected lack of confidentiality, the lack of personal income of a teenager, and their ineligibility for third-party coverage without parental consent or knowledge. There are an additional 3.4 million women with incomes between 150 percent and 200 percent of the poverty level who are between the ages of 15 and 45. In addition, it is estimated that there are 420,000 sexually active girls under the age of 15 of whom 30,000 are now receiving family planning services.

It is estimated further, Mr. President, that the organized programs receiving title X funds will reach 3 million women in fiscal year 1977. By adding the funds received from Social Security Act, title V—Maternal and Child Health—and title XIX—Medicaid—organized programs were able to reach 4,200,000 women. Thus, the PHS Act title X funds support by far the bulk of services provided through organized programs.

According to HEW that the average cost of providing family planning services in organized settings to an individual is $72 of which $36 is Federal funds. In an urban area, the cost will be considerably less, while in rural areas it is higher. As more teenagers are brought into the program, the costs increase since few of them are eligible for Medicaid reimbursement and providing services to teenagers requires more counseling, information, and education services. Hence, the need for greater funding to reach more teenagers.

The appropriation of $136.4 million would permit services to be provided to an additional 622,000 women over the 3 million currently served with title X funds. It would also avoid any need for tens of thousands of abortions.

REDUCING ABORTIONS

In 1976 it was estimated that about 1 million abortions were performed. Data indicate that one-third are in the 20-to-24 age group. These are the primary age population groups served by organized family planning programs. Approximately 30 percent of patients in title X programs are teenagers, and 38 percent are between the ages of 20 and 24.

Expanding the family planning services provided under organized family planning programs to an additional 622,000 women not now utilizing family planning services would thus be expanding these services primarily to that group of women most likely to be faced with an unwanted pregnancy that would be terminated by an abortion.

It is estimated that the availability of family planning services last year to teenagers led to a 20-percent increase in the proportion of teenagers using contraceptives. Based on previous data, it is estimated that at least 90,000 abortions have been avoided and 330,000 unwanted pregnancies have so far been avoided among teenagers through these expanded programs.

Organized family planning programs meet the special needs of the teenager in that they are open evenings and Saturdays. They provide counseling and information which a private physician normally does not provide. With greater frequency, teenage males also are obtaining information on contraceptives from organized clinics.

Thus, Mr. President, the services provided through title X funded programs are of special importance in reducing unwanted pregnancies and abortions among the teenage population.

The appropriations authorizations level for family planning services agreed to in conference will thus permit major advances to be made against the tragic social problem of teenage pregnancy.

FAMILY PLANNING PROGRAM TRAINING

I am also pleased that the conference report continues the support of grants and contracts for training individuals representing all elements of the family planning clinic staff, with special attention being given to regional and local staff priorities in the establishment of training programs. Among the key personnel trained under this authority are family planning nurse practitioners, who have proven to be an invaluable asset in the provision of family planning services, as well as outreach workers who have been instrumental in making individuals in remote areas aware of the availability of these services. These individuals are essential if established family planning

programs are to succeed in their efforts to expand their services to surrounding areas with limited health care resources.

FAMILY PLANNING INFORMATION AND EDUCATION PROGRAM

The bill authorizes the appropriation of $600,000 for information and education programs. Planned Parenthood reports that at least 1 million young women below age 20 become pregnant each year, and the vast majority of these pregnancies are not planned. In addition, that organization reports that less than 40 percent of single teenage women know the period of time during which they are likely to become pregnant, and 30 percent of teenage women are unaware of where they can obtain family planning services. These figures make compelling arguments for an informational and educational program that can reach these young people.

POPULATION RESEARCH

The bill authorizes the appropriation of $68.5 million for research in the biomedical, contraceptive development, behavioral, and program implementation fields related to family planning and population.

Appropriation of $68.5 million for fiscal year 1978, an increase of approximately $14 million over the amount appropriated in fiscal year 1977, will permit a modest expansion in population research, after the inflation factor and the costs of administration are taken into consideration.

Few medical research efforts promise the social and economic returns which can be obtained through investments in population research; the less effective our contraceptive technology is, the higher costs of family planning services will be.

The House-passed bill contained a provision which clarifies that the existing prohibition on the use of funds appropriated under authorities of the Public Health Service Act other than section 1004—relating to authorizations of appropriations for family planning research—included the administrative costs of family planning research activities. The Senate agreed to this provision. However, we do not intend this provision to result in the reduction of the amount of funds available for population research excluding administrative costs, and the statement of managers accompanying the conference report makes this clear. The National Institute on Child Health and Human Development should therefore allocate the funds appropriated in such a way as to assure at least the maintenance of the existing population research program level after taking into account the need for increased funding necessitated by inflation.

I am pleased that the Senate has recommended the appropriation of the full amount authorized for each of these family planning activities in the Senate-passed appropriations bill for fiscal year 1978.

SUDDEN INFANT DEATH SYNDROME—SIDS

I would also like to express my gratitude for the action taken in conference on the authorizations level for the sudden infant death syndrome program. In conference we agreed to authorize the appropriation of $3,650,000 in fiscal year 1978, a substantial increase over the amount currently appropriated. Again, Senator BROOKE is due a heartfelt thanks for his unflagging support of an adequate authorizations level as well as for obtaining an appropriation in the Senate of the full amount authorized in amendments he offered to both H.R. 4975, and H.R. 7555, the Labor-HEW Appropriations Act for fiscal year 1978.

Some 7,000 infants die each year in this country of sudden infant death syndrome—also called crib death. This is a mysterious disease which strikes apparently healthy infants, quickly and unexpectedly. Parents of these infants bear emotional scars that remain with them forever. They are plagued by self-doubts and worry that through some oversight or neglect they contributed to the infant's death.

As I indicated earlier, Mr. President, the Senate bill was amended on the floor by Senator BROOKE with the cosponsorship of Senator WILLIAMS, Senator JAVITS, Senator RIEGLE, and myself to authorize the appropriation of adequate funds for the support of programs to provide education and training to social workers, police, doctors, and others who come into contact with families who have lost infants to SIDS, and to encourage the coordination of community resources for providing the necessary counseling and emotional support to those families. The program is supported currently at an appropriation level of $2 million. With the $3,650,000 recommended to be appropriated by the Senate, HEW would be able to establish programs in some of the 23 States in which no programs to assist these families now exist. Additional funds would also help in gathering the data so urgently needed on the children who die to determine if there is a pattern which might lead to early recognition of susceptibility to crib death and its prevention.

I support the conference report and urge the Members of the Senate to approve it.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977

The Senate continued with the consideration of S. 9.

UP AMENDMENT NO. 666

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Alaska.

The legislative clerk read as follows:

The Senator from Alaska proposes an unprinted amendment numbered 666.

Mr. STEVENS. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 154 between lines 8 and 9 insert the following:

"(2) The Secretary may utilize leasing systems in which exploration lessees share in the costs of exploration and the consideration received from sale of subsequent leases for development and production, notwithstanding any inconsistent provisions of section 8(b)(4), 8(K) and section 9 of this Act, provided that payments shall not exceed amounts appropriated for that purpose by Congress."

The remaining subsections in section 205 shall be renumbered accordingly.

On page 135, line 9, immediately after the words "authorizes exploration for," delete the word "and".

On page 135, line 10, immediately after the word "development" delete the word "and" and insert in lieu thereof the word "or", and immediately after the word "production" delete the word "of," and insert in lieu thereof ", or any combination thereof or".

Mr. STEVENS. Mr. President, this amendment is designed to expedite exploration in remote areas where development is expensive and risky, without having the Federal Government pay the total cost of exploration and keeping the management decisions in the private sector; 70 percent of the Federal Outer Continental Shelf lies off the coasts of my home State, Alaska. We want our national petroleum resources explored and developed, and in areas where development is risky, as it is in Alaska, I do not want the Federal Government deciding where to drill. My colleagues who have argued so eloquently for federally contracted exploration, for competition in the offshore area, and for a fair return for the sale of public resources should find this amendment acceptable.

Under my amendment, the Department of the Interior would be authorized to issue separate exploration and production leases—this is not allowed under S. 9. Here is how it would work: An exploratory lease would be awarded by competitive bidding under one of the systems authorized by the act. The exploratory lessee would bid to share with the Government the costs of the exploratory drilling program, which would be managed by the lessee, in exchange for a share of the revenues received by the Government from a subsequently issued production lease.

The resulting exploratory information would be available to all potential bidders for production leases. This should provide for more competition on the production leases, and more money for the Federal Treasury. Smaller companies would be able to participate in both the exploration lease and the production lease.

Geophysical firms, for example, which cannot afford to take the risk of bidding on a conventional lease because of the great amount of cash required, and because of the risk due to the lack of knowledge, could bid on an exploration lease. The risk would be far less since the Government would be sharing the cost, yet the Government would not be footing the entire exploration bill, and they would be guaranteed a share of the production profits. It is an ideal opportunity for geophysical firms with their vast exploration experience to get involved.

Production leases offered after exploratory information has been made

available to all on an equal basis, would permit small companies to come in with the same information as the big companies. This should increase bids since new companies have to reduce their bids to account for risk induced by uncertainty.

While this information would be publicly available, it is attractive because the drilling would be managed by the private sector with appropriate incentives for efficient exploration.

Perhaps it would be helpful if I explained the dual leasing system in greater detail. Bidders for exploration leases bid to become partners with the Government by absorbing a percentage of the costs of exploration in return for a percentage of the bonus or other Government revenues received from the sale of subsequent leases which would allow continued exploration, development, and production. The terms of the sharing of exploration costs and revenues from subsequent leases and the conditions governing the decision to sell development leases would be spelled out in the exploratory leases.

The information collected by the exploration lessee is made available to all potential bidders and to the public before the sale of subsequent leases. If it has been collected with proper consideration for its payoff, it should reduce bids on poor prospects and increase them on good prospects. At the same time it should encourage greater competition for subsequent leases because smaller firms which might otherwise not bid because of the great risks will know more about the prospects available. Better information will also result in smaller "risk discounts"—the amount by which firms reduce their bids because of the great uncertainty about the resource—and thus increase the bids.

Such a leasing system may prove to be advantageous in collecting resource data because it allows management of exploratory drilling by the private sector under the appropriate incentives for efficient exploration while still making the resource information publicly available.

This gives the advantages of Government exploration—improved competition, higher revenues, and better resource information—while avoiding some of the difficulties involved in management of exploratory drilling under contract.

The provision of authority to use such "dual leasing" systems along with other systems to be authorized would be advantageous now, even though the design and evaluation of such systems has not been completed. This would allow the Secretary to further evaluate and if it proves to be feasible, to test such systems. Under the current law, and current pending bill, the Secretary would not be permitted to test such a dual leasing system.

My State has 70 percent of the Outer Continental Shelf. I know the desirability of dual leasing is questionable in some other areas, but in our State we would like to see dual leasing take place. We lease vast areas at one time and the cost of the environmental assessment of those areas, if it is related to both exploration and development, is horrendous.

In addition to that, we feel there are some areas in my State which are so risky that perhaps private capital would not go into them at all unless they have some assistance. If we have the exploration phase under a separate lease and then have a discovery there will in fact be the incentive for private capital to come in and develop. The alternative is to have all exploration in those areas conducted by the Federal Government because these are areas where the private capital, as I said, is going to be very reluctant to go at all.

I have discussed this matter with the manager of the bill. I realize that in committee there was considerable controversy about it. My good friend from Wyoming has a suggestion. If he wishes me to modify this amendment I will be pleased to do so, so we can have a test at least in my area. Is that the desire of the Senator?

Mr. HANSEN. Yes, it is.

Mr. President, if the Senator will permit me to make that request, I would move to modify the amendment so as to cause it to read this way:

The Secretary may, notwithstanding the lease limitations of Section 201(C), utilize leasing systems in the Outer Continental Shelf off Alaska in which exploration lessees share in the costs of exploration and the consideration received from sale of subsequent leases for development and production, notwithstanding any inconsistent provisions of Section B(b)(4), 8(K) and Section 9 of this Act, provided that payments shall not exceed amounts appropriated for that purpose by Congress.

And then, "The remaining sections shall be numbered accordingly."

We would strike the second section.

The PRESIDING OFFICER. Will the Senator from Alaska send the modification to the desk?

Mr. STEVENS. I will send to the desk the modification of the Senator from Wyoming and ask that my amendment be modified accordingly.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 154 between lines 8 and 9 insert, the following:

"(2) The Secretary may, notwithstanding the lease limitations, in section 201(c), utilize leasing systems, in the Outer Continental Shelf off Alaska, in which exploration lessees share in the costs of exploration and the consideration received from sale of subsequent leases for development and production, notwithstanding any inconsistent provisions of section 8(b)(4), 8(K) and section 9 of this Act, provided that payments shall not exceed amounts appropriated for that purpose by Congress."

The remaining subsections in section 205 shall be renumbered accordingly.

Mr. STEVENS. Mr. President, this is acceptable to me and I think will be reluctantly acceptable to the administration. This will give an opportunity to test the dual leasing systems approach in the area where there is the highest risk and greatest cost to engage in either exploration or development. I think it would be in the best interest of my State to see to it that development of Alaska proceeds in accordance with this system. After we use the yardstick in Alaska, if it works, I am sure they will be back with an amendment to make it applicable everywhere else. It will be a good test.

Mr. JACKSON. As I understand it, the Senator has modified his amendment so that it applies only to the Outer Continental Shelf off Alaska.

Mr. STEVENS. That is correct.

Mr. JACKSON. Mr. President, under the circumstances, we are prepared to accept the amendment. I yield back the remainder of my time.

Mr. HANSEN. Mr. President, I yield back the remainder of my time.

Mr. STEVENS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska, as modified.

The amendment, as modified, was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. I ask unanimous consent that Lyle Morris and Leonard Bickwit, of my staff, be granted the privileges of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 667

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment No. 667.

Mr. GLENN. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 152, after line 8 add a new subparagraph to read as follows:

(3)(A) The Energy Policy and Conservation Act (P.L. 94–163) is amended by adding at the end of section 106(a)(1) the following:

"The Secretary shall by December 1, 1977 publish in the Federal Register final rules of general applicability governing determination of the maximum efficient rate of production."

Mr. GLENN. Mr. President, this deals with the MER establishment, the final rules governing the establishment of MER.

My amendment would amend section 106 of the Energy Policy and Conservation Act—EPCA—so as to require that the final rules governing the determination of the maximum efficient rate of production of oil and gas on Federal lands be set by December 1, 1977.

The Department of Interior has been working for some time on this for the last year or so, as I understand it.

The Interior Department has not moved quickly to set MER's. The Department is presently in the process of arriving at an acceptable definitional framework for the MER's, and I am afraid that if that process is not completed as soon as possible no MER's will be set this winter. I am very much concerned that we are likely to face another severe natural gas crisis this winter. Because of that distinct possibility, we should be doing everything we can now to insure that as much gas as possible will be available at that time. Establishing MER's could help provide additional production when we need it. Setting December 1 as a deadline for determining what MER should be will help expedite this process.

This has been discussed with leaders on both sides of the aisle. I hope it is acceptable to them. I do not require a vote on this. I hope that both the floor managers of the bill will be willing to accept that amendment.

The PRESIDING OFFICER. Who yields time?

Is there any objection to the amendment?

Mr. HANSEN. Mr. President, let me say that, insofar as this side of the aisle is concerned, we have no objection to Senator GLENN's amendment.

Mr. GLENN. I thank the distinguished Senator from Wyoming.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, the amendment offered by the Senator from Ohio is acceptable to me. I have talked to the chairman of the committee; it is also acceptable to him.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 668

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes unprinted amendment No. 668.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 154, at line 4 strike out "or".

On page 154, at line 8 strike out the period and insert in lieu thereof "; or".

On page 154, after line 8 add a new subparagraph to read as follows:

"(H) Subject to the requirements of paragraph (2) of this subsection any modification of bidding systems authorized in subparagraphs (A) through (G) or any other systems of bid variables, terms and conditions which the Secretary determines to be useful to accomplish the purposes and policies of this section.

"(2)(A) The Secretary shall submit any bidding system authorized in subparagraph (H) of paragraph (1) to the Senate and House of Representatives. The Secretary may institute such bidding system unless the Senate and the House of Representatives pass a concurrent resolution of disapproval within thirty days after receipt of the bidding system.

"(B) Clauses (c) through (j) of this subparagraph are enacted by Congress—

"(I) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but they are applicable only with respect to the procedures to be followed in that House in the case of resolutions described by this subparagraph, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(II) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(c) A resolution disapproving a bidding system shall immediately be referred to a committee (and all resolutions with respect to the same request shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(d) If the committee, to which has been referred any resolution disapproving the bidding system of the Secretary to exceed the limitation has not reported the resolution at the end of 10 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same bidding system which has been referred to the committee.

"(e) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same recommendation), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(f) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same request.

"(g) When the committee has reported, or has been discharged from further consideration of, a resolution as provided, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(h) Debate on the resolution is limited to not more than 2 hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(i) Motions to postpone, made with respect to the discharge from the committee, or the consideration of a resolution with respect to a bidding system, and motions to proceed to the consideration of other business, shall be decided without debate.

"(j) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives as the case may be, to the procedure relating to a resolution with respect to a request shall be decided without debate."

On page 154, at line 9, strike "(2)" and insert in lieu thereof "(3)".

On page 154, at line 17, strike "(3)" and insert in lieu thereof "(4)".

On page 154, at line 21 strike "(4)" and insert in lieu thereof "(5)".

On page 155, at line 8, strike "(5)" and insert in lieu thereof "(6)".

On page 156, at line 17, strike "(6)" and insert in lieu thereof "(7)".

On page 160 at line 18, strike "(7)" and insert in lieu thereof "(8)".

Mr. GLENN. Mr. President, this amendment would permit the Secretary of the Interior to modify the bidding systems specified in the bill and utilize other bidding systems not specifically provided for if he feels that they would be beneficial in accomplishing the bill's objectives. In order to provide Congress with an opportunity to scrutinize any new or revised bidding system before it is instituted, the amendment requires that the Secretary send the proposal to the Congress so that both Houses may disapprove within 30 days.

One of the purposes of this bill is to test new, previously untried, bidding systems to determine whether they could stimulate exploration and development of our OCS oil and gas resources to a greater extent than would be the case under the present cash-bonus bidding system. While S. 9 provides for a number of potentially worthwhile alternative bidding systems, the Secretary should be permitted the option of revising those systems or formulating new ones to suit the particular circumstances involved. Nevertheless, the Secretary will not be given a totally free hand under the amendment. The congressional veto mechanism will provide the Congress sufficient opportunity to watch his actions closely on this matter.

This amendment also has been discussed with people on both sides of the aisle. I hope it is acceptable to the floor managers of the bill. I do not require a record vote on this, either.

Mr. BUMPERS. Mr. President, I personally favor this amendment. I supported it in committee. I should have to say that an amendment similar to this did not survive the committee. The Senator from Ohio has changed this amendment substantially from the one that was presented to the committee, and he has provided for a congressional veto of these combination bidding systems.

I also say that the Secretary of the Interior strongly endorses the amendment of the Senator.

Mr. GLENN. That is correct.

Mr. BUMPERS. I, personally, endorse it, but I understand the other side of the aisle has some reservations on it. I shall not say anything further on it.

Mr. HANSEN. Mr. President, I regret to have to oppose the amendment, but I do so because the drafting of these provisions written into the bill, as reported by the Energy and Natural Resources Committee, resulted after hearings and after a long debate. It seems to me that, if we were to adopt this amendment, we would largely be undoing the actions of the committee, which I think were responsible and, certainly, reflected in great detail all of the ramifications of the systems under which the Secretary now can operate. For those reasons, I do have to oppose this amendment.

The trouble with trying to consider something hastily on the floor, as we are now called upon to do, is that it seems to me to deny to Members an opportunity to hear the detailed arguments, which it was the opportunity of the members of the Energy and Natural Resources Committee to have heard and considered before they drafted the language in the bill. I hope that the amendment will not be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, the purpose of this bill was to take care of any of the propositions or any combinations that had not been covered in the bill previously. While the committee did long and diligent work on this and did come up, in the bill, with quite a number of different options, I do not feel that that, necessarily, is a complete list.

The Secretary of the Interior, whom we have discussed this with, feels that there might be other combinations that might be very useful in encouraging Outer Continental Shelf drilling. That is the reason we put this in. We feel that, while the committee did its work—and I should not quarrel with the distinguished floor manager of the bill on the minority side in that regard—I think there may be others that were not covered. We present this to make sure that the Secretary does not go off in some direction we did not want by giving two-House disapproval within 30 days of any proposition that the Secretary might come up with.

Does the distinguished minority floor manager call for a vote on this? What is his wish?

Mr. HANSEN. I should be constrained to call for a vote on it.

On page 160 of the bill, if Senators will read beginning with line 18, there is provision in the bill, as offered now to Congress, to give the Secretary an opportunity at the—may I just read some of the language:

> Within six months after the end of each fiscal year, the Secretary shall report to the Congress, as provided in section 15 of this Act, with respect to the use of the various bidding options provided for in this subsection.

Here specifically in the bill is the kind of authority I think is proper and appropriate.

If the Secretary determines that there may be a better way of doing something, he has the option at the end of each fiscal year to submit those options to the Congress and to give the Congress an option to examine them, to review them, to hear both sides of the argument, and then address them in the judgment of the Congress which would be incorporated into the law.

The trouble with the veto that is provided in the distinguished Senator's amendment seems to me to be that we are going to be acting upon a provision that has been implemented by the Secretary.

We have 30 days in which to veto it. We have 10,000 things to do. In all likelihood we are not going to be able to understand it nearly as clearly as I think will be the case if we follow the language in the bill.

Mr. METZENBAUM. Mr. President, this amendment was considered in committee, but not with the language in it providing for a possible veto by the Congress.

I think that adds to the strength of the amendment. I think the amendment gives the Secretary of the Interior the authority that he needs and wants.

I think what everybody wants in considering this bill is that the Secretary of the Interior be put in a position to get the best possible bidding arrangement that will serve this Nation.

I think with Senator GLENN's amendment, which gives him that authority, which makes it possible for a variation and a combination with respect to the bids that are accepted, it is a major step in the right direction.

I think the precautionary procedure that is provided for, making it possible for Congress to veto the action of the Secretary of the Interior and providing time limits or time constraints within which such action must be taken, provides the necessary safeguards.

Therefore, I hope that this amendment will be accepted. I think it will help much to strengthen the legislation.

Mr. GLENN. I thank my colleague.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I wonder if we can yield back the remainder of time on both sides?

Mr. GLENN. Does the distinguished Senator from Wyoming have any further comment or is he prepared to yield back?

Mr. HANSEN. I do not have any further comment.

The PRESIDING OFFICER. Does the Senator from Wyoming yield back his time?

Mr. GLENN. If the Senator from Wyoming does not concur, I would be forced to ask, Mr. President, for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. JACKSON. Not a sufficient second?

Mr. HANSEN addressed the Chair.

Mr. GLENN. I withhold that temporarily.

Mr. HANSEN. Would the distinguished Senator from Ohio agree to changing his amendment so as to have it read:

> The action of the Secretary can be overturned by a vote of either House of the Congress.

Mr. GLENN. Yes. That would be acceptable to me.

I felt in regard to what happened here over the last few days in other legislation there had been some indications that support would be broader if it was two Houses.

I would accept one.

Mr. HANSEN. On that basis I will not ask for a rollcall vote.

The PRESIDING OFFICER. Will the Senator send his modification to the desk?

Mr. GLENN. I will accept that modification to my amendment.

The PRESIDING OFFICER. And send it to the desk, please.

Mr. GLENN. I send it to the desk, Mr. President.

The PRESIDING OFFICER. The modification will be stated.

Mr. ROBERT C. BYRD. Will the Senator yield to me briefly?

Mr. GLENN. Yes.

UNANIMOUS-CONSENT AGREEMENTS—LEGISLATIVE APPROPRIATIONS

Mr. ROBERT C. BYRD. Mr. President, I have now been able to get certain clearances on the legislative appropriations bill.

I ask unanimous consent that if any rollcall votes are ordered on that bill, or on amendments or motions in relation thereto, today, such rollcall votes go over until Monday, with the following proviso, that the Senate work its way through such amendments and debate on the bill today, to the end that if rollcall votes are required, not only will they be put over until Monday, but that on Monday there will be no further debate or amendments to that bill.

Mr. BAKER. Mr. President, reserving the right to object, I wonder if the majority leader would consider including within his request that we proceed to third reading on the legislative appropriations bill today?

Mr. ROBERT C. BYRD. I think the way I have worded it had a reason, because I think there may be an amendment which would require a rollcall vote on Monday, which would mean we could not proceed to third reading today.

But the way I worded the request would mean we would only have those rollcall votes on Monday without further amendments and without further debate.

Mr. METZENBAUM addressed the Chair.

Mr. ROBERT C. BYRD. Which, in essence, would virtually do what the Senator is suggesting, except that we could not technically go to third reading today.

Mr. BAKER. If I understand the request, and while we would not proceed to third reading because there would be a vote on an amendment——

Mr. ROBERT C. BYRD. There might be.

Mr. BAKER. There might be a vote on an amendment to occur on Monday; we would have the functional equivalent of that; that is, on Monday, no other amendments would be in order.

Mr. ROBERT C. BYRD. Exactly.

Mr. BAKER. And third reading would be automatic.

Mr. ROBERT C. BYRD. Automatic, and the rollcall vote on final passage, if ordered.

Mr. BAKER. I might advise the majority leader that there will be a call for the yeas and nays on final passage of the legislative appropriations bill on Monday.

Mr. ROBERT C. BYRD. There will be?

Mr. BAKER. On final passage.

Mr. JACKSON. Do it now.

Mr. ROBERT C. BYRD. The Senator is sure of this?

Mr. BAKER. I am advised there will be a request for the yeas and nays on final passage.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent it be in order to order the yeas and nays on the final passage of the legislative appropriations bill at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, on that basis, I am delighted with that request and I join in it. We have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio reserve the right to object?

Mr. METZENBAUM. Reserving the right to object, may I ask the distinguished majority leader, am I correct in assuming that those rollcall votes will not be before 4 o'clock on Monday?

Mr. ROBERT C. BYRD. I am prepared to ask unanimous consent that no rollcall votes occur before 3:30 on Monday. Would that satisfy the Senator?

Mr. METZENBAUM. I think my plane gets in at 3. Yes, 3:30 would be all right.

Mr. ROBERT C. BYRD. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Four o'clock?

Mr. ROBERT C. BYRD. The Senator wants 4 o'clock?

Mr. BAKER. Four o'clock.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur on Monday prior to the hour of 4 o'clock p.m., except such rollcall votes as may be required in connection with the securing of a quorum, which is not likely.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Ohio.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977

The Senate continued with the consideration of S. 9.

UP AMENDMENT NO. 668, AS MODIFIED

Mr. GLENN. Mr. President, my modified amendment is at the desk. I believe it is acceptable to the distinguished floor manager of the bill, and I ask for its immediate consideration. It will not require a record vote.

Mr. METZENBAUM. Mr. President, which amendment are we now talking about?

Mr. GLENN. This is on the unspecified bidding system. The Senator indicated that it was acceptable. The distinguished floor manager, on the other side of the aisle, indicated that if we went to a one-House veto, it would be acceptable to him.

Mr. METZENBAUM. This is the Senator's second amendment?

Mr. GLENN. Yes.

Mr. METZENBAUM. I have no objection.

Mr. GLENN. Mr. President, I yield back the remainder of my time.

Mr. HANSEN. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to, as follows:

On page 154, at line 4 strike out "or".

On page 154, at line 8 strike out the period and insert in lieu thereof "; or".

On page 154, after line 8 add a new subparagraph to read as follows:

"(H) Subject to the requirements of paragraph (2) of this subsection, any modification of bidding systems authorized in subparagraphs (A) through (G) or any other systems of bid variables, terms and conditions which the Secretary determines to be useful to accomplish the purposes and policies of this section.

"(2)(A) The Secretary shall submit any bidding system authorized in subparagraph (H) of paragraph (1) to the Senate and House of Representatives. The Secretary may institute such bidding system unless either the Senate or the House of Representatives pass a resolution of disapproval within thirty days after receipt of the bidding system.

"(B) Clauses (c) through (j) of this subparagraph are enacted by Congress—

"(I) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively but they are applicable only with respect to the procedures to be followed in that House in the case of resolutions described by this subparagraph, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(II) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(c) A resolution disapproving a bidding system shall immediately be referred to a committee (and all resolutions with respect to the same request shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(d) If the committee, to which has been referred any resolution disapproving the bidding system of the Secretary to exceed the limitation has not reported the resolution at the end of 10 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same bidding system which has been referred to the committee.

"(e) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same recommendation), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(f) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same request.

"(g) When the committee has reported, or has been discharged from further consideration of, a resolution as provided, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(h) Debate on the resolution is limited to not more than 2 hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(i) Motions to postpone, made with respect to the discharge from the committee, or the consideration of a resolution with respect to a bidding system, and motions to proceed to the consideration of other business, shall be decided without debate.

"(j) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives as the case may be, to the procedure relating to a resolution with respect to a request shall be decided without debate."

On page 154, at line 9. strike "(2)" and insert in lieu thereof "(3)".

On page 154, at line 17, strike "(3)" and insert in lieu thereof "(4)".

On page 154, at line 21, strike "(4)" and insert in lieu thereof "(5)".

On page 155, at line 8, strike "(5)" and insert in lieu thereof "(6)".

On page 156, at line 17, strike "(6)" and insert in lieu thereof "(7)".

On page 160, at line 18, strike "(7)" and insert in lieu thereof "(8)".

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 669

Mr. MELCHER. Mr. President, I ask unanimous consent to amend the Durkin amendment No. 507.

Mr. DURKIN. Mr. President, reserving the right to object, may we have it read?

The PRESIDING OFFICER. Does the Senator from New Hampshire reserve the right to object?

Mr. DURKIN. I want to hear it.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment 669:

Page 4, line 2, insert after "agencies" "where the President determines that such exploration is the only means of obtaining adequate reserve and resource data;"

Mr. DURKIN. Mr. President, I join the Senator from Montana. I think this clarifies the intent of the amendment that was adopted this morning. I believe it solves a possible problem and misconception. So I join the Senator from Montana in offering this amendment and ask that it be adopted.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Mr. President, I state this as clarification of the need for the amendment: In adopting this morning Durkin amendment No. 507, it concerned a number of us that the language authorized and directed the President to use Federal agencies not only in the process of gathering data but also for the purposes of geophysical explorations, which had been identified as also including drilling. This concerns many of us, because we know that the independents are ready and willing to wildcat wherever possible, wherever there is any likelihood of finding oil or gas, and do not need a Federal agency doing that.

So, in order to make certain that this was not the thrust of paragraph (2) of (c)—(2) occurs on pages 3 and 4—in order to make sure that was not the thrust, to put the Federal agencies in the business of drilling wells when independents are available and would like to drill those wells, we inserted this language. I am pleased that the Senator from New Hampshire has accepted it.

Mr. DURKIN. I state for the record that there was absolutely no intent to shut out the wildcatters. The intent of my amendment was to authorize and direct the President to conduct a study of the extent of our oil and gas reserves and, only where necessary in order to get adequate data, to allow geophysical and geological explorations to be authorized by the President.

The amendment of the Senator from Montana clarifies that, and it solves the problem with the wildcatters and enables this country to get adequate information by the best method available.

Mr. STEVENS. Mr. President, reserving the right to object, I should like to hear the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. STEVENS. Mr. President, I withdraw my objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Without objection, the amendment is agreed to.

Is there further amendment?

Mr. HANSEN. Yes. I am sure the Senator from Alaska has an amendment.

Mr. STEVENS. I wanted to comment on the amendment of the Senator from Ohio, but he offered it.

The PRESIDING OFFICER. Is there further amendment?

UP AMENDMENT NO. 670

Mr. GLENN. Mr. President, I have one more unprinted amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 670.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 156, after line 16, add a new paragraph to read as follows:

"(6) In addition to each of the bid procedures hereinabove stated, the Secretary may, in the event he sets a fixed bonus under (B), (E) or (G), provide for the deposit in an escrow account an amount not to exceed 75% of the fixed cash bonus received and may grant to the lessee of any area leased pursuant to that paragraph such amounts of such funds as the lessee may need to finance a percentage, as determined by the Secretary, of the cost of drilling on the lease area: *Provided, however,* That no grants shall be made in excess of the cash bonus deposited in the escrow account for the leased area. In return for any such grant, the Secretary shall require an appropriate increase in the amount of royalty payments, profit share, or other compensation received from the lessee for the use of such lease area."

On page 156, at line 17 strike "(6)" and insert in lieu thereof "(7)".

On page 160, at line 18 strike "(7)" and insert in lieu thereof "(8)".

Mr. GLENN. Mr. President, this amendment would permit the Secretary to set up escrow accounts consisting of an amount not to exceed 75 percent of any fixed cash bonus funds received from successful lease bidders. The funds then would be drawn upon on a matching basis so as to help finance the costs of drilling. The large front-end cash bonus payments could thereby be put to productive use—not just put off in the Treasury—to partially offset the large capital requirements of drilling.

In order to compensate the Federal Government for providing grants from the escrow accounts, the Secretary shall require an appropriate increase in the amount of royalty payments, profit share, or other compensation received from the lessee for the use of such lease area.

This escrow account procedure should be available to the Secretary to utilize at his discretion because of the potential benefits of increased drilling which could result through its use.

Mr. President, what this does is to take the money and start drilling holes with it. It is to prevent situations such as we ran into in the eastern part of the Gulf of Mexico a few years ago, where we sold the leases for $1.4 billion.

Then the producers drilled on what they thought was the most productive leases they had purchased and ran into six straight dry holes and stopped drilling, while we sat with $1.4 billion in the Federal Treasury.

I am for upping the Federal Treasury, but I am concerned that when money is put out, it is put out for drilling holes, to get us out of our energy crisis. That is what this would do. It also would have the effect of helping smaller companies get into the oil business and be competitive, because it would let some of their lease bid money come back to them on a matching fund basis, to help drill more wells.

I think this would be a great step forward, with a potential of making sure that we drill the maximum wells in these leases because it makes the maximum use of this capital on a matching basis.

I hope the amendment is acceptable to both sides. We have modified it to be acceptable to the majority side. I believe it is acceptable to them.

I will accept any comments.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

Mr. RANDOLPH. The able Senator from Ohio is saying something that needs to be said thousands and thousands of times, and that is we must do what he is intending to be done here, to have a greater activity in drilling, drilling for oil, drilling for gas.

Mr. JACKSON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. RANDOLPH. Yes. I thank the Senator very much.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on final passage of the pending bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. I thank the Senator.

Mr. STEVENS. Mr. President, will the Senator yield? The Senate has just adopted the amendment that provides for a leasing option provision whereby the Secretary may lease in my State for exploration only, in which he participates in the exploration phase, and then bring about the cash bidding at the time of the drilling lease.

I would respectfully state to my friend I think you are going in the wrong way. If I put up a large cash bid and did not get the award, and if I knew my competitor was going to use my money from an escrow fund to develop the lease I am not going to bid.

I think this is a counterproductive thing. What we ought to do is devise a system which, I think, we are trying to devise in the amendment that will be applicable to Alaska; a no-cash bidding at the exploration phase, and a cash bidding at the drilling phase. I would urge you to let that system be tried before you do this which, in effect, I think will result in no substantial cash bids at all.

Mr. GLENN. Mr. President, if the distinguished Senator will yield for a comment, this would be the winning bidder. Seventy-five percent is his winning bid which would be put in escrow to help him drill. It would not be other people's money coming back to a wholly separate driller or producer.

Mr. STEVENS. Why should not that money go into the Treasury in any event? We sit on the Appropriations Committee, and we see that the budget has over $4 billion estimated in receipts to go into the Treasury for those who want to participate in this process. I see no reason—

this is really backdoor financing. It says 75 percent of the money going into the Treasury will be available to those who would do the drilling, and the Government is really taking 75 percent of the risk and sharing in 75 percent of the strike if oil comes in from that drilling or whatever percentage the Secretary works out.

Mr. GLENN. If the Senator will recall in my statement I also had that—

The Secretary shall require an appropriate increase in the amount of royalty payments, profit-share, or other compensation received from the lessee for the use of such lease area.

What we are doing is making the best use of our capital. That is the purpose of this. We are saying in these areas we will share in the risks as one of the options, but we will also share in the profits, or in the increased royalty, if there is a strike, and I think this will encourage drilling. It means our capital will be out there drilling holes instead of taking off into the Federal Treasury.

Mr. STEVENS. I could not agree with you more about eliminating the requirement for the exploration phase. I am not going to ask for a vote, but I just respectfully disagree with the concept that takes money that ought to go into the Treasury, and puts it out in a risk situation and requires it to be paid by the successful producer, if he does produce. You do not get the money back unless you discover, you know, so 75 percent of our money is at risk, and with the record we have had with successes in drilling it means about seven-eighths of the money is never going to come back, and what does come back will be the one-eighth, and that will increase the price of the oil in the end result to the consumer.

I think, respectfully, this is the wrong way. The way is to eliminate the bidding at the present exploration phase, and then have the bidding and competition at the drilling phase. That is my preference and it is what my amendment has done.

Mr. GLENN. I say to the Senator from Alaska this also would apply to the production. Once the well is in, it is producing, then the Government would share in the royalty or on a sharing basis once a strike is made. What I am saying is we are sharing the risks, we are sharing in the profits.

Mr. HANSEN. If the Senator will withhold, Mr. President, it seems to me we are finally getting at the real danger in this whole idea. I do not know how better you can get the Government into the oil business than precisely through this mechanism.

For a long time I have contended that the worst thing we can do is to take on the same attitude in Government that other countries have taken on, where the Government has gotten into the business, as England has and many other countries have. They do not begin to approach the success and the effective production of energy that we have in this country. That, just very frankly, Mr. President, frightens me no end. If we are going to have the incentive on the part of this law offering the Secretary of Interior encouragement to participate, as he can under this amendment, with the implied—not implied assurance—but with the guaranteed assurance that if you bring on a big strike the Government is going to get 75 percent of the money or up to that amount, then I should think there will be intense pressure on the Government of the United States to get into this kind of an operation.

I submit there is nothing we could do more certainly to insure the failure of our energy program—there has been a lot of criticism of it already—but if we want to put the capstone on and to insure we are going absolutely down the wrong way, I would say this is the way we ought to go. We are going to put the Government in the oil business right then and there.

I would hope very much that the Senate would reject this idea.

Mr. STEVENS. I say again to my friend, seventh-eighth of this money is never going to come back because that historically has been the amount of money invested in drilling. That money should go into the Treasury.

Your amendment will mean we are going to take the risk with money that should belong to the taxpayers, and it is back-door financing because if they came to our Appropriations Committee and asked for that money—I was told of one area where there were over 30 wells drilled in one leasehold—do you think the Appropriations Committee would give them—my good friend from West Virginia, do you think we would give them—money year after year to drill 30 wells in one leasehold? No.

But the people who take risks in this business were willing to take it until they finally found one of the large basins on the North American Continent—that was not in my State, by the way. But we have had repeated wells drilled in our State that were dry. They just plugged a $41 million dry hole off the shore of Alaska in the Yakutat area.

If we had put up 75 percent of that money we would have 75 percent of $41 million down the rathole, and that is not the way to do business as far as I am concerned.

I just do not see any reason to take money that should go to the Treasury and let it go out the backdoor through an escrow account concept.

I appreciate what you are trying to do. Let us just eliminate those bids at the exploration phase. That is what I tried to do, and as I said yesterday it has now been done for Alaska, and let us have a year or two to prove that system, and eventually I think the whole country will go to the concept where you have a lease for exploration and then you have competitive bids for a separate lease at the time of development.

Mr. GLENN. I would submit to my friend from Alaska if he is correct we are going to lose all the time on this, then that means the company would lose all the time and nobody will ever go drill to begin with.

What this is is a shared risk and shared profit, and does not put the Government into the oil business. We are not sending rigs out to do our own drilling. This is merely trying to use our capital to drill the most holes possible, and if we take all the money in the lease bids, cash bonus bids, off and put it in the Treasury there are going to be fewer holes drilled because there will be less capital available to drill holes.

All I was trying to do with this is to make certain we make the maximum use of our capital, drill the most holes we can, and where we take the risk with a company, where we take it with a company, not on our own, then if we lose we have lost some of our cash bonus bid money, but if they hit then we share in the profits from that well.

To say we would never get our money back would be to say that anyone going out and putting money into a well, capital into a well, will never get his money back because we would be sharing on the same basis as the company on whatever percentage we put into it with our capital and whatever they bid to begin with. All it does is make better use of the capital available to drill the maximum number of wells.

I have heard the Senator from Alaska in the Interior Committee, when I was on it last year, express himself forcefully about the amount of capital necessary to drill wells, and I share with him completely that concern that we are not going to have enough capital to drill the number of wells we should. This is a means of taking that capital and drilling more holes with it. We share on the basis of the profits if the wells are hit. That is the purpose of this amendment. I did not think there was any misunderstanding on this to begin with.

Mr. STEVENS. We share the common goal, but I disagree with the means.

Mr. HANSEN. I know Senator JACKSON is very eager to get a vote on this, but I think it is more important if we have to take a little more time so that if people do not understand what they are voting on at least those of us who do not agree with this amendment may have something in this RECORD to say why we voted as we did.

Let me read this amendment to you or just a little bit of it:

In addition to each of the bid procedures hereinabove stated, the Secretary may, in the event he sets a fixed bonus—

Under these different provisions—

provide for the deposit in an escrow account an amount not to exceed 75 percent . . .

This language does not say "he shall," it says "he may," and I can recall way back in the dim dark ages we had a Teapot Dome scandal. It seems to me we are opening this door wide open for all kinds of hanky-panky.

What is wrong with telling everyone and anyone who wants to bid what the rules are and say to them, "You are not going to have the use of this money, if you are going to bid more than you can afford to put in, and then put in the front end money to do the drilling, you better not be bidding."

But to be offered the opportunity to go to the Secretary and say, "It would make good sense, Mr. Secretary, if you would exercise your discretion and set aside 75 percent of the money," I can

see where all kinds of mischief can slip in.

This does not say, "You shall do it." It says, "You may do it."

I submit that that is not a very good way to do business.

Mr. GLENN. Mr. President, will the Senator from Wyoming yield?

Mr. HANSEN. I am happy to yield.

Mr. GLENN. The Senator only read part of the amendment. I ask the Senator to continue.

Mr. HANSEN. I am glad to. Senator JACKSON is in a hurry to get a vote, I do not mind.

Mr. GLENN. I did not point out the time. The Senator from Wyoming did. I did not hear Senator JACKSON on his feet objecting to anything in debate.

If the Senator will proceed he will find that the Secretary then, having set that aside and using that as a drawdown to help finance drilling " * * * shall require an appropriate increase in the amount of royalty payments, profit share, or other compensation received from the lessee * * * ."

Mr. HANSEN. Boy, and what does that mean? What all does that mean?

Mr. GLENN. I think it is beautiful. That is what I think.

Mr. HANSEN. It sure sounds like to me he could write any kind of law he wanted. I am even more frightened. I am glad the Senator read that because I did not realize how insidious this amendment really could be. I do not mean to imply at all that my good friend from Ohio is not possessed of the best intention. I am looking to see what a skillful lawyer could do. An astronaut and a farmer are not lawyers. But there could be people who might want to take advantage.

Mr. STEVENS. Mr. President, will the Senator yield on one thing?

Mr. GLENN. Mr. President, if the Senator from Wyoming will yield, please do not level a charge of being a lawyer at me here.

Mr. HANSEN. I did not.

Mr. STEVENS. As a lawyer, let me ask a question.

When does he have to set this aside, before the bid?

Mr. HANSEN. We are checking with the lawyers.

Mr. STEVENS. As one lawyer I tell Senators that it does not say. When we have to set money aside. It only says in the event he accepts the bid he has to establish escrow funds.

Mr. GLENN. If that is a problem, we are glad to change the language to add on the fourth line there * * * cash bonus received and may provide, in advance of the taking of bids, that he will grant to the lessee of any area * * *"

Mr. STEVENS. With all due respect I have lived with the Mineral Leasing Act of 1920 and the extensions of the Outer Continental Shelf for over 25 years. I urge the Senator not to write provisions like this in the Chamber.

Mr. GLENN. I ask the Senator from Alaska does he want to up the capital requirements for drilling in this Nation when we are on our backs from lack of energy? Does he want to make billions of dollars going off into the U.S. Treasury rather than drilling holes?

Mr. HANSEN. No one is forcing anyone to bid so much.

Mr. GLENN. I am trying to find a way to drill holes, not to take it to the U.S. Treasury.

Mr. HANSEN. Yes, I know the Senator is.

Mr. GLENN. All the spectres of Teapot Dome and everything that the distinguished Senator from Wyoming brings up is a bunch of poppycock. We are not trying to do that, and he knows that.

Mr. HANSEN. I know the Senator is not trying to do that and I was completely misunderstood if the Senator infers I was suggesting that.

Mr. GLENN. I did not suggest it. The Senator is the one who raised the spectre of Teapot Dome, not me.

Mr. HANSEN. I know that. I attribute nothing but the best of intentions to my friend from Ohio.

When we try to write a bill in the Chamber like this, it is not these little nuances in the language that bothers me; it is the whole concept of the amendment.

Mr. President, the fact is no one tells any company or individual or anyone else what he has to bid. There is nothing in the law that says what you have to bid. If it is a cash bonus bid you have to bid over one buck. You can bid one buck or $1 billion. But the point is that we are leaving a lot of discretion, it seems to me, to the Secretary of the Interior in here, and I suggest that that is a terrible way to be doing business. I think that everyone is going to be on the same starting line if we say to them:

> We are calling for a cash bonus bid. You can bid as much or as little as you want. But understand this: the rules are clear and distinct now and they are not going to be made up later on subject to the discretion of the Secretary of the Interior as to how much money you may get back or what other arrangements may be made.

Mr. GLENN. If the Senator will yield, I will be happy to put that requirement in that that be understood at the beginning of the bidding.

Mr. HANSEN. What worries me is the whole concept.

Mr. STEVENS. Mr. President, will the Senator yield one more time to me? I will just try once more.

Mr. HANSEN. I am sorry.

Mr. STEVENS. If the Senator from Ohio will let me simply say what my worry is I think we have the same goal, as I said. If you have an independent small company that wants to build in the OCS or drill in the OCS and they want to bid under the existing system, not in Alaska now——

Mr. ROBERT C. BYRD. May we have order in the Senate?

Mr. STEVENS. I thank the Senator.

In Alaska you will have exploration space and drilling space, but everywhere else in the U.S. offshore if you had a small company that wanted to be involved and had just enough money to put up for the bid and did not have an enormous company behind them they would come in and make a bid, say, of $1 million. They have a company that is ready to put up the money for the bidding process and they also have the capital in the bank to deal with drilling process.

So they say:

> Hey, he has announced he is going to put up 75 percent in the bank, and we can draw it out anyway, so we can bid $1,750,000 right now, and this guy only has $1 million; that is all he can put up is $1 million.

The net result of what the Senator is doing is a reverse curve in terms of the process of trying to get small people involved in the Outer Continental Shelf.

I tried all my life to get more involvement there in terms of trying to eliminate this up front money. That is what my amendment just did.

It says in Alaska the Secretary of the Interior may lease for exploration and then, when there is discovery, he leases on the basis of competitive bid reducing the risk of drilling and the risk of development or delay of development.

Respectfully I say to my friend that he is turning this over and he is telling us that whoever puts up the money and has the most capital to start with is the one who is going to win the bid because that 75 percent is——

The PRESIDING OFFICER (Mr. ZORINSKY). All the time of the opponents has expired.

The Senator from Ohio has 1 minute remaining.

Mr. STEVENS. I thank you.

Mr. GLENN. Mr. President, in summary of the positions here, all I am trying to do with the amendment and what I believe it would do is it would make the maximum use of our capital. The Senator from Alaska, I think, is guaranteeing no small companies cannot get in unless we do something like this. What this will do is say if there are companies that are not the huge companies or are not the giants of the world there is a chance for them to get in and some of this money under a royalty arrangement that the Secretary could work out can use that and help finance their drilling. I think this would expand. I think it would enhance drilling completely. I think there would be many more holes drilled because we are going to have a limited amount of capital in the world with which to drill, and I think this makes the maximum use of that capital and as far as discretion goes we are allowing the Secretary of every department considerable discretion in whatever use of the funds.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. All time has expired.

Mr. DURKIN addressed the Chair.

Mr. METZENBAUM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. METZENBAUM. Has the Senator from Ohio offered the amendment to his amendment?

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HANSEN. The yeas and nays.

Mr. GLENN. Mr. President, I submit an amendment to my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. JACKSON. Mr. President, let him amend it first before the Senator asks for the yeas and nays.

Mr. STEVENS. Let him modify it.

Mr. JACKSON. Mr. President, I ask unanimous consent that the Senator may perfect his amendment.

Mr. GLENN. This is a perfecting amendment to my amendment that provides——

Mr. HANSEN. How much time do we have on this, Mr. President?

The PRESIDING OFFICER. Thirty minutes equally divided.

Mr. HANSEN. How much?

The PRESIDING OFFICER. Thirty minutes equally divided.

Mr. HANSEN. The Senator asked for it.

The PRESIDING OFFICER. The amendment will be stated.

The modified amendment is as follows:

On page 156, after line 16, add a new paragraph to read as follows:

(6) "In addition to each of the bid procedures hereinabove stated, the Secretary may in the event he sets a fixed bonus under (B) (E) or (G), provide for the deposit in an escrow account an amount not to exceed 75% of the fixed cash bonus received and may provide, in advance of the taking of bids, that he will grant to the lessee of any area leased pursuant to that paragraph such amounts of such funds as the lessee may need to finance a percentage, as determined by the Secretary, of the cost of drilling on the lease area:, *Provided, however*, That no grants shall be made in excess of the cash bonus deposited in the escrow account for the leased area. In return for any such grant, the Secretary shall require an appropriate increase in the amount of royalty payments, profit share, or other compensation received from the lessee for the use of such lease area."

On page 156, at line 17 strike "(6)" and insert in lieu thereof "(7)".

On page 160, at line 18 strike "(7)" and insert in lieu thereof "(8)".

Mr. GLENN. This is a perfecting amendment.

Mr. HANSEN. I know it is—30 minutes worth.

Mr. GLENN. I suggest to the Senator from Wyoming that this changes it as the Senator from Wyoming suggested a while ago might be more acceptable.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. HANSEN. What I like most of all is to have the Senator withdraw the amendment. I hope it will be defeated, if not.

Mr. ROBERT C. BYRD. Mr. President, were the yeas and nays ordered on the amendment?

The PRESIDING OFFICER. They were not.

Mr. HANSEN. Mr. President, I ask for the yeas and nays on the perfecting amendment.

Mr. STEVENS. On the perfecting amendment?

Mr. HANSEN. Yes.

The PRESIDING OFFICER. The perfecting amendment that has been sent up is not in order in its drafting.

The question is on agreeing to the original amendment.

Mr. DURKIN addressed the Chair.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. DURKIN. Mr. President, I move to table the Glenn amendment.

Mr. HANSEN. What is it?

Mr. DURKIN. I move to table the Glenn amendment.

Mr. GLENN. I suggest the absence of a quorum.

Mr. HANSEN. I ask for the yeas and nays. The yeas and nays, Mr. President.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask unanimous consent that I may be permitted to withdraw the perfecting amendment.

Mr. ROBERT C. BYRD. Mr. President, the Senator does not need unanimous consent. The yeas and nays have not been ordered.

Mr. GLENN. I withdraw the perfecting amendment.

The PRESIDING OFFICER. The perfecting amendment has never been called up.

Mr. GLENN. Mr. President, all time having expired, I ask for the yeas and nays on the original amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HANSEN. Was the perfecting amendment accepted?

The PRESIDING OFFICER. No.

Mr. GLENN. No, I withdrew it.

The PRESIDING OFFICER. The perfecting amendment was never called up. There is pending a motion to lay on the table offered by the Senator from New Hampshire.

Mr. DURKIN. Well, they want to go up or down.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. GLENN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GLENN. Has a motion been made to table the amendment?

The PRESIDING OFFICER. It has been.

Mr. HANSEN. I ask for the yeas and nays.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from New Hampshire withdraw his motion, and let us have a vote up or down on the amendment? Otherwise, we may have two rollcalls.

Mr. DURKIN. Mr. President, deferring to the wisdom of the distinguished majority leader, I withdraw the motion to lay on the table.

The PRESIDING OFFICER. The motion is withdrawn. The question is on agreeing to the amendment of the Senator from Ohio. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from North Carolina (Mr. MORGAN), the Senator from Maine (Mr. MUSKIE), the Senator from Georgia (Mr. NUNN), the Senator from Rhode Island (Mr. PELL), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Missouri (Mr. DANFORTH), the Senator from Kansas (Mr. DOLE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), and the Senator from Virginia (Mr. Scott) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 26, nays 54, as follows:

[Rollcall Vote No. 292 Leg.]

YEAS—26

Bentsen	Huddleston	Randolph
Brooke	Humphrey	Ribicoff
Case	Jackson	Riegle
Chiles	Javits	Sarbanes
Cranston	Magnuson	Sparkman
DeConcini	Metcalf	Stennis
Eagleton	Metzenbaum	Weicker
Glenn	Moynihan	Williams
Hart	Proxmire	

NAYS—54

Abourezk	Gravel	Melcher
Allen	Hansen	Nelson
Baker	Haskell	Packwood
Bartlett	Hatch	Pearson
Bayh	Hatfield	Roth
Biden	Hathaway	Sasser
Bumpers	Hayakawa	Schmitt
Burdick	Heinz	Schweiker
Byrd, Harry F., Jr.	Helms	Stafford
	Hollings	Stevens
Byrd, Robert C.	Inouye	Stone
Chafee	Kennedy	Talmadge
Clark	Laxalt	Thurmond
Culver	Leahy	Tower
Curtis	Long	Wallop
Domenici	Lugar	Young
Durkin	Matsunaga	Zorinsky
Garn	McGovern	
Goldwater	McIntyre	

NOT VOTING—20

Anderson	Ford	Muskie
Bellmon	Griffin	Nunn
Cannon	Johnston	Pell
Church	Mathias	Percy
Danforth	McClellan	Scott
Dole	McClure	Stevenson
Eastland	Morgan	

So the amendment was rejected.

ADDITIONAL STATEMENTS SUBMITTED BEFORE FINAL PASSAGE

Mr. HATCH. Mr. President, perhaps it is a little peculiar to say, but the things which have been done in these 2 days in this Chamber to the Outer Continental Shelf Act sadden me. As a Senator from Utah, I do a good deal of flying over my State. Of course we have

no Outer Continental Shelf to worry about, but we are simliar to the Coastal States which do in that, just as the Outer Continental Shelf lands are controlled by the Federal Government, some 70 percent of the surface area of my State is also directly owned by the Federal Government. And, like the Outer Continental Shelf, those lands also contain rich mineral deposits which are of importance for the energy future of our country.

The situation with the Outer Continental Shelf is that our resources in that area have been developed very satisfactorily under the 1953 law for many years. One cannot avoid the belief that the bill as reported out of committee—and especially as amended in the work of these 2 days—is designed to do one or both of two things. One is to delay and hinder private exploitation of the oil and gas resources on the Continental Shelf; the other is to involve the Government more and more intimately in the business of actually producing oil and gas. And this, of course, is a giant step in the direction of nationalization of oil and gas production.

Mr. President, recently I had occasion to read an article on Federal leasing of lands containing mineral deposits in the May 1977 issue of Mining Engineering. In that article there is a remarkable graph showing the acreage leased competitively per year from public and acquired lands for the exploration and development of coal, potash, phosphate, and sodium. From a high point in 1968, the graph drops to a flat zero in 1969, following the passage of the National Environmental Protection Act. Thereafter a recovery began, but it was never very strong, and it seems to have been aborted by such legislation as the Federal Coal Leasing Amendments Act of 1975. In their minority report to that act, Senators Paul Fannin and DEWEY BARTLETT wrote that, if this bill became law, "much western coal will not be mined not only because of the reclamation restrictions, but because it will raise the cost of coal and thus be uneconomic in the marketplace. The desired goal of bringing coal from Federal lands into the marketplace at reasonable costs while fostering competition in the coal industry will be lost." The graphs on the leasing of Federal mineral-bearing lands confirm this melancholy prediction: the restrictions which were in part presented as a means of increasing production have in fact diminished it. And that is because the interests of energy production are forced to take third or fourth place to all sorts of other considerations.

Mr. President, I submit that the passage of the Outer Continental Shelf lands amendments will lead to very similar results. Most of us in this Chamber at least pay lipservice to the need for increased energy production, and express dismay at the energy shortages under which our country suffers. But all we have to do is look at the graphs, such as those reproduced in the May issue of Mining Engineering, to see how consistently legislation passed by this Congress has reduced and eliminated energy production. In my view, legislation such as the Clean Air Act amendments, and now these amendments on the Outer Continental Shelf lands, will simply make a bad situation worse from the point of view of energy supply.

When the lights grow dim more frequently, and the wheels of industry turn more and more slowly, and our people huddle in their dark and unheated houses, let us remember that those who vote for final passage of this bill today are responsible.

Mr. DOLE. Mr. President, the bill we are considering today, the Outer Continental Shelf Lands Act amendments, is represented by its sponsors as a decisive step toward the solution of our national energy problems. I wish that were so. This bill is very similar to legislation considered by this body in July of 1975, which I voted against at that time. The earlier bill was never enacted. The measure before us today is essentially left-over legislation which is out of tune with the Nation's current energy needs, and since it has not been modified satisfactorily, I will vote against it again today.

ACCELERATION IN OFF-SHORE LEASING

Twenty-four years ago, this Congress enacted the Outer Continental Shelf Lands Act, authorizing the Secretary of the Interior to grant mineral leases on the Outer Continental Shelf and to prescribe regulations for their administration. Since then, 40 lease sales have been held, most of which have been offshore Louisiana and Texas. Just recently, leasing has been accelerated, opening up exploration and development in frontier areas previously unexplored. The continental margin of the United States is believed to contain very large amounts of undiscovered oil and gas resources, although it has not yet been determined what portion may prove to be economically recoverable.

CURRENT LAWS SATISFACTORY

Under the 1953 act, this country has established an excellent record of oil and gas production while at the same time maintaining a commendable record for environmental protection. The effectiveness of existing laws governing exploration and development of the shelf make major regulatory modifications apparently unnecessary and perhaps even counterproductive.

It is my understanding that, since 1953, the Federal Government has realized almost $20 billion in Outer Continental Shelf revenues. The total value of all the oil and gas produced during this period was only $23 billion, which means that the Government share has been about 85 percent of the total revenues generated. And, as of the end of 1974, total private industry funds invested in OCS activities exceeded revenues by about $13 billion.

COMPETITION INCREASING

There is an effort underway to require increased use of experimental lease bidding techniques. It is argued that new bidding devices—such as pure royalty bidding—are advisable to reduce the massive initial capital outlay required for shelf leases, so that participation and competition among smaller companies may be stimulated.

In fact, however, there is no clearly demonstrated need for any new bidding techniques. There is no evidence that small companies are being closed out of OCS areas. Actually, I understand that competition for Continental Shelf resources is increasing and the Federal Government is benefiting greatly from it. Joint ventures among small operators or in conjunction with one of the seven largest companies has allowed a variety of interested companies to get a share of the OCS action. Smaller operators have been quite successful, accounting for 41 percent of OCS oil production in 1975, compared to 29 percent in 1970. Thus, there appears to be no decline in the eagerness of new companies to enter the bidding for OCS leases.

I was glad to see that the royalty bid language which was reported out of committee does at least address the potential problem of undercapitalized speculators, by requiring either a fixed cash payment or a work commitment obligation in conjunction with the royalty approach.

But, in the absence of any evidence of need, or of any assurance that the new bidding techniques are workable, it is inadvisable to mandate a fixed minimum percentage of future lease sales according to such techniques.

UNNECESSARY OBSTACLES

There are many minor provisions of the bill which, taken as a whole, would result in delays, confusion, and inequities in development of the Outer Continental Shelf resources. They can only contribute to the thwarting of efficient energy development procedures. For example, major problems are raised by the fact that the bill separates the exploration phase from the development and production phases.

After a lessee finds significant reserves during the exploratory phase, a development and production plan must be submitted and approved by the Interior Department before actual development and production can begin. Coastal State Governors would have the authority to review these plans which would contribute to delay and uncertainty for the lessee. Any time we require more paperwork of an enterprise, we are contributing to additional delays and expenses.

We also contribute to additional outside control of resource production. Past experience demonstrates that the American petroleum industry, in general, is continuing to do an outstanding job of bringing the Nation's OCS resources ashore in a safe, efficient, and environmentally sound manner, and at the same time providing a fair share of the value of these resources to the Government. It is regrettable to see unnecessary and dilatory regulatory devices used to hinder efficient extraction of our valuable oil and natural gas resources.

The only sure way to permanently reduce dependence on foreign energy sources is to assure that domestic exploration, development, and production of our own resources is carried out expeditiously by the private sector. This is true of Outer Continental Shelf reserves as much as those inland. Increased Government involvement is not in the national interest, and should not be enacted without clear necessity. I share the view of many of my colleagues that there is no

necessity for that involvement at this time.

Mr. ROTH. Mr. President, I am pleased to see the Senate adopt a comprehensive policy governing liability for oil spills as a result of OCS operations. I am particularly pleased with the provisions of S. 9 because they are much closer to the approach I have favored.

As some Senators may recall, when S. 521 was under consideration in 1975 I offered a floor amendment relating to oil spill liability. S. 521 was, of course, the Outer Continental Shelf bill which the Senate passed during the 94th Congress, but which failed to become law because of strong opposition in the House.

In any event, the essentials of my floor amendment and the provisions of S. 9 are the same. Specifically, each provides for the following:

First, each would impose strict liability without regard to fault for oil spills which occur because of OCS operations.

Second, the liability extends to both the owners and operators of leases as well as the owners and operators of vessels transporting oil.

Third, the persons eligible to recover for damages include both coastal area property owners and other parties, such as fishermen, who suffer economic damages. It makes no difference that a fisherman has no property right in uncaught fish or that a resort owner has no property right to the lost business. Each can recover damages.

The differences between S. 9 and my original proposal are minor. Although I had proposed the creation of a program of Federal insurance for OCS leaseholders and vessel owners, S. 9 has accomplished the same end by creating the Offshore Oil Pollution Compensation Fund. It is sustained by a 3 cents per barrel tax on oil produced from the Outer Continental Shelf, while my insurance would have been paid by private premiums.

Frankly, Mr. President, I thought the oil spill provisions contained in the OCS bill which we passed 2 years ago needed improvement. I withdrew my floor amendment then only because of assurances from other Senators that improvements would be made. I am pleased to see that the chairman and members of the committee have in fact, improved the bill's spill liability provisions, as I had hoped they would.

That is not to say that this is all we need to do in the area of oil spill liability. On the contrary, comprehensive legislation is required as soon as possible. But in the interim, this legislation will provide coastal States such as mine with invaluable protection.

Mr. JACKSON. Mr. President, I ask for third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, there will be no rollcall votes beyond this present rollcall vote disposing of the OCS bill.

The PRESIDING OFFICER. All time is yielded back. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. STENNIS (when his name was called). Mr. President, on this vote, I have a pair with the Senator from Louisiana (Mr. JOHNSTON), who cannot be present for this rollcall.

Mr. President, if he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from North Carolina (Mr. MORGAN), the Senator from Maine (Mr. MUSKIE), the Senator from Georgia (Mr. NUNN), the Senator from Rhode Island (Mr. PELL), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON), the Senator from Nevada (Mr. CANNON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from North Carolina (Mr. MORGAN), and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Missouri (Mr. DANFORTH), the Senator from Kansas (Mr. DOLE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "nay."

The result was announced—yeas 60, nays 18, as follows:

[Rollcall Vote No. 293 Leg.]

YEAS—60

Abourezk	Durkin	Matsunaga
Allen	Eagleton	McGovern
Bayh	Glenn	McIntyre
Biden	Gravel	Metcalf
Brooke	Hart	Metzenbaum
Bumpers	Haskell	Moynihan
Burdick	Hatfield	Nelson
Byrd, Harry F., Jr.	Hathaway	Packwood
	Heinz	Pearson
Byrd, Robert C.	Hollings	Proxmire
Case	Huddleston	Randolph
Chafee	Inouye	Ribicoff
Chiles	Jackson	Riegle
Clark	Javits	Roth
Cranston	Kennedy	Sarbanes
Culver	Leahy	Sasser
DeConcini	Magnuson	Schweiker
Sparkman	Talmadge	Young
Stafford	Thurmond	Zorinsky
Stevens	Weicker	
Stone	Williams	

NAYS—18

Baker	Goldwater	Long
Bartlett	Hansen	Lugar
Bentsen	Hatch	Melcher
Curtis	Hayakawa	Schmitt
Domenici	Helms	Tower
Garn	Laxalt	Wallop

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stennis, for.

NOT VOTING—21

Anderson	Ford	Morgan
Bellmon	Griffin	Muskie
Cannon	Humphrey	Nunn
Church	Johnston	Pell
Danforth	Mathias	Percy
Dole	McClellan	Scott
Eastland	McClure	Stevenson

So the bill (S. 9) was passed as follows:

S. 9

An act to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Outer Continental Shelf Lands Act Amendments of 1977".

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TITLE I—FINDINGS AND PURPOSES WITH RESPECT TO MANAGING THE RESOURCES OF THE OUTER CONTINENTAL SHELF

FINDINGS

SEC. 101. The Congress finds and declares that—

(1) the demand for energy in the United States is increasing and will continue to increase for the foreseeable future;

(2) domestic production of oil and gas has declined in recent years;

(3) the United States has become increasingly dependent upon imports of oil from foreign nations to meet domestic energy demand;

(4) increasing reliance on imported oil is not inevitable, but is rather subject to significant reduction by increasing the development of domestic sources of energy supply;

(5) consumption of natural gas in the United States has greatly exceeded additions to domestic reserves in recent years;

(6) technology is or can be made available which will allow significantly increased domestic production of oil and gas without undue harm or damage to the environment;

(7) the Outer Continental Shelf contains significant quantities of petroleum and natural gas and is a vital national resource reserve which must be carefully managed so as to realize fair value, to preserve and maintain competition, and to reflect the public interest;

(8) there presently exists a variety of technological, economic, environmental, administrative, and legal problems which tend to retard the development of the oil and natural gas reserves of the Outer Continental Shelf;

(9) environmental and safety regulations relating to activities on the Outer Continental Shelf should be reviewed in light of current technology and information;

(10) the development, processing, and distribution of the oil and gas resources of the Outer Continental Shelf, and the siting of related energy facilities, may cause adverse impacts on various States;

(11) policies, plans, and programs developed by States in response to activities on the Outer Continental Shelf cannot anticipate and ameliorate such adverse impacts unless such States are provided with timely access to information regarding activities on the Outer Continental Shelf and an opportunity to review and comment on decisions relating to such activities;

(12) funds must be made available to pay for the prompt removal of any oil spilled or discharged as a result of activities on the Outer Continental Shelf and for any damages to public or private interests caused by such spills or discharges;

(13) because of the possible conflicts between exploitation of the oil and gas resources in the Outer Continental Shelf and other uses of the marine environment, including fish and shellfish growth and recovery, and recreational activity, the Federal Government must assume responsibility for the minimization or elimination of any conflict associated with such exploitation;

(14) it is recognized that the hydrocarbon resources of the Outer Continental Shelf are limited, nonrenewable resources which must be developed in a manner which takes into consideration the Nation's long-range energy needs and also assures adequate protection of the renewable resources of the Outer Continental Shelf which are a continuing and increasingly important source of food and protein to the Nation and the world; and

(15) funds must be made available to pay for damage to commercial fishing vessels and gear resulting from activities involving oil and gas exploration, development, and production on the Outer Continental Shelf.

PURPOSES

SEC. 102. The purposes of this Act are to—

(1) establish policies and procedures for managing the oil and natural gas resources of the Outer Continental Shelf which are intended to result in expedited exploration and development of that area in order to achieve national economic and energy policy goals, assure national security, reduce dependence on foreign sources, and maintain a favorable balance of payments in world trade;

(2) preserve, protect, and develop oil and natural gas resources in the Outer Continental Shelf in a manner which is consistent with the need (A) to make such resources available to meet the Nation's energy needs as rapidly as possible, (B) to balance orderly energy resource development with protection of the human, marine, and coastal environments, (C) to insure the public a fair and equitable return on the resources of the Outer Continental Shelf, and (D) to preserve and maintain free enterprise competition;

(3) encourage development of new and improved technology for energy resource production which will eliminate or minimize risk of damage to the human, marine, and coastal environments;

(4) provide States which are impacted by Outer Continental Shelf oil and gas exploration, development, and production with comprehensive assistance in order to anticipate and plan for such impact, and thereby to assure adequate protection of the human environment;

(5) assure that States have timely access to information regarding activities on the Outer Continental Shelf, and opportunity to review and comment on decisions relating to such activities, in order to anticipate, ameliorate, and plan for the impacts of such activities;

(6) assure that States which are directly affected by exploration, development, and production of oil and natural gas are provided an opportunity to participate in policy and planning decisions relating to management of the resources of the Outer Continental Shelf;

(7) minimize or eliminate conflicts between the exploration, development, and production of oil and natural gas, and the recovery of other resources such as fish and shellfish;

(8) establish an oilspill liability fund to pay for the prompt removal of any oil spilled or discharged as a result of activities on the Outer Continental Shelf and for any damages to public or private interests caused by such spills or discharges;

(9) insure that the extent of oil and natural gas resources of the Outer Continental Shelf is assessed at the earliest practicable time; and

(10) establish a Fishermen's Contingency Fund to pay for damages to commercial fishing vessels and gear due to Outer Continental Shelf activities.

TITLE II—AMENDMENTS TO THE OUTER CONTINENTAL SHELF LANDS ACT

DEFINITIONS

SEC. 201. (a) Paragraph (c) of section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331) is amended to read as follows:

"(c) The term 'lease' means any form of authorization which is issued under section 8 or maintained under section 6 of this Act and which authorizes exploration for, and development and production of, deposits of oil, gas, or other minerals including geothermal resources.".

(b) Such section is further amended—

(1) in subsection (d), by striking out the period and inserting in lieu thereof a semicolon;

(2) by adding at the end thereof the following new paragraphs:

"(e) The term 'coastal zone' means the coastal water (including the lands therein and thereunder) and the adjacent shorelands (including the waters therein and thereunder), strongly influenced by each other and in proximity to the shorelines of the several coastal States, and includes islands, transition and intertidal areas, salt marshes, wetlands, and beaches, which zone extends seaward to the outer limit of the United States territorial sea and extends inland from the shorelines to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters, and the inward boundaries of which may be identified by the several coastal States, pursuant to the authority of section 305(b)(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1454(b)(1));

"(f) The term 'affected State' means, with respect to any program, plan, lease sale, or other activity, proposed, conducted, or approved pursuant to the provisions of this Act, any State—

"(1) the laws of which are declared, pursuant to section 4(a)(2) of this Act, to be the law of the United States for the portion of the outer Continental Shelf on which such activity is, or is proposed to be, conducted;

"(2) which is or is proposed to be directly connected by transportation facilities to any artificial island or structure referred to in section 4(a)(1) of this Act;

"(3) which is receiving, or in accordance with the proposed activity, will receive, oil for processing, refining, or transshipment which has extracted from the outer Continental Shelf and transported by means of vessels or by a combination of means including vessels;

"(4) which is designated by the Secretary as a State in which there is a substantial probability of significant impact on or damage to the coastal, marine, or human environment, or a State in which there will be significant changes in the social, governmental, or economic infrastructure, resulting from the exploration, development, and pro-

duction of oil and gas anywhere on the outer Continental Shelf; or

"(5) in which the Secretary finds that because of such activity there is, or will be, a significant risk of serious damage, due to factors such as prevailing winds and currents, to the marine or coastal environment in the event of any oilspill, blowout, or release of oil or gas from vessels, pipelines, or other transshipment facilities;

"(g) The term 'marine environment' means the physical, atmospheric, and biological components, conditions, and factors which interactivity determine the productivity, state, condition, and quality of the marine ecosystem, including the waters of the high seas, the contiguous zone, transitional and intertidal areas, salt marshes, and wetlands within the coastal zone and on the outer Continental Shelf of the United States;

"(h) The term 'coastal environment' means the physical, atmospheric, and biological components, conditions, and factors which interactively determine the productivity, state, condition, and quality of the terestrial ecosystem from the shoreline inward to the boundaries of the coastal zone;

"(i) The term 'human environment' means the physical, social, and economic components, conditions, and factors which interactively determine the state, condition, and quality of living conditions, employment, and health of those affected, directly or indirectly, by activities occurring in the outer Continental Shelf of the United States;

"(j) The term 'Governor' means the Governor of a State, or the person or entity designed by, or pursuant to, State law to exercise the powers granted to such Governor pursuant to this Act;

"(k) The term 'exploration' means the process of searching for oil, natural gas, or other minerals, including (1) geophysical surveys where magnetic, gravity, seismic, or other systems are used to detect or imply the presence of such resources, and (2) any drilling, whether on or off known geological structures, including the drilling of a well in which a discovery of oil or natural gas in commercial quantities is made, the drilling of any additional delineation well after such discovery which is needed to delineate any reservoir and to enable the lessee to determine whether to proceed with development and production;

"(l) The term 'development' means those activities which take place following discovery of oil, natural gas, or other minerals in commercial quantities, including geophysical activity, drilling, platform construction, and operation of all on-shore support facilities, and which are for the purpose of ultimately producing the resources discovered;

"(m) The term 'production' means those activities which take place after the successful completion of any means for the removal of resources, including such removal, field operations, transfer of oil, natural gas, or other minerals to shore, operation monitoring, maintenance, and work-over drilling;

"(n) The term 'antitrust law' means—

"(1) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890 (15 U.S.C. 1 et seq.);

"(2) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,, approved October 15, 1914 (15 U.S.C. 12 et seq.);

"(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.);

"(4) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes', approved August 27, 1894 (15 U.S.C. 8 and 9); or

"(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a);

"(o) The term 'fair market value' means the value of any oil, gas, or other mineral (1) computed at a unit price equivalent to the average unit price at which such mineral was sold pursuant to a lease during the period for which any royalty or net profit share is accrued or reserved to the United States pursuant to such lease, or (2) if there were no such sales, or if the Secretary finds that there were an insufficient number of such sales to equitably determine such value, computed at the average unit price at which such mineral was sold pursuant to other leases in the same region of the outer Continental Shelf during such period, or (3) if there were no sales of such mineral from such region during such period, or if the Secretary finds that there are an insufficient number of such sales to equitably determine such value, at an appropriate price determined by the Secretary; and

"(p) The term 'major Federal action' means any action or proposal by the Secretary which is subject to the provisions of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C))."

NATIONAL POLICY FOR THE OUTER CONTINENTAL SHELF

SEC. 202. Section 3 of the Outer Continental Shelf Lands Act (43 U.S.C. 1332) is amended to read as follows:

"SEC. 3. NATIONAL POLICY FOR THE OUTER CONTINENTAL SHELF.—It is hereby declared to be the policy of the United States that—

"(1) the subsoil and seabed of the outer Continental Shelf appertain to the United States and are subject to its jurisdiction, control, and power of disposition as provided in this Act;

"(2) this Act shall be construed in such a manner that the character of the waters above the outer Continental Shelf as high seas and the right to navigation and fishing therein shall not be affected;

"(3) the outer Continental Shelf is a vital national resource reserve held by the Federal Government for the public, which should be made available for expenditious and orderly development, subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs;

"(4) since exploration, development, and production of the mineral resources of the outer Continental Shelf will have significant impacts on coastal and noncoastal areas of the coastal States, and on other affected States, and, in recognition of the national interest in the effective management of the marine, coastal, and human environments—

"(A) such States may require assistance in protecting their coastal zones and other affected areas from any temporary or permanent adverse effects of such impacts; and

"(B) such States are entitled to an opportunity to participate, to the extent consistent with the national interest, in the policy and planning decisions made by the Federal Government relating to exploration for, and development and production of, mineral resources of the outer Continental Shelf;

"(5) the rights and responsibilities of all States to preserve and protect their marine, human, and coastal environments through such means as regulation of land, air, and water uses, of safety, and of related development and activity should be considered and recognized; and

"(6) operations in the outer Continental Shelf should be conducted in a safe manner by well-trained personnel using technology, precautions, and techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstruction to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property, or endanger life or health.".

LAWS APPLICABLE TO THE OUTER CONTINENTAL SHELF

SEC. 203. (a) Section 4(a)(1) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333 (a)(1)) is amended—

(1) by striking out "and fixed structures" and inserting in lieu thereof ", and all installations and other devices permanently or temporarily attached to the seabed,"; and

(2) by striking out "removing, and transporting resources therefrom" and inserting in lieu thereof "or producing resources therefrom, or any such installation or other device (other than a ship or vessel) for the purpose of transporting such resources".

(b) Section 4(a)(2) of such Act is amended by redesignating paragraph (2) as (2)(A) and by adding at the end of that paragraph the following:

"(B) Within one year after the date of enactment of this paragraph, the President shall establish procedures for settling any outstanding international boundary dispute respecting the outer Continental Shelf.".

(c) Section 4(d) of such Act is amended to read as follows:

"(d) For the purposes of the National Labor Relations Act, as amended, any unfair labor practice, as defined in such Act, occurring upon any artificial island, installation, or other device referred to in subsection (a) of this section shall be deemed to have occurred within the judicial district of the State, the laws of which apply to such artificial island, installation, or other device pursuant to such subsection, except that until the President determines the areas within which such State laws are applicable, the judicial district shall be that of the State nearest the place of location of such artificial island, installation, or other device.".

(d) Section 4 of such Act is amended—

(1) in paragraph (1) of subsection (e), by striking out "the islands and structures referred to in subsection (a)", and inserting in lieu thereof "the artificial islands, installations and other devices referred to in subsection (a)";

(2) in subsection (f), by striking out "artificial islands and fixed structures located on the outer Continental Shelf" and inserting in lieu thereof "the artificial islands, installations, and other devices referred to in subsection (a)"; and

(3) in subsection (g), by striking out "the artificial islands and fixed structures referred to in subsection (a)' and inserting in lieu thereof "the artificial islands, installations, and other devices referred to in subsection (a)".

(e) Section 4(e)(1) of such Act is amended by striking out "head" and inserting in lieu thereof "Secretary".

(f) Section 4(e)(2) of such Act is amended to read as follows:

"(2) The Secretary of the Department in which the Coast Guard is operating may mark for the protection of navigation any artificial island, installation, or other device referred to in subsection (a) whenever the owner has failed suitably to mark such island, installation, or other device in accordance with regulations issued under this Act, and the owner shall pay the cost of such marking.".

(g) Section 4 of such Act is further amended by striking out subsection (b) and relettering subsections (c), (d), (e), (f), and (g) as subsections (b), (c), (d), (e), and (f), respectively.

OUTER CONTINENTAL SHELF EXPLORATION AND DEVELOPMENT ADMINISTRATION

SEC. 204. Section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334 et seq.) is amended to read as follows:

"SEC. 5. ADMINISTRATION OF LEASING OF THE OUTER CONTINENTAL SHELF.—(a) The Secretary shall administer the provisions of this

Act relating to the leasing of the outer Continental Shelf and shall prescribe such regulations as necessary to carry out such provisions, and the Secretary may at any time prescribe and amend such rules and regulations as he determines to be necessary and proper in order to provide for the prevention of waste and conservation of the natural resources of the outer Continental Shelf, and the protection of correlative rights therein. Such regulations shall, as of the date of their promulgation, apply to all operations conducted under any lease issued or maintained under the provisions of this Act and shall be in furtherance of the policies of this Act. In the enforcement of safety, environmental, and conservation laws and regulations, the Secretary shall cooperate with the relevant agencies of the Federal Government and of the affected States. In the formulation, promulgation and enforcement of regulations, the Secretary shall request and give due consideration to the views of the Attorney General with respect to matters which may affect competition. The regulations prescribed by the Secretary under this subsection shall include, but not be limited to, provisions—

"(1) for the suspension or temporary prohibition of any operation or activity, including production, pursuant to any lease or permit (A) at the request of a lessee, in the interest of conservation, to facilitate proper development of a lease, or to allow for the unavailability of transportation facilities, or (B) if there is a threat of serious, irreparable, or immediate harm or damage to life (including aquatic life), to property, to any mineral deposits (in areas leased or not yet leased), or to the marine, coastal, or human environment, and for the extension of any permit or lease affected by such suspension or prohibition by a period equivalent to the period of such suspension or prohibition, except that no permit or lease shall be so extended when such suspension or prohibition is the result of gross negligence or willful violation of such lease or permit, or of regulations issued concerning such lease or permit;

"(2) for the cancellation of any lease or permit, at any time, when it is determined by the Secretary, after hearing, that continued activity pursuant to such lease or permit would probably cause serious harm or damage to life including aquatic life, to property, to any mineral deposits in areas leased or not yet leased, to the national security or defense, or to the marine, coastal, or human environments, and if he determines that the threat of harm or damage will not disappear or decrease to an acceptable extent within a reasonable period of time and if he determines that the advantages of cancellation of the lease or permit outweigh the advantages of development and production, except that the cancellation of any lease pursuant to such regulations (A) shall not occur unless and until operations under such lease or permit shall have been under suspension, or temporary prohibition, by the Secretary, with due extension of any lease or permit term continuously for a period of five years, or for a lesser period upon request of the lessee, and (B) shall entitle the lessee to receive such compensation as he shows to the Secretary as being equal to the lesser of (i) the fair value of the cancelled rights as of the date of cancellation, taking account of both anticipated revenues from the lease and anticipated costs, including costs of compliance with all applicable regulations and operating orders, liability for cleanup costs or damages, or both, in the case of an oil-spill, and all other costs reasonably anticipated on the lease, or (ii) the excess, if any, over the lessee's revenues, from the lease (plus interest thereon from the date of receipt to date of reimbursement) of all consideration paid for the lease and all direct expenditures made by the lessee after the date of issuance of such lease and in connection with exploration or development, or both, pursuant to the lease (plus interest on such consideration and such expenditures from date of payment to date of reimbursement): *Provided*, That with respect to leases issued before the date of enactment of this Act, such compensation shall be equal to the amount specified in item (i) of this sentence: *Provided further*, That in the case of joint leases which are canceled due to the failure of one or more partners to exercise due diligence, the innocent parties shall have the right to seek damages for such loss from the responsible party or parties and the right to acquire the interests of the negligent party or parties and be issued the lease in question;

"(3) for the assignment or relinquishment of leases;

"(4) for the sale of royalty, net profit share, or purchased oil and gas accruing or reserved to the United States in accordance with section 27 of this Act;

"(5) for the utilization of different bidding systems in accordance with section 8(a) of this Act;

"(6) for the procedures for citizen suits in accordance with section 23 of this Act;

"(7) for unitization, pooling, and drilling agreements;

"(8) for subsurface storage of oil and gas other than by the United States Government;

"(9) for drilling or easements necessary for exploration, development, and production; and

"(10) for the prompt and efficient exploration and development of a lease area.

"(b) The issuance and continuance in effect of any lease, or of any extension, renewal, or replacement of any lease, under the provision of this Act shall be conditioned upon compliance with the regulations issued under this Act if the lease is issued under the provisions of section 8 hereof, or with the regulations issued under the provisions of section 6(b), clause (2), hereof, if the lease is maintained under the provisions of section 6 hereof.

"(c) Whenever the owner of a nonproducing lease fails to comply with any of the provisions of this Act, or of the lease, or of the regulations issued under this Act if the lease is issued under the provisions of section 8 hereof, or of the regulations issued under the provisions of section 6(b), clause (2), hereof, if the lease is maintained under the provisions of section 6 hereof, such lease may be canceled by the Secretary, subject to the right of judicial review as provided in this Act, if such default continues for the period of thirty days after mailing of notice by registered letter to the lease owner at his record post office address.

"(d) Whenever the owner of any producing lease fails to comply with any of the provisions of this Act, or of the lease, or of the regulations issued under this Act if the lease is issued under the provisions of section 8 hereof, or of the regulations issued under the provisions of section 6(b), clause (2), hereof, if the lease is maintained under the provisions of section 6 hereof, such lease may be forfeited and canceled by an appropriate proceeding in any United States district court having jurisdiction under the provisions of this Act.

"(e) Rights-of-way through the submerged lands of the outer Continental Shelf, whether or not such lands are included in a lease maintained or issued pursuant to this Act, may be granted by the Secretary for pipeline purposes for the transportation of oil, natural gas, sulfur, or other mineral under such regulations and upon such conditions as may be prescribed by the Secretary, including assuring maximum environmental protection by utilization of the best available and safest technology, including the safest practices for pipeline burial not consistent with regulations promulgated by the Secretary of Transportation under the Natural Gas Pipeline Safety Act of 1968, and upon the express condition that such oil or gas pipelines shall transport or purchase without discrimination, oil or natural gas in such proportionate amounts as the Federal Power Commission, in the case of gas, and the Interstate Commerce Commission, in consultation with the Administrator of the Federal Energy Administration, in the case of oil, may, after a full hearing with due notice thereof to the interested parties, determine to be reasonable, taking into account, among other things, conservation and the prevention of waste. Failure to comply with the provisions of this section or the regulations and conditions prescribed under this section shall be ground for forfeiture of the grant in an appropriate judicial proceeding instituted by the United States in any United States district court having jurisdiction under the provisions of this Act.

"(f)(1) Every permit, license, easement, right-of-way or other grant of authority for the transportation by pipeline on or across the Outer Continental Shelf of oil or gas shall require that the pipeline be operated in accordance with the following competitive principles:

"(A) The pipeline must provide open and nondiscriminatory access to both owner and nonowner shippers; and

"(B) Any shipper, owner or nonowner, able to provide a guaranteed level of throughput must have the unilateral right to demand expansion of throughput capacity within technological limits and economic feasibility.

"(2) The Secretary shall consult with and give due consideration to the views of the Attorney General and the Federal Trade Commission on specific conditions to be included in any permit, license, easement, right-of-way, or grant of authority in order to insure that pipelines are operated in accordance with such competitive principles.

"(3) The Energy Policy and Conservation Act (PL 94–163) is amended by adding at the end of section 106(a)(1) the following: 'The Secretary shall by December 1, 1977, publish in the Federal Register final rules of general applicability governing determination of the maximum efficient rate of production.'

"(g)(1) The lessee shall produce any oil or gas, or both, obtained pursuant to an approved development and production plan, at rates consistent with any rule or order issued by the President in accordance with any provision of law.

"(2) If no rule or order referred to in paragraph (1) has been issued, the lessee shall produce such oil or gas, or both, at rates consistent with any regulation promulgated by the Secretary which is to assure the maximum rate of production which may be sustained without loss of ultimate recovery of oil or gas, or both, under sound engineering and economic principles, and which is safe for the duration of the activity covered by the approved plan. The Secretary may permit the lessee to vary such rates if he finds that such variance is necessary.

"(h) After the date of enactment of this section, no holder of any oil and gas lease issued or maintained pursuant to this Act shall be permitted to flare natural gas from any well unless the Secretary finds that there is no practicable way to complete production of such gas, or that such flaring is necessary to alleviate a temporary emergency situation or to conduct testing or work-over operations."

REVISION OF BIDDING AND LEASE ADMINISTRATION

SEC. 205. (a) Subsections (a) and (b) of section 8 of the outer Continental Shelf Lands Act (43 U.S.C. 1337) are amended to read as follows:

"(a)(1) The Secretary is authorized to grant to the highest responsible qualified bidder or bidders by competitive bidding, under regulations promulgated in advance, any oil and gas lease on submerged lands of the outer Continental Shelf which are not covered by leases meeting the requirements of subsection (a) of section 6 of this Act. The bidding shall be by sealed bid and, at the discretion of the Secretary, on the basis of—

"(A) cash bonus bid with a royalty at not less than 12½ per centum fixed by the Secretary in amount or value of the production saved, removed, or sold;

"(B) variable royalty bid based on a per centum in amount or value of the production saved, removed, or sold, with either a fixed work commitment based on dollar amount for exploration or a fixed cash bonus as determined by the Secretary, or both;

"(C) cash bonus bid, or work commitment bid based on a dollar amount for exploration with a fixed cash bonus, and a diminishing or sliding royalty based on such formulae as the Secretary shall determine as equitable to encourage continued production from the lease area as resources diminish, but not less than 12½ per centum at the beginning of the lease period in amount or value of the production saved, removed, or sold;

"(D) cash bonus bid with a fixed share of the net profits of no less than 30 per centum to be derived from the production of oil and gas from the lease area;

"(E) fixed cash bonus with the net profit share reserved as the bid variable;

"(F) cash bonus bid with a royalty at no less than 12½ per centum fixed by the Secretary in amount or value of the production saved, removed, or sold and a fixed per centum share of net profits of no less than 30 per centum to be derived from the production of oil and gas from the lease area;

"(G) work commitment bid based on a dollar amount for exploration with a fixed cash bonus and a fixed royalty in amount or value of the production saved, removed or sold; or

"(H) Subject to the requirements of paragraph (2) of this subsection, any modification of bidding systems authorized in subparagraphs (A) through (G) or any other systems of bid variables, terms and conditions which the Secretary determines to be useful to accomplish the purposes and policies of this section.

"(2)(A) The Secretary shall submit any bidding system authorized in subparagraph (H) of paragraph (1) to the Senate and House of Representatives. The Secretary may institute such bidding system unless either the Senate or the House of Representatives passes a resolution of disapproval within thirty days after receipt of the bidding system.

"(B) Clauses (C) through (J) of this subparagraph are enacted by Congress—

"(I) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively but they are applicable only with respect to the procedures to be followed in that House in the case of resolutions described by this subparagraph, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(II) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(C) A resolution disapproving a bidding system shall immediately be referred to a committee (and all resolutions with respect to the same request shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(D) If the committee, to which has been referred any resolution disapproving the bidding system of the Secretary to exceed the limitation has not reported the resolution at the end of ten calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same bidding system which has been referred to the committee.

"(E) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same recommendation), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(F) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same request.

"(G) When the committee has reported, or has been discharged from further consideration of, a resolution as provided, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(H) Debate on the resolution is limited to not more than two hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(I) Motions to postpone, made with respect to the discharge from the committee, or the consideration of a resolution with respect to a bidding system, and motions to proceed to the consideration of other business, shall be decided without debate.

"(J) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives as the case may be, to the procedure relating to a resolution with respect to a request shall be decided without debate.

"(3) The Secretary may, notwithstanding the lease limitations of section 201(c), utilize leasing systems in the Outer Continental Shelf off Alaska, in which exploration lessees share in the costs of exploration and the consideration received from sale of subsequent leases for development and production, notwithstanding any inconsistent provisions of section 8(b)(4), 8(K) and section 9 of this Act, provided that payments shall not exceed amounts appropriated for that purpose by Congress.

"(4) The Secretary may, in his discretion, defer any part of the payment of the cash bonus, as authorized in paragraph (1) of this subsection, according to a schedule announced at the time of the announcement of the lease sale, but such payment shall be made in total no later than five years from the date of the lease sale or no later than the date of the approval of the development and production plan, whichever date first occurs.

"(5) The Secretary may, in order to promote increased production on the lease area, through direct, secondary, or tertiary recovery means, reduce or eliminate any royalty or net profit share set forth in the lease for such area.

"(6) At least ninety days prior to notice of any lease sale under subparagraphs (D), (E), and (F) of paragraph (1), the Secretary shall by regulation establish rules to govern the calculation of net profits. In the event of any dispute between the United States and a lessee concerning the calculation of the net profits under the regulation issued pursuant to this paragraph, the burden of proof shall be on the lessee.

"(7) After an oil and gas lease is granted pursuant to subparagraph (B) or the work commitment option of subparagraph (B) or (C) of paragraph (1) of this section—

"(A) the lessee, at its option, shall deliver to the Secretary upon issuance of the lease either (i) cash deposit for the full amount of the exploration work commitment or, (ii) a performance bond, in form and substance and with a surety satisfactory to the Secretary, in the principal amount of such exploration work commitment assuring the Secretary that such commitment shall be faithfully discharged in accordance with this section, the regulation, and the lease. As provided in the regulation, the principal amount of such cash deposit or bond may be periodically reduced upon proof, satisfactory to the Secretary, that a portion of the exploration work commitment has been satisfied.

"(B) all exploration expenditures on, or directly related to, the lease including, but not limited to (i) geological investigations and related activities, (ii) geophysical investigations including seismic, geomagnetic, and gravity surveys, data processing and interpretation, and (iii) exploratory drilling, core drilling, redrilling, and well completion or abandonment, including the drilling of wells sufficient to determine the size and areal extent of any newly discovered field, and including the cost of mobilization and demobilization of drilling equipment, shall be included in satisfaction of the commitment. The lessee's general overhead cost shall not be so included against the work commitment, but its cost (including employee benefits) of employees directly assigned to such exploration work shall be so included.

"(C) if at the end of the primary term of the lease, including any extension thereof, the full dollar amount of the exploration work commitment has not been satisfied, the balance shall then be paid in cash to the Secretary.

"(8)(a) Except as provided in clause (b), the bidding system authorized by subparagraph (A) of paragraph (1) of this subsection shall not be applied to more than 50 per centum of the total area offered for lease each year, during the five-year period beginning on the date of enactment of this subsection, in each region where there has been no development of oil and gas prior to October 1, 1975, including the outer Continental Shelf region off southern California. The Secretary shall define such regions of the outer Continental Shelf.

"(b) The lease tracts to which the bidding systems authorized by subparagraphs (B) through (G) of paragraph (1) of this subsection are to be applied shall be chosen by random selection following receipt by the secretary of public nominations of lease tracts to be included in a proposed lease sale, but prior to the initial announcement by the Bureau of Land Management of the tracts selected for inclusion in the proposed lease sale. The Secretary shall immediately following such selection publish a notice in the Federal Register designating the lease tracts selected and the alternative bidding system or systems which shall be used for each such tract.

"(c) If, during the first year following enactment of this subsection, the Secretary finds that compliance with the limitation set forth in clause (a) would unduly delay development of the oil and gas resources of the outer Continental Shelf, he may exceed that limitation after he submits to the Senate and the House of Representatives a report stating his finding and the reasons therefor. If, in any other year following the date of enactment of this subsection, the Secretary finds that compliance with the limitation set forth in clause (a) would unduly delay efficient development of the oil and gas resources of the outer Continental Shelf, result in less than a fair return to the Federal Government, or result in a reduction of competition, he shall submit to the Senate and House of Representatives a report stating his specific findings and detailed reasons therefor. The Secretary may, unless either the Senate or the House of Representatives passes a resolution of disapproval of the Secretary's findings within thirty days after receipt of such report (not including days when Congress is not in session), thereafter, for that year, exceed such limitation.

"(d) Clauses (e) through (l) of this subparagraph are enacted by Congress—

"(I) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but they are applicable only with respect to the procedures to be followed in that House in the case of resolutions described by this subparagraph, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(II) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(e) A resolution disapproving the request of the Secretary to exceed the limitation shall immediately be referred to a committee (and all resolutions with respect to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(f) If the committee, to which has been referred any resolution disapproving the request of the Secretary to exceed the limitation has not reported the resolution at the end of ten calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same request which has been referred to the committee.

"(g) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same recommendation), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(h) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same request.

"(i) When the committee has reported, or has been discharged from further consideration of, a resolution as provided, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(j) Debate on the resolution is limited to not more than 2 hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(k) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution with respect to a request, and motions to proceed to the consideration of other business, shall be decided without debate.

"(l) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a request shall be decided without debate.

"(9) Within six months after the end of each fiscal year, the Secretary shall report to the Congress, as provided in section 15 of this Act, with respect to the use of the various bidding options provided for in this subsection. Such report shall include—

"(a) the schedule of all lease sales held during such year and the bidding system or systems utilized;

"(b) the schedule of all lease sales to be held the following year and the bidding system or systems utilized;

"(c) the benefits and costs associated with conducting lease sales using the various bidding systems;

"(d) if applicable, the reasons why a particular bidding system has not been or will not be utilized; and

"(e) if applicable, the reasons why more than 66⅔ per centum of the area leased in the past year, or to be offered for lease in the upcoming year, was or is to be leased under the bidding system authorized by subparagraph (A) of paragraph (1) of this subsection.

"(b) An oil and gas lease issued pursuant to this section shall—

"(1) be for a tract consisting of a compact area not exceeding five thousand seven hundred and sixty acres, as the Secretary may determine, unless the Secretary finds that a larger area is necessary to comprise a reasonable economic production unit;

"(2) be for an initial period of—

"(A) five years; or

"(B) not to exceed ten years where the Secretary finds that such longer period is necessary to encourage exploration and development in areas of unusually deep water or unusually adverse weather conditions, and as long after such initial period as oil or gas may be produced from the area in paying quantities, or drilling or well reworking operations as approved by the Secretary are conducted thereon.

"(3) require the payment of amount or value as determined by one of the bidding procedures set forth in subsection (a) of this section;

"(4) entitle the lessee to explore, develop, and produce the oil and gas resources contained within the lease area, conditioned upon due diligence requirements and the approval of the development and production plan required by this Act;

"(5) provide for suspension or cancellation of the lease pursuant to section 5 of this Act;

"(6) contain such rental and other provisions as the Secretary may prescribe at the time of offering the area for lease; and

"(7) provide a requirement that the lessee offer 20 per centum of the crude oil, condensate, and natural gas liquids produced on such lease, at the market value and point of delivery applicable to Federal royalty oil, to small and independent refiners as defined in the Emergency Petroleum Allocation Act of 1973.".

(b) Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is further amended by striking out subsection (j), by relettering subsections (c) through (i), and all references thereto, as subsections (g) through (m), respectively, and by inserting immediately after subsection (b) the following new subsections:

"(c) No lease may be issued for an initial period until at least thirty days after the Secretary notifies the Federal Trade Commission of the proposed issuance. Such notification shall contain such information as the Federal Trade Commission may require in order to advise the Secretary as to whether such lease may create or maintain a situation inconsistent with the antitrust laws. The Federal Trade Commission may, by rule, exclude from the requirements of this subsection any class of lease which it determines would, if issued, be unlikely to create or maintain a situation inconsistent with the antitrust laws. If the Federal Trade Commission advises the Secretary, within such thirty-day period, that a proposed lease may create or maintain a situation inconsistent with the antitrust laws, the Secretary may issue such lease only if—

"(1) he commences a public hearing on the record within sixty days after the date of the receipt of such advice, in accordance with chapter 5 of title 5, United States Code; and

"(2) he makes a finding, pursuant to such hearing, that the overall benefit to the public from the issuance or extension of such lease clearly outweighs any possible adverse effect upon competition and that there is no reasonable alternative which would have a lesser adverse effect upon competition.

"(d) No application for a lease may be submitted if the Secretary finds, after notice and hearing, that the applicant is not meeting due diligence requirements on other leases.

"(e) Nothing in this Act shall be deemed to convey to any person, association, corporation, or other business organization immunity from civil or criminal liability, or to create defenses to actions, under any antitrust law.

"(f)(1) At the time of soliciting nominations for the leasing of lands within three miles of the seaward boundary of any coastal State, the Secretary shall provide the Governor of any such State—

"(A) an identification and schedule of the areas and regions offered for leasing;

"(B) all information concerning the geographical, geological, and ecological characteristics of such regions;

"(C) an estimate of the oil and gas reserves in the areas proposed for leasing; and

"(D) an identification of any field, geological structure, or trap located within three miles of the seaward boundary of a coastal State.

"(2) After receipt of nominations for any area of the outer Continental Shelf within three miles of the seaward boundary of any coastal State, the Secretary shall inform the Governor of such coastal State of any such area which the Secretary believes should be given further consideration for leasing. The Secretary in consultation with the Governor of the coastal State, shall determine whether any such area may contain one or more oil or gas pools or fields underlying both the outer Continental Shelf and lands subject to State jurisdiction. If the Secretary selects a tract or tracts which may contain one or more oil or gas pools or fields underlying both the outer Continental Shelf and lands subject to State jurisdiction the Secretary shall offer the Governor of such

coastal State the opportunity to enter into an agreement concerning the disposition of revenues which may be generated by a Federal lease within such area in order to permit their fair and equitable division between the State and Federal Government.

"(3) Within ninety days after the offer by the Secretary pursuant to paragraph (2) of this subsection, the Governor shall elect whether to enter into such agreement and shall notify the Secretary of his decision. If the Governor accepts the offer, the terms of any lease issued shall be consistent with the provisions of this Act, with applicable regulations, and, to the maximum extent practicable, with the applicable laws of the coastal State. If the Governor declines the offer, or if the parties cannot agree to terms concerning the disposition of revenues from such lease (by the time the Secretary determines to offer the area for lease), the Secretary may nevertheless proceed with the leasing of the area.

"(4) Regardless of any other provision of this Act the Secretary shall impound, in whole or in part, in a separate account in the Federal treasury all bonuses, royalties, and other revenues attributable to oil and gas pools underlying both the outer Continental Shelf and submerged lands subject to State jurisdiction until such time as the Secretary and the Governor of such coastal State agree on, or if the Secretary and the Governor of such coastal State cannot agree the United States district court determines, the fair and equitable disposition of such revenues and any interest which has accrued and on the proper rate of payments to be deposited in the treasuries of the Federal Government and such coastal State.".

(c) Subsection (c) of section 105 of the Energy Policy and Conservation Act of 1975 (42 U.S.C. 6213) is amended to read as follows:

"(c) If the Secretary determines that exploration and development will occur only if the exemption is granted, he may exempt bidding for leases for lands located in frontier or other areas determined by the Secretary to be extremely high risk lands or to present unusually high cost exploration, or development problems.

OUTER CONTINENTAL SHELF OIL AND GAS EXPLORATION

SEC. 206. Section 11 of the Outer Continental Shelf Lands Act (43 U.S.C. 1340) is amended to read as follows:

"SEC. 11. OUTER CONTINENTAL SHELF OIL AND GAS EXPLORATION.—(a) (1) The Secretary or any agency of the United States, and any person whom the Secretary by permit or regulation may authorize, may conduct geological and geophysical explorations, in the outer Continental Shelf, which do not interfere with or endanger actual operations pursuant to any lease issued or maintained pursuant to this Act, and which are not unduly harmful to the marine environment.

"(2) The provisions of paragraph (1) of this subsection shall not apply to any person conducting explorations pursuant to an approved exploration plan on any area under lease to such person pursuant to the provisions of this Act.

"(b) Except for those leases on which a drilling permit had been issued prior to the enactment of this subsection, exploration pursuant to any oil and gas lease issued or maintained under this Act must be undertaken in accordance with (1) the provisions of this section, and (2) any regulations which the Secretary may promulgate pursuant to this section.

"(c) (1) Prior to commencing exploration pursuant to any oil and gas lease issued or maintained under this Act, the holder thereof shall submit an exploration plan to the Secretary for approval. Such plan may apply to more than one lease held by a lessee in any one region of the outer Continental Shelf, or by a group of lessees acting under a unitization, pooling, or drilling agreement, and shall be approved by the Secretary if he finds that such plan is consistent with the provisions of this Act, regulations prescribed under this Act, and the provisions of such lease. The Secretary shall require such modifications of such plan as are necessary to achieve such consistency. The Secretary shall approve such plan, as submitted, or modified, within thirty days of its submission, except that if the Secretary determines that (A) any proposed activity under such plan would result in any condition which would permit him to suspend such activity pursuant to regulations prescribed under section 5(a)(1) of this Act, and (B) such proposed activity cannot be modified to avoid such condition, he may delay the approval of such plan.

"(2) An exploration plan submitted under this subsection shall include, in the degree of detail which the Secretary may by regulation require—

"(A) a schedule of anticipated exploration activities to be undertaken;

"(B) a description of equipment to be used for such activities;

"(C) the general location of each well to be drilled; and

"(D) such other information deemed pertinent by the Secretary.

"(3) The Secretary may, by regulation, require that such plan be accompanied by a general statement of development and production intentions which shall be for planning purposes only and which shall not be binding on any party.

"(d) The Secretary may, by regulation, require any lessee operating under an approved exploration plan to obtain a permit prior to drilling any well in accordance with such plan.

"(e)(1) If a revision of an exploration plan approved under this subsection is submitted to the Secretary, the process to be used for the approval of such revision shall be the same as set forth in subsection (c) of this section.

"(2) All exploration activities pursuant to any lease shall be conducted in accordance with an approved exploration plan or an approved revision of such plan.

"(f) The Secretary may, within ninety days after the date of enactment of this section, provide for the approval under subsection (c) of any plan submitted prior to such date of enactment which he finds is in substantial compliance with the provisions of such subsection, and may require the submission of any additional information necessary to bring such plan into such compliance.".

ANNUAL REPORT

SEC. 207. (a) Section 15 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is amended to read as follows:

"SEC. 15. ANNUAL REPORT BY SECRETARY TO CONGRESS.—Within six months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives the following reports:

"(1) a report on the leasing and production program in the outer Continental Shelf during such fiscal year, which shall include—

"(A) a detailed accounting of all moneys received and expended;

"(B) a detailed accounting of all exploration, exploratory drilling, leasing, development, and production activities;

"(C) a summary of management, supervision, and enforcement activities;

"(D) a list of all shut-in and flaring wells; and

"(E) recommendations to the Congress (i) for improvements in management, safety, and amount of production from leasing and operations in the outer Continental Shelf, and (ii) for resolution of jurisdictional conflicts or ambiguities.

"(2) a report prepared after consultation with the Attorney General, with recommendations for promoting competition in the leasing of outer Continental Shelf lands, which shall include any recommendations or findings by the Attorney General and any plans for implementing recommended administrative changes and drafts of any proposed legislation, and which shall contain—

"(A) an evaluation of the competitive bidding systems permitted under the provisions of section 8 of this Act, and, if applicable, the reasons why a particular bidding system has not been utilized;

"(B) an evaluation of alternative bidding systems not permitted under section 8 of this Act, and why such system or systems should or should not be utilized;

"(C) an evaluation of the effectiveness of restrictions on joint bidding in promoting competition and, if applicable, any suggested administrative or legislative action on joint bidding;

"(D) an evaluation of present measures and a description of any additional measures to encourage entry of new competitors; and

"(E) an evaluation of present measures and a description of additional measures to increase the supply of oil and gas to independent refiners and distributors.".

NEW SECTIONS OF THE OUTER CONTINENTAL SHELF LANDS ACT

SEC. 208. The Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 18. OUTER CONTINENTAL SHELF LEASING PROGRAM.—(a) The Secretary, pursuant to procedures set forth in subsections (c) and (d), shall prepare and periodically revise, and maintain an oil and gas leasing program to implement the policies of this Act. The leasing program shall indicate as precisely as practicable the size, timing, and location of leasing activity which he determines will best meet national energy needs for the five-year period following its approval or reapproval. Such leasing program shall be prepared and maintained in a manner consistent with the following principles:

"(1) management of the outer Continental Shelf shall be conducted in a manner which considers economic, social, and environmental values of the renewable and nonrenewable resources contained in the outer Continental Shelf, and the potential impact of oil and gas exploration on other resource values of the outer Continental Shelf and the marine, coastal, and human environments.

"(2) timing and location of exploration, development, and production of oil and gas among the oil- and gas-bearing physiographic regions of the outer Continental Shelf shall be based on a consideration of—

"(A) existing information concerning the geographical, geological, and ecological characteristics of such regions;

"(B) an equitable sharing of developmental benefits and environmental risks among the various regions;

"(C) the location of such regions with respect to, and the relative needs of, regional and national energy markets;

"(D) the location of such regions with respect to other uses of the sea and seabed, including fisheries, intracoastal navigation, existing or proposed sealanes, potential sites of deepwater ports, and other anticipated uses of the resources and space of the outer Continental Shelf;

"(E) the interest of potential oil and gas resources as indicated by exploration of nomination;

"(F) laws, goals, and policies of affected States which have been specifically identified by the Governors of such States as relevant matters for the Secretary's consideration;

"(G) policies and plans promulgated by coastal States pursuant to the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

"(3) the Secretary shall elect the timing and location of leasing, to the maximum extent practicable, so as to obtain a proper balance between the potential for environmental damage, the potential for the discovery of oil and gas, and the potential for adverse impact on the coastal zone.

"(4) leasing activities shall be conducted to assure receipt of fair market value for the oil and gas owned by the Federal Government.

"(b) The leasing program shall include estimates of the appropriations and staff required to—

"(1) obtain resource information and any other information needed to prepare the leasing program required by this section;

"(2) analyze and interpret the exploratory data and any other information which may be compiled under the authority of this Act;

"(3) conduct environmental baseline studies and prepare any environmental impact statement required in accordance with this Act and with section 102(2)(C) of the National Environmental Policy Act of 1967 (42 U.S.C. 4332(2)(C)); and

"(4) supervise operations conducted pursuant to each lease in the manner necessary to assure due diligence in the exploration and development of the lease area and compliance with the requirements of applicable law and regulations, and with the terms of the lease.

"(c)(1) During the preparation of any proposed leasing program under this section, the Secretary shall invite and consider suggestions for such program from the Governor of any State which may become an affected State under such proposed program. The Secretary may also invite or consider suggestions from any other person.

"(2) After such preparation and at least sixty days prior to publication of a proposed leasing program in the Federal Register pursuant to paragraph (3) of this subsection, the Secretary shall transmit a copy of such proposed program to the Governor of each affected State for review and comment. If any such comment is received by the Secretary at least fifteen days prior to submission to the Congress pursuant to such paragraph (3) and includes a request for any modification of such proposed program, the Secretary shall reply in writing, granting or denying such request in whole or in part, or granting such request in such modified form as the Secretary considers appropriate, and stating his reasons therefor. All such correspondence between the Secretary and the Governor of any affected State, together with any additional information and data relating thereto, shall accompany such proposed program when it is submitted to the Congress.

"(3) Within nine months after the date of enactment of this section, the Secretary shall submit a proposed leasing program to the Congress, the Attorney General, the Governors of affected States, and shall publish such proposed program in the Federal Register.

"(d)(1) Within ninety days after the date of publication of a proposed leasing program, the Attorney General shall submit comments on the anticipated effects of such proposed program upon competition, and any State, local government, or other person may submit comments and recommendations as to any aspect of such proposed program.

"(2) At least sixty days prior to approving a proposed leasing program, the Secretary shall submit it to the President and the Congress, together with any comments received. Such submission shall indicate why any specific recommendation of the Attorney General or a State or local government was not accepted.

"(3) After the leasing program has been approved by the Secretary, or after eighteen months following the date of enactment of this section, whichever first occurs, no lease shall be issued unless it is for an area included in the approved leasing program and unless it contains provisions consistent with the approved leasing program, except that leasing shall be permitted to continue until such program is approved and for so long thereafter as such program is under judicial or administrative review pursuant to the provisions of this Act.

"(e) The Secretary shall review the leasing program approved under this section at least once each year, and he may revise and reapprove such program, at any time, in the same manner as originally developed.

"(f) The Secretary shall, by regulation, establish procedures for—

"(1) receipt and consideration of nominations for any area to be offered for lease or to be excluded from leasing;

"(2) public notice of and participation in development of the leasing program;

"(3) review by State and local governments which may be impacted by the proposed leasing;

"(4) periodic consultation with State and local governments, oil and gas leases and permittees, and representatives of other individuals or organizations engaged in activity in or on the Outer Continental Shelf, including those involved in fish and shellfish recovery, and recreational activities; and

"(5) coordination of the program with the management program being developed by any State for approval pursuant to section 305 of the Coastal Zone Management Act of 1972 and consistency, to the extent practicable, with the management program of any State which has been approved pursuant to section 306 of such Act.

Such procedures shall be applicable to any revision or reapproval of the leasing program.

"(g) The Secretary may obtain from public sources, or purchase from private sources, any survey, data, report, or other information (including interpretations of such data, survey, report, or other information) which may be necessary to assist him in preparing any environmental impact statement and in making other evaluations required by this Act. The Secretary shall maintain the confidentiality of all proprietary data or information for such period of time as is provided for in this Act, established by regulation, or agreed to by the parties.

"(h) The heads of all Federal departments and agencies shall provide the Secretary with any nonproprietary information he requests to assist him in preparing the leasing program. In addition, the Secretary shall utilize the existing capabilities and resources of such Federal departments and agencies by appropriate agreement.

"SEC. 19. COORDINATION WITH AFFECTED STATES AND LOCAL GOVERNMENTS.—

"(a) Any Governor of any affected State may submit recommendations to the Secretary regarding the size, timing, or location of a proposed lease sale or with respect to a proposed development and production plan.

"(b) Such recommendations shall be submitted within sixty days after notice of such proposed lease sale or receipt of such development and production plan.

"(c) The Secretary shall accept such recommendations if he determines, after having provided the Governor the opportunity for full consultation, that they provide for a reasonable balance between the national interest and the well-being of the citizens of the affected State. For the purposes of this subsection, a determination of the national interest shall be based on the desirability of obtaining oil and gas supplies in a balanced manner and on the findings, purposes, and policies of this Act. The Secretary shall communicate to the Governor, in writing, the reasons for his determination to accept or reject such Governor's recommendations, or to implement any alternative means identified in consultation with the Governor to provide for a reasonable balance between the national interest and the well-being of the citizens of the affected State. The Secretary's determination that recommendations provide or do not provide for a reasonable balance between the national interest and the well being of the citizens of the affected State shall be final and shall not, alone, be a basis for invalidation of a proposed lease sale or a proposed development and production plan in any suit or judicial review pursuant to section 23 of this Act, unless found to be arbitrary or capricious.

"(d) The Secretary is authorized to enter cooperative agreements with affected coastal States for purposes which are consistent with this Act, and applicable Federal law. Such agreements may include the sharing of information, the joint utilization of available expertise, the facilitating of permitting procedures, joint planning and review, and the formation of joint surveillance and monitoring arrangements to carry out applicable Federal and State laws, regulations and stipulations relevant to outer Continental Shelf operations both on and offshore.

"SEC. 20. BASELINE AND MONITORING STUDIES.—(a)(1) The Secretary shall conduct a study of any area or region included in any lease sale in order to establish baseline information concerning the status of the human, marine, and coastal environments of the outer Continental Shelf and the coastal areas which may be affected by oil and gas development in such area or region.

"(2) Each study required by paragraph (1) shall be commenced not later than six months from the date of enactment of this section with respect to any area or region where a lease sale has been held before such date of enactment, and not later than six months prior to the holding of a lease sale with respect to any area or region where no lease sale has been held before such date of enactment. The Secretary may utilize information collected in any study prior to the date of enactment of this section in conducting any such study.

"(3) In addition to developing baseline information, any study of an area or region, to the extent practicable, shall be designed to predict impacts on the marine biota resulting from chronic low level pollution or large spills associated with outer Continental Shelf production, from the introduction of drill cuttings and drilling muds in the area, and from the laying of pipe to serve the offshore production area, and the impacts of development offshore on the affected and coastal areas.

"(b) Subsequent to the leasing and developing of any area or region, the Secretary shall conduct such additional studies to establish baseline information as he deems necessary and shall monitor the human, marine, and coastal environments of such area or region in a manner designed to provide time-series and data trend information which can be used for comparison with any previously collected data for the purpose of identifying any significant changes in the quality and productivity of such environments, for establishing trends in the areas studied and monitored, and for designing experiments to identify the causes of such changes.

"(c) The Secretary shall, by regulation, establish procedures for carrying out his duties under this section, and shall plan and carry out such duties in full cooperation with affected States. To the extent that other Federal agencies have prepared environmental

impact statements, are conducting studies or are monitoring the affected human, marine, or coastal environment, the Secretary may utilize the information derived therefrom in lieu of directly conducting such activities. The Secretary may also utilize information obtained from any State or local government entity, or from any person, for the purposes of this section. For the purpose of carrying out his responsibilities under this section, the Secretary may by agreement utilize, with or without reimbursement, the services, personnel, or facilities of any Federal, State, or local government agency.

"(d) As soon as practicable after the end of each fiscal year, the Secretary shall submit to the Congress and make available to the general public an assessment of the cumulative effect of activities conducted under this Act on the human, marine, and coastal environments.

"(e) In executing his responsibilities under this section the Secretary is authorized and directed, to the maximum extent practicable, to enter into appropriate arrangements to utilize on a reimbursable basis the capabilities of the Department of Commerce. In carrying out such arrangements the Secretary of Commerce is authorized to enter into contracts or grants with any person, organization or entity with funds appropriated to the Secretary pursuant to this Act.

"SEC. 21. SAFETY REGULATIONS.—(a) Upon the enactment of this section, the Secretary, the Secretary of Labor, and the Secretary of the department in which the Coast Guard is operating shall, in consultation with each other and other agency heads as appropriate, promptly commence a study of the adequacy of existing safety regulations, and of the technology, equipment, and techniques available for the exploration, production, and development of natural resources, with respect to the outer Continental Shelf. The results of this study shall be submitted to the President who shall submit to the Congress a plan of action which he proposes to take to promote safety and health in the exploration, production, and development of natural resources of the outer Continental Shelf.

"(b) In exercising their respective responsibilities for floating, temporarily fixed or permanently fixed structures for the exploration, production, and development of the natural resources of the outer Continental Shelf, the Secretary, and the Secretary of the department in which the Coast Guard is operating, shall require the use of the best available and safest technology which the Secretary determines to be economically achievable, taking into account the incremental costs and benefits of utilizing such technology, wherever failure of equipment would have a significant effect on safety, health, or the environment, on all new drilling and production operations and, wherever practicable, on existing operations.

"(c) Nothing in this Act shall affect the authority provided by law to the Secretary of Labor for the protection of occupational safety and health, except as it applies to diving practices; the authority provided by law to the Administrator of the Environmental Protection Agency for the protection of the environment; or the authority provided by law to the Secretary of Transportation with respect to pipeline safety.

"(d) The Secretary of the Department in which the Coast Guard is operating with the assistance of the Secretary of Labor shall establish and promulgate regulations or standards applying to the diving activities in the waters above the outer Continental Shelf. Notwithstanding section 4(b)(1) of the Occupational Safety and Health Act of 1970, such regulations shall be promulgated and enforced by the two agencies. The two agencies shall coordinate their activities in a manner which avoids duplication of effort and maximizes protection of employees.

"(e) The Secretary of Commerce, in cooperation with the Secretary of the Department in which the Coast Guard is operating, and the Director of the National Institutes of Occupational Safety and Health, shall conduct studies of underwater diving techniques and equipment suitable for protection of human safety and improvement of diver performance. Such studies shall include but not be limited to: decompression and excursion table development and improvement; all aspects of diver physiological restraints, and protective gear for exposure to hostile environments.

"SEC. 22. ENFORCEMENT OF ENVIRONMENTAL AND SAFETY REGULATIONS.—(a) The Secretary and the Secretary of the Department in which the Coast Guard is operating shall consult with each other regarding the enforcement of environmental and safety regulations promulgated pursuant to this Act, and each may by agreement utilize, with or without reimbursement, the services, personnel, or facilities of any Federal agency, for the enforcement of their respective regulations.

"(b) The Secretary and the Secretary of the Department in which the Coast Guard is operating shall individually, or jointly if they so agree, promulgate regulations to provide for—

"(1) scheduled onsite inspection at least once a year of each facility on the outer Continental Shelf which is subject to any environmental or safety regulation promulgated pursuant to this Act, which inspection shall include all safety equipment designed to prevent or ameliorate blowouts, fires, spillages, or other major accidents; and

"(2) periodic onsite inspection without advance notice to the operator of such facility to assure compliance with such environmental or safety regulations.

"(c) The Secretary, the Secretary of the Department in which the Coast Guard is operating or their authorized repesentatives, upon presenting appropriate credentials to the owner or operator of a facility subject to subsection (b), shall be authorized—

"(1) to enter without delay any part of the facility; and

"(2) to examine such documents and records as are pertinent to such an inspection.

"(d)(1) The Secretary or the Secretary of the Department in which the Coast Guard in operating, as applicable, shall make an investigation and public report on each major fire and major oil spillage occurring as a result of operations conducted pursuant to this Act. For the purpose of this subsection, the term 'major oil spillage' means any discharge from a single source of more than two hundred barrels of oil over a period of thirty days or of more than fifty barrels over a single twenty-four hour period. In addition, such Secretary may make an investigation and report of any lesser oil spillage.

"(2) In any investigation conducted pursuant to this subsection, the Secretary of the Department in which the Coast Guard is operating shall have the power to subpena witnesses and to require the production of books, papers, documents, and any other evidence relating to such investigation.

"SEC. 23. CITIZEN SUITS.—(a) Except as provided in subsection (b) of this section, any person having a valid legal interest which is or may be adversely affected may commence a civil action on his own behalf to compel compliance with this Act—

"(1) against any person including—

"(A) the United States,

"(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulations promulgated thereunder; or

"(C) any other person who is alleged to be in violation of any rule, regulation, order, or permit issued pursuant to this Act; or

"(2) against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this Act which is not discretionary with the Secretary or with the appropriate.

"(b) No action may be commenced—

"(1) under subsetcion (a)(1) of this section—

"(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, and (ii) to any alleged violator; or

"(B) if the Secretary or his authorized representative or the Attorney General, has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the provisions of this Act, or any rule, regulation, order, or permit issued pursuant to this action, but in any such action in a court of the United States any person having a legal interest which is or may be adversely affected may intervene as a matter of right; or

"(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing under the oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, except that such action may be brought immediately after such notification in the case where the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff,

"(c)(1) Except as provided in subsection (g) of this section, any action pursuant to this section may be brought only in the judicial district having jurisdiction under section 4(b) of this Act.

"(2) In such action under this section, the Secretary, if not a party, may intervene as a matter of right.

"(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation, including reasonable attorney and expert witness fees to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in sufficient amount to compensate for any losses or damages suffered in accordance with the Federal Rules of Civil Procedure.

"(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief (including relief against the Secretary).

"(f) Any resident of the United States who is injured in any manner through the failure of any operator to comply with any rule, regulation, order, or permit issued pursuant to this Act may bring an action for damages (including reasonable attorney and expert witness fees) only in the judicial district having jurisdiction under section 4(b) of this Act.

"(g)(1) Any action of the Secretary to approve a leasing program pursuant to section 18 of this Act shall be subject to judicial review only in the United States Court of Appeals for the District of Columbia.

"(2) Any action of the Secretary to approve, require modification of, or disapprove any exploration plan or any development and production plan under this Act shall be subject to judicial review only in a United States court of appeals for a circuit in which an affected State is located.

"(3) The judicial review specified in paragraphs (1) and (2) of this subsection shall be available only to a person who (A) participated in the administrative proceedings

related to the actions specified in such paragraphs, (B) is adversely affected or aggrieved by such action, (C) files a petition for review of the Secretary's action within sixty days after the date of such action, and (D) promptly transmits copies of the petition to the Secretary and to the Attorney General of the United States.

"(4) Any action of the Secretary specified in paragraph (1) or (2) shall only be subject to review pursuant to the provisions of this subsection, and shall be specifically excluded from citizen suits which are permitted pursuant to subsection (a).

"(5) The Secretary shall file in the appropriate court the record of any public hearings required by this Act and any additional information upon which the Secretary based his decision, as required by section 2112 of title 28, United States Code. Specific objections to the action of the Secretary shall be considered by the court only if such objections have been submitted to the Secretary during the administrative proceedings related to the actions involved.

"(6) The court of appeals conducting a proceeding pursuant to this subsection shall consider the matter under review solely on the record made before the Secretary. The findings of the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

"(7) Upon the filing of the record with the court, pursuant to paragraph (5), the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari.

"(h) Except as to causes of action which the court considers of greater importance, any action under this section shall take precedence on the docket over all other causes of action and shall be set for hearing at the earliest practical date and expedited in every way.

"SEC. 24. REMEDIES AND PENALTIES.—(a) At the request of the Secretary, the Secretary of the Army, or the Secretary of the Department in which the Coast Guard is operating, the Attorney General or a United States attorney shall institute a civil action in the district court of the United States for the district in which the affected operation is located for a temporary restraining order, injunction, or other appropriate remedy to enforce any provision of this Act or any regulation or order issued under this Act.

"(b) If any person fails to comply with any provision of this Act, or any regulation or order issued under this Act, after notice of such failure and expiration of any reasonable period allowed for corrective action, such person shall be liable for a civil penalty of not more than $10,000 for each day of the continuance of such failure. The Secretary, the Secretary of the Army, or the Secretary of the Department in which the Coast Guard is operating, as applicable, may assess, collect, and compromise any such penalty. No penalty shall be assessed until the person charged with a violation has been given an opportunity for a hearing.

"(c) Any person who knowingly and willfully (1) violates any provision of this Act, or any regulation or order issued under the authority of this Act designed to protect health, safety, or the environment or conserve natural resources, (2) makes any false statement, representation, or certification in any application, record, report, or other document filed or required to be maintained under this Act, (3) falsifies, tampers with, or renders inaccurate any monitoring device or method of record required to be maintained under this Act, or (4) reveals any data or information required to be kept confidential by this Act shall, upon conviction, be punished by a fine of not more than $100,000, or by imprisonment for not more than ten years, or both. Each day that a violation under clause (1) of this subsection continues, or each day that any monitoring device or data recorder remains inoperative or inaccurate because of any activity described in clause (3) of this subsection, shall constitute a separate violation.

"(d) Whenever a corporation or other entity is subject to prosecution under subsection (c) of this section, any officer or agent of such corporation or entity who knowingly and willfully authorized, ordered, or carried out the proscribed activity shall be subject to the same fines or imprisonment, or both, as provided for under subsection (c) of this section.

"(e) The remedies and penalties prescribed in this section shall be concurrent and cumulative and the exercise of one shall not preclude the exercise of the others. Further, the remedies and penalties prescribed in this section shall be in addition to any other remedies and penalties afforded by any other law or regulation.

"SEC. 25. OIL AND GAS DEVELOPMENT AND PRODUCTION.—(a)(1) Prior to development and production pursuant to an oil and gas lease issued or maintained after the enactment of this section, or issued or maintained prior to the enactment of this section upon which no oil or gas has been discovered in commercial quantities prior to the effective date of this section, in any region of the outer Continental Shelf, other than the Gulf of Mexico, the lessee shall submit a development and production plan (hereinafter in this section referred to as a 'plan') to the Secretary, for approval pursuant to this section.

"(2) A plan shall be accompanied by a statement describing all facilities and operations, other than those on the outer Continental Shelf, proposed by the lessee and known by him (whether or not owned or operated by such lessee) which will be constructed or utilized in the development or production of oil or gas from the lease area, including the location and site of facilities and operations, the land, labor, material, and energy requirements associated with such facilities and operations, and all environmental and safety safeguards to be implemented.

"(3) Except for interpretive data, which, pursuant to regulations prescribed by the Secretary, constitute confidential or privileged information, the Secretary, within ten days after receipt of a plan and statement, shall (A) submit such plan and statement to the Governor of any affected State, and (B) make such plan and statement available to any other appropriate interstate regional entity, the executive of any affected local government area, and the public.

"(b) After the date of enactment of this section, no oil and gas lease may be issued pursuant to this Act in any region of the outer Continental Shelf, other than the Gulf of Mexico, unless such lease requires that development and production of reserves be carried out in accordance with a plan which complies with the requirements of this section.

"(c) A plan may apply to more than one oil and gas lease, and shall set forth, in the degree of detail established by regulations issued by the Secretary—

"(1) the specific work to be performed;

"(2) a description of all offshore facilities and operations proposed by the lessee or known by him (whether or not owned or operated by such lessee) to be directly related to the proposed development, including the location and size of such facilities and operations, and the land, labor, material, and energy requirements associated with such facilities and operations;

"(3) the environmental safeguards to be implemented on the outer Continental Shelf and how such safeguards are to be implemented;

"(4) all safety standards to be met and how such standards are to be met;

"(5) an expected rate of development and production and a time schedule for performance; and

"(6) such other relevant information as the Secretary may by regulation require.

"(d)(1) The Secretary shall at least once, prior to approving a development and production plan in any area or region, as defined by the Secretary, of the outer Continental Shelf, other than the Gulf of Mexico, declare approval of such plan to be a major Federal action.

"(2) The Secretary may require lessees on adjacent or nearby leases to submit preliminary or final plans for their leases, prior to or immediately after a determination by the Secretary that the procedures under the National Environmental Policy Act of 1969 shall commence.

"(e) The Secretary shall transmit for review and comment the draft environmental impact statement or the development and production plan if approval of such plan has not been declared to be a major Federal action, to the Governor of any affected State, the executive of any affected local government area, or any interested person. Comments on development and production plans shall be returned to the Secretary within sixty days. The draft environmental impact statement or the comments on the development and production plan shall be available to the general public.

"(f)(1) After reviewing the record of any public hearing held with respect to a plan pursuant to the National Environmental Policy Act of 1969 or the comments and recommendations submitted under subsection (e) of this section, the Secretary shall, within sixty days after the release of the final environmental impact statement prepare pursuant to the National Environmental Policy Act of 1969 in accordance with subsection (d) of this section, or one hundred and twenty days after the period provided for comment under subsection (f) of this section, approve, disapprove, or require modifications of the plan. The Secretary shall require modification of a plan if he determines that the lessee has failed to make adequate provision in such plan for safe operations on the lease area or for protection of the human, marine, or coastal environment. Any modification required by the Secretary which affects land use and water use of the coastal zone of affected States with coastal zone management programs approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) shall be consistent with such program unless the Secretary of Commerce makes the finding authorized by section 307(c)(3)(B)(iii) of that Act. The Secretary shall disapprove a plan—

"(A) if the lessee fails to demonstrate that he can comply with the requirements of this Act or other applicable Federal law;

"(B) if those activities described in the plan which affect land use and water use of the coastal zone of a State with a coastal zone management program approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) are not concurred with by such State pursuant to section 307(c) of such Act; and the Secretary of Commerce does not make the finding authorized by section 307(c)(3)(B)(iii) of that Act;

"(C) if operations threaten national security of national defense; or

"(D) if in the Secretary's determination, because of exceptional geological conditions in the lease area, exceptional resource values in the marine or coastal environment, or other expectional circumstances, implemen-

tation of the plan would probably cause serious harm or damage to life (including aquatic life), to property, to any mineral deposits in areas leased or not yet leased, or to the marine, coastal or human environments, and if he determines that the threat of harm or damage will not disappear or decrease to an acceptable extent within a reasonable period of time and if he determines that the advantages of disapproving the plan outweigh the advantages of development and production. If a plan is disapproved under clause (A), the lessee shall not be entitled to compensation because of such disapproval. If a plan is disapproved under clause (B), the lessee shall not be entitled to compensation because of such disapproval unless (i) the lease was issued and (ii) the lessee had submitted to the Secretary a development and production plan before approval of the coastal zone management program pursuant to the Coastal Zone Management Act of 1972 (16 U.S.C. 1455). If a plan is disapproved under clause (C) or (D) or under clause (B) where (i) the lease was issued and (ii) the lessee had submitted to the Secretary a development and production plan before approval of the coastal zone management program, the term of the lease shall be duly extended, and at any time within five years after said disapproval, the lessee may reapply for approval of the same or a modified plan, and the Secretary shall approve, disapprove, or require modifications of a plan in accordance with this subsection. Upon expiration of such five-year period, or at an earlier time upon request of a lessee, if the Secretary has not approved a plan, the Secretary shall cancel the lease, and the lessee shall be entitled to receive such compensation as he shows to the Secretary is equal to the lesser of (i) the fair value of the canceled rights as of the date of cancellation, taking account of both anticipated revenues from the lease and anticipated costs, including cost of compliance with all applicable regulations or operating orders, liability for cleanup costs or damages, or both, in the case of an oil spill, and all other costs reasonably anticipated with respect to the lease, or (ii) the excess, if any, over the lessee's revenues from the lease (plus interest thereon from date of receipt to date of reimbursement) of all consideration paid for the lease and all direct expenditures made by the lessee after the date of issuance of such lease, and in connection with exploration or development, or both, pursuant to the lease (plus interest on such consideration and such expenditures from the date of payment to the date of reimbursement): *Provided,* That with respect to leases issued before the date of enactment of this Act, such compensation shall be equal to the amount specified in item (i) of this sentence. The Secretary may, at any time within the five-year period, described in subparagraph (C), require the lessee to submit a plan of development and production for approval, disapproval, or modification. If the lessee fails to submit a required plan expeditiously and in good faith, the Secretary shall find that the lessee has not been duly diligent in pursuing his obligations under the lease, and shall immediately cancel such lease, without compensation, under the provisions of section 5(c) of this Act.

"(2) The Secretary shall, from time to time, review each plan approved under this section. Such review shall be based upon changes in available information and other onshore or offshore conditions affecting or impacted by development and production pursuant to such plan. If the review indicates that the plan should be revised to meet the requirements of this subsection, the Secretary shall require such revision.

"(g) The Secretary may approve any revision of an approved plan proposed by the operator if he determines that such revision will lead to greater recovery of oil and natural gas, improve the efficiency, safety, and environmental protection of the recovery operation, is the only means available to avoid substantial economic hardship to the lessee, or is otherwise not inconsistent with the provisions of this Act, to the extent such revision is consistent with protection of the marine and coastal environments. Any revision of an approved plan which the Secretary determines is significant shall be reviewed in accordance with subsections (d) through (f) of this section.

"(h) Whenever the owner of any lease fails to submit a plan in accordance with regulations issued under this section, or fails to comply with an approved plan, the lease may, after notice to such owner of such failure and expiration of any reasonable period allowed for corrective action, and after an opportunity for a hearing, be forfeited, canceled, or terminated, subject to the right of judicial review, in accordance with the provisions of section 23(b) of this Act. Termination of a lease because of failure to comply with an approved plan, including required modifications or revisions, shall not entitle a lessee to any compensation.

"(i) If any development and production plan submitted to the Secretary pursuant to this section provides for the production and transportation of natural gas, the lessee shall contemporaneously submit to the Federal Power Commission that portion of such plan which relates to production of natural gas and the facilities for transportation of natural gas. The Secretary and the Federal Power Commission shall agree as to which of them shall prepare an environmental impact statement pursuant to the National Environmental Policy Act of 1969 applicable to such portion of such plan, or conduct studies as to the effect on the environment of implementing it. Thereafter, the findings and recommendations by the agency preparing such environmental impact statement or conducting such studies pursuant to that agreement shall be adopted by the other agency, and such other agency shall not independently prepare another environmental impact statement or duplicate such studies with respect to such portion of such plan, but the Federal Power Commission, in connection with its review of an application for a certificate of public convenience and necessity applicable to such transportation facilities pursuant to section 7 of the Natural Gas Act (15 U.S.C. 717), may prepare such environmental studies or statement relevant to certification of such transportation facilities as have not been covered by an environmental impact statement or studies prepared by the Secretary. The Secretary, in consultation with the Federal Power Commission, shall promulgate rules to implement this subsection, but the Federal Power Commission shall retain sole authority with respect to rules and procedure applicable to the filing of any application with the Commission and to all aspects of the Commission's review of, and action on, any such application.

"SEC. 26. OUTER CONTINENTAL SHELF OIL AND GAS INFORMATION PROGRAM.—(a)(1)(A) Any lessee or permittee conducting any exploration for, or development or production of, oil or gas pursuant to this Act shall provide the Secretary access to all data obtained from such activity and shall provide copies of such specific data, and any interpretation of any such data, as the Secretary may request. Such data and interpretation shall be provided in accordance with regulations which the Secretary shall prescribe.

"(B) If an interpretation provided pursuant to subparagraph (A) of this paragraph is made in good faith by the lessee or permittee, such lessee or permittee shall not be held responsible for any consequence of the use of or reliance upon such interpretation.

"(C) Whenever any data is provided to the Secretary, pursuant to subparagraph (A) of this paragraph—

"(i) by a lessee or permittee, in the form and manner of processing which is utilized by such lessee in the normal conduct of his business, the Secretary shall pay the reasonable cost of reproducing such data; and

"(ii) by a lessee or permittee, in such other form and manner of processing as the Secretary may request, the Secretary shall pay the reasonable cost of processing and reproducing such data, pursuant to such regulations as he may prescribe.

"(2) Each Federal agency shall provide the Secretary with any data obtained by such Federal agency conducting exploration pursuant to section 11 of this Act, and any other information which may be necessary or useful to assist him in carrying out the provisions of this Act.

"(b)(1) Information provided to the Secretary pursuant to subsection (a) of this section shall be processed, analyzed, and interpreted by the Secretary for purposes of carrying out his duties under this Act.

"(2) As soon as practicable after information provided to the Secretary pursuant to subsection (a) of this section is processed, analyzed, and interpreted, the Secretary shall make available to the affected States a summary of data designed to assist them in planning for the onshore impacts of possible oil and gas development and production. Such summary shall include estimates of (A) the oil and gas reserves in areas leased or to be leased, (B) the size and timing of development if and when oil or gas, or both, is found, (C) the location of pipelines, and (D) the general location and nature of onshore facilities.

"(c) The Secretary shall prescribe regulations to (1) assure that the confidentiality of privileged information received by the Secretary under this section will be maintained, and (2) set forth the time periods and conditions which shall be applicable to the release of such information. Such regulations shall include a provision that no such information will be transmitted to any affected State unless the lessee, or the permittee and all persons to whom such permittee has sold such information under promise of confidentiality, agree to such transmittal.

"(d)(1) The Secretary shall transmit to any affected State—

"(A) a copy of all revelant actual or proposed programs, plans, reports, environmental impact statements, tract nominations (including negative nominations) and other lease sale information, any similar type of relevant information, and all modifications and revisions thereof and comments thereon, prepared or obtained by the Secretary pursuant to this Act, but no information transmitted by the Secretary hereunder shall identify any particular tract with the name or names of any particular party so as not to compromise the competitive position of any party or parties participating in the nominations;

"(B)(i) the summary of data prepared by the Secretary pursuant to subsection (b)(2) of this section, and (ii) any other processed, analyzed, or interpreted data prepared by the Secretary pursuant to subsection (b)(1) of this subsection, unless the Secretary determines that transmittal of such data prepared pursuant to subsection (b)(1) would unduly damage the competitive position of the lessee or permittee who provided the Secretary with the information which the Secretary had processed, analyzed, or interpreted; and

"(C) any relevant information received by the Secretary pursuant to subsection (a) of this section, subject to any applicable re-

quirements as to confidentiality which are set forth in regulations prescribed under subsection (c) of this section.

"(2) Notwithstanding the provisions of any regulation required pursuant to the second sentence of subsection (c) of this section, the Governor of any affected State may designate an appropriate State official to inspect, at a regional location which the Secretary shall designate, any privileged information received by the Secretary regarding any activity adjacent to such State, except that no such inspection shall take place prior to the sale of a lease covering the area in which said activity was conducted. Knowledge obtained by such State during such inspection shall be subject to applicable requirements as to confidentiality which are set forth in regulations prescribed under subsection (c) of this section.

"(e) Any provision of State or local law which provides for public access to any privileged information received or obtained by any person pursuant to this Act is expressly preempted by the provisions of this section, to the extent that it applies to such information.

"(f) If the Secretary finds that any State cannot or does not comply with the regulations issued under subsection (c) of this section, he shall thereafter withhold transmittal and deny inspection of privileged information to such State until he finds that such State can and will comply with such regulations.

"(g) The regulations prescribed pursuant to subsection (c) of this section, and the provisions of subsection 552(b)(9) of title 5, United States Code, shall not apply to any information obtained in the conduct of geological or geophysical explorations by any Federal agency (or any person acting under a service contract with such agency) pursuant to section 11 of this Act.

"(h) Except for any tract on which there is a lease outstanding, where the Secretary determines that exploratory or stratigraphic drilling by the United States is necessary to obtain more accurate information regarding the oil and gas resources of the outer Continental Shelf, he shall contract for such drilling: *Provided*, That no funds shall be appropriated for such drilling prior to the fiscal year beginning October 1, 1978: *Provided further*, That budget requests for the funds necessary to implement this subsection shall be displayed as a separate line item and appropriately justified, as part of the department's annual budget request; and that no such budget request may be made to the Congress until the Secretary has made every reasonable effort to avoid such Federal expenditures and has published in the Federal Register, a request that potential permittees apply for a permit to participate in a continental offshore stratigraphic test or other such test drilling operations as are authorized by regulation. Nothing in this subsection shall be interpreted to prevent the Secretary from leasing any area of the outer Continental Shelf which has not been drilled pursuant to this subsection where he determines that such leasing is consistent with the provisions of this Act.

"(i) The Secretary shall include, in his annual report pursuant to section 15 of this Act, costs of the drilling program, staffing required to administer the program, and a detailed description of the progress of the program.

"SEC. 27. FEDERAL PURCHASE AND DISPOSITION OF OIL AND GAS.—(a)(1) Except as may be necessary to comply with the provisions of sections 6 and 7 of this Act, all royalties or net profit shares, or both, accruing to the United States under any oil and gas lease or permit issued or maintained in accordance with this Act, shall, on demand of the Secretary, be paid in oil or gas.

"(2) The United States shall have the right to purchase not to exceed 16⅔ per centum by volume of the oil and gas produced pursuant to a lease or permit issued in accordance with this Act, at the regulated price, or, if no regulated price applies, at the fair market value at the well-head of the oil and gas saved, removed or sold, except that any oil or gas obtained by the United States as royalty or net profit share shall be credited against the amount that may be purchased under this subsection.

"(3) Title to any royalty, net profit share, or purchased oil or gas may be transferred, upon request, by the Secretary to the Secretary of Defense, to the Administrator of the General Services Administration, or to the Administrator of the Federal Energy Administration, for disposal within the Federal Government.

"(b)(1) The Secretary, pursuant to such terms as he determines and in the absence of any provision of law which provides for the mandatory allocation of such oil in amounts and at prices determined by such provision, or regulations issued in accordance with such provision, may offer to the public and sell by competitive bidding for not more than its regulated price, or, if no regulated price applies, not less than its fair market value any part of the oil (A) obtained by the United States pursuant to any lease as royalty or net profit share, or (B) purchased by the United States pursuant to subsection (a)(2) of this section.

"(2) Whenever, after consultation with the Administrator of the Federal Energy Administration, the Secretary determines that small refiners do not have access to adequate supplies of oil at equitable prices, the Secretary may dispose of any oil which is taken as a royalty or net profit share accruing or reserved to the United States pursuant to any lease issued or maintained under this Act, or purchased by the United States pursuant to subsection (a)(2) of this section, by conducting a lottery for the sale of such oil, or may equitably allocate such oil among the competitors for the purchase of such oil, at the regulated price, or if no regulated price applies, at its fair market value. The Secretary shall limit participation in any lottery or allocated sale to assure such access and shall publish notice of such sale, and the terms thereof, at least thirty days in advance of such sale. Such notice shall include qualifications for participation, the amount of oil to be sold, and any limitation in the amount of oil which any participant may be entitled to purchase.

"(3) Whenever a provision of law is in effect which provides for the mandatory allocation of such oil in amounts or at prices determined by such provisions, or regulations issued in accordance with such provision, the Secretary may only sell such oil in accordance with such provision of law or regulations.

"(c)(1) Except as provided in paragraph (2) of this subsection, the Secretary, pursuant to such terms as he determines, may offer to the public and sell by competitive bidding for not more than its regulated price, or, if no regulated price applies, not less than its fair market value any part of the gas (A) obtained by the United States pursuant to a lease as royalty or net profit share, or (B) purchased by the United States pursuant to subsection (a)(2) of this section.

"(2) Whenever, after consultation with and advice from the Administrator of the Federal Energy Administration and the Chairman of the Federal Power Commission, the Secretary determines that an emergency shortage of natural gas is threatening to cause severe economic or social dislocation in any region of the United States and that such region can be serviced in a practical, feasible, and efficient manner by royalty, net profit share, or purchased gas obtained to the provisions of this subsection, the Secretary may allocate or conduct a lottery for the sale of such gas, and shall limit participation in any allocated or lottery sale of such gas to any person servicing such region, but he shall not sell any such gas for more than its regulated price, or, if no regulated price applies, less than its fair market value. Prior to allocating any gas pursuant to this paragraph, the Secretary shall consult with the Federal Power Commission.

"(d) The lessee shall take any Federal oil or gas for which no acceptable bids are received, as determined by the Secretary, and which is not transferred pursuant to subsection (a)(3) of this section, and shall pay to the United States a cash amount equal to the regulated price, or, if no regulated price applies, the fair market value of the oil or gas so obtained.

"(e) As used in this section—

"(1) the term 'regulated price' means the highest price—

"(A) at which Federal oil may be sold pursuant to the Emergency Petroleum Allocation Act of 1973 and any rule or order issued under such Act;

"(B) at which natural gas may be sold to natural-gas companies pursuant to the Natural Gas Act and any rule or order issued under such Act; or

"(C) at which either Federal oil or gas may be sold under any other provision of law or rule or order thereunder which sets a price (or manner for determining a price) for oil or gas produced pursuant to a lease or permit issued in accordance with this Act; and

"(2) the term 'small refiner' means an owner of an existing refinery or refineries, including refineries not in operation, who qualifies as a small business concern under the rules of the Small Business Administration and who is unable to purchase in the open market an adequate supply of crude oil to meet the needs of his existing refinery capacities.

"(f) Nothing in this section shall prohibit the right of the United States to purchase any oil or gas produced on the Outer Continental Shelf, as provided in section 12(b) of this Act.

"SEC. 28. LIMITATION ON EXPORT.—(a) Except as provided in subsection (d), any oil or gas produced from the outer Continental Shelf shall be subject to the requirements and provisions of the Export Administration Act of 1969 (50 App. U.S.C. 2401 et seq.).

"(b) Before any oil or gas subject to this section may be exported under the requirements and provisions of the Export Administration Act of 1969, the President shall make and publish an express finding that such exports will not increase reliance on imported oil or gas, are in the national interest, and are in accord with the provisions of the Export Administration Act of 1969.

"(c) The President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within such time period passes a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to such Presidential findings shall cease.

"(d) The provisions of this section shall not apply to any oil or gas which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of a foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States.

"SEC. 29. RESTRICTIONS OF EMPLOYMENT.—

No full-time officer or employee of the Department of the Interior who directly or indirectly discharged duties or responsibilities under this Act, and who was at any time during the twelve months preceding the termination of his employment with the Department compensated under the Executive Schedule or compensated at or above the annual rate of basic pay for grade GS–16 of the General Schedule, shall accept, for a period of two years after the date of termination of employment with the Department, employment or compensation, directly or indirectly, from any person, persons, association, corporation, or other entity subject to regulation under this Act.".

TITLE III—OFFSHORE OILSPILL POLLUTION FUND

DEFINITIONS

SEC. 301. As used in this title, unless the context indicates otherwise, the term—

(1) "cleanup costs" means all reasonable and actual costs, including administrative and other costs, to the Federal Government, to any State or local government, or to any foreign government, or to their contractors or subcontractors, of (A) removing or attempting to remove oil discharged from any offshore facility or vessel, or (B) taking other measures to prevent such discharge, or to reduce or mitigate damages to the public health or welfare, or to public property, including shorelines, beaches, and the natural resources of the marine environment;

(2) "damages" means compensation sought pursuant to this title by any person suffering any direct and actual injury proximately caused by the discharge of oil from an offshore facility or vessel, except that such term does not include clean-up costs;

(3) "discharge" includes any spilling, leaking, pumping, pouring, emptying, or dumping, regardless of whether it occurred intentionally or unintentionally;

(4) "offshore facility" includes any oil refinery, drilling structure, oil storage or transfer terminal, or pipeline, or any appurtenance related to any of the foregoing, which is used to drill for, produce, store, handle, transfer, process, or transport oil produced from the Outer Continental Shelf (as the term Outer Continental Shelf is defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a))), and is located on the Outer Continental Shelf, except that such term does not include (A) a vessel, or (B) a deepwater port (as the term deepwater port is defined in section 3(10) of the Deepwater Port Act of 1974 (33 U.S.C. 1502));

(5) "Fund" means the Offshore Oil Pollution Compensation Fund established under section 302(a) of this title;

(6) "owner" means (A) with respect to an offshore facility, any person owning such facility, whether by lease, permit, contract, license, or other form of agreement, (B) with respect to any facility abandoned without prior approval of the Secretary of the Interior, the person who owned such facility immediately prior to such abandonment, and (C) with respect to a vessel, any person owning such vessel;

(7) "operator" means (A) with respect to an offshore facility, any person operating such facility, whether by lease, permit, contract, license, or other form of agreement, and (B) with respect to a vessel, any person operating or chartering by demise such vessel;

(8) "person" means an individual, a public or private corporation, partnership, or other association, or a government entity;

(9) "person in charge" means the individual immediately responsible for the operations of an offshore facility or vessel;

(10) "Secretary" means the Secretary of Transportation;

(11) "revolving account" means the account in the Treasury of the United States which is established under section 302(b) of this title;

(12) "incident" means any occurrence or series of related occurrences, involving one or more offshore facilities or vessels, which cause or pose an imminent threat of oil pollution; and

(13) "vessel" means every description of watercraft or other contrivance, whether or not self-propelled, which is operating in the waters above the Outer Continental Shelf (as the term "outer Continental Shelf" is defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), or in the navigable waters of the United States (as the term "navigable waters" is defined in section 502 of the Federal Water Pollution Control Act), and which is transporting oil directly from an offshore facility.

ESTABLISHMENT OF THE FUND AND THE REVOLVING ACCOUNT

SEC. 302. (a) There is established within the Department of Transportation an Offshore Oil Production Compensation Fund. The Fund may sue or be sued in its own name.

(b) There is established in the Treasury of the United States a revolving account, without fiscal year limitation, which shall be available to the Fund to carry out the provisions of this title.

PROHIBITION

SEC. 303. The discharge of oil from any offshore facility or vessel, in quantities which the President under section 311(b) of the Federal Water Pollution Control Act (33 U.S.C. 1321(b)) determines to be harmful, is prohibited.

NOTIFICATION

SEC. 304. (a) Any person in charge of an offshore facility or vessel shall, as soon as he has knowledge of any discharge of oil from such offshore facility or vessel which may be in violation of section 303 of this title, immedaitely notify the Secretary of such discharge.

(b) Any person in charge of an offshore facility or vessel who fails to immediately notify the Secretary, as required by subsection (a) of this section, shall, upon conviction, be fined not more than $10,000, or imprisoned for not more than one year, or both, except that no person convicted under this section shall also be convicted for the same failure to notify under section 311(b)(5) of the Federal Water Pollution Control Act.

(c) Notification received pursuant to this section or information obtained by the exploitation of such notification shall not be used against any person providing such notification in any criminal case, except a prosecution for perjury or for giving a false statement.

REMOVAL OF DISCHARGED OIL

SEC. 305. (a) Whenever any oil is discharged from any offshore facility or vessel in violation of section 303 of this title, the President shall act to remove or arrange for the removal of such oil, unless he determines such removal will be done properly and expeditiously by the owner or operator of such offshore facility or vessel.

(b) Removal of oil and actions to minimize damage from oil discharged shall, to the greatest extent possible, be in accordance with the National Contingency Plan for removal of oil and hazardous substances established pursuant to section 311(c)(2) of the Federal Water Pollution Control Act.

(c) Whenever the President acts to remove a discharge of oil pursuant to this section, he is authorized to draw upon the money available in the revolving account. Such money shall be used to pay promptly for all cleanup costs incurred by the President in removing such oil or in minimizing damage caused by such oil discharge.

DUTIES AND POWERS

SEC. 306. (a) In order to carry out the purposes of this title, the Secretary shall—

(1) administer and maintain the Fund, in accordance with the provisions of this title;

(2) establish regulations and provide for the fair and expeditious settlement of claims, in accordance with section 313 of this title;

(3) provide public access to information, in accordance with section 319(a) of this title;

(4) submit an annual report, in accordance with section 320 of this title; and

(5) perform such other functions as are prescribed by law.

(b) In the performance of his duties under this title, the Secretary is authorized to—

(1) utilize, with the consent of the agency concerned, the services or personnel, on a reimbursable or replacement basis or otherwise, of any Federal Government agency, of any State or local government agency, or of any organization, to perform such functions on behalf of the Fund as are necessary or appropriate;

(2) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this title;

(3) conduct such studies and investigations, obtain such data and information, and hold such meetings or public hearings as may be necessary or appropriate to facilitate the exercise of any authority granted to, or the performance of any duty imposed on, the Fund under this title;

(4) enter into such contracts, agreements, and other arrangements as are deemed necessary or appropriate for the acquisition of material, information, or other assistance related to, or required by, the implementation of this title; and

(5) issue and enforce orders during proceedings conducted pursuant to this title, including issuing subpenas, administering oaths, compelling the attendance and testimony of witnesses and the production of books, papers, documents, and other evidence, and the taking of depositions.

RECOVERABLE DAMAGES

SEC. 307. Damages may be recovered under this title for—

(1) the value of any loss or injury, at the time such loss or injury is incurred, with respect to any real or personal property which is damaged or destroyed as a result of a discharge of oil;

(2)(A) the cost to the owner of restoring, repairing, or replacing any real or personal property which is damaged or destroyed by a discharge of oil, (B) any income necessarily lost by such owner during the time such property is being restored, repaired, or replaced, and (C) any reduction in the value of such property caused by such discharge;

(3) any loss of income or impairment of earning capacity for a period of not to exceed five years due to damages to real or personal property, or to natural resources, without regard to ownership of such property or resources, which are damaged or destroyed by a discharge of oil, if the claimant derives at least 25 per centum of his earnings from activities which utilize such property or natural resources;

(4) any costs and expenses incurred by the Federal Government or any State government in the restoration, repair, or replacement of natural resources which are damaged or destroyed by a discharge of oil; and

(5) any loss of tax revenue by the Federal Government or any State or local government for a period of not to exceed one year due to injury to real or personal property resulting from a discharge of oil.

CLEANUP COSTS AND DAMAGES

SEC. 308. (a) All cleanup costs incurred by the President, the Secretary, or any other Federal, State, or local official or agency, in connection with a discharge of oil shall be borne by the owners and operator of the

offshore facility or vessel from which the discharge occurred.

(b) Notwithstanding any other provision of law and except as provided in subsection (d) of this section, the owner and operator of an offshore facility shall be held jointly and severally liable, without regard to fault, for damages which result from a discharge of oil from such offshore facility. Such liability shall not exceed $35,000,000, except that if it can be shown that (1) such discharge was the result of gross negligence or willful misconduct within the privity and knowledge of such owner or operator, or of the person in charge of such offshore facility, or (2) such discharge was the result of a violation of applicable safety, construction, or operating standards or regulations, such owner and operator shall be jointly and severally liable for the full amout of such damages.

(c) Notwithstanding any other provision of law and except as provided in subsection (d) of this section, the owner and operator of a vessel shall be jointly and severally liable, without regard to fault, for damages which result from a discharge of oil from such vessel. Such liability shall not exceed $150 per gross registered ton, except that if it can be shown that (1) such discharge was the result of gross negligence or willful misconduct within the privity and knowledge of such owner or operator, or of the person in charge of such vessel, or (2) such discharge was the result of a violation of applicable safety, construction, or operating standards or regulations, such owner and operator shall be jointly and severally liable for the full amount of such damages.

(d) No liability shall be imposed under subsection (b) or (c) of this section to the extent the owner or operator establishes that the discharge of oil or that any damages resulting from such discharge were caused by (1) an act of war, or (2) the negligent or intentional act of the damaged party or of any third party (including any government entity).

(e)(1) To the extent that liability is not imposed, pursuant to subsection (d)(2) of this section, on the owner or operator of an offshore facility or vessel for cleanup costs or damages resulting from a discharge of oil from such facility or vessel, the damaged party or third party whose negligent or intentional act caused such discharge or any damages resulting from such discharge shall, if such damaged party or third party is also an offshore facility or vessel, be liable for such cleanup costs or damages to the same extent as if such discharge had occurred from the offshore facility or vessel of such damaged party or third party.

(2) Payment of cleanup costs or damages by the owner or operator of any offshore facility or vessel to any person pursuant to this title shall be subject to such owner or operator acquiring by subrogation all rights of such person to recover such cleanup costs or damages from any other person.

(3) The provisions of this section shall not in any way affect or limit any rights which an owner or operator of an offshore facility or vessel, or the Fund, may have against any third party whose acts may have caused or contributed to a discharge of oil.

(f) Notwithstanding any other provision of this title, no person shall be liable under this title for payment of cleanup costs or damages to any government of a foreign country, or any citizen of a foreign country not a resident of the United States, unless (1) such payment is authorized by a treaty or executive agreement between such country and the United States, or (2) the Secretary of State, in consultation with the Attorney General, certifies that such country provides an adequate and substantially similar remedy for United States claimants for cleanup costs and damages related to discharges of oil produced from the Continental Shelf of such country.

(g) Any owner or operator of any offshore facility or vessel liable for damages to any person pursuant to subsection (b), (c), or (e)(1) of this section shall also be liable to such person for interest on the amount of such damages for which such owner or operator is liable, at the existing commercial interest rate, from the date the claim or amended claim including such damages was presented to the date on which the damages are paid. Such interest shall not be subject to any limitation of liability specified in subsection (b) or (c) of this section.

DISBURSEMENTS FROM THE REVOLVING ACCOUNT

SEC. 309. (a) Amounts in the revolving account shall be available for disbursement and shall be disbursed by the Fund for only the following purposes:

(1) Administrative and personnel expenses of the Fund.

(2) Cleanup costs resulting from the discharge of oil which are incurred pursuant to this title or pursuant to any State or local law.

(3) Costs of the removal of oil incurred by the owner or operator of an offshore facility or vessel to the extent that the discharge of such oil was caused solely by an act of war or negligence on the part of the Federal Government in establishing and maintaining aids to navigation.

(4) Subject to the provisions of section 313 of this title, all damages not actually compensated pursuant to section 308(b) or (c) of this title.

(b) Payment of compensation by the Fund shall be subject to the Fund acquiring by subrogation all rights of the claimant to recover cleanup costs or damages from the person responsible for such discharge. The Fund shall diligently pursue recovery for any such subrogated rights.

(c) Notwithstanding any other provision of this section, the Fund shall not be liable to pay (1) cleanup costs and damages of any claimant to the extent that the discharge of oil or any damages resulting from such discharge were caused by the negligent or intentional act of the damaged party, or (2) damages of any claimant to the extent that the discharge of oil or any damages resulting from such discharge were caused by an act of war.

(d) In all claims or actions by the Fund against the owner, operator, or person providing financial responsibility, the Fund shall recover (1) except as otherwise provided in this title, the amount the Fund has paid to the claimant or to any government entity undertaking cleanup operations, without reduction, (2) interest on that amount, at the existing commercial interest rate, from the date upon which the request for reimbursement was issued from the Fund to the owner, operator, or such person, to the date on which the Fund is paid by such owner, operator, or person, and (3) all reasonable and actual administrative costs incurred by the Secretary and disbursed by the Fund in connection with such claim or action, including costs of investigation, processing, hearings, appeals, and collection. Costs recovered pursuant to clause (3) of this subsection shall not be subject to any limitation of liability applicable to such owner, operator, or person providing financial responsibility, under the provisions of subsection (b) or (c) of section 308 of this title.

(e) Whenever the amount in the revolving account is not sufficient to pay cleanup costs and damages for which the Fund is liable pursuant to this section, the Fund may issue, in an amount not to exceed $500,000,000, notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such notes or other obligations shall bear interest at a rate to be determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. Moneys obtained by the Fund under this subsection shall be deposited in the revolving account, and redemptions of any such notes or other obligations shall be made by the Fund from the revolving account. The Secretary of the Treasury shall purchase any such notes or other obligations, and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under this subsection. The Secretary of the Treasury may sell any such notes or other obligations at such times and prices and upon such terms and conditions as he shall determine in his discretion. All purchases, redemptions, and sales of such notes or other obligations by such Secretary of the Treasury shall be treated as public debt transactions of the United States.

FEE COLLECTION; DEPOSITS IN REVOLVING ACCOUNT

SEC. 310. (a)(1) The Secretary shall levy and the Secretary of the Treasury shall collect a fee of not to exceed 3 cents per barrel on oil obtained from the Outer Continental Shelf, which shall be imposed on the owner of the oil when such oil is produced.

(2) The collection of the fee imposed pursuant to paragraph (1) of this subsection shall continue until the amount in the revolving account totals at least $100,000,000, whereupon imposition of such fee may be suspended by the Secretary. Thereafter, the Secretary shall from time to time and in accordance with the limitation set forth in the first sentence of paragraph (1) of this subsection, modify by regulation the amount of the fee, if any, to be collected under this subsection in order to maintain the revolving account at a level of not less than $100,000,000 and not more than $200,000,000. For purposes of this paragraph, all sums deposited pursuant to subsection (b) of this section shall be included in the calculation of the balance in the revolving account.

(b) All sums received through fee collection, reimbursements, fines, penalties, investments, and judgments pursuant to this title shall be deposited in the revolving account.

(c) All sums not needed for the purposes specified in this title shall be prudently invested in income-producing securities issued by the United States and approved by the Secretary of the Treasury.

FINANCIAL RESPONSIBILITY

SEC. 311. (a) Each owner or operator of an offshore facility shall establish and maintain, under rules and regulations prescribed by the President, evidence of financial responsibility based on the capacity of the offshore facility and other relevant factors. Financial responsibility may be established by any one, or a combination of, the following methods acceptable to the President: (1) evidence of insurance, (2) surety bonds, (3) qualifications as a self-insurer, or (4) other evidence of financial responsibility satisfactory to the President.

(b) Each owner or operator of a vessel over three hundred gross registered tons (other than a vessel which is not self-propelled and which does not carry oil as cargo of fuel) shall establish and maintain, under rules and regulations prescribed by the Federal Maritime Commission, evidence

of financial responsibility based on the liability requirements of this title and the tonnage of the vessel. In cases where an owner or operator owns, operates, or charters more than one such vessel, financial responsibility need only be established to meet the maximum liability to which the largest of such vessels could be subjected. Financial responsibility may be established by any one, or combination, of the following methods acceptable to the President: (1) evidence of insurance, (2) surety bonds, (3) qualifications as a self-insurer, or (4) other evidence of financial responsibility satisfactory to the President.

(c) Any claim for cleanup costs and damages by any claimant or by the Fund may be brought directly against the surety, the insurer, or any other person providing financial responsibility.

(d) Any person who fails to comply with the provisions of this section or any regulation issued under this section shall be subject to a fine of not more than $25,000.

(e) The President shall adjust the requirements established under this section and the limit of liability under section 308 of this title annually, by an amount equal to the annual percentage change in the wholesale price index.

(f) No owner or operator of an offshore facility or vessel who establishes and maintains evidence of financial responsibility in accordance with this section shall be required under any State law, rule, or regulation to establish any other evidence of financial responsibility in connection with liability for the discharge of oil from such offshore facility or vessel. Evidence of compliance with the financial responsibility requirement of this section shall be accepted by a State in lieu of any other requirement of financial responsibility imposed by such State in connection with liability for the discharge of oil from such offshore facility or vessel.

TRUSTEE OF NATURAL RESOURCES

SEC. 312. (a) The President, or the authorized representative of any State, shall act on behalf of the public as trustee of the natural resources to recover for damages to such resources. Sums recovered shall be used to restore, rehabilitate, or acquire the equivalent of such natural resources by the appropriate agencies of the Federal Government or the State government.

CLAIMS PROCEDURE

SEC. 313. (a) The Secretary shall prescribe, and may from time to time amend, regutions for the filing, processing, settlement, and adjudication of claims for cleanup costs and damages resulting from the discharge of oil from an offshore facility or vessel.

(b)(1) Whenever the Secretary receives information from any person alleging the discharge of oil from any offshore facility or vessel in violation of section 303 of this title, he shall notify the owner and operator of such offshore facility or vessel of such allegation. Such owner or operator may, within five days after receiving such notification, deny such allegations, or deny liability for damages for any of the reasons set forth in section 308(d) of this title.

(2) Any denial made pursuant to paragraph (1) of this subsection shall be adjudicated in accordance with the provisions of subsection (i) of this section.

(c)(1) If a denial is not made pursuant to subsection (b)(1) of this section, the owner and operator, or the person providing financial responsibility, shall advertise, in accordance with regulations promulgated by the Secretary, in any area where damages may occur, the procedures under which claims may be presented to such owners and operator or such person providing financial responsibility. The Secretary shall publish the text of such advertisement, in modified form if necessary, in the Federal Register. If any person fails to make any advertisement required by this paragraph, the Secretary shall do so and such person shall pay the costs of such advertisement.

(2) If a denial is made pursuant to subsection (b) of this section, the Secretary shall advertise and publish procedures under which claims may be presented to the Secretary for payment by the Fund from the revolving account.

(3) Any advertisement made under this subsection shall commence no later than fifteen days after the date of the notification and shall continue for a period of no less than thirty days. Such advertisement shall be repeated thereafter in such modified form as may be necessary, but not less frequently than once each calendar quarter for a total period of five years.

(d)(1) Any claim presented to any person under subsection (c)(1) of this section, or to the Secretary for payment from the Fund, shall be presented within one year after the date of discovery of any damages for which such claim is made, except that no such claim may be presented after the end of the five-year period beginning on the date on which advertising was commenced pursuant to subsection (c) of this section.

(2) Each person's damage claims arising from one incident which are presented to the Secretary shall be slated in one form, which may be amended to include new claims as they are discovered. Damages which are known or reasonably should be known, and which are not included in the claim at the time compensation is made, shall be deemed waived.

(e)(1) Except as provided in subsection (f) of this section, all claims shall be presented (A) to the owner and operator, or (B) to the person providing financial responsibility.

(2) Any person to whom a claim has been presented pursuant to paragraph (1) of this subsection shall promptly notify the claimant of the rights which such claimant may have under this title and notify the Secretary of receipt of such claim.

(f) The following claims may be presented to the Secretary for payment by the Fund from the revolving account:

(1) Any claim for damages resulting from any discharge with respect to which a denial has been made pursuant to subsection (b)(1) of this section.

(2) Any claim which has been presented to any person pursuant to subsection (c)(1) of this section, if such person—

(A) has not accepted liability for such claim for any reason,

(B) submits to the claimant a written offer for settlement of the claim, which the claimant rejects for any reason, or

(C) has not settled such claim by agreement with the claimant within sixty days after the date on which (i) such claim was presented, or (ii) advertising was commenced pursuant to subsection (c) of this section, whichever date is later.

(g) In the case of a claim which has been presented to any person under subsection (e)(1) of this section, and which may be presented to the Secretary under subsection (f)(2) of this section, such person shall, within two days after a request by the claimant, transmit directly to the Secretary such claim and such other supporting documents as the Secretary may by regulation prescribe, and such claim shall be deemed presented to the Secretary for payment by the Fund.

(h)(1) Except as provided in paragraph (2) of this subsection, the Secretary shall use the facilities and services of private insurance and claims adjusting organizations in administering this section and may contract to pay compensation for such facilities and services. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes, upon a showing by the Secretary that advertising is not reasonably practicable, and advance payments may be made. A payment to a claimant, for a single claim in excess of $100,000, or two or more claims aggregating in excess of $200,000, shall be first approved by the Secretary.

(2) In extraordinary circumstances in which the services of such private organizations are inadequate, the Secretary may use Federal personnel to administer the provisions of this section, to the extent necessitated by such extraordinary circumstances.

(i) The following matters in dispute shall be submitted to the Secretary and adjudicated pursuant to the provisions of this section:

(1) Upon the petition of a claimant, in the case of a claim which has been presented to the Secretary for payment by the Fund, and in which the Secretary—

(A) has, for any reason, denied liability for such claim; or

(B) has not settled such claim by agreement with such claimant within ninety days after the date on which (i) such claim was presented to the Secretary, or (ii) advertising was commenced pursuant to subsection (c)(2) of this section, whichever date is later.

(2) Upon the petition of the owner and operator or the person providing financial responsibility, who is or may be liable for cleanup costs and damages pursuant to section 308 of this title—

(A) any denial made pursuant to subsection (b)(1) of this section;

(B) any objection to an exception to the limit of liability set forth in section 308 (b) or (c) of this title; and

(C) the amount of any payment or proposed payment by the Fund which may be recovered from such owner and operator, or such person providing financial responsibility, pursuant to section 309(d) of this title.

(j)(1) Upon receipt of any matter in dispute submitted for adjudication pursuant to subsection (i) of this section, the Secretary shall refer such matter to a hearing examiner appointed under section 3105 of title 5, United States Code. Such hearing examiner shall promptly adjudicate the case and render a decision in accordance with section 554 of title 5, United States Code.

(2) For purposes of any hearing conducted pursuant to this subsection, the hearing examiner shall have the power to administer oaths and subpena the attendance and testimony of witnesses and the production of books, records, and other evidence relative or pertinent to the issues presented for determination.

(3) A hearing conducted under this subsection shall be conducted within the United States judicial district within which the matter in dispute occurred, or, if such matter occurred within two or more districts, in any of the affected districts or, if such matter in dispute occurred outside of any district, in the nearest district.

(k) Upon a decision by the hearing examiner and in the absence of a request for judicial review, any amount to be paid from the revolving account shall be certified to the Fund which shall promptly disburse the award. Such decision shall not be reviewable by the Secretary.

JUDICIAL REVIEW

SEC. 314. (a) Any person who suffers legal wrong or who is adversely affected or aggrieved by the decision of a hearing examiner may, no later than sixty days after such decision is made, seek judicial review of such decision (1) in the United States court of appeals for the circuit in which the damage occurred, or, if such damage occurred outside of any circuit, in the United States

court of appeals for the nearest circuit, or (2) in the United States Court of Appeals for the District of Columbia.

(b) In any case in which the person responsible for the discharge, or the Fund, seeks judicial review, attorneys' fees and court costs shall be awarded to the claimant if the decision of the hearing examiner is affirmed.

CLASS ACTIONS

SEC. 315. (a) The Attorney General may act on behalf of any group of damaged citizens which the Secretary determines would be more adequately represented as a class in the recovery of claims under this title. Sums recovered shall be distributed to the members of such group, except that the reasonable and actual costs incurred by the Attorney General in representing such class shall be paid out of such sums recovered, and shall be deposited in the Treasury of the United States, and credited to miscellaneous receipts. The Attorney General shall not commence any action under this subsection against the Fund or any other department, agency, or instrumentality of the United States.

(b) If, within ninety days after a discharge of oil in violation of section 303 of this title has occurred, the Attorney General fails to act on behalf of a group who may be entitled to compensation, any member of such group may maintain a class action to recover such damages on behalf of such group. Failure of the Attorney General to act in accordance with this subsection shall have no bearing on any class action maintained in accordance with this subsection.

(c) In any case in which the number of members of the class seeking the recovery of claims under this title exceeds one thousand, publishing notice of the action in the Federal Register and in local newspapers serving the areas in which the damaged parties reside shall be deemed to fulfill the requirement for public notice established by rule 23(c)(2) of the Federal Rules of Civil Procedure.

REPRESENTATION

SEC. 316. The Secretary shall initially request the Attorney General to promptly institute court actions and to appear and represent the Fund for all claims under this title. Unless the Attorney General notifies the Secretary that he will institute such action or will otherwise appear within a reasonable time, attorneys appointed by the Secretary shall appear and represent the Fund.

JURISDICTION AND VENUE

SEC. 317. (a) The United States district courts shall have original jurisdiction over all controversies arising under this title, without regard to the citizenship of the parties or the amount in controversy.

(b) Venue shall lie in any district (1) wherein the damage complained of occurred, or, if such damage occurred outside of my district, in the nearest district, or (2) wherein the defendant resides, may be found, or has its principal office. For the purposes of this section, the Fund shall reside in the District of Columbia.

ACCESS TO RECORDS

SEC. 318. (a) Each person responsible for contributing to the Fund in accordance with this title shall keep such records and furnish such information as the Secretary shall prescribe in regulations. Collection shall be at such times and in such manner as shall be prescribed in such regulations.

(b) The Secretary shall have access to any books, documents, papers, and records of such person relevant to the administration of this title, and shall undertake regular examinations of and audits on the collection of fees.

(c) The Comptroller General shall have access to any books, documents, papers, records, and other information of any person liable to contribute to the Fund, relevant to the administration of this title, and to all books, documents, papers, records, and other information of the Fund.

PUBLIC ACCESS TO INFORMATION

SEC. 319. (a) Copies of any communication, document, report, or information transmitted between any official of the Federal Government and any person concerning liability and compensation for damages resulting from the discharge of oil from an offshore facility or vessel shall be made available to the public for inspection, and shall be available for the purpose of reproduction at a reasonable cost, to the public upon identifiable request.

(b) Nothing contained in this section shall be construed to require the release of any information of the kind described in subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

ANNUAL REPORT

SEC. 320. Within six months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives (1) a report on the administration of the Fund during such fiscal year, (2) a summary of the management and enforcement activities of the Fund, and (3) recommendations to the Congress for such additional legislative authority as may be necessary to improve the management of the Fund and the administration of the liability provisions of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 321. (a) There is authorized to be appropriated for the administration of this title $10,000,000 for the fiscal year ending September 30, 1978, $5,000,000 for the fiscal year ending September 30, 1979, and $5,000,000 for the fiscal year ending September 30, 1980.

(b) There are also authorized to be appropriated to the Fund from time to time such amounts as may be necessary to carry out the purposes of the applicable provisions of this title, including the entering into contracts pursuant to section 306(b)(4) of this title, any disbursements of funds pursuant to section 309(a) of this title, and the issuance of notes or other obligations pursuant to section 309(e) of this title.

(c) Notwithstanding any other provision of this title, the authority to make contracts pursuant to section 306(b)(4) of this title, to make disbursements pursuant to section 309(a) of this title, to issue notes of other obligations pursuant to section 309(e) of this title, and to charge and collect fees pursuant to section 310(a) of this title shall be effective only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of enactment of this title.

(d) There are hereby authorized to be appropriated to the Fund such sums as may be necessary to reimburse the Fund for amounts paid for cleanup costs and damages in connection with discharges of oil caused by the negligent or intentional act of any department, agency, or instrumentality of the United States.

RELATIONSHIP TO OTHER LAW

SEC. 322. (a) Except as otherwise provided in this title, this title shall not be interpreted to preempt the field of liability or to preclude any State from imposing additional requirements or liability for any discharge of oil resulting in damages or cleanup costs within the jurisdiction of any State.

(b) Any person who receives compensation for damages or cleanup costs pursuant to this title shall be precluded from recovering compensation for the same damages or cleanup costs pursuant to any other State or Federal law. Any person who receives compensation for damages or cleanup costs pursuant to any other State or Federal law shall be precluded from receiving compensation for the same damages or cleanup costs under this title.

TITLE IV—FISHERMEN CONTINGENCY FUND

DEFINITIONS

SEC. 401. As used in this title, the term—

(1) "citizen of the United States" means any person who is a United States citizen by law, birth, or naturalization, any State, any agency of a State or a group of States, or any corporation, partnership, or association organized under the laws of any State which has as its president or other chief executive officer and as its chairman of the board of directors, or holder of a similar office, a person who is a United States citizen by law, birth, or naturalization, and which has at least 75 per centum of the interest of therein owned by citizens of the United States. Seventy-five per centum of the interest in the corporation shall not be deemed to be owned by citizens of the United States—

(A) if the title to 75 per centum of its stock is not vested in such citizens free from any trust of fiduciary obligation in favor any person not a citizen of the United States;

(B) if 75 per centum of the voting power in such corporation is not vested in citizens of the United States;

(C) if through any contract or understanding it is so arranged that more than 25 per centum of the voting power may be exercised, directly or indirectly, in behalf of any person who is not a citizen of the United States; or

(B) if by any other means whatsoever control of any interest in the corporation in excess of 25 per centum is conferred upon or permitted to be exercised by any person who is not a citizen of the United States;

"(2) "commercial fishing" means all aspects of commercial harvesting and handling of living marine resources; and

(3) "Secretary" means the Secretary of Commerce.

ESTABLISHMENT OF THE FISHERMEN'S CONTINGENCY FUND

SEC. 402. (a) There is established within the Department of Commerce, a Fishermen's Contingency Fund (hereinafter referred to as the "Fund") for the purpose of providing compensation for damages to commercial fishing vessels and gear and resulting loss of profits due to activities of oil and gas exploration, development, and production on the Outer Continental Shelf. The Fund may sue or be sued in its own name by citizens of the United States.

(b) There is established in the Treasury of the United States a revolving account without fiscal year limitation, which shall be available to the Fund to carry out the provisions of this title.

(c) Amounts in the revolving account shall be available for disbursement and shall be disbursed by the Fund for only the following purposes:

(1) administrative and personnel expenses of the Fund; and

(2) the payment of any claim in accordance with the decision of the Secretary pursuant to this title.

FISHERMEN'S CLAIMS BOARD

SEC. 403. (a) There is established a Fishermen's Claims Board (hereafter called the Board) for the purpose of investigating and recommending to the Secretary the amount to be paid on claims against the Fund.

(b) The Board shall consist of one representative from each of the National Oceanic and Atmospheric Administration, the Coast Guard, and the Bureau of Land Manage-

ment and three representatives each of the fishing industry and the oil industry.

(c) Selection and appointment of the members of the Board shall be as follows:

(1) Representatives of Government agencies shall be appointed by the head of the department in which such agency is located.

(2) Representatives of the oil industry shall be appointed by the Secretary of the Interior.

(3) Representatives of the fishing industry shall be appointed by the Regional Fishing Management Councils in accordance with a procedure established by the Secretary.

(d) Each representative shall serve on the Board for a period of three years, except that one-third of the Board, as determined by the Secretary, shall be replaced every year starting one year after the Board is established.

(e) Administrative and other expenses incurred by the Board and its members in carrying out its responsibilities shall be paid out of the Fund.

(f) The representatives of the Board shall meet from time to time or whenever necessary to carry out the provisions of this section.

(g) The minimum number of representatives necessary to investigate and recommend on a claim shall be one member for each of the government agencies, oil industry, and fishing industry.

DUTIES AND POWERS OF THE SECRETARY

SEC. 404. (a) In order to carry out the purposes of this title, the Secretary shall—

(1) prescribe, and may from time to time amend, regulations for the filing, processing, and the fair and expeditious settlement of claims pursuant to this title, including a time limitation on the filing of such claims;

(2) establish and classify all potential hazards to commercial fishing caused by Outer Continental Shelf activities, including all obstructions on the bottom, throughout the water column, and on the surface;

(3) establish regulations for all materials, equipment, tools, containers, and all other items used on the Outer Continental Shelf to be properly stamped or labeled with the owners' identification prior to actual use.

(4) administer and maintain the Fund, in accordance with the provisions of this title; and

(5) perform such other functions as are necessary to carry out the provisions of this title.

(b) In the performance of his duties under this title, the Secretary is authorized to—

(1) utilize, with the consent of the agency concerned, the services or personnel, on a reimburseable or replacement basis or otherwise, of any Federal Government agency, of any State or local government agency, or of any organization, to perform such functions on behalf of the Fund as are necessary or appropriate;

(2) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this title;

(3) conduct such studies and investigations, obtain such data and information, and hold such meetings or public hearings as may be necessary or appropriate to facilitate the exercise of any authority granted to, or the performance of any duty imposed on, the Fund under this title;

(4) enter into such contracts, agreements, and other arrangements as are deemed necessary or appropriate for the acquisition of material, information, or other assistance related to, or required by, the implementation of this title; and

(5) issue and enforce orders during proceedings conducted pursuant to this title, including issuing subpenas, administering oaths, compelling the attendance and testimony of witnesses and the production of books, papers, documents, and other evidence, and the taking of depositions.

RECOVERABLE DAMAGES AND SUBROGATION OF RIGHTS

SEC. 405. (a) Damages and loss to profit to commercial fishing vessels and gear may be recovered under this title for—

(1) the replacement value of any loss of all or part of a commercial fishing vessel which is damaged or destroyed as a result of oil and gas exploration, development, or production on the Outer Continental Shelf;

(2) the replacement value of any loss of all or part of gear used for commercial fishing as a result of oil and gas exploration, development, or production on the Outer Continental Shelf; and

(3) the loss of revenue to a commercial fishing vessel and crew due to oil and gas exploration, development, or production on the Outer Continental Shelf; such loss of revenue shall be based on the average daily revenue of the affected vessel and crew averaged over the previous year, and the vessel and crew shall be compensated for each day that it can be proven that the losses occurred.

(b) Payment of compensation by the Fund shall be subject to the Fund acquiring by subrogation all rights of the claimant to recover for damages and losses so compensated for. The Secretary shall diligently pursue recovery for any such subrogated rights.

(c) Those persons involved in Outer Continental Shelf activities, identified as having caused damages to a fishing vessel, gear, or loss of revenue shall reimburse the Fund for such amounts that it has paid to the claimant for such damage.

BURDEN OF PROOF

SEC. 406. In any claim pursuant to this title there shall be a presumption in favor of such claim if the claimant establishes—

(1) that the vessel and crew were actually fishing in an area prescribed by the Secretary of Commerce as an area affected by Outer Continental Shelf activities;

(2) that an immediate report on the location of any obstacle and the nature of the damage was made;

(3) that there was no previous or existing record on nautical charts or the Notice to Mariners that such an obstacle exists in the area; and

(4) in lieu of a record of such an obstacle, no proper surface marker or lighted buoy was attached or closely anchored to the obstacle;

(5) that the damage or loss of revenue was received after the enactment of this Act.

FEE COLLECTION—DEPOSITS IN REVOLVING ACCOUNT

SEC. 407. (a)(1) The Secretary, with the cooperation of the Secretary of the Interior, shall levy and the Secretary of the Treasury shall collect a fee of not to exceed 1 cent per barrel of oil and fifty-six hundred cubic feet of gas obtained from the Outer Continental Shelf, which shall be imposed on the owner of the oil when such oil is produced.

(2) The collection of the fee imposed pursuant to paragraph (1) of this subsection shall continue until the amount in the revolving account of the Fund totals at least $2,000,000, whereupon imposition of such fee may be suspended by the Secretary. Thereafter, the Secretary shall from time to time and in accordance with the limitation set forth in the first sentence of paragraph (1) of this subsection, modify by regulation the amount of the fee, if any, to be collected under this subsection in order to maintain the revolving account at a level of not less than $2,000,000 and not more than $5,000,000. For purposes of this paragraph, all sums deposited pursuant to subsection (b) of this section shall be included in the calculation of the balance in the revolving account.

(b) All sums received pursuant to this title shall be deposited in the revolving account.

(c) All sums not needed for the purposes specified in this title shall be prudently invested in income-producing securities issued by the United States and approved by the Secretary of the Treasury.

JUDICIAL REVIEW

SEC. 408. (a) Any person who suffers legal wrong or who is adversely affected or aggrieved by the decision of the Secretary on a claim under this title may, no later than sixty days after such decision is made, seek judicial review of such decision (1) in the United States court of appeals for the circuit in which the damage occurred, or, if such damage occurred outside of any circuit, in the United States court of appeals for the nearest circuit, or (2) in the United States Court of Appeals for the District of Columbia.

(b) In any case in which the person responsible for damage to commercial fishing vessels or gear seeks judicial review, attorneys' fees and court costs shall be awarded to the claimant if the decision of the Secretary is affirmed.

JURISDICTION AND VENUE

SEC. 409. (a) The United States district courts shall have original jurisdiction over all controversies arising under this title other than those described in section 408, without regard to the citizenship of the parties or the amount in controversy.

(b) Venue shall lie in any district (1) wherein the damage complained of occurred, or, if such damage occurred outside of any district, in the nearest district, or (2) wherein the defendant resides, may be found, or has its principal office. For the purposes of this section, the Fund shall reside in the District of Columbia.

REPRESENTATION

SEC. 410. The Secretary shall initially request the Attorney General to promptly institute court actions and to appear and represent the Fund for all claims under this title. Unless the Attorney General notifies the Secretary that he will institute such action or will otherwise appear within a reasonable time, attorneys appointed by the Secretary shall appear and represent the Fund.

ACCESS TO RECORDS

SEC. 411. (a) Each person responsible for contributing to the Fund in accordance with this title shall keep such records and furnish such information as the Secretary shall prescribe in regulations. Collection shall be at such times and in such manner as shall be prescribed in such regulations.

(b) The Secretary shall have access to any books, documents, papers, and records of such person relevant to the administration of this title, and shall undertake regular examinations of and audits on the collection of fees.

(c) The Comptroller General shall have access to any books, documents, papers, records, and other information of any person liable to contribute to the Fund, relevant to the administration of this title, and to all books, documents, papers, records, and other information of the Fund.

ANNUAL REPORT

SEC. 412. Within six months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives (1) a report on the administration of, and payments from, the Fund during such fiscal year, and (2) recommendations to the Congress for such additional legislative author-

ity as may be necessary to improve the management of the Fund and the administration of the liability provisions of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 413. (a) There is authorized to be appropriated for the administration of this title $200,000 for each fiscal year ending prior to October 1, 1990.

(b) There is also authorized to be appropriated as an initial deposit and to maintain the revolving account of the Fund amounts not exceeding $500,000. Further amounts are authorized to be appropriated to maintain the Fund not to exceed $500,000 until fees pursuant to subsection 407(a)(1) can be collected. Such amounts shall be repaid by the Fund to the Treasury as soon as practicable with interest in an amount determined by the Secretary of the Treasury using the average rate of interest paid on indebtedness by the Treasury.

(c) Notwithstanding any other provision of this title, the authority to pay claims pursuant to section 407 shall be effective only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of enactment of this title.

TITLE V—MISCELLANEOUS PROVISIONS

REVIEW OF SHUT-IN OR FLARING WELLS

SEC. 501. (a) In a report submitted within six months after the date of enactment of this Act, and his annual report thereafter, the Secretary shall list all shut-in oil and gas wells and wells flaring natural gas on leases issued under the Outer Continental Shelf Lands Act. Each such report shall be submitted to the Comptroller General and shall indicate why each well is shut-in or flaring natural gas, and whether the Secretary intends to require production on such a shut-in well or order cessation flaring.

(b) Within six months after receipt of the Secretary's report, the Comptroller General shall review and evaluate the methodology used by the Secretary in allowing the wells to be shut-in or to flare natural gas and submit his findings and recommendations to the Congress.

REVIEW AND REVISION OF ROYALTY PAYMENTS

SEC. 502. As soon as feasible and no later than ninety days after the date of enactment of this Act, and annually thereafter, the Secretary of the Interior shall submit a report or reports to the Congress describing the extent, during the two-year period preceding such report, of delinquent royalty accounts under leases issued under any Act which regulates the development of oil and gas on Federal lands, and what new auditing, post-auditing, and accounting procedures have been adopted to assure accurate and timely payment of royalties and net profit shares. Such report or reports shall include any recommendations for corrective action which the Secretary of the Interior determines to be appropriate.

NATURAL GAS DISTRIBUTION

SEC. 503. The Federal Power Commission shall, pursuant to its authority under section 7 of the Natural Gas Act, permit any natural gas distributing company which engages, directly or indirectly, in development and production of natural gas from the Outer Continental Shelf to transport to its service area for distribution any natural gas obtained by such natural gas distributing company from such development and production. For purposes of this section, the term "natural gas distributing company" means any person (1) engaged in the distribution of natural gas at retail, and (2) regulated or operated as a public utility by a State or local government.

ANTIDISCRIMINATION PROVISIONS

SEC. 504. Each agency or department given responsibility for the promulgation or enforcement of regulations under this Act or the Outer Continental Shelf Lands Act, shall take such affirmative action as deemed necessary to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving or participating in any activity, sale or employment, conducted pursuant to the provisions of this Act or the Outer Continental Shelf Lands Act. The agency or department shall promulgate such rules as it deems necessary to carry out the purposes of this section, and any rules promulgated under this section, through agency and department provisions and rules which shall be similar to those established and in effect under title VI of the Civil Rights Amendments of 1964.

SUNSHINE IN GOVERNMENT

SEC. 505. (a) Each officer or employee of the Department of the Interior who—

(1) performs any function or duty under this Act or the Outer Continental Shelf Lands Act, as amended by this Act; and

(2) has any known financial interest in any person who (A) applies for or receives any permit or lease under, or (B) is otherwise subject to the provisions of this Act or the Outer Continental Shelf Lands Act, shall, beginning on February 1, 1978, annually file with the Secretary of the Interior a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

(b) The Secretary of the Interior shall—

(1) within ninety days after the date of enactment of this Act—

(A) define the term "known financial interest" for purposes of subsection (a) of this section; and

(B) establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Secretary of such statements; and

(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

(c) In the rules prescribed in subsection (b) of this section, the Secretary may identify specific positions within the Department of the Interior which are of a nonregulatory or nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

(d) Any officer or employee who is subject to, and knowingly violates, this section shall be fined not more than $2,500 or imprisoned not more than one year, or both.

COASTAL ZONE MANAGEMENT ACT

SEC. 506. The Coastal Zone Management Act of 1972 (86 Stat, 1280), as amended, is further amended by deleting clause (i) of subparagraph (B) of Section 308(b)(4) thereof and inserting in lieu thereof:

"(i) necessary to provide new or improved public facilities and public services which are required as a result of outer Continental Shelf energy activity, provided that the Secretary may, pursuant to criteria promulgated by rule, describe geographic areas in which such public facilities and such public services are presumed to be required as a result of outer Continental Shelf energy activity for purposes of disbursing the proceeds of grants under this subsection.".

COASTAL ENERGY IMPACT PROGRAMS

SEC. 507. The Coastal Zone Management Act of 1972 (86 Stat. 1280), as amended, is further amended by adding a new section 308(b)(6) as follows:

"(6) Nothing in this section shall affect the applicability of the National Environmental Policy Act to grants made pursuant to this subsection.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 508. The Coastal Zone Management Act of 1972 (86 Stat. 1280), as amended, is further amended by deleting section 318(a)(3) and inserting in lieu thereof the following:

"(3) such sums, not to exceed $50,000,000 for the fiscal year ending September 30, 1977 and not to exceed $75,000,000 for each of the eight fiscal years occurring during the period beginning October 1, 1977 and ending September 30, 1984, as may be necessary for grants under section 308(b);".

RELATIONSHIP TO EXISTING LAW

SEC. 509. Except as otherwise expressly provided in this Act, nothing in this Act shall be construed to amend, modify, or repeal any provision of the Coastal Zone Management Act of 1972, the National Environmental Policy Act of 1969, the Mining and Mineral Policy Act of 1970, or any other Act.

RELATIONSHIP TO DEPARTMENT OF ENERGY

SEC. 510. Upon the effective date of the provisions of the law creating a Department of Energy, or upon the effective date of this Act, whichever is later, the functions vested in the Secretary by this Act related to those Federal leasing functions designated for transfer from the Secretary to the Secretary of Energy in such law creating a Department of Energy shall be transferred to and vested in the Secretary of Energy.

INVESTIGATION OF AVAILABILITY OF DOMESTIC CRUDE OIL AND NATURAL GAS

SEC. 511. (a) The Congress hereby finds that—

(1) there is a serious lack of adequate basic energy information available to Congress and the President with respect to the availability of domestic crude oil and natural gas;

(2) there is currently an urgent need for such information;

(3) the existing collection of energy data and information relevant to the determination of crude oil and natural gas availability by Federal agencies is uncoordinated, is jurisdictionally limited in scope, and relies too heavily on unverified information from industry sources;

(4) adequate, reliable, and comprehensive information with respect to the availability of domestic crude oil and natural gas resources wherever located is essential to the national security of the United States; and

(5) this lack of adequate reserve data requires a reexamination of past data as well as the acquisition of adequate current data.

(b) The purpose of this section is to enable the President and Congress to gain the best possible knowledge of the status of crude oil and natural gas reserves, resources, productive capacity, and production available to meet current and future energy supply emergencies, to gain accurate knowledge of the potential quantity of domestic natural gas and crude oil resources which could be made available to meet such emergencies, and to aid in establishing energy pricing and conservation policies.

(c) The President is authorized and directed to conduct a continuing investigation, based on data and information which he determines has been adequately and independently audited and verified, for the purpose of determining the availability of all natural gas and crude oil produced or located in the United States or in any State, including all crude oil and natural gas on the Outer Continental Shelf, onshore Federal lands, and all non-Federal lands.

(d) The investigation conducted pursuant to this section shall include, among other items—

(1) an independent determination of the MER (maximum efficient rate) and MPR (maximum production rate) in relation to the actual production from the fields, res-

ervoirs, and wells in this study commencing with the twelve-month period immediately prior to the date of enactment of this section, and the President shall direct that an independent estimate shall be made indicating whether production from these fields, reservoirs, and wells has been less than the maximum efficient rate and maximum production rate, and, if so, the reason for this difference;

(2) an independent estimate of total discovered reserves, including proved and indicated reserves, and undiscovered resources, including hypothetical and speculative reservoirs based on, where necessary, geological and geophysical explorations carried out by Federal or other appropriate agencies, where the President determines that such exploration is the only means of obtaining adequate reserve and resource data;

(3) a determination of the utilization of natural gas and crude oil in terms of end-use markets so as to ascertain the consumption by different classes and types of end users; and

(4) the relationship of any and all such information to the requirements of conservation, industry, commerce, and the national defense;

(5) an independent evaluation of trade association estimates of reserves, ultimate recovery, and productive capacity from 1965 onward. This evaluation shall be accompanied by a detailed description of procedures used by the associations and how their data relate to the results yielded in this study. In order to provide maximum opportunity for evaluation and continuity, the President shall obtain all of the available data and other records which the trade associations have used in compiling their reserves data.

(e) In order to obtain information required by this section, the President may utilize the authority to collect energy information granted to the Administrator of the Federal Energy Administration in the Energy Supply and Environmental Coordination Act of 1974, as amended (15 U.S.C. 791 et seq.), and the Federal Energy Administration Act of 1974, as amended (15 U.S.C. 761 et seq.), the authority granted to the Federal Power Commission in the Natural Gas Act (15 U.S.C. 717 et seq.), and the authority granted to the Federal Trade Commission in the Federal Trade Commission Act (15 U.S.C. 41 et seq.), and the authority granted to the Secretary of the Interior in the Energy Conservation and Policy Act (42 U.S.C. 6214 et seq.), and the authority granted to the Director of the United States Geological Survey in the Geological Survey Act (43 U.S.C. 31 et seq. as amended), and any authority which may be necessary to carry out the provisions of this section.

(f) The President shall submit an initial report to Congress on the results of the continuing investigation required under this section not later than six months after the date of enactment of this section, and shall submit subsequent reports annually thereafter. The initial report shall include cost estimates for the separate components of the continuing investigation and a time schedule for meeting all of its specifications. The schedule shall provide for producing all the required information for the Outer Continental Shelf within a year after the enactment of this section, for other areas under Federal jurisdiction within eighteen months after the enactment of this section, for all major actual or potential producing areas within twenty-four months, and for all United States lands offshore and onshore within thirty months. There shall be separate reports on past data as follows:

(1) within six months on the acquisition and details of trade association data and information;

(2) within twelve months an evaluation of the trade association materials and within eighteen months the relationship between trade association data and the new data collected under this section.

(g) The President shall consult with the Federal Trade Commission regarding categories of information collected from companies pursuant to this section. Notwithstanding other provisions of law, the President shall, upon request of the Federal Trade Commissioner, make available to the Federal Trade Commissioner such information acquired by the President under this section.

(h) The President may delegate all or any portion of the authority granted to him under this section to such executive agencies (within the meaning of 5 U.S.C. 105) or officers of the United States he determines appropriate, and may authorize such redelegation as may be appropriate. Except with respect to section 552 of title 5 of the United States Code, any officer or executive agency of the United States to which authority is delegated or redelegated under this section shall be subject only to such procedural requirements respecting the exercise of such authority as the President would be subject to if such authority were not so delegated.

(i) Prior to a final judgment, no court shall have jurisdiction to grant any injunctive relief to stay or defer the implementation of this Act, or action taken by the President under this Act.

(j) If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 9.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Jackson, I ask unanimous consent that S. 9 be ordered printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, S. 9, the Outer Continental Shelf Lands Acts Amendment of 1977, is possibly as important if not more important in terms of mitigating this Nation's oil and gas supply problems than any single provision of the energy legislation we will consider this session. The administration's energy package has been criticized widely for deemphasizing the production side of our energy problems. S. 9 should enable our petroleum companies to accelerate their efforts to explore the Outer Continental Shelf.

Most of our country's promising frontier areas are located in the Federal Outer Continental Shelf. The bill will maximize the number of companies which would be entitled to drill on OCS lands, and it will encourage acceleration of drilling rates consistent with sound engineering and economic principles.

The bill also will improve significantly the ability of the Secretary of the Interior to assess realistically the value of oil and gas resources on public OCS lands. Thus, the public can be more confident of earning a fair rate of return in the sale of leases of its land. Petroleum companies acquiring the leases will be in a better position to allocate their scarce capital resources more efficiently, and they can manage their exploratory and developmental operations more effectively while minimizing damage to the environment.

The Committee on Energy and Natural Resources and its predecessor or Interior Committee held exhaustive hearings on the provisons of S. 9. The Senate considered a similar measure in 1974. In 1975, we passed two OCS measures which the House adopted in 1976. The measures were sidetracked when the House rejected the conference report by a narrow margin.

The need for S. 9 has never been greater than at the present time. Eleven percent of our domestic oil is produced in the Outer Continental Shelf as is 18 percent of natural gas, all of which is dedicated to the supply-short interstate gas markets. No precise correlation has been shown between drilling rates and production rates. The only way to ascertain the amount of producible reserves, however, is to maximize the number of companies drilling and their drilling rates.

The administration recognizes the importance of S. 9 to our national energy policy. Much work has been done in the Senate as well as in the House to safeguard the rights of interested parties while refining the bill's provisions to make it more effective. Today we have taken advantage of the opportunity to bring this vital component of our national energy policy closer to fruition.

I congratulate the Senate on having acted deliberately and with careful debate on the bill, and I commend the Senator from Washington (Mr. JACKSON) and the Senator from Wyoming (Mr. HANSEN) on the skill, competence, and dedication which they have demonstrated in the handling of this bill from the committee arena to the present moment.

LEGISLATIVE APPROPRIATIONS, 1978

Mr. ROBERT C. BYRD. Mr. President, under the order that has previously been entered, I ask that the Chair now lay before the Senate H.R. 7932, the legislative appropriations bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 7932) making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

Mr. HUDDLESTON. Mr. President, I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Kentucky.

ORDER FOR RECESS UNTIL 10:15 A.M. ON MONDAY, JULY 18, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:15 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR CURTIS AND SENATOR BAKER ON MONDAY, JULY 18, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, Mr. CURTIS and Mr. BAKER be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—H.R. 7933

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the Department of Defense appropriation bill is called up and made the pending business before the Senate, the following time agreement be observed.

Mr. President, I ask unanimous consent there be a time limitation on the bill of 4 hours, to be equally divided between Mr. MCCLELLAN and Mr. YOUNG, that there be a time limitation on any amendment of 1 hour, that there be a time limitation on any amendment dealing with the B–1 of 2 hours, that there be a time limit, if there is an amendment dealing with the civilian firing range, of 2 hours, and that the agreement be in the usual form as to the division and control of the time.

Mr. ALLEN. Mr. President, reserving the right to object, it is my purpose, when a request is made that the bill be laid before the Senate and that the Senate amendments be adopted as the original text, to object to the adoption of certain of the committee amendments. I would be glad to specify for the record, and as to those amendments I would reserve an objection and make an objection to a time limit on those amendments. But if the unanimous-consent request is modified to include my request, I will have no objection.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. I will give the areas I have in mind. I am not being capricious about this matter.

As the Senate knows, on an appropriation of this sort, most of the——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Will the Senator simply evaluate the amendments? I would like to get on with the legislative appropriation bill.

Mr. ALLEN. I should like to explain why I am doing this, and I ask 2 minutes to make the explanation.

Mr. ROBERT C. BYRD. Of course, I am not going to object to that.

Mr. ALLEN. I appreciate the Senator's courtesy.

Most of the amounts in an appropriation bill are covered in the report rather than in the bill itself. They might have an item of $8 billion or $7 billion and no way to reach it because the matter is covered in the report itself. So it is necessary sometimes to amend several sections in order to cover a one-line item.

As to the amendments I am going to ask not be agreed to—of course, if this request is not made, I still want to object to these amendments when they come up—there are two amendments resulting in reductions for the Civil Air Patrol. That is reached at two points in the bill. There is an amendment or amendments resulting in a reduction for the BMD program. Then there is an amendment adding section 857 to the bill and the amendments resulting therefrom, changing appropriations at various points in the bill.

I request that there be no time limit on these amendments or amendments thereto. It is not my purpose to hold up the Senate, but because of the intricate nature of the amendments, it is necessary that I have some flexibility. I am hopeful that most of these matters can be worked out with the managers of the bill.

Mr. STENNIS. Mr. President, if the Senator will yield, I ask the Senator to repeat the second item he mentioned.

Mr. ALLEN. The second item is the amendment resulting in reduction of the BMD program in the bill.

Mr. ROBERT C. BYRD. Mr. President, I modify my request as follows:

That the 1-hour limitation on those four amendments may be waived by Mr. ALLEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. There would be no limit in these areas, then.

Mr. ROBERT C. BYRD. There will be, unless the Senator from Alabama waives on Monday. It is within his power to vitiate the 1-hour limitation on any one of those four.

Mr. ALLEN. I thank the Senator.

Mr. ROBERT C. BYRD. I have talked to the distinguished Senator prior to this. As he has stated, he has no intention to delay the Senate. He simply wants to be protected in this regard; and this request, as it is now modified, would amply provide that.

Mr. ALLEN. I thank the distinguished majority leader, and I thank the distinguished manager of the bill, Mr. STENNIS. I tried to find an opportunity to talk to Mr. STENNIS about some of these matters, but, as we know, he has been heavily burdened with other legislation.

Mr. HART. Mr. President, will the majority leader repeat the part of the request having to do with unspecified amendments? Was there an hour?

Mr. ROBERT C. BYRD. A 1-hour limitation.

Mr. HART. On all those that the majority leader did not specify—generally?

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with further respect to the Department of Defense appropriation bill, that there be a time limitation on any amendment to an amendment, debatable motion, appeal, or point of order, if such is submitted to the Senate or if debate is entertained thereon by the Chair, of 30 minutes to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 7933 (Order No. 304), the Department of Defense Appropriation bill, debate on any amendment in the first degree (except any amendment dealing with the B–1, on which there shall be 2 hours; any amendment deleting funds for the Civilian Firing Range, on which there shall be 2 hours; and the following committee amendments, on each of which there shall be a one hour limitation unless the limitation is disapproved by the Senator from Alabama (Mr. ALLEN): two amendments resulting in the reduction of funds for the Civil Air Patrol; amendments resulting in the reduction of funds for the BMD Program; and an amendment adding section 857 and any amendment changing appropriations, occasioned by adding section 857) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Senator from Arkansas (Mr. McClellan) and the Senator from North Dakota (Mr. Young): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendments, debatable motion, appeal, or point of order.

(July 15, 1977)

ORDER FOR CONSIDERATION OF DEFENSE APPROPRIATION BILL ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, following the special orders for the recognition of Senators, the Senate proceed to the consideration of the Defense appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10:30 A.M. ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10:30 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators, and I particularly thank the distinguished Senator from Kentucky (Mr. HUDDLESTON) and the distinguished Senator from Pennsylvania (Mr. SCHWEIKER) for their patience.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

CLINCH RIVER BREEDER REACTOR

Mr. BAKER. Mr. President, I make one observation to the distinguished majority leader for the purpose of scheduling the work of the Senate.

As he knows from our pevious conversation, it had been my intention at some point to move for the discharge of the Appropriations Committee from further consideraion of a resolution of disapproval of a deferral message transmitted to the Senate by the President of the United States dealing with the Clinch River breeder reactor.

I say to the majority leader that I have now talked to Dr. Schlesinger and he, in turn, has talked to other representatives of the administration. We have reached an agreement now on how the proposed deferral will be handled, so that the deferral as suggested by the President is not interpreted as a cancellation of the project or used as the basis for significant reduction of personnel until Congress has worked its will in the matter of the Clinch River breeder reactor.

I advise the majority leader that I have no intention to ask for the discharge of the committee, as provided in the rules or otherwise, to proceed with the resolution of disapproval.

Mr. ROBERT C. BYRD. I thank the minority leader.

LEGISLATIVE APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7932.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. SCHWEIKER, Dick Vodra: Mr. HART, Howard Sherlock and Don Smith; Mr. PROXMIRE, Ron Tannen and William Kincaide.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc and that the bill, as thus amended, be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Without objection, it is so ordered.

TOTAL OF THE BILL

Mr. HUDDLESTON. The total amount of the bill is $991 million which is within the $1 billion ceiling established for the bill in the First Concurrent Resolution and $143 million below the budget estimate.

WEST FRONT

The principal item of decrease relates to the budget request of $55 million for extension of the West Front of the Capitol. This item has been deleted from the House bill. Instead, the Senate bill includes language authorizing the Architect of the Capitol:

To conduct a study of space utilization in the Capitol with a view to identifying those activities which could be removed, for example, document rooms, libraries, and so forth to the Senate and House office buildings; and

To prepare drawings and specifications on each of the seven alternative proposals for restoration so that precise cost estimates can be ascertained. Testimony before the committee included restoration suggestions ranging from $3 million to $45 million.

"CONGRESSIONAL" PAY RAISE

The so-called "congressional" pay raise of March 1, 1977, also raised salaries in the executive and judicial branches. The total cost government-wide will be $118.6 million of which:

$96 million will be for raises for executive branch employees;

$14.8 million will be for judicial branch employees; and

$7.8 million will be for legislative branch employees.

The total maximum cost of the Senate pay raises is $2.25 million. However, in most cases actual raises fell far short of the maximum allowable. Consequently, the committee is recommending that virtually all fiscal year 1977 costs associated with the March 1 pay raise be absorbed through savings. This is comparable to the position being taken by the Carter administration for the executive branch.

For example the committee is recommending against the 1977 supplemental budget request for $828,400 in new budget authority to cover the Members' pay raises for the remainder of this year. Instead, the committee has included language in the bill authorizing the Secretary of the Senate to pay the Members' salaries for the remainder of fiscal year 1977 out of savings in other Senate accounts.

My colleagues may also be interested to know that the President signed S. 964 late Monday. This legislation provided that the salaries of Members and high-level Federal employees shall not be increased by the next pay comparability adjustment scheduled for October 1, 1977.

CONSOLIDATION OF SENATORIAL ALLOWANCES FOR EMPLOYMENT OF PERSONNEL

The Official Conduct Amendments of 1977, S. Res. 110, requires the committee to look into the various senatorial allowances. Section 111 of the bill merges clerk-hire with so-called S. Res. 60 allowances, while retaining the S. Res. 60 provisions for accessibility to committee files and meetings and certain reductions for committee chairmen and ranking minority members. The effective date is October 1, 1977.

OFFICIAL OFFICE EXPENSE ACCOUNT

S. Res. 110 requires the committee to look into office expense accounts. The committee has received suggestions from most of the Members on possible adjustments.

Currently, Members may be reimbursed for seven categories of expenses. The bill would add per diem and travel for Members and staff in the United States on official business; travel on official business in Washington, D.C. and in the vicinity of the home State office; and set aside one-tenth of each Member's allowance to meet any other official office expense.

In addition, each Senator would be eligible for two WATS telephone lines to be paid out of the contingent fund of the Senate. Although the consumer price index has risen 42.5 percent since these allowances were last adjusted, the committee is recommending a more modest 10-percent increase. The effective date of the increase and the WATS telephone line provisions are January 1, 1977.

The other provisions would be effective upon the date of enactment. Even with these increases in allowances, the committee has been able to reduce the 1978 budget request for Senate activities by $12 million—from $166 million to $154 million.

REDUCTIONS AND ELIMINATIONS OF "PERKS"

The bill eliminates funds for several so-called "perks" that have traditionally been provided Members—although many were not aware of some of them. Among items eliminated are free shaving mugs, hairbrushes, combs, and shipping trunks for Senators. The bill also requires that the personalized name stamping on the Congressional Directory be cut back and that a supplement be printed during the second session of Congress for a savings of approximately $400,000 per Congress.

Free copies of the CONGRESSIONAL RECORD are reduced from 100 to 50 for each Senator and designated recipients are limited to public agencies and institutions for an annual savings of $500,000. The bill also eliminates a requested $250,000 subsidy for the Senate Restaurant, with the intent of balancing the budget through price increases and improved management, while protecting the jobs of the employees during recesses and adjournment.

The 34 elevator operator jobs on automatic elevators have been phased out at a savings of $292,000.

The bill also provides for the Joint Committee on Printing to conduct a study and take a good hard look at the so-called free and subsidized distribution of Government publications—with a goal of eliminating unnecessary and wasteful printing expenditures.

CONCLUSION

Mr. President, I do not believe it is necessary to go into further detail on this

bill. I shall be pleased to answer any questions the Members may wish to pose after I yield.

Before yielding, however, I should like to compliment my colleague, the senior Senator from Pennsylvania and ranking minority member of the subcommittee, Senator SCHWEIKER. He was faithful in his attendance during the long hours of the hearing process. During the discussions and meetings preceding the markup of the bill, I found his experienced advice to be sound and very helpful to me in my first year as chairman of the Legislative Branch Appropriations Subcommittee. His counsel was especially helpful in our efforts to eliminate unnecessary expenditures, such as the $292,000 reduction in the bill associated with eliminating 34 elevator operators on automatic elevators.

I now yield to the ranking minority member of the subcommittee, Senator SCHWEIKER.

Mr. SCHWEIKER. Mr. President, I thank the distinguished chairman of our subcommittee for yielding, and I also want to say I think he has done an outstanding job in bringing this bill to the floor in view of some difficult features which originally were involved in this bill.

Mr. President, I thank the chairman for his very able summary of this bill. Before making a very brief additional comment, I want to take this opportunity to commend the Senator from Kentucky for the excellent job he has done in his first year as chairman of the Subcommittee on Legislative Appropriations. His task is largely a thankless one. Yet he has brought to it a very noticeable dedication and has devoted many, many long hours to it. It is a pleasure to work with the Senator.

Mr. President, I do want to stress a few things about this bill. We have tried hard to find the fat and eliminate it. Many requests have been trimmed back. In addition, we have gone after some of the perquisites which Senators have been able to receive for years and for which there is no justification. The free shaving mugs, hairbrushes, combs and shipping trunks will be no more. We have not allowed any funds to subsidize the Senate Restaurants because we feel they should be paying their own way. Under the able new management, the restaurant deficits have been coming down, but we are not providing for any for fiscal year 1978. We have cut in half the number of free subscriptions to the CONGRESSIONAL RECORD which a Senator can dispense and have restricted distribution of the remaining subscriptions to public agencies and institutions.

I want to call Senator's attention, also to the savings achieved as the result of our move last year, led by the Senator from Oklahoma (Mr. BARTLETT) with my strong support, to cut back on the force of elevator operators used to operate automatic elevators. Annual savings of $293,400 for 34 positions will now be realized.

Mr. President, the distinguished chairman summarized in detail our efforts to bring out a responsible measure, which he had a great deal to do with, and I want to commend him for that and to stress these points.

Mr. President, I concur in the comments of the distinguished chairman of the Legislative Appropriations Subcommittee, Mr. HUDDLESTON. I also want to commend the chairman for his detailed inquiry into the activities contained in this bill and his keen insight in recommendng the funding levels for the various activities contained in the bill.

Mr. President, we have all been plagued by the high rate of inflation over the past few years. This inflation has impacted on the items in this legislative appropriations bill just like it has on our individual expenditures, businesses and other Government agencies. It was this inflationary effect that resulted in the estimates for this bill to total $1,134,721,600. This could be called the first year for a bilion dollar Congress. However, as the chairman has indicated, the subcommittee has been able to reduce the funding in this bill to less than $1 billion.

Mr. President, the $991.2 million recommended in this bill includes funding for not only the Senate but many other activities. For purposes of comparison I would like to mention these activities so that our Members will understand not only what is in the total bill but how much is being spent on the Senate alone. The committee has recommended $153.2 million to provide for the salaries and all of the activities of the Senate. This compares to $282.6 million for the House of Representatives. The joint committees and other joint activities of the two houses require $57.1 million. The committee has recommended $49.3 million for the Architect of the Capitol and $71.6 million for the Government Printing Office. Funding for the Library of Congress, including the Congressional Research Service, amounts to $151.5 million. Lastly, the General Accounting Office will require $167 million for fiscal year 1978.

Although the above list does not include some of the smaller items that are funded in this bill, I believe that the Members can compare the costs of the Senate to the major activities that are funded in this bill.

Mr. President, the chairman of the subcommittee has provided in detail items of interest relative to the necessary allowance for the Members of the Senate to carry out their responsibilities. Unfortunately, we are not able to make provision in the bill to accommodate all of the Members' requests. It is hoped, however, that we have satisfied the most pressing needs of our colleagues.

I urge all of my colleagues to support the bill as recommended by the committee.

I thank the Chair.

Mr. BARTLETT. Mr. President, I would like to commend the members of the Senate and House Appropriation Committees for carrying through the amendment which I added to the Legislative Appropriation Act of 1977, Public Law 94–440. This amendment provided for the reduction of elevator operators in the Capitol complex by 62 positions.

I note that as of this date the total has been reduced by 51 positions, leaving only 11 slots to be eliminated by attrition. The resulting saving at this point is $415,500.

I am not introducing an amendment to this legislative appropriation bill because it appears that the elimination of the additional 11 positions will be carried out. Of course, it is important that we continue to review this situation to determine if additional cuts can and should be made after this first reduction is complete.

Again, I would like to particularly thank the floor manager of this bill, the members of the subcommittee, and the members of the full committee for their efforts in this reduction.

Mr. President, I ask unanimous consent to insert the report of the Architect of the Capitol on the Status of Elevator Operator Positions in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ARCHITECT OF THE CAPITOL—PATRONAGE BREAKDOWN, FISCAL YEAR 1978

	As requested		Base reduction		Available for 1978		Limitation of positions	Additional positions to be abolished	
	Positions	Amount	Positions	Amount	Positions	Amount		Positions	Amount
Capitol buildings	52	$430,600	6	$50,600	46	$380,000	46		
House side	(22)	(185,800)			(22)	(185,800)	(22)		
Senate side	(30)	(244,800)	(6)	(50,600)	(24)	(194,200)	(24)		
Senate office buildings	48	422,200	28	236,900	20	185,300	16	4	$33,800
House office buildings	52	439,000	71	143,500	35	295,500	28	7	59,100
Total	152	1,291,800	51	431,000	101	860,800	90	11	92,900

Note: Figures in parentheses equals nonadd.

ELEVATOR OPERATORS

The Legislative Branch Appropriation Act, 1977, Public Law 94–440 approved October 1, 1976, contains the following provision:

AUTOMATIC ELEVATOR OPERATORS

No part of the funds appropriated under this Act shall be used for the payment of compensation for more than forty-six elevator operator positions under the heading "Architect of the Capitol, Capitol Buildings"; sixteen elevator operator positions under the heading "Architect of the Capitol, Senate

Office Buildings"; and twenty-eight elevator operator positions under the heading "Architect of the Capitol, House Office Buildings": Provided, That such provision shall not be applicable to present incumbents of elevator operator positions."

Originally there were 152 operators assigned to the Legislative group of buildings and Public Law 94-440 requires that this number be reduced by 62 positions, leaving a total of 90 operators.

The number of operators in the House Office Buildings will be reduced from 52 to 28 positions, a reduction of 24 positions; in the Capitol from 52 positions to 46, a reduction of 6 positions; and in the Senate Office Buildings, from 48 positions to 16 positions, a reduction of 32 positions.

As of this date, 51 positions have been abolished, leaving a total of 11 positions to be abolished, through attrition, pursuant to Public Law 94-440.

Funds in the amount of $430,000 are included in the bill for operators in the Capitol, and $296,000 for operators in the House Office Buildings, a total of $726,000. These funds will be used to employ elevator operators who are assigned to elevators located at strategic points in the Capitol Complex. Those areas include elevators which are for general use, except when they are restricted to Member use during voting periods and Roll Calls. It is imperative that the use of these elevators be restricted if Members are to be expected to reach the Chamber in time to vote. Operators are also required in areas where there is a heavy concentration of traffic such as occurs at the Capitol end of the Rayburn Subway, and the north side of the Longworth Building. On the House Side of the Capitol, there is one elevator, for example, that serves a passenger-freight function by providing service to the House Administration Committee on the third floor and the House Document Room storage area on the fourth floor. Because of the urgency of Committee business, it is necessary to have an operator on the elevator to prevent the elevator from being monopolized by trucks carrying material to the storage area.

The need for elevator operators is greatest at the heavily traveled areas of the buildings and on those elevators which are dedicated to general use, except during voting periods when they are reserved for Members only, and operators will be assigned to elevators located in those areas.

UP AMENDMENT NO. 671

Mr. CURTIS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER (Mr. ALLEN). The clerk will please state the amendment.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS) proposes unprinted amendment No. 671.

Mr. CURTIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, after line 24, insert the following new section:

Section 113: Notwithstanding any other provision of law appropriated funds are available for payment to an individual of pay from more than one position, each of which is in the office of a Senator and the pay for which is disbursed by the Secretary of the Senate, if the aggregate gross pay from those positions does not exceed the amount specified in section 105(d)(2)(ii) of the Legislative Appropriations Act of 1968, as amended and modified.

Mr. CURTIS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I will only take a very few minutes to explain the amendment. I understand the vote will be Monday.

The purpose of this amendment, Mr. President, is to allow an employee to be on the payroll of more than one Senator. I believe it will be a matter of economy. It will be a matter of efficiency.

The best argument I can make is to give a few illustrations. Suppose two Senators from one State wish to operate an office in the State and they are willing to do it with one employee. They can put that employee on the payroll for a given amount, each one, and the total is his pay.

The amendment provides that it is subject to the same aggregate limits of all others.

I can cite another illustration. Suppose three or four individuals want some research done. It may be in the field of taxation, it may be environment, it may be in some other line. They are not able each one to hire an expert. Maybe they do not have the funds. Maybe there are not that many competent people available. It also might well be true that each Senator did not have a need for a full-time employee. So this would permit, say, three or four or more Senators to pick out an employee, and if his salary was to be $20,000 a year, and there were four of them participating, they could put him on the payroll, each one of them, for $5,000. It would be subject to all the rules and limitations as if he worked for one.

Mr. President, the question arises why can they not do that just by rotating? Well, it may well be that someone wants to participate in the services of a special employee, and he does not have enough money left in his allowance so that he can put the employee on for a full month. Even if he does that, under the present cumbersome arrangement if four Senators wanted to utilize the services of one staff member, and it happened that all four could afford to put him on for the entire month, it means all that paperwork in the disbursing office to transfer him from one payroll to another month after month.

This is a matter of economy; it is a matter of efficiency; it is a practice that has prevailed in the House of Representatives all through the years.

There is not any chance of any abuse of it any more than any other payroll. I assume that an incompetent or a person who does not perform very much work now and then can get on a payroll. I think the chances of it occurring under this arrangement are less because there would be more than one person directing and watching his services.

I think it is a reasonable request. I do not believe there is any logical argument against it. I think it will save money, it will save paperwork. It will provide Members with some expert services that they otherwise could not get.

I am thoroughly convinced that in the operation of home State offices where two Senators wish to employ one person it will be a great saving because it will be saving in other matters than just the salary.

Mr. President, that is all I wish to say about it. All the arguments that are presented to the effect that it is hard to administer are just so many words. The House of Representatives has been doing it all through the years, and it has caused no problem.

Mr. President, I yield the floor.

Mr. HUDDLESTON. Mr. President, the subcommittee considered the proposition that has been offered by the distinguished Senator from Nebraska. We recognize that it is being done now on a limited basis through the rotating plan, but we were constrained to feel that a major move such as this, regarding the employment of personnel of the Senate, required a considerable amount of study.

There are several problems that will immediately come to mind on this proposition. For one thing, if the total gross annual salary is to exceed $11,050 then the dual compensation law would have to be amended, a law which prohibits an individual from being on two or more Senate payrolls concurrrently.

Second, we felt that hearings ought to be held on what all the ramifications and potential problems might be; whether or not a group of Senators could form something of a shadow committee employing their own personnel, what it might lead to, was just not clear to us and, consequently, we feel like we have to oppose this suggestion at this time.

There are other administrative problems that are immediately at hand. The payroll mechanism of the Senate is not set up so that it can accommodate payment being charged to two or more Senate offices for one employee.

So, we would oppose this amendment as being in our judgment at this time not clearly defined enough as to its ramifications and not being in the best interest of the efficient operation of the payroll system of the Senate.

Mr. CURTIS. Mr. President, may I be recognized?

The PRESIDING OFFICER. Yes.

Mr. CURTIS. There is one additional illustration I shall present.

Suppose the minority members of a committee wanted to hire someone to assist all of them. Take, for instance, the minority members of the Finance Committee. Suppose we had need for an actuary. Certainly we do not need seven or eight actuaries. The minority does not have as many employees by a long ways as the majority. This would enable the members to select one and to prorate the cost.

In this day and age when you can do anything with computers and machines, and so on, I am astounded that any Senator would stand here and say you have administrative problems.

There is not any administrative problem to have four Senators paying an employee $5,000 each. I think a good sixth

grader could work that out. It is not very difficult mathematics. He could probably record it and carry it out.

I wish that we could dispel this idea that there would be shadow committees put up. No such thing at all. This is for working staff of the Senate. It is to enable Senators from the same State to establish an office in their State. The distinguished Senators from New Mexico are not here right now, but I am offering this today at the request of one of them because they are in the process of establishing some offices in their State along this line.

It saves a lot of expense. It saves telephone expense. It saves space. It is a saving of time, and I am sure a saving in the salary itself to have two Senators rely on one employee.

Two years ago this amendment was offered. There was whispering around this Chamber that it was something sinister, that it was to help a Presidential candidate. It was all nonsense. It was not true. But you could not stop it.

All I am asking for is the same thing the House of Representatives is doing.

Mr. President, I hope that by the time the roll is called on Monday Members will have a chance to read the RECORD because this is a reasonable request. It does not increase the expenses by one dime. I am thoroughly convinced it will save money.

Mr. CRANSTON. Mr. President, I assume that time is concluded on this amendment.

Mr. HUDDLESTON. I wish to make one further response if the Senator will yield.

Mr. CRANSTON. I yield.

Mr. HUDDLESTON. The reason why we find difficulty in adopting the automatic payroll system to conform to the suggestion that the Senator made, is that the automatic payroll system is set up to conform with the law—which prohibits dual compensation. The law does not permit what the Senator suggests to happen. We are not dealing with a legislative act here. We are dealing with an appropriations act. What the Senator suggests requires the amending of two different laws.

There also have been suggestions by those who are supporting the amendment of the Senator from Nebraska that perhaps a congressional delegation, the Senators and Representatives from the same State, might want to join together and employ a person. This opens up all kinds of difficulties and problems that we can foresee.

Mr. CURTIS. That is not in the Senator's amendment offered today.

Mr. HUDDLESTON. It is not in the amendment, but it is leading down the road. Until we can have some hearings to determine precisely what the ramifications of this amendment might be, I think it would be unwise for the Senate at this time to open this door, particularly when the Senate has already gone a long way to provide every Member of this body with personnel for each committee that he serves on. That is the old so-called Senate Resolution 60 personnel. In this bill itself we are liberalizing the office expense accounts to the extent of 10 percent. So additional funds are available to each Senator.

Consequently, on behalf of the subcommittee I have to say that we do not believe that is a wise course to take at this time.

Mr. CURTIS. Mr. President, I shall not take a great deal longer. But we are not asking for more money. This is a matter of better utilization of the money that is spent. It is a matter of economy. It is a matter of cooperative work for better results. And I cannot understand the stubborn resistance of the subcommittee to a proposal as reasonable as this. It is a very reasonable proposal.

Mr. President, I have nothing further to say on it, but I do believe that those on the subcommittee who are opposing this are misguided in it. It has not caused any problem in the House of Representatives. It is a reasonable request. It is in the interest of saving money, securing better help, and is a matter of efficiency and convenience.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time.

Mr. CURTIS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The vote on this amendment under the unanimous-consent agreement will occur at 4 p.m. on Monday.

The Chair recognizes the distinguished Senator from California (Mr. CRANSTON).

AMENDMENT NO. 509

Mr. CRANSTON. Mr. President, I call up amendment No. 509 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) for himself, Mr. BENTSEN, and Mr. PACKWOOD, proposes amendment No. 509.

On page 28, line 6, beginning with "other", strike out all through "expenses" in line 7 and insert "such other official expenses as the Senator determines are necessary".

Mr. CRANSTON. Mr. President, I shall explain this amendment very, very briefly.

Its purpose is to make explicit that the Senator himself, each Senator, has the authority to decide what are the legitimate expenses to be paid from the new category of the official office expense account entitled "Other Official Office Expenses."

The committee's purpose in setting up this new category was to allow Senators to decide what other expenses are necessary and legitimate to run their offices and to cover the variety of official business expenses which presently do not fall within the enumerated categories.

Our amendment makes the committee's intent totally clear and beyond any question or doubt.

I applaud the committee's action in taking steps to get away from the arbitrary list.

I understand that the committee is prepared to accept this amendment. I thank Senator BENTSEN and Senator PACKWOOD for their cooperation in offering this, and some 50 other Senators who joined in a general position, much of which has been adopted by the committee, for which we thank the committee very much, and we do have three amendment that cover somewhat modest points that are not fully covered by the committee. Some points they did not cover we are not seeking to cover by amendment.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield to my good friend and colleague from Texas.

Mr. BENTSEN. I join with my distinguished colleague from California and thank the Senator from Kentucky, Senator HUDDLESTON, and the Senator from Pennsylvania, Senator SCHWEIKER, for their efforts, first, to hold down the increases in the cost for the Senate offices and also to give us increased flexibility, when we are charged with exercising the judgment of the expenditures of billions of dollars for our Nation, and to speak for the fact that we have severe limitations on any discretion as to how we handle the expenses within the office on legitimate expenses. I am delighted to see that this kind of correction is being made and am appreciative of the efforts of the manager of the bill and minority manager of the bill.

Mr. HUDDLESTON. Mr. President, I have reviewed this amendment by the Senator from California. It is clarifying language that I think is appropriate, and we are prepared to accept this amendment.

I point out that there is a requirement that these expenditures be strictly accountable and filed by invoice and voucher with the Secretary of the Senate and published in a report twice each year.

I think the possibility for abuse of this section is very remote.

Mr. BENTSEN. Mr. President, as I understand it, he is also restricted against the utilization of it for anything such as entertainment expense; just necessary Government expenditures?

Mr. CRANSTON. The Senator is correct. No entertainment, no meals.

Mr. SCHWEIKER. Mr. President, I join with the chairman of the committee in accepting this amendment. I commend the Senator from California and the Senator from Texas, because they have been in the forefront of this effort to provide all Senators, particularly newer Senators, a better opportunity to manage their accounts and their offices in a businesslike way, and improve the efficiency of their work. I think this is a worthy effort, and I join in accepting the amendment.

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. I yield back the reaminder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

AMENDMENT NO. 510

Mr. CRANSTON. Mr. President, I call up my amendment No. 510.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself, Mr. BENTSEN, and Mr. PACKWOOD, proposes amendment No. 510:

On page 27, after line 22, insert the following:

"(2) by striking out 'procured through the State stationery room' in paragraph (2);".

On page 27, line 23, strike out "(2)" and insert "(3)".

On page 28, line 20, strike out "(3)" and insert "(4)".

Mr. CRANSTON. Mr. President, this seems to be a quite minor matter, and it really is, and yet it is one that has caused difficulty to Senators time after time and year after year.

All it does is permit Senators to be reimbursed for stationery and office supplies purchased outside the stationery room.

The stationery room—from time to time—does run out of supplies. Should a Senator who needs those supplies immediately be forced to wait for the stationery room to obtain them—which sometimes takes considerable time—instead of simply going outside to a stationery store to buy the supplies at the time they are needed, when they can be obtained elsewhere?

The stationery room does not carry every item in stock. Shouldn't a Senator who finds that he needs an unstocked item be able to go to an outside stationery store to get the item?

Generally, the stationery room is cheaper than a private stationery store.

However, certain items occasionally may be purchased more economically in the open market—especially when they are purchased in bulk. Should not a Senator be able to choose to purchase the cheaper supplies?

Under present regulations the Senator cannot be reimbursed when he goes to a private stationery store to obtain supply items, even though they may be legitimate and necessary office expenses.

A Senator receives, as we all know, a limited office expense allowance. Under those circumstances, a Senator is going to be very careful and prudent with regard to how he spends those funds. Limiting his stationery purchases to the Senate stationery room is unrealistically restrictive and does not encourage the most prudent use of Senate funds.

That is the reason for the amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. CRANSTON. I am delighted to yield.

Mr. ROBERT C. BYRD. Has this amendment been discussed with the chairman of the Rules Committee (Mr. CANNON)?

Mr. CRANSTON. No, it has not.

Mr. ROBERT C. BYRD. The reason why I ask the question is that I am a member of the Rules Committee, and I have the feeling that this amendment ought to be discussed with the members of the Rules Committee.

Mr. CRANSTON. The reason why I did not do so is that this measure came direct to Legislative Appropriations, and the Rules Committee chairman was aware of certain matters that we are bringing up here, which we first set forth in a letter that was signed by some 50 Senators. The chairman was aware that the whole matter was going to go over to the Legislative Appropriations Committee for its approval, and then to the Senate floor, and he raised no objection to it going that way.

Mr. BENTSEN. Mr. President, will the Senator yield for a comment?

Mr. CRANSTON. Yes.

Mr. BENTSEN. I rise in support of the amendment. I had a specific case some time ago where I obtained some bids on some stationery items, and found I could have obtained them substantially cheaper than had I bought them at the Senate stationery store.

If we are going to have proper exercise of the authorization of this expense account, it seems we should not be locked in to having to buy at the company store. In addition, I think the company store ought to have the discipline of that kind of competitive purchasing by Members, particularly where we do not find the item in stock, or the Member will find he can buy it cheaper elsewhere. We ought to be able to get the best buy we can for the taxpayers, and in expending our stationery allowance.

Mr. CRANSTON. The Senator has added a very helpful point, and I thank him for his support.

Mr. HUDDLESTON. Mr. President, we find, again, that we have to oppose the amendment by the Senator from California, although I recognize that he, along with the Senator from Texas and many others, has worked hard at trying to make the office allowances more flexible and more usable by the Members of the Senate.

However, we find here a situation where the major way that the Senate has of controlling expenditures is through purchases through the stationery store. I know there are occasions when the stationery store may be out of various items. We have discussed this with the Secretary of the Senate, He assures us that the facilities there are going to be expanded, and the likelihood of them being out of the articles will be less and less as time goes on.

The new 10-percent requirement that we are adding into this bill—that is, each Member having 10 percent of his total office allowance to use as he determines is best suited for his office operations—gives some leeway and some opportunity to do just what the Senator from California is requesting.

He says, of course, that no Senator would abuse this privilege, that he would not favor a contracting friend or a particular seller in his purchases, and I do not dispute that. But, you know, there is an old adage that even an honest man arouses suspicion when he stoops to tie his shoelaces in a melon patch. We are in a melon patch here, in the public eye, and I think it is essential that we make every effort to assure that these opportunities for abuses do not occur unless it is absolutely essential to an efficient operation.

I do not believe, in this case, that this proposal is essential. I think there is enough leeway with the 10 percent that we are allowing for flexible operation, and I think the potential for abuse is just too great to move in this direction at this particular time.

Mr. CRANSTON. Mr. President, I would like to point out that if the melon patch is in the Senator's home State, he is permitted to stoop, and he is more apt to have friends and cronies and people in business from whom he would like to buy things in his home State than he is around Washington.

The present law says that reimbursement to each Senator for official office expenses incurred in his State—other than equipment and furniture—is permitted. So you do not have to buy from a stationery store, in Kentucky or California or elsewhere.

Mr. HUDDLESTON. The reason for that, of course, is that the stationery store is somewhat nonaccessible to the operation of an office out in the State.

Mr. CRANSTON. Did the Senator receive any assurances from the stationery store that they would be more cooperative than I gather they have been in the past in procuring items they do not carry in stock for Senators who may need the items?

Mr. HUDDLESTON. I think this is a matter that should be taken up with the Rules Committee, and a determination made as to what items might be more essential.

Mr. BENTSEN. Mr. President, I would say to the distinguished Senator from Kentucky that all one has to do is go over to the stationery store of the House of Representatives and see the vastly expanded number of different types of things that should be used within an office available there, as compared to what we have in the Senate stationery store.

If we had the discipline of the outside competition, perhaps we would find that we had a better source of supply.

Mr. HUDDLESTON. Let me just say that from my observation there might be a serious question as to whether or not the Senate wants to establish a commissary or department store for the use of its Members, or whether we want to try and stick to items which are normally believed to be essential in the operations of an office. This is an area, I think, which is open to serious abuse if we are not very careful how we handle it.

It is the opinion of the committee that we ought to hold the line here to the fullest extent possible, while at the same time giving the Member the 10-percent leeway that they have if he cannot find items in the store that are suitable to him. He has the 10-percent which will range anywhere from $4,000 to $14,000. That seems to us to be adequate at this time.

Mr. CRANSTON. If the Senator will yield, I would like to say I do not think this is such a momentous matter that we should have a rollcall vote on it. I am trying to discourage rollcall votes. I would be happy to go by whatever decision we get on a voice vote, but I have not counted the votes.

Mr. ROBERT C. BYRD. Mr. President, I recognize the arguments in support of the amendment. I am a little concerned about the amendment. As a member of the Rules Committee, I would have to say

that it is all right with me to go to a voice vote, depending on the outcome. Otherwise, I would be constrained to ask for the yeas and nays on this amendment, Mr. President.

The PRESIDING OFFICER. Does the Senator request the yeas and nays?

Mr. ROBERT C. BYRD. I do not yet. I am waiting to see what happens.

Mr. CRANSTON. I would suggest that we let it go over until Monday, like other amendments. Perhaps we can talk to the chairman of the Rules Committee in the interim and perhaps resolve the matter.

Mr. BENTSEN. And perhaps we can get some assurances as to what is going to be done with that stationery store, whether they are going to give us a full line of supplies, such as the House supplies.

Mr. ROBERT C. BYRD. I believe that would be appropriate.

ORDER FOR YEAS AND NAYS ON AMENDMENTS AND TABLING MOTIONS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order on Monday to order the yeas and nays on any amendment which is carried over and on any tabling motion which may be made at that time.

The PRESIDING OFFICER. Is there objection to the request? Hearing no objection, it is so ordered.

Mr. CRANSTON. I would like to add one point. We do not want any big department store on Capitol Hill, obviously. I am prepared to yield back the remainder of my time.

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the vote will occur on Monday.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Indiana.

LEGISLATIVE APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7932.

AMENDMENT NO. 508

Mr. CRANSTON. Mr. President, I have one further amendment, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself, Mr. BENTSEN, and Mr. PACKWOOD, proposes amendment No. 508.

On page 28, line 16, strike out "ten" and insert in lieu thereof "fifteen".

Mr. CRANSTON. Mr. President, my amendment No. 508 would increase the percentage of a Senator's total office account which can be spent in the new discretionary category from 10 to 15 percent.

Let me stress immediately that this amendment in no way increases the total amount of office expenses a Senator receives.

It in no way increases the appropriations.

All it does is give a Senator greater flexibility in determining how his official office funds are expended.

When Senator BENTSEN and I introduced S. 1275, we argued that Senators should be able to decide what are legitimate expenses to be paid for from their official office accounts.

The current practice of limiting our expenditures to an arbitrary list—based on outdated traditions and subject to interpretive rulings by various Senate employees—is absurd.

Fifty six of our colleagues joined us in a letter to the distinguished chairman of the Legislative Appropriations Subcommittee urging that the principle of Senatorial discretion be applied to a Senator's total office account.

The Appropriations Committee's response has been to provide that 10 percent of a Senator's official account can be expended in the manner we suggested.

Appropriate safeguards and disclosure requirements are included in the committee bill.

I for one am willing to accept a less than 100 percent figure because I believe a year or two experiment with allowing Senators to decide how a portion of their official office accounts are spent will convince Senators that this principle can be extended to the entire office accounts.

This experiment will demonstrate that Senators will expend official funds wisely, prudently, and with self-discipline.

It will demonstrate that press and public scrutiny of the detailed reports of expenses reimbursed will be more than adequate to discourage any unreasonable or inappropriate uses of public funds.

It will demonstrate that the current arbitrary and bureaucratic limitations on office account expenditures are totally and completely unjustifiable.

Because I want this experiment with a discretionary fund to prove these conclusions, I feel increasing the portion from 10 to 15 percent will give us a more adequate demonstration of Senators' ability to manage their own office accounts.

There is no magic in any of these numbers; 20 to 25 percent would give us a better test than 15 percent; just as 15 percent gives us a better test than 10 percent.

But I do believe 15 percent is preferable to 10 percent and I urge my colleagues to join in supporting this amendment.

I yield with pleasure to my colleague from Texas.

Mr. BENTSEN. I say to my distinguished friend that he has covered the subject so well there is nothing more I can add than to say that I support him in his efforts.

Mr. CRANSTON. I thank the Senator very much.

Mr. SCHWEIKER. Mr. President, I rise reluctantly to oppose this amendment for a couple of reasons.

I do believe we on the committee made a good faith effort to try to give more flexibility to individual Senators. By setting up the 10 percent official office expense limitation we do permit Senators under the proposal now before us to have an opportunity to have that flexibility, depending on the size of the office account they are entitled to, of any figure from $4,000 to $14,000. It varies by the other allowances they are entitled to and the other conditions which make up the consolidated office allowance. I really think that is a very flexible approach.

We do not know, frankly, whether or not this is going to add a cost to the way of the Senate doing business. I hope it will not substantially change it.

We can make the argument that since it is out of a consolidated allowance it will therefore not raise the cost of it. But I have to believe that certainly some increase will be involved because it does make it more convenient to manage the office more efficiently. While we may save money in the long run it may cost some money in the short run.

I think a prudent and fair way would be to proceed on the basis of the 10 percent figure that the chairman and I have approved and see what that costs, and then take another look at it next year to see if that gives us the managerial flexibility. If it does not, then come back with cost figures. I hate to come in with a new procedure, which I happen to think is an improvement, is constructive and flexible in terms of managing an office, but just increase it to a higher figure until we know what the cost will be.

On the basis of cost and knowing what we are doing, and on the basis that a range of $4,000 to $14,000 gives plenty of flexibility now, I would have to oppose the amendment.

Mr. HUDDLESTON. Mr. President, I join my colleague from Pennsylvania in opposition to this amendment, recognizing that it might seem somewhat arbitrary that the committee settled on a 10-percent figure. I believe this is somewhat of a drastic departure from the system that we have been operating under, the seven categories that have been used to determine office expenditures. We felt that we should, while opening the door, while generally in agreement with the Senator from California and the Senator from Texas and others who have proposed more flexibility—we felt that we ought to experiment some, give this a trial, see what kind of expenditures develop when we take off the restraints, and see whether or not this is the direction that we ought to go in in future years. Certainly, we can, as time goes on.

The argument that this does not cost any more money, of course, cannot always be substantiated, because, while it certainly would not increase the authorization, the likelihood is that it would increase the expenditures, just as would some other suggestions that have been made here this evening as not increasing the costs. All offices do not use all the funds available in these various categories and in the total office operations.

We oppose the amendment, believing that we have taken a major step toward opening up the expenditure processes and the operations of the offices to give the Senators some discretion in how certain amounts of these funds will be spent.

We settled on the 10 percent figure. We believe that is appropriate for this first step. We should like to hold to that figure. Therefore, we oppose the amendment.

I yield back the remainder of my time.

Mr. CRANSTON. I shall be glad to yield back the remainder of mine and maybe decide this on a voice vote. I

would just as soon go with a voice vote.

Mr. HUDDLESTON. Let me check the House. There are not many voices.

Mr. CRANSTON. Very few. More momentous issues than this have been decided with fewer Senators on the floor.

The PRESIDING OFFICER (Mr. GRAVEL). The question is on agreeing to the amendment.

Mr. HUDDLESTON. I should prefer not to decide on a voice vote with so few Members present. I think this is something that we ought to vote on if the Senator feels strongly that he wants a vote. I hope that he will withdraw his amendment and allow us to give this trial year of operation. Perhaps we shall be in a better position next year to extend the program.

Mr. CRANSTON. How would the Senator feel about a compromise at 12.5 percent?

Mr. HUDDLESTON. I think we are getting down now to the nitpicking stage.

Mr. CRANSTON. I am just trying to avoid pushing it, but I would as soon resolve it now, if we can.

Mr. HUDDLESTON. I think the committee—speaking for the committee, and I certainly would be glad to hear from the minority member. I think we gave this a great deal of consideration and, as the Senator knows, met with Members of the Senate who are interested in this item. We thoroughly considered it and agreed on this figure, which was accepted by the full Appropriations Committee and I prefer to leave it there unless the Senate itself holds otherwise.

Mr. CRANSTON. In the interest of accommodation and in recognition of all the progress made in this measure and the serious attention that the committee, led by the two Senators on the floor—the Senator from Kentucky and the Senator from Pennsylvania—have given to the desires of many Senators to improve life in the Senate, and in recognition of all that has been accomplished in those directions, I withdraw the amendment.

Mr. HUDDLESTON. I thank the distinguished Senator.

The amendment was withdrawn.

UP AMENDMENT NO. 672

Mr. HART. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes unprinted amendment No. 672.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following new section:

SEC. 411. (a) Effective January 1, 1978, each member of the Senate and the House of Representatives, each officer or employee of the Senate or the House or of the Congress, and each other individual who is accorded the privilege of parking a private motor vehicle on a permanent or regular basis within an area which (1) is within the Capitol Grounds, or otherwise subject to control by the Senate or House, any officer thereof, or the Architect of the Capitol (including the streets within any such area), and (2) is reserved for parking by such Members, officers, employees, and other individuals shall pay a monthly fee therefor as provided in this section.

(b) Except as provided in subsection (c), such monthly fee shall be—

(1) $10, in the case of an individual whose annual rate of compensation is less than $10,000;

(2) $25, in the case of an individual whose annual rate of compensation is $10,000 or more but less than $25,000; and

(3) $50, in the case of an individual whose annual rate of compensation is $25,000 or more.

(c) Except in the case of a Member of the Senate or the House of Representatives, priority in according parking privileges within any area described in subsection (a) shall be given to automobiles which regularly transport two or more individuals to and from work. The monthly fee for parking any such automobile shall be $10.

(d) The Sergeant at Arms of the Senate and the Sergeant at Arms of the House of Representatives shall each maintain at least one parking lot which shall be available to the individuals enumerated in subsection (a) and to the general public for parking on a daily basis at a fee of $3 per day.

(e) The Sergeant at Arms of the Senate and the Sergeant at Arms of the House of Representatives shall collect the fees required by this section and shall deposit them in the Treasury of the United States as miscellaneous receipts.

(f) For purposes of this section, the term "Member of the House of Representatives" includes a Delegate and the Resident Commissioner from Puerto Rico.

(g) The Sergeants at Arms of the Senate and the House of Representatives may further reduce the fees stipulated above by an additional 25 percent if individuals use "small cars".

Mr. HART. Mr. President, this amendment to the pending legislation is for one principal purpose. That is to establish a system for compensation for parking on the Capitol Grounds. Times change. Some systems that may have made sense in previous times, no longer make sense today.

The Senator from Kentucky, the distinguished floor manager, has cited the fact that the pending legislation has done away with the practice of providing free shaving mugs and hair brushes, combs, and shipping trunks to Senators. While I think that is a very good step for the committee to take, it obviously does not respond to the question of whether it makes sense in the last quarter of the 20th century to provide free parking spaces for thousands of employees who work on the Hill and for the Members of Congress themselves.

Mr. President, what this amendment will do is provide parking charges for all spaces which are owned, rented, or supervised by Congress. The fee would be graduated by the gross income levels of the Members of Congress and their staffs and employees. For those earning under $10,000 a year, there would be a $10 a month parking charge. For those receiving $10,000 to $25,000 a year, there would be a $25 a month parking charge. For those receiving compensation over $25,000 per year, there would be a $50 per month parking charge.

Carpooling would be encouraged. For those cars with two or more occupants, the rate would be $10 per month per car. The same system for allocation of parking spaces that we have today would prevail, so any feeling on the part of those who presently have parking spaces that this amendment will take those spaces away should be dispelled. Members of Congress would be given first priority; carpoolers second priority; and others third priority.

Provision is also made, Mr. President, in the amendment for daily parking rates for staff members, for constituents, and for visitors at $3 per day. Of course, all of us are familiar with the fact that when constituents arrive here, there is no place for them to park their cars if they have driven to the Hill.

What are the arguments in favor of this amendment, Mr. President? First of all, there is a definite necessity in urban life today to reduce the number of automobiles driven in the cities. That includes Washington. We have just gone through 7 days of air alerts. There is no heavy industry in this city. The air quality problems that we have here, that are having direct impact on the health of people who inhabit this community, are almost totally the product of automobiles being driven into the city. Air pollution is a major problem in the urban area of Washington, D.C.

Second, we have an energy crisis on our hands. The President of the United States has talked to us about that. We have all indicated that, one way or another, we believe that his assessment of the situation is roughly accurate. Something has to be done to reduce consumption of energy, particularly refined petroleum or gasoline as combusted in the automobile engine. Any time free parking spaces are offered to anyone, they are being encouraged to drive those automobiles and, therefore, consume more gasoline.

Mr. President, as of the last few weeks, we have a new form of alternative transportation with the introduction of the subway. That subway links parts of northern Virginia to the downtown area of Washington and the northeastern part of the District of Columbia. There is a stop or two on Capitol Hill. That subway is subsidized by the taxpayers of this country. Those same taxpayers are subsidizing the parking spaces given to Members of Congress and Senators and their employees on the Hill. As long as we have that subsidized parking, there is no encouragement to use the new mass transit system.

What do others pay in the urban area for parking? In the downtown parking areas in non-Government parking lots large cars are charged from $60 to $72 a month. Small cars are sometimes given a reduction, so are charged $50 per month.

In Government parking lots only carpoolers can get most of the valuable spaces. Carpoolers, with four or more riders per car are charged about $11 or $12 per month.

According to the Capitol Police there are 8,563 parking spaces controlled by the legislative branch. On the Senate side, there are 3,676 spaces. On the House side there are 4,887 spaces, giving us a total for both Houses of Congress of 8,563 parking spaces.

Mr. President, at an average monthly charge, at the commercial rate in downtown Washington of $70 per month for large cars, those spaces would be worth $7,188,720 per year.

What does it cost, in addition to the lost revenue from not renting those spaces out on Capitol Hill, to administer the system? We are informed by the head of the Capitol Police that, on the Senate side alone, about 78 Capitol policemen cover the 3,676 parking spaces. The cost for those policemen, just to watch over and control parking, is about $1 million a year.

The parking fees that their amendment would require would return about $25 per car, or about $1 million for all the parking spaces on the Senate side. Thus, the parking fees would barely reimburse the taxpayer for the cost of policing the parking lots.

If we were to extrapolate the above figures to include the House side, the revenue to the U.S. Government is estimated at $2 million to $3 million a year.

I do not know what we will save by cutting out the shaving mugs, combs and brushes, but I doubt it is $2 million or $3 million a year.

Here is an opportunity to return to the Treasury of the United States $2 million to $3 million, most of which could go back to cover the costs of administering the parking problem here on Capitol Hill.

Mr. President, for people who continue to drive to Capitol Hill, they would pay to park, but they would pay less than the comparable employees downtown.

Also, a feature of this amendment is that those in the lower income brackets of Capitol Hill employees would pay the least; $10 a month.

The Sergeant at Arms has conducted a survey of the congressional employees. With regard to paying a fee for parking on Capitol Hill, about one-third of those people contacted, 36 percent, favor a parking fee if spaces were guaranteed.

I do not undertake to solve the problem of guaranteed space in this amendment. That is a different matter. But I think it does indicate that people are not absolutely opposed to paying for the parking privilege.

Some 44 percent of the people surveyed indicated that they would, given the fact of the necessity of paying for the parking space, opt for taking the subway instead of driving.

I apologize to my colleagues for taking the time at this late hour on Friday, but given the unanimous-consent agreement entered into, there will not be an opportunity on Monday to make the record on behalf of this amendment.

It is my intention to take advantage further of the unanimous-consent agreement and seek a yea-and-nay rollcall vote on this amendment on Monday. I will ask for the yeas and nays on Monday for that purpose.

Obviously, this will cause and has caused some consternation on the part of employees on Capitol Hill. I think any time we become accustomed to one system of doing things and then change the rules to require some payment for what has been considered to be a privilege in the past we do not like it. I received some indication of the depth of unhappiness this may cause to people who work here. If it does cause a hardship on the part of people working on Capitol Hill, if it is considered to be a great chunk out of their incomes, then I think the appropriate committees can take under advisement the question of whether the compensation of Capitol Hill employees should be increased to counteract this.

But I would point out, Mr. President, that the bill does include Members of Congress who would obviously be paying at the highest of the three categories.

It also covers members of the press who I understand have access to some 180 free parking spaces.

A Member of the House, Congressman OBEY from Wisconsin, pointed out that some of those members of the press have taken us to task for perquisites and criticized us for the free parking, and so on.

I would only want the record to reflect there are almost 200 spaces on Capitol Hill reserved for the press; they would be required under this legislation to compensate for their use of that space.

This amendment would also attempt to solve the problem that plagues us with regard to our constituents: that is to allow for visitors and constituents who want to drive their cars to Capitol Hill and stay for a short time. For these people lots will be available at a daily rate.

Mr. ROBERT C. BYRD. Will the Senator yield for a question?

Mr. HART. Yes.

Mr. ROBERT C. BYRD. Would this include the members and the employees of the Supreme Court?

Mr. HART. Well, I would read the applicable portion, the first paragraph:

> Each member of the Senate and the House of Representatives, each officer or employee of the Senate or the House or of the Congress, and each other individual who is accorded the privilege of parking a private motor vehicle on a permanent or regular basis within an area which (1) is within the Capitol Grounds, or otherwise subject to control by the Senate or House, any officer thereof, or the Architect of the Capitol (including the streets within any such area), and (2) is reserved for parking by such Members, officers, employees.

I think the terms of the amendment are strictly confined to the two Houses of Congress.

Mr. ROBERT C. BYRD. Well, why not include the members and employees of the Supreme Court? They are almost within spitting distance of the Capitol here on Capitol Hill. Why single out the Members of the Senate and the House of Representatives?

I am not unsympathetic with the goal that the Senator is trying to achieve. I think there is much to be said for this amendment from the standpoint of the conservation of energy, and so forth. But it seems to me it might be a good idea to make it Government-wide.

Why single out the Congress and not include the Judiciary? As I say, I could probably throw a silver dollar—if I had one in my hand—as far as the Supreme Court Building.

Mr. HART. Not in the direction the Senator is pointing, unless he throws a mean curve.

Mr. ROBERT C. BYRD. I cannot throw quite as far as George Washington did when he was stated to have thrown—I guess it was a dollar—across the river.

Why not include the executive branch? Why should the legislative branch be singled out?

I do not mean this is criticism of the Senator.

Mr. HUDDLESTON. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. HUDDLESTON. I think what the distinguished majority leader points out by his question is the fact that there is no uniformity in parking regulations as far as Federal employees are concerned, here nor anywhere else in the country.

There are some 41,000 federally owned parking spaces here in the central part of the metropolitan area. About 75 percent of them are free.

Federal employees in my home town, Elizabethtown, Ky., park free.

Visitors to the national parks all over the United States generally park free.

It seems to me, before we take this step at this particular time, there should be additional study.

I, too, am not totally unsympathetic with the objective of the Senator from Colorado. However, I think it is worth pointing out that providing free parking space is not an uncommon practice in this country, in the private sector as well as in the Government sector.

Mr. STEVENS. Will the Senator yield?

Mr. HUDDLESTON. It is not uncommon at all for the factories. Employees park free. It is part of their benefits, part of their negotiating rights, perhaps.

But this is not something that is unusual to do here in the Capitol for the employees of the Senate or the Congress.

Mr. STEVENS addressed the Chair.

Mr. HART. I believe I have the floor, Mr. President.

Mr. STEVENS. Let me——

Mr. HART. Mr. President, I believe I have the floor.

Let me respond to the majority leader and then I will yield to the Senator from Alaska.

The obvious answer to the Senator's question is, I say to the majority leader, that the bill before us is legislative appropriations and not judicial, or any other appropriation.

Mr. ROBERT C. BYRD. If the Senator will yield, of course, the obvious answer is that a point of order can be made against the Senator's amendment, to start with. The Senator is correct, the bill does deal with the legislative branch. I agree with that. But it can be the vehicle for legislation also dealing with the judicial and executive branches. My question was somewhat rhetorical, not meant to be critical of the Senator. As I say, I have some sympathy with the goal he is trying to achieve. But I think the Senator from Kentucky really stated my point best. Perhaps as a result of a study, the thrust of the Senator's effort can be made Governmentwide, or should be.

Mr. HART. The parliamentary question of the point of order, I think, may be quite complex. We may have an opportunity to find that out. This bill is a legislative appropriation; therefore, my amendment is applying to the legislative

branch. Perhaps the same kind of amendment could be attached to the judicial appropriations and the other branches of Government.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Kentucky has 15 minutes.

Mr. HUDDLESTON. I yield to the Senator from Alaska.

Mr. HART. Will the Senator yield me 1 minute?

Mr. HUDDLESTON. I yield the Senator 1 minute.

Mr. HART. Many of the agencies of the executive branch do charge their employees. I understand that the State Department and many of the other agencies already have this kind of system. It works extremely well. All the employees are covered, and it works very efficiently. I think that in the case of the State Department, with thousands of employees affected, it takes two to five people to administer the program. And the program results in substantially increased carpooling.

Mr. HUDDLESTON. I yield 2 minutes to the Senator from Alaska.

Mr. STEVENS. Mr. President, I hope the Senator from Colorado will not pursue this.

My colleague, the distinguished Senator from Alaska, is in the chair at this time. The two of us know that we are proceeding with a new building in Anchorage and one in Fairbanks for Federal activities. We will have offices in those buildings. One of the requirements of local government in our State is that the Federal Government must provide offstreet parking for employees who are going to work in those buildings.

As a matter of fact, I think it is a requirement of this city that led to the increased parking facilities that are available for people in all three branches of the Federal Government.

I do not have a conflict of interest, because I now live about three blocks away. I do not drive, and do not need a parking space here. But it is hard as the devil to find parking space outside my house. The net result is that these people who have to pay are not going to pay. They will occupy the streets. That is why the District of Columbia moved to require these parking spaces.

The net effect will be that our employees will park two or three blocks farther away and so congregate along the streets of the District of Columbia that it will be impossible to handle the traffic in the downtown area.

I think the parking is for the convenience of everybody concerned, to get these cars out of the way; and it is following a traditional pattern throughout the local government, as I understand it, throughout the country.

I hope the Senator will look into the question of the study that has been suggested. If there is an appropriate way to deter people from driving alone to these executive, judicial, and legislative offices, I will join him. But I do not see that as the way to do it, to impose a burden on our people that will result in the end in their parking on the streets, where we do not want them. We want them to be off the streets.

I think the Senator will agree that the worst thing that could happen to the Senate and the House would be to have more cars parked out here in the streets. The tourists can hardly find a place to park now. That is what would be the result of the Senator's amendment. People will not pay these fees. They will just park where there is free parking and will take the space that is allocated to tourists.

I think this goes in the wrong direction. Perhaps we can have a program to encourage buses, to encourage pooling of cars, and lead the country in this regard.

Mr. SCHWEIKER. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield the Senator 2 minutes.

Mr. SCHWEIKER. Mr. President, I oppose the amendment. I feel that we do not know enough to legislate in this way.

The area I come from in my State, when I worked for the private sector, had a free parking space for my constituents: the factories did, the schools did, the hospitals did. You could not build a facility without building the parking facilities free for the people involved. So a good many of my constituents have free parking.

In addition, in many areas there is a zoning requirement that you cannot build apartments or houses or other buildings if you do not have the offstreet parking.

So I think this strikes unfairly against one group of employees, when, in fact, many sectors of our population get free parking in many areas, particularly the areas where the zoning is effective. They mandate it as a basic right for the person who teaches school or for the person who works at the hospitals or for the person who works at a factory, without any question.

I think this proposal is a step backward.

Mr. HUDDLESTON. Mr. President, I have a couple of items that I think will indicate that more study is needed in this proposition before we legislate in this field.

First, for example, is that we have 2,841 parking spaces on the Senate side, and we issue 4,589 permits for them. This works fairly well, although there is some congestion and some difficulty in finding space. However, if we were to issue a permit for which someone paid, we would have to guarantee him a parking space, and that means we would only be able to sell 2,841 parking spaces, and they might be empty a third of the time. But we could not put another car in that space because somebody has paid for it, and we could not accommodate as many of our employees as we are accommodating now.

The Senator from Colorado has mentioned that this possibly would bring in revenue. He also pointed out, I think very wisely, that we would be faced—I am sure very quickly—with requests for increasing salaries to accommodate this extra expense. In that case, there would be no saving. As a matter of fact, there would be an expense because of the expense of operating the program.

Somebody has to check those cars. Somebody has to see that a sticker is on every car. Somebody has to know when employees change and when they leave the employment of the Senate. What happens then to that particular space, and where does the sticker go, and who gets it?

So it is not something that can be handled very easily, with the size of the operation we have here.

Another point should be made, and it is that employees on Capitol Hill—some of whom are here now, at 7 minutes after 7, and some were here early this morning; last night many were here after 9 o'clock—work unusual hours. I think they are entitled to have a place where they can park their car as near as possible to the Capitol and not be required either to pay or to do without a parking space here. They do work unusual hours. It is not like any other office in town. It is not like any other business that exists anywhere else.

I do not believe, in spite of the fact that on occasion some newspaper editor or reporter will refer to the parking privileges that are available to the Members of the Senate and to employees, that the general public is very much exercised over the fact that employees of the U.S. Government, the Senate and the House, have available to them parking spaces, if they can get into one without having to pay for it.

However, I do think it is a question that merits study; and I am willing to say to the Senator that our subcommittee will see that there is further study. The Sergeant at Arms already has begun looking into this matter and has conducted a survey, to which the Senator referred.

It might well be something we need to consider, but I believe we need an awful lot more information on it. We need to know how it fits into the total picture of Federal employee parking throughout the land, rather than instituting legislative action here now in this particular bill.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. HUDDLESTON. Yes.

Mr. HART. First of all, I am pleased that the Senator mentioned the Sergeant at Arms study because I think much of the study he seeks has been done. The amendment would not take effect until January 1, 1978. So it gives 5½ months to study the matter further as to how it can be implemented.

The Senator mentioned the number of permits that exceed the number of places. Does the Senator believe that the net effect of this amendment would be that people would park way off some place else. The effect would, in fact, be to get together with their fellow employees in the neighborhood and carpool, which is what we are trying to get all Americans to do.

Mr. HUDDLESTON. I have no basis to believe that would happen. How would these employees here carpool with other employees who left here at 5 o'clock this afternoon? I just do not believe the activity that occurs here in the Capitol lends itself to carpooling where everybody comes to work at the same time and

punches in and out. That is a carpool situation.

Mr. HART. Of course, as the Senator well knows, each of us has allotted to us a certain number of positions for staff people and key people who are required to stay extraordinary hours, so I think that situation certainly would not change. But in this amendment it does not——

Mr. HUDDLESTON. It is this point: The group here tonight is not necessarily the same group who were here last night, so you have to change your procedures every day. Most of these people probably did not know they were going to be here at 7:10 tonight when they came to work this morning.

Mr. HART. Well, I also think it is important to point out that none of this has to do with any parking anywhere else or any other Federal employees other than on Capitol Hill, so all of this discussion about parking places in Alaska and some place else is somewhat irrelevant to this discussion.

Mr. HUDDLESTON. The subcommittee did not feel it was irrelevant to treat Federal employees who happen to be working for Congress in a manner vastly different from Federal employees who may be working some place else. That is why we felt it ought to be looked into further and more study given before we legislated.

I yield back the remainder of my time.

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. The Senator from Colorado understands that under the unanimous-consent agreement now the majority leader has entered into that the yeas and nays may be sought on Monday on these amendments that are put over.

Mr. HUDDLESTON. That is correct.

The PRESIDING OFFICER. That is correct.

Mr. HART. I thank the Chair.

Mr. ROBERT C. BYRD. I ask further unanimous consent that amendments to amendments may be in order on Monday, of course, with the understanding that there be no debate, but that amendments to amendments may be in order and that points of order may not be waived by the order that has been entered into heretofore today, and that the yeas and nays may be ordered on amendments to amendments on Monday, and likewise the yeas and nays may be ordered on any appeal from the ruling of the Chair with respect to points of order.

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. ROBERT. C. BYRD. Yes.

Mr. HUDDLESTON. Will the Senators motion include motions to table?

Mr. ROBERT C. BYRD. I have already gotten that earlier, am I correct, may I ask the Chair?

The PRESIDING OFFICER. Yes, that is correct.

Mr. ROBERT C. BYRD. Has the Chair ruled on my request?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. May I say to the distinguished Senator from Colorado, if I may have a moment on the bill—

Mr. STEVENS. Mr. President, will the Senator yield? It is my understanding that amendments to amendments would be in order without debate; that it does not change the concept that following the votes we will go automatically to third reading. There will be no further amendments to be available.

Mr. ROBERT C. BYRD. That is correct.

Mr. STEVENS. Just amendments to amendments presented today; is that correct?

Mr. ROBERT C. BYRD. The Senator has raised a question that I think should be clarified. Under the order previously entered no amendments would be in order on Monday unless they had been offered today.

I ask unanimous consent that amendments to amendments may be in order on Monday even if not offered today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. But no debate.

Mr. ROBERT C. BYRD. But no debate.

I said I had gotten this order because I think I should say to the distinguished Senator from Colorado that the idea certainly has some appeal, and to achieve the goal he is seeking to achieve has appeal, but there may be someone who might want to include the Supreme Court in this amendment even though it is a legislative appropriations bill, and such amendments would constitute legislation on an appropriation bill. That does not prevent the Senate from including the judicial branch in the amendment. I do not intend to offer such an amendment, but I think the way should be left open for Senators to offer such a amendment to the amendment if they so desire on Monday.

Mr. HART. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HART. In the long and profound experience of the Senator from West Virginia, would it be his opinion that such an amendment to this amendment would be in order on a legislative appropriation bill?

Mr. ROBERT C. BYRD. Well, yes. If the amendment itself by the Senator—if no point of order is raised against his amendment, why, what is to keep a Senator from adding the judicial branch? A point of order can be made against either, but a point of order made against the Senator from Colorado's amendment would cause any amendment to his amendment to fall if such point of order is sustained.

Mr. HART. The Senator from Colorado did not phrase the question properly. The question really was, Would an attempt to expand this amendment to other branches of Government survive a point of order in the judgment of the distinguished majority leader?

Mr. ROBERT C. BYRD. Well, what I am saying is that the amendment offered by the Senator from Colorado is certainly subject to a point of order.

Mr. HART. But for a different reason.

Mr. ROBERT C. BYRD. Because it constitutes legislation on an appropriations bill.

Mr. HART. Yes.

Mr. ROBERT C. BYRD. If nobody raises that point of order, the Chair will not raise it automatically. I think a Senator should be able—which he would otherwise be able to do but for the order previously entered today—to offer an amendment to the Senator's amendment. If he wants to broaden it to cover the judiciary, he may do so. It is all subject to a point of order.

Mr. HART. But for different reasons.

Mr. HUDDLESTON. But that in itself would be subject to a point of order because this is not a judiciary——

Mr. HART. Precisely the Senator from Colorado's point.

Mr. HUDDLESTON. We are not dealing with the judiciary.

Mr. ROBERT C. BYRD. That is right. It would be subject to a point of order. But the point of order that could be raised is that it is legislation on an appropriations bill.

Mr. HUDDLESTON. Correct. I understand that applies to both.

Mr. ROBERT C. BYRD. That is right. The fact that my amendment, if I were to offer it, dealing with the judiciary would not be germane to the Senator's amendment——

Mr. HART. Or the pending legislation.

Mr. ROBERT C. BYRD. Or to the pending legislation is not the point of order that one would need to raise.

Mr. HART. But could.

Mr. ROBERT C. BYRD. But could.

Mr. HART. Yes.

Mr. ROBERT C. BYRD. He also could raise the question of germaneness regarding the Senator's amendment once a point of order were raised against its being legislation on an appropriation bill. But if the Senate wanted to go in that direction, what is to keep it from legislating with respect to the judiciary on a legislative appropriation? Nothing, unless someone raises a point of order and the point of order is sustained. The Senate by majority vote could override the Chair.

Mr. HART. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. On the pending appropriation measure, has there been an authorization bill prior to the introduction of this appropriation measure?

The PRESIDING OFFICER. There is never an authorization bill for a legislative appropriation bill.

Mr. HART. I thank the Chair.

Mr. STEVENS. Mr. President, if I might just ask a question for clarification, and I have not objected to the majority leader's request, but I want to make certain the amendments to the amendments that are in order on Monday apply only to amendments on which the vote has not been taken and, therefore, disposition has not been final.

Mr. ROBERT C. BYRD. The Senator is correct. They would apply only to amendments still pending on Monday.

Mr. STEVENS. I thank the Chair.

UP AMENDMENT NO. 673

Mr. HUDDLESTON. Mr. President, I call up an amendment on behalf of the

distinguished Senator from Alabama (Mr. ALLEN) who had to leave, an unprinted amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) for the Senator from Alabama (Mr. ALLEN) proposes unprinted amendment No. 673:

At the end of line 3, page 65 add the following: On or before September 1, 1977, or as soon thereafter as practicable the Public Printer shall notify each Member of the House and Senate of the names and addresses of all those receiving the CONGRESSIONAL RECORD that are charged to each Member of the Senate and House

Mr. HUDDLESTON. Mr. President, this relates to the provision in this act that reduces the number of CONGRESSIONAL RECORDS available to each Member of the Senate from 100 daily to 50 daily, and further requires that those 50 be made available on a free basis only to public institutions.

The Senator from Alabama brought up a very good question and that is that many Members—some of these lists are quite old, and many Members—are not fully aware of the individuals who are now receiving the CONGRESSIONAL RECORD on a daily basis.

They would like to have that information so they could so inform that individual as to why his CONGRESSIONAL RECORD is being discontinued. We think this is reasonable and will facilitate changing this procedure.

We are prepared to accept the amendment.

Has the Senator from Pennsylvania any comments?

Mr. SCHWEIKER. Mr. President, I certainly agree with the Senator and am willing to accept the amendment.

Mr. HUDDLESTON. I yield back the time on the amendment and move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT 674

Mr. SCHWEIKER. Mr. President, I send an amendment to the desk on behalf of my colleague, the distinguished Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEICKER), for Mr. Dole, proposes unprinted amendment No. 674.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, after line 24, insert the following:

Sec. 113. (a) The Sergeant at Arms of the Senate shall provide for a one-year trial installation of a telecommunication device for use by Senators and members of their staffs to receive communications from deaf persons and persons with speech impairment through the use of a device keyboard sending capacity.

(b) The printed copy produced by any communication from a deaf person or a person with a speech impairment which is received by the device installed under this section shall be transmitted to the Senator designated in such communication.

(c) The device installed under this section shall have keyboard sending capacity to permit the Senator who receives a communication under subsection (b) to reply to the person sending such communication through the use of such device.

(d) The Sergeant at Arms of the Senate shall establish such procedures as may be necessary to carry out the provisions of this section.

(e) Expenses incurred in carrying out this section shall be paid out of the contingent fund of the Senate upon vouchers approved by the Sergeant at Arms of the Senate.

Mr. SCHWEIKER. Mr. President, I offer this for Senator DOLE. He had expected to offer it but because of the late hour and commitments he made he asked that I offer it for him.

Basically, his amendment is to provide for the installation of a teletypewriter that people who are deaf or have speech impairment may use to communicate with their Senator.

This is a new technique that has now become possible so that constituents who are deaf or who have speech impairments can converse over the telephone, and the suggestion in this amendment is to set up a 1-year trial under the direction of the Sergeant at Arms Office so that the Senators who have constituents of this type can have an opportunity for them to communicate on key matters just as any other constituent communicates.

It is a fairly inexpensive thing because one piece of equipment, which is all we are talking about, can be secured for less than $1,500.

In addition, it would be my suggestion, Mr. President, that the communications lines be used in a way that after an inquiry is made here to the Capitol the Sergeant at Arms would use the Government WATS line to call back on so that no further telephone expense would be incurred. I think on that basis we could do it on a very reasonable way and yet accomplish the objective for which I certainly commend the distinguished Senator from Kansas for opening up a line of communications for us to our people who are deaf and people who have speech impairments back home.

Mr. HUDDLESTON. Mr. President, I concur in the amendment that is being offered by the Senator from Pennsylvania. The subcommittee, as the minority member recalls, considered this issue. We did not have sufficient information before markup on the bill to make a decision on it. I think on this limited basis and as a trial period it certainly justifies the very small expenditure that it involves. I think this could be a very useful instrument for a good many citizens in the country, and I move the adoption of the amendment.

Mr. DOLE. Mr. President, the amendment I am offering today calls for the Sergeant at Arms to install a toll-free teletypewriter so that Members of the Senate can have telephone communication with deaf and hearing impaired constituents.

DEFINITION OF TELETYPEWRITER

A teletypewriter is a piece of equipment which enables deaf persons to "talk" over the telephone. It was first created several years ago when a keyboard was attached to a regular telephone and an acoustic coupling device was added. Deaf persons could then converse with one another by alternately typing and receiving messages. My amendment would provide for the purchase of a teletypewriter so that deaf and hearing impaired constituents could communicate by telephone with their Senators in the same manner as hearing constituents do.

For years, most persons have been able to telephone their Congressmen to discuss a problem or to voice their opinion on a bill. In my view, our present setup discriminates against the deaf, for we do not provide for this service to those with hearing problems. My amendment, however, would help end this discrepancy.

IRONIC TWIST

Telephone communication has become a fundamental part of American life. Telephones are used in commercial businesses, government processes, delivery of health services, and for any number of personal reasons. Because it is relied on so extensively, the telephone has proven to be one of the biggest communication barriers deaf persons have to fight. It is ironic that the inventor of this barrier, Alexander Graham Bell, developed it as a means to communicate with his deaf wife.

THE DEAF POPULATION

Through my work with the handicapped, I have gained a special appreciation for the unique problems encountered day in and day out by persons with some type of hearing impairment. In most instances, these persons are cut off from communicating with the world around them. Very rarely does a person with normal hearing understand what it is like to be deaf, and to be totally shut off from all forms of oral communication.

An estimated 1.85 million Americans are deaf. An additional 4.8 million persons have a significant bilateral hearing impairment, making a total of 6.7 million Americans who find it impossible or extremely difficult to communicate by telephone. To help compensate for this, the teletypewriter device was developed for use in lieu of the standard telephone, thus allowing the hearing impaired to enjoy more of the benefits and pleasures of telephonic communication.

With a teletypewriter, the deaf person can "talk" with other deaf persons, or with a hearing person. When using a teletypewriter, one party types the message, which is converted into impulses. At the receiving end, these impulses are converted into signals and transmitted onto a screen in written form.

COST AND NUMBERS OF TELETYPEWRITERS

There are approximately 10,000 teletypewriter machines in use throughout the country. Some of these are individually owned. Others are owned and operated by schools, churches, hospitals, or public service organizations. Now, I propose to have one operated in the Senate.

There messages would be received and relayed on to the proper office in much the same way as a telegram is delivered. However, the teletypewriter is more satisfactory than a telegram for it permits immediate, continuing teletype communication.

The cash outlay for such a machine is not large. Teletypewriters range in cost from $50 for a rebuilt model to $1,500 for a deluxe edition. The deluxe model will print the message and has a built-in recording and answering service. Although I do not know exactly how the Sergeant at Arms will provide for the delivery of messages, it seems to me that the operation of the teletypewriter would cost no more than $10,000 or $15,000, maximum. Of course, the benefits that a teletypewriter provides cannot be given a cost value.

Because the cost is so slight, I propose that expenses be paid out of the contingent fund.

TELETYPEWRITERS IN THE GOVERNMENT

This will not be the first teletypewriter operated by the Government in Washington. The IRS, the FCC, the President's Committee on Employment of the Handicapped, the Office of Deafness and Communicative Disorders—HEW, and the National Visitors' Center have these machines. Moreover, the National Bureau of Standards and the General Accounting Office have installed teletypewriters for their deaf employees. I think it is inexcusable if the Senate does not recognize the need for such a service and provide it to the hearing impaired. I see no excuse for perpetuating this oversight.

CONCLUSION

I am hopeful that by providing this opportunity for the hearing impaired to share with us their needs and concerns, we as legislators will gain a better understanding of what it means to have a hearing impairment. Then, we can offer programs tailored to meet the needs of this element of our constituency.

Gradually, the Congress and the American people are becoming more aware of the needs of handicapped citizens. The recommendations coming from the White House Conference on Handicapped Individuals should promote an even stronger awareness of these special needs.

But, no matter how well we intellectually understand the problems, the largest barrier is one of attitudes, of feelings. This amendment is important, for it recognizes that deaf persons should have a voice in our democracy, and that we should allow this constituency the same means of expression that we give to others. I trust that my colleagues will join in support of my amendment to provide this service to deaf and hearing impaired constituents.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUDDLESTON. Mr. President, I do not know of any further amendments and if there are other Members who wish to offer amendments tonight, of course, this is the time to do so as they will be precluded on Monday.

Not hearing any further amendments, I believe that will complete action on this measure for today.

Mr. ROBERT C. BYRD. Mr. President, may I clarify for the record the situation now as to further action on this bill on Monday?

The yeas and nays have been ordered on final passage already.

Have the yeas and nays been ordered on any amendment?

The PRESIDING OFFICER. Just one amendment of the Senator from Nebraska.

Mr. ROBERT C. BYRD. I thank the Chair.

The vote will occur on the amendment offered by the Senator from Nebraska at 4 p.m. on Monday. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Following that vote there can be no further amendments in the first degree offered, and there can be no further debate on the bill or on amendments thereto under the order previously entered. Am I correct?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Amendments to amendments will be in order on Monday without debate, of course. Motions to table will be in order. Points of order will be in order. Appeals from the ruling of the Chair on points of order will be in order. All of these would be without debate and in addition thereto, the yeas and nays may be ordered on Monday to any amendment that is carried over, to any amendment offered on Monday to an amendment, to any motion to table, and to any appeal from the ruling of the Chair on Monday. Am I correct in all of this?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I should also state that upon the disposition of all amendments to the legislative appropriations bill on Monday the third reading is automatic and the vote on final passage will occur immediately after the third reading without any intervening motions or debate. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

ADDITIONAL STATEMENT SUBMITTED

Mr. DOMENICI. Mr. President, on behalf of the distinguished senior Senator from Oklahoma (Mr. BELLMON) in his capacity as ranking minority member of the Budget Committee, I want to commend the members and staff of the Subcommittee on Legislative Branch Appropriations. I feel they are to be highly commended for bringing to the floor a bill which, in spite of the considerable upward pressures, does not exceed either the targets contained in the first concurrent budget resolution or the allocations of budget authority and outlays to the subcommittee from the full Appropriations Committee. It is much easier to hold the line on expenditures of which you are not the beneficiary, than to be tough where you and your colleagues are involved. Accordingly, it is worthy of note that the members of the subcommittee have resisted that natural urge and have equitably distributed the limited amounts available under the first concurrent resolution and the allocation process.

I also want to join my chairman in his warning statement about any floor amendments adding spending authority to the committee bill. When we examine the current figures and the possible later requirements, it is evident that there is no room for additional spending under this appropriations bill.

Another important point is the difference between the House version and this bill. If we follow the normal conference procedure we will inevitably wind up with a bill that exceeds both functional targets and allocation limits. Our conferees must insure that such a situation does not come to pass. The easiest way, of course, is to insist on deletion of the House funds for extension of the Capitol.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 319, which has been cleared for action.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 218) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1678.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) are waived with respect to S. 1678, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended. Such waiver is necessary to permit consideration of statutory authority to extend and improve the administration of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 221—AUTHORIZING APPOINTMENT OF A SPECIAL DELEGATION

Mr. ROBERT C. BYRD. Mr. President, the minority leader and I have joined in the sponsorship of a resolution which I now send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk proceeded to read the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution is as follows:

Resolved, That the President of the Senate is authorized to appoint a special delegation of not to exceed 12 Members of the Senate upon the recommendation of the Majority and Minority Leaders to visit certain countries in South America and other areas as needed to conduct a study on United States economic and security interests in those areas.

Sec. 2. (a) The expenses of the delegation, including staff members designated by the co-chairmen to assist said delegation, shall not exceed $45,000, and shall be paid from the contingent fund of the Senate upon vouchers approved by the co-chairmen of said delegation.

(b) The expenses of the delegation shall include such special expenses as the co-chairmen may deem appropriate, including reimbursements to any agency of the Government for (1) expenses incurred on behalf of the delegation, (2) compensation (including overtime) of employees officially detailed to the delegation, and (3) expenses incurred in connection with providing appropriate hospitality.

(c) The Secretary of the Senate is authorized to advance funds to the co-chairmen of the delegation in the same number provided for committees of the Senate under the authority of Public Law 118, Eighty First Congress, approved June 22, 1949.

Mr. ROBERT C. BYRD. Mr. President, the purpose of this mission will be to examine U.S. economic and security interests in the Latin American area and to explore ways and means by which we and our southern neighbors in this hemisphere can cooperate more effectively in meeting the regional and global challenges of our time—the challenge of energy; the challenge of nuclear nonproliferation; the challenge of economic development; the challenge of human rights—the whole host of challenges and opportunities that must be addressed in this last quarter of the 20th century.

The study mission proposed by this resolution will examine these challenges in the Latin American context. It will afford Members of the Senate a timely opportunity to discuss these issues with the leaders of Latin America; to exchange views on bilateral and multilateral problems alike; and to explore avenues for increased cooperation and improved understanding.

Mr. President, I am convinced that such a study mission to Latin America is long overdue and that now is the time to do it.

After all—

Latin America encompasses some 8 million square miles or roughly 16 percent of the land surface of the globe, stretching from the Rio Grande to Cape Horn.

Latin America houses 300 million people, whose numbers will double by the end of the century.

Latin America consumes annually close to $20 billion worth of U.S. exports and provides us with about an equal amount of imports.

Latin America, next to Western Europe, attracts more U.S. private investment than any other region in the world. Total U.S. investment in Latin America now extends $20 billion.

Mr. President, these facts and figures make it clear that the Senate owes it to itself and to the country to have a fresh look at an "old friend"—our Western Hemisphere neighbors to the south.

I hope the Senate will give its unanimous support to this resolution and the Latin American study mission proposal contained in it.

Mr. STEVENS. Mr. President, considering the recent visit of our First Lady to South America, I think it most appropriate that this resolution has been introduced on a bipartisan basis. I note that Mrs. Carter will be here on Monday to brief Members of the Senate concerning her visit, and I think it most appropriate that the resolution be adopted at this time.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Republican leader for his supporting statement.

The PRESIDING OFFICER. Without objection, the resolution is considered and agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REORGANIZATION PLAN OF THE EXECUTIVE OFFICE OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT—PM 95

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

I herewith transmit my plan for the Reorganization of the Executive Office of the President (EOP), Reorganization Plan No. 1 of 1977. This plan is the first of a series I intend to submit under the reorganization authority vested in me by the Reorganization Act of 1977 (P.L. 95–17). It adheres to the purposes set forth in Section 901 (a) of the Act.

This plan in conjunction with the other steps. I am taking will:

—eliminate seven of the seventeen units now within the EOP and modify the rest. There were 19 units when I took office; the President's Foreign Intelligence Advisory Board and the Economic Policy Board have already been abolished. Thus with this plan I will have eliminated nine of 19 EOP units.

—reduce EOP staffing by about 250 which includes the White House staff reduction of 134 or 28% which I have already ordered.

—improve efficiency by centralizing administrative functions; and

—improve the process by which information is provided for Presidential decisionmaking.

These recommendations arise from a careful, systematic study of the EOP. They are based on the premise that the EOP exists to serve the President and should be structured to meet his needs. They will reduce waste and cost while improving the service the President, and the nation, receive from the EOP.

The EOP now consists of the immediate White House Office, the Vice President's Office, the Office of Management and Budget, and fourteen other agencies. The EOP has a budget authority of about $80,000,000 and 1,712 full time employees.

The White House Office concentrates on close personal support including policy and political advice and administrative and operational services. The Office of the Vice President provides similar support to him. OMB's primary mission is to develop and implement the budget; it also carries out a number of management and reorganization activities.

Three EOP units have responsibility for policy development:

—National Security Council

—Domestic Council

—Council on International Economic Policy

The other 11 are more specialized offices that offer analysis and advice, help develop policy in certain areas, or carry out special projects. These are:

—Council of Economic Advisers

—Council on Wage and Price Stability

—Office of the Special Representative for Trade Negotiations

—Council on Environmental Quality

—Office of Science and Technology Policy

—Office of Drug Abuse Policy

—Office of Telecommunications Policy

—Intelligence Oversight Board

—Federal Property Council

—Energy Resources Council

—Economic Opportunity Council

To make the EOP more effective, four steps are necessary:

I. Strengthen management of policy issues.

II. Limit the EOP, wherever possible, to functions directly related to the President's work.

III. Centralize administrative services.

IV. Reduce size of White House and EOP staffs.

I. STRENGTHEN PROCESS MANAGEMENT OF POLICY ISSUES

Perhaps the most important function of the President's staff is to make sure

he has the wide variety of views and facts he needs to make decisions. By building a more orderly system for collecting information and advice, the President can make sure that he will hear all the views he should—and hear them in time. To better insure that this happens, I am taking the following actions to:

—Institute for domestic and economic issues, a system similar to the Presidential Review Memorandum process currently used for National Security issues.

—Create a committee of Presidential advisers, chaired by the Vice President, to set priorities among issues and oversee their staffing.

—Assure that Presidential decision memoranda on policy issues are coordinated with Cabinet and EOP advisers most involved with the issue.

—Consolidate under the Staff Secretary the two current White House paper circulation systems.

—Appoint a group of advisers to review the decisionmaking process periodically.

—Give the Assistant to the President for Domestic Affairs and Policy clear responsibility for managing the way in which domestic and most economic policy issues are prepared for Presidential decision.

—Assign follow-up responsibility for Presidential decisions as follows: immediate follow-up will be handled by the NSC or Domestic Policy Staff most directly involved in the issues; long term follow-up on selected issues will be handled by the Assistant to the President for Intergovernmental Relations.

These actions recognize that the White House and Executive Office staff must use their proximity to the President to insure that the full resources of the government and the public are brought to bear on Presidential decisions in a timely fashion. It is my purpose in instituting these changes to strengthen Cabinet participation in Presidential decisions.

II. RATIONALIZE EOP STRUCTURE BY LIMITING EOP, WHEREVER POSSIBLE, TO FUNCTIONS WHICH BEAR A CLOSE RELATIONSHIP TO THE WORK OF THE PRESIDENT

As the President's principal staff institution, there are several major things the EOP must do:

—Provide day-to-day operational support (e.g. scheduling, appointments) and help the President communicate with the public, the Congress, and the press.

—Manage the budget and coordinate Administration positions on matters before the Congress.

—Manage the Presidential decisionmaking processes efficiently and fairly, and bring the President the widest possible range of opinions.

—Help the President: plan and set priorities; monitor and evaluate progress toward achieving the President's objectives; understand and resolve major conflicts among line subordinates; manage crises, especially in national security matters.

In order to restructure the EOP around these basic functions, the functions of seven units should be discontinued or transferred, and ten units, including the White House Office, should be retained but modified.

Seven units should be discontinued or their functions transferred. These are:

1. Office of Drug Abuse Policy
2. Office of Telecommunications Policy
3. Council on International Economic Policy
4. Federal Property Council
5. Energy Resources Council
6. Economic Opportunity Council
7. Domestic Council

The functions of the *Office of Drug Abuse Policy* (ODAP) can be performed by a smaller staff reporting to a Presidential adviser in the EOP. The Office itself will be discontinued.

Much of the work done by the *Office of Telecommunications Policy* (OTP) can be more effectively performed outside the EOP. It is important that the EOP have the capacity to resolve differences and that the President have immediate advice on telecommunications and information policy, especially on national security, emergency preparedness and privacy issues. This only requires a small staff within EOP. The Office of Management and Budget would take responsibility for federal telecommunications procurement and management policy and arbitration of interagency disputes about frequency allocation. All other functions except developing Presidential policy options would be transferred to a new office within the Department of Commerce, headed by a new Assistant Secretary for Communications and Information, who will perform many of the functions previously performed by the head of the OTP.

I propose that the *Economic Opportunity Council* be discontinued; it is dormant and its only active function (preparation of the Catalogue of Federal Domestic Assistance) is being performed by OMB. Three other units are also inactive and should be discontinued: *Council on International Economic Policy*, the *Federal Property Council*, and the *Energy Resources Council*.

The *Domestic Council* should be abolished. It has rarely functioned as a Council, because it is too large and its membership too diverse to make decisions efficiently. Its functions have been performed entirely by its staff. This *Domestic Policy Staff* should report to the Assistant to the President for Domestic Affairs and Policy. Under the policy process system described earlier, they should manage the process which coordinates the making of domestic and most economic policy. They should work closely with the Cabinet departments and agencies to insure that the views of the Cabinet and agency heads are brought to the President before decisions are made.

The ten EOP units which will continue with some modification are:

1. White House Office.
2. Office of the Vice President.
3. Office of Management and Budget.
4. Council on Environmental Quality.
5. Council of Economic Advisers.
6. Office of Science and Technology Policy.
7. Office of the Special Representative for Trade Negotiations.
8. National Security Council.
9. Intelligence Oversight Board.
10. Council on Wage and Price Stability.

The operations of the *Office of the Vice President* reflect the combination of constitutional, statutory, and Presidentially assigned duties that make it unique among EOP units. Because his interests and assignments cover the same range as the President's, the Vice President requires a staff with expertise in diverse areas. Its basic functions should not be changed. However, I propose that certain support functions—involving accounting, personnel services, and supply—be transferred to a centralized EOP Administrative Unit.

The *Office of Management and Budget* would remain as a separate entity in the EOP, but some functional changes should be made. Four functions should be transferred from OMB to other parts of the government:

—Administration to the new EOP Central Administrative Unit;

—Executive Department/Labor Relations (except for Pay Agent, Executive Level Pools, and Legislative Analysis) to the Civil Service Commission;

—Advisory Committee Management Secretariat to the General Services Administration;

—Statistical Policy (except Forms Clearance) to the Department of Commerce.

I have asked the OMB to reorganize its management arm to emphasize major Presidential initiatives, such as reorganization, program evaluation, paperwork reduction, and regulatory reform.

The *Council on Environmental Quality* (CEQ) should remain in the EOP as an environmental adviser to the President. The CEQ's major purpose is to provide an independent assessment of our policies for improving the environment. Toward this end, it will analyze long term trends and conditions in the environment. It will advise OMB on the reorganization of natural resources functions within the Federal government. The Council will retain the functions it now has under NEPA and Executive Order No. 11514 with the exception of routine review of the adequacy of impact statements and the administrative aspects of their receipt and handling. The EPA will take over CEQ's evaluation responsibility under the Federal Nonnuclear Energy Research Development Act of 1974. The CEQ will continue to review and publish the Annual Report on Environmental Quality.

The strength of the *Council of Economic Advisers* (CEQ) lies in its economic analysis of current policy choices. It also presents objective economic data, makes macroeconomic forecasts, and analyzes economic trends and their impact on the national economy. It will continue with a small reduction in staff.

The Office of Science and Technology Policy (OSTP) should retain those science, engineering, and technology functions which can be so useful in helping

the President and his advisers make decisions about policy and budget issues. Instead of the Intergovernmental Science, Engineering, and Technology Advisory Panels, the President should rely on an intergovernmental relations working group, chaired by the Science Adviser. The Federal Coordinating Council on Science and Technology should operate as a sub-Cabinet working group chaired by the Science Adviser. The reorganization work of the President's Committee on Science and Technology would be part of the overall reorganization effort. The responsibility for preparing certain reports should be transferred to the National Science Foundation.

The proposal places manageable limits on OSTP's broad mandate while emphasizing functions that support the President.

The Office of the Special Representative for Trade Negotiations (STR) is now operating effectively and will be retained essentially as is. With the difficult negotiations now underway in Geneva, the benefits of transferring the STR to another agency are outweighed by the potential reduction in its effectiveness as an international negotiator.

The National Security Council (NSC) will be retained in its present form and its staff slightly reduced.

Intelligence Oversight Board (IOB) should be retained to insure that abuses of the past are not repeated and to emphasize Presidential concerns regarding intelligence issues.

The Council of Wage and Price Stability (COWPS) is a necessary weapon in the continuing fight against inflation and will be retained. To be sure that its work is closely coordinated with the economic analyses performed by the Council of Economic Advisers (CEA), COWPS should be directed by the Chairman of CEA.

III. CENTRALIZE ADMINISTRATIVE FUNCTIONS

About 380 (22%) of the full-time, permanent EOP personnel perform administrative support services in EOP units. Most EOP units besides the White House and OMB are too small to provide a full complement of administrative services. They depend on the White House, OMB, GSA, other federal departments, or several of these sources for many of these services. This appraoach is inefficient; the quality is uneven and the coordination poor. Some services are duplicated, others inconsistently distributed (excess capacity in some units and deficiencies in others), and most too costly.

I propose to combine administrative support operations into a Central Administrative Unit in EOP to provide support in administrative services common to all EOP entities. It should be a separate EOP entity because of the need to assure equal access by all other units.

This consolidation will result in:

—saving of roughly 40 positions and about $1.1 million
—improved and more innovative services
—a focus for monitoring the efficiency and responsibility of administrative services
—a base for an effective EOP budget/planning system through which the President can manage an integrated EOP rather than a collection of disparate units.

The EOP has never before been organized as a single, unified entity serving the President. It is only by viewing it as a whole that we can improve efficiency through steps like the Central Administrative Unit.

IV. REDUCE THE SIZE OF WHITE HOUSE AND EOP STAFFS

I am reducing the White House staff by 28%, from the 485 I inherited from my predecessor to 351. This involves cuts in my policy and administrative staffs as well as transfers to the Central Administrative Unit.

I estimate that this plan and the other steps I am taking will reduce staff levels in the EOP by about 250, from 1,712 full-time permanent positions to about 1,460 and will save the taxpayers at least $6 million.

As in the rest of the government, I will be reluctant to add staff unless necessary to help me do my job better.

* * * * *

I ask that you support me in improving the operations of the Executive Office of the President by approving the attached reorganization plan.

In summary this plan would:

—Abolish the Domestic Council and establish a Domestic Policy Staff.
—Establish within the EOP a Central Administrative Unit.
—Transfer certain functions of the Council on Environmental Quality to the President for redelegation.
—Abolish the Office of Drug Abuse Policy and vest functions in the President for redelegation.
—Abolish the Office of Telecommunications Policy and transfer functions to the Department of Commerce and to the President for redelegation.
—Create an Assistant Secretary of Commerce for Communications and Information.
—Vest some Office of Science and Technology Policy functions in the President for redelegation.
—Abolish the Economic Opportunity Council and vest those functions in the President for redelegation.
—Transfer the Committee Management Secretariat function of the Office of Management and Budget to the President for redelegation.
—Make other incidental transfers attendant to those mentioned above.

Each of the changes set forth in the plan accompanying this message is necessary to accomplish one or more of the purposes set forth in Section 901(a) of Title 5 of the United States Code. I have taken care to determine that all functions abolished by the plan are done so only under statutory authority provided by Section 903(b) of Title 5 of the United States Code. The provisions in the plan for the appointment and pay of any head or officer of any agency have been found by me to be necessary.

As we continue our studies of other parts of the Executive Branch, we will find more ways to improve services in the EOP and elsewhere. This plan is only a beginning, but I am confident that it represents a major step toward a more efficient government that will serve the needs of the people and the President well.

JIMMY CARTER.

THE WHITE HOUSE, *July 15, 1977.*

MESSAGES FROM THE HOUSE

At 10:44 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the House has passed the bill (S. 1019) to authorize appropriations for fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–1666. A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1978 for procurement of aircraft and missiles, and research, development, test and evaluation for the Armed Forces, and for other purposes (with accompanying papers); to the Committee on Armed Services.

EC–1667. A letter from the Deputy Attorney General of the United States transmitting, pursuant to law, a report on the study of the antitrust issues and problems relating to the production and transportation of Alaskan natural gas (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1668. A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (with accompanying papers); to the Committee on Environment and Public Works.

EC–1669. A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to amend the Federal Pollution Control Act concerning water quality management control programs (with accompanying papers); to the Committee on Environment and Public Works.

EC–1670. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Rocky Mountain Energy Resource Development: Status, Potential, and Socioeconomic Issues" (EMD–77–23) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1671. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act 2–51, an Act to provide for the monetary payment of rewards to certain persons who provide information relating to violations of the District of Columbia revenue laws, and for other purposes (with accompanying papers); to the Committee on Governmental Affairs.

EC–1672. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act 2–48, an Act to provide for deductions for deed recordation taxes and motor vehicle registration fees and for accelerated payment of taxes on insurance premium

receipts (with accompanying papers); to the Committee on Governmental Affairs.

EC–1673. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act 2–53, an Act to amend existing District of Columbia law with regard to cases of child neglect and abuse, to establish procedures for the termination of parental rights in certain situations, and for other purposes (with accompanying papers); to the Committee on Governmental Affairs.

EC–1674. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act 2–52, an Act to amend the District of Columbia plumbing code to require the installation of water conservation devices or fixtures (with accompanying papers); to the Committee on Governmental Affairs

EC–1675. A letter from the Acting Assistant Administrator for Advocacy and Public Communications for the Small Business Administration transmitting, pursuant to law, four reports entitled: (1) "The Study of Small Business", (2) "The Study of Small Business, Part II—What Is A Small Business?", (3) "The Study of Small Business, Part III—The Impact of Taxation on Small Business: A Proposal for Reform", and (4) "The Report of the St. Louis Task Force on Taxation" (with accompanying reports); to the Select Committee on Small Business.

EC–1676. A letter from the Director of the Selective Service System notifying the Senate of the change in dates in submitting the reports covering the operation of the Selective Service System; to the Committee on Armed Services.

EC–1677. A letter from the Secretary of Transportation transmitting, pursuant to law, a report entitled "The Feasibility, Practicability and Cost of the Soundproofing of Schools, Hospitals, and Public Health Facilities Located Near Airports" (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1678. A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a determination that Union Oil Company of California, Mobil Oil Corporation, and Gulf Energy and Minerals Company—U.S., are entitled to a refund for overpayment of rentals for leases OCS-P 0168, 0170, and 0172 in the amount of $14,524.52; to the Committee on Energy and Natural Resources.

EC–1679. A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act adding a 'Non-compliance fee' (with accompanying papers); to the Committee on Environment and Public Works.

EC–1680. A letter from the Secretary of the Interior transmitting, pursuant to law, the 1976 annual report of the Office of Water Research and Technology (with an accompanying report); to the Committee on Environment and Public Works.

EC–1681. A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to provide customs procedural reform, and for other purposes (with accompanying papers); to the Committee on Finance.

EC–1682. A letter, dated July 14, 1977, from the Assistant Legal Adviser for Treaty Affairs, Department of State transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

EC–1683. A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a report of two new personal records systems, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC–1684. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Outer Continental Shelf Sale 40—Inadequate Data Used to Select and Evaluate Lands to Lease" (EMD–77–51) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1685. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Procedures Used For Holding Architects and Engineers Responsible for the Quality of Their Design Work" (LCD–76–333) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1686. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare transmitting, pursuant to law, two copies of a report on a new system of records, in accordance with the Privacy Act (with accompanying papers); to the Committee on Governmental Affairs.

EC–1687. A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on a new system of records, in accordance with the Privacy Act (with accompanying papers); to the Committee on Governmental Affairs.

EC–1688. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the annual report of activities carried out in fiscal year 1976 under the Rehabilitation Act of 1973 (with an accompanying report); to the Committee on Human Resources.

EC–1689. A letter from the President of the Legal Services Corporation transmitting, pursuant to law, a report on the Delivery Systems Study, a research project on the delivery of legal services to the poor (with an accompanying report); to the Committee on Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Human Resources:

Report of the Committee on Human Resources pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 95–350).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

With an amendment:

S. 701. A bill to provide Federal financial assistance to educational institutions in order to assist such institutions to meet the emergency caused by the high costs of fuel and fuel shortages and harsh weather conditions, and for other purposes (Rept. No. 95–351).

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Without amendment:

S. Res. 220. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 701. Referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

With a reservation:

Ex. J, 94–1. Protocol of amendment to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty) (Exec. Rept. No. 95–8).

Without reservation:

Ex. F, 95–1. Agreement with Canada Concerning Transit Pipelines (Exec. Rept. No. 95–9).

With a declaration:

Ex. D, 95–1. Treaty with Mexico on the Execution of Penal Sentences (together with individual views) (Exec. Rept. No. 95–10).

Ex. H, 95–1. Treaty with Canada on the Execution of Penal Sentences (together with individual views) (Exec. Rept. No. 95–10).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent the second time, and referred as indicated:

By Mr. DOMENICI:

S. 1864. A bill to establish the Salinas National Monument in the State of New Mexico and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 1865. A bill for the relief of Magdalen F. Martin, of Broken Arrow, Oklahoma; to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 1866. A bill to amend section 222 of the Communications Act of 1934 in order to include Hawaii in the same category as other States for the purposes of such section; to the Committee on Commerce, Science, and Transportation.

By Mr. BARTLETT:

S. 1867. A bill to amend chapter 81 of title 5 of the United States Code to require an independent physical examination of employees of the Government of the United States seeking compensation for work injuries; to the Committee on Governmental Affairs.

By Mr. MELCHER (for himself, Mr. BURDICK, Mr. HAYAKAWA, Mr. HUMPHREY, Mr. ZORINSKY, Mr. STEVENS, Mr. STEVENSON, Mr. YOUNG, Mr. BAYH, Mr. CHURCH, Mr. WEICKER, Mr. MCGOVERN, Mr. ABOUREZK, Mr. GRAVEL, Mr. METCALF, and Mr. LUGAR):

S. 1868. A bill to expedite issuance of Federal permits and development of a transportation system to move Alaskan crude oil to Northern Tier and other inland States, and for other purposes; jointly, by unanimous consent, to the Committee on Commerce, Science, and Transportation, and the Committee on Energy and Natural Resources.

By Mr. YOUNG:

S. 1869. A bill to amend chapter 23 of title 38, United States Code, to increase the amount which may be paid under such chapter to cover the burial and funeral expenses of certain deceased veterans; to the Committee on Veterans' Affairs.

By Mr. KENNEDY (for himself and Mr. WEICKER):

S. 1870. A bill to revise title 23 of the United States Code, relating to highways, terminate the Highway Trust Fund, and amend the Urban Mass Transportation Act of 1964, in order to improve transportation; to the Committee on Environment and Public Works.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 1871. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that Act, to provide for an automatic adjustment in such wage rate, and to adjust the credit against the minimum wage which is based on tips received by tipped employees; to the Committee on Human Resources.

By Mr. CHURCH (for himself, Mr. LONG, Mr. HUMPHREY, Mr. ANDERSON, Mr. METCALF, Mr. MELCHER, Mr. BURDICK, Mr. YOUNG, Mr. ZORINSKY, Mr. HASKELL, and Mr. HART):

S. 1872. A bill to provide price support for sugar at not less than 60 per centum of the parity price therefor; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McINTYRE:

S. 1873. A bill to provide improved consumer deposit services; to promote competitive balance among financial institutions; and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

By Mr. KENNEDY (for himself, Mr. MORGAN, and Mr. DANFORTH):

S. 1874. A bill to restore effective enforcement of the antitrust laws; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1875. A bill for the relief of Catherine and Robert Fossez; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 779

At the request of Mr. BURDICK, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 779, to amend the Internal Revenue Code.

S. 1014

At the request of Mr. DOMENICI, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1014, to amend the Internal Revenue Code.

S. 1264

At the request of Mr. CHILES, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1264, the Federal Acquisition Act of 1977.

S. 1276

At the request of Mr. HEINZ, the Senator from North Carolina (Mr. HELMS) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1276, to permit more rapid authorization of pollution control equipment.

S. 1307

At the request of Mr. THURMOND, the Senator from Wyoming (Mr. WALLOP) and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of S. 1307, to amend title 38, United States Code.

S. 1353

At the request of Mr. THURMOND, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 1556, to amend chapter 81 of title 28, United States Code.

S. 1556

At the request of Mr. HANSEN, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor, of S. 1556, to provide assistance to States for veterans' cemeteries.

S. 1571

At the request of Mr. McINTYRE, the Senator from New Mexico (Mr. SCHMITT), the Senator from Montana (Mr. MELCHER), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1571, granting the National Ski Patrol Association a Federal charter.

S. 1728

At the request of Mr. ANDERSON, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1728, the Domestic Violence Prevention and Treatment Act.

S. 1729

At the request of Mr. CURTIS, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 1729, to amend the Rural Electrification Act of 1936.

S. 1735

At the request of Mr. WALLOP, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1785, to amend title II of the Social Security Act.

S. 1783

At the request of Mr. ANDERSON, the Senator from Alaska (Mr. GRAVEL) and the Senator from South Dakota (Mr. ABOUREZK) were added as cosponsors of S. 1783, to amend the Internal Revenue Code.

S. 1822

At the request of Mr. SCHWEIKER, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1822, to authoirze the transfer of the Gettysburg Address.

SENATE RESOLUTION 114

At the request of Mr. ANDERSON, the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of Senate Resolution 114, relating to the telecommunications policies of the Federal Government.

SENATE JOINT RESOLUTION 29

At the request of Mr. BURDICK, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of Senate Joint Resolution 29, to designate National Family Week.

SENATE JOINT RESOLUTION 69

At the request of Mr. NELSON, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of Senate Joint Resolution 69, requiring each executive department and agency to designate a small business advocate.

AMENDMENT NO. 501

At the request of Mr. STEVENS, the Senator from Texas (Mr. TOWER) was added as a cosponsor of amendment No. 501, intended to be proposed to H.R. 7933, the Defense Department appropriation bill, 1978.

SENATE RESOLUTION 220—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF S. 701

(Referred to the Committee on the Budget.)

Mr. JACKSON, from the Committee on Energy and Natural Resources, reported the following original resolution:

S. RES. 220

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 701.

Such waiver is necessary because the Committee on Energy and Natural Resources did not receive re-referral of S. 701 until May 20, 1977. The Human Resources Committee reported S. 701 on May 12, 1977. Re-referral was agreed upon with the understanding that the Committee would report S. 701 by July 15 in order to allow the Energy and Natural Resources Committee to consider S. 701 together with Part C of S. 1469, the National Energy Act.

The authorization of $200,000,000 in fiscal year 1978 for energy conservation measures was contemplated by the Committee in its Report to the Budget Committee on March 15, 1977.

SENATE CONCURRENT RESOLUTION 36—SUBMISSION OF A CONCURRENT RESOLUTION OBJECTING TO A PROPOSED SALE OF WEAPONS

(Referred to the Committee on Foreign Relations.)

Mr. CULVER. Mr. President, I am submitting for myself and Senators EAGLETON, BELLMON, CLARK, CRANSTON, LEAHY, NELSON, PROXMIRE, RIEGLE, ROTH, SCHWEIKER, ABOUREZK, HATHAWAY, MCGOVERN, METZENBAUM, and ZORINSKY a concurrent resolution objecting to the sale to the Government of Iran of seven AWACS airborne and control aircraft. We have serious objections to this proposed sale and we believe that the Congress should act to prevent it.

The sale of AWACS aircraft to Iran would risk compromising advanced military technology which is very important for our own national defense. If AWACS are in Iran, and outside of U.S. control, they will be a very tempting target for Soviet intelligence activities. Sensitive U.S. equipment included in the Iranian AWACS could be compromised by accident, defection, or diversion of technical manuals. Access to AWACS technology could accelerate Soviet development of defenses against low-flying aircraft and missiles, significantly enhance Soviet intelligence capabilities, and facilitate Soviet electronic countermeasures against a U.S. and NATO AWACS force. The Congress should not allow foreign sales to risk compromise of our advanced technolgy.

In addition, the AWACS sale would exacerbate the problems involved in the large-scale presence of Americans in Iran to support advanced U.S. weaponry. Several hundred more Americans will be required to make the AWACS system operational, and continuing contractor support would be needed for the life of the system. Moreover, the Iranian Air Force apparently has a serious shortage of trainable personnel, and it is unlikely that AWACS requirements can be met without affecting other Iranian programs. AWACS is precisely the kind of advanced system that requires substantial American technical support, and it is the time for restraint in this aspect of our arms sales relationship with Iran.

The AWACS sale also goes against the U.S. interest in a stable military balance and arms control in the Middle East and

Indian Ocean regions. AWACS has a potent offensive capability as an airborne command and control center. Secretary Brown has called AWACS a force multiplier for the effectiveness of tactical air forces. The introduction of a less capable airborne command center over North Vietnam multiplied our aircraft kill ratio by a factor of 6. Iran has already received or ordered hundreds of modern tactical aircraft. The AWACS capability to greatly multiply the offensive power of these aircraft can only increase apprehensions over Iran's growing military might and neighboring nations may seek new weapons in response. President Carter has said that the United States will not be the first supplier to introduce into a region a new or significantly higher combat capability. It would be a serious mistake to set a precedent by making this sale to Iran a major exception.

We do not dispute Iran's legitimate air defense needs. There are alternative ways to meet Iranian requirements. The study on improvements in Iranian air defenses which supports this sale did not properly consider alternatives to AWACS. A General Accounting Office report made available to us yesterday concludes that the policy justification presented to the Congress is inadequate.

The Congress by law has an important responsibility to review foreign military sales proposals to determine if they are discriminate and consistent with U.S. interests. President Carter's new policy is that foreign military sales should be permitted only when it can be clearly demonstrated that they contribute to U.S. national security interests. In our judgment, the AWACS sale proposed for Iran is consistent with this basic criterion.

Mr. President, I ask unanimous consent that the text of the concurrent resolution and the General Accounting Office report be printed in the RECORD.

There being no objection, the concurrent resolution and report were ordered to be printed in the RECORD, as follows:

S. CON. RES. 36

Resolved by the Senate (the House of Representatives concurring), That, pursuant to section 36(b) of the Arms Export Control Act, the Congress objects to the sale to the Government of Iran of seven airborne warning and control aircraft, proposed by the President in his message to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate on July 7, 1977 (transmittal number: 77–46).

[Report of the Comptroller General of the United States]

ISSUES CONCERNING THE PROPOSED SALE OF THE AIRBORNE WARNING AND CONTROL SYSTEM E–3 TO IRAN

Hon. JOHN C. CULVER,
U.S. Senate.

DEAR SENATOR CULVER: This is in response to your request of May 27, 1977, for information on the proposed sale to Iran of the E–3 aircraft (the Airborne Warning and Control System (AWACS)) under the Arms Export Control Act (Public Law 94–329, title II). (unclassified)

Specifically, you raised questions about technological security problems, the possibility of the system being used for offensive purposes, and the implications involved in stationing American personnel and dependents in Iran to support this equipment. (unclassified)

We analyzed documents on Iran's air defense requirements, reviewed responses to your questions furnished to us by the Departments of State and Defense (see apps. I and II) and discussed these matters with appropriate officials. The policy justification for the sale was also reviewed and discussed with State and Defense officials. (unclassified)

(Deleted.)

In this report, we point up what appears to be shortcomings in the studies which have been made by the Department of Defense and the Department of State. (See pp. 5 and 6.) We further set forth our reservations with respect to the justification presented to the Congress in the statement of our conclusions and recommend specific matters which we believe need further justification and the attention of the Congress. (See pp. 12 through 14.) (unclassified)

(Deleted.)

We have not attempted to render judgment with respect to the overall foreign policy considerations which may be involved in the proposal. We would like to point out, however, that should these reasons be important in this case a countervailing consideration in that the AWACS is a highly complex system and should it become too complex for Iranian operation and maintenance, it could possibly cause a strain between the two countries and have a counterproductive effect in this regard. (Unclassified)

It should be pointed out that the sale of seven aircraft by the Department of Defense would have the effect of possibly reducing the cost of U.S. Air Force AWACS. This point is mentioned particularly since the Congress has not approved procurement of AWACS in the numbers desired by the Air Force and the potential for substantial sales to the North Atlantic Treaty Organization (NATO) appears to be diminishing because of the system's high cost. Should the additional sales to NATO not materialze, the Iranian sale could offset to some degree the higher U.S. costs which would be otherwise involved and could be a factor in the desire of the Air Force to consummate the Iranian sale. (Unclassified)

Comments on our report were received from the Departments of State and Defense and the Director of Central Intelligence. These comments were included where considered appropriate. (Unclassified)

Following a brief background of the AWACS-Iran issues this letter discusses the air defense study which supports the AWACS sale, the responses to the questions about the sale we received from the Departments of State and Defense and the Director of Central Intelligence, our expanded views, and recommendations to the Congress. (Unclassified)

BACKGROUND

(Deleted.)

One study resulted in a report in October 1974 that advocated development of a ground-based radar system (later designated the "Seek Sentry" program). The report indicated that the mountainous terrain and special environmental conditions in Iran, such as temperature inversion, could justify about 40 ground-based radars to achieve full coverage around the borders and to control air traffic within the country. After further studies contractor proposals were invited in June 1975. Several contractors were designated for further negotiations, best and final offers were submitted in September 1976, but development was canceled by the Iranians in April 1977 shortly after the AWACS sale was approved. We were unable to ascertain the circumstances that led to the decision by Iran to obtain an AWACS and radar system in lieu of a radar only system. (Unclassified)

Interest in AWACS

(Deleted.)

The Iranian Air Defense Improvement Study which was completed in January 1977 was conducted by a combined team from Defense, ARMISH, and MAAG. Eight different options—combinations of airborne and ground radar systems—evolved from this study offering limited to full coverage of the Iranian air space. The study presented the following options and estimated costs which represent rough approximations. (Unclassified)

(Deleted.)

Study shortcomings

Under the ground rules laid down by the Government of Iran, the analysts were not free to examine a range of alternatives. For instance, the "given" airborne system was composed of 7 to 9 AWACS. The study did not consider a greater or lesser number of AWACS. Also by specifying only the AWACS, other less expensive candidate airborne systems, such as the Air Force's EC–121, the Navy's E–2C Hawkeye, and the United Kingdom's Nimrod were barred from consideration: (Unclassified)

In comments to us on our report the State Department provided information previously not available: (Unclassified)

(Deleted.)

State and Defense Departments positions

The responses to specific questions given to the Departments of State and Defense are summarized below and are included in full as appendixes I and II. (Unclassified)

(Deleted.)

Iran could net its land and naval tactical equipments, present and known future ones, into the AWACS command and control center. This would permit AWACS to serve as an airborne command and control center. (Unclassified)

(Deleted.)

Assessment of the Director of Central Intelligence

The assessment of the Director of Central Intelligence is in appendix III. The main points follow: (Unclassified)

(Deleted.)

Implications of additional U.S. personnel in Iran

(Deleted.)

POLICY JUSTIFICATION

The advance notification to the Congress of the sale of AWACS to Iran included a policy justification which in essence stated that: (Unclassified)

High costs and difficult technological and logistical problems were associated with the previous plan for an all ground radar system. (Unclassified)

The all ground system would cost about $2.6 billion plus the costs of opening up sparsely populated areas for access to the radar stations. Such additional costs are estimated by the Iranian Government to be as much as $15 billion. (Unclassified)

About 6,500 technically trained personnel and over 20,000 nontechnical personnel would have been required for a ground-based system. (Unclassified)

The Government of Iran sought a more cost-effective approach to air defense than a ground-based system. The AWACS presented such an approach. (Unclassified)

The U.S. Department of Defense estimated that 7 AWACS together with between 12 and 21 ground radars would provide Iran with optional degrees of air defense and air traffic control coverage. (Unclassified)

The total cost of the AWACS and ground radar system would be less than $3 billion and would reduce manpower requirements to 3,000 specially trained and 6,900 nontechnical personnel. (Unclassified)

The current proposal could be implemented sooner and less expensively than the previously proposed ground-based radar system. (Unclassified)

Iran's security is important to the United States. (Unclassified)

Our discussions with State and Defense Department officials resulted in the following clarifications and/or questions which should be noted: (Unclassified)

The contractor proposals for the ground-based radar system offered technologically acceptable solutions. (Unclassified)

The cost of $2.6 billion for the ground-based system includes complete communications for control facilities. The $3 billion cost cited for the AWACS/radar system does not include all the necessary communications and control facilities. (Unclassified)

The estimated cost of $15 billion for civilian and military infrastructure is purely an estimate of the Government of Iran. In our opinion, the estimate is probably excessive if related only to the radar stations. (Unclassified)

The justification points out that Iran sought a cost-effective approach in lieu of an all ground-based system. No alternatives, other than AWACS, were considered however. (Unclassified)

(Deleted.)

CONCLUSIONS

In our opinion, the justification presented to the Congress in support of the proposed AWACS sale to Iran is inadequate because: (Unclassified)

The previous proposal for an all ground-based system would have provided a higher level of air defense. (Unclassified)

Other possibly more cost-effective alternatives were not considered. (Unclassified)

The current proposal deals with only a portion of the requirements for an air defense system. (Unclassified)

(Deleted.)

AWACS can enhance Iran's ability to conduct offensive military operations. Sales of systems with offensive capabilities are contrary to stated administration policies. (Unclassified)

While the justification offered is, in our opinion, inadequate, it should be recognized there may be other undiscovered reasons underlying the proposed sale. (Unclassified)

RECOMMENDATIONS

We recommend that, during the forthcoming hearings on the proposed AWACS sale to Iran, the committees address the following questions. (Unclassified)

1. Are there valid reasons, other than those presented that would justify the sale? (Unclassified)

2. What would be the effect on U.S.-Iranian relations if AWACS proves to be excessively costly, difficult to maintain, and does not provide for adequate air defense? (Unclassified)

3. Is the security risk involved overcome by the possible advantages of the sale? (Unclassified)

4. When will proposals be given to the Congress for the other needed elements of the air defense system (ground radars and command and control facilities)? Should the entire air defense package be considered at one time instead of in separate segments? (Unclassified)

5. Are additional studies needed to adequately address the mix of systems and alternatives to AWACS to meet Iran's air defense requirements? (Unclassified)

6. Do studies and analyses adequately support the view that 7 AWACS plus 12 to 21 off-the-shelf ground radars are less expensive for equivalent defense capability? Does the Government of Iran agree? Would it be better for Iran and the United States to reconsider a purely defensive, ground radar system to meet round-the-clock Iranian air defense requirements? (Unclassified)

7 Considering the projected shortfall of trained Iranians does this mean that U.S. citizens may be required to both operate and maintain the AWACS force for an extended time? What are the impacts of this involvement? (Unclassified)

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. RIEGLE. Mr. President, I am among the cosponsors of the resolution submitted by the distinguished Senator from Iowa to disapprove the sale to Iran of seven Airborne Warnings and Control System, AWACS, aircraft. These planes incorporate the very most advanced technology ever developed for the electronic surveillance and analysis of military situations. They have been described as important "force multipliers," and are likely to form one of the key elements of NATO security.

The proposed sale to Iran of AWACS raises serious questions regarding the potential compromise of this critical technology, as well as obvious considerations regarding the impact of this sale upon the stability of the region around Iran and Iran's ability to operate and maintain these complex systems without the support of hundreds of American technicians.

I am sure that these and other issues will be explored in depth when the resolution of disapproval reaches the floor of the Senate. An important part of that debate is certain to be the analysis by the Central Intelligence Agency, the arm of our Government responsible for assessing Soviet intelligence activities outside the United States, of the risks of compromising the technology of AWACS.

The CIA provided, at the request of the General Accounting Office, an opinion in this matter. In its recommendations, the GAO urges that the risk of compromising AWACS should be weighed against any other possible benefits likely to be associated with the sale. In light of what I know about this sale, and in view of the President's own declared policy toward foreign military sales, the GAO's recommendation seems to make very good sense.

It is my understanding that while the CIA's judgment was based upon an objective examination of the situation, there are now, unfortunately, serious pressures coming to bear upon the CIA to change its view. I hope that either the indications of these pressures prove to be false, or that the pressures will not bring into question the reliability of CIA intelligence estimates, so vital to national policymaking. It would be a serious complication in this debate, which already involves critcal questions of national security and foreign policy, if we also have to consider the possibility that the integrity of analysis by the CIA is subject to political pressures.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1978—H.R. 7933

AMENDMENT NO. 516

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted an amendment intended to be proposed by him to the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold 3 days of hearings, on September 12, 13, and 14, on S. 1710, a bill to authorize the issuance of charters for carrying on the business of insurance, to provide for the guarantee of the insurance obligations, and for other purposes. This bill was introduced by Senator BROOKE on June 16, 1977.

The hearings will be held in room 5302, Dirksen Senate Office Building and will begin at 9:30 a.m. each day. Requests to testify on this legislation should be submitted in writing before August 20, 1977, to the following address: Committee on Banking, Housing, and Urban Affairs, U.S. Senate, room 5300, Dirksen Senate Office Building, Washington, D.C. 20510, Attention Florence Barr.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. HARRY F. BYRD, JR. Mr. President, a hearing by the Subcommittee on Taxation and Debt Management of the Finance Committee will be held on July 25, 1977, on S. 1514. The bill would amend section 4941 of the Internal Revenue Code of 1954 and section 101(1)(2) of the Tax Reform Act of 1969.

The sponsor of the legislation is Senator JAMES B. ALLEN, and the bill is cosponsored by Senators JOHN SPARKMAN and STROM THURMOND.

The hearings will begin at 2 p.m. in room 2221 Dirksen Senate Office Building.

The intended beneficiaries of the bill are: Public Welfare Foundation Inc., a nonprofit private foundation organized by Charles E. Marsh which is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954; the taxable, wholly owned subsidiaries of Public Welfare Foundation, Inc.—the Spartanburg Herald and Journal Inc., the Gadsden Times, Inc., and the Tuscaloosa News, Inc., and three newspaper operators—Newspapers Management-Production, Inc., Gadsden Times Publishing Corp., and Tuscaloosa Newspapers, Inc.—who lease the assets owned by Public Welfare Foundation, Inc.'s wholly-owned subsidiaries.

The principal owners of the three operating companies are, respectively, Phil Buchheit, Frank Helderman, Sr., and James B. Boone, Jr. The newspapers operate in South Carolina and Alabama. No revenue loss or gain is anticipated from the measure.

Witnesses who desire to testify in the hearings should submit a written request to Michael Stern, Staff Director, Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510 by no later than the close of business on July 21, 1977. Treasury comments on the proposed legislation are requested.

ELECTRIC AND GAS UTILITY RATE REFORM

Mr. JOHNSTON. Mr. President, the Subcommittee on Energy Conservation and Regulation of the Senate Committee on Energy and Natural Resources will hold an initial 2 days of hearings on part E of S. 1469, President Carter's proposal with respect to the reform of rate structures of the Nation's electric and natural gas utility companies. These hearings will commence at 8 a.m. on July 27 and 28 in room 3110 of the Dirksen Senate Office Building. The subcommittee will receive testimony from representatives of the administration, the Federal Power Commission, certain States, and selected private witnesses.

As many of my colleagues are aware, this is a complex issue with potentially far reaching impacts on our economy and on our energy future. I anticipate that the subcommittee will be holding further hearings on this matter after the August recess.

Questions about these hearings should be directed to Ben Cooper or James T. Bruce of the committee staff at 224–9894.

S. 242—FEDERAL RECLAMATION LAWS

Mr. METCALF. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Public Lands and Resources Subcommittee of the Senate Energy and Natural Resources Committee.

The hearing is scheduled for August 11, at the Holiday Inn in Great Falls, Mont. The precise time for the hearing will be announced later. Testimony is invited regarding S. 242, a bill to provide for consideration of the comparative productive potential of irrigable lands in determining nonexcess acreages under Federal reclamation laws.

For further information regarding the hearings, you may wish to communicate with Mr. Russell Brown of the subcommittee staff on extension 224–2366. Those wishing to testify or who wish to submit a written statement for the hearing record, should write to the Public Lands and Resources Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510 or communicate with my field secretary, Mrs. Sally Jordan, room 4435, Federal Office Building, Billings, Mont. 59101, telephone 406–259–5966.

S. 1671—ABSAROKA-BEARTOOTH WILDERNESS

Mr. METCALF. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a field hearing before the Parks and Recreation Subcommittee of the Senate Energy and Natural Resources Committee.

The hearing is scheduled for August 10, 1977, in room 148, Library, East Montana College, Billings, Mont. Testimony is invited regarding S. 1671, a bill to designate the Absaroka-Beartooth Wilderness, Custer and Gallatin National Forests, in the State of Montana.

For other information regarding the hearings you may wish to communicate with Mrs. Sally Jordan, Field Secretary to Senator METCALF, room 4435, Federal Building, Billings, Mont. 59101, (406) 259–5966, or in Washington, Mr. Thomas Williams of the subcommittee staff on extension 47145.

NOMINATIONS

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Thursday, July 21, 1977, at 9.30 a.m. in room 4232 Dirksen Senate Office Building, on the nominations of:

Patricia Albjerg Graham, of New York, to be Director of the National Institute of Education;

Earl Oliver, of Illinois, to be a member of the Railroad Retirement Board for the remainder of the term expiring August 28, 1978;

Mary Frances Cahill Leyland, of New York, to be an Assistant Director of the ACTION Agency;

John Robert Lewis, of Georgia, to be an Associate Director of the ACTION Agency;

Irene Tinker, of Maryland, to be an Assistant Director of the ACTION Agency;

Sar A. Levitan, of the District of Columbia, to be a member of the National Commission on Employment and Unemployment Statistics;

John B. Gabusi, of Arizona, to be an Assistant Director of the Community Services Administration;

Robert Stern Landmann, of New Mexico, to be an Assistant Director of the Community Services Administration;

Robert Nathaniel Smith, of Michigan, to be an Assistant Director of the Community Services Administration.

Persons wishing to testify or submit statements, please contact: Martin Jensen, room 4230 of the committee staff.

ANTITRUST AND MONOPOLY SUBCOMMITTEE

Mr. KENNEDY. Mr. President, there will be a hearing of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary on Thursday, July 21, and Friday, July 22, on S. 1874, a bill to restore effective enforcement of the antitrust laws. The hearing will be held in room 2228 Dirksen Senate Office building, beginning at 9 a.m. each day.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I am under the impression that I procured an order earlier today to the effect that upon the disposition of the orders for the recognition of Senators on Monday, the Senate proceed to the consideration of the Department of Defense appropriation bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

STATUE OF THE LATE SENATOR GRUENING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 321.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 25) providing for the acceptance of a statue of the late Senator Ernest Gruening presented by the State of Alaska for the National Statuary Hall collection, and for other purposes.

Mr. STEVENS. Mr. President, my colleague (Mr. GRAVEL) is in the chair and this is his bill I have cosponsored. I am pleased that the majority leader has called it up so we can proceed with the acceptance of the statue of our distinguished late colleague, Ernest Gruening, of Alaska. We have already placed in Statuary Hall the statue of my predecessor, the Honorable E. L. Bartlett. This will complete the process of recognition of the two first Senators of Alaska by accepting the statue of Ernest Gruening. I am sure my colleague will have some remarks for himself. I am pleased to cosponsor that resolution.

(Mr. ROBERT C. BYRD assumed the chair.)

Mr. GRAVEL. Mr. President, I thank my colleague for bringing up this matter. I think it is a matter of some honor for both of us to be present on the floor at this time for the passage of this legislation which will permit the State of Alaska to honor one of its most distinguished leaders by putting him in the Hall of Recognition, the Hall of Statues here in the Congress. With that, we join the rest of our colleagues in making this statement of respect to a person who certainly left his mark in this Chamber.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 25) was agreed to, as follows:

S. CON. RES. 25

Providing for the acceptance of a statue of the late Senator Ernest Gruening presented by the State of Alaska for the National Statuary Hall collection, and for other purposes

Resolved by the Senate (the House of Representatives concurring), That the statue of the late Senator Ernest Gruening, presented by the State of Alaska for the National Statuary Hall collection, is accepted in the name of the United States, and the thanks of the Congress are tendered to the State of Alaska for the contribution of the statue of one of its most eminent personages, illustrious for his distinguished civic services.

SEC. 2. The State of Alaska is authorized to place temporarily in the rotunda of the

Capitol the statue of the late Senator Ernest Gruening referred to in the first section of this concurrent resolution, and to hold ceremonies in the rotunda on that occasion. The Architect of the Capitol is authorized to make the necessary arrangements therefor.

SEC. 3. (a) The proceedings in the rotunda of the Capitol at the presentation by the State of Alaska of the statue of the late Senator Ernest Gruening for the National Statuary Hall collection, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such document shall be prepared under the direction of the Joint Committee on Printing.

(b) There shall be printed five thousand additional copies of such document which shall be bound in such style as the Joint Committee on Printing shall direct, of which one hundred and three copies shall be for the use of the Senate and three thousand copies shall be for the use of the Members of the Senate from the State of Alaska, and four hundred and thirty-nine copies shall be for the use of the House of Representatives, and one thousand four hundred and fifty-eight copies shall be for the use of the Member of the House of Representatives from the State of Alaska.

SEC. 4. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Governor of Alaska.

Mr. GRAVEL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. GRAVEL). The Senator from West Virginia.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there is one nomination on the Executive Calendar. I will inquire of the distinguished assistant Republican leader as to whether or not that nomination is cleared.

Mr. STEVENS. Mr. President, we have no objection to the consideration of the nomination.

Mr. ROBERT C. BYRD. I thank the distinguished assistant Republican leader.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of D. Lee Rampey, Jr., of Georgia, to be U.S. attorney for the middle district of Georgia.

There being no objection, the Senate proceeded to the consideration of executive business.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nomination of D. Lee Rampey, Jr., of Georgia, to be U.S. attorney for the middle district of Georgia.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10:30 a.m., Monday. After the two leaders or their designees have been recognized under the standing order, Mr. CURTIS and Mr. BAKER will each be recognized for not to exceed 15 minutes, at the conclusion of which the Senate will proceed to the consideration of the DOD appropriation bill, H.R. 7933. Under the order previously entered, no rollcall votes will occur prior to the hour of 4 p.m. Monday, but amendments to the DOD appropriation bill will be called up early during the day and any rollcall votes ordered on such amendments or motions in relation to that bill will follow the votes which will occur on the legislative appropriations bill and amendments thereto and motions in relation to the same which have already been scheduled to begin at 4 p.m. Monday.

There will be several rollcall votes in connection with the legislative appropriations bill on Monday without debate. As I have already stated, such rollcall votes will begin at the hour of 4 p.m.

The DOD appropriations bill is going to be transacted under a time agreement. It is possible that action on the bill may be completed on Monday. If not, the bill will carry over until Tuesday, at which time action would be resumed thereon.

RECESS UNTIL 10:30 A.M., MONDAY, JULY 18, 1977

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10:30 a.m., Monday.

The motion was agreed to; and at 7:45 p.m. the Senate recessed until Monday, July 18, 1977, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 15, 1977:

DEPARTMENT OF STATE

Allard Kenneth Lowenstein, of New York, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

DEPARTMENT OF AGRICULTURE

Sarah Weddington, of Texas, to be General Counsel of the Department of Agricultural, vice James D. Keast, resigned.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Patricia Albjerg Graham, of Massachusetts, to be Director of the National Institute of Education, vice Harold L. Hodgkinson, resigned.

COMMUNITY SERVICES ADMINISTRATION

John B. Gabusi, of Arizona, to be an Assistant Director of the Community Services Administration. (New position.)

Robert Stern Landmann, of New Mexico, to be an Assistant Director of the Community Services Administration. (New position.)

Robert Nathaniel Smith, of Michigan, to be an Assistant Director of the Community Services Administration. (New position.)

CONFIRMATION

Executive nomination confirmed by the Senate July 15, 1977:

DEPARTMENT OF JUSTICE

D. Lee Rampey, Jr., of Georgia, to be U.S. attorney for the Middle District of Georgia for the term of 4 years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. DOMENICI:

S. 1864. A bill to establish the Salinas National Monument in the State of New Mexico and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DOMENICI: Mr. President, today I am introducing a bill to establish the Salinas National Monument by combining Gran Quivira National Monument and two State monuments, Abo and Quarai in New Mexico.

The National Park Service conducted an investigation to determine the suitability and feasibility of operating Abo, Quarai, and Gran Quivira as a three-unit monument under a single managing agency in 1974. The study indicated that factors were favorable for the establishment of Salinas National Monument and proposed that it be administered and operated as a part of the National Park System.

In 1909, President William H. Taft set aside the Gran Quivira National Monument to protect and preserve the ruins of prehistoric Indian pueblos and associated 17th century Franciscan Spanish mission ruins. This monument consists of 610.94 acres under Federal ownership and there are 21 pueblo mounds, 10 kivas, and 2 church complexes which require preservation and protection.

In 1938, Abo became a State monument under the administration of the Museum of New Mexico. Only the church and convento of Abo have been excavated. The mission has been partially restored and stabilized. Other archeological resources include three large house mounds, one small house mound, numerous pictographs and petroglyps, several field houses and portions of a prehistoric trail. This unit would be accepted from the State by donation and an additional 350 acres of private land would be acquired to restore the integrity of the historical scene and to encompass additional ruins, petroglyphs, and picto-

graphs in the area, as well as provide land for development.

In 1935 the Quarai State Monument was established under the administration of the Museum of New Mexico. There are two mission churches and convento, nine Indian house mounds, pitroglyphs, ruins of an early Spanish corral, and remnants of a historic dam. The present States monument is approximately 15 acres in size.

In 1974 the State legislature passed Senate bill 19, and the act was signed by the Governor enabling the State to cede jurisdiction of Quarai and Abo State Monuments to the National Park Service for inclusion in the Salinas National Monument upon presentation by the Park Service of an approved development plan.

By Mr. BARTLETT:

S. 1867. A bill to amend chapter 81 of title 5 of the United States Code to require an independent physical examination of employees of the Government of the United States seeking compensation for work injuries; to the Committee on Governmental Affairs.

Mr. BARTLETT. Mr. President, the legislation which I introduce today will essentially reverse one of the changes included in the 1974 amendments to the Federal Employees Compensation Act, FECA. The amendment to which I refer now allows Federal employees to choose any private physician to examine and certify a job-related injury or illness. Prior to 1974, title 5 required a claimant to submit to a physical examination by a medical officer of the United States, whenever one was available.

The estimate of the cost of the free choice of physicians amendment in 1974 was far too conservative. This clause, along with the continuation of pay revision, have accounted for an alarming increase in the number of claims filed and accepted under the Federal employees compensation program. This increase is reflected in the number of injuries reported. Between 1972 and 1973 the total number reported under the FECA increased from 109,578 to 112,740—an increase of slightly over 2,000 claims. During the same amount of time from 1975 to 1976, the number of injuries reported grew from 144,897 to 191,172—an increase of over 46,000. This startling increase in the number of reported injuries occurred just 1 year after the 1974 revisions went into effect.

Mr. President, I was not aware that working for the Federal Government had only recently become such a hazardous occupation. I think it is ironic that all of these so-called injuries have occurred at a time when the Occupational Safety and Health Administration, OSHA, has been siphoning off the taxpayers' money at a clip of $117 million per year. I do not believe that Congress can allow this disgraceful situation to continue. Ultimately, it is the American taxpayer who must once again pay the price for more irresponsible Federal spending.

The increases in medical claims under the FECA can be attributed to the loosened eligibility requirements passed by Congress in 1974. Accompanying the increasing number of claims has been a startling increase in the cost of the employees compensation fund. In 1973, the cost of the fund was about $218 million. By 1976, the cost had skyrocketed to over $477 million. By 1978, the Department of Labor estimates that the cost of the Federal employees compensation fund will be over $700 million. In other words, in only a 5-year period, the cost of the claims alone will have increased 322 percent.

Mr. President, I ask unanimous consent that a letter from the U.S. Department of Labor, Office of Workers' Compensation Programs, containing statistical data on the FECA program, be printed in the RECORD at the end of my statement.

Injury compensation claim activity is at an all-time high, and is increasing at an unjustified rate. I believe that this level of activity is unreasonable and should never have occurred.

Because of the liberalization of the program, all types of claims are being submitted under the FECA and virtually every claim submitted is being accepted. The present system actually encourages Federal employees to quit work and apply for disability benefits. Workers are entitled to 75 percent of their salary, tax-free. When a worker can select his own physician to certify his disability, who can blame him for attempting to take advantage of this lucrative arrangement. Heart conditions, high blood pressure, and other stress-related conditions, for example, are being accepted wholesale as occupational diseases, without the necessary medical examinations to determine if these conditions are actually job-related.

Due to the overwhelming caseload, and lenient Federal directives for claims adjudication, the Office of Workers' Compensation is very liberal in ruling in the claimant's favor. The following case decision summary appeared in the Digest of Decisions of Employees' Compensation Appeals Board, Construction of the FECA:

> Compensation acts shall be liberally construed in favor of the injured employee or his dependent family.

While the number of workers' compensation claims has multiplied, the number of full-time employees assigned the job of processing the claims has increased only slightly. Between 1970 and 1976, claims increased by 126 percent. There was an increase in cases on the periodic rolls of 80.7 percent. To handle these increases, FECA program staff resources increased only 36.6 percent, to 478 from 350. The result has been a substantial inventory of unprocessed work, hastily processed claims, and unnecessary costs.

The Office of Workers' Compensation cannot be faulted for these increased costs. The OWCP has worked under enormous pressure to examine and adjudicate claims—pressure from claimants, Congressmen, union officials, and attorneys. Senate staff members, working in the field offices, are aware of the number of constituents inquiring as to the status of their FECA claim. These constituents are usually complaining about the delays they encounter when applying for initial benefits. Many cases have taken several months before a final determination can be made and a Treasury voucher approved. The congressional response to this deplorable state of affairs has been sadly predictable—3,500 congressional inquiries per month to the OWCP on behalf of dissatisfied claimants.

Primary responsibility for the present state of the FECA program lies not with the Office of Workers' Compensation, but with the Congress. The OWCP is required to pay all benefits due to injured Federal Employees under the law. The benefit levels and the standards for eligibility were established by Congress. It was Congress which passed the 1974 amendment which now allows a private physician to determine a worker's degree of disability. I believe the Congress should recognize and correct its mistake.

If a claimant sees enough doctors, he will no doubt find a sympathetic one who will verify a connecting link between the disability—if one even exists—and factors of employment. Generally, only one supporting medical document is sufficient to rule in favor of the claimant.

In many cases, private practitioners are not familiar with the conditions of employment. Or, being all too human, the private physician may give sympathetic treatment to the viewpoint and history communicated to him by his patient. The medical report prepared by the doctor may then contain only the viewpoint and history of the accident as related to him by the claimant. These incomplete or inaccurate medical reports place the Federal claims examiner in a difficult position when trying to verify the job-related illness or injury. Unfortunately, the examiner must rely upon this report because the OWCP is prevented by law from having the employee submit to an independent medical examination.

Mr. John C. Read, former Assistant Secretary of Labor for Employment Standards, alluded to this human discretion problem last year in his statement to the House Government Operations Committee, which was then investigating the Federal workers' compensation program. He stated:

> Because of the difficulty of adjudicating workers' compensation claims, no doubt some have been delayed and others paid where more time and attention may have yielded a different result. Adjudication of these claims requires human judgment based on factual and medical evidence, all of which are often less than conclusive.

Mr. President, the legislation which I introduce today will require a claimant to submit to an examination by a medical officer of the United States, or a physician designated by the Secretary of Labor. The report of the medical officer or designated physician shall include a description of the nature and extent of the injury or illness, but not the degree of disability. The degree of disability shall be determined by the FECA claims examiner, based upon the evidence of the medical report.

These changes will help to eliminate the chances for fraud or human mistake. The precise medical reports will guarantee swifter adjudication by the Office of Workers' Compensation. In the end, Federal employees will benefit by receiving quicker responses to their claims. The OWCP will benefit by increased uniformity and quality control. Finally, the cost of the program will stabilize when the number of claim submissions decreases to realistic level.

Mr. President, many articles have been brought to my attention in the last year which describe the problems in the Federal employees compensation program. One article, in particular, has been sent to me by Oklahomans who are upset with the abuses which the present FECA permits. "Workers' Compensation—A License to Steal?" appeared in Reader's Digest last October. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

I also ask unanimous consent that a transcript from the CBS News presentation, "Sixty Minutes," be printed in the RECORD. This excellent and fascinating production, entitled, "Beating the System," points out the very real problem of fraud in the Federal workers' compensation program. This transcript is reprinted with the written permission of CBS News and may not be published or reprinted without their consent. Mr. President, I also ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1867

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 8123(a) of title 5, United States Code, is amended to read as follows:

"(a) The Secretary of Labor shall require, and an employee shall submit to, an examination by a medical officer of the United States, or a physician (other than a physician who has treated the employee for any injury with respect to which a claim relates) designated or approved by the Secretary of Labor, after the employee submits a claim under section 8121 of this title and as frequently and at such other times and places as may be reasonably required, to determine the nature and probable extent of the disability.

(b) Section 8124(a) of such title is amended by striking out "and" at the end of paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following new paragraph:

"(2) considering the findings of the medical officer or physician under section 8123 of this title as to the nature and probable extent of the injury; and".

(c) Section 8121(6) of such title is amended by striking out "and the nature and probable extent of the disability".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to any claim for compensation filed after the date of the enactment of this Act.

ATTACHMENT

Response to Questions Posed in March 3, 1977 Letter From The Honorable Dewey F. Bartlett, U.S. Senate (All financial data are expressed in thousands of dollars)

Question 1: The total appropriation to the Department of Labor each year since 1972.

Response: The appropriations for the Division of Federal Employees' Compensation since 1972 are as follows:

[Dollars in thousands]

1972	$6,437
1973	[1] 6,705
1974	8,272
1975	10,529
1976	13,278
1977	[2] 17,785

[1] No appropriation was enacted; the amount shown reflects the continuing resolution amount received in fiscal year 1973.

[2] Includes supplemental request still pending.

Question 2: The appropriation which the Secretary requested each year to be made to the Employees' Compensation Fund, and the actual amount appropriated; also since 1972.

Response: The requests and appropriations for the Employees' Compensation fund during 1972 through 1976 are as follows:

[Dollars in thousands]

1972:	
Requested	$126,880
Appropriated	112,000
1973:	
Required	105,992
Appropriated	105,992
1974:	
Requested	124,610
Appropriated	124,610
1975:	
Requested	155,054
Appropriated	155,054
1976:	
Requested	275,959
Appropriated	275,959
1977:	
Requested	[1] 307,407
Appropriated	288,276

[1] Includes $19,131,000 supplemental request which is still pending in Congress.

Question 3: The cost of the Employees' Compensation Fund each year since 1972.

Response: Cost of Employees' Compensation Fund for 1972 through 1976 are as follows:

[Dollars in thousands]

1972	$190,024
1973	217,770
1974	270,676
1975	367,544
1976	477,387

Question 4: The administrative cost of the Division of Federal Employees' Compensation since 1972.

Response: The administrative cost for the Division of Federal Employees' Compensation during 1972 through 1976 are as follows: [4]

[Dollars in thousands]

1972	$6,412
1973	7,106
1974	9,146
1975	11,004
1976	13,484

Question 5: The number of personnel employed for the administration of the FECA each year since 1972.

[4] Excludes support cost associated with OWCP, ESA.

Response: The number of full-time permanent positions employed by the Division of Federal Employees' Compensation since 1972 are as follows:

1972	422
1973	402
1974	415
1975	453
1976	470

Question 6: The number of claims filed under the FECA program each year since 1972; and the total claims granted.

Response: a. The number of initial claims for compensation filed since 1972 is as follows:

1972	26,774
1973	28,231
1974	31,025
1975	35,615
1976	40,324

In addition, it should be noted that for every injury reported, there is a possibility that a claim for medical expenses will be involved, either by itself or in combination with the claim for compensation. It is estimated that approximately 80% of total injuries reported each year involve a claim for medical expenses. Accordingly, an estimate of the number of medical claims cases can be imputed from the following data showing the total number of injuries reported since 1972:

1972	109,578
1973	112,740
1974	123,009
1975	144,897
1976	191,172

b. Data on total claims granted each year are not available.

Question 7: The total cash amount of the claims granted under FECA since 1972.

Response: Likewise these data are not available in relation to the claims granted. However, the cash amount disbursed on account of all claims granted and paid each fiscal year (many of which would be for continuing claims as opposed to initial claims) are reflected in the response to Question 3.

Near the end of your letter you ask for an estimate of the cost incurred in carrying out the PL 93-416, 1974 FECA Amendments. Based on actual data for FY 1976 and as reflected in the future year caseload projections, there are indications that the continuation-of-pay provisions and other changes created by the 1974 Amendments have acted as an incentive to file claims. The conclusion can be drawn that overall costs to the Federal Government, given claims paid by salary continuation, have increased as a result of the Amendments and if present trends are maintained, will continue to increase. The cost directly associated with the 1974 FECA Amendments are not identifiable.

However, for comparison purposes, actual and estimated figures for the major cost components of the Federal Employees' Compensation Act are listed in the table below:

[Dollars in thousands]

Fiscal year	Permanent disability	Medical	Temporary disability	Death	Extensions [5]	Total costs
1976 actual	$286,784	$63,118	$70,462	$41,669	$14,999	$477,212
1977 estimate	367,425	78,964	83,593	45,056	15,960	590,998
1978 estimate	445,147	92,292	97,945	48,555	16,205	700,144

[5] Refers to certain extensions to the Act (such as Armed Force Reservists, War Claims Acts, and Federal Relief Projects).

WORKERS' COMPENSATION—A LICENSE TO STEAL?

(By KENNETH Y. TOMLINSON)

A 47-year-old Naval shipyard employe who had spent his entire career in a film-engraving room suddenly announced that he had suffered a hearing loss and demanded remuneration under the federal employes' compensation program. The loss, he said, had been caused by "incessant humming of the heating and air-conditioning unit and the constant noise of typewriters." Navy officials challenged his claim. Nevertheless, the Department of Labor's Office of Workers' Compensation Programs (OWCP) awarded the man $12,127, tax free.

A Postal Service clerk who had falsified employment forms to conceal a criminal record was given a 30-day dismissal notice. The day his discharge became final, he claimed he slipped on a rubber band, injuring his back. For 18 months he received taxpayer-financed medical treatment before a doctor concluded there was nothing physically wrong with him. Meanwhile, he collected more than $10,000, tax free, in federal workers' compensation.

After spending 5½ months recuperating from minor rib and back injuries suffered in a fall, a crane operator was told by his doctor that he could return to work. Instead, the worker hired a lawyer and demanded permanent-disability benefits. An impartial medical examiner testified that the worker's ailments stemmed from alcoholism, not his accident. But a Labor Department judge found him to be permanently and totally disabled and granted him $840 a month for life. (In addition, he is entitled to Social Security and other disability benefits.) The judge also awarded his lawyer nearly $7,000.

Behind these and countless similar cases are two federal statutes: the Federal Employes' Compensation Act (FECA), covering three million federal-government employes, and the Longshoremen's and Harbor Workers' Compensation Act, protecting nearly 900,000 people—from dock workers to non-federal employes in the District of Columbia.

FISCAL NIGHTMARE

When Congress rewrote the longshoremen's act in 1972 and the FECA in 1974, the new statutes were acclaimed "model" laws for compensating job-related injuries. Indeed, supporters said the measures constituted a blueprint for revision of compensation laws in the 50 states that cover most of the nation's 98-million work force.

In recent months, however, these "model" laws have come to symbolize an administrative and fiscal nightmare. Women have used taxpayer dollars for "job-related" D and C (dilation and curettage of the uterus) surgery. Men have collected for injuries suffered playing softball. Result: taxpayers are stuck with the tab for a government program that has been exploited by cheats and charlatans.

Runaway costs have marked the federal workers' compensation program. When FECA was revised, Congress and the Administration estimated that the new provisions would add no more than $8.3 million to the program's cost in fiscal 1976. In fact, the cost of the benefits soared from $271 million in 1974 to nearly $475 million this year. To be sure, inflation has contributed to these spiraling expenses, as have salary increases. But in the same period, reported injuries resulting in time loss from work nearly doubled. Government has a solemn obligation to ensure compensation for injuries on the job. This does not mean, however, that benefits should be paid to malingerers and outright extortionists. Here are the major areas of abuse:

DISTORTED STANDARDS

According to a provision in the 1974 act, federal employes can draw full pay for up to 45 consecutive workless days by presenting a doctor's statement confirming a work-related injury. This continuation-of-pay provision was meant to ease the financial burden on employes who could receive no pay until their claims were processed. But it has become an open invitation to loafers. Federal agencies cite case after case—from a painter who missed five days' work because of a small splinter in his thumb to a secretary who sat out seven workdays because of a "nervous condition" brought on by a reprimand from her boss. A shipyard employe recently returned to work only to discover that she had been out just 42 days. She promptly returned home for her remaining three days.

Hearing-loss claims represent another compensation area where safeguards against abuse are sorely lacking. For example, in the late 1960s, workers at a Naval shipyard learned of a private consultant who promised fat hearing-loss settlements from OWCP. In just three years the consultant was responsible for an estimated 2,500 claims at this one shipyard. The news of huge awards spread quickly to shipyards throughout the country, as did the fact that OWCP was approving nearly 90 percent of the claims—including $42,000 to a 75-year-old retired civil servant who had worked at a desk job since 1929. Result: the cost of compensating Naval hearing-loss claims skyrocketed to $17.1 million last year, and it is estimated that pending claims could nick the taxpayers more than $60 million.

Doctor shopping—the practice of going from one physician to another until a claim is approved—often ends up with the claimant under the care of an accommodating psychiatrist. Four physicians who examined an Air Force worker claiming injury from a minor fall could find no evidence of lasting disability. But the worker receives $621 a month in compensation and will continue to do so indefinitely—because a psychiatrist certified a permanent nervous disorder and linked it to the alleged injury.

FALSE CLAIMS

Last year, in New York, a robust longshoreman collected $4400 in compensation while supposedly recovering from a head injury—his fourth successful claim in four years. Under questioning at recent Waterfront Commission hearings, he admitted working in his own ironworks business while drawing compensation. Films shown at the hearings also revealed a dock worker, "plagued" by a bad back, doing strenuous yard work at home; a longshoreman who walked with ease until he approached a claims office—where he developed an exaggerated limp; and a clerk, also "disabled" by a bad back, feverishly hitting golf balls at a driving range in preparation for 18 holes at a nearby country club.

WEAK ENFORCEMENT

Despite voluminous evidence of such widespread fraud, the Department of Labor has sought only a handful of prosecutions in recent years, none of which the Justice Department pursued. Prosecutions would serve as a significant deterrent to bogus claims, but OWCP often fails to complete even basic investigations, according to a study by the General Accounting Office (GAO). Example: In 1972, a federal employe was placed on the temporary total-disability rolls because of a bad back. An OWCP regional office should have quickly determined his potential for other employment. Not until 1975, when he was reported working in a used-car lot and on occasion riding a motorcycle up to 200 miles in a single day, did OWCP direct the claimant to go to a state-employment service for "job evaluation." Seven months later, GAO could find no evidence that he had done so. Meanwhile, the man continued to draw compensation checks of $1239 a month.

Three years ago, a Louisville mail carrier filed a claim for fallen arches. Without making any serious effort to investigate the case, the OWCP blithely awarded him $28,800. Later, the Postal Service ordered the mailman to undergo examination by an orthopedic specialist, who found that he was not only fit for full duty but that his fallen arches were not job-related: the problem had been with him all his life. The new evidence will have no bearing on his case, however. Under the federal employes law, claimants can appeal OWCP rulings. Employers cannot.

Another post-office employe, supposedly unable to perform light clerical duties because of a back injury, managed to carry a full-course load at a local university while drawing compensation. After the student had spent most of a 20-month period on the disability rolls, his physician responded to a request that he visit the post office to see how much exertion was necessary to do his job. The doctor advised the student—by now in law school—that he could go back to work. Almost immediately after his return to duty, the student claimed to have suffered a recurrence of his injury, went to another doctor, and drew compensation for another six months. All told, the student received nearly $12,000 from OWCP.

PRESCRIPTION FOR CHANGE

During recent House Government Operations Subcommittee hearings, the Labor Department's administration of FECA was condemned by federal-agency spokesmen and members of Congress alike. "Who wrote these idiotic regulations?" fumed Rep. Fernand J. St Germain (D., R.I.). OWCP's director, Herbert A. Doyle, Jr., countered that in FECA fraud is "very rare" and examples of abuses are "very small"—a position which is refuted by numerous authorities and those who must deal with the program. Meanwhile, it is estimated that the cost will increase 100 percent during the next four years.

Obviously, both the law and its administration are sorely in need of an overhaul. Strict definitions of what constitutes job-related injuries should be written into law. Agencies must be allowed to appeal questionable awards and empowered to order independent physical examinations. Claimants with minor injuries should be required to wait at least three days before being granted continuation of pay—no hardship since federal employes receive 13 sick-leave days each year. And if the Labor Department (when properly staffed with claims examiners and investigators) will not cooperate in writing and enforcing proper regulations, then these programs should be placed under the jurisdiction of another federal agency that will.

The prospect of Congress instituting meaningful reforms is doubtful. In fact, organized labor is pushing for legislation imposing upon all the states liberal benefit standards which could lead to the same kind of practices that plague the federal program. Clearly, this must not happen. Yet it could, unless concerned citizens let Washington know such a giveaway will not be tolerated. Meanwhile, abuses must be stopped and existing federal-compensation laws reformed. You can start by writing your Senators and Representatives today.

"60 MINUTES," CBS TELEVISION NETWORK,

FEBRUARY 13, 1977

(With CBS News Correspondents Morley Safer, Mike Wallace and Dan Rather)

("Beating the System?"—produced by Norman Gorin)

("Bradley"—produced by John Drimmer)

("Project Seafarer"—produced by Richard Clark)

MIKE WALLACE. After just five years on the job, many of these men and women earn more than twenty-five thousand dollars a year. But recently some of these air traffic controllers have found a way to make money

by not working at all. How do they do it? They get the Federal Government to give them workers' compensation. Uncle Sam will pay you, during the time you're not working, seventy-five percent of your top wage—plus periodic cost-of-living increases, all of it tax-free. And it can go on for your lifetime.

BEATING THE SYSTEM?

MIKE WALLACE. Time was, you worked for Uncle Sam, did your job and kept your nose clean, and at the end of your federal service you'd wind up with a fair-sized pension for the rest of your life. Well, times have changed. Today some folks in the federal establishment have found a way to beat the system, to get Uncle Sam to take care of them, long before old age sets in.

Watch.

[Air traffic controllers radio exchanges]

WALLACE. These men and women try to keep the airlines safe. They try to make sure that airplanes in flight won't collide. And mostly, their record in doing that job is a good one. For many of them this job is fulfilling. It is also very rewarding. You see, eighteen thousand air traffic controllers nationwide may just be the highest-paid group of all federal employees. And they reach that pay scale rather quickly. After just five years on the job, many of these men and women earn more than twenty-five thousand dollars a year. But recently some of these air traffic controllers have found a way to make money by not working at all.

How do they do it? They get the Federal Government to give them workers' compensation. You see, a government employee is entitled to workers comp money if he can show that his disability is work related, no matter how it happened or whose fault it was. At first it was easy to determine if the employee should receive this money, because most job injuries were self-evident, things like broken bones. But as technology advanced, Uncle Sam began paying compensation for a whole new category of injuries called "long term occupational diseases". They could be caused by stress, anxiety, tension. They are tougher for a doctor to pinpoint. but they can pay off.

How much can a government employee make from OWPC? That's government jargon for workers' comp. Uncle Sam will pay you, during the time you're not working, seventy-five percent of your top wage—plus periodic cost-of-living increases, all of it tax-free. And it can go on for your lifetime.

Dr. Richard Butler is regional flight surgeon for the Federal Aviation Administration.

Doctor, what's the chief reason that so many air traffic controllers are leaving the F.A.A. on workmens' compensation?

Dr. BUTLER. At this time, I'd have to say that the majority of them are going out because it is more financially advantageous for them not to work than to work.

WALLACE. You mean they're not sick?

Dr. BUTLER. I have difficulty in answering that, because they are not coming through me, to be made disqualified.

WALLACE. Wait a minute! You're the flight surgeon here; so that when an air traffic controller feels anxiety or tension on the job, doesn't he have to come to you?

Dr. BUTLER. No. They go to a private physician of their choice.

WALLACE. You see, in 1974, when Congress liberalized the Compensation Law and gave the right to any federal employee to choose his own doctor, this meant that it became possible to shop around for a sympathetic private physician.

Don Wood is the chief of that air traffic control center outside Atlanta. In the past two and a half years, he has seen twenty percent of his five-hundred-and-fifty-man work force go out on workers' comp.

There is anxiety, there is tension, in this job here in this room.

WOOD. Certainly, there is! But I'm not sure that there's as much as we've been led to believe by the number of individuals that have gone out, due to anxiety, neurosis or whatever. But the temptation is just too great, for the individual to continue to work.

WALLACE. It's conceivable that a fellow would make more money, tax-free, on workmens' comp, than he would make doing a full-time job here, because he'd have to pay his taxes on it.

WOOD. It's not only conceivable; it's factual. He does make more—probably five to seven thousand dollars in his pocket more—per year.

WALLACE. Veterans employees like Bob Dyson and Dan Bauer worry that the rash of OWCP claims—or *punching out* as it's called, by their colleagues—will spoil it for those who will really need it in the future.

Over the first fifteen years that you worked here, how many went out on workmens' comp?

BAUER. I don't remember the first case of it

DYSON. Nobody that I know of.

WALLACE. Well, what's more, they claim that working conditions for controllers have actually improved over the past few years.

BAUER. It's no harder. In fact, it's much easier than it used to be.

WALLACE. Why?

BAUER. We had—Well, we have much better radar and more people.

WALLACE. So the tension's down. The work's down. The anxiety is down.

DYSON. I think so, definitely.

WALLACE. When a fellow who's been out here five years, six years, says "I want to get seventy-five percent workmens' comp," how does he go about inside his own head, and with you people, building a case?

BAUER. Well, he'll—usually he'll start out, probably takes quite a bit of sick leave. And he'll start talking more about it, than he normally has been. And they may get involved in some situations that we're not real happy about out here in their work. I mean, maybe get some traffic a little too close, or—and this will be documented. And naturally, when they apply for this OWCP, this will show up in their claim also.

WALLACE. There is another telltale sign though, that a controller may be planning to punch out. And that is when he suddenly begins to buy big-ticket items.

BAUER. Well, he may go out and buy a new motor home or a big boat, maybe a couple of automobiles, and talk about it out here. Of course, we don't see all that here, other than the new automobiles.

WALLACE. Not long ago, just before some of the air traffic controllers began punching out, they'd take out loans from the credit union, here at the FAA building in Atlanta, across from the airport—loans for boats or cars or campers. And at the same time, they took out disability insurance on those loans, so that when they were declared disabled, unable to work as air traffic controllers, the insurance companies had to pay off their loans for them. The companies won't tell us how much it cost them, but the scuttlebutt is it cost a half a million dollars. And the companies have stopped writing that kind of insurance.

Is it possible for a man who really wants out, is it possible for him to fake the symptoms, so that he can be certified occupationally disabled?

WOOD. Certainly it is.

WALLACE. Have you ever faced one of your guys and said, "I think you're faking"?

WOOD. No.

WALLACE. Why not?

WOOD. Well, I'm never really perfectly sure. I'm not a doctor. I suspect he is, but there's always a possibility the man is really sick.

WALLACE. But how can a doctor tell that it's the job of the air controller that's the principal cause of the tension and anxiety?

Dr. BUTLER. This gives me a real problem. Because in order to be eligible, to become eligible for workmen's compensation, the air traffic controller's disability must be job-related. Now, there is seldom one single source of anxiety.

WALLACE. The man who lives in this house is a former controller who's been out on OWCP for the past two years. He has been getting $19,000 a year, tax-free. The reason? His doctor certified that his high blood pressure was induced by the tensions of his work. He would not be interviewed.

The man who lives here with his family is thirty-three years old. He was an air traffic controller for seven years. Then he punched out. Today he receives $1443 a month. That is seventy-five percent of his gross salary, tax-free. In addition, he gets a thousand dollars a month from his disability insurance policy. That will go on for two and half more years. He wouldn't let us talk to him; nor would he let us photograph him playing tennis.

One former air traffic controller who would talk to us is Ron Soroko. He was on the job for five years. Then, a year and a half ago, he went out on OWCP because his psychiatrist (the same doctor who treated the others) said that his diabetes condition was aggravated by the stress of his job. Now he gets around $16,000 a year, tax-free.

So, basically, you're—you're in better shape, financially, outside than in?

SOROKO. I'd say that would be—Yes, sir. That's right.

WALLACE. You know that there's a certain amount of hostility on the part of Don Wood, Dr. Butler who feel that too many former air traffic controllers are simply taking advantage of OWCP. You know that there is that feeling, at the center?

SOROKO. I would say that there must be that feeling down there, because when I went down there they were very suspicious of me. Maybe it's because of these few, that they know, went out—and maybe they weren't, maybe, all that sick.

WALLACE. How many do you know who've really tried to get another job?

SOROKO. Very few. However, those same few are now beginning to say, "Hey! There's got to be something more in life."

SID EDWARDS. Maybe it goes back to the old ethic—that everybody's supposed to work. And that's not a bad ethic—that everybody's supposed to work. And maybe their conscience is bothering them that they're not working.

WALLACE. Sid Edwards, a 17-year veteran of air traffic control, has been non OWCP for three years now. Edwards, though, at the age of 47, unlike many of his former colleagues is using his compensation money to train for a new career.

EDWARDS. I really don't want to be on their dole. Now I'm going to accept it until some time as I can support myself, if—if—if they give it to me. And the second incentive is: It is my understanding they can stop that at any time they so decide that you're no longer disabled.

WALLACE. But nobody checks them.

EDWARDS. Well now, I—I must admit, I've never been rechecked.

WALLACE. You see, that job of checking is handled by a small agency called the Office of Workers' Compensation Programs, inside the huge U.S. Department of Labor. That office not only approves claims, but pays out the compensation—half a billion dollars last year. It's also supposed to see whether an employee has recovered from his work-related illness.

Ron, have you ever met anybody from the Department of Labor, face to face? Have they checked up on you?

SOROKO. No.

WALLACE. They call you on the phone occasionally?

SOROKO. One time.

WALLACE. Less than five hundred people nationwide handle all the paper work for OWCP, which last year alone had to take charge of two hundred thousand new cases. This Jacksonville regional office gets over 2,000 new claims a month. And there are 9,000 people on their permanent rolls who receive compensation. William O'Keefe is the man in charge.

Well, how many people work on claims, in workmens' comp, in—out of this office?

O'KEEFE. Thirteen.

WALLACE. Thirteen? And you have 2,000 new cases a month and 9,000 permanent cases?

O'KEEFE. Yes. Thirteen claims examiners.

WALLACE. He examines how many cases a day?

O'KEEFE. Oh! Seventy, seventy-five, I guess. I—I haven't even—even any idea of the figures. It's according to how many are in—in his office.

WALLACE. Okay. That's about ten in an hour—in an eight-hour day.

O'KEEFE. Right. Now, you get a tough anxiety case, heart case; you may put four or five hours of solid work on that before you can move it off your desk.

WALLACE. Well, how in the world can you cover seventy to eighty cases a day, if you have to put four to five hours on one case?

O'KEEFE. You fall behind.

WALLACE. Can a person who's getting workmens' comp work?

O'KEEFE. Yes, he can. In fact, we encourage it very much.

WALLACE. Does he have to report his income?

O'KEEFE. Yes. Sometimes we put him to work But he does have to report his income.

WALLACE. Of course, the reason many don't report it is because it would reduce the amount of their tax-free compensation.

Have you ever heard of a fellow named Glenn Pierce?

O'KEEFE. Yes.

WALLACE. You know him?

O'KEEFE. No.

WALLACE. What do you know about him?

O'KEEFE. I believe he's a bowler.

WALLACE. Glenn Pierce, who lives in Jacksonville, is probably the oldest rookie bowler in the history of the professional tour. In 1976 he earned over $16,000 as a pro. Until July of 1975, though, Pierce had been an air traffic controller for over twenty years. He was able to leave the FAA on workers' compensation when the Department of Labor agreed with his physician that his ulcers were caused by his job.

My understanding is that you have retired on workmens' comp at something like $22,000 a year, and that's tax-free.

O'KEEFE. Yeah.

WALLACE. That's pretty good.

PIERCE. Well, you know, if I'm—I'd rather be well than get that.

WALLACE. And you're now forty years old?

PIERCE. Hm-hmm.

WALLACE. So you could be on workmen's comp at $22,000 a year tax-free for thirty-five years.

PIERCE. Oh, yeah—Well—I hope so, until I die.

WALLACE. Let me ask you something. Isn't bowling very tense? Isn't that very anxiety-making too?

PIERCE. Sure.

WALLACE. That is, bowling for—for pay, the way you do.

PIERCE. Sure. Well yeah, but I can quit. I couldn't quit if I was out there.

WALLACE. At air traffic control.

PIERCE. If I—If I started having a stomach problem, I just quit and go home.

WALLACE. In effect, Glenn Pierce, the—the—the U.S. Government is backing you in a small business enterprise, which is your bowling career. Right?

PIERCE. No. No, I wouldn't say that. I don't feel like they're backing me, really. It's my money. I worked for it.

WALLACE. If I had not brought this to your attention, he could have gone on and on and on, on the pro bowling tour.

O'KEEFE. Well, a person, to go on and on and on, would—would have to submit a false report.

WALLACE. According to Pierce, though, filing false reports on earnings may not be uncommon among his former colleagues who are now reviewing workers' compensation.

PIERCE. After five years, six years, these guys try to bail out and get all this free money and then they go get them a job and make more money, you know.

WALLACE. Without reporting to the Labor Department.

PIERCE. Sure, without—under-the-table stuff, you know. I don't know what they got going. I heard, once, a guy had a jewelry store and—and it's easy—it's easy to get away with it. Just put it in your wife's name.

WALLACE. So if they want to rip the system off, they can.

O'KEEFE. Well, they—they would have to commit a crime.

WALLACE. I understand that. It's not unheard of.

O'KEEFE. That's true, but—Good! Let me put the question to you. What's the alternative? We send out the form letter, asking "Have you're—" Well, what we ask is: "Please list your earnings for the past year." And they write back "None." And the medical report and file says this person is unable to work. In the meantime, he's working as an ironworker, forty stories up in an—at Miami, under another name.

WALLACE. Or his wife has a business, in her name, in which he's working.

O'KEEFE. This could be. But I don't know how—how we can possibly follow it up.

WALLACE. Or a widow has remarried again. Or an air traffic controller is on the bowling circuit. Or—or—or!

O'KEEFE. These situations can happen. But they would have to commit a crime in order to proceed.

WALLACE. But how many have you prosecuted for committing a crime?

O'KEEFE. None in this office, since I took it over on August 1st, 1959.

WALLACE. There's not been one case of fraud out of this office? Prosecute?

O'KEEFE. There's not been one prosecution.

WALLACE. Why?

O'KEEFE. There has not been——

WALLACE. Why?

O'KEEFE. —a prosecution.

WALLACE. Why?

O'KEEFE. We've never found a fraud.

WALLACE. How many investigators do you have checking up on them? Claims?

O'KEEFE. None.

WALLACE. None?

O'KEEFE. None. I used to have investigators.

WALLACE. And what happened?

O'KEEFE. They were eliminated.

WALLACE. Because?

O'KEEFE [laughing]. Because the Secretary of Labor eliminated them.

WALLACE. Two footnotes. Last week, the insurance company that wrote disability policies for at least thirty of the Atlanta air traffic controllers, sued 12 of those controllers, and the psychiatrist who had certified their disability. The insurance company wants half a million dollars back. And about our bowler, Glenn Pierce, shortly after the Labor Department learned about his professional bowling career, they cut him off workers' comp.

By Mr. MELCHER (for himself, Mr. BURDICK, Mr. HAYAKAWA, Mr. HUMPHREY, Mr. ZORINSKY, Mr. STEVENS, Mr. STEVENSON, Mr. YOUNG, Mr. BAYH, Mr. CHURCH, Mr. WEICKER, Mr. MCGOVERN, Mr. ABOUREZK, Mr. GRAVEL, Mr. METCALF, and Mr. LUGAR):

S. 1868. A bill to expedite issuance of Federal permits and development of a transportation system to move Alaskan crude oil to Northern Tier and other inland States, and for other purposes; jointly, by unanimous consent, to the Committee on Commerce, Science, and Transportation, and the Committee on Energy and Natural Resources.

Mr. MELCHER. Mr. President, I ask unanimous consent that S. 1868 be jointly referred to the Committee on Commerce, Science, and Transportation and the Committee on Energy and Natural Resources.

I might say this request has been cleared with both committee chairmen and with the ranking members of both committees.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAYH. Mr. President, I was delighted with the President's recent decision not to export to Japan any of the oil which will soon be flowing through the Alaska pipeline. Along with many of my colleagues, I opposed the Alaska pipeline route because it was obvious to many of us, even years ago, that the Alaskan route would not provide oil to the sections of the country that needed it most, but would likely result in a surplus of oil on the west coast.

That prediction has now come true. The Alyeska pipeline was officially opened late in June and, assuming that there are no further mishaps such as the recent explosion at the Fairbanks pumping station, by this fall or winter we will be experiencing a surplus of 500,000 to 600,000 barrels of oil per day on the west coast.

Mr. President, the proven reserves in Alaska's North Slope have been estimated at 10 billion barrels. In all likelihood, there is probably closer to 30 billion barrels there. At a rate of 1 million barrels per day, that oil supply will last for at least 90 years. We must act immediately to get this oil to sections of the country in deperate need of it, and to reduce our dependence on unstable sources of foreign oil.

The situation is going to get worse, not better. The Canadians are continuing their gradual reduction of exports to the United States. By 1982 we will get no more Canadian oil. The loss of this crude will result in idling greater than half of the capacity of northern tier refineries.

Unfortunately, no transportation system currently exists to easily move Alaskan oil to energy deficient areas of the Nation. However, several initiatives are underway in the private sector to add to existing pipelines and make efficient transportation of Alaskan oil to northern tier refineries possible. We must do all we can to expedite the construction of these additional pipelines.

On February 28, I joined with Senator MELCHER and 14 other colleagues in urging the Federal Energy Administration to recommend a means of expediting the construction of these new pipelines as required by section 18 of the Alaskan Natural Gas Act. Unfortunately, the report issued by the Federal Energy Administration, in response to this requirement, did not recommend strong executive action. This was true despite the fact that the FEA agreed that the pipeline proposals were technically feasible and could be made operational within the next few years.

In light of this earlier response, I was quite pleased last week when the administration, speaking through the President's energy adviser, Mr. Schlesinger, commented favorably on pending proposals by the private sector to develop pipelines to carry surplus Alaskan oil from the west coast to northern tier and Midwestern States. The President's decision to keep Alaskan oil in the United States should come as encouraging news to those involved in these initiatives and step up efforts on their part to move ahead as quickly as possible.

In order to facilitate this process, Mr. President, Senator MELCHER and I, along with several of our colleagues, are introducing legislation today to make sure that proposals will go to the top of the agenda within the Interior Department and other agencies with jurisdiction over this matter. I imagine now that the administration has ruled out Japanese exports as a means of disposing of the anticipated west coast oil surplus, and commented favorably on pipes to carry the surplus oil east, that the Interior Department will do its very best to facilitate the Federal review and permit process, as well as preparation of the necessary environmental impact statements.

However, Senator MELCHER and myself, as well as our other cosponsors, want to make sure that the Department has all the authority it needs to speed the construction of these pipelines and that we iron out any other bottlenecks which the Congress can address. In addition, I think this effort represents a clear expression of congressional interest and concern over the need for a system to deliver Alaskan oil to those places that need it and I am hopeful that our action today will make such a system a top priority for all Federal agencies and departments involved. I am also optimistic about our chances of getting hearings for this legislation sometime late this summer, with Senate floor action to follow as quickly as possible.

Mr. President, the legislation we are introducing today would do the following: first, it would require the Secretary of Interior to review all applications pending on the date of enactment of this bill for issuance of Federal rights of way, permits, leases, and other authorizations necessary for construction and operation of these systems as well as mandating that he establish a timetable for completion of all required environmental impact statements.

Second, it would give the Secretary all the authority he needs to get information from the companies involved as quickly as possible.

Third, it would require that other agencies on which the Interior Department must rely to carry out its responsibilities under this act must submit requested information or provide assistance at the earliest practicable date after receipt of such requests.

Fourth, it would require the Secretary to make a decision on which system or systems to approve no later than February 1, 1978.

Fifth, it sets up specific criteria that the Secretary must take into account in making his decision to assure that the oil distributed by this system will be made available to those areas which need it most, in an equitable manner, and in a way that provides a long-term solution to the west coast crude oil surplus.

Sixth, it avoids endless delays caused by litigation once the Secretary has made a decision by limiting judicial challenges to 60 days after a decision is made and then placing these cases as the highest priority on the court's docket with a deadline for a decision. This provision should prevent delays without denying access to the courts for groups finding themselves in opposition to the Secretary's decision. They would just need to act quickly.

Mr. President, we are only several months away from the winter season. I predict it will not be long before my part of the country will be experiencing shortages of natural gas. We saw last winter the enormous economic and human costs of such shortages—plant shutdowns, unemployed workers, and school and hospital closings.

Right now many people are commenting on the supposed "oil glut". However, Mr. President, mark my words, the day is not far off then we will not have enough oil in this country for our most basic of needs. We must not fool ourselves about this. Until we can convert to other sources, Alaskan oil will be absolutely necessary to prevent massive shutdowns and dislocations across this country. We must get a transportation system in place as fast as is humanly possible to get this oil to the energy starved States of the country. I think this legislation will help bring that about.

I look forward to working with the President, the Department of Interior, and other Federal agencies involved, as well as those active in the private sector, to make these desperately needed transportation systems a reality at the earliest possible date.

By Mr. KENNEDY (for himself and Mr. WEICKER):

S. 1870. A bill to revise title 23 of the United States Code, relating to highways, terminate the Highway Trust Fund, and amend the Urban Mass Transportation Act of 1964, in order to improve transportation; to the Committee on Environment and Public Works.

THE FEDERAL TRANSPORTATION IMPROVEMENT ACT OF 1977

Mr. KENNEDY. Mr. President, I am pleased to introduce today, along with my distinguished colleague, the Senator from Connecticut, the Federal Transportation Improvement Act of 1977.

This legislation continues our attempts over the past several years to end the bias and discrimination toward highways in Federal transportation planning, funding and construction. Our aim is to allow for the development of a balanced transportation policy, where those States and localities which need to build new roads can do so, but those which want to repair older roads and those which want to provide mass transit also have the funds necessary to do so.

By abolishing the highway trust fund and providing for the use of transportaiton funds for locally felt needs, this bill will halt the Federal underwriting of a distorted transportation policy.

Perhaps as the need to conserve energy weighs ever more greatly; perhaps as the soot continues to foul our air we can take the steps required to break the concrete stranglehold on transportation funding.

That unthinking grip has insured a society built around the automobile and its demands for maintenance, storage, and replacement. The car is in brutal competition with people for energy, space and the air we breathe.

Some 40 to 60 percent of our central cities now are given over to streets and parking areas for the automobile. Urban development for the past two decades has been twisted by a transportation system focused on thrusting highways into the very hearts of our cities without much regard for the consequences of that action—and then taking those highways out into the countryside without much regard for the necessity for six lanes.

We are using half of our petroleum and a quarter of all our energy on transportation. We have 217 million people and 132 million vehicles in this country. With all our energy problems, this represents an increase of about one vehicle for each new person in the last couple of years—7 million each.

We are producing over 10 million cars a year but junking another 7 million.

Our railroads are going bankrupt. We carried 19 billion mass transit fares in 1945, but only 5.6 billion in 1975.

When we find these facts, then it is time to redesign our transportation system.

This bill will greatly aid in that task. Transportation planning at all levels of government will be freed from the lure of "easy money" for highways but too little money for mass transit.

Eight years ago, I felt it was time to call a halt to the tilt of Federal spending toward highway construction. I introduced legislation to create a national transportation trust fund, permitting States and localities to have a mass transit option in their use of trust fund dollars.

And in each Congress since, I have introduced legislation with Senator WEICKER to open the trust fund.

We helped push the first wedge in the trust fund door in the Senate in 1972. Although our amendment to provide total flexibility was not adopted, a fallback amendment sponsored by Senators COOPER and MUSKIE was approved. The same process helped defeat the highway lobby in 1973 when, for the first time since its creation in 1956, we secured a portion of the trust fund moneys for mass transit use.

We also succeeded in permitting cities and States to obtain the use of interstate funds for mass transit when they decided not to construct an interstate segment, because of its disruptive effect on the community.

I am pleased that Congress approved significant new urban mass transit administration funding in 1974, and I am proud to have been one of the sponsors of the authorization of new moneys for UMTA by the Senate this year, an action I hope the house will join us in.

However, the steps we have taken thus far are still too meager to meet the problem. Even the approval of significant new urban mass transit administration funding represents only a minimal response to long-stalled transit needs.

The energy crisis also has made it apparent that we have been far too cautious and hesitant in our chipping away at the restrictions of the highway trust fund.

We must abolish it with a single stroke if we are going to respond to the degree of urgency in our current transportation situation and if we are going to build an adequate system in the coming years.

For even today we are directing the vast majority of our transportation money into planting concrete. Federal expenditures for highways in 1975 were $4.8 billion, in 1976 were estimated at $6.6 billion, and in 1977 are estimated at $6.9 billion. The Department of Transportation estimates that the highway trust fund will be accumulating $7.6 billion a year over the next 4 years.

Meanwhile, the Federal Rail Administration spent only $.5 billion in 1975, an estimated $.8 billion in 1976 and an estimated $.6 billion for 1977. UMTA spending was $.8 billion in 1975, an estimated $1.2 billion in 1976 and an estimated $1.6 billion in 1977. The priorities are obviously still not in order.

For that reason, I believe the elements of the legislation we are introducing today are critical for the restructuring and the redesign of our transportation system and the creation of a more balanced and integrated network to move people and goods.

First, the bill would abolish the Highway Trust Fund on September 30, 1978.

Second, all gasoline and other tax revenues that now flow into the trust fund would be channeled into the treasury general fund.

Third. Federal highway funding would be determined through the normal authorization and appropriation process.

Fourth, the proliferation of categorical highway programs would be streamlined with funds available for highway or mass transit systems, except for the Interstate System. Under the interstate transfer provision, under existing law, there is flexibility for using those funds for mass transit where localities and States propose not to build a nonessential interstate segment.

Instead of nine different categorical highway programs, in addition to the interstate, there will only be the urban and the rural systems.

Funds authorized and appropriated for the urban and rural system would be available either for highway construction or maintenance or for construction and operating subsidies for mass transit systems.

Fifth, the Federal share for the urban and rural system funds would be 90 percent, an increase of 20 percent, and the same amount that is contributed to the interstate projects.

Sixth, the Federal share for the Interstate System remains at 90 percent.

Seventh, the Governor would be responsible for development of a comprehensive State plan. Urban area plans would be incorporated into the State plan.

Eighth, a single State agency responsible for all transportation would administer the plan, removing the State highway department control over transportation planning in many States.

Ninth, these comprehensive plans would represent local and State priorities in transportation. The plans would have to meet overall Federal objectives, such as priority to mass rail or other fixed guideway transit in areas with air quality problems, priority to projects which result in energy savings, and priority to reconstruction of highways in the rural system that are unsafe.

Tenth, the Secretary's disapproval of a State plan would be subject to court review.

Eleventh, urban system funds would be appropriated to States on the basis of population. The Governor would be required to pass through funds for urbanized areas over 150,000.

Twelfth, rural system funds would be apportioned to States under existing law.

Thirteenth, the bill returns the weight limit for trucks to the lower level in existence prior to 1974.

These are the major changes in existing law which would be achieved through the legislation we are introducing today.

I believe these measures will help insure more rational transportation decisionmaking in the future. And the Nation cannot afford any delay in achieving that goal.

This bill, Mr. President, is a result of a number of years of work and consultation with many different representatives of different transportation units. We feel, if adopted, it will still insure the best distribution of resources in this country focused upon a transportation system which recognizes the needs of those in rural America and in underpopulated parts of this country as well as those who live in the major urban centers of the Nation.

So I am delighted to join with my friend and colleague, the Senator from Connecticut, in an area of great national importance and consequence. We are going to continue to work closely with the committees, with our colleagues, and with the administration in attempting to see that this legislation is implemented into law.

Mr. President, I send to the desk legislation and ask for its appropriate reference.

Mr. WEICKER. Mr. President, I am pleased to once again join with the distinguished Senator from Massachusetts (Mr. KENNEDY) in offering legislation designed to conserve energy by abolishing the Highway Trust Fund and allowing flexible use of Federal transportation dollars.

This legislation represents a continuation of our 5-year effort to create a balanced transportation system in the United States. In March of 1975, Senator KENNEDY and I introduced similar legislation. Unfortunately, the 94th Congress chose to sidestep the question of transportation funding reform, by passing a simple 2-year extension of the Federal highway programs and the trust fund.

Mr. President, comprehensive proposals to revamp the existing programs have been before the Congress now for over 2 years. We can no longer afford to reply on piece-meal solutions. Fundamental reform is required.

Since the Highway Trust Fund was created 21 years ago, the needs of our society have dramatically changed. In 1956, energy was plentiful and cheap. Air pollution alerts were unheard of. Our road system was deficient. Today, our national security is threatened by a heavy reliance on insecure foreign-sourced oil. According to the National Academy of Science, auto emissions are considered the cause of 4,000 deaths and 4 million illnesses per year within our major urban areas. And, today, 90 percent of our interstate system has been completed.

Despite these changes, our Federal transportation programs continue to provide about $6 for highways for every $1 available for mass transit and rail commuting. Furthermore, our existing Federal transportation programs are written so that States and localities have little say in how they use the money they receive. Broken down into separate categories, the transportation dollar is so earmarked as to actually dictate transportation priorities to the States and cities. Local officials see money in one specific category of the existing highway code and then build a road that fits the Federal guidelines, rather than building what they need.

This unequal and fragmented approach to transportation funding has led to a society dominated by the automobile. More than four out of every five American families own cars today and 90 percent of all urban travel is by car or truck.

Transportation accounts for fully 26 percent of our national energy consumption and one-half of that is used by the automobile. Automobiles consume 5 billion barrels of oil per day—nearly 60 percent of our oil input needs. With energy shortages threatening our security and lifestyle, I believe it is incumbent on this Congress to make our transportation priorities reflect this harsh fact of life.

In order to allow the development of more rational transportation programs,

ones that reflect our current energy, environmental, and community development plans, the legislation we are proposing today would drastically reform the Federal highway programs.

In drafting this legislation, we sought to maintain many of the existing administrative procedures presently utilized for highway programs. These procedures have proved successful in developing an excellent road system in the United States, but the bill, while attempting to build upon an existing apparatus, makes important structural revisions. We have chosen to rewrite title XXIII of the United States Code precisely to establish the new transportation priorities we clearly need.

First, and most significantly, this legislation would abolish the Highway Trust Fund, effective September 30, 1978. Federal gasoline and other user taxes that support the fund would remain in place, but the revenues derived would flow into the general fund of the Treasury. Thus, funding levels for the revised transportation programs, as approved under this act, would be analyzed and set by the Congress through its normal authorization and appropriation process.

The trust fund has in the past served as an automatic pilot for highway construction where expenditures were based on trust fund revenues regardless of demonstrated need. This funding system has given this country the best highways and the worst overall transportation in the modern world.

Second, our proposal would consolidate the existing categorical programs into three major systems: interstate, urban, and rural. Funds would be distributed to these systems in the following manner:

Interstate—the apportionment formula would remain the same as current law.

Urban system—each State would receive urban system funds based on a population factor. Cities over 150,000 in population would receive funds directly from the Federal Government. Thus, local officials will be given greater control over their programs.

Rural system—the rural system funds would continue to be appropriated to a State on the basis of mileage, land area, and population. However, the 1976 Federal Aid Highway Act inserted some urban construction into the rural road system and altered the apportionment formula to reflect this change. Since the new rural system has no urban components, the Kennedy-Weicker bill would revert back to the pre-1976 formula for distributing rural system moneys.

The bill would also equalize the Federal-State funding ratios amongst the various programs. Under existing law, urban and rural systems are funded on a 70–30 basis, while the interstate enjoys a 90–10 split. In order to eliminate any bias that this imposes on local officials, all transportation funding, authorized by this act, would be 90 percent Federal, 10 percent State and local.

Third, this legislation removes any restriction on the use of moneys distributed to the urban and rural systems. Funds authorized for the urban and rural systems would now be available to States and cities for either highway construction and maintenance, or for mass transit construction, maintenance, and operating assistance. Thus, State and local officials would have a wide range of options to choose from in deciding how best to meet their own transportation needs.

It is important to note that until the last Federal Highway Act, no funds could be used for the maintenance of existing highways. Yet, clearly highway maintenance has become a critical priority of many State transportation programs. We have been building highways at an accelerating rate ever since 1956. Our basic roads systems are already in place. Rather than needlessly stimulating even more new construction, we should permit the States to use Federal funds to maintain the improved service on facilities already in place.

Under present law, the interstate system has the principle of flexibility built into the program. Through the use of the interstate transfer mechanism, States and cities may turn back unwanted interstate construction funds and draw an equivalent amount from general revenues for mass transit.

Finally, this bill sets up a statewide transportation planning mechanism to be administered by a single State agency with jurisdiction over all State transportation programs. The governor would be required to develop rural aspects of the plan and incorporate plans formulated by urban areas into his statewide plan. Under the bill, urban areas would retain control of their own planning. These plans would have to reflect Federal and State priorities in energy conservation, urban development, environmental concerns and safety factors. The Secretary of Transportation and the State legislature each exercise approval power over the plans. The secretary's disapproval of any plan may be subjected to court review.

Once the State plan was approved, the Governor would submit for the secretary's approval a program of projects to receive Federal funding. To qualify for that approval, the projects would have to give priority to fixed-guideway and electric-powered projects—mass transit—in areas failing to meet ambient air quality standards. The bill also requires that State plans must emphasize reconstruction of unsafe rural-system highways, development of safety programs, access to public airports and port facilities, and energy-saving projects.

Mr. President, the goal of this legislation is to provide flexibility for State and local officials. They best know their own transportation needs. Federal assistance should be equally available for whatever transportation system they think best for their region. Once this flexibility and improved planning is achieved, the Nation will enjoy better transportation, clearer air to breathe, and less energy wasted.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 1871. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to provide for an automatic adjustment in such wage rate, and to adjust the credit against the minimum wage which is based on tips received by tipped employees; to the Committee on Human Resources.

Mr. WILLIAMS. Mr. President, today I am, once again, introducing legislation to increase the Federal minimum wage under the Fair Labor Standards Act. The bill I am introducing not only provides a badly needed increase in the minimum wage, but also provides an indexing mechanism which will maintain the minimum at a reasonable level. The bill also provides for a gradual phasing out of the tip credit for employees who receive tips in the course of their employment.

In order to expedite Senate consideration of this proposal, I intend to schedule Labor Subcommittee hearings on this bill to begin on Thursday, July 28, and to be continued on August 1, 2, 3, 4, and 5, thus completing our subcommittee hearing schedule before the August recess.

Mr. President, when the minimum wage paid to our Nation's full-time, yearround workers yields a living standard which is substantially below the poverty level for a nonfarm family of four, that minimum wage is inadequate; and it is our responsibility to provide an increase.

The 1976 minimum wage level of $2.30 yields an annual income of approximately $4,780 to a full-time, yearround worker. However, in 1976, the poverty level for a nonfarm family of four was $5,800 per year. This year, and next year when the wage increase which I propose will take effect, the gap between the poverty level wage and the minimum wage will be even greater unless we take steps to correct the disparity. Assuming only a 5-percent annual increase in poverty level income, the poverty level for a nonfarm family of four in 1977 is estimated to be approximately $6,100 per year. By 1978, this figure will be over $6,300 per year.

The Department of Labor has estimated that, for the head of a family of four to have earned at least the nonfarm poverty income, the minimum wage would have had to have been $2.78 per hour in 1976 and $2.92 per hour in 1977.

By these standards, the legislation which I propose is relatively modest. It would increase the minimum wage to $2.65 per hour, effective January 1, 1978. This would result in an annual income of $5,512 for a full-time, year-round worker, an amount still below the poverty level. I regard this increase to $2.65 per hour, effective next January 1, as the least that we must do to provide some measure of equality for our working poor.

Mr. President, an equally important aspect of this legislation is a provision for automatic annual adjustment of the minimum wage. In past years, minimum wage increases have varied from as little as 5 cents per hour to as much as 40 cents per hour; they have ranged from less than 5 percent of the existing minimum to nearly 90 percent of the existing minimum; and they have been provided at intervals as short as 8 months apart and as long as 6 years apart. This irregularity has not only imposed a tremendous burden on those who must work at below the poverty level, but has also made prediction of minimum wage increases very difficult for employers.

Thus, the indexing concept will eliminate the irregular pattern which has characterized the history of minimum wage adjustments. It will also enable the business community to more accurately anticipate and adjust its wage costs. Most importantly, it will insure that the minimum wage is not continually eroded by inflationary pressures, and will protect the income of minimum wage recipients from the ravages of inflation.

This is not a novel concept. The Federal Government uses the Consumer Price Index to index increases or benefits under a number of programs such as the social security program, the railroad retirement program, the Federal workers' compensation program, and various other Federal retirement programs. In the private sector, approximately 5.9 million of the 9.6 million workers under collective bargaining agreements which cover 1,000 or more workers, are covered by cost-of-living escalator clauses for their compensation. Thus, the concept of indexing has been well accepted in our economy. It is time now to apply it to those who need it the most, our minimum wage, poverty-level workers.

The index which I propose is a relatively modest one. The $2.65 minimum wage rate which will go into effect on January 1, 1978, is approximately 51 percent of the average straight time hourly earnings of production workers in manufacturing. This legislation will provide 52 percent of the average straight time hourly earnings in manufacturing for the year beginning January 1, 1979, based on the 12-month period ending June 30, 1978. Effective January 1, 1980, and each January, thereafter, the minimum will be increased to 53 percent of average straight time hourly earnings for the base period ending the previous June 30.

It is estimated that the 52-percent index will result in a minimum wage rate of $2.89 per hour effective January 1, 1979; and it is estimated that the 53-percent index will result in a minimum wage rate of $3.15 effective on January 1, 1980. In each calendar year affected by this legislation, 1978, 1979, and 1980, the annual wage bill increase as a result of this basic minimum wage increase will be only four-tenths of 1 percent.

Mr. President, this is a most reasonable approach to insuring that the minimum wage performs the important function of providing a living wage to our Nation's workers. An analysis of the historical relationship between the basic minimum wage and straight time hourly earnings in manufacturing reveals that the minimum wage as a percentage of straight time hourly earnings in manufacturing, in the previous year, has fluctuated from a low of 31 percent to a high of 58.8 percent. Thus, the proposed legislation places the minimum wage at a level which is reasonable in historical perspective.

Another important aspect of this bill is the gradual phasing out of the tip credit. Present law permits some employers to credit tips against the minimum wage they must pay their employees. This legislation will reduce the tip credit from its present level of 50 percent of the minimum wage to 45 percent effective January 1, 1978; 40 percent on January 1, 1979; 30 percent on January 1, 1980; 20 percent on January 1, 1981; and 10 percent on January 1, 1982. It also amends the definition of tipped employee to more fairly reflect the realities of tipping practices affecting low wage workers. Effective January 1, 1983, the tip credit will be completely repealed.

Mr. President, this proposal for the gradual elimination of the tip credit will not result in any significant adverse impact on industries which employ tipped employees. The maximum tip credit presently permitted is $1.15 per hour, 50 percent of the applicable minimum wage. The 45 percent tip credit permitted after January 1, 1978, will provide a slight increase in this amount to $1.19 per hour. The 40-percent credit permitted after January 1, 1979, will provide an estimated $1.15 deduction from the minimum wage.

Thus, there will be no immediate reduction of the amount permitted as a tip credit under this legislation. The amount of tip credit permitted will be gradually reduced beginning January 1, 1980. This schedule of reduction recognizes the economic realities in industries which employ tipped workers and also recognizes the basic principle that workers are entitled to receive at least the statutory minimum wage from their employers.

Mr. President, it is predictable that opponents of the minimum wage will, as they have done in the past, raise the specters of inflation and unemployment. This is a familiar argument to those of us who have been in the forefront of fair labor standards amendments. We know that a close examination of the relevant economic data disproves predictions of economic adversity, and shows that there is no discernible increase in unemployment or significant effect on inflation as a result of minimum wage legislation. Every economic effect study by the Department of Labor under both Democratic and Republican administrations, demonstrates this fact.

Employment in our economy has continued upward during every period of significant increase in the minimum wage.

On January 25, 1950, the minimum wage was increased from 40 cents to 75 cents an hour and nonagricultural employment rose from 43,778,000 in 1949 to 45,222,000 in 1950.

On March 1, 1956, the minimum wage was increased from 75 cents to $1 an hour and nonagricultural employment rose from 52,408,000 in 1956 to 52,894,000 in 1957.

On September 3, 1961, the minimum wage was increased from $1 to $1.15 an hour and nonagricultural employment rose from 54,042,000 in 1961 to 55,596,000 in 1962.

On September 3, 1963, the minimum wage was increased from $1.15 to $1.25 an hour and nonagricultural employment rose from 56,702,000 in 1963 to 58,331,000 in 1964.

On February 1, 1967, the minimum wage was increased from $1.25 to $1.40 an hour and nonagricultural employment rose from 65,857,000 in 1967 to 67,915,000 in 1968.

On February 1, 1968, the minimum wage was increased from $1.40 to $1.60 an hour and nonagricultural employment rose from 67,915,000 in 1968 to 70,284,000 in 1969.

These increases in employment have also occurred along with the most recent minimum wage increases. Under the fair labor standards amendments of 1974, wage increases were provided in 1974, 1975, and 1976. In each year total nonagricultural employment rose until, in 1976, it had reached 79,441,000 workers. Thus, it is clear that the minimum wage does not present a significant barrier to expanded employment.

With regard to inflation, previous minimum wage increases have been absorbed easily by our economy, and there is no reason to assume that a different result will be obtained under this bill. Employers of low-wage workers often lack incentive to increase productivity. Thus, the minimum wage has a predictable tendency to encourage employers to seek more efficient methods of production and to contribute to our economy in that way as well.

The fact is that the major determinants of changes in our economy do not include minimum wages paid under the Fair Labor Standards Act. Rather, they are fiscal and monetary policy, long-term capital investment, business cycles, and international trade and foreign military assistance. Attempts to argue that the minimum wage level affects the level of employment or unemployment give insufficient weight to these much more important factors which determine the health of our Nation's economy. Thus, we have many tools which we can use to achieve economic growth and control inflation; and there is no need to sacrifice our working poor in order to obtain our goals in this area.

In short, this legislation is very badly needed. It promises to provide relief to our working poor and to insure that they are not the victims of economic fluctuations in the future. For the first time, we are providing equality in wages for all minimum wage workers covered by the Fair Labor Standards Act. These important principles will serve us well in the years ahead.

I now ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Fair Labor Standards Amendments of 1977".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938. (29 U.S.C. 201–219).

INCREASE AND AUTOMATIC ADJUSTMENT IN MINIMUM WAGE

SEC. 2. (a) Section 6(a)(1) (29 U.S.C. 206 (a)(1)) is amended to read as follows:

"(1) during the period beginning on the first day of January, 1978 and ending De-

cember 31, 1978, not less than $2.65 an hour; during the period beginning on the first day of January, 1979 and ending December 31, 1979, not less than 52 per centum of the average straight time hourly earnings of production workers on manufacturing payrolls, for the 12 month period beginning July 1, 1977, and ending June 30, 1978; and during the year beginning January 1, 1980, and during each succeeding year not less than 53 per centum of the average straight time hourly earnings for the twelve-month period ending on June 30 next preceding the beginning of such year of production workers on manufacturing payrolls; except as otherwise provided in this section;".

(b) Section 6(a)(5) (29 U.S.C. 206(a)(5)) is amended to read as follows:

"(5) if such employee is employed in agriculture—

during the period beginning on the first day of January 1978, not less than the minimum wage rate in effect under paragraph (1).".

(c) Section 6(b) (29 U.S.C. 206(b)) is amended by striking out "wages of the following rates:" and paragraphs (1) through (4) and inserting in lieu thereof the following: "wages at the following rate: Effective on and after the first day of January, 1978, not less than the minimum wage rate in effect under subsection (a)(1).".

(d) Section 6(a) is amended by adding after and below paragraph (5) the following: "Not later than August 31 of each year, the Secretary shall publish in the Federal Register the average straight-time hourly earnings, during the twelve-month period ending on the next preceding June 30, of production workers on manufacturing payrolls.".

SEC. 3. (a) Effective January 1, 1978, section 3(m) (29 U.S.C. 203(m)) is amended by striking out "50 per centum" and inserting in lieu thereof "45 per centum".

(b) Effective January 1, 1979, such section is amended by striking out "45 per centum" and inserting in lieu thereof "40 per centum".

(c) Effective January 1, 1980, such section is amended by striking out "40 per centum" and inserting in lieu thereof "30 per centum".

(d) Effective January 1, 1981, such section is amended by striking out "30 per centum" and inserting in lieu thereof "20 per centum".

(e) Effective January 1, 1982, such section is amended by striking out "20 per centum" and inserting in lieu thereof "10 per centum".

(f) Effective January 1, 1983, the last two sentences of such section are repealed.

DEFINITION OF TIPPED EMPLOYEE

SEC. 4. Section 3(t) (29 U.S.C. 203(t)) is amended to read as follows:

"(t)(1) 'Tipped employee' means any employee engaged in an occupation in which he customarily and regularly receives in tips in a month more than the average monthly tips published by the Secretary under paragraph (2) and applicable to such month.

"(2) The Secretary shall not later than November 30, 1977, and November 1 of each succeeding year publish in the Federal Register the average monthly tips per employee received in the twelve-month period ending on June 30 of such year by all employees in hotels, motels, restaurants and other food service establishments which shall be computed by determining the product of—

"(A) the average (as determined by the Secretary) hours of employment in each month of such period of such employees, and

"(B) the average maximum amount which under subsection (m) may be credited in such period toward an employer's minimum wage obligation.

The average monthly tips published under this paragraph shall be used in the year following such publication in determining whether an employee is in such year a tipped employee.".

EFFECTIVE DATE

SEC. 5. (a) The amendments made by sections 2 and 3 of this Act shall take effect on the first day of January 1978, except that on and after the date of enactment of this Act the Secretary of Labor shall take such administrative action as may be necessary to enable such amendments to be implemented on and after such day.

(b) The amendment made by section 4 shall take effect on January 1, 1978, except that the Secretary of Labor shall, no later than November 30, 1977, make the publication prescribed by section 3(t)(2) (as amended by section 4 of this Act).

(c) Effective January 1, 1983, section 3(t) is repealed.

Mr. JAVITS. Mr. President, I join today with Senator WILLIAMS, Chairman of the Committee on Human Resources, in introducing legislation to increase the minimum wage rate. I am pleased that the President has indicated his support of the wage and indexing provisions of this bill. This is legislation that is both overdue and vital to low income families and the working poor.

The last minimum wage legislation was enacted in 1974 and did not anticipate the extraordinary rises in wages and living costs that have since taken place. As a result, millions of American workers are being paid minimum wages which will not provide even a poverty level standard of living as defined by the United States Government for an urban family of four. Yet, Congress' declared policy in enacting the Fair Labor Standards Act was to protect "the maintenance of the minimum standard of living necessary for the health, efficiency, and general well-being of workers."

Just to keep up with increases in the cost of living since the 1968 minimum wage level would today require a minimum of $2.74 per hour. More importantly, a wage of $2.95 per hour is necessary today simply to support a family at the poverty level. This bill does not go even that far; rather, it provides an increase on January 1, 1978 to $2.65, and further increases on January 1, 1979 and January 1, 1980, respectively, to the equivalent of 52 and 53 percent of the average straight time hourly earnings of production workers on manufacturing payrolls.

This concept of indexing the minimum wage rate—as we have done already for social security—represents a vital protection against inflation for those workers in our society least able to protect themselves. It is incongruous that Federal employees, also, many union workers under labor contracts and social security recipients receive such protection, while low income families, the working poor are expected to cope with the rising cost of living by themselves, even though they are the least able to do so.

This indexing in the case of the minimum wage also offers the advantage to employers of regular, predictable wage rate adjustments. This approach promises to allow the Congress time to consider such issues as the scope of coverage and the existing exemptions in future sessions without also having to reconsider the basic minimum wage rate. The issue of what particular statistical measure is best used as the index for minimum wage is, however, one that the committee will need to explore thoroughly.

During hearings on this legislation we will again, of course, consider the effects of raising the minimum wage on the Nation's economy. It should be borne in mind, however, that the Fair Labor Standards Act is not premised on economic principles alone. We learned long ago that simply to give full rein to free market concepts without relevant social implications may sometimes operate to the detriment of our society. We have higher values than solely economic efficiency, as we have demonstrated time and time again through legislation enacted for the benefit of our Nation's working men and women. One of the most important of these is the Fair Labor Standards Act in which we declare the dignity of every citizen who works as our preeminent value. As we approach these minimum wage amendments, for the tenth time since the original enactment of the FLSA, I trust that this point will not be lost sight of, while employers, union leaders, economists and others press their views before the Congress.

This bill does not address the scope of coverage of the Fair Labor Standards Act. The committee is awaiting the complete reports of the Labor Department, with regard to the remaining exemptions that were mandated by the 1974 FLSA amendments. I look forward to receipt of the Labor Department's recommendations which will be the basis of our subsequent legislative efforts toward more expansive coverage.

A last and important point the bill also provides for the phased elimination of the "tip credit" and redefines "tipped employee" to make the tip credit inapplicable to employees who do not customarily receive a substantial amount of tip income. The bill defines "tipped employees" as those who receive more than a set figure per month in tips, the amount calculated by multiplying the average hours of employment per month for all tipped employees by the dollar amount of the tip credit allowed to the employer for the applicable period. In effect, this provision next year will raise the present floor from $20 per month to approximately $135 per month in tips received before an employee becomes subject to the tip credit. This amount will increase incrementally in succeeding years. I have serious reservations at this time as to the equity and wisdom of the bill's provision on tip credit. I have not determined as a matter of fact just how many tipped employees have incomes below the poverty level, receive average hourly compensation at or near current minimum wage levels, or require what is, in effect, a doubling of their legislated wage levels in addition to tip income in order to maintain "the minimum standard of living necessary for health, efficiency, and general well-being," which is the stated purpose of the act. The redefinition of "tipped employee" must also be fully evaluated, although I commend its basic intent of targeting wage increases for those whose need is greatest—the tipped employees at the bottom of the wage scale. I expect that the com-

mittee will thoroughly investigate these proposals during its hearings on the bill.

Mr. President, I believe this bill should have a top priority for this Congress and I hope that we can act on it promptly.

By Mr. CHURCH (for himself, Mr. LONG, Mr. HUMPHREY, Mr. ANDERSON, Mr. METCALF, Mr. MELCHER, Mr. BURDICK, Mr. YOUNG, Mr. ZORINSKY, Mr. HASKELL, and Mr. HART):

S. 1872. A bill to provide price support for sugar at not less than 60 per centum of the parity price therefor; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. CHURCH. Mr. President, I am sure that most of my colleagues are aware of the crisis facing the domestic sugar industry. Sugar is about the only agricultural commodity for which there is no domestic program or policy.

As a result, imports of foreign raw sugar are arriving in the United States at 9.5 cents a pound. United States producers cannot compete at that price, but it is not because they are inefficient. That price of 9.5 cents a pound is a "dump" price for excess foreign subsidized sugar.

About 75 percent of the world's sugar is consumed in its country of origin. Another 10 percent is traded under long-standing international agreements, such as the Cuban-Soviet bloc pact. The remaining 15 percent available for world trade from which the United States obtains its imports is a thin, volatile market, susceptable to extreme fluctuations.

The destruction of the domestic sugar industry, besides its harmful effects on farmers, processors, and their employees and the rural communities which depend on the industry, will make American consumers totally dependent on foreign sugar suppliers.

The sugar situation has been thoroughly studied by the U.S. International Trade Commission during a 6-month investigation. In my testimony to the Commission on December 9, 1976, I pointed out that:

As a United States Senator, I hear daily from my constituents. The sugar beet farmers of Idaho tell me that they are not receiving a return on the crop sufficient to cover their expenses. Even the most casual student of economics knows that it is not possible to produce a product for sale below production cost and stay in business for long.

Once a grower is out of business, there is little likelihood that he will get back in for the start-up expenditures required in capital are just too prohibitive. It is unlikely, therefore, that the domestic producers will be able to bounce in and out of production.

Without the needed domestic production, refineries will invariably shut down and thereby cripple the economies of the many small towns that serve as their home. These small towns depend heavily on the sugar industry for their economic well-being. There are some 56 small communities across this nation serving as the sites for sugar beet refineries with capital investments totalling nearly a billion dollars.

The impact of refinery closures will be immediate and severe. Some have estimated that the beet sugar industry contributes nearly three quarters of a billion dollars each year to the economy. The loss of this economic activity can only have a further negative effect on our existing national economic difficulties.

Recently, I had an interesting talk with a sugar beet farmer from Eastern Idaho. He asked me a very pointed question. "Frank," he said, "if imported sugar keeps pouring into this country, I will have to stop growing beets. Then I'll have a bunch of expensive equipment on my hands that's not much good for anything else but beets, my neighbor up the way will be out of a job at the refinery, and, in the end, we'll probably pay more for sugar. It just doesn't make sense."

The USITC agreed that the United States' approach to sugar did not make sense and concluded on March 17, 1977, that the domestic industry was seriously threatened by foreign subsidized sugar imports into the United States. The Commission recommended immediate administrative action to reduce the level of these imports.

Earlier, Secretary of Agriculture Bergland had appointed a sugar and sweetener task force to propose alternatives to aid the ailing domestic sugar industry. The task force recommended that the administration restrict imports and impose a price support program for sugar.

The administration, on May 4, 1977, decided not to restrict imports in light of ongoing negotiations aimed at achieving an international sugar agreement. At the same time, President Carter proposed a 2-cent per pound support payment program for sugar growers in recognition of the fact that "a viable domestic industry is vital to the economic well-being of the American people."

I know that the President is deeply disturbed over the poor health of our Nation's sugar industry. On April 4, I joined with 11 of my Senate colleagues in meeting with the President to discuss the crisis facing sugar farmers and to urge his prompt action. He related to us his very real concern for human problems associated with the economic difficulties facing the industry and I was impressed with his understanding of the issues involved. I think that the sugar farmers have a friend in the White House.

But the administration's proposal, labeled as a "stopgap" measure pending negotiation of the international sugar agreement, did not anticipate events in the world sugar market which saw already depressed prices decline even further. Prices are now around 9.5 cents, well below the level where the 2-cent payment could bring farmers up to the "rockbottom" production costs of 13.5 cents contained in the administration's plan.

As a result, our sugar farmers will be forced to further reduce their acreage. This last year saw a reduction of 30 percent in acreage in some parts of Idaho. If this decline continues, we will witness further plant closings and the displacement of hundreds of workers.

This legislation I am introducing today will provide sugar farmers with the assurance they need so, when they plant beets, they will know they are not committing financial suicide. The proposal is similar to that recommended by the sugar and sweetener task force in the department of Agriculture and would provide the administration with a workable mechanism to aid the domestic sugar industry should an international sugar agreement not be reached.

The support program established in this legislation would, in order to achieve its goal, require that important restrictions be imposed. The support price would be set at no less than 60 percent of parity, or about 15¼ cents a pound and would be administered in the same manner that other support prices are administered; that is, through Federal crop loans or purchases.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD following these remarks preceded by a summary of its provisions.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF S. 1872

The bill would add sugar beets and sugarcane to the list of "designated nonbasic commodities" in Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) with respect to which price support at a minimum specified level is mandatory. The legislation would become part of the permanent authority of the '49 Act. If adopted, it would provide mandatory price supports to sugar beet and sugarcane farmers in the same manner as price support is now provided to milk and honey producers.

Price supports for beets and cane would be only through loans and purchases with respect to the processed products thereof (i.e. refined beet sugar and raw cane sugar). Such loans and purchases would be made through or from processors. However, the amendment would not affect Section 401(e) of the '49 Act (7 U.S.C. 1421(e)) which requires the Secretary in such situations, to the extent practicable, to obtain such assurances as he deems adequate that producers have received or will receive "maximum benefits" from the price support operation.

Authority for price support through "other operations" which has been interpreted to mean direct payments to processors, would not be included in the legislation.

Under 7 U.S.C. 624 imports may be restricted if they interfere with a price support program. It is anticipated that the Administration would have to impose import restrictions if the price support program envisioned in this bill were adopted.

S. 1872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446), as amended, is further amended by:

(a) striking out, in the first sentence, the word "and" after the word "honey,",

(b) inserting in the first sentence, the words ", sugar beets, and sugar cane" after the word "milk", and

(c) adding a new subsection (d) as follows:

"(d) Effective with the 1977 crop the price of sugar beets and sugarcane, respectively, shall be supported through loans or purchases with respect to the processed products thereof at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor."

By Mr. McINTYRE:

S. 1873. A bill to provide improved consumer deposit services; to promote competitive balance among financial institutions; and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

NOW ACCOUNTS

Mr. McINTYRE. Mr. President, on June 9, I introduced a series of bills, S. 1664 through S. 1669, which together comprise the major legislative thrust of

the Subcommittee on Financial Institutions in this session.

Primary among these is S. 1664, a bill forwarded by the Carter administration, whose basic thrust is the nationwide extension of interest-bearing checking accounts for individuals, the so-called NOW accounts, and the payment of interest on reserve balances maintained by banks at the Federal Reserve to stem the decline in bank membership in the Federal Reserve System.

Mr. President, the Subcommittee on Financial Institutions held exhaustive hearings on these bills June 20 through June 23, receiving testimony from over 35 witnesses, including the Secretary of the Treasury and the Chairman of the Federal Reserve Board.

Having studied the record of these hearings, I am today introducing a bill incorporating recommended proposals which are clearly in the interest of the American banking public.

Mr. President, the bill I am introducing today would authorize interest-bearing checking accounts—NOW accounts—nationwide for individuals. NOW accounts may be offered by all types of financial institutions, including commercial banks, savings and loan associations, and mutual savings banks. A similar authority is offered for credit unions in the form of share draft accounts.

The bill provides for a 1-year delay in enactment in order that financial institutions may have time to plan for the advent of NOW accounts and in order that any necessary adjustments may be made in State laws.

NOW accounts would go into effect initially subject to a uniform ceiling rate for all institutions to 5 percent. This is the rate currently available to the citizens of the six New England States which, at the present time, are the only States in which NOW accounts are authorized.

A basic thrust of this bill, therefore, is to confer the same benefits of an interest-bearing checking account on citizens across the country as are presently available to the citizens of New England.

While NOW accounts in New England may also be offered to charitable and nonprofit organizations, for the moment, NOW accounts are being authorized nationwide only to individuals.

In addition to extending NOW accounts nationwide, the bill extends for 3 years, until December 15, 1980, the so-called Regulation Q authority by which deposit rate ceilings for financial institutions are established, and adds the Administrator of the National Credit Union Administration to the list of officials who consult on such ceilings. At the end of this 3-year period and 2 years after NOW accounts go into effect nationwide, the bill provides that the uniform rate on NOW accounts for all institutions would rise to the highest rate then prevailing for passbook accounts in any federally insured financial institution. This will contribute to competitive parity between competing institutions and to an even better break for the consumer on his savings/checking dollar.

The bill also incorporates a revised formula by which the Federal Reserve through a combination of paying interest on reserves and reducing reserve requirements will be able to stem the recent attrition of membership from the Federal Reserve System.

In addition to these provisions, Mr. President, the bill provides for a long overdue Federal chartering option for mutual savings banks, a simplification of section 5(c) of the Home Owners' Loan Act of 1933, the basic statute governing the lending and investment powers of Federal savings and loan associations, and an increase in the deposit insurance levels for IRA and Keogh accounts in federally insured institutions from $40,000 to $100,000.

Mr. President, the Senate Banking Committee is scheduled to mark up this bill August 2 and 3. Many of these proposals, particularly the NOW account proposals, have been the subject of deliberations within the Subcommittee on Financial Institutions for the past 4 years. The bill I am introducing today is a balanced bill which will contribute to increased consumer benefits and the increased competitive viability of our Nation's financial institutions.

Mr. President, there was one very important subject addressed at the hearings which is not addressed in this bill and that is the need of federally chartered savings and loan associations to have greater flexibility in the types of mortgage instruments which they may offer.

It is becoming increasingly clear that the continued reliance on long-term, fixed rate mortgages is making it increasingly difficult for the Federal savings and loan industry to maintain its commitment to housing finance in a cyclical market environment. In my opinion, this issue deserves the immediate attention of the Congress.

Nevertheless, given the fact that this subject is currently under intensive study by the Federal Home Loan Bank Board, the results of which will not be available until fall, this legislation must move forward now. It is my intention, therefore, to give the issue of variable rate mortgages and alternative mortgage instruments the full attention of the Subcommittee on Financial Institutions in the fall.

At the same time, Mr. President, it is my intention to address the entire asset and liability mix of Federal savings and loan associations with a view toward insuring their competitive viability in the years to come.

The competitive environment in which financial institutions must do business varies greatly from that of the 1930's when many of their governing statutes were first enacted.

Mr. President, due to the substantial interest in this bill, I ask unanimous consent that the bill be reprinted in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PAYMENT OF INTEREST ON DEPOSITS OR ACCOUNTS

SEC. 101. Section 2 of the Act of August 16, 1973 (Public Law 93–100), as amended (12 U.S.C. 1832), is amended to read as follows:

"SEC. 2. (a) A depository institution may permit depositors or account holders to maintain negotiable order of withdrawal accounts or share draft accounts.

"(b) The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any insured credit union as defined in section 101 of the Federal Credit Union Act;

"(5) any member as defined in section 2 of the Federal Home Loan Bank Act; and

"(6) any insured institution as defined in section 401 of the National Housing Act.

"(c) The term 'negotiable order of withdrawal account' means a deposit or account (1) on which payment of interest or dividends may be made, (2) with respect to which the depository institution may require the depositor or account holder to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, and (3) on which the depositor or account holder is allowed to make withdrawals by negotiable or transferable instrument or other similar item for the purpose of making payments to third persons or others. Such deposit or account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals.

"(d) The term 'share draft account' means a share account established at a credit union for an individual who is a credit union member (1) using negotiable or nonnegotiable drafts or other orders which are used to withdraw shares, (2) which earns dividend credit, and (3) with respect to which the credit union may require the account holder to give notice of an intended withdrawal not less than 30 days before the withdrawal is made.".

SEC. 102. (a) The first section of the Federal Reserve Act, as amended (12 U.S.C. 221), is amended by adding at the end thereof the following new paragraphs:

"The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any insured credit union as defined in section 101 of the Federal Credit Union Act;

"(5) any member as defined in section 2 of the Federal Home Loan Bank Act; and

"(6) any insured institution as defined in section 401 of the National Housing Act.

"The term 'negotiable order of withdrawal account' means a deposit or account (1) on which payment of interest or dividends may be made, (2) with respect to which the depository institution may require the depositor or account holder to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, and (3) on which the depositor or account holder is allowed to make withdrawals by negotiable or transferable instrument or other similar item for the purpose of making payments to third persons or others. Such deposit or account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals.

"The term 'share draft account' means a share account established at a credit union for an individual who is a credit union member (1) using negotiable or nonnegotiable drafts or other orders which are payable

through a bank and are used to withdraw shares, (2) which earns dividend credit, and (3) with respect to which the credit union may require the account holder to give notice of an intended withdrawal not less than thirty days before the withdrawal is made.".

(b) Section 2(a) of the Act of June 16, 1933 (Public Law 73-66) as amended (12 U.S.C. 221a(a)), is further amended by striking "and" and inserting after the words "reserve bank" the following: ", depository institution, negotiable order of withdrawal account and share draft account".

SEC. 103. Section 2 of the Act of August 16, 1973 (Public Law 93-100), as amended (12 U.S.C. 1832), is amended by adding at the end thereof the following:

"(e) The limitation on the rate of interest which may be paid by depository institutions on negotiable order of withdrawal accounts or on share draft accounts shall be uniform for all despository institutions and shall be equal to the limitation prescribed for savings deposits or accounts under section 19(j) of the Federal Reserve Act. Upon the expiration of 2 years after the effective date of this subsection, such limitation shall be uniform for all depository institutions and shall be equal to the limitation, if any, prescribed for savings deposits or accounts under section 5B(a) of the Federal Home Loan Bank Act.

SEC. 104. The first sentence of section 19(j) of the Federal Reserve Act, as amended (12 U.S.C. 371), is amended by inserting a comma and "the Administrator of the National Credit Union Administration," immediately after "Federal Deposit Insurance Corporation".

SEC. 105. The second sentence of section 18(g) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1828(g)), is amended by inserting a comma and "the Administration of the National Credit Union Administration," immediately after "Board of Governors of the Federal Reserve System".

SEC. 106. The first sentence of section 5B(a) of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1425B(a)), is amended by inserting a comma and "the Administrator of the National Credit Union Administration," immediately after "Board of Governors of the Federal Reserve System".

SEC. 107. Section 117 of the Federal Credit Union Act, as amended (12 U.S.C. 1763), is amended—

(1) by redesignating SEC. 117. as SEC. 117. (a); and

(2) by adding at the end thereof the following new subsection:

"(b) The Administrator may from time to time after consulting with the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, and the Board of Directors of the Federal Deposit Insurance Corporation, prescribe rules governing the payment and advertisement of interest or dividends, including limitations on the rate of interest or dividends which may be paid by credit unions on member accounts.".

SEC. 108. (a) Notwithstanding any other provision of this title, a depository institution which is located in Massachusetts, Connecticut, Rhode Island, Maine, Vermont, or New Hampshire may continue to make negotiable order of withdrawal accounts available to organizations operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not operated for profit.

(b) Notwithstanding any other provision of this title, a credit union may make a share draft account available to another credit union which is a member of the credit union offering such account.

TITLE II—RESERVE REQUIREMENTS AND EXPANDED DEPOSIT POWERS

SEC. 201. (a) The last sentence of subsection (b) of section 19 of the Federal Reserve Act (12 U.S.C. 461) is designated as paragraph (5) and that part of subsection (b) that precedes that sentence is amended to read as follows:

"(b)(1) Every member bank in a reserve city shall maintain reserves against its demand deposits at such average ratio of not less than 10 per centum nor more than 22 per centum, as shall be determined by the Board. The Board, either in individual cases or by regulation, on such basis as it may deem reasonable and appropriate in view of the character of business transacted by such bank, may make applicable the reserve ratios prescribed for banks not in reserve cities. Every member bank not in a reserve city shall maintain reserves against its demand deposits at such average ratio of not less than 7 per centum nor more than 14 per centum, as shall be determined by the Board: *Provided, however,* That a member bank may maintain reserves against its demand deposits of $15 million or less at a reserve ratio of not less than 4 per centum as may be determined by the Board, except that the average reserves maintained by a member bank in a reserve city against its demand deposits shall in no event be less than 10 per centum.

"(2) Every depository institution shall maintain reserves which shall be at the same level for all depository institutions against its negotiable order to withdraw accounts and its share draft accounts at such average ratio of not less than 3 per centum nor more than 12 per centum, as shall be determined by the Board.

"(3) Every member bank shall maintain reserves against its time deposits and savings deposits (other than negotiable order of withdrawal accounts) at such average ratio of not less than 3 per centum nor more than 10 per centum, as shall be determined by the Board: *Provided, however,* That a member bank may maintain reserves against an amount not exceeding $15,000,000 of the combined total of its time deposits with initial maturities of 180 days or more and savings deposits (other than negotiable order of withdrawal accounts) at a reserve ratio of not less than 1 per centum, as may be determined by the Board.

"(4) Every depository institution that maintains reserves pursuant to this section shall make reports concerning its deposit liabilities and required reserves at such times and in such manner and form as the Board may require.".

(b) With respect to any depository institution that is not a member of the Federal Reserve System on June 1, 1977, the required reserves imposed pursuant to section 201 of this Act against its negotiable order of withdrawal accounts or share draft accounts on the effective date of this Act shall be reduced by 75 per centum during the first year that begins after the effective date, 50 per centum during the second year, and 25 per centum during the third year.

SEC. 202. (a) Section 19(c) of the Federal Reserve Act (as amended (12 U.S.C. 461(c))), is amended by changing "subsection" to "subsections"; by inserting "(1) and (b)(3)" after "(b)"; and adding at the end thereof the following: "Reserves held by any depository institution to meet the requirements against its negotiable order of withdrawal accounts and its share draft accounts imposed pursuant to subsection (b)(2) of this section shall be in the form of—

"(1) balances maintained for such purposes by such depository institution in the Federal Reserve Bank of which it is a member or at which it maintains an account. However, the Board may by regulation permit depository institutions to maintain all or a portion of their reserves against their negotiable order of withdrawal accounts or share draft accounts in the form of vault cash provided that such proportion shall be identical for all depository institutions; and

"(2) balances maintained by a nonmember depository institution in a member bank or in a Federal Home Loan Bank provided that such member bank or Federal Home Loan Bank maintains such funds in the form of balances in a Federal Reserve Bank of which it is a member or at which it maintains an account. Balances received by a member bank from another depository institution that are used to satisfy the reserve requirements imposed on such depository institution by this section shall not be subject to the reserve requirements of this section imposed on such member bank and shall not be subject to assessment imposed on such member bank pursuant to section 2 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1817).".

(b) Section 19(c) is further amended by adding at the end thereof the following: "Interest may be paid on required reserve balances maintained at Federal Reserve Banks. The Board may establish the manner in which interest may be paid on required reserve balances maintained at Federal Reserve Banks, including limitations on the rates of interest that may be paid. The rate of interest that may be paid on reserve balances required to be maintained against negotiable order of withdrawal accounts and share draft accounts shall not exceed the average rate paid during the preceding calendar quarter on United States Treasury bills with mauturities of three months and interest may also be paid on other required reserve balances maintained at Federal Reserve Banks, provided the aggregate interest that may be paid in any year on all required reserve balances (including reserve balances against negotiable order of withdrawal accounts and share draft accounts) shall not exceed 5 percent of the net earnings in the previous year of the Federal Banks before payment of interest on all such required reserve balances. In establishing the rates of interest that may be paid in required reserve balances, the Board shall give due consideration to such factors as the effect on revenues of the Treasury of the United States, monetary and financial conditions, safety and soundness of depository institutions, competitive balance, benefits and costs of membership in the Federal Reserve System, the likelihood of membership attrition, and other circumstances surrounding depository institutions.".

(c) Section 19(f) of the Federal Reserve Act, as amended (12 U.S.C. 464), is amended by deleting "member bank" and inserting in lieu thereof "depository institution".

SEC. 203. (a) Section 5 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464), is further amended by deleting "savings" at each place it appears before "account" or "accounts".

(b) Section 5(b)(1) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(b)(1)), is amended by deleting the last sentence thereof and substituting the following: "An association may permit withdrawal or transfer of deposits or accounts by negotiable order of withdrawal as defined in section 2 of the Act of August 16, 1973, as amended (12 U.S.C. 1832) and the Board may by regulation provide for withdrawal or transfer of savings accounts upon nontransferable order or authorization.".

(c) Section 5A of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1425a), is amended by redesignating subsection (f) as subsection (g) and by inserting before such subsection, as redesignated, the following new subsection:

"(f) Every institution which is a member or is an insured institution as defined in section 401(a) of title IV of the National Housing Act (12 U.S.C. 1724(a)) shall maintain reserves against its negotiable order or withdrawal accounts as defined in section 1 of the Federal Reserve Act (12 U.S.C. 221a) in accordance with the provisions of section 19 of the Federal Reserve Act (12 U.S.C. 461) in amounts not less than such percentages of its aggregate amounts of such deposits or

accounts as may be prescribed under section 19(b) of the Federal Reserve Act (12 U.S.C. 461) by the Board of Governors of the Federal Reserve System.".

SEC. 204. Section 116 of the Federal Credit Union Act, as amended (12 U.S.C. 1762), is amended by adding at the end thereof the following new subsection:

"(c) Each insured credit union shall maintain reserves against its negotiable order of withdrawal accounts and share draft accounts as defined in section 1 of the Federal Reserve Act (12 U.S.C. 221a) in accordance with the provisions of section 19 of the Federal Reserve Act (12 U.S.C. 461) in amounts not less than such percentages of its aggregate amounts of such deposits or accounts as may be prescribed under section 19(b) of the Federal Reserve Act (12 U.S.C. 461) by the Board of Governors of the Federal Reserve System.".

SEC. 205. (a) The first paragraph of section 13 of the Federal Reserve Act (12 U.S.C. 342 is amended as follows:

(1) by inserting after the words "member banks" the words "or other depository institutions".

(2) by inserting after the words "payable upon presentation" the first and third times they appear, the words "or other items, including negotiable orders of withdrawal or share drafts".

(3) by inserting after the words "payable upon presentation within its district," the words "or other items, including negotiable orders of withdrawal or share drafts".

(4) by inserting after the words "nonmember bank or trust company," wherever they appear the words "or other depository institution".

(5) by striking the words "sufficient to offset the items in transit held for its account by the Federal Reserve bank" and inserting in lieu thereof the words "in such amount as the Board determines taking into account items in transit, services provided by the Federal Reserve bank, and other factors as the Board may deem appropriate".

(6) by inserting after the words "nonmember bank" after the second colon the words "or other depository institution."

(b) The thirteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 360) is amended as follows:

(1) by striking out the words "member banks" wherever they appear and inserting in lieu thereof "depository institutions".

(2) by striking out the words "member bank" wherever they appear and inserting in lieu thereof "depository institution".

(3) by inserting after the word "checks" wherever it appears the words "and other items, including negotiable orders of withdrawal and share drafts".

(c) The fourteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 248(o)) is amended by striking out "its member banks" and inserting in lieu thereof "depository institutions".

SEC. 206. The provisions of this Act (other than title III) shall become effective one year after date of enactment.

TITLE III

EXTENSION OF FLEXIBLE AUTHORITY TO IMPOSE INTEREST RATE CEILINGS ON DEPOSITS

SEC. 301. Section 7 of the Act of September 21, 1966 (Public Law 89-597), is amended by striking out "December 15, 1977" and inserting in lieu thereof "December 15, 1980".

TITLE IV—CHARTERS FOR THRIFT INSTITUTIONS

SEC. 401. Section 2(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1462(d)) is amended to read as follows:

"(d) The term 'association' means a Federal savings and loan association or a Federal mutual savings bank chartered by the Board under section 5, and any reference in any other law to a Federal savings and loan association shall be deemed to be also a reference to a Federal mutual savings bank, unless the context indicates otherwise.".

SEC. 402. Section 5(a) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(a)) is amended to read as follows:

"SEC. 5. (a) In order to provide thrift institutions in which people may invest their funds and in order to provide for the financing of homes and family and consumer needs, the Board is authorized to provide for the organization, incorporation, conversion, examination, operation, and regulation, under such rules, regulations (including definitions of terms used in this Act), or orders as it may prescribe, of associations which may be known as 'Federal Savings and Loan Associations' or 'Federal Savings Banks' (but only in the case of associations which, prior to conversion, were State mutual savings banks located in States which authorize the chartering of State mutual savings banks), and in issuing charters therefore, the Board shall give primary consideration to the best practices of thrift institutions and the needs of the families, consumers and communities to be served. An association which was formerly organized as a savings bank under State law may, to the extent authorized by the Board, continue to carry on any activities it was engaged in on December 31, 1976, and to retain or make any investments of a type it held on that date, except that its equity, corporate bond and consumer loan investments may not exceed the average ratio of such investments to total assets which existed immediately prior to its conversion.".

SEC. 403. Section 403(a) of the National Housing Act (12 U.S.C. 1726(a)) is amended by inserting after "Federal savings and loan associations" the following: "and Federal mutual savings banks".

SEC. 404. The first paragraph of section 5 (1) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(1)), is amended by inserting "(Including a savings bank)" after "member of a Federal Home Loan Bank".

TITLE V—LENDING AND INVESTMENT POWERS

SEC. 501. Section 5(c) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464 (c)), is amended to read as follows:

"(c) An association may, to such extent, and subject to such rules, regulations, definitions, and orders, as the Board may prescribe from time to time invest in, sell or otherwise deal with the following loans, or other investments:

"(1) Loans or Investments Without Percentage of Assets Limitation.—Without limitation as a percentage of assets, the following are permitted:

"(A) Savings Account Loans: loans on the security of its savings accounts;

"(B) Single Family and Multifamily Mortgage Loans: loans on the security of first liens upon residential real property within one hundred miles of its home office or within the State in which such home office is located; loans so secured shall not exceed $55,000 in principal amount (except that with respect to [residential real estate] in Alaska, Guam and Hawaii the foregoing limitation may be increased by not to exceed 50%) for each single family dwelling and or exceed such amount per room within the limits allowable (at the time of the loan) in section 207(c)(3) of the National Housing Act for any other dwelling unit covered by such lien;

"(C) United States Government Securities: investments in obligations of, or fully guaranteed as to principal and interest by, the United States;

"(D) Federal Home Loan Bank and Federal National Mortgage Association Securities: investments in the stock or bonds of a Federal Home Loan Bank or in the stock of the Federal National Mortgage Association;

"(E) Federal Home Loan Mortgage Corporation Instruments: investments in mortgages, obligations or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 of the Federal Home Loan Mortgage Corporation Act;

"(F) Other Government Securities: investments in obligations, participations, (securities) or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association, the Student Loan Marketing Association or the Government National Mortgage Association, or any other agency of the United States and an association may issue and sell securities which are guaranteed pursuant to section 306(g) of the National Housing Act;

"(G) Bank Deposits: investments in the time deposits, certificates, or accounts of any bank the deposits of which are insured by the Federal Deposit Insurance Corporation;

"(H) State Securities: investments in general obligations of any State or any political subdivision thereof;

"(I) Purchase of Insured Loans: purchase or make subject to all the provisions of this subparagraph (1), except the area restriction, loans secured by first liens on improved real estate which are insured under provisions of the National Housing Act, or as provided in the Servicemen's Readjustment Act of 1944 or chapter 37 of title 38 of the United States Code;

"(J) Home Improvement and Mobile Home Loans: loans not exceeding $10,000 [15,000] made for the repair, equipping, alteration or improvement of any real property, and loans made for the purpose of mobile home financing;

"(K) Insured Loans to Finance the Purchase of Fee Simple: loans or obligations, as to which the association has the benefit of insurance under section 240 of the National Housing Act, or of a commitment or agreement therefor;

"(L) Loans to Financial Institutions, Brokers and Dealers: loans, to financial institutions with respect to which the United States or an agency or instrumentality thereof has any function of examination or supervision, or to any broker or dealer registered with the Securities and Exchange Commission, secured by loans, obligations or investments in which the association has the statutory authority to invest directly;

"(M) Liquidity Investments: investments which, at the time of making, are assets eligible for inclusion toward the satisfaction of any liquidity requirement imposed by the Board pursuant to section 5A of the Federal Home Loan Bank Act, but only to the extent that the investment is permitted to be so included under regulations of the Board or is otherwise authorized;

"(N) Investment in the National Housing Partnership Corporation Partnerships, and Joint Ventures: investments in shares of stock issued by a corporation authorized to be created pursuant to title IX of the Housing and Urban Development Act of 1968, and investments in any partnership, limited partnership or joint venture formed pursuant to section 907(a) or 907(c) of that Act;

"(O) HUD Guaranteed Investments: loans or obligations as to which the association has the benefit of any guaranty under title IV of the Housing and Urban Development Act of 1968 or under part B of the Urban Growth and New Community Developemnt Act of 1970 or under section 802 of the Housing and Community Development Act of 1974, as now or hereafter in effect, or of a commitment or agreement therefor.

"(2) Loans or Investments Limited to Twenty Percent of Assets.—The following loans or investments are permitted, but authority conferred in the following subparagraphs is limited to not in excess of twenty

percent of the assets of the association for each subparagraph:

"(A) Multifamily Mortgage Loans: subject to the limitations in subparagraph (1)(B) hereof loans secured by property which comprises or includes more than four dwelling units or does not constitute homes, or combinations of homes and business property;

"(B) Improved Real Estate Loans: loans on security of first liens upon improved real estate;

"(C) Participation Loans: without regard to area restriction contained in subparagraph (1)(B) investments for the making or purchase of participation interests in first liens on residential real property;

"(D) Home Improvement Loans: subject to the area requirement contained in subparagraph (1)(B) investments in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38 of the United States Code, and in other loans for property alteration, repair, or improvement, including the construction of new structures related to residential use of the property: *Provided*, That no such loan, unless so insured or guaranteed, shall be made in excess of $10,000. Participating interests in loans secured by mortgages which have the benefit of insurance or guaranty (or a commitment therefor) under the National Housing Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38 of the United States Code shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations, other than this subparagraph, contained in this subparagraph (2)(D).

"(3) Loans or Investments Limited to Five Percent of Assets.—The following loans or investments are permitted, but the authority conferred in the following subparagraphs is limited to not in excess of five percent of assets of the association for each subparagraph:

"(A) Education Loans: loans, obligations and advances of credit made for the payment of expenses of college, university or vocational education;

"(B) Land Acquisition: an association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in, subject to the area restriction contained in subparagraph (1)(B), loans to finance the acquisition and development of land for primarily residential usage;

"(C) Short-Term Non-Amortized Loans: subject to the area and dollar amount restrictions contained in subparagraph (1)(B), an association may invest in non-amortized loans which are made on the security of first liens upon homes or combinations of homes and business property which are (i) repayable within a period of eighteen months, (ii) provide that interest payments be made at least semi-annually, and (iii) do not exceed 80 per centum of the appraised value of the property involved;

"(D) Housing Facilities for the Aging: subject to the area restriction contained in subparagraph (1)(B), amortized loans or participating interests therein which are secured by first liens upon improved real estate used to provide housing facilities for the aging subject to the following limitations:

"(i) each such loan shall be repayable within thirty years;

"(ii) the loan shall not exceed 90 per centum of the appraised value of the improved real estate given as security therefor; and

"(iii) each such loan shall be made upon and secured by real estate which is improved by housing accommodations, individual or multiple, designed for the purpose of providing accommodation for occupancy by aging persons, or of providing rest homes or nursing homes, so constructed or altered as to be suitable primarily for the occupancy of persons over fifty-five years of age and limited principally to the occupancy of such persons;

"(E) Urban Renewal Investments: investments in, real property located within an urban renewal area as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real property so located, but no investment in real property may exceed an aggregate investment of two percent of the assets of the association;

"(F) Nonconforming Loans: loans and advances of credit and interests therein upon the security of or respecting real property or interests therein used for primarily residential purposes that do not comply with the limitations of this section.

"(4) Other Loans and Investments.—The following additional loans and other investments to the extent authorized below:

"(A) Business Development Corporations: an association whose general reserves, surplus and undivided profits aggregate a sum in excess of five percent of its withdrawable accounts is authorized to invest in, lend to, or to commit itself to lend to, any business development corporation incorporated in the State in which the home office of the association is located in the same manner and to the same extent as savings and loan associations chartered by such State are authorized, but the aggregate amount of such investments, loans and commitments of any such association shall not exceed one-half of one percent of the total outstanding loans of the association or $250,000, whichever is less;

"(B) Service Corporations: investments in the capital stock, obligations, or other securities of any corporation organized under the laws of the State in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State and by Federal associations having their home offices therein, but no association may make any investment under this subparagraph if its aggregate outstanding investment under this subparagraph would exceed one percent of the assets of the association;

"(C) Foreign Assistance, Certain Guaranteed Loans: (i) loans and interests in loans secured by mortgages as to which the association has the benefit of insurance under title X of the National Housing Act or of a commitment or agreement for such insurance, or (ii) acquire and hold investments in housing project loans, or interests therein, having the benefit of any guaranty under section 221 of the Foreign Assistance Act of 1961 or loans, or interests therein, having the benefit of any guaranty under section 222 of such Act, or any commitment or agreement with respect to such loans, or interests therein, made pursuant to either of such sections and in the share capital and capital reserve of the Inter-American Savings and Loan Bank. This authority extends to the acquisition, holding, and disposition of loans, or interests therein, having the benefit of any guaranty under either such section or such sections as hereafter amended or extended, or of any commitment or agreement for any such guaranty. Investments under clause (i) of this subparagraph shall not be included in any percentage of assets or other percentage referred to in this section. Investments under clause (ii) of this subparagraph shall not exceed, in the case of any association, 1 per centum of the assets of such association;

"(D) State Housing Corporations: an association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in, to lend to, or to commit itself to lend to any State in which the home office of such association is situated, in the same manner and to the same extent as the statutes of such State authorize a savings and loan association organized under the laws of such State to invest in, to lend to, or commit itself to lend to such State housing corporation, but no association may make any investment, other than loans and loan commitments, under this sentence if its aggregate outstanding direct investment under this sentence, would thereupon exceed one-fourth of one percent of the assets of the association;

"(E) Construction Loans, With or Without Security: subject to the area restriction of subparagraph (1)(B), investments not exceeding the greater of (A) the sum of its surplus, undivided profits, and reserves or (B) three percent of the assets of the association, in loans, or in interests therein, the principal purpose of which is to provide financing with respect to what is or is expected to become primarily residential real estate where (i) the association relies substantially for repayment on the borrower's general credit standing and forecast of income, with or without other security, or (ii) the association relies on other assurances for repayment, including but not limited to a guaranty or similar obligation of a third party, and, in either case described in clause (i) or (ii), regardless of whether or not the association takes security; and investments under this sentence shall not be included in any percentage of assets or other percentage referred to in this subsection.

"(5) Converted State Chartered Associations.—Any association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter.

"(6) Definitions.—As used in this section—

"(A) the terms 'residential real property' or 'residential real estate' include leaseholds and means homes (including condominiums and cooperatives), combinations of homes and business property, other dwelling units, or combinations of dwelling units including homes and business property involving only incidental business use;

"(B) the term 'loans' includes obligations and extensions or advances of credit; and any reference to a loan or investment includes an interest in such a loan or investment; and

"(C) the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa and any territory or possession of the United States."

TITLE VI—DEPOSIT INSURANCE FOR RETIREMENT PLANS

SEC. 601. (a) Section 11(a)(2)(A) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1821(a)(2)(A)) is amended—

(1) by striking out "or" at the end of clause (iii);

(2) by inserting "or" after the semicolon at the end of clause (iv); and

(3) by adding at the end thereof the following:

"(v) a self-employed individual investing or depositing funds in time or savings deposits in an insured bank pursuant to a pension or profit-sharing plan described in section 401(d) of the Internal Revenue Code of 1954, as amended; or

"(vi) an individual investing or depositing funds in time or savings deposits in an insured bank in the form of an individual retirement account as described in section 408(a) of the Internal Revenue Code of 1954, as amended;".

(b) Section 405(d)(1) of the National Housing Act, as amended (12 U.S.C. 1728(d)(1)) is amended—

(1) by striking out "or" at the end of clause (iii);

(2) by inserting "or" after the semicolon at the end of clause (iv); and

(3) by adding at the end thereof the following:

"(v) a self-employed individual investing or depositing funds in accounts in an insured institution pursuant to a pension or profit-sharing plan described in section 401 (d) of the Internal Revenue Code of 1954, as amended; or

"(vi) an individual investing or depositing funds in accounts in an insured institution in the form of an individual retirement account as described in section 408(a) of the Internal Revenue Code of 1954 as amended;".

(c) Section 207(a)(2)(A) of the Federal Credit Union Act, as amended (12 U.S.C. 1787 (c)(2)(A)) is amended—

(1) by striking out "or" at the end of clause (iii);

(2) by inserting "or" after the semicolon at the end of clause (iv); and

(3) by adding at the end thereof the following:

"(v) a self-employed individual investing or depositing funds in accounts in a credit union insured in accordance with this title pursuant to a pension or profit-sharing plan described in section 401(d) of the Internal Revenue Code of 1954, as amended; or

"(vi) an individual investing or depositing funds in accounts in a credit union insured in accordance with this title in the form of an individual retirement account as described in section 408(a) of the Internal Revenue Code of 1954, as amended;".

By Mr. KENNEDY (for himself, Mr. MORGAN, and Mr. DANFORTH):

S. 1874. A bill to restore effective enforcement of the antitrust laws; to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, today, Senator MORGAN, Senator DANFORTH, and I are introducing a bill which will amend section 4 of the Clayton Act to allow consumers and other parties who have not dealt directly with an antitrust violator to recover their damages under the antitrust laws. Identical legislation, entitled "A Bill To Restore Effective Enforcement of the Antitrust Laws," is also being introduced today by Congressman RODINO, chairman of the House Judiciary Committee and Antitrust Subcommittee.

The legislation we are introducing does not increase the liability for an antitrust violation, but simply insures that the damages resulting from a violation are recovered by the parties injured.

This legislation was made necessary by a June 9, 1977, Supreme Court decision entitled "Illinois Brick Co. v. Illinois." In this decision the Supreme Court held that only those parties who dealt directly with the antitrust violator could recover damages. For example, if a group of manufacturers overcharged customers as a result of a price-fixing agreement, only the direct purchasers—usually wholesalers—could recover damages. In reality, however, the wholesaler or other middleman is often able to pass on his increased cost to his customers so it is the customers—usually ultimate consumers—who are really injured.

In an earlier case, Hanover Shoe Inc. against United Shoe Machinery Corp., the Supreme Court had held that the first or "direct" purchaser from an antitrust violator could recover the entire amount of the overcharge even if most or all of the overcharge was passed on to consumers. Therefore, as the law now stands, the direct purchaser can recover the full amount of the price fixing overcharge even though he may have passed on most or all of the overcharge. Likewise, indirect purchasers are wholly barred from any recovery even though they may have in fact suffered most or all of the damage.

The proposed bill would change this result by stating that each person "injured, in fact, directly or indirectly" can recover. Parties dealing directly with antitrust violators would still be able to sue, but can only recover damages they "in fact" sustained. Indirect parties would also be able to sue, but only to the extent of their damages.

This bill will improve the effectiveness of antitrust enforcement in two ways. The bill provides that each type of person injured by antitrust violations will recover what damage he actually suffered—which will, of course, then be trebled. This means, first, that many persons who are actually damaged but are denied recovery under Illinois Brick, because they are "indirect" parties, will have their remedy restored, and second, that the windfall recovery now received by direct parties who recover the full amount of the overcharge, even though they have passed on most or all of the overcharge, will be eliminated.

Although the Illinois Brick decision did not directly involve the parens patriae section of the Hart-Scott-Rodino Antitrust Improvements Act, which we passed last fall, the implications of the decision to these suits are clear. In a footnote in this case the Supreme Court interpreted parens patriae actions as simply a new procedural device to enable State attorneys general to enforce existing rights of consumers under section 4. Thus since most consumers are indirect purchasers, it appears likely that the Supreme Court would totally deny recovery in these cases.

The entire purpose of the parens patriae section of the Hart-Scott-Rodino act, was to enable the States to institute suits for damage to their citizens caused by antitrust violations. The dicta in this decision ignores the clearly expressed intent of the Congress, and we must make that clear.

The Illinois Brick decision has much broader implications than the parens patriae section of the Hart-Scott-Rodino act, however. The ultimate purpose of the antitrust laws is to protect this Nation's citizens from the effects of unfair competitive practices, price-fixing schemes and other violations. This case virtually eliminates the remedies available for the very people the antitrust laws were intended to protect.

The legislation we are introducing will reaffirm the intent of the Congress, and I urge its speedy enactment.

ADDITIONAL STATEMENTS

A $48 BILLION PRESIDENTIAL ERROR

Mr. DOMENICI. Mr. President, the energy crisis demands that all of us, of whatever political persuasion, of whatever group—producer or consumer—in our Nation, of whatever ideological stripe, work together to devise a plan that will work. I stress that phrase, "that will work." We need no plan that merely continues shortage, nor a plan that hostages the future unnecessarily to a doomsday attitude.

On my last trip to my home State of New Mexico, I met with scientists interested in solar energy and saw the incredible project that they have produced for using the Sun for irrigation power near Willard, N. Mex. I met with uranium miners, and went down 600 feet beneath the Earth to watch them produce that precious ore. And, I met with those who drill for the Nation's oil and gas, and talked to the citizens who must use those commodities.

This 6-day visit with the energy community in my State persuades me, Mr. President, that we have seriously underestimated the productive capacity of America's energy sector. We have underestimated the market forces that could bring energy for our children and beyond. We have sold short what high wages for our miners and roughnecks will do, what economic development in cities near mines and wells will do, and what economic incentive for our producers will do.

I came away from my visit to my home State believing that New Mexicans, and other Americans, are ready to do their part for energy development, if given the incentive. And, I see great potential for further exploration for oil and gas, if the motivation is there.

In the past, I have withheld any criticism of a significant nature of the energy package put forth by the President, because I had hoped that consensus and quiet conference could produce a plan that stressed more firmly production and new supply. I still believe that is the best course—I reject partisan criticism in an emergency of this nature. The facts, however, demand that a few notions be surfaced, in the interest of forming a good energy plan for America.

First, we must admit that the day of cheap energy is over—and we must act as though we believed that. We cannot decry increased costs of energy and yet insist that energy will cost more. Let us level with Americans—if you want as much energy as you have had in the past, it will cost more, because it is, at present, based upon nonrenewable resources.

Second, we must recognize that if you pay a man more for a product, he will do his best to produce as much of it for you as he can. That is a basic "law," if you will, of human nature. It is a concept neither profound, nor new, but merely true.

And, we must not adjure those of another belief to refrain from criticism, however legitimate, and then criticize those of another interest or persuasion.

In this respect, I must point out that White House criticism of the oil and gas industry recently, and of the House of Representatives, has been harsh. Producers of natural gas, one of the rarest of commonly used energy commodities, have been the object of severe words, as have those in the House who have voted for deregulation of natural gas. I cannot believe that such criticism, sometimes

amounting to "scapegoatism," is productive, nor can I believe it will lead to a rational discussion of natural gas policy.

The Wall Street Journal editorialized on the subject of natural gas and deregulation of new natural gas yesterday. I commend this editorial to my colleagues. It reasons that deregulation will lead to new supply and help alleviate short- and mid-term shortages. And, it cites studies to back its contention.

Mr. President, a call for deregulation of new natural gas is not partisan, nor producer-oriented, but merely good policy. We know that natural gas is finite, that new kinds of energy—solar, geothermal, nuclear, fusion, and beyond—must take its place. But, for those homes that must be heated now, for those stoves that must be lit now, for those plants that must produce now, natural gas stands paramount. We must have more of it, and we can. Deregulation of new natural gas will cost the consumer less than an artificial price, will give us more jobs, and will lead to a better economic picture. Now that strikes me as some of the elements of a good natural gas, and energy, policy.

Mr. President, I ask unanimous consent that the Wall Street Journal editorial, "A $48 Billion Presidential Error," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A $48 BILLION PRESIDENTIAL ERROR

When the House Commerce Committee two weeks ago voted 22-to-21 against deregulation of new natural gas, President Carter and his energy people celebrated a victory. The White House had come down to using the argument that deregulation would give producers a "windfall" of more than $71 billion in revenues. This is over and above what they would get from the $1.75 per thousand cubic feet (mcf) price ceiling in the Carter plan. Perish the thought, even though producers would probably invest almost as much in exploration and production as they receive in revenues.

Mr. Carter's energy people have been shamelessly playing with numbers like this all year to support their case for continued regulation, scaring people with the idea that deregulation will cost consumers a lot more money. What they carefully avoid mentioning is that continued regulation will cost even more.

In a careful, conservative study that bends over backward to be fair to the White House, two Republican Congressmen this week estimated that the Carter plan will cost $48 billion more than deregulation between now and 1990. Here is how Rep. David Stockman of Michigan and Rep. Clarence Brown of Ohio came to this conclusion:

They first reject the incredible White House assumption, implicit in its numbers game, that at a price above $1.75 per mcf zero gas will be produced. The study instead reckons that over the 13-year period, an additional 25 trillion cubic feet (tcf) will be produced as a result of deregulation. Current production is about 20 tcf a year, and the estimate of 25 tcf from deregulation is highly conservative. More production, of course, would mean more savings from deregulation.

If American consumers are denied 25 tcf of natural gas, they will have to get the energy instead from oil or liquefied natural gas or synthetic gas from naphtha or coal. All are more expensive than gas is likely to be under deregulation. The cost of these fuels adds $168 billion to the energy bill. And by moving 25 tcf less gas through the pipeline system, the distribution charges rise per unit to the consumer. This comes to another $44 billion cumulatively. The administration simply ignored these hidden costs in making its case.

The 13-year energy costs under deregulation are then calculated by Stockman-Brown at $414.2 billion. The parallel figure under the Carter plan is $461.8 billion with the gap between the two widening every year thereafter.

If there is any error in these numbers, the Carter plan gets the best of it, considering the length to which Reps. Stockman and Brown went to be fair. For example, they hold OPEC pricing constant through the 13 years. But obviously, if the United States must substitute for 25 tcf of domestic natural gas, it most likely will have to import the energy equivalent. This increase in demand would permit OPEC to increase its oil price by at least $1 per barrel for all oil. This adds an average of roughly $33 billion to the U.S. import bill during the 13 years, and adds $100 billion to the import bill of Europe, Japan and the Third World. The Stockman-Brown $48 billion estimate charitably ignores these costs.

Even if the increased demand has zero impact on OPEC pricing, it would still mean the United States would have to increase imports of Arab oil by nearly 500,000 bbls. per day when compared to a deregulated scenario. The Stockman-Brown study figures the Carter plan will mean an extra $26 billion in the U.S. import bill over these years even without a price increase.

The Carter people will no doubt want to quibble with these numbers, if they can't find a way of ignoring them altogether. But there is absolutely no logical way deregulation can cost consumers more than the Carter plan. The only way the President's people can defend their position is by sticking to their assumption that there is no gas to be found above $1.75. It is hard to see how any serious person can accept such an assumption. Even the most pessimistic of the three estimates in the ERDA MOPPS study, for example, found twice as much gas at a price of $3.25 than at $1.75.

Mr. Carter is supposed to be good with numbers and logic, and ought to sit down with his own slide rule, taking the administration's gas deregulation position as seriously as the B1 or the neutron bomb. It's inconceivable that a good engineer would make a $48 billion mistake.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3) of the Export-Import Bank Act notifying the Congress of a proposed Eximbank loan to assist construction of three thermal powerplants on the island of Taiwan. Section 2(b)(3) of the act requires the Bank to notify the Congress of any proposed loan, guarantee, or combination thereof in an amount of $60 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress dictates otherwise.

In this case, the Bank proposes to extend a loan in the amount of $116,796,900 to Taiwan Power Co. to assist the purchase of U.S. goods and services to be used in the construction of three 500-megawatt thermal powerplants on Taiwan. The Republic of China will guarantee repayment of the loan. Exim's participation will cover 55 percent of the total cost of U.S. goods and services for the project. The loan will bear interest at the rate of 8 percent per annum and will be repayable over a 10-year period beginning December 15, 1980, for credit used to assist construction of the first plant and December 15, 1981, for credit used in the construction of the other two plants.

I ask unanimous consent that the letter from Exim pertaining to this transaction together with the accompanying materials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

July 7, 1977.

Hon. ADLAI E. STEVENSON III,
Chairman, Senate Subcommittee on International Finance, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3) of the Export-Import Bank Act of 1945, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I respectfully furnish herewith a copy of this statement for your consideration.

Sincerely,

DELIO E. GIANTURCO.

WASHINGTON, D.C.
July 7, 1977.

Hon. WALTER F. MONDALE,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to the Republic of China.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit of $116,796,900 to Taiwan Power Company (Taipower) to assist Taipower in the purchase from United States suppliers of three boilers and related equipment and services for use in the construction of a 500 MW thermal power plant located at Hsiehho, Taiwan and two 500 MW thermal power plants located at Anping, Taiwan. All three plants will use fossil fuel. Repayment of the Eximbank credit will be unconditionally guaranteed by the Republic of China.

Babcock & Wilcox Company will supply the boiler for the Hsiehho plant. Foster-Wheeler Energy Corporation will supply the two boilers for the Anping plant and Gibbs & Hill Engineering Corporation will provide engineering services for all three plants.

The total project cost of the three plants is $680,300,000 of which the total cost of the U.S. goods and services is $212,358,000. Financing for procurement from Europe and Japan for this project will be covered by guarantees from the official export credit agencies of those countries. Taipower will obtain local loans for the local cost of the project, and will also provide its own funds for the project.

2. Identity of the parties

Taipower, organized in 1946, is a corporation 95% owned by the Republic of China and its political subdivisions. It has the sole responsibility for the supply of electricity throughout the island of Taiwan. Taipower is one of the largest users of Eximbank's programs for its U.S. purchases and has maintained an excellent credit relationship with Eximbank.

The Ministry of Finance of the Republic of China will issue to Eximbank an unconditional, full faith and credit guarantee for repayment of the Eximbank direct credit.

2. Nature and use of goods and services

The goods to be exported from the United States are three boilers, transformers, auxiliary electric equipment, substation equipment, miscellaneous equipment and spare parts. The U.S. originated services are engineering services and ocean freight on U.S. flag vessels. To date only the boilers from Foster-Wheeler and Babcock & Wilcox and the engineering services from Gibbs and Hill have been ordered, with the remaining U.S. goods and services to be ordered in the next few months.

The U.S. goods and services will be used in three 500 MW thermal power plants, one located on the northern tip of Taiwan which can be fueled by either oil or natural gas, and two located on the southwest coast of Taiwan which can be fueled by either coal, oil or natural gas. The three plants will provide approximately 15% of Taiwan's electricity needs. Oil will be supplied under a long-term contract with the government-owned Chinese Petroleum Company; coal will be imported from Australia; and natural gas may be supplied from offshore wells in the Formosa Strait located between Taiwan and the mainland.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credit of $116,796,900 will facilitate the export of $212,358,000 of United States goods and services.

Eximbank perceives no adverse impact on the United States economy from the export of these goods and services. This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. None of the goods to be exported are in short supply in the United States.

The domestic market for conventional power equipment has been well below the United States productive capacity. Foreign orders, therefore, have become a vital portion of United States thermal power equipment manufacturers' business which enables those manufacturers to retain specialized engineering and technical staffs and production work forces. Foster-Wheeler states that the two boilers, auxiliary equipment and electrostatic precipitators it will be supplying will require 1,200 man years of work at its facilities, principally in Danville, New York where unemployment is near 10%, and also in Mountaintop, Pennsylvania, Panama City, Florida and Dallas, Texas. Babcock & Wilcox states that the equipment it will supply will require 500 man years of work at its facilities in Akron, Ohio, Beaver Falls, Pennsylvania and Paris, Texas. Gibbs and Hill reports that it will take 130 man years of U.S. personnel to perform the engineering services. Since these contracts represent only 40% of the value of the U.S. goods and services, Eximbank estimates that once the procurement is completed nearly every major industrial region in the United States will benefit from this transaction.

Power plants are classic examples of the economic necessity for Eximbank support. Private U.S. export financing sources without an Eximbank guarantee are normally limited to five-year maturities. In this transaction, however, there is a total term of fourteen years consisting of a four-year construction period and a ten-year repayment period. Thus, private financing is inadequate to meet the financial requirements of this project and the Eximbank direct credit is necessary in order to generate sufficient financing for the U.S. sales. Private financing without Eximbank guarantee is available only for the construction period and the earlier years of the repayment period.

The United States suppliers have had a long beneficial relationship with Taipower as a result of their dependable performance and superior technology. However, today manufacturers in nearly all of the industrial countries are fully capable of supplying all or nearly all of the goods and services for the three power plants, and in most instances at prices substantially below the cost of the U.S. goods and services. Eximbank has received information that suppliers in Japan, Switzerland, United Kingdom and West Germany, with the strong support of the official export credit agencies in each of these countries, submitted bids for the procurement of major equipment categories for the three plants. All were lower in price than the comparable U.S. costs. Nonetheless, the U.S. suppliers won the bid for the boilers and related equipment.

In view of the magnitude of the transaction, the necessary repayment term, and the existence of foreign competition, Eximbank's credit is necessary to secure this sale for United States suppliers.

2. The financing plan

The total cost of United States goods and services to be purchase by Taipower is $212,358,000, which will be financed as follows:

	Amount	Percent of U.S. Costs
Cash	$42,471,600	20.0
Eximbank credit	116,796,900	55.0
Private loans not guaranteed by Eximbank	53,089,500	25.0
Total	212,358,000	100.0

(a) Eximbank Charges

The Eximbank credit will bear interest at the rate of 8% per annum, payable semiannually. A commitment fee of 0.5% per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms

The Eximbank credit and private loans, which total $169,886,400, will be repaid by the Borrowers in 20 semiannual installments (i) beginning December 15, 1980 on the financing for the U.S. goods and services for the Hsiehho power plant; and (ii) beginning December 15, 1981 on the financing for the U.S. goods and services for the Anping power plant. Under each of these repayment schedules, the first 6 installments and a portion of the 7th installment will be applied to repayment of the private loans and a portion of the 7th and all of the last 13 installments will be applied to repayment of the Eximbank direct credit.

Sincerely,

DELIO E. GIANTURCO,
First Vice President and
Vice Chairman.

SENIOR CITIZEN'S INTERNSHIP PROGRAM

Mr. HEINZ. Mr. President, I am very pleased to add my name as a cosponsor to Senator ROTH's resolution establishing a senior citizens' internship program in the Senate.

This program would provide the necessary funds for each Senator to invite a senior citizen constituent to come to Washington for 2 weeks in May. Through briefings and seminars, the interns would become familiar with the resources of the Federal Government and learn the best way to have an impact on the making of laws and regulations germane to their needs and interests. When they return home, they can communicate this information to senior citizen groups in their State.

The program offers a learning experience for the interns, but we should not forget that we have much to learn from the experience and wisdom senior citizens have gained over a lifetime. There are nearly 23 million Americans over the age of 65, and the population continues to grow each year. It is mutually beneficial for us to insure that they remain active members of society, and are not shunted aside to a life of inactivity and idleness.

My office currently has three senior citizen interns working side by side with college age interns and my full-time staff. As a legislative proposal to keep senior citizens in the mainstream, earlier this year I introduced a bill to extend the protection against employment discrimination to workers who are 65 or older and to make clear the unlawfulness of seniority systems and benefit plans which require retirement based solely on chronological age.

The internship program as proposed by my distinguished colleague will provide more opportunities for senior citizens to become familiar with the Government and remain active citizens. When the interns return home, the knowledge they have gained will enable them to get others involved in their community. This is the real benefit of the program, and I look forward to the adoption of this resolution to provide that opportunity.

WATER PROJECTS, H.R. 7553

Mr. McINTYRE. Mr. President, earlier this week the Senate approved H.R. 7553, the public works appropriations bill. Unfortunately, I was detained on business during the vote and was unable to be present.

Had I been present, I would have voted against final passage of H.R. 7543. Although there were numerous fine sections to this bill, I felt that much of the money contained in H.R. 7553 could have been better spent elsewhere. My colleagues will recall that I offered an amendment earlier that would have eliminated funding for seven of these water projects and would have limited it severely for one other. Although my amendment failed, I was pleased by the strong showing of support for the President's position on these projects that it generated. I am hopeful that it will aid the Senate's position when we go into conference with the House on this legislation and that it will be a clear signal that the Congress is reevaluating its own budget priorities.

As I stated in floor debate on this legislation, my quarrel with these projects lies not in their individual merits—they all have merit or they would not have progressed this far—but in the larger quesion of how we allocate a finite number of dollars among numerous diverse and competing funding priorities. I contend today, as I did earlier, that this

money could be better spent than on a handful of projects which the President, after careful study, has found to be wasteful or unsafe or economically unfeasible or environmentally unsound. The question is whether we should spend millions on projects of marginal benefit or on other more pressing needs—national health insurance; better care for the elderly; more available housing for low- and middle-income families; an improved defense capability; more funds for research into alternate sources of energy, et cetera.

This debate has not ended with the final disposition of this bill. Every day that the Congress is in session, we are going to have to look at these programs and these appropriations requests and ask ourselves "Is this money really needed?" This is the type of question I tried to raise about this particular appropriations bill.

THE STENCH OF OUR WEAKNESS IS IN THE AIR

Mr. GOLDWATER. Mr. President, the smell of American weakness is in the air and it grows stronger with each passing month. It emanates from decisions to withdraw our troops from South Korea, to cancel the B–1 bomber, and to make concessions to countries like Cuba, North Vietnam, and Communist China. It is all well and good for President Carter to talk of human rights and for Andrew Young and Vice President Mondale to talk about America's sense of morality, but this cannot cover the obvious fact that American power is slipping and that it is becoming more obvious with each passing day. Neutral nations are beginning to sense that we lack the will and may soon lack the equipment to confront Soviet aggression throughout the world. They are beginning to position themselves for Soviet dominance.

Mr. President, columnist Michael Novak, writing for a recent edition of the Washington Star, called the shots exactly the way they exist concerning American weakness. He suggests that moral preening is no substitute for slipping power in a world where power speaks more loudly than pious rhetoric. Let me quote one paragraph from Mr. Novak's article entitled, "The stench of our weakness is in the air," which says:

> Power governs world affairs, not moral principles. A truly moral nation must be prepared to accept the dirty hands of military power and secret operations. The grave weakness of the United States once again is that our moralists seem to prefer to shine their moral medals, rather than to challenge the open military power and the secret war of hidden agents for which, in fact, our adversary is prepared.

Mr. President, because of its extreme importance to the life of this Nation, I ask unanimous consent that Mr. Novak's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE STENCH OF OUR WEAKNESS IS IN THE AIR

Thirty-six years ago, in early 1941, the people of the United States and the Congress were anti-war. No one in the public eye was thinking much about impending war in Yugoslavia. No one except Franklin D. Roosevelt, who through a spectacular British success in codebreaking, knew about Hitler's plans to "pacify" the Balkans. Hitler planned to take the Balkans in a week, and then to seize Moscow in a blitzkrieg before the winter.

In utter secrecy, President Roosevelt dispatched his personal envoy "Wild Bill" Donovan to direct secret agents in the Balkans. Their task was to cause dissension in Yugoslavia, so that the Marxist guerrillas under Tito would be drawn into open war with the Nazis. Often in political affairs, power speaks louder than morality. In many nations, Nazi power won collaboration without a struggle. The King of Yugoslavia was ready to submit.

Fortunately, Franklin Roosevelt understood power, and the irresponsibility of mere "morality." He had lived through the terror of Coventry. He knew that Churchill, despite advanced knowledge of Nazi plans, could not warn exposed Coventry without tipping off the Nazis. Thousands of innocents died, in order that Britain might live to fight. Churchill and Roosevelt made that decision, accepting blood upon their hands.

The work of U.S. secret agents in Belgrade turned the Nazi occupation into a bloodbath. A palace revolution occurred. Bill Donovan taunted Hitler on the radio and in the press. Enraged, Hitler bombed Belgrade to smithereens. The guerrillas arose. The German armies were exposed to weeks of fighting. Hitler's triumphant strike into Russia was delayed for more than 38 days—later, it stalled in the snows of winter just short of its objective. One out of nine Yugoslavs perished, unknowing, for that cause.

One hopes, today, that the U.S. president and secret services are ready to do what must be done, in spite of public opinion, in spite of the Congress, should necessity once again arise. The pious moralists of the 1930s—forbidding arms, mocking Churchill, blocking Roosevelt—nearly delivered Great Britain to its doom. Ambassador Joseph P. Kennedy, to Churchill's anguish, kept predicting from London the fall of Britain, and privately urged settlement with Hitler.

Although every prescient person knew from 1936 that World War II was coming, most respected moralists held that Hitler was a man of reason like themselves, and had to be protected from the "hawks" around him. They wished to prove the cooperativeness of the democracies. Our real interests, they held, were not affected by the fall of small nations, underdeveloped, faraway.

Today, once again, Yugoslavia is on the front edge of the next moves which will be made by the greatest conventionally armed power in the history of the world, and by ourselves. Once again, Great Britain has been reduced to weakness, and injured from within more severely than from without. Once again, the southern flank of Europe is a weak spot. Once again, Tito is a key to the future, an old man now, likely to be irreplaceable. As in 1914 and in 1941, control over the Mediterranean will be decided by events in Serbia, Croatia, and Slovenia.

At two dinner parties recently, two very different sorts of Americans confided to me that they felt closer to war today than at any period in their lifetime. I agreed. One can feel it in the air. The smell of weakness is a special smell.

Brave words come from President Carter about challenging Soviet power in Cuba, Korea, and other trouble spots around the world. But the words are curiously matched with troop withdrawals and concessions. A pronounced perception of the creeping weakness of America grips the world. Our volunteer army is a disaster. Hurt in Vietnam, the giant has retreated to fascination with its wounds. Wise spokesmen like Vice President Mondale and Andrew Young speak about "wiping away America's moral shame" and "restoring America's sense of morality"—dead giveaways that as power slides away, this nation will cover nakedness with moral preening.

Assume that the Soviets will not dare to launch atomic weapons. The tests of muscle in the next 20 years, then, are likely to come with tanks, infantry, ships, and planes. Already, cynics in Turkey, the Balkans, and elsewhere are studying Russian. Many neutrals position themselves for Soviet dominance.

Power governs world affairs, not moral principles. A truly moral nation must be prepared to accept the dirty hands of military power and secret operations. The grave weakness of the United States, once again, is that our moralists seem to prefer to shine their moral medals, rather than to challenge the open military power and the secret war of hidden agents for which, in fact, our adversary is prepared.

I would feel better with a Churchill and a Roosevelt. The stench of moral language veils our voluntary weakness.

CCC CREDITS FOR FARM PRODUCTS TO CERTAIN NON-MARKET ECONOMY COUNTRIES

Mr. DOLE. Mr. President, this week the Subcommittee on International Trade of the Senate Committee on Finance explored with Government, industry, and farm representatives witnesses the trade and export problems which are currently contributing to the farm crisis in America.

COMMODITY CREDIT CORPORATION

In the course of the hearings it quickly became apparent that one of the most appropriate means of facilitating farm exports which are lagging badly for commodities such as wheat would be to expand the use of commodity credit corporation credits to help meet the severe competition in world markets. For example, our major competitors in wheat markets are offering credits. Canada recently sold large tonnages of wheat to the People's Republic of China on credit. Without a change in existing legislation, the American wheat farmer does not have an opportunity to meet this competition.

BERGLAND SUPPORTS CCC EXTENSION

I have proposed legislation which would give our farmers an opportunity to compete in nonmarket economy countries such as the People's Republic of China through the use of CCC credits. The legislation, however, excludes the nonmarket countries of Cuba, Laos, Cambodia, North Vietnam, and North Korea. These credits, as affirmed by Secretary Bergland at the hearings, do not cost the taxpayer a dime. In fact, he testified that the commodity credit corporation "makes a profit" since the interest rates are higher than the cost of money to CCC. Secretary Bergland expressed his strong support for CCC extensions.

JACKSON-VANIK AMENDMENT

Granting CCC credits to nonmarket countries would require modification in section 402 and section 409 of the Trade

Act of 1974. I supported the enactment of the Jackson-Vanik amendment. However, the Senator from Kansas believes that the Congress should continue to review its application. Have conditions changed in these countries to warrant extension of agricultural credit? Is it justifiable to keep food from people that may need it?

ADMINISTRATION SHOULD ACT

During the testimony a letter was distributed by the administration from Douglas J. Bennett, Jr., Assistant Secretary for Congressional Relations, in which it was stated that "the Department of State would not object to enactment of S. 1415"; further, that it was cleared by OMB and from the standpoint of the administration's program had no objection to this report. This letter was in response to a request from Chairman LONG for a report on the bill. Julius L. Katz, Assistant Secretary of State for Economic and Business Affairs, testified that the administration does not object to passage of S. 1415 and upon extensive questioning by Finance Committee members expressed unwaiveringly the exact wording of the letter.

Following those hearings, a letter was sent by my colleague, Senator JACKSON, to the Secretary of State, Mr. Vance, which drew an odd response. Mr. Vance, in a letter to Senator JACKSON, states, "it was our intention to state that we neither opposed nor supported S. 1415."

I would like for the administration to quit equivocating. Do they have plans for facilitating exports to all nonmarket economy countries, to certain nonmarket economy countries or to no nonmarket countries?

While the administration vacillates on this matter, the Canadians and Australians move vigorously into these markets with their grain while ours piles up back on the farm further depressing prices.

JOINT COMMITTEE ON DEFENSE PRODUCTION

Mr. PROXMIRE. Mr. President, yesterday the Appropriations Committee agreed to the recommendation of the senior Senator from Kentucky to restore funding for the Joint Committee on Defense Production. As chairman of the joint committee, naturally, I am pleased with this action. I believe it should and will be ratified by the Senate.

Senator HUDDLESTON'S action would not have been necessary, however, had not the House last month taken the unprecedented step of deleting all funding for the committee from the legislative branch appropriations bill. This resulted largely from misinformation and misconceptions about the work of the joint committee. I would like to take this opportunity to dispell the mistaken impressions that have been circulating on this question.

The best measure of effectiveness of an oversight committee is its impact on Federal policies and programs. Here the joint committee scores very well. Its recent oversight activities have led to our pieces of remedial legislation. One established a system of priorities for the manufacture of energy production equipment that that would not compete with a similar system for defense production. Another legislative initiative tightened the rules for granting anti-trust immunity to mutual agreement for marketing and production requested by the Government of firms in the defense and energy industries. These governed the U.S. involvement in the International Energy program until the passage of parallel restrictions in the energy policy and conservation Act.

A third piece of legislation developed by the joint committee would improve the Federal emergency preparedness effort. A year-long committee study showed Federal agencies and programs in this area to be in a deplorable state. A fourth bill offered by members of the joint committee would reduce the possibility of conflicts of interest for Federal procurement officials.

I will cite only a few of the many regulatory reforms which have been a direct result of the joint committee's oversight program. The regulations governing the defense priorities system were rewritten after joint committee hearings on abuses of the system. The standards of ethical conduct of the Department of Defense have been completely revised following a joint committee investigation and hearings. The committee's greatest regulatory impact probably has been on the cost accounting standards that are issued—under the Defense Production Act—for negotiated defense and aerospace contracts.

The work of the joint committee has affected Federal programs in other ways. The very costly new strategic stockpile programs proposed by the Ford administration was wisely withdrawn after critical hearings held by the joint committee last November. Compliance with cost accounting standards improved markedly following a joint committee inquiry. The Air Force revised its progress payments procedure for the F–16 fighter program when a study initiated by the joint committee showed the contractor was being paid above and beyond the work performed. A year ago, changes in the Defense Department's organization for weapons acquisition were forestalled by joint committee intervention. I could cite many other examples but they have already been enumerated in the RECORD by the vice chairman of the joint committee, Representative PARREN MITCHELL.

I grant that the effect of the joint committee's oversight may not be highly visible here on Capitol Hill. But that does not make this effect any less real or substantial. The committee's hearings are only the tip of the iceberg. The real work is reflected in patient investigations and inquiries, in correspondence, and in program and directives changes by the administration. It is important to recall that the specific statutory mandate of the joint committee is to insure that defense industrial preparedness programs are adequate without imposing unnecessary strains on our economy. These programs are not standby measures. They are in operation every day of the week whether or not the Congress or the public is aware of them. These programs cover billions of dollars worth of military procurement. They need a watchdog. And the joint committee is filling that role.

It has been said that other committees or agencies of the Congress could carry out this function. Of course, an oversight function can be assigned anywhere. The important point to remember, though, is that withholding an appropriation from the joint committee does not provide any alternative. It simply leaves these tasks undone.

Moreover, no other committee of Congress has tried to carry out these functions. For example, no other committee has looked at the problem of protecting our industrial and economic base from nuclear attack. No other committee has reviewed Federal materials policy, either in terms of defense or domestic needs. No other committee has examined the adequacy of defense contract auditing. No other committee has analyzed Soviet industrial defense measures. No other committee has done a comprehensive survey of Federal emergency preparedness programs. No other committee has examined the problem of erosion in the defense industrial base.

The joint committee on defense production has done all this and more.

The record of this accomplishment can be verified in the special and annual reports of the joint committee. These are not mere compilations of documents but thoughtful and well-supported evaluations of Federal policies and programs.

I doubt this could have been achieved if these tasks were assigned to other committees with heavy legislative burdens and other oversight priorities.

Yet the cost for effective oversight has been minimal. The budget requested by my predecessor, Leonor Sullivan, and recommended by the legislative subcommittees of both Houses is $225,000. The joint committee's staff is the smallest in the Congress. And no other staff has its expertise in defense industrial production policies and programs. With six specialists and two administrative workers, it has helped us have an impact far beyond what the numbers would suggest.

What makes the recent action of the House seem especially surprising is that the joint committee's substantive program and record of achievement has been provided to the House Appropriations Committee in detail in March of each of the last 3 years. No dissatisfaction was expressed or guidance given on these occasions.

I believe it would be irresponsible for the Congress to terminate this effective oversight unit, without justification and without an alternative, by denying its appropriation. Nor do I think the joint committee should be penalized because it is active in a specialized field.

I am heartened by the attitude taken by Senator HUDDLESTON and his colleagues on the legislative subcommittee. It is a cost-effective course of action.

THE RATE OF INFLATION

Mr. GOLDWATER. Mr. President, there are many ways to define inflation. In fact, defining this economic plague, in some respects, is no easier than controlling it. Of course, one measure is the Government's Consumer Price Index which measures so-called necessities of life, such as food and shelter. But there are other indexes, privately devised, for people who worry about things other than the basic essentials.

In this connection, we are indebted to the investment firm, Hornblower & Weeks-Hemphill Noyes, Inc., for defining some of the other indexes for measuring inflation. For example, in a research report June 20, the firm listed a "Cost of Living It Up Index," which showed that the good things in life for a city resident had gone up more than double the increase shown in the Consumer Price Index over a 2-year period.

Mr. President, I ask unanimous consent that this interesting report on the ravages of inflation in areas of life other than the absolute essentials be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

NIPS—RETURN OF THE PINK PIRANHA

Economists despite short explanations of economic phenomenon, which is why the "Black Art" is profuse with Sesquipedalian Tergiversation—that's long and ponderous evasion. Our short definition of economics "The efficient allocation of scarce resources" brings howls from practitioners of the profession. Defining "unemployment" and "inflation" can lead one into a morass—and like "Tar Baby" the more you grapple with it—the more it envelops you. Calvin Coolidge's classic explanation of unemployment "When more and more people are thrown out of work, unemployment results" had a recent application to rising prices. A union official, with Coolidge-like simplicity mentioned that "When businessmen raise prices—inflation results." Naturally, both are extreme oversimplifications—and the latter a biased subjective opinion.

Defining inflation is no easier than controlling it. We know that the Consumer Price Index has gone up roughly 80% since 1967—but that's only part of the story. The CPI measures the "market basket" purchases of an urban family of four earning around $13,000—which, in this city, is not much above the officially defined poverty level. That family's purchases would not be representative of a suburban household earning the same amount—and certainly not of a family with double or triple those earnings. To demonstrate this the Cost of Living It Up Index (CLIUI) was compiled. It showed that the prices of "The Good Things in Life" for a city resident had gone up more than double the increase in the CPI over a two year period.

The CLIUI is only one of several indices computed in recent years. The Cost Per Bosom Index (CBI) showed French inflation, the appreciation of the franc against the dollar, and a cutback in the number of females onstage meant that in two years the cost of viewing each undraped torso shot up 97%. The index of what a stock market analyst spends had to be shelved since it became embarrassing (Maalox and Martinis were overweighted) and to appear shortly will be the Cost of Loving Index (CLI)—what it cost to seduce a girl 25 years ago and the comparable costs today. However, several recent reminders led us to update one of the better known indices—The Trivia Index.

Peter Benchley has been promoting the movie based on his second novel "The Deep." Several TV sequences have compared it to "Jaws," released two years ago, with the remembrances of the unfortunate Chrissie and Robert Shaw being ingested entire by the shark. A sequel is planned to this in which the mate of the great white returns for revenge. The director has promised more "chomp chomp per minute," including the shark knocking down a pursuing helicopter and chasing a maneuvering, terrified water skier.

But, 25 foot great whites are not necessarily the most dangerous creatures in the water. Our expression "nibbled to death by minnows" refers to the fistfull of small bills that arrive each month. The piranha, generally six to eight inches in length is much larger than a minnow, and is one of the deadliest creatures in the water. Traveling in packs of hundreds they can reduce a grown cow to bare bones in less than an hour. Yet their razor sharp teeth barely bite off more than a portion about the size of the tip of one's fingers. Frequently, the victim is not even aware that he's been bitten—the teeth are that sharp. Similarly price increases in seemingly inconsequential items do not make headlines and consumer protection groups rarely make a fuss over them. Yet, like a piranha each takes a small, seemingly painless bite out of one's take-home pay. Before long the bleached, picked clean carcass of the paycheck is all that remains. At the same time that the steel companies were forced to trim their price increases to about 6% by the Administration, the *New York Daily News* raised its newstand price by 33%—without a murmur of protest.

The other factors that influenced updating the "Trivia Index" were the reappearance of "Summer of '42" on TV, and reading James Jones WWII. In the film there is a sequence that makes every man cringe empathetically. Gary Grimes enters a drugstore to buy prophylactics, but loses his nerve and asks for an ice cream cone. Again almost getting up the courage he cops out and asks for a double dip. Losing his nerve again he asks for sprinkles on the cone. Then comes the part we remember—when the druggist says "That'll be twelve cents." The neighborhood Baskin-Robbins stated that a double dip cone would be eighty cents—with sprinkles (if they had them) another nickel. So, the cost has risen 608% in 25 years—for an average yearly gain of 8.2%. That compares with a 269% increase in the CPI over the same period—or 5.3%. In *WWII* The New York Times of August 15, 1945 is displayed (Japan Surrenders)—with a cost of 3 cents shown. Up to 20 cents now, that's also an 8.2% annual rate of increase. If those rates of gain continue in 14 years that cone will be $2.60 and the Times 60 cents a copy.

Since then we've inquired about the prices of many rather mundane items, and how they compare with some years ago. The items selected are *not* the necessities of life—and many are not included in the CPI. What we tried to do is go over the little-ticket items that one rarely considers as part of a budget. The items are generally under $10 and include what could be referred to as "trivia"—or possibly "minutiae." The prices 3–4 years ago are taken from our February 25, 1975 report entitled "Son of Trivia."

TRIVIA INDEX

	Price 3–4 yr ago	Recently	Percent change
Time Magazine	$0.50	$1.00	+100
Newsweek	.50	1.00	+100
Barron's	.50	.75	+50
Playboy	1.00	1.50	+50
New York Times	.15	.20	+33
Wall Street Journal	.20	.25	+25
Daily News	.10	.20	+100
TV Guide	.15	.25	+67
Coca Cola (can)	.20	.40	+100
McDonald's milkshake	.40	.55	+37
Zum Zum coffee	.20	.35	+75
Martini (silver bullet)	1.25	2.00	+60
Bone dry Beefeater martini (platinum bullet)	1.75	3.00	+71
Beck's Beer (at deli)	.65	.85	+31
Stein of beer, dating bars	.50	1.00	+100
Shoeshine	.25	.45	
Including tip	.50	.75	+50
Haircut (including tax now)	2.50	3.12	+25
Razorcut	4.00	5.20	+30
Developing 36 exposure Kodachrome	3.95	5.15	+30
Woman's hair-wash and set	6.00	8.25	+38
Shirts laundered	.50	.87½	+75
Suit cleaned and pressed (average)	2.37	3.25	+37
New heels (Drago)	2.00	4.50	+125
Full sole and heels	9.75	14.95	+53
Cleaning woman per hour	2.00	3.25	+63
B. & G. club sandwich	1.55	1.95	+26
Chock Full, nutted cheese sandwich	.50	.75	+50
Chock Full, donut	.15	.25	+67
Zum Zum salad plate	1.35	1.95	+44
Hamburger, Greasy Spoon	1.50	2.00	+33
McDonald's:			
Cheeseburger	.29	.49	+69
Quarter pounder with cheese	.79	1.03	+30
French fries	.25	.38	+52
Baskin Robbins cone	.30	.45	+50
Soup, Sandwich Genie	.40	.60	+50
Slice of pizza	.35	.50	+43
Fresh pear (Epicure)	.25	.35	+40
Toasted almond Good Humor	.25	.40	+60
Chewing gum	.10	.20	+100
Pack of M. & M.'s	.12	.25	+108
Cigarettes, Virginia Slims (in restaurant)	.55	.75	+36
	.75	1.25	+67
Clorets	.20	.27	+35
Kleenex (packet)	.10	.15	+50
Taxi	(1)	(1)	+38
Subway and bus fares	.30	.50	+67
Area parking meters (per hour)	.10	.25	+150
Airport bus	1.50	3.00	+100
Neighborhood garages (1 hr)	1.75	2.75	+57
Wall Street bus per day	.60	.85	+42
Avis Car rent	(1)	(1)	+40
Tolls, New York City bridges	1.00	1.50	+50
Local movie	3.00	4.00	+33
Coney Island rides	.75	1.00	+33
Paperbook books (average 100 issues)	1.25	2.10	+68
Financial books at Doubleday (reissues)	(2)	(2)	+35–40
Average price new books (Doubleday)	(2)	(2)	+40–50
Bicycle rental (per hour)	1.50	2.00	+33
New York Knicks tickets	5.00	12.00	+140
Membership PBS (channel 13)	15.00	20.00	+33
Theater tickets, musical (average)	9.00	14.00	+56
Postage stamps	.08	.13	+63
Podiatrist, Dr. Trautman per visit	9.00	15.00	+67
Service charge for bounced check (courtesy of a friend)	3.00	4.00	+33
Contact lens solution	1.59	1.99	+25
Cross pen refills	.65	.85	+31
Clippit	.98	1.19	+21
Panhandlers request (formerly can you spare a dime?)	.10	.25	+150
Band aids (100)	1.13	1.98	+75
Dog license	6.10	8.10	+33
Dog biscuits	.49	.81	+65
Brooks Bros., standard "gentlemen's" necktie	7.50	10.50	+40

[1] Across the board, 2 increases.
[2] Opinion of manager.

Of the items listed on the previous pages few can be considered in the "necessity of life" category. But newspapers and magazines do have a certain priority, particularly in the business world—and eventually the holes in one's shoes must be repaired and the baggy suit must be pressed. Most of the items do involve a certain amount of discretion—or defer-ability. However they are all part of the accumulation of little ticket items that individually amount to little, but collectively

can take a rather large chunk out of a paycheck.

The arithmetic mean for the seventy two items listed above shows an "average" increase of 56% over roughly four years. However, in dealing with series that include relatively large numbers we prefer to use the median—which eliminates much of the distortion caused by a few large (or small) numbers. Consequently the "average" i.e. median increase of the 72 items over four years comes to 52%. This is probably low, since we tried to be conservative in pricing the items in the index. But that works out to about 13% per year.

Since the end of 1973, the base period for our calculations, the CPI has risen 28%—so that the items selected have increased almost twice as much as the gain in the CPI. This is somewhat better than our original compilation of the Index in 1973. At that time the group rose 21.6% annually over two years—significantly more than double the increase in the CPI for that period. Of course any serious statistician would blanch at a list such as the above—and accuse us of mixing apples and bananas, or some similar hackneyed cliche. No attempt has been made to assign weights according to usage or importance. And whether one uses any of the above, and in what proportions has been ignored. It is presented to demonstrate the price rises of the little things—that can hurt. Actually—about the only things we've discovered that go down in price (besides our stocks) would be hand held calculators (beyond the price range of this index) and what Mr. Grimes of "Summer of '42" was attempting to buy—but that will be covered in the "Cost of Loving Index."

The artifacts and pictures around here are all reminders—usually to try to approach a problem from a different angle or look at things in a different perspective. Some, like the Messerschmitt ME–262 require a bit more of an explanation. But, two of them are related to inflation. The first is a one billion Mark note, printed in 1923, to remind us what can happen when inflation gets out of control. The other is a rather ferocious looking six inch pink/red/gray stuffed animal that regularly draws questions as to why it has been included in our collection. It's not as menacing looking now, since the cleaning woman knocked off part of his tail. But we can attest to the razor sharp teeth—which have drawn blood a number of times when we've touched them. Our stuffed piranha is a constant reminder that it's not always the big things—like the monster of "Jaws" that can do one in. Frequently it is a proliferation of little things; the almost painless unseen nips—like the 72 items above that rose almost twice the increase of the CPI—that do damage to a family's paycheck. As we said, one can be eaten alive by minnows. And, the list compiled for "The Return of the Pink Piranha" would indicate that the Consumer Price Index may be understating the rates of inflation experienced by many consumers.

RAYMOND F. DEVOE, Jr.

STATISTICAL HEDGE

The figures used in this article are taken from personal notes, from our files, as well as from various other sources, including coworkers, cocktail party conversationalists (when sober), and various articles all deemed to be reliable. All have been checked for assurance that they are reasonably accurate. Further information is available upon request.

NRTA–AARP FEDERAL LEGISLATIVE PROGRAM

Mr. CHURCH. Mr. President, members of the National Retired Teachers Association-American Association of Retired Persons legislative council met recently to chart out an action plan for the 95th Congress.

The legislative council's recommendations cover several key subject areas, including income, health, nutrition, transportation, housing, and others.

They also provide a comprehensive checklist for this Congress in developing legislation to respond to the problems and challenges confronting aged and aging Americans.

As chairman of the Senate Committee on Aging, I am also pleased that several of the high priority proposals advanced by the NRTA–AARP legislative counsel are similar or identical to measures I have sponsored, including:

More frequent cost-of-living adjustments for social security beneficiaries, instead of only once a year.

A special index to measure more accurately the impact of inflation upon older Americans for purposes of computing benefit increases.

Removal of the age-65 ceiling for the Age Discrimination in Employment Act.

Coverage of out-of-hospital prescription drugs under medicare.

Quite clearly, NRTA–AARP has a major impact on Federal legislation affecting older Americans. The recommendations of their legislative council should be of concern to all Members of Congress.

For these reasons, Mr. President, I ask unanimous consent that the NRTA–AARP "1977 Federal Legislative Program" be printed in the RECORD.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

THE 1977 FEDERAL LEGISLATIVE PROGRAM

INCOME

According to a recent Congressional Budget Office study, more than half of all elderly family units in this country would have fallen below the subsistence-based, official poverty level in fiscal 1976 had they not received assistance from cash and in-kind benefit public transfer programs such as social security, Medicare, SSI, food stamps, veterans pensions and Medicaid. However, after counting all cash and in-kind benefits and allowing for taxes, only 4 percent of all elderly families remained in the "poor" category. Of significance is the finding that social insurance programs, such as social security, were responsible for lifting an overwhelming 70 percent of the aged poor out of poverty.

These statistics have important implications for public policy. They indicate that our complex structure of income maintenance systems is bringing us closer to the goal of eliminating poverty in America, especially with respect to the elderly. More importantly, however, these statistics illustrate that the elderly are extremely dependent (perhaps too dependent) on public transfer payments.

We cannot afford to feel secure or complacent with these results. We must go forward to develop and perfect our public transfer programs so that they will better accommodate the changing needs of the people they serve now and will serve in the future. If improvements are not made, a combination of factors, one of the most important of which is inflation, could prompt a resurgence of poverty among our older population.

The present structure of programs benefiting the elderly is far from ideal. While it guarantees that most older persons will not be poor, it does not guarantee that during retirement they will be able to maintain an equivalent pre-retirement living standard. The present structure also fosters a high degree of dependency on the public programs. This degree of dependency should not be perpetuated since, in the future, the elderly segment of the population will increase dramatically in proportion to the workers on whom they will be dependent. Furthermore, the present transfer structure has been criticized as being enormously expensive and unnecessarily wasteful, inefficient, complicated and inequitable.

There are measures that can and should be taken. First, the broad range of public transfer programs (both "means tested" and "non-means tested") should be structured and related so as to provide reasonable assurance that the standard of living achieved in the years immediately prior to retirement will be maintained. Second, the system should be structured to encourage revenue-generating employment rather than dependency. Third, inequities should be reduced and changing needs accommodated. Finally, inefficiency and waste should be curtailed and the "means tested" programs such as Medicaid, and Aid to Families with Dependent Children should be administered and policed so as to prevent fraud and abuse.

The most serious limitation on our ability to achieve these goals of responsiveness, restructure and equity is the lack of additional available resources. The public transfer programs account for over one third of the federal budget. Additional resources can only come from: (1) the fiscal dividend that an expanding economy yields; (2) the savings that accrue from the more efficient, less wasteful and less duplicative operation of existing programs; (3) the savings that might accrue from any reduction in existing benefits; and (4) increased taxes.

Significantly increased tax burdens are certain to be resisted. Moreover, the prospect of a fiscal dividend are speculative since it depends on our achieving an optimum and steady rate of economic growth. Even if such a dividend accrues, large portions of it are likely to be allocated among a number of priorities such as the beginnings of a national health insurance program and tax cuts. Additional resources to finance substantial benefit improvements and remedy inequities are thus extremely limited.

I. Social security

Our Associations think it is time for a major restructuring of the social security system. The system provides an adequate earnings replacement base (a minimum of 55 percent) only for some. It is confronted with serious financial problems—problems that result from a combination of economic, demographic, and structural factors. Some of the fundamental assumptions that are reflected in the system's benefit and tax structures are either invalid or substantially less valid than they were in the past. As a result, social security is increasingly perceived as inequitable and is often the object of criticism. The disincentives to gainful employment which the system contains must be replaced by incentives to remain in the labor force. Demographics and the general desire for an adequate income in later life require it. The reasons that led to the use of a single policy instrument—in this case, social security—to accomplish the conflicting objectives of earnings replacement and minimum floor of income protection are no longer valid since a new policy instrument—the Supplemental Security Income Program—now exists. SSI, rather than social security, can and should be used to achieve the floor of protection function. Finally, there is an increasing need to coordinate social security with the underlying welfare programs and with

other primary retirement systems for the purpose of distributing resources more equitably in the future and to avoid inordinately benefiting a few at the expense of many.

While our Associations advocate a restructuring of the cash benefit programs of social security, we have kept in mind three important limitations. First, the reality of the present system imposes substantial restraints on the scope of reform and the rapidity with which it can be achieved. For example, a shift in emphasis away from social adequacy and toward individual equity requires that changes be made among the mix and magnitudes of benefits awarded in the future. However, in making such changes, no one in current benefit status nor those approaching benefit status should be disadvantaged. Second, additional resources to facilitate substantial reform are extremely limited. Finally, because the system is so large, proposed changes must be analyzed in terms of their potential impact upon the domestic economy and in the light of the domestic economy's impact upon the system.

With these goals and limitations in mind, our Associations urge acceptance of the following specific proposals:

1. In order to eliminate the current short-term deficit in the social security cash benefit programs, a limited amount of general revenues should be used on a temporary basis for specific purposes; remaining revenue potential of the payroll/self employment taxes should be used to finance substantive reform including benefit improvements.

2. The cost-indexing of benefits paid to retirees should be decoupled from the cost-indexing of the earnings records of workers in the computation of their future benefits at retirement, death of spouse or disability.

3. The new benefit formula used to compute future benefits under a decoupled system should be much less weighted and much more proportional than the present one and should replace not less than 55 percent of a worker's average monthly indexed earnings amounts.

4. Social security benefits should be adjusted for cost-of-living purposes more frequently and in making such adjustments (as well as those in other benefit systems that are cost-indexed such as civil service retirement and SSI), a separate index should be used that accurately measures the impact of inflation on the typical market basket of goods and services consumed by the elderly.

5. The exempt amount of the retirement test should be liberalized to at least $5,000 as a first step toward abolishing it with respect to primary social security benefits.

6. The delayed retirement increment presently available for Old Age Insurance benefits should be liberalized; ultimately, persons who are otherwise eligible to receive their benefits, but who elect not to receive them because they are still working after age 65, should have them recomputed on an actuarial basis when they do finally apply for them.

7. If social security coverage is to be mandated for public employees, it should be mandated only with respect to such employees hired after a specified future date.

8. With respect to those who are not mandatorily covered under social security, action should be taken to strengthen the disincentives to withdraw on the part of those public employee groups that are voluntarily covered and increase the incentives to enter the system for those groups that have failed to exercise their option to enter.

9. Primary benefits paid to future retirees from non-social security primary retirement systems should reduce any derivative benefits to which such persons may become entitled on the basis of their spouses' social security earnings record.

10. The social security benefit structure should be changed so that the contributions of women will generate as much family protection as the contributions of men.

11. The age 62 computation point should be applied to men who reached age 62 before 1975.

12. The social security benefit structure should be modified so as to provide greater recognition for the contributions made by working wives and to eliminate those situations in which a two-earner family unit receives less in total benefits than a single-earner family unit with the same total earnings/contribution record.

13. The duration of marriage requirement for divorced spouse benefits should be liberalized.

14. An earnings record freeze should be applied to periods during which a woman is raising a family so that this does not adversely affect her earnings record for purposes of insured status and benefit computation.

15. Legislation should be enacted that would provide: (1) separate and increased financing for the disability insurance program; (2) work incentives and improved vocational rehabilitation; (3) a more explicit and objective definition of disability that can be applied uniformly for both social security and SSI disability programs; (4) uniform administration of the program; and (5) improved federal oversight of state vocational rehabilitation agency functions.

II. Other Federal retirement systems

1. Improvements should be made and inequities remedied in the railroad and civil service retirement systems, within the limits of available resources.

2. The disability policy for civil service retirement should be changed to encourage reassignment or retention of potentially productive employees; procedures for determining continuing medical and economic eligibility of disabled annuitants should be strenghtened; and the definition of economic recovery should be revised.

III. Veterans pensions and supplemental security income

1. Veterans' pension and Supplemental Security Income programs should be improved with respect to benefits and amended to prevent an increase in a beneficiary's income (as, for example, from a social security increase) from being fully offset by a reduction in benefits paid by these programs.

2. SSI's resource exclusions should be liberalized and subject to automatic cost-of-living adjustments to reflect economic conditions.

3. SSI's institutional allowance should be raised to a minimum of $100 per month (payable directly to the claimant or designated representative).

IV. Employee pension benefit plans other than those of the Federal Government

1. Portability of vested benefit rights among employee pension benefit plans should be improved.

2. Legislation should be enacted to require state and local public employee retirement systems to meet minimum standards provided that such standards are constitutional and are demonstrated to be necessary to remedy truly national problems and protect benefits of present retirees and benefit rights of future retirees.

TAXATION

Our Associations have consistently adhered to the principle that the cumulative burden of taxes imposed at all levels of government should, to the extent possible, be distributed on the basis of "ability-to-pay." A 1975 study by the Federal Council on the Aging found that the elderly as a group are treated more favorably than the non-elderly by the federal individual income tax. On average, aged households pay 6.2 percent of their incomes in federal income taxes while non-aged households pay 10.5 percent. However, we must point out that this preferential treatment merely offsets other taxes that disproportionately burden the elderly (such as the property tax) at other levels of government. We shall, therefore, continue to press for additional measures of relief through the federal tax mechanism.

In part, our recommendations in this area are the result of certain inequitable ramifications that attended changes made by the 1976 Tax Reform Act in the former Retirement Income Credit (now the Tax Credit for the Elderly) and in the tax treatment of disability retirement income.

1. The computation of the tax credit for the elderly should be simplified and the amount of income allowed to be taken into account for the purposes of computing the credit should be increased (to $4,100 in the case of a single person and to $6,150 in the case of a married couple filing jointly) and cost-indexed.

2. Taxpayers age 65 and over who were adversely affected by the changeover to the Tax Credit for the Elderly should be given the option of using the former provisions of the Retirement Income Credit.

3. The temporary, rebatable earned income credit should be made permanent and available to individual workers and families without children.

4. The "general tax credit" (formerly referred to as the credit for personal exemptions) should be extended and, in computing the total credit available, the taxpayer should be allowed to take into account the total number of exemptions to which he is entitled, including those for age and blindness.

5. The retroactive date of the Tax Reform Act's limitations on the availability of the "sick pay" exclusion for disability retirement income (presently effective for taxable years beginning after December 31, 1975) should be postponed to taxable years beginning after December 31, 1976 in order to avoid imposing unexpected increased tax liabilities and estimated tax underpayment penalities on adversely affected taxpayers.

6. The amount of the "adjusted sales price" used in determining the portion of excludable gain resulting from the sale or exchange of the personal residence of a person age 65 or older should be increased automatically to reflect the general appreciation in property values as a result of continuing inflation.

7. The individual retirement account provisions (IRA) should be expanded to cover persons who participate in private pension plans at levels below the IRA limits on deductible contributions and these IRA limits should be increased.

8. Older taxpayers should be alerted to federal income tax preferences intended for their benefit by clear notification on the federal income tax forms and through other means of communication.

9. The Federal Government should assist older volunteers who participate in federally-endorsed programs of tax preparation assistance for the elderly by reimbursing them for out-of-pocket expenses incurred in connection with their participation.

10. While the concept of revenue sharing between the federal government and state and local governments should be supported, the revenue to be shared should be used: (1) to induce the states to transfer additional revenue to units of local government; and (2) to induce state and local governments to abandon, to the extent possible, their reliance on general sales, real estate and other regressive taxes (as the means of raising additionally needed revenue) in favor of more progressive ones.

OLDER WORKER EMPLOYMENT AND AGE DISCRIMINATION

It is ironic that at a time when America is most in need of wisdom, experience and dedication, 22 million people who possess these qualities are forced to step aside, to sit on the sidelines, to "retire" from participation in the affairs of our nation.

It is tragic that at a time when racial and sexual stereotypes are being wiped out, the false stereotype of older persons as helpless, feeble and impoverished is still deeply ingrained in our society.

As has been the case for minorities and women, the most obvious examples of age discrimination can be found in the employment arena. Through the polite but brutal practice of mandatory retirement, older Americans are being denied the opportunity to work and earn a living.

I. Mandatory retirement

Our Associations are committed to the elimination of mandatory retirement policies and practices in all areas of employment. We feel mandatory retirement is morally and constitutionally wrong; forcing a man or woman to retire solely because he or she has reached an arbitrary age is no different than denying a person a job solely because of race, religion or sex.

Mandatory retirement can be damaging to the physical and mental health of an individual. The American Medical Association's Committee on Aging cites "ample clinical evidence that physical and emotional problems can be precipitated or exacerbated by denial of employment opportunities."

Mandatory retirement policies have resulted in unnecessary expenditures of millions of dollars by the government and private industry, an incalculable loss of national productivity, and an intolerable waste of human resources.

Finally, because of the fact that the combination of present demographic and employment patterns will result—if allowed to continue—in a smaller work force and larger retirement population in the future, continued mandatory retirement practices will result in a substantially increased tax burden on working Americans.

In a recent National Council on the Aging study of attitudes toward aging conducted by pollster Louis Harris, an overwhelming 86 percent of the respondents declared that "no one should be forced to retire because of age if he wants to continue working and is able to do a good job."

These sentiments can and must be translated into an affirmative national policy. We therefore make the following recommendations:

1. The inclusion of a mandatory retirement age in any employment agreement, contract or benefit plan should be prohibited by law.

2. The statutory upper age limit of 65 in the Age Discrimination in Employment Act of 1967 should be abolished.

3. Age should be added as a protected category under Title VII of the Civil Rights Act.

II. Age discrimination in employment

Although the Age Discrimination in Employment Act of 1967 was designed to prohibit discrimination against workers between the ages of 40 and 65, such practices persist throughout industry.

Age discrimination in employment is often difficult to prove. Studies have shown that the rationale for discriminating against older workers on account of age is unsound. A 1971 survey conducted by the New York Commission on Human Rights clearly demonstrated that older workers perform as well as, and in some cases noticeably better than, workers in younger age groups.

Our Associations believe that middle-aged and older workers are entitled to the same governmental "affirmative action" programs as are women and members of minority groups who have been discriminated against in matters of employment. We therefore make the following recommendation:

1. Adequate funding should be provided to promote more vigorous enforcement of the Age Discrimination in Employment Act of 1967.

III. Older worker employment programs

The Comprehensive Employment and Training Act (CETA) requires that state plans give specific consideration to "significant segments" of the labor force. One of these significant segments is the population of older workers. There has been an inadequate effort under CETA to observe or enforce this provision of the Act in distributing funds. As a result, the participation of the older worker in CETA programs has been minimal.

The Older American Community Service Employment Program under Title IX of the Older Americans Act also provides needed support for the older worker. This categorical program is directed specifically to the elderly and provides jobs for low-income unemployed or underemployed persons on a part-time basis. The cost of expanding this program to reach more older workers would be offset by an increase in collected tax revenue and a reduction in public assistance costs.

Our Associations therefore make the following recommendations:

1. Congress should require compliance with the wording and spirit of the Comprehensive Employment and Training Act to foster participation of the older worker in CETA programs.

2. A nationwide, categorical, centrally directed older worker program, as now authorized under Title IX of the Older Americans Act, should be developed and expanded.

3. Any public employment program designed to deal with structural unemployment should take into account the employment needs of the elderly, including training, retraining and education.

HEALTH

In the health area, three factors are of primary importance: demographic trends, the rate of utilization of services by the elderly and the impact of the spiralling cost of health care services upon the elderly family's budget. In demographic terms, the 65 and older group is growing at an unprecedented rate, requiring increasing federal outlays for health protection. The most dramatic increases are occurring among the 75-plus and 85-plus age groups which are growing at rates of two and three times that of the total population. In addition, the elderly need and use health care services much more than the non-elderly do and the rising costs of those services is placing a particularly heavy burden on them. Expenditures for health care now constitute over 10 percent of an older person's budget—about the same percentage they constituted before enactment of Medicare.

While Medicare's financial protection of the elderly's health care expenses has grown slightly, the total health bill for the aged has grown enormously. The Social Security Administration has computed that in 1967 the average bill per aged person was $532, of which 31.8 percent was paid by Medicare. By last year, the average bill had doubled to $1,052 of which 40.3 percent was paid by Medicare. Medicare picked up 9 percent more of the tab, but in the meantime, the health bill had doubled. The aged individual is therefore becoming increasingly responsible for meeting the difference out of his own pocket or through some type of supplementary insurance.

I. Health care costs

Our Associations' immediate aim in the health care area is the establishment of ceilings to contain the excessively rising costs of all significant health care items. Failure to do this in a manner that is both comprehensive and reasonably effective in the short term will mean that the present, highly inflationary trend in the health sector will continue and the cost of health care will consume an ever increasing proportion of our Gross National Product. Our total health care spending has increased at an average rate of twelve percent over the last decade (a rate far higher than those for other economic sectors). Meanwhile, the overall economy has grown at a relatively slow pace. Health spending as a portion of GNP has grown from 7.8 percent in fiscal 1974 to 8.6 percent in fiscal 1976, amounting to a total expense of $139.3 billion. In terms of health status and life expectancy, we have reached the point of diminishing returns over and against huge increases in total spending for health care.

The excessive rate of inflation in the health sector will have increasingly serious consequences. The proportion of the Federal budget allocated to cover the cost of the present level of Medicare and Medicaid benefits will continue to grow and compete against other national priorities such as income maintenance. The financial viability of the Medicare program will be seriously impaired (unless taxes are increased to cover the rising costs) and more elderly persons, even with Medicare protection, will be seriously impaired (unless taxes are increased to cover the rising costs) and more elderly persons, even with Medicare protection, will be priced out of the health care market and denied access to needed care. Prospects for any significant expansion of Medicare/Medicaid protection will diminish and the goal of national health insurance will become increasingly remote if costs are not controlled.

The choice is simple: either we drastically cut the rate of inflation in the health sector and thereby contain the spiraling costs of Medicare/Medicaid (without merely shifting those costs on to beneficiaries) or we face the growing prospect that Medicare/Medicaid benefits will be cut. The only ones who can benefit from a perpetuation of the status quo are the providers of health care services.

While causes of the elevated rate of health care inflation are numerous, prime factors are: (1) the third party payment system (both government and private); (2) the circumstances under which the consumer has little choice in his selection of services and exercises little scrutiny over the costs of such services; and (3) the degree of control over both supply and demand exercised by physicians. The structure that has evolved in the health sector—with its unique relationships between consumers, third party payers, and providers—is an engine of inflation that is apparently insatiable. In this context, our Associations propose the following combination of remedies:

A. Short-Term Remedies

1. Year-to-Year increases in the billings of institutional providers of health care, irrespective of the source of payment, government or private, should be limited to the average rate of increase in the CPI's overall service component (less medical services) plus an additional 4 percent increment; this increment should be reduced by 1 percent per year until the rate of increase allowable is limited to the rate of increase in the CPI's overall service component (less medical services).

2. The rate of increase in the fees of licensed professional practitioners should be limited to the rate of increase in the CPI's overall service component (less medical services).

3. Such ceilings should be applied not only to the billings and charges of institutional providers and to the fees of licensed professional practitioners, but also to the rate of increase in payments for services covered by programs or policies of government and private third-party payers.

4. Such ceilings should be enforced and administered, to the extent possible, through state agencies.

5. Proposals which would merely insulate the federal budget from the consequences of health sector inflation should not be considered, since such proposals do not deal with the causes of the problem and would merely shift an increasing cost burden to Medicare/Medicaid beneficiaries.

B. Mid-Term Remedies

1. The present cost-reimbursement mechanism used by government and private third-party payers should be abandoned and replaced by a demonstrably effective system of prospective budgeting, rate setting and payment with respect to institutional providers and by negotiated fee schedule procedures with respect to licensed professional practitioners.

2. These new payment procedures should be reinforced by additional regulatory instruments such as certificates of need, utilization review, minimum standards of "quality" and health resource planning.

C. Long-Term Remedies

1. A complete restructuring of health care delivery must be effected that will de-emphasize the present heavy reliance on institutionalization.

2. Comprehensive planning for the efficient development and modernization of health care facilities must be implemented to avoid overlap, waste, and excess capacity.

II. Pharmaceuticals

The elderly purchase 25 percent of all prescriptions. Pharmaceuticals are their second largest out-of-pocket health care expenditure. In 1975 the elderly's per capita spending on drugs was $117.68 and of this $102.30 or 87 percent was paid by them directly.

U.S. prescription drug prices are the highest in the world, and these high prices are in large part attributable to anti-competitive practices, patent monopolies and other drug industry practices. Since our Associations recognize that spiraling drug costs must be controlled in order to facilitate the addition of an out-of-institution drug benefit under Medicare, we make the following recommendations:

1. All federally funded drug programs should be consolidated under a single administrative unit, with the power to negotiate drug prices with manufacturers, set reimbursement payments to providers and grant licenses on patented products when necessary.

2. Federal generic substitution and prescription price posting laws should be enacted.

3. A national formulary of prescription drugs should be published that discloses prices for the purpose of guiding good medical practice and establishing the maximum allowable cost which the government will pay providers under the government programs.

4. A national compendium of drugs should be published.

5. Patent holders of excessively priced drugs, after recovery of research and development costs plus reasonable profit, should be required to license other manufacturers to produce the same product at less cost, receiving back adequate compensation in the form of royalties.

6. A national drug testing and evaluation center should be established to test all new drugs before they are placed on the market.

7. Prescription drug advertising, promotion and sampling should be subject to federal limitations.

8. The universal use of established (generic) names of prescription drugs should be required in prescribing, dispensing, labeling, advertising and promotion.

III. Medicare and medicaid

The Medicare and Medicaid programs have been designed to financially assist the elderly in meeting the costs of health care and thereby facilitate their access to it. A flaw in their design, however, is that they focus primarily on the acute care needs of patients.

Because these programs now underwrite about one-fourth of our nation's total personal health care expenditures, and represent more than three-fourths of the HEW health budget, they have a direct impact on our health care system. Efforts aimed at changing the health care delivery system will have to include a major restructuring of the Medicare and Medicaid programs.

A principal health delivery problem is the disorganization of health care resources. The proliferation of some services and the scarcity of others accompanied by geographic and specialty maldistribution have led to inefficiencies in the delivery of health care. Ultimately, cost containment can best be achieved by changing the structure and functions of this delivery system.

Our Associations have consistently supported the enactment of a national health plan which guarantees the availability of comprehensive, quality care to all Americans and which is designed to eliminate present barriers to universal access such as financing inequities and uneven allocation of resources. However, because additional available resources are limited, the goal of national health insurance is not likely to be realized all at once but rather in stages, and only if the escalating costs of the existing programs are successfully controlled.

Pending the enactment of a comprehensive national health plan, our Associations are in favor of restructuring the Medicare and Medicaid programs. Many of the services and benefits provided on an in-patient basis should be available on an ambulatory basis. Provider services should be reoriented to remove regulatory restrictions or benefit imbalances which impede the growth of alternatives to the present delivery system.

As priority items, our Associations make the following recommendations:

1. A catastrophic protection feature should be added to Medicare (perhaps as a part of the incremental development of a national health insurance program).

2. Out-of-institution drugs should be covered under Medicare.

3. A long-term care services program should be developed to provide a complete continuum of coordinated non-institutional and institutional health and health-related social services through a community network for the delivery of long-term care.

4. Conditions of eligibility for home health care under Medicare should be liberalized and clarified.

5. Incentives should be provided to encourage non-institutional licensed practitioners to participate in the Medicare program and accept the Medicare payment as payment in full.

As long-range objectives, our Associations also favor the following:

1. Additional categories of benefits should be covered under the program, including maintenance and preventive services, dental, vision, audiological, and podiatry services, prosthetic devices and patient education services.

2. Present restrictions should be removed with respect to reimbursement for in-patient and out-patient mental health services, home health care, day hospital care, and care provided by physician extenders and other para-professionals in clinics and primary care facilities such as community mental health centers.

3. The duration of covered services should be extended where they are now limited.

4. The Part B premium should be eliminated; Parties A and B should be merged with respect to administration of benefits; all deductibles should be eliminated and a more rational schedule of co-payments with respect to covered services should be substituted.

5. Health benefits and reimbursements should be coordinated under existing health programs, especially Title XVIII (Medicare), Title XIX (Medicaid) and Title XX (Social Services) in order to assure maximum uniformity in coverage.

Action must be taken to strengthen the Medicaid program on which millions of older Americans rely for health care protection. Specifically, we recommend:

1. Federal standards for state plans should be strengthened to include provisions for mandatory eligibility for the medically needy, improved uniformity of benefit packages and eligibility requirements.

2. State plans should be required to contain provisions for fraud and abuse units that are adequately staffed and meet prescribed federal guidelines including provisions for auditing and inspecting providers.

3. The federal government should fully assume the cost of Medicaid inspection and financial auditing activities and should assure compliance with federal guidelines with respect to such activities.

4. Medicaid eligibility standards for institutional care should be revised so as not to require the financial destitution of the non-institutionalized spouse.

IV. Long-term care

With respect to long-term care, our Associations continue to urge development of a national policy embracing the psychosocial and emotional aspects of long-term care, the continuity and range of services in and out of institutional facilities, and the training of qualified staff. Specifically, we recommend:

1. Eligibility for home health care under Medicare and Medicaid should be expanded and clarified to make home health care more readily reimbursable.

2. The scope of the Medicare home health benefits should be expanded by removing the word "skilled" and allowing reimbursement for preventive and medically necessary home health services.

3. The three-day hospital stay requirement should be eliminated for extended care benefits under Part A of Medicare.

4. As an optional substitute for some or all of the authorized home health care visits under Medicare and Medicaid, day care services provided by a Medicare certified provider should be made reimbursable.

5. Federal assistance to the states should be increased to upgrade state enforcement procedures with respect to long-term care facilities.

6. Federal authority to enforce minimum standards for long-term care should be strengthened and periodic, unannounced federal inspections of long-term care facilities should be required to assure compliance with safety, hygienic and operational standards.

V. Medical resources and facilities

Older persons have substantial interest and should therefore have a voice in the planning and development of health resources and facilities and in their operation and delivery. Specifically, we recommend:

1. Elderly consumer representation should be required on the governing and policy-making boards of nursing homes, planning agencies, quality assessment groups, and other health facilities.

2. Legislation is needed to address the need for geriatric training for the various cate-

gories of health personnel that are involved in the provision of long-term care services.

3. Uniform quality controls must be established for intra- and inter-state clinical and state laboratory testing.

4. The development of ambulatory neighborhood-based geriatric clinics should be encouraged by federal assistance; preventive, diagnostic and therapeutic care obtained in such clinics should be reimbursable under Medicare.

5. Federal safety and efficacy standards should be established and pre-market clearance required for potentially hazardous medical and therapeutic devices.

6. The Health Planning and Resource Development Act of 1974 should be extended and strengthened where necessary.

7. Payment should be authorized under existing program for the services of physician extenders and other paraprofessionals in clinics and primary care facilities such as community health centers.

ECONOMIC POLICY

Economic policies to contain unemployment and to stabilize the economy, commonly referred to as fiscal and monetary policies, have become associated both here and abroad with rising levels of price inflation.

The connection between these policies and inflation is imperfectly understood, but both policies result in deficit spending. It has become apparent that ordinary deficit spending does not automatically correct such factors as declining productivity and lack of confidence in the economy. Also, deficit spending does not correct structural and other factors causing inflation and unemployment.

The Associations recognize that deficit spending is an accepted short-term method of dealing with recession. But we object to poorly planned spending which fails to counter unemployment and particularly to counter unemployment among the elderly. We also object to continued deficit spending during the boom period of the business cycle. The budget should be brought into surplus during the boom years. No virtue may be assigned to continuous deficit spending. Federal budgetary policy should operate to balance spending and tax revenues over the longer period of the business cycle.

A special word is needed with respect to the critical nature of monetary policy. For the elderly, money is not just a means for buying goods and services. Money serves as a standard of value and represents security. Persistently high rates of price inflation serve to destroy money as a standard of value. There is little dispute over the definite linkage between excessive expansion of the money supply and price inflation. The Federal Reserve System must be charged with closely adjusting the volume of the money supply to the current needs of the U.S. economy. Monetary policy should be neither inflationary nor deflationary, rather it should parallel the growth of the economy.

Something must also be said with respect to this country's non-policy in energy. A national energy policy should be developed and should be aimed at achieving the efficient and expeditious utilization of our existing energy potential. Such a comprehensive policy is needed in order to assure an adequate short and long run supply of energy at just and reasonable prices and in order to reverse this country's increasing dependence on foreign source fuel.

Any national energy policy that is developed should avoid, to the extent possible, significant acceleration in the rates of inflation and unemployment take into account and attempt to avoid or lessen the impact which rising energy prices have on lower and fixed-income persons, and still provide the incentives necessary to encourage the efficient development of the energy potential of this country. Long run policy should be based on conservation and on extensive public and private efforts to explore for resources and to research new sources of energy such as solar, geothermal and nuclear energy.

With respect to the elderly, there is a tendency on the part of many to assume that they are somehow outside the overall economy or generally insulated from major economic fluctuations. It is argued that because they are "retired", what happens in the labor market has little or no bearing on their incomes or welfare. It is also argued that, because of the automatic cost-of-living provisions of social security and other income maintenance programs, they are now largely protected from the effects of inflation as a challenge to those arguments. We offer the following:

Approximately 5 million persons 65 years of age or older (25 percent of the elderly population) participate in the labor force every year doing some work for pay. Including non-working spouses, approximately 35 percent of the elderly supplement their incomes by participating in the labor force. In 1975, while the overall unemployment rate rose by 50 percent, the rate among the elderly rose by 56 percent and among elderly men by 63 percent. In 1976, while the overall unemployment rate fell by 9.4 percent, the unemployment rate for the elderly fell by only 3.8 percent.

As measured by the Consumer Price Index (CPI), prices increased by 5.4 percent from the third quarter of 1975 through the third quarter of 1976. As measured by a more specific older persons' index, however, prices increased by 5.6 percent. Aside from the apparent understatement of the impact of inflation on the elderly as measured by the CPI, a 1975 Defense Manpower Commission study has concluded that the methodology used to update social security benefits results in a consistent and significant undercompensation for losses incurred from inflation.

In addition to these direct effects on elderly incomes, recent economic fluctuations have placed a great deal of pressure upon the cornerstone of elderly income security, the Social Security System. Although from a fiscal point of view the system is sound, a one-tenth of one percentage point increase in the CPI at today's benefit levels, results in an increase in benefit payments of $60 to $70 million. It is estimated that, if the unemployment rate in 1975 had approximated 5 instead of 8.5 percent, revenue for the system would have exceeded benefit payments by $2 to $3 billion.

The above should help underscore the stake the elderly have in the maintenance of reasonably stable economic growth and the avoidance of the roller coaster economy we have experienced in recent times. We offer the following recommendations on how to achieve these goals:

1. The maximum number of expenditure programs should be placed under zero-based budgeting, requiring periodic Congressional review of the programs.

2. Temporary tax relief measures which are designed to stimulate the economy should be continued, provided that such economic stimulus does not trigger an inflationary surge.

3. As means of restoring competition in concentrated sectors, legislation should be enacted that would expand and streamline antitrust action, where appropriate.

4. Barriers to competition created by federal or state laws and regulatory agencies should be reduced or eliminated.

5. Temporary public employment programs should be a tool to deal with recession-induced unemployment and should take into account the employment needs of the elderly.

6. A federal office should be created or designated to be responsible for collecting and analyzing data with respect to existing energy resources, inventories, costs of production, prices and related information on all sources of energy, both domestically and internationally produced; such data should be made available to Congress and should be disclosed to the public in an understandable form.

CONSUMER ISSUES AND POLICY ON AGING

I. Consumer affairs

Older Americans represent a large and constantly growing segment of our consuming public. We, therefore, believe that more emphasis should be placed on their special consumer needs and the problems they find in adequately meeting those needs. To do so we urge vigorous governmental action, including strengthened enforcement activity, to achieve and maintain the four basic consumer rights of all citizens: the right to safety, the right to be informed, the right to be heard, and the right to choose.

Additionally, vigorous action should be taken to protect older persons against deceptive practices in the sale and dispensing of consumer goods which have high incidence of use among the elderly.

1. Legislation should be enacted to establish an Independent Agency for Consumer Advocacy to represent consumer interests before federal agencies, Congress and the courts.

2. Legislation should be enacted to embody the concept of truth-in-savings by requiring uniform, full and clear disclosure of the method used in computing earnings on savings

3. Essential consumer information should be required to be prominently displayed on all packaged food products.

4. The rapid growth of the insurance industry as a national market requires the enactment of a federal basic insurance certification program. Procedures should be established by which health insurance policies offered by private insurers may be certified by the Secretary of HEW as meeting minimum standards with respect to adequacy of coverage, conditions of service, claims performance and reasonableness of premium charges.

5. Life insurance disclosure legislation should be enacted to provide consumers with information in a way to allow fair price and benefit comparison between policies.

6. Congress should establish certain minimum standards for no-fault automobile insurance to which each state would be required to conform within a given period of time; insurers should be required to offer exclusions for benefits actually received under Medicare.

II. Crime

Fear of crime is a serious problem for many older Americans, often forcing them to adopt new lifestyles. Many crimes against older persons could be avoided if they were educated about effective crime prevention techniques. To that end, we urge increased government sponsorship of crime prevention programs aimed at increasing citizen interest and participation in the effort to reduce crime. In addition, immediate steps should be taken to reassess our criminal justice system so that the fundamental interests of society may be protected and basic constitutional rights preserved.

Further, we believe that law enforcement agencies should devote increased attention to the reduction and prevention of crimes against persons and property. Increased efforts should be made to reduce consumer fraud which impacts disproportionately on the elderly.

1. A new federal criminal code should be enacted that eliminates inconsistencies in the present federal law and strengthens the federal criminal justice system.

2. Legislation should be enacted to re-

quire mandatory prison sentences not subject to suspension or probation upon conviction of a felony in which firearms or other deadly weapons are employed and such sentences should run consecutively with any other term of imprisonment.

3. Legislation should be enacted that would provide adequate indemnification for victims of crime.

4. Legislation should be enacted to control the availability of handguns.

III. Education and training

We are convinced that continuing educational opportunities are vital to the quality of life and the mental and physical well-being of all older persons. Older Americans should be given the opportunity to acquire new skills and knowledge if they are to cope with our rapidly changing society, qualify for reemployment, and offer service to their communities and their nation. Continuing education for all adults, including those in their later years, should be established as a government priority. An essential complement to the development of new programs for the adult learner is the coordination of those programs with existing programs to eliminate overlap and duplication.

We encourage development of training programs in the teaching, guidance, and counseling of older adults. Additionally, vocational programs should be encouraged to train young persons as paraprofessionals to work with the elderly and to train older persons to work as volunteers in our public schools to assist young students in the learning process.

Graduate programs in gerontology should be developed and higher education institutions should be encouraged to offer a major and basic course in gerontology.

1. The Lifelong Learning provisions of the 1976 Higher Education Act Amendments should be adequately funded.

2. Federal loans and scholarships should be made available to the elderly on the same basis as they are made to younger persons.

3. Multipurpose service centers should be established to provide necessary training, counseling and services for displaced homemakers to allow them to lead an independent, economically secure and productive life.

IV. *Housing*

A decent home and a suitable living environment for every American must continue to be a national goal. The federal government must therefore continue to take an active role in ensuring adequate shelter and related services for all persons, including older Americans, and should utilize all existing housing program instruments to achieve this goal.

Any national program addressed to the housing needs of the elderly must be flexible, both in the types of housing made available and in the standards used to determine eligibility. Further, the Department of Housing and Urban Development should continue efforts to expand the role of State Housing Finance and Development Agencies and Local Housing Authorities in order to stimulate construction, rehabilitation and use of new and existing housing for older persons.

Older Americans should retain the option of remaining in their own homes for as long as they are able and so choose. To that end, we encourage HUD and the Administration on Aging to cooperate in developing a continuing data base of the specific needs to older Americans for the purpose of evaluating the impact of government programs in meeting those needs. In addition, greater use of federal programs, such as homemaker/home health aide programs, home maintenance programs, nutrition programs, transportation and other related services would enable them to remain in their own homes.

1. The Section 202 Housing for the Elderly and Handicapped direct-loan program should be expanded so as to keep it as the major mechanism for nonprofit sponsor participation in the production of housing units for older persons.

2. Special attention should be given to the housing needs of the rural elderly.

3. In the case of multi-family housing projects designed primarily for the elderly or handicapped, provisions should be made for special facilities—such as food service facilities, workshops, infirmaries and other essential services.

4. An Office of Security within HUD should be established with funding for planning and implementing security programs to protect persons and property in federally-assisted housing.

V. *Policy on aging*

We urge that a national strategy responsive to the present and future needs of older Americans be developed and continuously updated and that both federal and state governments increase their financial support for ongoing and future programs designed to achieve the objectives of the Older Americans Act. The Administration on Aging and the National Institute on Aging should continue as the federal focal point for aging matters and should expand their efforts to coordinate federal programs affecting older Americans.

Further, the present structure of state and area agencies on aging should continue to be relied upon as a mechanism to encourage and stimulate local resources for the provision of services. Strong administrative linkages should be established between state plans under the Older Americans Act and state plans under Title XX of the Social Security Act. The Congress should vigorously oversee and evaluate the revised Title XX Social Services Program to ensure that services are actually received by those most in need of them.

State and local governments should give greater consideration to the economic and physical needs of the elderly in distributing revenue sharing funds. Opportunities for involvement in the planning process for the allocation of revenue sharing monies at both the state and local levels should be provided for older persons.

1. Legal services under the Older Americans Act should be expanded to provide adequate legal services for low-income elderly at reasonable cost and the Legal Service Corporation should expand the role of legal service backup centers.

2. All federal block grant programs should provide sufficient elements of federal control to assure that the needs of target groups, such as the elderly, are adequately considered.

3. The Retired Senior Volunteers, Foster Grandparents and Senior Companions Programs should be returned to the Administration on Aging from ACTION.

VI. Nutrition

The Title VII Nutrition for the Elderly Program significantly responds to the elderly's nutrition problems; therefore, we support an extension of this program beyond current levels to reach the many older Americans who are unable to receive program benefits. Efforts should continue to coordinate the operation of the Title VII program with Title III of the Older Americans Act and with Title XX of the Social Security Act.

We also support the principle of the Food Stamp Program because it is an important component in the solution of the elderly's nutrition problems. While we believe that these problems could be more adequately met by thorough reform of our nation's welfare programs, we believe that in the meantime the Food Stamp Program's administration should be streamlined and efforts should be made to increase the presently low rate of participation by elderly persons.

1. The Title VII Nutrition for the Elderly Program should be expanded (for fiscal year 1978) beyond the fiscal year 1977 level.

2. The Food Stamp Program should be reformed by: (1) instituting a standard deduction in calculating eligibility (that deduction should be high enough to adequately reflect the special dietary needs of the elderly); (2) eliminating the purchase requirement; (3) removing the automatic eligibility for recipients of Supplemental Security Income and public assistance; and (4) providing for adequate outreach efforts directed at the elderly.

VII. Transportation

The transportation needs of the elderly cannot be separated from the transportation needs of the general population and, for the most part, the needs of the elderly can best be met through integration into a system which adequately serves the needs of the entire community. Therefore, priority should be given to the development and improvement of public transportation systems. To do so will require a careful assessment of the present fragmented provision of services.

Further, it is necessary to examine the role of services in relation to human service programs and, to the extent possible, cut down or eliminate unnecessary duplication of effort. For this purpose, the Department of Transportation should actively work with those agencies providing programs for older Americans to ensure that existing transportation services are utilized where transportation is needed as a major program component.

Finally, since a major concern of the elderly is a lack of mobility caused by inadequate or inaccessible transportation and other physical and environmental barriers, their special needs should be accommodated in the design and operation of transportation subsystems and public buildings.

1. Special transportation subsystems should be developed and/or expanded especially in non-urban areas and existing transportation resources should be more effectively used.

2. Inter- and intra-state providers of all modes of transportation should be permitted and encouraged to offer reduced rate fares to older persons.

3. Expanded use of highway trust fund monies should be required for the operation, development and construction of public transportation systems.

4. Adequate transportation, where necessary, should be required as an integral part of federally-funded programs for the elderly to enable them to obtain program benefits.

UTAH'S WORKFARE PROGRAM

Mr. HATCH. Mr. President, at some point during the 95th Congress, it is probable that the Senate will look at the question of welfare reform. It is a priority of the Carter administration. The issue is a complex one requiring us to rethink many of the difficult policy questions underlying our Federal public assistance programs. It seems to me that one of the issues which should be closely examined pertains to exploring ways to provide jobs in either the public or the private sector to take able-bodied people off the welfare rolls.

In this regard, I call to the attention of my colleagues, Utah's workfare program which is now attracting nationwide recognition. The Utah plan, approved by HEW, requires that able-bodied people earn their welfare grants by being trained for a job in an actual work-experience setting. The State then attempts to find permanent employ-

ment for the trainees. In other words, trainees learn to work by actually working while they draw welfare payments. The program is mandatory and only the ill, aged or disabled or mothers with children under 6 years of age are exempted from the work requirement.

In fact, the program is applicable to those who receive Aid to Families with Dependent Children, AFDC.

While Utah's very favorable "workfare" experience may not be workable in all States and localities, the Senate should study it carefully in the overall consideration of revamping our Federal welfare programs.

For the information of other Senators, I ask unanimous consent that an article appearing in the July 18, 1977, edition of U.S. News & World Report which fully explains the Utah program be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN STATES TELL PEOPLE THEY MUST WORK FOR WELFARE

The idea that able-bodied people should be required to work for their welfare money is spreading rapidly across the U.S.

One such "workfare" program attracting nationwide attention is operating smoothly in Utah.

So successful is the Utah plan in moving people off relief rolls that half a dozen other States are taking a look at it as a possible model for programs of their own. Some believe it might even be useful to the Carter Administration in its search for national welfare reforms.

Besides Utah, at least 16 States have stiffened their work requirements or added new work incentives in the last two years. A number of other States and many cities have some kind of program aimed at putting relief recipients to work. And the Federal Government's Work Incentive Program—known as WIN—is steadily stepping up its pace in finding jobs for welfare recipients.

ON THE JOB, ON THE DOLE

The Utah plan is unique in several respects. It is sterner and goes further than most other programs. It is mandatory. And it doesn't just train people for future jobs. It actually puts them to work while they are still drawing welfare payments.

In most places, such work requirements apply only to people on programs financed by State or local funds, such as "general assistance" or "direct relief."

Utah's plan applies to those who receive Aid to Families with Dependent Children (AFDC), a huge, nationwide program that draws heavily upon federal funds. Utah officials say theirs was the first work requirement approved by the Department of Health, Education and Welfare for application to AFDC.

"Utah is the first State where people earn their welfare grants," claims the program's co-ordinator, Usher T. West.

Officially, Utah's method is called a work-experience and training program. But its training is not the usual type done in classrooms. Trainees learn to work by actually working. If private employment cannot be found for them, they are put to work for public agencies, doing jobs that are needed by State or local governments. They serve as teachers' aides in their neighborhood schools or plant trees in public parks, for example. They work three days a week but remain on the welfare rolls until they find regular jobs.

Only ill, aged or disabled persons or mothers with children under 6 years of age are exempted. All others are told to take one of the jobs offered to them or lose all or at least a part of their welfare payments.

Those who participate in the program are helped by the State to find jobs in private industry. Many are doing so.

In one six-month period, from July through December of last year, 782 people were assigned to the work program. Of that total, 311 were removed because they did not perform as required. But 11 people were hired by the sponsors who gave them their training jobs, and 218 found other kinds of employment. In addition, 109 mothers found enough work to reduce the amount of welfare funds needed to support their families.

"FEELING GREAT"

A 32-year-old mother of two children was hired recently as a full-time office worker in Salt Lake City's assistance-payments administration, the same office that handed her welfare checks for 13 years before she took job training for two years. During the instruction period, she says, "even though I was getting welfare I felt I was working for it." And now, she adds, "With my new job I am barely making ends meet. But I feel great because I am making it on my own."

Utah officials point out that communities as well as individuals benefit from the program. Some agencies, such as private nonprofit organizations that are constantly short of funds, report that the services of welfare recruits have been invaluable

One self-self agency in Salt Lake City, for instance, had the funds to buy insulation for the homes of elderly poor people, but lacked money to hire workers to install it. Welfare trainees have been assigned to the job. Another self-help group put trainees to work repairing the homes of elderly Salt Lake City residents.

A QUESTION OF LEGALITY

Some critics charge that Utah's job-training effort is nothing more than a thinly disguised public-works program that uses underpaid welfare recipients in place of regular employes.

Legal-services lawyer Lucy Billings says she is considering filing a court suit against the program on the ground that it violates federal regulations that people cannot be required to work for their welfare payments.

It took Utah three years to get its program approved by the U.S. Department of Health, Education, and Welfare. For 18 months, HEW withheld federal contributions to Utah's program for Aid to Families with Dependent Children. It cost the State almost a million dollars to make the AFDC payments entirely from State funds. But many Utah people feel that it was well worth the cost.

Utah officials concede that their program might not work so well in other parts of the country, especially in big cities where population is denser and welfare rolls are much larger. Of Utah's nearly 1.2 million residents, only 39,000 are getting money grants of aid. Also, it is suggested, labor unions in more-industrialized States might oppose welfare people being given jobs that might be sought by union members.

But in the view of Robert W. Hatch, a field director for the Utah assistance-payments administration, public acceptance of the idea that welfare recipients should work for their money is spreading throughout the nation. Says Hatch: "I think that in time, putting welfare clients to work will become a common practice."

In fact, a trend in that direction is already apparent.

Oklahoma has a 2-year-old work-experience program that was passed by the legislature at the urging of Governor David Boren. It requires that any one 18 or older in a family receiving Aid to Families with Dependent Children must visit the local employment office and sign up for a job that's available.

In 1975, there were 2,300 persons participating in the Oklahoma program. Many worked in State institutions, hospitals or in county offices for $5 a day to offset expenses, plus their regular AFDC checks.

"They are usually placed in jobs where they can easily be trained and hopefully be picked up by the business community," says a State spokesman. Last year, more than 700 persons were placed in permanent positions outside the government.

THE RISK OF REJECTING WORK

The Texas legislature recently passed legislation to supplement the Federal Government's Work Incentive Program. Welfare recipients must register for work, and if they reject a job without a good reason, their benefits may be cut off after an administrative review.

North Carolina's legislature this year passed a law requiring welfare recipients to register for work.

As the law's sponsor, State Senator E. Lawrence Davis of Winston-Salem, explains it: A family head who fails to register is taken off the rolls. But aid to his or her children will continue as "protective payments" made through some other person or perhaps an agency, such as a church. Since the law did not take effect until July 1, it's too soon to tell how effective it will be.

A PART-TIME WORK FORCE

In the State of New York, all employable persons receiving general welfare-assistance payments have, since May 1, been required to work three days a week in a local-government agency if jobs are available.

There are about 60,000 such persons, and State Social Services Commissioner Philip Toia says: "We're hoping to develop jobs within local-government agencies for at least 30,000 of those employables within the next three months. We're hoping that, when faced with working three days a week, many will go out and get a full-time job."

One problem is that four fifths of the employables covered by the program are in New York City, where in the last two years thousands of public employes have been laid off in the city's effort to cope with a financial crisis. "I anticipate some complaints from the municipal workers' unions," says Assistant Welfare Commissioner Irwin Brooks. However, according to a New York Daily News poll published May 23, about 87 percent of residents in the New York metropolitan area approve of the new workfare program.

Work-for-welfare bills similar to New York's are pending in several States, including Connecticut and New Jersey.

Massachusetts is one of the States studying the Utah plan of mandatory work for heads of AFDC families. Since 1975, Massachusetts has barred all employable persons from direct relief or general-assistance rolls. The State of Rhode Island followed suit last September, cutting its relief case load by more than 20 percent.

MILLION-DOLLAR SAVINGS

Bridgeport, Conn., started last year a plan requiring employable people receiving welfare to work one or two days a week, depending on the amount of their aid. About 300 persons out of a case load of 1,330 are now working. If they fail to work for a period of two weeks, their benefits are automatically terminated.

Results: Bridgeport's case load has been cut 45 percent in a year's time, with a million-dollar reduction in the city's welfare budget.

Milwaukee County, Wis., has a locally run pay-for-work program requiring all able-bodied welfare applicants to take specially created jobs in municipal or county departments. They are paid $2 an hour for a 32-hour workweek.

One experiment being watched closely is a "supported work" program run by the Manpower Demonstration Research Corporation, a nonprofit, tax-exempt organization set up with the support of the Ford Foundation and five Federal Government agencies—principally the Department of Labor.

It has 15 projects in 13 States that provide jobs, mostly with public or nonprofit agencies, for more than 2,000 marginally employable people, including AFDC mothers. Instead of welfare checks, they get paychecks at minimum-wage rates.

A mixture of welfare funds and grants is used to finance the program. The workers will be helped to find permanent jobs in private industry once they have developed the necessary skills.

Many towns and some States have found that the administration of work-for-aid programs is too costly to justify the small numbers put to work. But the search for practicable systems goes on—and widens.

In the words of Fritz Kramer, a manpower specialist with the Labor Department: "A number of States are exploring ways to provide jobs in either the public or the private sector to get people off the welfare rolls."

A FEDERAL AGENCY THAT FINDS JOBS

After years of costly failure, the Federal Government's Work Incentive Program (WIN) is improving its performance in finding jobs for people on welfare rolls.

Last year, WIN placed more than 210,000 persons in jobs. That was almost twice the number placed in the entire first four years of its life, from 1968 through 1971.

The upturn began in 1972, after the program's emphasis was shifted from job training to job finding.

WIN's targets are the people in the huge Aid to Families with Dependent Children (AFDC) program. About half of those for whom jobs are found are enabled to get off the AFDC rolls entirely, officials say, with the other half able to get by on reduced benefits.

Despite WIN's efforts, the number receiving AFDC payments has hit a new high of more than 3.6 million families, which contain a total of nearly 11.3 million individuals.

SENATOR HELMS ENDORSES NORTH CAROLINA RESOLUTION ON FEDERAL BUDGET

Mr. HELMS. Mr. President, the North Carolina General Assembly has adopted a resolution calling for a constitutional amendment requiring a balanced Federal budget.

I endorse this proposal. I wish it could be passed by Congress tomorrow and sent to the States for ratification.

Deficit spending is one of the most damaging and underhanded financial acts the Federal Government commits.

It causes inflation and thus transfers resources from those who save to those who go into debt.

Deficit spending is used by some in Government to spend without appearing to tax.

Deficit spending is used by those who think that artificial, fiscal stimulus to the economy actually causes more good than harm. "Stagflation," the ravages of high unemployment in the midst of inflation, has proven them wrong .

I have cosponsored a constitutional amendment which would restore a balanced Federal budget. I have introduced legislation which would amend the Budget Act of 1974 to require that Congress adopt balanced budgets.

I commend the legislators of my State of North Carolina. Our State Constitution prohibits deficit spending. This discipline has preserved fiscal integrity in our State government and it has protected the taxpayers of North Carolina. A similar prohibition against Federal deficits would help the national economy and it would protect the average American against a fiscally irresponsible government.

Mr. President, I ask unanimous consent that the senate joint resolution 858 of the general assembly of North Carolina be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 858

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now amounts to hundreds of billions of dollars; and

Whereas, attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous assertions that the responsibility for appropriations is the constitutional duty of the Congress; and

Whereas, the annual federal budget repeatedly demonstrates the unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, the unified budget does not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, the "U.S. News and World Report" reported on February 25, 1974, that of these nonbudgetary outlays in the amount of fifteen billion six hundred million dollars ($15,600,000,000), the sum of twelve billion nine hundred million dollars ($12,900,000,000) represents funding of essentially private agencies which provide special services to the federal government; and

Whereas, knowledgeable planning and fiscal prudence require that the budget reflect all federal spending and that the budget be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend; and

Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary;

Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

Section 1. That procedures be instituted in the Congress to add a new Article XXVII to the Constitution of the United States, and that Congress prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues, excluding any revenues derived from borrowing, for that fiscal year.

SEC. 2. That the proposed new Article XXVII (or whatever numeral may then be appropriate) read substantially as follows:

"PROPOSED ARTICLE XXVII

"The total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues for that fiscal year, excluding any revenues derived from borrowing; and this prohibition extends to all federal appropriations and all estimated federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this Article. If the President proclaims a national emergency, suspending the requirement that the total of all federal appropriations not exceed the total estimated federal revenues for a fiscal year, excluding any revenues derived from borrowing, and two-thirds of all members elected to each House of the Congress concur by Joint Resolution, the total of all federal appropriations may exceed the total estimated federal revenues for that fiscal year."

SEC. 3. That copies of this resolution be transmitted to the President of the United States, the chairmen of the Judiciary Committees of both the Senate and House of Representatives, the chairman of the Joint Committee on Budget Control of the Congress and to each member of the North Carolina Congressional Delegation.

SEC. 4. That copies of this joint resolution be transmitted to the Secretary of State and to the presiding officers of both houses of the legislature of each of the other states in the union, with the request that it be circulated among leaders in the executive and legislative branches of the several state governments; and with the further request that each of the other states in the union join in requiring the Congress of the United States to initiate a proposal to amend the Constitution of the United States in substantially the form proposed in this joint resolution.

SEC. 5. This resoluion shall become effective upon ratification.

THE EMPTY TRUCK SYNDROME

Mr. JOHNSTON. Mr. President, on June 15, 1977, I introduced the Diesel Fuel and Gasoline Conservation Act of 1977, S. 1699.

The purpose of this measure is to clarify an ambiguity that has arisen with respect to the application of the Robinson-Patman Act to uniform zone delivered pricing markets. This ambiguity is discouraging backhauling in such markets. The result is that trucks are returning empty from their fronthaul assignments when they could otherwise carry cargo on the return trip. Consequently, we are unnecessarily wasting diesel fuel and gasoline. The nature of the ambiguity is that merchants are unsure as to what is the permissible backhaul allowance that can be granted in this type of market. S. 1699 would leave no doubt as to the legality of granting backhaul allowances up to the actual savings in delivery costs saved to the seller because of the buyer's backhauling.

On June 27, I chaired a hearing on this bill in the Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources. We are in the process of arranging for a markup of S. 1699 in the near future.

Today an editorial entitled "The Empty Truck Syndrome," appeared in the Wall Street Journal in support of S. 1699. I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE EMPTY TRUCK SYNDROME

We have a proposal to offer that happily conforms with the President's wish to save energy: Let trucks do more work.

It seems that a lot of trucks drive around empty, wasting fuel, all because the Federal Trade Commission is afraid someone will violate the Robinson-Patman Act.

It works this way: Food chains and food wholesalers operate their own trucks to make deliveries from their warehouses to retail stores. Frequently, it would make perfect sense for a truck to go from its last store delivery to a nearby factory and pick up a load of pickles, beans, catsup or corn flakes to be hauled back to the warehouse. That way, the factory's truck would not have to make the delivery and return to the factory empty. And the warehouse truck would not have to return from its store deliveries empty.

The Federal Energy Administration estimates the potential fuel saving from eliminating this waste motion at 100 million gallons in the food industry alone. That's enough to fuel 140,000 automobiles for a year. And there no doubt would be additional savings in other industries.

But processors and manufacturers have been reluctant to knock off freight charges for customers who pick up their own merchandise. A major reason, it seems, is that the FTC has issued advisories saying this might violate the Robinson-Patman Act, which prohibits "discriminatory" discounts. If you have to pay the factory for a delivery, there isn't much incentive to pick up the goods yourself.

Senator J. Bennett Johnston (D., La.) has introduced Senate Bill 1699, asserting, in effect, that it is lawful not to charge someone for hauling their own goods. It would seem to be a bill fuel conservationists could support. In the Washington regulatory wonderland, even the simplest logical propositions sometimes need to be spelled out in terms a child would understand.

VOTER REGISTRATION

Mr. DOMENICI. Mr. President, the Universal Voter Registration Act of 1977 has drawn great criticism from those registrars and county clerks who have to administer the States' election laws. These people stand closest to the electoral process and know best the possibilities of fraud and abuse.

Leah G. Jones, county clerk of Luna County, N. Mex., has expressed her concern about this new proposal for same-day universal registration and has passed on to me a resolution and statement of principles adopted unanimously at the recently concluded sixth annual conference of the International Association of Clerks, Recorders, Election Officials, and Treasurers, held in New Orleans.

Mr. President, coming immediately after a period of great distrust and concern about the central government on the part of the people, I believe that adoption of such a registration system would be most ill advised. We would increase doubts about the honesty and validity of the bedrock of our system—free, open, and honest elections. Therefore, the concern expressed by the very officials of both parties who must administer the election laws is most significant.

I hope that my colleagues take this opposition into account and I ask unanimous consent that both the resolution and statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESOLUTION—UNIVERSAL VOTER REGISTRATION ACT OF 1977

Whereas, the membership of The International Association of Clerks, Recorders, Election Officials and Treasurers is composed of elected and appointed county officials whose goal in the service of their counties, states and this Country, is directed to the lawful, orderly, efficient and fiscally responsible conduct of their offices, and

Whereas, their colleagues, those members charged by law with the registration of voters and the conduct of elections, with them assembled at the Sixth Annual Conference of The Association at New Orleans, Louisiana, have adopted a "Statement of Principles and Concerns" regarding the Universal Voter Registration Act of 1977 now pending in both Chambers of the Congress of The United States, and

Whereas, all of the members of the Association have consistently opposed programs, systems and legislation which would tend to disrupt the orderly, efficient, responsible and lawful administration of, and participation in, the free process of the Governmental functions of these United States, both by those who are, by their free consent, governed and by those who with that consent, govern, and

Whereas, after due consideration of said statement of principles and concern and of this resolution the delegates at said conference, in full general assembly and after discussion and debate, enthusiastically support said statement and resolution and have ratified and endorsed same as a part hereof.

Now, therefore, be it here resolved that we, members of The International Association of Clerks, Recorders, Election Officials and Treasurers, the working professional administrators of local Government do hereby support affirmative steps to improve lawful Government participation by all and thus, fully, unalterably and unequivocably oppose the Universal Voter Registration Act of 1977 as now constituted and as may be amended by proposed amendments now known to be suggested, and

Be it further hereby resolved that copies of this resolution be transmitted to the President and Vice President of the United States, to each member of both Houses of the Congress of the United States, to the Governors and Secretaries of State of each of the fifty United States, and to the presiding officers of each of the Chambers of the Legislatures of each of the fifty United States.

STATEMENT OF PRINCIPLES AND CONCERN—UNIVERSAL VOTER REGISTRATION ACT OF 1977

The membership of the International Association of Clerks, Recorders, Election Officials and Treasurers has, for six years, met annually to further the cause of efficient and lawful government at an annual working conference by engaging in workshops intended to promote knowledge of and solutions to common problems, and by disseminating valuable information to our membership through official publications.

One such problem, a most serious one, is embodied in the Universal Voter Registration Act of 1977. The principle aim of this legislation is the facilitation of easy voter registration and thereby, hopefully increasing voter participation in elections.

The legislation is, thus, conceived in error, nursed by misconception and misinformation, and, in the adulthood of enacted law, would most certainly accomplish the exact opposite of its laudible intentions.

We, the election administrators of the United States know and understand that there is no significant or substantial body of evidence, experiential or statistical, which persuasively demonstrates that increases in the numbers of registered voters tend to increase the percentages of voter participation in elections. On the contrary, recent studies tend to indicate that for every 100 new registered voters only 54 go to the polls to vote. This is well below the averages of voter participation now being viewed with alarm by the proponents of this legislation.

It is error to assume that our citizens can be persuaded to vote when they do not wish to. The American citizen cannot and will not be compelled to do that which is his heritage to freedom, independence and individualism allows him to choose not to do . . . even if that same heritage encourages voter participation. Thus, it is arguable, that although more persons do vote, a negative result is obtained when viewed by participation percentages.

Misconception and misinformation feed and nurture this unfortunate legislation. It is a misconception of fact that assumes that there is anything like foolproof evidence of identity. It is a misconception that stiff criminal penalties and sanctions will dissuade those so disposed from violating the law and voting illegally or that an oath will make all well. The overcrowded prisons of this country stand as grim evidence that this is not the case. Even the death penalty, when it existed, or the threat of life imprisonment, did not deter so many now wasting their lives away.

Yes, fraud, error, confusion, mistake and the sure erosion and eventual destruction of voter confidence in the electoral process are the certain fruits of this legislation. The cry of fraud audibly heard now, before its enactment, will become a deafening roar if this act becomes law.

Its effect will be the exact opposite of its aims. Rather than stimulate participation, it will tend to discourage those who do not wish to see their votes diluted by unlawful or erroneously cast ballots. There is no way to segregate such illegal ballots as would exist if the bill provided for separate polling places for both registration and voting. Then, if error or fraud were discovered, the law would have the means to cope with the situation. Absent such provisions, the proliferation of costly, time consuming and disruptive election contests is assured.

The problem, if there indeed is one, is not addressed by the legislation. The causes of low voter turnout are myriad and complex, not singular and simple. Citizens will register and vote when they are so motivated or, on the other hand, when they are not turned off. The Congress fails to recognize the findings of President John F. Kennedy's Commission of voting which determined that, among other things, too many elections discourage participation in the elective process.

Additionally, use of voter lists for jury rolls and skip tracing for the collection of debts owed were found to significantly adversely affect voter registration. No solution is attempted here in this legislation for these real problems.

Enacting this law would create a climate of confusion and chaos in polling places and in the administrative planning for the conduct of elections. How can fiscally responsible planning be effectuated when there are no guide posts for space and personnel planning or for estimating ballot and other supply requirements? Those who have these laws in their states admit that between 15 to 25%

of those who vote—register on election day. As the practice spreads, will those percentages rise? Of course they will! The confusion engendered by this Act is of paramount concern. Polling places are not arenas where adversary proceedings on proof of identity should be encouraged. But this is exactly what will happen when voters register in one place on election day and then learn that at still another polling place they may only vote for federal officers, with the need to later register again to vote for state and county officers at another election. The disruption may well lead to the disenfranchisement of those already registered due to the loss of time occasioned by the furor. Voter participation in state elections may well decline, because of inability to vote for state officers, the exact reverse of the desired effect.

Does the need for this law really find demonstrable evidence in its support when viewed from a comparison of the three major states (Maine, Minnesota, Wisconsin) when election day registration state statutes and other states? No! Twenty-three states increased their participatory percentages by rates higher than those three major states which are cited as prime examples of this system.

Enactment of this law would be an unwarranted intrusion of the Federal Government into areas of legitimate state interests in the preservation of the integrity of the electoral process, and interest supported by the Supreme Court of the United States. The Court has also supported the states' valid and sufficient interests in providing for some period of time—prior to an election—in order to prepare adequate voter records and protect its electoral process from possible fraud. These reasons and interests for closing registration rolls still exist today.

In summation, the members of this Association are not merely against this law. We have demonstrated support of programs aimed at removing barriers to citizen registration and voting and have done so when, and only when, the side effects are not adverse to the cause of good government. The Universal Voter Registration Act of 1977 attempts to solve a problem which doesn't exist with a solution which creates the means to destroy the confidence of the people in the electoral system. In conscience we cannot and do not support it.

WILL OTHERS FOLLOW U.S. LEAD IN ARMS SALES REDUCTIONS?

Mr. PROXMIRE. Mr. President, a recent National Security Council study casts doubts on whether President Carter's policy of reducing U.S. arms sales overseas will be effective in holding down the international arms trade.

The report says it is unlikely that other countries will voluntarily follow the U.S. lead in reducing sales. Communist suppliers are most likely to resist restraint, the NSC study said, noting that some of the largest purchasers of U.S. arms purchase weapons because they fear the Communist military support of neighboring nations.

U.S. reluctance to sell arms to Africa and Latin America in the past has primarily resulted not in reducing arms sales overall, but in transferring business to other arms suppliers, according to NSC.

The report also said that U.S. arms sales to developing nations have accounted for more than half of all international sales to such nations and more than three times the sales of the Soviet Union and other Communist suppliers.

Mr. President, because of the importance of this study, I ask unanimous consent that the Washington Post article of July 12 summarizing some of the major conclusions of the report be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

WHITE HOUSE REPORT DETAILS OBSTACLES IN ARMS RESTRAINT POLICY

(By Don Oberdorfer)

President Carter's policy of reducing U.S. arms sales overseas is not likely to bring down the worldwide traffic in conventional weapons—and may not be politically acceptable at home—unless other nations can be persuaded to adopt similar restraints, according to administration documents released yesterday.

"The prospect that other countries will voluntarily and spontaneously follow our model of restraint is unlikely," said a National Security Council study. The study formed part of the basis for Carter's May 19 announcement of a more restrictive U.S. policy on the sale of conventional arms abroad. A declassified form of it was transmitted to the Senate Foreign Relations Committee, which made it public yesterday.

The NSC report—and Carter's May 19 announcement—called the new U.S. policy a "first step" in limiting the worldwide conventional arms race. The report went on to say, however, that "it will be difficult to sustain unilateral U.S. restraint over the longer term" if other countries do not follow the U.S. example.

The report named France, Britain, Israel, Germany, Italy, Belgium, Sweden and the Soviet Union as countries which might sell weapons to "determined purchasers" whose arms requests are turned down by the United States.

If such countries rush to fill the vacuum caused by U.S. cutbacks, "the pressures in this country to loosen the bonds of restraint could become substantial," the report said.

According to Central Intelligence Agency data published in the report, the United States accounted for more than half of the worldwide arms traffic to developing nations in recent years, calculated on a dollar basis. With 56 per cent of the sales, the U.S. share is more than twice that of other non-Communist suppliers combined (26 per cent) and more than three times the sales of the Soviet Union and other Communist suppliers (18 per cent).

About 52 per cent of U.S. government-to-government sales are to three Middle Eastern countries—Saudi Arabia, Iran and Israel. South Korea, Australia and Jordan are listed as the next largest arms purchasers from the United States.

On the other hand, the Soviet Union is the dominant supplier to Africa and South Asia, a major supplier to the Middle East and ranks ahead of the United States as an arms supplier to Latin America, the report said.

Though the past U.S. reluctance to sell arms to Africa and Latin America may have had "some dampening effect," the report said "the primary result" has probably been to transfer business to other arms suppliers. The United States has only a minor role in providing arms to Africa and is behind Italy and Britain as well as the Soviet Union as an arms merchant to Latin America, according to the study.

Arms purchases by developing countries from all sources have begun to decline since the 1974 peak of $21 billion, the study said. The reduction was 20 per cent in 1975 and another 15 per cent last year. "Unless major political, economic or military developments upset this trend, the CIA projects that worldwide new orders may level off at $10 billion-$15 billion annually by 1980," the study said.

Congress in controversial actions has set arms policy by legislating a ban on U.S. sales to Chile and Uruguay because of human rights violations and by enacting restrictions on sales to Turkey because of misuse of U.S. arms in the Cyprus invasion.

The Ford administration persuaded Congress to permit Turkey to purchase up to $125 million of U.S. arms in fiscal year 1976 and 1977 in order to forestall a further deterioration of relations with that NATO ally.

According to informed sources, the Defense Department recently notified members of Congress that Turkey may have exceeded the 1976 ceiling by purchasing $30 million in U.S. missiles, aircraft engines and helicopters from a NATO maintenance and supply organization located in Luxembourg.

A Pentagon spokesman said yesterday a study is underway of the Turkish purchases from the NATO group. The spokesman would not say, in response to questions, who was responsible for the apparent violation of the limit imposed by Congress.

In an effort to win the cooperation of European weapons suppliers with his drive for worldwide restraint, Carter discussed his new arms export policies with heads of government during the recent London summit meeting. U.S. officials said diplomatic discussions with the European governments are taking place in hopes of obtaining their agreement to cut back sales.

However, overseas arms sales are an important economic prop for some of the countries involved and officials conceded that agreements would not be easy.

The United States and the Soviet Union agreed in March to set up a joint "working group" to study sales of conventional arms. State Department officials said recently that the United States hopes to begin talks on the question with the Russians by September.

The NSC study made public yesterday said "it will be most difficult to achieve the cooperation of the Communist suppliers." It noted that some of the largest purchasers of U.S. arms are motivated by Communist military support of nations on their borders.

While the United States is the largest arms supplier in overall dollar terms, the report said the Soviet Union is the leading worldwide supplier of supersonic combat aircraft, surfact-to-air missiles, self-propelled guns, artillery and guided missile patrol boats.

The Defense Department reported that the Soviet Union has a substantial economic capability to increase its production and sales of military items. The extent to which Russia would seek to move into the gap left by declining U.S. sales is "uncertain," the report said.

MINING SAFETY AND HEALTH

Mr. SCHMITT. Mr. President, underground mining is a dirty, dangerous business. This is true for both coal and noncoal—metal and nonmetal—mining.

(Per million man-hours)

	Coal	*metal/nonmetal*
Fatalities	0.40	0.33
Disabling Injuries	39.31	19.12

About 1 in 1500 miners is killed on the job; that is more than 800% of national average for all workers covered by OSHA and about 235% of the death rate for construction workers.

There are major differences between the means of mining coal and the means of mining metals such as copper and uranium and nonmetals such as potash. For example, rocks are much softer but

the danger of explosion is infinitely greater in coal mining than is the case in other types of mining.

The administration and much of the Congress support the creation of a vastly enlarged bureaucracy within the Department of Labor—the home of OSHA—to regulate matters related to mine safety and health.

How, then does the administration expect this new bureaucracy to meet the needs of safety and health simultaneously with meeting coal, uranium, potash, and other production requirements necessary to our continued energy and economic growth?

Commonsense would suggest that the major emphasis of Federal activity should be in rapidly advancing the technology of underground mining so that miners could work from the surface rather than underground. Research and development in mining, particularly coal mining, has lagged severely for several decades. New technologies are now available to be applied not to make mining safer but to increase rates of production. Let us hope that Congress and the administration will begin to move in this direction.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: Donald L. Beckner, of Louisiana, to be U.S. attorney for the middle district of Louisiana for the term of 4 years, vice Douglas M. Gonzales, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee in writing, on or before Friday, July 22, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ANOTHER PROVOCATION BY NORTH KOREA

Mr. DOLE. Mr. President, I am appalled at the merciless killing of three unarmed American soldiers by North Korean troops 2 days ago. It was a cruel overreaction to an unintentional incursion of alien air space, and clearly demonstrates the brutal character of the North Korean Army. I wish the President success in gaining the immediate release of the injured crewman, and the bodies of those who were killed.

There can be no question that a dangerous and highly volatile situation still exists on the Korean peninsula. The incident on Wednesday is the latest in a series of provocations committed by North Korean troops which leads me to question the wisdom of the President's American troop withdrawal policy. I believe there are many others who share my apprehensions. None of us likes to see the heavy commitment of American dollars and troops, year after year, in that distant land. But I believe most of us feel it is a reasonable price to pay for the security of the Pacific region, so vital to our own national interests.

A POWER VACUUM

A policy mistake in Korea could be a lethal one for Asians and Americans alike. The President has declared his intention to defend the Pacific against attack, but actions usually speak louder than words. The withdrawal of 33,000 American ground troops from South Korea will create a power vacuum in the region that will be difficult for our adversaries to ignore. Let us hope that a misjudgment on our part never triggers an even greater misjudgment by the Soviet or North Korean Governments.

Cmdr. William J. Roger's recent message in the American Legion's national magazine recalls another era when ambiguous statements and actions relating to our policy in the Pacific resulted in serious misjudgments of our national will. The Korean war, which may have been a product of careless policy decisions, defined the American determination to stand against aggression in the Pacific—but in a very costly manner. I hope our resolve is never again so callously tested as it was in 1950.

Mr. President, I ask unanimous consent that the full text of Commander Rogers' message be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

LET'S HOPE NORTH KOREA KNOWS THIS ISN'T 1950

A few weeks ago some 500 South Koreans gathered in Seoul to sing "Onward Christian Soldiers" and pray that the United States changes its mind and does not withdraw its ground forces from their country.

The American Legion has steadfastly opposed the withdrawal of American forces from the Korean peninsula so long as Kim Il-Sung of North Korea threatens war. This has been American policy since the Korean conflict. Now the President has decided it is time to pull out U.S. ground forces, although he pledges this will not weaken the American commitment to defend South Korea in case of North Korean attack.

The President obviously is convinced that it is not a gamble. We pray he is right. The withdrawal of 1948, the Dean Acheson declaration that left South Korea outside the U.S. Asian defense perimeter and the 1950 invasion by North Korea are history that must not be repeated.

Early in my year as national commander I visited South Korea, toured the demilitarized zone (DMZ) and Panmunjom where the sessions between Allied and Red "peacemakers" go on interminably in a supercharged atmosphere of hate and suspicion. Two American officers were literally hacked to pieces last year by Communist guards at Panmunjom. Border incidents are commonplace. North Korean and South Korean gunboats have fought a series of running battles in the cold, foggy north Pacific.

The 33,000 American troops on guard in South Korea are perhaps the finest honed outfits in the U.S. Army. The 2nd Infantry Division is alert at the DMZ for any surprise attack and deeply aware of the threat from the north.

It was not surprising to hear a major general in Korea express fear that withdrawal of American forces might encourage another Communist invasion. The unfortunate timing of Gen. John K. Singlaub's remarks, just as U.S. negotiators were about to open talks with South Korean officials, probably left the President no option but to transfer the general. Delicate negotiations cannot succeed if one side is in doubt about the other's purpose. Certainly the President is well aware of the risks inherent in the Korean situation. And he has the ultimate responsibility as commander-in-chief.

Gen. Singlaub's case was handled with too much publicity, perhaps, but it was encouraging that the President did not take punitive action. The general is a fine soldier. The Army needs his kind.

What is not so encouraging is the prospect that the Singlaub affair could silence all professional military men. Their views are needed if the public is to understand the complex issues of foreign policy, disarmament and national security.

The *Wall Street Journal* suggests in an editorial that "journalists can forget about interviewing generals. Even if an officer is willing to risk an interview, no candor can be expected. Secretary of Defense Brown (has) declared that once a policy is set, an officer is expected 'to support that policy publicly if he plans to stay in the military,' even if he has advised against it and in fact privately dissents. So the journalists, and for that matter the public and the Congress, will be dealing with officers who may be facing the blunt choice: resign or lie."

I hope the choice is not so stark.

The American Legion stands squarely behind the concept of civilian control of the military. Our entire system of government is based on every citizen's ultimate responsibility to elected authority.

But if citizens are to understand clearly basic changes in our world defense system, especially the withdrawal of American forces from such a critical spot as Korea, they deserve full airing of all points of view. Certainly the professional military's on-the-spot appraisal of Communist capabilities and intentions is one crucial point of view.

At stake in Korea is not only the independence of the Republic of Korea, but protection of major American business holdings and the strategic defense of Japan.

If the Republic of Korea is now able to handle its own defenses, great. The saving to the American taxpayer will be substantial. But let's be satisfied in advance that Communist North Korea understands this isn't a replay of 1948 and 1950.

WILLIAM J. ROGERS.

UNITED NATIONS ASSOCIATION OF THE UNITED STATES AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in the last 28 years the Genocide Convention has been subject to more scrutiny than any human rights treaty that has ever been submitted to the Senate for ratification.

In four series of hearings before the Senate Foreign Relations Committee, every line, every phrase, every syllable has been examined in detail. Similarly, the American Bar Association has given this treaty the same type of detailed analysis.

It has been the conclusion of both the Foreign Relations Committee and the American Bar Association that the objections to the treaty have not withstood the test of time.

Nevertheless, a small series of arguments continue to be raised in opposition to ratification. I believe that these arguments are raised in sincerity but

are based on a misunderstanding of the treaty's language and history as well as the current state of international law.

One of the groups that has been most active in the campaign for ratification of the Genocide Convention, the United Nations Association of the United States—UNA-USA—has prepared a very thoughtful background paper regarding the convention and a paper refuting the most common objections.

I think this excellent paper will dispel many of the legitimate concerns of my colleagues and I urge them to review it carefully.

Mr. President, I ask unanimous consent that the two papers prepared by UNA-USA be printed in the RECORD.

There being no objection, the papers were ordered to be printed in the RECORD, as follows:

THE GENOCIDE CONVENTION

BACKGROUND

The Convention on the Prevention and Punishment of the Crime of Genocide, often referred to as the Genocide Convention was the first major international human rights agreement to be approved by the UN General Assembly after World War II. The idea of such an international agreement grew out of the shock expressed by the Allied Nations over the organized efforts to exterminate entire ethnic groups by the Nazi authorities during the 1930's and 1940's.

The UN Economic and Social Council completed two years of work on the Convention in 1948, under the auspices of a special ad hoc Committee on Genocide, chaired by the United States. The Committee's draft was unanimously approved by the General Assembly on December 9, 1948, and signed by the United States two days later. In June 1949, President Truman submitted the Convention to the Senate for its advice and consent, and in 1950, a subcommittee of the Senate Foreign Relations Committee held public hearings. The subcommittee shortly thereafter recommended that the full Foreign Relations Committee approve the Convention, but no further action was taken. The Convention entered into force in January 1951, after twenty nations had become a party to it.

The Convention has been before the U.S. Senate for twenty-eight years, and has been actively supported by Presidents Truman, Kennedy, Johnson, Nixon, and Carter. During that period, the Senate Foreign Relations Committee has held four series of hearings and has recommended the Convention five times. For a variety of reasons, however, the full Senate has never approved the Convention. To date, eighty-two nations have ratified the Genocide Convention, making it among the most widely accepted international human rights agreements in existence.

SUMMARY OF PROVISIONS

Article 1: Genocide is a crime under international law, whether committed in time of peace or war.

Article 2: Genocide consists of "acts committed with intent to destroy, in whole or in part, a national, ethnical, or religious group" including the following actions directed at the group:

(a) Killing members;

(b) Causing serious bodily or mental harm;

(c) Deliberately inflicting living conditions calculated to bring about the group's destruction;

(d) Imposing measures intended to prevent births within the group;

(e) Forcibly transferring children of the group to another group.

Article 3: Punishable acts are:

(a) Genocide;

(b) Conspiracy to commit Genocide;

(c) Direct and public incitement to commit Genocide;

(d) Attempt to commit Genocide;

(e) Complicity in Genocide.

Article 4: Persons found guilty of any of the above crimes shall be subject to punishment whether they are public officials or private individuals

Article 5: States party to the Conventions shall enact legislation which provides effective penalties for those found guilty of the above crimes.

Article 6: Persons charged with Genocide shall be tried by a tribunal created by the State in which the crime occurred, or by an international tribunal accepted by the States involved. (No such international tribunal has been created or is contemplated.)

Article 7: For the purposes of extradition, Genocide shall not be considered a political crime, and extradition shall be granted by the States party in accordance with their own laws and treaties in force.

Article 8: Any State party to the Convention may request the relevant UN organs to take action to assist in carrying out the provisions of this Convention.

Article 9: Disputes relating to "interpretation, application, or fulfillment" of the provisions of this Convention shall be submitted to the International Court of Justice at the request of any party to the dispute.

Article 10: Authentic languages.

Article 11: The Secretary General of the UN shall act as the depository for instruments of ratification.

Article 12: A State party to the Convention may extend its application to its legal territories.

Article 13: The Convention comes into force after twenty States have become a party.

Article 14: The Convention shall remain in force for successive five-year periods.

Article 15: If States party to the Convention denounce it to the point where only sixteen States remain a party, the Convention shall cease to be in force.

Article 16: Any State party to the Convention may request that its terms be revised, and the UN General Assembly may propose changes.

Article 17: The UN Secretary General shall notify all States party to the Convention of new signatories, new ratifications, new denunciations, the termination of the Convention, and new requests for revisions of the Convention's terms.

Article 18: The original Convention shall be deposited in the archives of the UN, although certified copies shall be held by all members of the UN.

Article 19: The UN Secretary General shall register the Convention when it comes into force (January 12, 1951).

ISSUES

In December, 1948, the United Nations General Assembly unanimously approved the Convention on the Prevention and Punishment of the Crime of Genocide, often called the Genocide Convention. Since that time, eighty-three nations have become parties to the Convention; however, the United States has not. In the context of U.S. participation in the Genocide Convention, several presumptions are often made which, when examined closely, are without foundation. This Information Memorandum will briefly explore some of these presumptions.

Presumption 1: Genocide is a domestic matter, and not properly the subject of an international agreement.

Article I; Section 8 of the Constitution empowers the Congress to "punish . . . offences against the Law of Nations;" and in so doing recognizes the importance of international law, and its application to American citizens. For centuries civilized nations have recognized that their conduct, and the conduct of their citizens, may, in some way, be limited by international law. Indeed, the United States has historically actively supported such a proposition, most explicitly in the post-World War II War Crimes Tribunals.

As to whether the declaration that "Genocide is a crime" is itself a part of the Law of Nations, it is important to look to treaties, international custom, and the acts of international organizations. In all three cases, it is clear that the act of Genocide is almost universally recognized as an international crime. The Genocide Convention itself has eighty-two nations party, including Britain, France, Germany, Italy, and most other major nations; it has been unanimously approved by the U.N. General Assembly, and it is generally accepted as international customary law.

Presumption 2: The Genocide Convention would allow Federal Courts to review the actions of State and Local Officials.

In fact, the U.S. Federal Court System would be responsible for interpreting the Genocide Convention and its implementing legislation with the United States. This review would include the activities of public officials as well as private citizens.

Such Federal Judicial authority is not new, however, and is by no means limited to the Genocide Convention. All treaties ratified by the United States become the supreme law of the United States, and violations by public or private persons of any treaty are adjudicated in a Federal Court. Moreover, Federal laws such as the Civil Rights Act authorize Federal Courts to judge the conduct of American citizens on human rights grounds.

Presumption 3: The Genocide Convention would allow U.S. POW's to be charged with Genocide by enemy nations.

An inference such as this overlooks the simple fact that such a charge may be made by the authorities of a state involved in a conflict with the United States with or without the Genocide Convention. The existence of the Genocide Convention, and more importantly the ratification or rejection of the Convention by the United States, would have little effect on the treatment of American POW's. This was clear in the cases of American POW's held by North Viet Nam (where neither party was party to the Convention) and Israeli POW's held by Egypt (where both countries were party to the Convention).

Presumption 4: The Genocide Convention will force Americans charged with Genocide by a foreign country to be extradited to that country, violating American due process, regardless of whether the extraditing state has any due process for the accused.

The Genocide Convention clearly states that extradition may only take place if and when an extradition treaty exists with another nation which includes Genocide as an extraditable offense. The United States has no such extradition treaty with any other nation, and consequently no other nation would be able to extradite an American for Genocide if the Convention were approved.

It is conceivable that at some time the United States might negotiate an extradition treaty with another nation, which treaty includes Genocide as an extraditable offense. But such a treaty could be negotiated with or without the Genocide Convention, and in any event would have to be brought before the Senate for approval.

Presumption 5: The Genocide Convention would make it possible to convict someone of the crime of Genocide if they mentally harmed another person.

This frequently drawn inference is actually based on two presumptions:

1st, that someone may be accused of Genocide for having taken action against another individual; and

2nd, that someone may be accused of Genocide for having caused mental harm to other(s). Each should be examined separately, and then as a whole.

Although often repeated, there does not seem to be any foundation to the suggestion that Genocide could include acts against an individual. The Convention, in Article II, explains that the act of Genocide must include "the intent to destroy in whole or in part a national, ethnical, racial, or religious group." Some have concluded, as a result, that an individual could constitute "a part of a national, ethnical, racial, or religious group."

By stretching the English language, one could conclude, when the U.S. Constitution says the "Congress shall make no law . . . abridging the . . . right of the people to peaceably assemble," that no trespass, or highway laws may be enacted. The "people"—be they several thousand or just one—cannot be prevented from exercising their right to assemble. It goes without saying that such an interpretation—although it could conceivably be made—would be rejected by any rational Federal Court. By the same token, we can expect that any suggestion that Genocide can be committed against an individual will be rejected by our own Federal Courts.

Taking the matter further, in the past the Foreign Relations Committee of the U.S. Senate has found it necessary to include a special "understanding" on this subject. Their language would legally bind the United States to the obvious conclusion that when the Genocide Convention refers to a "part of a group" it specifically means "a substantial part of the group concerned."

The second suggestion, that one may be accused of Genocide for having inflicted simple mental harm on others, is more complex. In drafting the Genocide Convention, its framers sought to include deliberate efforts calculated to psychologically destroy a national, ethnic, racial, or religious group. It is clear that there are several ways in which a group could be destroyed, outside of physical slaughter. In an era of sophisticated technology and mass communications, a large national or ethnic group might be destroyed through carefully calculated psychological techniques. This, of course, is what the framers anticipated.

Consequently, the drafters of the Genocide Convention included in Article II(b) the explanation that Genocide consists, among other things, of "causing serious . . . mental harm to members of the group." Some of the Genocide Convention's severest critics have suggested that the phrase "causing mental harm" leaves the Convention open to incredibly broad interpretations. This is true, of course, only if one assumes that the U.S. Federal Court System is prepared to accept absurd interpretations of this phrase.

In the context of an international treaty on the subject of Genocide, given the lengthy records left by the Convention's framers, it is difficult to understand how one could expect the Federal Courts to misunderstand the intended meaning of "substantial mental harm." Since the Convention, in this subsection, speaks to a means of committing Genocide which is constantly technologically changing, it would be impossible to expect specific treaty language enumerating the components of "causing serious mental harm."

However, to guarantee that the U.S. Federal Courts could not interpret "causing serious mental harm" in such a manner, the Senate Foreign Relations Committee has included an "understanding" which further defines this phrase as including only "permanent impairment of mental facilities."

Hence, we can see that the initial suggestion, taken as a whole, has little meaning.

CONCLUSION

It appears that critics of the Genocide Convention have failed in their analysis of this treaty, to take account of several important factors. These include:

1. The Genocide Convention, like all treaties and Federal statutes, would be interpreted by the U.S. Federal Courts. Wild and exaggerated claims of the meaning of the Genocide Convention can only be made if one assumes that the U.S. Federal Courts—and ultimately the U.S. Supreme Court—are prepared to accept such reckless interpretations; and

2. It is inconceivable, particularly in light of the "understandings" historically supported by the Senate Foreign Relations Committee, that the Genocide Convention could be applied against someone who acts against an individual. Consequently, the list of crimes against an individual—such as homicide, which is often put forward as a possible example of Genocide—is without foundation; and

3. The role of the International Court of Justice, in interpreting the Genocide Convention would not, and could not, reach down directly to the actions of an individual. The Genocide Convention provides that if two states party to the treaty have a dispute over the way in which it should be interpreted, they shall submit the dispute to the International Court. (This provision is similar to the ICJ arbitration provisions of several treaties to which the U.S. is a party.) Only states may be parties to cases before the International Court, and the Court's decisions, while binding, are finally subject to the interpretations of the U.S. Federal Courts. In addition U.S. Federal Courts have complete authority to review treaty provisions—as well as International Court decisions on the meaning of treaties—to insure that both are consistent with our Constitutional guarantees. Consequently, it is inconceivable that an individual American citizen could be brought before the International Court, or that the Court could issue direct instructions to officials of the U.S. Government.

When these, and many other, exaggerations about and distortions of the Genocide Convention are carefully examined, one would probably conclude that it would result in none of the disasters which its worst critics suggest. Instead it would be seen for what it is: A major step forward in the development of international law: one which essentially says that the civilized nations of the world recognize that Genocide is a crime, not only in the state in which it is committed, but in international terms as well.

SCIENCE AND PUBLIC POLICY

Mr. DOMENICI. Mr. President, about 6 years ago, a former physicist named Dr. Dick Scribner submitted a proposal to the American Association for the Advancement of Science. This proposal resulted in a program which has made a major contribution to the Congress. Today I would like to pay a special tribute to Dr. Scribner and to the AAAS.

Dick Scribner's combined interest in science and public policy brought him to an awareness that Congress has been inadequately equipped to deal with the expanding burden of scientific and technical issues with which it is confronted. I am speaking of such issues as energy and natural resources, health and science policy, environmental problems, and the like. Understandably, most congressional staff personnel are trained in law and related fields as are the Members themselves. Few have scientific credentials or expertise to bring to bear on these highly technical issues.

Responding to this need, Scribner developed and instituted what is called the congressional science fellowship program, which is coordinated and partially supported by the AAAS. Scientific, engineering, and professional organizations participating in this program select highly qualified practicing scientists from among their memberships and provide them with financial support for 1 year while they work as staff assistants in Congress. During the past 5 years, more than 50 of these congressional science fellows have served in both Houses, on personal and committee staffs, and in the Office of Technology Assessment. Their contributions have been positive and highly significant.

A noteworthy spin-off of the program has been that many of the former science fellows have elected to become permanent staff members. These individuals, numbering about 15 or so, now form a "network" of scientific staff expertise—expertise which a few years ago was not available to Congress.

During the past year I have had the pleasure of having a congressional science fellow, Dr. Gary Ritchie, on my own staff. He has been very helpful to me in drafting water research legislation, initiating a program to develop new agricultural crops for the Southwest, and numerous other areas. I understand that Senators BUMPERS, MATHIAS, HATFIELD, and BAKER currently have science fellows on their staffs as do several Congressmen and committees. In each case, these relationships have been mutually rewarding and productive.

At this time, I would like to join my colleagues in expressing a profound note of thanks to Dick Scribner and the American Association for the Advancement of Science for the contribution they have made to the Congress and to the United States.

S. 1671—NATIONAL SKI PATROL ASSOCIATION CHARTER

Mr. McINTYRE. Mr. President, I am pleased today to present to the Senate four additional cosponsors supporting legislation which I introduced granting the National Ski Patrol Association a Federal charter. The National Ski Patrol Association has, for many years, been educating the Nation's many skiers in safe skiing techniques. This nonprofit organization not only teaches skiers about safe skiing practices and safe ski equipment, but helps in protecting skiers while they are on the slopes.

Organizations like the Red Cross and the Boy Scouts of America have been granted Federal charters to aid these nonprofit organizations in dealing with the growing paperwork burden mandated by State chartering.

As the number of Americans enjoying this sport grows every year, the job of the National Ski Patrol Association grows

as well. I hope more of my colleagues who come from States which depend on skiing as a revenue source or have constituents who enjoy skiing will join me in supporting this legislation.

HARD ENERGY VERSUS SOFT ENERGY

Mr. GARN. Mr. President, in his article on energy use in the United States, Amory Lovins discusses our options in terms of a single choice, which the Nation, standing as if a person before a fork in the road, could make and the future would roll forward from that point along a smooth path. Actually, that is a false picture of reality, at least in this Nation. The United States consists of millions of free people, each of whom makes choices as best he can. In order for Lovins conception to be reality, the Government would have to acquire enormous powers which it does not now possess. In fact, it has always been the judgment of the nation as a whole, that the Government should not have power of that sort.

Dr. Arnold Safer, a vice president and economist with the Irving Trust Co., has explained this reality very clearly in an essay critical of the Lovins article. Dr. Safer goes on to note that the kind of new technology that Lovins prefers must, in a free society, gradually work its way into the system. It cannot be imposed by fiat. To quote him directly—

Society cannot bet its energy future in a host of unproven technologies, nor radically alter its present social structures to reach some distant utopian future.

I ask unanimous consent that Dr. Safer's critique be printed in the RECORD.

There being no objection, the critique was ordered to be printed in the RECORD. as follows:

[From Electric Perspectives, March 1977]

A CRITICAL REVIEW OF "ENERGY STRATEGY: THE ROAD NOT TAKEN?"

(By Dr. Arnold E. Safer)

The principal point of Mr. Lovins' energy plan is that there are two, mutually exclusive paths leading to a solution of the Energy Crisis: a "hard path," dominated by large-scale technology, centralized energy production, and increasingly pervasive control over our daily lives; and a "soft path," idyllically flowered with small-scale energy facilities and many simple conserving processes, underwritten and undertaken by local communities, and, thereby, preserving the essentials of Jeffersonian democracy. That Lovins' "soft path" will by itself solve the energy problems of the next quarter century and beyond is a vivid example of how sound technical ideas can lead to highly oversimplified socio-economic generalizations.

There is, of course, much to recommend for many of Mr. Lovins' suggestions regarding energy conservation and the more efficient use of existing sources of energy. How these are to be accomplished is, however, the underlying bone of political contention. Mr. Lovins does not address himself to this aspect of the problem, and thereby reveals a major gap in his understanding of how invention becomes transformed into innovation within the context of a market-oriented economy.

ENERGY, EMPLOYMENT AND THE ECONOMY

Energy is an important segment of the increasingly capital intensive U.S. employment structure. And increased energy intensity makes for increased labor productivity, and, thus for gains in real income, which we call prosperity. Postwar economic history bears out this important relationship.

As the first two charts show, while the amount of energy per dollar of real output steadily declined over the period 1947–1966, the number of jobs required to produce a unit of output declined even faster. As a result, it took more and more energy to sustain the same levels of employment and output. This trend accelerated between 1967–1973, with energy use increasing by over 30 percent and employment by only around 15 percent. With the 1974–1975 recession, both the use of energy and the level of employment declined. However, because of the high price of energy relative to other inputs, energy use declined more than employment, so that the energy/labor ratio declined from its peak 1972 level.

In 1976, the upward trend returned: energy grew by 4.8 percent and employment grew by around 3 percent. At the same time, real Gross National Product (GNP) grew by an estimated 6.2 percent. Due to the forces of cyclical recovery from the depressed levels of 1975, employment grew by more than its long-term trend in relation to real GNP growth. Energy, on the other hand, grew by somewhat less than its long-term trend relation to GNP, primarily due to the initial conservation programs brought about by the dramatically higher prices of energy. The outlook for 1977 and beyond, however, suggests that cyclical recovery may be giving way to secular expansion, posing this fundamental question as to the structure of long-term growth in the economy: Can growth in energy consumption be restrained to a rate no greater than the increase in employment?

Both energy and employment are tied to the growth of output. And output must grow faster than employment to generate the increased productivity and real per capita income gains which we call prosperity. But if output grows faster than employment, energy use must also grow faster than employment. Both historical and technological evidence point to this conclusion.

Despite the dramatic shift in employment away from manufacturing and capital-intense industries generally, the consumption of energy per productive job has continually risen. It is an inherent part of the process of capital formation.

As a rule-of-thumb, it takes a 3 percent incremental growth in real output to generate a 1 percent decline in the unemployment rate. As a corollary to that rule, we estimate that energy demand grows at about two-thirds the rate of growth of output thereby generating an increase of around 2 percent in energy use per 1 percent decline in the unemployment rate. Thus, it takes an increasing amount of energy to sustain the same number of jobs in the economy, if these jobs are to generate higher levels of real income to working men and women.

So, if the target of government economic policy is to reduce the unemployment rate to a 4.5–5.0 percent range by 1980, which translates into a 2 percent per annum increase in employment or eight million new jobs, at least a 6 percent per year growth in real GNP will be required. And if these new jobs are to yield the productivity gains necessary for non-inflationary growth, energy use will likely have to grow by around 4 percent per year over the same period. (The productivity gain here would amount to about 4 percent per year, and for the most part that productivity gain is intimately linked with an even more energy-intensive employment structure.)

We expect conservation programs to gradually reduce the energy/GNP ratio, but these efforts will become tougher and more costly as time goes on. We estimate a lower limit of around 0.67 Btu in the incremental amount of energy required to sustain a dollar increase in real GNP.

Although we have idle manpower resources and the need for a greater domestic supply of energy, we have been unable to weld together an effective employment and energy policy. Between now and 1980, it is likely that the U.S. dependence on foreign oil will increase, regardless of what we do in the next few years. The advent of the Alaskan pipeline will only arrest the decline in U.S. oil production, while delays in increased coal production and nuclear power will have to be compensated for through increased oil imports. While we have imposed restrictions on rising domestic energy costs, we must still pay the price internationally.

In 1976, the U.S. spent about $35 billion for imported oil—almost equal to our capital investment in domestic energy supply. Compare that to 1962, when the U.S. invested around $10 billion in domestic energy while paying $1.8 billion for oil imports. This means our cost of importing oil has increased from less than 20 percent of domestic energy investments in 1962 to almost 100 percent today.

A recent study by the Economics Department at the University of California at Los Angeles (UCLA) suggests that replacing oil imports of around 2.0 million barrels per day with an equivalent amount of domestic energy would ultimately generate as many as 800,000 productive new jobs in the U.S., depending upon the particular policies adopted. According to that study, about 25 percent of these new jobs could come from additional domestic energy production and the construction of new plant facilities. The balance of the growth in employment would be derived from non-energy sectors, which would produce more goods and services, both to support the energy-producing industries and to supply what would become a generally faster-growing economy.

To the extent that these energy policies might lead to unacceptably high profits for any one group, these could be taxed away. And to the extent that higher energy prices might cause undue hardships for lower income groups, the tax revenue so generated could be utilized in the form of income supplements (e.g., fuel stamps).

THE COMPATIBILITY OF ENERGY CHOICES

The history of industrial progress portrays an evolution of technological change, rather than a revolutionary uprooting of existing practices. To be sure, the discovery or application of technology is often revolutionary in its intellectual approach and in comparison to what is being done at the time. But the widespread adoption of the new technology always requires a long period of gradual infusion into the economic system. This is the very antithesis of the course suggested by Mr. Lovins, who repeatedly insists upon the mutually exclusive aspects of his "hard" and "soft" paths of energy production and consumption. In his conclusions, he states:

"A hard path can make the attainment of a soft path prohibitively difficult, both by starving its components into garbled and incoherent fragments and by changing social structures and values in a way that makes the innovations of a soft path more painful to envisage and achieve. As a nation, therefore, we must choose one path before they diverge much further."

Since Mr. Lovins is insisting upon an either/or choice, the burden of proof must be upon him. Society cannot bet its energy future on a host of unproven technologies, nor radically alter its present social structure to reach some distant utopian future. For example, there is no reason why centralized power stations, with their advantages of scale but disadvantages of transmission and storage, cannot easily exist side by side with solar or wind devices, with their concomitant costs and benefits.

For government to force radical change, of the kind Mr. Lovins advocates, would require a major uprooting of the socio-economic framework within which the United States has prospered. Although his goals may be

noble, Mr. Lovins' "soft" path sounds like a phony fork in the road, which could lead to serious economic disruption and social instability.

FEDERAL REGULATIONS AND THE USE OF COAL

Mr. SCHMITT. Mr. President, in spite of increased demands for environmental protection, the use of coal has been increasing steadily since the energy crisis of 1973–1974:

1973—598,568,000 tons,
1974—610,023,000 tons,
1975—654,641,000 tons,
1976—671,200,000 tons, and
1977—650,000,000 tons (estimate by the National Coal Association).

The progress up to 1976 has been made possible by a rapid acceleration in the use of new environmental technology and by close cooperation between the coal energy industry and State governments. Strip mined lands are being reclaimed and restored to better agricultural condition than before they were mined. New coal-fired plants cause less and less deterioration of the air we breathe.

How, then, does the administration and the Congress propose to continue this progress in coal utilizations and meet the President's goal of a 66-percent increase by 1985 when all coal permitting and regulation will be handled from Washington? Under the Surface Mining Control and Reclamation Act of 1977, the Federal Government has usurped almost all of the responsibilities of the States and private landowners with respect to coal mining and utilization.

Commonsense would say the President's "coal goals" cannot be met if our experience with other Federal bureaucracies is any indication.

HELIUM CONSERVATION

Mr. DOMENICI. Mr. President, the Senate has been very concerned in the last several days with the mission of the Energy Research and Development Administration. I feel this is an excellent time to again bring to the attention of the Senate the need for helium conservation.

Mr. President, last Congress, I introduced Senate Resolution 253, a simple resolution which expressed the sense of the Senate that the President of the United States should direct the Secretary of the Interior to conserve the helium which is now being extracted from natural gas and wasted into the atmosphere. This resolution was agreed to by the full Senate.

A report issued by the Energy Research and Development Administration on April 11, 1975, pursuant to section 104(e)(3) of the Energy Reorganization Act of 1974, pointed out that the United States has already dissipated to the atmosphere 25 to 50 percent of its originally held helium resources and called for the establishment of a national helium policy.

The report described three helium-dependent energy-related technologies which have been identified as probably technically and economically feasible by the year 2000. These are: super-conducting magnetic energy storage, super-conducting power transmission, and fusion reactors. All will require large amounts of helium.

Several years ago, the U.S. Government decided to implement a program for the storage of helium. The Federal Government, through the Department of the Interior, entered into contracts with several private companies to carry out this work. Plants were constructed and storage facilities to separate the helium from natural gas as it was produced.

In 1973, the Secretary of the Interior terminated these contracts. This action caused the companies to file lawsuits against the Government requiring performance of the Government under the terms and oligations of the contractual agreements. Some of the companies have stopped storing helium pending judicial action.

Mr. President, the committee report accompanying Senate Resolution 253, read as follows:

Although the Committee recognizes that the pending lawsuits have injected an element of uncertainty into the question of how the ERDA recommendations can be implemented, the Committee is nevertheless convinced that ways and means must be found to renegotiate the contracts and to reestablish the conservation program. It is short-sighted in the extreme to foreclose future development of technologies which are bound to determine to a large extent whether or not the United States can meet its future energy requirements. When the risks to national growth and security are assessed, the Committee can only conclude that further delay in removing whatever obstacles stand in the way of helium conservation is totally unjustifiable.

Mr. President, the Panel on Public Affairs of the American Physical Society has developed a statement on the importance of resuming the helium conservation program. I ask unanimous consent that the American Physical Society's statement be printed in the RECORD.

Mr. President, while the Senate expressed its views on this subject by passage of Senate Resolution 253, the administration has taken no action.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

APS (POPA) STATEMENT ON HELIUM CONSERVATION

(By P. J. Price and R. L. Garwin)

This statement is in support of the resumption of the helium conservation program that was instituted by the United States Government in 1960. Helium is an essential material for many present and developing technologies. The latter include magnetic containment for fusion reactors; heat transfer in nuclear reactors; superconducting motors and generators in transportation systems, and superconducting generation and transmission of energy. It is reasonable to expect further developments in the uses of this unique element. Helium is, however, a non-renewable resource which is normally dissipated in the consumption of natural gas, and hence becomes unavailable as the gas fields are exhausted.

Helium concentration varies widely among gas fields. Of the helium used annually (0.7 Bcf—million cubic feet), most is extracted from the helium-rich (on the order of 0.3%) natural gas from Kansas-Oklahoma-Texas region, before the gas is delivered by pipeline to consumers; but about 3.1 Bcf annually of the helium content in this gas is not needed for current helium consumption and is not now recovered. Conservation originated in the anticipation that the gas fields would decline toward exhaustion in a few decades, and their helium would have been dissipated. The Helium Act Amendments of 1960 provided for extraction of some of the helium otherwise wasted in pipeline gas, by private plants selling it to the Bureau of Mines, and storage in the Cliffside cavity near Amarillo. The conservation program was terminated by the government in January 1971 (1), but implementation of this decision was delayed almost three years by action under NEPA and other litigation.

Thereafter helium was extracted but vented instead of being stored. U.S. capacity for helium separation is 3.8 Bcf annually; of this 2–3 Bcf annually is actually separated as crude helium but is vented to the atmosphere rather than being stored privately or delivered to the government for purchase.

A relatively small amount of privately owned helium is now being stored at Cliffside, without commitment to long term conservation. The American Physical Society believes that the reasons for the original 1960 conservation program remain valid, and it concurs with committees of the National Academy of Sciences (8,9) and with the President's Eenergy R&D Advisory Council (10) in supporting the continuation or expansion of this or an equivalent program. A helium conservation program should be reinstated immediately (e.g. for private storage in the government Cliffside field—(see 3, ERDA 13, pp 59–63) and the questions of new legislation and of further increase in the rate of storage considered thereafter.

Explanations of OMB's decision on helium consideration (1,2) suggested that consumption was declining and that discovery of substantial new sources might be expected. Neither of these anticipations has been realized. It was also suggested that helium from air (in which it is present in the amount of 5 ppm) might, at the time "conservation helium" was released, cost less than the interest-augmented value of the stored helium; but even at present energy prices, extraction of helium from the atmosphere would cost some $6,000 per thousand cubic feet (Mcf) as compared with present extraction plant operating costs of some $6 per Mcf.

At 5% per year interest charge on the stored helium, this factor 1,000 in costs would make it preferable to store helium for as long as 140 years to avoid the higher costs of extraction from the atmosphere; at 10% interest rate, storage would be economical for up to 70 years. That humanity must eventually rely on helium from air and that an economically justifiable conservation program delays this necessity by only 10–30 years does not argue against conservation but for timely research, in addition, on techniques for reducing the use of helium when the cost becomes high and for the long-shot search for lower-cost methods for extraction from the atmosphere. Natural gas sources much leaner in helium—supposing those fields were not also exhausted—are not available in sufficient quantity to meet anticipated needs at the level of 1 Bcf or more per year

More broadly, however, the matter should be judged in terms of the evident, but not closely predictable, technological potential of helium in future uses. Cost/benefit analysis reflects a choice of most likely projected values of the significant quantities. The uncertainty in these is such, however, that the true comparison is between the likely social disbenefits of helium stored but not all needed, and helium needed but irreversibly unavailable. As physicists and citizens we believe the present costs of a continuing conservation program are a good investment

for the nation, and we willingly pay our share.

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GENOCIDE CONVENTION HAS WIDESPREAD SUPPORT

Mr. PROXMIRE. Mr. President, to my knowledge there has been few issues before this body in recent years that have attracted more support than the need to ratify the International Convention on the Prevention and Punishment of the Crime of Genocide. Since President Truman first submitted the treaty to the Senate 28 years ago, numerous organizations from across the country, representing many different interests, have spoken out in support of ratification.

A sampling of these groups includes the American Bar Association, the American Civil Liberties Union, the National Council of Jewish Women, the American Baptist Convention, and the Young Women's Christian Association. Other organizations that support the treaty are the United Methodist Church, the American Jewish Congress, the American Ethical Union, the League of Women Voters, and B'nai B'rith Women. In addition, countless newspapers and journals have called upon us to give our advise and consent to this treaty.

The Convention declares genocide to be a crime under international law. In the treaty, genocide is defined as any act committed with the intent to destroy, in whole or in part, a national ethnical, racial, or religious group. Any individual committing such an act, whether they are constitutionally responsible rules, public officials, or private individuals, shall be punished.

The United Nations demonstrated the universal appeal of the Genocide Convention when it adopted it unanimously in December of 1948. In the following years, nations from all across the world have given it their support. Today more than 80 nations are pledged to uphold its principles.

The entire world now looks to us. We maintain that our commitment to human rights is total. Let us demonstrate that we stand by our word. After almost three decades it is about time that we ratify the Genocide Convention.

ENERGY AND ECONOMIC GROWTH

Mr. SCHMITT. Mr. President, growth in our use of energy and growth in our economy and employment have been closely coupled since World War II. When one goes up the other goes up. When one goes down the other goes down.

Both energy use and the economy have had an averaged growth rate of about 3.5 percent per year since 1945.

How then can the President propose to "decouple" these rates so that energy growth is only 2 percent per year while economic growth goes up to 5.2 percent per year?

Commonsense should tell us that while we decrease energy waste we must increase energy production if we are to sustain our economic growth, avoid recession and employ our 2 million new workers that appear every year.

WE CAN'T BUY DAMS AND A SUBWAY, TOO

Mr. GOLDWATER. Mr. President, many people in the city of Washington have little or no realization of the water problems that afflict our Western States. Consequently, they seem to regard all water projects suggested to Congress as "pork barrel" plans devised solely for the benefit of small areas and individual politicians. They do not seem to understand that most of the water projects would be self-liquidating and would bring enormous benefits to people over a wide area of the country. It is interesting to contrast the benefits that would be derived from water programs such as the central Arizona project with projects such as Washington's Metro system. Unlike the water projects, Metro is not a self-liquidating system. It is costing, and will cost, the American taxpayer many billions of dollars before it is even fully operative. And after that, it will not be self-sufficient but require additional taxpayers' moneys to keep it operating.

Mr. President, recently Leonard Larsen, chief of the Denver Post Washington bureau, wrote an interesting column on this whole problem and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

WE CAN'T BUY DAMS AND A SUBWAY, TOO

(By Leonard Larsen)

WASHINGTON.—The irony may be subtle but it's real in this opinionated town.

While editorialists and other federal city sophisticates were rejoicing over their morning coffee Friday that the Senate the previous night had nailed down the coffin on "pork barrel" water projects, they also were rejoicing in the expansion of this town's favorite toy.

That, of course, is the Washington Metro subway and surface rail system, which on Friday expanded its lines of service from five to 17 miles (an eventual 100-mile network is planned).

In the glowing stories and comments written of the expansion milestone were a few oblique references to financial problems nagging Metro. Nothing serious, you'll understand.

And while it's almost impolite even to discuss the costs of Metro because it might imply faint criticism, the situation is essentially this:

The eventual construction costs were estimated in 1969 at $2.5 billion and they are now estimated to be nearing $6 billion and climbing.

The interest payment on even the modest bonded indebtedness area voters have approved is expected to total more than $3 billion over the 40-year term of the bonds.

Operating losses for Metro so far have been kept down to minor multi-million dollar spillage but when Metro is operating full bore, it's estimated that costs will outrun revenues by up to $100 million a year.

So essentially, Metro costs, as they are estimated right now, are in the neighborhood of $10 billion with a $10 million operating loss laid on each year.

Goodness, who'll pay?

Since Washington—along with the rest of the urban East—seems touched with a divine right to define fairness and equity for the rest of the country, you'll pay.

Living, as you do, in the untutored wilderness beyond the Mississippi, you probably fail to understand the importance of speeding buttoned down federal and civil bureaucrats from their downtown Washington offices up to Capitol Hill or under the Potomac and out to National Airport to catch the shuttle flight to New York.

But in this self-indugent and puffed up community, whose inhabitants are mostly from someplace else but who quickly acquire a reflected importance, it's a part of the Washington scheme of things.

It's a bill that's owed to Washington by the rest of the country and don't insult the intelligence of Washingtonians by trying to compare small change spending on western reclamation projects with the majesty of the $10 billion Metro system.

It's a system, by the way, which will be largely untainted by service stops in the black ghettos since . . . well, you know.

The Carter administration and the Congress, as if unwilling to stir up the ire of local editorialists, have not burdened the Metro with serious criticisms.

In this town you don't fasten Metro down to the kind of benefit-cost analysis which torpedoed water projects in Colorado and elsewhere and you don't link a floodtide of spending for Metro with any stern lecture on budget balancing and fiscal responsibility.

If any of you out there in the arid West are ever back here, take a look at Metro and ride it. You'll probably have fun.

Try not to be upset with the knowledge that Metro's eventual cost will be about double what's been spent in 50 years on western reclamation projects and that you're helping to pay for it.

Your insulting conduct might upset us Washingtonians.

OUR MILITARY RETIREMENT POLICY

Mr. HARRY F. BYRD, JR. Mr. President, most of our retiring two-, three-, and four-star military officers are now being retired in the early to mid-50's.

There has been a steady downward trend in the ages at retirement in recent years and this trend is disturbing. Since 1970 alone, there has been a decrease in the average age of retirement—service-wide—by nearly 3 years—from approximately 57 years of age to 54 years of age.

These officers, for the most part, are individuals of tremendous experience and much ability who would be able to provide many more years of useful service while still remaining under the normal retirement age of 62.

I recognize that a balance must be struck between the need for age and experience and the need for new blood and innovative thought which is essential to the vitality of the services.

At the same time, I question whether the present retirement policy of the Defense Department is in the best interests of our defense needs and our taxpayers. I question whether the system is not unduly costly and wasteful of experienced manpower.

So that information might be available to fully consider this matter, I have requested from the Defense Department the ages at retirement of all two-, three-, and four-star officers who have retired since 1970.

My purpose is not to highlight any one officer or group of officers but rather to highlight the loss to the Government of a pool of tremendous talent and experience.

I have now received such lists from all four of the services.

I ask unanimous consent that several sets of tabulations be printed at this point in the RECORD.

There being no objection, the lists were ordered to be printed in the RECORD, as follows:

AVERAGE AGE OF FLAG RANK, RETIREMENTS

Year	Number of officers	Average age at retirement
U.S. Air Force 1970 to present:		
1970	37	54.75
1971	32	54.68
1972	46	55.41
1973	63	55.07
1974	44	54.34
1975	65	54.09
1976	15	53.53
1977	[1] 11	53.90
U.S. Army 1970 to present:		
1970	49	57.37
1971	47	57.30
1972	37	55.65
1973	58	55.81
1974	49	55.39
1975	60	55.80
1976	31	53.90
1977	[2] 6	56.83
U.S. Marine Corps 1970 to present:		
1970	5	56.60
1971	8	56.62
1972	13	56.15
1973	7	55.86
1974	9	54.55
1975	8	55.50
1976	3	54.67
1977	[3] 1	56.00
U.S. Navy 1970 to present:		
1970	35	57.23
1971	46	57.74
1972	64	56.51
1973	59	55.69
1974	69	55.38
1975	64	54.30
1976	37	54.03
1977	[4] 4	54.50

[1] As of April.
[2] As of May.
[3] As of January.
[4] As of February.

GENERAL OFFICER RETIREMENT (2, 3, AND 4 STAR ONLY)

Age	1970	1971	1972	1973	1974	1975	1976	1977
U.S. Air Force 1970 to present:								
46					1		1	
47								
48		1						
49								
50	3	2				1		1
51	1	1	5	6	4	9	2	1
52	5	4	2	5	4	9	2	1
53	1	3	5	9	9	14	1	
54	7	8	7	8	7	8	3	2
55	6	2	6	10	7	9	4	5
56	4	4	5	9	4	7		
57	5	1	4	9		7	1	1
58	2	3	4	3	4	2		
59	1		5	3	3	1	1	
60	2	1	2	1	1	1		
61								
62		1	1					
63								
64								
65		1						
Average age	54.75	54.68	55.41	55.07	54.34	54.09	53.53	[1] 53.90
U.S. Army 1970 to present:								
46								
47							1	
48			1	1	1	1	3	
49				2	1			
50							4	
51			1	3	1	2	1	
52	2	1	3		4		3	
53	3	6	2	3	4	7	3	
54	1	2	3	5	4	3	2	2
55	2	1	7	8	7	9	4	
56	6	3	5	10	12	11	1	1
57	7	8	6	8	5	17		
58	9	9	3	10	5	5	3	2
59	13	12	5	7	3	5	4	
60	6	3	1	1	1		2	
61		1			1			1
62								
63		1						
64								
65								
Average age	57.37	57.30	55.65	55.81	55.39	55.80	53.90	[2] 56.83

Age	1970	1971	1972	1973	1974	1975	1976	1977
U.S. Marine Corps 1970 to present:								
46								
47								
48								
49								
50	1							
51				1				
52		1			1	1		
53			2	1	1			
54			1		2	4	2	
55		1	4		3			
56	1	1	1	1	1	1	1	1
57		2	1	1	1			
58	1	1	1	3				
59	1	2	1					
60	1		2			2		
61								
62								
63								
64								
65								
Average age	56.60	56.62	56.15	55.86	54.55	55.50	54.67	[3] 56.00
U.S. Navy 1970 to present:								
46								
47						1		
48								
49			1			1	1	
50	1				5	5	2	
51			2	1	2	6	6	1
52	2		2	10	7	8	6	
53	1		4	10	8	8	6	
54	4	3	10	4	9	4	5	
55	6	10	8	5	8	7	2	1
56	4	5	8	8	4	8		2
57	2	3	5	3	5	6	1	
58	3	5	5	3	7	2	5	
59	1	7	5	7	5	6	1	
60		5	6	2	6	1		
61	3	6	4	4	1		1	
62	8	2	4	2	2	1		
63								
64								
65								
66								
67							1	
Average age	57.23	57.74	56.51	55.69	55.38	54.30	54.03	54.50

[1] As of April.
[2] As of May.
[3] As of January.
[4] As of February.

ISRAEL AND MUNICH

Mr. HEINZ. Mr. President, Israeli Prime Minister Begin is now on his way to Washington for talks with President Carter. These discussions come at a critical juncture and they can play a critically important role in achieving a lasting peace in the Middle East.

During the course of his meetings with the new Israeli Prime Minister, President Carter's first priority must be to clarify our own intentions with regard to Israel and its Arab neighbors. Up until now, clarity unfortunately has not been the hallmark of the administration's approach to this matter.

Through statements which can most charitably be described as contradictory

and confused, doubts have been created over the depth of our commitment to Israel. But today, in view of the potential for tragedy in the Middle East, there can be no room for doubt. Our commitment to Israel's integrity must remain firm and enduring. In pursuing a settlement and in seeking to nurture new friendships with Arab nations, our activities must clearly take place within the context of strenuous support for the continuing survival of the nation of Israel.

In a recent column, George F. Will made a series of cogent observations about the dangers implicit in the direction that administration policy seems to have taken in this area. Mr. Will's analysis of the risks that some administration initiatives pose to Israel points out why President Carter must reassess his stand and reassure the world that we will not sacrifice Israel's security for a quick settlement. The Carter-Begin meetings will have been a significant success if such assurances can be effectively communicated.

Mr. President, I ask unanimous consent that the text of George Will's commentary be printed in the RECORD.

There being no objection, the commentary was ordered to be printed in the RECORD, as follows:

[From Newsweek, July 11, 1977]

ISRAEL AND MUNICH

(By George F. Will)

Various Jewish religious observances commemorate calamities or narrow deliverance from calamities, and the short history of the Jewish state is replete with such experiences. Today, friction between Israel and the Carter Administration is building up a dangerous charge of static electricity. No Israeli Government casually risks the U.S. Government's displeasure: diminished support for Israel could lead to a calamity from which there would be no deliverance. But the contagious crossness between Washington and Jerusalem that originated in Washington is a compound of Washington impatience and Israeli anxiety. The anxiety is more reasonable than the impatience.

For a decade, since the Six Day War of 1967, U.S. policy has been that Israel should trade territory for peace. As President Ford put it, Israel should "dare the exchange of the tangible for the intangible." The secure are always exhorting Israel to be daring. Similarly, the governments of the world constantly insist that Israel be more forthcoming than those governments ever are.

Theodore Draper, scholar and journalist, notes that of all the millions of square miles of territory conquered in recent decades, only Israel's occupied territories are expected to be returned. Norman Podhoretz, editor of Commentary magazine, notes that of the 35 million refugees created since 1945, only the fraction of a million created by Israel's war of independence are expected to be repatriated.

DARING MORE THAN OTHERS

Saul Bellow notes: "In this disorderly century refugees have fled from many countries. In India, in Africa, in Europe, millions of human beings have been put to flight, transported, enslaved, stampeded over borders, left to starve, but only the case of Palestinians is held to be permanently open. Where Israel is concerned, the world swells with moral consciousness. Moral judgment, a wraith in Europe, becomes a full-bodied giant when Israel and the Palestinians are mentioned . . . What Switzerland is to winter holidays and the Dalmatian coast is to summer tourists, Israel and the Palestinians are to the West's need for justice—a sort of moral resort area."

Today the U.S. Government is anxious to bestow upon Israel the honor of leading a life more daring than other nations choose to live. The U.S. became a mighty continental nation through conquest in the name of "manifest destiny." But the U.S. Government is irritated because Israel is reluctant to commit itself, before negotiations, to return land it conquered from aggressors who still deny its right to exist on the coast of Palestine. U.S. security has always been a function of broad oceans and placid neighbors. But the U.S. Government is irritated because Israel is wary of turning a geographical buffer (the occupied West Bank of Jordan) into a Palestinian "homeland" that probably would be dominated by the Palestine Liberation Organization, terrorists committed to the destruction of Israel.

The U.S. position is that Israel should withdraw to the 1967 borders (perhaps with slight revisions) and the Arab states should take "steps toward" normalization of relations with Israel. But even if Israel were to withdraw in exchange for full peace (recognition of its right to exist, plus free movement of people, ideas and commerce in the region), there still would be an inherent asymmetry of risk in a trade of the physical for the political. Arab political concessions could be repudiated overnight; Israel's physical concessions could not be reclaimed without war.

WESTERN 'CONSCIENCE' NO SHIELD

Nevertheless, Israel has accepted this asymmetrical policy. It has asked two things. One is that the U.S. not intrude itself so much that it spares Arab states the need to negotiate directly with Israel. The second is that the U.S. not propose a specific outcome (such as withdrawal in exchange for "steps toward" normalization). Israel thinks that if Arab states regard withdrawal as a given, they will have no incentive to give anything. After four wars, Israelis are unmoved by the idea that their security depends less on their toughness than on their malleability. And since the fourth war they are especially impatient with assurances that the 'conscience of the West" will be their shield. In the October 1973 war Israel not only suffered debilitating losses comparable to Britain's in the first world war, relative to national strength. Israel also suffered an acute understanding of the "conscience of the West" under oil pressure. Israel was isolated.

Israelis are obsessively interested in U.S. diplomacy, and were fascinated by Jimmy Carter's May meeting in Geneva with Syrian President Assad. Carter praised Assad's helpfulness, constructive attitude and "intimate knowledge." That, Carter said, "has helped me a great deal to understand" the Mideast. Now, diplomacy always involves a lot of solemn nonsense, but Carter went a tad far. In recent years. Assad has called Israel "a basic part of southern Syria," and his controlled press has asserted that Israel "shall be destroyed." Today the U.S is pleased to regard Assad as a "moderate." Has Assad changed, or has the U.S.? Today Assad says "the Palestinian problem has two parts," the first concerning the West Bank and the Gaza Strip. "On this territory a Palestinian state might be established, as is now envisaged. This state could not accommodate all the Palestinians. This leads us to the second part of the Palestinian problem, namely the refugee problem. These refugees . . . have a right to return to the land from which they were driven in 1948."

REMEMBERING AUTUMN 1938

The idea that Assad is a moderate, an idea enjoying currency in the U.S. Government, is part of a way of perceiving Israel, a way that reminds Podhoretz of autumn 1938 on the eve of Munich:

"As Czechoslovakia, a democratic country, was accused of mistreating the German minority in the Sudeten regions, so Israel, also a democratic country, is accused of mistreating the Arab minority within Israel itself and also, of course, in the occupied territories. As the creation of the Czechoslovak state after World War I was called a mistake by Hitler and Neville Chamberlain, so the creation of the Jewish state after World War II is called a crime by contemporary totalitarians and their appeasers. The insistence by the Czechs that surrendering the Sudeten regions to Hitler would leave Czechoslovakia hopelessly vulnerable to military assault was derided, especially on the Left, as a shortsighted reliance on the false security of territory and arms; so a similar insistence by the Israelis within regard to the occupied territories is treated today with lofty disdain by contemporary descendants of these believers in the irrelavance to a nation's security of territorial buffers and arms."

Made malleable by diplomatic pounding, Czechoslovakia, by spring 1939, had no shield except "the conscience of the West," and no deliverance.

DEFENSE AUTHORIZATION CONFERENCE REPORT

Mr. CANNON. Mr. President, I commend the Senate for the adoption of the conference report on the fiscal year 1978 Defense authorization bill. As our conferees have said, there were major differences between the House and Senate versions of the bill and yet I believe that the conferees arrived at an overall bill which is within the budget and at the same time provides funds for the important programs.

I was involved primarily on working on the aircraft procurement and missile procurement programs and also the R. & D. projects in the tactical air power area. In our negotiations with the House conferees we ended up providing full funding ing for the Air Force's F–15 and F–16 programs, and for the Navy we authorized the 12 A–7E's in the Senate bill plus advance procurement for 12 more in fiscal year 1979. On the F–14 program we arrived at a very satisfactory compromise position where we authorized 40 F–14's for the Navy this year, which was half way between the Senate's 36 and House's 44. We also provided advance procurement funding for 36 F–14's in fiscal year 1979, which was the original Senate position. During our discussion on the Navy fighter airplane programs I pointed out that the Senate position of holding F–14 production at not more than 36 a year in upcoming years would have the dual benefits of extending F–14 production out into the 1980's and at the same time would divert near term resources from the F–14 to allow a full go ahead on the F–18 fighter program. When the Tactical Air Subcommittee had reviewed the Navy's 5-year budget plan in our hearing we discovered that F–14 production was planned to accelerate from the present 36 a year rate up to a 60 a year rate in fiscal year 1979, 1980, and 1981, to be followed by a shutdown of the production line. This program, coupled with the Carter defense budget recommendations which now are guiding next years budget formulation, would put the naval aviation budget over available resources and allowed a small group in the Navy who

oppose the F–18 to push for its termination or at least slow down and stretch out. Thus the accelerated F–14 procurement plan would have caused two adverse effects on the Navy fighter program, one being a premature close-out of the F–14 production line and the other being a delay or termination of the F–18 program. The House conferees agreed with our rationale, and our conference report specifically identifies our action on the F–14 production rate as being related to the F–18 program for that reason.

THE SIRCS PROGRAM

Mr. President, on the Navy R. & D. program for a Shipboard Intermediate Range Combat System, or SIRCS for short, the conference agreed to provide $3.9 million to continue the program in fiscal year 1978 and specific restrictive language was added in the bill at the insistence of the House. The $3.9 million is the original budget request for SIRCS. The House had deleted all funds and the Senate had added $13 million above the budget request in the floor amendment sponsored by the distinguished Senator from Florida (Mr. CHILES). The committee accepted the amendment with the understanding that $10 million was added for the basic SIRCS program and $3 million was added for studies of the possible commonality of the SIRCS missile and the AMRAAM air-to-air missile. The discussion on the floor amendment appears starting on page 15035 of the May 17, 1977 RECORD.

In conference we found the House to be dead set against the SIRCS program because of the high potential cost of $650 million for research and development. The House conferees attributed this excessive development cost to the fact that SIRCS is being developed under the guidelines of OMB circular A–109.

Let me explain the argument that the House conferees made regarding the SIRCS program. At this time, the Navy is evaluating three different contractor's proposals for the SIRCS system. These proposals are to develop a new short-range radar and new short-range missile for close-in defense of ships against cruise missiles and also include development of a computer system to integrate the fire control for all of the ship's systems, including not only the new radar and missile but also the existing ship guns, electronic warfare equipment, and other offensive and defensive equipments. The House's argument was that contractor A might have the best proposal for the radar, contractor B the best one for the missile, and contractor C the best one for the fire control integration, and the Navy should be able to select the best features of these proposals to define an optimum system for the SIRCS design. The House conferees contended that this was not possible under the guidelines of A–109 and insisted that the Navy define an optimum or "baseline" design for the next advanced development phase of the program.

We on the Senate side insisted that the Navy had a valid operational requirement for this SIRCS program, and we insisted that at least the original budget level of funding be provided for the SIRCS program in fiscal year 1978. The compromise that we arrived at was to fund the program at the $3.9 million originally budgeted but to direct the Navy to select the optimum features of the contractors' proposals in defining the SIRCS system for an advanced development phase competition.

Now I do not know whether the House committee's misgivings about A–109 were well founded or not, but I do think that it makes commonsense to select the best features from the contractors' proposals for this SIRCS system before beginning hardware development. Therefore, I think that the compromise arrived at is a good one in that we protected the Senate position to keep this important Navy program moving forward and at the same time we accepted the House position that the funded contracts should be used to define for the Navy the best possible SIRCS system. So that is how we arrived at the conference position.

THE MILITARY DRAFT

Mr. LUGAR. Mr. President, no Americans have been drafted for military service in the past 4 years. An overwhelming majority of our citizens approved the adoption of an all-volunteer concept as opposed to military conscription, and renewed discussion about return of the draft has caused considerable uneasiness.

Senator JOHN STENNIS of Mississippi has indicated he is concerned about the high cost of the volunteer programs. Senator SAM NUNN of Georgia is concerned about declining trends in voluntary enlistments. On March 2, he chaired a Senate Armed Services subcommittee meeting which heard testimony that fewer volunteers are high school graduates, an increasing number of volunteers are black, and many young Americans do not feel a sense of obligation to serve in the military.

I have great respect for Senators STENNIS and NUNN, and the overview they have provided is timely. But I am convinced that starting up the military draft again would be a great mistake except in the event that the United States becomes involved in war.

In fact, voluntary enlistments have been meeting the quotas set by each of the service branches for each of the 4 years after an uncertain start in the first year. Some Senators are concerned that increasing prosperity in the country will dry up enthusiasm for the voluntary way, and slight failures to meet quotas in the last quarter have fed these fears. Furthermore, incoming years fewer young men and women will be reaching the age of 18.

But a necessary answer may well be that the armed services will need to employ fewer men and women in uniform and hire more civilians to do jobs which could just as well be done by civilians.

Clearly, the case has not been made that each job requires a man or woman with a high school diploma, and there is no case whatever to be made that a 24 percent enlistment of black men and women poses a dilemma for the military. The armed services have offered substantial new opportunities to black youth who have suffered unemployment rates of up to 40 percent in some urban environments.

The fact is, Mr. President, the quality of our armed forces has improved since the beginning of the volunteer program in 1973. For instance, the young men and women who are joining the Army this year are scoring higher overall on mental tests than ever before.

Based on standardized tests which are given to predict an individual's capacity to successfully receive training, 93.7 percent of the new enlistees tested as average or higher than average. This percentage, scored during the first half of fiscal year 1977, is the highest ever recorded. During the last 10 years of the draft, only 81 percent of the Army enlistees scored in these top categories.

Mental capacity to receive training is measured by standardized tests which are established by guidelines issued by the Congress and the Department of Defense.

These guidelines specify that if the tests were administered to the total American population, every person would test in one of five categories. The 16 percent would test in the top two, above average, categories. The 68 percent would test as average and 16 percent would be in the two below average groups. The Army will not accept anyone who tests in the fifth or lowest group.

The Congress has set a ceiling of 10 percent as the maximum ratio of volunteers who may come from the fourth, or below average, category. This year the Army has accepted only 6.3 percent from this group.

At the heart of the controversy is the problem of the military budget. In the past, draftees were inexpensive. The salaries now offered to young Americans which are competitive enough to offer incentives to volunteer are higher, and personnel costs are now 58 percent of the defense budget as opposed to 47 percent in fiscal 1964. The current 58 percent in fiscal 1977 is down from 61 percent in fiscal 1976.

The fastest growing segment of personel expenses is not the voluntary active duty personnel but the growth of military pensions.

Mr. President, I remain convinced that most Americans of any age are prepared to fight if we are required to defend this country. Many young Americans are now volunteering to serve their country in the armed services during peacetime, and I applaud their constructive patriotism and sense of purpose. The military budget is high because most of us believe that those who are now serving ought to be paid a reasonably competitive wage for that service as opposed to the old system of paying draftees very little so the rest of the defense budget could be subsidized.

In the meantime, the military services will need to think through more carefully their needs for uniformed personnel and to increase the success of recruiting, training and retention efforts. We must continue to attract men and women in public service who are dedicated and able. This is especially important in military service.

Mr. President, we now have a special need to focus on making the voluntary enlistment method work and to stop the suggestion that we should return to the

military draft under any circumstances other than international conflict involving our country.

DEFENSE AUTHORIZATION CONFERENCE REPORT

Mr. HART. Mr. President, I would like to take this opportunity to draw the attention of the Senate once again to the Defense authorization conference report, which was approved yesterday by the Senate. Because of the late hour at which the conference report was called up, many Senators were not able to give it the attention which it merits. Particularly in the area of shipbuilding, the conference took some actions of major significance, which are worthy of the attention of the Senate.

I would first like to express my gratitude to the chairman of the Armed Services Committee, Senator STENNIS, for the excellent work which he did for the Senate in this conference. The Senate did very well in this conference, and the conference report adequately expresses the views of the Senate. It is due primarily to the great efforts and skill of the chairman that this good result was achieved, despite the House being adamant on a large number of issues. The House conferees were particularly adamant on the shipbuilding issues; yet, thanks to the work of the chairman and of the other conferees, the Senate positions were adopted by the conference on almost all shipbuilding matters, In particular, the option approach on the matter of aircraft carriers was adopted by the conference.

The issue of what kind and how many aircraft carriers to build is perhaps the single most important shipbuilding issue. A carrier task force built around a *Nimitz* class aircraft carrier costs upwards of $5 billion in procurement costs alone. Carriers, next to strategic missile submarines, are the most important ships in the fleet. Yet, despite the cost and importance of this type of ship, there is a great deal of confusion in the Navy and in the administration as to what size, type and number of aircraft carriers to build.

The position of the Senate was that we must address the carrier issue in a logical and coherent fashion. To do this, we acted to create a series of options for next year. We took action to insure that the Senate will have all possibilities open to it next year, with adequate information to make a correct decision.

This position was adopted by the conference. The $81.6 million in long-lead items for an additional *Nimitz* class nuclear powered carrier was retained by the conference, with not merely report language, but also bill language clarifying the fact that this money does not in any way precommit the Congress to another carrier of this type. The conference also accepted the Senate addition of $40 million to study alternatives to the *Nimitz* class carrier, including the CVV large conventional carrier, the VSTOL support ship, the air capable 963-class destroyer, and a refit of the *Midway*.

The most important conference action on shipbuilding was the bill language it adopted relative to the carrier issue. This bill language states that, "The Secretary of the Navy shall take such action as are required to insure that such studies are sufficiently advanced with respect to a *Nimitz* class aircraft carrier, a CVV, a VSTOL aviation ship and a DD–963(H) so that any of such ships may be authorized in fiscal year 1979."

Exactly what does this language mean?

First, it means the Navy shall take such action as is needed to make it possible for these ship to be authorized next year. The Navy is compelled by law to insure that the Congress has this information.

It is also clear that the Navy can undertake whatever work is necessary to provide adequate, accurate information to the Congress on these ships, including: First, feasibility studies; second, trade-off analyses; third, conceptual studies; fourth, preliminary design work; fifth, contract design work.

The Navy has the authority to do whatever funding adjustment is necessary to insure that Congress has the information the law requires.

What if action were not taken by the Navy to insure that all carrier alternatives were available in fiscal year 1979?

First, the Navy would be in violation of the law.

Second, it would be clear that the Congress should not fund any carrier of any type unless all three basic options—the CVN, CVV, and VSS—are available. Nor should the Congress approve any carrier of any type of one or more of the options is presented in such a manner as to render it infeasible. While I do not expect this to be the case, there has apparently been some discussion of a VSTOL aviation ship of about 15,000 tons which would carry only six aircraft. Such a proposal from the Navy would in effect constitute sabotage of one of the options mandated by the Congress; were that to occur, the Senate should approve no carrier. Congress should approve no carrier until it can choose among all reasonable options.

There is one issue on which I believe the conference acted in a questionable manner. On the issue of the nuclear cruiser, the Senate receded to the House position and agreed to complete the nuclear cruiser CGN–41 with the Tarter main armament system, and agreed for long-lead money for a new nuclear cruiser, to carry the Aegis system.

This decision has a number of drawbacks. First, the Tarter is an obsolete weapons system. It is an antiaircraft system, designed to shoot down enemy planes, not missiles. Yet today the main threat is missiles. Soviet naval aircraft fire long-range antiship missiles, rather than dropping bombs. Tarter's capability against Soviet antiship missiles is completely inadequate. Therefore, what the conference did by agreeing to the House position is approve the construction of a new, very expensive ship with an obsolete main armament. This makes little sense.

Some questions can also be raised about the Aegis system. The development of this system began in the mid-1960's. Yet the first ship with Aegis will not be in the fleet until the early 1980's, and the Navy will not meet its full requirement for the Aegis ships until after 1990. What capabiltiy will a system designed to shoot down the missiles of the 1960's have against missiles of 1990 and beyond? This raises the question of whether we should build cruisers, destroyers, and frigates at all, or whether the best antimissile, antiaircraft, and antisubmarine protection for a carrier is its own aircraft.

Even if one believes the Aegis system is the right way to go, the decision for long-lead money for a new *Virginia* class cruiser to carry Aegis is unfortunate. We now have four *Virginia* class cruisers and two *California* class cruisers, the oldest of which was commissioned in 1974 and two of which are not yet commissioned. All of these modern, expensive, nuclear powered ships have the obsolete Tarter main armament system. The Navy has a stated requirement for four nuclear powered Aegis ships; obviously, it would be far less expensive in lifecycle costs to convert four existing or building cruisers to Aegis than to build any new nuclear cruisers. There can be no justification for building new cruisers while keeping six new cruisers in the fleet with an obsolete main armament. Accordingly, I believe the Senate should seriously consider denying authorization for the CGN–42 next year.

Despite the decision on the cruiser issue, the conference report is good from the overall shipbuilding standpoint. It sets the basis for an intelligent decision next year on the aircraft carrier issue. I am gratified that my colleagues have accepted the report, and I am confident that the Navy will act to meet the requirements set by law.

CANADIAN NATIVES FEAR ALCAN PIPELINE

Mr. STEVENS. Mr. President, last week the Canadian National Energy Board recommended to the Government of Canada that the Alcan route be selected over the Arctic route for the transportation of Alaskan North Slope natural gas.

Some are jumping to the conclusion that all signals are switching to go for the Alcan project and that this is the route which should be selected by both the Canadian and United States Governments.

But such a hasty conclusion is not warranted.

One item which is being overlooked is the issue of Canadian Native claims along the proposed route of the Alcan pipeline. It is not reasonable to assume that Native claims along the Alcan route are not important, as they are along the Arctic route.

Mr. Justice Thomas R. Berger recommended that no pipeline be built through the Mackenzie Valley, the route promoted by the Arctic Gas consortium, for at least 10 years. This recommendation led to the NEB's rejection of the Arctic Gas route. But Justice Berger said nothing about Native claims along the Alcan route, except to recommend that they be looked into.

An inquiry into these issues relative to the Alcan route is currently underway,

headed by Kenneth Lysyk, dean of law at the University of British Columbia. But one of the problems of Dean Lysyk's investigation, from the beginning, is that he simply does not have enough time to do a good job. Berger had 3 years. Lysyk has only 3 months.

Yet, in spite of the short time allowed, Dean Lysyk is finding that the Native claims issues along the Alcan route are indeed significant. A feature article in the Toronto Globe and Mail last week discusses these points. The article reports:

The Council of Yukon Indians' position is that no pipeline should be built until the land claims are settled and implemented. That could take years—far longer than the rush to judgment that the federal Government is setting for itself with a pipeline decision deadline of Sept. 1.

Native claims will delay the Alcan project as well as the Arctic route.

The only alternative for Alaskan gas, which does not encounter Native claims problems, is the El Paso All-American proposal. That is because Congress settled those claims more than 5½ years ago with the passage of the Alaska Native Claims Settlement Act. We cannot afford any additional delay in bringing our Alaskan gas to markets in the South 48.

Mr. President, I ask unanimous consent that the article from the Globe and Mail for July 5, 1977, entitled "Indians of Yukon Fear Pipeline a Death Warrant to Way of Life" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LYSYK INQUIRY TOURS TERRITORY—INDIANS OF YUKON FEAR PIPELINE A DEATH WARRANT TO WAY OF LIFE

(By Malcolm Gray)

MAYO.—The Yukon woman before the microphone is young, dark, intense. "What about our children?" she is saying, speaking into the bright lights, the videotape cameras, the slowly unwinding spools of tape taking down her words.

"Will they have the opportunity to enjoy the beautiful open northland as we have?"

For the small village of Mayo, 250 miles northwest of Whitehorse—a place of dust, plank sidewalks and a gloriously misnamed stucco hotel, the Chateau Mayo—the future has arrived with a rush.

It takes the form of a travelling inquiry into the building of a pipeline through the Yukon along the Alaska Highway. The outrage in the voice of Louise Profeit will be heard again and again as the three-member commission rides the dusty roads of the Yukon to learn how people feel about a plan to ship gas from Alaska through Canada to the lower 48 states.

Louise Profeit is Indian and it is from the Indians here that most of the fear of what a pipeline will bring is heard.

INDIANS FEAR FOR WAY OF LIFE

For the Indians of the Yukon, 6,000 out of a population of 23,000 and a minority in a land they have lived in for centuries, the pipeline is more than just a narrow, 512.6-mile strip across the territory.

They fear the pipeline will be the first stage in the development of the Yukon which will destroy any hope the Indians had to salvage some of their traditional ways of life.

The 2,300 construction workers needed to build the pipeline will bring with them more drugs, more alcoholism, more prostitution—more, because these things are here already. The Yukon is not a pure northern paradise.

But most important of all, beyond the inflation and crime that the Indians see as inevitable with large development, is the issue of land claims.

It is an important, perhaps the most important issue in this quickie, thrown-together inquiry, which must have its findings before the federal Government by Aug. 1 after a brief three-month existence.

Negotiations between the Government and the Indians are more advanced in the Yukon than in the Northwest Territories because both registered and non-registered Indians are represented in the Council of Yukon Indians. The eventual settlement will be limited to those who have 25 per cent or more Indian blood and can prove they lived in the Yukon before Jan. 1, 1941, or show they are descended from a person with the minimum blood requirement who lived in the Yukon before then.

There were no wars and no treaties signed between whites and Indians in the Yukon. The council, which can only recommend a settlement to the people living in 12 Indian villages in the territory, does not want aboriginal claims extinguished.

COMPENSATION OFFER CONSIDERED TOO LOW

Ottawa has offered 1,200 square miles to be owned outright with another 15,000 square miles that the Indians would be able to use for hunting and fishing. Not enough, the Indians said, not even with the $100-million thrown in with the federal offer.

Even with differences between the two sides, there was slow progress toward an agreement in principle which may come as early as this year.

But then the game changed. It is symbolized here by the inquiry members sitting in the Mayo Revival Hall, a small frame building with the words to hymns like Amazing Grace written with felt-tipped pens on sheets of paper taped to the walls.

The Council of Yukon Indians' position is that no pipeline should be built until the land claims are settled and implemented. That could take years—far longer than the rush to judgment that the federal Government is setting for itself with a pipeline decision deadline of Sept. 1.

To those who argue that a narrow pipeline right-of-way shouldn't affect land claims in a territory of 207,076 square miles, the Indians say otherwise.

"If the pipeline is built before our claims are implemented, we will have little control over what happens to us as a people, over what happens to our villages and over what happens to the land which is the basis of our culture and which we now claim through Government and legal process," the Council's brief to the inquiry said.

"Only if our rights to the land are defined, understood and entrenched and if we have time to develop our own institutions to gain self-determination will we be able to protect ourselves . . .

"To be blunt, promises from Government and industry have lost their honor. We have all seen what happened with native rights in the south after treaties were signed. We are determined that this history shall not be repeated in the Yukon."

These words were spoken to the three people who have been sitting behind trestle tables in halls and gymnasiums listening to the concerns of Yukoners about a pipeline.

They have need of patience, these three. At different times they heard their inquiry denounced as a farce and a whitewash, followed usually by a statement that the anger and frustration was directed not at the board but at the federal Government which has allowed it such little time.

No one is more aware of the shortage of time than Kenneth Lysyk, chairman of the commission and Dean of Law at the University of British Columbia. When the formal hearings end in Whitehorse on July 15 there will be only two weeks before the inquiry's report is due.

VETERAN OF FIGHTS OVER CONSTITUTION

He also knows something about the workings of government. Before coming to UBC he was deputy Attorney-General of Sasketchewan. That involved him in constitutional battles with the federal Government over the province's attempts to control the potash industry.

For a man with only a few weeks to write a report. Mr. Lysyk is relaxed enough to sleep on the long, dusty bus hauls and to spend some time doing more than living pipelines all day. Such as visiting Diamond Tooth Gertie's, Dawson City's gambling casino where he came away with a $4 loss after a night at the blackjack tables.

He is 42, a man with a neatly trimmed greying black beard, who, as someone noted on the bus, could be a stand-in for actor Vincent Price.

At the community hearings he used a low-key approach urging people to ignore the lights, recorders and cameras as much as possible. "We want to keep the inquiry as informal as we can, as if we were sitting in our backyards having a cup of coffee and talking about pipelines," he would say, at least once a day.

The community hearings will give him the emotions on the issue but the real test of the pipeline will come when the formal hearings resume early this month.

Mr. Lysyk sees himself not as presiding over a judiciary inquiry, but listening to the experts then making a report to Ottawa.

This is the first time he has had any direct experience with the Yukon. But on both sides of him sit two board members with long personal experience of the territory.

Edith Bohmer, a short woman with tousled black hair, who wears gold earrings shaped like snowshoes, is the nominee of the Yukon Council of Indians.

The earrings are appropriate, for this woman with years of experience in Indian politics is related to Skookum Jim, one of the three men who found the gold that touched off the Klondike Rush in 1898.

Mrs. Bohmer is in a delicate political position, given the Indian stand on the pipeline. But she says she is not bound to the Council of Yukon Indians' line.

The third board member, Willard Phelps, was nominated by the Yukon Territorial Government. He also has a connection with the gold rush. His great-grandfather arrived in Dawson City in the rush and moved on to become the first lawyer in Whitehorse after he found there were already 17 lawyers in Dawson.

There aren't many lawyers in the territory—only 20, and because of his travels to the small communities in the Yukon, Mr. Phelps seems to know everyone.

So far, he says, the inquiry has been lucky enough to be seen as a unit, not as two Yukoners—one for whites and one for Indians led by an outsider.

There is a fourth presence at the hearings, unseen but felt—the figure of Mr. Justice Thomas Berger.

PLAN IN TROUBLE AFTER BERGER REPORT

Judge Berger's report on a plan to pipe oil and gas down the Mackenzie Valley from the northern Yukon to the south made this second pipeline inquiry inevitable.

When it became apparent that the Arctic Gas Consortium plan was running into problems, the way became open for another proposal to ship Alaskan gas through the Yukon, British Columbia and Alberta to the American Midwest.

Judge Berger made the Alcan route the only pipeline game in town when he said that a Mackenzie Valley line should be de-

layed 10 years until native land claims were settled.

Most important of all for the current hearings, he said that, on the face of it, the Alcan route seemed to have fewer environmental and engineering problems.

The judge's comments on the Alcan route, however, weren't an endorsement of a pipeline, as Mr. Lysyk has to constantly point out.

Judge Berger had three years in which to consider the terms and conditions under which a pipeline could be built and the environmental, social and economic impacts of a line through the North.

Mr. Lysyk has to remind people that his task is that of a preliminary inquiry into the socio-economic effects of a pipeline. It is an effort to find out how Yukoners feel about it.

If the Government approves this route there will be more studies to decide the terms and conditions for building the pipeline.

APPROVAL MEANS FURTHER STUDIES

Another difference is that the environmental impact of a pipeline is being considered separately by a panel headed by a federal civil servant, Dr. Harry Hill.

The application itself was made by a rival to Arctic Gas—Foothills Pipe Lines Ltd.

This company in turn is 70 per cent owned by Alberta Gas Trunk Line Co. with the rest of the shares held by Westcoast Gas Transmission Co. Ltd., which has wide experience in pipelines and would build the B.C. section of the line.

The pipeline would stretch 2,753.7 miles, carrying gas from Prudhoe Bay in Alaska to the United States. The inquiry is dealing only with its impact on the Yukon where the federal Government has jurisdiction.

Curiously, there has been little concern shown by the B.C. Government about a pipeline that will cross 438.7 miles of that province—across country similar to the Yukon.

When the pipeline is built it will be relatively easy for a lateral line to be pushed north to connect with Canadian reserves on the Beaufort Sea. That is one reason for favoring a project that at first will do no more than carry American gas across Canadian territory.

It isn't up to this board to say what Canada should get in return for helping the United States. This is rarely mentioned at the hearings except for occasional comments that the whole project is being rushed through because of U.S. pressure on the federal Government.

NO FIRM PROPOSAL ON LATERAL LINK-UP

The lateral line, which could run along the almost completed Dempster Highway going from Dawson City to Inuvik and Fort McPherson in the far North is one of the more nebulous aspects of the whole pipeline inquiry.

Foothills may build the line, but it is not part of the company's application before the National Energy Board and it would not be built for several years after the Alaska Highway line was finished by 1982.

But both the Lysyk inquiry and Dr. Hill's environmental panel are considering the effects of a pipeline along the highway. Ironically, there have never been any major studies of the Dempster Highway which was started in 1958. It crosses the migration routes of the Porcupine Caribou Herd at two points and conservation groups are worried about its effect on wildlife in the area once it starts being used.

The arguments for both the Alaska and Dempster highway routes are the same—the environmental impact has already been made by building the roads and a pipeline wouldn't greatly add to it.

The Indians are as against a Dempster Highway line as one along the Alaska Highway until the land claims are settled. They are taking a middle position between developing the North and keeping it as it is.

For the line are white businessmen, particularly those along the Alaska Highway. The Yukon has always been known for its booms and busts in gold, furs and mining. Those favoring the pipeline see it bringing benefits beyond a few short-lived construction jobs. They think it can lead to hydroelectric power projects and more mining operations, lifting the Yukon to another level of development.

So the Indians and the white businessmen are on opposite sides of the issue. That's nothing new in the Yukon. It is reflected in the hearings being held in the Indian band halls as well as the community halls or school gyms. That has led to complaints that the inquiry is fostering a split between whites and Indians and that it should only hold hearings where all can participate at once.

"I don't think that's correct," said David Joe, a young lawyer who is following the hearings for the Council of Yukon Indians. "The split, or difference, is there already. This only makes it more clear."

One of the most interesting groups speaking on the pipeline is made up of people who have come to the Yukon because it is one of the world's last great wilderness areas. Generally they are young and articulate, not particularly interested in more development and sympathetic to the Indians' position. They don't carry much weight with established white Yukoners who see them as outsiders playing at homesteading.

"Where does one go after the Dempster Highway to the Arctic is opened?" one of them asked at a hearing in Dawson. "Even if one doesn't go to the wilderness it is necessary to know it is still there."

Between the well thought-out arguments for and against a pipeline, there were signs that the inquiry was too rushed, too short for adequate preparation.

RESIDENTS CONFUSED ABOUT WHAT IS PLANNED

In Mayo, few men testified at the afternoon hearing in the band hall. Many were away fighting a forest fire. Too bad. There won't be any more community hearings in Mayo before a decision is reached.

There was also confusion and uncertainty over what was being planned. At every hearing someone would ask about the dangers of oil spills, unaware that a gas pipeline was being planned.

Sometimes, to the 18 people bouncing around inside an Atlas tour bus, it seemed as if the rest of the country was as well informed. The inquiry has attracted relatively little attention from the press so far. The board members expect that to change now that the National Energy Board has released its report on pipeline applications and has come out in favor of the Alcan route.

MAGNIFICENT JOB

Mr. STEVENS. Mr. President, on the morning of June 20, 1977, the first gallons of crude oil entered the 800-mile trans-Alaska pipeline.

In the following editorial, Robert B. Atwood, long-time Alaskan, editor and publisher of the Anchorage Times, congratulates those who saw our country's desperate need for greater energy independence, and were determined enough to build the trans-Alaska pipeline against many protests and obstacles. Indeed, this battle appears to have been won: oil is now flowing and will soon reach the terminal at Valdez where waiting tankers will transport it directly to refineries in the contiguous United States.

But, I must emphasize my friends, the "war" is not yet over. The difficulties of this past winter are a painfully clear reminder of our country's need for greater dependable supplies of natural gas. Because natural gas will be produced simultaneously with North Slope oil we have a new opportunity to meet the vital energy demands of America. The question is not whether a transportation system for the gas will be built, but when and where.

As you know, I am a strong advocate of the El Paso Gas Co.'s proposed "All-American Trans-Alaska Gas Project." It will increase our energy independence, have substantially greater benefits for the U.S. economy, and fewer environmental problems than alternate plans. It will follow 640 miles of the 800 mile trans-Alaska oil pipeline, utilizing the haul-road, work pads, camps, and equipment already in place.

As Mr. Atwood points out, the trans-Alaska oil pipeline was faced with unique environmental and technical problems. However, Mr. Atwood notes further, these problems were solved and the much needed oil is now flowing. I am confident history will bear out the wisdom of those who had the singular strength of conviction to see the project through, particularly former Secretary of the Interior Walter J. Hickel and Under Secretary of the Interior Pecora.

Furthermore, the trans-Alaska oil pipeline was built with American technical and labor skills and will be controlled by our country and none other. When we chose the route that North Slope natural gas will take to heat American homes and sustain American industry, we must and can insure environmental safety, economic benefits to Americans first and increased energy independence. We have successfully constructed the trans-Alaska oil pipeline which meets just those goals.

Mr. President, I ask unanimous consent that the attached article referred to in my statement be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Anchorage Times, June 19, 1977]

MAGNIFICENT JOB

How long, do you suppose, the time and date of 9 a.m., June 20, 1977, will remain fixed in the minds of Alaskans?

Will that particular moment in history become a milepost along Alaska's trail from territorial pioneer wilderness to the day when the State of Alaska became the modern world's most important energy supplier?

Or will the moment become nothing more than a footnote in history, an item for the lovers of trivia to play with?

No matter, really, the eventual role the memory of this time and date might have in years to come.

What is important is that at 9 o'clock tomorrow morning, if all goes according to plan, oil will begin to flow from the Prudhoe Bay fields on Alaska's Arctic Coast. It will begin an 800-mile journey via pipeline to a tank farm at Valdez, and from there eventually will reach the marketplace. The event and what follows in the years ahead will command attention, historical evaluation and a continued inspection that will insure a place in history for what today is called simply the trans-Alaska pipeline.

The 800-mile-long tube of steel may not forever hold its unique classification as the trans-Alaska pipeline. In the years to come there may be others—certainly a natural gas

pipeline to begin with, and later more lines to tap the great reserves of northern Alaska outside the confines of Prudhoe Bay.

But at long last, without undue fanfare and hoopla, the first trans-Alaska pipeline goes into operation tomorrow. It will be a moment of enormous consequence for Alaska, the nation and the world.

First announced in 1969, delayed for years, the pipeline has become many things. It has been the target of environmental extremists, a concern of many well-intentioned people who have an unknowing fear of development in the northland, the joy of those who seek economic development in frontier regions, a bonanza for thousands of workers, a blessing and a headache for many communities, the hope of an energy-starved nation and, among many other things, a magnificent accomplishment which is testimony to American technical and engineering skills.

It has been enormously expensive, but it holds the promise of rich rewards to the taxpayers of the state, to the energy needs of the United States, in dollars to its investor companies and their millions and millions of stockholders throughout the nation.

Further, its rewards include a whole treasure house of scientific information about the Arctic, of new techniques and requirements of the Arctic and sub-Arctic regions, of knowledge about the wildlife of the vast northern areas of Alaska and it has opened the door to anthropological investigations into Alaska's past that otherwise may well have remained forever closed.

There are many things that could be said to find fault with the way the job was done and the fault-finders are many and will not be stilled for years to come.

On the other hand, there are many more factors about this gigantic construction project that should be praised.

Most of all, on the eve of the start-up of the line, in the hours before the signal is given for "oil in," there is reason to praise the men and women who built the pipeline.

The job was not easy. It was not easy for Ed Patton, Alyeska's president and later chairman, and it was not easy for Peter DeMay, vice president and construction chief. It was not easy in the bitter cold of the Arctic winter for the welders and the pile drivers and the carpenters and the electricians and the truck drivers and the cooks and the guards. Sure, the pay was high. But the hours were long, the toll in human terms was severe.

Those who had a part in this project—no matter how small, no matter how large—can look back in pride at their participation. They can tell their children and their grandchildren what it was like to forge a pipeline through Alaska back in the '70s.

The time and the date when the first gallon of crude flowed into the line may not be memorable in history. But the job these people did has earned a lasting chapter in the history of Alaska.

THE MYTHS OF AIRLINE DEREGULATION

Mr. McGOVERN. Mr. President, perhaps no other group of Americans is so directly involved in the issue of airline deregulation as are those who actually operate the aircraft for the Nation's commercial air carriers.

The Air Line Pilots Association in a briefing package entitled "The Myths of Airline Deregulation," has made a constructive effort to deal factually with the problems they feel would result from adoption of the pending airline deregulation measure.

Mr. President, I ask unanimous consent that the views of the association be printed in the RECORD.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

THE MYTHS OF AIRLINE DEREGULATION

Myth No. 1: There is little competition in the U.S. airline industry under the current regulatory scheme.

The Facts: This claim is difficult to substantiate either on the historical record or in terms of the present operating situation. Actually the U.S. domestic airline industry is more competitive than most other industries, regulated or unregulated. Generally the argument of deregulation advocates on this issue falls into two categories: (1) There is no price competition because airlines charge the same fares. and (2) there is very little new entry into the airline business.

Pricing.—It is true that the airlines charge the same fare for similar service in a given market. For example, the basic one-way coach fare between Washington and Los Angeles on United, American and TWA is $196. If United were to offer a coach fare of $150, American and TWA would almost certainly match it. Similarly, if a fourth carrier were to be certificated to serve this market, and offered a different type of service at a fare of, let's say, $100, the three major transcontinental carriers would undoubtedly match the service and the fare. Unless substantial new traffic were generated to offset the diversion of passengers using the basic coach fare, the economic results would be destructive. Penetration into the market by a new carrier could not be expected to be significant, given a lack of market identity and limited marketing power and fleet capacity, and it would soon be forced to withdraw. Whereupon, the "Big Three" would quickly return to the original fare level. Passengers traveling during this price-war period would get a significant break, but it is certain to be short-lived.

But the availability of different fares for different kinds of service does provide the budget-conscious consumer with price alternatives, such as charter fares, off-peak fares, excursion fares, stand-by fares, etc. The recently-approved "Super Saver" fare, which offers a 45 percent discount in the New York to San Francisco and Los Angeles markets, is a good example. It is true that the passenger traveling on a "Super Saver" ticket flies on the same airplane and sits in the same kind of seat as a full-fare passenger; however, he has bought his ticket at least 30 days in advance, must stay at least 7 days and not more than 45 days, and must travel during midweek. In so doing he sacrifices the convenience enjoyed by the full-fare passenger. If this discount fare generates additional traffic and thus fills up otherwise empty seats without diverting passengers from the regular coach fare, it provides a benefit to both the traveling public and the airline. It may be accurate to claim that there is little price differentiation (different fares for the same service) in the airline business, but this most certainly does not prove that the airlines are not price competitive.

Entry—in 1938 when the Civil Aeronautics Act was signed into law, 22 airlines were operating and were awarded "grandfather" certificates under the new statute. Since that time over 90 new companies have been certificated by the CAB, an through merger or dissolution this number has been reduced to 40. Over 20 of these new companies were local service or regional carriers such as Ozark and Frontier—10 of them are still operating today. Their route systems have expanded tremendously over the past 20 years to include major domestic and international markets such as Houston-Mexico City (Texas International) and Denver-Minneapolis (North Central). Most of them are larger today than their counterparts among the trunklines were 15 or 20 years ago. The fact that no new major trunk airlines have entered the business in the past 20 years is no more relevant to the argument of no competition than is the fact that few large companies have sprung up in any other major capital intensive industry.

This is not to say that competition has not increased in terms of new route awards to existing firms. Today, in markets that produce more than 12 passengers a day, over 60 percent of them have a choice of airlines. In 92 percent of the city-pair markets with reasonably significant traffic density—300 or more passengers a day—there is competitive non-stop service, and in most major markets there are three and even four scheduled airlines.

Market share concentration offers another measure of the competitive nature of an industry. Here the airlines compare favorably with other major industries. For example, United Airlines, the biggest U.S. carrier, has about 20 percent of total industry revenue passenger miles. The top five airlines carry about 70 percent of the total domestic traffic. By comparison, market dominance is greater in the following selected industries:

	Percent
Telephone—AT&T	85
Computers—IBM	68
Interstate Bus—Greyhound	62
Automobiles—General Motors	53
Soft Drinks—Coca Cola	35
Cigarettes—R. J. Reynolds	33
Steel—U.S. Steel	22

Myth No. 2: Deregulation of the airlines will lower fares.

The Facts: The primary goal of the proponents of airline deregulation is to lower the general fare level which exists today. This is an appealing political goal, but in the real world of airline economics it is a highly impractical one. Obviously this claim presumes that air fares are too high, and that in a less regulated environment they will tend to come down.

To put this matter in perspective, compare U.S. scheduled air fares with those in Europe in markets of comparable distance:

*Scheduled airline fares/U.S. vs. Europe**

Route	Non-stop mileage	Economy fare	Percent European fare higher
London-Paris	209	$61.60	
versus			
N.Y.-Washington	214	38.00	62
London-Frankfurt	400	87.12	
versus			
Chicago-Pittsburgh	413	56.00	56
Copenhagen-Rome	955	279.39	
versus			
Los Angeles-Seattle	954	97.00	188

*Source: "Official Airline Guide," June 15, 1977, and international exchange rates in effect on June 21, 1977.

Assuming that the costs of doing business—labor, fuel, capital, aircraft and airport services—will not be reduced, the only way that fares can be held in check, let alone lowered, is for traffic to increase causing load factors to go up. Nothing would produce this more effectively than healthy economic growth, which puts more discretionary income into consumers' pocketbooks.

Of course, the argument is always made that the threat of new entry will force prices down. However, the predictable phenomenon of price-matching in the airline industry militates against the expected result of this theory. Recognizing this phenomenon, it is reasonable to assume that a new airline would think twice before challenging an established, well-known carrier in one of its major markets. However, it is not unlikely that a financially strong existing carrier could muscle into a lucrative market of a weaker airline, cut the fare, and drive the incumbent into financial distress. The result would almost certainly be more market concentration and economic power, and less price competition, than now exists.

A better approach to achieve lower fares would seem to be a selective tailoring of discount fares, which are designed to fill up empty seats with passengers who can be flexible in their travel planning and who are more price sensitive than those who must rely on air transportation for their business and personal needs. These discretionary travelers are now moving by bus or automobile (or recreational vehicles) or are not traveling at all but could be attracted to the airlines by competitive discount fares, such as the "Night Coach," the "Peanut Fares" and the "Super Saver" fare.

It is interesting to note that price deregulation or decontrol in other regulated industries, particularly in the energy field, is expected to cause prices to go up. How then could anyone believe deregulation in the airline industry will produce a different result?

Myth No. 3: Deregulation will not have an adverse effect on air service to small and medium-size communities.

The Facts: Service to small communities has become one of the most controversial issues in the deregulation debate. The deregulators in the Ford administration recognized the vulnerability of their bill on this point. In early 1976 they hastily put together a proposal designed to provide small community service by awarding subsidies to noncertificated commuter airlines on a contract basis. This year the Civil Aeronautics Board presented a similar proposal to protect communities having 40 or fewer enplacements a day from losing needed air service in a less regulated environment. Commendable as these proposals might be, they should not be construed as the complete answer to the problem. In fact, these small communities should, and undoubtedly will, be served by commuter airlines using smaller aircraft thus freeing up the local service carriers to apply their larger jet equipment in larger markets.

But the real question is not the threat to service in markets with fewer than 40 passengers a day. What should most concern the Congress is the potential loss of flights to medium-size cities that now enjoy regular, dependable service from trunk or local service airlines connecting them over relatively long distances (200 miles or more) with major hub cities. These markets, which produce very little revenue, would be likely candidates for reduced service, not necessarily abandonment, as carriers reallocated their resources to areas which offered greater revenue potential. It is highly unlikely that commuter airlines would be able to fill this void, particularly because of the distances involved.

The slightest reduction in service in many of these cities, while causing inconvenience to the traveling and shipping public in these areas, would also place added burdens on the local communities and airport authorities to finance the indebtedness incurred by them for airport improvements. This burden is currently borne largely by the carriers serving these communities through landing fees, space rentals and other airport concession revenues. Loss of this revenue is of major concern to many airport operators and local officials.

Myth No. 4: The Civil Aeronautics Board "coddles" the airlines by protecting them from competition, granting fare increases, and insulating them from the antitrust laws.

The Facts: If CAB has been "coddling" the airlines, the bottom line for the industry during the past 10 years certainly hasn't reflected it. A comparison of the airlines with other major industries in terms of return on investment testifies dramatically to the poor financial performance of the carriers. It should be noted that in the last decade the nation's trunk carriers as a group have not achieved the 12% return on investment which CAB has established as fair and reasonable.

*Comparison of profitability in 13 selected industries**

[In percent]

Industry	Return on total capital: Latest 12 months	Return on total capital: 5-year average
Consumer goods—Personal products	12.2	12.6
Electronics and electrical equipment	11.8	10.6
Industrial equipment	11.6	10.2
Consumer goods—Food and drink	11.4	10.4
Chemicals	10.6	10.8
Energy	10.5	11.5
Automotive	9.8	9.1
Aerospace and defense	9.8	8.9
Construction—Building materials	9.7	8.9
Utilities—Natural gas	7.3	7.6
Transportation—Surface	6.6	5.8
Utilities—Electric and telephone	5.9	6.0
Transportation—Airlines	4.1	3.6
All industry medians	9.8	9.1

*Source: "Forbes 29th Annual Report," *Forbes*, Jan. 1, 1977.

Close observers of the airline industry, particularly the financial community, believe that airline fares have not kept pace with escalating costs, and they have been critical of CAB for failing to be responsive to the carriers' needs on a timely basis. When fuel costs were skyrocketing during the 1973–1975 period, much-needed fare increases to cover these costs were not forthcoming. The airlines do not benefit from automatic fuel surcharges or pass-throughs, which have become standard in the gas and electric utility industry as we all know from our utility bills over the past few years. Ironically, in computing the effect of proposed fare increases on the industry's return on investment, the Board makes certain cost and revenue adjustments relative to discount fare traffic, which have the effect of penalizing the carriers for their efforts to stimulate new traffic.

Throughout most of the history of federal regulation of air transportation, the Civil Aeronautics Board has been active in increasing competition through new route awards. Since 1938, the number of scheduled route miles of certificated carriers has increased from approximately 37,000 to nearly 450,000. The number of cities receiving scheduled service has grown from nearly 200 in 1938 to over 650 today, an increase of more than 225%. The exception to this pattern was the period of the so-called "route moratorium" in the late 1960's and early 1970's. But, under pressure from airline labor unions and most carriers, that misguided policy has since been revoked, and the Board is once again actively engaged in considering new route cases, bringing added competition into the system.

CAB's authority to exempt the airlines from the operations of the federal antitrust laws has been much maligned during the deregulation debate. Most of the criticism has centered around the infamous capacity restraint agreements which flourished in the wake of the fuel crisis. The Air Line Pilots Association, together with other labor organizations and some of the carriers, were vociferous opponents of these agreements, and CAB has since rejected them. Nonetheless, in recent hearings before the Senate Aviation Subcommittee, this issue was squarely addressed. After close scrutiny, most critics have agreed that the majority of inter-carrier agreements, such as interline ticketing and baggage transfer agreements, serve an important public benefit in facilitating passenger travel and should be preserved with appropriate safeguards.

While it certainly can be said that CAB has made some egregious errors in administering the law throughout the years, it is equally clear that these mistakes can be corrected without statutory change. In fact, in recent years the Board has moved substantially toward a more pro-competitive stance, and it would appear that proper administration of the existing law buttressed by more diligent oversight by Congress would guarantee against the kind of abuses that characterized much of the Board's behavior prior to 1975.

Myth No. 5: The experience of the California and Texas intrastate airlines proves that deregulation will result in lower fares.

The Facts: First of all, these popular intrastate airlines do not operate in an unregulated environment. Pacific Southwest Airlines (PSA) is governed by the California Public Utilities Commission (CPUC), and Southwest Airlines is regulated by the Texas Aeronautics Commission. Although these two carriers provide effective low-fare service in their respective states, most observers concur that their experience is not entirely relevant to the operation of an integrated network of regularly scheduled interstate services. In fact, an official of PSA testified during the Senate Aviation Subcommittee hearings in March as follows:

"Let me try to set the record straight by summarizing in a few words what PSA's experience does prove. It proves that an airline like PSA can compete and earn profits at fares well below the domestic standard fare level if it does certain things well.

"The most important factor is the highest possible productivity from its aircraft and its employees. This means high density seating in large aircraft, no luxury first class service, no fancy meal service or other frills, and concentration on serving relatively few

markets with highly motivated employees willing to work hard for good pay.

"Other factors are the scheduling of flights tailored carefully to the local markets and fares based on costs of serving those particular markets. . . .

"Having bragged a bit about PSA, let me admit what our experience does not necessarily prove. It does not prove that total deregulation with wide open free entry is feasible or desirable. It does not prove that PSA's kind of operation can be duplicated all across this country by any new airline that comes along."

Several important factors should be noted about the intrastate operations which distinguished them from the type of operations of the interstate CAB-regulated carriers. For example, most of their operations are in dense traffic markets without an obligation to provide continuing service to smaller markets; their operations are confined to a relatively limited geographical area resulting in little, if any, aircraft positioning and crew layovers; the nature of their operations (turn-around commuter service) lends itself to high equipment utilization and employee productivity, dense seating configurations, minimal ground handling and on-board amenities and service, and standardization of aircraft. Additionally, in Texas, Southwest Airlines has a decided advantage in the dense Dallas-Houston market because it operates without competition into and out of close-in Dallas Love Field and Houston Hobby Airport while the interstate airlines are committed to use the Dallas/Fort Worth Regional Airport and Houston intercontinental Airport situated at greater distances from their respective cities.

The history of intrastate airlines in California prior to regulation by the CPUC is an illustrative case study of the vagaries of air transportation in an unregulated environment. During the 20-year period prior to the advent of route protection by the CPUC, no fewer than 14 airlines went bankrupt leaving PSA and Air California as the lone survivors of the competitive bloodbath. The public outcry for a stable and dependable system of air transportation, and the pleas of PSA for route security to enable the carrier to attract the necessary financing for new equipment led to the regulation of entry by the CPUC in 1965.

Myth No. 6: A recent study by the General Accounting Office proves that airlines could save consumers over a billion dollars in a deregulated environment.

The Facts: Many critics of airline regulation, including the Carter administration, cite the report of a recent General Accounting Office (GAO) study to support their case for deregulation. Close analysis of this report reveals that it is faulty and inaccurate in many respects, and proves little, if anything, when applied to the real world of scheduled air transportation. The report, dated February 18, 1977, was requested by Senator Edward Kennedy (D-Mass.) who asked the GAO to review a study published in 1972 by Dr. Theodore E. Keeler, Professor of Economics at the University of California (Berkeley). The Keeler study purported to compare airline fares regulated by CAB in 1969 with estimates of fares the airline industry might have charged had it not been regulated.

The report's conclusions and recommendations are as follows:

"Based on this report, we believe that markets now served by the trunk airlines could be profitably served at a lower total cost per passenger, and that passenger fares could be lower as a result. The arguments for greater reliance on a more competitive market to determine services and prices are persuasive, but this report does not answer a number of questions about what might happen if the form of airline regulation were changed or if regulation were abandoned completely.

"We recommend that CAB continue to work toward improving airline efficiency under its existing legislation by emphasizing higher load factors, higher seating densities, and the other factors identified in this report and by increasing its reliance on competition to determine service and prices.

"We also recommend that the Congress, as part of its current reexaminaton of the need for economic regulation of the airline industry, provide to CAB legislative guidance defining current national objectives for air transportation, and the extent to which increased competition should be used to achieve those objectives.

"Both CAB and the Congress should allow for reasonable transition periods to avoid undue disruption of the air transportation system."

The major criticism of the GAO report is its assumption of a fare elasticity of demand factor of -1.3. This simply means that if fares are decreased by, let's say, 20%, air travel would increase by 26% ($1.3 \times 20\%$). This factor was arrived at arbitrarily after reviewing the estimates of a number of studies. Comparatively, CAB, in its Domestic Passenger Fare Investigation, arrived at a fare elasticity of demand factor of -0.7, or about one-half of the GAO factor. This figure comports more accurately with actual airline experience, and though the GAO recognized this, it nevertheless stuck with its more inflated assumption.

Additionally, the GAO report is based on airline cost experience derived by Professor Keeler in the period 1967 to 1969. This data is outmoded for several reasons and, consequently, has resulted in unrealistic conclusions when compared to the facts in today's operating environment.

First, the 1960's were boom years for the airlines in which traffic growth outpassed available capacity, causing load factors to be unusually high. This was followed by an unexpected economic recession accompanied by depressed traffic and aggravated by the deliveries in the early 1970's of new wide-bodied aircraft. This produced an excess of capacity and correspondingly low load factors.

Second, during the latter half of the 1960's CAB awarded a substantial number of routes, causing significant differences in the service patterns and operating results of the carriers, none of which was considered in the earlier data complied by Professor Keeler and relied upon by GAO.

Third, the Domestic Passenger Fare Investigation (DPFI) came some time after the Keeler study, and the standards which have been implemented by CAB as a result of the DPFI have had considerable effects on airline pricing. These effects have not been taken into account in the GAO study.

Finally, significant cost increases, particularly in jet fuel, have profoundly affected airline operations, but again, have not been incorporated in the calculations by Professor Keeler or GAO.

In summary, although the theories of the GAO report appear to be dispositive on the surface, they simply cannot withstand the scrutiny of an analysis based on the operating characteristics in today's real world. About all that can be said for the report is that it presents, in the form of an "authoritative" government study, a familiar theory of air transport economics; namely, that if you put more seats in an airplane, and you put more passengers in those seats, you can spread the costs over a broader base and thereby reduce the unit price. "The problem with this theoretical study is that it does not square with the economic facts of life in the operation of a competitive interstate airline network, regulated or unregulated.

Myth No. 7: Airline employees will not be adversely affected by deregulation.

The facts: This contention is difficult to rebut for two basic reasons. First, nobody really knows for sure what requirements will be imposed on airline managements by the final legislation, or how they will respond in terms of total size and make-up of their work forces. Second, nobody knows positively what the state of our national economy will be, particularly during the transition phase to a more deregulated environment; and economic health coupled with the airlines' response relative to it are the principal factors which impact on employment.

What we do know for sure is how managements have reacted in the past to unusual economic factors and major operational adjustments in terms of the treatment of employees. For those who question the concerns of airline employees about deregulation, we suggest they talk to any one of the more than 10,000 employees who were furloughed during the period immediately following the government's allocation of jet fuel in early 1974. Many of these workers are still without their jobs in the industry and have little hope of returning to them. If that is not enough, we suggest they talk to any one of the more than 6,000 Pan Am employees who in a three-year period from 1973 to 1976 were handed their walking papers as that airline restructured its system in order to survive the intense international competition which forced Pan Am to abandon numerous markets throughout its vast overseas network.

We also know, as does every observer of the airline industry, that several major carriers are in shaky financial straits for a number of reasons unrelated to the regulatory policies and practices of CAB. These companies could be faced with bankruptcy if some of their healthier competitors are permitted to pirate the traffic on some of their more profitable routes. As a mater of fact, the employees of a number of carriers have agreed to defer wage increases and other benefits in a concerted effort to help their companies through the difficulties caused by high inflation and runaway fuel prices. And, to those who believe that the members of the "airline fraternity" will have sympathy for their weaker brothers, we say: "You simply don't fully appreciate the intensity of competition in this industry."

Some, including "responsible" public officials, have stated that it is conceivable that a few weaker airlines will not make it through the transition to a more competitive environment. They have attempted to soften their statements by assertions that such carriers will more than likely fail even under the current regulatory system. The latter belief may make sense if the national economy never regains normal good health; but, given reasonable economic vitality, even the weakest airlines have proved they can operate profitably.

One should deduce from this that airlines and their employees and the traveling and shipping public would all be much better off if our national economic problems were solved—a job which rests squarely in the hands of the executive and legislative branches of the federal government.

Myth No. 8: Air safety is not an issue in the deregulation debate; only economic regulation of the airlines is being argued.

The Facts: The proponents of deregulation continually point out that the proposed legislation only addresses the economic regulation of the airlines; the safety regulations of the Federal Aviation Administration will not be changed. We do not disagree with this assertion, but we do take issue with the conclusion that safety, therefore, will not be affected. To take comfort in the regulations and enforcement responsibility of FAA is to avoid the safety question. Airline crews and mechanics, whose work is totally safety oriented, understand and appreciate the close correlation between airline economics and

safety regardless of FAA regulations and enforcement powers.

The primary factor in airline safety is cost. Maintenance of high safety standards is extremely expensive, whether measured in terms of equipment, facilities, maintenance reliability or by operating procedures and conditions. This fact is often taken for granted because it is rarely visible to the consumer of airline services. Nonetheless, airline companies have invested millions of dollars in on-board safety systems, personnel training facilities and programs, and aircraft maintenance and overhaul buses, which for the most part cannot be translated into economic efficiency. It is simply the price which must be paid to achieve the highest possible degree of safety in airline operations.

The relationship of deregulation to safety can be addressed in at least three areas: commuter replacement, new entry and "the cost squeeze."

COMMUTER REPLACEMENT

The substitution of computer airlines for trunk and local service carriers in small markets has been heralded as a major reform which would reduce costs to consumers. The principal reason for this cost savings is that small two-engine piston aircraft are cheaper to purchase and operate than larger jet turbine planes. However, a significant component in the cost differential is related to the disparities in FAA's Federal Aviation Regulations (FAR's) governing commuters and CAB-certificated airlines. Commuter airlines, which operate small aircraft, are governed by less stringent airworthiness standards and general operating and flight rules than those which apply to the CAB carriers. These standards and rules are contained in FAR Part 135 for commuters and in FAR Part 121 for the certificated airlines.

The disparities between FAR Part 121 and FAR Part 135 cover the entire spectrum of air transport operations. For example, Part 135, unlike Part 121, allows flight operations under certain conditions without a copilot provided the aircraft is equipped with an operative autopilot. Part 121 aircraft must have airborne weather radar equipment, and all two-engine aircraft must be able to operate safety on only one engine. Neither requirement is contained in Part 135. Part 121 requires all operators to have FAA-approved maintenance and inspection programs, and initial and recurrent training programs for maintenance and inspection personnel. Part 135 operators are not required to have either. Part 121 standards for pilot qualification, initial and recurrent training and medical examinations are significantly more rigorous than those for Part 135 pilots.

Finally, Part 121 requires flight dispatchers and other ground personnel to perform preflight preparation and inspection duties, while under Part 135 such duties and responsibilities are left to the pilot. And the list goes on and on. It should be abundantly clear to even the casual observer that the less stringent regulations for commuter operators represent substantial cost savings and have obvious safety implications.

The cost impact of upgrading from Part 135 to Part 121 is substantial as evidenced by the recent experience of Air New England, which was certificated by CAB as a local service carrier in January of 1975. In his testimony before the Senate Aviation Subcommittee in March 1977, the president of Air New England testified as follows on this point:

"The major factor which increased the magnitude of the loss after certification was the costs associated with the introduction of new 'large' aircraft, and the operation of those aircraft under the much more stringent and detailed Part 121 of FAA's Federal Aviation Regulations. We have testified in other proceedings that the initial cost of certification was approximately one million dollars, with annual recurring costs of around $700,000. The costs of statistical analyses and reporting requirements occasioned by CAB regulation are only a small fraction of the costs connected with the operation of large aircraft.

"If there is at least one lesson to be learned from our experience, it is that the 'freedom' to operate large aircraft is the single most important factor which inflated our costs. We were required to acquire and operate such aircraft. We must forewarn the subcommittee that any proposed legislation which provides permissive large aircraft authority for commuters will, in our judgment, have an unforeseen and major impact on the cost structure of carriers currently operating under Part 135. Under FAA, Part 121 is a whole new ball game in terms of training, manuals, safety/maintenance regulations and surveillance.

"FAA is now proposing substantial upgrading of Part 135. Having experienced regulation under both of these FAR's, we firmly believe that the public is much better served by having a closer alignment of the two safety and technical regulatory programs."

FAA is currently reviewing Part 135 standards with an eye toward bringing them more in line with those in Part 121. Needless to say, this review is encountering considerable opposition from some small aircraft operators because of the financial burdens which they would be forced to bear. What do the commuter airlines want. Very simply, a number of them want the benefits of federal certification, including eligibility for subsidy, without the burden of the increased costs associated with higher safety standards.

New Entry—Relaxed entry provisions being proposed in the deregulation legislation are designed to provide more opportunity for new companies to get into the airline business. It is not difficult to identify some of those who are certain to be encouraged to apply. Representatives of a number of them testified in support of deregulation in hearings before the Senate Small Business Committee last year. There is no question that these entrepreneurs are anxious to get started, and they are looking to deregulation to provide the ignition which will set off a spate of applications for certification. It is equally certain that they will not bring with them into the business the enormous investments in safety facilities and programs, and experienced personnel which have been a major part of the overhead of established airlines for years.

Naturally, their costs of doing business will be substantially less, and this will undoubtedly be reflected in their fares. Is it reasonable for the public to perceive the basis for this competitive advantage? Probably not. For obvious reasons, the airlines have not traditionally competed openly on the matter of safety, and we would not expect them to do so in the future. Nonetheless, because of their "lower fares," "more efficient operations" and assumedly "innovative services," CAB would be hard-pressed to deny these new applicants the opportunity to enter the air transportation marketplace. Who can argue in good faith that this eventuality, made possible by the reform of economic regulation, has no relationship to safety? But, you say, these applicants would have to prove to CAB that they are "fit, willing and able"—that they have the financial resources to conduct viable, safe operations. Furthermore, they would be required to meet the same FAA safety standards that govern existing carriers.

First of all, this presumes that existing airlines operate at the minimum level of FAA standards. Nothing could be further from the truth. Most certificated airlines today operate according to standards which far exceed the minimums required by FAA.

Second, it presumes that FAA has the ability, financially and administratively, to monitor air carrier operations sufficiently to protect the public from all manner of unsafe practices. Again, nothing could be further from the truth. As a matter of fact, under the present system, the airlines and their employees monitor themselves under a delegation of responsibility from FAA. Even with this delegation, the resources of FAA are stretched to the limit.

Routinely, airline employees call attention to deficiencies in airline operations and the ATC system only to find that FAA lacks the manpower or the time to follow up with an investigation and appropriate remedial recommendations. Employees or their representatives are often left to bargain with their employers and FAA to achieve improvements in the interest of safety. It would be unconscionable if new companies with little or no air transport experience were permitted to conduct their operations without close surveillance by FAA. To our knowledge, the cost to the taxpayer of this additional responsibility has not been calculated or programed into FAA budget projections. It would be the height of folly not to begin planning for this demand.

Third, the "fit, willing and able" test, which is expected to screen out potentially unsafe new entrants, presumes that the financial requirements to start up an airline operation between two points are so enormous as to discourage at the outset all those who do not have ready access to huge pools of capital. This is wishful thinking. The procurement of equipment, personnel and working capital sufficient to conduct a spartan point-to-point service would be relatively easy in today's economy. Modern widebody aircraft, such as the DC-10, are available for leasing for relatively modest amounts. Pilots with air transport rating are plentiful considering the furloughs in the industry and the veterans of the Vietnam war. Jet fuel is once again plentiful, albeit at higher prices. And capital for potentially successful new enterprises can be obtained in the money markets without extraordinary difficulty.

Given these facts, what evidence could CAB require to deny a new applicant's entry into the airline business, especially if the Board could defer to FAA to guarantee that the new carrier performed according to its minimum safety requirements. Any other requirements would give the applicant the right to cry "Foul," because the reforms which he has sought for so long, once enacted, will have raised his expectations of a new day in airline regulation.

"The Cost Squeeze"—Finally, we must be concerned about the effects on safety which can be expected when carriers, both new and existing, are faced with extreme cost pressures related to their struggle to survive in an intensely competitive environment. This phenomenon is difficult to quantify, but past experience and common sense tells us it does exist. New companies cannot be expected to invest huge sums of money to enhance the margin of safety when their principal objectives are to establish themselves in the marketplace and to maximize the efficiency of their operations to recover their basic costs. There simply is no competitive advantage to be gained by investing in safety, and expenditures in this area would not contribute significantly to operating efficiency. Conversely, if a carrier is confronted with severe financial difficulties, where completion of every flight really counts, the temptations to cut corners in safety could be overwhelming.

Extraordinary vigilance by FAA would be mandatory in a deregulated environment to guard against a relaxation of safety practices and procedures, particularly in that segment of the industry which lacks experience in air transportation and a long-standing commitment to safety.

UNITED WAY FORESEES EROSION OF FUNDS

Mr. WALLOP. Mr. President, for the past 20 years Natrona County, one of the largest counties in the State of Wyoming, has had quality community services and funds provided by the United Way. The counties of Wyoming do not have large populations but the residents do get involved. This year's drive and services will involve some 30,000 people of a net population of 63,000. It troubles me when I receive a letter from the Natrona County United Way expressing their concern that inflation will erode the funds that are expressly designated to help people.

It is my contention that the Members of Congress must take note of the injustice which we create. Can we never begin to critically examine all legislation that comes before us to measure the effect it will have on our economy? At the present time about half of the Federal budget is "indexed" to inflation. If the Congress keeps on planning for inflation to be part of our economy we will never rid ourselves of it.

I, therefore, feel that the Senate should have the opportunity to read both the letter and resolution passed by the Natrona County United Way asking for relief of the erosion of their funds. I ask unanimous consent that the text of the letter and resolution be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED WAY OF NATRONA COUNTY,
Casper, Wyo., June 21, 1977.

Senator MALCOLM WALLOP,
U.S. Senate,
Washington, D.C.

DEAR MALCOLM: At its June 21, 1977, Board Meeting the United Way of Natrona County reviewed with alarm the devastating effect of inflation on its 18 agencies and passed the attached resolution prepared by the Admissions and Allocations Committee.

In Natrona County we estimate that 30,000 persons—those being helped by the United Way programs and our marvelous volunteers—are directly involved. We believe that the insidious, erosive effect of inflation will gradually deteriorate United Way programs as well as other charitable efforts in the Nation.

We place our trust in you as a spokesman against waste to do your best to speak and act as our Senator to eradicate inflation. We are confident that you are responsive to this problem because, by coincidence, today's paper carried the news release of your plan to achieve fiscal balance for the Nation.

Best personal regards,

FRANK B. ODASZ, P.E.,
Chairman, Admissions and Allocations Committee.

RESOLUTION

Whereas, the United Way of Natrona County has just finished its 1977–8 Allocations and Admissions hearings, and

Whereas, 30,000 persons in Natrona County are directly involved in its 18 agencies, and

Whereas, Natrona County, in general, and Casper, in particular, are feeling the impact of expanded economic activity, and

Whereas, the Allocations and Admissions Committee has observed that just increases due to inflation alone have lead to a budget recommendation in excess of the Goal Committee's safe and reasonable target, and

Whereas, inflation is also eroding the real contribution to the United Way by many charitable retired individuals who find the value of their fixed incomes to be diminishing, and

Whereas, the long-term result of these dual adverse effects of inflation could destroy the beneficial value of the United Way concept of "People Helping People."

Now, therefore, let it be resolved that the United Way of Natrona County respectfully request the Wyoming Congressional delegation and the Wyoming Legislature to do its best to examine critically each bill, program, and activity with the objective of eliminating inflation.

STATEMENT ON THE SENIOR CITIZEN INTERNSHIP PROGRAM

Mr. WILLIAMS. Mr. President, I am pleased to add my name as a cosponsor to Senate Resolution 219, a resolution establishing a senior citizen internship program in the Senate.

As former chairman of the Senate Committee on Aging, I have long recognized the immense talents and experience that older Americans can contribute to Government. It was my privilege to have had four distinguished senior citizens working on my staff while I was chairman. They proved to be of invaluable assistance to me and to the other members of my staff, especially in relaying the concerns and interests of my elderly constituents. They showed beyond a doubt that the special abilities and insights of older citizens do not disappear upon retirement; rather, that the years after retirement can often be the most productive.

It is the wish and need of many older Americans to remain active after their working years are over. It was Congress' recognition of this need that led to the creation of such programs as the retired senior volunteers program in the Older Americans Comprehensive Service Act Amendments of 1969, of which I was honored to be a principal sponsor. To illustrate the remarkable success of this program, in fiscal year 1976 170,000 senior citizens volunteered their time and energies in 700 local projects. Indeed, the RSVP program has proven to be so popular that the funding level for fiscal year 1978 has been increased to provide for 250,000 volunteers in 679 projects.

It is therefore with the greatest enthusiasm that I look forward to the establishment of a senior citizen internship program in the Senate. The program will give Senate offices which may have been restrained by budgetary considerations from hiring senior citizens in the past the opportunity to sponsor an intern for 2 weeks. One hundred of our most active and politically aware senior citizens will have the chance to take part in discussions and seminars with spokespersons from national senior citizens organizations and Government agencies, and gain perspectives on how to translate this experience into action in their communities. In return, I know that we cannot help but benefit from the considerable abilities and energies these citizens are sure to possess. I therefore urge quick passage of this most worthwhile resolution.

SAFEGUARD AGAINST CRIME

Mr. ROTH. Mr. President, I would like to bring to the attention of my colleagues a most praiseworthy community project undertaken by the Kiwanis Club of Wilmington, Del., as part of the major emphasis program of Kiwanis International this year called "Safeguard Against Crime."

The Kiwanis Club of Wilmington has prepared an excellent brochure entitled "How To Hold a Family Council Against Crime Resistance." Some 40,000 copies of this brochure are being distributed in Wilmington through urban churches, Boy Scout groups and other community organizations. The booklet has been endorsed by the Federal Bureau of Investigation and has been a joint venture of the club and the Wilmington Bureau of Police. Local radio stations are cooperating in the dissemination by playing tapes announcing the brochure's availability and where it can be obtained.

The brochure lists specific actions families can take to prevent crime against themselves and their neighbors. The booklet says that a proven way to cut the risk of becoming a victim of crime rests in a family following three logical steps: discussing in detail the potential dangers to each member of the family; adopting a course of action for each family member to best avoid circumstances which create opportunities for criminals; and assigning specific responsibilities to each family member to insure that their residence and property are safe from criminals.

Specific actions to avoid becoming a crime victim are listed for women, children, the elderly and house and apartment dwellers. The brochure also prominently displays the police emergency telephone number and lists the services offered by the Wilmington Police Community Crime Prevention Division.

Mr. President, as you and many of my colleagues may recall, last year I offered an amendment to the Law Enforcement Assistance Administration authorization bill which would set up an office within LEAA to coordinate and manage community anticrime programs. The amendment which was, I am happy to say, enacted into law, also provides for that office to give technical assistance to community and citizen groups to help them apply for Federal grants to encourage community and citizen participation in crime prevention.

Although thus far the Wilmington Kiwanis Club project has not been a recipient of such a grant, it is, in my view, an excellent example of a prototype community anticrime program that could be duplicated across the Nation at little cost and with great effectiveness.

Mr. President, I firmly believe that the family unit is the place to begin in making our communities, our States, and our Nation less vulnerable to criminals. I want to commend the Wilmington Kiwanis Club and the director of its Family Council on Crime Resistance program,

Mr. Albert A. Poppiti, for their most important efforts in this regard.

A BEACON OF LIGHT ACROSS THE RIVER

Mr. WILLIAMS. Mr. President, those of us accustomed to the plop of The New York Times on our doorstep were badly in need of a quick fix yesterday morning when the Old Grey Lady failed to appear for her A.M. rendezvous.

Lights were out, electricity off, and for those of us in Washington—the cruel fate of no Times. A bad way to launch a Thursday.

Yet, my colleagues may be interested to know that many in the New York area suffered no such indignity. Through a journalistic helping hand rendered by The Record of Bergen County, N.J. most of the Times' patrons were able to read a distilled version of "almost all the news fit to print."

New Jersey gave the Statue of Liberty enough juice to shine bright through the crisis, and The Record gave The Times to the world. New Jersey is proud.

Regular Record readers know that this is not the first time it has led the way for its better known rival across the river. By preparing 40 pages of The Times' Thursday edition, The Record made publishing history and earned a vote of thanks from us all.

Mac Borg, The Record's publisher, and his talented staff deserve credit for producing two excellent papers on a muggy and eventful Thursday in July.

SUPPORT OF DEFENSE AUTHORIZATION ACT

Mr. McINTYRE. Mr. President, I wish to make a statement in support of the conference report on H.R. 5970, the Department of Defense Authorization Act of 1978. I was not able to address my colleagues at the time this measure was approved yesterday. However, as chairman of the Armed Services Subcommittee on Research and Development, I would like to take this opportunity to highlight some points of interest in action taken by the conference in the research and development area.

The conference bill authorizes $11.29 billion for research, development, test and evaluation. This is a reduction of $430 million from the Department of Defense request, and a reduction of $180 million from the Senate bill, but in my judgment will provide for the orderly development of new weapons and sustain our vital technology base.

There was the normal amount of give and take in the conference and I would like to highlight a few of the areas where the House and Senate bills differed and explain their resolution.

First, in the area of NATO weapons standardization, the House made severe cuts in programs which in my judgment are important to improving standardization, whereas the Senate supported these programs. In general the House receded to the Senate and the work toward greater standardization will go on. These programs include:

Foreign weapons evaluation;
Roland air defense missile system;
NATO airborne warning and control;
An Army artillery battery level computer; and
NATO IFF—identification friend and foe—standardization.

A second area of difference was the extremely low frequency (ELF) system for communicating with our submarines. The Senate bill contained funds for development of this system, the House bill did not. I recognize the controversy that has surrounded this program for years, but I also recognize the importance of it to the continued survivability of our submarines. Therefore, I am pleased to report that the House accepted the compromise solution proposed by the Senate. Our compromise will continue development of the technical components while the Navy seeks to design a system that will meet its minimum operational needs, which in turn will reduce the size and scope of the ELF transmitter site.

A third area of difference has to do with the role of the Department of Defense laboratories. The House bill contained a provision that would have prevented increasing the portion of research and exploratory development funds which go to private companies and universities. I personally oppose such a restriction because I feel the strength of this country has been and must continue to be our free enterprise system. However, in the spirit of compromise, the Senate accepted a temporary freeze of the status quo, lasting no later than March 1978, while the new team at the Pentagon studies the utilization of the in-house laboratories. The services must have a reservoir of technical talent to insure they are smart technical buyers. On the other hand, the in-house laboratories tend not to have the flexibility and diversity available in private industry and in the universities. This will be a matter of concern next year and one we will pursue very carefully.

Another program of concern is the Navy request for funds to continue the deep submergence technology work. This program is to build a test vehicle to develop specifications, design guidelines and fabrication procedures for construction of submarines with an improved steel. The committee feels there are less expensive alternatives for achieving this objective and in its report accompanying the Senate bill asked the Navy to reconsider the available options. However, it is not the intent of the committee to terminate or to unduly delay this program. Therefore, after the Navy has completed its review and advised the committee of the results, it may be in the best interest of this program to consider reprogramming funds in fiscal year 1978.

Mr. President, the distinguished chairman of the Committee on Armed Services has already discussed the importance of improving our airlift force and of the programs included in this bill for that purpose. The Research and Development Subcommittee conducted hearings on the airlift programs this year and in my capacity as chairman of that subcommittee I would like to comment on one program in particular, the Civil Reserve Air Fleet (CRAF) modification program.

The intent of this program is to modify commercial wide-body 747 and DC–10 passenger aircraft so they can carry military equipment in times of national emergencies. Department of Defense and Air Force witnesses have testified that this is the most cost-effective way to increase our airlift, since the Department of Defense does not have to bear the burden of the annual operating costs during the long periods between times of national emergencies.

The major impediment to progress on the CRAF program has been the inability to work out satisfactory contractual arrangements to carry out the intent of the program. The report accompanying the Senate version of the authorization bill stated that no funds would be authorized until the Department of Defense presented a satisfactory plan for achieving the original intent.

Between passage of the Senate bill and the conference, Department of Defense and Air Force representatives presented an approach which supported the original intent of the program and which led to the compromise in conference. The major feature would be a lump sum payment to cover the modification costs, downtime costs and the operating differential that results from the modification. By making one payment, the extent of the government obligation is clearly defined and not an open-ended obligation that must be reevaluated each year.

In return the airline would guarantee the aircraft would be available in national emergencies for 14 years. If the airplane did not remain in active passenger service, the airlines would be required to reimburse the Government for the modification and operating costs. The rate of reimbursement has not been worked out but it would be related to how long the aircraft was in the CRAF program. The longer it is included, the smaller the payments.

This approach meets the original intent of the program, that is, increasing total airlift capacity that can move Army equipment. If satisfactory contractual arrangements and costs can be worked out along the principles I have discussed. then the CRAF program may indeed make an even greater contribution to our national defense.

The conferees agreed to authorize $15 million, enough for one major modification to a 747 and one mini-mod. This should serve as a thorough test of the concept and serve as a basis for evaluating the program next year.

Finally, I want to correct for the record a printing error in the statement of managers accompanying the conference report. The error is on page 31, in item 273 of the table showing the summary of conference action for Navy R.D.T. & E. The correct amount agreed upon by the conferees for R.D.T. & E. ship and aircraft support is $52.462 million instead of $56.462 million.

I think these examples clearly illustrate the sense of importance attached to this bill and the seriousness of the debate by myself and my colleagues on the Commit-

tee on Armed Services. I am pleased with the Senate's approval of this report yesterday.

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in this act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that five such notifications were received on July 8, 1977.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

DEPARTMENT OF DEFENSE ANNUAL REPORT ON INDEPENDENT RESEARCH AND DEVELOPMENT

Mr. McINTYRE. Mr. President, section 203, paragraph (c) of Public Law 91-441 requires the Department of Defense to submit an annual report to the Congress on independent research and development, I.R. & D.; and bid and propose, B. & P., costs. The report for 1976 has been received and I ask unanimous consent to have the report entered into the RECORD at the conclusion of my remarks. In the interest of brevity, I shall refer to the categories of cost as I.R. & D.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. McINTYRE. Mr. President, I would like to summarize the financial data and comment on its significance. Last year it was estimated that the payments to contractors by the Department of Defense for I.R. & D. in 1975 would be $811 million. The actual data provided this year shows that indeed $811 million was paid by the Department of Defense. But let me point out that the total DOD share of I.R. & D. costs was greater than expected, but this was offset by an equal increase in the amount absorbed by sales to foreign governments.

The estimate for I.R. & D. costs to DOD for 1976 is $845.2 million, an increase of $34.2 million or about 4 percent over 1975. Considering the impact of inflation, this must be viewed as a real decrease. However, this estimate assumes that $112.8 million will be recovered from sales to foreign governments and it is not clear at this time that that amount will be realized.

Mr. President, the costs for I.R. & D. are high but I believe that the present system strikes a good balance between controlling these costs and giving our defense industry sufficient flexibility to maintain a strong technological base. The purpose of I.R. & D. funds is to make sure there are qualified bidders to propose on DOD programs. It is the price we pay to make sure we have companies that are on the forefront of technology and prepared to bid on new projects.

There have been concerns expressed in the past that the Congress does not have adequate control of I. R. & D. funds. I do not share that view.

It is clear that the process now used by DOD to control the amount spent for I. R. & D. is not allowing wild increases, in fact, there is probably a decline in real value. If Congress were to become more involved in allocating these funds, it would mean that Congress would soon have to deal with choices as to which company should be proficient in which technology. Clearly, those decisions must be left to the individual companies. In my judgment the present system strikes a good balance between control and flexibility.

Mr. President, in summary, I am convinced that the investment we make in independent research and development is not only prudent but essential. It is one part of the total investment to preserve our technological leadership and is one that has paid rich dividends.

EXHIBIT 1

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., March 15, 1977.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Secretary of Defense has requested that I prepare and submit to you the report of Independent Research and Development and Bid and Proposal costs required under Section 203, paragraph (c) of the 1971 Department of Defense Appropriation Authorization Act (PL 91-441). This section requires the submittal of an annual report to the Congress on or before March 15th each year setting forth—

"(1) those companies with which negotiations were held pursuant to subsection (a) (1) of this Section prior to or during the preceding fiscal year of the Federal Government, together with the results of those negotiations;

"(2) the latest available Defense Contract Audit Agency statistics, estimated to the extent necessary, on the independent research and development or bid and proposal payments made to major defense contractors, whether or not covered by subsection (a) (1) of this section during the preceding calendar year; and

"(3) the manner of his compliance with the provisions of this Section, and any major policy changes proposed to be made by the Department of Defense in the administration of its contractors' independent research and development and bid and proposal programs."

The report is in three parts corresponding to the three items quoted above. Parts I and II were compiled from detailed data pertaining to individual companies. This detailed company information is very sensitive and is not included in the report; however, it will be made available for review.

Sincerely,

———— ————,
Acting Assistant Secretary of Defense,
(Installations and Logistics).

Enclosures.

REPORT TO THE CONGRESS ON INDEPENDENT RESEARCH AND DEVELOPMENT COSTS AND BID AND PROPOSAL COSTS

This report covers the fiscal year ended 30 June 1976 and transition quarter ended 30 September 1976.

Furnished in compliance with Section 203, paragraph (c) of the Department of Defense Appropriation Authorization Act of 1971 (PL 91-441), March 1977.

PART I

Companies with which negotiations were held pursuant to Section 203 prior to or during the preceding fiscal year of the Federal Government and the results of those negotiations.

In accordance with the above requirement the attached Schedule A provides data pertaining to the negotiations conducted in the Government's fiscal year 1976 and Schedule B provides data pertaining to the negotiations conducted in the Government's fiscal year 1976.

SCHEDULE A

I.R. & D./B. & P. REPORT, PT. 1—NEGOTIATIONS COMPLETED IN FISCAL YEAR 1976 AND RESULTS OF THOSE NEGOTIATIONS

[Dollar amounts in thousands]

	Number of companies	Total program dollars proposed by contractors			Total advance agreement ceiling dollars negotiated by DOD			Estimated DOD share of ceiling dollars negotiated		
		I.R. & D.	B. & P.	Total	I.R. & D.	B. & P.	Total	I.R. & D.	B. & P.	Total
Contractors' fiscal year:										
1975	15	$247,481	$93,849	[1] $340,361	$184,434	$74,338	$258,772	$87,200	$46,807	[1] $134,008
1976	46	703,306	316,739	1,020,045	555,632	264,482	820,114	310,392	182,905	493,297
1977	14	335,613	173,346	508,959	252,160	151,610	403,770	147,063	101,734	248,797
1978	3	251,209	61,890	313,099	198,300	51,070	249,370	35,010	28,972	63,982

[1] Discrepancies in totals represent rounding off of DCAS submissions.

SCHEDULE B

I.R. & D./B. & P. REPORT, PT. 1—NEGOTIATIONS COMPLETED IN FISCAL YEAR 197T AND RESULTS OF THOSE NEGOTIATIONS

[Dollar amounts in thousands]

	Number of companies	Total program dollars proposed by contractors			Total advance agreement ceiling dollars negotiated by DOD			Estimated DOD share of ceiling dollars negotiated		
		I.R. & D.	B. & P.	Total	I.R. & D.	B. & P.	Total	I.R. & D.	B. & P.	Total
Contractors' fiscal year:										
1976	2	$4,588	$3,029	$7,617	$4,421	$2,079	$6,500	$4,421	$2,079	$6,500
1977	3	4,865	5,465	10,330	4,400	4,960	9,360	2,866	3,402	6,268
1978	1	2,450	3,900	6,350	2,350	3,590	5,940	1,669	2,549	4,218

PART II

Latest available Defense Contract Audit Agency statistics, estimated to the extent necessary, on the Independent Research and Development (IR&D) or Bid and Proposal (B&P) payments made to major defense contractors, whether or not covered by Subsection (a)(1) of this Section [203, PL 91-441] during the preceding calendar years.

The statistics required are provided in the attached DCAA report. The report shows total IR&D and total B&P costs incurred by the contractors reviewed, the amount accepted or recognized by the Department of Defense and the DoD share. In addition, total sales of the contractors are shown along with the portion representing DoD sales.

The amount listed on Page 1 under the column heading "Amount Accepted by Government" represents the sum of the ceilings negotiated with individual contractors as well as the sum of amounts recognized for other contractors who had no advance agreements. These accepted amounts are not the costs reimbursed by the DoD but are the amounts that the DoD recognizes for allocation to all the contractors' business. The DoD portion is shown under the column headed "DoD share."

On pages 2 and 3 of the report the totals shown on page 1 are broken down to show, respectively, the portions applicable to contractors for which advance agreements were required, and the portion applicable to contractors for which advance agreements were not required. The foreword appearing in the DCAA report explains the basis for the cost data reported, but we would like to call particular attention to note A on page 1 regarding foreign military sales. These sales and IR&D/B&P costs should be subtracted from the amounts shown in the report to determine the amounts applicable to the Department of Defense. This adjustment is as follows (all figures are in millions):

	1975	1976
Sales to DOD per report	$24,751.0	$27,181.0
Less foreign military sales	2,158.7	3,364.6
Net sales to the DOD	22,592.3	23,816.4
DOD share of I.R. & D./B. & P. per report	882.0	958.0
Less amount absorbed by sales to foreign governments	71.0	112.8
Net costs charged to DOD	811.0	845.2

It will be noted that data for both 1975 and 1976 are furnished. It has been the practice to update data previously furnished because latest year figures include significant amounts of estimated information. The 1975 figures presented here have had most of the estimated data replaced with actual data. The report furnished next year will similarly update the 1976 data furnished herewith.

PART III

The manner of his compliance with the provisions of this section, and any major policy changes proposed to be made by the Department of Defense in the administration of its contractors' Independent Research and Development and Bid and Proposal Programs.

During the past year, we believe our implementation of Section 203, PL 91-441, has been in full compliance with that section. We have not revised any of our major policies for administration of contractors' Independent Research and Development and Bid and Proposal programs.

SUMMARY OF INDEPENDENT RESEARCH AND DEVELOPMENT AND BID AND PROPOSAL COSTS INCURRED BY MAJOR DEFENSE CONTRACTORS IN THE YEARS 1975 AND 1976

(Prepared by Defense Contract Audit Agency, March 1977)

FOREWORD

This summary report presents the latest available Defense Contract Audit Agency (DCAA) statistics on the independent research and development (IR&D) and bid and proposal (B&P) payments to defense contractors. The statistical data are to be included in the Secretary of Defense's annual report to the Congress on or before 15 March 1977, in acordance with paragraph (c), Section 203, Public Law 91-441. The data in this summary report are similar to that previously furnished to the Office of the Assistant Secretary of Defense (Installations and Logistics) (OASD) (I&L)), for contractor fiscal years 1974 and 1975.

Page 1 shows the overall IR&D and B&P costs incurred by 99 defense contractors during their fiscal years 1975 and 1976, amounts accepted by the Government, and the Department of Defense (DoD) share of amounts accepted. The amounts accepted by the Government are allowable and allocable to all contractor work performed—Government and commercial. The DoD share of the costs accepted each year is the contractors' allocation of such costs to DoD work. In addition, this summary shows related sales achieved by the 99 contractors, comprising 258 reporting divisions and/or operating groups.

The major defense contractors in this summary are those which had an annual auditable volume of costs incurred of $30 million or required 5,000 or more man-hours of DCAA's direct audit work a year. In previous DCAA reports, a major defense contractor was identified as having an annual auditable volume of costs incurred in excess of $15 million or requiring annually 4,000 or more man-hours of direct audit effort. Since these standards were no longer realistic, they were changed. The impact of this change on the IR&D/B&P reporting requirement is not significant because it affected nine contractors only, with the DoD share of IR&D/B&P totalling approximately $6 million, or 0.6 percent of the total DoD share of IR&D/B&P costs. This summary also includes other contractors which, although not meeting the above criteria, negotiated IR&D/B&P advance agreements so that the summary on page 2 will be compatible with the advance agreement reports prepared by Army, Navy, Air Force, and the Defense Logistics Agency. Contractors specifically excluded from this summary are construction companies; educational institutions; foreign contractors and overseas operations of U.S. contractors; insurance companies; marine transport contractors; and military medicare contractors. These contracting acticities incurred nominal or no IR&D/B&P costs.

DCAA obtained the IR&D/B&P cost and sales data from contractors' records, but such data do not necessarily represent audited amounts. Included in the costs shown are amounts accepted by the Government in overhead negotiations and through advance agreements. Where actual cost and sales data were not available, as in the case of contractors which had not closed their books for 1976, DCAA auditors obtained reasonable estimates.

Page 2 shows the extent of advance agreements in effect during 1975 and 1976. Page 3 shows costs not subject to advance agreements.

SUMMARY OF INDEPENDENT RESEARCH AND DEVELOPMENT AND BID AND PROPOSAL COSTS INCURRED AND SALES ACHIEVED BY MAJOR DEFENSE CONTRACTORS FOR CONTRACTOR FISCAL YEARS 1975 AND 1976

[In millions of dollars]

	1975			1976		
	Costs incurred	Amount accepted by Government	DOD share	Costs incurred	Amount accepted by Government	DOD share
Independent research and development (I.R. & D.)	1,235	1,015	501	1,323	1,061	543
Bid and proposal (B. & P.)	604	539	381	677	590	415
Total I.R. & D. and B. & P. costs	1,839	1,554	[1] 882	2,000	1,651	[1] 958
Sales—Total Government and commercial		[1] 46,024			[1] 48,962	
Sales—Total DOD			[1] 24,751			[1] 27,181

[1] Included in the data are the sales to foreign governments placed through DOD contracts and reimbursed to DOD by such foreign governments in the amounts of $2,158,700,000 and $3,364,600,000 for 1975 and 1976, respectively, as well as the applicable I.R. & D. and B. & P. costs allocable to these sales in the amounts of $71,000,000 and $112,800,000 for 1975 and 1976 respectively.

SUMMARY OF INDEPENDENT RESEARCH AND DEVELOPMENT AND BID AND PROPOSAL COSTS INCURRED BY MAJOR DEFENSE CONTRACTORS FOR CONTRACTOR FISCAL YEARS 1975 AND 1976

[In millions of dollars]

	1975				1976			
	Costs incurred	Amount accepted by Government	DOD share	Number of contractor divisions	Costs incurred	Amount accepted by Government	DOD share	Number of contractor divisions
WITH ADVANCE AGREEMENTS								
Independent research and development (I.R. & D.)	1,204	993	489	212	1,300	1,046	535	207
Bid and proposal (B. & P.)	581	518	367	212	656	570	402	207
Total I.R. & D. and B. & P. costs	1,785	1,511	856		1,956	1,616	937	
WITHOUT ADVANCE AGREEMENTS								
Independent research and development (I.R. & D.)	31	22	12	46	23	15	8	51
Bid and proposal (B. & P.)	23	21	14	46	21	20	13	51
Total I.R. & D. and B. & P. costs	54	43	26		44	35	21	

OUR DEEPENING FARM CRISIS

Mr. HUMPHREY. Mr. President, tragedy is brewing in the American countryside. Unless the Congress and the Executive move quickly and effectively to confront our emerging catastrophe, we and future generations will pay a heavy price.

The situation is clear. The price that farmers receive for basic farm commodities is rapidly tumbling downward. At the same time, farmers are faced with absorbing costs that seemingly only continue to increase. The ultimate result of this vicious cost-price squeeze is both financial and social disaster.

Getting at the heart of the financial disaster that farmers face is rather simple to do. Last year, farmers received an average of $3.15 for a bushel of wheat. This year, they will be fortunate to receive $2. In fact, farmers in the lower Great Plains where the wheat harvest currently is taking place are getting as little as $1.85 per bushel.

What does this mean? With a 2 billion bushel wheat crop being forecast, wheat producers, who will lose at least $1 a bushel, are facing at least a $2 billion drop in income, compared to last year. Part of this $2 billion was income or receipts in excess of expenditures. This year wheat producers will lose at least $1 billion below their costs.

Let me reflect for a moment on what all this means. This year we can anticipate thousands of individuals leaving the farm. We cannot afford to lose these individuals. They are family farmers but their farms are very productive. We need these producers.

Let us not forget that farming is a social as well as an economic institution in American culture. It is our family farmers that make up rural America. It is their income that supports small town banks, implement dealers, grain dealers, and other firms that depend on farm purchasing power.

A recent USDA survey talked about the farm credit crisis in the Great Plains and Midwest. In many States, one out of five farmers was in immediate danger of going out of business this year. In some of these same States up to one-third of the farmers were expected to refinance their assets because of their precarious financial condition. And this was when prices were somewhat higher than they are today.

Rural bankers are faced with a tragic choice. They can choose to finance individuals who clearly do not have, under current market conditions, any serious chance to make a profit. Or they can hang onto their money for more sound financial investment. Many rural bankers are risking their financial future by choosing to invest in our farmers. There is little doubt that these bankers are making this choice to invest on human rather than economic grounds.

Let us not forget how we got into this crisis. The previous administration had what it called a "fence row to fence row" farm policy. Conditions at the time dictated that we adopt such a course. There was massive food shortage in the Sahel region of Africa and in South Asia. Also, there was an increasing demand from our traditional and newer foreign customers. It seemed that there would be either a compelling humanitarian or commercial need for whatever our producers could grow. Our Government told our farmers to go out and have maximum production and plant from fence row to fence row.

It was Government policy that asked our farmers to maximize production. But will it be a Government policy to share the risk with our farmers?

As my colleagues know, the Senate Committee on Agriculture began extensive hearings in January in order to formulate a farm policy that would meet the needs of consumers while maintaining a sound farm economy. The committee heard scores of witnesses and held 2½ weeks of markup on all the legislative proposals that were generated by the distinguished Members of this body.

The legislation passed by the Senate seemed to be a prudent and wise course. We developed target price levels that were to roughly equal the cost of production and loan levels that would keep our farmers competitive in world markets. In late May the Members of this body made this approach the will of the Senate.

In its version of the farm bill the Senate adopted what I believe was a comprehensive range of sound farm policies. The 3-year, on-farm reseal program that the Senate adopted would help this Nation build stocks that would protect us against the vagaries of weather, the most significant factor in our agricultural production.

Wheat is not the only commodity that is in a precarious market condition. Corn, milo, barley, soybeans, flaxseed, sugar, and cotton all are in very serious condition with plunging prices.

Soybeans, the golden crop just a few short weeks ago, are down to $5.93 from the near $10 high of earlier this year. A year ago, soybeans were selling for $7.07. Corn, another critical commodity, is down nearly $1 a bushel from a year earlier. And sugar, which is the orphan of our farm policy, left at the mercy of subsidized foreign dumping—the only commodity of importance without a program—is down almost 6 cents a pound from last year, costing its producers nearly $1 billion.

Mr. President, I have a chart detailing the situation from a recent edition of the Wall Street Journal. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, it is important that we fully understand the gravity of this crisis. Statistics do not tell the full story. The farmers and rural entities that will go broke this year are really only the tip of the iceberg. Those that manage to hang on will be burdened with debts that will inhibit their viability for years to come. These producers will have no solace in thinking back to the Government policies that got them into this situation in the first place. I can only hope that it will be Government policy to assure their survival.

Agriculture is the backbone of the U.S. economy. Even though only 1 of every 25 Americans claims farming as his occupation, agriculture touches the well-being of us all. Falling farm prices, which are never accurately reflected at the grocery shelf, have never really benefited consumers. Severe swings in a downward manner have historically been met by radical actions to reduce production. Ultimately, supply will fall below demand and prices swing sharply upward out of control.

Stability characterizes the farm economies of many countries, but not ours. It may be that at one time we could afford instability. Today the price we pay is much higher. Regardless of what we may wish to think, we have a farm econ-

omy that is capital intensive. Even minor shifts in farm income will have a ripple effect in associated industries. The crisis we have today is shaking the foundation of the economies of the entire farm belt, indeed, the foundation of rural America.

The situation in my home State of Minnesota is particularly precarious. Only this spring were our farmers able to come out of one of the most serious droughts since the great depression. When prices were high a couple of years ago, Minnesota producers had nothing to sell. Now they have record production and limited markets.

It is, indeed, perplexing that American agriculture, the most productive and effective system of farms that the world has ever seen, remains subject to wild economic swings. We must reflect on the current lesson and try to design policy alternatives that will bring stability to the countryside. In the meantime, the Congress must seriously assess the current situation in its approach to current farm legislation. To do otherwise would be to act in a manner that is inconsistent with the interest of this Nation.

EXHIBIT 1.—LIST OF COMMODITIES AND PRICES

Commodity	July 11, 1977	Year ago	Price decline
Wheat, No. 2 ordinary hard Kansas City (bushel)	$2.34½	$3.64½	—$1.30
Wheat, No. 2 Dark Northern 14 percent pro Minneapolis	2.55¼	4.30	—1.74¾
Wheat, No. 2 Soft Red, Chicago (bushel)	2.20½	3.31½	—1.11
Milo, No. 2 Kansas City (hundredweight)	3.30	4.95	—1.65
Corn, No. 2 Yellow, Chicago (bushel)	2.07¼	2.99½	—.92¼
Oats, No. 2 milling, Minneapolis (bushel)	1.20	1.90	—.70
Rye, No. 2, Minneapolis (bushel)	2.15	3.40	—1.25
Barley, top-quality, Minneapolis (bushel)	2.50	3.70	—1.20
Soybeans, No. 1 Yellow, Chicago (bushel)	5.93	7.07	—1.14
Flaxseed, Minneapolis (bushel)	5.15	7.70	—2.55
Sugar, cane, raw, New York, No. 1 (pound)	.0964	.1520	—.056
Cotton, 1 1/16 in (mid-Memphis (pound)	.6040	.8845	—.2805

Source: Wall Street Journal, July 11, 1977.

EXTENSIONS OF REMARKS

CLIMATE PREDICTION

HON. HARRISON "JACK" SCHMITT

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Friday, July 15, 1977

Mr. SCHMITT. Mr. President, on July 6, 1977, the Science, Technology, and Space Subcommittee conducted formal hearings in Albuquerque, N. Mex. The purpose of these field hearings was to examine the special needs of our southwestern States for long range climate prediction and to consider S. 421, the National Climate Program Act. This bill was introduced by Senator PEARSON and I am happy to be a cosponsor.

New Mexico and the southwestern United States have as great, if not greater, interest in climate prediction as most other areas. Our basic climate is compatible with ranching and farming, but just barely. The more often and the more accurately we can predict annual and multi-annual climate variation, particularly the adverse years, the more economical will be our agricultural activities.

This lesson from New Mexico has more general application. The industrial nations of the world are pushing the limits of the availability of energy. Thus, annual and multi-annual variations in climate, specifically heat and cold, can cause major crises of energy supply. We saw this demonstrated last winter in this country.

The rapidly increasing populations of the developing nations of the world are pushing the limits of the availability of food supplies. Thus, small annual and multi-annual variations in climate, specifically snowfall and rainfall, can cause major seasonal shortages of food. We see these crises each year in many parts of the world.

The common factor is that the world is pushing at the present limits of the earth's ability to support the material and population growth we demand. Technology offers major relief from these limits in the future; however, for the next several decades much improved climate prediction is absolutely necessary if we are to buy time for politics and technology to sort themselves out. This is as true for New Mexico and the Southwest as it is for the world.

New Mexicans and other southwesterners were able to make a number of unique and significant contributions to the hearing record which will eventually improve the effectiveness of the proposed legislation. Witnesses included a broad spectrum of interests from scientific investigators to farmers and ranchers to government officials. Testimony was given by a number of private citizens, organizations, and institutions including: University of Arizona, Tree Ring Institute; Sandia Laboratories; U.S. Geological Survey; National Weather Service; State of New Mexico; State of Texas; New Mexico State University; All Indian Pueblo Council; Navajo Tribal Council; New Mexico Farm and Livestock Bureau; City of Albuquerque; Northeast New Mexico Range Management Assn.; New Mexico Cattle Growers Assn.

Mayor Harry Kinney of Albuquerque made special note of the importance of accurate climate information to city planning related to construction and weather related operational costs. For example, the city recently completed expensive upgrading of the flood control system used to protect residents from the hypothetical "100-year flood." Data uncertainties lead to what he believed may have been substantial and expensive over-design of flood levies and culverts. Dependable, long-term climate information may have been able to reduce the engineering costs of the project and to permit the diversion of scarce funds to priority services for city residents.

Harold Malde of the U.S. Geological Survey and Harold Fritts of the Arizona Tree Ring Institute made particularly effective statements regarding the need for a multidisciplinary approach to climate research. Dr. Fritts pointed out for example, the importance of dendroclimatology—climate study through the analysis of tree rings—in testing current theories proposed by meteorologists. Robert Roosen of Sandia Laboratories explained the contribution of the systems analyst in coordinating data input so that predictive models, particularly those using solar data, can be developed using the most sensitive indicators of future climate.

Mr. Joe Skeen, a sheep rancher from Picacho, N. Mex., and W. O. Culvertson of the Northeast New Mexico Range Management Association expressed the plight of range managers in dealing with climate problems. Sensitive western rangeland can be overgrazed in unexpected periods of dryness, leading to long-term damage to the root systems of grasses. Accurate rainfall predictions would permit sale of stock in excess of the level which could be supported by the range or permit purchase of additional stock in wet periods resulting in higher yields.

Hearing testimony included acknowledgement of the strong correlation between some solar phenomena and climate conditions in certain geographical regions of the Southwest. It was noted for example that periods of relative wetness and dryness in southwestern New Mexico closely follow the 11- and 22-year sunspot cycles. Similarly, periods of relatively high rainfall may follow solar flare activity by about 6 weeks.

Mr. George Gregg of the National Weather Service Forecast Office in Albuquerque noted that substantial data generated by National Weather Service offices and State offices are not in a form suitable for climate analysis. It was his opinion that a relatively large quantity of useful information has remained untapped for this reason and that preparation of that information for data analysis will be a tedious but ultimately fruitful operation. In the same vein, State climatological and weather offices have not been wholly successful due to inadequate funding as well as lack of relevance of many of the functions assigned to the offices. However, all witnesses agreed that the concept of State climatological offices should be pursued vigorously. Mr. Skeen and Bob Storey of the New Mexico Farm and Livestock Bureau pointed out that climate prediction capability would be particularly valuable in directing agricultural research. Modern hybrids can be adapted for optimum yields if it is known that growing seasons will be unusually long, short, or variable. Also, it is possible to establish different

crop rotation schedules which would improve agricultural yields when climate variations are known.

As a member of the Commerce Committee, I was pleased to participate in the series of climate hearings and to chair those conducted in Albuquerque. While no one should expect immediate results from these very early efforts, the long term financial return from effective climate research is in the billions of dollars annually. I am pleased to report to the Senate that the people of New Mexico are most interested in the progress of this initiative and are vitally affected by its potential results.

THINGS SEEM GRAVELY AMISS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. UDALL. Mr. Speaker, things seem gravely amiss when in the face of a 35-percent construction unemployment in an area of the United States, our own Department of Labor makes it possible for a German construction company to import German bricklayers.

The situation is detailed in a recent article by the Journal of the International Union of Bricklayers and Allied Craftsmen. I commend it to my colleagues.

The article raises serious questions about not only the interpretation of law under which labor certifications are issued but also the policy view taken by the Department of State vis-a-vis impact on U.S. workers.

Here is the Journal article:

STATE DEPARTMENT ACTION DENIES U.S. BRICKLAYERS EMPLOYMENT OPPORTUNITIES

In the face of 35 percent construction unemployment in the Mobile, Alabama, area, and in direct contradiction of the U.S. immigration laws, a German construction company is currently being allowed to import German bricklayers and laborers to construct a feed plant in Theodore, Alabama.

DeGussa Alabama, Inc., a firm with its parent office in Germany, awarded the masonry contract for the feed plant to another German firm, the Hof Company, after bids had been received from at least two American contractors. The company claims that the work involved necessitates materials and specially trained workers not available in the United States. However, the American contractors and local union officials dispute this claim saying that the work is not unique and that both the materials and the skilled workers are available.

The German workers were issued B–1 visas by the American Consuls in Dusseldorf and Munich, Germany. However, such visas are intended for businessmen and supervisory personnel, not for "purely local employment or labor for hire."

Labor certifications for either the temporary or permanent employment of aliens in the United States may be issued only after the Secretary of Labor has determined that there are not sufficient United States workers who are available to perform the work and that the employment of aliens will not adversely affect wages and working conditions of United States workers.

E. A. Lewis, Business Agent of Local 2, Mobile, Alabama, charged that "one-third of our trained bricklayers are sitting idle while these German bricklayers are imported to work on the DeGussa project." He said that if the German bricklayers are allowed to complete the projected 21-week "Stage Two" of the project, Local 2 members will have lost more than $400,000 in wages and benefits. Laborers in the Mobile area will also have lost another $90,000 in wages and benefits. At the same time, U.S. unemployment benefits amounting to about $110,000 will have been paid to Local 2's members who could have been employed on this project.

"The law has obviously been bent to fit the wishes of the Hof Company and the German based DeGussa Corporation," IU President Thomas F. Murphy asserted. "The importation of foreign workers, who conceivably will work for wages less than those required by American union standards, while American workers remain unemployed, is damaging to the economy and contrary to Congressional intent."

Some evidence of the U.S. State Department's misunderstanding of the problem and of its impact is reflected in the comment of a State Department official who maintained that because the German bricklayers are paid by a German employer, their wages and working conditions do not adversely affect workers in the United States.

"If such false impressions are allowed to stand unchallenged, the decent wages and working conditions that American workers have fought to obtain over the years will mean nothing," IU Secretary John T. Joyce stated. "Over the past few years, American workers have watched their jobs disappear as American companies moved to foreign countries for cheap labor. But to allow, even give permission, to foreign companies to come into our own country and deprive American workers of jobs that they need and are trained for is in direct contradiction to our immigration laws and is a gross violation of the rights of American workers."

Letters of protest have been sent by the IU Executive Board, Local 2, Alabama, and Robert Georgine, President of the AFL–CIO Building and Construction Trades Department to President Jimmy Carter, Secretary of State Cyrus Vance, Attorney General Griffin Bell, Secretary of Labor Ray Marshall, Senators John Sparkman, James Allen and James Eastland, and Representatives Jack Edwards and Joshua Eilberg.

Local 2 Business Agent E. A. Lewis and IU officials met recently with Senator John Sparkman and Senator James Allen's representative in Washington, D.C., seeking action on the situation.

In addition, it is understood that the National Legal Center for the Public Interest is investigating the case.

THE MENDED HEARTS, INC.

HON. PETE V. DOMENICI

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Friday, July 15, 1977

Mr. DOMENICI. Mr. President, few of us have been untouched by heart disease—members of our families, close friends, perhaps even ourselves have been victims. The American Heart Association estimates that over 28 million Americans are affected with cardiovascular disease, and 1 million deaths a year are attributed to it. This is more than from all other causes combined.

For most, there are no cure-alls, yet medical specialists have determined that for some 80,000 persons annually in the United States, heart surgery can be performed which may correct their problem. However, as with all surgical procedures, there are risks involved, and the physical and psychological torment preceding the operation may be immense. The patient and his or her family need reassurance and guidance, not knowing where to turn.

Recently, I have become aware of an organization which attempts to fill the needs of the patients and their families. The organization, The Mended Hearts, Inc., is a voluntary affiliation of persons throughout the world who have undergone heart surgery. This worthy organization was started in 1951 by 4 post-surgery heart patients who wanted to share their experiences and advice with those who were to follow the same painful path.

Today, there are over 8,000 members including those who have undergone heart surgery and those associates interested in the cause. The objectives of the organization are manifold—to distribute information, provide advice and services to patients and their families, visit heart patients, and assist in established rehabilitation programs. Another very important objective is to cooperate with the American Heart Association to assist in their heart fund drives and other activities.

In cities where heart surgery is performed, doctors, nurses and other hospital personnel welcome these trained and accredited visitors who answer nonmedical questions, sit with families during surgery and offer encouragement with empathy possible only from a recovered heart surgery patient.

Members active in a chapter of Mended Hearts, Inc., headquartered in Albuquerque, have often offered their services to many New Mexicans. I mention the organization today to share with my colleagues the nature of this service in order to make this information available to others who have similar needs.

VETERANS' PENSION—MORE THAN AN INTERIM SOLUTION IS NEEDED

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. DRINAN. Mr. Speaker, I was pleased to support H.R. 7345, the Veterans' and Survivors' Pension Adjustment Act of 1977, which was approved by the House earlier this week. This measure provides a 7-percent increase in pension rates and also raises the annual income limitation for pensioners so as to provide some protection against a loss of income due to increases in social security benefits. Of equal importance in H.R. 7345 is the provision which grants a 25-percent increase in widows' pension for those 78 years of age and older. This "add-on" is intended to assist the elderly widows of of World War I veterans who were not included in the "add-on" which was granted to World War I veterans last year.

The Congress has determined that the current pension program does not fully provide assistance required to meet the needs of the veterans and their dependents whom it was intended to serve. Accordingly, the Congress directed the Veterans' Administration to conduct a comprehensive review and evaluation of the pension program. The Veterans' Affairs Committee has pledged itself to hearings on the pension program once this report is received. H.R. 7345 was reported as an interim measure to meet some of the critical problems of those veterans living on fixed incomes.

It is estimated that 80 percent of those eligible for veterans' pension also receive social security and for most of these people this nicome is their sole means of support. In 1973 the Congress took the first step in recognizing the burden inflation places on those living on fixed incomes through enactment of an automatic cost-of-living adjustor in the social security benefit program. The intention of this provision was clear—benefits were to keep pace with inflation. Yet, to a large extent, that honorable gesture has become a hoax, for this increase has over and over again served as a basis for reduction and in some situations termination of benefits from another program. One of my constituents summed up the feelings of the many who have experienced such reductions by saying, "What is given to us by one hand of the Federal Government is being taken by the other".

Under legislation enacted in the 94th Congress steps were taken to prevent loss of income and H.R. 7345 also provides some resolution of this problem through an increase in the overall income limitation on which veterans' pension eligibility is determined. Yet in all too many cases the veteran is still left in a worse financial situation in terms of total income.

The problem requires a permanent solution for inflation is going to continue to wage economic warfare on the budgets of those elderly and disabled Americans who are forced to live on fixed incomes. Since 1972 I have called for the enactment of legislation which would totally exclude social security cost-of-living increases from consideration as additional income in other programs. In no way does a cost-of-living increase result in extra money for those on fixed incomes as it is quickly consumed by increases in food, housing and medical costs. When comprehensive reform of the pension program is proposed, I would hope that provisions will be made to exclude social security cost-of-living adjustments from consideration as additional income in the veterans' pension program.

Likewise it is my hope that the interim provision of a 25 percent add-on in the pension of World War I veterans and their widows will be replaced with a permanent program allowing an unrestricted pension to this group of veterans. Less than one-fourth of the 4,744,000 Americans who served during World War I survive today. These individuals average 79 years of age and very few are able to work. Most retired from their jobs almost 15 years ago when public and private retirement plans were not as good as they are today. In addition World War I veterans suffered both through the war and at home through the Great Depression which was particularly devastating for the breadwinner whose livelihood had been interrupted by military services.

World War I veterans never had the same benefits as their younger counterparts and legislation to provide the assistance they need is long overdue. A flat pension allowance regardless of income should be included in any pension reform measure which intends to place equity in the program.

HELSINKI'S UNFULFILLED PROMISE

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. BAUCUS. Mr. Speaker, today I am adding another chapter, to the many which have already been written regarding the denial of fundamental human rights in the Soviet Union. I am honored to join with many of my colleagues who are protesting the existence of "Helsinki's Unfulfilled Promise."

The United States was founded upon certain freedoms. Three of the most fundamental were freedom of speech, freedom of association, and freedom of religion. These precepts remain part of the foundation and goal of life in the United States.

We also believe that there are basic human rights which all men and women are entitled to, even though we recognize that differing political philosophies exist. It is for this reason that 35 nations, including the Soviet Union, were signatories to the Helsinki Final Act in August 1975.

This is a particularly appropriate time to address this question, since the United States and Russia are now meeting in Belgrade to discuss human rights matters. The Helsinki Accords are an attempt to come to grips with the universal question of human rights. America perceives these accords as an affirmation of basic human rights such as freedom to emigrate, to practice one's religion as one sees fit, and to freely express oneself without fear of repression.

My good friend, the gentleman from Massachusetts—Mr. DRINAN—recently brought a particularly tragic case to my attention which seems to be a violation of the Helsinki Agreement. It involves a physicist named Eitan Finklestein, and his wife and 3-year-old child.

Eitan and his wife Alexandra are dedicated spokesmen for the Zionist community in Russia. Not only have they applied for visas themselves, but they have bravely spoken out for the rights of all Jews who wish to obtain permission to emigrate. Albert Kaplan, Eitan's cousin who lives in New York, writes of their struggle:

"For some time, Eitan was unemployed. He lost his job soon after he applied for an emigration visa to Israel. After much searching, he was able to get a job as a laboratory technician in a hospital. In order to secure the job, he had to accept a much lower salary than that ordinarily secured by a laboratory technician.

Alexandra and the baby live in Moscow, but Eitan, unable to get a residence permit to live with his wife in Moscow is required to live in Vilnius (550 miles from Moscow). The authorities have made it quite difficult for him to visit his wife and child in Moscow and he has been threatened with imprisonment if he does so.

Eitan and his wife are dedicated Zionists. Because of their desire to emigrate, their lives have been disrupted by the authorities. Eitan has been somewhat demoralized, although he has not given up hope."

Eitan has filed many protests to Soviet authorities regarding their denial of exit permits to Israel—all without success. These denials are moral and legal violations of the Helsinki Accords. Eitan writes:

"As a first hand observer of the life of Soviet Jewery for the last 15 years and as a direct participant of many important events in this life, I declare that a cultural genocide of the Jews is being conducted in the Soviet Union."

It is this total and severe repression which I feel Members of Congress must speak out against. Many Jews see emigration as the only way to lead a full Jewish life, and for this reason, I hope that the conference in Belgrade will address this question, not only for Eitan Finklestein's sake, but for the sake of millions of Soviet citizens.

A TRULY OUTSTANDING PUBLIC SERVANT

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today in honor of a woman I have known for many years, Mrs. Dorothy Trevethan.

A third generation Campbell, Calif., resident, Mrs. Trevethan has been city clerk of Campbell since the year the city was incorporated in 1952. She was appointed to the position of city clerk and has been elected to that position for six consecutive terms.

Mrs. Trevethan has not only devoted her life to the city of Campbell, but has been active in many community affairs. She has served as a board member of the Multiple Sclerosis Foundation, as treasurer of the Campbell Chapter of the American Cancer Society, and is presently a member of the board of directors of the San Jose Postal Consumers Council.

Professionally, Mrs. Trevethan has been actively involved with the Business and Professional Women's Club of Campbell, having served as president of the club. She was instrumental in forming the Northern California City Clerk's Association. In October of 1971, she was certified as a municipal clerk, one of eight throughout the State of California.

Mrs. Trevethan was honored by the Campbell Business and Professional Women's Club as "Woman of the Year" in 1969 and in 1971 as the "Woman of

Achievement." In 1973, she was cited by the California Federation of Business and Professional Women's Clubs as "Woman of Achievement."

Mr. Speaker, tonight, Friday, July 15, 1977, Mrs. Trevethan will be honored in her retirement as the city clerk of Campbell, Calif. I ask you and my colleagues to join me today in congratulating and giving best wishes to Mrs. Dorothy Trevethan, a truly outstanding public servant.

PRESIDENT CARTER ON HUMAN RIGHTS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. EILBERG. Mr. Speaker, we have read recently in the news media of a considerable amount of controversy surrounding President Carter's actions in the field of international human rights.

I commend to the attention of my colleagues the following analysis of this discussion. This article has been prepared by the Student Struggle for Soviet Jewry, and it includes several well made points relevant to this issue:

CARTER ON HUMAN RIGHTS: RIGHT ON!

President Carter's determined policy of speaking out strongly against violations of human rights wherever they are to be found has drawn increasing criticism of late from many of the editorialists who help mold American opinion. These writers charge that by taking a negative approach, Mr. Carter does more harm than good, alienating friends and infuriating enemies. What is often overlooked in these discussions is the other side of the coin. President Carter's forthrightness on human rights has had and promises to have a beneficial impact on all four groups involved in the dispute:

The American people, cynical to the point of open distrust about the goals of their government and its means of attaining them after the long years of Vietnam and Watergate, are being infused with a new pride. This spirit of rededication to values and their open espousal is the most positive factor in our political life since the youthful idealism of the early Kennedy years.

The peoples of the world are understandably skeptical. America's long tradition of dedication to civil liberties is not generally shared abroad. The Third World in particular is suspicious of the reasons behind the new American emphasis on rights and even the intellectuals who favor it doubt the U.S.'s staying power on the issue. There was a time, however, when oppressed nations around the globe looked to the U.S. for moral leadership and support. A consistent focus on human rights could well regain for us that role.

The governments involved, especially the Soviet Union, which has become the focus of the human rights debate, are understandably displeased. In the short run that displeasure may often rebound to the diplomatic disadvantage of the United States. But economic issues and the overriding need for international cooperation are likely to bring them back into the fold. Once they realize that American foreign policy will not surrender its moral pillar they will, of necessity, accommodate themselves to it.

What then of the last of the involved groups, Soviet Jews, dissidents and others oppressed? Are they now suffering more as a reaction to the U.S. initiative as governments, again chiefly Russia, try to prove that they will not knuckle under? The evidence suggests that this is not the case.

1. Russia's current crackdown against dissidents and Jews began in October 1976, well before the Presidential elections, much less the declaration of a new direction in foreign affairs. These waves of oppression periodically sweep the USSR, regardless of the Western posture at any given moment, and seem more dependent on internal contingencies than external events.

2. Far from rejecting the American initiative, the dissidents themselves encourage it. Their morale immeasurably raised, they note that their only defense against further Soviet repression is continued Western pressure. This alone has made possible the dramatic flowering of the dissident movement and the renaissance and massive exodus of Russian Jews in the course of the last decade. When the times of Western silence coincided with periods of oppression, the dissidents were invariably subjected to the harshest treatment.

3. Are we, as some critics have charged, returning to the days of the Cold War? Again, the answer appears to be "no." The Cold War of the 1950's was marked by a turning inwards of our national attention and, beyond our global anti-Communism, a lack of concern for the lives of others in the world. Human rights were not only irrelevant to our foreign policy, but were disregarded domestically as well. There is no similarity to our current concern with the oppressed in all parts of the world.

4. It is only proper to consider, lastly, the wishes of those most directly at risk themselves. Anatoly Sharansky, a leader of both the Jewish and human rights groups in Russia, has been the prime scapegoat in the latest Soviet squeeze. On which side of the discussion does his voice weigh in? "Whatever happens to us, we maintain the same position—Western pressure is the only possible way of saving the movement and having real detente," he said.

In the final analysis, that may be the most telling point. The Carter policy on human rights is both practically and morally correct. The President deserves our admiration, our encouragement and our vocal support.

SURVEY REJECTS ORGANIZED MILITARY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. GAYDOS. Mr. Speaker, I recently conducted a survey among residents of the 20th Congressional District of Pennsylvania on the question of organizing the members of the Nation's Armed Forces, an issue that is attracting growing attention throughout the country.

The residents were asked a two-part question: Should members of the armed services have the right to join a union? Was the head of the voting household a member of a union?

Nearly 20,000 responses were received with 95 percent—19,001—expressing their opposition to allowing servicemen and women to organize. Regarding the second part of the question, 5,000 of those responding indicated they were union members and of that total 93 percent opposed organizing the military.

Mr. Speaker, in accordance with past practices, I have informed President Carter of the results of this survey and I take this opportunity to bring them to the attention of my colleagues in the Congress.

NAVIGATION DEVELOPMENT ACT

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. JOHNSON of California. Mr. Speaker, the Navigation Development Act was introduced yesterday to pave the way for imposition of a fee on inland waterway users and to reconstruct a key Mississippi River navigation facility. Prompt action is scheduled by the House Committee on Public Works and Transportation and the Committee on Ways and Means.

Designed to accommodate administration recommendations and concerns of transportation modes affected, the bill, H.R. 8309, has been set for hearing by the Water Resources Subcommittee Monday, July 18, and the Ways and Means Committee Thursday and Friday, July 21 and 22.

Title I identifies 26 major inland waterways whose users would be subject to a user fee expected to be considered simultaneously by the tax-writing Committee on Ways and Means, which shares jurisdiction over the package with the Public Works Committee.

Title II, the revenue portion of the legislation, will be developed by the Ways and Means Committee after its hearings.

Title III mandates a study of various types and levels of charges possibly to be levied by subsequent legislation and the types of waterways and facilities—including ports—and users to be covered, plus the impact on carriers, shippers, consumers, and regions affected.

At this point, there is a strong case for applying the principle of cost-sharing to the commercial navigation industry as is the case with such modes as highway transportation and civil aviation.

At the same time this represents a substantial policy change affecting waterways which should not be undertaken beyond an initial interim measure without exhaustive efforts to gage the impact on all concerned.

The study mandated by the bill would be conducted by the Secretary of Transportation within 3 years, and subjected to independent evaluation and recommendations by the National Transportation Policy Study Commission within 6 months of completion.

The navigation facility slated for reconstruction is the badly deteriorated Locks and Dam 26 at Alton, Ill., to be rebuilt at a site 2 miles downstream from the existing locks and dam.

Estimated costs for reconstruction, including another related study, are $452 million for the facility, vital to barge operations serving agriculture and other transportation users in the Midwest.

The inland waterways affected include all or parts of the following: Allegheny River, Apalachicola-Chattahoochee and

Flint Rivers, Arkansas River—McClellan-Kerr Arkansas River navigation system—Atlantic Intracoastal Waterway, Columbia River—Columbia-Snake Rivers Inland Waterways—Cumberland River, Green and Barren Rivers, Gulf Intracoastal Waterway, Lower Mississippi River, Upper Mississippi River, Missouri River, Black Warrior-Tombigbee-Mobile Rivers, Monongahela River, Illinois Waterway—Calumet-Sag Channel—Kanawha River, Kentucky River, Tennessee River, Kaskaskia River, Alabama-Coosa Rivers, Pearl River, White River, Red River, and Atchafalaya River.

ST. CROIX ISLAND CENTER FOR THE PERFORMING ARTS

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. DE LUGO. Mr. Speaker, it is my honor to share with my colleagues in the House of Representatives some brief remarks about the St. Croix Island Center for the Performing Arts on the occasion of its 10th anniversary.

During the 10 years of its existence, the center has been a showcase for the arts, enriching the cultural life of the islands and providing local as well as Stateside entertainers with a stage upon which to demonstrate their talents. While this cultural center has had its assortment of difficulties the people of St. Croix rightly view it as a resounding success. Accordingly, I believe we should pause and pay tribute to the original sponsors and steady benefactors for their foresight, sacrifice, and dedication in making Island Center a reality, a continuing institution, and an asset of which all Virgin Islanders can be proud.

In particular, I want to commend the tremendous efforts of Dan Eckley and Byron Case. Their belief in and commitment to the Island Center is well known and deeply appreciated.

I insert in the RECORD the editorial from the St. Croix Avis of June 24, 1977:

ISLAND CENTER IS 10 YEARS OLD

That institution, for that is exactly what it is, came about because this Island needed a "home" in which the finest and best in the performing arts could be enjoyed. Island Center is that "Home".

Like so many of the significant events in the life of a community, the emergence of this center called for the imagination, the resourcefulness, the grit, and the endless hours of work to put it together, and come up with a finished product of which not only the proponents could be satisfied, but the entire Island could look back with justifiable pride upon its accomplishment.

It was time that St. Croix had a place where it could present—and hear—any performer, of the highest level, whether in dramatics, music, or any art form. Now, believe it or not, 10 years have passed, a history has been made, and everyone looks forward to bigger and better things for the next decade, and beyond.

Among those who worked tirelessly and with optimistic enthusiasm are Dan Eckley and Byron Case. While these names come to mind, this is not to say that any number of others, in one degree or another, contributed in many ways to the fulfillment of this dream.

No thought, or mention of Island Center could honestly be made without going back to these men and women who first had a vision, then a plan, and the grit and determination to work toward the accomplishment of that dream.

But there was more. While the immediate pioneers, workers and dreamers had the thought, turned it over in their minds again and again, and planned everything, from the largest and most complicated detail, they had to make sure that an entire community was with them. For only in this way could this venture truly become a product of the Island, which bears its name. Cooperation, support and the funds came in to make the Center possible, and these came from every quarter.

Audiences at Island Center have been treated to some of the finest in the performing arts. And that is no mean accomplishment, since it helped to raise our level and our sights.

Certainly, a word of appreciation and gratitude is due those who helped to make this dream come true. Through their efforts St. Croix now has a home for the arts.

PERSONAL EXPLANATION ON H.R. 2777

HON. JIM GUY TUCKER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. TUCKER. Mr. Speaker, yesterday afternoon I was unavoidably absent for the vote on final passage of H.R. 2777, the National Consumer Cooperative Bank Act. I deeply regret my absence for this important vote, and would like for the record to show that had I been present, I would have voted in favor of H.R. 2777.

The cooperative concept is not new to this country. Indeed, cooperatives have been an important part of the American economic scene for the last century. Private lending institutions and existing Government programs have traditionally provided financial sponsorship for cooperatives. However, the record of testimony of H.R. 2777 has clearly demonstrated that these financing sources for a variety of reasons generally have not been available to consumer cooperatives.

When a credit vacuum of this nature has existed in the past, Congress has responded with well-reasoned programs. We are all familiar with the successful efforts in this area by the Small Business Administration, the Rural Electrification Administration, and the Cooperative Farm Credit System. These successes have clearly established the validity of combining Federal seed money with local self-help programs.

The National Consumer Cooperative Bank will now carry this proven concept to urban communities and nonfarm rural areas. In doing so, the bank will strengthen the private enterprise system by enhancing marketplace competition and broadening the base of small business ownership.

I believe three particularly important points should be made about this concept. First, the cooperative concept enhances each member's stake in the private enterprise system. It does so by providing those individuals and families who have only modest resources with a piece of the action. It provides them the opportunity for ownership in a business enterprise and, in the process, strengthens and encourages a respect for law and the opportunities afforded by initiative and cooperation.

Second, this is not a giveaway program. Indeed, this legislation provides only for a loan which must be repaid by the cooperative bank at a full rate of interest to the Federal Government. Thus, the taxpayers will receive not only a return of each dollar loaned, but interest on that money as well. This stands in sharp contrast to the enormous number of Government programs which involve direct subsidies and giveaways.

Third, this legislation will not allow a subsidization of the cooperatives which are started. All loans made by the bank must be made at commercial interest rates, and must be repaid in the same fashion as any other commercial loan. All this legislation does is provide a source for such loans. It was precisely this type of approach that allowed the establishment of the enormously successful system of producers' cooperatives that are now a mainstay of the agricultural economy of our Nation.

Certainly, Mr. Chairman, the bank deserves the support of the Congress and the American people.

WAUKEGAN ALDERMAN BOB EVANS FETED BY FELLOW CITIZENS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. McCLORY. Mr. Speaker, it is with great pride and pleasure that I call to your attention and to the attention of my colleagues, the record of service and dedication established by Waukegan Alderman Bob Evans. Bob Evans is a native of Waukegan, Ill., the most populous city in my congressional district.

Mr. Speaker, as a citizen who has developed his talents and personality through the great community and educational services offered in this area, Bob Evans as a youngster enjoyed the advantages of the Happy Day Nursery, established and administered by our most honored senior black citizen and my cherished friend, Anna Thomas.

Mr. Speaker, Bob Evans became a leader in the student body at Waukegan Township High School, where he earned particular fame as a star wrestler. Later, he had a business career at Johns-Mansville and with the United Insurance Co., of America where he is presently employed.

Mr. Speaker, it is far more than Alderman Bob Evans' business career to which I wish to call your attention. While his educational and business backgrounds are appropriate to mention, his service in the community in helping establish the YMCA in his ward and his interest in promoting the development of the new Happy Day Nursery facilities are actions which are consistent with his interest in

the young people and citizens of all ages in Waukegan.

Married to Trudy Evans, Alderman Bob Evans and Trudy are proud of their children, Rhonda, Robert Jr., and Rochelle. Alderman Bob Evans likewise has brought special pride to his parents, Willie and Alderman Raymond Evans, with whom he serves on the city council.

Mr. Speaker, on Saturday, July 23, the citizens of Waukegan will honor Alderman Bob Evans for his tireless and exemplary service to the community and particularly to the people of the second ward of Waukegan.

Mr. Speaker, I will be privileged to be in attendance at that time and expect to extend to Alderman Bob Evans my warm congratulations and good wishes, and to recall these remarks which are delivered here today for the benefit of all of us who recognize and encourage honorable public service—such as the record established by Alderman Bob Evans.

THE SOCIETY FOR NUTRITION EDUCATION

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. McHUGH. Mr. Speaker, on July 13 I had the opportunity to speak at the annual convention of the Society for Nutrition Education. The topic for its 3-day session this year was "The Challenge of Change," and I was favorably impressed with the seriousness of the participants as they addressed themselves to this most important issue.

Since the society was founded in 1968, it has played an important role in the field of nutrition education. Its major publication, the Journal of Nutrition Education, is published quarterly, and is a source of information for both those working in the applied field of nutrition and for educators generally.

The society began operation as a membership organization in 1970, and now has over 4,400 members. Its activities are many and varied. One arduous task that the society has undertaken over the years is to evaluate the ever increasing amount of published materials on nutrition through its National Nutrition Education Clearing House. The clearinghouse collects, evaluates, and communicates data on educational resources available for teaching nutrition. In some cases, the society has gone one step further, producing some of its own audiovisual aids for special needs.

The society is not simply devoted to education, however. It is also involved in many of the day to day struggles to improve governmental programs in this area, and its permanent Washington liaison member and its legislative committee have participated in congressional hearings.

Members of the society are currently exploring the need for standards for school nutrition education specialists; for better communication between food industry representatives, and consumer and nutrition educators; and for guidelines for cost/benefit analyses of various nutrition programs.

The work of the society, and the foresight of its members in making an ongoing contribution to improving our understanding of nutrition issues, deserves the support of all of us, and I would like to commend the society for the useful role that it plays in our society.

NEW YORK AND ITS LOOTERS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. ASHBROOK. Mr. Speaker, once more we see the spectacle of those charged with protecting life and property running for cover, cowering at the spectacle of looters rampaging a city. New York and its government should be condemned for allowing such a horrible spectacle. All Americans are shamed by these 20th century pirates and vandals.

Oh yes, the bleeding hearts will say it is because these looters have been denied this or that. Yes, they have been denied something, but it is the strong force of law to stop those who loot in their tracks, not more welfare or spoonfeeding.

A continuing pattern in our big cities develops a twofold problem. First, radical elements appeal to the basest elements in some minority communities by telling them they have been oppressed and what other people have they deserve whether this is so or not. How many times have I read the euphemism in the radical press that stealing is not stealing, it is merely "liberating the peoples' goods" or, in effect, taking what is already yours. Yes, there was a lot of liberating of the peoples' goods on Wednesday night in New York. Arson goes hand in hand with looting and we say that, too.

The second problem comes in the political leadership in those cities and in the country. How can the Abe Beames, the John Lindseys, the Ramsey Clarks take a tough position on looters and rioters? These are their constituents. These are the ones for whose votes they pander. They bask in the adulation of these groups who, on occasion, take to the street to liberate the peoples' goods, their political supporters, and deceive or even lie to the worker, the businessman, the productive Americans whose votes they also need.

Good, law-abiding citizens, workers, productive people ought to take a hard look at these liberal types. They only induce more lawlessness, more looting, more rioting. They wink at the looter and take you for suckers.

Abe Beame will have the affrontery to ask American taxpayers to cough up their tax dollars for the looting and rioting. Yes, this spineless mayor will not have any qualms to seek hundreds of millions, even billions to pay for his maladministration. New York has been systematically looting the Treasury for years so what is one more trickle he will think. We should give him a resounding "No" on principle.

Looters should be shot. That sounds hard but the infectious virus of plundering must stop. Historically, looters have always been considered as the lowest form of human life. The dregs of society. They have always come out from under rocks when there is flood, fire, plague, disaster. Historically they have been treated just as they deserved—shot on the spot. They are like predatory animals, they feed on the misery of other humans.

Looters deserve neither your sympathy nor your psychiatric analysis. Watch the libs try to explain away in social, philosophic terms the action of these un-American vandals. The American people know better even if their mayors, their attorney generals, their leaders, do not.

DRINAN OBJECTS TO PROPOSED APPOINTMENT OF LYMAN B. KIRKPATRICK TO CIA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. DRINAN. Mr. Speaker, I am astonished to learn that President Carter is seriously considering the appointment of Prof. Lyman B. Kirkpatrick, Jr., as Deputy Director of the Central Intelligence Agency.

Mr. Kirkpatrick served as the Agency's Inspector General from 1953 until 1961. Nothing in his record indicates that he is the right person to assume the No. 2 job at an agency whose excesses and blatantly illegal activities have outraged millions of law-abiding Americans.

Mr. Kirkpatrick never saw the need to share with the public the horrifying details of the death of Army biochemist Frank R. Olson, who died in 1953 when he plunged from a New York hotel window after using LSD in a Central Intelligence Agency experiment. Mr. Kirkpatrick later admitted, according to a report in today's New York Times, that he had not recommended sufficient disciplinary action against the CIA employees involved in the Olson case.

Moreover, Mr. Kirkpatrick has acknowledged that he was fully aware of massive illegal mail opening made by the CIA during his years of service at the Agency. President Carter can hardly convince the Congress and the American people that he sincerely wants to clean house at the CIA if he appoints as Deputy Director a man so insensitive to civil liberties as Lyman Kirkpatrick. Those people who countenanced breaking the law in the name of enforcing it should hardly be rewarded with positions of high authority in the executive branch.

In an article he wrote for the New York Times 4 years ago, Mr. Kirkpatrick expressed complete satisfaction with the good job Congress had done in checking on CIA activities. The fact is that Congress exercised almost no control over the CIA, which has been allowed to escape the standards of accountability to

which other Federal agencies must conform. I hope Mr. Kirkpatrick does not believe that Congress can most faithfully discharge its oversight responsibilities toward the CIA by giving the agency a blank check, by investing trust in an organization which has done nothing to earn our trust.

Mr. Speaker, if we intend to move the Central Intelligence Agency away from wholesale violations of civil liberties, away from assassinations, away from illegal domestic activities like mail openings, away from covert acts which violate the sovereignty of other nations, we need a CIA leadership not wedded to the mistakes, gross indiscretions, and illegalities of the past.

The appointment of Lyman Kirkpatrick to so sensitive a post as Deputy Director of the CIA would represent distributing evidence that President Carter will not insist upon critically needed changes in our intelligence agencies. I hope Mr. Carter will reaffirm a commitment to a new day at the CIA by passing over Mr. Kirkpatrick, and I trust that the Senate will carefully weigh Mr. Kirkpatrick's qualifications if he is nominated.

BYRON KENT BURTON—VIENNA MAN CALLED "OUTSTANDING"

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. ROUSSELOT. Mr. Speaker, it is a pleasure for me today to be able tc say a few words in tribute to Mr. Kent Burton, a former member of my staff.

Two years ago Mr. Burton joined a congressional office, like so many young people—bright, dedicated, and full of new ideas. Two years later, unlike so many, he still brought to his job the freshness and the vigor and the good humor with which he first began. His work, therefore, was not merely professional. It was innovative and creative as well.

Kent has now left Capitol Hill for the real world and I have mixed feelings. It is sad to see someone of his caliber leave. It is especially so when he has developed such warm and personal relationships. Nevertheless, it is a compliment to the free enterprise system, which Kent worked so hard to defend, that the American Trucking Association so quickly recognized his worth.

Mr. Speaker, I would like to introduce for the RECORD an article which shows that I am not the only one who thinks Mr. Burton is an outstanding young man:

[From the Northern Virginia Sun, May 24, 1977]

VIENNA MAN CALLED "OUTSTANDING"

Byron Kent Burton, of Vienna, has been selected by the U.S. Jaycees as an Outstanding Young Man of America for 1977. The award is part of an annual program sponsored by the Jaycees to recognize young men who exhibit outstanding professional achievement, superior leadership ability and special service to the community.

Burton is currently employed as senior legislative assistant to Congressman John H. Rousselot (R-Ca). He is also a member of the Republican Communications Association and serves on the advisory Board of the Washington Chapter of the Utah State Alumni Association.

He is an active member of the Church of Jesus Christ of Latter-day Saints, where he serves as public communications director for the Oakton Stake as well as executive secretary for the church's advisory committee on national and economic affairs. He is also president of the Oakton Ward Choir.

Mr. Burton is a cum laude graduate of Utah State University (B.A. 1975) and is a member of Pi Sigma Alpha National Political Science Honorary Fraternity. He and his wife, Winnie May, reside in Vienna.

HUMAN RIGHTS AND FOREIGN AID

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. HARKIN. Mr. Speaker, I have long been an advocate of legislating uniform mandatory human rights language to govern U.S. participation in the multilateral lending institutions. Last April, the House of Representatives did pass such a provision during consideration of H.R. 5262. Opponents of this approach, including the administration, claimed that it did not provide policymakers with enough flexibility.

There is a fallacy in the administration's approach which became evident during House consideration of the Foreign Assistance Appropriations Act. Writing in the Boston Globe on July 6, 1977, James Morrell and William Goodfellow of the Center for International Policy recently examined this fallacy:

WORLD BANK, U.S. MUST CUT AID TO COUNTRIES USING TORTURE

(By James Morrell and William Goodfellow)

WASHINGTON.—A medical study released last month by Amnesty International reveals that doctors have been advising torturers in at least three countries under military rule.

The doctors, working today in Chile and Uruguay, and earlier in Greece under the former military government, recommend the appropriate instrument of torture. They also offer their professional opinion as to how much pain a victim can stand. They then step aside and let the torturers do their grisly work.

Of interest to Americans is the fact that both South American countries that are achieving such progress in the dubious science of torture are also recipients of major U.S. aid. Increasingly, this aid is channeled through international agencies rather than through the U.S. bilateral aid program where it is easier to spot.

The World Bank, for example, has been cautiously increasing its aid to Chile ever since the military junta seized power in 1973. It made no loans to the elected government of the late President Salvador Allende because it disapproved of its socialistic economic policies. But since the military took over, the World Bank has increased its aid from $13 million in fiscal 1974 to $60 million in 1977—and plans to go to $110 million in 1979.

The U.S. throws in $1 out of every $4.

The World Bank also sent a record-high $52 million to Uruguay in the most recent fiscal year. According to Amnesty International, torture is now "routine" in political arrests in Uruguay, and the country holds the highest per-capita proportion of political prisoners in the world.

The Inter-American Development Bank, with the U.S. providing 52 percent of the funds, has lent $168 million to Chile since the coup. It made no loans to Uruguay last year, but plans to send $74 million in the near future.

The implication of all this is not entirely lost on Congress, some of whose members have taken steps to make human-rights issues a consideration in international loans. Last spring, Rep. Tom Harkin (D-Iowa) pushed through an amendment reflecting that consideration to the Inter-American Bank's replenishment bill. It requires the American director on the bank's board to oppose any loan to countries that "engage in a consistent pattern of gross violations of internationally recognized human rights." (Congressional sources suggest that the Treasury Department bureaucracy has been making policy in this area.)

The House passed the Harkin amendment in April, but in the Senate the amendment lost 50 to 43 after heavy lobbying efforts by the Carter Administration, which prefers a more "flexible" formula. The Administration's version directs U.S. representatives at the various banks to use their "voice and vote" to channel loans away from human-rights violators. Whereas the Harkin amendment flatly mandates the U.S. directors to vote "no" on such loans, the Administration version meekly avoids the issue, thus giving the Treasury Department complete discretion to continue such loans.

This strategy has already backfired, however, because, in the absence of uniform, binding human rights legislation that would affect all countries equally, the House has passed amendments to deny U.S. funds for seven particular countries—Vietnam, Laos, Cambodia, Cuba, Angola, Mozambique and Uganda. These amendments, sponsored by anti-foreign aid conservatives, tie the Administration's hands far more inflexibly than the Harkin amendment ever could.

(In fairness, it should be noted that Sen. Edward Kennedy successfully introduced a separate human-rights measure cutting all U.S. military aid to the repressive government of Argentina.)

Sen. James Abourezk, one of this year's sponsors of the amendment rejecting the Administration's plea for easier standards so as to eliminate the "inflexibility" in dealing with human-rights violators, said during the Senate's debate, "I do not subscribe to the theory that we are putting anybody in chains. In a sense what we are trying to do is get some of them out of chains."

Getting the torture victims out of their chains will be no easy task, for the World Bank is now planning vast increases in aid to many governments that are repressive. Fifteen of the world's most repressive governments will get $2.9 billion in 1979, one-third of the World Bank's loans that year.

Loans to newly repressive countries—namely Argentina, Chile, the Philippines and Uruguay, all formerly democratic countries that have had military takeovers or martial law since the early 1970s—will rise more than twice as fast as World Bank loans to all other countries.

And while the World Bank increases its flows of aid, the prison guards of the repressive regimes are sharpening—with expert medical advice—their instruments of torture. Only an aroused public opinion, forcing an uncompromising stand on the President and Congress alike, will succeed in cutting off the flow of aid and comfort to the world's torturers.

James Morrell and William Goodfellow are associates of the Center for International Policy, a privately financed research organization based in Washington.

A DOUBLE STANDARD FOR TWO CHINAS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. DERWINSKI. Mr. Speaker, in view of reports that the Carter administration is considering moving toward full diplomatic relations with the People's Republic of China, I think it is appropriate that an informed discussion of the implications of such a move take place in the media and in the Congress before an irretrievable decision is made.

In my opinion, the article, "A Double Standard for Two Chinas," which appeared in the July 15 edition of the Washington Post, makes a significant contribution to an informed and meaningful debate of this crucial issue. I know my colleagues will find it of interest:

A DOUBLE STANDARD FOR TWO CHINAS

(By Ray S. Cline)

A MIG-19 pilot recently defected from the People's Republic of China by flying his plane to the Republic of China (Taiwan). He says he was motivated to make the daring break by President Carter's call for respect of human rights, pointing out there is in neither principle nor practice any regard in the People's Republic for the rights of individuals.

The irony is that the Carter administration only a few days earlier made a public commitment to improve its relations with the mainland, despite Peking's insistence that the United States break diplomatic ties and abrogate its mutual-defense treaty with Taiwan—where the pilot fled for freedom.

Secretary of State Cyrus Vance's June 30 speech on China and President Carter's remarks on it at his press conference the following day said nothing meaningful about the U.S. commitment to Taiwan. This ambivalent style in policy pronouncements presents Washington pundits as well as foreign observers with a now-familiar puzzlement over what the administration actually intends in practical terms.

The standard method is to enunciate a high-minded policy of great simplicity and moral rigor, and then to shade or obscure what these high principles mean in practice. The impression is spreading that the young ideologies carried over from the Carter campaign staff enunciate popular concepts for the domestic audience while older, wiser heads like Vance modify them to adjust to political realities in the international arena. After all, Carter can understand that an abstract moral position that unrealistically works against the security of U.S. allies and disturbs friendly U.S. relations with other nations is really neither moral nor wise.

Examples of this kind of ambivalent policy-making are the arms-control package Vance took to Moscow, subsequently watered down at Geneva; the Mideast negotiations pattern that has so far produced no movement toward Arab-Israeli peace; and—most confusing—the rhetorically fervid endorsement of human rights accompanied by a drive for closer relations with the world's most oppressive regimes: Havana, Hanoi, and Peking.

The Carter administration says its position is based on the 1972 Shanghai Communique, which they interpret to be a promise to break diplomatic relations with Taiwan and abandon the mutual-defense treaty guaranteeing the security of Taiwan. Actually the Shanghai Communique is a masterpiece of diplomatic ambiguity, and both Richard Nixon and Henry Kissinger have recently said they did not explicitly promise to change our present relationship with Taipei. In fact, the only official elucidation of the Shanghai Communique, given by Kissinger in 1972, specifically stated that the U.S. mutual-defense treaty with Taiwan "will be maintained" along with "our friendship" and "our diplomatic ties."

Of course, Peking would like to have the plum of Taiwan dropped into its hands. Taiwan is the most modern, economically advanced part of China, having a standard of living three times higher than that of the People's Republic. Its 16 million Chinese conduct a larger foreign trade than all of the mainland's 950 million people. The catch is that none of these Chinese want to be incorporated in a Communist one-party dictatorship with a stagnant, command-type economy and an oppressive internal-security system modeled on the Stalin era in the U.S.S.R.

While political democracy in Taiwan is flawed by the continuation of a (largely theoretical) state of war with the mainland and occasional recourse to martial-law court procedures in trying internal-security cases, there is an open, pluralist society in Taiwan, and the goal toward which Taiwan is consciously and steadily moving in accordance with the Constitution of the Republic of China is representative government with firm guarantees of human rights. To consign a U.S.-oriented, pluralist Chinese society with a free-enterprise trading economy to dictatorial Communist Party control from Peking is not merely amoral—it is immoral.

The Carter-administration ideologues cop out on this moral dilemma by saying that somehow the United States will assure Asians of its intent to protect Taiwan's security despite cancellation of our formal treaty guaranteeing its defense. This will be the neatest trick of the year. The Japanese, the Koreans and the Chinese will never believe such a policy. Since the "peaceful life of the Taiwanese, the Republic of China" has been repeatedly guaranteed by Carter himself, only a superficial gimmickry of tacit assurances from Peking would permit moving ahead on Peking's terms. Such gimmickry cannot really protect the right to exist of the Western-oriented society in Taiwan, which is not only a longtime loyal U.S. ally but also the 40th largest independent nation in the world.

Accepting Peking's terms for full normalization would upset the strategic applecart in all Northeast Asia. The question is whether the wiser heads in the government who know these things will prevail over the pro-Peking ideologues when final decision-making reaches the presidential level. Only then will we know whether the MIG–19 pilot found freedom in Taiwan or whether he will in due time be delivered back to totalitarian control by U.S. China-policy officials.

JAMES C. WOOLLEY, AN OUTSTANDING CITIZEN

HON. MARJORIE S. HOLT

OF MARYLAND

Friday, July 15, 1977

Mrs. HOLT. Mr. Speaker, I would like to share with you the accomplishments of an outstanding citizen of my congressional district, Mr. James C. Woolley. Mr. Woolley was recently named "Legionnaire of the Year" in Anne Arundel County, Md.

Mr. Woolley is a well-respected member of his community, and has been involved in many Legion-oriented service programs. He has been active in dealing with alcoholism and drug abuse in Anne Arundel County, and has spent many of his Sundays visiting with men in the Anne Arundel County Detention Center suffering from these two diseases.

Mr. Woolley is also a tireless worker for veterans' rights and veterans' benefits, and is one of those rare individuals that does more than just complain. He regularly assists the elderly veterans in such things as filling out claims forms, aiding them with social service problems, and in general being there to lend a hand when these veterans need some help.

I commend Mr. Woolley for his "Legionnaire of the Year" award, and thank him sincerely for being willing to give of himself to help his fellowman.

REVOLUTION ON THE FARM: PART III

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues the third in a series of articles that appeared in the Arkansas Gazette that deal with emerging trends in Arkansas agriculture. I commend this article to my colleagues:

REVOLUTION ON THE FARM—III—COSTS CRUSHING SMALLER OPERATIONS

(By Tom Hamburger)

McCRORY.—Because he and his wife have taken outside jobs, Billy Joe Bull has been able to continue farming his 500 acres of cotton and soybean land at McCrory and support his family comfortably.

As farms around him become larger, however, or are purchased by corporations, Bull finds it increasingly difficult to compete.

Bull continues farming because he loves it, but he says that one bad season could force him out. A look at Bull's operation shows why it is difficult for a small farmer to stay in business. The large farmers have all the advantages.

Bull used to devote full time to his farming, but the cost of land and equipment rose so rapidly that in the mid-1960s, he realized he couldn't support his family without taking an outside job. He is now director of the McCrory Housing Authority, and his wife works as a secretary for the Farm Bureau.

The increase in farm costs is staggering. Bull said it cost him $25,000 a year to farm his 500 acres 10 years ago. Now it costs $80,000. For a small farmer like Bull, the "profit margin is so small that unless you are farming a large amount of acreage, you can't stay in business," he said.

The figure includes the cost of three tractors and attachments, a cotton picker and a combine. It does not include land cost. Bull would like to have more land to spread the equipment investment over, "but its hard to find good land to rent and buying at these prices is impossible, he says.

The increasing costs, of course, increase the amount of money a farmer needs to borrow. For his 500-acre operation, Bull borrows $50,000 a year in a corp loan from the Production Credit Association. In addition, Bull has machinery payments amounting to $12,000 or $15,000 a year.

He pays $5,000 to $7,000 interest and the same amount for harvesting the crop. In addition he employs one full-time hand and a nephew who helps drive a tractor. A decade ago, Bull recalled, he could hire labor at $4

an acre to chop weeds from his cotton fields. Cheap labor is no longer available, and Bull now spends $15 to $20 an acre on chemical herbicides.

Not far from McCrory, the Northern Illinois Trust Company has just bought a 960-acre farm on behalf of a trustee. In the year to come, Bull will find it difficult to compete with the corporation-owned land.

Bull is faced with several disadvantages. He does not get the quantity discounts for large purchases of seed, feed, fertilizer and chemicals, nor does he have the capacity to store his crop and wait for a higher price. Several farmers in the McCrory area have seed and grain storage bins. They keep their crop until market conditions are ideal and then sell. Bull must sell his crop when it is harvested.

The trust company does not have to fear a bad year. Its assets can cover a one-year loss. The company, of course, has few credit worries, a major problem for Bull.

Bull said that another drouth, like the one he experienced in 1976, could wipe him out. In several years, the Illinois Trust land will probably have an elaborate sprinkler irrigation system. Droughts will not seriously affect the crops there. Even the larger landowners in the McCrory area have not installed such devices.

Because of his tight profit margin, Bull is unable to make some of the improvements he would like.

The Illinois bankers, however, have made $50,000 worth of improvements in the land since it was purchased last year. They dumped 1,500 tons of lime on the 965 acres and cleaned and improved ditches and drainage.

Darrell Larker, who is farming the land for Illinois Trust says that the system is "better for the renter, because they [the new owners] are willing to go the extra mile to improve the ground. They'll bring that land up to potential." Larker predicts there will be more corporate landowners coming into the area. The only disadvantage he sees is that "it's keeping us out of the land. We can't buy land or improve it like this. I think you'll benefit from it but it won't be your land."

Economic analysts and farmers interviewed recently think efforts like Bull's to continue farming are important for the stability of Arkansas's economy and rural areas. If present trends continue, however, Bull says the future is shaky.

MARIN COUNTY POOL

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. KETCHUM. Mr. Speaker, the front page of Tuesday's Los Angeles Times reported that Marin County, Calif., received $1.1 million for construction of a 600,000-gallon Olympic-sized swimming pool. Most astonishing about this report was that the funding came from the Economic Development Administration. Considering that Marin County is recognized to be an extremely affluent area which enjoys high employment, I would not consider it a priority target for economic development. Remembering the many grim reports of Marin County's critical water shortage, I would not say that such frivolous use of water is warranted. Bearing all those thoughts in mind, I can only conclude that EDA must not review applications submitted too thoroughly. This thinking may come across as sour grapes since I represent an area which cannot boast of one dime received from EDA, but it is not. While we may not enjoy Marin County's level of wealth, we can claim that any applications submitted were for viable, responsible projects. For EDA to sanction luxurious swimming pools in an area suffering greatly from a drought is the height of absurdity, and demonstrates total lack of responsibility in allocating funds.

KOREAN INVESTIGATION

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. QUAYLE. Mr. Speaker, just at a time when Congress is gaining the confidence of the American people, the langour of Washington summer has settled over the Korean investigation.

Ethics Committee counsel Philip Lacovara has left for vacation in Europe after circulating a memo criticizing Chairman John Flynt for moving the committee at a snail's pace. Certainly Lacovara did not leave for a European vacation while he was counsel to the Watergate prosecutors.

Throughout the 95th Congress, the Members have urged an end to the foot-dragging which has been evident throughout this investigation. In April 51 Members wrote Chairman Flynt pleading for an accelerated investigation and asking for regular reports to Congress.

As a Republican member of the freshman class, I joined in May in a request to come to the bottom of the Korean investigation as quickly as possible. But we are in the middle of July and we have seen no discernible movement.

I do not expect we will see any action without the appointment of a special prosecutor. President Carter has been reluctant to name someone to head this investigation preferring to rely on the current activities of the Department of Justice.

Two weeks ago the Senate passed the Executive Code of Ethics bill which includes an amendment to name a special prosecutor if Attorney General Bell does not certify there is no basis to the allegations within 90 days. My colleagues in the House have failed to act on similar legislation.

After seeing news reports of the 115 Congressmen who have accepted gifts and support from the Korean Government, there is an urgent need to intensify and accelerate this investigation.

Public confidence in the House has been threatened by these allegations. It appears by our lack of attention that we accept these practices. We are waiting for the committee to report to the House on the legality of these charges and either deny, condemn, or condone the actions of its Members.

But the investigation has become too sensitive to be carried out by the usual procedures established by the Congress. We experienced this same problem during Watergate and realized the executive could not carry out its own investigation.

It is time for action. I call on President Carter to act with dispatch and appoint a special prosecutor to fully investigate the abuses so we can shore up the ethics and constitutional issues involved here and get back to matters of national importance—like energy legislation.

STATEMENT OF PERSONAL, FAMILY, OFFICIAL AND CAMPAIGN FINANCES, 1976

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. HORTON. Mr. Speaker, increased public awareness of government and its officials and increased public concern about the way in which the stewardship of public trust and of public funds is conducted has led me for the past 3 years to enter into the RECORD a complete statement of my personal, family, official, and campaign finances. I am pleased today to enter into the RECORD a similar statement again this year.

I make this annual disclosure statement for two purposes. My first purpose is to go beyond the disclosure requirements of the House Committee on Standards of Official Conduct in making clear that I conduct my office with neither actual nor potential conflicts of interest. My second purpose is to provide sufficiently detailed information to my constituents to illustrate what is involved financially in the proper operation of a congressional office and in the conduct of a Congressman's job.

It is for these reasons that I submit the following summary of my personal, family, official, and campaign finances for 1976. The statement includes full disclosures of my personal and family tax payments, income and sources, my official expenditures and my use of Federal reimbursement accounts, funds returned to the U.S. Treasury, my campaign finances during 1976 and my personal assets and debts as of July 1, 1977. The statement also includes my organizational affiliations and my handling of congressional papers and records:

FINANCIAL STATEMENT

I. PERSONAL AND FAMILY FINANCES AND TAXES

A. Taxes:

1. Federal income tax paid for 1976 (joint return filed by Frank and Marjorie Horton), $6,822.58.

2. New York State income tax paid for 1976 (joint return), $3,030.42.

3. Montgomery County, Maryland real estate tax on personal residence (jointly owned) paid for 1976, $1,684.48.

4. Herkimer County, New York real estate tax on cottage (jointly owned) paid for 1976, $525.72.

Total Income and Real Estate Taxes Paid: $12,062.90.

B. Sources of all income:

1. 1976 annual salary as U.S. Congressman, $44,600.00.

2. Total dividends received on common stock in 1976, $29.70 (received jointly).

3. Interest received on savings account and on notes outstanding in 1976, $1,527.81.

4. Income from rentals of Big Moose cottage in 1976, $2,010.00.

5. Other: During 1976, I received a total of $500.00 in honoraria for a speech to the Nebraska League of Women Voters given in Lincoln, Nebraska. I did not receive any other honoraria during 1976.

It is my policy not to accept honoraria or expenses from persons, groups or organizations for appearances within my Congressional District.

6. Withdrawal from Stationery Allowance (taxed as income), $2,121.10 (see II. A. 1.).

C. During 1976 my wife received several small honoraria totalling $432.00 in connection with her work with Christian organizations and they are listed as follows:

Women's Aglow Fellowship, Falls Church, Virginia Chapter	$75.00
Praise Ministries, Rochester, New York	75.00
Laurel (Md.) Women's Aglow Fellowship	25.00
Resurrection Lutheran Church, Rochester, New York	25.00
United Presbyterian Church (Retreat), Webster, New York	100.00
Women's Aglow Fellowship, Clarkesburg, West Virginia	50.00
Women's Aglow Fellowship, Albany, New York	50.00
Women's Aglow Fellowship, Clinton, Maryland	32.00
	$432.00

The total amount of $432.00 was contributed to Christian charitable organizations by my wife.

Total 1976 joint income: $51,220.61.

D. Summary of personal assets and liabilities:

1. Family residence at 9607 Hillridge Drive, Kensington, Maryland: Approximate value, excluding furnishings, $70,000.00 as of 1973; jointly owned with Marjorie Horton; mortgage amount outstanding as of May, 1977, $33,746.87.

2. Until February, 1977, Mrs. Horton and I owned a cottage at Big Moose Lake (Herkimer County), New York. We sold the cottage in February, 1977; a portion of the proceeds of the sale were deposited in a savings account (see D.5. below).

(Note: My residence in the 34th District is a rented apartment at 2123 East Avenue in the Town of Brighton, New York, in which I have no ownership interest.)

3. Common stocks (all owned jointly with Marjorie Horton):

a. 10 shares of Eastman Kodak Company stock, valued in May, 1977 at $59.00 per share, total value, $590.00.

b. Two shares of Xerox Corporation stock, valued in May, 1977, at $45.00 per share, total value, $90.00.

c. 10 shares of Rochester Community Baseball, Inc., stock, valued in May, 1977, at $5.00 per share, total value $50.00.

4. Automobiles:

a. 1973 Buick valued in May, 1977, by a Washington area credit union at $2,125.00.

b. 1972 Buick valued in May, 1977, by the same Credit Union at $1,700.

5. Savings account: $30,000.00 (see D.2. above).

6. Other assets:

a. I am owed $34,700.00 by the partnership of Johnson, Reif and Mullan law firm as the proceeds for my sale (to them) of shares of stock in Blackacre, Inc., a Rochester, New York, real estate corporation which owns the building at 47 S. Fitzhugh Street in which the law firm of Johnson, Reif and Mullan has its offices. I ceased all active practice of law at the time of my election to the Congress in 1962, and I am no longer affiliated with this or any other law firm. I no longer hold any stock in Blackacre, Inc.

b. Not included in this statement of assets are such miscellaneous items as clothing and household furnishings, and cash value of life insurance, which have not been appraised and all of which are within the normal range of expectation for a man of my age and income.

E. Personal debts: None except for mortgage liability for home in Kensington, Maryland, which is disclosed under D.I., assets summary.

II. OFFICIAL EXPENSES AND REIMBURSEMENTS CONNECTED WITH MY DUTIES AS A U.S. CONGRESSMAN (FOR THE CALENDAR YEAR 1976)

(Note: With the single exception of the stationery allowance, any unused portion of which was taxable to a Congressman as income in 1976, none of the other accounts accrue any personal benefit to a Congressman or to members of his staff.)

A. Office accounts:

1. In 1976, each Congressman was authorized a stationery allowance of $6,500.00 for office use. I expended $4,378.90 for the operations of my Washington, Rochester and Wayne County offices. At the end of 1976, I withdrew $2,121.10 in cash from the stationery account which will be used in 1977 to defray official expenses.

2. Each Congressman was authorized a postage allowance of $1,140.00 in stamps for the year, of which I withdrew the full amount, some of which was carried over for use in 1977.

3. Each Congressman was permitted an actual transportation expense (auto mileage or air fare) reimbursement for 26 round trips to his home district per year during 1976. I claimed blanket reimbursement for these trips, at a total reimbursement of $2,570.40 plus $159.80 provided by the statutory mileage allowance paid by the Sergeant at Arms. In addition to these 26 trips, I made at least 17 additional trips to the 34th District at my own personal expense. Transportation expenses for these additional trips and for car rentals, meals and other expenses for all trips not reimbursed by the government amounted to personal travel expenses of $5,046.81 for me in 1976.

4. The staff of each Congressman was allowed a total of six government-reimbursed round trips to the home district per year during 1976. As in the case of the Congressman, the reimbursement is limited to actual transportation expense (auto mileage or air fare). Meals, lodging and other expenses are not reimbursed. Similarly, there is no reimbursement for mileage expenses of staff members or Congressman who travel within the congressional district on official business. In 1976, nine reimbursed trips were utilized by my administrative assistant, for a total reimbursement of $1,300.20 (three trips were carried over from 1975). He made several additional trips to the district at his personal expense in 1976. I believe that personal contacts with government officials and constituent groups in my district by professional staff members contribute a great deal to the quality of my service and representation. However, this practice has had to be carried out at considerable expense to myself and members of my staff.

5. Each Congressman was permitted 18 staff positions and a total annual staff salary allowance of $243,724.00* in 1976. The number is uneven because one change was made in this allotment during the calendar year. I utilized a total of $210,354.72 from this amount, with the balance of $33,369.28 reverting to the U.S. Treasury. I currently employ 12 full-time and one part-time staff members, with eight of the full-time people serving in Washington and the remainder in my district offices.

6. Each Congressman was authorized a telephone and telegraph allowance of 125,000 message units in 1976. I carried over 127,563 units into 1976 for a total of 252,563. I used 93,538 telephone message units in 1976 and 506 telegraph units for a total of 94,044 units used. At the end of 1976, I had 158,519 units unused and at 11 cents a unit, I reverted back to the U.S. Treasury $17,437.09. Unused message units may not be carried over from one year to the next starting in 1977. All units used were for official communication by myself or my staff and the bulk of them were consumed in communications to constituents in Monroe and Wayne Counties about federal matters affecting the 34th District.

7. Each Congressman was permitted reimbursement up to $6,000.00 in 1976 for the rental of space for District Offices. Since my Rochester office is in the Federal building, and my Wayne County office is in the county office building, I did not claim any portion of this amount. Thus, $6,000.00 reverted to the U.S. Treasury.

8. Each Congressman was permitted reimbursement up to $2,000.00 for district office expenses in 1976. Since my district office expenses exceeded this amount, I claimed the full $2,000.00 and I paid $3.92 in out-of-pocket expenses.

9. Each Congressman was permitted to obligate the House of Representatives for a total of $9,000.00 in office equipment rental payments for 1976. I utilized $8,434.40 of this amount for rental of photocopying, typewriting, telecopying and other articles of office equipment. An unused portion of $565.60 reverted to the U.S. Treasury. Each Member of Congress was also able to authorize expenditures from a continuing allowance of $5,500.00 a year which the House Representatives uses to purchase office equipment for use in the Congressman's offices. At the close of 1976, I had an unused balance in the office equipment purchase account of $3,037.82.

10. Each Congressman was permitted $5,000.00 in 1976 for constituent communication expenses. I carried over from 1975 $3,485.63 giving me a total of $8,485.63. I used $2,939.42 in 1976. Since carryover is no longer permitted, $5,646.21 reverted back to the U.S. Treasury in 1976.

11. Each Congressman was entitled to a special $3,000.00 tax deduction for living expenses in Washintgon during 1976. Since living expenses at a temporary place of employment are generally deductible for all citizens, and since living expenses during the year in Washington far exceed this figure, this "allowance" is not a financial advantage but a limitation on the deductibility of special living expenses.

B. Official expenses met personally:

Out of my personal income in 1976, I expended $5,050.33 for official expenses above and beyond the amount of reimbursements I received from accounts listed above. These official expenses met with personal funds were property deducted from my Federal and New York State taxable income.

Summary:

Total Allowances (including telephone units)	$309,661.96
Total Expended	$245,743.78
Returned to the U.S. Treasury	$63,018.18
Official expenses met personally (not reimbursed)	$5,050.73

III. POLITICAL AND CAMPAIGN FINANCES

A. It has been my practice neither to accept nor expend any monies personally for campaign purposes. All campaign contributions for my re-election campaign was received and expended by one campaign committee which has been organized for this purpose.

1. The Committee for the Re-Election of Congressman Frank Horton was reorganized in 1972 for the purpose of that year's congressional election campaign and subsequent campaigns. Its treasurer is Alan J. Underberg, a Rochester attorney. The Committee has submitted all required disclosure reports to the Clerk of the House of Representatives (Washington, D.C. 2015) and to the Secretary of State in Albany, New York, as re-

*This amount includes $1,000.00 for the LBJ Congressional Intern Program and is included in the utilization total for my office.

quired under Federal campaign finance disclosure laws. These reports are available for public inspection at those offices.

Summary of the Committee's finances in 1976:

Cash on hand, January 1, 1976	$1,805.47
Total receipts	50,599.05
Total expenditures	52,163.61
Cash on hand, December 31, 1976	240.91

Note: None of the funds in this committee is subject to my personal control.

B. Each Republican Congressman was allowed $2,000.00 by the National Republican Congressional Committee for use to defray public information expenditures in 1976. I utilized $2,000.00 for purposes such as the production of public service radio and television broadcasts, photographic services and other public information expenses related to my duties as a Member of Congress.

IV. AFFILIATIONS

A. I hold no directorships or partnerships in any professional or corporate profitmaking entity, except I do serve, without pay, as a director of the Rochester Community Baseball, Inc., which I served as president prior to my election to Congress in 1962.

B. I also serve on the board of the Genesee Valley Arts Center, Inc. and on the advisory boards of the Center for Migrant Studies at the SUNY College at Geneseo, of a group called Citizens for Decent Literature, National Amputation Foundation, and on the Honorary Board of Directors of The Kidney Organization.

(Note: These are relatively inactive, honorary positions in which I serve without fee.)

C. I am also a dues-paying member of a large number of Rochester area civic, masonic and community organizations, a list of which I would gladly provide upon request.

D. In my official capacity as a Member of Congress, I serve as Ranking minority member, House Committee on Government Operations; member, Ad Hoc Committee on Energy; Chairman, Commission on Federal Paperwork; Cochairman, Northeast-Midwest Economic Advancement Coalition; member, Northeast Economic Action Council; member, executive committee of Republican Committee on Committees.

V. CONGRESSIONAL PAPERS

In 1967, I selected the University of Rochester as the repository for all files and papers resulting from my service in the Congress. In that year, I executed a document making a gift to the university of my congressional papers then in existence as well as those that would result from further years of service as a Congressman. A substantial portion of my papers, from my first 13 years in the House, are already filed at the university. At the time of this gift, university officials brought to my attention the availability of a tax deduction for the appraisal of these papers. Because much of the paper itself as well as much of the staff work, which created the files, was properly paid for by the government, through stationery and staff allowances, I declined the opportunity to take any tax deduction for this gift. In fact, I declined to have the papers appraised.

Therefore, the gift of my congressional papers to the University of Rochester did not result and will not result in any tax or financial benefit to me whatsoever.

YOUNG FAMILIES HOUSING ACT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. KASTEN. Mr. Speaker, in recent weeks I have been discussing the Young Families Housing Act, a bill I have introduced which would help the single person or family just starting out to afford to buy a home.

While I was in Wisconsin during the recess, I noted an article in the Post newspapers, one of our local publications which further illustrates the dimensions of the problem facing young Americans who want to buy a home.

A recent report by the Joint Center for Urban Studies of MIT and Harvard University has reported that more families are pooling resources and stretching their budgets in order to afford a home. I insert this article in the RECORD for the benefit of my colleagues:

TWO INCOMES BUY ONE HOUSE TODAY

A recent report by the Joint Center for Urban Studies of MIT and Harvard University reports that more families are pooling resources and stretching budgets to afford the price of a new home. The median sales price of new houses rose from $23,400 in 1970 to $44,200 in 1976, an increase of 89 percent, while median family income rose only 47 percent—from $9,867 to $14,500.

Both husband and wife held jobs in 43 percent of families who bought new houses during 1975–76. And these figures closely parallel the proportion of married women in this country who work.

Among first time home buyers, 59 percent of the families who purchased new homes had two family incomes.

The monthly cost of homeownership (including fuel and utilities, taxes, insurance and maintenance) increased even more rapidly than sales prices. These combined costs rose 102 percent between 1970 and 1976.

ELIMINATION OF THE PURCHASE REQUIREMENT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. LEHMAN. Mr. Speaker, as we begin consideration of the "Agricultural Act of 1977," I would like to bring to the attention of my colleagues a letter which I received from one of my constituents, Ms. Ellie Kurtz.

This letter illustrates a particular difficulty faced by the disabled and homebound due to the purchase requirement presently in effect. Clearly, the very poor are not the only ones who will find relief in the elimination of this requirement as provided for in the bill reported out of committee.

I urge my colleagues to read this letter carefully and to vote against any attempts to reinstate the purchase requirement:

My question concerns the issuance-by-mail of food stamps.

Physically disabled adults who are designated eligible to receive food stamps are able to arrange to get them by mail—but they are not allowed to pay for them by check, even though they have resided at the same address and had the same bank account for years, and pay their rent, electric, and phone bills by check, and even—in Dade County—purchase their Transportation Vouchers by check.

Such recipients aren't even allowed to send cash to the Food Stamp Office if someone else goes there to get stamps for them. Only money orders are acceptable.

Most physically disabled persons have mobility problems. Going somewhere to purchase a money order is often difficult, and even post offices aren't always open. Having to ask someone else to go and buy a money order, becomes burdensome. Besides that, money orders cost money—at least 50 cents apiece and for the person who is not able to earn a reasonable living in the first place, 50 cents does not grow on trees. Even the recipients whose stamps get mailed to the same address month after month, are not allowed to pay for them by check.

Can something be done about this—at least, for disabled persons who are doing their best to "make it" on their own?

AWACS TO IRAN: A RISKY SALE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. STUDDS. Mr. Speaker, on July 11, I introduced a resolution to disapprove the proposed sale of seven early warning aircraft—AWACS—to the Shah of Iran. I took this action primarily because the proposed sale would clearly violate the President's own 2-month old arms sales policy which promised that the United States would never again be the first nation to introduce a new weapons system into a region of the world.

I was further disturbed to see a press report on July 14 which indicated that Central Intelligence Director Stansfield Turner believes that the sale might jeopardize the security of the United States. Because of the critical importance of this issue, I thought that my colleagues would be interested in this article which appeared in the Washington Post:

CIA CHIEF CITES SECURITY RISKS IN SALE OF RADAR-JETS TO IRAN

(By Harold J. Logan)

Central Intelligence Director Stansfield Turner has told the General Accounting Office that the proposed $1.2 billion sale to Iran of seven highly sophisticated airborne radar systems might jeopardize the security of the United States.

Turner's reservations were expressed in a letter to GAO which is part of a still-classified report that concludes that apart from political considerations, the sale of the radar systems to Iran is not justified, sources said.

The proposed sale, announced secretly to Congress by the Carter administration late last month, has drawn a storm of protest from Congress. Motions to block the sale will be filed in both the House and the Senate, congressional sources said.

The GAO report, of which Turner's letter is a part, was requested by Sen. John Culver (D-Iowa), a leading Senate opponent of the sale. It is expected to form the basis of congressional opposition to the sale when hearings on the motions are held next week.

In response to a question from GAO, the sources said, Turner wrote that the potential for an all-Iranian crew to defect to the Soviet Union with the radar system, a technology the Soviets do not now possess, could constitute security problems for this country.

A CIA spokesman yesterday refused to elaborate on Turner's opinion cited in the GAO report.

The full report, the sources said, concludes that the Boeing and Westinghouse-produced radar system, known as the Advanced Warning and Control System (AWACS), was too limited to serve Iran's needs, and that "an adequate search for other alternatives was not made."

The report does not address the question of whether preferable alternative systems exist, the sources said.

Meanwhile, Culver yesterday released the text of a "Dear Colleague" letter he and nine other senators have sent to the full Senate, arguing that the potential compromising of new technology and the new arms sale policy Carter announced in May make the proposed sale unwise.

"President Carter's policy is that the United States will not be the first supplier to introduce into a region new or significantly higher combat capability," reads Culver's letter. "It would be a serious mistake to set a precedent by making this sale to Iran a major exception."

Culver said he will introduce a motion Friday to block the proposed sale. Rep. Gerry E. Studds (D-Mass.) has already introduced a similar resolution in the House. Both must be approved by Aug. 6 if the sale is to be blocked.

The revelation of Turner's opinion of the AWACS sale may touch off a new round of controversy within the intelligence community. Sources said analyses by intelligence agencies in the Defense and State departments concluded that the risk of AWACS falling into Russian hands is minimal.

The sources said others in the intelligence community are angered that Turner did not coordinate his response to GAO with them, and view his maverick opinion as designed to further his stated goal of consolidating intelligence operations under one man.

The system at issue is a modified Boeing 727 jet, with a circular plate of the most advanced radar and communications equipment manufactured by Westinghouse mounted atop it. The plane the Iranians want to purchase would not have all of the advanced devices the U.S. planes carry.

Estimates of AWACS' cost vary from source to source. The cost per unit is around $50 million if research and development costs are not factored in, sources said, but if development costs are included the unit cost soars to well over $100 million, making AWACS the most expensive plane in production in history.

When hearings on the AWACS sale open before the Senate International Relations Committee next week, opponents are expected to use Culver's arguments, and to add that selling AWACS to Iran would require more American technicians—the GAO report estimates 400, sources said—in Iran.

Supporters of the sale, which was initiated during the Ford administration and carried toward culmination under Carter, will argue that AWACS is less lethal than other American weapons the shah wants but has been refused, and that the United States should not risk alienating an important Persian Gulf ally.

In a related matter, sources yesterday confirmed a report that there exists an internal Navy memo that indicates the Defense Department prevented Iran from seeing a Grumman Aircraft Corp. plane that is a less expensive and complex version of AWACS.

The source said, though, that other Iranian officials, including Vice Minister of War Gen. Hassan Toufaniau, had seen the Grumman plane and chose AWACS instead.

WARREN TOWNSHIP HONORS MEMORY OF HARRY THOMAS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. McCLORY. Mr. Speaker, the officials of Warren Township in Lake County, Ill., have developed a modern and highly serviceable complex of offices and recreational facilities with the support of the citizens and taxpayers of the township.

Mr. Speaker, my friend, the township supervisor, Bob Debke, initiated action to designate these facilities in honor of a long-time resident and public official of Warren Township, the late Harry Thomas.

Mr. Speaker, until his death in 1975, Harry Thomas lived the entire 78 years of his life in Warren Township, where he served in various public and civic capacities, primarily as the road commissioner for a total of 36 years.

Mr. Speaker, it is entirely appropriate that the township officials should honor the memory of Harry Thomas. On Sunday, July 24, the township officials will dedicate the Harry Thomas Recreational Complex, at which time his widow, Catherine Thomas, and his six children, Kathleen, Lorette, Joan, Timthoy, Harry, Jr., and John are expected to be present.

Mr. Speaker, I am planning also to be present on this auspicious occasion, and to express congratulations and good wishes to Supervisor Bob Depke, Town Clerk Josephy Dada, Jr., to Frank Thomas, the nephew of the late Harry Thomas, who is the present road commissioner, and all other township and public officials who are assembled, and to express the pride which all of us in public office have in our colleagues who devote their lives and energies to responsible and honorable public service.

INCREASES IN HOSPITAL COSTS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. CARTER. Mr. Speaker, proposals to contain the dramatic increases in hospital costs have been a topic of much discussion in the Congress in recent months. As a physician and as ranking minority member of the House Subcommittee on Health and Environment, I too have become increasingly concerned about this problem. I have listened carefully to the methods proposed to solve it, including the legislation advanced by the administration, H.R. 6575. Although I share the administration's desire for timely action to remedy the problem of rapidly escalating hospital costs, I feel that the administration's proposal is not properly focused, nor can it accomplish the long-term goals toward which we should be working.

The goal of a cost containment system should not simply be defined in terms of how many dollars are spent for hospital care or for any other type of health services. Instead, the goal of a cost containment system should be the provision of effective, efficient, high quality care for all Americans. Accomplishing this goal is a difficult task indeed, but I do not think we can do it with the inflexible, nonspecific approach proposed by the administration.

Hospitals and the problems they face are as varied as the diseases with which we become infected; and an effective cost containment system must have the ability, and the sensitivity, to deal with these variations. Given the wide variations among hospitals in size, location, services, case-mix, and efficiency, I do not believe that it is technically feasible, or desirable, to institute a cost containment program at the Federal level. For this reason, I am announcing today my intention to introduce legislation which will encourage the formation of State cost containment programs as the best approach to a long-term solution.

The President's proposal has focused on the short-term goal of controlling hospital costs without attempting to do much about our long-range goals. I believe that we must begin now to develop a program of rational management of our health care resources. Establishment of State cost containment programs will take time and effort, but the payoff in terms of a coordinated, balanced approach to the problem will ultimately benefit our health care delivery system.

This should not be an issue of Federal versus State power; the important point is the ability of State and local officials to institute selective and cooperative approaches which allow all concerned to participate in maintaining and improving the care we provide our people.

In contrast to the administration's legislation, my bill will focus on the establishment of State Commissions on Hospital Budgets to review prospectively the budget of hospitals within the State. Key elements in my proposal will be:

Flexibility in the selection of a prospective budget review methodology;

Positive incentives to hospitals to control costs;

Uniform definitions of reimbursable costs;

Federal support for "startup" costs of State Commissions;

Establishment of policy review boards at the State and Federal levels to monitor health financing policies; and

Provisions for Federal oversight of State budget review.

I submit that only a program instituted at the State level as I have proposed can achieve the level of specificity and sophistication necessary to insure the desired efficiency is achieved while maintaining quality of care. Such a program must insure that needed facilities are not forced to close; it must insure that base year budgets are "reasonable" and it must insure that utilization levels represent care which is needed. This is a complex and difficult task and cannot be accomplished by the imposition of a simple formula, as proposed by the administration. More importantly, an effective budget review system must be linked to the planning and utilization review systems if it is to insure support for needed, effective, efficient health care institutions. The Federal Government has already instituted planning programs under Public Law 93–641, and utilization review and quality assurance programs, under Public Law 92–603, which are based at the State and local level. It is difficult to see how these activities could be effectively linked to the cost con-

tainment program if it were based in Washington.

My proposal will link these efforts by providing:

Planning—HSA—and utilization review—PSRO—representation on the State policy review board;

Budget Commission support of planning activities through joint financial feasibility studies and support of decertification decisions; and

Cooperative quality assurance mechanisms.

In addition, Mr. Speaker, I realize that a transitional program, in some form, may prove appropriate, if we commit ourselves to move aggressively toward development of a long-term program, as I have proposed. In considering a transitional program, two points must be kept in mind; first, we must insure that the program is indeed transitional, and second, we must insure that the program is as equitable as it can be.

The President has proposed one such transitional program, and much discussion has ensued as a result of that proposal. I submit that the following changes are those which are minimally necessary to insure that a transitional cost containment program will not harm needed components of our health care system. I commend them to you for your consideration:

No hospital's actual revenue increase should be less than the GNP deflator;

Insolvency alone should be a basis for exception;

No hospital in an underserved area should suffer reductions in per admission revenue for volumes higher than the base year; and

Needed capital expenditures for National Health Resource Centers—tertiary care institutions serving several States, such as the Mayo Clinic—should not be subject to an individual State's allocation under a capital expenditure program.

Finally, Mr. Speaker, I would like to say that I look forward to working with my colleagues and other concerned citizens in developing this proposal further. I would hope that this announcement will encourage a thorough exploration of the issues and concepts I have only touched upon today.

MANDATORY RETIREMENT LEGISLATION

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. SARASIN. Mr. Speaker, the mandatory retirement legislation which we have been considering, H.R. 5383, has now been reported out of the Education and Labor Committee and I would like to place in the RECORD my statement before that committee:

Mr. Chairman: My service during this Congress as Ranking Minority Member on the Employment Opportunities Subcommittee and as a member of the Select Committee on Aging has afforded me a most enlightening education in the problems confronting the older American worker. While great strides have been made in the field of medical technology and disease control resulting in increased life expectancy for all Americans, Congress has not, until this time, taken any steps to enable older workers to retain their jobs past the age of 65.

Thus, with physically healthier and more mentally alert American workers, the issue of mandatory retirement had to be addressed by this Congress. Attaining the age of 65 does not terminate one's innate ability to contribute productively to society and seems unfair and inhumane to extend a person's life span and at the same time deny them the right to work.

Older workers must have the opportunity to continue as productive members of society and utilize their expertise in maintaining themselves and our country's economy. It is only through the ability to remain productive that the individual fully develops a sense of self-worth. Mandatory retirement is a cruel sword which severs older workers from a position of productivity and forces them into a position of hopeless inactivity.

I wholeheartedly endorse H.R. 5383 as reported out by the Committee and hope that the Chairman will make every effort to bring this legislation to the floor as quickly as possible.

NATURE OF ARMED FORCES TODAY SPELLS END TO DRAFT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. STEIGER. Mr. Speaker, Col. Robert Heinl, Jr., is one of America's best known military analysts. A retired Marine colonel, he is considered one of our top experts in military affairs.

Colonel Heinl recently addressed the question of the all-volunteer military versus the draft. His firm conclusion is that a return to conscription would be expensive and that it would not cure any of the ills cited by critics of the volunteer force.

I would like to commend Colonel Heinl for clearing up some of the misconceptions of those who are critical of today's military. He responds to such concerns as racial and economic representation in the force, manpower costs and military pay, and recruiting.

Colonel Heinl's article is a thoughtful one. I hope it will receive careful attention. The article follows:

[From the Detroit News, June 20, 1977]

NATURE OF ARMED FORCES TODAY SPELLS END TO DRAFT

(By Col. R. D. Heinl Jr. USMC (Ret.))

WASHINGTON—Those who always wanted to retain the draft—or in some cases would like to regiment the country into universal conscription—have launched a drive to write off the all-volunteer armed forces as a failure and go back to some form of compulsory service.

Such an uproar might have been predicted.

The persons who are now making a great deal of alleged failures of the all-volunteer force (AVF) are the same anti-volunteer experts who a decade ago said, "It can't be done."

During the AVF's remarkably successful first four years, the critics were silent. Now, spearheaded by a handful of diehard Southern conscriptionists in the Senate, Messrs. Stennis, Nunn and Baker, among others, the old arguments are again being raised but in contemporary dress. These are roughly as follows:

1. That the volunteer armed forces (for which in this context, read Army, where the problem, if problem it is, really lies) are "socially unrepresentative," which is academic language for black and poor.

2. That volunteer manpower costs are going out of sight, are responsible for the fact that 56 percent of the defense budget goes for people, and that we could remedy all this by reverting to the draft.

3. That, no matter how much we pay, volunteer recruiting will not attain, and is not now attaining, necessary goals either in numbers or in basic quality.

However plausible, none of the foregoing holds much water and, even more to the point, a return to conscription would be a poor remedy for the ills cited.

The Army, it is true, is about 26 percent black. But the armed forces as a whole are just below 17 percent, hardly any cause for great alarm. Anyway, in the words of my colleague, Carl T. Rowan whose column appears from time to time on this page, says:

"What is so wrong if blacks find equal opportunity and social mobility at a living wage in a volunteer Army?"

More profoundly, the "socially unrepresentative" complaint, dear to the hearts of the liberal left where, surprisingly, much conscriptionist fire smolders, demands in effect that the enlisted ranks of the Army comprise a perfect social cross-section, notably including college graduates and prep-school boys digging latrines, humping mortar baseplates and picking up butts from the parade ground. This may be satisfying egalitarian and "democratic," but is a grotesque misuse of potential leaders.

Manpower costs for the U.S. defense establishment are high. But to attribute this fact to the volunteer-force decision is to set up a straw man.

The 56 percent people-component in the defense budget not only includes enlisted pay but the pay of the Pentagon's swollen million-person civil service force, military retired pay and a miscellany of so-called personnel-support costs which have nothing to do with pay.

But, you will say, the Russians get by with paying only 25 percent of their budget for people-costs.

The base pay of a Russian private is the ruble equivalent of $3 a month. This affords quite an advantage over our $307 a month to a private before he even learns port arms. Another way the Russian defense ministry shaves personnel expenditures is that its large retirement-pay budget is funded under their equivalent of Social Security.

Still another comparable economy enjoyed by the USSR armed forces is that all personnel transfers, which are a heavy portion of our Pentagon's "personnel-support" costs, are paid for, not by the military, but by the Soviet ministry of transportation.

One widespread misunderstanding in the return-the-draft outcry is that there would also be a return to the old-time slave-wages we used to pay soldiers and sailors. A corollary misstatement often heard is that today's equitable wages paid the troops result from and are an inducement specially enacted for the volunteer force. This is untrue.

As early as 1967, when conscription was in full flower, Congress decided in principle that military pay was to be comparable to civilian pay. Each military pay grade was equated to a civil service level, and future military and civil service raises were tied, as they now are.

In view of the foregoing, even if the draft were returned, Congress would certainly not go below minimum-wage scales for the military, let alone the bad old starvation-wage scales. In tellingly precise terms two years ago, Andrew Uscher, a respected Pentagon systems analyst, went deeply into the real

vs. oft-assumed relative costs of volunteer and conscript forces. Uscher's conclusions, which nobody has ever challenged, were that to restore the draft would actually cost the Defense Department over $50 million a year more than present AVF arrangements.

It is true, but not seriously disturbing, that the two manpower-oriented services, Army and Marines, are a little behind on their recruiting quotas. The Army (short 11,000 men on a total strength of 789,000) is 6 percent down; the Marines are off about 2 percent (4,000 men) and are cheerfully accepting this shortage as the price of a dramatic rise in quality (from 68 percent to 75 percent high-school graduates in the last year, with the current recruit input running about percent.

Anyway, in volunteer forces where quality and motivation are all important, the services have always preferred to accept shortage in numbers rather than compromise quality, and that is what now seems to be happening.

But something more profound is happening.

The looming combination of new technologies, of instant high-speed future war and of increasingly wide spread social resistance to conscription, is sounding the knell of the draft.

In the words of Prof. Morris Janowitz, the University of Chicago sociologist who has devoted his career to study of military institutions:

"Since 1945 we have been witnessing a fundamental transformation in the armed forces of Western democracies—the end of the mass armed force. Conscription is at an end whether you like it or not. That is a fact of the modern world."

FREEDOM OF RELIGION IN POLAND

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. WALGREN. Mr. Speaker, as a member of the Delegation from the United States Congress to the Parliament of Europe meeting prior to the review of the Helsinki Accords, I want to recommend to my colleagues the testimony of Mr. John M. Szostak, on the failure of the communist regime in Poland to allow full expression of the basic human right of freedom of religion.

For over 1,000 years the Roman Catholic Church in Poland has exercised a very important role not only in religion but also in social, moral, and educational matters. The social and educational work of the church has been greatly hampered in the past 30 years by closing down of schools and the liquidation of its religious centers and organizations. Religious instruction has been banned from the school curriculum and it is also being obstructed even outside the schools. The construction of new churches is met with enormous obstacles and social activities of the parish are greatly impeded.

Poland's record of religious freedom in those past 30 years is a dismal one due to violations of the basic human rights that its citizens cannot fully enjoy and practice openly. The Polish Constitution guarantees the freedom of religion in theory only, however. Active participation impedes ones success in the professions and career advancement. It is a known fact that a practicing Catholic cannot hold high office or head a department or any other executive position in the state or the economic sector.

The so-called guarantee of religious freedom under the Polish Constitution is systematically violated. The people of Poland, especially its youth, are constantly persecuted and harassed for having exercised this basic human right. Only the old people are left alone to practice their faith with very little opposition. The present regime feels that it would be counterproductive and next to impossible to stamp out religion in Poland overnight without bloodshed. Therefore, time is their only weapon. The strategy is to indoctrinate the youth by stepping up their campaign of atheism via materialism to create a new generation of nonbelievers as an answer to the Marxist dream of creating a perfect Communist state society.

Poland and other Eastern European nations, including the Soviet Union, are today witnessing a great spiritual renewal among its youth, as well as the older generation. Much of this is going on underground for fear of social and economic repression. The movement of religious renewal is there and growing. This movement has become a great concern to the Polish Govermnent officials. They do not know what to do or how to cope with new problem as they consider it to be.

A card-carrying party member who wants to protect his career must send his children for religious instruction in secret and practice his faith in the same manner—oftentimes traveling to a distant town where he will not be recognized and in disguise. Although religious instruction is allowed in Poland, obstacles are put in the way to discourage this kind of practice via the school curriculum that has made it extremely difficult for the students to attend. The Polish Catholic Episcopate has sharply criticized this tactic as a direct and open violation of the constitution that guarantees religious freedom—in theory—to the people of Poland.

The Communist regime here again systematically obstructed the construction of new churches and religious facilities, blaming it on the lack of material and skilled labor. The overflow of faithful attending religious services is not only an example of religious devotion, but most of all, the lack of new churches that are desperately needed by the Polish faithful.

Catholic publications are restricted on the pretext of paper shortage, so are publication of books that are only permitted to be printed in very small quantities so as to avoid mass circulation. Pastoral letters are confiscated, and recently attempts have been made by the regime to forge the pastoral letter of Cardinal Wyszynski in hopes of creating confusion within the Catholic Church in Poland—this has failed. For the average Polish citizen, the pulpit and foreign broadcasts are the only avenues of truth and information from the west.

The Polish Government considers religious holidays—such as Christmas and Easter—as nothing more than social affairs at which to eat and drink, rather than meaningful religious experiences. The same is considered of weddings and baptisms. Every effort is being made by the regime to promote atheism especially among its youth during these solemn occasions, proclaiming that God is dead and that religion is a novelty for the old people.

Foreign publications, especially of a religious nature, are strictly prohibited and are confiscated if brought into the country by a foreign visitor or by a Polish national returning. The chairman of the Central Committee for Customs in Poland stated on January 31, 1976, that "such material be forbidden since it leads public opinion into error by giving information not in agreement with reality or information otherwise potentially damaging to the welfare or interests of the Polish Peoples Republic."

Forty years ago, Pope Pius XI issued the encyclical Divini Redemptoris in which communism was condemned in that organized religion cannot collaborate with communism because Marx condemned all religion as the opium of the people. Atheism is the very core of Communist doctrine. To deny this fact is indeed living in a fool's paradise.

The history of communism in Poland and in the other parts of the captive world is an uninterrupted chain of violations of the fundamental human rights—especially the right to worship. The ultimate goal of the present Communist regime is to stamp out religion in Poland altogether because communism can only survive by total elimination of the rights and dignity of man. This is what the Catholic Church in Poland stands for and preaches. The basic principles on which Catholic social teaching is built on is the dignity and freedom of the individual. Communism in Poland and elsewhere is totally opposed to any system which defends the dignity of man as an individual. Pope Pius XI, in his encyclical Divini Redemptoris stated that, "The problem of communism lies in the cultural revolution which aims at producing a new type of man without faith, without hope, without love and also without personal freedom and responsibility."

The present Communist regime in Poland feels that the Roman Catholic Church poses a threat in that it is an elaborate international organization undermining the authority of the Communist state. Because of the prospect of outside influence which is considered to be in conflict with their Marxist doctrine, it is therefore considered to be a very serious threat.

Kazimierz Kokal, head of the Office for Religious Denominations, in May of 1976, flatly stated that, "The Church is the enemy which should be annihilated. Religion has, in the long run, been extricated from human consciences and thought." Furthermore, Kokal stated, "We shall yield nothing to the Church." Therefore, after 30 years of Communist rule in Poland, very little has changed in regard to the Government's policy of church and state relationship. It can be compared to nothing more than a cat and mouse existence. Today the regime continues to strive through a sophisticated campaign of atheism and social

harassment in its goal to stamp out religion in Poland altogether.

The West often asks why do the Polish people enjoy more freedom than the rest of the Soviet bloc? The answer is quite simple. After 1,000 years of Christianity and survival of the Nazi barbarism during World War II, the Communist regime in Poland has been unsuccessful in their efforts to stamp out religion without creating additional problems and obstacles for the regime. The Polish Catholic Episcopate knows and understands that as long as there is a Communist government in Poland, this struggle will continue. Another reason for this so-called Polish freedom is that the Communist regime knows that the true power in Poland is the Roman Catholic Church, under the pastoral guidance of Stefan Cardinal Wyszynski, the Primate of Poland. This tradition of the church being supreme in Poland has been around for over 1,000 years.

The Polish nation would have gone through many devastating revolts against the present regime if it were not for the plea for peaceful cooperation by the Polish Catholic Episcopate. The Communist regime knows this and so does the Polish nation.

The Roman Catholic Church in Poland is prepared to uphold the virtues of the gospel that is committed to her, regardless of what obstacles are put in the way by the present Communist regime. The Polish Catholic Episcopate believes that the God-given dignity invested in man should be restored to the human individual if there is to be genuine peace and harmony in Poland. The basic virtues of the gospel are the right to maintain and develop one's corporal, intellectual, and moral life—especially the right to worship and education in private and public. Pope Paul VI stated that,

> The Church is concerned, above all, with the right of God and can never dissociate herself from the rights of man created in the image and likeness of his creator.

Therefore, man can only foster and penetrate these rights through the guidance of the Holy Spirit.

The Catholic Episcopate in Poland believes that the responsibility of evolution in the area of Human Rights and genuine religious freedom in Poland rests not upon a single international organization but upon everyone without exception. The Roman Catholic Church in Poland feels that the Helsinki Commission can be instrumental in strengthening the international juridical mechanisms for the purpose of making effective the full operation of human rights for the people of Poland and other captive nations in the Soviet bloc a possible reality. This can only be achieved through evolution not by revolution.

The Catholic Episcopate believes that the suppression of the right to worship and other basic human rights in Poland have become institutionalized and this violates the most fundamental rights of life, liberty, and the pursuit of happiness. The Catholic Church's mission of evolution is to create or reactualize world opinion by an auto-critical conscience in the hopes that, with the cooperation of the various international human rights organizations, an effective mechanism may be achieved and thus assure the realization of genuine religious freedom and human rights to the people of Poland.

ENERGY PROGRAM QUESTIONNAIRE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. WOLFF. Mr. Speaker, earlier this year I announced to this body that I had mailed my constituents a questionnaire to solicit their opinions on President Carter's energy program. Since that time, almost 10,000 of my constituents responded with their views. A forthcoming newsletter to my constituents will announce the results of this districtwide survey and I am pleased to make this newsletter available to my colleagues:

NEWSLETTER

DEAR FRIEND AND CONSTITUENT: In a recent newsletter I sought your views on President Carter's proposals to ease our Nation's energy crisis. I am gratified by the significant number of responses to this questionnaire and again wish to thank those of you who took the time to answer, for it is through such two-way lines of communication that I am able to maintain close contact with all constituents. Your opinions help me to better represent you.

The results indicate a direct correlation between your views and my legislative efforts to achieve solutions to crucial issues. As graphically shown by the tabulations on the reverse side of this page, the thinking of the residents of the 6th Congressional District parallels my own on the energy problem.

The number of responses, 9,877—7 percent of those surveyed—confirms the premise that it is the responsibility of Government representatives to provide opportunities for citizens to express their views and offer suggestions for resolving problems. As your Congressman, I have consistently maintained one of the highest voting records in the House, 99.2 percent on recorded votes and 93.4 percent on the "yeas and nays" this session alone—independent judgments that are responsive to your needs as well as those of your neighborhood and your country.

The overall concept of President Carter's energy plan is sound, but be assured that I share your disapproval of any standby tax on gasoline. Already rejected by the House Ways and Means Committee, this tax would not encourage conservation but rather would penalize those who can ill afford it, senior citizens of fixed incomes and commuters with no ready access to mass transit. However, Congress should provide the President with emergency standby power to impose gasoline rationing in the event a major energy crisis involving our national security erupts. We must protect America's security by insuring adequate energy resources—our Nation's lifeline.

The majority of respondents want a lid placed on domestic crude oil process, not an increase through added taxes. Rebate or not, higher costs are not the answer. If our Nation is to become independent of foreign oil sources, we must increase energy production and make our supplies available at prices that do not gouge the American consumer. Further, the price of natural gas must be equalized between regulated interstate and unregulated intrastate markets to stabilize nationwide costs and distribution. We cannot afford another winter crisis that shut down entire cities under the guise of questionable gas shortages. Energy supplies, be they oil or natural gas, are a national problem, not a regional privilege, and we must see to it that no one sector is shortchanged again.

Greater conservation efforts are of paramount importance to safeguard the fragile balance between adequate supply and reasonable demand. An excise tax on new "gas-guzzling" cars would encourage the use of more efficient small cars. Buyer incentives through tax credits and rebates to homeowners and businessmen would emphasize energy saving insulation and solar heating equipment. Enabling legislation to this effect and to speed up the development of alternate sources of energy is forthcoming this Congress.

There is no doubt that the energy crisis has cut short our Nation's ability to respond to the challenges of the times. If we are to win the "energy war" and regain our economic viability in the world market, we must pledge priority to the enactment of a strong comprehensive program that will meet future requirements and contingencies. To do less would be callous disregard for America's vital needs.

HERE'S YOUR OPINION

(Results of the 6th Congressional District Survey on President Carter's Energy Proposals—May, 1977)

1. Place a standby tax on gasoline (with annual increases unless Federal targets are met) to encourage conservation: Yes, 3300, 33.4 percent; no, 6298, 63.8 percent; no opinion, 279, 2.8 percent.

2. Impose excise taxes on the purchase of new "gas guzzzling" automobiles and provide tax rebates to purchasers of more efficient small cars: Yes, 6524, 66.1 percent; no, 3195, 32.3 percent; no opinion, 158, 1.6 percent.

3. Provide tax credits to homeowners and businessmen who insulate (weatherize) their premises: Yes, 8111, 82.1 percent; no, 1594, 16.1 percent; no opinion, 172, 1 8 percent.

4. Provide tax credits for the installation of solar heating equipment: Yes, 7772, 78.7 percent; no, 1779, 18.0 percent; no opinion, 326, 3.3 percent.

5. Impose higher Federal taxes on factories and utiliites that do not shift to clean coal as their primary energy source: Yes, 6193, 62.7 percent; no, 2977, 30.1 percent; no opinion, 707, 7.2 percent.

6. Phase out utility pricing policies that afford discounts to big users of electric power: Yes, 7278, 73.7 percent; no, 2183, 22.1 percent; no opinion, 416, 4.2 percent

7. Reform present licensing requirements of nuclear plants, without letup in standards, to reduce delays in construction: Yes, 7323, 74.1 percent; no, 1915, 19.4 percent; no opinion, 639, 6.5 percent.

8. Raise the price of domestic crude oil, now being pumped (old wells) by imposing higher Federal taxes to be rebated to the public: Yes, 3736, 37.8 percent; no, 4995, 50.6 percent; no opinion, 1146, 11.6 percent.

9. Equalize the price of natural gas sold in regulated interstate markets and unregulated intrastate markets to balance nationwide costs and distribution: Yes, 8136, 82.4 percent; no, 1084, 11.0 percent; no opinion, 657, 6.6 percent.

10. Are you generally in support of the President's energy package? Yes, 6023, 61.0 percent; no, 3047, 30.8 percent; no opinion, 807, 8.2 percent.

PANAMA CANAL NEGOTIATIONS SHOULD BE ENDED IMMEDIATELY

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. RUDD. Mr. Speaker, I believe that the President should immediately terminate any further negotiations for a new Panama Canal treaty, and recall our negotiators.

The news today that Panama's dictator Omar Torrijos is holding us up with a blackmail demand of more than $5 billion to allow continued U.S. control of the Panama Canal for the next two decades under terms of a new treaty should be enough to bring our negotiators home and scrap any further talks with this despot with the instincts of a sidewinder.

Torrijos and his henchmen have been living fat lives and are undoubtedly stashing away millions of illegitimately gained dollars for future plush living, in private bank accounts overseas, while Panama has slowly gone bankrupt.

More than 45 percent of Panama's total budget is tied up in debt service to pay off current loans.

As a result of this sorry financial situation, Torrijos is trying to steal away America's sovereign right to the Panama Canal, which the United States has paid for and operated through these many years. To add insult to injury, Torrijos now wants to rip off the American taxpayers for more than $5 billion for the honor of taking this vital U.S. property.

If he took over control of the canal, Torrijos would undoubtedly raise the canal's use fees to exorbitantly high levels to raise additional money from American sources.

Since when did American leaders seriously sit down and negotiate matters of our country's vital national interest with such low blackmailers?

Why are representatives of one of the world's most powerful nations grovelling at the feet of this man, while with impunity he insults the dignity of our great Nation and our people with his back-alley blackmail demands?

I believe that we should maintain our U.S. sovereignty, ownership, and control of the canal. We should terminate all further negotiations with Torrijos' representatives forthwith. We should tell Torrijos to bail out his government through honest policies and hard work, rather than through common thievery and blackmail. And we should announce our intentions to continue operation of the canal under current treaty provisions.

There are those few outspoken politicians in the United States who will continue to say that we should deal with this dictator, just as they want to rush into the arms of Fidel Castro and other gangster leaders around the world. These politicians will be joined by the usual cabal of pro-Marxists and internationalists whose loyalty is not with the primary national interests of the American people.

But we should ignore these pleas. They do not represent the majority view of the American people, whose national interests are foremost and who are sick and tired of being the whipping boy for those who live off U.S. handouts.

If the Panama Canal is in need of improvements and repairs, which it is, the United States is in the position to do them. If the canal is threatened by another world power or a suitcase bomber, there is no country better able to prevent such action or defend the canal than the United States.

Continued operation of the canal, necessary repairs, and its continued defense can all be accomplished for a lower cost to the pocketbooks of our people and to our national dignity than payment of Dictator Torrijos' blackmail demands. And we can maintain our legitimate sovereignty over the canal and the Canal Zone.

I urge the President to immediately order home Ambassadors Ellsworth Bunker and Sol Linowitz. Let us immediately end the Panama Canal negotiations which have become a farce.

Mr. Speaker, I would like to include at this point in the RECORD the news article from today's Washington Post outlined Dictator Torrijos' blackmail demands to the United States:

[From the Washington Post, July 15, 1977]

PANAMANIAN DEMAND FOR $5 BILLION SNARLS CANAL TREATY TALKS

(By Oswald Johnston)

An unexpected Panamanian demand for more than $5 billion as a condition of continued U.S. control over the Panama Canal for the rest of this century may pose a serious obstacle to completing a new canal treaty this summer, administration officials said yesterday.

In an effort to defuse the issue, which emerged in the canal treaty negotiations only in the past few weeks, senior U.S. and Panamanian officials have opened separate talks on an aid program which Carter administration negotiators hope will satisfy at least part of the Panamanian demands.

Potentially the most serious obstacle is a demand by Panamanian President Omar Torrijos for a $1 billion lump sum down payment as soon as the new treaty goes into effect. This money is seen as a potentially fatal obstacle to Senate ratification of a new treaty.

Only slightly less serious is a parallel demand for an annual payment of nearly $200 million for each year the new treaty remains in effect, compared to the $2.3 million "annuity" the United States pays now.

Under the tentative treaty draft under negotiation, the agreement would expire in the year 2000 and ownership of the canal would revert to Panama. The United States, however, would be granted in perpetuity a right to intervene to protect the "neutrality" of the canal if it should come under any outside threat.

To counter these cash demands, which U.S. officials consider exorbitant, negotiators Ellsworth Bunker and Sol Linowitz have adopted a two-fold strategy.

First, they have refused to discuss the $1 billion lump sum as part of the treaty, on the grounds that their authority from President Carter extends only to negotiating an equitable annual rent schedule.

Second, they are insisting that all payments to Panama under a new canal treaty be derived from canal tolls and that all additional payments, if any, be negotiated separately.

Officials said yesterday that the Panamanians have agreed in principle that only the "annuity"—annual rental payment—will be included in the treaty.

The separate demand for additional cash is being treated as a request for development aid, and separate negotiations have now opened between the Panamanians and ranking officials in the State Department, the Treasury Department and the Agency for International Development.

Details are unclear, but it appears the strategy will be to distinguish the aid program altogether from the treaty when congressional approval is sought, and to redefine Torrijo's demand for a $1 billion lump sum into an aid program extending over several years.

On the equally difficult question of annuity. Bunker and Linowitz are asserting a bottom-line U.S. requirement that the annual payment be covered entirely by revenues from canal tolls.

These currently gross about $230 million a year, but operating costs are so high that the canal at present is run as a non-profit enterprise. Officials calculate that a contemplated 20 to 30 per cent increase in tolls plus a reduction in operating responsibilities under the new treaty will leave an excess of about $50 million a year for rental.

DEFINITION OF NEW NATURAL GAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. COLLINS of Texas. Mr. Speaker, the deep Ellenburger pool shown on the attached graphs was discovered in 1963 in Pecos County, Tex., and development is still continuing 14 years later. Cumulative production of the Ellenburger zone to January 1, 1976, was 2.4 trillion cubic feet gas. January 1977 production from 113 wells was 24 billion cubic feet gas.

The Wolfcamp pool was discovered in December 1973, 10 years after the Ellenburger discovery. The Wolfcamp Wildcat well was completed 1.5 miles west of the nearest existing Ellenburger gas well and at a depth of 11,000 feet which is 11,000 feet shallower than the Ellenburger gas production at 22,000 feet. In May 1977, there were 17 completed wells and 10 locations. Cumulative production for the Wolfcamp pool to January 1, 1977, was 4.6 billion cubic feet gas and 643,910 barrels condensate.

The Wolfcamp gas reservoir would not have been developed had it not been for the unregulated price of intrastate gas. However, this gas would not qualify for new gas prices under the Dingell amendment, since the pool is less than 2.5 miles from existing production and less than 15,000 feet deep. This fact was very much on my mind when I supported the deregulation of the price of newly found natural gas.

STATEMENT BY THE HONORABLE RICHARD NOLAN OF MINNESOTA

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. NOLAN. Mr. Speaker, I am today introducing an amendment to H.R. 7171, the Agriculture Act of 1977. The amendment I offer will restrict Federal price support and crop disaster payments from going to large, diversified corporations and trusts when the ownership of those bodies is not held by bona fide farmers.

The best agricultural policy is one benefiting both urban consumers and family farm producers. We believe it is in the best interests of both groups for agricultural production to remain in a widely dispersed system of small family farms. Corporate concentration in agricultural production will inevitably result in higher food prices and a channeling of wealth away from family farm operators and the rural economy.

Federal price support payments and crop disaster payments are intended to help stabilize production and to supplement the income of farmers who would otherwise be forced out of business. When overproduction occurs, supply overtakes demand and prices fall. The small family farmer gets less per unit for his production when he has produced a good yield, but more per unit when the yield is low. In either case, his income is controlled. Crop disaster and price support payments are necessary to support farmers when weather conditions or market prices are so low that bankruptcy becomes the only option for many.

Nonfarm corporations are not primarily dependent upon these conditions. Through practices which allow them to rely on marketing profits to offset their production losses they are able to maintain production, and expand their market at a time when small farmers are forced to cut back. In addition, these production losses are often of little consequence if the nonfarm corporation is primarily interested in farming as a tax loss investment or for farm real estate speculation.

CORPORATE CONCENTRATION IN THE FOOD INDUSTRY

The encroachment of large, non-farm corporations has already begun in our domestic food industry. In agricultural production, the largest farms have been concentrating an ever larger share of the market.

Census data shows:

1. In 1929, 12 percent of the existing farms accounted for 45 percent of total farm sales.

2. In 1964, 12 percent of the existing farms accounted for 60 percent total farm sales.

3. Eleven years later, 1975, 16 percent of the existing farms accounted for over 70 percent of all farm sales, with 4 percent of farms accounting for 47 percent of the total farm sales.

Even more dramatic has been the corporate concentration of the food processing industry. Consider the following: Four firms control 91 percent of all breakfast cereal sales; four firms control 75 percent of all bread and prepared flour sales; four firms control 70 percent of all dairy product sales; four firms control 80 percent of all canned good sales; and one company produces 90 percent of all soups.

Large food processors have already begun to concentrate holdings within the food production industry as well through diversification known as "vertical integration." Food processors who control vital production and transportation sources can circumvent market losses by relying on higher profits charged to consumers. Small family farm producers do not have that advantage.

As an example, corporate contracts were responsible for: 97 percent of chickens raised as broilers; 95 percent of processed vegetables; 85 percent of citrus fruits, and 100 percent of sugar cane and sugar beets processed, with outright corporate ownership of nearly all sugar cane production.

CONSUMERS PAY

In 1972, a Federal Trade Commission study revealed that anticompetitive techniques within 13 food industries alone resulted in consumers being overcharged by $2.1 billion in that year.

Consumers pay in terms of quality as well. According to the Inter Religious Task Force on U.S. Food Policy, concentration of agricultural production on very large, highly mechanized farms will also bring some inevitable costs in terms of food quality. While such mass production techniques as harvesting vegetables while still green and using large amounts of coloring and preservatives are not intended to reduce food quality, reduced quality is the unavoidable result of management primarily concerned with the mass processing and distribution of products and the elimination of competitors.

MORE EFFICIENT FAMILY FARMS

As Americans, we can still boast that our people spend less than 17 percent of their disposable income on food, less than any other nation on earth. Food production in the United States is still dominated by 2.8 million family farmers dependent on the market as their primary source of income.

In the early 1960's, many large corporations bought huge farmland holdings and set up corporate farms. These corporations boasted diversified investment portfolios, with large sales and accounting departments, and used the latest technology together with modern professional management. Most of these corporations suffered huge losses and have since retreated from full scale operations.

The reason why corporations failed on this effort was expressed very aptly by one of my constituents recently, "Who's going to work 18 hours a day for a corporation?"

Small family farm operations often operate on margins that are well below "cost of production," let alone "a fair rate of return on investment." As long as American agriculture is primarily dependent upon small, hard working, thrifty family farm operations, not only will consumers benefit, but so too will rural communities and the rural economy continue to thrive.

CORPORATE INVASION OF FARMLAND

Although corporations have learned the hard realities of the marketplace, this has not exhausted their enthusiasm for control of agriculture. Large corporations have lately discovered that purchase of farmland as an investment, with production handled through crop share leases with farmers, is a very practical and potentially very profitable way of increasing their control of agriculture.

Earlier this year, the subcommittee I chair on family farms, rural development, and special studies conducted hearings on a new investment scheme proposed by Continental Bank of Chicago, and Merrill Lynch stockbrokers. "Ag-Land Fund I" was designed as a tax free investment for nonfarmers whose purpose would be to engage in farm real estate speculation.

Increasingly, farm ownership gets more and more difficult for young farmers. The present demand on farmland has driven land prices up over 20 percent per year in most States, with some States like Illinois experiencing over 41-percent jump in just 1 year. As long as farm real estate continues to respond to the speculation market, rather than a market derived on the basis of its productive value, fewer farmers will be able to own their own land, and greater will be the corporate involvement.

A chief executive of one of the banking firms investing heavily in farmland expressed the attitude of many this way—

> Through the years, the typical farming venture has had four essential components—land, labor, capital and management. Among these four elements, the most treasured of all to the farmer is entrepreneurship, which is encouraged and fostered by the important role leasing plays in farming today. Historically, the emphasis has been on ownership, while leaseholders have sometimes been regarded as second-class farmers. More recently, farmers have come to think of themselves as farm operators and managers.
>
> In fact, land ownership in and of itself is less important than the profit of his overall operation.
>
> If this country is going to try to hold to the earlier mode in which ownership is revered above entrepreneurship, then the family farm as we know it is indeed an endangered species and it is going to become even more so in future years . . .

Wrong.

The bank executive was trying to defend his bank's investment scheme. So unpopular was his idea, that 2 weeks later the bank announced it was withdrawing its proposal.

CORPORATE PAYMENT LIMITATION

The annual farm programs for wheat, feedgrains, cotton, and rice are designed to provide the farmer with some degree of protection against catastrophic loss due to a depressed market price, or natural disaster. These Treasury dollars are highly controversial, but desperately needed by small producers.

Family farmers can compete with remarkable efficiency against a market that treats equally the farm supply capa-

bility and consumer demand. Corporations, however, have built in a hedge against the consumer price while expanding their control over domestic production. Especially guilty are those corporations that take advantage of the Federal price support and disaster payments while using a farm investment for real estate speculation, or when recording "business losses" for tax shelter reasons. Notable were the corporate payment recipients whose ownership is held by nonfarm interests.

Over 10 midwestern States have recognized this problem and now have laws prohibiting large corporate agriculture. The Senate has adopted language in S. 275 which will prohibit payments to large nonfarm organizations.

THE AMENDMENT

The amendment I am introducing will specify that no payment will be made to any corporation on trust whenever the controlling interest is held by people who themselves are not legitimate farmers.

Exempted from this exclusion is any farmer cooperative, family farm corporation, or tax exempt charitable organization.

It is estimated that this amendment will exclude approximately 2,000 current nonfarm corporate recipients who account for 3 to 5 percent of total production, and 3 to 5 percent of total Federal payments. While not all corporations are excluded, this amendment will result in a substantial savings to the Treasury.

Since the amendment only deals with 2,000 corporate recipients, administration will be fairly simple. Since the amendment only deals with 3 to 5 percent of total production, elimination of those recipients will not dramatically undermine the mandatory set aside provisions of the price support program.

Most importantly, however, this amendment will eliminate some of the competitive advantage now enjoyed by nonfarm corporations. A much greater Federal effort is necessary if small farm agriculture is to survive. Adoption of this amendment will be one solid step in that direction.

FINANCIAL DISCLOSURE STATEMENT—1977

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. MURTHA. Mr. Speaker, this represents the fourth annual, voluntary financial disclosure statement I have made since becoming a Member of Congress.

Earlier this year I voted in support of ethics legislation that will make similar disclosure mandatory by all Members. While I philosophically believe it is preferable for these statements to be voluntary because of legitimate right-to-privacy concerns, I am hopeful the passage and practice of the ethics legislation will increase public confidence in Congress and our decisionmaking.

My 1977 report on 1976 personal and office financial activities goes further in many areas than will be required by law next year.

Mr. Speaker, I would now like to insert into the RECORD my financial statement covering Jan. 1, 1976, through Dec. 31, 1976:

FINANCIAL STATEMENT

PART 1: PERSONAL FINANCES

A. Taxes

1976 Federal income tax paid, $11,217.

1976 Pennsylvania State and local, $1,429.

Real estate tax on personal residence paid to Dec. 31, 1976, $536.

B. Sources of all income

Salary of U.S. Congressman (total for 1976), $44,600.

Wages from Johnstown Car Wash of which I am Secretary (through Dec. 31, 1976), $1,100.

Interest on savings account (held jointly with my wife) total through Dec. 31, 1976—account at the Dale National Bank, Johnstown, $1,874.

Income other than wages, $751.

Total income for 1976, $48,325.

C. Holdings and interests

1. Living accommodations—My wife and I jointly own the same home we have lived in since 1961. This is also the home of my three children. At the end of 1976, two of my children were attending college. The house is located at 109 Colgate Avenue in Westmont Borough, Johnstown. In Washington I rented an apartment during 1976.

2. Stocks.—I own stock in the Johnstown Car Wash located on Roosevelt Boulevard. I have served as Secretary of the Car Wash organization since 1966. I have a few shares of AT&T and First Tyler Bank of West Virginia.

3. Bonds.—The only bonds I own are U.S. Savings Bonds.

4. Loans.—The only money I owe is to the Dale National Bank where I have been banking since 1958. The loans are for routine home and family expenses.

5. Transportation.—I own a 1976 Ford and my wife owns a 1974 Ford and 1973 Ford.

6. Other assets.—The only other assets I have are life insurance policies with a cash value, and a joint savings account at the Dale National Bank.

PART II: OFFICE REPORT

A. Office supply account

In 1976, I received $6,500.00 for the purchase of office supplies including paper, envelopes, stationery, paper clips, pencils, recording supplies, and other daily office needs for the entire year. The office used the full amount.

An additional cost to this fund I would like to note is the purchase of American flags flown over the U.S. Capitol. In general, I ask persons requesting flags to pay for the flag themselves. There are cases, however, where a constituent or organization deserves to be honored for outstanding service to our area or nation. In such instances, I purchase the flags from this account. Examples during 1976 included the 200th anniversary of a church, a number of community service clubs, senior community centers, and a few cases of outstanding personal accomplishment.

B. Postage

During 1976 the postage allowance for each Congressman was $1,140.00. This is to purchase stamps for official business use not covered by the Congressional frank. This includes foreign postage, special delivery, and cases of routine office procedure not covered by the frank. The occasion where our office uses the fund most is in purchasing special delivery stamps where it is important that we return a report or inquiry to a constituent or community official as quickly as possible. The entire sum was expended in 1976.

C. Transportation

Each Congressman was reimbursed during 1976 for 26 trips to and from his district, or a total of $2,324.40. This is the same type of reimbursement a company would give to an employee traveling on official business. I traveled between Washington and the 12th Congressional District every weekend in 1976 that Congress was in session with 1 or 2 exceptions. I traveled by car which I drove myself in virtually every case. My total travel to and from the 12th Congressional District greatly exceeded the reimbursement mileage. I received the full reimbursement to which I was entitled of $2,324.40.

My family continues to reside in Johnstown, I believe these trips are essential to hold Congressional workshops, office hours, and other meetings to keep in touch with the people, and give the citizens an opportunity to meet and talk with me so I can hear their opinions and problems.

D. Staff

In 1976 I was permitted a maximum of 18 staff positions and an annual staff salary of $242,724.00. Of this amount I filled all positions, and returned $33,268.33 to the Treasury in unused funds.

I have 8 persons in my Washington office. This includes: an administrative assistant, a legislative assistant, two secretaries, a receptionist, and three case workers to handle individual problems such as black lung, social security, veterans, military, and other problems involving the Federal Government, plus community requests for assistance.

The other staff members serve throughout the five district offices and handle district problems. The local offices are located in Indiana, Kittanning, Johnstown, Punxsutawney, and Somerset. All the staff members working in the district offices, and all but three of my Washington staff either presently live or formerly lived in the 12th Congressional District. The volume of information, requests for assistance, expressions of opinion, and other communications coming into a congressional office require strong staffing. Our offices have developed experts in housing policy, veterans, social security, black lung, water and sewage problems, community development, and other areas that help me provide a quick, accessible link between the people of the 12th Congressional District and Washington.

E. Telephone and Telegraph

My allotment of telephone and telegraph messages was 125,000 units for 1976. A unit is a term equivalent to one-quarter of a phone minute. Said differently, 4 units equal 1 minute of time on the phone. In 1975 I had 49,707 units remaining on December 31. Under the House rules I was allowed to carry these over to the next year. Thus, I began 1976 with a total of 174,707 units. I used 131,155, leaving me with 43,552. These units are used for long distance calls to the 12th Congressional District on official business or Federal agencies located outside Washington, or State offices. At the close of 1976, the House adopted new rules by which phone units could not be carried over to a new year, thus the 43,552 went unused, at a taxpayer savings. Amounting to an approximate dollar savings of $4,790.72 based on an average phone-per-minute cost.

F. District Offices

All of the district offices are in Federal buildings except for the office in Indiana. Federal building space was rent-free during 1976. Total allowed for rent is $2,400.

The total rental cost in Indiana was $1,836. Thus, a total of $564 was not spent.

Each Congressional office is allowed a total of $2,000 to cover district office expenses. This includes routine office needs (paper, pencils,

etc.), and upkeep of the facilities. The entire amount was spent in 1976.

G. Communications allowance

Beginning in 1975 the U.S. House authorized $5,000.00 to each member for the production and printing of newsletters, questionnaires, and similar correspondence qualifying as official business and mailable under the legal requirements of the frank. The fund covers production costs such as printing ink, stencils, machine rental, paper, and other direct supplies.

The account was started by the U.S. House to limit the use of outside funds for such communication costs. In the new ethics bill we totally prohibit the use of any such outside funding. In 1976 I used no such outside funding.

From 1975 I carried $27.65 remaining in the official account over to 1976. This was added to the $5,000 allowed for a total of $5,027.65. In 1976 I spent $5,015.13 from the fund and $12.52 was carried over to 1977.

The money was used for the printing and production costs of newsletters, questionnaires, workshop information, and other office items.

H. Government travel

I took three domestic trips in 1976. All were part of my work for the Interior Subcommittee and Military Construction Subcommittee of the Appropriations Committee. Each trip led to reports and work I did on the subcommittee.

January 13—January 15: Trip to Seattle, Washington to inspect Trident Submarine construction site and investigate questions on cost and construction time. I also stopped in San Francisco for a meeting relating to energy development. Transportation and per diem reimbursement totaled $408.06. All this covered transportation except $35.14 which I filed for in per diem expenses (the law allowed a per diem claim up to $150).

August 13: Inspection of Frankford Arsenal and Picatinny Arsenal in New Jersey concerning relocation of facilities. Transportation provided by military. I claimed $9 in per diem expenses (the law allowed $50).

Fall trip: I made the first of my personal inspection tours of military bases located in the Washington area to review housing, equipment facilities, and other matters relating to subcommittee work. This trip was made in my own car and no reimbursement occurred.

A REVISED VERSION OF SOCIAL SECURITY BENEFITS DECOUPLING ACT OF 1977

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. WHALEN. Mr. Speaker, today my colleague from Iowa, Mr. BEDELL, has joined me in introducing a revised version of the Social Security Benefits Decoupling Act of 1977.

The purpose of this legislation is threefold: First, to correct an existing error in the benefits formula which by the turn of the century will result in workers receiving greater retirement benefits than their wages before retirement; second, to substantially simplify the method by which benefits are computed, thus making it comprehensible to those who participate in the program; and third, to provide fair and equitable benefits to present and future retirees.

I am including in the RECORD at this time the section-by-section analysis of the bill.

THE PRINCIPAL PROVISIONS OF THE SOCIAL SECURITY BENEFITS DECOUPLING ACT OF 1977

Section (1) of the bill contains the short title of the bill—the "Social Security Decoupling Act."

Section (2) of the bill would provide a new benefit computation procedure for benefits based on the earnings of people who retire, die or became disabled after 1978. Benefits for people who qualify before 1979 would not be affected by the proposed change.

As under present law, all benefit amounts would be based on a PIA (primary insurance amount) derived from an individual's average earnings in covered employment. Under the new procedures the PIA would be determined from a benefit formula rather than derived from a table in the law. For 1978 benefit computations the formula would be:

112 percent of the first $110 of average monthly earnings, plus

31 percent of the next $1,050 of average monthly earnings, plus

20 percent of the remaining average monthly earnings.

Each year the Secretary of Health, Education, and Welfare would update the formula to take account of rises in the average earnings taxed for social security purposes. In the updated formulae, the dollar amounts would be changed but the percentages would not. For example, assume that average earnings rise 10 percent for the first revision of the formula. The formula, then, for 1980 would be:

112 percent of the first $120 of average monthly earnings, plus

31 percent of the next $1,155 of average monthly earnings, plus

20 percent of the remaining average monthly earnings.

By basing benefits on the 10 years of highest earnings the bill seeks to prevent the reduction in benefits which would otherwise occur because of the lengthening computation period in present law.

The average monthly earnings to which the new benefit formula would be applied would no longer be averaged over a working lifetime minus the 5 years of low earnings. Rather, the bill redefines average monthly earnings so that only 10 years of highest earnings are included in the computation.

The provisions of present law which provide for increases in the maximum annual earnings used for social security purposes would not be changed. Under the present law, these earnings are increased following each cost-of-living increase in benefits. The increase is based on the increase in average earnings taxed for social security purposes.

The change which would be made by subsection (g) gives the bill its short title. This subsection would revise (decouple) the automatic cost-of-living provisions of present law. Under present law, cost-of-living increases apply not only to people who are entitled to benefits at the time each increase goes into effect (which is the practice in all other programs with a cost-of-living provision), but also to all future beneficiaries (which is unique to social security). Future benefits, however, are based on earnings which rise, in part, as the result of increases in prices. Thus, wages which were increased to take account of rising prices are multiplied by a formula which was also increased to take account of the same rise in prices. The bill would eliminate this compound cost-of-living increase by providing that each future increase would apply only to people who are entitled to receive benefits for the month in which the increase becomes effective.

The section contains a transitional provision so that people who qualify for benefits after 1978 and before 1989 (the first ten years the new computation is in effect) could not be paid a smaller amount than the benefit computed from the benefit table in effect under present law for December 1978.

Section (3) of the bill would provide a method of determining the maximum amount to be paid to a family on the basis of an individual's earnings.

Under the present law, the maximum monthly payment to a family is determined for each PIA from a table in the law. Inasmuch as the bill would eliminate this table, a new method of determining the maximum payable to a family seems necessary. Under the bill, the maximum would be determined by a formula which would be adjusted each year in the same ratio as the benefit formula is increased. The formula for 1978 would be:

150 percent of the first $230 of the PIA, plus

275 percent of the next $1,050 of the PIA, plus

130 percent of the next $95 of the PIA, plus

175 percent of the remaining full retirement benefit.

As in the adjustment of the benefit formula, only the dollar amounts would be increased each year.

Section (4) of the bill would provide necessary conforming changes so that other provisions of present law would not be changed.

SANTA MONICA MOUNTAINS ARE NOT OUT OF THE WOODS

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. BEILENSON. Mr. Speaker, earlier this year I introduced a bill to create the Channel Islands and Santa Monica Mountains National Park and Seashore. Legislation to protect the Channel Islands—which are the westernmost peaks of the Santa Monica Mountain range—and to provide additional public parkland in the mountains has been before the Congress for more than two decades. Meanwhile, the price of land has increased, and numerous proposals for large residential developments now threaten to scar areas of prime parkland in these mountains. If we do not act this session, the mountains will be leveled, the hillsides carved up, and the canyons—which are places of incredible beauty—will be destroyed as they are used for landfills or concrete flood channels.

I would like to share with my colleagues an article from the July 3, Los Angeles Times which points out that, despite congressional inaction, there is still strong public support for a national effort to save the last great recreational resource in California to serve the needs of the 10 million residents of the Los Angeles metropolitan area and the 8 million annual visitors to southern California:

SANTA MONICA MOUNTAINS ARE NOT OUT OF THE WOODS

(By Mary Ellen Strote and Susan Nelson)

The Santa Monica Mountains have been "saved, haven't they? The creation of three state parks in the mountains and the City of Los Angeles' commitment to preserve the Mulholland Parkway all seem to assure that the mountains will be set aside for the public's enjoyment.

A nice thought, but unfortunately it isn't true. Even though they take in 28,000 acres, the three state parks—Topanga, Malibu Creek and Pt. Mugu—are relatively small green spots in a region now threatened by speculators with subdivision maps and blueprints rolled under their arms. Every day bulldozers scrape more chaparral from the sides of the Santa Monica range's steep hills; every day ancient sycamores are uprooted and high ridges leveled to make way for building pads.

Despite these pressures, much of the Santa Monicas remain, at least for now, a valuable and unique wilderness which long has been discussed as the obvious site to become Southern California's first national park. The introduction of legislation by U.S. Rep. Anthony Beilenson (D-Los Angeles) in May is the latest in a series of attempts in Congress to achieve this aim.

Stretching west from the crowded picnic tables of Griffith Park, the Santa Monica is a picturesque range of mountains which divides the cultural and business centers of Los Angeles' mid-Wilshire district from the suburban San Fernando Valley. Along the way the mountains take on other names—Hollywood Hills, Beverly Hills—but they continue west in an uninterrupted upthrusting, passing rocky streams in Topanga Canyon and fern forests near Malibu.

They tower over oak-studded straw-colored grazing lands in Calabasas and Agoura and finally ease down into the coastal marshes of Ventura County. Thirty miles offshore, they rise again, this time as isolated mountaintops known as the Channel Islands—including Santa Cruz and Santa Rosa, now devoted to ranching; San Miguel, owned by the U.S. Navy, and Anacapa and Santa Barbara, which have been designated as national monuments.

Bielenson's bill, which would create the Channel Islands and Santa Monica Mountains National Park and Seashore, would enable the acquisition of land to tie together existing city, county and state facilities in the mountains and bring the offshore islands into the chain. Hikers, cyclists and pleasure drivers would be able to follow an uninterrupted path of parks, greenbelts and scenic traffic corridors all the way from the densely populated heart of the city to the shores of the Pacific. But if land acquisitions are not made now, the opportunity to preserve this open space will be lost forever.

The idea of linking the mountains with the offshore islands as a national park is a new one, but efforts to protect the islands date back 20 years in Congress, and conservation groups have been seeking a national park in the Santa Monicas for 14 years.

The reasons for such a long delay in winning approval remain a mystery. Horace Albright, an early director of the National Park Service, offered one explanation recently when he said that "had the Santa Monicas been located in any other part of America, they would long ago have been set aside in the national interest. Only in California, which boasts such an abundance of spectacular scenery, has it been possible to ignore them."

We have scenery, yes, but not enough of it is open to the public for recreation. For many reasons, the park is a necessity:

Southern California is one of the most park-poor areas of the country. Only 2% of the City of Los Angeles is reserved for open space, parks and beaches. In contrast, San Francisco has set aside 14% and New York 18% of their land for parks.

Recreation needs in Southern California are growing even faster than the population. More than 10 million residents of metropolitan Los Angeles are increasingly demanding more space for hiking, bicycling and camping; 8 million visitors a year also place strains on existing facilities.

Smog in Los Angeles is bad, but it could be worse. The Santa Monicas sit squarely in the path of our fresh-air flow from the ocean. Developed, the mountains would be an additional source of pollution. Reserved as open space, they are a lifeline to the city's major source of clean air.

Southern California deserves a national park. Northern California has five, including Yosemite and Sequoia, and within the last decade acquired the Pt. Reyes National Seashore as well. Southern California has none. During the federal Legacy of Parks program of the early 1970s, new urban parks were created near San Francisco, New York and Cleveland—but not Los Angeles. Delegates at a recent Washington conference sponsored by the Urban Environment Foundation rated the Santa Monicas national park as one of the four most needed such projects in the country.

Both islands and mountains are truly unique and must be protected. The Channel Islands contain important archeological sites in addition to plants and animals found nowhere else in the world. These are threatened by uncontrolled contact with man. In addition, waters around the islands offer an unusual opportunity for development of marine sanctuaries. The Santa Monica Mountains are unmatched anywhere for providing the beauty of a wilderness in the middle of a metropolis.

Certainly the state has made an excellent beginning in establishing three state parks in the mountains. In addition, the new state Coastal Commission and the Santa Monica Mountains Comprehensive Planning Commission are working on land use plans for the area. Officials of Los Angeles' city and county governments are being pressured to preserve the mountain land, much of it along Mulholland Drive and Mulholland Highway, under their control.

The critical need now is for land acquisition, particularly along the seashore and around the state parks, which are threatened by development on all sides. The federal government is in the best position to make these acquisitions. The Beilenson bill provides $100 million for land purchases in the mountains and $50 million for the islands, three of which are already federally owned.

Private landowners would be compensated. The great parks of America's past were carved out of vast tracts of federal land containing few private holdings. Today, it is much harder to acquire desirable land in urban areas, but the government has worked out a whole new process for dealing with the problem.

Nor would a national park crowd out all private development. Land zoned for private recreation and agricultural use often serves as a valuable buffer for such parks.

The Santa Monica Mountains bill has been referred to the House Interior and Insular Affairs Committee's national parks and recreation subcommittee and has the support of several key Congressmen and government agency heads. In addition, public support has reached such a level that the Department of the Interior reported recently that it had received more mail on the Santa Monicas than any previous park proposal.

Thus Los Angeles now stands a chance of getting its own national park and seashore. The opportunity will not last a decade or so this time, however. We are looking at a classic case of now or never.

WHY WE LOVE THE OLD LAND

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. O'NEILL. Mr. Speaker, I would like to take this opportunity to insert in the CONGRESSIONAL RECORD the acceptance speech given by Edward B. Hanify of Belmont, Mass. on April 29, 1977 as he was awarded the Eire Society of Boston's Gold Medal. Among past recipients of this coveted medal were the late Richard Cardinal Cushing and President John F. Kennedy as well as Speaker John W. McCormack. It is my honor to present to you Mr. Hanify's speech entitled, "Why We Love the Old Land."

The speech follows:

WHY WE LOVE THE OLD LAND

(By Edward B. Hanify)

Mr. Toastmaster, Mr. Chairman, Madame President, The Honorable Consul General of the Republic of Ireland, Very Reverend and Reverend Fathers, Members of the Eire Society and your guests.

I accept this Eire Society medal with appreciation and alacrity. For, in the course of some forty years of commerce with the world and many a perfunctory handshake, as I look around tonight I see genuine friends.

"From quiet homes and first beginning out to the undiscovered ends,

There's nothing worth the wear of winning But laughter and the love of friends."

If I started to remininsce about my keen personal memories of the laughter and happiness attendant upon the privilege of personal friendship with so many here, I would never begin, not to say conclude my remarks. As you know, I have been at this rostrum in various capacities for more than two decades. I had the privilege of presenting this medal to Father Terrence Connolly, S.J. in 1960 and to Siobhan McKenna in 1971. I was your President when our beloved friend Joseph Gannon was the Medalist in 1962. I presided as Toastmaster when John Houston received it in 1968, and Ambassador John Moore in 1976. Imagine my feelings of joy, humility and incredulity when I learned from your President on St. Patrick's Day, 1977 that the happy best man at so many ceremonies was now the groom in his own right.

My formal acceptance requires a few clarifying statements. The old timers in that best of cities Fall River used to tell the story that in St. Louis Parish in the pastorate of Father Fogarty, where many Gaelic speaking families settled there was a fine outstanding family with the name of Farrissey—F A R R I S S E Y. When the good pastor came to those passages in Scripture where the Lord had occasion to rebuke the Sribes and Pharisees, he was always careful to say that those Pharisees were not the Farrissey family in the parish. Although the name Hanify in Gaelic means "sons of the storm", I owe you the analagous explanation that the Muslim Hanafis, who have caused so much recent tragedy and tumult in Washington, are not members of my family.

I have also discovered that my middle name "Benno" in the announcement of the award, has aroused a certain mild curiosity—and the conjecture that I have the distinction of having a blood relationship to the noble Italian race of Rafael, Michaelangelo, Leonardo and a succession of artists, statesmen and prelates. In truth "Benno" was the first name of my German maternal grandfather, Benno Brodkorb. All his brothers had been conscripted into the Prussian army and his father, anxious to save the youngest boy from the jaws of militarism, sent him from Germany to Boston. He was a musician by profession and a wood carver by trade. Around 1872 he went to Fall River after a few years as organist at nearby Saint Cecilia's Church in Boston. He married a young lady of Irish blood. For fifty years he played the organ and directed the choir at Saint Mary's Cathedral in Fall River. Probably, no German in the history of man pealed forth the solemn or joyous tones of the Cathedral organ at the funerals or weddings

of so many Irish immigrants and their children as did my grandfather in old Saint Mary's. He was the only one of my grandparents I ever knew—all others had died before my birth. I remember the genial kindly man, plagued by rheumatism in later years, trudging for miles through rain and ice and snow to be sure the early Cathedral Masses had appropriate music. Occasionally he let me sit in the choir loft at the Solemn Masses of the Great Feasts. There for the first time I heard, and even now wish I might hear again, the majesty of the ancient Latin Kyrie, Gloria, Credo, Sanctus, Agnus Dei.

So much for the clarification of "Hanify" and "Benno". A final caveat in my acceptance. Every realistic man here knows that any accomplishment he has to his alleged credit in the external world is the happy result of a joint effort with the one who has inspired the entire endeavor, sacrificed selflessly and effectively in its pursuit and then sat modestly in inconspicuous places while he received the plaudits she really deserved.

In that spirit I accept the award jointly with the former Jane Dillon of Waterbury, Conn., now and for the past thirty-seven years Mrs. Edward Benno Hanify—and moreover I now publicly concede what I have privately contested hitherto, that in the life of the old land the Dillons have played a much more conspicuously heroic role than the Hanifys—from Viscount Dillon of the Wild Geese to the John Dillons of recent Irish history. (Parenthetically, in lawyer's language this concession has no extra-territorial effect, does not bind the Hanniffys in Ireland, and could be reopened if newly discovered evidence proved that Brian Boru was a Hanify.) Both here and in Ireland, however, the Hanifys have had the incomparable good sense of intermarrying with the Dillons.

I wish that I had one single profound thesis to advance tonight about Ireland, her problems, her future or Irish-American relations. I have none. Rather, I propose to give you a simple account of why Jane and I love the old land.

Frankly, I am tired of instant American Expertise on Ireland. A few nights in the Dorothy Draper designed habiliments of Bernard McDonough's Drumolin Castle, with a chauffeur driven tour of the environs has produced more Irish American experts on the old land than Ireland can possibly use. We have experts on what is wrong with the Irish and what is wrong with Irish Americans—and whatever their credentials, their views always have the most definitive and authoritarian ring.

Thus one learned author in a collegiate publication in 1974 devoted to "The Irish Issue" diagnosed the division between North and South as related "to sickness in the Irish soul".

Said he: "If it is true that England created the ulcer, then it is true that the Irish themselves now perpetuate it. They want to keep it bleeding so that they can live in the past, the bitter past. It is from their bitter memories of the past, that they draw their sustenance to go on living in the present."

I respectfully suggest that there is no evidence to sustain this proposition that Ireland derives her sustenance to go on living in the present from keeping the old ulcer bleeding. Indeed, you know that the contrary is true from the eloquent remarks of the distinguished Consul General of the Republic here tonight.

If you think this picture of the native Irish attitude is a caricature, you should read the picture of Irish Americans which the official Bulletin of the Irish Department of Foreign Affairs, "Ireland Today" published in an article celebrating the American Bicentenary on July 4, 1976 by the Rev. Andrew M. Greeley of Chicago, entitled, "On Top of the Heap and No Place to Go." The Rev. Greeley says of the modern Irish American in this country: "Our learning is practical and pragmatic. We drive our story tellers out of the community and tend to be suspicious of those who write. . . . We are still loyal to the Church of Rome though increasingly fed up with its leadership (and completely unconvinced now about its teaching on sexual morality) and no longer proud to have our sons become priests. We still drink too much, talk too much, politic endlessly . . . etc."

Without comment, I simply leave it to you as to whether the typical Irish American would no longer be proud to have a son become a priest or is completely unconvinced about the teachings of the Church on sexual morality—by which is meant of course artificial contraception and abortion.

The time has arrived for a cessation of this process of denigation and depreciation of the Irish character on both sides of the water. Vapid generalizations about how an entire race or social group conduct themselves are inherently misleading. It is not over sensitivity to critical comment that prompts that suggestion. It is just common sense. None of us individually really gives a tinker's damn what "experts" of the kind I have quoted think of modern Ireland or Irish Americans in this country. What counts is that the unchallenged dissemination of such vacuous broadsides under apparently authoritative or respectable auspices tends to destroy the constructive work of cultural exchange and mutual respect created by this organization over the years between Ireland and the United States.

We are told that Oliver St. John Gogarty once rented a house of his in Galway which had all the amenities for gracious living. Unfortunately he rented this lovely home to a super critical, constitutionally unhappy tenant who upon entering the premises sent Gogarty a blazing telegram, "Your house is unfit to house a dog." Gogarty showed the telegram to a friend who knew it was a lovely house. "What do you intend to do?" the friend asked. "I've already done it," said Gogarty. "I've telegraphed him I am sorry, and am sending a lamp post!"

Perhaps we need a few lamp post awards to these super critics on our side of the water who see the men they most admire in their own mirrors and bow obeisantly before them and create the dogmatic pronouncements of a collective *"we"*.

Some years ago I had the privilege of showing the Hanniffy family of Ballinasloe the national monuments hereabouts related to our American independence—Lexington, Concord, Fanueil Hall, the Old North Church. They were thrilled and delighted with these scenes and symbols of our two hundred years of national history. Then when I visited them I discovered a few miles from their homestead the ancient remains of Clonmacnoise, a centre of learning and sanctity on the banks of the Shannon founded about the year 548 A.D. where at one time seven ships packed with foreign students landed in one day and no less than six thousand scholars thronged its confines. On that day, which I spent alone on those ancient premises, with my sole companions the ripple of the Shannon's waters and the quiet wind, I decided that a people who had adhered for centuries before this nation was even discovered to the principles of the natural moral law upon which Western Civilization is based has the maturity to deal with the ancient intractable heritage of her immemorial woes without external harassment or violent interference with the policies of her own government—and the best we can do is to pray for and encourage her own dignified autonomous efforts to quench bloodshed, quell violence and achieve peace. When you cannot help an extremely complicated problem with whose total aspects you are perforce unfamiliar the least you can do is to avoid throwing the fuel of fiery rhetoric or the logs of ill directed assistance upon the fire. So I turn to a brief account of what Ireland has meant in joyful significance to the Hanifys.

On one of our visits in 1965, we were celebrating our twenty-fifth wedding anniversary, and also the fiftieth year in the Society of Jesus of my old teacher and friend from Holy Cross days going back to 1929, the Rev. John P. Flanagan, S.J., who gave the beautiful Invocation this evening. Father John was accompanied by his brother Father Edward, an Oblate, and the Fathers were visiting, preaching and lecturing at various Irish Trappist monasteries at the instance of another brother the famous Trappist author Father M. Raymond, or Joseph Flanagan. The tour was planned so that after a few days of separate activities, the group rejoined for a day or two of reunion—then started off again. When I returned, from the letters home which the family preserved, I put together an account of this visit. I begin from these notes now more than a decade old.

"We arrived, Jane and I, in Cobh aboard the Holland American ship, the Nieuw Amsterdam on July 8, 1965. Thence the ship was to go to Southampton, LeHarve and Rotterdam. Ireland, that morning, beckoned to all the passengers, not just those who planned to disembark. The fresh, clean, serene charm of the land reached out to the ship when first her shores were visible in the dawn. Viewed from the sea, the Irish land creates an impression of immemorial tranquility; the Irish sky incessant motion, not nervous spasmodic agitation, but grand, powerful, ceaseless vitality—the domain of massive clouds, acting roles in gigantic sky-sagas, as fresh and majestic as if they had been newly generated by forces attending the creation.

We will never disembark unless I leave for a while that Irish sky. The tender which met the ship turned landward to the town and the spires of St. Colman's Cathedral rising high above all else. This was the third time we entered the customs shed at Cobh. Previously our customs formalities here had taken place when we were leaving Ireland, having arrived by air. This time we reversed the prior procedure, arrived by ship and departed by air.

The customs' shed to the arriving passenger is the locus of a few brief formalities. To the departing passenger it is the scene of very poignant dramas. At least it had been in the past for us. Here we had witnessed the last farewells of family groups to the departing son or daughter. There were dignified, but heartrending tableaus, now for decades repeated with new actors in the inveterate roles. As you observed, you felt that someone whose name you bore, or whose lineaments were yours, or whose great grandchild you were, had once stood in this barren barracks, and said "Farewell"—and then from the tender watched the green land fade. Now as we arrived, we recognized in our hearts that we were about to see again those scenes which our ancestors carried as the ineffaceable vistas of youth and home to the edges of the world and the far reaches of the sea.

Thus I step on Irish soil with reverence, and feel that wheresoever I go there some unknown ancestor walks with me. I cannot see this land as a casual tourist. Always I must see not only with my own eyes, but through other eyes long, long closed. The amazing thing is that I have never met, even as a child, a single forebear of mine born in the old country. Thus the influences that move me are as anonymous and mysterious as the "Connemara wind."

May I interpolate to say I have since wondered whether the influences that moved me are quite as anonymous or mysterious as they then seemed.

I have since learned that in the same week in May 1886, in the same neighborhood in Fall River, two young mothers went to

their graves. One was the thirty-one-year old wife of my grandfather Benno Brodkorb, Elizabeth. Her health had declined after the loss of two of her three children through sickness or accident, leaving only my mother aged five. In the same neighborhood in the same month of the same year, another Elizabeth, the young wife of Michael Hanify my grandfather, deceased, leaving five surviving children, the youngest of whom was my father, also aged five.

What influences kept these families together, bereft of mother; the father in each case, a recent immigrant from Germany and Ireland, an organist and a sea faring man respectively? Clearly of course there was religious faith. I recently came across the little prayer book Benno Brodkorb gave his daughter, my mother, after he started at midnight, trudged for miles through a January blizzard to attend her First Communion at the local convent where he had placed her. The prayers were not German-Catholic prayers or Irish Catholic prayers or American Catholic prayers. They were the prayers of the universal one holy and apostolic church, loyal to the See of Peter. Apart from religious Faith, what sustained family life in the tragic circumstances I have enumerated? I believe that it was the concept that the family unit was not restricted to the nuclear group—father, mother, children—but embraced grandparents, aunts, uncles, cousins—all of whom had a sense of obligation to the core unit and sacrificed themselves to preserve it when death or tragedy struck—a concept which needs to be revitalized today. The older sister substituted for the deceased mother with the younger children. The maiden aunt stepped in to care for an orphaned child. This is an ideal our forebears shared with all other Americans of their day. Clearly it is part of the cultural heritage this society should transmit to generations yet to be in an age where the family is the most imperiled of all social institutions.

Let me now return to the itinerary our Irish odyssey in 1965. When your wife is an angler, one is bound to see the most beautiful parts of all countries. So here we are at Ballynahinch in Connemara whence I write on July 22, 1965:

"Now for our present abode—Ballynahinch Castle. Every fisherman is given a "beat"—that is the part of the river bank assigned to him for the day. His "gilly" takes him to his "beat". The beats and the gillies are rotated among the guests so no one gets a corner on a particularly good spot. The gillies assemble each morning in the game room of the Inn. I do not know what else to call it. It has a few tables, the walls are covered with mounted fish, the bar is nearby. The gillies are for the most part venerable men who assemble with the dignity of the College of Cardinals.

Michael the head gilly then makes the assignments for the day. The salmon are actually jumping out of the water. At this time of year each beat normally averages about a salmon and a half per beat per day. But—wouldn't you know—this year the river and the lake are at low water because however much it has rained in other parts of Ireland it has not rained enough here. So on her two experiences on the beat mother has seen the salmon practically looking with disdainful eye at her fly, and although she has caught trout which would delight her at Stone Pond, she is currently feeling frustrated—but after all she has well over a week to go.

"Ballynahinch Castle in ancient times was the stronghold of the O'Flahertys. When they were dispossessed, and after decades of Engish ownership, it finally came into the posesssion of the Jam Sahib of Nawanagar-Ramjit Singhi, in 1926.

Ramjit's presence in Connemara, as might be expected, aroused much local interest. The older gillies still remember him. Despite rumors that he had a harem, they assured me he was "a good living man." He liked to fish in comfort, if one can judge by the elaborate piers he had constructed into the river. Quaere, how adept he was at the art. The story is told that he once "got into" a good salmon. "Keep your rod up, Your Excellency" exhorted the guide. Ramjit faltered. "Keep your rod taut, Your Highnerr" implored the guide. Ramjit did his best. "Keep it up, your Lordship. Hold it up, your Holiness", But Ramjit did not succeed—he was overanxious, he gave the line a convulsive jerk, fell over and lost the fish. The exasperated gilly changed his tone: "You big baboon, how in the hell would the likes of you ever land a salmon."

"I do not quite believe the story since I met no gilly who seemed so vehement. But forty years have passed, and they are now ancient men. There was Martin Joyce—the senior of them all, laconic and selfcontained. Then there was James Kane, the gentlest, and Frank Cummings, who seemed the most adept in achieving results for his companion.

"For a while things were quite frustrating for Jane. With the salmon darting all around her she went several days without a bite. It reached the point where she deserted the river for two entire days. Then we toured the countryside. There was Clifden and Moynard, Roundstone and bleak Inishnee—and Cleggan. The harbor of Cleggan is a very melancholy spot—not far removed from the scene of the great Cleggon disaster when practically every man in the town was lost when the fishing fleet was caught in a violent storm.

Finally one day there came a change in Jane's fortune. It was brighter and less cloudy than usual. I was walking along a path through the woods across from her beat. Martin Joyce, her guide, passed me going in the opposite direction. He was preparing to move to a new spot farther down the river. Then he came back to me breathless. "She's into one," he said, "Run with the net." I was somewhat faster than Martin—or he thought I should be. I grasped the net, like a runner in a relay race, darted(?) across the bridge—and there she was, her rod bending and the fish in the strong current resisting.

"For one hour and forty-five minutes the effort went on. It was near lunch time when the effort started. Martin, anxious for his lunch, with all the regularity of an elderly man who had been through this experience times unnumbered, recommended drastic action. His theory seemed to be either get the fish in or lose it—but don't be here all day. Fortunately, Frank Cummings came by—and told Jane to continue what she was doing—keep the rod up and play the fish and no lurching pulls. "She's into a monster," said Frank, and sent young Michael, the chief gilly's son, into headquarters to bring out a gaff. By this time Jane had at least five advisors: Joyce recommending strenuous tactics, Cummings patience, young Michael ready with the gaff (it was never needed), her husband aligned with Cummings since he likes to try long lawsuits, and a very cosmopolitan Frenchman, a guest, who watched the proceedings with the somewhat jaded ennui of a veteran of the French Foreign Legion on leave in Morocco. The Frenchman had one very bright idea: He suggested that I send in for lunch, dinner and several dry martinis because the current was with the fish and not Jane—and the process was apt to go on for hours. However, about 2 p.m. Jane landed the salmon—about seven pounds, not as large as some she got later, but the first."

On this and other Irish journeys, I believe we have visited every spot associated with the poet William Butler Yeats—the melancholy of Lady Gregory's Coole, the high square Norman Tower in Ballylee where Yeats settled in 1918, the Lake Isle of Innisfree, and Drumcliffe Church Yard where Yeats rests. I write:

"We next proceeded to Bundoran in County Sligo, and I made my Pilgrimage to the Yeats country. We stopped at Yeats' grave in Drumcliffe Church Yard. The year before he died, Yeats wrote a poem that contains his epitaph. It goes something like this:

" 'Under bare Ben Bulbens head, in Drumcliffe Churchyard
Yeats is laid. An ancestor was rector there
Long years ago. A church stands near
Beside the road an ancient cross,
No marble, nor conventional phrase;
On Limestone quarried near the spot
By his command these words are cut:

"Cast a cold eye
On life, on death
Horseman, Pass by!' "

"Bare Ben Bulben is a strangely shaped mountain which dominates the region, and as we arrived at the grave of Yeats the mountain was enveloped in a dark rain cloud. The words 'Cast a cold eye on Life, on Death, Horseman Pass by' stand out in white letters on a plain limestone marker with the words, 'W. B. Yeats 1865–1938.' On the grave was a withered wreath from the Yeats Society blown by a cold wind."

It is significant that when Yeats settled at Ballylee he wrote a poem commemorating his oldest friends. "Lionel Johnson comes the first to mind", Yeats wrote—and few today have ever heard of Lionel Johnson. Yet Johnson's Ode "Ireland" has been described by a competent critic as "The complete and noblest expression of love for Ireland". If Yeats was the poet of the Celtic Twilight, Johnson was the poet of the Christian dawn.

Frankly, I have never understood those lines of Yeats:

"Cast a cold eye
On Life, on Death
Horseman Pass by"

I believe man is incapable of "casting a cold eye" on the great gift of life or the mystery of death. Certainly, it never occurred to me in Drumcliffe churchyard in 1965 that those lines:

"Cast a cold eye
On life, on Death
Horseman pass by"

would become the unwritten epitaph for the unmarked graves of millions of defenseless unborn children in this nation by decision of the Supreme Court of my own country.

Our Irish 1965 journey certainly closed on a happier note than that suggested by Yeats' admonition. I wrote the concluding account thus:

"This tale must end sometime; From Connemara via Galway to Shannon and home on July 31st. I wish I could recapture here not just fragments, but the whole experience. I wish that whoever reads this could have joined the repeated reunions of the Fathers Flanagan with Jane and Ed Hanify at various inns in Ireland in July 1965. Our paths would diverge for a few days. Then we would rejoin forces. There was always an evening of exchange of our separate experiences, and the talk of those evenings was a great joy. We can never forget that reunion time of the pilgrims; We can never forget Ireland; There was one of us who was constantly attuned to its message and its meaning, and kept us all in tune. That was Rev. John P. Flánagan, S.J. in his fiftieth year in the Society of Jesus. There was another of us who was always alert and ready for adventure, who loved the splash of rain in her face when the fish were biting, and who seemed to have an eternal fountain of happiness in her heart. That was Jane Hanify in her twenty-fifth year in the state of matrimony. Then there were the two Eds—Ed Hanify and Ed Flanagan, and If I must say it for both of us, we were good pilots—

and we would not have missed the adventure or the company!"

And may I close this happy evening of my life with something Yeats friend Lionel Johnson wrote which applies to all of you who have given me your friendship these many years, and this honor tonight.

"O Guardian Angel. Patron Saints
You who have cared for me:
You who have borne with all my plaints
So patiently!
I ask but one thing now: I pray,
God grant through you, each friend
Be mine within Eternal Day,
World without end."

BOSTON GLOBE COMMENDS CONGRESSMAN EILBERG'S BILL TO REFORM GRAND JURIES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. DRINAN. Mr. Speaker, for many months now, Congressman EILBERG, chairman of the Judiciary Subcommittee on Immigration, Citizenship, and International Law, has been working assiduously to reform the Federal grand jury system. He and his subcommittee members have spent much energy and time in hearings and markups to develop a bill which will truly bring needed change to this ancient institution.

The Boston Globe recently recognized the magnitude and importance of the work of the Eilberg subcommittee of the editorial page, the Globe noted that the legislation being developed "could well serve as a model for similar State actions," where reform of the grand jury is also needed. It is unfortunate that the Carter administration is not giving the effort more support.

The Globe editorial is a fine tribute to our distinguished colleague and it is inserted into the RECORD here for all to see:

GRAND JURY REFORM

There were undoubtedly those who saw a certain irony in the complaints by General Motors last month that the Federal government was abusing the grand jury process by hauling in GM officials to testify under oath about corporate tax matters. In recent times at least, complaints about grand jury abuses have come most frequently not from the offices of the nation's corporate executives but from political radicals charging grand juries have been employed to quash their activities.

In theory, the grand jury serves a laudable purpose. It allows possible criminal charges against an individual to be screened in secrecy by an independent panel of the accused's peers before they are publicly lodged.

In fact, however, the grand jury has become a tool of the prosecutor. By both establishing the grand jury's agenda and orchestrating the quality and quantity of the evidence presented, the prosecutor almost invariably determines who is and is not indicted.

But the grand jury can still provide valuable protection to individuals and the most prudent course now is to increase those safeguards. At the Federal level, legislation to do this—which could well serve as a model for similar state actions—has been introduced by Rep. Joshua Eilberg (D-Pa.). It received a cool reception from the Carter Administration at a hearing last week but it points in the right direction.

It would repeal the "use" immunity law enacted at the urging of the Nixon Administration under which witnesses can be compelled to testify before a Federal grand jury and then, despite the constitutional guarantees against self-incrimination, be tried for activities about which they testified as long as the specific testimony is not used. The Eilberg legislation would return the Federal system to "transactional" immunity under which a witness compelled to testify could not later be tried for crimes detailed in that testimony.

The Eilberg legislation would also allow defense attorneys into the grand jury room to advise their clients (now they wait outside the room and their clients can go out to them) and, not incidentally, to monitor the process. A similar proposal for Massachusetts grand juries was recently approved by the state Senate.

Another meritorious provision of the Eilberg legislation would require that a judge screen Federal grand jury indictments prior to their issuance to make sure that they are based upon sufficient admissible evidence and that the procedures were appropriate. The proposal is designed to avoid needless damage to reputations arising from improper indictments.

None of these proposals has won the general approval of prosecutors. Yet none should generally impair prosecutors' work. Whatever the grand jury's original function, in a complex industrial society, where crime is commonplace and crime fighting sophisticated, the professionals—the prosecutors—will play the dominant role. But it is in exactly such a society that sufficient measures must be taken to protect the rights of individuals.

"GRAIN RESERVE AND FOOD FOR THE WORLD"

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. PANETTA. Mr. Speaker, in deciding to co-sponsor H.R. 7871, "The Stocks Management and Reserve Act of 1977," introduced by JIM WEAVER on June 17, I did so in the belief that this country needed the protection of an effective domestic grain reserve.

Two articles published in the Washington Post on July 3, during the House recess, reinforce my opinion that the Weaver bill offers benefits to all of us—and particularly U.S. producers. The articles by Washington Post staff writers, Bill Curry and Dan Morgan, point to the bountiful harvests that are leaving American farmers with a glut of wheat and market prices that do not come close to cost of production. And with export markets limited due to good harvests and surpluses virtually worldwide, U.S. farmers are financially desperate—receiving declining prices for their crops while their production costs continue to escalate.

The need for grain reserves is cited by the authors as a major remedy to this temporary surplus problem. Much of this surplus grain—would be pulled off the market until prices rise to a higher level. The Weaver bill, H.R. 7871 proposes to do just this, by offering U.S. farmers a Commodity Credit Corporation extended loan to meet their cash flow needs, and to enable them to hold up to 35 million tons of their stocks off the market until prices rise to a level that will offer them an adequate return on their production. If we are to expect farmers to continue to produce adequate supplies of food in the future, we should be willing to offer them the kind of support the Weaver bill provides.

I ask that the two Washington Post articles be submitted into the RECORD:

NEW FOOD CRISIS: TOO MUCH WHEAT

MIGHTY TORRENT OF GRAIN ENGULFS DEPOTS

(By Dan Morgan)

Two years after the world emerged from the shadow of famine and food scarcity, a new world food crisis plagues governments at home and abroad.

This new crisis is one of too much wheat, not too little, and its dimensions and statistics are the reverse of those that prevailed when food supplies were disrupted from 1972 to 1974, and when some economic prophets predicted that the world might be running out of food.

A mighty torrent of grain engulfs storage depots as the harvest of 1977 sweeps across North America, Europe and Western Siberia. The world now has 40 million to 50 million metric tons more wheat on hand than it will need in the coming year, and even countries that normally live from harvest to harvest have a comfortable margin of grain.

India—a country that often faced food deficits in the last two decades—still has 18 million tons of food stored away as it harvests more rice and wheat.

And Bangladesh—the focal point of famine relief efforts in 1974 and 1975—has begun repaying its wheat debts. In May, it bought 40,225 tons of wheat, but ordered it shipped to Russia as partial repayment of 200,000 tons it received earlier on loan.

In the United States and Canada, which together control almost two-thirds of the global wheat trade, prices are sliding down toward the level they were in early 1972, the point at which world food price inflation began.

There is a strong element of good news in this turnaround of a situation that threatened some countries with famine and squeezed the treasuries of others that depend on important wheat.

But food experts warn that the situation also poses grave dangers. One of these is complacency about the lingering problem of world hunger. The full grain bins do little to alleviate the malnutrition of an estimated 450 million people who have no money to buy food or who live beyond the reach of food pipelines.

"We are in the eye of the storm," a White House official said.

According to E. A. Jaenke, a Washington food consultant. "The world is rapidly approaching another food crisis which may well be of even greater magnitude than the last crisis of 1972 to 1974."

The main reason for such gloom in the midst of apparent plenty is the absence of any international system for evening out the boom-and-bust cycles in the wheat trade.

Advocates of an unregulated free market in grain say that supply and demand is the best controller of the food supply. In the short run, the forces of the marketplace could push grain prices still lower. But these same forces are also likely to push prices up later on. When that happens economies of countries all over the world can be strained.

A 1967 agreement between wheat exporters and importers established ceilings and floors on wheat prices. But that agreement quickly collapsed, leaving countries exposed to pressures that sent wheat prices from $1.75 a

bushel to more than $5 a bushel between 1971 and 1974.

The Carter administration has made a general pledge to support the renewal of such a cooperative system. Secretary of Agriculture Bob Bergland said last week that he favors "guidelines" under which governments would have to take certain controlling actions when prices reached agreed-on levels.

One element of this system might be grain reserves which governments accumulate when prices get too low and release when they get too high. However, the administration plan is still in the drafting stages.

Substantive talks on a food reserve will not begin until later this year. In the meantime Bergland admitted, there is nothing to prevent a "free-for-all" in world wheat markets this summer.

As domestic pressures to unload the costly-to-store surpluses mount in exporting countries, there is an immediate threat of economic confrontation.

Both Bergland and Otto E. Lang, the Canadian cabinet official in charge of grain marketing, have expressed hopes that a price war can be avoided. Nevertheless, pressures are increasing and some officials at the U.S. Department of Agriculture are still angry at Canadian tactics last summer.

Faced with a bumper wheat crop, falling world wheat prices and the costly prospect of storing much of the unsold grain for months, the Canadian secretly sold 4 million to 5 million tons at up to $13 a ton below the American price.

The wheat was sold to international grain companies, which channeled it to the Caribbean, the Philippines, Indonesia and Europe.

Minnesota wheat farmers who tried to sell their wheat during this period often found there were no buyers at the prices quoted in American grain exchanges. Farmers were puzzled—until word finally leaked out that the Canadians were using the private companies to funnel wheat into markets often served by American wheat growers.

When the U.S. agricultural attaché in Ottawa asked for details about the selling prices, the reply was "We're not going to tell you that."

A few months later, Argentina began marketing its wheat below the U.S. price.

In the short run, importing countries would benefit from another round of price-cutting this year by the major exporters—the United States, Canada, France, Australia and Argentina. But food experts say that depressed wheat prices could result in adjustments that send prices spiralling upward again in the absence of international controls.

Bergland said last week that if the wheat buildup continues in this country through Aug. 15 he will seriously consider having farmers idle between 10 and 12 percent of the nation's 80 million acres of wheat growing lands.

That would be a step back a government limitations on wheat production which existed before 1972. Such a step would be dictated by domestic political realities here. But it would be a reluctant one for Bergland because of its possible impact on world hunger later.

According to Harry E. Walters, assistant executive director of the World Food Council in Rome, the current wheat price in the United States is "much lower" than the price in 1971 when the farmers' increased costs of fertilizer, pesticides and fuel oil are considered.

And the significance of bargin wheat prices was demonstrated in 1972 when Americans learned that large grain stocks can be depleted rapidly—with results that affect people's pocketbook.

Wheat prices were under $2 a bushel then, and had been for years. But governments abroad wanted to buy more American food to improve the diets of their populations, and the Soviet Union, in particular, took advantage of the bargain prices to launch a raid on the U.S. grain stocks. Food prices inflated steadily from 1972 to 1974.

Wheat prices are determined mainly by how much buyers and sellers think will be left over right before farmers start their new harvest. If a great deal is left over, as is the case this year, prices stay low. But some experts believe that when American wheat farmers start harvesting their crops in the middle of 1978, somewhat less food will be in the grain bins than is there now. There are a number of reasons for this assessment.

For one thing, cheap wheat is certain to increase demand for it. The International Wheat Council in London says the wheat trade will increase by at least 8 million tons next year because wheat is now such a bargain. Also, American farmers have begun using more of it to fatten their hogs, cows and chickens.

Developing countries have the largest stake in preventing a new price spiral. They buy about 40 per cent of the wheat exported.

Their requirements for wheat to feed growing populations cannot be reduced easily. Bread made from imported wheat—a food that was almost unknown in Asia before World War II—is now a staple in the diets of city populations of Korea, Taiwan, the Philippines and Indonesia.

And for some regimes overseas, the ability to obtain this wheat at reasonable prices is a matter of political survival. American and Arab officials said last week that Egyptian President Anwar Sadat could face political turmoil at home if wheat prices rise sharply again.

Wheat is a crucial component of Egypt's fragile food system. Egypt buys the wheat from abroad and resells it to local flour millers for less than it cost. Food subsidies of this kind cost the government nearly $1 billion a year.

Rioters forced the Sadat government to rescind a threatened end to subsidies on bread, vegetable oil and tea in January. If the cost of imports increases, the government either will have to increase the subsidies even more or face possibly new demonstrations.

Policymakers say a way to spare Egypt, other nations and U.S. consumers from the impact of a sudden rise in wheat prices would be to create an international stabilization plan.

Some officials in Washington say the conditions establishing such a system are more favorable than at any time since New Dealer Henry A. Wallace championed an "ever-normal granary" in 1933. Wallace never achieved his dream of getting nations to cooperate to prevent the ruinous cycle of scarcity and surplus in the global wheat trade.

The Carter administration, however, has indicated broad interest in commodity agreements, including one for wheat. Wheat prices fluctuated 45 per cent between 1971 and 1976.

Canada and the United States both want to maintain a system where buyers abroad rather than taxpayers at home pay for the cost of continuing wheat production in North America.

The United States would have to pay private companies subsidies if world wheat prices slipped below the present $2.25-a-bushel support price.

Similarly, the Canadian government would have to make payments to prairie wheat farmers if prices declined below the guaranteed minimum of $3 a bushel.

The American export subsidies were sharply criticized in Congress in 1972 on grounds that the government subsidized wheat that the Soviet Union would have bought anyway.

Canada's Lang and Bergland agreed informally in February to try to keep prices above these levels. That meeting of the minds caused talk abroad that the two big wheat exporters were planning a wheat cartel. Lang denied that, saying both countries wanted wheat importing countries to join any price stabilization plan.

New Food Crisis: Too Much Wheat

Yield is bountiful, but harvest hollow

(By Bill Curry)

Syracuse, Kan.—Slowly but voraciously the combines are working their way across the great grain fields here, cutting and threshing the thousands of acres of dry, bleached wheat. Then the trucks, nearly 300 of them, take some 120,000 bushels of wheat a day to the local co-op elevator as Kansas, the nation's largest wheat producer, reaps its biggest wheat crop ever.

The yield is bountiful this year, but the harvest is hollow. With towering supplies left over from last year's crop and stunning, near-record production this year, wheat now sells for far less than it costs to grow.

"Marketing this crop here is going to be a real booger," said Richard Gilgrease, 39, who recently sold the last of his 1976 crop at about the same price he sold his 1972 wheat—$1.75 a bushel.

So severe is the prospect for large losses that many farmers here in southwest Kansas, who openly attribute their plight partially to the fickleness of government, find themselves forced to turn to the government for help. And that has put Congress and the President in a dialogue of disagreement over how much to raise farm support levels in the coming year, with the President talking veto if Congress gives too much.

For its part, the Carter administration is virtually certain to impose acreage reduction on wheat for the 1978 crop—the first crop in five years to be curbed by government controls.

"I don't know whether the government ought to be in it," said wheat farmer Roger Potter, "but I don't know whether the farmers can control it." Potter fears he will have to sell some of his wheat at the current $1.85 to $1.90 a bushel price regardless of the losses, just to get cash to keep operating.

Yet despite signs last fall of sliding prices and large surpluses, Kansas farmers planted 300,000 more acres of wheat for this year's crop—expected to be 396 million bushels—than for last year's. So, once again, U.S. farm policy, designed to assure farm income, is dealing instead with losses.

It is here, though, where the big John Deeres' work ant-like across the vast fields, endlessly cutting at the thigh-high wheat day and night in 24-foot swaths, that the abstract of policy becomes the reality of life. The rumble hum of the combine is carried to the distance by hot Kansas winds blowing in from the southwest on a 100-degree day—perfect for harvesting the wheat that was planted last fall and nourished to ripeness this spring.

By all accounts, most of the farmers here have come through the past years intact. Higher prices at last year's harvest—about $3.25 a bushel—and slightly lower prices after that enabled them to make some money.

Many were also able to reduce their debts with the riches of high prices of 1972 to 1975.

Most have avoided putting their wheat under government loan programs. At $2.11 a bushel locally it "is just a farce, it's no price at all," as Gladys Kaiser, who with her husband still has 1976 wheat in storage, put it. (The national support level is $2.25, but is adjusted for local differences.)

The government will lend that much to a farmer and then after a year, if he can't sell it for more, the farmer forfeits his wheat. The government, in effect, has bought the crop at that price. However, many farmers are still sowing wheat on their own that could have sold several years ago for more, as they gambled that the price would go higher.

Jerry Schmidt, manager of the local co-op elevator, says he began this year's harvest with 300,000 bushels of farmers' wheat in storage at $1.95 a bushel from at least last year. The co-op added a 368,000-bushel elevator this year to give it 1.3-million-bushel capacity but Schmidt says even that may not be enough.

The co-op's leftovers were part of a 1.109-billion-bushel surplus that existed when this year's harvest began. With another estimated 2 billion bushels being harvested now, the U.S. Agriculture Department estimates that this time next year the nation could have as much as 1.4 billion bushels of wheat on hand—almost two years' supply of domestic wheat. The nation uses about 35 per cent of what it produces; the rest is available for exports, which have been declining since the food short years of 1972–75.

So the squeeze for farmers in the coming year is whether they can sell the 1977 harvest for enough money to cover their costs, costs that have edged higher at a time of declining prices. Thus, more and more farmers talk of turning to the government's loan program, whatever the price.

Their fate, then, may hinge on whatever Congress and the President work out on loan levels. The Senate has proposed $2.47 a bushel, the House Agriculture Committee $2.35 and the administration $2.25. The administration's version of all farm price supports could cost $2 billion, and the Senate's an estimated $2 billion to $3.9 billion.

For many farmers here, however, that will still not be enough to cover costs; they say they need to get $2.50 to $3 a bushel just to break even. They cite the seemingly endless increases in their costs, such as for fuel and farm equipment. "Everything we go to get keeps going up, and everything we sell keeps going down," said Potter. "I can't afford to leave wheat in storage forever" waiting for the price to go up. Potter with his brother and father farms seven 1-mile-square sections of wheat land and is carrying 2,400 bushels from his 1975 harvest. This year he feels he may be forced to use the government loan program.

Already, the economy of surrounding Hamilton County (population 3,141) has begun to feel the impact of low farm prices. Despite increased retail prices, total sales in the county have shrunk to 1975 levels, as measured by sales tax collection.

Business here is tied directly to the roughly 350 farmers who have some 430,000 acres of crop land, about half of it in wheat. Other crops, primarily seed grains like corn and milo, are also beginning to feel the pressure of low wheat prices as cattlemen stop feeding those grains to their cattle, replacing them with cheap wheat.

The surfeit of wheat has depressed prices but consumers have apparently not benefited. A recent report by the President's Council on Wage and Price Stability concluded that while bakers raised bread prices five years ago to offset increased wheat costs, declining prices over the past three years have not been translated into lower bread prices.

Instead, the council found, "Wholesale bakers have experienced offsetting, non-ingredient cost increases and have fully restored profit margins to their pre-1971 levels. The profitability of the large wholesale bakers rose sharply from 1973 through 1975 and appeared to have stabilized in 1976."

But excess wheat has allowed the Carter administration to make progress toward an international food reserve for use in times of world shortage. The Agriculture Department is now allowing farmers to keep their wheat under loan for three years instead of one year, with incentives to sell when prices rise to certain levels.

Administration officials believe, however, that the United States cannot afford to store endless quantities of wheat forever until the next crisis and that this country and food-poor ones must consider using their resources to make poorer nations less dependent on U.S. farms. Thus, the seemingly imminent return to acreage reductions on wheat.

"I really don't like to see acreage controls," said Potter as he stood at the edge of a lush wheat field being harvested by his brother. It is hot, and the Kansas sky is a clear blue. "But I do like to make some money. There is going to have to be a change somewhere."

HERBITS ANALYSIS OF THE KING REPORT—PART IV

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. STEIGER. Mr. Speaker, the fourth segment of Steve Herbits' analysis of Dr. William King's report on national service versus an all-volunteer Armed Force contains his response to chapters 1, 2, and 5 of that report. The past 3 days, I have placed his analysis of chapters 3 and 4 in the RECORD.

Today's portion begins with chapter 5, which Herbits discussed along with chapters 3 and 4 in the first part of his analysis. Chapter 5, "A Retrospective Analysis of the Assumptions of the Gates Commission," was, Herbits concluded, an attempt "to destroy the Commission's credibility."

Herbits' response challenges King's suppositions about the draft. In addition, it stresses the importance of making the distinction between peacetime and wartime situations. Included is information on why young men and women enlist in the Army.

The fourth part of Herbits' well-stated analysis follows:

HERBITS ANALYSIS OF THE KING REPORT—PART IV

CHAPTER 5

In the context of the previous four chapters, it is no surprise to find Chapter 5, "A Retrospective Analysis of the Assumptions of the Gates Commission," attempting to destroy the Commission's credibility. Any knowledgeable student of the AVF will know he fails. What is so clear in 1977 is that where practice has varied from the Gates Report has been in the concept's implementation, not the expectations. He generally concludes that the AVF is bad because many of the assumptions that the Gates Commission used had not been borne out. However, the failure to implement these assumptions is not the result of the AVF but rather the fault of DOD managers and the Congress, which failed in proper oversight responsibilities. Because he does not draw sufficient distinctions, he loses an important lesson—that there must be constant vigilance to insure that proper management techniques are applied and that proper oversight is provided to guarantee that quality management initiatives are undertaken for the continued success of the AVF.

There are serious problems with Dr. King's last paragraph on the Selective Service System. Again, the question must be raised about what is being done to put a back-up draft system in place. King makes the mistake of implying a similar system to that which is on the books now. He should, instead, be thinking conceptually, as Pentagon planners have done, about new systems which give the greater flexibility necessary to foreign policy makers.

King's point is invalid in another respect. Dire analyses such as his about the problems in resuming a draft are without justification in light of past experience. When we became involved in World War I in 1917, the first registration was held 17 days after enactment of a draft bill, and the first inductions came within four months. In 1940, only 63 days elapsed between draft law enactment and first inductions. This was done with virtually no standby planning organization and without maintenance of any standby machinery. Why should there be so many problems today? The standby proposal currently under review by the administration can supply people as fast as military reception stations can process and begin to train them.

Paragraph 3 of the section entitled "Enlisted Personnel Turnover" misses the point. In complaining about the actual requirements for new accessions as opposed to Gates Commission estimates, King skips over the essential analytical point of asking why. Again, he allows the reader to assume that the concept is faulty, rather than the management of the concept. Knowledge of the details of how the accession requirement is determined—particularly for the Army—would show that solutions are available and implementable. For instance, if attrition were reduced, as noted earlier, accession requirements would be reduced accordingly. See the "Changes in Army Manpower Data" paper in the appendix for further detail.

In the last paragraph on page 37, King talks about features of the government accounting system which do not serve to motivate military managers to consider civilianization. I agree; and it is true for all levels of the Pentagon hierarchy. Much has been done here over the last several years; more can be done. It is the job of Congressional and Departmental managers. The Army does plan to civilianize 1,000 positions by FY 79.

The same question can be raised about reenlistment rate improvement, mentioned on page 38. It is a policy problem under the subcommittee's purview. This is yet another demonstration that the AVF does not have conceptual problems, but rather managemcnt problems.

Also on page 38, King has a brief discussion of turnover-related costs. It is correct to point out that a return to 1974 attrition levels would reduce those costs, but again we have to gauge what the additional costs would be in terms of morale and of expenditures for disciplinary procedures if the services retained the number of malcontents who were forced to stay in the service during the draft era. Furthermore, King makes no mention of the savings resulting from the longer terms of enlistment (3, 4 and 6 years) for those filling full first terms, as opposed to the preponderant number who served two year obligations under the draft. That omission amounts to a misrepresentation.

The first paragraph on page 39 is one of the most flagrant examples in the study of Dr. King's penchant for mixing apples and oranges and for using disputed and discredited figures to try to justify his particular point of view. He again pulls out the $5,500–$12,000 per recruit figure, which is considered highly inflated. He shrugs off the Gates assumption on the ratio of recruiting expenditures to enlistment rates, when the detrimental effect of recruiting appropriations cutbacks on enlistment was demonstrated last year. Finally, he uses, without regard to inflation or the comparability pay increase in 1971, the Gates Commission's estimate of the additional cost of going to a 3 million man force. In contrasting that figure with the much higher, and questionable, figure he feels is accurate today, he attempts to discredit the Gates assumptions, making absolutely no mention of what the Gates

figures would be in today's dollars with the pay raise calculated into the equation. This is an unscholarly approach at best.

The first paragraph of Dr. King's discussion of attitudes and morale in the AVF, on page 42, is misleading. Had he cut anywhere below the surface, he would have found that the high attrition has in fact produced a much higher morale, because it gets "the bad apple syndrome" out of the services early. Referring back to the statistics cited earlier on the marked decline in disciplinary problems within the Army will give the lie to his unfounded conclusions.

As noted earlier, the new attrition policy is too easy and makes it too convenient for officers out in the field to discharge personnel for reasons that may be inappropriate. It has to be tightened, it has to be managed better, and it has to be thought through more thoroughly and effectively. Nevertheless, the freedom held by officers does not necessarily indicate a drop in morale; rather, it would seem to suggest a degree of irresponsibility in the management.

The distinctions between peacetime and wartime situations is important, in that there is a much greater tendency in peacetime to dabble more in questions such as attrition and whether or not people should be in the services and what the problems are. People, in effect, have more time to worry about smaller problems. Those who have looked at this, senior officers, unit commanders and the like, not only point repeatedly to the statistics of reduced disciplinary problems, but they consistently emphasize the quality, enthusiasm, professionalism and high morale of those serving under their commands. Army Chief of Staff Bernard Rogers has said this is the best Army in his 34 years of service, and his comments have been echoed by innumerable others who have been a part of the Army since World War II and have viewed it in various stages over the years.

The quoted paragraph from Barkman and Blair, which appears on page 44, begs the question of career-oriented men and women by ignoring the controls of the enlistment rate. Let us again examine the motivation for people enlisting for the term, remembering that they are totally separate from the rest of the military. A 1976 Department of the Army survey found the main reason for enlisting was educational opportunity or job skill training (49%). The chance to travel made up another quarter of enlistments. Pride in country applied to 12%, about the same as 5 or 10 years ago.

We must keep in mind that those who have reenlisted are automatically career, regardless of whether it is a drafted or volunteer military. Therefore,, what we are talking about are individuals in their first term, what their motivations, are, what impact they have on the system, whether their motivations versus those of draftees are different in kind, quantity, or quality, and whether they have an impact on the military decision process. These individuals are at the bottom of the entire system, they don't have a major impact, they cannot be used to "civilianize" the force, they cannot be used to restrain a runaway military at the higher ranks, and it will not matter one iota that they are first-termers in a volunteer, rather than a draft-motivated, Army. The quote and the conclusion are rhetorical devices used to place on the shoulders of some 19 year-olds the responsibility of our constitutional system, including the Congress, for maintaining civilian control of the military.

While Chapters 3 through 5 were of greatest pertinence in terms of the status of the all-volunteer force itself, Chapters 1, 2, 6, and 7 also deal with important issues relating to the AVF and the concept of national service. Part II of this analysis looks at those chapters and Dr. King's conclusions.

CHAPTER 1

In Chapter 1, "Introduction and Objectives," Dr. King notes that the U.S., for most of its history has supported its peacetime defense establishment on a volunteer basis. The short period from World War II until the last draftees were inducted in December, 1972, is the only period of sustained conscription in our nation's history. The tradition of individual freedom, coupled with the national turmoil created by the inequitability of the draft and the Vietnam War, was a key to the return to our historical concept of volunteer service.

As Dr. King notes, the transition back to a volunteer force went quite smoothly. He points out that many skeptics appear to have been converted, and he acknowledges that Defense Department statistics show "that the military forces are generally meeting targets, that the 'quality' of accessions is improving and, generally, that the concept is working."

Dr. King begins building his "selective" deep cloud of doubt over the long-term viability of the AVF by citing two sources: 1) "disquieting rumors, magazine and newspaper articles and study results," and 2) a Defense Manpower Commission report of 1976 which stated the obvious, that "the sustainability of the All Volunteer Force during peacetime will depend upon the economic situation and other interrelated factors, some of which—such as public attitudes toward the armed forces—cannot be predicted with any certainty." These are both weak sources when contrasted to the many thorough analyses holding more confident views: the Congressional Budget Office, RAND, Inc., the Department of Defense's transition document of December 17, 1976, and numerous speeches by Secretaries of Defense and Army in the last two years.

CHAPTER 2

Chapter 2, "National Service and the AVF in the Context of National Goals," is an early subtle indication of the preconceptions Dr. King brings to his work. In effect, he takes us from rumors about the AVF immediately to prominent mention of national service. That "National Service" precedes the "AVF" in both this title and the title of the study as a whole is not accidental, and I suspect Dr. King himself would acknowledge that.

Dr. King states that "for such service to be 'universal,' and for it to achieve its desired impact, it must be at least 'minimally coercive.' " This sentence, and particularly the last four words, should be of deep concern to all who believe in the American tradition of individual rights and freedom. Perhaps even more troubling is the beginning of his next sentence: "Such a program would require the registration, evaluation and counseling of all young Americans . . ." though he softens that by adding "without the necessity of a corresponding requirement for service." A massive federal program of tampering with our youth and their rights could only have a deleterious effect on our democratic tradition. In addition, the cost of such a registration, evaluation and counseling program would be staggering. These problems would only be amplified within the national service system itself, with massive managerial headaches, high implementation costs and further "minimal coercion" to see that proper numbers of young men and women are channeled into the government service slots—"civilian" and military—envisioned by Dr. King.

On page 9 of his study, the professor credits the AVF with having "been shown to be feasible in terms of aggregate measures applied to the recruitment of personnel in sufficient quantity and quality to permit the armed forces to function according to its assigned role. Thus, in direct contradistinction to the issues surrounding the national service concept, the AVF has been demonstrated to be generally feasible—at least under the current peacetime conditions."

This, however, doesn't satisfy him. He says the real issues don't involve the AVF's general viability, but rather its overall effectiveness and its overall impact on the society and national goals. He throws out a number of issues that he feels "have not been finally resolved." Following are the questions he poses, and answers I feel could legitimately be made to them:

"Is the AVF solely a peacetime concept, and does it therefore fail to achieve some basic national security objectives?" The AVF is basically a peacetime concept, as it has been throughout the nation's history. Still, King raises this question without stating any national security objectives which the AVF fails to meet. As Sen. Barry Goldwater said during the March 2 hearings held by Senator Nunn's subcommittee: "But we have had over 200 times in the 200-year history of our country when the Presidents the Commander in Chief, has called out the troops for one reason or another. Only five of those have involved the draft, and we have gotten along pretty well without it." The answer to Dr. King's question is clear—the volunteer force is primarily a peacetime concept, but it does not fail to meet national security goals simply because it is volunteer.

"Does the AVF unfairly distribute the burdens of defense to various segments of the population?" As statistics clearly show, this is perhaps the most representative military force in the nation's history. How quickly we forget the discriminatory nature of the draft and the national turmoil resulting from it!

"Will the AVF ultimately undermine the nation's defense capability through an erosion of public confidence in the military which leads to decreasing support for defense expenditures?" There was little evidence of erosion of public confidence in the first 165 years of the nation in which we had no draft. If anything, the draft played a key role in public cries for reduced defense expenditures and in erosion of military support by the public. The public favored the end of the draft by a nearly 2–1 margin, and now overwhelmingly backs the AVF. Furthermore, the third and fourth years of restitution of an AVF have been accompanied by real growth in the Defense budget for the first time in over a decade.

"Will the AVF ultimately undermine the level of patriotism of the American public?" Seven years ago, the Gates Commission answered this question: "Compelling service through a draft undermines respect for government by forcing an individual to serve when and in the manner the government decides regardless of his own values and talents. Clearly, not all persons are equally suited for military service—some are simply not qualified. When not all our citizens can serve, and only a small minority are needed, a voluntary decision to serve is the best answer, morally and practically, to the question of who should serve."

"Will the AVF lead to greater isolation of the military from the rest of society?" Once more, there is no evidence this took place between 1776 and 1940. Historically, voluntary service, freedom and civilian control of the military have gone hand in hand. England and the U.S. are the best examples of this tradition. As the Gates Commission said: "It is hard to believe that substituting a true volunteer for a draftee or a draft-induced volunteer in one of every six positions will so alter the military as to threaten the tradition of civilian control, which is embodied in the Constitution and deeply felt by the public. It is even less credible when one considers that this substitution will occur at the lowest level of the military ladder, among first-term enlisted men and officers, and that turnover of these first-term personnel in an all-volun-

teer force will be approximately three-fourths of that in a comparable mixed force. The truth is, we already have a large professional armed force amounting to over 2 million men. The existing loyalties and political influence of that force cannot be materially changed by eliminating conscription in the lowest ranks." While it is important to point out that the number of military personnel in the career force is no larger today than it was during the period of the draft, it ignores the fact that with or without the draft, a significant segment of our military forces are career professionals.

"Does the nature of the AVF restrict the range of policy choices available to our leaders in using military forces to achieve national objectives?" It does only if Congress (which retains the authority to draft if appropriate for national objectives) is considered not part of "our leaders" who may wish to use military forces.

The reasoning used by Dr. King in concluding Chapter 2 is difficult to follow. How does he deduce that "a 'more organized' national service program might therefore be the next logical step in the direction in which the nation embarked in 1973" when the draft was ended? It is especially difficult to comprehend how such a "minimally coercive" national service program would enhance the nation's defense capability and give the nation "a more effective mechanism for pursuing a broader array of national goals—including those associated with individual freedom." It's a broad, pleasant sounding generalization, with no basis in fact.

TOBACCO DEFENSE

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. JENRETTE. Mr. Speaker, the following is a speech by a constituent of mine, Mr. Collins Spivey of Conway, S.C. It is a tongue in cheek defense of the tobacco program. Mr. Spivey is not only a delightful humorist but a fine gentleman and personal friend. He tells in this speech a story that should be told:

IN DEFENSE OF TOBACCO

(By Collins Spivey)

Tobacco, commonly known as the golden weed, is one of nature's greatest contributions to the social and economic life of mankind and especially as it relates to these United States of America.

Tobacco made itself known when the world was first created, for we are inclined to believe that this plant was found in the Garden of Eden, and perhaps, could have been that forbidden fruit. Certainly Eve's first dress must have been those tobacco leaves since that style has been continuous, and even today, it is the prescribed bathing attire for all lovely women and is generally titled as a bikini. The common belief that Eve first wore a figleaf could have been a figment of the imagination of the historians since the figleaf will not cover the subject and is hardly desirable to form the two-piece drapings that women now want.

When Adam sat beside the cool stream in the late afternoon and dangled his toes in the sparkling waters while enjoying his pipe of tobacco, Eve nestled up and said, "Honey, blow some of that delightful aroma my way and breathe it to me." She further said what has turned out to be the first axiom that is often quoted today when she told Adam, "Where there is smoke, there is bound to be fire!" This indeed was true, 'cause 'ere long Cain and Abel made their appearance and the population explosion had its beginning.

Since that day in the Garden of Eden, tobacco has played a prominent part in history and records show that throughout the centuries tobacco has been a chosen delicacy of the kings and queens. It has been only in recent years that the common man has been allowed to enjoy the satisfaction and soothing effects found in using this delightful product that also contains remarkable health-giving qualities in addition to its temporary pleasures.

It is an undeniable fact that each of you listeners or readers have since a few minutes after your birth deposited something into your mouth, whether it was done by taking milk from a bottle, chawing on a toy, eating food, drinking water, using toothpicks, nibbling on your fingernails, chewing gum and blowing bubbles, or sucking your thumb. Some politicians have even been accused of putting their foot in their mouths. Since nature and our habits call for this attention to the mouth about every hour, I ask, "What could be a better or more desirable way to satisfy this need than to puff a fag and enjoy the pleasant flavor and satisfaction gained by inhaling the delectable aroma?"

Over the years tobacco and cigarette smoking have often played the part of Cupid, for many couples have been brought together into lasting romances with subtle introductions like, "Do you have a light?", "Could you lend me a match?", or "Would you like a cigarette?". Cigarette smoking can also influence marital relationships. Some days ago, a golfing friend of mine told me that his wife enjoyed her smoking so much that during their thirty years of marital bliss they had never had a serious, unsettled argument. She was ever in agreement, he said, to take a part in anything that he suggested, but he was somewhat frustrated when her reply was always the same, "Wait 'til I finish smoking this cigarette." This caused a dilemma, he said, since about half the time, when she had finished her smoke, he had forgotten what he had suggested that they do, and the rest of the time he had already fallen asleep.

Tobacco also played a large part in the life of the American Indians since it was used in barter and trade, and in smoking the weed, the Indian found a measure of relief from his daily problems. Sitting Bull, not knowing the Surgeon General's suggested ban, proclaimed a procedure which was followed by other chiefs in which he ordered, "Before pale face talk, he must pause and smoke pipe of peace with Indian." This ritual was followed before, during, and after conferences and would be a practice that we today could well emulate whether it be in private conferences, statewide confrontations, or even in the chambers of Congress. The soft mellow aroma from smoking the picturesque pipe of peace always softens conversation, reduces the slings and arrows in temperamental outbursts, and helps transfer frayed nerves into peaceful solutions.

While it may be true that overindulgence in the use of tobacco in its various forms may have ill affects to the user, smoking when done in moderation can help to relieve tension and soothe frayed nerves in this rat-race that is today a normal pace of living.

Surely the golden weed can be classified as preventive medicine, and that fact is brought to our attention when we realize that measles, mumps, whooping cough, small pox and literally hundreds of other maladies are found primarily in children under the smoking age where they have not yet been exposed to the benefits of this pleasant germ-destroying aroma. All people that smoke will eventually die, but when we study the graphs and the longevity charts of mankind, we find that in the past 100 years, the life span of man has gone up in almost the same proportions as tobacco usage and cigarette smoking.

From experience, most of you know that a good whiff of tobacco smoke will chase away a full-grown mosquito. If this observation is true, it surely must follow that after a smoke, literally thousands of small unseen microbes that surround our bodies are driven away and destroyed leaving our vital organs cleansed in much the same fashion that our homes are purified by the spray of the Orkin man.

The man that dies in his 80's or 90's from some problem caused by smoking perhaps would have died in his 50's of a heart attack or hypertension had he not enjoyed the "pause that refreshes" in smoking a fag. The smoker's death in his 90's is further saddened by the fact that his non-smoking friends have long since passed on and sit not on the mourner's bench in his passing.

In this morning's news media, some health institute gave twelve ways in which a person finds his nerves aggravated with tension mounting and blood pressure rising, all of which contribute to a shortage of life. This same person could have found a remedy had he only relaxed, lit a cigarette, and enjoyed that pleasant experience that only smokers have found.

The Surgeon General with his dictatorial powers has ordered that all packers of cigarettes carry a message which says, "Warning: The Surgeon General has determined that cigarette smoking is dangerous to your health." A normal question for the layman would be, "Why pick out cigarettes for this condemnation when it would be appropriate to add such a warning to literally thousands of things that humans consume?" Too many prunes will cause diarrhea and too much cheese will have the reverse effect; too many baked beans will make one unpopular, and surely all doctors and dentists (and perhaps husbands or wives) should be warned against the use of garlic and onions. Even water, we read in this week's news items, is among the leading causes of cancer, and too much of this fluid consumed almost always causes a loss of sleep.

Traffic accidents account for approximately a quarter million deaths each year. Whiskey drinking adds other thousands to the mortality count, and these together with deaths caused by sexual abuses and drug overdoses add to a staggering number compared with the small number of cancer deaths caused by smoking. These high-rate death causing areas should have the attention of the governing powers, and they should leave such pleasant habits as cigarette smoking in the hands of the average man without legal interference.

If there is any scintilla of truth that continuous smoking will contribute to brown lung in the many years to come, it would be helpful to those that smoke to assume the attitude taken by Aunt Carrie when she and Uncle Joe visited the doctor on their 60th anniversary. When the doctor found after questioning that they still enjoyed their love life, he told Aunt Carrie that continuation of that practice could well give Uncle Joe a heart attack. Her reply to the doctor's warning was, "Doc, me and Joe has long since passed the normal life expectancy, an' us ain't now gonna change 'cause if that happens to be the time for Joe to go, I want 'im to leave here with a smile on he face!"

The various ecological commissions of our nation cannot but be pleased with the residue of ashes found in smoking. It is estimated that if all of the ashes from every American smoker were collected, perhaps in a month's time, they would not even fill an open grave. In fact, this ash makes a good fertilizer when sprinkled around plants and on the open lawn. In contrast to the small amount of dust left from cigarette smoking, we find that if all of the empty beer cans and soft drink containers were collected and

placed end to end, in one year's time they would surround the earth more than 246 times, which is equivalent to a four-lane highway circling the globe. If these containers were stacked end on end upward, the astronauts would have had a good ladder to climb to the moon and would not have needed a space capsule to make their journey.

Perhaps the strongest point for the use of tobacco in its various forms comes in the area of finances. Large segments of Virginia, the Carolinas, Georgia, and Kentucky rely heavily on tobacco production, manufacture, and sales, and contribute to the employment of several million persons in a gainful occupation. It has been pointed out that for each dollar that the producer receives, that more than ten dollars goes into the coffers of the various city, state, federal, and other tax agencies. Last year, in the state of South Carolina alone, the producer's sales of $163 million added over $1½ billion to the various tax collecting agencies. Should the midwestern states of Idaho with its potatoes, Kansas, Minnesota, and Montana with their wheat and corn, and the border states with other related farming products donate to the general tax structure in amounts equal to the contributions from South Carolina, the amount would be staggering.

Should this utopian dream come true, then Congressmen could increase their salaries without apologies, President Carter could spend at will, and smiles would play on every official's face because the books would be balanced and the present deficit would be wiped out. I feel that it comes in poor graces for those officials of the northern and western states to castigate the tobacco program when this very same program indirectly pours millions into their states and helps to subsidize their farm programs. Truly, these subsidies could not be made without the aid from others including their good friends in the tobacco states.

In closing, I would like to say, that any essay or speech should direct the listeners to some positive course of action. These remarks will exhort you to follow the simple rule made famous by Sitting Bull when he ordered those faced by trials, tribulations, problems, arguments, or even the small daily vexations, to pause and enjoy the refreshments found in the delightful aroma of smoking. So again, I say the prescription for a long and contented life can be found in this P.S.:

"PAUSE AND SMOKE!"

(NOTE: The above remarks are rambling thoughts expressed by C. A. Spivey in the defense of the tobacco program and are not documented. The facts and figures given are estimates only.)

THE ERRORS AND EVILS OF THE CARTER-BELL FOREIGN INTELLIGENCE SURVEILLANCE BILL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. DRINAN. Mr. Speaker, the Carter administration is presently asking the Congress to approve a bill which would authorize electronic surveillance against persons in the United States who have not committed, are not committing, or are not even suspected of committing any crime. These broad powers are sought in the name of national security.

On June 3, 1977, I commented extensively on this measure in a RECORD statement—page 17450, criticizing it as a radical departure from the values and traditions inherent in the fourth amendment.

In the July 11 issue of the New York Times, Professor Christopher Pyle, a staunch and outspoken defender of civil liberties, added his voice once again to those opposed to this insidous idea. Using the historical setting of the colonial period immediately preceding the American Revolution, Professor Pyle of Mount Holyoke College, Massachusetts, portrays the bill for what it is: "regressive legislation which takes a backhanded swipe at fourth amendment values and which could effectively authorize many of the surveillance abuses Congress has so recently deplored."

I insert the article in the RECORD:

AUTHORIZED SPYING

(By Christopher Pyle)

SOUTH HADLEY, MASS.—Proposed legislation on a revised national security wiretap bill, enthusiastically supported by the C.I.A., the F.B.I. and the military, would require the Government to obtain judicial warrants before tapping the phones or bugging the premises of foreign powers or foreign agents.

The bill seems to be a substantial improvement over unrestrained Government spying. In fact, it is regressive legislation which takes a backhanded swipe at Fourth Amendment values and which could effectively authorize many of the surveillance abuses Congress has so recently deplored.

To understand why, imagine that the year is 1774 and the same bill has just been introduced in Parliament. Its primary purpose, according to Lord North, is to restore faith in the Government following the scandalous Wilkes affair in London and the overzealous customs searches in Boston.

The bill's secondary purpose—some say its main objective—is to legitimize covert political and economic intelligence operations against the colonists and the French. In response to questioning in Parliament, Lord North will say little, citing the need for secrecy, but he has conceded that the bill could permit surreptitious surveillance of some Englishmen who, without violating any laws, seek to represent certain foreign economic interests or who report on British industrial advances to certain foreign merchants.

Rumor has it that Lord North decided to give up his opposition to judicial warrants for all forms of covert surveillance in return for clear legislative endorsement of eavesdropping and burglaries to gather information on merchants and shipowners who attempt to evade the mercantile system. Thus, where the bill authorizes covert surveillance to obtain "information essential to the security of the nation" or "essential to the successful conduct of foreign affairs" it is referring to noncriminal information about commercial activity.

Tories on both sides of the Atlantic praise the bill as an historic step toward restraining the Crown's agents, but there are Whigs and colonists who disagree. In colonial Boston, James Otis has denounced Lord North's warrant scheme as "a hoax." "His so-called warrants," Otis has declared, "are little better than the infamous writs of assistance by which the Crown has been ransacking our warehouses and offices. They are general warrants, forbidden by the common law, and would authorize the King's spies to indiscriminately search the communications of law-abiding persons without probable cause to believe that a crime has been committed."

John Adams agrees with Otis. In a letter to the Boston Transcript, he notes that the bill would empower only seven magistrates, each handpicked by the conservative Lord Chief Justice, to receive applications for the noncriminal, intelligence warrants. The judge would be permitted to decide whether probable cause exists to believe that the target of the proposed surveillance is "a foreign power" or "an agent of a foreign power," but the bill would compel the judge to accept Lord North's assurance, unsupported by any facts or inferences, that the information sought is "essential" to the "security of the nation" or the "conduct of foreign affairs." "The function of judges when hearing applications for warrants," Adams writes, "is not to accept anything on faith, but to make an independent judgment on all the facts and suppositions. This bill would reduce the judiciary to passing empty blessings on ministerial whims.

"Incredible though it may seem," Adams continues, "there is even a provision in this bill that would permit the handpicked judges to compel the keepers of boarding houses and other private persons to spy for the Crown. General Gage cannot conscript us into his army, but with the help of this law and a friendly magistrate, he could dragoon us into his spy corps."

Adams concludes: "This bill is not to capture spies; espionage is one of those crimes for which judges can already issue warrants. The so-called 'foreign agents' Lord North would like authority to spy on are not the secret agents of Louis XVI but Swedish trade negotiators, British and colonial representatives of Dutch trading companies, some foreign journalists, and perhaps even the British friends of American independence. The sweeping powers Lord North seeks should not be granted to any government, least of all one with a fresh record of abuse."

Of course, the time is not 1774. The bill is not before Parliament. These words were never uttered.

The year is 1977. The bill is before the Congress of the United States and like Lord North's "Intolerable Acts," it stands a good chance of passage.

NATO AND THE NEXT CENTURY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. FINDLEY. Mr. Speaker, the July 3, 1977, issue of the Washington Post's magazine, Parade, carried a front cover article by Henry Steele Commager, entitled "200 Plus 1." Mr. Commager is Simpson Lecturer at Amherst College and the author of some 40 books on American history.

In this article, Professor Commager concludes that the sense of common purpose and interest among the nations of the West needs to be revived.

For 30 years, the vision of the Marshall plan and the institutions it spawned have sustained free peoples everywhere and served as the bulwark in the fight to ward off expansionism by totalitarian governments. Compelling vision of comparable breadth is needed now to light our way into the 21st century. Professor Commager eloquently states the case for such vision and I commend this article to the attention of my colleagues.

Text of article follows:

"200 PLUS 1"

(By Henry Steele Commager)

One year after our Bicentennial—and 200 years of one of the great success stories of

history—is our luck or our talent running out on us? More realistically, can we still count on the natural resources, the immunity from outside dangers, a resourceful people and a leadership enlightened enough to cope with the problems that glare upon us from every quarter of the horizon?

Certainly no other nation was born under such auspicious circumstances: a boundless continent with seemingly limitless resources, immunity from the wars and deprivation of other peoples, a rich inheritance, the wisest leadership ever vouchsafed to a single nation, and an enlightened people "advancing rapidly," as Jefferson said, "to destinies beyond the reach of mortal eye."

Very little in our experience or in the experience of other peoples has prepared us to deal with our present problems, for they differ greatly, even fundamentally, from those we have faced and overcome in the past. The old assumptions, the old rules, the old certainties with which we so long consoled ourselves are no longer relevant, and we find ourselves—as did those who first came to these shores—in a new world.

To begin with, for the first time in our history as a nation we are no longer masters of our own destiny. Every major problem that confronts us now is global and to be solved only through cooperation with other nations. A frightening prospect, this, to a people who in the past could take satisfaction in their freedom from "foreign entanglements" and involvements and rejoice in being able to work out their own destiny free from the burden of the past and from dependence on the vagaries of other nations.

Second, we can no longer fall back on the comforting assumption that our resources are infinite. Now we must face the fact that these resources, as well as those of other nations and continents, are finite; that we are running out of oil and gas; that we may be running out of water for farming, running out of ocean food, and running out of breathable air. We must realize that if we are to reverse what now seems the inexorable exhaustion of natural resources, we must do so in cooperation with all other major powers.

Third, we who heretofore have not been able to face even the possibility of defeat are now required to take the possibility of annihilation into our calculations. All of our most fateful decisions are made under the shadow of the atomic weapon. Here, again, we are not free agents. Decisions to control or destroy nuclear weapons must be worked out with other great powers; if they are to be enforced against reckless fanatics, they must be enforced by international agencies or organizations.

Dr. Samuel Johnson once observed that "when a man knows that he is to be hanged in a fortnight, it wonderfully concentrates his mind." Will awareness of the threats that hang over us concentrate our minds? Can we who have been living off our political—and, to some extent, our moral—capital build up new political, scientific, technological and moral resources in time to stave off disater?

The prospects are not encouraging.

OUR PRIME ROLE

One thing, however, should be clear: that though we cannot save ourselves merely by our own efforts, the world cannot save itself without both our efforts and our leadership. Because we invented modern federalism, because we were chiefly responsible for the League of Nations and the United Nations, we have had longer experience with international cooperation than any other major power. Because we are not blinded by ancient animosities or ideological commitments, we can see what should be done more clearly than can most nations. Because—thanks in large part to the exceeding bounty of Nature—we are rich and powerful, we can afford to be magnanimous. And because we invented the atomic weapon and are the only nation ever to use it in war, we have a special responsibility to dissipate the threat of an atomic holocaust.

What is called for is a revival of the wisdom and resourcefulness that presided over the birth of our Republic and gave us those institutions which still serve us so well and have been so widely copied throughout the rest of the civilized world. We must invoke that creativity to reconcile nationalism—with its assumption that nations can live by and to themselves—with the reality that, in almost everything that counts, the world is interdependent. We must invoke it to summon up an inventiveness in the realms of politics and economics comparable to that which we display in science and technology.

That same inventiveness must be invoked to organize the immense but desperately fragmented resources of over 150 independent and competing nations—some vast like the United States, China and the Soviet Union, some tiny like Fiji, Bhutan and Guyana—to solve those common problems which simply do not recognize national or even continental boundaries. Now it is up to us, together with other nations seeking in their way the prosperity and happiness of their own people, to summon up our wisdom and skills to solve the problems that threaten us all.

On July 4, 1776—201 years ago—Benjamin Franklin said to John Hancock as they both signed the Declaration of Independence: "We must indeed all hang together, or, most assuredly, we shall all hang separately."

His remark is as true today as it was then—and for the whole world.

A FIRSTHAND REPORT ON WHAT IS HAPPENING IN THE SOVIET UNION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. KEMP. Mr. Speaker, my extremely able administrative assistant, Randal Teague, recently had an opportunity to serve as the cochairman of an American Council of Young Political Leaders delegation trip to the Soviet Union. This was the last in the present series of exchange programs between the ACYPL and the Committee of Youth Organizations of the USSR. The U.S. delegation consisted of six Republicans and six Democrats, and the Democratic cochairman was Robert E. Rose, the lieutenant governor of Nevada.

The purpose of this particular trip was to participate in a seminar on the problems of U.S.-Soviet relations, sponsored jointly by the ACYPL and the CYO. It was held in Alma-Ata, the capital of the Kazakh S.S.R. in central Asia. The delegation was also in Moscow and in Kiev, the capital of the Ukraine S.S.R. In the course of those 16 days, they met with the director of the Institute on the USA and Canada, the secretariats of the presidiums of the Ukraine and Kazakh S.S.R.'s, the chief justice of the Supreme Court of the Ukraine, the chairman of the 37 million member CYO, the Metropolitan of Kiev and many others. They also participated in the seminars 4 day commission sessions on general U.S.-Soviet relations, perspectives on disarmament, and the role of youth in society.

I asked Randal to pull together his impressions on what is going on in the Soviet Union today—to the extent one can deduce that from a 16 day trip consisting of access to a substantially higher level of party and government official than customary even for U.S. Government officials.

He has done so, addressing himself to the prospects for genuine reform within their system, the tone and extent of the ideological commitment and nationalist spirit today, the differences seen in the younger generation's perspectives, the Soviet reaction to President Carter and his foreign policy actions, and the contrast between the Soviet Union and other major industrial nations.

There are some very important points made in this excellent memorandum, especially the way in which the quest for the good life may be a drag on reform instead of its stimulus; the extent of the Soviet's nationalistic feelings, even devoid of their ideological overtones; some serious questions about the effects of U.S. economic assistance; and how what the Soviets do not say about President Carter may indicate what their true feelings are.

I hope this exchange program is renewed. It is valuable training and experience for these young leaders.

The memorandum follows:

WHAT'S HAPPENING IN THE SOVIET UNION

THE PROSPECTS FOR GENUINE REFORM

1. There are no slums in Moscow on the order of, say, New York City or Washington, D.C. Brezhnev has put his influence behind a massive public housing program. But housing is only one facet of life. In almost every other I observed, the class distinctions in that "classless society" are myriad, and from conversations with people who were there from three to fifteen years ago, those class distinctions have grown.

We flew first class in a classless plane. Maybe there are no formal distinctions, at least not to be found in a travel agent's handbook, but we flew forward of the galley, had better food and more comfort than those aft. We had also waited in the lounge which had all the semblances of a VIP one. Let me put it this way: Those who sat aft were not there. I saw more limousines in Moscow than I've ever seen in Washington, as national capital the comparable city, and they were not diplomatic cars, for the license plates gave those away. The black automobiles of the government and communist party functionaries were newer and better than the others, and, of course, they are usually chauffeur-driven and the cost don't come out of the functionaries' own pockets. Time after time, we saw the flash of a communist party member's card open doors, cut in line, or get better seats, privileges not available to others.

And this seems to be the basis of the new class system. I've always thought the sum of those many years of work by Crane Brinton (at Harvard, studying the course of revolutions) was this: revolutions replace one status quo with another. And the monarchy and aristocracy of Czarist Russia have been replaced with the party-based meritocracy of Soviet Russia. (And, while of much lesser importance, birth still has something to do with it; ask the child or grandchild of someone high in the party structure.)

The question here, it seems to me, is what flows from this realization? It has to be more apparent to the man on the street than to the tourist. We see it on tour, we can leave; he sees it every day, but he cannot leave. Does it build tension in the society? Does it build a tension which can lead to some type of internal reform? Since no one can forecast the future which holds the answer, let's look at both sides of that answer. Yes,

because tensions produced by resentment of privileged stations in life (economic or otherwise, but most typically economic) form the basis for revolutionary or evolutionary change. Yes, because generally speaking, almost everyone's quest is for creature comforts, the good life. But there's a hard reality here, and it's the other side of the coin. No, because the dominance of the party is so profound, and the party is the guardian of the public purse, the guardian of the purity of Marxist-Leninist dogma (which, in the Soviet Union today, is clearly more Leninist, than Marxist), and the component of society from which the goodies would have to be taken to be shared.

There is a dramatic quest for material comfort in the Soviet Union today. Dialetical materialism is materialism, pure and simple. It should come as no surprise. But my guess is that in the short-run, it will lead to greater class distinctions because only the party members have access to them, and party membership (and you have to be elected to it, you just can't join) is only 7-percent of the total population.

The only crack I see in this wall would come from inner direction. The man or woman more concerned with the next pay raise, with making car payments, with getting a better apartment, has less time to worry about the global ideological war. And, as he acquires these goodies, he also has more to lose.

But couldn't that be a drag on reform, rather than a stimulus? If you can get the goodies only through the party and your rank in the party determines how many of the goodies may come your way, you are not about to get out of line, are you? You are not about to risk losing it all to criticize an invasion of Czechoslovakia in 1968 or spending too much on the military budget in 1978?

IDEOLOGICAL FERVOR AND SOVIET NATIONALISM: ON PAR

2. A few words have to be said about Soviet nationalism, the successor of Russian nationalism.

I am not one who buys any thesis that all Soviet foreign policy today can be understood in light of old Russian nationalism. That is not the story of the empire which has been consolidated under Brezhnev and continues to expand in Europe, Asia, Africa, even the Americas. To me, it seems to be a buttressing force behind the ideological struggle.

Anyone who has been to the Soviet Union, student or adult, can tell you the endless stories of the Great Patriotic War, as the Soviet Union's share of the Second World War is called. Reliving it everyday, as they do, has to bolster the populace's support for Soviet military spending; at a minimum, it sustains militarism, as an emotional experience, needed to justify those expenditures from the top down when there are demands for reallocations.

In my personal opinion, Soviet nationalism today is on par with the ideological commitment. Stripped of its ideological component, the Soviet Union today is one of the two strongest military super-powers. If the Soviet Union foresook its ideological goals tomorrow and became a capitalist economy, it would remain one of those two powers. This is an important point.

The attempts by the West to make some cracks in the Kremlin Wall have been based on the supposition that a move toward true peace would come as the ideological fervor of the Soviet Union diminished. Given 1000 years of Russian history and 60 of Soviet, given the swelling of pride and power when they reflect on their world status today, I must now question that. There are two points which, taken together, lead me to this conclusion.

First, our efforts have been principally economic, essentially trade in commodities they have sought. The human rights dimension is both new and a separate question. Surely, over the past decade, economics and trade have been the ingredients of our thrust at "softening 'em up."

Second, if there's one thing you can say about the Soviet system today, it is that it just doesn't work. Cars and trucks are routinely broken down along the roadside. Their new construction is inferior by western standards. Nothing ever seems to be finished off, as we say in western construction trade terminology. Telephone service competes with the French, and it's very hard to be that bad. State planning has all but assured shortages of virtually everything, except where it has assured surpluses. The average Soviet waits in line everywhere, everywhere, everywhere. Outside the stores, inside the stores, from apples to eggs. And, of course, most of the year—the winter months—you are without altogether.

These two points relate this way: To the extent our economic assistance helps them improve the efficiency of their state socialism, are we not making them a stronger nation? A stronger nation in relation to us within all the parameters of the world community—economically, militarily, etc.? We'd probably better be glad the Soviet Union is not a capitalist country today.

When you add the points in section 1 (concerning class distinctions in the classless society, possible resentments, etc.) with those in section 2 (Soviet nationalism and its future), you must ask another question: Won't the philosophical inconsistencies (emergence of private agricultural plots, class distinctions, permeating of the ideology with Soviet nationalism, etc.) and the technological deficiencies (nothing works) be compensated for by the dominance of the party internally and Soviet world power externally? I tend to think they will.

IS THE YOUNGER GENERATION THE LONG-SOUGHT CRACK IN THE KREMLIN WALL?

3. The generation with whom we traveled and associated most when we were there (ages 22–40) is clearly more traveled outside of the Soviet Union, has had greater exposure to the West both through travel and some access to magazines, music, movies, etc., than the previous generation(s). Those in party or Komsomol positions in this generation can speak one or more foreign languages, almost all are able to speak or read English; this is a marked contrast with the Politburo today.

There is hope in this, but it has to be cautious. Answers come from two sources; emotions and logic. Those emotions sometimes come from paranoia, and you have to assure this is true in the highest rungs of the party and government today. To the extent this exposure to the west lessens the paranoia on the part of this new generation, all the better. But they can still be true believers without the paranoia. Marxism-Leninism certainly couches itself in terms of scientific socialism. Perhaps the avenue of change would be through the weakening of the historical determinism through the dialectic. Marxism-Leninism rest on the conviction that the advent of the dictatorship of the proletariat is 100-percent inevitable, that being based on its assertion that it has seen history as a progression leading to it. Perhaps, just perhaps, their exposure to the West, its history, its material progress, etc., and what they show about capitalism and what it refutes about Marxism-Leninism, will cause some second-thoughts about the 100-percent inevitability of their march. Even if they're still 80-percent sure after these exposures, we've won something. Because anything less than 100-percent destroys the inevitability of it; it makes a "hoped for maybe" out of it.

THE SOVIET REACTION TO CARTER

4. I must turn to the question of Carter, the Carter Administration, and the substance and procedure of our relations with the Soviets over the past six months. It is crucial.

We heard repeatedly in the Soviet Union what we had heard repeatedly here, that Jimmy Carter was gumming up the works in U.S.-Soviet relations. The two reasons cited in the Soviet Union are the two recited here—the breakdown in the initial strategic arms limitation talks and his assertion of the importance of human rights.

The Soviets said his diplomatic style was abhoring, in that he sent Secretary of State Vance to Moscow in late March with a take-it-or-leave-it offer. (This is probably an overstatement, because Vance gave them a preferred, comprehensive proposal, as well as a deferred one.) They said that his human rights campaign meddles in their internal affairs which are not rightly the concern of the United States, besides "everything's alright" in that regard anyway, with "freedoms guaranteed under the new Constitution," etc. They long for the return of "the progress" found under Presidents Nixon and Ford and Secretary of State Kissinger. They said the human rights issue was a propaganda ploy at best, but probably an intelligence-gathering device at worst. They even said that if a conscious plan had been devised to derail detente, it could not have been better done.

And, when they gave him the benefit of the doubt because of his own lack of experience in international relations, they said they were still totally confused, and confusion was no basis for relations between countries.

Because it was so often stated and the message was uniform, I think our delegation had a strong tendency to take these criticisms on face value. Some caution has to be added here though, because the Soviets are known in their discussions with Westerners for what they don't say, as much as for what they do say.

Can the Soviets really be all that disappointed with an American President who—

(1) Has begun the process which may lead to removing the trade embargo on Cuba, an embargo which, for as long as it remains, drains $4 million a day from Soviet coffers in support of Castro?

(2) Has started the negotiations which may lead to normalizing relations with the Communist government in Vietnam, and whose Department of State has opposed Congressional efforts to stop U.S. contributions to international funds to aid in the reconstruction, costs which would otherwise have to be borne, in part, through Soviet assistance?

(3) Has canceled the B–1 bomber program?

(4) Has in his concentration on human rights, Basket 3 of the Helsinki Accords, not questioned the other provisions which legitimatize Soviet domination over Eastern Europe?

(5) Has taken the United States out of any efforts to help the governments of Italy, France, etc., resist the burgeoning efforts of the communist parties to seize majority parliamentary power?

(6) Has allowed his Ambassador to the United Nations to serve as the cutting edge against the only anti-communist governments on the African continent?

(7) Has permitted his Secretary of State and strategic arms negotiator to arrive at tentative agreements in the working group sessions following the aborted Moscow SALT talks, which agreements are quite satisfactory to the Soviets?

(8) Has refused to assist an African nation (Zaire) with direct assistance in resisting an invasion from a Soviet-and-Cuba-dominated Angola?

These are crucial questions, and they have to be raised. I do not know the answer.

SEEING A FUTURE WHICH IS THE PAST

5. It borders or cliche status: "Well, you have to admit the Russians are a lot better off today than they were under the Tsar." You hear it here, you hear it there, and,

unfortunately, like any cliche, it is said unthinkingly. That has to be so, because a moment's reflection shows the absurdity of it.

Economists, engineers, scientists, all agree that the technological progress of the past 200 years probably equals the technological progress from the beginning of recorded history to the 1770s. It's been 60 years since the Tsar fell from power, nearly one-third of that 200 year march. It's impossible for the Soviet Union not to have enjoyed some of the advantages of it. In fact, *the material progress,* increase in economic prosperity, etc., which they have enjoyed have probably been *more a product of technology than the economic system*

If one searches for *a true comparison,* it cannot be found in contrasting Tsarist Russia of 1917 with Soviet Russia today. Neither can it be found in trying to ascertain where they are today with where they might have been under the Tsars? Or under the democratic socialism in which Kerensky was moving the Duma?

I would take the three countries which suffered the greatest damage in the Second World War, because that is a much closer point in time and because it left them essentially at the same starting gate. That means Germany, the Soviet Union, and Japan. Contrast West Germany today with the Soviet Union. Contrast Japan today with the Soviet Union. Contrast West Germany with East Germany, the Soviet Union's puppet regime and colonial economic partner. No more convincing argument could be made on where the Soviet Union is in 1977 and where it could have been under a different economic system.

Lincoln Stephens, upon his return many years ago from the Soviet Union, said he had seen the future and it was the Soviet Union. *I have seen that future, and it is the past.* It is the land of waiting, waiting, and waiting. It is the land of shortages. It is the land of manual labor. It is the land of growing class distinctions. It is a land of silence, where nobody speaks to anyone else without reason. It is a land where even spontaneity seems controlled. It has changed one opiate of the people for another, and this one comes in a bottle, vodka. It is a land of a new kind of deism, and their god is a waxed body in a cold mausoleum to which they come as the Moslems to Mecca, never questioning the fact that his judgments were so far off base he thought the revolution would come first elsewhere.

Mr. Speaker, the full text of Randal's report is available through my office.

PLEA BY THE FAMILIES OF STUDENT PRISONERS IN KOREA

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mrs. MEYNER. Mr. Speaker, many of us have been very pleased by news reports suggesting that President Park of the Republic of Korea may soon release some of the thousands of political prisoners currently being held in that country. Nevertheless, the fact remains that as of this date a large number of Korean citizens, especially students, are imprisoned simply because they are suspected of antigovernment views. Since the beginning of March, more than 40 students have been detained. A massive number of arrests took place around the time of April 7–13, just after I completed a visit to that country and visited with some dissidents.

Rev. P. Schneiss, the executive secretary of the United Church of Christ in Japan, has supplied me with a letter addressed "to the wives and mothers of the world" from over 50 wives and mothers of imprisoned Korean students. I recommend it to all of my colleagues who are concerned about the human rights situation in South Korea and throughout the world:

OPEN LETTER

To The Wives and Mothers of the World:

We give thanks to God that we are sisters with you in our Lord Jesus Christ. We are also thankful for the existence of the Body of Christ, for it surmounts all those things which, in the midst of today's situation, divide and separate because of discord and misunderstandings caused by differences of nationality, colour of skin, doctrines and systems.

We are already deep in debt to the World church for its love. Nevertheless, in view of the circumstances we are facing today we must make our appeal and again ask all of you to pray together with us. We are now in a period of difficult testing which we are trying to cope with by a movement for Human Rights and for the democratization of this country.

Our husbands, sons and daughters, ousted from their jobs and expelled from their colleges because they made their declaration on behalf of the restoration of Democracy and for Human Rights, spend day after day in their prison cells, longing to see the blue sky. Hundreds of students are now sitting on damp, narrow floors, in the dark, letting their precious youth rot away. Though they are not robbers or murderers, yet they are treated more cruelly and surveilled more strictly than those that are.

As for us, our warm beds become cushions of thorns—our fine food catches in our throats and won't go down. Even the flowers, now in the full bloom of a balmy spring, cannot console our hearts. Rather, the tears stream from our eyes as we pray night and day for our imprisoned sons and daughters, buds of flowers held back from blooming.

As we see these youth who have rebelled son or daughter of Korea who declares even one word of expression of conscience is thereby labeled anti-government and must be expelled from school and have his or her name wiped out from the school register. Now, numbers of our sons and daughters, driven out of their beloved schools, are roaming the streets. As mothers, our hearts are being torn to pieces; things are so difficult we can no longer possibly cope with our strength alone. So this is our appeal to the mothers of the world. We can no longer simply stand by and watch lives, given by God, being punished in such a way and suffering such deprivation.

World history will be the judge of the fact that, in a democratic country, expression of concern for the restoration of Democracy, Freedom and Justice is being suppressed. In the history of this world, we have seen an example of the saying: "absolute power corrupts absolutely." The state of affairs is this—our sons and daughters who see injustice and criticize or rebel against it are taken mercilessly, shut up in prison and oppressed.

But we are not asking you to pray just so our husbands, sons and daughters will be released one day sooner. We say this because of the boiling ardour of the students. They do not seek to avoid the door of suffering, but, even today, in a manner most dignified, march bravely through it. It is for this that we would ask you to pray—along with us—for the overall Human Rights of this country and the restoration of Democracy.

As we make this request, our handwriting is blurred by tears already filling our eyes. Nevertheless, we quickly wipe away those tears and return thanks to the Holy Spirit who enables us to view the horizon. We feel that this problem of suffering which we face today from the horizon of history, is not our problem alone, but a matter entrusted to the whole world.

Indeed, through it we have been enabled to become aware of God loving us as he stands at the crossroads leading towards the establishment of a new Jerusalem. This has been a great blessing.

As we see these youth who have rebelled against injustice, choosing of their own accord the road of suffering, we do not despair or become disheartened. With hope in our hearts, we will go on living today, tomorrow—following in the footsteps of our Lord Jesus Christ.

Mothers of the World Church who love—
Pray for the world, we beseech you.
With and for the suffering of Korea—
Pray . . . we beseech you.

MORE QUESTIONS AND ANSWERS ON THE BREEDER REACTOR: SET NO. 2

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. BROWN of California. Mr. Speaker, I would like to insert into the RECORD more questions and answers which are relevant to the controversy over the Clinch River breeder reactor. For those of you who may have missed my first set of questions and answers, I inserted them into the RECORD on July 12—page 22635. Also, I highly recommend reading the excellent speech by Robert Fri, Acting Administrator of ERDA, before the Edison Electric Institute, which I inserted into the RECORD on July 14.

Do not be confused by attempts to characterize this vote as either (i) for or against nuclear power or (ii) for or against energy independence for the United States. We are not talking about a new energy technology to substitute for oil. The issue is when, in the nuclear sector, we displace the cheaper light water reactor by the more expensive, but more uranium-efficient, breeder reactor—or other advanced nuclear technology. Because of a threefold drop in the estimated number of light water reactors in the year 2000, our uranium supplies will stretch much further in time. Consequently, the era in which the light water reactor represents optimum economics is going to be much longer—well into the next century. That, of course, is the basic premise of Schlesinger's economic argument—it never makes economic sense to invest high sums in facilities which will not be needed or economical for a long time—especially since the CRBR already has an outdated design. All the President is asking for is a pause in the commercialization program; research and development on the breeder will continue. Moreover, we should not forget that the breeder is not the only possible energy source for the 21st century; the breeder

will have tough competition from both solar electric and fusion.

The continuation of the questions and answers follow:

QUESTIONS AND ANSWERS—CONTINUED

6. What is the relation of the Clinch River breeder reactor project (CRBRP) to breeder commercialization?

The CRBRP is an integral component of a commercialization program as distinguished from a research and development program. Although one-third full size and called a demonstration plant, the project has the purpose of demonstrating the commercial feasibility and acceptance of the breeder reactor. This fact is illustrated by the following: (i) TVA will purchase the electricity and may even purchase the plant after five years of operation, (ii) the CRBRP was authorized as a cooperative effort, managerially and financially, of the electric utilities and the government, and (iii) the CRBRP is to demonstrate the licensibility of the breeder reactor. In other words, the CRBRP is to break down the institutional barriers to the commercial operation of a breeder reactor.

Dr. Schlesinger stated on June 7: "The Clinch River plant is intended not as technical R. & D. but really as commercial R. & D. Its chief underlying characteristics are that it will permit the utilities to demonstrate that they can sell electric power produced by a breeder reactor. That is no vast step forward in my judgment. If you can produce electric power, you can sell it. It will demonstrate that you can license a breeder. Once again that is not a question of R. & D., but it is a question of institutional arrangements which in an emergency we indeed could change."

7. How much money is left in the ERDA budget for breeder research and development without the CRBRP, and what effect will the deferral have on Tennessee?

Even without the CRBRP, there still remains roughly one half of a billion dollars in the FY 1978 ERDA budget for research and development solely on liquid metal fast breeder reactors (LMFBRs). This is more money than the breeder programs of all the European countries put together. Another $200 million dollars exists in the budget for R. & D. on other advanced nuclear reactors and fuel cycles. The total advanced nuclear program alone receives as much money in the President's budget as solar energy and energy conservation put together.

Even without the CRBRP, the State of Tennessee will receive roughly $900 million dollars (approximately 12 percent of the FY 1978 ERDA budget, more than any other State (more than California and New York put together).

8. How much uranium really exists and what is the relation to the timetable for breeder commercialization?

Only when uranium supplies are sufficiently depleted will the light water reactor (LWR) be replaced by the breeder reactor (and even this assumes that there will be no energy alternatives in the next century, such as solar electric or fusion, to compete favorably with the breeder reactor). When the Clinch River project was originally authorized, the Atomic Energy Commission projected 1,200 large nuclear plants (LWRs) on line in the year 2000. Revised forecasts by ERDA now indicate that there will be only approximately 380 plants in that year. Consequently, our resources of uranium can be stretched out for a much longer period of time than originally thought. ERDA, which has the only complete data, estimates that total reserves and potential resources of uranium (at $50 or less per pound) are 4,300,000 tons. This amount of uranium would mean that the breeder program could be delayed roughly 25 years without any detrimental effect. For those who like to use a "prudent planning base", ERDA gives a very high confidence level to at least 2,350,000 tons of uranium being found. Even if there were no more uranium than this, all the reactors built between now and the year 2000 would be guaranteed a 40-year supply of uranium. ERDA will be exploring vigorously for more uranium during the next decade. Many experts feel that much more uranium exists than even the higher ERDA figure, especially when lower grade and more expensive uranium is included.

9. What does the current cost-benefit analysis have to say about CRBRP and a breeder commercialization program?

In 1974, ERDA estimated the gross benefits from the liquid metal fast breeder reactor (LMFBR), excluding R. & D. costs, of 19.4 billion dollars (discounted to 1974). In 1977, ERDA and the Council on Economic Advisors found a strikingly different result, primarily because of the drastic drop in projections of electricity demand. Even taking into account the price rise for uranium and enrichment services since 1974, the total benefits of the LMFBR is now negative when the R. & D. costs are included. In other words, it is not economical to commercialize prematurely an expensive new technology—no one will buy it.

10. What are the benefits of a pause on the design of the breeder?

Profs. David Rose and Michael Driscoll of the MIT nuclear engineering department conclude that the CRBR is an old design and given the opportunity to start again, a better breeder could be designed. In a 1976 study Burns and Roe, architect-engineer for the CRBR (and author of the infamous secret 1973 memo), conclude that the pool design like the French Phenix is cheaper and five times safer than the loop design like CRBR. Thus, a deferral of CRBR would mean that we could design a far better breeder for demonstration when it became necessary and economical to do so.

11. Are there nuclear alternatives which are more proliferation resistant than the LMFBR and more uranium efficient than the LWR?

A denatured uranium thorium fuel cycle (U233 mixed with U238 and thorium) used in currently commercialized light and heavy water reactors could reduce their annual uranium requirements by 50 percent to 75 percent relative to light water reactors on the current once through uranium fuel cycle. This means that large uranium savings, if uranium supply is really a limiting factor, could be achieved earlier by shifting today's reactors to this uranium conserving fuel cycle over the next 15–25 years than by phasing in the breeder reactor. Moreover, the special advantage of the denatured uranium thorium fuel cycle in these reactors is that it would be significantly more proliferation resistant than either the uranium-plutonium fuel cycle or the denatured uranium-thorium fuel cycle in an LMFBR. Also, the inventor of the light water breeder, Professor Alvin Radkowsky, believes that it is possible to decrease the annual uranium requirements of an LWR fourfold without reprocessing. A pause in the breeder commercialization program will allow time to investigate these alternatives.

12. What non-nuclear competitors are there to the LMFBR?

The LMFBR is an energy technology for the 21st century as are solar electric and fusion. However, according to the new study on solar energy by the Office of Technology Assessment, small solar equipment should be able to provide electricity for between 5 and 15 cents per kilowatt hour (current residential electric rates are between 3 and 4 cents per kilowatt hour). Consequently, if electricity rates increase by factors of 1.5–2 over the next few decades, small scale solar electric facilities would be attractive in many areas of the country. Fusion has not yet been demonstrated, but of course it offers a great potential and is being aggressively pursued by ERDA.

AN AMERICAN TRAGEDY IN THE MAKING

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mr. TEAGUE. Mr. Speaker, in the course of investigating every aspect of the Clinch River breeder reactor, I received from Prof. Bernard L. Cohen, Ph. D., professor of nuclear engineering, University of Pittsburgh, an article which describes plutonium. The information, based on fear rather than reason, which directly associates Clinch River with plutonium poisoning, proliferation, and death is deliberately misleading. Mr. Speaker, Professor Cohen is a respected physicist who knows plutonium and its effects. I ask you to consider the following pertinent aspects taken from his paper so that we may all approach an important decision armed with knowledge. Plutonium must be respected, but we have the ability to control it. Clinch River is needed to demonstrate this ability, to remove the fear and to move into the future confident in our technology and its application. We cannot remain a free nation by burying our heads in the sand:

What has gone wrong? What drove the President to reject plutonium? This wonderful, magic material that could save us has fallen victim to an insidious campaign of slander and half-truths that has blackened its public image beyond recognition. Let's see how it was done.

One line of attack has been on the toxicity of plutonium. It is frequently called "the most toxic substance known to man". Not so! Botulism toxin, for example, is a thousand times more toxic. A widely read and quoted book states that plutonium-239 is "1000 times more toxic than modern nerve gases". Again not so! Per ounce inhaled, the two are about comparably toxic; but plutonium is a solid material which can only be harmful if inhaled in the form of a very fine dust, so mechanisms are required to suspend it in air. Given the choice of being in a room with an open one pound can of plutonium or nerve gas, the latter would be infinitely more dangerous. A recent favorite statement in newspapers and magazines is that "a single particle of plutonium inhaled into the lung will cause lung cancer". Absolutely false! The largest particle that can get past the body's defense mechanisms and enter the lung is about 5 microns (0.0002 inches) in diameter and it would take about a million plutonium particles of this size to give a 50-percent risk of lung cancer.

The principal source of misinformation on these matters is the so-called "hot-particle" theory of plutonium toxicity put out by two professional nuclear critics—I use the word professional advisedly, as they draw their livelihood from opposing nuclear power with salaries largely financed by the Ford Foundation. Their theory, which claims that plutonium is much more dangerous than indicated by all information available in the scientific literature, was investigated and declared invalid or irrelevant by the following groups: an investigating committee of the U.S. National Academy of Sciences, the U.S. National Council on Radiation Protection and Measurements which is comprised of several dozen of our country's most dis-

tinguished radiation research scientists, the British Medical Research Council, the United Kingdom Radiological Protection Board, the U.S. Nuclear Regulatory Commission, and the former U.S. Atomic Energy Commission in a scholarly report written by some of the world's experts on plutonium toxicity. In addition, the U.S. Environmental Protection Agency and the International Commission on Radiation Protection have decided to ignore the "hot-particle" theory in setting their standards, and no prestigeous group anywhere in the world has accepted it. One of the many reasons for these rejections is that there are 25 men who worked with plutonium in the 1940s (when precautions were much less elaborate than at present) and inhaled millions of plutonium particles into their lungs, enough so that the "hot particle" theory predicts each should have had an average of 200 lung cancers—but none of them has yet had lung cancer.

We often hear that in producing plutonium we will be creating a poison in unprecedented quantities. But if all our electric power were derived from plutonium, we would still be producing hundreds of times fewer lethal doses of it per year than we now produce of chlorine or of other poisonous gases. Moreover, when a tank containing chlorine or these other gases breaks open, the poison is immediately dispersed, whereas if a container of plutonium breaks open, only a tiny fraction of it becomes dispersed in air as a fine dust.

There is a widespread impression that plutonium is also dangerous if it gets into food; Senator Ribicoff, one of the best informed men on Capitol Hill on plutonium issues, said on the Senate floor "one thirty millionth of an ounce . . . will cause cancer if . . . swallowed". Wrong by a million times! Only a tiny fraction of swallowed plutonium gets through the intestine walls into the blood stream; nearly all of it passes rapidly out of the body, so swallowing plutonium is less dangerous than swallowing some common poisons we keep in our homes. In fact it is not much more poisonous per ounce than caffeine.

The same factors that keep plutonium from getting through the intestine walls also hinder its uptake by roots of plants, which is part of the reason why plutonium in the soil is not very dangerous. In fact plutonium in the soil is hundreds of times less dangerous per ounce than radium, which is a naturally radioactive material in all soil. From this it can be shown that if all the world's electric power were derived from plutonium, all the plutonium in existence would be about as dangerous as the radium in each half inch of depth of the earth's soil. It hardly need be mentioned that the Earth's soil contains a great many half-inches of depth, so plutonium can never cause anywhere near the long term radioactivity hazard of the radium we have always lived with.

We have been producing and handling plutonium for our military weapons program for over 30 years. Ten thousand pounds of it has been vaporized in the Earth's atmosphere in bomb tests, about a million times the total releases expected annually if all our electricity were generated from plutonium. Plutonium is used as an energy source in our space program and in cardiac pacemakers that are keeping the hearts of many hundreds of our fellow citizens beating, and there are plans for using it to power a completely artificial human heart. With all of this, there is no evidence that any human being has ever been injured by plutonium toxicity in this country or anywhere else in the world.

So much for plutonium toxicity. Another line of attack is that plutonium can be used as an explosive in bombs. If banning the use of plutonium for producing electricity would rid the world of the curse of nuclear weapons, it might be worth the sacrifice, but that is not the issue. Nuclear weapons are known to be in the arsenals of six of the world's most powerful nations, and it is suspected that they may soon be available to a few others, all without any connection with nuclear powerplants. In fact the plutonium used in generating electricity has characteristics making it ill-suited to bombs, and no bombs have ever been made with it.

Then what's the issue? It can be used to produce low quality bombs, and some saber-rattling dictator might decide to divert plutonium from his power reactors for that purpose. There are lots of things that can be done to prevent this, but there is one easy solution—don't export nuclear technology. This still has nothing to do with using it to solve our own energy crisis.

By this time you'd think the enemies of plutonium would be running out of gas. But no, they've come up with another angle—terrorists might steal plutonium and use it to make bombs.

They tell us that once you have plutonium it's very easy to make a nuclear bomb. Then how come it took the Indians, the French, and other national programs hundreds of man-years of scientific effort and tens of millions of dollars to develop them even using bomb grade (not powerplant) plutonium? Well, it's much easier to make a crude bomb, capable of blowing up a large building. That, then, is what the discussion is about. Senator Ribicoff has stated that such a bomb could kill 100,000 people, but his statement is based on the fact that it could destroy the World Trade Center in New York, and that building sometimes contains as many as 100,000 people. In more typical situations, such a bomb could kill a few thousands, or perhaps a few tens of thousands. That still sounds pretty awful, and we'll come back to it later.

Let's consider some of the problems a terrorist group would have to face in this endeavor. First they would have to steal the plutonium, either from a plant where it is processed or by hijacking a truck carrying it between plants. But plutonium is protected by a very elaborate "safeguard" system. It is handled only by a relatively few authorized people who must have security clearances. In plants it is kept in closely guarded areas, and everyone leaving such areas must pass through a doorway monitor which is capable of detecting a quantity 10,000 times less than what is needed for a bomb even if it is put in a capsule and swallowed. The inventory of plutonium is accurately measured and computer processed so that a theft would be detected very rapidly. The entire plant is heavily protected by armed guards, fences, and electronic surveillance devices. When transported, plutonium is carried in armored trucks with armed guards in radio-telephone communication with a home base. The trucks must make no stops between pick-up and delivery points, and the guards have "shoot-to-kill" orders. The amounts of plutonium involved are not large—our national inventory will never be too large to fit into a good-sized living room—so careful guarding is not difficult.

The next problem faced by the terrorists would be design and fabrication of a bomb. This requires reasonable expertise in nuclear reactor physics, chemistry, electronics, machining and mechanical operations, and high explosives technology, plus some familiarity with health physics and miscellaneous areas. There was a television program about an MIT student who designed a bomb that had a small chance of exploding (this latter point was not mentioned), but he only did the design on paper which involves only the first of the skills listed above; it is by no means the most difficult part of the task. The work would require thousands of dollars worth of equipment and would take many weeks or months of concerted effort. There would be substantial danger, perhaps a 30 percent risk of fatal injury, and the bomb would be far from certain of working.

The fruit of all this effort and risk would be to kill the occupancy of a large building. But there are many easier ways to accomplish that end; for example, they could release a poison gas into the ventilation system of that building. They could kill as many people with conventional explosives or incendiaries in large crowds as at a sports stadium. They could kill many more people by blowing open a large dam—note that these dams are often built as an alternative method of producing electricity. They could poison a city's water or food supplies. Any of these measures would be much simpler, safer, cheaper, and faster than stealing plutonium and making a bomb.

We may take considerable comfort from the fact that terrorists have never committed mass murder—rarely have they killed more than a dozen or so in a single incident. Perhaps they feel that it would lose the public sympathy (or at least apathy) they so sorely need. Or perhaps they fear the public wrath and determination to bring them to justice for such a heinous act. Or maybe they have more morality than we credit them with. We can't be sure why terrorists have never opted for mass murder, but we can be certain that it has not been lack of the ability or opportunity to do so. The use of plutonium bombs would add little to their capabilities.

But are we really worried about terrorist mass murder? If we were, we would be guarding building ventilation systems, practicing security measures where crowds gather, deploying guard forces around dams, and limiting access to city reservoirs. We would require that terrorist actions be considered in design of buildings and sports stadiums. We would control the sale of explosives, toxic chemicals, biological agents, etc. We do none of these things.

If we were to follow the plutonium pattern, we should write stories in magazines about how terrorists can blow up dams, incinerate crowds, etc. The government should sponsor scientific studies of other methods by which terrorists might perpetrate mass murder and we should publicize the results—we need an informed public. We should consider setting up a Federal guard-force to protect against terrorism. Is anyone recommending such actions?

How then can anyone claim that the terrorist bomb problem is a reason for giving up the great benefits to be derived from use of plutonium for generating electricity? It just doesn't make sense, and in fact, is counterproductive. Our safeguard system is so tight that aspiring thieves would probably choose to steal from foreign sources where safeguards are much looser. The best answer to this problem is for us to exert pressure by example—show how carefully we protect our plutonium and ask them to do likewise. If we give up our use of plutonium, our influence in this matter is lost.

What about the expense of all these safeguards? Essentially negligible—they would add about 1 percent to the cost of electricity from plutonium. Ralph Nader says that all this guarding will convert our Nation into a police state—but the total guard force would be comparable to the present security forces in airports. The simple fact is that it isn't that hard to guard a national inventory that would fit into a living room. And cost can never be a problem because the electric power generated by this plutonium is worth about $50 billion a year—you can afford a lot of guarding for even 1 percent of that kind of money.

That, believe it or not, is the whole story. We are giving up this magic substance that can save us because people say it is toxic—although no human has ever been injured by its toxicity—and because people say it

may be stolen to make bombs—although none has ever been stolen, no bomb has ever been made with this type material, and such bombs would give their users no major new capabilities. Never mind that producing electricity by burning coal is killing 10,000 Americans each year with its air pollution and over 1,000 coal miners each year in accidents or mine-bred diseases. Never mind that our energy crisis could easily lead us into an economic depression that would result in 10,000 extra suicides per year plus millions of lives in poverty and frustration. Never mind that our oil imports are making us arms merchants to the volatile Middle East which could easily lead us to bloody wars or even worldwide conflagration. Never mind those "minor" problems—our magic substance is too dangerous! The enemies of plutonium have worked their slander campaign very effectively. An American tragedy is in the making.

Mr. Speaker, let us not create a tragedy. Instead let us approach Clinch River with strength and knowledge so that we can give the American public power at a price they can afford.

REMARKS OF SECRETARY-GENERAL WALDHEIM

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 15, 1977

Mrs. MEYNER. Mr. Speaker, Mr. Kurt Waldheim, Secretary General of the United Nations, recently addressed the Rotary Club of New York. His remarks pertained especially to some of the "misunderstandings and distortions" about the United Nations which deserve to be corrected. I found his remarks to be most interesting and thoughtful and I recommend them to my colleagues:

ADDRESS BY SECRETARY-GENERAL AT ROTARY CLUB LUNCHEON

Following is the text of an address by Secretary-General Kurt Waldheim at the Rotary Club luncheon being held today at the Roosevelt Hotel, New York City.

I am delighted to be here today with so many old friends. One of the more pleasant aspects of my job as Secretary-General is to meet with concerned and dedicated supporters of the United Nations. This of course is not the first time that Rotary has invited me to speak about developments in the world and I still remember the warmth of the welcome I received when I spoke to Convention of Rotary International just a year ago in New Orleans.

I am tempted to repeat much of what I said then. But Rotarians, I know, have long memories, and you are already familiar with the work of the United Nations. It also would not enable me to express my thanks to you for designating today as International Appreciation Day. Actually, though, I think a word is missing in that title. From the United Nations point of view, to be accurate it really should be Rotary International Appreciation Day for all that Rotary has done—and all it is doing—to "advance international understanding, goodwill and peace". In your work you have faithfully supported the aims and work of the United Nations, and for this we are the ones to be appreciative and grateful. It is heartening to have such support, but regrettably we must also cope with the lack of it among others who do not understand, as you do, what the United Nations is all about.

So you will forgive me if I do not devote much of what I have to say to the current state of the world and to the great crises and problems of our time. Instead I would like to deal with some of the misunderstandings and distortions about the United Nations, and seek your help in clarifying them not only here in the United States but in all countries in which Rotary plays such an important role. In seeking your help in this, I do not wish to give the impression that there are no shortcomings in the United Nations or reasons for criticism. No one is more aware of this than I am. However, sometimes I have the feeling that even after 32 years, far too little is known about the United Natitons and its vital importance in the building of a new, decent and forward-looking world community.

In the building of that community, every nation and its people have both the right and the obligation to ask what they get out of their membership in the United Nations and how that membership serves their national interest. The answers to these questions may well be another question, "Is peace worthwhile?" If the answer is yes—and who can doubt it in a world in which man's capacity to destroy is the paramount reality of our time—then the words of the Charter still have validity and deserve to be recalled.

It is true that to some the ideals set forth in the charter may seem to be utopian. But if man cannot hope for a better tomorrow and strive to fulfill those hopes, he has little left. For the first time in history man has the power to shape his own future—the power to create and the power to destroy—and viewed in that light, the words of the charter are not so utopian at all. They are a practical statement of the only viable option open to him.

In the past 32 years since the founding of the United Nations, the number of sovereign states in the world has almost tripled. There are now 147 members of the United Nations and the number is still growing. Each of the new members is as proud and jealous of its new sovereignty as the original 51 founding members. Thus, the solutions to the problems and crises that are the daily agenda of the United Nations must be found within a secure structure of peace and an equitable economic order that recognizes the reality of national concerns and aspirations.

I have thought it important to clarify this almost elementary fact because some of the most persistent criticism of the United Nations is aimed at what is called the organization's "ineffectiveness." This usually means its failure to exercise supranational authority to settle disputes and to impose peace. I can sympathize with the frustration felt on these grounds. I myself sometimes dream of how simple international life would be if there were some higher authority which could, with total objectivity, decide on the merits of any dispute and then impose a decision that automatically would be accepted by all parties. But such a simplistic approach obviously overlooks political realities and the sovereignty of our member States. Obviously we are not at the utopian point in history, and in all likelihood never will be. The United Nations has to deal with the world as it is, and in doing so to try to change the world for the better.

This is not easy, nor can it be done overnight. But does this mean we should stop trying? Definitely not. The fact alone that for nearly one-third of a century there has been no global war justifies, in my opinion, the existence of the United Nations.

There have been, and still are, many regional or local conflicts, but with all their agony, they have at least been contained. The nuclear deterrent has undoubtedly contributed much to this situation. But it is important to recall that it was the United Nations peacekeeping operations that have maintained cease-fires and quiet in Kashmir, the Congo Cyprus, the Middle East and elsewhere. It is the Security Council on countless occasions which has cooled a dangerous situation, provided the necessary safety valve or put the damper on an incipient conflagration. United Nations peacekeeping forces are still holding the ring on Cyprus, and in the Middle East while the search for peaceful solutions goes on.

The United Nations Charter envisaged the establishment of a system assuring "the least diversion for armaments of the world's human and economic resources". It is unfortunately true that in spite of this, the world is now spending 350 billion dollars, or more than 5 per cent of its gross product each year on armaments, and the amount is growing. This, however, should not obscure the fact that the United Nations has made some important progress in disarmament, but its continuous efforts have certainly not produced the real and effective disarmament which the authors of the charter had in mind. That is all the more reason for the efforts to be continued.

Disarmament must remain at the top of the international community's agenda. At least six nations now have atomic capability and two dozen or more are on the threshold, producing as a by-product of their energy programmes the starting kit for several thousand atom bombs, if they so wish. Conventional arms of incredible sophistication are now sold freely and introduced in large quantities into sensitive areas of the world. This is a major and continuous threat to world peace. Efforts to bring this vicious circle under control must be intensified, and I look to next year's special session of the General Assembly, which is to be devoted to disarmament, to take further specific steps towards this objective.

Peace is still its primary task, but the other main preoccupations of the United Nations show the ability of the organization to meet new challenges, new perils and new priorities, while at the same time continuing to cope with the legacies of the past. The United Nations' daily agenda ranges from such political problems as those in southern Africa, the Middle East and Cyprus to economic problems such as the search for a new international economic order. Then there are the many new problems mankind is faced with today—the environment, the population explosion, the sharing of the rich resources of the seabed, to mention just a few. These and many others spill over national boundaries and affect all people. They are incapable of management by any one nation or even group of nations. This is the reality of an interdependent planet which depends for its survival on global solutions to global problems.

This is also the reality that underscores the fact that political stability cannot be maintained in a world of economic instability. The great gap that now separates the rich and the poor countries of the world is bound to increase tensions. National societies have learned that the stark contrast between the rich and the poor often leads to violence. An interdependent world will learn this lesson too unless steps are taken to narrow the gap and to bring about satisfactory conditions in all countries. This is what is at the heart of negotiations going on in the United Nations and elsewhere to develop a new international economic order.

I have tried to give a general picture of some of the main concerns of the United Nations to provide a backdrop, incomplete though it is, against which one can perhaps better measure its value. Because the United Nations is a global organization, it is widely assumed that the costs involved must be astronomical. This assumption is frequently made by those who seek to discredit the United Nations, and distorted figures are mentioned that bear no relation to reality. In 1976, the regular budget expenditure of the United Nations amounted to less than $360 million. It should be of particular inter-

est to Americans that of this total amount, the United States paid one-quarter or $89 million, about 40 cents for each American citizen. The United Nations spends about half of its annual budget in the United States, and as New Yorkers you will be interested in knowing, for example, that $2 million is spent to rent commercial office space each year. In addition, members of the United Nations Secretariat and diplomatic corps spend an estimated $200 million in the United States for official and personal expenses. As against these amounts, the United Nations costs New York City and the Federal Government about $15 million in diplomatic tax exemptions and special police protection.

When higher costs are attributed to the United Nations they usually include the budgets of the 12 autonomous international organizations which make up the so-called United Nations system. These organizations deal with widely different matters. The oldest has been in existence for 100 years—70 years before the United Nations was established. To lump them all together into one organization with one budget, as it was recently done by a newspaper in New York to prove how expensive the United Nations is, is to give a totally distorted picture of the expense of international cooperation through the United Nations. But even when this is done the total cost of the United Nations system to Americans would be about $2 per person per year—two round trips on the New York subway system. This is a small additional price, I think you will agree, for such services ensuring international safety standards for air carriers, the eradication of smallpox from the world, the World Weather Watch, or the vital work carried on by the other agencies to improve food production, eradicate illiteracy, regulate and improve postal and telecommunications services throughout the world. To this sum must be added a global peacekeeping cost of $90 million, to which each American contributes 11 cents a year. If full-scale war were to break out in Cyprus or the Middle East, the cost in terms of lives and money, not to mention economic dislocation, would obviously be incalculable. United Nations peacekeeping forces are buying time while intensive efforts are going on to work out just and lasting solutions.

Given these facts, I think you will agree that the sums involved are relatively small when weighed against the benefits achieved for the world community. I can assure you that these expenditures, as indeed all United Nations finances, are subject to the most stringent auditing by international experts who report to the General Assembly on all aspects of our financial administration. Furthermore, there is a major United Nations committee, of which the United States is a member, which keeps a close eye on all aspects of the United Nations' budget and administration.

If I have gone into such detail today, it is because, as I said at the outset, I feel it urgent to clarify misconceptions and distortions about the United Nations. I strongly believe in the public's right to know the true facts, for these are essential to the support this organization must have to carry its worldwide burdens.

For the first time in history there is the opportunity to bring about a better life in larger freedom for all the world's peoples. To this end the dedicated international civil servants in the United Nations system are working in a vast range of activities in an experiment unique but essential in the story of mankind.

They come from all the member nations of the United Nations, and constitute a dramatic proof that peoples of different nations, different backgrounds, different ideologies can come together in support of the common cause of peace, justice and progress. In a world in which nations mistrust each other as they do, their creative and constructive cooperation is an inspiring example of men and women from all corners of the Earth working in harmony for great aims and great ideals. The largely overlooked story of the International Civil Service is an encouraging story of faith in an ideal and the determination to make that ideal work.

It confirms my conviction that the United Nations offers the world its best hope for accomplishing all that must be done in the closing years of this century. The United Nations, however, can only be as successful as its members wish it to be, and only as strong as the political will that governments provide for it. It is here that nongovernmental organizations such as Rotary have a key role to play. With your help the necessary popular support can be generated.

The world is not as bad as people sometimes think. In fact, never before has mankind been confronted with such great opportunities. Our weakness lies in our inability to understand each other and cooperate. This, in my view, is the great challenge of our time. Let us face it with determination so we can build a better world for ourselves and future generations.

HOUSE OF REPRESENTATIVES—*Monday, July 18, 1977*

The House met at 12 o'clock noon.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WRIGHT) laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
July 18, 1977.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be of one mind, live in peace; and the God of love and peace shall be with you.—II Corinthians 13: 11.

Dear Lord and Father of us all, the Giver of life and the Author of liberty, above the multitude of many voices clamoring for our attention may we hear Thy voice summoning us to walk in Thy ways and to live in Thy love that we may worship Thee in spirit and in truth and work through this day with dedicated devotion and disciplined diligence.

Draw the people of our land together in a common loyalty to Thee, the highest and best we know, that strong in Thee we may lead our Nation in the paths of peace and along the roads of righteousness. Give to the Members of this House of Representatives a greatness of mind and a goodness of heart that they may be more than a match for the movements of this generation. Lead us, O God, and may we follow Thee to the end of our life on Earth and then with Thee enter the life everlasting. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4975) entitled "An act to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 25. Concurrent resolution providing for the acceptance of a statue of the late Senator Ernest Gruening presented by the State of Alaska for the National Statuary Hall collection, and for other purposes.

APPOINTMENT OF CONFEREES ON H.R. 7553, PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ENERGY RESEARCH APPROPRIATION ACT, 1978

Mr. BEVILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama? The Chair hears none, and appoints the following conferees: Messrs. BEVILL, BOLAND, WHITTEN, and SLACK, Mrs. BOGGS, and Messrs. DICKS, SHIPLEY, CHAPPELL, MAHON, JOHN T. MYERS, and BURGENER, Mrs. SMITH of Nebraska, and Mr. CEDERBERG.

JUSTICE FOR LOOTERS AND ARSONISTS

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, as anticipated, a few voices are calling for a strict justice, that is, law enforcement, for those arrested for looting and arson in

New York City during the blackout. But there are many more who are stressing the sad lot of the individuals who are accused. We are told of the plight of the hungry and unemployed. The do-gooders are complaining about poor prison facilities, inadequate food service, or anything else that will bring sympathy for the more than 3,700 locked up for breaking the law.

Unemployment is not an excuse; that the accused were hungry is doubtful. New York has the most generous welfare laws in the Nation.

Much the same attitude has been shown in assessing blame for the problems concerning the blackout. ConEd, the electric utility, is the goat. The blackout was unfortunate. It is impossible to state whether or how much blame can be attributed to failures of ConEd. There is a National Guard. It was not called out. Presumably New York has police and firemen reserves. I see nothing to indicate that they were fully utilized. The press has stated that the police stood by in many cases, watched the looting in progress and made no attempt to maintain law and order.

The New York City administration cannot be held blameless in this unfortunate situation.

Most of us would like to see concern expressed for those whose businesses were wrecked or burned and their livelihood ruined. The victims are the ones who are entitled to concern.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

(Mr. BRODHEAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRODHEAD. Mr. Speaker, when the Committee on Standards of Official Conduct began its investigation of the Korean matter, I had serious doubts that the investigation would be properly conducted. However, I decided to withhold judgment because I believe it is important that the House cleanse itself.

It is now obvious that the so-called Ethics Committee as presently constituted is totally incapable of performing the task. The House and the Nation wants the committee to move quickly to point out the relatively few wrongdoers and to remove the blot on the whole House. Instead, the sins of the few have been covered up and the reputations of the many have been damaged.

Many details about the matter—dates, places, names, and amounts—have been reported by the news media. Yet the committee, with its subpena power, its staff of skilled investigators, its high-priced legal counsel, and its huge budget has so far reported nothing.

It is an outrage that the committee has moved so slowly. It is an outrage that members of the committee refuse to reveal whether or not they are involved in the matter under investigation. And it is an outrage that the committee cannot even meet on a regular basis.

The House is capable of resolving this matter with speed and justice. All that is lacking is the will to do so. I call for the appointment of a new committee chairman as soon as possible. I also call for a review of the membership of the committee and the rules under which it operates. We must move on this matter with all possible speed. Until we do, the House is operating under a cloud of suspicion.

RESIGNATION OF PHILIP A. LACOVARA

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, the resignation this weekend of Philip A. Lacovara as special counsel to the House Ethics Committee indicates what many of us in the Congress have suspected for some months: when it comes to policing itself, the Congress moves too slowly.

Mr. Lacovara's departure raises new doubts about the committee's ability, let alone willingness, to pursue the investigation in a no-holds-barred-way.

The public perception of the House investigation grows more cynical each day. The Justice Department's investigation seems to inspire no more confidence.

The weekend's events raise some serious questions about whether or not the current leadership of the House ethics panel can meet the task before it.

While the House deals with the ethical questions, as it should, I urge the President once again to direct the Attorney General to appoint a special prosecutor to deal with any possible criminal violations.

Only such an approach, by the committee and the special prosecutor can get our House in order. To delay, does a great injustice to those who are only involved in a passing way or in no way at all.

We must not wait any longer to give the people who send us here the investigation they deserve and which will maintain confidence in the Congress.

PERMISSION FOR SUBCOMMITTEE ON INVESTIGATIONS AND REVIEW OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT DURING THE AFTERNOONS OF JULY 19 AND 20, 1977, WHILE THE HOUSE IS IN SESSION

Mr. GINN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Investigations and Review of the Committee on Public Works and Transportation may be permitted to conduct public hearings during the afternoons of July 19 and 20, 1977, while the House is in session.

I also ask unanimous consent that the full Committee on Public Works and Transportation may be allowed to sit on the afternoon of July 20, 1977, for the purpose of a markup session.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, what is the committee request?

Mr. GINN. The first request is for the subcommittee to conduct public hearings on the entering of toxic substances into streams.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, there will be no markup on that 1-day session?

Mr. GINN. Not on July 19 and 20 for the Subcommittee on Investigations and Review.

Mr. ROUSSELOT. No markup?

Mr. GINN. None.

Mr. Speaker, the second part of my request was for the full Committee on Public Works and Transportation to sit on the afternoon of July 20 for the purpose of a markup session and that will be, for the gentleman's information, involving lock and dam 26.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, what is it that we have on the legislative calendar for that day? Why is it so important to have to sit and mark up?

Mr. GINN. Well, the committee is being urged to go forward promptly on the reporting of lock and dam No. 26 in order that the Ways and Means Committee be able to consider that legislation.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman be willing to separate his requests?

Mr. GINN. Yes; I would separate the requests.

Mr. ROUSSELOT. Would the gentleman be willing to ask unanimous consent on the first one, so we could check on the second one, in which event I will withdraw my reservation of objection?

Mr. GINN. Yes. My request, then, is that the Subcommittee on Investigations and Review be permitted to sit while the House is in session during the afternoons of July 19 and 20.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, would the gentleman withhold the second request?

Mr. GINN. I would, Mr. Speaker. I withhold the second request.

The SPEAKER pro tempore. The gentleman withholds the second request.

REINTRODUCTION OF SPECIAL PROSECUTOR RESOLUTION, WITH COSPONSORS

(Mr. GOODLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOODLING. Mr. Speaker, I am gratified by the response I have been receiving to the introduction of House Resolution 684, submitted last Wednesday. This resolution expresses the sense of the House of Representatives that the Attorney General of the United States should appoint a special prosecutor to serve in the Department of Justice to investigate, and prepare prosecutions with respect to, acts by agents of foreign governments or by other individuals to obtain by means contrary to the laws of the United States influence from officials of the United States.

I am reintroducing the resolution to-

day, with cosponsors, and will list their names at the conclusion of my remarks so that their views will become part of the public record at once. I hope others will join us in this legislative call for action.

While much attention is being given to allegations about persons acting in behalf of one nation in particular, I want to call attention to the broader scope of my resolution. Through its adoption, we can put all nations on notice that the foreign policy of the United States will be conducted and influenced only by lawful means.

I wish to commend the following colleagues joining in sponsoring the resolution formally putting the House of Representatives on record about the need for a special prosecutor: Mr. WALKER, Mr. WINN, Mr. KINDNESS, Mr. CUNNINGHAM, Mr. PURSELL, Mr. BAFALIS, Mr. PATTERSON of California, Mr. KETCHUM, Mr. LUJAN, Mr. GRADISON, Mr. KEMP, Mr. COLLINS of Texas, Mr. RANDALL, Mr. RHODES, Mr. SIMON, Mr. EDWARDS of Oklahoma, Mr. KASTENMEIR, Mr. CORCORAN of Illinois Mr. STOCKMAN, Mr. QUIE, Mr. KOSTMAYER, Mr. PRESSLER.

ADMINISTRATION FLUBBING

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, on July 14, 1977, Mr. REUSS, the distinguished chairman of the House Banking and Currency Committee, stated in remarks made on the floor:

If there is one program the administration is flubbing in an almost ignominious manner it is the war on inflation.

Mr. Speaker, I would like the distinguished chairman and prominent Member of the President's own party to know that he took the words right out of my mouth. I would just like to say that if there is any other important Democrat who wishes to strongly criticize a Democrat President in an important area, he or she should feel free to do so. I am willing to yield on such a matter.

DISCHARGE AND REFERRAL OF H.R. 8215 AND H.R. 8259 TO COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations be discharged from further consideration of the bills H.R. 8215 and H.R. 8259, and that these bills be referred to the Committee on Public Works and Transportation.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Texas?

There was no objection.

RESOLUTION OF DISAPPROVAL TO REORGANIZATION PLAN NO. 1 INTRODUCED

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, on Friday, President Carter submitted his first reorganization plan to the Congress. Submission of this plan dealing with the Executive Office of the President is in keeping with his commitment to propose a reorganization of the executive branch of the Federal Government.

I am today introducing a resolution of disapproval to reorganization plan No. 1. In doing so, I am not taking any position on the plan itself. The legislation enacted earlier this year renewing the President's authority to submit reorganization plans, requires that a resolution of disapproval be introduced no later than the first session following the transmittal of a plan.

This is part of the new procedure we have adopted that is intended to insure that the House will have a chance to vote on all reorganization plans so they will not go into operation by default.

The resolution of disapproval will be referred to the Committee on Government Operations, and it is my intention, as chairman of the committee, to begin hearings on the plan as soon as possible. It makes extensive changes in the way the Executive Office of the President functions, and we will want to look at it very closely.

PROPOSALS TO MAKE LAWS GOVERNING LABOR-MANAGEMENT RELATIONS WORK MORE EFFICIENTLY, QUICKLY, AND EQUITABLY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–186)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

I am transmitting to Congress proposals to make the laws which govern labor-management relations work more efficiently, quickly and equitably.

I have pledged to make Federal regulatory agencies more responsive to the people they serve. Government regulation only works well if it is fair, prompt and predictable. Too often this has not been the case with the regulatory process that governs collective bargaining and labor-management relations. Our labor laws guarantee employees the right to choose freely their representatives, and to bargain collectively with employers over wages, fringe benefits and working conditions. But legal rights have limited value if many years are required to enforce them.

The National Labor Relations Board (NLRB) administers our labor laws. In recent years there has been growing agreement that those laws should be amended to ensure that the Board can function more effectively to protect employees rights. While the great majority of employers and unions have abided by the labor laws, a few have unfairly abused the procedures and practices under which the Board must operate.

As a result, the American Bar Association, many Federal courts, and the NLRB's own Task Force each recently suggested ways to improve the Board's procedures. The NLRB's internal report, which proposed a number of administrative changes, has already produced some beneficial changes. But it seems clear that legislation is actually needed to enable the Board to administer the labor laws properly.

Unnecessary delays are the most serious problem. In even the simpler cases, the NLRB typically takes almost two months to hold an election to determine whether workers want union representation. The enforcement of Board decisions is also subject to unnecessary delay: lengthy proceedings before the Board and extended litigation can sometimes delay final action for years.

The problem of delay has been compounded by the weakness of the Board's remedies. One of the reasons the regulatory process has worked so slowly is that a few employers have learned that, because of the problems the Board has in enforcing its decisions, delay can be less costly than initial compliance with the law. In one case, for instance, workers who were illegally fired for their union activities in 1962 are still awaiting payment for lost wages.

Because of these problems, workers are often denied a fair chance to decide, in an NLRB election, whether they want union representation. The same problems often deny employers the predictability they too need from the labor laws.

To help reduce the problems of delay, and to cure a number of related problems with our labor laws, I am today recommending to the Congress a set of reforms for the National Labor Relations Act. These reforms are designed to accomplish three important goals:

—To make the NLRB procedures fairer, prompter, and more predictable.

—To protect the rights of labor and management by strengthening NLRB sanctions against those who break the law.

—To preserve the integrity of the Federal contracting process by withholding federal contracts from firms that willfully violate orders from the NLRB and the courts.

I believe these goals can be met through the following changes in our labor laws:

—An election on union representation should be held within a fixed, brief period of time after a request for an election is filed with the Board. This period should be as short as is administratively feasible. The Board, however, should be allowed some additional time to deal with complex cases.

—The Board should be instructed to establish clear rules defining appropriate bargaining units. This change would not only help to streamline the time-consuming, case-by-case procedures now in effect, but would also allow labor and management to rely more fully on individual Board decisions.

—The Board should be expanded from five to seven members. This change would enable the NLRB to handle better its increasing caseload.

—The Board should establish procedures that would allow two members of the Board to affirm summarily the less complex decision of its administrative law judges. Similar procedures have already been adopted by the Federal courts of appeal.

—All appeals of Board decisions should be required to be filed within 30 days of the Board's decision. If no appeal is filed, the Board should refer its orders to the courts for enforcement without further delay. This procedure is similar to that used by such other Federal regulatory agencies as the Federal Trade Commission.

—When employers are found to have refused to bargain for a first contract, the Board should be able to order them to compensate workers for the wages that were lost during the period of unfair delay. This compensation should be based on a fixed standard, such as the Quarterly Report of Major Collective Bargaining Settlements published by the Bureau of Labor Statistics (BLS). Workers would be entitled to the difference between the wages actually received during the delay and those which would have been received had their wages increased at the average rate for settlements reported during that period, as recorded in the BLS index.

—The Board should be authorized to award double backpay without mitigation to workers who were illegally discharged before the initial contract. This flat-rate formula would simplify the present time-consuming back-pay process and would more fully compensate employees for the real cost of a lost job.

—The Board should be authorized to prohibit a firm from obtaining Federal contracts for a period of three years, if the firm is found to have willfully and repeatedly violated NLRB orders. Such a debarment should be limited to cases of serious violations and should not affect existing contracts. This restriction could be lifted under two conditions: if the Secretary of Labor determines that debarment is not in the national interest, or if the affected Federal agency determines that no other supplier is available.

—Under current law, the Board is only required to seek a preliminary injunction against a few types of serious union unfair labor practices, such as secondary boycotts or "hot cargo" agreements. The Board should also be required to seek preliminary injunctions against certain unfair labor practices which interfere seriously with employee rights, such as unlawful discharges.

There are related problems that should also be reviewed by the Congress in this effort to ensure that our labor laws fulfill the promise made to employees and employers when the Wagner Act was passed 42 years ago—that working men and women who wish to bargain collectively with their employers, in a way fair to both, shall have a reasonable and prompt chance to do so. In that way, the collective bargaining system, which has served this country well, can be strengthened for the benefit both of American workers and employers.

I have asked the Secretary of Labor to work closely with the Congress in the months ahead to explore these and other possible ways of improving our labor laws.

I ask the Congress to move promptly to pass legislation implementing the reforms I have recommended.

JIMMY CARTER.

THE WHITE HOUSE, *July 18, 1977.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule 27, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule 15.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the chair will then put the question on each motion on which the further proceedings were postponed.

FEDERAL ELECTION COMMISSION

Mr. THOMPSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6936) to amend the Federal Election Campaign Act of 1971 to extend the authorization of appropriations contained in such act.

The Clerk read as follows:

H.R. 6936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended by striking out "and" after "1976", and by inserting after "1977" the following: ", and $8,123,000 for the fiscal year ending September 30, 1978".

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. THOMPSON) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, H.R. 6936, would authorize the sum of $8,123,000 for the operations of the Federal Election Commission for the fiscal year ending September 30, 1978.

This is the amount requested by the Federal Election Commission and represents an increase of $2,123,000 of the FEC's 1977 fiscal year budget of $6 million.

Nearly one-third of the increase over fiscal year 1977, will go to the FEC's information office, which is gearing up for the 1978 elections. The primary function of this office is to provide information to candidates and the public—in the form of bookkeeping manuals, newsletters, information packets, clearinghouse contracts, and answers to individual inquiries.

Other major areas of increase are in the office of general counsel for additional compliance personnel, and data systems office, to further computerize FEC operations.

The proposed fiscal year 1978 budget contains an estimated increase in personnel of 58: from 197 in fiscal year 1977 to 255 for fiscal year 1978.

I should advise my colleagues that the Senate Rules Committee reported a fiscal year 1978 authorization of $7,500,000.

Further, Mr. Speaker, the House and Senate Appropriations Committees have met in conference and agreed on a fiscal year 1978 appropriation of $7,300,000.

H.R. 6936 represents a generally reasonable budget request given the serious responsibilities of the Federal Election Commission. And I intend, Mr. Speaker, to fine tune that request in conference.

H.R. 6936 was reported by the Committee on House Administration by unanimous voice vote on May 10, 1977. It has the support of both the majority and minority leadership as well as my Republican colleagues on the committee.

Mr. Speaker, I urge the adoption of H.R. 6936.

Mr. Speaker, I reserve the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to underscore the remarks of the distinguished gentleman from New Jersey (Mr. THOMPSON), the chairman of the Committee on House Administration, that this bill was unanimously reported from the Committee on House Administration.

It does call for an authorization of $8.1 million. The gentleman also has correctly stated that the conference report on the appropriations bill, which will soon be back before the House of Representatives, does call for a total appropriation of $7.3 million, about $800 million less than the authorization which we will pass today, I hope.

I urge a unanimous vote for this bill.

I have no requests for time, Mr. Speaker, and I, therefore, yield back the balance of my time.

Mr. THOMPSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will yield back the balance of my time, but before doing so, I would like to express my appreciation to the gentleman from Minnesota (Mr. FRENZEL), to the gentleman from Alabama (Mr. DICKINSON), the ranking minority member of the committee, and to the other members of the committee who, after a careful examination and after testimony by the FEC Commissioners, arrived at this figure. I am virtually certain that in the final analysis the conferees

will come close to complying with the appropriations bills.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON) that the House suspend the rules and pass the bill H.R. 6936.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

NATIONAL FAMILY WEEK

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 372) to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week, as amended.

The Clerk read as follows:

H.J. RES. 372

Whereas the family is the basic strength of any free and orderly society; and

Whereas it is appropriate to honor the family as a unit essential to the continued well-being of the United States; and

Whereas it is fitting that official recognition be given to the importance of family loyalties and ties: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week beginning on November 20, 1977 as National Family Week and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such day with appropriate ceremonies and activities.

The SPEAKER pro tempore (Mr. SISK). Is a second demanded?

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. LEHMAN) will be recognized for 20 minutes, and the gentleman from California (Mr. ROUSSELOT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 372, as introduced by the Honorable DEL CLAWSON, provides for the observance of National Family Week during the week of November which includes Thanksgiving Day. Originally the resolution called for a recurring annual observance of this period. However, the policy adopted by the full committee earlier this session, does not permit commemorative legislation proposals to extend beyond a single year's observance.

Therefore, a committee amendment was adopted specifying National Family Week as November 20 through 26, 1977 only.

House Joint Resolution 372 has obtained 233 Members' signatures—15 more than is required by the full committee policy.

Mr. Speaker, I urge adoption of this joint resolution, and I reserve the balance of my time.

Mr. ROUSSELOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 372, which authorizes the proclamation by the President of the week of November 20, 1977, as National Family Week has my wholehearted support, and I hope, the support of my colleagues.

This legislation chooses the Thanksgiving week as a most appropriate time to reflect on the meaning and importance of family life in America.

As ranking minority member of the Subcommittee on Census and Population where this bill originated, I am pleased to speak out for its passage by this body, and feel that recognition of the week of November 20, 1977, by a Presidential proclamation will give added impetus to its observance by the people of this great country of ours.

And unlike so many pieces of legislation enacted by this body, here is one bill which carries no cost, which is a plus, and ties in nicely in its observance of Thanksgiving week as National Family Week.

Mr. Speaker, I urge prompt adoption of this legislation.

Mr. Speaker, I yield such time as he may consume to one of the prime authors and advocates of this bill, my distinguished colleague, the gentleman from California (Mr. DEL CLAWSON).

Mr. DEL CLAWSON. Mr. Speaker, the joint resolution before us today authorizes the President to proclaim the week including Thanksgiving as National Family Week. Although we were disappointed that the week will not be an annual observance as we had originally hoped, I urge its adoption.

The Thanksgiving season, traditionally a time of family gathering, is also appropriate because it brings to mind the Pilgrim families and the peace they made with the families who already had made this bountiful and beautiful continent their home—and later the families who made their determined way across the pioneer trails over mountains, prairies, desert, and wilderness. The family was their unit of survival. Techniques essential to self preservation were taught within the family circle along with traditional "book learning" when there were no schools. Family unity was reinforced more often than not with family prayer.

Today we are a people so mobile, so diverse, from urban sprawl to farmland, so far-flung in our interest and activities that, to take an example from the Clawson family, Jason, Courtney, and perhaps even young Brooke Clawson would understand the words if their grandfather tried to twist his tongue around a French quotation to make the point "Plus ça change, plus c'est le mème chose" for they, Jim, Jeanette, and the youngest Clawson, Brent, are on assignment in Belgium, one of many American families representing U.S. interests abroad in international organizations. It is a situation which could not have been envisioned in those times of simpler external stress on family security. But to translate the French, "the more it changes, the more it is the same." And a statement by a student of human behavior like famed anthropologist, Margaret Mead, "As the family goes, so goes the Nation" confirms what we already know in our bones. When the President stresses, as President Carter did, in his inaugural message, the importance of the family as "the basis of our society" there is an added glow of satisfaction.

Threats to our security—unemployment, inflation, divorce, the drug culture, crime, subtle and not-so-subtle attacks on moral and ethical standards—do exist and dramatize the essentiality of the family to our personal well-being. There is also the parental temptation to permit the educational system, the Government, or peer groups to exercise the strongest influence on young people, rather than within the family and home where the greatest influence should be paramount. The importance of this influence is underscored in an editorial column which I will include with these remarks and which describes a study of children who achieve markedly in spite of adversity and another study of those who turn to violence. The conclusion drawn—the family is the key. The achievers are found to have close family ties which support positive values and where love is in abundance. The other young people fend for themselves and prey on society in an atmosphere of materialism and permissiveness.

It follows then, that the laws we make here in the halls of Congress, no less than the entire structure of our law-abiding society, are founded on that unit of strength, the American family. The family remains our refuge, our security, the confirmation of who we are and what we stand for and what will be nourished in our children. As the young plant instinctively seeks light, not darkness, our young people, when the "twig is bent" will choose "the paths of righteousness." It is within the family that the toddler's feet are firmly planted on those paths. And they will choose love instead of hate. Because it is the family which teaches the most important of all lessons—how to love. Love between husband and wife, father, mother, children—extending through the generations, grandmother, grandfather, and widening to aunts, uncles, cousins and even wider, to include all mankind.

The resolution before us today offers an opportunity to place in sharp focus the positive forces in American life. I urge its adoption and would like to list the following names of colleagues who have lent their names in cosponsorship: Special mention should be made of the fact that one of our cosponsors, our colleague from Utah, DAN MARRIOTT, will not be present today because he is in Utah where he and his wife Marilyn are awaiting an addition to the Marriott family circle.

Mr. Speaker, the editorial and the list of cosponsors to which I referred are as follows:

[From the Los Angeles Times, July 13, 1977]

KIDS: WILL THEY BE ACHIEVERS OR KILLERS?

(By William Raspberry)

Howard University's Dr. Samuel L. Woodard has been studying children who, in spite of almost overwhelming adversity, manage to achieve, academically and otherwise. Time magazine has been looking at children from the same sort of background who fail utterly—who become vicious criminals, and even killers.

Their common conclusion: The family is the key.

The Time report, in the July 11 issue, is the more traditional, in that it seeks to discover what goes wrong with the failures. But its conclusions represent a break with the usual explanations.

The subject is the shocking viciousness of much youthful crime: the brutish assaults on small children or lame, sick or blind old people; the needless, for-the-hell-of-it-murders; the butchering of many of the victims, and, perhaps most shocking of all, the near-total absence of remorse on the part of the young criminals.

Time devotes much of its concern to the system of juvenile justice, which turns many of these savage youngsters loose either immediately or after only the briefest of incarcerations, or after they reach their 18th birthdays. The fact that the youngsters know that they won't get much time—even if they are caught and "convicted"—may, Time suggests, be one reason for the casualness with which they wreak their havoc.

But it doesn't explain why they turn to lawlessness in the first place. What does explain it? Poverty and deprivation? Materialism? Permissiveness?

"How," Time demands, "can such sadistic acts—expressions of what moral philosophers would call sheer evil—be explained satisfactorily by poverty and deprivation? . . . The persistent offenders may come from a ghetto, but they often have more money than the people they rob.

"Some of the usual explanation seem pretty limp. Yes, America is a materialistic society where everyone is encouraged to accumulate as much as possible . . . Yes, television glorifies violence and, yes, America is 'permissive.'" But:

"Most important is the breakdown in the family."

Woodward takes the opposite route—looking at children who do not succumb to deprivation and poverty or broken homes—but he arrives at the same place: the family.

He spent a year studying 23 Washington, D.C., junior-high students who met his four criteria: at least one parent missing, income at poverty levels, housing below standard, solid academic achievement.

He is still writing his report, but his preliminary findings show that children who do well under adverse conditions tend to score well above the median in self-acceptance tests. They have a sense of their families as worthwhile and valuable, even in the face of deprivation.

Their families, though one parent is absent; operate as teams, being careful to give the children "positive stroking" for achievement. They tend to believe that they are in charge of their lives, that they are personally responsible for their choices and decisions.

The key, says Woodard, a transactional analyst, is the child's "script matrix." He defines that as "a mold out of which one's life plan evolves; it consists of the message you get as a child which either drives you or stops you."

Children who succeed against the odds, he says, are those whose families have made them understand from the beginning that poverty is a circumstance, like the weather, not a definition of who they are and what they may become.

They may be as much victimized by poverty and racism as their neighbors, he found, but they don't dwell on their victimization. They are required from their earliest years to meet high standards, and, as a result, come to set high standards for themselves.

And they are loved.

Unfortunately, neither the magazine nor the professor is able to tell us how to go about producing the sort of families whose children turn out well, or to avoid producing those whose children turn out disastrously. They describe, but they cannot prescribe.

Even the descriptions are not immutable. Time quotes a Miami judge as noting that, while Cubans make up a third of the Dade County (Miami) population, they account for only 12% of its crime. The reason: "Like the Chinese, the Cubans have close-knit families with more supervision. There are more three-generation families, and, customarily, middle- and upper-middle-class women do not work."

But, Time adds, "The stress of exile, as will as modern influences, is beginning to weaken Cuban families; gangs are forming and committing crimes."

LIST OF COSPONSORS

Abdnor, James (S. Dak.)
Addabbo, Joseph P. (N.Y.)
Alexander, Bill (Ark.)
Anderson, Glenn M. (Calif.)
Anderson, John B. (Ill.)
Andrews, Ike F. (N.C.)
Andrews, Mark (N. Dak.)
Annunzio, Frank (Ill.)
Archer, Bill (Tex.)
Armstrong, William L. (Colo.)
Ashbrook, John M. (Ohio)
Badillo, Herman (N.Y.)
Baldus, Alvin (Wis.)
Beard, Edward P. (R.I.)
Beard, Robin L. (Tenn.)
Bedell, Berkley (Iowa)
Benjamin, Adam, Jr. (Ind.)
Bennett, Charles E. (Fla.)
Bevill, Tom (Ala.)
Blouin, Michael T. (Iowa)
Boland, Edward P. (Mass.)
Breaux, John B. (La.)
Breckinridge, John B. (Ky.)
Brinkley, Jack (Ga.)
Brodhead, William M. (Mich.)
Broomfield, Wm. S. (Mich.)
Brown, Clarence J. (Ohio)
Brown, Gary (Mich.)
Brown, George E., Jr. (Calif.)
Broyhill, James T. (N.C.)
Buchanan, John (Ala.)
Burgener, Clair W. (Calif.)
Burke, James A. (Mass.)
Burke, Yvonne Brathwaite (Calif.)
Burton, John L. (Calif.)
Butler, M. Caldwell (Va.)
Carr, Bob (Mich.)
Carter, Tim Lee (Ky.)
Cavanaugh, John J. (Nebr.)
Cederberg, Elford A. (Mich.)
Clausen, Don H. (Calif.)
Clawson, Del (Calif.)
Clay, William (Bill) (Mo.)
Cleveland, James C. (N.H.)
Cochran, Thad (Miss.)
Cohen, William S. (Maine)
Collins, James M. (Tex.)
Conable, Barber B., Jr. (N.Y.)
Conte, Silvio O. (Mass.)
Corcoran, Tom (Ill.)
Corrada, Baltasar (P.R.)
Coughlin, Lawrence (Pa.)
Crane, Philip M. (Ill.)
Daniel, Dan (Va.)
Daniel, Robert W., Jr. (Va.)
Davis, Mendel J. (S.C.)
de la Garza, E (Tex.)
Dellums, Donald V. (Calif.)
de Lugo, Ron (V.I.)
Derwinski, Edward J. (Ill.)
Devine, Samuel L. (Ohio)
Dickinson, William L. (Ala.)
Duncan, John J. (Tenn.)
Duncan, Robert (Oreg.)
Edwards, Don (Calif.)
Eilberg, Joshua (Pa.)
Emery, David F. (Maine)
Erlenborn, John N. (Ill.)
Evans, David W. (Ind.)
Evans, Frank E. (Colo.)
Fenwick, Millicent (N.J.)
Findley, Paul (Ill.)
Fish, Hamilton, Jr. (N.Y.)
Fisher, Joseph L. (Va.)
Fithian, Floyd J. (Ind.)
Flood, Daniel J. (Pa.)
Forsythe, Edwin B. (N.J.)
Fountain, L. H. (N.C.)
Frenzel, Bill (Minn.)
Frey, Louis, Jr. (Fla.)
Fuqua, Don (Fla.)
Gephardt, Richard A. (Mo.)
Giaimo, Robert N. (Conn.)
Gilman, Benjamin A. (N.Y.)
Ginn, Bo (Ga.)
Goldwater, Barry M., Jr. (Calif.)
Gradison, Willis D., Jr. (Ohio)
Grassley, Charles E. (Iowa)
Guyer, Tennyson (Ohio)
Hagedorn, Tom (Minn.)
Hall, Sam B., Jr. (Tex.)
Hamilton, Lee H. (Ind.)
Hanley, James M. (N.Y.)
Hansen, George (Idaho)
Harris, Herbert E., II (Va.)
Hawkins, Augustus F. (Calif.)
Heckler, Margaret M. (Mass.)
Hefner, W. (Bill) (N.C.)
Hightower, Jack (Tex.)
Hillis, Elwood (Ind.)
Holt, Marjorie S. (Md.)
Horton, Frank (N.Y.)
Howard, James J. (N.J.)
Hughes, William J. (N.J.)
Hyde, Henry J. (Ill.)
Ichord, Richard H. (Mo.)
Jacobs, Andrew, Jr. (Ind.)
Jeffords, James M. (Vt.)
Johnson, Harold T. (Calif.)
Johnson, James P. (Jim) (Colo.)
Jones, Ed (Tenn.)
Jones, Walter B. (N.C.)
Jordan, Barbara (Tex.)
Kazen, Abraham, Jr. (Tex.)
Kemp, Jack F. (N.Y.)
Ketchum, William M. (Calif.)
Keys, Martha (Kans.)
Kindness, Thomas N. (Ohio)
Krebs, John (Calif.)
LaFalce, John J. (N.Y.)
Lagomarsino, Robert J. (Calif.)
Latta, Delbert L. (Ohio)
Leggett, Robert L. (Calif.)
Lent, Norman F. (N.Y.)
Lloyd, Marilyn (Tenn.)
Long, Clarence D. (Md.)
Long, Gillis W. (La.)
Lott, Trent (Miss.)
Lundine, Stanley N. (N.Y.)
McClory, Robert (Ill.)
McCloskey, Paul N., Jr. (Calif.)
McDade, Joseph M. (Pa.)
McDonald, Larry (Ga.)
McEwen, Robert C. (N.Y.)
McFall, John J. (Calif.)
McKay, Gunn (Utah)
Madigan, Edward R. (Ill.)
Mahon, George H. (Tex.)
Marriott, Dan G. (N.C.)
Martin, James G. (N.C.)
Mathis, Dawson (Ga.)
Mazzoli, Romano L. (Ky.)
Meeds, Lloyd (Wash.)
Michel, Robert H. (Ill.)
Mikulski, Barbara A. (Md.)
Mikva, Abner J. (Ill.)
Minish, Joseph G. (N.J.)
Mitchell, Donald J. (N.Y.)
Moakley, Joe (Mass.)
Moorhead, Carlos J. (Calif.)
Mottl, Ronald M. (Ohio)
Murphy, Austin J. (Pa.)
Murphy, Morgan F. (Ill.)

Murtha, John P. (Pa.)
Myers, John T. (Ind.)
Natcher, William H. (Ky.)
Neal, Stephen L. (N.C.)
Nedzi, Lucien N. (Mich.)
Nichols, Bill (Ala.)
Nix, Robert N. C. (Pa.)
Nolan, Richard (Minn.)
Oakar, Mary Rose (Ohio)
O'Brien, George M. (Ill.)
Patten, Edward J. (N.J.)
Pepper, Claude (Fla.)
Perkins, Carl D. (Ky.)
Pettis, Shirley N. (Calif.)
Pickle, J. J. (Tex.)
Poage, W. R. (Tex.)
Pressler, Larry (S. Dak.)
Preyer, Richardson (N.C.)
Price, Melvin (Ill.)
Quayle, Dan (Ind.)
Quie, Albert H. (Minn.)
Quillen, James H. (Jimmy) (Tenn.)
Railsback, Tom (Ill.)
Rangel, Charles B. (N.Y.)
Regula, Ralph S. (Ohio)
Rinaldo, Matthew J. (N.J.)
Risenhoover, Ted (Okla.)
Robinson, J. Kenneth (Va.)
Rodino, Peter W., Jr. (N.J.)
Roe, Robert A. (N.J.)
Rogers, Paul G. (Fla.)
Roncalio, Teno (Wyo.)
Rousselot, John H. (Calif.)
Roybal, Edward R. (Calif.)
Runnels, Harold (N. Mex.)
Ruppe, Philip E. (Mich.)
St Germain, Fernand J. (R.I.)
Santini, Jim (Nev.)
Sarasin, Ronald A. (Conn.)
Satterfield, David E. III (Va.)
Scheuer, James H. (N.Y.)
Schulze, Richard T. (Pa.)
Sebelius, Keith G. (Kans.)
Sharp, Philip R. (Ind.)
Shipley, George E. (Ill.)
Shuster, Bud (Pa)
Sikes, Robert L. F. (Fla.)
Skubitz, Joe (Kans.)
Slack, John M. (W. Va.)
Smith, Virginia (Nebr.)
Solarz, Stephen J. (N.Y.)
Spellman, Gladys Noon (Md.)
Spence, Floyd (S.C.)
Stanton, J. William (Ohio)
Stark, Fortney H. (Pete) (Calif.)
Steed, Tom (Okla.)
Steiger, William A. (Wis.)
Symms, Steven D. (Idaho)
Taylor, Gene (Mo.)
Teague, Olin E. (Tex.)
Thone, Charles (Nebr.)
Traxler, Bob (Mich.)
Treen, David C. (La.)
Vander Jagt, Guy (Mich.)
Walsh, William F. (N.Y.)
Whalen, Charles W., Jr. (Ohio)
White, Richard C. (Tex.)
Whitehurst, G. William (Va.)
Whitten, Jamie L. (Miss.)
Wiggins, Charles E. (Calif.)
Winn, Larry, Jr. (Kans.)
Wolff, Lester L. (N.Y.)
Won Pat, Antonio Borja (Guam)
Wright, Jim (Tex.)
Wydler, John W. (N.Y.)
Wylie, Chalmers P. (Ohio)
Yates, Sidney R. (Ill.)
Yatron, Gus (Pa.)
Young, C. W. Bill (Fla.)
Young, Don (Alaska)
Zablocki, Clement J. (Wis.)

Mr. DERWINSKI. Mr. Speaker, I rise in support of House Joint Resolution 372, which authorizes the proclamation by the President of the week of November 20, 1977, as "National Family Week."

This legislation, which was favorably reported by the Committee on Post Office and Civil Service by unanimous consent on June 22, 1977, with an amendment to the title which strikes out "In November which includes Thanksgiving Day in each year" and inserts in lieu thereof the following: "Beginning on November 20, 1977." This amendment changes the legislation from a continuing yearly event to the week of November 20, 1977 only.

The committee chose the Thanksgiving week as a most appropriate time to reflect on the meaning and importance of family life in America, and hopes that enactment of this legislation will encourage the further recognition of the fundamental role of the family in the development and continued vitality of our Nation.

There will be no cost incurred by the enactment of this legislation and therefore there will be no inflationary impact on prices and costs in the operation of the national economy.

Mr. CONTE. Mr. Speaker, I rise in support of this joint resolution (H.J. Res. 372) which would authorize and request the President to issue annually a proclamation designating the week including Thanksgiving as National Family Week.

The importance of the family to our society cannot be understated. It has been the backbone of this Nation since its inception. In troubled times, it is the family which gives us sustenance and a hope for a better tomorrow.

It is the family, not the local school or church, which truly educates our youth. It instills in them the values and attitudes that we cherish in a democratic society.

When a country becomes dominated by a totalitarian regime, the last bastion of resistance is the family. Where rights and freedoms are nonexistent, it is the family that keeps alive the spirit of liberalism.

Through its expressions of love, loyalty, and self-sacrifice, the family gives strength and fortitude to its members, who, in turn, bring these values into the mainstream.

The family is thus a microcosm of the Nation. If it flourishes, so will America. As a cosponsor of this resolution, I urge its adoption today. Thank you.

Mr. JOHN T. MYERS. Mr. Speaker, I rise in support of House Joint Resolution 372, which authorizes the President to issue a proclamation designating the week beginning November 20, 1977 as National Family Week.

It has been nearly 7 years since I first proposed this resolution which pays homage to the one institution which has given so much meaning to human life and provided a stable structure to our society.

One measure of the support for National Family Week is the number of cosponsors of the resolution. Well over one half of our colleagues in the House have cosponsored this proposal.

Another measure of its support is the number of national organizations which have formed the National Committee for National Family Week. More than three dozen civic and Government organizations have pledged their support in the effort to promote National Family Week throughout this country.

In addition, the Governors of 41 States and territories have individually proclaimed a Family Week observance in their States.

I urge approval of House Joint Resolution 372 as a significant step in the organization and promotion of National Family Week and I ask each of my colleagues to help us spread the word to those in your district. With the cooperation of our colleagues and that of the many interested individuals and organizations we will be able to remind America of the significant role the family has played in the development of this Nation.

Mr. LEHMAN. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. ROUSSELOT. Mr. Speaker, I have no requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 372) as amended.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

AGRICULTURAL CENSUS AMENDMENTS ACT OF 1977

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7012) to provide for a 40-percent reduction of the burden on respondents in the censuses of agriculture, drainage, and irrigation taken in 1979 and thereafter, and for other purposes, as amended.

The Clerk read as follows:

H.R. 7012

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Agricultural Census Amendments Act of 1977".

STATEMENT OF FINDINGS

SEC. 2. The Congress hereby finds—

(1) that the census of agriculture, drainage, and irrigation has increased in complexity and detail to the extent that the reporting burden now imposed on farmers is unreasonable and possibly counterproductive;

(2) that the respondent burden of such census can be substantially reduced by the increased use of sampling and survey techniques without any loss of necessary data;

(3) that in order to develop a comprehensive policy for the rural areas of the United States, and to recognize the continued existence of small farming enterprises and their contributions to our Nation, it is necessary to continue to collect and publish information on such farming enterprises; and

(4) that significant changes in the ownership structure of farms in the United States have developed in recent years which need to be better understood and documented.

REDUCTION OF RESPONDENTS' BURDEN BY 1978 AGRICULTURAL CENSUS; REPORTS

SEC. 3. (a) The Secretary of Commerce shall—

(1) determine the overall burden on re-

spondents in the 1974 census taken under section 142 of title 13, United States Code,

(2) take steps which he considers to be consistent with the purposes of such section (including the use of sampling to the maximum extent feasible) and which will assure that the overall burden on respondents in the census taken in 1979 under such section will be equal to or less than 60 per centum of the overall burden determined by him under paragraph (1), and

(3) not later than the ninetieth day after the date of the enactment of this Act, prepare and transmit to the Congress a report which—

(A) sets forth his determination under paragraph (1) of the overall respondent buren in the 1974 census, and

(B) states what steps have been or will be taken under paragraph (2) to reduce the overall respondent burden in the census taken in 1979 and his evaluation of such steps.

(b) Section 142 of title 13, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) With respect to each census taken after 1979 under this section, the Secretary shall submit to the committees of Congress having legislative jurisdiction over the census—

"(1) not later than three years before the beginning of the year in which such census is taken, a report containing the Secretary's determination of the subjects proposed to be included, and the types of information to be compiled, in such census;

"(2) not later than two years before the beginning of the year in which such census is taken, a report containing the Secretary's determination of the questions proposed to be included in such census; and

"(3) after submission of a report under paragraph (1) or (2) of this subsection and before the beginning of the year in which such census is taken, if the Secretary finds new circumstances exist which necessitate that the subjects, types of information, or questions contained in reports so submitted be modified, a report containing the Secretary's determination of the subjects, types of information, or questions as proposed to be modified.

In any case in which the implementation of any determination of the Secretary contained in any report required by this subsection will result in a respondent burden in the census involved which is greater than the respondent burden in the most recent census taken under this section, the Secretary shall include in such report an explanation of the circumstances which necessitate an increase in such burden.".

DEFINITION OF FARMS TO BE USED IN FUTURE AGRICULTURAL CENSUSES

SEC. 4. Section 142 of title 13, United States Code, as amended by this Act, is amended by adding at the end thereof the following new subsection:

"(e) The statistical definition of farms effective with respect to censuses taken in 1979 and thereafter under this section shall be prescribed in such a manner as not to exclude any establishment which, for the calendar year to which the data collected relates, has sold or would normally sell more than a minimum value of agricultural products. For purposes of the preceding sentence, the term 'minimum value' means—

"(1) with respect to the census taken in 1979, $600; and

"(2) with respect to any census taken after 1979, $600 adjusted by a percentage equal to the percentage change in the index of prices received by farmers (maintained by the Department of Agriculture) from January 1, 1979, through January 1 of the year to which the data collected in such census relate.".

OWNERSHIP STRUCTURE OF UNITED STATES FARMS

SEC. 5. The Department of Commerce, in cooperation with the Department of Agriculture, shall develop methods of improving the collection, analysis, and publication of data relating to the ownership structure of farms within the United States, and the Department of Commerce shall collect, analyze, and publish such data in accordance with such improved methods.

PUBLICATION OF INFORMATION OBTAINED IN AGRICULTURAL CENSUS

SEC. 6. Subsection (c) of section 142 of title 13, United States Code, is amended by adding at the end thereof the following new sentence: "Information obtained in each such census shall be initially published as soon as is practicable, but in no event later than March 1 of the year following the year in which such census is taken.".

The SPEAKER pro tempore. Is a second demanded?

Mr. SMITH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the measure we take up this afternoon is an act to accomplish several objectives. It will require a reduction in the respondent burden connected with the agricultural census by 40 percent, it will expand the participation in such censuses by redefining a "farm," it will provide for the development and implementation of new methods for collecting data on farm ownership, and it will establish a date for the publication of agricultural census data.

Mr. Speaker, this bill was unanimously approved by the full committee.

No authorization of funds is required for the enactment of this legislation.

In summary, this bill provides an opportunity to reduce the Federal paperwork burden on one sector of our society and insures that the small rural farmer of America is receiving the recognition and assistance they deserve from the Federal Government.

Mr. Speaker, I urge the adoption of H.R. 7012 and reserve the balance of my time.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LEHMAN. I yield such time as he may consume to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, one of the most common complaints against our Federal Government is the unnecessary amount of paperwork required of our citizens to comply with Federal laws and regulations.

H.R. 7012 attempts to ease this situation at least for the farmers by mandating the reduction by 40 percent of the number of questions to be asked on the agricultural census form.

The most recent census of agriculture required American farmers to fill out long, complex and sometimes irrelevant questionnaires, on which the number of questions had grown from 480 in 1964 to 911 in 1974. While we realize that it is important that reliable agricultural information be collected and published regularly, it is neither necessary nor desirable for farmers to be forced to fill out incredibly detailed forms. It is estimated that at least 1.4 million hours of time required to fill out the agricultural census forms would be saved if this bill becomes a law. In order to reduce the paperwork so dramatically the Bureau of Census would be required to cut the size of its questionnaires and to make greater use of sampling techniques.

H.R. 7012 would also require the Bureau to collect certain limited information on very small farms—not as detailed as collected on larger units—but some information on small farming enterprises is necessary to develop a comprehensive rural policy for this Nation.

The bill redefines a farm, for census purposes, as having a minimum sales of $600 a year, subject to changes equal to changes in the Consumer Price Index.

It is felt that if the Bureau of Census stops counting very small establishments such as farms, the executive branch may decide that small farms are no longer viable in America.

Proof of this is shown in the most recent Bureau of Census statistics showing a precipitous decline in the number of farms in the United States which was caused, in effect, by redefining a farm as having a minumum of sales of $1,000 annually.

Mr. Speaker, this is a good bill, and worthy of the support of my colleagues, and I urge its passage.

Mr. SMITH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am very, very disappointed in this bill. This bill should not be under suspension. It needs some major amendments. It will probably pass because Members will flock in here at the last minute and will not know what they are voting on, and most of them will not care, but I want the RECORD to show I oppose this bill and that I will vote "no."

As the gentleman from California said, the farm census has been unbelievably bungled. If Members do not believe it, I would encourage them to get a copy of the Appropriations Committee hearings this year when we conducted the Appropriations Committee hearings into the amount of money needed for the farm census. In 1969, they missed 8.5 million cattle in one census. They gave the farmers a false signal. They told the farmers to produce more at a time when they needed to produce less. Not only that, but it also hurt the agribusiness sector, too, because they were given a false signal.

We do not know within 1 million how many horses there are in the United States today, because the lists they used are not those lists that coincide with the owners of horses. They have a list from the Department of Agriculture of who raises grain and who raises certain price-supported crops, and, intend to use tax return information, which will not provide the information needed. In 1974, they sent 13.5 million pieces of mail to try to reach less than 4 million farmers. On one of the mailings they missed several hundred thousand, and they do not know yet who the people were they missed.

They do not know who did not respond and so what they did was to assume that the cross-section of those that responded represented a cross-section of those that did not, and that is not valid, because the people that went out of business in that 10-year period, or 5-year period, are not representative of the ones that stayed in business.

So the statistics we will secure are not valid. Not only that, but they are at least 2½ years late.

When they could not get the answers to some of these mailings that they made, they called up farmers on the country line, threatened them with jail and with penalties of law, as they put it, if they did not respond. Some of these people had not been farming for 2 years. Some were elderly people. It was the worst kind of case of harassment and handling in a bad way that you can imagine.

Now, this bill does not address that problem. That is the problem with the bill. It merely says, "reduce your paperwork by 40 percent." They say themselves they will not be able to comply with the requirements of the bill. The bill says they can publish results by March of the following year in which they take the census for the year before. That census is going to be so late that it will not be of any value, anyway. This one will probably cost $80 million, because postage is twice or more as high and they are sending out 12 to 14 million pieces of mail to try to accomplish something that cannot be accomplished by the mail.

The Department of Agriculture takes a scientific sampling of a limited number of farmers on a county basis. They have found it to be accurate. They did not go down to every township, but they can. They have done so in Texas where they have been requested to do so. They can take a scientific sample by interview. It can be more accurate. It can be more timely. It would cost a lot less money. That is the way we ought to do it, instead of letting the incompetents over at the Census Bureau continue with the procedure they used twice which proved to be both invalid and untimely. It could be done much more accurately and timely and with less threats, and without using tax returns and I think that is important, too. Passing this will make some people think temporarily we are doing something when the bill, in fact, just endorses sending out 12 million pieces of mail and using tax returns and threats again, also it will again come in so late that it is not going to be of any value.

A "yes" vote on this bill will just endorse the same kind of bungling we had before.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding.

Is it not true that many of the individuals from the farm community that testified before our committee stated that one of the reasons that many farmers did not respond to the questionnaires, is because the large number of questions discourages many farmers from answering; is that not true?

Mr. SMITH of Iowa. That was one of the reasons; but also——

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, therefore, is not this bill a step in the right direction? The Census Bureau assured us that they would abide by this law, when passed, that is to reduce the burden of questioning from 911 questions by 40 percent, many of the farmers have stated they would be much more inclined to answer the questions. So that is a step in the right direction; is it not?

Mr. SMITH of Iowa. It is a meager step that encourages people to think we did what needs to be done, instead of going ahead and doing what needs to be done.

I will explain this to the gentleman. Up in the Appropriations Committee, I asked what list they are using. They are already use an obsolete list.

Mr. ROUSSELOT. Is the gentleman sure of that?

Mr. SMITH of Iowa. We spent $1.5 million in the Agriculture Department to develop their list; but instead of that, they are getting an old raw list from the Agriculture Department. They are unable to tell the origin of the names on that list.

Mr. ROUSSELOT. Does the gentleman mean that the Agriculture Department could not explain the list they themselves had developed?

Mr. SMITH of Iowa. No; the Census Bureau, the Census Bureau did not know that farmers appeared on that list in as many different counties as they farm in and that many are not on the list.

Mr. ROUSSELOT. These lists are obtained from the local communities; if they are getting it from the Agriculture Department, that is a good list.

Mr. SMITH of Iowa. They are getting a raw list.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, would it not be better to get the Agriculture Department to get a correct listing?

Mr. SMITH of Iowa. The Agriculture Department does not have a refined list that is for mailing but they have one for interviewing because it cannot be done adequately by mail.

Mr. ROUSSELOT. How can the Agriculture Department do it anymore scientifically than the Census Bureau?

Mr. SMITH of Iowa. Because they know how to use a scientific sampling. The Census Bureau says they will not use a full scientific sampling procedure.

Mr. ROUSSELOT. If the gentleman does not want the Census Bureau to use these Agriculture prepared lists, what does the gentleman want them to use?

Mr. SMITH of Iowa. I want them to use scientific sampling.

Mr. ROUSSELOT. I never heard the Census Bureau make that statement; as a matter of fact the very opposite is true. We have them up here all the time. I never heard them say they did not want to use scientific sampling techniques.

Mr. SMITH of Iowa. They not only said it before the Appropriations Committee, I have it in writing that they do not want to.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, I just think my colleague is misguided. I really believe the Census Bureau will make every real attempt not only to make the listings more accurate and scientific, but also to reduce the burden of questions.

I am glad the gentleman from Iowa also agrees that we should reduce the burden of questioning.

Mr. SMITH of Iowa. The fact is that they do not want to use scientific sampling. They do not intend to use scientific sampling. They are going to start out on a very extensive and costly procedure of trying to refine and work from a raw list that should not be used anyway. They are again going to end up mailing 12 or 13 million pieces of mail. What they ought to be doing is doing scientific sampling, as the Department of Agriculture does. The Census Department could do the demographic sampling of people and business with the regular census, but let Agriculture count animals and compile farm statistics.

Mr. ROUSSELOT. They can do that for agriculture?

Mr. SMITH of Iowa. For all people in the United States.

Mr. ROUSSELOT. Then the Census Bureau does have a basis for scientific sampling.

Mr. SMITH of Iowa. They are going to do a demographic census anyway in the 10-year house to house census. They can do that there, and we can get that kind of information there. But, when it comes to counting horses, sheep, cattle, acres of corn, they had better let the Agriculture Department do it on a scientific sampling basis.

Mr. LEHMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Florida.

Mr. LEHMAN. I respect the remarks of the gentleman from Iowa, but the main thrust of this bill is not, I think, to deal with the problem of which agency is supposed to be best to collect this data. It just happened that the Bureau of the Census is authorized to collect this data. The thrust of this bill is to remove the effort by the respondents in the amount of time it has taken them to respond to this data. That is the number one basis of the whole bill. The second basis is to redesign the form.

Mr. SMITH of Iowa. I am not quarreling with that part of the bill.

Mr. LEHMAN. The other feature of the bill itself is only, I think, basically to make it easier under the circumstances with which we are dealing—to make it easier and more efficient for the farmer to respond in a manner that will give us reliable data without undue effort on his part to perform his duty. I do not know whether the gentleman from Iowa was referring to the last farm census, but in 1974 the census cost $20 million instead of $40 million. The estimated cost of the 1979 census happens to be $40 million.

As the gentleman from California said, both the bill itself and the Bureau of the Census is encouraging additional and more scientific sampling. For the first time, the 1979 census is doing sampling. We have two different forms. We have the 20-percent form for the full sampling, and the rest of it is 80 percent, which is just a short form.

So, we are getting into more sampling techniques. As far as the actual data itself, the information from the farmers is going to be before March of the following year. It just mandates that the data in the report be published by the Bureau March 1, of the following year.

Mr. SMITH of Iowa. The preliminary report, I remind the gentleman. That is not the final report. That means that it is going to come in a year and a half or 2 years late, and it is of no value except for historical interest when it is that late.

Mr. LEHMAN. Under present circumstances, it is nearly 4 years after the 1974 census, and we have not got that data completed. What we are trying to do is shorten the form so that they can combine and publish the data a lot easier.

Mr. SMITH of Iowa. I agree completely with the need for more speed, but the point is that using a mail approach assures untimely results while with scientific sampling it could be 3 months rather than 2 years or more.

Mr. LEHMAN. I can assure the gentleman from Iowa that this committee will continue to do its oversight duty in order to see that the Bureau does the kind of sampling that will make this operation much more efficient.

Mr. SMITH of Iowa. Mr. Speaker, I just want to say again that I am terribly disappointed in the inadequate response of the committee to this problem. It is a serious problem. All this bill means is that it will be another 10 years and there will be some more history behind us before we get an adequate farm census in this country. I urge a "no" vote on this bill.

Mr. LEHMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN of Illinois. Mr. Speaker, I rise in support of H.R. 7012, the Agricultural Census Amendments Act of 1977.

Mr. Speaker, I agree with the members of the Census and Population Subcommittee and with the gentleman from Iowa (Mr. SMITH), who have already addressed themselves to this bill. There is an urgent need for action in this Congress to deal with the census which is currently in preparation for 1979. I think the testimony before the committee and the observations of the gentleman from Iowa demonstrate that we have a serious problem on our hands and that we should be doing something now in order to deal with that problem. I think the legislation before us does two things. First of all, it indicates that this Congress is prepared to take action which would bring about a reduction in the paperwork, which was one of the difficulties that affected the farmers in their compliance with the last agricultural census. Second, it demonstrates that this subcommittee, as well as the Congress as a whole, is determined to provide some long overdue legislative oversight concerning the agricultural census and to make sure that the requirements of this legislation are indeed followed.

Mr. Speaker, although I am not a member of the Census and Population Subcommittee, I am a member of the full Post Office and Civil Service Committee, and I have a strong interest in the passage of this bill. On April 1, my colleague from Iowa (Mr. LEACH) and I attended a field hearing in DeKalb, Ill., which is part of my district. Eighteen leaders of the north central Illinois farming community testified at that hearing. I feel this bill addresses several of the grievances those witnesses brought before the subcommittee that day, and I support it for several reasons.

This bill will relieve some of the burden the agriculture census places on our farmers. Can the results of each of 911 questions be all that vital when the information from the 1974 census has yet to be released? I am sure that any information that is needed could be obtained in a much shorter and simpler form through the use of sampling techniques. The information obtained could also be made public much faster. This bill would accomplish that.

In 1964, 480 questions were asked; in 1969, 754 were asked; in 1974, 911 questions were asked and the census was 20 pages long. Considering these facts, you must agree the time has come to enact legislation to control this explosion before the 1979 census is issued.

The greatest and most common complaint made at the DeKalb hearings concerned the lengh of the census, and the amount of time required for its completion. Many farmers felt obliged to consult accountants for help with some of the more detailed portions of the forms. Many farmers failed to return their census forms, because the forms were too long and because the farmers feared their replies would not remain confidential.

The 40-percent reduction in length mandated by H.R. 7012 is necessary to insure that the 1979 census will be answered by as many people as possible. In addition to reducing the size of its questionnaires, the Bureau of the Census will be required to make greater use of sampling techniques. I do not believe American agriculture, or agriculture-related businesses will be damaged by this reduction in paperwork.

Another complaint made at the hearings concerned the length of time which elapsed before the collected information was made public. I feel that a publishing deadline of March 1 in the year following the issuance of the census would give the Bureau of the Census sufficient time to publish the results, while satisfying those who are waiting for the information.

Finally, this bill will not increase the cost of the census. For these reasons, I urge my colleagues to join me in support of H.R. 7012.

Mr. LEHMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Mr. Speaker, I rise in support of H.R. 7012, the Agricultural Census Amendments Act of 1977. Along with the gentleman from Illinois (Mr. CORCORAN), who participated in field hearings in the State of Iowa and the State of Illinois, I am convinced this is proper and appropriate legislation.

Mr. Speaker, this timely legislation mandates several significant changes in the conduct of the agricultural census before the 1979 Census of Agriculture is initiated.

Earlier this spring, a field hearing was held in my congressional district in Marengo, Iowa. The concerns expressed by farmers at that time centered on a number of issues—the length and complexity of the census forms, the tardy release of the 1974 census data, the confidentiality of the census returns, and the penalties for failure to comply with the census requirements. H.R. 7012 addresses several of these problems.

First, the bill requires the reduction of paperwork by 40 percent. I examined the forms used in the latest 1974 census, and it was not difficult to understand the concerns of our farmers, faced with the burden of completing a lengthy, complicated form. There is no question that the census of agriculture is, and can continue to be, an important tool for monitoring and planning in the agricultural sector. However, the extensive paperwork involved hampers our legitimate efforts at collecting accurate and timely data. Cases have been cited where farmers provided sketchy estimates in response to certain questions or else failed to complete and return the form altogether. Reducing the paperwork involved in the census will not only relieve the farmers' burden but will encourage and facilitate the collection of more accurate and complete data.

H.R. 7012 also includes a new provision requiring the timely release of data collected by the census. To date, the final publication of the 1974 census data has not yet been accomplished. This undue delay severely limits the usefulness of the data for those who should benefit most from it—including farmers and related agricultural industries. This legislation seeks to resolve that problem by directing the Census Bureau to publish the data collected no later than March 1, of the year following the year in which the census was taken. This will assure farmers the receipt of timely and valuable information in planning their agricultural activities.

I feel this bill, H.R. 7012, is a step in the right direction for rural America. Yet I am troubled over the lack of information and census data on certain trends which seem to be developing within the agricultural sector and which are of momentous interest and concern to the average American farmer. There is very definite change evolving in the ownership of U.S. farmland and I feel that it is in the best interests of this Nation to monitor those changes so that if policy decisions have to be made, the data is at hand on which to base a sound and reasonable judgment. H.R. 7012 contains a provision directing the Departments of Commerce and Agriculture to work together in improving the data collection of farm ownership information.

I trust this directive will be carried out, as soon as the legislation has been enacted, and that the Census Bureau will work with the Congress in establishing the scope and nature of ownership data which is needed. I trust, too, that this effort will be complemented by other undertakings apart from the agricultural census itself.

Mr. Speaker, this legislation is important to our Nation's farmers. I urge my colleagues to support the passage of H.R. 7012.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I know that the gentleman from Iowa (Mr. LEACH) comes from a farm State, and that one of the reasons he is supporting this bill is that he became convinced in committee that it was important to take this step toward a reduction of the burden placed on farmers.

Is it the gentleman's judgment that more farmers are more likely to answer the questionnaires if in fact we reduce the burden of the questions by 40 percent?

Mr. LEACH. Mr. Speaker, I think without question one of the difficult problems farmers have had is the fact that in the last census the questionnaire was very lengthy and very complicated. Therefore, I feel that a short and simplified census would be met with far more appeal, and I am sure it would be far more readily filled out.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the comment of my colleague, the gentleman from Iowa (Mr. LEACH), and I thank him for yielding.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, with this 40-percent reduction, where does that leave the farmer in 1979 and after 1979? How many pages? Would it just mean 500 pages instead of 900 pages?

Mr. LEACH. It would be substantially less.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield, the reduction is 40 percent.

Mr. VOLKMER. Mr. Speaker, a 40-percent reduction is not an overwhelming one actually. Maybe we need a 75-percent reduction.

Mr. LEACH. Some of us were in favor of a 50-percent reduction, and a compromise was reached at 40 percent.

Mr. VOLKMER. I might point out that it is not only the number of questions and the number of pages, but it is also the type of questions that are asked.

Mr. LEACH. Mr. Speaker, the gentleman is correct, but I believe this is a step in the right direction.

Mr. VOLKMER. Yes, but the tendency would be to think this is going to be the sole answer. Everybody is going to say that now we have the problem solved and everything is taken care of, that we do not have anything to worry about, and that we can go home and tell our farmers, "You don't have to worry about it anymore. This bill takes care of it." This would not be a true statement.

Mr. Speaker, I am not going to do that, because I know this bill does not do that.

Mr. LEACH. Mr. Speaker, I think it would be improper to think that any legislation in this Congress is the right answer for all time and for all purposes, but I believe this is a good approach for the next census. It is something that is reasonable and proper, and I believe it is something that can be lived with.

Mr. Speaker, I yield back the balance of my time.

Mr. LEHMAN. Mr. Speaker, I yield 2 minutes to be gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague for yielding this time to me.

I would like to address a couple of questions to my colleague, the gentleman from Iowa (Mr. GRASSLEY), who I know has been an active farmer and has on several occasions answered these types of questionnaires.

Is it the gentleman's opinion that this legislation which requires the Census Bureau to reduce the burden of questionnaires by some 40 percent is a step in the right direction?

Mr. GRASSLEY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Iowa.

Mr. GRASSLEY. I thank the gentleman for yielding. The answer is yes, but I would have to qualify that it is just a small step in the right direction. Admittedly any improvement over this document that is here at the table and serves as a reminder of what we farmers had to fill out in December of 1974 and early in 1975 is a real improvement. That was a very frustrating document, and any improvement on that is certainly a step in the right direction.

Mr. ROUSSELOT. Mr. Speaker, I say to my colleague, the gentleman from Iowa (Mr. GRASSLEY), as the other gentleman from Iowa (Mr. LEACH) already stated—and I will say this for the benefit of my colleague, the gentleman from Missouri (Mr. VOLKMER)—that we favored the concept of a 50-percent reduction.

The problem was that we had to get an agreement with the Census Bureau that would stick, and I say to my colleague that the Census Bureau did agree that a 40-percent reduction was one that they could accomplish before the 1979 Agricultural Census. We felt that anything in that direction would be productive and would encourage more of the farmers to answer the questions.

Now I say to my colleague, the gentleman from Iowa (Mr. GRASSLEY), because I know he will be very interested in this, that we would like the input from Members from farm States. We would like to have them look at this questionnaire to make sure that these are meaningful questions contained in that questionnaire.

I know that my colleague, the gentleman from Florida (Mr. LEHMAN), who is the chairman of the subcommittee, is absolutely sincere and committed to making sure that we make this a meaningful questionnaire.

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, to sum up, I think we must keep in mind the main thrust of this bill is an effort by this committee to reduce the amount of paperwork burden on a segment of the citizens of this country.

I hope that this legislation will set an example for shortening and simplifying the decennial census that will soon be upon us.

Mr. Speaker, I think this can, in a sense, mark the beginning of a concern by this Congress that this body is desirous of doing something about the heavy Federal paperwork that is now such a burden on a varying and wide-scale section of our society.

This is a beginning, I hope, of a new wave of taking into consideration what is happening at the other end of the pipeline of information, not of what is happending at the administrative end or at the bureaucratic end, but the kind of heavy burden that this places on the businesses and the private citizens of our country.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SMITH of Iowa. Mr. Speaker, I just want to very briefly state again that this bill misses the point. Even if it reduced the paperwork by 80 percent, it still misses the point.

The point is that in two censuses we have found out that the farm census cannot adequately be taken by mail. Some people do not answer. They will not answer. They do not know who it is who does not answer; and they end up with invalid statistics about a year or two late; or, as in the case of the last time, four years late.

The point is that we should not take farm statistics by mail as the Census Bureau wants to take them.

This bill endorses a new questionnaire 60 percent as long as the last one. If we do not want to endorse a new questionnaire, then I say we should vote "no" on this bill.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, if we vote "no" on this bill, we will be endorsing 100 percent of the type paperwork we had last time; is that not correct?

Mr. SMITH of Iowa. No, we are not. We are endorsing coming back to the bill I had before your committee. It should have passed and it would have set a proper procedure.

Mr. ROUSSELOT. If the gentleman will yield further, the law will remain the same, and the farmers will have 100 percent of the paper burden, exactly what they had last time; is that not correct?

Mr. SMITH of Iowa. The gentleman is assuming that his committee will not act.

Mr. ROUSSELOT. I did not say that. The committee has acted and reduced the paperwork and questions by 40 percent.

Mr. SMITH of Iowa. I asume that somebody someday will be willing to take the census in the right way.

Mr. ROUSSELOT. We have acted and have reduced the paper burden just as the gentleman wants. The gentleman from Florida has promised along with the entire committee that there will be positive oversight of the manner in which the census is conducted.

Mr. HORTON. Mr. Speaker, I rise in support of H.R. 7012, the Agricultural

Census Amendments Act of 1977. This is a bill that provides for a 40-percent reduction of the burden on respondents in the censuses of agriculture, drainage, and irrigation taken in 1979 and thereafter.

The Commission on Federal Paperwork, of which I am privileged to be chairman, at its meeting in June 1976, outlined the problems associated with the past agricultural censuses and recommended to the Bureau of the Census that they adopt procedures very similar to those ordered by H.R. 7012. Those procedures will reduce the amount of detailed information requested and require greater use of modern sampling techniques in the 1979 census.

It is my understanding that plans to implement our recommendation are well underway by the Bureau of Census.

Accurate and timely information regarding agricultural statistics is vital to the well-being of America. This information is possible by the adoption of this legislation. The Commission on Federal Paperwork is happy to have been in the forefront with this effort.

I strongly urge my colleagues to support this bill.

Mr. ALEXANDER. Mr. Speaker, as a sponsor of legislation similar to H.R. 7012, I rise in support of this bill to reform the method used for collecting agricultural census data and to block any future efforts of the Bureau of the Census and the Department of Agriculture to redefine "farm."

The need for this reform was made clear by the argricultural community's reaction to the unnecessarily complex and detailed census questionnaire used by the Bureau of the Census in collecting information for the 1974 census. The need to prevent the Bureau and USDA from summarily wiping out thousands of small farms through word manipulation exercised in redefining "farm" was also made clear by the results of the 1974 census.

Such a surge of farmer resistance resulted from the time-consuming complexity of the agrecultural census form—between 1964 and 1974, the number of questions on the census grew from 480 to 911—and from the coercive methods used by the Bureau of the Census datagatherers resulting in serious distortions in the data. Further distortion came out of the redefinition of the term "farm." Hundreds of thousands of small farms and millions of cattle were not counted in the census.

Good-faith use of the inaccurate data has been blamed in part for spurring unwise production decisions in the cattle industry which helped to set off a long-running, over-supply-induced price depression in the cattle market.

I mention this because it is just one example of the kind of problems inaccurate agricultural census information can help to generate.

It is pointless for us to spend the dollars of American taxpayers to collect data if that information cannot be relied on as accurate and cannot be put to practical use for our people.

It is estimated that this legislation will eliminate at least 1.4 million hours or 40 percent of the time required for the filling out of forms associated with the 1974 agricultural census. In order to reduce this paperwork burden, the Bureau of the Census will necessarily have to cut down the size of its questionnaires and use time-tested sampling techniques—something the Bureau should have been doing all along.

This bill will effectively allow us to strike a blow for reduction in Federal paperwork in general without adversely impacting informational needs. I urge its adoption.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the bill H.R. 7012, as amended.

The question was taken.

Mr. VOLKMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

SALARY ADJUSTMENTS FOR OMB DIRECTOR AND DEPUTY

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2387) to amend chapter 53 of title 5, United States Code, to increase the salaries of the Chairman and members of the Federal Reserve Board and of the Director and Deputy Director of the Office of Management and Budget, as amended.

The Clerk read as follows:

H.R. 2387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5312 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(14) Director of the Office of Management and Budget.".

(b) Paragraph (11) of section 5313 of such title is amended to read as follows:

"(11) Deputy Director of the Office of Management and Budget.".

(c) Paragraph (34) of section 5314 of such title is repealed.

SEC. 2. The amendments made by this Act shall take effect on October 1, 1977, or on the date of the enactment of this Act, whichever is later.

The SPEAKER pro tempore. Is a second demanded?

Mr. DERWINSKI. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Colorado (Mrs. SCHROEDER) and the gentleman from Illinois (Mr. DERWINSKI) are recognized for 20 minutes each.

The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, H.R. 2387 as reported by the Committee on Post Office and Civil Service, amends title 5, United States Code, to increase the salaries of the Director and Deputy Director of the Office of Management and Budget.

The Director would be moved up from executive level II ($57,500 per year) to executive level I ($66,000 per year)—the level of pay of Cabinet secretaries.

The Deputy Director would be moved up from executive level III ($52,500 per year) to executive level II—the level of pay of a deputy secretary of a department.

Mr. Speaker, these increases are made primarily in recognition that the positions the Director and Deputy Director of OMB involve duties and responsibilities which are equivalent to those of Cabinet heads and their deputies; and Congress has already recognized the status and importance of these jobs by requiring Senate confirmation of nominees to them.

The bill is a result of a request from former President Ford which has been ratified by President Carter.

The cost of the legislation will be about $14,500 per year, assuming the jobs are continuously occupied.

By an amendment added at the request of the Committee on the Budget, the effective date of the bill will be October 1, 1977, or fiscal year 1978.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, I thank the gentlewoman from Colorado (Mrs. SCHROEDER) for yielding.

Mr. Speaker, in supporting this legislation I want to make it clear that we are not just granting a pay raise to the individuals involved. Although it will raise their salaries, its main purpose is to establish a proper relationship between officials at the top level of government.

We, in effect, raised the Director of OMB to Cabinet level in 1974 when Congress passed my bill requiring Senate confirmation of the OMB Director. This legislation is consistent with that action.

There is no question but that the Director of OMB should be regarded as of equal rank with a Cabinet officer. He is the chief representative of the President in dealing with Cabinet officers on critical budget matters, and his status should be commensurate with theirs.

It then follows that the Deputy Director should be upgraded from level 3 to level 2, which is the grade of deputies to level 1 Cabinet officials.

It should also be pointed out that this legislation is nonpartisan. It was recommended by President Ford, as one of his last official acts.

It is an essential rule of good management that people performing comparable duties and carrying similar loads of responsibility should be at the same level and receive the same pay. I urge support for this bill.

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in some quarters it may be fashionable to view this bill as a subtle attempt to keep Bert Lance solvent. I want to quickly divorce myself from that point of view. The estimable Georgia gentleman who heads the Office of Management and Budbet is perfectly capable of putting his own financial house in order.

Long before his personal financial dilemma made headlines, it was apparent to me Mr. Lance was a victim of circum-

stances. He was first among equals in terms of influence in the administration, but he has second-class status when it comes to pay. Based on recent events in this Chamber, second-class status in the Federal sector, whether real or imagined, is cause for genuine concern requiring drastic legislative response.

Fortunately, in Mr. Lance's case, it is not necessary to rely on tortured arguments or pressure tactics to influence votes. The facts speak for themselves. The office of Director of OMB meets every practical test of a cabinet level position and should be paid accordingly. That is why, as a longtime advocate of equal pay for equal work, I am happy to support H.R. 2387.

In mid-1975, I introduced legislation to promote the Director of OMB to cabinet level status, but between introduction and enactment something funny happened. Somehow, personalities and partisan politics became overriding issues, and my objective legislation was killed.

Since I was unwilling to believe either the Post Office and Civil Service Committee or the House would play "politics" with worthy legislation, I introduced the same bill early this session. My faith in the committee already has been vindicated by its action on May 11 when it voted to send this bill to the Floor.

The OMB director's political affiliation has no bearing on the heavy responsibilities and frequently unpopular decisions associated with that office. While Mr. Lance's predecessor, James Lynn, also was underpaid, it did not lessen his effectiveness. I am sure the same can be said of Mr. Lance.

Since its creation in 1964, the duties, functions and complexities of the office of Director of OMB have increased significantly. It clearly is a cabinet level job, and the officer who holds it deserves a salary commensurate with the duties of the office.

At the same time, fair play dictates that the salary of the Deputy Director of OMB also be increased.

An overwhelming vote of approval for this bill will effectively repair an error in judgment made in 1975.

I would like to point out the obvious and that is that the Director of OMB has responsibilities which I believe are second only to those of the President in terms of the expense of his office. I believe this step we are taking is long overdue. I commend the members of the subcommittee and the full committee for taking this objective and practical move, and, in the spirit of bipartisanship I am pleased to support this measure which will increase the salary of the Director of OMB.

Mrs. SCHROEDER. Mr. Speaker, I have no further requests for time.

Mr. DERWINSKI. I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion of the gentlewoman from Colorado (Mrs. SCHROEDER) that the House suspend the rules and pass the bill H.R. 2387, as amended.

The question was taken.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII. and the Chair's prior announcement, further proceedings on this motion will be postponed.

INCREASE IN SUPERGRADES FOR FEDERAL COURT ADMINISTRATION

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6974) to amend title 5, United States Code, to provide for an increase in the number of positions which may be placed in grades 16, 17, and 18 of the General Schedule by the Director of the Administrative Office of the United States Courts, as amended.

The Clerk read as follows:

H.R. 6974

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That section 5108(c)(3) of title 5, United States Code, is amended to read as follows:

"(3) the Director of the Administrative Office of the United States Courts, subject to the standards and procedures prescribed by this chapter, may place a total of 15 positions in GS–16, 17, and 18;".

SEC. 2. The amendment made by this Act shall take effect on October 1, 1977, or on the date of the enactment of this Act, whichever is later.

The SPEAKER pro tempore. Is a second demanded?

Mr. GILMAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Colorado (Mrs. SCHROEDER) and the gentleman from New York (Mr. GILMAN) will be recognized for 20 minutes each.

The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6974 as reported by the Committee on Post Office and Civil Service, amends title 5 of the United States Code, to provide for a total of 15 supergrade positions at the Administrative Office of U.S. Courts. Being an agency in the judicial branch, the Administrative Office proposed this increase without clearance by the administration, however, the administration has through testimony of the Civil Service Commission expressed its view that the legislation will be beneficial.

Right now, section 5108(c)(3) of title 5 authorized the Administrative Office to have four positions at grade GS–17. This authorization was enacted in 1958 by Public Law 85–462.

Since 1958, the duties of the Administrative Office have greatly increased, primarily because of congressional enactments such as the Speedy Trial Act of 1974, as amended, the Federal Magistrates Act of 1968 and the 1975 Judiciary Appropriations Act which transferred the functions of examining court officer from the Department of Justice to the Administrative Office. These congressional enactments which have specifically impacted the Administrative Office, have been supplemented in effect by the increased use of the Federal courts created by nearly every other law Congress has passed. The increased use of the Federal courts has meant requirements for more courtrooms, and staffs, and greatly increased management responsibilities for the Administrative Office. It has caused the divisions of the office to grow from the four present in 1958 to 12, and the supply for supergrade managers to lag behind the demand.

The Administrative Office has attempted to obtain more supergrade managers by requesting them from the Civil Service Commission pool. It was successful in obtaining two GS–17's in 1959, and one GS–18 in 1963, which was later traded for a GS–16. However, the Civil Service Commission, facing its own supergrade shortages in the executive branch, has since 1970 told the Administrative Office that it cannot allocate more supergrades to a judicial branch agency.

The committee stresses that in most instances it would be strongly opposed to establishing a separate supergrade pool for an individual agency. The committee is very concerned with the special supergrade authorities—that is, statutory authority to appoint supergrades outside of those authorized by the Government-wide pool—which Congress has provided to various executive branch agencies in recent years. Such a piecemeal approach to executive manpower needs has created a hodge-podge system and has effectively precluded any meaningful coordination or control of the Government-wide executive manpower program. In the case of the Administrative Office, however, where an agency in the judicial branch is forced to compete with agencies of the executive branch for a limited number of supergrade positions which are controlled and allocated by an executive branch agency, the Civil Service Commission, the committee believes that a separate pool is justified.

The committee points out that if this bill is enacted, the Administrative Office will be required to return to the Government-wide pool those three positions which it is presently allocated. This, together with the fact that the authorization for 15 positions supersedes the Administrative Office's existing statutory authority for four GS–17 positions, means that enactment of this legislation will result in a net gain of only eight supergrade positions for the Administrative Office.

The committee also points out that while it believes the Administrative Office's unique situation justifies the establishment of a separate supergrade pool, the bill does not give the Administrative Office unfettered control with respect to those positions. The bill retains in the Civil Service Commission the responsibility and authority to insure that supergrade positions established by the Administrative Office are properly classified with respect to the level of duties and responsibilities of such positions, and to insure that individuals appointed to such positions are properly qualified. The committee believes that sound personnel management practices dictate retaining in one central body the final responsibility for insuring proper classi-

fication and qualifications with respect to supergrade positions.

The cost of this legislation will be $34,000 in fiscal year 1978, and $36,000 in fiscal year 1979, $38,000 in fiscal year 1980, and $40,000 in fiscal year 1981.

By an amendment added at the request of the Committee on the Budget, the effective date of the bill will be October 1, 1977, or fiscal year 1978.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6974, which authorizes the Director of the Administration Office of the U.S. Courts to place a total of 15 positions in grades GS–16, –17, and –18 of the General Schedule, is a reasonable and responsible approach to the current executive manpower dilemma at the Administrative Office of the U.S. Courts.

Since 1958, when supergrade positions were first authorized for the Administrative Office, the complement of judges and supporting personnel in the Federal judiciary has grown threefold. Concurrently, in the 19 succeeding years since Public Law 85–462, major new legislation—the Criminal Justice Act of 1964, the Federal Magistrates Act of 1968, the 1975 Appropriations Act, by virtue of which the function of examining court offices was transferred from the Department of Justice to the Administrative Office, and the Speedy Trial Act of 1974—has imposed significant additional duties on the Director of the Administrative Office. The result is today that from the original four divisions of the Administrative Office has grown an Office with 3 assistant directors and 12 separate divisions operating along functional lines.

At the present time, Mr. Speaker, the Administrative Office of the U.S. Courts has four statutory positions at grade GS–17 and one GS–18 and two GS–16 positions allocated by the Civil Service Commission, for a total of seven supergrade positions. The 15 positions provided for by H.R. 6974 would supersede this authority—so, the net increase to the Administrative Office is just 8 positions.

Accordingly, Mr. Speaker, both because of the reluctance of the Civil Service Commission to allot additional supergrade positions to the Administrative Office from the Government-wide pool—as previously discussed by Congresswoman Schroeder—and, because with the exception of one GS–16 position allocated to the Administrative Office by the Commission several months ago, it has been nearly 19 years since any additional supergrade positions have been authorized for the Administrative Office of the U.S. Courts, I urge my colleagues to vote to provide the personnel requested by suspending the rules and passing H.R. 6974.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Mrs. SCHROEDER) that the House suspend the rules and pass the bill H.R. 6974, as amended.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVIII, and the prior announcement of the Chair, further proceedings on this motion will be postponed.

INCREASE IN NUMBER OF HEARING EXAMINERS

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6975) to amend title 5, United States Code, to increase the number of hearing examiner positions which the Civil Service Commission may established and place at GS–16 of the General Schedule, as amended.

The Clerk read as follows:

H.R. 6975

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5108(a) of title 5, United States Code, is amended by striking out "240 hearing examiner positions" and inserting in lieu thereof "340 administrative law judge positions".

Sec. 2. (a) The provisions described in paragraphs (1) through (12) of this subsection are each amended by striking out "hearing examiner" or "hearing examiners", as appropriate, each place it appears, and inserting in lieu thereof "administrative law judge" or "administrative law judges", as appropriate—

(1) sections 554(a)(2), 556(b)(3), 559, 1305, 3105, 3344, 4301, 5335, 5362, and 7521, of title 5, United States Code;

(2) section 6(c)(2) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136d(c)(2));

(3) section 11(k) of the Federal Reserve Act (12 U.S.C. 248(k));

(4) subsections (b) and (c) of the first section of the Act entitled "An Act to authorize the Securities and Exchange Commission to delegate certain functions", approved August 20, 1962 (15 U.S.C. 78d-1(b) and (c));

(5) section 1416(a) of the Interstate Land Sales Full Disclosure Act (15 U.S.C. 1715(a));

(6) section 509(i) of title 28, United States Code;

(7) sections 12(e), 12(j), and 12(k) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 661(d), 661(i), 661(j));

(8) section 502(e) of the Rehabilitation Act of 1973 (29 U.S.C. 792(e));

(9) sections 5(e) and 428(b) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 804(e), 938(b));

(10) sections 19(d) and 21(b) of the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 919(d), 921(b));

(11) section 705(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–4(a)); and

(12) sections 6(h) and 9(a) of the Department of Transportation Act (49 U.S.C. 1655(h), 1657(a)).

(b)(1) Sections 1305 and 5362 of title 5, United States Code, are each amended in the catchline, by striking out "Hearing Examiners" and inserting "Administrative law judges" in lieu thereof.

(2) Sections 3105 and 3344 of title 5, United States Code, are each amended in the catchline by striking out "hearing examiners" and inserting "administrative law judges" in lieu thereof.

(c)(1) The table of sections for chapter 13 of title 5, United States Code, is amended so that the item relating to section 1305 reads as follows:

"1305. Administrative law judges.".

(2) The table of sections for chapter 31 of title 5, United States Code, is amended so that the item relating to section 3105 reads as follows:

"3105. Appointment of administrative law judges.".

(3) The table of sections for chapter 33 of title 5, United States Code, is amended so that the item relating to section 3344 reads as follows:

"3344. Details; administrative law judges."

(4) The table of sections for chapter 53 of title 5, United States Code, is amended so that the item relating to section 5362 reads as follows:

"5362. Administrative law judges."

(d)(1) The second sentence of section 3105 of title 5, United States Code, is amended by striking out "Hearing examiners" and inserting "Administrative law judges" in lieu thereof.

(2) Section 1416(a) of the Interstate Land Sales Full Disclosure Act (15 U.S.C. 1715(a)) is amended in the catchline by striking out "hearing officers" and inserting "administrative law judges" in lieu thereof.

SEC. 3. Any reference in any law, regulation, or order to a hearing examiner appointed under section 3105 of title 5, United States Code, shall be deemed to be a reference to an administrative law judge.

The SPEAKER pro tempore. Is a second demanded?

Mr. GILMAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Colorado (Mrs. SCHROEDER) and the gentleman from New York (Mr. GILMAN) will be recognized for 20 minutes each.

The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, H.R. 6975, as reported by the Committee on Post Office and Civil Service, amends title 5 of the United States Code to increase the number of hearing examiner positions which the Civil Service Commission may establish and place at GS–16 of the General Schedule. Numerous technical amendments contained in an amendment added to the bill change the designation "hearing examiner" in the United States Code to that of "Administrative Law Judge" the name by which these Federal employees are most known.

The Civil Service Commission, under authority of 5 United States Code 5108(A), now maintains a pool of 240 GS–16 hearing examiners and nine GS–17 hearing examiners. H.R. 6975 would increase by 100 to 340 the maximum civil service pool of GS–16 examiners.

The need for the greater flexibility which the increased number of slots for hearing examiners will permit the Civil Service Commission is evidenced by the increase in the number of agencies which are requested to hold the hearings under the Administrative Procedures Act—APA—which has occurred since the 240 slots were authorized in 1964. Under the APA, only hearing examiners, or an agency or commission itself, may preside over APA hearings. The creation of numerous new agencies utilizing the APA—from the Postal Rate Commission to the International Trade Commission to the Consumer Product Safety Commission to the Environmental Protection Agency—a net increase of 9 agencies over the 14 in existence in 1964—plus new program responsibilities given old departments and agencies, plus increasing caselogs within existing responsibili-

ties, have placed great strains on the Civil Service Commission's ability to manage its pool. Moreover, because of the demand for APA hearing officers, the Civil Service Commission has had to borrow 40 supergrade positions from its Government-wide "supergrade pool" of management positions to the detriment of the general bureaucracy's efficiency.

Mr. Speaker, the committee's intentions for this bill are that the tight fistedness of the Civil Service Commission with regard to review and placement positions continue. We do not intend this bill as a carte blanche for the Commission to immediately create 100 new GS–16 hearing examiners, nor give grade increases to 100 hearing examiners, or anything of the kind. Rather, we believe these positions will give the Civil Service Commission the flexibility to manage its pool better, and, as from time to time new agencies or agencies suffering from severe case backlogs or new responsibilities, can have the people to eliminate the problems at hand. We expect that all the proper criteria—from the number and complexity of cases assigned hearing examiners are handling, to the use of nonquota GS–15 hearing examiners, to the sharing of hearing examiners by agencies, to the elimination of nonproductive members of the hearing examiners corps, be examined before any of these positions are allocated. In this relation, I assure my colleagues my subcommittee will hold oversight hearings on the implementation of H.R. 6975 soon after it becomes law.

The cost of the legislation, as estimated by the Congressional Budget Office is $4.1 million in fiscal year 1978 with small incremental increases in succeeding years.

Mr. Speaker, at this point I yield such time as he may consume to the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, I rise in support of this legislation. This is an issue we are currently dealing with in the conference between the House and Senate on the bill creating a Department of Energy.

As the bill passed the House, it provided that hearing examiners for the new department would be drawn from the Civil Service Commission pool. The Senate bill provided that the department could hire its own examiners without regard to the Government-wide pool.

We have prevailed upon the Senate to accept the House position, and one of the reasons they were willing to make that concession is the prospect of the passage of this bill. There is a definite need for more hearing examiners than the 240 now in the Civil Service Commission pool.

I hope we will suspend the rules and pass H.R. 6975.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6975, which would increase the statutory limit on GS–16 hearing examiner positions from 240 to 340 slots.

The original 240 hearing examiner positions (now, pursuant to Civil Service Commission regulation, designated as Administrative Law Judges) were distributed back in 1963 to meet the needs of the 14 agencies and departments that had such positions allocable, classifiable, at that GS–16 level. During the succeeding 14 years, there has been no additional supergrade slots authorized for Administrative Law Judges in spite of the fact that the number of agencies conducting formal hearings has expanded by 64 percent and the number of Administrative Law Judge positions has also increased. To meet this requirement, the Commission has had to resort to borrowing supergrade slots which had been earmarked for other classes of employees from the Government-wide supergrade pool. The net result of this activity has been that the Commission has had to borrow to date 40 positions from the overall Government-wide pool to meet the absolute minimum needs for Administrative Law Judges at GS–16.

The Executive Director of the Civil Service Commission has testified before the Subcommittee on Employee Ethics and Utilization that the Commission has about reached their limit in being able to borrow slots from the Government-wide pool; but the agencies' needs are continuing to increase as a result of new laws requiring the application of the Administrative Procedure Act that further require administrative law judges to serve as presiding officers. It has also been brought to the attention of our subcommittee that a number of agencies have informed the Commission that their present contingent of administrative law judges are insufficient to meet the expanding work, and are desperately in need of additional administrative law judges to keep their caseload within manageable proportions.

I would also point out to my colleagues that, while H.R. 6975 authorizes 100 additional positions, the actual net increase in GS–16 administrative law judge positions will be only 60, since the Commission has already borrowed 40 GS–16 positions from the Government-wide pool, and these 40 slots will now be returned by the Commission to the supergrade pool.

Accordingly, in order to meet the personnel needs arising from expanded workloads, I urge my colleagues to suspend the rules and to pass H.R. 6975.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, with these additional GS–16 administrative hearing examiners, will this mean that in the future we can go ahead then and pass more programs that will demand more of their services so that in a few years we can come back and add more hearing examiners, so that we can pass more programs? Is that what we are doing, or hoping to do?

Mr. GILMAN. In response to the gentleman's inquiry, we are providing in this measure for the additional needs we have at this time. Perhaps, in the future, there may be some further needs as we expand governmental services requiring hearing procedures.

Mr. VOLKMER. Perhaps some day we can stop and cut down on some of the governmental services that some of us feel are perhaps not necessary; and perhaps we will not need the hearing examiners. Does the gentleman think we can ever cut back on the number?

Mr. GILMAN. I think the gentleman's point is well taken, and I hope he is not overly optimistic about the need to reduce unnecessary governmental services.

Mr. VOLKMER. From what I am seeing here today, I am not optimistic at all.

Mr. GILMAN. I thank the gentleman for expressing his concern and for his remarks.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Ms. SCHROEDER) that the House suspend the rules and pass the bill H.R. 6975, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this vote will be postponed.

GENERAL LEAVE

Ms. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bills H.R. 2387, H.R. 6974, and H. R.6975.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

RETENTION OF LIFE AND HEALTH INSURANCE BENEFITS DURING RETIREMENT AFTER 5 YEARS OF SERVICE

Mrs. SPELLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4319) to amend subchapter III of chapter 83 of title 5, United States Code, to provide that employees who retire afer 5 years of service, in certain instances, may be eligible to retain their life and health insurance benefits, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8335(b) of title 5, United States Code, is amended by striking out "until 60 days after he is so notified" and inserting in lieu thereof "until the last day of the month in which the 60-day notice expires".

SEC. 2. Section 8706(b) of title 5, United States Code, is amended—

(1) by deleting the word "or" after paragraph (1);

(2) by inserting the word "or" after paragraph (2); and

(3) by inserting the following new paragraph after paragraph (2):

"(3) after December 31, 1982, he has completed 5 years of creditable civilian service as determined by the Commission;".

SEC. 3. Section 8901(3)(A) of title 5, United States Code, is amended by striking out "Government, after 12 or more years of service or

for disability;" and inserting in lieu thereof the following: "Government—

"(i) after 12 years of creditable service;

"(ii) for disability; or

"(iii) after December 31, 1982, after 5 years of creditable service;".

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Maryland (Mrs. SPELLMAN) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, H.R. 4319, with accompanying amendment, provides that employees who retire after 5 years of service, may be eligible to retain their life and health insurance benefits.

The accompanying amendment, to strike section 1 of the bill, is offered because requiring retirement at age 70 is no longer the committee's position.

Since the full committee acted on this bill, my subcommittee has moved to repeal the mandatory retirement provision. Chairman Alan K. Campbell, new Chairman of the Civil Service Commission, dramatically reversed previous Commission policy and testified that "the Commission fully supports repeal of this provision."

Just last Thursday, the House Education and Labor Committee agreed to a bill which would not only eliminate immediately mandatory retirement at age 70 for Federal workers, but would also extend to 70 the age at which all workers are covered by the Age Discrimination Act. The present law protects workers to 65.

Our position is shared by the Select Committee on Aging and many Members of the House and the administration.

We are saying, Mr. Speaker, that it would be inconsistent to reaffirm the present mandatory retirement law, as section 1 does, when in fact we are moving in precisely the opposite direction. Therefore we ask for the amendment.

Skill, intelligence, energy, will—these are the determining factors in the job market, not the hands of the clock or an arbitrary date on the calendar. Very simply the bill provides that Federal employees who retire after 5 years of service may be eligible to retain their life and health insurance benefits.

The committee finds that it is the general policy of business within the private sector to grant an employee the retention of his benefits, particularly life and health insurance, once he has vested in the company retirement system. This is not the case for the Federal employee.

Presently, the Federal Employees' Group Life Insurance Law—section 8706 (b) of title 5, United States Code—and the Federal Employees' Health Benefits Law—section 8901(2)(A) of title 5, United States Code—provide for the retention of life and health insurance coverage after an employee's retirement on an immediate annuity, only either on disability or after having completed at least 12 years of creditable service. The committee believes that, in light of the fact that an employee has vested rights under the civil service retirement system after 5 years of creditable civilian service, that the 12-year service requirement for retention of health and life insurance benefits during retirement no longer can be justified and that it unduly discriminates against many employees.

Mr. Speaker, the committee urges passage of this most important legislation which it believes eliminates discrimination and furthers the policy of the 1970 Comparability Act.

I strongly urge the passage of H.R. 4319 as amended.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4319 with an amendment.

This legislation reduces from 12 to 5 years the length of service required by a retiring employee to retain his group life and health benefits coverage during retirement.

The amendment offered by Mrs. SPELLMAN, who chairs our Subcommittee on Retirement and Employee Benefits, to strike the mandatory retirement language from the bill is a good one.

It removes the one objectionable feature of the bill which many Members expressed concern over.

As previously explained this bill merely brings the service requirements for retention of health and life insurance coverage into retirement in conformity with the 5-year service requirement for vesting under the civil service retirement system.

Mr. Speaker, the Congressional Budget Office estimates enactment will result in minor increases in Federal employees' health and life insurance premiums. However, the bill does not become effective until after December 31, 1982.

I urge adoption of this legislation.

Mr. DERWINSKI. Mr. Speaker, I wholeheartedly support the amendment offered by the chairwoman from Maryland (Mrs. SPELLMAN) to strike the mandatory retirement provision from H.R. 4319.

As presently drafted, the bill deserves the approval of my colleagues.

The remaining provisions of H.R. 4319 have already been fully explained, therefore, I will limit my brief remarks to the subject of mandatory retirement.

I have long had philosophic reservations about compulsory retirement. As a result, I have consistently supported and sponsored legislation to ban the mandatory retirement of elderly workers.

Chronological age is not and never has been a reliable index of job performance. I think that a mandatory retirement system based on age tends to diminish the effectiveness of a true civil service merit system.

Compulsory retirement flies in the face of justice and commonsense. I strongly believe persons willing and able to keep working should have that right.

Mr. Speaker, I applaud the action of the chairwoman from Maryland to strike all references to mandatory retirement from this otherwise general housekeeping bill. It is a small but important step in the right direction.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. SPELLMAN) that the House suspend the rules and pass the bill H.R. 4319, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

RESTORATION OF CERTAIN ANNUITIES

Mrs. SPELLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3755) to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes.

The Clerk read as follows:

H.R. 3755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) upon application to the Civil Service Commission, the annuity of—

(1) a surviving spouse of an employee which was terminated under the provisions of section 8341(b) or (d) of title 5, United States Code, or of any prior applicable law, because of the remarriage of such spouse before July 18, 1966, and

(2) a surviving spouse of a Member who died before January 8, 1971, which was terminated under any such provision, because of the remarriage of such spouse,

shall be restored in accordance with the provisions of subsection (b) of this section.

(b)(1) In the case of a remarriage occurring after the surviving spouse became sixty years of age, the annuity shall be restored to such spouse under subsection (a) of this section only if any lump sum paid on termination of the annuity is returned to the Civil Service Retirement and Disability Fund. If such amount is paid, the annuity shall be so restored commencing on the effective date of this section at the rate which would have been in effect if the annuity had not been terminated.

(2) In the case of a remarriage occurring before the surviving spouse became sixty years of age, the annuity shall be restored to such spouse under subsection (a) of this section only if—

(A) such spouse elects to receive this annuity instead of a survivor benefit to which the spouse may be entitled under subchapter III of chapter 83 of such title 5 or under another retirement system for Government employees by reason of the marriage; and

(B) any lump sum paid on termination of the annuity is returned to such fund.

If the requirements of the preceding sentence are satisfied, such annuity shall be so restored commencing on the effective date of this section or on the first day of the month following the date the remarriage is dissolved by death, annulment, or divorce, whichever date is later, at the rate which was in effect when the annuity was terminated.

SEC. 2. Section 8341(g) of title 5, United States Code, is amended by striking out "after July 18, 1966,".

SEC. 3. The foregoing provisions of this Act shall take effect on—

(1) the first day of the month following the date of the enactment of this Act, or

(2) October 1, 1977,

whichever date is later.

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Maryland (Mrs. SPELLMAN) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3755 is a simple bill, one which will correct an inequity in existing law. It provides for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966. All others have already been taken care of in legislation already passed by this Congress. Let me briefly outline the history.

Public Law 89–504 allowed widows or widowers aged 60 or over to remarry without losing title to their survivor annuities. It also allowed widows or widowers, who lost benefits because they remarried before age 60, to have their annuities restored if the remarriage was terminated.

These provisions were not retroactive, however, and applied only to widows and widowers of employees of the Federal Government who had retired or died on or after July 18, 1966, the enactment date of the law.

In 1969, Congress expanded the provisions to apply to widows and widowers of Federal employees regardless of when the employees retired or died, but the expansion applied only to those whose remarriage took place on or after July 19, 1966.

H.R. 3755 would extend restoration rights to widows and widowers who were remarried before that date. Our best estimate is that we are talking about 3,200 people. They are quite old now and rapidly diminishing in number.

The committee urges passage of H.R. 3755 to close a loophole in the law and to assure that these people are provided with the same treatment as all other survivors in their position—just a simple matter of equity.

I urge the passage of the bill.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3755, which reinstates civil service retirement annuities for certain widows and widowers who remarried prior to July 18, 1966.

I am fully aware of the general policy of the committee to refrain from approving liberalizations in retirement benefits, but I believe, as does the committee by its unanimous vote, that an exception to the rule is merited in this case.

This bill merely extends the same provisions of law to survivor annuitants who remarried prior to July 18, 1966, as to annuitants who remarried after this date. That is, annuities continue to be paid to survivor annuitants who remarried after age 60, and annuities are restored for survivor annuitants who remarried before age 60 and their marriage was later dissolved.

This legislation addresses a serious economic problem shared by silghtly over 3,000 elderly widows and widowers. The average annuity is no more than $123 per month. Also, to be borne in mind in considering this issue is that because of the advancing age of these people, fewer and fewer will continue receiving annuities in the future.

Mr. Speaker, it is only fair to conclude that the same considerations the Congress felt justified enactment of Public Law 89–504 for survivor annuitants who remarried after July 16, 1966, should apply equally to those who remarried before this date.

This is a long overdue correction of an inequity in the civil service retirement law.

I strongly support enactment of H.R. 3755.

Mr. LEHMAN. Mr. Speaker, 3 years ago a woman came into my office seeking my help in getting this bill passed. She explained, rather simply but eloquently, the consequences this cutoff date had imposed on her and several thousand others. Her cause, she felt, was hopeless because no one seemed to care about a group of elderly people especially since the size of the group was decreasing rapidly. The costs she explained, were munimal then, as they are now, to effectuate equal treatment for survivor annuitants.

Mr. Speaker, as the principal sponsor of this legislation I am grateful to say that at last this legislation is belatedly receiving the consideration it deserves. My only regret is that that woman, Mrs. Alice Miles, who visited me that day and convinced me of the merits of this bill died recently and thus will not benefit from the passage of this legislation.

Mr. GIAIMO. Mr. Speaker, I rise in support of H.R. 3755, a bill which would restore annuities for surviving spouses of civil service annuitants when the remarriage of the surviving spouse took place prior to July 18, 1966.

This bill is consistent with the estimates in the first budget resolution for fiscal year 1978. It would cost $3 million in budget authority and $5 million in outlays. The first budget resolution assumed enactment of benefit liberalizations with a total fiscal year 1978 cost of $10 million in budget authority and $7 million in outlays.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mr. SPELLMAN) that the House suspend the rules and pass the bill H.R. 3755.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SPELLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 4319, as amended, and H.R. 3755.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

REDUCE TARIFFS ON SPARK PLUG INSULATORS

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1550) to reduce the rate of duty on ceramic insulators used in spark plugs, as amended.

The Clerk read as follows:

H.R. 1550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 909.01 the following new item:

"909.10	Ceramic insulators having an alumina oxide content of not less than 96%, if used in spark plugs (provided for in item 535.14, part 2D, schedule 5).....	4% ad val.	No change.	On or before 6/30/80".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. VANIK) and the gentleman from Wisconsin (Mr. STEIGER) are recognized for 20 minutes each.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 1550 is to temporarily reduce the duty on imports of certain ceramic insulators used in the production of highly specialized sparks plugs to June 30, 1980. These spark plugs are used in stationary gas, natural gas, propane, or LPG engines.

H.R. 1550 was introduced by our colleague, Mr. CHARLES WILSON of Texas.

When compared with total U.S. spark plug production, production of these specialized spark plugs is very limited, apparently less than 0.1 percent of total U.S. spark plug consumption. Domestic production is apparently limited to two firms, one large firm which produces its own ceramic insulators only for internal

use, and which also produces auto and aircraft spark plugs, and a small firm which allegedly cannot economically produce its own ceramic insulators. That small firm presently imports ceramic insulators which bear a 15 percent duty and assembles the completed spark plug which then competes against imports of completed spark plugs which presently are dutiable at a rate of 4 percent ad valorem. The firm seeks to eliminate this advantage of foreign producers by reducing the duty on certain specialized ceramic insulators to 4 percent, the same duty paid by spark plug imports.

Reports in opposition to this bill as introduced were received from the Departments of Commerce, the Treasury, State, Labor, and the Office of the Special Representative for Trade Negotiations. They opposed the permanent unilateral reduction of this duty on the grounds that any such reduction should be negotiated in the context of the multilateral trade negotiations so that the United States would receive some benefit from its trading partners in return and that domestic industry sources have advised that there is no shortage of domestic production. The agencies were unable to independently determine domestic production or imports of ceramic insulators.

After consideration of these objections, the bill was amended to make the duty reduction temporary to June 30, 1980, rather than a permanent unilateral reduction, thus preserving whatever negotiating value exists for multilateral trade negotiations. Since reduced duty rate of 4 percent ad valorem for ceramic insulators is the same rate of duty presently assessed on imported completed spark plugs, it is not believed that the bill will have a significant effect on the domestic ceramic insulator industry. The bill was also amended to restrict the ceramic insulators covered by the new TSUS item to insulators having an alumina oxide content of not less than 96 percent and for use in spark plugs. While spark plugs for stationary engines used in gas fields do require high alumina content ceramic insulators, spark plugs for auto and airplane engines, the overwhelming domestic production and market, do not demand ceramic insulators with such high alumina content.

The committee was unanimous in reporting H.R. 1550 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Ohio (Mr. VANIK) has done an excellent job in describing the bill. I urge its adoption.

Mr. Speaker, I support H.R. 1550, a bill to reduce until June 30, 1980, the rate of duty on certain ceramic insulators used in spark plugs.

The ceramic insulators effected are ones of high alumina content, not less than 96 percent, and are currently listed under item 535.14 of the Tariff Schedules of the United States. The duty in this instance would be reduced from 15 percent ad valorem to 4 percent ad valorem. The reduction applies only to the column 1 rate, with the 60 percent ad valorem column 2 rate remaining unchanged.

High alumina ceramic insulators are a component of specialized spark plugs used in natural gas, gas, propane or LPG engines that are stationary. These unique spark plugs represent less than 0.1 percent of the total domestic consumption of all types of spark plugs. At the present time, two U.S. firms manufacture the ceramic insulator component described above, but one is a major spark plug manufacturer that uses most of its insulators for production of its own spark plugs and sells the remainder at a much higher price than the imported product.

The duty reduction is sought by a small independent firm located in Texas that produces spark plugs for the special stationary engines operating in gas fields. The 4-percent duty on insulators called for under this bill would be equal to the duty on imported complete spark plugs. Such a reduction will assist the Texas firm, and others like it, in competing both with major domestic manufacturers of insulators and spark plugs and with imported spark plugs that have been completely assembled abroad.

Since there is little demand for high alumina ceramic insulators, the effect of the duty reduction on the domestic spark plug industry as a whole will be negligible, as will be the loss in customs revenue each year. The temporary nature of the reduction will allow a periodic review by Congress of its effect on domestic industry; also, the temporary aspect will preserve a future permanent reduction as a negotiating item in the multilateral trade negotiations—MTN.

Mr. Speaker, the committee has resolved all prior objections to H.R. 1550 raised during public hearings and reported the bill unanimously. I recommend passage by the House at this time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill H.R. 1550, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to reduce temporarily the rate of duty on certain ceramic insulators used in spark plugs.".

A motion to reconsider was laid on the table.

SUSPEND TARIFFS ON RUBBER MATTRESS BLANKS

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2849) to suspend for a 3-year period the rate of duty on mattress blanks of rubber latex, as amended.

The Clerk read as follows:

H.R. 2849

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 912.07 the following new item:

'912.08	Mattress blanks of rubber latex (provided for in item 727.86, part 4A, schedule 7)	Free	No change.	On or before 6/30/78".

SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the ninetieth day after the date of the enactment of this Act, the entry or withdrawal of any article—

(1) which was made after May 9, 1977, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry or withdrawal,

shall notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER. Mr. Speaker, I demand a second.

The SPEAKER por tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. VANIK) and the gentleman from Wisconsin (Mr. STEIGER) are recognized for 20 minutes each.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 2849 is to suspend until July 1, 1978, the rate of duty on rubber latex mattress blanks.

H.R. 2849 was introduced by our colleague, Mr. OTTINGER of New York.

Rubber latex mattress blanks are used to produce latex foam mattresses. It was alleged that the sole domestic plant producing natural latex foam rubber was destroyed and that domestic mattress producers must now pay a duty designed to protect a product no longer domestically produced.

Reports with no objections were received from the Departments of Commerce, State, the Treasury, Agriculture, Labor, and the Office of the Special Representative for Trade Negotiations.

Objection to a 3-year duty suspension was received from a domestic firm which recently started latex foam production after a fire had destroyed its predecessor's plant. The firm, which intends to produce latex mattress blanks but not within a 1-year period, indicated no objection to a 1-year suspension. Objections were also received from a domestic polyurethane producer who alleged polyurethane foam domestically produced competes with latex foam. It does appear from exports received by the subcommittee that latex foam mattresses are a higher priced premium product

and do not compete directly with polyurethane foam mattresses.

The bill was amended to provide a 1-year duty suspension rather than a 3-year suspension in order to encourage the resumption of domestic latex mattress blank production. The bill was also amended to remove the retroactivity feature since domestic firms importing latex mattress blanks have passed on to consumers a substantial portion of the duty and any refund of the entire duty would be a windfall to such firms since it would be impossible for them to pass on to the ultimate consumer that portion of the duty originally borne by such consumer.

The committee was unanimous in reporting H.R. 2849 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Ohio (Mr. VANIK) has more than adequately explained the bill. It is a good one, and I urge its adoption.

Mr. Speaker, I support H.R. 2849 suspending for 1 year, until June 30, 1978, the rate of duty on mattress blanks of rubber latex.

Prior to March 1975, only one plant produced the article involved. This plant, located in Shelton, Conn., was completely destroyed by fire in that year. The current temporary suspension was designed to help preserve the domestic market for mattress blanks of rubber latex, as well as the competitive position of manufacturers of foam rubber mattresses and box spring sets, until the plant could be rebuilt and return to full production.

The former employees of the destroyed plant formed a new company, Latex Foam, and have resumed production on a limited scale. Although the company does not now produce mattress blanks, they plan to begin such production within 6 to 12 months. Therefore, this company has advocated removing the duty suspension after a relatively short period of time so that they again will have tariff protection for their latex products.

The column 1 rate of duty on mattress blanks of rubber latex is 15 percent ad valorem and column 2 rate is 40 percent ad valorem. Although some domestically produced polyurethane mattresses have characteristics similar to the latex ones, it appears that consumers are willing to pay a slightly higher price to assure themselves the quality of latex. A 1-year suspension of duty on this article and the subsequent reapplication of the duty should not adversely affect any domestic industry associated with mattress production.

Mr. Speaker, a similar bill to H.R. 2849 was passed by the House in the 94th Congress. The 1-year loss in customs revenues, should H.R. 2849 be enacted, is estimated to be $7,500.

The committee reported the bill without objection, and I recommend passage by the House at this time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill H.R. 2849, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to suspend until July 1, 1978, the rate of duty on mattress blanks of rubber latex.".

A motion to reconsider was laid on the table.

SUSPEND TARIFFS ON LATEX SHEETS

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2850) to suspend for a 3-year period the rate of duty on certain latex sheets, as amended.

The Clerk read as follows:

H.R. 2850

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 912.10 the following new item:

"912.12...	Sheets, over 0.90 inch but not over 1.50 inches in thickness, of molded pin core latex foam rubber (provided for in item 770.70, part 12A, schedule 7).	Free...	No change.	On or before 6/30/78".

SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the ninetieth day after the date of the enactment of this Act, the entry or withdrawal of any article—

(1) which was made after May 9, 1977, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. VANIK) and the gentleman from Wisconsin (Mr. STEIGER) are recognized for 20 minutes each.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 2850 is to suspend until July 1, 1978, the rate of duty on certain latex sheets.

H.R. 2850 was introduced by our colleague, Mr. OTTINGER of New York.

Latex sheets are used with a polyurethane mattress blank core to produce a latex-polyurethane mattress. Latex sheets are not now produced in the United States. The only domestic plant that produced latex foam was destroyed by fire and while a new firm has domestically resumed limited latex foam production, it does not now produce latex foam sheets. The domestic mattress industry seeks this duty suspension.

A favorable report was received from the Department of the Treasury. Reports with no objections were received from the Departments of State, Commerce, and Labor.

The bill was amended to provide a 1-year duty suspension rather than a 3-year suspension in order to encourage latex sheet production by a domestic firm which recently started latex foam, but not latex foam sheet, production after a fire had destroyed its predecessor's plant. The bill was also amended to remove the retroactivity feature since domestic firms importing latex sheets have passed on to consumers a substantial portion of the duty and any refund of the entire duty would be a windfall to such firms since it would be impossible for them to pass on to the ultimate consumers that portion of the duty originally borne by such consumer.

The committee was unanimous in reporting H.R. 2850 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 2850 suspending for 1 year, until June 30, 1978, the rate of duty on latex sheets.

Molded latex foam rubber sheets are used in the manufacture of combination latex-polyurethane foam mattresses. Such mattresses make up only a very small part of total mattress sales. Currently, such sheets are dutiable at a column 1 rate of 6 percent ad valorem and at a column 2 rate of 25 percent ad valorem. Suspending the duty would result in a loss of customs revenue amounting to no more than about $3,000 annually.

Only one domestic firm, located in Shelton, Conn., manufactures latex foam rubber. Although they are expanding their production, there are no plans to begin making latex sheets covered by this bill. Removing the duty in this instance would improve the competitive position of combination polyurethane-latex mattresses in relation to other types of foam mattresses manufactured and sold in this country. The temporary nature of the bill, however, may encourage the Shelton plant to begin manufacturing these latex sheets along with their other latex products.

Mr. Speaker, the committee received no unfavorable comment on a suspension of duty in this case, and reported the bill unanimously. I recommend passage by the House at this time.

Mr. OTTINGER. Mr. Speaker, today, we are considering two bills—H.R. 2849 and H.R. 2850—that I introduced earlier this year. These bills suspend the tariff on mattress blanks of foam rubber latex and on latex sheets. I urge their passage and thank the committee, and particu-

larly the gentleman from Illinois (Mr. VANIK), the able chairman of the Subcommittee on Trades.

Unfortunately, the Ways and Means Committee amended H.R. 2849 and eliminated the provision which would have returned the duties that had been unjustly collected over the past 2 years. While I am pleased that the House is considering these bills today, I am hopeful that the Senate will reverse this decision to eliminate all retroactive relief.

The need for this legislation results from a nationally publicized case of arson that occurred in 1975. At that time, fire destroyed a rubber plant in Shelton, Conn., which served as the only domestic supplier of natural foam rubber latex. That ended the rationale for a tariff since there was no longer any domestic industry to protect—but the tariff remained.

Today, although the United States still lacks a domestic producer of these goods, duties on foam rubber latex still remain in effect. This situation has imposed a severe hardship on the manufacturers of foam rubber mattresses, since they have no alternative now but to import all of their raw foam rubber blanks at artificially high prices.

This unfortunate situation was first brought to my attention by Mr. Jack Freilicher of Yonkers, N.Y., president of the Rite Foam Sleep Products Corp., a mattress manufacturer severely affected and a constituent. I first introduced H.R. 2849 in the 94th Congress. It was unopposed in hearings in both the House and Senate and received favorable consideration in all departmental reports. While the House ultimately passed the bill, the Senate failed to act on it in the hectic days preceding the adjournment of Congress at the beginning of last October. Since Congress took no final action, Mr. Freilicher was forced to alter his production techniques and began to import latex sheets—in addition to the mattress blanks—since the duty on these materials is substantially lower. As a result, he asked that I also introduce a bill suspending the duty on latex sheets, H.R. 2850. Had the bill passed last year there would be no need now for retroactive provisions.

The function of my original legislation was to suspend the tariff, since the purpose of imposing a duty on imported merchandise is to protect a domestic industry and there was none. My bill this year also called for the return of duties that have been collected over the past 2 years. This was rejected by the committee.

Some of the members of the subcommittee were opposed to retroactivity because they assumed all of the costs of import were passed on to consumers and, therefore, that to return these duties would be a windfall to Mr. Freilicher and the Rite Foam Corp.

During the hearings, Rite Foam Corp. submitted substantial material documenting the fact that the corporation did not pass on the full 15-percent tariff to consumers.

However, this is not the case. Because of the tariff, the proportion of Rite Foam's selling price consumed by the cost of the mattress blank rose from a range of 27 percent to 34 percent in February 1975, before the fire, to a range of 33 percent to 42 percent in June, 1975, when blanks were imported. In other words, the firm demonstrated that it absorbed a loss ranging from 3 percent to 10 percent as a result of the increased cost of the mattress blanks.

In sum, the firm passed on only a portion of the 15-percent tariff to consumers—a small portion. However, the rise in prices caused by the tariff forced sales down. The firm thus lost revenue from both reduced profit per unit and reduced volume. The firm chose to absorb these losses, rather than lose further market position, while it waited for Congress to act and remove the tariff. In the absence of congressional relief, however, Rite Foam could no longer continue to accept such losses. In March 1977, the firm sold out to a larger corporation, G.M.C. Sleeper Products.

I feel very badly about this course of events. I believe that the consumer loses when the demise of another small business increases the concentration in a given market. On a personal level, I empathize with my constituent who suffered huge losses and was forced to sell out and become an employee in a large company. This has not been an easy adjustment for him, and I am very sorry to say that if Congress had acted last year this unhappy outcome might have been avoided.

I would like to point out that Mr. Freilicher and his former partner are still responsible for the debts of the Rite Foam Corp. The retroactive payments are absolutely necessary to compensate Rite Foam for the losses caused by the Federal Government's tariff and to thus protect the firm's creditors.

Economic conditions as they are today make it extremely difficult for many small businesses to operate successfully. It seems inexcusable to me that the Government would allow an obsolete duty to remain in effect and eventually force a small business like Rite Foam out of business. At this point, I only hope the Senate will give more sympathetic consideration to reinstating the retroactive provision of H.R. 2849.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Ohio (Mr. VANIK), that the House suspend the rules and pass the bill H.R. 2850, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to suspend until after the close of June 30, 1978, the duty on certain latex sheets."

A motion to reconsider was laid on the table.

CONTINUE TARIFF SUSPENSION ON SYNTHETIC RUTILE

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3387) to continue until the close of June 30, 1980, the existing suspension of duties on synthetic rutile, as amended.

The Clerk read as follows:

H.R. 3387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) item 911.25 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "6/30/77" and inserting in lieu thereof "6/30/79".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse,, for consumption, after June 30, 1977.

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. VANIK) and the gentleman from Wisconsin (Mr. STEIGER) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 3387 is to suspend until June 30, 1979 the duty on synthetic rutile.

H.R. 3387 was introduced by our colleague, Mr. WAGGONNER of Louisiana.

Synthetic rutile is derived from ilmenite through a process of chemical upgrading. Since natural rutile is much more costly than ilmenite, increasing quantities of synthetic rutile are being produced. Titantium dioxide pigments comprise by far the largest single use of natural and synthetic rutile. At the present time, there is one domestic producer of synthetic rutile but all its present production is consumed internally.

A favorable report was received from the Department of Interior. Reports with no objections were received from the Departments of State, the Treasury, Commerce, and Labor and from the Office of the Special Representatives for Trade Negotiations.

Objection to the continuation of this duty suspension was received from one domestic firm which in January 1977 started domestic production of synthetic rutile. While theoretically that plant has the capacity of increasing production to supply third parties, the plant today only supplies the internal needs of this firm for synthetic rutile. Furthermore, this firm is studying the possibility of constructing another plant which would consume all of the theoretical surplus synthetic rutile production of this plant, thereby rendering all domestic synthetic rutile production captive.

The bill was amended to provide for a termination date of June 30, 1979 rather than June 30, 1980 in order that the domestic synthetic rutile supply available to independent firms can be reviewed at that time to see if the duty suspension is still warranted.

The committee was unanimous in reporting H.R. 3387 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 3387 continuing the temporary suspension of the column 1 duty on synthetic rutile until June 30, 1979.

The manufacture of synthetic rutile involves a complicated chemical process that, while costly, produces a quality substitute that is considerably less expensive than natural rutile. Synthetic rutile currently is used solely in the manufacture of titanium dioxide pigments. However, its use probably will be expanded in the near future to the production of titanium metal, welding rod coatings and other articles where natural rutile is now used.

Imports of synthetic rutile have increased steadily since 1973; and, for the past several years, the column 1 duty has been suspended. Under the Tariff Schedules of the United States, synthetic rutile is subject to a column 1 duty of 7.5 percent ad valorem and a column 2 rate of 30 percent ad valorem. The suspension has served to make domestic importers more competitive in obtaining the scarce resources of both natural and synthetic rutile.

Early this year, a single U.S. company began production of synthetic rutile and expects to make available 110,000 short tons annually. The temporary nature of the suspension will permit a review by Congress in 2 years so that its effect on this company can be evaluated. Continuation of the suspension at this time will result in no additional loss in customs revenues.

Mr. Speaker, the committee heard no objection to enactment of H.R. 3387 from any source and reported the bill unanimously. I urge the House to pass this needed legislation at this time.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman from Wisconsin for yielding to me. I would like to ask a question. I have been watching these bills from the Committee on Ways and Means whisk through, and then I hear that we are also going to get some unanimous-consent requests later. These matters always appear to be brought up under a closed rule and I am somewhat constrained to object to unanimous-consent requests, myself, emanating from the Committee on Ways and Means.

Let me ask, is there really an earth-shaking need for these, or is this merely a ritual that we are required to engage in from time to time?

Mr. STEIGER. Mr. Speaker, if I may respond to my colleague, the gentleman from Ohio (Mr. ASHBROOK), let me say that the answer to the gentleman's question is yes, I believe they are needed. I might add that I am going to talk a little bit on the next bill which is on bicycle parts because it made its way to the front page of the Washington Post this morning. But, let me further add that this is not a ritual. All we are dealing with here are a series of admittedly small, modest problems that arise in the Tariff Code where there are matters that involve say a manufacturing process, or where a waiver is requested because it was in the code in 1962. And as I am sure the gentleman from Ohio knows, that does not get changed very often because we really do not go back and try to redo it. Further, we have not had an adverse statement on this.

Mr. ASHBROOK. I am guessing that that is probably why.

Mr. STEIGER. We did have the Smoot-Hawley Tariff Act the House worked on for a long period in 1934, I believe that took some 4 weeks, or whatever time it was for the Committee on Ways and Means and the House to enact the bill.

What we have here is a suspension. These are not closed rules. If more than one-third are against it, they can force us to go to the Rules Committee and then come back.

We have changed our procedure, this is not the old way it was done. We have hearings on all of them and we have markup sessions on all of them. These meetings are open to the public. Anyone can come in and say a bill may be a good or a bad idea. So this is handled in a very different fashion admittedly than it used to be handled.

Mr. ASHBROOK. Mr. Speaker, if the gentleman will yield further, I thank my friend. This goes a far way in settling the trepidation I have. I see these things go through here and then they go to the Senate and then they come back with nongermane amendments. I am concerned with the process and I am inclined sometimes to object.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I share with the gentleman from Ohio concern about the overuse of the suspension procedure which does result, in effect, in a closed rule. However, if ever we should have a suspension procedure it is on some of these bills. We have sometimes a need to reduce the tariff but not to eliminate it completely because to continue to charge the full tariff or prevent the reduction of a tariff would be simply to add to the price the American people are going to have to pay for a finished product involving this substance. If there is no production of this substance in this country that does not make much sense. However if we were to eliminate the tariff completely in some cases—we will find a factory has been burned and is being rebuilt or something of that sort—we would have to go through a very elaborate procedure to reinstate the tariff. That makes for a great deal of difficulty later on. Also these tariffs become part of a bargaining procedure in the international arena and if we eliminate the tariff completely, those bargaining advantages are lost for that purpose.

The bills that have come up this far are bills that involve suspension on the part of the Ways and Means Committee after hearings. It would be silly to waste a great deal of time on them and to raise the potential for a great deal of amendment.

As to the Senate using these vehicles, that is another matter. There is no way we can control that, and if the other body wishes to they will use these vehicles or they will use something else. That is one of the problems we have and I share the gentleman's concern on this aspect.

It seems to me this procedure is well designed to provide adequate safeguard against abuse. With the types of bills we have today I want to reassure the gentleman there is not any real reason for concern.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield further?

Mr. STEIGER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman from Wisconsin.

I think once in a while it is appropriate for a non-Ways and Means Committee member to ask questions on these bills. I do not ask those questions because of any lack of credibility or any lack of confidence in the committee members. I come from a committee in which the House has virtually no confidence. The House rewrites virtually everything we do. I realize that my mentality may have developed along that line. However, with Ways and Means it seems we underwrite everything that is done and maybe there is a good reason.

However, I think the gentlemen have given me the answer.

Mr. VANIK. Mr. Speaker, we have worked hard in the Trade Subcommittee and in the Ways and Means Committee to weed out of these small bills anything that is not in the national interest. While these bills affect only one small segment of this or that particular industry, they have a cumulative positive impact on the whole economy.

In general, the various bills will benefit the consumer and will also enable American companies to make products here in the United States or compete with foreign products or in some other way maintain employment or provide a service.

We have spent some 5 days in public hearings and markup on these bills. We considered 43 bills but only ordered reported 22 bills, and 19 of those were amended. We have tried to be very selective and careful in handling our work.

Mr. STEIGER. Mr. Speaker, I thank both my colleagues from Ohio and my colleague from New York.

The question asked by the gentleman from Ohio (Mr. ASHBROOK) is a good one and it is worth considering and noting before we complete these bills.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill (H.R. 3387), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to continue until the close of June 30, 1979, the existing suspension of duty on synthetic rutile."

A motion to reconsider was laid on the table.

SUSPEND TARIFFS ON CERTAIN BICYCLE PARTS

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5263) to suspend until the close of June 30, 1979, the duty on certain bicycle parts, as amended.

The clerk read as follows:

H.R. 5263

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) item 912.05 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by inserting ", and parts thereof" immediately after "Generator lighting sets for bicycles"; and

(2) by striking out "12/31/76" and inserting in lieu thereof "6/30/80".

(b) Item 912.10 of the Appendix to such Schedules is amended to read as follows:

"912.10	Caliper brakes, drum brakes, coaster brakes, three-speed hubs incorporating coaster brakes, three-speed hubs not incorporating coaster brakes, click twist grips, click stick levers, multiple free wheel sprockets, cotterless type crank sets, rims, parts of all the foregoing, and parts of bicycles consisting of sets of steel tubing cut to exact length and each set having the number of tubes needed for the assembly (with other parts) into the frame and fork of one bicycle (provided for in item 732.36, part 5C, schedule 7)	Free	No change	On or before 6/30/80".

SEC. 2. (a) The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, the entry or withdrawal of any article (other than any derailleur) to which item 912.05 or 912.10 of the Tariff Schedules of the United States (as in effect on December 31, 1976) applied and—

(1) which was made after December 31, 1976, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if any of the amendments made by the first section of this Act applied to such entry or withdrawal,

shall notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. VANIK) and the gentleman from Wisconsin (Mr. STEIGER) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 5263 is to continue from December 31, 1976, to June 30, 1980, the duty suspension on certain bicycle parts.

H.R. 5263 was introduced by our colleague, Mr. ROSTENKOWSKI, of Illinois.

The basic purpose of the duty suspension is to improve the ability of domestic producers to compete with foreign bicycle manufacturers by reducing the landed cost of certain imported bicycle parts and accessories which are not available from domestic sources. The great bulk of imported bicycles are subject to rates of duty substantially lower than the parts covered by the duty suspension.

Favorable reports were received from the Departments of Commerce, Labor, and the Treasury. A report with no objection was received from the Department of State.

Technical amendments were made to make the bill effective from the date of enactment with a provision for liquidation or reliquidation of entries prior to enactment but after December 31, 1976, the date the prior suspension expired. The duty suspension termination date was amended to June 30, 1980, from June 30, 1979, in order to provide a common expiration date for most of the duty suspension bills acted upon by the committee.

The committee was unanimous in reporting H.R. 5263 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in this morning's Washington Post there is a George Lardner story on what the Post headline writer has called "The Summertime Santas." They are these trade bills that the House is now dealing with. Thus, I would like to take a couple minutes just to talk a little about this problem, because I think the Post story, frankly, is very wrong and mischievous in terms of what has happened in the House and, I think, also in the Senate in how we handle these bills.

The bill now before us, H.R. 5263, extends the suspension of the column 1 duties on certain bicycle parts and accessories from December 31, 1976, until June 30, 1980.

Although a temporary suspension on bicycle parts has been passed over the last couple years, it was allowed to expire in December 1976. H.R. 5263 reinstates the suspension and makes certain additions to the definition of bicycle parts to which the suspension applied. Further, it removes the suspension on derailleurs. Column 2 duties, as in the past, would remain unchanged.

The suspension previously covered derailleurs, caliper brakes, drum brakes, certain hubs, grips, click stick levers, and multiple freewheel sprockets. News items to be included under the suspension would be generator lighting sets for bicycles, coaster brakes, alloy-butted frame tubing, frame logs, alloyed cotterless wrench sets and alloyed rims. None of these items currently are produced in the United States.

I might inject at this point, I will take time to read the speech, because I do not want our Post friends to say we did not adequately discuss this bill.

The whole point is that we changed the procedures in the Committee on Ways and Means as a result of some pressure from our colleagues; if I remember correctly, the gentleman from Texas (Mr. PATMAN) and the gentleman from Wisconsin (Mr. ASPIN) who objected to the way we used to do business.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. STEIGER. Of course.

Mr. VANIK. I just note that there is not a newsman in the gallery.

Mr. STEIGER. Well, I cannot refer to other sections of the House Chamber, so I will not, but perhaps George Lardner will run down at some point and read the RECORD.

But, as a result of the pressures of Ralph Nader and Members of the House, we changed our procedures. We now set the bills for hearings. We have a public hearing and we allow anybody who wants to do so to come in and testify. We come in and mark the bill up in public and report it out. In this case, it was a unanimous vote in spite of the fact that there is opposition to the bill from, for example, the imported bicycle people. They would like to continue to have an advantage over domestic bicycle manufacturers. That is the whole issue that is involved in this bill.

Current tariff schedules reflect a duty of between 5.5 and 11 percent ad valorem on finished bicycles and a 15 to 19 percent ad valorem duty on bicycle parts. As a consequence, imported bicycles have increased their share of the market in this country by between 18 and 28 percent. Until this discrepancy in duty rates can be rectified, the suspension is necessary to secure the competitive position of domestic bicycle manufacturers who must import certain parts and accessories.

Therefore, Mr. Speaker, I think the bill is a good bill, and corrects what would otherwise be a disadvantageous position for the domestic bicycle industry. I urge its adoption.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for yielding to me. The gentleman makes a very excellent case for the bill.

He said something about Ralph Nader. I only want the record to show that the concerns I have expressed on these bills, the Ways and Means Committee and on procedure, are in no way reflected by any degree of appreciation support, concern or feelings I might have toward Ralph Nader or any response to any thought he might have. They are entirely my own.

Mr. STEIGER. I recognize the gentleman's feelings. I just thought it would be interesting if we had the Ashbrook-

Nader coalition. I did not know whether that did a disservice to both or either of them.

Mr. CONTE. Mr. Speaker, I rise in support of H.R. 5263, which would suspend until June 30, 1979, the duty on certain bicycle parts.

As you know, this is the centennial year of the American bicycle industry. However, the celebration has not been a very joyous one. From 1965 to 1974 imports of foreign-manufactured bicycles have increased their share of the domestic market from 18 percent to 28 percent. The American manufacturers are finding it increasingly hard to compete with lower priced imports.

The purpose of this duty suspension is to improve the ability of domestic producers to compete with foreign bicycle manufacturers by reducing the cost of certain imported bicycle parts and accessories which are not available from American suppliers.

Columbia Manufacturing Co., which is in my district, is one of the oldest bicycle manufacturers in the country. It has been severely hurt by the high import duties on bicycle parts. What is happening at Columbia is simply representative of what is happening in the bicycle manufacturing industry in general. This trend must be abated before we see more unemployment in the bicycle industry.

This bill provides no special preference for the bicycle industry. It simply tries to give them a fair chance to compete with foreign imports which are presently subjected to a very low duty.

This bill was unanimously reported favorably by the Ways and Means Committee. It received favorable reports from the Departments of Commerce, Labor, and Treasury. I urge its adoption today.

Thank you.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill H.R. 5263, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to suspend until the close of June 30, 1980, the duty on certain bicycle parts."

A motion to reconsider was laid on the table.

TARIFF TREATMENT OF FILM, STRIPS, SHEETS, AND PLATES OF CERTAIN PLASTICS OR RUBBER

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5285) to amend the Tariff Schedules of the United States with respect to the tariff treatment accorded to sheets manufactured from acrylic resin materials, as amended.

The Clerk read as follows:

That subpart B of part 12 of schedule 7 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "otherwise processed" in headnote 2(iv)(D) and inserting in lieu thereof "otherwise usefully processed".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this act.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second?

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

The Speaker pro tempore. The gentleman from Ohio (Mr. VANIK) and the gentleman from New York (Mr. CONABLE) are recognized for 20 minutes each.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 5285 is to clarify a headnote of the Tariff Schedules of the United States to insure that acrylic sheet shall be classified as "processed" only if the processing is related to a commercial purpose.

H.R. 5285 was introduced by our colleague, Mr. LEDERER of Pennsylvania.

Some importers have developed a practice of drilling superfluous holes in the excess border of nonflexible acrylic sheet. This practice results in such sheet being classified as "processed" and enjoying a lower rate of duty. This practice was initially disapproved by the Customs Service but that decision was reversed by the Treasury Department. The committee agreed that the "processed" classification should apply only to useful processing which is related to a commercial purpose rather than superfluous processing done only to enjoy a lower rate of duty.

Reports with objections to H.R. 5285 were received from the Departments of Commerce, State, and the Treasury. They characterized the original bill as an attempt to unilaterallly raise duty on the articles which would be in violation of our GATT obligations.

In view of those objections, the bill was amended to delete the proposed new TSUS item which would have made all imports of unprocessed film, strips, sheets, and plates of acrylic resin, regardless of whether flexible or nonflexible, dutiable at the higher duty rate now applicable only to nonflexible unprocessed sheets.

The bill, as amended, is, therefore, solely directed at reversing the Treasury practice of permitting imports of acrylic resin sheets to be classified at the lower rate of duty by reason of processing unrelated to a useful purpose. Such a legislated change in Customs practice is consistent with U.S. obligations under the articles of the GATT since, in the view of the committee, approval of H.R. 5285, as amended, carries out the original intent of the Congress in enacting the Tariff Classification Act of 1962 under which the Tariff Schedules of the United States was established.

The committee was unanimous in reporting H.R. 5285 as amended, and I urge its passage.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 5285 which amends the Tariff Schedules of the United States with respect to the treatment of sheets manufactured from acrylic resin.

Currently, perfunctory improvements, such as holes drilled along the sides, will allow imported sheets made from acrylic resin more favorable treatment than those without such improvements. It has been alleged that improvements are made with no functional purpose in order to enjoy a lower duty.

Plain acrylic sheets are now classified in a manner that subject them to a column 1 duty of 8.5-percent per pound and a column 2 duty of 50-cents per pound. Improved sheets are classified differently and have a lower column 1 duty of 8.5-percent ad valorem and a column 2 duty of 80-percent ad valorem.

H.R. 5285 would amend the tariff schedules so that acrylic resin sheets, in order to receive a lower rate of duty as an improved product, must have been improved "for a useful commercial purpose." This would prevent superfluous modification of these sheets for the sole purpose of gaining more favorable tariff treatment.

Mr. Speaker, H.R. 5285 was reported unanimously by the committee. It is estimated to generate a revenue gain of approximately $200,000. I recommend passage by the House at this time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill H.R. 5285, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Tariff Schedules of the United States with respect to the tariff treatment accorded to film, strips, sheets, and plates of certain plastics or rubber.".

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 6936, by the yeas and nays;

House Joint Resolution 372, by the yeas and nays;

H.R. 7012, by the yeas and nays;

H.R. 2387, by the yeas and nays;

H.R. 6974, by the yeas and nays;

H.R. 6975, by the yeas and nays; and

H.R. 4319, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

FEDERAL ELECTION COMMISSION

The SPEAKER pro tempore. The unfinished business is the question of sus-

pending the rules and passing the bill H.R. 6936.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON) that the House suspend the rules and pass the bill H.R. 6936, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 383, nays 22, not voting 28, as follows:

[Roll No. 424]

YEAS—383

Abdnor	Coughlin	Huckaby
Addabbo	Cunningham	Hughes
Akaka	D'Amours	Hyde
Alexander	Daniel, Dan	Ichord
Allen	Daniel, R. W.	Ireland
Ambro	Danielson	Jacobs
Ammerman	Davis	Jeffords
Anderson, Calif.	de la Garza	Jenkins
	Delaney	Jenrette
Anderson, Ill.	Dellums	Johnson, Calif.
Andrews, N.C.	Derwinski	Johnson, Colo.
Andrews, N. Dak.	Devine	Jones, N.C.
	Dicks	Jones, Okla.
Annunzio	Dingell	Jones, Tenn.
Applegate	Dodd	Jordan
Archer	Downey	Kasten
Ashley	Drinan	Kastenmeier
Aspin	Duncan, Oreg.	Kazen
AuCoin	Duncan, Tenn.	Kelly
Bafalis	Early	Kemp
Baldus	Eckhardt	Ketchum
Barnard	Edgar	Keys
Baucus	Edwards, Ala.	Kildee
Beard, R.I.	Edwards, Calif.	Kostmayer
Beard, Tenn.	Eilberg	Krebs
Bedell	Emery	Krueger
Beilenson	English	LaFalce
Benjamin	Erlenborn	Lagomarsino
Bennett	Ertel	Latta
Bevill	Evans, Colo.	Le Fante
Bingham	Evans, Del.	Leach
Blanchard	Evans, Ga.	Lederer
Blouin	Evans, Ind.	Leggett
Boggs	Fary	Lehman
Boland	Fascell	Lent
Bolling	Findley	Levitas
Bonior	Fish	Lloyd, Calif.
Bonker	Fisher	Lloyd, Tenn.
Bowen	Fithian	Long, La.
Breaux	Flood	Long, Md.
Breckinridge	Florio	Lott
Brinkley	Flowers	Lujan
Brodhead	Flynt	Luken
Brooks	Ford, Mich.	Lundine
Broomfield	Ford, Tenn.	McClory
Brown, Calif.	Forsythe	McCloskey
Brown, Mich.	Fowler	McCormack
Brown, Ohio	Fraser	McDade
Broyhill	Frenzel	McEwen
Buchanan	Frey	McFall
Burgener	Fuqua	McHugh
Burke, Calif.	Gammage	McKay
Burke, Fla.	Gaydos	Madigan
Burleson, Tex.	Gephardt	Maguire
Burlison, Mo.	Giaimo	Mahon
Burton, John	Gibbons	Mann
Burton, Phillip	Gilman	Markey
Butler	Ginn	Marks
Byron	Glickman	Marlenee
Caputo	Goldwater	Martin
Carney	Gonzalez	Mattox
Carr	Goodling	Mazzoli
Carter	Gore	Meeds
Cavanaugh	Gradison	Metcalfe
Cederberg	Grassley	Meyner
Chappell	Guyer	Mikulski
Chisholm	Hagedorn	Mikva
Clausen, Don H.	Hall	Milford
	Hamilton	Miller, Calif.
Clay	Hanley	Miller, Ohio
Cleveland	Hannaford	Mineta
Cochran	Harkin	Minish
Cohen	Harrington	Mitchell, Md.
Coleman	Harris	Mitchell, N.Y.
Collins, Ill.	Hawkins	Moakley
Conable	Heckler	Moffett
Conte	Hefner	Mollohan
Conyers	Heftel	Montgomery
Corcoran	Hightower	Moore
Corman	Hillis	Moorhead, Calif.
Cornell	Hollenbeck	
Cornwell	Holtzman	Moorhead, Pa.
Cotter	Hubbard	Moss
Mottl	Robinson	Studds
Murphy, Ill.	Rodino	Taylor
Murphy, Pa.	Roe	Thompson
Murtha	Rogers	Thone
Myers, Gary	Rooney	Thornton
Myers, John	Rose	Traxler
Myers, Michael	Rosenthal	Treen
Natcher	Rostenkowski	Trible
Neal	Roybal	Tsongas
Nedzi	Rudd	Tucker
Nichols	Runnels	Udall
Nix	Ruppe	Ullman
Nolan	Russo	Van Deerlin
Nowak	Ryan	Vander Jagt
O'Brien	Santini	Vanik
Oakar	Sarasin	Vento
Oberstar	Satterfield	Volkmer
Obey	Sawyer	Waggonner
Ottinger	Scheuer	Walgren
Panetta	Schroeder	Walker
Patten	Schulze	Wampler
Pattison	Sebelius	Watkins
Pease	Sharp	Waxman
Pepper	Shipley	Weaver
Perkins	Shuster	Weiss
Pettis	Sikes	Whalen
Pickle	Simon	White
Pike	Sisk	Whitehurst
Poage	Skelton	Whitley
Pressler	Slack	Whitten
Preyer	Smith, Iowa	Wilson, Bob
Price	Smith, Nebr.	Wilson, C. H.
Pritchard	Snyder	Winn
Pursell	Solarz	Wirth
Quie	Spellman	Wolff
Quillen	Spence	Wright
Rahall	St Germain	Wydler
Railsback	Staggers	Wylie
Rangel	Stangeland	Yates
Regula	Stanton	Yatron
Reuss	Stark	Young, Alaska
Rhodes	Steed	Young, Fla.
Richmond	Steers	Young, Mo.
Rinaldo	Stockman	Young, Tex.
Risenhoover	Stokes	Zablocki
Roberts	Stratton	Zeferetti

NAYS—22

Armstrong	Fountain	Michel
Ashbrook	Hammer-schmidt	Quayle
Badham		Rousselot
Bauman	Hansen	Steiger
Clawson, Del	Holt	Stump
Collins, Tex.	Kindness	Symms
Dornan	McDonald	Walsh
Edwards, Okla.	Mathis	

NOT VOTING—28

Badillo	Flippo	Murphy, N.Y.
Biaggi	Foley	Patterson
Brademas	Gudger	Roncalio
Burke, Mass.	Harsha	Seiberling
Crane	Holland	Skubitz
Dent	Horton	Teague
Derrick	Howard	Wiggins
Dickinson	Koch	Wilson, Tex.
Diggs	McKinney	
Fenwick	Marriott	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Ms. Fenwick.

Mr. Dent with Mr. Marriott.

Mr. Brademas with Mr. Wiggins.

Mr. Biaggi with Mr. Flippo.

Mr. Murphy of New York with Mr. McKinney.

Mr. Howard with Mr. Skubitz.

Mr. Badillo with Mr. Crane.

Mr. Koch with Mr. Dickinson.

Mr. Foley with Mr. Harsha.

Mr. Charles Wilson of Texas with Mr. Horton.

Mr. Teague with Mr. Diggs.

Mr. Roncalio with Mr. Patterson of California.

Mr. Seiberling with Mr. Gudger.

Mr. BADHAM changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 1435) to authorize appropriations for the Federal Election Commission for fiscal year 1978.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 319 of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "and" after "September 30, 1976,", and

(2) by inserting after "September 30, 1977" a comma and the following: "and $7,500,000 for the fiscal year ending September 30, 1978".

MOTION OFFERED BY MR. THOMPSON

Mr. THOMPSON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMPSON moves to strike out all after the enacting clause of the Senate bill S. 1435 and to insert in lieu thereof the provisions of H.R. 6936, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To amend the Federal Election Campaign Act of 1971 to extend the authorization of appropriations contained in such Act."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 6936) was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rule on which the Chair has postponed further proceedings.

NATIONAL FAMILY WEEK

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 372), as amended.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 372), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 400, nays 3,

answered "present" 1, not voting 29, as follows:

[Roll No. 425]

YEAS—400

Abdnor	Derwinski	Kazen
Addabbo	Devine	Kelly
Akaka	Dicks	Ketchum
Alexander	Dingell	Keys
Allen	Dodd	Kildee
Ambro	Dornan	Kindness
Ammerman	Downey	Kostmayer
Anderson, Calif.	Drinan	Krebs
	Duncan, Oreg.	Krueger
Anderson, Ill.	Duncan, Tenn.	LaFalce
Andrews, N.C.	Early	Lagomarsino
Andrews, N. Dak.	Eckhardt	Latta
	Edgar	Le Fante
Annunzio	Edwards, Ala.	Leach
Applegate	Edwards, Calif.	Lederer
Archer	Edwards, Okla.	Leggett
Armstrong	Eilberg	Lehman
Ashbrook	Emery	Lent
Aspin	English	Levitas
AuCoin	Erlenborn	Lloyd, Calif.
Badham	Ertel	Lloyd, Tenn.
Bafalis	Evans, Colo.	Long, La.
Baldus	Evans, Del.	Long, Md.
Barnard	Evans, Ga.	Lott
Baucus	Evans, Ind.	Lujan
Bauman	Fary	Luken
Beard, R.I.	Fascell	Lundine
Beard, Tenn.	Findley	McClory
Bedell	Fish	McCloskey
Beilenson	Fisher	McCormack
Benjamin	Fithian	McDade
Bennett	Flood	McDonald
Bevill	Florio	McEwen
Bingham	Flowers	McFall
Blanchard	Flynt	McHugh
Blouin	Ford, Mich.	McKay
Boggs	Ford, Tenn.	Madigan
Boland	Forsythe	Maguire
Bolling	Fountain	Mahon
Bonior	Fowler	Mann
Bonker	Fraser	Markey
Bowen	Frenzel	Marks
Breaux	Frey	Marlenee
Breckinridge	Fuqua	Martin
Brinkley	Gammage	Mathis
Brodhead	Gaydos	Mattox
Brooks	Gephardt	Mazzoli
Broomfield	Giaimo	Meeds
Brown, Calif.	Gibbons	Metcalfe
Brown, Mich.	Gilman	Meyner
Brown, Ohio	Ginn	Michel
Broyhill	Glickman	Mikulski
Buchanan	Goldwater	Mikva
Burgener	Gonzalez	Milford
Burke, Calif.	Goodling	Miller, Calif.
Burke, Fla.	Gore	Miller, Ohio
Burleson, Tex.	Gradison	Mineta
Burlison, Mo.	Grassley	Minish
Burton, John	Gudger	Mitchell, Md.
Burton, Phillip	Guyer	Mitchell, N.Y.
Butler	Hagedorn	Moakley
Byron	Hall	Moffett
Caputo	Hamilton	Mollohan
Carney	Hammer-schmidt	Montgomery
Carr		Moore
Carter	Hanley	Moorhead, Calif.
Cavanaugh	Hannaford	
Cederberg	Hansen	Moorhead, Pa.
Chappell	Harkin	Moss
Chisholm	Harris	Motti
Clausen, Don H.	Hawkins	Murphy, Ill.
	Heckler	Murphy, Pa.
Clawson, Del	Hefner	Murtha
Clay	Heftel	Myers, John
Cleveland	Hightower	Myers, Michael
Cochran	Hillis	Natcher
Cohen	Hollenbeck	Neal
Coleman	Holt	Nedzi
Collins, Ill.	Holtzman	Nichols
Collins, Tex.	Horton	Nix
Conable	Hubbard	Nolan
Conte	Huckaby	Nowak
Conyers	Hughes	O'Brien
Corcoran	Hyde	Oakar
Corman	Ichord	Oberstar
Cornell	Ireland	Obey
Cornwell	Jacobs	Panetta
Cotter	Jeffords	Patten
Coughlin	Jenkins	Pattison
Cunningham	Jenrette	Pease
D'Amours	Johnson, Calif.	Pepper
Daniel, Dan	Johnson, Colo.	Perkins
Daniel, R. W.	Jones, N.C.	Pettis
Danielson	Jones, Okla.	Pickle
Davis	Jones, Tenn.	Poage
de la Garza	Jordan	Pressler
Delaney	Kasten	Preyer
Dellums	Kastenmeier	Price
Pritchard	Sharp	Udall
Pursell	Shipley	Ullman
Quayle	Shuster	Van Deerlin
Quie	Sikes	Vander Jagt
Quillen	Simon	Vanik
Rahall	Sisk	Vento
Railsback	Skelton	Volkmer
Rangel	Slack	Waggonner
Regula	Smith, Iowa	Walgren
Reuss	Smith, Nebr.	Walker
Rhodes	Snyder	Walsh
Rinaldo	Solarz	Wampler
Risenhoover	Spellman	Watkins
Roberts	Spence	Waxman
Robinson	St Germain	Weaver
Rodino	Staggers	Weiss
Roe	Stangeland	Whalen
Rogers	Stanton	White
Rooney	Stark	Whitehurst
Rose	Steed	Whitley
Rosenthal	Steers	Whitten
Rostenkowski	Steiger	Wilson, Bob
Rousselot	Stockman	Wilson, C. H.
Roybal	Stokes	Winn
Rudd	Stratton	Wirth
Runnels	Studds	Wolff
Ruppe	Stump	Wright
Russo	Symms	Wydler
Ryan	Taylor	Wylie
Santini	Thompson	Yates
Sarasin	Thone	Yatron
Satterfield	Thornton	Young, Alaska
Sawyer	Traxler	Young, Fla.
Scheuer	Treen	Young, Mo.
Schroeder	Trible	Young, Tex.
Schulze	Tsongas	Zablocki
Sebelius	Tucker	Zeferetti

NAYS—3

Myers, Gary	Ottinger	Pike

ANSWERED "PRESENT"—1

Harrington

NOT VOTING—29

Ashley	Fenwick	Murphy, N.Y.
Badillo	Flippo	Patterson
Biaggi	Foley	Richmond
Brademas	Harsha	Roncalio
Burke, Mass.	Holland	Seiberling
Crane	Howard	Skubitz
Dent	Kemp	Teague
Derrick	Koch	Wiggins
Dickinson	McKinney	Wilson, Tex.
Diggs	Marriott	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Ms. Fenwick.

Mr. Brademas with Mr. Kemp.

Mr. Teague with Mr. Marriott.

Mr. Biaggi with Mr. Wiggins.

Mr. Richmond with Mr. Skubitz.

Mr. Patterson of California with Mr. McKinney.

Mr. Murphy of New York with Mr. Harsha.

Mr. Foley with Mr. Crane.

Mr. Badillo with Mr. Dickinson.

Mr. Howard with Mr. Holland.

Mr. Koch with Mr. Flippo.

Mr. Dent with Mr. Charles Wilson of Texas.

Mr. Roncalio with Mr. Seiberling.

Mr. Diggs with Mr. Ashley.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "Joint Resolution to authorize the President to issue a proclamation designating the week beginning on November 20, 1977 as 'National Family Week.'".

A motion to reconsider was laid on the table.

AGRICULTURAL CENSUS AMENDMENTS ACT OF 1977

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 7012, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the bill, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 401, nays 9, not voting 23, as follows:

[Roll No. 426]

YEAS—401

Abdnor	Cotter	Heckler
Addabbo	Coughlin	Hefner
Akaka	Cunningham	Heftel
Alexander	D'Amours	Hightower
Allen	Daniel, Dan	Hillis
Ambro	Daniel, R. W.	Hollenbeck
Ammerman	Danielson	Holt
Anderson, Calif.	Davis	Holtzman
	de la Garza	Horton
Anderson, Ill.	Delaney	Hubbard
Andrews, N.C.	Dellums	Huckaby
Andrews, N. Dak.	Derwinski	Hughes
	Devine	Hyde
Annunzio	Dicks	Ichord
Applegate	Diggs	Ireland
Archer	Dingell	Jacobs
Armstrong	Dodd	Jeffords
Ashbrook	Dornan	Jenkins
Ashley	Downey	Jenrette
Aspin	Drinan	Johnson, Calif.
AuCoin	Duncan, Oreg.	Johnson, Colo.
Badham	Duncan, Tenn.	Jones, N.C.
Bafalis	Early	Jones, Okla.
Barnard	Eckhardt	Jones, Tenn.
Baucus	Edgar	Jordan
Bauman	Edwards, Ala.	Kasten
Beard, R.I.	Edwards, Calif.	Kastenmeier
Beard, Tenn.	Edwards, Okla.	Kazen
Bedell	Eilberg	Kelly
Benjamin	Emery	Kemp
Bennett	English	Ketchum
Bevill	Erlenborn	Keys
Bingham	Ertel	Kildee
Blanchard	Evans, Del.	Kindness
Boggs	Evans, Ga.	Kostmayer
Boland	Evans, Ind.	Krebs
Bolling	Fary	Krueger
Bonior	Fascell	LaFalce
Bonker	Fenwick	Lagomarsino
Bowen	Findley	Latta
Breaux	Fish	Le Fante
Breckinridge	Fisher	Leach
Brinkley	Fithian	Lederer
Brodhead	Flood	Leggett
Brooks	Florio	Lehman
Broomfield	Flowers	Lent
Brown, Calif.	Flynt	Levitas
Brown, Mich.	Foley	Lloyd, Calif.
Brown, Ohio	Ford, Mich.	Lloyd, Tenn.
Broyhill	Ford, Tenn.	Long, La.
Buchanan	Forsythe	Long, Md.
Burgener	Fountain	Lott
Burke, Calif.	Fowler	Lujan
Burke, Fla.	Fraser	Luken
Burleson, Tex.	Frenzel	Lundine
Burlison, Mo.	Frey	McClory
Burton, John	Fuqua	McCloskey
Burton, Phillip	Gammage	McCormack
Butler	Gaydos	McDade
Byron	Gephardt	McDonald
Caputo	Giaimo	McEwen
Carney	Gibbons	McFall
Carr	Gilman	McHugh
Carter	Ginn	McKay
Cavanaugh	Glickman	Madigan
Cederberg	Goldwater	Maguire
Chappell	Gonzalez	Mahon
Chisholm	Goodling	Mann
Clausen, Don H.	Gore	Markey
	Gradison	Marks
Clawson, Del	Grassley	Marlenee
Clay	Gudger	Martin
Cleveland	Guyer	Mathis
Cochran	Hagedorn	Mattox
Cohen	Hamilton	Mazzoli
Coleman	Hammer-schmidt	Meeds
Collins, Ill.		Metcalfe
Collins, Tex.	Hanley	Meyner
Conable	Hannaford	Michel
Conte	Hansen	Mikulski
Conyers	Harkin	Mikva
Corcoran	Harrington	Milford
Corman	Harris	Miller, Calif.
Cornell	Harsha	Miller, Ohio
Cornwell	Hawkins	Mineta

Minish	Regula	Stratton
Mitchell, Md.	Reuss	Studds
Mitchell, N.Y.	Rhodes	Stump
Moakley	Richmond	Symms
Moffett	Rinaldo	Taylor
Mollohan	Risenhoover	Thompson
Montgomery	Robinson	Thone
Moore	Rodino	Thornton
Moorhead, Calif.	Roe	Traxler
	Rogers	Treen
Moorhead, Pa.	Rooney	Trible
Moss	Rose	Tsongas
Mottl	Rosenthal	Tucker
Murphy, Ill.	Rostenkowski	Udall
Murphy, Pa.	Rousselot	Ullman
Murtha	Roybal	Van Deerlin
Myers, John	Rudd	Vander Jagt
Myers, Michael	Runnels	Vanik
Natcher	Ruppe	Vento
Neal	Russo	Volkmer
Nedzi	Santini	Waggonner
Nichols	Sarasin	Walgren
Nix	Satterfield	Walker
Nolan	Sawyer	Walsh
Nowak	Scheuer	Wampler
O'Brien	Schroeder	Watkins
Oakar	Schulze	Waxman
Oberstar	Sebelius	Weaver
Obey	Sharp	Weiss
Ottinger	Shipley	Whalen
Panetta	Shuster	White
Patten	Sikes	Whitehurst
Pattison	Simon	Whitley
Pease	Sisk	Whitten
Pepper	Skelton	Wilson, Bob
Perkins	Slack	Wilson, C. H.
Pettis	Smith, Nebr.	Winn
Pickle	Snyder	Wirth
Pike	Solarz	Wolff
Poage	Spellman	Wright
Pressler	Spence	Wydler
Preyer	St Germain	Wylie
Price	Staggers	Yatron
Pritchard	Stangeland	Young, Alaska
Pursell	Stanton	Young, Fla.
Quayle	Stark	Young, Mo.
Quie	Steed	Young, Tex.
Quillen	Steers	Zablocki
Rahall	Steiger	Zeferetti
Railsback	Stockman	
Rangel	Stokes	

NAYS—9

Baldus	Evans, Colo.	Ryan
Bellenson	Hall	Smith, Iowa
Blouin	Myers, Gary	Yates

NOT VOTING—23

Badillo	Flippo	Roberts
Biaggi	Holland	Roncalio
Brademas	Howard	Seiberling
Burke, Mass.	Koch	Skubitz
Crane	McKinney	Teague
Dent	Marriott	Wiggins
Derrick	Murphy, N.Y.	Wilson, Tex.
Dickinson	Patterson	

The Clerk announced the following pairs:

Mr. Burke of Massaschusetts with Mr. Derrick.

Mr. Biaggi with Mr. Marriott.

Mr. Brademas with Mr. Wiggins.

Mr. Dent with Mr. Skubitz.

Mr. Teague with Mr. McKinney.

Mr. Howard with Mr. Dickinson.

Mr. Koch with Mr. Roberts.

Mr. Badillo with Mr. Patterson of California.

Mr. Roncalio with Mr. Flippo.

Mr. Murphy of New York with Mr. Holland.

Mr. Seiberling with Mr. Charles Wilson of Texas.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SALARY ADJUSTMENTS FOR OMB DIRECTOR AND DEPUTY

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 2387, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Mrs. SCHROEDER) that the House suspend the rules and pass the bill, H.R. 2387, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 253, nays 158, not voting 22, as follows:

[Roll No. 427]

YEAS—253

Addabbo	Fuqua	Nix
Akaka	Gammage	Nolan
Alexander	Gaydos	Nowak
Allen	Gephardt	O'Brien
Ammerman	Giaimo	Oberstar
Andrews, N.C.	Gibbons	Obey
Annunzio	Gilman	Ottinger
Applegate	Ginn	Patten
Archer	Goldwater	Pattison
Armstrong	Gonzalez	Pepper
Ashley	Goodling	Perkins
Aspin	Gradison	Pettis
Bafalis	Hamilton	Pickle
Barnard	Hammer-schmidt	Preyer
Beard, R.I.		Price
Beard, Tenn.	Hanley	Pritchard
Bellenson	Hannaford	Quie
Benjamin	Harrington	Quillen
Bennett	Harris	Rangel
Bevill	Harsha	Regula
Bingham	Hawkins	Rhodes
Blanchard	Hefner	Rinaldo
Boggs	Heftel	Risenhoover
Boland	Hightower	Rodino
Bolling	Hollenbeck	Roe
Bonker	Horton	Rogers
Breaux	Hubbard	Rooney
Breckinridge	Hughes	Rose
Brinkley	Hyde	Rosenthal
Brooks	Ireland	Rostenkowski
Brown, Mich.	Jenkins	Rousselot
Broyhill	Jenrette	Roybal
Buchanan	Johnson, Calif.	Ruppe
Burgener	Johnson, Colo.	Russo
Burlison, Mo.	Jones, Okla.	Ryan
Burton, John	Jordan	Sarasin
Burton, Phillip	Kastenmeier	Schroeder
Butler	Kazen	Sharp
Carney	Kemp	Shuster
Carr	Kindness	Sikes
Cavanaugh	Krebs	Simon
Cederberg	LaFalce	Sisk
Cohen	Le Fante	Skelton
Conable	Leach	Slack
Conte	Lederer	Smith, Iowa
Corcoran	Leggett	Solarz
Corman	Lehman	Spellman
Cornell	Levitas	Spence
Cornwell	Lloyd, Calif.	St Germain
Coughlin	Long, La.	Stanton
Daniel, Dan	Lundine	Stark
Davis	McClory	Steed
de la Garza	McCloskey	Steers
Delaney	McCormack	Steiger
Dellums	McEwen	Stockman
Derwinski	McFall	Studds
Dicks	McHugh	Thornton
Diggs	McKay	Treen
Downey	Mahon	Tsongas
Early	Mann	Tucker
Eckhardt	Markey	Udall
Edgar	Marks	Ullman
Edwards, Ala.	Mathis	Van Deerlin
Edwards, Calif.	Mattox	Vander Jagt
Emery	Meeds	Vanik
Evans, Colo.	Metcalfe	Vento
Evans, Del.	Meyner	Waggonner
Evans, Ga.	Michel	Walgren
Fary	Mikva	Wampler
Fascell	Milford	Waxman
Fenwick	Miller, Ohio	Weiss
Findley	Mineta	Whalen
Fish	Minish	White
Fisher	Moakley	Whitehurst
Flood	Mollohan	Wilson, Bob
Flowers	Moore	Wilson, C. H.
Foley	Moorhead, Pa.	Wirth
Ford, Mich.	Murphy, Ill.	Wolff
Forsythe	Murtha	Wright
Fountain	Myers, Gary	Wydler
Fowler	Myers, Michael	Wylie
Fraser	Natcher	Yates
Frenzel	Nedzi	Young, Alaska
Young, Fla.	Young, Tex.	Zeferetti
Young, Mo.	Zablocki	

NAYS—158

Abdnor	Erlenborn	Montgomery
Ambro	Ertel	Moorhead, Calif.
Anderson, Calif.	Evans, Ind.	
	Fithian	Moss
Anderson, Ill.	Florio	Mottl
Andrews, N. Dak.	Flynt	Murphy, Pa.
	Ford, Tenn.	Myers, John
Ashbrook	Frey	Neal
AuCoin	Glickman	Nichols
Badham	Gore	Oakar
Baldus	Grassley	Panetta
Baucus	Gudger	Pease
Bauman	Guyer	Pike
Bedell	Hagedorn	Poage
Blouin	Hall	Pressler
Bonior	Hansen	Pursell
Bowen	Harkin	Quayle
Brodhead	Heckler	Rahall
Broomfield	Hillis	Railsback
Brown, Calif.	Holt	Reuss
Brown, Ohio	Holtzman	Richmond
Burke, Calif.	Huckaby	Roberts
Burke, Fla.	Ichord	Robinson
Burleson, Tex.	Jacobs	Rudd
Byron	Jeffords	Runnels
Caputo	Jones, N.C.	Santini
Carter	Jones, Tenn.	Satterfield
Chappell	Kasten	Sawyer
Chisholm	Kelly	Scheuer
Clausen, Don H.	Ketchum	Schulze
	Keys	Sebelius
Clawson, Del	Kildee	Shipley
Clay	Kostmayer	Smith, Nebr.
Cleveland	Krueger	Snyder
Cochran	Lagomarsino	Staggers
Coleman	Latta	Stangeland
Collins, Ill.	Lent	Stokes
Collins, Tex.	Lloyd, Tenn.	Stratton
Conyers	Long, Md.	Stump
Cotter	Lott	Symms
Cunningham	Lujan	Taylor
D'Amours	Luken	Thompson
Daniel, R. W.	McDade	Thone
Danielson	McDonald	Traxler
Devine	Madigan	Trible
Dingell	Maguire	Volkmer
Dodd	Marlenee	Walker
Dornan	Martin	Walsh
Drinan	Mazzoli	Watkins
Duncan, Oreg.	Mikulski	Weaver
Duncan, Tenn.	Miller, Calif.	Whitley
Edwards, Okla.	Mitchell, Md.	Whitten
Eilberg	Mitchell, N.Y.	Winn
English	Moffett	Yatron

NOT VOTING—22

Badillo	Flippo	Roncalio
Biaggi	Holland	Seiberling
Brademas	Howard	Skubitz
Burke, Mass.	Koch	Teague
Crane	McKinney	Wiggins
Dent	Marriott	Wilson, Tex.
Derrick	Murphy, N.Y.	
Dickinson	Patterson	

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts and Mr. Brademas for, with Mr. Teague against.

Mr. Howard and Mr. Biaggi for, with Mr. Crane against.

Until further notice:

Mr. Dent with Mr. Dickinson.

Mr. Roncalio with Mr. Wiggins.

Mr. Seiberling with Mr. McKinney.

Mr. Derrick with Mr. Flippo.

Mr. Charles Wilson of Texas with Mr. Holland.

Mr. Badillo with Mr. Marriott.

Mr. Murphy of New York with Mr. Patterson.

Mr. Koch with Mr. Skubitz.

Mr. WALSH changed his vote from "yea" to "nay."

Mr. YATES and Mr. JONES of Oklahoma changed their votes from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

INCREASE IN SUPERGRADES FOR FEDERAL COURT ADMINISTRATION

The SPEAKER (Mr. AMMERMAN). The unfinished business is the question of suspending the rules and passing the bill H.R. 6974, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Mrs. SCHROEDER) that the House suspend the rules and pass the bill H.R. 6974, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 189, nays 224, not voting 20, as follows:

[Roll No. 428]

YEAS—189

Addabbo	Frenzel	Nowak
Alexander	Gephardt	O'Brien
Ammerman	Giaimo	Oberstar
Andrews, N.C.	Gibbons	Ottinger
Annunzio	Gilman	Patten
Applegate	Gonzalez	Patterson
Ashley	Gradison	Pattison
Aspin	Hamilton	Pepper
Badillo	Hanley	Perkins
Baucus	Hannaford	Preyer
Beard, R.I.	Harrington	Price
Bellenson	Harris	Pritchard
Biaggi	Harsha	Rahall
Bingham	Hawkins	Railsback
Boggs	Hightower	Rangel
Boland	Hollenbeck	Richmond
Bolling	Holtzman	Rinaldo
Bonker	Hubbard	Rodino
Breaux	Hughes	Roe
Breckinridge	Hyde	Rooney
Brooks	Jeffords	Rose
Brown, Mich.	Jenrette	Rosenthal
Buchanan	Johnson, Calif.	Rostenkowski
Burke, Calif.	Johnson, Colo.	Roybal
Burlison, Mo.	Jordan	Ryan
Burton, John	Kastenmeier	Scheuer
Burton, Phillip	Kazen	Schroeder
Carney	Kindness	Sharp
Carr	LaFalce	Simon
Carter	Lederer	Skelton
Cavanaugh	Leggett	Smith, Iowa
Chisholm	Lehman	Solarz
Clay	Lloyd, Calif.	Spellman
Collins, Ill.	Long, La.	St Germain
Conte	Lott	Staggers
Corcoran	Lundine	Stangeland
Corman	McClory	Stanton
Cotter	McCloskey	Stark
D'Amours	McCormack	Steed
Davis	McFall	Steers
de la Garza	Mahon	Stokes
Delaney	Mann	Studds
Dellums	Markey	Thone
Dicks	Marks	Treen
Diggs	Mathis	Tsongas
Dodd	Mattox	Tucker
Drinan	Mazzoli	Udall
Duncan, Oreg.	Meeds	Ullman
Early	Metcalfe	Vander Jagt
Edwards, Calif.	Meyner	Vanik
Eilberg	Mikva	Vento
Evans, Colo.	Miller, Calif.	Weiss
Fary	Mitchell, Md.	Whalen
Fascell	Moakley	White
Fenwick	Moore	Wilson, C. H.
Fisher	Moorhead, Pa.	Wirth
Flood	Murphy, Ill.	Wolff
Foley	Murphy, Pa.	Wright
Ford, Mich.	Myers, Gary	Wydler
Ford, Tenn.	Myers, Michael	Young, Mo.
Forsythe	Nedzi	Young, Tex.
Fountain	Nix	Zablocki
Fraser	Nolan	Zeferetti

NAYS—224

Abdnor	AuCoin	Blouin
Akaka	Badham	Bonior
Allen	Bafalis	Bowen
Ambro	Baldus	Brinkley
Anderson, Calif.	Barnard	Brodhead
	Bauman	Broomfield
Anderson, Ill.	Beard, Tenn.	Brown, Calif.
Andrews, N. Dak.	Bedell	Brown, Ohio
	Benjamin	Broyhill
Archer	Bennett	Burgener
Armstrong	Bevill	Burke, Fla.
Ashbrook	Blanchard	Burleson, Tex.
Butler	Hefner	Pike
Byron	Heftel	Poage
Caputo	Hillis	Pressler
Cederberg	Holt	Pursell
Chappell	Horton	Quayle
Clausen, Don H.	Huckaby	Quie
	Ichord	Quillen
Clawson, Del	Ireland	Regula
Cleveland	Jacobs	Reuss
Cochran	Jenkins	Rhodes
Cohen	Jones, N.C.	Risenhoover
Coleman	Jones, Okla.	Roberts
Collins, Tex.	Jones, Tenn.	Robinson
Conable	Kasten	Rogers
Conyers	Kelly	Rousselot
Cornell	Ketchum	Rudd
Cornwell	Keys	Runnels
Coughlin	Kildee	Ruppe
Cunningham	Kostmayer	Russo
Daniel, Dan	Krebs	Santini
Daniel, R. W.	Krueger	Sarasin
Danielson	Lagomarsino	Satterfield
Derwinski	Latta	Sawyer
Devine	Le Fante	Schulze
Dingell	Leach	Sebelius
Dornan	Lent	Shipley
Downey	Levitas	Shuster
Duncan, Tenn.	Lloyd, Tenn.	Sikes
Eckhardt	Long, Md.	Sisk
Edgar	Lujan	Slack
Edwards, Ala.	Luken	Smith, Nebr.
Edwards, Okla.	McDade	Snyder
Emery	McDonald	Spence
English	McEwen	Steiger
Erlenborn	McHugh	Stockman
Ertel	McKay	Stratton
Evans, Del.	Madigan	Stump
Evans, Ga.	Maguire	Symms
Evans, Ind.	Marlenee	Taylor
Findley	Martin	Thompson
Fish	Michel	Thornton
Fithian	Mikulski	Traxler
Florio	Milford	Trible
Flowers	Miller, Ohio	Van Deerlin
Flynt	Mineta	Volkmer
Fowler	Minish	Waggonner
Frey	Mitchell, N.Y.	Walgren
Fuqua	Moffett	Walker
Gammage	Mollohan	Walsh
Gaydos	Montgomery	Wampler
Ginn	Moorhead, Calif.	Watkins
Glickman		Waxman
Goldwater	Moss	Weaver
Goodling	Mottl	Whitehurst
Gore	Murtha	Whitley
Grassley	Myers, John	Whitten
Gudger	Natcher	Wilson, Bob
Guyer	Neal	Winn
Hagedorn	Nichols	Wylie
Hall	Oakar	Yates
Hammer-schmidt	Obey	Yatron
	Panetta	Young, Alaska
Hansen	Pease	Young, Fla.
Harkin	Pettis	
Heckler	Pickle	

NOT VOTING—20

Brademas	Holland	Roncalio
Burke, Mass.	Howard	Seiberling
Crane	Kemp	Skubitz
Dent	Koch	Teague
Derrick	McKinney	Wiggins
Dickinson	Marriott	Wilson, Tex.
Flippo	Murphy, N.Y.	

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts and Mr. Howard for, with Mr. Teague against.

Mr. Brademas and Mr. Koch for, with Mr. Crane against.

Until further notice:

Mr. Dent with Mr. Skubitz.

Mr. Murphy of New York with Mr. Kemp.

Mr. Seiberling with Mr. McKinney.

Mr. Roncalio with Mr. Marriott.

Mr. Derrick with Mr. Dickinson.

Mr. Holland with Mr. Flippo.

Mr. Charles Wilson of Texas with Mr. Wiggins.

Mr. IRELAND and Mr. RUSSO changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

INCREASE IN NUMBER OF HEARING EXAMINERS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill (H.R. 6975), as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Mrs. SCHROEDER) that the House suspend the rules and pass the bill, H.R. 6975, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 284, nays 131, not voting 18, as follows:

[Roll No. 429]

YEAS—284

Addabbo	Erlenborn	Markey
Akaka	Evans, Colo.	Marks
Alexander	Evans, Del.	Marlenee
Ambro	Evans, Ga.	Martin
Ammerman	Fary	Mathis
Anderson, Ill.	Fascell	Mattox
Andrews, N.C.	Fenwick	Mazzoli
Annunzio	Findley	Meeds
Applegate	Fish	Metcalfe
Ashley	Fisher	Meyner
Aspin	Flood	Mikulski
AuCoin	Foley	Mikva
Badillo	Ford, Mich.	Miller, Calif.
Baldus	Forsythe	Mineta
Barnard	Fraser	Minish
Baucus	Frenzel	Mitchell, Md.
Beard, R.I.	Fuqua	Moakley
Bedell	Gammage	Moffett
Bellenson	Gaydos	Mollohan
Biaggi	Gephardt	Moore
Bingham	Giaimo	Moorhead, Pa.
Blanchard	Gibbons	Moss
Blouin	Gilman	Murphy, Ill.
Boggs	Gonzalez	Murphy, Pa.
Boland	Goodling	Murtha
Bolling	Gore	Myers, Gary
Bonior	Gradison	Myers, Michael
Bonker	Gudger	Nedzi
Breaux	Hamilton	Nix
Breckinridge	Hammer-schmidt	Nolan
Brodhead		Nowak
Brooks	Hanley	Oakar
Brown, Calif.	Hannaford	Oberstar
Brown, Mich.	Harkin	Obey
Broyhill	Harris	Ottinger
Buchanan	Harsha	Panetta
Burgener	Hawkins	Patten
Burke, Calif.	Heckler	Patterson
Burlison, Mo.	Hefner	Pattison
Burton, John	Heftel	Pease
Burton, Phillip	Hightower	Pepper
Butler	Hollenbeck	Perkins
Carney	Holtzman	Pettis
Carr	Hubbard	Pickle
Carter	Hughes	Preyer
Cavanaugh	Hyde	Price
Chappell	Ireland	Pritchard
Chisholm	Jeffords	Quie
Clay	Jenkins	Quillen
Cleveland	Johnson, Calif.	Rahall
Cohen	Johnson, Colo.	Railsback
Collins, Ill.	Jones, N.C.	Rangel
Conable	Jordan	Regula
Conte	Kastenmeier	Rhodes
Conyers	Kazen	Richmond
Corcoran	Kemp	Risenhoover
Corman	Kildee	Robinson
Cornell	Kindness	Rodino
Cornwell	Kostmayer	Roe
Cotter	Krebs	Rogers
Coughlin	Krueger	Rooney
Daniel, Dan	LaFalce	Rose
Daniel, R. W.	Le Fante	Rosenthal
Danielson	Leach	Rostenkowski
Davis	Lederer	Roybal
Delaney	Leggett	Ruppe
Dellums	Lehman	Russo
Diggs	Lloyd, Calif.	Ryan
Dingell	Long, La.	Sarasin
Dodd	Long, Md.	Sawyer
Downey	Lundine	Scheuer
Duncan, Oreg.	McClory	Schroeder
Duncan, Tenn.	McCloskey	Sharp
Eckhardt	McDade	Simon
Edgar	McFall	Sisk
Edwards, Ala.	McHugh	Slack
Edwards, Calif.	Maguire	Smith, Iowa
Eilberg	Mahon	Smith, Nebr.
English	Mann	Solarz

Spellman	Treen	White
St Germain	Trible	Whitehurst
Staggers	Tsongas	Whitley
Stanton	Tucker	Wilson, Bob
Stark	Udall	Wilson, C. H.
Steed	Ullman	Wirth
Steers	Van Deerlin	Wolff
Steiger	Vanik	Wright
Stokes	Vento	Wylie
Stratton	Walgren	Yates
Studds	Wampler	Yatron
Stump	Watkins	Young, Fla.
Thompson	Waxman	Young, Mo.
Thone	Weaver	Young, Tex.
Thornton	Weiss	Zablocki
Traxler	Whalen	Zeferetti

NAYS—131

Abdnor	Fithian	Miller, Ohio
Allen	Florio	Mitchell, N.Y.
Anderson, Calif.	Flowers	Montgomery
	Flynt	Moorhead, Calif.
Andrews, N. Dak.	Ford, Tenn.	Mottl
	Fountain	Myers, John
Archer	Fowler	Natcher
Armstrong	Frey	Neal
Ashbrook	Ginn	Nichols
Badham	Glickman	O'Brien
Bafalis	Goldwater	Pike
Bauman	Grassley	Poage
Beard, Tenn.	Guyer	Pressler
Benjamin	Hagedorn	Pursell
Bennett	Hall	Quayle
Bevill	Hansen	Reuss
Bowen	Harrington	Rinaldo
Brinkley	Hillis	Roberts
Broomfield	Holt	Rousselot
Brown, Ohio	Horton	Rudd
Burke, Fla.	Huckaby	Runnels
Burleson, Tex.	Ichord	Santini
Byron	Jacobs	Satterfield
Caputo	Jenrette	Schulze
Cederberg	Jones, Okla.	Sebelius
Clausen, Don H.	Jones, Tenn.	Shipley
	Kasten	Shuster
Clawson, Del	Kelly	Sikes
Cochran	Ketchum	Skelton
Coleman	Keys	Snyder
Collins, Tex.	Lagomarsino	Spence
Crane	Latta	Stangeland
Cunningham	Lent	Stockman
D'Amours	Levitas	Symms
de la Garza	Lloyd, Tenn.	Taylor
Derwinski	Lott	Vander Jagt
Devine	Lujan	Volkmer
Dicks	Luken	Waggonner
Dornan	McCormack	Walker
Drinan	McDonald	Walsh
Early	McEwen	Whitten
Edwards, Okla.	McKay	Winn
Emery	Madigan	Wydler
Ertel	Michel	Young, Alaska
Evans, Ind.	Milford	

NOT VOTING—18

Brademas	Holland	Roncalio
Burke, Mass.	Howard	Seiberling
Dent	Koch	Skubitz
Derrick	McKinney	Teague
Dickinson	Marriott	Wiggins
Flippo	Murphy, N.Y.	Wilson, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts and Mr. Brademas for, with Mr. Teague against.

Mr. Howard and Mr. Koch for, with Mr. Marriott against.

Until further notice:

Mr. Dent with Mr. Skubitz.

Mr. Roncalio with Mr. McKinney.

Mr. Murphy of New York with Mr. Dickinson.

Mr. Seiberling with Mr. Flippo.

Mr. Derrick with Mr. Wiggins.

Mr. Holland with Mr. Charles Wilson of Texas.

Messrs. CAVANAUGH, GAMMAGE, MAHON, GONZALEZ, LEDERER, and DAN DANIEL changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, as passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend title 5, United States Code, to provide that hearing examiners shall be known as administrative law judges, and to increase the number of such positions which the Civil Service Commission may establish and place at GS–16 of the General Schedule."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEHMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on House Joint Resolution 372 and on the bill H.R. 7012.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

RETENTION OF FEDERAL LIFE AND HEALTH INSURANCE BENEFITS DURING RETIREMENT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 4319, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. SPELLMAN) that the House suspend the rules and pass the bill H.R. 4319, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 373, nays 37, not voting 23, as follows:

[Roll No. 430]

YEAS—373

Abdnor	Brown, Calif.	Dellums
Addabbo	Brown, Mich.	Derwinski
Akaka	Brown, Ohio	Devine
Alexander	Broyhill	Dicks
Allen	Buchanan	Diggs
Ambro	Burgener	Dingell
Ammerman	Burke, Calif.	Dodd
Anderson, Calif.	Burke, Fla.	Dornan
	Burlison, Mo.	Downey
Anderson, Ill.	Burton, John	Drinan
Andrews, N.C.	Burton, Phillip	Duncan, Oreg.
Andrews, N. Dak.	Byron	Duncan, Tenn.
	Caputo	Early
Annunzio	Carney	Eckhardt
Applegate	Carr	Edgar
Archer	Carter	Edwards, Ala.
Ashbrook	Cavanaugh	Edwards, Calif.
Ashley	Cederberg	Edwards, Okla.
AuCoin	Chappell	Eilberg
Badham	Chisholm	Emery
Badillo	Clausen, Don H.	English
Baldus		Erlenborn
Barnard	Clawson, Del	Ertel
Baucus	Clay	Evans, Colo.
Bauman	Cleveland	Evans, Del.
Beard, R.I.	Cohen	Evans, Ga.
Bedell	Coleman	Fary
Benjamin	Collins, Ill.	Fascell
Bennett	Conable	Fenwick
Bevill	Conte	Findley
Biaggi	Conyers	Fish
Bingham	Corcoran	Fisher
Blanchard	Corman	Fithian
Blouin	Cornell	Flood
Boggs	Cornwell	Florio
Boland	Cotter	Flowers
Bolling	Coughlin	Flynt
Bonior	Crane	Foley
Bonker	Cunningham	Ford, Mich.
Bowen	Daniel, Dan	Ford, Tenn.
Breaux	Daniel, R. W.	Forsythe
Breckinridge	Danielson	Fountain
Brinkley	Davis	Fowler
Brodhead	de la Garza	Fraser
Broomfield	Delaney	Frenzel
Frey	McEwen	Rousselot
Fuqua	McFall	Roybal
Gammage	McHugh	Rudd
Gaydos	McKay	Russo
Gephardt	Madigan	Ryan
Giaimo	Maguire	Santini
Gibbons	Mahon	Sarasin
Gilman	Mann	Sawyer
Ginn	Markey	Scheuer
Glickman	Marks	Schroeder
Goldwater	Marlenee	Schulze
Gonzalez	Martin	Sebelius
Goodling	Mathis	Sharp
Grassley	Mattox	Shipley
Gudger	Mazzoli	Sikes
Guyer	Meeds	Simon
Hagedorn	Metcalfe	Sisk
Hamilton	Meyner	Skelton
Hammer-schmidt	Mikulski	Slack
	Mikva	Smith, Iowa
Hanley	Milford	Snyder
Hannaford	Miller, Calif.	Solarz
Hansen	Mineta	Spellman
Harkin	Minish	Spence
Harrington	Mitchell, Md.	St Germain
Harris	Moakley	Staggers
Harsha	Moffett	Stangeland
Hawkins	Mollohan	Stanton
Heckler	Montgomery	Stark
Hefner	Moore	Steed
Heftel	Moorhead, Calif.	Steers
Hightower		Steiger
Hillis	Moorhead, Pa.	Stockman
Hollenbeck	Moss	Stokes
Holt	Murphy, Ill.	Studds
Holtzman	Murtha	Stump
Horton	Myers, Gary	Symms
Hubbard	Myers, John	Taylor
Huckaby	Myers, Michael	Thompson
Hughes	Natcher	Thone
Hyde	Nedzi	Thornton
Ireland	Nichols	Traxler
Jeffords	Nix	Treen
Jenkins	Nolan	Trible
Jenrette	Nowak	Tsongas
Johnson, Calif.	O'Brien	Tucker
Johnson, Colo.	Oakar	Udall
Jones, N.C.	Oberstar	Ullman
Jones, Okla.	Obey	Van Deerlin
Jones, Tenn.	Ottinger	Vander Jagt
Jordan	Panetta	Vanik
Kasten	Patten	Vento
Kastenmeier	Patterson	Volkmer
Kazen	Pepper	Waggonner
Kemp	Perkins	Walgren
Ketchum	Pettis	Walker
Kildee	Pickle	Walsh
Kindness	Poage	Wampler
Kostmayer	Pressler	Watkins
Krebs	Preyer	Waxman
Krueger	Price	Weaver
LaFalce	Pritchard	Weiss
Lagomarsino	Pursell	Whalen
Le Fante	Quie	White
Leach	Quillen	Whitehurst
Lederer	Railsback	Whitley
Leggett	Rangel	Whitten
Lehman	Regula	Wilson, Bob
Levitas	Reuss	Wilson, C. H.
Lloyd, Calif.	Rhodes	Winn
Lloyd, Tenn.	Richmond	Wolff
Long, La.	Rinaldo	Wright
Long, Md.	Risenhoover	Wylie
Lott	Roberts	Yates
Lujan	Robinson	Yatron
Luken	Rodino	Young, Alaska
Lundine	Roe	Young, Fla.
McClory	Rooney	Young, Mo.
McCloskey	Rose	Young, Tex.
McCormack	Rosenthal	Zablocki
McDade	Rostenkowski	Zeferetti

NAYS—37

Armstrong	Hall	Pease
Aspin	Ichord	Pike
Bafalis	Jacobs	Quayle
Beard, Tenn.	Kelly	Rahall
Bellenson	Keys	Rogers
Burleson, Tex.	Latta	Runnels
Butler	Lent	Satterfield
Cochran	McDonald	Shuster
Collins, Tex.	Michel	Stratton
D'Amours	Miller, Ohio	Wirth
Evans, Ind.	Mitchell, N.Y.	Wydler
Gore	Mottl	
Gradison	Murphy, Pa.	

NOT VOTING—23

Brademas	Dickinson	McKinney
Brooks	Flippo	Marriott
Burke, Mass.	Holland	Murphy, N.Y.
Dent	Howard	Neal
Derrick	Koch	Pattison

Roncalio	Skubitz	Wiggins
Ruppe	Smith, Nebr.	Wilson, Tex.
Seiberling	Teague	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Dickinson.
Mr. Brademas with Mr. Marriott.
Mr. Dent with Mr. Wiggins.
Mr. Howard with Ms. Smith of Nebraska.
Mr. Murphy of New York with Mr. Skubitz.
Mr. Pattison of New York with Mr. Ruppe.
Mr. Roncalio with Mr. Mr. McKinney.
Mr. Teague with Mr. Charles Wilson of Texas.
Mr. Koch with Mr. Seiberling.
Mr. Neal with Mr. Holland.
Mr. Brooks with Mr. Derrick.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. NEAL. Mr. Speaker, I was detained on official business and missed the last vote, the vote on H.R. 4319. I wish the RECORD to show that had I been present. I would have voted "yea."

REREFERRAL OF H.R. 8223 FROM COMMITTEE ON JUDICIARY TO THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. RODINO. Mr. Speaker, I ask unanimous consent that the bill H.R. 8223 be rereferred from the Committee on the Judiciary to the Committee on Interior and Insular Affairs.

The SPEAKER pro tempore (Mr. ZABLOCKI). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

TEMPORARY SUSPENSION OF DUTY ON INTRAVENOUS FAT EMULSION

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1904) to provide duty-free treatment for intravenous fat emulsions, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Reserving the right to object, Mr. Speaker, I do so for the purpose of giving the gentleman from Ohio (Mr. VANIK), the chairman of the subcommittee, an opportunity to explain the bill.

Mr. VANIK. If the gentleman will yield, Mr. Speaker, the purpose of H.R. 1904 is to suspend until June 30, 1980, the duty on intravenous fat emulsion.

H.R. 1904 was introduced by our colleague, Mr. STARK of California.

Intravenous fat emulsion is used as a source of calories and essential fatty acids for patients requiring intravenous nutrition. It provides the missing nutritional ingredient essential for successful long-term intravenous feeding and is especially valuable in treating infants and patients under cancer therapy or extensive burn treatment. There is currently no production of any intravenous fat emulsion in the United States.

Reports which opposed the permanent reduction but which did not object to a 3-year suspension of the duty were received from the Departments of Commerce, State, the Treasury, Agriculture, and Labor, and from the Office of the Special Representative for Trade Negotiations.

The bill was amended to suspend the duty until June 30, 1980, rather than permanently reduce the duty. A temporary suspension preserves the negotiating value of a permanent reduction for the multilateral trade negotiations where the United States will be able to obtain something in return for a permanent duty reduction.

The committee was unanimous in reporting H.R. 1904, and I urge its passage.

Mr. STEIGER. Mr. Speaker, I withdraw my reservation of objection.

Mr. VANIK. Mr. Speaker, I thank the gentleman.

Mr. STEIGER. Mr. Speaker, I support H.R. 1904 providing a temporary suspension of duty for intravenous fat emulsion until June 30, 1980.

Currently, only one type of intravenous fat emulsion is imported for use in the United States. The product, Intralipid, is imported from Sweden and contains a heretofore missing nutritional ingredient essential for successful long-term intravenous feeding. It is used most importantly in treating infants, burn patients, and cancer therapy patients. There is no domestic production of any type of intravenous fat emulsion, and the special Intralipid product has been imported to this country since 1975.

Under the Tariff Schedules of the United States, intravenous fat emulsion products are subject to a column 1 duty of 5 percent ad valorem and a column 2 duty of 25 percent ad valorem. The annual loss of custom revenue, should H.R. 1904 be enacted, is estimated to be approximately $126,000.

Mr. Speaker, insuring that intravenous fat emulsion is available at the lowest possible cost is of great importance to the seriously ill or injured whose medical expenses likely will be very high anyway. Duty-free treatment of this product is certainly one way of reaching this goal. The temporary nature of the suspension will enable Congress to review its action should domestic production in this area develop. Furthermore, it will preserve the duty as a negotiating item in the multilateral trade negotiations—MTN.

Mr. Speaker, the committee received no objection to H.R. 1904 from any source, and reported the bill unanimously. I recommend passage by the House at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. ASHBROOK. Yes, Mr. Speaker, reserving he right to object, I have several questions to direct to my friend and colleague, the gentleman from Ohio (Mr. VANIK).

It is my understanding that these bills were not even announced last Friday when we adjourned; is that correct?

Mr. VANIK. If the gentleman will yield, Mr. Speaker, I understand that they were on the unanimous consent calendar. They were reported out of committee over 2 weeks ago.

Mr. ASHBROOK. I imagine they were not printed in the Record. Are these private bills?

Mr. VANIK. No. These bills are minor bills which passed the Committee on Ways and Means unanimously. We had hearings on all of them. We very carefully considered them, and we took these from the list of about 43, so that we have these bills on the Suspension Calendar today.

Mr. ASHBROOK. Further reserving the right to object, Mr. Speaker, may I ask the gentleman how many bills of this type are in your committee at the present time?

Mr. VANIK. I do not know how many bills we have left. I think we have about 18 more which are left.

I might point out that the hearings were open. The markup was open. There was full discussion of the entire problem which related to each piece of legislation by the administration and by all interested parties. There was no objection to this bill. This bill is vital in order to provide for a very essential matter of health affecting a very important segment of the American population.

Mr. ASHBROOK. Further reserving the right to object, Mr. Speaker, as I read the bills, two of them must be private bills because they are for aid to individuals. The gentleman indicated that they were not private bills.

Mr. VANIK. If the gentleman will yield further, there are two private bills on the list. I will be very glad to discuss those when we reach them on the Suspension Calendar.

Mr. ASHBROOK. Further reserving the right to object, Mr. Speaker, the gentleman from Wisconsin (Mr. STEIGER) indicated that there was some change with respect to the way the unanimous consent and suspension bills are now handled.

I would say that many Members, including myself, sometimes wonder about how these bills come out of the Committee on Ways and Means. Frankly, we do not know whether they draw them out of a hat or take them up on the basis of seniority or on the basis of one per Member each year or two per Member or on contributions.

Mr. STEIGER. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Speaker, the answer is that these are not Members' bills brought up in the way in which we used to handle them, as I understand it, on the Committee on Ways and Means. Therefore, what we are going to have as we go through this list is bills that come from across the country, from members and nonmembers of the Committee on Ways and Means. They are not done

by seniority or on behalf of individual Members. They are not done on any basis except that the chairman of the subcommittee calls them up for a hearing.

We went through 5 days, I think, on every one of the little tariff bills that had been introduced, without regard to who introduced them and without regard to the position of anybody. We had all of the administration representatives present; that is, the Special Trade representative, the International Trade Commission, the Labor Department, the Commerce Department, and the State Department, all of whose representatives came and gave their views.

We then also had the views of those Members who were in favor of the legislation, who could come and testify and also those who were opposed to the legislation.

May I say to my colleague, the gentleman from Ohio (Mr. ASHBROOK) that the decision that was made on the bills that are on the floor today are on those bills that were unanimously adopted by the subcommittee and unanimously adopted by the full committee. We did not bring to the floor some bills, including one in which our colleague, the gentleman from Maryland was interested, because there were some objections. We will go back to those bills. I hope we can report some of those, and those bills will come up with the full knowledge of the Members that there was objection or that there was a problem in the domestic market or some small operation, so that all of the Members will be aware of that. All of these measures were considered as to whether they were appropriate, did they solve a problem, did they cost much money, and so forth.

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object, let me say that I appreciate the response of the gentleman from Wisconsin (Mr. STEIGER) and, with the very fine assurance that a nonmember of the Committee on Ways and Means does have a chance to get a bill out of that committee on occasion, I will withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection, to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part 3 of schedule 4 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 437.60 the following new item:

"437.62 Intravenous fat emulsion..... Free... Free".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 907.80 the following new item:

"907.75	Intravenous fat emulsion (provided for in item 440.00, part 3C, schedule 4).	Free...	Free...	On or before 6/30/80".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to suspend until July 1, 1980, the duty on intravenous fat emulsion.".

A motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON WOOD EXCELSIOR

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2692) to suspend for 2 years the duty on wood excelsior imported from Canada, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, and I shall not object, I take this time so as to give the gentleman from Ohio (Mr. VANIK) a chance to explain the bill.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 2692 is to suspend until June 30, 1980, the duty on wood excelsior.

H.R. 2692 was introduced by our colleague, Mr. DRINAN of Massachusetts.

Wood excelsior, which is produced by shredding wood blocks, consists of thin, narrow, flexible strands of wood which tend to curl and form a loosely joined mass. Its uses include packing material for fragile goods, a filling material for low-priced mattresses and furniture, a filter and vapor-dispensing agent for evaporative coolers, and in the filtration of crude oil and petroleum products. Due to the very high volume/weight ratio, and its low-unit value, long distance shipping is expensive and uneconomical. This bill would reduce the cost of wood excelsior to firms in New England that presently import excelsior from Canada.

Reports which opposed the permanent reduction but which did not object to a 3-year suspension of the duty were received from the Departments of Commerce, State, the Treasury, Agriculture, and Labor and from the Office of the Special Representative for Trade Negotiations.

The bill was amended to remove the specific reference to imports from Canada in order to remove the objection that a duty suspension limited to imports from Canada violates our GATT obligations. In addition, a technical amendment was made to specify a certain calendar date, June 30, 1980, for expiration rather than 2 years after enactment. It is believed that a temporary duty suspension will not adversely affect the U.S. ability to negotiate in the context of the multilateral trade negotiations a permanent duty reduction and receive in return some permanent trade benefits.

The committee was unanimous in reporting H.R. 2692 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I also wish to lend my support to H.R. 2692, suspending until June 30, 1980 the duty on imported wood excelsior.

Currently, under section 904 of the Tariff Schedules of the United States—TSUS—column 1 entries of wood excelsior are subject to an 8-percent ad valorem duty. This bill, on the date of enactment, would temporarily suspend the duty until June 30, 1980.

Wood excelsior is a light-weight porous material composed of flexible strands of wood. Because of its resilience, wood excelsior is used most notably as protective packaging material, an acoustical component filling, or padding, a filtering, or padding, a filtering agent, and soil covering.

Although there are 12 known domestic plants now producing wood excelsior, increased demand requires this country to import additional quantities of the product. These imports come almost exclusively from Canada, because high shipping costs associated with weight/volume/unit cost relationships tend to preclude shipment over long distances.

Imports of wood excelsior have decreased by about 90 percent over the past 10 years, and the import consumption ratio in 1976 was less than 0.05 percent. A temporary suspension of duty would encourage imports of this important product from Canada with negligible impact on domestic industry.

Objections were raised by the administration over the original language of the bill, which limited the suspension of duty to imports from Canada. Such a discriminatory clause would be in violation of our commitments under the General Agreement on Tariffs and Trade—GATT. However, specific reference to Canada has now been removed from the bill, and I can see no objection to the bill as it now reads. Revenue loss is expected to be minimal.

Mr. Speaker, the committee reported H.R. 2692 unanimously, with no further objections to the temporary suspension of duty in this instance. I recommend passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2692

Be it enacted by the Senate and House of Representatives of the United States of America in Congerss assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding immediately after item 903.90 the following new item:

"904.00	Wood excelsior, including excelsior pads and wrappings (provided for in item 200.25, part 1A, schedule 2), if Canadian article..	Free.	No change.	On or before the close of the 2-year period beginning on the effective date of this item.....".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

With the following committee amendments:

Page 1, line 5, strike out "905.90" and insert "903.80".

Page 1, strike out the matter appearing immediately after line 6 and insert the following:

"904.00	Wood excelsior, including excelsior pads and wrappings (provided for in item 200.25, part 1A, schedule 2).....	Free.	No change	On or before 6/30/80"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to suspend until the close of June 30, 1980, the duty on wood excelsior."

A motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON SYNTHETIC TANTALUM/COLUMBIUM CONCENTRATE

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2982) to suspend for a 2-year period the duty on synthetic tantalum-columbium concentrate, which was unanimously reported to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, I am delighted to yield to the gentleman from Ohio (Mr. VANIK) so he may offer an explanation of the bill.

Mr. VANIK. Mr. Speaker, I thank my colleague, the gentleman from Wisconsin, who is the ranking minority member of the Subcommittee on Trade.

Mr. Speaker, the purpose of H.R. 2982 is to suspend until June 30, 1980, the duty on synthetic tantalum/columbium concentrate.

H.R. 2982 was introduced by our colleague, Mr. DRINAN of Massachusetts.

Tantalum/columbium concentrate is used in the production of steels used in heavy equipment, oil and gas pipelines and structural steel. Tantalum metal is a basic material in the production of tantalum capacitors, a vital component in most electronic circuitry, as well as a corrosion resistant material for chemical processing equipment handling acids and other corrosive chemicals. Columbium oxide is an alloying ingredient in superalloys used in jet engine parts and other high-strength specialty steels.

There is no known domestic production of natural or synthetic tantalum/columbium concentrate which are used interchangeably. Natural tantalum/columbium concentrate is presently duty free but increased demand has created shortages and has driven up the price of the natural concentrate and domestic consumers are turning to synthetic concentrate. Domestic consumers seek the temporary duty suspension.

Favorable reports were received from the Departments of Commerce, State, and Treasury. Reports with no objections were received from the Department of Labor and from the Office of the Special Representative for Trade Negotiations.

A technical amendment was made to the bill to make the duty suspension expiration date a calendar date, June 30, 1980, rather than 2 years after date of enactment and also in order to provide a common expiration date for most of the duty suspension bills acted upon by the committee.

The committee was unanimous in reporting H.R. 2982 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I support H.R. 2982 suspending until June 30, 1980, the rate of duty on synthetic tantalum/columbium concentrate.

Currently, there is no domestic mining of natural columbium or any domestic production of synthetic tantalum/columbium concentrate. Since 1969, market prices have made it impossible to mine the limited deposits of natural columbium located in the United States. Therefore, all raw materials of this type needed for domestic industry are imported.

Natural columbium concentrate already can enter the United States duty free. Worldwide shortages and rising costs of this substance, however, have caused manufacturers to turn to synthetic concentrates. These synthetic concentrates carry a column-1 duty of 7.5 percent ad valorem and a column-2 duty of 30 percent ad valorem. Duty-free treatment is sought in this case so that prices of articles containing tantalum/columbium concentrate can be kept at the lowest possible level.

Mr. Speaker, the committee heard no objections to enactment of H.R. 2982 and reported the bill unanimously. Loss in customs revenue is expected to be less than $238,457 annually. I recommend passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2982

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 911.25 the following:

"911.27	Synthetic tantalum/columbium concentrate (provided for in item 603.70, pt. 1, schedule 6).....	Free.	No change.	On or before the close of the 2 year period beginning on the effective date of this item".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

With the following committee amendment:

Page 1, in the matter appearing after line 5, strike out "On or before the close of the 2-year period beginning on the effective date of this item." and insert "On or before 6/30/80".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to suspend until the close of June 30, 1980, the duty on synthetic tantalum/columbium concentrate."

A motion to reconsider was laid on the table.

PERMANENT DUTY-FREE TREATMENT FOR COPYING LATHES USED FOR MAKING ROUGH OR FINISHED SHOE LASTS AND FOR PARTS OF SUCH LATHES

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3093) to extend until July 1, 1979, the duty-free treatment on copying lathes used for making rough or finished shoe lasts, which was unanimously reported to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, I will be delighted to yield to the chairman of the subcommittee to explain the bill.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 3093 is to permanently admit duty-free copying lathes used for making rough or finished shoe lasts and parts of such lathes.

H.R. 3093 was introduced by our colleague, Mr. BURKE of Massachusetts.

The duty suspension on copying lathes capable of producing more than one size shoe last was initially enacted in 1956 and continued thereafter to reduce the cost of highly specialized and expensive copying lathes for domestic shoe last manufacturers. A last is a form which is shaped like the human foot and over which a shoe is formed during the manufacture of shoes. Domestic production of copy lathes for shoe last manufacture ceased in the mid-1950's.

Favorable reports were received from the Department of the Treasury and the Office of the Special Representative for Trade Negotiations. Reports with no objections were received from the Departments of Commerce, State, and Labor.

Since the temporary suspension of the duty has been in existence for approximately 20 years as a result of numerous bills during that period, there is no foreseeable resumption of domestic production and the administration recommended the suspension be made permanent, this bill has been amended to make the duty supension permanent and to make the duty-free entry applicable, upon proper request, to articles entered prior to enactment but after June 30, 1976, the date the last duty suspension expired.

The committee was unanimous in reporting H.R. 3093 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I support H.R. 3093, making permanent the duty-free treatment of copying lathes used for making shoe lasts, effective June 30, 1976.

Since the mid-1950s, there has been no domestic production of copying lathes, and duty on such lathes had been suspended for successive 2- and 3-year periods since 1956. In 1965, the duty suspension was extended to parts for these lathes. However, the suspension expired on June 30, 1976 and the current column 1 duty again became 5 percent ad valorem on the copying lathes and 7 percent ad valorem on most of the parts. Column 2 duties also had been suspended, and were reinstated last June as well.

Copying lathes are highly specialized and very expensive equipment. There is no indication that any domestic firm would take up production or be created for that purpose. A permanent duty suspension would serve to lower the cost of this important piece of equipment to the already hard-pressed shoe industry. Loss in customs revenue would be approximately $3,300 annually.

Mr. Speaker, the committee heard no objection at all to H.R. 3093 during public hearings on the matter, and reported the bill unanimously. I urge passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3093

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That item 911.70 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "6/30/76" and inserting in lieu thereof "6/30/79".

SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the ninetieth day after the date of the enactment of this Act, the entry of any article—

(1) which was made after June 30, 1976, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry had been made on the date of the enactment of this Act.

With the following committee amendments:

Page 1, strike out lines 3 through 5, inclusive, and insert the following:

That subpart F of part 4 of Schedule 6 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by inserting immediately after item 674.40 the following new item:

"674.41	Copying lathes used for making rough or finished shoe lasts from models of shoe lasts and, in addition, capable of producing more than one size shoe last from a single size model of a shoe last	Free	Free";

(2) by inserting immediately after item 674.42 the following new item:

"674.48	Work and tool holders and other parts of, and accessories used principally with, copying lathes provided for in item 674.41	Free	Free "; and

(3) by striking out "machine tools;" in the superior heading to items 674.50 through 574.56, inclusive, and inserting in lieu thereof "machine tools (other than copying lathes provided for in item 674.41);".

SEC. 2. Item 911.70 of the Appendix to such Schedules is repealed.

Page 1, line 6, strike out "Sec. 2. (a) The amendment" and insert "Sec. 3. (a) The amendments".

Page 2, line 6, strike out "the amendment" and insert "any of the amendments".

Page 2, after line 11, insert the following:

(c) The amendment made by section 2 of this Act shall take effect on the date of the enactment of this Act.

Mr. VANIK (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read:

"A bill to provide duty-free treatment for certain copying lathes used for making rough or finished shoe lasts and for parts of such lathes."

A motion to reconsider was laid on the table.

EXTENSION OF EXISTING SUSPENSION OF DUTIES ON CERTAIN CLASSIFICATIONS OF YARNS OF SILK

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3373) to extend for additional temporary period the existing suspension of duties on certain classifications of yarns of silk, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, and I shall not do so; but I am delighted to yield to the chairman of the subcommittee under my reservation to explain the bill.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 3373 is to continue until June 30, 1980, the suspension of duties on certain classifications of yarns of silk.

H.R. 3373 was introduced by our colleague, Mr. SIKES of Florida.

There is no domestic production of these silk yarns. The duty was originally suspended in 1959 and has continued to be suspended by various bills in order to permit domestic producers of fine yarn fabrics to import fine silk yarns duty free and remain competitive with imported fine yarn fabrics.

Favorable reports were received from the Departments of Commerce and Agriculture. Reports with no objections were received from the Departments of State and the Treasury and from the Office of the Special Representative for Trade Negotiations.

Technical amendments were made to the bill to make the bill effective from the date of enactment with the right of liquidation or reliquidation of entries prior to enactments but after November 7, 1975. The bill, as originally drafted, was automatically retroactive to November 7, 1975, the date the prior duty suspension expired, and would have presented administrative problems. The duty suspension expiration date was changed to June 30, 1980, in order to provide a common expiration date for most of the duty suspension bills acted upon by the committee.

The committee was unanimous in reporting H.R. 3373 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I support the bill.

Mr. Speaker, I support H.R. 3373 that would continue the suspension of duty on certain classifications of silk yarns until June 30, 1980.

Silk yarns covered by the suspension are imported under two items of the Tariff Schedules of the United States. Imports of silk yarn singles are dutiable at 8.5 percent ad valorem from countries accorded most favored nation treatment (MFN) and at 40 percent ad

valorem from nations not accorded this treatment. Imports of plied silk yarns are dutiable at 12.5 percent ad valorem from countries accorded MFN treatment and at 50 percent from other nations.

The tariffs on spun silk yarns were suspended originally in September 1959 to enable domestic producers of fine yarn fabrics to import necessary raw materials duty free, thus improving their competitive position in relation to imports of similar completed fabrics. There is no domestic production of these silk yarn items, and there has been no imports of silk yarn singles since 1966. However, the duty suspension was allowed to expire in November 1975, and reapplication of the duty has posed undue hardship on domestic fabric manufacturers who must import the silk yarns once covered by the suspension.

The major manufacturers of silk goods who import the silk yarns in question employ between 3,000 and 4,000 workers in New York, New Jersey, Pennsylvania, and Virginia. They understandably view this duty as a nuisance tariff since domestic industry is hindered rather than protected by its application. It is estimated that reinstating the suspension would result in a loss in customs revenue of about $17,000 annually.

Mr. Speaker, the committee reviewed H.R. 3373 extensively and heard no unfavorable comments from the executive departments or from any other source. The bill was reported unanimously, and I recomend passage by the House at this time.

Mr. STEIGER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) items 905.30 and 905.31 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) are each amended by striking out "11/7/75" and inserting in lieu thereof "6/30/78".

(b) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after November 7, 1975.

With the following committee amendments:

Page 1, line 3, strike out "(a)".

Page 1, line 6, strike out "6/30/78" and insert "6/30/80."

Page 1, strike out lines 7, 8, and 9 and insert the following:

SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, the entry or withdrawal of any article—

(1) which was made after November 7, 1975, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

Mr. VANIK (during the reading). Mr Speaker, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time and passed, and a motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON POPPY STRAW CONCENTRATE USED IN PRODUCING CODEINE OR MORPHINE

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3790) to suspend until the close of June 30, 1980, the duty on concentrate of poppy straw used in producing codeine or morphine, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, and I shall not do so, but I yield under my reservation to the chairman of the subcommittee to explain the bill.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 3790 is to suspend until June 30, 1980, the duty on concentrate of poppy straw used in producing codeine or morphine.

H.R. 3790 was introduced by our colleague, Mr. SCHULZE of Pennsylvania.

The Department of Justice, under the Controlled Substances Act, authorized the importation into the United States of the previously prohibited poppy straw and poppy straw concentrate as substitute raw materials, to relieve the shortage of available raw materials for the production of medicinal morphine and codeine in the United States. Three U.S. companies process imported poppy straw to produce most of its own morphine and codeine. U.S. producers were forced to turn to poppy straw after a significant world shortage of opium developed. There is no domestic production of poppy straw.

It is believed the passage of H.R. 3790 would have no adverse effects on any U.S. interests and would not change the competitive positions of the three domestic processors. The enactment of H.R. 3790 could eventually lower prices to the ultimate consumers of prescriptions containing morphine and codeine derivatives.

Reports with no objections were received from the Departments of Commerce, State, and the Treasury. The Department of Agriculture and the Office of the Special Representative for Trade Negotiations deferred to other agencies.

Technical amendments were made to the bill to make the bill effective until June 30, 1980 as the title correctly states; to place the new TSUS item in proper numerical sequence within the TSUS and to conform the article description to the TSUS form.

The committee was unanimous in reporting H.R. 3790 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, this is a case where I suppose, if we could have a different title to the bill, we might all be better off.

Mr. Speaker, I also wish to lend my support to H.R. 3790, providing for a temporary suspension of duty until June 30, 1980 on imported concentrate of poppy straw to be used in the production of codeine and morphine.

Under the Controlled Substances Act, the Justice Department has authorized the importation of poppy straw and poppy straw concentrate in order to relieve shortages of available raw materials—such as opium—used in the production of medicinal codeine and morphine. Currently, such substances have a column 1 duty of 1.5 percent ad valorem and a column 2 duty of 10 percent ad valorem.

Because of a world-wide shortage of opium, drug companies have had to import increasing quantities of poppy straw and poppy straw concentrate for the production of medicines. There is no domestic source of this substance. Removing the duty would lower production costs, aid employment, and eventually make prescription drugs containing codeine and morphine less expensive for consumers. Enactment of H.R. 3790 is expected to result in a revenue loss of approximately $450,000 annually.

A bill similar to H.R. 3790 was introduced in the 94th Congress. It received extensive study by several governmental departments and agencies involved and no objection was found to removing the duty in this case. The suspension was made temporary so that Congress may review its effect after an appropriate period of time.

Mr. Speaker, the committee reported the bill unanimously, and I recommend passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3790

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 912.10 the following new item:

"912.25	Concentrate of poppy straw (however provided for in Schedule 4, part 3) when imported for use in producing codeine or morphine	Free.	Free.	On or before 6/30/79".

SEC. 2. The amendment made by the first section of this Act shall apply with respect

to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

With the following committee amendments:

Page 1, line 5, strike out "after item 912.10" and insert "before item 907.80".

Page 1, strike out all the matter appearing immediately after line 6 and insert the following:

"907.70	Concentrate of poppy straw (however provided for in part 3 of schedule 4) when imported for use in producing codeine or morphine	Free	Free	On or before 6/30/80".

Mr. VANIK (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The SPEAKER per tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON WOOL NOT FINER THAN 46S

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3946) to suspend for a temporary period the rate of duty on wool not finer than 46s, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, and I shall not do so, I will yield to the gentleman from Ohio to explain the bill.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 3946 is to suspend until June 30, 1980 the duty on imports on wool not finer than 46s.

H.R. 3946 was introduced by our colleague, Mr. QUIE of Minnesota.

Wool classified not finer than 46s is only nominally produced domestically. Improved wool, the overwhelming domestic production, is due to its characteristics of strength and color uniformity, well suited for clothing manufacture. Unimproved wool, the duty on the import of which would be suspended by this bill, is characterized by coarseness, toughness and scratchiness and, while unsuited for clothing, is when blended with improved wool used in the production of carpets, blankets and furniture upholstery. The bill would aid domestic firms using wool to meet the competition from both synthetic fibers and imports of woolen products.

Favorable reports were received from the Departments of Commerce and the Treasury and reports with no objections were received from the Departments of State and Labor.

Technical amendments to the bill were made to eliminate certain definitional and administrative problems raised by some administration agencies.

The committee was unanimous in reporting H.R. 3946 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I support H.R. 3946 to temporarily suspend the duty on wool not finer in grade than 46s. The suspension would continue until June 30, 1980.

Very little coarse wool not finer than 46s, and no unimproved wool, is produced domestically. U.S. firms almost exclusively manufacture finer wools used in making clothing and other wearing apparel. However, the coarse and unimproved wool, especially if blended with better grades, is very desirable for use in the manufacture of carpets, blankets, and upholstery fabrics.

Currently, imports of wool not finer than 46s have imposed on them a wide range of duties, depending on factors other than coarseness. Also, the duty on wool affects price supports under the National Wool Act of 1954, because the supports are based on a percentage of the cumulative gross receipts of import duties collected on all wool and wool and wool products. Enactment of H.R. 3946 is expected to result in a loss of customs revenue amounting to $389,000 annually.

Domestic firms using coarse wool in their manufacturing face substantial competition both from imports of similar products and from manmade fibers. A suspension of duty in this case would improve the competitive position of such firms as well as improve the quality and lower the price of blankets and floor coverings to consumers. Also, elimination of these duties would limit price support payments which have varied widely from year to year.

Mr. Speaker, the committee heard no objection to H.R. 3946 and reported the bill unanimously. I recommend passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. VOLKMER. Mr. Speaker, I reserve the right to object.

I would like to ask the gentleman from Ohio a question concerning the statement on page 2 of the report. There is a little bit in here which bothers me a little bit as being from a district that has domestic wool produced, and tomorrow we start on the agricultural programs and the wool act and our subsidies to our own wool growers—my question is this language in the report:

> By reducing gross duty receipts this bill could limit price support payments which have varied considerably from year to year.

Assuming that we do not have any income from this wool, which I know is not direct competition itself with our domestic wool, will we have any price support payments at all for our domestic wool producers?

Mr. VANIK. Well, I might point out that this bill only involves a $389,000 annual figure.

Mr. VOLKMER. I notice that.

Mr. VANIK. I might also point out that the bill was supported by the president of the National Wool Growers Association and the American Textile Manufacturers.

Mr. STEIGER. Mr. Speaker, will the gentleman yield?

Mr. VOLKMER. I yield.

Mr. STEIGER. I think the answer to the gentleman's question is no, it will not have any effect. However one answers that question, the answer is it has no effect on that issue because the domestic producers basically do not provide that kind of wool.

Mr. VOLKMER. I know. There is no competition. I am not worried about the competition. I am worried about the subsidy, because of the language in the report—and I do not know that much about either act—on page 2, which says it could limit the price support payments. I am asking how much it is going to limit the price support payments.

Mr. VANIK. If the gentleman will yield, I think this is only a minimal amount, and that can be adjusted in the price-support bill.

Mr. VOLKMER. Mr. Speaker, further reserving the right to object, then I will have to work on it and ask the gentleman if he will help me support any provisions I might need tomorrow or the next day in the agriculture program so that we will not by this bill reduce what we are attempting to do in the agricultural bill.

Mr. VANIK. If the gentleman will yield, I cannot say that I will support a whole bill over this one item. I will be happy to support what is involved here, $389,000, but I do not pledge myself to support the whole bill the gentleman is speaking of.

PARLIAMENTARY INQUIRY

Mr. VOLKMER. Mr. Speaker, if there is an objection made to this bill, may the bill be brought back at a later time, still under the Consent Calendar?

The SPEAKER pro tempore. It still remains on the Union Calendar and can be brought up for consideration at a future date.

Mr. VOLKMER. So there is really no major harm done.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. VOLKMER. Mr. Speaker, under my reservation of objection I will yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Speaker, as a former wool grower myself, I can tell the gentleman that this bill has absolutely no effect on the wool support program. What occurs in the Committee on Agriculture has no effect on this bill, and vice versa.

Mr. VOLKMER. Mr. Speaker, further reserving the right to object, I will ask the gentleman this question: In other words, the amount that comes in under the tariff will have no effect, the fact that it is not going to come in any more, as to the subsidy?

Mr. KETCHUM. Absolutely not.

Mr. VOLKMER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 905.30 the following new item:

"905.10	Wool: Not finer than 46s	Free	Free	On or before 9/30/81".

(b)(1) The rates of duty in rate column numbered 1 of the Tariff Schedules of the United States are provided for in subsection (a) shall be treated—

(A) as not having the status of statutory provisions enacted by the Congress, but

(B) as having been proclaimed by the President as being required or appropriate to carry out foreign trade agreements to which the United States is a party.

(2) The amendments made by this section shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by adding immediately after headnote 3 the following new headnote: "4. For so long as items 905.10 and 905.11 are in effect, headnotes 3, 4, and 5 of subpart C of part 1 of schedule 3 shall be suspended (except insofar as they relate to hair of the camel) and in lieu thereof—

"(a) for purposes of item 307.40—

"(i) the classification provisions for wool not finer than 46s shall apply to any package of wool containing not over 10 percent by weight of wool finer than 46s but not containing wool finer than 48s; and

"(ii) the citation for imports classifiable under item 307.40 shall be such item number followed by the item number for the part of the contents of the package which determines the rate of duty; and

"(b) for purposes of item 905.11, a tolerance of not more than 10 percent of wools not finer than 48s may be allowed in each bale or package of wools imported as not finer than 46s."; and

(2) by adding immediately before item 905.30 the following new items:

	"Wool (provided for in part 1C, schedule 3):			
905.10	All wool provided for in items 306.00 through 306.24	Free	Free	On or before 6/30/80
905.11	Other wool not finer than 46s provided for in items 306.30 through 306.34	Free	Free	On or before 6/30/80"

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

Mr. VANIK (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN DOXORUBICIN HYDROCHLORIDE ANTIBIOTICS

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4018) to suspend until the close of June 30, 1979, the duty on certain doxorubicin hydrochloride antibiotics, and for other purposes, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, and I shall not do so, I will ask the gentleman from Ohio (Mr. VANIK) if he will explain the bill.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, the purpose of H.R. 4018 is to suspend until June 30, 1980 the duty on imports of doxorubicin hydrochloride.

H.R. 4018 was introduced by our colleague, Mr. EVANS of Delaware.

Doxorubicin hydrochloride, not domestically produced, is a drug used in cancer chemotherapy. The National Institutes of Health, which annually purchases several million dollars of the drug, supports the bill. It is anticipated that savings due to duty suspension will be passed on to consumers.

Favorable reports were received from the Departments of Commerce, Labor, and the Treasury. A report with no objections was received from the Department of State.

Technical amendments were made to the bill to make the new item number follow in proper sequence in the Tariff Schedules of the United States and to provide for an expiration date of June 30, 1980, a common expiration date with most of the other duty suspension bills acted upon by the committee. In addition, the reference to a proclaimed rate rather than a statutory rate was deleted as unnecessary in a temporary duty suspension bill.

The committee was unanimous in reporting H.R. 4018 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I thank my colleague, the gentleman from Ohio (Mr. VANIK) for his excellent explanation.

Mr. Speaker, I support H.R. 4018 that would suspend until June 30, 1980 the column 1 rate of duty on certain doxorubicin hydrochloride antibiotics.

Doxorubicin hydrochloride is a drug used by physicians in cancer chemotherapy. Imports of the drug have increased significantly until they now are valued at several million dollars per year. The drug is produced only in Italy and is imported and distributed by a single domestic firm, Adria Laboratories. The current column 1 rate of duty is 5 percent ad valorem.

A suspension of duty is favored by the administration and supported by Adria Laboratories. The resultant lower costs of this drug will have a mitigating effect on the significant medical cost for cancer patients. Lost customs revenue is estimated to be $500,000 annually.

Besides reducing medical costs, enactment of H.R. 4018 will serve to improve the trade posture of this country. Subsection (b) of the bill states that a suspension of duty in this case, is proclaimed by the President as being required or appropriate to carry out trade agreements to which the United States is a party.

Mr. Speaker, the committee heard no objection to H.R. 4018 and reported the bill unanimously. I urge passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4018

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part 1 of subpart B of the appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 907.80 the following new item:

"Doxorubicin hydrochloride (provided for in item 407.85, part 1, or in item 437.32 or 438.02, part 3, schedule 4, depending on source)	Free	No change.	On or before June 30, 1979.".

(b) The rate of duty prescribed in rate column numbered 1 under item 907.40 of the Tariff Schedules of the United States (as added by subsection (a)) shall be considered to have been proclaimed by the President as being required or appropriate to carry out trade agreements to which the United States is a party, not as a statutory provision enacted by Congress.

(c) The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse, for consumption after the date of enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 907.80 the following new item:

"907.20	Doxorubicin hydrochloride (provided for in item 407.85, part 1, or in item 437.32 or 438.02, part 3, schedule 4, depending on source)----------	Free.	No change.	On or before 6/30/80".

SEC. 2. The amendment made by the first section of this act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of enactment of this act.

Mr. VANIK (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to suspend until the close of June 30, 1980, the duty on certain doxorubicin hydrochloride antibiotics.".

A motion to reconsider was laid on the table.

REQUEST FOR CONSIDERATION OF H.R. 4654, TEMPORARY REDUCTION OF DUTY ON UNMOUNTED UNDERWATER LENSES

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4654) to reduce the rate of duty on unmounted underwater lenses, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, I shall not do so, but under my reservation I will yield to the gentleman from Ohio (Mr. VANIK) so that he may explain the bill.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 4654 is to reduce until June 30, 1980, the duty on imports of unmounted underwater lenses.

H.R. 4654 was introduced by our colleague, Mr. WILSON of California.

The underwater lenses covered by the bill are used in combination with other lenses to manufacture underwater viewers for underwater photography. The lens is a high quality product produced in Japan, with special features that remove refraction caused by water. Domestically produced lenses similar to the imported product sell at about three times the cost.

There is only one domestic producer of the complete underwater unit and the firm feels that the duty reduction for unmounted underwater lenses would be an important factor in increasing their production. The only other manufacturer is reported to be a Japanese firm. The domestic firm claims the high duty on this lens has impaired its ability to compete with the Japanese imports.

Reports in opposition to the bill were received from the Departments of Commerce, State, and Labor and from the Office of the Special Representative for Trade Negotiations. They opposed the temporary duty suspension on the grounds that these lenses are imported primarily from Japan, a major trading partner, and any duty reduction should be negotiated in the context of the multilateral trade negotiations context so that the United States receives some trade benefit for such a reduction.

The objections were considered in the light of total U.S. imports in 1975 of unmounted underwater lenses valued at approximately $78,000 with a customs duty of approximately $11,000 and the fact that the bill is a temporary duty reduction rather than a permanent unilateral reduction of the duty. It is believed that whatever negotiating value exists in reducing the duty on unmounted underwater lenses is not taken away since this duty reduction is a temporary measure.

Technical amendments were made to place the temporary duty reduction in a new TSUS item in the Appendix to the TSUS rather than amending the permanent TSUS item for a temporary period.

The committee was unanimous in reporting H.R. 4654 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, I support H.R. 4654, a bill that would reduce until June 30, 1980, the duty on unmounted underwater lenses.

The lenses covered by the bill are used with other types of lenses to make viewers for underwater photography. They are of high quality and have special features to reduce refraction. Although produced domestically, the cost of the lenses is about three times higher when purchased from U.S. firms than when imported from Japan. Even so, the cost is considerable and tends to limit domestic production of completed underwater viewers.

The complete unit is manufactured by only one domestic firm, Seacor of California. At this time, they are interested in doubling their production of these viewers and in improving their competitive position in relation to the imported completed unit. The duty reduction on unmounted underwater lenses would serve to keep the price of the domestic product down and thus make it more attractive than those manufactured and assembled in Japan.

Currently, the column 1 rate of duty for this article is 14 percent ad valorem and the column 2 rate is 45 percent ad valorem. H.R. 4654 would temporarily reduce the column 1 rate to 7 percent, while leaving the column 2 rate unchanged. The loss in customs revenue for the first full year after enactment is expected to be approximately $5,460.

Mr. Speaker, although the administration has opposed enactment of H.R. 4654, they have done so because they prefer duty reductions to be negotiated in the context of the multilateral trade negotiations, MTN. The temporary nature of the reduction, however, would preserve this option. The committee reported the measure unanimously, and I recommend passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. ALLEN. Mr. Speaker, reserving the right to object, because the Departments of Commerce, State, and Labor do object to the passage of this bill and feel that this is a matter that should be negotiated under the Trade Act where the United States might get some benefit from it, I do object.

The SPEAKER pro tempore. Objection is heard.

FOR THE RELIEF OF JACK R. MISNER WITH RESPECT TO THE VESSEL "PANDA"

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5037) for the relief of Jack R. Misner, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object—and I shall not do so—under my reservation I will be happy to yield to the gentleman from Ohio (Mr. VANIK) so he may give the House his explanation of this bill.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 5037, a private bill, is to extend until September 18, 1977, a temporary importation bond covering the schooner *Panda*.

H.R. 5037 was introduced by our colleague, Mr. KEMP of New York.

The schooner entered the United States under a bond filed by Captain Misner in September 1972, under provisions of the TSUS which provide that articles imported for repair, alteration, or processing, but not sale in the United States may enter without payment of duty under bond for their exportation within 1 year. The TSUS limits renewal of the bond upon application to a maximum of an additional 2 years.

The bond on the schooner *Panda* was granted for the 3-year maximum total period. However, due to material shortages and continual delay in delivery dates, the renovation schedule had to be considerably extended. All equipment and materials for reconstruction of the yacht are of U.S. origin.

Unless the statutory 3-year time limit on this bond is extended, Captain Misner is liable for payment of penalty duty or can be forced to remove the vessel from the United States prior to completetion of the repairs.

Reports with no objections were received from the Departments of Commerce and the Treasury.

The committee was unanimous in reporting H.R. 5037 and I urge its passage.

Mr. STEIGER. Mr. Speaker, I support H.R. 5037, a private bill extending until September 18, 1977, the expiration date of a temporary importation bond concerning the schooner *Panda* so that Jack R. Misner, of North Tonawanda, N.Y., can complete extensive renovation of the vessel.

Originally, it was anticipated that renovation of the vessel involved could be completed within the 3 years allowed under the bond when first issued. However, material shortages and postponements in delivery dates have made the 3-year statutory time limit impossible to meet. All equipment and materials involved in the reconstruction are of U.S. origin.

The extension of the bond will allow Mr. Misner to complete work on the vessel without the hardship of leaving port or without becoming liable for payment of a penalty duty. H.R. 5037 applies only to the schooner *Panda*, and would not affect present law with respect to temporary importation bond cases in general.

Favorable reports with respect to extending the temporary importation bond in this instance were received from both the Department of Commerce and the Department of the Treasury. No additional revenue loss or administrative costs would be incurred by enactment of this bill. A similar bill was introduced in the 94th Congress and passed the House but was not taken up in the Senate.

Mr. Speaker, the committee received no opposition to H.R. 4047 from any source and reported the bill unanimously. I recommend passage by the House at this time.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I would like to ask the gentleman this question: If the owner of the boat were to part with it, how much money would we actually be talking about?

Mr. STEIGER. Mr. Speaker, let me yield, if I may, under my reservation of objection, to the gentleman from New York (Mr. KEMP), the author of the bill.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman's yielding.

The Customs Service has advised Captain Misner that he would have to pay something like $7,000 in liquidated damages for failure to act within the bond period or if the bill should not be passed.

As the gentleman from Wisconsin (Mr. STEIGER) and the gentleman from Ohio (Mr. VANIK) point out, it is for a very limited period so that the captain may finish the renovation.

Mr. VOLKMER. If the gentleman will yield further, is it not ready to sail? If we pass this bill and the work proceeds, will it not be ready to sail?

Mr. KEMP. It will be sailing out, yes. It is almost completed. As the gentleman from Ohio (Mr. VANIK) pointed out, it is only because there has been such a tremendous shortage of materials involving the renovating of the schooner that there has been this delay.

Mr. VOLKMER. What is the value of this schooner?

Mr. STEIGER. The value of the schooner?

I must say, further reserving the right to object, that I do not know that we have that figure. We do not deal with the value of the schooner. What we are dealing with in this bill is the repairs that are required.

Maybe we should have asked what the value was, but I do not know what it is.

Mr. VOLKMER. Has it been laid up in drydock for all 5 years?

Mr. STEIGER. Yes; it has been laid up a substantial amount of time.

Mr. VOLKMER. Mr. Speaker, I thank the gentleman.

Mr. STEIGER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5037

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to permit Jack R. Misner, of North Tonawanda, New York, to complete the renovation of the schooner Panda (entry numbered 902261, September 25, 1972) within the United States (which renovation has been delayed because of material shortages), the Secretary of the Treasury, notwithstanding the provisions of subpart 5C of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202), shall extend the expiration date of the temporary importation bond covering the schooner Panda until the close of September 18, 1977.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY REDUCTION OF DUTY ON UNMOUNTED UNDERWATER LENSES

Mr. VANIK. Mr. Speaker. I ask unanimous consent again for the immediate consideration of the bill H.R. 4654, to reduce the rate of duty on unmounted underwater lenses, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. ALLEN. Reserving the right to object, Mr. Speaker, since this bill was considered a few minutes ago, I have been advised that the amount of money involved is something like $5,460 a year and that since it is such a small amount, it is not likely that the Departments of Commerce, State, and Labor, notwithing their objections, would ever get around to negotiating this matter under our multilateral trade negotiations.

For that reason, Mr. Speaker, I ask leave to withdraw my objection so that the bill may be passed by unanimous consent.

The SPEAKER pro tempore. The gentleman's objection is withdrawn.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart A of part 2 of schedule 7 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 708.01 the following new item:

"708.02 Underwater..... 7% ad val. 45% ad val.".

SEC. 2. The amendment made by the first section of this Act shall for a period of two years apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

Mr. BOB WILSON. Mr. Speaker, I rise in support of my bill, H.R. 4654, to reduce the rate of duty on unmounted underwater lenses.

This legislation was introduced as a result of a price competition problem encountered by a firm located in my district, Seacor Inc. Seacor produces the Sea-Eye, a corrected 21-mm. underwater lens. Descriptive brochures on the Sea-Eye and its uses in underwater photography are attached. This lens has been utilized by a variety of publications, as well as Government, educational, and private organizations engaged in oceanographic endeavors, including the Jacques Cousteau team.

There are only two producers of this underwater lense for the retail market: Seacor, located in San Diego, and the Japanese firm, Nikon. One clarification is needed at this point in my testimony. In its recent report to the committee, the International Trade Commission states that "underwater lenses are produced in the United States by a number of companies, almost entirely on a custom basis." The report then enumerates five major producers of underwater lenses. It is important to emphasize, however, that all the firms listed, except Seacor, produce these underwater lenses solely on a custom or special order basis. Seacor is the only American firm producing such a lens for the retail market, a point which my office confirmed earlier this week with the analyst who prepared the ITC's report on H.R. 4654.

Because of the tariff on one component, however, an unmounted underwater lens, Seacor has encountered difficulty in keeping its price competitive with Nikon. A diagram of the Sea-Eye components is attached for the subcommittee's information. Seacor advises that it makes all the parts for the Sea-Eye with two exceptions: The dome, which is manufactured in Connecticut, and the unmounted underwater lens, for which they have an exclusive contract from the Yashika Co. in Japan. There is no domestic source for this unmounted lens. Imported from Japan, it is subject to a tariff rate of 14 percent.

I want to reemphasize that Seacor competes with no American firm in the sale of the Sea-Eye, but solely with Nikon. The tariff on the one imported component, however, increases the cost of each completed Sea-Eye by $20, mak-

ing it more difficult for the Sea-Eye to be competitive with the Nikon product on the world market. Since one of the basic purposes of our tariff laws is the protection of American business, I feel a revision of the 14 percent tariff rate on this unmounted underwater lens is warranted.

H.R. 4654 provides for a temporary reduction in the tariff to 7 percent. This is a revised version of legislation I submitted during the 94th Congress, H.R. 11050, which called for a permanent reduction in the tariff from 14 to 7 percent. This permanent reduction was opposed by the several agencies queried by the committee, because it was felt that such a permanent unilateral reduction should instead be negotiated in multilateral trade negotiations in exchange for reciprocal benefits for U.S. exports.

In his September 9, 1976, letter to Chairman ULLMAN, the Acting General Counsel of the Treasury Department outlined the Department's opposition to a permanent reduction, but advised that Treasury would support a temporary duty reduction on these lenses "in view of the fact that there is no domestic supplier for these underwater lenses, and thus no adverse economic consequences which would result to American manufacturers." Additionally, the Department acknowledged that a temporary reduction in the tariff could prove to be a boon to consumers through lower prices. According to the Department of Commerce, other U.S. lens manufacturers do not object to the proposed duty reduction. They would, understandably, prefer that such a reduction be accomplished in the multilateral trade negotiations in exchange for salutary tariff concessions for U.S. optical exports. Such a position is certainly not surprising and I would hope that a permanent arrangement of this sort can be achieved through the MTN.

In the interim, I urge the House to favorably consider a temporary reduction in the duty on this one item. I know that the members of the subcommittee feel as I do about the importance of assisting American businessmen to be more competitive in the world market. H.R. 4654 would do exactly that, without any adverse impact on other U.S. firms or the American taxpayer.

In closing, I want to reiterate that H.R. 4654 would make an American-made underwater lens, the Sea-Eye, more competitive with its Japanese rival by removal of the tariff on the one component which is unobtainable in the United States. I urge favorable consideration of this bill.

With the following committee amendments:

Strike out all after the enacting clause and insert the following:

That subpart B of part 1 of the appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 912.07 the following new item:

"912.06	Underwater lenses, not mounted (provided for in item 708.03, part 2A, schedule 7).....	7% ad val.	No change.	On or before 6/30/80"

SEC. 2. The amendment made by the first section of this act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this act.

Mr. VANIK (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to reduce until the close of June 30, 1980, the duty on unmounted underwater lenses."

A motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON PHOTOGRAPHIC COLOR COUPLERS AND COUPLER INTERMEDIATES

Mr. VANIK. Mr. Speaker, I ask unanimous consent for immediate consideration of the bill, H.R. 5052, to provide for the temporary suspension of duty on the importation of color couplers and coupler intermediates used in the manufacture of photographic sensitized material—provided for in items 405.20 and 403.60, respectively—which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, and I shall not do so, I will yield to the gentleman from Ohio (Mr. VANIK) so that he may give us an explanation of the bill.

Mr. VANIK. Mr. Speaker, I thank the gentleman from Wisconsin for yielding to me.

Mr. Speaker, the purpose of H.R. 5052 is to suspend until June 30, 1980, the duty on imports of color couplers and coupler intermediates.

H.R. 5052 was introduced by our colleague, Mr. FRENZEL of Minnesota.

Coupler intermediates are used to produce color couplers and color couplers are finished dyes used in the manufacture of photographic paper used in printing photographs. Domestic producers produce for their own internal consumption only.

The bill would enable another domestic firm to import the articles duty free from a subsidiary's foreign plant for a temporary period in order to supply their domestic photographic paper production. They anticipate building a plant to produce these chemicals domestically.

A favorable report was received from the Department of the Treasury. A report with no objections was received from the Department of Commerce.

Technical amendments were made to the bill to describe with greater specificity the articles covered by the duty suspension, to place the new TSUS items in proper order within the TSUS and to specify an expiration date.

The committee was unanimous in reporting H.R. 5052 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object.

Mr. Speaker, I support H.R. 5052 a bill suspending, until June 30, 1980, the duty on color couplers and on coupler intermediates.

Color couplers are finished dyes used in making photographic paper. Coupler intermediates are used in the production of color couplers. These items currently carry a column 1 duty of 1.7 cents per pound plus 12.5 percent ad valorem and 3 cents per pound plus 19 percent ad valorem respectively. The column 2 rate for both articles would not be affected by this bill.

Although two U.S. firms currently produce color couplers and coupler intermediates, they do so only for internal consumption. The 3M Co. on the other hand, must import these products from a foreign subsidiary in order to supply their photographic paper plant located in Rochester, N.Y. The temporary suspension contained in H.R. 5052 would help keep 3M's costs competitive with other similar U.S. firms until they themselves can begin domestic production of these chemicals for their own use. Annual loss in customs revenue for the 3-year period is estimated to be $550,000.

Mr. Speaker, the committee heard no objection to passage of H.R. 5052 during public hearings on miscellaneous tariff measures, and reported the bill unanimously. I recommend passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5052

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the appendix to the Tariff Schedules of the United States (19 U.S.C. 1202), is amended by inserting immediately after item 405.20, the following new items:

"913.00	Color couplers used in the manufacture of photographic sensitized material.....	Free.	No change.	Two years after enactment.
913.10	Color intermediates used in the manufacture of photographic sensitized material.....	Free.	No change.	Two years after enactment.".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered or withdrawn from warehouse, within the two years period beginning on the date of enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 907.80 the following new items:

"907.10	Cyclic organic chemical products in any physical form having a benzenoid, quinoid, or modified benzenoid structure (provided for in item 403.60, part 1B, schedule 4) to be used in the manufacture of photographic color couplers	Free	No change.	On or before 6/30/80.
907.12	Photographic color couplers (provided for in item 405.20, part 1C, schedule 4)	Free	No change.	On or before 6/30/80."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill providing for the temporary suspension of duty on photographic color couplers and coupler intermediates."

A motion to reconsider was laid on the table.

DUTY-FREE ENTRY OF COMPETITION BOBSLEDS AND LUGES

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5146) to amend the Tariff Schedules of the United States to provide for the duty-free entry of competition bobsleds and luges, which was unanimously reported to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, and I shall not object, I do so merely for the purpose of yielding to the gentleman from Ohio (Mr. VANIK) so that he may explain the bill.

Mr. VANIK. Mr. Speaker, I thank the gentleman from Wisconsin for yielding to me.

Mr. Speaker, the purpose of H.R. 5146 is to provide for the duty-free entry of bobsleds and luges of a kind used in international competition.

H.R. 5146 was introduced by our colleague, Mr. MCEWEN of New York. I might just add that he is not a member of the Committee on Ways and Means.

Legislation to remove the duty on sleds is one of the recommendations of the recently concluded study of amateur sports by the President's Commission on Olympic Sports. The Commission agrees that a major impediment to participation in these sports is the high cost of equipment. There are no American bobsled or luge manufacturers and this legislation would not adversely affect any U.S. industry.

A favorable report was received from the Department of Commerce. Reports with no objections were received from the Department of the Treasury and Labor.

A technical amendment was made to the proposed Tariff Schedules of the United States (TSUS) items 734.97 and 734.98 in order that the indentation of the article description follow the form used in the TSUS.

The committee was unanimous in reporting H.R. 5146 as amended, as I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I support H.R. 5146, providing for duty-free treatment of competition bobsleds and luges.

Participation in Olympic sports is a very expensive activity, partly because of the high cost of equipment. The President's Commission on Olympic Sports recently completed a study of amateur sports, and among its recommendations was that legislation be enacted to remove the duty on competition sleds.

The current column 1 rate of duty on bobsleds and luges is 9 percent ad valorem and the column 2 rate is 45 percent ad valorem. It is estimated that only from four to six new sleds are imported each year, so the impact of such duty-free treatment on customs revenues would be minimal. There are no American manufacturers of competition bobsleds and luges.

Mr. Speaker, legislation such as H.R. 5146 is important to this country's Olympic and other amateur athletes who face high costs and yet are restricted in the type of monetary support they can accept while competing as amateurs. The committee reported the bill unanimously and received no objection from any source. I recommend passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart D of part 5 of schedule 7 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out item 734.97 and inserting in lieu thereof the following:

"734.97	Bobsleds and luges of a kind used in international competition	Free	Free.
734.98	Other	9% ad val.	45% ad val.".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

With the following committee amendment:

Page 1, strike out the matter appearing immediately after line 6 and insert the following:

"734.98	Bobsleds and luges of a kind used in international competition	Free	Free.
734.99	Other	9% ad val.	45% ad val.".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REDUCED DUTY ON LEVULOSE UNTIL JULY 1, 1980

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5176) to lower the duty on levulose until the close of December 31, 1980, which was unanimously reported to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, and I shall not object, but I do so for the purpose of yielding to the gentleman from Ohio so that he may explain the bill.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 5176 is to reduce until June 30, 1980, the duty on imports of levulose.

H.R. 5176 was introduced by our colleague, Mr. CORMAN of California.

Levulose, a pure or relatively pure product, is a monosaccharide which, together with dextrose, represents a basic component of ordinary sugar. There is no natural source of pure levulose, which is the result of expensive manufacturing processes. Although levulose is known to be sweeter than sucrose, its price is substantially higher than sugar and it does not compete with sugar. The primary use of levulose is in special dietary preparations where the use of sugar must be avoided.

The lowering of duties on levulose is considered not likely to represent a threat to products of the U.S. natural sweetener industry, that is, sugar, dextrose, corn syrup, high levulose corn syrup, or honey, nor is the product likely to have much impact on noncaloric sweeteners such as saccharin or cyclamates.

There is currently no domestic production of pure levulose but a domestic company intends to construct a plant in California to manufacture this product. Until construction is completed in the early 1980's, the company will import its supply of levulose.

A report with no objections was received from the Food and Drug Administration of the Department of Health, Education, and Welfare.

The committee was unanimous in reporting H.R. 5176 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I support H.R. 5176, a bill that would temporarily lower, until June 30, 1980, the rate of duty on levulose.

Levulose is a relatively pure substance used in the production of certain artificial sweeteners of special value to diabetics. It appears most commonly in nature as a component of honey, and its separation requires an expensive manufacturing process. There are no domestic commercial producers of pure levulose,

and imports of the substance into this country come mainly from Finland but also from West Germany and France.

Currently, a west coast corporation now producing an artificial sweetener is interested in constructing a plant to manufacture levulose. The temporary reduction contained in H.R. 5176 will provide relief from the rather high duty on levulose until construction of the plant can be completed. The bill would affect only column 1 rates, lowering them from 20 percent ad valouem to 1.9875 cents per pound. This is the same rate as is applied to refined sugar. The annual customs revenue loss is estimated to be approximately $195,000.

As a rare and costly polysaccharide, levulose does not compete with the domestic natural sweetener industry, such as sugar, corn syrup, dextrose, or honey. Neither does it offer any significant competition to the more common noncaloric sweeteners such as saccharin. Lowering the duty in this instance, therefore, would have no adverse effect on any domestic manufacturer, and yet would serve to lower the cost of sweeteners containing levulose to consumers who must avoid sucrose, or ordinary sugar, in their diets.

Mr. Speaker, the committee heard no opposition to enactment of H.R. 5176 from any source and reported the bill without dissent. A similar bill was introduced in the 94th Congress and was passed by the House but later died in the Senate. I again urge the House to pass this important legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting after item 907.80 the following new item:

"907.90	Levulose (provided for in item 493.66, part 13B, schedule 4)------	1.9875¢ per lb.	1.9875¢ per lb.	On or before 12/31/-80".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

With the following committee amendment:

Page 1, strike out the matter appearing between lines 5 and 6 and insert the following:

"907.90	Levulose (provided for in item 493.66, part 13B, schedule 4)...	1.9875¢ per lb.	1.9875¢ per lb.	On or before 6/30/80".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to lower the duty on levulose until the close of June 30, 1980."

A motion to reconsider was laid on the table.

FOR THE RELIEF OF JOE CORTINA OF TAMPA, FLA.

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5289) for the relief of Joe Cortina of Tampa, Fla., which was unanimously reported to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, I shall not of course do so, but I yield to the gentleman from Ohio (Mr. VANIK) to explain this fascinating bill.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 5289, a private bill, is to specify the manner of liquidation or reliquidation of 29 specific customs entries of certain musical instruments.

H.R. 5289 was introduced by our colleague, Mr. GIBBONS of Florida.

Mr. Cortina, a Tampa, Fla., customs broker, was the importer of record on a series of musical instrument import entries from 1971 through 1973. Because a selling commission was paid by a domestic firm to a West German firm and because, it was alleged, the instruments were of East German origin, supplemental duties in excess of $150,000 were assessed against Mr. Cortina. However, after a second investigation, Customs limited the number of instruments it alleged were of East German origin and reduced Mr. Cortina's supplemental duties liability to $37,000. It is alleged that this liability would financially ruin Mr. Cortina since he has no effective recourse against either the domestic firm he represented which has been dissolved, or against its principal owner who is deceased. The bill is intended to relieve Mr. Cortina of all liability for the supplemental duties.

The committee was unanimous in reporting H.R. 5289 and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I support H.R. 5289, a private relief bill that would liquidate or reliquidate the customs entries of certain musical instruments that came into the port of Tampa, Fla.

Between October 1971 and October 1973, Joe Cortina, a Tampa customs broker, imported a series of musical instruments from a West German firm named Hans Herman Kuhl (HHK). Mr. Cortina had posted a customs entry bond based on the entered or declared value of the items. Later, the Customs Service discovered that a 10-percent selling commission had been paid by the domestic firm receiving the instruments; it subsequently was determined that HHK's instruments originated in East Germany. Therefore, Mr. Cortina became liable for additional duties equal to the 10-percent selling commission plus the difference in the column 1 and column 2 rate of duty on these articles.

Through circumstances that could not have been foreseen by Mr. Cortina, he has incurred a liability of approximately $37,000 in excess of the bond he posted. H.R. 5289 would relieve Mr. Cortina of this liability for the unpaid duties and would refund any supplemental duties already paid to date. The one-time loss in customs revenue would be approximately $46,000.

Mr. Speaker, the committee heard no objections to providing the relief desired by Mr. Cortina in this instance, and reported H.R. 5289 unanimously. I recommend passage by the House at this time.

Mr. STEIGER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5289

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, the entries listed in section 2 of this Act, covering certain musical instruments, shall be liquidated or reliquidated and, if appropriate, refund of duties made. Notwithstanding the provisions of General Headnote 3(e) of the Tariff Schedules of the United States (19 U.S.C. 1202) or any other provision of law, for purposes of the liquidations or reliquidations authorized by this Act, such entries shall be appraised at invoice unit prices net, packed, and shall be subject to duty at the applicable rates set forth in column 1 of such schedules.

SEC. 2. The entries referred to in the first section of this Act are as follows:

Entry number:	Date of entry
100284	July 14, 1972.
100607	July 27, 1973.
101233	August 18, 1972.
101426	September 1, 1972.
101756	September 14, 1972.
102217	October 15, 1973.
102394	October 7, 1971.
102483	October 15, 1971.
102687	November 15, 1971.
102708	July 8, 1973.
102711	November 17, 1971.
102781	October 20, 1972.
103117	December 16, 1971.
103252	November 8, 1972.
103275	December 28, 1971.
103576	November 22, 1972.
103638	November 27, 1972.
104335	December 21, 1972.
104601	March 8, 1972.
104920	January 16, 1973.
105205	April 10, 1972.
105998	May 15, 1972.
105998	March 2, 1973.
106002	May 15, 1972.
106730	June 21, 1972.
106731	June 21, 1972.
106888	June 29, 1972.
103114	December 16, 1971.
108444	June 11, 1973.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DUTY-FREE TREATMENT FOR ISTLE

Mr. VANIK. Mr. Speaker, I ask unanimous consent for the immediate

consideration of the bill (H.R. 5322) to continue for a temporary period the existing suspension of duty on certain istle, which was unanimously reported to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. STEIGER. Mr. Speaker, reserving the right to object, I shall not of course do so, but I yield to the gentleman from Ohio (Mr. VANIK) for an explanation of the legislation.

Mr. VANIK. Mr. Speaker, the purpose of H.R. 5322 is to admit duty-free imports of istle, whether crude or processed.

H.R. 5322 was introduced by our colleague, Mr. FRENZEL of Minnesota.

Istle fiber is a vegetable fiber. There is no domestic production of either crude istle or processed istle fibers, which are used primarily in the manufacture of a wide range of high-quality industrial brushes. Istle fibers do not compete directly with domestically produced synthetic fibers because of their relatively high cost and absorbent quality.

Favorable reports were received from the Departments of Commerce, the Treasury, and Agriculture. Reports with no objections were received from the Department of State and from the Office of the Special Representative for Trade Negotiations.

The bill was amended to permit the duty-free entry of processed istle rather than continue the temporary suspension of the duty. This duty has been temporarily suspended by a number of bills for approximately 20 years without any foreseeable domestic production of processed istle and the administration favors the permanent duty-free entry treatment.

The committee was unanimous in reporting H.R. 5322 as amended, and I urge its passage.

Mr. STEIGER. Mr. Speaker, further reserving the right to object, I support H.R. 5322, a bill to permanently suspend the duty on processed istle fiber.

Istle is a vegetable fiber, native to Mexico, that is processed for use in the manufacture of industrial brushes. There is no domestic production of either crude istle or processed istle fiber, and virtually all U.S. imports of this product come from Mexico. Before importation, the crude fiber is generally cleaned, combed, and graded so that it can be manufactured into brushes in the United States without further processing.

Under the Tariff Schedules of the United States, processed istle fiber is subject to a duty of 20 percent ad valorem (both column 1 and column 2). However, this duty has been suspended by various public laws since September 4, 1957. Making the temporary suspension permanent would result in no additional loss of custom revenue. Crude istle fiber already has duty-free treatment.

Because of its special absorbent characteristics and relatively high cost, imported processed istle fiber does not compete with any domestically produced synthetic fibers. However, the competitive position of istle brushes manufactured in the United States is affected by the importation of completed istle brushes. Such completed brushes are dutiable at a lower 14 percent ad valorem; and, without the existing suspension of duty on processed istle fiber, could be sold at a considerably lower price than such brushes manufactured domestically.

It appears clear that development of domestic plants for the processing of crude istle is not contemplated in the foreseeable future. A permanent suspension of the duty on istle fiber, therefore, will preserve the competitive position of istle brushes manufactured in this country without adversely affecting any domestic processors.

Mr. Speaker, it would be possible to remove administratively rather than legislatively the duty on processed istle fiber entering from Mexico, since Mexico is eligible for such treatment under this country's generalized system of preferences (GSP). However, applying for GSP treatment is complicated and time consuming. The desired result can be accomplished much more quickly and efficiently through enactment of H.R. 5322.

The committee heard no objection to H.R. 5322 during its hearings on miscellaneous tariff measures, and subsequently reported the bill unanimously. I recommend passage by the House at this time.

Mr. Speaker, this is the last of the bills by unanimous consent from the Committee on Ways and Means. The House has been very patient with us. I urge support for the bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5322

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) item 903.90 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "6/30/78" and inserting in lieu thereof "6/30/81".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption, after June 30, 1978.

With the following committee amendments:

Strike out all after the enacting clause and insert the following:

That (a) subpart G of part 15 of schedule 1 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out—

"Istle:				
192.65	Crude	Free	Free.
192-70	Processed	20% ad val	20% ad val."

and inserting in lieu thereof the following:

"192.66	Istle	Free	Free".

(b) Item 903.90 of the Appendix to such Schedules is repealed.

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

Mr. VANIK (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide duty-free treatment for istle."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks with regard to the bills reported out by the Committee on Ways and Means and approved by the House today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONFERENCE REPORT ON H.R. 7557, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1978

Mr. McFALL. Mr. Speaker, I call up the conference report on the bill (H.R. 7557) making appropriations for the Department of Transportation and Related Agencies for the fiscal year ending September 30, 1978, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 29, 1977.)

Mr. McFALL (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from California is recognized for 30 minutes.

Mr. McFALL. Mr. Speaker, the conference agreement would provide for total new budget authority of $6,196,609,023 for fiscal year 1978 and $12,243,000 for fiscal year 1977. This is about $86 million below the President's budget. In several instances we have provided funding in excess of the budget estimates. But these increases are more than offset by reductions which reflect changing congressional attitudes about transportation priorities.

In addition, the conference agreement includes $8,143,290,000 in appropriations

to liquidate contract authorizations. This is the same as the House-passed bill and is $437.9 million less than the budget request.

Mr. Speaker, I believe that this conference agreement is a good one and one that the House can support. Of course, we have had and continue to have an amiable relationship with our friends in the other body, particularly the Senator from Indiana (Mr. BAYH) and the Senator from New Jersey (Mr. CASE).

HIGHLIGHTS OF THE CONFERENCE REPORT

Mr. Speaker, my good friends on the Merchant Marine and Fisheries Committee, as well as other Members, will be pleased that $1,347,510,023 in new budget authority will be available to the Coast Guard. This includes $236,000,000 for acquisition, construction and improvements and $20,000,000 for research, development, test and evaluation.

The Supplemental Appropriations Act, 1977—Public Law 95–26—contains an appropriation of $10 million for the pollution fund. That act also contains a provision making these funds available only upon the enactment of authorizing legislation. I have received a copy of a letter from Congressman JOHNSON, chairman of the Committee on Public Works and Transportation, indicating that the intent of his committee was to establish a $35 million limit on the amount in the revolving fund at any one time, and not to limit aggregate appropriations into the revolving fund. In view of this, we believe that the $10 million appropriated in fiscal year 1977 for this fund is currently available to perform the Coast Guard's clean up work.

For the activities of the Federal Aviation Administration, over $1.8 billion will be provided for operations and $14,000,000 for airport planning grants.

In the highway area, $20,000,000 will be provided for traffic control signalization demonstration projects. This is in addition to the $10 million provided for this program in the Economic Stimulus Appropriations Act.

In the rail transportation area, the conferees were faced with some very important problems regarding the National Railroad Passenger Corporation—Amtrak. The conference agreement includes the funding level for operating grants proposed by the House—$488,500,000. The conference report, page 8, on amendment No. 24, reads as follows:

The conferees believe this amount will be sufficient for the entire fiscal year and direct Amtrak to make effective use of the criteria and procedures for making route and service decisions developed pursuant to section 8 of the Amtrak Improvement Act of 1975.

I believe that "effective" use of the criteria would include a recognition of the state of Amtrak service discussed in the House report and the application of the criteria discussed in the report.

Mr. Speaker, the conference agreement includes appropriations and limitations on contract authority for our mass transportation assistance programs. This area proved to be the most troublesome for the conferees. The conference agreement will provide $70,000,000 for research, $45,000,000 for rail service operating payments, and $789,000,000 for transit and highway projects substituted for interstate system segments. For the local Washington Metropolitan Area Transit Authority, the conference agreement includes funds for fiscal year 1977 interest costs and a provision which will require WMATA to move forward with the rail transit system in a responsible manner consistent with existing Federal mass transportation policy.

Finally, Mr. Speaker, the bill includes funding for the Urban Mass Transportation Administration's downtown people mover program. The Department of Transportation originally selected four cities for this program which seeks to test the feasibility and consumer response to recently developed automated mass transportation technology. The demonstrations are to be financed with section 3 capital grants on an 80-percent Federal, 20-percent local matching basis. The Senate committee directed that four additional cities be included in the program. Such a directive was disturbing to all of the House conferees because of the large costs projected for these people mover systems. The House and Senate conferees argued over this program for some time and finally we were able to come to an agreement that a majority of the House conferees and our Senate counterparts could accept. Our agreement is spelled out on pages 11 and 12 of the report. The conferees agreed that the four candidate cities mentioned in the Senate report—Jacksonville, St. Louis, Baltimore, and Indianapolis—should be considered, along with the four cities previously selected by the administration, for capital grant funding. These cities have all undertaken some initial planning efforts.

The House conferees were very concerned about the potential costs of these projects and the uncertainty surrounding the use of automated technology in a real world environment. It was feared by some conferees that some of the costly mistakes which plagued the Department's people mover project at Morgantown, W. Va., might be repeated under this program. The conference report language beginning on page 12 is designed to address some of these concerns:

The conferees believe that UMTA should impose strict limits on the Federal commitment for each project and should insist on contractual procedures, including fixed-price contracts, which will ensure that project costs are kept within current estimates.

The current estimates for the eight projects are as follows:

[In millions]

	Total cost	Federal share
Los Angeles	$125.0	$100.0
Houston	42.5	34.0
Minneapolis-St. Paul	56.3	45.0
Cleveland	51.3	41.0
Jacksonville	41.0	32.8
St. Louis	43.5	34.8
Baltimore	25.0	20.0
Indianapolis	50.0	40.0

The conference report language is clear—we expect that the cost of each project will stay within these levels. The Department should come back to the Appropriations Committees if this does not appear to be possible.

The conferees also agreed to the following language:

Further, the conferees believe that UMTA should undertake to fully inform the local communities of the potential capital and operating costs of DPM systems prior to the final project approval by UMTA.

The purpose of this language is to insure that the local communities go into this program with their eyes open and that design decisions can be made with the best estimate of present and future costs of those decisions. Too often in the past, local communities have been oversold on new, exotic technological equipment only to find out later that they are liable for significant operating and system maintenance costs. UMTA's section 5 formula grant program will cover only a portion of future operating deficits. It must be remembered that this technology has not previously been deployed in a central city area. We do not know if people will actually ride on these systems. The conference report language makes it clear that when UMTA officials sit down with the local officials to discuss the advantages and benefits of the downtown people mover program, the local officials will also be made aware of the risks associated with this kind of transportation system and also be presented with the best estimate of capital and operating costs to be assumed by the local community. If this is done, I believe the ultimate success of the demonstrations will be considerably enhanced and costly mistakes and misjudgments can be minimized.

Mr. Speaker, in addition to the new budget authority provided in the bill, this legislation includes several limitations on contract authority and loan authority programs. These provisions have been carried in one or more prior appropriations acts and are an important part of our effort to achieve greater congressional control over Federal spending. A list of the limitations for fiscal year 1978 follows:

Federal Aviation Administration:	
Grants-in-aid for airports	$540,000,000
Federal Highway Administration:	
Highway-related safety grants	28,000,000
Federal-aid highways	7,445,000,000
National Highway Traffic Safety Administration:	
State and community highway safety	172,000,000
Federal Railroad Administration:	
Loan guarantee program	600,000,000
Urban Mass Transportation Administration:	
Urban mass transportation fund	2,365,000,000
Interstate transfers	350,000,000

Mr. Speaker, I urge the adoption of the conference report. I insert at this point in the RECORD a table giving the conference figures in detail:

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION ACT, 1978 (H.R. 7557)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY, JUNE 29, 1977

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE I									
DEPARTMENT OF TRANSPORTATION									
OFFICE OF THE SECRETARY									
Salaries and expenses	$36,100,000	$34,863,000	$33,400,000	$33,400,000	$33,400,000	−$2,700,000	−$1,463,000		
Transportation planning, research, and development	28,000,000	31,200,000	24,000,000	28,000,000	25,000,000	−3,000,000	−6,200,000	+$1,000,000	−$3,000,000
Limitation on working capital fund			(39,847,000)	(39,847,000)	(39,847,000)	(+39,847,000)	(+39,847,000)		
Transportation research activities overseas	100,000					−100,000			
Total, Office of the Secretary	64,200,000	66,063,000	57,400,000	61,400,000	58,400,000	−5,800,000	−7,663,000	+1,000,000	−3,000,000
COAST GUARD									
Operating expenses	833,580,000	875,261,000	878,865,000	879,365,000	878,865,000	+45,285,000	+3,604,000		−500,000
By transfer	(4,803,000)					(−4,803,000)			
Appropriation for debt reduction	−197,422	−205,977	−205,977	−205,977	−205,977	−8,555			
Subtotal, operating expenses	833,382,578	875,055,023	878,659,023	879,159,023	878,659,023	+45,276,445	+3,604,000		−500,000
Acquisition, construction, and improvements	241,000,000	226,600,000		256,302,000	236,000,000	−5,000,000	+9,400,000	+236,000,000	−20,302,000
By transfer				(5,000,000)					(−5,000,000)
Alteration of bridges	10,900,000	15,100,000	15,100,000	15,100,000	15,100,000	+4,200,000			
Retired pay	147,103,000	155,401,000	155,401,000	155,401,000	155,401,000	+8,298,000			
Reserve training	35,750,000	36,560,000	36,560,000	36,560,000	36,560,000	+810,000			
Research, development, test, and evaluation	18,800,000	22,800,000		20,000,000	20,000,000	+1,200,000	−2,800,000	+20,000,000	
State boating safety assistance	5,790,000	5,790,000	5,790,000	5,790,000	5,790,000				
Pollution fund	10,000,000	5,000,000				−10,000,000	−5,000,000		
Total, Coast Guard	1,302,725,578	1,342,306,023	1,091,510,023	1,368,312,023	1,347,510,023	+44,784,445	+5,204,000	+256,000,000	−20,802,000
FEDERAL AVIATION ADMINISTRATION									
Operations	1,737,800,000	1,819,750,000	1,802,700,000	1,809,150,000	1,802,700,000	+64,900,000	−17,050,000		−6,450,000
By transfer			(5,600,000)	(5,600,000)	(5,600,000)	(+5,600,000)	(+5,600,000)		
Facilities, engineering, and development	15,500,000	17,963,000	14,263,000	14,263,000	14,263,000	−1,237,000	−3,700,000		
By transfer	(1,900,000)	(2,350,000)	(2,350,000)	(2,350,000)	(2,350,000)	(+450,000)			
Facilities and equipment (Airport and Airway Trust Fund)	200,000,000	212,600,000	200,000,000	200,000,000	200,000,000		−12,600,000		
By transfer			(9,000,000)	(9,000,000)	(9,000,000)	(+9,000,000)	(+9,000,000)		
Research, engineering and development (Airport and Airway Trust Fund)	74,350,000	85,000,000	80,800,000	80,800,000	80,800,000	+6,450,000	−4,200,000		
Grants-in-aid for airports (Airport and Airway Trust Fund)									
Planning grants		11,275,000	10,000,000	16,275,000	15,000,000	+15,000,000	+3,725,000	+5,000,000	−1,275,000
Development grants (appropriation to liquidate contract authorization)	(355,000,000)	(335,000,000)	(325,000,000)	(325,000,000)	(325,000,000)	(−30,000,000)	(−10,000,000)		
Operation and maintenance, Metropolitan Washington airports	21,500,000	21,273,000	21,273,000	21,273,000	21,273,000	−227,000			
Construction, Metropolitan Washington airports	5,000,000	6,000,000	5,000,000	5,500,000	5,500,000	+500,000	−500,000	+500,000	
Total, Federal Aviation Administration	2,054,150,000	2,173,861,000	2,134,036,000	2,147,261,000	2,139,536,000	+85,386,000	−34,325,000	+5,500,000	−7,725,000
FEDERAL HIGHWAY ADMINISTRATION									
Limitation on general operating expenses	(154,100,000)	(162,066,000)	(159,500,000)	(159,725,000)	(159,725,000)	(+5,625,000)	(−2,341,000)	(+225,000)	
Motor carrier safety	7,212,000	8,220,000	8,000,000	8,000,000	8,000,000	+788,000	−220,000		
Highway safety research and development	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000				
Highway beautification	28,000,000	34,150,000	19,150,000	19,150,000	19,150,000	−8,850,000	−15,000,000		
Appropriation to liquidate contract authorization	(33,600,000)	(10,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(−28,600,000)	(−5,000,000)		
Highway-related safety grants (appropriation to liquidate contract authorization)	(26,820,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(−6,820,000)			
Railroad-highway crossings demonstration projects	26,000,000	7,835,000	5,100,000	5,100,000	5,100,000	−20,900,000	−2,735,000		
Off-system railway-highway crossings	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000				
Territorial highways:									
Appropriation		2,800,000	5,600,000	5,600,000	5,600,000	+5,600,000	+2,800,000		
Rescission of contract authority			−14,464,000	−14,464,000	−14,464,000	−14,464,000	−14,464,000		
(Appropriations to liquidate contract authorization)	(3,560,000)	(290,000)	(290,000)	(290,000)	(290,000)	(−3,270,000)			
Highland scenic highway study				1,700,000	1,500,000	+1,500,000	+1,500,000	+1,500,000	−200,000
Alaska highway	15,000,000					−15,000,000			
Off-system roads (appropriation to liquidate contract authorization)	(70,000,000)	(45,000,000)	(45,000,000)	(45,000,000)	(45,000,000)	(−25,000,000)			
Safer off-system roads	200,000,000		90,000,000	90,000,000	90,000,000	−110,000,000	+90,000,000		
National scenic and recreational highway (appropriation to liquidate contract authorization)	(22,500,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(−12,500,000)			
Access highways to public recreation areas on certain lakes			3,350,000	8,650,000	8,650,000	+8,650,000	+8,650,000	+5,300,000	

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE I—Continued									
FEDERAL HIGHWAY ADMINISTRATION—Continued									
By transfer	(4,767,000)					(−4,767,000)			
Federal-aid highways (trust fund-appropriation to liquidate contract authorization)	(6,143,100,000)	(6,250,000,000)	(5,850,000,000)	(5,850,000,000)	(5,850,000,000)	(−293,100,000)	(−400,000,000)		
Highway safety construction programs (trust fund-appropriation to liquidate contract authorization)	(385,000,000)					(−385,000,000)			
Right-of-way revolving fund (trust fund-appropriation to liquidate contract authorization)	(35,000,000)	(32,700,000)	(20,000,000)	(20,000,000)	(20,000,000)	(−15,000,000)	(−12,700,000)		
Highways crossing Federal projects	50,000,000		20,000,000	20,000,000	20,000,000	−30,000,000	+20,000,000		
Baltimore-Washington Parkway	1,500,000					−1,500,000			
Overseas highway	12,500,000	17,000,000	25,000,000	17,000,000	17,000,000	+4,500,000		−8,000,000	
By transfer				(8,000,000)	(8,000,000)	(+8,000,000)	(+8,000,000)	(+8,000,000)	
Project acceleration demonstration program	10,000,000	5,000,000	5,000,000	5,000,000	5,000,000	−5,000,000			
Traffic control signalization demonstration projects	10,000,000		30,000,000		20,000,000	+10,000,000	+20,000,000	−10,000,000	+20,000,000
Intermodal urban demonstration project			2,250,000	2,250,000	2,250,000	+2,250,000	+2,250,000		
Alaska roads study	200,000					−200,000			
Total, Federal Highway Administration	444,412,000	159,005,000	282,986,000	251,986,000	271,786,000	−172,626,000	+112,781,000	−11,200,000	+19,800,000
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION									
Traffic and highway safety	76,284,000	83,540,000	77,253,000	80,000,000	78,388,000	+2,104,000	−5,152,000	+1,135,000	−1,612,000
State and community highway safety:									
Appropriation		1,140,000	1,140,000	1,140,000	1,140,000	+1,140,000			
(Appropriation to liquidate contract authorization)	(88,500,000)	(122,200,000)	(112,000,000)	(112,000,000)	(112,000,000)	(+23,500,000)	(−10,200,000)		
Total, National Highway Traffic Safety Administration	76,284,000	84,680,000	78,393,000	81,140,000	79,528,000	+3,244,000	−5,152,000	+1,135,000	−1,612,000
FEDERAL RAILROAD ADMINISTRATION									
Office of the Administrator	6,570,000	7,050,000	6,950,000	6,950,000	6,950,000	+380,000	−100,000		
Railroad safety	19,750,000	20,960,000	19,100,000	19,100,000	19,100,000	−650,000	−1,860,000		
Railroad research and development	52,900,000	57,000,000	55,000,000	53,600,000	53,600,000	+700,000	−3,400,000	−1,400,000	
Rail service assistance	83,000,000	88,350,000	79,000,000	84,000,000	81,500,000	−1,500,000	−6,850,000	+2,500,000	−2,500,000
Northeast corridor improvement program	200,000,000	400,000,000	400,000,000	400,000,000	400,000,000	+200,000,000			
Grants to National Railroad Passenger Corp	600,700,000	655,000,000	633,500,000	680,000,000	646,500,000	+45,800,000	−8,500,000	+13,000,000	−33,500,000
Payment to the Alaska railroad revolving fund	6,000,000	3,000,000		3,000,000	3,000,000	−3,000,000		+3,000,000	
Railroad rehabilitation and improvement financing funds	120,000,000	275,000,000	200,000,000	200,000,000	200,000,000	+80,000,000	−75,000,000		
Rail bank (by transfer)	(2,000,000)					(−2,000,000)			
Total, Federal Railroad Administration	1,088,920,000	1,506,360,000	1,393,550,000	1,446,650,000	1,410,650,000	+321,730,000	−95,710,000	+17,100,000	−36,000,000
URBAN MASS TRANSPORTATION ADMINISTRATION									
Urban mass transportation fund:									
Administrative expenses	12,600,000	22,100,000	20,000,000	20,000,000	20,000,000	+7,400,000	−2,100,000		
Research, development, and demonstrations and university research and training	61,200,000	73,100,000	67,000,000	70,000,000	70,000,000	+8,800,000	−3,100,000	+3,000,000	
Appropriation to liquidate contract authorization	(1,700,000,000)	(1,756,000,000)	(1,756,000,000)	(1,756,000,000)	(1,756,000,000)	(+56,000,000)			
Rail service operating payments	55,000,000	30,000,000	40,000,000	45,000,000	45,000,000	−10,000,000	+15,000,000	+5,000,000	
Projects substituted for interstate system projects	400,000,000	507,717,000	424,000,000	469,000,000	439,000,000	+39,000,000	−68,717,000	+15,000,000	−30,000,000
Total, Urban Mass Transportation Administration	528,800,000	632,917,000	551,000,000	604,000,000	574,000,000	+45,200,000	−58,917,000	+23,000,000	−30,000,000
ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION									
Limitation on administrative expenses	(1,028,000)	(1,114,000)	(1,114,000)	(1,114,000)	(1,114,000)	(+86,000)			
MATERIALS TRANSPORTATION BUREAU									
Materials transportation program	2,250,000	8,400,000	8,100,000	8,100,000	8,100,000	+5,850,000	−300,000		
Total, title I, new budget (obligational) authority, Department of Transportation	5,561,741,578	5,973,592,023	5,596,975,023	5,968,849,023	5,889,510,023	+327,768,445	−84,082,000	+292,535,000	−79,339,000
TITLE II									
RELATED AGENCIES									
NATIONAL TRANSPORTATION SAFETY BOARD									
Salaries and expenses	13,800,000	14,710,000	14,710,000	14,710,000	14,710,000	+910,000			

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY, JUNE 29, 1977—Continued

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1978 (H.R. 7557)

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE III—Continued									
CIVIL AERONAUTICS BOARD									
Salaries and expenses	22,646,000	23,367,000	23,367,000	23,367,000	23,367,000	+721,000			
Payments to air carriers	80,007,000	72,510,000	72,510,000	72,510,000	72,510,000	−7,497,000			
Total, Civil Aeronautics Board	102,653,000	95,877,000	95,877,000	95,877,000	95,877,000	−6,776,000			
INTERSTATE COMMERCE COMMISSION									
Salaries and expenses	60,786,000	61,566,000	60,525,000	61,566,000	60,525,000	−261,000	−1,041,000		−1,041,000
By transfer	(1,400,000)					(−1,400,000)			
THE PANAMA CANAL									
Canal Zone Government:									
Operating expenses	65,900,000	70,687,000	70,500,000	70,500,000	70,500,000	+4,600,000	−187,000		
Capital outlay	3,150,000	2,895,000	2,130,000	2,130,000	2,130,000	−1,020,000	−765,000		
Panama Canal Company:									
Limitation on general and administrative expenses	(25,285,000)	(26,231,000)	(26,231,000)	(26,231,000)	(26,231,000)	(+946,000)			
Total, the Panama Canal	69,050,000	73,582,000	72,630,000	72,630,000	72,630,000	+3,580,000	−952,000		
DEPARTMENT OF THE TREASURY									
Office of the Secretary: Investment in fund anticipation notes	(120,000,000)	(275,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	(+80,000,000)	(−75,000,000)		
UNITED STATES RAILWAY ASSOCIATION									
Administrative expenses	12,000,000	10,100,000	10,000,000	10,000,000	10,000,000	−2,000,000	−100,000		
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY									
Federal contribution:									
Fiscal year 1977	6,800,000					−6,800,000			
Fiscal year 1978	15,421,779	2,700,000	2,700,000	2,700,000	2,700,000	−12,721,779			
Total, Federal Contribution	22,221,779	2,700,000	2,700,000	2,700,000	2,700,000	−19,521,779			
Interest subsidy	19,374,000	48,657,000	48,657,000	48,657,000	48,657,000	+29,283,000			
Fiscal year 1977 supplemental				12,243,000	12,243,000	+12,243,000	+12,243,000	+12,243,000	
Total, Washington Metropolitan Area Transit Authority	41,595,779	51,357,000	51,357,000	51,357,000	51,357,000	+9,761,221			
Fiscal year 1977 supplemental				12,243,000	12,243,000	+12,243,000	+12,243,000	+12,243,000	
NATIONAL TRANSPORTATION POLICY STUDY COMMISSION									
Salaries and expenses	3,000,000	2,000,000	2,000,000	2,000,000	2,000,000	−1,000,000			
Total, title II, new budget (obligational) authority, related agencies	302,884,779	309,192,000	307,099,000	308,140,000	307,099,000	+4,214,221	−2,093,000		−1,041,000
Fiscal year 1977 supplemental				12,243,000	12,243,000	+12,243,000	+12,243,000	+12,243,000	
TITLE III									
GENERAL PROVISIONS									
Federal Aviation Administration: Grants-in-aid for airport development (limitation on obligations)	(545,000,000)	(540,000,000)	(540,000,000)	(540,000,000)	(540,000,000)	(−5,000,000)			
Federal Highway Administration: Highway related safety grants (limitation on obligations)	(21,000,000)	(21,000,000)	(21,000,000)	(28,000,000)	(28,000,000)	(+7,000,000)	(+7,000,000)	(+7,000,000)	
Territorial highways (limitation on obligations)	(5,600,000)	(5,600,000)				(−5,600,000)	(−5,600,000)		
Federal-aid highways (limitation on obligations)	(7,200,000,000)	(7,200,000,000)	(7,445,000,000)	(7,445,000,000)	(7,445,000,000)	(+245,000,000)	(+245,000,000)		
National Highway Traffic Safety Administration: State and community highway safety (limitation on obligations)	(129,000,000)	(129,000,000)	(129,000,000)	(172,000,000)	(172,000,000)	(+43,000,000)	(+43,000,000)	(+43,000,000)	
Federal Railroad Administration (limitation on loan guarantee program)	(400,000,000)	(800,000,000)	(600,000,000)	(600,000,000)	(600,000,000)	(+200,000,000)	(−200,000,000)		
Urban Mass Transportation Administration: Urban Mass transportation fund (limitation on commitments)	(2,077,700,000)	(2,300,200,000)	(2,307,000,000)	(2,415,000,000)	(2,365,000,000)	(+287,300,000)	(+64,800,000)	(+58,000,000)	(−50,000,000)
Interstate transfer	(175,000,000)	(350,000,000)	(350,000,000)	(350,000,000)	(350,000,000)	(+175,000,000)			
Total, title III, general provisions	(10,553,300,000)	(11,345,800,000)	(11,392,000,000)	(11,550,000,000)	(11,500,000,000)	(+946,700,000)	(+154,200,000)	(+108,000,000)	(−50,000,000)
Total, Titles I, II, and III, New budget (obligational) authority	5,864,626,357	6,282,784,023	5,904,074,023	6,276,989,023	6,196,609,023	+331,982,666	−86,175,000	+292,535,000	−80,380,000
Fiscal year 1977 supplemental				12,243,000	12,243,000	+12,243,000	+12,243,000	+12,243,000	
Memoranda:									
Appropriations to liquidate contract authorizations	(8,863,080,000)	(8,581,190,000)	(8,143,290,000)	(8,143,290,000)	(8,143,290,000)	(−719,790,000)	(−437,900,000)		
Appropriations for debt reduction	(197,422)	(205,977)	(205,977)	(205,977)	(205,977)	(+8,555)			
Grand total	(14,727,903,779)	(14,864,180,000)	(14,047,570,000)	(14,420,485,000)	(14,340,105,000)	(−387,798,779)	(−524,075,000)	(+292,535,000)	(−80,380,000)

Mr. McFALL. Mr. Speaker, I also want to express my sincere thanks to my good friend and colleague, the ranking minority member of the subcommittee, the gentleman from Massachusetts (Mr. CONTE). I have enjoyed working with Mr. CONTE as well as the other members on the majority and minority sides of the subcommittee. I think we have produced a good conference report. We have worked hard over the last several months to develop this legislation and I want to thank my good friend from Massachusetts and commend him for the diligence and intelligence with which he has approached all the important issues facing our subcommittee.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, I want to thank the gentleman from California first of all. As I said in general debate, it has been my pleasure to work with him. We have worked as a team and we have brought out, I think, some good bills which most of the time, including this year, have been below the budget.

Mr. Speaker, I rise in support of this conference report on the transportation appropriations bill for fiscal year 1978, but I do so with some reservations. As my colleagues are aware, I refrained from signing the conference report, as did the remainder of the minority House conferees. This was primarily because of our opposition to the expansion of the number of sites for what was supposed to be a downtown people mover demonstration program.

Mr. Speaker, I will have more to say about that program at the conclusion of my remarks. But first, I would like to outline the major points of the conference agreement.

For the Coast Guard, we held to the House funding level for operation expenses, providing $878.9 million and an additional 150 positions for the new tanker inspection program.

For Coast Guard acquisitions, construction, and improvements, we compromised on $236 million, $20.3 million below the Senate figure. Among others, this amount will provide the full budget request for the medium range surveillance aircraft procurement program.

For the Federal Aviation Administration, we ended up providing $14 million for airport planning grants and $1 million for State standards grants.

Under the Federal Highway Administration, the conference committee provided $20 million for the traffic control signalization project, $10 million less than was provided in the House bill. The Senate had not included any funding for this program in its bill and I was sorry that the Senate conferees caved in so easily. I will be giving this program especially close scrutiny in next year's hearings.

Under the Federal Railroad Administration we were able to hold to the House figure of $488.5 million for operating expenses. For capital expenses of Amtrak we provided $108 million, $13 million above the House figure, but $22 million below the Senate.

This amount includes $4.1 million for right-of-way improvements between Post Road and Rensselaer, N.Y., which will shorten the time required for the Boston-Chicago run by as much as an hour.

Finally, the conference report provides capital grant funds for UMTA's "downtown people mover" program.

In April 1976 UMTA announced a competitive capital grant demonstration program to deploy simple downtown automated people mover systems in selected cities by 1980. The 38 applicants were narrowed to 11 finalists, then last December, UMTA announced the selection of four cities for the program—Cleveland, Houston, Los Angeles, and St. Paul. Two additional cities, Detroit and Miami, were to be funded through the regular capital grant program.

The House bill provided funds for these projects, as requested in the UMTA budget.

The Senate attempted to negate the demonstration aspect of the program and the sites selected in the competition, by adding four more cities to the program—Jacksonville, St. Louis, Baltimore, and Indianapolis.

The conference agreement provides for the consideration of these four cities under the regular grant program and exempts them from the need to perform an alternatives analysis.

Mr. Speaker, there are a number of reasons that the minority House conferees could not in good conscience support this provision.

Some of us remember all too clearly the $133.6 million boondoggle we built in the Morgantown, W. Va., people mover. That was supposed to demonstrate the people mover technology.

Supposedly that technology is on the shelf, ready to go. At Morgantown, however, they are still having trouble with wheels freezing up in the winter. There are still other problems with the technology.

And even if there were not, the technology has still never been tried in an urban, downtown setting. No one knows if a downtown people mover will work, whether anyone will ride it, how much it would eventually cost to build and to operate.

As the bill stands now, we are providing funds for six people movers and giving a major advantage to four more. Frankly, Mr. Chairman, there is no way you can call building 10 people movers a demonstration project. If the Congress wants to build a people mover in every city, or at least in those cities that are represented by a Senator on the Appropriations Committee, then it can go ahead. But I would think that on the basis of the $133.6 million fiasco in Morgantown, we should be more cautious about rushing into a program of this sort.

Mr. Speaker, next year all 10 of these projects will be back with their hands out for money. At that time, we are going to have to decide how much this Nation can afford to spend for the construction of unproven transit toys. I think we are making a real mistake by short circuiting the regular application process and exempting four additional projects from alternatives analysis.

And finally, Mr. Speaker, in all fairness I should mention that this bill only provides for 10 of the 11 finalists in the competition. The city of Norfolk, apparently because it does not have a Senator on the Appropriations Committee, was left out of this bill entirely. As far as I can see, that is the only difference between Norfolk and the other 10 competition finalists.

All 11 cities undertook significant and substantial planning efforts. As far as I know, Norfolk did the same studies as the other cities, and if the cities added by the Senate are to be exempt from alternative analysis, it seems unfair that Norfolk should be left out.

Mr. Speaker, I do not want to beat these people movers into the ground—at least not this year. But I do want to declare now that I will not let this turn into another Morgantown. The August issue of Readers Digest magazine contains an article about the Morgantown project, entitled "Anatomy of a Boondoggle." It is an excellent article which I commend to my colleagues. It expresses the hope that we have learned from the Morgantown experience. I hope so too, and enclose the article at this point in my remarks.

ANATOMY OF A BOONDOGGLE

(By Trevor Armbrister)

It sounded like such a fine idea: a new system of urban transportation called Personal Rapid Transit, or PRT. At a cost of only $18 million, the "people-mover"—a sort of horizontal elevator—would alleviate downtown traffic jams and revitalize the central business district. It would also whisk students around the Morgantown campus of West Virginia University without noise, in pollution-free comfort, at energy-conserving speed. That, at any rate, was the scenario presented to federal planners in 1970.

It hasn't worked out that way. Costs soared to $128 million; the system did not begin operating until nearly three years after its official dedication; and when it did start running, it broke down continually. "This has got to be one of the worst boondoggles ever perpetrated on the American taxpayer," says U.S. Rep. Silvio O. Conte (R., Mass.).

Government programs, of course, founder frequently, and the tragicomic experiences of a college town (pop. 30,000) might not seem all that significant on a national scale. Yet PRT *is* important because federal officials cite it to justify a program for spending at least an additional $220 million for "people-movers" in Cleveland, Los Angeles, Houston, St. Paul, Minn., and Detroit. Federal programs, as this one so clearly shows, take on a mad momentum of their own and—once begun—are virtually impossible to stop. If the Carter Administration ever hopes to balance the budget, here is a case study of how *not* to do it.

The man who conceived PRT is Samy E. G. Elias, an affable Egyptian-born professor. Arriving in Morgantown in 1965 to join the faculty of the university's department of industrial engineering, he found traffic congestion so bad that the school's 11,256 students were having trouble moving among their three campuses, even with 17 university shuttle buses in operation. The solution, Elias decided, should be a new form of public transportation—computer-controlled driverless vehicles that would roll along an elevated guideway at speeds of up to 30 m.p.h. A strip of land along the winding Monongahela River linked the campuses and seemed a natural PRT corridor.

In June 1967, Elias sought a grant from the federal government, but nothing happened. In 1969, after a change of administrations, university President James G. Harlow and Elias tried again, enlisting the aid of Rep. Harley O. Staggers (D., W. Va.), powerful chairman of the House Interstate and Foreign Commerce Committee. He arranged a meeting with Transportation Secretary John A. Volpe. The Department of Transportation was spending millions to solve transportation problems in large cities, the West Virginians maintained. Why not federal help for small cities, too? Morgantown could become a "national transportation-research laboratory."

Impressed, the Urban Mass Transportation Administration (UMTA)—an agency within the Department of Transportation—agreed to pay $101,000 toward a feasibility study, if the university supplied an additional $33,000. The people conducting the study at the university were the same ones who had conceived the project. Their conclusion: PRT would work.

In March 1970 UMTA gave the university another $20,000 to complete the feasibility study. Elias and his aides discovered that Alden Self-Transit Systems Corp. of Bedford, Mass., had already designed a prototype system which would satisfy their requirements and could go into production quickly. The cost of a 3.6-mile, six-station, 90-vehicle system—able to move 1100 students every 20 minutes—they concluded, would be $18 million. The university was prepared to pay $4.5 million if UMTA would grant them $13.5 million.

But UMTA had different views. Almost overnight the people-mover progressed to the agency's major research-and-development effort. To achieve "national relevance," UMTA elbowed aside the university and Alden Corp. and insisted on running the project itself. UMTA selected the Jet Propulsion Laboratory in Pasadena, Calif., as systems manager and announced that PRT would start rolling in October 1972.

By March 1971, however, JPL's accountants had a new cost estimate: $37.4 million, or more than twice the original figure. Faced with explaining this to Congress, UMTA cut back the six stations to three, the 90 cars to 15 and the 3.6-mile system to 2.2. It said that would hold the cost to $28.3 million. A dubious Congress agreed.

In July 1971, unable to reach agreement with UMTA on a contract, JPL withdrew from the project. UMTA selected the Boeing Aerospace Company as the new systems manager. But soon Boeing concluded that even the reduced system would cost $40.6 million.

By this time, UMTA Administrator Carlos Villarreal had decided to build the system in two phases. The first phase—to be paid for out of UMTA's R&D budget—would consist of the 2.2-mile system, three stations and 45 cars. Phase II—charged to the agency's capital-grants-assistance program—would extend the system and add at least two more stations with 33 more cars. UMTA wouldn't begin Phase II until it had completed Phase I satisfactorily.

Unfortunately, Villarreal and his fellow bureaucrats violated a cardinal rule of construction: the simplest system is the most reliable. Because it wanted PRT to be a national model, UMTA insisted on a high degree of sophistication. That drove costs up.

Another time-honored rule—haste makes waste—was ignored. Anxious to demonstrate its commitment to urban areas in an election year, the Nixon Administration set the PRT dedication for October 1972. This hopelessly unrealistic deadline meant that Frederic R. Harris Inc., in designing the system, had to do so without knowing the exact specifications of the vehicles to ride on it. And Boeing had to build the cars without knowing precise details about the track. "We tried to build the system before we had fully designed it," one former UMTA official explains. "It's called 'concurrency planning,' and it means you design all the pieces and hope they fit together later."

They didn't. At the PRT dedication in Morgantown on October 24, 1972, television cameras rolled, and Transportation Secretary Volpe announced grandly that he was "looking through an opening into the future." UMTA's new administrator, Frank C. Herringer, boasted that the demonstration had been "an unquestioned success."

Yet only three of the rubber-tired vehicles rolled along only one mile of the system—achieving a top speed of 17 m.p.h. The car that was carrying Professor Elias and members of the press broke down and had to be towed off the track. As soon as the politicians had left Morgantown, Boeing went back to testing in an effort to remove the many bugs from the system.

In July 1973, UMTA released a report which said that PRT tests demonstrated "satisfaction with the concept." But those results also indicated deficiencies in vehicle steering, brakes, propulsion, control and communications. Nine sub-systems and components would need redesigning at a cost of up to $15 million. Because the project was spiraling out of control, UMTA decided it could not begin Phase II.

Finally, in May 1975, UMTA agreed to complete a five-station system and provide 33 more cars, at an additional cost of $63.6 million. Not until October 1975—three years after the official dedication of the system—did it begin to move students.

Now new problems arose. Originally, Boeing had planned to heat the system's power-rail to prevent snow and ice accumulation. UMTA vetoed that because the design was unsatisfactory and it was too expensive. So, when the weather turned foul, the cars couldn't move. Elias and his associates also asked that each car have the capability to push another car. UMTA refused. This meant that every time a single vehicle broke down, that part of the system had to be shut down until the car was towed away. UMTA also rejected requests for sidings where disabled cars could be placed.

Last winter, automobiles traveling an adjacent street kicked salt, deposited by snow-removal crews, onto the people-mover's power-rail. A fire broke out, shutting the system down for two weeks.

"We are being ripped off," one frustrated student complained in a letter to the university newspaper. "The PRT is not personal, and it certainly is not rapid." In the "old days," when buses ferried them to classes, students paid a transportation fee of $4.25 per semester. That went to $10 in 1976, and may soon go to $12.

Testifying before the West Virginia legislature, Elias noted recently that there was only a 65-percent chance that Boeing could complete Phase II for the contract price. Overruns, he warned, could cost millions more.

Part of the system *is* operating, after a fashion—but at a cost vastly beyond the original estimate. Downtown congestion hasn't improved greatly. Annual operating and maintenance costs for buses were $200,000; for the PRT cars they are $1.3 million.

The Morgantown experience ought to make government think twice before funding people-movers elsewhere. Is UMTA hesitating? Not at all. Recently, it approved proposals for people-movers in five other cities, to cost at least $220 million.

"We learned a lot from Morgantown," one UMTA official says. "We won't make the same mistakes twice." One can only hope so.

Mr. Speaker, the conference report provides for $6.2 billion in new obligational authority for fiscal year 1978, $86.1 million below the budget request. Apart from the reservations I have mentioned, this is a good conference report, and I recommend its adoption.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding.

I have listened with interest, as I always do to the statements of the gentleman from Massachusetts (Mr. CONTE), and I commend him for his strong statements. I think they are farsighted. The gentleman's position may not be accepted right now, but I think many of these actions will, just like the Morgantown projects, come back to haunt the Members later. I think the gentleman from Massachusetts (Mr. CONTE) might well remind some of us in this body of his statements when that happens.

Mr. Speaker, I thank the gentleman for giving this information to those of us who were not privy to that particular situation.

Mr. CONTE. Mr. Speaker, I want to thank my good friend, the gentleman from Ohio (Mr. ASHBROOK), for his kind remarks, and I yield back the balance of my time.

Mr. GIAIMO. Mr. Speaker, the Department of Transportation and related agencies appropriations bill for 1978, as reported from conference, is generally within the suballocations of budget authority and outlays made to the subcommittee by the full Appropriations Committee pursuant to section 302 of the Budget Act, and is generally consistent with the amount included in the first budget resolution for 1978.

The bill would provide budget authority of $6,543 million, $7 million more than the section 302 allocation, and outlays of $15,191 million, $120 million more than the allocation.

The major increase over the House bill is $256 million for capital improvement and research programs of the U.S. Coast Guard. Funding for these programs was deleted by a point of order during House debate.

The conference report provides the necessary funds for the various modal programs, including necessary funds for program initiatives and research and development. It leaves no further room for supplemental appropriations.

This bill represents dedicated work by the Members of the Appropriations Committee, their cognizance of the requirements of the congressional budget process, and their support in the attainment of enhanced budget control.

I urge adoption of the bill as reported by the committee.

Mr. McFALL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that

the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 397, nays 14, not voting 22, as follows:

[Roll No. 431]

YEAS—397

Abdnor	Cornwell	Hightower
Addabbo	Cotter	Hillis
Akaka	Coughlin	Hollenbeck
Alexander	Cunningham	Holt
Allen	D'Amours	Holtzman
Ambro	Daniel, Dan	Horton
Ammerman	Daniel, R. W.	Hubbard
Anderson, Calif.	Danielson	Huckaby
	Davis	Hughes
Anderson, Ill.	de la Garza	Hyde
Andrews, N.C.	Delaney	Ichord
Andrews, N. Dak.	Dellums	Ireland
	Derwinski	Jacobs
Annunzio	Devine	Jeffords
Applegate	Dicks	Jenkins
Archer	Diggs	Jenrette
Ashbrook	Dingell	Johnson, Calif.
Ashley	Dornan	Johnson, Colo.
Aspin	Downey	Jones, N.C.
AuCoin	Drinan	Jones, Okla.
Badham	Duncan, Oreg.	Jones, Tenn.
Badillo	Duncan, Tenn.	Jordan
Bafalis	Early	Kasten
Baldus	Eckhardt	Kastenmeier
Barnard	Edgar	Kazen
Baucus	Edwards, Ala.	Kemp
Bauman	Edwards, Calif.	Ketchum
Beard, R.I.	Edwards, Okla.	Keys
Beard, Tenn.	Eilberg	Kildee
Bedell	Emery	Kindness
Beilenson	English	Kostmayer
Benjamin	Erlenborn	Krebs
Bennett	Ertel	Krueger
Bevill	Evans, Colo.	LaFalce
Biaggi	Evans, Del.	Lagomarsino
Bingham	Evans, Ga.	Latta
Blanchard	Evans, Ind.	Le Fante
Blouin	Fary	Leach
Boggs	Fascell	Lederer
Boland	Fenwick	Leggett
Bolling	Findley	Lehman
Bonior	Fish	Lent
Bonker	Fisher	Levitas
Bowen	Fithian	Lloyd, Calif.
Breaux	Flood	Lloyd, Tenn.
Breckinridge	Florio	Long, La.
Brinkley	Flowers	Long, Md.
Brodhead	Flynt	Lott
Brooks	Foley	Lujan
Broomfield	Ford, Mich.	Luken
Brown, Calif.	Ford, Tenn.	Lundine
Brown, Mich.	Forsythe	McClory
Brown, Ohio	Fowler	McCloskey
Broyhill	Fraser	McCormack
Buchanan	Frenzel	McDade
Burgener	Frey	McEwen
Burke, Calif.	Fuqua	McFall
Burke, Fla.	Gammage	McHugh
Burleson, Tex.	Gaydos	McKay
Burlison, Mo.	Gephardt	Madigan
Burton, John	Giaimo	Maguire
Burton, Phillip	Gibbons	Mahon
Butler	Gilman	Mann
Byron	Ginn	Markey
Caputo	Goldwater	Marks
Carney	Gonzalez	Marlenee
Carr	Goodling	Martin
Carter	Gore	Mathis
Cavanaugh	Gradison	Mattox
Cederberg	Grassley	Mazzoli
Chappell	Guyer	Meeds
Clausen, Don H.	Hagedorn	Metcalfe
	Hall	Meyner
Clawson, Del	Hamilton	Michel
Clay	Hanley	Mikulski
Cleveland	Hannaford	Mikva
Cochran	Harkin	Milford
Cohen	Harrington	Miller, Calif.
Coleman	Harris	Mineta
Conte	Harsha	Minish
Conyers	Hawkins	Mitchell, Md.
Corcoran	Heckler	Mitchell, N.Y.
Corman	Hefner	Moakley
Cornell	Heftel	Moffett
Mollohan	Roberts	Stratton
Montgomery	Robinson	Studds
Moore	Rodino	Stump
Moorhead, Calif.	Roe	Taylor
	Rogers	Thompson
Moorhead, Pa.	Roncalio	Thone
Moss	Rooney	Thornton
Murphy, Pa.	Rose	Traxler
Murtha	Rosenthal	Treen
Myers, Gary	Rostenkowski	Trible
Myers, John	Rousselot	Tsongas
Myers, Michael	Roybal	Tucker
Natcher	Rudd	Udall
Nedzi	Runnels	Ullman
Nichols	Ruppe	Van Deerlin
Nix	Russo	Vander Jagt
Nolan	Ryan	Vanik
Nowak	Santini	Vento
O'Brien	Sarasin	Volkmer
Oakar	Satterfield	Waggonner
Oberstar	Sawyer	Walgren
Obey	Scheuer	Walker
Ottinger	Schroeder	Walsh
Panetta	Schulze	Wampler
Patten	Sebelius	Watkins
Patterson	Seiberling	Waxman
Pattison	Sharp	Weaver
Pease	Shipley	Weiss
Pepper	Shuster	Whalen
Perkins	Sikes	White
Pettis	Simon	Whitehurst
Pickle	Sisk	Whitley
Pike	Skelton	Whitten
Poage	Skubitz	Wilson, Bob
Pressler	Slack	Wilson, C. H.
Preyer	Smith, Iowa	Winn
Price	Smith, Nebr.	Wirth
Pritchard	Snyder	Wolff
Quayle	Solarz	Wright
Quie	Spellman	Wydler
Quillen	Spence	Wylie
Rahall	St Germain	Yates
Railsback	Staggers	Yatron
Rangel	Stangeland	Young, Alaska
Regula	Stanton	Young, Fla.
Reuss	Stark	Young, Mo.
Rhodes	Steed	Young, Tex.
Richmond	Steers	Zablocki
Rinaldo	Stockman	Zeferetti
Risenhoover	Stokes	

NAYS—14

Armstrong	Glickman	Mottl
Collins, Tex.	Hansen	Neal
Conable	Kelly	Steiger
Crane	McDonald	Symms
Fountain	Miller, Ohio	

NOT VOTING—22

Brademas	Flippo	Marriott
Burke, Mass.	Gudger	Murphy, Ill.
Chisholm	Hammer-schmidt	Murphy, N.Y.
Collins, Ill.		Pursell
Dent	Holland	Teague
Derrick	Howard	Wiggins
Dickinson	Koch	Wilson, Tex.
Dodd	McKinney	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Dickinson.

Mr. Brademas with Mr. Hammerschmidt.

Ms. Chisholm with Mr. Marriott.

Mr. Murphy of Illinois with Mr. McKinney.

Mr. Dodd with Mr. Wiggins.

Mr. Howard with Mr. Koch.

Mr. Murphy of New York with Mr. Charles Wilson of Texas.

Mr. Teague with Ms. Collins of Illinois.

Mr. Gudger with Mr. Flippo.

Mr. Derrick with Mr. Holland.

Mr. EDWARDS of Oklahoma changed his vote from "nay" to "yea."

Mr. NEAL changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 13, line 8, insert:

HIGHLAND SCENIC HIGHWAY STUDY

For necessary expenses to perform a study on the "Highland Scenic Highway", to remain available until expended, $1,700,000, to be derived from the "Highway Trust Fund", to be transferred to the Forest Service, Department of Agriculture.

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$1,500,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: Page 15, line 14, strike out: "Fund." and insert: "Fund, together with $8,000,000 to be allocated from amounts available for obligation as authorized by section 105(c)(2) of the Federal-Aid Highway Act of 1976.".

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 22, line 10, strike out: "$67,000,000" and insert: "$70,000,000:".

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 20, line 13, insert:

PAYMENTS TO THE ALASKA RAILROAD REVOLVING FUND

For payment to the Alaska Railroad Revolving Fund for capital replacements, improvements, and maintenance, $3,000,000, to remain available until expended.

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: Page 22, line 11, strike out: "$64,500,000" and insert: "$67,500,000".

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 30, line 6, strike out: "expended," and insert: "expended: *Provided*, That $12,243,000 of such amount shall become available upon the date of enactment of this Act.".

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: "expended: *Provided*, That $12,243,000 of such amount shall become available upon the date of enactment of this Act: *Provided further*, That the Secretary of Transportation shall execute an agreement with the Authority whereby the Authority agrees to (1) issue no additional bonds under title I of Public Law 92–349, (2) provide a minimum of 20 percent of the Authority's unreimbursed debt service costs under title I of Public Law 92–349, and (3) develop and execute a plan, with the participating local governments, that will provide for the Authority to be financially responsible for the remaining capital and operating costs of the rail transit system in a manner consistent with the Urban Mass Transportation Act of 1964, as amended, the Federal-Aid Highway Act of 1973, as amended, and the terms and conditions the Secretary may require.".

Mr. McFALL (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38: Page 35, line 20, insert:

SEC. 317. Obligations for the Great River Road shall include preliminary engineering and the planning or execution of projects for the acquisition of areas of archeological, scientific, or historical importance and of necessary easements for scenic purposes, the construction or reconstruction of roadside rest areas, bicycle trails, and scenic viewing areas, the reconstruction and rehabilitation of existing road segments, and the construction of new route segments. No such funds, however, shall be used for constructing new segments until 60 per centum of the Great River Road in each State is completed: *Provided*, That such completion may be waived if the Administrator determines that circumstances in such State prevent such completion.

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 39: Page 36, line 8, insert:

SEC. 318. Such funds as may be necessary shall be utilized from the appropriations above made available to the Federal Aviation Administration and to the Civil Aeronautics Board for the preparation of a plan to coordinate as promptly as possible the use of Midway Airport with O'Hare Airport in Chicago, Illinois, for service by regularly scheduled airline carriers in order to relieve air traffic congestion and to promote air safety in that area.

MOTION OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McFALL moves that the House recede from its disagreement to the amendment of the Senate numbered 39 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

SEC. 318. Such funds as may be necessary shall be utilized from the appropriations above made available to the Federal Aviation Administration and to the Civil Aeronautics Board for the preparation of a plan to coordinate as promptly as possible the use of Midway Airport with O'Hare Airport in Chicago, Illinois, for service by regularly scheduled airline carriers in order to relieve air traffic congestion and to promote air safety in that area.

SEC. 319. Funds appropriated for grants to the National Railroad Passenger Corporation under Public Law 95–26 and for the fiscal year 1978 purchase payments for the Northeast Corridor shall be used for the payment of any principal and interest costs due or payable to the Consolidated Rail Corporation after March 11, 1977.

Mr. McFALL (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. McFALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the conference report on the bill H.R. 7557.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. RONCALIO. Mr. Speaker, earlier today I was absent on the vote of 7 of the 14 bills on suspension, votes having been postponed until the end of all suspensions. If present, I would have voted against H.R. 2387 and H.R. 6974 and for the balance.

Ironically, I was delayed by transportation, but returned in time to vote on the transportation conference report.

WELCOME BACK TO CONGRESSMAN FLIPPO

(Mr. BEVILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEVILL. Mr. Speaker, as many of you have already noticed, our friend and colleague from the Fifth District of Alabama, Congressman RONNIE FLIPPO, is back in the House Chamber following successful recovery from heart surgery last month.

I wanted to take this opportunity to recognize Congressman FLIPPO and inform those Members who may not be aware of his return to Washington.

I am sure all of the Members of this House join me in enthusiastically welcoming back Congressman FLIPPO. He is doing an outstanding job in representing the people of Alabama's Fifth District, and again it is very good to see RONNIE back on the House floor.

PERMISSION FOR COMMITTEE ON VETERANS' AFFAIRS TO SIT DURING 5-MINUTE RULE TUESDAY AND WEDNESDAY, JULY 19 AND 20

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may sit during the 5-minute rule tomorrow and the next day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will there be a markup of a bill?

Mr. ROBERTS. Mr. Speaker, if the gentleman will yield; no, we are having hearings on the upgrading of discharges.

Mr. ROUSSELOT. So the gentleman can assure us there will be no markup?

Mr. ROBERTS. The gentleman is correct.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING APPROPRIATIONS FOR THE DEPARTMENT OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES FOR FISCAL YEAR 1978

Mr. SLACK. Mr. Speaker, I call up the conference report on the bill (H.R. 7556) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1978, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 30, 1977.)

Mr. SLACK (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Speaker, the bill (H.R. 7556) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1978, and for other purposes, as agreed by the conferees, contains a total of $7,709,432,000 in new budget authority for fiscal year 1978. It also contains $352 million for liquidation of contract authority, as well as $211,515,000 in new budget authority for fiscal year 1977.

Mr. Speaker, the total amount included in the bill for fiscal year 1978 is $5,605,598,802 less than the appropriations to date for fiscal year 1977. It is, however, $103,312,500 more than the total amount originally approved by the House for fiscal year 1978, and is $3,017,000 more than the total approved by the Senate for fiscal year 1978.

I would like to mention the major differences in the conference agreement and the bill as it passed the House. For the Law Enforcement Assistance Administration, the conferees agreed on $647,250,000, an increase of $47,250,000 over the House amount. The total amount provided for the Economic Development Administration is $409,325,000, an increase of $22,600,000 over the House total. For the National Oceanic and Atmospheric Administration, the total amount agreed to in conference is $788,828,000, an increase of $33,028,000 over the House total. The amount provided for the Legal Services Corporation is $205 million, which is $12 million less than the amount the House approved.

The conferees also approved a total of $211,515,000 in new budget authority for fiscal year 1977. No funds were provided by the House for fiscal year 1977, but the Senate had included $213,132,000. The major item in the conference agreement for fiscal year 1977 is $200 million for the disaster loan program of the Small Business Administration.

Mr. Speaker, I insert at this point in the record a summary table showing the conference action, by department or agency, with comparisons with fiscal year 1977, the budget estimates, the House bill, and the Senate bill.

(The table referred to follows:)

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES (FISCAL YEARS)

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates, 1977–79	House, 1977–78	Senate, 1977–78	Conference, 1977–78	1977 enacted	1977–78 estimate	House bill	Senate bill
Department of State	1,148,036,202	1,253,211,000	1,228,694,000	1,215,120,000	1,234,970,000	+86,933,798	−18,241,000	+6,276,000	+19,850,000
Department of Justice	2,338,544,000	2,376,575,000	2,248,721,000	2,348,961,000	2,300,619,000	−37,925,000	−75,956,000	+51,898,000	−48,342,000
Department of Commerce	7,891,909,000	1,809,099,000	1,864,915,000	1,985,749,000	1,923,275,000	−5,968,634,000	+33,176,000	+58,360,000	−62,474,000
The Judiciary	419,945,600	453,597,500	444,440,500	444,318,000	444,318,000	+24,372,400	−9,279,500	−122,500	
Related agencies:									
Arms Control and Disarmament Agency	12,200,000	13,600,000	13,255,000	13,600,000	13,600,000	+1,400,000		+345,000	
Board for International Broadcasting	53,385,000	63,985,000	60,660,000	65,900,000	65,900,000	+12,515,000	+1,915,000	+5,240,000	
Commission on Civil Rights	10,078,000	10,540,000	10,540,000	10,420,000	10,480,000	+402,000	−60,000	−60,000	+60,000
Commission on Security and Cooperation in Europe		350,000	325,000	347,000	347,000	+347,000	−3,000	+22,000	
Equal Employment Opportunity Commission	70,513,000	77,177,000	76,800,000	77,150,000	77,050,000	+6,537,000	+127,000	+250,000	−100,000
Federal Communications Commission	56,911,000	59,826,000	61,300,000	61,500,000	61,400,000	+4,489,000	+1,574,000	+100,000	−100,000
Federal Maritime Commission	8,640,000	8,901,00	8,950,000	9,424,000	9,424,000	+784,000	+532,000	+474,000	
Federal Trade Commission	54,680,000	59,543,000	59,500,000	59,500,000	59,500,000	+4,820,000	−43,000		
Foreign Claims Settlement Commission	742,000	929,000	920,000	920,000	920,000	+178,000	−9,000		
International Trade Commission	11,840,000	12,187,000		12,187,000	11,500,000	−340,000	−687,000	+11,500,000	−687,000
Japan-United States Friendship Commission		2,000,000	2,000,000	2,000,000	2,000,000	+2,000,000			
Legal Services Corporation	125,000,000	217,053,000	217,000,000	195,000,000	205,000,000	+80,000,000	−12,053,000	−12,000,000	+10,000,000
Marine Mammal Commission	1,000,000	900,000	900,000	900,000	900,000	−100,000			
Office of the Special Representative for Trade Negotiations	2,581,000	2,680,000	2,680,000	2,680,000	2,680,000	+99,000			
Privacy Protection Study Commission	776,000					−776,000			
Renegotiation Board	6,002,000	6,285,000	6,000,000	6,000,000	6,000,000	−2,000	−285,000		
Securities and Exchange Commission	56,270,000	58,290,000	58,000,000	58,290,000	58,100,000	+1,830,000	−190,000	+100,000	−190,000
Small Business Administration	782,070,000	623,150,000	964,150,000	850,000,000	935,000,000	+152,930,000	+311,850,000	−29,150,000	+85,000,000
United States Information Agency	263,908,000	286,678,000	276,369,000	286,449,000	286,449,000	+22,541,000	−229,000	+10,080,000	
Total, new budget (obligational) authority, 1978	13,315,030,802	7,477,556,500	7,606,119,500	7,706,415,000	7,709,432,000	−5,605,598,802	+231,875,500	+103,312,500	+3,017,000
Supplemental Appropriations, 1977		212,575,000		213,132,000	211,515,000	+211,515,000	−1,060,000	+211,515,000	−1,617,000
Grand total	13,315,030,802	7,690,131,500	7,606,119,500	7,919,547,000	7,920,947,000	−5,394,083,802	+230,815,500	+314,827,500	+1,400,000

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, I was reading the conference report, and I would like to ask the gentleman if there is any significance we can attach to the fact that the Senate receded in only 8 cases and the House receded in 37 cases. Is it because the Senate had more amendments?

Mr. SLACK. Mr. Speaker, there were 90 amendments in disagreement, and many of them were amendments for executive level pay increases and amendments making technical and conforming changes.

Mr. ASHBROOK. If the gentleman will yield further, I see in section 707, Amendment 89, which is one in which this body has expressed a considerable amount of interest, prohibits the obligation or expenditure of funds made available in the act for making a commitment to provide any reparations, aid, or credits to Vietnam, Cambodia, or Laos.

Mr. CEDERBERG. Mr. Speaker, if the gentleman will yield, this amendment was added by the Senate and agreed to by the conferees.

Mr. ASHBROOK. I thank the gentleman for his explanation.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Illinois, Mr. McCLORY.

Mr. McCLORY. Mr. Speaker, I am pleased to note the conference report increased the appropriation for the Law Enforcement Assistance Administration by $47 million and, nevertheless, I want to express disappointment. This is still about $150 million less than the committee authorized when we debated the authorization bill. I would like to add that I think we are in a very, very serious situation with regard to law enforcement, in providing support for law enforcement in this Nation, because the Attorney General has authorized a task force to somehow revise or restructure LEAA, but nothing is going to be done this year.

Meanwhile we are cutting the appropriation, and we are going to have nothing as a substitute for it. I think we are reaching a hiatus from which we are going to suffer very seriously.

I merely want to call the attention of the Members of the House to the fact that we are downgrading LEAA, we are providing nothing in place of it, and I think law enforcement in this country is going to suffer as a result of our inaction, our lack of leadership, our lack of direction, and our lack of providing resources to enable the local and State officials to take care of this situation.

Mr. Speaker, the objective of the administration should be to improve and

strengthen the Law Enforcement Assistance Administration—not to dismantle it—or to curtail LEAA's resources.

A few of the accomplishments of LEAA—and its need for more, not less money, is made clear on page 29 of the Attorney General's task force report.

The following paragraphs outline a small part of the role of LEAA:

There have been some significant accomplishments in the LEAA program. Substantive reforms in criminal codes have been enacted in over half the States with support from LEAA funds. LEAA funds have also supported the unification of court systems in over half the States. LEAA funds, in many jurisdictions, have been the single most important support for providing effective counsel to indigent offenders. Many jurisdictions have been better serviced by police agencies through the development with LEAA funds of more effective patrol techniques, police community relations programs, team policing and minority recruitment efforts. LEAA funds have been an important resource for fighting organized crime at the State and local government level. LEAA's funds have supported the development of more humane and rational approaches for dealing with incarcerated offenders and have supported the implementation of diversion, probation, and community-based programs that provide needed alternatives to incarceration. LEAA support of the development of model procurement codes and procedures shows the promise of saving State and local taxpayers millions of dollars in revenues that would otherwise be lost through waste, inefficiency, and corruption. There are other examples of achievements in the LEAA program including the development and implementation of the Prosecutor's Management Information System (PROMIS), the Treatment Alternatives to Street Crime (TASC) program, and the career criminal program.

The LEAA experience clearly supports the proposition that a limited program of Federal research and demonstration is not enough. All the good ideas in the world are not going to help the State and local governments if they do not have the funds to implement these ideas. The fiscal crisis of the American cities and States is such that funds to implement improvements in the criminal justice system are not available. In many jurisdictions, there barely are enough funds to maintain the current level of services. A substantial amount of Federal financial assistance must be provided.

Mr. Speaker, as these views of Thomas J. Madden and Patricia Walden emphasize "funds to implement improvements in the criminal justice system are not available to American cities and States." Additional funds for that purpose are needed now, not at some future uncertain date when a restructured LEAA, or new program is developed. Law enforcement and reduction of crime in America depend on prompt and decisive action by the administration and the Congress.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Speaker, I thank the gentleman for yielding.

I notice on page 23 of the report there appears language of this nature:

The committee expects the Bureau of Prisons to study further the use of existing detention facilities at military installations and endeavor to utilize such facilities to the maximum extent possible.

Now, does this language contemplate the moving of civilian inmates or prisoners into military facilities to mix with military prisoners?

Mr. SLACK. No. This would apply only to military installations that may not be needed by the military. There will not be a mixing of prisoners.

Mr. WHITE. This provides strictly for the use of those excess facilities that are no longer to be utilized by the military?

Mr. SLACK. The gentleman is correct.

Mr. WHITE. Mr. Speaker, I thank the gentleman very much.

Mr. CEDERBERG. Mr. Speaker, the chairman of the subcommittee has adequately explained the conference report, and I have no requests for time.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of the conference report on H.R. 7556 making funds available for fiscal year 1978 for the Departments of State, Justice, and Commerce, as well as several related agencies. I am especially pleased that this bill includes $382.5 million for the Economic Development Administration and an additional $64.6 million for the regional planning commissions which serve all or portions of 32 States. These funds provide a slight increase in moneys for public works facilities grants and begin funding for a new program providing interest-free loans to redevelopment areas for economic development purposes.

I am an enthusiastic supporter of the programs of the Economic Development Administration because I have seen the positive results these funds have provided. It is basically a job-creating program, and it provides funds to local communities that are vital for economic stimulus. The public works grant program has provided communities with funds to construct water and sewer systems, vocational schools, industrial parks, and other public facilities. These types of public facilities have enabled communities which had been economically deprived to attract new businesses and thus create new jobs that revitalize the entire area. These funds also provide planning money and technical assistance money to States and local communities which are helpful in evaluating their economic deficiencies and developing pragmatic solutions to their economic problems.

One of the most successful Federal programs I have been acquainted with is the economic development district program which received funds under title IV, as well as title I of the Public Works and Economic Development Act of 1965, as amended. The district program has provided grantsmanship expertise to many smaller communities which had previously been sorely lacking this type of service. Through the district program, EDA funds and other Federal funds have been targeted to areas experiencing particular economic problems. These moneys coupled with local initiative have made a difference in many communities.

For the first time, funds are provided to initiate an interest-free loan program for redevelopment areas, which was authorized by the Public Works and Economic Development Act Amendments of 1976. This program was designed to give EDA another tool which could be used for a variety of activities to accelerate the recycling of land and facilities for the creation of job opportunities.

While maintaining funding at pretty much the current level for most of the EDA programs, this legislation provides a slight increase in funds for the construction of public works facilities. I am pleased to see this upward movement. However, in the future I am hopeful that we can see even a more marked increase in this program. This and other programs of the Economic Development Administration have a proven track record. It is these types of programs which I feel must be bolstered in times of economic depression or hardship. I believe these programs are more effective than some of the past new Federal programs which are often dreamed up in haste to deal with an immediate economic problem.

I am encouraged that there have been signs that the administration through Secreary Kreps wants to give EDA a bigger role. This is welcome news, and I am hopeful that we can see more actions to back up these signs. The past level of success of the programs of the Economic Development Administration would seem to warrant a level of funding comparable to authorized levels of funding for these programs. I believe this would be a positive step toward creating economic stability and providing additional job opportunities.

Mr. JENRETTE. Mr. Speaker, as we today vote on funds for our Department of Justice I feel there is an unfulfilled promise that we must consider.

I am proud to be able to speak today in behalf of one of the many victims of Helsinki's unfulfilled promise, Zakhar Lvovich Tesker. Knowing of the problems experienced by Mr. Tesker and his family in their simple request to obtain an exit visa only serves to reinforce my deep gratitude for America's freedoms and basic belief that the rights of the individual are paramount. It is obvious that the Soviet Union does not share this basic commitment to upholding the rights of its citizens, even after the Soviets loudly acclaimed their own action in signing the Helsinki accord. As evidence of what is really happening in the Soviet Union I would like to share with my colleagues the story of Zakhar Lvovich Tesker.

ZAKHAR LVOVICH TESKER

Circumstances have changed young Zakhar Tesker from an ordinary "blue-collar" worker into one of Moscow's bravest activists. Once a soccer coach, he was dismissed from his job as a driver after applying for an exit visa.

His marriage to Rimma, a cosmetician, has been charged with dramatic events. By the time their son Benjamin was born in 1975, Zakhar was already deeply involved in the struggle for basic rights for Jews in the Soviet Union. He was placed under house arrest when he tried to leave his apartment to join demonstrating comrades. With Vladimir Slepak he undertook an exhausting journey to Siberia to visit imprisoned refusniks Nashpitz and Tsitlionok, to bring them warm clothing and moral support. Upon his return, Tesker was visited by the KGB and threatened with charges of being a parasite, although he is refused all work.

In October 1976, during a most daring demonstration, Zakhar Tesker was among the Jews who sat in at the Supreme Soviet insisting on written reasons for their refusals; they were taken by bus to a woods outside Moscow where Zakhar was dragged from the vehicle and beaten so severely his nose was broken. While Zakhar was serving fifteen days in prison following the beating, his wife Rimma, gave birth to a daughter.

After the birth of their first child, Zakhar wrote to a friend:

"We are all right, and I am very glad to tell you that my wife bore a child. That was a great event in my life. His name is Benjamin. That was really a happy day in our lives and I hope that very soon another happy day will come, and we shall go to Israel."

After 4 long years waiting, I hope that my words here in Congress will help bring that day closer when the Tesker family can go to Israel. Even greater is my hope that, by virtue of the steadfast resolve of Congress and the administration on this issue, the Soviet Union will see fit to regard its citizens as free people rather than as prisoners.

Mr. SLACK. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 326, nays 85, not voting 22, as follows:

[Roll No. 432]

YEAS—326

Abdnor	Brown, Mich.	Diggs
Addabbo	Buchanan	Dingell
Akaka	Burke, Calif.	Dodd
Alexander	Burke, Fla.	Downey
Allen	Burlison, Mo.	Drinan
Ambro	Burton, John	Duncan, Oreg.
Ammerman	Burton, Phillip	Early
Anderson, Ill.	Butler	Eckhardt
Andrews, N.C.	Byron	Edgar
Andrews, N. Dak.	Caputo	Edwards, Ala.
Annunzio	Carney	Edwards, Calif.
Applegate	Carr	Eilberg
Archer	Carter	Emery
Ashley	Cavanaugh	Erlenborn
Aspin	Cederberg	Ertel
AuCoin	Chappell	Evans, Colo.
Badillo	Chisholm	Evans, Del.
Bafalis	Clausen, Don H.	Evans, Ga.
Baldus	Clay	Evans, Ind.
Baucus	Cohen	Fary
Beard, R.I.	Coleman	Fascell
Bedell	Collins, Ill.	Fenwick
Beilenson	Conte	Findley
Benjamin	Conyers	Fish
Bevill	Corcoran	Fisher
Biaggi	Corman	Fithian
Bingham	Cornell	Flood
Blanchard	Cornwell	Florio
Blouin	Cotter	Flowers
Boggs	Coughlin	Flynt
Boland	Cunningham	Foley
Bolling	D'Amours	Ford, Mich.
Bonior	Daniel, R. W.	Ford, Tenn.
Bonker	Danielson	Forsythe
Bowen	Davis	Fowler
Breaux	de la Garza	Fraser
Breckinridge	Delaney	Frenzel
Brinkley	Dellums	Frey
Brodhead	Derwinski	Fuqua
Brooks	Dicks	Gaydos
Giaimo	Martin	Gephardt
Gilman	Mazzoli	Rosenthal
Goldwater	Meeds	Rostenkowski
Gonzalez	Metcalfe	Roybal
Goodling	Meyner	Ruppe
Gore	Mikulski	Ryan
Gradison	Mikva	Santini
Guyer	Milford	Sarasin
Hagedorn	Miller, Calif.	Sawyer
Hamilton	Mineta	Scheuer
Hammer-schmidt	Minish	Sebelius
Hanley	Mitchell, Md.	Seiberling
Hannaford	Mitchell, N.Y.	Sharp
Harkin	Moakley	Shipley
Harrington	Moffett	Sikes
Harris	Mollohan	Simon
Harsha	Montgomery	Sisk
Hawkins	Moore	Skelton
Heckler	Moorhead, Pa.	Skubitz
Heftel	Moss	Slack
Hightower	Murphy, Ill.	Smith, Iowa
Hillis	Murphy, Pa.	Smith, Nebr.
Hollenbeck	Murtha	Solarz
Holtzman	Myers, Gary	Spellman
Horton	Myers, John	St Germain
Ireland	Myers, Michael	Staggers
Jeffords	Natcher	Stangeland
Jenrette	Nedzi	Stanton
Johnson, Calif.	Nichols	Stark
Johnson, Colo.	Nix	Steed
Jones, N.C.	Nolan	Steers
Jones, Tenn.	Nowak	Stockman
Jordan	O'Brien	Stokes
Kastenmeier	Oakar	Stratton
Kazen	Oberstar	Studds
Kildee	Obey	Thompson
Kostmayer	Ottinger	Thone
Krebs	Panetta	Thornton
Krueger	Patten	Trible
LaFalce	Patterson	Tsongas
Le Fante	Pattison	Tucker
Leach	Pease	Udall
Lederer	Pepper	Ullman
Leggett	Perkins	Van Deerlin
Lehman	Pettis	Vander Jagt
Lent	Pickle	Vanik
Lloyd, Calif.	Pressler	Vento
Lloyd, Tenn.	Preyer	Volkmer
Long, La.	Price	Walgren
Long, Md.	Pritchard	Walsh
Lott	Quayle	Wampler
Lujan	Quie	Waxman
Luken	Quillen	Whalen
Lundine	Rahall	White
McClory	Railsback	Whitehurst
McCloskey	Rangel	Whitten
McCormack	Regula	Wilson, C. H.
McDade	Reuss	Winn
McEwen	Richmond	Wirth
McFall	Rinaldo	Wolff
McHugh	Risenhoover	Wright
McKay	Roberts	Wydler
Madigan	Robinson	Yates
Maguire	Rodino	Yatron
Mahon	Roe	Young, Alaska
Mann	Rogers	Young, Mo.
Marks	Roncalio	Young, Tex.
Marlenee	Rooney	Zablocki
	Rose	Zeferetti

NAYS—85

Anderson, Calif.	Hall	Neal
Armstrong	Hansen	Pike
Ashbrook	Hefner	Poage
Badham	Holt	Rhodes
Barnard	Hubbard	Rousselot
Bauman	Huckaby	Rudd
Beard, Tenn.	Hughes	Runnels
Bennett	Hyde	Russo
Brown, Ohio	Ichord	Satterfield
Broyhill	Jacobs	Schroeder
Burgener	Jenkins	Schulze
Burleson, Tex.	Jones, Okla.	Shuster
Clawson, Del	Kasten	Snyder
Cleveland	Kelly	Spence
Cochran	Kemp	Steiger
Collins, Tex.	Ketchum	Stump
Conable	Keys	Symms
Crane	Kindness	Taylor
Daniel, Dan	Lagomarsino	Traxler
Devine	Latta	Treen
Dornan	Levitas	Waggonner
Edwards, Okla.	McDonald	Walker
English	Mathis	Watkins
Fountain	Mattox	Weaver
Gammage	Michel	Weiss
Ginn	Miller, Ohio	Whitley
Glickman	Moorhead, Calif.	Wilson, Bob
Grassley	Mottl	Wylie
		Young, Fla.

NOT VOTING—22

Brademas	Brown, Calif.	Dent
Broomfield	Burke, Mass.	Derrick
Dickinson	Howard	Pursell
Duncan, Tenn.	Koch	Teague
Flippo	McKinney	Wiggins
Gibbons	Markey	Wilson, Tex.
Gudger	Marriott	
Holland	Murphy, N.Y.	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Broomfield.

Mr. Brademas with Mr. Wiggins.

Mr. Dent with Mr. Pursell.

Mr. Murphy of New York with Mr. Dickinson.

Mr. Teague with Mr. McKinney.

Mr. Koch with Mr. Marriott.

Mr. Charles Wilson of Texas with Mr. Duncan of Tennessee.

Mr. Flippo with Mr. Brown of California.

Mr. Howard with Mr. Gibbons.

Mr. Derrick with Mr. Gudger.

Mr. Holland with Mr. Markey.

Messrs. WHITLEY and KEMP changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: Page 32, line 15, strike out "and design," and insert: "design and construction of facilities,".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein.

The SPEAKER pro tempore. The gentleman from West Virginia is recognized for 1 hour.

Mr. ASHBROOK. Mr. Speaker, will the gentleman from West Virginia yield?

Mr. SLACK. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding. I am generally speaking somewhat out of order, if someone on the floor can give us some indication of what the plans are for the remainder of the day; but pending that, I am interested in amendments 32 and 33. It seems like a rather substantial sum.

Mr. SLACK. Mr. Speaker, will the gentleman please repeat his statement?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, as I was saying when I guess no one heard, first, I think there is some particular interest in what the schedule for today is, inasmuch as it is about 20 minutes after 5; but if there is no one on the floor that can respond to that, I am interested in amendments 32 and 33, particularly as it seems to jump from design and construction, $1 million to almost $31 million. Could my friend and colleague, the gentleman from West Virginia, give me some light on that particular pair of amendments that will be together?

Mr. SLACK. Mr. Speaker, if the gentleman will yield, the House did place $1 million in the bill for planning and design, however, the Senate, the other body,

doubled the budget request for a total of $30,800,000. We agreed on a compromise of the budget figure for design and construction of the project.

Mr. ASHBROOK. Did the gentleman say double?

Mr. SLACK. The other body had doubled the budget request and we compromised at the budget figure.

Mr. ASHBROOK. Our figure was $1 million?

Mr. SLACK. That is right. The budget request was $15,500,000 and the other body doubled the figure and made it $30,800,000.

Mr. ASHBROOK. Mr. Speaker, this is another instance, if the gentleman will permit, of an individual Member of the other body making his demands on us as we go along and we have to withdraw.

Mr. SLACK. Well, of course, we all know this is a very controversial project; but when we go into conference with the other body, we have to compromise to get a bill, and we thought this was a fair compromise.

Mr. ASHBROOK. Mr. Speaker, I withdraw my reservation to amendment No. 32.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from West Virginia (Mr. SLACK).

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 33: Page 32, line 17, strike out: "$1,000,000" and insert: "$30,800,000,".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: "$15,500,000".

The SPEAKER pro tempore. The gentleman from West Virginia is recognized for 1 hour.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Washington.

Mr. CUNNINGHAM. Mr. Speaker, I wanted to ask a couple questions on amendment No. 33.

Could the gentleman tell me specifically what those capital funds are to be used for?

Mr. SLACK. Mr. Speaker, I am sorry. I did not hear the gentleman.

The SPEAKER pro tempore. Will the gentleman restate his question.

Mr. CUNNINGHAM. Mr. Speaker, could the gentleman tell me what the capital funds in that amendment will be used for?

Mr. SLACK. They will be used to begin construction of the Sand Point facility.

Mr. CUNNINGHAM. Mr. Speaker, having just come back from that area, I would like to know, who wants that?

Mr. SLACK. A budget request was sent up by the administration in the amount of $15.5 million for design and construction of the Sand Point facility.

Mr. CUNNINGHAM. Well, I do not think I have understood the answer. I would like to specifically ask who there is asking for that facility to be built there?

Mr. SLACK. Where?

Mr. CUNNINGHAM. The gentleman said at Sand Point. That is in the State of Washington.

Mr. SLACK. It is a Federal facility and the budget estimate was sent up by the President of the United States. It is a budgeted item. We held hearings on it.

Mr. CUNNINGHAM. Mr. Speaker, with all due respect, and appreciating my newness, I was not really advised that this was going to be before us today. In trying to ask some of my associates, I was being given some rather vague answers. I am trying to find out who wants us to spend $15 million in the State of Washington building a facility that I cannot find the people saying that they want.

Mr. SLACK. The only thing I can say is that it was a budget estimate sent up by the President of the United States. There were hearings held on the request. It is a budgeted item, and it comes under the National Oceanographic and Atmospheric Administration in the Department of Commerce.

Mr. CUNNINGHAM. Could I ask one more question?

Mr. SLACK. Certainly.

Mr. CUNNINGHAM. I do not mean to be difficult. As I would assume the gentleman knows, the specific lake that this is built on is virtually a recreational and residential lake. This facility will allow them to bring into that lake boats up to 350 feet. A lot of people are slightly upset about it. I am trying to find out why. This has not been voted on in the State of Washington and not voted on in the city of Seattle. I am trying to find out why someone feels that this has to be built where I do not think the people want it.

Mr. SLACK. It will be built on the former site of the naval air station.

Mr. CUNNINGHAM. Which I am sure the gentleman is aware has been given to the city, very generously, and will be used as a multiuse facility.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Washington.

Mr. DICKS. I think the gentleman will recall—and I am sure he does, since he is an astute student of politics in the city of Seattle—that there was a vote by the people of the city of Seattle 2 years ago in which they fairly overwhelmingly voted for a park, NOAA at Sand Point, and voted against aviation. Part of the plan at that time was to include NOAA, with NOAA's ships being home posted at the facility.

So, I do not think it comes as a surprise to anyone that this is going forward as a budget request. The National Oceanographic and Atmospheric Administration has been part of the administration's budget request. So, I think there has been no mystery about who is for it. President Ford requested funds in the fiscal year 1977 budget; his Office of Management and Budget sent it up, and now President Carter sent it up in his fiscal year 1978 budget request, so that it is part of the regular budget process.

Mr. CUNNINGHAM. If the gentleman will yield further, I will say that I am aware of what the gentleman from Washington said. The people did vote on the park facility, but I am unaware—I am from Seattle, and the gentleman is from Tacoma—I am unaware that the people in Seattle voted to have the NOAA facilities consolidated on Lake Washington and take some of the most beautiful, private waterfront in the State of Washington.

Could the gentleman answer that for me?

Mr. DICKS. Well, the point is that I think the people of Seattle knew what they were voting on, and that was the use of the facilities there for park and for a NOAA facility. This project has been in the planning stages for almost 4 years. It has been no mystery to the people of Seattle as to what was going to go on. If the gentleman looks at the history, I think he will find that there are 4 years of history behind it. Two Presidents and two Offices of Management and Budget, two Secretaries of Commerce, have favored it. I think it is a little late in the process on the floor today, in the conference committee setting, to raise this issue.

Mr. CUNNINGHAM. If the gentleman from West Virginia will yield further, I would apologize to the body for taking this time at this late hour. It has been a busy day.

Frankly, I would hope that there would have been notice, and I probably did not get that notice because of my newness. I sincerely would have attempted to get my personal questions concerning this answered prior to this time.

Mr. SLACK. I would like for the record to show that the conference report was filed and printed in the RECORD of June 30, 1977. It was printed House Report 95-476.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from West Virginia (Mr. SLACK).

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 52: Page 46, line 12, insert:

INTERNATIONAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $12,187,000: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the International Trade Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative: *Provided further*, That no part of the foregoing appropriation shall be used for making any special study, investigation, or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 52 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

INTERNATIONAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $11,500,000: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the International Trade Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative: *Provided further*, That no part of the foregoing appropriation shall be used for making any special study, investigation, or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 61: Page 54, line 9, insert:

TITLE VI—SUPPLEMENTAL APPROPRIATIONS, 1977

For additional amounts for the fiscal year 1977 for increased pay costs authorized or pursuant to law, and other purposes to be immediately available, as follows:

Mr. SLACK. Mr. Speaker, inasmuch as amendments Nos. 61 through 67 and 69 through 81 all deal with appropriations for fiscal year 1977, and are brought back in disagreement solely for technical reasons, I ask unanimous consent that they be considered as read, printed in the RECORD, and that they be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendments considered en bloc are as follows:

Senate amendment No. 62: Page 54, line 14, insert:

DEPARTMENT OF STATE

Senate amendment No. 63: Page 54, line 15, insert:

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

"Missions to international organizations," $145,000;

Senate amendment No. 64: Page 54, line 17, insert:

INTERNATIONAL COMMISSION

"American sections, international commissions," $20,000;

Senate amendment No. 65: Page 54, line 20, insert:

DEPARTMENT OF JUSTICE

Senate amendment No. 66: Page 54, line 21, insert:

GENERAL ADMINISTRATION

SALARIES AND EXPENSES, GENERAL ADMINISTRATION

For an additional amount for "Salaries and expenses, general administration," $147,000, to be derived by transfer from "Salaries and expenses, Community Relations Service".

Senate amendment No. 67: Page 55, line 1, insert:

LEGAL ACTIVITIES

ANTITRUST DIVISION

For salaries and expenses to provide antitrust enforcement grants to the States authorized by section 309 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, $1,000,000.

Senate amendment No. 69: Page 55, line 9, insert:

THE JUDICIARY

Senate amendment No. 70: Page 55, line 10, insert:

COURT OF CUSTOMS AND PATENT APPEALS

"Salaries and expenses," $41,000.

Senate amendment No. 71: Page 55, line 12, insert:

CUSTOMS COURT

"Salaries and expenses," $73,000;

Senate amendment No. 72: Page 55, line 14, insert:

COURT OF CLAIMS

"Salaries and expenses," $159,000;

Senate amendment No. 73: Page 55, line 16, insert:

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

"Salaries of judges," $4,300,000;

"Salaries of supporting personnel," $249,000;

"Salaries and expenses of United States Magistrates," $450,000;

"Salaries and expenses of referees," $1,435,000;

Senate amendment No. 73: Page 55, line 23, insert:

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

"Salaries and expenses," $53,000;

Senate amendment No. 75: Page 56, line 1, insert:

FEDERAL JUDICIAL CENTER

"Salaries and expenses," $20,000;

Senate amendment No. 76: Page 56, line 3, insert:

RELATED AGENCIES

Senate amendment No. 77: Page 56, line 4, insert:

ARMS CONTROL AND DISARMAMENT AGENCY

"Arms control and disarmament activities," $220,000.

Senate amendment No. 78: Page 56, line 6, insert:

BOARD FOR INTERNATIONAL BROADCASTING

"Grants and Expenses", $3,350,000, to remain available until expended, which shall be available only for fluctuations in foreign currency exchange rates in accordance with the provisions of section 8 of the Board for International Broadcasting Act of 1973, as amended.

Senate amendment No. 79: Page 56, line 12, insert:

SMALL BUSINESS ADMINISTRATION

Senate amendment No. 80: Page 56, line 13, insert:

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses" $500,000 to be transferred from the Disaster Loan Fund.

Senate amendment No. 81: Page 56, line 16, insert:

DISASTER LOAN FUND

For additional capital for the "Disaster Loan Fund", authorized by the Small Business Act, as amended, $200,000,000 to remain available without fiscal year limitation.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendments of the Senate numbered 61 through 67 and 69 through 81 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 90: Page 58, line 21, insert:

SEC. 708. No part of any appropriation contained in this Act shall be used for the purpose of negotiating a settlement of United States claims against private property confiscated by the Cuban Government at less than the principal value, giving full consideration to the amounts certified by the United States Foreign Claims Settlement Commission on July 6, 1972.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 90 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

GENERAL LEAVE

Mr. SLACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report and the motions just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERSONAL EXPLANATION

Mr. SKUBITZ. Mr. Speaker, I was unavoidably absent earlier today when there was a succession of rollcalls on matters called under suspension of the rules. For the record, had I been present, I would have voted "aye" on roll No. 424, amending the Federal Election Campaign Act; "aye" on roll No. 425, to establish National Family Week; "aye" on roll No. 426, to reduce paperwork in the agricultural census; I would have voted "no" on roll No. 427, to increase the salary of the Director of OMB and his deputy; "no" on roll No. 428, to increase the number of supergrade employees in the Federal Court Administration; "no" on roll No. 429, to add 100 hearing examiners in the Court Administration; and "aye" on roll No. 430 to adopt H.R. 4319.

REQUEST FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 6138, YOUTH EMPLOYMENT AND DEMONSTRATION PROJECTS

Mr. PERKINS. Mr. Speaker, I call up the conference report on the bill (H.R. 6138) to provide employment and training opportunities for youth, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will read the conference report.

The Clerk proceeded to read the conference report.

Mr. PERKINS (during the reading). Mr. Speaker, I again ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, it is after 5:30.

Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will read.

The Clerk continued to read the conference report.

Mr. PERKINS (during the reading). Mr. Speaker, I withdraw the conference report at this time.

HELSINKI'S UNFULFILLED PROMISE

Mr. WAXMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAXMAN. Mr. Speaker, I am pleased to join my colleagues in marking "Helsinki's Unfulfilled Promise," a campaign of recognition and tribute to the thousands of political, social, and religious activists in the Soviet Union who have been systematically denied enjoyment of basic human rights. By signing the Helsinki Final Act in 1975, the Soviet Union for the first time allowed itself to become publicly accountable for its commitment to the protection of freedom and dignity of the Soviet people.

The Soviet Government has reacted to the increased scrutiny of its compliance with the Helsinki accords by repudiating all such efforts to ascertain the status of dissidents and by questioning the motives of those who express concern. Using the activists' ties with outside organizations against them, the Soviet Government has recently contemplated bringing treason charges against some of those who question the regime, express a desire to leave, or monitor compliance with the Helsinki accords.

In the end, the debate over human rights and its effect on détente devolves on the Soviet citizens themselves: The quality of their lives and the frustrations and horrors they have to live with because they have chosen to speak out.

In the past several months, it has become clear that the Soviet Government intends to tolerate no opposition to its human rights policies from either its citizens or the outside world. A decision has been made in the Kremlin, in anticipation of the 60th Congress of the Communist Party in October, to utterly destroy organized protest against the government.

What is being tested, therefore, is not only the courage and resourcefulness of those whose rights have been removed, but the dedication of those outside the Soviet Union to work for human dignity inside that country. It is for this reason that our daily evocation of Helsinki's unfulfilled promise is so important.

On July 11, another Soviet citizen, Viniamin Levich, one of the most brilliant and respected physical chemists in the world, decided to speak out. He applied to emigrate to Israel in 1972. In 1975, his two sons, Yevgeny, a physicist, and Alexander, an engineer, were permitted to leave. At that time, he was informally advised that he, too, would emigrate within a few months.

The Soviet authorities have repeatedly broken their promise to Dr. Levich. Instead, he has been systematically isolated and harassed. He was dismissed from his post as professor at Moscow University, and his chair was abolished. He was refused permission to lecture, and denied access to his laboratory. His colleagues shunned him.

In utter despair, he has appealed to his peers outside the Soviet Union. In a message to a conference in his honor in Oxford, he said:

> Apart from the right of separated families to be reunited, the right to emigrate is the most modest of all universally accepted human freedoms. Nevertheless, my wife and I have been indefinitely separated from our children despite assurances given us three years ago . . .
>
> I appeal to you. Do not lessen your noble efforts. While contacting Soviet representatives, you Western intellectuals can and ought to openly raise a question of Soviet scientist-refuseniks and their fate, to clearly show their profound concern with this humanitarian problem. Again and again with insistence and persistence.

It is the least that we can do to call attention to peoples everywhere of the fate of all the Leviches in the Soviet Union. Let no one be allowed to plead ignorance of what is occurring inside that country.

SPECIAL PROSECUTOR NEEDED TO CLEAR THE AIR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. COHEN) is recognized for 5 minutes.

Mr. COHEN. Mr. Speaker, the sudden resignation Friday of the Ethics Committee's special counsel has rekindled public doubt about the effectiveness of the House probe of alleged South Korean influence peddling on Capitol Hill.

The integrity of Congress as an institution has been badly compromised by reports in the press that the Government of South Korea and its agents in this country have, during the past 7 years, systematically attempted to influence Members of Congress. If Watergate has taught us anything, it is that charges of corruption within our Government must be answered promptly and truthfully. Anything less than a complete airing of the Korean activities can only add to public distrust of Congress, and distract the House from its pressing legislative duties.

I do not wish to prejudge the facts of the alleged Korean efforts to curry favor on Capitol Hill. Nor do I wish to suggest that the Justice Department and the House Ethics Committee are incapable of conducting fair and complete investigations of the matter.

But I do feel that the charges that have been lodged are extremely serious. And unless action is taken soon to resolve the matter, I fear that "Korea-gate," as it has been dubbed in Washington, could become a major national crisis. Those who dismiss calls for a special prosecutor out of hand ignore the strong desire of the public for assurances that partisan political decisions will not interfere with the search for the truth.

To try to speed resolution of this problem, Congressman JOHN B. ANDERSON of Illinois and I have jointly introduced legislation to establish an orderly, nonpartisan procedure for appointment of a special prosecutor to investigate the relationship of Members of Congress and other high-ranking government officials to the South Korean government.

The Anderson-Cohen bill amends title 28 of the United States code. It calls upon the Attorney General to conduct a preliminary investigation, not to exceed 90 days, of any improper or illegal activity by Members of Congress or top-ranking executive branch employees, in connection with efforts by foreign governments to influence legislation or other Government activities.

If, after conducting such an investigation, the Attorney General finds evidence of any wrongdoing, he is required to present his findings to a special court-appointed panel and apply to the panel for appointment of a special prosecutor to pursue the case.

Our bill provides that the Judiciary Committee of either the House or Senate may request the Attorney General to apply for appointment of a special prosecutor. The prosecutor can be appointed only by the special court-appointed panel which is also the only body with authority to remove him from office.

The bill provides that, after completing his duties, the special prosecutor must make a complete report to the special court panel. The panel would be empowered to make public whatever findings it deems to be appropriate.

The bill also instructs the special prosecutor to provide the chairman and ranking minority member of the House Judiciary Committee with any substantial information which may constitute grounds for impeachment or explusion. The special prosecutor's office would expire upon completion of its assigned duties or 5 years, whichever comes first.

I believe that the Anderson-Cohen bill provides a nonpartisan framework for effective action in the Korea problem, and I hope the House leadership will give this proposal the serious consideration it deserves.

THIRTY-FOUR CONGRESSMEN CALL FOR LOCAL NIGHTTIME RADIO SERVICE ACROSS THE NATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, I am today introducing a resolution with 33 of my colleagues as cosponsors calling upon the Federal Communications Commission to maximize local meaningful primary nighttime radio broadcast service in the small towns and rural areas of our country. The resolution also urges the FCC not to permit existing radio stations to increase their power beyond the 50,000 watts presently permitted by the Commission.

This resolution has broad bipartisan support, Mr. Speaker, because this is an issue that affects all areas of the country and all kinds of people. Millions of Americans located in thousands of communities across the Nation have no local radio service after the Sun goes down each evening. That is when their local station must leave the air in order to comply with FCC regulations that were written a half century ago to deal with an entirely different situation. These regulations desperately need revision. Until they are changed, over 40 million Americans will continue to be adversely affected. If a snowstorm or a flood strikes a small town after the Sun sets, if schools close or other community activities are rescheduled, these Americans may have no way to know of the extent of the danger or whether they should change their plans. Distant stations will not cover such localized occurrences.

In fact, Mr. Speaker, I would like to insert in the CONGRESSIONAL RECORD at this point a chart showing the enormous number of people adversely affected by the present FCC regulations which unduly restrict nighttime radio broadcasting.

NUMBER AND POPULATION OF SMALL MARKETS IN EACH STATE WITH NO LOCAL NIGHT-TIME "AM" BROADCAST SERVICE

State	Small markets served by daytime stations		State's total population (1970 Census)	Rural and small town population	Population of city of license of daytime stations
	Total	AM only (no FM)			
Alabama	54	29	3,373,006	1,043,914	270,587
Arizona	9	5	1,752,122	444,086	92,206
Arkansas	44	22	1,886,210	1,186,210	318,270
California	43	23	19,715,490	3,189,983	886,879
Colorado	14	10	2,178,176	1,443,883	154,666
Connecticut	15	10	2,987,950	660,255	482,941
Delaware	4	1	542,979	128,600	33,940
Florida	47	29	6,671,162	1,776,648	661,878
Georgia	74	59	4,492,038	2,317,742	450,832
Idaho	5	4	712,567	393,792	23,274
Illinois	62	8	10,977,908	3,528,039	1,057,608
Indiana	34	5	5,143,422	1,720,534	377,134
Iowa	32	2	2,789,893	1,412,757	399,778
Kansas	24	8	2,222,173	1,055,049	277,157
Kentucky	65	22	3,160,555	1,662,167	315,014
Louisiana	39	18	3,564,310	783,140	278,633
Maine	9	1	992,048	446,025	97,581
Maryland	15	6	3,874,642	679,328	126,677
Massachusetts	21	10	5,630,224	1,069,228	871,670
Michigan	40	16	8,778,187	3,447,500	485,818
Minnesota	32	12	3,767,975	1,589,660	210,820
Mississippi	38	17	2,158,872	1,178,830	154,211
Missouri	51	24	4,636,247	1,461,528	401,426
Montana	5	2	694,409	353,029	16,291
Nebraska	18	10	1,468,101	646,142	103,615
Nevada	2	1	481,893	91,883	26,845
New Hampshire	7	2	722,753	112,167	38,417
New Jersey	17	11	7,092,597	455,056	340,758
New Mexico	10	5	1,014,979	565,660	60,978
New York	54	29	18,018,615	679,100	523,743
North Carolina	80	47	4,961,832	795,734	402,743
North Dakota	5	4	617,761	339,872	10,636
Ohio	44	8	10,542,030	1,291,253	831,106
Oklahoma	24	14	2,498,378	448,739	188,891
Oregon	12	11	2,056,171	148,591	86,672
Pennsylvania	68	38	11,669,565	1,551,245	672,099
Rhode Island	3	3	922,461	205,596	151,360
South Carolina	49	26	2,522,881	827,944	294,771
South Dakota	9	3	661,406	425,557	53,666
Tennessee	62	30	3,838,777	527,294	315,790
Texas	104	62	10,989,123	1,522,809	942,525
Utah	8	4	1,060,631	142,137	48,878
Vermont	5	1	444,330	60,128	26,358
Virginia	57	28	4,543,249	617,178	299,102
Washington	18	12	3,352,892	454,505	159,388
West Virginia	21	15	1,707,913	278,863	108,868
Wisconsin	44	7	4,366,766	579,961	463,249
Wyoming	1	1	332,416	198,361	2,292
Total	1,498	713	203,702,602	46,138,702	14,597,958

Note: The data and statistics in this table excludes the States of Alaska and Hawaii.

As the chart clearly shows, over 46 million people in almost 1,500 separate listening areas of the country lose a major source of public information and entertainment each evening when the Sun goes down. Worse yet, more than 700 of these listening areas comprising thousands of towns have no other source of local FM stations, no television stations, nothing. The millions of people who live in these small communities are literally cut off from the rest of the world each evening. They have no way to know what is happening around them, although ironically they can usually tune into a distant station and learn about a snowstorm in Chicago or a traffic jam on the George Washington Bridge in New York City. Their own local weather nad traffic conditions will remain a mystery to them until the next morning when their radio station is permitted to return to the air.

The Nation's airwaves belong to all Americans, but a significant minority of us are not permitted fair use of them. Instead, for millions of Americans local airwaves lie silent each night, unused by anyone. That is an unconscionable waste of a precious national resource.

Mr. Speaker, I am most assuredly not an engineer. But I am convinced that a nation that can bounce radio signals off distant stars and send messages millions of light-years to galaxies where other life forms might be listening ought to be able to find some way to let the local radio station in Highland, Ill. send its signal a few miles out into the Montgomery County countryside each evening. Those who are cosponsoring this resolution are convinced it can be done. I for one cannot understand why it has taken so long to do it, but I am hopeful that there will be no more delay and hesitation on the part of the Federal Communications Commission. Now is the time for them to act forthrightly to assure all Americans equal access to local meaningful nighttime radio service.

Text of House Resolution 637 follows:

H. Res. 637

Resolved, That it is the sense of the House of Representatives that the Federal Communications Commission—

(1) in any proceeding respecting the provision of class I–A and I–B radio service, should maximize local meaningful primary nighttime radio broadcast service, particularly in this Nation's vast rural areas, and

(2) notwithstanding H. Res. 714, Eighty-seventh Congress, second session, adopted on July 2, 1962, should not permit operation of a standard broadcast station with power in excess of fifty thousand watts.

CONFERENCE ON TAX POLICY AND ECONOMIC GROWTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 5 minutes.

Mr. CONABLE. Mr. Speaker, on last Friday I announced that I would cosponsor with the weekly magazine, National Journal, a national leadership conference on tax policy and economic growth to be held on November 14 and 15. I believe this conference, which will take place after the President has submitted his tax reform proposals this fall, will be an important event in the development of a rational tax policy to deal with the issues of capital formation and economic growth that face our society. Anyone who has studied the problems of our economic system cannot help but be aware of our needs to forge new directions in tax policy if our society is to be productive, our people are to have jobs and our competitiveness in world markets is to be sustained.

The President has announced that he will send to the Congress early in the fall major new proposals dealing not only with the individual tax areas but with capital formation and investment incentives that are needed to spur the economy of America and insure expanded productivity and job creation. The concepts that are being discussed for this proposal as well as others which are being considered in the Congress will require a broad scale national debate. While hearings in the Committee on Ways and Means and the Senate Finance Committee will provide an extended opportunity for individuals, organizations and corporations to present their views on the President's proposals as well as others submitted, it seemed to me that it was important to bring

together in one place informed experts from various segments of our society who could discuss the directions that should be taken and the initiatives that might be considered on the vital issues that will be highlighted by the President's program. Thus I am pleased that National Journal, a respected and thoughtful publication, was willing to join with me in the sponsorship of a conference on tax policy and economic growth which will call together the national leaders in the public as well as the private sectors to discuss the vital concerns which Congress will ultimately have to legislate on. I take this time to announce to my colleagues that this conference will take place and to urge them to encourage the people in their communities—business and labor, consumer interests and academicians—to participate in this conference.

I insert the press release announcing this conference in the RECORD at this point:

PRESS RELEASE

WASHINGTON, July 15.—Congressman Barber Conable announced today he will cosponsor "Tax Policy and Economic Growth—A National Leadership Conference" with the weekly magazine *National Journal*.

The Conference, which will take place November 14 and 15, 1977, at the Mayflower Hotel in Washington, D.C., will focus on issues associated with the formulation of a new national tax policy. Scheduled to take place two months after the Carter Administration proposes its new tax package to Congress, the conference will address not only the specifics of the Carter program but also the fundamental issues of tax policy such as economic growth, employment, capital formation, inflation, equity and income distribution.

Speakers in addition to Mr. Conable will include Senator Russell Long (D–La.), Chairman of the Senate Finance Committee; Congressman Al Ullman (D–Ore.), Chairman of the House Ways and Means Committee; Assistant Secretary of the Treasury Laurence N. Woodworth; and Bernard Shapiro, Staff Director of the Joint Committee on Taxation.

Additional speakers and panelists will be drawn from the business and financial communities, consumerists, labor and academia. The two-day conference will consist of general sessions as well as individual workshops.

Conable, ranking minority member of the House Ways and Means Committee, stated: "Our tax policy must not only make sense in current terms, but must also meet the future challenges of our economic system, providing for orderly and balanced growth and contributing to the meeting of our system's capital needs. This conference will provide a broadbased opportunity to discuss these issues, hopefully providing new initiatives in addition to its review of Administration proposals."

John Fox Sullivan, Publisher of *National Journal*, said: "Sponsoring a national conference fits well with our continuing coverage of economic and tax policy issues, an area that *National Journal* has concentrated on as part of its weekly coverage and analysis of federal policy making."

For additional information, please call or write: Tax Policy and Economic Growth, 1730 M Street, NW., Washington, D.C. 20036, (202) 857–1400.

In the coming weeks I will be presenting a series of speeches and documents dealing with some of the subjects which will be discussed at the November conference. I will do this not in a spirit of partisanship but with the notion that the national debate that must take place on tax policy and economic growth here in the Congress should be as informed and enlightened as possible. I hope others of my colleagues will join in this effort for it is important to the future stability of our economic system that we make the right choices in this area:

CONGRESSIONAL INACTION ON KOREAN BRIBERY SCANDAL SUBJECT OF RADIO PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 15 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I have recently returned from a weekend in my district. One of the main concerns of my constituents was the Korean bribery scandal and the apparent inaction on the part of the Congress in seriously pursuing this incident.

My freshman colleagues, both Republican and Democrat, have told me their constituents are also cynical about our motives in this matter and doubt congressional leaders will attempt to get to the bottom of the case.

Recently two of my colleagues, Congressmen BOB WALKER and PETER KOSTMAYER, discussed this problem on a radio program. The following transcript of that show reflects the mood of many of the freshman class, including myself:

TRANSCRIPTS

JEFFREY ST. JOHN. On Wednesday, June 22, the former head of the Korean Central Intelligence Agency testified before a Congressional committee that members of the U.S. House of Representatives were the targets of alleged bribery schemes of the Korean government. It was further alleged that such bribery attempts were for the specific purpose of influencing U.S. policy toward Korea.

With us on this edition of Reporters' Roundup are two Congressmen to discuss the implications of what has been termed a Democratic Watergate scandal, since attempts by Koreans to influence members of Congress allegedly involve many Democrats; but also some Republicans.

With us is Congressman Robert S. Walker, Republican from Pennsylvania and Congressman Peter H. Kostmayer, a Democrat also from Pennsylvania.

Let me begin, Gentlemen, with this question:

Does this alleged scandal really deserve to be compared with Watergate?

Congressman ROBERT WALKER. I don't think we know at this point. I think what we have are a lot of indications that it could be a very big scandal. And, therefore, the comparisons with Watergate naturally come to mind, because Watergate is so close. But what we do know if all of the allegations are true is there has been a massive subversion of the governmental processes by outside interests, primarily foreign interests.

ST. JOHN. Congressman Kostmayer.

KOSTMAYER. I think that Bob is right that we don't know yet whether it is as extensive as that; it may have gone back to 1970, it may have started as early as then. But I think the tragedy of Watergate was the coverup and I think this if what we have to avoid in this situation is another coverup.

MAYER. Congressman Walker, do you fear a stonewall job involving the alleged Korean bribes? And if so, who is doing the stonewalling?

WALKER. Well, I think there have been some indications that a stonewalling effort could be made and that's one reason why I reacted, and I know Congressman Kostmayer organized some people on his side of the aisle to react. Here several weeks ago, when we felt the House Ethics Committee was not moving, the action I took, I put together a group of freshmen Republicans and we introduced a resolution telling the Ethics Committee to get to work fast. Now that resolution was primarily a talking piece. But what we were able to do with that, I think, was to get a little on track. And I am encouraged that the Ethics Committee is beginning to move. The stonewalling is not as obvious as it was a few weeks ago. But I still think there are some indications that some of the leadership around here is less than enthusiastic about having a full exposure of everything with regard to the Korean scandal exposed.

MAYER. Mr. Kostmayer, how do you feel about the possibility of a stonewall job already done, or in the making, on the Korean situation?

KOSTMAYER. Well, I think it is a possibility and I also feel that the leadership has not been as enthusiastic as it should be about getting to the source of the problem. About two weeks before Congressman Walker and his colleagues on the Republican side got together, fifty-one of my colleagues, including some Republicans in fact, got together and wrote to Congressman Flynt of Georgia, who is chairman of the Ethics Committee, urging him to speed up his investigation. As a result of our letter we got back a status report earlier this month.

We have also written the Attorney General, as a result of his remarks, in which he said the investigation should be winding up. We don't think it should be winding up. We think it should just be beginning and really picking up some steam.

ST. JOHN. I would like to ask both of you this question: It seems to me that there is a kind of generational thing going on here. Congressman Kostmayer, you are basically a young Congressman; it seems that the older Democratic Congressmen are, if they are stonewalling, are in engaging in all kinds of delaying tactics. Is it a generational thing?

KOSTMAYER. Well, I suppose it may be a simple thing of whether you were here when these things were going on—they did begin apparently, the bribes, in 1970. Both Bob and I came here just last January. So I think there is a distinction between those who were here when this was going on and those who came here since then.

ST. JOHN. So, Congressman Walker, it's really the freshmen of both the Democratic and Republican Parties who are pushing the older leadership. You on the Republican side, Kostmayer on the Democratic side.

WALKER. I would say freshmen, and some second termers; in other words, I think it's the young group, not just exclusively just freshmen, but certainly the last two classes of Congressmen around here seem to be in the forefront.

MAYER. Why would the leadership want to do some footdragging on this, Congressman?

WALKER. Well, the indications are, of course we're in a position of talking about this strictly from the outside. So any comments I make are as an outsider who has been interested in the investigation and, therefore, has had information come my way. And I don't have information, or proof where I can make allegations, based on any evidence. But I can simply say the kinds of things that have disturbed me, and has led me to have some intense interest in seeing that this whole thing gets public attention.

One of the reasons why I feel there may be some foot dragging is because we keep hearing leadership people mentioned as possible sources of the problem. There has been talk . . . well, we know for instance, that the

Democratic Whip in the House, John Brademas, is one who admitted taking some money from the Koreans. Now the basis on which he took the money is said to be that he didn't know it came from a foreign government.

But the thing that General Kim had to say here, recently, that Tongsun Park is an agent, or that Tongsun Park was an agent of the Korean government, you see makes that a very serious kind of allegation that has been made against the Whip. We've also heard stories of very close relationship between Tongsun Park and the Speaker of the House. And so, when you begin to get names like this, you begin to realize that, perhaps, the leadership doesn't want all of that kind of thing focussed in the public eye.

ST. JOHN. Congressman Kostmayer, you remember, although you were not here in Congress—everybody remembers that nobody really understood why Watergate took place, what was the purpose of the breakin? So, very early on, if this does develop into another Watergate, let me ask both of you, and perhaps you might answer first, Congressman Kostmayer: What, if all this took place, what was the purpose? What did the Koreans want from U.S. Congressmen?

KOSTMAYER. Well, back in 1970 there was a meeting held in Seoul, South Korea, at the so-called Blue House, which is the government palace. And at that meeting, it was decided that one of the basic policies of the South Korean government, would be bribery—that they would attempt to influence American policy by paying hard cold cash, not only to members of Congress, but also to other important policy-makers in the administration.

About two weeks ago, Donald Renard (sp?)—who during the Nixon and Ford administrations headed the Department of Korean Affairs, in the Department of State, said this, and let me quote:

"It seems to me that we know enough to move this administration" (and he is talking about the Republican administration), "seems to me we know enough to have moved this administration toward an investigation far earlier than it began. We knew this, beginning in 1970, we knew it in 1971, we knew it in 1972—I was talking to the Justice Department in '73, I was discussing the matter with the FBI in '74 as well. But for reasons which I still have some difficulty in grasping, it was an administrative decision" (and we're talking about the Ford and Nixon administrations here), "I believe, not to move ahead with it."

He said a short time later, quote "Because the money was being passed, being passed on both sides, I think, of the aisle—I think the administration was in no position to open an investigation against the Korean CIA."

These bribes began passing hands in 1970! I think an investigation is long overdue, I think that one should have began as soon as these sort of things came to light. If this high official in the State Department knew about these sort of things in 1971, I wonder why we are only beginning an investigation in 1977!

MAYER. Jeffrey, I'll use a Watergate analogy also in my next question to Congressman Walker. Would you like to see a special prosecutor office like the one that handled the Watergate case start looking into this Koreangate, as it's been called, affair?

WALKER. I think it would be valuable. I think it would be valuable, for instance, that we form a Select Committee on Capitol Hill. The first resolution I put in, a few days after I arrived on Capitol Hill, was for a Select Committee to be formed and a Special Prosecutor. The reason being, that focuses the attention properly. I attended the hearings held by the International Relations Committee with General Kim. Now there you had a committee looking into one aspect of it, but you could tell that they weren't following through on some of the problems that involve House members; that's not their jurisdiction. And, yet, General Kim had some very interesting things to say about Tongsun Park's relationship with these House members that were involved.

If you had a Select Committee focussing on all aspects of the Korean problem, you would get it more in focus, so the public attention would be directed toward the right things. The same thing is true of a Special Prosecutor; if you have a Special Prosecutor, who is concentrating on all of the various aspects of this thing and prosecuting based not just on what took place in the House of Representatives, but also if there were administrative officials involved . . . And I happen to believe that there is a very good chance that there were some high officials in the administrations who could have been bribed. I think that those kinds of things should be looked into and maybe a Special Prosecutor is needed to do that.

ST. JOHN. Congressman Kostmayer, what do you think of the President, who is literally the head of your party, rejecting a Special Prosecutor for this alleged scandal?

KOSTMAYER. Well, I differ with the President, strongly on that. I don't think that Congress is able to investigate itself. I think we should have a Special Prosecutor—I think it's essential. I don't favor setting up another committee. I think the last thing we need in Congress is another committee, more staff, more personnel. I think we need special prosecutors who are entirely objective to look into this situation.

MAYER. Congressman Kostmayer, how do you feel the whole episode has affected our national security, especially in that part of the world in the Far East?

KOSTMAYER. I'm not sure that it's had any influence on our national security. As a result of all this money which has been spent in 1970, it's possible that the President is now about to do exactly what the South Koreans did not want him to do: and that is to initiate a phased withdrawal of American forces from South Korea.

ST. JOHN. Congressman Walker, it seems to me that you have four on-going investigations, or at least three. You've got the Justice Department, you've got two committees here on the Hill. Isn't that basically going to diffuse the problem? Everyone is going to be falling over everybody else, looking for headlines?

WALKER. I guess that's what I see as part of the problem on all of this, unless you focus the attention properly, and get all aspects into one focussed kind of spectrum, you will really not get the kind of information on the record that we need to get there.

If you have the International Relations Committee looking at one aspect of it, and the Ethics Committee looking at another aspect of it, I think there are a couple of other committees around the Hill that are now beginning to look into the peripheries of it—and then you get a Justice Department investigation and maybe, down the pike, we will get to a Special Prosecutor. You get all of these kinds of things happening and I think the thrust of it is being lost.

And what's very important right now if this thing is going to be exposed for what it is, is to get public attention in a way that the public begins to bring pressure on the House of Representatives and on the Justice Department. Because I don't think we are going to get the kind of action we want unless the public gets aroused, unless the public demands the kind of action that needs to be taken.

MAYER. Congressman Walker, you mentioned the Special Prosecutor as part of that measure, I believe, you have introduced. How independent would he be of Congress?

WALKER. Well, I think that you would have to make him very independent of Congress. Because if you don't make the Special Prosecutor independent of the Congress, he is going to lose the impact that he has to have to prosecute people here who may have problems. Evidently, the bulk of the problems, that we now know, as we turn over the rocks, the bulk of the problem seems to rest here on Capitol Hill.

ST. JOHN. Congressman Kostmayer, what did you think of the testimony of the former Korean intelligence agency chief up here on Capitol Hill on June 22?

KOSTMAYER. Well, I thought it was worthwhile and it brought some things to light. I was sorry he was not able to recall the names apparently that he had seen on a number of lists, members of Congress and even administration officials beginning back in 1970 who had been involved in the bribes. But I think it's a beginning and he is, really, the first king pin to begin talking.

ST. JOHN. How, Congressman Walker, would the Democratic leadership be able to stonewall? What would be the procedures that they could use?

WALKER. Well, there have been a couple of things that have been talked about. One of the things that I have heard mentioned is that along the line somewhere there will be a grandstand play by the leadership to, say, that the Ethics Committee is not moving fast enough. And so, therefore, we're going to take it out of the hands of the Ethics Committee and throw it over to the Select Ethics Committee that has been formed. That way you delay the investigation considerably, at least you move down toward the next political year and that way you have the leadership appearing to want to move the investigation ahead, while really taking an action that will delay the investigation.

That's one of the rumors . . . that's one of the things that I was hearing at the time that we took the stand on the resolution to ask for action, to begin being taken, because I felt if that happened—mid-summer—this could be a disaster to the whole investigation.

KOSTMAYER. I don't think the Democrats in the House will tolerate that if it's suggested.

MAYER. Mr. Walker, what does it say for the international image of our Congress that a nation like Korea, little ol' Korea, thought it could buy influence on the Hill?

WALKER. You know I really am disturbed by the implications of that. That was one of the most disturbing things as I listened to General Kim that struck me—was that here were people who thought they could really buy off the United States Congress. And that says something, perhaps, more disturbing than all those polls that show Congress rating low in the opinion of the people.

KOSTMAYER. The amount of money and the size of the country have nothing to do with each other. So it's a small country spending a lot of money. But in a sense they have been successful, I am sorry to say.

ST. JOHN. Briefly, a response from each of you. If all that has been said, thus far not just in this program but in terms of the media, that this potentially involves a wide-ranging scandal—Watergate, basically, delusioned an enormous segment of the society, with respect to our political institutions. What do you both think if all of this comes true? What's going to be the impact on public opinion? What, for example, has been the reaction of constituencies?

WALKER. There is a grave risk, as far as I am concerned. But I think my constituents, and I think Americans as a whole, feel strongly that we are in the process of making some changes in the society, we are becoming a more open society. Certainly we have a new breed of Congressmen arriving on Capitol Hill; they're far more open in their relationships with people.

ST. JOHN. Congressman Kostmayer, Congress rates lower than the Presidency, doesn't it?

KOSTMAYER. I think it's a kinda of one-two punch. I can understand people who wouldn't want to become involved in politics. . . . I think it's difficult to be optimistic, frankly.

ST. JOHN. Can Congress investigate itself? It hasn't in the past, has it?

WALKER. Congress has the capability of doing it; whether it has the willingness to do it is another question.

KOSTMAYER. I think Congress can do it, and I think there are people here who want to do it. But I am not sure we can rely on that, frankly.

CASE FOR SUPERIORITY IN MILITARY STRENGTH ELOQUENTLY STATED BY CONSTITUENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, a great deal of discussion is in the air these days about whether we can be satisfied with our current military preparedness, and indeed whether it is necessary for our country to remain strong in order to remain free.

President Carter's decision to terminate production of the B–1 bomber can only intensify attention to this issue.

Recently I received a letter from a constituent that eloquently states the case for superiority in military strength in order to assure our freedom.

This letter is especially striking, because its author was born in the Netherlands and literally had World War I fought at his doorstep. But the more telling lesson for him occurred when his homeland was invaded in World War II, and regained its freedom only because the United States and our allies were willing to fight the battle of freedom.

My constituent, Henk Bartelink, shared with me a copy of a letter he has written to President Carter stating these concerns. I wish to insert in the RECORD the text of that letter, stating so well the concerns of millions of Americans that as a nation we cannot be satisfied to be second best, or even equal to the Soviet Union. We must remember that it is governed by a communist dictatorship.

As Henk Bartelink says so well, the price of remaining strong is the price we must be willing to pay to remain free.

His letter to the President follows:

MAY 2, 1977.

The PRESIDENT,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: It appears that during the past Administrations every international encounter and every diplomatic negotiation has resulted in the U.S. giving more ground to the communists, as has been the case in the SALT talks. In spite of the fact that the Russian missiles are claimed to have far more lift-off power and can thus carry more MIRV warheads, the U.S. has agreed to be limited to about a thousand ICBM against Russia's 1590. Besides this we have agreed not to install any significant amount of ABM systems and we are neglecting civil defense while Russia is building hers.

It seems that the previous Presidents have permitted the U.S. to slip to the position of a second rate power. On that basis, you must know that our freedom and our independence are not going to last long. Neither will our hard won social gains if we should lose our freedom. Furthermore, our Executive Branch is not briefing the people on the seriousness of our military situation, and by doing so it is not instilling the will to defend our independence in our population. This military inferiority must be serious or Russia would not have dared start the action in Angola.

It seems that our technology may currently give us a chance to recapture superiority or at least parity in military strength, particularly through the Cruise Missile, the B1 Bomber and the Trident submarine. However, I am thoroughly afraid that in its present frame of mind the U.S. Government may negotiate the U.S. into a position where we promise either to refrain from building any of these or promise to restrict them to performance specifications which render them ineffective. Once the U.S. has made such promises and agreements it will stick to them, both because this country is basically honest and because we have an "open" society. History shows, however, that Russia will break or circumvent any agreement as soon as this becomes advantageous to them.

If you should at any time permit the U.S. to conclude such a pact or agreement, you would, in effect, sell the people of the U.S. into bondage. The Government might then proceed to represent this as a great achievement and many people, particularly those who are not thoroughly informed, might believe this. However, even those people will eventually—maybe years later—find out what has really happened and they will be justly furious. Many of us are gravely concerned about this whole situation. These concerns have been increased by the fact that you appointed Mr. Paul Warnke as your Chief negotiator and these fears are reinforced by his recent actions in Moscow as described in the attached Boston Globe article.

Mr. President, I would like to know what valid and convincing reassurances you can give us to the effect that you can and will put the U.S. in a position where it will have the military power and the popular will to defend itself and to maintain its independence. I think that your popular appeal and your skill in communicating with people are such that you could put these principles across if you really believe in them. I realize that the U.S. has other serious international problems, but if we lose this encounter with Russia you don't have to worry about solving them because their solutions will ultimately be dictated in Moscow.

By way of personal background, I was born in the Netherlands, (Holland) and hold degrees in both engineering and physics. After I emigrated to the U.S. I saw my former home country conquered by the Germans during World War II. Holland was resurrected because the U.S. rescued freedom and democracy in Europe as in Asia. I would hate to see the U.S.A., our present home country, and the birthplace of our children and grandchildren, go down the same way as Holland did. If that happens there won't be a U.S. left to come and rescue freedom and democracy, in fact there won't be anyone left who is powerful enough to reestablish these principles.

Yours Very truly,

E. H. B. BARTELINK.

LEGISLATION TO AID THE DEAF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 10 minutes.

Mr. GOLDWATER. Mr. Speaker, I have a longstanding association with the Center on Deafness program at California State University at Northridge, CSNU, and I have come to appreciate the uniqueness of their program. CSNU, to the maximum extent possible, integrates hearing, speech, and visually impaired students with the rest of the student body and they receive their education and training in real life situations. I believe that the CSUN approach will become standard for the Nation.

As a result of this involvement, I have become convinced that in order to help the deaf and hearing impaired succeed, we must help them communicate more effectively with society as a whole. Consequently, today I have introduced a bill to provide a tax deduction for the purchase of telecommunication devices for the deaf and hearing-impaired.

The device is called a TTD, and although they are a recent development, their use has opened new perspectives for the deaf. Using a converted teletypewriter and a special coupler, these machines allow the deaf and hearing impaired to converse over the telephone.

Specifically, my bill allows a tax deduction, not to exceed $200, of an amount equal to 50 percent of the qualified teletypewriter expenses incurred by the purchaser during the taxable year.

I am introducing this legislation for several reasons. It has always been one of my objectives to help the deaf and hearing impaired lead full and productives lives and TTD's would provide opportunities for these individuals to become routinely involved in the daily life of their communities. Importantly, they would also help the hearing impaired and the deaf more effectively communicate in emergency situations.

Let me again emphasize to my colleagues that I believe it is essential to help the deaf and hearing impaired function in society as routinely as possible. The use of the telephone via TTD's would be an important step forward.

PROTECTION FROM DEBT COLLECTION ABUSE IN FLORIDA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, a recent article in the Fort Lauderdale News, Fort Lauderdale, Fla., recounts debt collection complaints raised in a State suit and by citizen complaints that a Florida debt collection agency has engaged in a variety of unethical practices.

This article makes clear the need for protection from debt collection harassment and that citizens when armed with a law banning unethical practices and providing civil liability can and will take steps to stop debt collection abuse.

Acting after an investigation which followed a "raft" of citizen complaints, the State of Florida has gone into court to revoke this collection agency's operating license. The State suit alone cites six times when the collection agency has violated the State statutes that apply to its debt collection activity.

Among the charges are that the collection agency contacted two consumers for months on end with such frequency

as to harass them. Another had his employer contacted—prior to final judgment on the debt in question. This practice is prohibited by the Florida law. The collection agency was also charged with attempting to collect a debt it knew as not legitimate.

Independent of the State action, three consumers have brought successful private actions in the last 3 years against the collection agency as a result of harassment. In one case, the consumer claimed the collection agency had falsely threatend that a warrant would be issued for his arrest.

Florida has adopted a strong debt collection law that prohibits specified unethical practices and provides for civil liability and revocation of licenses. Florida officials and citizens are to be highly praised for utilizing Florida's law to stop the apparent abusive practices of this in-State debt collection agency.

Unfortunately, in Florida, neither public officials nor citizens can today protect themselves from an unscrupulous interstate debt collector. This is because there is no Federal debt collection law and State law has no effect on a debt collector harassing a consumer by phone or mail from out of State.

Some consumers are worse off than those in Florida. Consumers in 13 States with a combined population of over 40 million, have no protection at all, since their States lack a debt collection law.

Yet, interstate debt collection is a thriving business. Much debt collection is done across State lines.

Congress is now moving to bring to the citizens of Florida and other States protection from the interstate debt collectors whose practices are unscrupulous.

The House has passed and the Senate is now considering a Federal debt collection law. Like the Florida statute, the Federal legislation specifies prohibited practices and provides for civil liability.

Florida officials have been quite cooperative in supplying me with information for the debt collection investigation conducted by the House Banking Subcommittee on Consumer Affairs, which I chair. A letter from the Florida Attorney General's office indicated the office receives each year hundreds of telephone calls from consumers about debt collection harassment. While strong State debt collection laws, like Florida's provide protection from in-State debt collection harassment, the pending Federal debt collection legislation is urgently needed to provide consumers from Florida and other States with the means to protect themselves from abusive interstate debt collectors.

Following is the text of this news article.

[From the Fort Lauderdale News, June 23, 1977]

STATE CLAIMS COLLECTION COMPANY IS UNETHICAL, TAKES ACTION

(By Dan Hatfield)

For the first time in Broward County, the state has taken a Fort Lauderdale collection agency to court in an effort to revoke the agency's operating license for what the state claims are unethical practices.

American Collection Agency Inc. has been in civil court at least four times in the past three years facing various charges of harassing people in an effort to collect alleged debts. The collection agency has lost three of the suits, according to official court records.

One case was dismissed without any settlement and another was settled out of court for a payment by the firm of $1,000. A third case was a default judgment against the firm in the amount of $829.50 and the last was an $11,852 jury award against the firm.

A raft of citizen complaints against American Collection and its president, Homer L. "Glen" Wade, prompted an intensive investigation by the state Division of General Regulation, the licensing agency for collection firms.

That investigation caused the collection firm's latest court battle when the state filed civil charges in Broward County Circuit Court in February against the firm in an effort to revoke its state operating license.

State investigators said the suit was filed because of citizen complaints and because Wade reportedly lied to the state when he applied for the license in September, 1972.

In the suit, the state cites six occasions in the past three years in which the company has allegedly violated the specific statutes that govern it. The cited violations are different from the four cases in which the firm has gone to court.

The suit also claims Wade failed to completely answer questions required in his application for his certificate of qualification. According to the suit, Wade "misrrepresented that he had received a full pardon for the felony conviction against him in the state of Alabama."

Sources in Tallahassee and Montgomery, Ala., said Wade was convicted of obtaining money under false pretenses in 1961. Records indicate that he was released from Kilby Prison in Montgomery on June 15, 1962, after serving 13 months on the charge. The records indicate his conviction centered on his writing of a $25 bogus check.

Wade's rights were restored, according to the records, in April, 1968. Neither Alabama nor Florida records indicate that any pardon was issued to Wade.

Police records indicate that Wade was arrested three times in Jacksonville in 1965 for failing to register as a felon. He was never convicted. The state charges in its suit that Wade had an obligation to inform them of the three Jacksonville arrests when he applied for the license.

The suit maintains that Wade's felony in Alabama is of the nature "so as to demonstrate his unfitness to direct business activities of a collection agency and is therefore disqualified from holding any license under . . . Florida Statutes."

"Basically the charges are general harassment in violation of the statute that governs collection agencies," said William Hatch, the attorney handling the case for the State. "Things like calling people at their place of employment before a final judgment in a case is entered and threatening to take someone to court or simulating the legal process."

The suit charges that American Collection Services has:

From Jan. 21, 1976, to the present communicated with debtor David Gottlieb or his family with such frequency as to harrass him.

From July 14, 1976, to the present willfully communicated with debtor Jack Lippman "with such frequency as could reasonably be expected to harrass him."

From July 26, 1976, to the present communicated or threatened to communicate with debtor Donald Terry's employer prior to obtaining final judgment against Terry.

From fall of 1974 to the present refused to pay creditor Rolando Jorge all proceeds collected by American Collection on his behalf and have refused to return valuable papers to him.

From May 10, 1976, to the present threatened to communicate with debtor James T. Redington's employer prior to otbaining final judgment against him.

From Aug. 24, 1976, to present attempted or threatened to enforce a consumer claim against debtor Patricia M. Tracy, when American Collections know the claim was not legitimate.

Circuit Court records indicate that in December, 1975, Roberta Rubin filed harassment charges aaginst the firm claiming that agents of the company wrote a letter to her employer. On Feb. 2, 1976, American Collection filed a counter claim against Mrs. Rubin. But on Sept. 20, 1976, both sides stipulated to a dismissal of the case after American Collection paid Mrs. Rubin $1,000 for "full and complete settlement of the claims."

Records also indicated a suit was filed against the collection firm Feb. 24, 1975, charging that the firm threatened Donald M. White with jail after he stopped payment on a check for an automobile repair bill.

White claimed an agent of American Collection called his roofing firm and told one of his employees White had five minutes to call him back or a warrant would be issued for his arrest. Judge George Richardson entered a default judgment against the collection firm April 21, 1975, in the amount of $829.50.

In January, 1975, Mr. and Mrs. David E. Eberwein filed a damage suit against American Collection claiming they had been harassed by incessant phone calls over the collection of a $5 check, which had been returned because of an improper endorsement. The case went to trial July 16, 1976, and the jury awarded the Eberweins a judgment of $7,500. The judge added on an award of $4,352 for court costs and attorneys' fees. That case is currently on appeal to the Fourth District Court of Appeals.

On Oct. 8, 1975, Geraldine Bunch filed a suit claiming she had been harassed about a $55 debt to a doctor. That case was dismissed by the court in August, 1976.

Asst. State Atty. H. Dohn Williams, who is in charge of the special investigations division, said he could not comment on whether his office is currently investigating Wade or American Collection.

COMPLIMENTING THE ADMINISTRATION FOR NOMINATING HONORABLE ALLARD K. LOWENSTEIN AS AMBASSADOR FOR SPECIAL POLITICAL AFFAIRS AT THE UNITED NATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. JACOBS) is recognized for 60 minutes.

Mr. JACOBS. Mr. Speaker, I take a special order on this occasion to compliment the administration on its nomination of an immense and tireless talent to be an Ambassador to the United Nations. He is a former Member of this body, the Honorable Allard K. Lowenstein, who has lately represented this country at the Human Rights Conference where he distinguished himself and his country through outstanding accomplishment in terms of the image of the United States of America on the question of human rights.

Mr. Speaker, Mr. Lowenstein has been nominated by the President to be Ambassador for Special Political Affairs at the United Nations. Some Members of the House may recall Mr. Lowenstein's

particular talent for cooling controversy. It was first noted before he was a Member of this body in the early days of controversies surrounding the participation of the United States in the war in Vietnam.

That controversy was a flaming controversy particularly on the campuses across the country. Mr. Lowenstein was known in those days as a person who was resolutely opposed to our unfortunate and unhappy intervention in that war, but who, nevertheless, had a capacity to cool the crowds meeting in protest and to speak in terms of reason to them.

I remember well when Mr. Lowenstein took his seat in the Congress. I do not think it was a week later that he made his maiden speech to this body. He did it at a time in the day that portrayed little knowledge of the procedures of the House of Representatives. He did it at the end of the day when a final vote had not yet been taken on the Defense appropriations bill. Those of us who respected Mr. Lowenstein were concerned and embarrassed that he did not understand the intention of the House was probably not one of reception for any speaker at that time, let alone a freshman Congressman. So he began to speak and somebody in the House began to listen and then somebody else and you could hear the Chamber quiet down. An unusual phenomen, not unprecedented, but unusual.

In the 2 years that Mr. Lowenstein served as a Member of the House of Representatives, he made warm personal friends, and some of the most unlikely ones considering his political position on the issues, as I say, they were some of the most unlikely Members one could imagine. One of his closest friends, who proved to be a very close friend of his, was the Honorable Mendel Rivers, chairman of the Committee on Armed Services. Mr. Rivers, I believe his memory would not be served badly to say, was a hawk and I think it is reasonable to say that Mr. Lowenstein was not. But Mr. Lowenstein's faculty for sweetening over differences, disagreeing agreeably, played a large part, I think, in engendering this friendship. And I believe that Members on both sides of the aisle and in various political persuasions who served with Mr. Lowenstein, recognized his capacity to do that. He exhibited the same capacity in the recent Conference on Human Rights when people of entirely different ideological views, people who see the world entirely differently from the way we as Americans see the world, were brought together at the same table and the United States was treated with respect largely I am told because of the performance and because of the ability of Mr. Lowenstein.

So I believe it is fitting, Mr. Speaker, that on the occasion of his nomination to be an Ambassador to the United Nations that we in the House of Representatives who respect and admire Mr. Lowenstein say so for the record.

Mr. Speaker, I now yield to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Speaker, I want to commend the gentleman from Indiana (Mr. JACOBS), upon his leadership in heading up this special order.

I too had the privilege of serving with Allard Lowenstein when he entered the House. It is hard to believe that he was here only for one term because the impact of the imprimatur that he put on this institution is something that will benefit this institution as long as it lasts. He had the qualification that the gentleman from Indiana has suggested, the capacity to call forth some of the best portions of the legislative process, to bring out in the debates the difference in ideals, the difference in approaches and yet that commonality that holds us together as one country.

I, too, was impressed and amazed at the way Al Lowenstein could quiet the House when he had something to say. I, too, was amazed with the odd-couplings that Al Lowenstein developed while he was in the House. All those qualities are the kinds of qualities that we want in our United Nations representation. I think that the President deserves high praise for recognizing the talent for Al and using him as a spokesman for the United States throughout the world. I am certain that the efforts of Al Lowenstein as a member of that delegation will bear the same kind of fruit that his efforts in the House of Representatives bore and that is good for the country.

Mr. JACOBS. Mr. Speaker, I thank the gentleman from Illinois (Mr. MIKVA) for his comments.

Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. ASPIN).

Mr. ASPIN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I wish to associate myself with the comments made by the gentleman from Indiana and the gentleman from Illinois.

Al Lowenstein has enormous talent and he should be an asset to this organization. He will be in a position where his talents can be put to very good use for the country.

Mr. JACOBS. Mr. Speaker, I thank the gentleman from Wisconsin for his comments.

Mr. Speaker, I yield to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Speaker, I thank the gentleman from Indiana for yielding.

I, too, join my friends in commending the President for his appointment of Al Lowenstein as our United Nations representative.

I was one of those who kind of got my feet wet in one of the many Al Lowenstein campaigns. I always found Al Lowenstein to be one of the most thoughtful and considerate human beings I have ever known. His intellectual grasp of the problems of our society in this country and indeed of the world problems has no equal. He has always been able to kind of cut through the haze and maze of arguments surrounding issues that tend to fog them and tend to lessen their importance and to always see right to the nub of the problem.

I think it is that kind of quality that he has and that he exemplifies so well that will enable him to be one of our most eloquent spokesmen and eloquent representatives at the United Nations.

Allard Lowenstein has never been a parochial individual. His view has always been that of the broad view, taking into account the different philosophies and the different aspects of our involvement in the world community.

There is one little anecdote I remember. When Allard Lowenstein represented a very urban district here in the House of Representatives he was placed on the Agriculture Committee. As a result of his service in the committee and because I represent one of the most rural districts in the United States I have had numerous occasions to talk with him about agricultural problems, and even though he represented an urban district he came to see the problems that farmers had and he continually supported those programs that would help the small and average-sized family farmers in this country.

I think that is an indication of the type of person Allard Lowenstein is. He is not narrow, he is not parochial, but certainly he has the broad view of the world community.

Again I commend the President for nominating Al Lowenstein. I am not only hopeful but I am also confident that Allard Lowenstein will be confirmed and will go on to serve his country well in the United Nations just as he served his country well in this House of Representatives.

Mr. HARKIN. Mr. Speaker, will the gentleman yield further?

Mr. JACOBS. Mr. Speaker, I yield to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Speaker, let me add one thing to what I said previously; that is, to the issue of human rights. In all the years I have known Al Lowenstein his commitment to human rights has been unequaled. I think at this time when President Carter, this Congress and, indeed, this whole Nation, is beginning to re-impact itself, ourselves, to our philosophic heritage and that kind of commitment to basic human rights, not only in this country, but in our dealings with other countries, I think it is fitting at this point in time that Al Lowenstein does assume this position and responsibility.

I can think of no finer individual to carry forward in the United Nations our concepts of human rights than Al Lowenstein. This, if for no other reason, would commend him to our colleagues for his confirmation in this position.

Mr. JACOBS. Mr. Speaker, I thank the gentleman from Iowa for his contribution.

I yield to the gentleman from Pennsylvania (Mr. WALGREN).

Mr. WALGREN. Mr. Speaker, I would like to add my thoughts to the complimenting of the administration on the nomination of Al Lowenstein as an Ambassador at the United Nations. These are the first words I have ever spoken on the floor of the House. They have great meaning for me and, therefore, I could not be more proud than to say I am in support of Al Lowenstein. He has the recognized almost superhuman breadth of mind that gives him the ability to bring together the people whose representatives have spoken here and have seen him bring them together with almost great astonishment.

In his last campaign for Congress, one of the people you would never expect to be supporting someone definitely known as a liberal, William F. Buckley, said it was a national disgrace that Al Lowenstein was not a Member of the U.S. Congress.

I think that is an example of the respect that the political spectrum across the board has for this man's mind. He couples that breadth of mind with a moral fiber that goes deeper in him than in anyone I have ever known.

He first came to Washington as an aide to Senator Frank Graham, who was one of the first, as I understand history, to recognize the importance of desegregation and of equality in our movement in this country toward civil rights.

He was, of course, extremely close to Robert Kennedy.

There is not a better nominee who could represent the young people who have become active and involved in the legitimate politics of our country.

I first heard of Al Lowenstein when I went to Stanford in 1966 about a year after he left that school. There was even in his absence a tremendous wake, like a wake of a ship that was no longer there; but the student body was literally inspired by the moral commitment of this man. He has a history for doing the undoable politically.

I can think of no greater opportunity that is necessary to bring to the United Nations than the task the United Nations has to play in our world than a person who has done the undoable politically, who has spanned the attitudes totally unreconcilable in our political life and who has inspired new generations to bring what they have to contribute to the political process.

I am so, so pleased, that the administration has nominated that kind of a person to represent us at the United Nations in the role of an Ambassador.

Mr. JACOBS. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Speaker, I thank the gentleman for yielding. I would like to associate myself with the gentleman's remarks and ask a question of the gentleman. Is the appointment of Mr. Lowenstein made with the idea that he will be our Ambassador to the Human Rights Division of the United Nations?

Mr. JACOBS. The precise responsibility of his ambassadorship is Special Ambassador for Political Affairs. Mr. Lowenstein has represented the United States at the Human Rights Conference, the recent Human Rights Conference. He is now moving over to a more general responsibility, as I see it.

Mr. BONIOR. I see. I would just like to commend the gentleman again and express my sentiments concerning Mr. Lowenstein. They would be quite similar. I believe he has been an outstanding American. He has added values that I think are important and strengthened those values in the time that he has served his country in and out of public office. I commend the President also for appointing him.

I would hope while we are discussing the U.N. and we are discussing Mr. Lowenstein that at some point the administration, whether through Mr. Lowenstein or through Mr. Young, could reactivate that arm, that division of the United Nations, which is responsible for investigation, if you will, of violations of human rights in the nations throughout the world. That particular branch of the U.N. has floundered in recent years. I think it is time that a move forward, as Mr. Lowenstein being one of our ambassadors like Mr. Young and our other ambassadors, can help in that respect. I think it will go a long way toward implementing the work of the Conference.

Mr. BRADEMAS. Mr. Speaker, I am glad to have this opportunity to pay special tribute to our former colleague and my good friend—Allard K. Lowenstein.

Al Lowenstein has recently been appointed Alternate U.S. Representative for Special Political Affairs to the United Nations, a position which carries the rank of Ambassador. He will also continue to represent the United States on the United Nations Commission on Human Rights in Geneva.

Although most of us remember Al Lowenstein for his early and outspoken efforts in opposition to the war in Vietnam, he has been involved for many years, dating back to the 1950's, in a continuous struggle for human rights around the world.

Al Lowenstein has also had a very special relationship with an important group of my constituents: the students of the University of Notre Dame. In 1970, the university's senior class bestowed upon him its Senior Fellow award for his outstanding contributions to American society.

He annually visits the students at Notre Dame for whom he has high regard and, in return, Notre Dame students have since 1960 repeatedly made the trek from South Bend to Long Island to assist him in his election campaigns.

Allard Lowenstein's appointment will be applauded by the many Americans who know and love him.

I know that he will represent the United States at the United Nations with the same courage and integrity he has brought to every past endeavor.

Mrs. BOGGS. Mr. Speaker, I rise today to salute my friend and former member of this House, Al Lowenstein, who has been appointed U.N. Ambassador for Special Political Affairs.

Al is a longtime close personal friend of mine and my family. I have been associated with him personally in mutual interests at the Democratic National Committee during several national campaigns.

I especially admire Al's facility to span generations and relate to the needs and feelings of all kinds of people. He had the respect and affection of my own grandmother with whom he exchanged ideas, letters, and reading materials. At the same time, he inspired college students and youth into effective action.

Extensively traveled, Al Lowenstein is the author of the first definitive interpretation for Americans of the emerging nationalism of the continent of Africa. Al's genuine love of people and his particular knowledge of the peoples of the world suit him especially well for service at the UN.

I wish to publicly congratulate Al Lowenstein on this important appointment and express my best wishes for an effective and successful ambassadorship.

Mr. EDWARDS of California. Mr. Speaker, it was with particular pleasure that I learned of Mr. Allard Lowenstein's appointment as Ambassador to the United Nations by President Carter. I have known Mr. Lowenstein personally for a number of years and have always had the highest regard for the depth of his conviction to human rights, his courage and his forthrightness. Mr. Lowenstein has had a number of involvements in human rights issues that predate the current popularity of the issue now.

He has been active in United Nations affairs all of his adult life. He served as the first student field representative of the United Nations Association and worked closely with Mrs. Eleanor Roosevelt who, at that time, was the first U.S. delegate to the Human Rights Commission.

Al was one of the first outspoken critics of the Vietnam war and was responsible for rallying much of the student opposition to the war which eventually was so crucial to the cessation of the fighting.

Most recently, and earlier this year, he was U.S. Representative on Human Rights of the United States Mission to the United Nations, during which he was responsible for the precedent-setting discussion of human rights violations in the Soviet Union.

Al is a former colleague; he was a Member of Congress during the 91st Congress. He was a special assistant to former Senator Frank Graham of North Carolina, and a foreign policy assistant to HUBERT HUMPHREY in 1959.

I am confident that Allard Lowenstein will be a real asset to our United Nations delegation and applaud President Carter's choice.

The appointment is especially pleasing to me because Al is a close personal friend and a national and world leader I have always admired and had great respect for.

Mr. JACOBS. Finally, Mr. Speaker, I think the RECORD should show that in the opinion of quite a number of Members of this body, and also citizens of the United States generally, Mr. Lowenstein has represented in his political career what we choose generally to call the best in American political life; the fundamental belief that in the battle between force and reason, there is still hope that reason will triumph. It happens that Mr. Lowenstein is an outstanding athlete, a champion wrestler in his college days, but he is a person who understands the fundamental difference between strength and brutality.

He is in every sense a gentleman. I think we sometimes forget what the word "gentleman" really means. A gentleman is a man who is gentle, and that is what Al Lowenstein is. That is the image that I think all Americans would want carried before the world, that the United States does know the difference between strength and brutal-

ity, and that we shall always strive to better ourselves through national and self-discipline, to be the strongest nation in the world, while at the same time trying to distinguish ourselves as the least brutal nation on the face of the Earth.

In the words of Roosevelt, the value of love will always be greater than the value of hate, which in essence is what is meant when we say the forces which unite are greater than those which divide.

GENERAL LEAVE

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that all Members might have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ELECTRONIC FUND TRANSFER SYSTEMS, EFTS, BILL INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 5 minutes.

Ms. OAKAR. Mr. Speaker, today I am introducing a bill which shall begin the process of congressional debate on the issue of electronic fund transfer systems, EFTS.

For nearly 20 years, the banking industry has become increasingly involved in computer use for the delivery of customer services as well as the internal operations of the depository institution. Today, we stand at the crossroads where currency and check will slowly give away to increased fund transfer by electronic impulse. The result, say some, is a checkless, cashless economic system. In any case, the electronic age has come to banking services, and the Congress must begin to devise law that will bring stability to this transition as well as protection to the consumer.

Presently, the National Commission on Electronic Fund Transfer, NCEFT, is preparing to issue a final report of its 2-year study into this complex issue. This bill is in no way a effort to preempt the work of this fine Commission. In fact, this bill incorporates the legislative recommendations of the Commission's interim report—February 1977—in its provisions.

This legislation addresses the basic questions that surround EFT use. Moreover, it provides for the regulation of EFTS by Federal regulatory agencies—for example, the Comptroller of the Currency will oversee EFTS for national banks, the Federal Home Loan Bank Board will oversee the savings and loans associations, and the Federal Deposit Insurance Corporation, the Federal Reserve, and the National Credit Union Administration will oversee their member institutions with regard to EFT operations.

Specifically, their are provisions for advance notice and approval by the regulatory agencies, before EFT operations could be initiated. The bill calls EFT availability to all depository institutions on a nondiscriminatory basis, thereby addressing some of the questions of monopoly that have arisen. There is a section that provides for EFT rate schedules that reflect the cost of service to the particular customer; that is, there will be no inequitable fee distribution.

The problems of confidentiality have been addressed, so that no records of the customer's account are to be made available to persons not authorized by law or by the customer to review such records. Another important point in the EFT debate has been liability, and this bill limits customer liability to a maximum of $50 where unauthorized access to the customer's account has been gained.

Other consumer protections devices in this bill include requirements for the depository institution to make periodic statements to the customer on the transaction, fees, and balance of the EFT account; a "chargeback" option that allows the customer to reverse a fund transfer of more than $50 within 3 business days; and, advertising restrictions on EFT promotion by the depository institution.

The bill, in sum, is intended as a proposal to my colleagues, and it is offered as a framework on which to build other measures of EFT legislation. I ask now that we begin dialog on this issue, so that soon we can provide our bankers with the stability that they will need to bring safeguarded and efficient electronic fund transfer to the American public. The advent of a cheaper and speedier system of fund transfer brings with it many advantages to the banker and the consumer alike. However, it also brings many pitfalls. Let us forge legislation that will provide the American consumer with this electronic banking system and all its advantages and, at the same time, protect the public from the inevitable machine failings and human error that accompany all technological advances.

ROMANIA CHARGED WITH DISCRIMINATION AGAINST HUNGARIAN MINORITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, I have been concerned for some time about the charges that the Government of Romania is attempting to suppress the language and culture of ethnic minorities in Romania, in particular the Hungarian minority. I have testified on a number of occasions about these charges of discrimination, but I would like to bring to my colleagues' attention the superb summary of these charges that appeared in an advertisement in yesterday's New York Times. This advertisement was placed by the Committee for Human Rights in Romania, an organization with which I am personally familiar. I have discussed the situation of Hungarians in Romania with two outstanding leaders of the Committee for Human Rights in Romania with two outstanding leaders Veress. These two gentlemen are outstanding Americans of Hungarian descent, and their thoughtful and persuasive arguments for their cause will surely prove effective in the long run as they work for better treatment for the ethnic minorities in Romania.

I commend their advertisement to my colleagues as an excellent summary of their charges against the Government of Romania.

[From the New York Times, July 17, 1977]

RUMANIA: MAVERICK . . . OR MONSTER?

The Rumanian government wants you to believe that it is the maverick of the Soviet bloc. For years, it has conducted a clever public relations campaign to create the image of an independent-minded, liberal regime struggling against Soviet domination.

A Columbia University scholar, Vladimir Socor, recently described the Rumanian government's technique:

In lieu of substantiation by actual policies, the nationalistic rhetoric, along with leaks and "confidences" elaborately disseminated by Bucharest to the Western press, officials and ranking visitors, have been accepted as evidence of an independent foreign policy. . . . As a result the West has afforded Bucharest, through exchanges of official visits and favorable publicity, an international respectability unprecedented for a Communist government. ("The Limits of National Independence in the Soviet Bloc: Rumania's Foreign Policy Reconsidered", *Orbis*, Fall 1976, p. 729.)

Eager to find chinks in the Iron Curtain, the American media has embraced the myth of progressive Rumania. And Washington has given Rumania vital commercial credits and loans and "most-favored-nation" status.

IS THE UNITED STATES FAVORING A MAVERICK OR A MONSTER?

"The population of 'independent Rumania' enjoys the least degree of political liberalization or economic reform, and remains subject to the tightest controls, in the Soviet bloc." (Socor, p. 729.) Last October 23rd, Tad Szulc wrote in *The New Republic*, "Children between the ages of four and seven . . . are being organized as 'the Homeland's Falcons' as part of a sweeping nursery-to-grave program designed to regiment Rumania under the twin banners of harsh Communist ideology and extreme nationalism." In fact, the Bucharest regime is the only Eastern bloc government to have retained Stalinism in its pure form.

The pressure of Rumanian tyranny is most strongly felt by the country's 3.5 million minority citizens, who are subject not only to the Communist terror, but also to an increasingly brazen campaign of forced assimilation.

After World War I, as a reward for her timely switch to the side of the victors, Rumania was awarded the multinational region of Transylvania, previously under Hungarian sovereignty for one thousand years. As a resule, Rumania today is a multinational state: Its citizenry includes 2.5 million Hungarians (the largest national minority in Europe). 400,000 Germans, 80,000 Jews, and Ukrainians, Armenians, Serbs, Greeks, Bulgarians, Turks and others.

Instead of taking advantage of this rich cultural diversity, the Rumanian government looks upon it as a threat. According to a recent article in the *London Sunday Times* ("Rumania's Oppressed Minority", April 17, 1977), "Rumania's unstated but unmistakable aim is to become a state without any minorities. The evidence . . . is of a campaign to eliminate the Hungarian intelligentsia and skilled working class, which has a strong national consciousness and cultural traditions, and to break up the cohesion of Hungarian districts."

FAIR TREATMENT OF MINORITIES IS MORE THAN A MORAL OBLIGATION

Rumania has ratified the United Nations Covenant on Civil and Political Rights which,

in Section 27, provides for the rights of ethnic, religious and linguistic minorities. Rumania is also a signatory of the Helsinki Final Act, which recognizes the rights of national minorities.

Yet the Rumanian government consistently and systematically violates the rights of minority citizens:

1. Discrimination in the educational system. The Rumanian government has eliminated many Hungarian schools and has set discriminatory quotas to strictly limit the number of minority language classes (Decree-Law 278/May 11, 1973).

2. Elimination of Hungarian universities. In 1959, the 378 year-old Hungarian university at Kolozsvar was arbitrarily merged with the Rumanian Babes University, and 2.5 million Hungarians, heirs to a long traditions of scholarship, were denied the right to an independent university.

3. Dissolution of ethnic communities. Skillfully manipulating its monopoly on the labor and housing markets, Bucharest systematically disperses minority professionals and workers to jobs in disparate regions of the country.

4. Suppression of bilingualism. Although Rumania is clearly a multinational state, Rumanian is the only language used in the government bureaucracy and the courts—in open violations of Section 22 of Rumania's own constitution.

5. Curtailment of cultural opportunities. The Rumanian government has gradually curtailed or eliminated thriving Hungarian theaters, museums, libraries, cultural institutions and associations.

6. Falsification of census data. The Rumanian authorities manipulate census data so as to statistically annihilate at least 30% of the minority population.

7. Confiscation of minority archives. In an effort to eradicate the history of minority cultures, the historic archives of minority churches and institutions have been summarily confiscated and removed to state warehouses (Decree-Law 206/1974, amending Decree-Law 472/1971, and Act No. 63/November 2, 1974).

8. Harassment of minority churches. The Rumanian government deliberately interferes in ecclesiastical matters to undermine minority churches—the last bastions of ethnic heritage.

9. Obstruction of contacts with non-Rumanians. The Bucharest regime prohibits the accommodation in private homes of any non-Rumanian citizen, except members of the immediate family, so as to isolate minority citizens from their non-Rumanian friends and relatives (Decree-Laws 225/1975 and 372/1976).

10. Distortion of minority history. The Rumanian Communist Party produces and disseminates its own version of history, in order to suppress, distort or expropriate the heritage and indigenous culture of minorities.

IN EFFECT, THE COMMUNIST RUMANIAN GOVERNMENT IS ENGAGING IN CULTURAL GENOCIDE AGAINST ITS 3.5 MILLION MINORITY CITIZENS

The United States has granted trade benefits to Rumania. Those benefits are supposed to be subject to the Jackson-Vanik Amendment to the Trade Act of 1974. Jackson-Vanik assures "the continued dedication of the United States to fundamental human rights." But as evidenced by the yearly Congressional re-examination of Rumania's performance under the Act's provisions, the only human right that really interests Congress is the right of free emigration.

Most of Rumania's 3.5 million minority citizens do not want to emigrate. For Rumanian Jews, emigration means the right to return to their ancient homeland. But for the rest of the minorities, emigration would be tantamount to expulsion. They are in their ancient homeland. Their human rights have to be protected there.

The Carter Administration has now declared that the attitude of the United States toward another country is greatly influenced by that country's performance in the entire spectrum of fundamental human rights. This policy applies particularly to countries which benefit from American aid or commercial favors, and Congress has endorsed it on several occasions.

Under President Carter's human rights policy, the United States has acknowledged the problem of minorities in Rumania and has begun to take diplomatic initiatives in their interest. But the Rumanian government has intensified its effective lobbying efforts—trying to buttress the myth that it is a maverick in the Soviet bloc. And Rumania continues to depend on commercial credits and favors from the United States, while arrogantly ignoring our country's efforts to promote human rights.

WHAT YOU CAN DO TO HELP

Write your representatives in Congress and let them know that you support President Carter's human rights initiative. Tell them that you want it applied to Rumania.

Send a contribution—whatever you can—to help us continue the struggle for human rights in Rumania.

FOR EXAMPLE

I want to join the fight for human rights in Rumania. I am enclosing a check, made payable to Committee for Human Rights in Rumania, in the amount of $—.

I would also like to be kept informed of further developments and steps you take in support of national minorities in Rumania.

Name; Address; and City/State/Zip Code.

Please send your contribution to:

Eugene Brogyanyi, Coordinator, Committee for Human Rights in Rumania, Post Office Box "J", Gracie Station, New York, New York 10028.

Join the Committee for Human Rights in Rumania for a march and rally in Washington, D.C. on Monday, July 18th. The march begins at 12:30 PM at the Washington Monument, ending with a rally at the Capitol at 3:30 PM.

The Committee for Human Rights in Rumania is an organization supported by all of the major associations representing one million Hungarian-Americans. We will continue our struggle until the Rumanian government recognizes the rights of all its minority citizens.

MAKING THE FEDERAL RESERVE SYSTEM MORE ACCOUNTABLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, the House Committee on Banking, Finance and Urban Affairs is now engaged in hearings on H.R. 8094, a bill to promote the accountability of the Federal Reserve System. This is legislation which is long overdue.

Congress, under article I, section 8 of the Constitution, has the power "to coin Money, regulate the Value thereof".

After much experience with panic and depression, Congress under the Federal Reserve Act of 1913 delegated to the Federal Reserve System the day-to-day operations of its monetary power, with particular reference to the need for a "flexible currency."

When we speak of the independence of the Federal Reserve, we speak of its independence from the executive branch and not from the Congress. Congress could have delegated its monetary power to the Executive. It chose instead to delegate it to the Federal Reserve, whose Board members 14-year terms effectively insulate them from executive manipulation. Though the Executive gained the ascendancy over the Federal Reserve during World War II and for half a decade thereafter, the 1951 accord between the Treasury and the Fed, negotiated by the Congress, reaffirmed and reinforced the independence of the Federal Reserve from the Executive.

For the first half century or so of its existence, the Federal Reserve can hardly be said to have been successful in its monetary policy. Until the late 1920s, there was no monetary policy worthy of the name. Thereafter, it was mostly wrong-headed. Excessively restrictive monetary policy helped bring on the depression of 1929 and snuff out the beginnings of recovery in 1937.

During the war years, and right up until the accord of 1951, Federal Reserve monetary policy was excessively dominated by the Executive, and excessively loose. During most of the 1950s, monetary policy was too restrictive, and contributed to the slow growth of the decade.

In the last 15 years, monetary policy has been too frequently characterized by stops and starts. Too much new money was created in the Vietnam years of 1967 and 1968, helping to cause inflation. Then policy reversed and became too restrictive. Overease revived again in 1972 and 1973, to be followed by the excessive restrictiveness of late 1974 and early 1975.

Then, in March 1975, Congress enacted House Concurrent Resolution 133. This resolution set up quarterly dialogs between the Federal Reserve and the House and Senate Banking Committees, and resulted in the Federal Reserve's stating its targets for the following 12 months for the money supply, principally M_1—the public's holdings of cash and checking accounts. By and large, this policy has worked very well in the ensuing 2 years.

There have been at least two exceptions, due to unfortunate relapses into stop-start policies. In June 1975, unnecessarily upset by the increase in the money supply caused by the Federal income tax rebate, the Fed put on the monetary brakes, and contributed to the slowdown in recovery in the summer of 1975. Again, in April 1977, the Fed created an exorbitant amount of new money, at an annual rate of almost 20 percent. Then, on some two-wrongs-can-make-a-right basis, it lowered the creation of new money to zero in May 1977, causing a wholly unnecessary increase in the bank prime rate.

But I hope these were monetary aberrations from a sensible new trend. I hope the Federal Reserve will be able to resist the temptation to join what Business Week calls the new Metternichs—the European central bankers—some of whom want to go back to the discredited operation of fighting inflation by so squeezing the money supply as to cause increased unemployment.

So far I have been discussing the major activity of the Federal Reserve System—monetary policy. But the Fed has two other very important functions—as prin-

cipal regulatory agency for State member banks of the Federal Reserve System, and as servicer of the banking system through check clearing operations and coin and currency transfers.

As I have suggested, the Federal Reserve is a more serviceable agency today than at any time in its history. Its Chairman, Dr. Arthur Burns, is an able and respected leader.

All the more reason, then, that the accountability to the public of the Fed needs to be sharpened. The five major provisions of H.R. 8094, on which the House Banking Committee is now holding hearings, would attempt to sharpen that accountability.

There follow the five provisions of H.R. 8094, and the reasons for them:

First. Make permanent the congressional-Federal Reserve dialog on monetary policy. House Concurrent Resolution 133, which authorizes the quarterly dialog, expired by its own terms at the end of 1976. Chairman Burns continues to appear quarterly before the House and Senate Banking Committees. But these appearances should be regularized and made businesslike by statute. A successor chairman, for example, could refuse to engage in the dialog, and Congress could point to no law which was being flouted.

In the course of making the dialog an ongoing procedure, two improvements are needed. That Federal Reserve monetary policy is meant to serve the Nation's goals contained in the Employment Act of 1946—for maximum employment, production, and price stability—needs to be explicitly stated.

Second, the Federal Reserve should be required to testify not only concerning its proposed monetary aggregates for the ensuing year, as House Concurrent Resolution 133 requires, but on three related matters—anticipated velocity, estimated interest rates, and portfolio composition.

First, the velocity with which money changes hands has a profound effect on the amount of new money that will be needed. The bill, therefore, includes "anticipated monetary velocity," as a subject on which the Fed should testify.

Second, as part of the overall annual economic program of both the administration and the Federal Reserve, it is necessary at least to make an estimate of the levels of interest rates—particularly on business loans and on long-term mortgages. It is not suggested that a target for interest rates be stated, but merely an estimate of expected rates.

Coordination of fiscal and monetary policy would be greatly enhanced if Government economists outside the Fed understood what the Fed's interest rate anticipations were. As the people's representatives, the Congress is also entitled to know the Fed's view of the course of interest rates for the ensuing year.

What about the fear that public revelation of anticipated interest rates would cause disruption in financial markets? This is hard to see. Making such information available to all simply removes the advantage that insiders in financial markets now enjoy, and reduces speculation based on rumors and misinformation that do cause instability in the markets. It is worth noting that the Fed's often-stated view that prompt disclosure of Federal Open Market Committee directives would cause disruption in the market has not proved true. The reduction from 90 to 30 days in the time FOMC decisions are kept secret has had no destabilizing effect, and in fact appears to have been beneficial.

Finally, the Federal Reserve can affect the structure of interest rates by the composition of its portfolio of securities, currently valued at close to $100 billion, equal to one-fourth of the privately held national debt. For example, by increasing its holdings of longer term securities, the Fed can modestly bring down long-term interest rates relative to short-term interest rates. Proposed portfolio policy is, therefore, an important part of the Federal Reserve's quarterly presentation.

These broadened guidelines would avoid the present total concentration on the monetary aggregates alone.

Second. Broaden the economic interest of Federal Reserve bank directors. Under present law, the nine directors of each of the 12 Federal Reserve banks have unduly narrow backgrounds. Commercial banks elect six of the nine—three class A directors, always bankers, as their direct "representatives," and three class B directors from "commerce, agriculture, or some other industrial pursuit." The three class C directors are chosen by the Federal Reserve Board of Governors, with nothing said as to who they may be.

As the Banking Committee staff study—"Federal Reserve Directors: A Study of Corporate and Banking Influence," August 1976—disclosed, this has produced a representation grossly banker oriented at the expense of other groups. Furthermore, it has resulted in the virtual exclusion of women, blacks, and representatives of labor unions and consumer interest organizations.

H.R. 8094 would remedy the situation with respect to discrimination by requiring that all directors—A, B, and C—be chosen "without discrimination on the basis of race, creed, color, sex, or national origin."

As to economic representation, the three class A directors would be left as they are now—bankers.

Class B directors would be specifically designated "public" and broadened from the present "commerce, agriculture, or some other industrial pursuit" to "with due but not exclusive consideration to the interests of agriculture, commerce, industry, services, labor, and consumers." While class B directors are elected by the member banks, they should be chosen from a broader category than the ambiguous existing "commerce, agriculture, or some other industrial pursuit." It is archaic to concentrate, for example, on "industrial pursuit," when service industries are steadily becoming more prominent than the purely industrial pursuits which were in everyone's minds in 1913 when the Federal Reserve Act was written. "Services, labor, and consumers" are groups of our citizenry whose economic interests entitle them to consideration for seats on the Federal Reserve Bank Boards.

Class C directors would be chosen, as now, by the Federal Reserve Board of Governors. But instead of no language as to qualification, they would have the same qualifications as class B directors: they must represent the public, and "with due but not exclusive consideration to the interests of agriculture, commerce, industry, services, labor, and consumers."

These first two provisions of H.R. 8094—the permanent congressional Federal Reserve dialog, and the broadening of the Federal Reserve Bank directors—are substantially similar to H.R. 12934, which passed the House by a vote of 279–85 on May 10, 1976. Because of the adjournment of the Senate in September, 1976, the bill did not reach action there.

Third. Require Senate confirmation of the Chairman of the Board of Governors. Under existing law, members of the Federal Reserve Board of Governors, who serve 14-year terms, are subject to Senate confirmation at the time of their appointment; one of the Board members is designated by the President to serve as Chairman for a 4-year term, but without Senate confirmation. Thus, the President can designate as Chairman someone who was confirmed by the Senate some 13 years previously, yet the Senate be powerless to confirm the appointee to what was recently called the Nation's No. 2 position. The bill would make the President's choice of Chairman subject to the advice and consent of the Senate. The Federal Reserve recently told this Committee that it has no objection to this provision.

Fourth. Prevent the Fed's using banks as its lobbyists. The Federal Reserve System has been using bankers—who are deeply beholden to the Fed because of the Fed's ability to give or withhold a discount window loan, or to give or withhold such privileges as approval for a merger, holding company acquisition, or an Edge Act office—to lobby on the Fed's behalf with legislators and other Government officials.

For example, as revealed by the minutes of the board of directors of the Federal Reserve of Chicago for May 23, 1974, Vice Chairman George W. Mitchell of the Federal Reserve Board of Governors commented on the lobbying efforts of the Fed to kill the bill requiring a GAO audit:

> Governor Mitchell also noted that the GAO audit bill should come up for vote next week on the floor of the House, Reserve bank directors have been helpful in contacting Congressmen and hopefully the bill can be at least amended to restrict the type of audit if chances for outright elimination lessen.

Chicago Federal Reserve Bank President Robert P. Mayo at the same meeting called for continuing lobbying efforts:

> Mr. Mayo commented further on the GAO audit bill, noting that it is House Bill numbered 10265 and should be up for consideration on May 29. He then requested each director to make whatever calls seem natural to him in order to encourage support for the Federal Reserve position.

The Philadelphia Federal Reserve Bank, in its minutes for May 4 and May 18, 1972, described its use of private commercial banks and the New Jersey Bankers Association against a New Jersey bill which might have attracted independent banks away from the Fed:

President Eastburn said there was a Bill in the New Jersey Assembly to permit nonmembers to keep up to 50 percent of their reserves in government securities. He indicated that this Bank had been in touch with New Jersey bankers, the New Jersey Bankers Association and key legislators to express the feeling that the Bill would be divisive, inequitable, and disruptive, and would have an adverse effect on membership. He reported that the Bill had recently been sent back to Committee.

Again, the Richmond Federal Reserve Bank has also been adept at using bankers as official unregistered lobbyists for the Fed. In October, 1975, Richmond Federal Reserve Bank Chairman Robert W. Lawson, in a speech to the American Bankers Association at Hot Springs, Va., congratulated the bankers for their great lobbying assist to the Fed. Chairman Lawson's remarks were the subject of a colloquy between myself and Chairman Arthur Burns of the Federal Reserve Board of Governors at a hearing before the Subcommittee on Financial Institutions Supervision, Regulation, and Insurance of the Committee on Banking, Currency and Housing on January 21, 1976:

Chairman REUSS. Let me now get into the area of politics, which you brought up several times this morning in connection with the audit bill for the Fed. On October 1, 1975, the American Banker carried an interesting story on your Reserve Bank chairman in Richmond, Robert L. Lawson.

The headlines was, "Federal Reserve Board Official Hails Bank Role in Killing GAO Audit of the Fed." And then it went on to describe his speech to a bankers group, in which he said:

"Banks played a key role in blocking a Congressional audit of the Federal Reserve Board. The bankers in our district and elsewhere did a tremendous job in helping to defeat the GAO bill. It shows what can be done when the bankers of the country get together."

My question is: If you get the support of the banks on an issue which is of great concern to you, whether Congress has the right to audit your books or not, are they not likely to expect in return kind treatment, from you as a regulator? They would not get it, of course, but are they not likely to expect it?

Dr. BURNS. As for Mr. Lawson's statement, let me merely remind you that, as I indicated in my testimony, we have in the System 269 directors, and neither I nor the Board can be responsible for what individual directors may or may not say.

Chairman REUSS. Did not the Federal Reserve people, to your knowledge, communicate with the banks about bank lobbying against the audit bill?

Dr. BURNS. I played no part in this activity at all, not because I would consider it wrong, but because I did not have the time.

Chairman REUSS. My question was, with respect to people at the Fed, was there not a little communication there?

Dr. BURNS. Yes. That is to say, there was some communication between our various directors, not with bankers as such, but with bankers, journalists, business people. I do not know whom they contacted. And that, I think, is an entirely legitimate activity. After all, do not Members of Congress want to hear from their constituents?

It is just as improper for the Federal Reserve System to use a regulated industry as its lobbyist as it would be for, say, the Federal Power Commission to enlist executives of the oil and gas companies it regulates to lobby Congress on matters of concern to the FPC. Such activities by the Federal Power Commission, would, of course, be clearly illegal under the overall act forbidding lobbying by administrative agencies with money appropriated by the Congress (18 U.S.C. 1913). The Fed is technically exempt from this statute because its funds are not appropriated by Congress.

Such use of the banks for lobbying purposes should cease. Accordingly, section 4 of H.R. 8094 forbids directors or officers of the Federal Reserve from getting banks or other institutions regulated by the Fed to lobby for legislation at the Fed's behest.

Fifth. Prohibit Federal Reserve officers, employees, and director from acting where they have a conflict of interest.

Under existing law, employees and officers of the U.S. Government may not participate in any matter before the Government in which they or a member of their family or business have an interest, unless there is first a full disclosure of this interest and an official written determination by an official that this interest is not substantial. The Fed is not covered. H.R. 8094 extends this prohibition to Federal Reserve Bank officers, employees, and directors. The minutes of Federal Reserve Bank meetings previously referred to contain instances of Federal Reserve officials proceeding to exercise their authority despite a clear conflict of interest.

The proposal for an audit of the Federal Reserve System contained in an earlier version of the Federal Reserve Reform Act of 1977 has been dropped because the House Government Operations Committee on June 28 reported a bill providing for such an audit, H.R. 2176. That bill provides for an audit not only of the Fed but of the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

Taken altogether, this legislation will make the Federal Reserve System more accountable. As Dean Jonathan Swift said:

Providence never intended to make the management of public affairs a mystery, to be comprehended only by a few persons of sublime genius.

A TRIBUTE TO AL LOWENSTEIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 10 minutes.

Mr. DOWNEY. Mr. Speaker, I understand that Mr. Al Lowenstein has been named one of the five U.S. Ambassadors to the United Nations.

Mr. Lowenstein previously served as the U.S. Representative to the United Nations with the Human Rights Commission. He is a dedicated, well-qualified public figure whose whole career has been marked by a commitment to human rights, civil liberties, and a fight against discrimination in all its ugly forms.

In addition, Al Lowenstein is known to his friends as a man whose high moral principles have not been compromised for the sake of political expediency. In view of the Carter administration's emphasis on these very same values, Mr. Lowenstein will be an able advocate of our new foreign policy initiatives.

Those of us who admire Mr. Lowenstein for his past work believe he will ably serve the interests of this country at the United Nations. We commend the President for his excellent nomination.

ORDER OF PROCEDURE ADOPTED BY MEMBERS OF AD HOC COMMITTEE ON ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 10 minutes.

Mr. ASHLEY. Mr. Speaker, for the benefit of my colleagues who have been involved with the many complex problems attendant on dealing with the President's national energy plan, I would like to submit for the RECORD the order of procedure that was agreed to by the members of the Ad Hoc Committee on Energy, and the opening statements that were made at the procedural meeting of our committee.

I would like to pay tribute to the minority members of the Ad Hoc Energy Committee for their cooperative attitude in agreeing to consider this bill on a subject-by-subject basis, and for sharing the majority members' commitment to prompt action on this critical legislation.

In just 2 weeks, the House of Representatives will be voting on the recommendations made by this committee and the standing committees. It is expected that the House will also be able to vote on the major national and regional issues that are treated in this legislation, irrespective of the recommendations of the ad hoc committee and the standing committees. By this agreed-upon procedure, Mr. Speaker, I am confident that the House will fashion a national energy policy that has been developed in the fairest possible fashion and within the time constraints that you have given us.

OPENING STATEMENT OF HON. THOMAS LUDLOW ASHLEY, CHAIRMAN, AD HOC COMMITTEE ON ENERGY, JULY 15, 1977

We are meeting this morning to discuss a proposed Order of Procedure to be followed by the Ad Hoc Committee on Energy as it considers the legislative components referred to it by the standing committees of jurisdiction, pursuant to H. Res. 508.

In a broader sense, we are meeting this morning to determine when a National Energy Plan—which the President proposed, which the people support and which the country urgently needs—will be enacted by this Congress.

The standing committees of the House have responded to the task. In particular, the Commerce Committee and the Committee on Ways and Means have completed action in record time on dozens of the most intricate, complex and controversial portions of the voluminous set of legislative proposals—some 113 in all—contained in the energy package.

It now remains for this Ad Hoc Committee to play its essential role, and to do so with the same dispatch and commitment.

What is the role of our Committee? When the Majority Leader, Jim Wright, offered H. Res. 508, he explained that its purpose would be "to draw together an interdisciplinary group from various Committees of regular jurisdiction in order to provide one general comprehensive overview" and to "facilitate an opportunity, hitherto lacking, for the House to work its will in achieving a comprehensive energy policy . . . but to do so without robbing or emasculating the jurisdiction of the Standing Committees of the House."

Our ranking Minority member, Mr. Anderson, said on this same occasion that "if the Ad Hoc Committee is to serve a useful purpose at all, it must not only be a coordinating mechanism which will seek to put back together into a single resolution or bill or piece of legislation the various recommendations and proposals, but also have the authority to offer recommendations and proposals of its own as a substitute, if necessary."

The Speaker himself, in a letter to members on April 20th, affirmed that this Committee "will not have the authority to change the recommendations reported by the standing committees (but) will have authority to recommend amendments for consideration on the Floor."

Throughout the process, he went on to say, "it is my intention to protect the prerogatives of the standing committees, drawing on their experience and expertise. What the Ad Hoc Committee adds," he said, "is an opportunity for comprehensive consideration of our national energy policy. It can function as a conference committee of the House to facilitate resolution of competing claims (and thus) smooth matters on the floor."

Perhaps (and this is the view of the chair) it isn't wise to try to define too precisely the role of this Committee. I suggest this not only because I have an instinct for self-preservation but because ours is a new role and as such requires the ability to adjust and adapt.

I think it is most important, however, to be sensitive to the constraints and limitations that directly or by inference have been placed upon us. Our Committee is not a permanent committee nor does it have the responsibilities and prerogatives of a standing committee. We have legislative authority, as described, to be exercised with due regard for the lead role of the committees of jurisdiction which have sent us their recommendations.

Because the scope of the energy package is unusually broad, and because the focus of our standing committees by definition is limited, our Committee will be expected to review the major policy implications of the various components referred to us from the wider perspective of a comprehensive, integrated set of energy strategies and goals and to make recommendations accordingly.

If this is a fair and accurate assessment of this Committee's mandate, I submit that with the legislative competence here assembled, and with hard work, we can meet our responsibilities on a timetable that allows the National Energy Act to be voted upon by the House by the end of the first week in August, as prescribed by the Speaker. I should add that Senator Byrd, the Senate Majority Leader, has repeatedly emphasized the essentiality of the House meeting this timetable if the Senate is to be able to complete action prior to adjournment in October.

Our time is very limited. Because all of the reports from standing committees won't be available until next Tuesday, our Committee won't be able to begin its work until the following day, Wednesday, July 20. This means that there will be six working days—including Saturday and Sunday—to complete action by this Committee on Monday, July 25. With the three-day reporting requirement, the Rules Committee will be able to act on Friday, July 29, and the legislation will then be ready for Floor action during the week ending on August 5.

I acknowledge that in terms of schedule this is a full plate—but no more so than that which confronted Commerce and Ways and Means only a few weeks ago. It's manageable if we make it manageable.

The Order of Procedure which I'm recommending will allow us to consider the bill by seven major subject areas as set forth in the proposed Order which each of you has before you. This is of utmost importance because a number of strategies involve the interaction of both tax and regulatory treatment which must be considered in relation to each other in order to achieve a rational, integrated product.

I'm also recommending, on a necessary but limited basis, that certain provisions within the seven major subject areas be considered as read and open for amendment at any point. The membership can be assured that there will be a thorough explanation of these sections before the offering of amendments, as well as a thorough explanation of the major subject area in which the section is located.

The subject of hearings has been raised and I think it only proper that I respond. As indicated in my earlier comments, this is not a de novo proceeding. That was the role of the standing committees. Their recommendations—the product of lengthy hearings and voluminous testimony—are now before us. Respected members of those standing committees—Democrat and Republican alike—are members of this Committee. There will be no difficulty in framing the important policy issues in each of the seven major subject areas and there will be sufficient time for due deliberation of these policy issues and for such amendments as members may offer.

In conclusion, let me say that the Chair has no intention of being arbitrary or of presiding over a legislative stampede. The Order of Procedure which I am recommending will make more manageable the task before us. If the Order is not agreed to, then we will proceed under a more cumbersome and time-consuming procedure. But proceed we will, all day and into the evening if need be, Saturday and Sunday as well.

The members of this Commitee, let me say, have been given a responsibility and a challenge that come to few legislators. I have absolute confidence that we will respond in the best traditions of this House. Our country needs a sound energy policy and it needs it now. The House must act now, not after the August recess, because the Congress must finish the job this year, not next. This is the reality that must motivate and guide us in the days ahead.

I'd like now to call on Mr. Anderson for any comments he may wish to make.

Mr. ANDERSON. Thank you very much, Mr. Chairman. I share completely the feelings you have just expressed that the task before us is a very critical one, perhaps as critical and important as any task any of us on this committee have faced during our public service.

Mr. Chairman, the ad hoc committee is today beginning to exercise a legislative responsibility which I consider to be one of the most critical tasks that each of us will face during our tenure in this city doing the public's business. It is a proud day for me to be sitting on this highly select committee and I look forward to the work of the coming weeks.

The nation is at a critical juncture in its history. We have reached the end of a long era of cheap energy, energy which has fueled this rise of our nation to its present position in the world but energy as well which has spoiled us with its availability, its versatility and its cost.

The roots of the public reaction to our energy crisis are a result of the cheap energy we have enjoyed. A clear separation does not exist in the public mind between the availability of supply and what that supply will cost. Such a distinction has not been important in the past but it is the key to successful energy policy-making now. I completely understand the nature of public opinion. Our people want to continue using energy as they have in the past and they think that someone can make that possible.

Such an illusion cannot be allowed to persist. The fact is that we have run out of cheap energy—we have not run out of energy nor will we in the foreseeable future. Additional supplies will only come with more work and higher cost whether they be solar, coal, nuclear or new discoveries of oil and gas. To begin the transition to a more normal relationship with our energy supplies, a message of reality must be brought to the American people. The President has endeavored to bring such a message publicly and in terms of the bill he has sent to the Congress. That message has and must continue to be cognizant of the fact that certain classes of Americans will be severely hurt by the transition to this new era and every effort must be made to alleviate those hardships which are appropriately dealt with by the government.

The procedures which we adopt today to mark up and report this bill are going to be critical to how the bill will be received in the whole House and by the American people. To date the House has performed yeoman service in reporting the bill as it now stands. In less than two months from the date the President addressed this body in joint session, the bill has been marked up and reported. I want to commend my colleagues on the standing committees for the dispatch with which they have worked and for the many long hours that they have invested in writing the latest of many pieces of our national energy policy.

The role of the ad hoc committee is an equally if not more important role. It is our job to examine those separate submissions from the standing committees and make certain that two essential criteria are met:

(1) That the pieces are consistent internally and between each other. For cases where policy conflicts exist between various committees those conflicts must be resolved by the ad hoc committee.

(2) That the bill represents a significant step towards achieving critical national energy goals. If what the standing committees report is insufficient to meet those goals, then we here in this room must adopt alternatives or additional plans to achieve those goals.

On January 24, 1977, I sent to the leadership of the House, including the chairman and ranking minority members of all of the energy committees and subcommittees, a letter recommending that key leaders from the standing committees having energy jurisdiction be drawn together to form a high-level policy committee to establish national energy goals and to work for legislation which would achieve those goals.

I am pleased that the structure I outlined in that letter is remarkably similar to the committee that meets here today. And I find it equally heartening to hear repeated statements by the Speaker and the chairman of this committee that what this committee is about is just what I envisioned—to set and meet important national energy goals.

What we have before us today are the outlines of a workable national energy policy. I am more pleased by what the administration has done and the Congress so far basically ratified than what I realize could have been done. The signals sent to the American people tend to look more like marketplace signals than regulatory signals and that is a good start. Energy costs in this bill will generally be set, albeit artificially through excessive reliance on taxes, at a replacement costs level. Taxes and other tax incentives will attempt to move our energy use from heavy reliance on oil and gas to coal and other long-term resources.

But in spite of the magnitude and ambition reflected in this bill, the biggest problem the bill faces is its inability to meet its own goals. We will be far from six million barrels of oil imports in 1985. We will be far from a 10 percent reduction in gasoline consumption. We will be far from a two percent growth in energy. We will be far from 1.1 billion tons of coal being used and we will fall short of the goals of putting insulation and solar energy in American homes.

And this is backed up by literally everyone of the expert analytic arms of the Congress—Office of Technology Assessment, General Accounting Office, Congressional Budget Office and the Congressional Research Service.

In the light of this advice from our own experts, it appears as though the leadership is bent upon pushing this bill out of this body at breakneck speed. The resolution before us today demands we finish seven very complex, major pieces of legislation in less than 24 hours each. There is no way that members of this committee who have not had prior exposure to the legislation can weigh all of the issues and vote responsibly on that section of the bill. Our job is to make sure that the plan will work. All we will be able to say if we succumb to this resolution of procedures, is that we barely worked on the bill. The pace that is being set is not in the best interests of this body nor of the nation. I never envisioned this committee to be a rubber-stamp committee and I do not intend to sit idly by to permit it to become that.

The second problem we have here today is also driven by the pace and timing set by the leadership. There will be no hearings before this committee. No witnesses will appear to tell us whether they think this plan as a whole is good, bad or indifferent. The members of this committee will operate in the dark. There is only sketchy information coming from the administration on what effect the bill will have. And when the bill goes to the floor, we on this committee will have to face the criticism.

Yesterday, I delivered a letter to the chairman, signed by 16 members of this committee, requesting that prudence and responsible consideration of the bill dictates that the committee seek advice from the American people on what the bill will do. I reiterate that there are parts of the bill that make sense. There are parts of the bill that I have strong reservations about. It is clear to me that because of the nature of this resolution, it will not be possible to fill in those gaps either for majority members of this committee or for members on my side of the aisle.

What we will take to the floor then, is a bill which few members will even try to understand and which members of this committee will not be able to defend. If the ad hoc committee stands mute on the floor, then the bill is going to fail. I do not want that to happen. And if the bill fails, the Congress will have missed a significant opportunity to make an important step towards resolving our energy problem. It is my opinion that if we fail this time around, it is going to be extremely difficult to restart the process.

I do not want to leave the members of this body with the impression that what I am recommending is a delay for the sake of delay. That is not my recommendation at all.

What I am recommending is for this committee to seek the opinion of the American people on what they think is good or bad about this bill. It may be that the criticisms are completely unjustified and we change not a single word from what has been reported by the standing committees. But we would be informed and we could defend our actions on the floor. We could say that we had heard the criticisms and we felt that in spite of them, the national interest dictated that we take the action we have. I would personally feel much more comfortable in that position and I think most of us here would as well.

Thank you, Mr. Chairman.

ORDER OF BUSINESS PROCEDURE AGREED TO BY THE AD HOC COMMITTEE ON ENERGY, JULY 15, 1977

Ordered, that on July 20, 1977, the Ad Hoc Committee on Energy shall proceed to the consideration of a clean bill referred to the Committee incorporating the recommendations, which have been referred to the Ad Hoc Committee, of the committees to which was initially referred the bill, H.R. 6831, to establish a comprehensive national energy policy. In the consideration of said bill, the Committee shall proceed as follows:

(a) The bill shall be considered by seven major subject areas in the following order, and only those parts of the clean bill which correspond to the following provisions within each subject area of H.R. 6831 as reported by the various committees shall be considered as read and open for amendment at any point:

(1) Residential and Commercial Conservation—

Title I:

Part A—Energy Conservation Programs for Existing Residential Buildings (including the provisions of H.R. 7893 as reported).

Part C—Energy Conservation Program for Schools and Hospitals.

Part G, Subpart 3—Demonstration of Solar Heating and Cooling in Federal Buildings.

Title II: Part I—Residential Energy Tax Credit.

(2) Transportation—

Title I:

Part B, Subpart 2—Disclosure of Automobile Fuel Inefficiency Tax and Disclosure of Automobile Fuel Efficiency Rebate.

Part G—Federal Energy Initiatives.

Part G, Subpart 1—Federal Vanpooling Programs.

Title II: Part II—Transportation.

(3) Crude Oil Equalization Taxes—

Title II: Part III—Crude Oil Tax.

(4) Natural Gas—

Title I: Part D—Natural Gas.

(5) Increased Coal Use and Oil and Gas Conservation—

Title I: Part F—Amendments to Energy Supply and Environment Coordination Act.

Title II:

Part IV—Excise Tax on Business Use of Oil and Natural Gas.

Part V—Credit Against Tax on Business Use of Oil and Gas.

Part VI—Changes in Business Investment Credit to Encourage Conservation of, or Conversion From, Oil and Gas or To Encourage New Energy Technology.

(6) Public Utility Regulatory Policies—

Title I:

Part E, Subpart 1—General Provisions.

Subpart 2—National Electric Rate Design Policies.

Subpart 3—Bulk Power Supply.

Subpart 4—Natural Gas Rate Design Policies.

(7) Miscellaneous—Findings—Goals—

Title I: Part B, Subpart 1—Energy Efficiency Standards for Consumer Products.

Title II:

Part VII—Miscellaneous Provisions.

Part VIII—Congressional Procedures for Either House Veto.

(b) As soon as possible after the reference to the Ad Hoc Committee of the clean bill, the staff shall prepare a schedule showing the sections thereof which correspond to the order of business indicated above.

(c) No section shall be in order before the Committee unless 24 hours in advance of the consideration of the relevant subject areas, (not including weekends or holidays) the staff has provided a copy of the pending text of the bill to each Member, and also has provided concise explanation of its contents.

(d) To the extent consistent with the fair but expeditious consideration of each subject area, the Committee shall conclude consideration of each of the subject areas within a reasonable period to be determined by the Chairman in consultation with the minority and shall make every concerted effort consistent with its responsibilities to weigh the overall intent of the plan, to conclude consideration of all sections as soon as possible.

(e) Members shall insofar as possible provide at least 50 copies of each amendment to the clerk at the convening of proceedings on the day on which the amendment will be offered.

(f) At the conclusion of the consideration of the seventh subject area, the bill shall be considered as having been read for amendment, and it shall be in order to offer a motion to instruct the Chairman of the Ad Hoc Committee to report the bill to the House with such perfecting amendments as may have been adopted by the Committee, including technical and conforming amendments.

WATERWAY USERS TAXES AND LOCK AND DAM 26

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, I want to take this opportunity to congratulate the chairman of the Ways and Means Committee, Mr. ULLMAN, for his forthright and decisive action in upholding the prerogatives of the House of Representatives regarding Senate action on H.R. 5885, the river basins authorization bill.

As many of my colleagues know by now, the Senate, on June 22, made an ill-considered move in adopting an amendment which would have ordered the Department of Transportation to impose a system of taxation on the users of America's inland waterways. I consider the linkage of this issue to the question of reconstruction of facilities at lock and dam 26 on the Mississippi River to be wholly inappropriate.

By this action the other body clearly acted in violation of article I, section 7 of the Constitution which reserves to the House all powers to initiate revenue raising measures. By postponing action on the Senate's request for a conference on H.R. 5885, the Speaker and Mr. ULLMAN have preserved the constitutional privileges of the House while providing Members with an opportunity to reflect

on the merits of the controversies surrounding the waterway users issue.

I want to speak briefly to a few of those issues. However, I contend that neither I nor any of the proponents of waterway users taxes fully understand the full effects or total impact potentially to be felt from such taxes if they were to become law.

I consider the attempt to impose waterway taxes at this time to be particularly unfortunate for two primary reasons.

First, our Nation faces severe energy shortages now and in the foreseeable future. We should encourage and facilitate the use of the most energy efficient systems, particularly transportation systems.

Second, we again face a crisis in Americar agriculture that threatens to crush the farmer between rising costs and falling prices. To raise transportation costs through taxation of one of the farmer's primary sources for movement of the supplies he needs and the commodities he produces will worsen the farm crisis.

Let me elaborate on each of these points, beginning with the energy efficiency of water transport.

The greater energy efficiency of the waterway transportation mode is achieved largely by the natural buoyancy of water itself. A man who can move a river barge loaded with 1,000 tons of freight by pushing it or pulling it with a rope could never budge a railroad car by hand, whether loaded or empty. The average of Btu's required in both upstream and downstream transport by barge has been shown by numerous studies to be less than the Btu's used to move the same freight between the points of origin and destination by rail.

Most studies comparing water to rail transport in recent years have been in agreement that water transportation requires less fuel to do the job, though it takes longer than rail transport generally. As it is becoming increasingly clear that we must maximize our energy supplies while achieving the greatest economies of scale in our transportation infrastructure, it makes no sense to me to adopt measures such a user taxes on this highly efficient, environmentally sound, and energy-saving transportation system.

One effect of proposed taxes would be to divert between 10 and 20 percent of present and future barge freight to the highly subsidized, less energy-efficient rail lines. This can hardly help us solve our Nation's energy crisis. It can only add a further obstacle to achieving that goal.

Second, the beneficiaries of the waterways are not limited to the barge lines themselves. All Americans benefit through lower prices and costs for the multitude of products transported by the water-borne carriers. Of special significance is the important role played by the waterways in American agriculture.

As we are considering the 1977 farm bill this week, it is especially appropriate to consider how dependent agriculture is on water transport. Basic supplies such as fertilizer are moved at reasonable costs and in large amounts on the water. But farmers are even more dependent on barge transport for the movement of grain and other commodities from the agricultural heartland to the Nation's seaports for sale abroad.

The future of agriculture, the ability of our farmers to efficiently move their produce into world markets, and ultimately the soundness of the dollar are directly tied to the maintenance of a sound waterway transportation system.

To adopt taxes raising the costs of using America's waterways can only add to the inflation burdening the American farmer and consumer. The barge companies can pass the increased costs on but the farmer and consumer cannot.

Therefore, we undermine our efforts to aid and protect the farmer's income and the consumer's food supply when we act to unnecessarily inflate costs through taxation.

Finally, despite what I believe will clearly be harm done to our efforts to meet our energy needs and protect our agricultural system, there are certain to be other effects that would result from the adoption of a waterways taxation system that are presently unknown.

I urge that the appropriate committees in both the House and Senate give careful consideration to the costs and benefits from such proposals before recommending action. I certainly hope that we approach this complex and crucial issue with greater understanding, study, and preparation than was evidenced by the recent Senate action.

At the very least, we should maintain the separation of the broad question of user taxes on the inland waterways from narrow questions such as lock and dam 26. Each should be considered on its own merits.

NEUTRON WEAPONS STOCKPILE MODERNIZATION

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, some years ago Lynn Montross, who was an historian for the Marine Corps, wrote a book titled, "War Through the Ages." The book does a remarkable job detailing man's inhumanity to man from about day 1 of recorded history through Korea. From it I learned that the Quislings, those who sold out to the enemy, were known in the days of Genghis Khan. Montross relates how the Pope in the 11th century outlawed a new terror weapon which was wreaking havoc on the armored cavalry. The new weapon, the crossbow, would knock the knight off his horse. Flat on his back on the ground, he was an easy victim for the infantry if, in fact, the blow from the bow's projectile did not kill him. The crossbow was ineffective against buildings. Compared to previous bows, however, it had enhanced blast against knights in armor.

The current fuss about the so-called neutron bomb is without merit. The warhead should have been called the "reduced blast/thermal" warhead instead of the "enhanced radiation" warhead. This would have brought forth kudos for the developers of this new humanitarian approach to saving the lives of innocent civilians, should nuclear war erupt in Europe.

George F. Will had an excellent article in the July 7, 1977, Washington Post. I recommend it to those who wish to understand why a weapon with high neutron output, but low blast and thermal output, was developed. Mr. Will very clearly points out why those who oppose this new weapon do so:

In other words, a weapon must be so indiscriminately destructive in blast and fire effects that we will be deterred from using it. Similarly, Hatfield objects to neutron weapons because, being precise, they "invite" use.

The article follows:

THOSE BLASTS AGAINST NEUTRON WEAPONS

(By George F. Will)

Sen. John Heinz (R-Pa.) says a neutron warhead for battlefield missiles or artillery is "dehumanizing" because it "singles out people for destruction, choosing to preserve buildings instead." Newspaper reports have said that neutron weapons destroy people "rather than" property, or "while sparing" property.

In fact, neutron weapons do not "preserve" or "spare" property. But this kind of rhetoric has stimulated intemperate and uninformed outcries against such weapons. So before the debate boils to an irrational climax, this should be noted:

The principal objection to neutron weapons is not that they destroy people. Rather, the objection, made in the name of moral sensitivity, is that they do not destroy people and property as indiscriminately as the less precise tactical nuclear weapons that neutron weapons would replace.

All nuclear explosions produce four lethal effects: blast, heat, radiation and fallout. Neutron weapons produce only about one-tenth of the blast, heat and fallout produced by regular nuclear weapons.

Radiation from neutron weapons is more intense, but more confined; it can be confined to a radius of 300 yards. And it is short-lived; an area hit by a neutron weapon can be occupied the next day.

One newspaper reports that neutron weapons are "more detrimental to humans than to buildings," a description that also applies to bullets. Sen. Mark Hatfield (R-Ore.) says neutron weapons are "in the realm of such devastation that it is difficult to comprehend."

Not really. Nuclear weapons that neutron weapons would replace would destroy civilians and homes far beyond the battlefield area to which the effects of neutron weapons would be confined.

Since industrial organization became the basis of military power, and especially since the development of air power, the theory and practice of war has blurred the distinction between combatants and noncombatants. Neutron battlefield weapons are a step back from the indiscriminateness of modern war technologies. They make possible reduced collateral damage to civilians.

And that is why they are opposed.

Paul Warnke, President Carter's arms-control adviser, once said, with characteristic excess, that new tactical nuclear weapons capable of more controlled devastation would be "an absolute disaster." Weapons "with lower yield and greater accuracy and presumably few collateral consequences" would undermine the self-deterrence of nations that possess them.

In other words, a weapon must be so indiscriminately destructive in blast and fire effects that we will be deterred from using

it. Similarly, Hatfield objects to neutron weapons because, being precise, they "invite" use.

Sen. Sam Nunn (D-Ga.) rightly notes that opponents of neutron weapons fear that the United States might not be sufficiently reluctant to use them. But as Nunn argues, a deterrent is credible only to the extent that it is usable:

"Those who oppose the warhead apparently believe in self-deterrence . . . that we should keep the weapons so destructive we would never use them or if we did use them, it would only be under the most desperate of conditions. . . . By deterring ourselves from using tactical nuclear weapons, except weapons which would destroy the territory we are pledged in NATO to protect, the advantages which the Soviets now maintain in conventional arms are greatly magnified. . . . I remind my colleagues that the purpose of deterrence in Europe is to deter Soviet aggression, not to deter ourselves from responding to that aggression."

Rejection of clean, precise neutron weapons would be destabilizing in two senses. On the one hand, the Soviets would be given reason for doubting that the United States would use existing tactical nuclear weapons, with their devastating collateral effects, while fighting on allies' soil. On the other hand, while NATO forces are equipped only with such imprecise weapons, NATO will be under pressure to use them early against attack, before superior Soviet conventional forces move the battlefield from the border into the heart of Western Europe.

The basic objection to neutron weapons constitutes an objection to tactical nuclear weapons in general. Neutron weapons do not involve a departure from established principles for defending Europe with tactical weapons.

Opponents should calculate the cost—in money and, in the event of war, in allied and civilian lives—of alternative means of coping with the Soviet advantage in conventional forces. They should, but they won't.

SOCIAL SECURITY REFORM

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, no program affects the financial well-being of our Nation's elderly to the extent that the social security system does. It is imperative that we in Congress act promptly to restore financial stability to the system. The President has submitted his proposals, and the Social Security Subcommittee of the Committee on Ways and Means has begun hearings on these proposals this week. I had the privilege to be the leadoff witness at these hearings and would like to share my comments to the subcommittee with all the Members:

TESTIMONY BEFORE THE SOCIAL SECURITY SUBCOMMITTEE OF THE COMMITTEE ON WAYS AND MEANS, JULY 18, 1977

Mr. Chairman and members of the subcommittee, I am very grateful to appear before you today and commend you for holding these hearings so promptly after your extremely heavy duties related to the President's energy proposal. I believe your desire to hold these hearings as soon as you were able indicates the importance you attach to this issue and your commitment to act on legislation to resolve the system's financial problems.

In submitting his proposals on the financing of social security on May 9, 1977, the President responded promptly to his campaign promise to safeguard the financial integrity of the social security system. I applaud the President's promptness as well as the nature of his response.

Overall, I believe the President's proposal is a major first step in the updating of the social security system and one that should be acted on quickly in order to alleviate any anxiety created by the potential "bankruptcy" of the system. The proposal contains a number of important elements for both the short run and the long run deficit that I would like to comment on. The one element that seems to have gained the most attention initially is the limited use of general revenue funds.

The President's proposed use of general revenues is a very modest and extremely limited one—one that is far more conservative than that proposed by you, Mr. Chairman, last Congress and supported by some 130 co-sponsors, of which I am proud to be one. Mr. Carter would initiate a special countercyclical system through 1982 and retroactive to 1975 which would use general revenues to replace the social security taxes lost when the unemployment rate exceeds 6 percent. Such a program would provide $14.1 billion of the $83 billion needed to balance the old age and survivors insurance and disability insurance trust funds during the short term through 1982.

I am sure that it comes as no revelation to the members of this committee that the use of general revenues to finance benefits under the Social Security System, excluding needs-tested programs, is not new. In fact, in 1976, over $4 billion from general revenues was paid to the trust funds for benefits to certain uninsured persons age 72 and over, for benefits related to military service for parts A and B of medicare, and for noncontributory wage credits for American citizens of Japanese ancestry interned during World War II. It seems clear to me that the present circumstances warrant the extension of this present practice, at least in the short run, to insure the financial stability of the system.

I am reminded by the National Council of Senior Citizens in its "Program for the 95th Congress" that from 1944 to 1950, title II of the Social Security Act contained a provision authorizing the appropriation to the trust funds such additional sums as might be required to finance benefits under the title. It is my understanding that this provision was later eliminated because there was never a need to use it and such a need was not foreseen. I believe that now is an excellent time to reaffirm in statutory language that Congress will guarantee the financial stability of the Social Security System.

In a 1973 survey of social security programs, 105 countries had a social insurance plan for old age, disability and survivors and over half used general revenues from the Government. For example, the government in Japan contributes 20% of the benefit costs: West Germany contributes an annual subsidy of 15%, the United Kingdom contributes about 25%, Ireland about one-third, the Netherlands guarantees against any deficit and pays the contribtuion for low-income workers. Clearly, the use of general revenues in a social insurance plan for old age, disability and survivors is not unique and not some new, untried practice.

The President's proposal also calls for a small increase in the wage base for individuals and the removal of the wage ceiling upon which employers pay social security taxes. I believe this approach is much more equitable than an increase in the tax rate for all. By implementing this change, we will make the financing of the system increasingly proportional and less regressive. Moreover, I was struck by Secretary Califano's testimony before your committee that this approach would actually cost employers almost $4 billion less than if the traditional method of financing were used and the tax rate were increased 0.3% for both employers and employees.

What is now often called a "technical error" in the 1972 amendments needs to be corrected. The President's proposal does address this error which is more formally called "decoupling." Actually, I believe the problem has resulted from the unprecedented high rate of inflation at the same time as high unemployment. This combination would result in benefits rising much faster than wages, and in some future retirees becoming eligible for benefits exceeding any wages they have ever earned. We need to correct this situation so that benefits for future retirees will replace the same proportion of pre-retirement earnings as received by current retirees. At the same time, we should note that benefits at retirement should be determined by a wage-indexed formula which allows retirees to share in productivity increases in the economy. Cetrainly, the purchasing power of benefits should be maintained after retirement by automatic cost-of-living adjustments. In fact, I would support a semi-annual adjustment and a separate consumer price index for the elderly.

While I commend the President's proposal concerning social security in general, I do have some concern about the shift of revenues from the hospital insurance trust fund, especially if such a switch would prevent the improvements in the medicare program that our committee has proposed: For example, increases in home health care services, coverage for preventative check-ups and for medical appliances like eyeglasses, dentures and hearing aids. Perhaps a continued use of general revenue funds would be preferable to a switch of funds between trust funds.

As you know, Mr. Chairman, I have been a long time advocate of eliminating the retirement test under social security for those between 65 and 72. I realize that there are some important financial considerations involved in this matter, but I would hope that this issue will be addressed in any amendments that you might report out. Our committee has advocated the liberalization of the earnings test and I would favor its complete removal as contained in H.R. 1134.

There are, Mr. Chairman, a few additional items related to social security which I believe deserve consideration and which I would support:

Elimination of all of the Social security law which discriminate on the basis of sex;

Extension of the social security system to include mandatory coverage of all workers including State and local jurisdictions;

Elimination of the monthly aspect of the retirement test (if any test is to be kept) and retention of the annual limitation.

The social security system has become a major source of retirement income for millions of Americans. For this reason, the system must be maintained on a sound basis. I am sorry, however, that the present financial situation prohibits our discussing increases in the benefit levels. Today, over 2 million senior citizens—most of whom receive social security—are receiving additional income through the supplemental security income program. The Federal payment level for these persons is still well below the poverty level.

According to a social security survey of newly entitled beneficiaries, over 20 percent of married and 48 percent of the unmarried had only social security as their income and no income from a second pension or earnings. About 40 percent of the married and 65 percent of the unmarried mentioned above had a total income below the poverty level. This situation certainly needs to be corrected.

In concluding, Mr. Chairman, I would like to state that I am most pleased with the

quickness with which the President acted and the nature of his response. It represents a welcome first major step toward preserving the financial integrity of the social security system and I am hopeful that congress will act on this matter promptly and thoroughly.

I want to thank you, Mr. Chairman and members of the subcommittee, for this opportunity to appear befcre you this morning.

CURBING MANDATORY RETIREMENT

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on the last 2 days, the New York Times has printed two excellent articles on the subject of mandatory retirement and citing the work of the Select Committee on Aging and the Education and Labor Committee in the House on this important subject. Because legislation, H.R. 5383, curbing the practice of mandatory retirement will soon be before the House, I would like to share these articles with all the Members.

Ageism is as odious as racism or sexism. I urge prompt enactment of this critical legislation.

The articles follow:

[From the New York Times, July 17, 1977]

A RIGHT TO WORK FOR THE AGING CLASS

(By Philip Shabecoff)

WASHINGTON.—Hank Aaron, baseball's all-time home-run king, retired last October at 42, a relatively ancient age for a professional athlete. But John Wayne is still a movie tough guy at 70. George Meany, who will be 83 next month, continues to rule the American labor movement with an iron hand. And Artur Rubinstein gave a television piano concert on his 90th birthday.

What is the appropriate retirement age? For these and many other Americans, the answer has to do with skill and strength, with health, energy, intelligence and will—not a particular date on the calendar. But millions of workers are not free to choose when their careers end because their employers impose mandatory retirement at a specific age, usually 65. Now, however, Congress is moving toward legislation that would limit an employer's right to force a worker to retire solely for reasons of age. On Thursday, the House Education and Labor Committee agreed to a bill amending the Age Discrimination Act of 1967.

The bill, introduced by 76-year-old Representative Claude Pepper, Democrat of Florida, and Paul Findley, Republican of Illinois, would eliminate immediately the mandatory retirement age of 70 that now applies to Federal workers. It would also extend to 70 the age at which workers are protected by the discrimination law. Currently the law protects workers between 40 and 65 from age discrimination, including forced retirement. The amendments are aimed at eventually eliminating mandatory retirement entirely.

There are no precise or current statistics showing just how many workers are affected by compulsory retirement programs. A survey taken by the Labor Department in 1973 indicated that about half of employees in private, nonagricultural industries worked for companies that imposed such programs. A survey of new beneficiaries taken by the Social Security Administration in 1969 showed that 36 percent of men and 23 percent of women had a compulsory retirement age on their last job. All the surveys indicated, however, that 65 was the most common age for involuntary retirement. According to the Bureau of Labor Statistics, there were some 2.7 million workers age 65 or older holding jobs as of this May.

How did 65 get to be the magic number? Apparently it can be tracked back to the 19th century and Otto von Bismarck, when Germany's "Iron Chancellor" instituted the first social security system and picked 65 as the obligatory retirement age. When the United States adopted social security in 1935, 65 was arbitrarily chosen as the age when retirees could begin collecting benefits, according to Representative Charles Grassley of Iowa, a Republican member of the House Select Committee on the Aging.

Many businessmen and some economists insist that mandatory retirement is beneficial both to workers and to the economy generally. Older workers, they say, must retire in order to open job and promotion opportunities for younger people. They point to studies showing that most workers reach peak efficiency between 45 and 55 and after that begin to slow down. After 65, they argue, the productivity of workers declines and so, therefore, does their contribution to the gross national product.

It is frequently argued that mandatory retirement that applies equally to all employees removes the "stigma" of retirement. George B. Morris, Jr., vice president for industrial relations of the General Motors Corporation, testified before the Select Committee on Aging that with mandatory retirement, "You're not saying 'poor old Joe' no longer has the mental power or the physical power so he's got to go, somebody's forcing him out. Everyone knows that at age 68 [G.M.'s retirement age] people are going to be retired." It is sometimes argued that the right of older workers to retire at a later age conflicts with the goal of providing equal opportunity for women, blacks and others. Most workers over 50 in responsible high-paying jobs are white males, one government official pointed out. Finally, organized labor, while agreeing that mandatory retirement should not be a unilateral decision by an employer, insists that neither should it be forbidden, in collective bargaining arrangements. An A.F.L.-C.I.O. official said that mandatory retirement can be useful in combating inflation or assuring better pensions.

But foes of mandatory retirement reject these arguments. They point, for example, to a Labor Department survey which indicates that the abolition of mandatory retirement age would increase the size of the labor force by only about four-tenths of one percent. With the work force standing at about 97.6 million in June, this would be about 390,000 workers. Representative Pepper said that "I see no ethical, or social basis for arguing that a young worker has any more right to a job than an older worker." He also scoffed at the notion that compulsion is necessary to remove the "stigma" of retirement, saying that "competent, compassionate personnel managers" should be able to see that retirement is accompanied by as little trauma as possible.

As for the "insidious argument" that mandatory retirement helps women and minorities, "We must not advocate one form of discrimination in the name of abolishing another," Mr. Pepper said. In fact, the principal argument of those who advocate the elimination of mandatory retirement is that the practice violates civil rights. No American, they assert, should be denied equality of opportunity for any reason including age.

An official of the Social Security System agreed that ending compulsory retirement would ease some of the intense pressure on the system both by deferring the age at which many workers start receiving benefits and lengthening the years in which those workers pay into the system

The prospects for passage of the legislation are not clear. The Carter Administration is split. Secretary of Labor Ray Marshall reportedly favors the amendments. But Secretary of the Treasury M. Michael Blumenthal, who apparently had a bad experience with "deadwood" when he headed the Bendix Corporation, is said to oppose the bill.

However, the A.F.L.-C.I.O., despite its feeling that mandatory retirement should be a matter of collective bargaining, probably will not oppose the bill strongly. "George Meany is personally opposed to mandatory retirement at age 65," said a spokesman. "He has been for nearly 18 years," the spokesman added.

[From the New York Times, July 18, 1977]

RETIREMENT A HARSH REWARD FOR MANY AMERICANS

(By Marjorie Hunter)

WASHINGTON, July 17.—"What we have," says Max Serchuck, "is more than 800 million years of experience walking around. Surely, 800 million years of experience can still make a contribution to American life."

Max Serchuck is 76 years old, a retired New York jeweler whose doctor advised him to move to Miami Beach a decade or so ago and "go fishing."

"I'd never been fishing in my life," he says. And he had no intention of learning how.

Instead as president of the Dade County (Fla.) Council of Senior Citizens, Mr. Serchuck has become one of the nation's most vocal apostles of meaningful work and activity for America's 22.9 million men and women who are 65 or older—10.7 percent of the population.

1912 GENERATION RETIRING

The American worker born in 1912 reached 65 this year and, except in rare cases, will enter the growing ranks of the retired, either willingly or against his or her will.

For some, retirement will mean a blessed relief from alarm clocks and commuter traffic jams. It will mean time for fishing and hunting, for bridge parties and traveling, for quiet hours of reading or watching television.

Indeed, there has been a trend toward even earlier retirement—some as early as 45, many by age 55—in industries with reasonably liberal pension systems.

But Congressional investigations and surveys by retirement organizations have concluded that retirement is a hollow dream for millions of Americans who are unwilling to "go fishing." Indeed, the American Medical Association has said that the "sudden cessation of productive work and earning power often leads to physical and emotional deterioration and premature death."

Despite the fact that millions of older Americans are able and willing to work, both Government and private efforts to supply them with meaningful jobs have been extremely modest. Congressional hearings have shown that there is a bias against employment of persons 65 or over.

Only in recent years has the Federal Government recognized the severity of the problem that many sociologists consider one of the greatest now facing the nation.

The Federal response has been primarily one of increasing Social Security payments, providing Medicare and Medicaid to the ill and infirm and funding projects offering a variety of social services, such as meals-on-wheels, and homemakers aides.

Only a few hundred million dollars, a tiny percentage of the $450 billion Federal budget, is set aside for jobs for older Americans who are mentally and physically capable of working.

Fewer than 300,000 persons are now employed in such jobs, some on a part-time basis, some as strictly nonpaid volunteers.

"It's a pretty sorry track record," says Representative Claude Pepper, a 76-year-old Florida Democrat who heads the House Select Committee on Aging.

Mr. Pepper places much of the blame for not using the talents of older Americans on

mandatory retirement policies of the Federal Government and most private companies. The Federal policy mandates retirement at 70; most private industries require retirement at 65.

That may be changing. Last Thursday, the House Education and Labor Committee approved legislation that would end age limits on mandatory retirements in Government service and prohibit mandatory retirement in the private sector before age 70.

On Friday, Mr. Pepper and his House Select Committee on Aging met with President Carter, who indicated that he would favor legislation to bar private companies from imposing mandatory retirement on workers before they reached 70. However, the President did not specifically endorse the Education and Labor Committee's bill.

Appearing today on NBC's "Meet the Press," Secretary of Labor Ray Marshall said that he supported the committee's bill. The bill would "not mean that somebody couldn't retire earlier than 70 if the wanted to do it," Mr. Marshall said, "but I think that discrimination against people who are still very productive is bad."

"It costs the country a lot," he continued; "it costs those people a lot, and we should make it possible for older people to continue their productive lives longer."

As a sponsor of bills seeking to end mandatory retirement in both the public and private sectors, Mr. Pepper recently observed:

"Who would tell Margaret Mead, who is 76, that her contributions to the study of sociolcgy ended at 65? Who would tell Arthur Fiedler, who is 83, or Leopold Stokowski, who is 95, that those over 65 cannot contribute meaningfully to the appreciation of music?

"Who would fault 81-year-old George Burns's performance in 'The Sunshine Boys?' "

Congressional hearings have shown that many Americans forced to retire at 65 not only want to work but also need the money. An estimated 3.3 million older Americans now live below the poverty line.

"Inadequate income in retirement is the No. 1 problem affecting older Americans," according to the Senate Special Committee on Aging, headed by Senator Frank Church, Democrat of Idaho.

Where can an older American turn to find a job?

A few communities have set up free employment referral services for older persons. One of these, in Jackson, Miss., has placed a hundred or so persons in jobs in hospitals, stores and clerical positions.

Jim Smith, personnel director of Jackson's Day Detectives, says that he will hire as many older workers as the registry can provide.

"You really can't count on the young ones," he says. "But nine times out of 10, the older person will come through."

Some older Americans are employed in federally funded community service jobs and public works and economic development projects.

The New York City Department for the Aging placed 1,300 older persons in a variety of jobs. A Western Kentucky community has a federally funded project in which older persons are hired as homemakers and home repairers.

Mrs. Elizabeth Brooks, 74, and Mrs. Bessie Brown, 73, are Foster Grandparents, a program sponsored by ACTION, the Federal volunteer service agency. Five days a week, they spend four to six hours caring for children at St. Christopher's Hospital for Children in Philadelphia.

Both are widows. Both had limited incomes. And both love their jobs.

"Believe me, I'm needed," Mrs. Brooks said. "Besides, this keeps me out of mischief."

"If I didn't have this job, I'd be bored to death and climbing the walls," Mrs. Brown said.

The two women and 14,000 other Foster Grandparents serving in hospitals, orphanages, day care centers and correctional institutions across the nation receive only a small salary, $32 a week—the same amount as when the program was begun more than a decade ago. They also receive carfare and one hot meal each working day.

There are about 2,600 senior companions in 46 localities in the nation, working in hospitals, nursing homes and private homes. They too, receive $32 a week, plus travel expenses.

INTERNATIONAL SOCIAL SECURITY AGREEMENTS ACT OF 1977

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I am introducing today the International Social Security Agreements Act of 1977. A similar bill was introduced last year, and hearings before the Ways and Means Subcommittee on Social Security were held last summer. The subcommittee has begun today 2 weeks of hearings on a number of social security issues, including these totalization agreements.

This bill would authorize the President to enter into agreements with other nations providing for coordination between their systems and our social security system, and "totalizes" the periods of work in each country so that workers would qualify for benefits which they are now denied because the length of their employment in one country does not qualify them for benefits under the systems of either country. The worker would receive benefits from both countries in proportion to the length of employment completed in each. Thus, the work completed while covered by one country's system would be exempt from coverage by the other country.

This legislation simply insures that each nation would be required to pay benefits for the employment completed by an individual in that country if the individual's total number of years employed in both countries would qualify for social security coverage. Usually, the person would be covered by the country in which he has worked longer and is likely to remain after retirement.

This bill would implement the totalization agreements entered into by the United States already—with West Germany in 1976 and Italy in 1973, as well as future agreements with other countries. The measure would particularly benefit former German citizens, many of whom were victims of Nazi persecution, who could voluntarily make contributions to the West German social security system and qualify for benefits. In many cases, these U.S. citizens would be entitled to substantial payments from West Germany.

The International Social Security Agreements Act of 1977 differs from last year's bill in that it provides for a 60-day period during which Congress would have a chance to review proposed totalization agreements approved by the President. This section should resolve objections expressed last summer by some of my colleagues on the Social Security Subcommittee.

Mr. Speaker, this implementing legislation is long overdue. There are thousands of citizens in the United States who have worked many years, both here and in other countries, who are currently being denied social security benefits to which they would be entitled if they had not moved, or been forced to move, across international borders. I hope that my colleagues will support this action to guarantee old age and disability benefits for so many of our naturalized citizens.

H.R.—

A bill to amend the Social Security Act to authorize international agreements with respect to social security benefits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Social Security Agreements Act of 1977".

AUTHORIZATION FOR INTERNATIONAL AGREEMENTS WITH RESPECT TO SOCIAL SECURITY BENEFITS

SEC. 2. Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"INTERNATIONAL AGREEMENTS

"Purpose of Agreement

"SEC. 233. (a) The President is authorized to enter into agreements establishing totalization arrangements between the social security system established by this title and the social security system of any foreign country, for the purposes of establishing entitlement to and the amount of old-age, survivors, disability, or derivative benefits based on a combination of an individual's periods of coverage under the social security system established by this title and the social security system of such foreign country.

"Definitions

"(b) For the purposes of this section—

"(1) the term 'social security system' means, with respect to a foreign country, a social insurance or pension system which is of general application in the country and under which periodic benefits, or the actuarial equipment thereof, are paid on account of old age, death, or disability; and

"(2) the term 'period of coverage' means a period of payment of contributions or a period of earnings based on wages for employment or on self-employment income, or any similar period recognized as equivalent thereto under this title or under the social security system of a country which is a party to an agreement entered into under this section.

"Crediting Periods of Coverage; Conditions of Payment of Benefits

"(c)(1) Any agreement establishing a totalization arrangement pursuant to this section shall provide—

"(A) that in the case of an individual who has at least 6 quarters of coverage as defined in section 213 of this Act and periods of coverage under the social security system of a foreign country which is a party to such agreement, periods of coverage of such individual under such social security system of such foreign country may be combined with periods of coverage under this title and otherwise considered for the purposes of establishing entitlement to and the amount of old-age, survivors, and disability insurance benefits under this title;

"(B)(i) that employment or self-employment, or any service which is recognized as equivalent to employment or self-employment under this title or the social security system of a foreign country which is a party to such agreement, shall, on or after the effective date of such agreement, result in a period of coverage under the system established under this title or under the system

established under the laws of such foreign country, but not under both, and (ii) the methods and conditions for determining under which system employment, self-employment, or other service shall result in a period of coverage; and

"(C) that where an individual's periods of coverage are combined, the benefit amount payable under this title shall be based on the proportion of such individual's periods of coverage which were completed under this title.

"(2) Any such agreement may provide that—

"(A) an individual who is entitled to cash benefits under this title pursuant to such agreement shall, notwithstanding the provisions of section 202(t), receive such benefits while he resides in a foreign country which is a party to such agreement; and

"(B) the benefit paid by the United States to an individual who legally resides in the United States shall be increased to an amount which, when added to the benefit paid by such foreign country, will be equal to the benefit amount which would be payable to an entitled individual based on the first figure in (or deemed to be in) column IV of the table in section 215(a).

"(3) Section 226 shall not apply in the case of any individual to whom it would not be applicable but for this section or any agreement or regulation under this section.

"(4) Any such agreement may contain such other provisions, not inconsistent with this section, as the President deems appropriate.

"Effective Date of Agreement

"(d) Any agreement proposed to be entered into by the President to establish a totalization arrangement pursuant to this section shall be transmitted by the President to the Congress, and shall not be formally concluded or become effective until a period of at least sixty calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die or because of an adjournment of more than three calendar days to a day certain) has passed after such transmission. The agreement shall be transmitted to the Senate and the House of Representatives on the same day, and shall be delivered to the Secretary of the Senate if the Senate is not in session and to the Clerk of the House of Representatives if the House is not in session.

"Regulations

"(e) The Secretary of Health, Education, and Welfare shall make rules and regulations and establish procedures which are reasonable and necessary to implement and administer any agreement which has been entered into in accordance with this section.".

RELIEF FROM TAXES

SEC. 3. (a) Section 1401 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(c) RELIEF FROM TAXES IN CASES COVERED BY CERTAIN INTERNATIONAL AGREEMENTS.—During any period in which there is in effect an agreement entered into pursuant to section 233 of the Social Security Act with any foreign country, the self-employment income of an individual shall be exempt from the taxes imposed by this section to the extent that such self-employment income is subject under such agreement to taxes or contributions for similar purposes under the social security system of such foreign country.".

(b) Sections 3101 and 3111 of such Code are each amended by adding at the end thereof the following new subsection:

"(c) RELIEF FROM TAXES IN CASES COVERED BY CERTAIN INTERNATIONAL AGREEMENTS.—During any period in which there is in effect an agreement entered into pursuant to section 233 of the Social Security Act with any foreign country, wages received by or paid to an individual shall be exempt from the taxes imposed by this section to the extent that such wages are subject under such agreement to taxes or contributions for similar purposes under the social security system of such foreign country.".

(c) Notwithstanding any other provision of law, taxes paid by any individual to any foreign country with respect to any period of employment or self-employment which is covered under the social security system of such foreign country, in accordance with the terms of an agreement entered into pursuant to section 233 of the Social Security Act, shall not, under the laws of the United States, be deductible by, or creditable against the income tax of, any such individual.

RESTORE STABILITY TO SOCIAL SECURITY TRUST FUND

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, as the Ways and Means Subcommittee on Social Security begins today receiving public testimony on President Carter's social security refinancing proposals, I recommend that my colleagues consider this thoughtful editorial from the New York Times.

As the Times points out, the administration's plan seems to have upset quite a diverse range of interests and interest groups, particularly over the concepts of eliminating the tax ceiling on the employee wage base and using general revenue moneys to shore up the trust funds in times of high unemployment. Understandably, there are some who are wary of a plan that, at first glance, may appear to deviate from the original principles behind social security financing.

With the two major trust funds facing exhaustion within the next 5 years, however, any attempt at restoring financial stability to the social security system will require certain major modifications in its structure. While the President's proposal does advance a number of significant departures from present policy, the alternatives would require even greater individual and employer tax obligations, continuous Federal contributions from general revenues or both.

Instead, the administration's plan would phase out the wage ceiling on which employers pay payroll taxes. Payroll tax rates would not increase, and, as Secretary Califano noted in his testimony before our subcommittee in May, employers would pay $4 billion less than they would under more conventional payroll tax increase plans which would increase both rates and the wage base. As for general revenues, they would only be used in years of high unemployment—6 percent or more—and, as a result, could not be used to raise benefit levels.

Thus, President Carter's social security plan is not as painful as some early critics have suggested. Mr. Speaker, we have swept the social security financing problem under the rug for too long. I hope that we can move quickly to approve this most rational and restrained approach, insuring that the commitment made by the Federal Government over 40 years ago to provide American workers with old age and disability protection will not end up a hollow promise.

The New York Times editorial follows:

[From the New York Times, May 15, 1977]

PATCHING UP SOCIAL SECURITY

The Social Security system is well on its way to going broke. Payments to beneficiaries have exceeded revenues since 1975, and this year the deficit may reach $5.6 billion. According to recent estimates, reserves set aside to pay disability claims will be exhausted in two years; reserves for old age retirement will be gone in six.

How can the system be saved? Many plans have been offered, their differences reflecting conflicting views on who really should pay for Social Security. President Carter's proposal last week is a hybrid, combining bits and pieces of other solutions. It is a compromise that evades fundamental ideological questions, and thus won't please purists very much. A careful look, however, suggests that the plan is workable and, on the whole, fair.

Social Security finance is complicated, and so are proposals for putting the system back in the black. Every scheme, however, draws on some combination of the following options:

Raise payroll tax rates. Employers and employees now each pay a 5.85 percent tax on covered wages. The rates could be raised—as they often have been—to meet rising benefit payments.

Raise the taxable wage base. Payroll taxes are currently collected on only the first $16,500 earned; scheduled increases would put the taxable ceiling at $23,400 in 1982. That limit could be raised still further, or faster, or eliminated altogether.

Use general tax revenues. The alternative to extracting more revenue from payrolls is to dip into general revenues. This would, in effect, mean the substitution of Federal income taxes for more payroll taxes.

Reduce benefits. A single modification of the formula by which benefits are calculated could cut the projected Social Security deficit by half, yet leave unaltered the fundamental rights of retirees. Under current law, potential benefits of those still working, as well as the actual benefits of pensioners, are keyed to the cost of living. Pensioners need this protection. But since workers' future benefits are, by law, already adjusted for inflationary increases in average wages, workers get an unintended bonanza. Inflation, perversely, actually increases their future purchasing power. Eliminating the extra cost-of-living provision of persons still on the job would equalize the rights of current and future pensioners, and save a lot of money besides.

The President's proposed reform draws on all these choices. A payroll tax increase now scheduled to take effect in 2011 would be imposed much earlier. The wage base on which employee taxes are computed would be raised by $2,400 in small steps, and the ceiling would be eliminated entirely for employer contributions; employers would be taxed on total wages. General revenues would be used for the first time to supplement the Social Security fund, but payments from such revenues would be made only in recession years, when payroll tax collections lag behind obligations. Current benefit payments, but not future benefit rights, would be tied to the cost of living.

To judge from initial reactions, Mr. Carter's compromise has few strong supporters. Businessmen are alarmed by the proposed elimination of the ceiling on the employer's tax base. Congressional conservatives shudder at the prospect of tapping general revenues. Liberals are disappointed that the Administration is not more strongly committed to a shift from payroll taxes to income taxes.

The opposition is understandable; every method for financing Social Security has disadvantages. Payroll taxes are "regressive" in that they extract a higher percentage of total income from individuals who can least afford it. Increasing the taxable wage base is more "progressive," but corporate managers correctly point out that someone—workers,

shareholders or consumers—will have to foot the bill. Tapping income taxes is more progressive still—but every dollar shifted to the Social Security Trust Fund means a dollar less for other Government programs. The general revenue approach also damages the carefully constructed facade of Social Security as insurance rather than welfare. Actually, the system already redistributes benefits from middle- to lower-income families, but the device of funding through payroll contributions supports the general impression that benefits are earned, with important psychological and political effects.

When stripped of camouflaging detail, however, the Carter program seems well tailored to raise a lot of money in a way that does not unduly penalize lower-paid workers. General tax revenues will be used, but in a way that does least violence to the principle of Social Security as a self-supporting institution. Higher payroll taxes, collected largely through the increase in the base, could be somewhat inflationary, since employers will probably have to raise prices to make up for the higher tax. On balance, though, it is hard to see where else the funds could be raised in an equally fair fashion.

For all its problems, Social Security is worth preserving, and the President is offering a prudent way to keep the system intact into the next century.

COMPETITION AND THE TRANSPORTATION OF ALASKA NATURAL GAS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, pursuant to an amendment which I authored to the Alaska Natural Gas Transportation Act of 1976, the Justice Department last Thursday issued its report on the competitive issues and problems associated with the production and transportation of Alaska natural gas to the Lower 48 States.

While the Justice Department concludes that the particular geographic route selected will make little difference on competition, its report emphasizes that the decision on who is permitted to be owners of the new transportation system will make a difference on competition and probably on prices. The Justice Department recommends a prohibition on any major natural gas producer being allowed to own or operate the Alaska natural gas transportation system.

Of the two groups vying for governmental approval of their overland route proposals, Alcan numbers no natural gas producers among its owners, while the owners of Arctic gas include several major gas producers. The third proposal is that of El Paso, the Nation's largest natural gas pipeline company and third largest in natural gas deliveries.

The problems associated with petroleum company ownership of pipelines are best summarized by the following paragraph from a recent letter from the Justice Department to the House OCS Committee:

On the other hand, current evidence points strongly to the existence of problems arising from pipepline ownership by integrated oil companies. Because pipelines are a natural monopoly, they must be regulated to prevent the owners from reaping monopoly profits by means of reduced transportation throughput. When the pipelines are owned by vertically integrated petroleum companies, however, such regulation is likely to be ineffective. This is so because a vertically integrated company can restrict access to or capacity of its pipeline, thus forcing its competitors to transport their products by less efficient, higher cost alternatives. This will drive up the delivered price of crude or product downstream, since the marginal barrel of crude or product sets the price for all sales in the downstream market. The owner of the pipeline, shipping his product through that pipeline, will then be able to sell in the downstream market at the inflated price, and pocket the efficiency gains of pipeline transportation.

In the report, the Justice Department endorses for the first time the concept of "pipeline divestiture"; that is, prohibiting the integrated petroleum companies from transporting petroleum they own through pipelines they own. I have introduced legislation (H.R. 7784) to require such pipeline divestiture, because consumers are forced to pay tens—perhaps hundreds—of millions of dollars every year in unreasonably high petroleum product as a result of petroleum company ownership of pipelines.

I would like to take this opportunity to commend the Justice Department and particularly Acting Assistant Attorney General John Shenefield for preparing this excellent and thoughtful report, and also for recently challenging the unjustified rates requested by the Alyeska Pipeline Co., for the transportation of Alaskan crude oil. I hope that the Department will continue to respond in this manner to the efforts of Congress to take a more active role in antitrust law review of matters affecting energy, as required by a number of the laws originating in the House Interior Committee in recent years which require the Department to consider the antitrust implications of the development, production, transportation, and sale of Federal energy resources.

Mr. Speaker, because Congress will soon be called upon to consider the system to be selected for the transportation of Alaska natural gas, excerpts and the executive summary of the Justice Department's report follow these remarks.

REPORT OF THE ATTORNEY GENERAL PURSUANT TO SECTION 19 OF THE ALASKA NATURAL GAS TRANSPORTATION ACT OF 1976

EXCERPTS

Thus, by shifting pipeline profits upstream, the producer-owners can circumvent tariff regulation. The benefits of efficient pipeline transportation could be pocketed by the producer; resources would be misallocated—the supply of Alaskan natural gas would be artificially restricted and the relatively inefficient Gulf Coast supply chain would be excessively relied upon for satisfying Midwestern demand.

* * * * *

A nonintegrated owner cannot earn upstream profits—he has no upstream operations; he is motivated by pipeline profits only. Regulation forces him to expand throughout with the result that, absent market power in production, a properly designed Federal Power Commission tariff would eliminate all excess profits—upstream, downstream and in the pipeline. The clean solution to the vertical integration problem is to place all pipelines in the position of the nonintegrated owner—prohibit producer ownership in the pipeline.

The current regulatory system, whatever its other adverse effects, if effective, should prevent competitive abuses in the transportation of Alaskan gas. Relaxation of wellhead price regulation, however, combined with city gate pricing to clear the downstream market (a regulatory initiative that may be preferable to the current scheme) creates a situation in which pipeline ownership by Alaskan producers would entail an unacceptable danger of anticompetitive behavior. Under such a regulatory regime, vertically integrated producer-owners could circumvent pipeline tariff and city gate regulation by restricting pipeline capacity (and consequently access) while achieving monopoly profits in their upstream operations. Initial sizing of the pipe for large capacity does not necessarily solve this problem, since it will be in the interest of producer-owners to resist future expansion and thus discourage future entry into Alaskan gas production.

Therefore, companies which are significant producers of natural gas should be prohibited from participating in ownership of the proposed Alaskan natural gas transportation system. Among the three proposals, only Arctic Gas currently has a producer of substantial amounts of gas as a member. We would recommend, therefore, that if Arctic Gas is selected Exxon's subsidiary, Imperial (and Gulf Canada, Shell Canada and Union Gas, Limited, if they will be producers of significant amounts of gas delivered through the pipeline from Mackenzie Delta) be prohibited from participating in the transportation system.

* * * * *

Section 13(a) has been interpreted by the Federal Power Commission to impose common carrier obligations upon the pipeline, requiring equal access to its facilities. It is not clear to us, however, that the language of Section 13(a) clearly imposes common carrier obligations upon the pipeline. Thus, we would recommend that this ambiguity be clarified through additional legislation which would clearly indicate that the Alaskan natural gas transportation system is to operate as a common carrier.

Common carrier status is an important safeguard necessary for this transportation system. Arbitrary conditions for use of the line may disadvantage some users of the line. In our experience with common carrier oil pipelines, conditions relating to product specification, product cycles, batch size, tankage ownership and the like, may have acted to preclude use of the line to some shippers even with common carrier obligations imposed on the system. Without such common carrier obligations, nonowners shippers would be in a more disadvantageous position. The Alaskan transportation system should not be operated to accommodate the desires of the owners to the exclusion of others. Imposition of full common carrier obligations would help alleviate our concerns, although diligence would be required to make sure the transportation system was abiding by its obligations.

We do not advocate, however, that common carrier obligations be imposed on all natural gas pipelines. The Alaskan natural gas transportation system is unique in that it will be the only transportation system transporting gas from the North Slope. In addition, it will be one of the few joint ventures in the gas transmission segment of the industry. Its sponsors should not be given the opportunity to use their ownership position to their advantage in competing with nonowner pipelines in regional markets.

EXECUTIVE SUMMARY

This report is submitted to Congress in compliance with Section 19 of the Alaska Natural Gas Transportation Act of 1976. That provision requires the Attorney General to conduct a thorough study of the antitrust issues and problems relating to the production and transportation of Alaskan natural gas.

Based on our analysis of all information currently available, we find that antitrust

considerations do not militate against selection of any of the three proposed projects as the transportation system for moving Alaskan natural gas to the lower 48 states; nor do competitive considerations point to selection of one of the three projects in preference to the other two. Although we have identified several potential antitrust problem areas associated with the projects, these problems may impact on any project that is selected and thus do not make one project seem more desirable than the others.

This report has identified several potential competitive problem areas, which can be addressed through: (1) the imposition of conditions upon the license issued to whichever project is chosen; (2) the enactment of legislation; and (3) collateral action by the Federal Power Commission, or its successor agency. Since some of the identified problems are not directly associated with the transportation of natural gas but are associated with the sale of natural gas, these problems would have to be addressed in the context of the required examination of the gas purchase contracts.

The report first provides a general introduction to the three proposed projects, the methods of transportation and routes proposed and the participants in each proposed project. There are two overland pipeline projects proposed by Alcan and Arctic Gas, and a combination pipeline and liquified natural gas tanker system proposed by El Paso.

(1) The Alcan route follows the Alaska oil pipeline route to Fairbanks and then follows the Alcan Highway through Canada. Alcan has proposed two different sized pipelines. Originally Alcan proposed a 42-inch pipeline but more recently has proposed a 48-inch pipeline similar to that of Arctic Gas.

(2) The Arctic Gas route proceeds east from the North Slope to the Mackenzie Delta of Canada, where it is expected additional gas reserves will be developed. The route then proceeds south through Canada to the United States border.

(3) The El Paso project calls for a pipeline to follow the Alaska oil pipeline to Point Gravina on Prince William Sound. There the gas would be converted to liquid natural gas and shipped by tanker to the coast of California.

The proponents of the three projects are as follows:

(a) Arctic Gas—

Alaska Arctic Gas Pipeline Company
Canadian Arctic Gas Pipeline Company, Ltd.
Alberta Natural Gas Company, Ltd.
Northern Border Pipeline Company
Pacific Gas Transmission Company
Pacific Gas and Electric Company

The first two above are shell companies, formed to construct and operate the pipeline in Alaska and Canada. Owners of the two companies are:

American Members—
Columbia Gas Transmission Corporation
Michigan Wisconsin Pipe Line Company
Natural Gas Pipe Line Company of America
Northern Natural Gas Company
Pacific Gas & Electric Company
Pacific Lighting of California
Panhandle Eastern Pipe Line Company
Texas Eastern Transmission Corporation
Canadian Members—
Alberta Natural Gas Company, Ltd.
The Consumers' Gas Company
Canada Development Corporation
Gulf of Canada, Ltd.
Imperial Oil, Ltd. (a 70 percent owned subsidiary of Exxon)
Northern and Central Gas Company, Ltd.
Shell Canada, Ltd.
TransCanada Pipelines, Ltd.
Union Gas, Ltd.

(b) Alcan—

Alcan Pipeline Company (a wholly-owned subsidiary of Northwest Pipeline Company)
Alberta Gas Trunk Line Company, Ltd.
Alberta Gas Trunk Line (Canada), Ltd.
Westcoast Transmission Company, Ltd.
Foothills Pipeline (Yukon), Ltd.

(c) El Paso—

The El Paso project is proposed by El Paso Alaska Company, a wholly owned subsidiary of El Paso Natural Gas Company.

The gas transportation and distribution industries are not highly concentrated on a national basis at this time. Although standard industry concentration measures are less meaningful in the natural gas industry because it is pervasively regulated and because pipelines are to a great extent natural monopolies; these ratios and individual company shares do give an indication of the relative industry positions of the prospective Alaskan natural gas participants.

The proponents of the El Paso project control 8.2 percent of gas supplies from all sources (as of 1974), the Alcan American proponent controls 4.3 percent and the Arctic Gas American proponents control 36 percent of gas supplies from all sources. Although there is some danger that the sponsors of the Arctic Gas project, if they were the only purchasers of Alaskan gas, could use their control of Alaskan gas in combination with their control of other gas supplies to manipulate displacement plans to their own advantage or to affect regional competition among pipelines, regulation by the Federal Power Commission minimizes this danger.

Present Federal Power Commission regulation of city gate prices also appears to preclude an opportunity for competitive abuse by the gas producers or transmission companies provided the price ceilings set by Federal Power Commission regulation are effective. However, if the regulation of the wellhead price of gas were relaxed and the Alaskan gas producing areas were workably competitive, producer ownership or control of the transportation system could circumvent Federal Power Commission regulation of the pipeline and monopoly profits could be taken by the integrated company by transferring some or all of the profits stemming from the transportation monopoly to unregulated upstream production operations through denial of access to non-owners and restricting downstream supply. If the regulation of the wellhead price of gas were relaxed and the Alaskan gas producing areas were not workably competitive, but were instead characterized by producer market dominance, gas supplies could be restricted at the production stage without any need to derive market power from the pipeline.

However, such market power is not necessarily permanent and could be reduced by discovery and development of new fields by other producers, creating a situation where an integrated producer/pipeline owner would seek to restrict access and throughput to take monopoly profits. Therefore, we recommend that an ownership interest, or participation in any form in the transportation system, by one or more gas producers of significant amounts of gas be prohibited. The license to be issued to the selected system should contain a condition that prevents participation in any manner by such gas producers.

Ownership of a transportation system by the buyers of gas will not result in any potential anticompetitive conduct as long as Federal Power Commission regulation of city gate prices continues in the present mode, which it appears likely to do. If the regulatory scheme changes, potential monopsony problems can be cured by appropriate regulatory action. Therefore, we do not oppose ownership of the transportation systems by the buyers of the gas.

During the period from 1971 to 1975 the major North Slope producers, Exxon, ARCO and BP/Sohio entered into agreements to negotiate for the sale of their natural gas with various transmission companies, all members of the Arctic Gas consortium. These agreements called for advance payments from the transmission companies to help the producers develop the North Slope fields. In December, 1975, the Federal Power Commission struck down all advance payment contracts entered into after December 28, 1973, as not in the national interest. Thus, there is currently no plan for distribution of Alaskan gas.

Collateral to these advance payment agreements, the transmission companies entered into a variety of side arrangements with the producers. The side arrangements provided for renegotiation of existing gas sale contracts in the lower 48 states to raise prices or to permit revenue sharing between producer and pipeline with respect to existing production. These side arrangements are clear evidence of evasions of wellhead price regulation and demonstrate the extreme difficulty of holding down the price of a scarce resource. Some pipeline companies would be disadvantaged in seeking to gain access to North Slope gas if these arrangements were to continue, since not all pipeline companies have existing relationships that can be altered or other goods or services to barter in addition to paying the wellhead price. The competitive effects of this disadvantage, if any, are uncertain. It may well be that the Federal Power Commission should require disclosure of all collateral considerations in our gas purchase agreement. The Commission could then carefully examine each Alaskan gas purchase contract and disapprove or condition any such agreement that it finds not to be in the public interest.

With current Federal Power Commission regulation of well-head gas prices, competitive forces cannot operate to distribute gas in the most efficient manner. If a wide distribution of Alaskan natural gas is deemed important, it may be necessary to create a regulatory allocation mechanism.

Competition among pipelines for existing customers and new customers may exist in regional markets. Regional competition can be an important complement to regulation and its importance has been recognized by Congress, the courts and the natural gas industry. The potential for this competition should be preserved to the greatest extent practicable. Several problems associated with the operation of an Alaskan natural gas transportation system arise because of potential effects on this regional competition.

Equal access to the transportation system, as well as other competition rules, would be required if producers are permitted to participate in the Alaskan natural gas transportation system. Moreover, even where producers are not owners, equal access to a transportation system retains some importance as a means to preserve regional competition among pipeline companies by preventing owners of the transportation systems from denying or restricting access to other pipelines that might compete in regional markets.

Section 13(a) of the Alaska Natural Gas Transportation Act provides for equal access to a proposed transportation system. Although the Federal Power Commission interprets this provision to mean that an Alaskan natural gas transportation system must be operated as a common carrier, it is not clear this was the intention of Congress. Read literally, the statute merely provides that access cannot be denied based on ownership or the lack thereof. We believe that those facilities (pipelines, LNG facilities, etc.) constructed or utilized as an integral part of the system carrying gas to the lower 48 states should be operated as common carriers, with equal access thereto available to all purchasers and shippers of Alaskan natural gas. Congress ought to clarify the ambiguous language of existing Section 13(a) to clearly state that the Alaskan natural gas transportation system be operated as a common carrier.

Section 13(a) does not require the transportation system to implement a prorationing scheme in the event the system achieves

full capacity, nor does it permit or require any government agency to order such prorationing. Such prorationing during the period of construction of additional capacity is necessary to insure no shipper may be competitively disadvantaged. To insure the equal access provided for under Section 13 (a), we recommend that Congress consider granting the Federal Power Commission authority, where gas is available in excess of pipeline capacity, to order prorationing of pipeline capacity among shippers.

It has been argued that retaining Section 13(a) may prove to be an impediment to financing. We find that Section 13(a) will not be such an impediment, since pipeline companies will be willing to invest in order to insure the construction of such a system. In addition, the possibility of receiving the substantial cash flows from the system which would result from ownership is another incentive to invest in the system.

It is likely that much of the Alaskan gas will be delivered throughout the lower 48 states by displacement rather than by direct delivery. Displacement is a process that would allow Alaska gas to be supplied to conveniently located customers of other pipeline systems that, in turn, could use their "displaced" gas to serve customers of other pipelines. Such a displacement scheme provides considerable savings and ease of delivery but also creates two potential problems. First, a transmission company could thwart the displacement plan by refusing to cooperate and displace gas in its system. To remedy this problem we recommend that legislation be enacted to give the Federal Power Commission, or its successor agency, authority to order participation in displacement programs for Alaskan natural gas.

Displacement also presents potential for anticompetitive activity because implementation of a displacement program requires pipeline companies to meet to agree upon supply reallocation. Obviously, the potential for anticompetitive agreements in the implementation of such a process exists, and almost regardless of the actual risks of such agreements being made, the public perception that such possibilities exist requires some antitrust protection.

This is not an insuperable problem. If the companies do no more than is reasonably necessary to effect the displacements, no antitrust issues should be presented. A method of insuring that no anticompetitive discussions or acts take place is to have interested government agencies monitor such meetings, and to have proposed allocation plans subject to government review and approval.

An all-events cost-of-service tariff has been proposed that would guarantee to the owners full reimbursement of all costs associated with the operation of the transportation system. These costs would be passed on to the consumer. These guarantees extend to all unit transportation costs, even if underutilization of the pipeline makes the unit cost excessively high. Guaranteeing these costs would eliminate incentives for the transportation system owners to prudently determine pipeline size and propose the most efficient pipeline based upon expectations of deliverability.

The deliverability of the Prudhoe Bay reserves is unsettled and highly disputed. The forecasts vary substantially; however, 2.0 Bcf/d appears to be the most likely rate of deliverability. The producers have stated their opposition to any form of deliverability guarantee and, since gas and oil production are related, may in the future restrict or eliminate gas production in order to increase the production of higher-priced oil. With the best deliverability estimate being 2.0 Bcf/d and the possibility of less gas production, there is potential for underutilization of the transportation system. Underutilization will mean higher unit costs of transportation and under the proposed tariff, this higher transportation cost will be borne by the consumer. Deliverability should be carefully evaluated before a system is selected, and the high cost of constructing a system is undertaken. Further, the sizing of the proposed pipelines should be carefully evaluated, since the proposed tariff guarantees may have diminished incentives on the part of the proponents to determine and propose the most efficient pipeline size.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows for:

Mr. MARRIOTT (at the request of Mr. RHODES), for personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CORCORAN of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. COHEN, for 5 minutes, today.
Mr. FINDLEY, for 5 minutes, today.
Mr. CONABLE, for 5 minutes, today.
Mr. EDWARDS of Oklahoma, for 15 minutes, today.
Mr. CLEVELAND, for 5 minutes, today.
Mr. GOLDWATER, for 10 minutes, today.
Mr. FISH, for 10 minutes, July 19, 1977.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. JACOBS, for 60 minutes, today.
Ms. OAKAR, for 5 minutes, today.
Mr. WEISS, for 5 minutes, today.
Mr. KOCH, for 5 minutes, today.
Mr. REUSS, for 30 minutes, today.
Mr. THOMPSON, for 5 minutes, today.
Mr. DOWNEY, for 10 minutes, today.
Mr. ASHLEY, for 10 minutes, today.
Mr. ALEXANDER, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CUNNINGHAM, to extend his remarks made during consideration of conference report on H.R. 7556, Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriations Act, 1978, today.

(The following Members (at the request of Mr. CORCORAN of Illinois) and to include extraneous matter:)

Mr. YOUNG of Florida in five instances.
Mr. BROOMFIELD.
Mr. FINDLEY.
Mr. STEIGER in two instances.
Mr. VANDER JAGT.
Mr. DEL CLAWSON.
Mr. COLLINS of Texas in three instances.
Mr. BOB WILSON in two instances.
Mr. ABDNOR in two instances.
Mr. CONABLE.
Mr. WYLIE.
Mr. KINDNESS.
Mr. SHUSTER.
Mr. HAGEDORN.
Mr. DERWINSKI in two instances.
Mr. KEMP in two instances.
Mr. DORNAN.

(The following Members (at the request of Mr. RAHALL) and to include extraneous matter:)

Mr. MINISH.
Mr. ALEXANDER.
Mr. MCFALL.
Mr. BINGHAM in 10 instances.
Mr. EVANS of Colorado.
Mr. BLOUIN.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. RODINO.
Mr. FRASER.
Ms. OAKAR in three instances.
Mr. KREBS.
Mr. SOLARZ.
Mr. MAZZOLI.
Mrs. SCHROEDER.
Mr. LEDERER.
Mr. STRATTON.
Mr. PERKINS.
Mr. BONKER.
Mr. SIMON.
Mr. HAMILTON.
Mr. EDWARDS of California.
Mr. TEAGUE in two instances.
Mr. DICKS.
Mr. HANNAFORD.
Mr. OTTINGER.
Mr. CHAPPELL.
Mr. WEISS.
Mr. NEDZI.
Mr. RANGEL.
Mr. ENGLISH.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1532. An act to authorize appropriations for the Federal Maritime Commission, to require the Commission to recodify its rules. and for other purposes; to the Committee on Merchant Marine and Fisheries; and

S. Con. Res. 25. Concurrent resolution providing for the acceptance of a statute of the late Senator Ernest Gruening presented by the State of Alaska for the National Statuary Hall collection, and for other purposes; to the Committee on House Administration.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on July 15, 1977 present to the President, for his approval, bills and a joint resolution of the House of the following title:

H.R. 186. To implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972;

H.R. 1551. Granting the consent of Congress to an amendment to the Sabine River Compact entered into by the States of Texas and Louisiana;

H.R. 5638. To amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada;

H.R. 6893. To amend title 4 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected;

H.R. 7636. Making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes; and

H.J. Res. 24. To provide for the designation of a week as "National Lupus Week."

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p.m.) the House adjourned until tomorrow, Tuesday, July 19, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1951. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed cost accounting standard entitled "Part 413—Adjustment and Allocation of Pension Cost," pursuant to section 719(h)(3) of the Defense Production Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

1952. A letter from the Department of Agriculture, transmitting a draft of proposed legislation to change from a fiscal to a school year basis certain provisions of the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended; to the Committee on Education and Labor.

1953. A letter from the Director, Defense Security Assistance Agency, transmitting a quarterly report as of March 31, 1977, on foreign military sales letters of offer, pursuant to subsections 36(a) (1) and (2) of the Arms Export Control Act (I-7968); to the Committee on International Relations.

1954. A letter from the Director, Defense Security Assistance Agency, transmitting a quarterly report as of March 31, 1977, on foreign military sales letters of offer, pursuant to subsections 36(a) (1) and (2) of the Arms Export Control Act (I-7969); to the Committee on International Relations.

1955. A letter from the Secretary of Transportation, transmitting a report on the availability and use of abandoned railroad rights-of-way, pursuant to section 809(a) of Public Law 94-210; to the Committee on Interstate and Foreign Commerce.

1956. A letter from the Chairman, U.S. Regulatory Commission, transmitting the eighth report on abnormal occurrences at licensed nuclear facilities for the period January-March 1977, pursuant to section 208 of Public Law 93-438; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

1957. A letter from the Comptroller General of the United States, transmitting a report on the Labor Surplus Policy (PSAD-77-133, July 15, 1977); to the Committee on Government Operations.

1958. A letter from the Comptroller General of the United States, transmitting a report on the Clarence Cannon Dam and Reservoir project (PSAD-77-131, July 18, 1977); jointly, to the Committees on Government Operations, and Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. APPLEGATE:

H.R. 8374. A bill to amend the Appalachian Regional Development Act of 1965 to secure a continuation of child development programs while further research is conducted; jointly, to the Committees on Public Works and Transportation, and Interstate and Foreign Commerce.

By Mr. COLLINS of Texas:

H.R. 8375. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. FREY:

H.R. 8376. A bill to amend the Public Health Service Act to provide assistance for Tay-Sachs disease screening, counseling, and research programs; to the Committee on Interstate and Foreign Commerce.

H.R. 8377. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 8378. A bill to amend title II of the Social Security Act to increase to $750 in all cases the amount of the lump-sum death payment thereunder; to the Committee on Ways and Means.

H.R. 8379. A bill to amend title XVIII of the Social Security Act to include hearing aids and dentures among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GOLDWATER:

H.R. 8380. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the purchase and installation of certain teletypewriters for use by individuals whose sight, hearing, or speech is impaired; to the Committee on Ways and Means.

By Mr. JOHNSON of California (for himself, Mr. HOWARD, Mr. HARSHA, Mr. ANDERSON of California, Mr. CLEVELAND, Mr. MCCORMACK, Mr. SNYDER, Mr. BREAUX, Mr. HAMMERSCHMIDT, Mr. OBERSTAR, Mr. WALSH, Mr. NOWAK, Mr. COCHRAN of Mississippi, Mr. RISENHOOVER, Mr. ABDNOR, Mr. HEFNER, Mr. GOLDWATER, Mr. YOUNG of Missouri, Mr. HAGEDORN, Mr. STUMP, Mr. STANGELAND, and Mr. APPLEGATE):

H.R. 8381. A bill authorizing certain public works on rivers for navigation, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. MCCORMACK:

H.R. 8382. A bill to amend the Internal Revenue Code of 1954 to allow certain spouses of military personnel to deduct payments into retirement savings to the extent that such payments do not exceed $900 for a taxable year; to the Committee on Ways and Means.

By Mr. MEEDS:

H.R. 8383. A bill to extend the benefits of Federal labor relations acts to public employees and their employers; to the Committee on Education and Labor.

By Mr. MILLER of Ohio:

H.R. 8384. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. MCCORMACK, Mr. FLOOD, Mr. WALKER, Mr. WALSH, Mr. EDGAR, Mr. KINDNESS, Mr. HUGHES, Mr. PANETTA, Mr. SANTINI, Mr. LAGOMARSINO, Mr. BINGHAM, Ms. MIKULSKI, Mrs. SPELLMAN, Mr. PATTERSON of California, Mr. JENRETTE, Mr. ROSE, Mr. MAZZOLI, Mr. MINETA, Mr. BONIOR, Mr. BENJAMIN, and Mr. GRASSLEY):

H.R. 8385. A bill to revise chapter 99 of title 18 of the United States Code to provide for the punishment of sexual assaults in the special jurisdiction of the United States; to the Committee on the Judiciary.

By Mr. MOTTL (for himself, Mr. TEAGUE, Mr. ROBERTS, Mr. HAMMERSCHMIDT, Mr. HANNAFORD, Mr. ALLEN, Mr. APPLEGATE, Mr. HEFNER, and Mr. WALSH):

H.R. 8386. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, education assistance and special training allowance paid to eligible veterans and persons, to make improvements in the educational assistance programs, and for other purposes; to the Committee on Veterans' Affairs.

By Ms. OAKAR:

H.R. 8387. A bill to provide rules respecting the use by depository institutions of electronic fund transfers; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PATTEN:

H.R. 8388. A bill to require that rail and motor carriers provide timely notice to the chief executive of any State within which hazardous materials are scheduled to be transported or shipped; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. PEPPER:

H.R. 8389. A bill authorizing the President of the United States to present a gold medal to the widow of Robert F. Kennedy; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 8390. A bill to authorize appropriations during the fiscal year 1978 for procurement of aircraft and missiles, and research, development, test and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. REUSS (for himself and Mr. MATTOX):

H.R. 8391. A bill to promote the accountability of the Federal Reserve System; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SIMON (for himself, Mr. MITCHELL of Maryland, Mr. BADILLO, Mr. NIX, Mr. OTTINGER, Mr. EDWARDS of Oklahoma, Mr. RAHALL, Mr. VENTO, Mr. FINDLEY, Mr. BALDUS, Mr. BAUCUS, Mr. ANDREWS of North Dakota, Mr. HOLLAND, Mr. MINETA, Mr. GUDGER, Mr. MIKVA, and Mr. STARK):

H.R. 8392. A bill to amend the Federal Railroad Safety Act of 1970 to require the locomotive of all trains to be equipped with strobe lights; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. ROONEY):

H.R. 8393. A bill to amend the Department of Transportation Act and the Regional Rail Reorganization Act of 1973 to extend the eligibility for financial assistance under the rail service assistance programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEIGER (for himself and Mr. GINN):

H.R. 8394. A bill to provide for payments to local governments based upon the acreage of the National Wildlife Refuge System which is within their boundaries; to the Committee on Merchant Marine and Fisheries.

By Mr. TRAXLER (for himself, Mr. BYRON, Mr. MURPHY of Pennsylvania, Mr. KASTENMEIER, Mr. TRIBLE, Mr. WYDLER, Mr. NOLAN, Mr. JENRETTE, Mr. HAWKINS, Mr. GOODLING, Mr. PATTERSON of California, Mr. COUGHLIN, Mr. LUKEN, and Mr. HEFNER):

H.R. 8395. A bill to provide for the monthly publication of a Consumer Price Index for the Aged and Other Social Security Beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. TRAXLER (for himself, Mr. DICKS, Mr. BYRON, Mr. MURPHY of Pennsylvania, Mr. KASTENMEIER, Mr. TRIBLE, Mr. WYDLER Mr. NOLAN, Mr. HAWKINS, Mr. GOODLING, Mr. PATTERSON of California, Mr. LUKEN, and Mr. HEFNER):

H.R. 8396. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 8397. A bill to provide that a certain tract of land in Pinal County, Ariz., held in trust by the United States for the Papago Indian Tribe, be declared a part of the Papago Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of Florida (for himself and Mr. ERTEL):

H.R. 8398. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income tax for electrical energy fuel surcharges imposed by public utilities; to the Committee on Ways and Means.

By Mr. ZEFERETTI:

H.R. 8399. A bill to amend title 28 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon acts or omissions of U.S. officers and employees routinely assigned to perform investigative, inspection, or law enforcement functions, and for other purposes; to the Committee on the Judiciary.

By Mr. MIKVA:

H.R. 8400. A bill to amend the Social Security Act to authorize international agreements with respect to social security benefits; to the Committee on Ways and Means.

By Mr. MOSS (for himself, Mr. MAGUIRE, Mr. KREBS, Mr. PERKINS, Ms. HOLTZMAN, Mr. BEDELL, Mr. CORRADA, Mr. MOFFETT, Mr. MURPHY of Pennsylvania, Mr. HAWKINS, Mr. ROE, Mr. LENT, Mr. CARNEY, Ms. MIKULSKI, Mr. LUNDINE, Mr. NOLAN, Mr. MURPHY of New York, Mr. GEPHARDT, Mr. PATTERSON of California, Mr. PATTEN, Mr. BRODHEAD, Mr. DRINAN, Mr. WALGREN, Mr. CORNWELL, and Mr. GIBBONS):

H.R. 8401. A bill to amend title XIX of the Social Security Act to improve the early and periodic screening, diagnosis, and treatment program; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY:

H.R. 8402. A bill to authorize the rehabilitation or reconstruction of locks and dam 26, to establish a system of user fees to finance the future costs of the inland waterways of the United States, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. RAHALL (for himself, Mr. BADILLO, Mr. CEDERBERG, Mr. COHEN, Mr. ERTEL, Mr. GUYER, Mr. LAGOMARSINO, Mrs. LLOYD of Tennessee, Mr. MARLENEE, Mr. MURPHY of Pennsylvania, Mr. PANETTA, Mr. ROE, and Mr. WATKINS):

H.J. Res. 549. Joint resolution to authorize National Shut-In Day; to the Committee on Post Office and Civil Service.

By Mr. FREY:

H. Con. Res. 290. Concurrent resolution urging the telephone and hearing aid industries to provide full access to telephone communications for hearing aid users; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMPSON:

H. Res 687. Resolution providing for district office space for Members of the House of Representatives; to the Committee on House Administration.

By Mr. BROOKS:

H. Res. 688. Resolution to disapprove reorganization plan No. 1 of 1977; to the Committee on Government Operations.

By Mr. FINDLEY (for himself, Mr. MADIGAN, Mr. ALEXANDER, Mr. BAFALIS, Mr. BEDELL, Mr. BOWEN, Mr. CAVANAUGH, Mr. CEDERBERG, Mr. CORNWELL, Mr. DAVIS, Mr. DERRICK, Mr. DUNCAN of Tennessee, Mr. ERTEL, Mr. FLOOD, Mr. FOWLER, Mr. GIBBONS, Mr. GILMAN, Mr. GUYER, Mrs. HECKLER, Mr. KAZEN, Mr. KEMP, Mr. MILLER of Ohio, Mr. JOHN T. MYERS, Mr. NEAL, and Mr. NIX):

H. Res. 689. Resolution to maximize local nighttime radio service; to the Committee on Interstate and Foreign Commerce.

By Mr. FINDLEY (for himself, Mr. MAGUIRE, Mr. PATTERSON of California, Mr. RAILSBACK, Mr. ROE, Mr. RUNNELS, Mr. SEBELIUS, Mr. STANTON, Mr. TSONGAS, and Mr. WHITLEY):

H. Res. 690. Resolution to maximize local nighttime radio service; to the Committee on Interstate and Foreign Commerce.

By Mr. GOODLING (for himself, Mr. WALKER, Mr. WINN, Mr. KINDNESS, Mr. CUNNINGHAM, Mr. PURSELL, Mr. BAFALIS, Mr. PATTERSON of California, Mr. KETCHUM, Mr. LUJAN, Mr. GRADISON, Mr. KEMP, Mr. COLLINS of Texas, Mr. RAHALL, Mr. RHODES, Mr. SIMON, Mr. EDWARDS of Oklahoma, Mr. KASTENMEIER, Mr. CORCORAN of Illinois, Mr. STOCKMAN, Mr. QUIE, Mr. KOSTMAYER, and Mr. PRESSLER):

H. Res. 691. Resolution expressing the sense of the House of Representatives that the Attorney General of the United States should appoint a special prosecutor to serve in the Department of Justice to investigate, and prepare prosecutions with respect to, acts by agents of foreign governments or by other individuals to obtain means contrary to the laws of the United States influence from officials of the United States; to the Committee on the Judiciary.

By Mr. PRITCHARD:

H. Res. 692. Resolution relating to the future of telecommunications policy of the Nation; to the Committee on Interstate and Foreign Commerce.

SUBSEQUENT ACTION ON BILLS INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following actions were taken by the Speaker:

The Committee on Interstate and Foreign Commerce consideration of referred portions of the bill (H.R. 6831 to establish a comprehensive national energy policy extended for a period ending not later than July 9, 1977.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

227. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the construction of the Auburn Dam; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

By Mr. CONTE:

H.R. 8403. A bill for the relief of Luis Carlos Deabreu; to the Committee on the Judiciary.

By Mr. GLICKMAN:

H.R. 8404. A bill for the relief of tenants of Scully lands in Marion County, Kansas; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

The SPEAKER presented a petition of Bonifacio Aparicio Llanes, Rio Piedras, Puerto Rico, relative to proposed legislation on minimum wages; which was referred to the Committee on Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5400

By Mr. BADHAM:

Page 28, strike out line 6 and all that follows down through line 15 and insert the following:

(B) submitting—

(i) a form of identification establishing the identity and place of residence of such individual and showing a photograph of such individual; and

(ii) a form of identification which corroborates the place of residence of such individual. The requirement of this subsection may be met by providing an item which was delivered to such an individual at the stated place of residence by the United States Postal Service or an affidavit attesting to the identity and place of residence of the individual desiring to register to vote under this section, which is executed by a person who is pre-registered to vote at the polling place involved and is present at such polling place with such individual. The requirement of the submission of such shall not be deemed to be a test or device within the meaning of the Voting Rights Act of 1965, as amended (42 U.S.C. 1973aa.).

Page 29, strike out line 6 and all that follows down through line 16.

Page 29, line 17, strike "(5)" and insert in lieu thereof "(4)".

Page 29, line 22, strike "(6)" and insert in lieu thereof "(5)".

Page 29, line 23, strike the dash following the word "who," and strike lines 24 and 25. Immediately following the word "who", add "has not executed another such affidavit on such date."

Page 30, strike out line 1 and all that follows down through line 6.

Page 30, line 7, strike "(7)" and insert in lieu thereof "(6)".

On page 20, line 12 strike the word "Universal" and insert in lieu thereof "Election Day".

On page 20, line 13 strike the word "Voter".

By Mr. PEASE:

Page 28, beginning on line 6, strike out "If additional identification is required by the State or unit of general local government involved,".

Page 28, after line 15, insert the following: "An individual shall be in compliance with subparagraph (B) if he elects to make a submission under either clause (i) or clause (ii) of such subparagraph. Such election shall

be within the discretion of such individual, and the State or unit of general local government involved may not, by law or otherwise, restrict or impair the exercise of such discretion.".

By Mr. SAWYER:

On page 43, strike out line 11 and all that follows down through line 17, insert the following new paragraphs, and redesignate the following paragraph of section 10(c) accordingly:

(2) Any program established and maintained by a State under pargraph (1) shall include a procedure through which—

(A) not less than 5 percent of the individuals who registered to vote in such State in any Federal election under section 6(a)(1) and section 6(b) shall be randomly selected after such election;

(B) information and materials relating to the registration of the individuals so selected shall be reviewed to verify the information described in paragraph (1); and

(C) not more than 60 days after the Federal election involved, the results of such review (together with a statement of the number of individuals who registered section 6(b), the number of individuals selected pursuant to subparagraph (A), and the number of individuals so selected for whom any item of information described in paragraph (1) was not verifiable) shall be transmitted to the Commission.

(3)(A) Not more than 90 days after the Federal election involved, the Commission shall compile and publish the results transmitted to the Commission under paragraph (2)(C).

(B) If, with respect to any such election which is a general election for Federal office, the number of individuals selected under paragraph (2)(A) for whom any item of information described in paragraph (1) was not verifiable exceeds 15 percent of the total number of such individuals in each of one-fourth of the States for which no waiver was granted by the Commission under section 6(a)(2)(B), this Act shall expire on the date of the publication by the Commission of the results transmitted under paragraph (2)(C) relating to such election.

(C) The expiration of this Act pursuant to subparagraph (B) shall not affect any administrative, civil, or criminal action or proceeding, whether or not pending on the date of expiration, based on any act committed or liability incurred on or before such date.

By Mr. ABDNOR:

Title V, section 501(b), page 15, line 12, after the words "by the Secretary," insert the words "oats and".

H.R. 7171

By Mr. BOWEN:

Page 157, immediately after line 15, insert the following:

"SUBTITLE III—REGIONAL SOLAR ENERGY RESEARCH AND DEVELOPMENT CENTERS

"REGIONAL CENTERS

"SEC. 1418. In order to provide for research and development projects having a national or regional application, the Secretary of Agriculture shall establish in existing federal facilities or in cooperation with State and local government agencies, including State departments of agriculture, colleges and universities, or other qualified persons and organizations, including local non-profit research groups, no less than three nor more than five regional solar energy research and development centers in the United States, to be variously located so as to reflect the unique solar characteristics of different latitudes and climatic regions within the United States. Funds used in the operation of such regional centers may be used for the rehabilitation of existing buildings or facilities to house such centers, but may not be used for the construction or acquisition of new buildings.

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 1419. There are authorized to be appropriated such funds as are needed to carry out the provisions of this subtitle."

By Mr. BROWN of California:

On Page 7, line 23, after the word "crop,", insert the following: "except that the target price shall be $2.90 per bushel for the first 18,000 bushels of wheat for which each producer is determined to be eligible for payment under the provisions of this section,".

On Page 16, line 4, after the word "crop,", insert the following: "except that the target price shall be $2.00 per bushel for the first 36,000 bushels of corn for which each producer is determined to be eligible for payment under the provisions of this section.".

By Mr. BURLISON of Missouri:

Page 50, line 15, insert after "such level" the following: ", not less than $4 per bushel,".

By Mr. CONTE:

Page 53, strike out line 11 and all that follows through line 14 on page 58 and redesignate the subsequent sections accordingly.

Page 5, strike out lines 5 through 7 and insert in lieu thereof the following new section:

SEC. 205. Effective December 31, 1977, section 804 of the Agricultural Act of 1970 is repealed.

By Mr. ENGLISH:

Page 7, line 23, strike out "$2.65" and insert in lieu thereof "$2.90".

Page 7, line 18, insert after "(ii)" the following: "with respect to the 1977 crop, the acreage on the farm from which wheat is actually harvested and, with respect to the 1978 through 1981 crops,".

Page 7, strike out lines 10 through 16 and insert in lieu thereof the following: "multiplying (i) the amount by which the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary,".

By Mr. FITHIAN:

Page 2, line 3, insert "SUGAR," immediately after "FEED GRAINS,";

Page 2, line 13, add a new paragraph as follows:

"(2) The total amount of payments which a person may receive under any program established under the Agricultural Act of 1949, as amended, for sugar shall not exceed $50,000."

By Mr. HARKIN:

Line 25, page 17, after the words "disaster payments" insert the words "for prevented planting".

Line 3, page 18, strike out the period and insert the following: "and disaster payments for low-yield shall be made as provided in this section: *Provided*, That no disaster payments for low-yield for such crop shall be made under this section prior to October 1, 1977: *Provided further*, That in the event any producers have received disaster payments for low-yield for the 1977 crop under prior law, they may retain such payments and if such payments are less than the amounts to which they are entitled under this section, the Secretary is authorized and directed to pay to such producers such additional amounts as may be due them under this section."

By Mr. HARKIN:

Page 2, line 4, insert "(a)" after "SEC. 101."

Page 2, after line 13, insert the following new subsection:

(b) Section 101 of such Act is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(2) by inserting "or loans" after "payments" each place such term appears in paragraph (4), as redesignated in paragraph (1) of this subsection;

(3) by striking out "earned" each place such term appears in paragraph (4), as redesignated in (1) of this subsection and inserting in lieu thereof "obtained";

(4) by striking out "payment reduction" in paragraph (4), as redesignated in paragraph (1) of this subsection, and inserting in lieu thereof "payment or loan reduction";

(5) by inserting "and loans" after "payments" in paragraph (5), as redesignated in paragraph (1) of this subsection; and

(6) by inserting after paragraph (2) the following new paragraph:

"(3) The total amount of loans which a person obtains under one or more of the annual programs established under the Agricultural Act of 1949 with respect to the 1978 through 1981 crops of wheat, peanuts, feed grains, soybeans, rice, and cotton, respectively, shall not exceed $100,000 with respect to each of the 1978 through 1981 crops of such commodities.

By Mrs. HECKLER:

Page 41, line 14 strike "such levels" and all that follows through page 42, line 2. Insert in lieu thereof: "the following levels per ton:

1978	$390
1979	$375
1980	$360
1981	$345"

By Mr. JEFFORDS:

In title XII, page 28, insert after line 8 the following new section:

"RECOVERY OF BENEFITS WHERE INDIVIDUAL'S ADJUSTED GROSS INCOME FOR YEAR EXCEEDS TWICE POVERTY LEVEL

"SEC. 9. (a)(1) If—

"(A) any individual receives food stamps during any calendar year, and

"(B) such individual's adjusted gross income for such calendar year exceeds the exempt amount,

then such individual shall be liable to pay the United States the amount determined under subsection (b) with respect to such individual for such calendar year. Such amount shall be due and payable on April 15 of the succeeding calendar year and shall be collected in accordance with the procedures prescribed pursuant to subsection (g).

"(2) If, at the time prescribed by paragraph (1) for the payment of any liability imposed by such paragraph on any individual, such individual is a member of a household receiving food stamps, the time for the payment of such liability to the extent that such liability exceeds any offset provided pursuant to subsection (g) shall be extended until such individual is no longer a member of a household receiving food stamps.

"(3) No interest or penalty shall be assessed or collected with respect to any liability imposed by paragraph (1).

"(4) Except in the case of a husband and wife who live apart at all times during the calendar year, in the case of a married individual—

"(A) this section shall be applied by treating both spouses as one individual, and

"(B) the liability imposed by paragraph (1) shall be apportioned among the spouses in accordance with regulations prescribed by the Secretary (after consultation with the Secretary of the Treasury).

"(b)(1) For purposes of this section, the amount determined under this subsection with respect to any individual for any calendar year is the lesser of—

"(A) the value of the food stamps received by such individual during such calendar year, or

"(B) the excess of (i) the adjusted gross income of such individual for such calendar year, over (ii) the exempt amount.

"(2) For purposes of this section—

"(A) if an individual maintains a household for any calendar year, such individual shall be treated as receiving all of the food

stamps received by such household during such calendar year, or

"(B) if subparagraph (A) does not apply with respect to any household for any calendar year, each member of such household shall be treated as receiving a portion (determined under regulations prescribed by the Secretary) of the food stamps received by such household during the calendar year.

"(3) For purposes of this section, an individual shall be treated as maintaining a household for any calendar year if at least 80 percent of the cost of maintaining such household for such year is furnished by such individual.

"(c) If the Secretary determines that this section may apply with respect to any individual for any calendar year, not later than January 31 of the succeeding calendar year, he shall furnish such individual a written statement which—

"(1) sets forth the value of the food stamps received by such individual during such calendar year, and

"(2) contains an explanation that such amount may be recovered in accordance with the provision of this section.

"(d) The Secretary (after consultation with the Secretary of the Treasury) may waive any liability imposed by subsection (a) if he determines that such liability would result in an undue hardship.

"(e)(1) For purposes of this section—

"(A) The term 'exempt amount' means, with respect to any individual for any calendar year, an amount equal to twice the income poverty guidelines for a household which consists of such individual, his spouse, and any dependent of the individual with respect to whom the individual is entitled to a deduction under section 151(e) of the Internal Revenue Code of 1954 for such calendar year. For purposes of the preceding sentence, the term 'income poverty guidelines' means the guidelines as calculated in section 5(c) of this Act.

"(B) The terms 'taxable year', 'adjusted gross income' and 'dependent' have the same meaning as such terms have when used in chapter 1 of the Internal Revenue Code of 1954.

"(C) The determination of marital status shall be made under section 143 of such Code.

"(2) In the case of an individual whose taxable year is not a calendar year, this section shall be applied under regulations prescribed by the Secretary.

"(f) All funds recovered pursuant to the provisions of this section shall be deposited as miscellaneous receipts of the Treasury and shall be available to the Secretary of the Treasury to defray administrative costs incurred in carrying out the provisions of this section and shall be available to the Secretary of Agriculture to carry out the provisions of this Act in such amounts as may be specified in appropriation Acts.

"(g) The Secretary (after consultation with the Secretary of the Treasury) shall by regulations prescribe the procedures for collecting any liability imposed by this section. Such regulations shall provide that—

"(1) where feasible, any such liability shall be collected by the Secretary of the Treasury in coordination with his responsibilities under other Federal laws, and

"(2) any liability not collected by the Secretary of the Treasury shall be collected by the Secretary.

Such regulations may provide that any such liability may be offset by any overpayment of a Federal tax to which the individual is entitled and such an offset shall be treated as a refund of such overpayment.

Redesignate the succeeding sections, and any references thereto, accordingly.

By Mr. McHUGH:

Strike section 1320 (at p. 111, line 23 ff) and renumber the following sections appropriately.

By Mr. MADIGAN:

Title IV, section 401, is amended by striking the word "If" as it appears on page 8, line 15, and page 9, line 2, and insert in lieu thereof the following:

"Effective only with respect to the 1978 and 1979 crops of wheat, if";

Title V, section 501, is amended by striking the word "If" as it appears on page 16, line 23, and page 17, line 10, and insert in lieu thereof the following:

"Effective only with respect to the 1978 and 1979 crops of feed grains, if";

Title VI, section 602, is amended by striking the word "If" as it appears on page 26, line 20, and page 27, line 1, and insert in lieu thereof the following:

"Effective only with respect to the 1978 and 1979 crops of cotton, if"; and

Title VII, section 704, page 32, line 5, immediately after the semicolon, insert the following new paragraph (6) and redesignate existing paragraph (6) as paragraph (7):

"(6) striking the word 'If' in the third and fourth sentences in paragraph (4) and insert in lieu thereof 'Effective only with respect to the 1978 and 1979 rice crops, if' ".

By Mr. MATHIS:

Add the following new title:

TITLE —CONGRESSIONAL REVIEW

"SEC. . (a)(1) Notwithstanding any other provision of this Act, simultaneously with promulgation or repromulgation of any rule or regulation, the agency promulgating or repromulgating the rule or regulation shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), the rule or regulation shall not become effective, if—

"(A) within 90 calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: 'That Congress disapproves the rule or regulation promulgated by dealing with the matter of , which rule or regulation was transmitted to Congress on .', the blank spaces therein being appropriately filled; or

"(B) within 60 calendar days of continuous session of Congress after the date of promulgation, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within 30 calendar days of continuous session of Congress after such transmittal.

"(2) If at the end of 60 calendar days of continuous session of Congress after the date of promulgation of a rule or regulation, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule or regulation, and neither House has adopted such a resolution, the rule or regulation may go into effect immediately. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House had adopted such a resolution, the rule or regulation may go into effect not sooner than 90 calendar days of continuous session of Congress after its promulgation unless disapproved as provided in paragraph (1)(A).

"(b)(1) The agency may not promulgate a new rule or regulation identical to one disapproved pursuant to this section unless a statute is adopted affecting the agency's powers with respect to the subject matter of the rule or regulation.

"(2) If the agency proposes a new rule or regulation dealing with the same subject matter as a disapproved rule or regulation, the agency shall comply with the procedures required for the issuance of a new rule or regulation."

By Mr. NOLAN:

TITLE IV—WHEAT

Page 6, strike out line 24, and page 7, strike out lines 1 and 2 and insert in lieu thereof the following: "100 per centum of parity, except that—

"(1) if such minimum loan rate for a given year is less than 80 per centum of the average price received by farmers in the United States during the three-year period preceding the scheduled date for the announcement of the rate, then the loan rate for that year shall be not less than 80 nor more than 90 per centum of the three-year average farm price, as the Secretary determines appropriate to accomplish the purposes of this Act, unless the rate so determined exceeds 90 per centum of the then average price received by farmers in the United States, taken over the preceding ninety days, in which case

"(2) the loan rate shall be the higher of (i) 90 per centum of such current average price received by farmers in the United States, or (ii) the aforementioned minimum loan rate for that year."

TITLE V—FEED GRAINS

Page 14, strike out lines 19 through 22, and insert in lieu thereof the following: "per bushel for each of the 1978 through 1981 crops, except that

"(1) if such minimum loan rate for a given year is less than 80 per centum of the average price received by farmers in the United States during the three-year period preceding the scheduled date for the announcement of the rate, then the loan rate for that year shall be not less than 80 nor more than 90 per centum of the three-year average farm price, as the Secretary determines appropriate to accomplish the purposes of this Act, unless the rate so determined exceeds 90 per centum of the then average price received by farmers in the United States, taken over the preceding ninety days in which case

"(ii) The loan rate shall be the higher of (i) 90 per centum of such current average price received by farmers in the United States, or (ii) the aforementioned minimum loan rate for that year."

Page 2, insert the following immediately after line 13:

"SEC. 102. Section 101 (4) of the Agricultural Act of 1970, as amended, is renumbered as section 101 (5) and the new section 101 (4) is added as follows:

"(4) No payments shall be made under the annual programs established under the Agricultural Act of 1949, as amended, for the 1978 through 1981 crops of wheat, feed grains, upland cotton, and rice to;

"(a) a corporation, partnership, or other legal entity comprised of more than one person if a majority interest in such legal entity is held by stockholders, partners, or persons who themselves are not engaged in farming operations as a sole proprietorship;

"(b) a trust or similar arrangement established by a person who would not have been eligible for payment under this subsection;

"(c) The provisions of this subsection shall not prohibit program participation by:

"(i) Any farmer-owned and controlled cooperative, corporation, or association which meets the requirements of the Act entitled "An Act to authorize association of producers of agricultural products", approved February 18, 1922 (42 Stat. 388, 7 USC 291–292, the Capper-Volstead Act) or as defined in section 15(a) of the Agricultural Marketing Act of 1929 (49 Stat. 317: 12 USC 1141).

"(ii) Any family farm corporation founded primarily for the purpose of earning income from agricultural production. A majority of the shares must be held by, and a majority of the shareholders must be, close relatives. To qualify, a farm must be lived on or actively operated by one of the related family member stockholders.

"(iii) An organization described in section 501(c)(3) of the Internal Revenue Code of 1954 and exempt from tax under 501 (a) of such Code."

By Mr. NOWAK:

Page 16, line 25, redesignate subsection "(h) as "(h)(1)";

Page 17, following line 12, add the following:

"(2) The Secretary shall require each State to submit a plan of operation for providing food stamps for households that are victims of a disaster. Such plan shall include, but not be limited to, procedures for informing the public about the program and how to apply for benefits, coordination with Federal and private disaster relief agencies and local government officials, application procedures to reduce hardship and inconvenience and deter fraud, and instruction of caseworkers in procedures for implementing and operating the disaster program;

"(3) The Secretary shall establish a Food Stamp Disaster Task Force, to assist states in implementing and operating the disaster program. The task force shall be available to go into a disaster area and provide direct assistance to state and local officials after the Secretary has determined that a disaster exists."

By Mr. ROSE:

On page 5, line 8, insert the following:

SEC. 206. Sec. 203(c) of the Agricultural Marketing Act of 1946 is amended by inserting immediately before the period at the end thereof the following semicolon (;): "; *Provided*, That within 30 days of enactment of the Agriculture Act of 1977, the Secretary of Agriculture shall by regulation adopt a Standard of Quality for ice cream which shall provide that ice cream shall contain at least 1.6 pounds of total solids to the gallon, and weighs not less than 4.5 pounds to the gallon, and contains not less than 20 percent total milk solids, constituted of not less than 10 percent milkfat nor less than 10 percent Non Fat Milk Solids, of which whey shall not, by weight, be more than 25 percent. Only those products which meet the standard issued by the Secretary shall be entitled to be called "ice cream." ".

On page 5, line 8, insert the following:

SEC. 206. Section 203(c) of the Agricultural Marketing Act of 1946 is amended by inserting immediately before the period at the end thereof, the following "; *Provided*, That within 30 days of enactment of the Agriculture Act of 1977, the Secretary of Agriculture shall by regulation adopt a Standard of Quality for ice cream which shall provide that ice cream shall contain at least 1.6 pounds of total solids to the gallon, and weighs not less than 4.5 pounds to the gallon, and contains not less than 20 percent total milk solids, constituted of not less than 10 percent milkfat nor less than 10 percent Non Fat Milk Solids, of which they shall not, by weight, be more than 25 percent. Only those products which meet the standard issued by the Secretary shall be able to bear a symbol thereon indicating that it meets the USDA standard for 'ice cream.' ".

Offered by Mr. WEAVER:

Page 77, line 8, after the semicolon, strike out "and".

Page 77, line 11, strike out the period and insert in lieu thereof "; and" and, after such line, insert the following new paragraph:

(13) establish a new program of research and extension concerning genetics, nutrition, reproduction, disease, and health care of dairy goats and concerning marketing of milk and milk products produced by dairy goats.

H.R. 7940

By Mr. JEFFORDS:

On page 42 of H.R. 7940, strike out lines 12 through 15 and insert in lieu thereof the following:

(k) Notwithtanding any other provision of law, the Secretary, in accordance with arrangements entered into with the Secretary of Health, Education, and Welfare, may pay (or upon the request of the highest officer of a State, shall, in such State, pay) qualifying households—

SENATE—*Monday, July 18, 1977*

(Legislative day of Wednesday, May 18, 1977)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the 42d Psalm, first verse:

"As the heart panteth after the water brooks, so panteth my soul after Thee, O God, My soul thirsteth for God, for the living God: . . ."

Let us pray:

O God who hast made us for Thyself so that our hearts are restless until they rest in Thee, we come to Thee thirsting for that life-giving water which comes from Thee, and from Thee alone. In the reverent silence of this moment may Thy Spirit find its way into our souls. However busy we become, however crowded the hours or stressful the day, help us to make time for contemplation and meditation—not apart from the world but in the midst of daily work. Created in Thy image, help us to live so as to reflect that divine birthright.

In Thy holy name we pray. Amen.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, July 15, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no further use for my time.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I ask unanimous consent that the time allocated to the minority leader be allocated to that already assigned to the Senator from Nebraska.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Nebraska (Mr. CURTIS) is recognized for not to exceed 30 minutes.

OPPOSITION TO ROBERT MENDELSOHN

Mr. CURTIS. Mr. President, I rise in opposition to the confirmation of Robert Mendelsohn as Assistant Secretary of the Interior for Policy, Budget, and Administration.

If confirmed, Mr. Mendelsohn will assume responsibility for the Interior Department's $4.3 billion budget. He would be one of the five highest ranking Interior Department officials who, Secretary Cecil Andrus has said, will serve as the department's "high command." He would have direct authority over such matters as personnel management and audit operations and would be in charge of the personnel who review environmental impact statements.

I am sure my colleagues would agree that such an important position calls for someone who is adept at handling money as well as accounting for it. In addition, I should expect this position to be filled by someone with an exceptional environmental record in view of the public standards announced by President Carter and Secretary Andrus.

It is my belief that Mr. Mendelsohn does not possess these qualities. Since his nomination serious questions have been raised which I wish to bring to the attention of my colleagues.

Some of these questions deal with large unpaid loans and bills for his unsuccessful 1974 race for State controller and contributions for other campaigns of his, as well as the circumstances under which the Mendelsohn campaigns received contributions and loans in the past.

Mr. Mendelsohn was elected to the San Francisco Board of Supervisors in 1967, then was reelected in 1971 and 1975. In 1974, he lost a race for the State Senate.

In November of 1971, he failed to report a $12,000 interest-free loan he got from R. K. Miller, head of the Pacific Gas & Electric Co.'s San Francisco operation, for use during his successful reelection campaign. Failure to report this substantial loan was in all probability a violation of the State's campaign law.

In late October 1971, a CORO Foundation intern, working in the Mendelsohn campaign, picked up the $12,000 personal check from Miller for the campaign. Mendelsohn said the check missed the procedure for logging in, because it had passed quickly to pay for advertising at the campaign's end. It may be of interest to my colleagues that Earl Rouda, Mendelsohn's campaign treasurer, told a San Francisco newspaper he knew nothing of the existence of the P.G. & E. check, or the loan.

On November 2, 1971, Mendelsohn filed his campaign statement with the registrar's office. He said he read the face sheet, but not all the back pages, before it was filed. He said he did not notice the omission of the $12,000 loan of the week before. In June 1973 the CORO intern, who had earlier noticed the omission of the Miller loan on Mendelsohn's campaign statement, mentioned the violation to a local political figure, and word of the loan began to surface.

Mendelsohn stated that, in July, while he was on vacation in France his campaign volunteers—in the course of preparing to pay off back debts—discovered that the loan had never been reported. They informed him of this on August 19, 1973.

On or about August 30, Mendelsohn went to Sacramento and, according to Mendelsohn, talked to Ed Arnold in the Secretary of State's office about amending his campaign statement. During the week of September 24, the CORO intern wrote Mendelsohn informing him he intended to go to the Secretary of State if Mendelsohn did not correct his campaign statement. After a hearing with Judge Joseph Karesh, Mendelsohn received permission to file an amended campaign statement. The amended statement included the loan, 18 previously unreported guarantors of other campaign loans, and $63,805 in previously unreported late-coming contributions.

On March 31, 1977, Mendelsohn filed a campaign statement that said he owed $285,321 from his past elections. But, he later stated there were errors in the disclosure statement and the true figure was about $150,000.

In a May 17, 1977, article appearing in the Los Angeles Times a friend of Mendelsohn's explained the deficit. The friend's analysis showed Mendelsohn owed $23,000 in personal notes to contributors, $27,000 in campaign related bank loans, his committees owed $119,000 in IOU's; $16,000 in campaign bills were unpaid and $25,000 was owed to a political consultant. This totals $210,000.

Mendelsohn said, according to the Times, that he won forgiveness of some of these debts months ago but had forgotten to report the forgiveness transactions. He said amended reports would show these transactions. He said the oral agreements to forgive loans and bills due make the actual amount around $150,000.

Mr. Mendelsohn made no public correction and did not file an amended report until the evening of his May 20 Senate hearing. Mr. President, how can we possibly confirm a man who makes over $100,000 worth of mistakes on his campaign finances as Assistant Secretary for Policy, Budget, and Administration?

According to a New York Times May 9 story, Mendelsohn held a reception and dinner in San Francisco to reduce his debts. He contended he raised enough money to reduce his total debt to $40,000.

Later it was disclosed that the fundraiser had produced only $10,000 in cash, and that $100,000 had been obtained in writeoffs from persons he owed. The largest writeoff was from his campaign publicists in the amount of $24,984. The writeoff I found most interesting, however, was by a Mrs. Max Drob, a Pacific Telephone operator in San Pedro. She forgave at least $8,500 and the Interior Department shows her forgiveness as $15,000. Pacific Telephone must pay very high salaries to its operators.

There seems to be little documentation as to how the debt, be it $285,321 or $150,000, was reduced to $40,000. And in fact, Mendelsohn testified before the Senate Energy and Natural Resources Committee that the amount of the remaining debt was $68,000.

Mr. President, I would like to read a portion of these hearings wherein Mr. Mendelsohn tries to explain the situation:

Chairman JACKSON. The other question then discussed in the press is that you reported a campaign deficit last fall which was substantially larger than your actual deficit. Will you explain the reasons for this discrepancy?

MENDELSOHN. There had been forgivenesses that we had not yet reported because the appropriate time had not, in the committee's opinion arrived.

We had intended to have a fund raiser in the spring to try to put the bottom line to that comptroller deficit which is now three years old. During the two years ensuing from the '74 campaign, as we were paying off various loans and deficits, some of the creditors had indicated the willingness to forgive and had told us that they did.

I know that they had but they had not all yet been reported. It was the intention to report them in this final filing. That's the major reason for this discrepancy but there is another reason, too, and that is that there was an error in the filing.

The California filing requirements are incredibly complicated, Mr. Chairman, and most of this work has been carried out by volunteers because I don't maintain a continuing public accountant on a professional basis to do this. A basic mistake had been made early on, that continued and that is, you list in two separate places loans, both as a contribution and also as an accrued expense. A mistake was made and a $60,000 accumulation of loans was listed twice. So it made it appear that the deficit was in fact $60,000 more than it was but that error was discovered.

So the short answer to your question, Mr. Chairman, is that the difference between what was reported in the press as the deficit and what the deficit actually was, was loan forgiveness that had not yet been reported and which has now been reported and that one entry of the same thing in two places because it appeared to be required.

Chairman JACKSON. How much was that discrepancy?

MENDELSOHN. Approximately $130,000, given the loan forgivenesses that were not yet reported.

The seriousness of these discrepancies caused the California Political Practices Commission to undertake a complete audit on Mr. Mendelsohn.

Mr. President, a further controversy exists. Mendelsohn served on the North-Central Regional Coastline Commission and was its representative to the State coastal commission until recently when the regional agency voted to replace him. The action was occasioned by Mendelsohn's pending move to Washington and complicated by a dispute over his actions on the State commission.

According to the Los Angeles Times, a fellow coastal commissioner who asked not to be identified, said Mendelsohn should not hold the job under the circumstances because, in the commissioner's opinion, Mendensohn is overly favorable to development interests. The controversy involved a 1,625-unit housing development called Bodega Harbour proposed by Transcentury Properties, Ltd., a subsidiary of the Potlatch Corp.

Mendelsohn initially voted against allowing Transcentury an exemption from Coastal Commission controls for 336 units on which work had begun before voters passed the coastal initiative in November 1972.

In an interview in April 1977, with the Los Angeles Times, Mendelsohn stated:

I would have liked to have denied them the right to proceed, I didn't feel they should have had anything.

However, Mendelsohn advocated a settlement that many say was favorable to the developer and spoke with other commissioners in an effort to win their support.

One former close friend described Mendelsohn as an advocate whose desire to get the settlement was "fierce."

Lane, the Coastal Commission chairman, said:

There was no question Bob was working very hard on a settlement. It was obvious to everyone.

Mendelsohn's advocacy was such that Dr. Brad Lundborg, who replaced Mendelsohn as the regional representative on the State commission said he regarded Mendelsohn's actions as "outside the proper scope of a commissioner's duties."

Lundborg said he was concerned that Mendelsohn's actions "represented some interest, other than the regional commission's or the public's."

Mendelsohn said:

I don't deserve any damn criticism on Bodega Harbour. I worked hard to produce a good, fair settlement and anyone who is at all objective will recognize that.

Mendelsohn demanded that the Los Angeles Times interview Michael Fischer, who was executive director of the North-Central Regional Coastline Commission at the time of the Bodega Harbour housing controversy. Mendelsohn said Fischer would give a "fair, accurate, and unbiased" account of the supervisor's role in the Transcentury matter.

When interviewed later, Fischer said:

The settlement Mendelsohn advocated was one that Transcentury said would produce the greatest cash return for them.

Fischer said the Coastal Commission staff wanted additional homes built in a meadow away from the water, while Transcentury wanted to develop lots close to the ocean.

Mendelsohn, who has worked as a planning consultant, said one of the guiding principles he followed on the Coastal Commission was avoiding "stringing out development up and down the coast."

But Fischer said the settlement Mendelsohn advocated, and which was largely adopted, resulted in "lots spread out all

over the bluff, committing another half-mile of bluff and coastal terrace to that kind of sloppy development the commissions were created to prevent."

Mendelsohn said the way in which he sought to settle the Bodega Harbour dispute "certainly contributed" to the regional commission voting to oust him as its representative to the State Coastal Commission, an action which took place in January.

Mr. President, I would like to bring up one more piece of information from Mr. Mendelsohn's background.

On November 5, 1973, Supervisor Mendelsohn asked the San Francisco Board of Supervisors to adopt a motion to award a certificate of honor to a Mr. John Factor. Mr. Factor contributed $2,000 to Mendelsohn's 1974 controller race. The board voted to award this honor without knowing the identity of Mr. Factor. I would like to read a statement made by Supervisor Kopp 2 weeks after voting when he discovered the identity of Mr. Factor:

Had the identity of Mr. Factor, who is a resident of Los Angeles, been revealed to us by the maker of the motion (Mendelsohn), I can assure you that my vote would have been in the negative for this certificate of honor. I feel that we should have been given an explanation of the fact that Mr. Factor is a resident of Los Angeles and the same man who has been known for over fifty years as "Jake the Barber," a former Chicago mob figure, and a man well known to law enforcement authorities all over the country. I also feel that awarding a certificate to a person, whose reputation is less than honorable, is demeaning, not only to this Board but also to all of those deserving people to whom we have awarded certificates of honor in the past. I believe that the pride with which these certificates are both given and received has been tarnished by this action, and I regret having been made a part of it.

Mr. President, it is clear to me that Robert Mendelsohn is not the best person for this position. If he could not get his financial disclosure straight, how can he deal with the sums he must in the Federal Government? If there is even the slightest possibility he has acted in behalf of special interests he should not be confirmed. I believe that possibility exists. Mr. President, can we afford to have this man serve our country as Assistant Secretary of the Interior? I think not. Therefore, I urge my colleagues to join me in voting against this confirmation.

Mr. President, I read a portion of an article by James A. Finefrock, published in the San Francisco Examiner of July 12, 1977:

A secret $16,500 contribution may have been made to the Robert Mendelsohn campaign for state controller in 1974 by the developers of Bodega Harbour, court records indicate.

William Grader, a man who helped persuade Mendelsohn to make a run for the Democratic nomination for state controller, testified yesterday in Ukiah that he received a $16,500 check from Transcentury Properties Inc. and then channeled a like sum through three business firms into the hands of Bodega Bay restaurant owner Wanda Yankich. (Graders attorneys maintain all transactions were legitimate.)

Zankich then gave the money to her sister, Louise Drob, a telephone operator from San Pedro, who bought cashier's checks and delivered them the same day to Mendelsohn campaign headquarters in San Francisco, according to an affidavit filed by the state Fair Political Practices Commission in Mendocino Superior Court.

The FPPC is investigating whether Mendelsohn received laundered campaign contributions that have created a conflict of interest for him in his votes on the Bodega Bay issue as a member of state and regional coastal commissions.

Mendelsohn, a San Francisco supervisor, is President Carter's nominee for assistant secretary of the U.S. Department of the Interior. That nomination has been held up by the U.S. Senate until the FPPC completes its investigation.

Mr. President, I ask unanimous consent to have the article printed in the RECORD, as well as another article published in the San Francisco Examiner on July 17, 1977.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

DEVIOUS ROUTE OF MENDELSOHN GIFT

(By James A. Finefrock)

A secret $16,500 contribution may have been made to the Robert Mendelsohn campaign for state controller in 1974 by the developers of Bodega Harbour, court records indicate.

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Yesterday's testimony by Grader stemmed from his attempt to quash a subpoena issued by the FPPC for his financial records. Grader's attorney, Don Kates of San Francisco, claimed that many of those transactions were protected by the attorney-client privilege.

Superior Court Judge John J. Golden, on assignment from neighboring Lake County, said he would rule today or tomorrow on whether Grader must surrender the records.

Golden also refused the request of FPPC attorneys that yesterday's hearing be held in chambers and that certain documents, including the FPPC affidavit, be sealed.

FPPC attorneys had argued that "any substantial publicity concerning the facts being reviewed by the commission involving possible violations of the Political Reform Act might result in the withdrawal of Mr. Mendelsohn's nomination."

Grader, a Ft. Bragg fish wholesaler, told the court that he received a $16,500 check from Transcentury Properties in the spring of 1974 as an option to buy property owned in partnership by Grader on the Noyo River east of Ft. Bragg.

Grader testified he deposited that check to the account of the Skagit Co. (owned by Grader). Then, Grader said, Skagit gave a $15,000 check to the law firm of Peterson, Lonergan and Larson. (Robert Peterson and Thomas Lonergan were partners with Grader in the Noyo River property.)

The law firm, Grader said, then repaid him in a check for $15,000. Grader said he took that check, along with a $1,500 check drawn on the account of the Public Lands Association (another Grader business) payable to him and $500 in cash out of "my own pocket" and gave all it to Zankich.

Zankich, according to the FPPC affidavit, turned all the money and checks—a total of $17,000—over to Louise Drob.

According to Mendelsohn campaign records, Drob lent the Mendelsohn campaign $15,000 and contributed $1,500 outright on May 20, 1974.

Mendelsohn last night again maintained that he had no knowledge of the laundering scheme, if there was one. "The one thing we knew," he said, "was that Louise Drob had made a loan and a contribution."

Mendelsohn, from the fall of 1974 on, was a leading advocate for a settlement with Transcentury Properties Inc on the controversial Bodega Harbour development near the town of Bodega Bay.

Zankich, who served with Mendelsohn on the North Central Regional Coast Commission, was also a strong supporter of the project, located a few hundred yards down from the Tides Restaurant and Wharf, which she co-owns.

Last week a Sonoma County judge ordered Zankich to comply with a FPPC subpoena for her financial records. She was told to furnish the records within 30 days.

In the Sonoma County proceeding, an FPPC affidavit was ordered sealed, but in Mendocino County, Judge Golden insisted that it be open to public inspection.

The FPPC affidavit is the sworn statement of Richard Miller, an attorney for the FPPC's compliance division. According to an article in the Santa Rosa Press Democrat, the statement says there is a "strong possibility" that Drob's contributions to the Mendelsohn campaign may actually have been "monies belonging to Grader or others."

After years of wrangling, the Bodega Harbour development was approved in scaled down form in November, 1976 by the state coastal commission.

No formal accusations have been made by the FPPC against Mendelsohn or anyone else.

Mendelsohn referred to Grader as "one of my earnest supporters" and said he was one of the people who persuaded him in 1972 to run for state controller.

Grader, through his business concerns, made reported contributions and loans to the Mendelsohn for state controller campaign committee of $12,000 in 1974.

As an unpaid aide to former state Sen. Randolph Collier, Grader lobbied for the development of Bodega Harbour. Grader is also active in Democratic party politics. He was an unsuccessful congressional candidate in 1963, served as deputy director of the state Natural Resources Department, and as a member until 1974 of the North Coast Regional Coast Commission.

Neither Grader nor his attorneys could be reached for comment. Transcentury president William Chamberlain could not be reached.

A MONEY CLOUD OVER MENDELSOHN

(By James A. Finefrock)

Robert Mendelsohn switched his vote on Bodega Harbour after he received $16,500 in campaign contributions that according to court documents, may have been secretly made by the developer of the project.

Contributions to Mendelsohn's 1974 campaign for state controller and his record as

a member of two coastal commissions are being investigated by the state Fair Political Practices Commission. The San Francisco supervisor's nomination by President Carter to be assistant secretary of the Interior Department has been held up until that investigation is completed.

There has been no evidence presented that Mendelsohn, in his unsuccessful 1974 race, had knowledge of any contributions by Transcentury Properties Inc., developer of Bodega Harbour.

Mendelsohn denies he switched positions on the controversial development and says he felt no need to question the source of the $16,500 contributions.

Before the May 1974 contributions, Mendelsohn voted three times as a member of state and regional coast commissions to deny the application of Transcentury for exemption from the controls of the 1972 Coastal Zone Conservation Act, according to coast commission records reviewed by the Examiner.

After May 1974, Mendelsohn voted 10 times—often in the minority—in favor of the multimillion-dollar project near the sleepy fishing village of Bodega Bay in Sonoma County.

Mendelsohn did vote, before May 1974, to approve an exemption for the subdivision's first 336 lots, which virtually everyone concerned with the issue, including the state attorney general, agreed Transcentury was legally entitled to. On one occasion after May 1974, Mendelsohn voted against Transcentury on a procedural motion.

After May 1974, Mendelsohn acted as a strong advocate for Bodega Harbour, once persuading a reluctant commissioner to vote for the project and once proposing a plan of his own that was more generous to the developer than the plan ultimately adopted.

A coast commission staff report said that a plan of the size Mendelsohn suggested would "overwhelm" the village of Bodega Bay, and a deputy attorney general questioned the propriety of Mendelsohn's proposal.

The controversial Bodega Harbour project was one of the two largest developments—Sea Ranch was the other—to come before the coast commission in Northern California.

Its developer, Transcentury, a subsidiary of Potlach Corp., had secured county permits and had started building some of its proposed 1,650 homes before the 1972 Coastal Act took effect.

By January 1977—after four years of battles with coast commissions, court litigation, and the passage of special interest legislation—Transcentury had secured approval to build or sell lots for a 725-home project. Its investment then, according to Transcentury, exceeded $16 million.

Bodega Harbour proved to be a Hydra-headed monster for the coast commissions. It involved conflicting interpretations of the issue of coastal protection vs. the economic rights of developers. It included myriad designs and redesigns of the original proposal. It was shot through with political pressure and behind-the-scenes maneuvering.

Mendelsohn says his position on Bodega Harbour was clear.

"If the attorney general hadn't ruled in the spring of 1973 that Transcentury was legally entitled to exemption from coastal controls on 336 of the 1,650 lot. I wouldn't have given them anything because I don't like exemptions," he said last week.

On June 7, 1973, records show that Mendelsohn—on the advice of the attorney general—voted to grant Transcentury an exemption for 336 homes, but to deny the company's exemption claim for the remaining 1,314 homes.

The North Central Regional Coast Commission agreed with Mendelsohn by an 8–4 vote. (Both items were considered in a single motion.)

Commission member Wanda Zankich, later to become a key figure in the investigation into possible laundering of Mendelsohn campaign funds, voted against the motion. Zankich owns a restaurant and a complex of other businesses less than a mile from the development.

It was the last time—with the exception of one procedural motion—that she and Mendelsohn would vote on opposite sides of the Bodega Harbour issue.

On Sept. 5, 1973, Transcentury's appeal of the regional commission decision went before the state commission. Six state commissioners, including chairman Melvin Lane, voted to grant Transcentury an exemption for 226 homes, in additional to the original 336. Mendelsohn and four other commissioners voted against granting the exemption.

Seven votes were required for approval. A "yes" vote from Mendelsohn would have swung it.

The same day, Sept. 5, all 11 state commissioners voted to deny Transcentury an exemption for its entire 1,650-lot project.

Between September 1973 and September 1974, and for months after, the Bodega Harbour issue bounced around in the courts over the exemption question and whether the developer was proceeding with unauthorized work.

On May 20, 1974—two weeks before the June 4 Democratic primary—Louise Drob, a San Pedro telephone operator, walked into a Mendelsohn campaign office and contributed $16,500, Mendelsohn campaign records show.

Drob obtained that money, a Fair Political Practices Commission affidavit states, from her sister, Wanda Zankich, who served with Mendelsohn on the North Central Regional Coast Commission.

Zankich, the FPPC affidavit states, got the money from William Grader, a Ft. Bragg fish wholesaler and an outspoken supporter of Bodega Harbour.

Grader, according to his own testimony, got the money—a check from $15,000—from the law firm of Petersen, Lonergan & Larson. Attorney Robert Petersen testified in a sworn affidavit that the check was a repayment for money Grader had given him on behalf of Transcentury as an option to buy property.

The affidavit states Grader also gave Zankich a check for $1,500 drawn on the account of Public Land Association, which Grader controls, and $500 out of his own pocket. The affidavit also says Zankich gave Drob both checks and the cash. It quotes Zankich as saying Drob kept the $500 cash.

Mendelsohn lost the primary election for state controller in June and went back to his posts as a San Francisco supervisor and coast commissioner.

On Sept. 26, 1974, Transcentury returned to the regional commission—this time to seek a permit for completion of its 1,850-lot project. The company had been "directed" by Randolph Collier, then a state senator, to try again, said Transcentury president William Chamberlain, according to the minutes of the meeting.

Despite some commissioners' complaints that Transcentury's proposal was a "waste of time," the matter was carried over to the commission's Oct. 24 meeting, partly at Mendelsohn's suggestion.

At the Oct. 24 meeting, it was clear the Transcentury proposal had little chance. (Five of 11 commissioners had voted to kill it Sept. 26—eight votes were required for approval.)

Mendelsohn was late for the Oct. 24 meeting. At the request of Zankich, the commissioners postponed voting on Bodega Harbour until Mendelsohn arrived.

When commissioner Bradford Lundborg questioned whether that was fair to other applicants, Zankich, according to meeting minutes, responded: "Whether or not it's fair to others. I always have felt it's fair when the fate of people is on the line."

Mendelsohn arrived shortly after 10 a.m. After discussion and two procedural votes on Transcentury's permit request, Mendelsohn offered his own plan: A reduction in the number of lots to 956. He outlined how they might be apportioned among the five areas of the subdivision.

Deputy Atty. Gen. William Chamberlain (no relation to the Transcentury president) questioned the propriety of Mendelsohn's plan.

"It's up to the applicant to bring an application before (the commission)," Chamberlain said, according to meeting minutes. "I don't think it's proper for the commission to do what you're attempting to do."

Zankich said she had worked out "some really quite similar conditions" to Mendelsohn's, according to the minutes. She said she also wanted to add approval of the golf course, stages of the sewage plant and some model homes.

"I would agree to that," Mendelsohn said.

Commissioner Gary Giacomini pointed out that Mendelsohn's proposal far exceeded the commission's staff recommendation. Staff argued that a development larger than 400 units (only 64 more than had already been approved) would "overwhelm" the historic, 188-household fishing village of Bodega Bay.

The report, prepared by regional commission executive director Michael Fischer, said, "if (Bodega Harbour) were being presented afresh to the commission . . . there is virtually no question that a complete rejection would be in order. The nature, design and location of this kind of use on the open agricultural hillsides surrounding the village of Bodega Bay would be totally inappropriate and undesirable. However, we are not starting out with a clean slate . . . Unit 1 (336 lots) has been developed."

Arguing for a limit of 400 homesites at Bodega Harbour, Fischer said any heavier development would "virtually close" Highway 1 to outsiders and "threaten to overwhelm (Bodega Bay) visually, socially and economically."

A straw vote on Mendelsohn's 956-lot proposal failed. Six commissioners voted for it, seven against.

After the straw vote, a motion on whether to vote on the full 1,650-lot Transcentury proposal was defeated 9–4. Zankich voted "aye"; Mendelsohn "nay." It marked the only time after May 1974 that Mendelsohn voted against Transcentury.

In the 10 months following October 1974, a number of other Bodega Harbour proposals were developed.

On Aug. 14, 1975, Transcentury sought and won regional commission approval for a plan that would allow a total of 750 lots at Bodega Harbour.

The commission, on a motion by Mendelsohn, had voted to consider a plan favorable to Transcentury instead of the one commission staff preferred.

"The most important difference (in the two plans)," says Chamberlain, the deputy attorney general, "is that in the option (favored by staff), all units on the south side of Pinnacle Gulch would be moved to the north side."

But that also would have cost the developer money—the area south of Pinnacle Gulch contained "the most profitable lots close to the ocean," Transcentury said.

The option favored by Mendelsohn—and largely incorporated in the final Bodega Harbour settlement—resulted in "lots spread out all over the bluff, committing another half mile of coastal terrace to that kind of sloppy development the commissions were created to prevent," Fischer said recently.

The motion on the option that Mendelsohn championed failed by a single vote when commissioner Robert Theiller abstained because he, as a Sonoma County supervisor, wanted the county to review the plan.

Mendelsohn convinced him to change his vote to "aye," assuring the plan's approval. The commission's minutes say:

Mendelsohn: "It would seem to me that, with a statement that you would want to have an opportunity to revise it at the local level, procedurally it would be better to vote for the permit."

Theiller (after some discussion), "I'll change my abstention to yes, but I want the record to clearly show that I'm not in total agreement with the conditions . . ."

The vote was 8–5—eight votes needed to pass.

That might have settled the Bodega Harbour issue, but the Sierra Club appealed to the state commission.

On Dec. 3, 1975, the state commission passed a modified plan allowing Bodega Harbour 725 lots. Because of the modification, the plan was sent back to the regional commission for concurrence.

That never came. Three times—Dec. 11, 1975, Jan. 8, 1976, and again Oct. 30, 1976—the regional commission refused to support the state plan, though Mendelsohn and Zankich supported it each time.

Each vote was close, and the day before one vote, the Sonoma County Board of Supervisors replaced Theiller as one of its representatives to the regional commission to assure the state plan's defeat.

On Oct. 30, 1976—only hours after the last regional commission turndown of the state plan—Gov. Brown signed into law special interest legislation (passed by a two-thirds vote of both the Assembly and Senate) that allowed the state commission to act unilaterally on Bodega Harbour.

Although the regional commission opposed the state plan, Mendelsohn—as the regional commission's representative to the state coast commission—voted for passage of the 725-lot state plan on Nov. 4, 1976.

The full state commission concurred, by an 8–2 margin, and Bodega Harbour was finally settled.

Grader and Zankich are under court order to hand over their business records to the FPPC. An FPPC supboena has also been issued for Drob's records.

HE DENIES VOTE SWITCH

"I never switched my vote on Bodega Harbour," Robert Mendelsohn said last week.

"Comparing an exemption vote with a permit vote or a settlement (of litigation) vote is like comparing apples and oranges," he told the Examiner in a phone interview.

"In the ultimate settlement on Bodega Harbour, we got 550 acres of public open space and a mile of beach-front land that would have been lost with an exemption," he said.

"Eight of 10 state coast commissioners voted for the final settlement and an overwhelming majority of state legislators voted to allow us to do that. That should tell you something," he said.

Mendelsohn insists that his position on Bodega Harbour was consistent from beginning to end: That he opposed any exemption for the development, and then sought to find a compromise acceptable to all.

"All of us on the state and regional commissions were stingy with exemptions," Mendelsohn said, "and rarely gave them because they didn't give us the opportunity to impose conditions on the developer."

Mendelsohn said his vote has never been influenced by campaign contributions. He said he had no knowledge that any of his campaign funds may have come from anyone other than the reported donor.

"All I know," Mendelsohn said of the May 1974 contribution, "is that Louise Drob walked into my campaign office and made a contribution. I was very pleased, just as I am with any contribution."

On his proposal to allow 956 units at Bodega Harbour at a time coast commission staff said a development that large would "overwhelm" the nearby town of Bodega Bay, Mendelsohn said:

"It seemed to me at the time that 956 units made sense. It still does. I simply disagreed with that staff report, as I disagree with many staff reports.

"There's nothing dark and nefarious about this. My position on Bodega Harbour was similar to my position on projects up and down the coast."

Mendelsohn denies that his persuading fellow Commissioner Robert Theiller to change his vote from "abstain" to "aye" in August 1975 was improper.

LAUNDRY ROUTE?

How the money may have traveled from the developer of Bodega Harbour to the Robert Mendelson campaign for state controller in May 1974, according to a Fair Political Practices Commission affidavit and the testimony of William Grader.

$16,500 check from William Chamberlain, president of Transcentury Properties, Inc. (TCP) developers of Bodega Harbour.

TCP check given to Grader, deposited to account of Skagit Trading Company, a firm controlled by Grader, in May 1974.

Check from Skagit for $15,000 given to Fort Bragg law firm of Petersen, Lonergan & Larson. It represented, Grader told Petersen, TCP money for an option to purchase land owned by Petersen, Lonergan & Grader, another partnership.

Grader, according to Petersen, says TCP deal has fallen through; asks for a repayment. On May 20, 1974, a check is issued in Grader's name from Petersen, Lonergan & Larson.

Grader takes that check for $15,000, adds a second check for $1,500 from Public Land Association, (which Grader controls) and $500 "from his own pocket." He delivers all of this to Wanda Zankich at her Tides Restaurant in Bodega Bay, May 20, 1974.

Zankich gives the checks and cash to her sister, Louise Drob. The sisters drive to the Bank of America branch in Sebastopol where Drob gets two cashier's checks—one for $15,000; the other for $1,500. She pockets the $500 cash. May 20, 1974.

The sisters drive to Mendelsohn for Controller campaign headquarters in San Francisco. Drob contributes the $1,500 cashier's check and makes a loan with the $15,000 cashier's check. Campaign records show the date as May 20, 1974.

Drob later forgives virtually the entire loan.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

LABOR-MANAGEMENT RELATIONS—MESSAGE FROM THE PRESIDENT—PM 96

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I am transmitting to Congress proposals to make the laws which govern labor-management relations work more efficiently, quickly and equitably.

I have pledged to make Federal regulatory agencies more responsive to the people they serve. Government regulation only works well if it is fair, prompt and predictable. Too often this has not been the case with the regulatory process that governs collective bargaining and labor-management relations. Our labor laws guarantee employees the right to choose freely their representatives, and to bargain collectively with employers over wages, fringe benefits and working conditions. But legal rights have limited value if many years are required to enforce them.

The National Labor Relations Board (NLRB) administers our labor laws. In recent years there has been growing agreement that those laws should be amended to ensure that the Board can function more effectively to protect employees rights. While the great majority of employers and unions have abided by the labor laws, a few have unfairly abused the procedures and practices under which the Board must operate.

As a result, the American Bar Association, many Federal courts, and the NLRB's own Task Force each recently suggested ways to improve the Board's procedures. The NLRB's internal report, which proposed a number of administrative changes, has already produced some beneficial changes. But it seems clear that legislation is actually needed to enable the Board to administer the labor laws properly.

Unnecessary delays are the most serious problem. In even the simpler cases, the NLRB typically takes almost two months to hold an election to determine whether workers want union representation. The enforcement of Board decisions is also subject to unnecessary delay: lengthy proceedings before the Board and extended litigation can sometimes delay final action for years.

The problem of delay has been compounded by the weakness of the Board's remedies. One of the reasons the regulatory process has worked so slowly is that a few employers have learned that, because of the problems the Board has in enforcing its decisions, delay can be less costly than initial compliance with the law. In one case, for instance, workers who were illegally fired for their

union activities in 1962 are still awaiting payment for lost wages.

Because of these problems, workers are often denied a fair chance to decide, in an NLRB election, whether they want union representation. The same problems often deny employers the predictability they too need from the labor laws.

To help reduce the problems of delay, and to cure a number of related problems with our labor laws, I am today recommending to the Congress a set of reforms for the National Labor Relations Act. These reforms are designed to accomplish three important goals:

—To make the NLRB procedures fairer, prompter, and more predictable.

—To protect the rights of labor and management by strengthening NLRB sanctions against those who break the law.

—To preserve the integrity of the Federal contracting process by withholding Federal contracts from firms that willfully violate orders from the NLRB and the courts.

I believe these goals can be met through the following changes in our labor laws:

An election on union representation should be held within a fixed, brief period of time after a request for an election is filed with the Board. This period should be as short as is administratively feasible. The Board, however, should be allowed some additional time to deal with complex cases.

The Board should be instructed to establish clear rules defining appropriate bargaining units. This change would not only help to streamline the time-consuming, case-by-case procedures now in effect, but would also allow labor and management to rely more fully on individual Board decisions.

The Board should be expanded from five to seven members. This change would enable the NLRB to handle better its increasing caseload.

The Board should establish procedures that would allow two members of the Board to affirm summarily the less complex decision of its administrative law judges. Similar procedures have already been adopted by the Federal courts of appeal.

All appeals of Board decisions should be required to be filed within 30 days of the Board's decision. If no appeal is filed, the Board should refer its orders to the courts for enforcement without further delay. This procedure is similar to that used by such other Federal regulatory agencies as the Federal Trade Commission.

When employers are found to have refused to bargain for a first contract, the Board should be able to order them to compensate workers for the wages that were lost during the period of unfair delay. This compensation should be based on a fixed standard, such as the Quarterly Report of Major Collective Bargaining Settlements published by the Bureau of Labor Statistics (BLS). Workers would be entitled to the difference between the wages actually received during the delay and those which would have been received had their wages increased at the average rate for settlements reported during that period, as recorded in the BLS index.

The Board should be authorized to award double backpay without mitigation to workers who were illegally discharged before the initial contract. This flat-rate formula would simplify the present time-consuming back-pay process and would more fully compensate employees for the real cost of a lost job.

The Board should be authorized to prohibit a firm from obtaining Federal contracts for a period of three years, if the firm is found to have willfully and repeatedly violated NLRB orders. Such a debarment should be limited to cases of serious violations and should not affect existing contracts. This restriction could be lifted under two conditions: if the Secretary of Labor determines that debarment is not in the national interest, or if the affected Federal agency determines that no other supplier is available.

Under current law, the Board is only required to seek a preliminary injunction against a few types of serious union unfair labor practices, such as secondary boycotts or "hot cargo" agreements. The Board should also be required to seek preliminary injunctions against certain unfair labor practices which interfere seriously with employee rights, such as unlawful discharges.

There are related problems that should also be reviewed by the Congress in this effort to ensure that our labor laws fulfill the promise made to employees and employers when the Wagner Act was passed 42 years ago—that working men and women who wish to bargain collectively with their employers, in a way fair to both, shall have a reasonable and prompt chance to do so. In that way, the collective bargaining system, which has served this country well, can be strengthened for the benefit both of American workers and employers.

I have asked the Secretary of Labor to work closely with the Congress in the months ahead to explore these and other possible ways of improving our labor laws.

I ask the Congress to move promptly to pass legislation implementing the reforms I have recommended.

JIMMY CARTER.

THE WHITE HOUSE, *July 18, 1977.*

MESSAGES FROM THE HOUSE

At 12:15 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that:

The House insists upon its amendment to the bill (S. 717) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. GAYDOS, Mr. DENT, Mr. MURPHY of Pennsylvania, Mr. CORNELL, Mr. ZEFERETTI, Mr. LE FANTE, Mr. MICHAEL O. MYERS, Mr. MILLER of California, Mr. SARASIN, Mr. BUCHANAN, Mr. SHUSTER, and Mr. QUIE were appointed managers of the conference on the part of the House.

The House disagrees to the amendments of the Senate to the bill (H.R. 1139) to amend the National School Lunch Act and the Child Nutrition Act of 1966 to revise and extend the summer food service program for children, to revise the nonfood assistance program, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. FORD of Michigan, Mr. ANDREWS of North Carolina, Mr. BLOUIN, Mr. SIMON, Mr. ZEFERETTI, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. LE FANTE, Mr. WEISS, Mr. HEFTEL, Mr. CORRADA, Mr. KILDEE, Mr. MILLER of California, Mr. QUIE, Mr. BUCHANAN, Mr. PRESSLER, Mr. GOODLING, Mrs. PETTIS, and Mr. PURSELL were appointed managers of the conference on the part of the House.

The House insists upon its amendments to the bill (S. 1377) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. DANIELSON, Mr. UDALL, Miss JORDAN, Mr. MAZZOLI, Mr. HARRIS, Mr. MOORHEAD of California, and Mr. COHEN were appointed managers of the conference on the part of the House.

The House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 2777. An act to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to self-help, not-for-profit cooperatives, and for other purposes.

At 3:18 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. BEVILL, Mr. BOLAND, Mr. WHITTEN, Mr. SLACK, Mrs. BOGGS, Mr. DICKS, Mr. SHIPLEY, Mr. CHAPPELL, Mr. MAHON, Mr. JOHN T. MYERS, Mr. BURGENER, Mrs. SMITH, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

At 6:25 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that:

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7557) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1978, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 15, 26, 27, 28, and 38 and concurs therein; and that the House

recedes from its disagreement to the amendments of the Senate numbered 12, 34, and 39 and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

The House agrees to the report of the committee of conference on the disagreeing votes of the two houses on the amendments of the Senate to the bill (H.R. 7556) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1978, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 32, 61, 62, 63, 64, 65, 66, 67, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, and 81 and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 33 and 52 and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-269. Assembly Joint Resolution No. 26 adopted by the Legislature of the State of California relative to telephone rates; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION No. 26

"Whereas, Monopolies are sanctioned in the American economic system only where competition is not feasible and, in such cases, government regulation is employed as a substitute for competition, although it is incapable of providing the full benefits of competition; and

"Whereas, There has always been significant competition in telecommunications in the United States, particularly after the expiration of the original telephone patents in 1893; and

"Whereas, Increased competition within the telecommunications industry and whether it has an effect on basic residential telephone rates is a matter of great public interest; and

"Whereas, Much discussion has been generated regarding the benefits of such competition to the users of telecommunications services, to the manufacturers of customer-provided devices, and to the public generally; and

"Whereas, It has been pointed out in this discussion that the widespread use of specialized common carrier services and customer-provided devices has not been shown to cause increased costs for residential telephone service, or to result in increased costs paid by the small business and residential customers, including persons in lower income groups and those on fixed incomes; and

"Whereas, It is the duty of every carrier serving California customers to furnish adequate, efficient, just, and reasonable service, instrumentalities, equipment and facilities, as are necessary to promote the safety, health, comfort and convenience of its patrons; and

"Whereas, It has come to the attention of the Members of the Legislature that the United States Congress has had under consideration legislation concerning possible limitations on competition in the telecommunications industry; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Members of the Legislature express their interest and concern regarding an investigation by Congress into telephone competition and interconnection; and be it further

"Resolved, That the Congress is requested to include in its deliberations a full inquiry into the possible economic impact of any action it may contemplate, with the view of assuring that its action will not have an adverse effect on telephone rates applicable to the general public and particularly to low-income individuals and small business, so that the public interest will be served; and be it further

"Resolved, That the Federal Communications Commission is requested to authorize competition in telecommunications only where it is feasible and in the public interest, and is urged to pay close attention to the effects of such competition on the various segments of the public concerned; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Federal Communications Commission."

POM-270. Senate Joint Resolution No. 2 adopted by the Legislature of the State of California relative to telephone competition; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION No. 2

"Whereas, Increased competition within the telecommunications industry and its effect on basic residential telephone rates is a matter of great public concern; and

"Whereas, Much discussion has been generated regarding the possible benefits of such competition to the large users of telecommunications services and to the manufacturers of customer-provided devices; and

"Whereas, It is pointed out in these discussions that the widespread use of private transmission services and customer-provided devices may cause increased costs for residual telephone service, with the result that much if not all the increased costs will, of necessity, be paid by the utilities' small business and residential customers, including persons in lower income groups and those on fixed incomes; and

"Whereas, It is the duty of every public utility serving California customers to furnish adequate, efficient, just and reasonable service, instrumentalities, equipment and facilities as are necessary to promote the safety, health, comfort and convenience of its patrons; and

"Whereas, It has come to the attention of the Members of the Legislature that the United States Congress has had under its consideration legislation concerning possible limitations on competition in the telecommunications industry; now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Members do hereby express their interest and concern regarding the Congress' investigation into telephone competition and interconnection; and be it further

"Resolved, That the Congress be requested to include in its deliberations a full inquiry into the possible economic impact of any action it may contemplate, with the view of providing complete assurance that its action will not have an adverse effect on telephone rates applicable to the general public, and particularly to low-income individuals and small business, so that the public interest will be served; and be it further

"Resolved, That the Federal Communications Commission is requested to delay full implementation of its policies fostering competition until Congress has had the opportunity to complete its investigation and to develop national policy; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States, and to the Federal Communications Commission."

POM-271. House Resolution No. 106 adopted by the House of Representatives of the State of Michigan memorializing the Congress of the United States to adopt legislation providing financial compensation to communities affected by the closing of military installations; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION No. 106

"Whereas, The economic contribution of military installations to the communities in which they are located is considerable; and

"Whereas, The closing of such installations can therefore severely cripple the economy of a community and, in so doing, make life harder for hundreds, even thousands, of citizens already pressed by our inflationary times; and

"Whereas, For that reason alone, the transition of such installations from military to civilian use is a desirable and necessary element in the realization and maintenance of a community's economic base; and

"Whereas, Current legislation unfortunately does not provide for specific financial compensation to the communities affected by the closing of a military installation in order to assist in such a transition; and

"Whereas, At least ten percent of the estimated ten-year cost savings as determined in the Department of Defense Environmental Impact Statement should be allocated to the community to assist in the transition from military to civilian use; now, therefore, be it

"Resolved by the House of Representatives, That the Michigan Legislature hereby memorialize the Congress of the United States to adopt legislation providing for the appropriation of funds to areas affected by the closing of military installations; and be it further

"Resolved, That such funds be allocated on a proportional basis to the various local units of government that are affected by the closing of the installations, as determined by the Department of Defense Environmental Impact Statement; and be it further

"Resolved, That a copy of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States, and to the Michigan delegation of the United States Congress."

POM-272. A petition from Mr. and Mrs. Charles Green, Frostproof, Florida urging the President and the Congress to do everything in their power to stop the surrender of the Panama Canal; to the Committee on Foreign Relations.

POM-273. A petition from Mrs. J. J. Jimenez, Los Angeles, California, urging the President and the Congress to do everything in their power to stop the surrender of the Panama Canal; to the Committee on Foreign Relations.

POM-274. A petition from Mrs. J. C. Trawick Sanford, Florida, urging the President and the Congress to do everything in their power to stop the surrender of the Panama Canal; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Committee on Appropriations with amendments:

H.R. 7797. An act making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1978, and for other purposes (Rept. No. 95-352).

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 2777. An act to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent the second time, and referred as indicated:

By Mr. HELMS (for himself and Mr. MORGAN):

S. 1876. A bill to amend the Internal Revenue Code of 1954 with respect to the net operating loss deduction allowable in the case of certain taxpayers; to the Committee on Finance.

By Mr. BENTSEN (for himself, Mr. TALMADGE, and Mr. DOLE):

S. 1877. A bill to amend Title XVIII of the Social Security Act to provide payment for rural health clinic services; to the Committee on Finance.

By Mr. SCHWEIKER (for himself, Mr. MCINTYRE, Mr. CHAFEE, and Mr. LAXALT):

S. 1878. A bill to encourage the States to establish cost and quality standards, and to provide incentives to contain inflationary rises in hospital costs, and for other purposes; to the Committee on Finance.

By Mr. HASKELL:

S. 1879. A bill relating to the authority of the Secretary of the Interior to grant rights-of-way for pipelines under the Mineral Leasing Act, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HELMS (for himself, Mr. GOLDWATER, and Mr. SCHWEIKER):

S. 1880. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to Article V of the Constitution; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. HUMPHREY, Mr. MOYNIHAN, Mr. MATHIAS, Mr. CLARK, Mr. RIEGLE, Mr. BAYH, Mr. MCGOVERN, Mr. WILLIAMS, Mr. KENNEDY, Mr. BROOKE, Mr. CHAFEE):

S. 1881. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

By Mr. GLENN (for himself and Mr. BAYH):

S. J. Res. 71. A joint resolution to authorize and request the President to issue annually a proclamation designating September of each year as "National Sickle Cell Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 708

At the request of Mr. CLARK, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 708, to amend title XVIII of the Social Security Act.

S. 1200

At the request of Mr. ABOUREZK, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1200, to amend the Consolidated Farm and Rural Development Act.

S. 1245

At the request of Mr. GRIFFIN, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1245, the Corrections Construction and Program Development Act of 1977.

S. 1421

At the request of Mr. MELCHER, the Senator from Michigian (Mr. RIEGLE) was added as a cosponsor of S. 1421, the Comprehensive Veterans Readjustment Assistance Act.

S. 1545

At the request of Mr. ABOUREZK, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1545, relating to the financing of water resource facilities.

S. 1766

At the request of Mr. RIBICOFF, the Senator from Arkansas (Mr. MCCLELLAN) and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 1766, the Federal Computer Systems Protection Act.

S. 1774

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS), the Senator from New Mexico (Mr. DOMENICI), the Senator from South Dakota (Mr. ABOUREZK), the Senator from South Carolina (Mr. THURMOND), the Senator from Tennessee (Mr. SASSER), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 1774, to amend the Internal Revenue Code.

S. 1854

At the request of Mr. TALMADGE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1854, to provide emergency assistance to producers suffering from the disastrous drought conditions in 1977.

S. 1872

At the request of Mr. CHURCH, the Senator from California (Mr. HAYAKAWA), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Florida (Mr. STONE) were added as cosponsors of S. 1872, to provide price support for sugar.

SENATE JOINT RESOLUTION 56

At the request of Mr. HUMPHREY, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of Senate Joint Resolution 56, the rural telecommunications policy measure.

SENATE JOINT RESOLUTION 67

At the request of Mr. ABOUREZK, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of Senate Joint Resolution 67, the initiative constitutional amendment.

SENATE RESOLUTION 222—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF REORGANIZATION PLAN 1

(Referred to the Committee on Governmental Affairs.)

Mr. RIBICOFF (by request) submitted the following resolution:

SENATE RESOLUTION 222

Resolved, That the Senate does not favor the reorganization plan numbered 1 transmitted to the Congress by the President on July 15, 1977.

AMENDMENTS SUBMITTED FOR PRINTING

REGULATION OF DETERGENTS IN THE GREAT LAKES—S. 1015

AMENDMENT NO. 519

(Referred to the Committee on Environment and Public Works.)

Mr. NELSON. Mr. President, I send to the desk an amendment which contains a series of refinements and technical corrections to S. 1015, legislation that establishes a limitation on the amount of phosphorus contained in detergents sold within the Great Lakes Basin. This legislation now has six cosponsors—Senators ANDERSON, HART, RIEGLE, BAYH, LEAHY, and PROXMIRE.

The PRESIDING OFFICER. The amendment will be received and appropriately referred.

DEFENSE APPROPRIATIONS, 1978—H.R. 7933

AMENDMENT NO. 520

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM (for himself, Mr. MOYNIHAN, Mr. HEINZ, Mr. HATHAWAY, Mr. CHAFEE, Mr. HUMPHREY, Mr. LUGAR, Mr. BROOKE, and Mr. CASE) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

AMENDMENT NO. 521

(Ordered to be printed and to lie on the table.)

Mr. ALLEN (for himself and Mr. SPARKMAN) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 7933), supra.

AMENDMENT NO. 522

(Ordered to be printed and to lie on the table.)

Mr. BELLMON submitted an amendment intended to be proposed by him to the bill (H.R. 7933), supra.

AMENDMENT NO. 523

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER (for himself and Mr. BARTLETT) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 7933), supra.

AMENDMENT NO. 524

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER submitted an amendment intended to be proposed by him to the bill (H.R. 7933), supra.

AMENDMENT NO. 525

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (H.R. 7933), supra.

AMENDMENT NO. 526

(Ordered to be printed and to lie on the table.)

Mr. HELMS (for himself, Mr. HUMPHREY, and Mr. NUNN) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 7933), supra.

AMENDMENT NO. 527

(Ordered to be printed and to lie on the table.)

Mr. ALLEN (for himself, Mr. GOLDWATER, Mr. SPARKMAN, and Mr. PROXMIRE) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 7933), supra.

NOTICES OF HEARINGS

HALFWAY HOUSES IN THE REHABILITATION OF ALCOHOLICS

Mr. HATHAWAY. Mr. President, a hearing by the Subcommittee on Alcoholism and Drug Abuse of the Human Resources Committee will be held on July 27 on the subject of the "Role of Halfway Houses in the Rehabilitation of Alcoholics."

The hearing will commence at 9:30 a.m. in room 1202 of the Dirksen Senate Office Building. The subcommittee will receive testimony from representatives of the administration, the Association of Halfway House Alcoholism programs, the Manhattan Bowery Project, Men's Service Center Halfway Houses, the Addiction Research Foundation, and independent halfway house directors.

As many of my colleagues are aware, this is a long unexplored area in the alcoholism treatment field. In this hearing we hope to examine several aspects of alcoholism treatment halfway houses: their funding, their efficacy—including cost-effectiveness—their function in the continuum of care process, as well as possible alternatives to halfway houses.

Questions about this hearing should be directed to Dr. Hal Hunter or Jeffrey Rosenthal of the subcommittee staff at 224–8386.

S. 1542—COUNCIL ON WAGE AND PRICE STABILITY

Mr. PROXMIRE. Mr. President the Committee on Banking, Housing and Urban Affairs previously announced that it would hold 2 days of hearings on S. 1542, which would amend the Council on Wage and Price Stability Act. Due to a need to change its schedule the committee will now hold hearings on a single day, July 19, 1977, to begin at 10 a.m. in room 5302 of the Dirksen Senate Office Building.

The committee shall receive the testimonies of six witnesses: Charles L. Schultze, Chairman, Council of Economic Advisers; Barry Bosworth, Director-designate of the Council on Wage and Price Stability; Andrew J. Biemiller, director, Department of Legislation, American Federation of Labor and Congress of Industrial Organizations; Louis G. Peloubet, controller of Union Carbide Corp., and representing the Business Roundtable; Albert Rees, director, in dustrial relations section and professor of economics, Princeton University, and Hendrik S. Houthakker, professor of economics, Harvard University.

Anyone interested in obtaining additional information about the hearings or desiring to submit comments for the record should contact Steven M. Roberts of the committee staff at (202) 224–0893.

LAW OF THE SEA CONFERENCE

Mr. METCALF. Mr. President, I wish to announce for the information of the Senate and the public the rescheduling of a public hearing before the Public Lands and Resources Subcommittee of the Senate Energy and Natural Resources Committee.

A hearing to receive testimony from Ambassador Elliot Richardson regarding negotiations at the recently adjourned United Nations Law of the Sea Conference, was originally scheduled for Thursday, July 21, 1977.

Due to a delay in the issuance of the current draft of the treaty, Ambassador Richardson will testify instead on July 26 at 10 a.m. in room 1318, Dirksen Senate Office Building, Washington, D.C.

For further information regarding this hearing, you may wish to communicate with Norm Williams of the subcommittee staff at 224–5249.

ENERGY CONSERVATION AMENDMENTS

Mr. JOHNSTON. Mr. President, the Subcommittee on Energy Conservation and Regulation of the Senate Committee on Energy and Natural Resources will hold hearings on Monday, July 25 and Tuesday, July 26 on proposed energy conservation amendments to the President's energy bill, S. 1469. These hearings will commence at 8 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from administration and selected private witnesses.

Questions about these hearings should be directed to Benjamin S. Cooper or James T. Bruce of the committee staff at 224–9894.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

DEFENSE APPROPRIATIONS, 1978

The PRESIDING OFFICER (Mr. DECONCINI). Under the previous order, the Senate will now proceed to the consideration of H.R. 7933, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. Time for debate on this bill is limited to 4 hours, to be equally divided between and controlled by the Senator from Arkansas (Mr. MCCLELLAN) and the Senator from North Dakota (Mr. YOUNG), with 1 hour on amendments in the first degree, except any amendments dealing with the B–1, on which there shall be 2 hours.

On any amendment deleting funds for the civilian firing range, there shall be 2 hours. On each of the following committee amendments there shall be 1 hour, unless the limitation is disapproved by the Senator from Alabama (Mr. ALLEN): two amendments resulting in the reduction of funds for the Civil Air Patrol; amendments resulting in the reduction of funds for the BMD program; and an amendment adding section 857 and any degree, debatable motion, appeal, or amendment changing appropriations occasioned by adding section 857, with 30 minutes on any amendment in the second point of order.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum. I ask unanimous consent that the time not be charged against either side on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STONE. Mr. President, I ask unanimous consent that Mr. George Patten, of the staff of Senator Chiles, and Mr. Barry Schochet, of my staff, be accorded the privilege of the floor during debate and votes on this defense appropriations bill.

The PRESIDING OFFICER. Without objection, it so ordered.

Mr. ALLEN. Mr. President, I ask unanimous consent that Mr. Carlton Betenbaugh and Mr. Fred Eiland, of my staff, be accorded the privilege of the floor during debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I ask unanimous consent that George Patten and Ron Chido of my staff be accorded the privilege of the floor during consideration of the defense appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, the time will not be charged.

Mr. ROBERT C. BYRD. Mr. President, let the time be equally charged.

The PRESIDING OFFICER. Without objection, the time will be equally charged.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, what is the pending order of business before the Senate?

The PRESIDING OFFICER. The clerk will state the pending business.

The assistant legislative clerk read as follows:

An act (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending Sept. 30, 1978, and for other purposes.

Mr. STENNIS. Mr. President, I have just had a conference in the corridor here with the Senator from Arkansas (Mr. McCLELLAN), who is chairman, as we all know, of the Appropriations Committee; and he is chairman also of the subcommittee. He and the Senator from North Dakota (Mr. YOUNG) held the hearings on this bill and started off on the writeup of it, assisted, of course, by other members of the committee from time to time; and the full committee also has passed on it.

Then we have had some special additional amendments from the committee, proposed after the bill was reported.

The Senator from Arkansas has asked me to proceed here for him as acting floor manager of the bill, especially for the time being, and I am glad to undertake to render any service that I can in that respect.

Therefore, I ask for the floor as floor manager of the bill, and will make the opening statement prepared for the floor manager, Mr. McCLELLAN, to make, and then I hope the Senator from North Dakota will also seek recognition.

Mr. President, at the suggestion of the Senator from West Virginia, our majority leader, I ask unanimous consent that the authority heretofore given by the Senate to the Senator from Arkansas (Mr. McCLELLAN) to have control of the time as floor manager of the bill be transferred for the time being to me.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STENNIS. I thank the Chair.

Mr. President, I will proceed now with the opening statement, and I hope that the Senator from North Dakota will then seek recognition.

Mr. President, the Committee on Appropriations has carefully considered H.R. 7933, the Defense Appropriations Bill, and recommends an appropriation of $111,094,847,000 in new budget authority for the Department of Defense for fiscal year 1978.

The figure of $111 billion to which I have just referred applies to the bill as reported to the Senate on July 1, 1977, however, the President's decision not to proceed with production of the B–1 strategic bomber has brought some changes which I shall now explain.

The fiscal year 1978 defense appropriations bill as passed by the House and reported by the Senate Committee on Appropriations includes $1,431,400,000 to procure five B–1 bombers with initial spares and advance procurement funds for future buys. On July 12, the Senate received a budget amendment related to the B–1 bomber program. The Committee on Appropriations met on July 13, and, by a vote of 10 to 5, recommended an amendment to delete $1,466,400,000 in B–1 aircraft and SRAM–B missile production funds. This is the amount in the reported bill which the President now asks be deleted.

So I intend to offer that committee amendment after the conclusion of my remarks and after the Senator from North Dakota has made his opening statement. I reiterate that the following remarks refer to the bill as reported prior to receipt of the B–1 budget amendment.

Many difficult funding choices were required in order to arrive at this recommendation, but we believe that it establishes a level of spending that will be adequate for our national security while it is commensurate with our available resources.

The Committee on Appropriations spent many hours examining the various programs submitted by the administration, and we have pruned the request of low-priority projects that are less vital to our national security than others.

While not all Members of the Senate will be content with every recommendation contained in the bill, the committee has tried to be prudent while meeting the challenges which face us.

Thus, Mr. President, I believe this bill deserves the support of the entire Senate and hope that it will be approved without crippling amendments.

OVERALL RECOMMENDATIONS

In addition to the $111,094,897,000 in new budget authority contained in this bill, the committee proposes transfers totaling $258,500,000, so that the amount actually recommended totals $111,353,397,000, as I have already mentioned. But, Mr. President, of this amount only $102,313,297,000 is available for real defense purposes since over $9 billion must go to pay for pensions for retired military personnel. Appropriations in the amount of $9,010 billion for retired military and $35,100,000 for the Central Intelligence Agency retirement fund are contained in this bill. This money—this $9 billion plus amount—contributes absolutely nothing to our military preparedness effort. It is not available to the Department for any purpose—not for procurement—not for research and development—nor for routine operation and maintenance.

I want to make that clear for the information of the press and the Members of the body. It is for retirement compensation only.

By division according to the services, our bill would provide $26,876,454,000 for the Department of the Army, $38,296,314,000 for the Navy Department, $32,572,266,000 for the Department of the Air Force, $4,293,813,000 for the defense agencies and related items, and $9,010,000,000 for retired military pensions.

By title, the committee's recommendations include: $25,915,724,000 for military personnel appropriations, $9,010 million for retired military personnel, $33,010,008,000 for operation and maintenance accounts, $31,833,767,000 for procurement, $11,108,548,000 for research and development, including the small foreign currency program, and $46,050,000 for the Central Intelligence Agency retirement fund and for miscellaneous other programs. This bill does not include funds for military construction. family housing, foreign military assistance, and civil defense—all of which are included in other appropriations bills.

RECOMMENDED REDUCTIONS

The $111,094,897,000 in new budget authority recommended in the bill for fiscal year 1978 is a reduction of $2,782,383,000, or 2 percent below the administration's budget request. It is $1,012,589,000 more than the House bill and $5,988,572,000, or 5.6 percent, above the amounts appropriated for the Defense Department in fiscal year 1977—including all supplementals. The bill recommended by the committee will result in outlays of $73,529 million in fiscal year 1978. These outlays, plus outlays of $28,017 million from prior year defense appropriations, will result in total defense outlays in fiscal year 1978 of $101,546 million.

MAJOR CHANGES FROM HOUSE BILL

There is a very large number of changes in the bill before the Senate when compared to the House bill. For convenience, the committee summarized and highlighted the major changes on pages 5 through 9 of its report. I shall insert those pages in the record following my statement, since they provide a convenient summary.

In order to convey to this body the magnitude of the task accomplished by the Committee on Appropriations, I am also including a table showing the number of line items acted on by the committee. The budget request contains 800 line items in military personnel and retired pay, 250 in operation and maintenance, 1,486 in procurement, and 769 in research and development. In all, 3,305 line items were reviewed.

Even these numbers do not reveal the total picture, for the operation and maintenance and military personnel accounts are further subdivided into numerous pieces, but I believe these numbers clearly demonstrate the high level of effort required. The House made adjustments in 550 programs, with reductions totaling $3,778,434,000 from the budget request they considered. The House bill is actually $1,012,289,000 below the budget request considered by the Senate committee. The committee reviewed every adjustment made by the House, and, of these reductions, restored $1,555,838,000 involving 178 programs.

In addition, the committee recommended other reductions totaling $559,787,000 below the House bill in 182 programs. Therefore, the net recommendations in the bill are $2,782,383,000 below the House bill, involving 732 line items, and there is a very significant difference in the mix of programs funded and in dollar amounts.

SUMMARY OF ITEMS IN THE BILL

The funds recommended in the committee bill buy two basic things—the day-to-day pay and operating costs of our military forces, and second, investment in new items of military equipment, including both research and development of new weapons and equipment, as well as actual procurement.

The bill includes recommendations of $58,925,732,000 for the pay and operating costs of active duty military, Reserve Forces, and Department of Defense civilians. This amount includes $25,915,724,000 for military personnel and $33,010,008,000 for operation and maintenance—which includes the pay for most of the civilian personnel.

In the first category, the recommended funds will pay for an active Army of 16 divisions and 6 separate brigades, a Navy with 462 commissioned ships in the active fleet and 3,712 active aircraft, 3 active Marine Corps divisions, each with an associated aircraft wing, and an Air Force with 9,253 aircraft and 1,054 ballistic missile launchers.

Manpower funded in this bill is: 2,058,042 in the Active Forces and 858,342 in the Reserve components, for a total of 2,916,384. In addition to the military manpower, funds are included for a total of $1,006,240 civilian employees of the Department of Defense. This is a reduction of 15,074 from the budget request and approximately 3,000 below the level in the authorization bill.

Now I shall turn to the second aspect of the purpose of funds in this bill: The development and procurement of new weapons and equipment for our Armed Forces. The committee recommends $42,939,835,000 for these programs, which are a key part of the modernization needed by our Military Establishment. This amount consists of $11,106,068,000 for research and development and $31,833,767,000 for procurement.

The committee recommends a total of $2,352,758,000 for Army research and development. This includes: $58.8 million for the ballistic missile advanced technology, $56.2 million for ballistic missile defense system technology, $24.2 million for a forward area air defense gun, $165 million for a utility tactical transport helicopter, $165 million for an advanced attack helicopter, $214 million for the Patriot surface-to-air missile system, and $117 million for the XM–1 tank.

A total of $4,029,114,000 is recommended for Navy research and development. This includes: $332 million for Trident missile, $210.3 million for the strategic cruise missile, $60 million for the advanced Harrier aircraft, $626.6 million for F–18 fighter aircraft, $29.7 million for the HARM antiradiation missile, $20 million for ELF communications, and $107.3 million for the LAMPS antisubmarine helicopter.

For Air Force research and development, the committee recommends $3,953,918,000. This includes: $134.4 million for intercontinental ballistic missile technology, $442.5 million for the B–1 bomber, $120 million for the air launched cruise missile, $100 million for AWACS aircraft, $192 million for the F–16 aircraft, $40.6 million for C–5 rewinging, $124 million for the space shuttle, and $60.6 million for defense satellite communications.

In the area of procurement, some of the major programs include the following:

For the Army, $17.2 million for 20 C–12 cargo aircraft; $194 million for 56 UTTAS utility tactical transport aircraft; $502.9 million for the procurement of 800 M60A3 tanks; $57.6 million in advance procurement funds for the new combat tank, the XM–1; $93.3 million for 509 improved Hawk missiles and six battery sets of ground support equipment; $77.7 million for 360 nonnuclear warheads and spares for the Lance surface-to-surface missile system; and $42.3 million to procure 445 Stinger air defense missiles.

For the Navy, the committee recommends: $107.4 million for the purchase of 12 A–7E attack aircraft; $28.7 million for 34 T–34C aircraft; $157.9 million for 12 A–6E attack aircraft; $129.7 million for six EA–6B electronic warfare aircraft; $623.4 million for 40 F–14A fighter aircraft; $29.3 million in advance procurement funds for the F–18 fighter aircraft; $21.6 million for the procurement of 22 CTX utility aircraft; $921.1 million for the Trident missile program; $81.6 million for advance procurement of the CVN nuclear aircraft carrier; $614 million for two DD–963 air capable destroyers; $1,490.3 million for the purchase of two Trident nuclear ballistic missile submarines; $278.5 million for the purchase of one SSN–688 class nuclear submarine; $180 million in advance procurement funds for the CGN–42 AEGIS cruiser; $930 million for one DDG–47 guided missile destroyer; and $1,205.3 million for eight FFG guided missile frigates. The committee also directs that prior year funds be used to fund five more patrol hydrofoil missile—PHM—ships to complete the six-ship program.

For the Air Force, the committee recommends: $652 million for 120 A–10 close air support aircraft; $1,523.7 million for 97 F–15A air superiority fighter aircraft; $1,152.4 million for 96 F–16 air combat fighters; $62 million for C–130H transport aircraft; $201 million for three AWACS aircraft; $25.6 million for the NavStar global positioning system; $83.2 million for the satellite data system; and $61.9 million for backup Titan IIID boosters. The committee also recommends approval of the F–15A production Eagle package.

The bill also includes $9,010 million for retired military personnel. There will be over 1,120,000 retired persons on the rolls in fiscal year 1978. The final items funded in the bill are $35,100,000 to meet the current unfunded liability of the CIA retirement pension fund, and $8,950,000 to support the intelligence community staff, an independent body responsible to the Director of Central Intelligence for oversight of the entire intelligence community and associated programs.

DEFENSE BILL IN RELATIONSHIP TO THE FIRST CONCURRENT RESOLUTION ON THE BUDGET

Mr. President, on page 12 of the committee report, there is a table comparing the amounts in the bill with the committee allocation of amounts in the first concurrent resolution for 1978. This bill is $1,905 million below the budget authority allocation and $2,154 million below the outlay allocation made by the Appropriations Committee to the Defense Subcommittee. I shall insert the table in the RECORD following my remarks. I must advise the Members that this is not as great a savings as it may first appear, since the committee currently expects to receive supplementals of $2.3 billion. This amount includes current estimates of the impact of pay raises for military and civilian personnel and miscellaneous other small items. If the total of this supplemental is added to the amounts recommended in the bill, total funds would be about $0.4 billion above the resolution in budget authority and $0.2 billion above the outlays. On the basis of past history, however, reductions will be made to the supplemental request, and the committee believes that amounts ultimately appropriated for the Department of Defense in fiscal year 1978 will be within the level contained in the first concurrent resolution.

DEFENSE IN COMPARISON WITH OTHER FEDERAL AGENCIES

Outlays for national defense have shrunk during the 10-year period 1968–78 from 44.4 percent of the total Federal budget outlays in fiscal year 1968 to 24.4 percent in the bill pending before you for fiscal year 1978.

Since fiscal year 1968, the cost of the Federal Government has gone up $284.1 billion—from $178.8 to $462.9 billion currently estimated by the Congressional Budget Office for fiscal year 1978. Of that total increase, only $33.8 billion, or 11.9 percent, is attributable to national defense spending. The remaining 88.1 percent or $250.3 billion, is attributable to nonmilitary functions and services such as human resources and general government.

Since fiscal year 1968, nondefense programs, including Federal outlays for human resource items—education, manpower, health—including medicare and medicaid, income security—including individual benefits—have increased from 55.6 percent of the total budget to 75.6 percent. In dollar terms, the increase in the last 10 years for nondefense functions was $250.4 billion, from $99.4 to $349.8 billion.

Thus, while national defense costs were rising by 42 percent over the past 10 years—from $79.4 to $113.0 billion—the total of other government expenditures was climbing from $99.4 to $349.8 billion—an increase of 251 percent.

And the defense share of both the total Federal budget and the gross national product continues to decline. In fiscal year 1978, for example, proposed national defense outlays will constitute only 23.7 percent of the total budget—down over 20 percent from the fiscal year 1968 level of 44.4 percent of the budget. Between 1968 and 1978, national defense outlays will decline from 9.6 percent of the gross national product to 5.6 percent. During this same period, outlays for the nondefense portion of the budget rose from 12.0 to 17.2 percent of the gross national product.

Moreover, defense spending has been rising far less rapidly than any other major item in the budget.

For example, during the past 10 years:

Federal aid to education, manpower, and social services jumped 284 percent, from $7.0 to $26.9 billion.

Income security programs increased 334 percent, from $33.7 to $146.5 billion.

Health services, including medicare and medicaid, increased by 359 percent, from $9.7 to $44.6 billion.

Interest on the national debt increased by 203 percent, from $13.7 to $41.7 billion.

I will insert a table that shows the detail of all these figures in the RECORD following my remarks.

CUTS IN DEFENSE COMPARED WITH CUTS IN OTHER AREAS

I would like to point out, Mr. President, that in fiscal year 1973, the year that Senator MCCLELLAN became chairman of the Senate Appropriations Committee, the Congress was able to reduce the regular Defense Department appropriation requests by $5.2 billion in budget authority. Between fiscal year 1973 and fiscal year 1977, we have reduced the Department of Defense request by $24.5 billion. The committee is recommending a cut of $2.8 billion in this bill.

Over the past 5 years, the Congress has cut the administration's total budget by $25.2 billion in regular appropriations bills. Of this total reduction, $24.5 billion was slashed from the defense budget, while only $0.7 billion of the total was cut from regular appropriations bills for all other Government agencies and departments.

Mr. President, I point out that the greatest percentage of reductions made in nondefense areas was made in foreign aid spending. A very small percent, indeed, Mr. President, of the total reductions in this 5-year period have been made from areas other than national defense and foreign aid. Many other agencies of the Government have had their appropriations increased over the President's budget.

With a cut of $2.8 billion from funds requested for defense recommended for this year, we will have reduced military spending by over $27 billion in the last 6 years. I will place in the RECORD a table showing these items following my remarks.

Mr. President, we live in a period of international tension and uncertainty. We must have a strong and ready defense force if we are to provide credibility to our foreign policy.

I ask unanimous consent to insert at this point the various tables and other material I have referred to previously.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SIGNIFICANT ITEMS AND MAJOR CHANGES TO HOUSE BILL

The Committee recommends the following major actions, particularly with respect to the House Bill:

MILITARY PERSONNEL

Military Personnel in Non-Appropriated Fund Activities—Recommends replacing with civilians the 14,000 military personnel currently serving in Non-Appropriated Fund Activities such as Post Exchanges and officers' clubs. These military personnel will be returned to military duties.

Transfer of Certain Reserve Functions from Pay Categories A and B to Pay Category D—Recommends against the House proposal to transfer Reserve Functions (Civil Affairs, Public Affairs, Law/Legal, Chaplains, and Research and Development) from 24 to 48 annual drills plus two weeks annual Active Duty Training, to Active Duty Training only.

Career Counselors—Recommends reducing funding for the full-time career counselor program in the Army National Guard. Supports a limited test of the full-time career counselor concept using existing resources.

Enlisted Aides—Recommends limiting number of enlisted aides for general/flag officers to a total of 150 for the Department of Defense.

RETIRED MILITARY PERSONNEL

Retired Pay—Recommends a general provision prohibiting retired military personnel employed by the Federal Government from receiving military retired pay. The provision applies only to new employees hired after September 30, 1977. The limitation does not apply to any military retiree whose annual retired compensation rate is less than $6,000 per annum as of September 30, 1977.

OPERATION AND MAINTENANCE

Base Operating Support—Recommends military and civilian reductions totaling $324 million base operating support as a result of the Subcommittee's base-by-base analysis of the cost of the day-to-day operating costs of military bases.

Commissary Clerk-Hire Subsidies—Recommends a three-year phaseout of the appropriated subsidy for commissary clerk-hire.

Inflation in Operating Accounts—Recommends reducing budget request of $1.2 billion by $500 million. Provides inflation factor only for military readiness items.

Materiel Readiness—Recommends increase of $146.1 million for depot maintenance overhaul of equipment to improve materiel readiness.

High School Completion Programs—Recommends elimination of high school completion programs not required as remedial preparation or for military occupational specialties. Continues all off-duty high school programs.

Consolidation of Undergraduate Helicopter Pilot Training—Recommends against consolidation proposed in the President's budget, and agreed to by the House.

Advanced Undergraduate Pilot Training—Recommends a general provision which prohibits the use of funds for the consolidation or realinement of advanced undergraduate pilot training squadrons of the Navy.

Elimination of Subsidy for Transportation for Exchange Goods Overseas—Eliminates a $70 million subsidy since it is not in accordance with present law.

Contracting Out—Recommends striking a House provision that prohibits the Department of Defense from contracting out for certain base support functions.

Secretary of Defense Readiness Fund—Recommends a new appropriation of $300 million to be used solely to improve military readiness.

Wage Board Employees—Recommends a general provision which prohibits pay raises that would cause pay of wage board employees to exceed prevailing rates in the private sector but stipulates that no employee's pay shall be reduced from current levels.

PROCUREMENT

Aircraft

Army: C–12A cargo aircraft—Adds $17.2 million for buy of 20 aircraft.

UTTAS utility tactical transport aircraft system—Sustains House in providing funds for buy of 56 helicopters.

Navy: A–7E attack aircraft—The House provided $92.5 million to buy 12 aircraft. Committee recommends the authorized amount of $107.4 million to fund buy of 12 aircraft and $5.0 million for advance procurement.

T–34C trainer aircraft—House provided no funds. Committee recommends authorized amount of $28.7 million to buy 34 aircraft.

A–6E attack aircraft—Sustains House in providing funds for procurement of 12 aircraft.

EA–6B electronic warfare aircraft—Sustains House in providing funds to buy 6 aircraft.

F–14A fighter aircraft—Sustains House in providing authorized amount of $623.4 million to buy 40 aircraft, $33.4 million for spares, and $132.3 million for advance procurement.

F–18 fighter aircraft—Sustains House in providing $29.3 million for advance procurement.

CTX utility aircraft—Sustains House in providing $21.6 million for procurement of 22 aircraft.

Air Force: A–10 close support aircraft—House provided $741.8 million to buy 144 aircraft, $48.7 million for advance procurement, and $30.2 million for spares. Committee recommends $652.0 million to procure 120 aircraft, $43.8 million for advance procurement, and $27.2 million for spares. Recommend total reduction of $97.7 million under House.

F–15 fighter aircraft—House provided $1,259.1 million to buy 78 aircraft and $69.6 million for advance procurement. Committee recommends program of $1,523.7 million for procurement of 97 aircraft and $69.9 million for advance procurement.

F–15 Production Eagle Package (PEP 2000) program—Committee recommends approval of the program.

B–1 strategic bomber—Sustains House provision of $1,172.6 million for buy of 5 aircraft, $120.8 million for spares, and $138.0 million for advance procurement.

F–16 air combat fighter—House provided $1,256.2 million to buy 105 aircraft, $208.8 million for spares, and $37.7 million for advance procurement. Committee recommends $1,152.4 million to buy 96 aircraft, $208.8 million for spares, and $37.7 million for advance procurement. Recommend reduction of $103.8 million under House.

C–130H transport aircraft—Sustains House provision of $62.0 million to buy 8 aircraft and spares.

E–3A AWACS aircraft—Sustains House allowance of $201.0 million to buy 3 aircraft, $12.8 million for spares, and $40.5 million for advance procurement.

Missiles

Hawk missile system—Sustains House provision of $93.3 million to buy 509 missiles and six battery sets of ground support equipment.

Lance missile system—House provided $65.0 million for non-nuclear warheads. Committee recommends authorized amount of $77.7 million to buy 360 non-nuclear warheads and spares.

Stinger missile system—House provided $34.0 million to buy 258 missiles. Committee recommends authorized amount of $42.3 million to procure 445 missiles.

Trident missile program—Provides full budget request of $921.1 million and $213.6 million for advance procurement.

NavStar Global Positioning System—House provided no funds. Committee recommends the authorized amount, $25.6 million.

Satellite Data System—Committee recommends authorization of $83.2 million.

Backup Titan IIID boosters—House provided no funds. Committee recommends authorized request of $61.9 million.

Navy ships

CVN nuclear aircraft carrier—House provided no funds. Committee recommends authorized amount of $81.6 million for advance procurement.

DD–963 destroyer (air capable)—House provided no funds. Committee recommends authorized amount of $614.0 million for two ships.

Patrol hydrofoil missile (PHM) ship—House concurred in DOD proposal to terminate the program. Committee directs prior year funds be used to fund five more ships and complete the six ship program.

Trident nuclear ballistic missile submarine—Sustains House buy of two submarines.

SSN–688 class nuclear submarine—Sustains buy of one ship.

CGN–42 AEGIS cruiser—Committee recommends $180.0 million for advance procurement.

DDG–47 guided missile destroyer—Committee recommends $930.0 million for first ship of new class.

FFG guided missile frigate—Committee recommends $1,205.3 million for procurement of eight ships.

Army tracked vehicles

M–60 series tanks—House provided $420.3 to buy 759 M60A3 tanks. Committee recommends authorized amount of $502.9 million to procure 800 M60A3 tanks.

XM–1 combat tank—House provided $37.0 million for advance procurement. Committee recommends authorized amount, $57.6 million.

RESEARCH, DEVELOPMENT, TEST AND EVALUTION

Army

Ballistic Missile Defense—Deletes $100,000,000 from the Ballistic Missile Defense program, leaving a total of $114,000,000.

Conventional Airfield Attack Missile—Restores $2,968,000 to begin development of an airfield attack missile in conjuction with Pershing II.

Advanced Forward Area Air Defense System—Restores $24,200,000 to continue development of an air defense gun.

Interim Scout Helicopter—Restores $7,500,000 to study a new scout helicopter and test an infrared device on a Cobra helicopter.

Food Research—Adds $3,000,000 for food research.

Tactial Surveillance System—Deletes $11,274,000 for tactical surveillance.

Navy

Defense Research Sciences—Restores $10,000,000 for Defense Research Sciences.

Surface Effects Ship—Restores the budget request of $43,949,000 to continue the Surface Effects Ship.

Tactical Airborne Signal Exploitation System (TASES)—Restores the budget request of $15,795,000 to continue development of TASES.

Hi-Speed Anti-Radiation Missile (HARM)—Restores $14,738,000 to the budget level of $29,738,999 for engineering development of HARM.

ELF Communications (Seafarer)—Restores $20,141,000 to continue Seafarer in advanced development.

AEGIS Test Site—Reduces the funding for the land based test site for AEGIS by $7,000,000 to delete Civil Service manning at the site.

Shipboard Intermediate Range Combat System (SIRCS)—Deletes $3,894,000 for SIRCS because program is unduly restricted and thus unworkable.

Enforcer Aircraft—Provides $3,900,000 to begin procurement and test of four Enforcer aircraft.

F–14 engine—Provides $24,000,000 to continue development of a replacement engine for F–14 aircraft.

Air Force

Strategic Bomber Penetration—Adds $7,600,000 for RAMJET technology.

SAC Communications—Restores the budget request of $18,800,000 for SATIN IV communications system.

Ground Launched Cruise Missile—Restores $13,900,000 to the budget level of $27,900,000 for Ground Launched Cruise Missile studies.

Defense Satellite Communications (DSCS III)—Restores $60,600,000 to continue development of the DSCS III satellites.

NATO Early Warning Aircraft—Restores $15,700,000 for NATO AWACS integration.

LINE ITEM REDUCTIONS AND RESTORATIONS

	Total number of line items, program elements, or projects in account (all services)	Total number of line items or programs where House bill made adjustments	Value of House adjustments (thousands)	Number of programs House cut where Senate restored funds or made adjustments	Value of Senate restorations or adjustments (thousands)	Number of programs Where Senate made adjustments not in House bill	Value of Senate adjustments (thousands)	Total number of programs adjusted by Senate	Total value of Senate adjustments (thousands)
Military personnel and retired military pay	800	56	−$118,691	29	+$46,134	32	−$177,774	88	−$250,331
Operation and maintenance	250	126	−494,396	53	−464,409	118	−388,732	244	−1,347,537
Procurement	1,486	135	−2,334,258	47	+1,760,925	14	+13,100	149	−560,233
Research and development	769	233	−831,089	49	+212,738	18	−6,381	251	−624,732
Related agencies					+450				+450
Total	3,305	550	−3,778,434	178	+1,555,838	182	+559,787	732	−2,782,383

COMPLIANCE WITH SECTION 308 OF THE BUDGET CONTROL ACT

Section 308(a) of the Budget Control Act (Public Law 93–344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the First Concurrent Resolution. The following table provides these data:

BUDGETARY IMPACT OF H.R. 7933 [1]

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
I. Comparison of amounts in the bill with the committee allocation to its subcommittees of amounts in the 1st concurrent resolution for 1978: Subcommittee on Defense	113,000	111,095	103,700	[2] 101,546
II. Summary by functional category of 1978 budget amounts recommended in the bill:				
050—National defense	113,000	111,093	103,700	[2] 101,545
800—General government		2		2
III. Financial assistance to State and local governments for 1978 in the bill				
IV. Projections of outlays associated with budget authority recommended in the bill:				
1978				[3] 73,529
1979				19,747
1980				9,703
1981				3,994
Future year				4,122

[1] Prepared by the Congressional Budget Office pursuant to sec. 308a, Public Law 93–344.

[2] Includes outlays from prior year budget authority.

[3] Excluded outlays from prior year budget authority.

While the above indicates that appropriations recommended by the Committee result in levels $1.9 billion below the Resolution in budget authority and $2.2 billion in outlays, it should be pointed out that an additional $2.3 billion has yet to be considered. This amount, to be transmitted next year as a supplemental budget request, includes current estimates for the impact of pay raises for military and civilian personnel and miscellaneous smaller items. On the basis of past history, however, reductions will be made to the current estimate for the supplemental request, both by the Department and by the Congress. The Committee is certain that amounts ultimately appropriated for the Department of Defense in fiscal year 1978 will be well within the levels for budget authority and outlays contained in the First Concurrent Resolution.

BUDGET OUTLAYS BY FUNCTION—10-YEAR COMPARISON, FISCAL YEARS 1968-78

[In millions of dollars]

	Fiscal year 1968			Fiscal year 1978 (President's budget)			
	Amount	Percent of total budget	Percent of GNP [1]	Amount	Percent of total budget	Percent of GNP [1]	Amount and percentage increase from fiscal year 1968 to fiscal year 1978
National defense (050)	79, 409	44. 4	9. 6	113, 046	24. 4	5. 6	Up $33,637,000,000 or 42 percent.
(Department of Defense—051)	(77, 373)	(43. 4)	(9. 3)	(109, 258)	(23. 6)	(5. 4)	(Up $31,885,000,000 or 41 percent.)
Education, training, employment, and social services (500)	7, 004	3. 9	. 8	26, 900	5. 8	1. 3	Up $19,896,000,000 or 284 percent.
Health (550)	9, 708	5. 4	1. 2	44, 622	9. 6	2. 2	Up $34,914,000,000 or 359 percent.
Income security (600)	33, 680	18. 8	4. 1	146, 496	31. 6	7. 2	Up $112,816,000,000 or 334 percent.
(General retirement and disability insurance—601,602)	(27, 212)	(15. 2)	(3. 3)	(109, 022)	(23. 6)	(5. 4)	(Up $81,810,000,000 or 300 percent.)
(Public assistance—604)	(4, 059)	(2. 3)	(. 5)	(25, 364)	(5. 5)	(1. 2)	(Up $21,305,000,000 or 524 percent.)
Interest (900)	13, 751	7. 7	1. 7	41, 708	9. 0	2. 0	Up $27,957,000,000 or 203 percent.
General government and all other functions	35, 281	19. 6	4. 3	90, 110	19. 5	4. 5	Up $54,829,000,000 or 155 percent.
Total	178, 833	100. 0	21. 5	462, 882	100. 0	22. 7	Up $284,049,000,000 or 158 percent. [2]
10-YEAR COMPARISON OF DEFENSE OUTLAYS TO TOTAL OUTLAYS							
National defense (050)	79, 409	44. 4	9. 6	113, 046	24. 4	5. 6	Up $33,637,000,000 or 42 percent.
(Department of Defense—051)	(77, 373)	(43. 3)	(9. 3)	(109, 258)	(23. 6)	(5. 4)	(Up $31,885,000,000 or 41 percent.)
Federal Government other than defense	99, 424	55. 6	12. 0	349, 836	75. 6	17. 2	Up $250,412,000,000 or 251 percent.
Total	178, 833	100. 0	21. 5	462, 882	100. 0	22. 7	Up $284,049,000,000 or 158 percent. [2]

[1] Using GNP estimates of $830,300,000,000 for fiscal year 1968 and $2,636,700,000,000 for fiscal year 1978.

[2] Of the total increase of $284,000,000,000, only 11.9 percent is attributable to national defense while 88.1 percent is attributable to nonmilitary functions.

Note: Columns may not add due to rounding.

Source: Prepared by the Congressional Budget Office at the request of the Senate Appropriations Committee.

RELATIONSHIP OF BUDGET AUTHORITY CHANGES IN DEFENSE, MILITARY CONSTRUCTION, AND FOREIGN ASSISTANCE BILLS TO THOSE CHANGES IN OTHER REGULAR APPROPRIATION ACTS FOR FISCAL YEARS 1973, 1974, 1975, 1976, AND 1977

[In millions of dollars]

Changes enacted by Congress	1973	1974	1975	1976	1977	5-year total
Defense	−5, 221. 2	−3, 535. 8	−4, 961. 2	−7, 227. 7	−3, 620. 6	−24, 566. 5
Military construction	−338. 0	−286. 0	−310. 2	−524. 0	−128. 2	−1, 586. 4
Subtotal (defense and military construction)	(−5, 559. 2)	(−3, 821. 8)	(−5, 271. 4)	(−7, 751. 7)	(−3, 748. 9)	(−26, 153. 0)
Foreign assistance	−1, 510. 3	−1, 212. 5	−2, 272. 1	−609. 8	−684. 1	−6, 288. 8
Subtotal (defense, military construction, and foreign assistance)	(−7, 069. 5)	(−5, 034. 3)	(−7, 543. 5)	(−8, 361. 5)	(−4, 432. 9)	(−32, 441. 7)
Agriculture	481. 8	408. 1	−58. 7	−23. 2	78. 1	886. 1
District of Columbia	−26. 9	−15. 3	−26. 6	−43. 2	−33. 1	−145. 1
Housing and Urban Development	−372. 2	439. 0	−221. 0	565. 3	−2, 021. 6	−1, 610. 5
Interior and other agencies	21. 8	72. 8	15. 2	−72. 5	−106. 7	−69. 4
Labor/HEW	1, 032. 4	1, 376. 8	−485. 2	915. 8	3, 942. 7	7, 892. 8
				[1] 1, 110. 3		
Legislative	−5. 6	−71. 9	−14. 2	−10. 7	−48. 9	−151. 3
Public works	15. 9	−8. 1	−21. 4	140. 8	[2] 304. 8	432. 0
State, Justice, and Commerce	−23. 3	−56. 9	−162. 6	236. 9	367. 1	361. 2
Transportation	−41. 2	−112. 3	−256. 5	−91. 1	42. 9	−458. 2
Treasury and Post Office	−8. 8	−140. 4	−57. 0	−16. 4	308. 2	85. 6
Subtotal (other)	(1, 073. 9)	(1, 891. 8)	(−1, 288. 0)	(2, 712. 0)	(2, 833. 6)	(7, 223. 2)
Total	−5, 995. 6	−3, 142. 5	−8, 831. 5	−5, 649. 5	−1, 599. 4	−25, 218. 5

[1] Education considered in separate bill in fiscal year 1976.

[2] Does not include public works employment appropriation bill (Public Law 94-447).

Note: Detail may not add to totals because of rounding.

Source: Prepared by the Congressional Budget Office at the request of the Senate Appropriations Committee, Feb. 28, 1977.

Mr. STENNIS. Mr. President, this statement is for the information of the membership. Few Members are interested in all these points, but some Members are interested in virtually every one of them. And, of course, the press and the public are interested. We have tried to set forth in the report first, and then in the summary statement which we bring to the floor, all of the major high points, and many of the points which are not so major, which the committee has worked on and what we have done about them.

Mr. President, I believe I have come to a convenient stopping place. I would like to yield the floor, but I want to invite the Senator from North Dakota to proceed at this point, if he wishes to.

Mr. YOUNG. I thank the Chairman.

Mr. President, the distinguished Senator from Arkansas (Mr. MCCLELLAN) and I held hearings on this bill for 3 months. The Senator from Arkansas has been attending to much other legislation besides this, and I believe he has overdone it. For a whole he was not very well. Now he has recovered and he has been working on this bill and other legislation most of the time. I am glad he used good judgment in not trying to handle this bill himself. He could not have picked a more able and qualified person to take his place than the Senator from Mississippi.

Mr. President, the distinguished Senator from Mississippi (Mr. STENNIS) has provided detailed information concerning the pending defense appropriations bill. If further information is desired by any Member of the Senate, I am sure the Senator from Mississippi, or I, would be happy to provide such information.

I will briefly comment on certain aspects of the bill and indicate those areas which I think need the most emphasis and consideration by the Senate.

This bill, as reported by the committee, recommends $111 billion for fiscal year 1978, which is $2.7 billion under the budget request. It is $1 billion over the House bill and $5.9 billion over the fiscal year 1977 appropriations for defense. If the amendment to be proposed by the committee concerning the B-1 is approved, the bill will be approximately $500 million under the House bill.

Mr. President, the bill as reported does not reflect a major last minute development—President Carter's decision to discontinue the B-1 bomber. As a result, an amendment will be offered, as approved by the Senate Appropriation Committee as requested by the President, to terminate the B-1 bomber which will reduce the bill by $1 billion 466.4 million.

That same budget amendment also requests the approval of additional items, many of which I believe are necessary. Approval of these items later in the

supplemental appropriations bill would add $449 million to the defense budget.

President Carter's decision to discontinue the B–1 bomber makes the stepped up development and production of the cruise missile in this bill far more necessary than before. Members of the Senate will recall that President Carter's position is to substitute the cruise missile for the B–1 bomber as a major segment of our defense system.

Personally, I believe it is a serious mistake to discontinue the B–1 bomber. We had already spent $4,395,500,000 and the estimated cost of terminating contracts for the B–1 is over $600 million. These are only preliminary estimates. Termination costs may be well over $1 billion. I made a motion during a meeting of the Senate Appropriations Committee to continue the B–1 bomber, but it lost by a 2-to-1 vote.

Mr. President, termination of the B–1 is not unlike other actions that have taken place in the past. Further production of the Minuteman III missiles was ordered discontinued by President Carter. These were to replace the 450 old, and far less effective, Minuteman II's. The costs of terminating the contracts for these will be roughly the same as if we had gone ahead and built the 60 additional Minuteman III's for which we had contracted. This is another indication of needless waste.

Only a short time ago, Congress unilaterally terminated the Safeguard antiballistic missile system, after an expenditure of more than $5.3 billion. The Congress directed the site at Grand Forks, N. Dak., to be dismantled before its operational capabilities could be evaluated and valuable experience gained.

More in line with the termination of the B–1 program was the termination of the B–70 program, after an expenditure of $1.5 billion.

Understandably, there are new weapons systems that should be discontinued if they are determined to be unnecessary or not cost effective. However, this should be done early in the development, before hundreds of millions, or even billions, of dollars are wasted. Such action is a terrible waste and Congress is just as much to blame as the Department of Defense and the President.

Let me give another example of a wasteful expenditure. The United States and the West German Governments, back in 1963, initiated a program of jointly developing a new tank that would be used by both countries. This seemed like a good decision, but somehow problems developed between the two countries and this new venture was discontinued, after hundreds of millions of dollars has been spent.

The Germans went ahead with the new Leopard tank and now we are trying to develop a new, more modern and effective tank of our own, the XM–1. Hopefully, this will start to replace our present M–60 tank by 1980. The point I am trying to make, Mr. President, is that this joint venture with West Germany cost us at least $700 million and much valuable lost time in developing a badly needed, more modern tank.

Mr. President, many other cases can be cited of wasteful and unnecessary spending in defense programs and, again, the responsibility must be shared by the Defense Department, the Congress, and the President.

Mr. President, the cruise missile undoubtedly will be a very effective and important weapon, but it will be several years before it will be in production and much of its importance will be lost without the new B–1 bomber, which is closely associated with an important element of the cruise missile delivery system.

This bill will provide a total active force in the Army, Navy, Marine Corps, and Air Force of 2,058,042, which is a reduction of 26,038 personnel. In addition, it provides reserve strength in the Army, Navy, Marine Corps, Air Force, Army National Guard, and Air National Guard of 858,342, which is an increase of 37,042.

The manpower reductions recommended are in the support areas and not in the combat units. Therefore, it is expected that the Army, Navy, Air Force, and Marine Corps combatant units will remain at their present strength.

Funding is provided in this bill to buy 381 combat aircraft for the Air Force and the Navy. This includes 120 A–10's, 97 F–15's, 96 F–16's, 40 F–14's, and 12 A–7's. These aircraft are needed if the services are to be permitted to retire older, obsolete aircraft and provide the Guard and Reserve with more capable combat aircraft.

Funds were also provided for procurement of 19 combatant ships and advanced procurement for two combatant ships. This funding would provide for two DD–963 destroyers, six patrol hydrofoil missile ships—PHM—two Trident nuclear ballistic missile submarines, one DDG–47 guided missile destroyer, and eight FFG guided missile frigates.

In addition, advanced procurement is provided for a CVN nuclear aircraft carrier and a CGN–42 Aegis cruiser.

Funding is provided for the Army to procure 800 M–60 tanks and for advanced procurement for the XM–1 combat tank.

Sum of $11,106,068,000 is provided for research and development. This is $671,650,000 more than was provided for fiscal year 1977 and $260,357,000 more than was provided by the House.

The committee went into great detail on our research and development programs and has made reductions in those areas that were not contributing to a strong research and development program. At the same time, we increased those programs that would insure a continued emphasis on maintaining a U.S. lead over the Soviet Union in research and development.

In considering the research and development items in the budget request, the committee went down literally hundreds of line items, ranging from basic technology through advanced technology and engineering and development for aircraft, missiles, tanks, computers, guidance systems, and many others.

Mr. President, with the deletion of $1.4 billion for the B–1 bomber, this bill will be $4.1 billion under the estimate of the Office of Management and Budget. It is also under the target ceiling established by the first concurrent resolution. Much of this reduction, as a result of discontinuing the B–1 bomber, will have to be restored in the supplemental defense appropriations bill, which I referred to previously.

Mr. President, I believe this bill before us represents the best thinking of the Armed Services Committees of the House and Senate, as well as the Appropriations Committees of the two Houses. It represents many compromises of differing positions among the Members of Congress, the Defense Department, and the President of the United States.

While this defense appropriations bill does not contain many of the items the Defense Department feels are necessary, it represents an increase over last year's appropriations bill, and I believe it will retain our present favorable balance of power with respect to Russia.

I hope it will be approved by the Senate without major changes.

Mr. STENNIS. Mr. President, there have been certain unanimous-consent agreements already agreed to with reference to the consideration of this bill. I am not going to undertake now to disturb that at all.

I see the Senator from Alabama is present on the floor, as he always is. I am glad he is here. I want to make some unanimous-consent requests about certain technical corrections, and so forth, in the Senate amendments and related matters of that kind that are usual. The Senator might listen to be certain that nothing is done that conflicts with what has already been done with reference to these matters.

Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical corrections in the engrossment of the Senate amendments to H.R. 7933, including the amendment which I send to the desk.

The PRESIDING OFFICER. Without objection, it is as ordered. The amendment will be stated.

UP AMENDMENT NO. 675

The assistant legislative clerk read as follows:

The Senator from Mississippi (Mr. STENNIS) proposes the unprinted amendments on behalf of the committee No. 675.

On page 54, line 5, add a comma after the word "Act".

On page 54, line 7, add a comma after the figure "$50,000".

The PRESIDING OFFICER. Is there objection to the amendment?

Mr. ALLEN. Reserving the right to object, Mr. President, does this amendment have to do with the B–1 appropriation?

Mr. STENNIS. Yes. All the amendment does is insert two commas that were omitted by mistake.

Mr. ALLEN. I see. I have no objection, of course.

The PRESIDING OFFICER. Is there objection?

The amendment was agreed to.

Mr. STENNIS. May we bring up this matter now? I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as amended, be considered as original text for the purpose of further amendment,

with the understanding that no points of order be considered as having been waived by reason thereof.

I know the Senator from Alabama has certain amendments reserved as to time. Could he consider reserving these same amendments from this unanimous-consent request? If he could, it would help.

Mr. ALLEN. I thank the distinguished Senator.

Reserving the right to object, as indicated on last Friday, there are three areas of Senate amendments that I wish to interpose an objection to being considered and approved en bloc. As I stipulated at that time, those amendments are the amendment or amendments that have to do with the reduction in the appropriation for the Civil Air Patrol.

As best I can figure out, that is in two places in the bill. It will take an amendment in two places. If there are other places, I should like to reserve that.

The second area would be in the amendment or amendments that reduce the appropriation for the ABMD program.

The third is the amendment or amendments—specifically section 857 of the bill—that have to do with prohibiting the consolidation of the helicopter training program.

Those three areas, I should like to object to. I have no objection whatsoever to the approval of the remaining amendments en bloc, but I do object to the approval of the amendments in the three areas I have outlined.

The PRESIDING OFFICER. Is there objection to the request with those exemptions?

Hearing none, without objection, it is so ordered.

Mr. STENNIS. I thank the Chair very much.

Mr. President, with reference to proceeding here, there are many amendments.

I would like to pick out one that will start the debate and will not have anything to do with the reservation of the Senator from Alabama to see if we cannot move into this bill and get the debate started and see what is coming to a vote.

I yield to the Senator from Alabama.

Mr. ALLEN. If I may be presumptuous and make this suggestion, it might be well to approve the committee amendment on the B–1 at this time. The committee has that right. Then, second, I believe the proper order would be to take the committee amendments in order.

I believe we can dispose of at least two of those amendments that I reserve objection to, if that would be satisfactory with the distinguished manager of the bill. But if he wishes to proceed with other amendments first, I have absolutely no objection.

Mr. STENNIS. I hope to get wound up a little as we go along.

What are the other wishes of the Senator from Alabama regarding his amendments?

Mr. ALLEN. I would like, according to the rules, to take up the first amendment that the Senator from Alabama made reservation concerning. I believe that is going to be accepted, having talked with some of the Members involved and some of the staff members; that is on the Civil Air Patrol.

Then we might move next in the bill to the BMD program.

I have talked to the distinguished Senators from Florida with respect to the consolidation of the helicopter program. They are agreeable to putting that particular amendment over until the bill is laid before the Senate again after the votes that take place on the legislative appropriations bill at 4 o'clock.

But I am not insisting on that order. I would certainly adjust my schedule to any desire of the distinguished manager of the bill.

Mr. STENNIS. What did the Senator say about the helicopter amendment?

Mr. ALLEN. To allow that to be carried over until after 4 o'clock. We have votes that come up on the legislative appropriations bill at that time by unanimous consent.

Mr. STENNIS. Yes.

Mr. ALLEN. Then when the bill is again laid before the Senate, bring up the helicopter amendment. Is that satisfactory?

I make no insistence at all.

Mr. STENNIS. I would like to reserve judgment on that.

My purpose is to accommodate everyone I can, but on a big bill like this we cannot always fit it in just the way everyone wants it.

Mr. ALLEN. I make no insistence at all.

Mr. STENNIS. I do not think it is well to try that, anyway.

I want to get this B–1 matter up to see what we will have, whether we will have an offer to change the committee amendment. It does have precedence, as I understand it. There are several that want to speak, which is entirely all right.

But I would like to call it up now. Some can be here now and some can be here later. I believe that will fit in.

Mr. ALLEN. That is perfectly all right with me.

Mr. STENNIS. I thank the Senator from Alabama.

Mr. ALLEN. I accede to the Senator's wish.

Mr. YOUNG. Mr. President, I understand there are several Senators who want to speak against the B–1 bomber amendment. I hope we would not try to come to a vote until later.

Mr. STENNIS. No.

The floor manager does not have any purpose in trying to come to a vote on this matter now, but we want to get it out in debate and just see where we are and what is going to be done.

Therefore, Mr. President, I call up, for the committee, this is a committee amendment, the so-called B–1 amendment which calls for the reduction of $1.4 billion plus and ask that the committee amendment be stated.

The PRESIDING OFFICER. Until the Chair can determine the placing of the accepted committee amendment, it cannot state whether this amendment is in order.

UP AMENDMENT NO. 676

Mr. STENNIS. Mr. President, I have two amendments now that I send to the desk and I ask unanimous consent that they may be considered en bloc.

These are the amendments on the B–1 and the five B–1 bombers. The committee proposes that money be deleted, that $138 million additional be deleted for advance procurement parts, that $120 million be deleted for initial spares, and that the SRAM–B missile production be reduced $35 million.

Those are committee amendments that I call up.

The PRESIDING OFFICER. Could the Senator inform the Chair whether or not this is the first committee amendment? If it is, then it is in order.

Mr. STENNIS. The first committee amendment after the bill has been reported.

The PRESIDING OFFICER. If it is, then it is in order.

Mr. STENNIS. It is an additional committee amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments will be considered en bloc.

Mr. STENNIS. I thank the Chair.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Mississippi (Mr. STENNIS) on behalf of the committee, proposes unprinted amendment No. 676:

On page 25, line 9, strike the amount "$7,543,000,000" and insert in lieu thereof "$6,111,600,000".

On page 26, line 7, strike the amount "$1,772,200,000" and insert in lieu thereof "$1,737,200,000".

Mr. STENNIS. Mr. President, I have certain brief remarks that I will make now on this B–1 amendment. Then I propose that no one speak on it now, that we set it aside, if necessary, and go to something else. But I do think it is generally understood that it was going to be debated today. I do not know whether it will come to an actual rollcall vote.

Mr. President, just to get this B–1 amendment now clearly before the body, let me point out that Congress specially required the President to make a definite decision regarding the procurement or further production of the B–1.

I had consistently and actively supported the B–1 from the start and expected President Carter to continue a further production program as a modernization of the Triad as a part of our strategic defenses. However, President Carter had decided to stop the B–1 production at its present position, keep the future research and development actively going, and launch an enlarged research and development program on the air launch Cruise missile and related parts of the Cruise missile program.

I think it would be a great mistake now, and we would lose virtually a year of time in arguing about the decision by the President as to the B–1 or in seeking now to reverse the decision. I favor it being discussed and debated and talked about. even on this bill, to the extent that any Member might wish; but I caution now against waiting or postponing a decision as to this $1 billion plus item until a decision is fully reached as to what the alternative program is.

The thing to do now, as I see it, is to hold the B–1 program where it is, continue any needed further research on the B–1, and move forthwith on a positive program for an air-launched cruise missile and the means of launching this missile on target.

Accordingly the Senate Armed Services advance procurement parts, that $120 Committee, through the Research and Development Subcommittee, chaired by the Senator from New Hampshire (Mr. McINTYRE), is preparing hearings on this matter to begin this week. It is just a matter of days, as soon as the staff at the Pentagon can be prepared and our staff people can be prepared.

The hearings will be started this week, looking to the consideration by the committee and Congress of adequate authorizations supporting a positive cruise missile program.

I feel strongly that such a bill will be ready for Senate consideration by the beginning of the August recess. That is a short time, but time is of the essence.

I am vitally interested in the principle of authorization being carried forward. Therefore, I think the committee will waive the in-depth hearings on this new proposal about the cruise missile, which is not a new thing, and we can get this bill here for the Senate's consideration by the August recess.

This course will not be an abandonment of the B–1 bomber, which will be available for further consideration as the facts may develop. I mean the progress we already have made on the B–1 bomber.

I hope these matters can be settled on this basis and that the initial step will be taken by provisions in the pending appropriation bill, H.R. 7933.

The figures about which I have spoken in connection with this matter are those I have read already, that there be a deletion of $1,466,400,000 from the bill. That is what the Appropriations Committee voted on by a vote of 10 for the reduction and 5 against.

Mr. President, if there is any further discussion on the amendment now, it certainly would be in order.

Mr. GARN. Mr. President, I yield to the Senator from Maine for a unanimous-consent request.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that my legislative assistant, John Doyle, and another member of my staff, Charles Peck, be accorded the privileges of the floor during the debate and votes on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I will not take a long period of time.

The PRESIDING OFFICER (Mr. GRAVEL). Who yields time?

Mr. YOUNG. Mr. President, I yield 5 minutes to the Senator.

Mr. GARN. I will not take a great deal of time. This issue has been debated over and over again. In the last 3 weeks, I have hardly discussed anything else around the country.

I want it as part of the record that at least this Senator is seriously concerned and distressed by the decision of the President of the United States to eliminate the B–1. I believe it was a political decision, not based on fact, and a decision that endangers the security of the United States.

For a long, long time, Congress and Presidents in both parties have pushed consistently the triad system of defense, that the greatest deterrent we could have would be to have this three-legged stool composed of manned bombers, intercontinental land-based ballistic missiles, and sea-launched ballistic missiles. It is important to look at the context in which the President made his decision to cut off one of the legs of the triad, because the other two legs also are weak. That is why I make the point that I think this decision, along with others, is endangering the strategic deterrent capability of this country.

We have submarine-launched ballistic missiles at the present time, which are primarily Polaris and Poseidon, which are older missiles, to be replaced by the Trident submarine weapons system. The important thing is that the Trident is only 40 percent complete. The Trident submarine system will not be fully operational until the mid-1980's at the earliest. So we have an older weapons system there, in contrast to the Soviet Union, which has its new class submarine in operation today to replace the Yankee class.

As to ICBM's, the President of the United States, 3 or 4 days later, made a decision to stop the only ICBM production line in the free world, while the Russians continue to operate four. We have not deployed an ICBM in more than 10 years.

We rely on aging Minuteman II's that have liner problems, that have some cracks, that are not very accurate, and that really cannot counteract the effects of a nuclear act. They are not hardened for that—the missiles themselves or their silos. We have stopped production.

At the same time, during those 10 years, the Russians have deployed four or five new missiles, from the SS–16 through the SS–20, with much greater throw weight, in a very short period of time, and a greater MIRV capability.

So as to the second leg of the triad, we have made a decision to stop, despite the fact that we unilaterally have put on a limit of 1,054 ICBM's. At the time we did that in 1967, the Russians had only 500, and we did it with some naive feeling that if we just stopped, they would, also. Well, that naive feeling was very ill-founded, because today they have about 1,600 missiles and we still have 1,054.

The replacement for the Minuteman III is the so-called MX missile, which would be a very good one, which certainly would counteract anything the Russians have, but we are also looking at the mid-1980's before that is operational.

So in this context, when you produce nothing new for 10 years, when you will not produce any replacements for another 8 to 10 years in submarines or ICBM's, it does not make very much sense to me to stop the production of the B–1, which is tested and would become operational much sooner than the other two replacements in ICBM's and submarine-launched ballistic missiles.

We hear a great deal about cost. That is the major reason we hear that the B–1 should not be built. We constantly hear the rhetoric that there are less costly alternatives. Yet, if we examine the facts of those alternatives—and let us do that for a moment—we are going to spend money operating the B–52. Some of the crews flying the B–52 today were not born when it became operational. It has been a very fine airplane, but it is also very old and outdated. If we upgrade a B–52 to be a standoff cruise missile carrier, as some have indicated, the cost is estimated at $18 billion. The whole B–1 fleet could be built for approximately $25 billion—$7 billion more.

The point is that an upgraded B–52, it does not matter how much money you spend on it, if you spend $100 billion you cannot turn it into a B–1. It has a bigger radar cross-section; it does not have the penetration capability; it cannot fly at the low level, just below supersonic speeds; it cannot fly at the high level, supersonic speeds of a B–1.

It does not have the electronic countermeasures capability. I could go on and on and on, that you cannot turn a B–52 into a B–1.

The Air Force has testified that the airframe is good through the 1990's. Well, big deal. That does not say anything about its capabilities as a weapons system. The DC–3's airframe will be good for the 1990's. It has been good since 1937. Maybe we should hang cruise missiles on a DC–3. I do not know.

The point is you do not turn a B–52 into a B–1 no matter how much money you spend on it, and I think any money we would spend towards doing that would be a waste of time and money.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. STENNIS. I yield the Senator 5 minutes.

Mr. GARN. Then we hear another alternative. The President has proposed in his recommended changes in the budget to buy a 747, and we have heard all the talk about a 747 being used to carry cruise missiles and carry double the number of the B–1.

Well, nobody really knows what it will do because it has not been tested, it has not been tried. It is on paper at this point.

But when we complain about a B–1 costing $100 million, which I am sure it would, if you want to buy a 747 right now from Boeing it will cost you $43 million in a civilian passenger version, and nobody really knows how much it is going to cost to modify that just structurally to carry cruise missiles, to militarize it, and no estimate of the cost of all of the electronic gear that would be necessary to go in it.

I think it would be a fair estimate that a 747, if we are looking at it totally on the basis of cost, could cost upward of $100 million, too, and what do we have? We still do not have a B–1. A 747 or a B–52 cannot be turned into a B–1 no matter how much is spent on it.

Now, if the opponents were making an argument that we did not need a manned bomber, that is something different. If they said we do not need that leg in the Triad, that is something entirely different. But if they say we do need it, and you start exploring the alternatives, it is just as I have said, the B–52 and the 747 cannot be turned into a B–1 no matter how much they cost. Then when you start throwing in the cost figures, they both become very, very expensive and almost as expensive as the B–1, without the capabilities.

The cruise missile is talked about as an alternative. You are comparing oranges and apples. We ought to have a B–1 as a launcher for cruise missiles. The range is not very long at this time, and the President is talking about limiting the range of the cruise missiles.

I will not take any more time, Mr. President, at this point, but I did want to let my opposition be known, to make it very strong, that I believe the President of the United States has made a very serious series of decisions. The B–1, with the stopping of the Minuteman III production line would seriously endanger the long-time security of the United States.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield for the Senator from North Dakota 5 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, I think I can add a little more to what the distinguished Senator from Utah has said about the relative capabilities of the B–1 and the cruise missile.

The cruise missile is a very, very fine weapons system, one that is currently under development and one, of course, that we know the Soviets are concerned about. That, of course, is an indication that the cruise missile can be an effective part of our strategic arsenal.

But the fact of the matter is it is not a substitute nor really an alternative to the B–1 for the reasons that the Senator from Utah has made very clear. I think there are very few who would contend that we now have in sight any alternative that can do everything the B–1 can do. That leads us to the conclusion that the B–1 is the best system. As a matter of fact, the Secretary of Defense said if it was a little bit cheaper we would go ahead and opt for production of the B–1.

I think, for the most part, nearly everybody expected the President to opt for a limited production of the B–1, and there was very great surprise and, I might note, some jubilation on the part of some of those who would like to see us unilaterally disarm when the President made that decision.

But this is what disturbs me: The clear implication is that the Department of Defense and the administration regard the B–1 as a superior weapons system, and the reason for not opting for the production of the B–1 is that it costs too much. So what is the bottom line here? The bottom line is this: That the best is too expensive for the defense of the United States. We cannot afford the best system.

Now, this to me is a kind of rationale that can be applied to other weapons systems, and, therefore, it gives me cause for great worry and great concern. At some other time are we going to select some other superior or superb weapons system and say, "Yes, it is the best but we cannot afford it; we cannot afford the best for our national security"?

If we are going to put a maximum security price tag on what the security of the United States is worth, then we must accept now the fact that we are programing ourselves to become a second-rate military power over the next few years. We have nothing to replace the B–52 when it goes out of inventory. We have nothing in sight.

Of course, one thing that, perhaps, was lost in the backwash of the B–1 cancellation was the fact that the President also shut down the production line of the Minuteman III. How far are we going to go? If there is a maximum price tag on weapons systems amounts above which we will not pay, then we are automatically placing ourselves at a decided disadvantage to the Soviet Union, because in the Soviet mentality there is no weapons system that is too expensive. You will never hear Brezhnev say, "We would develop and deploy the best system, but it is too expensive." They will pay what is necessary, they will devote whatever resources are necessary to include in their arsenal the best weapons system in the world.

I submit, Mr. President, that in going along with this decision on the B–1 we are then endorsing the idea that there is a maximum price tag, there is a cost above which we will not go, to maintain the most effective military posture possible in our confrontation with our potential great adversary, the Soviet Union.

I fear for the state of defense of this country in the mideighties if we are to endorse this kind of mentality.

What is the security of the United States worth? I submit we cannot have a great society and an affluent society, a fair and equitable society or any other kind of society if we do not make the defense of the United States our first priority. There should be nothing more important because should the Soviet Union become the most powerful nation in the world, if they are militarily the most powerful, it will be politically and economically the most powerful nation in the world. We will find ourselves ultimately at the mercy of the Soviets in terms of world political and economic policy. We will find ourselves unable to achieve the kind of economic growth we need to maintain a high quality of life for our people, and to provide us with the resources to elevate the condition of the disadvantaged people in the world.

We cannot have a good welfare program if our economy is taking a downward plunge, which it certainly will if the Soviets, through superior military power, are able to dominate the economy of this world, and we are very much a part of the world economy, we are dependent on the rest of the world not only for the supply of materials but for markets.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. TOWER. Will the Senator yield 1 additional minute?

Mr. YOUNG. I yield an additional 1 minute.

Mr. TOWER. So I think we need to think in terms of long-term implications of this decision on the B–1. I think we need to set policy to the effect that the defense of the United States, the military strength of the United States, and the necessity of maintaining a position at least at parity if not superiority to the Soviet Union is our No. 1 priority, and we must pay what it cost. We will shortchange our people over the long term if we fail to do so.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, there are others who want to speak on this B–1 matter.

I yield myself 3 minutes.

Mr. President, as a matter of information I wish now to outline the President's recommendations for additions, to which I referred a few minutes ago, that he recommended when he canceled further production of the B–1 for the time being.

He asked for $65 million extra for what are called a B–52 bomber modification, to install pylons and bomb racks to carry cruise missiles and a better navigation system. That is the beginning of a possible program in that field. That is an item that I refered to when I said that we have already introduced an authorization bill. Senator MCINTYRE and the Research and Development Subcommittee of the Armed Services Committee have already set up hearings and are going to hold those hearings as soon as the Pentagon experts are ready.

I hope that Senator MCINTYRE can be in the Chamber soon, and he will speak for himself on that.

Another item is strategic bomber enhancement, improved electronic countermeasure equipment in the amount of $24 million. Next is cruise missile development production to accelerate certain programs here including the Tomahawk. This is the cruise missile and is not another neutron bomb. We are not going to have another debate on that this week. This is $217 million now for the cruise missile we have been reading about.

Another item is $90 million for the TALCM carrier to explore the use of wide-bodied commercial aircraft as carriers for cruise missiles. We have an R. & D. program on that proposition now, using commercial aircraft, but for carrying the cruise missiles. That would be a new proposed use and this R. & D. program is several years old.

Improved bomber warning system, $20 million, to provide better warning systems for the bomber force includes $10 million to buy software for perimeter acquisition radar.

Mr. President, could those gentlemen find some other place to confer? I believe the Senate Members should insist on that desk not being used down there to impede the Chair hearing what is being said. We have to protect the Chair.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. $20 million as I said to explore that part. And then provide better warning system and to buy software for the perimeter acquisition radar; that is the PAR program.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. STENNIS. I yield myself 3 additional minutes, Mr. President.

Another item for $4 million is to accelerate terrain contour matching data. That is a small item. Next is the advanced cruise missile technology, research and development and test evaluation and second generation cruise missile and stronger radar cross section and greater speed in the amount of $29 million. That all related to the air launch cruise missile is a total amount of $449 million.

That is the amount of the program that I said that I hope we can move rapidly on, and we can argue about the B–1. That is all right. But the policy as announced, and I believe the majority of Congress is behind this now, is for this year we will make this initial step with reference to the cruise missile, and the B–1 matter can be settled and will be actually settled later.

Mr. President, I yield back the time to myself that I did not use.

There are others who want to speak as I understand on the B–1, and for the purpose of giving them time, I suggest the absence of a quorum, and ask unanimous consent that the time be chargeable to both sides equally.

The PRESIDING OFFICER. Without objection, it is ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. YOUNG. How much time does the Senator wish?

Mr. GOLDWATER. Ten minutes to start with.

Mr. YOUNG. How much?

Mr. GOLDWATER. I ask unanimous consent that Mr. Will Ball and Mr. Robert Old of the committee staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, if the Senator will yield to me, I ask unanimous consent that Jim Smith, a staff member of the Armed Services Committee, be accorded the privilege of the floor during the consideration of this bill entirely.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I know that the amendment before us is to delete funds for the B–1 bomber, and having been probably the Senate's most vocal advocate of the B–1 and its longest proponent and admirer I oppose this amendment, but frankly I cannot see any sense in appropriating money for a weapons system that the President has declared he does not want. But I think we should discuss the whole situation.

Mr. President, since 1969 the Senate has unanimously supported the concept and the need for a follow-on manned bomber for our B–52 force. In support of that goal, Congress has authorized and appropriated almost $4.4 billion for research and development and procurement. Yet today, after 7 years, the Senate is proposing, with very little debate and discussion, without hearings, and without going through the normal congressional process, to delete all procurement moneys for the B–1 program.

Since 1969 the Senate has voted at least five times on the B–1 issue. In 1969 an amendment against the AMSA program, the forerunner of the B–1, was rejected. In 1973 an amendment to study other alternatives to the B–1 was rejected. In 1974 an amendment that would have restricted the R. & D. effort to $200 million was rejected. In 1975, 57 Senators rejected an amendment to delete all B–1 funds. In 1976 48 Senators again rejected the same amendment. In the entire history of the B–1 program there has not been one time that the Congress voted unanimously against the B–1.

Now, Mr. President, after all these years of support, we are apparently, with very little questioning, with very little resistance, going to accept the pronouncement of an administration that has studied this question less than 6 months, as opposed to the Congress that has looked at and approved this program over a period of 7 years.

Mr. President, over the years I have made many statements in support of the B–1. In fact, I have probably made more statements on behalf of the B–1 than any other Member of the Congress. I always try to speak of the B–1 and the mission that it is intended to do with an appreciation of how a future SAC air crew would need an aircraft like the B–1. I have flown the B–52 and I am well acquainted with the strategic mission and the value of man in the system and the necessity to base a portion of our strategic deterrence on the manned bomber. I was also privileged to fly the B–1 and it is a quantum improvement over the B–5. There was never any question in my mind about the ability of the B–1 to carry out its assigned mission.

However, the performance of the B–1 is really not the issue here today. What the Senate must come to grips with and be totally aware of is the fact that our future strategic policy has, as the result of the President's decision, incurred a very drastic change. Suddenly, and without adequate documentation or study, we are being asked to drop manned bombers and base a portion of our future strategic deterrent capability on a standoff cruise missile strategy.

This means that the Triad of the future will contain three totally untried systems rather than the present two. We have never used the SLBM or the ICBM in any war situation nor have we ever used the standoff missile concept in any conflict. Man is the only element in the Triad that is a proven quantity, yet that is the one element the President has elected to eliminate.

There is another basic change that is taking place in our future strategic force and that is our ability to carry and deliver the required megatonnage on Soviet targets. Over 50 per centum of our strategic megatonnage would be carried by the manned bomber force. How will this new strategic force mix proposed by the Carter administration address that problem?

In reviewing our present strategic force balance in offensive forces, the United States leads in long range bombers and MIRVed launchers whereas the U.S.S.R. leads in ICBM and SLBM launchers. The Carter decisions means, of course, that our long range bomber force is going to eventually be attrited from the strategic Triad. On the other hand, the Soviet Union continues to develop the Backfire bomber and its own strategic bomber force. Once again we are giving the lead to the Soviet Union in yet another category.

Looking at our offensive force capabilities, the United States leads in deliverable warheads and hard target destruction potential—due mainly to bombers and ICBM accuracy—whereas the Soviet Union leads in throw-weight megatonnage and land mobile ICBM's. The Carter decision to kill the B–1 program assures that the Soviets will continue to increase their lead in megatonnage and that our ability to kill hard targets without bomber force will decrease.

The President in making his announcement indicated there could be an increased reliance on cruise missiles because the technology of that system was progressing at a rather rapid rate. I have always supported cruise missiles, but only as complementary systems to the manned bomber and certainly not as a substitute for the manned bomber. Referring now to the Senate Appropriations Committee hearings this year on the Air Force budget request, on page 920, the Air Force statement says the following about the air-launched cruise missile:

> Employed as an adjunct to the penetrating bomber, it will increase the composite system's lethal "footprint" by allowing greater flexibility in routing and target coverage while diluting the effectiveness of area air defenses.

The report also states:

> It should be stressed that the proper role for the cruise missile in our strategic arsenal is as a bomber weapon and not as a bomber replacement. As an independent penetrating system, launched from outside of Soviet air space, its ability to penetrate peripheral barrier defenses may be limited. Furthermore, it cannot successfully attack targets that are protected by terminal defenses.

In spite of what experts say, the Carter administration is going against this expert opinion and moving us toward a standoff missile force. In our Research and Development Subcommittee hearings on bomber weapons in March of this year I asked Gen. Alton Slay, DCS for Air Force Research and Development, the following question:

> Looking at your projection of the Soviet defenses, what is it that would preclude an all cruise missile force from being as effective as bombers with lay-down weapons?

He answered as follows:

The projected combinations of Soviet Airborne Warning and Control (AWAC) aircraft and long range fighters could intercept cruise missile carriers at great distances from their target areas. Unless these carriers were used in combination with a penetrating bomber, Soviet concentration on such long range defenses could force cruise missile launches far from Soviet territory, seriously decreasing target coverage, or requiring the development of longer range cruise missiles. Penetrating bombers can use defense suppression weapons, tactics and electronic counter-measures (ECM) to defeat fighters and their controlling radars and are thus not as vulnerable to long range area defenses.

Intelligence projections of Soviet Air defenses also include surface-to-air missile (SAM) systems which could defend valuable targets and inflict significant attrition upon an all-cruise-missile force. Manned bombers can assess the defenses and avoid and degrade SAMs, use SRAM to suppress SAM defenses prior to target strike, or strike SAM-defended targets with SRAM. Reliance on a cruise missile force would require the development of similar cruise missile capabilities against defended targets.

An all-cruise-missile force would therefore have limited application and could severely degrade the bomber leg of the Triad. A mix of cruise missiles and penetrating bombers forces dilution and diversification of Soviet defense efforts and allows efficient application of cruise missiles and other bomber weapons in the defensive environment where they perform best.

The significance of this statement is that with an all-cruise missile force you are deprived of the SRAM's which are needed to suppress defenses.

Mr. President, also during those hearings I asked a number of questions for the record which lay out very clearly the degradation that will take place in our future strategic forces if we pursue this all-cruise-missile-force concept. I ask unanimous consent that these questions and answers appear at this point in my remarks.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS

Senator GOLDWATER. What flexibility is there in your planned bomber weapons program in case the threat changes?

General SLAY. The bomber is the most flexible weapon system in the Triad. The variety of weapons carried by the bomber ranges from high yield gravity bombs to the long range cruise missile. The primary weapon used to fire through or suppress enemy defenses is the SRAM. This weapon is extremely capable because of its small radar cross-section and high speed. If the Soviets were to deploy larger numbers of more sophisticated SAM's in the future, we would employ additional SRAM, or in the outyears, possibly advanced strategic air launched missiles to offset the threat. The mix of SRAM, gravity weapons, and cruise missiles programed for use on the B-52 and B-1 should make these forces as insensitive as possible to variations in the threat.

Senator GOLDWATER. How long will it take to carry out all of these programs?

General SLAY. Our current bomber weapon programs include SRAM B, ALCM A and B, and the Advanced Strategic Air Launched Missile (ASALM). Our bombers will also utilize the new full fuzing option bomb (B-77). The SRAM B, ALCM, and B-77 will be operational in the 1980-1981 time period. The ASALM which is currently in technology development would not reach an IOC until the mid-eighties.

Senator GOLDWATER. Are more apt to be required if the threat becomes more severe?

General SLAY. The expanding Soviet capabilities have increased the number of planned targets. In addition, if the Soviets choose to expand hardening of their industrial base, the number of weapons required to achieve the required damage levels will increase. If the SAM threat becomes more severe, the mix of bomber weapons would require more SRAM or ASALM type weapons to fire through or suppress these defenses.

Senator GOLDWATER. Do programs like this involve a management strategy?

General SLAY. Yes, sir. We not only continually examine our bomber weapons requirements through studies and planning, but we have managerially combined the development of these weapons systems under one organization within the Air Force Systems Command. At the Aeronautical Systems Division at Wright-Patterson AFB, the SRAM, ALCM, and ASALM bomber weapons programs are combined under single overall management. In addition, the ALCM, Sea Launched and Ground Launched Cruise Missile programs are under joint Navy/Air Force management.

Senator GOLDWATER. How do you categorize the weapons as to their priority for penetration or target destruction?

General SLAY. Weapons are not categorized per se. For the SIOP to accomplish the goals set forth by national guidance, the target system is prioritized. These targeting priorities are the guidelines used to allocate weapons against the target base. During the SIOP weapons application phase, planners take full advantage of the weapon systems' inherent characteristics to optimize the probability of penetration and target destruction. For example, a bomber with SRAMs and gravity weapons will employ the SRAMs against the defended targets and the gravity weapons against undefended area targets that require a larger yield weapon. If the area target is defended, the SRAMs are used on the defenses so the gravity weapon can be placed on the objective target.

Senator GOLDWATER. How does the bomber weapons program change if less than 210 UE B-1s are bought? Is it possible the SIOP could not be carried out to the extent required if there is no B-1 force?

General SLAY. The bomber weapon program is related to the aircraft programs. If less than 210 UE B-1s are purchased, the weapon program would have to be reevaluated to determine requirements. The successful accomplishment of SIOP objectives is dependent upon the availability of a highly effective, survivable Triad force. Any option that does not upgrade or modernize these forces, such as not purchasing B-1, could seriously erode our ability to meet SIOP requirements.

Senator GOLDWATER. Is there any way within existing SALT agreements that the ICBM and SLBM force could be expanded to carry/deliver the megatonnage of the bomber?

General SLAY. As the US. strategic forces are currently constituted, the megatonnage carried by each leg of the Triad is [deleted].

An increase in the megatonnage capability of the ICBM force could be achieved through modernization, which is allowed under existing SAL agreements. [Deleted.]

On the other hand, achieving this megatonnage with the SLBM force would be unrealistic. Although the existing SAL agreement does not permit additional SLBM launchers on submarines, a new SAL agreement based on the Vladivostok Accord would allow additional SLBM launchers as long as the SNDV/MIRV totals remains within the 2400 aggregate and 1320 MIRV limits. [Deleted.]

Senator GOLDWATER. What is the toughest penetration problem for the bomber; i.e., SAM's, ECM, fighters, anti-aircraft guns?

General SLAY. All the threats identified can affect bomber penetration. The impact of each will vary with the particular operational scenario. In the general war case, fighters and high altitude capable Surface to Air Missiles (SAM's) force the bomber into a low altitude flight profile. There, low altitude SAM's and Anti-Aircraft Artillery (AAA) must be faced. While enemy Electronic Counter Measures (ECM) will not directly attrite the penetrating bomber, they can affect the aircraft radar and hamper target acquisition.

To counter these threats, the penetrating bomber has an array of equipment and tactics. They center on the principles of avoid, degrade, and destroy. Threats that cannot be avoided through mission planning or real time maneuver are degraded with on-board ECM. Objective targets in highly defended terminal threat areas are destroyed with Short Range Attack Missiles (SRAM's) to preclude direct bomber/threat interaction.

With these considerations in mind, it leaves the fighter as the predominant threat faced by the bomber in a general war scenario. Because of the low level tactic, this threat is currently minimized and bomber penetration factors are very high.

On contingency missions, threat activity (both type and intensity) would depend upon the particular area of operations. While the same threat elements (fighters, SAM, AAA, ECM) would apply, the dominant factor could vary greatly.

Senator GOLDWATER. Why is [deleted] damage expectancy the planning factor? What would the impact be if the standard was reduced by 5 percent, by 10 percent in terms of: Soviet reaction, requirement for warheads, delivery vehicles, and concomitant ripple throughout the force?

General SLAY. [Deleted.] Damage expected is a function of weapon yield/CEP combination, target characteristics, and the weapon probability of arrival. Soviet reaction is considered in the computation for weapon probability of arrival.

An incremental reduction of damage expectancy requirements could, in a broad sense, have a direct effect on the number of delivery vehicles and warheads required. While damage expectancy is computed for individual targets, it is also measured in the aggregate as an average for certain target categories. If lower average damage expectancies were directed, this could be translated into a lower requirement for delivery vehicles and warheads.

[Deleted.]

Mr. GOLDWATER. The administration has also indicated that the cost of the cruise missile is something less than $1 million. Yet, Gen. David C. Jones, Air Force Chief of Staff, in testimony to the Senate Appropriations Committee stated that—

The cost of the aircraft cruise missile will be $1 million to $2 million each if we go to the larger buy. If you buy fewer, you are in the $2 million category.

We have yet to find out what the total inventory requirement for cruise missiles will be under the Carter plan to revise our strategic forces.

Mr. President, it is quite obvious that we have in the President's request to delete the B-1 funds a "cart-before-the-horse" situation. The President is asking the Congress in effect to terminate the B-1 program which has been supported by the Congress over the years and ac-

cept in lieu thereof a system that we know very little about.

For example, the administration is requesting in its revised program $90 million to buy a commercial wide-bodied aircraft for the demonstration of a cruise missile carrier capability. Yet, the administration is also requesting an additional $2 million to cover cruise missile carrier studies and $9.9 million for advanced cruise missile concepts. So, it is quite evident to me the configuration of this cruise missile force is a long way from being determined. Certainly one would have to question buying a wide-bodied jet to demonstrate cruise missiles when on the other hand studies on cruise missiles are still required.

It should be obvious to all that the administration is cancelling one ongoing tried and proven program, the B–1, for a program that it knows very little about. We should not agree to that.

Mr. President, the President of the United States made a promise during his campaign not to launch the B–1, and I suppose we should have great respect for the President for keeping his word, because we have a lot of people today who make promises and then forget them. But I think a promise made in the heat of the campaign, particularly when the candidate is not knowledgeable at all on the subject, can be changed, if he listened to the right people and took everything into account.

But obviously he did not want the B–1, while at the same time we watch the Soviets develop the Backfire bomber—not develop it; it is in production.

The Backfire bomber is capable of a higher mach than the B–1. It will reach the United States. It may not be able to get back, but the Soviets do not care much about that. It might not even get outside the continental limits of the United States on the return trip, but that makes no difference to them.

We constantly hear the argument that we are ahead of the Soviets in strategic bombers. Mr. President, that is not true. When we halted the production of our B–47's, they did not take one of their medium bombers out of their inventory. When you add all of their long-range and medium-range strategic bombers, they have more strategic bombers than we do.

One of the reasons why the President wanted to do away with the B–1 was the Cruise missile. Mr. President, like the B–1, I have been in on the development of the Cruise missile since they first dreamed it up. I have watched the development from the drawing board to the actual missile.

But, Mr. President, we are at best 5 years away from an operational Cruise missile. It may be 10. But the opponents of the B–1 are talking about a 2,500-mile range for the Cruise missile. There is no such thing, Mr. President. We are going to be very lucky if we get a Cruise missile with a 1,500-mile range. It will probably be more in the nature of a thousand miles.

The aircraft proposed to use to carry this missile—the B–52, the 747, the DC–10, or whatever wide-bodied aircraft selected—can be picked up, at those distances, by Russian radar without any trouble at all, and destroyed by Russian interceptors, while the B–1, flying 100 or 200 feet above the deck, can never be detected by Russian radars until it is too close—until, as they say, they can reach out and pat them on the nose.

Mr. President, we are talking here about deleting money from this appropriation bill to continue the construction of the B–1. I think it is a disastrous mistake. I think we should have it, but it is difficult to stand here on this floor and try to argue down the President of the United States, who has made the choice.

I have said in several speeches lately, and in papers I have written for a long time, that wars are not gotten into on purpose. Of some 1,800 wars I have studied, every single one was stumbled into. Neither side wanted to go to war.

Four times in my life, Mr. President, this country has gone to war because of mistakes that the Presidents have made.

Woodrow Wilson could not conceive of this country going to war, and we were not prepared.

Franklin Roosevelt knew the world situation, but he did not want to tell the American people the truth and tell them we were going to have to go into World War II, for which we were not prepared. That was mistake No. 1 of Mr. Roosevelt. Mistake No. 2 was not leveling with the American people.

Mr. Truman rightly, in my opinion, went into Korea, but wrongly said, "You cannot cross the Yalu."

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. GOLDWATER. I will take 5 more minutes.

Mr. YOUNG. I yield the Senator 5 additional minutes.

Mr. GOLDWATER. If he had not done so, there would have been no disgrace in Korea, and the Red Chinese and their military machine would have been, in all probability, destroyed.

Then when President Kennedy decided to send 17,000 troops into South Vietnam with orders not to shoot back, mistake No. 4.

Is the B–1 mistake No. 5? I pray to God it is not. The only thing we have left now to dicker with and to deal with with the Soviet is the cruise missile. I made this a matter of record the other day on a national television show. I offered to bet that the next thing that the President would bargain away would be the cruise missile.

Mr. President, I want to warn my colleagues that the action that is being contemplated today may impact on our future strategic forces to the point where we might never be able to recover. Acceptance of this amendment after absolutely no hearings on the revised Carter strategic program is totally contrary to the way the Congress should go about doing its business.

I remind my colleagues of the joint strategic bomber study which concluded that an all-cruise missile force was the least effective in the damage assessment category of all the forces examined. That analysis showed that only about one-third of the ALCM's launched were able to survive to their target. It was also pointed out that a 747-type cruise missile carrier force may also be vulnerable to threats such as over-the-horizon radars vectoring long range fighters to intercept them prior to their launch.

The forces which contain the B–1's were found to be the most cost effective. A standoff missile force was found to be not competitive with the penetrating bomber. However, it was implied they could be cost effective in a complementary role going against undefended target complexes.

Mr. President, the Congress has not yet received the rescission notification on the three B–1's in the fiscal year 1977 program. That notification, if it is properly documented, should, I presume give the detailed rationale for the Carter decision. To date we have not seen the apparently new data that would justify this decision since everything we have on the record goes counter to the strategic force alternatives being proposed.

Mr. President, in view of the extreme lack of data concerning that decision, the amendment being proposed by the committee should be rejected. The President would certainly be able to veto the bill or if he preferred, he could forward a rescission notification on the fiscal year 1978 B–1 program. That course of action would allow the Congress adequate time to review, in the detail required, the rationale of the Carter decision.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield to the Senator from New Hampshire. I yield 5 minutes now and such additional time as he may need.

Mr. McINTYRE. Mr. President, when President Carter indicated that the B–1 bomber would be dropped, his revisions to the defense budget, represented a procedural problem for the Appropriations Committee. It has wisely been decided that if the B–1 cuts are made on the floor to comply with the President's request, that the balance of the President's request, what we call add-ons or additions, would be referred in the normal authorization process to the Armed Services Committee of both Houses and then on to the Appropriations Committees of both Houses for a solid look at the advisability of the additions.

The additions total, in all, $449 million. This is money in excess of what was originally requested by the President for fiscal year 1978. Of that $449 million, $224 million will be new programs in the cruise missile field, and I believe $400 million in the cruise missile and the B–52 modifications generally.

The present bill before us today, Mr. President, already has $400 million, somewhat over, for various cruise missile R. & D. That is in the bill before the Senate now. The President, in his new request, has requested $224 million more for additional cruise missile R. & D.

So the appropriations bill has nearly a half billion dollars for the development of various and sundry cruise missiles, be

they ALCM's, GLCM's, SLCM's, or whatever. And the Appropriations Committee and the leadership have decided, and rightly, to take the supplemental request of $400 million or so and refer it to the authorization process so we can take a good look at it.

There is in the bill now before the Senate $124 million for air launch cruise missile research and development, and $40 million for its procurement. This would accelerate the deployment of the air launch cruise missile by 18 months to the middle of 1980 when these ALCM's could be put aboard the B–52.

There is in the bill now before the Senate about $225 million for Tomahawk research and development for both the sea-launched and the ground-launched applications. Moreover, the land attack version of the Tomahawk which is supported in the present bill before the Senate, is identical technology to that which the Pentagon proposes in its supplemental to apply to the B–52. So the current bill already clearly supports the Tomahawk technology in full-scale development.

In addition, the appropriations bill now before the Senate follows the lead of the Armed Services Committee authorization bill in accelerating by $13 million the development of a new missile which will combine the speed of the SRAM missile with the accuracy and range of the air-launched cruise missile. We had anticipated, in effect, the President's supplemental request for such an acceleration.

I and the bulk of the R. & D. Subcommittee, to my knowledge, have, since 1973, supported the development of air-launched cruise missile and we supported it, Mr. President, as a hedge to the B–1. We saw the price of the B–1 constantly going up each an every year in research and development. The first time that your R. & D. Subcommittee and authorization committee in defense heard of the B–1 it was a $30 million per copy bomber. Today, when the President decided he was going to shut it down, the bomber had reached the astronomical price of $102 million to $105 million per aircraft.

We in the R. & D. Subcommittee have always supported this air-launched cruise missile as a hedge—if you will—to the B–1. I must say, Mr. President, that the Department of the Air Force, time and time again, were in a contrary position.

Mr. President, if we are not to have a B–1, it is absolutely critical that we choose a well-conceived alternative strategic bomber force. We have to find something that is going to make up the third leg of our Triad. It looks as if it is going to be the B–52 that will do the standoff, even a penetration job, possibly. And we might be able to penetrate with the FB–111 if we can stretch it, because, as you know, Mr. President, that aircraft is one that flies supersonic at 200 feet off the ground.

It is very critical, with this important decision on the B–1 being made, that we do not rush helter-skelter, pellmell; that, for the sake of saying, B–1—No, cruise missile—Yes, we do not make any serious mistakes that will, in the future, cause programs to be interrupted and the taxpayers' money to be unnecessarily spent on overruns.

But we have a problem, Mr. President. The R. & D. Subcommittee of the Senate Committee on Armed Services, which subcommittee I chair, is prepared and ready to go. We are ready now, to look at these various and sundry programs, because of the critical nature of the issue and because of the desire of the leadership and of the chairman of the Armed Services Committee of the Senate to move as rapidly as possible. We only have about 3 weeks before we take the August nonlegislative period.

The supplemental request proposes the modification of the B–52 bomber at a cost of $65 million. This will install pylons and bomb bay racks to carry cruise missiles and a better navigation system.

The supplemental requests $24 million additional money for strategic bomber enhancement which includes the ASALM that I mentioned. It also includes $10 million to improve the bombers' ECM, electronic countermeasure, equipment.

The Department also proposes additional cruise missile development and production money and would terminate the ALCM–A program and accelerate the ALCM–B and the Tomahawk programs.

The ALCM–A—air launch cruise missile—which currently is moving in the R. & D. field, is a missile of a range of approximately 700 miles. The President's proposal would change that and go to the ALCM–B. The ALCM–B is the air launch cruise missile which is capable of ranges up to about 1,500 miles. You can see, Mr. President, the rationale there, because it looks at the B–52 as a long-range standoff bomber, as the addition to the new Triad.

The PRESIDING OFFICER. The Senator from New Hampshire has used 10 minutes.

Mr. STENNIS. Mr. President, what time is remaining? That is a committee amendment that is the pending measure.

The PRESIDING OFFICER. The Senator from Mississippi has 24 minutes; 38 minutes remain to the Senator from North Dakota.

Mr. STENNIS. I yield to the Senator 4 more minutes.

Mr. McINTYRE. I think it is important, Mr. President, that we delineate these for the record.

The next proposed program is the ALCM/TALCM carrier. That is the Tomahawk air-launched cruise missile. We shall be exploring use of wide-bodied commercial aircraft, 747's, perhaps, as a carrier for the cruise missiles.

The supplemental also requests $20 million for the improved bomber warning. This will provide a better warning system for the bomber force. It includes $10 million to buy software for the perimeter acquisition radar, known as PAR.

To accelerate the processing at long-range TERCOM data, the supplemental requests $4 million, the work to be done by the Defense Mapping Agency. And for advanced cruise missile technology, for research and development of technology in the second generation cruise missile, with smaller radar cross section and greater speed, the supplemental requests $29 million. That is a total of $449 million.

Mr. President, as chairman of the Research and Development Subcommittee, I can tell you, we are ready to go to work. But I must warn not only the leader, but my distinguished chairman, that the willingness of the subcommittee on R. & D. to go ahead and go to work does not solve the primary problem. The basic problem facing us is that the preliminary information from the Department of Defense strongly suggests that they have not yet had enough time to think through important elements of their proposals.

For example, "detailed" descriptive studies received by the full committee last Friday contained only one sentence each in support of the two major requests, both of them new programs, totaling about $200 million.

Mr. President, even with that handicap, in order to keep the leadership happy, I, as chairman of that subcommittee, will do my utmost to report or get some sort of bill to the full committee of the Senate a day or two before we recess for the nonlegislative day period through August.

Mr. STENNIS. I did not get all of the Senator's statement.

Mr. McINTYRE. I am just saying to chairman of the full committee that we shall do our utmost. But the problem is not that the horses on the team in the Senate are not ready to go. I just stated that the problem is that the Pentagon has some real hard thinking to do. They have some explaining to do. For example, the $224 million for a standoff cruise missile does not come off easily. We are not shopping in Hecht's.

But we shall still do our utmost to try to get that to the full committee before the August recess, if we want to call it that, or in time for the full committee to give it a good look.

Mr. STENNIS. Mr. President, I am anxious for the Senator and his subcommittee to go into it. First, they will give it an awfully good working over.

No. 2, they will move as fast as they can. I hope the Senator insists on the Pentagon getting ready and coming over here and move this thing along just as fast as he can. After it leaves his subcommittee, it has to go to the full committee, come to the Senate floor, then go to conference. At the same time, an appropriations bill has to follow the same course.

As he knows, these things take time. But we do have his assurance now that he is going to continue to push them for the earliest possible date for its being prepared and presented to his subcommittee.

The PRESIDING OFFICER. The additional 4 minutes has expired.

Mr. STENNIS. I yield an additional 1 minute.

Mr. McINTYRE. In order to apply my own intelligence about this, I think we try to do this job as best we can. It would be possible, during the recess, to have some more hearings if necessary. We could then come to the floor with additional information when we report the bill.

Mr. STENNIS. If the Senator can make a preliminary, tentative report before we leave for the August recess, I think that would be progress. Then every Senator can come back with his mind fully informed as to what the Senator is proposing. That will enable us to pass on it, maybe, the day after we get back and get it up to the floor. Anything the Senator can do along that line, I feel he will do, and I thank him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. STENNIS. Mr. President, this is an awfully important subject. I ask unanimous consent that we may have a quorum call not to exceed 7 minutes, not charged to anyone's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any votes that are ordered on the defense appropriations bill prior to the hour of 4 o'clock be scheduled immediately after the votes that are ordered on the legislative appropirations bill.

The PRESIDING OFFICER (Mr. HATHAWAY). Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And then, Mr. President, I ask unanimous consent that the Senate resume consideration of the defense appropriations bill following the votes.

Mr. YOUNG. Mr. President, reserving the right to object, I cannot hear the Senator.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, we will see if we can get something more known about the situation. I do not have any additional time to yield on quorum calls or anything. I think we could manage that, though, because we have consent here not to vote until 4 o'clock.

But I have only 18 minutes left. This is an important amendment. I do not know whether there is going to be a request for the yeas and nays or not. This is on the matter of the B–1 and the committee amendment on the B–1.

The other side has 38 minutes. I do not know how many speakers they have.

I do not know if I have any more. But I want to preserve this 17 minutes that I have left.

I suggest to the leader that if we have to have quorum calls, he could ask they not apply to either side.

Mr. ROBERT C. BYRD. Could it be charged against both sides on the bill? I believe we have 4 hours.

Mr. STENNIS. This is a mighty long bill, and a lot of amendments, and a challenge, and a lot that are added.

Mr. ROBERT C. BYRD. Senators should come on the floor to call up their amendments.

Mr. STENNIS. I am ready.

Mr. ROBERT C. BYRD. The Senator is ready, always.

Mr. STENNIS. We could ask unanimous consent that no time be charged to anyone for quorum calls.

Mr. GOLDWATER. Will the Senator yield?

Mr. STENNIS. Yes.

Mr. GOLDWATER. We are going to ask for the yeas and nays on the B–1 amendment.

Mr. STENNIS. All right. Let us see if we cannot agree then it will come after x minutes of debate on each side, following the votes on the legislative appropriations bill.

Does that suit the leader?

Mr. ROBERT C. BYRD. Yes.

How much time would the Senator like to reserve for that? What would the Senator suggest?

Mr. STENNIS. Fifteen minutes to the side.

Well, we have 17. But I think we ought to preserve some time for those that do not know.

Mr. GOLDWATER. Will the Senator yield?

Mr. STENNIS. Yes.

Mr. GOLDWATER. I do not really think many Senators will speak on the B–1. It is sort of a fait accompli.

Mr. ROBERT C. BYRD. That is right.

Mr. GOLDWATER. We recognize it does not make much sense to appropriate money for an airplane the President is not going to buy. But I would like to have the chance to be recorded as opposed to the President's action.

So I do not really think it might be wise to poll those people who wanted to speak on it.

But Senator THURMOND would like about 10 minutes. I do not know of anyone else. They are not around. I think it was a shame to make the first vote at 4 o'clock. I am on three other amendments. They are going to take some time to argue.

Mr. STENNIS. There are three votes, as I understand, on the legislative bill itself. That starts at 4 o'clock. My proposal was that we vote after the legislative votes are completed—say, 10 minutes to a side. Certainly, $10 billion is worth 10 minutes to a side.

Mr. ROBERT C. BYRD. There is a series of votes beginning at 4 o'clock on the legislative proposals, without debate.

Mr. GOLDWATER. Senator ALLEN has two amendments that are very important. Senator CANNON and I have an amendment that should not take long because it merely will be a parliamentary inquiry relative to authorization on the appropriation bill.

Mr. STENNIS. Let us keep the record straight. The committee is ready for votes on any amendments, now. I mean, after a brief debate.

Mr. ROBERT C. BYRD. Could we agree, then, to have 20 minutes, equally divided, on the B–1 bomber, immediately following the disposition of the legislative appropriation bill—20 minutes, equally divided, and then vote?

Mr. GOLDWATER. That is after 4 o'clock?

Mr. ROBERT C. BYRD. Yes.

Mr. GOLDWATER. That is all right with me.

Mr. STENNIS. In the meantime, if others come in and wish to speak, we can use some of the time we have remaining now.

Mr. ROBERT C. BYRD. They can use time on the bill.

Mr. STENNIS. I am not surrendering the 17 minutes I have.

Mr. ROBERT C. BYRD. I will object to not charging the time against something, Mr. President. There are 4 hours on the bill.

Mr. STENNIS. We are in agreement on it. If someone wants to speak, I want to have time for him between now and 4 o'clock.

Mr. ROBERT C. BYRD. The Senator has time on the bill. I will try to be helpful in getting other Senators to call up their amendments.

Mr. STENNIS. Senator THURMOND was here a few moments ago and wants to speak. The Senator from Virginia might ask him.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. The B–1 amendment having been laid aside——

Mr. STENNIS. Mr. President, I ask unanimous consent that further proceedings at this point on the B–1 be laid aside for the purpose of considering the amendment that the Senator from Alabama proposes to offer, with the understanding that it will not disturb the 4 o'clock agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. I say to the distinguished Senator from Mississippi that I do not believe the Chair put my request with respect to the 20 minutes following the votes on the legislative bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, a parliamentary inquiry. Would not the pending

business now be the consideration of the first committee amendment?

FIRST REMAINING COMMITTEE AMENDMENT

The PRESIDING OFFICER. There are four committee amendments that have not been disposed of. The question now is on the first of those four. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 3, beginning on line 10, strike the numeral and insert "$7,149,609,000".

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Is the Senate adopting these amendments as original text for the purpose of amendment, or is the committee offering amendments to be adopted so that they would bar further amendment to the same numbers in the bill?

The PRESIDING OFFICER. That was done in the case of all other committee amendments, except these four.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on the B–1 matter.

The PRESIDING OFFICER. Is there objection to ordering the yeas and nays at this time? The Chair hears none, and it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

(The following proceedings occurred later in the day and are printed at this point by unanimous consent:)

Mr. STEVENS. I ask the Senator from Alabama if he would have any objection if I would ask unanimous consent at this time that assuming his amendment is adopted, as I hope it will be, my amendment No. 499 which also concerns the same figure on page 7 would still be in order.

Mr. ALLEN. Mr. President, this covers two points in the bill. One is on page 7. What line does the Senator have?

Mr. STEVENS. My amendment No. 499 also would amend the figure on page 7, line 17.

Mr. ALLEN. That is covered in this amendment.

Mr. STEVENS. But I am doing it for some commissary. It is another matter. I did not want my subsequent amendment to be not in order when the Senator's amendment carries that and restores the money for the Civil Air Patrol. I am trying to restore money that was similarly deleted from the same item.

I ask unanimous consent that my subsequent amendment still be in order following the adoption of the Senator's amendment.

Mr. ALLEN I have no objection, of course, if it is a matter of unanimous consent. In other words, the Senator wants to increase the same figure; is that correct?

Mr. STEVENS. That is correct. I have an amendment to increase the same figure. If it is adopted it would modify the figure that the Senator's amendment would amend.

Mr. ALLEN. I have no objection that being the case of unanimous consent.

Mr. STEVENS. I thank the Senator from Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment of the Senator from Alabama amends both the first and the second committee amendment. The Chair would not object to consider the second committee amendment having been read and considered en bloc with the first committee amendment and this entire proceeding will be placed at the point prior to the time the Senator from Alabama introduced his amendment.

Mr. STEVENS. I thank the Chair.

Just so I am now correct if my amendment is offered amendment No. 499 following the adoption of Senator ALLEN's amendment, it would still be in order notwithstanding in fact it is amending the same figure.

The PRESIDING OFFICER. The Senator is correct.

Without objection, it is so ordered.

SECOND REMAINING COMMITTEE AMENDMENT

The second committee amendment is as follows:

On page 7, line 16, strike "$8,346,886,000" and insert "$8,146,638,000";

(This concludes proceedings which occurred later in the day.)

UP AMENDMENT NO. 667

Mr. ALLEN. Mr. President, I send to the desk an amendment which contains two parts and I ask unanimous consent that the two amendments, which are in effect one amendment, be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. STENNIS. Mr. President, I wish to make a parliamentary inquiry about the previous committee amendment. Did the Chair inform the Senator from Alaska that the previous committee amendment was adopted?

The PRESIDING OFFICER. No.

Mr. ALLEN. This is an amendment to the committee amendment.

Mr. STEVENS. I, too, have an amendment; and I do not want to be blocked by those four committee amendments.

The PRESIDING OFFICER. The amendment by the Senator from Alabama is an amendment to the first committee amendment.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) for himself, Mr. SPARKMAN, Mr. STEVENS, Mr. HUMPHREY, Mr. GOLDWATER, and Mr. BAKER, proposed an unprinted amendment numbered 677 to the committee amendment:

On page 3, line 11, strike "$7,149,609,000" and insert in lieu thereof: "$7,150,731,000"

On page 7, line 17, strike "$8,146,638,000" and insert in lieu thereof "$8,147,738,000"

Mr. ALLEN. Mr. President, in connection with the previous unanimous-consent agreement, I ask that there be no time limit on the amendment, although I do not believe many minutes will be used.

Mr. President, I hope the Members of the Senate will not be frightened by the tremendous sums that the clerk has read. It was necessary to amend two sections of the bill in order to save the Civil Air Patrol from emasculation, though only approximately $2.222 million is involved in the amendment.

The amendments I have offered on behalf of myself and the cosponsors, for the defense appropriation bill for fiscal year 1979, would restore the civilian salary funding and military spaces and Air Force liaison function for the Civil Air Patrol. The amendments merely restore the $2.222 million reduction recommended by the committee amendment and bring the Civil Air Patrol appropriation back to the $5.5 million level provided in the House bill.

The Senate, in acting on the level set by the House of $5.5 million for this very valuable work with the Civil Air Patrol, does cut approximately $2.2 million from the appropriation. That is found in two sections of the report, not shown in the bill, these tremendous amounts covering hundreds of different items.

But in order to reach it we have got to amend these two items in the bill and add this $2.2 million back to the appropriations for the Civil Air Patrol.

The Civil Air Patrol has, since 1941, provided our country with a small, but dedicated group of patriotic volunteers who have risked their lives to aid their fellow citizens in distress. Since 1960, CAP has participated in 7,810 Air Force designated search and rescue missions. Since 1965, when "finds" were first recorded and since 1967, when "saves" began to be credited, the CAP has located 2,057 search objectives and received credit for 402 lives saved. In 1976, CAP flew 817 missions and saved 34 lives.

It goes without saying that we, as Members of the Senate, share a great mutual concern about national fiscal responsibilities. However, if the taxpayers have ever received a bargain, the $5.5 million that we invest annually in CAP through the Air Force is it. It would be impossible to place a dollar figure on the services rendered by CAP volunteer members at local, State, national and international levels.

The recommended reduction in CAP funding would also mean the end of a CAP cadet program that has some 27,000 young men and women currently enrolled. This program has historically contributed sizable numbers to the Air Force Academy, Air Force ROTC, and Active Forces.

Congress saw the need to establish the Civil Air Patrol as a private, nonprofit corporation following World War II. Its purpose was directed toward informing our citizens on the application of airpower and aviation; developing youth through leadership training and providing a trained resource to meet local or national emergencies throughout the country.

As an all-volunteer organization whose members dedicated their time

away from their jobs or professions, the Civil Air Patrol needed a foundation to bring continuity to its programs. The Air Force provides this foundation and has done so since 1948, when Congress set forth the relationship between the Civil Air Patrol and the Air Force in public law.

The military and civilian members of the Air Force who assist the Civil Air Patrol are a small number of advisory personnel. These liaison personnel provide the training and management assistance to the Civil Air Patrol on a day-to-day basis. They maintain the continuity for the Civil Air Patrol, whose members must must leave their place of work in time of emergency to perform search and rescue missions or disaster relief missions for the Air Force. The capability and success of these missions are directly attributable to the training and assistance provided by the Air Force.

The Committee on Appropriations has recommended in their report—No. 95-325—the deletion of 155 of the total 205 military spaces for Civil Air Patrol liaison. It further deleted the civilian salary funding for all the 70 civilian personnel of the Air Force in this program.

I am firmly convinced that this action would result in the Civil Air Patrol becoming unable to meet its responsibilities that Congress chartered for it. The Civil Air Patrol relies primarily on the Air Force for its support through the liaison program. Without these advisers, all three of the Civil Air Patrol's missions of aerospace education, youth development in the cadet program and humanitarian relief will be faced with detrimental decline in capability. The overall result will be a delayed, fragmented, ineffectual program.

Congress identified several areas of support for the Civil Air Patrol; however, the liaison function is the focal point of the entire support effort.

I strongly urge the restoration of this program to its current level as reflected in the House bill. That is the purpose of this amendment that has been offered by a number of Senators and myself, to restore, not to add anything to it, but to restore, the level of appropriation as provided in the House bill. This amendment was introduced, even though it does not say it is, for the Civil Air Patrol, and the legislative history in this discussion here at this time will indicate the purpose of this amendment specifically is to restore the Civil Air Patrol appropriation to the $5.5 million level provided in the House bill.

I trust that with this legislative history, if the amendment is agreed to, that automatically will increase the appropriation back to its former level. These dollars will, in turn, benefit the entire country and insure that this small but responsive organization will be able to accomplish its objectives in support of the citizens of this Nation.

I hope the amendment will be agreed to.

I am delighted to yield to my senior colleague, Mr. SPARKMAN.

Mr. SPARKMAN. I am a cosponsor of this legislation. I believe strongly in it. If I speak on it I would be saying very much the same things that my colleague has said, so I shall not do that. I do have prepared a summarization of the program. I ask unanimous consent that this summary in support of this amendment be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

CIVIL AIR PATROL AUXILIARY OF THE U.S. AIR FORCE

Civil Air Patrol, a nationwide organization:

CAP in every State, Puerto Rico and District of Columbia.

Each State directed by corporate official with a number of subordinate units in many local communities.

Members are volunteer local citizens, either adults or young men and women in cadet program.

Congress established CAP and Air Force relationship under law:

CAP designated an auxiliary of the Air Force.

Air Force employs CAP resources on noncombat missions.

Air Force provides support for CAP programs.

Air Force missions performed by CAP:

Search and rescue in Continental United States, Alaska, Hawaii and Puerto Rico at an average cost/flying hour of $20.—17,600 hours on 817 missions in 1976; saving 34 lives.

Disaster relief missions throughout United States from floods, tornadoes, blizzards and hurricanes.

Use of Air Force resources for these missions would be at considerably higher cost.

Air Force benefit from CAP cadet training:

Air Force personnel perform a large share of cadet training.

Cadets from a valuable source of pre-service trained personnel for the Air Force. Since 1955, over 1,400 cadets have entered the Air Force Academy. The largest single number entered the academy in August 1976.

CAP cadets are also a source for enlisted requirements and college ROTC programs.

Aerospace Education:

Air Force liaison personnel assist in college workshop program for aerospace education.

180 college workshops each year.

10,000 teachers from all levels of education receive courses on the application, benefit and background of aerospace places CAP and Air Force in direct contact with public throughout the country.

CAP support by the Air Force:

Only fuel, lubricant and communication costs reimbursed to CAP members on Air Force missions.

Excess DOD equipment may be provided to CAP. Light aircraft, vehicles and communications equipment needed for Air Force requested missions.

Air Force liaison personnel, military and civilian, advise and assist as well as train CAP members.

Liaison personnel assist in all areas of management of the CAP program. Liaison structure designed and located to insure CAP supervisors and their units receive maximum assistance.

Mr. ALLEN. I thank the Senator.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ALLEN. I would be delighted to yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, I am very proud to be a cosponsor of this amendment, and I want to compliment my friend from Alabama for having introduced this.

I was interested in finding out how come after all these years the Civil Air Patrol was finally dropped from the appropriations. I made inquiry. It seems there was no presentation by any organization, particularly the Air Force, opposing this. I have a strong feeling that the derivation of this change came from a staff member or staff members.

Mr. President, the Civil Air Patrol is a private nonprofit volunteer organization, designated as an auxiliary of the Air Force. The missions performed appear to be internal support of CAP or State activities including humanitarian missions. That pretty well describes what this organization is, Mr. President.

I just want to speak as a Senator from a far western State, southwestern State, where we have as high a per capita of aviation activity as any State in the Union, and where we have probably the worst terrain to fly over of any State in the Union.

I will be perfectly honest with you, Mr. President, I do not know how we could fly with safety in the southwestern part of the United States—and this goes for the entire West—without the knowledge that we had the Civil Air Patrol to depend on should anything happen during flight that required a forced landing.

I have no idea how many of these rescue missions the Civil Air Patrol has participated in during the years since its inception in about 1941, but I imagine even in my State it runs up into the hundreds.

They work very closely with other organizations. They work with the sheriff's office, for example. They work with the regular Air Force installations like Luke Air Force Base, Davis-Monthan Air Force Base, Williams Air Force Base, and with the Marines and the Army, both of which have air programs in my State.

One of the things we keep forgetting about this organization is the great work they did for our country during the early days of their founding around 1941 or 1942, particularly when the members of this patrol flew regular antisubmarine missions flying out over the Gulf of Mexico, flying off the coast of Florida and the rest of the Atlantic coast looking for enemy submarines.

They delivered the mail. They, in fact, were the modern version of the ancient air mail.

I recall an old flying friend of mine, a woman, who used to fly mail from El Paso, Tex. to Phoenix, a distance that you can cover now in a modern jet in less than an hour, yet it took her all day to fly those missions day after day after day in the heat of the summer and the uncertainty of the winter weather.

So, Mr. President, when we are talking now about just really capriciously—and I use that word advisedly—cutting off this organization, I think we are making a mistake. For example, 7 percent of the graduates of the Air Force Academy were Civil Air Cadets. If we did nothing else with this organization this would be of value to us, these men and women now going on to become officers in the Air Force.

They fly or they occupy operational or directional jobs, and their background in the Civil Air Patrol is invaluable to them.

So, Mr. President, I am very hopeful that when the time comes to vote on this my colleagues in this body—I think there are many Senators in this body who actually flew with the Civil Air Patrol—will support this amendment. It is certainly a worthwhile amendment because no one has called for the abolition of the Civil Air Patrol.

If the Air Force came over and said, "Fellows, we do not need it any longer," that might be something else. But the Air Force had nothing to do with this. I doubt the Air Force knew this language was in this bill until they received a copy of it and were reading it and were rather shaken up to see one of their really nice assisting bodies was to be dropped.

I thank again my friend from Alabama for having introduced this amendment. While I never have been a member of the Civil Air Patrol, I have long been a backer of it, and I would like to think that I can spend many more years backing this group that has, as one of its most interesting, most intense and most beneficial programs, interested young men and women in the career of becoming aviators to the end that they may even fly for our country.

I thank my friend.

Mr. ALLEN. I thank the distinguished Senator for his splendid comments and his personal support.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I am pleased to cosponsor this amendment of our colleague from Alabama (Mr. ALLEN) to reinstate the $1.1 million civilian funding for the CAP, and I point out that it does reinstate a similar amount for the support of Air Force personnel associated with the CAP program.

Air Force support is extremely important to the continued success of the Civil Air Patrol as Senator ALLEN has pointed out. This organization is important to each and every State as well as to Puerto Rico and the District of Columbia. Every corner of our Nation has at some time experienced an emergency in which Civil Air Patrol volunteers have been part of the assistance rendered to those in distress.

Coordinating these activities and training the members of the Civil Air Patrol has in large measure come from the Air Force military and civilian personnel assigned to the liaison or advisory role with the CAP. We are now being asked to remove all the advisers, except for a single Air Force representative in each of the 50 States, from this congressionally chartered auxiliary of the Air Force.

Our Appropriations Committee in our report for the fiscal year 1977 defense appropriations bill expressed special concern for the needs of the Civil Air Patrol in terms of equipment support from the Air Force and the Department of Defense. While much of this equipment is excess to the needs of the Department of Defense, the Air Force liaison personnel are the key element in screening and acquiring such items from the defense department. Additionally, I understand that the Air Force liaison personnel have been instrumental in an aircraft revitalization program upgrading Civil Air Patrol's light aircraft fleet. They have also started a program to help all Civil Air Patrol wings identify their equipment needs. It is this continued type of assistance that the Civil Air Patrol needs from the Air Force to sustain its activities. I believe we need to maintain the status quo in Air Force civilian and military support of the Civil Air Patrol.

I welcome this opportunity to commend the many pilots in the United States who fly search and rescue operations for the Civil Air Patrol. Not only do these individuals donate their time, but they also fly their own aircraft; through their dedication and service many lives have been saved each year.

My State in particular has great need for the Civil Air Patrol. In our State with its immense terrain and diverse climatic conditions there is presented a herculean task for the Civil Air Patrol. Despite these obstacles, the Civil Air Patrol plays a particularly invaluable service in search and rescue in Alaska. According to a recent article in the Air Force magazine, Alaska's Civil Air Patrol units fly two-thirds of all rescue missions in the State and leads units in all other States in terms of the number of people found, assisted and saved.

While most people associate the Civil Air Patrol with their humanitarian efforts in search and rescue missions, they also perform several other invaluable services such as aerospace education, and they are a reservoir for potential Air Force personnel, as the Senator from Arizona has stated.

I urge the Senate to act favorably on this amendment.

Mr. STENNIS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Under the agreement we have when we complete this amendment, we automatically go back to the committee amendment on the B–1. I just call that to the Senator's attention.

I do not know if the Senator from Alaska understood that or not. But we were on the committee amendment concerning the B–1. We temporarily laid that aside for the purpose of considering the amendment of the Senator from Alabama. If we dispose of his amendment, then we automatically go back to the B–1 amendment by the committee.

Mr. STEVENS. The Senator from Alaska understood that situation.

Mr. STENNIS. That is fine.

I was diverted in my attention momentarily.

Mr. STEVENS. I might say to the manager of the bill I was just trying to make certain that my subsequent amendment would not be barred because Senator ALLEN's amendment amends the same figure in the bill.

Mr. STENNIS. All right. I thank the Senator. I am glad to understand that.

Mr. President, now with reference to this amendment on the Civil Air Patrol, let me give a little background. I mentioned in the opening statement that this bill actually has 3,359 line items that were considered in the markup of this bill. This is splendid argument in favor of something that I realize that the volume of work that the Senate is called on to do every year has just gotten so large that it cannot give the in-depth consideration these items deserve.

On this amendment I do not know just what happened in the consideration. There were so many of them. But I do not think the membership really was opposed to this relatively small sum here to be distributed around among 50 States.

I yield to the Senator from North Dakota, who is versed in these matters.

Mr. YOUNG. Mr. President, the Senator from Mississippi is correct. The committee handled over 3,000 items. We tried from the beginning to save all the money we could.

I think there is merit for this item. It may not have been given the attention that is deserved. Therefore, I think it would be well to accept the amendment.

Mr. STENNIS. Yes. It is an item that is in the budget, and it is in the House bill, and we think partly, at least, through inadvertence in some way, it got mixed in with some bad company, maybe, and got left out of this bill. Anyway, the amount is $1.1 million multiplied by 2. So we are glad to support the amendment.

Mr. ALLEN. I thank the distinguished Senator. I am ready to vote.

Mr. STENNIS. Mr. President, I yield back whatever time I may have.

Mr. ALLEN. The time was not limited, I believe, under the agreement.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. ALLEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STENNIS. I move to lay that motion on the table, Mr. President.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I am ready to go into some other amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments, as amended.

The first and second remaining committee amendments, as amended, were agreed to.

Mr. STEVENS. Mr. President, may I inquire of the manager of the bill? I have my amendment No. 500, which deals with the problem of Wage Board employees. I would be pleased to take that up at this time. The Senator from Alabama (Mr. ALLEN) and the Senator from New Hampshire (Mr. DURKIN) wish to be added as cosponsors of that amendment. I would be pleased to take that up at the Senator's convenience.

I also have two other amendments, one dealing with commissaries, and the other dealing with the so-called "double dipping" provision. I know that the B–1

comes back here automatically, and I do not want to abuse the process.

Mr. STENNIS. Yes. Mr. President, the situation now is that we here, at 1:41 p.m., cannot vote until 4 o'clock under the agreement, which is all right; it helps to have the agreement, to save time. But anything we argue now that cannot be disposed of by voice vote would have to be reargued later, following several votes that have already been agreed to, to occur following 4 o'clock. I do not see much to be gained——

Mr. STEVENS. Is there a time agreement?

The PRESIDING OFFICER. There is not a time limitation.

Mr. STENNIS. By us arguing it twice.

Mr. STEVENS. I might state to the Senator, as he knows, in committee I offered an amendment, that did carry, on wage board language, and was unaware that the House bill itself contained language which dealt with the same question that was covered by the committee amendment that was proposed, that upon my motion was deleted.

After we discovered that, I offered this amendment No. 500, which deals with the provision concerning wage board salaries. I would have covered that with my amendment in committee had I known the House bill provision was there, but the situation as it stands now is that the bill contains language which is equally, in my opinion, as offensive as the proposed committee language which was deleted at my request.

I do not know whether the committee has had an opportunity to look at my proposed amendment, which would strike the House language on wage boards.

That would be in conference, in any event, I point out to the chairman. Oh, no, wait a minute; I am misinformed. I understand the House had struck that language on the floor, too, and the committee put it back in.

Mr. STENNIS. Mr. President, the situation is that this proposal involves blue collar wage board salary employment. That is the subject matter. It was taken up in the House, where there was a division vote on the floor, and, by a vote of 19 to 11, on a division vote, according to my memorandum, this amendment was voted out of the bill.

Mr. STEVENS. I understand.

Mr. STENNIS. If I may just finish stating the facts, we had this up before the committee and had a rather full discussion and review of the facts, and being that it involves an estimated $300 million saving for fiscal year 1978, we voted to have the amendment in. I do not see how we can dispose of that without a rollcall vote.

Mr. STEVENS. All right. The Senator recalls that my amendment in the committee, which did carry, was deleted from the amendment, the proposed committee amendment dealing with the 3 percent?

Mr. STENNIS. Yes.

Mr. STEVENS. This other amendment, which I was not informed was to be in the bill, or did not realize it was in the bill in another place——

Mr. STENNIS. Yes.

Mr. STEVENS. I would have moved to strike in committee also. But if the Senator wishes to contest my amendment, I am perfectly willing to take it up any time he desires. I would be happy to take it up now, and have the vote later, or take it up after the votes, whichever the chairman would desire.

I have the amendment on commissaries which I have been requested not to offer until another Senator returns who wants to participate in the debate.

The third amendment is an amendment which touches Senator EAGLETON'S amendment, and I am sure it would be proper to notify him if we are to take that up.

So I leave it to the manager of the bill when he would like to take up these three amendments.

Mr. STENNIS. Well, I am ready now, but we cannot dispose of them, that is the problem, and we would have to go back into them some later.

As I see it, there is nothing to be gained unless the Senator would rather get his explanation into the RECORD now. That would be all right with me, and then we could go over it again later.

Otherwise, I am going to suggest that we just take a recess until 4 o'clock, after advising with the leadership to see if there is any reason to the contrary. We are aware that we cannot dispose of these amendments now.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum, temporarily.

The PRESIDING OFFICER. On whose time? Will the Senator from Mississippi state to whose time the quorum call is to be charged?

Without objection, the time for the quorum call will be equally divided. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SPARKMAN). Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I understand, that the senior Senator from Maine has a matter concerning this bill. The junior Senator has another matter.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. I yield such time to the senior Senator from Maine as he may use.

Mr. MUSKIE. Mr. President, I appreciate that courtesy on the part of the distinguished floor manager, the able Senator from Mississippi.

Mr. STENNIS. That is on the bill.

Mr. MUSKIE. In the course of our consideration of the appropriations bills this year, Mr. President, I should like to say I have been pleased, as chairman of the Committee on the Budget, representing the committee, that the managers of the bill and the Appropriations Committee have maintained the discipline of the budget so that it has not been necessary for me, as often as last year, to speak to the budget implications of these appropriations bills. This one is of such significance and magnitude in terms of cost that I thought I ought to comment briefly on it.

First, I hasten to say that I rise in support of the defense appropriation bill for fiscal year 1978. I want to express my views about the bill and how it relates to the national defense targets Congress established in the first budget resolution for fiscal year 1978.

First, I extend my congratulations to the distinguished Senator from Mississippi (Mr. STENNIS), the distinguished Senator from Arkansas (Mr. MCCLELLAN), and the other very able members of the Defense Subcommittee for the work they have done and the time they have devoted to this important measure, and also to the distinguished ranking Republican member of the committee (Mr. YOUNG). They have worked extremely hard, Mr. President, in bringing before the Senate a defense spending measure that is within the budget targets that Congress mandated for defense.

I remind the Senate that it was not easy to arrive at agreement with the House conferees on those budget targets and that agreement was achieved only after several days of rather vigorous disagreement and debate.

The bill before us appropriates funds totaling $111.1 billion in budget authority. Outlays associated with the bill are $101.5 billion, which includes outlays of $28 billion from prior-year authority.

Under section 302(b) of the Budget Act, the Committee on Appropriations divides among its subcommittees the budget authority and outlays allocated to it under the first budget resolution. Under this process, the Defense Subcommittee was allocated $113 billion in budget authority and $103.7 billion in outlays. The bill before us leaves $1.9 billion in budget authority and $2.2 billion in outlays remaining within the subcommitee's allocation.

Having said that, however, I hasten to point out that possible later requirements for Defense Department pay raises and military retired pay are now estimated at $2.1 billion in both budget authority and outlays. This would place the Defense Subcommittee over its allocation by $0.2 billion in budget authority and slightly below the level of its allocation in outlays.

Mr. YOUNG. Will the Senator yield on that?

Mr. MUSKIE. Yes; I yield.

Mr. YOUNG. The Senator from Maine is making a good point. Also, we shall have to give serious consideration to the add-ons that the President sent over in the budget, which amounts to $449 million. That, along with the pay raise, would put us over the budget ceiling.

Mr. MUSKIE. I am happy to have the Senator from North Dakota make that point. We must always bear in mind the future amounts that come down the budget pike in the years ahead. This is a tight budget. We knew it would be when we set the defense function budget totals. I am delighted that the committee has worked so hard and effectively at holding the line so closely, but there is no room for additional play with these figures.

Mr. President, we must, of course, be watchful when subcommittee allocations

are exceeded. In the case of this appropriation bill, however, I believe there is no cause for concern. There are several reasons: First, the President's recent decision regarding the cancellation of the B–1 production program could have a downward impact on the final level of the bill. Second, the House-passed version of the defense appropriation bill is $1 billion in budget authority under the Senate-reported version, and it is possible that the Senate level may be reduced in conference. Moreover, even at the Senate level, we now expect the full Senate Appropriations Committee to remain within its first budget resolution committee allocation by approximately $5 billion in budget authority—an expectation fully supported by the distinguished chairman of the Appropriations Committee, who is also the chairman of the Defense Subcommittee.

Finally, Mr. President, the combination of the defense appropriation bill, as reported in the Senate, plus action to date on other appropriation bills, indicates that the Congress is well within the national defense functional targets established in the first budget resolution. It is currently estimated that the national defense function would be $1.2 billion in budget authority and $1.4 billion in outlays below the functional targets if this bill were enacted as reported.

I have a detailed chart depicting the derivation of these figures and I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FUNCTION 050: NATIONAL DEFENSE

[In millions of dollars]

	Resolution assumptions		Appropriation bills	
	Budget authority	Outlay [1]	Budget authority	Outlay [1]
Civil defense activities	142	141	130	[2] 130
Renegotiation Board	6	6	6	[2] 6
ERDA-Defense	2,380	2,162	2,330	[3] 2,141
Selective Service	6	6	6	[2] 6
Military assistance	975	887	880	[4] 591
Military construction	3,016	3,612	3,131	[3] 3,621
Defense	112,400	102,736	[5] 111,095	[3 5] 101,546
Possible later requirements	2,000	2,000	2,119	2,060
Total appropriations	120,925	111,550	119,697	110,101
Trust funds and receipts	−2,425	−550	−2,425	−550
Total function	118,500	111,000	117,272	109,551
Under target			(−1,228)	(−1,449)

[1] Includes outlays from prior-year authority.
[2] Senate passed.
[3] Senate reported.
[4] House passed.
[5] House has passed Defense bill of $110,100,000,000 in budget authority and $102,100,000,000 in outlays.

Mr. MUSKIE. Mr. President, in concluding my remarks, I extend my appreciation again to the distinguished chairman of the Committee on Appropriations (Mr. MCCLELLAN), and to the entire committee membership and staff for their efforts in producing a bill within the congressional budget targets for defense. I might also add that the distinguished chairman provided the Budget Committee sound counsel and able assistance during our deliberations in arriving at the first budget resolution, and I want to publicly thank him for his support of the budget process.

Mr. President, I support this defense appropriation bill, of course reserving the right to support or oppose floor amendments. I congratulate the distinguished chairman for reporting a bill that is consistent with the budget resolution targets and the committee's allocation; and I encourage him to continue his efforts in this regard in the subsequent conference with the House.

I repeat my congratulations to the Senators involved, the ranking Republican and my good friend from North Dakota, the distinguished floor manager of the bill (Mr. STENNIS), and Senator MCCLELLAN, the chairman of the full committee. I express my appreciation for the cooperation we are receiving from the Appropriations Committee on all matters affecting the budget.

Mr. DURKIN. Will the Senator yield for a unanimous-consent request?

Mr. MUSKIE. Yes, I yield.

Mr. DURKIN. Mr. President, I ask unanimous consent that Mark Coven and Ann Schlesinger be accorded the privilege of the floor during consideration on this and pending measures today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I support the fiscal year 1978 defense appropriation bill. This is a vital bill because it provides the funding to maintain our national security, and it also accounts for 22 percent of the Federal budget. Two aspects of this bill are important to the Congress ongoing effort to bring the budget under control: First, this bill has a major impact on whether the national defense function stays within the targets set by Congress in the first concurrent budget resolution. Second, this bill contains some important budgetary savings which will pay increasing dividends in future years and will help us obtain more muscle from our defense dollars. I would like to discuss each of these areas briefly.

As reported, the bill before us makes available $111.1 billion in BA and $101.5 billion in outlays—including $28 billion from prior-year authorizations. Together with the possible later requirements, the BA figure exceeds by $0.2 billion the BA amount which the Senate Appropriations Committee allocated to the Defense Subcommittee under section 302(a) of the Budget Control Act. In outlays the bill is right at the subcommittee allocation. The slight overage in BA can be accommodated because it appears that the sum of all the appropriation subcommittees, plus all the possible later requirements envisioned at this time, will be significantly below the budget authority available to the full Appropriations Committee under the first budget resolution.

The relationship between this bill and the national defense function is even more favorable. Taking into account all the other components of the function, including the pay supplemental expected later in the year, this bill leaves the function below the targets set in the first budget resolution by $1.2 billion in BA and $1.4 billion in outlays.

What is particularly praiseworthy, Mr. President, is the way in which the committee has achieved the cuts from the President's request which were needed to meet the targets in the first budget resolution. Through careful examination, low priority items were identified and eliminated while the vital components of our Nation's military strength were enhanced. For example, the subcommittee made a base-by-base analysis of daily operating costs of military installations and identified savings of over $300 million from the President's request. The committee also dropped the funds to cover the impact of anticipated inflation in the "other purchases" portion of the operation and maintenance account. This is consistent with normal budgetary practices to encourage local commanders to make savings where possible and to trim the lowest priority expenses. The committee also directed that about $250 million of prior-year unobligated balances be reprogramed and applied to the fiscal year 1978 budget request. On the other hand, the committee's reductions in the more important areas of weapons procurement and military manpower totaled less than 1 percent from the President's budget.

These are significant accomplishments, and our distinguished chairman of the Appropriations Committee, Senator MCCLELLAN, and all the members of his Defense Subcommittee deserve high praise for their diligent efforts in producing a bill which is consistent with the defense function targets and does not cut our Nation's military strength.

Mr. President, the House-passed Defense Appropriation bill is below our bill by about $1 billion in BA, but it is above our bill by $0.6 billion in outlays. This means we need to demonstrate strong support on the floor for Senator MCCLELLAN's bill in order to aid his efforts at the conference committee meetings. This is particularly true for the cost sav-

ings described earlier, most of which have high outlay rates in the first year. Since the bill before us is at the level of the Defense Subcommittee allocation, and there appears to be only about $0.2 billion leeway in outlays for the whole Appropriations Committee, we cannot afford to move very far toward the higher House outlay number without causing the Appropriations Committee to break its budget allocation. As we all know, additions to the outlay number add directly to the fiscal year 1978 deficit which already exceeds the level most of us believe is appropriate.

Mr. President, H.R. 7933 contains several provisions involving reforms which have important implications for outyear budgetary savings. Because I strongly believe these reforms are crucial to bringing defense support costs under control and thus increasing the resources available for improving direct-combat capabilities, I would like to take a few moments to highlight some of them.

Perhaps most important is the issue of wage-board salary reforms. Numerous studies have shown that Federal pay exceeds local wage rates for the same work in the private sector. A careful study by the Congressional Budget Office estimates that Federal rates average at least 9 percent above local private sector wages. Both Presidents Ford and Carter have proposed reform of Federal wage-board pay scales to bring them into line with prevailing private sector wage rates. The bill before us makes an important first step in achieving this much needed reform. Rather than reducing the salary of any employee, it would restrict Federal pay increases for any employee until pay in the private sector for that employee's skills has caught up with his salary. This provision is estimated to save between $200 and $300 million in fiscal year 1978; future year savings would grow considerably. A similar provision was recommended by the House Appropriations Committee, but it was deleted by a 19 to 11 division vote. Mr. President, this is a needed reform, and I urge my colleagues to support it here and our conferees to bring it back in the conference report.

A second overdue reform is a 3-year phaseout of the salaries subsidy for the personnel who operate and manage military commissaries. This will not result in the closing of any commissary and is estimated to leave prices in the commissaries still below local supermarkets by 15 to 20 percent. A similar provision passed the Senate last year but was dropped in conference. Since military salaries rose 127 percent from 1964 to 1975 while the Consumer Price Index increased only 74 percent, this operating subsidy cannot continue to be justified. The Senate must again take the lead in achieving needed budgetary savings.

Finally, Mr. President, this bill continues to allow the Department of Defense to convert certain base support functions to commercial contract. I strongly urge the Senate conferees to uphold this provision because my State contains a convincing example of how contracting out support activities can save the taxpayer significant amounts. Vance Air Force Base in Oklahoma has been contractor-operated for several years. Two Rand Corp. studies—in 1973 and 1976—concluded that the support costs at Vance were 15 percent less than a similar Air Force-operated base. In view of these demonstrated savings, it does not make sense to prohibit the Department of Defense from making use of contract support where it believes it is appropriate.

Mr. President, these are several examples which show how our Appropriations Committee is working to reduce support costs and thus maximize the capability obtained from the taxpayers' defense dollars.

In summary, the fiscal year 1979 Defense Appropriations bill as reported by the Senate Appropriations Committee is consistent with the targets Congress set in the first budget resolution. I support the bill; I applaud the committee's efforts.

Mr. MUSKIE. Mr. President, I yield the floor.

UP AMENDMENT NO. 678

The PRESIDING OFFICER. Who yields time?

Mr. HATHAWAY. Mr. President, I ask unanimous consent that an amendment which I send to the desk may be in order at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. HATHAWAY), for himself, Mr. MUSKIE, and Mr. MOYNIHAN, proposes unprinted amendment No. 678.

On page 60, line 21, insert "(1)" before "to maintain".

On page 60, line 22, strike out the period and insert in lieu thereof a comma and the following: "and (2) to establish and maintain Reserve Officer Training Corps units in the State merchant marine academies pursuant to the policy expressed in section 603 of the Department of Defense Appropriation Authorization Act, 1977 (90 Stat. 929; 46 U.S.C. 1126–1).".

Mr. HATHAWAY. Mr. President, on behalf of Senator MUSKIE and myself, I am offering an amendment to section 855 of the DOD appropriations bill. This section of the bill prohibits the expenditure of funds on any senior Reserve Officer Training Corps program which has not had a minimum of 17 junior year students in at least one of the past 4 years or this upcoming academic year, or 12 students in the junior year in the case of a 2-year program. The section provides one exception in that funds would be available to maintain at least one ROTC unit in each State.

Our amendment would add a second exception to this prohibition, which would recognize the special relationship between the Navy and the merchant marine programs. The amendment provides that funds would be available to establish and maintain ROTC programs at the State maritime academies.

The reason for this amendment is quite straightforward; approximately a year-and-a-half ago, the Navy announced its intention to disestablish its ROTC units at the Maine Maritime Academy. The strong protest of the entire Maine congressional delegation was made to Navy at that time; and subsequently an amendment was adopted to the 1977 military authorization bill reiterating the clear congressional policy that there be maximum integration of our naval and maritime forces. Strong ROTC programs at the maritime schools clearly help to implement such a policy and last year's amendment directed the Secretary of the Navy to take "special steps" to assure the maintenance of naval ROTC programs at merchant marine academies.

After the passage of this amendment last year, a new review was carried out by the Navy of the ROTC programs in the maritime schools in Maine and New York. I have now been informed that Secretary Claytor agrees that the programs in Maine and New York should be reestablished, and that he has requested the Office of the Secretary of Defense to implement reestablishment.

This reversal of the original decision is good news to Maine and New York; however, section 855 of the pending bill would appear to jeopardize reestablishment. Although it is not certain that either Maine or New York would be unable to meet the requirement of this section in the upcoming year, at present the uncertainty is such that the question of reestablishment is again thrown into doubt. Hence, students who might otherwise continue in the program could well decide at these schools that the question of whether or not the program is going to be maintained is so in question that they will not bother to continue in ROTC.

There are many special circumstances surrounding the ROTC programs at Maine and New York which the sole reliance on numbers in section 855 cannot take into account. First, there is a special relationship between our naval and merchant marine forces and the maritime schools are in the business of training individuals qualified to become licensed deck officers for ocean-going vessels.

Second, disestablishment of the units at Maine and New York does not result in any significant cost savings to the Navy in its ROTC program. Navy intends to continue its naval science program at the schools and would save only the cost of providing the one or two personnel necessary to run the ROTC program itself. In the case of each school, the estimated cost savings is approximately $34,000 per year.

Third, the decision to disestablish was made without any consultation with the Maritime Administration and in their view was in violation of their agreement with Navy under which the programs were originally established in the two schools.

Finally, the programs at these two schools have not been in operation long. The program at the Maine academy was set up in 1972 with the first entering class in 1973. As of now, there have not even been four consecutive third-year classes which could have met the requirement that there be 17 students in one of those classes. I understand the New York program is even newer than the one at Maine. With the decision and announce-

ment to disestablish coming just 2½ years after the program began in the case of Maine Maritime, the program has never really grown to its full potential. In addition, the Navy has offered little in the way of support activities so that the program might grow in size.

The program at Maine Maritime Academy has now been kept in limbo for over a year while the Navy's second review of the program was carried out. During that time, students interested in ROTC have transferred or dropped out of the program because of the uncertainty surrounding its future. In addition, with one exception, entering students have not been able to join the program, and scholarships have not been available at the school. These two maritime schools are now caught in a Catch-22 situation; although Navy has reversed its decision to disestablish, the programs at the schools are in such disarray because of Navy's prior actions that they may not be able to meet the numbers requirement of section 855. To permit these programs at the maritime academies to be effectively killed in this backhanded manner would, I think, be against the best interests of our overall naval and maritime policies, and in clear contravention of the policy established in last year's military authorization bill.

In summary, our amendment would permit Navy to reestablish these units at Maine and New York, as it has said it wishes to do. It does not mandate the establishment of any new units at the other four State maritime academies. Our intention is to permit the policy of last year's military authorization bill to be carried out, and to prevent an end to two programs whose circumstances are unique and which should not be subject to these provisions in the upcoming fiscal year.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG. Mr. President, I suggest the absence of a quorum, the time to be charged to neither side.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The clerk will call the roll.

Mr. GOLDWATER. Mr. President, before the quorum call is made, I ask that the Senator from Mississippi return so that he can make a decision on this amendment. I think it is a noncontroversial amendment.

Does the Senator from Maine ask the Senator from Mississippi to step back in? I think they can reach a decision on the amendment. I think the Senator is in the cloakroom.

Mr. HATHAWAY. The Senator from Mississippi is delayed momentarily in the cloakroom. I am sure he will be out in 4 or 5 minutes.

Mr. YOUNG. Is there anyone else desiring time?

Mr. President, I suggest the absence of a quorum and the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

Mr. CANNON. Mr. President, I have an amendment to send to the desk.

The PRESIDING OFFICER. There is an amendment pending. This amendment is not in order at this time.

Mr. CANNON. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside that I may call upon this amendment.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. Without objection, it is so ordered.

Mr. YOUNG. Mr. President, what happened to my request for a quorum?

The PRESIDING OFFICER. Does the Senator ask for a quorum call at this time?

Mr. YOUNG. No, not now. I wondered what happened to my request.

Mr. CANNON. I am sorry, I did not hear the Senator suggest the absence of a quorum.

The PRESIDING OFFICER. The request for a quorum call is withheld.

Mr. CANNON. Mr. President, I ask unanimous consent that Charles Cromwell and Frank Krebs of the committee and my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 679

Mr. CANNON. Mr. President, the amendment I send to the desk is an unprinted amendment and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON), for himself, Mr. GOLDWATER, and Mr. RIEGLE, proposes an unprinted amendment number 679:

On page 28, lines 17 and 18, strike out "$4,029,114,000" and insert in lieu thereof "$4,025,214,000".

Mr. CANNON. Mr. President, this amendment would delete the $3.9 million added by the Defense Appropriations Subcommittee to start building four prototypes of the Enforcer airplane. Also, I am pleased to add the distinguished Senator from Michigan (Mr. RIEGLE) as a cosponsor to this amendment. The total cost of this prototype program is estimated at over $10 million to build these four planes.

Mr. President, the Enforcer is a World War II P–51 fighter reengineered with a turboprop. Its inventors already have constructed several prototypes of this airplane. The Air Force tested the Enforcer during a flyoff competition in 1971 held to see if a light strike airplane should be bought for the undefended air war environment of South Vietnam. This competition was called Pave Coin. After a thorough flight test of the Enforcer and other competing airplanes, the Air Force decided not to buy any of these planes and instead used existing A–37 jets for the South Vietnamese Air Force. The Air Force test report stated that there were several deficiencies with the Enforcer prototype tested. Among these were poor visibility, roll control problems, and so forth. These problems, however, are not at issue in the Enforcer debate because they could be corrected.

The real issue is whether the Enforcer is the kind of plane that deserves additional testing to evaluate its suitability for the U.S. Air Force in the modern high threat air defense environment that would exist in Central Europe or most places in the world that the Air Force would be involved in combat. I believe that the answer is a resounding "no," and this opinion is shared by all of the military services, including a most recent statement from the Joint Chiefs of Staff in a letter on April 8 of this year.

Let us review some history of the efforts by the inventors of the Enforcer to promote this prototype program at the expense of the American taxpayers. Despite the fact that there still is an existing Enforcer prototype which could be used for more flight tests of the plane, its promoters have been attempting to get funding to build four new prototypes. They succeeded in obtaining hearings before the House Defense Appropriations Subcommittee in May 1974, hearings before the House Armed Services Committee, August and November 1974; the Senate Defense Appropriations Subcommittee in May 1975, the Senate Armed Services Committee's R. & D. Subcommittee in July 1975 and the Senate Armed Services Tactical Air Subcommittee in March 1977. All of these hearings have plowed the same ground. They have revealed that the Enforcer already has been tested, they have revealed that the Department of Defense has done numerous evaluations of the cost, performance, and military worth of the Enforcer and have found it unworthy as a candidate for the services' inventory and have found that further testing would serve no useful purpose.

Despite all of the hearings that have been held in order to satisfy the promoters of the Enforcer, there never has been a budget request from the Defense Department for the plane and neither of the Armed Services Committees ever has added an authorization of funding for the plane.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

Mr. CANNON. I yield.

Mr. STENNIS. Does the Senator know what Members of this body were sponsors of this matter in the committee? I was not there when it was added, and Mr. McConnell thinks it was Senators CHILES, EAGLETON, and PROXMIRE.

Mr. CANNON. I am sorry, I do not know. It just came out of the blue, as the Senator knows. We did not authorize it, and I was shocked to find that it was in this bill for $3.9 million, when it was not authorized. We held hearings on it, and we have been up and down the hill on this matter for more than 3 years.

Mr. STENNIS. I was not at the committee meeting, but I think that, as a matter of courtesy, they should be notified and given a chance to speak.

I thank the Senator for yielding to me. I will try to get in touch with them.

Mr. CANNON. It is true that 2 years ago the Senate Appropriations Committee did add funding for the plane, but the Senate wisely deleted that funding

as a result of the floor amendment offered by Senator GOLDWATER and myself.

Mr. President, to sustain the Enforcer funding in this bill would directly contravene our traditional practice of requiring authorization for new programs in research and development before allowing appropriation of funding for such projects. The $3.9 million in this bill has not been authorized, and as I said earlier a proposal to authorize the Enforcer was rejected this year in the Senate Armed Services Committee.

In summary, if we sustain this appropriation we will be violating the principles and practices of the authorization process, will be adding money for a project which our services say is not worth pursuing and is unworthy of a budget request, and in my opinion will be perpetrating a ripoff of the American taxpayer in order to pursue a boondoggle intended to recoup the investment of the investors of the Enforcer airplane. Therefore, I urge the Senate to support our amendment and delete the $3.9 million for this project.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. GOLDWATER. Mr. President, I am not going to reiterate everything that has been said by my chairman, the Senator from Nevada, because we have lived through this thing for the last 3 or 4 years.

As my able colleague Senator CANNON has stated, this amendment would delete the $3.9 million in R. & D. funding that was added by the Appropriations Committee to start a prototype program for the Enforcer aircraft. However, Enforcer has not been requested by the DOD and none of the senior management with the Department of Defense believe that an operational test of Enforcer is needed.

Again, this year we held very extensive hearings on the Enforcer aircraft and I chaired those hearings. For the record, I asked General Slay, Deputy Chief of Staff for R. & D., the following question:

The Air Force is on record to agreeing with the claims made by Mr. Lindsay for Enforcer's performance. Yet, Mr. Lindsay says an operational test is needed. What additional data could be gained from an operational test?

And General Slay responded:

In our opinion, very little would be gained from an operational test. The Air Force is on record as agreeing with the aerodynamic performance claimed for the Enforcer. Consequently, we believe a flight test to show its aerodynamic performance is unnecessary. With regard to support and maintenance factors (e.g., turboprop aircraft characteristics, reliability, maintainability, etc.) we could obtain added experience for estimating life cycle costs, however, we have substantial experience in similar aircraft which can be used to predict Enforcer operational characteristics. USAF and Navy/Marine Corps A–1 Skyraider and OV–10 Bronco experience, as well as USAF F–15 experience from a baseline for predicting propeller aircraft combat capabilities in terms of formation flying, tactics, turn-around times, operations from forward operating bases, operational procedures, etc. The Enforcer's predicted maneuverability is somewhat similar to the A–10's, thus our very successful operational tests of the A–10 at Fort Polk, Louisiana; McChord AFB, Washington; Gila Bend, Arizona; and Nellis AFB, Nevada have given us excellent standards for comparing close air support aircraft capabilities.

In summary, what little we do not already know about Enforcer's characteristics, both technical and operational, we can predict confidently based on our experience with similar systems. Thus, we believe very little additional data could be gained from an operational test of the Enforcer.

Mr. President, let me stress again that General Slay indicated that what they do not already know about the Enforcer, either technical or operational, they are able to predict confidently based on their experience with similar systems. Therefore, as General Slay pointed out, very little additional data could be gained from an operational test.

A further point related to this operational test is that, in my opinion, it would be in violation of proper competitive procedures. If the Government conducts an operational test on the Enforcer, why should not any other manufacturer who has an aircraft he considers to be militarily capable, be entitled to ask the Government to conduct an operational test on his aircraft? Is it possible that other potential competitors do not have the clout with Congress that the sponsors of the Enforcer do?

Let us take the operational test one step further and assume that the Department does, in fact, conduct the test on Enforcer. What then? Remember that the Air Force stated that they could confidently predict all additional data they might be lacking on the Enforcer. But, now that the operational test is completed, what do we then do with the data and what do we then do with the four prototype aircraft? Obviously, the sponsors of Enforcer are not going to let the matter drop there, because the entire intent of this program is to try and force the Services, primarily Air Force, to buy an aircraft they do not want nor have a requirement for.

There is another point that should be made about this requested operational test. It has been stated that the Enforcer has a potential for foreign sales since it has a capability to be used in a low intensity, guerrilla-type conflict. However, foreign governments are reluctant to buy aircraft direct from U.S. manufacturers that have not been endorsed by our Government. In addition, most prefer to deal through the U.S. Government, rather than direct with a manufacturer, since if the deal should go bad, the foreign government can hold the U.S. Government liable rather than the private manufacturer. Chances for resolution of any grievance are much better.

Therefore, in my opinion, another reason for this requested Enforcer test is to gain some sort of U.S. Government or Department of Defense endorsement in order to enhance the Enforcer's foreign sales potential. Now, I do not have a specific objection to a manufacturer trying to get his product qualified in the best way possible, but it need not and should not be done at the expense of the Defense Department.

If we want to qualify various weapon systems to enhance their sale value to foreign governments, then those projects should be authorized and funded within the Foreign Military Sales Act.

Mr. President, the sponsors of this Enforcer aircraft say that only $10 million is going to be required over a period of 3 years to develop these four prototypes. That is not an accurate estimate according to Air Force. The Air Force estimate is $18.5 million not including propeller development and Maverick missile capability. Mr. President, I ask unanimous consent that the response from General Slay to my question on this subject be printed at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESPONSE OF GENERAL SLAY

Regarding the question on whether evaluation of the Enforcer or a future development of this aircraft by the Air Force would be in keeping with the intent of OMB Circular A–109, our interpretation of the Circular is that first of all a mission need must be established. Only after the mission need is documented and validated do we start to talk about specific hardware solutions. The Circular then specifies that alternative system design concepts will be solicited from a broad base of qualified firms. Demonstration of a single system design concept that has not been competitively selected should be considered only if justified by factors such as urgency of need, or by the physical and financial impracticability of demonstrating alternatives. In summary, we do not believe an operational evaluation or a sole-source development of the Enforcer is in keeping with the intent of OMB Circular A–109.

The Air Force now estimates that it would cost approximately $18.5 million (FY 77 $) to conduct operational testing as previously proposed by the Enforcer advocates. The cost is broken out as follows:

	Millions
Four aircraft prototype program as contained in July 30, 1975 Air Force testimony to SASC R&D Subcommittee (Fiscal Year 1975 $)	$10.8
Escalation to 1977 $	3.5
AFTEC operational test	1.0
Engineering change orders and management reserve	1.0
Option to add head up display to prototypes	1.1
Option to add 106mm rifle to prototypes	1.1
Total prototype program (FY 1977 $)	[1] 18.5

[1] Excludes: 1. propeller development and/or modifications and propeller recurring costs. 2. Maverick capability.

The Air Force now estimates that a full scale engineering development program would cost approximately $156.5 million (FY 77 $).

Mr. GOLDWATER. Mr. President, this is the only new start item in this bill that has not been authorized. I am not aware that we have eliminated our standing procedure in the Senate of authorization followed by appropriation. I would remind my colleagues that when the fiscal year 1975 Defense appropriations bill came to the floor, Senator CANNON and I proposed the identical amendment that we are proposing today to strike funds for the Enforcer. Then, as now, we pointed out that the funds and the building of the prototypes had not been authorized. If I recall correctly, during that debate, there was an agreement to con-

duct hearings on the Enforcer aircraft and the following year the Research and Development Subcommittee, under Senator McINTYRE, did hold hearings on the Enforcer aircraft. Even so, no authorization was forthcoming in the following year's bill. Now, this year we again held hearings, probably the most comprehensive that have yet been held on the Enforcer, and still our Armed Services Committee did not see fit to authorize funds for the Enforcer aircraft.

However, even if an authorization had come from the Armed Services Committee, I would have been against funding the Enforcer because the military services have never indicated they have a requirement for this type of aircraft. That is the major point that everyone seems to be overlooking; the services do not have a requirement for this aircraft.

Mr. President, I note that the $3.9 million is contained in the Navy account within the bill. I am not sure why it is carried that way and perhaps a member of the Appropriations Committee could offer an explanation when I complete my statement. But, noting that the funding would be the responsibility of Navy, I wrote to Admiral Holloway and asked him if the Navy had a requirement for the Enforcer. I will quote one paragraph from Admiral Holloway's letter which I believe sums up the situation very well. The paragraph reads as follows:

There is no requirement for building or operationally testing the Enforcer aircraft. Its flying qualities are readily predictable and its components are all presently in service. The aircraft's specific capabilites have never been in question.

Mr. President, I ask unanimous consent that the letter from Admiral Holloway to me concerning the Enforcer aircraft be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHIEF OF NAVAL OPERATIONS,
July 15, 1977.

Hon. BARRY GOLDWATER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GOLDWATER: This responds to your request of 1 July 1977 concerning the Enforcer aircraft in the Department of the Navy aircraft inventory.

Naval and Marine forces are dedicated to the mission of Sea Control and, therefore, are required to accomplish a wide spectrum of tasking with flexibility. While the Enforcer may meet some of the requirements for Close Air Support, it meets few of the requirements for area support, deep strike or interdiction. Accordingly, there is no requirement for the Enforcer in the Department of the Navy aircraft inventory.

The capabilities and vulnerabilities of the Enforcer have been examined by all the services in the environment of today's tactical scenario. The general conclusion iterated after each Enforcer study has been that it could be used in the CAS mission against relatively benign air defense systems but is not suitable for the CAS mission requirement in amphibious operations because it is not shipboard capable. It is a relatively slow aircraft compared to the active force aircraft and would require an increase in force strength. The restricted force structure does not allow for maintenance of a single mission aircraft. Given the vast tasking which must be considered in naval force structuring, the sophistication and variety of the Soviet threat and budgetary constraints, cost-effectiveness of each system becomes paramount. The fighter/attack aircraft in the current inventory, plus those programmed for procurement, best fit that criteria.

There is no requirement for building or operationally testing the Enforcer aircraft. Its flying qualities are readily predictable and its components are all presently in service. The aircraft's specific capabilities have never been in question.

I trust that this will establish the Navy's position concerning the Enforcer aircraft.

Sincerely,

J. L. HOLLOWAY, III,
Admiral, U.S. Navy.

Mr. GOLDWATER. Mr. President, it is quite clear the Air Force has no requirement for the Enforcer aircraft, the Navy has no requirement for the Enforcer aircraft, and further, the Joint Chiefs of Staff can see no requirement for building or for operationally testing prototypes of the Enforcer. Regarding that last point, I ask unanimous consent that a letter from Gen. George S. Brown, Chairman, Joint Chiefs of Staff, to me on the Enforcer aircraft be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE JOINT CHIEFS OF STAFF,
Washington, D.C., April 8, 1977.

HON. BARRY S. GOLDWATER,
U.S. Senate, Washington, D.C.

DEAR SENATOR GOLDWATER: This responds to your letter requesting the judgment of the Joint Chiefs of Staff on whether there is a requirement for the Enforcer aircraft in the US tactical air forces.

It is the judgment of the Joint Chiefs of Staff that there is no requirement for the Enforcer in the US tactical air force inventory. That judgment has been supported by an extensive review of the Enforcer proposal, including the capabilities and vulnerabilities of such an aircraft in the predicted threat environment used in structuring tactical air forces. Each of the Services is constantly seeking systems which will provide the most effective combat capability at the least cost. Given the spectrum of conflict which must be considered in force structuring, the growing sophistication of the Soviet threat, and budgetary constraints, cost effectiveness of each system becomes paramount. The Joint Chiefs of Staff believe the fighter/attack aircraft in the current inventory plus those programmed for procurement best fit that criterion. The United States cannot afford to hedge its bet by further procurement of a highly specialized aircraft, however inexpensive, when thorough review of all analysis to date shows it not to be as cost effective or survivable as other aircraft already being procured.

Further, the Joint Chiefs of Staff can see no requirement for building or for operational testing of prototypes of the Enforcer. Specific capabilities of the Enforcer have not been at question in previous analysis. The technology embodied in the aircraft and its systems makes its operational characteristics predictable with confidence.

The Joint Chiefs of Staff trust this will establish clearly their position concerning the Enforcer aircraft.

For the Joint Chiefs of Staff:

GEORGE S. BROWN,
Chairman,
Joint Chiefs of Staff.

Mr. GOLDWATER. Mr. President, in summary, there is no requirement for Enforcer, there is no authorization for Enforcer and, consequently, there is no need for the funds contained in this bill. I urge my colleagues to support the amendment to delete these funds.

I yield the floor.

Mr. STENNIS. I yield myself 1 minute.

Mr. President, the question about this matter being authorized has been raised by the Senator from Nevada. The Senator from Florida is interested in this matter, and I have reached him. As a matter of courtesy, he certainly is entitled to be heard on it, and I would like to yield some time to him.

This matter was taken up in the committee. It was discussed there and it was argued, and it was put in the bill. I believe that those who sponsored it are entitled to a chance to be heard. They are entitled to the courtesy of being notified.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. CANNON. I certainly agree with the Senator.

Our problem has been that we could not find out who sponsored it. We did not know of anyone to notify because this just popped up, and we did not know who sponsored it.

Mr. STENNIS. I thought he was here, but, when I turned to yield to him, I did not see him. The Senator from Florida wishes to have some time to speak on this matter. I cannot support it.

Mr. CHILES. I thank the distinguished Senator.

I was for the amendment when it came up before the committee, as most of the members of the committee were. This has come before the Appropriations Committee on more than one occasion. As I understand the feeling of the majority of the Appropriations Committee, it always has been this: Why do we not test this airplane and find out what its propensities are? For the life of the members of the Appropriations Committee, we have not been able to understand why the Air Force or others would not test this airplane.

We have had a debate about it on the Senate floor before. It has been up before us on the floor. I have some material—I do not have that material with me right now. I did not know the amendment was coming up on the floor now. I do have a statement I would like to have included in the RECORD. But, as I say, I do not have that with me now. I think the vote in the committee was strong for the funding so that we can go ahead and have a test of the Enforcer, and see whether it lives up to the claims which it is supposed to have.

The Enforcer is designed to perform close air support. It is going to cost about $2 million a copy as opposed to all of the other planes we are thinking of funding.

It can be used for the role in Europe. It will take all of the missiles, heat-seeking missiles, and it will take all the targetry devices that would guide in all of the other firepower that could be used to stop the Russian tanks if they break out in Europe.

From that information it just seems that for what we are talking about here and what we spend on testing, this was a small number of dollars to determine if

this plane at $2 million a copy would carry out the kind of role it is designed to carry out, and if it would, it would certainly be of great benefit to the inventory of this country and probably then the Air Force might decide they like the plane. Evidently they did not start off with this plane. It was sort of underdesigned for the Air Force. It does not have enough gadgetry, it does not cost enough, and it seems to be one of the reasons why no one has ever wanted to test the plane to actually see what it would do.

As I say, the vote, I thought, was clear and convincing in the Appropriations Committee, as it has been in the past, that the appropriation of $3.9 million to provide the first year's funding for the construction and test of the four prototypes, whose total cost will not exceed $10.6 million, was something that was wise, and the committee wanted to support it, and I certainly support it.

I have the statement now to which I previously referred.

Mr. President, since last year's debate on the Enforcer, a thorough hearing has been conducted by the Armed Services Committee which demonstrated to my satisfaction that we should at least test this aircraft.

Mr. Lindsay and Mr. Helms have, I believe, invented a better mousetrap by combining some space age technology with an old, but reliable airframe which dates back to the Second World War. What the Air Force wanted was a close air support fighter for the 1980's. What they are getting is the A–10, an all too typical overdesigned aircraft with the usual enormous cost overruns. What they could get is David Lindsay's better idea: A modified P–51 Mustang with a jet prop engine, space age armor, and some inexpensive but deadly accurate weapons systems.

The idea of introducing a modified WWII fighter might seem, at first glance, to be a rather odd idea. Actually, it is a very good one. Close air support craft do not have to be the super fast, and super expensive, planes designed as interceptors and attack aircraft. Close air support planes are essentially supposed to be flying gun platforms. Speed is not essential—as any fighter pilot can tell you, it is harder to hit a ground target when you are approaching at 1,000 miles an hour than it is at 300.

Here again the principles embodied in the Office of Management and Budget's circular A–109 could have saved the taxpayers a lot of money. If, in the beginning, the Air Force had not immediately jumped to the conclusion that its air support aircraft had to be like all the other aircraft in its inventory—fast, complicated, and mighty expensive, they could have looked at the mission instead. The mission is to hang a flying gun platform over the battlefield. Hopefully, the gun platform would be reasonably fast, simple to fly and repair, slow enough to permit the pilot to hit his target, and, for the sake of the taxpayers, relatively cheap. The Enforcer appears to have all of these characteristics. The A–10, whatever its other qualities, is certainly not cheap.

Accordingly, I support the committee's action to provide $3.9 million to begin a 2-year test of the aircraft, $6.7 million additional being required for the second year.

The PRESIDING OFFICER (Mr. MELCHER). Who yields time?

Mr. STENNIS. Mr. President, will the Chair indulge me for just a moment, please?

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. I ask that the Chair indulge me for just a moment and the Chair can charge me with the time.

Mr. President, I yield myself 3 minutes. Excuse me, did the Senator want to use some time?

Mr. GOLDWATER. I just wanted to answer a question that was raised by the Senator from Florida. It will not take me more than 2 minutes.

Mr. YOUNG. I yield 2 minutes.

Mr. GOLDWATER. Mr. President, the questions raised by the Senator from Florida are indeed intelligent questions. They are questions that deserve an answer, but I feel we have given these answers for 3 or 4 years not just on the floor of the Senate but in the hearings held on this particular aircraft by the Research and Development Subcommittee, of which I am a member, and by the Tactical Air Subcommittee, of which I am a member.

We questioned General Slay, who is chief of research and development of the Air Force, relative to this, and I read the main part of his answer:

> Regarding the question of whether evaluation of the Enforcer or future development of this aircraft by the Air Force would be in keeping with the intent of OMB circular A–109, our interpretation of the circular is that, first of all, the mission need must be established. Only after the mission need is documented and validated do we start to talk about specific hardware solutions. The circular then specifies that alternative system design concepts will be solicited from a broad base of qualified firms. Demonstration of a single system design concept that has not been competitively selected should be considered only if justified by factors such as urgency of need or by the physical and financial impracticability of demonstrating alternatives.
>
> In summary, we do not believe an operational evaluation of a sole source development of the Enforcer is in keeping with the intent of OMB circular A–109.

Now that, I think, is pertinent language, Mr. President, that we are faced with in this. This is not just a close air support aircraft. This is a very lightweight close air support aircraft that has very limited ability to carry certain weapons so that it certainly could not be called a tank destroyer as we talk about the A–10. It cannot carry that type of weapon.

The thing is, Mr. President—and I think this is very important—if the Air Force or the Army decided they needed this weight aircraft in the inventory for ground support, then we would have to throw this open to competition, and if we yield to the request of the Senator from Florida to include this in the appropriations bill then what we are doing is excluding at least four or five other companies that could build a modern close air support aircraft of this weight, and I think that in itself is something we cannot ignore.

Mr. President, regardless of what they break the cost down as being, the Air Force feels that a full-scale engineering development program would cost about $156.5 million on this particular aircraft at this time.

So this is an aircraft that has been tested. It has been found that they did not want it in the role it was prepared for. It is a very vulnerable airplane to ground fire and air-to-air fire, and as I say, Mr. President, had we needed it, had the Air Force wanted it, they would have said so 4 years ago. I think that was the first time we began hearing about this.

Mr. STENNIS. Mr. President, may we have quiet down at the desk? I want to speak to the Senator from South Carolina.

Mr. President, does the Senator from South Carolina wish time on the pending matter now, which is this Enforcer? I would be glad to yield to him such time as he would like to take.

Mr. President, the Senator from South Carolina did not know this matter was coming up. I suggest the absence of a quorum on my time on this amendment until the Senator can get his material.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MCINTYRE). Without objection, it is so ordered.

Mr. STENNIS. Mr. President, we have a situation here about an amendment concerning ROTC, the Maritime Academy, and several matters. As I understand, after this is disposed of, on the same subject matter, the Senator from Texas is going to have an amendment to strike all of it, if a modification passes.

I think it would be far better to take the matter up at such time as the Senator from Texas can be here, so we can get the whole matter before the Senate. These are really legislative matters that are brought in here on an appropriation bill, but it seems to me that it is almost necessary to get those two viewpoints before the Senate at the same time.

The Senator from South Carolina has been sent for some hours ago about the B–1 matter, and he is now here and is prepared to speak. That is really the major matter pending before the Senate. We have the other matter here that the Senator from Nevada brought up about this Enforcer plane, which is in a peculiar situation, and I think those gentlemen who are to respond ought to try to get together with the Senator from Utah.

I suggest that we go back to hearing the distinguished Senator from South Carolina with reference to the B–1, and then we will proceed, if it is agreeable to the Senate, to some other program that we can perhaps dispose of before 4 o'clock.

The PRESIDING OFFICER. Without objection, the Senator from South Carolina is recognized.

Mr. STENNIS. I am glad to have the Senator from South Carolina speak. However, he is speaking, I believe, in opposition to the committee's position, and I could not yield him time. But the Senator from North Dakota can.

Mr. YOUNG. How much time does the Senator from South Carolina request?

Mr. THURMOND. About 10 minutes.

Mr. YOUNG. I yield the Senator from South Carolina 10 minutes.

The PRESIDING OFFICER. Without objection, the amendments of the Senator from Nevada and the Senator from Maine are temporarily laid aside, and the question recurs on agreeing to the amendment of the Senator from Mississippi.

The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, the Congress is today faced with its most crucial defense decision since the advent of intercontinental weapons, as regards termination of the B–1 bomber program.

Our strategic defense over the last two decades has been based on the Triad concept, a three-legged strategic response capability embodied in land-based missiles, sea-based missiles and manned bombers.

Now the President is recommending we abandon the manned-bomber leg and depend instead primarily on soft, wide-bodied aircraft to carry and launch the cruise missiles.

Mr. STENNIS. Mr. President, may we have it quiet, so the Senator can be heard?

The PRESIDING OFFICER. The Senate will be in order. The Senator from South Carolina will suspend to see if we can get order in the Senate. Conversations will be taken to the cloakrooms. Senators will take their seats.

The Senator from South Carolina may proceed.

Mr. THURMOND. Mr. President, it has consistently been my opinion that we should go forward with production of the B–1 and use cruise missiles as a strengthening adjunct to the penetrating, hard and fast manned bombers.

My views are well known, but today I am alarmed at the rapidity with which the Senate has apparently accepted the B–1 decision by the President.

There are many hard questions which must be asked and explored reference the cruise missile. This missile has as many weaknesses as strengths, and Congress has an obligation to explore these matters fully, and do so prior to terminating the B–1 program. Here are some points which must be considered.

First. The cruise missile cannot carry the variety of weapons of a penetrating bomber, thus much flexibility is lost.

Second. The cruise missile is vulnerable to mobile defensive systems and to aircraft interceptors. It can be programed to avoid fixed sites, but is ineffective against defended targets. Obviously, the Soviets will increase surface-to-air missiles (SAM's) at these sites.

The Defense Department for years has been making a good case that the cruise missile, while a very important technological advance, was not a substitute for the manned bomber. Thousands of pages of testimony exist on this basis. Now, all of a sudden the arguments have flip-flopped because one man has made a decision.

Third. The cruise missile range is presently only about 750 miles in one version and about 1,800 miles in another. Many important targets in the great land mass of the Soviets will be well outside these ranges.

Fourth. Many will say we can increase the cruise missile's range, increase its payload and put on countermeasures to make it less likely to be shot down. However, we all know that increased range, more payload and added countermeasures will mean a larger missile with a correspondingly larger radar signature. That increases its chances of being shot down.

Fifth. Thus, with added capability and better airborne launches needed, the cost effectiveness of the cruise missile is diminished.

Sixth. Without any type of penetrating bomber the Soviet defense problems will be made much simpler. They may well develop their own AWACS (Airborne Warning and Control System). This will enable them to more easily locate the huge cruise missile carriers now envisioned as standoff launching platforms for the missile. It will also push these platforms further away from the target areas, making the effectiveness and survival of the platforms and the cruise missile a greater task.

Mr. President, these are but a few of the key questions Congress must consider in this far-reaching decision by President Carter. I do not have all the answers to these questions, but neither does the administration.

Early this week I called for extensive hearings, urging that we study the recommended alternatives prior to killing the B–1 program. Unfortunately, the administration is not waiting on Congress, as they have already caused dismissal orders to be issued to over 5,000 B–1 employees. This action was taken before Congress had an opportunity to explore these matters and represents an affront to the rescission process set up by Congress.

Everyone is falling into line: the Pentagon, the contractors, many in the public sector. Unfortunately, where the real responsibility lies, here in Congress, I see a similar inclination to accept outright the recommendation of one man.

What about the B–52's? How many hundreds of millions will be needed to modify them and extend their life? Can designs of the 1950's be altered sufficiently to carry these planes into the next decades? What will it cost to build a new cruise missile carrier if commercial transport aircraft are not adaptable? These are but a few more questions which must be addressed prior to termination of the B–1 program.

While the B–1 is costly, current prices are $60 million per copy excluding research and development costs. Current costs of the 747 are $35 million and this price will accelerate when, and if, it is adapted for military use.

In addition, it is well to note there are many in the Congress who do not favor the cruise missile, especially a long-range cruise missile. They see it as provocative and destabilizing. Will their viewpoints prevail? Will we limit the range of our missiles at SALT? I would like to review these questions prior to striking B–1 funds.

I have the greatest respect for President Carter. He loves this country and wants to defend it as much as I do. But, he, like each of us, can make mistakes in judgment. This Congress has a responsibility to carefully examine this far-reaching proposal on the B–1, and I urge, plead with the Congress to examine it promptly and prior to any final action on the B–1 program.

Mr. President, for years our Defense Department has been working on a modern bomber. After years of research and years of development, the Defense Department, and specifically the Air Force, has come up with what they say now is the finest bomber the mind of man has ever conceived. That is the B–1. Just as we are now ready to go into production and go forward with this bomber, is it wise to cancel the B–1, to waste all these billions of dollars which have been spent in research and development, and now turn to a different and relatively untested weapon, the cruise missile?

I am in favor of the cruise missile. Those who have had part in developing this weapon feel it will be a valuable weapon. But how do we know? We have not yet had experience with it. Can we afford to put the security of this Nation on an untried and untested weapon instead of going ahead and developing the B–1 bomber, even though it costs a lot of money? It is big money, but if it means our survival, can we afford not to do it?

Mr. President, I am convinced that the one weapon the Soviets would fear more than any other is the B–1 bomber, because this is the bomber that can go in below the radar systems; it can send in its missile from 50 to 75 miles away; it can fly far, high and fast in the sky, traveling faster than sound. It is a supersonic bomber. We feel for the safety and security of the people of this Nation we cannot afford to now take a chance and stop the development of the B–1 and the production of the B–1.

I hope the Senate will see fit to reverse the action of the Appropriations Committee and allow this B–1 to go forward.

Yes, I know it costs a lot of money, and I want to repeat that. It costs much more than I would like to see us have to pay for any weapon. But if it means protecting the security of the people of this country, if it means deterring war, that is what we want to do, to deter war, not have to fight a war. This weapon, in my judgment, will help to deter a war because the Soviets will know we will not only have the missiles in the silos, we will not only have the missiles in the submarines, but we will have the manned bomber which can go within 70 miles of a target and send in its missiles without having to go there itself, and then turn around and come back home.

Mr. President, I do not think we can afford to be without this B–1 or some other modern bomber, though this is the only one we have at the moment. We want to protect this country. In order to do that, the Soviets have to be convinced that we have the wherewithal to do it.

If we have this Triad of land-based missiles, sea-based missiles and the modern manned bomber, that will be a deterrent to war and will help to protect the citizens of this Nation. I hope the action of the Appropriations Committee will be reversed and that the B–1 program can go forward.

Mr. President, in closing, I ask unanimous consent that an article which appeared in The State, of Columbia, S.C., written from Washington, entitled "B–1 Afterthoughts Provoke Debate," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Columbia (S.C.) State, July 16, 1977]

B–1 AFTERTHOUGHTS PROVOKE DEBATE

WASHINGTON.—Second thoughts following the rhapsodic first reaction to President Carter's cancellation of the B–1 bomber are producing a different response, confronting the Administration with serious problems for which solutions are not presently in sight.

A new great debate over U.S. strategic policy seems assured, now that the B–1 supersonic bomber—whatever its immense costs to the taxpayer—has been scrapped. Plans for such a debate are now being laid by defense-oriented members of Congress who want to know, among other things, whether Mr. Carter has hidden plans for some new and cheaper manned-bomber to penetrate Soviet air defenses after the B–52 dies of old age in the next 10 to 12 years.

The deepening concern inside the defense bloc is that the virtual abandonment of the strategic (long-range) B–1 bomber—with no other replacement for the B–52 yet visible—was primarily a sudden money-saving move with inadequate study of its profound implications.

Some of these implications seem, at least on the surface, to pose horrendous new problems. For example, under the long-held American nuclear-balance thesis of mutual deterrence, or mutual assured destruction, the United States has allowed its air defenses to atrophy. The Soviet Union, to the contrary, has done just the opposite: constructed the world's most remarkable air-defense system.

No air defense has been developed against the low-flying cruise missile. Yet, even though U.S. experts hint broadly that the American missile may be equipped with counter-electric measures that blind Soviet radars, the threat of an eventual effective Soviet defense against the cruise is real.

Moreover, it is axiomatic that what the United States does, the Soviets eventually can also do, Jimmy Carter's abrupt decision to cancel the B–1, leading to all-out U.S. development and production of the cruise missile—not as a bargaining counter for strategic arms talks but as the replacement for the long-range bomber—will predictably lead to a crash cruise-missile program in the Soviet Union. If successful, leading congressional defense experts warn, this Soviet capability will either force the United States into an immensely expensive air-defense program or hand the Soviets an unacceptable advantage.

"We've got the marbles right now with the cruise missile," a top military expert told us, "but 10 years down the road, the cruise is going to turn into our problem, not theirs."

There is, moreover, growing suspicion on another score on Capitol Hill even among hawkish members of Congress who always have felt that the air-launched cruise missile was the American ace-in-the-hole. The suspicion; that without the B–1 to take a major role in the air-launched nuclear bomb force—one leg of the strategic triad—the 2,500-kilometer ceiling on the range of the air-launched cruise missile is clearly inadequate. That ceiling was offered the Russions by Secretary of State Vance last March, but never negotiated into an agreement.

With the B–1 as its partner, it was felt that the cruise missile could be restricted to that maximum range (about 1,500 miles) from the point of launch. Without the B–1's versatility, that range will give sanctuary safety to vast Soviet areas, say congressional critics who will make the ceiling a key.

The effect of the B–1 decision on the strategic arms limitation talks (SALT) barely begins with the question of lifting that 2,500-kilometer range ceiling for the cruise missile. More important in the long run is the question of verifying the range, numbers and payloads of the Soviet cruise missile.

Verification lies at the heart of congressional worry about any new SALT agreement with the Russians. Yet no way exists to "verify" the existence of whatever numbers of cruise missiles the Soviets say they possess—once they master development and move into production.

This presents the Administration with a profound problem. John L. McLucas, who as Undersecretary of the Air Force in the early Nixon days was head of National Reconnaissance—the top verification job—recently defined that problem.

In a letter to The Washington Post July 9, McLucas warned that "the President is moving away from a world of known weapon systems . . . to a world where there is no way to count how many each side has. He will have traded a temporary advantage in technology for a loosened control over weapons in general."

Underlying these rising concerns is the fact that Mr. Carter cancelled the B–1 with no apparent offset of any kind from Moscow, a paradox deeply troubling to his critics.

The President's new budget amendment, asking Congress to kill $1.5 billion in B–1 funds and transfer $500 million to the cruise missile, was due on Capitol Hill this week. Mr. Carter is certain to get what he wants, but he may also get what he does not want—the start of a great debate on the strategic position of the United States as it looks ahead to a new period.

The PRESIDING OFFICER (Mr. BUMPERS). Who yields time?

UP AMENDMENT NO. 680

Mr. EAGLETON. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. There are two amendments pending.

Mr. STENNIS. Mr. President, I believe I know the situation. I do not believe this will take long. I ask unanimous consent, Mr. President, that we now proceed to the consideration of the amendment of the Senator from Missouri, and that other matters be temporarily laid aside until it is disposed of.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes unprinted amendment No. 680.

On page 65, after line 2 insert the following:

"Sec. —. None of the funds appropriated in this Act may be used directly or indirectly for the Air Force projects known as Project MAX or Project Mini-Max".

Mr. EAGLETON. Mr. President, this amendment is really quite simple. It strikes all funds for the Air Force's so-called Project MAX and part of the Air Force depot management system, which was the subject of extensive hearings this year before this Defense Appropriations Subcommittee. I participated in those hearings as did Chairman MCCLELLAN and the distinguished Senator from North Dakota (Mr. YOUNG).

"Project MAX" was part of the Air Force's Advanced Logistics System which the Congress thought it had terminated in December 1975. The Advanced Logistics System, despite 6 years of development and over $200 million in expenditures, had been found to be unworkable; hence the congressional termination. However, in our investigation this year, the Defense Subcommittee discovered that: First, part of the "terminated" system, Project MAX, has continued anyway; second, the Air Force had developed new plans for the terminated system, involving much the same technology, minus the old labels; third, had contrived definitions of what was essential to the mission of these depots, contrary to the clear meaning of language in the Defense Appropriations conference report of December 1975; and, fourth, had taken steps to keep Congress uninformed—even misinformed—as to what was going on. During our hearings, we discovered that the new plans involved over $800 million, while the committee had been led to believe they would only be about one-half that amount, or some $400 millions.

After the hearing we took what I believe were most generous steps to give the Air Force another chance to do some much-delayed, honest analysis. The committee's report directs that expenditures for all ALS follow-on work be strictly limited to not more than $500,000 per month until an "impartial" study had been completed. The key sentence in our report is:

It is the Committee's understanding that the Comptroller of the Air Force has been appointed to head a group that will consist of recognized logistics and engineering experts outside of both the Air Force Logistics Command and the Air Force Staff agencies who have a vested interest in the interim ADP plan.

That supposedly impartial study is due not later than September 1, 1977.

Since our committee marked up this bill, new evidence has come to my attention which indicates that the Air Force, despite our clear instructions, has again violated the language of an Appropriations Committee report. Namely, without advising Congress, the Air Force has planted its study group with those representing vested interests of the Air Force. While eliminating from this study group those within the Air Force, like cost adviser A. Ernest Fitzgerald and his associates, who had critized the old Project MAX, the Air Force loaded the game by permitting others who were part of

the old debate to take part in the "impartial group."

When my office asked for a list of members of the new study group, I was sent a list. It did not contain certain names my staff learned of through independent investigation. Again we were sent another list—this time listing additional members of the study group, only defining them as "consultants" only. But these "impartial" experts were allowed to travel with the study group—and confidential documentation from Air Force sources shows that the original list of study group members I was given is incomplete. Today, I received still another list which lists three more people who seem to have taken part in this study—two of whom are familiar because of our investigative hearings.

It is clear that the Air Force is doing everything in its power to load the study mission with types who will come in with a recommendation for this project we thought we terminated in 1975. The Air Force mission will not suffer if we again terminate "Project MAX," indeed, the justification has changed again in recent months. But our integrity will suffer if we allow these games to be played by Air Force bureaucrats at our sufferance. If between now and the conference the Air Force can prove it truly intends to be impartial, then we have the option to restore the funding.

I think, Mr. President, that Project MAX, which we thought we had terminated and killed in 1975—should be killed now.

I have various lists. Mr. President, that I can put in the RECORD of the "impartial study group." The most recent one I have is dated July 18. This was the updated study group, with the various members. Then, at the bottom, it says:

Others who have participated in trips and/or meetings are listed below. None of these personnel, exception noted, will take part in the final deliberations and writeup of the team's findings.

I say "ha, ha" to that.

The group below includes Mr. Claude Farinha, who has consistently, as all of the documentation will show, been a principal proponent of Project MAX, almost from beginning to end. He has been shadowing this "impartial study team" around the country while they have been conducting their so-called impartial study.

Mr. President, it is my opinion that Congress meant what it said back in December of 1975: Project MAX was to be terminated. This amendment now pending before us will drive the final justifiable nail into the Project MAX coffin.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. STENNIS. Yes, I yield to the Senator for a unanimous-consent request. It is on my time.

Mr. HELMS. I thank the Senator.

Mr. President, I ask unanimous consent that Mr. Richard Bryan and Dr. James Lucier of my staff be accorded the privilege of the floor during consideration of the pending measure and all votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the list I just described, entitled "U.S. Air Force Depot Maintenance Management Study Group," with the name of Mr. Farinha on the bottom of that statement, be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

U.S. AIR FORCE DEPOT MAINTENANCE MANAGEMENT STUDY GROUP

TEAM MEMBERS

Name, rank/grade, and organization:

Charles E. Buckingham, Lieutenant General, USAF, HQ USAF, Team Chief/Comptroller of the Air Force.

Kenneth S. Caldwell, partner, Ernst & Ernst (E & E).

Emrick A. Webb, partner, E & E.

Hugo Swan, principal, E & E.

Ernest P. Hanavan, Colonel, USAF, San Antonio Air Logistics Center (ALC).

Eugene A. Narragon, consultant, Logistics Management Institute (LMI).

Charles E. Clark, manager, E & E.

Ralph A. King, consultant, E & E.

Joe P. Ferguson, GS-14, Air Force Accounting & Finance Center (AFAFC).

Daniel G. Bates, Major, USAF, Air Force Contract Management Division.

Edwin G. Gunderson, Major, USAF, HQ USAF/Directorate of Budget.

Steven M. Hunt, Major, USAF, Air Force Data Systems Design Center.

Joseph Monroe, Major, USAF, U.S. Air Force Academy.

Edwin H. Moore, Major, USAF, HQ USAF/Directorate of Manpower & Organization.

Others who have participated in trips and/or meetings are listed below. None of these personnel, exception noted, will take part in the final deliberations and write-up of the team's findings.

Name, rank/grade, organization, and remarks:

Jim Bassage, consultant, E & E, Advisor, on call—will take part in deliberations.

Claude Farinha, GS-16, Sacramento ALC, Background advisor—at request of Commander AFLC.

Ronald E. Gordon, Captain, HQ USAF/Directorate of Maintenance Engineering & Supply, Ogden ALS visit only.

Roy Haberlandt, GS-15, HQ AFLC, Asked to accompany team. Permission granted by Lt Gen Buckingham.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield to the Senator from North Dakota such time as he may need.

Mr. YOUNG. I wanted, as minority manager, to say that I was at the hearing of the Subcommittee on Defense Appropriations. I think the Senator from Missouri makes a good point. I am perfectly willing to take this item to conference.

Mr. STENNIS. Mr. President, the Senator has spoken. The Senator from North Dakota was at the hearings, so was the Senator from Missouri.

I join in that position, Mr. President. We shall take his amendment and do what we can with it in conference with the House. I am impressed with some of the points he has made. I can see where it is a serious matter, even though the amount involved here is relatively small.

Mr. President, we support the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. EAGLETON. I yield back the remainder of my time.

Mr. STENNIS. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. EAGLETON. I move to reconsider the vote by which the amendment was agreed to.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT 679

The PRESIDING OFFICER. The question recurs on unprinted amendment No. 679, offered by the Senator from Nevada (Mr. CANNON). Who yields time?

Mr. STENNIS. Mr. President, on that amendment, I know there has been time for the material to be assembled.

Mr. President, there are four or five Members involved in this amendment, considering both sides. They are not on the floor now. I think some of them will come. We have sent for them. I do not know whether all of them will come.

Under the circumstances, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. STENNIS. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, this brings us back to the item in the bill for $3.9 million, I believe it is, of a $8 million program for the Enforcer, a small plane.

Mr. President, that plane was not authorized and I cannot support that item. But there are strong sponsors here that are ready. The Senator from Pennsylvania is interested, the Senator from South Carolina, the Senator from Nevada, who is the sponsor of the amendment, is on the floor.

It occurs to me now that it is agreeable to continue the debate on this matter. We cannot vote on it until sometime after 4 o'clock, but we can carry it over then to its place on the voting list and get to it in time after we dispose of the legislative bill.

The Senator from Pennsylvania is here.

Mr. SCHWEIKER. Mr. President, I thank the distinguished chairman of the Senate Armed Services Committee for permitting me to have an opportunity to speak against this amendment.

Mr. President, I rise in support of the Senate Appropriations Committee position and in opposition to the amendment which would delete the funds for a test program for the Enforcer aircraft. There are a number of points which should

be understood by the Members of the Senate about the Enforcer.

Before I begin, there is something which should be cleared up. It is usually claimed that the Enforcer developers are trying to sell us a World War II P–51 Mustang to fight the wars of the 1970's and 1980's. This is patently untrue. Similarities between the Enforcer and the P–51 begin and end with external appearance. Against this "similarity" there are these differences:

The Enforcer has a turbo-prop jet engine; the P–51 has a piston or reciprocating engine. The turb-prop is used in the Chinook helicopter, and is currently under production for the Shah of Iran, who is not usually accused of wanting obsolete technology.

For the Enforcer, 20 percent of the dry weight of the aircraft is ceramic armor, capable of defeating the most common Soviet anti-aircraft gun; the P–51 had no such armor.

The Enforcer has modern avionics—in fact, the same electronic weapons controls that will be used on the A–10; the P–51, of course, had nothing similar.

The Enforcer has the capability to employ every air-to-ground close air support weapon in the U.S. arsenal; the P–51 had very limited air-to-ground capability.

In short, the developers of the Enforcer have looked at the mission to be done, and they have combined a proven, high-quality airframe design with the very latest production subsystems for the engine, avionics, armor, and weapons to produce a new plane that can do the job at a much lower cost than anything now in the arsenal. Any talk that we are simply advocating a reengined P–51 is simply inaccurate in this debate.

The other points I would like to make are all supported in the extensive hearing record which has been built up on the Enforcer. In the interests of brevity, I will simply outline other features that have persuaded me that we would make a big mistake by not testing the Enforcer.

First. The Enforcer is a low-risk program, using proven technology in the airframe, armor, engine, and weapons. There is little chance of the unpleasant surprises so common to our defense systems, or of escalating prices per unit.

Second, the Enforcer would increase our capability to act quickly in emergencies in adverse conditions.

It can operate from a dirt strip: It does not require a paved runway.

It uses commonly available fuel and does not require external starting assistance, such as liquid oxygen.

Third. The Enforcer is a bargain.

It costs less to buy—$1 million per copy versus $4 million for the A–10.

It costs less to run—it uses less fuel per hour, resulting in lower costs and more flight hours for pilots. In fact, the fuel savings over 10 years for an equally effective force of Enforcers compared with the A–10 would pay for the entire cost of buying the Enforcer.

Fourth. The Enforcer can do the job.

It is heavily armored; 20 percent of the "dry weight" of the plane is armor.

It can carry every weapon that the A–10 can.

It will have all modern avionics, including the same "heads up" display that is used on the A–10.

Fifth. A full-scale test program is needed.

The program, and the Air Force's response to it, have generated a lot of controversy. A test program would clear the air, and determine whether the Air Force's objections are based on substance or on a "not invented here" syndrome.

There are significant differences between the Air Force and the manufacturer concerning the performance of the plane. Even accepting the Air Force data it looks like a good plane, but the manufacturer's data indicates it is much better. These questions need to be resolved by putting the Enforcer into the air with military pilots to evaluate it.

Further, a test program would be an insurance policy for the Nation. If problems developed, either in performance or cost overruns, with an existing program, the Enforcer would be ready to go. Also, this test would establish a guideline against which to measure the performance of planes like the A–10, the A–18, and the advanced attack helicopter. We often spend tens or hundreds of millions of dollars to get a program to the point where it can be tested like this one: This test will only cost $10.6 million over 2 years.

Sixth. The Enforcer offers a tactical "hedge" for our defenses.

When we went into Vietnam, we thought we had great weapons, but we learned that the aircraft we had could not do the close air support that was needed. As a result, we brought DC–3's, B–26's, T–28's, and other similar planes out of mothballs, because they had the staying power to remain over the battlefield. All these planes were propeller driven.

In the 1973 Mideast war, the equipment losses were staggering. In 8 days there were more tanks consumed than were lost by both sides in the entire North Africa campaign of World War II. Other equipment losses were similar. Large numbers of low cost equipment, such as the Enforcer, may be the only way we have anything to fight with after the initial stages of a war.

War is always uncertain. At the start of World War II, "conventional wisdom" doubted the need for fighter aircraft, and the lack of fighters cost the allies the battle of Britain. In Vietnam we overrated the power of jet aircraft. In the Yom Kippur war the Israelis underrated modern air defenses.

Development of the Enforcer would give us another option, should the future trends of warfare again be full of surprises. By having a mix of planes, we increase our capability and confuse the job of the enemy, which must take more possible threats into account.

For all these reasons, I urge my colleagues to defeat this amendment, and to approve a fair test of the Enforcer.

The PRESIDING OFFICER. All time of the opponents of the amendment has expired.

Mr. STENNIS. Mr. President, to meet the situation here, I yield the Senator another 5 minutes.

Mr. SCHWEIKER. Three minutes.

Mr. STENNIS. Three additional minutes on the bill.

Mr. SCHWEIKER. Mr. President, I just think it is rather ironic the Pentagon can pay millions and millions and millions of dollars for one mistake or one cost overrun. Here is a situation where no Federal money was spent. This R. & D. effort was all private initiative. The taxpayers did not pay a dime. Yet the sponsors of this amendment are begrudging the opportunity for a fair test to see if this is a better product than the ones that come out of the military test system.

Why are we so against the fair test? What is it about the plane that we cannot get a test done?

We can spend hundreds of millions of dollars on one mistake or one cost overrun, but we stall on a few million dollars for a test.

Mr. President, I strongly urge we give a fair test and see what the plane can do.

Mr. President, I yield my remaining time to the Senator from South Carolina.

Mr. THURMOND. Will the Senator yield 12 minutes?

Mr. YOUNG. I yield 12 minutes on the bill.

The PRESIDING OFFICER. Does the Chair understand the Senator from South Carolina is being yielded 12 minutes on the bill?

Mr. YOUNG. I yield 12 minutes.

Mr. THURMOND. I thank the able and distinguished Senator from North Dakota.

Mr. President, I support the $3.9 million in the Defense bill for a flight test of the Enforcer aircraft.

The question before the Senate, that of an operational test of the Piper Enforcer aircraft, relates directly to the public interest.

The Senate now has an opportunity to approve a test of a relatively simple, practical, inexpensive yet highly effective close support aircraft. A vote in favor of the Enforcer test could serve as a signal to the defense industry that Congress will demand simpler, less expensive weapons.

The beauty of this proposal is that prototype development has already been done by private industry and the object of the funds in the bill is to validate the developer's claims. In my remarks today, I would like to propound and answer some of the arguments used by opponents against the Enforcer tests.

OLD TECHNOLOGY

First. It is charged that Enforcer is World War II technology.

The hearings this year clearly showed the Enforcer is representative of the most modern subsystem technology.

While the prototype will use some P–51 parts for economy, the production aircraft will be entirely new design and construction to accommodate higher weights and weapon loading.

The Enforcer production aircraft will contain zero P–51 parts.

It uses the Bristol ceramic armor to protect the pilot and the engine.

All electrical, communication, and navigation systems are latest state of the art.

It has a laminar flow wing, state of the art for the close support speed range.

Its Avco-Lycoming turboprop engine is currently in inventory and production and judged most efficient for the close support role.

It is adapted to carry the Maverick tank killing missile.

It has a Marconi-Elliott heads-up display.

It has a special firing system so the pilot can select and fire his weapons without taking his eye off the target.

It can carry the 20-millimeter in pods, the Aden-Defa 30-millimeter standard NATO cannon and the new GAU-8 30-millimeter pod.

It has an ejection seat and air-conditioning.

It has 10 weapon racks on internally, totally redesigned wings.

It has redundant controls throughout the air frame.

Simply stated, Mr. President, the Enforcer utilizes inexpensive construction and the proper balance of old and new technology, the idea being to keep costs low.

Some often forget that a rivet in 1977 is the same as a rivet in 1945, aluminum skins on air frames are the same, and most important, the same speeds, ranges, and aerodynamic equations of 1945 for close air support apply today.

In fact, a turboprop engine such as that on the Enforcer is more efficient at lower altitudes than the jet engines some insist on having in the 1970's.

Second. It is charged the Enforcer cannot survive in today's very hostile environment.

Mr. President, all close support aircraft will take losses. I submit the Enforcer can survive as well as others, and perhaps better. Here is why:

The basic simplicity of the overall system makes it less vulnerable and more survivable.

It can survive on the ground, as it is easily dispersed in unmarked, unpaved forward areas.

Its entirely mechanized controls obviate the dangers of easily damaged hydraulic controls.

Its engine exhaust is cooler and located over the wing, thus making it far less susceptible to heat-seeking missiles.

The pilot and engines are protected with ceramic armor which has shown in tests it can defeat the dreaded Soviet quad ZSU 23-millimeter gun at zero obliquity. On the A-10, the two engines are not armored and each A-10 engine is wider than the Enforcer fuselage.

It carries one-fifth its weight in armor, a factor which speaks for itself.

It has the speed necessary to move in fast and accelerate out, the speed all agree is essential to increase survivability in this mission.

It presents a much smaller target—and this is critical—because a key to survivability is the size of the target presented. The Enforcer is one-third the size of the A-10. Imagine the difference if you are the enemy gunner, or missile man. One-third smaller target is a great difference.

Third. Charges are also made the Enforcer is not lethal enough; it cannot hit the enemy targets with a big gun.

Mr. President, in reply, let me make these points:

The Enforcer carries the Maverick missiles. Does that missile destroy any less if fired from the Enforcer or the A-10? We all know the answer is "No."

Operating from a forward field, the Enforcer can carry 4,000 pounds of bombs and ordnance, the same as the A-10. Does that make it any less lethal than the A-10? No.

The Enforcer can also carry the two GAU-8 30-millimeter pods, although many enemy vehicles and even some tanks can be knocked out with smaller guns.

Thus, if the Enforcer can carry essentially the same armaments as the A-10, fly at the same speeds, use the same tactics and has the advantage of being one-third the size, certainly it should be as lethal.

The Enforcer can carry any mix of ordnance in the nonnuclear inventory, mainly because the air intakes being forward are not troubled with missile or gun gases.

Now for one final comment on lethality. For about $1 million, you can have this plane carrying the Maverick and similar weapons, but at that price you could have four or five for the cost of one current close support plane. That means you get a great deal more lethality for the same amount of money.

Fourth. Opponents charge the Enforcer has not been authorized, so it should not be appropriated.

Mr. President, as a senior member of the Armed Services Committee, I feel very strongly that authorization should precede appropriation. But under the rules of the Senate, such a procedure does not go down to the final penny.

In the military authorization bill, we were dealing with over 35 billion in weapons; here, the Defense Appropriations Committee is dealing with a total program cost of $10.6 million, with only $3.9 million requested this year.

This program was held in the Tac Air Subcommittee, but only two of eight Senators attended. Upon polling the subcommittee, the vote was 4 to 4, a deadlock. Defense Appropriations has broken that deadlock with a 6-to-1 vote favorably, and it was confirmed in the full Appropriations Committee.

The opponents of this test do not claim this $3.9 million in the current bill is a violation of Senate rules. Dr. Floyd Riddick, author of "Senate Procedures," addresses this issue on page 132 of his book when he writes:

> The Committee on Appropriations under Rule XVI, may propose to increase appropriations or propose a new item of appropriation in excess of authorizations or even in the absence of any legislative authority as long as the proposed amendment does not include legislation.

Therefore, it is clear the Appropriations Committee is clearly within its jurisdiction in this matter.

Mr. President, due to limited time on this amendment I have left to others many key points supportive of the Enforcer test, but rather used my time to answer some of the criticisms raised by the proponents of this amendment.

In conclusion permit me to make these points:

Defense Agency analysis has shown that the Enforcer is one of the two most survivable close support aircraft in the world, the A-10 being the other.

The Air Force and Piper are in relatively close agreement on the cost claims made by the contractor.

This is not a sole source selection, as it is not procurement but rather a test. The contractor is willing for others to build it although there is a legal opinion it can be bought from Piper under current regulations.

Operational tests are essential if necessary answers are to be received on the Enforcer's capabilities.

The "not invented here" syndrome appears to be a factor in Air Force rejection of the Enforcer tests.

The around $1 million per copy cost of the Enforcer could be a big breakthrough in leading to a low-cost approach on other unnecessarily expensive weapon system programs.

Mr. President, in conclusion I urge my colleagues to commit the Senate to a test of this aircraft—not procurement, not development, as private individuals have paid for that, but rather a modest test.

Now, Mr. President, why would the Air Force object to this test if here is a plane that can be manufactured and sold for about $1 million, where they now have to pay $4 million for the A-10? We are not fighting the A-10. I have supported the A-10. In fact, I have supported the B-1 and just about every plane the Air Force has requested.

But I say to the Members of this body and to the American people, Why encourage private industry to go and develop things and then not even give it a test? That is all we are asking here is a test.

Here we have people who have put their own money into building a plane that they say will do the job, and which the Air Force admits will do the job, and now they do not even want to give it a test.

Mr. President, I think this plane deserves a test. The people who have worked with it for years and years deserve to be commended, and we feel it is nothing but right that we let this test take place so it can then be determined which is the better plane, which will be cheaper, which will do the job cheaper.

Our opinion is when this plane is tested, it will do the job, it will do it cheaper, and save the American taxpayers money.

Why would the Air Force want to refuse a test? I do not know whether it is, because they did not come up with the idea of this plane or just what. But at any rate, are they afraid of something? Are they afraid this plane will show up so well that it will cause some other plane to be discontinued?

Mr. CANNON. Mr. President, will the Senator yield?

Mr. THURMOND. Let me finish and then I will yield.

At any rate, all we are asking for here is that the Air Force give this plane a test, and we believe that it will fill the bill.

The PRESIDING OFFICER. The Senator has been yielded 2 more minutes.

Mr. CANNON. Mr. President, if the Senator will yield, I would like to ask the Senator a question. Why does the Senator ask about the Air Force opposing it? The money is here in the bill for the Navy. The Navy opposes it. So I wonder if the Senator would direct his questions to why the Navy opposes it, not the Air Force. The Air Force opposed it before.

Mr. THURMOND. Mr. President, the Air Force has opposed this plane for years.

The able and distinguished Senator from Nevada knows the Air Force has opposed it. He is an excellent pilot himself, and he is chairman of the Tactical Air Subcommittee. He knows the Air Force has opposed this plane consistently year after year.

Now, why the Navy opposed it is simply because they feel it is out of their line of work, and they do not want to take the responsibility, I guess, for having to conduct the test. But those who sponsor this test program, I understand, feel if they get a fair and objective test, it will be necessary for the Navy or some other agency other than the Air Force to conduct this test because the Air Force has shown that they are not willing even to give it a test.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CANNON. Mr. President, what is the time situation?

Mr. YOUNG. How much time does the Senator want?

Mr. GOLDWATER. Not more than 5 minutes.

Mr. YOUNG. I yield 5 minutes on the bill.

Mr. GOLDWATER. Mr. President, we have listened now to the same arguments, I guess, for 4 years.

When we heard the Enforcer was in this appropriation bill, we could not for the life of us find out who put it there. We finally found out it was in the Navy program. So I wrote and asked Admiral Holloway asking him if he wanted it. I received a response and had it put in the RECORD here. But just one paragraph:

> There is no requirement for building and operationally testing the Enforcer aircraft. Its flying qualities are readily predictable. Its components are all presently in service. The aircraft's specific capabilities never have been in question.

The Air Force has never questioned the aerodynamic abilities of the Enforcer. We have a letter from the Chairman of the Joint Chiefs of Staff, which I have put in the RECORD, stating they do not feel this aircraft is needed.

Now, Mr. President, this aircraft was developed by two good friends of mine. If I were acting in a friendly way I would say let us go ahead and give them their money back. But there was no call for the airplane. They took an old P–51. They put a turbine engine in it, and down through the years they have improved it. I will admit it. They now have some commercial company that is interested in developing it.

I would like to call the attention of my friend from South Carolina to something that maybe has slipped his mind. We are just not operating here according to our own desires. The OMB states that unless a mission is documented and the need for the mission is documented and validated, they cannot talk about specific hardware solutions.

Then the circular specifies that alternative systems design will be solicited from a broad base of qualified firms.

Mr. President, what we are being asked here today to do is not only to authorize an appropriation, which we never do, but we are being asked to authorize an aircraft out of competition. If we are going to buy an aircraft like this, we should say to the five or six firms in this country, and maybe more, that can make just as good an airplane as the Enforcer, and start from scratch, "We are going to have a competition to determine which aircraft we are going to buy."

So, Mr. President, I think the arguments are old. They have been defeated before, and I think we are acting out of order when we try to acquire money in this way. No authorized hearings? We have held hearings in tactical air, and research and development in the Armed Services Committee for years.

No testing? This aircraft was tested in the Coin test, and the Coin test was held to determine what kind of light aircraft we would provide for Southeast Asia use, and the Enforcer did not hack it. It did not make the competition.

So there has been plenty of competition. The Navy does not want it, the Air Force does not want it, and we have had hearings, I think, on this every year.

Mr. President, I close my argument saying we are acting in my opinion illegally. The entire report on this is enclosed in two sentences on page 101 which does not list any proponents of the Enforcer. It merely says, "The committee recommends," and mind you if some of us had not had our ears wide open we would never even have heard and it might have sneaked through and then the military services would be faced with having to direct a competition.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. CANNON. Mr. President, I yield myself 5 minutes.

Mr. YOUNG. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. CANNON. I yield.

Mr. YOUNG. Mr. President, I ask unanimous consent that Dick Vodra, of Senator SCHWEIKER's staff, be permitted the privilege of the floor during the discussion of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that Mr. Kenney, of the Armed Services Committee staff, be accorded the privilege of the floor during debate and vote on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, the arguments that the opponents of this amendment, the supporters of the Enforcer aircraft, make, remind me very much of a saying by Henry Wheeler Shaw many years ago in a book that was called "Uncle Sam's Uncle Josh." He was known as Josh Billings at that time, and he said:

> It hain't so much ignorance that ails mankind as it is so much knowing things that hain't so.

That is the way I feel about the arguments that have been presented by the supporters of this Enforcer aircraft, about the things that they know so much that "hain't" so about this aircraft.

First, on the propriety of bringing the amendment, the argument has been made that you can properly do this, and unfortunately that is true. In the House of Representatives you cannot. But unfortunately, under our rules you can amend and you can add in an appropriations bill something that is not authorized by the authorizing committee.

But I point out that the authorizing committee with jurisdiction over this matter considered the matter and turned it down. And we did the same thing in 1975 when the supporters of this aircraft brought it up at that time, and they were defeated by almost a 2-to-1 margin. But they do not give up. They come again and try and try it again, try to slip it through the back door as they did in this instance.

Mr. President, I quote from a memorandum for the Deputy Secretary of Defense on this very subject. This is the Assistant Secretary of Defense, not the Secretary of the Air Force. It states:

> The Enforcer cannot compare on an effectiveness basis with existing close air support aircraft, in particular the A–10. To provide a credible capability the Enforcer must be weaponized, resulting in a unit flyaway cost of about $1.5 million. The services have no requirement for an aircraft such as the Enforcer. Proceeding with the Enforcer program proposed by Piper Aircraft—

In conjunction with the inventor and developer of it—

> would involve potentially significant legal and policy implications.

Mr. President, on top of that, the Senator from Arizona has already pointed out that the firepower of this aircraft is not great. It is equipped basically with a 50-caliber machinegun. A 50-caliber machinegun is not worth much against tanks. They say that it has the capability to carry the GAU–8 gun. This is something new. I had not heard that until we got in this debate this time. But a pod for the GAU–8 gun would weigh 1,500 pounds and carry only 350 rounds of ammunition. So if you had two pods for a GAU–8 on that aircraft you would have a hard time getting it in the air, without any other capability, without any bombs, without carrying anything else that could be usable.

So, Mr. President, this aircraft just simply cannot do the job.

The Senator from South Carolina has said, "Why do they not test it?" Mr. President, when the analysis was made of this aircraft, and incidentally the aircraft was in a flyoff competition in 1971 for use in Southeast Asia, it was fully tested at that time, and it did not win the competition, the decision was made against it. And he says "Why do they not test it now?" You could concede everything that its inventors and its support-

ers claim that it will do, which it will not, but if you concede all that, still there is no Air Force requirement for it, and the Chairman of the Joint Chiefs of Staff has stated that they have no requirement for it. Furthermore, the Navy has absolutely no requirement for it, as the Senator from Arizona pointed out. So, you have an aircraft trying to be sold to the U.S. Government where none of the services have a requirement for it. The only person who has a requirement for it is the person who invented it and the person who would develop it and put it on the market if it won a competition, which would have to be held before they could go to a sole source. They could not go to a sole source on this aircraft.

Mr. President, I submit that the Enforcer has been flight tested, it has been thoroughly flight tested, and it has been decided against. It does not have a valid mission. We have authorized the mix of aircraft that the services are able to have, and if they were to buy this aircraft they would have to do away with something else in lieu of it. And this the services do not support. I submit, Mr. President, that we should support the military, certainly in this instance, instead of trying to force something on them that they have no use for.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, will the Senator from North Dakota yield me 2 minutes on the bill?

Mr. YOUNG. I yield 2 minutes.

Mr. THURMOND. Mr. President, the distinguished Senator from Nevada said the Air Force says there is no requirement. Of course, they say there is no requirement, because they are spending $4 million for a plane for which $1 million might answer the purpose if this plane is tested. That is all we are asking, just to test. If it does not do the job OK. But why spend $4 million for a plane if a $1 plane can do the job?

Mr. President, I asked General Slay in the testimony a number of questions which he could not even answer, and these are the questions and I ask unanimous consent that they be printed in the RECORD at this point in my remarks. It is page 5214 of the hearings held in March 1977, starting with "Pave Coin Test" down to "Enforcer Against High Performance Fighters."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PAVE COIN TEST

Senator THURMOND. Now, a few questions here on the Pave Coin test.

General Slay, I believe the Air Force has tested the Enforcer 1971 in the Pave Coin test. Is that true?

General SLAY. That is correct.

Senator THURMOND. What was the recorded maintenance hour per flight hour?

General SLAY. I can't answer that. I will have to provide it for the record.

Senator THURMOND. What was the rate of consumption of spares, fuel pumps, and propellers, and so forth?

General SLAY. Same, sir.

Senator THURMOND. What were the maximum numbers of sorties per day for four airplanes?

General SLAY. I don't have that data with me, Senator. I would have to provide that for the record.

Senator THURMOND. Why was the Enforcer limited to two sorties per day?

General SLAY. I can't answer that, Senator, I don't know.

Senator THURMOND. You don't have your tests with you?

General SLAY. No, sir; I do not. Does anyone here know the answer to that? I am sorry, Senator.

Senator THURMOND. Do you have that information?

General BOND. Yes. The tests covered the entire spectrum of the things you discussed. It has been some time since I read the Pave Coin results, but I can provide all of that for the record.

[The information follows:]

"The Pave Coin program was conducted by the Air Force in 1971 to identify and evaluate off-the-shelf forward air control and light strike aircraft (LSA) for possible subsequent procurement and delivery to military assistance program (MAP) countries.

The light strike aircraft portion of Pave Coin consisted of an evaluation of existing data on all candidate aircraft plus a flight evaluation of two of the candidate aircraft for which additional data were required. Evaluation data were obtained from Air Force sources for those aircraft already in Air Force or MAP inventories and from the contractors for the other aircraft. The flight evaluation phase was designed primarily to investigate aircraft handling qualities and obtain limited aerodynamic performance data for the "clean" aircraft configuration and various other typical light strike aircraft munitions configurations. Additionally, operational suitability, safety of carriage and general training requirements were assessed for the various aircraft configurations. Flight test missions were planned to check and correlate, insofar as possible, data provided by the contractor.

Pave Coin did not have as its objectives a quantitative determination of required maintenance man-hours per flying hour, rate of consumption of spares, fuel pumps, propellers, etc., nor was there any requirement to determine sortie rates for the candidate aircraft.

Senator THURMOND. My information is the tests did not cover that, but if you have information to the contrary——

General BOND. Senator Thurmond, the test was not designated to cover a total spectrum of maintenance man-hours per flying hour or sortie rates or those types of things. The test was designed to evaluate potential capability of those aircraft in certain roles.

In the portion of the test that the Enforcer was evaluated in it was in a light strike aircraft role, and to my knowledge we do not have any records that identify or show an intent to identify sortie rates. It was a planning factor on what the test organization felt would be attainable by those aircraft that were being evaluated.

Senator THURMOND. Would you feel it important to know the maximum number of sorties per day?

General BOND. No, sir, I would not.

Senator THURMOND. That is not important, number of sorties that would be made a day.

General BOND. In a combat environment. The number of sorties that it could do in a production or combat configuration, yes, sir, that would be important. In discussing it in the Pave Coin environment, it is my personal judgment that would not contribute to some evaluation of the aircraft in its production configuration.

Mr. THURMOND. These questions have never been answered. General Slay could not answer them. We ask that the test be held to answer these questions. The test should be held to validate the computer study made by the Air Force and Navy, though some validation was provided in the Pave Coin test, to see if performance justifies further consideration of the Enforcer for use in a high-low mix or by one of our military services. In the final analysis, it takes a man with a heart and brain to determine final performance and parameters. Any pilot will support that view.

Certainly improvements made to the Enforcer since 1971 have not been flight tested.

Mr. President, the Navy has no interest in this plane. They would not use the plane. The Air Force would only use the plane to support the Army. The Army would get the benefit of this plane. I can understand when they make the decision in the Defense Department that there all the services have to fall all over themselves to go right along in line; otherwise, they may lose their jobs. But I say that the American people have a requirement, the taxpayers have a requirement, and this plane should be tested.

The PRESIDING OFFICER. The Senator's time has expired.

LEGISLATIVE APPROPRIATIONS, 1978

AMENDMENT NO. 517

The PRESIDING OFFICER (Mr. BUMPERS). Under a previous order, the Senate will now resume the consideration of H.R. 7932, the legislative appropriation bill, and will proceed to vote on amendment No. 517 of the Senator from Nebraska (Mr. CURTIS), on which the yeas and nays have been ordered.

Mr. HELMS. Mr. President, a point of order.

The PRESIDING OFFICER. First, the bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 7932) making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. HELMS. Mr. President, it is of no concern to the Senator from North Carolina when the Chair acts on this point of order, but I do raise a point of order against section 8439.

The PRESIDING OFFICER. To which bill is the Senator referring?

Mr. HELMS. Mr. President, I will withdraw that.

The PRESIDING OFFICER. The point of order has been withdrawn.

Mr. THURMOND. Mr. President, I ask unanimous consent that John Napier, of the Judiciary Committee staff, be accorded the privilege of the floor during the consideration and voting on this bill, and I also ask for the yeas and nays on the Enforcer amendment.

The PRESIDING OFFICER. That bill is no longer before the Senate. The unanimous-consent request for the presence of the staff member is agreed to, without objection.

ORDER FOR YEAS AND NAYS—ENFORCER AMENDMENT

Mr. THURMOND. Mr. President, I ask unanimous consent that it be in order at

this time to order the yeas and nays on the Enforcer amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? Without objection, it is so ordered.

Mr. THURMOND. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Several Senators addressed the Chair.

Mr. HUDDLESTON. Mr. President, I move to table the pending amendment by the Senator from Nebraska, and ask for the yeas and nays.

The PRESIDING OFFICER. Before that will be in order, the amendment will be stated.

The legislative clerk read as follows:

On page 31, after line 24, insert the following new section:

SEC. 113. Notwithstanding any other provision of law, appropriated funds are available for payment to an individual of pay from more than one position, each of which is in the office of a Senator and the pay for which is disbursed by the Secretary of the Senate, if the aggregate gross pay from those positions does not exceed the amount specified in section 105(d)(2)(ii) of the Legislative Appropriations Act of 1968, as amended and modified.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Mr. President, could I have the attention of the majority leader? We have now reached the hour of 4 p.m., and there were to be no votes until after this hour. I wonder if we could have some kind of top-of-the-head idea as to when certain votes might occur, so that we could regulate our attendance accordingly.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The votes in connection with the legislative appropriation bill are supposed to occur, under the order previously entered, without any further debate. There are going to be at least three rollcall votes. The manager of the bill may seek unanimous consent to have a couple of minutes before each vote, or two or three, or whatever he thinks necessary, so that Senators will know what they are voting on.

Upon the disposition of action on that bill, which, as I say, will constitute almost back-to-back voting, the Senate will resume the consideration of the Defense appropriation bill.

I ask unanimous consent to proceed for another minute, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The Senate there is an order for 20 minutes for Defense appropriation bill, at which time there is an order for 20 minutes for debate on the B–1 amendment, and a rollcall vote has already been ordered on that amendment.

Following that vote will occur numerous votes in the order of sequence—that is, the votes will occur in the same order in which they were ordered.

ORDER OF VOTES—LEGISLATIVE APPROPRIATIONS

Mr. STENNIS. Mr. President, if the Senator will yield, could we put a unanimous-consent request in right now with reference to this Enforcer plane we have just debated here, that the vote on that amendment follow immediately after the vote on the B–1?

Mr. ROBERT C. BYRD. All right. Mr. President, I ask unanimous consent that the vote on the Enforcer amendment occur immediately after the vote on the B–1 amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. I offered an amendment to the pending legislation on Friday. It was my understanding that, according to the unanimous-consent agreement, it would be in order to ask for the yeas and nays on that amendment today; and, if it is now in order, I ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. The Senator is correct. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, may I inquire what amendment the Senator is talking about?

The PRESIDING OFFICER. The Chair will state that it is an amendment to the legislative appropriation bill.

Mr. HUDDLESTON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment (No. 517) of the Senator from Nebraska (Mr. CURTIS).

Mr. HUDDLESTON. Mr. President, I move that the amendment be laid on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky (Mr. HUDDLESTON) to lay on the table the amendment (No. 517) of the Senator from Nebraska (Mr. CURTIS). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON of California. I announce that the Senator from Vermont (Mr. LEAHY) and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from Idaho (Mr. MCCLURE), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Idaho (Mr. MCCLURE) would vote "nay."

The result was announced—yeas 34, nays 60, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—34

Abourezk	Durkin	Muskie
Anderson	Eagleton	Nelson
Bayh	Ford	Proxmire
Bentsen	Glenn	Randolph
Burdick	Hart	Ribicoff
Byrd, Robert C.	Haskell	Riegle
Cannon	Hollings	Sasser
Chiles	Huddleston	Stennis
Church	Humphrey	Stone
Clark	Johnston	Williams
Cranston	Kennedy	
DeConcini	McGovern	

NAYS—60

Allen	Hansen	Packwood
Baker	Hatfield	Pearson
Bartlett	Hathaway	Pell
Bellmon	Hayakawa	Percy
Biden	Heinz	Roth
Brooke	Helms	Sarbanes
Bumpers	Inouye	Schmitt
Byrd, Harry F., Jr.	Jackson	Schweiker
Case	Javits	Scott
Chafee	Laxalt	Sparkman
Culver	Long	Stevens
Curtis	Lugar	Stevenson
Danforth	Magnuson	Talmadge
Dole	Matsunaga	Thurmond
Domenici	McClellan	Tower
Eastland	McIntyre	Wallop
Garn	Melcher	Weicker
Goldwater	Metcalf	Young
Gravel	Metzenbaum	Zorinsky
Griffin	Moynihan	
	Nunn	

NOT VOTING—6

Hatch	Mathias	Morgan
Leahy	McClure	Stafford

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

Mr. CURTIS. Mr. President, I ask unanimous consent that the yeas and nays be dispensed with, that were previously ordered.

The PRESIDING OFFICER. Is there objection? Without objection, the yeas and nays on the amendment are vitiated.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR 10 MINUTES ROLLCALLS ON LEGISLATIVE APPROPRIATIONS MEASURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a 10-minute limitation on all remaining rollcall votes in relation to the legislative appropriations measure today.

I have checked that with the leader.

Mr. BAKER. Mr. President, that is all right with me.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 510

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on the amendment of the Senator from California (Mr. CRANSTON), amendment No. 510.

The Senate is not in order. Will the Senators take their seats and those wishing to converse retire to the cloakrooms.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Are we considering legislative appropriations or military appropriations?

The PRESIDING OFFICER. The Senate is now considering the legislative appropriations bill.

Mr. GOLDWATER. I thank the Chair.

Mr. CRANSTON. Mr. President, I withdraw my pending amendment.

The amendment was withdrawn.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on amendments pending, the manager of the bill and the author of the amendments, in each case, have 2 minutes to explain the amendments so the Senators will know what they are voting on.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that my staff member, Caroline Randel, may have the privilege of the floor during debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 518

The PRESIDING OFFICER. The amendment before the Senate now is the amendment of the Senator from Colorado (Mr. HART), No. 518.

Mr. HART. Mr. President, the Congress of the United States is attempting to tell the American people that we have to conserve energy, that we have to carpool, that we have to have less pollution in our urban areas, that we have to use mass transit. The pending amendment is an attempt to put the Congress of the United States and the Senate of the United States on record as favoring those positions. This is an opportunity for the Senate of the United States to demonstrate to the American people that we favor those proposals of things that we are trying to get the American people to do.

This proposal is not particularly to raise revenue, although it will do that. It is not particularly to punish anyone. It is not to demonstrate our self-sacrifice. It is to show the American people that we are serious about energy conservation, about carpooling, about mass transit, and about ending air pollution caused by automobiles. That would be the effect of this amendment, to send the American people that message, that we are willing to take the steps that we are trying to get them to take. That is what this amendment would do.

It would charge people to park on Capitol Hill, the same way that we are trying to get people to pay for parking in cities, and to accomplish those results that I am talking about. This is our chance to say we are serious about it.

There is no other way, Mr. President, to amend a legislative appropriations bill. Under the procedures that the Senate has, there is no authorizing legislation. Therefore, if we wish to amend a legislative appropriations bill, it must be done in this fashion. I hope that the manager of the bill will not make a point of order against the amendment for that reason.

I also hope, Mr. President, that, because of the seriousness of this issue, the manager of the bill will not attempt to table this amendment but will have Senators on record as to whether they favor carpooling, mass transit, less air pollution, and the Congress of the United States leading the way in all of these issues.

Mr. SCOTT. Will the Senator yield for a question?

Mr. HART Yes.

Mr. SCOTT Does this also repeal the pay raise for the Members of Congress?

Mr. HART. No, it does not. [Laughter.]

Mr. SCOTT I thank the Senator.

Mr. HUDDLESTON. Mr. President, I rise in opposition to the amendment by the distinguished Senator from Colorado. First of all, the amendment, as drawn, institutes a pay schedule for parking spaces provided for Members of Congress and employees of the legislative branch. There is a question of equity and fairness as to whether or not the particular schedule, based on the pay of the individuals, would be fair, even if we decided that the time had come to institute pay for parking privileges.

Second, there is a question as to how the legislative branch ought to be treated in relation to all Federal employees throughout the country. There is no uniformity as to the parking provisions for Federal employees, whether it is Denver, Colorado, Louisville, Kentucky, or Washington, D.C. There are 41,000 Federal parking spaces in this city. About 75 percent of those are free. Enough study has not been done to determine just what the proper way is to proceed if we were to accept the concept that the Senator from Colorado has proposed.

If the objective is to eliminate the pollution by eliminating the use of cars by Senate and congressional employees, then the simplest thing, and the only way to do it that would save money, would be just to eliminate parking spaces. That would be the most effective way to accomplish what the Senator has proposed.

As he has pointed out, it is very questionable whether or not there would be any revenue gain on the part of the Government if a parking fee provision were instituted.

My time is up.

Is all time yielded back on the amendment? I would like to offer a motion.

Mr. HUMPHREY. Is any time left?

The PRESIDING OFFICER. All time has expired.

ADDITIONAL STATEMENT SUBMITTED

Mr. PERCY. Mr. President, on April 7, 1977, I submitted for printing in the CONGRESSIONAL RECORD a letter I had written to President Carter which contained a list of proposals for energy conservation. One of these suggestions was the imposition of a parking fee on all Government employees who were permitted to park on Government property.

I am extremely pleased that Senator HART has taken the initiative, and a rather unpopular stand among our congressional employees, to introduce his amendment to the legislative appropriations bill requiring the collection of parking fees from Members of Congress and their employees for parking on the Hill.

We will very soon be debating the President's national energy plan on the floor of the Senate, and making decisions on the prices of gasoline and other fuels, taxes on fuel inefficient automobiles, and other energy-saving measures. We will be asking the American public to make changes in their daily lives, to make sacrifices in the name of energy conservation. But how can we expect them to cooperate in our programs and believe in our sincerity in this endeavor if we continue to subsidize the unrestricted use of private automobiles among our own ranks?

I believe that all parking facilities provided for the use of private industry or Government employees—if provided without charge, it is a form of untaxed compensation—should only be provided for an appropriate fee.

We would either charge a fee for the use of parking lots or consider subjecting its value to taxation. I prefer the former method, as it relates the cost directly to its purpose, and equates Federal employees' situation with that of thousands of private employees working in the city who must pay for their spaces in parking garages.

The Congress has, from time to time, been accused of various inconsistencies between its public pronouncements and policies and its own behavior.

For those who object that we should treat congressional employees differently than other Federal workers, I suggest that we pursue the parking fee issue further and consider applying it to them as well as ourselves.

At this time, however, I would like to see the Congress take the lead in sacrificing small luxuries for the much larger public interest, and institute a reasonable parking fee on the Hill.

My own suggestion would be a market-based rate for all Federal employees' parking facilities. Such a procedure would allow for separate rate determinations for individual buildings, commensurate with parking fees in public or private parking facilities in the immediate area.

Priority for parking spaces would still be determined along current guidelines, including car-pooling incentives and seniority considerations.

Different rates could also be computed for different kinds of facilities. On Capitol Hill, for example, we would all agree that spaces in inside garages are much preferable to outside lots, which are probably preferable to on-street parking. These differences could be accounted for by different rates for the different locations, and priority for the separate locations could still be guaranteed.

I understand that the Architect of the Capitol is currently engaged in a study

of the parking situation on the Hill, and the Office of Management and Budget is studying the policy in all the offices of the executive branch.

I will be watching these investigations with great interest, and hope that future efforts to address this issue will satisfy many of the objections we have heard on Senator HART's proposal today, which I do consider inequitable in certain respects.

Mr. HUDDLESTON. If all time is yielded back, Mr. President, I move to lay the amendment on the table.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Vermont (Mr. LEAHY), the Senator from North Carolina (Mr. MORGAN), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from Idaho (Mr. MCCLURE), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The results was announced—yeas 64, nays 29, as follows:

[Rollcall Vote No. 295 Leg.]

YEAS—64

Anderson	Garn	Moynihan
Baker	Glenn	Muskie
Bartlett	Gravel	Nelson
Bayh	Griffin	Pearson
Bentsen	Hansen	Randolph
Brooke	Hathaway	Ribicoff
Bumpers	Hayakawa	Riegle
Burdick	Hollings	Sarbanes
Byrd, Robert C.	Huddleston	Sasser
Cannon	Humphrey	Schmitt
Case	Inouye	Schweiker
Chiles	Jackson	Scott
Church	Javits	Sparkman
Cranston	Laxalt	Stennis
Curtis	Long	Stevens
DeConcini	Lugar	Talmadge
Dole	Magnuson	Tower
Domenici	Matsunaga	Wallop
Durkin	McClellan	Williams
Eagleton	McIntyre	Young
Eastland	Melcher	
Ford	Metcalf	

NAYS—29

Abourezk	Goldwater	Packwood
Allen	Hart	Pell
Bellmon	Haskell	Percy
Biden	Hatfield	Proxmire
Byrd, Harry F., Jr.	Heinz	Roth
	Helms	Stevenson
Chafee	Kennedy	Stone
Clark	McGovern	Thurmond
Culver	Metzenbaum	Weicker
Danforth	Nunn	Zorinsky

NOT VOTING—7

Hatch	Mathias	Stafford
Johnston	McClure	
Leahy	Morgan	

So the motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENT SUBMITTED

Mr. CRANSTON. Mr. President, regarding the matter of purchases by Senators from the stationery store or from other vendors, I want to ask the distinguished Senator from Kentucky one question. If a Senator wishes to do so, can he make purchases, for official purposes, from a vendor other than the stationery store, provided the cost is charged to the new 10 percent discretionary fund?

Mr. HUDDLESTON. Yes.

Mr. MUSKIE. Mr. President, the Senate has before it H.R. 7932, the legislative branch appropriation bill for fiscal 1978 which provides funds for the Congress, the Library of Congress, the General Accounting Office, the Government Printing Office, and other agencies.

I take this opportunity to comment on the relationship between this bill and the targets set out in the first budget resolution for fiscal 1978.

This bill provides $1.0 billion in budget authority and $1.1 billion in outlays for fiscal 1978, including $0.1 billion in outlays from prior year authority. The bill is consistent with the assumptions of the first budget resolution.

Under section 302(B) of the Budget Act, the Appropriations Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to it under the budget resolution.

The funds provided in this appropriation bill are within the totals allocated to the subcommittee on the legislative branch pursuant to section 302(B) of the Budget Act. That allocation is $1.0 billion in budget authority and $1.1 billion in outlays. This appropriation bill as reported is $9 million in budget authority and $45 million in outlays below the amounts allocated to the subcommittee.

Later requirements for items not provided in the bill are expected to be negligible. However, I would point out that on a comparable basis, the House bill is $99 million in budget authority and $45 million in outlays above the Senate bill. This is due to the inclusion by the House of funds for the extension of the West Front of the Capitol—which was not included by the Senate—and the changes by the Senate in the financial treatment of certain fee related services performed by the Library of Congress, the Copyright Office, and the Government Printing Office which were not made by the House. If the House position on both of these items were accepted in conference, there would be a potential breach of the subcommittee's section 302(b) allocation by $0.1 billion in budget authority. It is therefore particularly important to hold this appropriation bill to the level reported in the Senate, and to maintain the Senate position in the conference.

I wish to commend the distinguished chairman of the Subcommittee on the Legislative Branch. Senator HUDDLESTON, for his outstanding efforts in bringing in a bill with the allocation made to his subcommittee.

I wish also to commend the distinguished chairman of the Appropriations Committee, Senator MCCLELLAN, for his continuing efforts to assure that the discipline of the budget process is maintained and that the total of all regular and supplemental appropriation bills for fiscal 1978 remains within the first budget resolution targets.

Mr. THURMOND. Mr. President, even though I support a number of the provisions in H.R. 7932, I feel that I must vote against the bill since it contains $1.4 million over fiscal year 1977 to cover the increased costs for salary and related benefits from the recommendations of the Commission on Executive, Legislative, and Judicial salaries which went into effect on March 1, 1977.

Accordingly, Mr. President, I shall vote against H.R. 7932.

Mr. CANNON. I have a question for Senator HUDDLESTON, the floor manager of the bill, H.R. 7932, regarding the authority of the Committee on Rules and Administration. Is it the intent of the committee amendment regarding travel to set specific rates of per diem only and not vitiate the other travel responsibilities and regulations issued by the Committee on Rules and Administration? In other words, would all other procedural and other travel rules and responsibilities of the Committee on Rules and Administration remain undisturbed?

Mr. HUDDLESTON. The understanding of the distinguished chairman of the committee on Rules and Administration is correct.

The PRESIDING OFFICER. In accordance with the agreement, if there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Vermont (Mr. LEAHY) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 85, nays 10, as follows:

[Rollcall Vote No. 296 Leg.]

YEAS—85

Abourezk	Chafee	Eastland
Allen	Chiles	Ford
Anderson	Church	Glenn
Baker	Clark	Goldwater
Bayh	Cranston	Gravel
Bellmon	Culver	Griffin
Bentsen	Curtis	Hansen
Brooke	Danforth	Hart
Bumpers	DeConcini	Haskell
Burdick	Dole	Hatfield
Byrd, Robert C.	Domenici	Hathaway
Cannon	Durkin	Hayakawa
Case	Eagleton	Heinz

Hollings	Metzenbaum	Schmitt
Huddleston	Morgan	Schweiker
Humphrey	Moynihan	Scott
Inouye	Muskie	Sparkman
Jackson	Nelson	Stennis
Javits	Nunn	Stevens
Kennedy	Packwood	Stevenson
Long	Pearson	Stone
Lugar	Pell	Talmadge
Magnuson	Percy	Tower
Matsunaga	Proxmire	Weicker
McClellan	Randolph	Williams
McGovern	Ribicoff	Young
McIntyre	Riegle	Zorinsky
Melcher	Sarbanes	
Metcalf	Sasser	

NAYS—10

Bartlett	Garn	Roth
Biden	Hatch	Thurmond
Byrd, Harry F., Jr.	Helms	Wallop
	Laxalt	

NOT VOTING—5

Johnston	Mathias	Stafford
Leahy	McClure	

So the bill (H.R. 7932) was passed.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that in the engrossment of the Senate amendments the Secretary of the Senate be authorized to make any technical and clerical corrections.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. MOYNIHAN) appointed Mr. HUDDLESTON, Mr. MCCLELLAN, Mr. SASSER, Mr. PROXMIRE, Mr. SCHWEIKER, Mr. WEICKER, and Mr. YOUNG conferees on the part of the Senate.

DEFENSE APPROPRIATIONS, 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 7933, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

Mr. STENNIS addressed the Chair.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the Senator from Mississippi for the committee.

Mr. STENNIS. I thank the Chair.

The PRESIDING OFFICER. There are 20 minutes of debate, 10 minutes on each side.

Mr. ZORINSKY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STENNIS. Just a minute. I will take 1 minute, Mr. President. At this time I yield myself 1 minute.

I want to inform the Senate that we are right on the verge now of a vote on the B–1 which amounts to, in this case, on whether or not we are going to take out of the bill the $1.4 billion as recommended by President Carter.

There are 10 minutes to the side.

Now, some kind of a matter has arisen that is important to the Senator from Minnesota, and I ask unanimous consent that I may yield to him.

Mr. HUMPHREY. Mr. President, may I suggest that we not take this out of any time.

Mr. President, I ask unanimous consent that the Chair will permit that I may have not to exceed 3 minutes on a resolution.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. I yield 3 minutes to the Senator, without the time being charged.

Mr. ZORINSKY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. Yes.

Mr. ZORINSKY. I ask unanimous consent that a member of my staff Mr. Lew Ashley be accorded the privilege of the floor during the debate on the Department of Defense appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

INVESTIGATION OF ECONOMIC CHANGE

Mr. HUMPHREY. Mr. President, the House Concurrent Resolution 248 is being held at the desk. It was passed under the Suspension Calendar in the House on June 14, and is identical with Senate Concurrent Resolution 29 which I introduced on the same day.

I ask unanimous consent that House Concurrent Resolution 248 be taken from the desk and be given immediate consideration at this time. I might say this has been cleared on both sides of the aisle with all the appropriate Members.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the concurrent resolution by title.

The assistant legislative clerk read as follows:

House Concurrent Resolution 248 requiring an investigation by the Joint Economic Committee on certain economic changes.

There being no objection, the Senate proceeded to consider the resolution.

Mr. HUMPHREY. Mr. President, I have discussed this resolution with our distinguished majority leader, Mr. ROBERT C. BYRD, and with the minority and I understand that there will be no objection to its immediate consideration.

Mr. President, the concurrent resolution we are considering at this time directs the Joint Economic Committee to conduct an investigation of the tremendous economic changes that will confront public policy in the years immediately ahead. Our economy is far different than it was 10 or 15 years ago and it will have to meet unprecedented challenges in the years ahead.

Population growth has slowed down substantially, a fact that will produce a much older population with attendant problems for pension finance, education, manpower, and investment.

We have already seen the serious consequences of raw material limitations and there undoubtedly are more to come.

Demands on the public sector will continue to be troublesome.

Economic productivity is declining and we neglect this subject at our peril. Also there is uncertainty about availability of capital to sustain our growth.

I could list many other issues—industrial organization, research and development, international shifts, and a host of others.

These questions and others like them should be investigated and an effort made to assess their impact on future policy decisions in the Congress.

The Joint Economic Committee, on which I have the honor to serve as vice chairman, is well suited to conduct such studies. It has an outstanding record going back over many years and can perform these studies with the aid of outside experts for a very modest sum. We have gone over the question of funding most carefully to ascertain the minimum necessary amount to permit us to move into these troublesome questions while carrying out our other committee responsibilities. I can assure you that the investment will be returned many times over.

I ask the support of my colleagues in this effort to more fully carry out the mandate given to the Joint Economic Committee under the Employment Act of 1946.

Mr. President, I would like to express my personal thanks to Majority Leader BYRD and Senators PROXMIRE, BROOKE, SCHMITT, and LUGAR for their cooperation in expediting consideration of this resolution.

This resolution originated in our sister body, the House of Representatives, and passed unanimously.

I asked the Senate to approve this direction to the Joint Economic Committee.

Mr. ROBERT C. BYRD. Mr. President, just for the record might I ask the distinguished Senator, has the chairman of the Rules Committee (Mr. CANNON) been consulted?

Mr. HUMPHREY. All parties have been consulted.

Mr. ROBERT C. BYRD. And he has given his approval?

Mr. HUMPHREY. That is my understanding, all parties.

I also ask unanimous consent that certain materials with respect to the resolution be printed, along with a letter from a colleague.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AN INVESTIGATION OF ECONOMIC CHANGE

THE PREVAILING SITUATION

There are strong institutional pressures in Congress to look primarily at immediate problems and immediate solutions so that foresight is minimal, and the usual pattern is that of playing "catch up ball," with all the disadvantages of that posture. Recent changes in both House and Senate rules have mandated attention to foresight and future studies in standing legislative committees, but the task of looking at broad, complex problems that cross jurisdictional interests of several committees badly needs attention.

The Joint Economic Committee (JEC) as a non-legislative committee is in a unique position to contribute to congressional and public understanding of many of the central economic problems of the United States and the world, considered in the context of these broad interactions. This has been the traditional role of the JEC with the annual review of the President's Economic Report and its many other studies and hearings. These functions can be strengthened in the context of undertaking unifying inquiries into the interactions of these present and coming changes in the economy. The JEC in this regard can conduct investigations, hold hearings, assemble panels, and sponsor studies without threatening the legislative jurisdictions of standing committees of either body. If the Congress is to be more than merely a reactive institution, it needs the support of data and analyses which will give it warning of emerging trends. It needs to consider choices of alternative approaches, assembled with an eye to the interactions and consequences which in the normal situation either are not apparent, or are not yet thoroughly understood.

The JEC can do much more to help the Congress meet its legislative responsibilities by producing data and findings which individual standing committees with limited jurisdictions would be less likely to develop.

THE PROPOSED INVESTIGATION

The Joint Economic Committee recommends the prompt organization and undertaking of an investigation and analysis of the kinds of national and international economic issues just described. This effort would be built around use of a core of the regular JEC staff, supplemented by temporary additional staff and consultants to (1) identify the emerging economic issues; (2) map out the direction of analyses and strategies; (3) hold panel meetings and hearings; and then (4) issue studies and reports with regard to the foregoing. These latter would be based upon the detailed work which would illuminate the crucial structural changes occurring in the economy, to show their significance for public policymaking. Each study would contain information and analysis necessary for consideration of legislation by a number of the legislative standing committees of both bodies.

As far as practicable the work of the investigation would be coordinated and consolidated with the programs of the existing subcommittees of the JEC. The Executive Branch and the independent agencies would be used as sources of information and kept informed on progress, but not for the execution of the studies per se.

Should the necessary authority and support be obtained by mid-1977, it would be possible to launch the investigation for about $250,000 for the balance of calendar 1977 and $650,000 for calendar 1978 (the 95th Congress). This effort would lead to progress reports, detailed plans, and initial products to provide a basis for requesting additional funding for 1979 and 1980 (the 96th Congress). By the end of that time, there would be enough completed products to provide Congress with valuable information and analysis vital to its legislative responsibilities.

The basic time frame for the investigation would be from the present to 1980, to keep projections as realistic as possible. But some of the issues which will have crucial effects on near-term policymaking involve trends which may reach forward to the year 2000, and these would not be excluded from consideration.

REPRESENTATIVE ISSUES FOR INVESTIGATION

I. Economic Consequences of Demographic Trends—

Demographic trends are very fundamental to many of the problems requiring investigation. Projections covering 10 to 20 years are relatively easy to make because most of the people included are already born, and the death rates are fairly predictable. Longer term trends in population are harder to predict because social attitudes change, and even professional demographers are frequently fooled.

The decline in births in the United States since 1956 points toward a drastic slowdown in the growth of the labor force in the 1980's, a reversal of the rapid growth that occurred in the past two decades following the 1945–1955 baby boom. This possible coming decline in manpower growth will cause fundamental change in a wide array of economic and social problems. Labor markets could become chronically tight by 1985 as the unemployed are absorbed, possibly signaling a downward revision of unemployment targets. This could be good news for minorities and the less skilled, although such structural unemployment may persist. It could also relieve the Federal, State, and local governments of some of their financial burdens through reduced unemployment, education, and welfare costs.

On the other hand, several new problems are likely to emerge as labor becomes scarce and the old age population increases. Although capital needs will lessen with the slowdown in job expansion, a period of slow overall growth may ensue. The slowdown in new household formation will cut the growth of durable goods consumption, and therefore the present trend toward the service industries will probably accelerate as consumption shifts from goods to services. Productivity increases could depend on whether new technology or other forms of advances occur in the face of reduced capital investment. Labor scarcity can also have serious implications for military manpower requirements.

All of these perceived demographic changes can be looked at in terms of their consequences for typical types of family budgets. It is important to know what portions of available personal income are going to be needed for food, transportation, housing, fuel, health care, and taxes. Policymakers will need to take these changing proportions into account in proposing legislation, so that they are dealing with the effects on real people and not with generalized national averages.

The demographic changes studied need to include shifts of population between the Sunbelt and the Northeast and North Central States and between older central cities and suburbs or smaller communities.

Demographic changes beyond U.S. borders are also important. For example, current attention is focusing on the 2 to 12 million illegal aliens in this country. Many come from the countries to the south where populations are rising rapidly and poverty is endemic. Even if their labor rates fall, a momentum will carry those populations much higher, increasing the incentives to enter the United States. Orderly domestic demographic projections may be considerably altered by a continued, even larger northward flow. Hence, attention to these external demographic pressures conceivably might be crucial to modifying analysis on labor availability, education and welfare costs and housing needs.

II. Economic Impact of Materials Prices, Availability, and Shortages—

Studies of materials shortages go back many years, with only limited actions to implement recommendations. The influences of Government regulation on both energy and materials supplies have not always been appreciated. An awareness of these past studies and the effects of regulatory policies can illuminate the present situation where rising prices and threatened shortages of energy have already produced profound economic results throughout the world. Drastic price increases in many basic commodities have also already unleashed a chain reaction of cost-push inflation forces. Thus, it is highly probable that pressures, including price pressures, to conserve materials and natural resources will intensify.

On the other side of the coin, the domestic decline in population growth and the changing age structure of the U.S. population will tend to work automatically toward slower materials consumption growth. The same cannot be said for foreign demand. While Government encouragement of conservation will remain necessary, the consequences of a comprehensive conservation strategy, or lack of one, are not fully understood. Reduced demand for basic materials could have serious effects on the renewal and expansion of plant and equipment and by inference on productivity and innovation. Further, reduced investment in industrial sectors could significantly alter the balance between investment and consumption necessary to achieve full employment. At the very least, major adjustments will have to take place to achieve a smooth transition as the industrial structure changes.

Slower growth of the basic materials industries may be offset to some degree by expansion of the conservation industries. For example, the recycling, retrofitting, and repair industries could be expected to grow substantially. Also, research, development, and production of new materials and products with greater durability will be stimulated. Assuming the public desire for greater environmental protection remains strong, both capital outlays and materials investments might receive a boost. The shift in employment, however, from industries affected by reduced demand into other areas could become a major problem for workers, their families and communities. Consumer welfare, and the general standards of living could be impaired by both employment and product changes.

While at the moment highest visibility accompanies the potential shortages of oil and gas and the rising prices encouraged by OPEC, the next great shortage may be in fresh water, caused by changes in population, economic activity, and shifts in climate in some regions. Rising expectations in the rest of the world may produce demand and price consequences in a whole range of materials to obscure what trends domestic demographics otherwise would suggest. The shift from imported oil to coal, if accomplished, will have consequences for land, water, and air quality, and alter the picture in the field of labor relations.

III. Long-Range Trends in Public Sector Finances—

While Congress routinely deals with the issues of Federal revenues and expenditures, there are fiscal issues which more broadly involve also State and local needs. The latter two categories have shown a growth in needs in recent years even at a faster rate than Federal.

Especially acute are the economic consequences of the financial problems of the large cities. Major consequences flow from the imbalances of revenues and expenditures by regions, and of geographical shifts in industry from the traditional industrial heartlands to the Sunbelt and other regions.

Also of interest are the fiscal and cost implications of using municipal bonds or other local obligations to meet urban financial needs, versus using Federal funds and obligations. Questions involved are the effects of different interest rates and the tax exemptions associated with such alternatives.

The demographic trends referred to will have large economic consequences as pension plans at all levels of government face shortfalls in revenues compared with their current obligations. These difficulties will impact on the state of their finances, tax levels, credit ratings, and hence on interest rates, costs, and prices generally. Problems with pension plans in turn will affect welfare costs. Welfare

needs and costs are widely recognized as acute problems, but the full economic impacts remain to be understood.

While perhaps the distribution of payments by all levels of the Government are understood as to purpose and direct economic goals of services and income redistribution, there is less understanding of the economic consequences of different forms of revenue raising at all levels of government. Various kinds of tax burdens have profound secondary economic consequences for investment, employment, and prices, and for income redistribution that extend well beyond the original goal to raise revenue.

Macroeconomic goals as well as specific needs are met through changes in expenditures and revenue collections at various levels of government for countercyclical purposes, to provide employment and to stimulate business. Although the basic economic goals may be agreed upon, there are sufficient problems in execution that few countercyclical programs are carried through the whole cycle. Should policy consciously seek or accept a continuing inflation in prices instead of constant or falling prices, and can inflation be limited to a target amount? What devices can achieve these ends, with what economic prices and consequences attached?

IV. Capital Formation—

Most analysts agree that the poor business conditions since 1970 plus this decade's continuing rapid labor force growth leave this Nation and other nations as well with a backlog of investment requirements to provide jobs and exploit opportunities for productivity gains that are now available. Many authorities agree that the fraction of GNP going to business investment should increase by about 10 percent (from roughly 10.5 to 11.5 percent of GNP) for the next five years. Stronger business conditions are a precondition for obtaining this investment. Measures to achieve this goal should be tempered by the recognition that capacity expansion needs probably will decline after the mid-1980's due to demographic and other growth-retarding factors. Increasing labor scarcity at that time, however, will place a growing premium on technical advances to save labor and boost labor productivity. A farsighted public policy would begin now at the research level to develop potential innovations of this type.

While some large concerns find the capital needed for expansion partly from retained earnings and in money markets because their position is well established, solutions are less evident for small business. The special capital shortages of small business may require special attention because of all the aspects of economic opportunity and innovation which can flourish when small business enterprises maintain reasonable health. Small business may be paying substantially higher interest rates for their capital borrowings than do some larger concerns.

In the area of public capital formation, demographic factors have obviated further large spending on educational facilities, which have burdened municipal capital budgets for decades. The Federal highway program also has eased. Hospitals seem to be overbuilt, at least for a time. It is necessary to assess the need for public facilities in other areas—e.g., water purification, waste disposal, mass transit, energy conservation, housing, etc.—and to project what the overall outlook for public investment means for public finances at various levels and for the balance of the economy at large.

V. Research, Innovation and Productivity—

Several research and development (R&D) issues have already been raised in the discussion of demographic trends and conservation. As labor becomes more scarce and presumably more expensive, higher productivity will be necessary to maintain rising living standards and blunt cost-push inflation. Productivity gains could depend largely on new technology. Further, new technology will be required to achieve greater durability and recyclability of materials and products.

The relative amounts of research and innovation in different types of industries and different sizes of enterprises should be studied for clues to reasons for shortfalls which occur in this regard. The occasional opportunities for small businesses to form consortia or associations for research without violating antitrust laws may suggest ways of increasing productivity in additional industries.

The issue of compulsory licensing of patents and procedures to spread the benefits of innovation while still protecting the interests of the original developers should be examined.

A larger question also concerns the effects of R&D on innovation, productivity (which can also be defined as technical progress) and growth. The problem is that productivity gains in the past four decades have been modest compared with the explosion of research expenditures in this period, and these gains have become notably slower since 1966. Thus, while economic growth is tied to increased productivity, increases in R&D spending do not seem to guarantee increased productivity. Improvements in the efficiency of R&D and the transfer of new technology into useful innovations will be vital if growth is to be achieved in a future characterized by a slowdown in expansion of the labor force and the disruptions and dislocations that could be produced by large-scale conservation.

It will be important to establish why R&D seems not to have paid off proportionately as well as it used to. History is replete with cases where informed opinion was convinced the reasons were to be found in the fact that all significant discoveries had already been made, only to have these pronouncements overturned by events which were already in the making, but unrecognized. Hence, a degree of caution is called for today also in reaching conclusions.

For example, there are now several changes in the making which may have sweeping economic consequences. Before 1985, microprocessors may revolutionize some parts of industry and consumer goods, and also affect energy efficiency. Successful fusion power represents a plausible solution to the energy shortage, but may remain a will-o'-the-wisp. Solar power from space is a more straightforward engineering proposition, but probably depends upon the building of a single-stage-to-orbit shuttle craft whose operating costs will be more than an order of magnitude below those of the first generation shuttle now approaching flight test. But, this moves such power to the year 2000 timeframe, not 1985, and if pursued would require a heavy investment over many years to bring substantial results. Unless there are new legislative barriers, genetic engineering may have sweeping consequences by the year 2000. For example, there may be gasoline from the sap of desert bushes, with little processing required, and traditional food crops may fix their own nitrogen in the soil in place of using chemical fertilizers. Bacteria may break down many of the pollutants from industry.

In the end, rising productivity is the only continuing source of opportunity to offset shortages of materials, energy or labor, to provide the margins of resources to take care of unmet needs in goods or services, and to provide needed redistributions of income without the same stresses which come when the total pool of income is fixed.

VI. Changing Patterns of Industrial Organization—

Recent decades have witnessed an increase in vertical and horizontal concentration and the emergence of the conglomerate and multinational forms of industrial organization. Among the problems associated with these trends are inflexible pricing and the propensity of firms in the concentrated industries to raise prices regardless of business conditions. Indeed, in some industries where there is a notable absence of competitive conditions prices were increased sharply just prior to the 1972 recession and continued going up throughout the recession. The pervasive adherence to full cost pricing in the concentrated industries suggests that future declines in production will result in higher prices rather than price stabilization, a result that is inconsistent with competitive market behavior. Such pricing behavior also embodies fundamental implications for the efficacy of macroeconomic policy as traditionally conceived in combating inflation through demand curtailment.

Prevailing types of private industrial organizations range from small business enterprises to conglomerates and multinational combines. Each has found its place in the total structure, and our economy has become dependent upon all of these types. The sensitivity in many aspects of the economy to changes in these structures should be studied. Likewise, industrial organizations depend not on internal decisions alone, but develop and operate in the context of pervasive government regulations, affecting performance, efficiency, and incentives as well as their responsiveness to sought public goals.

VII. International Money Markets, Trade, and Investment—

The growing interdependence of the United States and foreign economies was highlighted by President Carter's decision to seek coordinated stimulation of the American, Japanese, and German economies. The impact of international interdependence has been felt in a dramatic way with the OPEC oil embargo and price increases, various demands for protectionist actions to keep out foreign goods such as steel, color TVs and shoes, and the employment effects of U.S. investment abroad and foreign investment in the United States.

The special problems of the lesser developed countries need review because any major economic crisis in these countries can spread through the banking systems and trading communities of the most developed and presumably stable countries with the most profound consequences.

The relative market size and degree of importance of all countries to U.S. trade, monetary, end economic policy should be assessed.

The fact that U.S. economic developments have pronounced effects on the rest of the world has been well acknowledged, although perhaps not as well appreciated here as abroad. Of growing importance is the way foreign economic changes influence our economy, a trend that will intensify as nations, including lesser developed countries with low labor costs, produce finished products for export. Whether the Government should furnish assistance to U.S. firms disrupted by imports or develop a strategy that would phase-out declining industries and foster new ones will be a continuing long-term problem. The prospect of dependence on foreign oil for the foreseeable future and permanent high energy prices should also cause us to question the likelihood of economic growth at rates to which we have become accustomed.

Meanwhile, perhaps the time has come to analyze the results of five years' experience with floating exchange rates among the world's currencies, the effects of clean float and dirty float. Have currencies futures markets developed sufficiently to permit trade in knowable prices?

VIII. Economic Consequences of Wars, Natural Disasters, and Other Disruptions—

Most of the preceding issues discussed above combine some extrapolation of known physical factors and their interactions with understood demographic and economic principles. The ability of experts to forecast is still limited in any area where there are multiple, complex factors at work. Yet, rational decisionmaking requires the assumption that some attempt to forecast and anticipate is better than none. (Making no forecast is in itself a decision.)

Both ancient and current history are replete with examples of change conditions or trends which were not properly anticipated by orderly and rational studies of human affairs. Some of these changes represent "aberrations" in human behavior which upset the previously anticipated conditions. Some represent an exaggerated "whip lash" of other actions. Finally, there are other events beyond human behavior or control which may be rationally understood and even anticipated in most respects except as to timing.

There is no insurance possible against all contingencies. But, any comprehensive economic policy should allow for the unexpected, the sporadic, the uncontrollable so that policies will not collapse completely, but some fallback position will already have been worked out to put into play when the unexpected or untimable event takes place.

Examples of such disturbing elements include the appearance of new technologies, the discovery of deleterious effects in products or processes which require their elimination, to say nothing of wars, earthquakes, and persistent droughts. It might be useful to catalogue with brief consideration of each element a reasonably comprehensive list of contingencies, so that the dimensions of these problems are recognized and possibly weighed both as to probabilities and severity of consequences.

Tentative budget, investigation of economic change

Category	July-Dec. 1977	Jan.-Dec. 1978	Total
Staff payroll	$165,000	$330,000	$495,000
Outside studies, consultants	59,500	269,000	328,500
Travel	2,000	5,000	7,000
Telephone, telegraph	500	1,000	1,500
Equipment	4,000	8,000	12,000
Stationery, supplies	2,500	4,000	6,500
Witness fees	1,500	3,000	4,500
Reporting of hearings	10,000	20,000	30,000
Miscellaneous, contingencies	5,000	10,000	15,000
Total	250,000	650,000	900,000
Details on staffing:			
Director	23,750	47,500	71,250
Senior staff	23,750	47,500	71,250
Senior staff	23,750	47,500	71,250
Senior staff	23,750	47,500	71,250
Midlevel staff	14,000	28,000	42,000
Midlevel staff	14,000	28,000	42,000
Support staff	9,000	18,000	27,000
Support staff	9,000	18,000	27,000
Support staff	9,000	18,000	27,000
Matching contributions to retirement, insurance	15,000	30,000	45,000
Subtotal	165,000	330,000	495,000

U.S. SENATE,
Washington, D.C., July 11, 1977.

Hon. HUBERT H. HUMPHREY,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: I appreciate your thoughtful letter of June 28, 1977, outlining your reasons for wishing to progress with a Joint Economic Committee study. During the recess, I have read the staff memorandum which you enclosed. It is an excellent outline, and I am persuaded that a study which covers the suggested areas of inquiry will be an important contribution to economic understanding.

I am aware of your desire to make certain that the new economic study proceeds in a non-partisan matter. I would hope that a very broad range of economists and academic specialists from other disciplines might be consulted and that a broad range of options for policy might result.

For example, the policies suggested by various Club of Rome reports would be substantially different from those suggested by Herman Kahn. In a single copy of a weekly news magazine, a lay reader can cover the interpretations of Paul Samuelson and Milton Friedman and a JEC report should do no less. Within the past two years, Martin Mayer has published an excellent book entitled "Today and Tomorrow in America" which illuminated, among other things, the importance of demographic changes and suggested that the volume of services offered in this country has not increased more rapidly than the volume of goods although the value of the former has increased sharply for reasons he described.

After visiting with various members of the Joint Economic Committee, I am convinced that each member of the Committee has approached the new economic study with a sincere desire for objectivity and a genuine desire to learn much more about the complexities of our economy and its interrelationships with economies of other countries.

The Committee may have wrestled with the problem of staff salaries and monies for consultants. The salary levels suggested appear, to me, to be on the generous side even for a project of such significance. I would hope that the study might be completed for $750,000 as opposed to the $900,000 suggested.

In any event, I am grateful for your personal attention to my concerns about the JEC economic study. This letter will indicate that I will agree to a unanimous consent request to take up the House passed resolution from the desk and thus expedite the initiation of the study.

Sincerely,

RICHARD G. LUGAR.

The PRESIDING OFFICER. The question is on agreeing to the resolution of the Senator from Minnesota.

The resolution (H. Con. Res. 248) was agreed to.

The preamble was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRIBUTE TO JACKIE ROBINSON

Mr. HUMPHREY. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 223) to pay tribute to Jackie Robinson on the 30th anniversary of his entry into major league baseball.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HUMPHREY. This resolution is introduced for the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), the distinguished Senator from Tennessee (Mr. BAKER), and myself.

Mr. President, tomorrow there will be the all-star game at Yankee Stadium, and the highlight of that game, outside of the contest itself, will be the anniversary activities that will take place on Tuesday evening with the pregame ceremony dedicating the all-star game of 1977 to the great Jackie Robinson.

I have a brief statement on behalf of the sponsors of this bill, Senator ROBERT C. BYRD of West Virginia, Senator BAKER, and myself.

I am sure that my colleagues will want to join in this resolution of commendation and tribute to Jackie Robinson and American baseball. This resolution indicates support of the U.S. Senate for the national celebration commemorating the 30th anniversary of Jackie Robinson's entry into major league baseball. The Commissioner of Baseball, Mr. Bowie Kuhn, the baseball owners and players, as well as civic and community leaders, are commemorating this milestone in the progress toward full civil rights and equal opportunity with a week of recognition, July 18–25, 1977. The highlight of the anniversary activities will take place on Tuesday evening, July 19, at Yankee Stadium with a pregame ceremony dedicating the all-star game of 1977 to the great Jackie Robinson.

Plans for this celebration call for activities during 1977 aimed at commemorating the anniversary and publicly announcing the Jackie Robinson Foundation.

I know that my colleagues in the Senate share my enthusiasm for Senate recognition of this great athlete and even greater human being. His struggles, his setbacks, and his triumphs were America's. The contributions he made to the game of baseball and the cause of all underprivileged Americans, who have encountered social and professional injustices, have been unmatched by any athlete of our time.

Mr. President, since the inception of baseball as the great American pastime,

the sport has become America's legacy to the world of amateur and professional athletics. It is, in the truest sense of the word, the all-American sport.

Baseball would mean much less than it does today to the American people, and particularly to our youngsters, were it not for the dedication and perseverance, despite the frustrating battles and blatant injustices, of Jackie Robinson. He never gave up on his dream of a major league baseball career and his success became an inspiration to millions of Americans regardless of the nature of their aspirations or the color of their skin. I cannot imagine the game of baseball over the past several decades without the names of Willie Mays, Monte Irvin, Don Newcombe, Roy Campanella, Maury Wills, Minnesota's own Tony Oliva, and Rod Carew as well as countless others too numerous to mention. The contribution to the quality of baseball of these athletes from many backgrounds is immeasurable.

Jackie Robinson, a native of Cairo, Ga., spent much of his life fighting for racial equality and human rights in all areas of life so that all underprivileged American minorities could achieve their objectives without encountering obstacles of a social and racial nature. Partially as a result of Jackie Robinson's efforts, this great Nation of ours has made great strides toward the assurance of constitutional equality for all as guaranteed by our Founding Fathers under the Bill of Rights.

I am proud to be able to introduce this resolution on behalf of one of the great Americans of our time. Mr. President, I hope that you and all of my colleagues will join me in this proposal to honor one of the best people our society has produced.

Mr. ROBERT C. BYRD. Mr. President, 30 years ago Jackie Robinson broke the color line in major league baseball, becoming the first of many outstanding black players to compete in the big leagues. Robinson's breakthrough was important not just for baseball; it was an event of far greater significance in our society.

I am pleased to join with the Senator from Minnesota (Mr. HUMPHREY) and the minority leader (Mr. BAKER) in introducing a resolution paying tribute to Jackie Robinson on the thirtieth anniversary of his entrance into the major leagues.

On Tuesday night the 48th baseball all-star game, to be played in Yankee Stadium in New York, will be dedicated to Jackie Robinson, who not only made baseball's Hall of Fame but is recognized for his contribution to the struggle for racial equality and human rights.

After starring in football at the University of California at Los Angeles and serving as a lieutenant in the U.S. Army, Robinson was signed by Branch Rickey, president of the Brooklyn Dodgers. In 1946, he played with the Montreal Royals, the Dodgers' farm team in the International League.

On April 13, 1947, he made his debut with the Dodgers. Fittingly, he scored the deciding run in a victory over the Boston Braves. He was named the National League's rookie of the year that season.

He played for Brooklyn for 10 seasons. In every one of those years the Dodgers either won the championship or were in a tight battle for the pennant. In 1949, he won the National League batting championship with a .342 average and was named the most valuable player in the league.

Jackie Robinson was known for his speed and daring on the bases and his fierce competitive spirit.

It is appropriate that he is being honored at the all-star game, because Robinson and his Brooklyn teammates, Roy Campanella and Don Newcombe, were the first black players to appear in an all-star game, being chosen for the 1949 contest. Robinson played in six all-star games and had a .333 batting average. He also appeared in six World Series.

When Jackie Robinson joined the Dodgers, it was not only a turning point in the history of baseball, it may not be stretching things to say it was a turning point in the history of this country.

Baseball, long referred to as the national pastime, is interwoven into the fabric of our society. As one of our leading sports writers, Red Smith, wrote:

> Baseball became an important area of influence in the Nation's uncertain groping toward real democracy.

Following Robinson's breakthrough, later in 1947, Larry Doby of the Cleveland Indians became the first black player in the American League. Since that time there have been a large number of outstanding black players in the major leagues.

By paying tribute to Jackie Robinson on this occasion, we can note how far we have progressed in 30 years. However, the fact that blacks still have a minimal role in managerial and executive positions in baseball is perhaps a reminder that we still have much to accomplish in achieving the goals that Jackie Robinson advocated.

This occasion also marks the beginning of a national campaign by the Jackie Robinson Foundation, which will focus its efforts on assisting needy children and young people.

With passage of this resolution, the Senate will recognize the important role played by a remarkable athlete who was dedicated to the American ideal of equal opportunity.

Mr. BAKER. Mr. President, this week the American sport spotlight focuses on the national pastime's "Midsummer Night's Classic," the all-star game, 30 years after Jackie Robinson became the first black to pierce the color barrier and play in the major leagues. Accordingly, this week is a most appropriate choice to commemorate that milestone and the man whose athletic career and lifetime have meant so much to America.

Many a youngster has heard the crack of the bat, the roar of the crowd, and dreamed of stepping up to the plate or toeing the rubber in the big leagues—truly an American dream. For Jackie Robinson, a black youth growing up in Pasadena, Calif., it was a dream that would not fade in spite of contemporary obstacles.

Combining superlative athletic prowess with undaunted personal courage, Jackie Robinson fulfilled his dream with a career that transcends individual accomplishment. It was a career that enabled Americans of all colors to recognize and participate in the greater American dream of racial equality, on and off the playing field as they had never done before.

The mind's eye will not soon forget the vision of Jackie Robinson, the ballplayer, the No. 42 Dodger uniform exploding down the third base line for a steal of home, the fierce and proud presence determined to succeed, the spikes flashing in the Ebbets Field arc lights.

The world will not soon forget the vision of Jackie Robinson, the man. Generations of Americans are in his debt. I am most privileged to cosponsor a deserving tribute this week to Jackie Robinson's unique contribution to the American dream.

The PRESIDING OFFICER (Mr. STONE). The question is on agreeing to the resolution.

The resolution (S. Res. 223) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 223

Whereas the Senate of the United States recognizes the thirtieth anniversary of Jackie Robinson's entry into major league baseball as an event of great significance for all who must overcome injustice;

Whereas the week of July 18, through 25, 1977 has been designated as a week of recognition of Jackie Robinson's contributions to the American ideal of equality for all;

Whereas Jackie Robinson was the first to break major league baseball's color barrier, thus paving the way for others to pursue their careers without hindrance;

Whereas Jackie Robinson's athletic career and much of his life was devoted to the struggle for racial equality and human rights; and

Whereas Jackie Robinson's contributions to equality for all Americans has had a meaningful and significant impact on our society: Now, therefore, be it

Resolved, that it is the sense of the Senate of the United States to commemorate the thirtieth anniversary of Jackie Robinson's entry into major league baseball, and to join in the celebration of the week of July 18 through 25, 1977 in paying tribute to Jackie Robinson and what he symbolized for so many Americans.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to Rachel A. Robinson, the wife of the late Jackie Robinson.

Mr. HUMPHREY. Mr. President, I thank my esteemed colleagues for their cooperation.

DEFENSE APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7933.

UP AMENDMENT NO. 676

Mr. STENNIS. Mr. President, if we may have quiet, I believe in just a few minutes we will conclude.

The PRESIDING OFFICER. The

Senator will suspend until the Chair obtains order in the Chamber.

The Senate will be in order.

Mr. STENNIS. Mr. President, I believe in just a few minutes the membership can get the facts presented to them on the situation on this committee amendment and be ready to dispose of it.

This concerns the B–1. This is a committee amendment proposed by the committee and sent to the floor following the bill which it already had voted out before President Carter's recent recommendation on the B–1.

This committee amendment, at the request of the President, is to delete a total of $1.4 billion on the B–1 program from this present bill, the 1978 budget.

The President forwarded his amendment to the fiscal year 1978 defense budget as a result of his decision not to initiate production of the B–1 strategic bomber and to accelerate the Cruise missile program.

The amendment, therefore, deletes $1.4 billion for the B–1 program, and it did not add anything in the bill. It just deletes $1.4 billion for the B–1 program.

So, the bill as presented now by this committee amendment would have taken from it under the B–1 item, and I will briefly itemize them: the weapons system B–1 for five planes totaling $1.1 billion, some spare parts $120 million, advance procurement, $138 million, subtotal procurement $1.4 billion, and then a relatively small matter of procurement on this SRAM missile $35 million that goes along with the picture.

As an aside matter, he did recommend $449 million to the strategic air-launched Cruise missile program. That is not in the bill. That has been referred to the Armed Services Committee for possible authorization. Hearings are being prepared. Witnesses are getting ready. That is the McIntyre subcommittee, the research and development program, and even though it is a new start they are making definite plans, as reported here today in the Chamber by the Senator from New Hampshire, to get into these matters in depth and have something to recommend definitely on it when the August recess is over, at the very latest, with the idea that anything that is authorized and if there is an appropriation it would have to follow in a supplemental bill.

Back to the real question, shall we delete this money for the B–1 program of $1.4 billion? The committee voted 10 to 5 in favor of deleting and taking out this money.

It seems to me, as a supporter of the B–1 program all the way down the line, certainly for this year we should adopt that program by taking this money out of this bill to the extent that I have said and consider his alternative. After all, he was mandated under the congressional branch to make a decision on this point, and he made it, and that is his recommendation.

The calendar and the legislative year are virtually gone but with what is left we are going to make a real start, if it is agreeable to the majority, on this cruise program.

So to leave money in the bill for planes that are not going to be built I strongly recommend against, as does the committee.

We are not giving away or giving up or abandoning anything we do not have, though, in the B–1 program. We now have, refreshing Senators' recollections, three planes that are already in being, and they are really in the inventory now as part of the R. & D., and then one plane that is now under construction which presumably would be finished and all really goes along with the R. & D. So we will be stopping only production and keeping on, though, the R. &. D. in the B–1 program.

The President does not touch that. This committee amendment leaves it untouched, That is the R. & D. money.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. STENNIS. I reserve it.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield 2 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, the Senate has the weighty responsibility of determining today whether or not our Government should proceed with production of the B–1 bomber defense system. A decision so vital to the future defense of our great Nation should not be made without careful study and much thoughtfulness. The House of Representatives has already approved funding for a full-scale B–1 program during the coming year, and the Senate Appropriations Committee has endorsed the $1.9 billion in funding, as well. Both approvals, however, were made prior to the President's recommendation of June 30 that the B–1 program be scrapped in favor of greater reliance upon the cruise missile as a predominant defense system for the future.

So, much will depend upon the action the Senate takes today, in support or in opposition to production of the B–1 system. It is not a decision that I or my colleagues take lightly, given its bearing on the future strategic defense of the free world.

A NECESSARY DETERRENT

I supported the development and preliminary procurement of this weapons systems in the past. As recently as May of 1976, during consideration of authorizations for procurement, I expressed my judgment that the B–1 is a necessary element of our strategic deterrent that will help insure this Nation's essential second-strike capability. That judgment was reached after long and careful study of relevant materials on both sides of the issue.

Before arriving at today's opportunity for a Senate decision on full-scale production, I once again reviewed the variety of opinions, and the broad range of information bearing on the issue. Despite the President's opinions to the contrary, I found my earlier conclusion on the importance of the B–1 bomber system to be reconfirmed and strengthened.

I am of the unequivocal opinion that the B–1 manned bomber system is an effective and vital addition to our national deterrent strategy and defensive capability for the next two decades, and possibly beyond.

In order to support the vote I will cast today against striking B–1 funds from the defense appropriations bill, I want to briefly review the major reasons why I feel the manned bomber weapons system—and the B–1 in particular—is so important to the defense of the United States.

MAINTAINING THE TRIAD DEFENSE

As most of us realize, our Nation's deterrent strategy against attack is based upon the "Triad" concept, consisting of land-based ballistic missiles, sea-launched ballistic missiles, and manned strategic bombers. Each of these components supports and complements the others in an attempt to complicate an enemy's defense planning and reduce his ability to launch a successful strike against our country. If we diminish or eliminate any one "leg" of this three-pronged defense system, we place a greater burden on the other two, and increase our vulnerability.

In a letter I received last year from then-Secretary of the Air Force, Thomas C. Reed, this concept was clearly spelled out:

> Both the real and perceived capability of our nuclear deterrent is maintained by the diversified—but mutually supporting—elements of the Triad. This force mix of systems, each with unique qualities, provides the flexibility to deter all levels of nuclear conflict, presents an enemy with an insurmountable attack problem, severely compounds his defensive problems and provides a valuable hedge against an enemy technological breakthrough or an unexpected weakness in any element of the Triad.

Our strategic policy is designed to deter nuclear war, to discourage conventional attacks upon Western Europe or elsewhere, and to defend against coercive diplomacy. It is also designed, in the ultimate sense, to conclude any future war on terms acceptable to the United States. The Triad system is an essential basis for that policy, and the manned bomber, I am convinced, is an essential component of the Triad that must be developed to its strongest potential.

IMPORTANCE OF THE MANNED BOMBER

Far from being an "outmoded" weapons system, the manned bomber remains a vital, reliable component of our overall defense network. Of the three components of the Triad. the manned bomber remains the most flexible and controllable system. In a nuclear environment, these qualities are particularly important.

In fact, the manned bomber is a stabilizing force in a missile environment that could be highly unstable. It is the only element of the Triad that can be launched against its target and recalled short of nuclear exchange. Once a missile is launched, there is no recall. The result will be destruction of an enemy target and nuclear war. The length of time it takes a bomber to reach its target, on the

other hand, offers time for negotiation and the opportunity to recall the mission and prevent war. The bomber thus provides time for assessment and decision on both sides during a crisis. It reduces the potential for rapid, irreversible escalation. Most important, the manned bomber involves human judgment throughout its mission, as does no other component of the Triad.

In the final analysis, a manned bomber is the most accurate, proven delivery system. In fact, it is the only U.S. weapon system that has actually been used under combat conditions, where it demonstrated its effectiveness and capabilities. In order to maintain a proven, controllable, and flexible defense system, it is vital that the manned bomber be retained as a principal component.

Mr. President, I listened very carefully to the distinguished Senator from Mississippi and certainly have great respect and also understand, of course, what a difficult decision it must have been for President Carter.

B–1 SUPERIOR TO OTHER WEAPONS

Given the significance of the manned bomber to our Nation's overall defense, the question remains as to why the B–1 bomber in particular should be the best aircraft at the present time. After reviewing the essential data on this subject, I remain convinced that the B–1 outshines the immediate alternatives.

The B–52 bomber has served this Nation well and, I understand, can continue to remain in service for a few more years. But it is rapidly reaching the limits of its effectiveness. The B–1 will be able to overcome threats which would degrade the B–52 capability in the 1980's and beyond. It will take off faster to escape a surprise attack. It will be hardened against nuclear blasts and electromagnetic pulse. Its smaller radar cross-section, high speed, and low flight profile will aid its penetration of air defenses. That combination of characteristics, I understand, is the key to survival in the 1980's.

There was some discussion of the cost of beefing up the B–52 somewhere in the neighborhood of $40 million per plane.

A B–52 with improved engines would compare favorably with the B–1's capabilities in range and payload. However, it would be substantially deficient in speed and minimum altitude capabilities compared to the B–1. A continuous B–52 modernization program would be expensive—about $40 million per plane—and would require an additional 10 years to complete. B–52's are also more difficult to harden against nuclear effects.

In short, the B–1 is a better aircraft, and better designed to meet the challenges of military confrontation in the coming decades. It can take off faster than a B–52 on shorter runways, has a greater range, and is fully compatible with existing tankers for aerial refueling. It is the natural "next step" beyond the B–52.

Beyond this, the B–1 bomber has many advantages over the cruise missile, which is being touted by the administration as the logical alternative to the B–1. In fact, it is my understanding that the cruise missile was designed to supplement the B–1 bomber as a defensive system, and this aspect was very clearly laid out in a letter last month from the Secretary of the Air Force, John C. Stetson, to the House Armed Services Committee. At that time, the Secretary noted:

> The cruise missile is not a competitor to the B–1. It complements the manned bomber. When the cruise missile is employed as a complement to the penetrating bomber, concentration of defenses solely to counter cruise missiles is prevented.

Cruise missiles, then, are not a direct alternative to the B–1 because they cannot do the total job of the bomber. The Cruise missile once launched will follow its preplanned course regardless of any changes in a confrontation situation. It cannot adjust to unplanned contingencies, and does not have the flexibility of striking alternate plan targets or withholding unnecessary attacks. Furthermore, I understand that cruise missiles do not have the capability of the manned bomber in range, accuracy, or the ability to evade enemy defenses. The Secretary of the Air Force advises that the Soviets are developing a new strategic surface-to-air-missile which is believed to have significant capability against the cruise missile. The cruise missile is said to be particularly vulnerable in that it cannot avoid or destroy SAM's whose locations are unknown or which are well defended. The B–1, on the other hand, will have the ability to detect and avoid SAM sites, and to utilize short-range attack missiles to neutralize such sites as required.

Finally, I understand that the transports for the cruise missiles are slower than the B–1's in flying out to a safe distance and are difficult to harden against nuclear blasts. They would be especially vulnerable targets before their cruise missiles could be launched.

For all of these reasons, it appears to me that the B-1 bomber is far superior to the immediate alternatives—the "modernization" of existing B–52's or the cruise missile by itself.

PLANNING FOR NATIONAL DEFENSE

Mr. President, it is a difficult thing to plan for a nation's future security when there is such a variety of professional opinions about the nature and size of our defense needs. A nation's strategic weapons force is something you plan for, hoping never to have to utilize it. And the only real test of your planning success rests with the ultimate ability to stabilize peace, or to win a final victory in wartime. It is not a pleasant responsibility.

But it is a task that must be undertaken within the limits of our best analytic and deductive skills. I have examined the multitude of arguments, both pro and con, bearing on the B–1 bomber system. It is an issue that goes beyond simple considerations of cost or special interest.

Indeed, it is an issue that bears directly on national survival.

My own reasoning, and that of many of my colleagues, leads to the conclusion that our defense interests are best served by maintaining and updating our manned bomber system. For this reason, the Senator from Kansas feels the B–1 proposal is sound and will vote to oppose any effort to strike funding for the system from the bill.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG. Mr. President, I yield myself 2 minutes.

I am the one who offered the motion in the Appropriations Committee to provide the money for the construction of the B–1 bomber. The vote was 2 to 1 against my amendment.

I believe, and I believe most Members of the Senate believe, that the B–1 is an excellent plane, a plane that we need, but it is a question of money.

The Soviet Government does not have the problem of considering how much a weapon costs. If they need a weapon, they go ahead and build it and make the people pay for it.

Have we gone down the welfare road so far that we can no longer provide the weapons we need to be a nation superior to Russia?

I do not believe we have. We have already spent $4.3 billion on the B–1. These were my reasons for voting to keep the B–1 bomber.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, we covered the facts here this morning rather well. They are really not in contest. I shall be glad to answer any questions.

I yield 2 minutes now, Mr. President, to the Senator from Iowa (Mr. CULVER).

Mr. CULVER. I thank the chairman.

Mr. President, 14 months ago the Senate voted to defer procurement of the enormously expensive B–1 bomber in order not to make a premature commitment of funds. This deferral was also intended to allow the newly elected President——

The PRESIDING OFFICER. Will the Senator use his microphone?

Mr. CULVER. This would also allow the newly elected President to make a thorough review of the need for the B–1 in the light of the completed test results, which were not available when we acted last year, also to review his own budgetary priorities, and the diplomatic and strategic context at the start of his administration.

President Carter has now used this opportunity which Congress mandated upon him and which Congress provided to make his own review and his decision; and his choice, after careful analysis of all the arguments, confirms the views of many defense analysts and many Members of Congress that the B–1 is not a cost-effective answer to our defense requirements.

In fact, America will be stronger since we will not be building the B–1. We will not be squeezing more urgently military needs and requirements in order to provide funding for the B–1 bombers. We will not be committing ourselves to a $50 billion to $100 billion program, but at best will only add marginally to our strategic deterrent posture.

As Secretary Brown has said, it makes little sense to spend over $100 million for each plane, when the most important weapon on it, the cruise missile—the

highly effective cruise missile—can be launched from current and cheaper platforms.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CULVER. May I have a half-minute?

Mr. STENNIS. I yield the Senator from Iowa a half-minute.

Mr. CULVER. Mr. President, I understand an amendment will be offered to strike R. & D. funds. I would oppose that amendment, because I believe we ought first to review the research and development program, to continue that work and derive such benefits as we can from it, and at the same time not act precipitously in that regard.

Mr. President, I think the Senate has an opportunity to support the President in a wise and courageous decision to cancel the B–1 program. We can take this step today, in my judgment, with confidence that our true national security interests will be strengthened by our action.

I thank the Chair.

Mr. STENNIS. Mr. President, we keep what we have now, the B–1 that we have built and the one we have almost completed. This bill will keep alive about a $400 million R. & D. program for this year, but it will lay aside any further construction of the B–1 bomber.

Mr. GOLDWATER. Mr. President, will the Senator yield me about 3 or 4 minutes?

The PRESIDING OFFICER. The time has expired.

Mr. GOLDWATER. All of it?

The PRESIDING OFFICER. No, the opponents have 7 minutes remaining.

Mr. YOUNG. I yield 4 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I propose to vote against the committee proposal to let my President know that I disapprove of his decision.

I think the basic trouble with the B–1 is cost; I do not think anyone can argue that; $100 million is a lot to pay for an airplane, just as $2 billion plus is a lot to pay for an aircraft carrier. This was a campaign promise, so I suppose we have to laud him for keeping his campaign promises, though, having run for office occasionally myself, I have made a promise or two that I later regretted, but found ways to get around.

What bothers me is the complete reliance on the cruise missile, when we are about 5 or 10 years away from having a cruise missile that will operate. My worry now is that this is all we have left, without the B–1, and I am afraid that we might find them expendable. We may find it wasted on the floors of the SALT talks, in a desperate effort to make the Soviets happy.

I would like, in closing, to answer those who want to continue to rely on B–52's. We have no new engines for the B–52. We can develop them, at terrific expense—$5 or $6 million apiece. It is my opinion, after having studied this subject for some time, that a modified B–52 will represent, in the long run, a total investment of about what a new B–1 would cost, and it will not perform up to the B–1, which has to fly at 8.5 mach at 200 feet above the ground. As to the B–52, it can fly at just in excess of 300 knots at low level, and is very vulnerable to the extreme turbulence encountered even at that speed at low levels.

So we are vulnerable. I pray to God Almighty that we are right, because we have been in four wars in my lifetime caused by mistakes made by Presidents, wrapped up in weapons systems. I hope that does not prove true this time.

Mr. BARTLETT. Mr. President, will the Senator yield me 1 minute?

Mr. YOUNG. I yield the Senator 1 minute.

Mr. BARTLETT. Mr. President, I have spoken on the B–1 bomber on many occasions during the last several years.

I think the real test of what we are doing here is wrapped up in the question of whether or not the alternate, the B–52, the 747, or the DC–10, as a platform for launching cruise missiles, is as good as or better than the B–1 as a platform for launching cruise missiles.

I asked this question of a very well-informed person in the Air Force, in classified hearings, and I found out that it was not as good, that there is a degradation that takes place in going the way we are going and the way the President wants to go.

For that reason, I shall vote against the committee amendment.

Mr. STENNIS. Mr. President, my time is up. I thank the Chair.

The PRESIDING OFFICER. The Senator from North Dakota has 2 minutes remaining. Who yields time?

Mr. RANDOLPH. Mr. President, will the Senator yield to me?

Mr. YOUNG. I yield.

Mr. RANDOLPH. Mr. President, many times in the Senate during my almost 19 years in this body, I have voted, as the able chairman of the Armed Services Committees knows, to cut the overall costs of our military programs. I recall that on one occasion over 13 years ago I joined with the Senator from South Dakota (Mr. McGOVERN) an amendment to cut the costs of our Military Establishment by 10 percent across the board. There were only two of us who voted for that proposition.

However, I want to say this evening that I supported the B–1, and I continue to support it. It is with reluctance that I shall vote against the amendment brought to the floor, as I understand it, from the committee. I will have to vote against this amendment. This is an issue I have studied very, very carefully. I believe a mistake was made in not having the B–1 continued in production at least at a limited level, but that is past. We would have continued the production line of the B–1 without jeopardizing the arms limitation talks. The decision to halt the program diminishes the flexibility and options of our defense posture, saving money in the short run, but leading, in my opinion, to an escalation of the arms race and much higher costs in the end. I will, therefore, have to vote against the amendment which is offered.

ADDITIONAL STATEMENTS SUBMITTED

Mr. TOWER. Mr. President, the cancellation of the B–1 is a decision with which I cannot agree. The President has embraced with an ardor that I cannot match, almost an infatuation, with the cruise missile as a substitute for the bomber leg of the Triad.

A wiser decision would have been to keep the B–1 option open, and this would have certainly been a less risky alternative. The cruise missile is, indeed, a promising technology but it was never designed as a substitute for the penetrating bomber and does not bring with it the long history that the bomber does.

But the President has buried forever the concept of the penetrating bomber. If his decision is not reversed in a few short months it would be more than 5 years before we could expect a penetrating bomber with B–1 capabilities to roll off the production line.

President Carter's decision to cancel the B–1 is a dramatic decision. The drama was not only in the startling and unexpected way in which he announced his decision but also in the future effect it will have on our strategic force posture. The effect of this decision is most uncertain as the Pentagon has not detailed what our strategic posture will be without the B–1. In short, the deliberate and cautious review that is required is not apparent. We are selling a system already in hand before we know with a surety what we must do to replace it.

In 1985, the Soviets can be expected to have deployed a response to the cruise missile carried on the B–52. This response will likely be a combination of early warning aircraft working in concert with long-range interceptors. The Soviet air defenses can also be expected to be greatly improved so as to acquire and track low flying targets such as the cruise missile. The proponents of the cruise missile as a substitute for the B–1 state that then new and improved cruise missiles would be developed to offset these Soviet defenses.

The defense planners in the Carter administration are then saying to the American people: "Gamble on unknown technological improvements on an unproven technology."

More plainly put, the cruise missile this year will be just beginning full-scale development but we are asked to bet our future, not just on that cruise missile technology, but on variations and upgrading to it not even thoroughly considered.

Now I have the highest confidence in U.S. technology, but do not think it a prudent course to put such faith in its development that we, in effect, bet the third leg of the Triad on it.

Let me say one other word.

The U.S. strategic force posture is not only vital to our existence, but is a deterrent to Soviet adventurism throughout the world.

The penetrating bomber because it is manned is inherently more stable and can be used to demonstrate rational resolve and intent. The cruise missile in some respects may erode this capability. The perceptions of our national resolve during periods of crisis are as important as our retaliatory capability itself.

It is hoped that by this decision of President Carter's that we are not signaling to the Soviets our disinterest in

expressing the American will and securing international peace.

We must remain even more vigilant in the days ahead. Weakness in our national security is too great a risk.

END OF AN AGE—THE B–1 BOMBER DECISION

Mr. PROXMIRE. Mr. President, I have the distinct feeling that we are witnessing the end of an age—the age of the manned penetrating bomber. The transition to nonmanned weapons, sophisticated devices with decisionmaking capabilities and computer brains, is upon us. The battlefield of the future may be won or lost not by numbers of men but numbers of low cost "smart" weapons. The counterpart to this in the strategic realm is the cruise missile. And it is the cruise missile that finally put the B–1 to rest.

Just as the wooden sailing ship gave way to steam and armor, just as the armor of the battleship gave way to aerial bombing, just as nonmobile defensive positions were made obsolete by the tank, so has technology provided us with a bridge to another period of warfare—remote warfare—warfare at distance, by proxy, the standoff weapon era.

It is difficult to judge if this new age will provide a sound base for arms control or another jumping off point for renewed arms races. That remains to be seen.

This bridge on which we stand provides a clear picture of the past but a murky view of the future. We know why the B–1 has been put aside. It is a question of economics, technology, and strategy. We know that our country will be stronger without the B–1. We know that our adversaries have more to fear from the cruise missile than any fleet of bombers no matter how sophisticated.

I enthusiastically support the President's decision to stop the B–1 program. Likewise I have consistently supported the Navy cruise missile program as the logical alternative in terms of cost and effectiveness. I will discuss these issues and the problems of the B–1 in a minute.

Before that, however, I offer just one thought. The trend in warfare is toward less human involvement in the actual combat. Our weapons are growing in individual killing power be it tactical or strategic. This killing power is more and more remote from the individuals making the critical decisions. Fewer soldiers will be required in the field if each is equipped with effective antiaircraft and antitank weapons. Or if weapons can be delivered to the battlefield from great distances away. We are moving toward wars by technological proxy.

This has great benefits and great dangers. The benefits are increasing deterrence if we can blunt aggressive military actions; less risk to a smaller number of soldiers actually on the battlefield; less dependence on extremely expensive and vulnerable weapon systems such as the B–1 or aircraft carriers. There may be some savings in cost and greater protection in redundancy.

But what of the dangers? Could it be that we are encouraging a new form of warfare based on gaming? Where decisions are made so rationally, so coldly, so without fear of great loss of life, that such decisions are easier to make? The more remote the decision the more likely the conclusion to take the risk?

I do not know the balance between these benefits and risks. Nor am I convinced that this is an inevitable trend. But I mention the issue since we now approach the doorstep of this new battlefield and it may prove prudent to look inside before we boldly step forward.

Returning, Mr. President to the B–1 program, I will distill the major issues which provide the logic behind the decision to cancel this bomber.

They are four in number and I have discussed each in much greater detail last April and May in a series of debates with my distinguished colleague the Senator from Arizona (Mr. GOLDWATER).

First is the cost spiral. When I wrote Director for Defense Research and Engineering John Foster in 1969 asking for a cost estimate of the B–1 program he wrote back that it would be about $30 million per bomber and maybe less. As of now the per unit costs are $117 million with a total program cost of about $24 billion in then year dollars—the dollars the taxpayers have to pay—not the fictitious constant dollars the Air Force likes to talk about. If only we could pay our taxes in those good old constant dollars!

Second is the performance slippages of the B–1. Contrary to much of what has been said about the B–1, this is not the aircraft the Air Force promised the Congress it would be. Its subsonic range is down 10 percent. Its supersonic range is down 9 percent. Its maximum speed at sea level is down from 1.2 mach to 0.95 mach. It no longer is a supersonic bomber at its pentration altitude. Its supersonic penetration speed has been reduced 27 percent.

Third is the mission of the aircraft. A penetrating bomber is the wrong tactic for the strategic age. Why? Because the Soviet Union is the most heavily defended airspace in the world with 6,500 surveillance radars, 2,540 interceptors and 10,000 surface-to-air launchers. This is going against the strength of the Soviet defenses—not a very wise strategy on our part. Furthermore the look-down, shoot-down missile and radar capability which will surely doom the mission of the B–1 is not far off in the future. By the time the B–1 would be deployed in the 1980's, the Soviets would be able to make its mission extremely vulnerable. Technology, after all, will not stand still for the B–1.

Fourth, there is the range of alternatives to the B–1 which are more attractive in terms of cost and effectiveness. In the near term, we can upgrade the effectiveness of the workhorse B–52 G's and H's by equipping them with cruise missiles, giving them new engines and defensive electronics. Over the longer run, the wide bodied jet cruise missile carrier promises to provide an enormous payload and multiplication of warheads at a greatly reduced cost.

Mr. President, the arguments against the B–1 are far more lengthy and complex than I have presented in this short time. Therefore, I ask unanimous consent that my series of six speeches be printed in the RECORD. They contain a more complete analysis of why the B–1 should not be funded.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

B–1 BOMBER, PART 1: COSTS RISE AND PERFORMANCE SLIPS

Mr. President, with $24 billion at stake, it is essential that the American public have a balanced view of the B–1 bomber program. Therefore, I will give a series of six speeches in the Senate on the B–1 and invite the Air Force to comment on each. I sent a copy of this speech to them 2 or 3 days ago. I have received a reply, and I will place their response in the RECORD following my speech.

Today begins the first on the subject of B–1 costs and performance slippage.

The goal is to have a public debate without recourse to exaggeration or distortion.

I expect the Air Force to disagree with my analysis. They favor the B–1. I oppose it.

The public is entitled to make up its own mind. I hope that in this exchange the American public will be presented with enough information to form independent conclusions and let the Congress know how to vote on this controversial weapons system.

Mr. Fresident, the materials for my speeches have been collected, analyzed, and prepared by a group of aerospace scientists and engineers who have working familiarity with the B–1 bomber program. I appreciate their cooperation in this effort.

I. B–1 COSTS AND PERFORMANCE SLIPPAGE

B–1 costs have shot up from an initial estimate of $35–40 million[1] per plane to a current estimate of $84.3 million.[2] And senior defense officials have told Congress that the bomber is expected to cost more than $100 million each.[3] This would put total B–1 program costs at more than $24 billion, nearly three times the original program estimates. The Air Force claims that simple inflation is responsible for almost all of this 300 percent cost growth. But simple inflation is not the only factor responsible for the B–1's sky-rocketing costs. Rather, the technological difficulty of producing such an unnecessarily sophisticated aircraft has been an important factor in pushing costs up. This cost of $84.3 million can be expected to increase before long, or the capabilities of the B–1 will be further degraded, as the problems that crop up during the test program force modifications in the plans for the production aircraft.

The high cost of the B–1 is disturbing enough. Yet these escalating costs have been accompanied by a stream of performance degradations in an attempt to hold down costs. These degradations make the B–1 much inferior to the bomber the Air Force discussed 6 years ago. If the Air Force had to build the B–1 to meet the specifications that seemed so necessary 6 years ago, the B–1 cost would jump far beyond $100 million per plane. Thus, the Air Force has sought to hide cost growth by tolerating a continuing decline in the performance of the B–1.

A partial list of these performance slippages is:

Reduced range and/or payload:
Increased weight;
Reduced maximum speed;
Longer required takeoff distance;
Lower refueled altitude;
Increased landing distance;
Increased dependency upon tankers;
Reduced number of R. & D. aircraft:
Elimination of infrared suppression devices;
Elimination of self-contained crew capsule;
Elimination of low light level TV;

Footnotes at end of article.

Reduced avionics; and

Reduced use of titanium.

These reductions in performance and structure detract from the B–1's ability to perform its basic mission. They also diminish whatever margin of advantage the B–1 has over other bomber alternatives. It is no wonder that the GAO found the B–1 to have incurred significant reduction in planned performance and was behind schedule 12 months or more.[4]

It is interesting to compare the B–1 as envisioned by the Air Force in 1969, when the sizeable funding requests began with the B–1 that is now likely to emerge:

"So all in all, we think that the airplane is very close to the airplane that we had in mind in 1970 when we began the program."*

B–1 PERFORMANCE SLIPPAGE

A. Range

How serious are these performance reductions? One of the most serious is the range reduction. According to the panel of experts assembled at the request of the Secretary of the Air Force, the subsonic range of the B–1 will most probably be reduced by 11 to 18 percent from its design specification and may even be reduced by 20 to 29 percent.[5]

A 29-percent range reduction amounts to reducing the B–1's range from 6,100 [6] to 4,330 nautical miles. This would almost make the B–1 a medium-range bomber. It should be noted that the range of the much-maligned FB–111 is 4,100 nautical miles.

The B–1's range reduction detracts from its target coverage ability, limits its evasive maneuvering capability, slashes its loiter time at the fail-safe point, makes the B–1 even more dependent upon potentially vulnerable tanker support, and virtually eliminates the ability of the B–1 to ever use its fuel-hungry supersonic capability. As this shows, range is a critically important parameter for a strategic bomber. Some of this range reduction can be restored, but only by sacrificing generous portions of its payload weight or by increasing its dependence upon substantial tanker support. And higher payload was supposed to have been one of the advantages of the B–1 over the B–52 that justified expending billions of dollars for the new bomber.

In contrast to the B–1's shrinking range, the B–52 as it currently exists is the world recordholder for unrefueled range, at 12,500 statute miles.[7] Of course, in a strategic mission its range would be less than this, but it is probably greater than that of the B–1. It is noteworthy that the Air Force does not claim that the B–1 range matches that of the B–52.

And this B–52 critical range superiority does not take into account the significant increase in B–52 range which the Air Force admits can be gained by fitting it with new jet engines.[8] The same kind of engines that contribute to the performance of the 747 and other wide-body transports can increase the range of the B–52 by 20 to 30 percent, judging from the improvement in thrust specific fuel consumption of the new engines. This would give the B–52 a maximum unrefueled range of 16,000 statute miles and a similar increase in mission range. This would not just reduce the B–52's need for tanker support, it would virtually eliminate it.

Thus a reengined B–52 would not require a new tanker at all, saving additional billions of dollars. The Air Force could thus use many of SAC's KC–135's for other important military uses. One such use could be to use the KC–135's or other wide-bodied jets as standoff bombers themselves. They are capable of carrying long-range cruise missiles and thus would provide a low-cost improvement to our strategic forces.

One might well ask how it is that, with a $20 billion program price tag, the B–1 will not have a significantly greater range than the B–52. There are several answers for this, but the primary reason is the B–1's unnecessary supersonic capability. By making the B–1 supersonic the Air Force was forced to compromise the B–1's all-important subsonic performance. Wing, fuselage, and especially engine design all suffered, since the design requirements of supersonic and subsonic flight differ substantially. The result was degraded range.

B. Takeoff weight

The B–1 takeoff weight has increased from a planned 360,000 pounds to a current 395,000 pounds.[9] This heavier weight reaches the design limit of the structure and landing gear of the plane for takeoff and taxi operations.[10] Thus, because the B–1 has reached its structural weight limitation, there is no potential for adding more avionics or weapons without further reductions in the presently planned range and payload capability or without increased tanker dependence.

In fact, the weight problem for the B–1 is already so critical that when it is fully loaded with 24 SRAM's—this would exceed the maximum takeoff gross weight if it is fully fueled.[10a] And the current M–1 avionics package, which is pushing up against this weight limit, has been described as austere.

C. Speed

The Air Force notified Congress in 1975 that the top speed of the B–1 was being dropped from 2.2 times the speed of sound—mach 2.2—to mach 1.6. This means that the Air Force is giving up exactly half of the B–1's supersonic capability. Unfortunately this change comes much too late in the program for the overall design requirements to be relaxed so as to significantly reduce program costs.

D. Increased takeoff distance

The 15-percent increase in takeoff distance of the B–1 reported by the Air Force [11] will reduce its dispersability and hence its prelaunch survivability. The B–1's takeoff distance of 7,500 feet is not appreciably less than the B–52's 9,580 feet.[12] Thus another supposed advantage of the B–1 over the B–52 appears to be melting away.

E. Increased tanker dependence

The decreasing range of the B–1 increases its need for refueling and thus its dependence on tanker support. Therefore the B–1's survivability will depend even more upon the survivability of the tanker fleet.

F. Avionics reduction

Mr. President, another B–1 capability that was slashed for cost reasons is much of its electronic countermeasures equipment—ECM included in the term "avionics." Avionics equipment is used to jam the enemy's radar, confuse their efforts to track and destroy the B–1, and improve its flight characteristics, especially "on the deck"; that is, flying close to the ground to avoid enemy radar.

On the importance of ECM to a penetrating bomber, the Air Force Joint Strategic Bomber Study concluded:

"The ECM suit for both the B–52 and the B–1 were shown to be effective, but the extreme sensitivity of the performance of the penetrating bomber to the quality of its ECM was manifest. This sensitivity is so crucial that continuous re-evaluation of ECM interactions are required over the long term." [13]

Back in 1970 the Air Force was still in the process of deciding how much avionics they could include in the proposed B–1 design without driving the cost of the B–1 up to even more embarrassing heights.

The ultimate decision was to use a potpourri of avionics equipment from existing aircraft rather than to develop new avionics based on the latest technological advancements. The bomber would be all new but its critically important avionics systems would be borrowed.

Relative to the B–1's avionics systems, it should be noted, that when the programme was first conceived, an ambitious parallel avionics development was envisaged to push the state of the art to match that of the high performance aircraft. This was abandoned because of soaring costs and the B–1 instead been/sic/ designed with "off the shelf" avionics systems, many of them from the FB–111, F–14 and A–7.[14]

Consequently, the B–1 will be built with only 60 percent of its potential avionics capacity and this will consist largely of off-the-shelf items.[15]

The Air Force has attempted to turn a deficiency into an advantage by arguing that this gives the B–1 reserve capacity for later weight growth in avionics. Certainly, growth potential is important, but in terms of avionics, the $100 million bomber as procured will offer little advantage over the current B–52. In view of the critical dependence of a bomber's penetration ability on its avionics, this raises some question as to how much better a penetrator the B–1 will be compared to the B–52.

G. Additional costs

The $84.3 million price tag on each B–1 is only part of the cost picture. The Air Force has defined the B–1 program cost to the Congress in such a way as to exclude several major cost elements which will be incurred if the B–1 is produced and flown. These additional life-cycle costs are addressed below, and total to the staggering sum of over $40 billion.

Full life-cycle costs, and not just simple procurement costs, need to be considered by the Congress. As the GAO reported to the Congress in 1974:

"The costs of additional pilots, navigators, mechanics, training, facilities, aircraft, operation, and maintenance are needed in order to have meaningful comparative costs of the (bomber) alternatives. Consideration also should be given to "full-force" life-cycle costing; i.e., including the cost of the tankers needed under each alternative and the cost of the missile payload." [16]

1. Weapons Payload Costs

The B–1 price does not include the cost of the weapons it will carry. Each B–1 will carry 24 SRAM's or ALCM's. At $500,000 each,[17] the B–1 weapons cost will be an additional $12 million per plane and $3 billion for a fleet of 243. For SRAM this includes the costs required to reopen the SRAM production line.

2. Operations and Maintenance

The B–1 will not be costless to operate and maintain. Assuming that B–1 direct O. & M. costs are 3 percent annually of program unit costs, * * the 10-year direct operating costs for the B–1 will be $26 million per plane and $6.3 billion for the program as a whole. This assumes that the B–52 is kept in the inventory even after the B–1 is procured, which Air Force officials have stated in the past will occur.[18]

There are indirect costs associated with the B–1, such as aircrew, and personnel training, depot operation, and personnel medical care. Estimating these at half the direct operating costs or 1.5 percent annually, the 10-year indirect operating costs for the B–1 will be $13 million per plane and $3.1 billion for the program as a whole. The above figures for direct and indirect operating costs are lower than those cited elsewhere.[19]

3. Tanker Costs

Another important aspect of the B–1 cost picture is the question of tanker costs. Since the B–52G/H will be retained in the SAC inventory through the 1990's, the introduction of the B–1 will require additional tanker support.

The Air Force often argues that the B–1 does not need a new tanker. What they really mean is that the B–1 is compatible with the

existing KC–135 tankers. However, the B–1 does need additional tanker support, and desperately so. In spite of the deletion of 75 B–52D/F's, the addition of 241 B–1's to SAC will result in our strategic bomber force requiring more tankers than is now the case. To get that additional tanker support we must procure new tankers and KC–135's are no longer in production. Hence, it is accurate to say that we will need a new tanker if the B–1 is purchased.

New tankers will be required at a bomber/tanker ratio of between 1:1 and 2:1. The type of new tanker usually discussed is a modified version of either the 747 or DC–10. At a unit cost of $45 million for the 747,[20] tanker procurement for the B–1 would run $10.8 billion for 240 tankers or $5.4 billion for 120 tankers. Assuming the same 3 percent and 1.5 percent of procurement price direct and indirect annual operation and maintenance costs for the tankers, adds another $2.4 to $4.9 billions for 10-year tanker O. & M. Taking the average of these figures gives tanker 10-year life-cycle costs of $11.7 billion.

If the B–1 is not procured, new tankers for SAC will not be required for another decade, thus avoiding a sizable cost. And if the B–52's are modified with new engines, as the Air Force proposes for the KC–135, many of SAC's existing tankers could be applied to tactical requirements, since the B–52 would then require little or no tanker support.

4. Future Cost Increases Due to Avionics

The B–1 as proposed will carry only 60 percent of its potential avionics payload, and this will consist of a collection of off-the-shelf items, rather than the best systems that current technology can provide the B–1.[21] It is inevitable that after the production decision is made the Air Force will need and request new avionics for the B–1, if it is to be effective until the end of its useful life, 2010.

If the full avionics payload is filled this will amount to an additional 4,000 pounds. A conservative estimate of avionics cost is $1,000 per pound.[22] At this rate the Air Force will need $4 million more per airplane or a total of about $1 billion in total program cost.

Mr. President, in my closing minutes I want to summarize the Air Force rebuttal to my speech.

First, the Air Force argues that the B–1 program is well-managed and that cost growth is within reasonable limits—11 percent since 1970 not counting inflation. Thus in constant dollars, the program has little cost increase.

Second, the Air Force disagrees with a number of the performance degradations cited in my speech. These are detailed in the accompanying letter from Secretary of the Air Force Thomas Reed, which I will include in the RECORD.

Mr. President, these arguments are very interesting but they do not dispel my primary concerns. Unfortunately, the Congress does not appropriate in constant dollars. And the taxpayers of this country do not pay taxes in constant dollars. If only we could. We have to pay in real year dollars. That means we have to pay for inflation—like it or not. And the B–1 has grown so inordinately expensive that it is draining resources away from other Air Force projects. The Air Force does not deny that the B–1 will cost over $21 billion or $84 million for each aircraft.

Likewise, the Air Force does not disagree that a number of performance indicators have been degraded since the original proposal was presented to Congress.

The Air Force Secretary then states that these particular performance criteria are not as important as the mission of the B–1 and how it is carried out. That seems to be a reasonable point and one that I will address in detail in the next B–1 bomber speech.

Mr. President, the Air Force reply raises a number of other questions. For example, they say that only some B–1 bomber characteristics have been degraded. My question is which ones had how much?

They argue that the official performance requirements are different than those cited in various aerospace magazines. In that case, let us have a chart with the original performance statistics with the current statistics side by side so we can see the differences.

They say that modifying the B–52's with new engines will somewhat improve its range. In that case, how much improvement and what would it cost? What studies have been done and are they publicly available?

They say that the KC–135 could not be used as a standoff bomber platform. If that is the case, then does the same argument hold for modified 747's or widebodied jets?

They argue that my life cycle costs are too high. In that case, I hope the Air Force will supply the exact life cycle costs of the B–1 including all of the specific items I mentioned.

Mr. President, I have a number of other questions about this statement including issues the Air Force has extracted without my qualifications. But I want to thank the Air Force Secretary for making it available to me. Perhaps in this exchange of questions and answers, point and counterpoint, the full B–1 bomber story will be made public.

Mr. President, I ask unanimous consent that certain footnotes be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOOTNOTES

*Statement of Secretary of the Air Force John L. McLucas before the Senate Armed Services Committee, February 1975, page 853.

** This figure agrees with the current bomber support costs of $740 million annually, which is $2 million per B–52. (HASC No. 94–8, p. 510).

[1] In 1970 dollars including total program RDT&E of $1.8 billion. *Astronautics and Aeronautics*, June 1971, page 6, Congressional Record, June 2, 1969, page S5871.

[2] *Armed Forces Journal International*, April 1975, page 22.

[3] *Aviation Week*, 24 March 1975, page 19.

[4] ". . . Schedule Slippages/Performance Degradations Reported," Defense/Space Daily, February 10, 1975, page 23.

[5] Report of Ad Hoc Management Review Committee on the B–1 to the Air Force Secretary McLucas, November 1973.

[6] "Gallery of USAF Weapons," *Air Force Magazine*, May 1975, page 112.

[7] *Jane's All The World's Aircraft 1963—1964; Modernizing the Strategic Bomber Force*, A. H. Quanbeck, A. L. Wood, (1976), page 25.

[8] Senate Armed Services Committee Hearings, FY 1976, page 5616.

[9] *Interavia*, February 1975, page 134.

[10] Fiscal Year 1975 Authorizations for Military Procurement, Part 7, pages 3979–3980; also special GAO report on B–1.

[10a] Sen. Goldwater, Senate Armed Services Committee Hearings, March 4, 1975, page 2013.

[11] Senate Armed Services Committee, FY 1976 Hearings, page 5559.

[12] *Standard Aircraft Characteristics: B–52H*, USAF, June 1969. (unclassified).

[13] Statement by Malcolm R. Currie before the Senate Armed Services Committee, 1975.

[14] *Interavia*, page 136, 2/1975, "Rockwell International's B–1 Bomber at a Critical Point," J. Philip Geddes.

[15] Astronautics and Aeronautics, June, 1971, page 7; Senate Armed Services Committee, Part 10, FY76, page 5579.

[16] Comptroller General's Report to the Congress, "Study of Alternative Courses of Action for the Strategic Manned Bomber, Department of the Air Force B–178845," 17 April 1974.

[17] *Modernizing the Strategic Bomber Force*, Quanbeck and Wood, Brookings Institution, 1976, page 31.

[18] Department of Defense Appropriations, 1975 Hearings, Part 4, page 572.

[19] Quanbeck and Wood, op. cit., page 26.

[20] *Aviation Week and Space Technology*, "Tanker Selection," April 28, 1975, page 30.

[21] Senate Armed Services Committee, Part 10, page 5578, FY76.

[22] Ibid., page 5579.

A CLOSER LOOK AT THE B–1'S PERFORMANCE ADVANTAGES

Mr. President, of all the many defenses raised in behalf of the B–1 program, perhaps the most often heard is the significant improvement the B–1 will provide to U.S. strategic bombing capability. And clearly the B–1 does embody some noteworthy advances that make it desirable in certain respects. Certainly for more than $2 billion the American people should be getting something for their money. After all, this is $100 for every man, woman, and child in the country.

Some of the advantages cited for the B–1 over the B–52 are: Supersonic capability; greater hardening against thermal overpressure from nuclear effects; improved takeoff capabilities; higher penetration speeds; lower radar cross-section; and larger payload.

This list of major advantages has been steadily shrinking since the inception of the B–1 program. Forever lost to this list are greater range, lower infrared signature, and many others. And as will now be described even the still-existing advantages are open to question.

A. SUPERSONIC CAPABILITY

Of all the advantages cited for the B–1, supersonic capability is undoubtedly one of the most over-rated and least understood. The B–1's supersonic capability makes the plane suffer very severe penalties in terms of weight, cost, complexity, and subsonic performance. Yet in terms of any realistic strategic mission, the B–1's supersonic capability will simply not be used; thus, it should probably fall under a category headed "disadvantages."

The chief justification for making any strategic bomber supersonic is to enhance its penetration capability. Since bombers can never hope to outrun missiles, it makes little difference whether a bomber arrives at its target in 5 hours rather than 10. Spending less time over hostile airspace is desirable, however, if doing so does not jeopardize the bomber's mission. The issue is whether the reduction in time spent over hostile airspace is worth the increase in bomber vulnerability stemming from greater radar and infrared visibility, reduced range, and other factors that accompany supersonic flight, flight only at medium and high altitudes.

The B–1 will be capable of supersonic since its supersonic on-the-deck requirement was dropped many years ago. Because supersonic flight consumes so much fuel, the B–1 would only fly supersonically over or near Soviet airspace. Yet high altitude penetration for bombers was ruled out years ago, even for the supersonic FB–111 and the old B–58, because such a flight mode makes a bomber easily visible to radar. As a result, all the emphasis in recent years has been on low level penetration for bombers. In addition to radar vulnerability, a B–1 flying supersonically would be much more vulnerable to infrared-seeking weapons and tracking devices. This arises because at supersonic speeds, especially at Mach 1.6, the B–1 en-

gines will have their afterburners turned on. Under these conditions, the B–1 IR signature will light up like a Christmas tree, providing a much easier target for surface-to-air heat-seeking missiles.

RANGE REDUCTIONS

As if this were not bad enough, the range of the B–1, which is already seriously below its design goal will be sharply reduced by supersonic operation. The "fuel mileage"—specific fuel consumption—of jet engines typically deteriorates by a factor of anywhere from two to four during afterburner operation. For example, the FB–111's fuel mileage deteriorates by a factor of 4.3 at maximum supersonic capability over its normal subsonic operation.

Thus supersonic operation would slash the B–1's range still more; this would decrease the B–1's target coverage and evasive maneuvers capability while increasing its tanker dependence. Indeed, the combat mission requirements for the B–1 apparently do not include a supersonic, high altitude requirement: Should the need arise, the B–1 could also penetrate at supersonic speeds at high altitude. An extreme example of the impact of supersonic capability on B–1 range is seen by the fact that a B–1 operating supersonically for its whole mission would not be capable of reaching the Soviet Union and returning.

These performance costs are only the direct costs of the B–1's supersonic capability. Less direct but no less important are the penalties embedded in the B–1's design by its supersonic capability. An entirely subsonic B–1 could use more efficient jet engines—similar to those on the 747 and DC–10—that would extend the B–1's range and lower its infrared signature. Thus the B–1 is denied longer range, lower IR signature, greater target flexibility, heavier payload, greater evasive maneuver capability, shorter take-off distance, and thus overall higher survivability, all because of its supersonic capability. Additional subsonic compromises had to be made in the fuselage and wing design in order to give the B–1 a supersonic capability.

SWING-WING ISSUE

The Air Force claims that the cost of the supersonic capability is relatively low because even a subsonic-only B–1 would have to have the swing wing for acceptable flying qualities during on-the-deck penetration. While the swing wing does improve the B–1's penetration flying qualities at low altitude, there are other ways to do this. It is not clear that bomber designers would want to give a subsonic penetrator a swing wing, since that choice incurs a substantial weight, volume, and complexity penalty in the design. In fact, Boeing and General Dynamics, who competed with Rockwell for the B–1 contract submitted alternative fixed-wing designs to the Air Force along with their swing-wing proposals. And as late as 1 year ago in an effort to reduce costs, the Air Force was reexamining the need for a variable sweep wing.

In a letter on the feasibility of conducting a cost-effectiveness study on the B–1's supersonic capability the GAO said:

One of the important factors that must be considered when trying to determine whether the supersonic capability should be eliminated is that the design of the aircraft for the high subsonic speed mission gives it an inherent supersonic capability. (Letter of Dec. 24, 1975, from the Comptroller General of the U.S., B–163058, page 2.)

The GAO explains:

"The low-altitude, high subsonic speed and the fast-base escape requirements dictate a design with the swing-wing and high thrust engines. According to the Air Force, the additional flexibility of supersonic speed is worth the small additional cost. (Ibid)."

GAO appears correct in one regard—a swing-wing design possibly would be desirable for a subsonic bomber. There the similarity ends. For instance, a subsonic penetrating bomber would have engines far different from those on the B–1. High bypass ratio turbofans, such as those powering the 747 and DC–10, would give the subsonic bomber extremely high thrust at takeoff, without the need for a fuel guzzling afterburner such as that required by the B–1 engines. These ultra-high efficient turbofans simply cannot be used on supersonic aircraft. It is a certainty that a subsonic-only version of the B–1 would have radically different, and much more efficient, designs for the fuselage, the engines, and the wing itself.

The recent Air Force announcement that the B–1 top speed will be slashed from Mach 2.2 to Mach 1.6 offers insight into the real value of the much-vaunted supersonic capability. The Air Force adopted this modification in order to reduce the spiraling B–1 costs, but in fact, the program cost savings realized will only be $240 million.

In other words, the Air Force traded off half of the supersonic capability of the B–1 for a mere 1-percent savings in total program costs. If supersonic capability is such a critical necessity for our next strategic bomber, why did the Air Force sell half of it for such a pittance? The Air Force maintains that all features eliminated from the B–1 were done on the basis of cost-effectiveness. Senate Armed Services Committee hearings fiscal year 1977, part 10, page 5553. So if the cost savings of eliminating supersonic capability are that small, the effectiveness of supersonic capability must be miniscule.

It should also be noted that at Mach 1.6 the B–1 could not begin to outrun anything but the eldest current Soviet interceptors.

I. DOLLAR COST OF SUPERSONIC CAPABILITY

The dollar cost of supersonic capability should also not pass unnoticed. The Air Force claims that the cost is only 15 percent of the procurement cost. GAO letter report, December 24, 1975. This, of course, ignores the substantial performance cost just discussed. Even if one accepts the Air Force estimate, which others dispute as being too low, the cost of supersonic capability would amount to a cost of $3 billion. That amount would be more than enough to pay the $2.1 billion cost of reengining the B–52 fleet. Yet this $3 billion will be spent for a supersonic capability that is strategically useless and which degrades the vital subsonic performance of the plane.

And there are doubts over that 15 percent figure. As stated earlier, the present costly designs of the fuselage and airfoil are all made necessary by the supersonic requirement, and possibly that of the swing wing as well. Other Air Force officials a few years ago put the monetary cost of the supersonic capability at 20 to 30 percent, and other officials higher still. In 1968, the Defense Department estimated the cost to be as much as 30 percent higher than a subsonic bomber.

II. AIR FORCE JUSTIFICATION FOR SUPERSONIC CAPABILITY

In the face of all these cost mission and performance drawbacks to the B–1's supersonic capability, why does the Air Force want this expensive option? The following responses are usually heard:

First. It can be used to burst through a Soviet AWACS threat;

Second. It can be used once the Soviet air defense threat has been seriously degraded;

Third. It can be used in some parts of the world of potential U.S. interest where defenses against high altitude penetrations do not exist;

Fourth. Supersonic capability forces the Soviets to divert resources in order to defend against such a penetration mode; and

Fifth. Supersonic capability gives the B–1 added flexibility which a subsonic-only bomber would not have.

Each argument merits individual attention.

First. Subsonic capability can be used to enable the B–1 to burst through a Soviet AWACS—SUAWACS—threat. This argument is unconvincing, for the B–1 or any supersonic bomber. In order to fly supersonically, the B–1 will have to leave the safer environment of low-level penetration and climb to high altitude. In exchange for the higher penetration speed, the B–1 would be vastly more visible to the Soviet AWACS radar and ground-based radars. And the greatly increased infrared signature of the B–1 at these speeds would make it much more vulnerable to surface-to-air and air-to-air missiles. A cheaper and much more effective alternative for the SUAWACS threat would be an anti-SUAWACS missile. The Air Force started to work on the Hound Dog 2 as a SUAWACS killer, but for some reason halted its development. It should be pointed out that the Hound Dog 2 could be carried by the B–52 but not by the B–1.

The bomber defense missile, which is being studied by the Air Force and which will be compatible with both the B–52 and B–1, is a much more appropriate and cheaper method for countering a SUAWACS threat than is supersonic capability.

Second. Supersonic capability can be used once the Soviet air defense threat has been seriously degraded.

This argument is puzzling. If Soviet air defenses are degraded so much that supersonic high altitude penetration is feasible, why would not subsonic high altitude penetration be feasible as well? It is conceivable that a narrow set of circumstances could exist where supersonic but not subsonic high altitude penetration would be feasible. Yet it seems foolish to spend so much for such an unlikely event, especially considering the tremendous range penalty of supersonic flight.

Third. Supersonic capability can be used in some parts of the world of potential U.S. interest where defense against high altitude penetrators do not exist.

The same reasoning used in the second argument applies here as well. If defenses against high altitude penetrators do not exist, then there would be no reason to fly supersonically. Subsonic high altitude flight would be just as effective and would not reduce the plane's range and target flexibility as supersonic flight does.

Fourth. Supersonic capability forces the Soviets to divert resources in order to defend against such a penetration mode.

The basis for this argument is that defense against supersonic high altitude penetration requires a substantially different sort of hardware than defense against subsonic penetration. Whatever the merits of this resource diversion argument are, it ignores the fact that the Soviets must defend against a supersonic bomber threat anyway, no matter what Congress decides on the B–1. The Soviets must defend against our supersonic FB–111 and the French Mirage IV–A. Forward-based and carrier-deployed supersonic U.S. aircraft also have a nuclear strike potential against the U.S.S.R. Not knowing ahead of time to which targets these aircraft would be directed, the Soviets already have to defend many of their targets against the possibility of a supersonic aircraft attack. Admittedly the FB–111 cannot now reach all targets in the Soviet Union when it is based in the United States. But in their air defense planning the Soviets would have to hedge against the possibilities of: Substantial refueling; one-way missions; and forward deployment of the FB–111's in a crisis.

Fifth. Supersonic capability gives the B–1

added flexibility which a subsonic-only bomber would not have.

On the face of it this seems to be true: Since the B–1 can fly both supersonically and subsonically, it will be capable of performing a supersonic mission should the need ever arise. But this is a narrow and incorrect interpretation of flexibility. In return for a capabality that has been strategically obsolete for 15 years, the B–1 must sacrifice flexibility in range, payload, tanker dependency, evasive maneuver capability, and infrared signature, among others. It was precisely over this issue that there arose strong controversy within the Air Force, the Office of the Secretary of Defense, the National Security Council, and the Office of Management and Budget in 1969 and 1970. The White House and OMB made such strong arguments against the B–1's supersonic capability that it took the threat of resignation by the then-Deputy Secretary of Defense, David Packard, before the White House gave in and approved the supersonic capability.

And as shown earlier, this obsolete and unnecessary supersonic capability is costing the United States a minimum of $3 billion. This alone should give one pause about the B–1 program.

B. HARDENING AGAINST NUCLEAR EFFECTS

In any new strategic bomber, improving its survivability against the effects of nuclear blast is desirable. In times past it might have been conceded that this is a critically important advantage for the B–1, primarily for prelaunch survivability. However, recent statements by high Defense Department officials have almost completely discounted the value of this advantage in prelaunch survivability. In his 1975 testimony before the Senate Armed Services Committee, Dr. Malcolm Currie, Director of Defense Research and Engineering, stated that the joint strategic bomber study "has brought out that the hardness of the KC–135's can assure an adequate level of prelaunch survivability."

Since the B–52 is of the same generation as the KC–135 and has similar takeoff characteristics, this would seem to alleviate concern that the B–52 as it now exists would not have an adequate level of prelaunch survivability. Furthermore, the fact that the B–52 will be on active SAC duty through the 1990's offers assurance that the B–52 has an acceptable level of hardness against nuclear attack. And as will be discussed later, a B–52 with new engines will have improved takeoff performance. Thus, though the B–1 is superior to the B–52 in hardening against nuclear effects, this advantage is not of overriding importance.

C. IMPROVED TAKEOFF CAPABILITIES

This is another advantage that up until a few months ago seemed to be of measurable importance. The B–1 was to have a shorter takeoff capability and quicker reaction time than the B–52, enhancing its prelaunch survivability. But once again, Dr. Currie's statement on "the adequate level of prelaunch survivability" of the KC–135 calls this belief into question. The KC–135 is basically no more dispersable than the B–52, and cannot fly away any faster, so one must conclude that the B–52 even as it now exists is not unacceptably inferior to the B–1 in this respect. And as will be described later, a B–52 retrofitted with new engines will have nearly the same takeoff distance as the now-degraded takeoff distance of the B–1. Thus, the B–1 may have little better takeoff capabilities than a cheaply modified B–52.

D. HIGHER PENETRATION SPEED

Higher penetration speed is chiefly important because it reduces the time a bomber must spend over hostile territory. This then reduces the bomber's vulnerability to air defenses. Yet the Joint Strategic Bomber Study found that the performances of the B–1 and B–52 in penetration were extremely sensitive to the performance of their electronic countermeasure, ECM. This would indicate that, all things equal, higher penetrating speed is desirable, but that overall penetration success is much more dependent upon the ECM package contained in the bomber than on its penetration speed. This is reminiscent of what the Department of Defense was saying some years ago:

The most important factor in manned strategic weapons systems appears to be the weaponry and penetration aids carried; the characteristics of the carrier are a secondary consideration, except as they relate to penetration aid effectiveness. (Hearings on Military Posture, House Armed Services Committee, February–April 1967, pages 499–500.)

Furthermore, as will be discussed later, the penetration speed of the B–52 can be improved with new engines. One anonymous source within the industry has stated that a reengined B–52 with additional structural modifications could have the same penetration speed—mach 0.85—as the B–1.

E. LOWER RADAR CROSS SECTION

This is certainly a big advantage that the B–1 has over the B–52, though once again the Joint Strategic Bomber Study seems to indicate that ECM is the most important variable in assessing bomber penetrability. Furthermore, from the point of view of radar detectability, the B–1 is at a great disadvantage compared to the cruise missile. The cruise missile is practically invisible to radar, having the radar cross-section of a seagull.

F. LARGER PAYLOAD

Mr. President the so-called larger payload advantage is very puzzling, to say the least. Some B–1 enthusiasts go so far as to claim that the B–1 will carry three times the payload of the B–52. "Why the B–1?" North American Rockwell brochure. While it is true that the B–1 can carry three times the number of SRAM's internally than the B–52—24 versus 8—this is almost meaningless, as the B–52 carries an extra 12 SRAM's under its wings, and four additional conventional weapons—Mark–28 gravity nuclear bombs—in its forward bomb bay, making a total of 24 weapons per B–52, the same number as the B–1 carries. "Modernizing the Strategic Bomber Force," Quanbeck and Wood, the Brookings Institution, 1976, page 25. Thus B–1 payload advantage over the B–52 thus simply melts away.

Industry sources state that the B–1 will probably never carry any weapons externally because of the resulting range degradation which the B–1 can ill-afford. Maj. Gen. H. M. Darmstandler, special assistant for the B–1 to the Air Force Chief of Staff, told a group of congressional staffers that carrying the ALCM externally would result in "a 15 percent degradation of range." U.S. Senate staff briefing, May 15, 1975.

Furthermore, the total weapons capacity of the B–52 could be increased beyond that of the B–1 by relatively simple modifications. By extending the bomb bay aftward, the B–52 could be modified to carry two or even three SRAM rotary launchers internally. This should not require stretching the aircraft fuselage. Including the twelve missiles it can carry externally, the B–52 could thus carry a mix of 28 or possibly 36 SRAM's and cruise missiles. Again note that the B–1 can carry only 24.

DISAPPOINTMENT WITH AIR FORCE HANDLING OF B–1 DATA

Mr. President, I want to express my disappointment with the way the Air Force has handled this exchange of information. At the beginning of this series of speeches, I thought that the purpose would be to disseminate as much information about the B–1 as possible. In order to do this, I told the Air Force that I would put their replies to my speeches in the RECORD. I have done so and I will continue to do so.

In addition to this, as an experiment, I provided a full copy of my speech several days in advance to the Air Force. In turn, they promised to provide me with whatever response they might choose to make. This seemed to be a fair way of handling a complicated issue—even more than fair in that the Air Force would in effect have the last word on the day of my speech.

Well, several things have gone wrong. When the Air Force reply arrived in my office the morning of my first speech, my staff asked if this was the full response or was there more that had been provided to the press or other people. My staff was assured by two Air Force officials that indeed this was the full response. Only later did the Air Force admit that in addition to this reply to my office they had made available a different and much more extensive rebuttal to the Senator from Arizona (Mr. GOLDWATER).

I have no objection to the Senator from Arizona being the spokesman for the Air Force on the B–1 or for the Air Force to prepare a rebuttal for him. But it does seem that the Air Force was not honoring its original commitment. This makes me wonder whether the Air Force can really be objective in this issue. If you ask the fox to justify chicken stealing, you might expect an eloquent statement about social justice or survival of the fittest. But the fox is not exactly an impartial observer. His way of life is at stake. So it is with the Air Force.

Mr. President, I would now like to comment on portions of the rebuttal provided to the Senator from Arizona and to my office by the Secretary of the Air Force.

First, the Air Force goes to great lengths to discredit my example of the range of the B–52. Conveniently for the Air Force argument, they delete the following sentence in my remarks. That sentence reads:

"Of course, in a strategic mission its range would be less than this but it is probably greater than that of the B–1."

Thus I made the very point the Air Force objects to. And yet they spent so much energy trying to rebut this point that I wonder if they even read the speech. Surely it is selective perception of the worst type to conveniently drop out the very sentence of my speech which qualifies the range data on the B–52.

Second, the Air Force states that the additional life cycle costs of the B–1 are closer to $8 billion rather than the $40 billion figure I use. My figure was meant to include all program costs. Not just the life cycle costs but the basic procurement costs of $21 billion plus the uncounted associated costs which the Air Force admits will cost $8 billion and which I think will be much higher. Thus the real total program costs will be at least $30 billion and will be over $40 billion with a new tanker system. The Air Force says they will not require a new tanker, but all the evidence, including a recently disclosed OMB memorandum point to a new tanker program costing at least $10 billion.

Third, I note that the Air Force always compares the characteristics of the B–1 bomber with the B–52 G model, never the B–52 H model. Why? Because the B–52 H has turbojet engines which are more efficient than the turbofan engines of the B–52 G. Since about half the B–52 fleet consists of B–52 H's, it is obvious that the Air Force seeks to state the worst case and overlook the more favorable comparisons with the B–52 H's.

Fourth, the Air Force costs for the SRAM assume that the B–1 does not carry a full complement of SRAMs—only about one-half a load. Thus, the Air Force SRAM dollar figures understate full weapon payload costs. I used figures assuming a full SRAM load.

The Air Force should supply the costs of the other weapons on each B–1 for an accurate comparison.

Fifth, I still have not received the information I requested from the Air Force in the first speech. They criticized some of my data but neglected to provide the hard evidence to support their own case. Therefore, I again call upon the Air Force to provide that data. I am speaking of a full comparison of the original specification of the B–1 in 1969, when initially presented to Congress, compared to its degrated specifications today. I am referring to an itemization of the performance degrations in the B–1. And the costs of reengineering the B–52 and the studies that have been performed on this subject; and whether or not the 747 or other wire bodied jets could be used for stand-off bomber platform and what studies have been done on this subject, and the full life cycle costs of the B–1 coupled together with the full production cost of the B–1. Those are highly relevant statistics which are critical to the Air Force case. But so far they have been lacking.

THE ALTERNATIVES TO THE B–1

A. THE RE-ENGINED B–52

Mr. President, today, in my third speech on the B–1 bomber, I will discuss three alternatives to the B–1 that would save the taxpayers tens of billions of dollars and still provide the most formidable bomber force in the history of the world.

The first alternative is the reengined B–52.

The B–52, modified with only four modern turbofan jet engines and the necessary simple wing structures, is a very attractive bomber alternative that merits the serious attention of the Congress.

At a small fraction of the cost of the B–1, it will provide a substantial improvement in bomber performance and overall bomber capability. In fact, this B–52I is superior to the B–1 in several important respects. Furthermore, a Defense Department study has shown that most or all of the costs of this alternative will be compensated for by fuel savings. If one further adds the substantial reduction in the B–52I's tanker requirements, the savings increase even more dramatically.

It must be emphasized here that the B–52I is not a longrun alternative to a new bomber. Rather, it provides substantial strategic bomber capability for an additional 15 years at a very low cost. Furthermore, it gives added time for a follow-on bomber or a cruise missile platform to be developed. This postponement will furnish our defense planners a decade of reliable information about the nature of future Soviet air defenses. Thus the follow-on bomber or platform will be better designed to meet the challenge of the changing strategic environment, including Soviet air defenses, well into the 21st century.

Valid concern over the ability of the B–52 to physically survive into the 1990's has been expressed in several quarters. These concerns have been put to rest by the Air Force, which has stated in several places that the B–52's will be structurally sound into the 1990's—Lt. Gen. W. J. Evans, USAF, "Hearings Before the Committee on Armed Services," U.S. Senate, March 4, 1975, page 2007. Indeed, recent reports indicate that the Defense Department plans to keep the B–52 G and H models "in service through the 1980's and 1990's, according to Secretary Rumsfeld."

Furthermore, according to one report: "The Air Force is studying the possibility of refitting Strategic Air Command's fleet of 271 Boeing B–52 G/H bombers with an entirely new offensive avionics complement that could extend the effective life of the strategic bombers by 15 years."

Thus the B–52 is in no danger of falling apart, as some of the B–1's more ardent supporters have unfairly alleged.

A B–52 in which the eight existing engines are replaced by four modern turofan jet engines would at low cost provide a substantial increase in U.S. strategic bomber capability. Performance improvements include:

1. INCREASED RANGE

The Air Force concedes that a reengined B–52 would have a "significant increase in range"—Senate Armed Services Committee hearings, fiscal year 1976, page 5615.

A re-engined B–52 would, in fact, have a 20- to 30-percent increase in range over the B–52H and would far exceed the range of the B–1.* This would give the B–52: Greater target flexibility; higher penetration speed; ability to undertake more evasive maneuvers over hostile territory; ability to carry a heavier load of weapons, avionics, and so forth; a significant increase in ability to loiter at failsafe points before the decision must be made to commit the planes or recall them. In the context of a threatened nuclear war, this capability is greatly desired; and reduction in fleet maintenance costs.

2. SHORTER TAKE-OFF DISTANCE

A B–52I with its higher thrust engines will have 50 percent greater thrust at takeoff than the current B–52H and almost double the thrust at takeoff of the B–52G. As a result, the B–52I will have a shorter takeoff distance which will give it greater dispersability to shorter runways, thereby enhancing its prelaunch survivability. It is also worth noting that the B–52I will have a greater thrust-to-weight ratio at takeoff than the B–1.

3. REDUCED INFRARED SIGNATURE

The B–52's IR signature would be greatly decreased by virtue of the cooler exhaust of these engines. In fact, the IR signature may well be lower than that of the B–1.

4. QUICKER FLYAWAY TIMES

The higher thrust engines will accelerate the B–52I more quickly away from its air base than the current B–52's, thus further enhancing its survivability.

5. HIGHER ON-THE-DECK PENETRATION SPEEDS

The higher thrust engines would enable the B–52I to penetrate at faster speeds than the B–52's current Mach 0.55. This would reduce the B–52's time spent over hostile territory and hence enhance its survivability. In fact, a well-placed industry source said that the B–52I could penetrate at mach 0.60 on the deck. Further structural modifications would permit the B–52I to penetrate at mach 0.85, the same as the B–1.

Re-engining the B–52 is not a pie-in-the-sky proposition: Boeing proposed this option to the Air Force as long ago as 1969. The Air Force estimates the cost of reengining the B–52, including R.D.T. & E. plus the cost of associated modifications, to be only $7.66 million per plane—Senate Armed Services Committee Hearings for fiscal year 1976, page 5616. In fact, all the engines in use on today's wide-body transports—747, DC–10, L–1011 and Europe's A–300—were originally tested on an Air Force B–52. The fact that the Air Force examined the reengined B–52, redesignated the B–52I, in the joint strategic bomber study underscores the validity of the concept. Finally, a recent Rand study for the Air Force not only substantiates the feasibility of reengining, but it shows that about one-third of the cost of reengining the B–52G's will be paid for in fuel savings alone about 3 years after completion of the retrofit program—"Air Force Energy Problems: Potential Role of Technology and Alternative Fuels," Rand Corp., February 1975, pages 29–33.

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* This arises because the new turbofans have a lower specific fuel consumption (higher "miles per gallon") than the engines currently on the B–52 G's and H's.

Indeed, the Defense Department is even now planning to reengine the KC–135 fleet with "new turbofan engines having better fuel consumption as well as better takeoff thrust and can pay for itself over time in reduced tanker sortie requirements"—statement by Malcolm R. Currie before the Senate Armed Services Committee, April 1975, page V–15.

The Defense Department should be applauded for undertaking this measure to save money and precious fuel. But the Defense Department should be urged to use this same logic and undertake immediate planning to reengine the B–52 as well. Rand found that the fuel consumption of the B–52G would be reduced by one-third if the aircraft is reengined—Op. Cit., Rand report, page 29. It should be noted that the Rand report indicated that reengining the B–52G is most cost-effective than reengining the KC–135—Op. Cit. Rand study, page 31.

The remaining costs of the engine retrofit program could be more than covered by the even larger savings in sharply reduced fuel, operations, and maintenance costs of the KC–135 tanker fleet devoted to the B–52. Assuming a 20 to 30 percent decrease in B–52I tanker requirements—a conservative assumption based on the range increase—and assuming that tanker direct and indirect costs are half those of the B–52, reengining the B–52 will produce additional cost savings over 10 years of $2.2 billion. This also assumes that KC–135's support B–52's at a ratio of 3 to 2. Thus the direct and indirect cost savings will more than pay for the cost of reengining, and the United States will be provided with tremendously important strategic benefits at little or no net cost.

Finally, the reengined B–52 will enable us to postpone for perhaps 15 years the need to purchase a follow-on bomber. The SALT environment will probably be much clearer at that time and not present such an uncertain element in our current deliberation on bombers. In the meantime, the $20 to $40 billion that the B–1 program would have required can be applied to the other pressing defense needs which this country faces.

B. EQUIP THE B–52 WITH LONG-RANGE CRUISE MISSILES

The second alternative course of action in place of building the B–1 bomber is to equip the reengined B–52's with cruise missiles having the maximum range that SALT permits. These nuclear-tipped missiles combine three extremely attractive features:

First. Their tiny radar image and ground-hugging capability make them nearly invulnerable to detection, let alone destruction by the enemy;

Second. They are so inexpensive that they can be launched by the thousands to saturate enemy defenses and to assure the destruction of any array of bomber targets; and

Third. They possess sufficient range to permit the bomber carrying it to minimize or avoid penetrating enemy airspace altogether. Consequently, the bomber need have little or no penetration capabilities, which of course reduces the cost and complexity of the requisite strategic bomber force.

The ideal strategic bomber would be one that the enemy could not detect with either radar or infrared techniques as it sped toward the target. Neither the B–52 nor the B–1 are so fortunate, although both fly close to the ground in an attempt to fly under the enemy radar net.

Given that the enemy is likely to detect their presence, both of these bombers are designed to carry extensive electronic countermeasure equipment—ECM—that attempts to hide the exact location of the bomber, even though its general presence is known.

However, the Air Force is not confident that the penetrating bomber, even the B–1,

can penetrate through the most advanced defenses that ring major Soviet targets. Consequently, the B–52 and the B–1, if built, will carry short-range attack missiles—SRAM—to deliver nuclear warheads on the enemy defenses or the target ahead of the bomber—"Study of Alternative Courses of Action for the Strategic Manner Bomber," GAO report, April 17, 1974, page 3. The B–1 will carry 24 such missiles in rotary launchers inside the aircraft's fuselage. Thus by its actions the Air Force acknowledges the validity of the stand-off concept.

When the first wing of B–52G's were equipped with SRAM's in 1972, Air Force General Keck was quoted at the ceremony as saying that it made the B–52 "almost a new airplane." His comments reflect the fact that bomber survivability is dramatically improved with the addition of stand-off missiles to the bomber's complement of penetration aids. They allow the bomber itself to stand off and to avoid the thickest defenses altogether while saturating them with dozens of nuclear warheads.

The invulnerability of the SRAM rests not only on saturating techniques but also on its infinitestimal radar cross-section, ground hugging capability, and its high speed. The one drawback to the SRAM is its short range: only about 120 miles. Thus, the B–52 and B–1 must penetrate all but the last 120 miles to the target.

Extension of the range of the standoff missile, such as the SRAM, offers obvious advantages to the bomber. The cruise missile was developed for this very purpose. Instead of being rocket powered as is the SRAM, it has a jet engine and wings.

CRUISE MISSILE OPTIONS

Two versions of cruise missiles are now in the research stage—one for the Navy and the other for the Air Force. The Navy's can be launched from torpedo tubes on submarines—SLCM—submarine launched cruise missile—or can be air launched from aircraft before they enter Soviet airspace. The Air Force version—ALCM—air launched cruise missile—has a much shorter range, for reasons to be discussed later. And it is considerably slower than the Navy version, and has a higher altitude profile.

Use of the Navy cruise missile could allow a bomber to avoid Soviet air defenses altogether. The issue is whether the cruise missile approaches the invulnerability of the SRAM, the B–1's primary weapon.

Tests show that the Navy cruise missile is a match for the SRAM in terms of survivability:

The Navy cruise missile has about the same radar cross-section as the SRAM but is harder to detect and track because of the lower profile (altitude) flown over Russia. ("Strategic Programs Scrutinized," Clarence A. Robinson, Jr. *Aviation Week and Space Technology*, March 31, 1975, page 13.)

The radar tests reveal that the SLCM (Navy version of the cruise missile, submarine-launched cruise missile) has a cross-section about the size of a sea gull with the radar beam at ±45 degrees from dead ahead. The side view of the missile is 10 sq. meters, but at its low altitude the only time the broad side of the missile is in the beam is as it pauses directly by the radar, and then data processing response time is too short to respond. (Ibid.)

Defense officials have said that actual tests demonstrate that neither the Russians or even ourselves have the capability to detect and destroy the cruise missile—

In testing the full-scale SLCM against both the Soviet and U.S. radar capability, the Navy has determined that neither side has the capability to track and shoot down the SLCM. And downing the missile is *approaching defiance of the laws of physics*, a Defense official said. (Ibid.) (Emphasis Added.)

Other Defense officials call the cruise missile the "ultimate deterrent"—

The cruise missiles are designed to travel at subsonic speed, and have radar and infrared signatures so small as to blend in with the background. Everyone seems to agree that this will make them equally difficult to shoot down. Hence, some Pentagon officials have nicknamed the strategic cruise missile "the ultimate deterrent." ("Cruise Missiles: Air Force, Navy Weapon Poses New Arms Issues," *Science*, February 7, 1975, page 417.)

Another defense official has described the cruise missile's capabilities against Soviet air defenses:

"The cruise missile's low altitude profile will drive them (the Soviets) crazy and that's what they fear most because this big air defense system of theirs can't handle the cruise missile threat." (*Aviation Week and Space Technology*, 16 February 1976, page 14.)

All of these statements establish the invulnerability of the cruise missile in the current time frame. To some, technological advances in air defense might seem to threaten the cruise missile in the future. To the contrary, technology advances should be on the side of the cruise missile.

Throughout the 1970's even the highly concentrated defenses surrounding actual targets—terminals defenses—will not credibly threaten the cruise missile. Technological developments in the 1980's might give the Soviets the capability to counter the present-day cruise missile. However, this would require a tremendous proliferation of defense sites at an astronomical cost that would seriously bleed the Soviet defense budget.

Yet the Air Force is already studying a second-generation cruise missile that would render those costly additional Soviet air defense expenditures wasted. This new cruise missile would be two-staged with the upper stage permitting supersonic penetration of terminal defenses, overwhelming them just as the short-range SRAM does now.

This two-stage concept should be well within the state of the art by the 1980's. It seems likely that the Soviet air defense network could not expand sufficiently through the mid-1980's to even necessitate our deploying this two-stage cruise missile. In fact, the Soviets' knowledge that we would have a ready and effective response to their very costly efforts to defend against our first generation cruise missile may discourage them from attempting such a defense at all.

Furthermore, even the first generation cruise missile itself could be an effective weapon against advanced air defenses, much as the SRAM is now against current air defenses. A first wave of cruise missiles could blast holes in the Soviet air defense through which later waves of cruise missiles could pass.

This view appears to be at least partially confirmed by the following exchange in a recent Senate hearing where Dr. Currie indicates that the Soviets cannot counter the cruise missile now, and that to do so in the future would require an enormous investment:

Senator MCINTYRE. How soon do you believe the Soviets could help develop and deploy a comprehensive and effective force of advanced terminal SAM's which would constitute a defense against a large multidirectional cruise missile attack.

Dr. CURRIE. I think it is well within their capability to do it (deleted) years, should they desire to invest the resources. That is precisely what we would like them to do. It would cost many, many billions of dollars to do that . . . (Senate Armed Services Committee Hearings, FY 76, Part 10, page 5151.)

CRUISE MISSILES AND THE JOINT BOMBER STUDY

The accolades for the Navy cruise missile are in stark contrast to the conclusion reached in the Department of Defense's Joint Strategic Bomber Study, which studied alternatives to the B–1 bomber. The study admitted that cruise missiles can overwhelm aircraft interceptor defenses by saturating them with sheer numbers of missiles. Statement of Malcolm R. Currie before the Senate Armed Services Committee, 1975.

To penetrate the surface-to-air missile defenses ringing key targets, the joint strategic bomber study implied that the cruise missile is inadequate—that we must have the B–1 and especially its complement of SRAM missiles.

And yet, Dr. Malcolm Currie, Director of Defense Research and Engineering for the Department of Defense, who summarized the results of the joint strategic bomber study in his testimony before a congressional committee recently said.

"As a major alternative approach to penetration of formidable Soviet air defenses, including tens of surveillance radars, hundreds of ground radar and thousands of interceptors and SAM's, we are continuing development of the strategic cruise missile. . . . And air-launched cruise missiles may be required to complement the pure penetrating bomber in advanced threat environments, but the extent of the need depends on how the threat evolves. (House Armed Services Comittee, 94–8, page 303, emphasis added.)

The extreme sensitivity of the performance of the penetrating bomber to the quality of its ECM was manifest . . . we believe viable alternatives to the penetrating bomber must be pursued. Our cruise missile programs which I will discuss later, constitute such an alternative, and we are searching for others. (House Armed Service Committee, 94–8, page 306.)

The joint bomber study seems to have only raised more questions about the penetration capability of the B–1 as compared to that of the cruise missile.

Another attraction of the cruise missile is the cost—about $500,000 apiece.

For the cost of a single B–1 carrying 24 SRAM warheads—about $100 million—we could buy 200 long-range cruise missiles. Thus, saturation of enemy defenses is economically feasible.

The cruise missile is still in its infancy, so many innovations can be expected to drive down the cost even further. For instance, the Air Force is investigating an advanced strategic air-launched missile which would be ramjet powered, although of somewhat shorter range than the cruise missile. One Air Force propulsion engineer has estimated a complete vehicle could be produced minus payload for as little as $5,000.

CRUISE MISSILE RANGE ISSUES

The question of the range of the Navy and Air Force versions of the cruise missile is a vital element in the debate over the B–1. In designing the B–1 the Air Force planned for it to carry the SRAM. A small rotary launcher which could carry eight SRAM's was developed so that three rotary launchers could fit inside the relatively small B–1 fuselage. The same launcher was placed in the B–52 to carry the SRAM. As the cruise missile program emerged, it soon became clear that the SRAM rotary launcher could not physically accommodate the longer body of longer range cruise missiles. So the Air Force forced its entire cruise missile program to work around the size constraints imposed by the SRAM launcher.

Consequently, the Navy version, which is not shackled by the rotary launcher, has a range of about 2,000 nautical miles, while the Air Force version has a range of about 650 miles.

The range difference is partially explained by the fact that the Navy missile is 4 feet longer than the Air Force's.

This disparity in range is of enormous consequence. A standoff bomber carrying the Navy missile could avoid penetrating Soviet

airspace altogether and still knock out virtually all major targets. However, the Air Force ALCM, constrained to fit the SRAM launcher, forces the bomber to penetrate well inside the Soviet Union before releasing its missiles. Not surprisingly, some senior Pentagon officials have questioned the wisdom of the Air Force constraining its ALCM to fit the SRAM launcher.

In addition, the Air Force crusie missile is slower than the Navy's version—mach 0.55 vs. 0.7—for most of the mission.

Furthermore, the Navy version can skim closer to the ground than the ALCM, making it more survivable.

The Air Force is fully aware of the range problems of its ALCM and currently is studying a longer range version. This longer range is attained by fitting a belly tank to the ALCM, enabling it to carry more fuel and thus to extend its range. However, this longer range version still can only go 1,000 miles and is no match for the Navy cruise missile. Also, his version cannot be carried internally by the B–1, though it can be carried by the B–52. Furthermore, the belly tank enlarges the radar cross-section of the ALCM.

Whatever the reasons behind the Air Force decision to design the ALCM around the SRAM rack, three consequences resulted:

1. Any new Air Force bomber carrying the Air Force cruise missile must be a penetrator and *not* a stand-off bomber;

2. The Air Force cruise missile will fit on the SRAM launcher inside the B–1. A cruise missile suitable for a fully stand-off bomber could *not* fit the rotary launcher inside the B–1; and

3. The superiority of the B–52 over the B–1 as a stand-off bomber is obscured by the diminished range of the resulting ALCM.

In short it would appear that the effectiveness of an entire strategic program of inestimable importance was sacrified on the altar of the B–1.

SRAM-CRUISE MISSILE MIXES

There is evidence that the B–1 can carry 4 SRAM missiles externally on each of its variable geometry wings.

This would imply that the B–1 can carry cruise missiles on its wings. However, the additional aerodynamic drag would impose a severe penalty on the range of the B–1, whose range is already marginal.

Carrying a full external load would decrease the B–1 range by about 15 percent due to increased aerodynamic drag—Maj. Gen. H. M. Darmstandler, USAF, Briefing of Congressional Staff Members, May 15, 1975. In fact, the external pylons, which would support the racks for cruise missiles, have been deleted from the B–1 design—Senate Armed Services Committee hearings, fiscal year 1976, part 10, page 5542.

Already the B–1 has reached the point that it cannot carry a full internal load of weapons and a full fuel load at the same time because of its weight problems—Senate Armed Services Committee hearings, February and March 1975, part 4, pages 2013–2014. Thus, the B–1 cannot carry additional missiles on its wings without sacrificing an equivalent weight of fuel or further increasing its dependence on tanker support.

The Defense Department was seriously considering consolidating the Navy and Air Force programs to conserve funds.

If the programs are merged, the single cruise missile that will eventually come forth will almost certainly not be compatible with the SRAM rotary launcher. It would more resemble the longer range Navy version.

The upshot would be that the B–1 could not carry the cruise missile internally at all. And external carriage may prove to be too costly in terms of the B–1's limited range.

The incompatibility of the B–1 with the long-range cruise missile will not be a problem for a while because the B–52's, which can carry the long-range cruise missile, will be kept through the 1990's.

Thus, the B–52 will serve as the long-range cruise missile carrier. It is significant that the Defense Department is requiring the Navy to make its cruise missile capable of being air launched from the B–52; no mention is made of the B–1—"The Case for the Cruise Missile," Dr. Malcolm R. Currie, Aviation Week and Space Technology, April 21, 1975, page 9.

Note that the B–52's long range would allow it to carry cruise missiles externally. And the mammoth bomb bay of the B–52 can accommodate the cruise missile as well. There is one SRAM rotary launcher fitted in the huge B–52 bomb bay although this launcher was designed for the B–1.

However, once the B–52 is retired by the end of the 1990's, there will be no carrier for these missiles. The question arises, will the Air Force come to the Congress 10 years from now and ask for funds for a new standoff bomber? One does not have to judge whether the standoff bomber carrying long-range cruise missiles is a superior option to the pure penetrator, such as the B–1. The fact is the long-range cruise missile may be emerging from the SALT negotiations as an extremely important strategic weapon.

Moreover, in light of the conclusions of the joint strategic bomber study and the B–1's present dependence on a short-range standoff missile—SRAM—to get through Soviet defenses, the superiority of the penetrating bomber can hardly be said to be clear.

As the foregoing comments demonstrate, the long-range cruise missile concept is highly appealing. Prudence would seem to dictate that we should not commit ourselves now to any bomber, the B–1 or any other, which is basically incompatible with the long-range cruise missile. The B–52 would be a far better standoff bomber than the B–1 and it can double as a penetrator as well, at least for another decade or two.

A very recent development is ironic to say the least.

It has been reported that the Air Force does not plan to place the ALCM on the B–1 at all, even though it was the B–1 constraint that kept the range of the ALCM down.

B. OTHER ALTERNATIVES FOR THE NEAR FUTURE

Reengining the B–52 or equipping it with cruise missiles for another decade is by no means the only alternative to the B–1. There is considerable support within the defense establishment for the concept of a standoff bomber which would not penetrate enemy airspace, but would standoff and launch long-range cruise missiles at targets inside enemy territory. If the Congress agrees that the cruise missile has obviated the need for a new penetrating bomber, then another alternative to the B–1 is available. We can build a fleet of wide-body transports and equip them with cruise missiles, assuming SALT does not eliminate the long-range cruise missile.

The Air Force is now in the process of selecting the advanced tanker cargo aircraft. The average unit procurement costs in 1975 dollars for the candidates are: Lockheed C–5B, $47 million; Boeing 747, $45 million; McDonnell-Douglas DC–10, $31 million; and the Lockheed L–1011, $31 million.

We could simply buy such aircraft to be used as standoff bombers. The average unit cost should be even lower than these figures if the same basic aircraft was used for all three roles—bomber, cargo and tanker. Any of these choices would be less expensive than the B–1. If we adhere to the Air Force philosophy of not including weapons costs in with the cost of a bomber, then the $84.3 million B–1 would be about twice as expensive as the very large standoff bomber—747, C–5B—almost three times as expensive as the other standoff bomber candidates—DC–10, L–1011.

For example, with weapons costs included, a 747 standoff bomber could carry at least 40 cruise missiles—up to 60 by Air Force testimony—at $500,000 per missile, for a total cost of $65 million (aircraft plus weapons) versus about $96 million for the B–1. The 747 would carry at least 67 percent more warheads than the B–1—40 vs. 24—and the cruise missiles on the 747 would have much longer range than those on the B–1. Furthermore, the range of the 747 itself would almost certainly be greater than that of the B–1, as would be the loiter time in air alerts. The McDonnell-Douglas DC–10 or Lockheed L–1011 could carry perhaps 24 long-range cruise missiles, which is equal to the same number of short-range missiles as the B–1 carries. However, these aircraft would cost about one-third the price of the B–1.

Among the many desirable features in the stand-off delivery system is the fact that the entire system is easily updated to take advantage of new technology or new Soviet defenses. One need only replace the first-generation cruise missiles with a more advanced version of cruise missile. The ample internal volume of these wide-body aircraft makes such a retrofit quite feasible. The offensive capability of the system is almost independent of the airplane that carries the missile, because only the missiles would enter enemy airspace.

Also, the stand-off bomber is a low-risk venture that would involve very well known technologies. Even the cruise missile, currently undergoing flight testing, embodies technologies that "are well in hand"—"The case for Cruise Missiles," Dr. Malcolm R. Currie, Aviation Week and Space Technology, April 21, 1975, page 9.

Because the 747 standoff bomber is so much less expensive than the B–1, we could afford to buy just as many standoff bombers as B–1's, carrying around 9700 warheads versus 5800 for the B–1, and still save $7.5 billion over the cost of the B–1 program.

As an alternative we could use the Lockheed L–1011 or the DC–10 which are about the same size as the B–1. If 243 of these aircraft are purchased, and assuming each could carry at least 24 long-range cruise missiles, then we would have an equal number of warheads as the B–1 but at about one-third the cost.

SOVIET MOBILE SAM CONTROVERSY

In response to a Brookings Institution study that recommended termination of the B–1 program and deployment of large cruise missile carrier standoff bombers, Dr. Malcolm R. Currie, Director of Defense Research and Engineering, criticized the study for failing to take into account Soviet mobile surface-to-air missiles.

While I do not conclude that the standoff bomber is absolutely the only way to meet U.S. bomber requirements, I cannot completely agree with Dr. Currie.

While posing a threat to the first-generation cruise missiles, the mobile SAM is also very much a threat to the B–1, or to any penetrating vehicles. In fact, because the B–1's radar cross-section is so much larger than the cruise missile's, the B–1 may be more vulnerable to the mobile SAM. Considering the likely reaction times of current Soviet SAM systems, neither the cruise missile nor the B–1 are currently threatened. As the Navy found, "neither side has the capability to track and shoot down the SLCM" since the SLCM has the frontal radar cross section of a seagull; when the side of the cruise missile is in the radar beam, the data processing response time of the SAM system is too short to respond.

The B–1 is threatened by mobile SAM's since it too will not know where they are. When a B–1 would pick up the radar signal of a mobile SAM, it would face a kind of "High Noon" situation: it would have to pinpoint the SAM site location, launch a SRAM and destroy the SAM radar before the SAM system could pinpoint the B–1's location,

launch a SAM and destroy the B–1. An advanced SAM would presumably have a shorter reaction time, threatening both the B–1 and ALCM. Furthermore, and most important with respect to the B–1, an advanced SAM might very well have a terminal active homing capability, such that the missile would be independent of the SAM site radar within a certain range of the B–1. The B–1 would then be very vulnerable to such a SAM.

Furthermore, it is worth asking whether the joint strategic bomber study considered mobile SAM's, if they indeed pose such a serious threat. In short, if an advanced mobile SAM is a serious threat to the first-generation cruise missile, it is also a serious threat to the B–1 as well.

Another criticism that is sometimes heard against converting wide-body jets into cruise missile carriers is that these aircraft do not possess sufficient quick takeoff capability nor hardness against thermal, overpressure, and radiation effects. Thus, wide-body jets are alleged to be deficient in prelaunch survivability.

How, the critical B–1 dependence on tanker support will insure that the advanced tanker cargo aircraft—ATCA—will have more than adequate prelaunch survivability. If this were not the case then the B–1's ability to perform its mission would be seriously jeopardized.

Mr. FINE. Regardless of tankers, the survivability of a tanker dictates the effectiveness of the utility for the B–1 or the B–52?

Secretary MCLUCAS. That is right.

(Senate Armed Services Committee hearings, fiscal year 1976, part 10, page 5595.)

A modified ATCA might therefore be suitable as a cruise missile carrier. Instead of carrying fuel for the B–1 to haul 24 short-range missiles to their launch points, the ATCA cruise missile carrier would itself deliver 40 long-range missiles to their launch points. Thus a cruise missile carrying version of existing airplanes also appears to be an attractive alternative to the B–1, and at lower cost.

THE B–1 BOMBER DEBATE, PART IV—THE B–1 BOMBER: CAN WE AFFORD TO WAIT?

Mr. President, throughout the justifications for the B–1 bomber program provided by the Air Force, there is a constant theme that we need a new bomber now. Great emphasis is placed on the age of the B–52 fleet, an emhpasis that is misleading as I have pointed out in several prior speeches.

Nonetheless there is a valid issue as to the necessity of replacing our bomber fleet with the most modern, effective, technologically advanced aircraft. Why should we not have the most modern bomber that money will buy? How could there be value in waiting 10 years or 20 years before proceeding with a new bomber or bomber alternative?

Well, there are good reasons why waiting is the best answer. And today I will discuss those reasons.

Although threat requirements may change radically in the future and it is impossible to predetermine if we will need a new bomber after the 1990's or what kind of bomber, nonetheless there is merit in examining the technological issues as observable now. This analysis will show that the B–1 is dated even by current standards, that the B–52 will last through the 1990's and that delaying a decision on a manned bomber makes good sense for technological as well as economic reasons.

Because the modified B–52 will provide an adequate strategic bomber capability through the 1990's, defense planners will be afforded about a decade to develop new bomber concepts. Senator MCINTYRE, chairman of the Subcommittee on Research and Development of the Senate Armed Services Committee, has proposed as part of an alternative course of action on the B–1 that the Defense Department consider "the desirability of developing an alternative bomber to meet a 1990 IOC date based upon lessons learned from the B–1, latest technology, and updated forecast of the future threat."—Senate Armed Services Committee Hearings, fiscal year 1976, page 5560, part 10. There are several reasons why this eminently sensible proposal would result in a strategic bomber which would be vastly superior to the B–1.

A. TECHNOLOGICAL ADVANCES

Advanced technologies are already available which would be extremely beneficial for any new bomber. Unfortunately, these recent advances are frozen out of the B–1, because its design is now essentially fixed. The next decade will no doubt result in further technological advances which could also be incorporated into a bomber built in the 1988–93 timeframe.

The most serious obsolescence inherent in the B–1 design is its inability to carry the forthcoming generation of longrange cruise missiles, such as the Navy Tomahawk missile. A new bomber for the 1990's and beyond would surely be capable of carrying these missiles, even if it were designed to penetrate as well as stand off and fire its missiles.

Another advance frozen out of the B–1 is NASA's heralded supercritical wing design, which is being incorporated into the next generation of air transports with the expectation of improving fuel efficiency by as much as 15 percent. The supercritical wing would offer the B–1 a means of improving its range, an area of performance in which the B–1 is glaringly deficient.

The appeal of the supercritical wing for the B–1 has not escaped the Air Force's attention. As far back as 1971, Maj. Gen. Douglas T. Nelson, B–1 program director, said that the Air Force is "looking very closely at that—the supercritical wing—with a great deal of interest." He said:

While the wing may not be 'timely' for the first three airplanes, observes Nelson, it will be considered as a 'possible' way to go in the later production program. ("B–1: Heavy Flak, But On Target," Robert P. Hudock, Astronautics and Aeronautics, June 1971, page 9).

Thus the design of the B–1's wing was technologically obsolete the day the B–1 first rolled out of the hangar. The program director's interest in switching to the supercritical wing during B–1 production presents a real dilemma. Such a changeover this late in the program on a variable geometry—swing wing—wing would only add to the burgeoning B–1 cost. To attempt to retrofit the supercritical wing to the B–1 later on would be cost prohibitive. Yet to do nothing shows the B–1 already suffers from an "aging" design.

Another important breakthrough has been control-configured vehicles—CCV—technology, which is the application of advanced flight control techniques to the aircraft while it is still in the design stage. What the B–1 loses out on, but a later bomber could capitalize on, is seen in this trade journal quote:

Another Air Force Study showed that if the required CCV technology were available during the design phase of the B–1, the bomber would look much different. A control-configured B–1 would have been 80,000 lbs lighter in take-off gross weight and could have performed the mission with two engines instead of the present four. (*"New Controls to Shape Future Aircraft,"* Michael L. Yaffee, *Aviation Week and Space Technology*, October 16, 1972).

We should recall that weight growth has been a severe problem for the B–1, as the Bisplinghoff report and recent congressional testimony amply demonstrate. Such an advanced bomber, being smaller and having one-half the number of engines as the B–1, would also have a lower radar cross-section and infrared signature, making it less vulnerable to enemy detection.

Another innovation that a follow-on bomber would certainly contain would be composite materials. These are extremely light-weight materials which have two to three times the strength of conventional metals.

The potential for cutting weight out of a bomber through the use of composites is acknowledged by the Air Force. The B–1 includes a limited use of composite materials, but overall the B–1 primary structure is "conservative" in design—Bisplinghoff report, page 7. The Air Force B–1 program director has called the B–1 a"fairly conventional, basically aluminum airplane."—Astronautics and Aeronautics, June 1971, page 9.

Unfortunately, composites technology is so new that it came too late to be incorporated into the aging B–1 design in any great quantity. Nevertheless, there are reports that the Air Force is exploring the possibility of a composite wing for the B–1. Needless to say, such a radical alteration in the B–1 design at this late date would necessitate sizable cost increases, if this step is indeed taken.

A bomber built 10 years from now would include much larger amounts of composites, especially in primary structures, which would lighten the total structure with no degradation in strength.

In addition, the engines of a bomber built a decade or more from now would surely be superior to those of the B–1 because of the constant infusion of new engine technology. Current trends all indicate that materials will be developed permitting higher turbine inlet temperature; composites will be employed to reduce the weight of the engines, and compressor pressure ratios will become even higher, improving engine performance capabilities.

As an example of the giant strides to be expected in aircraft design within the next 10 years, one should consider that NASA hopes to devote $670 million over the next decade in their new aircraft fuel efficiency program. NASA officials claim that by 1985 we will have the technology in hand to build jet transports with 50 percent better fuel economy than current aircraft and with no loss in performance—NASA's Task Force Report on Aircraft Fuel Conservation Technology, page v, vi, September 10, 1975. This program, prompted by a desire to counter the rising price of jet fuel for airlines, will have direct fallouts for bombers. Improved fuel economy in a bomber translates into increased range, longer loiter time capability, higher payload, and reduced dependence on tankers.

Thus, if production and deployment of a new bomber is postponed until 1990, technological improvements would result in a far superior aircraft compared to the current B–1. In fact, even if 10 years from now, defense planners think that the strategic bomber should be a swingwing, supersonic, low altitude penetrator, as is the B–1, the resulting aircraft would still be quite different than the current B–1 simply because of the enormous improvements in technology.

Some will say that waiting 10 years to build a new bomber will always result in a superior version and hence adherence to that logic would force us to wait forever. But this misses the point. If the current bomber force is adequate, then moving to a new system before it is really needed is unwise for two reasons.

First, the Nation would expend resources prematurely, which is wasteful. Second, the Nation is commited to a bomber which is frozen in design long before the bomber is really needed in our arsenal. Thus, technological advances are needlessly rendered unavailable to that bomber.

B. UNSETTLED ISSUES ABOUT BOMBERS

Another reason why the follow-on bomber of 1990 will be superior to the B–1 is that

the Air Force will have a decade to better assess and prepare for the Soviet air defense threat. There are several issues regarding the most effective kind of bomber to face the dawn of the 21st century which have not been settled at all, even within the Air Force. As new Soviet air defense systems emerge, some of these critically important issues probably will be resolved within the next decade, and this will affect our selection of a bomber concept.

1. SUPERSONIC CAPABILITY

For instance should the next bomber have a supersonic capability?

I have already noted the severe design constraints which are necessarily placed on the B–1 because of this capability. If 10 years of analysis convinces the Department of Defense that the next strategic bomber need not be supersonic, then the follow-on bomber would be enormously different from the B–1 and far more effective in carrying out what is, even now for the B–1, a subsonic mission.

2. STAND-OFF OR PENETRATION?

Should the next strategic bomber be a stand-off bomber which launches long-range cruise missiles at the target or should it be a penetrator which releases short-range missiles as does the B–1?

The Air Force can hardly claim that the issue is settled in favor of the penetrator option. One of the major observations of the joint strategic bomber study regarding the future viability of the penetrating bomber is nothing short of extraordinary:

The ECM [suites] for both the B–52 and the B–1 were shown to be effective, but the extreme sensitivity of the performance of the penetrating bombs to the quality of its ECM was manifest. This sensitivity is so crucial that continuous re-evaluation of ECM interactions are required over the long-term. Furthermore, we believe viable alternatives to the penetrating bomber must be pursued. Our cruise missile programs, which I will discuss later, constitute such an alternative and we are searching for others. (Emphasis added) (Statement of Dr. Malcolm Currie, Director of Defense Research and Engineering, regarding the Joint Strategic Bomber Study).

Here again it should be emphasized that the long-range stand-off missile is an area of intense DOD research; it offers a cheap, easily updated strategic weapon that is extraordinarily difficult to detect and defeat. If 10 years of further analysis convinces us to favor the stand-off bomber over the low-level penetrator, then the B–1 is an unwise choice as our next strategic bomber for at least two reasons: first, the B–1 physically cannot accommodate long-range stand-off missiles in any significant quantity, if at all; second, we will have committed ourselves until the year 2010—projected B–1 operational life—to an obsolete system—Aerospace Daily, "Clements Refutes Senator McIntyre's Objections to Joint Strategic Bomber Study," page 257, April 16, 1975.

Reengining the B–52 and fitting it with long-range cruise missiles will give us an effective strategic bomber force through the 1990's. This extra time will permit us to delay and buy a really new bomber later, if one required. The stand-off bomber platforms are another alternative.

If the strategic environment in that later day still calls for a manned bomber, Congress could approve production of the new bomber, secure in the knowledge that it had prudently postponed a costly program until it was truly needed. Clearly then, even from the standpoint of having the most modern bomber force, it is prudent to wait and not commit the Nation to a $21 billion mistake.

Let me summarize.

Mr. President, since the B–52 fleet will last until the 1990's, permaturely settling on a new bomber design results in an out-of-date aircraft. The B–1 will be technologically obsolete by the time it is deployed.

Even assuming that the Air Force is correct in arguing that we need a new manned penetrating bomber—which I do not—settling on a bomber now unnecessarily freezes that aircraft into an obsolete design.

The reasoning is simple. The B–52 fleet, by Air Force testimony, will last into the 1990's. The B–1 bomber will be in operation in 1982. Thus there will be an ovelap between the two systems, not a replacement of one for the other.

This overlap means we are starting on a replacement bomber too soon. If we timed new production to coincide with phase out time of the B–52's, the next penetrating bomber, if required, could take advantage of new technologies that would dramatically improve its performance. To move ahead with the B–1 now rules out taking advantage of these new technologies such as—

Use of long-range missiles. The B–1 cannot now carry a long-range cruise missile.

Use of a supercritical wing design. The supercritical wing being designed by NASA would dramatically improve the fuel efficiency of a new bomber and increase its range, a characteristic where the B–1 shows weaknesses.

Use of control configured vehicle technology. This is an entirely new and greatly improved method of flight control which could reduce B–1 weight and reduce the number of engines required from the present four to two. With one-half the number of engines, the plane would have a lower radar cross-section and lower infrared image.

Use of composite materials in construction. These are extremely light-weight materials with two to three times the strength of conventional metals. This would cut back on bomber weight, increase range and payload capacity.

THE B–1 BOMBER DEBATE—PART V

Mr. President, it is my conclusion that the Defense Department study justifying the $21 billion B–1 bomber compared to cheaper alternatives is so biased and flawed that it is virtually useless.

The Air Force justifies the $21 billion B–1 program on the basis of a highly classified study completed in 1975 called the "Joint Strategic Bomber Study." Since this is a secret report, the Air Force controls the information about it and uses it to its own advantage; however, judging entirely by public accounts of this study, it appears seriously flawed in six respects. In each case, the biases make the B–1 look more attractive than cheaper alternatives.

First, although the study considered seven different alternatives, not one of these alternatives was a force composed solely of reengined B–52's. Since the B–52 G and H aircraft can be reengined for $2.1 billion or one-tenth of the program costs of the B–1, to exclude this cheap alternative is tantamount to rigging the results.

To compound the mistake, the study misrepresented the penetration speed of the reengined B–25. Further, the B–52I was not given the capability for standoff cruise missiles.

Thus, all the advantages of the reengined B–25 were artificially denied before the analysis began.

Mr. President, my speech today, the fifth in a series of six or more, is devoted to the issue of the joint strategic bomber study. This study is the basis for the Air Force contention that the B–1 is the most cost effective alternative for the Nation. As this speech will demonstrate, there is every reason to question the validity of that conclusion.

I would like to add a note of caution, however. This study is a highly classified document according to the Air Force. I have not seen it. My staff has not. My analysis is based solely on unclassified references to that study by the Air Force or documents in the public realm. I want to argue my case on the same footing as any U.S. citizen.

The Air Force holds all the cards in the sense that only they can declassify this report or use statistics from it at will; therefore, my speech will raise as many questions as it answers. I have drawn my own conclusions, and they are clearly stated. The reader is entitled to know, however, that the factual basis for these remarks is controlled exclusively by what information the Air Force chooses to make public, whether complete, incomplete, factual or misleading.

Second, the study downgraded the cruise missile capability of the stand-off bomber by choosing the Air Force cruise missile which already is low in performance. If the Navy version of the cruise missile had been analyzed with its greater range, lower flight capability and smaller radar cross section, the entire cruise missile concept would have fared better.

For example, the shorter range of the Air Force cruise missile dictated that the carrying aircraft would be subject to greater attrition from enemy forces than would a long-range cruise missile like the Navy Tomahawk. Further, it seems that the cruise missile was not given the capability for evasive action, again shortchanging the cruise missile alternative.

Third, the joint strategic bomber study used a biased economic methodology. Their equal cost approach was based on the assumption that we must spend as much as what the B–1 would cost. Thus, trade-offs at lower levels of expenditures were not considered in the main body of the study and supplemental analyses showing lower level expenditure have not been made public.

Further methodological questions center on the discount rate used and the issue of current versus constant dollars.

Fourth, the study conveniently neglects to consider the effect of the other two legs of the Triad—submarine missiles and land based missiles. The bomber fleet does not exist in a vacuum, and to forget the contribution of other systems is to overlook the obvious.

Fifth, the study assumed that there would be a Soviet attack without any strategic warning, an "unlikely" circumstance according to the 1977 posture statement of Secretary of Defense Rumsfeld. The result is too narrow an analysis.

For all of these reasons, Air Force justifications of the B–1 based on the joint strategic bomber study must be viewed with a great deal of skepticism.

SHORTCOMINGS IN THE JOINT STRATEGIC BOMBER STUDY

In considering whether or not to authorize production of the B–1, we must address an issue that is fundamental to the strategic bomber question: Is the B–1 worth the price it will cost relative to the costs of other alternatives? The Senate Armed Services Committee wisely sought information of this sort from the Department of Defense and directed them to conduct a comparative study of the B–1 and its alternatives. The Defense Department response was the joint strategic bomber study, which concluded that the B–1 was the most cost-effective alternative. However, the study suffers from such major shortcomings that its conclusions are subject to doubt.

Mr. President, let us take a closer look at these arguments.

FIRST SHORTCOMINGS: MISREPRESENTATION OF THE MODIFIED B–52

From the information on the joint strategic bomber study made public, it appears that

the Defense Department misrepresented the reengined B–52, designated the B–52I, in the study. For example, it appears that a force consisting only of B–52I's was not considered in the study even though a pure B–52I force would cost only $2.1 billion to acquire, according to Air Force figures—$7.66 million per plane to reengine by 274 B–52 G/H equal $2.1 billion.[1] This is one-tenth the program cost of the B–1. Indeed Dr. Malcolm Currie, Director of Defense Research and Engineering has said that mixes of aircraft types rather than pure forces were considered.[2] Thus, a pure force of B–52I's at a low acquisition cost was not compared to the B–1, FB–111G, and stand-off bomber.

Another misrepresentation in the study was its portrayal of the B–52I's penetration speed. The current B–52 can achieve a penetration speed of mach 0.55. With higher thrust new engines, such as the General Electric CF6–50E—a higher thrust version of the engine powering the DC–10—the B–52 is capable of flying faster than its current mach 0.55 on the deck and with some structural modifications possibly as fast as the B–1.[3] Yet the Secretary of the Air Force has stated that the B–52I portrayed in the study was assumed to be "penetrating at a much lower speed" than the B–1, which was mach 0.85.[4] Since mach 0.85 is 50 percent more than the current speed of the B–52, if a higher penetration speed were used in the study for the B–52I, it would have fared better.

This apparent misrepresentation and other recent Air Force testimony raise three more questions with respect to the reengined B–52's characterization in the study:

First, did it assume that the B–52I would have a shorter take-off distance and hence greater dispersability and prelaunch survivability than the regular B–52 G or H due to its higher thrust engines?

Second, did it assume that the B–52I would have a faster escape speed from the runways than the regular B–52's, again due to the higher thrust engines?

Third, did it assume that the B–52I would carry long-range cruise missiles?

The only positive items that the Defense Department addressed about the B–52I in Senate testimony was that the new engines improved the B–52's range-payload performance. But this is only part of the story. As stated above, the study seems to have ignored the B–52I's higher penetration speed. The Secretary of the Air Force stated that the B–52:

"Does not look good in prelaunch equivability. It is a soft airplane. It does not depart from the runways as rapidly as either the FB–III or the B–1." [5]

One wonders if any improvement over the existing B–52 was assumed. A B–52I with four modern jet engines such as the General Electric CF6–50E engine or the equivalent engine by Pratt & Whitney would have vastly improved takeoff distance and airfield escape performance over the B–52 G and H because of its higher thrust-to-weight ratio. Airplane acceleration heavily depends on this ratio, and, as soon in table I, the B–52I has a better thrust-to-weight ratio than the B–1. The B–1 has a lower drag design than the B–52, but the table suggests that the B–52I could very well rival the B–1 in simple airfield escape capability, and hence in launch survivability. The table further shows that the B–52I could rival the B–1 in takeoff distance and hence in dispersability.

Mr. President, I ask unanimous consent that a table of thrust-to-weight ratio be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Footnotes at end of article.

TABLE I.—STRATEGIC BOMBER THRUST-TO-WEIGHT AND TAKEOFF DISTANCE COMPARISON

Bomber	Total thrust at takeoff (pounds)	Bomber weight (pounds)	Thrust-to-weight ratio	Takeoff distance (to clear 50 ft) (feet)
FB–111A	42,000 (2 P. & W. JTF 10A–27D at 21,000).	100,000	0.42	Unknown
B–52G	110,000 (8 P. & W. J57–P–43WB at 13,750).	488,000	.23	10,400
B–52H	136,000 (8 P. & W. JT3D–2 at 17,000).	488,000	.28	9,580
B–52I	210 (4 GE CF6–50E at 52,500).	488,000	.43	[1]~8,000
B–1	120,000 (4 F101–GE– at 30,000).	395,000	.30	7,500

[1] Estimated.

Source: "Aircraft Engines of the World: 1970,". P. H. Wilkinson. "Aviation Week & Space Technology," Mar. 17, 1975. "Standard Aircraft Characteristics: B–52G and B–52H," Air Force, June 1969.

Published descriptions of the joint strategic bomber study also leave the impression that in the analysis, the B–52I was not equipped with cruise missiles, although the B–52 G's and H's and wide-body transports were so equipped:

"Forces subjected to detailed examination included several levels of B–1's, re-engined B–52's, stretched FB–111's, B–52 G's and H's (both as penetrating bombers and stand-off cruise missile carriers), and wide-bodied transports, such as the Boeing 747, as stand-off cruise missile carriers exclusively." [6]

If the B–52I was not coupled with the cruise missile, either as a standoff bomber or as a penetrator in the analysis, then the joint strategic bomber study never analyzed the most logical and inexpensive alternative to the B–1.

Dr. Malcolm Currie, Director of Research and Engineering, told a Senate committee [7]:

"They (cruise missiles) stress the air defenses in a different way than our penetrating bomber forces—that is, they are effective against advanced fighters and countering them requires extensive advanced-capability SAM's."

It would logically follow that to avoid using cruise missiles at all on an airplane equipped to carry them would be a poor test of that option.

The Air Force may respond that the bomber study did evaluate the cruise missile, although it was launched from aircraft other than the B–52I. The study found that the cruise missile suffered attrition because of terminal defenses.

Thus the Air Force could argue that using the B–52I as the missile carrier would not change the outcome. As the next point will explain, the cruise missile selected for the study was inferior in range, radar cross section, minimum altitude, and speed in comparison to the missile that should have been selected. The performance of the cruise missile would necessarily have been better had the proper missile been examined.

The fact that the Air Force refers to the penetration performance of the B–52I and not to its stand-off performance [8] suggests that they did not consider an all stand-off bomber version of the B–52I. Yet a B–52I in a pure stand-off mode would require much less tanker support than a B–1 as well as having a much lower investment cost, and hence would be much cheaper.

Thus the joint strategic bomber study appears to have shortchanged the lower cost B–52I in several important respects which undoubtedly biased the study's conclusions.

SECOND SHORTCOMING: MISREPRESENTATION OF THE STAND-OFF BOMBER CRUISE MISSILE

The performance of the stand-off bomber concept was adversely affected in the study by the choice of the cruise missile that it carried. The study assumed that the Air Force ALCM carried by both the stand-off bomber and the B–52 was the longer range Air Force version with a belly tank for extra fuel.[9] But as a respected trade journal has pointed out, the Air Force's limited ALCM, to go to its maximum range:

Would require flying a high altitude profile at a reduced air speed, making the missile vulnerable to radar detection and the Soviet's surface-to-air missile network.[10]

There is a better cruise missile that should have been used in the study, the Navy's cruise missile, Tomahawk. The Navy's missile has "greater range—than the ALCM—lower altitude flight capability and precision accuracy," a Defense Department official has said. The Navy's missile also will have a "radar cross section smaller than the air-launched cruise missile with the fuel tank," he added.

Furthermore, the shorter range of the ALCM than the Navy Tomahawk forces the stand-off bomber to go closer to Soviet air defenses than it otherwise would. And its shorter range keeps it from being able to attack the targets deeper inside the Soviet Union. Since the figure of merit in the basic study was number of targets destroyed, it is not too surprising that the stand-off bomber did not finish so well. Had it used the Navy's Tomahawk, its performance would have been better.

Indeed, one of the more surprising results of the joint strategic bomber study was the poor showing of the cruise missile carrier relative to the B–1 and upgraded B–52. According to the Air Force, this poor showing was not because the carrier aircraft themselves were subjected to attack.[11] Thus, if the carrier aircraft were not themselves attacked, the poor showing of the cruise missile carrier concept must have been because of the vulnerability in the study of the cruise missile itself.

This result does not seem realistic in view of the heralded invulnerability and effectiveness of the cruise missile as cited by the Navy and other Defense Department officials.

This result could only come about if some important characteristics of the cruise missile and/or the air defenses it faced were improperly specified in the study. There is reason to believe that this was done. The open literature contains enough references to the study to permit informed assessment of the study's misrepresentation of the cruise missile.

Possible explanations for the poor showing of the cruise missile are:

Overstatement of cruise missile radar cross section.

Understatement of cruise missile range.

Overstatement of air defense level assumed to confront the cruise missile.

Understatement of cruise missile evasive maneuver capability.

Understatement of cruise missile speed.

Overstatement of infrared signature.

Understatement of the number of cruise missiles capable of being carried by the standoff bomber.

Let us examine each one of these possible causes. It is unlikely that misrepresentation of the cruise missile speed is the major reason for the poor showing, although it probably is one factor. By using the ALCM and not the Navy SLCM, the JSBS reduced the penetration speed of the cruise missile by as much as 20 percent, from mach 0.7 to mach 0.55.[12]

Overstatement of the cruise missile's infrared signature is unlikely to be responsible for the cruise missile carrier's poor showing. The IR signature of the cruise missile, with its small turbofan jet engine, is very

Footnotes at end of article.

small and is really not a factor in cruise missile vulnerability, present or future. Thus, IR signature is eliminated as a possibility.

Overstatement of the cruise missile's radar cross section is a possibility, although this is very much related to the assumed levels of Soviet air defenses. If a vastly improved SAM system is assumed, then radar cross section can be a factor. It would be interesting to know whether the radar cross section used for the cruise missile in the study was the same as the SRAM cross section, or whether it was larger. The Navy believes that its cruise missile will have a radar cross section equal to that of the SRAM [13] which the Defense Department regards as being invulnerable after it is launched. Use of a larger radar cross section would make the cruise missile much more vulnerable in the study. It is possible that this was a major factor.

According to the Air Force,[14] the stand-off bomber, a 747F type transport, would carry 60 ALCM's each. Thus, numbers of cruise missiles carried by the stand-off bomber does not seem to have been a problem in the study.

It thus seems likely that a combination of the three remaining factors—

Level of Soviet air defense assumed to confront the cruise missile:

Understatement of cruise missile evasive maneuver capability; and

Understatement of cruise missile range are primarily responsible for the poor showing of the stand-off bomber/cruise missile system in the joint strategic bomber study. A very heavy level of Soviet air defense, much greater than today's substantial level, could have an adverse effect on the performance of the cruise missile.

This could particularly affect the cruise missile's rating in the study if that same very high level of air defense were not assumed for the other alternatives.

One very important feature of the cruise missile that could have been omitted from the study is its capability to perform evasive maneuvers. If the study assumed that the cruise missile flies in a straight path from the bomber to the target, the cruise missile would then be much more vulnerable to interception by SAM missiles. There are two reasons for this. First, even though the first SAM site that a cruise missile encounters could not react quickly enough to engage a low-flying cruise missile during its short period of visibility, the SAM site radar could transmit the information on the cruise missile's flight path to the next SAM site that the cruise missile, on its straight line flight path, would encounter. This assumes that these SAM sites are "netted." This next SAM site would thus be alerted and have a much better chance of intercepting the cruise missile.

However, the Air Force ALCM as currently configured is capable of executing preprogramed course changes [15] precisely in order both to avoid most SAM sites and to frustrate the transmission of accurate information on its direction and speed from those SAM sites it does encounter to other SAM sites. Thus, if the study did not include the ability of the cruise missile to execute these preprogramed turns, the performance of the stand-off bomber cruise missile concept would be seriously degraded.

There are indications that the ALCM was not given any preprogramed turn capability in the study. Air Force Secretary McLucas stated that a problem of the ALCM in the joint strategic bomber study was that it does "not have the ability to know what is going on around them, and therefore they are very vulnerable to SAM's. This means that you have got to make provisions to program around the SAM, or you need some way of attacking the SAM's. And, of course, the cruise missile does not have that type of capability. So compared to a B–1, which can evade or fly around defenses, we think that the cruise missile is relatively less attractive.[16]

Yet the cruise missile does appear to have such a capability. With the ability to execute many preprogramed turns because of its large computer memory, the cruise missile can be programed to fly around many SAM sites and thus minimize the number it might otherwise encounter, as the following quote indicates:

With the space available in the cruise missile's computer, an infinite number of targets and routes can be prestored and selected just before a mission (Aviation Week and Space Technology 16 February 1976, page 14).

If the study did not include this capability, as Secretary McLucas' testimony seems to indicate, then both the cruise missile carrier and the B–52 were shortchanged in the study.

These three factors may well be responsible for the relatively poor showing of the stand-off bomber concept in the joint strategic bomber study, a showing that is surprising in view of the praise of the cruise missile's invulnerability from a wide spectrum of high defense officials.

THIRD SHORTCOMING: BIASED ECONOMIC METHODOLOGY

The joint strategic bomber study analyzed the life-cycle costs of various force alternatives over the period fiscal year 1975–89.[17] Unclassified sources indicate that the initial study used an equal-cost approach and that the level of spending selected was that to procure and maintain the full B–1 force.[18] The merits of much less expensive alternatives which offer nearly equal effectiveness were thus obscured. Selection of much lower expenditure levels would have been more damaging to the B–1's cost-effectiveness.

No one has proposed that the B–52 be kept in the fleet for another 30 years, the projected lifetime of the B–1. Reengining the B–52 and equipping it with cruise missiles is a very inexpensive way to postpone the need for a follow-on bomber for only another decade or so.

By forcing such a high expenditure level on all the alternatives, the study effectively obscured the value of the tide over B–52 option.

The Air Force has replied in Senate testimony to this criticism by noting that "supplemental analyses" of the joint strategic bomber study did consider three lower cost, equal-effectiveness levels.

However, no indication was given as to how "low" those expenditure levels were. The question remains, did the study consider alternatives at cost levels similar to what it would cost to merely reengine the B–52 and equip it with cruise missiles? And that is $2.1 billion plus missiles.

Furthermore, in all the testimony given concerning the study, no mention is made of the discount rate used in the study. If the discount rate was less than 10 percent, the standard rate required of all Federal agencies by OMB, then the study would be seriously biased in favor of high acquisition cost systems, that is, the B–1—and FB–111H—and against low acquisition cost alternatives, that is, the B–52I.

Another important part of the methodolgy in such comparisons of systems is whether current or constant dollars are used. If current dollars are employed in the study, then inflation works unfairly against those alternatives which have low acquisition costs and high total operation and maintenance costs relative to acquisition costs, such as the B–52I. Use of current dollars would thus bias the report toward the B–1. The correct economic approach is to use constant dollars throughout the analysis, since while inflation drives up the costs of weapons, it also drives up the tax revenues used to pay for those systems.

We need to be sure therefore that the joint strategic bomber study used a 10 percent discount rate and constant dollar costs.

FOURTH SHORTCOMING: FA'LURE TO TAKE INTO ACCOUNT THE OTHER ELEMENTS OF THE TRIAD

Senator THOMAS J. MCINTYRE, chairman of the Senate Armed Services Subcommittee on Research and Development, has pointed out that the joint strategic bomber study biased its conclusions by assuming that alternative bomber forces should be evaluated independently of other elements of the triad. Yet just several hundred Poesidon and Trident reentry vehicles, of about 7,400 now planned, may be able to destroy enough SAM sites to enable easy penetration by cruise missiles.

Mr. President, I ask unanimous consent that a portion of Senator MCINTYRE's letter to the Secretary of Defense on March 14, 1975, be printed in the RECORD at this point.

There being no objection, the excerpt from the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 14, 1975.

HON. JAMES R. SCHLESINGER,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: [Deleted.]

Despite this unmistakably, clear Congressional interest in having a full and objective evaluation of the B–1 and its alternatives, I am writing you now to express my deep disappointment that the Joint Strategic Bomber Study failed to meet these standards of completeness and objectivity and, therefore, is a most inadequate tool in informing a Congressional decision about the B–1.

The Study's failure was not in its execution, but in its conception. Its basic premises were flawed and the Study was consequently biased toward the B–1.

1. The Joint Strategic Bomber Study biases its conclusions regarding the B-1 versus an air launch-cruise missile force by assuming that alternative bomber forces should be evaluated independently of other elements of the TRIAD.

You told the Congress in this year's Posture statement:

"Missiles, for example, could help clear the way for bomber penetration, and bombers, in turn, could help to fill the gap of those important targets missed by missiles * * * Consequently, we must emphasize the mutually supporting characteristics of the TRIAD, rather than just the independent capabilities of each of the companies."

Nevertheless, the study rejects your quite reasonable premise when it states: "The synergistic effects of the TRIAD are not tested. At entry the bomber forces are assumed to face undergraded defenses." (Page 2. Volume 1).

By insisting that our bomber force be evaluated independent of the other arms of the TRIAD, the Study fundamentally biases its results in favor of the B–1, because only the B–1, armed with its SRAMS, could penetrate undegraded terminal SAAM defenses efficiently.

But if the Study had assumed, as you do, the use of our ICBM's or SLBM's to suppress dedicated Soviet terminal SAM defenses, over 1500 more cruise missiles (in the Study's Force V) would have penetrated to the target. Therefore, the cruise missile force would be the most effective force by far since it would deliver some 400 weapons on these most difficult targets than any of the B–1 forces.

This is a critical flaw in the Study. I am particularly distressed that the Study proceeded with this bias even though the GAO forcefully exposed the fallacy of doing so in its letter to you dated September 4, 1974.

2. The Joint Strategic Bomber Study

Footnotes at end of article.

bases its conclusions in favor of the B–1 by unrealistically excluding from consideration strategic warning, force generation, and airborne alert as with regard to a Soviet surprise attack.

In excluding these considerations (see Volume I, page 4), the Study contradicts your own discussions of B–52 alert rates in this year's Posture statement:

"Inasmuch as we consider a Soviet surprise attack 'out of the blue' to be quite unlikely under the current circumstances, we believe that a further modest reduction in the proportion of the force to be maintained on day-to-day ground alert would be acceptable. A nuclear attack on the United States, even one which is limited to our strategic offensive forces, would most likely be preceded by a series of crises, and certainly by a sharp deterioration in our relations with the Soviet Union. Under these circumstances, we would have the time to place virtually the entire force on ground alert." (Page 11–35, Annual Defense Department Report, FY 1976 and 197T).

If the Study had assumed, as you apparently do, that we can rely on strategic warning to aid the survival of our bomber force, the B–1, at best, has no advantage over B–52's or cruise missile carriers and in certain cases may well be inferior to these alternatives. If we rely on ground alert we can place a larger portion of the force on alert and in a higher state of readiness than the Study assumed. We can even use rocket-assisted take-off to speed their departure. In these cases, the B–52's and cruise missile carriers, would have about the same pre-launch survivability as the B–1, so the advantage to the B–1, which the Study built in its initial assumptions, would evaporate.

The Study also consciously ignored airborne alert even though this is a more survivable mode, given strategic warning, even though we have used such an alert in the past during crises, and even though such an alert has the added advantage of its being able to survive a surprise Soviet submarine-launched cruise missile attack which may be at least as plausible as a Soviet depressed trajectory SLBM threat. Since the B–1 (with its high wing loading and high rate of fuel consumption) is not a good vehicle for airborne alert, both the B–52 and cruise missile carriers would be vastly superior for this purpose. [Deleted.]

"Long range interceptors specifically developed to attack ALCM carriers were not used because the command control network capable of directing employment of such a system well outside AWACS and ground based radar coverage could not be defined." (Page 8, Joint Strategic Bomber Study, Volume I).

Nevertheless, Dr. Currie incorrectly stated in summarizing the major observations of this Study:

"An all-stand-off cruise missile force (using wide bodied transport) is not promising because it invites attack on the relatively few weapons carriers before their cruise missiles can be launched."

If the decision for the B–1 depends, as Dr. Currie suggests, partly on its presumed special capability to escape a long range interceptor, then the Study should have detailed specifically how it compares with other alternatives in this regard. In fact, the B–1 might well be equally, if not more susceptible to long range interceptor threat because the B–1's could be potentially more vulnerable when they take their last fueling close to the Soviet homeland, and yet the number of B–1 aircraft would not be appreciably greater than that of the cruise missile carrier.

The Study also argues that the high penetration probability of the B–1 through a Soviet AWACS/high performance interceptor threat was critically dependent upon the success of the B–1's ECM. Yet, in your evaluation of the American AWACS you conclude that our best offense could not defeat the U.S. AWACS which you are proposing. When advocating the B–1, a high performance AWACS is vulnerable to ECM. Yet when advocating your AWACS program, it becomes invulnerable to ECM. Surely, you cannot have it both ways.

5. The Joint Strategic Bomber Study's most fundamental bias in favor of the B–1 was its design and evaluation of alternative bomber forces on the basis of the cost of the B–1 rather than designing a precise military mission and comparing each alternative bomber force's capability to fulfill that mission.

The Study assumed at its center that as a Nation we wished to spend the cost of a B–1 force and that indeed we needed full range of its military capability.

Mr. PROXMIRE. In 1975, Secretary of Defense Schlesinger testified that:

Each leg of the triad is not required to retain independently a capacity to inflict in a second strike unacceptable damage upon an attacker. Instead, the three legs of the triad are designed to be mutually supporting.[19]

Thus, while a comparison of bomber alternatives assuming no contribution from the other parts of the Triad is a useful option to analyze, it is by no means sufficient. The alternatives should also be analyzed for cost-effectiveness assuming at least one and preferably several levels of contribution from SLMB's and ICBM's. By failing to do so, the study's results become far less meaningful.

FIFTH MISREPRESENTATION: FAILURE TO ACCOUNT FOR STRATEGIC WARNING

Senator MCINTYRE has also correctly criticized the joint strategic bomber study for assuming a Soviet attack without any strategic warning. While it is a useful exercise to examine such a possibility, it is poor planning to examine only that case. Additional options assuming various levels of strategic warning are clearly called for.

The result of examining only the "out of the blue" attack option is to favor those aircraft that are kept on higher peacetime alert rates. B–1 peacetime alert rates are expected to be much higher than those for the B–52, primarily because keeping a B–52 on alert over an extended period of time costs more than for a B–1. Under crisis conditions, higher levels of all bombers could be kept on alert. Thus, assuming only an out-of-the-blue attacks biases the study against the B–52 and in favor of the B–1.

The incorrectness of examining only this type of attack is underscored by Defense Secretary Rumsfeld, who in his 1977 posture statement states that "a Soviet surprise attack 'out of the blue' is unlikely under current circumstances." Unless the Department of Defense believes that its Secretary is mistaken on this fundamental point, it should go back and redo the joint strategic bomber study taking strategic warning into account.

SIXTH MISREPRESENTATION: MISSTATEMENT OF PROJECTED B–1 PERFORMANCE CHARACTERISTIC

As incredible as it may seem, the joint strategic bomber study used projected performance data for the B–1 that exceeded what an Air Force convened panel of experts considered would be "most probable" for the B–1. This panel, organized by then-Secretary of the Air Force John McLucas to review the B–1 program, made three estimates for each of several critical design and performance characteristics for the B–1. These three estimates, the "possible"—optimistic—"most probable"—likely—and "reasonably adverse"—pessimistic—values for B–1 characteristics were an attempt to show a range of outcomes. One would reasonably assume that the bomber study would use what this panel of nationally recognized, Air Force appointed experts, chaired by Dr. Raymond Bisplinghoff, believed to be the "most probable" values for the B–1. Yet the Air Force admits that the performance data:

Used in the Joint Strategic Bomber Study falls between the "Possible" and "Most Probable" estimates discussed in the Bisplinghoff report.[20]

In contrast the Assistant Secretary of the Air Force for Research and Development, Dr. Walter LaBerge, has openly stated to the Senate that B–1 performance:

Probably will be very close to the most probable category of the middle column on the Bisplinghoff Report in weight, engine thrust, drag, range, and things of that sort.[21]

That is, the Air Force assumed B–1 performance capabilities higher than what their own panel of experts and their own Chief of Research and Development believed to be most probable. This naturally would help to make the B–1 look better than its alternatives in the study.

The end result of this series of misrepresentations in the joint strategic bomber study is to cast grave doubts on the validity of its conclusion that the B–1 is the most cost-effective bomber alternative. I believe that the Department of Defense should go back and redo their study, taking the other legs of the TRIAD and strategic warning into account and use more reasonable characterizations of the bomber and cruise missile alternatives under economically sound assumptions.

FOOTNOTES

[1] Senate Armed Services Committee Hearings, FY 1976, page 5616.

[2] Statement of Malcolm R. Currie before Senate Armed Services Committee, 1975, page V–16.

[3] An industry source.

[4] Senate Armed Services Committee Hearings, FY 1976, page 5529.

[5] Ibid., page 5529.

[6] Statement of Malcolm R. Currie before Armed Services Committee, 1975,

[7] Senate Armed Services Committee Hearings, FY 1976, Part 10, page 5215.

[8] Senate Armed Services Committee Hearings, FY 1976, page 5529.

[9] Senate Armed Services Committee Hearings, FY 1976, page 5615.

[10] *Aviation Week and Space Technology*, 16 February 1976, page 13.

[11] Hearings before the Committee on Armed Services, United States Senate, Fiscal Year 1976, page 5615.

[12] *Aviation Week*, 31 March 1975, page 13.

[13] *Aviation Week and Space Technology*, 31 March 1975, page 13.

[14] Hearings before the Committee on Armed Services, United States Senate, Fiscal Year 1976, Part 10, page 5611.

[15] "The U.S. Air Force Air-Launched Cruise Missile," Boeing Aerospace Company, September, 1975.

[16] Senate Armed Services Committee Hearings, FY 1976, page 5530, emphasis added.

[17] Senate Armed Services Committee Hearings, FY 1976, Part 10, page 5615.

[18] Ibid.

[19] "Report on the FY 1976 and Transition Budgets," page I–14.

[20] Senate Armed Services Committee Hearings for Fiscal Year 1976, page 5616.

[21] Ibid., page 2048.

Mr. President, I ask unanimous consent that table II from the Management Review Committee on the B–1 be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—ESTIMATED PERCENT VARIATIONS IN PERFORMANCE PARAMETERS FROM AIR FORCE DEVELOPMENT ESTIMATES

Performance parameter	Possible status	Most probable status	Reasonably adverse
Takeoff weight	+10	+10	+10
Empty weight	+15	+19	+26
Maximum refueled weight	+8	+9	+11
Range:			
Subsonic-variable	−4	−11	−20
Subsonic-constant	−6	−18	−29
Supersonic-variable	−4	−9	−14
Takeoff distance:			
Standard day	+15	+15	+15
Hot day	+13	+13	+13
Landing distance	+6	+6	+6
Thrust margin	+6	−9	−14
Refueled altitude	−12	−15	−21

Source: Report of Ad Hoc Management Review Committee on the B-1 to Air Force Secretary John McLucas, November 1973, p. 3.

THE B-1: A LOOK AT THE FACTS—PART VI

Mr. President, I have noticed that in his rebuttals to my prior five speeches on the B-1 bomber, my friend and colleague from Arizona (Mr. GOLDWATER) has expressed some perplexity as to my position. Today, therefore, I will summarize the conclusions I have reached during this debate and point out the facts that support those conclusions.

Let me be as clear as possible at the beginning. I am completely opposed to the B-1 bomber. I will vote for the McGovern amendment to delete all production funding for the aircraft.

Why? Because I have concluded that the $21 billion B-1 is a national disaster. It will rob funding from other essential defense programs and squander it on an obsolete military concept. Instead of the B-1, we should re-engine the B-52 fleet as an interim measure and proceed with plans for a stand-off bomber platform. Surely there can be no confusion about this position.

Now, what are the facts, the evidence that backs up this stance? I hope my worthy adversary from Arizona will examine the following six critical points of fact.

1. COST

The most dramatic issue is that of cost. The Selected Acquisition Reports from the Department of Defense place the cost of the B-1 program at $21.6 billion. As a matter of fact, it went up $200 million just in the last 3 years. That represents $88.6 million each for 244 airplanes. You can think of each plane as a flying Rayburn Office Building in terms of cost. And there is every indication that each plane eventually will cost $100 million each.

When Congress first was briefed on the B-1 bomber and its planning estimate was set forth in June of 1969, the total program costs were $8.8 billion. No provision was made for inflation or logistic support and additional procurement costs. The quantity was 246 for a program unit price of $35.8 million and a procurement unit price of $29 million.

By June of 1971, the development estimate for the B-1 program, including inflation, had risen to $12 billion with the quantity staying the same. This made for a procurement unit cost of $35.4 million and a program unit cost of $45.6 million. At the present time, the B-1 program is estimated to cost $21.6 billion for 244 aircraft and a program unit cost of $88.6 million.

Mr. President, I ask unanimous consent that a table of B-1 costs be printed in the RECORD at this point.

There being no objection, the table of costs was ordered to be printed in the RECORD, as follows:

TABLE 1.—B-1 SAR COST ESTIMATES

[Dollar amounts in millions of dollars]

Description	Planning estimate, June 1969 [1]	Development estimate, June 1971 [2]	Current estimate [2] September 1974	Current estimate [2] September 1975	Net change
Development	$1,800.0	$2,685.0	$3,615.6	$3,884.0	+$268.4
Procurement	7,000.0	8,533.8	15,017.0	17,312.0	+2,295.0
Subtotal	8,000.0	11.218.8	18,632.6	[3] 21,196.0	+2,563.4
Logistic support and additional procurement costs	(4)	829.5	388.7	(4)	−388.7
Total	8,800.0	12,048.3	19,021.3	21,196.0	+2,174.7
Escalation included above	0	1,499.9	6,422.8	10,172.4	+3,749.6

Description	Planning estimate, June 1969 [1]	Development estimate, June 1971 [2]	Current estimate [2] September 1974	Current estimate [2] September 1975	Net change
Quantity:					
Development	5	5	5	4	−1
Production	241	241	239	240	+1
Total	246	246	244	244	0
Procurement unit cost	$29.0	$35.4	$62.8	$72.1	+$9.3
Procurement unit cost (development and procurement)	35.8	45.6	76.4	86.9	+10.5

[1] Stated in 1968 dollars.
[2] Estimates are in then year dollars.
[3] As of Dec. 31, 1975, program costs had increased to $21,419,000,000 and the Air Force advised us that it is expected to increase an additional $200,000,000. They stated these increases were due to reductions in requested funding.
[4] Not reported.

Of course this $21.6 billion does not include the full costs of the B-1 program. Additional costs such as weapons payloads, operation and maintenance, tankers, if necessary, and upgraded avionics. Examining the full life cycle costs of the B-1 results in a $91 billion total in current dollars by the Brookings Institution and a similar figure by the Center for Defense Analysis. The Air Force has not provided as its own life cycle costs in this debate although I have asked for it in two prior speeches. I think the Senate is entitled to know what we are buying when we move ahead with this program, and I think the Air Force has an obligation to provide it.

Mr. President, I ask unanimous consent that various tables from the Brookings Institution study called Modernizing the Strategic Bomber Force be printed in the RECORD at this point as tables II, III, and IV.

There being no objection, the tables were ordered to be printed in the RECORD as follows:

TABLE II.—PROJECTED COSTS OF THE BOMBER AND TANKER PROGRAM, FISCAL YEARS 1976-85

Category	Fiscal year — 1976	197T [1]	1977	1978	1979	1980	1981	1982	1983	1984	1985
	Millions of constant 1976 dollars										
Major system acquisition:											
B-1	750	200	1,650	2,020	2,170	2,370	2,040	1,850	1,100	0	0
Advanced tanker	5	2	50	100	570	520	1,040	1,040	1,040	1,040	1,040
SRAM	3	2	35	210	210	210	210	420	420	420	420
ALCM	50	10	75	100	100	210	210	210	210	210	210
Other investment	1,260	320	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260
Direct operating	1,600	400	1,600	1,600	1,600	1,600	1,610	1,640	1,700	1,780	1,940
Indirect operating	1,790	450	1,790	1,790	1,790	1,790	1,800	1,820	1,840	1,890	1,980
Total	5,460	1,380	6,460	7,080	7,700	7,960	8,170	8,240	7,570	6,600	6,850
	Millions of current dollars										
Total [2]	5,460	1,380	6,910	7,950	9,100	9,740	10,360	10,840	10,330	9,340	10,050

[1] 197T is the designation for the 3-month transition period from the end of fiscal 1976 on June 30, 1976, to the start of fiscal 1977 on Oct. 1, 1976.
[2] Figures are rounded.

Sources: Authors' estimates based on data in various Department of Defense publications, in "The Budget of the United States Government, Fiscal Year 1976" (1975), and in testimony from hearings on the fiscal 1975 Defense Department budget before the Senate Armed Services and Appropriations Committees. (See app. A for a description of the costing methods.)

TABLE III.—PROJECTED SYSTEMS AND COSTS, FORCE 2, FISCAL YEARS 1976–85

[Total obligational authority in millions of fiscal 1976 dollars]

Category	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	Average annual costs
Unit equipment:											
B–52 [1]	335	255	255	255	255	240	225	195	105	0	
FB–111	66	0	0	0	0	0	0	0	0	0	
B–1 [1]	0	0	0	0	0	15	30	90	150	200	
Tanker	610	255	255	255	255	255	255	255	255	200	
SRAM	1,140	1,140	1,140	1,540	1,940	2,340	2,740	3,140	3,200	3,200	
ALCM	0	0	0	0	400	800	1,200	1,600	1,600	1,600	
Costs:											
Major system acquisition	810	2,295	2,770	3,450	3,600	3,790	3,600	2,030	1,170	1,040	2,456
Other investment	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260
Direct operating	1,975	1,385	1,435	1,490	1,545	1,595	1,660	1,715	1,775	1,560	1,614
Indirect operating	2,015	1,660	1,690	1,720	1,760	1,790	1,830	1,860	1,900	1,750	1,718
Total	6,060	6,600	7,155	7,920	8,165	8,435	8,350	6,865	6,105	5,610	7,128

[1] Bombers are dispersed on 100 interior bases.

TABLE IV.—ESTIMATED PROCUREMENT COSTS FOR THE B–1 BOMBER, 1976–83

[Total obligational authority in millions of fiscal 1976 dollars]

Item	1976	1977	1978	1979	1980	1981	1982	1983
Number procured	0	8	22	31	48	48	48	34
Cost of procurement	150	1,200	1,800	2,000	2,250	1,980	1,850	1,100

Source: "Fiscal Year 1975 Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve and Civilian Personnel Strengths," Hearings before the Senate Armed Services Committee, 93 Cong. 2d sess. (1974), pt. 7, p. 4000.

Consider what we could purchase with the same amount of money. For the $21 billion direct costs of the B–1 program, the Nation could fund 10 invulnerable Trident submarines which would carry about 2,000 warheads. It would also pay for reengining the B–52 fleet and pay for the annual costs of an Army armored division for 5 years.

Looking at the problem from the perspective of this year's request for the B–1 program of $1.5 billion, the same amount of money would build 1 Trident submarine with almost 200 warheads or over 100 F–15 fighters or 10 destroyers of the DD–963 class or 6 attack submarines of the SSN–688 class.

Or for the price of the B–1 this year alone the United States could pay the annual recurring costs of five Army armored divisions including procurement, military pay, and operation and maintenance.

At a time when there is a national debate about defense programs there should be a different method of judging relative need. Each program should be measured against competing programs from the other services. Only with this type of internal competition will the most efficient alternatives be selected.

2. PERFORMANCE

By any standard, the B–1 is not the plane the Air Force told Congress it wanted in 1969. In almost every major category of performance, B–1 characteristics have slipped.

In 1969, its takeoff distance was estimated to be 6,000 feet. By the development estimate in June 1970, it had slipped to 6,500 feet. And now, based on the September 1975 estimate, it is 7,500 feet. This means that the takeoff distance has degraded by 15 percent under the development estimate and 25 percent under the planning estimate.

The takeoff gross weight has increased 11 percent over the development estimate from 356,000 pounds to 395,000 pounds. The number of short range attack missiles carried by the B–1 was estimated to be 32 in the planning estimate. The development estimate dropped that number to 24, the current figure.

Supersonic penetration speed has been cut drastically even though the B–1 has been sold to Congress on its supersonic capability. The planning and development estimate for supersonic penetration speed was mach 2.2. Now the Air Force has reduced that capability to mach 1.6.

In my speeches I have challenged the Air Force to declassify the data about other performance characteristics. Their answers have strongly suggested that the B–1's subsonic range, supersonic range, and maximum speed at sea level also have been degraded. Mr. President, I ask unanimous consent that table V showing changes in the estimate of B–1 bomber performance be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—CHANGES IN ESTIMATES FOR SELECTED B–1 PERFORMANCE OR TECHNICAL CHARACTERISTICS

	Nautical miles		Maximum speed, sealevel (mach)	Supersonic penetration speed (mach)	Payload-internal SRAM'S (number)	Takeoff gross weight (pounds)	Takeoff distance (feet)
	Subsonic range	Supersonic range					
Planning estimate June 1969	Deleted			2.2	32	358,000	6,000
Development estimate June 1970				2.2	24	356,000	6,500
June 1971 estimate				2.2	24	360,000	6,500
June 1972 estimate				2.2	24	368,600	6,760
June 1973 estimate				2.1	24	389,772	6,950
June 1974 estimate				2.1	24	395,000	7,500
September 1975 estimate				1.6	24	395,000	7,500
Degradation—development estimate to September 1975 estimate				.6	0	39,000	1,000
Percent				(27)		(11)	(15)

3. DELIVERY SCHEDULES HAVE SLIPPED

In addition to the degradation in performance of the B–1, the entire program is behind schedule. Delivery of the first B–1 has been delayed 6 months until late 1979. The initial operational capability of the aircraft has been delayed 14 months until mid-1982. These delays are an economic impact in that generally they represent increased costs to the Government. Mr. President, I ask unanimous consent that table VI be printed in the RECORD at this point showing the B–1 schedule slippages.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE VI.—B–1 SCHEDULE, PLANNING ESTIMATE, DEVELOPMENT ESTIMATE, AND RECENT ESTIMATES

	Planning estimate, June 1969	Development estimate, June 1970	Current estimates		Delay (months)
			September 1974	September 1975	
Production decision	April 1972	September 1974	November 1976	November 1976	0
Complete product verification tests of engine [1]	February 1974	December 1974	do	do	0
Delivery of the first production aircraft	April 1974	February 1977	February 1979	August 1979	6
Initial operational capability (IOC) [2]	May 1976	March 1979	March 1981	May 1982	14

[1] The product verification test replaced the originally planned qualification test.

[2] The program schedule defines IOC as delivery of 65 aircraft to SAC.

4. FLY-BEFORE YOU-BUY VIOLATED

The B–1 program is violating the fly-before-you-buy philosophy. The B–1 go ahead decision in November of 1976 will be made without testing of a number of critical capabilities of that aircraft including all weather capability, weapons delivery and defensive avionics. The Senator from Arizona (Mr. GOLDWATER) has indicated that he does not have full faith in the missile fleet because it has not been tested with a live warhead. It should be pointed out that the B–1 weapons delivery will not be tested before the approval decision is given to the Department of Defense.

The failure to have a rigid and thorough testing program before a production decision is made by the Congress encourages concurrency—the simultaneous production and testing of equipment. In the past this has led to cost overruns since production models have to be refitted or modified to adapt to changes required by the testing program.

The most important argument here is that Congress should not give its approval to a $21 billion program that has not been adequately tested first. We have been told that, Mr. President, over and over again and we should pay attention to it. For example the automatic terrain-following radar in the B–1 is its most critical navigational component. Without the ability to hug the ground while it penetrates Soviet airspace, the B–1 would be a sitting duck. The General Accounting Office has noted that the terrain-following radar has only been installed in aircraft No. 3 and that 400 feet is the lowest clearance altitude to be tested before the production decision. In other words, the B–1 will not have a test of this system at its operational altitude before November. Furthermore, the production decision will be made without testing of the automatic terrain-following radar at night, in bad weather, or in extremely mountainous terrain.

The GAO also points out that the entire airplane will not undergo electromagnetic pulse testing before the production decision. This type of testing is designed to see how well the aircraft survives in a nuclear blast environment. Although various components will be tested, if the entire aircraft is in any way deficient, there could be large redesign costs associated with any required fix. It would be much wiser to have the results of the full test before moving to production.

5. AIRCRAFT DEFICIENCIES

Testing to date has revealed a number of problems with the B–1. Power sources to start the engines have failed in cold weather. According to the GAO, there is a mechanical breakdown in the coupling of gearboxes and auxiliary power units at a rate of 25 percent. Furthermore starting the engines takes longer than estimated. This is a particularly crucial failure since it makes the B–1 more vulnerable on the ground. The GAO states that the Air Force and Rockwell agree that this problem will not be fixed before a production decision is made.

Reference also needs to be made to the unexpected buffeting and vibration of the B–1 test aircraft. Severe buffeting could interfere with the operation of offensive avionics equipment. The severity of the current problem is difficult to assess at present.

6. THE SUPERSONIC SPEED ISSUE

Although it may be startling to most Americans who have heard about the supersonic capabilities of the B–1 bomber, this speed is not likely to be used on many missions. Although a supersonic capability has been built into the B–1 at a cost of $3 billion, there are very few situations where it can be used.

The B–1 flies to and from the U.S.S.R. at high altitudes and subsonic speeds to conserve fuel. Before it penetrates hostile airspace, it dips down close to the Earth to avoid identification by radar. However, since the B–1 cannot fly at supersonic speeds at low altitudes, again this capability will not be used.

Only immediately before or after bombing run would the plane use its supersonic speed to any extent and then it is severly limited for two reasons. First, using the afterburners on the B–1 will create an observable heat source that could bring destruction from heat seeking missiles. Second, supersonic speed consumes so much fuel that it cannot be used for long periods of time.

The lack of importance of supersonic speed is indicated by the Air Force decision to cut it in half from mach 2 2 to mach 1.6. This means that at the lower speed of mach 1.6, the B–1 could not outrun many of the Soviet Union's modern fighters.

If the Air Force had recognized the lack of value in supersonic capability earlier, they could have avoided building the B–1 around that requirement. The result would have been an aircraft designed with better range and payload capacity than the existing B–1.

The Air Force argues that the supersonic capability should be retained for the high altitude, high speed penetration option—exactly the same mission that was the death of the B–70 program. High-speed, high-altitude penetration of the U.S.S.R. would be a military catastrophe.

Mr. President, the irony in the B–1 debate this year is that we can safely afford to wait before committing the Nation to a $21 billion program. Alternatives are available at far less cost. For example:

Reengining the B–52G and H fleet at a cost of $2.1 billion, which will give them longer life, improved range, takeoff distance, and payload capacity

Equip the newly engined B–52's with long-range cruise missiles. This would allow the B–52 to stand off, away from the U.S.S.R. air defenses—the best in the world with 10,000 SAM sites, 2,600 interceptors and 5,500 radars—and launch thousands of cruise missiles toward Soviet targets.

Purchase new wide-bodied jets for use as stand-off bombers. This alternative could cost one-half to one-third the cost of the B–1. Carrying up to 60 cruise missiles each, these bomber platforms could circle above friendly or neutral territory and still be in range of most all Soviet targets. Cruise missiles offer accuracy, numbers, and low cost.

Since the B–1 bomber force will be an addition to rather than a replacement for the B–52 fleet, there is ample time to wait before making a major new bomber decision. The B–1 will overlap the B–52's by 10 to 15 years. In the meantime, there are promising new technologies that could be incorporated into a new bomber design later if necessary.

The age of the manned strategic penetrating bomber is over. Flying missions into the heart of the U.S.S.R. with gravity bombs is virtually a suicidal flight.

Think of it. The Soviet Union has devoted more resources for defensive purposes than any nation in the history of the world. Our B–1's would have to take off from U.S. bases, where they are observable to Soviet satellites; fly toward the U S.S.R. where they could be picked up by Soviet over-the-horizon radar and long-range acquisition radar; then find a hole in the Soviet radar net consisting of 5,500 radar sites; fly around the 10,000 surface-to-air missiles deployed on the perimeter of the U.S.S.R. and clustered around specific targets; avoid being detected and shot down by the 2,600 Soviet interceptors; elude conventional ground-to-air munitions around terminally defended targets; blast entrance and escape paths with SRAM missiles without giving away its position; bomb the targets; escape the nuclear blast; and find a way home through the hundreds if not thousands of other nuclear blasts going off in the atmosphere. That is about as close to a suicide kamikaze mission as I can envision.

It may be a glamorous mission but it is an unnecessary cne. Modern technology can supply us with enough cruise missiles to saturate any known Soviet targets on the bomber target list. And this can be accomplished without risking the lives of the pilots by dashing inside the U.S.S.R.

But just as the Navy could not give up its battleships, the Air Force refuses to recognize the end of the World War II bomber mission. It almost makes me think that if the Air Force had a ground force mission, we still would be breeding cavalry horses.

(This concludes additional statements submitted.)

SEVERAL SENATORS. Vote! Vote!

Mr. STENNIS. The yeas and nays have been ordered, as I understand it, Mr. President.

The PRESIDING OFFICER. That is correct. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Vermont (Mr. LEAHY), are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE), and the Senator from Vermont (Mr. STAFFORD), are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 59, nays 36, as follows:

[Rollcall Vote No. 297 Leg.]

YEAS—59

Abourezk	Ford	Morgan
Anderson	Gravel	Moynihan
Bayh	Hart	Muskie
Biden	Haskell	Nelson
Brooke	Hatfield	Nunn
Bumpers	Hathaway	Packwood
Burdick	Heinz	Pearson
Byrd, Harry F., Jr.	Huddleston	Pell
	Humphrey	Percy
Byrd, Robert C.	Inouye	Proxmire
Case	Jackson	Ribicoff
Chafee	Javits	Riegle
Chiles	Kennedy	Roth
Church	Magnuson	Sarbanes
Clark	Matsunaga	Sparkman
Culver	McClellan	Stennis
Danforth	McGovern	Stevenson
Durkin	Melcher	Stone
Eagleton	Metcalf	Talmadge
Eastland	Metzenbaum	Williams

NAYS—36

Allen	Glenn	Randolph
Baker	Goldwater	Sasser
Bartlett	Griffin	Schmitt
Bellmon	Hansen	Schweiker
Bentsen	Hatch	Scott
Cannon	Hayakawa	Stevens
Cranston	Helms	Thurmond
Curtis	Hollings	Tower
DeConcini	Laxalt	Wallop
Dole	Long	Weicker
Domenici	Lugar	Young
Garn	McIntyre	Zorinsky

NOT VOTING—5

Johnston	Mathias	Stafford
Leahy	McClure	

So the amendment was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BROOKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENT SUBMITTED ON THE ENFORCER AIRCRAFT

Mr. PROXMIRE. Mr. President, we are faced with a very simple proposition on this issue of the Enforcer aircraft. It is called "sorry—not invented here." That is the catch phrase for the Department of Defense when it comes to any idea, any concept that they have not requested or funded. It just cannot be any good. If its not invented here—we do not want it.

That is what has faced the question of whether or not to field test the Enforcer aircraft from the very beginning. That and the threat that if the Enforcer tests out well, it might make the Air Force look bad for pressing forward with a different close support aircraft at five times the cost.

Let me make my position clear. I support a thorough test of this aircraft. I do not know if the Government should purchase it even given a successful test. I do not know if it needs to be opened up to full competitive procurement at that time. As a firm believer in competition I think the aircraft will rise or fall on its own merits.

Here is an aircraft that can fly more sorties than its competition, is one-half the size, one-half the radar signature, and one-quarter the infrared signature. It will have about one-third the probability of being hit. Twenty percent of the Enforcers weight empty is armor while only 6.5 percent of the A–10 is armored. As for tank killing, there is evidence that the Enforcer, equipped with the NATO Aden Defa 30 millimeter pod—two per aircraft—will be twice as effective as the A–10. Using this new data, it can be seen that only 252 Enforcers would have the same tank kill capability as 504 A–10's. Furthermore one must consider that the A–10 may have a greatly degraded capability to land on unimproved or nonpaved fields. If this is so, the A–10 will have less usefulness in Europe during conventional war but the versatile Enforcer could be a real work horse. And the Enforcer would only use one-fifth as much fuel as the A–10—a critical factor in a war-torn environment where transportation and fuel are scarce. All of this at a price of between four and five Enforcers for every A–10.

Now, Mr. President, I cite these comparisons with the A–10 not because I do not think it is a good plane but because it demonstrates the need to fully test the Enforcer. I supported the A–10 even before the Air Force did, back in the days when it was the A–X and the Air Force was not sure they even wanted it. I support the A–10 today. It is a fine aircraft and we badly need close air support for our ground troops.

But I am concerned about the vulnerability, cost, and effectiveness figures I just presented. Under these conditions, given the facts as presented in testimony before the Tactical Air Subcommittee of Senate Armed Services, considering the tie vote in that subcommittee and the overwhelming vote in the Defense Appropriations Subcommittee, I believe the Enforcer should be tested. Beyond that—who can tell what course of action would be prudent. But for now let us get the facts on which to make this later judgment.

UP AMENDMENT NO. 679

Mr. STENNIS. Mr. President, we have one matter here that we have had what I think was a full debate on. We have several amendments that we can go on and vote on, I think; the Enforcer in particular.

The PRESIDING OFFICER. If the Senator will suspend, according to the previous order, there is an agreement to vote immediately on unprinted amendment No. 679 by the Senator from Nevada (Mr. CANNON).

The yeas and nays have been ordered.

The question is on agreeing to the amendment of the Senator from Nevada (Mr. CANNON).

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Vermont (Mr. LEAHY) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 68, nays 27, as follows:

[Rollcall Vote No. 298 Leg.]

YEAS—68

Abourezk	Domenici	McGovern
Allen	Durkin	McIntyre
Anderson	Eagleton	Melcher
Baker	Eastland	Metcalf
Bartlett	Ford	Metzenbaum
Bayh	Garn	Morgan
Bentsen	Glenn	Moynihan
Biden	Goldwater	Muskie
Brooke	Hansen	Pearson
Bumpers	Hart	Pell
Burdick	Haskell	Percy
Byrd, Harry F., Jr.	Hatfield	Riegle
Byrd, Robert C.	Hathaway	Roth
Cannon	Huddleston	Sarbanes
Case	Humphrey	Sparkman
Chafee	Inouye	Stennis
Church	Javits	Stevenson
Clark	Kennedy	Talmadge
Cranston	Laxalt	Tower
Culver	Long	Weicker
DeConcini	Magnuson	Williams
Dole	Matsunaga	Young
	McClellan	Zorinsky

NAYS—27

Bellmon	Helms	Ribicoff
Chiles	Hollings	Sasser
Curtis	Jackson	Schmitt
Danforth	Lugar	Schweiker
Gravel	Nelson	Scott
Griffin	Nunn	Stevens
Hatch	Packwood	Stone
Hayakawa	Proxmire	Thurmond
Heinz	Randolph	Wallop

NOT VOTING—5

Johnston	Mathias	Stafford
Leahy	McClure	

So Mr. CANNON's amendment was agreed to.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I raise the point of order that the amendment comprising section 843(g)——

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

POINT OF ORDER

Mr. HELMS. Mr. President, I raise a point of order that the amendment comprising section 843(g) of H.R. 7933 is general legislation and not in order to a general appropriations bill under rule XVI.

I ask for a ruling that section 843(g) constitutes legislating on an appropriations bill. That subsection changes hospital payments from charges to cost reimbursement for services to CHAMPUS beneficiaries. By requiring hospitals to accept substantially reduced CHAMPUS payments as payment in full, the appropriations bill clearly charges existing CHAMPUS authorizing legislation which originated in the Armed Services Committee. The Appropriations Committee has the power to propose restrictions on and reduction in funding, but it cannot change the substance of the authorizing statute.

Section 843(g) provides that no funds may be used to pay hospital charges in excess of costs as determined under medicare. That provision will reduce CHAMPUS payments to hospital by approximately $33 million or about 5 percent.

Under current law, hospitals are not required to accept CHAMPUS payments as payment in full for services rendered. In practice they have done so because CHAMPUS has paid current hospital charges. Since acceptance of reduced CHAMPUS reimbursement as payment in full is a new legislative proposal changing the substance of authorizing legislation, it is not a proper amendment on an appropriations bill.

The PRESIDING OFFICER. The point of order has been raised by the Senator from North Carolina that the language on page 53, beginning with line 11, is legislation on an appropriations bill. Under paragraph 4 of rule XVI, the point of order is well taken. The language objected to is legislation on an appropriation bill, and therefore the amendment is not in order.

Mr. STENNIS. Mr. President, the Chair is ruling now with reference to language in the House bill, to which certain language was added by the Senate committee. I raise the issue of germaneness—that the additional language added by the Senate committee is germane to that House language.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Chair must hear the point being made.

Mr. STENNIS. Mr. President, I know this is raised in good faith, but in all fairness to all involved, we should get down

to section 843, on page 52, which is language in the appropriations bill put there by the House; and it is subject to a point of order if originally raised here as Senate language. But it is already in the bill, and we are not permitted to modify it in any way, except on the ground of germaneness, and it is germane to the language of the House bill.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

Mr. STENNIS. It is in order, notwithstanding the point made.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. ROBERT C. BYRD. Mr. President, no debate is in order once a point of germaneness has been raised. I ask unanimous consent that the rollcall vote which I understand Mr. HELMS will request go over until tomorrow. Senators on both sides have been told that there will be no more rollcall votes tonight.

The PRESIDING OFFICER. Under the precedents of the Senate, the point raised by the Senator from Mississippi regarding germaneness comes too late, because the point of order raised by the Senator from North Carolina had been sustained. Once sustained, the question of germaneness is moot.

Mr. STENNIS. Mr. President, that is all right. I do not mind that. But there seem to be some lessons taught to the Senate here. This matter of germaneness is raised many times, and the membership are all the time telling what they are voting on and how to interpret the issue, and many of them have come to me about it. I am not complaining.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. STENNIS. Yes.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order for the Senator from North Carolina to request that there be a rollcall vote notwithstanding the ruling of the Chair with respect to the point of order.

Mr. STENNIS. Mr. President, if the Senator will yield, there will have to be some discussion of this matter.

Mr. HELMS. I understand.

Mr. STENNIS. On each side, a short discussion.

Mr. HELMS. I did not want the Senator to be shut off.

Mr. STENNIS. That is mighty nice, mighty fine. I was not complaining. I just say we ought to do something about these rules.

Mr. ROBERT C. BYRD. Mr. President, the point of order has been made and the issue has been settled. I did not understand that the Chair had ruled when the Senator from Mississippi raised the question of germaneness, but the matter is settled.

Mr. HELMS. From my point of view that is satisfactory, but I did not want the Senator from Mississippi to be cut off, and I am perfectly willing to have a vote.

Mr. STENNIS. I am advised, Mr. President, if the Senator will yield, you can withdraw it and redo the thing tomorrow, and we will get a vote in that way.

The PRESIDING OFFICER. It would take unanimous consent.

Mr. HELMS. I will be glad to do that. I ask unanimous consent to be permitted to withdraw it, with the understanding that I will raise the point of order tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STENNIS. I certainly thank the Senator, and we will try to reduce this down to the real issue and have a very short discussion.

Mr. HELMS. I thank the Senator.

Mr. STENNIS. Thank you very much.

Now, Mr. President, there is a matter here—if we may have quiet—the Senator from Maine has been ready here all afternoon, and we have gotten to him now.

Does the Senator want to go into this matter now? I thought, Mr. President, a little informally here we might get down to the issue very quickly. I invite the attention of the Senator from Texas to this matter.

UP AMENDMENT NO. 678

The PRESIDING OFFICER (Mr. ZORINSKY). Could the Senator suspend for just one moment? The question recurs on the unprinted amendment No. 678 by the Senator from Maine.

Mr. HATHAWAY. Very well.

The PRESIDING OFFICER. There are 4 minutes remaining to the proponents and 30 minutes to the opponents. Who yields time?

Mr. HATHAWAY. Mr. President, I yield myself 5 minutes.

Mr. President, as explained earlier, this amendment would modify section 855 so that ROTC could be continued at maritime academies which have had ROTC, Navy ROTC, programs ongoing even though they do not conform with the precise requirements contained in 855. This will protect the ongoing programs both in the Maine Maritime Academy and the Academy in New York.

However, I understand the Senator from Texas has a broader amendment which would knock out all of 855 and, if that would be acceptable to the floor manager, then I would be happy to withdraw my floor amendment.

Mr. TOWER. Mr. President, if the Senator will yield?

Mr. HATHAWAY. I would be happy to yield.

Mr. TOWER. The amendment (No. 516) the Senator from Texas proposes, does protect units at some 727 colleges and universities, including the Maine Maritime Academy, and I would do so simply by deleting the language of section 855 and, therefore, the concern of the Senator from Maine would be taken care of by my amendment.

Mr. STENNIS. If the Senators will yield to me, could the Senator from Texas explain his amendment now, and we will get the picture here before the Senate?

Mr. TOWER. Mr. President, if the Senator will yield to me——

Mr. STENNIS. I yield such time as the Senator desires.

Mr. TOWER. Section 855 would impose by law certain minimum enrollment standards for senior reserve officer training corps units. That section provides that funds would be cut off for any unit having less than 17 students enrolled in the third year of a military or naval science course over the 4 preceding academic years.

The DOD opposes this section because DOD does not want to use numbers as the sole criterion for maintaining the establishment of these ROTC units. In other words, the matter cannot just be quantified, it has to be qualified as well.

In a letter addressed to the chairman of the Appropriations Committee, the Assistant Secretary of Defense, Mr. John White, has stated:

> The Defense Department uses several criteria in evaluating the effectiveness of an ROTC unit. This does include enrollment levels, but it also includes program and academic quality, cost, and other factors.

I would like to quote a brief portion of that letter. Mr. White says:

> The Department is particularly concerned that section 855, as currently written, may force the closure of ROTC units at a number of the Nation's finest institutions and in universities whose current freshman and/or sophomore enrollments in ROTC indicate they will meet the enrollment standards in either amademic year 1977–78 or 1978–79. Among these institutions are MIT, Illinois Institute of Technology, Rice, Carnegie Mellon.
>
> The provision to close units based solely on enrollment will result in degradation of quality and jeopardize the present capability to produce sufficient numbers of officers with the academic backgrounds needed to meet Department of Defense manning requirements.

That is the statement from Mr. White. Mr. President, I do not think we should legislate specific management criteria concerning the ROTC program. I think DOD should be given the flexibility to regulate this very important source of military officers by considering all relevant criteria.

Therefore, I would hope that this amendment would be adopted.

Mr. STENNIS. Well, Mr. President, if I understand now the Senator from New Hampshire's amendment applies to the one institution, one situation, yes, Maine. But if the Senator from Texas should have his amendment prevail, that would meet the situation the Senator from Maine has in mind and would cover the entire situation.

Mr. TOWER. That is correct.

Mr. STENNIS. Mr. President, this matter was called to my attention, at least for the first time, today or maybe a few minutes Saturday morning, and I have gone over this matter with our valuable professional staff member.

It just seems clear to me that in an appropriations bill we ought not to just lower the hatchet here and cut off a great number of these units scattered throughout the Nation at different kinds of institutions in a field of officer training that I think produces some of the very finest men we have, excellent and outstanding, and I would like to see it given more attention. I do not have a remedy in mind that I could offer, but I believe, at least in conference, and before we actually meet in conference, we could get some preliminary work done on it and maybe work out something that would meet the

situation that is better fitted to the results, the realities, than does this language.

With that spirit and with that attitude, I think it would be well for this amendment to be accepted and go to conference with it.

AMENDMENT NO. 516

Mr. TOWER. I thank the distinguished chairman.

I think probably the orderly way to proceed, Mr. President, would be for me to call up my amendment No. 516 and offer it as a substitute to the amendment of the Senator from Maine.

Mr. STENNIS. I would like for the Senator to respond to that, please.

Mr. HATHAWAY. If the Senator will yield, Mr. President, I would be happy to proceed that way, and I would be glad to endorse the substitute.

Mr. TOWER. Mr. President, I call up my amendment 516 in the nature of a substitute to the amendment of the Senator from Maine.

The PRESIDING OFFICER. The amendment is not in order until the time has expired or been yielded back.

Mr. HATHAWAY. I would be happy to yield back the remainder of my time.

Mr. STENNIS. I yield back the time I had, Mr. President.

Mr. TOWER. Then I renew my request, Mr. President.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes amendment No. 516 as a substitute for the amendment of the Senator from Maine (Mr. HATHAWAY) numbered 678.

The amendment is as follows:

On page 60, beginning with line 10, strike out all down through line 22.

Renumber sections 856 through 860 as sections 855 through 859, respectively.

Mr. TOWER. Mr. President, we have had enough discussion on this. I am prepared to yield back my time unless the Senator from Maine has something further to add.

Mr. HATHAWAY. I am happy to yield back the remainder of my time and happy to endorse the substitute of the Senator from Texas.

Mr. STENNIS. Mr. President, I do not need to say anything more, I do not think. I already expressed myself and gave the spirit in which this is being accepted in which the Senator from North Dakota, the minority ranking members, joins.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Chair has to point out, though, this amendment is not properly drafted as a substitute.

Mr. TOWER. Then might I ask my distinguished colleague from Maine if he will withdraw his substitute.

Mr. HATHAWAY. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment, and it is withdrawn.

Will the Senator from Texas now offer his amendment?

AMENDMENT NO. 516

Mr. TOWER. Mr. President, I call up my amendment No. 516 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes amendment No. 516.

Mr. BENTSEN. Mr. President, the history of our ROTC units shows they provide a valuable service to the country and to the participating student. However, the bill presently before the Senate would unjustifiably force closure of many of these units at many outstanding institutions. The provision to close units based solely on enrollment could result in less qualified officers and jeopardize the present capability to produce sufficient numbers of officers with the needed academic backgrounds. For this reason, I am cosponsoring the Tower amendment, which would mandate the establishment of fair criteria to determine which units should remain active.

The bill as reported prevents the expenditure of any money for units whose junior class members have numbered below 17 students during the last 4 years as part of a 4-year ROTC program. A 2-year program must maintain 12 students to keep its unit active. As with many decisions, numbers do not tell the whole story. The Department of Defense currently uses a number of criteria in addition to numbers in identifying closure candidates. These criteria include the quality of the program and the cost of closure. I believe this is sound policy.

On the other hand, if we adopt the committee language we will be tied down to just one criteria when selecting units to be closed. In Texas alone this could mean the closure of ROTC units at Tarleton State College, Wheaton College, Rice University, Texas Christian University and the University of Texas. Nationwide, schools like MIT, the Illinois Institute of Technology and Carnegie Mellon would lose their ROTC units.

Such closures would be unfair and unwise. For instance, Rice University offers an excellent engineering school that provides an excellent opportunity to train officers of the highest caliber. One unit at Rice has had a 58-percent increase in enrollment last year, showing that interest among new students is growing. It would be wrong to deny this unit funding just at a time when the ROTC program is growing in popularity.

The amendment which I am cosponsoring would give us the flexibility to judge all aspects of an ROTC program. In this way schools that offer unique opportunities or that are capable of rebuilding their programs would be allowed to continue.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATHAWAY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, there are a number of other amendments. The Senator from Massachusetts (Mr. KENNEDY) was here and he has an amendment. We could present that quickly. I suppose he has had to leave the Chamber and is off on some other business.

Mr. ROBERT C. BYRD. Mr. President, we will try to locate him if he is here.

Mr. STENNIS. Mr. President, if the Chair will indulge us just a minute here?

Mr. ROBERT C. BYRD. Mr. President, while efforts are being made to locate Senator KENNEDY, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

ORDER FOR RECOGNITION OF SENATOR BAYH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, Mr. BAYH be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF CONSIDERATION OF H.R. 7933

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of the special order for the recognition of Mr. BAYH tomorrow the Senate resume consideration of the defense appropriations bill, H.R. 7933.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following calendar orders: Calendar Order Nos. 150, 314, and 315.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I simply want to advise the majority leader that all through the calendar items I see indications that identifies them as cleared for passage.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader.

MARINE MAMMAL PROTECTION ACT AUTHORIZATION, 1978

The bill (S. 1522) to increase the appropriations authorization for fiscal years 1977 and 1978 and to authorize appropriations for fiscal year 1978 to carry out the Marine Mammal Protection Act of 1972, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1522

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 110(c) of the Marine Mammal Protec-

tion Act of 1972 (16 U.S.C. 1380(c)) is amended to read as follows:

"(e) There are authorized to be appropriated, for the purposes of carrying out this section, not to exceed the following sums for the following fiscal years:

"(1) $2,500,000 for each of the fiscal years ending June 30, 1973, June 30, 1974, June 30, 1975, September 30, 1976, and September 30, 1977, of which one-third of the sum appropriated for any such fiscal year shall be available to the Secretary of the Interior and two-thirds of any such sum shall be available to the Secretary of Commerce.

"(2) $1,100,000, all of which shall be available to the Secretary of the Interior, for the fiscal year ending September 30, 1978.". Act of 1972 (16 U.S.C. 1384) is amended—

(1) by amending subsection (a)—

(A) by striking out "four" and inserting in lieu thereof "three", and

(B) by inserting ", not to exceed $8,000,000 for the fiscal year ending September 30, 1977, and not to exceed $11,500,000 for the fiscal year ending September 30, 1978," immediately after "fiscal years"; and

(2) by amending subsection (b)—

(A) by striking out "and" immediately after "June 30, 1973,", and

(B) by inserting ", and not to exceed $700,000 for the fiscal year ending September 30, 1978" immediately after "thereafter".

SEC. 3. Section 207 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1407) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 207. There are authorized to be appropriated for the fiscal year in which this title is enacted and for the next five fiscal years thereafter such sums as may be necessary to carry out this title, but the sums appropriated for any fiscal year other than the fiscal year ending September 30, 1978, shall not exceed $1,000,000, and the sum appropriated for the fiscal year ending September 30, 1978, shall not exceed $2,000,000.".

SEC. 4. Section 102 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1372) is amended by adding at the end thereof the following new subsection:

"(f) It is unlawful for any person or vessel or other conveyance to take any species of whale in the fishery conservation zone of the United States as defined in section 3(8) of the Fishery Conservation and Management Act (16 U.S.C. 1802(8)).".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–177), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to extend the authorization period for the Marine Mammal Protection Act of 1972 through fiscal year 1978 and to increase the authorization level under the act. The bill would also prohibit the taking of any species of whale in the fishery conservation zone established by the Fishery Conservation and Management Act.

DESCRIPTION OF THE BILL

The original bill of the committee reauthorizes the provisions of the Marine Mammal Protection Act for an additional 1 year (through 1978) at the following levels:

Section 110.—$1.1 million to the Department of Interior.

Section 114(a).—$8 million for the Department of Commerce for fiscal year 1977, and $11.5 million for fiscal year 1978.

Section 114(b).—$700,000 to the Department of the Interior for fiscal year 1978.

Section 207.—$1 million for the Marine Mammal Commission for fiscal year 1977, and $2 million for fiscal year 1978.

Section 4 of the bill would amend the Marine Mammal Protection Act to make it unlawful for any person or vessel to take any species of whale in the fishery conservation zone of the United States, the so-called 200-mile limit.

BACKGROUND AND NEED

The Marine Mammal Protection Act was enacted in 1972 to provide increased protection to marine mammals found within U.S. jurisdiction; to restrict the importation and taking of marine mammals; and to create the Marine Mammal Commission to do research and review agency actions under the act. In passing the act, Congress responded to the growing concern about man's impact on marine mammals which include whales, porpoises, seals, sea otters, polar bears, and manatees.

The act gave to the Secretaries of Interior and Commerce the authority and direction to establish general limitations upon the taking of all marine mammals, and within those limitations, to issue permits for their taking. Criminal and civil penalties are prescribed for violations of the act, and the importation of marine mammals and their products is subject to regulation. The act created a three member Marine Mammal Commission which is charged with responsibility for monitoring the implementation of the act, recommending policies to the two Secretaries, and undertaking such research as is deemed appropriate.

Since the passage of the act the agencies have engaged in a wide variety of research and management activities dealing with marine mammals. The Department of Commerce is currently engaged in research on fur seals and their ecosystems, whales and related species, and the population status of several species of porpoises.

The Department of the Interior is currently engaged in a number of research projects designed to provide information on the species under their jurisdiction. These projects hopefully will obtain background information which serves as basic information for further studies on the marine mammal environment. Current studies of community interactions and ecosystem functions of marine mammals will expand into modeling approaches that will allow us to predict what will happen to given population segments under expected circumstances. As an example, the Department of Interior is engaged in an analysis of the population status of polar bears, biological and reproductive studies, and the effects of environmental pollution on the animals. This research has concentrated on studies of distribution and general movements as well as den ecology and location. Cooperative studies with Canada and the U.S.S.R. have been utilized to avoid duplicative efforts.

A large part of the time, money and effort of the Marine Mammal Commission and the Department of Commerce has been spent in an attempt to find a solution to the tuna-porpoise problem. The tuna-porpoise controversy results from fishing practices which make use of the little understood relationship between yellowfin tuna and certain species of porpoise. Commercial tuna purse-seiners herd yellowfin tuna which swim beneath and behind them. Thousands of porpoise, incidentally taken in order to catch the tuna are killed when they become entangled in the nets.

A great deal of effort has gone into accumulating and analyzing data on the status of porpoise populations in order to establish a permissible quota of animals to be taken by the tuna fishermen. The Marine Mammal Commission and the Department of Commerce are extensively involved in developing fishing gear and techniques which reduce the incidental kill of porpoise.

The bill would permit the agencies to continue and accelerate these various research and management programs. The bill provides a total authorization to the Department of Interior of $1.8 million, of which $1.1 million will be spent on research under section 110. The bill authorizes appropriations of up to $11.5 million for the Department of Commerce under section 114 for all activities. The Marine Mammal Commission is authorized to be appropriated up to $2 million in fiscal year 1978.

A major portion of the funds authorized for the Department of Commerce would go, if appropriated, to fund a 100 percent observer program on all large tuna purse-seine vessels. The Department of Commerce has indicated to the committee that $5 million would adequately fund a full observer program. The committee feels that the institution of a full observer program is vitally necessary to collect much-needed data on porpoise mortality and porpoise population levels.

WILLFUL DESTRUCTION OF ANY INTERSTATE PIPELINE SYSTEM

The bill (S. 1502) to amend title 18, United States Code, to make a crime the willful destruction of any interstate pipeline system, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title 18, United State Code, is amended by adding immediately after chapter 67 the following new chapter:

"Chapter 68.—INTERSTATE PIPELINE SYSTEMS

"Sec.
"1401. Definition.
"1402. Destruction of interstate pipeline system.

"§ 1401. Definition

"As used in this chapter, the term 'interstate pipeline system' means any pipeline system used in the transportation of gas or oil in interstate commerce.

"§ 1402. Destruction of interstate pipeline system

"Whoever willfully injures or destroys, or attempts to injure or destroy, any interstate pipeline system shall be fined not more than $5,000 or imprisoned not more than fifteen years, or both.".

(b) The table of chapters of part I of title 18, United States Code, is amended by inserting immediately after the item relating to chapter 67 the following:

"68. Interstate pipeline systems..... 1401".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–339), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The proposed bill, as reported, will provide Federal criminal jurisdiction over willful acts which damage, or attempt to damage, any pipeline system used in the transportation of gas or oil in interstate commerce.

LEGISLATIVE NEED

By resolution adopted on March 9, 1976, in accordance with its oversight responsibilities in the field of internal security, the then-Subcommittee on Internal Security committed itself to an investigation and study of the problems affecting the security of the trans-Alaska pipeline system.

In its study, the subcommittee sought solutions to the problems which emerged through the testimony of witnesses appearing before the subcommittee. The subcommittee sought not to lose sight of the fact that one of the thorny issues to be resolved stemmed from the fact that they were dealing simultaneously with private property, a national need and a concomitant compelling Federal interest in insuring the protection of the private property in question.

The subcommittee's hearings disclosed that the general welfare and the common defense of the American people require that the oil and gas resources need to be protected for the purpose of insuring the reliability of use for present and future generations; and that the trans-Alaska pipeline is of paramount interest to the Nation's well-being and that any threat to this pipeline would result in a major threat to the national security of the United States.

Witnesses before the subcommittee representing law enforcement, as well as the security officials of the Alyeska Pipeline Co. agreed in their testimony that there was a need for Federal legislation which would make it a Federal crime to damage or interfere with the operation of the trans-Alaska pipeline system. These witnesses believed that if they could post placards along the pipeline advertising the fact that any attack on the line or in its operation is a Federal offense, that this would serve to discourage unmotivated vandalism, such as shooting at the pipeline, and it might also serve to discourage discharged employees, disgruntled employees, from venting their anger and damaging the pipeline.

EXISTING JURISDICTION

The jurisdiction relating to the TAP is unclear. In part, the confusion about jurisdiction stems from the fact that the pipeline traverses a patchwork of lands that are differently owned and differently administered, i.e., land owned by the Federal Government, land owned by the State of Alaska, privately owned land and land administered by the Department of Defense. Correspondence between Senator Thurmond and Mr. Clarence Kelley, Director of the FBI, disclosed that the Department of Justice has determined that—

"Federal jurisdiction is exclusive in any part of the pipeline corridor passing over a Defense withdrawal area and concurrent with the State in any part of the pipeline corridor passing over land owned by the United States and held for use by the military at the time Alaska became a State."

Further inquiry concerning jurisdiction provided by the Solicitor's Office for the U.S. Department of the Interior, disclosed that though the FBI does have jurisdiction over defense withdrawal areas in Alaska, this jurisdiction thus far remains a purely theoretical one because the President has never established such areas. Moreover, the territory subject to concurrent jurisdiction between the State of Alaska and the United States includes only 50 miles of pipeline.

In his testimony before the subcommittee, Senator Stevens also expressed doubt that the Alaska State Police will be able to cope with the problem of safeguarding the pipeline against terrorist or other criminal elements: "I want to assure you," he said:

"We have an extremely dedicated police organization and our Commissioner of Public Safety, Richard Burton, has asked me to inform the Committee that he would like to cooperate with the Committee * * * But there again, we believe that because of the area that our State police must cover, an area one-fifth the size of the United States—we have some 450,000 people; we are annually visited by at least 5 times that many—they are extremely busy. In other words, at particular times of the year they just cannot maintain in force a total surveillance of any kind * * *."

STATEMENT

On May 12, 1977, Senator Stevens introduced the instant bill, S. 1502, as a complementary measure to S. 1496, the bill regarding the Trans-Alaska Pipeline System. S. 1502 expands the coverage of S. 1496 to include any interstate pipeline system.

In introducing S. 1502, Senator Stevens pointed out that the Congress later this year will consider the recommendation of the President concerning the route chosen to transport natural gas from the North Slope of Alaska to the south 48. This bill, S. 1502, would cover that pipeline for the distance which it is located within the United States, the Trans-Alaska Pipeline System, and all other interstate pipeline systems located within the United States.

Since there has been some questions raised that the TAPS line is an intrastate pipeline, although it is solely within the State of Alaska, there may be an implication that only Alaskans may tamper with that pipeline system. Thus, S. 1502 is intended to clarify the situation involving the TAPS and expand the scope of this legislation to cover all interstate pipeline systems. S. 1502 complements S. 1496 and should be considered as appropriate for consideration by the Senate as a combined legislative package to cover all willful acts of destruction or attempts to interfere with any interstate or intrastate pipeline system.

COST OF LEGISLATION

The Department of Justice advised that the passage of S. 1502 would not require any new programs and that the cost of investigating and prosecuting violations of the criminal provisions should be borne by their normal budget.

DESTRUCTION OF THE TRANS-ALASKA PIPELINE SYSTEM

The Senate proceeded to consider the bill (S. 1496) to amend title 18, United States Code, to make a crime the willful destruction or interference with the trans-Alaska pipeline system, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That chapter 65 of title 18, United States Code, is amended by adding a new section as follows:

"§ 1365. Destruction of the trans-Alaska pipeline system

"Whoever willfully injures or destroys, or attempts to injure or detroy, the tran-Alaska pipeline system (as defined in section 203 (b) of the Trans-Alaska Pipeline Authorization Act (87 Stat. 584)) shall be fined not more than $15,000 or imprisoned not more than fifteen years, or both.".

SEC. 2. The analysis of chapter 65 of title 18 of the United States Code is amended by inserting after item 1364 the following new item:

"1365. Destruction of the trans-Alaska pipeline system.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to amend title 18, United States Code, to make a crime the willful destruction or attempts to destroy the trans-Alaska pipeline system.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-340), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL, AS AMENDED

The proposed bill, as reported, will provide Federal criminal jurisdiction over willful acts which damage, or which attempt to damage, the trans-Alaska pipeline system.

LEGISLATIVE NEED

By resolution adopted on March 9, 1976, in accordance with its oversight responsibilities in the field of internal security, the then Subcommittee on Internal Security committed itself to an investigation and study of the problems affecting the security of the trans-Alaska pipeline system.

In its study, the subcommittee sought solutions to the problems which emerged through the testimony of witnesses appearing before the subcommittee. The subcommittee sought not to lose sight of the fact that one of the thorny issues to be resolved stemmed from the fact that they were dealing simultaneously with private property, a national need and a concomitant compelling Federal interest in insuring the protection of the private property in question. A substantial body of testimony and evidence (which has been published) was presented to the subcommittee by the following witnesses:

Senator Ted Stevens of Alaska.

Quinn O'Connell, Connole & O'Connell, Washington Counsel for Alyeska.

Earl Ellerbrake, Chief, Transportation Section, Office of Oil and Gas, Federal Energy Administration.

John E. Latz, Technical Assistant to the Under Secretary of the Interior, and Chairman, Technical Advisory Board, Federal Task Force on Alaskan Oil Development.

Leonard A. LeSchack, president, Development & Resources Transportation Co.

Brooks McClure, International Securty Affairs, Department of Defense.

Lt. Col. James F. Kelley, Lt. Col. Joseph E. Naftzinger and Lt. Col. Jerry V. Witt, representing the Joint Chiefs of Staff.

James Goodwin, manager of administration for the Operations Division of the trans-Alaska Pipeline, Alyeska Pipeline Service Co.

James O. Ingram, Deputy Assistant Director, General Investigative Division, FBI.

Richard L. Burton, Commissioner, Department of Public Safety, State of Alaska.

Dr. Maynard M. Stephens, principal energy scientist, Gulf South Research Institute, Baton Rouge and New Orleans, La.

The subcommittee's hearings disclosed that the general welfare and the common defense of the American people require that

the oil and gas resources need to be protected for the purpose of insuring the reliability of use for present and future generations; and that the trans-Alaska pipeline is of paramount interest to the Nation's well-being and that any threat to this pipeline would result in a major threat to the national security of the United States.

Witnesses before the subcommittee representing law enforcement, as well as the security officials of the Alyeska Pipeline Co. agreed in their testimony that there was a need for Federal legislation which would make it a Federal crime to damage or interfere with the operation of the trans-Alaska pipeline system. These witnesses believed that if they could post placards along the pipeline advertising the fact that any attack on the line or in its operation is a Federal offense, that this would serve to discourage unmotivated vandalism, such as shooting at the pipeline, and it might also serve to discourage discharged employees, disgruntled employees, from venting their anger and damaging the pipeline.

EXISTING JURISDICTION

The jurisdiction relating to the TAP is unclear. In part, the confusion about jurisdiction stems from the fact that the pipeline traverses a patchwork of lands that are differently owned and differently administered, i.e., land owned by the Federal Government, land owned by the State of Alaska, privately owned land and land administered by the Department of Defense. Correspondence between Senator Thurmond and Mr. Clarence Kelley, Director of the FBI, disclosed that the Department of Justice has determined that—

"Federal jurisdiction is exclusive in any part of the pipeline corridor passing over a Defense withdrawal area and concurrent with the State in any part of the pipeline corridor passing over land owned by the United States and held for use by the military at the time Alaska became a State.

Further inquiry concerning jurisdiction provided by the Solicitor's Office for the U.S. Department of the Interior, disclosed that though the FBI does have jurisdiction over defense withdrawal areas in Alaska, this jurisdiction thus far remains a purely theoretical one because the President has never established such areas. Moreover, the territory subject to concurrent jurisdiction between the State of Alaska and the United States include only 50 miles of pipeline.

In his testimony before the subcommittee, Senator Stevens also expressed doubt that the Alaska State Police will be able to cope with the problem of safeguarding the pipeline against terrorist or other criminal elements: "I want to assure you," he said:

"We have an extremely dedicated police organization and our Commissioner of Public Safety, Richard Burton, has asked me to inform the Committee that he would like to cooperate with the Committee * * * But there again, we believe that because of the area that our State police must cover, an area one-fifth the size of the United States—we have some 450,000 people; we are annually visited by at least 5 times that many—they are extremely busy. In other words, at particular times of the year they just cannot maintain in force a total surveillance of any kind * * *."

TRANSFER OF MEASURE TO UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there is one measure on the Calendar which has been cleared for transfer to the Unanimous Consent Calendar. It is Calendar Order No. 322, Senate Resolution 203, a resolution to provide for additional copies of "Protective Services for the Elderly."

I ask that the clerk so transfer it.

The PRESIDING OFFICER. The measure will be transferred.

EXECUTIVE K, 95TH CONGRESS, 1ST SESSION—REMOVAL OF INJUNCTION OF SECRECY

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Convention with the Union of Soviet Socialist Republics Concerning the Conservation of Migratory Birds and Their Environment, signed at Moscow on November 19, 1976—Executive K, 95th Congress, first session—transmitted to the Senate today by the President of the United States, and that the treaty with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention between the United States of America and the Union of Soviet Socialist Republics Concerning the Conservation of Migratory Birds and Their Environment, signed at Moscow on November 19, 1976.

In the same manner as other Migratory Bird Conventions which the United States has with Canada, Japan and Mexico, this Convention provides for international cooperation in the protection and preservation of migratory birds. A fundamental function of this Convention is the identification of species of birds which migrate between the United States and the Soviet Union and species of birds which, while not actually migratory between the United States and the Soviet Union, have populations in both States and share common flyways or common breeding, wintering or feeding areas. With respect to these species of birds the Parties undertake certain strict management procedures as well as an ongoing interchange of information regarding the protection of these species.

In addition, as I mentioned in my May 23 Message to Congress on the Environment, this Convention and the legislation which will be submitted to implement it will establish new authority to conserve the habitats necessary to the survival of migratory birds. The Convention contains an undertaking by the Parties to list in an Appendix to the Convention, those Migratory Bird Habitats of special importance within the areas under their jurisdiction and, by mutual agreement, those which are outside the areas under their jurisdiction.

There are many species of birds which will benefit from the provisions of this Convention, which fills a major gap in the protection of the species of migratory birds which exist in the United States. I urge the Senate to act favorably on this Convention at an early date by giving its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *July 18, 1977.*

MINE SAFETY

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. WILLIAMS I ask the Chair to lay before the Senate a message from the House of Representatives insisting upon its amendment to the bill (S. 717) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. I move that the Senate disagree to the amendment of the House and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. NELSON, Mr. RIEGLE, Mr. JAVITS, Mr. SCHWEIKER, and Mr. STAFFORD conferees on the part of the Senate.

DEFENSE APPROPRIATIONS, 1978

The Senate resumed the consideration of H.R. 7933.

TIME-LIMITATION DISCUSSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that final vote occur on the military appropriations bill not later than 6:30 p.m. tomorrow with paragraph 3 of rule XII waived, with the proviso that there be a 2-hour limitation on the amendment dealing with the——

Mr. ALLEN. Helicopter consolidation.

Mr. ROBERT C. BYRD. Helicopter consolidation and amendments thereto.

Mr. STENNIS. Two hours?

Mr. ROBERT C. BYRD. Yes. The time is to be divided between Mr. STENNIS and Mr. ALLEN.

Mr. ALLEN. Yes. That is 2 hours.

Mr. BAKER. Mr. President, I reserve the right to object.

Mr. ALLEN. Two hours for the amendment and amendments thereto with amendments being allowed at any time?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. I am advised there are three amendments that are proposed to be offered by the distinguished Senator from Alaska (Mr. STEVENS) on which he has requested or is now requesting an hour each. I also understand that Senator STEVENS is agreeable to calling those up as the first order of business when we return to consideration of this measure as the first three amendments.

I, therefore, ask the majority leader if he would consider modifying his requests so that Mr. STEVENS could be permitted to call up any or all of those

three amendments at the beginning of our consideration of this measure on tomorrow.

Mr. ROBERT C. BYRD. I include that in my request if it is agreeable with the manager of the bill.

Mr. STENNIS. Mr. President, I reserve the right to object. If the Senator will yield to me, this, of course, is an important bill, and we have had a very busy day and have made a lot of progress on it. But the effort now to finish tomorrow is going to be accomplished only by really moving the bill along all day, disposing of one amendment right after the other. I really do not think it is hardly fair after everyone has mostly gone to give certain ones preference here in order, and sign away a lot of the time here on amendments that are important, but they are not overwhelmingly important compared to all the others.

The only way I have ever seen a bill move fast is for Senators to be here competing for time to get up their amendments, get them up, discuss them briefly, and pass on them.

I think that with as much as we have here—I can go over them if you want to, by name, or some of them—we are planning a 2-day effort here, to finish this measure, and if we go to assigning time now, assigning 3 hours of perhaps a 12-hour session tomorrow to one Senator to start with——

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Alaska is here. He could call up his amendment right now and be assured it would be first tomorrow. That would assure, may I say to the distinguished manager of the bill, that we will not waste time in the morning waiting for Senators to come to the floor.

Mr. STEVENS. Mr. President, I might say to the Senator, I am not sure it would take an hour on each one; but the last experience I had with calling up amendments, waiting and being patient, was that we ended up not having any time. I am not prepared to agree to a time limitation on these three amendments that will not give us an opportunity to debate them. I have several cosponsors. But I am willing to take them up bright and early, get here as early as the Senator wishes to start, and do our best to finish them in less than an hour.

Mr. BAKER. Mr. President, reserving the right to object, I very much hope the Senator from Mississippi will not object to that provision.

I might say, not by way of compulsion, but just for information, that we have gone to some considerable length to try to get this agreement, particularly the part dealing with the final vote at 6:30. I simply cannot agree to that 6:30 time unless we can reach an agreement on the sequence of these amendments we have discussed. I regret to say that, but it is simply so, and I would hope the Senator from Mississippi would not object.

Mr. STEVENS. Mr. President, if it will help, I would be happy to limit the time on two amendments to 20 minutes on a side, with 30 minutes on a side on the commissary amendment.

Mr. STENNIS. You are certainly getting down to more reasonable times now than an hour on a side.

Mr. STEVENS. Oh, no, I never asked for an hour on a side.

Mr. STENNIS. What are you willing to agree to, then? Thirty minutes each on the blue collar amendment and the commissary amendment, and the retired personnel?

We are going to have a lot of amendments here tomorrow. Pilot training, certainly that is a reasonable time for that. That was not given a place on the docket; but an hour to a side, was it not?

Mr. STEVENS. On the Wage Board amendment, the Senator from Alabama, I do not know whether he wishes to speak. Senator DURKIN wishes to speak on it. On the dual compensation, Senator TOWER, Senator HATCH, and Senator GRAVEL have indicated they wish to speak; and on the other one, the commissaries, Senator HATCH and myself have been involved.

I think the commissary one—as I say, I would be willing to agree to reduce the time on the Wage Board and the dual compensation amendments to 40 minutes, with 20 minutes on a side.

Mr. STENNIS. That is what you call the retired personnel, I believe it is listed as here?

Mr. STEVENS. Yes.

Mr. STENNIS. How much is that time?

Mr. STEVENS. I am talking about amendment No. 500, which we call the Wage Board amendment, and amendment No. 501, which is the dual compensation or retired persons amendment.

Mr. STENNIS. Yes.

Mr. STEVENS. Forty minutes equally divided, and on the commissary amendment, No. 499, it would be an hour equally divided. Again, we would be happy to try to shorten that time, but others have asked for time.

Mr. STENNIS. Well, it will take 2 days. It will if you give them all what they want. If we expect to finish tomorrow, now, letting everybody have time, we had just as well face it now.

Mr. STEVENS. The agreement in effect right now gives us half an hour on each one.

Mr. STENNIS. The blue collar, what did you say on that one? If we are going to condense the time, I can stay here as long as any Senators desire. We have to give time for consideration of the bill, and we may have to reduce the time for the consideration of amendments.

Mr. STEVENS. Yes, sir; I am trying to do that.

Mr. STENNIS. You plan to finish this tomorrow, is that right, Senator BYRD?

Mr. ROBERT C. BYRD. Yes, I hope to do that.

If the floor manager will allow me, I think the Senator from Alaska has been very cooperative and understanding, and has agreed to cut his time to 40 minutes on each of two amendments.

Mr. STENNIS. You do not have to defend the Senator from Alaska. He is one of my favorites.

I tell you, you fix it the way you want to. I will be around.

Mr. ALLEN. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request.

Mr. BAKER. Mr. President, what is the arrangement under the existing unanimous-consent order with regard to limitation of time for debate on amendments, if any?

The PRESIDING OFFICER. It is 1 hour on each amendment in the first degree except on the B–1 amendment, on which there were 2 hours, and the CFR amendment, 2 hours.

Then there are the two committee amendments remaining, on which there is no time limitation.

Mr. BAKER. I thank the Chair. My only point is that I do not think there is any possibility of finishing this bill tomorrow if we go by the existing limitations.

I would hope, Mr. President, that we could arrive at a time certain to vote tomorrow, and not too late in the evening. May I ask the majority leader, under these circumstances, if he would consider making his unanimous-consent request again in the morning?

Mr. ROBERT C. BYRD. I will make it tonight. I would like to say to the Senator from Mississippi, it is not a matter of pleasing myself.

Mr. STENNIS. I know that.

Mr. ROBERT C. BYRD. I am trying to accommodate the Senate, and, along with that, the manager of the bill, and be as helpful as I can.

Mr. STEVENS. I say to the Senator, if it will help the Senator, I want that agreement, and if we can get this bill finished and move on to the next one, I will be happy to make it 30 minutes each on those two amendments, and divide them halfway, and take 40 minutes on the commissary amendment.

That is giving an hour and a half, Senator, from what we are entitled to now. I think you ought to give us the agreement to vote by a time certain tomorrow night.

Mr. STENNIS. Mr. President, I am not begging for any quarry, particularly, but here is a bill we have been holding hearings on since January. Some 3,300-odd line items were examined in those hearings. I do not know how many printed pages of the report there are, as put together by two master craftsmen, the Senator from Arkansas and the Senator from North Dakota, with the others on the committee.

But as far as managing the whole bill, you know, I was called in here this morning at 10 o'clock, or something like that, and honored to try to step into the place of the chairman of the committee. We have all this mass of amendments here, much of which is legislation on an appropriation bill, trying to put across policies, writing legislation, not just DOD, but other committees, and I cannot honestly say, "Well, it doesn't matter, take them all."

We have to have time to go into them. That is why I was saying let us be careful, let us go slowly.

Just go ahead and we will do the best we can. We can double up in our efforts to get through. I do not object to that. I see the point of the Senator.

Some of these amendments are old. They have been proposed over and over again. It will not take long to get into them. But if we have to wait for a Senator to finish presiding over a committee meeting to get here, and then he has to send back for his material, we cannot do it all in 1 day.

Mr. BAKER. Will the Senator yield?

Mr. STENNIS. If I may finish, then I will.

If we call one amendment and the Senator is not here, I hope we will go to the next one and not wait for a Senator to arrive, unless there are extraordinary circumstances. On rollcall votes we will have a lot of trouble.

Mr. ROBERT C. BYRD. Mr. President, I thought I had cleared the request with the distinguished Senator and the ranking member. I would attempt to get an agreement for a final vote by no later than 6:30 tomorrow night. Unless I misunderstood the chairman, I thought he had given his assent.

Mr. STENNIS. I did not realize that. We will all try. We will get there. I like the idea of finishing as soon as we can.

Mr. ROBERT C. BYRD. Then, Mr. President, I renew my request.

Mr. BAKER. Mr. President, reserving the right to object——

Mr. ALLEN. Mr. President, reserving the right to object, I really hate to see this more or less forced on the distinguished manager of the bill.

Mr. ROBERT C. BYRD. This is not being forced on the manager of the bill.

Mr. ALLEN. It seems to me he is reluctant to make this agreement.

Mr. ROBERT C. BYRD. I thought I had cleared this with the manager of the bill earlier, otherwise I would not have presented it. I am trying to be considerate of the manager of the bill. He has been called in on short notice to manage a bill which, under certain circumstances, makes it rather strenuous. That was my understanding. I hope if the manager of the bill is in agreement, my friend from Alabama will not object.

Mr. ALLEN. Further reserving the right to object, I understand that the situation is on the helicopter amendment, there will be a 2-hour time limitation on the amendment and amendments thereto, which amendments would be offered at any time, and that this time would be allowed irrespective of the 6:30 deadline. Is that correct?

Mr. ROBERT C. BYRD. That was the understanding that I had with the distinguished Senator from Alabama.

Mr. ALLEN. I understood that.

Mr. ROBERT C. BYRD. That proviso should be clearly stated in the agreement.

Mr. BAKER. Mr. President, I am not sure I understand that.

The helicopter amendment, so-called, can be offered at any time, regardless of the 6:30 final passage time. Does that mean we can extend beyond 6:30 for a final passage vote?

Mr. ALLEN. Yes, because even though this amendment and another amendment were committee amendments, the Senator from Alabama has been requested to withhold his amendments until later on in the consideration of the bill. I have acceded to that request. I am willing to offer them at any time, or to have committee amendments called up at any time. I rather believe it is in keeping with the wishes of the managers of the bill as they come toward the end. I will be on the alert to handle the matter before 6:30. I am not trying to extend it beyond 6:30. I merely want to be guaranteed that we will have an opportunity to be heard on these amendments.

Mr. BAKER. Mr. President, I do not object, but I want to make sure that we clearly understand what we are about. That consent request in that form would not necessarily, then, guarantee final passage at 6:30.

Mr. ALLEN. No, but I would certainly be working toward that end. I assure the Senator of that. Obviously, if I am crowded in offering my amendments, I want the opportunity to have the time. At this time there is no limit on these amendments.

Mr. STENNIS. Mr. President, there is one point I want to call attention to. On these amendments that we do not know anything about, and a Senator can just write out an amendment to add $300 million, or anything else, if there is anything which has not been filed by now they could come in tomorrow and pile them up where it would be impossible to research them out or get the facts for the Senate, or finish.

The PRESIDING OFFICER. The Chair would like a clarification from the majority leader. Is the understanding of 30 minutes on each of the first two amendments and 40 minutes on the third amendment?

Mr. BAKER. The 40-minute amendment is the commissary amendment.

Mr. ROBERT C. BYRD. That is correct.

The PRESIDING OFFICER. Would the Senator be recognized first?

Mr. ROBERT C. BYRD. Yes. That would be commencing at 9:30. I believe the Senator from Mississippi said it would be agreeable to start at 9:30.

Mr. STENNIS. What about the idea of any amendment which is brought up tomorrow, which has not been filed by the time we recess, will have a minimum of 30 minutes anyway.

Mr. ROBERT C. BYRD. Yes.

Mr. STENNIS. If we do not get through by 6:30, we are just not through. The Senator cannot help it and neither can I.

Mr. BAKER. Mr. President, is it so that the present unanimous-consent order provides for a 1-hour limitation on any amendment as described by the Senator from Mississippi, all amendments other than those identified in the order previously?

Mr. ROBERT C. BYRD. But that term would be vitiated unless we included a similar proviso in this agreement.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Will the Chair repeat himself?

The PRESIDING OFFICER. Yes, in answer to the question, except at 6:30 there would be a vote.

Mr. ROBERT C. BYRD. But this is a new agreement.

The PRESIDING OFFICER. Unless that provision obtains.

Mr. BAKER. It is the intention of the majority leader to vitiate the present unanimous-consent order and substitute this one in its place?

Mr. ROBERT C. BYRD. Yes, and we could add a proviso with regard to the time on each amendment. I believe the Senator from Mississippi is right in requiring a 30-minute limitation on any amendment which is not at the desk at this time. Do I understand the Senator correctly?

Mr. STENNIS. Yes.

Mr. BAKER. What about the 6:30 time to vote? Would that be extended, may I ask the Senator from Mississippi?

Mr. STENNIS. To do what?

Mr. BAKER. Suppose at 6:15 an unprinted amendment is presented. Is it the position of the distinguished Senator from Mississippi that the full 30 minutes contemplated by this colloquy would be available and extend the time to vote to, say, 6:45?

Mr. STENNIS. It could well be that it would be needed very badly. There should be some kind of protection. I just came on duty this morning with an agreement made last week. I thought of that last year and we made some kind of proviso, but I have forgoteen what it was. That was a proviso to take care of late amendments.

Mr. ROBERT C. BYRD. Mr. STENNIS is going to call up his three amendments early and Mr. ALLEN has assured the Senate that he anticipates getting his amendments up in time so that they will not impinge on the 6:30 deadline.

I would include in the request that there be a 30-minute time limitation on my amendment which is not at the desk now. There should be a time limitation on any amendments so that we can proceed in some kind of orderly fashion. I would include, Mr. President, the request that there be a time limitation on any other amendment which has not been mentioned of 30 minutes to be equally divided in accordance with the usual form, and, of course, I think there should be a proviso for 2 hours on the bill so that the managers of the bill may yield therefrom in accordance with the usual form.

Mr. BAKER. Mr. President, reserving the right to object, what is the status of the limitation of time on the bill itself within the contemplation of this agreement?

The PRESIDING OFFICER. Two hours.

Mr. STENNIS. We yielded some of that today.

Mr. BAKER. I ask the Chair, then, what time remains on the bill and would it be available under this unanimous-consent formulation so the manager and the ranking Member could yield some time off the bill in assistance of debate on this amendment?

The PRESIDING OFFICER. Sixty-five minutes remain for the Senator from Mississippi and 94 minutes for the Senator from North Dakota, exclusive of the last 15 minutes.

Mr. BAKER. Mr. President, if the distinguished majority leader would advise

me, then, is it his intention that that time thus remaining under the previous order be carried over in the same form as the new order and available for yielding by the managers?

Mr. ROBERT C. BYRD. No. In accordance with the request I have just promulgated, the old agreement would be entirely vitiated. Under the new agreement, there would be an hour for Mr. STENNIS and an hour for Mr. YOUNG, which they could yield.

Mr. BAKER. Two fresh hours?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, in further explanation of my reservation under the unanimous-consent agreement, I advise the majority leader that I have a tabulation here of amendments to be offered on this side as follows: Senator STEVENS has three amendments, which we are proposing to deal with under this agreement. Senator DOLE has an amendment; Senator HELMS has a point of order; Senator BELLMON has an amendment. Senator HELMS has an amendment in addition to the point of order. Senator GOLDWATER, according to this notation, has two amendments.

Mr. President, I advise the majority leader that I cannot agree to this unanimous-consent request at the moment until I try to check with three people on this tabulation. I, therefore, ask the majority leader to withhold his request or, if he prefers, I shall suggest the absence of a quorum so we can continue.

Mr. ROBERT C. BYRD. I shall be glad to withhold my request.

Mr. GRIFFIN. Mr. President, will the Senator yield? I have a matter that will take about 2 or 3 minutes.

Mr. BAKER. I yield.

INACTION ON CLEAN AIR: FLIRTATION WITH DISASTER

Mr. GRIFFIN. Mr. President, over the weekend, I was pleased to learn that a meeting of the conferees on the Clean Air Act Amendments of 1977 was finally scheduled for this afternoon—53 days after passage of the bill by the House and 38 days after the Senate approved its version of the legislation.

I do not wish to appear frivolous—but when I note the breakneck speed with which the clean air conferees have proceeded so far, I can only hope that their headlong rush to the conference table will not foreshadow any rash and precipitate judgments on this critical legislation.

Seriously, there can be no doubt at all that this, indeed, is very critical legislation.

It is critical in its substance—and in its impact on major industries throughout the country.

It is critical as well in its timing—for an unconscionable, inordinate delay in achieving final enactment of the Clean Air Act amendments poses a real threat to our entire economy.

The simple fact is that, if it takes the conferees so long to reach agreement as it took them to begin conferring, we are likely to witness a shutdown of the entire automobile industry—and with it one-sixth of our Nation's economic structure.

Failure by Congress to act would deal a severe blow to millions of American workers and their families whose livelihoods depend on automobile-related jobs.

Everyone agrees that technology is not available to meet the emission standards which were written into the law for 1978 models. Both the House and the Senate have recognized the necessity for extending 1977 standards for another year if 1978 model production is to begin in August as scheduled.

Ironically, however, it is differences between the two Houses with respect to future model years—not 1978—that may shut down production of 1978 model cars. Unless this and other differences are resolved before Congress adjourns for August recess, 3 weeks from now, we may return after the recess to find that inaction has triggered economic chaos.

The Nation simply cannot afford this flirtation with disaster.

The Detroit News accurately pointed out the gravity of the situation in an editorial last week:

> Congress' tardiness in dealing with this issue—and there is no excuse for its slowness—may be intended as torment for the auto executives. But the result is far more widespread than that.
>
> The auto worker and his family also suffer uncertainty caused by this brinksmanship. Thousands of hourly-paid workers do not know whether they will be working in August. This time the auto barons are not the bogey men responsible for the anxiety. This is a summer's gift from the elected members of Congress. . . .

I submit, Mr. President, that a "gift" from Congress of uncertainty, anxiety, and suffering is one that American auto workers can do without. The best gift we can give them is assurance that their jobs will continue.

We can do that if there is prompt agreement and adoption of an amendments conference report.

I urge my colleagues who are associated with the conference to negotiate constantly—around the clock, if necessary—and quickly to adopt a conference report. I urge them to get on with this job of reaching agreement on the Clean Air Act, a job that has, too long, been delayed.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEFENSE APPROPRIATIONS 1978

The Senate continued with the consideration of H.R. 7933.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Bill Jackson of my staff may have the privilege of the floor during consideration of the Defense appropriation measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. I ask unanimous consent that Bruce Van Voorst of my staff have the privilege of the floor during consideration and votes on this measure.

Mr. GRIFFIN. I make a similar request with respect to Robert Turner of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, Senator GOLDWATER introduced an amendment to this bill which pertains to language on page 8. It has no number yet, that I know of. I ask unanimous consent that Senator BENTSEN be added as an original cosponsor of that amendment, along with Senator GOLDWATER.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 7933

Mr. BAKER. Mr. President, I still hope we can get a unanimous-consent agreement to dispose of this bill tomorrow. I should like to report to my colleagues, for the information of the majority leader and the managers of the bill, that this is my tabulation now of the business we still must transact on this side: Three amendments by Senator STEVENS, which have already been identified, and there is already a proposal for a modified time limitation; one amendment by Senator DOLE, on which, I am advised, he will require an hour; one amendment by Senator HELMS, on which he is agreeable to 30 minutes; one point of order by Senator HELMS, on which there will be a limitation of 30 minutes; one amendment by Senator BELLMON, on which he would require a time limitation of 1 hour; two amendments by Senator GOLDWATER, on which we can agree to 30 minutes each, equally divided.

I am advised, as well, Mr. President, that there are either two or three Allen amendments, plus one Kennedy amendment, so there are other amendments that will likely originate on the majority side of the aisle. That will carry us for some time.

I might also add, Mr. President, that I am concerned about the 6:30 deadline. I wonder if the majority leader would consider some modification of that provision, in view of this tabulation of circumstances.

Mr. ROBERT C. BYRD. Yes.

I talked with the distinguished manager of the bill and I believe that it would be more agreeable with him if it were made not later than 8 o'clock, rather than 6:30 p.m. I would change it.

Mr. STENNIS. I think that would be a good suggestion and would help a lot.

Mr. BAKER. Mr. President, I think that would be.

Mr. STENNIS. I am willing to take up more amendments tonight, to get some more here.

Mr. ROBERT C. BYRD. If Senator STEVENS is here——

Mr. BAKER. Mr. President, I understand he is not. As the distinguished majority leader knows, we have advised Senators there would be more votes tonight. They tend to evaporate pretty fast.

I do not believe there would be much effect in doing that on this side.

Mr. STENNIS. All right, make it 8 o'clock tomorrow.

Mr. BAKER. I think that would be a great help and give everybody additional protection.

I understand the unanimous-consent order would provide as well for 2 hours on the bill and would provide 30 minutes on unprinted amendments.

Mr. ROBERT C. BYRD. And 30 minutes on any amendment that has not been mentioned here. I suppose we should include debatable motions, appeals and points of order, because otherwise we might be caught without having that.

I would suggest 20 minutes on debatable motions, appeals, and points of order.

Mr. BAKER. Mr. President, if I can make two remarks under my reservation.

First, if we can shorten rollcalls tomorrow, I will try to do that. I cannot agree to that at this moment, but I will try.

Second, I would urge all of our colleagues to offer their amendments, to call them up as soon as possible, because, inevitably, with a particular hour for final passage, almost always we get caught with amendments not disposed of and it has the effect of further reducing the time available.

So, Members on this side of the aisle, I would urge them to offer their amendments tomorrow as soon as possible.

Mr. ROBERT C. BYRD. And Senator STEVENS is already on record stating he would call up his three first, in sequence.

Mr. BAKER. Yes. And I understand the unanimous-consent request would provide for that?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Is there objection to the modified unanimous-consent request?

Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That on Tuesday, July 19, 1977, when the Senate resumes consideration of H.R. 7933 (Order No. 304), the Department of Defense Appropriation Bill, debate on any amendment (except amendment No. 499) by the Senator from Alaska (Mr. STEVENS), on which there shall be 40 minutes, an amendment relating to helicopter consolidation, and any amendments thereto, on which there shall be 2 hours; an amendment by the Senator from Kansas (Mr. DOLE), on which there shall be 1 hour; and an amendment by the Senator from Oklahoma (Mr. BELLMON), on which there shall be 1 hour) shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided further*, That at any time during the debate on the helicopter consolidation amendment, amendments thereto be in order: *Provided further*, That the 30 minutes shall be guaranteed, notwithstanding any other provisions of this agreement, on any amendment which had not been presented to the Desk prior to the Senate recessing last evening, July 18, 1977.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Mississippi (Mr. STENNIS) and the Senator from North Dakota (Mr. YOUNG): *Provided*, That the said Senator, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered further, That the vote on final passage shall occur no later than 8:00 p.m. Tuesday, July 19, 1977.

Mr. ROBERT C. BYRD. Mr. President, I thank the manager of the bill (Mr. STENNIS), the ranking Member (Mr. YOUNG), the minority leader, (Mr. ALLEN), and all of the Senators here who cooperated.

Mr. STENNIS. I appreciate what the Senators are doing. If we have a little luck tomorrow we could drop out some of these without having to take them up.

UNANIMOUS-CONSENT AGREEMENT—EXECUTIVE F

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that when the Senate considers the resolution of ratification on Executive F (95th Cong., 1st sess.), Calendar No. 2, debate on the resolution of ratification be limited to 2 hours, to be equally divided and controlled by the Senator from New Jersey (Mr. CASE) and the Senator from Alabama (Mr. SPARKMAN), that debate on any amendment, reservation, understanding, or declaration thereto be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the resolution, that debate on any amendment in the second degree or amendment to a reservation, understanding, or declaration be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution, and that debate on any debatable motion, appeal from the ruling of the Chair, or point of order in connection with the resolution of ratification be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution.

Mr. ALLEN. Reserving the right to object, is this the pipeline?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—H.R. 2

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the conference report on H.R. 2, the surface mining bill, there be an agreement as follows: That one motion to recommit by Mr. BUMPERS be in order, that there be a time limitation of 4 hours on that to be equally divided between Mr. BUMPERS and Mr. METCALF, that no tabling motion be in order with respect to that recommittal motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, will the Senator yield to me on this question?

Mr. ROBERT C. BYRD. I yield.

Mr. STENNIS. What time does the majority leader expect to take up this bill tomorrow?

Mr. ROBERT C. BYRD. 9:30.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF H.R. 7933 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 9:30 tomorrow morning the Senate resume consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEFENSE APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7933.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators for their forbearance and consideration and cooperation and understanding in reaching the new agreement on the bill. I think it will save the Senate a day's work, in reality.

Mr. BAKER. Mr. President, if the Senator will yield, I also feel that it will save us a day's debate on this measure. After all is said and done, with the adjustments that were made in the unanimous-consent order, I think everyone is protected within reasonable limits, so far as we can ascertain their interests.

I think it is a good agreement, and I commend the majority leader for his efforts and his perseverance.

Mr. ROBERT C. BYRD. I thank the minority leader for his helpfulness.

Mr. President, I yield the floor

Mr. CLARK. Mr. President, I ask unanimous consent that Charles Stevenson, of Senator CULVER's staff, have the privilege of the floor during the consideration of the Defense appropriation measure.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, I intended to do that myself. I thank the distinguished Senator, Mr. CLARK, for having made the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, if there is any time remaining following the conclusion of the special order and the hour of 9:30 a.m., there be a brief period for the transaction of routine morning business, with no resolutions coming down under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 6:59 p.m. the Senate recessed until tomorrow, Tuesday, July 19, 1977, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 18, 1977:

DEPARTMENT OF JUSTICE

William H. Shaheen, of New Hampshire, to be U.S. attorney for the district of New Hampshire for the term of 4 years, vice William J. Deachman III, term expired.

Edward F. Harrington, of Massachusetts, to be U.S. attorney for the district of Massachusetts for the term of 4 years, vice James N. Gabriel, term expired.

Hubert H. Bryant, of Oklahoma, to be U.S. attorney for the northern district of Oklahoma for the term of 4 years, vice Nathan G. Graham, resigned.

William B. Gray, of Vermont, to be U.S. attorney for the district of Vermont for the term of 4 years, vice George W. F. Cook.

Wesley David Lane, of Minnesota, to be U.S. marshal for the district of Minnesota for the term of 4 years, vice Harry D. Berglund.

William J. Evins, Jr., of Tennessee, to be U.S. marshal for the middle district of Tennessee for the term of 4 years, vice Leon T. Campbell.

Earle B. McLaughlin, of Vermont, to be U.S. marshal for the district of Vermont for the term of 4 years, vice Christian Hansen, Jr.

IN THE ARMY

The following officer for appointment in the Army National Guard of the United States under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be brigadier general

Col. James Clifford Good, [redacted].

IN THE AIR FORCE

The following Air Force officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, with the dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be major

Payne, James E., [redacted].

To be first lieutenant

Muehlberger, Gerald L., [redacted].
Kalosis, John J., Jr., [redacted].

DENTAL CORPS

To be captain

Kyle, Frank A., Jr., [redacted].

To be first lieutenant

Parrott, Gerald E., [redacted].

The following persons for appointment as reserve of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Bisgard, Jay C., [redacted].
Blattman, John, [redacted].
Cortez, Joseph A., [redacted].
Day, Ralph W., [redacted].
Ellenbogen, Charles, [redacted].
Froelicher, Victor F., Jr., [redacted].
Gams, Richard A., [redacted].
Goff, Terry H., [redacted].
Hale, Robert, [redacted].
Hansen, Paul T., [redacted].
Hooker, John P., [redacted].
Merrill, Robert C., [redacted].
Pietrzak, Julius, [redacted].
Sheffer, Thomas F., [redacted].
Siegel, Donald, [redacted].
Thorshov, Jon R., [redacted].
Zimmerman, Alfred M., [redacted].

The following persons for appointment as temporary officers in the U.S. Air Force, in the grade indicated, under the provisions of sections 8444 and 8447, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Church, McGregor L., [redacted].
Cortez, Joseph A., [redacted].
Dehnel, Luther L., [redacted].
Goff, Terry H., [redacted].
Hooker, John P., [redacted].
Merrill, Robert C., [redacted].
Pietrzak, Julius, [redacted].
Sheffer, Thomas F., [redacted].
Zimmerman, Alfred M., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 8376 and 593, title 10, United States Code:

LINE OF THE AIR FORCE

Major to lieutenant colonel

Anderson, Stokes W., Jr., [redacted].
Arnold, Gary D., [redacted].
Bawcum, Robert W., [redacted].
Fordham, Lawrence C., [redacted].
Frazier, Thomas E., [redacted].
Fuller, William T., Jr., [redacted].
Jordan, Fred N., Jr., [redacted].
McAfee, James L., [redacted].
Murphy, Walter D., [redacted].
Sher, Bernard S., [redacted].
Watson, Joe N., [redacted].

CHAPLAIN CORPS

Tolbert, I. V., [redacted].

MEDICAL CORPS

Dewitt, Dexter D., [redacted].
Eaton, Wyley E., [redacted].
Hovick, Jack H., [redacted].
Liest, Edward J., [redacted].
Northington, Floyd C., [redacted].
Rodrigueztellez, Jaime, [redacted].
Wright, George D., [redacted].

NURSE CORPS

Lehman, William W., [redacted].

IN THE ARMY

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant under the provisions of title 10, United States Code, sections 2106, 3283, 3284, 3286, 3287, 3288, 3290, and 3311:

Allison, William J. [redacted].
Ashley, Vincent E., [redacted].
Athanaseas, Nicholas A., [redacted].
Bitto, Joseph P., [redacted].
Boucher, Robert S., [redacted].
Box, Michael, [redacted].
Brinson, Robert K., [redacted].
Broach, Donald H., [redacted].
Butler, Bruce E., [redacted].
Christiansen, Jeffery T., [redacted].
Covert, Deana M., [redacted].
Dearborn, Michael C., [redacted].
Desosa, Maximo T., [redacted].
Douglas, Robert E., [redacted].
Ezzo, Michael R., [redacted].
Farley, Barbara S., [redacted].
Frink, William D., Jr., [redacted].
Gibbons, Donald L., [redacted].
Guenther, Robert F., III, [redacted].
Hollar, Richard B., Jr., [redacted].
Lawson, Roy E., [redacted].
Matos, Richard U., [redacted].
McCabe, Richard L., [redacted].
Miles, Francis G., [redacted].
Morrell, John W., [redacted].
Mosby, Faye W., [redacted].
Perkins, David G., [redacted].
Petrone, Robert F., [redacted].
Piccirilli, George J., [redacted].
Pointon, David W., [redacted].
Roma, Susan, [redacted].
Russell, Kathy A., [redacted].
Ruud, William N., [redacted].
Sullivan, Michael H., [redacted].
Sutherland, Greg V., [redacted].
West, Timothy W., [redacted].
Young, Anna L., [redacted].

The following-named scholarship students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3283, 3284, 3286, 3287, 3288, 3290, and 3311:

Bedey, David F., [redacted].
Graham, Keith D., [redacted].
Hart, Davis B., [redacted].
Heike, Melissa A., [redacted].
Kelton, James W., [redacted].
Sabatini, Richard A., [redacted].
Scotto, Victor J., [redacted].
Stokes, Sterling R., Jr., [redacted].
Tice, Linda J., [redacted].
Wolfe, Frederick E., [redacted].

IN THE NAVY

The following temporary captains of the U.S. Navy for permanent promotion to the grade of captain, pursuant to title 10, United States Code, sections 5780 and 5782.

LINE

Adams, John Lewis
Agnew, William Franklin
Alderson, Donald Marr, Jr.
Alexander, Howard Willis
Allen, Galen Bruce
Almstedt, Theodore A., Jr.
Ammann, Robert Eugene
Anderson, Erns Moses
Anderson, Robert George
Arthur, Glenn Neal, Jr.
Aut, Warren Edward
Baker, Walter Fay
Barlow, James Dale
Barr, Ronald Lloyd
Bartholomew, James Harold
Batzler, John Richard
Bauder, James Reginald
Bausch, Francis Adam
Bennett, Raymond D.
Biegel, Herbert Karl
Bixby, Harry Llewellyn, Jr.
Black, Cole
Blackwell, Jack Lester, Jr.
Blanchard, James Williams, Jr.
Blanchard, Ralph William, Jr.
Bley, John Earl, Jr.
Bock, E. James

Bond, John Roger
Boslaugh, David Lee
Bossart, Edmund Belfour, Jr.
Bosworth, Thomas Charles
Brace, Robert Lawrence
Bracken, Leonard Anthony, Jr.
Braun, Peter Joseph
Breast, Jerry Creighton
Bredbeck, William John
Browder, Edward Hughes
Brown, Nicholas
Browning, Robert Barrett
Buck, Wallace Alfred
Bull, Norman Springer
Bullard, Jerry Lynn
Burch, William Joseph
Burgess, Harold Ernest, Jr.
Burnett, Richard Walter
Butts, Richard Franklin
Buzzard, Robert Dow
Cabot, Alan Seymour
Camerson, Jim Foster
Cann, Thomas Peter
Cannon, James Rowland
Carmichael, E. Inman
Carry, Allan Harry
Carter, Winfred Gibson
Caruso, Amedeo Brooke
Case, Robert William
Cellar, Charles Joseph, Jr.
Channell, Ralph Norman
Chase, Warren Pritchett
Chatham, Walter Lewis
Clement, Carl Clarence, Jr.
Coakley, Stephen Anders
Cobb, Emsley Foster
Cockfield, David Wellington
Coffey, Roger Lee
Coleman, Charles Louis
Collier, Neuland Craig
Conklin, Robert Brewster
Conley, David Jack
Conway, James McNarney
Cook, Charles Fred
Corr, Peter Sarsfield, Jr.
Courtney, Warren Paul, Jr.
Cowles, Robert Roger
Coyne, William Louis
Crane, Herbert Clayton
Crummer, James Frederic
Daleke, Richard August
Dallamura, Bart Michael, Jr.
Daloia, John, Jr.
Daly, Paul Sylvester
Darby, Jack Neal
Daus, Rudolph Halouk
Dawson, Albert Lee
Dean, Ronald Irwin
Debroder, Glen George
Degroff, James Lewis
Delano, George Broughton
Demaris, Darryl Arthur
Demars, Bruce
Demmin, Lester Franz
Diehm, William Charles, III
Diley, Lewis Edwards
Dillon, John Francis
Disher, John Stephen
Dopazo, Anthony John
Dougherty, Gerald Patrick
Dowd, Gregory Patrick
Duffy, Francis Joseph
Eason, William Gaberial
Easton, Ervin Ray
Eckart, James Herbert
Edwards, Leslie Richard
Ehrman, Robert Gronau
Eidsmoe, Norman Edward
Elder, William Norman
Elie, Gayle Owen
Elmore, John Elvin
Emerson, John Robert
Emery, Robert Edward
Ervin, Billy Maxwell
Estocin, Michael John
Fancher, Allen Prude
Farino, Francis Joseph
Fend, Clarence Edwin, Jr.
Fetterman, John Henry, Jr.
Fillingane, Hulon Perry
Fischer, Theodore Arthur, Jr.
Fladager, Myles Edwin
Flight, John William, Jr.
Flowers, Walter Raymond
Foote, Everett William
Ford, James Nolan
Fortenbery, Thomas Nile
Frederick, Peter Griffith
Frederick, Russell Earl
Froid, James Carl
Fulk, Gerald Albert
Galinsky, Jerome James
Gammell, Clark Morten
Garrow, Jack Alfred
Gasser, Thomas Albert
Gelke, John Joseph
Gerhan, Charles Frederic, Jr.
Gerow, Francis William
Gibson, Robert Byron, Jr.
Gilbert, Donald Bruce
Gleim, James Mac
Gonzalez, Alfred Hector
Gooding, Charles Lewis, Jr.
Grafius, Guy Albert Boyer
Graham, Robert Francis
Grandjean, Charles Albert
Grantman, Roger Harold
Granum, Roger Barnes
Greathouse, Edwin Allen
Greenhalgh, William T., Jr.
Grimes, Laurence Hill, Jr.
Grose, Robert Howard
Grozen, Paul Barton
Guille, Sherred Leslie
Hague, John Douglas
Haines, Collins Henry
Halle, S. Portland, III
Hamilton, Robert Barry
Hammond, Leroy Lawrence
Hamrick, Franklin Garner
Hankins, Elton Ellsworth
Hanson, Edwin Eugene
Harden, Thad Harold
Harmon, James Orlando
Harmony, Lee Donald, Jr.
Harrison, Stuart Edward
Harvey, Neil Leavitt
Harvey, Richard Morris
Hastoglis, Anthony Anastes
Henry, William Frew
Hernandez, Diego Edyl
Herzog, Louis Landon
Hettinger, Louis Paul
Hickey, John Alan
Hine, Paul Melvin, Jr.
Hine, Raymond William
Hodge, Sidney Theodore
Hoover, Harry Allen
Horowitz, Charles Lawrence
Hosier, Charles Stone
Hoskins, Perry Don
Hughes, Richard McBurney
Jackson, George Lester
Jackson, Robert Stanley
James, Harry Rees, III
Janes, William Eastman, Jr.
Jardine, Edward Fell, Jr.
Jefferis, Lawrence Richard
Jewell, Robert William, Jr.
Johnson, Billie Dell
Johnson, Roger David
Johnson, Thomas James
Johnson, Virgil John
Jones, Gerald Leon
Jones, Harry Wilson
Jones, Roycroft Clifton, Jr.
Juergens, John Goucher
Karlen, James Herbert
Kavanagh, Robert Garza
Keene, Thomas Jack
Kellaway, Peter Walter
Kellerman, Donald Wayne
Kelso, Frank Benton, II
Kennedy, Jack Martin
Kennington, William Arthur
Kerrigan, Robert Joseph
Kiefaber, Thomas Gilbert
Kiehl, Richard Lawrence
Kirby, Alexander Griswold, Jr.
Klusmann, Charles Fredrick
Knaus, Vincent Leo
Kolaras, Demosthenes Nicola
Kollmorgen, Frederick Joseph
Kopfman, Theodore Frank
Kramer, James Bernard, Jr.
Kraus, Kenneth Eugene
Kristof, John James
Kucera, Ronald Cornell
Kuehmeier, Joseph Karl
Kuplinski, Stanley Joseph
Lee, Leonard Murray
Leopold, Robert Koller
Lewey, Ira Dale
Lewis, Joseph Cornelius
Lincoln, John Robert
Lindsey, Austin Monroe
Lockhart, John Vangundia
Looby, Robert Joseph
Luchen, Frank Evan
Lund, Eugene Patrick
Lynch, Hugh Francis
Lynch, Will Tudor
Lyons, William Preston
Mack, John Allen
Mackay, Gerald Wallace
Maclean, Robert Evers
Manthorpe, William H. J., Jr.
Marane, Thomas Arthur
Marryott, Ronald Frank
Martin, Donald
Masterson, Leo Sylvester
Mathews, Donald Reuben
Mathews, Richard Louis
Matt, George Edward, Jr.
McArdle, Stephen Joseph, Jr.
McCarthy, Paul Fenton, Jr.
McClellan, Billy Louis
McDaniel, Rodney Bonner
McDowell, Curtis Gilbert
McGuiness, Donald Arthur
McIntyre, James Gaylord
McIsaac, Alban Thompson
McKeown, Thomas Joseph, Jr.
McNish, John Edward
McVoy, Robert Paul
Melton, Wade Inzer
Michaels, Danny James
Milligan, Jack Roland
Miyagawa, George Robert
Moore, Robert Wendell
Morrison, Robert McKay
Mortimer, Edward Hunter III
Moss, David Lee
Munger, Burton Lorenzo
Murton, David Blair
Myers, Charles Elmore
Myers, William Kennedy, Jr.
Norby, Merlin Robert
North, Henry Carlton, Jr.
Nyquist, John Walfrid
Olsen, Walter Edwin
Olson, Ross Stuart
Ormond, George, Jr.
Ortmann, Dean Allen
Osborn, Harold Nelson
Osborn, Oakley Ernest
Oslun, William John
O'Sullivan, Richard Cyril
Paganelli, John Ernest
Parker, Elton Council, Jr.
Pearl, Harlan Robert
Pedersen, Dan Arthur
Peirce, William Bernard
Peters, Richard Anthony
Petri, Gordon Louis
Pfeiffer, Paul Nelson
Picciuolo, Stephen A. D.
Pierce, John Taylor
Pillow, George Ellis, Jr.
Plowman, Herschel Leigh
Plumly, Charles Moulton
Potter, Thomas Benjamin, Jr.
Pray, William Lawrence
Ratliff, William Earl
Rausch, Leonard Marcene
Rentz, William Oliphant K.
Reynolds, Marvin Dennard
Rhodes, William Kennedy, Jr.
Riendeau, Gerald Louis
Robins, John Richard
Rockwell, William Andrew
Roe, John Emory, Jr.
Rollins, Everett Freemont, Jr
Rush, William Herbert

Ryan, James Wallace
Ryan, John Norman
Sackett, Dean Reynolds, Jr.
Schatzle, Francis Joseph
Scheurich, Thomas Edwin
Schuppert, Vincent Joseph
Scott, Thomas Paul
Seibert, Markley Royer
Shanahan, Thomas Edward
Sharpe, Lawrence Austin
Shaughnessy, Francis Michael
Sheets, James Robert
Sheldon, George Erford, Jr.
Shumaker, Robert Harper
Simonton, Bennet Stocum
Skorupski, Stanley Sidney, Jr.
Slack, Stephen Roger
Slayton, Marshall Thomas
Slingerland, Raymond David
Smith, Allen III
Smith, Barton Leroy
Smith, Dickinson Miller
Smith, Edward George
Smith, Joel Eugene
Smith, Leighton Dale
Smith, Marvin Gilford, Jr.
Smith, Richard John William
Sommers, Carl William II
Sottak, Edward John
Sousa, Manuel Benevides, Jr.
Spadoni, Eugene Arthur
Steele, Robert Jay
Steffes, Herbert John
Stone, Jack Wayne, Jr.
Stoneback, Charles Keith
Strange, Robert Cooper
Stratton, Richard Allen
Streit, John Brent
Stuart, Charles Joseph, Jr.
Stuart, Donald Bennett
Stuntz, Harley Lorraine III
Sutherland, Paul Edward, Jr.
Sympson, William Goebel A., Jr.
Tallman, John Macdonell
Tansey, Eugene Albert
Taylor, John Edward
Taylor, Patterson Corwin
Test, Richard Z.
Thearle, William James
Thomas, Richard Lee
Timm, Dwight Dorwan
Todd, James Forrest
Toncray, James Roblee
Toupin, Ernest Joseph, Jr.
Trask, Ace Freeman
Tsantes, George, Jr.
Underwood, Fred Shurlock
Ustick, Richard Coghlan
Vandewater, George Loft, Jr.
Vandusen, Harold Leroy
Vanmetre, James Merle
Vaught, Gerald Curtis
Veatch, Philip Allen
Vehorn, Raymond Chester
Vernam, Claude Cochran
Vonperbandt, Louis Kurt
Waggoner, Donald Lee
Walker, John Alexander, Jr.
Walker, William Edward
Wallace, Richard Jay
Walsh, Lawrence Patrick
Walter, Joseph James
Ward, Conrad Jackson
Watson, Jerome Francis
Ways, Raymond Arthur
Webb, James Eugene
Webster, Hugh Larimer
Webster, John Alden, Jr.
Weed, John Waterbury
Wells, Peter Manning
Westall, Kenneth Wayne
Westbrook, Donald Herman
Westbrook, Darrel Edwin, Jr.
White, Billy Jerl
White, Jack Martin
White, William Adrian
Wickstrand, Don Raymond
Wiecking, Kenneth David
Wigley, Lawrence Stewart
Wigley, William Walter
Wildman, John Broughton
Willever, Edward Leigh
Williams, Gerald George
Williams, James Dale
Williamson, John Patrick, Jr.
Willis, James, Langley, Jr.
Wilson, John Raymond, Jr.
Wilster, Gunnar Finn
Winchester, Warren Howey
Winn, Velmer Arnold James
Witherspoon, Beverly Wilson
Wolfe, Glenn Curtiss
Wolkensdorfer, Daniel Joseph
Wood, John Dillon, Jr.
Woodlief, Frank Lyon
Yonke, William David
Yosway, Philip Fred
Yurso, Joseph Francis
Zuilkoski, Ronald Robert

SUPPLY CORPS

Biddison, Ted Allen
Blake, James Fred, Jr.
Buehler, Cyril Henry
Davis, Robert Wythe
Dolloff, Robert Henry
Douglass, Jerry Burdette
Fidd, Joseph Adam
Flach, Lynn Roger
Fulks, Logan Gerald
Graessle, Ernest Joseph
Hamilton, John Francis
Hinds, Duane Eldred
Holder, James Rearick
Jones, Rial Cooper
Kalafut, George Wendell
Killoran, Joel David
Lampton, George Harold
Mead, George Whitefield, III
Newcomb, Frank Norman
Platt, Stuart Franklin
Ruehlin, John Henry
Sojka, Casimir Emil
Speer, John Warren
Sullivan, Patrick Daniel
Tauriello, Frank Sebastian
Vanvalkenburg, Max Weldon
Virden, Frank Stanley
Vogel, Carl Philip, Jr.
Washburne, William Kendall
Webb, Carl Ray, Jr.
Wright, Walter Frederick, Jr.

CHAPLAIN CORPS

Bond, Hollis Harold
Brudzynski, Peter Ferdinand
Cortney, Kevin James
Eller, Max Alfred
Fallon, Edward Francis
Goffrier, Robert Read
Haney, John Clifford, Jr.
Jensen, Andrew Frederick, Jr.
Kelley, Thomas William
Kelly, Henry Thornton
Lecky, Hugh Franklin, Jr.
Lemasters, Clarence Edward
Murphy, Michael Andrew
Newman, William Warren
Norton, Lawrence Edward
Parker, Joe Howard
Paulson, Gordon Earl
Riggs, Adna Wayne
Snyder, Marvin Ellsworth, Jr.
Wetzel, Oliver Hugo
Willson, William George

CIVIL ENGINEER CORPS

Auerbach, Ralph William, Jr.
Conner, Donald Lee
Crosson, William Edward
Donaldson, Jacques Edward
Mlekush, Matt Clarence
Oliver, Philip, Jr.
Phenix, Robert Preston
Ruff, Lowell Howard, Jr.
Shafer, Willard George
Skrinak, Vincent Michael
Smith, Ralph Aubrey, III
Stallman, Thomas Frank
Weir, James Weldon, Jr.
Weis, John Maximilian

JUDGE ADVOCATE GENERAL'S CORPS

Ake, Charles Paul
Fulton, Elbert Martin, Jr.
Lohrey, Thomas Edwin, Jr.
McCarthy, Richard John

MEDICAL SERVICE CORPS

Barker, Samuel Dorris
Coulson, Harold Harvey
Hockstein, Edwin Stanley
Lane, Jack Richard
Miller, Harry Philip
Passaglia, Martin, Jr.
Pribnow, James Frederick
Stallings Orlando
Tanner, Millard Franklin
Whitlock, William Ellis

NURSE CORPS

Campbell, Miriam Ferguson
Conley, Mary Lewis
Effner, Dorothy Jane
Elsass, Phyllis Jean
Howard, Katherine Alice
MacDowell, Nancy Ann
Merritt, Patricia Ann
Perreault, Madelon Miller
Portz, Patricia Jean
Slater, Beverly Jean
Spencer, Lelah Emma
Walker, Helen Jean

The following temporary captains of the Naval Reserve for permanent promotion to the grade of captain, pursuant to title 10, United States Code, sections 5783 and 5911.

LINE

Albrecht, Eugene William
Ammons, Phillips Argrove, Jr.
Anagnostos, George
Barling, Stephen Douglas, Jr.
Briggs, Franklin Henry
Childress, Carlisle Hugh
Clinkscales, Hulan Ferrell
Cowan, Robert Charles
Crowley, Barrett Kirkman
Eskew, John Burgess
Ferris, Edward Grenfell
Giannonatti, Curtis Alan
Hannon, Edward Robert II
Howell Eugene Davis
Hushaw, Walter Dale
Kish, John Theodore
Maloney, John Joseph
Matthews, Billy Charles
McDaniel, Peter Wilcox
Montag, Richard Varley
Moran, William Thomas
Mueller, Donald Charles
Piersee, Charles Ralph
Reed, Sullivan Webster
Rinard, Tommie Fred
Schwarz, Paul Philip
Sequeira, Frank Edmund
Vannorden, Gerald Jay
Walrod, David Joseph
Wells, Jack Dell

SUPPLY CORPS

Scolpino, Frank Joseph, Jr.

CHAPLAIN CORPS

Black, Richard David
Brasley, Lucian Roger
Howland, Joseph Albert

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. HELMS (for himself and Mr. MORGAN):

S. 1876. A bill to amend the Internal Revenue Code of 1954 with respect to the net operating loss deduction allowable in the case of certain taxpayers; to the Committee on Finance.

Mr. HELMS. Mr. President, today I am introducing, on behalf of myself and my distinguished colleague from North Carolina (Mr. MORGAN), a bill to amend section 172(b) of the Internal Revenue Code of 1954. This section deals with the net operating loss deduction—NOL. This legislation is designed to liberalize the NOL rules so as to provide fair and equitable tax relief to many depressed American industries. Whatever revenue loss that may occur as a result of liberalizing section 172(b), which, in any case will be slight, will be more than offset by a renewed vibrancy that will be accorded these depressed industries. After all, bankrupt companies pay no taxes—nor do unemployed workers.

The concept of a net operating loss deduction was first enacted as section 204 of the Revenue Act of 1918. The basic purpose was to mitigate the harsh results often arising from the arbitrary, but practical and necessary, use of the 1-year accounting period for determining tax liability. Basically the NOL permits taxpayers to recover taxes previously paid by offsetting tax losses against taxable income spread over a designated period of time.

The original NOL provided only a 1-year carryback and a 1-year carryover. Between the date of first enactment, however, and the introduction of the Internal Revenue Code of 1954—the code—the carryback-carryover period was either expanded or restricted on eight different occasions. When the code became law the carryback period was 2 years and the carryover period was 5 years. Since adoption of the code, Congress has provided two additional amendments by first extending the carryback provision to 3 years and later extending the carryover period to 7 years.

In addition to the various amendments indicated above, Congress has further amended the code from time to time to permit certain groups of taxpayers to enjoy an even greater spreading of their NOL's. Six such exceptions are presently set forth in section 172(b)(1)(A)(ii) and in section 172(b)(1)(C)–(G) of the code. These exceptions generally apply to classes of taxpayers such as financial institutions or regulated transportation companies and in certain cases provide carrybacks of as much as 10 years coupled with carryover periods of 5 years. See especially section 172(b)(1)(F) and (G) of the code. One particular amendment which is now deleted from the code provided a special 5-year carryback period to domestic corporations which met certain prescribed qualifications. The qualifications were so narrowly drawn that the amendment has generally been identified as the "American Motors" exception in honor of the only company known to have benefited from it.

In tracing the background of the American Motors exception, an important reference is the conference committee report in which the House conferees expressed a desire to consider a broader version of the 5-year carryback. The Senate conferees concurred and stated that in their opinion it would be appropriate in the future to consider the broadening of the types of cases to which the carryback is available.

The bill I am introducing retains the present 11-year period but provides taxpayers with an election whereby they can choose a 5-year carryback period provided they are willing to shorten their carryforward period from 7 to 5 years and are able to satisfy certain conditions. Specifically, the changes are as follows:

First. Sectior 172(b)(1)(H) will permit taxpayers which meet the requirements of new paragraph (3)(F) to carry back their NOL's occurring in taxable years ending after December 31, 1973, for a period of 5 years and to carry them forward for a period of 5 years.

Second. The conditions for satisfying subparagraph (H) are contained in new section of 172(b)(3)(F) which are:

First. Taxpayers must make an irrevocable election in accordance with the Commissioner's regulations to spread their NOL's under subparagraph (H); and

Second. The electing taxpayer's aggregate NOL's for any consecutive 4-year period ending after December 31, 1973, exceeds its aggregate taxable income for the 3-year period preceding such 4-year period; and

Third. The electing taxpayer's aggregate investment in new plant, property, and equipment at cost during each year of the 4-year period must exceed 10 percent of its gross sales for such years, and its average amount of acquisition for the 4-year period must exceed 15 percent of its average gross sales for such period; and

Fourth. During each year of the 4-year period, together with each of the preceding 3 taxable years, the taxpayer employed at least 4,000 persons and recorded gross sales in excess of $100,000,000.

This legislation contemplates that a special 5-year carryback be available to corporations which have achieved a position of substance and have committed themselves to future growth through investment in both equipment and people. Thus, in order to qualify for the special elective relief, a taxpayer must demonstrate that its average acquisitions of plant and equipment during the immediately preceding 4-year period exceed 15 percent of its gross sales for such period. For example, for a company with annual sales of approximately $200 million, a $120 million investment would be a requisite to qualification. A further demonstration of substance required of electing taxpayers is the requirement that for each year of the most recent 7-year period, the taxpayer's sales must have exceeded $100 million and it must have employed more than 4,000 persons.

Under normal business conditions, it is logical to assume that a taxpayer which satisfies the above conditions will be able to mitigate 1 or 2 years of operating losses by utilizing the existing 3-year carryback period. Under abnormal business conditions, however, or in the case of industries which are periodically subjected to recurring cycles of depressed prices, the existing 3-year period does not suffice. For example, the double-knit industry, a segment of the textile industry, is one which has experienced both afflictions and is only now showing signs of recovery. This period of depression to which I refer is one which has exceeded 3 years. In order to demonstrate this contention, and to illustrate the problems faced by just one industry in the United States, I will set forth certain data pertaining to the doubleknit industry which has been selected from a variety of sources.

Beginning in 1973, the knitting business began to fall noticeably behind other component segments within the textile industry. By the end of 1973, this entire subindustry was in a loss position where it has remained for the last 3½ years. Recently, the 1977 Annual Performance Profile of Textile Companies published by Kurt Salmon Associates, Inc., indicated that of all the reporting segments of the textile industry, only knits show an aggregate net loss for both 1975 and 1976.

In large part, the present malaise in the knitting industry may be attributed to the abnormally rapid growth in the doubleknit business which occurred between 1964 and 1973. Since doubleknit fabrics were nearly all constructed of synthetic fibers during this period, one gauge of this growth phenomenon may be found in U.S. Government statistics dealing with total fiber consumption by U.S. textile mills. According to the U.S. Department of Agriculture, the total consumption of man-made fiber in 1964 was 3.1 billion pounds versus a total cotton consumption of 4.3 billion pounds. Ten years later, however, the total consumption of man-made fibers had climbed to 8.7 billion pounds for an increase of over 280 percent whereas cotton consumption actually decreased to 3.3 billion pounds. During this same 10-year period, the capacity to produce doubleknit fabrics grew at a rate which was even more impressive. For example, in 1968, according to the National Knitted Outerwear Association, the number of operable doubleknit machines in the United States was only 4,500, and these machines produced 150 million pounds of fabric. Five years later, the number of machines had grown to 23,000, a 510-percent increase and their actual production was 970 million pounds, a 650-percent increase. The decline of the doubleknit business following 1973 parallels the experience of the knit industry reported above, and has been characterized by falling prices, severe cutbacks in production, withdrawals by some companies and the complete termination of business by other companies whose production was wholly or predominantly based upon doubleknits. These years have been excruciatingly frustrating for knitters who have worked feverishly to reduce their costs only to see the decline in their unit selling prices more than offset their savings. The U.S. Department of Commerce reports that as of the fourth quarter of 1976, there were only 11,489 machines which produced on an annualized basis 535 million pounds of fabric, or 55 percent of the 1973 total. The National Knitted Outerwear Association supports these statistics by reporting that as of December 1976, over 200

companies withdrew altogether from the doubleknit business.

The type of problems being experienced by the doubleknit industry are by no means peculiar to that industry. For instance, there are at least 20 major companies operating in different parts of the country which share the dubious distinction of carrying unabsorbed net losses in 1976. What follows is a schedule which lists the companies by name and the location of the principal executive offices. Opposite the name of each company, there is listed a reported net income or loss for the years 1972 through 1975. At the far right of this columnar presentation, there is set forth the cumulative net loss for each company.

	1975	1974	1973	1972	Net loss
Singer (New York)	(451, 900)	10, 100	94, 500	87, 500	259, 800
White Motors (Cleveland)	(69, 374)	22, 564	23, 685	8, 610	14, 515
Commonwealth Oil	(24, 197)	10, 726	36, 526	3, 113	
American Beef (Ontario)	(32, 828)	4, 861	3, 378	1, 099	23, 490
Rath Packing (Waterloo, Iowa)	(6, 554)	608	191	4, 616	1, 139
Revere Copper (New York)	(31, 278)	(17, 151)	2, 496	(9, 444)	55, 377
Mattel (Hawthorne, Calif.)	(19, 896)	(5, 423)	(32, 387)	(29, 949)	87, 655
Grolier (New York)	(34, 971)	(29, 860)	(14, 537)	9, 625	69, 743
F & M (New York)	(33, 091)	675	973	(6, 393)	37, 836
Manhattan Ind. (New York)	(7, 895)	1, 504	2, 753	4, 170	39, 513
Todd Shipyard (New York)	(43, 359)	1, 015	(288)	3, 119	39, 513
DHJ Industries (New York)	(24, 952)	4, 159	3, 342	1, 635	15, 816
Fedder (Memphis)	(11, 148)	(9, 951)	9, 753	7, 312	4, 034
Redmarr Industries (Dallas)	(28, 572)	(23, 764)	9, 798	7, 382	35, 456
E T Barwick (Chamblee)	(27, 552)	(1, 846)	5, 220	3, 109	21, 069
Mohawk Data (New Jersey)	(25, 962)	(14, 884)	(431)	(765)	42, 042
Falstaff (St. Louis)	(8, 570)	(3, 870)	(5, 838)	(6, 068)	27, 346
Morse Electronic (Brooklyn)	(9, 883)	3, 947	5, 871	3, 677	
Ronson (New Jersey)	(9, 604)	(1, 766)	3, 096	(1, 344)	9, 618
Marhoefer (Indiana)	(839)	(658)	651	(1971)	2, 817
Duplan (New York)	(13, 011)	(18, 871)	1, 651	(873)	31, 104
Tobin Packing (New York)	(5, 705)	241	(52)	541	4, 975
National Homes (Indiana)	(15, 523)	(20, 022)	(12, 684)	(3, 281)	51, 510

It is true, of course, that losses can be carried forward against future profits, but in terms of cash shortages which arise after prolonged periods of economic famine, the need for relief is now. The experiences of the double-knit industry and other industries similarly situated have occurred before and are likely to occur in the future. Accordingly, it is my view that some form of elective tax relief such as I have proposed is necessary in order to avoid the demise of some of our most vital industries. This is especially true in this era of relatively free trade, when a sudden spurt of foreign competition can result in unanticipated and sudden losses which may continue for a period of several years until such time as the affected industry can adjust to the new circumstances by adopting new methods or diversifying its products.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1876

Be it enacted by the Senate and House of Representatives of the United States of America in Congress amended, That (a) subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss of carrybacks and carryovers) is amended—

(1) by striking out "(F), and (G)" in clause (i) of paragraph (1)(A) and inserting in lieu thereof "(F), (G), and (H)",

(2) by striking out "(D), and (E)" and "(E), and (F)," in subparagraph (B) of paragraph (1) and inserting in lieu thereof "(D), (E), and (H)" and "(E), (F), and (H),", respectively,

(3) by adding at the end of paragraph (1) the following new subparagraph:

"(H) In the case of a taxpayer meeting the requirements of paragraph (3)(F), a net operating loss for any taxable year ending after December 31, 1973, shall be a net operating loss carryback to each of the five taxable years preceding the taxable year of such loss and shall be a net operating loss carryover to each of the five taxable years following the taxable year of such loss.", and

(4) by adding at the end of paragraph (3) the following new subparagraph:

"(F) A taxpayer does not meet the requirements of this subparagraph unless—

"(i) the taxpayer elects to have the provisions of paragraph (1)(H) apply at such time and in such manner as the Secretary may prescribe and such election is irrevocable for all taxable years designated in the election,

"(ii) the sum of the net operating losses of the taxpayer for any consecutive period of four taxable years ending after December 31, 1973, exceeds the sum of its taxable income (computed under paragraph (2)) for the three taxable year period ending immediately prior to the beginning of such four taxable year period,

"(iii) during such four taxable year period, the taxpayer acquired in each such year section 1245 property (as defined in section 1245(a)(3)) or section 1250 property (as defined in section 1250(c)), or both, the unadjusted basis of which exceeded 10 percent of the gross sales of the taxpayer for such year, and the average amount of such acquisitions for each taxable year within such period exceeded 15 percent of the average gross sales of the taxpayer for each taxable year during the four year period, and

"(iv) during each taxable year of the seven taxable year period ending on the last day of the fourth taxable year of the four taxable year period, the taxpayer employed more than 4,000 employees and had gross sales in excess of $100,000,000.".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1973.

By Mr. BENTSEN (for himself, Mr. TALMADGE, and Mr. DOLE):

S. 1877. A bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services; to the Committee on Finance.

Mr. BENTSEN. Mr. President, today I am introducing an alternative version of S. 708, a bill I cosponsored which expands medicare coverage to pay for services performed by physician extenders providing services in rural health clinics.

Hearings on this and other similar proposals are scheduled for July 21 before the Health Subcommittee of the Finance Committee.

The proposal which I am introducing today along with Senators TALMADGE and DOLE was introduced on the House side by Congressman ROSTENKOWSKI, chairman of the Health Subcommittee of the Ways and Means Committee. I feel that all the proposals aimed at improving the health care of rural Americans should be available for consideration by the Health Subcommittee of the Finance Committee when it holds hearings on the issue later this week.

Mr. President, I cannot overemphasize the importance of revising the Federal insurance programs to cover the problems of health care delivery in rural areas. These Federal insurance programs actively discriminate against the rural areas: Nationally, rural physicians receive fees that average 60 percent of the amount paid to their urban counterparts while data shows that the cost of practice in rural areas is often higher than the cost of urban practice due to the inaccessibility of needed support services and supplies.

Twenty-nine percent of part A medicare funds and 28 percent of part B, medicare funds are spent in rural areas while 38 percent of the medicare population resides in rural areas.

In 1972, the average medicare payment for an elderly person living in a metropolitan area was $425 compared to $296 for the rural counterpart.

These national figures show the disparity in Federal spending but they do not reveal the desparate need that rural areas have for these health care dollars. In my State of Texas the aged and disabled can expect very little in terms of available health care as the following statistics illustrate:

Twenty-three countries in Texas were wholly without a physician as of the last count on December 31, 1973. No other State in the country has as many countries without physicians.

Of the 957 counties in nonmetropolitan areas of this country with the highest incidence of infant mortality, 172 are in Texas. Again, Texas has more counties with this kind of high infant mortality rate than any other State.

Of the 971 counties in the Nation that have been designated by the Department of Health, Education, and Welfare as "critical health manpower shortage areas," 49 are in Texas. Only Kentucky has more counties so designated.

Of the 2,300 or more "medically underserved" areas in the United States, over 200 are in Texas. These areas are designated based on four criteria:

The number of poor families in the area;

The percentage of the population that is 65 years of age or older;

The infant mortality rate; and

The ratio of primary care physicians to the population.

Clearly, then, a medically underserved areas has a population that requires

more care because the people are both old and poor yet receives less medical care than the average community in this country.

Mr. President, although rural problems are more evident in my State of Texas, a recent article in the New York Times pointed out that 10 percent of New York's rural population—at the last census count—were living in poverty and were suffering from the same kinds of deprivations that I just described for south Texas.

I want to add—at this point—my appreciation of Senator TALMADGE. His willingness to hold hearings on these issues at such short notice indicates his sensitivity to the problems faced by residents of rural areas both in his State and in the Nation.

Mr. DOLE. Mr. President, today I am pleased to join my colleagues, Senator BENTSEN and Senator TALMADGE in introducing an alternative version of S. 708, which expands medicare coverage to pay for services performed by nurse practitioners and physician assistants in rural health clinics.

While a number of diverse factors contribute to the difficulties experienced by rural Americans in obtaining adequate levels of health care, the manpower shortage is one which is receiving an increasing amount of well deserved attention. Our emphasis today is upon the potential benefits which might result from recognition and more efficient use of nurse practitioner and physician assistants in rural clinics in an effort to meet the need of providing health care to areas experiencing a health manpower shortage. Hearings on this legislation and similar proposals are scheduled for July 21 before the Health Subcommittee of the Finance Committee.

In my own State of Kansas, the delivery of health care to those who reside in rural areas is an issue of vital importance. The type of clinics eligible for this reimbursement is an aspect of the legislation in which I am particularly interested and feel needs more consideration. While I do not wholly support all aspects of this legislation, it is my belief along with Senator TALMADGE and Senator BENTSON that this bill, originally introduced by Representative ROSTENKOWSKI contains important perspectives dealing with medicine payments to rural clinics which should be formally available for subcommittee consideration. I feel there are still many issues to be resolved in terms of the best means to utilize the talents and skills of nurse practitioners and physician assistants. I welcome the opportunity for discussion.

By Mr. SCHWEIKER (for himself, Mr. MCINTYRE, Mr. CHAFEE, and Mr. LAXALT):

S. 1878. A bill to encourage the States to establish cost and quality standards, and to provide incentives to contain inflationary rises in hospital costs, and for other purposes; to the Committee on Finance.

THE SCHWEIKER-MCINTYRE STATE COST CONTROL PLAN FOR HOSPITALS ACT OF 1977

Mr. SCHWEIKER. Mr. President, Senator MCINTYRE and I are today introducing S. 1878 emphasizing State control of hospital costs as an alternative to the Carter administration Federal control plan. Senators CHAFEE and LAXALT are joining as cosponsors.

As the ranking Republican on the Senate Health Subcommittee, I have devoted weeks of study and hearings to the administration's hospital cost containment proposal. The only conclusion I can reach on the Carter plan is that it is an overly centralized, temporary measure which falls far short of what this Nation needs. Therefore, I have joined in formulating this legislation, which is significantly different from the President's plan. I believe the emphasis our bill places on State control of hospital costs, the positive incentives it provides to hospitals to control costs, the 18-month moratorium it imposes on capital expenditures, and the broad new authority it provides to the developing health systems agencies in local areas—all of which are lacking in the President's plan—will spell the difference between success and failure in our efforts to contain hospital costs.

Under the Schweiker-McIntyre "State cost control plan for hospitals," each State would establish a hospital review commission to review in advance the proposed budgets and rates of hospitals within the State. In its prospective review, the commission would approve routinely any proposed budgets and rates falling within limits it would define. But rates and budgets exceeding those limits would be subjected to detailed examination and those found to be excessive could not be put into effect. This emphasis on State control contrasts sharply with the virtually exclusive Federal control embodied in the Carter plan.

Mr. President, I believe we must encourage the States to attack the skyrocketing costs of health care rather than use an already bloated Federal bureaucracy to impose purely Federal controls. State and local officials are more in tune with the unique health care needs of their communities and with the specific steps which would be most effective in curbing sharply rising costs.

The Schweiker-McIntyre plan would not allow the Secretary of Health, Education and Welfare to exercise Federal control in any State which established a hospital review commission, unless the commission failed to hold hospital costs at or below the Federal lid. And, unlike the Carter plan, our legislation would provide start-up money to the States for establishment of the commissions.

In addition, the Schweiker-McIntyre plan will offer positive incentives to hospitals to control costs. If during the year, a hospital remains within the budget approved prospectively by the commission, it could retain its achieved savings up to a certain level or use its cost savings for experiments in administrative efficiency. Prospective review of budgets and rates, and the provision of incentives for remaining within those budgets gives hospitals a clear goal toward which to strive. I believe this approach would be much more effective than the "after-the-fact" audits and penalties involved in the Carter plan.

Under the Schweiker-McIntyre proposal there would be an 18-month moratorium on hospital capital expenditures. These expenditures currently account for a major part of rising hospital costs. This moratorium is necessary to allow the developing health systems agencies within the States to become more fully established and develop the capacity to exercise the authority for decertification which is provided to them under our plan. The bill would authorize the HSA's to decertify unneeded beds and services and would establish a Federal pool to finance the costs of decertification. It is not enough to prevent hospital expansion and the addition of unneeded services. We must review the whole system and direct the local health systems agencies to move actively to eliminate duplication and waste. Only in this way can we effectively control costs.

In addition, the Schweiker-McIntyre bill, unlike the President's proposal, would cover Government hospitals. For too long Congress has exempted Government institutions from the controls it applies to the private sector. We always have a double standard—a tight one for the private sector and none for the Federal Government. I believe we must force the Government to live up to the standards it establishes for others.

Other key elements of our proposal not included in the Carter plan are as follows:

The hospital review commissions in each State would be required to use a system of uniform chart of accounts and uniform reporting of costs for all hospitals.

The hospital review commissions in each State would be able to develop classifications of hospitals according to such factors as bed size, type of hospital, and diagnostic case mix, for purposes of rate determination.

Hospitals would be required to disclose potential conflicts of interest among administrative personnel.

Authority of existing professional standards review organizations to review the level of care provided to hospital patients would be extended to cover all patients, not just medicare and medicaid patients, as under present law.

The skyrocketing costs of health care affect not only persons who are hospitalized but virtually all taxpayers through higher health insurance premiums and the higher taxes needed to finance the $27.7 billion in tax dollars spend each year for medicare and medicaid. Clearly there is a need to put a stop to this inflationary spiral. It is unfair to the American people for Congress to explore only short-term remedies as proposed by the administration. We must pursue right now long-range solutions involving permanent reforms.

Mr. President, I ask unanimous consent that a summary of the key elements of the Schweiker-McIntyre plan and then the text of the bill itself be printed in the RECORD following Senator MCINTYRE's remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCINTYRE. Mr. President, today I was proud to join with my distin-

guished colleague from Pennsylvania, Senator SCHWEIKER, in introducing the Schweiker-McIntyre State cost control program for hospitals.

This bill is our response to the challenge of how best to bring escalating hospital costs under control.

I like to think our proposal offers an equitable, long-term solution to the problem without undue imposition of the Federal will.

When the President unveiled his proposal to put a 9-percent ceiling on hospital revenues, I saluted his courage in facing up to a difficult issue of great political sensitivity. But I also said there was a better, fairer way to control the single most inflationary factor in the health care picture, a way that I have been urging since I first introduced the McIntyre-Burleson National Health Care Act back in 1969.

There are a number of health care cost control proposals in the National Health Care Act, some of which are embodied in the legislation Senator SCHWEIKER and I are introducing today.

Among them is the proposal that hospital prospective budget review systems be established in and operated by every State in the Union.

I have had confidence in this particular proposal since the day I first introduced the National Healthcare Act. Today I am more confident than ever because of the performance record of prospective budget review systems in two States where the concept has been tested.

For the period from July 1, 1974, to June 30, 1976, the Maryland Health Services Cost Review Commission was able to hold the rate of increase in Maryland hospital costs well below the national average. Before the prospective budget review system was developed, Maryland hospital costs were increasing at or above the national average.

It has been estimated that the system has saved Maryland residents more than $55 million in hospital costs in that 2-year period. In Connecticut, the estimate is that prospective budget review has saved the residents of that State more than $30 million.

In my own State of New Hampshire, more than 50 percent of the hospitals are now using prospective budgeting in the negotiation of contracts with the State's major carriers.

Not long ago, the President of the New Hampshire Hospital Association told me this approach has benefited the hospitals, the insurance companies, and, most importantly, the consumers in our State.

Now considering New Hampshire's experience and the success prospective budget review systems have had in Connecticut and Maryland. I cannot help but wonder what the hospital cost situation would be today if the National Healthcare Act had been enacted in 1969 and those systems had been established in every State.

But the bill has not been passed, the systems are not in place, and hospital costs continue to soar.

Better late than never, the legislation Senator SCHWEIKER and I are introducing today would encourage every State to bring those costs under equitable, long-term control by establishing prospective budget review systems.

THE SCHWEIKER-MCINTYRE STATE COST CONTROL PROGRAM FOR HOSPITALS

1. Each state would establish a Hospital Review Commission which would implement a permanent program to control hospital costs through prospective rate and budget review and approval. The start-up costs for the Commissions would be paid for by the Federal government. Hospital Review Commissions would require:

a. use of a uniform chart of accounts and uniform reporting system;

b. prospective (advance) review and approval or disapproval of hospital budgets;

c. rate determination encouraged on the basis of a classification of hospitals, where appropriate;

d. equal reimbursement rates for all payers with provision that Medicare and Medicaid costs will be controlled;

e. the state commissions would have the option to implement a wage "pass through" for non-supervisory employees;

f. the use of positive incentives to encourage administrative efficiency and cost savings;

g. provisions for the disclosure of salaries and potential conflicts of interest;

h. funding for the commission by an assessment of institutional providers;

i. establishment of a review board in each state to monitor activities of the commission;

j. establishment of administrative and judicial authority within the state to adopt regulations and process appeals;

2. Provide for coordination with existing health planning mechanisms by:

a. giving certificate of need agencies (the state or local HSA) the authority and responsibility to decertify beds and services;

b. establishing a federal pool to finance costs of decertification;

c. providing that where the commission and state certificate of need agencies (HSA's) are separate the state must adopt a program to ensure coordination between rates and the certification process;

d. requiring extension of PSRO activity to all patient care;

3. Capital Expenditure Controls: An 18-month moratorium on hospital capital expenditures would be imposed to give the HSA's time to become fully established and to prepare and implement decertification programs.

a. Exemptions: Projects necessary to ensure public safety and to maintain quality shall be exempt. Specific exemptions include:

(1) projects previously approved by certificate of need agencies;

(2) projects required by Federal, state and local health and safety requirements;

4. Establish Federal Standards which would include:

a. Limit on Federal authority to pre-empt the state program—those states not adequately controlling hospital costs would be subject to the Federal ceiling. However, no state program in states where increases in hospital costs were equal to, or below, the Federal guideline could be pre-empted by the Federal government.

b. Authorization to impose immediately in a national revenue ceiling using a rate index similar to that proposed by the Administration.

S. 1878

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State Cost Control Plan for Hospitals Act of 1977".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) America confronts a critical testing of its capacity to meet for all of its citizens one of the most basic of human needs, that of protecting and maintaining personal health;

(2) every citizen of the United States of America should have access to quality health care, but too many Americans are unable to secure such care at prices they can afford;

(3) health care costs have been rising at rates which exceed twice the national rate of inflation; and

(4) cost escalation of this magnitude adversely affects the availability of quality health care and severely disrupts the equitable delivery of health care to the American people.

(b) The purpose of this Act is to encourage the States to establish cost and quality standards, and to provide incentives to contain the inflationary rises in hospital costs until State plans are implemented.

TITLE I—STATE HOSPITAL COST CONTROL PLAN

APPLICABILITY

SEC. 101. (a) The provisions of this title shall apply in lieu of the provisions of title III in any State which has established a plan, in accordance with section 102, which has been approved by the Secretary and which assures the Secretary that hospital costs subject to such plan shall not exceed the costs established under title III.

(b) Notwithstanding any other provision of this title, inpatient reimbursement under titles V, XVIII, and XIX of the Social Security Act under this title shall not exceed the rate for inpatient reimbursement determined in title III.

(c) Notwithstanding any other provision of this title, no State shall be required to make inpatient reimbursement to any hospital at rates which exceed the rates for inpatient reimbursement established under title III.

STATE PLAN

SEC. 102. (a) Each State desiring to conduct a hospital cost containment plan shall submit a State hospital cost control plan for approval. The Secretary shall approve a State plan if such plan—

(1) establishes a hospital review commission (as described in subsection (b)) which shall have the authority to supervise the administration of the plan;

(2) establishes an advisory council (as described in subsection (c)) appointed by the chief executive officer of the State;

(3) provides that the commission shall review budgets and proposed charges for health care institutions in the State in order to establish prospectively approved charges which shall be applicable, without discrimination, to all purchasers of services and supplies from health care institutions;

(4) provides that once each year, each health care institution (or category of institutions if the State has a classification plan) shall file its budget and proposed charges with the commission;

(5) provides that filed charges shall be deemed approved unless disapproved by the commission within 90 days after filing;

(6) provides if the budget and rates submitted by a health care institution reveals significant operating inefficiencies or if the proposed charges otherwise appear to be unjustifiably high, the commission shall disapprove the proposed charges and such budget and rates shall not be put into effect;

(7) provides for adequate enforcement procedures;

(8) provides for the disclosure by health care institutions covered by a State plan of—

(A) salaries of hospital administrators, and

(B) potential financial conflicts of interest of hospital administrators, trustees, or directors;

(9) provides that certain cost increases described in subsection (d) may be excluded from determination of budget and rate consideration;

(10) (A) provides that each health care institution subject to a State plan established under this title may apply any surplus funds (the difference between the prospectively approved budget and actual expenditures) for administrative improvements approved by the commission.

(B) provides that no health care institution subject to a State plan under this title shall be required to establish a prospective budget at a level which is less than the preceding fiscal period as a result of surplus funds, to the extent that such funds are applied as required by subparagraph (A).

(11) provides for the development of uniform definitions of all costs; and

(12) provides for the evaluation of standards of institutional performance

(b) The hospital review commission established under paragraph (1) of subsection (a) shall be composed of not less than three full-time commissioners appointed for a specific term of office. While serving in office a commissioner may not be otherwise employed by a State or local government, health care institution, or by a health care financing entity. The commission shall have a full time professional staff adequate in size to carry out its duties. The commission shall not be subject to or associated with the State Medicaid Administrator.

(c) (1) The advisory council established under paragraph (2) of subsection (a) shall be composed of not less than seven members, two of whom shall be representative of providers of health care services, two of whom shall be representative of third-party payors, and three of whom shall be representative of consumers of health care services.

(2) It shall be the duty of the advisory council to review and comment on the operation of the commission and to act on appeals of commission decisions. The council shall report not less than annually to the governor and to the public on the operation of the commission.

(d) For the purposes of this title, the commission may disregard in approving a proposed budget the direct costs associated with any increase in wages or benefits if such increased wages or benefits resulted from a collectively bargained agreement.

(e) Each State review commission may establish classifications of health care institutions subject to the State plan for the purpose of establishing a basis for the approval of rates.

START-UP GRANTS

SEC. 103. (a) The Secretary shall pay to any State which has a qualified State cost control plan an amount equal to 100 percent of the reasonable amounts expended by the State for the proper and efficient administration of the State's hospital review commission and its advisory council. There shall be no reimbursement by the Secretary for the cost of any institutional audits that may be conducted by the commission. No State shall be eligible for more than one grant under this section.

(b) (1) Except as provided in paragraph (2), the amount of a grant made under this section shall be determined on a graduated per capita scale equal to $0.70 for each of the first 500,000 of the State's population; $0.50 for the second 500,000; $0 30 for the third 500,000; and $0.10 for each of the balance of the State's population. The minimum grant per State shall be $500,000.

(2) Any State which on July 1, 1977, has in effect a plan to control hospital costs (which plan satisfies the requirements of this title) shall not be eligible for a grant under this section.

(c) There are authorized to be appropriated such sums as necessary to carry out the purposes of this section.

REVIEW OF LEVELS OF INSTITUTIONAL RATES OF REIMBURSEMENT BY SECRETARY OF HEALTH, EDUCATION, AND WELFARE

SEC. 104. (a) (1) Except as provided in paragraph (2), annually on a date specified by the Secretary, each State hospital review commission shall file with the Secretary, on a form prescribed by him, a report of the level of rates of institutional reimbursement approved by the commission for such categories of health care institutions under the State plan.

(2) The Secretary shall not disapprove a State plan which does not provide levels of rates by category of health care institutions, if the commission provides such information as may be required for individual institutions.

(3) The Secretary in reviewing the levels of rates contained in a State plan, shall disregard from the statewide average of rates, any direct costs associated with any increase in wages or benefits if such increased wages or benefits resulted from a collectively bargained agreement.

(b) In the event the Secretary determines that the level of rates, on a statewide average, for a State exceeds rates established under title III, he shall rescind the State's exemption from the application of title III. The State may appeal the Secretary's decision, and upon receipt of an appeal, the Secretary shall appoint a hearing board of three members which shall hold a hearing at which the interested parties may appear to present the facts which support the Secretary's decision and the facts which support the appellant State's position. Each member of the hearing board shall be knowledgeable with respect to the costs of operating health care institutions and may not be an employee or an owner of any of the health care institutions concerned. Following such hearing the hearing board shall advise the Secretary of its recommendation, and the Secretary shall thereupon render a final decision. If the State, whose exemption from title I has been rescinded, takes action to correct the situation which produced the unjustifiably high level of rates for the health care institutions, it may so notify the Secretary and request restoration of the exemption from title I. If the Secretary is satisfied that corrective action has been taken, he shall restore the exemption as of the date he deems the corrective action to have eliminated the unjustifiably high level of rates.

COMMISSION FUNDING

SEC. 105. Each State commission shall establish a schedule of fees to be charged to each health care institution covered by this title. The fee schedule established shall—

(1) be adequate to cover the expenses of the commission, and

(2) be established as a percentage of the gross revenues of the health care institution.

TITLE II—COORDINATION WITH HEALTH PLANNING AND PEER REVIEW ACTIVITIES

SEC. 201. (a) Each hospital review commission in a State, or the Secretary (in a State which does not have an approved plan under title II) shall review the portion of an institution's charges which results from financing costs and depreciation relating to prior capital expenditures. The commission shall accept the determination, if any, of the appropriate health systems agency that the construction of such facility was consistent with the health needs of the area, but in no event shall the commission approve charges that would finance services, equipment, or facilities which required but were denied a certificate-of-need pursuant to section 1523 (a) of the Public Health Service Act or section 1122 of the Social Security Act.

(b) Each health systems agency shall retain authority over health care institutions with regard to the appropriateness of expenditures, except that expenditures which would have an impact on rates must be approved by the hospital review commission (or the Secretary if a State does not have an approved plan under title II).

EXTENDING SCOPE OF REVIEW

SEC. 202. (a) Section 1155(a) (1) of the Social Security Act is amended by striking "the" immediately preceding "professional activities", and substituting "all", and striking "for which payment may be made (in whole or in part) under this Act.".

(b) Section 1155(f) (2) of the Social Security Act is amended to read as follows:

"(2) The reasonable and necessary expenses of the Professional Standards Review Organizations in making determinations pursuant to this part shall be passed on to the providers whose services are reviewed and shall be considered an appropriate expense of such providers in determining or approving their charges.".

TITLE III—FEDERAL HOSPITAL COST CONTAINMENT PROGRAM

DEFINITIONS

SEC. 301. For the purposes of this Act the term—

(a) (1) "hospital", with respect to any accounting year, means an institution (including a distinct part of an institution participating in the program established under title XVIII of the Social Security Act) which—

(A) satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act, and

(B) had an average duration of stay of 30 days or less in the preceding accounting year.

(2) such term shall not include an institution which during any part of a period subject to this Act if with respect to such period it—

(A) has met the conditions specified in subsection (a) (under present and previous ownership) for less than two years before such period; or

(B) derived more than 75 percent of its inpatient care revenues on a capitation basis, disregarding revenues received under title XVIII of the Social Security Act, from one or more health maintenance organizations (as defined in section 1301 (a) of the Public Health Service Act);

(b) "accounting year" with respect to any period means—

(1) in the case of a hospital participating in the program established by title XVIII of the Social Security Act, a period of 12 consecutive full calendar months including the same months as the last full reporting period allowed for reimbursement purposes under such title:

(2) in the case of a hospital not participating in the program established by title XVIII of the Social Security Act, a period of 12 consecutive full calendar months including the same months as the last full accounting period used by such other cost payer as the Secretary may designate; and

(3) in the case of a hospital which is not participating in the program established by title XVIII of the Social Security Act and for which the Secretary does not designate an accounting year under paragraph (2), a calendar year;

(c) "inpatient hospital services" has the meaning given it by section 1861(b) of the Social Security Act (including in addition the services otherwise excluded by paragraph (5) thereof);

(d) "inpatient charges" means regular rates, applied to all inpatient hospital services, that meet the requirements of section 405.542(d) (4) of the Federal regulations applicable to title XVII of the Social Security Act;

(e) "admission" means the formul acceptance of an inpatient by a hospital, excluding newborn children (unless retained after discharge of the mother) and transfers within inpatient units of the same institution;

(f) "cost payer" means—

(1) a program established by or under title V, XVIII, or XIX of the Social Security Act, and

(2) any organization which (i) meets the definition contained in section 1842(f)(i) of the Social Security Act, and (ii) reimburses a hospital (subject to the provisions of this Act) for inpatient hospital services on the basis of cost as defined for purposes of such reimbursement;

(g) "Secretary" means the Secretary of Health, Education, and Welfare;

(h) "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico;

LIMITATION ON INCREASES

SEC. 302. (a) The average reimbursement paid to a hospital for inpatient services under title XVIII of the Social Security Act, under a State plan approved under title V or title XIX of such Act, or by any cost payer, and the average charges imposed by a hospital for inpatient services, in any accounting year any part of which falls within a period subject to this Act, may not (except as provided in subsection (b)) exceed the base inpatient hospital revenue per inpatient admission (as established under section 305) by a percentage greater than the sum of—

(1) the percentage by which the costs involved would have increased in the period elapsing after the close of the hospital's base accounting year and prior to October 1, 1977, if such costs had increased (during that period) at the average annual rate actually experienced by the hospital during the two-year period ending with the close of such base accounting year, except that such percentage as applied for purposes of this section shall not be more than 15 percent nor less than 6 percent,

(2) the percentage by which such costs would have increased in the period elapsing after September 30, 1977, and prior to the first day of the accounting year for which the limit is being imposed if such costs had increased (during such period) at an annual rate consistent with the inpatient hospital revenue increase limit determined and promulgated under section 303(b), and

(3) the percentage by which such costs would have increased in the accounting year for which the limit is being imposed if such costs had increased (during such year) at an annual rate consistent with the adjusted inpatient hospital revenue increase limit applicable to the hospital under section 303(a).

(b) Where less than a full accounting year falls within a 12-month period subject to this Act, the limit set forth in subsection (a) of this section, and the limit established under section 303(a), shall apply with respect to reimbursement due or charges imposed for the part of such accounting year which falls within such period in the same proportion as the number of days in such accounting year that fall within such period bears to the total number of days in such accounting year.

DETERMINATION OF ADJUSTED INPATIENT HOSPITAL REVENUE INCREASED LIMIT

SEC. 303. (a) The "adjusted inpatient hospital revenue increase limit" which is applicable to any hospital for purposes of section 302(a)(3) with respect to any accounting year shall (subject to section 302(b)) be equal to the inpatient hospital revenue increase limit determined and promulgated under subsection (b) of this section for the 12-month period in which such accounting year or any part thereof falls, modified by the application of the "admission load formula" which is promulgated under section 104 and applied to that hospital.

(b)(1) Between July 1 and October 1 of each calendar year beginning with 1977, the Secretary shall promulgate a figure which (subject to paragraph (2)) shall be the "inpatient hospital revenue increase limit" applicable to the 12-month period beginning October 1 in such year (with each such 12-month period being referred to in this Act as a "period" or a "period subject to this title"). Such figure shall be the sum of—

(A) the implicit price deflator of the gross national product as calculated by the Bureau of Economic Analysis of the Department of Commerce and published in the Survey of Current Business (hereinafter in this Act referred to as the "gross national product deflator") for the 12-month period ending June 30 of such year, and

(B) one-third of the difference between—

(i) the average annual rate of increase in total hospital expenditures which is found by the Secretary to have occurred during the 24-month period ending on the day preceding January 1 of such calendar year, and

(ii) the annual rate of increase in the gross national product deflator for the 24-month period ending on the day preceding January 1 of such calendar year.

(2) If the Secretary finds during any period subject to this Act that the gross national product deflator with respect to such period is expected to exceed by more than one percentage point the gross national product deflator which was used in making the determination under paragraph (1) (or in making a prior adjustment under this paragraph), the Secretary shall increase (or further increase) the gross national product deflator so used by the amount of such excess; except that no adjustment made under this paragraph shall be effective with respect to any accounting year ending prior to the calendar quarter preceding the calendar quarter in which such adjustment is made.

PROMULGATION OF ADMISSION LOAD FORMULA

SEC. 304. The "admission load formula" shall be promulgated by the Secretary by October 1, 1977, and shall be such that—

(1) a hospital will be allowed an increase in total revenue from inpatient services in any accounting year to the extent (and only to the extent) consistent with the inpatient hospital revenue increase limit promulgated under section 303(b), for the period in which such accounting year or any part thereof falls if admissions in such accounting year have increased by less than 2 percent or declined by less than 6 percent as compared to the base accounting year (in the case of a hospital with no more than 4,000 admissions in the base accounting year such admissions limits shall be 2 percent and 10 percent, respectively);

(2) in the case of a hospital whose admissions in any accounting year are beyond the applicable range set forth in paragraph (1), the amount of total revenue from inpatient services in such year which is otherwise allowed under paragraph (1) shall be further increased for each admission above such range by one-half of the average revenue per admission that would have been allowed under paragraph (1) if the actual percentage change in admissions (as compared to the base accounting year) had been zero, or shall be reduced for each admission below such range by one-half of the average revenue per admission that would have been so allowed, except as provided in paragraph (3); and

(3) in the case of a hospital which had more than 4,000 admissions in the base accounting year, no additional revenue will be allowed for increased admissions (with respect to any accounting year) beyond 15 percent above those in the base accounting year, but the revenue otherwise permitted such a hospital under paragraphs (1) and (2) shall be reduced (dollar for dollar) for decreased admissions (in that year) beyond 15 percent below those in the base accounting year.

BASE INPATIENT HOSPITAL REVENUE

SEC. 305. (a)(1) The revenue base for application of the adjusted inpatient hospital revenue increase limit with respect to any hospital in any accounting year shall (subject to subsection (b)) be the revenue from reimbursement due and inpatient charges imposed for inpatient hospital services provided in the hospital's base accounting year (as defined in paragraph (2)).

(2) For purposes of this title, a hospital's "base accounting year" is its accounting year which ended in 1976, or, in the case of a hospital which did not meet the definition contained in section 301 for at least one full accounting year prior to an accounting year ending in 1976 in which it met such definition, the accounting period immediately prior to the first accounting year in which it satisfied such definition.

(b) The base revenue established for any hospital by subsection (a) shall (except as provided in subsection (c)) be reduced by an amount equal to any inpatient charges in such base accounting year for elements of inpatient services for which payment is not made to the hospital in an accounting year any part of which falls within a period subject to this Act.

(c) Subsection (b) shall not apply with respect to revenue for inpatient services which have been found inappropriate under section 1523(a)(6) of the Public Health Service Act by the State health planning and development agency designated under section 1521 of such Act for the State in which the hospital involved is located.

EXCEPTIONS

SEC. 306. (a) The Secretary shall have authority to grant exceptions from the limits established under this Act to individual hospitals for particular periods, but in any case only to the extent that the hospital requesting the exception provides evidence satisfactory to the Secretary—

(1) of the extent to which costs of providing inpatient hospital services in an accounting year any part of which falls within a period subject to this Act exceed such costs in the base accounting year as the result of—

(A) changes in admissions beyond the range specified in section 304(3), or

(B) changes in capacity or in the character of inpatient services available in the hospital or major renovation or replacement of physical plant, but only if such changes have increased inpatient costs per admission by more than one-third of the difference specified in section 303(b)(1)(B) over inpatient care costs per admission in the previous accounting year;

(2) that the revenue otherwise allowable (taking into account all other available resources) is insufficient to assure the solvency of the hospital as indicated by the existence of a current ratio of assets to liabilities (determined in accordance with the last sentence of this subsection) of less than the ratio which the Secretary estimates is being experienced by 25 percent or less of the hospitals subject to this Act; and

(3) that the changes in admissions, capacity, plant, or services available generating the excess costs described in paragraph (1) have been found to be needed under section 1523(a)(5) of the Public Health Service Act or appropriate under section 1523(a)(6) of the Public Health Service Act by the State health planning and development agency, designated under section 1521 of such Act for the State in which the hospital involved is located.

For purposes of paragraph (2), the term "current ratio of assets to liabilities", with respect to any hospital, means the sum of the cash, notes and accounts receivable (less reserves for bad debts), marketable securities, and inventories held by such hospital divided by the sum of all liabilities of such hospital falling due in an accounting year for which the exception is requested under this section.

(b) The Secretary shall either approve any request for an exception made by a hospital under subsection (a), or deny such request, within a period not to exceed 90 days after the hospital has filed such claim. Any such request not denied within such 90-day period shall be deemed approved.

(c) Any hospital granted an exception under this section shall be subject to an operational review by the Secretary. Any such hospital shall provide the Secretary with any and all information and access to records that may reasonably be required to conduct such operational review. The findings from any such review shall be made public, and continuance of the exception shall be contingent on implementation of any recommendations which may be made (as a result of such operational review) for improvements to increase efficiency and economy.

(d)(1) If the Secretary grants an exception with respect to any accounting year to a hospital which had 4,000 or more admissions in the base accounting year on the grounds set forth in subsection (a)(1)(A), such hospital shall be allowed increased revenue for purposes of this Act as though it were a hospital with fewer than 4,000 admissions in such base year under section 304.

(2) If the Secretary grants an exception with respect to any accounting year to a hospital on the grounds set forth in subsection (a)(1)(B), such hospital shall be allowed increased total revenue for purposes of this Act for such accounting year and all subsequent accounting years (and the limit on its allowable rate of increase in inpatient hospital revenues shall be adjusted upward accordingly) in an amount no greater than the amount necessary to maintain the current ratio of its assets to liabilities (determined in accordance with the last sentence of subsection (a)) at the level specified in subsection (a)(2).

(e)(1) Any hospital which is adversely affected by a determination of the Secretary under this section may obtain a hearing before the Provider Reimbursement Review Board established under section 1878 of the Social Security Act, if the amount in controversy is $25,000 or more and the request for such hearing is filed within 180 days after receipt of the Secretary's determination.

(2) For purposes of paragraph (1), the Secretary (notwithstanding section 1878(h) of the Social Security Act) shall appoint five additional members to the Provider Reimbursement Review Board, following the specifications for expertise applicable to the existing five members. Such five additional members shall constitute the Board for purposes of reviewing appeals under this Act. All the other provisions of section 1878 of the Social Security Act shall apply except that the Board as so constituted shall be considered as reviewing decisions of the Secretary rather than of a fiscal intermediary, and subsection (b) of such section shall not apply.

ENFORCEMENT

SEC. 307. (a) Notwithstanding any provision of title XVIII of the Social Security Act, reimbursement for inpatient hospital services under the program established by that title shall not be payable, on an interim basis or in final settlement, to the extent that it exceeds the applicable limits established under this Act.

(b) Notwithstanding any provision of title V or XIX of the Social Security Act, payment shall not be required to be made by any State under either such title with respect to any amount paid for inpatient hospital services in excess of the applicable limits established under this Act; nor shall payment be made to any State under either such title with respect to any amount paid for inpatient hospital services in excess of such limits.

(c) Notwithstanding any other provision of law, receipt by any hospital of payment for inpatient hospital services in excess of the applicable limits established under this Act, or payment by any cost payer (as defined in section 301(6)(B)) for inpatient hospital services on a cost basis in excess of such limits, shall subject such hospital or cost payer—

(1) to the Federal excise tax imposed by section 4991 of the Internal Revenue Code of 1954 (as added by section 311 of this Act), and

(2) to exclusion, at the discretion of the Secretary, from participation in any or all of the programs established by titles V, XVIII, and XIX of the Social Security Act.

(d)(1) Where the Secretary determines that average charges per admission billed for inpatient services by a hospital during an accounting year any part of which is included in a period subject to this Act exceed the applicable limits established under this Act, he shall promulgate (or shall require the hospital to promulgate in such manner as he may prescribe) the percentage by which the average charge per admission billed in that accounting year by the hospital exceeded the applicable limitation on average charges per admission established under this Act.

(2) Any hospital described in paragraph (1) shall be exempt from the penalties set forth in subsection (c) if it holds in escrow an amount equal to the percentage promulgated under such paragraph multipled by the hospital's total inpatient charges less its inpatient charges applicable to cost payers (as defined in section 301), imposed on the accounting year referred to in such paragraph, until such time as charges below the applicable limits established under this Act, equal in aggregate to such amount, are experienced; but any such hospital which fails to do so shall be subject to such penalties.

DETERMINATION OF INPATIENT REIMBURSEMENT

SEC. 308. For purposes of section 302, inpatient reimbursement under the programs established by title V, XVIII, and XIX of the Social Security Act shall be determined without regard to adjustments resulting from the application of section 405.460(g), 405.455(d), 405.415(f), or 405.415(d)(3) of the Federal regulations applicable to such title XVIII.

IMPROPER CHANGES IN ADMISSION PRACTICES

SEC. 309. Upon written complaint by any institution meeting the conditions set forth in paragraphs (1) and (7) of section 1861(e) of the Social Security Act that one or more hospitals subject to this title in a health service area for which a health systems agency has been designated under section 1515 of the Public Health Service Act has changed its admission practices in a manner that would tend to reduce the proportion of inpatients of such hospital or hospitals for whom reimbursement at less than the inpatient charges (as defined in section 301 of this Act) applicable to such inpatients is anticipated, such health systems agency shall investigate the complaint and, upon a finding by such agency that the complaint is justified, the Secretary may impose the sanction set forth in section 307(c)(2) of this Act.

REVIEW OF CERTAIN DETERMINATIONS

SEC. 310. Any determinations made on behalf of the Secretary under this Act with respect to the application of its provisions to individual hospitals shall be subject to the provisions of section 1878 of the Social Security Act in the same manner as determinations with respect to the amount of reimbursement due a provider of services under title XVIII of such Act.

EXCISE TAX ON EXCESSIVE PAYMENTS FOR INPATIENT HOSPITAL SERVICES

SEC. 311. (a) Subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 45—TAX ON CERTAIN EXCESSIVE PAYMENTS FOR INPATIENT HOSPITAL SERVICES

"Sec. 4991. Imposition of tax.

"SEC. 4991. IMPOSITION OF TAX.

"(a) IN GENERAL.—There is hereby imposed, with respect to the receipt by any hospital of payment for inpatient hospital services in excess of the applicable limits established by title III of the State Cost Control Plan for Hospitals Act of 1977, and with respect to any payment made by any cost payer as defined in section 301 of such Act for inpatient hospital services on a cost basis in excess of such limits, a tax equal to 90 percent of the amount of such excess. The tax imposed by this subsection shall be paid by the hospital or cost payer.

"(b) EXCEPTION.—The tax imposed by subsection (a) shall not apply with respect to any hospital so long as it is determined by the Secretary of Health, Education, and Welfare to be taking the corrective action described in section 307(d)(2) of the State Cost Control Plan for Hospitals Act of 1977.

"(c) DEFINITIONS.—Terms used in subsections (a) and (b) have the meanings given them by title III of the State Cost Control Plan for Hospitals Act of 1977.

"(d) ADMINISTRATION.—Under and to the extent provided by regulations of the Secretary, the appropriate provisions of subtitle F (relating to procedure and administration) shall be made applicable with respect to the tax imposed by subsection (a) of this section."

(b) The table of chapters for subtitle D of such Code is amended by adding at the end thereof the following new item:

"Chapter 45. Tax on Certain Excessive Payments for Inpatient Hospital Services.".

EXEMPTION FOR DEMONSTRATION PROGRAMS

SEC. 312. A hospital may be excluded from the application of this Act if the Secretary determines that—

(1) such exclusion is necessary to facilitate an experiment or demonstration entered into under section 402 of the Social Security Amendments of 1967, or section 222 of the Social Security Amendments of 1972, and

(2) such experiment or demonstration is consistent with the purposes of this Act.

UNIFORM REPORTING SYSTEMS FOR HEALTH SERVICES FACILITIES AND ORGANIZATIONS

SEC. 313. (a) For the purposes of reporting the cost of services provided by, of planning, and of measuring and comparing the efficiency of and effective use of services in, hospitals, skilled nursing facilities, intermediate care facilities, home health agencies, health maintenance organizations, and other types of health services facilities and organizations to which payment may be made under titles V, XVIII, or XIX of the Social Security Act or the Public Health Service Act, the Secretary shall establish by regulation, for each such type of health services facility or organization, a uniform system for the reporting by a facility or organization of that type of the following information:

(1) The aggregate cost of operation and the aggregate volume of services.

(2) The costs and volume of services for various functional accounts and subaccounts.

(3) Rates, by category of patient and class of purchaser.

(4) Capital assets, as defined by the Secretary, including (as appropriate) capital funds, debt service, lease agreements used in lieu of capital funds, and the value of land facilities, and equipment.

(5) Discharge and bill data.

The uniform reporting system for a type of health services facility or organization shall provide for appropriate variation in the application of the system to different classes of facilities or organizations within that type and shall be established, to the extent practicable, consistent with the cooperative system for producing comparable and uniform health information and statistics described in section 306(e)(1) of the Public Health Service Act.

(b) The Secretary shall—

(1) monitor the operation of the systems established under subsection (a); and

(2) periodically revise such systems to improve their effectiveness and diminish their cost.

TITLE IV—LIMITATION ON HOSPITAL CAPITAL EXPENDITURES

SEC. 401. (a) Section 1122(a) of the Social Security Act is amended to read as follows:

"(a) The purpose of this section is to assure that Federal funds appropriated under titles V, XVIII, and XIX are not used to support capital expenditures for inpatient hospital services made by or on behalf of health care facilities which are reimbursed under any of such titles, and are used only to support such expenditures for other health services which are determined to be necessary through the health services and facilities planning activities in the various States.".

(b) Paragraphs (1) and (2) of section 1122 (b) of the Social Security Act are amended by inserting "(other than those for inpatient hospital services)" after "expenditures" each time it appears.

(c) Section 1122(d)(1)(B)(ii)(I) is amended to read as follows:

"(I) consulted with, and taken into consideration the findings and recommendations of, the designated health systems agency, or, if there is no such agency, such other public or nonprofit private agency or organization (if any) as performs, as determined in accordance with criteria included in regulations, similar functions, and".

(d) The matter following subclause (II) of section 1122(d)(1)(B)(ii) of such Act is amended by striking "or other expenses related to such capital expenditure." and substituting "other expenses related to the capital expenditure, or for direct operating costs associated with the capital expenditure.".

(e) Section 1122(d)(2) of such Act is amended by striking "any capital expenditure" and substituting "a capital expenditure (other than for inpatient hospital services)".

(f) Section 1122 of such Act is further amended by—

(1) redesignating subsection (e) as subsection (i);

(2) redesignating subsections (f), (g), and (h) as subsections (e), (f), and (g) respectively;

(3) redesignating subsection (i) as subsection (j); and

(4) inserting after subsection (g) as redesignated by this subsection the following:

"(h)(1) Without regard to agreements made under subsection (b), and except as provided in paragraph (2), in determining Federal payments under titles V, XVIII, and XIX for inpatient hospital services (except those inpatient hospital services provided by a health maintenance organization) with respect to which a capital expenditure is made, the Secretary shall not include any amount attributable to depreciation, interest on borrowed funds, a return on equity capital (in the case of proprietary facilities), other expenses related to the capital expenditure, or for direct operating costs associated with use of the capital expenditure for inpatient hospital services.

"(2) The Secretary shall not exclude such expenses from Federal payments pursuant to paragraph (1) for inpatient hospital services with respect to which a capital expenditure is made by any health care facility—

"(A) in a State with which he has made an agreement under subsection (b)—

"(i) if the capital expenditure was approved prior to October 1, 1977, by the designated planning agency pursuant to this section, or

"(ii) only in the case of existing hospitals, if the designated planning agency determines that the capital expenditure is necessary to avoid noncompliance with Federal, State, or local fire, building, or life safety codes, or State or vountary licensure or accreditation requirements, and that the inpatient hospital services for which the capital expenditure is proposed are needed;

"(B) in a State with which he has not made an agreement under subsection (b)—

"(i) if the capital expenditure was approved under a State certificate-of-need statute, if applicable, prior to October 1, 1977, or

"(ii) only in the case of existing hospitals, if the Secretary or his designee determines that the capital expenditure is necessary to avoid noncompliance with Federal, State, or local fire, building, or life safety codes, or State or voluntary licensure or accreditation requirements, and that the inpatient hospital services for which the capital expenditure is proposed are needed.".

REPEALER

SEC. 402. Effective 18 months after the date of enactment of this title, the amendments made by this title are repealed.

TITLE V—REVISIONS OF TITLE XV OF THE PUBLIC HEALTH SERVICE ACT

DESIGNATION OF SURPLUS SERVICES

SEC. 501. (a) Section 1513(g)(1) of the Public Health Service Act is amended by striking the period, and substituting a comma, and the following "including its recommendations as to which services should be designated as surplus.".

(b) Section 1523(a)(6) of the Public Health Service Act is amended by adding at the end thereof the following new sentence: "Any institutional health service found to be unneeded according to the standards applied in determining whether a proposed new service shall be granted a certificate-of-need shall be declared surplus. In making a determination that a service is unneeded, the State agency shall take into consideration any recommendations made by the appropriate health systems agency and shall indicate the date on which its designation of the service as surplus shall become effective."

(c) Section 1523 of the Public Health Act is amended by adding after subsection (c) the following new subsection:

"(d) When a State agency's designation of an institutional health service as surplus under the terms of section 1523(a)(6) becomes effective, such service shall, for purposes of the State certificate-of-need program and for purposes of section 1122 of the Social Security Act, be considered as though it had been denied a certificate-of-need.".

COMPENSATION FOR SERVICES DECLARED SURPLUS

SEC. 502. The Public Health Service Act is amended by adding after section 1526 the following new section:

"GRANTS FOR SERVICES DECLARED SURPLUS

"SEC. 1527. (a) The Secretary shall, upon proper application, make grants to institutions which have discontinued health services pursuant to a determination by a State agency that such services are surplus as provided in section 1523(a)(6).

"(b) The amount of any grant under subsection (a) shall not exceed the amount of the debt incurred by the institution in developing the service declared surplus which remains outstanding at the earlier of (1) the time the institution discontinues the service pursuant to the State agency's determination that it is unneeded, or (2) the effective date of the State agency's designation of the service as surplus. Such grant shall be used by the institution receiving it to retire such outstanding indebtedness.

"(c) There are authorized to be appropriated to make payments under grants under subsection (a) for the fiscal year ending September 30, 1979, such sums as may be necessary.

By Mr. HASKELL:

S. 1879. A bill relating to the authority of the Secretary of the Interior to grant rights-of-way for pipelines under the Mineral Leasing Act, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. HASKELL. Mr. President, the bill I introduce today is identical to a bill I introduced June 26, 1973. It would separate the ownership of pipelines from production.

I reintroduce the bill at this time since it appears that the current Justice Department has now joined earlier ones—under Attorneys General Rogers and Clark—in finding the ownership of pipelines by major oil companies to be anticompetitive.

By Mr. HELMS (for himself, Mr. GOLDWATER, and Mr. SCHWEIKER):

S. 1880. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURE ACT

Mr. HELMS. Mr. President, article V of the U.S. Constitution provides that upon the application of the legislatures of two-thirds of the States, Congress shall call a convention to propose amendments to the Constitution. The legislation which I am introducing today implements article V by establishing procedures for such a convention.

This legislation, with the exception of a few technical changes, is identical to that which was introduced by my friend and distinguished former Senator from North Carolina, the Honorable Sam J. Ervin, Jr. This bill was passed by the Senate with slight modification by a vote of 84 to 0 in 1971 and by voice vote in 1973.

In 1971, the Senate Judiciary Committee reported that it was the responsibility of Congress "to enact legislation which make Article V meaningful" and not to make the constitutional convention "a dead letter."

In 1973, the American Bar Association resolved that it was "desirable" for Congress to establish procedures for such a convention. The ABA report on the resolution concluded that "so long as the convention method of proposing amendments is part of our Constitution, it is proper to establish procedures for its implementation and improper to place unnecessary and unintended obstacles in the way of its use."

This legislation provides an even-handed, nonpartisan, and fair resolution of the problems inherent in calling a convention under article V. It provides these procedures now, in the absence of a constitutional crisis in which a dispassionate resolution of the problems may not be possible.

The procedures which this legislation establishes do not favor or assist any particular call for a constitutional convention. Support of this proposal should not be viewed as support or opposition to any presently proposed constitutional amendment or convention call.

Mr. President, perhaps the best analysis of the problems involved in proposing

amendments through a constitutional convention was written by former Senator Ervin for the March 1968, issue of the Michigan Law Review. That article, entitled "The Convention Method of Amending the Constitution," was recently reprinted in the spring 1977, issue of the Human Life Review.

Mr. President, I ask unanimous consent that the following excerpts from former Senator Ervin's article be printed at this point in the RECORD, to be followed by the text of the Federal Constitutional Convention Procedures Act.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CONVENTION METHOD OF AMENDING THE CONSTITUTION

(By Sam J. Ervin, Jr.)

Article V of the Constitution of the United States [1] provides that constitutional amendments may be proposed in either of two ways—by two-thirds of both houses of the Congress or by a convention called by the Congress in response to the applications of two-thirds of the state legislatures. Although the framers of the Constitution evidently contemplated that the two methods of initiating amendments would operate as parallel procedures, neither superior to the other, this has not been the case historically. Each of the twenty-five constitutional amendments ratified to date was proposed by the Congress under the first alternative. As a result, although the mechanics and limitations of congressional power under the first alternative are generally understood, very little exists in the way of precedent or learning relating to the unused alternative method in article V. This became distressingly clear recently, following the disclosure that thirty-two state legislatures had, in one form or another, petitioned the Congress to call a convention to propose a constitutional amendment permitting states to apportion their legislatures on the basis of some standard other than the Supreme Court's "one man-one vote" requirement. The scant information and considerable misinformation and even outright ignorance displayed on the subject of constitutional amendment, both within the Congress and outside of it—and particularly the dangerous precedents threatened by acceptance of some of the constitutional misconceptions put forth—prompted me to introduce in the Senate a legislative proposal designed to implement the convention amendment provision in article V . . .

III. QUESTIONS RAISED BY THE BILL

Before going to specific issues and matters of detail, it seems appropriate to discuss briefly two threshold problems posed by the bill: whether the Congress has the power to enact such legislation, and, if it does, what policy considerations should guide it in exercising such power.

I have no doubt that the Congress has the power to legislate about the process of amendment by convention. The Congress is made the agency for calling the convention, and it is hard to see why the Congress should have been involved in this alternative method of proposal at all unless it was expected to determine such questions as when sufficient appropriate applications had been received and to provide for the membership and procedures of the convention and for review and ratification of its proposals. Obviously the fifty state legislatures cannot themselves legislate on this subject. The constitutional convention cannot do so for it must first be brought into being. All that is left, therefore, is the Congress, which, in respect to this and other issues not specifically settled by the Constitution, has the residual power to legislate on matters that require uniform settlement. Add to this the weight of such decisions as *Coleman v. Miller*,[9] to the effect that questions arising in the amending process are nonjusticiable political questions exclusively in the congressional domain, and the conclusion seems inescapable that the Congress has plenary power to legislate on the subject by amendment by convention and to settle every point not actually settled by article V of the Constitution itself.

With respect to the second problem, within what general policy limitations that power should be exercised, I think the Congress should be extremely careful to close as few doors as possible. Any legislation on this subject will be what might be called "quasi-organic" legislation; in England it would be recognized as a constitutional statute. When dealing with such a measure, it is wise to bear in mind Marshall's well-worn aphorism that it is a Constitution we are expounding and not get involved in "an unwise attempt to provide, by immutable rules, for exigencies which, if foreseen at all, must [be] seen dimly, and which can best be provided for as they occur." [10] This approach is reflected at several points in the bill, notably in its failure to try to anticipate and enumerate the various grounds on which Congress might justifiably rule a state petition invalid, and its failure to prescribe rigid rules of procedure for the convention. In addition, I think the Congress, in exercising its power under article V, should bear in mind that the Framers meant the convention method of amendment to be an attainable means of constitutional change. This legislation can be drawn so as to place as many hurdles as possible in the way of effective use of the process; or it can be drawn in a manner that will make such a process a possible, however improbable, method of amendment. The first alternative would be a flagrant disavowal of the clear language and intended function of article V. I have assumed that the Congress will wish to take the second road, and the bill is drawn with that principle in mind.

OPEN OR LIMITED CONVENTION?

Perhaps the most important issue raised by the bill is the question of the power of the Congress to limit the scope and authority of a convention convened under article V in accordance with the desires of the states as set forth in their applications. This was, as I have noted, one of the issues that most troubled me when I first heard of the efforts by the states to call a convention.

It has been argued that the subject matter of a convention convened under article V cannot be limited, since a constitutional convention is a premier assembly of the people, exercising all the power that the people themselves possess, and therefore supreme to all other governmental branches or agencies. Certainly, according to this argument, the states may not themselves, in their applications, dictate limitations on the convention's deliberations. They may not require the Congress to submit to the convention a given text of an amendment, nor even a single subject or idea. For the convention must be free to "propose" amendments, which suggests the freedom to canvass matters afresh and to weigh all possibilities and alternatives rather than ratify a single text or idea. The states may in their applications specify the amendment or amendments they would hope the convention would propose. But once the Congress calls the convention, those specifications would not control its deliberations. The convention could not be restricted to the consideration of certain topics and forbidden to consider certain other topics, nor could it be forbidden to write a new constitution if it should choose to do so.

I will concede that such an interpretation can be wrenched from article V—but only through a mechanical and literal reading of the words of the article, totally removed from the context of their promulgation and history. My reading of the debates on article V at the Philadelphia Convention and the other historical materials bearing on the intended function of the amendment process [11] leads me to the opposite conclusion. As I understand the debates, the Founders were concerned, first, that they not place the new government in the same straightjacket that inhibited the Confederation, unable to change fundamental law without the consent of every state.

The amendment process, rather a novelty for the time, was therefore included in the Constitution itself. Second, the final form of article V was dictated by a major compromise between those delegates who would utilize the state legislatures as the sole means of initiating amendments and those who would lodge that power exclusively in the national legislature. The forces at the convention that sought to limit the power of originating amendments to the states were at first dominant. The original Virginia Plan, first approved by the convention, excluded the national legislature from participation in the amendment process. On reconsideration, the forces that would limit the power of origination of amendments to the national legislature became prevalent. The arguments on both sides were persuasive: the improprieties or excess of power in the national government would not likely be corrected except by state initiative, while improprieties by the state governments or deficiencies in national initiative. In the spirit that typified power would not likely be corrected except by the 1787 Convention, the result was acceptance of a Madison compromise proposal which read, as the final article was to read, in terms of alternative methods.

It is clear that neither of the two methods of amendment was expected by the Framers to be superior to the other or easier of accomplishment. There is certainly no indication that the national legislature was intended to promote individual amendments while the state legislatures were to be concerned with more extensive revisions. On the contrary, there is strong evidence that what the members of the convention were concerned with in both cases was the power to make specific amendments. They did not appear to anticipate a need for a general revision of the Constitution. And certainly this was understandable, in light of the difficulties that they had in finding the compromises to satisfy the divergent interests needed for ratification of their efforts.

Provision in article V for two exceptions to the amendment power underlines the notion that the convention anticipated specific amendment or amendments rather than general revision. For it is doubtful that these exceptions could have been expected to control a later general revision.

This construction is supported by references to the amendment process in the *Federalist Papers*. In *Federalist No. 43*, James Madison explained the need and function of article V as follows:

That useful alterations will be suggested by experience, could not but be foreseen. It was requisite therefore that a mode for introducing them should be provided. The mode preferred by the Convention seems to be stamped with every mark of propriety. It guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the general and the state governments to originate the amendment of errors as they may be pointed out by the experience on one side or on the other . . .

Apart from being inconsistent with the language and history of article V, the contention that any constitutional convention must be a wide open one is neither a practicable nor a desirable one. If the subject matter of amendments were left entirely

Footnotes at end of article.

to the convention, it would be hard to expect the states to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the states to originate the amendment of errors pointed out by experience, as Madison expected them to do. Alternatively, under that construction, applications for a limited convention deriving in some states from a dissatisfaction with the school desegregation cases, in others because of the school prayer cases, and in still others by reason of objection to the *Miranda* rule, could all be combined to make up the requsite two-thirds of the states needed to meet the requirements of article V. I find it hard to believe that this is the type of consensus that was thought to be appropriate to calling for a convention.

The bill provides that state petitions to the Congress which request the calling of a convention under article V shall state the nature of the amendment or amendments to be proposed by such convention. Upon receipt of valid applications from two-thirds or more of the states requesting a convention on the same subject or subjects, the Congress is required to call a convention by concurrent resolution, specifying in the resolution the nature of the amendment or amendments for the consideration of which the convention is being called. The convention may not propose amendments on other subjects and if it does, the Congress may refuse to submit them to the states for ratifications. . . .

MAY CONGRESS REFUSE TO CALL A CONVENTION?

Perhaps the next most important question raised by the bill is whether the Congress has any discretion to refuse to call a convention in the face of appropriate applications from a sufficient number of states.

Article V states that Congress "shall" call a convention upon the applications of the legislatures of two-thirds of the states. I have absolutely no doubt that the article is peremptory and that the duty is mandatory, leaving no discretion to the Congress to review the wisdom of the state applications. Certainly this is the more desirable construction, consonant with the intended arrangement of article V as described in the preceding section of this article. The founders included the convention alternative in the amending article to enable the states to initiate constitutional reform in the event the national legislature refused to do so. To concede to the Congress any discretion to consider the wisdom and necessity of a particular convention call would in effect destroy the role of the states.

The comments of both Madison and Hamilton, subsequent to the 1787 Convention, sustain this construction. In a letter on the subject, Madison observed that the question concerning the calling of a convention "will not belong to the Federal Legislature. If two-thirds of the states apply for one, Congress cannot refuse to call it: if not, the other mode of amendments must be pursued."[13] Hamilton, in the *Federalist No. 85*, stated:

By the fifth article of the plan the congress will be *obliged*, "on the application of the legislatures of two-thirds of the states, (which at present amounts to nine) to call a convention for proposing amendments, which *shall be valid* to all intents and purposes, as part of the constitution, when ratified by the legislatures of three-fourths of the states, or by conventions in three-fourths thereof." The words of this article are peremptory. The congress *"shall* call a convention." Nothing in this particular is left to the discretion. . . .

SUFFICIENCY OF STATE APPLICATIONS

Assuming the Congress may not weigh the wisdom and necessity of state applications requesting the calling of a constitutional convention, does it have the power to judge the validity of state applications and state legislative procedures adopting such applications? Clearly the Congress has some such power. The fact alone that Congress is made the agency for convening the convention upon the receipt of the requisite number of state applications suggests that it must exercise some power to judge the validity of those applications. The impotence or withdrawal of the courts underlines the necessity for lodging some such power in the Congress. The relevant question, then, concerns the extent of that power.

It has been contended that Congress must have broad powers to judge the validity of state applications and that such power must include the authority to look beyond the content of an application, and its formal compliance with article V, to the legislative procedures followed in adopting the application. The counterargument is that to grant Congress the power to reject applications particularly if that power is not carefully circumscribed, would be to supply it with a means of avoiding altogether the obligation to call a convention. The result would be that the Congress could arbitrarily reject all applications on subjects it did not consider appropriate for amendment, leaving us in effect with only one amendment process. . . .

One further important point should be mentioned. Most of the states obviously do not now understand their role in designating subjects or problems for resolution by amendment, and many of them do not even know where to send their applications. By setting forth the formal requirements with respect to content of state applications and designating the congressional officers to whom they must be transmitted, the bill furnishes guidance to the states on these questions and promises to avert in the future some of the problems that have arisen in the current effort to convene a convention. The bill also requires that all applications received by the Congress be printed in the *Congressional Record* and that copies be sent to all members of Congress and to the legislature of each of the other states. In this way, the element of congressional surprise can be eliminated, and each state can be given prompt and full opportunity to join in any call for a convention in which it concurs.

THE ROLE OF STATE GOVERNORS

The argument has been made that a state application for a constitutional convention must be approved by both the legislature and the governor of the state to be effective. This argument rests on the claim that article V intended state participation in the process to involve the whole legislative process of the state as defined in the state constitution. I do not agree with that argument. We do not have here any question about the exercise of the lawmaking process by a state legislature in combination with whatever executive participation might be called for by state law. We have rather a question of heeding the voice of the people of a state in expressing the possible need for a change in the fundamental document.

Closely analogous court decisions support this interpretation. The Supreme Court in *Hawks* v. *Smith, No. 1*[14] interpreted the term "legislatures" in the ratification clause of article V to mean the representative lawmaking bodies of the states, since ratification of a constitutional amendment "is not an act of legislation within the proper sense of the word."[15] Certainly the term "legislature" should have the same meaning in both the application clause and the ratification clause of article V. Further support is found in the decision in *Hollingsworth* v. *Virginia*,[16] in which the Court held that a constitutional amendment approved for proposal to the states by a two-thirds vote of Congress need not be submitted to the President for his signature or veto.

The bill therefore provides specifically that a state application need not be approved by the state's governor in order to be effective.

MAY A STATE RESCIND ITS APPLICATIONS?

The question of whether a state should be allowed to rescind an application previously forwarded to the Congress is another of the political questions to which the courts have not supplied answers and presumably cannot. The Supreme Court has held that questions concerning the rescission of prior ratifications or rejections of amendments proposed by the Congress are determined solely by Congress.[17] Presumably, then, the question of rescission of an application for a convention is also political and nonjusticiable. Although the Congress has previously taken the position that a state may not rescind its prior ratification of an amendment, it has taken no position concerning rescission of applications. My strong conviction is that rescission should be permitted. Since a two-thirds consensus among the states at some point in time is necessary in order for the Congress to call a convention, the Congress should consider whether there has been a change of mind among some states that have earlier applied. Moreover, an application is not a final action, since it serves merely to initiate a convention, and does not commit even the applicant state to any substantive amendment that might eventually be proposed.

The bill therefore provides that a state may rescind at any time before its application is included among an accumulation of applications from two-thirds of the states, at which the obligation of the Congress to call a convention becomes fixed. Incidentally, the bill also provides that a state may rescind its prior ratification of an amendment proposed by the convention up until the time there are existing valid ratifications by three-fourths of the states, and that a state may change its mind and ratify a proposed amendment that it previously has rejected . . .

The Congress and the courts have agreed that constitutional amendments proposed by the Congress and submitted to the states for ratification can properly remain valid for ratification for a period of seven years. It has been felt that there should be a "reasonably contemporaneous" expression by three-fourths of the states that an amendment is acceptable in order for the Congress to conclude that a consensus in favor of the amendment exists among the people, and that ratification within a seven-year period satisfies this requirement.[18] Presumably, the same principle should govern the application stage of the constitutional amendment process . . .

CALLING THE CONVENTION

The bill provides that the Secretary of the Senate and the Clerk of the House of Representatives shall keep a record of the number of state applications received, according to subject matter. Whenever two-thirds of the states have submitted applications on the same subject or subjects, the presiding officer of each house shall be notified and shall announce the same on the floor. Each house is left free to adopt its own rules for determining the validity of the applicants, presumably by reference to a committee followed by floor action. Once a determination has been made that there are valid applications from two-thirds or more of the state legislatures on the same subject or subjects, each house must agree to a concurrent resolution providing for the convening of a constitutional convention on such subject or subjects. The concurrent resolution would designate the place and time of meeting of the convention, set forth the nature of the amendment or amendments the convention is empowered to consider and propose, and provide for such other things as the provision of funds to pay the expenses of the convention and to compensate the delegates. The convention would be required to be con-

Footnotes at end of article.

vened not later than one year after adoption of the resolution.

. . . the bill has been amended to require that delegates be elected—not appointed—and that they be elected by the same constituency that elects the states' representatives in Congress. Under the amended bill, each state will be entitled to as many delegates as it is entitled to Senators and Representatives in Congress. Two delegates in each state will be elected at large and one delegate will be elected from each congressional district in the manner provided by state law. Vacancies in a state's delegation will be filled by appointment of the governor.

CONVENTION PROCEDURE AND VOTING

The bill provides that the Vice President of the United States shall convene the constitutional convention, administer the oath of office of the delegates and preside until a presiding officer is elected. The presiding officer will then preside over the election of other officers and thereafter. Further proceedings of the convention will be in accordance with rules adopted by the convention. A daily record of all convention proceedings, including the votes of delegates, shall be kept, and shall be transmitted to the Archivist of the United States within thirty days after the convention terminates. The convention must terminate its proceedings within one year of its opening unless the period is extended by the Congress by concurrent resolution.

Finally, the bill provides that amendments may be proposed by the convention by a vote of a majority of the total number of delegates to the convention. The alternative would be to impose a two-thirds voting requirement analogous to the requirement for congressional proposal of amendments. However, article V does not call for this, and I think that such a requirement would place an undue and unnecessary obstacle in the way of effective utilization of the convention amendment process.

RATIFICATION OF PROPOSED AMENDMENTS

The bill provides that any amendment proposed by the convention must be transmitted to the Congress within the thirty days after the convention terminates its proceedings. The Congress must then transmit the proposed amendment to the Administrator of General Services for submission to the states. However, the Congress may, by concurrent resolution, refuse to approve an amendment for submission to the states for ratification, on the grounds of procedural irregularities in the convention or failure of the amendment to conform to the limitations on subject matter imposed by the Congress in the concurrent resolution calling the convention. The intent is to provide a means of remedying a refusal by the convention to abide by the limitations on its authority to amend the Constitution. Of course, unlimited power in the Congress to refuse to submit proposed amendments for ratification would destroy the independence of the second alternative amending process. Therefore, the Congress is explicitly forbidden to refuse to submit a proposed amendment for ratification because of doubts about the merits of its substantive provisions. The power is reserved for use only with respect to amendments outside the scope of the convention's authority or in the case of serious procedural irregularities.

Ratification by the states must be by state legislative action or convention, as the Congress may direct, and within the time period specified by the Congress. The Congress retains the power to review the validity of ratification procedures. As noted earlier, any state may rescind its prior ratification of an amendment by the same processes by which it ratified it, except that no state may rescind after that amendment has been validly ratified by three-fourths of the states. When three-fourths of the states have ratified a proposed amendment, the Administrator of General Services shall issue a proclamation that the amendment is a part of the Constitution, effective from the date of the last necessary ratification.

IV. CONCLUSION

There is some evidence that the current effort to require the Congress to call a convention to propose a reapportionment amendment has failed and that the danger of a constitutional crisis has passed. The two additional applications needed to bring the total to thirty-four have not been received and there is a strong likelihood that some applicant states will rescind their applications. Even if this is the case, however, the need for legislation to implement article V remains. There may well be other attempts to utilize the convention amendment process and, in the absence of legislation, the same unanswered questions will return to plague us. The legislation therefore is still timely, and the Congress may now have the opportunity to deal with the sensitive constitutional issues objectively, uninfluenced by competing views on state apportionment or any other substantive issue.

Some have argued that the convention method of amendment is an anomaly in the law, out of step with modern notions of majority rule and the relationship between the states and the federal government. If so, that part of article V should be stricken from the Constitution by the appropriate amendment process. It should not, however, be undermined by erecting every possible barrier in the way of its effective use. Such a course would be a disavowal of the clear language and history of article V. The Constitution made the amendment process difficult, and properly so. It certainly was not the intention of the original Convention to make it impossible. Nor is it possible to conclude that the Founders intended that amendments originating in the states should have so much harder a time of it than those proposed by Congress. As I have pointed out, that issue was fought out in 1787 Convention and resolved in favor of two originating sources, both difficult of achievement, but neither impossible and neither more difficult than the other. My bill seeks to preserve the symmetry of article V by implementing the convention alternative so as to make it a practicable but not easy method of constitutional amendment.

FOOTNOTES

[1] The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate, *U.S. Const. Art. V.*

[9] 307 U.S. 433 (1939).

[10] *McCulloch v. Maryland*, 17 U.S. (4 Wheat.) 316, 407, 415 (1819).

[11] *E.g.*, LEGISLATIVE REFERENCE SERV., LIBRARY OF CONGRESS, THE CONSTITUTION OF THE UNITED STATES OF AMERICA; ANALYSIS AND INTERPRETATION, S. Doc. No. 39, 88th Cong., 1st Sess. 135–36 (1964); THE FEDERALIST NOS. 43 & 85 (J. Cooke ed. 1961); L. ORFIELD, AMENDING THE FEDERAL CONSTITUTION (1942); THE RECORDS OF THE FEDERAL CONVENTION OF 1787 (M. Farrand ed. 1937). The relevant excerpts from these and other sources are printed as an appendix to the *Hearings on the Federal Constitutional Convention Before the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary*, United States Senate, Oct. 30 and 31, 1967.

[13] U.S. BUREAU OF ROLLS AND LIBRARY, DOCUMENTARY HISTORY OF THE CONSTITUTION OF THE UNITED STAES OF AMERICA V, 141, 143, *quoting* Madison's letter to Mr. Eve, dated Jan. 2, 1789.

[14] 253 U.S. 221 (1920).

[15] *Id.* at 229.

[16] 3 U.S. (3 Dall.) 378 (1798).

[17] *Coleman v. Miller*, 307 U.S. 433, 448–49 (1939).

[18] *Dillon v. Gloss*, 256 U.S. 368 (1921).

S. 1880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Constitutional Convention Procedures Act."

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

SEC. 2. The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more amendments to the Constitution of the United States and stating the nature of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

SEC. 3. (a) For the purpose of adopting or rescinding a resolution pursuant to section 2 or section 5 of this Act, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, but without the need for approval of the legislature's action by the Governor of the State.

(b) Questions concerning the adoption of a State resolution cognizable under this Act shall be determinable by the Congress of the United States and its decisions thereon shall be binding on all others, including State and Federal courts.

TRANSMITTAL OF APPLICATIONS

SEC. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate; and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution;

(2) the exact text of the resolution signed by the presiding officer of each house of the State legislature; and

(3) the date on which the legislature adopted the resolution; and shall be accompanied by a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution.

(c) Within ten days after receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each

Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

SEC. 5. (a) An application submitted to the Congress by a State, unless sooner rescinded by the State legislature, shall remain effective for seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have each submitted an application calling for a constitutional convention on the same subject all such applications shall remain in effect until the Congress has taken action on a concurrent resolution, pursuant to section 6 of this Act, calling for a constitutional convention.

(b) A State may rescind its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of rescission in conformity with the procedure specified in sections 3 and 4 of this Act, except that no such rescission shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same subject.

(c) Questions concerning the rescission of a State's application shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

CALLING OF A CONSTITUTIONAL CONVENTION

SEC. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each subject. Whenever applications made by two-thirds or more of the States with respect to the same subject have been received, the Secretary and the Clerk shall so report in writing to the officer to whom those applications were transmitted, and such officer thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall be the duty of such House to determine that there are in effect valid applications made by two-thirds of the States with respect to the same subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that subject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set forth the nature of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than one year after adoption of the resolution.

DELEGATES

SEC. 7. (a) A convention called under this Act shall be composed of as many delegates from each State as it is entitled to Senators and Representatives in Congress. In each State two delegates shall be elected at large and one delegate shall be elected from each congressional district in the manner provided by law. Any vacancy occurring in a State delegation shall be filled by appointment of the Governor of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the Vice President of the United States the name of each delegate elected or appointed by the Governor pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at a session of the convention, and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

(d) Each delegate shall receive compensation for each day of service and shall be compensated for traveling and related expenses. Provision shall be made therefor in the concurrent resolution calling the convention. The convention shall fix the compensation of employees of the convention.

CONVENING THE CONVENTION

SEC. 8. (a) The Vice President of the United States shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside thereafter. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to refrain from proposing or casting his vote in favor of any proposed amendment to the Constitution of the United States relating to any subject which is not named or described in the concurrent resolution of the Congress by which the convention was called. Upon the election of permanent officers of the convention, the names of such officers shall be transmitted to the President of the Senate and the Speaker of the House of Representatives by the elected presiding officer of the convention. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) There is hereby authorized to be appropriated such sums as may be necessary for the payment of the expenses of the convention.

(c) The Administrator of the General Services shall provide such facilities, and the Congress and each executive department, agency, or authority of the United States, including the Legislative Branch and the Judicial Branch, except that no declaratory judgment may be required, shall provide such information and assistance, as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

SEC. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) The convention shall terminate its proceedings within one year after the date of its first meeting unless the period is extended by the Congress by concurrent resolution.

(d) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSAL OF AMENDMENTS

SEC. 10. (a) Except as provided in subsection (b) of this section, a convention called under this Act may propose amendments to the Constitution by a vote of a majority of the total number of delegates to the convention.

(b) No convention called under this Act may propose any amendment or amendments of a nature different from that stated in the concurrent resolution calling the convention. Questions arising under this subsection shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

APPROVAL BY THE CONGRESS AND TRANSMITTAL TO THE STATES FOR RATIFICATION

SEC. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b) (1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of ninety days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendments to the Administrator of General Services and specifying in accordance with article V of the Constitution the manner in which such amendment shall be ratified, or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a subject which differs from or was not included among the subjects named or described in the concurrent resolution of the Congress by which the convention was called, or because the procedures followed by the convention in proposing the amendment were not in substantial conformity with the provisions of this Act. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the period of ninety days.

(c) Upon receipt of any such proposed amendment to the Constitution, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both Houses of the Congress which prescribes the time within which and the manner in which such amendment shall be ratified, and a copy of this Act.

RATIFICATION OF PROPOSED AMENDMENTS

SEC. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified.

(b) Acts of ratification shall be by convention or by State legislative action as

the Congress may direct or as specified in subsection (c) of this section. For the purpose of ratifying proposed amendments transmitted to the States pursuant to this Act the State legislatures shall adopt their own rules of procedure. Any State action ratifying a proposed amendment to the Constitution shall be valid without the assent of the Governor of the State.

(c) Except as otherwise prescribed by concurrent resolution of the Congress, any proposed amendment to the Constitution shall become valid when ratified by the legislatures of three-fourths of the several States within seven years from the date of the submission thereof to the States, or within such other period of time as may be prescribed by such proposed amendment.

(d) The secretary of state of the State, or if there be no such officer, the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

SEC. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

(c) Questions concerning State ratification or rejection of amendments proposed to the Constitution of the United States, shall be determined solely by the Congress of the United States, and its decisions shall be binding on all others, including State and Federal courts.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

SEC. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

EFFECTIVE DATE OF AMENDMENTS

SEC. 15. An amendment proposed to the Constitution of the United States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.

By Mr. JAVITS (for himself, Mr. HUMPHREY, Mr. MOYNIHAN, Mr. MATHIAS, Mr. CLARK, Mr. RIEGLE, Mr. BAYH, Mr. MCGOVERN, Mr. WILLIAMS, Mr. KENNEDY, Mr. BROOKE, and Mr. CHAFEE):

S. 1881. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

GI SUPPLEMENTAL TUITION BILL

Mr. JAVITS. Mr. President, with Senators HUMPHREY, MOYNIHAN, MATHIAS, CLARK, RIEGLE, BAYH, MCGOVERN, WILLIAMS, KENNEDY, BROOKE, CHAFEE, and other sponsors, I propose on Wednesday, July 20, to introduce the GI supplemental tuition bill of 1977 the text of which is appended. It is hoped that other Senators will join in cosponsorship.

By Mr. GLENN (for himself and Mr. BAYH):

Senate Joint Resolution 71. A joint resolution to authorize and request the President to issue annually a proclamation designating September of each year as "National Sickle Cell Month"; to the Committee on the Judiciary.

Mr. GLENN. Mr. President, last August 31 I joined with the National Association for Sickle Cell Disease in bringing to the public's attention the fact that last September was National Sickle Cell Month. Today, with Senator BAYH, I am introducing Senate Joint Resolution 71 which would empower the President to designate September as National Sickle Cell Month annually.

It is important that this disease be periodically brought to the public's attention. Sickle cell anemia is an inherited blood disease which primarily affects blacks. One out of ten black persons has been estimated to possess the sickle cell trait. Roughly 1 of every 400 blacks has sickle cell anemia. The majority of adults who have sickle cell traits are not aware that they are carriers of the sickle cell gene. Thus, it is particularly important that there be ongoing screening and testing programs at early ages followed by appropriate education and counseling. Of course, there must also be continuing long-term research as well as quality medical care and treatment in this area.

Unfortunately, we at the national level have too often allowed the shining light of media attention to dictate priorities of interest and funding for vital programs. When the camera leaves, the problem remains, but interest and concern often disappears. We simply cannot allow this to happen with respect to sickle cell disease.

So I urge my colleagues to act on Senate Joint Resolution 71 so that President Carter can take this small step that will help assure that the American Government and its people do not forget or ignore this debilitating illness that afflicts so many of our citizens.

Mr. BAYH. Mr. President, as a member of the National Advisory Board for the National Association for Sickle Cell Disease—NASCD—it gives me a great deal of pleasure to cosponsor this resolution which proclaims the month of September as National Sickle Cell Month. Mr. President, I feel it is only fitting and proper that the Congress act on this matter quickly and without delay. Certainly, this is the kind of issue with which most, if not all Americans, are in agreement—that agreement being the eradication through prevention of sickle cell disease. For too many years, our black citizens have suffered from this crippling disease, and this resolution will be an important step in heightening public awareness of this terrible affliction.

Let me further state that time is of the utmost importance. NASCD is requesting September be proclaimed as the month to concentrate on fighting sickle cell anemia. I need not tell you that we have very little time in which to pass this proclamation. We have only 3 weeks until recess, and when we return, it will be the first of September. Therefore, if we plan to make the entire month Sickle Cell Prevention Month, we must act before we adjourn.

Finally, let me state that a great deal of attention and publicity has been given to sickle cell prevention over the past 6 to 7 years. However, there is still a great need for public education and the dissemination of accurate medical information about sickle cell trait and sickle cell anemia. This can only be accomplished through the combined efforts of all the American people. The leadership in this effort can begin right here in the U.S. Senate with the immediate passage of this resolution proclaiming September as National Sickle Cell Month.

ADDITIONAL STATEMENTS

THE PRICE OF PREPAREDNESS

Mr. GOLDWATER. Mr. President, now that the defense appropriation bill, has come to the floor, we will all be asked to discuss it, consider it, and vote our own conclusions on it. The defense appropriations bill is not an easily understood thing. To begin with, it is a very large amount of money. It will total this year in excess of $110.5 billion which is roughly 25 percent of our total Federal budget and about 5 to 6 percent of the gross national product. By the way, the relationship to the gross national product has been running at a very steady rate over a number of years so that while the actual amount of money being spent for military purposes goes up, its relationship to the total business of the country remains about the same. The American Enterprise Institute has published a paper entitled, "The Price of Preparedness," written by Lawrence J. Korb. Mr. Korb is professor of management at the U.S. Naval War College and an adjunct scholar of the American Enterprise Institute. While this paper is probably a little longer than one usually places in the RECORD, I feel it is of such importance that I ask unanimous consent that it be printed in the RECORD so that my colleagues will have the opportunity of becoming better acquainted with defense outlays before we get into the actual business of discussing them.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

[AEI Defense Review]

THE PRICE OF PREPAREDNESS: THE FISCAL YEAR 1978–82 DEFENSE PROGRAM

(By Lawrence J. Korb)

For five reasons, the defense budget for any particular year is one of the most important

documents produced within the American political system.

(1) The defense budget accounts for a sizable portion of federal expenditures.[1] Of fifteen major functions performed by the federal government the national defense function consumes the second largest amount of funds; only income security costs more. Similarly, of the twelve major agencies in the federal government, the Department of Defense (DOD) is the second most expensive; only the Department of Health, Education, and Welfare (HEW) spends more. Consequently, the size and distribution of the defense budget have vast implications for the health of the U.S economy.

(2) The defense budget for fiscal year (FY) 1978 represents 56 percent of the realistically controllable or discretionary funds within the entire federal budget. In contrast, almost none of the funds for HEW, the Veterans Administration, or other agencies are controllable. These agencies must play the claims of individuals who establish eligibility for programs like social security or the GI bill. Therefore, defense is the primary area in the federal budget in which national priorities can be established.

(3) The defense budget is the linchpin of any national security policy. Plans are basically irrelevant and operations virtually impossible until the forces and weapons to support them have been purchased. If the force structure that is procured cannot support the policy, disaster may result.

(4) Decisions reflected in a particular defense budget have long-term consequences. A naval surface combatant funded in the FY 1978 budget will go to sea in the mid 1980s and will remain in an operational status until about 2015. Approximately 36 percent of the funds appropriated in FY 1978 will be spent in future fiscal years

(5) The size and composition of the defense budget send signals to our allies and adversaries about our intentions. Other nations scan this document annually to discern the trends and shifts in our national security policy.

Thus, it is not surprising that the defense budget is produced laboriously by the executive branch, scrutinized thoroughly by the Congress, analyzed extensively by the research institutes, and debated vigorously in presidential campaigns. It takes the executive branch about twenty months of planning, programming, bargaining, negotiating, and compromising to produce a single defense budget. The Congress listens to some 1,700 witnesses and takes over 1,400 hours of testimony, over a twelve-month period before it authorizes and appropriates funds for each budget.[2] Groups like the American Enterprise Institute, the Brookings Institution, the Center for Defense Information, and the National Urban Coalition analyze, criticize, and propose alternatives to each defense budget.

In every post-World War II presidential election the defense budget has been a major campaign issue. In 1952, the Republicans claimed that the Truman administration was spending defense funds wastefully and promised to give the American people "more bang for the buck." Eight years later, John Kennedy argued that the low levels of defense spending in the Eisenhower administration had permitted the Soviet Union to gain the initiative in the crucial area of strategic missiles. During the 1972 campaign, Democratic candidate George McGovern promised to reorder national priorities by slashing defense spending by nearly 40 percent to $52 billion.[3] In 1976, Jimmy Carter argued that 5 to 6 percent of the funds expended by the Pentagon were being wasted and pledged to reduce the defense budget by $5 to $7 billion.

In the post-World War II period, each new administration has moved quickly to reshape the defense budget drawn up by the outgoing administration. In 1953, President Eisenhower slashed $4.9 billion, or 12 percent, off of President Truman's proposed $40.7 billion defense budget for FY 1954. Eight years later, President Kennedy added $5.2 billion, or 12.2 percent, to President Eisenhower's proposed $42.9 billion FY 1962 budget. In 1969, President Nixon cut $1.5 billion, or 1.8 percent, from President Johnson's proposed FY 1970 budget of $83.2 billion. Within one month of taking office, President Carter reduced the Ford administration's FY 1978 budget by $2.8 billion, or 2.3 percent.

Comparatively speaking, the changes made by the Carter administration were minor. Not only were the reductions below the level promised in the campaign and less substantial than those of most previous new administrations, but they were much less substantial than the cuts already made by the Ford administration. The outgoing administration's budget total was $12 billion below the level requested by the military departments'[4] and $5 billion below the total initially supported by Secretary of Defense Donald Rumsfeld. Therefore, the FY 1978 budget is essentially a Ford budget, and our analysis will begin by focusing on the policy assumptions, size, and distribution of expenditures proposed by the Ford administration.

POLICY ASSUMPTIONS

In theory, policy and force structure should be interdependent. The force structure ought to be configured to support the prescribed policy. On the other hand, the policy is not created in a vacuum. At any given time, it should be constrained by the forces in existence or the forces which the nation is able and willing to develop. In practice, the fit between policy and structure is rarely perfect. However, they are usually connected albeit loosely. With this caveat in mind, let us analyze the policy under which the FY 1978 budget appears to have been developed.[5]

The military forces supported by this budget are configured for both deterrence and war fighting. These forces are designed to deter four specific situations: nuclear attacks on the United States and its allies, principally by the U.S.S.R.; conventional attacks by the Warsaw Pact nations on Western Europe or by North Korea on South Korea; a smaller contingency which might precede a major attack and thereby preclude the early use of some U.S. forces in a major contingency; and disruption of the main sea and air lines of communication to our allies in Europe and northern Asia.

If deterrence should fail, our strategic nuclear and conventional forces are equipped to conduct certain kinds of operations. Our strategic nuclear forces are designed for two roles. First, the forces must be able to withstand a large-scale attack by the Soviet Union and then launch a major retaliatory strike. The purpose of this second strike is to inflict so much damage on the Soviet Union that it would be prevented from recovering militarily, politically, and economically. Second, our nuclear forces are configured to engage in a limited nuclear conflict against Soviet military targets should the Soviet Union launch a counterforce damage-limiting nuclear strike against the United States (that is, attack only a small number of military targets that are located away from population centers).

Our conventional or general-purpose forces are designed to handle two types of operations. First, our nonnuclear forces must be able to conduct, along with the forces of our allies, a large-scale or worldwide war against the Soviet Union and its allies. Defense planners feel that this conflict will be conducted primarily in central Europe and secondarily in Northeast Asia. Second, our conventional forces must be capable of handling simultaneously some minor contingency not involving the U.S.S.R. or its allies. This minor contingency must be conducted without impairing our ability to fight the major war. It is assumed that if our general-purpose forces are equipped to handle those two situations—that is, "one and one-half wars"—they will necessarily be adequate for any other uses to which the United States might wish to put them.

The nonnuclear policies supported by the FY 1978 defense budget are a continuation of initiatives developed over the last decade. However, the strategic nuclear policies are of much more recent origin. The "one and one-half war" strategy, with the emphasis on the NATO or European scenario, was developed in the early days of the first Nixon administration. The FY 1978 budget continues the trend of equipping our forces to fight primarily an intensive battle in central Europe. DOD does not claim that by the end of FY 1978 our forces will be fully capable of handling a blitzkreig by the Warsaw Pact nations. However, it does argue that the FY 1978 budget will lay the foundation for a program that will have our conventional forces so equipped that they will be reasonably capable of dealing with the likely European contingencies by the mid 1980s.

The strategic nuclear policies supported by this budget evolved during the 1973–1975 period while James Schlesinger was secretary of defense. Prior to Schlesinger's tenure, our strategic policy had been assured destruction through the deployment of massive countervalue capabilities directed against Soviet population and industrial capacity. The fact that DOD was developing the limited nuclear war option was first made public in early 1974. However, the fact that the administration had broadened the meaning of assured destruction to include preventing the Soviet Union from recovering its national power and influence did not come to light until January 1977. These innovations in strategic doctrine have been accompanied by increases in the number, yield, and accuracy of our nuclear weapons.

SIZE

The size of the defense budget can be measured in three distinct ways. First, it can be viewed in terms of either outlays or obligational authority. Second, the defense budget can be measured in current or constant dollars. Third, defense spending can be looked at in either relative or absolute terms. All of these perspectives are useful and each presents different insights into the significance of the size of a particular defense budget.

Table 1 contains the Total Obligational Authority (TOA) and outlay projections. It also shows the relationship between outlays and obligational authority. Outlays are a measure of the funds to be spent in a given fiscal year. During FY 1978, DOD is estimating that it will spend $110.1 billion. As indicated in Table 1, $30.8 billion (or 28 percent), of this amount is a result of authority remaining from previous years. The remaining $79.3 billion (or 72 percent) comes from authority requested in FY 1978.

Footnotes at end of article.

TABLE 1.—DEPARTMENT OF DEFENSE TOA AND OUTLAY PROJECTIONS, FISCAL YEAR 1976–82

[In billions of dollars]

Program year	TOA	Projected outlays								
		1976	Transition	1977	1978	1979	1980	1981	1982	After 1982
Prior balance [1]		20.4	2.8	8.0	3.7	2.0	1.4	.7	.3	.5
1976	97.5	68.2	6.5	12.4	5.9	2.1	1.2	.5	.3	.4
Transition [2]	22.5		12.8	5.7	2.2	1.0	.4	.2	.1	.1
1977	110.2			72 2	19.0	9.8	3.9	2.2	.8	2.3
1978	123.1				79.3	22.6	11.2	4.6	2.7	2.7
1979	134.5					83.8	26.3	13.9	5.9	5.5
1980	145.8						89.4	28.4	14.8	13.2
1981	156.7							95.1	30.7	30.9
1982	166.8								100.8	66.0
Grand total of outlays		88.5	22.1	98.3	110.1	121.3	133.8	145.6	156.4	121.6

[1] Money available from years prior to 1976.
[2] The period from July 1, 1976, to Sept. 30, 1976. Beginning with fiscal year 1977 the fiscal year started on Oct. 1, rather than July 1.

Note: TOA stands for total obligational authority, that is all of the funds which are available to the Department of Defense. Columns may not add to totals because of rounding.

Source: Assistant Secretary of Defense (Comptroller) (ASD) (C), National Defense Budget Estimates for fiscal year 1978, p. 24.

Conversely, TOA includes funds that will be spent not only in FY 1978, but throughout the next several years. For FY 1978, the Pentagon is requesting $123.1 billion in TOA. Only 65 percent, or $79.3 billion, of this money will actually be spent in FY 1978. The remaining $43 billion can be expended through FY 1985, with most of it being spent in FY 1979 and FY 1980. Thus, in regard to fiscal policy in the short term, outlays are the most significant indicator. However, in terms of future impact, TOA is the more important figure. The TOA figure for a particular year is almost an exact predictor of the outlays for the following year. For example, TOA of $110.2 billion in FY 1977 led to projected outlays of $110.1 billion in FY 1978.

Table 2 contains the defense projections for FY 1977–1982 in both current and constant dollars. Current dollars measure the cost of the defense budget in terms of the year in which the funds are actually spent, while constant dollars present the cost in terms of a base year. As indicated in Table 2, in current dollars TOA for FY 1978 is $123.1 billion. This is 11.7 percent above the level of FY 1977. On the other hand, outlays for FY 1978 are $11.8 billion, or 12.2 percent, higher than the FY 1977 totals. However, in terms of constant FY 1978 dollars the increase is only $6.4 billion, or 5.5 percent, for TOA, and $5.6 billion, or 5.4 percent, for outlays. The contrast between current and constant dollars can be exemplified by looking at the defense budgets for FY 1945 and FY 1968. In current or "then-year" dollars, the budgets were quite similar, the FY 1945 budget was $80.8 billion and the FY 1968 budget was $75.6 billion. However, measured in constant FY 1978 dollars, the FY 1945 budget would have been $382.7 billion and the FY 1968 budget $154.7 billion.

TABLE 2.—THE DEFENSE BUDGET FISCAL YEAR 1977–82 IN CURRENT AND CONSTANT DOLLARS

[In billions of dollars]

Budget category	Fiscal year—						Total increase, fiscal year 1977–82		Average annual increase, fiscal year 1977–82	
	1977	1978	1979	1980	1981	1982	Amount	Percent	Amount	Percent
TOA:										
Current dollars	110.2	123.1	135.4	145.8	156.7	166.8	56.6	(51.4)	11.3	(10.3)
Fiscal year 1978 dollars	116.7	123.1	128.8	132.3	135.7	138.6	21.9	(18.8)	4.4	(3.8)
Outlays:										
Current dollars	98.3	110.1	121.2	133.7	145.5	156.3	58.0	(59.0)	11.6	(11.8)
Fiscal year 1978 dollars	104.5	110.1	115.2	120.9	125.6	129.0	24.7	(23.6)	4.9	(4.7)

Source: Donald Rumsfeld, Annual Defense Department Report, fiscal year 1978, Jan. 17, 1977, p. 8.

As is indicated in Table 2, the FY 1978 budget will lay the foundation for a period of sustained real growth in the defense budget. This continues the trend begun two years ago when the first defense budget of the Ford administration (FY 1976) reversed the downward spiral which had begun in FY 1968. Between FY 1968 and FY 1975 defense authority declined by 44 percent in real terms. In current dollars, the FY 1978 budget seeks to provide for an increase in TOA of $56.6 billion, or 51.4 percent, over the next five years, and a $58 billion, or 59 percent, increase in outlays. This translates into a real increase of $21.9 billion, or 18.8 percent, in TOA, and a $24.7 billion, or 23.6 percent, increase in outlays, for an average annual real increase of 4 to 5 percent.

For purposes of comparison, the DOD budget outlay is usually related to the GNP and to the total federal budget. These two bench marks aid in measuring the impact of defense spending on the economy and serve to highlight the priority given to defense programs within the government. As indicated in Table 3, defense outlays in FY 1978 are estimated to consume 5.4 percent of the GNP and 25 percent of the total federal buget. Defense's share of these two indicators nas remained virtually unchanged since the turnaround of FY 1976. Prior to that time, the defense portion of both of these bench marks had dropped dramatically. A decade ago, defense spending accounted for almost 10 percent of our GNP and nearly half of the entire federal budget.

TABLE 3.—DEFENSE AND THE ECONOMY, FISCAL YEAR 1978–82

[Dollar amounts in billions]

	Fiscal year—					
	1978	1979	1980	1981	1982	Average
Defense outlays	$110.1	$121.2	$133.7	$145.5	$156.3	$133.4
GNP	2,038	2,268	2,522	2,736	2,919	2,496.6
Defense outlays as a percentage of GNP	(5.4)	(5.3)	(5.3)	(5.3)	(5.4)	(5.3)
Federal budget	$440.1	$466.0	$496.6	$527.0	$558.7	$497.7
Defense outlays as a percentage of Federal budget	(25.0)	(26.0)	(26.9)	(27.6)	(28.0)	(26.8)

Source: The Budget for Fiscal Year 1978, pp. 24, 51, and 53.

According to the assumptions contained in the FY 1978 budget, defense outlays will receive a fairly constant share of the GNP over the next five years. Thus, in its last defense budget the Ford administration attempted to let defense spending grow along with the economy. However, the share of the federal budget devoted to defense will rise slightly to 28 percent by FY 1982, bringing the defense portion of that indicator back to the levels of the early 1970s.

It must be emphasized that the projections for the period FY 1978–1982 can in no way be considered predictions. Even if the Ford administration had remained in power, it is by no means certain that the projected levels of defense spending would have become a reality (see Table 4). In January 1975, when President Ford first decided to reverse the downward trend in the level of defense spending, he projected that by FY 1978 the

defense budget would be $129.5 billion. The following year, at the start of the presidential campaign, the former President began to move toward a balanced budget in FY 1979. Consequently, he proposed a decrease in defense spending of $7.1 billion, or 5.5 percent, below his projections of the previous year. His actual proposal for FY 1978 was some $6.4 billion, or 4.9 percent, below the January 1975 projection and $0.7 billion above the January 1976 figure. As indicated in Table 4, the five-year projections have also fluctuated markedly. In January 1975, the Ford administration estimated that it would spend $975.1 billion between FY 1976 and FY 1982. A year later this figure was reduced by nearly $50 billion, or 5.7 percent. In January 1977, the outgoing administration increased the total by $14.3 billion, or 1.3 percent, to $940.1 billion.

Budget projections are also sensitive to congressional actions, which have varied markedly in recent years. Two years ago the Congress cut TOA in the FY 1976 defense budget by nearly $7 billion, but last year it reduced TOA for FY 1977 by only $2.8 billion. In its deliberations on a preliminary target for the FY 1978 defense total, the House approved several different figures before settling on $118.5 billion for TOA and $111 billion in outlays.

TABLE 4.—FORD ADMINISTRATION PROJECTIONS OF DEFENSE TOA, FISCAL YEARS 1976–82

[Dollar amounts in billions]

Date of projection	Fiscal year— 1976	1977	1978	1979	1980	1981	1982	Total, fiscal years 1976–82
January 1975	$107.7	$118.5	$129.5	$140.0	$149.4	$159.8	$170.2	$975.1
January 1976	[1] $103.8	$114.9	$122.4	$131.9	$141.6	$151.5	$160.7	$925.8
Difference, 1976–75:								
Amount		−$3.6	−$7.1	−$8.1	−$7.8	−$8.3	−$10.5	−$49.3
Percent		(−3.0)	(−5.5)	(−5.8)	(−5.2)	(−5.2)	(−6.2)	(−5.7)
January 1977	[1] $103.8	[1] $108.5	$123.1	$135.4	$145.8	$156.7	$166.8	$940.1
Difference, 1977–76:								
Amount			$.7	$4.1	$4.3	$5.4	$6.4	$14.3
Percent			(.6)	(3.1)	(3.0)	(3.6)	(3.9)	(1.3)
Difference, 1977–75:								
Amount			−$6.4	−$4.5	−$3.5	−$2.9	−$3.1	−$30.6
Percent			(−4.9)	(−3.2)	(−2.3)	(−1.8)	(−1.8)	(−3.7)

[1] Actual TOA.

Source: Annual Defense Department Reports, fiscal years 1976, 1977, and 1978.

DISTRIBUTION

Essentially, the Pentagon spends its money on five major items: personnel, operations and maintenance, procurement, research and development, and construction. These items are grouped in three different ways within the defense budget: by program, budget title, and component. Much of the confusion about the actual distribution of the DOD budget arises from the mixing of these three categories. Unfortunately, some mixing is almost inevitable because the executive branch formulates the budget in program categories, while the legislative branch appropriates defense funds to the individual components or agencies by budget title. Beginning in FY 1979, at the request of Congress, a fourth category will be added: agency mission. It is difficult to see how a mission-oriented budget would enhance the rationality of the legislative phase of the budget process. The Congress does not yet make use of the program areas which were developed over fifteen years ago. If anything, the new category will only confuse the subject further.

In this section, we will begin by examining present and future cost trends for each of these five major items and then aggregate these items into the three traditional budget categories. This should give us a reasonably accurate presentation of the distribution of the defense dollar.

Personnel. Personnel expenditures consist of wages and allowances for active-duty military personnel, retired military people, civil service employees of the department, and reservists, and the costs of building government housing for military people. Table 5 breaks down the actual cost of these five items during FY 1968, 1976, and 1977 and projects their estimated costs through FY 1982.

During FY 1978, DOD will spend $25.6 billion for pay and allowances for 2,090,000 active-duty personnel. Of this amount, $19.7 billion will be alocated for saaries, $2.3 billion for housing allowances, $1.8 billion for moving expenses, $0.6 billion for subsistence, $0.3 billion for enlisted clothing, and $0.6 billion for miscellaneous. This is an increase of $1.1 billion, or 4.5 percent, over FY 1977 and reflects primariy the 4.83 percent cost-of-living raise granted on October 1, 1976. The average cost of each active-duty person during FY 1978 will be $12,100, an increase of $6,700 per person, or 124 percent, over the levels of FY 1968, when 3.5 million people cost $19 billion. For FY 1978, this will break down to approximately $22,000 for each officer and $9,300 for each enlisted person.

TABLE 5.—PERSONNEL COSTS IN THE DEFENSE BUDGET, SELECTED FISCAL YEARS

[Dollar amounts in billions]

Personnel costs	Fiscal year— 1968	1976	1977	1978	1979	1980	1981	1982	Total change, fiscal years 1977–82 Amount	Percent	Average annual change, fiscal years 1977–82 Amount	Percent
Military personnel	$19.0	$23.3	$24.5	$25.6	$26.9	$28.3	$29.7	$31.0	6.5	26.5	1.3	5.3
Retired pay	2.1	7.3	8.2	9.1	9.7	10.5	11.2	11.8	3.6	46.9	.7	8.8
Civilian pay	10.6	16.5	17.6	18.6	19.5	20.4	21.3	22.2	4.6	26.1	.9	5.2
Reserve pay	.9	1.8	1.9	2.1	2.2	2.3	2.4	2.5	.6	31.6	.1	6.3
Family housing	.4	1.0	1.2	1.4	1.7	1.7	1.7	1.8	.6	50.0	.1	10.0
Total payroll costs	33.0	49.8	53.4	56.5	60.0	63.2	66.3	69.3	15.9	29.8	3.1	6.0
Percentage of total defense outlays	(42)	(55)	(54)	(51)	(50)	(47)	(46)	(44)				

Source: Fiscal year 1978 Defense Report, p. 287, and fiscal year 1978 Budget, pp. 53–54.

Between FY 1968 and FY 1976, the number of people on active duty declined by about 1.4 million, or 40 percent. Since that time, manpower levels have remained constant at about 2.1 million. Our projections assume that this number will remain approximately the same through FY 1982. Thus, over the next five years the military payroll will climb by $6.5 billion, or 26.5 percent, to $31 billion. This represents an average annual increase of $1.3 billion, or 5.3 percent, and reflects only the annual cost-of-living increases granted to all government employees each October. These raises are projected to average 5.95 percent during the FY 1978–1982 period.[6] No real increases in compensation for military personnel are programmed during the next five years. Moreover, there have been none since 1972, when the pay of junior enlisted men was raised by 67 percent and the pay of junior officers by 9 percent.

During FY 1978, DOD will spend $9.1 billion for the 1.1 million military people on its retired rolls. In FY 1968 the cost of military retirees was only $2.1 billion. Since there is no trust fund to which either the government or the military man has contributed, the Pentagon must pay the entire amount out of its current budget.[7] If no changes are made to the present retirement system,[8] the cost of paying the 1.3 million people on the retired rolls in FY 1982 will rise to $11.8 billion, or approximately $9,000 per person. This represents a total increase of 43.9 percent over FY 1977 levels and an average annual raise of almost 9 percent.

There are basically three reasons why the retired-pay account will increase so rapidly over the next few years.

(1) The number of people on the retired rolls will jump by over 200,000.

(2) Retired pay will be adjusted to reflect changes in the consumer price index (CPI). The Office of Management and Budget (OMB) projects twelve CPI adjustments over the next five years. Each adjustment will involve a raise of, on average, 2.4 percent.

(3) Those joining the retired rolls over the next five years will draw significantly larger payments than those of comparable rank who retired before the massive pay raises of the late 1960s and early 1970s.

Footnotes at end of article.

During the upcoming fiscal year, the Pentagon will spend $18.6 billion for 1,031,000 general schedule (white-collar) and blue-collar civilian employees. This represents an outlay of $18,000 for each civil servant, an increase of $10,300, or 136 percent, over the levels of a decade ago when DOD paid $10.6 billion for 1.4 million civilians.

Over the past decade the number of civilians employed by the Department of Defense has been reduced by 362,000, or 25.9 percent. Our projections assume that the number of civilians will remain fairly constant at about 1.0 million through FY 1982. If this assumption is correct, civilian payroll costs will rise to $22.2 billion by the end of the five-year period. This will represent a total increase of $4.6 billion, or 26.1 percent, and an average annual increase of $0.9 billion, or 5.2 percent. This amount will be necessary to cover the general schedule pay raises and Wage Board blue-collar increases projected by OMB. White-collar increases will average 5.95 percent annually, while those for blue-collar workers will average 4.7 percent.

The payroll for the 881,000 reservists and national guardsmen in a drill status in FY 1978 will come to $2.1 billion, or about $2,300 per reservist, one-fifth the cost of a person on active duty. Because of the implementation of the Total Force Concept, which integrates the reserves with active-duty components into Department of Defense War Plans, the number of reservists has remained fixed at about 900,000 throughout the post-Vietnam period, and our assumptions are based on a continuation of this trend.[9] This will increase the level of reserve pay by $0.4 billion to $2.5 billion by FY 1982.

Expenditures for family housing in FY 1978 are projected to be $1.4 billion. This is more than triple the level of FY 1968, and 40 percent above the level of just two years ago. Our analysis projects an average annual increase of 10 percent over the next five years. These high expenditures will be necessary to maintain government housing units of the quality necessary to attract and maintain an all-volunteer force. Surveys have shown that adequate housing is a necessary ingredient for recruiting and retaining volunteers and that there are still several military installations—such as the Trident submarine base in Bangor, Washington—near which adequate housing does not exist.

In the post-Vietnam period, personnel costs rose dramatically both in monetary terms and as a portion of the defense budget. This rapid rise was brought on by four factors. First, the pay of all federal employees was made comparable to that of their counterparts in the private sector. Since the Pentagon employs nearly 80 percent of the individuals who work for the federal government, it was substantially affected by this move. Second, the post-Vietnam period has seen record high inflation rates. Since the pay of all DOD active and retired personnel is tied to the inflation rate, personnel costs were driven up even further. Third, the switch from conscription to the all-volunteer force in 1973 necessitated pay increases and the establishment of many kinds of incentives and cash bonuses for initial and subsequent enlistments. Fourth, the number of people on the retired rolls swelled as the veterans of World War II and Korea began reaching retirement age en masse.

This rapid rise in personnel costs was the driving force behind the increases in the defense budget for nearly a decade. As indicated in Table 5, personnel costs jumped from $33 billion in FY 1968 to nearly $50 billion in FY 1976, while the defense establishment was reducing the number of people in its employ by nearly 2 million, or 40 percent. The share of the defense budget devoted to personnel climbed from 42 percent in FY 1968 to 55 percent in FY 1976. However, in the last two years this picture has begun to change significantly. For the first time in nearly a decade, personnel costs have leveled off in real terms and have begun to decline as a portion of the defense budget. Moreover, during the FY 1978–1982 period, personnel costs will increase at an average annual rate of 6 percent, that is, at the same rate as inflation. Most of the factors which drove up the cost of personnel have disappeared. If anything, the pay of government workers now is more than comparable to that of workers in the private sector holding similar types of jobs. The days of double-digit inflation appear to be behind us; the level of pay, bonuses, and special payments is sufficiently high that compensation is no longer the dominant variable in attracting and maintaining qualified volunteers,[10] and the rapid growth in the retired rolls has slowed down. The impetus for the projected rise in defense spending is to be found in the other areas of the defense budget.

Procurement. Procurement expenditures may be divided into two categories: system and nonsystem or routine procurements. System procurement expenditures are made for new weapon programs, while nonsystem or routine procurement outlays cover the cost of such items as spare and repair parts for older systems. About 65 percent of the total procurement budget normally goes for new system acquisition.

TABLE 6.—WEAPON SYSTEMS IN PRODUCTION, BY TYPE AND SERVICE, 1977

Type of system	Service			
	Army	Navy and Marine Corps	Air Force	All services
Aircraft	3	18	8	29
Missiles	9	11	9	29
Ships		15		15
Combat vehicles	10			10
Miscellaneous	10	9	2	21
Total	32	53	19	104
R. & D.	10	10	11	31
Total, including R. & D.:				
Number	42	63	30	135
Percent	31	51	18	100

Source: Department of Defense, "Program Acquisition Costs by Weapon System, Fiscal Year 1978."

For FY 1978, DOD is requesting $35.1 billion for procurement, an increase of $7.2 billion, or 25.8 percent, over the level of the previous year. This is the largest proposed single-year increase in this area since the height of the American involvement in the war in Southeast Asia and represents a continuation of the trend begun two years ago. In FY 1976, procurement authority jumped by $4 billion, or 23 percent, over the FY 1975 level, and in FY 1977 it increased by another $6.5 billion, or 30.1 percent. In constant dollars, procurement authority in FY 1975 was actually $2.5 billion, or 12.6 percent, lower than the level of FY 1970. This represented a real decline of 52 percent in this area.

The FY 1978 procurement budget will contain authority for the actual purchase of 26 ships, nearly 700 aircraft, 3,000 tanks and other combat tracked vehicles, and 45,000 missiles. As is indicated in Table 6, the Pentagon has 104 different systems in various stages of production and another 31 in a research and development stage. The Pentagon is seeking authority to spend $23 billion on the procurement costs of 29 separate aircraft programs, 29 different missile programs, 15 distinct types of ships, 10 separate combat vehicles, and 21 different miscellaneous programs like torpedoes and satellite communications systems.

Forty-seven of these new weapon systems can be classified as major programs (that is, quarterly reports on their status must be furnished to the Congress). Table 7 lists these programs and the cost data by service. As the table shows, these forty-seven programs will consume $17.1 billion, or about half of the entire procurement budget for FY 1978. The total cost of these programs is presently estimated to be nearly $200 billion. Through FY 1977, DOD has received only $78.8 billion, or 39.8 percent, of the total cost of these systems. About $71 billion of the remainder for these programs will be funded over the FY 1979–1982 period, while the remaining $30.6 billion will be requested in the years beyond. If anything, the present estimate for these programs is conservative. The cost of these forty-seven weapon systems is already more than double their original estimated cost of $98.2 billion. According to the Pentagon, the cost increases are attributable to such factors as unanticipated inflation, engineering changes, estimating errors, and quantity changes.

TABLE 7.—COST DATA ON THE 47 MAJOR WEAPON SYSTEMS CURRENTLY BEING PRODUCED BY DOD

[In billions of dollars]

Service	Number of programs	Total cost		Cost growth		Authorized through fiscal year 1977	Requested fiscal year 1978	Balance		
		Original estimate	Present estimate	Amount	Percent			Fiscal year 1979–82	After fiscal year 1982	Total
Army	11	13.7	25.3	11.6	84.7	4.8	1.5	9.8	9.1	18.4
Navy and Marine	24	53.2	102.4	49.2	92.5	48.9	8.1	34.2	11.1	45.3
Air Force	12	31.3	69.9	38.6	123.3	25.1	7.5	26.8	10.4	37.2
Total	47	98.2	197.6	99.4	101.2	78.8	17.1	70.8	30.6	101.9

Source: ASD(C), "Selected Acquisition Reports," Feb. 14, 1977.

The high cost of modern weapon systems is demonstrated by the data for the fourteen programs listed in Table 8. These are the fourteen most expensive weapon systems in DOD. The average cost for each system is about $10 billion. As is indicated in Table 8, to modernize our strategic nuclear forces, the Department of Defense will have to spend $93.4 million on each new B–1 bomber and $1.6 billion for each new Trident submarine. The cost of purchasing new tactical aircraft for the navy will be $25.4 million per plane for the high-performance F–14 fighter and $16 million for the more austere F–18. Each new frigate (FFG–7) will cost the navy nearly $200 million, and each new attack submarine (SSN–688) nearly $300 million. The new high-performance air force F–15 fighter costs almost $17 million per unit, while its low-cost counterpart, the F–16, will cost almost $10 million per plane. The Army will spend $1.5 million for eacn new Main Battle Tank (XM–1) and about $0.7 million for each advanced attack helicopter (AAH).

Procurement costs will rise dramatically over the next five years. Between now and FY 1982, the procurement budget will nearly double over its FY 1977 level. By FY 1982, DOD will be spending $55.3 billion on procurement, an increase of $27.4 billion, or 98.2 percent. During the FY 1978–1982 period, procurement spending will increase at an annual rate of about 20 percent. This rapid rise will be brought about by three factors.

First, there is the high cost of replacing obsolete weapon systems. The B–1 is nearly twelve times more expensive than the B–52, a Trident submarine is five times more costly than the Polaris, the M–X mobile ICBM will be ten times more expensive than the Minuteman III, the F–14 is ten times more expensive than the F–4, and the XM–1 tank will cost about 2.5 times more than the M–60. These new weapon systems cost so much more not only because of inflation, but also because of their increased sophistication. Modern weaponry is entering a new technological age.

Second, the Department of Defense is facing a problem of bloc obsolescence. The procurement account has been underfunded for a decade. In the last half of the 1960s funds were diverted from new weapon systems to support the American effort in Vietnam. In the immediate postwar period, many programs were deferred or stretched out so that increasing personnel costs could be absorbed within a fixed defense total.

Third, the Soviet Union has increased the firepower of its strategic and general purpose forces by adding large amounts of new equipment.

TABLE 8.—MAJOR PROCUREMENT PROGRAMS

[In billions of dollars]

Program	Unit cost (millions of dollars)	Total cost	Authorized through fiscal year 1977	Requested, fiscal year 1978	Balance		Total
					Fiscal year 1979–82	After fiscal year 1982	
B–1	93.4	22.8	4.4	2.2	11.8	4.5	16.4
Trident	1,646.1	21.4	9.3	2.9	8.3	.9	9.4
F–16	9.9	13.8	.8	1.7	6.1	5.3	11.2
FFG–7	185.1	13.7	2.7	1.6	8.9	.5	9.3
F–18	16.0	12.8	.5	.7	5.1	6.6	11.2
F–14A	25.4	12.8	7.6	1.8	3.2	----	3.7
F–15	16.8	12.6	6.4	.9	3.2	----	3.2
SSN–688	280.5	10.1	6.8	.5	2.7	----	2.7
Patriot	.3	5.9	1.2	.2	1.6	3.0	4.6
XM–1	1.5	4.7	.2	.3	2.7	1.4	4.1
A–10	6.1	4.6	1.7	.9	2.0	----	2.0
AAH	.7	3.7	.4	.2	1.3	1.9	3.2
UTTAS	.3	3.4	.6	.3	1.6	1.0	2.6
Total		142.3	42.6	14.2	60.4	25.1	85.5

Source: ASD(C), selected acquisition reports, Feb. 14, 1977.

These procurement decisions can no longer be postponed. If the United States wants to maintain the mixed force of strategic nuclear weapons known as the Triad, it will have to buy new ICBMs, bombers, and submarines. The Minuteman, the B–52, and the Polaris submarine are nearing the end of their useful lives. If this nation wants to ensure control of the seas, new ships will have to be purchased. We can no longer rely on the ships built during World War II as the bedrock of our fleet. If we wish to have a viable tactical air arm, new planes will have to be purchased. Although the F–4 was an excellent plane for its time, it cannot last forever. If we wish NATO to continue as a credible force, the army must be provided with new Main Battle Tanks. Because the new systems are more capable, older weapon systems do not have to be replaced on a one-for-one basis. However, there does need to be a proportionate replacement program.

The most expensive portions of the procurement program over the next five years will be our aircraft and shipbuilding programs. The cost of these programs in the FY 1978–1982 period is laid out in Table 9. The four armed services proposed to spend nearly $83 billion to purchase new airplanes. Approximately $70 billion of this amount will be spent on tactical aircraft. This will allow the Pentagon not only to replace its obsolete planes, but also to increase the number of tactical aircraft by 100, from its present total of 5,200 to 5,300. The $12.9 billion projected for the B–1 will permit the air force to purchase 152 of these new strategic weapons.

TABLE 9.—AIRCRAFT AND SHIPBUILDING COSTS, FISCAL YEARS 1978–82

[In billions of dollars]

	Fiscal year—					Total, fiscal years 1978–82
	1978	1979	1980	1981	1982	
Aircraft:						
Aircraft procurement:						
Air force	8.7	9.2	11.3	11.7	12.6	53.5
Navy	3.7	4.3	4.6	4.9	4.5	22.0
Army	.7	1.1	1.2	1.4	1.5	5.9
Marine Corps	.2	.2	.2	.3	.4	1.3
Total	13.3	14.8	17.3	18.3	19.0	82.7
Minus B–1	1.7	2.6	2.8	3.0	2.8	12.9
Total, tactical air forces	11.6	12.2	14.5	15.3	16.2	69.8
Shipbuilding:						
Shipbuilding and conversion	6.5	8.2	9.9	10.7	13.1	48.4
Minus Trident	1.8	1.1	1.9	1.2	2.0	8.0
Total, general-purpose ships	4.7	7.1	8.0	9.5	11.1	40.4

Source: Estimated from the fiscal year 1978 defense report, fiscal year 1978 budget, and ASD(C) selected acquisition reports, Feb. 14, 1977.

The Pentagon would like to spend about $50 billion over the next five years to purchase 157 ships. This would allow the navy to move toward its goal of a 600-ship fleet by the early 1990s. If this five-year shipbuilding program is approved, the navy will have about 575 active ships in 1985, 100 more than its present strength. About $8 billion of the navy's shipbuilding funds would go toward the purchase of eight new Trident submarines, a keystone of our strategic nuclear missile deterrent, while the remaining $40 million would finance attack submarines, major surface combatants, and their supporting ships. Table 10 outlines the shipbuilding program over the next five years.

Operations and Maintenance (O & M). Operations and maintenance funds are expended to buy ship and aircraft fuel; to provide for overhaul of ships, aircraft, and other weapon systems; and to purchase med-

ical supplies and services. For FY 1978, DOD is planning to spend $16.3 billion on these items. This represents an increase of $1.7 billion, or 11.6 percent, over FY 1977 levels. There are two reasons for this increase: the rising cost of fuel and supplies and the attempt to reduce the backlog of navy ships and aircraft due for overhaul. At the end of FY 1976 there were ninety-five ships, or 20 percent of the entire fleet. overdue for overhaul. Approximately 80 percent of this backlog was attributable directly to funding constraints. Similarly, about 25 percent of the navy's tactical aircraft are grounded because of a lack of spare parts. To reduce this trend, DOD wants to raise the navy's O & M accounts by $1.1 billion, or nearly 20 percent, for FY 1978.

Between now and FY 1982 the cost of O & M will rise by $5.5 billion. or 37.7 percent, to $20.1 billion, an average annual increase of $1.1 billion, or 7.5 percent. The major part of the increase will come in the navy's O & M account. The accounts of the other services will rise only to keep pace with inflation. This rise should enable the navy to reduce its backlog of ships overdue for overhaul to about fifteen and bring its aircraft readiness to above 90 percent by the end of FY 1982.

TABLE 10.—5-YEAR SHIPBUILDING PROGRAM, FISCAL YEARS 1978–82

[In numbers of ships]

	Fiscal year—					Total fiscal years 1978–82
	1978	1979	1980	1981	1982	
Trident (SSBN)	2	1	2	1	2	8
SSN-688	2	1	1	2	2	8
CV (SLEP)			(1)		(1)	(2)
CVV		1		1		2
CSGN		1			1	2
DDG-47	1		3	3	3	10
DDG-2 (conversion)			(6)	(6)	(6)	(18)
FFG-7	11	11	12	12	10	56
FFGX				1	1	2
LX (LSD-41)		1		2	3	6
MCM		1	6	6	6	19
AO	4	4	2	2	2	14
ACE				1		1
AD			1	1		2
AR			1		1	2
AGHS (conversion)	(1)					(1)
T-AGOS		3	5	4		12
T-ATF	5	2				7
T-ARC		1	1			2
T-ASR			2	2		4
Total:						
New ships	25	29	36	36	31	157
Conversion SLEP	(1)		(7)	(6)	(7)	(21)

Note: Figures for ship conversions in parentheses.

Source: Fiscal year 1978 defense report, p. 190.

Research, Development, Test, and Evaluation (R.D.T. & E.) Like expenditures for procurement, funds allotted to R.D.T. & E. remained virtually stagnant in constant dollars and declined markedly in real terms in the FY 1970–1975 period. However, in FY 1976 they increased by $0.9 billion, or 10.5 percent, and in FY 1977 they rose by an additional $1.1 billion, or 11.6 percent. For FY 1978 DOD is proposing another increase of $1.4 billion, or 13.2 percent, over the level of the previous year. This will bring the amount of TOA to $12.1 billion, an increase of $3.5 billion, or 41 percent, over the level of just three years ago. This trend will continue through FY 1982. We project an average annual increase of nearly $1.3 billion, or 11.7 percent, throughout the next five years. This will raise R.D.T. & E. expenditures to $16.8 billion by FY 1982.

R.D.T & E. expenditures will increase for essentially the same reasons as procurement. A large number of the weapon systems in the inventory are obsolete. There are shortfalls in several areas. Before new, more expensive, and more sophisticated weapons can be procured, an extensive program of R.D.T. & E. must be performed. In addition, DOD must conduct a great deal of basic research if it wishes to maintain its present technological edge over the Soviet Union and if it desires to cope with potential breakthroughs by the Soviets which could render some of our weapon systems and doctrinal concepts obsolete. For example, a Soviet breakthrough in antisubmarine warfare (ASW) would place our Submarine Launched Ballistic Missile (SLBM) deterrent in jeopardy. Similarly, an increase in the accuracy of Soviet missiles could make our land-based ICBMs more vulnerable to a first strike.

In the next fiscal year, DOD proposes to spend $1.9 billion, or 15.8 percent, of R.D.T. & E. funds on its technology base, or basic research. Activities in this area will involve the physical, mathematical, environmental, engineering, biomedical, and behavioral sciences. The focus will be on determining the feasibility of concepts and principles for future weapon systems.

Approximately $2.1 billion will be spent on thirty-one different weapon systems which are only in an R. & D. phase, and an additional $2.8 billion on fifty weapon systems which are in both production and R. & D. About $3.7 billion will be devoted to areas not yet associated with a specific weapon program (for example, high-energy lasers and the space shuttle). The remaining $1.5 billion will be spent on program management and support.

Military Construction. Construction funds are used for two main purposes. First, they provide for the modification of existing structures and the building of new facilities at the 750 major and 5,300 minor installations maintained by the Department of Defense. For example, in FY 1978 DOD proposes to use part of its construction funds to build shelters for tactical aircraft and to enhance the capabilities of sites in the NATO headquarters complex to withstand blast damage. Second, these funds are used to build the new facilities which are required to support new systems, for example, the new naval base in Bangor, Washington, that will house the first ten Trident submarines.

For FY 1978, DOD is requesting $1.4 billion in construction authority. Not only is this amount about $1 billion, or 42 percent, below the level of FY 1977, it is also the lowest amount requested for construction since FY 1972. Not since that year has this account fallen below $1.6 billion. However, this drastic reduction does not portend a new trend in this area. It is only a temporary phenomenon brought about by a partial moratorium on domestic construction pending the completion of an evaluation of the entire DOD basing structure. The purpose of this evaluation is to identify those domestic defense installations which are essential for supporting the force structure and to phase out the others. The domestic base structure is now twice as large as it was during the Korean War, when the force structure was 76 percent larger. Moreover, since 1969 the Pentagon has been able to close only 80, or 9.6 percent, of its 830 major domestic installations despite a 40 percent cut in the size of the force. Estimates of the annual costs of keeping open unnecessary bases run as high as $4 billion.[11]

Unless there is a drastic closure of bases, the FY 1978 shortfall will probably be made up in FY 1979, when military construction will rise to $4.5 billion. This will make the FY 1978–1979 annual average about $2.9 billion. In the FY 1980–1982 period, construction funds will rise by another $0.7 billion, or 24 percent, to about $3.6 billion. This level of funds will be necessary to provide the required facilities at existing bases and to construct the additional bases necessary to support the new systems which will be introduced over the next five years.

Footnotes at end of article

TABLE 11.—DEFENSE AUTHORITY, BY BUDGET TITLE, FISCAL YEARS 1977–82

[Dollar amounts in billions]

Title	Fiscal year						Total change fiscal years 1977–82		Average annual change fiscal years 1977–82	
	1977	1978	1979	1980	1981	1982	Amount	Percent	Amount	Percent
Military personnel: [1]										
Amount	$26.2	$27.7	$29.1	$30.5	$31.9	$33.5	$7.3	(27.9)	$1.5	(5.6)
Percent	(23.8)	(22.8)	(21.5)	(20.9)	(20.4)	(19.7)	(−4.1)			
Retired:										
Amount	$8.2	$9.1	$9.7	$10.5	$11.2	$11.8	$3.6	(43.9)	$0.7	(8.8)
Percent	(7.4)	(7.4)	(7.2)	(7.2)	(7.1)	(7.1)	(−0.3)			
O. & M.: [2]										
Amount	$32.2	$34.9	$36.6	$38.3	$40.6	$42.3	$10.1	(31.4)	$2.0	(6.3)
Percent	(29.2)	(28.1)	(27.0)	(26.3)	(25.9)	(25.7)	(−2.5)			
Procurement: [3]										
Amount	$27.9	$35.1	$39.8	$46.1	$51.3	$55.3	$27.4	(98.2)	$5.4	(19.6)
Percent	(25.2)	(28.8)	(29.4)	(31.6)	(32.7)	(33.2)	(+8.0)			

Title	Fiscal year 1977	1978	1979	1980	1981	1982	Total change fiscal years 1977–82 Amount	Percent	Average annual change fiscal years 1977–82 Amount	Percent
R.D.T. & E.:[3]										
Amount	$10.6	$12.0	$13.0	$14.5	$15.1	$16.8	$6.2	(58.5)	$1.3	(11.7)
Percent	(9.6)	(9.9)	(9.6)	(9.9)	(9.6)	(10.1)	(+0.5)			
Construction:										
Amount	$2.4	$1.4	$4.5	$3.2	$3.6	$3.6	$1.2	(50.0)	$0.2	(10.0)
Percent	(2.2)	(1.2)	(3.3)	(2.2)	(2.3)	(2.2)	(—)			
Other:[3]										
Amount	$2.7	$2.6	$2.7	$2.8	$3.0	$3.5	$0.8	(29.6)		
Percent	(2.5)	(2.1)	(2.0)	(1.9)	(1.9)	(2.2)	(+0.3)			
Total	$110.2	$123.2	$135.4	$145.8	$156.7	$166.8	$56.6	(51.4)	$11.3	(10.3)

[1] Includes both active duty personnel and drilling reservists.
[2] Includes payroll costs of civilians engaged in this activity.
[3] Includes cost of family housing, civil defense, and military assistance.
Source: Fiscal year 1978 Budget, p. 53.

Miscellaneous. In addition to the five major activities just discussed, defense funds also provide for military assistance and civil defense. In FY 1978 these two activities will amount to $1.1 billion, $90 million for civil defense and the remainder for military assistance, about the same levels as in FY 1977. Throughout the FY 1978–1982 period the pattern will remain essentially unchanged. Barring any massive commitment by the American public to a crash program directed toward the upgrading of our civil defense posture in response to Soviet advances in this area, expenditures for civil defense are projected to increase to only $165 million by FY 1982.[12] Similarly, unless there is a drastic reversal in the attitude of the Congress and the American people toward providing military assistance to foreign governments, the level of expenditures for this program will drop gradually to about $1 billion by the end of the five-year period.

SUMMARY

As discussed above, the defense budget is normally broken down by budget title, program, and component. Let us summarize this discussion of the items for which DOD spends its funds by aggregating these items and displaying them by budget title, program category, and component.

Footnotes at end of article.

TABLE 12.—DEFENSE AUTHORITY, BY BUDGET TITLE, FISCAL YEARS 1970–75

[Dollar amounts in billions]

Title	Fiscal year 1970	1971	1972	1973	1974	1975	Total change fiscal years 1970–75 Amount	Percent
Military personnel:[1]								
Amount	$23.0	$22.6	$23.4	$23.8	$24.1	$24.9	$1.9	(8.3)
Percent	(29.9)	(30.1)	(30.0)	(29.4)	(28.3)	(28.1)		
Retired:								
Amount	$2.8	$3.4	$3.9	$4.4	$5.1	$6.2	$3.4	(121.4)
Percent	(3.6)	(4.5)	(5.0)	(5.4)	(6.0)	(7.1)		
O. & M.:[2]								
Amount	$21.5	$20.4	$20.9	$22.3	$23.9	$26.2	$4.7	(21.9)
Percent	(28.0)	(27.2)	(26.8)	(27.6)	(28.1)	(29.6)		
Procurement:[2]								
Amount	$19.9	$17.9	$18.9	$18.6	$17.5	$17.4	—$2.5	(—12.6)
Percent	(25.9)	(23.8)	(24.2)	(23.0)	(20.5)	(19.6)		
R.D.T. & E.:[2]								
Amount	$7.5	$7.2	$7.8	$8.1	$8.2	$8.6	$1.1	(14.6)
Percent	(9.8)	(9.6)	(10.0)	(10.0)	(9.6)	(9.7)		
Construction:								
Amount	$1.6	$2.0	$2.2	$2.6	$2.8	$3.6	$2.0	(125.0)
Percent	(2.1)	(2.6)	(2.9)	(3.2)	(3.4)	(3.4)		
Other:[3]								
Amount	$0.5	$1.5	$0.9	$1.0	$3.3	$1.5	$1.0	(200.0)
Percent	(0.7)	(2.0)	(1.2)	(1.2)	(3.9)	(2.6)		
Total	$76.8	$75.1	$78.1	$80.9	$85.0	$87.9	$11.1	(14.5)

[1] Includes both active-duty personnel and drilling reservists.
[2] Includes payroll costs of civilians engaged in this activity.
[3] Includes cost of family housing, civil defense, and military assistance.
Source: The Budgets of the U.S. Government, appropriate years.

Budget Title. Table 11 summarizes our projections by budget title for the FY 1977–1982 period. Analysis of that table reveals a shifting pattern of defense expenditures. The entire budget will rise by about 10 percent annually, but the driving force behind this increase will be investment rather than personnel. Procurement will jump at an average rate of nearly 20 percent, R.D.T. & E. by almost 12 percent, and construction by 10 percent. Except for military retirement, no other budget title will increase faster than the projected rate of inflation. Consequently, the share of the budget devoted to investment will increase markedly. The portion devoted to procurement will rise from 25.2 percent to 33.2 percent, while that spent on R.D.T. & E. will grow from 9.6 to 10.1 percent. All of the other budget titles will take smaller shares of the budget, especially military personnel, which will decline from 23.8 percent in FY 1977 to 19.7 percent in FY 1982. If these projections are accurate, this will mark the first time in over two decades that the military personnel account has consumed less than 20 percent of the budget.

The magnitude of this projected shift in the distribution of defense expenditures can be demonstrated by comparing the pattern of the post-1977 period to that of the pre-1977 period. As indicated in Table 12, during the FY 1970–1975 time frame the percentage consumed by military personnel and operations and maintenance functions remained high, while the percentage devoted to retired pay nearly doubled. On the other hand, the portion consumed by procurement dropped markedly, from nearly 26 percent of the budget in FY 1970 to below 20 percent in FY 1975.

Program. In 1961, Secretary of Defense Robert McNamara divided the defense budget into ten major program categories which he felt reflected the major mission and support objectives of DOD. His six successors have seen fit to use these same ten program categories in making their decisions about defense spending. Table 13 displays the defense budget in these program categories for the FY 1977–1982 period.

TABLE 13.—DEFENSE AUTHORITY BY PROGRAM, FISCAL YEARS 1977–82

[Dollars amounts in billions]

Program	Fiscal year 1977	1978	1979	1980	1981	1982	Total change fiscal years 1977–82 Amount	Percent	Average annual change fiscal years 1977–82 Amount	Percent
Strategic:										
Amount	$9.8	$11.0	$12.5	$15.1	$16.0	$17.0	$7.2	($73.5)	$1.4	(14.7)
Percent	(8.8)	(8.9)	(9.2)	(10.4)	(10.2)	(10.2)	(1.4)			
General purpose:										
Amount	$38.1	$44.3	$49.8	$54.4	$59.8	$62.8	$24.7	($63.5)	$4.8	(12.7)
Percent	(34.6)	(36.0)	(36.8)	37.3)	(38.2)	(37.4)	(2.8)			

TABLE 11.—DEFENSE AUTHORITY, BY BUDGET TITLE, FISCAL YEARS 1977–82—Continued

[Dollar amounts in billions]

Title	Fiscal year						Total change fiscal years 1977–82		Average annual change fiscal years 1977–82	
	1977	1978	1979	1980	1981	1982	Amount	Percent	Amount	Percent
Intelligence and communications:										
Amount	$7.5	$8.2	$9.2	$9.4	$9.8	$10.7	$1.5	($18.3)	$0.3	(3.7)
Percent	(6.8)	(6.7)	(6.8)	(6.4)	(6.3)	(6.4)	(−0.4)			
Airlift and sealift:										
Amount	$1.5	$1.7	$1.7	$1.8	$2.8	$4.1	$2.4	($141.2)	$0.5	(28.3)
Percent	(1.4)	(1.3)	(1.3)	(1.2)	(1.8)	(2.5)	(1.1)			
Guard and Reserve:										
Amount	$6.0	$7.2	$7.3	$7.4	$7.6	$8.4	$1.2	($16.6)	$0.2	(3.3)
Percent	(5.4)	(5.8)	(5.4)	(5.1)	(4.9)	(5.0)	(−0.4)			
R. & D.:										
Amount	$10.1	$11.1	$12.6	$14.0	$14.6	$15.6	$4.5	($40.5)	$0.9	(8.1)
Percent	(9.2)	(9.0)	(9.3)	(9.6)	(9.3)	(9.4)	(0.2)			
Central supply and maintenance:										
Amount	$11.1	$11.8	$12.5	$12.6	$13.6	$14.2	$2.4	($20.3)	$0.5	(4.1
Percent	(10.1)	(9.6)	(9.2)	(8.6)	(8.7)	(8.5)	(−1.6)			
Training, medical, other:										
Amount	$22.7	$24.3	$26.2	$27.5	$28.8	$30.2	$6.5	($26.7)	$1.3	(5.3)
Percent	(20.6)	(19.7)	(19.4)	(18.9)	(18.4)	(18.5)	(−2.1)			
Administration:										
Amount	$2.1	$2.3	$2.3	$2.4	$2.5	$2.6	$0.3	($13.0)	$0.1	(2.6)
Percent	(1.9)	(1.9)	(1.6)	(1.6)	(1.6)	(1.5)	(−0.4)			
Support of other nations:										
Amount	$1.3	$1.3	$1.3	$1.2	$1.2	$1.2	−$0.1	($7.7)		(1.5)
Percent	(1.2)	(1.1)	(0.9)	(0.8)	(0.8)	(0.7)	(−0.4)			
Total	$110.2	$123.2	$135.4	$145.8	$156.7	$166.8				

Source: Estimated from Fiscal Year 1978 Defense Report and Fiscal Year 1978 Budget

Analysis of this table reveals three striking facts. First, spending on strategic programs will rise dramatically and the portion of the budget consumed by this category will increase significantly. Over the next five years the cost of the strategic program will increase more rapidly than the cost of any other program except airlift and sealift. By FY 1982, the Pentagon could be spending about $17 billion, or 10.2 percent of its budget, in this area. This represents an increase of $7.2 billion, or 73.5 percent, over the level of FY 1977, or an average annual increase of $1.4 billion, or 14.7 percent, and will increase the portion spent on strategic programs from 8.8 percent to over 10 percent.

Not only is this a significant increase, but it is also a sharp reversal of the pattern which prevailed in the immediate post-Vietnam period. As indicated in Table 14, between FY 1970 and 1975 spending for the strategic program remained virtually level in constant dollars but dropped significantly as a share of the budget. The sharp increase proposed over the next five years will be brought about by the necessity to modernize the Triad and adapt to the new strategic doctrines developed over the past three years. Large amounts of funds are projected to purchase about 150 of the proposed 244 B–1 bombers and 8 of the proposed 13 new Trident fleet ballistic missile submarines, and to develop and purchase 100 of a proposed 300 of the new class of ICBM, the M–X. These new programs not only will modernize the Triad, but also will increase its effectiveness substantially, thus enabling the Triad to meet the demands of the broadened assured-destruction concept and the limited nuclear war option.

Second, spending on general-purpose forces will also increase significantly. As indicated in Table 13, over the FY 1978–1982 period, funding for this program will increase by $24.7 billion, or nearly 64 percent, an average annual increase of $4.8 billion, or 12.7 percent. This will increase the portion of the budget allocated to general-purpose forces from 34.6 to 37.4 percent and will reverse the pattern begun following the American withdrawal from Vietnam. As indicated in Table 14, between FY 1970 and FY 1975, spending on general-purpose or conventional forces increased very slightly in constant dollars but decreased significantly in real terms and as a percentage of the annual defense budget. Although general-purpose forces are the most manpower-intensive of the DOD programs, the projected increase over the next five years will be caused primarily by spending for modernization of weapon systems. To meet its inventory objectives, DOD needs to purchase about 5,000 new tanks, 157 ships, and 2,500 new aircraft. To do less not only would prevent it from meeting its objectives, but would increase the average age of its conventional weapon systems substantially.

TABLE 14.—DEFENSE AUTHORITY BY PROGRAM, FISCAL YEARS 1970–75

[Dollar amounts in billions]

Program	Fiscal year						Total change fiscal years 1970–75	
	1970	1971	1972	1973	1974	1975	Amount	Percent
Strategic:								
Amount	$7.4	$7.7	$7.6	$7.4	$6.8	$7.2	−$0.2	(−2.7)
Percent	(9.6)	(10.3)	(9.7)	(9.1)	(8.1)	(8.2)		
General purpose:								
Amount	$27.7	$24.4	$25.7	$25.7	$27.5	$28.1	$0.4	(1.4)
Percent	(36.1)	(32.5)	(32.9)	(31.8)	(30.0)	(32.0)		
Intelligence and communications:								
Amount	$5.6	$5.4	$5.6	$5.7	$5.9	$6.3	$0.7	(12.5)
Percent	(7.3)	(7.2)	(7.2)	(7.0)	(6.9)	(7.2)		
Airlift and sealift:								
Amount	$1.7	$1.4	$1.1	$0.9	$0.8	$0.9	−$0.8	(−47.1)
Percent	(2.2)	(1.8)	(1.4)	(1.1)	(1.0)	(1.0)		
Guard and Reserve:								
Amount	$2.6	$2.7	$3.5	$4.0	$4.3	$4.8	$2.2	(84.6)
Percent	(3.4)	(3.6)	(4.5)	(4.9)	(5.0)	(5.5)		
R. & D.:								
Amount	$4.8	$5.2	$6.2	$6.5	$6.9	$7.7	$2.9	(60.4)
Percent	(6.4)	(6.9)	(7.9)	(8.0)	(8.1)	(8.8)		
Central supply and maintenance:								
Amount	$9.1	$8.4	$8.3	$8.8	$9.0	$9.0	−$0.1	(−1.1)
Percent	(11.8)	(11.2)	(10.6)	(10.9)	(10.6)	(10.2)		
Training, medical, other:								
Amount	$13.7	$14.5	$15.3	$16.4	$18.2	$20.1	$6.4	(46.7)
Percent	(17.8)	(19.3)	(19.6)	(20.3)	(21.4)	(22.9)		
Administration:								
Amount	$1.5	$1.6	$1.6	$1.7	$1.8	$2.2	$0.7	(46.6)
Percent	(1.9)	(2.1)	(2.0)	(2.1)	(2.1)	(2.5)		
Support of other nations:								
Amount	$2.7	$3.9	$3.3	$3.8	$4.3	$1.8	$0.9	(−33.3)
Percent	(3.5)	(5.2)	(4.2)	(4.7)	(5.1)	(2.0)		
Total	$76.8	$75.1	$78.1	$80.9	$85.0	$87.9	$11.1	(14.5)

Source: The Budgets of the U.S. Government, appropriate years.

Third, there will be a dramatic shift in program priorities over the next five years. As discussed above, the share of the budget devoted to strategic and general-purpose forces will rise significantly. Also increasing both in absolute and in relative terms will be expenditures for the other two combat-related categories, airlift and sealift, and for research and development. These four areas will increase their share of the budget from 54 percent to nearly 60 percent of the total budget. All of the other programs, which are primarily support, will not experience any real cost growth and will take up a declining share of the annual defense budget. This also reverses the trends of the FY 1970–1975 period, when areas like training and administration experienced most of the real growth.

Major Missions. Confining program analysis to the ten categories used by DOD over the past fifteen years can lead to some distortions. For example, the guard and reserves contribute to both the general-purpose forces and airlift and sealift missions. Similarly, R & D is conducted on both general-purpose and strategic systems. A more meaningful breakdown would be to combine all of the programs, except retirement and support of other nations, into one of the three essential missions of the department: general purpose, strategic nuclear, and mobility.

TABLE 15.—DEFENSE AUTHORITY BY MISSION AREA, FISCAL YEARS 1977–82

[Dollar amounts in billions]

Mission	Fiscal year						Total change fiscal years 1977–82		Average annual change fiscal years 1977–82	
	1977	1978	1979	1980	1981	1982	Amount	Percent	Amount	Percent
General-purpose forces:										
Amount	$77.2	$87.0	$97.2	$104.9	$109.9	$115.1	$37.9	(49.1)	$7.6	(9.8)
Percent	(70.1)	(70.6)	(71.7)	(71.9)	(70.1)	(69.0)				
Strategic nuclear forces:										
Amount	$20.0	$22.0	$24.7	$29.3	$30.9	$31.7	$11.7	(58.5)	$2.3	(11.7)
Percent	(18.1)	(17.9)	(18.2)	(20.1)	(19.7)	(19.0)				
Mobility forces:										
Amount	$3.5	$3.8	$3.1	$3.5	$5.4	$6.7	$3.2	(91.4)	$0.6	(18.3)
Percent	(3.2)	(3.1)	(2.3)	(2.4)	(3.4)	(4.1)				
Retired:										
Amount	$8.2	$9.1	$9.7	$10.5	$11.2	$11.8	$3.6	(43.9)	$0.7	(8.8)
Percent	(7.4)	(7.4)	(7.2)	(7.3)	(7.2)	(7.1)				
Support:										
Amount	$1.3	$1.3	$1.3	$1.2	$1.2	$1.2	−$0.1	(−7.7)		(1.5)
Percent	(1.2)	(1.1)	(1.0)	(0.9)	(0.8)	(0.7)				
Total	$110.2	$123.2	$135.4	$145.8	$156.7	$166.8				

Source: Estimated from data in Appendix of the Budget for Fiscal Year 1978.

Table 15 aggregates the budget into those mission areas for the FY 1977–1982 period. Analysis of this table reveals that general-purpose forces consume the largest amount of resources, about 70 percent. Strategic nuclear forces take about 18 percent of the budget, while mobility forces consume only 3 percent. Retirement and support of other nations account for the remaining 9 percent. During the next five years general-purpose forces will grow at a rate of about 9.8 percent a year, while maintaining a fixed share of the budget. Strategic nuclear forces and mobility forces will also grow significantly and will increase their share of the budget. The former will increase by almost 12 percent a year and the latter will grow by over 18 percent annually. As discussed above, retired pay will increase by 8.8 percent annually, but its share of the annual budget will remain fixed, while support of other nations will remain virtually the same in current dollars.

TABLE 16.—DEFENSE AUTHORITY, BY DEPARTMENT, FISCAL YEARS 1977–82

[Dollar amounts in billions]

Service	Fiscal year						Total change fiscal years 1977–82		Average annual change fiscal years 1977–82	
	1977	1978	1979	1980	1981	1982	Amount	Percent	Amount	Percent
Army:										
Amount	$26.9	$30.2	$33.0	$35.2	$38.2	$40.4	$13.5	(50.1)	$2.7	(10.0)
Percent	(24.4)	(24.5)	(24.4)	(24.1)	(24.4)	(24.2)				
Navy:										
Amount	$36.4	$41.1	$45.8	$48.7	$52.3	$56.4	$20.0	(55.9)	$4.0	(11.2)
Percent	(33.0)	(33.6)	(33.8)	(33.4)	(33.4)	(33.8)				
Air Force:										
Amount	$32.3	$36.0	$39.7	$43.9	$47.1	$49.7	$17.4	(53.9)	$3.5	(10.8)
Percent	(29.1)	(29.2)	(29.3)	(30.1)	(30.0)	(29.8)				
Defense agencies:										
Amount	$3.8	$4.3	$4.6	$5.0	$5.3	$5.7	$1.5	(39.4)	$0.3	(7.9)
Percent	(3.4)	(3.5)	(3.4)	(3.4)	(3.4)	(3.4)				
Defensewide:										
Amount	$10.7	$11.6	$12.3	$13.0	$13.8	$14.6	$3.7	(34.6)	$0.7	(6.9)
Percent	(9.7)	(9.4)	(9.1	(8.9)	(8.8)	(8.8)				
Total	$110.2	$123.2	$135.4	$145.8	$156.7	$166.8				

Source: Estimated from "Fiscal Year 1978 Defense Report" and "Fiscal Year 1978 Budget."

Agency or Component. Table 16 breaks down military spending by agency or component. As is indicated in that table, for FY 1977 DOD spent one-third of its entire budget on the Navy Department. The other two military departments consume another 55 percent, while the remaining 13 percent is spent on defense agencies like the Organization of the Joint Chiefs of Staff and on defense-wide activities like military retirement. This distribution pattern is likely to persist over the next five years. The budget for the navy will increase by $20 billion, or 55.9 percent, to $56.4 billion by FY 1982, an average annual increase of $4 billion, or 11.2 percent. This will increase the navy's share of the defense budget to almost 34 percent. The air force's budget will also grow rapidly. It is projected to increase by $17.4 billion, or 53.9 percent, an average annual growth of $3.5 billion, or 10.8 percent. The army will increase somewhat less rapidly than its sister services. Our projections foresee a total increase for the army of $13.5 billion, or 50.1 percent, over the next five years. Defense agencies and defense activities will increase at slightly above the projected rate of inflation.

As discussed above, the driving force behind the increase in navy and air force programs will be modernization of both strategic and tactical weapon systems. The navy will be modernizing its SLBMs and rebuilding its fleet, while the air force will procure a new manned bomber and a new ICBM, as well as refurbish its tactical aircraft. The navy will also experience a 3 percent growth in personnel to man its expanding fleet. The army's increase will be less affected by the cost of weapon modernization. Not only are the army's weapons less expensive than those of the other services, but also its manpower requirements are more intensive. Therefore, proportionately more of the army's increase will go toward funding rising personnel costs.

The pattern of agency expenditures projected over the next five years continues the trend begun in FY 1972. In that year, for the first time in the entire post-World War II period, the navy became the dominant budgetary department. Prior to the American involvement in Southeast Asia, the air force received almost half of the defense budget. During the war in Vietnam, the army received priority in the budget. The present dominance of the navy is caused by two factors: the high cost of rebuilding the fleet and the expanding role of the submarine in our strategic nuclear posture.

TABLE 17.—CARTER MODIFICATIONS TO THE FORD DEFENSE BUDGET FOR FISCAL YEAR, 1978

[In millions of dollars]

Program	Modification	Savings/ increases
Reductions:		
Strategic:		
MX	Defer development	160
B-1	Reduce procurement (8 to 5).	280
FOI	Defer procurement	26
Polaris	Defer overhaul	27
Subtotal		493
General purpose:		
F-15	Reduce procurement (108 to 78).	334
CH-53E	Defer procurement	62
ATCA	do	277
AAH	Slow development	100
Lance	Terminate program	78
A-7E	do	24
AWACS	Reduce procurement (6 to 3).	150
Hawk	Defer procurement	35
CSGN	Cancel	187
PHM	Cancel LST conversion	43
FFG	Reduce procurement (11 to 9).	282
SSN	Reduce procurement (2 to 1).	230
Service equipment	Adjust delivery schedules.	893
Subtotal		2,695
Management and operation efficiencies:		
Retirement	Defer reform	25
University of the Health Sciences.	Closed	14
Naval Reserve	Paid drill reductions	50
Flight operations	Improve efficiency	55
Intelligence activities.	do	25
Subtotal		169
Total savings, through reductions in programs.		3,357
Additions:		
Aircraft survivability	Additional facilities	60
Maintenance of equipment in Europe.	do	50
CRAF	Increase modifications (4 to 8).	15
Maintenance of weapon systems.	Reduce backlog	280
Domestic bases	Increase construction	200
Total increases through additions to programs.		605

Source: Statement of Secretary of Defense Harold Brown to the Congress, Feb. 22, 1977.

CARTER MODIFICATIONS

Because of the requirements of the timetable established by the Congressional Budget and Impoundment Act of 1974, the Carter administration had but one month to submit changes to a budget which it had taken the outgoing Ford administration about twenty months to produce. By way of contrast, the Kennedy changes to the FY 1962 Eisenhower defense budget were submitted over a six-month period. Nevertheless, on February 22, 1977, the new President proposed thirty-one specific changes to the Ford defense budget. Twenty-six of these modifications requested reductions in individual programs while the other five called for increases in specific areas. The net effect of the Carter changes was an overall reduction of $2.8 billion, or 2.3 percent, in Total Obligational Authority and $0.4 billion, or 0.4 percent, in outlays. Let us see how these proposals will affect the size and distribution of the defense budget during the FY 1978–1982 period.

Deletions. The new administration proposed reductions in twenty-six programs to achieve an overall cut of $3.4 billion in TOA. These modifications are outlined by program category in Table 17. Analysis of this table reveals six salient facts.

First, about $2.7 billion, or 80 percent, of the reductions were made in the area of tactical or conventional weapon systems. The new administration changed twelve major general-purpose programs and several minor ones. The strategic area was reduced by only $0.5 billion, and the so-called area of management and operating efficiencies accounted for $169 million in reductions.

Second, the overwhelming majority of the reductions were accomplished by deferring or stretching out existing programs. Only four of the twenty-six modifications involve actual program cancellations or terminations. These are the Lance missile, A–7E aircraft, and nuclear strike cruiser (CSGN) weapon systems, and the University of the Health Sciences. Savings in TOA for FY 1978, which will be accomplished by deferring development or production decisions or slowing down the rate of procurement, are not real savings. Such practices usually result in higher costs in the long run because of inflation and inefficient production rates. For example, it is estimated that the proposal of the Carter administration to stretch out B–1 production will eventually add $2.7 billion to the cost of the program.

Third, except for the cancellation of the nuclear strike cruiser program (CSGN), the specific program terminations and cancellations of the new administration are insignificant and inefficient when viewed in the context of their total program costs. For example, the cancellation of the Lance surface-to-surface tactical missile involves a savings of $78 million in FY 1978 and $6 million in the outyears, a total savings of $84 million, or only 8.3 percent, in a $1 billion program. Moreover, as a result of the cancellation, the army will have 360 fewer missiles in its NATO inventory.[13] Terminating the A–7E Corsair II saves $24 million, or about 1 percent, in a $2.3 billion program. However, the $24 million cutback will mean that the navy will be short six light attack planes, or one-half of an attack squadron, in its inventory. Eventually the navy will either have to buy more F–18s, which cost about $16 million per unit as opposed to the $4 million which each A–7E would have cost, or absorb the shortfall in aircraft.

Finally, closing the Uniformed Services University of the Health Sciences after it has just accepted its first class, recruited a faculty, developed a curriculum, and received accreditation and after the majority of its plant has been completed may save $14 million in new funds in FY 1978, but throws away about $72 million which was spent prior to this fiscal year. Moreover, eventually DOD will be liable for $50 million in order to terminate existing contracts for the project.

Fourth, several of the reductions are unrealistic, while others have little chance of being accepted by Congress and could lead to problems in the long run. For example, cutting spending for flight operations and intelligence activities cannot but impair readiness and security. Unspecified improvements in efficiency are not likely to alter the situation. Similarly, it is quite unlikely that the Congress will approve closing the University of the Health Sciences or dropping 50,000 naval reservists from drill-pay status. The creation of a University of the Health Sciences to train physicians and conduct research for the military was initiated by the Congress. The legislature is not likely to turn its back on a child of its own creation, especially after having voted ten times to fund the school. As for the Carter administration's proposed cuts in the naval reserve forces, during the second session of the 94th Congress the legislature overwhelmingly rejected a proposal by the Ford administration to trim 50,000 naval reservists from the rolls and, in the reports accompanying the FY 1977 appropriations bill, admonished the executive branch not to create instability in the naval reserve program by resubmitting the proposal.

In the unlikely event that Congress approves either of these reductions,[14] short-run savings will be realized, but the long-term results could be deleterious for the defense establishment. Even with the Health Sciences University in operation, the armed services are experiencing a shortage of medical doctors at the present time. Further shortfalls would affect dependents' health care and would thus have an adverse impact on the retention of military personnel. Likewise, expecting 50,000 men to stay in the naval reserves without the inducement of drill pay is sheer folly, especially when one considers that a 200,000-man shortfall already exists in many reserve components for which drill pay is now available. Indeed, the shortfall in the reserves is so serious that some officials have proposed drafting people for the reserves.

Fifth, while the Carter changes to the FY 1978 budget are clearly a holding action, they do give some hint of the defense policy of the new administration. Cancelling the nuclear strike cruiser and affirming the decision of the Ford administration not to build a fourth 90,000-ton-class super-carrier seem to indicate that the present administration is planning to emphasize a sea-control rather than a power-projection mission for the navy. Likewise, by slowing down the B–1 and the M–X missile programs, the Carter administration may be demonstrating its intention of moving away from the Ford administration's doctrine of having the capability for conducting a limited nuclear war. On the basis of this doctrine, which was enunciated by Secretary of Defense Schlesinger and affirmed by Secretary Rumsfeld, the Pentagon developed the capabilities to strike military targets (counterforce) as well as population and industry centers (countervalue). Harold Brown, the new secretary, has indicated that he apparently favors a return to the countervalue doctrine. For example, in presenting the Carter modifications to the Congress, the secretary expressed considerable skepticism about containing nuclear war once nuclear weapons had been used by either the United States or the Soviet Union. In Brown's opinion, "Any use of nuclear weapons would increase the risk of rapid escalation." [15]

Slowing down the B–1 and M–X programs may also indicate that the Carter administration will repudiate the newly developed assured-destruction policy of the previous administration.[16] The goal of a retaliatory nuclear strike, as envisioned by the Ford administration, was not only to inflict unacceptable damage on the Soviet Union, but also to retard significantly the ability of the U.S.S.R. to recover from a nuclear exchange and regain the status of a twentieth century military and industrial power more rapidly than the United States.[17]

As discussed above the Ford policy is significantly different from the assured-destruction policy of previous administrations. Under Presidents Kennedy, Johnson, and Nixon, assured destruction meant destroying approximately 25 percent of the Soviet population and about 50 percent of their industrial capacity.[18] This goal could be accomplished by destroying no more than the ten largest Soviet cities. It was estimated that this objective could be accomplished by a surviving force of 400 one-megaton equivalents.[19]

The Ford concept is much more demanding. It requires that our strategic nuclear forces be capable of attacking not only all the major Soviet cities but also all those widely scattered installations which could be important to a recovery effort. This would include destroying nearly all of the Soviet Union's military facilities. Such a policy must be supported by a large number of very accurate weapons. DOD estimates that about 8,500 warheads or weapons are required for

Footnotes at end of article.

adequate coverage of all mission targets.[20] Should the Carter administration decide to return to the previous concept of assured destruction, the budget implications might be considerable. Not only would the B–1 and the M–X programs be affected but also such other programs as the MK–12A warhead and the Trident II missile could be cut.

Sixth, the Carter campaign promise to cut the defense budget $5 to $7 billion from its FY 1977 level was ephemeral. Like John Kennedy, who decried the missile gap during his campaign only to discover, once in office, that no gap existed, Carter has apparently discovered that he could not cut defense spending by the promised 5 to 6 percent. Indeed, his FY 1978 budget is not only $10.2 billion, or 9.3 percent, higher than the FY 1977 budget, but it is higher than the amount that Ford himself was projecting during the 1976 campaign and higher than that proposed for FY 1978 by the outgoing director of the Office of Management and Budget. Moreover, if one considers the fact that many of Carter's reductions are cosmetic and that many may ultimately result in higher costs, his campaign promise rings even more hollow.

TABLE 18.—SUMMARY OF CARTER CHANGES IN FISCAL YEAR 1978 BUDGET TOTALS, BY MAJOR PROGRAM

[Dollar amounts in millions]

Military program	Fiscal year 1978, Ford	Changes		Fiscal year 1978, Carter
		Amount	Percent	
Strategic forces	$11,015	−$396	−3.6	$10,619
General-purpose forces	44,348	−2,313	−5.2	42,035
Intelligence and communications	8,239			8,239
Airlift and sealift	1,674	−17	−1.0	1,657
Guard and reserve forces	7,162	−50	−.7	7,112
Research and development	11,067	−251	−2.3	10,816
Central supply and maintenance	11,790	+226	+1.9	12,016
Training, medical, other general personnel activities	24,335	+51	+.2	24,386
Administration and associated activities	2,260	−25	−1.1	2,235
Support of other nations	1,259	−2	−.2	1,257
Total (TOA)	123,150	−2,277	−2.3	120,373

Source: ASD(C).

Additions. As indicated in Table 17, the new administration has also proposed five actions that will increase TOA in FY 1978. These additions, which total $0.6 billion, are designed to increase the current readiness and serviceability of U.S. forces. About $280 million, or 46 percent, of the funds will reduce the backlog of deferred maintenance on ships and aircraft, while $200 million, or 33 percent, of the funds will be allocated to the domestic construction projects which were deferred by the Ford administration pending a review of domestic base requirements. The remaining $125 million, or 20 percent, will go toward upgrading the operational and maintenance capabilities of U.S. facilities in Europe and for increasing the number of Civil Reserve Air Fleet (CRAF) modifications from four to eight.

Summary. Tables 18 and 19 display the Carter modifications by program category and appropriation title. As indicated in Table 18, the proposed modifications affect every program except intelligence and communications. However, the category of general-purpose forces is the only one affected to any significant degree. This particular program was cut by $2.3 billion, or 5.2 percent, below the levels of the Ford budget. None of the other programs was changed by more than 3.6 percent.

Footnotes at end of article.

As indicated in Table 19, the modifications proposed by the new administration affect eight of the eleven appropriation categories. Procurement and military construction are most heavily impacted. The former was reduced by $2.9 billion, or 8.3 percent, while the latter was increased by $0.3 billion, or 20.1 percent. None of the remaining affected areas was changed by more than 2.2 percent.

TABLE 19.—SUMMARY OF CARTER CHANGES IN FISCAL YEAR 1978 BUDGET TOTALS, BY APPROPRIATION CATEGORY

[Dollar amounts in millions]

Appropriation title	Fiscal year 1978, Ford	Change		Fiscal year 1978, Carter
		Amount	Percent	
Military personnel	$27,662	−$76	−0.3	$27,586
Retired pay	9,058	−2	−	9,056
Operation and maintenance	34,951	+189	+0.5	35,140
Procurement	35,143	−2,934	−8.3	32,209
Research, development, test, and evaluation	12,137	−263	−2.2	11,875
Special foreign currency	2	−		2
Military construction	1,494	+301	+20.1	1,795
Family housing and homeowners assistance program	1,411	+10	+0.7	1,420
Civil preparedness, DCPA	91	−		91
Revolving and management funds	171	−		171
Military assistance program	1,030	−2	−	1,028
Total direct program (TOA)	123,150	−2,777	−2.3	120,373

Source: ASD(C).

PROJECTIONS

Projecting the size of future defense budgets for an administration which has been in power for only a few months is tentative at best. As discussed above, the Ford administration changed its mind about the defense budget no less than three times between January 1975 and January 1977. Moreover, since approximately two-thirds of the defense budget is controllable, it is comparatively easy to vary the defense total by slowing down or speeding up individual programs. Finally, the new administration has yet to make its national security policy intentions clear. To date the public statements and actions of President Carter and his advisers have been contradictory and confusing. However, the National Security Council and its subgroups are currently in the midst of a comprehensive review of our military force posture. The study, which is being chaired by Secretary of Defense Brown, was initiated by Presidential Review Memorandum 10 and is scheduled to be completed this summer. If this review should lead to alternative strategies and force postures, the defense budget could be changed significantly. Presidential Review Memorandum 10 might have the same effect on the defense budgets of the Carter administration as National Security Study Memorandum (NSSM) 3 had on the defense totals of the Nixon administration.[21]

Nevertheless, on the basis of the modifications which have already been made by the new administration, it is possible to project the size of TOA and outlays over the next five years. Table 20 presents a comparison of the projected Ford and Carter defense budgets for the FY 1978–1982 period. It reveals the somewhat surprising fact that, in spite of its reductions in the FY 1978 budget, the new administration is now committed to a program that will cause it to spend $2.2 billion more on defense and commit $1.6 billion more in TOA over the next five years than the previous administration had proposed. The Carter budgets would be lower than those of Ford in FY 1978 and 1979, but in the FY 1980–1982 period this situation will be reversed. This phenomenon occurs because thus far the new administration has really cut out only one major program, the nuclear strike cruiser (CGSN). Its other reductions are really program deferrals, and when these deferrals are made up, the costs will be higher.

TABLE 20.—A COMPARISON OF THE FORD AND CARTER DEFENSE BUDGETS, PROJECTED FOR FISCAL YEAR 1978–82

[In billions of dollars]

Category	Fiscal year—					Total, fiscal year 1978–82
	1978	1979	1980	1981	1982	
TOA						
Ford	123.2	135.4	145.8	156.7	166.8	727.9
Carter	120.4	134.2	146.7	158.8	169.4	729.5
Difference	2.8	1.2	−.9	−2.1	−2.6	−1.6
OUTLAYS						
Ford	110.1	121.2	133.7	145.5	156.3	666.8
Carter	109.7	120.2	134.0	146.5	158.6	669.0
Difference	.4	1.0	−.3	−1.0	−2.3	−2.2

Source: Figures for the Ford budgets are from fiscal year 1978 Defense Report, p. 8. Carter figures are author's projections.

The B–1 manned-bomber program is a case in point. The Ford administration had proposed to spend $14.0 billion on this program during the FY 1978–1982 period. These funds would have purchased about 150 of the strategic bombers. President Carter proposes to buy the same number of planes during this period; however, it will cost him about $16 billion because he has changed the production schedule. The previous administration had planned to buy 8 in FY 1978, 19 in FY 1979, and 32 in FY 1980. The new administration plans to procure 5 in FY 1978, 14 in FY 1979, and then make up the difference by jumping to 40 in FY 1980. Not only will inflation make the cost of a B–1 procured in FY 1980 higher than the cost of one procured in FY 1978 or 1979, but the abrupt jump in the level of production from 14 in FY 1979 to 40 in FY 1980 will drive up the price further. Thus, by deferring $0.7 billion in the FY 1978 and 1979 programs, it is estimated that the Carter administration will incur $2.7 billion in additional costs in the FY 1979–1982 period. Likewise, cutting the number of F–15s from 108 to 78 in FY 1978 will save $365 million in that fiscal year. However, that action will add $750 million to the program in the FY 1979–1982 period.

ISSUES

Every proposed defense budget generates controversy about its size and distribution of resources. There are always some who will argue that we are spending too much on defense in relation to our economy or other priorities. Others will contend that we need to spend more in order to maintain equivalence with our adversaries. Some, who accept the present level of defense expenditures, focus instead on the distribution and claim that funds are being spent on the wrong items, for example, manned bombers instead of ground divisions, or large combatants rather than small ships. Finally, there are always some who will contend that there is inefficiency, waste, or fat in the defense budget.

The FY 1978 budget is no different. Within hours of its publication, it was attacked as both too large and too small. Some critics have argued that it has too many of one kind of weapon system and not enough of another. Other critics contend that there is still too much waste and inefficiency in the budget and that good management could save billions. We will conclude this analysis by examining some of the more important and controversial issues raised by this budget. A complete analysis of all of the issues would replicate the 150,000-word annual re-

port or posture statement of the secretary of defense.

The Level of Spending. Is the level of defense spending for FY 1978 too high? Although there can never be a completely satisfactory answer to the perplexing question "How much is enough?" a meaningful response can be given if one looks at the size of the defense budget in relation to the budgets of previous years, to the overall national economic picture, and to the level of defense spending of our principal adversary, the Soviet Union Viewed in the context of these relationships, the answer appears to be no.

Even though the FY 1978 budget, as modified by President Carter, projects an increase of $10.2 billion, or 9.3 percent, over the level of FY 1977, the real increase in constant 1978 dollars is a more modest $4.1 billion, or 3.5 percent. Moreover, when viewed in constant dollars, defense spending is still below the level of FY 1964, the last pre-Vietnam year, and is on a par with the level of defense spending during the Eisenhower years. Furthermore, as a portion of the gross national product (GNP) and the federal budget, the FY 1978 defense budget is substantially below the levels of the entire cold war era. Not since before the Korean War has defense consumed such a small part of the federal budget or the GNP. Finally, the impact of defense spending on the economy is no more inflationary or deflationary than that of other forms of public spending, nor does money paid for defense work create fewer jobs than othre government spending. This is indicated by the fact that during FY 1978 defense spending will account for about 5.4 percent of the GNP and approximately 5.3 percent of total U.S. employment.[22]

Despite a real growth of 13.3 percent in the size of the defense budget in the FY 1975–1976 period, the United States is still spending less than the Soviet Union, if Washington's estimates are accurate relative to Moscow's expenditures in that area. Unfortunately, it is difficult to assess the accuracy of such statistics since little is known about the internal compromises arrived at and the preciseness with which pertinent data were obtained.

However, if one uses such information the dollar cost of Soviet military activities has exceeded that of the United States since FY 1972 (since FY 1969, if the incremental costs of our involvement in Southeast Asia are excluded from the defense total). Those dollar costs of Soviet defense programs are presently 35 percent more than the expenditures of the United States. Secretary of Defense Harold Brown has observed that the increased Soviet efforts of recent years have compensated for our higher levels of spending in 1955–1965, and we have some catching up to do.[23] It is contended that the Soviets are presently outproducing us in several areas of tactical weaponry and in many areas of strategic weapon.[24] Moreover, it is argued that intelligence data have confirmed that until two years ago we were underestimating the resources the Soviets were allocating to defense by about 50 percent.[25] Thus, a lower level of defense spending in the FY 1978–1982 period could make it difficult for us to maintain equivalence with the Soviet Union. Much will depend upon how the funds are distributed and which programs are funded.

Strategic Force Issues. Strategic nuclear programs do not consume anywhere near as large a proportion of budget resources as do those general-purpose forces. However, because of their importance, strategic issues have usually dominated the early days of each new post-World War II administration. In its first year in office, the Eisenhower administration took a "new look" at U.S. defense policy and decided to reduce expenditures for all of the services except the air force, which was exempted because the former army general wished to emphasize production of the B–52 bomber. In its eight years in office, the Eisenhower administration funded 744 of these long-range bombers which still play a major role in our strategic deterrent. Two months after taking office, John Kennedy increased the size of the Polaris submarine program by 50 percent and accelerated its production schedule by 100 percent (some have argued that this decision touched off a massive arms race with the Soviet Union). In the early days of the Nixon administration the key issues were whether to build an Anti-Ballistic Missile System (ABM), the B–1 bomber, and the Trident submarine. After much deliberation and congressional debate, all of these weapon systems were approved. These decisions decisively shaped the outcome of the SALT talks.

The Carter administration has had to decide on a production schedule for the B-1 bomber and a development schedule for the new M–X ICBM. It has decieded to slow down the production rate of the B–1 and the development pace of the M–X. These decisions involved comparatively small sums of money, but they could be as momentous as the early decisions of other administrations.

TABLE 21.—STRATEGIC FORCES OF THE U.S.S.R., SELECTED YEARS

Category	1965		1977		1982		Difference U.S.-U.S.S.R., 1982	
	U.S.	U.S.S.R.	U.S.	U.S.S.R.	U.S.	U.S.S.R.	N	Percent
Delivery vehicles:								
ICBM	854	224	1,054	1,450	1,054	1,400	−346	−24.7
SLBM	464	24	656	880	720	950	−230	−24.2
Total missiles	1,318	248	1,710	2,330	1,774	2,350	−576	−24.5
Strategic bombers	807	155	418	210	425	100	+325	+325.0
Total	2,125	403	2,128	2,540	2,199	2,450	−251	−10.2
Warheads:								
Total	6,230	450	8,500	4,000	11,275	9,640	+1,635	+16.9
Missile warheads	1,670	248	6,700	2,900	7,700	7,150	+550	+2.7
Throw-weight: [1]								
Total	10.0	2.6	7.5	10.2	9.9	11.1	+1.2	−10.8
Missile payload	2.2	1.1	3.9	8.2	4.5	10.1	−5.6	−55.4
Equivalent megatonnage:								
Total	8,600	1,100	4,200	6,200	5,300	6,850	−1,550	−22.6
Total missile	1,400	600	2,200	4,800	2,500	5,850	−3,350	−57.3

[1] In millions of pounds.

Source: "Fiscal Year 1978 Defense Report," p. 61; Henry Owen and Charles Schultze, eds., "Setting National Priorities" (Washington, D.C.: The Brookings Institution, 1976), p. 86.

The B–1 Bomber. The B–1 may well go down in history as the most thoroughly studied, analyzed, debated, and tested weapon system ever built by this nation.[26] The air force began exploratory studies for a successor to the B–52 over sixteen years ago. In 1969, after eight years of numerous government and aerospace industry studies, the air force finally issued a request for industry proposals to build a new bomber. Rockwell International was selected as the system contractor in 1970, and funding for the program began in that year. In 1974 the first prototype was tested, and actual procurement began in 1976. To date, some 6,000 hours of engine tests have been conducted and over 450 hours of flight time have been logged,[27] but the government has not yet made a firm commitment to the system.

During the past sixteen years the B–1 has been vigorously debated within the executive branch, Congress, the academic community, and the media. Its opponents have attacked the bomber as a symbol of the kind of wastefulness brought about by a military organization that is concerned more with its own survival than with the good of the nation. To these individuals, the air force's desire to build the B–1 is reminiscent of the navy's attempt to hold onto the battleship and the army's desire to perpetuate the horse cavalry. In their minds, the case for the B–1 is so weak that if the program cannot be prevented from becoming a reality, then there will be little hope of preventing the Pentagon from building almost any weapon system it wishes or of slowing down the arms race. The symbolic importance that the B–1 has acquired has added a great deal more emotion to the debate than normally surrounds defense controversies.

Opponents of the B–1 raise two related questions. Does the United States still need the Triad? Are 244 B–1s at a cost of $93 million each, or a total program cost of $22.8 billion, a necessary component of the Triad?

Table 21 outlines the most salient characteristics of the strategic nuclear forces of the United States and the Soviet Union. As indicated in that table, a decade ago the United States had an overwhelming advantage over the Soviet Union in every significant area: number of delivery vehicles, number of warheads, throw-weight, and equivalent megatonnage. Today this nation's advantage lies only in the number of warheads, of which it has about twice as many as the Soviet Union.

In the other strategic nuclear forces, the United States is not at a distinct disadvantage unless one compares only the missile forces of the two nations. Without its bomber force, the United States has less than half of the throw-weight and equivalent megatonnage, or destructive capacity, of the Soviet Union. The situation will become even more adverse by 1982. At the end of this five-year period, the Soviet Union will have cut significantly into the U.S. advantage in warheads and will have maintained its lead in

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the other areas. Moreover, if one excludes bombers, the U.S.S.R. will have virtually the same number of warheads as the United States.

At the present time, U.S. missiles are much more accurate than those of the Soviet Union, while Soviet missiles are much larger. Since accuracy is so much more important than yield in inflicting damage on a specific target, the United States is not yet at a distinct disadvantage, even if one considers only missiles. However, vast improvements in accuracy are possible within the existing SALT accords, while advances in throw-weight and yield are severely constrained. Therefore, the U.S. lead in the area of accuracy could disappear rapidly and this nation could fall far behind the U.S.S.R. in every area of missile capability. Moreover, as discussed below, the ICBM is becoming increasingly vulnerable.

As indicated in Table 21, approximately 50 percent of the throw-weight and equivalent megatonnage of the U.S. strategic force is contained in its manned bombers. Therefore, if this nation wishes to maintain anything approaching essential equivalence in the area of nuclear weapons, it should retain the bomber portion of the Triad.

The question then becomes, should the Pentagon spend $22.8 billion for 244 new bombers plus an additional amount for supporting equipment?[28] Would not some combination of a "stretched," or a slightly larger version of the present FB–111, modernized B–52s with new engines, and a 747-type standoff cruise missile carrier be more cost-efficient? Evidently the answer is no. A joint strategic bomber study, based on a realistic and highly detailed modeling of strategic bomber launch and penetration against a comprehensive target structure, concluded that forces consisting primarily of B–1s were more effective.[29] Therefore, the decision to procure the B–1 seems warranted in the present environment.

The MX–1 System. The ICBM is the only leg of the Triad which currently possesses a prompt, high-confidence, counterattack capability against a broad spectrum of both hard and soft targets. However, most analysts agree that by the mid 1980s, land-based ICBMs in fixed sites will be increasingly vulnerable. It is estimated that by 1985 the U.S.S.R. will be able to destroy two-thirds to three-quarters of our Minuteman silos, while the United States will be able to destroy about 57 percent of the Soviet ICBMs.[30] Upgrading the hardness of the silos can enhance the survivability of fixed-based ICBMs in the short term, but is not an adequate long-term solution. If the United States wishes to maintain the ICBM portion of the Triad, a new concept is needed.

Approximately five years ago, the United States began work on an advanced ICBM to be deployed in a mobile mode. This system, designated the MX–1, is now in its final stages of research and development.[31] The original timetable called for beginning production in 1978 and actual deployment in 1984. In its last days in office, the Ford administration accelerated the timetable for the M–X. The former President wanted production to begin in October 1977 and envisioned initial deployment in 1983. In order to accomplish these goals, he proposed to spend $0.3 billion in FY 1978 and $1.5 billion FY 1979 on the new ICBM. The Carter administration reduced the M–X program by $160 million for FY 1978. This would keep the system in research and development for another year and return the missile to its original 1984 initial deployment schedule.

The M–X is an awesome weapon. The missile will contain fifteen independently targeted warheads, each of which has a yield of 200 kilotons. Because of an advanced inertial reference system, the M–X will have a circular error of probability (CEP) of 300 feet (that is, its warheads will be able to fall within 300 feet of their aim point). In contrast, our present Minuteman III missile has only three independently targeted warheads, each with a yield of 400 kilotons and a CEP of 600 feet. Thus, the M–X will have 2.5 times the explosive power and twice the accuracy of the present Minuteman III. Present plans call for the purchase of 300 of these missiles at a cost of about $35 billion.

To ensure survivability, the M–X will be mobile. Each of the new missiles will be placed in a ten to twenty mile long trench system. A missile transporter-launcher will move at random intervals inside the trench, thus leaving a potential attacker almost totally uncertain of the exact location of the missile along the length of the trench.

The decision to develop, procure, and deploy the mobile M–X missile is a critical one. Because of its high yield and accuracy, it would be a significant counterforce weapon. Placing the weapon in a mobile mode will make verification of the number deployed almost impossible. These attributes of the M–X not only could be destabilizing for the arms race, but also could hopelessly complicate the SALT talks. Therefore, the Carter decision to slow down the M–X program pending the outcome of the next round of SALT talks makes a great deal of sense. If the Soviet Union shows similar restraint on its SS–18 and SS–X–16 ICBM programs, the decision will have been a wise one indeed.

Manpower Costs. As noted above, manpower costs still consume more than half of the entire defense budget. Those who would reduce the size of the budget or shift the funds toward weapons-modernization programs often look to this area to cut costs. The new secretary of defense has already indicated that he intends to develop a comprehensive package of proposals to yield significant long-range savings in personnel costs. In a briefing on the FY 1978 budget Secretary Brown remarked, "In the long run I am convinced that's where the real savings will come."[32]

However, those contemplating reductions in this area should bear two considerations in mind. First, the cost of compensation for current employees is no longer the driving force behind the rising defense budget. The massive "catch-up" pay raises for DOD's civilian and military employees, which were necessitated by the comparability legislation of the 1960s and the creation of the all-volunteer force (AVF) in the early 1970s, will not recur. At present, compensation levels for military and civilian employees are slightly above those of the private sector. Between now and FY 1982 personnel costs will rise only with inflation and will consume a declining portion of the budget. Second, although some savings are possible in this category, they are not very large. Moreover, many of the suggested reductions may cause significant difficulties in the areas of morale, recruiting, and retention, which could more than offset the short-term savings. This point can be illustrated by analyzing the recent report of the Congressional Budget Office (CBO) in this area.[33]

TABLE 22.—MANPOWER COSTS, FISCAL YEARS 1978–82
[In billions of dollars]

	Fiscal year—					Total fiscal years 1978–82
	1978	1979	1980	1981	1982	
Present system	56.5	60.0	63.2	66.3	69.3	315.3
Lowest option	55.6	58.4	61.2	63.7	66.3	305.2
Maximum savings:						
Amount	.9	1.6	2.0	2.6	3.0	10.1
Percent	1.6	2.7	3.2	3.9	4.4	3.1

Source: Congressional Budget Office, "The Costs of Defense Manpower," January 1977, p. xii.

In a January 1977 report on the costs of defense manpower, the CBO estimated that the maximum savings which could be squeezed from this area over the next five years would be $10.1 billion, or about $2 billion annually. As is indicated in Table 22, this represents a reduction of 3.1 percent in manpower costs and a savings of about 1 percent in the entire defense budget over the 1978–1982 period. The CBO would achieve its savings in five ways: increasing the efficiency of training, reducing enlisted turnover, introducing a salary system for military personnel, reforming the pay system of civilian employees, and making changes in the retirement system. While all of these actions are theoretically possible, most are both impractical and counterproductive.

The CBO points out that training costs could be reduced by $2.3 billion over the next five years primarily by shortening the length of recruit training, which now varies from five weeks in the air force to eleven weeks in the Marine Corps. However, such a step runs the real risk of undermining or weakening the socialization process of the military services. For example, about six years ago budgetary pressures forced the navy to reduce the length of its boot camp to seven weeks. Not long after, rioting took place on the aircraft carrier *Kitty Hawk*. Analysis of the incident demonstrated that the navy could not properly socialize many of its recruits in just seven weeks[34] and, as a result, the time in boot camp was lengthened to the present nine weeks. Declining numbers of available male recruits and improving national economic conditions are already forcing the armed forces to lower their standards.[35] Such a development argues for increasing rather than decreasing the length of recruit training.

The CBO estimates that $2 billion could be saved in the FY 1978–1982 period by reducing turnover rates. This is doubtless true, but their suggestion that DOD implement a salary system, which CBO estimates would also save $2 billion in military payroll costs, would probably increase turnover since many would perceive the change as further eroding their benefits.

According to the CBO, $3.5 billion could be saved in the defense budget over the next five years by instituting changes in the federal civilian compensation system. DOD would be affected significantly by such reforms, since it employs about half of the civilians who work for the federal government. However, the Pentagon cannot act alone in this area since the changes would affect all the civilians employed by the federal government. Moreover, the CBO proposals would probably run into heavy opposition from civil service unions like the American Federation of Government Employees (AFGE), which strongly supported President Carter in the last election and is quite influential with Congress.

Finally, the legislative budget office suggests reforms in the retirement system which could save $0.3 billion between now and FY 1982. These reforms would not be as sweeping as those recommended by the Retirement Modernization Act of 1972 or the Defense Manpower Commission Plan.[36] However, neither of these proposals would begin to save money until FY 1985. The CBO proposal would achieve immediate savings by: eliminating the extra retirement credits earned by enlisted personnel of the navy and Marine Corps, which now allow some of these individuals to retire after 18.5 years; taking away the real increase in the base of reserve retired pay which occurs between the time an individual leaves inactive duty and age sixty, when he begins receiving retirement benefits; and doing away with dual compensation for all retirees who work for the federal government. While there is little doubt that the entire retirement system

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needs reform, equity demands that any changes not be retroactive. The three reforms recommended by CBO do not meet that test. Any attempt to implement them may only intensify the perception that benefits are being eroded and could be a disincentive for recruiting and retention for both the active and reserve forces. The amount of savings is so small that it does not seem like a prudent risk, especially in the light of the recent survey data which indicate that the military is losing its appeal to the nation's young men.[37]

General-Purpose Forces: Shipbuilding. Since the end of American involvement in Vietnam, the size, shape, and cost of the U.S. fleet have been areas of considerable controversy, concern, and confusion. In the minds of many people, the debate over naval forces has eclipsed the argument about strategic force levels as the primary issue in American defense policy.

Between 1969 and 1976, the size of the U.S. fleet declined from 972 to 476 ships. This decline was caused by three factors. First, a great number of ships which were built during World War II have now become obsolete. As late as July 1, 1970, no fewer than 327 ships in the active fleet were still of World War II vintage. Second, only a small amount of shipbuilding occurred during the years of the war in Vietnam. In order to prosecute the war, funds in the defense budget were diverted from investment to operations. As a result, the number of new ships funded annually for construction declined from an average of forty-five in the 1962–1967 period to eight in the 1967–1972 period. Third, the cost of replacing obsolescent ships skyrocketed. Thus, even when the funds for shipbuilding were increased, the amounts proved inadequate to stem the decline in the size of the fleet. Although expenditures for shipbuilding were restored to pre-Vietnam levels in real terms in the post-1972 period, this amount of funds can now purchase only fifteen ships instead of forty-five. For example, the Forrestal class aircraft carriers cost the navy $250 million each. The new Nimitz class carriers cost $2 billion each.

At the same time that the size of the U.S. fleet was declining, the size, capabilities, and operational radius of the Soviet fleet began to increase dramatically. Between FY 1968 and 1976, the number of U.S. surface combatants dropped by 50 percent, from 350 to 175. During the same period, the number of Soviet surface combatants grew by 20 percent, from 190 to 228 ships. In addition, the Soviets deployed their first three aircraft carriers, the 40,000-ton *Kiev*, capable of carrying V/STOL (Vertical/Short Take-off and Landing) fighters, and two Moskva class helicopter carriers. Finally, the Soviet Union began operating extensively in the Mediterranean, the Indian Ocean, the South Atlantic, and the Caribbean, as well as conducting coordinated worldwide exercises. Before 1965, the Soviet navy operated primarily in its coastal waters; today, it has an average of 150 ships operating outside this area every day of the year.

Although no objective observer has claimed that these developments made the Soviet navy superior to that of the United States, a consensus has developed that this nation ought to reverse the trends of the 1968–1975 period. Unfortunately, no clear consensus could develop over exactly how this should be done. It seems that every interested party within the executive and legislative branches has his own favorite shipbuilding program. During the past two years, confusion has reigned, as several alternative programs have been proposed simultaneously. These proposals differed over the size, type, and propulsion of future U.S. ships. Let us look at the different proposals in each of these areas.

The Joint Chiefs of Staff feel that the navy needs about 750 ships to meet its responsibilities. Since budgetary considerations make this requirement impractical, the Department of the Navy supports a program which would enable it to reach a level of 600 ships by the mid 1980s. According to Admiral James Holloway III, chief of naval operations, this is the minimum number of ships that the navy must have if it is to maintain its slim margin of superiority over the Soviets.[38] The navy's plan would require building 180 ships over the next five years at a cost of $55 billion.

The Ford administration could not agree on the size of the fleet. In mid 1975, former Secretary of Defense James Schlesinger approved a five-year plan that would have built 140 ships at a cost of $40 billion. In January 1976 his successor, Donald Rumsfeld, recommended building 111 ships at a cost of $36 billion.[39] The Schlesinger plan would have given the navy 550 ships by 1985, while the Rumsfeld proposal would have permitted the navy to increase to only 525. However, in May 1976 the National Security Council (NSC) recommended a plan to increase the navy to 575 ships by 1985, The NSC plan called for building 153 ships at a cost of $44 billion.[40] As noted above, in January 1977 the outgoing President recommended a program of building 157 ships over the next five years.

During 1976, shipbuilding proposals also emanated from Capitol Hill. Senator Robert Taft (Republican-Ohio) called for a massive ten-year shipbuilding program which would involve building 239 ships at a cost of $80.5 billion.[41] The CBO offered three alternative programs for the FY 1977–1982 period. These proposals ranged from building 34 ships at a cost of $2.2 billion to building 173 ships at a cost of $60 billion.[42]

There is also considerable controversy over the type of large combatants which ought to be built over the next five years. This debate has focused primarily on the aircraft carrier. Over the next five years, the navy would like to build two more 90,000-ton nuclear powered Nimitz class aircraft carriers at a cost of $2 billion each. This would give the navy six nuclear powered aircraft carriers. The navy's position is strongly supported by the House Armed Services Committee, which is influenced greatly by Admiral Hyman Rickover, the "father of the nuclear navy." The Ford administration vacillated on the question. In January 1976, Secretary Rumsfeld announced that he would put off the decision on a new Nimitz for a year.[43] In May 1976, President Ford announced that he welcomed the decision of the House Armed Services Committee to build a new Nimitz carrier.[44] In January 1977, the outgoing President changed his mind and asked for rescission of funds already appropriated for the Nimitz. In its place, he proposed building two 50,000-ton nonnuclear carriers. This decision was upheld by President Carter and the Congress.

Finally, there is the issue of the power source for major combatant vessels—submarines, aircraft carriers, and their escorts. Title VIII of the FY 1975 Defense Authorization Act requires that all major combatants be nuclear powered unless the President certifies to the Congress that it is not in the national interest for a particular ship to be so configured. In the past two years, debate on the merits of Title VIII has focused on the nuclear powered strike cruiser (CSGN). In the spring of 1975, the House added funds for a nuclear strike cruiser to the FY 1976 defense budget. President Ford supported the decision, but the ship was dropped in conference. The FY 1977 defense budget did not request a CSGN for that year, but it did project one in FY 1978 and another in FY 1981. The House again added a strike cruiser for FY 1977 but this too died in conference. The FY 1978 Ford budget sought to get long-lead funding for a CSGN, but these funds were deleted from the budget by the new administration on cost-effectiveness grounds. It is not clear whether the Carter administration intends to cancel the second strike cruiser as well.[45]

Up to now the questions of size, type, and power source of the U.S. fleet has been contested primarily on budgetary grounds. While dollars do have an impact on policy, they should not determine it. The real question that must be decided is the relative importance of the sea-control and power-projection missions of the U.S. Navy in regard to a European conflict. This nation must decide whether it wants to buy naval forces whose primary purpose is to ensure that the sea lanes can be kept open against potential Soviet opposition, whether it wishes to buy naval forces designed to approach and attack Eastern Europe in the face of heavy defenses, or whether it wishes to maintain the present balance between the two missions.[46]

A fleet oriented toward sea control would depend primarily upon the capability of its Anti-Submarine Warfare (ASW) forces to defeat the main threat to our control of the sea lanes, namely, the 75 nuclear and 198 conventionally powered Soviet attack submarines. Such a fleet would not need very many projection-oriented warships like large Nimitz class carriers, strike cruisers, and large destroyers. Instead, it would depend primarily upon smaller vessels such as frigates, fast missile boats, and medium-sized cruisers. However, a navy oriented toward a sea-control mission would maintain a power-projection capability against the type of low-threat environment found in most parts of the Third World.

On the other hand, a navy oriented toward power projection would need large nuclear powered cruisers and escorts to attack land-based military objectives. Such an orientation would require funding three new Nimitz class carriers, six strike cruisers, and fourteen large destroyers, equipped with sophisticated air defense systems, over the next five years. These twenty-three high-value ships would cost about $20 billion, or $4 billion per year. This would add an additional $14 billion to the cost of the present five-year program which already is projected at nearly $50 billion.

Finally, the navy could maintain the present balance between the two missions. This would require it to build one Nimitz carrier, two strike cruisers, and eight large DDG–47 desetroyers. The Ford administration apparently began to move in the direction of the sea-control mission by ending the Nimitz program and opting for a medium-sized carrier. However, by leaving in the budget two strike cruisers and ten DDG–47s, it was confusing the issue somewhat. President Carter leaned a bit more toward sea control by affirming the Ford decision on the large carrier and cancelling the strike cruiser. However, he too clouded the situation by leaving in the DDGs. The House still leans toward a power-projection role while the Senate tends toward sea control. Until the American political system decides the question of priorities, the shipbuilding issue will remain as muddled as ever, and the navy will remain the only service without an approved program goal.

Other General-Purpose Forces. In one sense, the other three services are in better shape than the navy. Each of these services has an approved force goal which is presently in being. The army has a force of sixteen active divisions, the air force twenty-six tactical air wings, and the Marine Corps three divisions and three air wings.

However, this does not mean that the other services are free of difficulties caused by budgetary constraints. Their problems may be placed into two categories. First, none of the approved force goals comes anywhere near meeting the desired objectives.

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For example, the JCS have recommended a twenty-five-division army to meet strategic objectives. Second, each of the services has significant shortfalls even within its present approved force structure. For example, the army's sixteen-active-division force has a large reserve component. At present, it has four National Guard brigades and eleven reserve battalions rounding out the sixteen "actice" divisions.[47] In addition, the army's divisions suffer from inadequate armored and mechanized equipment and a shortage of war reserve stocks prepositioned in Europe. The ground forces have only 50 percent of the required armored carriers and 60 percent of the authorized number of tanks.[48] Similarly, the air force now has only the organizational structure for twenty-six wings. The wings will not be at full strength until FY 1981. Moreover, the air force can reach its inventory objectives only by purchasing about 2,000 low-performance aircraft like the F–16 and the A–10 and retaining large numbers of F–4 fighters well beyond their planned replacement dates. Low-performance aircraft like the A–10 will have difficulty in fighting at night and in bad weather. In addition, there is a shortage of shelters for the tactical aircraft which would be sent to Europe during mobilization.[49] The Marine Corps' three divisions and air wings are handicapped not only by the same type of equipment shortages as the other services but also by inadequate numbers of amphibious lift ships to transport them.[50]

Support Costs. In some circles, there is a widespread assumption that a large amount of fat exists within the defense budget which can be cut out without undermining readiness. This was the attitude expressed by President Carter during the recent campaign. On June 10, 1976, he told the Democratic Platform Committee: "Without endangering the defense of our nation or our commitments to our allies, we can reduce defense expenditures by about $5 to $7 billion annually." On September 9, 1976, he said flatly, "My statement is that 5 to 6 percent of the funds being expended by the Pentagon are being wasted." [51]

TABLE 23.—INDIRECT SUPPORT COSTS IN DOD, SELECTED FISCAL YEARS

[In billions of dollars]

Category	Fiscal year—				
	1970	1974	1976	1978	1982
Training, medical, and general personnel	10.9	12.9	14.3	15.2	18.4
Central supply and maintenance	9.1	8.4	9.8	11.8	14.2
Administration	1.5	1.7	2.2	2.3	2.6
Total	21.5	23.0	26.3	29.3	35.2
Percentage of defense budget	28	27	27	24	21

Source: "Annual Defense Reports," appropriate years.

Not even the most ardent defender of the Pentagon would deny that there are some inefficiencies in an organization with an annual budget of $120 billion and real assets of several hundred billion dollars. However, the amount of inefficiency is relatively small. Moreover, it has become smaller in the last few years. In the post-Vietnam period the Pentagon has taken a number of steps to reduce its overhead costs. For example, since 1969 DOD has taken a total of 2,700 separate actions to reduce, consolidate, or close domestic installations. These actions now save about $4 billion annually in recurring costs. The Pentagon has increased the ratio of combat to support troops, or the tooth-to-tail ratio, in the services. The army has added three new divisions while holding its manpower level constant at 790,000. The marines have maintained a force of three combat divisions and three air wings despite a 10 percent decline in manpower, and the air force has increased the number of tactical air wings by three within a constant manpower level.

Since 1972, the services have reduced the number of general officers by 14 percent and decreased the percentage of flag officers per 10,000 military personnel from 5.7 to 5.5 percent. During this same period, DOD has cut its officer population by 61,000, or 18 percent, and increased the enlisted-to-officer ratio from 5.9-to-1 to 6.6-to-1. Over the past few years, DOD has reduced training costs by consolidating some joint activities under a single service and has cut down on moving costs by lengthening terms and limiting the number of changes of station for personnel serving initial terms of service.

The effectiveness of these steps can be demonstrated by analyzing the indirect support costs in the defense budget. As is indicated in Table 23, in fiscal year 1970 the costs of such activities as training, supply, and administration amounted to 28 percent of the DOD budget. After remaining at that level until fiscal year 1976, the percentage devoted to support declined to 24 percent in fiscal year 1978. Within the next five years, these costs are projected to decline to 21 percent of the entire defense budget.

While much remains to be done, particularly in the area of domestic base closures, the data in Table 23 indicate that there are no other great savings available in the support area. Some efficiencies are possible, but there do not appear to be any significant savings that will not have unintended harmful side effects. For example, lengthening tours of duty still further would save funds but could have an adverse impact upon retention, as people are required to serve extended terms in arduous assignments. Similarly, reducing the number of flag officers much further and thus restricting promotion opportunities might drive many good officers into premature retirement.

CONCLUSION

The defense budget for FY 1978 is substantial. It continues the trend begun two years ago of real increases in the level of defense spending. Over the next five years defense spending will continue to rise unless significant policy changes are made. As measured against the GNP and the federal budget, and compared with the level of defense spending of the U.S.S.R. the cost of defense is not unreasonable. Moreover, in terms of what it buys, the expenditure is more than reasonable. The FY 1978 budget gives this nation a sizable military force without a draft, provides the weapons that maintain essential equivalence with our adversaries in the area of strategic weaponry, undertakes the long overdue modernizatfon of our general-purpose forces, and pays the deferred costs of having maintained a large military establishment during the cold war period and two protracted wars in Asia.

Some efficiencies are possible in the personnel, support, and weapons modernization area, but these are minimal. The only way to change substantially the size and distribution of the defense budget is to change the shape of international politics and our role in it. Deferring programs, stretching out production lines, and suggesting politically impossible reductions are gimmicks at best and no substitute for real movement. Unless the new administration is prepared to change our role in the world, it will have to pay the costs. The sooner it understands and communicates this to the American people, the better off we all will be.

FOOTNOTES

[1] Unless otherwise noted, all figures are drawn from the fiscal 1978 budget.

[2] Donald Rumsfeld, *Annual Defense Department Report, FY 1978*, p. 6.

[3] For an analysis of the McGovern defense budget, see David Ott et al., *Nixon, McGovern and the Federal Budget* (Washington, D.C.: American Enterprise Institute, 1972).

[4] Press conference by Secretary of Defense Donald Rumsfeld at the Pentagon, January 18, 1977.

[5] The planning assumptions are drawn primarily from three sources: *FY 1978 Defense Report*, pp. 58–100; Congressional Budget Office, *Plannig U.S. General Purpose Forces: Overview*, January 1977; and Congressional Budget Office, *U.S. Strategic Nuclear Forces: Deterrence Policies and Procurement Issues*, April 1977.

[6] Since pay raises are spread out among all forms of compensation and since some forms of compensation are in kind, the total increase in the military personnel account will be somewnat smaller than the actual amount of the raise.

[7] Although the civil service retirement system is contributory, the funds paid into the system by the government and the employee do not cover the full costs of operating the system. This is because the present charges do not take into account future increases in prices and wages. However, the deficit in the civil service retirement system does not affect directly the size of the budget for DOD or other government agencies because, unlike military retirement costs, the retirement costs of past civil service employees are excluded from agency budgets. During FY 1978, the federal government will pay out $11.2 billion to 1.6 million retired federal employees. The unfunded liability of the civil service retirement system is $107 billion.

[8] Beginning in FY 1979, the defense retired-pay appropriation may be transferred out of the defense budget, probably into the income security account. If that should happen, a charge for the retirement costs of today's military personnel would most likely be substituted. Under this new system, in FY 1979, the defense budget would be charged $7.0 billion instead of $9.7 billion. The total savings to defense in the FY 1979–1982 period would be about $12 billion. For a complete discussion of this subject see Congressional Budget Office, *Retirement Accounting Changes: Budget and Policy Impacts*, April 1977.

[9] The reserve group most in jeopardy appears to be the naval reserve. The FY 1977 Ford defense budget proposed to cut its strength in half. As discussed below, President Carter made the same proposal in his FY 1978 budget amendments.

[10] As will be discussed later, the all-volunteer force may well run into difficulty on other grounds. The attractiveness of a military career is declining, military service has deteriorated from a calling or a profession into just an occupation, the number of males reaching the age of eighteen is declining, and job opportunities in the civilian sector are improving. In this author's opinion, vast increases in compensation will not solve these problems. However, I do agree that attempts to reduce or erode the present level of benefits would exacerbate the situation.

[11] This estimate was arrived at by developing an optimum base structure to support the present force structure.

[12] There are some indications that the nation may be contemplating increased efforts in this area. For example, the House added $44 million to the civil defense account in the FY 1978 defense authorization bill. However, the Senate Armed Services Committee recommended that only $5.2 million be added.

[13] Senator Robert Griffin (Republican-Michigan) in referring to the Lance cancellation decision remarked: "The Administration may call this economy, I call it madness," quoted in F. Clifton Berry, "NATO Readiness—Frank Talk at Last," *Armed Forces Journal* (March 1977), p. 24.

[14] The House Armed Services Committee has already rejected both of these reductions (*Report to the House Committee on the*

Budget on the National Defense Function, March 15, 1977). The full House and Senate have voted funds for continuing the university.

[15] Remarks of Secretary of Defense Harold Brown before the Senate Armed Services Committee, January 25, 1977 (Department of Defense press release).

[16] On May 14, 1977, DOD announced that Secretary Brown would conduct a thoroughgoing reassessment of "a Ford Administration policy that hypothesized crippling of the Soviet Union's ability to recover after a nuclear war." Bernard Weinraub, "U.S. Is Reassessing Its Strategy for Meeting Soviet Nuclear Strike," *New York Times*, May 15, 1977, p. 1.

[17] *FY 1978 Defense Report*, p. 68.

[18] Robert McNamara, *Annual Defense Department Report, FY 1969*, p. 50.

[19] Ibid., p. 57.

[20] Ibid., p. 57.

[21] NSSM 3 was the study which reduced the demand upon conventional forces from the requirement that they be prepared to conduct two major wars and one minor contingency simultaneously to the requirement that they be prepared for only one major war and one minor contingency.

[22] *FY 1978 Defense Report*, p. 324.

[23] Remarks of Secretary Harold Brown before the Senate Armed Services Committee, January 25, 1977 (Department of Defense press release).

[24] *FY 1978 Defense Report*, pp. 27 and 78. However, until the entire estimates are made public, it is impossible to publicly confirm such contentions about Soviet production.

[25] Ibid., p. 8.

[26] For an excellent summary of the pros and cons of the B–1, see *Congressional Digest*, December 1976, pp. 289–314.

[27] Ibid., p. 302.

[28] Many people have pointed out that the B–1 will require new tankers. This is not completely accurate. A replacement for the KC–135 will have to be found in any case. It is simply wearing out. The tankers refuel tactical aircraft as well as strategic bombers.

[29] *Congressional Digest*, p. 308.

[30] *FY 1978 Defense Report*, p. 19 and Henry Owen and Charles Schultze eds., *Setting National Priorities* (Washington, D.C.: The Brookings Institution, 1976), p. 86.

[31] For information on the M–X, see the following: (Lt. General) Alton Slay (USAF), "M–X, A New Dimension in Strategic Deterrence," *Air Force Magazine* (September 1976), pp. 44–49; John Baker, "The MX ICBM Debate," *Arms Control Today* (February 1977), pp. 1–4; and C. Robert Zelnick, "M–X and the Next Arms Debate," *Washington Post*, February 27, 1977.

[32] Press conference by Secretary of Defense Harold Brown, February 21, 1977.

[33] Congressional Budget Office, *The Costs of Defense Manpower: Issues for 1977*, January 1977.

[34] House Armed Services Committee, *Report of the Special Subcommittee on Disciplinary Problems in the U.S. Navy*, January 2, 1973, p. 17672.

[35] During FY 1976, only 56 percent of the army's recruits were high school graduates. This was six percentage points below its goal of 62 percent. House Armed Services Committee, *Hearings on Military Posture and H.R. 5068*, 95th Congress, 2d session, 1977, p. 375.

[36] The Retirement Modernization Act, proposed in 1972 by the Nixon administration, vests benefits earlier and reduces benefits to those who retire before thirty years. The commission proposal relates the size of the annuity to the type of job performed. Those who spend a career in combat jobs receive a higher annuity and can begin receiving it earlier than those who pursue noncombat careers.

[37] A poll conducted for DOD by Market Facts Incorporated indicates that between 1975 and 1976 there was a 35 percent decline in the number of young men attracted toward the army. Cited in *Hearings on Military Posture and H.R. 5068*, p. 375.

[38] Quoted in John Finney, "Pentagon Drops Bid for 600-ship Navy," *New York Times*, January 27, 1976, p. 1. Holloway made his statement to the Congress in defending the FY 1976 navy budget.

[39] Donald Rumsfeld, *Annual Defense Department Report, FY 1977*, January 27, 1976, p. 130.

[40] John Finney, "Administration Is Proposing $7.5 Billion for Long-Term Shipbuilding Program," *New York Times*, May 5, 1976, p. 1.

[41] Senator Robert Taft (Republican-Ohio) *White Paper on Defense*, March 1976.

[42] Congressional Budget Office, *U.S. Naval Force Alternatives*, March 26, 1976, p. 16.

[43] *FY 1977 Defense Report*, p. 127.

[44] Quoted in George Wilson, "Carter's Pentagon Cutbacks Face Hill Tests This Week," *Washington Post*, March 1, 1977.

[45] In announcing the decision, Secretary Brown referred only to the first CSGN, but, in testimony before the House Armed Services Committee, the chief on naval operations indicated that the second CSGN was also deleted. *Hearings on Military Posture and H.R. 5068*, p. 729.

[46] These alternatives were laid out by the Congressional Budget Office, *Planning U.S. General Purpose Forces: The Navy*, December 1976. See also House Armed Services Committee, *U.S. Navy Analysis of Congressional Budget Office Budget Issue Paper*, January 12, 1977.

[47] *FY 1978 Defense Report*, p. 158.

[48] Ibid., p. 163. See also Benjamin Schemmer, "Army Equipment Shortages Soar Faster than Budget Is Going Up," *Armed Forces Journal*, May 1977, p. 28.

[49] Congressional Budget Office, *Planning U.S. General Purpose Forces: The Tactical Air Forces*, January 1977, pp. 21–24.

[50] Martin Binkin and Jeffrey Record, *Where Does the Marine Corps Go from Here?* (Washington, D.C.: The Brookings Institution, 1976) outlines the problems of the Marine Corps.

[51] Quoted by the Associated Press in "Carter Firm on Defense Cutbacks," *Newport Daily News*, February 24, 1977. These statements also appear in the compilation of campaign promises made public by the White House staff on February 17, 1977.

ABORTION RIGHTS

Mr. ABOUREZK. Mr. President, I am sure my dismay at President Carter's remark during Tuesday's press conference on the equities involved in obtaining abortions is shared by many Americans, particularly poor Americans.

The President's view is a disappointing signal to the poor in this country demonstrating an insensitivity by the Federal Government to their plight. Mr. Carter stated that—

> There are many things in life that are not fair, that wealthy people can afford and poor people can't.

However true that assertion is, it has no place in a discussion of basic individual rights and should never be applied as a test to determine which citizens in our country should enjoy rights guaranteed by our Constitution and which citizens should be denied those rights.

Mr. Carter's unfortunate statement is repugnant to the thrust of the Constitution generally. This nation is founded on concepts of equality and fairness. We have made great strides, particularly during the past 25 years, to ensure the viability of those concepts.

When the Supreme Court in 1973 barred governmental interference with a woman's decision to terminate a pregnancy during the first trimester, it reinforced a woman's constitutional right to privacy. Yet the President appears to argue that the Federal Government should take no action to insure that the right guaranteed all Americans is not rendered meaningless for poor Americans. Is the President suggesting that the Government deliberately enforce and perpetuate such an inequitable situation?

Contrary to the President's view, I feel the Federal Government should, indeed must, lead the way in promoting fairness. If it is inevitable that all citizens will never have exactly equal opportunities, Government policy should not be designed to promote more inequality. The elimination of Federal funding for abortions places our Government in the incongruous position of doing just that. Surely our experience with desegregation under the 14th amendment has taught us that the encouragement of inequalities is not the proper role of the Federal Government or State governments.

Many Americans saw in Mr. Carter's election the chance that the Federal Government would finally regain an understanding of the problems of the poor; that the Government would attempt to reduce, not widen, the gap between the privileged and underprivileged; that the Federal Government and this President in particular would represent all interests, not just those of the wealthy. It is my hope that Tuesday's comment by President Carter has not permanently damaged our vision.

THE UKRAINIAN GROUP

Mr. CASE. Mr. President. I want to call attention to new evidence of the extraordinary perseverance of the Helsinki watchers in the U.S.S.R.

In the face of ever mounting pressure from the Soviet authorities—the deplorable 12- and 15-year prison sentences given to Mykola Rudenko, leader, and to Oleksiy Tykhy, member, of the Ukrainian Group to Promote Observance of the Helsinki Accords; the recent appearance of a new statement by the Ukrainian Group is all the more remarkable.

This statement was relayed to the West from General Grigorenko, coordinator between the Moscow and Ukrainian Helsinki Watch Groups. This declaration of the Public Group to Promote Observance of the Helsinki Accords in the Ukraine protests the very severe prison terms just given to Rudenko and Tykhy.

The statement stresses the illegal secrecy of the KGB activities against Helsinki watchers in the U.S.S.R.—showing how sensitive the Soviet authorities are to world and even domestic public opinion. The trials of Rudenko and Tykhy were held in the working class village of Druzhkivka, 100 kilometers from Donetsk—which is a large city about 300 miles from Kiev. Not content with holding the trial in a remote vil-

lage where any strangers wanting to attend the trial would be recognized immediately by the local police, the trial was held in a "Red Corner"—a Communist Party information center—inside a factory for which one needed a special security pass—thereby further limiting the attendance at the trial. Workers from the factory where Tykhy had been employed before his arrest in Donetsk tried to attend his trial—they were all turned back. Members of the Helsinki Groups and other dissidents also attempted to go to the trial and many were held in jail for 3 days and then forcibly returned to their homes. Even Tykhy's 80-year-old mother and Rudenko's wife were not allowed into the trial until the sixth day and were appalled at the defendants' state of obvious exhaustion.

Both men are in bad health—Tykhy after 7 years in camp on political charges, and Rudenko as a result of a back injury he got during the war. They may not survive their lengthy sentences in the infamous conditions of Soviet labor camps.

So that my colleagues can acquaint themselves with the actual text of the Declaration of the Ukrainian Group to Promote Observance of the Helsinki Accords of July 1, 1977, and an editorial from the Washington Post on the recent deplorable actions of the Soviet authorities in the Ukraine, I ask unanimous consent to print them in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FROM THE COMMITTEE FOR THE DEFENSE OF SOVIET POLITICAL PRISONERS

The following is the first declaration by the members of Ukrainian Helsinki Group after the trial of two of its members, Mykola Rudenko and Oleksiy Tykhy. This is the first trial of members of the Soviet Helsinki Monitoring groups to have taken Place in the Soviet Union. The declaration was transmitted to the West by Zinaida Mykhalivna Grigorenko at 20:50 London time, July 2, 1977. The translation is by the Committee for the Defense of Soviet Political Prisoners.

DECLARATION OF THE UKRAINIAN GROUP TO PROMOTE THE IMPLEMENTATION OF THE HELSINKI ACCORDS; ON THE TRIAL OF MYKOLA RUDENKO AND OLEKSIY TYKHY

Such is "socialist democracy"! And so, seven years strict regime and five years exile have been meted out to the leader of the Ukrainian Group to Promote the Implimentation of the Helsinki Accords; the poet and philosopher Mykola Rudenko; and ten years of special regime and five years' exile for a member of the Group, the school teacher Oleksiy Tykhy. Can what occurred be called a trial? No!

People are tried openly and justly (if they are criminals), but in this case people have been tyrannized for many years and afterward secretly taken away for investigation in a gangster-like manner, 800 km. away from their native city. For the site of the trial they chose a place (Druzhkivka) even 100 kilometers further away. Krasniy Ugolok ("Red Corner"—a recreation club) situated in a closed enterprise was transformed into a court-room and filled with a carefully selected audience. No friends or observers were allowed into the court-room. Not even close friends or family had been informed, either about the conclusion of the investigation or the beginning of the trial.

As a result the defendants were left without any defense. And the wife of Rudenko and the 80-year-old mother of Tykhy were admitted only on the 6th day. They were shaken by the appearance of the accused. Both defendants appeared tired and exhausted. During the course of the defense and especially during his final statement Mykola Rudenko felt faint several times. This is not surprising, as five months of detention in a Donetsk prison, situated in a heavily polluted "industrialized" region, could not have passed without having taken their toll.

The Court declared the Ukrainian Group to be an anti-Soviet organization and its documents were regarded as anti-Soviet. This is a blatant falsehood. Among the documents of this Group there isn't one which we do not support. We find only documents which discuss the actual violation of the Helsinki Accords in our country. One can easily be convinced of this provided all the facts we have reported are subjected to public examination. But such a public examination was not even attempted. Worse than this, measures were adopted so that even the public would not know what was taking place in the court.

The organizers of the trial behaved in a Mafia-like way; abducting the victims and isolating them. This is precisely the principle they followed by choosing Druzhkivka as the place of the trial. In a large city, for example in Donetsk, it would have been more difficult to spot an outsider. But in Druzhkivka the militia knows all the inhabitants. This is why friends of the defendants arriving from Kiev and Moscow immediately fell into the hands of the authorities. Some were detained for three days in a preliminary detention cell, and then were forcibly sent home. Naturally, in conditions of extreme isolation, it is possible for the authorities to make false charges and mete out punishment for a truthful account of repressive activities on the part of the authorities. In such conditions reprisals can be made with gangster-like cruelty.

The court sentence for Mykola Rudenko means death. Due to his war wounds he will not last long under the conditions of a strict regime concentration camp. For Oleksiy Tykhy the verdict virtually means life imprisonment. Tykhy is a fifty-year old, infirmed person, and even if he survives the conditions of a special regime camp, followed by exile, his health will undoubtedly deteriorate.

Only universal indignation can be the answer to such inhumanity. Shame on the executioners of the judicial cover-up! Shame on those who inspire these executioners! Freedom for Mykola Rudenko, Oleksiy Tykhy and Vasyl Barladyanu, (who was convicted concurrently in Odessa on the 29th of June) for distributing materials of the Ukrainian Group! Freedom for the other arrested members of the Helsinki Groups: Yuri Orlov, Aleksandr Ginsburg, Anatoly Shcharansky, Mykola Matusevych, Myroslav Marynovych, Zviad Gamsakhurdia and Merab Kostava! Freedom for all political prisoners in the USSR!

[From the Washington Post, July 6, 1977]

THE UKRAINIAN EXAMPLE

Mikola Rudenko and Oleksi Tikhy, newly sentenced to harsh camp-and-exile terms in the Soviet Ukraine, are dissidents with a difference. They demanded not just that the Kremlin live up to the human-rights guarantees it accepted in the Helsinki agreement. They also demanded that Moscow respect the Helsinki guarantees for "national minorities." That the Soviet Union, like any other totalitarian state, fears a contagion of individual rights is well known. No less important is its resistance to meaningful "national" rights for the 100-plus ethnic or national groups within its borders. Russians, or Great Russians, are a minority in the country they largely control. Of the others, Ukrainians are the largest (50 million), richest, most sensitively located and historically the most assertive.

From the Kremlin's centralist "Soviet" viewpoint, it is elementary political logic to crack down on any sign of uncontrolled ethnic expression. The result intended by the Rudenko-Tikhy prosecution surely is to intimidate closet nationalists. But it is at least as likely that the example of the two will encourage others, in and out of the Ukraine. For over the decades of Soviet power repression by the Soviet authorities has failed to ground out, and may even have kept glowing, a nationalist spark. And meanwhile ethnicity has become a global phenomenon, leading the likes of Scots, Quebecois, Moluccans and Palestinians to challenge in one way or another the existing national structures.

Ethnic movements are fed by their own profound sources. But they are open to political stimulation. The Helsinki agreement turned out, expectedly, to be one such stimulus: It provided the handle for Messrs. Rudenko and Tikhy. President Carter's support for rights is another. Specifically, by deciding to raise the broadcasting power (and political status) of American radio stations that broadcast in Ukrainian and other non-Russian Soviet languages, he is not so subtly reaching over the Kremlin's head to communicate with Soviet citizens directly in a national frame-work. It is a way to be true to the cause of rights but it is also a way to stir Kremlin suspicions about his purposes. In current international conditions, ethnicity is fire and no outsider should play lightly with it.

SIX PRESIDENTS HAVE SUPPORTED THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has now been almost 2 months since President Carter formally asked this body to ratify the International Convention on the Prevention and Punishment of the Crime of Genocide. In his message, the President declared that—

> Ratification would be a significant enhancement of the human rights commitments of this Nation, demonstrating again to the world in concrete fashion our commitment to advance and protect human rights.

The purpose of the treaty is to make genocide a crime under international law whether it is committed in war or peacetime. The treaty outlaws the destruction of a national, racial, ethnic, or religious group, as well as establishes procedures for trying and punishing violators. The convention defines genocide as the destruction, or the attempt to destroy, any of these groups by killing, causing serious bodily or mental harm, restricting births, forcibly transferring children, or inflicting upon the group conditions or life designed to cause its physical destruction. Genocide, the conspiracy, direct incitement, or attempt to commit genocide, and complicity in genocide are punishable.

"The convention," the President states, "thus protects the most fundamental right—the right to live—and it creates an essential limit on the actions governments may appropriately take with respect to the people they govern."

I would like to remind the Senate that President Carter is not the first president to support the treaty. Five Presidents since Harry Truman's time have urged

this body to ratify it. The Senate nevertheless consistently has failed to act.

It has now been some 28 years since the Genocide Convention was adopted by the General Assembly of the United Nations. Since then, 83 nations, from across the world, have endorsed it. Let us finally take the advice of Presidents Truman, Kennedy, Johnson, Nixon, Ford, and now President Carter, and ratify the Genocide Convention this session.

INSTANT VOTER REGISTRATION

Mr. THURMOND. Mr. President, last week reports surfaced that President Carter and the Democratic leadership in the House had reached a compromise agreement on instant voter registration. In fact, I even read some reports which indicated to my dismay that some Republicans have endorsed the compromise.

On Sunday, the Washington Post carried an excellent editorial adeptly analyzed the flaws in the compromise. The editorial pointed out that an optional system is almost as bad as a mandatory one. In part, the editorial stated:

> If the program is to be optional, why is it needed at all? The States are free to adopt instant-registration systems any time. What would the legislation add? Just one thing: money. Federal money, to be precise, through grants for administrative overhead and fraud control and "voter outreach" programs and the like in States that do agree to open their registration rolls on Election Day.

The editorial, Mr. President, went on further to suggest that the real problem is voter apathy—the need to get people who are already registered to go to the polls, and this requires "good grassroots organizations, attractive candidates and issues, and strong campaigns."

I hope President Carter and the Democratic leadership in both the House and the Senate have had an opportunity to read the Post editorial.

In my judgment, it would be prudent for them to cancel any further action on this bill which will encourage voter irregularities and involve a further unwarranted giveaway of Federal tax dollars.

Mr. President, in order to share this timely editorial from the Sunday, July 17, 1977, Washington Post with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THAT INSTANT-VOTER BILL

At first glance, it may seem that the Carter administration and the House Democratic leadership have vastly improved their Election Day registration bill by agreeing to make the program voluntary. After all, the most persuasive and least partisan objection to the bill has been that it would compel every state to adopt by 1980, at least for federal elections, a new instant-registration system that could easily lead to widespread fraud and confusion at the polls. If the program is now to be optional forever, that criticism has been swept away. States with histories of Election Day problems, such as Rhode Island, Louisiana, Maryland and Illinois, will be free to go on requiring would-be voters to register in advance. States with less turbulent traditions may try out the new approach.

That sounds just fine . . . but wait a minute. If the program is to be optional, why is it needed at all? The states are free to adopt instant-registration or no-registration systems any time. What would the legislation add? Just one thing: money, Federal money, to be precise, through grants for administrative overhead and fraud control and "voter outreach" programs and the like in states that do agree to open their registration rolls on Election Day.

That's why the bill is still alive—and why we still object to it. We have no quarrel with federal inducements in principle; the carrot is often more effective than the stick. But the idea of federal aid for state and local electoral activities has its own problems. Without careful supervision, "voter outreach" could quickly turn into voter roundups for the benefit of one party, faction or candidate. *With* federal monitoring, on the other hand, would come federal regulations and bureaucracy—and equal-opportunity rules for precinct workers would not be far behind.

It doesn't help that the federal largesse would go only to willing states. On the contrary, the states most cordial to Election Day registration are likely to be those with the fewest voting problems—and the least real need for federal aid. One could argue, in fact, that if the aim is to shore up state and local election boards, the greatest help should go to those that don't dare risk instant registration at all. But bolstering election administration seems to be a secondary interest for the Democrats. Their first hope is to get more people to the polls. They ought to try to do that in the customary ways, through good grass-roots organizations, attractive candidates and issues, and strong campaigns.

JACK ANDERSON ON RECLAMATION POLICY

Mr. ABOUREZK. Mr. President, in the July 16, 1977 edition of the Washington Post, there appeared an interesting article by Jack Anderson and Les Whitten on the fate of small farms in reclamation projects. In the midst of the controversy over whether the Government should proceed with a number of water projects, another very significant problem with Federal reclamation policy has been somewhat overlooked. As the Anderson column makes clear, reclamation policy was intended to foster the development of small family farms. Unfortunately, this has not occurred. As a rule, family farming only occurs in those reclamation projects where family farming had already been firmly established. In those projects where large scale farming was the rule, the construction of a reclamation project, contrary to the clear intention of the law, has only resulted in changes in the patterns of ownership, not the size of farming operations. Land is now owned by nonresident investors and operated in large units by farmers leasing the land. Small family farms are not to be found.

Reclamation projects involve huge subsidies to the irrigators. If these subsidies went to family farmers, they could be justified, but when they go to wealthy investors, they are a disgrace.

The column does not point out that Senators NELSON, HASKELL, METCALF, and myself have introduced legislation that would restore reclamation policy to its original purpose. Secretary Andrus has also pledged to do what he can to accomplish this. As the first Secretary in many decades to commit himself this way, I think he cannot be praised enough.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SMALL FARMS' THIRST MAY BE SLAKED

(By Jack Anderson and Les Whitten)

The small farmers, like the buffalos which preceded them, may soon become an endangered species. Unable to compete with the agricultural giants, they have been forced off the land by the millions.

But now Cecil Andrus, the blunt-spoken new Secretary of the Interior, has declared his intention to implement a land reform law to help the small farmers.

The law goes back to the Teddy Roosevelt era and has been ignored by the Interior Department's Bureau of Reclamation just about as long. If Andrus can get his reluctant reclamation officials to enforce his new policy, this could force the break-up of more than half a million acres of prime farmland in the western states.

This land is dependent on federal irrigation projects for water. It was Roosevelt's idea to break up the land into 160-acre plots for family farms, and he personally pushed the measure through Congress.

But it has become the habit of the bureaucrats to thwart laws they don't like by lax enforcement. Perhaps because it is easier for the Bureau of Reclamation to deal with a few big farmers than a lot of little farmers, the responsible bureaucrats have allowed the big growers to circumvent the law for the past 50 years.

Roosevelt, for example, got a residency clause inserted into the law forbidding absentee landlords from profiting from the federal water. Yet the reclamation officials, employing a common bureaucratic tactic, insulated the clause with regulatory language which blunted its impact.

In 1926, the bureaucrats maneuvered to remove the residency clause altogether. It was a questionable legal decision that pulled the few remaining teeth out of the law. Thereafter, the large landholders were granted irrigation water for thousands of acres apiece if they promised to divest themselves of their excess acreage within 10 years.

Many of the growers divested their federally watered acreage, all right, by transferring it to family members or business associates. In one bizarre deal, 1,280 acres of valuable California farmland wound up as the possession of several corporations with headquarters in the Netherlands Antilles.

Many a giant landowner has reaped fabulous profits, meanwhile, from federal irrigation water. The small farmers, who were supposed to benefit from this water, have been reduced to protesting through obscure but valiant organizations such as National Land for People.

From its base in Fresno, Calif., this little group has been battling in the courts to require the Bureau of Reclamation to enforce the law. The courts have ordered the recalcitrant bureaucrats at least to draw up rules to regulate the slipshod land divestiture process.

But inside the encrusted Bureau of Reclamation, there is still stubborn resistance to drawing up tough new regulations. Many officials secretly side with their former boss, Gilbert Stams, who has been seen on Capitol Hill lobbying in favor of the big growers.

ENERGY

Mr. GOLDWATER. Mr. President, late last Friday this body completed a piece of legislation once more directed at the

so-called energy crisis. I do not use the term so-called lightly, but so far there has not been any convincing proof that there is such an energy crisis. It has been over 20 years now that this country has known that it was approaching a shortage of petroleum products and in that time, and particularly the last 4 or 5 years, the Congress has done absolutely nothing about it and the President has done even less. I think it should be perfectly obvious by now that the American people are not going to conserve energy by driving smaller cars, shorter distances, or slower speeds. I honestly do not believe the American people care much whether they pay more for gasoline in the form of taxes or just plain cost. There is no evidence to show that. Now, with these hard facts staring us in the face constantly, and the constant repetition that we are growing short of petroleum, the answer should be perfectly obvious to everyone, including people in this body who supposedly have made quite a study of it, however, if they have not, they have made quite a career out of running on the subject of energy. The answer is to obtain more raw petroleum, more natural gas, and then a third one, to encourage the development of new fuels. This body, and I mean the Congress, has done nothing to encourage the drilling of new wells for petroleum or gas. Instead, they have made it more difficult and have even gone so far now as to put the Federal Government in the world drilling business. If anyone thinks for one moment that the Federal Government can find oil and gas more cheaply than the private companies, they are just naive or they are perfectly willing to overlook the complete inability of the Federal Government to operate economically and efficiently in any field. As this country grows and our 230 million become 250 million and then 300 million people, there is no way in God's green world that conservation alone is even going to approach the solution to the problem. The only answer, as long as we are depending upon petroleum products and byproducts, is to find more of it and that is going to be done when we encourage small companies, individuals, and large companies to start drilling more holes in the ground so they will know where to find it. If we do this, and I will admit it is going to take some tax incentives to do it, and rightly so, then this country will shortly be out of its so-called energy crisis and, in my opinion, will not have to depend on the OPEC nations. Now how about the new fuels? We have heard nothing about them from the committee charged with energy. We have heard no words of encouragement, no appropriations for NASA or other scientific bodies engaged in the pursuit of these fuels. We have been, if anything, sitting on our hands playing politics with a subject that could well develop into a critical problem for this country if what we are told is only half true. I do not believe I have ever sat through such days of frustration as we undertook last week to pass the offshore tidelands bill, and I do not think I have sat through so much plain political hogwash as I heard last week or have continued to hear on the whole subject of energy. I think the American people are waiting for someone to show them the way, and I am convinced it is not going to be this Congress under the direction that it has in this particular field. It is not easy to be critical of my colleagues, but I think the time has come when a spade should be called a spade, because what we did last week certainly was not in the interest of the American public or even in the interest of obtaining more energy.

HUMAN RIGHTS

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations has recently received the third report on the condition of Americans arrested and imprisoned in Mexico as required in section 408(b)(2) of the International Security Assistance and Arms Export Control Act of 1976. This report covers the period from January 15 to May 15.

I ask unanimous consent that a copy of both this report and a letter from Senator CASE, the ranking minority member of the Foreign Relations Committee and myself to President Carter on this matter be printed in the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations held 2 days of hearings in June on a Treaty with Mexico on the Execution of Penal Sentences and on a similar treaty with Canada. The committee has ordered both treaties reported favorably to the Senate. During the course of these hearings, the committee received numerous accounts of abuse of Americans by Mexican law enforcement officials and stories of torture and extortion by prison officials, Mexican attorneys, and Mexican inmates in the prisons. The report just submitted by the Department of State indicates that the Mexican Government has begun action to prevent such abuses and to punish the individuals responsible when such incidents do occur.

The steps taken by the Mexican Government are commendable, but they are not a solution to the problems of all American prisoners in Mexico or in other nations where a large number of U.S. citizens are jailed. The Committee on Foreign Relations has urged the President to continue efforts to secure protection for the rights of the accused in all nations where significant numbers of Americans have been arrested or convicted. The committee has also recommended the assignment of additional consular officers to these countries to assist U.S. citizens who become entangled in unfamiliar legal systems.

The letters follow:

EXHIBIT 1

DEPARTMENT OF STATE,
Washington, July 2, 1977.

The Honorable JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: In compliance with Section 408(b)(2) of the International Security Assistance and Arms Export Control Act of 1976 (P.L. 94–329), I am writing to report on the progress which has been made toward achieving full respect for the human and legal rights of United States citizens detained in Mexico.

In the Secretary's last report, submitted to you on March 4, 1977, he reported on the number of substantiated cases of physical abuse and denial of human and legal rights guaranteed U.S. citizens under Mexican law, and of the Department's major concern for the timely notification to our consular officers of the arrest of an American citizen and subsequent prompt access to the arrestee.

There have been significant improvements in several respects affecting American prisoners in Mexico since the Secretary's previous report. These improvements arise from the responsiveness of the Government of Mexico under President Lopez Portillo on this issue, and particularly from the energetic manner in which the Attorney General of Mexico has tackled those aspects of the problem which lie within his jurisdiction. I am also pleased to report that notification and access to prisoners has noticeably improved in most parts of Mexico, especially within our Embassy's consular district, where prompt notification was formerly the exception rather than the rule.

Claims of physical abuse at the time of arrest have decreased somewhat. During the period covered by this report (i.e. January 15 through May 15, 1977) there were 550 arrests involving Americans in Mexico. Out of that number there were 42 cases involving alleged physical abuse at the time of arrest. Of that number there were only nine cases where the abuse was substantiated and another 20 cases where the evidence was not sufficient to reach a clear conclusion. In 13 cases the allegation of physical abuse was not substantiated. The Mexican Attorney General is now taking prompt corrective actions when cases of substantiated abuse are brought to his attention. This represents substantial improvement over the past. There have similarly been fewer allegations of physical abuse within the prisons. In the Federal District, the prison authorities themselves now appear more willing to investigate such abuses and, if substantiated, take punitive actions. The problem of "extortion" in the prisons, in the form of payments paid to prison personnel or inmate bosses for both privileges and necessities of life, remains an unfortunate feature of prison life in most parts of Mexico. Within its consular district, however, the Embassy has received greater cooperation from prison authorities in arranging for medical treatment for prisoners. Nonetheless, inadequate medical and dental care continue to be serious problems.

Another significant development, having a direct bearing on the number of future United States citizens detained in Mexico, should be noted. This is the Mexican Attorney General's decision not to prosecute persons who are clearly not traffickers and who are apprehended with small amounts of marijuana or other prohibited substances. Since this policy went into effect in late March, some 50 Americans arrested with 100 grams or less of marijuana, or an amount not exceeding 3 grams of other drugs, have been deported or American consular officers have assisted in arranging their departure from Mexico. The Mexican Attorney General is also surveying cases of Americans in the same category whose trial is in progress, and those who have received convictions, to determine whether ameliorative action might be possible.

As you are no doubt aware, the Foreign Relations Committee of the Senate held open hearings on June 15 and 16 on the matter of the Treaty on the Execution of Penal Sentences. The Department understands that hearings on the implementing legislation will be held by the House of Rep-

resentatives on July 13 and 14. Similar legislation is pending in the Senate. However, no date has yet been set for hearings in that body. The department is naturally hopeful for speedy ratification and implementation of the treaty with Mexico since we believe that it will do much to help alleviate the long range problems generated by large numbers of Americans serving extended sentences in Mexico.

Although it is evident that our vigorous efforts to improve notification and consular officers' access to American prisoners are slowly eliciting the cooperation of the Mexican authorities, it is equally evident that there is much room for progress in this area. Perhaps more difficult to remedy is the single most serious problem for an American arrested in Mexico, i.e., his inability to find competent and efficient legal representation at a reasonable cost. This problem exists both for those who must rely on public defenders, and those who are able to pay large legal fees for legal representation.

As the Secretary indicated to you in his last report, we are in a continuing dialogue with the new Mexican administration on this major problem in our relations. We now see that dialogue becoming productive. We have every expectation that our discussion of the plight of U.S. citizens detained in Mexico will result in continued improvement.

Sincerely,

WARREN CHRISTOPHER,
Acting Secretary.

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., July 12, 1977.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Committee on Foreign Relations recently concluded two days of hearings on the Treaties with Mexico and Canada on the Execution of Penal Sentences. The Committee has ordered these Treaties reported favorably to the Senate.

During the course of the hearings, the Committee was disturbed by the reports it received from former prisoners in Mexico and the families of prisoners regarding the abuse of Americans imprisoned in Mexican institutions. These witnesses told of torture, extortion and denial of food and medical care necessary for survival. Complaints were also received about the inability of understaffed consular offices to assist adequately Americans in Mexico.

The Committee appreciates the fact that the Government of Mexico has initiated efforts to improve the treatment of prisoners and to review the cases of Americans arrested for the possession of small amounts of drugs. These steps are laudable, but the Committee feels that the United States can take additional action to protect its citizens contending with the legal systems of other nations, including Mexico, Bolivia and other countries where large numbers of Americans are held on criminal charges having nothing to do with politics.

The most urgent representations should be made to these nations to express the strong interest of the United States in the protection of the rights of the accused regardless of their nationality. The Government of Mexico has acted to alleviate the situation of prisoners in the area of Mexico City, but, unfortunately, reports to the Committee indicate that the situation in the outlying areas of Mexico has not changed significantly.

Prompt, effective assistance to U.S. citizens by consular offices is important to those accused of crimes in unfamiliar legal systems. Immediate consideration should be given to the work load of consular officers in Mexico and to the assignment of additional experienced officers to deal with the problems of the large numbers of Americans visiting that country. The Committee also feels that this review should consider the situation in other nations where large numbers of Americans are incarcerated.

Information received by the Committee indicates that ten or twelve qualified, experienced officers are needed in Mexico. These additional officers would allow better service to the prisoners and others, especially those facing difficulties in areas not served by a consulate. Although smaller numbers of additional consular officers would be needed in other nations such as Bolivia, there is no less an urgent demand for personnel.

The Committee would appreciate your consideration of these concerns and information on the relevant developments.

With best wishes,

Sincerely,

JOHN SPARKMAN,
Chairman.
CLIFFORD P. CASE,
Ranking Minority Member.

THE HIGH RISKS OF NEUTRON WEAPONS

Mr. HATFIELD. Mr. President, one positive aspect of the debate the Senate had on whether to proceed with production of the neutron bomb has been the extension of public awareness on this vital subject. The President is scheduled to make his final decision on deployment of enhanced radiation warheads in August. Following Senate debate of this matter and in anticipation of the President's decision, I am most pleased to ask that a thoughtful article concerning the potential dangers of neutron weapons be printed in the RECORD. This article, which appeared in the Washington Post on Sunday, July 17, was written by Mr. Alton Frye and deserves the attention of both my colleagues and the public. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HIGH RISKS OF NEUTRON WEAPONS
(By Alton Frye)

Although they have come to public attention only lately, arguments over the military utility and deterrent value of "enhanced radiation weapons"—the neutron bomb—have occupied the national security community for two decades. They have always been inconclusive.

Army commanders have been reluctant to procure such weapons largely because the radiation effects on which they rely would rarely kill enemy personnel instantaneously, leaving many irradiated troops capable of fighting for some period after an attack. This problem is bound to persist with the systems currently proposed. If, as some sources indicate, personnel within 200 to 300 yards would be incapacitated in a few minutes, others might receive lethal doses out to more than half a mile, although they could survive for days or weeks. The battlefield scene would deserve Herman Kahn's famous caption: "Will the living envy the dead?"

One of the greatest uncertainties concerns the likely behavior of these "walking corpses." Knowing that they face prolonged agony and certain death, would these troops lay down their arms or would they exact vengeance? The matter is especially pressing if the affected forces control nuclear weapons of their own.

Given such battlefield uncertainties, what accounts for the Army's recent shift to favor neutron weapons? Political, bureaucratic and technical factors appear to have combined. Worried about the aging nuclear components of its European arsenal, the Army was rebuffed three years ago when it sought congressional approval to modernize its tactical warheads. Influential members of the Joint Committee on Atomic Energy, prompted by experts from the Las Alamos and Livermore nuclear laboratories, withheld support, complaining that the tactical nuclear innovations were too "conventional." Politically, it was clear that the Army would have to suggest more dramatic changes.

Bureaucratically, some figures in the Army had come to fear the steady erosion of their nuclear mission. The drastic decline in nuclear-capable air defense forces had been followed by the negotiated abandonment of the Army's anti-ballistic missile (ABM) system, the service's best hope for a long-term nuclear role. There was talk in NATO and in the Mutual Force Reduction discussions of cutting the number of theater nuclear weapons in Europe. Thus, there were powerful institutional reasons for the Army to devise novel and exciting weapons to protect its claim to a nuclear mission.

Technologically, work on warheads for the ABM system had made significant progress toward enhancing various types of radiation. Weapon engineers had explored different kinds of "kill mechanisms" for use against missiles and had tinkered with ways to "fine-tune the output spectrum" from nuclear detonations. There was much interest in finding an alternative application for this costly and hard-won knowledge.

Furthermore, the legacy of James Schlesinger's tenure as Secretary of Defense was a heightened interest in the Pentagon and among our NATO allies in forging nuclear systems capable of discrete attacks and less wholesale destruction. Faced with these inducements and the very impressive threat of Soviet armed forces, the Army hierarchy overcame its persistent skepticism of enhanced radiation devices.

Yet this history only underscores the fact that policymakers have not addressed the vital issues. Would such weapons increase or decrease the likelihood that nuclear weapons would actually be used, raising or lowering the so-called nuclear threshhold? Would they strengthen or weaken deterrence of Soviet attack? Would they facilitate or impede negotiated restraint on the use of force in Europe and, more generally, on the nuclear arms race between the United States and the Soviet Union? In sum, would they contribute to American security? These questions defy final answers but they demand scrupulous judgment.

WHY THE SECRECY

The disreputable procedure through which the weapons nearly evaded legislative and public scrutiny may prejudice one's initial view of the case. If the purpose of enhanced radiation warheads is to bolster deterrence, why were they cloaked in such secrecy? Deterrence exists in the mind of a potential adversary, not in the hidden recesses of the public works budget.

Though unaware of the original proposals, President Carter has become a party to a badly tainted procedure by urging Congress to pass the appropriations before he has completed his own review of the program's merits. He can redeem this violation of democratic process only by the most thoroughgoing and critical evaluation of the program. Carter's evident concern for the horrors of nuclear war gives hope that he will attend the problem with special care—but that same concern may make him vulnerable to the tempting prospect of "more humane" weapons.

One can be sure that no presidential study will resolve the fundamental dilemmas posed by all tactical nuclear weapons. It may be that the deployment of neutron weapons could reinforce deterrence by persuading

Moscow that NATO would use them, if necessary, to repel a conventional attack. That increment of deterrence, however, is likely to be minor compared to the overwhelming influence of 7,000 U.S. nuclear weapons already deployed on the continent, weapons which the Russians have every reason to fear would be employed, not only against invaders but behind their lines.

Moreover, we must reckon with a perverse consequence of deploying enhanced radiation systems. To the very degree that the Soviets expect such weapons to be used against conventional armor, we increase Moscow's incentives to launch preemptive nuclear strikes against our tactical forces. Russian doctrine already emphasized the likelihood that any war would go nuclear; preemptive nuclear attacks are common topics in Soviet military discourse. Thus, the price of a putative increase in deterrence by deployment of neutron bombs is further pressure on the Soviets to go first with weapons that would render meaningless any hypothetical limits on damage promised by new U.S. weapons. The net result is likely to be a reduction in the slender chances that a conflict could remain conventional long enough for diplomacy to exercise its own powers of damage-limitation.

The proposed investment in neutron warheads to fit three tactical weapons systems in Europe—the Lance missile and both 8-inch and 155-millimeter artillery—would also divert funds from the pressing need to improve survivability for nuclear forces deployed in Europe.

If we are serious about a tactical nuclear option for NATO, th urgent requirement is to reduce the vulnerability of such weapons to the kinds of preemptive strikes the Soviets might mount. Only by concerted action on this front can we diminish the danger that nuclear weapons will be used at the very outset of a European war. Money spent on enhanced radiation weapons, which could ultimately approach $3 billion, will do nothing to meet this central weakness in the force.

Equally important is the fact that a comparable expenditure could well buy a more effective and usable conventional capability to deal with the threat of Soviet tanks. With the advent of precision-guided munitions (PGM), Soviet tanks are becoming far more vulnerable to destruction by high explosives. The neutron bomb budget could add more than 100,000 precision anti-tank weapons to the NATO arsenal. Such "smart" weapons avoid the severe operational difficulties of nuclear explosives. They do not require the same degree of centralized command and control, since they are presumably authorized to attack any Soviet tank on Western territory. And, needless to say, hundreds of PGMs can be fired without yielding the devastation of a handful of nuclear weapons.

Army studies acknowledge the trade-off between enhanced radiation weapons and PGMs, but they contend that the nuclear devices could deliver a faster shock to an attacking enemy. This might turn the tide of a conventional battle. Undoubtedly, there would be a dramatic and traumatic effect from the use of neutron warheads, but the claimed advantage highlights some other troublesome features of Army employment doctrine.

In order to achieve the desired shock treatment, the Army contemplates not discrete and singular use of neutron weapons, but barrages of dozens of such rounds. Indeed, some employment packages are said to involve well over 100 nuclear warheads. This reckless employment doctrine is scarcely a plan for selective and discriminating use.

In a setting like Germany, where average population densities exceed 650 people per square mile, the Army's ideas for using enhanced radiation weapons offer no meaningful protection to civilians in the combat zone. One hundred nuclear rounds could easily be another Hiroshima. Furthermore, knowing the approximate lethal radius of nuclear weapons, the Soviets can vary their own tactics, separating their tanks enough to prevent multiple kills even by neutron weapons. This may force NATO to target each tank individually; if so, conventional PGMs will clearly be more cost-effective than nuclear devices.

All of these contingencies reveal the difficulty of calculating the consequences of a neutron weapons deployment. Some years ago, when pressed in the Senate Armed Services Committee to estimate collateral damages and casualties from using a portion of its tactical nuclear force, Army witnesses confessed their inability to do so. The same confession is in order today. The variables are simply too numerous—and too variable. The recommended force rests more on guesswork than calculation. If one doubts that assertion, let him consider the conclusion of the Army's attempt last year to treat the matter systematically: With the shift to enhanced radiation weapons and substantial adjustments in employment doctrine, the authors found that the ideal number of weapons to deploy in Europe was the number currently deployed there. *Sic semper status quo.*

STOKING THE ARMS RACE

As the President deliberates on this subject, his commitment to arms control will be very much at stake. While it is possible that the Soviets have been pursuing enhanced radiation techniques, it is certain that they will do so if the United States goes forward with testing and production of neutron weapons. Every experience to date indicates that Moscow's military authorities will insist on retaining the option to match the United States technologically.

The real choice confronting the President, then, may be whether he prefers a neutron bomb or a comprehensive ban on nuclear tests, with all that it portends for the effort to curb proliferation and to curtail the Soviet-American strategic competition. Coinciding with U.S. movement toward the cruise missile, projected improvements in the capacity of U.S. missiles to strike Soviet missile silos and the general malaise of detente, the neutron bomb controversy inevitably creates the impression that the technological arms race is continuing unabated. That is not the objective to which the Carter administration proclaims its dedication.

To be sure, the Soviet Union shares responsibility for provoking these new developments in the technological competition. Moscow's introduction of mobile SS-20 missiles to cover targets in Western Europe has triggered much alarm there and allies are anxiously asking what the United States proposes to do to meet the rising Soviet threat. The steady growth in Russian armor forces has created an imbalance that demands correction or countermeasures. It may even be that some members of the administration hope to play the neutron bomb option as a bargaining chip to elicit cutbacks in the number of Soviet armored divisions.

Out of this commotion some good may emerge. Close study of the Army's proposals may persuade the President more vividly than anything else that plans to use tactical nuclear weapons in Europe are a snare and a delusion. He may well discover that the most refined nuclear weapons cannot relieve the defects of the schemes to employ them. The President could well conclude, as others have, that NATO cannot reasonably expect to counter a Soviet conventional threat except by adequate conventional forces of its own. And he may well perceive the truth too long ignored by all of us, namely, that the only proper function of tactical nuclear weapons is to deter the use of similar weapons by the other side. If the neutron bomb debate leads Jimmy Carter to these essential insights, it will have made its contribution to national security.

NATIONAL ASSOCIATION OF RETAIL GROCERS OF THE UNITED STATES SUPPORTS S. 1699

Mr. JOHNSTON. Mr. President, I recently received a letter and statement from the National Association of Retail Grocers of the United States in support of S. 1699, the Diesel Fuel and Gasoline Conservation Act of 1977. I sponsored this bill and chaired a hearing on it on June 27 before the Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources. The purpose of S. 1699 is to promote backhauling of trucks; this is, filling them with cargo on their return trips rather than their traveling empty on the return trips. However, this bill would only apply to markets known as "uniform zone delivered pricing systems." The grocery business and drug stores are good examples.

In the hearings a question arose as to whether this bill might conceivably have an adverse effect on small business. Before deciding to sponsor this bill I satisfied myself that small business—and large business for that matter—will benefit from increased backhauling. However, it is gratifying to see this association supporting S. 1699 because, first, their members are nearly all small businesses and, second, practically all their members are potentially affected by S. 1699.

I ask unanimous consent that the letter of July 12, 1977, and statement from the National Association of Retail Grocers of the United States be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NARGUS,
Washington, D.C., July 12, 1977.

Senator BENNETT JOHNSTON, Jr.,
Chairman, Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN JOHNSTON, JR.: The National Association of Retail Grocers of the United States, representing independent retail grocers in the United States since 1893, is pleased to announce support for passage of S. 1699. NARGUS members support increasing food distribution efficiency, reducing energy waste, and cutting down on the number of grocery trucks running empty.

NARGUS has long been an advocate of Robinson-Patman Act and fought to preserve the law many times in the last forty years. NARGUS believes S. 1699 is harmonious with Robinson-Patman Act. S. 1699 requires that backhaul allowance meet Robinson-Patman Act principles of being justified by savings in cost of delivery, and be available to all buyers on a non-discriminatory basis.

NARGUS respectfully requests that the enclosed statement of William E. Crook, President of Bill Crook's Foodtown Super Markets in Nashville, Tennessee and NARGUS be included in the subcommittee hearing record and that you insert the statement in the CONGRESSIONAL RECORD to inform other Senators that independent retail grocers support S. 1699.

Sincerely,

FRANK D. REGISTER,
Executive Director.

STATEMENT ON S. 1699

(By William E. Crook)

THE BACKHAUL BILL—ENTITLED DIESEL FUEL AND GASOLINE CONSERVATION ACT OF 1977—S. 1699—ENDORSED BY INDEPENDENT RETAIL GROCERS

I. Description of Association

The National Association of Retail Grocers of the United States (NARGUS) supports S. 1699—a bill to provide energy conservation by alleviating current and continuing fuel waste, to reduce empty vehicle movements, and to increase efficiency in transporting goods by motor carriers for the ultimate benefit of consumers.

NARGUS has represented independent retail grocers for over 80 years. The association has over 40,000 members in the United States. Its governing Board is composed entirely of local grocery store operators from some thirteen states. NARGUS members operate small stores and supermarkets. They purchase their merchandise from either an independent wholesaler, or through a retailer-owned cooperative. NARGUS' membership concern is directed entirely to preserving the viability of independent grocers whose business is normally concentrated in only one community.

II. NARGUS Efforts Leading Up To Endorsement of S. 1699

NARUS became a supporter of S. 1699 after public hearings were held on the bill by the Senate Energy Conservation Subcommittee. The association's study and consideration concerning the operation and effects of the measure were extensive and painstaking; so much so that it was not prepared to offer its views at the June 27, 1977 public hearing on S. 1699 by the Senate Energy Conservation and Regulation Subcommittee.

Before reaching a position endorsing S. 1699, the association had the benefit of the oral and written statements presented to the Senate Energy Subcommittee by eight witnesses, three of whom opposed the bill. Prior to its decision to support the bill, NARGUS gave careful consideration to arguments for and against the measure, particularly those alleging that the bill favors large chain distributors, and that the bill would undermine, weaken, and harm the Robinson-Patman Act. If either of these claims against S. 1699 were factual, or if there was even a reasonable probability of their accuracy, NARGUS would not only withhold its support of S. 1699, but would have actively opposed the proposed legislation. Prior to taking a position on S. 1699, the association examined the bill carefully to determine whether it would favor large buyers over smaller competitors and whether it would weaken the Robinson-Patman Act.

III. Why The Consumer Will Benefit From Backhaul Legislation S. 1699

Removing artificial legal hurdles standing in the way of manufacturers and other sellers offering meaningful backhaul allowances under an effective customer pickup program has many benefits for consumers and members of the grocery industry generally.

The greatest benefit this legislation will provide is to encourage the elimination of wasteful costs of distribution. One example is described as "deadheading" which occurs when distributors' trucks return from a trip empty. This causes waste of valuable resources, e.g., personnel, fuel, and equipment. The National Commission On Productivity And Work Quality estimated, in 1975, that the annual savings in food distribution costs through greater utilization of truck operating time amounts to approximately $100 million.

The goal to be achieved is not just conserving energy by reducing waste of fuel, but also bringing about economies of operation for distributors and suppliers. Increasing productivity is a national need with substantial benefits for every citizen.

Aside from more efficient use of equipment and personnel, S. 1699 would also encourage better utilization of capital.

The National Commission On Productivity And Work Quality refers, for instance, to reduced inventory investment through more precise timing of merchandise receipt at warehouses of suppliers and distributors; reduction in lost sales from out-of-stock conditions; and less warehousing costs through balanced workweeks for warehouse crews by scheduling backhauls when other work requirements are at a minimum as potential savings available through backhaul.

S. 1699 offers sellers and buyers more flexibility in responding to changing economic conditions. The measure will be useful in meeting rising costs.

Better utilization of employee skills helps to maintain wages at fair levels. Labor also benefits from the legislation.

Backhaul allowances will stimulate both increased productivity and cost reduction. Consumers will benefit from the legislation.

IV. S. 1699 Will Not Harm the Robinson-Patman Act

S. 1699 has a very narrow and limited application. It allows, but does not require, sellers to offer a meaningful cost-justified and non-discriminatory backhaul allowance only if and when the buyer provides transportation for his own products from the seller's distribution center. The bill applies only when the seller offers to sell the particular commodity to the buyer under a uniform zone delivered pricing system.

A seller or a buyer who, for any reason or for no reason, does not wish to participate in a transaction involving a backhaul allowance is not required to do so by S. 1699. The bill is permissive in nature. It is not mandatory, except that where seller and buyer agree to an allowance, it must be made available to all the seller's customers on a non-discriminatory basis, and the allowance must not exceed the actual savings in delivery costs to the seller.

The current legal barrier to granting a meaningful backhaul allowance, as provided in S. 1699, is based on a Federal Trade Commission legal interpretation issued in the form of an advisory opinion. The legal roadblock to backhaul allowances is not the result of any litigated adversary proceeding before the courts, or the Commission. Neither the courts nor the Commission has ruled that a backhaul allowance, as authorized under S. 1699, is prohibited under the Robinson-Patman Act. In over forty years, the Federal Trade Commission has not brought a complaint under the Robinson-Patman Act against a seller, or a buyer, for granting, or for receiving, a backhaul allowance which would be permitted under S. 1699.

Since, as the record shows, a backhaul allowance meeting all the conditions set forth in S. 1699 has never been the object of Federal Trade Commission enforcement proceeding since the Robinson-Patman Act first became law over forty years ago, there appears to be no rational basis for contending that the bill would weaken or undermine the Robinson-Patman Act.

A key requirement provided in the bill is that the backhaul allowance be made "available to all the seller's customers on a non-discriminatory basis." The allowance must also, according to the terms of the bill, be "no greater than the actual savings in delivery costs to the seller." Thus, in order to comply with the bill, a backhaul allowance must be non-discriminatory and cost-justified, both key elements of the Robinson-Patman Act long established method of operation to protect small business from harmful price discriminations.

NARGUS has carefully considered the arguments of S. 1699 opponents, as presented at the public hearing on the bill before the Senate Energy and Natural Resources Subcommittee on Energy Conservation and Regulation. The association has paid particular and close attention to statements alleging that the Robinson-Patman Act will be hurt by the bill.

NARGUS' strong and consistent support of the Robinson-Patman Act since its enactment is a matter of public record. Each time in the history of this law, the Act has been attacked in Congress through efforts to pass weakening legislation, the association has played a prominent part in its defense. Countless public testimonies attest to NAR GUS' consistent support of the Robinson-Patman Act. The public record is so long and so uniform in demonstrating NARGUS' defense of the Robinson-Patman Act that it easily establishes the association's good faith in this matter. If S. 1699 would in any way cripple the Robinson-Patman Act, NARGUS would not hesitate to oppose the measure.

Because NARGUS is a supporter of the Robinson-Patman Act, it is important that the association not automatically, and without sound reason, oppose a legislative proposal affecting the application of the act. Following such a policy does a disservice both to the law and to those it seeks to protect. This concern is reason enough for the association's taking the added time required to weigh and consider the effects of S. 1699, and explains its inability to appear at the public hearing held on the legislation June 27, 1977 by the Senate Energy Conservation and Regulation Subcommittee.

NARGUS regards the arguments made against S. 1699 on the grounds of injuring small business and the Robinson-Patman Act unconvincing. Unsupported allegations are made that small business in general, and small grocers particularly, will be hurt by S. 1699. It has been said, for instance, that small grocers will be denied the benefit of backhaul allowances authorized under S. 1699 because many of them do not own or operate trucks.

The answer to this argument is that wholesale suppliers of grocers operate trucks, and the vast majority of grocery wholesalers, as well as the two national trade associations representing wholesale grocery distributors, support S. 1699. Backhauling by wholesalers will result in more efficient cost saving utilization of capital equipment and personnel. Retail grocers will benefit from economies of operation experienced by manufacturers and by wholesale suppliers operating a customer pick-up service. Whenever distribution cost savings can be effected in the highly competitive grocery industry, everyone gains, including retail grocers and their customers.

No effort should be spared to achieve greater operating efficiency in the distribution of grocery products to consumers. This is what S. 1699 is all about. There never was a greater need for this bill to hold down the harmful effects of inflationary price increases. It is fair and equitable to all businesses and will benefit the entire economy.

THE INTELLIGENCE ICEBERG

Mr. GOLDWATER. Mr. President, a recent editorial in the Washington Post entitled, "The Intelligence Iceberg," made the destructive recommendation that—

Put the whole intelligence package—congressional oversight as well as Executive-branch management and control—on the table, where it can be inspected and argued out in the round.

A nation has to have intelligence. Without it, it cannot survive A nation

needs intelligence just as the Washington Post needs it and obtains it in its own particular way. Business needs intelligence. Individuals need intelligence in the sense that they know what is going on around them. But I suggest that to do what the Washington Post has outlined would be the surest way in the world to destroy completely our intelligence-gathering organization. The Senate nearly did 2 years ago and the House came close to helping, but since the new Intelligence Committee under the able leadership of Senator INOUYE has replaced these other efforts. We are making great progress toward establishing an intelligence gathering and evaluating mechanism that will be of great value to our country and, I might say, to the free world. Intelligence is not gathered and is not evaluated on the public benches or tables or an open park. Intelligence is gathered and evaluated so only those who need to know will know. I ask unanimous consent that the editorial to which I referred to be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE INTELLIGENCE ICEBERG

Should the Pentagon continue to run the National Security Agency and the National Reconnaissance Office? Or should it yield up these multibillion-dollar intelligence-collection agencies (communications and satellites, respectively) to the Director of Central Intelligence? We are dealing here with something more than the usual epic bureaucratic struggle for territory. The real issue is whether, for the first time since the intelligence community was organized in 1947, the President will actually control the whole of it. Similarly, will the Senate Intelligence Committee, and any future House counterpart, actually oversee the whole of it? For without centralization, the President will remain poorly placed to prevent gross abuses of the sort whose disclosure led to the current review, and to get the kind of intelligence he needs to conduct national policy. And the Congress will be unable to conduct effective oversight.

Look at it this way: Currently the Pentagon, conditioned to scan the world for military threats, controls NSA and NRO. But are these agencies being assigned the right tasks, and only those tasks that are really necessary? And are their findings properly evaluated and used? Remember, we are talking about fully 80 per cent of the intelligence budget. Somebody, it seems to us, ought to be taking into account not only the theoretical military threat but also the political diversities—and realities—that help shape and define the military threat in practical terms. Somebody ought to be conveying to the government's intelligence chief (in this case, the Director of Central Intelligence) the questions on the mind of the chief civilian policy maker. And, frankly, we don't see who else but the President can perform this role as ultimate taskmaster of all branches of intelligence collection and analysis.

Pentagon opponents of consolidation suggest it will rob the President of dissent in the intelligence-estimating process. This is well worth worrying about but it is not a likely result of the step at hand. There are other ways, including sensible leadership and strict rules of procedure, for building protection of independent thinking and dissent into intelligence estimating.

Mr. Carter seems to understand the need to bring the intelligence community under (1) presidential control and (2) legislative oversight. He is working with the Senate Intelligence Committee to frame new legislative charters—statements of mission and authority—for the intelligence agencies. He chose, however, to take up the NSA/NRO question before dealing in public with the proposed charters. The result is that the public sees the tip of an iceberg whose general dimensions are still concealed, and the impression is spread that the President, rather than coming to grips with basic problems of accountability and effectiveness, is simply toying with the organizational boxes.

The remedy is obvious: Put the whole intelligence package—congressional oversight as well as executive-branch management and control—on the table, where it can be inspected and argued out in the round.

LETTER TO THE PRESIDENT REGARDING BELGRADE CONFERENCE

Mr. HUMPHREY. Mr. President, on June 13, I, along with 40 of my colleagues in the Senate and 53 Members of the House of Representatives, wrote to President Carter to express our support for the administration's efforts to raise the subject of human rights in the Soviet Union at the current Belgrade Conference. We urged the administration to do everything possible to insure that all signatories to the Helsinski Final Act abide by its provisions, and we expressed particular concern over the increased intimidation of Andrei Sakharov and over the cases of Anatoly Scharansky, Yuri Orlov, Aleksandr Ginzburg, Oleksa Tykhy, Mikola Rudenko, and other Soviet dissidents who have come under increasing pressures in the U.S.S.R. because of their attempts to monitor Soviet compliance with the Helsinki agreement.

I would like to note for the record that Senator DALE BUMPERS wished to sign the letter. Unfortunately, when his notification was received in my office, the letter had already been delivered to the President.

WORLD BANK INTENDS TO LOAN $2.9 BILLION TO HUMAN RIGHTS VIOLATORS

Mr. ABOUREZK. Mr. President, confidential World Bank figures published by the Center for International Policy show that the Bank intends to lend $110 million to Chile, one of the world's most brutal dictatorships, in fiscal year 1979. This high figure is especially interesting in light of the Bank's refusal to commit any money at all to the previously freely elected government of the late President Salvador Allende.

No less interesting is the fact that the World Bank also intends to lend $25 million to the East African Community, one of whose members is Uganda—scene of the terrible outrages perpetrated by President Idi Amin.

These two examples illustrate the need for effective human rights guidelines on the billions in foreign aid money Congress votes every year. An increasing proportion is going to the World Bank and other financial institutions. We vote the money, yet we do not know where it goes.

Certainly the World Bank funds many praiseworthy projects including water supply and sewerage, agricultural development and other health and education projects. But unfortunately the full picture of World Bank activities is more complex, as the Center for International Policy study indicates. According to the preliminary 1979 World Bank loan list, included as the appendix to the study, the Bank intends to increase loans to four newly repressive governments twice as fast as to all others. These Governments—Chile, Uruguay, Argentina, and the Philippines—have all received major new loans since the onset of torture and repression and are tentatively scheduled to get $664 million in 1979, according to the World Bank document.

The House Appropriations Committee has already said it will require submission of a list of fiscal year 1979 World Bank loans as a regular part of the administration's presentation. Although I am aware the World Bank is displeased at the disclosure of its confidential loan list, the real fault lies in that institution's excessive secretiveness. So that Congress and the taxpayers may know where their foreign aid dollars are going, I ask for unanimous consent that the Center for International Policy's research study be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

RESEARCH STUDY

(World Bank sets $2.9 billion in loans to human rights violators for fiscal year 1979)

WORLD BANK SETS $2.9 BILLION IN LOANS TO RIGHTS VIOLATORS

Fifteen of the world's most repressive governments will get $2.9 billion in World Bank loans in fiscal 1979, according to information contained in confidential World Bank working papers.[1] Total loans will reach $9 billion.

Of the 15 governments, four—Argentina, Chile, Ethiopia, and Uruguay—have had their bilateral aid cut by President Carter or by Congress because of human rights violations. These four will get $454 million from the World Bank in FY 1979, according to the lending report. The United States will contribute one dollar out of every four.

TABLE 1.—WORLD BANK LOANS TO 15 REPRESSIVE GOVERNMENTS, FISCAL YEAR 1979

Country	Amount (millions)	Standby projects
Argentina	$200	100
Brazil	640	310
Chile	110	----
El Salvador	35	15
Guatemala	40	45
Haiti	23	----
Nicaragua	22	25
Paraguay	33	25
Uruguay	39	----
South Korea	370	50
Indonesia	635	160
Philippines	315	25
Thailand	185	35
Ethiopia	105	75
Zaire	105	30
Total	2,857	895

Note.—This list is composed of the 13 countries named as rights violators by Representative Clarence Long (D.-Md.) chairman of the House Appropriations Subcommittee on Foreign Aid (except for the Dominican Republic, which will receive no World Bank loans in fiscal year 1979), plus Chile, South Korea, and Zaire, cited by other U.S. government sources as rights violators.

Source: World Bank.

[1] At end of paper.

World Bank loans to countries that have newly become repressive during the 1970's will rise more than twice as fast as to all other countries, the working paper also reveals (Figure 1). Loans to countries that were already repressive will rise at the same rate as all others.

Loans to the newly repressive countries—Argentina, Chile, the Philippines, and Uruguay, each of which have experienced military takeovers or martial law since the early 1970's—will rise from an average total of $90 million a year in FY 1971–1973, when the countries were still democratic, to $664 million in the World Bank fiscal year 1979 (July 1, 1978–June 30, 1979), according to figures in the document. This sevenfold increase contrasts with an increase of three times in World Bank lending to all other countries over the same period. (Table 2).

TABLE 2.—WORLD BANK LOANS TO NEWLY REPRESSIVE REGIMES

[Dollar amounts in millions]

Fiscal year	Amount	3-yr averages	Index (1971–73=100)
Loans to newly repressive regimes: [1]			
1965	$42.7		
1966	7.7	$49.1	54.4
1967	96.9		
1968	66.3		
1969	131.1	113.7	125.9
1970	143.8		
1971	195.8		
1972	50.7	90.3	100.0
1973	24.3		
1974	192.1		
1975	228.0	257.7	285.4
1976	353.0		
1977	NA		
1978	NA		
1979	664.0		735.3
Loans to all others:			
1965	959.9		
1966	1,081.5	998.7	36.4
1967	954.6		
1968	849.4		
1969	1,573.4	1,471.0	53.6
1970	1,990.3		
1971	2,248.3		
1972	2,504.1	2,743.2	100.0
1973	3,477.2		
1974	4,404.0		
1975	5,376.0	5,353.1	195.1
1976	6,279.4		
1977	NA		
1978	NA		
1979	8,297.0		302.5

[1] Argentina, Chile, the Philippines, Uruguay.

Source: World Bank.

The reason for the disproportionate increase in World Bank lending to the four countries is the willingness of their new military governments to impose World Bank-approved policies, according to information in various World Bank country reports.

On the other hand, the World Bank will make no loans to Uganda in FY 1979, continuing a cutoff that has remained in force ever since President Idi Amin seized power in 1971. The World Bank says President Amin has been following the wrong economic policies.

Details of the World Bank's provisional FY 1979 program follow:

Chile will get $110 million, up from zero in the early 1970's. Chile received no World Bank loan commitments during the three years of the democratically elected government of the late President Salvador Allende because the international lending organization disapproved of his economic policies.[2]

Argentina will get $200 million (with another $100 million in possible standby projects). Under military rule since March 1976, the South American country got no World Bank loans during the previous five years (1972–1976) of lax military rule and democratically elected civilian government.

Uruguay will get $39 million, up from $11 million in the early 1970's (FY 1971–1973). Uruguay's congress was abolished in 1973 and repression intensified in November 1975. As in Chile and Argentina, the military has instituted World Bank-approved economic policies, and in FY 1976 the bank lent $52 million.

The Philippines will get $315 million, up from an average $29 million in the early 1970's (FY 1971–1973), and elevenfold increase while overall lending has increased three times. Martial law was declared in September 1972; receptivity to World Bank advice followed shortly thereafter.

The following major World Bank recipients entered the 1970's with repressive governments already in place. They were also already applying World Bank-approved economic policies:

South Korea will receive $370 million, up from an average $118 million in FY 1971–1973. The South Korean increase is in line with the overall increase in World Bank lending.

Indonesia will get $635 million, up from an average $115 million in FY 1971–1973, an increase of five and a half times compared to a threefold overall increase. The FY 1979 loans, however, will be on harder terms than the FY 1971–1973 credits. The increase in amounts reflects the sharp rise in Indonesia's oil revenues and improved debt servicing capacity. Indonesia's present military government assumed power in a bloody purge in 1965. The World Bank disapproved of the previous Sukarno government's policies and made no loans to Indonesia until FY 1969.

Brazil will get $640 million, up from $244 million in FY 1971–1973. The increase to Brazil will be roughly in line with (actually 14 per cent slower than) the increase to the rest of the world, although the bank lists another $310 million in possible standby operations for FY 1979. The World Bank frowned on the policies of the elected Goulart government in the early 1960's. Following the 1964 military coup, World Bank lending rose from zero to an average $73 million a year during the rest of the decade to reach $498 million in FY 1976.

Thailand will get $185 million (possibly $220 million). The military most recently assumed power in October 1976. World Bank lending to Thailand during the 1970's has increased steadily through both civilian and military governments 46 per cent faster than the worldwide rate of increase. This higher than average increase is partially linked to a change in Thai economic management, as fiscal conservatives have been replaced by planners willing to finance development through major foreign indebtedness.

Of the nine countries reviewed above, four of the five newly repressive ones—Chile, Argentina, the Philippines and Uruguay—each show a close correlation between the onset of repression in the 1970's and disproportionate increases in World Bank loans, while Brazil and Indonesia show a similar pattern in the 1960's. Only Uganda has been cut off. In the other cases the new government "rationalized" (i.e., increased) prices for essential goods, held down wages and threw the country wide open to foreign investments by removing controls on international trade and investment. Major World Bank loans followed.

The working paper gives these further details on loans to repressive regimes:

Ethiopia will get $105 million, up from $21 million in the FY 1971–1973 base period, a fivefold increase while overall lending will rise three times.

The Dominican Republic will get no loans in FY 1979 and received none in FY 1976. It received an average $7 million a year in FY 1971–1973.

El Salvador will get $35 million ($15 more possible in standby), up from $14 million in FY 1971–1973 and roughly in line with the worldwide increase.

Guatemala will get $40 million in FY 1979, up from $13 million in FY 1971–1973, in line with the overall worldwide increase.

Haiti will get $23 million, up from $4 million average in FY 1971–1973, increasing twice as fast as the overall.

Nicaragua will get $22 million, up slightly from a $21 million average in FY 1971–1973 (while overall World Bank loans tripled).

Paraguay will get $33 million, a major jump from the $2 million a year average FY 1971–1973.

Iran will get no loans, compared to an average $114 million a year in FY 1971–1973. With a large current account surplus, the country does not need World Bank loans.

Zaire will get $105 million, up from an average $17 million in FY 1971–1973, twice as fast as the overall increase despite Zaire's recent major debt rescheduling and political chaos. A further $30 million is listed in standby projects.

Other significant World Bank loans, not necessarily to human rights violators, are revealed in the confidential lending document:

India will get $1.2 billion, more than any other country in the world (although India is one of the lowest recipients on a per capita basis), roughly in line with the overall increase in the volume of World Bank lending.

Egypt will get $265 million, up from $27 million during FY 1971–1973, with a further $120 million in standby. The near tenfold increase during the 1970's comes as Egypt throws off the previous Soviet influence in favor of U.S. aid and raises prices for consumer necessities, a move that last year provoked major riots. In the early 1950's the World Bank turned down an Egyptian request for credits for the Aswan Dam, which was then built by the Russians. The World Bank made no loans to Egypt from 1959 to 1970, the period of Soviet ascendancy. While it appears that the World Bank is operating in tandem with the United States in Egypt, as in Chile, World Bank spokesmen maintain this is coincidental, that Egypt made no suitable requests for aid in the 1960's and is only making such requests now.

Yugoslavia will get $285 million and Romania $170 million. World Bank spokesmen

[2] The major West European governments and private banks continued aids and credits to Chile during the Allende period. Only the United States, the World Bank and the Inter-American Development Bank cut off loans to Chile. World Bank spokesmen call the pattern coincidental.

cite loans to the two Communist countries as proof of the bank's political neutrality from the United States.

China will get no loans. The Republic of China government still holds China's place at the World Bank. The Republic of China will also get no loans in FY 1979, although it has received $348 million in past World Bank loans.

Of the $9.0 billion in planned FY 1979 World Bank loans, $6.5 billion will come from the International Bank for Reconstruction and Development, the World Bank's conventional terms lending facility. The International Development Association will lend $2.5 billion in highly concessional 50-year loans to the very poorest countries, including India, Bangladesh and Pakistan. The operations of the third World Bank affiliate, the International Finance Corporation, are not covered in the report.

Agricultural and rural development projects aimed at the poor will account for $3 billion of the FY 1979 lending program, one-third of the total. In FY 1976 agriculture projects ranged from a flood protection and paddy land reclamation program in Burma to a fishery project on Lake Tanganyika in Burudi to a rubber tree replanting program in Thailand. In India the bank brought irrigation to 100,000 farms, in Tanzania it extended cornfields and dairy farms, in Turkey it supplied agricultural credit for 18,000 farmers. Although details are unknown, many of the same projects will be continued through FY 1979, while the proportion of agriculture loans in the total will rise from 25 to 33 per cent.

As in FY 1976, industry and public utilities will get the largest share in FY 1979—$4.2 billion or 47 per cent. Projects range from power dams to roads, railways and ports to aviation and telecommunications. There are the traditional infrastructure projects with which the World Bank has come to be identified. In addition to the $4.2 billion project loans, untied foreign exchange loans for distribution to domestic industries and enterprises, usually by government relending institutions, will account for $879 million or 10 percent.

Education, population, tourism, urbanization, and technical assistance loans totaling $852 million will make up the remainder of the World Bank's FY 1979 lending program.

Of the $9 billion total, about $4 billion or 45 per cent will go for agriculture, education, water supply and sewerage and population projects that are arguably of direct benefit to the needy, the Center's analysis of the confidential report indicates. The remaining $5 billion or 55 per cent will go for industry, infrastructure, and untied balance-of-payments loans with no direct impact on the needy. For the 15 repressive governments of Table 1, the proportion is the same.

The Harkin amendment now pending before the Senate would require the U.S. director at the World Bank to vote against a loan to any government guilty of a "consistent pattern of gross violation of internationally recognized human rights." The Harkin amendment makes an exception for aid that is "directed specifically for programs which serve the basic human needs of citizens" of repressive countries.

Although the U.S. directors do not have the final say, the Harkin amendment would jeopardize the 55 per cent of planned FY 1979 loans to repressive governments that will not directly benefit the needy. Out of $2.9 billion planned for these governments, $1.6 billion would be for general economic development which, according to the new available precedents, may not meet the legislative requirement:

TABLE 3.—IMPACT OF HARKIN AMENDMENT

[In millions of dollars]

	World Bank loans in fiscal year 1979		
Country	Total	Jeopardized by Harkin amendment	Purpose
Chile	110	90	Powerplants, highways.
Argentina	200	140	Ports, railways.
Brazil	640	390	Steel plants, railways, roads, intermediate credit institutions.
El Salvador	35	35	Power plants.
Haiti	23	15	Do.
Nicaragua	22	12	Intermediate credit.
Paraguay	33	7	Airports.
Indonesia	635	240	Railways, ports, power.
South Korea	370	260	Highways, power plants, intermediate credit.
Philippines	315	140	Highways, urbanization.
Thailand	185	135	Dams, roads, industries, telecommunications.
Ethiopia	105	30	Powerplants.
Zaire	105	93	Aluminum, ports.
Guatemala	40	----------	
Uruguay	39	----------	
Total	2,857	1,587	

Source: World Bank.

While the $2.9 billion in projected World Bank loans to dictatorships in FY 1979 will obviously undermine the Carter administration's budding campaign for human rights abroad, their most serious consequences are far more subtle. Indeed, it may be that the lending policies of the World Bank actually encourage the spread of authoritarian government.

Officials of the World Bank claim that loans are made on the basis of a nation's objective "creditworthiness." In practice, this means that the bank has a marked preference for governments willing to implement tough austerity programs, to hold down labor unrest and to throw their countries wide open to foreign investments.

Ironically, in the name of stability and economic development, the World Bank has sacrificed human rights—the end purpose of economic development.

APPENDIX

World Bank FY 79 lending operations monthly report as of 3/31/77. (attached).

ABBREVIATIONS

EMENA—Europe, Middle East, North Africa.
E.A.C.—East African Community.
DFC—Development Finance Company.
FY—Fiscal year.
LAC—Latin American & Caribbean.
E.A. & P.—East Asia & Pacific.
IBRD—International Bank for Reconstruction and Development.
IDA—International Development Association.

TABLE IVb. FISCAL YEAR 1979 LENDING OPERATIONS, MONTHLY REPORT AS OF MAR. 31, 1977 [1]

[In millions of dollars]

Country and project	IBRD	IDA	Scheduled for approval	Probability in fiscal year/month
EASTERN AFRICA—FISCAL YEAR 1979 REGIONAL LENDING PROGRAM				
Country programs department I:				
EAC: DFC III	25.0	----------	July (NS)	3/1
Ethiopia:				
Power III (from fiscal year 1978).	----------	30.0	January (NS) [2]	2/1
Seed multiplication	----------	20.0	February (NS)	3/1
Urban sites and services I [3]	----------	30.0	May (December)	3/1
Rural water supply I	----------	25.0	May (NS)	2/1
Total	----------	105.0	----------	
Kenya:				
Power III—geothermal	30.0	----------	September (NS)	1/1
Industry I	25.0	----------	December (NS) [2]	1/1
Tourism—coast (from fiscal year 1978).	25.0	----------	February (May) [2]	3/3
Urban development II [3]	30.0	----------	March (NS)	4/3
Integrated agricultural development II. [3]	----------	25.0	May (NS)	3/3
Total	110.0	25.0	----------	
Somalia:				
Central reg. rangelands	----------	7.0	August (NS)	3/2
Agricultural III (bay area)	----------	7.0	October (NS)	2/2
Agricultural settlement II [3]	----------	7.0	June (NS) [2]	3/1
Total	----------	21.0	----------	
Sudan:				
Agricultural credit I	----------	15.0	September (NS)	4/2
Education III	----------	20.0	December (NS)	3/1
Pump scheme rehabilitation I (from fiscal year 1978).	----------	21.0	April (NS)	2/1
Water supply	----------	15.0	May (NS)	2/1
Highways II [3]	----------	20.0	June (NS)	3/2
Total	----------	91.0	----------	
Tanzania:				
Highway V	----------	15.0	July (NS)	3/1
TIB III (DFC) [3]	20.0	----------	December (NS)	2/2
TRDB (Agricultural rural development).	----------	10.0	February (NS)	4/1
Cashew nuts II [3]	----------	20.0	March (NS) [2]	3/1
Rural development IV (Mara)	----------	10.0	April (NS)	1/-
Second textile project [3]	10.0	20.0	June (NS)	2/2
Total	30.0	75.0	----------	
Grand total	165.0	317.0	----------	
Country programs department II:				
Botswana: DFC II	5.0	----------	July (NS)	3/1
Burundi: Rural development I (ADC).	----------	19.0	September (NS)	4/2
Comoros: Highways I	----------	4.0	November (NS)	3/1
Lesotho: Roads III	----------	10.0	January (NS)	2/1

See footnotes at end of table.

TABLE IVb. FISCAL YEAR 1979 LENDING OPERATIONS, MONTHLY REPORT AS OF MAR. 31, 1977 [1]—Continued

[In millions of dollars]

Country and project	IBRD	IDA	Scheduled for approval	Probability in fiscal year/month
EASTERN AFRICA—FISCAL YEAR 1977 REGIONAL LENDING PROGRAM—Con.				
Country programs department II—Continued				
Madagascar:				
Irrigation Lower Mangoky		20.0	September (NS) [2]	3/1
Highways V	15.0	10.0	May (NS)	3/2
Water supply, urban development.[3]		15.0	June (NS)	2/1
Total	15.0	45.0		
Malawi:				
Education III		15.0	March (NS)	3/1
Shire consolidation [3]		10.0	April (NS)	4/3
Total		25.0		
Mauritius: Power II [3]	15.0		April (NS)	2/1
Rwanda: Rural development (Mutara II).		25.0	September (NS)	4/1
Swaziland: Roads III [3]	10.0		June (NS)	2/2
Zaire:				
Smallholder maize		12.0	August (NS)	2/1
Aluminum	75.0		January (NS)	1/-
Ports I [3]		18.0	June (NS)	2/2
Total	75.0	30.0		
Zambia:				
Agriculture unidentified I	25.0		July (NS)	1/1
Education V	20.0		January (NS)	3/1
Kariba North II	30.0		NS (May)	1/1
Total	75.0			
Grand total	195.0	158.0		
Total regional lending program.	(15) 360.0	(27) 475.0		
Standby projects:				
EAC: Railways IV	41.0		NS	2/1
Ethiopia:				
Animal product services		30.0	May (NS)	1/1
Highways VIII		45.0	June (NS)	2/1
Kenya:				
Narok mixed farming		25.0	August (NS)	4/1
Population II		20.0	February (NS)	2/-
Highway sector loan I	40.0		June (NS)	4/2
Sudan:				
Power III	30.0		November (NS)	3/1
Crop production I		25.0	March (NS) [2]	3/1
Tanzania:				
Foodgrain storage		30.0	August (NS)	4/2
Tourism I		10.0	December (NS)	3/1
Education VI (Eural)		10.0	March (NS)	3/1
Burundi: DFC II		5.0	March (NS)	1/1
Comoros: Rural development I		4.0	NS	1/-
Madagascar: Rural development I		15.0	June (NS) [2]	1/-
Malawi:				
National Rural Development program II.		23.0	March (NS)	2/1
Water Supply II	10.0	5.0	June (NS)	1/1
Mauritius: Ports II	10.0		April (NS)	2/1
Zaire:				
Education III		20.0	February (NS)	3/1
Livestock III		10.0	June (NS)	2/1
Zambia:				
Rural water supply	20.0		May (April) [2]	2/1
DFC II	20.0		NS	1/1
Total standby projects	(7) 171.0	(14) 277.0		
Total fiscal year 1979 operations program.	(22) 531.0	(41) 752.0		
WESTERN AFRICA—FISCAL YEAR 1979 REGIONAL LENDING PROGRAM				
Country programs department I:				
Ghana:				
Feeder (from fiscal year 1978).		10.0	July (NS) [2]	2/1
Small scale industries		10.0	July (NS)	1/1
Sugar II (from fiscal year 1978).	15.0		October (May) [2]	1/-
Rail	10.0		October (NS) [2]	1/-
Cocoa III	10.0	5.0	June (NS) [2]	3/3
Total	35.0	25.0		
Liberia:				
Agricultural rubber development.[3]	7.0	7.0	March (NS)	2/1
Integrated Forestry Dev.[3]		6.0	June (NS)	2/1
Feeder	10.0		NS	1/-
Total	17.0	13.0		
Mali:				
Urban/DFC (from fiscal year 1980).	10.0		November (NS)	3/1
Highways IV		15.0	March (NS)	2/1
Integrated Agricultural Development.[3]		12.0	June (NS)	1/1
Total	10.0	27.0		
Niger:				
Afforestation		5.0	NS	1/-
Livestock I (from fiscal year 1978).		10.0	NS [2]	2/2
Total		15.0		
Nigeria:				
Agricultural development—Ilorin.	40.0		November (NS)	2/-
Urban development	45.0		December (NS) [2]	2/1
Forestry I	30.0		January (NS) [2]	1/-
Total	115.0			
Upper Volta:				
River blindness I		13.0	October (NS)	1/1
Education II		10.0	December (NS)	1/1
Feeder roads II		10.0	NS	1/-
Total		33.0		
Grand total	177.0	113.0		
Country programs department II:				
Cameroon:				
Feeder roads [3]	10.0		October (June)	3/1
Water supply II	8.0		December (NS) [2]	2/1
Semry rice II [3]	10.0	10.0	December (NS)	2/1
Railways IV [3]	25.0		June (NS)	1/1
Total	53.0	10.0		
Chad: Livestock II [3]		10.0	March (NS) [1]	3/2
Gambia: Highways		8.0	March (NS)	1/1
Guinea:				
Education		10.0	August (NS) [2]	2/1
Highways II		18.0	NS [2]	1/-
Total		28.0		
Ivory Coast:				
Rural Devt. (North)	20.0		September (NS)	1/-
Small Scale Enterprises II [3]	15.0		June (NS)	1/1
DFC BIDI II	15.0		NS [2]	1/-
Highways VI	25.0		NS [2]	1/-
Total	75.0			
Mauritania: Irrigation I Gorgol		9.0	June (NS) [2]	1/1
Senegal:				
Highways IV	20.0		February (NS) [2]	1/1
Education III		20.0	NS [2]	1/-
Dakar Port III (from fiscal year 1980).	10.0		NS	1/-
Total	30.0	20.0		
Togo: Cocoa/coffee II		11.0	July (NS) [2]	1/1
Grand total	158.0	96.0		
Total regional lending program.	(19) 335.0	(17) 209.0		
Standby projects:				
Ghana: Family Health/Population		10.0	NS	1/-
Mali: Tourism I		8.0	June (NS)	1/1
Niger:				
Urban development/DFC		10.0	NS	1/-
Roads		15.0	NS	1/-
Nigeria:				
Agricultural development	40.0		June (NS)	1/1
Power	30.0		NS	1/-
Cameroon: Livestock II		15.0	June (NS)	1/-
Guinea:				
Haute Guinea rice		15.0	October (NS) [2]	1/1
Urban I		10.0	May (NS)	1/1
Ivory Coast:				
Education III	20.0		NS	1/-
Smallholder rubber	10.0		NS	1/-
Mauritania:				
Iron Ore—Guelbs	50.0		October (NS) [2]	1/1
Road (Rosso Boghe)		8.0	NS [2]	1/-
Togo:				
DFC 1		8.0	NS	1/-
Education		8.0	NS	1/-
Total	(5) 150.0	(10) 107.0		

See footnotes at end of table.

Country and project	IBRD	IDA	Scheduled for approval	Probability in fiscal year/month
Total fiscal year 1979 operations program.	(24) 485.0	(27) 316.0		
EMENA—FISCAL YEAR 1979 REGIONAL LENDING PROGRAM				
Country programs department I:				
Afghanistan:				
Rural development I		16.0	November (NS)	
Education III		21.0	February (NS)	
Water supply and sewerage I [3].		14.0	May (NS)	
Total		51.0		
Egypt, A. R.:				
Water supply II	25.0	50.0	March (NS) [2]	
Industry (te xtiles II) [3]	40.0		April (NS)	
Education II		40.0	May (NS)	
Fruit and vegetable/agriculture industry.	35.0	20.0	May (NS) [2]	
Iron ore benefication [3]	55.0		June (May) [2]	
Total	155.0	110.0		
Portugal:				
Livestock (Padap)	40.0		September (NS)	3/1
DFC II	55.0		January (NS)	3/1
Agricultural credit I [3]	25.0		June (NS)	2/1
Total	120.0			
Romania:				
Midia Chemical	50.0		July (NS)	1/1
Irrigation Bolanu	40.0		December (NS)	3/1
Agricultural credit III [3]	40.0		February (NS)	2/1
Roman Pipes [3]	40.0		May (NS)	1/1
Total	170.0			
Yemen, A. R.,:				
Education III		10.0	January (NS)	1/1
Water supply and sewerage		13.0	Mar (NS)	1/1
Rural electrification [3]		10.0	May (NS)	2/2
Total		33.0		
Yemen, P.D.R.:				
Education II		7.0	December (NS)	1/1
Fisheries II [3]		8.0	May (NS) [2]	2/2
Total		15.0		
Yugoslavia:				
Power Generation I	85.0		January (NS)	2/1
Highways X (from Fiscal Year 1978).	50.0		March (NS)	3/1
DFC III industrial credit [3]	90.0		April (NS)	3/2
Montenegro reg. W/S [3]	30.0		June (NS)	2/2
Rural development—Bosnia [3]	30.0		June (NS)	1/1
Total	285.0			
Grand total	730.0	209.0		
Country programs department II:				
Algeria:				
Power III unidentified	45.0		July (NS)	1/1
Highways III	45.0		January (NS) [2]	2/1
Railway II	40.0		May (NS) [2]	1/1
Grain storage and procurement.	40.0		NS (June)	1/–
Total	170.0			
Cyprus: Ports—Limassol—Larnaca [3].	6.0		March (NS) [2]	2/1
Jordan: Irrigation II [3]		10.9	April (NS)	2/1
Morocco:				
Smallscale Enterprise	25.0		December (NS)	1/1
Education IV	65.0		December (NS)	1/1
Massa international vegetable marketing.	30.0		March (NS) [2]	2/2
Agricultural research and seeds.	40.0		NS	1/–
Total	160.0			
Oman:				
Fisheries I	5.0		March (NS)	1/1
Oman Cement (from FY 78).	15.0		May (NS)	2/2
Total	20.0			
Syria:				
Sewerage II (from FY81)	30.0		February (NS) [2]	1/1
Euphrates Drainage I [3]	30.0		February (NS)	2/1
Ports I	40.0		NS	1/1
Total	100.0			
Tunisia:				
Water and irrigation development unidentified (from Fiscal Year 1980).	20.0		February (NS) [2]	1/–
Sewerage II	25.0		April (NS) [2]	1/1
Urban Development [3]	20.0		May	2/1
Fisheries II [3]	25.0		June	1/1
Total	90.0			
Turkey:				
Istanbul urban	30.0		October (December)	2/1
Sewerage I (Istanbul)	60.0		November (April)	2/1
Railways II	70.0		November (June) [2]	2/1
Ports III [3]	80.0		June (NS)	2/2
Sumerbank textiles (from Fiscal Year 1978).	70.0		NS [2]	1/1
Livestock IV	40.0		NS	2/1
Total	350.0			
Grand total	896.0	10.0		
Total regional lending program.	(40) 1,626.0	(10) 219.0		
Standby projects:				
Afghanistan:				
Aviation II		6.0	April (NS) [2]	1/1
Power II		20.0	May (NS)	1/1
Egypt, A. R.:				
Population II		25.0	August (NS)	2/1
Regional electrification	40.0	15.0	December (NS) [2]	2/1
Second port project	40.0		May (NS) [2]	2/1
Portugal:				
Irrigation	35.0		December (May)	3/1
Railways I	40.0		June (NS) [2]	1/1
Romania:				
Power III	40.0		July (NS)	1/1
Agriculture credit IV	40.0		March (NS)	2/1
Lignite mining	50.0		June (NS)	1/–
Yemen, A. R.: Fisheries		9.0	April (NS)	1/1
Yemen, P. D. R.: Highways III		6.0	February (NS) [2]	2/2
Yugoslavia: Sava multipurpose I	50.0		May (NS)	1/1
Algeria:				
Urban development I	35.0		September (NS)	1/1
Rural development II	40.0		May (NS) [2]	1/–
Industry II	45.0		NS	1/–
Cyprus: DFC—CDB III	6.0		June (NS)	1/–
Jordan:				
Potash production	25.0		October (NS)	1/1
IDB II	10.0		June (NS)	1/1
Lebanon: Highways II	35.0		June (May)	1/–
Morocco:				
Urban II	30.0		November (NS)	1/1
Loukkos rural development	30.0		NS	1/1
Village electrification	30.0		NS	1/1
Oman: Rural development	8.0		November (NS)	1/1
Syria: Agroindustry I	30.0		April (NS) [2]	1/1
Tunisia:				
Education IV	10.0		December (NS)	1/1
Rural development	10.0		May (Mar)	1/1
Population II	14.0		NS	1/1
Turkey:				
Seed production	45.0		June (NS)	2/1
Export industry II (Textile)	60.0		NS	1/1
Industry unidentified	60.0		NS	2/1
Total standby projects	(26) 858.0	(5) 81.0		
Total fiscal year 1979 operations program.	(66) 2,484.0	(15) 300.0		
LATIN AMERICA & CARIBBEAN FY79 REGIONAL LENDING PROGRAM				
Country Programs Department I:				
C. A. R.: DFC I—CABEI	40.0		January (NS)	1/1
Chile:				
Sites and Services I	20.0		October (NS)	1/1
Highway rehabilitation	30.0		January (NS) [2]	1/1
Power VII	60.0		NS	1/–
Total	110.0			
Costa Rica:				
Power VI	30.0		October (NS)	2/1
Sites and services	10.0		February (NS)	1/1
Total	40.0			
Ecuador:				
Rural electrification	25.0		August (NS)	2/1
Project preparation III	8.0		December (NS)	1/1
Ports III (Manta) [3]	10.0		May (NS)	1/1
Rural development II (from Fiscal Year 1978)	20.0		NS	3/1

See footnotes at end of table.

TABLE IVb. FISCAL YEAR 1979 LENDING OPERATIONS, MONTHLY REPORT AS OF MAR. 31, 1977 [1]—Continued

[In millions of dollars]

Country and project	IBRD	IDA	Scheduled for approval	Probability in fiscal year/month
LATIN AMERICAN & CARIBBEAN FY79 REGIONAL LENDING PROGRAM—Continued				
Ecuador—Continued				
Education III [3]	15.0		NS [3]	1/–
Total	78.0			
El Salvador:				
El Salvador: Power VIII	35.0		October (NS)	1/1
Guatemala:				
Sites and services	15.0		October (NS)	1/1
Agriculture credit [3]	25.0		February (NS)	2/1
Total	40.0			
Haiti:				
Education II [3]		8.0	April (NS)	2/1
Power II [3]		15.0	Jun (NS)	1/1
Total		23.0		
Honduras:				
Rural development [3]	25.0	10.0	May (NS)	2/1
Tourism [3]	18.0		May (NS) [3]	1/1
Total	43.0	10.0		
Mexico:				
Export oriented industry	75.0		January (NS)	2/1
Power XII	100.0		April (NS)	1/1
Livestock credit VI [3]	110.0		May (NS)	3/2
DFC III—Fonei [3]	75.0		May (NS)	1/1
Tropical agricultural development.	40.0		May (June)	2/2
Vocational Training (from fiscal year 1978).	30.0		NS (June)	2/–
Total	430.0			
Nicaragua:				
Agriculture credit II [3]	10.0		December (June)	3/1
DFC [3]	12.0		December (NS)	3/1
Total	22.0			
Panama: Road maintenance [3]	8.0		April (NS)	2/2
Peru:				
Airports	20.0		September (NS)	2/1
Roads VII (maintenance)	30.0		October (NS)	1/1
Mining II	30.0		December (NS)	1/1
DFC II	40.0		January (NS)	1/1
Total	120.0			
Grand total	966.0	33.0		
Country programs department II:				
Argentina:				
Ports (from fiscal year 1976)	40.0		July (NS) [3]	2/1
Railways II	100.0		September (NS) [3]	2/–
Agricultural credit [3]	60.0		NS (November)	2/–
Total	200.0			
Bolivia:				
Urban development [3]	15.0		December (NS)	2/2
Agricultural credit II	20.0		June (NS)	2/1
Mining exploration fund	5.0		June (Apr)	1/1
Agroindustry I	20.0		NS	1/–
Total	60.0			
Brazil:				
Steel (Mendes Junior)	100.0		October (February) [3]	1/1
Education IV	25.0		December (NS)	1/1
Water supply and sewer—N.E.	50.0		December (NS) [3]	2/1
DFC—Small enterprises I	30.0		December (NS)	2/1
Agricultural credit I—N.E.	100.0		January (NS) [3]	1/1
Lower Sao Francisco II	35.0		January (NS)	3/2
Rural development V—Pernambuco.	40.0		March (NS)	1/1
Minas Gerais Development II	40.0		May (NS)	1/1
Railways V	100.0		June (NS)	1/1
Land settlement II—Mato grosso.	35.0		June (May)	1/1
Secondary and feeder roads II.	85.0		NS [3]	1/–
Total	640.0			
Colombia:				
Hydropower—San Carlos [3]	100.0		October (December). [3]	4/2
DFC VII	65.0		November (NS)	1/1
Agriculture extension	15.0		November (NS)	1/1
Tourism [3]	25.0		January (October)	1/1
Nickel Cerro Matoso [3]	30.0		April (November) [3]	3/1
Mesitas Hydro [3]	70.0		NS	1/–
Total	305.0			
Grenada: Tourism I		3.0	December (NS)	2/1
Guyana: Agriculture forestry [3]	14.0		February (April) [3]	2/1
Jamaica:				
Small scale fnt. development (OFC).	7.0		NS [3]	2/–
Urban development Kingston II.	10.0		NS [3]	2/–
Total	17.0			
Paraguay:				
Rural water supply [3]	6.0		December (NS)	1/1
Livestock V	20.0		April (NS)	2/1
Domestic airports [3]	7.0		May (NS) [3]	1/1
Total	33.0			
Uruguay:				
Livestock VI	27.0		April (NS)	2/1
Vocational training and technology. [3]	12.0		May (NS)	2/1
Total	39.0			
Grand total	1,308.0	3.0		
Total regional lending program.	(61) 2,274.0	(3) 36.0		
LAC—Fiscal year 1979 standby projects:				
Ecuador:				
DFC IV	30.0		March (NS)	2/1
Highways VI	20.0		May (NS)	1/1
Agriculture marketing and storage	10.0		May (NS)	1/1
Guayaquil urban development I.	20.0		May (NS) [3]	1/1
El Salvador: Education IV	15.0		June (NS)	1/1
Guatamala:				
Education III	20.0		June (NS)	1/1
Port	25.0		June (NS) [3]	1/1
Mexico:				
Irrigation X	90.0		April (NS)	1/1
Rural development IV	100.0		May (NS)	1/1
W/S medium cities IV	70.0		May (NS) [3]	1/1
Airports II	25.0		June (NS)	1/1
Nicaraqua:				
Feeder roads	10.0		April (NS) [3]	1/1
Power X	15.0		June (NS)	1/1
Panama: Water supply II and sewerage.	25.0		November (NS) [3]	3/1
Peru:				
Sites and services II	30.0		April (NS)	1/1
Education II	30.0		April (NS)	1/1
Argentina: Industrial credit II	100.0		June (NS)	2/1
Bolivia: Highway maintenance	15.0		February (NS)	2/1
Brazil:				
Salto de Divisa—Itapabi	110.0		November (NS) [3]	1/1
Urban development	75.0		June (NS)	1/1
DFC BNDE II	125.0		June (NS)	1/1
Caribbean: Caribbean development bank II.	35.0		August (NS)	3/1
Paraguay: Highways VI	25.0		June (NS)	2/1
Total standby projects	(23) 1020.0			
Total fiscal year 1979 operations program.	(84) 3294.0	(3) 36.0		
East Asia and Pacific—Fiscal year 1979 regional lending program:				
Fiji: Small farms development	7.0		October (NS)	1/1
Indonesia:				
Surabaya W/S and waste disposal (from fiscal year 1980).	50.0		November (NS) [3]	1/1
Education VII	20.0		November (NS) [3]	1/1
Irrigation XI	55.0		January (NS)	1/1
Railways II	60.0		March (NS)	1/1
Tidal reclamation I	60.0		May (NS)	1/1
Jakarta environmental improvement.	40.0		June (NS) [3]	1/1
Nuclear estate and small holders II. [3]	30.0		June (NS)	1/1
Transmigration II [3]	65.0		June (NS) [3]	1/1
Ports II (from fiscal year 1980).	60.0		June (NS) [3]	1/1
Power VIII	120.0		NS	2/1
Bapindo IV	75.0		NS	1/–
Total	635.0			
Korea:				
Agriculture marketing I (from fiscal year 1980).	20.0		August (NS) [3]	1/1
Highways IV	95.0		September (NS)	1/1
DFC (KDB III)	85.0		December (NS) [3]	1/1
Power I [3]	80.0		June (NS)	1/1

See footnotes at end of table.

Country and project	IBRD	IDA	Scheduled for approval	Probability in fiscal year/month
Chungju multipurpose irrigation.[3]	75.0		June (NS)	1/1
Population I [3]	15.0		June (NS) [2]	1/1
Total	370.0			
Laos: Agriculture unidentified		10.0	NS	1/–
Malaysia:				
Highway IV (from fiscal year 1978).	25.0		July (NS) [2]	1/1
Sabah port II	10.0		July (NS) [2]	1/1
Urban sities and services [3]	15.0		May (NS) [2]	2/2
Krian/Sungel Manek irrigation.	15.0		NS	1/1
Education V	25.0		NS	1/–
Felcra I (S. Kelantan)	20.0		NS	1/–
Total	110.0			
Papua N. Guinea Agriculture Development VI (from Fiscal year 1980).	10.0	10.0	NS	1/–
Philippines:				
Population II	25.0		July (NS)	2/1
Small industry II	20.0		July (NS)	2/1
Urbanization II	45.0		July (NS)	2/–
Rural development (Samar)	30.0		September (NS) [2]	2/1
Horticulture development I (from fiscal year 1975).	10.0		December (February) [2].	2/1
Land bank development	10.0		January (NS) [2]	1/1
Irrigation VII-NISJP II [3]	65.0		May (NS)	3/1
Education V (from fiscal year 1980).	15.0		June (NS) [2]	2/1
Highway IV [3]	95.0		June (NS)	2/1
Total	315.0			
Thailand:				
Agricultural credit	30.0		October (NS) [2]	1/–
Northern rural development	20.0		January (NS) [2]	1/–
Telecommunication III [3]	40.0		June (NS) [2]	1/1
Small and medium scale industry I (from fiscal year 1981).	15.0		NS	1/–
Quae Noi hydropower	60.0		NS	1/–
Rural roads (from fiscal year 1980).	20.0		NS	1/–
Total	185.0			
Vietnam: Irrigation I		30.0	NS	1/–
Total regional landing program	(40) 1,632.0	(2) 50.0		
East Asia and Pacific—Fiscal year 1979 standby projects:				
Indonesia:				
Urban Development III	50.0		November (NS)	1/1
Rural development I	30.0		January (NS) [2]	1/–
Bukit Asam coal	50.0		March (June) [2]	2/1
Nuclear estate and smallholders III.	30.0		May (NS) [2]	1/–
Korea:				
Housing I	30.0		July (April)	2/1
Electronics industry	20.0		June (NS)	1/1
Malaysia: Mude irrigation II	25.0		June (NS)	1/–
Philippines: Shipping II	25.0		NS (June) [2]	1/1
Thailand: Education V	35.0		NS (June)	1/–
Total standby projects	(9) 295.0			
Total fiscal year 1979 operations program.	(49) 1,927.0	(2) 50.0		
South Asia—Fiscal year 1979 regional landing program:				
Bangladesh:				
Fisheries I		10.0	July (May)	1/1
Chittagong water II		10.0	October (May) [2]	2/1
BSB II (DFC)		20.0	December (NS)	3/–
Drainage and flood control [3]		35.0	June (NS)	1/1
Program credit VII		75.0	June (NS)	4/1
Population II		25.0	NS	1/–
Agricultural credit		20.0	NS	1/–
Total		195.0		

Country and project	IBRD	IDA	Scheduled for approval	Probability in fiscal year/month
Burma:				
Fertilizer		30.0	October (NS)	1/1
Forestry II		20.0	NS	2/1
Fisheries I		10.0	NS (October)	1/1
Irrigation II Nyausgpyat Dam		25.0	NS (March)	1/1
Total		85.0		
India:				
U.P. agriculture development		40.0	July (NS)	2/1
Ext. and research—Bihar [3]		15.0	December (NS) [2]	3/1
Industrial Imports XIII		100.0	February (NS)	2/1
Telecommunications VII [3]	100.0	50.0	June (NS)	2/1
Oil and gas II [3]	100.0		NS	1/–
Rajasthan Canal II		90.0	NS	1/–
Dairy Line of Credit		75.0	NS	1/–
Water supply Bombay II		60.0	NS	1/–
Gujarat Cad (from fiscal year 1978)		80.0	NS	1/–
National agricultural research [3]		45.0	NS	1/1
Industry unidentified (from fiscal year 1980)		55.0	NS	1/–
NCDC		75.0	NS [2]	2/1
CAD Madhya Pradesh II		80.0	NS	1/–
CAD Haryana II [3]		80.0	NS	1/–
Rural electrification II [3]		150.0	NS	1/–
Total	200.0	995.0		
Napal:				
Telecommunication III [3]		12.0	April (NS)	2/1
Horicultural/Credit		13.0	April (NS) [2]	2/–
Rural development II		15.0	NS	1/1
Total		40.0		
Pakistan:				
Cotton		10.0	July (NS)	1/1
NDFC II		30.0	July (NS)	1/1
Scrap Mardan		25.0	September (NS)	2/1
Power Mapda III [3]	30.0		Mzy (NS)	1/1
Highways III		25.0	NS	1/–
Lahore urban		25.0	NS	1/–
Agriculture credit IV		30.0	NS	1/–
Total	30.0	145.0		
Sri Lanka:				
Road maintenance		20.0	February (NS)	1/–
Tree Crops rehabilitation I (Tea) [3].		20.0	May (NS)	1/1
Drainage and land recl. II		15.0	NS	2/–
Total		55.0		
Total regional landing program	(3) 230.0	1,515.0	(36)	
South Asia—Fiscal year 1979 standby projects:				
Bangladesh:				
Technical assistance III		10.0	May (NS)	1/–
Jute development II		25.0	NS	1/–
Inland water transport III		30.0	NS	1/–
Burma:				
Telecommunications II		30.0	Jan (NS) [2]	2/–
Power I		15.0	NS	1/–
Paddy storage and handling		20.0	NS	1/–
India:				
Water supply (unidentified)		60.0	NS	1/–
Marine fisheries III		25.0	NS	1/–
Rural training		30.0	NS (Feb)	2/1
Bihar flood control		50.0	NS	1/–
Rainfed agriculture I		30.0	NS	1/–
Export crops		50.0	NS	1/–
Nepal:				
Forestry I		15.0	NS	1/–
NIDC II		7.0	NS	1/–
Kulekhami Power II		15.0	NS	1/–
Pakistan:				
Population		30.0	NS	1/–
Urbanization III Karachi		40.0	NS	1/–
DFC—PICIC XI	40.0		NS	1/–
Sri Lanka: Dry farming/sugar		23.0	June (NS)	1/–
Total standby projects	(1) 40.0	(18) 505.0		
Total fiscal year 1979 operations program	(4) 270.0	(54) 2,020.0		

See footnotes at end of table.

REGIONAL LENDING PROGRAM—SUMMARY BY REGION

	IBRD		IDA		Total	
	Number	Amount	Number	Amount	Number	Amount
Eastern Africa	15	360	27	475	42	835
Western Africa	19	335	17	209	36	544
EMENA	40	1,626	10	219	50	1,845
LAC	61	2,274	3	36	64	2,310
E. Asia and Pacific	40	1,632	2	50	42	1,682
South Asia	3	230	36	1,515	39	1,745
Total region	178	6,457	95	2,504	373	8,961
Of which:						
Least developed countries [4]	4	45	52	849	56	894
Poorest countries [5]	23	1,105	83	2,229	106	3,334

REGIONAL LENDING PROGRAM— SUMMARY BY SECTOR

	Eastern Africa		Western Africa		EMENA		LAC		E.A. & P.		Southeast Asia		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Agriculture	16	253	15	230	17	494	18	666	18	572	22	828	106	3,043
DFC	3	50	2	30	2	145	7	269	2	160	2	50	18	704
Education	3	55	3	40	5	143	5	90	3	60			19	388
Public Utilities:														
Communication									1	40	2	162	3	202
Power	4	105			3	140	8	435	3	260	2	180	20	1,120
Water supply	3	55	1	8	7	247	2	56	2	90	2	70	17	526
Transportation	7	102	12	171	7	331	10	430	7	365	2	45	45	1,444
Subtotal	36	620	33	479	41	1,500	50	1,946	36	1,547	32	1,335	228	7,427
Industry	3	130	1	10	7	295	5	240	2	35	3	185	21	895
Population									2	40	1	25	3	65
Tourism	1	25					3	46					4	71
Urbanization	2	60	2	55	2	50	5	70	2	60	1	25	14	320
Technical assistance							1	8					1	8
Nonproject unallocated											2	175	2	175
Subtotal	6	215	3	65	9	345	14	364	6	135	7	410	45	1,534
Total	42	835	36	544	50	1,845	64	2,310	42	1,682	39	1,745	273	8,961
Of which:														
Least developed countries [4]	24	406	12	131	8	99	2	23			10	235	56	894
Poorest countries [5]	34	701	12	131	8	99	2	23	11	635	39	1,745	106	3,334

REGIONAL LENDING PROGRAM—SUMMARY BY MONTH

	IBRD		IDA		Total	
	Number	Amount	Number	Amount	Number	Amount
July	11	315	8	136	19	451
August	2	45	3	29	5	74
September	7	335	5	104	12	439
October	13	432	4	60	17	492
November	8	330	2	20	10	350
December	19	519	6	85	25	604
January	16	740	3	50	19	790
February	9	214	5	171	14	385
March	9	253	6	138	15	391
April	9	355	7	84	16	439
May	19	672	9	227	28	899
June	26	1,090	10	287	36	1,377
Not scheduled	30	1,157	27	1,113	57	2,270
Total	178	6,457	95	2,504	273	8,961

OPERATIONS PROGRAM—SUMMARY BY SECTOR

	Eastern Africa		Western Africa		EMENA		LAC		E.A. & P.		Southern Asia		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Agriculture	24	415	19	310	26	741	21	866	21	657	30	1,066	141	4,055
DFC	5	75	3	38	4	161	10	459	2	160	4	97	28	990
Education	5	85	5	68	6	153	8	155	4	95	1	30	29	586
Public Utilities Communication									1	40	3	192	4	232
Power	5	135	1	30	7	285	10	560	3	260	4	210	30	1,480
Water supply	5	90	1	8	8	297	4	151	2	90	3	130	23	766
Transportation	11	238	14	194	12	458	16	550	8	390	3	75	64	1,905
Subtotal	55	1,038	43	648	63	2,095	69	2,741	41	1,692	48	1,800	319	1,000
Industry	3	130	2	60	12	535	5	240	4	105	3	185	29	1,255
Population	1	20	1	10	2	39			2	40	2	55	8	164
Tourism	2	35	1	8			3	46					6	89
Urbanization	2	60	4	75	4	115	8	195	4	140	2	65	24	650
Technical assistance							1	8			1	10	2	18
Nonproject unallocated							1	100			2	175	3	275
Subtotal	8	245	8	153	18	689	18	589	10	285	10	490	72	2,451
Total	63	1,283	51	801	81	2,784	87	3,330	51	1,977	58	2,290	391	12,465
Of which:														
Least developed countries [4]	34	629	17	189	12	140	2	23			16	337	81	1,318
Poorest countries [5]	50	1,054	17	189	12	140	2	23	15	795	58	2,290	154	4,491

See footnotes at end of table.

OPERATIONS PROGRAM—SUMMARY BY REGION

	IBRD		IDA		Total	
	Number	Amount	Number	Amount	Number	Amount
Eastern Africa	22	531	41	752	63	1,283
Western Africa	24	485	27	316	51	801
EMENA	66	2,484	15	300	81	2,784
LAC	84	3,294	3	36	87	3,330
East Asia and Pacific	49	1,927	2	50	51	1,977
South Asia	4	270	54	2,020	58	2,290
Total region	249	8,991	142	3,474	391	12,465
Of which:						
Least developed countries [4]	6	85	75	1,233	81	1,318
Poorest countries [5]	31	1,385	123	3,106	154	4,491

[1] This initial FY79 Table IVb reflects the FY79 proposed lending programs submitted by the Regions to P & B as of March 31, 1977.
[2] Indicates change in schedule since last month.
[3] Projects in FY78 Operations Program.
[4] Twenty-nine Least Developed Countries as determined by the U.N. General Assembly.
[5] All countries with a GNP per capita less than $265 in FY75 dollars.

THE SURFACE MINING CONFERENCE REPORT

Mr. METCALF. Mr. President, shortly, I hope the Senate will consider the conference report on the Surface Mining and Reclamation Act. The report was filed on July 12. A copy of the report and the text of the final bill agreed upon is contained in the CONGRESSIONAL RECORD for July 12 at pages H6938–H6971. The report and final text have by now been printed and are available to every Senator. The following explanation of the major provisions of the bill and the changes from the Senate bill that previously passed the Senate may answer some of the questions concerning this legislation. I ask unanimous consent that this information be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SURFACE MINING CONFERENCE REPORT

The conference report represents the culmination of many years of patient effort by many Members on both sides of the aisle in the Senate and the House to develop the first Federal legislation to regulate surface coal mining. The agreed upon bill is a strong, enforceable and balanced one. It contains many revisions of H.R. 25, the predecessor bill which was vetoed by President Ford, revisions which will ensure that the transition from the existing patch-work of State and Federal administration to one uniform regulatory system will be as expeditious and as equitable as possible.

The Surface Mining and Reclamation Act of 1977 was introduced early in the 95th Congress in both the House (H.R. 2) and the Senate (S. 7). H.R. 2 was nearly identical to the vetoed H.R. 25, whereas S. 7 was somewhat streamlined so as to place the emphasis upon coal mining exclusive of other mineral extraction. The Senate Energy and Natural Resources Committee added many features bringing the bill more in line with the House bill.

MAJOR PROVISIONS

The joint statement of managers explains the conference report in some detail. However, in the interest of clarifying the understanding of my colleagues, I will highlight some major provisions in the report:

First. Environmental standards. The conference report establishes the basic standard that lands may not be surface mined unless they can be reclaimed. It includes the following environmental protection standards: prevention of dumping spoil and overburden downslope in mountainous areas; a requirement that mine sites be regraded to approximate original contour, including backfilling to final cut to eliminate highways; revegetation measures to assure land stability and long term productivity; and water protection standards directed at protection of water quantity and quality. The latter will be particularly significant in maintaining the delicate hydrologic relationships in the West and preventing acid mine drainage in the East. The environmental performance standards are not inflexible, however, as the report provides for variances from these standards in order to allow cetain planned postmining land uses. Mountaintop mining is recognized as a regularly permitted activity under special environmental requirements.

Second, State responsibility. The report gives the principal responsibility for surface mining regulation to the States. The States are given 34 months to prepare adequate regulatory programs to meet the minimum standards in the act. Federal funding is available to help the States prepare and enforce such programs.

Third. Surface impacts of underground mines. The report also treats surface impacts of underground mines such as those resulting from mine waste disposal. In particular, mine waste embankments are covered by rigorous engineering requirements.

Fourth. Reclamation of orphan lands. The report establishes a reclamation program to repair past damages from both surface and underground coal mines in all regions of the country. In addition, assistance is provided for the construction of public facilities in order to ameliorate the impact of rapid coal development. For 15 years, a reclamation fee of 35 cents per ton for surface mined coal and 15 cents per ton for underground mined coal, and 15 cents per ton or 10 percent of the value of lignite coal, whichever is less, is assessed in order to provide for the reclamation program. One-half of this money must be spent in the State or Indian reservation in which it is collected.

Fifth. State mineral institutes. The bill also authorizes the Secretary of the Interior to establish State mining and mineral resources research institutes at State or other eligible universities. These institutes will perform research on mineral extraction and processing technologies, and train engineers and scientists to serve the needs of the Nation's mining industry. This program should help to avoid future materials and personnel shortages. Ten regional coal research laboratories and 1000 energy research fellowships are also to be established.

Sixth. Surface-owner protection. The conference report establishes as Federal coal leasing policy a requirement that the Secretary of the Interior not lease for surface mining without the consent of the surface owner Federal coal deposits underlying land owned by a person who has his principal place of residence on the land, or personally farms or ranches the land affected by the mining operation, or receives directly a "significant portion" of his income from such farming. By so defining "surface owner," the conferees seek to prevent speculators purchasing land only in the hope of reaping a windfall profit simply because Federal coal deposits lie underneath the land.

Seventh. Prime farmlands. The conference report establishes special performance standards respecting soil reconstruction of prime farmland after mining and requires the regulatory authority to make a written finding that the operator has the ability to restore the land to premining levels of agricultural productivity.

Mr. President, as with any legislation which touches so many vital areas of national, State and personal interests, a number of major issues emerged in conference:

(a) The treatment of alluvial valley floors and prime farmlands will have an important bearing upon the ability of our farming communities to continue over the years to produce the quantity of food demanded by domestic and foreign markets. The conference report does not impose a ban on surface mining in these critical areas but rather requires a case-by-case judgment by the regulatory authority as to whether soil structures and the hydrology can be restored so that the productive capacity of the land will be returned to its pre-mining levels.

(b) The conference report reflects a deep concern with protection of surface owner rights. Instances where federally-owned coal deposits underlie privately-owned surface posed difficult problems which long delayed the conference committee considering H.R. 25 in 1975. The present conference report adopts the House bill which is virtually the same language as that reported by the Senate Energy and Natural Resources Committee in S. 7. For the relatively small number of western ranchers and farmers who are opposed to the leasing of the underlying Federal coal and the disruption of their traditional way of life, the conference report would provide the right to withhold consent and prevent the strip mining of this land.

In instances where the underlying coal deposit is privately owned, the conference report left to existing State law and the jurisdiction of State courts the settlement of questions regarding the surface owner's consent for surface mining.

(c) Another group of citizens who will be seriously affected by this legislation are the small operators. Mine operators whose annual output of coal is less than 100,000 tons often do not have a sufficient profit margin to absorb the costs of environmental protection standards imposed by the bill. The conference report contains relief measures for such small operators, extending the grace period from 9 to 18 months beyond the date of enactment, during which the only interim performance standard applying to their operations would be a prohibition against the placement of spoil on the downslope.

(d) Landowners in mountainous areas have been concerned that where stripmining produces flat land which is useful for residential, industrial or other types of develop-

ment, the steep slope performance standards of the bill would preclude such valuable uses. In recognition of this need, the conference report modifies the standards so as to allow retention of strip mine benches.

However, all highwalls are to be eliminated, except in specific cases approved by the Secretary.

(e) The reclamation of orphan or abandoned mined lands has been a long-neglected problem in many coal-producing States. The role of the State governments and the allocation of funds collected from a special reclamation fee imposed on coal production were matters at issue. The Conference report divides the funds 50–50 between coal-producing States and Indian Tribes on one hand and the Secretary of Interior on the other, specifying that States and tribes are to exercise comparable authority under programs approved by the Secretary.

Mr. President, I mention these issues in order to underscore the conscientious manner in which the Conferees have worked together to produce a fair and equitable conference report. I believe this bill will help to ensure the restoration of environmental quality after mining is completed. It will protect the interests of people in the neighborhood of coal mining operations. It will eliminate the depressing legacy of orphan lands. It will encourage the rational development of the industry.

CAPTIVE NATIONS WEEK: A MOMENT OF REFLECTION

Mr. HEINZ. Mr. President, 1 year after America's 200th July celebration of freedom, it is fitting that we in the Senate should observe Captive Nations Week.

It is fitting, because the basic human freedoms upon which our Nation is founded have been ignored in foreign lands; it is fitting, because imperialism and colonialism still exist; it is fitting, because despite our own freedom, there are millions of people in Europe, Asia, and Africa oppressed by Communist regimes. The period of World War II witnessed the occupation of free Latvia, Lithuania, and Estonia. The Soviet sphere has increased since that time, however, and the peoples of Romania, Czechoslavakia, Hungary, Bulgaria, and Poland all have fallen under Soviet rule. Within the last 2 years, their influence has been felt in lands ranging from Laos to Angola. The Iron Curtain has not been lifted. Indeed, we have no indication that the spread of communism will cease in the immediate future.

It had been our hope that the Helsinki accord would produce some changes in the political climate, but that agreement is now 2 years old and no substantial improvements have been made in the Soviet Union. The Soviet Union continues to deny the basic rights of free speech, assembly, religion, and travel to its "citizens." Russian labor camps in Siberia exist in 1977, and we know from countless cases that have reached the West that the Soviet attitude toward dissidents is harsh and unyielding.

I urge my colleagues to take note of these somber facts. Our democracy cannot remain complacent while repression occurs throughout the world. It is understandable that many Eastern Europeans feel forsaken by the free Western world. For the sake of these oppressed people, and for the protection of our own free Nation, we must continually press for liberty and freedom. I look forward to the day when we shall observe the end of Captive Nations Week—a time when all peoples and all countries shall be free.

CAPTIVE NATIONS WEEK

Mr. McINTYRE. Mr. President, this week marks the 19th annual observance of Captive Nations Week, a time when we traditionally pause to reflect upon the plight of millions of people still living under the yoke of Communist oppression.

Yet despite all the eloquent statements that will be made condemning it, that oppression persists as a grim reality.

We know there is no rational alternative to exploring every feasible and honorable avenue to peace and world stability in the nuclear age. And that includes a willingness to engage in meaningful dialogue with our adversaries in order to defuse potentially explosive situations where our interests conflict, for instance, and to further the cause of arms control.

But even as we pursue these worthy goals, we cannot ignore the plight of those formerly free nations now dominated by the Soviet Union. To do so would affront our very birthright.

Many of us are, after all, people or descendants of people who left their lands of origin to find a haven from oppression in America.

The U.S.S.R. must know full well and at all times our deep concern for the people of the captive nations. And so we must emphasize that concern again and again and again—as much to remind the Soviets that captive peoples are always in our minds and hearts as to reassure the subjugated that we have not forgotten them.

Captive Nations Week is not a pleasant observance. Not for us. Not for the peoples of the captive nations. And, I would hope, not for the Soviets. Nor should it be. I look forward to the day when we will no longer have to hold this observance, that the day may finally come when no nation will be deprived of independence, freedom, and human rights.

UNIONIZATION OF THE MILITARY

Mr. THURMOND. Mr. President, this morning in the Armed Services Committee, we concluded the second day of hearings on unionization of the military. I believe that these hearings will conclusively show that we need legislation now.

A timely article on this issue, Defense Would Suffer From Military Unions, appeared in the State, Columbia, S.C., July 16, 1977. Mr. President, I ask unanimous consent that this article be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEFENSE WOULD SUFFER FROM MILITARY UNIONS

Amid all the publicity over the B–1 bomber, the cruise missile, the neutron bomb and Strategic Arms Limitation Talks, little public notice has been drawn to another serious consideration of national defense—the threat of unionizing the armed forces.

It seems safe to say, and public opinion surveys bear this out, that the idea of "organizing" the nation's uniformed troops is repugnant to most Americans. Indeed, many union members themselves shy away from the idea.

Nevertheless, there is a serious move under way within organized labor to bring the uniformed services within the union ranks. At the moment, the lead in this potentially crippling movement is being taken by the American Federation of Government Employes. Even now, the AFGE is sampling opinion throughout its numerous locals to determine the prevailing will of the membership. Fortunately for the future of the country, there seems to be no overwhelming support for the concept.

But other labor unions or "associations," some of which already include reservists and National Guardsmen in their civilian capacities, are watching developments with interest.

Professional military men, both active and retired, are aghast at the thought of the disruptions which could be created with the unionization of the armed forces. They likewise are puzzled at the inaction of President Carter, Defense Secretary Harold Brown, and Administration officials who could—and should—act now to forestall any further growth of the union effort within the services.

A number of members of Congress, including South Carolina's Sen. Strom Thurmond, are pressing for legislation which would prohibit in clear and unequivocal language the unionization of the military. The U.S. Constitution and a number of existing federal statutes already give a reasonable basis for banning organizational efforts but not in precise terms.

The U.S. Supreme Court, however, has recognized the unique character of military service and the necessity for discipline therein. Its most recent ruling on the subject phrased that recognition in these words:

"The fundamental necessity for obedience, and the consequent necessity for imposition of discipline, may render permissible within the military that which would be constitutionally impermissible outside it."

It requires no great imagination to envision the utterly chaotic and disastrous results which could occur if the regular chain of command within the armed establishment, or any portion of it, were disrupted by counter-actions—ranging from argumentative resistance to outright strikes—on the part of unionized soldiers, sailors, or airmen.

Day by day, the nation is seeing one example after another in which the public's convenience and occasional safety is flouted by organized labor within the governmental sector. There is little cause to think that unions in uniform would be any less militant.

The armed forces have gone about as far as they can or should go in complying with legislative and executive mandates which erode the fighting fabric of the military. At this stage of the game, the Administration and the Congress should jointly slam the door in the face of union organizers—in or out of uniform.

NEWS REPORT THAT COAL RAISES PUBLIC HEALTH HAZARDS IS BASED ON INACCURATE, PRELIMINARY DATA, SENATOR RANDOLPH FINDS

Mr. RANDOLPH. Mr. President, last Wednesday the Committee on Energy and Natural Resources began marking up the coal conversion legislation as part of President Carter's energy proposals.

In discussing the provisions for converting existing powerplant facilities to coal, a member referred to an article of

July 4 on the front page of the Washington Post. Its headline read: "Premature Deaths Linked to Coal and Oil Burning." The story, by staff writer Thomas O'Toole, said that 21,000 people died prematurely each year east of the Mississippi River because of pollutants exhausted by powerplants burning coal and oil. Citing findings allegedly concluded from a study by the Brookhaven National Laboratory in New York and Carnegie-Mellon University of Pittsburgh, the article warned that conversion to coal to produce electricity would result in as many as 35,000 premature deaths annually from powerplant pollution by the year 2010.

The question was properly raised during the Energy Committee's meeting: "Why has no one bothered to refute these findings?"

Mr. President, I did not accept the figures reported by the Post. Immediately after it appeared, I asked officials of the Energy Research and Development Administration to arrange a meeting with me and the Brookhaven researchers, with representatives of the President's Energy Policy and Planning Office.

On Friday, July 8, we received a briefing on the preliminary results of the Brookhaven study, which is still underway. I asked for a report on the methodology applied to obtain estimates of the energy impacts of the national energy plan. This report was delivered on Tuesday, July 12, and promptly delivered to the news media. I regret that our efforts to convey this information did not result in local media attention. I fear that the 35,000 mortality figure, which is subject to wide variance with the final impact results, will be "set in concrete" unless it is publicly questioned.

For this reason, I ask unanimous consent that the original Post article, together with a press release issued from my office following the July 8 meeting with Brookhaven officials, and the report from the Office of Energy Policy and Planning, be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 4, 1977]

PREMATURE DEATHS LINKED TO COAL AND OIL BURNING

(By Thomas O'Toole)

As many as 21,000 people die prematurely east of the Mississippi River every year because of pollutants exhausted into the air by power plants burning coal and oil.

These people die at least one and as many as 15 years short of their expected lifespans, due mostly to heart and lung failure brought on by chronic respiratory diseases such as bronchitis and emphysema. The lung diseases are believed caused by sulfur dioxide gas and microscopic sulfate particles, combustion products of coal and oil that settle in the lungs of people inhaling them.

These are some of the conclusions of scientists at the Brookhaven National Laboratory in New York and the Carnegie-Mellon University in Pittsburgh, who have been at work for two years on a portion of a still-secret energy study for the National Academy of Sciences.

Financed by a $3 million grant from the Energy Research and Development Administration, the study was designed to take a long and comprehensive look at the pros and cons of nuclear power and the alternatives to it. The study has involved the work of more than 200 scientists and economists and more than 50 institutions coast-to-coast.

The Brookhaven and Carnegie-Mellon findings warn that if the nation turns to coal as its principal alternate source of electricity, it can expect as many as 35,000 premature deaths by the year 2010 instead of the estimated 21,000 taking place right now. The study predicts the 35,000 deaths from lung disease even if electric power plants install expensive devices to scrub out 80 per cent of the sulfur exhausted by their smokestacks.

One of the most striking findings of the study is that the stack gases exhausted by power plants in the Midwest are roughly 10 times more harmful to people on the East Coast than to Midwesterners living within 50 miles of the power plants.

The main reason is that the tall (up to 900 feet) smokestacks built in the last 10 years to carry air pollutants away from the power plants discharge them so high they're caught by prevailing westerly winds and brought to the East Coast. The study identifies power plants in Ohio, Illinois and western Pennsylvania as polluters of New York and New Jersey.

Another reason is that the sulfur dioxide that makes up most of the sulfur exhaust coming out of the tall stacks stays in the atmosphere a longer time. This gives the sulfur dioxide more opportunity to combine with moisture, aerosols and dust to form sulfates, which scientists now believe are more toxic than the sulfur dioxide.

"When somebody breathes in a sulfate it would be in the form of something like sulfuric acid," Brookhaven's Ronald Meyers said in a telephone interview. "Humans have a chance to exhale the sulfur dioxide gas. Things like sulfuric acid stick to the lungs and cause more damage."

The Brookhaven-Carnegie-Mellon part of the study discusses the pollutants exhausted into the air by 266 power plants in the eastern half of the United States because they burn more sulfur-bearing fuels and because the population is denser than it is in the west.

The study says that the 266 power plants polluted the air in a year as recent as 1973 with 17 million tons of sulfur dioxide. About 75 per cent of the sulfur pollutant came from coal-burning plants, the rest from oil burners. The plants most responsible for the pollution are in Illinois, Indiana, Michigan, Wisconsin and Ohio.

The study emphasizes that its figure of 21,000 premature deaths from sulfur pollutants is nothing more than an estimate. The study says it can only infer that the deaths were due to air pollution and not some unexplained cause.

But scientists involved insist it is the most careful study done so far on the health effects of air pollution. They say they have analyzed death rates and air pollution in more than 100 Eastern U.S. cities where they have identified increases in the death rate with increases in air pollution.

Scientists said they have also monitored weather and wind patterns in the same cities and have shown that increases in death rate came at the same time that winds carried more air pollution to the cities suffering higher death rates.

The study will recommend that if U.S. power plants are ordered to switch to coal, as President Carter has suggested, they be ordered to burn coal with the lowest sulfur content. The study will also recommend that the Environmental Protection Agency insist that all power plants burning coal be equipped with scrubbers to take out at least 80 per cent and as much as 90 per cent of the sulfur before it leaves the smokestack.

"The implications for the increased use of coal are grim," the study states. "We recommend that these implications be viewed and studied at the highest levels of government."

FROM THE OFFICE OF SENATOR JENNINGS RANDOLPH

WASHINGTON.—Senator Jennings Randolph has charged that a premature news report of results of a long-term study of health hazards in burning fossil fuels is "incomplete, inaccurate, and selectively slanted."

Randolph, chairman of the Senate Environment and Public Works Committee, said the conclusions drawn from the study "apparently were leaked by some one involved in the study who seeks to discredit coal and favors greater emphasis on nuclear production of electricity."

The West Virginia senator vigorously supports the Carter energy program's focus on increased utilization of coal. The committee he heads acquired jurisdiction over nuclear regulatory matters in the Congressional reorganization earlier this year.

"Even though the study involves the utilization of all fossil fuels," Randolph commented, "the news reports emphasized only coal as a potential pollution hazard to public health."

He noted further that the study will not be completed for several more months. A summary leaked last week uses as its base, Randolph said, "the worst case of pollution by coal burning." He explained that the study centers on sulfur oxides and sulfates emissions from power plants in the state of Ohio. "Air pollution control requirements in Ohio," he added, "are far below those currently imposed in West Virginia, or under existing Federal law."

Randolph, whose state is a major coal producer, said he feels the preliminary results as reported "are neither scientifically accurate nor environmentally helpful."

One of the keystones of the Carter energy program is the increased use of coal for the production of electricity. His long-range plan involves the doubling of current coal consumption to 1.2 billion tons by 1985, and to 2 billion tons by the year 2000.

Environmental concerns prompted the Energy Research and Development Administration to commission, in 1975, a scientific study of the health impact of burning fossil fuels. The study, being conducted under the auspices of the National Academy of Sciences, receives technical support from Brookhaven National Laboratory, of Upton, New York.

The $3 million study, funded by ERDA, reportedly points to the possibility of increased pollution-related deaths resulting from the increased use of fossil fuels. Stories appearing last week cited a preliminary projection of up to 35,000 annual pollution-related deaths by the year 2010, compared to the present 21,000 deaths attributed to environmental pollution The study covers only the Eastern half of the United States.

"As chairman of the committee concerned with environmental pollution," Randolph said, "I feel these figures—if substantiated by scientific analysis—would have a great bearing on our efforts to effect the Carter energy program and on our upcoming consideration of coal-conversion legislation."

Questioning the projected mortality assumptions, Randolph called a meeting last Friday of Brookhaven officials, ERDA administrators and Administration experts representing energy chief, Dr. James Schlesinger.

"I learned that the projections which were published are premature and inaccurate," Randolph said. "I was told that they are based on existing laws and do not reflect the additional air pollution standards resulting from the Administration's energy proposals." New air quality standards are now being worked out by House-Senate conferees considering the Clean Air Amendments of 1977.

"I believe that the preliminary findings were leaked to the press in an effort to make a convincing case for the proliferation of nuclear power plants," Randolph asserted. "The facts of the complete study will show, I hope, conclusively, that the burning of fossil fuels

can be conducted with greater safety and the protection of public health in the future."

Randolph criticized the preliminary report as being based on an assumption that, by the year 2010, only 80 percent of the airborne pollutants from power plants would be controlled. "Even a 10 percent increase in pollution control efficiency over the next 30 years would reduce the study's assumption on pollution-related mortality to 18,000 annually," the Senator declared. "That's less than two percent of all deaths. Cigarette smoking contributes to 17 percent of all deaths each year."

Randolph also noted that the present mortality rate of pollution-related deaths would continue whether or not utilities burned coal, oil, natural gas, or any fossil fuel. "That is the purpose of our clean air legislation, to insure that whatever fuel is burned we will reduce the hazards to public health," he added.

He announced that a more objective analysis of the ongoing air pollution study can be expected this week, when the Senate Committee on Energy and Natural Resources begins marking up its coal-conversion legislation.

"I can understand the motives of the pronuclear people in leaking a report that is, on its face, highly critical to fossil fuels," said Randolph. "But I think that such a vital subject must be explored on a rational basis, not subject to the emotional slanting of statistics which ignore any pretense of responsible scientific evaluation."

EXECUTIVE OFFICE OF THE PRESIDENT,
ENERGY POLICY AND PLANNING,
Washington, D.C., July 12, 1977.

DEAR SENATOR RANDOLPH: Last Friday, July 8, 1977, you hosted a group from Brookhaven National Laboratory to discuss some preliminary estimates derived from some of Brookhaven's research-in-progress on the health effects attributable to sulfates produced by increased electric generation using fossil fuels. You posed several questions that the Brookhaven analysts promised to analyze and provide answers. The note that they prepared is enclosed.

We are pleased to respond to your request to apply the Brookhaven methodology to estimates of the energy impacts of the National Energy Plan, but I emphasize that the methodology used by the Brookhaven analysts is not necessarily endorsed by this office. There are major uncertainties associated with predicting air quality concentrations of sulfates because neither the chemical interactions in the atmosphere nor the mechanisms for long-range transport of sulfates are well understood. In addition, the damage functions that the Brookhaven analysts used to calculate health impacts from sulfates have been questioned by some authorities. Because of these uncertainties and because the Brookhaven model has not undergone official review, any results from this model should be utilized with extreme care and regarded as preliminary.

Thank you for this opportunity to provide information about Brookhaven's research-in-progress. If I can be of any further assistance, please contact me.

Sincerely,

ALVIN L. ALM.

THE HEALTH COSTS OF POLLUTION FROM FOSSIL FUEL POWER PLANTS [1]

This note responds to inquiries Senator Randolph, Chairman of the Committee on Environment and Public Works, and a joint letter from Senator Henry M. Jackson, Chairman of the Committee on Energy and Natural Resources and Senator Floyd K. Haskell, Chairman of the Subcommittee on Energy Production and Supply. The Senators asked about the work of Brookhaven scientists on the health effects of increased fossil fuel use in electric power generation and particularly about work in progress on the long-range transport of air pollutants and its effect on health. The Senators' inquiries were generated by a July 4, 1977 Washington Post article "Premature Deaths Linked to Coal and Oil Burning," which quoted specific estimates of premature deaths (1 to 15 years earlier than expected) due to atmospheric sulfur pollution from fossil-fuel burning power plants. The Post article was apparently drawn from a preliminary draft working paper on the long-range transport of pollution. This draft was submitted by Brookhaven meteorologists (Meyers) for consideration by the Risk Impact Panel of the National Academy of Sciences—National Research Council Committee on Nuclear and Alternative Energy Sources (the CONARS Study).[2]

Although the Washington Post article made it clear that the draft emphasized that the figures of deaths from pollutants were estimates, it gave no feeling of the uncertainties surrounding the present long-range pollution transport work or the uncertainties in the health damage functions. This left the reader to infer much greater scientific accuracy in the estimates than actually exists. The draft used by the Post has not been released to the public and will not be available until the study is finished and all professional reviews are completed. Until a final version is released, all estimates are subject to change and revision.

This note now addresses four specific questions posed by Senator Randolph.

Q1: If the Brookhaven meteorology model and health effects assessment methods were applied to the National Energy Plan, what would be the impact in 1985?

A: The estimate is that the NEP would reduce the number of premature deaths due to the generation of energy by fossil fuels by about 2,000 persons per year.

The uncertainties associated with these calculations are so large that one must question the significance of any specific number; however, the Brookhaven long-range transport air quality model was used to estimate the health impacts of sulfur air pollution from fossil fueled power plants. The long-range transport air quality model estimates the atmospheric concentration of pollutants. These concentrations are then multiplied by the population exposed and by a dose/response health effects damage function to estimate deaths associated with pollution.

The results of the model calculation for 1975 in the population east of the Mississippi (131 million) were approximately 21,000 deaths. These estimates reflect the number of people that died prematurely due to exposure to air pollutants. Because of uncertainties associated with the model, the actual number could have ranged from 0 to about 50,000.

Using the same methodology, the model predicts approximately the same level of effects associated with the 1985 base case for fossil fuel power plants in this region. This is due to a 10 percent increase in population in 1985 (144 million) that outweighs the projected decrease in SO_2 emissions in this region over 1975–1985. The model projects a decrease of 2,000 deaths under the President's program as compared to the base case in 1985.

Q2: How do the deaths that Brookhaven attributes to using fossil fuels compare to deaths from other causes?

A: Approximately one percent of the population dies each year. Thus, in 1975 there were approximately 1.3 million deaths east of the Mississippi. The premature 21,000 deaths associated with the sulfur air pollutants of fossil fuel power plants would thus have constituted 1.6 percent of total deaths.

The 19,500 deaths associated with sulfur air pollutants from fossil fuel power plants predicted under the President's program would constitute 1.4 percent of the total 1.4 million deaths expected in 1985 in this region. One may compare these figures with the 17 percent of total deaths which are associated with smoking and the 5 percent of total deaths which are a result of car accidents, half of which were due to drunken drivers.

Q3: What difference would it make if oil were burned rather than coal?

A: Substitution of coal for oil would not necessarily increase mortality rates and could conceivably decrease them.

The health effect depends primarily on sulfur dioxide sulfates which are directly related to emissions as determined by the sulfur content of the fuel and control technology. Current standards allow 50 percent more sulfur dioxide emissions from coal than oil for equivalent heat content of the fuel. There is some evidence that oil has a higher rate of primary sulfate emissions from the stack and a higher rate of conversion of sulfur dioxide to sulfate in the plume close to the power plant. Therefore, there is the possibility that for the same sulfur emission rate the oil-fired plant could produce greater effects. It is unclear how much these considerations would affect the results in the long-range transport model. This has yet to be evaluated in the long-range air quality model, and indeed, present lack of understanding of the relevant atmospheric processes precludes this further analysis at this time.

Q4: The "premature death" statistics in the Washington Post article were quite specific. How confident are you that these are accurate predictions of premature deaths due to sulfur pollutants from fossil-fuel power plants?

A: The uncertainties are large. The method for estimating premature deaths assumes a direct relationship between the amount of sulfates in the atmosphere and the number of premature deaths. This is reasonable when one is estimating the effects of small additions in amounts of sulfate to a substantial background level of ambient sulfates.

However, when one is estimating the effects of a large increase in the amount of sulfates in circumstances where this addition is itself a substantial part of the ambient sulfate concentration (as was done in the preliminary working draft for fossil fuel plants in the eastern United States), there is great uncertainty associated with estimates produced by the use of this method.

It is a matter of common sense that the further from the source of pollution, the greater the uncertainty in estimating its effects. But if one addresses oneself to estimates of effects that can be made within a 50 mile radius of a fossil-fuel power plant, there is a 10 percent possibility that the effects may be zero and a similar possibility that they may be as much as five times greater. Obviously, there is an increasing possibility that the effects from a particular source are zero as one goes from distance of 50 to 1,500 miles and a similarly decreas-

[1] Note by L. D. Hamilton, M.D., Ph. D., Biomedical and Environmental Assessment Division, National Center for Analysis of Energy Systems and R. E. Meyers, B.S. Atmospheric Sciences Division, Department of Applied Science, Brookhaven National Laboratory, Upton, New York 11973.

[2] This study was commissioned by ERDA in 1975; its report is expected late this August. The health damage functions used were derived by Brookhaven's health effects assessment group (Hamilton) from reanalysis of epidemiological data published in the open literature. The research on the long-range transport of pollutants has been in progress for about two years and requires several years more work. The assessment of the health effects of alternative energy sources has been in progress for four years, and will be a continuing activity, designed to remove the uncertainties in the assessments as gaps in knowledge are filled and estimates improved.

ing possibility that the health effects are greater than those calculated. Thus, the uncertainties in these numbers are very high. The interrelationship of the health damage function and the long-range transport air quality model in going from individual plant impacts to multistate impacts is under further examination.

PROGRESS IN RURAL HEALTH LEGISLATION

Mr. CLARK. Mr. President, I am pleased to inform my colleagues that there has been substantial progress recently in the efforts to make health services more available for those who live in small towns and rural areas.

On Thursday, July 21, the Senate Finance Health Subcommittee will conduct a hearing on S. 708, a bill that I introduced along with Senator LEAHY and 54 cosponsors. S. 708 would permit medicare reimbursement for primary health services provided by nurse practioners and physician assistants in rural clinic settings.

Yesterday, the House Ways and Means Health Subcommittee marked up H.R. 2504, a bill that is nearly identical to S. 708. Representative DAN ROSTENKOWSKI, the subcommittee chairman and sponsor of H.R. 2504, hopes to report the bill to the full committee before the August recess.

Last March, the Senate Rural Development Subcommittee held a hearing on S. 708, at which we received valuable testimony from individuals and organizations representing a wide range of interests. That hearing has now been published and individual copies are available through written requests to my office or to the Senate Agriculture Committee.

NATIONAL HEALTH CONFERENCE ON HEALTH CARE COSTS

Mr. JAVITS. Mr. President, as many of my colleagues know, an issue of great concern both to Senator KENNEDY and to myself is the rising cost of health care. The problems associated with this issue are highly complex, and, as with most complex issues, the number of questions greatly exceeds the number of answers and solutions. Currently Congress is considering a proposal for hospital cost containment submitted by the administration. While hospital costs are certainly one of the major contributors to the health cost spiral, they are by no means the only contributor. Other factors which play a significant role include third party reimbursement, advancing technology, and a growing pool of health manpower.

In an effort to examine closely both the problem and alternative solutions, Senator KENNEDY and I recently cosponsored a conference with National Journal "Controlling Health Care Costs—A National Leadership Conference." During that conference, Senator KENNEDY addressed the opening general session.

I ask unanimous consent that Senator KENNEDY's remarks before this conference be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SENATOR KENNEDY'S ADDRESS BEFORE NATIONAL LEADERSHIP CONFERENCE, JUNE 27, 1977

It is a pleasure for me to be here today to keynote this second National Leadership Conference. I am also proud to have the opportunity to cosponsor this conference with my good friend and colleague from New York, Senator Javits. It is probably appropriate that Senator Javits and I sponsor this conference on controlling health care costs, since our two states are most frequently cited as being among the highest cost states in health care in the nation. In Massachusetts we are trying to do something about it with a hospital cost control program that Governor Dukakis believes could serve as a model for the nation. My only concern is that the program seems to be popular with the hospitals. I will let Senator Javits speak for the popularity of the New York cost control program.

"The problems of providing satisfactory medical services to all the people of the United States at a cost which they can meet is a pressing one."

That sentence is fifty years old. I borrowed it from the report of the Committee on the Costs of Medical Care which began its work in 1927, and completed its report in 1932.

The Committee on the Costs of Medical Care was so perceptive that it was half a century ahead of its time.

The Committee, in its five years of pioneering work, documented for the first time, the burden of the costs of medical care on the sick and on the poor. Fifty years later, there are still 20 million Americans without any health insurance coverage. There are another 30 million with such inadequate insurance that it is almost useless when they are faced with major ills and bills.

In its recommendations, the Committee pointed out the way toward a national health program. It emphasized the need for planned regionalization of services. It called for more organized group practice arrangements to provide primary care and specialized therapy. The CCMC provided the data fifty years ago that proved the United States needed national health insurance. Its findings and recommendations are a model for the kind of program which fifty years later we call Health Security. To be sure, we have made some progress over the years—notably Medicare and Medicaid. But the problems have outstripped our solutions and we are farther behind now than we were fifty years ago.

Why has it taken so long for the United States to have action by the Congress on a national health insurance plan? When the data proves over and over again that there are serious inequities in the health care system, why do we wait? The experience of all other developed countries has proven that national health insurance programs provide good quality health care to all citizens within affordable expenditures. Why is the United States such a backward and underdeveloped nation in health care?

Fifty years ago the AMA endorsed the minority report on the costs of medical care. The minority report opposed the recommendations for group practice, government health insurance and most of the rest. For five decades the AMA has fought against national health security. It has fought against health planning. It has fought against HMOs. The AMA has fought any change in the status quo.

In this Congress the AMA is playing the same old cards of opposition and obstruction. But Congress now has a stronger hand. President Carter has committed himself to introducing a national health insurance plan early next year. He has committed himself to a plan that will be universal and mandatory; will provide comprehensive benefits; and will be financed through a combination of payroll and general tax revenues.

Finally we have a President who is committed to the basic principles that the Committee on the Costs of Medical Care formulated fifty years ago.

The time is long overdue for Health Security. I first introduced the Health Security Act, S. 3, in 1970. I have reintroduced it in every Congress since then. Health Security would assure that every resident of the United States would have comprehensive health care benefits. Health Security would make sure that at the stressful time of illness or injury no American would have to face paying exorbitant physician fees or hospital bills out of his pocket. Health Security promises to bring about reform to the system:

So that services are more equitably distributed;

So that costs and expenditures are contained;

So that controls and incentives are introduced into the health care system;

So that alternative systems will be developed to compete with the fee for service and cost-plus models that we now have.

The goals we have are easy to understand:

Health should be a basic right for all Americans, not just an expensive privilege for the few.

We want Health Security for the people of America, just as we established Social Security over forty years ago;

Decent quality health care should be available to all at a cost they can afford to pay; and

No mother should have to ignore her children's health because she cannot pay the cost of the deductible in the insurance policy. No mother should have to face the choice of deciding whether her child is $50 or $100 sick.

We need Health Security today more than ever. Escalating health care costs are eating away at our Gross National Product in an unnatural way. In Canada, the fraction of the GNP which goes to health care has stabilized at 7%. In the United States, we passed the 7% milestone in 1970. Today we have reached 8.6% and we are on our way to double digits if we don't control it. Why can't we control our insatiable system? Because we don't have a national health plan that would permit us to exert the kinds of controls that are necessary. Only with a program like Health Security will we be able to control costs and still achieve equity in access to good quality health care for all.

Health Security is not a revolutionary proposal. It will not scrap all of our existing system or impose an entirely new one. Health Security will build upon what is good at present, and change what doesn't work. It represents neither the purely free market approach which the AMA supports, nor the purely public model of a national health service. Health Security builds on the expertise of both the private and public sectors.

Because Health Security does build on the existing system, it is essential that we try to make the health care system as efficient and effective as possible, even before full implementation of Health Security. We must begin now to reform the controls and incentives in health care. If Health Security were enacted today, its administrator would be faced with an irrational system. A system which reflects the failure of market competition in health care. And in answer to that market failure we have created a system of regulatory chaos. We legislate and regulate with the "Control of the Month." We try out one control. When it doesn't work fast enough, we add another one. Right now, in varying stages of development we have:

PSRO's.
HMO's.
HSA's.
Certificate of need.
Rate review.
Prospective reimbursement.

Fee schedules.
Cost sharing.
Surgical consultant requirements.
Prior authorization.
Pre-admission review.
Concurrent review.
Fraud control.
Etc., Etc., Etc.

The regulation is piecemeal, fragmented, and conflicting. Health Security could bring order to that chaos.

Without Health Security we have this situation because health care is an appendage to every department of government. Health care is part of income maintenance programs: it is part of jobs programs: it is part of employee benefits programs. It is appended to housing, to transportation, to defense, to veterans, to education, to commerce, to corrections and every other kind of program. The chief health official of this country—the Assistant Secretary for Health in HEW—has under his jurisdiction less than 15 percent of the Federal health budget; only 5 billion of the 43 billion dollars in the Federal health budget. There is no central health direction. Every department, and every program, tries to control its piece of the health care pie.

Executive disarray is compounded in the States. The States have some rights in this battle with the bulging health care pocketbook. State and local governments pay 13 percent of the total health care bill. They also have major regulatory responsibility in professional and facility licensure, regulation of health insurance, and in carrying out Federal regulation.

On the Congressional side, the fragmentation is just as bad. Almost every committee of Congress has some concern with health care reflecting the fact that health care concerns permeate the entire Federal Government. But it is the Finance Committees of both Houses of Congress that are making decisions on controls and these decisions frequently conflict with those of the Health Committee.

And so we have this "Control of the Month" approach. Each Congressional committee wants to make its mark. The States don't want to give all their powers to the Federal Government. We have so confused our health care centipede that its feet are no longer synchronized.

And what evidence do we have about how well all this regulation is working? The evidence is not very encouraging. HMOs work well to hold down costs, but there are not enough HMOs around. There is some evidence that PSROs, under the control of doctors, may not be very cost effective. Health planning and certificate of need have not been administered with enough clout to close down unneeded beds. Reimbursement policies have led us to the current inflation.

Most importantly, we have very little evidence regarding how these controls work in concert or in conflict. How do the cost controls impact on quality; and in turn how do the quality controls impact on access to services and costs?

How do we change this system in order to get ready for Health Security? Obviously some reform of the executive agencies as well as Congressional committee jurisdiction is needed. My colleagues and I will work on the latter. President Carter has promised to deal with the former.

In addition, through my chairmanship of the Subcommittee on Health and Scientific Research, I will not only work toward National Health Security, but also toward reform of the systems of controls and incentives in health care.

President Carter has proposed a transitional hospital cost containment plan, which I introduced with some reservations in April. It is a step in the right direction, but we cannot lose sight of our greater goals. We have held extensive hearings on the bill. We have heard the pros and cons. And we have learned a lot about the mysterious workings of a supposedly non-profit industry that has a billion dollars in profits. Something is needed now, and we intend to report a cost control bill to the Senate next month. We are working on that bill right now. Any cost control measure will. like a tourniquet, only slow down the irrational escalation of health care costs. We continue to need more refined and more effective means to restructure the health care system for National Health Security.

We will also, through our Health Subcommitttee, be evaluating the health planning legislation. Health Security would build on the health service areas and agencies. So the health planning process needs to be made a more effective and central mechanism. The health planning process must not be captured by the providers. The public must be in charge. Health planning also needs the flexibility and authority to experiment with various controls and incentives. The HSAs and the State Health Planning Agencies need more clout to control the system.

But regulation of the system should not be used only for control. It should be used to structure a more innovative and competitive health care system. We must build incentives for efficiency which bettter competition in the system could bring about. We are prepared to deal with this dichotomy between regulation and competition. On the one hand, as Chairman of the Subcommittee on Health and Scientific Research, I am proponent of regulatory measures such as health planning.

On the other hand, as Chairman of the Subcommittee on Anti-Trust and Monopoly, I am a proponent of the competitive model. Some might suggest this creates ambivalence. I believe it offers an important opportunity. For with these two jurisdictions, we intend to examine some of the basic and sensitive issues in the interplay between regulation and competition. We are currently formulating our agenda for the fall. I would like to expose to you today where I am coming from on some of these issues, and some of the areas we intend to explore. I welcome your assistance over the next few months as we bring our agenda into final focus.

I start from the belief that health care is not like most other industries where free market competition operates. The consumer is not, and cannot be, fully informed. Risk of illness is randomly distributed, and risk of the cost of health care is not uniformly borne by the population. The economic injunction that more is better does not work well in health care: more may be detrimental to health. Too many surgeons in an area, competing with each other, produce more and more surgery and higher and higher fees, not lower ones. Too many hospital beds in a community means too much hospitalization, not lower hospital rates. Too many insurance companies in an area mean not better competition with premium prices, but higher premiums because no one insurer can control the costs of the system.

We can and will promote better and more informed competition among organized health care systems, such as HMOs. Despite the continuing opposition of the organized medical profession, we intend, with the Administration, to continue strong and expanded support for HMO development. HMOs are no longer experiments, they are proven competitive alternatives to fee-for-service. We probably need to ease the regulatory burdens on them. But open competition without some direction and regulation cannot work. We have seen what the free market response is to more and more health care dollars: the Medicaid mills in New York and the prepaid health plan scandals in California. We need to structure regulation of health care systems to control the fraud, abuse, and other temptations associated with the prospect of prolific profits.

There are several areas where unnecessary restriction appears to stifle desirable competitive forces. It does appear that the professional associates, particularly the AMA and the ADA, have extensive control over entry into their professions. Restrictive licensing laws which prevent full use of paraprofessionals, control of professional school accreditation, control of specialty boards and certification, and restrictions on hospital privileges are among the areas that need to be investigated. Unless some of these practices can be proven as necessary to assure quality of care or patient safety, they may represent unnecessary restrictions on health manpower supply.

While the consumer may never be able to be fully informed about health care and its expected outcomes, that does not imply that the consumer must continue in absolute ignorance. The more information about health, health practices, and health care organization and pricing that the consumer has, the better is she able to make the right choice. To the extent that restrictions on professional advertising prevent that informed consumer, then we should reevaluate such restrictions. Health care appears to be a fertile field for anti-trust activity. The Federal Trade Commission and the Anti-Trust Division in the Department of Justice have recently become active in health care. My committees will work with them and with the Department of HEW in developing a legislative agenda.

The complex interplay between regulation and competition is crucial to the debates on national health insurance. I intend to explore the issues thoroughly in both of my subcommittees and I intend to propose answers. This conference, with its theme of cost control, can help me to structure an agenda of issues. I invite your help and that of others. Are the questions we seek to answer the right ones? Should other questions be posed in addition? We want to ask the right questions so we may formulate the right answers.

The American people will not wait another fifty years before they have Health Security. The American people say month after month—when they answer pollsters, that they want a government sponsored national health plan. They say they want an equitable health care system. They insist on having an accountable health care system. I think we should give it to them in this Congress.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification.

The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that several such notifications were received on July 12, 13, and 14, 1977.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

CAPTIVE NATIONS WEEK

Mr. DOLE. Mr. President, I rise to call the attention of my distinguished colleagues in the Senate to an oversight on the part of the White House which has grieved thousands of Americans of Eastern European ancestry who annually observe Captive Nations Week during the third week of July. They are distressed because President Carter has not, as yet, issued a captive nations proclamation recognizing the desires of the enslaved peoples of the world for freedom and independence. Given Mr. Carter's well-known commitment to human rights and the fact that since 1959 every American President has issued an annual captive nations proclamation, this oversight, if not corrected, will take on overtones which could seriously undermine the President's credibility in the human rights arena. To prevent this unfortunate occurrence, I have sent a telegram to President Carter respectfully reminding him of the captive nations tradition and urging him to follow the lead of his distinguished predecessors.

TIME TO REFLECT

The captive nations resolution was signed into law by President Dwight D. Eisenhower on July 17, 1959. Public Law 86–90 authorizes and requests the President of the United States to issue an annual proclamation during the third week of July "until such time as freedom and independence shall have been achieved for all the captive nations of the world." Given the current state of affairs in the Soviet Union and the fact that the Belgrade preparatory meeting is still in progress, I can think of no more propitious time to pause and to reflect on the fate which has befallen the millions of people who presently live under Communist domination.

SOVIET IMPERIALISM

The first to fall under Communist rule were the Russians. Believing that their revolution in 1917 would lead to a more just society, the Russian people soon learned that under the Bolsheviks they had replaced one form of autocratic rule with another.

The next nation to fall to the Communists was Ukraine, followed by Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, Turkestan, and Mongolia.

The 1920's witnessed the formation of the Union of Soviet Socialist Republics and the beginning of a new brand of Russian imperialism based on ruthless repression of individual, religious, and national rights. By the end of the 1930's, a new instrument of totalitarian domination, the Gulag Archipelago, had been perfected at the cost of millions of innocent lives.

In 1940, Estonia, Latvia, and Lithuania were invaded by the Soviet Union soon after Stalin and Hitler reached an understanding concerning spheres of influence in Eastern Europe. The United States has never recognized the forced Soviet incorporation of the Baltic republics which followed the invasion.

During World War II, Soviet armies "liberated" Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania, and Yugoslavia and then proceeded to force a Communist regime on the helpless citizenry.

Since the war, 10 more nations—North Korea, mainland China, Tibet, North Vietnam, Cuba, Cambodia, South Vietnam, Laos, Cambodia, and Angola—have come under Communist domination.

RESISTANCE STILL ALIVE

And yet, despite years of subjugation and of having to face the threat of summary execution, torture, imprisonment, exile, and other forms of inhumane repression, the people who live under Communist domination have not accepted their fate meekly. Time and time again—from East Germany in 1953, Poland and Hungary in 1956, to Czechoslovakia in 1968—they have demonstrated courage and tenacity in their efforts to free themselves of their Communist yoke.

New hope was provided by the Helsinki Final Act in 1975, a document which President Gerald R. Ford called a great moral victory for the West. Heartened by the fact that the free world had not forsaken them, dissidents and reformers in the Soviet Union formed Helsinki Watch Committees in Moscow, Kiev, Vilnius, and Tbilisi. In Czechoslovakia, meanwhile, a new human rights document, Charter 77, was promulgated. Supported by all elements of the national population, Charter 77 called for sweeping reforms and the liberalization of the Communist state.

We are all too aware of the response of the Communist leaders. Adding to their long list of Helsinki Final Act violations, the Soviets arrested Yuri Orlov and Anatole Scharansky, leaders of the Moscow Helsinki group and charged them with treason. Zviad Gamasahhourdia, Merab Kostova and Victor Ryshiladze, founders of the Georgian branch of the group, were arrested and interrogated in Tbilisi. The most brutal treatment, however, was reserved for the founding members of the Ukrainian group in Kiev. Mykola Rudenko and Oleskij Tykhiu were arrested, tried, and sentenced to hard labor for their attempts to monitor compliance with the Helsinki Final Act in Ukraine. In Czechoslovakia, Dr. Ian Patocka, one of the original signers of Charter 77, was interrogated for 11 hours. Unable to survive his ordeal because of fragile health, Dr. Patocka died a few days later.

AMERICAN FREEDOM

Living in America, we tend to take for granted the freedom and liberties which are such an integral part of our lives. We can easily overlook the indomitable spirit of the dissidents and the countless prisoners of conscience, individuals such as Mati Kiirends in Estonia, Andrejs Macepans in Latvia, Nijole Saudunaite in Lithuania, Valentyn Moroz in Ukraine, and many others who continue to languish in the Gulag because of the dedication to human, religious, and national rights.

A major tenet of our American political heritage has always been the premise that governments are constituted to serve the people. A major principle of Marxist political theory has been that man is the servant of the state. It is during Captive Nations Week that we are reminded of the irreconcilable differences which exist between these two political ideologies. While seeking cooperation and understanding with the Soviets and other Communist nations, we must never be lulled into the facile assumption that our objectives and theirs have somehow coalesced.

During this, the 19th annual observance of Captive Nations Week, let us recall with pride our precious American heritage. Let us rededicate ourselves to its preservation. Let us also remember the captive nations. Their desire for liberty and independence is a powerful deterrent to war, and one of the best hopes for a just and lasting peace. It is in the best interests of the United States to vigorously support their just aspirations.

AFTERMATH OF WAR: HUMANITARIAN PROBLEMS IN SOUTHEAST ASIA

Mr. KENNEDY. Mr. President, I want to commend President Carter for his action over the week-end in approving the parole of additional Indochinese refugees into the United States and in establishing an interagency task force within the administration to develop a longer-term approach to the continuing humanitarian problems of Southeast Asia.

As I suggested in a statement on Friday:

Over 7,000 "boat cases" from Vietnam are stranded in various parts of Asia, from Kuwait to Japan—and additional numbers of Indochinese refugees in Thailand, many with strong family or other ties to the United States, are seeking resettlement opportunities in other countries.

The United States carries a major responsibility for helping to resolve the humanitarian problems that remain in the aftermath of the Indochina war. We have already done our best in helping to meet the needs of those refugees evacuated by our country in 1975. But we have continuing humanitarian responsibilities. We cannot ignore the desperate plight of the "boat cases"—nor the resettlement needs among the refugees in Thailand—nor the struggle to normalize life among the war victims who remain in their native lands.

After months of tokenism and delay, we must finally develop a comprehensive approach to the growing humanitarian crisis in Southeast Asia. The needs are there. And the issue today is not the functioning of international programs to help the refugees and the war victims, but whether the United States will abandon a piecemeal approach and contribute its fair share of support.

We can begin by admitting a reasonable number of the refugees scattered in Asia. For this, we do not need special legislation. We do not need international conferences to

sort out the problems and our responsibilities as a nation.

But we do need a sense of urgency and compassion, and an active policy to join France, Australia, West Germany, and other countries in fully supporting the United Nations High Commissioner for Refugees (UNHCR), who first appealed in behalf of the "boat cases" more than a year ago.

Mr. President, the harsh aftermath of the Indochina War is still with us. The humanitarian problems resulting from this war still fester and grow. These problems very much involve the United States. And they not only touch the lives of countless families in Southeast Asia, but many families in our own country as well.

These humanitarian problems are not new. In some degree, most of them have been there since the end of the war more than 2 years ago. What is new, is that some of these problems are continuing to grow, and as time moves on, they are getting more difficult to resolve.

Mr. President, I would like to review just a few of these problems.

One of the more immediate and pressing problems—and a problem that has been generating much discussion in this country in recent days—involves the growing number of Vietnamese citizens who, for a variety of reasons, have been moving by boat from their native land in search of resettlement opportunities in other countries.

This is not a new problem. It began in the closing months of 1975. Initially, the number of "boat cases" was relatively small, and no major difficulties confronted the international community in protecting the rights and meeting the needs of these refugees. But as the months wore on and the number of boat cases rapidly grew, so did the difficulties. More and more, boatloads of refugees were being ignored at sea. More and more, Asian governments were refusing safe haven to the refugees and forcing boatloads of homeless people back to the open sea. Countless refugees were losing their lives. And resettlement opportunities for those in safe havens were suddenly in short supply.

The boat cases, like all other Indochinese displaced persons, are covered by the mandate of the United Nations High Commissioner for Refugees, Sadruddin Aga Khan. In full recognition of the growing difficulties, and with the initial humanitarian goal of promoting temporary safe havens and of insuring the protection and care of the homeless people involved, the UNHCR began appealing to the flagships of many nations and to the governments of many Asian countries in behalf of the refugees. And finally on July 28, 1976, he also found it necessary to issue his first international appeal for permanent resettlement opportunities for the boat cases from Vietnam. And over the past year he has appealed again and again—most recently in Geneva just a few days ago.

The record is clear that, despite the efforts of the UNHCR over the past year and more, governments have not fully supported the work of his office and have been slow in responding to his appeals for help. And so today temporary safe haven in Asian countries is still not guaranteed. And resettlement opportunities for the boat cases are needed more today than even before.

For Americans, at least, the problems confronting the UNHCR are best illustrated, perhaps, by the simple fact that the United States, which carries a major responsibility for helping to resolve the humanitarian problems in the aftermath of the war, did not respond to the UNHCR's July 1976 appeal until December of last year. And it was only in the spring of this year—after mounting public pressure and inexcusable bureaucratic delay—that boat cases began arriving for resettlement in the United States.

According to the Department of State, as of June 30, some 10,451 boat cases had registered with the UNHCR. Of this number only 3,330 cases had been permanently resettled, including 658 in the United States. Some 1,103 had gone to France, 792 to Australia, 201 to Canada, 126 to West Germany, and smaller numbers to several other countries. More than 7,100 cases remained in temporary safe havens in Asia, scattered from Kuwait to Japan, and reports suggest that the numbers are continuing to grow.

Mr. President, in addition to the desperate plight of the boat cases from Vietnam, some 80,000 Indochinese displaced persons are in Thailand. The bulk of these people—more than 67,500—are from Laos. Nearly 11,000 more are from Kampuchea. And the remainder—little more than 1,300—are from Vietnam. There has been a continuing influx into Thailand, mainly from Laos, since 1975. And because of this, the number of displaced persons has remained relatively constant, despite the onward movement of more than 50,000 refugees over the past 2 years.

Like the boat cases, the refugees in Thailand are under the mandate of the UNHCR. In cooperation with the Thai Government, since 1975 the UNHCR has been the channel and coordinator for all international relief and rehabilitation efforts in their behalf. The United States has been fully supportive of these efforts, contributing up to 80 percent of the UNHCR budget in Thailand.

In the early days of his program, the UNHCR said its purpose "is not only to provide temporary assistance to the displaced persons to insure their survival, but above all to contribute toward the promotion of lasting solutions to their problems including voluntary repatriation and resettlement."

In terms of the resettlement objective, Mr. President, the bulk of the refugees will undoubtedly remain in Thailand, and important steps are being taken by the Thai Government, the UNHCR, and other international agencies to help normalize the lives of the refugee families. Several private voluntary agencies, including many from the United States, have also been involved in helping the refugees, and I want to pay a special tribute to the field personnel of these voluntary agencies for their important humanitarian work.

Despite the resettlement process underway in Thailand, the Thai Government continues to look to other countries for help in resettling some of the refugees. And many of the refugees themselves—for family reunion and other personal reasons—wish to resettle elsewhere. As noted earlier, since 1975 more than 50,000 have moved from Thailand, over half of them to France. And others are waiting to move, including a few thousand families with relatives in the United States.

Mr. President, President Carter's action a couple of days ago offers new hope to these homeless people and to some of the boat cases from Vietnam. The President's action deserves the full support of Congress and the American people. And I am hopeful that after early consultations with Congress, the new resettlement program will get expeditiously underway in cooperation with other governments, the UNHCR, the Intergovernmental Committee for European Migration, ICEM, and the private voluntary agencies in this country.

And finally, even as America is pledging more help to Indochinese refugees, we must not forget the needs of the war victims who remain in their native land. Many humanitarian problems—including food shortages, the resettlement of displaced persons and the rehabilitation of other war victims—continue in Vietnam, for example. We must be mindful of such problems and of our responsibilities as a Nation in helping the people of Vietnam to rebuild their country and normalize their lives. And we must also be mindful of other human problems which touch the lives of many Americans, including the missing in action problems and the difficulties confronting families separated by the events of March and April 1975.

I am disturbed by some of the views recently expressed in Congress over the President's policy to work for a solution to such problems and for a normalization of relations with Vietnam. And I share the hope of many Americans that new ways can be found to help meet our responsibilities; for it serves no useful purpose to neglect the Indochina Peninsula and to remain aloof from the concern of the international community over the future of Vietnam and its neighbors.

Mr. President, little more than a year ago, I released an extensive report on "Humanitarian Problems of Southeast Asia," which was prepared by the Subcommittee on Refugees. As I noted in the report, America was welcoming many refugees to our shores, but in doing so we could not forget the needs of war victims who remained in Southeast Asia. I suggested then that the United States, having contributed so heavily to the years of war, could not fail to pursue policies and programs that would contribute to the peace. Hopefully, we will really work to accomplish this goal—in part, at least, by making every reasonable effort to help heal the wounds of conflict and ameliorate the continuing humanitarian problems in the aftermath of the Indochina war.

Mr. President, I ask unanimous consent to have printed in the RECORD the full text of a letter I addressed to President Carter on July 1, and a series of

tables on the refugee problem in Southeast Asia.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
July 1, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to let you know of my full support for the pending proposal to parole into the United States a reasonable number of Vietnamese refugees scattered throughout Asia and displaced persons from Vietnam, Laos, and Kampuchea in Thailand.

Given the growing number of these homeless people and the demonstrated need to maintain some flexibility in meeting our humanitarian responsibilities toward them, I also wanted to recommend that the Attorney General be able to exercise his parole authority on a continuing basis over the coming months and without a specified ceiling on the number of entries into the United States. Hopefully, as well, the United States will work more closely with the United Nations High Commissioner for Refugees (UNHCR) and the Intergovernmental Committee for European Migration to promote resettlement opportunities in other countries, and will continue to support the material assistance and rehabilitation program of the UNHCR among the displaced persons who remain in Thailand.

In a related matter, I fully support your efforts to pursue a policy of reconciliation and normalization of relations with Vietnam, and commend you for the initial progress that has been made in recent weeks and months. I share the hope of many Americans that this process will continue, and that ways can be found to permit the United States to contribute at an early date to the international humanitarian programs underway in the war-affected areas of Vietnam. Of special concern, in this regard, are the severe food shortages reported by the United Nations.

It would be in the finest humanitarian tradition of the American people if our country could provide food assistance to the people of Vietnam under United Nations auspices. I would be pleased to work with you and your Administration to find ways to accomplish this humanitarian objective, which would also contribute to the process of reconciliation and normalization of relations with Vietnam.

As Chairman of the Subcommittee on Refugees in recent years, I have closely followed the humanitarian problems of the Indochina Peninsula, including those in the aftermath of the war. And I am extremely hopeful that in cooperation with international organizations and other countries, the United States will respond generously and compassionately to these pressing human needs in Southeast Asia.

Many thanks for your consideration, Mr. President, and best wishes.

Sincerely,

EDWARD M. KENNEDY.

"Boat cases" resettled as of June 30, 1977

Australia	792
Austria	20
Belgium	27
Canada	201
France	1,103
Federal Republic of Germany	126
Hong Kong	27
Israel	66
Netherlands	70
Norway	82
Switzerland	71
United Kingdom	71
Paraguay	16
USA	658
Total	3,330

Source: Department of State.

"Boat cases" waiting resettlement as of June 30, 1977

Malaysia	3,118
Thailand	2,097
Japan	517
Philippines	527
Indonesia	339
Hong Kong/Macao	250
Singapore	160
Taiwan	58
South Korea	38
Brunei	10
Kuwait	7
Current total	7,121

Source: Department of State.

Displaced persons from the Indochina Peninsula in Thailand as of June 30, 1977

From Laos	67,536
From Vietnam	1,339
From Kampuchea	10,971
Total	[1] 79,846

[1] Does not include 2,097 "boat cases."
Source: Department of State.

Displaced persons in Thailand Resettled since 1975 as of June 30, 1977

Australia	718
Austria	134
Belgium	32
Canada	503
Federal Republic of Germany	326
France	28,246
Italy	46
Malaysia	1,400
Netherlands	56
Norway	152
United Kingdom	38
USA	18,500
Others	15
Total	50,166

Source: Department of State.

HERBERT W. JOHNSON

Mr. HELMS. Mr. President, it is with deep regret that we note the passing of Mr. Herbert W. Johnson, Regional Director of the Veterans' Administration in Winston-Salem, N.C., on July 6, 1977.

Herb Johnson served in that position for many years, and was highly regarded by all who dealt with him. He was one of the most competent and professional individuals in the Federal service, and was completely dedicated to his work and to the veterans he served. No matter how difficult the details of a particular case may have been, Herb Johnson tackled it with enthusiasm and with the conviction that if there were any way at all to provide satisfaction to the veteran he would do it. He showed the same compassion and understanding to even the most "routine" cases, and was always immediately responsive to any and every request for information and assistance.

Herb Johnson set an example of personal conduct and professional dedication that every one of us can look to for inspiration. I pay my respects to his memory in appreciation for his always cheerful helpfulness and for his years of service to the citizens of North Carolina.

EXTENSIONS OF REMARKS

WASHINGTON STAR LAUDS GEORGE MAHON

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. PICKLE. Mr. Speaker, with the recent announcement by Representative GEORGE MAHON that he will not seek reelection to the 96th Congress, this Nation has to feel a genuine sense of loss.

There will be another time when the Members of this body will have a chance to salute this courageous patriot who has worked selflessly for his country and his State for more than a half-century but I would like to insert an editorial from the Washington Star, July 16, 1977, edition, which properly hails the Dean of the Congress. There has never been a more honorable or more respected Member of Congress than GEORGE MAHON. He is Gentleman GEORGE, the very symbol of dignified and effective public servant in the Congress.

The editorial follows:

SALUTE TO MAHON

Forty-four years is a long time for a man to serve in Congress. Long enough to achieve great power, and long enough, certainly, to get into trouble over the use of power.

The achievement of George Herman Mahon of Texas was to do the one without the other. Dean of the House of Representatives by virtue of a tenure longer than anybody else's, he has a remarkably unblemished reputation to go with the 44 years of service he will leave behind him when he goes home at the end of his present term, with no plans for running for office again. The money, the women, the drink and the intemperances of empire-building that have tarnished so many careers seem to have been resistible temptations for one congressman, anyway.

Rep. Mahon became a member of the House Appropriations Committee when, as a young county attorney, he was elected to Congress for the first time in 1934—the first representative of a new district taking in 25 West Texas counties. That it took so much territory to make a congressional district tells something about the district. Very few people because the farming is so hard and most of the oil is somewhere else. It's the part of Texas where they make an art form of jokes about how long it's been since it rained.

The South was still solid for Democrats back in the Thirties when Rep. Mahon first came to Washington, and the farmers of his district were poor enough to respond to the overtones of FDR's campaigns. Rep. Mahon was one of the young Democrats fired by the New Deal vision, but it never made either a statist or a tax-and-tax-and-spend-and-spend manipulator out of him.

Through the years that brought him to the chairmanship of the Appropriations committee in 1964, making him the second or third most powerful member of the House, he was stalwart against all the fiscal ingenuities of big spenders bent on taking more out of the Treasury than went in. Yet his was the kind of conservatism that took military needs very seriously. Nobody ever accused this congressman of being in an aircraft company's pocket, but they did call him Mr. Defense for the sharp eye he always kept on American strength against threats from abroad.

That sharp, defensive eye was always alert to threats of White House encroachment on the powers of the Congress, too. The executive impulse to get away from congressional scrutiny was forever producing legislative packages that would leave most of the real decision-making to administrators. Rep. Mahon always noticed and often succeeded in reclaiming areas of power for the elected branch.

He has been as abstemious of power as of the other Washington intoxicants, however. Even Ralph Nader has no fault to find with his leadership in a role where making enemies is as easy as giving in to corruptions. The dignities of the American system are the larger for those George Herman Mahon has brought to the House.

RIPPING OFF THE POOR

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. STOKES. Mr. Speaker, I am certain that you and my colleagues in the House have read the recent newspaper accounts of deception and and collusion in the application process of SBA minority business loans. Millions of dollars have gone to white and other nonminority companies who have deceptively coerced blacks to "front" for them in order to qualify for funds.

Noted syndicated columnist Carl T. Rowan has written a hard-hitting editorial on this fraudulent practice. Mr. Speaker, I only hope that the administration will take notice and institute measures to correct these abuses. Legitimate minority businesses deserve all the financial help they can get.

At this time, Mr. Speaker, I would like to submit to the RECORD Carl Rowan's editorial which appeared in the Sunday edition of the Cleveland Plain Dealer, July 10, 1977:

NEW AREA IN GYPPING THE POOR

(By Carl T. Rowan)

WASHINGTON.—Here we go again with another chapter of that continuing American saga of ripping off poor people.

This time it's Sen. Lawton Chiles Jr., D-Fla., and his Senate federal spending subcommittee telling us how white entrepreneurs, aided by some black fast-buck stooges, have drained millions out of a Small Business Administration (SBA) program created to assist the "economically and socially disadvantaged."

This SBA mess involves shameful collusion by top officials of the Nixon White House, conflicts of interest by public officials who should have known better.

The SBA venture was laudably intended. Richard Nixon said often that he would give black Americans "a piece of the action." So he allocated hundreds of millions of dollars to SBA programs that were supposed to give black-run and other minority businesses a chance to get government contracts, to gain the experience and expertise that would enable them to become stable parts of our free enterprise system.

Well, what happened? Several white hustlers rushed to the White House to argue: "Hey, man, this business of giving special business breaks to minorities is reverse discrimination. They gonna run me out of business."

The "entrepreneurs" came from a host of white firms across the land which were raking in money with lucrative food service arrangements on military bases and other federal installations.

Someone in the White House put it bluntly to the white hustlers: "President Nixon is supporting this program, so don't knock it, join it. Get yourself a black front man and lap up some of this gravy."

They got some pretty good front men. Robert J. Brown was Nixon's black man in the White House, earning a top-level salary of $36,000 a year. Somehow Brown was certified as "disadvantaged," and wound up as a "partner" of a white entrepreneur, Happy Franklin, in a deal at a military base in California.

Franklin reportedly reaped some $90,000 from this tidy arrangement. We may never know how much Brown got because, for reasons I don't understand, the Chiles subcommittee declined to force him to testify.

One black "front man" who did talk (the subcommittee kept him hidden for days, but I managed to reach him) is Joseph Harris of Richmond, Va.

Harris merely went to his tire dealer, John Williams, to get his tires changed some five years ago. Williams and his brother, Louis, a doctor and prominent GOP figure, allegedly talked Harris into becoming president and a stockholder in a sand and gravel operation that they called Atlantic Materials, Inc.

With Harris out front, Senate probers say, the group went to Thomas F. Regan, the Richmond district SBA director, and got a $350,000 loan. (Regan is now in federal prison serving a nine-year term for establishing dummy corporations to receive SBA loans.) There is as yet no charge that Regan did anything illegal in the case of Harris and Atlantic Materials.

I can't attest to the merits of Harris case, which he is pursuing in the courts. But this situation does portray SBA at its worst. So I ask:

Why do we let history repeat itself, over and over, where these programs for the poor are abused? Why do we flagellate ourselves with these repeated congressional "revelations" of money-grubbers stealing housing dollars, pocketing education funds, engaging in Medicaid graft, stealing food stamp funds—with only a stupid few ever jailed?

Let's put some of these exploiters of the poor—and programs to aid them—in prison. Then maybe we can get away from this centuries-old tragedy where them as has gets, and them as has not begets.

JOE KAPPLER: A CHAMPION FOR SENIOR CITIZENS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. BONKER. Mr. Speaker, the work of Mr. Joe Kappler from Washington State deserves acclaim, and my appreciation for what he has done for senior citizens of our country is but one voice among many heralding his work.

Mr. Kappler became disabled in 1968. Rather than bemoan his own handicap, he used his newfound time to make improving the plight of elderly Americans his personal crusade. He has been successful in contributing to the happiness and respect of many senior citizens.

Some years ago, he requested that each Governor invite "forgotten senior citizens to share in their Thanksgiving festivities." As he said, a family dinner that is "plain, but willingly shared . . . gives our whole family sheer enjoyment. Loneliness is sad, at best, but there is nothing sadder than to see someone who is almost at life's end with no one on Earth to care about them."

One of those who applied his suggestion was a southern Governor named Jimmy Carter.

The list of elderly activities that Mr. Kappler is involved in is seemingly endless. One of the most inspiring to many elderly is the Joe Kappler Senior Citizen Hall of Fame. Mr. Kappler has honored many Americans by awarding them a place in the hall of fame. He selects those Americans who have made outstanding contributions for senior citizens through legislative or civic work and bestows each recipient with a certificate. He makes the awards "in recognition of outstanding work performed that makes life more meaningful for our elderly citizens." Their photographs are placed in the hall of fame in Everett, Wash., alongside renowned men and women, such as Governors and State legislators as as well as those Americans who have quietly made significant contributions to the elderly in their own localities.

Joe Kappler also keeps abreast of national and State legislation regarding the elderly and, in this way, serves as a liaison between the legislature and senior citizens. He regularly enlists the participation of senior citizens in lawmaking through his mailing list of over 1,000 recipients. Using this medium of exchange, he manages to inform and encourage the elderly.

Mr. Kappler's work should encourage us all to keep ever mindful of the outstanding contributions each senior citizen can make. In this time of renewed interest in our "roots," let us seek our heritage first from the treasure trove of each elderly American. As we seek answers about life, as we strive to be happier, more caring human beings, what better way to learn than to tap the wellspring of knowledge of those who have already spent a lifetime at it.

As Joe Kappler puts it, "There's an old saying that you can't change the world, but if I can do something and you can do something then, bit by bit, the world will change."

EVENTS SHOW IMPORTANCE OF INTERNATIONAL EDUCATION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. SIMON. Mr. Speaker, it is ironic that we have been cutting back on our exchange programs and have failed to

fund an international education program at a time when it is becoming increasingly apparent that these programs not only are helpful for the cause of humanity, generally, but specifically are helpful for the strategic interests of the United States.

A week ago Sunday the Washington Post contained an article by the highest ranking insider to defect from the Soviet Union in decades, Mr. Boris Rabbot. And in that article, among other things, he says—

> Exchange programs have had a great impact on Soviet academic and cultural life. In Moscow and Leningrad, Soviet academics have been able to meet freely with Western exchange participants, exchange scientific literature and foreign languages and invite foreign colleagues home without fear.

Recently, in a briefing for a number of his colleagues in the House, our Ambassador to the United Nations, Andrew Young, pointed out that there is a substantial residue of goodwill for the United States in the African countries because so many Africans have been educated in the United States.

But in contrast to an increasing world interdependence and in spite of the obvious benefits derived from these exchange programs, our commitment to funding international education programs has never been substantial and is, in fact, declining.

As I noted when the House was considering the Foreign Relations Authorization Act, funding for the Fulbright-Hays exchange program is 30 percent smaller than it was 10 years ago, in terms of constant dollars. And although the 1978 Fulbright authorization was increased somewhat in order to respond to the challenge of our Helsinki agreements, that increase was denied in the appropriations bill.

Similarly, despite their importance to our understanding of other nations and ability to strengthen the ties of international cooperation, both section 603 of title VI of the National Defense Education Act and the International Education Act of 1966 were left unfunded in the HEW appropriation bill. The cost of this neglect in our ability to deal intelligently and sensitively with the rest of the world must be immense. We cannot afford not to fund a greater effort in international education in the future.

CHET HOLIFIELD SPEAKS OUT FOR THE BREEDER—PART I

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. TEAGUE. Mr. Speaker, the Honorable Chet Holifield spent 28 years as a member of the Joint Committee on Atomic Energy. He has had the distinct advantage of being able to assess our present nuclear status in light of its entire historical perspective. His intimate knowledge of this Nation's nuclear metamorphosis makes his judgment on nuclear issues most valuable. Whereas the debate over proliferation of nuclear weapons and the ultimate necessity and value of the breeder are current concerns for most of us, Chet Holifield has been involved with these issues from their inception, long before they were debated in the public arena.

In a speech this June, Mr. Holifield assessed the recent shift in our nuclear policy and its ramifications.

I wish to share his thoughts with you.

Due to the length of the speech it will appear in the RECORD in two parts:

ENERGY—A WORLD WIDE DEFICIT PROBLEM

Mr. Chairman, Friends, I am indeed honored by your invitation to speak to you today. As a layman with no scientific or engineering degrees, I do not feel qualified to discuss the intricacies of those disciplines.

My remarks therefore will be based on twenty eight years of experience in the Joint Committee on Atomic Energy. That committee, by the way, happened to be the first congressional committee charged with legislative and oversight responsibilities in evaluating scientific and engineering research and development projects which built our massive atomic capability.

I will discuss the background of our congressional effort and try to analyze the importance of our accomplishments, particularly in the energy programs and the impact which President Carter's decision to terminate the liquid metal fast breeder program will have on our economic and political system.

The energy fuel deficit is world wide, with only a few national exceptions. These exceptions are mainly the OPEC countries of the Middle East, the Soviet Union and minor oil production areas in South America, Indonesia and Algeria.

The impact of the energy fuel deficit has more effect in the industrially developed nations, because their economics have a higher standard of living, which has been built on a greater per capita use of fossil fuels.

The complex mass production, mass consumption societies are finding their fiscal, social and political structures threatened because:

1. They do not possess indigenous fossil fuels for their energy sources, or

2. They no longer can afford the financial drain on their fiscal resources due to the unparalleled rise in the cost of imported oil and gas.

It is true that a few of the industrially developed countries have some indigenous supplies of coal, oil or gas. These countries may be in a better position to postpone an early collapse of their economic, social and political structures, but they can take small comfort in their present relatively better position. They too are facing a dangerous future. They can compute with fair accuracy the time when they too will face collapse.

Each nation faces a different set of problems which will determine their duration—their national destiny.

Every developed or developing nation, which is short of fossil fuels, is now competing for the energy fuels of the oil and gas producing nations. There is no stability to the present or future price level which may be exacted, nor can any of the buying nations predict the future degree of supply availability.

When human beings become desperate they are prone to use desperate measures to protect and prolong their natural lives.

History records that when nations become desperate, they too take desperate actions to protect their national survival—their national destiny.

We know that the great wars of the past were basically caused by the ambitions of men fired with dreams of conquest of lands, trade routes, slaves and accumulated wealth.

We may try to quiet our fears, we may try to erase from our minds the lessons of history——

But have the human elements of avarice—of hatred or of madness inspired by desperate conditions based on real or fancied dangers, suddenly changed?

Frankly I doubt that such a change has occurred. Therefore I am deeply concerned. The international deficit in energy fuel sources can not be solved on a national basis.

No nation, regardless of its indigenous fuel resources can control the powerful forces which will be set in motion by man's failure to realize that all nations are involved.

No nation can safely hoard its fuel resources and preserve its national perpetuity as an island of safety, while other nations perish.

No nation can use its relative position of advantage to dictate to less fortunate nations terms of international conduct, nor can it impose on a weaker nation fiscal policies that are unrealistic or unbearable.

It was in my third year in Congress serving as a member of the House Committee on Military Affairs, when we entered the atomic age. In that fateful year of 1945, mankind stood paralyzed before the mushroom clouds that rose over the Japanese cities of Hiroshima and Nagasaki.

Fate threw me into man's first legislative efforts to control and direct the newest, most powerful, most concentrated source of energy ever discovered and used by man.

The fission of the atom!!!

In the House Committee on Military Affairs we received the first draft of legislation from Secretary of War Robert Patterson—the May-Johnson bill. That bill provided for military control of the atom. It failed completely to grasp the promise of the atom.

I wrote the dissenting report and Congressman Mel Price and I were the only two members of the committee who signed it.

Months later the McMahon bill was passed in the Senate and in the House providing for civilian control and for the correction of many of the defects in the original May-Johnson bill, as defined in our dissenting report.

I served on the Joint Committee of the House and Senate from its establishment in 1946 to the time of my retirement on December 30, 1974—twenty eight years.

During those three decades the United States worked very energetically, first—to develop the strongest atomic weapon inventory in the world.

Second, to develop over 2,000 peacetime applications of atomic energy. Great Britain, France, the Soviet Union and India also achieved atomic weapons.

It is a true statement to say that the combined total of atomic weapons owned by the nuclear weapon nations could, if used, destroy the world's great cities and most of the billions of people that live on our small planet.

It is because of this true statement that the nations of the world can no longer resort to world wars to settle their international differences. Self survival is the strongest instinct in the human being.

We must therefore abandon war between nations. We must co-operate in the solution of global problems in order to insure mutual survival.

The world's greatest problem today and in the coming three decades is to develop every source of energy possible. Concurrently the nations of the world must develop fair sharing procedures. I know this seems to most of us an impossible goal—until we consider any alternate policy.

I said "every source of energy possible." There is a vital need for every source. Coal, oil, gas, nuclear, solar, geo-thermal, wind,

tides, human and animal, fusion, etc., etc., certainly the elimination of energy waste has an important part in the picture of wisely using such energy as may be available. We can not rule out or delay the development of any form or source of energy regardless of the technical problems if the cost is justifiable.

We can not foreclose or delay the use of plutonium in any feasible mixture that will increase the use of uranium 238 or uranium 235 or energize fertile elements such as thorium.

Of course there is an ever present danger of the proliferation of nuclear weapons. The genie can not be put back into the bottle. We have known that since it was first released.

The primary challenge that faces the world's people is the attainment of enough energy to preserve the lives of an exploding birthrate that could double the world's population in a few decades. If we can do this seemingly impossible task of increasing energy supply, surely we can, thru co-operation, develop international safe guards against the misuse of any energy source fuel we can develop.

There were those who said we would never consumate an international treaty to diminish the spread of radioactivity from weapon testing, but we did develop the nuclear test ban treaty. We developed under United States leadership the international agency on atomic energy.

We developed the non proliferation treaty.

None of these international organizations are perfect—but they have been valuable devices to obtain a measure of stability in a rather unstable world.

I believe that we all appreciate that the national leadership of the United States is important to achieving stability in the world. We can not provide that leadership without wisdom and humility. We must have the respect and the co-operation of most of the other great nations in the world to achieve such a goal.

I have no desire to criticize our President. In my thirty two years in Congress I served under seven Presidents. Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon and Ford. I never felt it necessary to indulge in carping criticism or bitter personal remarks about any of those distinguished men. I never agreed 100 percent with their actions or philosophies.

But I was ever conscious of the tremendous responsibilities which rested upon them every minute of their terms of service.

I believe that President Carter is a man of honor and possessed of a strong motivation to serve this Nation with his best effort.

He seems to be moving very fast on a number of fronts. Considering his background of experience and the complications inherent in national and global problems, I would feel more comfortable if his pace was a bit slower and if he had more experienced advisors. In atomic matters as an example, he apparently is advising with a majority of people that have been traditionally opposed to the use of atomic energy. I speak of individuals such as David Freeman, Gus Speth, Russel Train and Charles Warren.

I must except James Schlessinger who has a very knowledgeable background in atomic matters as well as Federal Government service. I can not understand his position on the L.M.F.B.R. termination. When he was chairman of the A.E.C. he was a strong supporter of the breeder. On September 12, 1972 Mr. Schlesinger in testimony before the joint committee had this to say—"the breeder reactor obviously is a most impressive candidate for a major role in the future. It has, because of the energetic activities of the atomic energy commission over a period of twenty years, reached the stage of engineering development, unlike some other possible sources of energy, which because of less aggressive support by industry and by Government are not in a position to go to engineering development at this time."

Reference: Hearings before the Joint Committee Septemer 7, 8, and 12, 1972.

That testimony was given five years ago. It was true then and it is more needed today than it was before the OPEC oil embargo when imported oil from OPEC cost $3.00 per barrel—a fourth of its cost today.

I believe that President Carter is making a tragic mistake in his announced policy of terminating the liquid metal fast breeder reactor. He has too many advisors who have traditionally opposed the fast breeder development.

I do not believe he has availed himself of knowledgeable advice from hundreds of eminent scientists, engineers and chemists who have developed more than two thousand peace time applications of the atom.

As far as I know, he has not consulted with the Members of the House and Senate who for many years studied atomic problems. Men who were responsible for more than $140 billion dollars of authorization and appropriations of Federal monies.

The chairman of the Science and Technology Committee, Olin Teague returned from a conference in Europe on June 7th, just two weeks ago. He held conferences with officials of the International Atomic Energy Agency (which we sponsored in 1957), the French Atomic Energy Agency and the International Energy Agency. He reported to the press and his committee as follows.

"Quite simply, we found no agreement abroad with President Carter's proposal to halt breeder reactor development. It seems obvious that if our breeder program is curtailed now as President Carter proposed, it will be done unilaterally, no European nation will go along with us," he said.

Let us recall that we led in forming the International Atomic Energy Agency in 1957, for the purpose of safe guarding the development of the peaceful atom. We took the lead mainly to minimize the proliferation of nuclear weapons.

Suddenly without warning as Chairman Teague said, "We took unilateral action without either seeking the advice of this 110 nation group or telling them where we thought they were falling short in carrying out their objectives in safeguarding nuclear materials. To say the least this has the outward appearance of a no confidence vote in the organization".

I quote Chairman Teague further because he and his five committee members made the contact with the international agencies in Europe which the Carter administration should have made prior to the President's announcement of breeder termination. I quote—

"The officials with whom we met politely but firmly expressed their concerns over what has been proposed in the nuclear policy changes. There was also unanimity in their views. They made it clear that they are convinced that plutonium is important as a fuel and development of the breeder can not be stopped. They indicated their appreciation of the fact that the United States, with indigenous supplies of both fossil fuels and uranium, may have a little more time in putting the breeder to use. But they were also unanimous in their views that our needs for the breeder are close to urgent also, and if we cause a hiatus in our efforts we may not be able to build up the technical teams which are needed to bring the breeder into our time."

There is little wonder then that the Science and Technology Committee has restored the 150 million dollar annual appropriation for the breeder which President Carter had cut to thirty-one million dollars.

AIR BAGS LESS SAFE; INSURANCE CLAIMS PHONY

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. SHUSTER. Mr. Speaker, there are two major new developments in the air bag controversy which I would like to share with my colleagues.

First, statistical data showing that air bags are less safe than safety belts has been obtained from NHTSA, the Federal agency that is pushing for mandatory air bags. Specifically, the data shows that your chance of being killed in a serious car crash is 5½ times higher using an air bag equipped car instead of wearing safety belts. Your chance of being injured is nearly 2½ times higher. Surprisingly, the air bag did not even inflate in 42 percent of the tow away crashes.

Chart 1 shows that in 230 tow away crashes with air bag equipped cars, fatalities occurred in 1.7 percent of the accidents. However, in 4,032 crashes where safety belts were worn, fatalities occurred in only 0.3 percent of the accidents, making the safety belts 5.5 times as effective as lifesavers. The same crash data indicated that injuries occurred in 13.9 percent of the air bag cars and only 5.9 percent of the cars where safety belts were worn, making the belts 2.4 times as effective in preventing injuries. Eighty-seven percent of the air bag cars were also equipped with lap belts.

I would vigorously support the air bag if the evidence showed that it was effective. But, even when allowing for only 30 percent of the people wearing safety belts, NHTSA's own data shows that more lives can be saved with safety belts than with air bags. These statistics may not be conclusive, but it is the data available. The NHTSA air bag report also states:

> Unfortunately the small number of air bag equipped vehicles and the resulting small number of accidents make it impossible to quantitatively measure their injury and fatality reducing effectiveness. We believe that as the life and injury-reducing potential of the system is demonstrated to the public and design improvements are made, this concern will be minimized.

So, we are first given statistics which show that air bags are not as safe as safety belts, then told to disregard the statistics because they are not reliable, and finally told, in effect, to trust the judgment of the bureaucrats that Americans should be ordered to buy air bags. The same bureaucrats who gave us the mandatory buzzer interlock system. It seems more reasonable that the proper approach is to stick to the agreement former Secretary of Transportation Coleman extracted from the auto industry last year to market as many as 440,000 air bag cars over the next several years, and then use that experience to make a sound air bag decision. It is scary, that 9 percent of airbag inflation to date have been accidental. The initial air bag cost of approximately $200 does not include the re-

placement cost after inflation, which is estimated to exceed the original cost.

The second major development is that we have investigated the claim by the air bag lobby that insurance premiums could be reduced by 30 percent with air bags, and found that air bag users currently are getting less than 1 percent price reduction from the three insurance companies that support the air bag. We obtained quotations on a typical 1974 Oldsmobile Delta 88, with and without air bags, from 50 different insurance agents in Pennsylvania, Maryland, Virginia, and Washington, D.C., representing Allstate, GEICO, and Nationwide—chart 2. Allstate agents quoted an average discount of $3.44 on a $281 policy, 15 GEICO agents, a $2.29 discount on a $312 policy and 17 Nationwide agents, a $1.41 discount on a $295 policy.

So, the much touted reduced insurance premiums will offset the original cost of the air bag only if one drives the same car for 83.3 years. None would insure the replacement cost of accidental inflations. Ten other insurance companies contacted offered no price reduction for air bag equipped cars.

The air bag order is most unfair to the millions of Americans who wear safety belts, forcing them to pay extra for a system that may be less safe than the one already in their car. Congress should disapprove the mandatory air bag, unless or until, a better case is made.

CHART NO. 1.—AIR BAG VERSUS SAFETY BELT EXPERIENCE

	Air bag equipped [1]	Safety belt usage [2]	Safety belt ratio to air bag
Tow away crashes investigated	[3] 230	4,032	
Fatalities	4	12	[4] 1.7:0.3
(Percent)	(1.7)	(0.3)	
Injuries	32	239	[5] 12.9:5.9
(Percent)	(13.9)	(5.9)	

[1] "A Summary of Air Bag Field Experience," pp. 3 and 4 National Highway Traffic Safety Administration Report.
[2] "A Statistical Analysis of Seat Belt Effectiveness in 1973–75 Model Cars Involved in Tow Away Crashes," p. v. National Highway Traffic Safety Administration Report.
[3] National Highway Traffic Safety Administration Tow Away Crash Data through May 31, 1977.
[4] 5.5 times safer.
[5] 2.4 times safer.

CHART NO. 2.—INSURANCE COMPANY INVESTIGATION SUMMARY

Company	Number of contact	Total without air bags	Average	Total with air bags	Average	Total difference	Average difference	Percentage of total
Allstate	18	5,067.04	281.50	5,005.14	278.06	61.90	3.44	0.01221 or 1.2 percent.
Nationwide	17	5,010.23	294.72	4,986.29	293.31	23.94	1.41	0.00477 or ½ of 1 percent.
GEICO	15	4,681.90	312.13	4,647.50	309.83	34.40	2.29	0.00734 or ¾ of 1 percent.
Total	50	14,759.17	295.18	14,638.93	292.78	120.24	2.40	0.0081467 or 8/10 of 1 percent.
10 other companies		2,231.02	223.10	2,231.02	223.10			

BOND FOR ALIENS TO REDUCE WELFARE ABUSES

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. KREBS. Mr. Speaker, on June 30, I introduced H.R. 8154, requiring the posting of a $5,000 bond by the sponsor of an alien seeking admission to the United States as an immigrant when, in the judgment of the U.S. consular officials, the possibility exists that the alien will become a public charge. Under present law, such a bond is not mandatory and my bill will close this loophole by making the bond a required step before such aliens are admitted to this country. There will be a $15,000 limit on the bond in the case of an immigrant family of three or more members. The bond will be in effect for 3 years from the date it is posted and, under the terms of the bond, Federal, State, and local governments spending public assistance moneys on such aliens will have an opportunity to recoup the payments by proceeding against the bond.

Recent revelations have disclosed that all too often legally admitted immigrants have been receiving public assistance soon after arriving in this country. Even more shocking is evidence that some sponsors of these aliens were aware that such aliens would apply for welfare payments immediately upon arrival in the United States. Furthermore, courts have held that affidavits of support filed by sponsors are not legally enforceable. Thus, governmental entities often cannot recover public assistance moneys paid to aliens.

The mechanism for the acceptance of such a bond already exists under present Federal regulations. The District Director of the Immigration and Naturalization Service—INS—having jurisdiction over the intended place of residence of an alien approves the public charge bond prior to the issuance of an immigrant visa to the alien upon receipt of a notification from a United States consular officer or upon presentation by an interested person of notification from the consular officer that such a bond is required. The District Director keeps a current list of companies holding certificates of authority as acceptable sureties on Federal bonds and this list is made available to prospective sponsors. Upon acceptance of such a bond, the District Director of the INS notifies the U.S. consular officer who requested the bond, giving the date, place of acceptance and the amount of the bond.

On Friday, July 22 I plan to reintroduce H.R. 8154 and have asked my colleagues to join me in cosponsoring this measure, which is now awaiting action in the Subcommittee on Immigration, Citizenship, and International Law of the House Committee on the Judiciary.

REMARKS ON COMPENSATORY EDUCATION

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. PERKINS. Mr. Speaker, on July 13, Congresswoman SHIRLEY CHISHOLM presented testimony at a hearing being conducted by the Department of Health, Education, and Welfare on the reauthorization of the Elementary and Secondary Education Act. Mrs. CHISHOLM's primary concern was with finding ways to improve the effectiveness of the compensatory education programs which are being offered under title I of that act.

Since Mrs. CHISHOLM's remarks are so pertinent to the issues which Congress will be facing during the next year as we review that act and as we try to find better ways to fashion these programs, I would like to share with the Members the full text of her statement. I believe that her comments are most relevant and will be useful to all of us as we reformulate our own thinking on title I and these other programs:

TESTIMONY BY CONGRESSWOMAN SHIRLEY CHISHOLM

Commissioner Boyer, Secretary Berry, and ladies and gentlemen: It is indeed a pleasure for me to come before you today to discuss the reauthorization of programs under the Elementary & Secondary Education Act. I believe that these hearings provide an important forum for public input and participation in the formulation of educational policy. Furthermore, I hope that additional hearings can be scheduled in other areas of the country, to provide a means of participation to an even greater number of individuals who traditionally have been excluded from this process

One might justifiably ask why I need to come before these public hearings to express views on these programs, when, as a member of Congress, I will get to vote on them on the House floor. Traditionally, it is the administration which comes before Congress to present its programs and legislative proposals—but I enjoy turning the tables, and having an opportunity to present some of my personal concerns about education to the administration before its proposals have been formed. I should remind you that I was an educator long before I became a politician, and I have always held the educational future of our children as my foremost concern. I appreciate then, this opportunity to share a few thoughts with you this morning.

The aspect of the Elementary and Secondary Education Act which I would like focus upon is title I, compensatory education. Title I is recognized as our major Federal effort to improve educational achievement and opportunity for disadvantaged children. Also, this will be a critically important year for title I. The Education and Labor Committee's Subcommittee on Elementary, Secondary,

and Vocational Education has set aside some three months for oversight hearings, and title I is expected to receive more congressional attention than in any other year since its enactment. Already, legislative proposals for revising title I have been introduced in Congress, and we can expect a great deal of discussion to be generated when NIE releases the final report of its two year study of compensatory education. In light of this interest and attention, it is my hope that the administration will give a great deal of thought to improving title I's ability to meet the educational needs of disadvantaged children, and that this will result in some thoughtful innovation of an important program. I would now like to address some of the areas which are of concern to me:

REORGANIZATION OF THE OFFICE OF EDUCATION

I believe that there needs to be a more direct line of reporting between the division of education for the disadvantaged and the commissioner. Dr. Boyer, although you have recently reorganized the Office of Education, there still remain some three layers of bureaucracy which separate you from the division which administers title I. The previous two administrations had little commitment to compensatory education, hoping ultimately to shift title I into a program of general aid to the States. It was convenient, therefore, to isolate title I with several layers of reporting. It is my belief that this administration feels differently about the importance of title I, and I hope that this will be reflected in the establishment of a more direct relationship with the Commissioner. Other programs, such as right to read, teacher corps, and bilingual education report directly to the Commissioner even though the scope of their programs are less than title I. I do not mean to suggest that the only alternative is for the division to report directly to the Commissioner, that is an administrative decision, but I do feel strongly that it needs to be streamlined, so that once again title I will have the ear of the education policymakers.

In a related issue, I am certain that today you will hear expressions of concern that, although title I represents almost one-third of OE's budget, it has less than 2 percent of the staff in the Office of Education. I believe that this speaks to the need for strengthening staff resources. Currently, there is only one title I staffperson, a regional program specialist, in each of the ten regional offices. This can only have a detrimental effect on the ability of the Office of Education to conduct meaningful program reviews, or provide adequate technical assistance to States and LEAs. I hope that in the coming months, you will move to increase program staff at the regional and Washington levels.

A "SUMMER BRIDGE" FOR TITLE I STUDENTS

Through my readings, a serious problem has come to my attention with regard to structuring of school programs. According to reaserch, title I students are progressing at a rate of achievement significantly greater than non-title I children, almost equal to the average achievement rates. According to the Federal education project, title I students are in fact achieving at a rate of one month for each month in title I. Unfortunately, in the absence of such enrichment during the summer vacation, this progress reverses, and title I students tend to lose up to a month or more of progress. To me, this indicates a strong need to develop and encourage title I "summer bridge" programs which, through continued educational enrichment and stimulation, protect the progress a title I student has made, and insure that this achievement is carried over to the following school year.

I am also sensitive to the fact that, as of now, we are functioning within a system of limited resources, and it would not be advisable to divert money from programs planned for the regular academic year, in order to conduct summer enrichment. I believe then that we need to increase the appropriation for title I, and perhaps through discretionary or model program grant incentives, encourage the development of these efforts. I think that other Members of Congress will work with me to this end, but the administration will have to take the initiative to document the need for such a bridge, as well as to encourage Congress to provide sufficient resources for them. I hope we will be able to work together to fill this gap, which may stand in the way of further improving and maintaining achievement gains for title I students.

HEW AUDIT PROCEDURES FOR TITLE I

I believe that there is a lack of coordination in the manner in which HEW resolves audit exceptions. As it currently stands, each layer of the Office of Education Management must sustain the report of the audit agency before a letter of findings can be issued to the State. Often, the Office of Education cannot agree on the provisions of the audit report, and this can significantly delay its issuance. In 1974, though, Congress set a statute of limitations, of five years, for making a final determination of any alleged misdeed. This has resulted in many States getting off the hook because of long delays in OE coming to resolution on the audit findings. Five years is certainly a reasonable goal for issuance of audit findings, so that it is clear that there needs to be some streamlining of the in-house procedure by which the Office of Education sustains the audit agency's findings.

Not only is there a problem in issuing audit findings, but it has also come to my attention that the Government has had difficulty getting back money from the State when audit exceptions have been decided. Perhaps we need to define sanctions that will be taken if, after not contesting the findings, or losing the appeal, a State fails to clear its outstanding audit debt.

In discussing the audit procedure recently with someone, they remarked that "the wonder is not that HEW does not get its money back, but that the audit system functions at all". In fact I was even told that approval on audits were held up because a particular administrator would not sign off on audit exceptions for supplanting because of a lack of personal conviction that supplanting violates the premise of title I. I would have to strongly state that this circumvents the law, and whether intentional or not, it is unconscionable for these audits to get continually bogged down in a bureaucratic quagmire.

In another area, I am concerned about the amount of technical assistance which OE is providing to the audit agency. Is the Office of Education doing a good job of providing technical assistance, so that people are aware of the legal requirements of title I? These are questions which need to be answered in conjunction with any action to streamline the auditing process.

I urge the administration to move to streamline this process, because without a strong mechanism there will be no means for insuring enforcement of the law. As you look at auditing, I think consideration should also be given to establishing positive incentives for States and local school districts which have used title I funds properly. Perhaps an additional allocation of 1 percent for discretionary or pilot programs could be considered. I think it an approach worth further study.

In a sense, all of these issues relate to a concern I have about the laws which guide the use of title 1 funds; comparability which stipulates that per pupil expenditures from State and local funds in schools in title I target areas must be at least 95 percent of the comparable expenditures in non-target schools, and supplanting, which provides that title I funds must supplement not replace State and local funds being expended in the target area, are being eroded. These aspects must be enforced if we are truly to have an impact upon educating disadvantaged children. Otherwise, title I will become little more than fiscal relief to local areas to maintain the status quo.

ALLOCATION CRITERIA

One of the more controversial questions which will occupy Congress reauthorization will be the criteria by which title I funds are to be allocated. Very early in the reauthorization process, the notion was advanced that the criteria should shift solely to a measure of educational deprivation, rather than economic deprivation. Although this is an issue which will be discussed fully during the reauthorization process, I would like to briefly outline a few of the reasons why I will oppose any such shift in the allocation formula:

1. Poverty is a good proxy of educationally deprived poor children and educationally deprived children have to face a double burden. According to the proposed educational deprivation formula, economically advantaged children could draw just as heavily upon title I resources as poor children. Middle and upper income youngsters who do not excell academically do not face the same obstacles as low-income educationally disadvantaged children.

2. We do not have a good instrument by which we can measure educational attainment.

3. In effect, such a formula would penalize successful title I programs in poor communities. For example, if you had a good program in a poor community which, over a two year period, had raised their title I children to an average rate of educational progress, then the next year all of the special programs in math and reading funded by title I would be cut off, as they would no longer qualify. Then to make this vicious cycle complete, only after a couple of years without title I services, when the students academic achievement had sufficiently regressed, would they again be eligible for title I monies. If this allocation formula were adopted, it would become a living nightmare to poor communities across the country. I urge citizens, as well as education and community groups to speak out loud and clear against this proposal, as nothing more than a sham to obliterate title I's effectiveness.

PARENT EDUCATION

A final program consideration which I hope will receive your attention is enhancing the role which parents play in supporting their child's educational progress. A great deal of educational research has identified the home as the key factor in the academic performance of children. A recent newsletter from the lawyer's committee for civil rights under law—Federal education project cited studies which show that family background factors such as income level, and parent expectations for children, account for more variance in achievement scores than school factors such as per pupil expenditures and teacher's level of education. They also note, though, that specific parent behaviors and attitudes which promote student achievement, cut across income brackets, and are not limited to any particular social class; "the key to higher achievement levels is what parents actually do with their children—not the amount of money or education they have".

This is a strong statement which I fully agree with. In fact, several compensatory education programs have been successful in establishing parent-tutors as an integral part of the instructional program. Realizing

that we cannot take money away from children in order to promote parent education, I again look to the administration to be a catalyst when innovation is warranted. In particular, I hope that you will look at the importance of parental involvement, and again present some findings to Congress. If additional funds are justified to make parent education a possibility, please let us know, as we are counting upon the administration to take an activist role in furthering the goals of title I through program improvement.

I have touched upon many issues in title I which I believe are important and worthy of discussion and study. I greatly appreciate the opportunity you have given me to share my concerns about title I, a program which so vitally affects the futures of our young people. I hope that this dialogue will be continued and broadened, and I look forward to the challenge of working with many of you here to build a better future for our young people.

AWARENESS OF DISABLED INDIVIDUALS

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. DICKS. Mr. Speaker, the difficulties faced by disabled individuals have recently become a subject of considerable attention by the Congress, the executive and Government as a whole. Increased awareness has come about from the private sector of our society as well. This is all for the good and I am happy that this situation is finally being addressed on a broad scale.

This awareness did not come about without a lot of push. I would like to take this opportunity to recognize an organization which has for the last 47 years provided those with visible physical disabilities an opportunity to work on their own behalf to establish an end to dependence on others and promote greater accessibility for the handicapped everywhere.

The Indoor Sports Club, Inc. was founded in 1930 at the suggestion of a disabled shutin in California, Edna Enochs, by G. Allison Phelps. Since that time it has grown to include chapters in 49 States.

Members of the ISC have, through united effort, been able to stimulate cooperation among civic, religious, and fraternal organizations to bring a better understanding and acceptance of the physically disabled. The club has made the difference between surrendering and readjusting for many of these individuals.

One of the major efforts of the ISC is in the area of promoting and supporting legislation at the Federal, State, and local levels. In my State there are a number of very active chapters which have aided the State legislature in the drafting and adoption of important legislation for the handicapped.

The current president of district five, which includes the area I represent, is William S. Buell from Tacoma, Wash. My experience in working with him and his organization has been of considerable value in keeping me informed on problems facing those who are disabled.

The club is currently working on efforts to have establised a national housing for the handicapped week. I am looking forward to working with them in this effort.

All of us who have been fortunate enough to be blessed with a sound body can learn a lesson, I feel, from the ISC.

EFFICIENCIES ACCOMPLISHED SINCE INCEPTION OF ALL VOLUNTEER FORCE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. STEIGER. Mr. Speaker, the Department of the Army recently issued an information paper detailing some of the efficiencies accomplished since the inception of the All Volunteer Force—AVF. I had requested the information in a meeting last month with Secretary of the Army Clifford Alexander.

The information contained in the information paper gives an excellent perspective of what has been accomplished since we in Congress chose to end the draft 4 years ago. The constrast between the draft era and today is remarkable in terms of the strides made since inception of the AVF.

Because of the importance of the statistics contained in the paper, I would like at this time to place the body of the Army's study into the CONGRESSIONAL RECORD. The paper follows:

INFORMATION PAPER

SUBJECT

Efficiencies Accomplished Since Inception of All Volunteer Force

PURPOSE

To identify efficiencies that the Army has been able to effect since the All Volunteer Force was instituted.

FACTS

1. The draft officially ended in July 1973 (effective December 1972).

2. Since the ending of the draft and the Vietnam War, numerous actions have been taken to consolidate headquarters, shift manpower from support to combat functions, and reduce personnel turbulence in units, and improve the overall quality of the Army. Headquarters and support reductions in Europe, the Pacific, and CONUS will result in about 50,000 spaces for combat force improvement from end FY 74 to end FY 78. In addition to the major efficiencies in the force structure, improvements have been evident in procedures resulting from elimination of two-year terms of service and management actions as follows:

a. Average tour lengths increased from 12 months to 25 months from FY 72 to FY 76.

b. As a result of increased tour lengths, the average unit turnover (turbulence) rates have been reduced in Europe from 75 percent in FY 72 to 48 percent in FY 76 and in CONUS from 126 percent in FY 72 to 54 percent in FY 76.

c. The individual account (Trainees, Transients, Patients, and Prisoners) has dropped from 21 percent in 1972 to 16 percent in 1976.

d. The personnel readiness condition of major combat units (Divisions, Regiments, Separate Bdes/Bn) improved. Of 20 units reporting in December 1972, only 15 met personnel readiness criteria. In December 1976, 26 of 26 units met criteria.

3. Senior commanders have stated that this is the best Army in 30 years. The following statistics back these statements.

[In percent]

	Fiscal year 1972	Fiscal year 1976
Profile of Army-total high school graduates/GED	70.1	81.1
Mental category IV as percent of accessions	18.2	7.6
Reenlistment rates (percent of eligible) total	18.5	51.2
Reenlistment rates (percent of eligible):		
First term	9.6	33.7
Career	37.5	69.9
MOS AWOL (percent of total)	4.09	1.11
Desertion (percent of total)	1.61	.29
Courts-martial (percent of total)	.76	.27
Separations less than honorable (percent of total)	.96	.47

4. The combined improvements in structure, procedures, and improved quality in the Army from fiscal year 1972 projected through fiscal year 1978 permit an increase of 3 active divisions, an overall reduction of 21,000 Active Army end strength, and reduction of 68,000 civilians.

5. While efficiencies have been affected in the active components, much more needs to be accomplished, and the Army is working toward that end. Evaluations of current cost reductions are under consideration and will be forthcoming at a later date. There are, however, serious shortages in the Individual Ready Reserve (IRR) and in reserve component recruiting. Army is currently conducting in depth studies on necessary reserve component improvement plans and related costs.

WELCOME PRIME MINISTER BEGIN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. SOLARZ. Mr. Speaker, tomorrow at the White House the new Prime Minister of Israel, Menachem Begin, will be meeting with President Carter to discuss the mutual hopes of both our countries for a just and lasting peace in the Middle East.

Yesterday, an advertisement taken out by David Weingarten, appeared in the New York Times, expressing the solidarity and support of the Jewish community in our country for the new Prime Minister as he embarks on the most important political mission of his long and distinguished career.

I am taking the liberty of placing it in the CONGRESSIONAL RECORD now because I think it eloquently and effectively bears witness to the moral significance of this historic meeting between the leaders of these two good and great democratic societies.

Mr. Weingarten prepared the advertisement on his own but in doing so he was also speaking for the entire Jewish community in our country:

Welcome Mr. Menachem Begin,
Prime Minister of the State of Israel

Menachem Ben Zev-Dov Begin, Shalom!
When you walk into the White House you
will not walk alone!
Behind you walk forty centuries of the history of the Jewish people;
Thousands of years of Jewish glory;
The majesty of the kings of Judea and Israel;
the eternal wisdom of the Judges
and the vision of the Prophets of Israel.
Behind you walk twenty centuries of the Jewish Diaspora;
The blood stained pages of a tortured history
of exile and dispersion, discrimination and bigotry
and the fight for survival and revival.
Behind you walk millions of victims of Inquisitions and persecution
genocide, pogroms, concentration camps and crematoria
You will be walking as the representative of a reborn nation,
with the blessing and prayers of our eternal People everywhere.
Mr. Prime Minister;
When you walk into the White House you
will not walk alone!

BALANCING THE ERDA BUDGET: PUTTING THE PLUTONIUM BREEDER IN PERSPECTIVE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. BROWN of California. Mr. Speaker, the debate over the Clinch River breeder reactor demonstration project has covered a large number of issues, and focused on many particular aspects of this phase of the liquid metal fast breeder reactor commercialization program. However, there has been little effort made to place breeder reactors, and the LMFBR in particular, in the proper perspective.

The LMFBR is one of several breeder technologies which show promise for the future. Breeder reactors are one of several fission reactors which can be used to generate electricity. Fission energy is only one of several means to generate electricity. In considering electrical energy sources for the 21st century, we have many options, of which the LMFBR is just one. The other nonfisson options include a range of solar, fusion, and geothermal options.

Since there are many energy options for the future, one might ask why several European countries, and until recently the United States, considered the LMBR as the energy option that the most resources should be directed toward. The answer for this is not all that mysterious. The leader in developing new energy technologies, both today and in the past, is the United States. The major U.S. energy research development, and demonstration program had been in the field of nuclear energy. In the early 1950's the U.S. energy program was the nuclear energy program of the Atomic Energy Commission, and the energy options which were researched and developed were a variety of nuclear energy options. The rest of the Western World, through our atoms for peace program, was encouraged to develop their own nuclear energy programs, including a breeder program, as we were developing breeders in their country. At another time I will elaborate on the history of breeder research and development programs throughout the world.

The nearly exclusive emphasis upon nuclear energy research and development continued in the United States until 1974, when the Congress abolished the Atomic Energy Commission, established the Energy Research and Development Administration, and passed the Federal Nonnuclear Energy Research and Development Act of 1974 which established, for the first time, a comprehensive nonnuclear energy research and development program in the Federal Government. Since that time the Federal energy research and development budget for nuclear programs has continued a modest growth, while the Federal nonnuclear energy programs have seen tremendous increases in funding. It has only been in the last 2 to 3 years that the Federal Government has looked closely at solar energy, geothermal energy, and several other energy sources.

The newness of nonnuclear energy programs can be illustrated by the fact that ERDA is just now, for the first time, conducting a study of all inexhaustible energy sources. According to ERDA, in a letter I will insert in the RECORD at the conclusion of these remarks, the charter of this study was to "look at inexhaustibles as a class and to make recommendations as to the total budget for all of them." This study is, and I quote, "the first time since the creation of ERDA that there has been such a comprehensive review." Since the LMFBR is one of 17 different inexhaustible energy options that ERDA is studying for the first time as competitors for research dollars and their potential contribution to our energy future, there should be little surprise in the decision by President Carter to defer the commercialization of the LMFBR at this time.

European countries have generally followed the lead of the United States in the energy field. They followed us on the nuclear energy program, and on the breeder program within the nuclear program. Since the United States is just beginning to explore nonnuclear options, there should be little surprise that other nations do not yet know that alternative energy sources exist. Certainly the existence of alternatives to the plutonium breeders changes the basis for commercializing this technology.

Mr. Speaker, we need a balanced Federal energy research and development program. We need to explore all of the energy options for the future. The ERDA inexhaustible energy resources study is the first attempt to do this. Premature commercialization of the LMFBR is counter to a balanced Federal energy research and development program and it should not occur. Since the Clinch River breeder reactor demonstration project is an integral part of this commercialization program, it should not be built at this time. This is another reason to support President Carter's recommendation to phase out this contract.

The letter referred to above, describing the ERDA inexhaustible energy resource study and how the LMFBR fits into this study, follows:

UNITED STATES ENERGY RESEARCH
AND DEVELOPMENT ADMINISTRATION,
Washington, D.C., July 15, 1977.

Hon. GEORGE E. BROWN, Jr.
House of Representatives,
Congress of the United States

DEAR MR. BROWN: I am pleased to reply to your lettter of July 5, 1977 in which you expressed general interest in the Inexhaustible Energy Resources Study (IERS) and particular interest in how the LMFBR fits into it.

The IERS was commissioned earlier this year by Robert W. Fri, Acting Administrator, as a major study to review the technological alternatives for utilizing renewable or inexhaustible energy resources and to formulate a strategy for their development and deployment. The charter was essentially to look at the inexhaustibles as a class and to make recommendations as to the total budget for all of them and the balance between them. I might point out that this is the first time since the creation of ERDA that there has been such a comprehensive review. Thus, the study reflects the agency's commitment to begin taking a more global approach to resource allocation among the inexhaustibles.

The study was originally conceived of as a five phase, 20 week effort, beginning in late March and ending in late July or early August. The primary target of the study is the agency's summer Budget Review Committee meeting where ERDA's FY 1979 budget request to the President will be formulated. This means that the major work of this study must be completed by the end of July. We are still operating on that schedule, but we have slipped a little. Therefore, it is just a bit premature for us to present our findings on the various options and on their negative and positive aspects. However, within the next several weeks as we wind up the initial phases of our work, I believe we will be in a position to brief you in detail; and we would, of course, be delighted to do so.

The "bottom line" of this study will be a research, development and demonstration (RD&D) strategy for the inexhaustibles over the next decade that will be used as a guide in formulating ERDA budget requests for all these options. In this context, the technologies that are being analyzed include those that tap any of the following primary resources—radiation from the sun; the fusionable isotopes of the light elements, most notably those of hydrogen; the fertile ores, notably uranium and thorium; and the hot dry rock geothermal resource.

The LMFBR is amoung the options being considered; but among the technologies that could use fertile ores it is only one of several which we are analyzing. We are also looking at the gas-cooled fast reactor (GCFR), the light water breeder and certain fission-fusion combinations. Indeed, all together the study will treat upwards of seventeen different technologies including nine solar options, two pure fusion options, at least five fission options, and the hot dry rock option.

The study design is explained fully in the attached Bulletin. Fundamentally it is aimed at answering the question of "How soon are the inexhaustibles needed?" If they are needed soon, the budgets must expand very rapidly; if they are not needed until well into the twenty-first century, the budgets can expand less rapidly.

The balance between options will depend upon such matters as the relative cost of

energy from each option, the environmental effects of each, and the relative complexity of each. A major part of this study is being devoted to identifying all of the important generic characteristics of the inexhaustibles and to weighing them appropriately.

From such analysis we hope to provide guidance on the total RD&D budget for all of the inexhaustible energy options; and on the relative balance between subprograms, i.e., the fraction of the total for photovoltaics, solar heating and cooling, fusion, the LMFBR, the GCFR, etc.

The study first identifies the set of potential problems that may limit the deployment of the "exhaustible" technologies, puts upper and lower time limits on when those problems must be solved, and from those considerations determines the time range that defines how soon we need the inexhaustibles.

Then, based on a relatively detailed set of evaluation criteria, preferred mixes of inexhaustible technologies for different times in the range are determined, and the RD&D required to bring the technologies to the point where the preferred deployment could be implemented is rolled back. This way we are able to relate future technology deployment scenarios to today's budget decision making process.

While we have not yet completed all the steps outlined above, we have made significant progress on a number of these. In the meantime, you and your staff are invited to the Public Meeting next Wednesday at which time I will present the results to date. If I can be of any further assistance, please feel free to contact me.

Sincerely,

BENNETT MILLER,
Executive Director,
Inexhaustible Energy Resources Study.

SOLAR ENERGY RESEARCH: MAKING SOLAR AFTER THE NUCLEAR MODEL?

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. OTTINGER. Mr. Speaker, those of us who oppose funding for the Clinch River breeder reactor, which is slated for House authorization next week, are well advised to present an alternative. Solar options including solar electric, solar thermal, wind power, and biomass provide such alternatives.

Not only is solar energy clean and efficient, it can provide renewable onsite power. And, to varying degrees, it is almost cost competitive compared to electricity at current prices.

What is needed to make it completely competitive is a change in policy toward solar options at the national level. Research and development should concentrate on small solar devices for producing onsite power rather than large central stations to produce solar electricity on the model of present nuclear plants. Present programs seem to have in mind the existing utility industry by "creating solar technologies in the image of nuclear power."

This quote is taken from the following article, "Solar Energy Research: Making Solar After the Nuclear Model?" from July's Science magazine. I commend to my colleagues' attention the complete article which follows:

SOLAR ENERGY RESEARCH: MAKING SOLAR AFTER THE NUCLEAR MODEL?

(By Allen L. Hammond and William D. Metz)

A point about solar energy that government planners seem to have trouble grasping is that it is fundamentally different from other energy sources. Solar energy is democratic. It falls on everyone and can be put to use by individuals and small groups of people. The public enthusiasm for solar is perhaps as much a reflection of this unusual accessibility as it is a vote for the environmental kindliness and inherent renewability of energy from the sun.

But the federal program to develop new energy technology is giving only belated recognition to solar energy's special characteristics. Despite the diffuse nature of the resource, the research program has emphasized large central stations to produce solar electricity in some distant future and has largely ignored small solar devices for producing on-site power—an approach one critic describes as "creating solar technologies in the image of nuclear power." The program contains virtually no significant projects to develop solar energy as a source of fuels and only modest efforts to exploit it as a source of heat. The massive engineering projects designed by aerospace companies which dominate much of the program seem to have in mind the existing utility industry—rather than individuals or communities—as the ultimate consumer of solar energy equipment.

One consequence of this R & D emphasis on large-scale, long-range systems is to distort economic and policy assessments of solar energy based on the current program, both within the Energy Research and Development Administration (ERDA) and in higher levels of the government. Indeed, the potential of solar energy is still regarded with skepticism by many government energy officials and publicly discounted by spokesmen for oil and electric utility companies. Funds for solar research are leveling off, because of cuts made by the outgoing Ford Administration and confirmed, with minor overall changes but some shift in emphasis, by the Carter Administration. Agency officials concede that even the present federal program—representing an investment less than one-half of that for new coal technologies and a small fraction of that committed to the nuclear field—has survived only because of the immense popular appeal of solar energy and consequent pressure from Congress.

In contrast to this official skepticism is the virtual explosion of optimism and activity elsewhere. Dozens of pieces of proposed solar legislation and hundreds of companies now manufacturing solar components reflect this interest. The number of solar-heated houses built in the United States has doubled approximately every 8 months since 1973, and the rate shows no signs of slackening. The rapid buildup of a fledgling industry has been matched or even exceeded by a staggering rate of technical innovation in designs for solar equipment and in research on advanced methods for capturing and using solar energy. Measured by the number of new ideas or the rate of progress, solar energy has become the hottest property and the most sought after action in the energy field. The burden of criticism from the solar energy community and from independent analysts is that the federal program has lagged rather than led many of these developments and that it has directed its research toward goals that betray a lack of understanding of the solar resource.

COMING TO GRIPS WITH SOLAR

The government's difficulty in coming to grips with solar energy is understandable because the solar program was born, in an institutional sense, only about 5 years ago. The early work on solar energy was scattered among various government agencies, but much of it was an outgrowth of the National Aeronautics and Space Administration (NASA) effort to find practical spin-offs from space technology. After the 1969 Apollo moon landings, four different NASA labs began to do modest amounts of solar energy research. In 1972 the National Science Foundation (NSF) became the lead agency for solar energy research, which was funded at only $2 million per year. Many of the early program managers came from NASA and much of the contracted research went to areospace companies.

In early 1975, all the solar research programs were shifted from the NSF, which has not been organized for commercial technology development, to the newly formed Energy Research and Development Administration, where solar was cast into competition with the nuclear breeder, the government's newly invigorated coal program, and the growing program for fusion. In its first 12 years the ERDA solar program was greatly understaffed and overworked—at one time 60 percent of the mail for the entire agency concerned solar energy. But in spite of institutional handicaps, the program grew rapidly because Congress authorized large increases in the solar research budget—as much as 80 percent above what the agency, officially requested.

The program under ERDA moved into a mode of design, construction, and testing of various types of solar power pilot plants on an aggressive timetable. Feeling pressure to build up the solar program rapidly, ERDA delegated a large—some critics would say dominant—role to its national laboratories and to various NASA laboratories. The different subprograms were evaluated in a series of "mission analysis" studies, largely performed by aerospace contractors, and new priorities were set. Much of the evaluation was based on the capability of various solar technologies to approach base-load electric power supply—under the assumption that anything else would fall short of a major contribution. During this crucial period of solidification, the program has no regular review by an outside advisory board and there were no congressional oversight hearings. One of the strongest outside influences on the shape of the program, according to well-informed observers, was the utility industry.

Today, government solar research is a $290 million effort spread among four subprograms for electric applications, one for fuels, and two for heating, cooling, and related direct applications, with a professional staff of about 70 persons. In fiscal 1978, the program recommended by the Carter Administration will grow only modestly to $320 million. Because the various solar technologies are generally unrelated to each other, there is not a great deal of overlap between the research bases needed for the subprograms. The result is that the different solar options are at an even greater disadvantage vis-a-vis other energy programs than the total solar research budget would indicate.

The largest allotment of ERDA funds and staff resources has been for solar electric technologies. The concept which the utility's research arm—the Electric Power Research Institute—sees as the most likely candidate for central electrity generation is the power tower, a system with a boiler on a high tower heated by the sunlight reflected from a field of hundreds or thousands of sun-following mirrors. The power tower with its related solar thermal systems is still the leading subprogram in dollar priority—$79 million in fiscal 1977. Next is research on photovoltaic power systems—an effort to develop low-cost versions of the silicon cells used on space satellites for converting sunlight directly to electricity. Wind-power research, although it is the solar electric technology closest to being economically competitive, receives only about 8 percent of the solar budget. Approxi-

mately 5 percent goes to develop methods of extracting energy from the small temperature differences between surface and deep seawater—a concept usually referred to as OTEC (ocean thermal energy conversion) and conceived to produce electricity or perhaps an energy-intensive chemical in a huge floating plant that would provide about 200 megawatts of power. Still less money presently goes to the solar resource that could be most versatile of all—plant matter or biomass, which can be converted into either heat, fuels, or electricity. ERDA officials are generally agreed that biomass is one area in which they have yet to get a strong and coherent program under way.

The solar heating and cooling subprogram is funded at $86 million at present and $96 million in the fiscal 1978 budget. Solar home and hot water heating is nearly competitive in some areas of the country already. However, the ERDA program has paid little attention before now to the benefits of passive solar heating—the capture of solar heat that can be achieved from a well-sealed south-facing window as opposed to a rooftop solar collector used with a water or airflow system to carry the heat downstairs. Such systems are now widely thought to be capable of filling a large fraction of the winter heating needs in many areas at costs generally less than those of active systems.

As the Carter Administration prepares to shift energy research to yet another agency—the proposed Department of Energy—solar energy is still in search of a proper institutional home. Noting that skepticism of the solar program is one of the proper functions of ERDA's management, Henry Marvin, solar program director, nevertheless says that the program has been subject to tight controls by the agency's upper echelons and by the Office of Management and Budget. In his words, "Congress has been the corrective factor" in the growth of the program. According to Marvin, the solar program now has all the money it needs, "but we are still somewhat staff limited and travel-money limited—that has been the mechanism of OMB control." He foresees a program that may have already reached its broadest extent and will focus more narrowly as early decisions are made about solar hardware development projects in 1978 to 1981 and successful technologies are transferred to private industry.

Marvin is credited by several observers with having sought to limit the role in the program of the national laboratories—which, he says, "are not natural stopping places" enroute to developing commercial technologies—and with having managed the program competently within the guidelines set by the agency.

CENTRALIZED VERSUS ON-SITE SOLAR

But critics believe those guidelines still reflect the narrow set of preconceptions with which the program began. One of these preconceptions is the preferred role of centralized energy systems. Several pieces of evidence suggest that the ERDA program has given inadequate attention to the issue of the appropriate scale for solar technologies and, in so doing, has failed to exploit the most promising characteristic of solar systems. A report recently issued by the Congressional Office of Technology Assessment (OTA), for example, points out that federal research on electric generating equipment of all kinds has been focused almost exclusively on a centralized approach and has neglected what OTA sees as a significant potential for on-site power production. The report—one of the most comprehensive studies of emerging solar technologies yet made—concludes that "devices having an output as small as a few kilowatts can be made as efficient as larger devices" and that on-site solar systems capable of generating electricity at prices competitive with those charged by utilities may be available "within 10 to 15 years." "Onsite solar energy," the report declares, "must be regarded as an important option."

The solar thermal subprogram provides an instance of how ERDA's choices of scale were established. Initially, the subprogram was conceived of exclusively in terms of central power stations, as large as possible. Charles Grosskreutz, an analyst with the engineering firm of Black and Veatch during the period when it was involved in the initial program analysis of power towers for ERDA, says that "everyone started by considering a 1,000 megawatt size and quickly scaled it down to about 100 megawatts" when it became clear that the tower height and the land acquisition problem were impractical for the larger sizes. "To my knowledge," he says, "there are no good studies of the optimum size of these facilities." Little serious consideration appears to have been given to solar thermal generating facilities in conjunction with community-scale energy systems or biomass fuel refineries—applications for which the optimum size, according to Princeton University physicists Robert Williams and Frank von Hippel, will probably be much less than 10 megawatts. According to Marvin at ERDA, "it may well be that 10 megawatts is the unit size for the power tower—we used 100 megawatts for our calculations."

Likewise, the wind-power program, according to early program documents, did not look carefully at the prospects for improved versions of small wind turbines for distributed applications, or at the potential economies of mass production that might apply to small devices but not to large ones. Instead, the program plunged ahead to build a large, 100-kilowatt prototype as a first step toward a commercial size conceived to be as large as possible with the materials available—1.5 to 2 megawatts.

Williams and his colleagues point out that the ERDA solar program throughout concentrates its main efforts on the largest and smallest scales of energy production, but they contend that an intermediate size may turn out to be the natural scale for many solar technologies. Their analysis points to community-size systems, equivalent to a few hundred or a few thousand houses, as the most cost-efficient, in that they would allow storage of solar energy on an annual basis—something impractical for an individual house—and would also allow the coproduction of solar heat and electricity in a manner that would be impractical for large central power plants.

Other independent analyses have come to similar conclusions. The noted British radio astronomer Martin Ryle, in a study of the applicability of solar energy to that country, concludes that a distributed network of small wind turbines provides the best match of potential supply to demand and would be competitive with coal-fired or nuclear generating stations. Ryle concluded that windpower, used with storage systems, could provide a substantial part of the power needs of the British Isles.

Another criticism of the solar program is that its management has been unnecessarily restrictive. During the last 2½ years, while ERDA has directed the program, it has been guided by a management philosophy of "aggressive sequential" development. In practice, this has meant a policy of giving priority to one solar technology in each subprogram, such as the power tower in the solar thermal program, and pushing it to quickly develop hardware and test its feasibility. What the policy has ruled out—reportedly because of skepticism from the agency leadership and budget-cutting by the Office of Management and Budget—is the parallel development of competing concepts. It is, of course, possible that the best candidates were not chosen initially, but nevertheless a whole solar subprogram could be phased out because of poor performance by an ill-advised solar concept. In particular, features such as scale and type of application have been heavily influenced by the original choices for development, and there is considerable danger that values derived from those choices will be the ones on which engineering and economic evaluations of future support will be made. It is just such considerations that lead environmentalists to make the charge that solar energy is being "set up" to fail.

Commenting on the desirability of pursuing parallel concepts, Marvin says that "it is not clear that we would not be more productive if we could pursue multiple paths." But he believes that it would be disruptive, if not politically impossible, to stop existing programs. He says he has attempted to correct what may be imbalances by bringing in a new group of managers (two of whom just arrived this month), and by supporting some of the neglected options as secondary, follow-on efforts when the budget allows. For instance, the fiscal 1978 budget includes $8 million for small-scale windmills. Marvin notes, however, that "it doesn't gain us time lost."

Another problem with the solar program has been lack of flexibility, leading to too little integration of different solar technologies with each other and with the energy needs they might ultimately satisfy. Storage is a problem with many solar systems, but the program has given little attention to applications in which biomass fuels would provide the storage element, or in which the need for storage is obviated by using solar energy in conjunction with another energy source. Solar-coal and solar-hydroelectric systems offer tantalizing possibilities for combinations that could approach around-the-clock power, and there is some evidence that direct solar energy and wind energy might complement each other well. Little attention has been given to on-site application of photovoltaic and solar-thermal devices, in which the utility grid could be used as a buffer and thus storage would not be required. In addition, a generally acknowledged problem with the ERDA program is that its sharply divided subprogram structure has limited the development of systems that serve two purposes at once, such as total energy systems that produce both heat and electricity with a considerable improvement over the efficiency of single-purpose system. The program has only belatedly begun to look at projects that do not fall into any of the predefined categories, such as solar irrigation, which ERDA developed no sooner than did the state of Guanajuato, Mexico.

The organizational structure of the energy agency, moreover, appears to be at cross-purposes with many novel or noncentralized applications. The solar energy division, for example, is effectively prohibited from working on community-scale solar systems because the agency management has decreed community-oriented projects to be in the domain of the conservation directorate.

Cost is the stumbling block most often cited by solar skeptics, and there is no doubt that few of the solar options are competitive today. But current cost estimates are almost certainly deceptive, in the absence of a real market. Furthermore, no one really knows what the costs of small-scale systems will be because so little research has been done on them. The conventional wisdom at the solar program planning office is that, compared to electricity at current prices, wind generators are competitive today or within a factor of 2 of being competitive, biomass fuels are a factor of 2 to 4 away from a competitive price, ocean thermal power systems a factor of 4 to 5, power towers a factor of 5 to 10, and photovoltaics a factor of 20 to 40 away. The opportunities for price reduction among these different technologies are controlled by quite different factors, however. Even the

technologies for which a market does exist—hot water heating, for example—do not yet benefit from the kinds of implicit subsidies enjoyed by most other energy sources or the advantages of mass production by a well-established industry.

Probably no question about solar energy is more controversial than whether it can become a major energy source in the near term or should be regarded (and funded) as a limited, long-range option. Assessments of this question tend to get swept up into what has become a highly polarized debate between environmental advocates and the defenders of coal and nuclear power—a debate whose terms are more nearly philosophical or ethical than economic. The one view holds that a transition to a predominantly solar economy is not only feasible but *necessary*—to avert climatic disaster from the buildup of carbon dioxide that would accompany massive use of coal, and to prevent the danger of nuclear warfare attendant on the proliferation of the plutonium economy. The other dismisses solar energy and holds that coal and nuclear are essential on the grounds that even if costs were to drop dramatically, it would still be many decades before enough solar-heated houses and solar power stations could be built to make any dent in this country's huge and growing appetite for energy.

But these tactical positions obscure a number of things that tend to argue the importance of solar energy on purely economic grounds, as well as some substantial problems. One of the key problems is that solar equipment tends to be capital-intensive, with high initial costs that are a deterrent to consumers unaccustomed to making decisions on a lifecycle basis. Another is that many existing institutional arrangements, from building codes to utility rate structures to federal tax policies, discriminate against unconventional energy sources. But some institutional barriers are being removed by legislation, and the prices of many solar components are already dropping sharply in response to steadily growing demand. It seems evident that the growth of distributed solar systems, for which equipment can be mass-produced, can be far more rapid than the growth of centralized power plants, which must be laboriously assembled in the field. Frost and Sullivan, a respected market research firm, predicts that 2.5 million U.S. homes will be solar heated by 1985. The government itself may become a major market for solar energy—a Department of Defense report done for the Federal Energy Administration estimates that a DOD market for up to 100 megawatts of photovoltaic devices a year may exist at the prices expected to prevail in the early 1980's.

Political fortunes may also play a role in determining the short- or long-term impact. Solar energy fared badly under a Republican administration. President Ford had many opportunities to attend solar project ribbon cuttings but did not do so. Under his administration, the OMB strenuously opposed and nearly gutted the major short-term elements of the government's solar energy program—the demonstration projects for solar heating. ERDA appealed to President Ford but, according to one observer, had the misfortune to argue its case during a week in which Ford was preoccupied with the Angolan crisis. In any case, the OMB position largely prevailed—a circumstance that apparently contributed substantially to the resignation of ERDA assistant administrator John Teem—and the proposed demonstration program, modest though it was, was drastically cut back.

The government program is having some effect—ERDA's work on photovoltaics and wind has stimulated some private investment. And quite apart from the government's program there appears to be a remarkable amount of momentum in solar thermal devices, wood burning stoves and boilers, and other components of a solar energy industry.

After 5 years of rapid but uneven development, solar energy is in need of reassessment. The present federal program has been as much the product of institutional happenstance and various technical predilections as it has been the product of coherent planning. In a broader perspective, the government policy under Republican administrations characterized solar energy as long-term option comparable to fusion and the breeder, but in fact it has little in common with these potential leviathans. Solar technology is more diverse, and even the most difficult technologies, such as photovoltaics, may be closer to commercial realization. Many solar technologies already work, even though the best designs have not been found, and they are already facing the economic challenges that other long-range options have yet to confront. It is arguably time to reconsider solar priorities and ask whether the distribution of research resources among nuclear, fossil, and solar options reflects a rational policy.

POSTAL SERVICE: VIEW FROM RURAL AMERICA IV

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. ABDNOR. Mr. Speaker, the U.S. Postal Service management would have you believe that 5-day mail delivery was OK with most Americans, and that they have a poll to prove it. As with any poll, however, you have to read the entire question before knowing how seriously to take the "findings."

In the case of 5-day delivery, those polled were asked if they would accept the cut in service to avoid a hike in postal rates, not just if they would accept the cut in service. The Postal Service is now considering both the cut and the hike in postage.

In previous remarks under the above caption, I have offered to my colleagues a view of the Postal Service as seen in rural America and expressed through its news media. Rural America is dependent on 6-day mail delivery in a manner that urban America is not. We're talking not only about delivery of newspapers, but about delivery of medicines and machinery repairs. Illness does not take a break over the weekend, nor does Mother Nature at harvest time. Rural America's need for 6-day mail delivery has been well expressed by these South Dakota editors:

[From the Watertown (S. Dak.) Public Opinion, May 23, 1977]

SATURDAY MAIL SUSPENSION WOULD BE HARDSHIP

The Commission on Postal Service, a special body organized to study U.S. Postal Service operations and suggest improvements has recommended among other things that Saturday mail deliveries be suspended and that the processing of mail be substantially reduced over the weekend. This, in our opinion, would be a serious mistake, a near-disastrous regression in the operation of a vital service to the American people.

From a newspaper's standpoint, this means Friday and Saturday papers would be delivered together on Monday, an inconvenience and irritation to the many who receive their papers by mail. From the general public's standpoint, reduced weekend mail handling means a tremendous . . . and perhaps sometimes an unworkable . . . accumulation of mail to be handled and dispatched each Monday.

The commission has recommended the curtailed weekend schedule to "save money." It is difficult to see just how a significant amount would be saved, especially when set against the hardships which would result.

U.S. Senator George McGovern, D-SD, remarks, "In practical terms, the savings will be minimal and the effect on service disastrous."

He adds in a letter to Sen. John Glenn, chairman of the subcommittee which now has responsibility for postal operations, "Farmers in my state depend on market news and information on a six day mail delivery week. If the Saturday delivery is eliminated, a rural patron will, in effect, not have access to timely mail and delivered materials for a substantial portion of the week when he has to make decisions on marketing and other related matters. To a lesser extent, this same holds true with city deliveries on Saturday.

"It seems to me that Congress, not the postal service, should make such a basic decision. USPS should not be permitted to unilaterally move on its own. . . ."

The postal service nationally has been under critical scrutiny for a long time for what many believe to be a deterioration of service despite increased costs to postal users. Locally and regionally, there are many bright spots in postal performance—the Watertown regional post office is one—but the the overall picture on a nationwide basis apparently is not as reassuring.

Curtailment of service to, in effect, wipe out weekend deliveries would, it seems to us, be a step backward in the USPS campaign to improve its service and its record. We hope it will not become a reality.

[From the Madison (S. Dak.) Daily Leader]

NEED SIX-DAY DELIVERY

Surveys made in South Dakota indicate that people want Saturday delivery of mail to continue, particularly in rural areas.

The U.S. Postal Service has proposed cutting mail delivery to only five days, but Congress may intervene. The change would mean no mail delivery from Friday until Monday, and, in the event of a Monday holiday, from Friday until Tuesday.

A spot survey by a Huron newspaper found that 93 per cent of those questioned consider six-day delivery essential, particularly for farmers.

An Aberdeen newspaper survey found 85.7 percent in opposition to the reduction of service. One person questioned said, "I feel if the Postal Service can't operate the mail efficiently, let the government take it back."

We aren't quite that ready to abandon the new postal organization, but we think they should recognize that cutting service must be done with care. Some Saturday mail delivery has already been abandoned in big city office districts where offices are closed over the weekend. Perhaps more cuts can be made in such areas. Extending such cuts to rural areas is another matter.

Saturday mail delivery is not done on "overtime," as might be expected. Usually work schedules are juggled so that mail delivery people working on Saturday get a day off during the week.

True, the total number of workers could be cut by eliminating Saturday delivery, but if you follow that line of reasoning, you could cut Tuesday or Thursday, or both, and save even more expense.

People use the mails because they expect prompt delivery. Poorer service will mean loss of revenue as well as lower expense. Technology exists to make mail service better

than it is, not worse, and we think that is the goal Congress should establish.

[From the Aberdeen (S. Dak.) American News, June 12, 1977]

CONGRESS SHOULD HEED APPEAL OF PEOPLE FOR EFFICIENT, SIX-DAY MAIL DELIVERY

Surveys made earlier this spring by the American News and other South Dakota newspapers reveal that people do care strongly about Saturday mail delivery.

The "straw vote" conducted by this newspaper resulted, as reported June 5, in 85.7 per cent opposition to reduction of mail delivery from the present six days a week schedule to five days a week.

A survey by the Huron Daily Plainsman of hundreds of readers found 93 per cent of the respondents consider six-day delivery essential, particularly for farmers.

Residents of neighboring rural states and rural states in all parts of the country agree with the objections South Dakotans have expressed to proposed reduction of mail delivery.

A typical comment came from Monango, N.D., where a respondent to the American News survey wrote: "I feel if the Postal Service can't operate the mail efficiently let the government take it back."

If the Congress heeds the advice its members are receiving from constituents it will certainly act to end the trend toward higher rates and decreased efficiency that has evolved under Postmaster General Benjamin Bailar's direction of the Postal Service.

It should be the responsibility of Congress to present a solution to the mail delivery problem before further deterioration takes place.

Recommendations coming from many sources are that Congress should return the Postal Service to its former status in the President's Cabinet and give it funds necessary to perform its duties satisfactorily.

The goal should be better not poorer, more costly service.

[From the Wilmot Enterprise, June 16, 1977]

GLEANINGS

(By Dorothy J. Nielsen)

Quite often, one sits back and decides that elimination of some service does not affect us. The proposal to curtail Saturday mail service would create untold problems to many, many people, especially in a rural area.

What about the rural people who subscribe to daily papers? Friday papers would not be delivered until Monday, and four federal Monday holidays would result in no delivery for three successive days. Think too, of the effect on those who are using the papers for advertising with this type of service change.

Mail service is also used to deliver medicines, machine parts and other essentials. Think of the problems with this delay in delivery.

One needs to re-think the purpose of the Federal Government—to provide SERVICE to the people. The Postal service was created to provide delivery of newspapers, books, magazines, a service needed to keep a well-informed public; it also delivers essentials such as mail, machine parts, medicines, etc. This delivery is not made to some convenient location miles away from the destination, but to the postal box in your area, to the mailbox or the end of your driveway or to the mailbox on your home.

The Postal Service offers a free franking (free mailing) for government officials so that they can keep in contact with their constituents back home. A necessary service to maintain representation of the people's wishes.

If the Postal Service is to remain a service to the people, service must be strengthened, curtailment of Saturday deliveries must not be realized.

You can make your wishes known on the subject by writing to Senators McGovern, Abourezk and Congressman Pressler and Abdnor. You can also help by contacting these vitally important Congressmen and Senators:

Congressman James M. Hanley, N.Y. Chr. of the House & SubCommittee on Postal Operations & Services, Room 239, Cannon House Office Bldg., Washington, D.C. 20515.

Congressman Charles H. Wilson, Texas-Chr. of the House Sub-Committee of Postal Personnel & Modernization, Room 2409, Rayburn House Office Bldg., Washington, D.C. 20515.

Senator John Glenn (Ohio), Chairman of the Senate Subcommittee on Energy, Nuclear Proliferation & Federal Services, 204 Russell Senate Office Bldg., Washington, D.C. 20510.

A five-day delivery of mail discriminates against rural people. Do your part. Write your congressman a letter TODAY!

[From the Sioux Falls Argus-Leader, July 4, 1977]

OPINION—AT 200 PLUS 1, CITIZENS STILL WANT EFFECTIVE MAIL SERVICE

On this, the nation's birthday, it would be well for the members of Congress to reflect on the vital services provided by government. One of those services is the mail system. The members only have to read their mail and the newspapers to discern that their constituents are unhappy about the prospect of trimming mail delivery to a five-day week. At 200 years plus 1 of freedom, citizens still want effective mail service which is a concept dating from colonial times.

The Aberdeen American News recently sampled its readers. The paper's poll showed 85.7 per cent opposed to five-day mail delivery. Only 14.3 per cent of the respondents in the paper's straw vote favored five-day service.

The Brookings Register has also polled its readers and got about the same results. The Register commented on its poll in an editorial and included Gov. Richard Kneip's letter to a House subcommittee on the question of cutting back mail service. The Register's editorial follows:

Brookings Daily Register subscribers are no different than people in other parts of the state who have responded to the question of five-day mail delivery. Through Thursday, 86 per cent of those responding to a straw vote do not favor dropping Saturday mail service. We, of course, couldn't agree more.

Gov. Richard Kneip has also gotten into the act, as evidenced by his recent letter to Rep. James Hanley, chairman of the House and Subcommittee on Postal Operations and Services. Here is part of the Governor's letter:

"One of my chief concerns is the recommendation calling for the elimination of Saturday mail service. In South Dakota, where three-quarters of the post offices are designated 'third' or 'fourth' class, our people are dependent upon the postal service as a vital link with other people and with all levels of government. They rely heavily upon newspapers to provide them with the most recent news, market and weather information, and the newspapers themselves are dependent upon the Postal Service for quick dissemination of the news at the lowest possible cost."

Kneip further said that to eliminate Saturday mail delivery would cause a delay in the delivery of both Friday and Saturday editions of daily papers, and in the case of a Monday holiday, it would mean delivery of Friday's news on the following Tuesday.

"I would have to believe that many subscribers would be discouraged because of these undue delays in receiving news and advertising, and I am strongly opposed to cutting service back to five days a week," Kneip said.

We hope that the strong support for six-day service voiced by rural areas will be listened to in Congress, even though the sparsely populated states like South Dakota, who have the most to lose, don't carry a lot of weight in Washington.

BROADWAY STYLE OF DIPLOMACY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. DERWINSKI. Mr. Speaker, my attention has been directed to U.S. foreign policy as it applies to Africa in the light of the Broadway style of diplomacy developed by U.N. Ambassador Andrew Young. A scholarly look at the Carter administration policy as it applies to Africa is given in the Phoenix Gazette of July 9 by the knowledgeable observer of the international scene Allan C. Brownfeld:

CARTER ADMINISTRATION SEEMS BENT ON COMMUNIZING AFRICAN CONTINENT

(By Allan C. Brownfeld)

In recent days the Soviet Union has been successful beyond its fondest expectations in expanding its influence on the African continent.

It has not only seen Marxist-Leninist governments assume power in Angola and Mozambique, but has seen a reversal of alignments in Ethiopia and has maintained a firm foothold in Somalia. Perhaps most surprising to policymakers in the Kremlin is the fact that rather than opposing Communist gains in Africa, the U.S. appears to be pursuing a policy which encourages such gains. This is particularly true with regard to Rhodesia and South West Africa where the U.S. has, rather than simply supporting free elections for members of all racial groups, expressed support for Marxist terrorist groups, such as SWAPO. In addition, U.S. public statements, such as those of Ambassador Andrew Young, have tended to support the aggressive role of the Soviet Union's Cuban proxies rather than cause the Communist to pause for fear of negative consequences elsewhere in the world.

While official policy makers in Washington may not be concerned with Communist gains in Africa, other careful observers are.

In an important article in the June issue of New America, black leader Bayard Rustin, the National Chairman of Social Democrats, U.S.A., declares, "The Soviet Union is up to something new and dangerous in Africa. It is adopting a belligerent and aggressive policy that threatens the independence and development of Africa."

Concerning Angola, Rustin notes, "After having won its independence from Portugal, Angola is increasingly falling under the influence of the Russians. Their influence is neither indirect nor subtle. In fact, it is so direct and pervasive that it is nothing less than neocolonialist. There are 25,000 Cubans in Angola, which is close to 10 per cent of the Cuban army . . . In addition, there are as many as 2,000 East Germans . . . Angola is not an isolated case. Cuba, which does the Soviets dirty work in Africa, has troops in six other African countries, and Sierra Leone, the Cubans are training an internal security

unit. They are also active in Equatoriol Guinea, where President Macias has established one of the bloodiest dictatorships in the world. About one-fourth of that country's original inhabitants have fled into exile. Fifty thousand people have been killed . . ."

While U.S. policy under the Carter administration has radically changed with regard to Rhodesia and South West Africa, and now appears to encourage the coming to power of the most radical and irresponsible elements in those countries, the fact is that the Soviet Union wants anything but a peaceful solution to these problems.

Rustin, being both a black and a liberal, is in a position to tell the truth which white liberal policymakers, in a kind of reverse racism, feel compelled to hide. He states, "The Soviet Union and Cuba have little interest in a peaceful transition to majority rule in Rhodesia and South West Africa. Their goal is to increase their own power by frustrating the American effort to negotiate a settlement. They are actively encouraging a military solution, regardless of the cost to black Africans . . . The truth is that Communism in the third world is, if anything, more savage than it is in Russia or Eastern Europe, as the current plight of the Cambodians and the Vietnamese well attests. Its apologists claim communism as a doctrine of equality . . . in practice it is rationale for state control of every aspect of people's existence."

There is no doubt that current U.S. policy will lead to a dramatic expansion of Communist influence in Africa and a deterioration in the quality of life for the black Africans who will have to live under the brutal dictatorships which will be imposed. In a private meeting on Capitol Hill in mid-June, former Secretary of State Henry Kissinger told a group of congressmen that if the Carter administration's Africa policy is not altered, it will lead to a Communist Africa and/or a race war of such intensity that it could spill over into the U.S.

Dr. Kissinger said that the policy of the Nixon and Ford administrations had been to try to steer a course that would bring moderate blacks into leadership positions in Rhodesia and South West Africa and protect the white minority, while the Carter administration is seeking to encourage the most radical of the terrorists and has no concern whatever for the minority of whites.

When he was recently in Washington, South African Foreign Minister R. F. Botha characterized U.S. policy as one of "trying to gain support in Africa by being more radical than the Russians." He expressed dismay over the fact that, at his meeting in Vienna with South African Prime Minister Vorster, Vice President Mondale, in effect, demanded that South Africa adopt a system of "one man, one vote." Vorster asked Mondale if he could suggest a form of government on the African continent that he could recommend for South Africa to follow. He could not.

Botha said, "Don't talk to us of morality. You wouldn't want any African form of government for yourselves. You apply norms to us that you do not apply to anyone else. We have given full cooperation on Rhodesia and South West Africa. We are moving away from discrimination based on race. It took you decades to move in that direction, and in your country blacks are a small minority. You seem to want us to change overnight. We have been with you in World Wars I and II and Korea. We have done you no harm, yet you make demands upon us that you make upon no one else."

Does the Carter administration seek Communist control of Africa? If it does not it should take these words from Rustin, Kissinger and Botha very seriously indeed.

PROGRAM REFORM FOR THE ELDERLY

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. CHAPPELL. Mr. Speaker, our dear friend and valued colleague, CLAUDE PEPPER, has been an outspoken and effective voice in the fight to improve the lot of older Americans. His legislative initiatives in this area have been a wellspring of hope for this large and growing group of Americans. Indeed, he offers not only leadership but inspiration through his energetic efforts in behalf of all older Americans. CLAUDE PEPPER has often been a lonely voice in the fight to improve the quality of life of this valuable but often ignored segment of our society. Older Americans in all walks of life are indeed fortunate to have a champion such as CLAUDE PEPPER in the forefront of their battle for equity and recognition at the national level. This distinguished American, with the active support of the White House, has provided a ray of hope for the elderly everywhere. I trust my colleagues will show the good wisdom to heed and follow CLAUDE PEPPER's leadership in this vital area.

By seeking to enrich and improve the human conditions of elderly Americans, CLAUDE PEPPER has rendered a service to his country that distinguishes him as a valuable leader in social progress. I am delighted that one of the outstanding newspapers in my district, the Daytona Beach News-Journal, has editorialized on CLAUDE PEPPER's outstanding achievements and I know my colleagues join me in wishing him success as he continues his work to provide a better America for all our citizens. The News-Journal editorial follows:

NEW ALLY FOR THE OLD

They walked to the entrance of the White House with the aid of canes or with the slowed pace of the arthritic or with the timidity of the elderly embarking on an experience so far removed from the norm of their existence.

They made their way to the fabled East Room, scene of so much history, and now they were the honored guests. Maybe here they, too, would make history by standing as the focal point of a new national concern that demands solutions.

These unusual White House guests—some 2,000 of the Washington's area's oldest residents—were serving as the beginning point of First Lady Rosalynn Carter's campaign to make growing old in America as much of a worry free experience as possible. She had summoned them out of their isolation in apartments or nursing homes so we could all be reminded that the old need our attention.

Rosalynn Carter, crowding 50, is just 15 years away from senior citizen status herself, but she doesn't look it. Slim, still fetchingly pretty, vibrant, youthful without the use of artificial makeup, she seems intent on remaining the vigorous woman from Plains, Ga., and the national campaign trail, and to use her charm in fulfilling the role of a responsible woman in a public position, concerned about national problems and not about herself.

She had said at the outset she intends to achieve reforms in programs for the mentally ill and the old. She has launched a new mental health commission, and last week she opened her drive to better the conditions of the elderly.

She summoned to the White House not only the old so they could stand out for viewing in a society that dotes on youth; she summoned those in public life who long have struggled with the problems of aging that seem to accelerate in such a society. Standing out among these long time warriors at Rosalynn Carter's conference was Florida's Rep. Claude Pepper, now 76 and still battling for needed change.

The Nation can give a lot of credit to Claude Pepper for achieving the major rights seniors now have. He was a guiding light in furthering Social Security in the Roosevelt years of social change. He was a lonely champion of national health insurance, losing his seat in the U.S. Senate because he was branded for suggesting such a "socialistic" idea.

Now a veteran of the House after his comeback, Claude Pepper has been vindicated in part by the passage of Medicare but he isn't letting his concern rest with the vindication.

Chairman of the House Select Committee on Aging, he sees dire need for new reforms.

Probably none is more bitter than he, that Medicare, along with the program for the poor, Medicaid, is being made the object of grafters, with the old and the government victimized by those who look on aging with an eye for exploitation. To a person bent upon improving the human condition, such exploitation is abominable.

Claude Pepper is fostering legislation to effect tighter control on these programs to drive out the cheaters. In addition, he's the author of a bill to provide a strong government program for home nursing care. He is convinced that there are millions of old people who would fare better and be far happier if they could remain in their own homes instead of being institutionalized to receive medical attention.

Such a program certainly fits into Mrs. Carter's call for ideas on which she can work to improve life for senior Americans. She knows first hand the worth of home care for the ailing because she saw the devotion to it practiced by her mother in law, Lillian Carter, among neighbors in Plains during her nursing career. Rosalynn Carter's concern for the poor and isolated was formed from first hand observation as a mere citizen of Plains and then as First Lady of Georgia, steeping herself in tackling human problems.

Contrasting in appearance though they are, Rosalynn Carter and Claude Pepper should make a good team in battling for attention to the problems of the elderly. Their devotion to such a cause should bring about reforms to assure Americans that growing old is a time of reward, not a time for exploitation of helplessness.—M.N.C.

SPRING QUESTIONNAIRE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. COLLINS of Texas. Mr. Speaker, the people of the Third Congressional District of Texas have recently expressed their views on national issues in an overwhelming response to my spring questionnaire. While the Dallas area has always been conservative, this questionnaire showed particularly strong support for maintaining the Panama Canal and the right-to-work law.

Despite Washington's economic problems, Texas and the Dallas Metroplex are thriving. Our consistent economic progress is in large part due to the pro-business environment caused by the dynamic spirit of our people. People all around the country are beginning to recognize the value of our conservative approach and Dallas should be looked to as an excellent model for the rest of the Nation.

The following is a percentage breakdown of responses tabulated district-wide:

1. Do you support the Texas Right-to-Work laws?
Yes, 94 percent.
No, 6 percent.
2. How much net profit do you think the major oil companies make on each gallon of gasoline?
a. 1 cent, 59 percent.
b. 5 cents, 20 percent.
c. 10 cents, 10 percent.
d. 18 cents, 5 percent.
e. 25 cents, 6 percent.
(The correct answer is "a", 1 cent.)
3. Do you favor placing a Federal ban on saccharin?
Yes, 5 percent.
No, 95 percent.
4. Would you support my legislation for energy conservation which bans the use of diesel fuel or gasoline for the busing of public school students beyond the school nearest their home?
Yes, 98 percent.
No, 2 percent.
5. Should the United States give the Panama Canal to the country of Panama?
Yes, 2 percent.
No, 98 percent.
6. How do you rate the F.B.I.?
a. Excellent, 53 percent.
b. Average, 43 percent.
c. Poor, 16 percent.
7. How do you rate the C.I.A.?
a. Excellent, 35 percent.
b. Average, 49 percent.
c. Poor, 16 percent.

In response to my final question, which asked respondents to say what they felt was the most important issue facing the country today, the most frequent answers were "inflation," "too much Federal Government interference in our daily lives," and "the need for greater incentives for research and development of our natural fuel resources." Other frequent responses included "crime," "Government corruption," "lack of fiscal responsibility," and "forced busing."

THE POOR AND GOVERNMENT FUNDED ABORTIONS

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. KINDNESS. Mr. Speaker, as the national debate on Federal funding of abortions continues, and the emotions on both sides continue to run high, I thought I would share with my colleagues a recent letter from David W. Louisell, who is the distinguished Elizabeth Josselyn Boalt, professor of law at the University of California (Berkeley), on this whole complex and difficult subject.

Professor Louisell puts the whole debate in perspective and raises some serious questions about the prior experience of governmental promotion of "abortion on demand" through taxpayer funding under such programs as medicaid.

The full text of Professor Louisell's letter follows:

The slogan "don't deny the poor the abortions that the rich may obtain" superficially has emotional appeal, as does any plea for help for the poor. But it violates elemental principles of logic and humanity, for it comes down to this: because some of the rich kill off their children by abortion for convenience or whim, to equalize matters the public must help the poor do likewise. The humane and loving thing of course is to really help the poor, not help them to kill their children. The latter is repulsive to millions of Americans, for whom the reality of permissive abortion as killing innocent life is not mitigated by the euphemism "termination of pregnancy."

To attempt to make a constitutional Equal Protection argument from this slogan, is preposterous. There are many instances where a person has a constitutional right to do something, but no right to have the public pay for it. For example, one has a constitutional right to possess pornography, but no right to have the public pay for it, or to have it put on public library shelves. One has a constitutional right freely to travel in interstate commerce, but no right to governmental air plane tickets. One has the constitutional right to send his or her child to private school, but no right to have the school supported from public funds.

The Supreme Court in the abortion cases decided June 20, 1977, has at last laid to rest the monstrous doctrine of some lower courts that the Constitution requires government to treat abortion and childbirth as merely two alternative medical methods of dealing with pregnancy. It is hoped that Congress, too, will acknowledge that childbirth, which is life, and elective abortion, which is death, are separated by the deepest of all gulfs. It is hoped that Congress will put an end to the wicked nonsense that because it is economically cheaper to abort than to bear and rear, government must help to abort.—DAVID W. LOUISELL.

UNEMPLOYMENT COMPENSATION COST EQUALIZATION ACT OF 1977

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. VANDER JAGT. Mr. Speaker, on July 13, 1977, I joined a substantial number of Members in introducing H.R. 8291, a bill to assist States which confront unusually high rates of insured unemployment. I look forward to congressional consideration of this measure.

The recession imposed a severe strain upon the Federal-State unemployment insurance system. Along with more than 20 States, Michigan was forced to obtain advances from the U.S. Treasury in order to maintain benefits. Under the Federal Unemployment Tax Act Michigan employers are liable for repayment of $624 million in advances granted since 1975. Repayment failure would result in an escalating Federal unemployment tax being levied on the State's employers.

This obligation poses a substantial hardship for Michigan and other States which experienced extraordinary unemployment in the recession. The debt is a significant disincentive to the location of new businesses or the expansion of existing businesses in these States, and inhibits their economic recovery. In the absence of business growth, these areas will remain vulnerable to severe economic disruptions.

H.R. 8291 employs a cost equalization concept which involves Federal assumption of a portion of compensation costs during periods of extremely high unemployment. It assumes that the unemployment costs of a national recession should not be borne solely by individual States or their employers, but by our society as a whole.

In order to meet the existing fiscal crisis as well as to prevent similar debts from developing in the future, the legislation requires that for each year beginning with calendar 1974 the Treasury would bear a portion of a State's unemployment benefit costs first, if its insured unemployment rate was at least 6 percent, and second if its benefit payments exceeded those of a base year.

This innovative approach warrants thoughtful analysis. Its Federal costs must be reviewed and its implications with respect to the conceptual foundations of the unemployment insurance system thoroughly explored. The infusion of sizable Federal general revenues in this manner into the regular unemployment compensation program is a marked departure from existing practice, and this impact must be fully understood.

Congress must focus upon the financial burdens of unemployment now facing many industrial States and individual employers as a result of the national recession. This legislation constitutes a solid basis for such an analysis.

TESTIMONY OF CONGRESSMAN BINGHAM BEFORE THE SOCIAL SECURITY SUBCOMMITTEE OF THE HOUSE WAYS AND MEANS COMMITTEE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. BINGHAM. Mr. Speaker, this morning I testified before the Social Security Subcommittee of the House Ways and Means Committee on the future of the Social Security System and President Carter's financing proposals for the system for the next 75 years. Clearly, this is one of the most important subjects facing this Congress. For the benefit of concerned persons in my district and other readers of the RECORD, I insert the full text of my testimony below:

TESTIMONY BY THE HONORABLE JONATHAN B. BINGHAM BEFORE THE SOCIAL SECURITY SUBCOMMITTEE OF THE HOUSE WAYS AND MEANS COMMITTEE

Mr. Chairman and Members of the Social Security Subcommittee. I appreciate the opportunity to testify on a matter of vital importance to all Americans—the restoration of fiscal integrity to the Social Security Trust Funds.

I generally support the President's proposals to prevent the short-run exhaustion of the Old Age, Survivors and Disability Insurance Trust Funds and drastically reduce their long-run projected deficits. I applaud the President's efforts reflected in his proposals to accomplish these difficult goals:

Without additional tax rate increases on the employee beyond that already in present law;

Without impairing the economic recovery this year and next, delaying increases in employer payroll tax liabilities until 1979; and

Without sacrificing the future benefits of workers, assuring them the same proportion of preretirement pay that today's retirees receive.

I also support the concept of supplementing the Trust Funds with general tax revenues. As a long-time cosponsor of Chairman Burke's proposal to supplement the Social Security Trust Funds with ⅓ general tax revenues, I welcome any step in that direction. However, I am concerned about pegging the trigger for countercyclical assistance to the Trust Funds of 6% unemployment. It is my fervent hope that after 1979 when unemployment is expected to go below 6%, that we will never see it above that level again. Congress and the Executive Branch should by then have devised jobs programs to insure that goal. One final point on the use of general tax revenues: it is not a new concept. The Advisory Council which proposed the original legislation recommended it in 1935 and a backup general revenues aid mechanism (allowing the authorization and appropriation of funds as needed) was enacted in 1939 but never used so it was repealed in 1950. The rationale for the mechanism was essentially the same—to avoid tax increases in a recessionary period.

Looking at the long-run aspect of the President's plan, I am concerned about acceptance of a so-called "manageable deficit" of 1.9% of taxable payroll into the middle of the next century. This leaves no room for what I am sure will be necessary changes in the Social Security law to eliminate inequities or liberalize benefits to meet changing economic conditions. I don't expect that, after short-run and long-run financing proposals are adopted, this Subcommittee will retire to oversight duties only and not make further changes in benefits. Of course, under the President's plan the temporary counter-cyclical general tax revenue aid to the Trust Funds could be made permanent beyond 1982 if so recommended by the next Social Security Advisory Council, but again we run into the 6% trigger problem. I strongly believe we need to build in room in the Social Security financing system to allow for some future changes in benefits. Perhaps we would be wise to heed the population experts and begin building a nest egg to deal with the drastic demographic changes expected in the next century. The post-war baby boom population will begin to retire at age 62 in 2007, while the U.S. birthrate is expected to go below the replacement rate to 1.9. If you believe as I do that we should try to limit the Social Security financing burden on employers and employees, then the funding of this long-run deficit and any expansion of reserves to provide program flexibility should be from general tax revenues.

I would like to mention briefly some of the inequities in the Social Security law and some of the liberalizations which I feel are necessary in the future. None of these are new proposals and have appeared in bill form before your Subcommittee and Committee, Congress after Congress. They are:

Easing the eligibility requirements for the blind for disability insurance and allowing them to continue to draw payments, irrespective of their earnings;

Increasing the outside earnings limitation or perhaps totally eliminating it in stages to encourage recipients to supplement their income by working;

Enacting a special Consumer Price Index for the elderly with cost-of-living increases for all recipients effective every six months instead of annually;

Ending all discriminatory provisions based on sex;

Raising minimum benefits levels for the elderly or providing a housing allowance to take care of area cost-of-living differentials; and last but certainly not least

Enacting a National Health Insurance Plan to replace Medicare and Medicaid.

I have no illusions about the costs involved in these changes, but we must face the fact eventually that present Social Security income levels are inadequate. The following article from the New York Daily News which appeared earlier this year will illustrate what I mean:

SURVEY FINDS SOCIAL SECURITY IS MORE LIKE SOCIAL INSECURITY

(By Arthur Mulligan)

You had been paying into Social Security ever since it started in 1936 and, last October, when you reached the age of 65, you retired and you and your wife began receiving $338 a month from the federal government. Great, huh?

Nope! If you were living modestly in an apartment in New York City, it cost you $641 to struggle through the month. That was $206 more—an increase of 47 percent—than it cost in October 1971, according to the Community Council of Greater New York.

The council noted that the 47.4 percent rise had outpaced the 40-percent increase in the consumers price index over the five-year period.

The findings of the council were based on a survey of elderly retired couples who furnish their own apartments, eat out occasionally and take an occasional modest vacation.

Bernard M. Shiffman, executive director of the council, said that the discrepancy between actual minimal budgetary costs and Social Security payments "cannot be ignored as we move forward in the public debate of the many issues raised under the Carter administration's Social Security and welfare-reform proposals."

The survey showed that if the elderly couple eliminated the occasional "luxuries," such as vacations and eating out, it would still cost $381 a month for bare essentials, such as food, rent, heat, utilities, medical and telephone.

When one considers the proposed replacement rate of wages to benefits to be maintained under the President's plan is 45%, it is clearly "Social Insecurity." In the past, the Government's response to this problem has been to discourage the supplementing of one's income through earnings (imposed poverty) and then provide layer upon layer of public assistance—S.S.I., housing subsidies, food stamps, veterans benefits, and Medicaid; and those are just the Federal programs. The result has been a maze of inequities as the different programs clash with each other, especially around Social Security cost-of-living adjustment time. Then when we add such so-called contributory income benefits programs as unemployment compensation, civil service retirement, and railroad retirement into the mix; Congress is faced with pressures to "pass-through," "disregard," or "equalize" benefits between the single program recipients and the multi-dippers. These pressures force the various program costs up and exacerbate the inequities. To give you an example of the extent of the problem—a staff analysis prepared for a welfare reform consulting group established in February 1977 by Secretary Califano found that 18% of recipients got benefits from five or more different programs. I might add that of the 10.6% of Americans over 65 who receive S.S.I., 70% also receive Social Security.

Social Security financing clearly cannot be considered in a vacuum. The billions involved impact on our economy, our tax structure, and our complex income insurance-welfare system. The House Ways and Means Committee has a unique opportunity in this Congress to consider Social Security financing reform, tax reform, welfare reform, and health insurance reform in the context of each other. It is an immense job and I have confidence in the Committee and its Subcommittees to study the matters carefully and come up with a comprehensive, interrelated approach.

LOCKHEED SHIPBUILDING STEEL OVERCHARGES ARE REPORTED LARGER

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. MINISH. Mr. Speaker, with the Renegotiation Reform Act (H.R. 5959) to be considered soon in the House, I thought my colleagues would be interested in the enclosed article from today's Washington Post.

Two points stand out in the story: First, this situation was uncovered by the Renegotiation Board, not by DOD or any of its procurement offices and not by the Justice Department. Second, a Board expert has estimated that, if the product line requirements of H.R. 5959 were in effect, the Renegotiation Board would have recovered $20 million in excessive profits from Lockheed—nearly four times the Board's annual salary and expenses.

The article by Morton Mintz follows:

LOCKHEED OVERCHARGE ESTIMATE RAISED

(By Morton Mintz)

Five weeks ago today, a government official charged that Lockheed Shipbuilding and Construction Co. (LSCC) built seven amphibious transport docks, known as LPDs, for the Navy, but billed the government for enough steel to build at least 12.

Company officials reacted with outrage to the accusation, made by Goodwin Chase, chairman of the Renegotiation Board, the small executive branch agency responsible for recovering excessive profits from defense, space and certain other government contractors.

"That's a lie," said Graham Whipple, president of Lockheed Shipbuilding in Seattle. Moreover, he alleged, Chase's estimate of the amount of missing steel—73 million pounds worth $7 million—was "extremely inaccurate."

Also angered was Robert W. Haack, chairman of Lockheed Aircraft Corp., owner of

LSCC. He said he was shocked by Chase's testimony to the Senate Banking, Housing, and Urban Affairs Committee, terming it "inaccurate, misleading, and unjust."

Committee Chairman William Proxmire (D.-Wis.) asked Chase to provide further documentation for his charges. To get it, Chase in late June sent three board aides—T. E. Driscoll, J. C. O'Connor and Henry J. Miller—to Seattle for three days to check both LSCC and Navy records and sources.

Their principal conclusion: the amount of steel unaccounted for was not the 73 million pounds originally alleged, but 117.4 million pounds, valued at $10.2 million—enough to build nine extra LPDs.

Chase reported the conclusion in a letter hand-delivered to proxmire late Friday. The "denials and protestations" of Whipple and Haack "are simply not valid," Chase said. "I stand foursquare on my statement and would be pleased to have it subjected to investigative scrutiny."

A spokesman for LSCC, asked for comment, recalled last night a statement made in June by Lockheed Chairman Haack: "The Renegotiation Board has not to date inspected applicable detailed books and records of Lockheed Shipbuilding."

The spokesman indicated that Haack referred to an inspection on the company premises. However, the board aides said they had found the relevant records in the custody of the Navy.

The seven LPDs delivered to the Navy—each containing between 12 million and 14 million pounds of steel—were commissioned between October, 1968, and July, 1971.

In Seattle, the board investigators found that the majority of the steel intended for the LPDs had been stored at the Leckenby Structural Steel Co.

Frequently, steel was transported from Leckenby to the shipyard without records being made, board aide Driscoll said in a memo forwarded by Chase to Proxmire.

"From the time the steel was booked or billed to the government until the Navy determined the weight of the ships, accountability is next to impossible to determine due to lack of documentation," Driscoll wrote.

"We know that millions of pounds purchased were not incorporated in the ships," Driscoll continued. He named two former executives who, he said, could have shed light on the situation:

H. P. McLaughlin, who had been president of the LSCC predecesor firm, Puget Sound Bridge and Dry Dock Co., when the Navy awarded the LPD construction contracts, who was president of Leckenby when the ships were built and "who is living in South America [and] is not available."

Robert N. Waters, a former executive vice president of LSCC, who in 1972 became treasurer and a vice president of Lockheeed Aircraft. Three years later, in 1975, the Lockheed bribery scandal began to unfold. In August of that year, Proxmire scheduled a hearing on whether there had been violations of the law under which the government had guaranteed $250 million in loans to Lockheed.

On Aug. 22, 1975—three days before the day of the hearing—Waters, 54, shot himself to death. His brother Norm, blamed business pressures. He said Robert had left a note in which the last words were, "I'm just too tired to go on."

The charges and countercharges in the Lockheed case are a visible aspect of an intense, prolonged and mostly behind-the-scenes struggle over legislation to guarantee the Renegotiation Board's survival and strengthen the ability of its staff—177 persons—to recover excessive profits.

The most controversial provision in the legislation—which Senate Banking plans to mark up Thursday—would require the board to look for possible excess profits in each of a contractor's product lines. This would prevent conglomerates such as Lockheed from consolidating various cost and profit figures from unrelated product lines, as they do now.

In Senate hearings in 1973, Chase, then a member of the board, showed that by filing consolidated reports for fighter aircraft and space gear, McDonnell Douglas Corp. avoided making refunds to the government of at least $15 million for 1967 and $16 million for 1968.

In his June testimony this year, Chase said that the board—while dominated by appointees of President Nixon—allowed Lockheed to file a consolidated report for fiscal 1971 in which it claimed a $68 million loss. Actually, Chase said, the company had a $4 million profit.

To transform the profit into a loss, Chase said, Lockheed used large losses claimed by LSCC as offsets to large profits generated by other affiliates engaged in defense production totally unrelated to shipbuilding.

After the hearing, board aide O'Connor, a financial analyst, made a further study in which he concluded that if the pending legislation had been in effect in 1971, Lockheed would have owed the government a refund of at least $20 million—more than triple the board's current budget of $5.6 million.

O'Connor said that, in 1971, the return on stockholder capital invested in Lockheed Missile and Space Co., which had missile sales to the government of $727 million, was 246.5 per cent.

Citing that return to Proxmire, Chase said, "Lockheed's indignation, charges of unfairness and platitudes of abuses by the Renegotiation Board impress me at the level of zero."

The principal advocates of the legislation are President Carter and legislators including Proxmire and Rep. Joseph G. Minish (D-N.J.).

Seeking to kill the legislation are not only companies mainly dependent upon defense contracts, such as Lockheed, but also trade groups, including the Financial Executives Institute and the Iron and Steel Institute, and numerous individual subcontractors that have launched a letter-writing campaign to Capitol Hill.

In addition, efforts to water down the legislation or to win exemptions from it have been made by, among others, the American Bankers Association, in behalf of banks, and Sun Oil Co., in behalf of oil companies.

CONFERENCE REPORT ON THE TREASURY-POSTAL SERVICE APPROPRIATIONS BILL

SPEECH OF

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. GIAIMO. Mr. Speaker, the conference report on the Treasury-Postal Service appropriations bill for 1978 is consistent with amounts included in the first budget resolution for fiscal year 1978. It is consistent with the subdivisions of budget authority and outlays made by the appropriations committee under section 302(b) of the Congressional Budget Act.

The conference report recommends appropriations of $7,478 million, $311 million less than the section 302(b) subdivision. Estimated outlays for the accounts within the purview of this bill would be $7,598 million, $279 million less than the section 302(b) subdivision. These balances of budget authority and outlays are more than sufficient to fund anticipated supplemental appropriations which will have to be made for claims and judgments. Thus, the conference report is without objection from the point of view of the congressional budget process.

The conference report recommends a number of appropriations for certain White House accounts and executive office functions which were stricken from the bill when it passed the House. These amounts, however, were anticipated in the budget resolution.

Mr. Speaker, I urge all Members to support the conference report.

REPEAL OF THE HATCH ACT HAS DANGEROUS IMPLICATIONS

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. WYLIE. Mr. Speaker, my attention has been called to a keenly analytical column by Mr. Neal R. Peirce, a respected writer, pinpointing the dangerous implications of the Hatch Act revisions passed a few weeks ago by this body and now pending in the Senate.

The column, published in the Baltimore Sun of July 18 states with clarity the very reasons I felt compelled to vote against what amounted to a repeal of the Hatch Act without any consultation with the Federal civil servants who, if the bill as passed by the House becomes law, would lose the protection provided for them by the act as originally passed.

As Mr. Peirce points out, there is no evidence that Federal workers are clamoring for more political "freedom" than they already have. The evidence is that when asked to perform a political act, they can easily employ the shield of the 1939 law, saying "Sorry, I am hatched."

The column follows:

REPEAL OF THE HATCH ACT HAS DANGEROUS IMPLICATIONS

(By Neal R. Peirce)

WASHINGTON.—Organized labor didn't win quite the clear-out victory advertised in the media last month when the House voted, 244 to 164, to remove most of the restrictions on political activity by federal government workers, virtually repealing the Hatch Act of 1939.

Before sending the Hatch Act repealer to the Senate, where it faces a real dogfight, including a possible filibuster, House members displayed genuine nervousness about the abuses that could result from total political "liberation" of the 2.8-million-member federal work force.

Over labor's protests, they watered down the bill by approving an amendment by Representative Leo Ryan (D., Calif.) that would keep as many as 280,000 federal workers "hatched." And it's in that group that some of the worst abuses might occur—law enforcement personnel, as well as federal employees who award contracts or conduct audits, investigations and inspections.

"It makes it easier to sell the bill to the American people," a White House aide told me. "You won't, for instance, have the specter of IRS [Internal Revenue Service] agents actively managing campaigns on weekends and at night, and then during the

day going out and auditing their opponents' returns."

Even with the Ryan amendment, though, the Hatch Act repeal has dangerous implications for federal workers and the average citizen alike. Subtle pressures could be exerted on government workers to campaign for or contribute to the campaigns of their bosses or co-workers, with little chance of proving the type of coercion prohibited in the law.

Critics say Hatch Act repeal is a pure power move by government employee unions and their AFL–CIO allies, anxious to recruit new political foot troops. Many house Democrats saw the bill as a way to throw a bone to the unions, previously rebuffed on common site picketing. Except for the American Civil Liberties Union, it's hard to find a single nonlabor organization in favor of repeal.

Republicans are overwhelmingly opposed, fearing their political ox could be gored by a hostile federal work force. But respected nonpartisan organizations, including Common Cause, the National Civil Service League and International Personnel Management Association (IPMA), are also opposed, despite the Ryan amendment.

The president of Common Cause, David Cohen, calls the bill "a politically arrogant move on the part of the Carter administration and Congress," taken without consultation with the federal civil servants who would lose their Hatch Act protections. "The central challenge of the Carter administration is to build respect for government," Mr. Cohen says. "So their first act is to politicize all aspects of the civil service."

The argument for Hatch Act repeal is that the present law is harsh and overly restrictive, allegedly making second-class citizens of government workers. "It is nothing less than scandalous and self-defeating to exclude 2.8 million of our brightest, most talented citizens from the political process," says Representative William L. Clay (D., Mo.), the chief House sponsor.

But the Hatch Act, opponents of repeal say, already permits broad political activity by federal workers. They can vote, express their political opinions as private citizens, wear political buttons and display bumper stickers, participate in nonpartisan elections and even belong to political organizations and attend political conventions as long as they aren't officers or organizers. They may not run for office, manage campaigns or handle political funds.

Representative Joseph L. Fisher (D. Va.) recalls that when the Hatch Act was passed in response to political coercion of Works Progress Administration employees in the late 1930's, civil servants in Washington viewed it as "a truly landmark piece of legislation for their protection and betterment." Today, there's no evidence federal workers are clamoring for political "freedom." Indeed, when asked to perform a political act, they can easily employ the shield of the 1939 law, saying, "Sorry, I'm hatched."

The result has been a federal work force that the public may perceive as unresponsive or inefficient—but not politically motivated.

Even while "hatched," federal workers and their unions have been spectacularly successful in getting Congress to raise salaries and award inflation-proof pensions that would be the envy of most private citizens. Without Hatch Act protections, the political machine organized for ever-increasing salaries and benefits might be well nigh invincible.

The unions defeated a compromise proposal by Representative Fisher, whose district has the most federal workers outside of Washington. Mr. Fisher would have let federal employees engage freely in politics at the state and local level, while continuing the Hatch Act bars to participation in presidential or congressional campaigns.

As passed by the House, Mr. Cohen says, the Hatch Act repealer "doesn't come close to drawing a reasonable balance between the values of political participation and a nonpoliticized civil service." One can only hope the Senate will have serious second thoughts about the matter.

SPEECH BY NEWSPAPERMAN DEXTER D. EURE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. STOKES. Mr. Speaker, I rise on this occasion to bring to your attention and to the attention of my colleagues in the U.S. House of Representatives a recent speech made by a well-known Boston newspaperman and community activist, Dexter D. Eure.

Mr. Speaker, for a quarter century this dynamic individual has been involved in virtually every aspect of the newspaper publishing business. He is currently the assistant promotion manager at the Boston Globe Newspaper Co., one of the very few black managers in the white-owned press nationwide.

Because of his long record of achievement in the industry, Mr. Eure has spent a great deal of time and energy encouraging young people to consider journalism as a career. Many of the young black reporters on the Nation's major newspapers and journals have benefited from his guidance and expertise.

On June 22, 1977, Mr. Eure was invited to address journalism majors at the University of Kansas at a media workshop. Mr. Speaker, I was greatly impressed by Mr. Eure's candid remarks and I would like to share them with my colleagues at this time. I urge them to give consideration to his thought-provoking message.

The speech follows:

KEYNOTE ADDRESS BY DEXTER D. EURE, SR.

I am personally flattered by this opportunity to participate in this kind of workshop that brings to the University of Kansas some inspiring young people from the great midwest of Kansas and Missouri who are committed to making their impact upon the fourth estate.

I am not really a journalist—say in the sense that you appreciate Bob Maynard, a distinguished alumnus of this Journalism School, and now a ranking member of the editorial board of The Washington Post—or Tom Johnson of The New York Times, Chuck Stone of the Philadelphia Daily News, Francis Ward of The Los Angeles Times, Bob Johnson of JET Magazine, Vernon Jarret and Barbara Reynolds of The Chicago Tribune, John Dotson of Newsweek—or from my own shop in Boston, Editorial Page member John Robinson, Urban Editor Ron Hutson or Assistant Metropolitan Editor Carmen Fields.

For a while I wrote a column that appeared weekly on the Globe's op-ed page, largely because I probably knew more about Boston's black community that anyone else around the City Room. The expertise, which I developed as propaganda minister for the Boston Branch NAACP, during the early part of the turbulent sixties.

For the last ten years, I have been associated with top management. You might say that I've been the SPOOK who sits by the publisher's and editor's door.

Like everything else, the media, especially the newspaper industry, is caught up in a lot of changes—both physically and spiritually. The burden of adapting to the changes lies mainly with editorial practices and policies.

The serious daily newspaper is in the peculiar position of being both a follower and a leader.

It is a follower in that it must cater to a wide variety of tastes, respond to public attitudes and opinions and reflect the concerns of its readership.

All the media, including newspapers, are businesses which must generate profits through advertising and circulation gains. To do this they must feed a broad public appetite for news and features.

In this sense they are tied to public tastes and must follow them sufficiently enough to win increased linage and circulation, more viewers, listeners and readers and additional time slots to stay out front in a fiercely competitive arena—always!

The serious daily newspaper is also a leader when it commits itself to accountability. Newspapers must at all cost and at all times be answerable for what they print, they must be less edgy and less defensive than they have been in the past about criticism. They must provide access for opposing views—through such devices as letters to the editor, ombudsmen, corrections and an overall willingness to admit that they can be wrong.

A leadership position is also earned through a newspaper's credibility. This relates to how well we do our job—the care we take—the objectivity and balance of our reporting—and the good sense of our editorial judgments.

Meeting the demands of leadership can make good newspapers viable. That is why they are in business—that is really what they have to sell.

I understand that you who have been invited to participate in this workshop are a most creditable group. That you are quite serious about committing yourselves to serious study for these two weeks with instructors and journalists who will be conducting the workshop. I hope each of you will gain some clearer insights about what it takes to become a competent journalist because that's the only kind that counts!

I have been informed that during these two weeks you have concentrated on fundamentals and basics—and have been allowed to participate in open discussions, expose you to dealing with problems of reporting, techniques of the profession and related matters.

So I think it is important at the outset to pause and comment on minority-member status.

Being a black soul brother or sister has nothing to do with your being at this workshop.

Being serious about seeking a career in journalism, is the prime reason for being here on the campus of the University of Kansas today. You are interns willing to seek the best education and training available that prepares you to compete as professional journalists.

You cannot qualify if your grasp of English is insufficient. You have to know how to structure a sentence and understand clearly its full and true meaning.

You have to be able to gather your facts and information in a relatively short time, put it in written form and then fight with your editors to get it printed.

Now the editorial judgment weighs whether or not your work is professional and sellable. Simply stated—someone has to want what you are selling—and be willing to buy what you have written at the local newsstand. Being black isn't going to matter during this period.

As for the immediate concern here today

and tomorrow, it would be unconstructive to rap about how racist our society may happen to be or how the segregationists are keeping us all "deprived."

I would hope that you are here to deal with the mission at hand—that of learning all you can about professional journalism—and how you best can attain sufficient smarts and techniques for moving in upon the world of journalism. Only in that way will your influence make its mark from a minority perspective. This is the most direct way that I know of to help you get the "man" off your back.

Some literary enthusiasts—during the burning sixties and early seventies—who played roles in bringing about some social changes, have been off target with some of their views and prescriptions.

Far too much was written about black rage and brought about emotional responses that contributed to non-productive acts.

For example—"Don't accept the white man's education"—"It isn't necessary to know how much two plus two equals."—"Don't read all that fancy language and stuff"—

Recently, a newly appointed black director to one of New England's largest banks, Samuel R. Pierce, commented: "We need blacks who want to push ahead in the world of business, because in this country—the bottom line is business, not poetry and singing."

For the newspaper industry which is very much snow white, there isn't a single black heading a major metropolitan newspaper department—not in their editorial, advertising, circulation or production departments. So you can readily understand why your work here means that you have to get your "act" together.

The lack of minorities in decision-making positions represents a challenge—perhaps it's the newspapers, too, that should "get their act together" for you, the students here today.

Let's get down to this important fact—you've been here to take full advtange of the learning challenge that is being offered by this workshop. If you have to exploit, cajole or move some clowns out of your way, your time should be dominated by bombarding everyone with questions about what makes journalism tick.

And, if necessary, don't hit the blinkers until you have secured the maximum responses about the inner-workings of the journalism profession. Your attentiveness, has to be total commitment to LEARN—and learn—and learn!

Now I can imagine that many of you, having just gotten out of school—and most you being tired of being preached to, instructors constantly on your backs, and Mamma and Daddy never easing up with the lecturing—and then comes along this big turkey, me, who appears to be merely on a one-way dialogue trip.

Let's talk about how you can survive in journalism—and how you might attain your proper niche with a newspaper or some other medium.

Today there are more than 64,000 college students studying journalism in the post-Watergate era. Some forces argue that the minority students among the 64,000 have caused a lowering of standards. The charge seems patently false and nowhere supported by facts.

Way back in 1968, the media was taken to task by the Kerner Commission Report about being the major influence to inflaming the race riots by its insensitive reporting. A distinguished black journalist, Lerone Bennet, Jr. of Ebony magazine, commented: "It is impossible to speak of mass media in America without adding the specification of white or black media. It is impossible to speak of general publications when they are edited for white or black."

Bennet elaborated further: "This is a fundamental fact of life and of the communications in America: divided public and divided communities. If we confront the implications of the fact, we realize that white-oriented media cannot solve the race problems in America because white-oriented media are part of the race problem."

To intelligently deal with social changes—the role that the media can perform means that publishers and editors have to continue their "catch-up" affirmative action programs by actively recruiting and training. I do mean educating with tender loving care—and understanding—where minority/journalist interns like yourselves, can come aboard to help close so many of the gaps caused by insensitivity in News Rooms—and provide interpretive bridges to all segments of the communities they serve.

Look at the plight of the country today—and the entire world for that matter. Media, plays a large part of the communication negligence and abuse that deprives our society from learning about a just society.

Take for instance, what some of the leading newspapers and columnists are doing to get Ambassador Andrew Young fired by President Jimmy Carter.

"He talks too much", they say—"He should be more diplomatic"—"He's in bed with all the blacks in Africa." "And he always has to retract his controversial remarks—or have them clarified."

I say that "cousin" Andy—is right on the case. I think that he is telling the truth—and our State Department and nation, really are not prepared for this kind of honest conduct. The Ambassador, in my judgment, displays keen intellect.

Institutionalized racism is very much what America and the civilized world is about—Ambassador Young didn't create this environment—or even invent it! I happen to think that President Carter is fortunate to have Andy on his team, someone who is candid enough to deal with the stark reality and conditions, even if he has to retract a truthful comment for political reasons.

For those of us in this audience, who are classified "minority-member", I think it is clear that we want to participate and enjoy all the goodies of this society.

These young journalist interns—are going to have to fight for the right to present their beliefs and thoughts via the written word—about black issues, which are really "have-not" issues and are fundamentally the same for anyone that is being excluded.

Oh yes, there have been some social gains—the fact that this journalism workshop is being underwritten by a grant from the Newspaper Fund gives testimony that the industry is aware that minorities are far too absent from the mainstream of the newspaper profession.

Let's make it known loud and clear that the industry remains cheated of great talents of minorities who are denied the opportunity to contribute.

Many Americans, particularly black Americans—feel that they have been and are still being wronged by the press—that they cannot make their point of view known.

This is an abuse of press power.

We know of the petty ways the press can oppress—the misleading or damaging headline, and the slanted way news comes out to reinforce the publisher's bias or anger. It comes right into your lap, here—You have to move in and influence the changes that will truly make the fourth estate—an honorable and fourth member of Society.

Let's also understand that the establishment media—is controlled by powerful organizations that are committed fully to barring you from taking over without a real showdown war.

These same people are in tune with majority rule. And as majority-members, with lead-time advantage over his or her competition, they are not going to unselfishly handicap themselves by allowing the other guy a fair and equal chance at taking first place.

We can be real proud that a fellow journalist—Alex Haley with "Roots"—helped a lot of us to discover who we are and where we came from. I recommend that we now take another giant step forward—and plant the "seeds" for necessary replacement.

I thank you for inviting me here.

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. YOUNG of Florida. Mr. Speaker, today I had the opportunity to testify before the Subcommittee on Social Security of the Committee on Ways and Means, in support of three bills that I have introduced in the 95th Congress. The problems facing our social security recipients are of long standing, Mr. Speaker, and the resolution of those problems is a primary responsibility of this Congress. So that my colleagues may be fully aware of the intent of my bills, and in an effort to encourage prompt and effective action on the bills by that subcommittee, I respectfully submit the full text of my testimony:

TESTIMONY—COMMITTEE ON WAYS AND MEANS

Mr. Chairman, thank you for the opportunity to appear before your committee today to testify on behalf of three bills that I have introduced in the 95th Congress. Regretfully, however, I must tell you that I also introduced these same three bills in the 94th Congress, and one of them in the 93rd Congress, and I am as frustrated, as I am sure most of our Social Security recipients are, that Congress has not taken the initiative yet, to correct the unjust situations that these bills were designed to correct.

Thousands, probably millions, of words have been spoken before the Members of this Committee on behalf of the plight of Social Security recipients . . . so many words that, as tragic as their individual situations are, their overall story sounds like a broken record. But just because a problem isn't a new problem, doesn't mean that it isn't an urgent problem. In fact its "longevity", in this instance, only adds to its urgency. The longer these injustices continue, the more devastating the results for elderly people who find themselves deeper and deeper in debt with every passing year.

The term "senior citizen", depending on who is using it, can refer to people ranging in age from 55 to over 100. This is a 50 year lifespan, and it is an age range into which some of us already fall, and many more will reach before very much time has passed. When we legislate for "senior citizens", Mr. Chairman, we are not legislating for some obscure group of people. We are legislating for our friends, our neighbors, our relatives, and, in some cases, even ourselves.

In many countries of the world, the nation's elderly are the most revered of their citizens. They are treated with the greatest respect, called upon when difficult decisions must be made to take the greatest advantage of their acquired wisdom and experience, and cared for revenently by their families and governments. Are America's elderly any less worthy? Of course not!

One of the most unfair sections of our present Social Security law, in my opinion, is the earnings limitation. My bill H.R. 1389 amends Title II of the Social Securtiy Act to

increase to $4,800 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without deductions from benefits.

Just for a minute, Mr. Chairman, I would like to ask you, and the Members of your Committee to mentally celebrate your 65th birthday, as it would occur if you were an American citizen employed in the private sector. You wake up this morning, and like to or not, you are retired. Your income from this day forward will come to you in the form of a Social Security check once a month . . . a check that will be considerably smaller than the one you've been accustomed to getting every month of your working life. The people in your office wave a hopefully sad "goodby", and caution you to catch those fish, hit those golf balls, and play with those grandchildren to your heart's content. "Never give us another thought", they caution, "from now on we'll take care of everything that is important."

How do you feel? Probably not very good. The prospect of 20 to 40 years with nothing to do but grow older is a very bleak picture. But, you are a resourceful person . . . there is plenty to be done, and there are plenty of good years in you left to do them. Do you devote your life to golf, fishing, the grandchildren, and a few charitable activities? Perhaps you do, until you find that your own income is so limited, your lifestyle so drastically reduced, and your mental stimulation so low, that if you are to be at least comfortable in your "retirement", you must do something to supplement your income. Having made this decision, you set out to find a job, and not only do you face the problem of being overage for most kinds of employment, but if you do find a job, almost certainly it pays more than the law allows you to make. If you take it, you lose your social security benefits, which you paid for all of your working life and should be entitled to for as long as you live. If you don't take the job, you are faced with years of boredom and a less than ideal income.

It is a vicious cycle, Mr. Chairman, and one that should hit home to all of us. And by allowing it to continue, we seem to be punishing our "senior citizens" for living more than 65 years. $4,800, Mr. Chairman, is $400 a month, or about 40 hours work a week at the minimum wage. If over your lifetime, you have invested enough money to earn $4,800 a year in interest, the government doesn't penalize your social security payment. You can have both with no argument from anyone. Why is the retiree who wants to work for his fiscal stability and mental sanity any less entitled to it than the one who "clips his coupons"? It is time for us to correct this injustice, Mr. Chairman.

It has been time for a long time, but the fact that we haven't done so to date, doesn't mean that we can't accomplish it now. It is my great hope that the 95th Congress will act to raise the earning limitation for retirees to at least a minimum wage, and give our retirees back the opportunity to earn their self respect, and the ability to provide for their own comforts in the years that they are perhaps most entitled to them.

Another small, but devastating injustice in our Social Security program can be eliminated by the passage of my bill H.R. 1390, a bill to amend Title II of the Social Security Act to provide that a beneficiary shall, if otherwise qualified, be entitled to a prorated benefit for the month in which he (or the insured individual) dies. Social Security payments are earned by our citizens during their working years and are supposed to be paid for the rest of their natural lives, but our law now reads that if the recipient dies during a given month, his Social Security check for that month must be returned in full to the government. My bill will at least allow retention of the money for the days of the month which the recipient lived, and surely the grieving family, with all of the problems and traumas involved, are entitled to that.

The final bill for which I offer testimony today, is H.R. 2897, a bill to amend Title II of the Social Security Act to provide that a marriage or remarriage of an individual entitled to a widow's, widower's, or parent's insurance benefits shall not terminate such individual's entitlement to benefits or reduce the amount thereof. The mental picture of a retired couple enjoying their leisure years, doing all the things they always wanted to do together when they were too busy raising their families, is a lovely picture which for some does come true. For many others, however, one partner outlives the other and is left alone in what can be a lonely, friendless and insecure world. After some period of adjustment, some find another partner who would like to share those lonely and idle years. For those who are fortunate enough to be in that situation, it is a shame that many must hesitate to take advantage of it because to do so would mean a drastic reduction in their already meager income.

My bill does not provide that a widow, for example, already receiving Social Security benefits, who then remarries, would continue to receive her widow's benefits plus benefits that she might receive as the spouse of her new husband—because no one is allowed to receive more than one Social Security benefit each month. What it does mean, is that a widow would receive either the amount she had been receiving as a widow, or the amount she would be entitled to on her new husband's earning record, whichever is greater. The effect is to guarantee that no qualified beneficiary will have their Social Security benefit reduced or terminated because of remarriage. I am deeply concerned, Mr. Chairman, that this inequity of the Social Security Act, in some cases discourages a retired couple from marrying, or forces them to adopt a lifestyle of coahabitation without the benefit of marriage that is distasteful to them and to society. To force such an alliance, or an alternative life of loneliness because of an unfair law, is unworthy of us as individuals or as legislators.

Our Government, and particularly this Congress, Mr. Chairman, spends a great deal of money for causes far less justified than those outlined before this Committee today. It is time we pay attention to the needs of our "senior citizens", and make the solution of their problems a priority in our society instead of an afterthought. I urge this Committee to consider favorably H.R. 1389, H.R. 1390 and H.R. 2897, and to recommend their passage by the House of Representatives as expediently as possible.

CONCERNING CAPTIVE NATIONS WEEK

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. CONABLE. Mr. Speaker, this week we observe the 19th anniversary of Captive Nations Week. As Americans we have been blessed with freedoms and liberty unknown to many nations throughout the world. Nations which yearn in vain for similar blessings should have our special remembrance this week.

Our Nation seeks better understanding with the Soviet Union and other Communist countries through trade, science, and negotiations as a contribution to lessened world tensions, but we cannot forget those who are denied basic civil rights. Forced deportations, broken families, and the lack of essential freedoms of speech, press, assembly, and religion are burdens our hearts cannot carry, sorrows our hearts cannot ignore.

As a privileged nation we should support the human rights of the oppressed people of the world and pray for their freedom. With our heritage as a free and open society goes the obligation of keeping hope alive among the downtrodden everywhere. The Helsinki accords, though controversial, cannot be ignored by the Communist world without people of good will drawing the obvious conclusions and basing their politics and their commitments on the lessons to be learned.

I join my colleagues today in dedicating myself to continued concern for the people of the captive nations of the world.

WORKFARE WORKS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. FINDLEY. Mr. Speaker, I was intrigued by an article appearing in the July 18, 1977 issue of U.S. News & World Report which describes efforts now underway in at least 17 States to strengthen welfare work requirements. I was particularly impressed by the apparent success of Utah's "workfare" program.

I commend this article to the attention of my colleagues, and ask that it be included at this point in the RECORD:

LABOR—WHEN STATES TELL PEOPLE THEY MUST WORK FOR WELFARE

Utah's "workfare" program has blazed a new trail. Now many other States are testing plans aimed at the same goal: putting people on relief to work.

The idea that able-bodied people should be required to work for their welfare money is spreading rapidly across the U.S.

One such "workfare" program attracting nationwide attention is operating smoothly in Utah.

So successful is the Utah plan in moving people off relief rolls that half a dozen other States are taking a look at it as a possible model for programs of their own. Some believe it might even be useful to the Carter Administration in its search for national welfare reforms.

Besides Utah, at least 16 States have stiffened their work requirements or added new work incentives in the last two years. A number of other States and many cities have some kind of program aimed at putting relief recipients to work. And the Federal Government's Work Incentive Program—known as WIN—is steadily stepping up its pace in finding jobs for welfare recipients.

ON THE JOB, ON THE DOLE

The Utah plan is unique in several respects. It is sterner and goes further than most other programs. It is mandatory. And it doesn't just train people for future jobs. It actually puts them to work while they are still drawing welfare payments.

In most places, such work requirements apply only to people on programs financed by State or local funds, such as "general assistance" or "direct relief."

Utah's plan applies to those who receive Aid to Families with Dependent Children

(AFDC), a huge, nationwide program that draws heavily upon federal funds. Utah officials say theirs was the first work requirement approved by the Department of Health, Education and Welfare for application to AFDC.

"Utah is the first State where people earn their welfare grants," claims the program's co-ordinator, Usher T. West.

Officially, Utah's method is called a work-experience and training program. But its training is not the usual type done in classrooms. Trainees learn to work by actually working. If private employment cannot be found for them, they are put to work for public agencies, doing jobs that are needed by State or local governments. They serve as teachers' aides in their neighborhood schools or plant trees in public parks, for example. They work three days a week but remain on the welfare rolls until they find regular jobs.

Only ill, aged or disabled persons or mothers with children under 6 years of age are exempted. All others are told to take one of the jobs offered to them or lose all or at least a part of their welfare payments.

Those who participate in the program are helped by the State to find jobs in private industry. Many are doing so.

In one six-month period, from July through December of last year, 782 people were were assigned to the work program. Of that total, 311 were removed because they did not perform as required. But 11 people were hired by the sponsors who gave them their training jobs, and 218 found other kinds of employment. In addition, 109 mothers found enough work to reduce the amount of welfare funds needed to support their families.

"FEELING GREAT"

A 32-year-old mother of two children was hired recently as a full-time office worker in Salt Lake City's assistance-payments administration, the same office that handed her welfare checks for 13 years before she took job training for two years. During the instruction period, she says, "even though I was getting welfare I felt I was working for it." And now, she adds, "With my new job I am barely making ends meet. But I feel great because I am making it on my own."

Utah officials point out that communities as well as individuals benefit from the program. Some agencies, such as private nonprofit organizations that are constantly short of funds, report that the services of welfare recruits have been invaluable.

One self-help agency in Salt Lake City, for instance, had the funds to buy insulation for the homes of elderly poor people, but lacked money to hire workers to install it. Welfare trainees have been assigned to the job. Another self-help group put trainees to work repairing the homes of elderly Salt Lake City residents.

A QUESTION OF LEGALITY

Some critics charge that Utah's job-training effort is nothing more than a thinly disguised public-works program that uses underpaid welfare recipients in place of regular employes.

Legal-services lawyer Lucy Billings says she is considering filing a court suit against the program on the ground that it violates federal regulations that people cannot be required to work for their welfare payments.

It took Utah three years to get its program approved by the U.S. Department of Health, Education and Welfare. For 18 months, HEW withheld federal contributions to Utah's program for Aid to Families with Dependent Children. It cost the State almost a million dollars to make the AFDC payments entirely from State funds. But many Utah people feel that it was well worth the cost.

Utah officials concede that their program might not work so well in other parts of the country, especially in big cities where population is denser and welfare rolls are much larger. Of Utah's nearly 1.2 million residents, only 39,000 are getting money grants of aid. Also, it is suggested, labor unions in more-industrialized States might oppose welfare people being given jobs that might be sought by union members.

But in the view of Robert W. Hatch, a field director for the Utah assistance-payments administration, public acceptance of the idea that welfare recipients should work for their money is spreading throughout the nation. Says Hatch: "I think that in time, putting welfare clients to work will become a common practice."

In fact, a trend in that direction is already apparent.

Oklahoma has a 2-year-old work-experience program that was passed by the legislature at the urging of Governor David Boren. It requires that anyone 18 or older in a family receiving Aid to Families with Dependent Children must visit the local employment office and sign up for a job that's available.

In 1975, there were 2,300 persons participating in the Oklahoma program. Many worked in State institutions, hospitals or in county offices for $5 a day to offset expenses, plus their regular AFDC checks.

"They are usually placed in jobs where they can easily be trained and hopefully be picked up by the business community," says a State spokesman. Last year, more than 700 persons were placed in permanent positions outside the government.

THE RISK OF REJECTING WORK

The Texas legislature recently passed legislation to supplement the Federal Government's Work Incentive Program. Welfare recipients must register for work, and if they reject a job without a good reason, their benefits may be cut off after an administrative review.

North Carolina's legislature this year passed a law requiring welfare recipients to register for work.

As the law's sponsor, State Senator E. Lawrence Davis of Winston-Salem, explains it: A family head who fails to register is taken off the rolls. But aid to his or her children will continue as "protective payments" made through some other person or perhaps an agency, such as a church. Since the law did not take effect until July 1, it's too soon to tell how effective it will be.

A PART-TIME WORK FORCE

In the State of New York, all employable persons receiving general welfare-assistance payments have, since May 1, been required to work three days a week in a local-government agency if jobs are available.

There are about 60,000 such persons, and State Social Services Commissioner Philip Toia says: "We're hoping to develop jobs within local-government agencies for at least 30,000 of those employables within the next three months. We're hoping that, when faced with working three days a week, many will go out and get a full-time job."

One problem is that four fifths of the employables covered by the program are in New York City, where in the last two years thousands of public employes have been laid off in the city's effort to cope with a financial crisis. "I anticipate some complaints from the municipal workers' unions," says Assistant Welfare Commissioner Irwin Brooks. However, according to a *New York Daily News* poll published May 23, about 87 per cent of residents in the New York metropolitan area approve of the new workfare program.

Work-for-welfare bills similar to New York's are pending in several States, including Connecticut and New Jersey.

Massachusetts is one of the States studying the Utah plan of mandatory work for heads of AFDC families. Since 1975, Massachusetts has barred all employable persons from direct relief or general-assistance rolls. The State of Rhode Island followed suit last September, cutting its relief case load by more than 20 per cent.

MILLION-DOLLAR SAVINGS

Bridgeport, Conn., started last year a plan requiring employable people receiving welfare to work one or two days a week, depending on the amount of their aid. About 300 persons out of a case load of 1,330 are now working. If they fail to work for a period of two weeks, their benefits are automatically terminated.

Result: Bridgeport's case load has been cut 45 per cent in a year's time, with a million-dollar reduction in the city's welfare budget.

Milwaukee County, Wis., has a locally run pay-for-work program requiring all able-bodied welfare applicants to take specially created jobs in municipal or county departments. They are paid $2 an hour for a 32-hour workweek.

One experiment being watched closely is a "supported work" program run by the Manpower Demonstration Research Corporation, a nonprofit, tax-exempt organization set up with the support of the Ford Foundation and five Federal Government agencies—principally the Department of Labor.

It has 15 projects in 13 States that provide jobs, mostly with public or nonprofit agencies, for more than 2,000 marginally employable people, including AFDC mothers. Instead of welfare checks, they get paychecks at minimum-wage rates.

A mixture of welfare funds and grants is used to finance the program. The workers will be helped to find permanent jobs in private industry once they have developed the necessary skills.

Many towns and some States have found that the administration of work-for-aid programs is too costly to justify the small numbers put to work. But the search for practicable systems goes on—and widens.

In the words of Fritz Kramer, a manpower specialist with the Labor Department: "A number of States are exploring ways to provide jobs in either the public or the private sector to get people off the welfare rolls."

DISPLACED HOMEMAKER CENTER BILL IN TEXAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. PICKLE. Mr. Speaker, on Thursday of this week at 9:30 a.m. the Education and Labor Subcommittee on Employment Opportunities will hold hearings on H.R. 28, the Displaced Homemakers Act. I am a cosponsor of this bill and I thought it timely to call to the attention of the Members of this House that Texas in May of this year passed the displaced homemakers' center bill that calls for the establishment of two pilot multipurpose service centers under the supervision of the Texas Rehabilitation Commission. These centers will provide specialized counseling for the increasing number of women who have devoted a number of years to child rearing and homemaking and suddenly find themselves needing a paying job. The attached story is from the Texas Women's Political Times, June 1977, "Caucus Assesses Lobby Effort."

The article follows:

CAUCUS ASSESSES LOBBY EFFORT

(By Jody Richardson)

The Texas Women's Political Caucus has now weathered three times the 140-day

whirlwind known as the Texas Legislature. The 65th session, which screeched to a sudden halt May 31 saw the Caucus garner a number of significant victories and warns of skirmishes sure to stir up again.

All five of the Caucus' top priorities were introduced as bills, two of which passed the Texas test. In defensive action, the Caucus helped block passage of two important anti-women's rights bills.

The Displaced Homemakers' Center bill, HB 444 by Sullivant, McFarland, and Miller, signed by Governor Dolph Briscoe May 11. calls for establishment of two pilot project multi-purpose service centers under the supervision of the Texas Rehabilitation Commission.

As mandated, one will be in the Dallas-Ft. Worth-Arlington area, the other in a county of under 100,000 population. Texas thus becomes the first state to address rural-urban differences which face middle-aged newcomers to the job market. Nearly 30 other states have legislation pending, and the federal government is considering a bill to provide 90/10 matching funds for state centers.

Because of the ever-increasing divorce rate and the earlier mortality rate of males, thousands of women are finding themselves "out of a job," often after over 15 years of marriage, and a career of child-rearing and homemaking.

The Centers will provide specialized counseling for those whose full-time job has been homemaker: assessing their past volunteer experience in marketable terms, and referring them to existing and cooperating job training programs. Once trained, the center staff will assist in job placement, calling largely on enthusiastic support from local business communities.

The Texas Rehabilitation Commission is now accepting proposals from not-for-profit organizations to operate the centers, which must be staffed with displaced homemakers themselves insofar as possible, according to the law. TRC staff will aggressively seek alternative sources of funding to supplement the modest $100,000 per year the two centers must share.

TEST OF CHARACTER

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. BOB WILSON. Mr. SPEAKER, an article appeared recently in Harpers magazine entitled: "The Persecution and Character Assassination of Howard (Bo) Callaway as Performed by Inmates of the U.S. Senate Under the Auspices of the Democratic Party."

Having read the Harpers article, it appears to be a valid criticism of the actions of the other body in ramming through an unfair and seemingly politically-motivated "investigation" during the last campaign.

An editorial which appeared in the July 7, 1977, Wall Street Journal, commenting on the Harpers article by Jim Hougan, succinctly explains the unfairness of the regrettable action of last year.

I include the article as a portion of my remarks:

TEST OF CHARACTER

Political life in democracies has always been known for chewing up the reputations of public figures. But in Washington in recent years the vilification has taken on an especially vicious character: Just about any associations with the private sector may now be hazardous to your political health. In the current issue of Harper's magazine, Jim Hougan has exhumed the story of Bo Callaway as a case in point.

Mr. Callaway, you may remember, was President Ford's first campaign manager in the 1976 election race. He "resigned under fire," as the papers put it at the time, when a Senate subcommittee began investigating charges that he had used an earlier position of his as Secretary of the Army to influence a government decision about developing a ski resort area in which he had an interest. The subcommittee later issued a report criticizing Mr. Callaway for his behavior and calling the whole incident a "sorry history of partiality and favoritism."

By then, the publicity surrounding the investigation and its hearings had already retired Mr. Callaway from public life, and the story had been lost in the rush of the presidential campaign. Mr. Hougan revives the story by reminding us just what Mr. Callaway seems to have done to merit his fate.

When he became Secretary of the Army back in 1973, he had—and the Senate that confirmed him allowed him to keep—an interest in a ski resort development company that wanted to develop Snodgrass Mountain in Colorado. Because the mountain was government-owned, the Department of Agriculture's Forest Service had to approve the development. The company first asked for this approval in 1971. Four years later, in 1975, the Forest Service issued a tentative plan for the area that proposed deferring development of the mountain for another 10 years.

When this happened, Mr. Callaway called Richard Ashworth, a Deputy Under Secretary of Agriculture and a personal friend from back home in Georgia, to complain that the Forest Service was refusing to judge his company's case on its merits. Five months later—literally during Mr. Callaway's last hours in office as Secretary of the Army—Mr. Ashworth came by to brief Mr. Callaway on the progress of the matter, and Mr. Callaway made his case again. Meanwhile, Colorado Forest Service officials were in fact reversing themselves and deciding to let Snodgrass Mountain be developed—but the people back in Washington seem to have done nothing during this whole process to influence them on Mr. Callaway's behalf.

But some of the folks around Snodgrass Mountain didn't like the idea of a ski resort expansion, and they thought Mr. Callaway's position must have something to do with it. They took their case to Colorado's Democratic Senator Floyd Haskell, who chaired a subcommittee with jurisdiction over the area and who may have had his own reasons for being interested in the man who by now had become Gerald Ford's campaign manager.

Senator Haskell had available to him the speculations of Mr. Callaway's opponents, and decided to hold public hearings. The Forest Service provided a detailed denial of the charges, but the Senator decided to continue with the full-dress, headline-grabbing procedure.

At the hearings, not a single witness could be found to say that any pressure on the Forest Service had been intended or responded to; the talking that Mr. Callaway seems to have done was the same kind Senator Haskell or any other Congressman had done for his constituents many times over. But the subcommittee's final report condemned Mr. Callaway for actions that were at least translatable into the appearance of improper pressure."

So Mr. Callaway was cashiered in the end not for things that were necessarily bad, but for making his case in a way that could have looked bad. And we suppose that judgment is correct, if what you mean is that the worst conceivable construction can be put on almost any action. But in between partisan advantage and personal publicity, there are getting to be a lot of incentives in American politics for thinking up that worst conceivable construction, and we might note where the trend seems to be taking us.

If the country's politics make it impossible for a public figure to have any connections with the private sector, we will get public officials who do not particularly care about the private sector. If politics becomes synonymous with the destruction of reputations, we will lose public officials who care for their reputations. If it becomes dangerous to interfere in the blind workings of bureaucracy, the bureaucracy will proceed unchecked.

And if the kind of proceeding that brought down Mr. Callaway remains the road to political profit, even the profiteers may not be very pleased in the end with the government they get.

THE UNITED STATES IN THE TWILIGHT OF HER YEARS?

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

The July edition of Imprimis, the Journal of the Center for Constructive Alternatives, comprised an article by Dr. James E. Dornan, Jr., associate professor and chairman of the department of politics at Catholic University.

It is an impressive piece not only for the clarity and skill with which Dr. Dornan writes but for the fearful implications of his theme and title: "The Decline of the United States as a World Power."

In developing his thesis, Dr. Dornan reaches the unavoidable conclusion that if the United States were to become involved in another crisis of the magnitude of Berlin in 1961 or Cuba in 1962, the United States would be unable to face down the Soviet Union. Moreover, if the trends now extant are allowed to continue, the United States will soon be unable to protect her allies, her vital interests and, finally, her own shores.

I commend this critically important article to my colleagues:

THE DECLINE OF THE UNITED STATES AS A WORLD POWER

(By James E. Dornan, Jr.)

During America's bicentennial year most of us became reacquainted with much of the lofty and often inspiring rhetoric associated with this nation's political past. A re-reading of that rhetoric reveals that it contains many themes and messages, but clearly among the most important of these is the assertion that the United States is a nation with a special mission to perform in human history.

Thus it was with John Winthrop's 1630 assertion that the new colony of Massachusetts Bay would be "as a city upon a hill, the eyes of all people are upon us." In a similar vein, John Adams told a friend in 1765: "I always consider the settlement of America with reverence and wonder, as the opening of a grand scene and design in Providence for the illumination of the ignorant and the emancipation of the slavish part of mankind all over the earth."

Such convictions as these have been expressed frequently throughout the nation's history: statesmen with political outlooks as

divergent as those of Alexander Hamilton and Woodrow Wilson have been seized by the belief that the American system would become the political model for the entire world, and that American power might be a key factor in the establishment of new and just political orders in every corner of the globe. In modern times perhaps the two most characteristic formulations of these convictions are F.D.R.'s call to the American people to join in an undertaking to "afford assurance that all men in all the lands may live out their lives in freedom from fear and want," and the stirring hyperbole of John F. Kennedy's first inaugural address, "let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty." Since the birth of the American nation, our statesmen and our people alike have viewed the United States as fashioning both a democratic political system which others could and should copy to their benefit, and a great nation capable of wielding the power requisite to assist in advancing the cause of freedom around the world.

It was no accident that I concluded the litany of statements proclaiming America's global mission with a quotation from John Kennedy. In many ways the early 1960s represent the high-water mark of the American spirit of mission, both with respect to the proclaiming rhetoric and the power which we were capable of wielding in support of that rhetoric. Concern over a "missile gap" favoring the Soviet Union which had so alarmed Americans in the late 1950s was quickly succeeded, after Kennedy's inauguration, by a growing awareness both here and abroad that the United States possessed overwhelming strategic superiority over our principal adversary. It was that superiority which enabled us to turn back the Soviet challenge to Berlin in 1961 and to face down the U.S.S.R. in the Cuban missile crisis of 1962, the latter in most respects a humiliating defeat for the Soviets.

But the early 1960s have become an almost forgotten memory. It is my thesis that the United States no longer possesses the power to face down the Soviet Union, should a crisis of the Berlin or Cuba type arise in the future. It is my further contention that if trends now extant long continue, the United States will lose its ability to protect even its vital interests in Europe and in Northeast Asia, and perhaps ultimately lose its ability to protect the nation's security itself. The United States, in short, is in decline as a world power, and that decline is more advanced than we would like to believe.

THE MILITARY BALANCE

Evidence concerning the decline of the United States as a world power is not difficult to discover. Let us first investigate the military balance between the United States and its principal adversary, the U.S.S.R., a topic which in recent years has received considerable media attention. It is worth remembering that the state of the military balance is not merely a matter of abstract calculations of interest only to the Pentagon, but rather, as we shall see, is of concern to us all, because it is directly related to the ability of the United States to protect its interests and fulfill its commitments abroad, and ultimately to protect its own security.

First, let us examine strategic forces. The American public repeatedly has been reminded during the past five years that under the force levels established by the SALT I Accords, the U.S.S.R. is guaranteed a substantial advantage over the United States in strategic missiles of both the land-based and the sea-launched variety. At present, the U.S.S.R. deploys more than 1,500 ICBMs to 1,054 for the United States, and 845 SLBMs in 78 submarines to 656 in 41 submarines for the United States. This should be compared with the situation which existed as recently as 1966, when the U.S. led 904 to 292 in ICBMs and 592 to 107 in SLBMs. While the United States possesses a substantial but diminishing lead in long-range strategic bombers—452—to approximately 210 for the U.S.S.R.—the Soviet Union has gained an even more substantial advantage over the United States in numbers of deployed sea-launched cruise missiles of all types, 600 to only a handful for the U.S. The Russian missiles are mostly short-range and were originally designed as anti-ship weapons; although they do not constitute a major part of the Soviet strategic arsenal, they can strike an area containing 60 percent of the U.S. population and a large portion of American industry, and we presently have no effective defense against them.

Moreover, it is often argued that significant U.S. advantages—numbers of MIRVed missiles, greater accuracy and reliability of the U.S. SLBMs, and greater numbers of manned bombers—compensate for the larger size of the Soviet strategic missile force. But these American advantages appear to be rapidly declining in significance. The Soviets have been testing and deploying their own MIRVed missiles since 1973. Due to the large size of the new generation of Soviet missiles and their huge payload, the Soviets will be able to deploy a substantially larger number of MIRVed warheads on land-based missiles than the U.S. Moreover, these warheads will be larger than their American counterparts, thus compensating in considerable measure for the superior accuracy of American reentry vehicles. The SS–18 alone can carry up to ten two-megaton warheads. The American Minuteman, by way of contrast, deploys only three warheads of 170 kilotons apiece. Furthermore, the Soviets are increasing the rate of production of their new swing-wing Backfire bomber, which, depending on the flight plan followed and the payload carried, can reach most strategic targets in the United States from bases in the Soviet Union. At current production rates, the Soviets will for the first time have more strategic bombers than the United States as early as 1982, whatever decision the Carter administration and Congress ultimately make about procurement of the B–1 bomber. Soviet air defense capabilities raise questions about the effectiveness of existing U.S. strategic bombers. The Soviets have more than 12,000 surface-to-air missiles in their inventory (the U.S. has none) and more than 2,600 interceptor aircraft as well.

The Soviets recently began testing of a new sea-launched strategic missile, the SS–N–18, which deploys MIRVed warheads substantially larger than their counterparts deployed on U.S. *Polaris* and *Poseidon* missiles. In this area as well, therefore, U.S. advantages are rapidly evanescing. Finally, while the Carter administration debates the future of the U.S. Navy's long-range *Tomahawk* cruise missile, the U.S.S.R. continues to test, and is apparently about ready to begin deployment of, its own long-range cruise missile, the SS–N–12, its range may extend to 2,000 nautical miles or more, although the Soviets claim that it should be exempted from the proposed SALT ban on cruise missiles.

Neither is it plausible to argue that any SALT agreement which will prove acceptable to the U.S.S.R. will improve the position of the U.S. in the strategic equation. The principal effect of the SALT I agreement of 1972 was to limit deployment of the highly-promising U.S. ABM system and freeze the Soviet numerical advantage in numbers of strategic missiles, especially large missiles, while at the same time permitting the U.S.S.R. to proceed with its massive strategic force modernization program. The Vladivostok Accord, should it become the basis for a permanent follow-on agreement, would not at all limit this Soviet modernization process, which, when completed, will provide the U.S.S.R. with a dangerously high confidence first-strike capability against the U.S. land-based missile force. While the Carter proposals for a comprehensive arms pact appear to include significant limits on the Soviet right to deploy new large missiles, these proposals have been explicitly rejected by the U.S.S.R. for exactly that reason. There is little likelihood that SALT II as finally concluded, therefore, will rescue the U.S. from the catastrophically deficient SALT I.

In any case, and perhaps most ominously of all, there are now solid indications, based not on textual analyses of Soviet military writings but on actual Soviet behavior, that the U.S.S.R. has definitively rejected the view commonly held by American defense intellectuals that no nation could survive a nuclear war. In recent years the Soviet Union has undertaken a civil defense program of highly significant proportions. Not only have the Soviets hardened their strategic communications centers, their nuclear weapons depots, and their military facilities in general, but underground bunkers are being provided for most industrial facilities in the U.S.S.R. as well. Of course it is possible to argue that this effort constitutes an exercise in futility—there is no doubt that if a nuclear war were to occur in the near future, every Soviet city could be burned to the ground, with population losses in the tens of millions—but the Soviet CD program nonetheless clearly demonstrates that the U.S.S.R. adheres to a philosophy of war and a strategy for the nuclear age which is startlingly different from our own. In sharp contrast to American strategists and statesmen, the Soviet leadership clearly believes that nuclear war might occur, and is preparing to fight such a war and win it should that happen.

This conviction doubtless explains the steady growth in the rate of expenditure for defense purposes in the U.S.S.R. over the past several decades. The increase in that rate of expenditure over a twenty-year period has amounted to three to five percent annually, regardless of external or internal conditions. In periods of "detente" and in periods of high international tension, during periods in which the Soviet domestic economy is functioning smoothly and during periods in which the Soviets have encountered severe economic difficulties, the rate of increase has remained the same. The poor Soviet harvests of the early 1960s and of the early 1970s, for example, coincided with massive deployments of new missile systems, and consequent increases in defense expenditures. Kissinger's 1973 prediction that "soon the economies of the two superpowers will be so intertwined that detente will become irreversible" was followed almost immediately by the onset of a Soviet missile deployment program which former Secretary of Defense Schlesinger characterized as "staggering in its extent and scope." Since 1964, Soviet defense spending has increased over 40 percent in real terms, while that of the United States has declined 18 percent in real terms.

The conventional military balance appears even more unfavorable for the United States than does the strategic balance. That should surprise no one, since the conventional balance has favored the Soviet Union overwhelmingly since the end of World War II.

One important measure of military strength is total men under arms. The United States currently has just over two million, while the Soviet Union has nearly four and one half million in uniform. To be sure, military personnel in the U.S.S.R. perform a variety of tasks which in the U.S. are handled by civilians; nevertheless, the gap is startling. A more specific indicator of the conventional balance is the number of combat divisions in the armed forces of each

superpower. The U.S. now has nineteen divisions, including the Marines, while the Soviet Union has 170—two more than a year ago. While it is true that Soviet divisions are somewhat smaller than their U.S. counterparts, the disparity is nonetheless a useful indicator of comparative conventional strength. During the past decade, the Soviets have added about one million men to their force structure—130,000 of which directly face U.S. and NATO forces across the central front on the Continent. They have, moreover, increased the size of their divisions by nearly 3,000 men, the density of tanks deployed in each division by nearly 40 percent, and the conventional artillery deployed with each division by at least 50 percent and in some cases even 100 percent. As a result, twenty Soviet divisions today are the equivalent of twenty-five to twenty-seven divisions of ten years ago. It is worth noting that the United States has a total of 11,600 tanks in active service, while the Soviet Union has at least 45,500. New assault and attack-type helicopters, improved infantry combat vehicles, self-propelled artillery, mobile rocket launchers, precision-guided antitank weapons, and T–72 main battle tanks are all presently being deployed by the U.S.S.R. in large numbers, especially in Europe.

A similar situation exists in the area of tactical air power. Not counting approximately 3,000 trainer aircraft and the 2,600 fighters previously mentioned, which are assigned to the air defense forces, the tactical air inventory of the Soviet Union—including fighters, attack aircraft, intermediate range bombers, and reconnaissance aircraft—now numbers more than 5,000 planes. A substantial proportion of these are assigned to the NATO theatre. Finally, Soviet tactical air power in Europe is backstopped by an intermediate-range missile force of 600 launchers, now being significantly upgraded through the deployment of the mobile and MIRVed SS–20 IRBM. As a consequence of these and similar deployments of new technology weapons the often-cited U.S.-NATO advantage in tactical nuclear systems is clearly declining.

There can be no doubt, therefore, that the overall conventional military balance between the superpowers has worsened appreciably during the past several years, especially in Europe. This situation does not markedly improve if Allied forces are added to U.S. theatre capabilities. And most serious commentators agree that should the U.S.S.R. launch an attack across the Central Front with a reasonable degree of tactical surprise, they would overwhelm NATO defenses and reach the English Channel within a startlingly short time. In the past, the West could rely upon its strategic superiority over the U.S.S.R. to deter such an attack. That superiority no longer exists.

In the area of naval strength, I note that ten years ago the Soviets had no missile-carrying cruisers; today they have 22. Ten years ago they had 12 missile-carrying destroyers and destroyer-like vessels; today they have more than 40. Ten years ago the Soviet Union had 45 nuclear-powered submarines; today they have more than 130. Finally, after a decade of determined shipbuilding effort, the Soviets have deployed their first true aircraft carrier and have under construction at least three more. The capability of the Soviet Navy has become so significant that the recently retired Chief of Naval Operations, Admiral Elmo Zumwalt, doubts whether the U.S. Mediterranean fleet could successfully deal with its Soviet counterpart in the event of war in Europe today. In an especially alarmist appraisal, General George Keegan, recently retired chief of Air Force Intelligence, asserts that in the event of war 75 percent of the free world's surface fleets would be destroyed by Soviet forces, naval and air, within a matter of hours.

In any case there is no longer any question concerning the Soviet ability to contest the American presence in any part of the world beyond our shores. The Soviet defense efforts that I have described have radically altered the nature of the U.S.S.R.'s military strength, transforming what was once essentially a continental force into one of global capabilities, capable of supporting Soviet foreign policy all over the world and directly intervening anywhere from Central Africa to the Caribbean. The observation of President Carter that "we're still by far stronger than they are in most means of measuring military strength" has nothing whatever to do with reality.

To be sure, it is possible to argue that I have presented in these remarks an overly alarmist view. There is no doubt that the United States still retains a mighty strategic striking force, which in fact has been improved in several important ways over the force we deployed as recently as five years ago. Neither can there be any doubt that under present circumstances a pre-emptive Soviet strategic strike upon the United States would be an act of folly.

Nevertheless, the analysis of extant trends in the strategic balance set forth above suggests that in the not distant future the U.S.S.R. may well possess the capability to destroy the bulk of the U.S. ICBM and bomber force in a first strike utilizing only a portion of its MIRVed heavy missile force. Most of its land- and sea-based missiles could be held in reserve to deter an American retaliatory strike in the unlikely event that it should be threatened. That possibility carries profound consequences for the stability of the international system and for American security. At the very least the likelihood of direct Soviet challenges to and threats against U.S. interests abroad will increase substantially.

It is worth recalling, as the German strategic thinker von Clausewitz reminded us 175 years ago, that power is not only the capacity to destroy, it is also the capability to influence, and that weapons have uses that far transcend the making of war. Not only is war a continuation of politics by other means, Clausewitz instructed us, but the acquisition and deployment of military forces in peacetime are—or should be—primarily governed by political considerations. From the time of Lenin down to the present day the leadership of the Soviet Union has closely studied Clausewitz. And from the time of Lenin down to the present day the exercise of influence in peacetime has been one of the primary purposes governing Soviet force deployments.

In recent years Soviet leaders have quite openly called attention to the political purposes which inspire the U.S.S.R.'s military buildup, informing us that the world correlation of forces has shifted irrevocably in the direction of the socialist world: the United States retreat from Vietnam, the abortive U.S. response to the Cuban invasion of Angola, and the American acceptance of Soviet numerical superiority in the SALT I Accords, all proved quite conclusively, they have asserted, that the United States is in the process of accommodating itself to the emergent international order in which the Soviet Union is the pre-eminent power.

American leaders from Kissinger to Carter, of course, have argued that the Soviet leaders are wrong, and that the United States, in the words of former President Ford, is still second to none in the primary indices of international power. In reaching your own conclusions as to who has the better of this debate, I ask you to reflect upon the attitudes and behavior of American decision-makers during two of the most important international crises of the postwar period, the Hungarian revolution and its aftermath in 1956 and the Cuban missile affair of 1962. If you investigate these events you will discover that, despite the overwhelming strategic superiority that the United States enjoyed over the Soviet Union on both occasions, U.S. decision-makers proceeded with considerable circumspection and even trepidation, fearful that vigorous U.S. action might set off World War III—a war which, under the prevailing circumstances, the United States could not possibly have lost. Reflect, therefore, upon the likely behavior of the United States during a future crisis after the strategic advantage has passed to the Soviet Union.

To be sure, some commentators have suggested that the Soviet Union is likely to behave as circumspectly as did the United States when it possessed the strategic advantage, and for the same reasons: the leaders of the U.S.S.R. are no more anxious than those of the U.S. to set off a nuclear holocaust. Moreover, it is argued, the Soviet have proceeded cautiously in the past in their efforts to translate military power into political advantage, and can be expected to behave similarly in the future.

These arguments appear to me to be singularly unpersuasive. As I have suggested above, there is no reason to believe that the Soviet leaders think about nuclear war or about the relationship between military force and foreign policy in the manner of most American defense intellectuals. Even more significant is the fact that until recently the Soviet Union has been distinctly inferior to the West in strategic power. The world has no experience with a Soviet Union which possesses substantial military advantages over the United States, and it would be dangerous in the extreme to assume that her growing military power will have little or no impact on Soviet behavior in international politics.

AMERICAN POLITICAL INFLUENCE DIMINISHES

I have laid such great stress on the state of the contemporary military balance between the United States and the Soviet Union because military strength is the most obvious indicator of national power. Ample portents of the decline of the United States as a global power, however, can be found in the political realm as well.

It is worth examining the view increasingly held abroad of the United States' power and influence. Since the defeat of the United States in Vietnam and our abortive response to the Angolan crisis, there has appeared in the European press, especially in France and the Federal Republic of Germany, an outpouring of concern about the willingness and ability of the United States to sustain a coherent foreign policy. European foreign correspondents now regularly speak of "the eclipse of American power," "the withdrawal of the U.S. from world politics," "the paralysis of American foreign policy," "the rise of neo-isolationism in America." Stern, West Germany's largest magazine, stated flatly in its special supplement honoring the American Bicentennial that "the American era is past."

According to a recent study by the United States Information Agency, doubts about the ability of the NATO alliance to protect Western Europe in the face of the growing Soviet threat have tripled in Italy over the past five years, nearly doubled in West Germany and France during a similar period, and drastically increased elsewhere in Europe as well. Even Western European officials, who customarily take an upbeat view of prospects for West in public pronouncements, are now having second thoughts, and are openly voicing their concern about the future of NATO and the prospects for a meaningful East-West detente. The growing malaise in Western Europe doubtless has had an impact upon the startling growth in the political strength of the left-wing parties in Italy and more recently in France, and the prospects for an accession to power of a government of

the left have increased substantially in both countries during the past eighteen months.

Even in the Eastern Mediterranean, where Greece and Turkey were formerly bastions of NATO strength with a long history of suspicion of Soviet motives and resistance to Russian imperialism, the situation in the past eighteen months has alarmingly deteriorated. Against the strongly-stated desires of its NATO allies, Turkey recently allowed the new Soviet aircraft carrier *Kiev* to pass through the Black Sea straits, in direct violation of the Montreux Convention—the latest in a series of Turkish attempts in recent months to build a more friendly relationship with its colossus to the north. In part, of course, recent Turkish policy is a result of dismay over U.S. policy towards Cyprus, but in part Turkey is simply accommodating itself to the prevailing winds in international politics, perceiving that as the power of the U.S. and NATO decline relative to that of the U.S.S.R., Turkey can hardly afford poor relations with the Soviet Union.

All over Europe the prospects for "Finlandization," as recently as two years ago widely considered to be a fantasy of American pessimists, are now being widely discussed. The term "Finlandization" refers to the prospect that the states of Europe, incapable of defending themselves in the face of overwhelming Soviet military superiority, will gradually modify their political behavior and even their internal political systems to suit the convenience and the desires of the Soviet Union, as has the nation of Finland throughout the postwar period. The facts concerning Finland's relationship with the U.S.S.R. bear recalling. When the term of Finnish President Urho Kekkonen legally ended in 1974, Soviet Secretary General Brezhnev publicly demanded that he remain in office lest the regularly-scheduled general elections result in the selection of a president of Finland less likely to submit to Soviet desires on significant domestic and international issues. As a result of Brezhnev's demand, the nationwide presidential elections were cancelled and Kekkonen's term was extended four more years by an act of Parliament. Reacting to both internal and external criticism, Kekkonen recently declared that elections will be held in 1978, but it has become apparent that this is a triumph of form over substance: already all major parties, including the Conservatives, have announced that Kekkonen will be their candidate. All this has occurred not because of the strength of the Finnish Communist party, which has never received more than 25 percent of the popular vote in any Finnish election, but because of direct external pressure by the Soviet Union. Once again, I ask you to reflect upon future possibilities.

How would a Communist-governed Italy behave in the face of similar Soviet pressure, or for that matter a Socialist-Communist coalition government in France? And should the dominoes begin to fall in the rest of Europe, how would the Netherlands behave? There a political party leader proposed that the Dutch army should be reduced to one man, Russian-speaking, whose sole task would be to telephone to Moscow the announcement of the Netherlands' surrender in the event of a Soviet invasion of Western Europe. He received nearly 20 percent of the vote in a recent parliamentary election.

The situation is only slightly more promising in the Far East. In Japan, for example, there is widespread confusion and alarm over continued evidence of U.S. determination to continue its military withdrawal from Asia. Discussion has begun on the alternatives open to Japan, including accommodation to Soviet and Chinese power and the acquisition of nuclear arms.

In the Third World, American influence is probably at an all time postwar low. Events at the meeting of "non-aligned nations" in Sri Lanka in the summer of 1976 offer an instructive illustration. Attendees at the conference included such well-known "neutral" nations as Cuba, North Korea, North Vietnam, Laos, Cambodia and Angola. The Philippines were accorded only guest status, and South Korea was not permitted to attend at all. The final statement of the conference called for withdrawal of all U.S. forces from South Korea and complete Panamanian control of the isthmus canal U.S. military bases in Latin America were condemned as "a threat to the peace and security of the region"; there was of course no mention of Soviet bases in the Middle East or along the edge of the Indian Ocean littoral. The member states called for an end to Puerto Rico's "colonial status," while of course not mentioning the colonial domination of the Baltic states by the Soviet Union, of Tibet by Communist China, and the like.

In the United Nations as well the developing world appears to be rapidly moving toward positions on world issues favored by the Soviet Union. On the twenty-six votes identified by the State Department as key issues during the past seven years, only thirteen nations voted consistently with the United States. More than 100 nations, about two-thirds of the total, voted with the Soviet Union and against the United States more than 50 percent of the time.

I could go on at length, but I believe the picture is clear. The era of American pre-eminence, in which the United States actively employed its military and economic strength to protect nations around the world against aggression and revolution, has passed. The United States is now hard pressed to defend its own vital interests beyond its borders. Should the military trends described above continue to develop as they have during the past five years, even that may be beyond us in the not-distant future.

THE REASONS FOR AMERICA'S DECLINE

What then explains the decline of the United States from a position of global preeminence to its present status? Needless to say, it is not possible to identify the reasons in detail or with precision within the space allotted to me here. Several factors, however, deserve mention. First, it is worth observing that to a certain extent the changes which have occurred in the global power balance have been beyond the capacity of the United States to alter. The breakup of the European colonial empires in the 1950s and 60s, the relative decline of Europe itself as a center of global power and influence, and the subsequent emergence of new power centers—particularly those of the emerging nations able to exploit for their own advantage rich natural resource bases or fortuitous geographic position—have all combined to change the structure of world politics in ways which have both reduced the relative power of the United States and complicated our security problem.

Moreover, the Soviet drive for world preeminence, and especially the attempt of the U.S.S.R. to acquire superpower military capability, would have occurred even if the United States had pursued the wisest of policies throughout the postwar period. Short of preemptive war, there was little that the U.S. could have done to prevent the Soviet Union from becoming a military superpower capable of offering serious challenges to United States interests.

In the final third of the twentieth century, however, it has become obvious that the American democratic system itself is in some respects an impediment to the development of a coherent and intelligent international policy. Commentators from Thucydides and de Tocqueville to Henry Kissinger have remarked upon the difficulties which democratic societies encounter in the foreign policy arena. Some of the problems stem from the dynamics of two-party competition, which appear to require that the out-party reject the policies of the party in office, whatever their merits; the abrupt shifts of personnel in top decision-making positions which occur as a result of the electoral process in democratic societies; the opportunities afforded interest groups to influence the policy process; and finally, the desire of the populations in democratic states to exploit the political process to improve the material conditions under which they live. The advent of welfare democracy and its increasing drain on the financial resources of democratic government has complicated matters by creating pressures to reduce expenditures during periods of relative peace.

These are problems, however, which all the democratic states of the West face in common. The American nation, as a consequence of its own special origins and political history, bears additional burdens. These burdens stem from the American political character itself, and from our traditional assumptions about the nature of world politics and the American role in the international political system. Not only has the United States assumed, as the rhetoric which I quoted at the outset clearly indicates, that as a new kind of society we are uniquely qualified and designed to help remake the world in the American democratic image, but we have tended to assume that ultimately force can be banished from history and that the United States can avoid continuing participation in what we have always disparagingly referred to as "international power politics."

These ideas and assumptions have been reinforced by the impact of modern liberalism on the American political outlook. The belief in the perfectability of man and in the possibility for the radical amelioration of the human condition which lies at the core of the liberal political outlook makes it difficult, if not impossible, for liberal statesmen to accept the permanence of conflict in world politics. Thus, when in power, liberals are reluctant to ascribe evil or aggressive intentions to the Soviet Union, and find it difficult to understand the continuing role of power, especially military power, in international politics.

CONCLUSION: CAN AMERICA BE "BORN AGAIN"?

The rather gloomy analysis set forth above should not necessarily lead to the conclusion that the United States is doomed, destined to follow Greece, Rome, and the British Empire into the dustbin of history. The long-term trends, nevertheless, are not encouraging. Neither is there any sign at the moment that the new administration possesses the grasp of international realities necessary to set the United States on a new path, although of course it is too early yet to draw any firm conclusions. Whatever the nobility of Mr. Carter's pronouncements on human rights, moral rhetoric is no substitute for policy, and it remains to be seen if the Carter human rights policy is more than rhetoric and if so, what its implications are. Although he has spoken out with a vigor which the world has not recently heard from an American president on the continued violations of the Helsinki agreement, the United Nations charter, and the elemental laws of human decency generally by the U.S.S.R., he has thus far said nothing about similar violations of human rights in such communist states as Cuba, Vietnam, and North Korea. In fact, he has proposed that the United States pursue a policy of detente with all three nations. Neither can we be certain that the relatively well-designed American arms control proposals presented to the Soviets in Moscow recently represent the administration's final position on strategic policy. Finally, Mr. Carter's stubborn determination to withdraw U.S. ground forces from Korea, in the face of clear evidence that his policy might seriously upset the strategic stability of Northeast Asia, is the most discouraging evidence to date that ideology rather than a realistic

grasp of the imperatives of world politics will be the primary animus of this administration's foreign policy.

More than a decade ago, in one of his most illustrious books, a well-known professor of international politics wrote cogently of the relationship between power, principle, and world order. "Whenever 'peace' conceived as the avoidance of war," he wrote, "has been the primary objective of a group of powers, the international system has been at the mercy of the most ruthless member of the international community. Whenever the international order has acknowledged that certain principles could not be compromised even for the sake of peace, stability based on an equilibrium of forces was at least conceivable." That professor was a man whom I am not accustomed to praising, named Henry A. Kissinger. The hour is now late, but there is still time for the U.S. to base its foreign policy on that insight, and to substitute for a policy of detente at almost any price the difficult decisions and sacrifices necessary if the American republic, and the civilization of the West of which it remains the acknowledged leader, is to survive and flourish.

RESULTS OF CONGRESSMAN BLOUIN'S 1977 FARM POLL

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. BLOUIN. Mr. Speaker, as you are well aware, the House tomorrow begins debate on the Agricultural Act of 1977. Without doubt, it is the single most important piece of agricultural legislation which we will consider this session and it rightly deserves the time and attention which the leadership has scheduled this week.

As you are well aware, the bill will establish loan and target price levels on major commodities and establish other programs and policies of vital concern not only to the Nation's farmers, but also to consumers. Farmers in eastern Iowa, as elsewhere, will depend on this legislation to provide them with a fair and adequate return on the risks they take if sudden market or natural disaster should strike. Consumers, for their part, must realize that the availability of abundant and economical food depends upon the survival and prosperity of the Nation's family farms.

In an effort to assess how farmers in eastern Iowa feel about the provisions of this year's Agricultural Act, my staff has just completed a scientific telephone survey of farmers in the Second Congressional District.

Although opinions—like needs—may differ from region to region and farm to farm, I think many of my colleagues might appreciate knowing how farmers in my district feel about the issues which are before us today. If there are no objections, Mr. Speaker, I enter the results of our poll in the RECORD.

RESULTS OF CONGRESSMAN MIKE BLOUIN'S 1977 FARM POLL

(Conducted by telephone during the week of June 27, 1977)

1. The House Agriculture Committee Bill set a $2.10 target price on corn and a $2.00 loan rate for 1978. Do you support these levels or would you favor something else?

(In Percent)

	Trade	Loan
Support House Bill	52.4	61.9
Lower	1.6	1.8
Higher	31.2	15.8
No Opinion	12.9	18.7
No Government	1.9	1.9

2. The House Agriculture Committee Bill set a $3.00 target price on wheat and a $2.35 loan rate for 1978. Do you support these levels or would you favor something else?

	Target	Loan
Support House Bill	31.4	31.4
Lower	3.7	2.9
Higher	5.8	4.7
No Opinion	56.7	58.6
No Government	2.4	2.4

3. Do you feel we should establish a grain reserves system?

Yes	21.6
Yes Qualified	42.4
Total	64.0
No	25.9
No Opinion	10.1

3a. (If Yes) What type of grain reserves system would you favor setting up?

Farmer-held reserve	45.8
As before	3.8
With limits	5.8
Domestic only	1.7
International reserve	1.3
Other	7.9
No Opinion	33.8

4. The dairy parity level is now set at 80% adjusted quarterly. Do you feel this should be higher, lower, or left the same?

Higher	27.3
Lower	0.8
Same	44.6
No opinion	26.5
Other	0.8

4b. Would you favor a semi-annual adjustment of the dairy parity level rather than a quarterly adjustment?

Semi-annual	28.9
Quarterly	33.8
No opinion	35.9
Other	1.3

5. The payment limitation per farmer is now $20,000 for corn and wheat. Do you think this level is adequate for the family farmer or should it be higher or lower?

Adequate	61.4
Higher	24.7
Lower	3.5
No opinion	9.8
No limit	0.5

HOW JAPAN VIEWS OUR ROLE IN PEKING AND TAIWAN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. DERWINSKI. Mr. Speaker, there is a growing body of opinion in the United States, reflected across the country, that the President's intention to recognize Peking is a mistake. In my opinion, this would be interpreted as a U.S. setback in the Pacific and would complicate rather than ease tensions in the area.

The argument against normalization of relations with Peking is very effectively made in a letter to the editor of the New York Times published in their July 13 edition:

HOW JAPAN VIEWS OUR ROLE IN PEKING AND TAIWAN

To the Editor:

Secretary of State Vance is going to China in August to advance normalization of relations with Peking.

Five years ago, the Japanese Government opened full diplomatic relations with Peking, severing formal ties with Taiwan while continuing to maintain economic and cultural relations. Some American politicians and scholars have urged the Carter Administration to take similar measures.

There are, however, several fundamental aspects involved in American recognition which the Japanese recognition did not have. These are the causes of deep concern to the free Asian peoples.

First, the American measures are tantamount to reducing the status of Taiwan, a *de facto* free independent land of 16 million people, to one of the provinces of a Communist country which totally disregards human rights. As the result, millions of Taiwanese will desperately flee their homeland to the United States and Japan to seek freedom.

Secondly, the U.S. abrogation of the mutual defense treaty with Taiwan and the pullout of ground forces from the Republic of Korea, together with President Carter's pledge to strengthen NATO, will badly shatter the free Asian peoples' confidence in the United States. The Japanese will be haunted by the idea that the next country adversely affected will be theirs. As a result, the pro-American Fukuda Government may face an even more uncertain future and opposition parties led by the anti-American Japan Socialist Party may take over.

Then the following could happen—Japan could make an accommodation with either the Soviets or the Chinese in order to lessen the Communist threat. Another option is to go nuclear.

The Japanese are firmly committed to nonproliferation of atomic weapons. However, when their faith in the United States is crushed, they will be obliged to have their own atomic weapons to defend themselves.

Nonproliferation cannot be realized by signing a treaty, crying out for it, or trying to impose it upon other countries. What is important is to maintain an international situation which does not require any country to go nuclear.

Thirdly, since the majority of the people on Taiwan are reportedly for independence in some form, the United States should give the chance of self-determination to them. If the Administration took the measures of recognizing Peking under the present circumstances, the chance will forever be denied the Taiwanese.

Lastly, from the point of view of respecting human rights, it should be noted that a democratic country like the Republic of China on Taiwan and a Communist country are essentially different. The government of a democratic country often limits people's freedom when it feels that peace and security are threatened. When the threats are removed, it usually restores full freedom. On the other hand, Communist governments offer no hope of freedom and human rights.

When the Carter Administration takes measures which affect the status of Taiwan, these important aspects should be carefully considered.

KIYOSHI NASU.

New York, *July 5, 1977.*

THE BLACKOUT: THE APPLE TARNISHED BUT STILL SHINING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. RANGEL. Mr. Speaker, this morning an article appeared in the New York Daily News written by Pete Hamill. The article attempts to give some reasoning behind the terrible events which ensued as a result of the blackout, which struck New York last Wednesday evening. I am not saying that there is any rationale to the devastating events which took place. However, this article has some very interesting points in it, particularly the five suggestions to President Carter. Through the past few years my city has suffered in many ways, mostly in its self-image. Like human beings, a city has its pride. New York must and will recover from the latest attack on her image.

I ask my colleagues to always remember the many good qualities New York and its people have. I am inserting in the CONGRESSIONAL RECORD the article written by Pete Hamill in hopes that my colleagues on both sides of the aisle will take the time to read it. At the very least, I think they will find in it some interesting facts about the tragedy that struck New York last Wednesday night.

The article follows:

FIVE SOLID WAYS THAT JIMMY CARTER CAN HELP OUR CITY

(By Pete Hamill)

There is nothing left now but rubble and hope. More than property was ruined on the battlegrounds of Bushwick and Flatbush, Jamaica, Bed-Stuy, Harlem and the Bronx. Some illusions were destroyed, too. One illusion was that you could forever have one million human beings on welfare, and another 250,000 unemployed, and expect them to remain docile. Another was that you could treat such human beings with a policy of benign neglect and never reap the whirlwind.

And so the whirlwind arrived, and only the extraordinary discipline of the New York Police Department prevented widespread killing. More than 300 cops were injured on the Night of the Great Darkness, but they made more than 3,700 arrests, and did not have to fill the graveyards to do it. If a similar outbreak of looting and violence had taken place in a city like Los Angeles, where the grim legions of Police Chief Ed Davis would have gone out to do battle, they would still be counting the corpses. In New York, life still takes precedence over property.

It was also clear to anyone who moved around the city on Wednesday night that this was a riot against property, not against people. White civilians moved freely among blacks and Latinos without being attacked. Black, white and Latino businessmen were equally victimized. And in some cases, whites joined the looting. If there was ever any doubt that it is class that divides us, not color, Wednesday night should have provided the proof. In almost all cases, the goals of the looters were the same: They were taking those material things that they could not buy, and they destroyed what they could not take.

For a decade—since the heady days of the War on Poverty that was declared, but never fought—poor people have seen these material things sold on television. The purpose of television commercials is to make people want things enough to buy them. They never suggest that the items are junk or that even having all of them at once is no guarantee of happiness. Television commercials do not include cautions about morality or justice. They are as single-minded as hookers: First they get you to want the goods, and then they get you to buy.

But in most cases, poor people cannot buy. Welfare provides bare necessities: food, shelter, clothing. There is no margin in a welfare budget for air conditioners, remote-control TV sets, dishwashers, or cars. But the barrage of commercials are still being worked on poor people who feel, think and desire. Their hopes and desires are precisely the same as those of the middle class and they are subject to the same commercial manipulation. There should have been no surprise that people would pile into a store under cover of darkness to take those things they had been instructed for so long to want.

This is not to excuse the terrible things that happened last Wednesday night, but to attempt to explain them. Hopefully, Jimmy Carter has begun to understand that all of his concerns about weapons systems, all his declarations on behalf of human rights, all his pleas for national morality mean nothing if he does not deal with the poor of this country. Wednesday night cost New York ment had invested $1 billion in the creation of factories, some of that looting might never have happened.

Through every report of the dark night, the word "jobs" ran like a counterpoint to the main story. In the ghettos, unemployment among young people stands officially at 40%, and unofficially at 65%. That is outrageous. No society can contain that many idle people without risking self-destruction. Carter can look the other way, dismiss Wednesday's outbreak as an aberration in a city that itself is an aberration. Or he can move swiftly and decisively. Obviously, New Yorkers hope he will move.

Among other things, Carter can:

Order the Army in from Fort Dix and other Eastern bases and put them to work cleaning up the rubble-strewn slums. If New York was in China or France or Mexico, the blackout disaster would be recognized as a real responsibility of the central government. America's huge standing Army is doing absolutely nothing these days, aside from marching around drill fields and shining shoes. Let them leave their weapons home and come to this city with shovels and bulldozers and paint brushes and tools. Let them clean away the rubble and paint the buildings, let them go into the backyards and clean out the rotting garbage. Put them to work fixing boilers, broken plaster, smashed windows. Since New York helps to pay the salaries of these soldiers, New York should have the benefit of their labor in this emergency.

Ask Congress for immediate authorization to create 200,000 goods-producing jobs to be located in New York. Not make-work jobs, shoveling sidewalks or cutting grass. The Army can do that work. But building factories that employ New Yorkers in the creation of material goods that can be sold to other people. The government can do this in partnership with private enterprise. Tax breaks can be provided to make those goods competitive in the market place; what is lost in business taxes would be gained many times over in individual income taxes from people who would leave welfare. People who work pay taxes; people on welfare do not.

Tell the governments of Japan, Hong Kong, Formosa and South Korea that the honeymoon is over. If they want to continue selling goods in New York and other American cities, then they will have to build plants in those cities. We cannot continue losing jobs to other countries, particularly countries that we subsidize. A leader's first responsibility is to his own people. Imagine how de Gaulle would have reacted if Wednesday night's disaster had occurred in Paris. Jimmy Carter must consider the people of the South Bronx, Bushwick, Bed-Stuy and Harlem before he considers the feelings of foreign governments. It will do him no good to have relations with Japan, if New York isn't there any more.

Retrieve the Defense Department budget and chop big holes in it. Carter's decision on the B–1 was fine. But the defense budget still eats up an inordinate amount of this nation's taxes. We are not currently at war with anyone. We have no wars down the road that could possibly justify the disgusting amounts now being spent on armaments. We all know there can be no war with the Russians in the immediate future, because we would only destroy each other. A hunk of that defense money could be used to create a social-industrial complex. Put missile designers to work designing subway systems. Get all those generals to work building factories, instead of planning new forms of destruction. In short, use a hunk of that defense money on the needs of people, not the needs of a military bureaucracy in the Pentagon.

Go on television and make a speech that reminds the rest of America that New York has given them many things for many years, and that now the country will have to start giving something back.

New York has given America money, uncountable billions of dollars in taxes, that built highway systems all over the West, created space centers in Texas and Florida, paid subsidies to farmers, financed wars and research for wars. But more than money, New York gave America literature and art. It provided music for millions. It staffed America's hospitals with doctors educated in our free City University. New York gave birth to the movies. It gave America its greatest comedians. It trained America's finest actors. It nurtured America's greatest playwrights. It allowed America's finest dancers to shine. New York financed and built much of America's railroad system. In the years when nobody cared about such things, New Yorkers built America's first museums and libraries, and constructed a great public school system, and in doing so, this city benefitted all of America.

Carter could tell America about New York again: Remind the Americans that every kid saved from polio in the past two decades was saved by the discoveries of a New Yorker named Jonas Salk, who was educated by New York tax dollars. Remind them that New York took in wave after wave of the poor of Europe, gave them places to live, gave them jobs, and gave their children the freedom to leave, to go out into all the states of the nation, with skills acquired in New York, to help build a nation.

And he should remind them that even now, New York is doing for America what many American states will not do for themselves. We are housing America's poor. Not all of them. But far more than our share. We have tried to absorb the poor of the American South, the poor of Puerto Rico: People displaced by automation or bigotry. New York did not make them poor. They arrived in New York poor, at the very moment when our factories were moving to the Sun Belt, the Far East or South America.

If he told America those things, Carter would then have to add that it is time for America to do something for New York. This

city is hurting. Its ghettos are burning. Its poor fill the jails. Its streets are packed with idle people. This is a city that is getting rid of cops, firemen and teachers in a time when they are needed more than ever. This is a city that needs help.

NO HANDOUT, JUST JUSTICE

But this city does not want a handout. All it wants is simple justice. For most of this century, we gave. Now we need. The country that we helped make prosperous must respond, or be exposed to the world as a nation whose basic emotion is selfish indifference. An effective attack on our core problems will not be simple, and Carter and the Congress cannot take halfway measures. It was the halfway measures of the War on Poverty—helping a few people, widening the gap with others—that has led us to the perilous edge.

"The fellowship of suffering," said poet. W. H. Auden, "lasts only so long as none of the sufferers can escape. Open a door through which many but probably not all can escape one at a time, and the neighborly community may disintegrate . . ."

We can't do it a little a a time. We can't be conned by the gradualists. We have to do it all at once. Create 200,000 jobs in New York and you eliminate welfare entirely, because each job will take three or four people off the dole. Those people can clear the land, build the factories, and then work in factories they have built. They will thus become people who pay taxes. They will make things that bring in money. And they will then become people who buy things, instead of taking them. The neopessimists will tell you it cannot be done. I don't believe it. I think it can be done, if the will is there, and the time to start is now.

PROPOSED AMENDMENTS TO THE WHEAT SECTION OF THE 1977 FARM BILL

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. ENGLISH. Mr. Speaker, I will be offering three amendments tomorrow to the Agricultural Act of 1977 (H.R. 7171). The first of these amendments would simply raise the target price for the 1977 wheat crop to $2.90 per bushel—20 cents less than this body approved when it passed the 1975 farm bill.

My second amendment will seek to extend the 1977 target price provisions of H.R. 7171 to all harvested acres, in an effort to end the harsh inequities of the obsolete historical allotment system, which has not been revised since 1952.

The third amendment will seek to correct another inequity in the bill as it is currently written by eliminating the wheat loan rate as a factor in the determination of the target price.

Mr. Speaker, each of these amendments is aimed at one central problem in the 1977 farm bill. As it is written, this legislation gives only limited help to wheat producers—and it is estimated that thousands of wheat farmers will be forced into bankruptcy if the current market conditions continue.

In order that my distinguished colleagues may have the time to examine these three proposals before their consideration tomorrow, I ask unanimous consent that the text of these three amendments be included in the RECORD at the conclusion of my remarks.

It is my sincere hope that any of my colleagues who have questions concerning these proposals will feel free to contact me before their consideration:

AMENDMENT TO H.R. 7171, AS REPORTED, OFFERED BY MR. ENGLISH

Page 7, line 23, strike out "$2.65" and insert in lieu thereof "$2.90".

AMENDMENT TO H.R. 7171, AS REPORTED, OFFERED BY MR. ENGLISH

Page 7, line 18, insert after "(ii)" the following: "with respect to the 1977 crop, the acreage on the farm from which wheat is actually harvested and, with respect to the 1978 through 1981 crops,".

AMENDMENT TO H.R. 7171, AS REPORTED, OFFERED BY MR. ENGLISH

Page 7, strike out lines 10 through 16 and insert in lieu thereof the following: "multiplying (i) the amount by which the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary,".

ARE YOU A BERLINER, MR. PRESIDENT?

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. STRATTON. Mr. Speaker, some time ago a very moving message appeared in the Wall Street Journal compliments of the West German newspaper, Die Welt. Die Welt had asked its readers to submit essays on timely topics relating to America's Bicentennial celebrations. One of the winners, Patricia Aden, a 26-year-old doctor, wrote an essay which brings back memories of the day John F. Kennedy made his electrifying "I am a Berliner" declaration at West Berlin's City Hall on June 26, 1963. I commend these few words to the attention of our colleagues, the American public, and freedom-loving peoples throughout the world:

MY PLEA TO THE NEXT AMERICAN PRESIDENT

Berlin, Mr. President, protect Berlin! Watch over the touchstone of detente; guard the memorial of liberty.

Berlin concerns us Germans for national reasons. Berlin concerns the American people for reasons of their history, self-respect and their destiny.

Berlin is the divided city of a partitioned country in a miserably divided world. As long as Germans desire a free country, Berlin is the key word. As long as tyrannical Communist rule keeps Germany partitioned, the Berlin Wall is the monument and proof of bondage.

You are an American. As America's President, you will hold the highest office that God offers to any one in the free world. Hence you are not only an American. You carry responsibility for the entire free world.

The daring and hopes of our common forefathers, founded the land of liberty. In the hopes of the disenchanted, Europe's best idea—liberty in religion and in the state—became linked with the name of your country. America's self respect has nourished itself on this hope of the oppressed since 1776. The abolition of slavery, the wars the United States fought—these were deeds of American self-confidence.

Were America not to recognize its destiny—what a fraud on history! America has been granted greatness to preserve the foremost blessing of its history and of mankind: liberty.

Mr. President, protect the world's symbol of man's determination to preserve and protect that freedom:

Berlin.

INSTANT-VOTER BILL

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. DEL CLAWSON. Mr. Speaker, the Washington Post of January 18 contains some perceptive commentary on the "Instant Voter" legislation which regrettably has the support of the administration. A moving target is always more difficult to hit, of course, and yet many is the hunter who has seen the prey after protracted zigging and zagging merely drop in its tracks. We can only hope that the remaining serious objections to this legislation, notably financial since it will be a costly and unnecessary exercise, will assure that it will meet a similar, justly deserved demise. The article from the Washington Post is included for the information of my colleagues in the House:

THAT INSTANT-VOTER BILL

At first glance, it may seem that the Carter administration and the House Democratic leadership have vastly improved their Election Day registration bill by agreeing to make the program voluntary. After all, the most persuasive and least partisan objection to the bill has been that it would compel every state to adopt by 1980, at least for federal elections, a new instant-registration system that could easily lead to widespread fraud and confusion at the polls. If the program is now to be optional forever, that criticism has been swept away. States with histories of Election Day problems, such as Rhode Island, Louisiana, Maryland and Illinois, will be free to go on requiring would-be voters to register in advance. States with less turbulent traditions may try out the new approach.

That sounds just fine . . . but wait a minute. If the program is to be optional, why is it needed at all? The states are free to adopt instant-registration or no-registration systems anv time. What would the legislation add? Just one thing: money. Federal money, to be precise, through grants for administrative overhead and fraud control and "voter outreach" programs and the like in states that do agree to open their registration rolls on Election Day.

That's why the bill is still alive—and why we still object to it. We have no quarrel with federal inducements in principle; the carrot is often more effective than the stick. But the idea of federal aid for state and local electoral activities has its own problems. Without careful supervision, "voter outreach" could quickly turn into voter roundups for the benefit of one party, faction or candidate. With federal monitoring, on the other hand, would come federal regulations and bureaucracy—and equal-opportunity rules for precinct workers would not be far behind.

It doesn't help that the federal largesse would go only to willing states. On the contrary, the states most cordial to Election Day registration are likely to be those with the

fewest voting problems—and the least real need for federal aid. One could argue, in fact, that if the aim is to shore up state and local election boards, the greatest help should go to those that don't dare risk instant registration at all. But bolstering election administration seems to be a secondary interest for the Democrats. Their first hope is to get more people to the polls. They ought to try to do that in the customary ways, through good grass-roots organizations, attractive candidates and issues, and strong campaigns.

FREEDOM FOR A COMPANY TOWN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. EDWARDS of California. Mr. Speaker, the first hearing on the bill to provide voting representation in Congress for Washington, D.C. will be held by the House Judiciary Committee's Subcommittee on Civil and Constitutional Rights on July 25, 1977. It is hoped that the constitutional amendment will be brought to the floor shortly after the August recess.

The following editorial in the Los Angeles Times expressed well the logic of the proposed legislation:

[From the Los Angeles Times, May 10, 1977]

FREEDOM FOR A COMPANY TOWN

While President Carter concerns himself with human rights abroad, a serious abridgement of civil and political rights can be found on his own doorstep.

More than 700,000 District of Columbia residents—a number exceeding the population of 10 states—still are denied the right to govern themselves and to elect voting representatives to Congress.

Their disfranchisement mocks this country's claim to universal suffrage, and violates the United Nations' covenants on human rights, to which the United States is a signatory: "All peoples have the right of self-determination. By virtue of that right they freely determine their political status and cultural development."

No such rights exist for citizens of the nation's capital. They have only a token measure of self-government, and even that is subject to veto by Congress. They elect only one, nonvoting, member of the House of Representatives, and have no representation at all in the Senate. They did not win the right to vote for President and Vice President until the election of 1964.

Year after year, efforts are made in Congress to confer full citizenship on the residents of Washington, but a majority always prefers to keep it a "company town."

It is intolerable that residents of the district must pay taxes, serve in the military in time of war and be subject to all the enactments of Congress, yet have no voice in the decisions affecting their lives and welfare.

The district should have two senators and as many representatives as its population would entitle it to if it were a state—two under the last census. It should also have full local self-government.

Carter should take the lead in liberating the District of Columbia from its present vassal status. He was willing to risk the success of his first major foreign-policy initiative—his arms proposals to the Soviet Union—by speaking out against that country's violations of human rights. He ought to be just as wiling to stand up for the rights of his neighbors in Washington, D.C.

PRIVATE LIVES ON THE RECORD

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. KOCH. Mr. Speaker, I would like to bring to the attention of our colleagues an editorial from this morning's Washington Post. The editorial entitled "Private Lives on the Record," addresses itself to the problems investigated by the Privacy Protection Study Commission involving personal privacy in modern America. The recommendations as the Post suggests seek to insure "fairness for individuals in relationships that are no longer as private or personal as they used to be."

With the intention of applying safeguards to the information practices of State, local, and organizations in the private sector, my colleague, Congressman BARRY GOLDWATER, JR., and I introduced the following bills on July 12, 1977:

H.R. 8286, Public Assistance and Social Service; H.R. 8284, Social Security Number; H.R. 8282, Consumer Credit; H.R. 8285, Commercial Credit; H.R. 8280, Government Access; H.R. 8281, Banking and depository institutions; H.R. 8280, Insurance; H.R. 8287, Internal Revenue Records; H.R. 8283, Medical Records.

It is our hope that these bills will lead to the implementation of many of the Commission's recommendations which the Post commends as being thoughtful and thorough. I applaud the Post's understanding and perceptiveness of the problems that the Commission deals with. I agree with the Post that—

What is needed now is a serious response from Congress, the states and thousands of private organizations that collect, use and exchange records on individuals.

For the benefit of my colleagues, the Washington Post follows:

PRIVATE LIVES ON THE RECORD

Most citizens' private business is not really private any more. The day is gone when individuals could deal with their doctors, bankers, insurance agents and the like primarily face-to-face, with some assurance that their personal affairs would remain confidential. Now people have to cope increasingly with remote, impersonal organizations whose judgments are based largely on records that an individual may know little about and over which he has very little control.

How should organizations' needs for information about people be balanced against individuals' desires for fairness and privacy? Some thoughtful answers have emerged from a federal commission's two-year study of public and private record-keeping practices. The panel has recommended steps to minimize intrusions into people's lives by government and private investigators and to buttress citizens' expectations that the details of their financial and medical affairs will be treated as confidential. Those are traditional "privacy" issues that one might expect a group called the Privacy Protection Study Commission to focus on. The panel has gone further, however, and also suggested ways to insure fairness for individuals in relationships that are no longer as private or personal as they used to be.

Any person, the commission concludes, should be able to find out what information about him a financial institution, insurance company, medical agency or other such organization has, and how those records are being used. He should have some control over the release of medical records and financial files. Organizations should have to explain the basis for adverse decisions, such as a denial of credit, and allow people to challenge records that are inaccurate, incomplete or out of date. Those basic principles have been applied to federal record-keeping, however imperfectly, by the Privacy Act of 1974. They should certainly be extended to state and local governments and private institutions as well.

One tough question is how change in the private sectors should be achieved. Many businesses, notably in insurance, credit and finance, fear—with good reason—that federal regulation of record-keeping could bring on demands for new heaps of costly records and reports. Moreover, citizens will gain little if government intervention leads, even inadvertently, to greater official surveillance of citizens' affairs.

The commission is well aware of these problems. Instead of recommending an all-embracing, immensely detailed regulatory scheme, it has proposed approaches tailored to specific fields. Fairer credit practices, for instance, should be obtained largely by expanding existing laws. New policies on medical records, an acutely delicate and controversial subject, should be pursued partly by federal initiatives and partly by the states. Finally, the panel concluded that confidentiality and accuracy have to be assured in the burgeoning field of electronic funds transfers—but the financial information involved is so sensitive that government ownership or management of these networks should be prohibited.

As the whole report assumes, there is no quick, easy or technological fix for the dilemmas of an "information society." A better balance between organizational efficiency and individual rights and liberties can be reached only by many painstaking adjustments in the ways that public and private business is done. The panel has set forth some good ideas. What is needed now is a serious response from Congress, the states, and the thousands of private organizations that collect, use and exchange records on individuals.

COMMEMORATING THE 60TH ANNIVERSARY OF THE NATIONAL ALLIANCE OF CZECH CATHOLICS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Ms. OAKAR. Mr. Speaker, founded on July 17, 1917, here in the United States of America to help a then struggling Czechoslovak nation, the National Alliance of Czech Catholics has remained a beacon for Czech culture in this country. During its early years it supported the efforts of the Czech nation to become independent after World War I. Food and material assistance were generously donated by Czechs in this country.

The alliance in its 60-year existence has worked not only to help Czechs overseas, but to preserve the Czech culture here, and to further the education of Catholic priests for the spiritual growth of the Czech people everywhere. Toward this end the alliance supports seminaries not only here in this country, but also one in Rome where Czechs and Slovaks study for the priesthood since there is no freedom of religion in Czechoslovakia.

One of the cofounders of the national alliance was the late Msgr. Oldrich Zlamal, who worked in my district as the pastor of Our Lady of Lourdes parish in Cleveland, Ohio. Monsignor Zlamal provided the leadership to many of the Czech people, working long and hard to raise funds for the less fortunate here and abroad. On the occasion of their 60th anniversary, I would also like to commend the president of the Cleveland branch of the national alliance, Vaclav Hyvnar, and all the other members of the national alliance for their dedicated and inspiring work.

H.R. 8359, A BILL TO RESTORE EFFECTIVE ENFORCEMENT OF OUR ANTITRUST LAWS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. RODINO. Mr. Speaker, on Friday, July 15, 1977, I introduced, on behalf of myself and the majority members of the Subcommittee on Monopolies and Commercial Law, H.R. 8359, a bill to restore the effective enforcement of our antitrust laws, by overruling the Supreme Court's recent Illinois Brick decision. Senator KENNEDY, on the same day introduced identical legislation, cosponsored by Senators DANFORTH and MORGAN.

The Illinois Brick decision, barred persons injured by price-fixing conspiracies from recovering treble damages, in cases where they did not purchase the price-fixed goods directly from the price fixer.

However, the ultimate consumers of price-fixed goods only rarely purchase them directly from a price-fixing manufacturer. Far more often, the person who in fact pays the bulk of any illegal overcharge buys a price-fixed item only after it has passed through the hands of a number of middlemen—wholesalers, distributors, retailers, et cetera. In these cases—for example, price-fixed bread, potato chips, sugar, milk, television sets, automobiles, and antibiotics—the ultimate or indirect consumer cannot now recover any damages whatever.

Three types of antitrust cases are adversely affected in this manner by Illinois Brick:

Actions by any person for treble damages under Clayton Section 4;

Actions by the U.S. Government for single damages under Clayton Section 4A; and

Actions by State attorneys general, as parens patriae on behalf of consumers in their States, for treble damages under Clayton Section4C(a)(1).

The substantive prohibition of these three statutes is identical: In each case, recoveries are limited to plaintiffs who are "injured in their business or property." It is this term of art that was narrowly construed in Illinois Brick to protect only direct purchasers; and it is this phrase that must be amended in order to authorize damage actions by indirect purchasers.

The bill does this by parallel amendments to each of these statutes, authorizing damage recoveries for plaintiffs who are "injured in fact, directly or indirectly, in their business or property."

We stress the importance of amending all three statutes, and doing so in a parallel fashion. Amending Clayton section 4 would restore effective antitrust enforcement by businesses, the States, and their public agencies, whenever these groups are the indirect purchasers of price-fixed goods, and in fact pay some or all of the illegal overcharge. In recent years, the States and public agencies have been repeatedly injured in this manner; and before Illinois Brick and the fundamental change it has now made in the law, the States and their agencies had recovered hundreds of millions of dollars for a wide variety of price-fixed goods they purchased through middlemen, such as:

Gymnasium bleachers purchased by schools;

Library shelving purchased by schools;

Tetracycline antibiotics purchased by public hospitals and welfare recipients;

Children's books purchased by schools and libraries;

Locks and other contract hardware installed in schools, hospitals, and other public buildings;

Diuretic drugs purchased by public hospitals;

Gasoline purchased by public agencies;

Wallboard used in the construction of schools, hospitals, and other public buildings;

Metal culverts used in State highway projects;

Concrete and steel conduit pipe used in road construction;

Generators purchased by public utilities;

Asphalt purchased from middlemen and incorporated in roads;

Structural steel for bridges; and

Brass tubing used in the construction of public buildings.

But an amendment only to Clayton section 4 would, however, give no remedy to the U.S. Government whenever it is an injured indirect purchaser—and the U.S. Government now stands to lose $205 million in single damages in just three pending cases—involving price-fixed steel bars, price-fixed cardboard boxes, and price-fixed antibiotics—simply because it purchased these goods from a middleman, and not directly from the price-fixing manufacturer.

Nor would an amendment solely to Clayton section 4 empower the States to bring parens patriae suits whenever their citizens indirectly purchase price-fixed bread, or other consumer goods—even though the clear intent of Congress, in the 1976 parens patriae legislation, was to authorize damage recoveries in precisely this kind of case.

It is true that Illinois Brick does permit the direct, first purchaser to recover the entire illegal overcharge. As a matter of antitrust enforcement policy, this is unjust and unwise.

It is unjust, because it denies compensation to the real victims of antitrust violations. It turns the law upside down, by permitting direct purchasers to recover everything—even though they often pass on the entire overcharge to their own customers, and thus sustain no damage whatsoever. At the same time that it gives this windfall to first purchasers, Illinois Brick totally denies any recovery to the businesses, Government agencies, and consumers who indirectly purchase the price-fixed goods—even when these indirect purchasers have, in fact, paid the entire illegal overcharge. The decision thus contravenes what should be a fundamental rule of our system of justice: If a violation, in fact, injures you, and you can prove your damages, then you should be entitled to recover them.

Not only is it inequitable to give first purchasers the sole right to sue, it is also highly unwise, for it limits the right to enforce the law against price fixing to those very plaintiffs who have the least incentives to sue and recover. First, the direct purchasers are often heavily dependent on their suppliers; in these cases, even the mere filing of a treble damage action could gravely impair their credit and financing arrangements with the alleged violator, and also invite the termination of their supply contracts. While they might ultimately win a long and costly damage action, they might not; and even if they do finally prevail, life could be very difficult for them in the interim. These plain realities will, unfortunately, deter many private lawsuits.

Second, in many other cases, the direct purchasers will not, in fact, be injured at all by the violation. Indeed, they may actually profit from it, as apparently happened in Illinois Brick—there, the first purchasers were subcontractors, who simply marked up the costs of the price-fixed brick in order to calculate their own profits. Hence, the bigger the price-fixed overcharge, and the higher the cost of the brick, the greater were the profits of the first purchasers. No one likes a lawsuit, of course, but this should be especially true when the violation does no harm to the plaintiff, and, in fact, boosts his profits. Experience bears this out: In the Master Key litigation, even though the case was pending for 7 years, and resulted in a substantial recovery—$21 million—not one single direct purchaser ever joined in it.

Third, in many industries—such as the construction industry—the direct purchasers who now have the sole right to bring an antitrust suit are themselves notorious antitrust violators. A staggering number of price-fixing and bid-rigging indictments and convictions against contractors of various kinds have been returned and obtained in recent years. These contractors can hardly be expected to initiate antitrust actions against their suppliers, thereby exposing themselves to broad civil discovery, and thus increasing the chances that their own violations will be detected.

Hence, under Illinois Brick, there will be many instances in which no one will ever sue the price fixers. Once again, the injured businessmen, Federal and State agencies, and consumers will be defenseless. There will be no compensation to most victims of these costly, "white-collar" crimes; there will be no punishment for those who perpetrate these felonies; and there will be no deterrence against

future price-fixing violations. The impact of this decision upon the public interest in effective antitrust enforcement is therefore likely to be grave and serious indeed.

Moreover, the Illinois Brick opinion completely nullifies the clearly expressed intention of the 51st Congress, which enacted the Sherman Act in 1890 together with the original private treble damage statute, precisely in order to give a remedy to consumers who purchased illegally price-fixed consumer goods like bread, sugar, beef, matches, pencils, and the like.

The opinion also nullifies the clear intention of the 63d Congress, which reenacted that treble damage statute in 1914, as section 4 of the Clayton Act.

This opinion also contravenes the plain language of Clayton section 4, which authorizes recoveries for "any person" injured by reason of antitrust violations—not just "direct purchasers."

And as the dissent in Illinois Brick notes, the opinion flouts the clearly expressed intention of the 94th Congress, which enacted the parens patriae legislation last year precisely in order to give consumers a real remedy whenever they purchased price-fixed bread, potato chips, and other consumer goods. As I stated on the floor of the House last year, during the final debate on parens patriae:

The compromise bill expressly gives "standing to sue" to the State attorney general. And the compromise bill squarely grants "standing" in cases where consumers have purchased price-fixed products—such as bread, potato chips, milk, eggs, gasoline, automobiles, and the like. Thus, assuming the State attorney general proves a violation, and proves that an overcharge was "passed on" to the consumers, injuring them "in their property"—that is, their pocketbooks—recoveries are authorized by the compromise bill whether or not the consumers purchased directly from the price fixer, or indirectly, from intermediaries, retailers, or other middlemen. The technical and procedural argument that consumers have no "standing" whenever they are not "in privity" with the price fixer, and have not purchased directly from him, is rejected by the compromise bill. Opinions relying on this procedural technicality . . . are squarely rejected by the compromise bill.

First, if this bill means anything, it means that the State may recover damages for purchasers of price-fixed bread, potato chips, and the like. To argue that consumers must be direct purchasers from the price fixer is to deny recovery in these cases—for the consumer rarely if ever buys potato chips directly from the manufacturer, or bread directly from the bakery. In these cases, the manufacturer invariably sells through wholesalers and retailers—grocery stores, drug stores, and the like—and if the intervening presence of such a middleman is to prevent recovery, the bill will be utterly meaningless. In any event, most courts have recognized this fact.

And the Illinois Brick opinion also flatly reverses the considered rulings of no less than nine U.S. Courts of Appeal, which in recent years had upheld the rights of indirect purchasers to recover treble damages from price fixers. Worse, it is a clear departure from the many past Supreme Court opinions which had squarely ruled that a broad and liberal construction of this fundamental remedial statute was mandated by the vital public interest in maintaining the vigor of our free enterprise system.

I expect the subcommittee will act expeditiously on this remedial legislation, so that we can restore the effective enforcement of our antitrust laws.

TOO MUCH GOVERNMENT AND CONGRESSIONAL SPENDING

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. COLLINS of Texas. Mr. Speaker, this morning's mail brought a letter from one of my good constituents. He feels like the forgotten man because he is not a part of any of the special interest groups that apply to Congress for special benefits.

He is Arthur O. Miller of 10141 Chesterton, Dallas, Tex. 75238. Mr. Miller is the kind of guy that has kept this country moving forward. He feels that we have too much Government and too much congressional spending. He is right. Read this part of his letter as he is voicing the sentiments of many, many of the finest citizens of Texas:

I am a member of the largest, most unwanted, unrepresented, unpopular, un"protected" majority in America—a white, male, Anglo-Saxon, protestant, law-abiding, tax paying, loyal American citizen who is forced to contribute the equivalent of 3 months out of every year in involuntary forced labor toward the support of the persons mentioned above.

I am in the forgotten, disfranchised group that is ignored on tax rebates, tax relief, low interest loans, college scholarships, promotions based on merit instead of "goals" (quotas). I am first considered in new sources of taxation, United Fund drives, Red Cross contributions, and as cannon fodder for wars.

I am one of a vast army of unorganized nonpersons who have pleaded in vain for years for the following:

Get some control of the wild, inflationary spending by Congress and the federal bureaucracy. Stop buying votes with my tax dollars!

Give us some relief from Big Brotherism. Quit talking about it and do it!

Stop federal judges from making laws! They are not elected and have no right to set themselves up as our governors.

Stop taking my tax dollars and sending them to overseas political cronies such as Korea, India, etc., under the guise of foreign aid. Cut out Foreign aid! You can't buy friends.

Stop all the talk about a negative income tax. All this means is taking my tax dollars and giving them to someone who won't work. All this talk about a shortage of jobs is pure political hog wash!

Wipe out EEOC! In fact, wipe out the whole HEW outfit. They have ruined our schools, forced hiring and promotions on a quota system, forced discrimination against whites in favor of blacks, and now they are trying to force college entrance quotas by percentages instead of by entrance exam scores.

Stop Carter from granting amnesty to draft dodgers, Cuba, Vietnam, Gay Activists and Mexicans. Our country can't stand much more of this!

If it takes a constitutional amendment to stop HEW from forced busing—then do it.

HUMAN RIGHTS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. HAMILTON. Mr. Speaker, as the House of Representatives was not in session on July 6, 1977, I would like to insert my Washington Report for that date into today's CONGRESSIONAL RECORD:

HUMAN RIGHTS

The advancement of human rights occupies a central place in President Carter's foreign policy. He has adopted "an undeviating commitment to human rights everywhere."

The policy of outspokenness on human rights is not without its problems. Should the United States make military aid to South Korea dependent on the release of opponents to President Park's regime? Should the United States tell President Marcos of the Philippines that it will not sign a new defense agreement until martial law is lifted? If the United States does not raise its voice against the Philippines and South Korea will it not appear hypocritical when it attacks violations of human rights in South America or South Asia? What steps can the U.S. take to improve the well-being of a Soviet citizen and yet not create undue tensions between our two countries?

The dilemma for the United States is to acknowledge that we cannot police the whole world, and that we cannot ignore the obvious power of the United States to improve the condition of people in some areas. In pursuing a human rights policy there are limits to what the United States can achieve and to what the United States can impose upon other nations. The question is really how far the United States can go in promoting human rights without producing undesired results. Americans want a foreign policy which contains a strong moral component, but it is necessary to distinguish which expressions of moral concern are useful and which are not. Americans want to pursue policies which will enhance human rights, but, if the only action their government takes is to issue public criticism of other nations, the situation may not improve and could become worse.

The answer to this question involves linkage, that is, the resolution of one issue depends on progress toward the resolution of another. In the conduct of our foreign policy, can we link the help sought from the United States (aid, trade) to the record of the particular country on human rights?

Proponents of a human rights policy, led by the President, make several points. They emphasize the strong support of the American people for human rights. Americans are proud of their democratic heritage and they want to spread democratic values. Most Americans view the United States as a moral force in the world, and they are pleased when its leaders speak forthrightly about human rights and use leverage to advance those rights. Supporters of the President's strong stand on human rights also argue that his outspokenness will not adversely affect resolving most important international agreements. For example, they contend that the Soviets are not likely to allow their annoyance with the President's human rights campaign to deter them from reaching agreements on SALT and other important matters.

Opponents of this view contend that there are sharp limits to what the United States can accomplish by expressing publicly its concern for human rights. By doing so, the United States will only inflame emotion, create unfulfilled expectations, and in the

end accomplish very little. They argue that the United States will retain influence in a country only if there is a minimum of confrontation. In their view the Soviets are apt to perceive the human rights offensive, not as an expression of America's moral values, but as a move by the United States to stir up trouble inside their country. They say that improvements in the lives of Soviet citizens are more likely to evolve from forces within the Soviet society under prolonged conditions of reduced tensions than from pressure from the United States for change.

It seems to me that although the President continues to express his concern about the issue of human rights, he has taken a quieter, more conventional approach to the human rights issue in recent weeks. Apparently he is swinging around to the view that more can be accomplished by quiet diplomatic pressures than by public criticisms. More and more he seems to be reserving the right to speak out on the issue of human rights without criticizing violators of human rights by name.

My own judgment is that the best way to pursue the course of human rights is not loudly and ostentatiously, but quietly, discreetly, and persistently over an extended period. Certainly the promotion of human rights is a legitimate goal of foreign policy, but it has plenty of pitfalls and, if carried too far, it produces arrogance. If mishandled, it could hurt the U.S. badly; if handled well, it could boost freedom around the world and lift the stature of the U.S.

So I applaud the policy and urge that we continue to pursue it, but with great care. The question whether an official statement will improve the situation for repressed people is a hard judgment that has to be made on a case by case basis. In most circumstances my guess is that much can be accomplished through quiet diplomacy behind the scenes.

CONGRESS HONORS BENJAMIN TAYALE OF PHILADELPHIA

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. LEDERER. Mr. Speaker, I call upon my colleagues in Congress to join with me today in honoring Mr. Benjamin Tayale for his 25 years of volunteer service to the citizens of Philadelphia.

Mr. Tayale has a long and distinguished record of hard work within the community. In his 25 years of volunteer work with the American Red Cross, Mr. Tayale has been at the scene of many tragic emergencies, such as fires and hurricanes, to render assistance and offer consolation to the victims. He is a member of the Philadelphia Fire Prevention Committee, community representative of the police department's community relations division, chairman of the North Philadelphia Civic Committee which combats poor housing, community and juvenile problems, and is chairman of the parish Public Affairs Committee of the Jesu Roman Catholic Church.

Mr. Tayale has received 54 civic and community awards for outstanding dedication to helping others. Among them is the 1977 United Fund Silver Anniversary Award for Volunteer Service. He was also the recipient of the American Red Cross Distinguished Service Award in 1976, and the Chapel of Four Chaplains 25th Year Silver Anniversary Award for Outstanding Volunteer Service on June 9, 1977.

All Philadelphians know Ben as a dedicated friend who is always nearby in times of need or hardship. In these trying times for many of us, Ben's dedication to his fellow man is a beacon of light to all of us. It is entirely fitting that the U.S. House of Representatives honor him today.

"RED" CLOWARD RETIRES FROM 30 YEARS OF SERVICE TO WORKING PEOPLE, HIS COMMUNITY

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. McFALL. Mr. Speaker, those of us who believe that organized labor has been a major contributor to the well-being of the American people, can appreciate the work of countless individuals to help bring about the prosperity we enjoy today.

Among those who stand tall in the labor movement is "Red" Cloward, of Modesto, Calif.

During the evening of July 29, many of Red's friends, colleagues and admirers will gather at the Sportsmen of Stanislaus Club in Modesto to express their appreciation to him as he embarks upon a richly deserved retirement.

Today, Mr. Speaker, I would like to spend a short time to bring the Members' attention to the work of this fine man who is retiring from 30 years of service to the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry.

As one has observed, Red has performed his responsibilities with "dignity and integrity." He has given many hours of his own time to help his brother members and has been a concerned and understanding friend as well as holding the positions of financial secretary and business manager.

In his professional career, Red also served as district vice president to the California State Building Trades Council for 27 years, and president of the local Stanislaus, Merced, Tuolumne, and Mariposa Counties Building and Construction Trades Council for 19 years.

He was instrumental in organizing the valley group negotiating committee through which District Council No. 36 was established, followed by the formation of the health and welfare and pension trust funds of Pipe Trades District Council No. 36.

For many years Red has been active in civic organizations and contributed much of his time to the Greater Modesto Committee, Modesto City Charter Committee, the Salvation Army, and the county central committee of his political party.

His work to improve job benefits and working conditions of his tradesmen has been a great source of guidance and assistance for his local, and to others throughout the State of California.

I am glad to express my appreciation to him and for having known him as a good friend for many years.

Grateful working men and women, his community and others wish him and Marie, his wife of 45 years, the very best of health and happiness during the years to come.

THE AMERICAN ENTERPRISE INSTITUTE'S IMPORTANT NEW PUBLICATION ON THE EFFECTS OF GOVERNMENT REGULATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. KEMP. Mr. Speaker, the American Enterprise Institute for Public Policy Research under the leadership of Bill Baroody, Sr., and Executive Vice President Bill Baroody, Jr., has long been known as one of the most respected organizations in its field. Its studies of legislation, defense, foreign policy, health, energy, economics, and Government regulation are all of uniformly high quality, and are constantly cited in both scholarly and congressional debate.

In particular, AEI's studies of Government regulation have had a substantial impact on the Congress understanding of the costs of such regulation, which are now estimated to run into the tens of billions of dollars.

Now AEI has begun a new publication, called Regulation, which will continually examine issues in Government regulation, for the benefit of those both inside and outside the Government. As editor Anne Brunsdale put it in her introduction to the first issue:

This journal is a response to the extraordinary growth in the scope and detail of government regulation. Surely this phenomenon is one of the two or three most significant political facts of our times. Yet, because the extension of regulation is piecemeal, the sources and targets diverse, the language complex and often opaque, and the volume overwhelming, much of this activity escapes public notice and therefore public debate. Partly in consequence, old regulatory agencies and programs remain and new ones are frequently launched with little analysis of the problems being addressed, of costs and possible side effects, and of alternative methods for achieving the same ends.

The editors of this journal recognize that, in a complex industrial society, a substantial measure of regulation may be necessary. We are committed, nonetheless, to the ideal that this regulation should be sensible, cost-efficient, and as unburdensome as the nature of its objectives will allow. In the coming years, we hope to advance that ideal by stimulating informed public discussion.

The first issue of Regulation is highly impressive, and contains an especially interesting article by Prof. Irving Kristol on the growth of regulation in our society. I commend this article to my colleagues and I hope they will also examine future issues of this fine publication from AEI.

The article follows:

[From Regulation, July–August 1977]

A REGULATED SOCIETY?

(By Irving Kristol)

No reasonable person is in principle opposed to all government regulation. None of

us wants to coat our walls with a paint that slowly poisons the air we breathe, just as none of us wants our kids to wear pajamas that have been treated with a carcinogenic chemical. It is true that, in theory, a free market can cope with problems such as these. The manufacturers of lead-free paint or Tris-free pajamas should simply be able to take the market away from the others. But this involves creating and disseminating to the entire population an enormous amount of accurate information (some of it highly technical) about a vast range of products—information, moreover, which changes rapidly. There really is no efficient way to achieve this. It is absurd to expect consumers to become experts in such matters, when most of them have neither the capability nor the time. They can compare prices easily enough, and can roughly compare the quality of competing items—but when "quality" involves fairly arcane scientific knowledge, the communications system represented by a free market breaks down, so far as the ordinary person is concerned.

It is for this reason that all nations regulate their medical professions at least to the degree of certifying who is a doctor and who is not. The assumption behind such regulation is that the consumer is in no position to make the certification decision for himself—as most of us know and freely admit. And it is for this same reason that the drug companies would be the first to oppose the idea that drugs should go completely unregulated. They fear, quite properly, that such havoc would be wreaked as to result, in the end, in a state-owned monopoly to protect the consumer against his own vulnerable ignorance.

So there is no argument about regulation in principle, and the polar distinction between the regulation of commercial transactions and the free market, so often heard, is not very meaningful in practice. Moreover, it is reasonable to expect that in a more densely populated society, consuming an ever-greater variety of technically sophisticated goods, there would be more regulation rather than less. People will want greater protection against their own incapacities as consumers. They will also, of course, want protection from the side effects (the "externalities") of other people's activities as producers, which now are observed to affect them to an ever-increasing degree. Such observations themselves are often the result of more sophisticated scientific inquiry, which uncovers externalities we were not previously aware of.

But the same complexities that give rise to more government regulation also make effective regulation a very difficult enterprise. The hard questions are: what kind of approach should be used, where, and to what degree—questions that merit sober, informed, and prudent judgment. And one may wonder: can such judgments be made by people who are eager, as many among us are, to use the regulatory mechanism as a lever for transforming the social and economic order as a whole? I have in mind the people—the "New Class" as they have come to be called—who do not, on balance, like a free, commercial society: that is, a society shaped by voluntary commercial transactions among consenting adults, in short, one whose central economic institution is the marketplace. They sincerely believe that a powerful government, in which they have positions of authority, can order things better. If one designates them, in a short-hand way, as "Naderites," one would not be far off the mark.

I must be careful here, because I do not want to be understood as suggesting some nefarious, secret conspiracy to transform the American social and economic system. There is no such conspiracy—in large measure because there is no need for one. When we create a vast regulatory apparatus, with goals sanctioned by law and public opinion, we have also created a whole set of power centers to which people of the New Class naturally gravitate.

And here we must be candid as well as careful. Though officialdom will deny it—sometimes naively, sometimes not—it is a fact that most of those holding career jobs in EPA, OSHA, and other newer regulatory agencies have an ideological animus against the private economic sector.* This is a fact evident to anyone who has had any dealings with them, or who has ever had the opportunity to meet with them socially. They are not in those jobs because they could not find any others. Most of them, in truth, are sufficiently educated and intelligent to find better-paying jobs in the world of business. But they are not much interested in money. They are idealistic—that is, they are concerned with exercising power so as to create "a better world."

It is interesting to note that there is one subject toward which these intelligent people, with an above-normal intellectual curiosity, show a positive distaste—and that is the subject of economics. Ask them to contemplate the economic implications of their regulatory actions—in the form of economic impact statements, say—and they exude a cold hostility. Why? One explanation, frequently heard, is that they are merely displaying a bureaucratic distortion of vision. Having been given the mission of regulating, they resent the intrusion of any *modus operandi* that will distract them from doing this one thing that defines their role. This explanation is unsatisfactory. These "bureaucrats," far from being bureaucratically myopic, are full of opinions on many matters, and are really not much concerned about their futures in the bureaucracy or even about the future of the bureaucracy itself.

No, the plain fact is that these are people who are discontented—often in a vague and unfocused fashion—with modern technological civilization, and especially with the economic system that they see as the progenitor of this civilization. They are inclined to believe that a "planned" economic system would create a superior way of life for all Americans. They detest the individualism so characteristic of a free society, which is why they will speak so favorably of "mass transit" and "planned communities" and so contemptuously of the private automobile and "suburban sprawl." They also, therefore, have little use for private economic enterprise, and are utterly indifferent to the costs they load upon it.

Some critics have called these regulators elitist. The accusation never hits home because the members of this New Class are absolutely convinced that they are protecting "the people" against the iniquities of "the system." A better term might be "liberal paternalists," understanding "liberal" to mean something like what "social democratic" means in Europe.

But however labeled and defined, they are incontestably there, wielding an immense power that Congress is reluctant to check or balance. After all, what congressman wants to be publicly excoriated by a host of "experts" for spreading cancer among his constituents? In any case, the staffs of many congressmen—and of many congressional committees—are composed of these same people of the New Class.

Sooner or later, however, checks and balances will have to be provided, if we are not to slide into a regulated society, one in which the scope for individual decision-making (in our personal lives as well as in business) is increasingly narrowed. A vast net of paternalistic protectionism, cast over all of our activities, will lead to economic, social, and political tensions of the most grievous kind. Americans want reasonable regulation, but it is highly unlikely that they are so risk-averse as to wish to be protected against all possible risks, particularly if it means a radical dilution of their powers of self-government. We have never been that kind of people and it is hard to believe that our national character has changed so drastically over these past fifteen years.

*The older regulatory agencies (the ICC, CAB, and so on) are in a different category altogether. They were born out of fear of monopoly, not a distrust of business enterprise per se. They have no ideological animus against business—though they tend to stifle competition, for fear of its leading eventually to monopoly.

SLAUGHTER IN CAMBODIA

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. ABDNOR. Mr. Speaker, on June 29, 1977, the American Conservative Union Forum featured Mr. John Barron, senior editor of Reader's Digest and author of the best-selling book entitled "The KGB: The Secret Work of Soviet Secret Agents."

Mr. Barron spoke on his experiences in Thailand, where he was doing research on his book, "The Murder of a Gentle Land," just released on the Reader's Digest Press. A major portion of his research consisted of interviews with hundreds of Cambodian refugees who gave him an extrordinarily detailed account of the mass murder and brutal oppression of the Cambodian people by their Communist rulers.

Mr. Speaker, this is a horrifying account and one that would shock the world if it only knew. The Congress and the Carter administration have been expressing major concern over human rights, but Cambodia has been summarily overlooked and neglected.

Mr. Barron stated that it is easy for America to remain mute in the face of this senseless massacre because we have no diplomatic relationships with Cambodia, but this silence is illusory and suggests a lack of imagination, effort, and concern.

True, the United States may have no formal diplomatic relationships with Cambodia, but I would like to draw attention to the mass effort of Americans to deal with human rights violations in Russia, stemming largely and simply from information and public statements which have resulted in the publicity that has aroused and enraged the citizens of our country. And this type of public exposure is precisely what we as a country can do to help put an end to the Cambodian struggle. In short, attention must be drawn to Cambodia before we can expect action to be taken.

Such action can stimulate those that do have relationships to Cambodia, specifically the United Nations. It is significant that even to other Communist countries, the Khmer Rouge regime is a disgrace. It is long past the time that this Nation can continue to ignore the terrible tragedy that has been inflicted

once again upon an innocent people, and it is time the problems of these beleaguered people of Cambodia come to the forefront, in the White House and in the United Nations.

A SENSITIVE AND DESPAIRING LOOK AT LIFE IN URBAN AMERICA BY CLAYTON RILEY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. WEISS. Mr. Speaker, the looting that resulted from last week's blackout in New York City was a painful reminder of how desperate the lives of ghetto residents have become. For most of the young people in our Nation's ghettos, as Clayton Riley's excellent article in the New York Times of July 17 makes clear, there is no tomorrow—

There is, in short, very little to look for in life, except the swift, dangerous opportunities that flash across town when America is temporarily blinded by a technical darkness.

The looting itself, is, of course, deplorable, a sad commentary on how people hurt rather than helped a city in crisis. But what is more deplorable, as Riley so movingly points out, is that we have as a nation done little to change the conditions that lead to looting. We have learned little from the riots that ravaged our ghettos in the sixties. More regrettably, it may be, as Riley says, that "tomorrow is already far too late."

When the lights went out in New York City, the only thing that was still visible was a very bleak side of America. It is incumbent on us to make sure there is a better view ahead.

The article by Mr. Riley follows:

[From the New York Times, July 17, 1977]

"TIME IS NO LONGER RUNNING OUT; IT'S GONE"

(By Clayton Riley)

"When the lights went out," a teenaged Harlem youngster is saying outside a Lenox Avenue food shop, "I did my natural thing. I hit the streets, looking to get over."

Getting over is an uptown process, an ad hoc, improvisational system for coping with the catastrophe that is current in the lives of so many young people who live in what we now call, with self-deluding indirection, The Inner City.

The power failure that swept across New York wasn't 30 seconds old, according to one upper Broadway resident, "when they swarmed all over the place, running like rabbits, and stealing from the stores like there was no tomorrow."

Which may, after all, be the point. For kids in Harlem and other I.C.'s around the metropolitan area and beyond, there simply aren't any more tomorrows. There are no plans to make, few events or holidays to anticipate. There is, in short, very little to look for in life, except the swift, dangerous opportunities that flash across town when America is temporarily blinded by a technical darkness. All of us have become completely vulnerable to the rages of those hungry enough to risk police guns or arrest procedures while breaking and entering any place containing items of immediate value.

"I lost it all," a young Hispanic jeweler tells me. "I worked and saved and opened my own place over near Third Avenue. And when it went dark, I just knew my store was dead."

The stories, these and others, will accumulate rapidly. They will be told throughout the summer, by people with new bicycles and sport shirts they didn't buy, and color television sets they will try to sell when things are cooler. And by people who tried to operate small businesses on the shoestring of cheap iron gates across their windows and nonexistent insurance policies on their goods and leased properties

But the bikes will be stolen again: Thieves will be victimized by other thieves. And sport shirts that looked magnificent in the display windows will shrink and tear and be thrown away. People who had finally come around to believing in the American Dream of capitalist free enterprise will have to bury their murdered little shops and go back to dancing to someone else's music from 9 to 5.

To walk the sidewalks in Harlem is to feel—beyond seeing or hearing it—the grip of desperation that has too many strong, healthy people sitting around for months at a time, waiting for jobs that will never materialize, looking for chances America now admits it cannot provide.

What then is going to happen? Where will the massive energy that Con Edison doesn't control, the human force that seeks a channel, go in search of space?

We are reminded—if not instructed—by the acts of violence, the fires and confrontations between the law and outlaws in the city the other night, reminded that America is failing. We are building sports complexes and increasing our manufacture of luxury automobiles while failing to provide substance to the dreams we have told everyone to believe, the dreams of nothing more than shelter, clothes, food, and some occasional fun.

This is what has been promised, by Presidents and other politicians, by planners and thinkers and visionaries. But inside the cities, the systems don't work. And so, in Harlem, when the street lamps die, no one takes time to be surprised. There are stores to rob, or cash registers to protect with licensed guns against the fists of 16-year-olds looking for new shoes.

And when the running and the stealing begin, when the police guns are out and men are slashing each other with bread knives while brawling over floor lamps in a wrecked furniture showcase, we accept in America that the most important thing to do is to report the news quickly: somber-faced on television, stern and avuncular in our editorial columns.

But the larger point is that while we know how to describe and we know how to observe, how to argue and how to draw conclusions, we don't know, three-quarters of the way through the 20th century, still don't know what to do.

And time is no longer running out; it's gone. We stood around and watched the warning fires of the late 1960's, learned nothing, and are now applying our burgeoning ignorance to the present and the future. I say "we" to mean all of us, black and white, male and female, who think that watching and wishing will ever be enough to certify and maintain life in this country.

People steal, or loot, or riot, because they do not have the money to buy what they want. The welfare agencies may buy what people need, but in a nation of such conspicuous consumption as this one, such measures are just not adequate.

Telling poor people who live within whistling distance of the richest people in this country to accept the principle that because they have dark skin there are other things they cannot have, is to structure an equation that cannot pass for common sense in the modern world.

And so long as we refuse to use that particular kind of sense, all of our university training and educational-development fellowships are going for naught.

We are living in a country without a national personality, without a real sense of what the term "American" is supposed to mean, or whom.

To the kids who picked a blackowned men's boutique clean of every stitch of clothes in the place on Wednesday night, there is probably no meaning whatever to the notion of a black brotherhood pitted against the white establishment. There are simply three-piece suits to be copped, along with big hats and ascot scarves—the attire of gentlemen who live in the comfort of distant suburbs.

And to the New York police, whose restraint in these tense circumstances was remarkable, there is probably no longer any reason to believe that a black kid's life is to be traded for a pilfered sack of flour. Somewhere in those emergent and shifting attitudes, there is a mutual groping to understand something about who any of us really are in the melting pot that has never melted anything.

It is time we began to define ourselves, black and white, as the same people: Americans. So that there doesn't remain the slightest emotional reason for allowing Harlems to exist as living cemeteries because "they" occupy the territory.

Pretending that this is a "white" country, with ties extended to the political destines of those who currently rule South Africa and Rhodesia (how similar to our own are the street battles in those two places), is to accept the dead host of colonialism as a spiritual mentor.

Because there will be no more Native Quarters in the true New World. There can be no tomorrow if it brings forth in this country an identity for Harlem's kids that is totally separated from the identity of those who grow up in Scarsdale.

Right now, in "Black America" the loss of light is largely The Man's problem, a malfunction to capitalize on with raids instead of the effort to bring a system back to life as quickly as possible. Meanwhile, all that blossoms uptown is decay, buildings with windows gouged out, and streets with week-old garbage.

Tomorrow is already far too late. Harlem has exploded for the last time, the next sound from here will be a whisper and a gasp. Maybe if America knew how many Americans will die in this war—not how many blacks, how many ex-cons, unemployed, urban poor, underprivileged ghetto-dwelling and socially deprived underdogs, but how many Americans are perishing—then we might move collectively to at least forestall the approaching devastation.

ROBERT M. STANLEY—AVIATION PIONEER

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mrs. SCHOEDER. Mr. Speaker, America has lost one of its aviation pioneers that helped make this country the world leader in aviation with the untimely death of Robert M. Stanley.

Robert Stanley, 65, had a distinguished career as a test pilot, engineer, and aviation recordholder.

He was a personal friend of Amelia Earhart and was aboard the U.S.S. Lexington, an aircraft carrier in the Pacific

when she disappeared in 1937. He participated in the search for Miss Earhart.

Stanley was the holder of the American altitude and distance record for motorless aircraft and was the first American pilot to fly a jet airplane across the country north to south.

He was the inventor of the modern-day mach airspeed meter and was chief engineer of the company that designed and built the first supersonic airplanes, the X–1 and the X–2.

He was a naval aviator from 1937 to 1939 and was a test pilot, engineer, and executive for Douglas Aircraft Co., United Airlines, and Bell Aircraft Corps., before founding Stanley Aviation in Buffalo, N.Y., in 1948. He moved the firm to Denver in 1954.

Among the accomplishments of Stanley Aviation was the development of the Yankee escape system which has been used in Air Force and Navy planes for a number of years.

The Yankee system uses a rocket to propel a pilot and his seat from a crashing aircraft.

His loss will be felt very heavily by the Denver community and I salute him for all the contributions he made to his country's aviation successes.

HIGH STAKES IN LAW OF THE SEA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. FRASER. Mr. Speaker, the U.N. Law of the Sea Conference involves a complicated set of interrelated issues. One important relationship is that between congressional mining legislation and the negotiations on the International Seabed Authority. Mr. Marquis Childs in his "High Stakes in the Law of the Sea," Washington Post, July 5 outlines the serious consequences of the United States adoption of deep seabed mining legislation now pending. He correctly points out that the result of such legislation would be chaos. Third World nations are likely to declare a 200-mile territorial sea and prohibit passage through their waters as well as overflight to all foreign planes. The resulting confrontation between the United States and the Third World would increase the potential for sabotage and terrorism. We must understand these long-term consequences as mining companies press their short-term advantage in Congress. The real issue is whether we want world chaos or world order governed by a multilateral treaty on the Law of the Sea. As a congressional adviser to the U.S. delegation to the U.N. Law of the Sea Conference I believe such a treaty is not only in the best interests of the United States, but the international community. I insert Mr. Child's article in the RECORD:

HIGH STAKES IN LAW OF THE SEA

(By Marquis Childs)

UNITED NATIONS.—The Conference on the Law of the Sea has been going on intermittently in one place or another for more than four years and the end is nowhere in sight. While the American public could hardly be less concerned, even a brief dip into this ocean of exchanges lets one realize how much turns on the outcome.

The head of the American delegation is Elliot Richardson, a patient man with a finely honed legal mind. He needs all the patience he can muster as he tries to steer a course between two extremes in this unwieldy body of 110 delegations.

On one side are the American and Western European firms, many in consortiums, that want to exploit the seabed to mine manganese, nickel and other minerals increasingly in short supply on land. On the other side are the developing nations, at least those who don't produce these minerals. They are lumped here as the Group of 77, demanding a share in any exploitation and in the technology making it possible.

They favor a U.N. seabed authority with power over access to sites for exploitation. Far-out delegations such as those of Algeria, Kuwait, Mozambique, Libya and India would give ultimate and unrestricted power not to the U.N. Security Council with its veto right for the United States and other great powers but to the General Assembly where the rule of one nation, one vote prevails.

In Washington the Congress is threatening to pass a bill that would require private American companies merely to get a license from the government for exploitation of the seabed. It would also provide compensation for losses sustained from political causes in the operation. Four consortiums involving American firms have so far spent $1.5 billion for improving the essential technology.

If such a measure is passed, the Conference on the Law of the Sea will go down the drain. So what? This could be the reaction of a public little informed about and indifferent to this marathon conference.

But it should be understood that the consequences can be extremely serious and particularly for nations such as Norway, Japan and Britain, dependent on trade and shipping for their existence.

A 200-mile off-shore limit is being imposed by virtually every country, including the United States. Ostensibly this is only to protect fishing rights and prevent the depredation of the big fishing factories like those of the Soviet Union that, until the United States passed its own 200-mile law, made heavy inroads into the marine resources off the New England coast.

The Third World nations could, however, declare the 200-mile limit a territorial extension of their shores rather than a protection of fishing rights. They could then prohibit passage through these waters except on their own terms, which might well be excessive. Moreover, they could deny the right of overflight to all foreign planes whether civilian or military.

The result would be chaos. It would not be the maritime nations alone that would suffer. Take one example of how it would affect this country. Tankers from the Persian Gulf, with a large proportion of the oil the United States is now importing, would have to pass through 17 territorial zones. The charges levied by 17 nations could greatly increase the cost of imported oil.

Yes, but couldn't the U.S. Navy escort U.S. ships through these zones and damn the consequences? That sounds too much like the gunboat diplomacy of the past. It would be a classic confrontation with the Third World. And it would probably not work, given the potential for reprisal by sabotage and terrorism.

Nor could the United States, on a go-it-alone course, count on the backing of other developed nations. One sea-law authority, Jonathan I. Charney, points out that self-interest and the fear of international condemnation would lead the developed world to stand aside from American unilateral action.

Richardson, the patient Griselda of this drama, believes some progress has been made at the current session. He hopes that agreement will be reached shortly on the composite text of a treaty that the several delegations will then take home to be combed over by their respective governments. Richardson has had the active cooperation of Norway's Minister of the Law of the Sea, Jens Evension, whose concern is understandable since failure could cost his country $800 million.

Then next spring still another round of the conference will begin. But there is no guarantee of agreement on a compromise text and still another attempt must be made to pull together the unravelled threads.

U.S. RETIREMENTS TRENDS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. PICKLE. Mr. Speaker, one of the vital issues that this Congress must concern itself with is the question of retirement. Should we force people to retire at an arbitrary age which may have been considered "old" 20 or 30 years ago but has been made relatively obsolete through medical advances and other technological improvements.

It is my firm opinion, and I think that there is strong evidence to support this belief, that "senior" citizens are among the most productive and reliable workers this Nation has. Our esteemed colleague Hon. CLAUDE PEPPER has impressed us greatly by his work in this field.

In the July 10, 1977, edition, the New York Times carried an interesting article on the trend toward earlier retirement. I think that this is a good contribution on this topic and insert it for the edification of the House:

EARLY RETIREMENT IS GROWING IN UNITED STATES

(By Jerry Flint)

"I was working since I was 10 years old," says Jimmy Kilpatrick, who touches up paint on new Cadillac cars in Detroit. "I thought of all the years I've been working, and I want a rest."

At 51, Mr. Kilpatrick is going to take a rest. On Aug. 31 the husky auto worker will retire with a monthly pension of $634. That won't match the $300 a week he earns on the assembly line at Cadillac, but the mortgage payments on the house he bought 15 years ago on Detroit's northwest side are only $127 a month, his two sons are grown and supporting themselves, and his wife, Vera, might even go to work.

If money gets a little short, he says, "I'm not bragging, but I'm pretty good with paints."

Mr. Kilpatrick is part of what may be a significant trend in the work style of Americans—early retirement. Growing numbers of workers are being offered a chance to quit the job early, and many are taking it.

POTENTIAL IMPACT

The trend cannot be measured precisely. Stastics are scarce. Actuaries, economists and union researchers disagree on the numbers and even definitions are debatable. If a pensioneer is working parttime or has begun a second, low-keyed career, has he really retired? What's early? 62? 55? 49?

But there are enough statistics to indicate that something important is happening, and

there is no question about the potential impact. Earlier retirement can mean more job opportunities for the young; it can put more strain on the already troubled Social Security fund; it can create a new kind of worker—experienced, easygoing and willing to work for less. But the biggest change could be in attitudes and styles.

"They used to be senior citizens," said David Weeks, a research director at the Conference Board in New York, a major business organization. "The old view was one of dependence. They were the chronically ill, the nonfliers."

But, he added, the departure of masses of people in their 50's from the work force could have profound political and social implications: "These younger retirees are interested in education, in traveling, in spending more and more of their money on themselves," he said. "For five or 10 years they may come closer to living the Playboy like style than the 30-to-38-year-olds."

"There's a good deal of truth in that," said John Zalusky, an economist for the American Federation of Labor-Congress of Industrial Organizations in Washington. "They are going for the good life at that age."

HAPPY RETIREMENT

At General Motors Corporation, Victor M. Zink, director of employees benefits has been noticing the change.

"There used to be a stigma to going out," Mr. Zink said, "He was over the hill. But now it's a looked-for-status. Those retirement parties, they used to be sad affairs. They are darn happy affairs now. The peer pressure is for early retirement."

In 1954 the average G.M. hourly-paid worker retired at 67 and the salaried worker at 63; today they both retire at 58 or 59, he said.

A handful of statistics give some indication of the size of the movement. Among part-time workers, for example, women outnumber men 7 to 1 in the 25-to-54 age bracket, but only 3 to 2 in the over-55 group. "We think that's the effect of early retirement," said Robert Bednarzik, an analyst at the Bureau of Labor Statistics.

Mr. Bednarzik also notes that the proportion of men in the labor force—that is, working or seeking work—was 95.5 percent of those 45 to 54 years old in 1947; in 1976 it was 91.6 percent. In the 55-to-64 age bracket it was 89.6 percent in 1947 and 74.5 percent in 1976.

DISABILITY STANDARDS

"Every year there's a decrease in the labor force statistics," he said. "First it was among the 65-year-olds and over. Now you see it in the 55's, and we're beginning to see some decline even at 45 and over. You wonder what the 49-year-old is doing."

A good number of the very early dropouts may be tied to disability retirement. "It looks like the health of the American male is deteriorating," Mr. Bednarzik said, "but probably it's the easing of disability standards."

The easy availability of early retirement under disability has been criticized recently with revelations, for example, that one Federal pensioner who had been classified as totally disabled ran a jiujitsu school and another earned $76,793 in a single year in addition to his Federal pension.

Of 79,500 Federal employees who retired last year, 31,500 were out on disabilities and their average age was in the middle 50's, according to Edwin Hustead, chief actuary for the Civil Service Commission. Those under Federal Civil Service who do not claim disability may retire with an unreduced pension at age 55 after 30 years of work and get a pension equal to about 56 percent of their best years' salaries. Government retirees also get a cost-of-living adjustment twice a year.

The Social Security Administration predicts a sharp slowdown in the trend toward early retirement. For example, for males in the 50-to-54 age bracket, labor force participation was 93.1 percent in 1970 and 89.9 percent last year, an impressive drop. But it will still be at 88.7 percent in the year 2000, according to Social Security projections. In the 55-to-59 age group, labor force participation for men was 89.5 percent in 1970 and 83.6 percent last year but will fall only to 82.1 percent by 2000, according to these projections.

But not everybody accepts the projections. "Social Security is very concerned about the cost of early retirement, but they are shoveling against the tide," said Mr. Zalusky of the A.F.L.-C.I.O.

"There is a definite trend toward early retirement," he insisted. "It is part of a movement toward a decreasing work career, starting work later, added holidays, longer vacations, early retirement."

J. Roger O'Meara, former pension expert at the Conference Board, said, "Companies told me in general that in a decade or two hence they expect young people will come into the company with the understanding they'll retire at 55."

LIMITS ENVISIONED

But the process can go only so far, in the opinion of James Savarese, director of public policy analysis at the American Federation of State, County and Municipal Employees. In the next century, he says, "You'll need 60 workers to support 40 retirees. That means a payroll tax rate of almost 25 percent, and American workers won't stand for it."

"The most significant social trend causing higher than necessary Social Security costs in the next century is the trend toward earlier retirement," agrees Robert Hall, the former Social Security Administrator.

In New York City, early retirement provisions for teachers have been reduced. For those hired before 1973, it was half pay after 20 years of service at age 55. For those hired from 1973 to 1976, it was more than half pay for 30 years at age 55. In both cases, payments are not to be reduced when Social Security begins. For teachers hired now, the plan calls for a reduction of half the Social Security benefit pension for those who retire before 62.

But such reductions are not common, and the trend appears to run in the other direction. The United Electrical Worker Union, for example, says it set a new mark in a contract with a Dayton, Ohio foundry. The pact includes a "30 and out" full pension with $250 extra until Social Security payments begin, or $730 a month after 30 years.

Inflation can slow the trend, says Jerome M. Rostow, president of the Work in America Institute and a former Undersecretary of Labor, because private pensions usually do not keep up.

In addition, he says fewer than half the workers covered by such pension plans "will ever draw a penny," because they change jobs.

WORKING CONDITIONS

Auto workers and steelworkers who have won generous "30 and out" retirement plans "are an elite group," according to Mr. Rostow, and their gains may not be picked up by employees in other industries.

Some believe the kind of work is the key to whether workers retire early. "Auto workers, steelworkers in foundries, women toting trays in restaurants want to retire as early as they can," says Bert Seidman, director of the A.F.L–C.I.O.'s Social Security department. "But there are jobs with more satisfaction."

Mr. Zink of G.M. disagrees: "Nothing we can ascertain indicates the nature of the work has anything to do with it," he says. At G.M., salaried workers in air-conditioned, carpeted offices are quitting as early as those on the assembly line. Last year, of 216 salaried employees who voluntarily retired at G.M., 32 were between 47 and 50 years of age, and 130 were 51 to 55.

The United Auto Workers reports that 30 percent of those eligible are retiring under the auto industry's "30 and out" option.

What does encourage early retirement, students in the field say, is the amount of pension money available.

Pension experts such as Mr. Weeks of the Conference Board and Charles Selinske, vice president of the Bankers Trust Company, say that there is a tendency toward a decreasing pension penalty for those taking early retirement, full pensions at an earlier age and special pension supplements to those quitting early, such as the auto industry plan.

REVOLUTION ON THE FARM: PART IV

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues the fourth in a series of articles that appeared in the Arkansas Gazette that deal with emerging trends in Arkansas agriculture. I commend this article to my colleagues:

[From the Arkansas Gazette, May 18, 1977]

REVOLUTION ON THE FARM—IV: TECHNOLOGY, DELTA TOWN CO-EXIST

(By Tom Hamburger)

WILSON.—There is an English Tudor village in the middle of the Arkansas Delta.

The town of Wilson comes upon you with little warning. Before you get there on Highway 61, you're shooting across the Delta passing through rather forlorn farm communities. The impression changes suddenly when you hit Wilson.

The streets of Wilson are lined with stately cottonwoods, and the houses, unlike those in some Arkansas farm communities, are well-kept.

While many small farm communities look deserted, with stores boarded up and town centers extinguished, Wilson (population, 1,048) is thriving.

Its town center has been remodeled in English Tudor style. Moss is growing on the old-style roofs now, and the wood has aged. Wilson looks like an English village.

At noon time, the town square is busy as town folk and farmers head to the Wilson Tavern (the menu features quail, steak and shrimp daily) and its adjacent club, Ye Olde Pub.

Around the square, all the businesses at Wilson have Wilson in their name: Wilson Tavern, Wilson Insurance Agency, Wilson Motor and Implement Company, Bank of Wilson, Wilson Drug Store, Wilson Construction Company, Wilson Service Station.

It isn't that the businessmen at Wilson lack imagination or desire consistency. All the Wilson businesses are named for their owners, the Robert E. Lee Wilson family.

BARONIAL TRADITION

The third, fourth and fifth generations of Robert E. Lee Wilsons are living at Wilson and are carrying on a baronial tradition. The town was founded in the 1880s by "Boss Lee" Wilson (Robert E. Lee Wilson Sr.), a lumberman, who wrested what later became the world's largest cotton plantation from the swamp and virgin forest.

Today, Robert E. Lee Wilson III, 63, and three of his four sons, Robert, 24 (called Bob), Steve, 29, and Mike, 34, operate the

Wilson holdings (1976 sales: $12 million), which, besides the companies mentioned above, include a 33,000-acre farm (the largest family farm in Arkansas), two Mississippi County towns (Wilson and Marie) and a good portion of a third (Keiser), two planting seed plants, most of the stock of a seed oil mill, a railroad, a petroleum company and a 13,000-acre ranch in Nevada.

In the late 1950s, Robert E. Lee Wilson III, the chairman of the Board of the Lee Wilson Co., changed what was a company-owned town into an incorporated city with an elected mayor and five aldermen.

Robert E. Lee Wilson III was elected mayor, and he has been re-elected ever since. His middle son, Steve, is assistant mayor. The director of the railroad, Mack Davison, is director of the Wilson Housing Authority.

At the time the city was incorporated, Wilson gave the city its four parks, a fish-stocked lake and eight-hole golf course.

Believing that ownership provided "a sense of pride," the Wilsons have begun selling the company-owned houses to the residents, most of whom are former employees, at give-away prices. (A large, handsome 3,300-square foot home near the town center sold two years ago for $10,000.)

LIBRARY CLINIC

The family also established a library and put up $65,000 in 1969 for a dental-medical clinic. In the last five years, the town has been without a doctor or dentist, a victim of a doctor shortage in eastern Arkansas. Mike Wilson continues to interview candidates to fill the vacancy "but they want us to guarantee too much money," he said.

The Wilsons are concerned with other social needs as well. The Wilsons made it their goal in the early 1960s to provide housing for the town's poor, some of whom are former company employees.

"This has become kind of a retirement center," Mike Wilson said, "because we have such active housing and social service programs."

In 1940, there were at least two families living in red-roofed Wilson Co. plank houses on every 40 acres of land at the Wilson plantation. There are few plank houses left. Now, three people work every 1,000 acres.

SHACKS DISAPPEARING

The red-roofed houses, once landmarks in the 50 square miles of Mississippi County owned by the Wilsons, are disappearing fast.

"Our goal is to get rid of those shacks," Mike Wilson says. "We plan to have a big party when we burn the last shack, and I hope it will be soon."

In 1962, the Wilsons decided to seek federal aid to develop low-income housing at Wilson. In 1969, they rented their first 28 units. The apartments are small, neat, desegregated and look more attractive than most government projects. Average rent is $51 a month.

Since 1969, the Wilsons have built 40 more housing units at Wilson, several at Keiser and Marie. The company is currently building 40 duplex homes using an energy-saving design, the first in the Southwest built with Housing and Urban Development funds.

The Wilson Housing Authority apartments are all built by the Wilson Construction Company and the sites are purchased from the family firm.

A nonprofit corporation was formed by the Wilsons to lease low-income rental units to the housing authority at the two nearby towns of Keiser (population 900) and Marie (72).

'NOT FOR PROFIT'

"They [the Wilsons] are not into it for profit," Davison says. "They are just interested in housing for the people that work for them." Out of the 68 units, Mike Wilson estimates two dozen are present or former company employees.

The school at Wilson was one of the first in the state to have an indoor swimming pool and all-weather track. Inside the main door of the modern, air conditioned Wilson Elementary School is a large portrait of Robert E. Lee (Boss Lee) Wilson Sr.

Boss Lee traded his 160 acres of cleared farm land in the 1880s for 2,100 acres of swamp timber land to get wood for the mill at Golden Lake. As he made money on the timber, he bought more swampland, cleared it of timber and reinvested.

Unlike most timber interests in the area, Boss Lee held on to the cleared land.

RICH, BLACK LOAM

It was a good decision. For thousands of years the flooding Mississippi had laid down layer upon layer of rich black loam carried from its northern drainage basin. The land that Wilson cleared is among the richest in Arkansas. Hudson Wren, former executive vice president of Lee Wilson Co., says that no one knows how deep the rich loam soil is. Some authorities say it may be hundreds of feet deep. A lot of farmers elsewhere make do with less than one foot.

In the late 1890s, to drain the swamps, Boss Lee organized the first drainage district in Mississippi County. In doing so, he incurred the wrath of other lumbermen who wanted the flooding to float logs to the river.

The plantation grew to 65,000 acres, plus cotton gins, stores, a bank and all the houses and other real estate at Wilson and five nearby communities. These properties were gathered in Lee Wilson Co. When Boss Lee died, he left the estate to his son, Robert E. Lee Jr. (called Roy), and a trusted employe, James H. Crain.

During the next 15 years, the two made the first moves toward mechanized farming, and ventures into new business. In the mid-1930s when timber supplies diminished, they turned over big chunks of acreage to soybeans and established the Wilson Soya Company to process the beans into oil and meal. To make fuller use of their cotton crop they helped put together Delta Products Company, a co-operative cottonseed oil mill near Wilson.

* * * * *

After the split-up Lee Wilson Company was left with 22,500 acres and the neighboring towns of Keiser and Marie. Roy's sisters got the remaining acreage. A few years later, Crain resigned, and Bob Wilson III took over management of the company.

Under Wilson III's leadership, the Wilsons began diversifying into several areas. The company began growing alfalfa and established an alfalfa dehydrating facility at Wilson. The soya mill was closed in the early 1970s, but the company's seed operation was expanded. Today the company's seed division handles 4,000 tons of cotton seed annually and processes more than 1,000,000 bushels of registered and certified soybean and wheat seed. The company's international sales have expanded recently.

POLO PLAYERS

Robert Wilson III went to Yale, was captain of the polo team, and until recently kept a stable of race horses. Wilson III and his sons were active polo players and until two or three years ago, Steve played occasionally at Memphis.

Mike attended the Citadel. Steve the University of Arkansas and Bob the University of Virginia.

WHY DO THEY RETURN?

Why do they return to Wilson?

Mike: "It's an inheritance."

Steve: "I love farming."

Bob: "I thought of law school but decided to come here."

Bob Wilson, son of Robert E. Lee Wilson III, is legally named Robert E. Lee Wilson V because his eldest brother, Robert E. Lee Wilson IV, died of leukemia at age 7.

* * * * *

Judging by the English Tudor architecture and the old south manners, this Mississippi County city might appear to be a vestige of two lost cultures.

The appearances are deceiving. The Wilson company has kept close watch on changing agricultural conditions and has been in the forefront of major developments in agriculture during the revolution of the last three decades.

HERBITS ANALYSIS OF THE KING REPORT—PART V

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. STEIGER. Mr. Speaker, in this fifth of seven extensions containing the analysis prepared by former Special Assistant to the Secretary of Defense, Stephen E. Herbits of the report done by Dr. William King, "Achieving America's Goals: National Service or the All-Volunteer Armed Force?", I am inserting Herbits' response to chapters 6 and 7 of the report and his summary.

Herbits concludes that "Dr. King's report is one of the most academically weak and biased studies to bear the stamp of a congressional report." King did his work for the Senate Armed Services Committee's Subcommittee on Manpower and Personnel.

According to Herbits, King "is very often factually incorrect, he is deliberately misleading, he is selective in the material he cites, and he has no compunction about making arguments exactly counter to one another in an effort to justify invalid points."

All who have read the four parts of the Herbits analysis and who read the one today will know why he reached that conclusion. The next 2 days, I will place into the RECORD supporting charts which Herbits included as an appendix to his analysis.

The Herbits analysis follows:

HERBITS ANALYSIS OF THE KING REPORT—PART V

CHAPTER 6

In the first paragraph of his chapter, "Alternatives to the AVF," Dr. King once more makes reference to the "nation's pursuit of its broad national goal," and he once more clearly indicates his feeling that the AVF is not compatible with those national goals. We need to ask whose goals King is talking about. The only obvious message from this 121-page report is that King feels national service is the only means of fulfilling the goals he imputes to the nation, and he will rely on any device at his disposal in an attempt to discredit efforts not compatible with his preconception. Unfortunately for the AVF, it happens to be the most visible one.

In the first sentence in his subsection on a return to the draft, Dr. King should add politicians to defense scholars and managers. It is unfair to assume that somehow scholars and managers accomplish something of this momentum without the political leadership of the country participating. Dr. King's brief "analysis" is so devoid of a sense of history or of reality that it is difficult to discuss

reasonably. He would have us believe there is new AVF data spurring renewed debate, when in fact only those who have opposed the AVF since its inception have been vocal in recent months in restirring the debate on the AVF versus the draft. Policy debate is always welcome, and can be beneficial, but it must be viewed in the proper perspective and it must be conducted in a fair, factual, unbiased manner.

The first sentence of the last paragraph on page 48 is probably more revealing than Dr. King would have hoped. He says this: "A return to the draft would therefore seem to be feasible only in the face of a national emergency, or after a *substantial public 'educational program' which would reveal the difficulties to be expected from the AVF and the limitations it places on national policy.*" Perhaps the term "national policy" should be replaced with the term "Dr. King's perceived desirable policy."

Dr. King's discussion of a reserve-only draft on page 49 bears close scrutiny. How does he expect such a draft to rectify present and future problems of the reserve forces? Would he use quotas? Has he given any thought to the implications in light of the regional nature of the reserves? Would we not be creating a superfluous bureaucracy? There is a constitutional issue because reserves are essentially local organizations. In addition, there's a question of equity. How does one determine the problems of drafting in some areas of the country and not in others—or in having to move some people from one part of the country to another because of insufficient reserves in that particular area? Where are these people going to live? What are they going to do when they are not in the reserves at the new location? These questions—which are essential and in fact determinative factors about the reserve draft—are left unaddressed.

The heart of his section on "A 'Better Managed' AVF" concerns responsibilities of Senator Nunn's subcommittee, for which the report was prepared and to which all too little attention has been paid. Whether the volunteer force can continue successfully rests to a considerable degree on the extent to which the appropriate Congressional committee exercises its oversight duties to assist Pentagon managers in undertaking the proper initiatives.

On page 52, in the initial paragraph about reenlistment programs, Dr. King makes yet another error. He says that a change in the restricting of reenlistments would cause a consequent increase in retirement costs. Simply permitting individuals to stay for two or three or even four enlistments is not necessarily going to entail additional retirement costs under the current structure. Under the current system, one has to stay in the service for 20 years to receive a pension, and no one is suggesting that 170,000 people who come into the Army in a single year be permitted to go all the way through the ladder to the 20-year enlistment point. The section is filled with rhetoric and has no relation to realities of military personnel policy.

Dr. King at points strains the reader's credulity. His summary on page 58 is an excellent example. Once more we have to endure his reference to "enhancing our nation's ability to pursue its goals." Dr. King is so determined to ascribe his goals for the nation to the nation's best interests that he will stop at nothing to try to justify his apparently long-held conclusion.

It is dismaying to many, I'm sure, to discover that "national service is the alternative which is innovative, comprehensive, and reasonable in today's environment." The proposal has been around for a long time and is popular in some circles. It has not attained great popularity, however, because of its cost and, more so, because of the level to which it would be a direct intrusion into the lives of America's young men and women and their families. A comprehensive, far-reaching program of the sort endorsed by Dr. King, with all its "minimally coercive" implications, is one unsuited to a nation with our tradition of democratic ideals.

When the draft debates began in 1966 and continued through the 1971 extension, proponents of all concepts were heard. Congressional testimony is replete with discussions about national service, compulsory and voluntary, the volunteer force and modified selective service systems. The debate went on within the Executive branch, with three national commissions (Marshall, Gates, Defense Manpower); in scholarly journals, in conferences (The National Youth Service Workshop in 1966, Sol Tax's in 1966, the White House Conference on Youth in 1970, and the National Service Conference at the FDR Library, 1976); editorials, newspapers and magazines (there are over 1,000 clips at the Hoover Institution at Stanford University on this subject alone); in think tanks (RAND, CNA, HumRRO, IDA, Brookings); in military associations (such as AUSA, ROA, American Legion, etc.); in national opinion polls (Gallup, Harris, Michigan Youth Survey's); as the National High School Debate topic; in several books (besides those mentioned earlier there are Miller, et al., *Why the Draft*, Penguin, 1968; Reeves & Hess, *The End of the Draft*, Vintage, 1970; Bliven, *Volunteers, One & All, Reader's Digest Press* 1976; and Marmion, *Case Against a Volunteer Army*. Quadrangle, 1971); and prolific writings by Don Eberly, Morris Janowitz, Charles Moskos, and Willard Wirtz on national service. The list is endless: hundreds of thousands of words and pages, meetings and speeches. And after all of this, the national decision was to institute a volunteer armed force.

There is certainly nothing wrong with stimulating a new national debate on an old subject. But let there be no confusion about whether national service has been given a fair shake in the American political process. It is not "innovative," nor, as the public has determined, "is it reasonable in today's environment."

CHAPTER 7

In Chapter 7, "The Rationale for a National Service Program," Dr. King makes still another misguided comparison and "analysis." He finds it "startling in the absolute" and "more meaningful through comparison with statistics from other nations" to discover that 31 percent of males aged 17–21 are ineligible for military service. His comparison with the 10 percent figure of the Swiss is one of the most meaningless in the entire paper, since American standards for military service are set much higher than those of almost any other nation. Dr. Cooper has pointed out that the French claim only 7 percent are found ineligible for military service and notes that it is simply because they do not reject people for all the reasons that we reject them. It strains credulity to suggest, as Dr. King does, that a universal national service system would "rectify" these problems by identifying and treating the medical deficiencies of these young persons.

On page 63, Dr. King again brings dismay to the thoughtful, informed reader. After earlier expressing sharp criticism of the military for providing, voluntarily, vocational aptitude tests for high school students, he contradicts himself when he says: "There is evidence that youths not only lack vocational training, but they also lack the vocational aptitude testing that national service would provide for all. A recent survey showed that less than 50 percent of American 17-year-olds have taken an aptitude test and that only 16 percent had discussed the results with a counselor." How does he reconcile this statement with his conclusion that the Army had exerted too much of an influence on these students because it allowed them to take the ASVAB test at their option? He seems very confused.

Furthermore, there was a great public uproar years ago—and rightly so—when the suggestion was made that uniform, nationally-controlled testing of grade school students be undertaken. Undue intervention by the state was feared by many, and they were correct in that judgment. Is it any more palatable to have such a program at the high school level?

On page 70, Dr. King somehow concludes that there are no reasonable grounds to conclude that a national service program would not have a beneficial effect on the nation's military forces. This is an uninformed, unanalyzed and ill-considered assumption. There are many grounds to assume there would be negative effects on the military. If Dr. King intends to pay poverty-level wages for military service, as he apparently advocates, under a national service program, how does he propose to maintain quality equivalent to the existing level when the best individuals, as he perceives them, are likely to volunteer for environmental services and other programs he proposes under the national service umbrella?

SUMMARY

In summary, Dr. King's report is one of the most academically weak and biased studies to bear the stamp of a congressional report. The professor is very often factually incorrect, he is deliberately misleading, he is selective in the material he cites, and he has no compunction about making arguments exactly counter to one another in an effort to justify invalid points. His conclusions were apparently reached before he even began the "study" so that those elements of research and analysis which are legitimate and have some credibility are obscured by the manipulative manner in which he uses the bulk of material in his work.

It is important to reiterate that Senator Nunn spoke correctly in the transmittal letter in referring to the need for a serious debate on the AVF. This "study" is a disservice to Senator Nunn and to the goal he had in mind.

STATEMENT ON CAPTIVE NATIONS

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. BROOMFIELD. Mr. Speaker, the commemoration of this year's Captive Nations week assumes a special significance, particularly in light of the United States' revitalized efforts in the areas of human rights and European security.

Only several weeks ago, the first major post-Helsinki Conference on Security and Cooperation in Europe began. Among the issues being discussed at the Conference is the need for the freer movement of people, ideas, and information—and thus human rights—within and among European countries, including those nations captive to communism.

For many years, the issue of human rights has been at the heart of the "Captive Cause." In the European captive nations, as well as in Laos, Cambodia, Vietnam, the Soviet Union, and Red China, millions of people, entrapped by communism, have been yearning for the rights of self-determination, freedom of

speech, freedom of worship, freedom to visit friends and relatives.

Over the decades, the oppressed people of the captive countries have persevered in their struggle for national and individual rights. At the same time, however, the Communists have continued to suppress the captives' efforts to be free.

Most important to the struggle for human rights in the European captive countries has been the idea that some of the signatory states to the historic Helsinki agreement may never have intended to fully implement the Helsinki provisions. For this reason, citizen groups were formed in some of the signatory states including the Soviet Union in order to better monitor full compliance with the terms of the Helsinki accord. These groups have tried to better acquaint the captive public with the Helsinki agreement and provide for a freer flow of information and ideas.

Often, however, the Soviets have arrested and persecuted many members of these groups. Recent arrests have become indicative of the continued Communist harassment of dissidents and in particular the persistent Soviet repression of stubborn opposition to "russification," the long term goal of Soviet authorities to homogenize the many captive nations into one "Soviet Nation."

Through terror and deceit, the Communists have been ruthless in their efforts to control the captive peoples of Central and Eastern Europe. In particular, the Soviets have attempted to impose the conditions of "russification" and persecution upon the countries in that part of the world—and with some measure of success.

Although conditions in the captive nations are disturbing—they are not without hope. The captive countries continue to struggle against oppression and cry out for help—and they particularly look to our Nation whose concerns have always been the preservation of freedom and human rights.

Since the founding of our Nation, the concerns for freedom and individual rights have been an important part of the "American Belief System" and in particular, an important part of American foreign policy. From the beginning, we Americans have believed that our country should profess political and ethical principles—principles concerning the rights of human freedom and dignity—that can be used, to some extent, as examples throughout the world. Moreover, we Americans have always believed that we have a moral as well as political commitment to stand up for those particular values and principles.

Clearly we must continue to maintain our values and principles—to stand for freedom and human dignity throughout the world. The United States should continue its efforts to promote and advance human rights in all captive nations of the world. In this way we can, in a spirit of compassion and determination, help to provide new hope and encouragement for those who yet remain the captives of communism.

AFTER THE GLORY DAYS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. TEAGUE. Mr. Speaker, of the many people who contribute to our society today none make a more diverse and interesting contribution than those astronauts who pioneered in the Mercury, Gemini, and Apollo programs. Today, these early space travelers contribute to many fields using the same exceptional talents that were devoted to our space program. An article by Jim Schefter in the July issue of "Passages" describes what these astronauts are doing today. Mr. Schefter was formerly with "Time-Life" and currently is with the Midwest Research Institute. For the benefit of my colleagues and the general public I am including the article in the RECORD:

AFTER THE GLORY DAYS

(By Jim Schefter)

Remember Charlie Duke? Ed Mitchell? Al Bean? How about Walt Cunningham? Tom Stafford? Frank Borman? No? Then surely the guessing game comes into focus with Wally Schirra, Gordon Cooper and John Glenn?

Of course. They're astronauts. Duke, Mitchell, and Bean walked on the Moon. Cunningham, Stafford and Borman orbited Earth, the Moon, or both. And Schirra, Cooper and Glenn are from the Original Seven, America's first spacemen and international heroes in the early 1960s.

Whatever happened to these astronauts—yesterday's heroes of the Space Age?

The answers are as diverse as the astronauts themselves. For despite their public image as Boy Scouts . . . cosmic good guys . . . the astronauts are only human. And like many other groups of working folks, they relate more to a job-task than to a job-thrill, to the challenge of getting something done rather than to the emotional impact of what they've done.

Ask an astronaut: "How did spaceflight change your life?" Almost certainly, he'll answer: "I haven't changed. I'm the same guy I was before." And with few exceptions that's true.

To the rest of us, orbiting the Earth or going to the Moon seems somehow mystical. How can anyone experience that magic without suddenly being transformed into a new person? But to an astronaut, going to the Moon is a job. It's better than most, but a job just the same.

As a group, America's astronauts—there have been 65 or so—are hard-driving go-getters. They're not usually introspective. They're not poets or philosophers. They're test pilots, and a trip to the Moon doesn't make a pilot a poet.

The best of the good days, the glory days, came in the 60's. The space program was full of life, and roaring to that rendezvous with the Moon. Then Neil Armstrong took that "one small step" and the adventure ended. Apathy set in, and the astronaut corps splintered as its members drifted away.

Of the Original Seven—Al Shepard, Gus Grissom, John Glenn, Scott Carpenter, Wally Schirra, Gordon Cooper and Deke Slayton—only Deke remains with the National Aeronautics and Space Administration. The rest are gone—to the U.S. Senate, to Walt Disney, to jobs they had never dreamed of. And Grissom is dead, a victim of the 1967 Apollo fire.

Of the 12 moonwalkers—Neil Armstrong and Buzz Aldrin, Pete Conrad and Al Bean, Al Shepard and Ed Mitchell, Dave Scott and Jim Irwin, John Young and Charlie Duke, Gene Cernan and Jack Schmitt—only Bean and Young are still astronauts. Scott is a NASA executive. The rest are gone—again to the U.S. Senate, to Coors beer distributorships, to jobs in aerospace and out. Some are real winners. Some are just doing okay.

There's a third category of yesterday's heros, the orbiters. Walt Cunningham is one, who, after five years of astronaut training, made one Earth-orbital spaceflight. "It's hell," he says. "Whatever else I do, I'm remembered for 11 days of my life."

For those 11 days, Cunningham circled the Earth with Wally Schirra and Donn Eisele in Apollo 7. Now he's a senior vice-president and director of engineering for Diversified Design Disciplines, a Houston firm that specializes in designing plumbing, electronics and other innards for commercial buildings.

In his astronaut days, Cunningham was an outspoken, sometimes argumentative, "my way" kind of guy. NASA doesn't like its astronauts to be too headstrong—innovative, yes; argumentative, no. "It caused me some problems," Cunningham admits. For instance, he was not offered a second space mission. But did he change? No. "That's just me," he says.

Now Cunningham may soon be remember for something other than those 11 days in space. He's written a book that he calls "a slightly irreverent look at space and spacemen." And stubborn still, he won't say what's in it beyond revealing the title: *The All-American Boys*. "Anybody who was there will appreciate the title," he says.

They *were* all-American boys. Some were lusty, some were straitlaced, but as a group they drank, smoked, cussed and got the job done. There's never been a group like them, and may never be again.

Al Shepard parlayed the early money from *Life* Magazine, which had a contract for the astronauts' personal stories, into millionaire status. After moonwalking on Apollo 14, he stayed with NASA awhile, then went into private business. His firm, the Windward Company, distributes Coors beer in Houston.

Charlie Duke walked on the Moon with John Young on Apollo 16. Today, Duke's Orbit Corporation is a major Coors distributor in San Antonio.

Young stayed on. His four space missions, along with backup assignments, cost him a marriage, but catalyzed another. From February 1964 through mid-1972, he was assigned to one space crew after another. He was never home—when he wasn't training in a simulator in Houston or Florida, helping redesign spacecraft parts in California, or keeping his reflexes sharp by flying an acrobatic jet, he was orbiting the Earth or walking on the Moon. His kids grew up without him; he and his wife drifted apart.

But did it change the real John Young? A laconic, underspoken kind of pilot, he shakes his head. "Heck, I'm still the same guy," he grins. "I like all this stuff." So now he's chief of the Astronaut Office at the Johnson Space Center and figures to fly a Space Shuttle in 1979 or 1980.

Young's soft humor and drawl can't hide his whipcrack intellect. And he wants that Shuttle flight: "To fly out of orbit and go from mach 27 to mach 0 is gonna be one of aviation's most thrilling experiences," he says. "I gotta try that."

As chief astronaut, Young will have a lot to say about which astronauts fly the Shuttle. There are still 30 or so in Houston, working, waiting, training. "These guys wake up running," Young says. "Astronauts are goal-oriented. You gotta get up early just to keep even with 'em."

Drive and energy are some of the astronauts' few common factors. Al Bean flew three times in space—a short Gemini mission where he took a space walk, a moonwalk on Apollo 12, then 59 days up there as commander of the second Skylab crew. He too, is waiting for the Shuttle.

Bean is one of the few astronauts who admits that spaceflight changed his personality. "I was always introspective, and I though I knew myself pretty well. After going to the Moon, I loosened up." He took on the long-duration Skylab flight as a personal challenge. "Anybody can take a 10-day trip to the Moon and give it their best effort," he observes, perhaps too generously. "On Skylab, it was tougher to keep up a high-output level because you operated a lot closer to your physical limits."

In NASA or out, astronauts aren't sitters. They only have one speed—fast.

Jim Irwin walked the gorge-like rim of the Moon's Hadley Rille on Apollo 15. That experience led him to leave the space program and establish High Flight, a semi-evangelistic organization. He travels the world delivering inspirational messages.

Last year Irwin had a heart attack, which doctors say is not related to his lunar excursion. Then early in 1977, he underwent open-heart surgery in Houston. Just six weeks later, Irwin went skiing. "Can you imagine that?" Al Bean says incredulously: "He's out there on the slope and he has another heart attack.'"

Irwin paid for the indiscretion. He spent more than two months hospitalized, and even now his physical activity is sharply restricted. But even more intensely than Bean, Irwin says that walking on the Moon did, in fact, change him. "On the Moon the total picture of the power of God . . . became abundantly clear to me," he wrote in his biographical book *To Rule the Night*. "I felt an overwhelming sense of the presence of God on the Moon." When his heart heals, Irwin will be back on the evangelist circuit, carrying that message to all who will listen.

But in the area of spiritual reawakening. Irwin is the exception. The reactions of the Apollo 13 astronauts, who are lucky to even be around at all, are more typical.

Apollo 13 was disabled by an explosion halfway to the Moon. For nearly three days, the ship limped out and around the Moon to swing back home. Astronaut Fred Haise is still in Houston as the No. 1 Space Shuttle pilot. Jim Lovell and Jack Swigert found careers elsewhere—and proved that astronauts feel more strongly about changes from business than changes from a lunar flight.

Like most astronauts, Lovell's life had been military, then aerospace. Two of his four space trips were to the Moon, he was on the historic Christmas Eve lunar orbit narrowly escaping with his life on Apollo 13. His transition to the world where the rest of us live wasn't easy. "But you have to move on," he concedes. "I miss the excitement, and I'd like to fly the Shuttle, but there are guys there still waiting to go." (Three astronauts who joined up in 1966 are still considered rookies. They won't get an orbital chance until 1979.)

When Lovell got out, he got way out. He's under contract as spokesman for Mutual Benefit Life Insurance Company and gives motivational talks to agents. He's done television commercials for a breakfast drink, Tang. And for several years, this man who went to the Moon ran a barge company in Houston. Now he's president of Fiske Telephone Systems, a small firm that provides equipment to companies that want to own their own system, not lease from Ma Bell. "Civilian life is a lot different than working for the government," says Lovell, "and it's a rude awakening. There's a profit motive; no profit and you don't get paid."

Lovell looks back at the glory days and wonders what happened. Just 10 years ago, he agrees, everyone thought that an ex-astrounaut could name his position and salary in the aerospace industry. It didn't happen. "I'd like to be back in aerospace," Lovell muses, "but its amazing. There just wasn't much there."

Only Frank Borman, Eastern Air Lines president, and Pete Conrad, marketing vice-president for McDonnell-Douglas, are in the industry.

Jack Swigert is on the fringes. In some ways, his job—staff director for the U.S. House of Representatives Committee on Science and Technology—is one of the best. "I've got it all," Swigert grins. "When I came here four years ago, this was a sleepy little committee that only looked at NASA and the National Science Foundation. Now we've got science, space, energy, environment, aviation. We're overseeing a $12 billion budget this year."

Swigert has built a reputation on Capitol Hill for recruiting top-quality people to advise the Congress on science and technology issues. And though he's technically on leave from NASA, he doesn't expect to go back. "I miss the space program as we had it," he says. "I miss the people, even the people cleaning the offices. We were part of a team, and we did something for the country. We gave it a lift when it needed one."

Swigert resisted suggestions in 1976 that he run for Congress himself. But the idea still has appeal. "Congress needs more technical people to deal with the problems we're facing," he insists. "One of the reasons we have an energy problem today is because we didn't have enough technical people in Congress 20 years ago."

Across the Hill, two other ex-astronauts are doing their bit to help. U.S. Senator John H. Glenn (D-Ohio) was the first American to orbit the Earth. Senator Harrison H. (Jack) Schmitt (R-New Mexico) was the last American to set foot on the Moon.

Jack Schmitt was among the most intense astronauts. A geologist by profession, he was something of an outsider among test pilots. And he worked hard. His idea of a relaxing evening was to curl up with a flight plan. And for an exciting weekend, he invited engineers over to discuss unsolved problems of exploring the lunar surface.

Then he went to the Moon, and Schmitt changed, although he really doesn't know why. His intense, tunnel-vision personality vanished; his perspective ballooned. He ran for the Senate and won.

"I'm going to be an advocate for science and space," Schmitt says. "I see no reason to change my opinions; they're based on some solid evidence." So Schmitt, who calls his brand of politics "imaginative conservatism," takes on other senators in technological debate. "I can use the perspective of space in debates," he says. "This place needs a broader view, and I have it."

Schmitt, whose outgoing enthusiasm affects everyone around him, carries the message outside the Senate chambers, too. "I don't have any problem attracting a crowd when I'm talking," he grins. "I can talk about the future of the republic or the future of the Republican party, but when I get to space, people really brighten up. They want to know what it's like on the Moon."

With astronauts spread coast to coast, the space program moving into new maturity, and the glory days gone, here's where some others are today:

Scott Carpenter, Original Seven, president of Pyro Sol, Inc., a small company specializing in using waste products to generate energy; Gordon Cooper, Original Seven, vice-president for R&D at WED, Inc., a Walt Disney subsidiary in Glendale; Wally Schirra, Original Seven, director of technology purchase for Johns-Manville in Denver; Deke Slayton, Original Seven, NASA executive in Houston.

Buzz Aldrin, moonwalker, after overcoming alcoholism and depression, is a consultant in Los Angeles. Bill Anders, Moon orbiter, is U.S. Ambassador to Norway; Dave Scott, moonwalker, is director of the Dryden Flight Research Center in the Mojave Desert; Gene Cernan, moonwalker, is vice-president of Coral Petroleum in Houston; Mike Collins, Moon orbiter, is director of the Smithsonian's Air and Space Museum in Washington; Neil Armstong, first man on the Moon, is an engineering professor at the University of Cincinnati—and does not grant interviews.

Time, like space, moves on.

ASSISTING FBI AGENTS AND FEDERAL OFFICERS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. ZEFERETTI. Mr. Speaker, the Federal Bureau of Investigation, the backbone of this country's law enforcement agencies, has been shaken to its foundation by the recent indictment of one of the most respected special agents, John Kearney. He stands accused of using illegal wiretaps and mail tampering tactics during an investigation of the Weathermen, a radical organization responsible for many terrorist bombings and deaths in recent years.

I certainly do not condone the illegal acts that occurred. We cannot and must not tolerate law enforcement agencies breaking the law, and we should take the necessary actions to prevent such abuses in the future. The House of Representatives took a major step in this direction by approving the creation of the Select Committee on Intelligence, which will assist in policing our intelligence agencies.

The question is not on the legality of these covert operations, but whether indictments should be issued to agents who were performing their assignment in the line of duty, under orders from their superiors. It now appears that the Justice Department will continue with its investigation and indict a number of other agents. These agents allegedly involved in the illegal activities did so in good faith, apparently with the approval of their superiors and believing that their work was critical to the security of the Nation.

It is common knowledge that this type of operation has occurred many times in the past. Just 3 months ago the Justice Department decided not to prosecute CIA officials involved in illegal mail tampering operations. Last year former Attorney General Edward Levi, in a decision not to prosecute Federal agents for mail tampering, stated:

> Whatever can be said about the law now, the department believes at the time the potential defendants acted, there was substantial basis for thinking that the law was otherwise.

In other words, this type of activity was common among our law enforcement agencies during that period, and it appears that the law itself was unclear.

For these reasons, I am introducing a bill that would provide for the payment

of any costs incurred by Federal officers for legal counsel prior to their indictment, when the charges are a result of their routine investigative, law enforcement functions. This legislation applies to both criminal and civil cases stemming from Federal charges, and in the case of charges brought by a State, it would indemnify a Federal officer for both legal counsel and for any money damages that may result from his trial on civil charges.

Let me reiterate that the FBI—and its agents—is not above the law. However, I feel that these agents are being made scapegoats for activities that they believe constituted the normal performance of their duty and were authorized at high levels of the Government.

My major concern is that a series of indictments and other legal actions will hamstring the work of the FBI and weaken its effectiveness. The prosecution of these agents will hinder future intelligence operations. Agents, despite orders from superiors, will be afraid to carry out the directives. Certainly the least we can do is pay for the cost of their counsel prior to their possible indictment.

The outcome of the Kearney indictment could determine whether the FBI will survive as a formidable law enforcement agency, and I trust that my colleagues will actively consider this legislation so that we can assist in preventing the further destruction of this invaluable institution.

DAVIS-BACON ACT AND MINORITIES

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. HAGEDORN. Mr. Speaker, the Davis-Bacon Act is a perfect example of special interest legislation which is detrimental to everyone outside of that special interest. It imposes costly and time-consuming paperwork burdens upon contractors who do work on public projects. It is costly to the taxpayer, resulting in increased public construction costs of 5 to 15 percent. It imposes heavy financial burdens upon local and State governments which use Federal matching funds. And it insures that the intended beneficiaries of public spending receive less for their money. Public works projects, for example, put fewer people to work, HUD interest subsidies are consumed by exorbitant wage rates, and the costs of school construction and water resources projects are driven up.

As with so much other well-intended regulatory legislation, one group particularly impacted by Davis-Bacon have been racial minorities. In many respects, it was the itinerant black laborer from the South who prompted the original passage of the act and who was its first victim. One Member arguing in behalf of the bill in 1931 stated:

Reference has been made to a contractor from Alabama who went to New York with bootleg labor. That is a fact. That contractor has cheap colored labor that he transports, and he puts them in cabins, and it is labor of that sort that is in competition with white labor throughout the country.

Since that time, the discriminatory effects of the act, while more subtle, have continued unabated. Through the promulgation of union wage rates on virtually all projects, regardless of actual prevailing wages, the act discourages the participation of open-shop contractors on Federal and federally assisted projects. Since a far higher percentage of white than nonwhite craftsmen and laborers in the construction industry report union membership, it is clear that a direct effect of the Davis-Bacon Act is to artificially restrict job opportunities for black workers.

Prof. Walter E. Williams, a young black member of the economics department at Temple University, made the following observations at a recent conference at Howard University in Washington, D.C.:

One effect of the Davis-Bacon Act was that it discouraged non-union contractors from bidding on Federal projects because of the pay differential problems that would result from having some workers, in a non-union shop, working at a federal project receiving higher wages while others working on private jobs receive lower pay. To the extent that non-union contractors are discouraged from competition on a substantial part of federal construction, it has economic consequences for minorities and younger workers who are excluded from unions and hence are more likely to work in the non-unionized sector of the construction industry. (SEO data shows that only 27% of non-white craftsmen and 35% of non-white laborers in the construction industry reported union membership.) Furthermore, the high apprenticeship rates required by the Davis-Bacon Act discourages the usage of apprentices and other low skilled people on Federal projects which acts to counter federal efforts to train minorities through manpower training programs. (Davis-Bacon also hampers efforts to stimulate low- and moderate-income housing. Higher labor costs offset the government interest subsidy.)

As Professor Williams notes, the high apprenticeship rates set by the Department of Labor under Davis-Bacon, as well as its failure to recognize special rates for helpers and trainees has forced many contractors and subcontractors to sharply limit numbers of apprentices, helpers, and trainees employed. This has worked a particular hardship upon minority group members. One contractor testified before the Senate Subcommittee on Housing and Urban Affairs in 1972—

In Alabama, we have been an open-shop contractor for a number of years and there are no certified apprenticeship training programs in the State except those that are union-oriented and union dominated, and they are not open to . . . open-shop members. As a result, in Alabama, on Davis-Bacon projects, we have not been able to use any apprentices whatsoever. We can't use helpers unless we pay helpers the prevailing standard for the journeyman . . . It just happens that I favor strongly upgrading the minorities in our company. We work at it actively and with some success. But if we bid on a job that comes under Davis-Bacon, that upgrading is stopped in that work.

The policies of the Department of Labor in administering the Davis-Bacon Act harm minority contractors in much the same way that they harm minority workers. High prevailing wage determinations, by making nonunion contractors less competitive, seems to have a substantial impact in discouraging nonunion contractors from bidding on Federal projects. The National Association of Minority Contractors has recommended suspension of Davis-Bacon Act requirements for this reason, and notes that—

Unemployment among blacks in cities with populations over 100,000 is 19.7 percent. In these same cities, construction requirements are not being met . . . the large pool of idle labor cannot be used and/or trained because of the restrictions of the Davis-Bacon Act.

Mr. Speaker, reform of the Davis-Bacon Act is not going to solve all of the employment problems that minority groups face in this country, but, until it is reformed, the act is going to continue to serve as a major impediment toward increased minority participation in this country's construction industry. The act limits black employment opportunities, black entrepreneurial opportunities, and frustrates the ability of public programs to improve opportunities for them. Numerous academic studies have developed the evidence to back up the claims of those, such as Arthur Burns, who believe that the Davis-Bacon Act "effectively hinders the number of hardcore unemployed persons who could be absorbed on Government projects due to the high wages which would have to be paid to them."

EXTENSION OF CHILD DEVELOPMENT PROGRAMS UNDER THE APPALACHIAN REGIONAL COMMISSION

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. APPLEGATE. Mr. Speaker, amidst the loud and resounding complaints about big government and bureaucratic inefficiency, I am proud to direct your attention away from this and toward a significant number of public programs which do work, and in fact are a tremendous reflection of just how well government can operate.

I am referring particularly to the Appalachian Regional Commission's child development program. Through more than 325 projects, serving more than 300 out of 397 counties in Appalachia, in excess of 200,000 individuals are being served. These programs are immunizing and nourishing America's children, providing prenatal care and education for young mothers, allowing thousands of parents to enter the labor force in Appalachia—all in fact due to the provision of the child development programs in Appalachia.

The Appalachia Regional Commission deserves a sincere note of praise for the cooperative and dynamic progress it has made through the design and implemen-

tation of these fine progams over the past few years. But the task has only partially been tapped and the life of a child in this region of the country is by no means easy. In the central part of the region, intestinal parasites infect an estimated 50 percent of all children. True, the infant mortality rate has declined significantly since the creation of the ARC, but it is still 6 percent higher than the rest of the Nation. Surely with this information, you will agree that this is not the time to abandon a fine-tuned and smooth-running program, but rather this is the time to continue the program so that all the gains we have made will not be lost.

However, unless we act quickly, many of these fine programs will indeed fold. ARC funding was a 5-year-only demonstration grant program for child development, at the end of which the program was supposed to be self-sufficient. It is now clear that, for many programs, self-sufficiency is an impossible goal. Title XX provides the main source of substitute funding, but it requires matching amounts which are often prohibitive and unrealistic. The people working in our local ARC programs are trained to provide the needed services, not to engage in the full-time task of raising funds for operational purposes. But more importantly, we cannot expect them to be fund raisers. Although the large majority of the programs have, each year, reduced their dependence on ARC funding, many of those cannot do without the ARC portion of their funding. To lose that portion of their funding means either reducing the number of individuals served or shutting down that program entirely.

My dear colleagues, can we allow this to happen? Accordingly, I have introduced legislation today which would extend ARC funding at 1975 levels until 1979, while charging the ARC with the complete task of investigating the difficulties in turning over complete sponsorship of the programs to State or private agencies and reporting their findings to the Congress. Some programs have achieved self-sufficiency and it is time that we all found out just how this was done and if the turn-over was 100 percent successful.

These programs represent one of the soundest uses of our Federal dollar. A Columbia University study showed that each $1 spent on child development programs prevents 94 cents of public dependence aid. The cost to the Government per year per child is roughly $119. The local people of Appalachia have discovered a new sense of pride and a new resourcefulness, they are really not asking much. But they refuse, and quite rightfully, to be treated as an experiment whose time has ended, and to be ignored while we move on to new projects.

My esteemed and distinguished colleague in the Senate, Mr. HOWARD METZENBAUM, is planning on introducing matching legislation on the Senate floor. As we have both researched this situation and given it considerable thought and thus concluded that only legislation, extending the funding during this transition period and mandating the Appalachia Regional Commission to investigate these specific problems, will be the rightful and reasonable solution.

The individuals we have been talking about are people, not laboratory test subjects, people in need of our help. I am hopeful that you, my esteemed colleagues, will not disappoint them.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 19, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 20

8:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 1, 8, and 18, proposing amendments to the Constitution to provide for the direct popular election of the President and Vice President of the U.S.
1202 Dirksen Building

9:30 a.m.
Foreign Relations
To hold hearings on the Tax Convention with the United Kingdom of Great Britain and Northern Ireland (Exec. K, 94th Cong., 2nd sess.), and the Protocol to the 1975 Income Tax Convention with the United Kingdom (Exec. Q, 94th Cong., 2nd sess.).
4221 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To continue hearings on biomedical research programs.
Until 1 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue to consider recommendations to the Energy and Natural Resources Committee on energy conservation in residential areas, as contained in Part A of S. 1469, the proposed National Energy Act.
5302 Dirksen Building
Budget
To continue hearings on the second concurrent resolution on the Congressional Budget for fiscal year 1978.
357 Russell Building
Commerce, Science, and Transportation
To resume hearings on S. 1381, setting standards for State no-fault benefit plans to compensate motor traffic accident victims.
5110 Dirksen Building
Commerce, Science, and Transportation
Business meeting to further consider the matter of regulatory reform of the air transportation industry.
235 Russell Building
Energy and Natural Resources
To consider pending calendar business.
3110 Dirksen Building
Finance
Public Assistance Subcommittee
To continue hearings on H.R. 7200, dealing with the programs of supplemental security income, social services, child welfare services, aid to families with dependent children, and child support. 2221 Dirksen Building
Judiciary
To hold hearings on the nominations of Edward L. Filippine, to be U.S. district judge for the eastern district of Missouri, and T. F. Gilroy Daly, to be U.S. district judge for the district of Connecticut. 2228 Dirksen Building
Select Indian Affairs
To resume oversight hearings on the current organization of the Bureau of Indian Affairs, Department of the Interior. 1318 Dirksen Building

10:30 a.m.
Judiciary
To hold a business meeting.
2300 Dirksen Building
Conferees
On H.R. 7555, making appropriations for the Departments of Labor and Health, Education, and Welfare. S–128, Capitol

1:00 p.m.
Conferees
On H.R. 692, authorizing funds for fiscal year 1978 for activities of the Small Business Administration.
S–146, Capitol

2:00 p.m.
Select Intelligence
To hold a closed business meeting.
6226 Dirksen Building
Conferees
On S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
H–140, Capitol

2:30 p.m.
Conferees
On H.R. 7555, making appropriations for the Departments of Labor and Health, Education, and Welfare.
S–128, Capitol

JULY 21

8:30 a.m.
Foreign Relations
Foreign Economic Policy Subcommittee
To hold a closed business meeting.
S–113, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 1729, to permit the use of the Rural Electrification and Telephone Revolving Fund to repair and replace certain electric power and telephone lines and equipment damaged or destroyed in rural areas by natural disasters.
322 Russell Building
Finance
Health Subcommittee
To receive testimony from representatives of the GAO office concerning the reorganization of the medicare and

medicaid programs within the Department of HEW.
2221 Dirksen Building

*Judiciary
Antitrust and Monopoly Subcommittee
To hold hearings on proposed legislation to amend section 4 of the Clayton Act so as to allow recovery for damages by direct or indirect purchasers of goods.
2228 Dirksen Building

9:30 a.m.
Budget
To continue hearings on the second concurrent resolution on the Congressional Budget for fiscal year 1978.
357 Russell Building

Commerce, Science and Transportation
Communications Subcommittee
To hold hearings on S. 1866, making the State of Hawaii a domestic point for purposes of international communications.
5110 Dirksen Building

Human Resources
To hold hearings on the following nominations: Patricia Albjerg Graham of New York, to be Director of the National Institute of Education; Earl Oliver, of Illinois, to be a member of the Railroad Retirement Board; Mary Frances Cahill Leyland, of New York, John Robert Lewis, of Georgia, and Irene Tinker, of Maryland, each to be an Assistant Director of ACTION; Sar A. Levitan, of the District of Columbia, to be a member of the National Commission on Employment and Unemployment Statistics; and John B. Gabusi, of Arizona, Robert Stern Landmann, of New Mexico, and Robert Nathaniel Smith, of Michigan, each to be an Assistant Director of the Community Services Administration.
4232 Dirksen Building

Judiciary
Criminal Laws and Procedures Subcommittee
To hold hearings on domestic terrorism and the need for action to prevent future activities of terrorist groups.
457 Russell Building

Select on Small Business
Government Regulations and Small Business Advocacy Subcommittee
To resume hearings jointly with the Economic Growth and Stabilization Subcommittee of Joint Economic on S. 1726, to declare a national small business economic policy.
424 Russell Building

Banking, Housing, and Urban Affairs
To mark up S. 1594 and H.R. 5959, to revise and extend the Renegotiation Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Business meeting to further consider the matter of regulatory reform of the air transportation industry.
235 Russell Building

Energy and Natural Resources
To consider pending calendar business.
3110 Dirksen Building

Governmental Affairs
Permanent Investigations Subcommittee
To resume hearings on the present status of the Department of Labor Task Force investigation of the Teamsters Central States Pension Fund.
1114 Dirksen Building

Select Intelligence
Intelligence and the Rights of Americans Subcommittee
To continue hearings on a proposal to establish procedures for electronic surveillance in the area of foreign intelligence (embodied in S. 1566).
6226 Dirksen Building

10:30 a.m.
Finance
Health Subcommittee
To hold hearings on proposed legislation to expand medicare coverage of services provided in rural health clinics.
2221 Dirksen Building

Conferees
On H.R. 7589, making appropriations for construction at certain military installations.
S-126, Capitol

2:00 p.m.
Human Resources
Health and Scientific Research Subcommittee
To mark up S. 1391, establishing a transitional system to slow the escalating costs of hospital care.
Room to be announced

Conferees
On H.R. 6689, proposed Foreign Relations Authorizations Act for fiscal year 1978.
S-116, Capitol

2:30 p.m.
Conferees
On S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
S-207, Capitol

JULY 22

8:00 a.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings on constitutional issues associated with negotiations for the disposition of the Panama Canal Zone and of U.S. facilities located therein.
6202 Dirksen Building

8:30 a.m.
Judiciary
Constitution Subcommittee
To continue hearings on S.J. Res. 1, 8, and 18, proposing amendments to the Constitution to provide for the direct popular election of the President and Vice President of the U.S.
235 Russell Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on proposed legislation to amend section 4 of the Clayton Act so as to allow recovery for damages by direct or indirect purchasers of goods.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider the nomination of Robert H. McKinney, of Indiana, to be a member of the Federal Home Loan Bank Board, and H.R. 5675, to authorize the Treasury Department to make short-term investment of any portion of its excess operating cash balance.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1077, to assure that essential maritime transportation is provided to Alaska, Hawaii, and certain U.S. territories.
5110 Dirksen Building

Energy and Natural Resources
To consider pending calendar business.
3110 Dirksen Building

Foreign Relations
Arms Control and Disarmament Subcommittee
To receive testimony on the results of the recent Law of the Sea Conference.
4232 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To receive testimony from Administration officials on the proposed sale of AWACS aircraft to Iran.
4221 Dirksen Building

Governmental Affairs
Permanent Investigations Subcommittee
To continue hearings on the present status of the Department of Labor Task Force investigation of the Teamsters Central States Pension Fund.
1114 Dirksen Building

Judiciary
To hold hearings on the nomination of Harold L. Murphy, to be U.S. district judge for the northern district of Georgia.
2228 Dirksen Building

*Veterans' Affairs
To consider pending calendar business.
412 Russell Building

3:00 p.m.
Joint Economic
Priorities and Economy in Government Subcommittee
To hold hearings on the status and function of women in the military.
5302 Dirksen Building

JULY 25

9:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on estate and gift tax problems arising from the Tax Reform Act of 1976.
2221 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume oversight hearings on the Railroad Revitalization Act of 1976 (P.L. 94-210) and amendments proposed thereto.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1724, to establish a Neighborhood Reinvestment Corporation.
5302 Dirksen Building

Joint Economic
To receive testimony on a mid-year review of the economy.
1202 Dirksen Building

2:00 p.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 1514, to extend the dates during which the transitional rules of the Tax Reform Act of 1969 postpone the applicability of Section 4941 of the Internal Revenue Code.
2221 Dirksen Building

JULY 26

8:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 1078, S. 1622, and 1857, providing improved authority for the administration of certain National Forest System lands in Oregon.
3110 Dirksen Building

Judiciary
Hearing Panel
To hold hearings on S. 1503, to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel and fabric.
2228 Dirksen Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

Human Resources
Labor Subcommittee
To hold hearings on bills to amend the Age Discrimination in Employment Act of 1967 to protect the employment rights of older workers (S. 481, 1583, 1768, 1773, and 1784).
4232 Dirksen Building

Select on Nutrition and Human Needs
To receive testimony from representatives of the egg industry concerning a report on "Dietary Goals for the U.S.".
322 Russell Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume oversight hearings on the cost of drugs.
Until Noon 6202 Dirksen Building

Joint Economic
To hear OMB Director Bert Lance on a mid-year review of the economy.
318 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume mark up of H.R. 5294, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Commerce, Science, and Transportation
Business meeting to consider pending calendar business.
235 Russell Building

*Energy and Natural Resources
Public Lands and Resources Subcommittee
To receive testimony from Ambassador Elliot Richardson on the progress of the United Nations Law of the Sea Conference.
1224 Dirksen Building

Foreign Relations
To hold hearings on protocol to the Convention on International Civil Aviation (Exec. A, 95th Cong., 1st sess.), and related protocols (Exec. B, 95th Congress, 1st sess.)
4221 Dirksen Building

JULY 27

8:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings on part E (Electric Utility Rate Reform) of S. 1469, proposed National Energy Act.
3110 Dirksen Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

Human Resources
Labor Subcommittee
To continue hearings on bills to amend the Age Discrimination in Employment Act of 1967 to protect the employment rights of older workers (S. 481, 1583, 1768, 1773, and 1784).
4232 Dirksen Building

Veterans' Affairs
Health and Readjustment Subcommittee
To hold oversight hearings on a study by the National Academy of Sciences on health care for American veterans.
6226 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on the cost of drugs.
Until noon 1318 Dirksen Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the role of the halfway house in the rehabilitation of alcoholics.
Until noon 1202 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business meeting to consider pending calendar business.
Room to be announced

JULY 28

8:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To continue hearings on part E (Electric Utility Rate Reform) of S. 1469, proposed National Energy Act.
3110 Dirksen Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

Human Resources
Labor Subcommittee
To hold hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs.
To mark up S. 695, to impose on former Federal procurement personnel and extended time period during which they may not work for defense contractors.
5302 Dirksen Building

Commerce, Science, and Transportation.
Business meeting to consider pending calendar business.
Room to be announced

Foreign Relations
To hold hearings on proposed Threshold Test Ban and Peaceful Nuclear Explosions Treaties with the U.S.S.R. (Exec. N, 94th Cong., 2d sess.)
4221 Dirksen Building

JULY 29

8:00 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on constitutional issues associated with negotiations for the disposition of the Panama Canal Zone and of U.S. facilities located therein.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume oversight hearings on the Railroad Revitalization Act of 1976 (P.L. 94–210), and amendments proposed thereto.
5110 Dirksen Building

10:00 a.m.
Budget
To mark up second concurrent resolution on the Congressional Budget for fiscal year 1978.
357 Russell Building

Human Resources
To mark up S. 1391, proposed Hospital Cost Containment Act.
Until noon 4232 Dirksen Building

AUGUST 1

9:00 a.m.
Human Resources
Labor Subcommittee
To resume hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

10:00 a.m.
Budget
To continue mark up of second concurrent resolution on the Congressional Budget for fiscal year 1978.
357 Russell Building

Select Intelligence
To resume hearings on a proposal to establish procedures for electronic surveillance in the area of foreign intelligence (embodied in S. 1566).
1202 Dirksen Building

AUGUST 2

9:00 a.m.
Human Resources
Labor Subcommittee
To continue hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on the effectiveness of antitrust laws enforcement 2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1664–1669, to amend in several regards the law as it pertains to Federal regulation of financial institutions 5302 Dirksen Building

Budget
To continue mark up of second concurrent resolution on the Congressional Budget for fiscal year 1978.
357 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1792, to amend the Administrative Conference Act.
6202 Dirksen Building

AUGUST 3

9:00 a.m.
Human Resources
Labor Subcommittee
To continue hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue mark up of S. 1664–1669, to amend in several regards the law as it pertains to Federal regulation of financial institutions.
5302 Dirksen Building

AUGUST 4

9:00 a.m.
Human Resources
Labor Subcommittee
To continue hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1542, to extend to September 30, 1979, the Council on Wage

and Price Stability, and S. 1724, to establish a Neighborhood Reinvestment Corporation.
5302 Dirksen Building

AUGUST 5

9:00 a.m.
Human Resources
Labor Subcommittee
To continue hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

AUGUST 23

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on the dimension of national debts and payments deficits, and the outlook for the future.
5302 Dirksen Building

AUGUST 24

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on the dimension of national debt and payments deficits, and the outlook for the future.
5302 Dirksen Building

SEPTEMBER 8

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on automatic auto crash protection devices.
5110 Dirksen Building

SEPTEMBER 9

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on automatic auto crash protection devices.
5110 Dirksen Building

SEPTEMBER 12

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1710, proposed Federal Insurance Act of 1977.
5302 Dirksen Building

SEPTEMBER 13

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1710, proposed Federal Insurance Act of 1977.
5302 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Donald L. Tucker, of Florida, to be a Member of the Civil Aeronautics Board.
5110 Dirksen Building

SEPTEMBER 14

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1710, proposed Federal Insurance Act of 1977.
5302 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 364, Veterans' Administration Administrative Procedure and Judicial Review Act.
Until 1 p.m. Room to be announced

SEPTEMBER 28

10:00 a.m.
Veterans' Affairs
To receive legislative recommendations from representatives of the American Legion.
412 Russell Building

CANCELLATIONS

JULY 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1542, to extend to September 30, 1979, the Council on Wage and Price Stability.
5302 Dirksen Building

JULY 21

10:00 a.m.
Foreign Relations
To continue hearings on proposed Threshold Test Ban and Peaceful Nuclear Explosions Treaties with the U.S.S.R. (Exec. N., 94th Cong., 2d sess.).
4221 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, July 19, 1977*

The House met at 12 o'clock noon.

Rev. Mervin S. Eyler, St. Paul's Evangelical Lutheran Church, the Bronx, N.Y., offered the following prayer:

Gracious Lord, we pray for ourselves and for all people.

Deal with us as we reflect on and contemplate the world as we find it, and on those things we can do to improve the lot of all about us. With Your help and the mutual support of contemporaries, may this Nation be provided with understanding, knowledge, and strength for the living of each day.

Fill us with concern for the welfare of all Your people, with compassion for those suffering from whatever hurt, with love shared as we know and share Your love.

Lord, "Let us not grow weary in well doing, for in due season we shall reap, if we do not lose heart."

We pray in His name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 248. Concurrent resolution requiring an investigation by the Joint Economic Committee of certain economic changes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7932. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7932) entitled "An act making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUDDLESTON, Mr. MCCLELLAN, Mr. SASSER, Mr. PROXMIRE, Mr. SCHWEIKER, Mr. WEICKER, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 717) entitled "An act to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. NELSON, Mr. RIEGLE, Mr. JAVITS, Mr. SCHWEIKER, and Mr. STAFFORD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 9. An act to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes;

S. 1496. An act to amend title 18, United States Code, to make a crime the willful destruction or attempts to destroy the trans-Alaska pipeline system;

S. 1502. An act to amend title 18, United States Code, to make a crime the willful destruction of any interstate pipeline system; and

S. 1522. An act to increase the appropriations authorization for fiscal years 1977 and 1978 and to authorize appropriations for fiscal year 1978 to carry out the Marine Mammal Protection Act of 1972, and for other purposes.

REV. MERVIN S. EYLER

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, the opening prayer this morning was delivered by Rev. Mervin Eyler, pastor of St. Paul's Evangelical Lutheran Church which is located in my home district of the Bronx, New York, N.Y. It is my pleasure to welcome Reverend Eyler and Mrs. Eyler, Virginia Levy, and Josephine Adams to the U.S. House of Representatives.

Reverend Eyler has been in dedicated service to our Lord for more than three decades. He was schooled at the Lutheran Theological Seminary in Gettysburg, Pa. For some 28 years, Reverend Eyler served as an Army chaplain. In this capacity, Reverend Eyler provided needed spiritual guidance and assistance to thousands of servicemen including many on the front lines of battle. He

retired from the Army in 1970 with his last assignment in Frankfurt, Germany.

For almost 8 years, Reverend Eyler has served as pastor for the 500-member St. Paul's Evangelical Lutheran Church, located in the Parkchester section of the Bronx. Under Reverend Eyler's leadership, St. Paul's has become one of the city's most outstanding congregations. Reverend Eyler is a widely respected member of the New York City theological community. It is a personal honor for me to welcome Reverend Eyler, a spiritual leader of exemplary stature. I extend to him the thanks and best wishes of all my colleagues.

APPOINTMENT OF CONFEREES ON H.R. 7932, LEGISLATIVE BRANCH APPROPRIATION ACT, 1978

Mr. SHIPLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7932) making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois. The Chair hears none, and appoints the following conferees: Messrs. SHIPLEY, BENJAMIN, GIAIMO, MCFALL, MURTHA, TRAXLER, MAHON, ARMSTRONG, COUGHLIN, and CEDERBERG.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

JENNET JUANITA MILLER

The Clerk called the bill (H.R. 1405) for the relief of Jennet Juanita Miller.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PATRICIA R. TULLY

The Clerk called the bill (H.R. 2661) for the relief of Patricia R. Tully.

There being no objection, the Clerk read the bill as follows:

H.R. 2661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 212(a)(23) of the Immigration and Nationality Act (8 U.S.C. 1182 (a)(23)), Patricia R. Tully may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act.

SEC. 2. The exemption granted by the first section of this Act shall apply only to grounds for denial of a visa and exclusion from admission into the United States of which the Secretary of State or the Attorney General of the United States had knowledge before the date of the enactment of this Act.

With the following committee amendment:

On page 1, beginning on line 7, strike out the word "Act." and the remainder of the bill through page 2 and substitute in lieu thereof the following: "Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHRISTOPHER ROBERT WEST

The Clerk called the bill (H.R. 2662) for the relief of Christopher Robert West.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MRS. CHONG SUN YI RAUCH

The Clerk called the bill (H.R. 3081) for the relief of Mrs. Chong Sun Yi Rauch.

There being no objection, the Clerk read the bill as follows:

H.R. 3081

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212 (a)(23) of the Immigration and Nationality Act, Mrs. Chong Sun Yi Rauch may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissable under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILOS FORMAN

The Clerk called the bill (H.R. 3085) for the relief of Milos Forman.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

FIDEL GROSSO-PADILLA

The Clerk called the bill (H.R. 3090) for the relief of Fidel Grosso-Padilla.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

CATHY GEE YUEN

The Clerk called the bill (H.R. 1777) for the relief of Cathy Gee Yuen.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PAZ A. NORONA

The Clerk called the bill (H.R. 1787) for the relief of Paz A. Norona.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

RESOLUTION TO CREATE SPECIAL COMMISSION TO STUDY KOREAN INFLUENCE-BUYING.

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, this House of Representatives, in order to operate efficiently and responsibly, must have the public trust of the American people. Without it, our work is meaningless. But public trust is a fragile thing, and in my judgment, it has been tested to its limits by the series of incidents and revelations known as "Koreagate."

Calls for a special prosecutor make little sense. The Justice Department is proceeding with its criminal investigation as it should. A special prosecutor would only duplicate the Justice Department's work. But we have more than a criminal problem here. We have an ethical problem. And as members of the House we must deal with this problem squarely.

Therefore, I have today entered for our consideration a resolution which would create a special commission to study the Korean influence-buying in the House. I have proposed that this commission have eight House members, four from each party, selected by the caucuses, and five "citizen" members, recommended to us by the American Bar Association.

This formula is not inviolate. Any similar formula would work. What is important is that we create a bipartisan commission, which will include House Members and non-House members alike, to get to the bottom of this situation immediately. This new commission would have the mandate to report back to us by January 15. It would take over the staff work done by the Standards and Operations Committee and would go from there.

It is my judgment that any investigative committee made up solely of House Members will be suspect in the public mind. Yet, because matters of ethics are so important to this House, it is critical that House Members be intimately involved in the investigation. Nothing short of a bipartisan commission along the lines I have suggested will, on the one hand, restore the confidence of the American people in this House, and on the other, allow us to aggressively clean our own House.

COMMENTARY ON THE PRESIDENT'S PROPOSAL TO AMEND TAFT-HARTLEY ACT

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, yesterday the President transmitted to Congress his proposal to amend the Taft-Hartley Act.

He stated in his message that he is "pledged to make Federal regulatory agencies more responsible to the people they serve."

Unfortunately, President Carter has not examined the labor laws of this country with the public's interest foremost in mind. I say this because he has overlooked one of the most serious deficiencies of the Taft-Hartley Act by not establishing the machinery whereby a national emergency labor dispute can be brought to a settlement in an orderly and fair manner without having to resort to special legislation on an ad hoc basis.

Four times—in 1963, in 1967, and twice in 1970—the Congress was obligated at the 11th hour to enact special legislation dealing with an impending railroad strike. The Congress is a political body. For it to be called upon to legislate on a specific labor dispute can never be a satisfactory procedure, and particularly when the emergency pressures are more conducive to emotion than reasoned judgment.

The President has chosen to ignore one of the most serious deficiencies of the Taft-Hartley Act—those provisions with Presidential powers and national emergency labor disputes.

If there is a strike affecting all the people and imperiling the national health or safety, we need more than a board of inquiry by the President. We need to establish a procedure for obtaining a settlement of national emergency labor disputes.

We cannot wait for the next emergency with its devastating cost to millions of innocent bystanders and to the Nation itself. If we desire labor reform for the people, I urge that we not wait for the next emergency, but rather join together in acting upon it now before another crippling emergency arises.

H.R. 5400, ADMINISTRATION'S SO-CALLED UNIVERSAL VOTER REGISTRATION ACT

(Mr. DEL CLAWSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEL CLAWSON. Mr. Speaker, on Thursday of this week the House will be asked to consider H.R. 5400, the administration's so-called Universal Voter Registration Act that has languished for weeks in limbo status waiting for support to be whipped into line. When that support lineup failed, "compromise-compromise" became the slogan. Optional election day registration is nothing more than subterfuge for the original proposal. All that is left is the better to leave the skeletal remains in the legislative desert for the political old carrot versus the stick gimmick—vultures to pick over.

The Justice Department has already warned that H.R. 5400 would provide a tremendous potential for fraud. It is widely believed, and rightly so, that this measure will set back the cause of honest elections many years. It is a self-serving vehicle for President Carter's reelection efforts. As noted in yesterday's Washington Post editorial:

> It doesn't help that the Federal largesse would go only to willing States. On the contrary, the States most cordial to Election Day registration are likely to be those with the fewest voting problems . . . and the least real need for Federal aid.

And further quoting:

> If the aim is to shore up State and local election boards, the greatest help should go to those that don't dare risk instant registration at all.

Obviously this legislation is not just unnecessary, it is costly and damaging to the election process. The Republican policy committee is on record strongly opposing H.R. 5400 and I urge my colleagues to do the same when it comes before us on Thursday of this week.

CONFERENCE REPORT ON H.R. 7554, HOUSING AND URBAN DEVELOPMENT-INDEPENDENT AGENCIES APPROPRIATION ACT, 1978

Mr. BOLAND. Mr. Speaker, I call up the conference report on the bill (H.R. 7554) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending September 30, 1978, and for other purposes and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 12, 1977.)

Mr. BOLAND (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The gentleman from Massachusetts (Mr. BOLAND) is recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. COUGHLIN) is recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, each year when we bring back to the House a conference report on the HUD and independent agencies appropriation bill, I have always stressed that the foundation of the democratic process rests on the ability of its people and its institutions to make reasonable accommodations. Of course, reaching reasonable accommodations is simply another way of saying that we seek various shades of compromise with the other body—because the essence of a conference meeting is compromise.

I have also pointed out in past years that we always face difficult issues—and, generally, we resolve those issues in the spirit of compromise. In this bill, we resolved every issue save two—one, a highly charged emotional problem—and the other, dealing with a question that goes to the heart of what priorities the Congress will establish for our national space program.

Before I discuss those two exceptions, I want to take a moment to sum up what the bill contains.

The total amount of this conference report is $69,352,854,000.

The House passed this bill on June 15, with a total of $70,241,683,000.

The Senate passed the bill on June 24, and approved a total of $67,648,491,000.

The conferees have brought back a report that is $1,421,558,000 under the budget request. The total budget requests for the bill amounted to $70,774,412,000.

Turning to specifics, the conference agreement has approved $37,388,644,000 for the Department of Housing and Urban Development. We are recommending that $1,159,995,000 of new annual contract authority and $31,483,563,000 of new budget authority be made available for HUD's subsidized housing programs. Current estimates are that this bill be sufficient to reserve an additional 380,000 subsidized housing units in fiscal year 1978.

In other major program areas within HUD, the bill includes $3,600,000,000 for community development grants; $400,000,000 for urban development action grants; $57,000,000 for the section 701 comprehensive planning program; and $750,000 for the section 202 housing for the elderly and handicapped activity.

I am pleased to report that on the last item, the section 202 program, the House conferees prevailed, and the entire $750,000,000 has been placed back on budget where it can be weighed against other housing subsidy programs. In view of the other body's strong objections to this approach, I feel that we have scored an important victory for the underlying spirit of the Congress new budget procedures.

Mr. Speaker, for the past 2 years we have been faced with a tough issue on what level of funding should be provided for the National Science Foundation. Last year, we were about $52,000,000 apart, and this year roughly $40,000,000 separated us.

The conferees have settled on a total of $861,300,000 for support of the Foundation in 1978. That is $23,700,000 below the budget request—but, and I want to emphasize this, it is $85,389,000,000 above the amount enacted in 1977.

The bill also includes $848,803,000 for the Environmental Protection Agency, including $6,000,000 of the $10,000,000 the House added for health and ecological effects; $39,144,000 for the Consumer Product Safety Commission; $4,000,240,000, for the National Aeronautics and Space Administration; and $17,770,282,000 for the Veterans' Administration.

One point I would like to make is with regard to the $10 million general reduction in the VA construction-major projects account agreed to by the conferees.

It is the intent of the conferees that this reduction be applied to all of the hospitals for which construction funds have been or will be provided in fiscal year 1978—and those are Martinsburg, Little Rock, and Portland/Vancouver.

In connection with the EPA, Mr. ECKHARDT and Mr. GAMMAGE have asked me about congressional intent with regard to the $6 million for EPA's health and ecological effects program agreed to by the conferees. They asked if it was the intent of the conferees that a portion of the $6 million be earmarked for application to gulf coast air pollution efforts.

I agree that it is the intent of the House conferees on the fiscal year 1978 HUD-Independent Agencies Appropriation bill that a portion of the $6 million appropriated by the amendment for health and ecological effects be utilized for air quality research in the gulf coast region. I feel that such research will have a promising nationwide impact.

As I am sure most of you know by now, the conferees were not able to reach an agreement on two important matters. Let me discuss those briefly at this time.

To begin with, we were unable to reach agreement on the Jupiter Orbiter Probe mission, which NASA had requested in the 1978 budget. The House deleted $20,700,000 for the initial funding of this program and the Senate restored those funds. I will shortly offer a motion to accept the House's position. Let me tell you why. In denying the Jupiter Orbiter Probe, we were and are continuing to make an effort to strike a budget priority choice. This year's budget includes $36,000,000 to initiate funding of the space telescope which will ultimately cost the American taxpayer at least $800,000,000. Over the past 2 or 3 years, the committee has raised a number of questions about that telescope project—principally whether it was the right project, at the right cost, at the right time. The scientific community has described it as the No. 1 astronomy project of the 1980's. But not every project that the scientific community wants can have first priority—and that is why we made the budget priority choice—we provided the space telescope—but we denied the Jupiter Orbiter Probe.

Jupiter will be there 5 or 10 or 15 years from now when this project can be reinstituted. In all of the 20 years that this Nation has been involved in a major space effort—in all those years—the Congress has never, never, made an attempt to deny funding for a major space mission. I think it's time that we did that.

The other item which the conferees could not agree on concerns the amendment offered by the gentleman from Tennessee (Mr. BEARD) when this bill was before the House on June 15. That amendment prohibits the use of any fiscal year 1978 VA appropriation for adjudication of claims or payment of benefits to veterans discharged from the military under less than honorable conditions who received a general or honorable discharge as the result of the President's revised standards implemented on April 5 of this year. As we all know, the amendment carried 273 to 136. I opposed the amendment when it was offered, but I felt an obligation to support the House position in conference. The Senate conferees were equally adamant in their position—and in view of this, I felt that the only course open was to bring the issue back in disagreement for another vote.

Mr. Speaker, I would have hoped that we could have settled all the differences between the House and the Senate on this bill. But that was not to be the case. Some issues require further instructions and guidance from this House and from the other body. These two questions fit that mold, and I am sure both of them will be discussed further when we get into the amendment stage.

Mr. Speaker, I will include in the remarks a table showing the action taken on each item, the comparison with 1977 and the actions of both the House and the Senate.

COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—INDEPENDENT AGENCIES APPROPRIATION BILL, 1978 (H.R. 7554)

[Note.—All amounts are in the form of appropriations unless otherwise indicated]

Agency and item	New budget (obligational) authority fiscal year 1977 [1]	Budget estimates of new budget (obligational) authority fiscal year 1978 [2]	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	Conference action compared with— New budget (obligational) authority, fiscal year 1977	Budget estimates of new budget (obligational) authority, fiscal year 1978	House bill	Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE I									
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
HOUSING PROGRAMS									
Annual contributions for assisted housing (contract authority)	$27,982,805,000	$32,755,000,000	$32,580,000,000	$30,336,400,000	$31,483,563,000	+$3,500,758,000	−$1,271,437,000	−$1,096,437,000	+$1,147,163,000
Increased limitation for annual contract authority	(1,088,143,000)	(1,232,120,000)	(1,203,370,000)	(1,116,620,000)	(1,159,995,000)	(+71,852,000)	(−72,125,000)	(−43,375,000)	(+43,375,000)
Housing for the elderly or handicapped (limitation on loans)	(850,000,000)			[3] (750,000,000)		(−850,000,000)			(−750,000,000)
Authority to spend debt receipts		750,000,000	750,000,000		750,000,000	+750,000,000			+750,000,000
Housing payments (appropriation to liquidate contract authority)	(3,386,500,000)	(4,410,000,000)	(4,382,000,000)	(4,382,000,000)	(4,382,000,000)	(+995,500,000)	(−28,000,000)		
Payments for operation of low-income housing projects		665,000,000	665,000,000	690,800,000	685,000,000	+685,000,000	+20,000,000	+20,000,000	−5,800,000
(contract authority)	595,600,000					−595,600,000			
Appropriation to liquidate contract authority	(595,600,000)					(−595,600,000)			
Federal Housing Administration Fund	1,936,344,000	15,000,000	15,000,000	15,000,000	15,000,000	−1,921,344,000			
Emergency homeowners' relief fund	1,000,000					−1,000,000			
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION									
Emergency mortgage purchase assistance (recapture of repayments)				(2,000,000,000)					(−2,000,000,000)
Special assistance functions fund (recapture of repayments)				(2,000,000,000)	(2,000,000,000)	(+2,000,000,000)	(+2,000,000,000)	(+2,000,000,000)	
Payment of participation sales insufficiences	21,265,000	16,587,000	16,587,000	16,587,000	16,587,000	−4,678,000			
Total, Housing Programs	30,537,014,000	34,201,587,000	34,026,587,000	31,058,787,000	32,950,150,000	+2,413,136,000	−1,251,437,000	−1,076,437,000	+1,891,363,000
COMMUNITY PLANNING AND DEVELOPMENT									
Community development grants	100,000,000	3,600,000,000	3,600,000,000	3,600,000,000	3,600,000,000	+3,500,000,000			
Contract authority	3,148,000,000					−3,148,000,000			

COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—INDEPENDENT AGENCIES APPROPRIATION BILL, 1978 (H.R. 7554)—Continued

[Note.—All amounts are in the form of appropriations unless otherwise indicated]

Agency and item	New budget (obligational) authority fiscal year 1977 [1]	Budget estimates of new budget (obligational) authority fiscal year 1978 [2]	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	Conference action compared with: New budget (obligational) authority, fiscal year 1977	Conference action compared with: Budget estimates of new budget (obligational) authority, fiscal year 1978	Conference action compared with: House bill	Conference action compared with: Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Appropriation to liquidate contract authority	(3,148,000,000)					(−3,148,000,000)			
Urban development action grants		400,000,000	400,000,000	400,000,000	400,000,000	+400,000,000			
Comprehensive planning grants	$62,500,000	$62,500,000	$50,000,000	$62,500,000	$57,000,000	−$5,500,000	−$5,500,000	+$7,000,000	−$5,500,000
Rehabilitation loan fund	50,000,000					−50,000,000			
Total, Community Planning and Development	3,360,500,000	4,062,500,000	4,050,000,000	4,062,500,000	4,057,000,000	+696,500,000	−5,500,000	+7,000,000	−5,500,000
FEDERAL INSURANCE ADMINISTRATION									
Flood insurance	75,000,000	108,000,000	85,000,000	91,000,000	91,000,000	+16,000,000	−17,000,000	+6,000,000	
NEIGHBORHOODS, VOLUNTARY ASSOCIATIONS AND CONSUMER PROTECTION									
Housing counseling assistance	3,000,000	5,000,000	5,000,000	5,000,000	5,000,000	+2,000,000			
Mobile home standards program	1,000,000					−1,000,000			
Total, Neighborhoods, Voluntary Associations and Consumer Protection	4,000,000	5,000,000	5,000,000	5,000,000	5,000,000	+1,000,000			
POLICY DEVELOPMENT AND RESEARCH									
Research and technology	55,000,000	60,000,000	51,000,000	55,000,000	52,000,000	−3,000,000	−8,000,000	+1,000,000	−3,000,000
MANAGEMENT AND ADMINISTRATION									
Salaries and expenses, Department of Housing and Urban Development	200,998,000	244,494,000	238,494,000	233,494,000	233,494,000	+32,496,000	−11,000,000	−5,000,000	
By transfer, FHA funds	(230,365,000)	(229,000,000)	(229,000,000)	(229,000,000)	(229,000,000)	(229,000,000)	(−1,365,000)		
Total, Department of Housing and Urban Development	34,232,512,000	38,681,581,000	38,456,081,000	35,505,781,000	37,388,644,000	+3,156,132,000	−1,292,937,000	−1,067,437,000	+1,882,863,000
FUNDS APPROPRIATED TO PRESIDENT									
Federal Disaster Assistance Administration									
Disaster relief	300,000,000	150,000,000	150,000,000	150,000,000	150,000,000	−150,000,000			
Total, title I: Department of Housing and Urban Development:									
New budget (obligational) authority	34,532,512,000	38,831,581,000	38,606,081,000	35,655,781,000	37,538,644,000	+3,006,132,000	−1,292,937,000	−1,067,437,000	+1,882,863,000
Appropriations	2,806,107,000	5,326,581,000	5,276,081,000	5,319,381,000	5,305,081,000	+2,498,974,000	−21,500,000	+29,000,000	−14,300,000
Contract authority	31,726,405,000	32,755,000,000	32,580,000,000	30,336,400,000	31,483,563,000	−242,842,000	−1,271,437,000	−1,096,437,000	+1,147,163,000
Authority to spend debt receipts		750,000,000	750,000,000		750,000,000	+750,000,000			+750,000,000
Appropriations to liquidate contract authority	(7,130,100,000)	(4,410,000,000)	(4,382,000,000)	(4,382,000,000)	(4,382,000,000)	(−2,748,100,000)	(−28,000,000)		
Increased limitation for annual contract authority	(1,088,143,000)	(1,232,120,000)	(1,203,370,000)	(1,116,620,000)	(1,159,995,000)	(+71,852,000)	(−72,125,000)	(−43,375,000)	(+43,375,000)
Limitation on corporate funds to be expended	(230,365,000)	(229,000,000)	(229,000,000)	(229,000,000)	(229,000,000)	(−1,365,000)			
TITLE II									
INDEPENDENT AGENCIES									
AMERICAN BATTLE MONUMENTS COMMISSION									
Salaries and expenses	5,824,000	6,463,000	6,463,000	6,163,000	6,463,000	+639,000			+300,000
CONSUMER PRODUCT SAFETY COMMISSION									
Salaries and expenses	39,759,000	40,152,000	40,104,000	39,144,000	39,144,000	−615,000	−1,008,000	−960,000	
DEPARTMENT OF DEFENSE—CIVIL									
CEMETERIAL EXPENSES, ARMY									
Salaries and expenses	6,161,000	5,486,000	5,486,000	5,000,000	5,000,000	−1,161,000	−486,000	−486,000	
ENVIRONMENTAL PROTECTION AGENCY									
Agency and regional management	75,000,000	72,846,000	72,846,000	72,846,000	72,846,000	−2,154,000			
Research and development	259,900,000	263,047,000	273,647,000	266,947,000	272,547,000	+12,647,000	+9,500,000	−1,100,000	+5,600,000

Footnotes at end of table.

Agency and item	New budget (obligational) authority fiscal year 1977 [1]	Budget estimates of new budget (obligational) authority fiscal year 1978 [2]	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	Conference action compared with— New budget (obligational) authority, fiscal year 1977	Conference action compared with— Budget estimates of new budget (obligational) authority, fiscal year 1978	Conference action compared with— House bill	Conference action compared with— Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE II—Continued									
ENVIRONMENTAL PROTECTION AGENCY—Cont.									
Abatement and control	385,144,000	431,453,000	425,573,000	428,573,000	428,573,000	+43,429,000	−2,880,000	+3,000,000	
Appropriation to liquidate contract authority	(49,182,000)					(−49,182,000)			
Enforcement	$56,561,000	$70,837,000	$70,837,000	$70,837,000	$70,837,000	+$14,276,000			
Buildings and facilities	2,100,000	1,142,000	1,142,000			−2,100,000	−$1,142,000	−$1,142,000	
Construction grants	1,980,000,000					−1,980,000,000			
Appropriation to liquidate contract authority	(3,800,000,000)	(5,000,000,000)	(5,000,000,000)	(5,000,000,000)	(5,000,000,000)	(+1,200,000,000)			
Scientific activities overseas (special foreign currency program)	5,000,000	5,000,000	4,000,000	4,000,000	4,000,000	−1,000,000	−1,000,000		
Total, Environmental Protection Agency	2,763,705,000	844,325,000	848,045,000	843,203,000	848,803,000	−1,914,902,000	+4,478,000	+758,000	+$5,600,000
EXECUTIVE OFFICE OF THE PRESIDENT									
Council on Environmental Quality and Office of Environmental Quality	2,800,000	3,029,000	2,854,000	2,854,000	2,854,000	+54,000	−175,000		
Office of Science and Technology Policy	2,300,000	3,200,000	2,800,000	2,800,000	2,800,000	+500,000	−400,000		
Total, Executive Office of the President	5,100,000	6,229,000	5,654,000	5,654,000	5,654,000	+554,000	−575,000		
GENERAL SERVICES ADMINISTRATION									
Consumer Information Center	1,092,000	[4] 3,235,000	4,700,000	3,200,000	4,700,000	+3,608,000	+1,465,000		+1,500,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Office of Consumer Affairs	1,631,000	1,779,000	1,750,000	1,750,000	1,750,000	+119,000	−29,000		
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION									
Research and development	2,856,425,000	3,026,000,000	[5] 2,943,600,000	3,013,000,000	[6] 2,995,300,000	+138,875,000	−30,700,000	+51,700,000	−17,700,000
Construction of facilities	118,090,000	161,800,000	160,940,000	160,940,000	160,940,000	+42,850,000	−860,000		
Research and program management	844,575,000	846,989,000	844,000,000	844,000,000	844,000,000	−575,000	−2,989,000		
Total, National Aeronautics and Space Administration	3,819,090,000	4,034,789,000	3,948,540,000	4,017,940,000	4,000,240,000	+181,150,000	−34,549,000	+51,700,000	−17,700,000
NATIONAL INSTITUTE OF BUILDING SCIENCES									
Salaries and expenses			1,000,000	1,000,000	1,000,000	+1,000,000	+1,000,000		
NATIONAL SCIENCE FOUNDATION									
Salaries and expenses	2,311,000	879,000,000				−2,311,000	−879,000,000		
Research and related activities	710,000,000		759,330,000	807,800,000	783,200,000	+73,200,000	+783,200,000	+23,870,000	−24,600,000
Science education activities	59,000,000		79,700,000	71,200,000	73,200,000	+14,200,000	+73,200,000	−6,500,000	+2,000,000
Scientific activities (special foreign currency program)	4,600,000	6,000,000	4,900,000	4,900,000	4,900,000	+300,000	−1,100,000		
Total, National Science Foundation	775,911,000	885,000,000	843,930,000	883,900,000	861,300,000	+85,389,000	−23,700,000	+17,370,000	−22,600,000
SELECTIVE SERVICE SYSTEM									
Salaries and expenses	7,920,000	6,300,000	6,300,000	6,300,000	6,300,000	−1,620,000			
DEPARTMENT OF THE TREASURY									
Payments to State and local government fiscal assistance trust fund	4,991,085,000	6,854,924,000	6,854,924,000	6,854,924,000	6,854,924,000	+1,863,839,000			
Antirecession Financial Assistance Fund	1,570,000,000	1,550,000,000	1,400,000,000	1,400,000,000	1,400,000,000	−170,000,000	−150,000,000		
Office of Revenue Sharing, salaries and expenses	5,793,000	7,727,000	7,500,000	7,500,000	7,500,000	+1,707,000	−227,000		
New York City Seasonal Financing Fund, administrative expenses	1,250,000	1,250,000	1,150,000	1,150,000	1,150,000	−100,000	−100,000		
Total, Department of the Treasury	6,568,128,000	8,413,901,000	8,263,574,000	8,263,574,000	8,263,574,000	+1,695,446,000	−150,327,000		

COMPARATIVE STATEMENT OF THE NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—INDEPENDENT AGENCIES APPROPRIATION BILL, 1978 (H.R. 7554)—Continued

[Note.—All amounts are in the form of appropriations unless otherwise indicated]

Agency and item	New budget (obligational) authority fiscal year 1977 [1]	Budget estimates of new budget (obligational) authority fiscal year 1978 [2]	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action	Conference action compared with— New budget (obligational) authority, fiscal year 1977	Budget estimates of new budget (obligational) authority, fiscal year 1978	House bill	Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
VETERANS ADMINISTRATION									
Compensation and pensions	$8,153,400,000	$9,116,800,000	$9,116,800,00	$9,116,800,000	$9,116,800,000	$+963,400,000			
By transfer	(588,450,000)					(−588,450,000)			
Readjustment benefits	4,813,000,000	2,665,225,000	2,665,225,000	2,665,225,000	2,665,225,000	−2,147,775,000			
Veterans insurance and indemnities	7,000,000	2,465,000	2,465,000	2,465,000	2,465,000	−4,535,000			
Medical care	4,373,807,000	4,735,926,000	4,723,926,000	4,721,686,000	4,721,686,000	+347,879,000	−$14,240,000	−$2,240,000	
Medical and prosthetic research	104,533,000	108,000,000	107,000,000	107,000,000	107,000,000	+2,467,000	−1,000,000		
Medical administration and miscellaneous operating expenses	39 941,000	42,238,000	42,000,000	42,000,000	42,000,000	+2,059,000	−238,000		
General operating expenses	525,633,000	557,423,000	550,000,000	541,500,000	550,000,000	+24,367,000	−7,423,000		+$8,500,000
Construction, major projects	405,681,000	[7] 291,389,000	281,389,000	542,789,000	393,689,000	−11,992,000	+102,300,000	+112,300,000	−149,100,000
Construction, minor projects	92,791,000	95,606,000	94,106,000	94,106,000	94,106,000	+1,315,000	−1,500,000		
Grants for construction of State extended care facilities	10,000,000	10,000,000	10,000,000	15,000,000	10,000,000				−5,000,000
Assistance for health manpower training institutions	45,045,000	48,000,000	45,045,000	45,611,000	45,611,000	+566,000	−2,389,000	+566,000	
Grants to the Republic of the Philippines	2,100,000	2,100,000	2,100,000	1,700,000	1,700,000	−400,000	−400,000	−400,000	
Loan guaranty revolving fund (limitation on obligations)	(550,000,000)	(575,000,000)	(575,000,000)	(575,000,000)	(575,000,000)	(+25,000,000)			
Supply fund		20,000,000	20,000,000	20,000,000	20,000,000	+20,000,000			
Total, Veterans Administration	18,572,931,000	17,695,172,000	17,660,056,000	17,915,882,000	17,770,282,000	−802,649,000	+75,110,000	+110,226,000	−145,600,000
Total, title II: Independent Agencies:									
New budget (obligational) authority	32,567,252,000	31,942,831,000	31,635,602,000	31,992,710,000	31,814,210,000	−753,042,000	−128,621,000	+178,608,000	−178,500,000
Appropriations to liquidate contract authority	(3,849,182,000)	(5,000,000,000)	(5,000,000,000)	(5,000,000,000)	(5,000,000,000)	(+1,150,818,000)			
By transfer	(588,450,000)					(−588,450,000)			
TITLE III									
CORPORATIONS									
Federal Home Loan Bank Board:									
Limitation on administrative expenses	(17,100,000)	(17,050,000)	(16,730,000)	(16,730,000)	(16,730,000)	(−370,000)	(−320,000)		
Limitation on nonadministrative expenses	(24,520,000)	(26,230,000)	(26,230,000)	(26,230,000)	(26,230,000)	(+1,710,000)			
Federal Savings and Loan Insurance Corporation:									
Limitation on administrative expenses	(875,000)	(870,000)	(870,000)	(870,000)	(870,000)	(−5,000)			
Total, title III: Corporations	(42,495,000)	(44,150,000)	(43,830,000)	(43,830,000)	(43,830,000)	(+1,335,000)	(−320,000)		
Grand total, titles I, II, and III:									
New budget (obligational) authority	67,099,764,000	70,774,412,000	70,241,683,000	67,648,491,000	69,352,854,000	+2,253,090,000	−1,421,558,000	−888,829,000	+1,704,363,000
Appropriations	35,373,359,000	37,269,412,000	36,911,683,000	37,312,091,000	37,119,291,000	+1,745,932,000	−150,121,000	+207,608,000	−192,800,000
Contract authority	31,726,405,000	32,755,000,000	32,580,000,000	30,336,400,000	31,483,563,000	−242,842,000	−1,271,437,000	−1,096,437,000	+1,147,163,000
Authority to spend debt receipts		750,000,000	750,000,000		750,000,000	+750,000,000			+750,000,000
Appropriations to liquidate contract authority	(10,979,282,000)	(9,410,000,000)	(9,382,000,000)	(9,382,000,000)	(9,382,000,000)	(−1,597,282,000)	(−28,000,000)		
By transfer	(588,450,000)					(−588,450,000)			
Increased limitation for annual contract authority	(1,088,143,000)	(1,232,120,000)	(1,203,370,000)	(1,116,620,000)	(1,159,995,000)	(+71,852,000)	(−72,125,000)	(−43,375,000)	(+43,375,000)
Limitation on corporate funds to be expended	(272,860,000)	(273,150,000)	(272,830,000)	(272,830,000)	(272,830,000)	(−30,000)	(−320,000)		

[1] Includes all supplementals.

[2] Includes the following budget amendments:

H. Doc. 95-85

Antirecession financial assistance fund	$1,550,000,000
Office of Revenue Sharing, salaries and expenses	1,011,000
Total, H. Doc. 95-85	1,551,011,000

H. Doc. 95-93:

Department of Housing and Urban Development:	
Annual contributions for assisted housing:	
Contract authority	8,879,600,000
Increased limitation for annual contract authority	(1,232,120,000)
Housing payments	48,000,000
Payments for operation of low-income housing projects	53,000,000
Community development grants	500,000,000
Comprehensive planning grants	37,500,000
Salaries and expenses, Department of Housing and Urban Development	3,970,000
Total, Department of Housing and Urban Development	9,522,070,000
Department of the Treasury: Office of Revenue Sharing, salaries and expenses	1,616,000
National Aeronautics and Space Administration: Research and development	15,000,000
Total, H. Doc. 95-93	9,538,686,000

H. Doc. 95-97:

Environmental Protection Agency:	
Agency and regional management	$986,000
Research and development	1,760,000
Abatement and control	36,755,000
Enforcement	2,089,000

The preceding four amendments reflect administrative changes to the original individual proposals but have no net effect. These actions were taken to properly distribute $15,000,000 initially included in abatement and control for 600 additional Agency positions. The amendments originally proposed reductions of $404,000 in agency and regional management, $704,000 in research and development, and $633,000 in enforcement; and an increase of $43,441,000 in abatement and control.

Total, H. Doc. 95-97	41,590,000
H. Doc. 95-142: Veterans' Administration: Readjustment benefits	−580,000,000
Total, budget amendments	10,551,287,000

[3] The Senate bill carried this item as "off-budget."

[4] Includes $2,076,000 requested in the fiscal year 1978 Government Printing Office budget estimate.

[5] The House bill deferred $56,700,000 for production of Space Shuttle flight vehicles for subsequent consideration.

[6] Excludes $17,700,000 which was added by an amendment on the House floor.

[7] Excludes $139,100,000 of the budget estimate for construction of a hospital facility in the Portland/Vancouver area which is being deferred for subsequent consideration. The Senate bill included this item.

Mr. COUGHLIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the chairman, the gentleman from Massachusetts (Mr. BOLAND) has very ably pointed out the results of the conference. It was a good conference. The bill that we bring back to the House very substantially upholds the House position on a vast majority of the bill. The chairman, as he always does, handled the conference well. He hung in there for the House position and, as I say, handled that position very well.

I would point out, just to reiterate a few important things, that in assisted housing the conference is at $1,159,000,000 which is under the posiiton of the House originally of $1.2 billion.

For housing modernization there is $42.5 million in the bill, which is $7.5 million over the House figure. Assisted housing is under the House figure.

The 202 program is on budget as proposed by the House.

So, Mr. Speaker, throughout the bill we have maintained pretty much the position of the House.

We did insist on putting language in the conference report indicating that the conferees expected the Department of Housing and Urban Development to provide a full competitive opportunity for cities and urban counties to qualify for urban development action grants, including the use of preapplications in accordance with OMB circular 74–7.

There was some evidence during the period before the conference of the potential political use of these urban development action grants, and that was not what was intended. There should be a procedure under which all communities can apply and can receive equal consideration for this. These are not meant to be used politically in any way.

In the two areas in which we did come back in disagreement with the Senate, as has been pointed out by the chairman, which included the Jupiter Orbiter Probe which the House had denied funding for and the Senate included funding for, that will be back here in disagreement, as well as the amendment by the gentleman from Tennessee (Mr. BEARD) that was adopted prohibiting the use of funds to implement President Carter's upgrading of the discharge program. Those two areas were in disagreement. The rest of the bill was a good bill.

Mr. Speaker, I reserve the remainder of my time.

Mr. AuCOIN. Mr. Speaker, I have a profound sense of regret as I look at this bill before us—not for what is in the bill, but because of what is not in it. For more than 15 years, the need to replace the antiquated, deficient buildings of the VA hospital in Portland, Oreg., has been an urgent concern at the Federal level. Years of study have been involved in determining how best to serve veterans from the Northwest now served by the hospital, and last year the Veterans' Administration finally announced its plans for Portland, and asked Congress for the funds to build a new hospital.

Today we could be voting to give the VA the money to get the job done, but we are not. Funds for the Portland hospital are not in this bill.

Why? Because of a local political battle over where to build the hospital. The worthy members of the HUD-Independent Agencies Subcommittee were subjected to a withering barrage of conflicting testimony. There was simply not enough time for the committee to sort out the mass of material supporting and opposing the VA's plans. I would have to admit that if I were in their shoes, I would do exactly as they have done. The committee chose to assign a staff of investigators to develop an independent reading of the facts.

But even this investigation takes time—too much for us to have its determination before we vote today.

Mr. Speaker, I certainly intend to vote for this bill despite my personal disappointment. It is my hope later this year to rise in enthusiastic support of a supplemental appropriations bill that will finally make the urgently needed new Portland VA hospital a reality.

Mr. BOLAND. Mr. Speaker, the majority has no further request for time.

Mr. COUGHLIN. Mr. Speaker, I have no further request for time.

Mr. BOLAND. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 30, not voting 24, as follows:

[Roll No. 433]

YEAS—379

Abdnor	Bevill	Burton, Phillip
Addabbo	Biaggi	Butler
Akaka	Bingham	Byron
Alexander	Blanchard	Caputo
Allen	Blouin	Carney
Ammerman	Boggs	Carr
Anderson, Calif.	Boland	Carter
	Bolling	Cavanaugh
Anderson, Ill.	Bonior	Cederberg
Andrews, N.C.	Bonker	Chappell
Andrews, N. Dak.	Bowen	Chisholm
	Breaux	Clausen, Don H.
Annunzio	Breckinridge	
Applegate	Brinkley	Clay
Ashbrook	Brodhead	Cleveland
Ashley	Brooks	Cochran
Aspin	Broomfield	Cohen
AuCoin	Brown, Calif.	Coleman
Bafalis	Brown, Mich.	Collins, Ill.
Baldus	Brown, Ohio	Conable
Barnard	Broyhill	Conte
Baucus	Buchanan	Conyers
Beard, R.I.	Burgener	Corcoran
Beard, Tenn.	Burke, Calif.	Corman
Bedell	Burke, Fla.	Cornell
Beilenson	Burlison, Mo.	Cornwell
Benjamin	Burton, John	Cotter
Coughlin	Jordan	Quillen
D'Amours	Kasten	Rahall
Daniel, Dan	Kastenmeier	Railsback
Daniel, R. W.	Kazen	Rangel
Danielson	Kemp	Regula
Davis	Ketchum	Reuss
de la Garza	Keys	Rhodes
Delaney	Kildee	Richmond
Dellums	Kostmayer	Rinaldo
Derrick	Krebs	Risenhoover
Dicks	Krueger	Roberts
Diggs	LaFalce	Robinson
Dingell	Lagomarsino	Rodino
Dodd	Le Fante	Roe
Downey	Leach	Rogers
Drinan	Lederer	Rooney
Duncan, Oreg.	Leggett	Rose
Duncan, Tenn.	Lehman	Rosenthal
Early	Lent	Rostenkowski
Edgar	Levitas	Roybal
Edwards, Ala.	Lloyd, Calif.	Runnels
Edwards, Calif.	Lloyd, Tenn.	Ruppe
Edwards, Okla.	Long, La.	Ryan
Eilberg	Long, Md.	Santini
Emery	Lott	Sarasin
English	Lujan	Satterfield
Erlenborn	Luken	Sawyer
Evans, Colo.	Lundine	Scheuer
Evans, Del.	McClory	Schroeder
Evans, Ga.	McCloskey	Schulze
Fary	McCormack	Sebelius
Fascell	McDade	Sharp
Fenwick	McEwen	Shipley
Findley	McFall	Sikes
Fish	McHugh	Simon
Fisher	McKay	Sisk
Fithian	Madigan	Skelton
Flood	Maguire	Skubitz
Florio	Mahon	Slack
Flowers	Mann	Smith, Iowa
Flynt	Markey	Smith, Nebr.
Foley	Marks	Snyder
Ford, Tenn.	Marlenee	Solarz
Forsythe	Martin	Spellman
Fountain	Mathis	Spence
Fowler	Mazzoli	St Germain
Fraser	Meeds	Staggers
Frenzel	Metcalfe	Stangeland
Frey	Meyner	Stanton
Fuqua	Michel	Stark
Gammage	Mikulski	Steed
Gaydos	Mikva	Steers
Gephardt	Milford	Steiger
Giaimo	Miller, Calif.	Stockman
Gibbons	Mineta	Stokes
Gilman	Minish	Stratton
Ginn	Mitchell, N.Y.	Studds
Glickman	Moakley	Taylor
Goldwater	Moffett	Thompson
Gonzalez	Mollohan	Thone
Goodling	Montgomery	Thornton
Gore	Moore	Traxler
Gradison	Moorhead, Calif.	Treen
Grassley		Tsongas
Gudger	Moorhead, Pa.	Tucker
Guyer	Moss	Udall
Hagedorn	Mottl	Ullman
Hall	Murphy, Ill.	Van Deerlin
Hamilton	Murphy, N.Y.	Vander Jagt
Hammer-schmidt	Murphy, Pa.	Vanik
	Murtha	Vento
Hanley	Myers, Gary	Volkmer
Hannaford	Myers, John	Waggonner
Harkin	Myers, Michael	Walgren
Harrington	Natcher	Walsh
Harris	Neal	Wampler
Harsha	Nedzi	Watkins
Hawkins	Nichols	Waxman
Heckler	Nolan	Weaver
Hefner	Nowak	Whalen
Heftel	O'Brien	White
Hightower	Oakar	Whitehurst
Hillis	Oberstar	Whitley
Hollenbeck	Obey	Whitten
Holt	Panetta	Wilson, Bob
Holtzman	Patten	Wilson, C. H.
Horton	Patterson	Wilson, Tex.
Hubbard	Pattison	Winn
Huckaby	Pease	Wirth
Hughes	Pepper	Wolff
Hyde	Perkins	Wright
Ichord	Pettis	Wydler
Ireland	Pickle	Wylie
Jacobs	Pike	Yates
Jeffords	Poage	Yatron
Jenkins	Pressler	Young, Alaska
Johnson, Calif.	Preyer	Young, Fla.
Johnson, Colo.	Price	Young, Mo.
Jones, N.C.	Pritchard	Young, Tex.
Jones, Okla.	Quayle	Zablocki
Jones, Tenn.	Quie	Zeferetti

NAYS—30

Archer	Devine	Ottinger
Badham	Dornan	Pursell
Bauman	Evans, Ind.	Rousselot
Bennett	Hansen	Rudd
Burleson, Tex.	Kelly	Russo
Clawson, Del	Kindness	Shuster
Collins, Tex.	Latta	Stump
Crane	McDonald	Symms
Cunningham	Mattox	Walker
Derwinski	Miller, Ohio	Weiss

NOT VOTING—24

Ambro	Ertel	Marriott
Armstrong	Flippo	Mitchell, Md.
Badillo	Ford, Mich.	Nix
Brademas	Holland	Roncalio
Burke, Mass.	Howard	Seiberling
Dent	Jenrette	Teague
Dickinson	Koch	Trible
Eckhardt	McKinney	Wiggins

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Dickinson.
Mr. Teague with Mr. Marriott.
Mr. Dent with Mr. Wiggins.
Mr. Brademas with Mr. McKinney.
Mr. Ambro with Mr. Eckhardt.
Mr. Mitchell of Maryland with Mr. Ertel.
Mr. Nix with Mr. Badillo.
Mr. Ford of Michigan with Mr. Jenrette.
Mr. Howard with Mr. Koch.
Mr. Roncalio with Mr. Seiberling.
Mr. Flippo with Mr. Holland.

Mr. KETCHUM changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENTS

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 6, after line 9, insert:

SPECIAL ASSISTANCE FUNCTIONS

The aggregate amount of purchases and commitments authorized to be made pursuant to section 305 of the National Housing Act, as amended, out of recaptured Special Assistance Purchase authority may not exceed $2,000,000,000.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 17, line 11, strike out "$2,943,600,000" and insert "$3,013,000,000".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,995,300,000".

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. BOLAND) is recognized for 30 minutes and the gentleman from Pennsylvania (Mr. COUGHLIN) is recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this motion and another motion I will offer later on in the bill are the only two controversial parts of this conference report.

Mr. Speaker, the House conferees were unable to reach agreement on the Jupiter Orbiter Probe which NASA had requested in the 1978 budget. The House deleted $20,700,000 for the initial funding of this program, and the Senate restored the funds.

The motion that is now before the House accepts the original House's position. Let me tell the Members why. In denying the Jupiter Orbiter Probe, we were and are continuing to make an effort to strike a budget priority choice. This year's budget includes $36 million to initiate funding of a space telescope which will ultimately cost the American taxpayer at least $800 million. Over the past 2 or 3 years the HUD-Independent Agencies Subcommittee and the full Committee on Appropriations have raised a number of questions about that telescope project—principally whether it was the right project, at the right cost, at the right time. The scientific community has described it as the No. 1 astronomy project of the 1980's. But not every project that the scientific community wants can have first priority. That is why we need a budget priority choice. We provided $36 million in this bill for the space telescope, but we denied the Jupiter Orbiter Probe. Jupiter will be there 5, 10, or 15 years from now when this project, if desired, can be reinstated. In the 20 years that this Nation has been involved in a major space effort, the Congress has never, never made an attempt to deny funding for a major space planetary mission. I think it is time that we did. That is precisely the position of the Subcommittee on Housing and Urban Development-Independent Agencies.

Mr. COUGHLIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona (Mr. RHODES), the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I rise to express my opposition to the motion which has been made with regard to amendment No. 24. The committee motion will have the net effect of eliminating money for the Jupiter Orbiter Probe program. I believe that deletion of the funds for this program would seriously set back our balanced space efforts.

Jupiter is the largest planet of our solar system and is itself a miniature solar system. Study of its satellites and environment is fundamental to understanding the origin and evolution of the solar system and, consequently, understanding our own planet. The Jupiter Probe provides the first in-depth opportunity for exploration of the planet's atmosphere and is expected to advance our knowledge of atmospheric processes.

In addition, the program is a key link in maintaining our leadership in planetary exploration and dedication to expanding knowledge of the universe. As has been pointed out by other Members, the program is now designed to take advantage of the optimum launch date in 1982. The next optimum launch time will not come until 1987, and any interim effort would require a greater launch energy.

Another important aspect of the Jupiter Orbiter Probe program is the NASA-university-industry team which is working on the project. Any delay in the funding of the program would not only delay our space efforts but would cause the disruption of this highly coordinated effort and could result in the loss of very specialized personnel.

I urge my colleagues to vote against the committee motion on amendment in disagreement No. 24. Instead, I urge them to support funds for this essential space program.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Speaker, I want to congratulate the minority leader on the statement he has just made and say that as the ranking minority member on the Committee on Science and Technology, I agree with the thrust of his statement.

I believe the Jupiter probe is an important part of our continuing space program; I believe it is important to the future of our Nation and the world. I certainly support the position taken by the minority leader in this case.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to amendment 24 reported in disagreement in the HUD-independent agencies appropriation bill (H.R. 7554). Funds for the Jupiter Orbiter Probe—JOP—must be restored. This very important program, the first new planetary mission that has been authorized since Pioneer Venus in 1975, represents a landmark step in this Nation's effort to explore and understand the solar system. Present and future generations are watching us in this effort.

The JOP spacecraft would be launched in January 1982 the first planetary mission to be carried aboard the Space Shuttle. As many of my colleagues are aware, timing of the mission is critical since the orbiter and the probe incorporate several devices that require reasonably long lead times for design and construction. By launching in January 1982 mission personnel can continue the orderly and progressive exploration of the planets. Viking is still exploring Mars. Pioneer Venus will be launched in 1978 to our nearest planetary neighbor. Pioneer II will fly past Saturn in 1979. Voyager 1 and 2 will arrive at Jupiter in 1979 and Saturn in 1980 and 81. Unfortunately, however no further

missions are currently funded and the Nation's planetary exploration program is near stagnation levels.

The benefits that accrue to all of us as a result of this Nation's planetary exploration program are enormous and far-reaching. Our initial landings on the planet Mars and our closeup photographs of Jupiter have added immensely to our knowledge of basic physical phenomenon on the Earth as well as providing us invaluable knowledge regarding our own solar system. Future planetary exploration activities are certain to yield even greater benefits not only to science, but also to technologies of great importance to mankind.

Mr. Speaker, restoration of NASA's $20.7 million request for the new start of the Jupiter Orbiter Probe will represent an important commitment by this country to continue a budgetary sound and scientifically promising program of unmanned planetary exploration. The potential for a better understanding of the universe which the JOP represents can bring better answers to the problems which challenge us here on Earth and I urge my colleagues to join me in voting down amendment 24 and approving full funding for the Jupiter Orbiter Probe.

Mr. BURGENER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from California.

Mr. BURGENER. Mr. Speaker, I, too, wish to join with the gentleman in the well, our minority leader, in this effort, and I associate myself with his remarks. I think this is a vitally important issue.

Mr. Speaker, I rise in opposition to amendment No. 24 which would deny the NASA Jupiter Orbiter Probe program in the fiscal year 1978 budget:

The program is meritorious. It is recommended by the National Academy of Science. It has been submitted in both President Ford's and President Carter's budget requests. It has received endorsement of the House authorizing committee, the Senate authorizing committee, and the Senate Appropriations Committee. Yet amendment No. 24 would have the effect of denying this program which has been well received.

There are sound reasons to proceed now. Delay in starting the development program would mean missing the time in December 1981–January 1982 when the planetary alinements are such that the smallest amount of energy will be required to launch the payload on its 3-year flight to Jupiter. Launching at another time requires more energy and would be more expensive—even in 1987, when the next "low energy" launch could be made.

More importantly, we need to recognize what flows from these highly complex, NASA scientific programs: First, it is a training ground for our highest skilled scientists and engineers who bring this sophisticated technology to the marketplace and into our home. Second, as a nation ever more dependent on gathering sources of raw materials from around the world, we must be able to barter our only salable commodities in exchange—high technology and agricultural products. The high technology derived from our space program in such programs as the proposed Jupiter Orbiter Probe is a direct contributor to improving our balance of payments in an ever increasing competitive situation for scarce raw materials.

We can cite many other compelling reasons for proceeding in this budget with the Jupiter Orbiter Probe program but it should be pointed out that its inclusion in the NASA budget this year will not cause the total to exceed the budget request.

The Jupiter Orbiter Probe program requests a logical, well-planned follow-on to the NASA planetary effort which leads the world in the field. I urge defeat of amendment No. 24 and subsequent adoption of an appropriate amendment by this body to include the Jupiter Orbiter Probe in the NASA program.

Mrs. SPELLMAN. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. Mr. Speaker, I thank the gentleman for yielding.

It makes me happy to say to the minority leader that today he is right on target. I fully agree with every word that he has said.

Here we have an opportunity at an optimum moment to do what needs to be done. Delay is not going to save money; it is going to cost a great deal of money, because we will never again have the same opportunity—in our lifetimes, at any rate—to be able to send a probe to Jupiter as cheaply as we can do it today.

Mr. Speaker, this is the time, this is the moment to act. It would be shortsighted and penny foolish not to fund the Jupiter Orbiter Probe mission in this budget. Besides, the exploration of our solar system has potential benefits in areas of energy and new technology which we cannot afford to delay for 10 years. Again, Mr. Speaker, I wish to commend the gentleman from Arizona (Mr. RHODES) for his statement.

Mr. RHODES. Mr. Speaker, I thank the gentlewoman from Maryland (Mrs. SPELLMAN), and I expect and hope that this will be the first in a long series of agreements that the gentlewoman and I will have.

Mr. COUGHLIN. Mr. Speaker, I yield 2 minutes to the gentleman from Maine (Mr. EMERY).

Mr. EMERY. Mr. Speaker, as a former member of the Committee on Science and Technology and a former member of the Subcommittee on Space, Science, and Applications, I rise in full support of the Jupiter mission and against the pending amendment.

Unfortunately, all too many people view space travel and space exploration as a wasteful attempt to shoot billions of dollars of taxpayers' money into outer space, that money never to be seen again. But in my personal opinion—and this is an opinion which is backed up by a vast amount of information available to us—the world and the United States in particular have probably gotten more value back from the money we have put into space programs than we have from most other efforts this Congress has subsidized over the years.

Jupiter is especially interesting for a number of reasons. First of all, as the body of scientific evidence indicates, Jupiter may be a protostar that was not really big enough to become a star.

There is also indication that certain organic materials may exist in the atmosphere of Jupiter that may give us some clue to the origin of life on Earth.

It is very important that we probe these theories and understand more about the universe in order that we may, in fact, know more about ourselves and our own destiny as beings on this planet.

The space probe we are now trying to fund is unique because of the positions of the various planets in the solar system in 1982, and the fact that we can take a unique advantage of gravitational forces that are available at that time.

Therefore, Mr. Speaker, I think it would be very shortsighted if we did not fund this mission, and I think we ought to get on with its scientific mission, which is to learn more about our universe and ourselves, as well.

Mr. BOLAND. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Speaker, I rise in opposition to amendment No. 24.

The effect of this amendment would be to deny the Jupiter Orbiter Probe program which has been approved by three of the four committees making reviews for authorizing and appropriating funds for NASA for fiscal year 1978.

Increasing the amount by $17.7 million to the Senate conference recommendation of $3.013 billion would be $13 million below the administration request for NASA research and development in fiscal year 1978 and allow a timely start on this planetary exploration program. A timely start requires that the launch take place in December 1981–January 1982 to minimize the energy needed hence minimizing the cost. The next low energy opportunity will not occur until 1987 and even then a larger launch vehicle and higher costs will be incurred. The lead time is sufficient to develop the Jupiter Orbiter Probe if started in fiscal year 1978. Delay will prevent this from happening and will further disrupt the small highly skilled group who maintain U.S. leadership in planetary exploration.

Mankind's exploration of worlds other than the Earth, for Earth's benefit, will probably be the single most important legacy of the 20th century. It is significant that the United States has been the leader in this endeavor. Continuation of planetary exploration should remain a national goal.

The Jupiter Orbiter Probe is a planetary exploration mission that will take 3 years to build, will take another 3 years to reach Jupiter, and will circle the planet for almost 2 years measuring and investigating its mysteries. The new scientific insights—on energy generation, on chemistry, on chemical pre-life forms, on massive weather mechanisms—are

directly applicable to understanding the Earth's environment and will allow some of the best scientific minds of the world to contribute to a better understanding of our world over the next decade.

Earlier exploration of Venus and Mars has already taught us much about our own atmosphere, its circulation, its susceptibility to damage from things such as freons, and the effects of pollution on climate. At Jupiter, we can explore the solar system's largest atmosphere, a gas giant some 90,000 miles across, that contains at least one storm 10 times the size of the Earth that has raged unabated for more than two centuries. We can send measuring instruments from orbit into this atmosphere. We can take close-up pictures of the planet-sized moons of Jupiter and perhaps begin to understand why this huge planet acts like a small star at the center of its own solar system; we can relate Jupiter to both Earth and our entire galactic environment.

When built in 5 years, the Jupiter Orbiter program will have cost less than $1.50 per person. In the meantime this program will have represented nearly 10,000 man-years of direct employment here on Earth—important jobs in the instrument industry, in aerospace companies, in electronics, in universities across the country. The typical return to the economy—the economic multiplier—is 7 to 1 or $10.50 for every $1.50 invested in Jupiter Orbiter Probe. The new technologies—miniature independent computers that require little power, compact television cameras that are 3 times sharper and 10 times more sensitive than those available today, instruments that can survive penetration of the Jovian atmosphere, lightweight nuclear electric generators—will have enormous important future applications on Earth in commerce and industry.

As I pointed out, not to begin the Jupiter Orbiter Probe mission this year means a delay of 5 years before Jupiter could again be reached with a significant payload; it means reducing the U.S. teams that have led in planetary exploration and giving up this field of science and technology to the aggressive Soviet space effort; it means losing contributions from overseas worth nearly $40 million and from the Energy Agency of some $30 million; it means additional unemployment; it means loss of fundamental knowledge important to the life of man on Earth; and it means that America has turned its back on a heritage of exploration and challenge.

I urge defeat of amendment No. 24 and subsequent provisions for sufficient funds to start the Jupiter Orbiter Probe in fiscal year 1978.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank the chairman of the Subcommittee on Space Science and Applications for yielding to me.

What the gentleman is saying is that the exploration mission of Jupiter Probe has a real relationship to our ability to judge our own weather conditions here on Earth. So what we learn from those probes will demonstrate how that exploration data can be applied to our own conditions here on Earth; is that not correct?

Mr. FUQUA. The gentleman is absolutely correct. By learning from other planets, we can better understand the weather phenomena that we have on this planet, Earth.

Mr. ROUSSELOT. I appreciate the gentleman's comments. This probe does relate to our own conditions here on Earth. I appreciate the fight the gentleman is waging to make sure that this money is restored, which the other body already has included.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Speaker, I commend the gentleman from Florida (Mr. FUQUA), the chairman of the Subcommittee on Space Science and Applications, for the outstanding leadership he has provided in preparing legislation for an orderly space program.

I associate myself with the gentleman's remarks and oppose the motion before us.

I do not think it is possible to overestimate the potential value of the basic research associated with the Jupiter Probe. Over and over again we ask ourselves: "What is the value of basic research?" It is always difficult to know for certain. I think the same answer holds today as provided by Benjamin Franklin when he was asked about the value of a new hot air balloon. Franklin replied, "What is the value of a new baby?"

The fact of the matter is that the planet Jupiter is literally pregnant with potential information relating to all aspects of science, from cosmology to microbiology; from meteorology to basic energy physics. I suggest that we do support the probe. It is well worth the cost, but we must keep on schedule to optimize the benefits of the program.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. COUGHLIN. I yield 2 additional minutes to the gentleman from Florida (Mr. FUQUA).

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I rise in support of the position taken by the gentleman from Florida.

Mr Speaker, I rise in opposition to the amendment (amendment 24) and support restoration of funds for the Jupiter Orbiter Probe program. I believe the Jupiter Orbiter Probe will contribute substantially to our understanding of planet Earth.

It has often been stated that scientists learn more about Earth when they have other planets to compare it with. Until the planetary-exploration program began, man had a single data point for any study of Earthwide phenomena—the Earth. Our only view of the solar system was dim, cloudy, and far away—through telescopes manned by astronomers who really did not think of the other planets in terms of Earth.

An example of the importance of comparative planetology may be worth citing: Project Viking, which landed on Mars in the summer of 1976 and will now force the revision of every textbook about astronomy, planetology, geology, soil chemistry, biology, meteorology, and other science disciplines.

Dr. Seymour Hess, leader of the Viking meterology team, told colleagues that, based on data he has received from the Viking meteorology instruments, he is now able to advise other meteorologists who are wrestling with Earth's weather:

I tell some, "Your theory doesn't work on Mars. Look for something else." I tell others, "That works on Mars, so it must work on Earth; keep digging at it because it's worth studying."

Mars' weather is much simpler than Earth's. Mars, therefore, is a good laboratory to test theories of weather on Earth—which is more difficult because of its complexity.

Another example: Until Pioneer 10 and 11 reached Jupiter in 1973 and 1974, there were almost as many theories for the Jovian Great Red Spot as there were scientists who studied it. But the Pioneers photographed the spot in sufficient detail to provide a startling new statement; the Great Red Spot looks very much like an enormous hurricane.

That hurricane has been continuously observed through telescopes for almost 200 years; nothing of its magnitude, in size or lifetime, has been observed on Earth. The Jupiter Orbiter will provide long-term, extremely close-up information on this monstrous storm. Might that not contribute to greater understanding of the hurricanes that so often reduce much of this Nation's shorelines to rubble?

Another example: No one knew that Earth was surrounded by belts of trapped radiation—that protect us from high-energy atomic particles streaming from the Sun—until Professor van Allen's experiment aboard the spacecraft Explorer I found those belts in 1958.

Jupiter is encircled by belts of radiation that are similar, though vastly greater in size and intensity. These belts, like Earth's, are related to the planet's magnetic field. Oceanographers and geologists have recently discovered that the polarity of Earth's magnetic field has changed many times. They understand nothing of how this occurs: does the change occur instantly? Does it take many years or even decades? Are there periods when the magnetic field disappears completely, allowing high-energy atomic particles to bombard the surface of the Earth and its occupants?

Long-term studies of Jupiter's magnetic field and trapped radiation belts will give us one more data point than we have. We will have another planet to compare ourselves with.

The JOP mission is also important by itself; it is important in the orderly, continuing exploration of the new frontiers of our solar system. If the solar system is, indeed, to be "ours" then we need to know where we stand in it. Jupiter is a vital piece of the puzzle.

Mr. WINN. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Kansas.

Mr. WINN. Mr. Speaker, I would ask the gentleman from Florida if it is not true that the program will only cost $1.50 per U.S. citizen?

Mr. FUQUA. The gentleman from Kansas is correct. Also the multiplier effect on the economy is 7 to 1 so that for every $1 we spend, we get back $10.50.

Mr. WINN. If we do not take this opportunity now to proceed with the program, what will it then cost?

Mr. FUQUA. The cost will be exceeding what it is now because of the larger booster that will be needed, it will take more time to get there. Also the backup team that we have today is one of the most capable in the world, and if we do not proceed with this now then we will have to recruit the members of that team again at a later time, at a greater cost and with the effect of increased inflation to the project.

Mr. WINN. Mr. Speaker, I wholeheartedly support the gentleman from Florida (Mr. FUQUA) in his efforts to defeat this.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GAMMAGE).

Mr. GAMMAGE. Mr. Speaker, I rise in favor of the remarks made by my distinguished colleague, the gentleman from Florida (Mr. FUQUA).

Mr. Speaker, we must maintain strength and continuity in our efforts to explore mankind's most challenging frontier—space. In particular, exploration of our planetary system yields unique information on the origin and early history of the Earth. Comparison of our planet with its neighbors provides new and stimulating viewpoints from which to diagnose the ills of our environment and chart their solution. At the same time, this exploration appeals to humanity's basic urge for new knowledge and wider perspective, and lays foundations for the eventual utilization of space resources, and perhaps ultimately the large-scale colonization of space.

The Jupiter Orbiter is not an isolated undertaking. It is the logical next step in a systematic exploration of the solar system, which began some years ago. Viking is still out there looking at Mars. Voyagers and Pioneers are scheduled to leave during the next 3 years to explore Jupiter, Saturn, and Venus. The Jupiter Orbiter, designed as the next in a series, is scheduled for launch in early 1982 for a 20-month-long look at that planet. Dropping it out of sequence, or postponing it, disrupts the orderly scheduling and effective use of skilled personnel which this research requires.

The restoration of funds for the Jupiter Orbiter Probe will not exceed congressional budget ceilings for fiscal year 1978 and will keep the total NASA research and development funds to less than the administration request. Starting the Jupiter Orbiter Probe program now will continue the gathering of scientific planetary data which has improved understanding of atmospheric processes and weather forecasting, and contributed to better atmospheric environmental monitoring essential to our quality of life. This Nation ought to use its space capabilities to gain more basic knowledge of the universe, as well as engage in practical—and exciting—applications of Earth orbiting satellites.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Speaker, I rise in support of the amendment.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ROYBAL).

Mr. ROYBAL. Mr. Speaker, I rise in opposition to the motion offered by my distinguished colleague, Mr. BOLAND, because it would deny funding for the Jupiter Orbiter Probe. I urge instead that we support the motion which will be offered momentarily by Mr. FUQUA, chairman of the Science and Technology Subcommittee on Space Science.

Mr. FUQUA's motion will enable the United States to continue planetary exploration by including $17.7 million for the Jupiter program.

Exploration is the essence of American history. The Jupiter Orbiter Probe, which you are being asked to support, is the product of years of engineering and scientific preparation. Many planetary missions are technically achievable, and scientifically justifiable, but to make the best possible use of our resources, NASA, in collaboration with science and industry, selects only the best flight opportunities. The Jupiter Orbiter Probe is the product of this exacting selection process.

Jupiter is the largest planet, the prototype of the gas giants that dominate the outer solar system. Its 12 planet-size satellites constitute a miniature solar system and Jupiter, with its awesome magnetic field and belts of charged particles, generates more energy than it receives from our Sun. This "mini solar system" offers unique opportunities to gain new knowledge, not only about the origins of our solar system, but also about weather patterns and other natural phenomena on Earth as well.

Planetary dynamics have focused the attention of the space science community on a unique launch opportunity. Calculations indicate that a 2-month period from December 1981 through January 1982 presents the best opportunity for a Jupiter launch for the remainder of the 20th century. The orbital alinements of Jupiter and Earth at that time will be such that a maximum payload can be transported to Jupiter. This increased payload translates into a highly efficient spacecraft with the greatest possible payload of scientific instruments.

To forgo forever the exploration of Jupiter would be foolish, and to postpone it to a later time would only result in a higher cost.

The next practical, though not as favorable, date for a Jupiter launch will not occur until 1987. Just imagine what 5 years of inflation will do to the price tag of the program. Far more serious, however, is the fact that a 5-year delay of the Jupiter Orbiter probe will force NASA to disband its justifiably famous network of highly trained and experienced personnel. A similar network would have to be reconstructed 5 years later at a tremendous increase in cost. Paying a lot more for a lot less is no way to save money, especially in our space program, which operates on a very restricted budget.

There is no doubt that a combination of factors have singled out the Jupiter program as a mission whose time has come. The mission has survived keen competition from other highly valuable planetary missions. Four separate space science working groups have formulated the detailed scientific goals of the mission and more than 500 individual scientists have proposed to participate individually or as part of investigator teams. The Government of West Germany has made a commitment to provide the $20 million propulsion system for the Jupiter spacecraft. The 1981–82 launch window is unique. We will look long and hard for similar conditions and pay a dear price if we fail to take advantage of this ideal opportunity to study the largest and most mysterious planet in our solar system. I urge all my colleagues to defeat this motion and support the Jupiter program by voting for Mr. FUQUA's motion.

Mr. BOLAND. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. TRAXLER), a member of the subcommittee and the full Committee on Appropriations.

Mr. TRAXLER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I would like to say that those of us on this subcommittee have thoroughly enjoyed our relationship with NASA and with the very fine personnel that are in that agency.

Their presentations to us and their documentations in support of their positions are of the highest possible professional levels. I am sure that the Members can appreciate that we on this subcommittee have decisions to make as to where the taxpayer' money is going to be spent. It is a very difficult task.

I agree with much of what the proponents of the Jupiter Orbiter Probe have said on the floor of the House today.

Let me tell the Members that in my mind a reservation exists, and it is a question of money and priorities.

We have to prioritize, as we approach this period of zero-based budgeting. It becomes important that we examine the requests of agencies and place them in some kind of logical order based upon, with their help, what we perceive and what they perceive to be some of the immediate needs of this Nation. Unfortunately, we do not have enough money to take care of the problems of the Veterans' Administration, which is one of the jurisdictions of this subcommittee. We do not have enough money to fund all the programs of the Environmental Protection Agency and our clean waters program. Unfortunately, we do not have enough money to meet the housing needs of America, and HUD is part of this committee's jurisdiction.

It is very painful for us to say to NASA, an agency that is one of our favorites, that we do not believe that this ought to be a priority item in 1978 budget. That is why we did it. I believe that the project is worthwhile, the project does have scientific value. The problem is, where do we get all the money to do all the things we want to do? The Jupiter Orbiter Probe will cost in the area of $275 million to $295 million. They are seriously considering the Halley rendezvous in 1982. That is $200 million to $250 million. They have a Mars follow-on. We are not sure how much that will be. They have a Venus orbiting imaging radar. That is in the area of $200 million to $250 million. They are thinking of the lunar polar orbiter. They do not have any launch window requirement there. That is $120 million to $125 million. They are considering the Saturn-Uranus probe. That is in the area of $275 million to $325 million. They are talking about a run-out cost on just these missions that they have got under serious consideration in the sum of at least $1 billion to $1,240,000,000. I am not telling the Members each one of these is proper or improper. What I am saying to them is we have looked at the Jupiter Orbiter Probe. We have said on the basis of the money that we believe is available now and will be available in the next couple of years, this is a place we can forego and compromise and not go.

We gave them the large space telescope. They do have the space shuttle. We are supportive of their other kinds of science inquiries. This is not a turndown to NASA; it is a forced examination of spending choices by the subcommittee.

We can only tell the Members that we will examine NASA requests in the future in light of the same economic needs and requirements on the part of our country. I hope the Members will agree with this. I hope they will say no to Jupiter.

Mr. COUGHLIN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, I rise in opposition to the amendment No. 24 and support restoration of funds for the Jupiter Orbiter Probe program. Failure to appropriate funds for this important program will have greater effect than slowing down planetary exploration. We are considering here the dismembering of significant national capability in planetary science. In particular, we should be concerned with losing the highly specialized people established at Jet Propulsion Laboratory over the years.

JPL's main assignment as a part of NASA is to carry out unmanned planetary exploration missions using remotely controlled automatic spacecraft. We are certainly very proud of the people at JPL who have carried out the assignment with dedication and expertise.

The institutional impact on JPL of no Jupiter Orbiter Probe in fiscal year 1978 would include loss during that year of 212 scientists and engineers and more than 100 administrative and support people involved in electronic, logic, communication, data and system design, and development. This reduction would add to the 200 capable technical people being lost during this fiscal year due to the general slowdown of the planetary program.

The people at JPL represent a most valuable capability—one extremely difficult to rebuild. In some cases, these people are virtually unique specialists. Their loss would leave JPL and the space program without vital synthesis and design capabilities. They constitute a group of expert specialists trained to work as an effective and efficient team capable of all required skills to carry out automated spacecraft missions.

Even if a major planetary new start should be approved later, it is most unlikely that JPL would be able to rebuild the lost expert capability to manage such a planetary project.

We cannot allow the country to do without this capability for the indefinite future nor incur the cost of rebuilding this capability some time in the future.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, it is also true, is it not, that Members have supported the space program and space shuttle program and that the space shuttle will be utilized in the Jupiter effort. So this is one more offspring, so to speak, or related program in the space shuttle effort. Consequently if an individual is a supporter of the space shuttle program he clearly should support this Jupiter probe; is that not correct?

Mr. MOORHEAD of California. That is correct.

Mr. COUGHLIN. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Speaker, I just want to make clear to the Members of the House that we ought to vote "no" if we want to continue the Jupiter program, and I am asking all the Members of the House to vote "no" on this proposition. I think it is the correct vote.

Mr. Speaker, I yield to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding.

Mr. Speaker, I also oppose this amendment and support the funding of the Jupiter Orbiter Probe program.

Why are we funding this program? Why should we fund it? It is claimed that we have projects much closer to Earth that we ought to be giving priority to. But let me point out in this appropriation there is funding—and nobody is opposing it—for twice as much money for a telescopic probe of outer space. So, if we want to put things on the basis of the closer to Earth we get the more important it is, then this Jupiter program should have a higher priority than some of the projects that are being funded in this bill.

Let me point out that planetary explorations provide important data that can explain conditions on Earth. The Venus Probe provided the information which has shown the danger of the fluorocarbon aerosols to the Earth's ozone layer.

Jupiter is not only the largest body in the solar system, composing 97 percent of its planet mass, but also with its dozen moons, it is a microcosm of our solar system and will provide information about solar mechanics.

The Jupiter Probe will provide answers to key questions about atmospheric conditions and behavior and also significant new information on varying properties of matter under extreme cold conditions.

Why fund the probe this year? Why does it have to be done in fiscal 1978? If the program is started now, Jupiter will be in position for a timely "minimum energy" launch in December 1981. The next launch "window" would be in 1987.

There is presently a highly developed team of scientific, business, and industrial personnel which would remain intact to work on the project. If the Orbiter Probe is not funded, the "team" can be expected to start disintegrating within 2 to 3 years, as a "lull" in planetary explorations begins.

If the Orbiter Probe is not funded until the next launch window, in 1987, costs can be expected to double—from about $300 million to about $600 million over the life of the project.

At least, one important "spinoff" technology would suffer from the delay as well. The Advanced Selenide Radioisotope Thermoelectric Generator (a power system capable of operating in space with high reliability) is to be developed by Teledyne Energy Systems for this flight. The performance of this system as part of the Orbiter Probe will give needed data on the scientific concepts behind the generator and will provide for even further refinement of these independent power systems. Teledyne has the only remaining national capability for producing these systems, which already have important potential as power systems for a variety of remote sensing devices and military hardware.

In summary, because planetary explorations have provided invaluable scientific information, because it is already possible to identify important knowledge we can expect from the Jupiter Orbiter Probe and, because we can already anticipate significant benefits from mission-related technology, I urge that the House reject the conferees' recommended $2.995 billion funding and vote for a $3.013 billion NASA research and development budget, which will include funding for the start of the Jupiter Orbiter Probe.

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, obviously the horses are out of the barn and have been all lined up. We have California, where the Jet Propulsion Laboratory will be working on the Jupiter Orbiter Probe. We have, as practically everybody knows, the colleges and universities, which may be or actually are involved in the space program.

We also have all the contractors all over the Nation who have any part or parcel of the space program calling Members saying, "You ought to put the $20.7 million back in for this program."

The gentleman from Maryland makes

the point that we provided $36 million for the large space telescope. We asked people in the field of astronomy what priority they would attach to the large space telescope and the Jupiter Orbiter Probe missions. Without exception, they indicated that they would prefer the large space telescope which is launched by the Space Shuttle.

That was one of the problems we had, whether or not we would fund the large space telescope. Most of the Members on the Committee on Science and Technology agreed that funding the large space telescope would be preferable to funding the Jupiter Orbiter Probe, if they had to make a choice.

The argument has been made with respect to the increased cost down the road if the project is delayed. I cannot buy that argument at all. When the National Aeronautics and Space Administration slide-ruled the cost of the Space Shuttle back in 1971, the cost was estimated to be $5.1 billion. They do not buy the argument of the GAO and they paid no attention to the cost of inflation factor during all the plans for the Space Shuttle program. The total estimated cost of the Shuttle is now around $12 billion to $14 billion, but that does not bother NASA. They are always talking about the cost of the program in 1971 dollars. Well, you cannot argue both ways. We are talking about the cost of the Jupiter Orbiter program in 1977 dollars and that cost comes to around $320 million, including the launch costs. It will not be double that cost as the gentleman from Florida and other Members from the Committee on Science and Technology claim on this floor today. It will cost roughly the same in 1977 dollars if we put the mission off to 1987. So they cannot have the argument both ways.

Now, there as been some question here whether the Congress ought to be able to work its will in this area and ought to have some say in the direction in which the space program is headed. Our concern here, the concern of the subcommittee, and it should be the concern of the Committee on Science and Technology, too, is that we are spending four times as much in planetary probes as we are in the applications program. The fact of the matter is that the estimated costs for projects that have been planned by NASA for planetary probes combined with what we have already spent in working on such projects for 1982 totals $8.5 billion, far more than the amount of money that is projected for spending in the applications program—programs that directly benefit mankind. They have more direct relation to problems on Earth. The amount of money spent in the applications area comes to about $2 billion or $3 billion; so we are spending something like three or four times as much in planetary probes and physics and astronomy missions as we are in the applications areas.

I think we ought to hold NASA's feet to the fire in determining what its priorities are. But, it always comes to what the "next logical step" is. Last year the "next logical step" was the space telescope. This year it is the Jupiter Orbiter Probe.

Now, let me tell the gentleman from New York (Mr. WYDLER), we are not stopping the Jupiter Orbiter Probe. We are not starting it. When we start these programs, we cannot stop them. It is $20 million this year, $30 million or $40 million next year, and by the year 1982 we will have spent some $320 million.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Speaker, I want to say that the gentleman has been very kind to the NASA program; but this request was made, not only by President Carter, but by President Ford and it still will be $13 million under the NASA budget request, so it is not a budget buster.

Mr. Speaker, I plead with the House to vote down the gentleman's motion.

Mr. BOLAND. I am pleased that the gentleman does call the attention of the House to the fact that this subcommittee has dealt rather generously with NASA over the years. I have been serving on this subcommittee since the time the agency was known as the National Advisory Committee on Aeronautics, the predecessor to the National Aeronautics and Space Administration. I have been in on the space program ever since its start.

On the Apollo program we spent $25 billion. There was no objection to that spending. It was a glorious and glamorous program. Everybody agreed with it.

I have no problems with the Space Shuttle program. That was the direction in which the Nixon administration indicated we ought to go, and the Apollo program was the direction in which the Kennedy administration felt we ought to go. But, the problem is that NASA is lining up all of these programs year after year. We have the rendezvous with Halley's Comet; we have the Mars follow-on; we have the Venus Orbiting Imaging Radar program; we have the Lunar Polar Orbiter; and we have the Saturn/Uranus Probe—all neatly laid out down to 1984. We are spending billions of dollars in this area.

All I am saying is that we have not yet started the Jupiter Orbiter Probe; we can put it off. We have got the large space telescope. There is $4 billion in here for NASA, and if taking $20.7 million out of this budget is going to really harm or injure NASA, then there is something wrong with NASA and there is something wrong with the space program.

I do not say there is. All I am saying is that the Congress, the taxpayers of America whom we represent, ought to make some judgment on what the priorities ought to be. In the judgment of this subcommittee, which has looked at this program, we think that this program can be delayed. Jupiter will be up there 5 years from now; it will be up there 10 years from now. It is not going to move very far. With the launch windows that will occur again, there is no reason in the world why we have to put it in the fiscal year 1978 budget.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. STRATTON. The gentleman says that there is no reason why this cannot be postponed, but my information is that if we do not get the program started this year, we cannot get the probe off in 1981 or 1982. And, if we do not get it off in 1981 or 1982, we will not be able to get it off at all until 1987. Then, it will be so far away that we will not be able to carry any meaningful instruments along. So, it is this year or not at all.

Mr. BOLAND. The gentleman is exactly correct. If we do not get started on it now, we will not be able to launch it in 1981. But, what difference does it make whether it is 1981 or 1987? What difference does it really make? Jupiter will still be there. It is not going to go anywhere.

Mr. STRATTON. I thought the gentleman supported the idea of our making an effort to get into space proposed by President Kennedy. Why should we discontinue it now? There are other opportunities to gain additional knowledge.

Mr. BOLAND. Let me give the gentleman an idea of what we are spending in this area so that he will understand and so that the Members of the House will understand that NASA is not going to be short-changed in planetary probes—which is all we are concerned about. I know the Members are receiving all kinds of letters indicating that this cut would cause all kinds of irreparable damage to the U.S. space program. That is a lot of nonsense. We spent roughly $1.7 billion on 18 missions that have flown to Venus, Mars, Mercury, Jupiter, Saturn, and the Moon. This very year, NASA is going to launch the Mariner Jupiter-Saturn mission—two satellites that will fly by Jupiter in 1979 and 1980. Next year, we will launch two satellite probes to Venus. Those two missions will cost a total of $510 million.

I repeat again, just so that none of the Members think that by denying the Jupiter Orbiter Probe mission that the world will fall apart, let me give the Members some idea of the planetary missions which are under serious consideration: the "next logical step" that NASA likes to use.

There is a rendezvous with Halley's Comet planned for launching in 1982. There is a Mars Viking follow-on mission, which may cost as much as $1 billion. There is a Venus orbiting imaging radar satellite mission, which will cost in the range of $250 million. There is a Saturn Uranus probe planned in 1984, which will cost about $325 million. There is a lunar polar orbiter mission, which will cost about $120 million. These are all "logical steps." The question is whether or not those of us in the Congress who represent the taxpayers, who pick up the tab for the expense of the space program, should vote for all of these "logical steps." I have no objection to them. I have been voting for them for over 22 years. But I think we ought to at least, in this particular instance, make NASA establish some priority as to where we are heading in the planetary programs. For planetary probes and physics and astronomy missions we have spent and will spend $8.5 billion by 1984. We ought to look at it. That is exactly what we are doing in this motion, and I hope that the Members of this body will follow the judgment of the subcommittee.

Mr. COUGHLIN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, this Jupiter Orbiter program is a relatively low cost item, as these missions go and as most Government programs go. The startup costs are some $20.8 million. The estimated total cost is around $280 million or perhaps, as the gentleman said, $380 million. One thing is true. If we wait until 1987, which is the next time we could launch this orbiter, it is going to cost double that. Contrary to what the chairman has said, although Jupiter will still be there in 1987, it will be much further away and will, of course, cost more to reach. This Jupiter Orbiter is not an isolated undertaking. It is a logical next step in the exploration of the solar system which began some years ago. We still have Viking out looking at Mars. Voyagers and Pioneers are scheduled to leave in the next 3 years to explore Jupiter, Saturn, and Venus. This Jupiter Orbiter program is designed as the next in the series to take a 20-month look at Jupiter. If we drop it now not only will it cost double the money we are talking about here today, but it will disrupt the orderly scheduling and effective use of skilled personnel that this kind of research requires.

Mr. Speaker, I urge my colleagues to examine this issue very carefully and to vote against this amendment.

Mr. COUGHLIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when the subcommittee deleted the funds for the Jupiter Orbiter Probe, it was done after very careful and painful consideration. NASA came to our subcommittee and they asked not just for the Jupiter Orbiter Probe, they asked for five new starts—five new starts. The subcommittee funded four of the five new starts. These are new programs that NASA wants. Of course, NASA all of the new starts that they ask for. They want all new starts. They want the sun and the moon and everything to go with it. But our subcommittee looked at the new starts and tried to rank them in order of importance in priority. All of the others ranked above the Jupiter Orbiter Probe, in terms of priorities, and we funded all of those.

Now, it is said that there is an optimum launch window time, and that is essentially correct. But as the chairman of the subcommittee points out very correctly, Jupiter will still be there when the next good launch window comes up.

It is said that we need something for people to do out at the Jet Propulsion Laboratory in California. That is a heck of an argument, that we have to start a program just to give people something to do. We have to look at a program on its merits. Is it going to be worthwhile?

Yes, we can get back some very nice pictures of Jupiter. We had some beautiful pictures of Mars, and we can have this done for Jupiter. But the question is: Is it, in the whole scheme of things, worthwhile? Does it have to be done now?

This is the next step, as the subcommittee properly points out, in the long, drawn-out exploration of our solar system. That is, of course, an important thing for us to do, but we do not need to start this program now.

I would remind the Members that the subcommittee funded four out of five new starts. This is the only one we did not fund.

Mr. Speaker, I urge that the Members support the position of the House on the Senate amendment.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Speaker, I have no argument with the motives of the committee and the conferees in bringing in this report. I know that these are tough decisions that have to be made.

I want to make it clear, however, that although I personally know of no interest that I or anyone else in my district has in this project, I feel it is important. I think it is a mistake to take the attitude that because we have had the Apollo program and it is completed, our exploration of space is somehow over. There is always going to be a logical next step. I think that is always going to be the case until the time comes when we fully understand everything about our universe. We will have other programs, one following on another, and I do not think we should become discouraged and turn our backs on space exploration.

The only thing I object to is what I see as the attitude that we have carried out a lot of space exploration and, therefore, we do not have to do any more of it. I do not think we as a Nation should adopt that attitude.

Mr. COUGHLIN. Because we are not funding the Jupiter Orbiter Probe this year does not mean we are terminating our space program. We approved the other new starts, all four of them.

We approved the space telescope, which is part of the space program; we approved the new space shuttle orbiter which is part of the space program; we approved the Mars follow-on mission, which is part of the space program; and we approved the new landsat satellite, which is part of the space program.

The Jupiter probe is one small part of the space program, and that can be deferred.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Speaker, let me ask the gentleman this: Is it not true that NASA still considers this probe as a top priority project?

Mr. COUGHLIN. Of course, they consider it as a top priority project. They consider every program of this type as a top priority project.

Mr. ROUSSELOT. I believe the gentleman and I have both seen tremendous results from other probes into space. There have been all kinds of spinoffs from these programs. I am sure the gentleman recognizes the question of weather satellite activity is involved.

The gentleman recognizes what this probe might do toward that effort, does he not?

Mr. COUGHLIN. Every single program that NASA institutes is to them a top priority program. This is one that the committee looked at carefully.

Mr. McDADE. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Speaker, I want to aline myself with the position of my colleague, the gentleman from Pennsylvania (Mr. COUGHLIN), and say that I think the conferees, under the leadership of the gentleman from Massachusetts (Mr. BOLAND) and the gentleman from Pennsylvania (Mr. COUGHLIN), have made a logical decision. It is a very difficult decision.

For the very first time the House has said to NASA, "We would like you to do some prioritizing, that's all." We have said to NASA, "We don't want to stop your program, but we think it should be deferred."

Let us just ask ourselves what $4 billion will buy. That is about what this program would cost.

What is involved here is one mission and one mission only. It does not involve weather satellites, communication satellites, or any of the other extraordinary programs.

I do not know of a committee that has been more generous with NASA than this particular committee during the roughly 10 years I have served on it. For the first time we have said, "Wait a minute. We want you to tell us what you are going to do in space applications that are more intimately affecting people's lives. We want to know what you are going to do with these resources, in the overall context of the American budgetary deficit, which is now running somewhere around $60 billion."

Mr. Speaker, that is all that is involved here, and I hope the Members will see fit to support the subcommittee of the Committee on Appropriations in this instance and say this one time, "We want to see what you are going to do as we go further down the road."

Mr. COUGHLIN. Mr. Speaker, I thank my distinguished colleague, the gentleman from Pennsylvania (Mr. McDADE), a member of the subcommittee.

Mr. JOHN T. MYERS. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Indiana.

Mr. JOHN T. MYERS. Mr. Speaker, I thank my colleague, the gentleman from Pennsylvania (Mr. COUGHLIN), for yielding. I rise in opposition to the Senate amendment.

Mr. Speaker, going forward with the Jupiter Orbiter Probe will not cure cancer or solve the energy crisis, but being the first analytical mission to the outer planets of our solar system, JOP is certain to provide a huge increment in our knowledge of the entire solar system.

In order for us to know the substantial and practical problems of our Earth, problems such as earthquakes, internal composition and structure of the Earth, and the origin and dynamics of the atmosphere, we must understand the Earth not as an individual body, but as one of nine bodies in our solar system. Jupiter, with its moons, is a miniature planetary

system which needs exploration. The proposed mission will visit three or four of the larger moons and we are hopeful that synoptic studies of the Jovian system will greatly aid our understanding of the origin and evolution, not only of Jupiter or Earth, but of our entire solar system.

Furthermore, the timing of this mission is crucial. JOP must be started this year and this is a fact which has been foreseen for so long that the planning is currently in excellent order and detailed experimental strategies have been worked out. The most favorable launch date in this century will occur in December 1981, but preparation for the launch on that date must begin during fiscal 1978. Although the Probe could be delayed until 1987, such a delay would result in a tremendous increase in the cost of the project.

Mr. Speaker, for these reasons, I rise in support of the funding for Jupiter Orbiter Probe in fiscal 1978.

Mr. COUGHLIN. Mr. Speaker, I urge the Members to support the position of the House on the Senate amendment, and I reserve the balance of my time.

The SPEAKER pro tempore (Mr. MINETA). The gentleman from Pennsylvania (Mr. COUGHLIN) has consumed 6 minutes. The gentleman from Massachusetts (Mr. BOLAND) has 4 minutes remaining.

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, for the benefit of all the Californians on the floor, let me say that I have no illusion as to how this vote is going to come out. Let us not worry about that.

But let me say that a number of the members of the subcommittee were called by the Governor of California, Governor Brown, who, of course, along with the California delegation, is concerned about the impact a cut like this would have upon some particular installation in California, specifically the Jet Propulsion Laboratory in Pasadena. The Jet Propulsion Laboratory in Pasadena is run by Cal Tech, which is a great national asset and a great and magnificent technical engineering school.

Therefore, when the Governor of California calls and expresses his concern, we get concerned about the impact that cuts may have upon such things.

However, I do not think Cal Tech is going to fold up, nor will the Jet Propulsion Laboratory fold up because of this cut. The moneys being poured into JPL in fiscal year 1978 will come to around $130 million.

The Governor was also concerned about the deferral of $56.7 million for the fourth and fifth orbiters on the Space Shuttle, so the other body put in the $56.7 million, and we agreed to it in conference. We did not agree to the $20.7 million for the Jupiter orbiter probe.

In any event, Mr. Speaker, the Californians ought not to be too distressed. There is a considerable amount in this budget for the items that California is concerned about; and I just thought that perhaps the other Members of the House would like to know that.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. Yes; I am delighted to yield to the gentleman from California.

Mr. BROWN of California. Mr. Speaker, I want to pay tribute to the chairman of the subcommittee, the gentleman from Massachusetts (Mr. BOLAND). He has been generous with the space budget. He has been generous with California, but I want to assure him that in these funds there is money for Massachusetts also; and I hope that he will continue to fight for the full funding for Massachusetts.

Mr. BOLAND. Mr. Speaker, I can agree with the gentleman from California.

As a matter of fact, several institutions of higher learning in my area have been concerned. The phones have been ringing off the hook, because the whole scientific community gets together, and they say, "Let us help them on this one, because we will need help on the next one."

As a matter of fact, my understanding of the way NASA builds up its program for the future—and I would be delighted to be corrected if I am wrong—is that NASA circulates within the scientific community, gets in touch with all of the people in the astronomy field, and says, "What is the next logical step?" They build up support for the next logical step. They build up support for the future, and I have no objection to that except that I do think we ought to have some say in the matter.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I appreciate the gentleman's yielding.

I just want to say that I think the entire House really owes a debt of gratitude to the chairman of the subcommittee, the distinguished gentleman from Massachusetts (Mr. BOLAND), and to the entire subcommittee.

It seems to me that for far too long we have more or less looked at what NASA has asked for and have said, "All right. If you ask for it, it is worth it."

It seems to me that it is a shocking thing for the gentleman from California (Mr. ROUSSELOT) to suggest that whatever NASA asks for ought to be granted automatically. I wish he was as concerned as the subcommittee chairman is about what is happening to people here as he is about what is happening on Jupiter.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Speaker, I also have the greatest respect for the gentleman from Massachusetts (Mr. BOLAND). However, I think he should consider one further fact. There is a priority in this request.

The SPEAKER pro tempore (Mr. MINETA). All time of the gentleman from Massachusetts (Mr. BOLAND) has expired.

The gentleman from Pennsylvania (Mr. COUGHLIN) has 8 minutes remaining.

Mr. COUGHLIN. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. BOLAND).

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Speaker, as I was saying, there is a priority in this request. I think everybody should understand that NASA's budget has been reduced from its height by about 50 percent. It operates on pretty much of a steady budget figure and is held very tightly to it by OMB. Therefore, they have to come to the Congress for a certain degree of funding, and they have to make in-house decisions on what programs they are going to go ahead with.

Therefore, Mr. Speaker, I think that when they come in with a program like this, they have considered very carefully its priority in the order of things, and they have had to set certain programs aside so that they could ask for the funding for this program. Consequently, I do not think it is quite accurate to say that they more or less just ask for anything they want. I do not think that that is a fact at all. They are held very tightly to their budget restraints.

Mr. BOLAND. Mr. Speaker, let me interrupt the gentleman from New York (Mr. WYDLER).

I do not think that the decisions of NASA and the decisions agreed to by OMB with respect to some of the NASA programs are sacrosanct. I just happen to believe that the people who serve in this House and who serve on various committees should have something to say with respect to how some of these funds are spent. That is all we are asking here.

It is a very small start.

Let me repeat again, we have never denied or ever cut any major program out of the NASA budget, or asked them to really set priorities. That is all we are doing here. If we can do that, I think that we will have accomplished a great deal.

I believe perhaps we can get the scientific community—and I am talking about the people outside of NASA—to finally realize that this is not a bottomless pit; that there is an end to the flow of funds into programs that NASA has established or that the scientific community believes ought to be done which do not have sufficient priority.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the distinguished chairman of the subcommitee.

Mr. FUQUA. Mr. Speaker, I would like to make two points to my distinguished friend, the gentleman from Massachusetts (Mr. BOLAND) and that is that three committees out of four of the Congress, both authorizing committees of the House and Senate, have approved this as well as the Senate Appropriations Subcommittee. So three out of four have said that this is a worthwhile project that we should provide in the bill. We have had ongoing hearings for this project also.

The second point is priority. As has been pointed out several times, there is

an optimum time in which we must launch this probe.

Also, I believe that the benefits to this country and to the world, there are also international implications, will be of great significance and, therefore, we should move with the program at the most optimum time and at the most cost effective time.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield 1 minute to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I served on the Committee on Space and Technology for a period of time before I took a new assignment on a new committee and I was impressed with the work they had done and are doing, and particularly with the letter the gentleman from Texas (Mr. TEAGUE) wrote to me, and also the gentleman from Florida (Mr. FUQUA), both of whom have been so very interested in this particular program. I might add that this is the only NASA program for space exploration that we have had in several years and I believe it ought to be carried on, and I will support the program.

Mr. McDADE. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield such time as he may consume to the gentleman from Pennsylvania (Mr. McDADE).

Mr. McDADE. Mr. Speaker, would my chairman just reiterate a few of the deep space probes that NASA has conducted during the last 4 or 5 years?

Mr. BOLAND. Mr. Speaker, in response to the inquiry of the gentleman from Pennsylvania, let me say that I would like to do it but they are too numerous to detail right now. I have done this two or three times before.

I would like to know from any member of the Committee on Science and Technology, and I might point out that they are all here, if in the years that the Member who responds has been on that committee, whether or not that committee has ever eliminated any major project start by NASA?

Mr. WYDLER. Mr. Speaker, if the gentleman will yield, yes. The answer to that question is yes.

Mr. BOLAND. On what?

Mr. WYDLER. I will be glad to pick out one that I think the gentleman from Massachusetts (Mr. BOLAND) will recall, and that is the MOL, the Manned Orbiting Laboratory. That was a multibillion dollar program and our committee took that program out of the budget.

I would also be glad to give the gentleman a further illustration, since the gentleman asked that question, and that is that we had a request from NASA for a series of satellite ships and the committee turned it down.

I will give the gentleman a further illustration, if the gentleman will yield.

The SPEAKER pro tempore. The Chair will state that the gentleman from Pennsylvania (Mr. COUGHLIN) has control of the time.

Mr. McDADE. Mr. Speaker, will the gentleman yield further?

Mr. COUGHLIN. I yield further to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Speaker. I believe there was the so-called Grand Tour.

Mr. BOLAND. Yes, there was the so-called Grand Tour to Jupiter, Saturn, and Uranus. I would add that it was not even recommended by the OMB.

Do you know who put it in? The Science and Technology Committee. Do you know who took it out? We did.

Mr. McDADE. I just want to say further that there is about $4 billion left in this bill to do the good work that we all want to see NASA do. There is over $150 million, I believe, for the JPL, to continue work in that area.

Mr. LLOYD of California. Mr. Speaker, before we vote on the amendment to delete the Jupiter orbiter probe mission, I would like to point out some factors which should be considered in this decision.

As a member of the Science and Applications Subcommittee, I have considered possibly deleting this mission and have voted to authorize funds for this program. I had a second opportunity to review the mission when considering the NASA authorization in the joint House-Senate conference committee. Again, I supported the authorization of funds for this mission. The Senate has backed up the authorization with their approval of appropriations for the Jupiter orbiter probe, and the House should do the same.

To completely delete the project at this time would not only undermine the efforts of the authorizing and appropriating bodies in the Senate, as well as our own work in authorizing the program, but it would also be saying that our Nation has decided to abandon one of its greatest achievements—planetary exploration.

The United States has gained international prestige, as well as many practical benefits, from our exploration of the solar system. I think that we must consider the important discoveries that have been made as a result of space exploration before we deal this blow to the program. Our achievements in space have led to technological advances in such crucial areas as energy and energy conservation, innovations in medical care, aids for the handicapped, protecting the environment, transportation safety, and many other achievements that will aid our industrial productivity.

In addition, the Jet Propulsion Laboratory, NASA's prime center for exploring the planets, would be rendered ineffectual should we say no today. This center already stands to lose 200 highly skilled people by the end of this fiscal year. If the Jupiter Orbiter Probe mission does not begin this year, that laboratory stands to lose an additional 212 scientists and engineers, as well as 100 support personnel. Their loss would threaten our Nation's capability to organize missions and design aircraft for future missions.

It is the time to act in a strong and positive manner. We should restore funds for the Jupiter Orbiter Probe.

Mr. WINN. Mr. Speaker, I rise in opposition to amendment No. 24 to H.R. 7554 which would eliminate the Jupiter orbiter probe program. The technical merits of this program more than justify the expenditure of these funds. This probe, which will concentrate on the exploration of the Jupiter moons and its atmosphere, will allow our scientists to quantify and describe some very basic aspects of our universe. Armed with this knowledge, those same scientists may be able to unlock many of the secrets related to weather prediction and control and even energy sources. This potential of being able to improve our weather prediction capability is especially important to me. As a Representative from Kansas, where we average over 40 tornadoes a year, this is sufficient justification in itself.

The time for the program is right. A more optimum time will not occur in this century.

Another aspect that must be considered is the loss of a highly skilled and coordinated team of scientists at the Jet Propulsion Laboratory. Rejection of this program will result in disbanding and throwing to the wind the entire technological capability this Nation has for lunar and planetary exploration.

This program also represents some international aspects. Discussions have been held with the Federal Republic of Germany concerning them providing equipment for the Jupiter orbiter probe mission. These discussions will be concluded early in fiscal year 1978.

Mr. Speaker, any one of the aspects I have mentioned is sufficient to justify this expenditure. As a ranking minority member of the Space Science and Applications Subcommittee, I can testify to the unequivocal support that body and the full committee expressed for the Jupiter orbiter probe. In addition, the Senate Authorization and Appropriations Committees also supported this program. Consequently, I join my colleagues in support of the Jupiter orbiter probe and will vote against the amendment 24.

Mr. TEAGUE. Mr. Speaker, I rise in opposition to amendment No. 24 which has been reported in disagreement by the House and Senate conferees. The amendment which has been offered would prevent NASA from beginning the Jupiter Orbiter Probe program. Now many of you may ask—What earthly good can come from exploring the planet Jupiter? That is a fair question and one which those of us who favor continued planetary exploration should be prepared to answer.

I am told by many scientists that Jupiter represents a miniature "solar system" whose study will tell us much about our own planet and its place in the total solar system. Meteorologists believe studying Jupiter's giant storms and massive atmosphere should help us better understand and predict our own weather.

We have already learned much from planetary exploration which is helping to solve problems here on Earth. Here is what the record shows.

Some 12 years ago, Mariner 4 revealed that solar radiation played an important part in the weather on Mars. Until then, radiation had been regarded as negligible in our weather. Now radiation effects are added to our Earth weather models and improve the accuracy of our predictions.

A little later on, Mariner 9 orbited Mars and this data is helping to understanding scientific questions concerning the Earth's ozone layer. It is significant

that many of the leaders in the field of Earth atmospheric effects have attained their expertise in the study of the atmospheres of other planets. Without this expertise developed in the quest for new knowledge, we would have been ill-equipped to tackle the potential hazard of ozone depletion in the upper atmosphere.

Additionally, Pioneers 10 and 11 gave us photographic proof that the great red spot on Jupiter was a howling nonstop hurricane. Closeup observations by the Jupiter Orbiter Probe are needed to tell us more. Hurricanes wreak havoc on Earth; we need all the understanding that Jupiter can give us.

I have summarized the expected benefits and now we should ask: What will it cost? This 5-year program will only cost $1.50 per U.S. citizen. Additionally, economic studies reveal that for each dollar NASA spends, $7 are returned to the economy over a 10-year period.

I believe the benefits of this program are worth the cost and that it is important to maintain our leadership in planetary exploration. Just a year ago, this country achieved a most challenging technological endeavor in landing spacecraft on Mars. Are we to turn our backs on the expertise which has been developed or will we move forward building on what we already know? We have approved only one new planetary exploration program since 1972. It is important to support the Jupiter Orbiter Probe to continue our world leadership in planetary exploration.

Mr. DORNAN. Mr. Speaker, I would like to state the reason why I voted in opposition to amendment No: 24 to H.R. 7554 which would have eliminated the Jupiter Orbiter Probe program. The technical merits of this program more than justify the expenditure of these funds. This probe, which will concentrate on the exploration of the Jupiter moons and its atmosphere, will allow our scientists to quantify and describe some very basic aspect of our universe. Armed with this knowledge, those same scientists may be able to unlock many of the secrets related to weather prediction and control and even energy sources.

The time for this mission is now. This is not the type of program that can be delayed. If the appropriations are not available this year, it will be impossible to meet the 1982 launch opportunity. Another comparable opportunity will not occur in this century.

Another aspect that must be considered is the loss of a highly skilled and coordinated team of scientists at the Jet Propulsion Laboratory. Rejection of this program would result in disbanding and throwing to the wind the entire technological capability this Nation has for lunar and planetary exploration.

This program also represents some international aspects. Discussions have been held with the Federal Republic of Germany concerning them providing equipment for the Jupiter Orbiter Probe mission. These discussions will be concluded early in fiscal year 1978.

Mr. Speaker, any one of the aspects I have mentioned is sufficient to justify this expenditure. As a member of the House Science and Technology Committee, I can testify to the unequivocal support that body expressed for the Jupiter Orbiter Probe. In addition, the Senate Authorization and Appropriations Committees also supported this program. Consequently, I commend my colleagues who concurred with that support and voted against the amendment.

The SPEAKER pro tempore. All time has expired.

Mr. BOLAND. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. BOLAND).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BOLAND. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 131, nays 280, not voting 22, as follows:

[Roll No. 434]

YEAS—131

Alexander	Gephardt	Pritchard
Allen	Goodling	Quie
Andrews, N. Dak.	Gudger	Quillen
Aspin	Harrington	Rahall
AuCoin	Heckler	Rangel
Baldus	Hefner	Regula
Baucus	Holtzman	Reuss
Bauman	Hughes	Richmond
Beard, R.I.	Jacobs	Rodino
Bedell	Jenkins	Roncalio
Bellenson	Jones, N.C.	Rooney
Benjamin	Keys	Rose
Bennett	Kostmayer	Rosenthal
Blouin	Krebs	Ruppe
Boland	LaFalce	Russo
Bonior	Latta	Ryan
Bonker	Le Fante	Schroeder
Bowen	Lederer	Shipley
Brodhead	McDade	Simon
Brown, Mich.	McKay	Skubitz
Broyhill	Mahon	Slack
Butler	Markey	Smith, Iowa
Carr	Marlenee	Solarz
Cochran	Mazzoli	St Germain
Conte	Mikva	Staggers
Coughlin	Miller, Calif.	Stark
Daniel, R. W.	Miller, Ohio	Stokes
Danielson	Minish	Studds
Delaney	Mitchell, Md.	Taylor
Dellums	Moakley	Thompson
Dingell	Murphy, Pa.	Traxler
Duncan, Oreg.	Murtha	Treen
Edgar	Myers, Michael	Tsongas
Edwards, Ala.	Natcher	Vanik
Eilberg	Neal	Volkmer
Evans, Colo.	Nix	Weaver
Evans, Ind.	Oberstar	Weiss
Findley	Obey	Whalen
Fish	Ottinger	Whitehurst
Fisher	Panetta	Whitley
Florio	Patten	Whitten
Fraser	Pike	Wylie
Frenzel	Pressler	Yates
	Preyer	Zablocki

NAYS—280

Abdnor	Ashley	Broomfield
Addabbo	Badham	Brown, Calif.
Akaka	Bafalis	Brown, Ohio
Ambro	Barnard	Buchanan
Ammerman	Beard, Tenn.	Burgener
Anderson, Calif.	Bevill	Burke, Calif.
Anderson, Ill.	Biaggi	Burke, Fla.
Andrews, N.C.	Bingham	Burleson, Tex.
Annunzio	Blanchard	Burlison, Mo.
Applegate	Boggs	Burton, John
Archer	Breaux	Burton, Phillip
Armstrong	Breckinridge	Byron
Ashbrook	Brinkley	Caputo
	Brooks	Carney
Carter	Hawkins	Patterson
Cavanaugh	Heftel	Pattison
Cederberg	Hightower	Pease
Chappell	Hillis	Pepper
Chisholm	Hollenbeck	Perkins
Clausen, Don H.	Holt	Pettis
Clawson, Del	Hubbard	Pickle
Cleveland	Huckaby	Poage
Cohen	Hyde	Price
Coleman	Ichord	Pursell
Collins, Ill.	Ireland	Quayle
Collins, Tex.	Jeffords	Railsback
Conable	Jenrette	Rhodes
Conyers	Johnson, Calif.	Rinaldo
Corcoran	Johnson, Colo.	Risenhoover
Corman	Jones, Okla.	Roberts
Cornell	Jones, Tenn.	Robinson
Cornwell	Jordan	Roe
Cotter	Kasten	Rogers
Crane	Kastenmeier	Rostenkowski
Cunningham	Kazen	Rousselot
D Amours	Kelly	Roybal
Daniel, Dan	Kemp	Rudd
Davis	Ketchum	Runnels
de la Garza	Kildee	Santini
Derrick	Kindness	Sarasin
Derwinski	Krueger	Satterfield
Devine	Lagomarsino	Sawyer
Dicks	Leach	Scheuer
Diggs	Leggett	Schulze
Dodd	Lehman	Sebelius
Dornan	Lent	Sharp
Downey	Levitas	Shuster
Drinan	Lloyd, Calif.	Sikes
Duncan, Tenn.	Lloyd, Tenn.	Sisk
Eckhardt	Long, La.	Skelton
Edwards, Calif.	Long, Md.	Smith, Nebr.
Edwards, Okla.	Lott	Snyder
Emery	Lujan	Spellman
English	Luken	Spence
Erlenborn	Lundine	Stangeland
Evans, Del.	McClory	Stanton
Evans, Ga.	McCloskey	Steed
Fary	McCormack	Steers
Fascell	McDonald	Steiger
Fithian	McEwen	Stockman
Flood	McFall	Stratton
Flowers	McHugh	Stump
Flynt	Madigan	Symms
Foley	Maguire	Thone
Ford, Tenn.	Mann	Thornton
Forsythe	Marks	Tucker
Fountain	Martin	Udall
Fowler	Mathis	Ullman
Frey	Mattox	Van Deerlin
Fuqua	Meeds	Vander Jagt
Gammage	Metcalfe	Vento
Gaydos	Meyner	Waggonner
Giaimo	Michel	Walgren
Gibbons	Mikulski	Walker
Gilman	Milford	Walsh
Ginn	Mineta	Wampler
Glickman	Mitchell, N.Y.	Watkins
Goldwater	Moffett	Waxman
Gonzalez	Mollohan	White
Gore	Montgomery	Wiggins
Gradison	Moore	Wilson, Bob
Grassley	Moorhead, Calif.	Wilson, C. H.
Guyer	Moorhead, Pa.	Wilson, Tex.
Hagedorn	Moss	Winn
Hall	Motti	Wirth
Hamilton	Murphy, Ill.	Wolff
Hammer-schmidt	Murphy, N.Y.	Wright
Hanley	Myers, Gary	Wydler
Hannaford	Myers, John	Yatron
Hansen	Nedzi	Young, Alaska
Harkin	Nichols	Young, Fla.
Harris	Nowak	Young, Mo.
Harsha	O'Brien	Young, Tex.
	Oakar	Zeferetti

NOT VOTING—22

Badillo	Ertel	McKinney
Bolling	Fenwick	Marriott
Brademas	Flippo	Nolan
Burke, Mass.	Ford, Mich.	Seiberling
Clay	Holland	Teague
Dent	Horton	Trible
Dickinson	Howard	
Early	Koch	

The Clerk announced the following pairs:

On this vote:

Mr. Brademas for, with Mr. Teague against.

Mr. Koch for, with Mr. Ford of Michigan against.

Until further notice:

Mr. Badillo with Mrs. Fenwick.

Mr. Burke of Massachusetts with Mr. Horton.

Mr. Dent with Mr. McKinney.
Mr. Early with Mr. Marriott.
Mr. Ertel with Mr. Flippo.
Mr. Clay with Mr. Howard.
Mr. Nolan with Mr. Holland.
Mr. Selberling with Mr. Dickinson.

Messrs. RISENHOOVER, CORNWELL, WIRTH, and METCALFE changed their vote from "yea" to "nay."

Messrs. DELLUMS, STARK, QUIE, and Ms. HOLTZMAN changed their vote from "nay" to "yea."

So the motion was rejected.

The result of the vote was announced as above recorded.

MOTION OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FUQUA moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The SPEAKER pro tempore. The gentleman from Florida (Mr. FUQUA) is recognized for 30 minutes, and the gentleman from Massachusetts (Mr. BOLAND) is recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the amendment which I propose is simple. It will resolve the disagreement between the House-Senate conference on the HUD-independent agencies bill with respect to NASA research and development funds by providing $17.7 million for the Jupiter Orbiter Probe. Both authorizing committees have approved the program. The Senate Appropriations Committee has approved the program. By this amendment the House would approve the Jupiter Orbiter program while not exceeding the Senate figure for NASA and, in fact, the total—$3,013,000,000—will be $13 million less than the NASA request for research and development for fiscal year 1978.

The strong merits of the Jupiter Orbiter Probe program have been thoroughly covered in earlier debates. I urge adoption of this amendment.

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what the motion does is recede to the Senate amount for NASA which is $3,013,000,000. And, of course. it includes funding for the Jupiter Orbiter Probe. However, in receding to the Senate amount, I want to make it clear that the agreement reached in the conference report covering other items that were in contention with the Senate stands and must be adhered to by NASA.

Mr. FUQUA. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

The SPEAKER pro tempore. The clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: Page 20, line 2, strike out all after "*Provided,*" down to and including "*further,*" in line 20.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein with an amendment, as follows: Restores the matter stricken out by said amendment amended to read as follows: "That not more than $63,000,000 shall be available for Research Applied to National Needs: *Provided further,*".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 30, strike out: lines 17 to 23, inclusive.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 40 and concur therein with an amendment, as follows: Restores the matter stricken out by said amendment amended to read as follows:

"No part of the foregoing appropriations shall be used for the adjudication of claims or the payment of benefits for any individual who was discharged from the military under less than honorable conditions, and who received an honorable or general discharge as the result of revised standards for review of discharges as implemented April 5, 1977, by the Department of Defense's special discharge review program."

The SPEAKER pro tempore. The gentlemen from Massachusetts (Mr. BOLAND) is recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. COUGHLIN) is recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, this is the so-called Beard of Tennessee amendment that was offered when the committee brought this bill to the floor on June 15.

Mr. Speaker, after a long and rather emotional debate, this provision was added to the bill at that time by a vote of 273 to 136. I opposed the provision at that time, and I must say that I oppose it now. However, the Senate conferees would not recede to the House position. Clearly, as the chairman of the House conferees, I felt an obligation not to recede to the other body.

I also did not feel that we were in a position to compromise, and consequently we brought this amendment back to the House in disagreement. We will let the House work its will on the motion.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Speaker, today we are going to discuss for the next hour the issue of the Beard amendment.

I would like to point out to my colleagues that a lot has happened in the House of Representatives and in the Senate since the Beard amendment was attached to this appropriation bill to prohibit the funds in this legislation from being used to pay for veterans' benefits for anyone who is upgraded under the President's special discharge review program.

First, both the House and the Senate have held extensive hearings on this important issue. One of the comments made by my colleague, the gentleman from Tennessee (Mr. BEARD), was that the House needed to act, and in fact the Committee on Veterans' Affairs held 4 days of extensive hearings, bringing before it the major veterans' organizations, Clifford Alexander, the Secretary of the Army, and several other witnesses to testify as to how the program is working.

Second, we have discovered that the legislation that is now before this House is not necessary at this point because the Senate and the House Veterans' Affairs Committee are about to act.

Third, we have a better understanding now of how the program is working.

What in fact the President did when he put forward his special discharge review program was to say that the present discharge review process was needlessly clogged with many veterans who would have received upgrades had they gone through the regular program. So he, as well as the Joint Chiefs of Staff and the Secretary of Defense, suggested that we dislodge that clogged program by setting forth six criteria.

Those six criteria are these:

First. If a veteran was wounded as a result of military action;

Second. Received a military decoration other than a service medal;

Third. Successfully completed an assignment in Southeast Asia or in the Western Pacific in support of operations in Southeast Asia;

Fourth. Completed alternative service or was excused from completion of alternative service under the clemency program instituted on September 16, 1974;

Fifth. Received an honorable discharge from a previous tour of military service; or

Sixth. Had a record of satisfactory active military service for 24 months prior to discharge.

In these instances he would receive an automatic upgrade of his discharge provided he did not fall within four compelling areas. There are four reasons why he should not be upgraded, and these four reasons are as follows:

First. His discharge was for desertion or absence in a combat zone;

Second. His discharge was based on an act of violence or violent conduct;

Third. His discharge was based on cowardice or misbehavior before the the enemy; or

Fourth. His discharge was based on an act or conduct that would be subject to criminal prosecution if it had taken place in a civilian environment.

Basically, Mr. Speaker, what we are dealing with is a program that in fact is dislodging the present system, a system that as been in place since 1944. We are talking about 17,000 or 18,000 veterans—which is estimate given by Secretary Alexander—who will be upgraded through the program in a 6-month period.

There have been exaggerated cost estimates of how much this is going to cost the Veterans' Administration.

Secretary Alexander indicated that the cost would be no more than $20 million,

the total cost for those who legitimately receive an upgrade.

Mr. Speaker, I hope that we will reverse the action of this House, and that we will today recognize that each of the committees is working. If they are already bringing forth legislation that makes sense before the House and if we can move through the regular process, there is no need to place this very destructive amendment in this bill at this time.

Finally, Mr. Speaker, I would mention that the chairman of this subcommittee, a chairman who has distinguished himself before this House many times, is opposed to this amendment, but he feels impelled to support it in conference because of the size of the vote on the House side.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania (Mr. EDGAR) has expired.

Mr. BOLAND. Mr. Speaker, I yield 3 additional minutes to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. DOWNEY. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. DOWNEY. First of all, Mr. Speaker, I would like to compliment the gentleman from Pennsylvania (Mr. EDGAR) for the outstanding work he has done as a member of the Committee on Veterans' Affairs.

Is it not true that the other body has already taken this matter under consideration and that Senators CRANSTON and THURMOND have offered language that would, in a way, address some of the concerns of the gentleman from Tennessee (Mr. BEARD) with respect to the carte blanche granting of benefits in this instance?

Mr. EDGAR. That is true. The Senate Veterans' Affairs Committee has acted and has worked on the Cranston-Thurmond compromise; and as the gentleman well knows, there probably will be some compromise in this area soon.

I feel that the present system is working; but if, in fact, the legislative process is to work its will, we may have to agree to a suitable compromise.

Mr. DOWNEY. If the gentleman will yield further, I offered a compromise to the Committee on Veteran's Affairs which is similar to the Cranston-Thurmond language, to wit, that the veterans under this special program would have an opportunity to have their veterans' discharges reviewed, and the Department of Defense would retain the option of rereviewing those people for the purposes of determining whether or not they should receive veterans' benefits.

I did that in a spirit of compromise because I thought, considering the political climate in this House, that that was a viable alternative.

Can the gentleman suggest to me whether or not the Committee on Veterans' Affairs would possibly be reporting this or similar language out of its committee?

Mr. EDGAR. It is my understanding that the Committee on Veterans' Affairs, after 4 days of extensive hearings, is planning to mark up legislation introduced either by the gentleman from Arkansas (Mr. HAMMERSCHMIDT) or the gentleman from Mississippi (Mr. MONTGOMERY), which will be a compromise similar to the Cranston-Thurmond legislation.

Mr. DOWNEY. Therefore, there really is no need, then, for this broad language, when both Houses have already taken up this issue and are prepared to work out a compromise that is suitable to both sides; is that correct?

Mr. EDGAR. That is the point I am making here today, that a lot has taken place since we passed the Beard amendment. We need to back off from the Beard amendment, and we need to allow the committees to work.

Mr. DOWNEY. Mr. Speaker, I thank the gentleman. I compliment him for his outstanding work.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, I, too, want to compliment the gentleman for the work he has done on this important issue.

The Committee on Veterans' Affairs of the House of Representatives, of which I am a senior member, has been working very hard on this issue.

The Committee on Veterans' Affairs is the authorizing committee for legislation such as this, and in the other body Senator CRANSTON is the chairman of the Senate committee that has authorizing authority.

Mr. Speaker, as I recall, the gentleman from Tennessee (Mr. BEARD) offered his amendment in lieu of waiting for the two authorizing committees to come forward with their proposals. Now the authorizing committees are coming forward with their proposals, so I should think it would be unnecessary to have this very hard language of the Beard proposal in the appropriation bill.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania (Mr. EDGAR) has expired.

Mr. BOLAND. Mr. Speaker, I yield 2 additional minutes to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Speaker, I thank the gentleman for yielding.

I would like to compliment the gentleman from California (Mr. EDWARDS), who is a senior member of the Committee on Veterans' Affairs for his comments.

It is very true that we are at a point different from where we were when we passed the Beard amendment. We have had extensive hearings.

I placed in the CONGRESSIONAL RECORD on Friday, July 1, a group of profiles provided to me by Colonel Webber, one of the persons who testified before our committee, and who is responsible for the discharge review process. He indicates in his profiles the kind of young people we are dealing with.

There also appeared before our committee Mr. Addlestone, who put together a report of the kinds of individuals being affected.

I took the liberty of placing that in the CONGRESSIONAL RECORD on June 16.

Mr. Speaker, we are trying to provide a forum whereby all of the issues could be dealt with in a logical way. They were dealt with in a logical way, and I expect that the committee will work its will and will bring forth legislation. Although it will, perhaps, be legislation that I will not agree with because I believe that the President's discharge review program is working.

I think it is really detrimental to the legislative process to support the Beard amendment.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield further?

Mr. EDGAR. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, I would hope that the ordinary day to day legislative process of the House of Representatives and of the Senate will continue.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding to me. I would point out that I too was one of those Members who voted in favor of the Beard amendment before when it was on the floor of the House, but it was done under rather impassioned rhetoric and was not a very reasoned vote, I do not believe, in retrospect. So I would hope that the Members would be able to change their minds also and vote against the amendment.

Mr. EDGAR. Mr. Speaker, I thank the gentleman from Kansas (Mr. GLICKMAN) for his comments.

Mr. COUGHLIN. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I rise in support of the Beard amendment.

Mr. Speaker, I have the privilege of serving on the special committee looking into the upgrading of discharges in order to provide those veterans with benefits. I would also like to say, Mr. Speaker, that I had the privilege of chairing, as the gentleman from Pennsylvania (Mr. EDGAR) knows, those 4 days of hearings, and I still support the Beard amendment.

In effect, what the Beard amendment does—and if I say it wrong, I hope the gentleman from Tennessee will correct me—it says that no funds can be spent in fiscal year 1978 on discharges that have been upgraded by the Carter program for veterans benefits unless they go through the normal procedure.

We have had a procedure in the Defense Department for a number of years where less than honorable discharges were looked at by appointed boards in the Defense Department, if they were upgraded, then they became eligible for veterans benefits, but it was done on a case-by-case basis in the Veterans' Administration.

What we are doing in this special subcommittee—and the gentleman from Pennsylvania (Mr. EDGAR) is correct, we will meet on July 28, and we hope we can come up with a bill in the Veterans' Affairs Committee basically the same as the Cranston-Thurmond bill, and maybe we will have an additional amendment which will say, in effect, that discharges

under the Carter program that have been upgraded from less than honorable, will be taken up case by case by the administrator of the veterans programs and if he thinks that these people are eligible for veterans benefits, then they will be given benefits.

So we are basically doing the same thing under the Beard amendment today, if we keep the language in that no veterans will be given these benefits unless it is handled on a case-by-case basis.

So I do hope we will support the Beard amendment. We will bring out this legislation, I hope, before the 1st of October, and they will be handled on a case-by-case basis.

We found out in these hearings that the Department of Defense was paying for a deserter to come back from Sweden, who went to the Embassy in Sweden and said he did not have any money to get back. So this deserter, who had been gone for a year and a half, was given a ticket by our taxpayers to come back from Sweden and apply for the upgrading of his discharge under the Carter proposal.

So I believe we are moving too quickly in this situation. The Beard amendment will work now and will give us time to come up with legislation.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I think the gentleman makes an interesting point that the authorizing committee is going to meet on the 28th of July and is going to look at legislation which may have one or two or three or four amendments. The language that we are looking at, the amendment offered by the gentleman from Massachusetts (Mr. BOLAND) which he does not support, says, "No part of the foregoing appropriations shall be used for the adjudication of claims or the payment of benefits for any individual who was discharged from the military under less than honorable conditions, and who received an honorable or general discharge as the result of revised standards for review of discharges as implemented April 5, 1977, by the Department of Defense's Special Discharge Review Program."

Mr. MONTGOMERY. One of the problems we have, if the gentleman will let me take back part of my time, is that we have no assurance if we pass this enabling legislation that the President will not veto the bill. So we have that danger, that President Carter would veto this legislation.

Mr. EDGAR. If the gentleman will yield further, the point I was going to make is that if the committee comes out with a program that does provide the Veterans' Administrator the opportunity on a case-by-case basis to give benefits to anyone upgraded by the President's special program, he will be ineligible if this amendment succeeds.

I think if the authorizing committee is going to work its will, then it has got to have the latitude during the following year to grant benefits to those persons who may be wounded in action.

Mr. MONTGOMERY. This is a matter of opinion. I think the Beard Amendment basically does the same thing as legislation we will hope to pass. If President Carter vetoes this legislation, then the gentleman will admit that we made a mistake by not adopting the Beard amendment; is that correct?

Mr. EDGAR. No.

Mr. BOLAND. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. MURTHA).

Mr. MURTHA. Mr. Speaker, right after I spoke on the floor about this amendment the last time, I went back to my office, and there was a fellow who was a platoon leader in Vietnam. He said,

I appreciate very much the comments that you made on the floor about the Vietnam veteran, and I agree with you completely.

The next day I had lunch with a platoon leader that I served with in Vietnam, and he agreed with my position—we felt that this upgrading program of the President's was working and that it was important and that the Vietnam war was different from World War II or Korea.

I received an extensive letter from a Dr. Charles R. Figley of Purdue University who heads a "consortium of veterans' studies," which includes a list of eminent medical doctors and Ph. D.'s. They have done an extensive study of the psychological readjustment of the Vietnam veteran. They feel that there were significant problems when the Vietnam veterans came back. I know that it is hard to convince some members of World War II who were in the war and saw the devastation of the war that there was a difference when these young men came back.

I know the distinguished gentleman from Mississippi has a reservation about whether there was a difference when the young men came back from this war, but this study reaffirms the position that I took several weeks ago. This study says there were several factors that were very important in their study. One is that the men who served were much younger in the Vietnam war. For instance, some of our distinguished Members volunteered at a much older age. The gentleman from Oklahoma (Mr. STEED) was 38 years old when he went into the service as a private. Many other distinguished Members of this Congress volunteered in World War II at an older age and went into the service and then came back at the same time as all the others after the war was over. The scenario in the Vietnam war was very different. These men came back individually. They came back from a war area where they saw people bombed and killed and found death each day.

Many did not have friends and buddies to talk to. Instead, in many cases they talked to people who did not serve.

As I brought out before the committee the gentleman from Mississippi chaired, only about one-third of the eligible men between 18 and 35, the people who were eligible for the draft, actually served in the Armed Forces. We have people who evaded the draft and those people got blanket amnesty. I do not think there is anybody in this Chamber who can agree that it is right to give amnesty to an individual who did not even serve and then to resist upgrading the discharge and giving those young fellows benefits because they want to go to school and correct their life.

There was one story I told the last time which I think is so important, the story of the young fellow who served in Vietnam and came back, served honorably, was wounded, was in the hospital, and his father was dying of cancer, and the young fellow went home and just never went back to the service for the last 30 days. He was finally picked up and got an undesirable discharge several years later.

It seems to me we have a double standard in this country when we give blanket amnesty to people who did not even serve and yet refuse to give benefits to people who were upgraded and who served honorably under the criteria of the President's program.

I know this. We have some of the most distinguished people in the country on this Veterans' Affairs Committee. I know they are studying this problem very carefully. I would ask that this House recede from its position and that we would allow the Veterans' Affairs Committee, which has had 4 days of extensive hearings, to expand these hearings and ask people who served to come in and ask people like Dr. Charles R. Figley, who has had such extensive experience with veterans who are trying to adjust psychologically, to come in, and have the committee go into detail to find out exactly what can be done.

Mr. TRAXLER. Mr. Speaker, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Speaker, I know the very fine military record the gentleman in the well has. He is the only Vietnamese veteran who saw combat experience who is serving presently in this House, if I understand the record correctly. I must say to the gentleman my views differ from his, but as I listen to him describe the present situation, I have to decide to go along and support the gentleman. I hope the committee will bring up a bill to take care of the problems the gentleman and I are aware of.

For various reasons some of the veterans have less than an honorable discharge and this amendment could harm them. I do not want to hurt these men. I hope we proceed in an orderly fashion and allow the legislative committee to do its work, and we will attend to a problem many of us recognize, and at the same time treat fairly the problem the gentleman is so well aware of.

I support the case-by-case approach and support the position of the gentleman from Pennsylvania. I appeal to my colleagues not to vote the way the press will write this up but to vote the way we know it is and support the gentleman.

Mr. MURTHA. I appreciate the comments of the gentleman. I would say one thing. Even the American Legion in the letter they sent to the Members of Congress were very, very reasonable in the letter they wrote—in other words, they do not agree with the program and since this is the only vehicle before Congress, then they endorse the amendment. But

they certainly, and I am sure everybody here would have to agree, the better way of doing it would be by the Veterans Committee handling this and having an opportunity to speak to fellows like Dr. Figley from Purdue that has had such extensive experience in this particular field.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I appreciate the gentleman yielding.

I have great respect for the gentleman in the well, as he knows, and I know all about his experiences in Vietnam and the great service he did for this country.

I think the gentleman and I basically are on the same track. We ran into each other the last time and I wish maybe we could go parallel this time.

Mr. Speaker, I wish we could maybe go parallel to them. The gentleman speaks the language I like to hear about a draft evader. The gentleman felt very strongly that person should not be given a blanket pardon; is that correct?

Mr. MURTHA. That is correct and I voted against the funds for that particular program.

Mr. MONTGOMERY. In the case the gentleman mentioned, the person who had a fine combat record.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has again expired.

Mr. BOLAND. Mr. Speaker, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. MONTGOMERY. Mr. Speaker, if the gentleman will yield further, this person had a fine combat record in Vietnam. He came home and got in trouble. His father was sick. That is understandable. My point is that under the present procedure that we have in the Pentagon for upgrading discharges, this person, in my opinion, would have had his discharge upgraded and he would have been eligible for veterans' benefits: so really, I do not think we are too far apart; does not the gentleman agree?

Mr. MURTHA. Mr. Speaker, let me say to the distinguished gentleman, I am embarrassed by the fact that I am pointed out as the only combat veteran from Vietnam. We do have one other, the gentleman from Tennessee (Mr. GORE); but the point is that we have many combat veterans who served under war conditions and I know the gentleman speaking is one of the distinguished Members; but it seems to me that the way we should do it is by the committee.

There is a tremendous difference when a young 22-year-old came home, with violence on TV, with unrest, with leaders condemning the war which he had just been facing and he comes home, not to his friends, not to victory, but to actual defeat and we can see he needs some sort of help.

Mr. MONTGOMERY. Mr. Speaker, if the gentleman will yield further, under the Carter proposal an individual who was a.w.o.l. for 2,300 days, will be eligible for veterans' benefits.

Mr. MURTHA. Mr. Speaker, let me say to the gentleman that the individual I was talking about was a.w.o.l. for an extended period of time, because they did not catch up with him until the end.

I understand there are individual cases that would not fit into the program, but it seems to me that we must give some consideration to the people who served.

I would urge this House to reconsider its position on this very important amendment.

Mr. Speaker, I include Dr. Figley's letter and an article which appeared in the Chalotte Observer at this point in the RECORD.

CONSORTIUM ON VETERAN STUDIES,
June 21, 1977.

Hon. JOHN P. MURTHA,
Representative from the State of Pennsylvania, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN MURTHA: On behalf of the Consortium on Veterans Studies I would like to commend you on your speech made on the House floor on June 15th on behalf of the veterans of the Vietnam war.

Enclosed are some materials which support your contention that Vietnam was a different war and that the Vietnam veteran is unique in American history. Please let me know what the Consortium and I can do to assist you in any way. I have already written Rep. Don Edwards in support of a bill he introduced on psychological readjustment.

I would appreciate a copy of your remarks and any other items related to the Vietnam veteran.

Thank you again for your service, your faith, and your devotion.

Sincerely,

CHARLES R. FIGLEY, Ph.D.,
Director.

[From The Charlotte Observer, May 29, 1977]

THE INVISIBLE WOUND

Tomorrow is Memorial Day. For more than half a century, it's been a special day when Americans honor their war veterans, the fallen in combat. Parades and flag waving . . . a time for remembering. Argonne Forest, Battle of the Bulge, Iwo Jima fade into names like Hue and Khe Sanh.

Vietnam. A war many Americans opposed, a war they've tried to forget. But the scars cut deep, into a nation and its young. That alone, that they fought an unwanted war, makes Vietnam veterans unique . . .

(By Penny Muse)

They jauntily stepped off the commercial jets that lofted them over the Pacific and back to America. They had survived a year in Vietnam's perilous jungles and highlands without any visible scars.

Or so they thought.

Then the nightmares began.

At night when they closed their eyes. Gunfire. Blood. The contorted face of a friend, yelling as he fell, "I'm hit. I'm hit."

Stark memories for those so young, many still in their waning days of adolescence. The war was over, and yet, they were dogged by an enemy they couldn't escape, a war they couldn't forget.

"The mine that sent me home has blown a thousand times in my mind," said soft-spoken Rudy Dye as he sat on the edge of the bed in the Salisbury (N.C.) Veterans Administration Hospital, where he is undergoing tests for a limp. "And my five friends, who were blown up two weeks before I got hit. I've seen them die over and over again."

Drafted at 22, Dye was sent to a world far removed from the Taylorsville, N.C., textile mill he worked in after graduating from high school. "You knew," he remembers, visibly agitated, "it was just a matter of time before you went down." Dye went down at Chu Lai with a shattered leg. That was in 1967.

In the hospital at Fort Gordon, Ga., where he was sent to recuperate, Dye found insulation from a nation in racial turmoil—Watts, Detroit and other U.S. cities were burning.

Dye also found companionship. "Most of the guys there had been to Vietnam. They understood what it was like, how when you return it feels like you're so free, but in your mind, you're still there at war. We'd talk about our dreams and in time we learned to joke about what we'd seen."

Today, the 32-year-old Dye, who is married and works on the assembly line at the General Electric plant in Hickory, is rarely haunted by his Vietnam memories. "I always was an easy-going guy," he says with a shrug.

But even now, "Sometimes when I've talked about the war during the day, the dreams will come back. Once you've lived through something like that, you're never the same, deep down inside."

Dye has made his own peace with Vietnam. But other veterans haven't been so fortunate.

The war may have ended for most Americans more than five years ago, but as many as 2 million of the 10 million veterans who served in that decade-long war are still nursing emotional wounds.

In World War I psychologists called it "shell shock," in World II, "combat fatigue." Today it's "post-Vietnam syndrome."

But few Americans know of its symptoms, or apparently care, and psychologists like Dr. Charles Figley are worried that the emotionally scarred Vietnam veteran still in need of help may be forgotten.

So from his office in Purdue University's child development and family studies department, Figley is organizing a one-hour symposium on Vietnam veterans to be presented in August at the American Psychological Association's annual meeting in San Francisco.

A Vietnam veteran who, like Dye, was haunted by combat nightmares for more than a year after he came home in 1966, the 32-year-old Figley seems the perfect candidate for such a mission.

His main concern isn't so much with severely disturbed veterans—most of whom have gotten help, he believes—but with "the million or so people who seem, normal but still have nightmares and are afraid to admit it for fear people will think they're crazy."

Dr. Charles Stenger, associate director of psychology with the Veterans Administration (VA) in Washington, D.C., believes as many as 20 per cent of Vietnam's veterans need counseling.

"But when I say as many as one in five veterans need psychological counseling, I don't mean all of these people are psychotic," he cautions. "Most of the people don't need formal psychological help. What they need is a kind of rap session."—where they can talk with other Vietnam veterans, admit their nightmares without fear of being looked on as strange.

"The problem now is that you have to be diagnosed as psychotic or psychologically ill before you can receive care at a VA hospital."

As a result, only 87,000 (or less than 1 per cent) of 10 million Vietnam era veterans receive psychiatric care at the country's 70 VA hospitals.

In the Carolinas about 100 of 264,000 veterans receive psychiatric care at the states' seven hospitals. About 65 of the patients are at the Salisbury Veterans Administration Hospital (about 50 miles east of Charlotte), which is primarily a psychiatric hospital.

Who is most likely to have been scarred by the war?

"People who have difficulty adjusting to traumatic changes," answers Stenger. "Most people can go through change—like being in a combat zone for a year—and then you put

them back in their old environment, and they begin to respond in the same ways.

"But in order to readjust completely, you have to like your old environment, to have felt comfortable with it before you were uprooted and sent off to join the military."

Not surprisingly, Figley, who has completed a study of 900 Vietnam veterans, finds that people who saw heavy combat are more likely to be scarred permanently by war than those who didn't "because they were under a great deal more stress."

But other psychologists are quick to point that even Vietnam veterans who didn't see combat also have had difficulty readjusting to a civilian world that "despised them for fighting in a dirty war," as Dr. C. E. McParland, a psychologist at the Salisbury Veterans Hospital, puts it. "Even their friends, their peers, looked on them with distrust."

THE DIFFERENCE

Unlike World War I and World War II veterans who came home in glory, Vietnam veterans come home in ignominy. And this, say psychologists, makes them unique among veterans of other American wars.

Just how unique?

Psychologists can't seem to agree.

Various studies and theories during the past few years have held that the Vietnam veteran is unique because:

He is more likely than the World War II veteran to have become addicted to drugs.

However, a study by Dr. Lee Robbins of Washington University in St. Louis shows that the drug problem may not have been as severe as expected. Many soldiers became addicted simply because drugs were readily available. In a more normal environment, they have kicked their addiction, she says.

Unfortunately, Dr. Stenger of the Veterans Administration points out, even Vietnam veterans who never used drugs still have to live down the reputation. "It's guilt by association."

He tended to be younger than veterans of World War I and II. Uprooting young men at 19 and 20, when they were forming their adult personalities, considerably complicates their adjustment back to the "real world," according to initial findings of a study of 300 Ohio veterans by Cleveland State University.

He lacked the camraderie that many World War II veterans enjoyed after their return from combat. According to the same Cleveland State study, World War II veterans returned to America with their units, while Vietnam veterans came back individually. World War II veterans debriefed themselves, talked out their problems with friends who also had been in combat and understood. The Vietnam veteran returned to friends and family who didn't understand or care about combat.

He is more violent than most people. This is perhaps the most controversial theory. A couple of recent studies have debunked this as myth. "But despite such studies, television still portrays the Vietnam veteran as a walking time bomb. This sets the veteran apart and makes it hard for society to accept him as a normal human being," says Dr. McParland.

He is more likely than veterans of other wars to be racially prejudiced. Racial tension at home spilled onto the battlefield where soldiers already under stress found it difficult to deal rationally with the problem. Five years after they have returned, many soldiers still haven't resolved their prejudices, according to the Cleveland State study.

He returned to an "extremely fast-moving" society. Growth was swift during World War II but much swifter during the 1960s. So while only 10 percent of the returning World War II veterans needed psychological counseling, between 13 and 20 percent of Vietnam's veterans need it, according to Stenger.

Dr. L. B. Lamm, chief of psychiatry services at the Salisbury VA Hospital, minimizes the uniqueness of the Vietnam veteran. "As the years go by, we are learning that in general, the needs of the Vietnam veteran are not greatly different from the World War I and II veteran. Whenever you return from combat, you face unusual stress adjusting to new times, climates and life in the civilian world."

IGNORED?

But this attitude, predominant at many VA hospitals, can hamper treatment of the Vietnam veteran, contends Dr. Leonard Neff, a psychiatrist who practiced for three years at a VA hospital in Los Angeles.

"The diagnosis of 'combat fatigue' was taken out of the diagnostic book used by VA psychiatrists (and by members of the American Psychological Association) during the 1960s. This made it awfully easy to ignore the problem," he says.

"A diagnosis of combat stress is being put back in the book being published now and this is perhaps a hopeful sign."

It's easy to make the VA the scapegoat, says Figley, "but to a degree the VA isn't any more to blame than the rest of us. It's at the mercy of the law. It depends on congressional legislation to offer most of what is needed."

What exactly is needed?

Most important, says Figley and Stenger, money for the VA to offer "transitional counseling," or "rap sessions" to Vietnam veterans. Money for such counseling was cut last year when the Veterans' Omibus Health Care Act was passed. However, Sen. Alan Cranston, D-Calif., plans to introduce it again.

The VA needs to offer similar counseling to the veteran's family, they add. Currently, such counseling can only be given when a veteran is admitted to a VA hospital.

More research is needed. "There have been very few studies on the long term effects of the war," says Figley. "Right now it's easier to get money and attention for a research project on the eye-blink behavior of 3-year-olds than for a study on Vietnam veterans."

And, says Figley. "Everyone from the president down needs to realize that soldiers were wounded emotionally as well as physically by the war. The Vietnam veteran isn't going to simply fade away if we ignore him. Until everyone has recovered the war isn't over."

Mr. COUGHLIN. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee (Mr. BEARD).

Mr. BEARD of Tennessee. Mr. Speaker, there has been much said about the amendment and a lot of emotion has been interjected into the debate, emotion that I believe I am not totally deprived of. My distinguished colleague whom I respect very highly, a former Marine from Pennsylvania. stated there should have been a better way of handling this through the legislative process. I find myself in total agreement with my colleague, the gentleman from Pennsylvania. There should have been a better way to handle this. It should have been handled through the legislative process.

I think it is tragic that I had to interrupt the legislative process with an amendment to bring it back to the legislative process.

I find it somewhat offensive, or let me say that I find it somewhat irresponsible to come out with such a significant program by the President, without even having notified or having gone over the plans with the Committee on Veterans' Affairs. I question this whole process. I cannot agree with it.

We can say we are dealing with quite a bit of money; but I do not look at it that way. We are dealing with young men's lives, without any question, and their futures.

The gentleman mentioned the former Vietnam veterans that said, "Thank you for your support and the way you voted."

Let me say, my office has received hundreds of letters and responses from individuals saying "thank you," because I served my time in an honorable fashion. I was over in Vietnam. I did walk through those paddies. I was shot at. I was wounded. I find it somewhat offensive for so many young men to be thrown into a whole group and really, for all practical purposes, automatically have their discharges upgraded and start to receive the same benefits that I received for being in combat.

Mr. Speaker, we tend to forget, and I do not think it is so unreasonable, but we tend to forget that this amendment does not deal totally with the young men that were over there and placed their lives on the line.

As a matter of fact, the figures show that approximately 80 percent of these young men, who would be upgraded and who would receive veterans benefits, never even saw Vietnam.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Is it not also true that the 80 percent figure the gentleman is using also relates to the number of veterans who were in the service? The fact is that only 2.5 million veterans saw action in Vietnam, and the rest of the veterans who are receiving benefits did not spend any time in Vietnam.

Mr. BEARD of Tennessee. I will reclaim my time. I can play with numbers also. I can play with graphs and charts, but the fact of the matter is that over 80 percent of the young men eligible for upgrading—my amendment does not even approach the upgrading of discharges; it does not touch it. They can still be upgraded.

My amendment says, no veterans' benefits on the automatic upgrading. My amendment is a temporary restraining order until we do have authorization legislation from the veterans' committees of both the House and the Senate.

We can say that the Senate has made a great deal of progress, that the House has made a great deal of progress, but show it to me in black and white. Show it to me in the form of a bill. As a matter of fact, there is a hold at this particular time in the Senate, and it has been so rumored that there has been an instruction by the White House because they are looking at this vote today to decide on whether or not they will have enough votes to veto the Roberts-Hammerschmidt bill on the House side or the Cranston-Thurmond bill on the Senate side. So, it is not there yet.

I do not understand, for all the people that stand and talk about the legitimacy of these pieces of legislation, I do not understand why we are so impatient or so eager to eliminate any back-up position until these bills actually be-

come enacted legislation. Why not? To me, this will say to President Carter, "You had better accept the Cranston-Thurmond bill; you had better accept the House bill." But, if my amendment were to go down, then there is nothing that would keep the President from vetoing the Senate and House bills.

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may require. I do not want to cut off debate on this, but we discussed this at considerable length in the middle of June.

Mr. BEARD of Tennessee. Mr. Speaker, will the gentleman yield for one comment?

Mr. BOLAND. I yield.

Mr. BEARD of Tennessee. I would like to say at this time how greatly appreciative I have been of the relationship with the chairman of this committee, with his straightforward attitude. I do commend the chairman of the committee, knowing of his opposition to my amendment. It has been an honor to work with him because he has been aboveboard and straightforward with me in every way. I commend the chairman.

Mr. BOLAND. I thank the gentleman.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Speaker, I would like to make just one point. As the gentleman says, many of these people did not serve in Vietnam, but it is important to say that they served. That is my point. They had blanket amnesty, people who evaded the draft, and here we have a program for people who served honorably under certain criteria. Certainly, in many instances they should receive benefits if they are upgraded.

Mr. BEARD of Tennessee. I will say that two wrongs do not make a right. I think it is time this country started living by rules. We have got rules, and we ought to live by them. I think the House should start showing that this is the direction we need to go in.

Mr. COUGHLIN. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. JOHN T. MYERS).

Mr. JOHN T. MYERS. In response to the remarks of the gentleman from Pennsylvania, we had some disagreement or misunderstanding the last time this issue was discussed. The upgrades continue. This amendment does not stop the upgrading of discharges. The only thing we do, by this amendment, if an individual is going to qualify under this amendment, they must qualify for the benefits by going individually before the board.

At that particular time each individual case is evaluated. So the veteran upgraded must pass one more test, which I think is altogether fair. I am sure none of us can know what the authorizing committee will come up with. But in any event, in the interim period, until they do come up with something, this requirement to earn benefits on an individual basis will stand. They have to come up individually. What is wrong with that?

I think we will agree that, yes, if they can justify, if they can warrant the benefits, the Appeals Board will grant that, and they could be qualified under this amendment, but they would earn the benefits on an individual basis rather than the blanket grant.

Mr. TRAXLER. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Michigan.

Mr. TRAXLER. I thank the gentleman for yielding.

Mr. Speaker, I just want to say to the Members that what we have here is about $600 million or $700 million which is already in the pipeline that this amendment does not even touch. In other words, with the upgrading system, those persons who receive it are going to be eligible for benefits in spite of this amendment and until that money runs out, $600 to $700 million. We ought to have a case-by-case opportunity for them to be reviewed, so that a great injustice is not done to the deserving.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. I thank the gentleman for yielding.

Mr. Speaker, first of all, in response to the comments of the gentleman from Tennessee (Mr. BEARD) about statistics, I just want to clarify that there were 8 million people who served during the Vietnam era. Only 2.5 million of those served in action in Vietnam itself. I think the 80-percent figure the gentleman is quoting is misleading.

The second point is that one of the problems the President faced when he took office was that the regular discharge review process was very clogged because during the Vietnam era most of the people were discharged from the service under an administrative process, not a court-martial process. The regular program takes 2 years for a case-by-case review. We are suggesting that those who fit within the six criteria will be automatically upgraded and that the others, who do not fall within that regular criteria, are looked at on a case-by-case review. It is not a blanket amnesty or a blanket pardon. It is a review of each individual case, unless they have some experience which gives them an automatic upgrade.

Mr. RISENHOOVER. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Oklahoma (Mr. RISENHOOVER).

Mr. RISENHOOVER. I thank the gentleman for yielding.

Mr. Speaker, I would like to ask the gentleman from Tennessee (Mr. BEARD) a question concerning the gentleman's amendment.

Do I understand correctly that after the authorizing Committee on Veterans' Affairs comes forth with the legislation, the gentleman's amendment simply stops expenditure of these funds until the action is taken by the authorizing committee, by the House and the Senate? Is that correct?

Mr. BEARD of Tennessee. If the gentleman will yield, I am so instructed that if they would amend the wording of this amendment, then their language would take precedence.

Mr. BOLAND. If the gentleman will yield, I am sure the authorizing committee would probably put in the caveat notwithstanding any other act or provision of law.

Mr. RISENHOOVER. If I understand correctly, what the amendment does is just force the issue. I am not opposed to upgrading discharges, but I think we should bring this to a head and decide who is going to be upgraded and who is not.

Mr. BEARD of Tennessee. If the gentleman will yield, as I said, I think it forces the issue. I think we have seen a great deal more activity on the Senate side and on the House side than we possibly would have otherwise.

Mr. RISENHOOVER. I think something ought to bring this whole thing of blanket amnesty and blanket pardon for not only the people who went AWOL and deserted, but for those people who, like the gentleman from Pennsylvania said, just completely disregarded the draft altogether, the whole thing ought to be brought to a head. If this is the only vehicle which can bring it to a head and bring it before the President, I think this is what we ought to do.

Mr. BEARD of Tennessee. At present this is the only vehicle.

Mr. BOLAND. Mr. Speaker, so that there will be no confusion on the part of the membership of the House, let me state precisely what my motion is.

My motion is that the House recede from its disagreement to the amendment of the Senate numbered 40, which struck out the Beard amendment. But then my motion goes on to say: "and concur therein with an amendment as follows:".

The amendment that follows is precisely the Beard amendment, except that we change the word, "appropriation," to "appropriations."

So that there will be no confusion, those who favor the Beard amendment will vote yes for this amendment, those who oppose the Beard amendment will vote no, and the chairman of the subcommittee intends to vote no.

Mr. OTTINGER. Mr. Speaker, I am opposing the Beard amendment today because I think it is poorly and too broadly drawn, despite my strong conviction that persons who did not do substantial Vietnam service or who deserted under circumstances that might have jeopardized others on the battlefield, or for whom there are no overriding mitigating circumstances, should not receive veterans benefits.

The problem with the Beard amendment is that it denies veterans benefits to all persons whose discharges are upgraded under the President's review program, regardless of the circumstances. According to Congressman BEARD's own statement as appeared in his letter to the editor of The Washington Post of June 27, 1977, 60 percent of those who did combat or combat support duty in Vietnam and are subject to the discharge review program were not deserters; half of the persons whose discharges have been reviewed would have received upgraded discharges under normal procedures, without the President's program. What this means is that there are a lot

of people being considered under the President's program with substantial service to their country in Vietnam, who were discharged because of fights, drunkenness or other problems and whose discharges would have been upgraded under normal procedures, who would be unfairly deprived of benefits under the Beard amendment.

The Veterans' Affairs Committee is presently considering legislation to deal in an orderly manner with this precise question of veterans benefits for those whose discharges are upgraded under the President's program. It is wrong, I believe, to deal with this question simplistically, as the Beard amendment does, in an amendment attached at the last minute and without hearings to an appropriations bill.

I am a cosponsor of one of the bills on this subject being considered by the Veterans' Affairs Committee, H.R. 7885, authored by Congressman JOHN PAUL HAMMERSCHMIDT of Arkansas, which requires the Special Discharge Review Board to make two separate determinations: first, whether a discharge should be upgraded under the special discharge criteria, and second, whether the discharge would have been upgraded under generally applicable criteria and whether it is appropriate that the applicant receive veterans' benefits. This approach has many positive aspects. It allows a person to "clear his name" by having his discharge upgraded under the President's criteria. At the same time, it preserves existing standards with regard to veterans' benefits entitlements.

I feel strongly that the all-encompassing broad brush of the Beard amendment sweeps away the rights of too many deserving veterans, and that the Veterans' Affairs Committee should be allowed the opportunity to report out the Hammerschmidt bill or other legislation that will deal with this matter more equitably—denying benefits to those who are undeserving, but permitting them to those who served their country and whose discharges were unjustified or unrelated to the benefits question.

Mr. BOLAND. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. BOLAND).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BEARD of Tennessee. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 251, nays 160, not voting 22, as follows:

[Roll No. 435]

YEAS—251

Abdnor	Alexander	Anderson, Calif.
Addabbo	Allen	Andrews, N.C.
Akaka	Ambro	Andrews, N. Dak.
Annunzio	Applegate	Archer
Armstrong	Ashbrook	Ashley
AuCoin	Badham	Bafalis
Barnard	Bauman	Beard, R.I.
Beard, Tenn.	Bennett	Bevill
Blanchard	Bowen	Brinkley
Brooks	Broomfield	Brown, Mich.
Brown, Ohio	Broyhill	Buchanan
Burgener	Burke, Fla.	Burleson, Tex.
Burlison, Mo.	Butler	Byron
Caputo	Carter	Cederberg
Chappell	Clausen, Don H.	Clawson, Del
Cleveland	Cochran	Cohen
Coleman	Collins, Tex.	Conable
Corcoran	Cornwell	Coughlin
Crane	Cunningham	Daniel, Dan
Daniel, R. W.	de la Garza	Delaney
Derrick	Derwinski	Devine
Dicks	Dornan	Duncan, Tenn.
Edwards, Ala.	Edwards, Okla.	Eilberg
Emery	English	Erlenborn
Evans, Del.	Evans, Ga.	Evans, Ind.
Fish	Fithian	Flowers
Flynt	Forsythe	Fountain
Fowler	Frenzel	Frey
Fuqua	Gammage	Gaydos
Gephardt	Gilman	Ginn
Gonzalez	Goodling	Gradison
Grassley	Gudger	Guyer
Hagedorn	Hall	Hammer-schmidt
Hanley	Hansen	Harsha
Hefner	Heftel	Hightower
Hillis	Hollenbeck	Holt
Hubbard	Huckaby	Hughes
Hyde	Ichord	Ireland
Jenkins	Jenrette	Johnson, Colo.
Jones, Okla.	Jones, Tenn.	Kasten
Kazen	Kelly	Kemp
Ketchum	Kindness	Krueger
Lagomarsino	Latta	Leach
Lent	Levitas	Lloyd, Calif.
Lloyd, Tenn.	Lott	Lujan
Luken	McClory	McCormack
McDade	McDonald	McEwen
McKay	Mahon	Mann
Marks	Marlenee	Marriott
Martin	Mathis	Mazzoli
Michel	Milford	Miller, Ohio
Minish	Mitchell, N.Y.	Mollohan
Montgomery	Moore	Moorhead, Calif.
Motti	Murphy, Ill.	Murphy, N.Y.
Myers, Gary	Myers, John	Natcher
Neal	Nedzi	Nichols
O'Brien	Perkins	Pettis
Pickle	Pike	Poage
Pressler	Pursell	Quayle
Quie	Quillen	Railsback
Regula	Rhodes	Rinaldo
Risenhoover	Roberts	Robinson
Roe	Rogers	Rooney
Rose	Rostenkowski	Rousselot
Rudd	Runnels	Ruppe
Russo	Santini	Sarasin
Satterfield	Sawyer	Schulze
Sebelius	Shipley	Shuster
Sikes	Sisk	Skelton
Skubitz	Slack	Smith, Nebr.
Snyder	Spellman	Spence
St Germain	Stangeland	Stanton
Steed	Steiger	Stratton
Stump	Symms	Taylor
Thone	Thornton	Treen
Trible	Tucker	Ullman
Vander Jagt	Volkmer	Waggonner
Walker	Walsh	Wampler
Watkins	White	Whitehurst
Whitley	Whitten	Wiggins
Wilson, Bob	Wilson, Tex.	Winn
Wolff	Wydler	Wylie
Yatron	Young, Fla.	Young, Mo.
Young, Tex.	Zeferetti	Foley
Ford, Mich.	Ford, Tenn.	Fraser
Giaimo	Gibbons	Glickman
Gore	Hamilton	Hannaford
Harkin	Harrington	Harris
Hawkins	Heckler	Holtzman
Jacobs	Jeffords	Johnson, Calif.
Jones, N.C.	Jordan	Kastenmeier
Keys	Kildee	Kostmayer
Krebs	LaFalce	Le Fante
Lederer	Leggett	Lehman
Long, La.	Long, Md.	Lundine
McCloskey	McFall	McHugh
Maguire	Markey	Mattox
Meeds	Metcalfe	Meyner
Mikulski	Mikva	Miller, Calif.
Mineta	Mitchell, Md.	Moakley
Moffett	Moorhead, Pa.	Moss
Murphy, Pa.	Murtha	Myers, Michael
Nix	Nolan	Nowak
Oakar	Oberstar	Obey
Ottinger	Panetta	Patten
Patterson	Pattison	Pease
Pepper	Preyer	Price
Pritchard	Rangel	Reuss
Richmond	Rodino	Roncalio
Rosenthal	Roybal	Ryan
Scheuer	Schroeder	Seiberling
Sharp	Simon	Smith, Iowa
Solarz	Stark	Steers
Stokes	Studds	Thompson
Traxler	Tsongas	Udall
Van Deerlin	Vanik	Vento
Walgren	Waxman	Weaver
Weiss	Whalen	Wirth
Wright	Yates	Zablocki

NAYS—160

Ammerman	Brodhead	Diggs
Anderson, Ill.	Brown, Calif.	Dingell
Aspin	Burke, Calif.	Dodd
Baldus	Burton, John	Downey
Baucus	Burton, Phillip	Drinan
Bedell	Carney	Duncan, Oreg.
Beilenson	Carr	Early
Benjamin	Cavanaugh	Eckhardt
Biaggi	Chisholm	Edgar
Bingham	Collins, Ill.	Edwards, Calif.
Blouin	Conte	Evans, Colo.
Boggs	Conyers	Fary
Boland	Corman	Fascell
Bolling	Cornell	Fenwick
Bonior	Cotter	Findley
Bonker	D'Amours	Fisher
Breaux	Danielson	Flood
Breckinridge	Dellums	Florio

NOT VOTING—22

Badillo	Flippo	Rahall
Brademas	Goldwater	Staggers
Burke, Mass.	Holland	Stockman
Clay	Horton	Teague
Davis	Howard	Wilson, C. H.
Dent	Koch	Young, Alaska
Dickinson	McKinney	
Ertel	Madigan	

The Clerk announced the following pairs:

On this vote:

Mr. Rahall for, with Mr. Burke of Massachusetts against.

Mr. Davis for, with Mr. Brademas against.

Mr. Dickinson for, with Mr. Badillo against.

Mr. Young of Alaska for, with Mr. Koch against.

Mr. Teague for, with Mr. Clay against.

Mr. Horton for, with Mr. Howard against.

Until further notice:

Mr. Dent with Mr. Ertel.

Mr. Flippo with Mr. Goldwater.

Mr. Madigan with Mr. Holland.

Mr. Staggers with Mr. McKinney.

Mr. Charles H. Wilson of California with Mr. Stockman.

Mr. EARLY changed his vote from "yea" to "nay."

Mr. ROSE changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 45: Page 39, after line 10, insert:

"SEC. 408. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of a consultant (wheher retained by the Federal Government or a grantee) at more than the daily equivalent of the maximum rate paid for GS-18, unless specifically authorized by law."

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of

the Senate numbered 45 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 409. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the maximum rate paid for GS–18, unless specifically authorized by law."

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 46: Page 39, after line 16, insert:

"SEC. 409. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitations."

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 46 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 410. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitations."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include tables, charts, and other extraneous matter on the conference report (H.R. 7554) just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3722, SECURITIES AND EXCHANGE ACT AUTHORIZATION FOR FISCAL YEAR 1978

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3722) to amend the Securities and Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal year 1978, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. MINETA). Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees; Messrs. STAGGERS, ECKHARDT, METCALFE, KRUEGER, CARNEY, DEVINE, AND BROYHILL.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORT ON H.R. 6831, NATIONAL ENERGY ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on the bill H.R. 6831, the National Energy Act.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PRINTING OF COPIES OF HOUSE REPORT 95–496, PART IV, ON H.R. 6831, NATIONAL ENERGY ACT

Mr. STAGGERS. Mr. Speaker, I offer a resolution (H. Res. 693) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 693

Resolved, That there shall be printed for the use of the Committee on Interstate and Foreign Commerce of the House of Representatives the maximum number of copies of House Report No. 95–496, Part IV, to accompany the bill H.R. 6831 entitled "National Energy Act" which may be printed at a cost not to exceed $1,200.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC OPPORTUNITY OF COMMITTEE ON EDUCATION AND LABOR TO MEET DURING 5-MINUTE RULE ON JULY 21 AND 22, 1977

Mr. ANDREWS of North Carolina. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Opportunity of the Committee on Education and Labor may be permitted to meet during the 5-minute rule on July 21 and July 22 to receive testimony on H.R. 7577 and H.R. 1988, bills to extend and amend the Economic Opportunity Act of 1964.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CONFERENCE REPORT ON H.R. 4088, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION, FISCAL YEAR 1978

Mr. FUQUA. Mr. Speaker, I call up the conference report on the bill (H.R. 4088) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of June 21, 1977.)

Mr. FUQUA (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. FUQUA) is recognized for 30 minutes and the gentleman from New York (Mr. WYDLER) is recognized for 30 minutes.

The Chair recognized the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the committee of conference on the bill—H.R. 4088—authorizing funds for the National Aeronautics and Space Administration for fiscal year 1978 has successfully concluded its work. The conference report before you includes nine changes in the NASA research and development program line items, and one change in the construction of facilities line items. The net result of these actions is a $14,640,000 increase in amount requested—$4,034,789,000—for fiscal year 1978. An increase of less than four-tenths of 1 percent—0.36 percent—in the amount requested by the administration.

To summarize the recommendations of your conference:

Funds were added to:

First. Support cost-effective scheduling for Space Shuttle production ($5 million);

Second. Initiate studies for space industrialization ($2 million);

Third. Provide funds for fundamental space research eroded by inflation and upper atmosphere research ($4 million);

Fourth. Increase work in ocean pollution monitoring, severe storm research ($4 million) and provide for increased Landsat–D instrumentation ($2 million);

Fifth. Augment efforts in aeronautical research and technology ($3 million);

Sixth. Provide funds for increased emphasis on advance concepts for space propulsion ($2 million); and

Seventh. Increase effort to define the technology necessary for solar satellite power systems ($3 million).

HOUSE SENATE CONFERENCE—NASA AUTHORIZATION, FISCAL YEAR 1978

[In dollars]

	Budget request [1]	House	Senate	Committee of conference
Research and development:				
Space Shuttle	1,349,200,000	1,349,200,000	1,354,200,000	1,354,200,000
Space flight operations	267,800,000	270,800,000	265,800,000	267,800,000
Expendable launch vehicles	136,500,000	129,500,000	136,500,000	134,500,000
Physics and astronomy	224,200,000	229,200,000	226,200,000	228,200,000
Lunar and planetary exploration	158,200,000	161,200,000	150,200,000	153,200,000
Life sciences	33,300,000	33,300,000	33,300,000	33,300,000
Space applications	233,800,000	221,900,000	239,800,000	239,800,000
Earth resources operational systems	0	26,900,000	0	0
Aeronautical research and technology	231,000,000	236,500,000	231,000,000	234,000,000
Space research and technology	97,700,000	101,700,000	97,700,000	99,700,000
Energy technology applications	4,500,000	9,500,000	4,500,000	7,500,000
Tracking and data acquisition	281,700,000	278,700,000	281,700,000	280,200,000
Technology utilization	8,100,000	9,100,000	9,100,000	9,100,000
Total	3,026,000,000	3,047,500,000	3,030,000,000	3,041,500,000
Construction of facilities	161,800,000	158,340,000	161,800,000	160,940,000
Research and program management	846,989,000	847,989,000	846,989,000	846,989,000
Grand total	4,034,789,000	4,053,829,000	4,038,789,000	4,049,429,000

[1] Includes Carter amendments to original fiscal year 1978 budget request.

Funds were decreased to:

First. Account for economies derived from industrial initiatives to provide upper stage vehicles without NASA development ($2 million);

Second. Take advantage of opportunities to reduce supporting costs in repetitive procurement of expendable launch vehicles ($2 million);

Third. Reduce study efforts for a Mars follow-on to the Viking mission ($5 million);

Fourth. Provide a general reduction in tracking and data acquisition effort ($1.5 million); and

Fifth. Delete construction of a crew training facility ($0.86 million).

I am including a summary of the action taken for the record.

The conference report before you reflects the need to exercise prudent economy while encouraging full utilization of the potential of space.

I urge the adoption of this report.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on the NASA authorization bill is a just and fair compromise of the House and Senate versions of H.R. 4088. The total authorization presented in this conference report of $4,049,429,000 is $4,400,000 less than what was authorized by the House-passed bill. The Senate version of H.R. 4088 authorized $4,038,789,000 which is $10,640,000 less than the conference report authorization. The total budget presented in the conference report is broken down as follows:

Research and development	$3,041,500,000
Construction of facilities	160,940,000
Research and program management	846,989,000

I was quite pleased with the fact that total agreement was reached by the conferees. Admittedly, we have modified the House position somewhat, but in a constructive manner.

The aeronautics research and technology line item has been increased this year at a reasonable rate. In the past the House Committee on Science and Technology has stressed the importance of strengthening this area. Aeronautics, for sometime, seemed to be in the shadows of the space activities.

Consequently, this Nation's aeronautics technology base has begun to face very severe competition. The fiscal year 1977 Authorization for "Aeronautics Research and Technology" was $191,100,000, as compared to $234,000,000 for fiscal year 1978. This represents approximately an 18-percent increase.

The budget item "Space Applications" was of special significance to me because of the down-to-earth utilization of our space technology. The House version had increased this line item by $5,000,000 for enhancing the weather and climate research program. The Senate version increased this category by $6 million for three specific purposes: One, $2 million for addition of multispectral scanner to Landsat-D; two, development of a satellite system for monitoring the 200-mile coastal limit; and three, development of a system to monitor oilspills. All of these programs, both in the House and Senate versions, are in my opinion very worth while and practical. Consequently, I am pleased with the compromise that included the $6 million increase and incorporated the weather and climate, multispectral scanner, 200-mile coastal monitor, and ocean coastal pollution monitoring programs. This last aspect will be especially valuable in detecting waste disposal and similar forms of coastal pollution.

One issue within the compromise which was extensively debated was in the construction of facilities budget. The House had eliminated $860,000 for construction of a water immersion facility at the Johnson Space Center. The Senate version authorized that expenditure. The compromise was to eliminate the funding but allow NASA to justify the facility at a later date for construction.

Mr. Speaker, I wholeheartedly support this conference report, and urge my colleagues to do the same.

Mr. WEISS. Mr. Speaker, I would like to share with you and my colleagues a copy of a letter I recently received from the Honorable Bert Lance, Director of the Office of Management and Budget, which responds to a request for clarification of OMB's view on the preparation by NASA of an overall program plan for the development of a new SST or so-called AST—advanced supersonic transport.

The conference committee report on H.R. 4088—the NASA authorization—includes $15.2 million for the preparation of such a plan as a result of a mandate in House Report 95–67 calling for technology readiness for a new SST by the early 1980's.

In his excellent letter—printed below—Mr. Lance makes it clear that this authorization is not interpreted by OMB to be an open-ended authority for redevelopment of the SST; that such development is more appropriate as an undertaking for the private sector and that this authorization approves only limited study by NASA on the technical facets of supersonic aeronautics.

OFFICE OF MANAGEMENT
AND BUDGET,
Washington, D.C., June 29, 1977.

Hon. TED WEISS,
House of Representatives,
Washington, D.C.

DEAR MR. WEISS: This letter responds to your letter of May 23, 1977 in which you requested additional clarification of our views on Federal sponsorship of an advanced supersonic transport aircraft.

In considering the implications of the House Committee's action on the FY 1978 authorization for the National Aeronautics and Space Administration, we believe it important to draw a distinction between the $15 million authorized for supersonic transport research by NASA and the Committee's request for an overall program plan to achieve technology readiness for such an aircraft by the early 1980's.

The $15 million, authorized in FY 1978, was included in the President's FY 1978 Budget and was to permit the National Aeronautics and Space Administration to examine, at a constrained funding level, some of the high risk technology areas involved in the design of an economically and environmentally acceptable supersonic transport. These funds, in our view, do not constitute a commitment to achieving technology readiness for such an aircraft. As stated in our previous letter, such future budgetary commitments would have to be considered on the basis of our long-range transportation needs and overall national budget priorities.

Concerning agency preparation of an overall program plan, we believe that the final formulation and any future implementation of such a program should be the product of the normal budgetary review process, involving both executive branch and congressional review of specific program proposals in the context of our national goals and priorities. In this regard, we believe that in responding to the Committee's request, the National Aeronautics and Space Administration could develop a series of program options to serve as possible future input to the normal budget review process. Such a study could describe for each general option the efforts needed in major technology disciplines and the associated cost and schedule considerations. Such an approach we believe

could meet the House Science and Technology Committee's requirements for its FY 1979 pre-authorization hearings without committing the Administration to any particular future course of action.

We could expect, moreover, that the agency reply to the congressionally-requested study would make clear that the long-term program options addressed in the report are in the nature of planning assumptions and do not represent agency or Administration recommendations for the future direction of the NASA aeronautical research and technology efforts. Specific recommendations or requests for any future funding, if appropriate, would be addressed by the President in the formulation of his future budget proposals to the Congress.

We would further expect that such an approach would focus on those aspects for which the National Aeronautics and Space Administration could make the largest potential contribution, namely the advancement of aeronautical research and technology. As stated in our previous letter, the private sector is the appropriate arena for assessing and determining the economic viability of an advanced supersonic transport. We, therefore, would not expect the National Aeronautics and Space Administration study to include an economic analysis covering the investment or return aspects of such a commercial venture.

We hope this letter clarifies our position on this matter. Please contact us should you need additional information.

Sincerely,

BERT LANCE,
Director.

Mr. WINN. Mr. Speaker, I am pleased to be able to again rise in support of the conference report on the fiscal year 1978 NASA authorization bill, H.R. 4088. I feel that the conferees made relevant and practical compromises in the budget line items. The total budget for research and development, construction of facilities and research and program management is $4,049,429,000. This amount is $14,640,000 greater than the NASA request and $4,400,000 less than the House authorization. The opponents of funding for basic research will decry this huge sum of $4 billion. However, compared to the total welfare cost in this Nation it is a rather meager sum. HEW spends the equivalent of the total fiscal year 1978 NASA budget in approximately 9 days. What is more important in regard to the expenditures in basic research is that there is a tremendous return on investment. Some economic studies have shown that for every dollar spent in basic research, $14 are returned into the economy within 10 years.

The largest and most impressive program at NASA is the Space Shuttle program. Both the House and Senate strongly support the research and development and the five Orbiter production of the Space Shuttle. In fact, the Senate version increased this line item by $5 million. The conference version of the Space Shuttle line item is $1,354,200,000 which is $5 million greater than the House version and the NASA request.

A new concept in energy production, solar satellite power system, has been enthusiastically supported by the House for 2 years. To enable further study in this area the House version of H.R. 4088 included an additional $5 million in the line item "Energy technology applications." The Senate version agreed with the significance of a satellite solar power system, however, they did not agree to the budget increase. The conferees agreed to a total budget of $7,500,000, with $4,000,000 dedicated to satellite solar power system research.

Space applications at NASA is a very gratifying endeavor or program because this is where the American taxpayer can see the obvious return on his investment in the space program. One specific area within the space applications budget line item that is of special significance to me is the severe storm research program. Our society is still at the mercy of the forces of nature, such as tornadoes and hurricanes. Millions of dollars of damage are sustained each year due to these violent storms. One storm this May in my home district resulted in approximately $30 million of damages. As a consequence, I am pleased to see a reasonable level of research funding that will allow us to understand, predict, and maybe even control the severe storm phenomenon.

The research and program management category of the NAAS budget was left at the original NASA request level of $846,989,000. The House had recommended an increase of $1,000,000 for travel. However, the Senate did not agree with this position. I feel, however, that NASA should be commended for keeping the lid on the R. & P.M. funding. In light of rising personnel and utility cost this is remarkable.

In conclusion, I would like to say that this is a good bill that will allow NASA to adequately carry out its mandated charter. I urge my colleagues to lend their support.

Mr. TEAGUE. Mr. Speaker, before us today is the result of a successful House-Senate conference on the fiscal year 1978 NASA authorization bill (H.R. 4088). This conference report recommends $4,049,429,000 for NASA in fiscal year 1978. This total is comprised of $3,041,500,000 for research and development, $15.5 million more than the NASA request; $160,940,000 for construction of facilities, $860,000 less than the NASA request; and $846,989,000 for research and program management which is the same as the NASA request.

The funds provided in this bill (H.R. 4088) will allow NASA to proceed with current programs of space utilization and exploration. It will allow for new effort in a space telescope program, Landsat satellite, search and rescue satellite, and a planetary orbiter and probe—Jupiter Orbiter Probe. At the same time, the Space Shuttle program continues within cost and on schedule.

Because of the continued major NASA contribution to our Nation, I urge adoption of the conference report.

Mr. FUQUA. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOTTL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 29, not voting 25, as follows:

[Roll No. 436]

YEAS—379

Abdnor	Delaney	Jones, Tenn.
Akaka	Derrick	Jordan
Alexander	Derwinski	Kasten
Allen	Devine	Kastenmeier
Ambro	Dicks	Kazen
Ammerman	Dingell	Kelly
Anderson, Calif.	Dodd	Kemp
	Dornan	Ketchum
Anderson, Ill.	Downey	Keys
Andrews, N.C.	Drinan	Kildee
Andrews, N. Dak.	Duncan, Oreg.	Kindness
	Duncan, Tenn.	Kostmayer
Annunzio	Early	Krueger
Applegate	Eckhardt	LaFalce
Archer	Edgar	Lagomarsino
Armstrong	Edwards, Ala.	Le Fante
Ashbrook	Edwards, Calif.	Leach
Ashley	Edwards, Okla.	Lederer
Aspin	Eilberg	Leggett
AuCoin	Emery	Lehman
Badham	English	Lent
Badillo	Erlenborn	Levitas
Bafalis	Evans, Colo.	Lloyd, Calif.
Baldus	Evans, Del.	Lloyd, Tenn.
Barnard	Evans, Ga.	Long, La.
Baucus	Fary	Long, Md.
Bauman	Fascell	Lott
Beard, R.I.	Fenwick	Lujan
Beard, Tenn.	Fish	Luken
Bellenson	Fisher	Lundine
Benjamin	Fithian	McClory
Bennett	Flood	McCloskey
Bevill	Florio	McCormack
Biaggi	Flowers	McDade
Bingham	Flynt	McDonald
Blanchard	Foley	McEwen
Blouin	Ford, Mich.	McFall
Boggs	Ford, Tenn.	McHugh
Boland	Forsythe	McKay
Bolling	Fountain	Madigan
Bowen	Fowler	Mahon
Breaux	Fraser	Mann
Breckinridge	Frenzel	Markey
Brinkley	Frey	Marks
Brodhead	Fuqua	Marlenee
Brooks	Gammage	Marriott
Broomfield	Gaydos	Martin
Brown, Calif.	Giaimo	Mathis
Brown, Mich.	Gibbons	Mattox
Brown, Ohio	Gilman	Mazzoli
Buchanan	Ginn	Meeds
Burgener	Glickman	Metcalfe
Burke, Calif.	Gonzalez	Meyner
Burke, Fla.	Goodling	Michel
Burleson, Tex.	Gore	Mikulski
Burlison, Mo.	Gradison	Milford
Burton, Phillip	Grassley	Miller, Calif.
Butler	Gudger	Mineta
Byron	Guyer	Minish
Caputo	Hagedorn	Mitchell, Md.
Carney	Hall	Mitchell, N.Y.
Carter	Hamilton	Moakley
Cavanaugh	Hammer-schmidt	Moffett
Cederberg		Mollohan
Chappell	Hanley	Montgomery
Chisholm	Hannaford	Moore
Clausen, Don H.	Hansen	Moorhead, Calif.
	Harkin	
Clawson, Del	Harris	Moorhead, Pa.
Cleveland	Harsha	Moss
Cochran	Hawkins	Mottl
Cohen	Hefner	Murphy, N.Y.
Coleman	Heftel	Murphy, Pa.
Collins, Ill.	Hightower	Murtha
Collins, Tex.	Hillis	Myers, Gary
Conable	Hollenbeck	Myers, John
Conte	Holt	Myers, Michael
Corcoran	Hubbard	Natcher
Corman	Huckaby	Neal
Cornwell	Hughes	Nedzi
Cotter	Hyde	Nichols
Coughlin	Ichord	Nix
Crane	Ireland	Nolan
Cunningham	Jenkins	Nowak
D'Amours	Jenrette	O'Brien
Daniel, Dan	Johnson, Calif.	Oakar
Daniel, R. W.	Johnson, Colo.	Oberstar
Danielson	Jones, N.C.	Panetta
de la Garza	Jones, Okla.	Patten

Patterson	Santini	Traxler
Pattison	Sarasin	Treen
Pease	Satterfield	Trible
Pepper	Sawyer	Tsongas
Perkins	Scheuer	Tucker
Pettis	Schroeder	Udall
Pickle	Schulze	Ullman
Pike	Sebelius	Van Deerlin
Poage	Seiberling	Vander Jagt
Pressler	Sharp	Vanik
Preyer	Shipley	Vento
Price	Shuster	Waggonner
Pritchard	Sikes	Walgren
Pursell	Sisk	Walker
Quayle	Skelton	Walsh
Quie	Skubitz	Wampler
Quillen	Slack	Watkins
Railsback	Smith, Iowa	Waxman
Rangel	Smith, Nebr.	Whalen
Regula	Snyder	White
Rhodes	Solarz	Whitehurst
Richmond	Spellman	Whitley
Rinaldo	Spence	Whitten
Risenhoover	St Germain	Wiggins
Roberts	Staggers	Wilson, Bob
Robinson	Stangeland	Wilson, C. H.
Rodino	Stanton	Wilson, Tex.
Roe	Stark	Winn
Rogers	Steed	Wirth
Roncalio	Steers	Wolff
Rose	Steiger	Wright
Rosenthal	Stokes	Wydler
Rostenkowski	Stratton	Wylie
Rousselot	Stump	Yatron
Roybal	Symms	Young, Alaska
Rudd	Taylor	Young, Fla.
Runnels	Thompson	Young, Mo.
Ruppe	Thone	Young, Tex.
Ryan	Thornton	Zablocki

NAYS—29

Bedell	Holtzman	Ottinger
Bonior	Jacobs	Rahall
Burton, John	Jeffords	Reuss
Carr	Krebs	Simon
Conyers	Latta	Studds
Cornell	Maguire	Volkmer
Dellums	Mikva	Weaver
Evans, Ind.	Miller, Ohio	Weiss
Gephardt	Murphy, Ill.	Yates
Harrington	Obey	

NOT VOTING—25

Addabbo	Diggs	Koch
Bonker	Ertel	McKinney
Brademas	Findley	Rooney
Broyhill	Flippo	Russo
Burke, Mass.	Goldwater	Stockman
Clay	Heckler	Teague
Davis	Holland	Zeferetti
Dent	Horton	
Dickinson	Howard	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Broyhill.
Mr. Addabbo with Mr. Dickinson.
Mr. Brademas with Mr. Findley.
Mr. Zeferetti with Mr. McKinney.
Mr. Teague with Mr. Stockman.
Mr. Rooney with Mr. Flippo.
Mr. Howard with Mr. Diggs.
Mr. Dent with Mr. Ertel.
Mr. Holland with Mrs. Heckler.
Mr. Davis with Mr. Horton.
Mr. Clay with Mr. Bonker.
Mr. Russo with Mr. Koch.

Messrs. REUSS, BONIOR, VOLKMER, RAHALL and MURPHY of Illinois changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 1474, MILITARY CONSTRUCTION AUTHORIZATION ACT, 1978

Mr. NEDZI. Mr. Speaker, I call up the conference report on the Senate bill (S. 1474) to authorize certain construction at military installations, and for other purposes, and ask unanimous consent that the statement of the manager be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 12, 1977.)

Mr. NEDZI (during the reading). Mr. Speaker, in view of the fact that the conference report designated as Report No. 95–494 is available to the Members and was ordered printed on July 12 and is also available in the RECORD of Tuesday, July 12, on page 22513, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. NEDZI) and the gentleman from Virginia (Mr. WHITEHURST) are recognized for 30 minutes each.

The Chair recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on May 13, 1977, the Senate passed S. 1474, the Military Construction Authorization Act for fiscal year 1978, which provided new construction authorization for the military departments and the Department of Defense in the total amount of $3,726,633,000.

On June 6, 1977, the House considered the legislation, amended it by striking all language after the enacting clause and wrote a new bill. As passed by the House, S. 1474 provided new construction authorization in the total amount of $3,508,560,000.

As a result of a June 10 conference between the House and the Senate on the differences in S. 1474, the conferees agreed to an adjusted authorization totaling $3,724,718,000.

This compromise total is $148,201,000 above the amount requested by the Department of Defense. However, it should be pointed out that this larger figure includes $122,126,000 in authorization provided in H.R. 5502, the fiscal year 1977 Supplemental Military Construction Authorization Act passed by the House on April 4, 1977. The purpose of that bill was to authorize $57.1 million in energy conservation and pollution abatement projects and $65 million for repairs of military family housing in an effort to bolster job-producing Federal programs. Therefore, the net increase over the Department's request, as contained in S. 1474, is only $26,075,000.

There were 84 differences between the House and Senate bills. However, we were able to reach agreement on each of these differences. I will not go into great detail because House Report 95–494, the conference report on S. 1474, explains the actions of the conferees.

Two items stimulated the most discussion during the conference. One centered on a House proposal to individually meter energy consumed in military family housing units in the United States and its possessions. The other dealt with a Senate proposal to establish a minor construction program for the individual services.

In its bill, the House authorized $161.2 million for the metering program which, through energy savings, would pay for itself in 2 years or less. Under the program, the Secretary of Defense is directed to establish reasonable energy consumption ceilings for family housing and to assess occupants for any consumption in excess of that established ceiling. The Senate conferees argued that such a program would affect the entire pay and compensation question and before implementation a test should be conducted to determine its feasibility.

The conferees agreed to retain the House language found in section 507 with an additional provision making the excess consumption assessment effective only upon completion of a test program and after a review of the test findings by the Congress. The conferees further agreed to authorize $70 million to meet the estimated Defense Department obligational capability for the program during fiscal year 1978. This action will enable the Department of Defense to proceed with the installations of meters during the test program so that implementation will be possible once feasibility is demonstrated.

The Senate provision on minor construction provided the Department of Defense with the authority and flexibility to program projects costing up to $1 million without specific annual authorization. The House conferees, however, expressed concern over the unknown impact of the process and recommended a study to determine its effects.

As finally approved by the conference, the new minor construction authority is to be effective beginning with fiscal year 1979 and will apply to projects costing less than $500,000. The Department of Defense is required to notify the Armed Services Committees in writing of any approved project costing more than $300,000 at least 30 days before funds are obligated for the project.

The Department of Defense is expected to develop implementing guidelines for the new minor construction authority before the fiscal year 1979 budget submission to Congress and to report to the Armed Services Committees at that time regarding the procedures that will be used to effect the new authority. This will enable the Congress to determine whether this newly conceived program is workable.

The conferees have brought to the House a good bill that will adequately provide for the construction needs of the military establishment during fiscal year 1978. I want to assure the House that all amendments adopted by the conference are germane to the bill and I urge its adoption.

Mr. WHITEHURST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to support the statement of the gentleman from Michigan, regarding the conference report on S. 1474.

The conference bill includes initiatives of both the House and Senate which should improve the overall construction programs of the three services and defense agencies. Of particular note is the $122 million for which supplemental appropriations have already been approved by the Congress. This means that these projects will be able to go to contract immediately, producing new stimulus to the economy by providing jobs in the construction trades.

The conference has written a good clean bill which I urge the House to adopt.

Mr. WHITEHURST. Mr. Speaker, I have no requests for time.

Mr. NEDZI. Mr. Speaker, I have no requests for time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 370, nays 34, not voting 29, as follows:

[Roll No. 437]

YEAS—370

Abdnor	Breckinridge	Crane
Akaka	Brinkley	Cunningham
Alexander	Brodhead	D'Amours
Allen	Brooks	Daniel, Dan
Ambro	Broomfield	Daniel, R. W.
Anderson, Calif.	Brown, Calif.	Danielson
	Brown, Mich.	de la Garza
Anderson, Ill.	Brown, Ohio	Delaney
Andrews, N.C.	Broyhill	Derrick
Andrews, N. Dak.	Buchanan	Derwinski
	Burgener	Devine
Annunzio	Burke, Calif.	Dicks
Applegate	Burke, Fla.	Diggs
Archer	Burleson, Tex.	Dingell
Armstrong	Burlison, Mo.	Dodd
Ashbrook	Burton, John	Dornan
Ashley	Burton, Phillip	Downey
Aspin	Butler	Drinan
AuCoin	Byron	Duncan, Oreg.
Badham	Caputo	Duncan, Tenn.
Bafalis	Carney	Eckhardt
Baldus	Carr	Edgar
Barnard	Carter	Edwards, Ala.
Baucus	Cavanaugh	Edwards, Okla.
Bauman	Cederberg	Eilberg
Beard, R.I.	Chappell	Emery
Beard, Tenn.	Clausen, Don H.	English
Bellenson		Erlenborn
Benjamin	Clawson, Del	Evans, Colo.
Bennett	Cleveland	Evans, Del.
Bevill	Cochran	Evans, Ga.
Biaggi	Cohen	Evans, Ind.
Bingham	Coleman	Fary
Blanchard	Collins, Ill.	Fascell
Blouin	Collins, Tex.	Findley
Boggs	Conable	Fish
Boland	Conte	Fisher
Bolling	Corcoran	Fithian
Bonior	Corman	Flood
Bonker	Cornwell	Florio
Bowen	Cotter	Flowers
Breaux	Coughlin	Flynt
Foley	McDade	Rostenkowski
Ford, Mich.	McDonald	Rousselot
Ford, Tenn.	McEwen	Roybal
Fowler	McFall	Rudd
Fraser	McKay	Ruppe
Frey	Mahon	Ryan
Fuqua	Mann	Santini
Gammage	Markey	Sarasin
Gaydos	Marks	Satterfield
Gephardt	Marlenee	Sawyer
Gibbons	Marriott	Schroeder
Gilman	Martin	Schulze
Ginn	Mathis	Sebelius
Glickman	Mattox	Seiberling
Gonzalez	Mazzoli	Shipley
Gore	Meeds	Sikes
Gradison	Metcalfe	Simon
Grassley	Meyner	Sisk
Gudger	Michel	Skelton
Guyer	Mikulski	Skubitz
Hagedorn	Mikva	Slack
Hall	Milford	Smith, Iowa
Hamilton	Mineta	Smith, Nebr.
Hammer-schmidt	Minish	Snyder
	Mitchell, N.Y.	Solarz
Hanley	Moakley	Spellman
Hannaford	Mollohan	Spence
Hansen	Montgomery	St Germain
Harkin	Moore	Staggers
Harris	Moorhead, Calif.	Stangeland
Harsha		Stanton
Hawkins	Moorhead, Pa.	Steed
Heckler	Moss	Steers
Heftel	Mottl	Steiger
Hightower	Murphy, Ill.	Stokes
Hillis	Murphy, N.Y.	Stratton
Hollenbeck	Murphy, Pa.	Studds
Holt	Murtha	Stump
Hubbard	Myers, Gary	Symms
Huckaby	Myers, John	Taylor
Hughes	Myers, Michael	Thompson
Hyde	Natcher	Thone
Ichord	Neal	Thornton
Ireland	Nedzi	Traxler
Jeffords	Nichols	Treen
Jenkins	Nix	Trible
Jenrette	Nowak	Tsongas
Johnson, Calif.	O'Brien	Tucker
Johnson, Colo.	Oakar	Udall
Jones, N.C.	Oberstar	Ullman
Jones, Okla.	Obey	Van Deerlin
Jones, Tenn.	Panetta	Vander Jagt
Jordan	Patten	Vanik
Kasten	Patterson	Vento
Kazen	Pattison	Waggonner
Kelly	Pease	Walgren
Ketchum	Pepper	Walker
Keys	Perkins	Walsh
Kildee	Pickle	Wampler
Kindness	Pike	Watkins
Kostmayer	Poage	Waxman
Krebs	Pressler	Weaver
Krueger	Preyer	Whalen
LaFalce	Price	White
Lagomarsino	Pursell	Whitehurst
Latta	Quayle	Whitley
Le Fante	Quie	Whitten
Leach	Quillen	Wiggins
Lederer	Rahall	Wilson, Bob
Leggett	Railsback	Wilson, C. H.
Lehman	Regula	Wilson, Tex.
Lent	Reuss	Winn
Levitas	Rhodes	Wirth
Lloyd, Calif.	Rinaldo	Wolff
Lloyd, Tenn.	Risenhoover	Wright
Long, La.	Roberts	Wydler
Long, Md.	Robinson	Wylie
Lott	Rodino	Yatron
Lujan	Roe	Young, Alaska
Luken	Rogers	Young, Fla.
McClory	Roncalio	Young, Mo.
McCloskey	Rose	Young, Tex.
McCormack	Rosenthal	Zablocki

NAYS—34

Ammerman	Frenzel	Nolan
Badillo	Goodling	Ottinger
Bedell	Harrington	Rangel
Chisholm	Holtzman	Richmond
Clay	Kastenmeier	Scheuer
Conyers	Lundine	Sharp
Cornell	McHugh	Stark
Dellums	Maguire	Volkmer
Early	Miller, Calif.	Weiss
Edwards, Calif.	Miller, Ohio	Yates
Fenwick	Mitchell, Md.	
Forsythe	Moffett	

NOT VOTING—29

Addabbo	Davis	Ertel
Brademas	Dent	Flippo
Burke, Mass.	Dickinson	Fountain
Giaimo	Kemp	Runnels
Goldwater	Koch	Russo
Hefner	McKinney	Shuster
Holland	Madigan	Stockman
Horton	Pettis	Teague
Howard	Pritchard	Zeferetti
Jacobs	Rooney	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Dickinson.
Mr. Addabbo with Mr. McKinney.
Mr. Brademas with Mr. Stockman.
Mr. Zeferetti with Mr. Ertel.
Mr. Rooney with Mr. Horton.
Mr. Teague with Mr. Madigan.
Mr. Dent with Mr. Davis.
Mr. Russo with Mr. Jacobs.
Mr. Koch with Mr. Goldwater.
Mr. Howard with Mrs. Pettis.
Mr. Runnels with Mr. Pritchard.
Mr. Hefner with Mr. Holland.
Mr. Giaimo with Mr. Flippo.
Mr. Fountain with Mr. Shuster.

Mrs. FENWICK, Mr. WEISS, and Mr. YATES changes their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 6138, YOUTH EMPLOYMENT AND DEMONSTRATION PROJECTS

Mr. PERKINS. Mr. Speaker, I call up the conference report on the bill (H.R. 6138) to provide employment and training opportunities for youth, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 22, 1977.)

Mr. PERKINS (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. The gentleman from Kentucky (Mr. PERKINS) and the gentleman from Minnesota (Mr. QUIE) are recognized for 30 minutes each.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report we are bringing back to the House today deals with a problem which has now become an international issue. H.R. 6138, the Youth Employment and Demonstration Projects Act of 1977, provides for programs aimed at exploring methods for dealing with the severe and persistent

levels of unemployment among our Nation's youth.

The problem of youth unemployment is now the subject of international discussions and conferences. Other nations are beginning to recognize that the problem of structural employment among young people is so severe that it must be addressed as a matter of national policy. H.R. 6138 is the culmination of efforts by the Congress and the administration to address this problem for our own Nation's youth in a comprehensive and responsible way.

We have approached this issue in a bipartisan manner from the beginning. H.R. 6138 passed the House on May 17 by a vote of 334 to 61. That bill originated in the Subcommittee on Employment Opportunities, chaired by my good friend and distinguished colleague, GUS HAWKINS.

We have had the complete cooperation of AL QUIE, the ranking minority member of the full committee, and RON SARASIN, the ranking minority member of the subcommittee. We have also had the complete cooperation of Secretary of Labor Ray Marshall, who I believe, incidentally, will be one of our great Secretaries of Labor.

The conference we have just concluded with the Senate has left the House bill substantially intact. We gave in on some issues and they gave in on some issues. The final product of the conference has the enthusiastic support of the conferees on both sides of the aisle, and the enthusiastic support of the administration. I believe it is a landmark piece of legislation, and deserves the support of every Member of this body.

Title I of the bill sets up a year-round Young Adult Conservation Corps program. It will put approximately 35,000 youths between the ages of 16 to 23 to work on resource management projects in our National and State parks. The bills originally passed by both bodies contained different versions of a YACC. The Senate bill provided a far stronger role for the Secretary of Labor than the House bill did, but contained only a 1-year authorization period, as opposed to a 3-year authorization in the House-passed bill.

At the urging of Secretary Marshall, the House conferees accepted the Senate's version with a strong role for the Secretary of Labor, and the Senate in turn agreed to the 3-year authorization period provided in the House bill. We agreed to do this with reluctance, because the House version was closely modeled after the YACC bill passed by the House last year. The substance of both bills was the same, however, and we felt that we should give due weight to the administration's wishes, since it is charged wtih the responsibility of carrying out this program.

We expect the Secretary of Labor to move expeditiously to establish this program, using funds previously appropriated in the Economic Stimulus Appropriations Act of 1977. It is his responsibility, for example, to select candidates for the corps for referral to the Secretaries of the Interior and Agriculture, and we expect the Secretary to move immediately to establish selection procedures for this purpose.

We also expect the Secretary to take the lead in promptly completing the interagency agreements with the Secretaries of the Interior and Agriculture which are called for in the bill. This is a very important program, not only for our Nation's young people, but for our Nation's public lands, where the badly needed resource management work is waiting to be done. We hope that it can be started up very quickly.

Title II of the bill sets up five different programs, all with a 1-year authorization, to test different methods of dealing with the problem of youth unemployment.

The approach of the House, which the Senate accepted, is that a number of pilot programs should be launched and tested to see how we can best deal with this problem.

Quoting from the statement of purpose in the bill:

> It is the purpose of this part to establish a variety of employment, training and demonstration programs to explore methods of dealing with the structural unemployment problems of the Nation's youth. The basic purpose of the demonstration programs shall be to test the relative efficacy of different ways of dealing with these problems in different local contexts, but this basic purpose shall not preclude the funding of programs dealing with the immediate difficulties faced by youths who are in need of, and unable to find, jobs.

While we know that the problem of youth unemployment is a long-term problem, we are not sure what the long-term solution is. We have thus put those programs in as amendments to title III of the CETA legislation to emphasize that we will try these programs out, we will evaluate them, and will decide next year what the permanent program will look like.

The first program is what we refer to as the Sarasin projects. This section of the bill is taken in toto from the House bill and authorizes $172.5 million for 15–20 demonstration projects, to provide guaranteed jobs for economically disadvantaged youth between the ages of 16 and 19 who stay in school and get their high school diploma or its equivalent. The youths in the demonstration area will get jobs for up to 20 hours per week during the school year, and 40 hours per week during the summer.

A youngster is at a great disadvantage in the labor market without his high school diploma. This program will allow needy youngsters to stay in school, complete their education, and gain valuable work experience while doing so.

This proposal was the brainchild of the ranking minority member of the subcommittee, RON SARASIN, and has already drawn praise as one of the most innovative and promising features of the bill. It is a good example of the bipartisan nature of this bill, and an example of the contributions my friend from Connecticut has consistently made to the work of the committee.

I want to emphasize that the Secretary of Labor has the discretion to use a wide variety of mixes in testing this idea, and that we do not intend that he adhere to any regional allocation scheme in doing so. It should be tested in rural and urban areas, and can be done within subparts of a prime sponsor's area.

We do not expect that the program will be open to youths who move into an area only for the purpose of participating in it.

We also expect maximum use of the funds provided for the Sarasin projects. If the Secretary finds after 3 or 4 months, for example, that the number of participants has been underestimated, then additional, shorter-term projects should be funded.

This is a pilot project, and we expect that the Secretary will send out a request for proposals and otherwise expedite the launching of the various projects.

The second program authorizes $172.5 million for a wide variety of community conservation and improvement projects. Any prime sponsor is eligible to apply for funds for these projects.

This program encourages youths to remain in school while working on weatherization projects, repairs to low-income housing, neighborhood and local parks rehabilitation, cleanup projects, and other worthwhile projects.

This program was proposed in the Senate by Senators STAFFORD and RANDOLPH. We thought it was a good approach, and in fact had authorized these same projects under a different section of the House-passed bill. The House conferees agreed with the Senate that it should appear in the bill as a separate and distinct program.

The third program provides $100 million for discretionary projects to be selected by the Secretary of Labor. The Secretary has the ultimate responsibility for carrying out the Nation's employment and training programs, and, as we move into this difficult area of trying to come up with solutions to a very severe problem, we felt we should give him the flexibility to test out additional ideas.

The fourth program provides for a formula allocation of $603.7 million to prime sponsors to operate special youth programs for youths aged 14 to 21 who come from families whose income is less than 85 percent of the lower living standard budget, roughly $8,500 for a family of four.

Section 342(a) of the bill details a wide variety of approaches which can be tried with funds provided under this formula allocation.

The fifth program provides that 22 percent of the funds provided for each prime sponsor shall be used for work experience programs for in-school youths, to be jointly operated by prime sponsors and local education agencies. This proposal originated with Senators JAVITS and HUMPHREY, and the House conferees accepted it in the belief that the basic concept of trying to strengthen the relationship between manpower programs and educational institutions at the local level was a sound one.

In summary, Mr. Speaker, I believe we have brought back to the House a flexible

bill, and a bill which reflects the best thinking of the House, the Senate, and the administration. The conferees on both sides of the aisle are pleased with the results of the conference, and I urge my colleagues to support the conference report.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. HAWKINS), the distinguished chairman of the subcommittee.

Mr. HAWKINS. Mr. Speaker, on June 16, 1977, conferees from the House and Senate reached agreement on legislation to authorize youth employment and training programs. H.R. 6138, the Youth Employment and Demonstration Projects Act of 1977 amends the Comprehensive Employment and Training Act by adding a new title VIII and a new part C to the title III. The Economic Stimulus Appropriations Act—Public Law 95–29—signed into law on May 13, 1977, provided $1 billion for year-round youth programs in anticipation of this legislation. The economic recovery package the President sent to Congress on January 31 requested $1.5 billion to be spent on the programs authorized in this bill. It is my understanding that the Labor-HEW appropriations bill did not contain the additional $500 million required for these programs as the committee was awaiting authorization legislation. As the apportionment of funds in the bill under consideration today was designed on the assumption of $1.5 billion in funding requested in the President's message, I anticipate that the supplemental appropriations bill for Labor-HEW will include the additional funds required for effective implementation of these programs.

Title I of H.R. 6138 creates a new title VIII to CETA and establishes a Young Adult Conservation Corps authorized for 3 years to employ young adults age 16–23 inclusive. These young people will be employed year-round to reduce the volume of labor intensive resource management work on our Nation's public lands, Federal, State and local. This program will be administered by the Secretary of Labor pursuant to interagency agreements entered into with the Secretaries of Interior and Agriculture. It is the intent of the conferees that these agreements will address all aspects of the administration of this program. It is clear that the Secretaries of Interior and Agriculture along with agencies affiliated with the U.S. Employment Service, CETA prime sponsors and other appropriate agencies will refer applicants to the Secretary of Labor. However, the Secretary of Labor has sole responsibility for referral of eligible applicants to the Corps centers. Corps members will be hired by the Secretaries of Interior and Agriculture from the list of eligible applicants referred by the Secretary of Labor from the original applicant pool. The YACC shall be open to youth of all economic backgrounds who are capable of carrying out the duties of the Corps and may be employed for up to three periods not to exceed a total of 12 months. They may receive academic credit for their participation if applicable.

The YACC Corps centers will be established by the Secretaries of Interior and Agriculture after consultation with the Secretary of Labor. The interagency agreements should address this procedure in detail to avoid any possible conflicts. It is also the intent of the conferees that the funds required by the Secretaries of Interior and Agriculture will be transferred to them in an expeditious manner to assure prompt implementation of the YACC program in the field.

Thirty percent of the funds available for this program are set aside for grants to States or local governments. The conferees expect that in most cases arrangements will be made with the States and that the States will coordinate arrangements with other eligible entities.

Although grants to State and local governments are the responsibility of the Secretaries of Interior and Agriculture, the bill provides certain labor standards which: First, will result in an increase in employment opportunities; two, will not result in displacement of currently employed workers; three, will not impair existing contracts or substitute Federal funds for work that would otherwise be performed; four, will not substitute YACC jobs for existing federally assisted jobs; and five, will not result in the hiring of a youth when any other person is on layoff from the same or any substantially equivalent job. The interagency agreements should provide for the active role of the Secretary of Labor in the stringent application of these provisions.

Title II of H.R. 6138 amends title III of CETA and creates a new part C with three major programmatic subparts authorized for 1 year. Although the youth unemployment problem is acute in nature and chronic in duration, these programs are authorized for short-term duration to demonstrate the effectiveness of a variety of approaches to the problem. The House Education and Labor Committee and the Senate Human Resources Committee intend, in the conduct of our general oversight of the CETA program, to examine the experience and information provided by these programs and to attempt a more comprehensive approach to the youth unemployment problem for the next fiscal year.

Youth incentive entitlement program. This subpart authorizes a pilot program in areas selected by the Secretary of Labor to test the efficacy of assuring employment and/or training to economically disadvantaged youth age 16–19 who are in school or willing to return to seek a high school diploma or its equivalency. The Secretary is given broad discretion to design the program to test a variety of models. It is certainly not intended that the Secretary should allocate funds on a purely regional basis but rather that he will select a variety of geographic areas, both urban and rural, experiencing different economic circumstances. An area selected for this pilot program need not be the entire jurisdiction of any one prime sponsor but may be only part of that jurisdiction. After the initial selection of areas to receive a pilot youth incentive entitlement, any funds remaining may be utilized for short-term projects lasting less than 1 year.

The eligible employment and training opportunities under this program shall be part-time during the school year for an average of 20 hours per week and full-time during the summer. In selecting prime sponsors to conduct pilot programs of this nature, the Secretary shall take into consideration the extent to which they will devote funds available under title I and the summer youth program under section 304(a) for the entitlement program. This subpart also describes the information to be included in a prime sponsor's proposal including assurances that local institutions and organizations have been consulted and that regular workers will be protected. The Secretary is required to report to Congress on the effect of this program. The conferees do not expect the report required on March 15, 1978 to be definitive in nature but to provide as much information as possible to assess the effectiveness of the program and to assist in the development of comprehensive youth legislation next year.

Youth community conservation and improvement projects program. This subpart authorizes the Secretary to approve community projects such as rehabilitation or improvement of public facilities, neighborhood improvements, weatherization and basic repairs to low-income housing. Youth to be employed shall be age 16–19 without regard to income but shall be youth who are experiencing severe handicaps in obtaining employment including but not limited to those who lack credentials such as a high school diploma or basic skills, women, minorities and veterans, those who are handicapped, those with dependents or those who have otherwise demonstrated special need. Seventy-five percent of the funds available for this subpart will be allocated to the States on the basis of the relative number of unemployed persons within each State with one-half of one percent assured to each State, Guam, the Virgin Islands, American Samoa, the Northern Marianas and the Trust Territory of the Pacific. The remaining funds are to be allocated as the Secretary deems appropriate.

Youth employment and training programs. This subpart authorizes employment and training and necessary supportive services to demonstrate the effectiveness of a variety of approaches to the youth unemployment problem. The majority of the funds available for this subpart are to be allocated to prime sponsors by formula with 22 percent of each prime sponsor's allocation to be available for programs for inschool youth pursuant to agreements between the prime sponsor and the local education agency. The remaining funds available for this subpart shall be available for the Secretary of Labor's discretion. Youth eligible for these programs shall be age 16 to 21 inclusive, shall be unemployed, underemployed, or in school and shall be from families whose gross annual income does not exceed 85 percent of the BLS lower living income standard. However, 10 percent of the funds may be used for identifiable programs open to youth of all

economic backgrounds to test the desirability of such a mix. The funds available for this subpart shall be distributed to CETA prime sponsors on a formula basis; 37.5 percent based on the total number of unemployed persons in the prime sponsor's jurisdiction; 37.5 percent based on the relative number of unemployed persons residing in areas of substantial unemployment and 25 percent based on the number of low-income persons in the prime sponsor's jurisdiction. Five percent of the funds available for this new part C to title III are set aside for Governors for special statewide services. Two percent is set aside for Native American programs and 2 percent for migrant and seasonal farmworker programs.

Attached to my statement for inclusion in the RECORD is a breakdown of the distribution of funds for the programs authorized by H.R. 6138.

Included in the conference agreement are three minor amendments to CETA. We have waived the provisions of section 4(e) which limits funds for titles III and IV to 20 percent of the total CETA appropriation. This waiver applies to part C of title III, the summer youth employment program under section 304(a) of title III and title IV. This waiver is required if we are to take this initiative to deal with the youth unemployment problem.

We also have included an amendment to insure the increased participation of Vietnam-era veterans under the age of 35 in CETA programs and an amendment that provides for special consideration for those with previous teaching experience when filling teaching positions with title II and VI funds.

Also included is an amendment which clarifies the eligibility requirement for the title VI program.

This measure is truely a bipartisan effort and I trust that Members from both sides of the aisle will join in its final passage.

The material follows:

TITLE I—MAINTENANCE OF EFFORT

The language of H.R. 6138 and the Statement of Managers clearly express the intent of Congress that new monies available for youth programs represent an addition to programs now supported under CETA. Section 346(2) states that applications for receipt of funds under subpart 3 must "include assurances that services to youth under (Title 1) should not be reduced because of the availability of financial assistance under this subpart."

Whereas substitution should be avoided, the Secretary of Labor, in writing regulations, may desire to allow some flexibility in cases where changing economic conditions may warrant changes in the local title 1 plan. The burden of proof must rest with the prime sponsor, however, contingent on approval of the Secretary.

Distribution of $1.5 billion under youth employment legislation

[Dollars in millions]

	Compromise
Young Adult Conservation Corps	$350
Other youth programs:	
Youth incentive entitlement (Sarasin) (15%)[1]	$172.5
Community improvement projects (Stafford) (15%)[1]	$172.5
Secretary's discretionary grants (12.5%)[1]	143.7
Native Americans 2% set-aside and migrants 2% set-aside	43.7
Subtotal: Secretary's programs (42.5%)[1]	[488.7]
Governors' statewide services (5%)[1]	57.5
Prime sponsors' allocations (52.5%)[1]	603.7
(Jointly administered in-school program Javits)	(132.8)
Subtotal: State and local programs (57.5%)[1]	[661.2]

Assumes $1.5 billion appropriation and distribution in accordance with the administration's budget request.

[1] Showing percentages of remaining $1.150 million budget request.

Mr. MEEDS. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I will be glad to yield to the gentleman from Washington.

Mr. MEEDS. Mr. Speaker, I rise in strong support of this conference report.

At the outset I would like to express my commendation to the gentleman from California (Mr. HAWKINS), who is the chairman of the subcommittee and who has worked tirelessly on this legislation. The gentleman has for quite a number of years been extremely interested in this very perplexing, chronic problem of youth unemployment.

I would also like to commend the chairman of the full committee, the gentleman from Kentucky (Mr. PERKINS), who has also been very helpful, and also the ranking minority member, the gentleman from Minnesota (Mr. QUIE), who has worked shoulder to shoulder with the other gentleman I have mentioned on these very difficult problems.

I would like, for the purpose of establishing or continuing legislative history, to ask the gentleman from California (Mr. HAWKINS) a question.

As the gentleman is well aware, the Young Adult Conservation Corps, which is in title I of this act and which is a part of this conference report, is patterned after the Youth Conservation Corps, which has been tremendously successful and which has been operated by the Forest Service in the Interior Department. In this legislation the Young Adult Conservation Corps is now operated, managed, or administered by the Labor Department through contracts or interagency agreements with the Department of the Interior and the Forest Service.

While establishing that this is the case as a result of this conference, the conference report, in the middle of page 34—and this incidentally was the Senate's proposal—states this:

The conferees intend that the two land management agencies, the Departments of the Interior and Agriculture, will have the responsibility for the day-to-day operation of the program.

It is certainly my hope—and I hope this is the intent of the gentleman from California (Mr. HAWKINS), the gentleman from Kentucky (Mr. PERKINS), and the gentleman from Minnesota (Mr. QUIE)—that the full thrust of this be given, and that indeed the management of these programs be handled through Interior and through the Forest Service, since they have so successfully in the past administered the Youth Conservation Corps.

What I am concerned about is that they might lose the thrust of this type of program. The Youth Conservation Corps is a program which shows a mix of social, economic, and racial backgrounds, and it is primarily a work program. It is my fear that this may be taken over by the Labor Department and be made into something it was not really intended to become.

Mr. Speaker, can the gentleman from California (Mr. HAWKINS) give me the assurance that he feels the same way I do about this matter?

Mr. HAWKINS. Yes. This means, may I say, that the language in the conference report is taken almost literally from the position that the gentleman intended in his testimony before the Subcommittee on Employment Opportunities.

I would quote the gentleman's language on March 31, 1977, which I think is exactly the position, certainly, of the chairman and of the committee of conference and their intent.

The language, quoted verbatim, says as follows:

I think there is a role in this program for the Department of Labor, which is the lead agency with regard to youth unemployment and which has indicated that it expects to fill a lead role, that is to say, to in effect ask for the funds, to disburse them to the other agencies, which will carry out the program.

I am fully in accord with that role for Labor, but I would suggest, indeed, very strongly suggest, that these programs can best be run on a day-to-day basis; and decisions with regard to what projects should be carried out, where they should be carried out, when they should be carried out, and the basic decisions with regard to these programs on the ground should be made by the Department of the Interior and the Department of Agriculture.

I think that, in essence, is the position of the conferees; but the actual management and the lead role and responsibility must be with one agency. That will be the Department of Labor because that is the lead agency with regard to employment of youth. However, the day-to-day management will be carried out by the other two departments; and I think that is the intent of the conferees; and certainly I think that conforms to the gentleman's intent in the original sponsorship of this program.

Mr. MEEDS. Mr. Speaker, I thank the gentleman.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, the gentleman from Washington (Mr. MEEDS) raised a point I was very concerned about in the conference as well as here.

In the agreed-to conference report, I should point out that an interagency agreement will be reached between Interior, Agriculture, and the Department of Labor. In the writing of that interagency agreement, the Departments of

Interior and Agriculture at least have the opportunity to insist, for instance, that the candidates' list, the development of it, will be one that they can live with. It is true under the act that the only people who can go into the Young Adult Conservation Corps will come out of the list that will be provided by the Department of Labor; but in establishing that list, the Departments of Agriculture and Interior can have a voice in the interagency agreement; and I understand that they have been negotiating with the Department of Labor and perhaps right now are ready with their understanding as to that agreement.

Mr. HAWKINS. My understanding of the act and of the conference report is that the Department of Agriculture and the Department of the Interior can participate in referring applicants to the Department of Labor and that along with those two Departments, the employment service agencies and prime sponsors can likewise make such reference. The actual handling, however, of the list of applicants is by the Department of Labor, and I think that takes care of that responsibility.

When the Department of Labor makes the reference of these applicants, then, to the site under the management of the Department of the Interior or the Department of Agriculture, obviously they have the selection of those persons from the list of those who are referred to them by the Department of Labor, so that the simple responsibility is with the Department of Labor. However, the others may participate in the referral of applicants to the Department of Labor.

Mr. QUIE. Yes, but is it not true, I ask the chairman of the subcommittee, that before any of that is done, an interagency agreement has to be entered into?

Mr. HAWKINS. That is true. An interagency agreement would incorporate this broad policy into detailed procedures so that the policy would be carried out through an interagency agreement which must be entered into by all three Departments.

Mr. QUIE. That is right. Therefore, before they sign it, as far as I am concerned, does not the gentleman agree that it is up to the Departments of Agriculture and Interior to agree to make certain that anything they feel ought to be a part of it is presented, and once they sign the agreement, of course, they have no recourse then but to go along with the agreement?

Mr. HAWKINS. That is true. I believe the gentleman will remember that the testimony before the subcommittee was to the effect that these three Departments have worked rather cooperatively on the program. I think there is really no reluctance on the part of either the Department of Agriculture or the Department of the Interior as to this procedure. I feel strongly that the interagency agreement has already been worked out although it has not been signed. I think on the adoption of this conference report that it will be satisfactorily settled. I believe there is no objection to this procedure.

Mr. MEEDS. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I would be glad to yield to the gentleman from Washington.

Mr. MEEDS. Mr. Speaker, as the gentleman from California (Mr. HAWKINS) knows, one of the great strengths of the Youth Conservation Corps—and portions of that are adopted here—is that the Youth Conservation Corps is composed of a socio-economic and a racial mix. It was never intended to be a program for all rich youth or all poor youth or all black youth but to be a good mix of all of these things. It is certainly my intent, and it was my understanding of the intent of the gentleman from California and the gentleman from Kentucky and everybody else involved in it that the young adult conservation corps contained in this report today, or in this legislation, is to be that kind of a program. It is not to be a poverty program and it is not to be a program of all one kind or another of young people, but to be a good mix.

Is that the understanding of the gentleman from California?

Mr. HAWKINS. That is exactly our understanding. The criteria on eligible applicants spells it out, and it is open to all regardless of income. It is certainly the desire of the sponsors of the legislation as well as the conferees that this is a program that will be open to all youth regardless of socio-economic backgrounds.

Mr. MEEDS. Mr. Speaker, again I thank the gentleman from California (Mr. HAWKINS) for the efforts he has put forth in this very important legislation.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank the gentleman for yielding.

I think all of us are terribly concerned about the youth unemployment, and particularly in our cities, the picture of unemployment of the youth in our country is tragic.

Has the committee considered how many more youths we might have employed had we not insisted on the minimum wage for all employment of these young people?

Mr. HAWKINS. We went thoroughly into that, and I am afraid an answer might be a very long one. I do not want to be facetious but may I say that there is a conflict between keeping activities at a minimum wage level in many programs and actually building into them careers, trying to make the work useful and not having the young people doing that which merits only a minimum wage.

It is certainly our feeling that the minimum wage will practically prevail at all times. There may be a few instances in which the activity may be that type which will get into construction activities, in which you may have young people who may be in a competitive position with other workers. We try to avoid that.

Mrs. FENWICK. But it is tragic that we cannot give employment to all the young people who want it. One of the reasons for that is that we use the money up in this more extravagant manner. Why could we not lower the amount of pay? Many of our young people live at home and have no rent to pay, and who are not in the position of maintaining a household, who could work for less.

Mr. HAWKINS. May I say that the gentlewoman from New Jersey (Mrs. FENWICK) is portraying a stereotyped kind of youth. However, 25 percent of the youth under the CETA program at the present time have dependents, and they are the heads of families. They are not just young people that may be pictured as merely a member of the family picking up a few extra bucks—if I may use that phrase. We are talking in many instances about the heads of families.

Mrs. FENWICK. How old are they?

Mr. HAWKINS. We are talking also about those who have dependents.

Mrs. FENWICK. What will the ages run to?

Mr. HAWKINS. The ages are 16 to 24. Twenty-four is the outside age limit under this bill, so we are getting up into the upper age limit. The gentlewoman says that there are some youths who may in some instances not be worth more than the minimum wage, and I would agree with the gentlewoman from New Jersey. I believe that throughout the bill that most of the activity will be confined to that which will pay certainly near the minimum wage. However, we must draft a bill to meet the situation of a youth who is approaching adulthood, who has dependents and who we hope will be led into some type of career and where that individual then will not depend on these programs.

Mrs. FENWICK. But for the 25 percent who have dependents, I agree with the gentleman entirely, one wage for 75 percent, and another one for those who have dependents because there are too many who are left out, too many who could not get in.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Could my colleague, the gentleman from California, indicate to the membership what the maximum pay would be for any youth under this bill, or is there any such thing as a maximum?

Mr. HAWKINS. I am sorry; I did not hear the question.

Mr. ASHBROOK. I am wondering if the gentleman from California can indicate to the membership what the maximum pay is that a recipient under this program could receive.

Mr. HAWKINS. The maximum would be for an individual who might conceivably be employed alongside of an individual earning the prevailing wage. I do not envision that happening very often, but let us say that it did happen. That individual obviously working for same employer, doing the same type of work alongside the other one, would be paid an equal wage. As I say, that is an unusual case. The bill provides generally for the minimum wage. It provides in some instances in which a construction worker might be engaged where an arrangement could be made by the union

involved and the prime sponsor or the employer, where he could happen to be under the Sarasin program, for example, that a new classification could be set up, and that individual could be paid less than the prevailing wage. So it works both ways, but it depends entirely upon an agreement that would be worked out.

Mr. ASHBROOK. If the gentleman will yield further, I guess what the gentleman is saying is that there is no real assurance of what the top wage could be. It could be conceivably within a certain percentage of what any prevailing wage would be in an area in that particular industry or for a particular job.

Mr. HAWKINS. I am saying only in an instance—and these would be very few instances—in which an individual would be paid the prevailing wage, it must be done by an agreement worked out with the union involved by agreeing to it, as well as the prime sponsor, and subject, of course, to the approval of the Secretary of Labor. We certainly hope that if the experience in the next 6 months indicates any abuse in that regard that we can tighten up on it, because this is only a temporary program, a stopgap program, until such time as we have an opportunity to really bring back to the Members a comprehensive youth bill. We had to work within the limitations of the administration's proposal, and I think we have tightened up extremely well from the administration's proposal that was introduced. I think we have given new direction to it. So I think from the gentleman's point of view as well as the point of view I would express that we have more protection by adopting this conference report than we would have by allowing the administration to proceed under the existing authority that it has in CETA to do so. So I think we are adding protection.

Mr. ASHBROOK. I thank my colleague. I hope when the program has run its course and we are looking back on it that that is the case. I thank the gentleman for his observation.

Mr. HAWKINS. I thank the gentleman for his comments.

Mr. QUIE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of the conference report on H.R. 6138, the Youth Employment and Innovative Demonstration Projects Act, I do so with some reluctance because of my deep concern about placing the Young Adult Conservation Corps under the authority of the Secretary of Labor. As many of us can recall, last session we passed a very similar program that unfortunately failed to meet the budget deadline in the Senate. This bill, like the conference agreement, established a Young Adult Conservation Corps. However, it placed the Corps under the authority of the Departments of Interior and Agriculture. It has long been my view that this is where the program ought to be located. It is as much designed to reduce the Nation's serious and massive backlog of conservation projects as it is to provide the Nation's young with employment opportunities. In many ways, the House bill of last session was an excellent solution to the combined problems of youth unemployment and our serious conservation needs. And it was to be operated in agencies which had the experience in operating both a conservation program and a program designed to involve youth in conservation. It was the House position again this year that the Departments of Interior and Agriculture, which now run the Youth Conservation Corps, would do a superior job in running an expanded effort.

Unfortunately, we were not too successful in holding our position.

While the conference agreement places the program under the authority of the Secretary of Labor, the language of the report specifically provides that the Secretary operate the program pursuant to interagency agreements with the Secretaries of Interior and Agriculture. Section 802 explicitly states that the "Secretary of Labor shall administer this title through interagency agreements with the Secretaries of the Interior and Agriculture."

All of the Secretary's administrative functions are, therefore, subject to interagency agreements, and, conversely, no part of the administration of the program can be done unilaterally, and no administrative function can be excluded, except by agreement, from this requirement.

For example, the conference report specifies that the selection of candidates be made from a list developed by the Secretary of Labor. However, section 802 requires that the procedure for selecting these candidates and their referrals will be made pursuant to an interagency agreement since this is, in every way, an administrative function. The law also specifically states that the Secretaries of Interior and Agriculture have the ultimate authority to select and place those referred from the Secretary of Labor's list of candidates in the various Corps centers.

I expect this arrangement to work out. This view does not come from the track record of previous administrations, however. The only experience we have in a similar interagency agreement has been the operation of the Job Corps, some of which has been worked through the Departments of Interior and Agriculture. The headaches that have resulted from disagreements between Labor, Interior and Agriculture makes me wonder why we have included the Department of Labor in this at all, and clearly we have not learned our lesson from the problems that have resulted from the operation of the Job Corps. However, I have been assured that this will not occur, but I will say that if we find that these agreements cannot be worked out then this House should revisit the Young Adult Conservation Corps a year from now and relocate it if necessary.

Outside of this one concern, I am pleased with the action of the conferees on the Youth Employment and Demonstration Projects Act. I believe the bill represents the House view that we ought to experiment and test certain assumptions before enacting a full-blown program. I am also pleased with the agreement arrived at on the application of the prevailing wage standards and I do believe that this conference report more clearly spells out the options available to local prime sponsors on the wage question. We have worked on this language for a considerable length of time, and I now believe that it is a fair and equitable solution to the problems of substitution and the need to make jobs available to young people.

Mr. Speaker, I would also like to take a moment to discuss a program now being completed by the Opportunities Industrialization Centers, Inc., of Philadelphia entitled the Career Internship Program—CIP. CIP has been operated by OIC under the auspices of the Office of Education and the National Institute of Education, and has operated out of an OIC-sponsored center in Philadelphia. The program has involved more than 250 of Philadelphia's hardest-core dropouts—ages 16–21—and has provided them with intensive motivational and career and job counseling, as well as intensive basic education and high school equivalency instruction.

This past May, NIE released its final report on this program. I have rarely seen such an enthusiastic evaluation. Of the 250 youths involved, more than 67 percent went on to continue their educations either by receiving a high-school equivalency certificate, or completing their regular high school, or going on to college. This was compared to a control group where only 13 percent accomplished similiar results. These promising results were achieved at a cost only slightly above the regular per-pupil cost in the Philadelphia school system or in the local vocational education program.

One of the important ingredients of this program has been the involvement of parents. One of the failings of our local urban school systems has been the negative attitude of parents toward the schools and their unwillingness to bear the responsibility of sound, basic education. The career intern program has succeeded in involving parents by producing results for their children whom they feel have been failed by the local school systems.

A second ingredient which is important is the involvement and cooperation of the local education agencies and the local school boards. It shows that local school officials are willing, if approached in the proper fashion, to look to alternative ways of approaching a very serious problem.

Clearly, the career intern program in Philadelphia has been the product of first, good planning. Second, good management, and third, high motivation of those involved. Obviously, it is not a program which can easily and readily be extended at the drop of a hat throughout the country. Nevertheless, prime sponsors who have the capacity and the interest to look at this approach, which is well documented in materials supplied by the National Institute of Education, ought to consider the possibility of establishing similar programs in their local communities with the help and advice of the

national office of the OIC and the Institute of Education.

It should be pointed out that OIC is not the only program that works through the theory of self-help and motivation. 70001, Limited, also operates an intensive high school equivalency program, counseling and job orientation program which have produced results similar to OIC's and can likewise work through prime sponsors.

The College of Human Services in New York has also developed a compelling approach. All of these efforts are ideally suited to both the youth incentive entitlement program and the general experimental provisions of subpart 3. If there was any year to test these various approaches, this is the year, and this is the program.

I urge the Members of this House to vote for passage of the bill, although I again want to point out my specific reservations concerning the administration of the Young Adult Conservation Corps.

Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. Mr. Speaker, I rise in support of H.R. 6138 and strongly urge the Members of the House to vote favorably on the conference report. Although the bill does not contain everything the Members of this body would want, it nevertheless represents, in philosophy and content, the House views on the nature and purpose of the youth employment program.

I do believe, however, that we have to spell out some explanation of the changes the conferees made, and, in particular, in the langugae of subpart 1 of part C. As the Members of this House may recall, this is language which largely derives from H.R. 6044, a bill I introduced earlier this session. In brief, it entitles part-time employment or full-time summer employment to economically disadvantaged youths who return to high school or its equivalent.

This program establishes a series of pilot projects to test the efficacy of entitlement or guarantee and the effects that such entitlement will have on increasing school participation and reducing youth unemployment. However, we have made some changes from the original bill, allowing greater administrative flexibility and more experimentation. One of these changes pertains to the requirement of entitling youths to an average of 20 hours of work or training a week instead of the original requirement of a maximum of 20 hours per week. This will provide greater flexibility in administration and enable youths to work full time in between school periods, or to arrange for differing work schedules to meet the various requirements of employers, educators, and youths.

In addition, it should be reiterated that this entitlement does not just mean a job per se. It can include additional or on-the-job training in addition to regular schooling.

In the case where youths do receive such training as part of the entitlement, the Secretary is obligated to provide some form of allowance or stipend for such youths of no less than the minimum wage while engaged in that training. In effect, the youths are entitled during the school year to receive an average of 20 hours of either work or training at no less than the minimum wage. It does not mean that the wage provisions of the bill do not apply to work being done, but it does mean that whenever employment and training is offered that the youths are entitled to receive some form of allowance or stipend for the training portion.

A second matter should be cleared up. Section 328(b) of the youth incentive entitlement pilot program contains language that says no funds for employment shall be used through a nonprofit organization/association, et cetera which were previously provided by a political subdivision or local educational agencies in the area where the project exists. This language is in addition to language that currently exists under section 605(b) of CETA which states that no funds will be used to provide such services which are customarily provided only by a political subdivision or local educational agency.

It was not my intent in the writing of this bill to include any stricter provisions in this program, and I want to make clear that it is not the intent of this particular standard to in any way require any additional assurances in the operation of the youth incentive entitlement project than would occur in any other program operated under the conference report. The intention of the words "previously provided" is not to say that if a local educational agency or political subdivision no longer is providing service that it may have provided 10 years ago that this cannot now be provided. What it really is intended to say is that if a local educational agency or political subdivision ceases to provide a particular service in anticipation of funding under this bill, then that would be improper. It is not designed to prevent services from being rendered that have not been provided in the very recent past. I do believe that this can be worked out by regulation, and I would find nothing wrong in having a similar regulation, which applies to the community conservation improvement projects programs and to the general employment and training programs, applied to those under subpart 1.

A third concern which has been expressed to me by officials of the Administration is a failure in the bill to specifically set aside funds for evaluation of the pilot projects of the youth incentive entitlement pilot projects. Inasmuch as this is a demonstration program, and an experimental program, it is clear that the Secretary may set aside funds sufficient to provide the Congress with a judgment on the success or failure of the incentive entitlement projects and feel that he can, and has, the authority to do so.

Additionally, funds will also be needed to assist prime sponsors in planning. This program is not one that can easily be established overnight and will require careful and extensive development. The Secretary should set aside not more than 2 to 3 percent of the funds for planning, although I would prefer he utilize as much as possible from his discretionary account. Any planning assistance, however, should not be awarded until after the Secretary has established a preapplication process to screen out primes who have the capability and desire to operate a youth incentive entitlement program and will devote some of their own resources to the effort. And then, the Secretary should make it clear to prime sponsors that any such assistance does not mean that their final application will be approved.

A fourth concern is the need to assure that the Secretary full-funds each pilot project to truly test the effect of entitlement and not to spread the funds so thinly that pilot projects run short of funds during the fiscal year. Accordingly, the conferees have added language in the statement of managers which specifically allows the Secretary to set aside a certain percentage of the funds into a kind of escrow account to allow for changes in local conditions and possible increased enrollment when the program goes into effect. It would be my feeling that the Secretary must set aside an amount sufficient to full fund each pilot project throughout the year. This would prevent the Secretary from having to request more funds from the Congress later on down the line.

A further concern relates to section 327 of the bill which outlines the criteria for the Secretary's approval of a prime sponsor application for a youth incentive entitlement project.

In my view, the criterion which requires selecting prime sponsors from differing areas and conditions is first and foremost. We expect the Secretary to operate projects under a variety of different circumstances, and should include projects in urban or rural settings, in large and rural communities, with differing unemployment rates, in differing regions of the country. We do not expect the Secretary to farm the program out to the regional offices: or to divvy them up on a region-by-region basis. This will only confuse the administration of the program and prevent speedy evaluation.

The latter two criteria, that is, the extent to which funds are developed for other titles and job restructuring, are questions for negotiation. For example, if prime sponsors can utilize titles I and III funds for additional services to youth, they should be allowed to do so if these services will lead to a young person's being employed. And, in connection with the third criterion, if prime sponsors have been successful in placing youth in existing jobs, then this criterion should be considered accordingly, particularly if the jobs are located in the private or private non-profit sector.

In sum, outside of the first criterion, the latter two are subject to discussion by the Secretary and the prime sponsor applying for a project. The Secretary is not to establish a specific quota or requirement beforehand.

And, finally, the bill does provide for involving youths between the ages of 19

and 25. I believe at least one project should involve this latter age group.

I am naturally pleased that both Houses have agreed to include my concept, which I believe goes to the heart of the youth unemployment problem. Yet I am even more pleased that we are viewing this as an experiment. All too often ideas which sound beautiful in theory fail in practice, and at least we have the awareness to realize that before moving to enact a permanent program we should find out what works and what does not. I look forward to a close working relationship with the administration in getting this program underway and in resolving whatever problems might arise along the way.

The conference agreement contains several other provisions which are in need of clarification.

Section 341 of the bill requires that the new subpart 3 programs are explicitly designed to be "supplementary to but not replacing opportunities available under title I of this act." Section 346(2) further states "but services to youth under this title shall not be reduced because of the availability of financial assistance under this subpart."

This language is intended to prevent prime sponsors from substituting these new and experimental funds for existing youth services. At the same time, we do not wish to "lock" prime sponsors into every specific program they now operate. This would undermine the essential flexibility of CETA and prevent primes from making adjustments in their plans to meet changing conditions. Therefore, primes should have reasonable discretion to make specific programmatic changes and modest changes in title I youth programs, if approved by the Secretary and only if those changes can be shown to be necessary to meet changing local needs.

The conference report also contains revised language on the payment of the prevailing wage provisions. The bill now contains several options to pay less than prevailing wage. But I remain deeply disturbed by the precedent we have established. We may well be paying 16-year-old youths $7 or $8 an hour when there are thousands of fathers and mothers working for less. There is an estimated 6 million adults who now work for the minimum. And I am curious to learn whether the administration plans to pay prevailing wages in its welfare reform proposal—for more than a million and a half individuals. A year from now we can really see what effect these provisions will have in opening up jobs to the unemployed.

I am pleased that the conference agreed to extend the veterans provisions to age 35. The original language emphasized only those to age 27, thereby excluding almost all of those who actually served in combat.

The Washington Post recently—June 28, 1977—carried an article, "Veterans of a Lost War," by Colman McCarthy, which portrays the disturbing and unhappy histories of 346 veterans from the Cleveland area who participated in the war. As Mr. McCarthy points out, a study done by John P. Wilson of Cleveland State University reveals that of the 346 combat veterans, almost half of the blacks are unemployed, and nearly 40 percent of the whites; 41 percent have alcohol problems, and over 60 percent have drug problems and a disturbing number have very poor self-images.

Almost all studied were over age 27. Current government policy has failed to understand the unique readjustment problems of Vietnam-era combat veterans, and this is particularly true of CETA. What we need is not public service employment for these veterans but an improved understanding of their needs and better use of existing programs. The Veterans' Administration now operates under title 38, United States Code, a wide variety of programs. Yet these have been underutilized by combat veterans, largely because there are few individuals in the field who either understand the problems of such veterans or know how to encourage their participation. CETA could and should be used to help. As the conference report states:

> . . . the interests of Vietnam era veterans would be served by improving the coordination of CETA . . . programs . . . with . . . those authorized under title 38, U.S.C. . . . [and] . . . the conferees expect the Secretary to provide the necessary technical assistance and other resources needed to improve prime sponsors' awareness of existing veterans programs . . . and to increase prime sponsors' understanding of the unique readjustment problems of Vietnam-era veterans.

In addition, such assistance could, and ought to include better and more effective utilization of existing programs, such as the "split job" concept under chapters 31, 34, and 35 of title 38, United States Code, thereby enabling veterans to better utilize their readjustment benefits. Other avenues of assistance to be pursued might include first, cooperative programs between CETA and the Veterans' Administration, particularly in the area of technical, vocational, or professional training; second, cooperative efforts with institutions participating in the serviceman's opportunity college programs and with the veterans cost of instruction program with national and local business and labor organizations; third, community mental health centers to assist in personal readjustment and motivational counseling, and, finally, involvement of community-based organizations with veterans self-help programs which have a real understanding of the Vietnam combat veterans.

And, finally, some concern has been expressed that there is a vast potential for utilizing military training facilities in our youth employment programs. I see no problem with this, particularly since an underutilized military training facility is a waste of tax dollars that could be effectively used by CETA prime sponsors.

In closing, I believe this bill represents a fair compromise of both the House and Senate approaches. I suspect that because it is complicated, there may be some start-up problems, but I am optimistic these can be worked out. A year from now we should be in a position to enact a truly comprehensive approach to the youth unemployment problem. If not then we should wait until we have the "returns" in our experimental approach. Therefore, with all of this in mind I urge the Members of the House to support passage of the conference report.

Mr. STOKES. Mr. Speaker, I rise in support of H.R. 6138, the Youth Employment and Innovative Demonstration Projects Act of 1977, which will provide employment and training opportunities for youth.

I know of the desperate need for this legislation by the mayors, county officers, and Governors who are sincerely trying to help solve the youth unemployment problem in the Nation. In my State and in my own district, I have seen the destructive results of hopelessness and despair which in turn leads to increased delinquency and crime. I have been deeply troubled by the alarming increase in the rate of unemployment among all youth in general and among minority youth in particular.

Mr. Speaker, because of these problems, in 1976 I introduced H.R. 15750, the OIC Youth Job Creation and Training Act. The bill was cosponsored by 37 Members of Congress. This legislation focused on the self-help process developed by Dr. Rev. Leon Sullivan in the past 13 years through Opportunities Industralization Centers—OIC—in 200 communities in 50 States. It pointed out the value of the OIC prototype for an alternative system of urban career education. This system, called UNEC was funded by the National Institute of Education—NIE—which has rated the results as highly successful and exceptionally valuable to the Philadelphia and Pennsylvania school systems.

My 1976 bill was revised—to eliminate objections to exclusivity and focus on OIC—and reintroduced in 1977 as H.R. 7376, the National Community-Based Organizations Youth Job Creation and Training Act of 1977. This bill's broadened concept provided a special program for financial assistance to national community-based organizations of demonstrated effectiveness, in order to provide 1 million new jobs and job training opportunities, and other purposes. It included by name not only OIC, but also the National Urban League, Jobs for Progress, and the recruitment training program.

Mr. Speaker, both bills, H.R. 15750 and H.R. 7376, were designed to provide some of the same types of programs found in H.R. 6138.

H.R. 6138 provides that the Secretary and prime sponsors should give special consideration in carrying out innovative and experimental programs to community-based organizations which have demonstrated effectiveness in the delivery of employment and training services, such as OIC, and so forth. My bill, H.R. 7376, provided for consultation with community-based organizations too.

Mr. Speaker, because of the similarity between my bill and H.R. 6138, I wish to go on record as endorsing it and urging the continuation and expansion of the involvement of community-based groups as an integral part of our national employment and training delivery system.

It is my hope that with the help of leaders like Dr. Sullivan we can develop a coordinated effort using the resources of the traditional school system with the resources of industry and community-based groups who are closest to the youth themselves and who have a track record of effective service to youth.

Mr. Speaker, I urge my colleagues to support H.R. 6138. It is clear that the dropouts, the pushouts, and the leftouts among our young people can be helped to make their way into the mainstream of American life, as responsible taxpaying citizens earning their own way by working on good jobs and developing good careers.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I know this is an insignificant question but I will ask it: How much does this bill cost?

Mr. QUIE. Your answer poses a bit of a problem since this is an authorization.

Mr. ROUSSELOT. What does the gentleman mean, it is a problem?

Mr. QUIE. Again, since this is an authorization bill, we cannot know exactly what the cost will be. This is up to the Appropriations Committee, which thus far has appropriated $1 billion.

Mr. ROUSSELOT. That is $1 billion?

Mr. QUIE. That is right, and we expect to have a supplemental for $500 million, but for now the figure is $1 billion.

Mr. ROUSSELOT. It is $1 billion. And how many youth will be employed as a result of this bill? What does the gentleman guess? I assume this was discussed some place as to how many would be employed. Does the gentleman know how many will be employed? Is that a bad question?

Mr. QUIE. Since this program includes a variety of experimental programs, and youth will be involved in part-time, or full-time work, or in training, a better question would be how many will be served. And again, it depends on the appropriations. But a $1 billion appropriation should serve at least 300,000 youth on a year-round basis—that is double what is happening under our public service employment program.

Mr. PERKINS. That is correct.

Mr. ROUSSELOT. Mr. Speaker, 300,000 for $1 billion? An excellent use of our resources.

Mr. QUIE. It will pay off.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, special appreciation is due Chairman CARL PERKINS and subcommittee Chairman AUGUSTUS HAWKINS for their continuing leadership in the area of employment legislation. Without their efforts this bill would not be before us today.

If I may, Mr. Speaker, I would like to address my remarks to the "special veterans' provisions" which appear in the conference report but which were not contained in the House-passed version of this legislation.

As the Members will recall, on March 29, 1977, during our consideration of H.R. 2992, the CETA extension, there was some discussion about creating a special preference for younger—under age 27—Vietnam-era veterans. At that time, it was the position of the members of this committee that the Vietnam-era veteran might be better served under the special consideration section of title III of CETA.

The Senate amendments to H.R. 6138 contained a special consideration provision for veterans who are 27 years of age or younger with two specific requirements: First, prime sponsors are directed to establish local goals, taking into account the number of qualified eligible veterans, for placement in job vacancies in public service employment programs; and second, representatives of veterans' organizations are to be invited to serve as temporary members of prime sponsor planning councils, the States manpower service councils as well as the National Commission for Manpower Policy.

In conference I moved that the House accept the Senate provision with an amendment that the age level of the veterans to be considered be raised to 35 years and that assurances be made in the development of local goals that the number of persons in other special categories be considered for placement as well. The amendment was accepted.

The rationale behind raising the age eligibility level is quite simple: If the level were left at age 27, we would find ourselves failing to serve those who had served in combat in Vietnam. According to the Veterans' Administration, the average age, today, of the Vietnam-era veteran is 30.5 years. We felt that it would be improper and unfair to exclude the vast majority of Vietnam combat veterans from the provisions of the special consideration amendment.

The special veterans' provision which is contained in this conference report is in keeping with the basic design of CETA title III which provides in section 301 (a) for additional manpower services to "segments of the population that are in particular need of such services including * * * persons which the Secretary (of Labor) determines have particular disadvantages in the labor market." It is an amendment which merits the approval of the House.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 356, nays 58, not voting 19, as follows:

[Roll No. 438]

YEAS—356

Akaka	Annunzio	Beilenson
Alexander	Applegate	Benjamin
Allen	Ashley	Bennett
Ambro	Aspin	Bevill
Ammerman	AuCoin	Biaggi
Anderson, Calif.	Badillo	Bingham
Anderson, Ill.	Baldus	Blanchard
Andrews, N. Dak.	Baucus	Blouin
	Beard, R.I.	Boggs
	Bedell	Boland
Bolling	Gudger	Myers, John
Bonior	Guyer	Myers, Michael
Bonker	Hagedorn	Natcher
Bowen	Hamilton	Neal
Breaux	Hammer-schmidt	Nedzi
Breckinridge	Hanley	Nichols
Brinkley	Hannaford	Nix
Brodhead	Harkin	Nolan
Brooks	Harrington	Nowak
Broomfield	Harris	O'Brien
Brown, Calif.	Harsha	Oakar
Brown, Mich.	Hawkins	Oberstar
Broyhill	Heckler	Obey
Buchanan	Hefner	Ottinger
Burgener	Heftel	Panetta
Burke, Calif.	Hightower	Patten
Burlison, Mo.	Hillis	Patterson
Burton, John	Hollenbeck	Pattison
Burton, Phillip	Holtzman	Pease
Byron	Hubbard	Pepper
Caputo	Huckaby	Perkins
Carney	Hughes	Pettis
Carr	Hyde	Pickle
Carter	Ireland	Pike
Cavanaugh	Jacobs	Pressler
Cederberg	Jeffords	Preyer
Chappell	Jenkins	Price
Chisholm	Jenrette	Pritchard
Clausen, Don H.	Johnson, Calif.	Pursell
Clay	Johnson, Colo.	Quie
Cleveland	Jones, N.C.	Quillen
Cochran	Jones, Okla.	Rahall
Cohen	Jones, Tenn.	Railsback
Coleman	Jordan	Rangel
Collins, Ill.	Kasten	Regula
Conable	Kastenmeier	Reuss
Conte	Kazen	Rhodes
Corman	Keys	Richmond
Cornell	Kildee	Rinaldo
Cornwell	Kostmayer	Risenhoover
Cotter	Krebs	Rodino
Coughlin	Krueger	Roe
Cunningham	LaFalce	Rogers
D'Amours	Lagomarsino	Roncallo
Danielson	Latta	Rose
de la Garza	Le Fante	Rosenthal
Delaney	Leach	Rostenkowski
Dellums	Lederer	Roybal
Derrick	Leggett	Runnels
Derwinski	Lehman	Ruppe
Dicks	Lent	Ryan
Diggs	Levitas	Santini
Dingell	Lloyd, Calif.	Sarasin
Dodd	Lloyd, Tenn.	Sawyer
Downey	Long, La.	Scheuer
Drinan	Long, Md.	Schroeder
Duncan, Oreg.	Lott	Schulze
Duncan, Tenn.	Lujan	Sebelius
Early	Luken	Seiberling
Eckhardt	Lundine	Sharp
Edgar	McClory	Shipley
Edwards, Ala.	McCloskey	Sikes
Edwards, Calif.	McCormack	Simon
Eilberg	McDade	Sisk
Emery	McEwen	Skelton
Erlenborn	McFall	Slack
Evans, Colo.	McHugh	Smith, Iowa
Evans, Del.	McKay	Smith, Nebr.
Evans, Ga.	Madigan	Solarz
Evans, Ind.	Maguire	Spellman
Fary	Mann	Spence
Fascell	Markey	St Germain
Fenwick	Marks	Staggers
Findley	Marlenee	Stangeland
Fish	Marriott	Stanton
Fisher	Mathis	Stark
Fithian	Mattox	Steed
Flood	Mazzoli	Steers
Florio	Meeds	Steiger
Flowers	Metcalfe	Stokes
Foley	Meyner	Stratton
Ford, Mich.	Michel	Studds
Ford, Tenn.	Mikulski	Thompson
Forsythe	Mikva	Thone
Fountain	Milford	Thornton
Fowler	Miller, Calif.	Traxler
Fraser	Miller, Ohio	Treible
Frenzel	Mineta	Tsongas
Frey	Minish	Tucker
Fuqua	Mitchell, Md.	Udall
Gammage	Mitchell, N.Y.	Ullman
Gaydos	Moakley	Van Deerlin
Gephardt	Moffett	Vander Jagt
Giaimo	Mollohan	Vanik
Gibbons	Moore	Vento
Gilman	Moorhead, Pa.	Volkmer
Ginn	Moss	Walgren
Glickman	Mottl	Walsh
Gonzalez	Murphy, Ill.	Wampler
Goodling	Murphy, N.Y.	Watkins
Gore	Murphy, Pa.	Waxman
Grassley	Murtha	Weaver
		Weiss

Whalen	Wilson, Tex.	Yates
White	Winn	Yatron
Whitehurst	Wirth	Young, Alaska
Whitley	Wolff	Young, Fla.
Whitten	Wright	Young, Mo.
Wilson, Bob	Wydler	Young, Tex.
Wilson, C. H.	Wylie	Zablocki

NAYS—58

Abdnor	Dornan	Poage
Andrews, N.C.	Edwards, Okla.	Quayle
Archer	English	Roberts
Armstrong	Flynt	Robinson
Ashbrook	Goldwater	Rousselot
Badham	Gradison	Rudd
Bafalis	Hall	Satterfield
Barnard	Hansen	Shuster
Bauman	Holt	Skubitz
Beard, Tenn.	Ichord	Snyder
Brown, Ohio	Kelly	Stump
Burke, Fla.	Kemp	Symms
Burleson, Tex.	Ketchum	Taylor
Butler	Kindness	Treen
Clawson, Del	McDonald	Waggonner
Collins, Tex.	Mahon	Walker
Corcoran	Martin	Wiggins
Crane	Montgomery	
Daniel, Dan	Moorhead, Calif.	
Daniel, R. W.	Myers, Gary	
Devine		

NOT VOTING—19

Addabbo	Ertel	Rooney
Brademas	Flippo	Russo
Burke, Mass.	Holland	Stockman
Conyers	Horton	Teague
Davis	Howard	Zeferetti
Dent	Koch	
Dickinson	McKinney	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Dickinson.
Mr. Brademas with Mr. Horton.
Mr. Addabbo with Mr. Holland.
Mr. Zeferetti with Mr. McKinney.
Mr. Russo with Mr. Koch.
Mr. Teague with Mr. Howard.
Mr. Rooney with Mr. Flippo.
Mr. Dent with Mr. Conyers.
Mr. Davis with Mr. Ertel.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO SIT DURING 5-MINUTE RULE ON THURSDAY, JULY 21, 1977

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations may be permitted to sit during the 5-minute rule on Thursday, July 21, 1977.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AUTHORIZING CORRECTIONS IN THE ENROLLMENT OF H.R. 6138

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 291) to authorize certain corrections in the enrollment of H.R. 6138.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 291

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill H.R. 6138 the Clerk of the House of Representatives is hereby authorized and directed, in the enrollment of said bill, to make the following corrections: Namely, in section 804(b)(1), as added by section 101, strike out "this part" and insert in lieu thereof "this title"; in section 806(a), as added by section 101, strike out "this part" and insert in lieu thereof "this title"; in section 806(b)(3), as added by section 101, strike out "that the activities funded" and insert in lieu thereof "shall be employed in activities that"; in section 343(d)(2), as added by section 201, strike out "technical trade school" and insert in lieu thereof "technical or trade school"; in section 346, as added by section 201, insert the subsection designation "(a)" after "Sec. 346."; and in section 353(b)(6), as added by section 201, strike out "will be" and insert in lieu thereof "will not be".

Mr. HAWKINS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the concurrent resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California for the immediate consideration of House Concurrent Resolution 291?

There was no objection.

Mr. HAWKINS. Mr. Speaker, this concurrent resolution is simply to make technical corrections as must be made in the enrollment of the bill H.R. 6138. I know of no objection to the resolution, and I ask for its approval.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 6138.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 7171, AGRICULTURAL ACT OF 1977

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 666 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 666

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 401(a), 401(b)(1), 402 and 303(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7171) to establish more responsive programs for the benefit of farmers and consumers of farm products; to extend and improve the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, as amended; and for other purposes, and all points of order against section 1334 of said bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. Immediately after title XII is read, it shall be in order to consider an amendment striking out title XII and inserting in lieu thereof the text of the bill H.R. 7940, said amendment if offered shall be considered as original text for the purpose of amendment and shall be read for amendment by sections, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI and clause 5 of rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment made in order under this resolution. After the passage of H.R. 7171, the House shall proceed to the consideration of the bill S. 275, section 303(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, and it shall be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 7171 as passed by the House.

The SPEAKER pro tempore. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

AMENDMENT OFFERED BY MR. SISK

Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: On page 2, line 21, insert after the period the following new sentence: "The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit."

Mr. SISK. Mr. Speaker, in explanation of this amendment, one sentence was inadvertently left out of the resolution, and this amendment is simply offered to correct that feature of the resolution.

The amendment was agreed to.

Mr. SISK. Mr. Speaker, House Resolution 666 provides for the consideration of H.R. 7171, the Agricultural Act of 1977. This is a fairly complex rule, containing several waivers. While there are a number of waivers, they are, for the most part, technical in nature.

The rule provides for 2 hours of general debate with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. The bill is to be read for amendment by title rather than by section.

The rule provides for several waivers of the Budget Act in order for the bill to be considered. This is necessary because H.R. 7171 contains violations of sections 303(a)(4), 401(a), 401(b)(1), and 402 of the Budget Act. Most of these violations, however, are merely technical since the Committee on Agriculture has indicated that it will offer floor amendments to correct all of the problems with one exception.

The one provision of the bill which will not be amended in order to meet Budget Act requirements concerns support levels for crop years beyond 1977. Section 303(a)(4) of the Budget Act prohibits the consideration of new entitlements to become effective in a fiscal year prior to the adoption of the first budget resolution of that year. For example, a bill containing a new entitlement to become effective in fiscal year 1979 cannot be considered in the House until the first budget resolution for fiscal year 1979 has been adopted.

H.R. 7171 sets target prices for certain commodities at one level for the 1977 crop, a higher level for the 1978 crop, and a yet higher level for the 1979 crop. Since support payments for a given crop year are made the following fiscal year, this provision creates some entitlements first effective in fiscal year 1978 for the 1977 crop, some in fiscal year 1979 for the 1978 crop, and some in fiscal year 1980 for the 1979 crop. Applying the requirements of section 303(a)(4) of the Budget Act, the fiscal year 1979 and fiscal year 1980 entitlements cannot be considered until after the first budget resolution for the appropriate fiscal year has been agreed to.

However, full compliance with the Budget Act in this regard would preclude consideration of new price support measures for a given crop year until after the crops are planted. Clearly, compliance in this case would be inconsistent with any sound farm policy. Consequently, the Budget Committee recommended that a waiver of section 303(a)(4) be granted. The Committee on Rules concurred with this recommendation and the rule contains the waiver.

As I stated earlier, the Committee on Agriculture has agreed to offer amendments to cure the Budget Act violations under sections 401 and 402 of the Budget Act. However, waivers are required in order for the bill to be considered.

Section 1315 of H.R. 7171 provides contract authority which is not limited "to such extent or in such amounts as are provided in Appropriations Acts," as required by section 401(a) of the Budget Act.

A number of provisions of the bill, including those relating to certain disaster payments, would violate section 401(b)(1) of the Budget Act because they would become effective upon enactment of the bill. Section 401(b)(1) provides that it shall not be in order to consider a bill containing new entitlement authority to become effective before the first day of the fiscal year which begins in the calendar year in which the bill is reported. Thus, the entitlement provisions in H.R. 7171 should not become effective before October 1, 1977—the first day of fiscal year 1978—since the bill was reported from committee in calendar year 1977.

Similarly, certain provisions of the bill contain authorizations that would become effective upon enactment of the bill. Since this could occur during fiscal year 1977, the provisions in question would violate section 402(a) of the Budget Act. This section provides that it shall not be in order to consider a bill authorizing the enactment of new budget authority for a fiscal year unless the bill has been reported by May 15 preceding the beginning of that fiscal year.

Mr. Speaker, this rule also waives points of order against the consideration of section 1334 of H.R. 7171 for failure to comply with the provisions of clause 5 of rule XXI which prohibits appropriations in a legislative measure. This is actually a technical violation since the language in question simply allows administrative funds to be used for transportation of non-Federal scientists to research meetings. The language appears on page 139, lines 22 to 25 of H.R. 7171.

The rule also makes in order the consideration of the text of H.R. 7940, the Food Stamp Act of 1977, in lieu of title XII of H.R. 7171. H.R. 7940 is to be considered as an original text for the purpose of amendment and it will be read for amendment by section. Two points of order are waived against the substitute. Clause 7 of rule XVI, the germaneness rule, is waived. This is necessary for two reasons: First, H.R. 7940 amends several laws which are not amended by the original bill, and second, H.R. 7940 is much broader than title XII of H.R. 7171. Clause 5 of rule XXI prohibiting an appropriation in a legislative bill is also waived. Again, this is a technical violation relating to the transfer of funds. The language in question appears on page 57 of H.R. 7940.

After passage of H.R. 7171, the rule makes in order the consideration of S. 275, the Senate Agriculture Act of 1977. A waiver of section 303(a) of the Budget Act is also granted for this bill because it, like the House bill, contains price supports for various commodities for fiscal year 1979 and fiscal year 1980.

Mr. Speaker, H.R. 7171 is a complex piece of legislation containing some 15 titles. It is the result of extensive consideration by the Committee on Agriculture. I do not plan to discuss at this point the various provisions of the bill as I am sure there will be ample opportunity for members to discuss those provisions during consideration of the bill. I urge my colleagues to adopt House Resolution 666 so that we might proceed to consideration of H.R. 7171, a vital piece of legislation not only for the agricultural community in this country but for the Nation as a whole.

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise not only in support of the rule but also in wholehearted support of the basic concept of H.R. 7171 and commend the chairman of the committee for his balanced approach in this legislation.

Mr. Speaker, I rise in support of a farm bill not because I am a representative of an agricultural district—my district is a strictly urban and suburban district.

Mr. Speaker, I rise in support of this legislation not because I am a member of the Agriculture Committee—I am not—I am a member of the House Banking, Finance and Urban Affairs Committee and more particularly as chairman of that committee's Subcommittee on Economic Stabilization whose primary function has been to monitor this Nation's continuing and serious inflation problem.

Based on the studies which I and the staff of the Economic Stabilization Subcommittee have made, we believe that, in the main, H.R. 7171 is not inflationary and will be of benefit to the consumers of urban areas such as I represent.

A healthy agrarian economy is essential to a healthy urban economy.

I hope that my friends from the rural areas will also agree that the reverse is true—that a healthy urban economy is absolutely essential to a healthy agricultural economy.

In this connection, farm legislation poses a unique problem of balanced assessment. It is the only significant case in which the law that we write can directly affect supplies and prices in an important sector of our economy while at the same time posing the problem of budgetary cost, which also bears upon inflation in its separate way.

Let me say at the outset that something must be going right. I can think of no better news for our people, and indeed for the people of the world, than the recent crop reports from the Department of Agriculture. We learned to our distress in the 1972–75 period that food prices are above all a function of supply. We did not get an explosion of prices at the supermarket until, for a variety of reasons ranging from Soviet purchases to poor weather, supplies of the major farm crops fell short of demand earlier in this decade. There is literally nothing on the inflation front of greater positive significance than ample crops in the United States, and I include in that statement all the other forces at work such as wage trends, the international exchange rate of the dollar, and the size of the budget deficit.

Now, fortunately, we have ample supply. Wheat is in hand and the feed grains and soybeans need only a reasonable amount of rainfall in the next 6 weeks. The declining commodity markets have been sending the message loud and clear, and it is a happy message for the crucial food component of our price indexes for at least 18 months to come. One major reason for this gratifying situation is our basic farm legislation, which is far superior to what it used to be.

The bill before us has many elements, some less desirable than others, but its salient feature is that it will continue the underlying philosophy begun in 1970 and carried to all the major crops in the 1973 act. This is the philosophy of a fairly low loan or support price; a higher and fictional target price, with accompanying cash payments to farmers as necessary to protect income and provide incentives to produce without affecting the price to the consumer; and a minimum of restrictions on production. I recognize that we shall probably have some limitations on wheat production for the next crop, but this reflects a truly huge surplus and does not change the underlying philosophy.

I am aware that the declining prices, which signal good news for consumers,

are hardly welcome to the grain producers. But while some of them are unquestionably suffering, we should remember the bulwarks to their income contained in present law and improved by this act. We can argue about the precise levels of loan and target prices, but the fact remains that the farmers are not left completely to the whims of an erratic free market.

The other side of the coin, of course, is budgetary cost. While the 1973 act has cost very little because of low supplies and high market prices until recently, the potential for sizable cost in the target price-cash payment system is there, and President Carter's concern is warranted. That issue is relevant to the specific provisions of this bill, crop by crop. I believe, for example, that the target prices for wheat and feed grains in the Senate bill are needlessly high and thus needlessly costly, and I think the same goes for the rice and cotton targets in the bill before us. But we should keep this matter in perspective.

In light of the various factors, how do we assess this bill? I believe that in those difficult gray areas of choice the urban Members of this house, whose concern, like mine, is primarily with the price level, should keep foremost in their minds the matter of supply. If it comes to a choice, it is worth spending more dollars as a kind of insurance policy that the crops will be planted. We should welcome, as one example, the new system contained in this bill of gradually moving up the target price for grains in line with the cost of production; what we want more than anything else is an assurance that those farmers out there will stay in business and plant the crops, and to do that they must have a reasonable prospect of making a profit.

We can also welcome other innovations in the bill such as the important and little noticed provision that opens up a special import quota for cotton if prices exceed a trigger point. This is a recognition that excessive price increases at a time of speculative boom can be bad for farmers as well as consumers. The Nation would have greatly benefited—including prices at the local clothing store—if we had had this provision 4 years ago.

I believe, as I mentioned, that the price targets are probably higher than they need to be in some cases. The Senate figure of $2.18 for corn, for example, could cost about $1.5 billion a year more than the House figure of $2.10 without much payoff in the form of greater insurance of a good crop. We do not need a cotton price as high as the 56 cents in the House bill, nor a target price of $8.40 for rice.

But overall, I believe we should welcome this bill and its underlying approach to the perennial farm problem. It maintains a good balance between assurance of supply and budgetary cost. This Nation has always had ample food, but we learned a few years ago what happens when domestic and world demand outruns a restricted supply. This bill provides, as much as legislation can, that we will not face that situation again. It is worth the price.

I urge adoption of the rule and passage of H.R. 7171.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is one of the most complicated rules to come before this House in this Congress. The rule includes eight waivers of points of order, and some of these waivers apply at several different points in the bill. Five of the eight waivers are made necessary because of violations of the Budget Act. In addition the rule makes it possible to combine two major bills, one dealing with agricultural programs and the other dealing with food stamps.

Mr. Speaker, I do not want to use any more time than necessary, and yet Members should be aware of the various provisions in this rule. Two hours of general debate are provided for the consideration of H.R. 7171, the Agricultural Act of 1977. The first lines of this rule include four waivers of the Budget Act. All of these waivers have the approval of the chairman of the Budget Committee.

Section 303(a) of the Budget Act is waived as it prohibits the consideration of new entitlements to become effective in a fiscal year prior to the adoption of the first budget resolution for that fiscal year. This requirement is violated by provisions in the bill which increase support levels for crop years beyond 1977. Full compliance with section 303(a) of the Budget Act would preclude consideration of new price-support measures for a given crop year until after the crops are planted. Such a result is not consistent with good farm policy, and therefore the waiver of section 303(a) is necessary.

Section 401(a) of the Budget Act is waived because it prohibits contract authority not subject to the appropriations process. Section 1315 of the bill provides contract authority which is not limited by appropriations, and therefore the waiver is necessary. In this letter approving this rule, the chairman of the Budget Committee stated that the Agriculture Committee has agreed to offer an amendment on the floor correcting this violation by subjecting the contract authority to limitations in prior appropriation acts.

Section 401(b)(1) of the Budget Act is waived because it prohibits new entitlements which become effective before the first day of the fiscal year beginning during the calendar year in which the bill is reported. Under this provision, no entitlements in this bill should take effect before October 1, 1977. There are entitlements in this bill which could take effect before October 1, 1977, and therefore the waiver is necessary. Again, the chairman of the Budget Committee has indicated that the Agriculture Committee has agreed to offer a floor amendment curing this Budget Act problem by making these sections effective on October 1, 1977.

Section 402(a) of the Budget Act is waived. This is the May 15 reporting deadline for authorizations. It is waived as there are authorizations in this bill which would become effective upon enactment. Since this could occur during fiscal 1977, the bill should have been reported before May 15, 1976, in order to comply with the Budget Act. Therefore the waiver is necessary. Again it is my understanding that the Agriculture Committee will offer floor amendments to cure the violation by making the provisions in question effective on October 1, 1977.

In addition to these Budget Act waivers, the rule waives points of order against the bill for failure to comply with clause 5, rule XXI, which prohibits appropriations on a legislative bill. The waiver is necessary because section 1334 of the bill allows administrative funds to be used for a new purpose without being appropriated for that purpose.

Under the rule H.R. 7171 will be read for amendment by titles instead of by sections. It is in order to offer H.R. 7940, the Food Stamp Act as an amendment to title XII of the agriculture bill.

Two waivers are necessary in order to allow the food stamp bill to be offered. First, part of the food stamp bill is not germane to the title which will be amended. Therefore it is necessary to waive clause 7, rule XVI, the germaneness rule, in order to allow the food stamp bill to be offered as an amendment.

In addition the food stamp bill transfers funds to new purposes, without the funds being appropriated for the new purposes. This violates clause 5 of rule XXI which prohibits appropriations on legislation. Therefore the waiver is necessary.

Finally, Mr. Speaker, in order to expedite going to conference, the rule makes it in order to insert the House-passed language in the Senate bill. And even at this point, one last waiver of the Budget Act is required. The Senate bill includes the same violation of section 303(a) of the Budget Act that was in the House bill. Therefore, it is necessary to waive section 303(a) of the Budget Act in order to permit consideration of the Senate bill.

Mr. Speaker, the length of this explanation only underscores the complexity of this rule. And yet if we are going to combine the agriculture bill and the food stamp bill in one package, this kind of rule is necessary.

Mr. Speaker, the problem with combining agricultural programs and food stamp programs is that the farmer always receives the blame for the whole cost of the bill, when in fact a large portion of the cost results from the food stamp program.

Mr. Speaker, while exact cost projections are impossible because of the numerous variables in both of these programs, the committee estimates that the agricultural programs will cost between $5 and $6 billion, while the food stamp program is estimated to cost $5.3 billion. Others have estimated that the cost of the food stamp bill will in fact be higher.

One of the most objectionable parts of this food stamp bill, Mr. Speaker, is the elimination of the purchase require-

ment for food stamps. Recipients of food stamps will no longer have to pay their own money to receive food stamps.

Mr. Speaker, I oppose the elimination of the purchase requirement for food stamps.

Mr. Speaker, I have two requests for time. I yield 1 minute to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I rise in opposition to the rule. The Committee on Rules is supposed to be traditionally the traffic cop of Congress. It is supposed to present us with a means to consider legislation in an orderly manner.

The gentleman from Ohio (Mr. LATTA) has just detailed the waivers and mangling of the Rules of the House that this rule entails. But I want to call to the attention of the House even more forcefully to the deep cynicism that allows a rule to come out that marries two disparate issues such as the food stamp program and Federal agricultural policy in one bill. Either of these two issues standing alone is of such great importance to the United States as a whole that it is a great disservice to every Member of this House to glue them together in this Rube Goldberg fashion, denying the rights of Members to consider each issue as it should be.

The food stamp issue alone has been studied by many Members of the House for a long period of time. The gentleman from Illinois (Mr. MICHEL) has more than 100 sponsors of his bill to bring about fundamental reforms; yet we are told by the provisions of this rule that we have got to cram it all together and consider it in this manner. I think that is not the proper manner in which to consider this legislation. I say that as one who represents a district in which national farm policy is of the greatest importance to the many people whose lives, directly or indirectly, depend on farming and related business. These same people have repeatedly indicated their support for far-reaching reforms in the food stamp program. This rule will not allow proper consideration of either of these important issues. I personally believe these issues have been joined for the sole purpose of gaining urban Members support for the farm portions of the bill, traditional log rolling at its worst.

Mr. Speaker, I urge defeat of the rule in its present form so that we may have a more orderly and proper procedure.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, I rise to speak in opposition to this rule. I think the rule is an unholy marriage between two different subjects. This is a mistake for the House to be trying to merge them here, today in this legislation. For that reason I oppose the rule.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

I am shocked.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, title XIV of the bill provides some important initiatives for the development and application of renewable energy resources for agriculture. This title includes the provisions of Farmers Home Administration farm ownership and operating loans to incorporate solar systems in farm buildings and operations, additional USDA research and extension efforts in the solar field, and a major new program for solar energy demonstration farm projects. The author of these provisions, the gentleman from California (Mr. BROWN) and the members of the House Agriculture Committee are to be commended for incorporating this new legislative authority into H.R. 7171.

Food and fiber production costs in this country have risen drastically as a result of energy price increases. This, along with the energy supply problems that have occurred in the past and may recur with more severity in the future are providing substantial incentives for the use of alternative energy sources. It has been estimated that as much as one-third of the total energy used directly in U.S. crop and livestock production goes into applications that may already be within reach of current technologies using other than fossil fuels as a form of energy. Irrigation alone may be using one-fourth of all energy going directly into agricultural production. The potential for energy substitution in agriculture is great and the need for further development is clear.

Solar energy and energy derived indirectly from solar radiation are significant renewable resources on which development efforts must be expanded. There are, however, other renewable resources beyond the bounds of solar that are showing great promise for a variety of applications. I fully understand that the committee intends the definition of the term "solar energy" to be a broad one. But, under the definition contained in H.R. 7171, solar energy is limited to solar heating and cooling, the growing of crops for various bimass technologies, and possibly wind power. However, the definition does not include biomass that utilizes garbage as a fuel; low-head hydroelectric dams that can run off of creeks, small rivers and irrigation ditches; electric vehicles; fuel cells; geothermal energy and other technologies that offer such great potential.

Adoption of alternative sources of energy does not occur unless those sources are reliable and economically competitive. Many of the technologies I have just mentioned are both. There is another factor, though, that is equally important—incentive. The incentive to apply the new technology must be there before it will be adopted.

We are all aware that, unfortunately, Farmers Home Administration has not actively perused solar energy programs until recently when HUD adopted their minimum standards for solar installation. However, Congress can take a major step forward toward assisting and encouraging responsible movement forward not only in the solar area but in the entire area of nonfossil energy by providing Farmers Home and their rural clients with adequate incentives for the adoption of workable alternative energy technologies. I will be offering an amendment to accomplish this. In addition to broadening the scope of title XIV to include all nonfossil forms of energy, my amendment will provide the necessary incentive to Farmers Home Administration by directing the Administrator to fund, on a priority basis, applications that include the use of nonfossil sources of energy.

Under my amendment, the Secretary of Agriculture would be required to coordinate with the Energy Research and Development Administration and other appropriate agencies to obtain assistance in acquiring the information necessary on nonfossil energy technology to enable Farmers Home Administration to develop equipment and performance standards which could be used as a basis for approval or denial of client applications. The Secretary would also be authorized and directed to foster the development of nonfossil energy technology and encourage its practical application through cooperative programs with ERDA and other agencies.

I believe this amendment will broaden and strengthen the provisions of title XIV in ways that will further our objectives for broad scale adoption of workable nonfossil energy technology, and I urge the support of my colleagues in this effort.

Mr. SISK. Mr. Speaker, I urge the adoption of this resolution. It is not without precedent to consider the agricultural extension along with food stamps. I think that it is a matter in which under this rule all elements can properly be considered and amendments will be in order, as well as a motion to recommit. Therefore, I question as to whether my friends have as much to cry about as they may feel.

Mr. Speaker, I urge the adoption of the resolution and move the previous question on the resolution as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 38, not voting 28, as follows:

[Roll No. 439]

YEAS—367

Abdnor	Allen	Anderson, Calif.
Akaka	Ambro	Anderson, Ill.
Alexander	Ammerman	

Andrews, N.C.	Findley	Markey
Andrews, N. Dak.	Fisher	Marks
	Fithian	Marlenee
Annunzio	Flood	Martin
Applegate	Florio	Mathis
Archer	Flowers	Mattox
Armstrong	Flynt	Mazzoli
Ashley	Foley	Meeds
Aspin	Ford, Mich.	Metcalfe
AuCoin	Ford, Tenn.	Meyner
Badillo	Forsythe	Mikulski
Bafalis	Fountain	Mikva
Baldus	Fowler	Milford
Barnard	Fraser	Miller, Calif.
Baucus	Fuqua	Miller, Ohio
Beard, R.I.	Gammage	Mineta
Beard, Tenn.	Gaydos	Minish
Bedell	Gephardt	Mitchell, Md.
Beilenson	Giaimo	Mitchell, N.Y.
Benjamin	Gibbons	Moakley
Bennett	Gilman	Moffett
Bevill	Ginn	Mollohan
Biaggi	Glickman	Montgomery
Bingham	Goldwater	Moore
Blanchard	Gonzalez	Moorhead, Pa.
Blouin	Goodling	Moss
Boggs	Gore	Murphy, Ill.
Boland	Gradison	Murphy, Pa.
Bolling	Grassley	Murtha
Bonior	Gudger	Myers, John
Bonker	Guyer	Myers, Michael
Bowen	Hall	Natcher
Breaux	Hamilton	Neal
Breckinridge	Hammer-schmidt	Nedzi
Brinkley		Nichols
Brodhead	Hanley	Nix
Brooks	Hannaford	Nolan
Brown, Calif.	Harkin	Nowak
Brown, Mich.	Harrington	O'Brien
Broyhill	Harris	Oakar
Buchanan	Harsha	Oberstar
Burgener	Hawkins	Obey
Burke, Calif.	Heckler	Ottinger
Burleson, Tex.	Hefner	Panetta
Burlison, Mo.	Heftel	Patten
Burton, John	Hightower	Patterson
Burton, Phillip	Hillis	Pease
Butler	Hollenbeck	Pepper
Byron	Holtzman	Perkins
Carney	Hubbard	Pettis
Carr	Huckaby	Pickle
Carter	Hughes	Pike
Cavanaugh	Hyde	Poage
Cederberg	Ichord	Pressler
Chappell	Ireland	Preyer
Chisholm	Jacobs	Price
Clausen, Don H.	Jenkins	Pritchard
	Jenrette	Pursell
Clay	Johnson, Calif.	Quie
Cleveland	Johnson, Colo.	Quillen
Cochran	Jones, N.C.	Rahall
Cohen	Jones, Okla.	Railsback
Coleman	Jones, Tenn.	Rangel
Collins, Ill.	Jordan	Regula
Collins, Tex.	Kasten	Reuss
Conyers	Kastenmeier	Rhodes
Corman	Kazen	Richmond
Cornell	Kelly	Rinaldo
Cornwell	Keys	Risenhoover
Cotter	Kildee	Roberts
D'Amours	Kostmayer	Robinson
Daniel, Dan	Krebs	Rodino
Daniel, R. W.	Krueger	Roe
Danielson	LaFalce	Rogers
de la Garza	Lagomarsino	Roncalio
Delaney	Latta	Rose
Dellums	Le Fante	Rosenthal
Derrick	Leach	Rostenkowski
Devine	Lederer	Roybal
Dicks	Leggett	Rudd
Diggs	Lehman	Runnels
Dingell	Lent	Ruppe
Dodd	Levitas	Ryan
Downey	Lloyd, Calif.	Santini
Drinan	Lloyd, Tenn.	Sarasin
Duncan, Oreg.	Long, La.	Satterfield
Duncan, Tenn.	Long, Md.	Sawyer
Early	Lott	Scheuer
Eckhardt	Lujan	Schroeder
Edgar	Luken	Schulze
Edwards, Ala.	Lundine	Sebelius
Edwards, Calif.	McClory	Seiberling
Edwards, Okla.	McCloskey	Sharp
Eilberg	McCormack	Shipley
Emery	McDade	Sikes
English	McEwen	Simon
Evans, Colo.	McFall	Sisk
Evans, Del.	McHugh	Skelton
Evans, Ga.	McKay	Skubitz
Evans, Ind.	Madigan	Slack
Fary	Maguire	Smith, Iowa
Fascell	Mahon	Smith, Nebr.
Fenwick	Mann	Snyder
Solarz	Treen	Whalen
Spellman	Trible	White
St Germain	Tsongas	Whitehurst
Staggers	Tucker	Whitley
Stangeland	Udall	Whitten
Stanton	Ullman	Wilson, C. H.
Stark	Van Deerlin	Wilson, Tex.
Steed	Vander Jagt	Winn
Steers	Vanik	Wirth
Stokes	Vento	Wolff
Stratton	Volkmer	Wright
Studds	Waggonner	Wylie
Stump	Walgren	Yatron
Taylor	Walsh	Young, Fla.
Thompson	Wampler	Young, Mo.
Thone	Watkins	Young, Tex.
Thornton	Weaver	Zablocki
Traxler	Weiss	

NAYS—38

Ashbrook	Frenzel	Myers, Gary
Bauman	Frey	Quayle
Broomfield	Hagedorn	Rousselot
Brown, Ohio	Hansen	Shuster
Burke, Fla.	Holt	Spence
Caputo	Jeffords	Steiger
Clawson, Del	Kemp	Symms
Conable	Kindness	Walker
Corcoran	McDonald	Wiggins
Coughlin	Marriott	Wilson, Bob
Crane	Michel	Wydler
Cunningham	Moorhead, Calif.	
Derwinski		
Dornan	Motti	

NOT VOTING—28

Addabbo	Fish	Rooney
Badham	Flippo	Russo
Brademas	Holland	Stockman
Burke, Mass.	Horton	Teague
Conte	Howard	Waxman
Davis	Ketchum	Yates
Dent	Koch	Young, Alaska
Dickinson	McKinney	Zeferetti
Erlenborn	Murphy, N.Y.	
Ertel	Pattison	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Horton.

Mr. Addabbo with Mr. Dickinson.

Mr. Rooney with Mr. McKinney.

Mr. Brademas with Mr. Koch.

Mr. Zeferetti with Mr. Howard.

Mr. Russo with Mr. Flippo.

Mr. Teague with Mr. Ertel.

Mr. Dent with Mr. Holland.

Mr. Davis with Mr. Conte.

Mr. Murphy of New York with Mr. Badham.

Mr. Pattison of New York with Mr. Ketchum.

Mr. Waxman with Mr. Ketchum.

Mr. Yates with Mr. Erlenborn.

Mr. Stockman with Mr. Young of Alaska.

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, the CRT indicates that I am not recorded on rollcall No. 437, the military construction bill. I would like the RECORD to show that, had I been recorded, I would have voted for the bill.

AGRICULTURAL ACT OF 1977

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7171) to establish more responsive programs for the benefit of farmers and consumers of farm products; to extend and improve the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, as amended; and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7171, with Mr. EVANS of Colorado in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I do so only to ask the distinguished chairman of the Committee on Agriculture this question: If the first reading is dispensed with, is it then the gentleman's intention that the Committee will rise?

Mr. FOLEY. If the gentleman will yield, it is my intention that if the first reading of the bill is dispensed with, I will move that the Committee do rise.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the first reading of the bill is dispensed with.

There was no objection.

The CHAIRMAN. Under the rule, the gentleman from Washington (Mr. FOLEY) will be recognized for 1 hour, and the gentleman from Virginia (Mr. WAMPLER) will be recognized for 1 hour.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WEAVER) having assumed the chair, Mr. EVANS of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7171) to establish more responsive programs for the benefit of farmers and consumers of farm products; to extend and improve the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, as amended; and for other purposes, had come to no resolution thereon.

ANNUAL REPORT OF SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FOR 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. WEAVER) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Public Works and Transportation:

To the Congress of the United States:

I herewith transmit the Annual Report of the Saint Lawrence Seaway Development Corporation for 1976. This re-

port has been prepared in accordance with Section 10 of the Saint Lawrence Seaway Act of May 13, 1954. This report covers the period January 1, 1976 through December 31, 1976, prior to the commencement of my term of office.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1977.*

TWO NEW RESCISSIONS PERTAINING TO FOREIGN MILITARY CREDIT SALES PROGRAM AND GENERAL SERVICE ADMINISTRATION'S FEDERAL BUILDINGS FUND, AND ONE NEW DEFERRAL RELATING TO DEPARTMENT OF DEFENSE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–188)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose two new rescissions totalling $96.1 million in budget authority and report one new deferral of $12.5 million in budget authority.

The rescission proposals pertain to the foreign military credit sales program and the General Services Administration's Federal Buildings Fund. The new deferral relates to the Department of Defense, Uniform Services University of the Health Sciences.

I urge the Congress to act favorably on the rescission proposals.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1977.*

RESCISSIONS RELATING TO PROCUREMENT FUNDS FOR B–1 BOMBER AND SHORT-RANGE ATTACK MISSILE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–187)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of $462.0 million in procurement funds appropriated to the Department of Defense for the B–1 bomber. In addition, I am proposing rescission of $1.4 million provided to the Department of Defense for procurement of the short range attack missile (SRAM–B).

The details of the proposed rescissions are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1977.*

A SUCCESSFUL PROGRAM IN INTERNATIONAL COOPERATION

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PRICE. Mr. Speaker, in 1958 the Joint Committee on Atomic Energy proposed and the Congress adopted legislation encouraging international cooperation in the peaceful uses of nuclear energy. The legislation, known as the Euratom Cooperation Act of 1958, instituted a cooperative program between the United States and a group of six European nations to develop the peaceful uses of nuclear power. We were outstandingly successful in attaining the objective of encouraging the peaceful uses of nuclear power as a review of the situation in Europe will disclose.

The degree of success we attained is indicated by the title of an article in the July 1977 issue of Nuclear Engineering International. The title of the article to which I refer is "Europe Outpacing U.S." I would like to include the article at the conclusion of my remarks for the information of all of those interested in the peaceful uses of nuclear energy.

I would like to highlight a few of the accomplishments in this successful international cooperation program. Under the program, the first system for safeguarding nuclear material from diversion for other than peaceful purposes was developed. Of course, such safeguards only have meaning when they are applied on an international basis.

Under the Euratom program, the technology for the safe use of nuclear energy in the civilian economy was advanced both in Europe and the United States. Our industry was advanced a great deal under the program while at the same time, the benefits of the peaceful atom were brought to our foreign friends.

The group of nations who worked with on this program are now advancing at a faster rate than we are in realizing the benefits of nuclear energy. The nine nations that comprise what is now known as the European Economic Community, have made the financing of electricity producing facilities, especially nuclear, a priority goal in their energy program. As indicated in the article which follows, the European Community is now expanding their nuclear capacity at a faster rate than we are.

The importance which the Europeans attach to this prime energy source is also indicated in the buildup of the equipment industry in Europe to supply the increased nuclear generating capacities. This increased industrial capacity, of course, is taking over from American industry. The American share of the European market has, in fact, dropped from 64.5 percent in 1967 to 54 percent at the beginning of 1977.

In my view, the important point these developments convey is that the United States can provide and in fact has provided, the leadership for the peaceful uses of nuclear energy under properly safeguarded conditions. My concern is that the policy now being advocated is tending to isolate the United States from the international community and, thereby, foreclosing our ability to contribute to the safeguarding of nuclear material. I have expressed my views on this matter in a statement which is printed on page 19861 of the June 20, 1977 RECORD.

Excerpt from Nuclear Engineering International, July 1977, follows:

EUROPE OUTPACING UNITED STATES

New statistics published by the EEC Commission in Brussels illustrate the growing need in Europe for reliable supplies of enriched uranium.

At the end of last year 57.9 per cent of the EEC's nuclear power was produced by reactors using enriched uranium and 39.2 per cent from natural uranium.

But taking into account current nuclear building programmes dependence on enriched uranium will soon rise to 86 per cent.

The table below (top) shows nuclear power stations under construction and in service in the community at the end of 1976.

The Commission's survey says that when current construction programmes are completed reactors of between 600 MW and 999 MW will account for 56.9 per cent of the EEC's capacity.

Despite many set-backs, the countries of Western Europe are expanding their nuclear capacity at a faster rate than the U.S.

America's share of overall nuclear equipment fell from 64.5 per cent in 1967 to 54 per cent on Jan. 1, 1977 while W. Europe's share rose from 22.3 to 26.3 per cent.

The bottom table shows the nuclear capacities and growth rates on a world scale.

NUCLEAR STATIONS BEING BUILT IN THE EEC

	Total		In service		Under construction	
	MW	Percent	MW	Percent	MW	Percent
			1976		1977	
			MW	Percent	MW	Percent
Total power	61,338	100.0	16,931	100.0	44,407	100.0
Natural uranium reactors	6,633	10.8	6,633	39.2		
Enriched uranium reactors	52,727	86.0	9,800	57.9	42,927	96.7

Average rate of increase, percent

	Total		In service		Under construction	
	MW	Percent	MW	Percent	MW	Percent
			1976		1977	
			MW	Percent	MW	Percent
BWR	8,493	13.8	2,171	12.8	6,322	14.3
PWR	37,266	60.8	6,552	38.7	30,714	69.2
Advanced	532	0.9	194	1.1	338	0.8
AGR	6,463	1.5	833	5.2	5,535	12.5
Fast reactors	1,978	3.2	498	2.9	1,480	3.3

Average rate of increase, percent

COMPARISON OF NUCLEAR CAPACITY GROWTH RATES ON WORLD SCALE

United States	50,831	64.5	217,818	54.0	15.7
Western Europe	17,591	22.3	106,201	26.3	19.7
Eastern Europe	5,468	6.9	30,108	7.5	18.6
Other countries	4,926	6.3	49,393	12.2	25.9
World total	78,816	100.0	403,520	100.0	17.7

CAPTIVE NATIONS WEEK: DOUBLE STANDARD ON HUMAN RIGHTS

(Mr. McDONALD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDONALD. Mr. Speaker, each year since 1959, the President of the United States, in accordance with traditional American concern for human rights and the wishes of this House, has declared the third week of July to be commemorated as "Captive Nations Week."

This year, for the first time, our President has ignored the captive nations and enslaved peoples of the world held hostage by the Communist powers.

This sudden neglect is made even more appalling by the President's well known, publicly expressed concern for human rights. We had every reason to believe that a Presidential proclamation of Captive Nations Week would be forthcoming. However, only last Friday, one Greg Treverton of the National Security Council, acting as an administration spokesman advised the National Captive Nations Committee that no proclamation would be forthcoming.

The excuse given by Greg Treverton was incredibly cynical: he said that as the President's position on human rights was well known, it was unnecessary for him to honor the tradition of Captive Nations Week. This ridiculous and insulting statement was repeated to my staff yesterday, July 18, by designated Assistant Secretary of State Patricia Derian who added,

> I vaguely recollect recommending that the President issue a proclamation in support of captive nations, but I'm not overly concerned that he hasn't. It's not as if we were sending money to Chile.

This "radical chic" double standard shows more concern for a handful of Marxist terrorists locked up in Chile than it does for the millions in the Soviet slave labor camps and in the forced labor camps of Red China, Vietnam, Cambodia, Laos, and Cuba and the tens of millions murdered in the name of Communist imperialism.

I intend to make a longer statement during the Special Order on Captive Nations Week tomorrow, but I feel it is necessary to express my shame at the callous disregard for human rights' in the Communist-dominated countries by this administration.

I urge my colleagues, particularly those of my own Party, to join with me in asking the President to fulfill his responsibility to America's traditions of freedom and hold to the duty imposed upon him by Public Law 86–90 passed by joint resolution in 1959.

ALABAMA DOES CARE ABOUT ITS RURAL POOR

(Mr. EDWARDS of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of Alabama. Mr. Speaker, yesterday we were treated once again to an anti-South article, this one written for the Washington Post by Colman McCarthy. It was Alabama's turn this time as subject of an uncalled-for story about the people of my State. It left the impression that Alabama just does not care about its rural poor. Nothing could be further from the truth.

Well, Mr. Speaker, we certainly know we are not perfect. We know we have much to do for our people. We know that we have people who live in poverty. And we do not need Colman McCarthy to tell us about it. But we have made great progress and we will continue to go forward notwithstanding Mr. McCarthy.

In Mobile County, for example, the county from which Mr. McCarthy launched his tirade, new industry is coming in great numbers. We have attracted $1 billion in new industry over the last 4 years, an amount equal to all the new industry brought into Mobile County over the last 50 years. The Tennessee-Tombigbee Waterway which so many antiprogress types have fought is now under construction through one of the poorest sections of this country, and thousands of jobs will be created in rural Alabama. Some 3,500 of these jobs will be available in Mobile County by the mid-1980's. Monroe County, a very rural county in southwest Alabama led the entire State last year with over $300 million in new industry, accompanied by new job opportunities for the rural poor.

An oil refinery under black ownership is getting underway in Tuskegee with the full support of our State government and our congressional delegation.

Plowing behind mules may offend Mr. McCarthy but it surely beats sitting around feeling sorry for ourselves. Eating okra may turn Mr. McCarthy's stomach, but it is standard fare all over the country. It is served almost daily in our Nation's Capital. And cutting wood for papermills may not seem like fun to Mr. McCarthy but it is big business in rural Alabama, and it surely beats waiting for the next welfare check.

Yes, the spirits of our people "are marked by resilience and stubborn faith in their own capabilities," and we do not expect outsiders of Mr. McCarthy's persuasion to understand that at all.

But our people do have that faith, and they believe in the present and in the future. The early 1960's referred to by Mr. McCarthy are times of the past in Alabama, and our people know it. Our rural poor are impatient for a piece of the pie, as are all poor people, but they know that the leaders of our State are working night and day to improve their lot. In the meantime, they are not looting their neighbor's stores or burning local businesses when the lights go out.

I am proud of our people. I am proud of the progress that we in Alabama are making. And I am doubly proud of the ability of our people to survive amid poverty, to plow behind mules, to enjoy okra, to provide wood for papermills, to express their resilience and stubborn faith in their own capabilities in such a way that even Colman McCarthy can see it.

There is a "new South" in rural Alabama today, a new spirit and a new progress that Colman McCarthy evidently cannot see. We are no longer waiting for change, we are working for it.

TRIBUTE TO HERBERT W. JOHNSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL) is recognized for 60 minutes.

Mr. BROYHILL. Mr. Speaker, all members of the North Carolina congressional delegation lost a real friend with the untimely passing on July 6 of Herbert W. Johnson, director of the Winston-Salem Regional Veterans' Administration Office. For more than 31 years, Herb, as we all knew him, served the veterans of North Carolina and across this Nation in an outstanding manner. He will be sorely missed by all of us.

I have had the privilege of knowing Herb since I was first elected to serve in the House of Representatives in 1962. He had been appointed as assistant director in the Winston-Salem office the year before and shortly after my election he offered his services to assist my staff and me in any way he could. This established the foundation of our friendship, and the service and cooperation he gave to my staff and me continued until his death 2 weeks ago.

In 1972, Herb's accomplishments and outstanding qualifications were recognized by the Administrator of Veterans Affairs and he was appointed as director of the Winston-Salem office. Herb and I continued our close relationship and I always felt I could call him personally with any problems or difficulties that might arise. During his tenure, Herb not only served in the best interests of the Veterans' Administration but he served in the best interests of individual veterans as well. He was constantly cognizant of the problems and needs of veterans and he never refused to speak to any veteran who called on him personally. His unselfish devotion to helping needy veterans and their survivors will not be easily forgotten.

It was only a short time ago that several farm co-op veteran students in my congressional district applied for additional educational benefits. They had previously completed farm co-op training but felt that their requests were justified since many new courses had been added to the curriculum that would benefit them. Herb called me to say that he believed that these benefits could not be authorized under current regulations but he wanted the Central Veterans' Administration office to review his decision to insure that every possible consideration was given to these individual veterans. Several weeks later, Herb called to say that he had been notified by the Central Office that these benefits could be granted and he stated he was pleased he asked for the review. Few men would ask their superiors to look over their actions but Herb did. He was a humble man and a very fine director.

This was typical of Herb, he always wanted each Member of Congress to know about any problems or difficulties veterans in his district were experiencing. Many, many times he alerted our offices

even before these problems were brought to our attention by the individual veterans. Herb's untiring dedication and devotion to the veterans of our State paid off in the excellent reputation that the Winston-Salem office had among other regional offices and veterans groups everywhere. I have always reminded veterans in my district of how fortunate they were to have their regional office under such fine guidance and leadership.

Herb's job did not end at 5. Many, many nights he worked on the problems of veterans and their families. Then, remarkably, he also found time to be a civic leader in the community. He was an active member of the American Legion, VFW, AMVETS, and the Winston-Salem Chamber of Commerce. He served as the Federal Coordinator for the Combined Federal Campaign for Forsythe County and he was also a member and past president of the Twin City Kiwanis Club, the North Carolina Federal Personnel Management Council, and the Winston-Salem Federal Council. Herb also served as a member of the Governor's Committee on Jobs for Veterans and was the director of the Winston-Salem Urban League. Herb's high caliber of achievement was displayed in his civic dedication.

Nothing meant more to Herb than doing his very, very best in service to our Nation's veterans. I know that his colleagues in the Winston-Salem office and every one who knew him joins with me in this tribute to a man who was such a fine example of a devoted unselfish civil servant. His tireless efforts in behalf of the veterans in North Carolina and across this Nation will not be forgotten.

My heartfelt sympathy is extended to Herb's wife, Mary, and his son, John. I have lost a real friend.

Mr. FOUNTAIN. Mr. Speaker, I would like to associate myself with remarks of my distinguished colleague, the gentleman from North Carolina (Mr. BROYHILL) over the death of Mr. Herbert Johnson. The veterans of North Carolina lost a respected friend recently with the passing of Herbert W. Johnson, director of the Veterans' Administration Regional Office in Winston-Salem, N.C.

For over 17 years, Herb Johnson ably served the veterans of the Winston-Salem region. His over three decades of service with the Veterans' Administration and his knowledge of North Carolina and its people gave him a special insight into the veterans of our area and the many problems which they often encounter after their service discharges.

In helping veterans with matters related to employment training, education, or health, Herb Johnson gave unselfishly of himself. He was always willing to go the extra mile in making sure that each and every veteran got a fair shake. On countless occasions, Herb Johnson's personal attention to a veteran's problem resulted in an expeditious, often favorable, disposition of that veteran's case.

Mr. Speaker, Herb Johnson will be missed by both me and my staff. But, more importantly, his loss will be felt the heaviest by his survivors and by all the many veterans with whom he has come into contact through the years.

My staff joins me in expressing our sincerest condolences to Mrs. Johnson and the family.

Mr. PREYER. Mr. Speaker, so often we hear the complaint that Government workers are not responsive to the needs of the average man on the street who has to find his way through the maze of Government regulations. There was one very great exception to this criticism in the person of Herb W. Johnson, director of the VA Regional Office in Winston-Salem, N.C., until his sudden death on July 6, 1977, of a heart attack.

Herb Johnson was that rare individual with the unique capabilities of administering the programs of a large regional office and at the same time giving individual attention to the problems of each veteran whose case came before him. My office staff and I have dealt with Herb Johnson on matters affecting veterans for approximately 8 years, and we always found him to be not only immediately attentive to the query but also completely dedicated to the cause of resolving the issue to the benefit of the veteran if at all possible under the law and rules and regulations of the Department.

He was a man of the highest integrity, dedicated to the service of his fellow man in general and to the veteran in particular. Herb Johnson will be greatly missed by those who worked for and with him and by those for whom he so diligently labored for 31 years—the veteran.

Our heartfelt sympathies are extended to Herb's family as are our thanks for his dedicated service.

Mr. JONES of North Carolina. Mr. Speaker, I am sure many Members of Congress were saddened to learn of the untimely passing of Herb Johnson, director of the Veterans' Administration Regional Office in Winston-Salem, N.C. All Members through necessity from time to time are called upon to contact the various, multiple agencies of this Government. In most cases the agencies are courteous and attempt to satisfy our requests. But those Members who had occasion to contact the Winston-Salem, N.C., Veterans' Office I am sure, will agree that no one could have been any more understanding and cooperative than Herb Johnson. Although I did not have the pleasure of knowing him intimately, I could not help but feel that he was a personal friend based on our multiple telephone conversations.

Certainly the Members of Congress have lost a dear friend and the military veterans likewise, for he seemed to give every case his personal attention and usually went the extra mile.

To his family and his many friends, I offer my condolences, and sincerely feel that I have lost a personal friend.

Mr. NEAL. Mr. Speaker, countless thousands of North Carolinians have been saddened by the death of Herbert W. Johnson. At the time of his passing, Mr. Johnson was director of the regional office of the Veterans' Administration in Winston-Salem. He had served in that capacity, and as assistant manager of that office, for 17 years. His career with the Federal Government spanned more than 31 years, not including 3 years of active duty with the U.S. Navy during World War II.

Herb Johnson spent most of his adult life in the bureaucracy, yet one would never describe him as a bureaucrat. He was a public servant in the finest sense of that word. Any member of the North Carolina and South Carolina delegations can attest to the integrity with which he administered the affairs of the regional office. I, perhaps more than any member of the delegations, know of his personal accessibility, because during most of my first term, the district congressional office and the VA office were in the same building. There was never a time when Herb Johnson was not available. There was never a problem too trivial to merit his attention; never a situation so complicated that he ducked his responsibility to deal with it. If it could be done, within the law, Herb Johnson did it. If it could not be done, Herb told you why regulations would not permit it.

It was inevitable, with such a large constituency, that Herb Johnson became known to thousands of veterans, their dependents, and their kinsmen. I believe he was seen by them as a man of impartiality, fairness, and compassion. Those few who harbored grievances did not lay the blame at Mr. Johnson's door. They regarded him as their friend and their advocate.

His reputation as a citizen in his own community was an enviable one. He was very active in service and civic organizations. He was a member of The American Legion, Veterans of Foreign Wars, and AMVETS. He was a member of the Winston-Salem Chamber of Commerce, past president of Twin City Kiwanis Club, and a director of Winston-Salem Urban League. He was a member and past president of the North Carolina Federal Personnel Management Council, and past president of the Winston-Salem Federal Council. He served on the Governor's Committee on Jobs for Veterans and was a member of Ardmore Baptist Church.

He was, in many ways, the Federal Government's most visible representative in North Carolina. His devotion to duty and the compassion and understanding with which he carried out the tasks inherent in his position greatly enhanced the image and reputation of the Federal Government, and the Veterans' Administration in particular.

We who worked almost daily with Herb Johnson's office shall certainly miss him. So, too, I am sure, will the thousands of North Carolinians and South Carolinians who benefited from his exceptional service, and his many friends and acquaintances who simply knew and admired the character of this extraordinary man.

Mr. MARTIN. Mr. Speaker, with a sense of genuine loss, I wish to take this opportunity to pay tribute to Herbert W. Johnson who served our Government over an extended number of years and most recently with the Veterans' Administration as regional director of the office in Winston-Salem. His untimely passing has taken from us a dedicated and highly esteemed individual.

We, in the North Carolina delegation,

have lost a friend, one who was devoted to duty and one who executed his responsibilities in a highly exemplary manner, responding with diligence to the tremendous volume of inquiries relating to veterans' matters as they were received from our constituencies.

Herb Johnson will be missed not only by us, by his capable and cooperative staff and those who were closely associated with him in his work, but also by the community which he served willingly and to which he made outstanding contributions. His generous activities are well known and widespread.

My deepest sympathy is conveyed to his family. They will be blessed with comforting and treasured memories in the years to come.

Mr. HEFNER. Mr. Speaker, a most tragic event occurred during the recent district work period. I was stunned to hear of the death of Herbert W. Johnson, director, Veterans' Administration Regional Office in Winston-Salem, N.C. Herb, as we all called him, spent his entire adult life, following his Navy service in World War II, in behalf of veterans and their families.

In his several capacities of leadership, he demonstrated a dedication and devotion which will be difficult to surpass. I came to know Herb personally three years ago and can state without hesitation that he has left a void in the ranks of veterans whose cause has suffered an irrevocable loss. Let us look at the record of a wonderful man who will be sorely missed.

Herb was born in Huntsville, Ala., and moved to North Carolina at an early age. He was graduated from Black Mountain High School and Mars Hill College. He also attended American University, Washington, D.C. He served in the U.S. Navy from November 29, 1942 to November 26, 1945. He completed over 30 years of service with the Federal Government.

He joined the Veterans' Administration on February 25, 1946 in the Roanoke, Va. regional office as a training officer in the Vocational Rehabilitation and Education Division. In 1948, he transferred to the Veterans' Administration Regional Office in Baltimore, Md. as chief, training facilities section. In July, 1950, he transferred in the same position to the Pittsburgh, Pa. regional office. In February, 1953, he was promoted to administrative officer, Veterans' Administration Central Office in Washington, D.C. where he served until he was promoted to assistant manager of the Winston-Salem Regional Office in March, 1960. He served in this capacity until May 1972 when he was appointed director of the regional office.

Herb was active in service and civic organizations. He was a member of the American Legion, Veterans of Foreign Wars, AMVETS, Winston-Salem Chamber of Commerce, Federal Coordinator for Combined Federal Campaign for Forsyth County. He was a member and past president of the North Carolina Federal Personnel Management Council, member and past president of the Winston-Salem Federal Council, member of the Governor's Committee on Jobs for Veterans, and was a director of the Winston-Salem Urban League. He was a member of the Ardmore Baptist Church.

No Member of Congress or veteran could ask for more dedicated service. The fine talent of Herb Johnson is reflected in every activity of the regional office. He was tenacious when need be, compassionate at all times.

Herb had the faith to accept what life decreed and to carry on through acclamation or adversity. He always gave his best but never compromised his principles. His first obligation was to the veteran and he was true to that cause above all. Many who have worked with him will continue in his tradition, but none can replace him.

I extend my deepest sympathy to Herb's wife Mary and his son, John.

My friend is gone. I shall miss him.

Mr. ANDREWS of North Carolina. Mr. Speaker, I am privileged to join my colleagues today in paying memorial tribute to the late Herbert W. Johnson, director of the Veterans' Administration Regional Office in Winston-Salem, and one of North Carolina's truly fine public servants.

The fact that nearly everybody who knew or came into contact with him called him simply "Herb" is in itself a testimonial to the warmth and character of the man.

Those members of my congressional staff who worked most closely with Herb Johnson were unstinting in their admiration and affection for him as a person, and in their respect for his devotion to duty. He was, they say, an unassuming man—always willing to go that extra mile for North Carolina's veterans, and who was fervent in his desire to help those who were sick, aged, or disabled.

Perhaps the most fitting tribute of all to his memory is the legacy he leaves to those countless veterans who know a better way of life because of Herb Johnson's quiet but unending efforts to make it so.

Herb will be sorely missed here, but the vast contributions he made to our State and her people will remain—as a living monument to his greatness.

Mr. WHITLEY. Mr. Speaker, I wish to join my colleagues in paying respect to a man who has served ably and well as a public servant. Herbert W. Johnson, known to many of us as "Herb," passed away suddenly in Winston-Salem, N. C., week before last. For more than 30 years, Herb had worked for the Veterans' Administration, concluding his career as manager of the Winston-Salem Regional Office of the Veterans' Administration for 5 years prior to his death.

Herb served with distinction and dedication in a difficult position. It is not easy to administer fairly and impartially the laws which Congress has passed which relate to the benefits of veterans and still give sympathetic and humane consideration to the personal needs of individual veterans.

I am sure that each of us who is a Member of this body has encountered a situation or many situations where his natural sympathy for the needs of individuals has made him want to extend benefits in cases where he realized the veteran did not meet the technical requirements of the law and we have also seen other types of cases where a veteran who met the technical requirements received benefits in defiance of the intent of the law.

Herb Johnson did an outstanding job in insuring that reasonable and sympathetic consideration was given to the claim of every veteran and that in each case of genuine need benefits were provided in all situations where they were authorized by law. He also worked diligently to avoid awarding benefits or continuing benefits to those who did not meet the legal requirements for eligibility, and to eliminate the possibility of fraud. Herb Johnson personified the kind of public servant every civil service employee should be. All of us who knew him extend our sympathy to his family and express to them our gratitude for his service to the Nation.

Mr. GUDGER. Mr. Speaker, I wish to associate with the remarks of others here who have eulogized Herbert W. Johnson, deceased, of late the director of the Veterans' Administration Regional Office, Winston Salem, N.C. Herbert W. Johnson deserves commemoration and a place in the permanent records of the Congress of the United States. Almost his entire mature life was spent in the service of his country. For 3 years he served in the U.S. Navy from November 29, 1942 to November 26, 1945. Thereafter in February 1946 he joined the Veterans' Administration in Roanoke, Va.

In the service of the Veterans' Administration he received promotion after promotion. He served for 2 years at the VA Regional Office in Baltimore, Md., as chief of its training facilities section. He served from July 1950 to February 1953 in the same position at the VA regional hospital in Pittsburgh, Pa. And thereafter he served for 7 years as administrative officer of the VA central office here in Washington, D.C. In 1960, he was promoted to become assistant manager of the Winston Salem, N.C. regional office in which capacity he continued to serve until May 1972 when he became director of that regional office.

Herb Johnson was not only a distinguished naval veteran himself, but in his entire postwar career he was a veteran's veteran. He spent much time attending local, State, and national meetings of the veterans' organizations of which he was a member—the American Legion, the VFW, the AMVETS. He was equally concerned about the civic affairs of the communities in which he lived. For example, he served on the Winston Salem Chamber of Commerce as president of its Twin City Kiwanis Club and as member and president of the Winston Salem Federal Council. He was equally active in State affairs, serving as a member of the Governor's Committee on Jobs for Veterans and as president of the North Carolina Federal Personnel Management Council.

You will note that 10 times in the preceding comments I have used the word "served." This is appropriate because the life of Herbert Johnson was a life of service to community, State, and Nation. But in another capacity, he served with equal earnestness. I refer to the service which

he rendered to each individual whose case required his attention. It was an outstanding characteristic of this man that in the discharge of his duties as an officer of the Veterans' Administration he took a personal interest in each case under his supervision. He made sure that every veteran's claim received just and sympathetic attention, and as director of the regional office in Winston-Salem during the years which he served he was responsible to some degree for the handling of the claims of some 617,000 veterans.

Herb Johnson was born in Black Mountain, within my congressional district, the son of Rev. J. J. Johnson, a distinguished minister of the Gospel in that community. He attended the public schools of Buncombe County, in which county I reside, and he graduated from Mars Hill College, a leading Baptist educational institution, located in my district.

The people of western North Carolina are grateful for the exemplary life and achievements of this devoted public servant, this native son, whose attainments greatly honor the community in which he was born and grew into manhood.

Herbert Johnson—an extraordinary man, a loyal and dependable friend, a person of sterling character. He endeared himself to many by his life of unselfish service. He will be greatly missed.

GENERAL LEAVE

Mr. CORCORAN of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include therein extraneous matter, on the subject of the special order taken today by the gentleman from North Carolina (Mr. BROYHILL).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AN UNATTENDED HUMAN RIGHTS ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FISH) is recognized for 10 minutes.

Mr. FISH. Mr. Speaker, I wish to express the seriousness with which I view a direct violation of the fourth amendment to the Constitution of the United States, and to deplore the seeming lack of urgency in dealing with it.

Knowledgeable sources have confirmed that the Russians have placed within the Soviet Embassy in Washington, and in other locations in this country, intricate devices that are capable of intercepting long-distance telephone calls transmitted through the air by microwaves or ultra-high frequency radio signals, a system that handles more than two-thirds of domestic long-distance calls. By the use of advanced computers, information of interest to the Soviet Union is filtered out of the hundreds of thousands of phone calls made by U.S. citizens made available to them each day.

The existence of Soviet surveillance devices in the United States, Mr. Speaker, brings our most confidential governmental, economic, and corporate information under Soviet scrutiny. The fact that this practice has been known to prior administrations is no ground to condone it today.

It is unfortunate that within our Government there are those who gain access to information through an invasion of privacy, but when discovered the guilty are prosecuted. When an injustice is committed by a foreign government, however, no resolution can be reached in a court of law, nor can the accused be punished. Therefore, the U.S. Government is looked to by the people to bring an end to the practice.

John F. Kennedy demonstrated in handling the Cuban missile crisis of 1962, that responsibility for courageously stating our country's demands falls to the President of the United States.

Soviet eavesdropping is a crime, violating our fourth amendment rights against unreasonable search and seizure. The fourth amendment reads:

> (t)he right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures, shall not be violated . . .

A crime is being committed at this very moment, and the infuriating fact is that the instruments of invasion are here in the United States. The Constitution of the United States is the supreme law of the country. Public officials are sworn to defend it, American citizens are expected to abide by it, and foreign nations should respect it. The creators of the fourth amendment felt it important that every American be free of unreasonable search and seizure, no matter who the intruder was.

President Carter, well aware of the injustice being committed against citizens of the United States, has adopted a strange ambivalence inconsistent with what appears to be one of his administration's major concerns—human rights.

To protect the national security against further infiltration, the administration has drawn up plans for an intricate and expensive system of coding and decoding that would secure the Executive's privacy. Does the administration construe the fourth amendment to mean that only the executive branch of Government shall be granted security against unreasonable search and seizure, leaving the American people subject to foreign surveillance? Soviet eavesdropping, as the President claims, may not be an act of aggression, but it clearly is an invasion of the privacy of U.S. citizens.

If the reason for Presidential reticence is that we practice domestic eavesdropping on a scale approaching the massive Soviet effort, then this, too, is extremely disturbing and depressing.

I strongly and respectfully urge the President to stand firm and consistent to his commitment to human rights, and insist that the Soviets discontinue their surveillance of American phone calls.

LEGISLATION TO CREATE AN OFFICE OF SPECIAL PROSECUTOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware (Mr. EVANS) is recognized for 5 minutes.

Mr. EVANS of Delaware. Mr. Speaker, I am today introducing legislation to create an Office of Special Prosecutor to investigate the recent allegations of bribery and other improper activities between foreign governments and Members of Congress.

Although the introduction of this legislation has been prompted by the cascade of reports that South Korean lobbyists may have improperly influenced Members of Congress, my bill would direct the new special prosecutor to investigate the whole area of foreign involvement with Members of Congress.

Yesterday, I, along with many of my colleagues, called on President Carter to appoint a special prosecutor. I did so because I am convinced that the House of Representatives simply cannot investigate itself in this matter. The slow-moving probe of the Ethics Committee, coupled with the resignation this past weekend of Committee Counsel Philip Lacovara has erased any confidence that might have been present in the committee.

Unfortunately, President Carter has, for whatever reasons, decided not to appoint a special prosecutor, preferring to place his confidence in the institution which has yet to show any progress whatsoever.

I believe the President is wrong. The only way to guarantee a fair, impartial, and independent investigation of these allegations is to have a group of individuals probing the charges who owe no political allegiance to anyone.

I also believe that the scope of the allegations already made regarding criminal activities between Members of Congress and the South Korean Government representatives have gone far beyond the ability or even the responsibility of the Ethics Committee to investigate. The Committee on Standards of Official Conduct was set up to deal with individual transgressions of Members of Congress, not to act as the investigatory body for a full range of criminal charges. It simply cannot, in my judgment, deal in a prompt and satisfactory way, with the wide spectrum of charges that have been made.

The Office of the Special Prosecutor worked with the Watergate investigation. It can work again. The success of the Watergate probe was due in large measure to the work of the Special Prosecutor, working in concert with other groups such as the Ervin committee, the House impeachment inquiry, the Justice Department, and the press.

Speaker O'NEILL has guaranteed the independence of the new Ethics Committee counsel. This statement itself is the best argument I know of for a prosecutor who is independent of the Congress. No matter what promises the Speaker makes, the independence of anyone cannot be guaranteed unless that person is taken from under the thumb of others. It was not so long ago that Richard Nixon promised Archibald Cox independence, a promise which went up in smoke during the Saturday Night Massacre.

Mr. Speaker, the public's level of confidence in Congress is distressingly low,

and unless we indicate to the American people that we are serious in getting to the bottom of these serious allegations, that confidence will shrink to zero.

It is time to put aside the old, established way of doing things around here. The "ol' boy" system cannot and should not be allowed to frustrate this inquiry. We need a special prosecutor now.

I ask unanimous consent that a copy of my bill be printed at the conclusion of these remarks.

H.R. 8412

A bill to require the President to appoint a Special Prosecutor to investigate and prosecute acts by agents of foreign governments to influence elected and non-elected officials and employees of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Integrity Act of 1977".

SEC. 2. The President shall, within 30 days of enactment of this Act, cause to be appointed a Special Prosecutor to serve in the Department of Justice.

SEC. 3. The Special Prosecutor shall investigate, prepare, and conduct prosecutions with respect to, acts by agents of foreign governments designed to buy influence for such governments from elected officials and employees of the United States by providing to such officials and employees money, gifts, free trips and other matters of value.

SEC. 4. (a) Notwithstanding any other provision of law, a special prosecutor appointed under this Act shall have, with respect to all matters in such special prosecutor's prosecutorial jurisdiction established under this Act, full power, and independent authority—

"(1) to conduct proceedings before grand juries and other investigations;

"(2) to participate in court proceedings and engage in any litigation, including civil and criminal matters, as he deems necessary;

"(3) to appeal any decision of a court in any case or proceeding in which such special prosecutor participates in an official capacity;

"(4) to review all documentary evidence available from any source;

"(5) to determine whether to contest the assertion of any testimonial privilege;

"(6) to receive appropriate national security clearances and, if necessary, contest in court, including, where appropriate, participation in in camera proceedings, any claim of privilege or attempt to withhold evidence on grounds of national security;

"(7) to make applications to any Federal court for a grant of immunity to any witness, consistent with applicable statutory requirements, or for warrants, subpenas, or other court orders, and for purposes of sections 6003, 6004, and 6005, of title 18, a special prosecutor may exercise the authority vested in a United States Attorney or the Attorney General;

"(8) to inspect, obtain, or use the original or a copy of any tax return, in accordance with the applicable statutes and regulations, and for purposes of section 6103 of title 26, and the regulations issued thereunder, a special prosecutor may exercise the powers vested in a United States Attorney or the Attorney General;

"(9) to initiate and conduct prosecutions in any court of competent jurisdiction, frame and sign indictments, file informations, and handle all aspects of any case in the name of the United States; and

"(10) to exercise all other investigative and prosecutorial functions and powers of the Department of Justice, the Attorney General, and any other officer or employee of the Department of Justice, except that the Attorney General shall exercise direction or control as to those matters that specifically require the Attorney General's personal action under section 2516 of title 18.

"(b) A special prosecutor appointed under this chapter shall receive compensation at a per diem rate equal to the rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5.

"(c) For the purposes of carrying out the duties of the office of special prosecutor, a special prosecutor shall have power to appoint, fix the compensation, and assign the duties of such employees as such special prosecutor deems necessary (including investigators, attorneys, and part-time consultants). The positions of all such employees are exempted from the competitive service. No such employee may be compensated at a rate exceeding the maximum rate provided for GS-18 of the General Schedule under section 5332 of title 5.

"(d) If requested by a special prosecutor, the Department of Justice shall provide to such special prosecutor assistance which shall include full access to any records, files, or other materials relevant to matters within his prosecutorial jurisdiction, and providing to such special prosecutor the resources and personnel required to perform such special prosecutor's duties.

"(e) A special prosecutor may ask the Attorney General or the division of the court to refer matters related to the special prosecutor's prosecutorial jurisdiction. A special prosecutor may accept referral of a matter by the Attorney General, if the matter relates to a matter within such special prosecutor's prosecutorial jurisdiction as established by the division of the court. If such a referral is accepted, the special prosecutor shall notify the division of the court.

"(f) To the maximum extent practicable, a special prosecutor shall comply with the written policies of the Department of Justice respecting enforcement of the criminal laws which have been promulgated prior to the special prosecutor's appointment."

SEC. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

PRESIDENT'S SUGAR PROGRAM ILLEGAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, the payments ordered by President Carter to sugar processors and producers constitute an illegal act according to the Comptroller General of the United States.

The administration was unwise to try to put over a scheme that had never been the subject of hearings, was never alluded to in the consideration of the Agriculture Act of 1949, and was not included in budget recommendations.

It was adventurism pure and simple. If it had been permitted to stand, who knows how far the executive could go without so much as a wink at the legislative branch. Fortunately, the Comptroller General has called a halt to it with his finding that the administration's program is illegal. Mr. Staats states very clearly:

The proposed program is not, in our view, authorized under 7 U.S.C. 1447 [and] the Department may not do indirectly what it cannot do directly.

I appeal to the President to rescind immediately his decision authorizing the payments. So far as I know, no President has ever proceeded with expenditures in contravention of views expressed by the Comptroller General. To do so would plainly be illegal.

Instead, the administration should now formulate a legislative proposal concerning sugar policy, let the Congress hold hearings and work its will. That's the time-tested and only proper way to consider the current hardship for sugar producers and what our Government should do about it.

The payments were expected to be made from Commodity Credit Corporation funds, which would put them beyond the usual discipline of the Comptroller General. Under normal procedure an adverse finding by the GAO would enable the Comptroller General to take exception to an expenditure. Such finding would effectively stop the disbursement.

Text of the letter from Mr. Staats follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., July 19, 1977.

Hon. PAUL FINDLEY,
House of Representatives.

DEAR MR. FINDLEY: This is in response to your letter dated June 15, 1977, which was also signed by the Honorable Edward R. Madigan, House of Representatives, concerning the Department of Agriculture's proposed regulations which would establish a price support payments program beginning with the 1977 sugar crop.

In this regard, you say that the proposed sugar regulations issued on June 14, 1977, are a classic example of an administrative agency trying to do indirectly what it cannot do directly. You refer to the current law as not permitting direct payments to sugar producers, but that the proposed regulations would get around this by providing that the processor would pay the producer the full amount of the support payment received, after deduction for administrative expenses. You indicate that there is also dubious legal authority for the proposed sugar plan because the current law requires that any payments shall be for the purpose of price support and you believe that the payments will not in any way increase, support or stabilize market prices, but will only provide income support.

You also question the legal basis for requiring a processor to carry out the program. You inquire as to what method of enforcement is available to the Department of Agriculture?

Finally, you question the legality of this type of "domestic subsidy" under our Government's international agreements, including the General Agreement on Tariffs and Trade (G.A.T.T.).

We have reviewed the opinion of the Department's Acting General Counsel which you included with your letter. We have also written to the Secretary of Agriculture in order to obtain his views on these matters. Due to the time constraints you have placed on our response, we met with certain officials of the Department of Agriculture to obtain such information and expression of views as we needed to prepare a quick response to your inquiry. While we have not received the written views of the Department we understand the Department's reply would confirm the views expressed by Department officials.

With regard to price supports for agricultural commodities, 7 U.S.C. § 1421 (1970) provides in pertinent part as follows:

"(a) The Secretary [of Agriculture] shall provide the price support authorized or re-

required herein through the Commodity Credit Corporation and other means available to him.

"(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support * * *. (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported * * * (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, (8) the ability and willingness of producers to keep supplies in line with demand * * *.

"(e) Whenever any price support or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as he deems adequate that the producers of the agricultural commodity involved have received or will receive maximum benefits from the price support or surplus removal operation."

Section 1447, title 7, U.S. Code (1970) provides for price support levels of nonbasic agricultural commodities as follows:

"The Secretary is authorized to make available through loans, purchases, or *other operations* price support to producers for any nonbasic agricultural commodity not designated in section 1446 of this title at a level not in excess of 90 per centum of the parity price for the commodity." (Emphasis added.)

The program proposed by Agriculture in its regulations has the stated objective of supporting prices in the market place for sugarbeet and sugarcane producers through payments made to sugar processors. In support of the proposed payments program for 1977 crop of sugar specific reference is made to the eight applicable factors enumerated in 7 U.S.C. § 1421(b). In this regard it is stated that the price received by producers in the United States is a function of the world market price which is currently depressed and therefore the price received by domestic producers is below their cost of production. Price support payments are said to be limited to two cents a pound for several reasons including that the effect of larger payments would be to support the world market price for sugar which would mean an unlimited outlay of currency from the U.S. Treasury.

Section 1435.3 of the proposed regulations (42 Fed. Reg. 30409 (June 14, 1977)) refers to a determination by the Secretary of Agriculture that the level of price support for 1977 crop sugar will be no more than 13.5 cents a pound and that if the national average market price is less than 11.5 cents a pound, the price support payment rate shall not exceed two cents a pound. Under section 1435.5, at the end of each marketing quarter, after the Department of Agriculture has determined the national average price for sugar received by processors in that marketing quarter, it will announce the rate of payment for sugar marketed in the quarter. Payments will be made to a processor on eligible sugar marketed by it during the marketing quarter.

Section 1435.6 provides for a written contract between the processor and the producer stipulating the producer's share of proceeds for the sale of sugar in the market place and the method of payment of the proceeds. The processor shall agree to pay the producer the full amount of the price support payment after deduction for administrative expenses incurred in carrying out its obligations under the program.

Section 1435.9 of the proposed regulations provides that the processor will only be allowed to deduct from the payments actual administrative expenses directly incurred as the result of distributing payments to producers and fulfilling other requirements of the program. Allowable costs may include increased labor, automated data systems use, postage, and the processing of bank drafts. It would not include general administrative and overhead expenses incurred in the processors normal operations.

The Secretary of Agriculture, under 7 U.S.C. § 1447 may make price supports available to sugar producers by means of loans, purchases or "other operations." With regard to "other operations," the Department of Agriculture's Acting General Counsel, in a memorandum to the Secretary, dated April 6, 1977, a copy of which was enclosed with your letter, states as follows:

"The term 'other operations' as stated in Section 301 [7 U.S.C. § 1447] would permit the Secretary of Agriculture to make payments to processors of sugar who pay support prices to sugar producers. Such payments would assure that producers would receive the support prices in the market place for their sugar at a time when processors could not otherwise afford to pay the support price in view of market prices for the processed product. The phrase 'other operations' would not, however, authorize direct payments to producers by the Secretary, since such payments would not support the price which the producers received in the market place for their sugar. This conclusion is supported by extensive legislative history."

After reviewing the pertinent legislative history, the Acting General Counsel concludes.

"* * * the phrase 'other operations' as contained in the Agricultural Act of 1949, as amended, would not allow the Secretary to make payments to producers of sugar beets and sugar cane, but would permit payments to processors of sugar in order to support the price received by producers for sugar in the market place."

We have reviewed the statute and legislative history discussed in the Acting General Counsel's memorandum and concur that the Department may not make direct payments to producers. Hence, whatever else it may encompass, we agree that the statutory term "other operations" was not intended to include direct payments to producers.

Under the proposed program, after the end of the previous marketing quarter, payments are to be made to processors who have agreed that after deduction for administrative expenses, the full amount of the payment is to be paid to the producers. It appears that while the payment is made by the Government to the processor, the processor's function is akin to that of a trustee for the benefit of the producers, and to act as an agent of the Government in determining the amount due to each producer who has sold eligible sugar to it, and in forwarding such payments to the individual producers. It is indeed difficult to distinguish the effect of the proposed program from that of a program of direct producer payments made on the basis of the amount of sugar marketed. Accordingly, the proposed program is not, in our view, authorized under 7 U.S.C. § 1447 as the Department may not do indirectly what it cannot do directly.

In any event we have substantial doubt that the proposal represents a price support program as contemplated by 7 U.S.C. §§ 1421 and 1447. As we understand the proposed program, at the end of each marketing quarter the Department of Agriculture will determine the national average price for sugar for the quarter, and based on this determination, payments, not to exceed two cents a pound, will be authorized to be paid to the processors for the benefit of the sugar producers, provided the market price does not exceed the designated support price (of, for example, 13.5 cents a pound for crop year 1977). The actual rate of payment per pound will be the amount by which the national average market price is less than the designated support price.

The stated objective of the proposed program is to support prices in the market place for sugarbeet and sugarcane producers through payments made to sugar processors. However, the proposed program is unlike traditional price support programs in which the Government stands ready to purchase a commodity at a given price, and in which it in effect establishes a floor in the market place which those desiring to purchase the commodity, must pay. Under the proposed program purchasers in the market place would pay the current price for sugar, for example, 11.5 cents a pound. At a later date, with a designated support level at 15.5 cents a pound, the producers would receive 2 cents a pound from the Government (less the processors' administrative expenses). It thus appears that the additional payment received by producers does not support or increase the market price but rather makes payments to processors for the benefit of the producers, as if the market price actually were higher.

In other words, the proposed program seems to provide, in essence, the equivalent of direct payments to producers, and we fail to see how the payments contemplated under the program would support the market price of sugar.

For the foregoing reasons, we are doubtful that the proposed program may be considered as a price support program as contemplated by 7 U.S.C. §§ 1421(e) and 1447.

With regard to processor participation in the proposed program, we have been informally advised by an official of the Department's Office of General Counsel, that he is aware of no means of compellisg a processor to take part in the program. However, since producers would presumably bring their sugar to processors whose participation in the program would result in substantial additional payments to producers, it would appear that processors would for economic reasons voluntarily participate in the program. Once part of the program, after having entered into written agreements with producers stipulating their share of proceeds from the sale of sugar and the method of payment, the processor would be required to submit reports and certifications to Department of Agriculture which would probably conduct local spot checks of the processor's activities under the program.

Finally, you question the legality of the proposed program under G.A.T.T. or other of our Government's international agreements. The above agreement (61 Stat. part (5) and (6), T.I.A.S. No. 1700, 55–61 U.N.T.S) which was concluded on October 30, 1947, and entered into force for the United States on January 1, 1948, provides in pertinent part as follows:

"ARTICLE XVI—SUBSIDIES

"Section A—Subsidies in General

"1. If any contracting party grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of any product from, or to reduce imports of any product into, its territory, it shall notify

the contracting parties in writing of the extent and nature of the subsidization, of the estimated effect of the subsidization on the quantity of the affected product or products imported into or exported from its territory and of the circumstances making the subsidization necessary. In any case in which it is determined that serious prejudice to the interests of any other contracting party is caused or threatened by any such subsidization, the contracting party granting the subsidy shall, upon request, discuss with the other contracting party or parties concerned, or with the contracting parties, the possibility of limiting the subsidization."

Under this provision if the U.S. grants a subsidy including any form of income or price support which operates to increase sugar exports or decrease sugar imports into the country, the Government is required to notify the other contracting parties. Upon request, the U.S. also must discuss the possibility of limiting the subsidization with any party that believes its interests have been seriously prejudiced. It is not clear to us at this point if the proposed program would increase exports and reduce imports of sugar into the United States; you may wish to raise this question with the Department of Agriculture officials. Of course if there were an increase of the market share of domestic producers, the U.S. Government would be obligated to inform the other parties regarding the program and upon request to discuss possible limitations on the extent of the subsidy. We are not aware of provisions of any other international agreement which might invalidate the proposed program.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. TRIBLE) is recognized for 5 minutes.

Mr. TRIBLE. Mr. Speaker, earlier today I was absent on official business when two rollcall votes were taken. Had I been present I would have voted as follows:

On rollcall No. 433, adoption of the conference report on H.R. 7554, Housing and Urban Development-independent agencies appropriation bill, fiscal year 1978 I would have voted "yea."

On rollcall No. 434, the vote on the Jupiter Probe amendment in disagreement, I would have voted "no," therefore supporting the program.

CREDIT LAWS—THE CONSUMERS' SHIELD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois, (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, in recent months consumers have shown an increasing level of confidence in the American economy. American consumers have demonstrated this confidence through increased spending at all levels.

Consumer spending accounts for nearly two-thirds of the Nation's gross national product. In May, consumer credit buying expanded by $2.53 billion. This increase is the third largest increase ever, according to the Federal Reserve Board. Polls measuring consumer confidence in the economy have reflected significant increases in buyer confidence, and June's figures indicate that this trend is continuing.

As chairman of the Consumer Affairs Subcommittee of the House Banking Committee I would like to express my belief that this increased consumer confidence is due, in part, to the credit legislation which originated in the Consumer Affairs Subcommittee. This legislation has proven itself to be beneficial to the consumer as well as to financial institutions and business enterprises.

One example of a law which stimulated the use of credit is the Equal Credit Opportunity Act amendments which became effective in March of this year. This law prohibits discrimination in the granting of credit to the elderly as well as discrimination based on sex, marital status, race, color, religion, and national origin. As a result, for the last 4 months, creditworthy citizens, who once were denied credit simply because they had reached a certain age, have been applying for loans knowing that their age would not be held against them.

Other examples of the diligent efforts of the members of the Subcommittee on Consumer Affairs in the area of consumer credit protection are the Truth in Lending Act, the Fair Credit Reporting Act, the Fair Credit Billing Act, and the Truth in Leasing Act. These laws have provided consumers with new rights and protections in their credit and financial dealings, where previously they had none, and have helped consumers to save valuable time and money.

The granddaddy of all consumer credit legislation is the Truth in Lending Act which has been in existence since 1968. The Truth in Lending Act has led to a greater understanding by the consumer of the obligations assumed when signing loan contracts. The requirements that there be standardized quotations of interest rates, as annual percentage rate, and that lenders disclose other information relating to the cost of credit, have permitted the consumer to make a more informed choice when seeking credit. The fact that consumers are able to obtain adequate information as to the full cost of credit, makes it easier for families to manage their money. The disclosures may at first appear complex to some people, but after experience is obtained the terms become meaningful and essential to the consumer's protection. The fact that consumer credit buying is on the increase indicates that these laws have made the consumer increasingly aware of his options.

In spite of all of the good that these laws have done there are proposals being put forth designed to change them. I view such proposals with great caution because they may cut back on consumer protections currently part of the law.

It is important, when making changes in any type of legislation, to keep in mind that legislation's fundamental purpose. The detrimental effects of tampering with any law must be carefully measured especially when that law has proven to be as effective as the Truth in Lending Act. The Truth in Lending Act was passed with one overriding goal—to help the consumer deal with the problems he encounters when seeking credit.

I would like to make it clear that while I support legitimate truth in lending simplification I am wary of any measure designed to weaken the basic premise of the law. It is our responsibility to protect the consumer by giving him the knowledge and the means to protect himself. In this way America will continue to prosper and grow.

HOUSING SUBSIDIES OR WELFARE SLUMS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

Mr. AUCOIN. Mr. Speaker, in an age which government involvement, especially by the Federal Government, has come increasingly under suspicion, it is a marvel that there is broad support for Federal housing programs, but it exists, nevertheless. That support extends from housing advocates for the poor to advocates for industries that build the housing.

This broad support is the result of programs that yield tangible returns for dollars spent. There are intangibles that accrue, too—revitalized cities, stabilized neighborhoods, and better economic and racial mixes of people.

Federal housing programs have not always been on target and they have not always been administered with an eye toward making them work. There have been failures as well as successes. But on the whole, Federal housing programs have been for the public good and deserve continued efforts to refine them so they meet the evolving challenges of each new age.

Given this viewpoint, I—as a member of the Housing Subcommittee—am shocked that the Office of Management and Budget has advanced a suggestion to scrap virtually all Federal housing programs and redirect that money through a reformed welfare system. Surely the OMB cannot seriously be considering correcting minor faults by making a major error. Yet, unbelievably, this seems to be the case.

I must wholeheartedly agree with Senator JOHN SPARKMAN of Alabama whose many years in the U.S. Senate give him a unique perspective on Federal housing programs. He called this OMB suggestion an echo of a discredited policy advanced by former President Nixon.

I would go a step further and call it a farce—a simplistic, myopic plan that fails to take into account the broad economics of housing production and housing availability.

It fails to assess the value of existing housing and community development strategies.

It fails to reckon with the need to target the production of housing for low-income Americans.

It fails to recognize the importance of Federal housing programs to the housing industry and to supporting industries—such as the forest products industry which is so important to my State of Oregon.

This thoughtless suggestion falls so far short of producing any positive result that I believe it should be dismissed out of hand. Time wasted on arguing over the suggestion would be better spent perfecting existing Federal housing programs.

I cannot conceive of a Democratic administration literally throwing up its hands on a longstanding national commitment to provide decent housing for Americans. The so-called cash-in proposal suggested by OMB will put money into the hands of low-income people for housing, but will not exert any control over what kind of housing they get. Jack Shriver, president of the National Association of Housing and Redevelopment Officials, accurately outlines the mess that would be created by saying—

In effect, this would put government assistance into the hands of slum landlords . . . and encourage them to keep the slums as they are.

I do not believe such an action would keep faith with the principles the Democratic Party espouses and I would not be a party to allowing it to happen.

The economic factors involved in the production of housing are fundamentally different than those of other consumer services. There is a much higher cost/risk factor, especially with housing designed for low- and moderate-income families. Coupled with this fact of life is the very real presence of skyrocketing housing costs caused by a number of factors, such as mushrooming land costs, the higher cost of money, more expensive building materials and higher labor costs. The cost of producing or rehabilitating housing has reached the point that an intolerably large number of Americans—including many young families with good incomes—cannot afford to buy a home. Low-income people, worst off of all, cannot afford to rent even barely decent housing.

Great strides have been made and more need to be made to combat the growing unaffordability of housing. The OMB, stretching the truth to the breaking point, claims that Federal Government housing programs are inefficient and thus contribute to increased housing costs. I would counter by predicting the cash-in proposal would be one of the most inflationary measures ever tried because it would not produce housing.

Presumably, OMB would leave intact the community development block grant program which is aimed at assisting low- and moderate-income people by attacking slums and blight and providing a stimulus to community redevelopment. But the community development block grant program never was intended to be a housing program and it could not shoulder the sole responsibility of stimulating production of the housing needed to meet the demand of our Nation's people.

Further, the community development block grant program is limited in the kinds of areas to which it can be applied. Housing programs are less limited. Indeed, Federal housing programs are working in inner cities, in suburban areas and in rural areas. Federal housing programs are designed to meet a wide variety of problems. Taken together, housing programs and the community development block grant program form an increasingly coordinated strategy to achieve social goals such as urban revitalization, neighborhood preservation, and racial and economic integration. That strategy also is working to prevent urban sprawl, thus saving energy and making more efficient the delivery systems for transportation, utilities and other public services.

Finally, I want to underline the disastrous effect I believe the cash-in proposal would have on the housing industry, and ultimately, on the entire economy. At a time when our Nation is trying to fight unemployment, this action would be counterproductive. No single action could be more effective in bringing the housing industry, and the industries that depend on it, to a swift demise. And when the cash-in plan fails—as it certainly would—who would receive the industry? Undoubtedly the Government, with costly, wasteful incentives. How would the death of this industry, and the loss of payrolls and thus the loss of tax revenue square with the President's notion that welfare reform is to be accomplished without an increase in cost?

I believe every idea should have its day in court. In this case, I do not think a long trial is necessary. An immediate verdict can be rendered that the case for this idea is insufficient to prolong the argument.

The Carter administration would be well advised to drop this absurd notion. It promised the people more in the field of housing, and the people deserve to get what they were promised.

Adverse comment on the OMB proposal has been widespread. One of the clearest, sharpest analyses appeared as an editorial in the Boston Globe on July 16, 1977, which noted that the cash-in plan "would pit the poor against the poor and, in time-honored fashion, ask them to take what they need out of what little they already have." I herewith submit that editorial in its entirety to illustrate further the foolhardiness of the OMB proposal.

STORM SIGNAL AT HUD

It is distressing news that the Carter Administration is even considering paying for a revamped welfare program with money that otherwise would be used for housing subsidies. While the proposal will surely be shot down before it gets much farther from the Office of Management and Budget, the fact that it could be made at all reveals a distinct danger—that rank pragmatism is about to be palmed off as urban policy by Bert Lance and his associates at OMB.

The approach, outlined in an OMB memo to HUD as one of three ways to mesh housing programs to the new welfare system now under construction, would pit the poor against the poor and, in time-honored fashion, ask them to take what they need out of what little they already have. President Carter has stated emphatically that no new welfare system can cost any more than the old one.

Given that jarring injunction, it is not surprising that Secretary Joseph Califano of the Department of Health, Education and Welfare and his associates should be looking at HUD and its $4.9 billion in housing subsidy funds.

They can argue, as did officials of the Nixon and Ford Administration, that the subsidy programs are wasteful and inefficient, that much of the money doesn't go to the poor at all but to middle-income people. They can also argue that the simplest and most direct way to help the poor is to subsidize them directly through the welfare check and let them find their own housing and that the housing problem is at bottom an income problem divorced from the problem of housing production.

Under this rationale, the government has no duty to stimulate the housing industry through subsidy programs. Helping provide a better market is stimulation enough.

The problem with such arguments is that they don't address either the realities of the urban conditions or the complexities of housing policy. They also overlook the crippling effect the loss of the subsidy programs would have on central cities and on the attempts, centered within HUD, to develop an urban policy that would open up housing opportunities while strengthening existing neighborhoods.

Subsidy programs are essential to any urban policy. They allow HUD to target funds where they are needed, to replace worn out slums, to build afresh on vacant lots or to salvage dwellings that would otherwise deteriorate and slip from the housing market.

The programs also provide thousands of new housing units that can make an enormous qualitative difference in the lives of millions of people.

The Carter Administration may argue that those units would be built anyway. The past indicates they would not be and that specialized industry capable of providing those units would fall apart, just as it did after the Nixon-declared moratorium on HUD programs in 1973.

Also destroyed would be HUD, the agency charged with the special responsibility as the advocate of urban America. Not only would HUD's Secretary Patricia Harris be left powerless without either money or programs, but cities like Boston and New York and Philadelphia would be left without a place to turn within the Administration.

That, of course, is not about to happen. But what can result from the internal struggle between HUD and OMB is a serious weakening of the Harris position within the Cabinet where she was originally slated to be the prime architect of the new urban strategy. Another result is a draining off of creative energies better directed at solving urban problems than compounding them.

LABOR LAW REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, on the opening day of the 95th Congress, I introduced H.R. 77, an omnibus bill to amend the National Labor Relations Act. As I explained at that time, the purpose of my bill was to cure certain inequities and deficiencies in the act which have led to the frustration of national labor policy.

These failings in the law have been constantly and dramatically called to my attention during my 15 years as chair-

man of the House Labor-Management Subcommittee. During that time I have spoken to literally thousands of working men and women who have told me of the terrible injustices they have suffered only because they wanted to exercise rights allegedly promised to them 40 years ago in the Wagner Act.

Several such workers were present with me this morning—workers who have been waiting over 20 years for redress of their legal rights. Mrs. Thelma Swan and her son Raymond Swan are living examples of the adage that "justice delayed is justice denied." This Nation cannot afford to permit such denials of justice to continue.

The staff report issued by my subcommittee at the end of the 94th Congress details many of those failings in the present law and makes certain recommendations for change. Those needed changes fall into two major categories: First, provisions which would expedite the processes and procedures of the National Labor Relations Board and eliminate the opportunities for delay in enforcement of workers' rights, and second, provisions which would strengthen the remedies available to the National Labor Relations Board in order to take the profit out of violation of the law and thereby encourage compliance with legal obligations.

Several specific proposals to accomplish those twin aims were included in H.R. 77. Since the opening day of the 94th Congress, my staff has been working with the staffs of Senators WILLIAMS and JAVITS and representatives of the Carter administration through the Department of Labor, as well as representatives of the American labor movement in an effort to refine and polish those proposals.

We have taken into account the views of many individuals and many constituencies and we have made adjustments to our original proposals in an effort to accommodate legitimate criticisms and alternative suggestions for accomplishing our basic goals.

We now have a bill which both Senator WILLIAMS and I are quite satisfied with and which has the wholehearted support of the administration. Identical bills are being introduced in both Houses today.

I believe this bill will go a long way toward insuring the right of working people to organize and bargain collectively as was guaranteed them so long ago. I believe that particularly in the South, where opposition to union organizing has been most virulent, this bill will make it more difficult for recalcitrant employers to frustrate and defeat their employees' rights. As a result, I hope this bill will also help protect workers in other parts of the country by doing away with open-shop havens which entice industry with the siren song of cheap and docile labor.

The thrust of the Thompson-Williams labor reform bill is identical to H.R. 77. It would provide three new remedial weapons for the NLRB, it would expedite representation elections, it would generally speed up the Board's processes, and it would make judicial enforcement of Board orders more expeditious.

A brief summary of the bill's provisions is attached.

As I mentioned earlier, I view this bill as the culmination of my 15 years as chairman of the Labor-Management Subcommittee. I believe it is the most important piece of legislation to protect the right of workers to organize since the Wagner Act 42 years ago. I am pleased that this bill has the total support of the President and his administration, and I am hopeful that we will be able to secure its passage in the House before we adjourn for the year.

We had earlier announced tentative plans to begin hearings on the labor reform package on July 25. We shall proceed with that plan and I anticipate intensive hearings over the 2 weeks prior to the August 6 recess.

In addition, I plan to hold a day of hearings on this bill on August 9 in Roanoke Rapids, N.C. Roanoke Rapids is the home of the J. P. Stevens Co. It is no secret that J. P. Stevens has become the model for antilabor employers throughout the country. J. P. Stevens and its lawyers have "written the book" on how to use every loophole and inadequacy in the law to prevent and forbid union organization and collective bargaining.

We have, over the years, been told horrendous tales by J. P. Stevens employees about their frustrations in attempting to exercise their fundamental rights as American workers to organize unions and bargain collectively. We will offer, on August 9, an opportunity to J. P. Stevens to respond to those charges. I sincerely hope that the company's representatives will accept our invitation.

The text of the bill and an explanation of its provisions follow:

H.R. 8410

A bill to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Labor Reform Act of 1977".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the National Labor Relations Act.

SEC. 2. (a) Section 3(a) of the National Labor Relations Act is amended to read as follows:

"SEC. 3. (a) The National Labor Relations Board (hereinafter called the 'Board') created by this Act prior to its amendment by the Labor Management Relations Act, 1947, and by the Labor Reform Act of 1977, is hereby continued as an agency of the United States, except that the Board shall consist of seven instead of five members, appointed by the President by and with the advice and consent of the Senate. Of the two additional members so provided for, one shall be appointed for a term of five years and the other for a term of six years. Their successors, and the successors of the other members, shall be appointed for terms of seven years each, excepting that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom that individual shall succeed. The President shall designate one member to serve as Chairman of the Board. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause."

(b)(1) The third sentence of Section 3(b) is amended by striking "three" and substituting "four".

(2) Section 3(b) is further amended by inserting after the third sentence the following new sentence: "The Board shall within 90 days after the date of enactment of the Labor Reform Act of 1977 establish a procedure, upon conditions stated in the rule, pursuant to which a quorum of a group designated pursuant to the first sentence of this subsection may, in appropriate cases, upon motion of the prevailing party in a decision of an Administrative Law Judge after a hearing under section 10(b), summarily affirm such decision. A motion and the response thereto shall be filed with the Board and presented to a quorum of a group designated pursuant to the first sentence hereof within 30 days after the decision of the Administrative Law Judge.".

SEC. 3. Section 6 is amended to read as follows:

"SEC. 6. (a) The Board is authorized to make, amend, and rescind (in the manner prescribed by subchapter II of chapter 5 of title 5, United States Code) such rules and regulations as may be necessary to carry out the provisions of this Act.

"(b)(1) The Board shall within twelve months after the date of enactment of the Labor Reform Act of 1977 issue regulations to implement the provisions of section 9(c)(6) including rules—

"(A) which shall, subject to reasonable conditions, including due regard for the needs of the employer to maintain the continuity of production, assure that if an employer or employer representative addresses the employees on its premises or during working time on issues relating to representation by a labor organization during a period of time that employees are seeking representation by a labor organization, the employees shall be assured an equal opportunity to obtain in an equivalent manner information concerning such issues from such labor organization;"

"(B) For classes of cases in which either the distance from the Board's regional office to the election site or the number of employees involved in the election make it infeasible to comply with the time limits stated in subsection (c)(6)(a) of Section 9, to extend to a maximum of 14 days the period for directing an election stated in that subsection, and to a maximum of 21 days the period for the holding of such an election stated in that subsection.

"(C) to facilitate agreements concerning the eligibility of voters; and

"(D) to govern the holding of elections in cases in which an appeal has not been decided prior to the date of the election.

"(2) The Board shall, to the fullest extent practicable, exercise its authority under subsection (a) of this section to promulgate rules declaring certain units to be appropriate for the purposes of collective bargaining.

"(3) A rule or regulation issued by the Board with respect to the subject matter set forth in paragraphs (1) or (2) of this subsection shall be judicially reviewable only in a proceeding under section 10 of this Act and only on the grounds that the Board prejudicially violated the requirements of subchapter II of chapter 5 of title 5, United States Code or that a rule or regulation of the Board is arbitrary or capricious, contrary to a specific prohibition of this Act, or of the Constitution. The failure of the Board to comply with the time requirements set forth in paragraph (1) of this subsection, or to institute a rule-making proceeding with respect to the subject matter set forth in paragraph (2) of this subsection, within a reasonable period of time after a request for such a rule-making procedure has been filed with the Board pursuant to section 553(e) of title 5, United States Code, to complete such a procedure within a reasonable period after its institution, may be reviewed at the behest

of any aggrieved party only in the United States Court of Appeals for the District of Columbia Circuit. The United States Court of Appeals for the District of Columbia Circuit shall have jurisdiction to grant appropriate relief.

SEC. 4. Section 9(b)(3) is amended by striking ", or is affiliated directly or indirectly with an organization which admits to membership, employees other than guards." and substituting "non guard employees of the same employer at the same location, or if such organization is directly affiliated with any national or international labor organization which represents non guard employees of the same employer at the same location".

SEC. 5. Section 9(c) is amended by adding at the end thereof the following new paragraph:

"(6) (A) Notwithstanding any other provisions of section 9, whenever a petition shall have been filed, in accordance with such regulations as may be prescribed by the Board, by an employee or group of employees or any individual or labor organization acting in their behalf alleging that their employer declines to recognize their representative as the representative defined in subsection (a) in a unit appropriate for the purposes of collective bargaining under a rule established by the Board pursuant to section 6 or a decision in the applicable industry, that a majority of the employees in that unit have designated that individual or labor organization as their representative defined in subsection (a), and that no individual or labor organization is currently certified or recognized as the exclusive representative of any of the employees in the bargaining unit defined in the petition, the Board shall investigate such petition. If the Board finds that the unit there specified is a unit appropriate for the purposes of collective bargaining under a rule established by the Board pursuant to section 6 or a decision in the applicable industry, and if the Board has reasonable cause to believe that a question of representation affecting commerce exists and that the other conditions specified in this subsection have been met, the Board shall within seven days after the filing of the petition direct an election by secret ballot not more than 15 days after a petition is filed under this subparagraph and shall so notify the representative named in the petition and the employer.

"(B) In any proceeding under this subsection in which the Board directs an election by secret ballot, and which is not governed by subparagraph (A) of this paragraph, the board shall direct the election on a date not more than 45 days after the filing of the petition and shall inform the representative named in the petition, the employer, and all other interested parties of the election date not less than 15 days prior to the election except that where the Board determines that the proceeding presents issues of exceptional novelty or complexity, the Board may direct the election on a date not more than 75 days after the filing of said petition.

"(C) After an election conducted pursuant to subparagraphs (A) or (B) of this paragraph is completed, the Board shall promptly serve the parties with a tally of the ballots.

"(D) (i) Any party to the election conducted pursuant to subparagraphs (A) and (B) of this paragraph may, within five days after such election, object to the election on the ground that conduct contrary to a rule relating to election declared by the Board pursuant to its authority under section 6 or conduct contrary to a rule of decision declared by the Board in a proceeding under section 10 did affect the result of the election.

"(ii) With regard to challenged ballots, the Board shall, where such ballots are sufficient in number to affect the outcome of the election, investigate the challenges and serve a report upon the parties on challenges.

"(iii) The Board shall move expeditiously to resolve any issues raised by the objections or regarding eligibility and to certify the results of the election, provided that an objection that an election was conducted under subparagraph (A) instead of subparagraph (B) shall not be a basis for setting the election aside.".

SEC. 6. Section 9(d) is amended by inserting immediately before the period at the end thereof a comma and the following: "except that no such certification shall be set aside unless the Board in issuing such certification prejudicially violated the procedural requirements of this Act or of subchapter II of chapter 5, United States Code, or acted arbitrarily or capriciously, or contrary to a specific prohibition of this Act or of the Constitution".

SEC. 7. The first sentence of subsection (10)(b) is amended to read as follows:

"(b) Whenever—

"(1) it is charged that any person has engaged in or is engaging in any such unfair labor practice, or

"(2) it is charged that any person has engaged in or is engaging in a willful violation of—

"(A) any final order of the Board entered pursuant to subsection (c) of this section and which is not and has not been the subject of a proceeding under subsection (e) or (f) of this section, or

"(B) any final order of a court of appeals of the United States entered in a proceeding under subsection (e) or (f) of this section, prohibiting interference with, restraint or coercion of employees in the exercise of the rights guaranteed in section 7 or discrimination against employees to encourage or discourage membership in a labor organization,

and that said violation occurred within three years of the entry of the order violated,

the Board, or any agent or agency designated by the Board for such purposes, is authorized to issue and cause to be served upon such person a complaint stating the charges. Such complaint shall contain a notice of hearing before the Board or member thereof, or before a designated agent or agency, at a place therein fixed, not less than five days after the serving of such complaint. No complaint shall be issued based upon any unfair labor practice or willful violation of a final order occurring more than six months prior to the filing of the charge with the Board and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the armed forces, in which event the six-month period shall be computed from the day of his discharge.".

SEC. 8. Section 10(c) is amended by—

(1) inserting "(1)" after "(c)";

(2) striking out the fifth sentence of paragraph (1) (as redesignated by this section) and inserting in lieu thereof the following: "If upon the preponderance of the the testimony taken the Board shall not be of the opinion that the person named in the complaint has engaged in or is engaging in any such unfair labor practice, or has willfully violated or is willfully violating a final order as specified in subsection (b) of this section, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint.";

(3) by adding at the end thereof the following new paragraphs.

"(2) If upon the preponderance of testimony taken the Board shall be of the opinion that the allegation in the complaint that a person has willfully violated or is willfully violating a final order as specified in subsection (b) of this section has been sustained, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order certifying the identification of that person to the Secretary of Labor. Notwithstanding any other law, unless the Secretary of Labor determines that because of unusual circumstances the national interest requires otherwise, the Secretary shall certify the identity of such person to the Comptroller General. The Comptroller General shall distribute a list to all agencies of the United States containing the names of persons certified by the Secretary of Labor pursuant to this subsection. Notwithstanding any other law, no contracts shall be awarded to such person during the three-year period immediately following the date of the Secretary's certification, unless the agency of the United States concerned, after notice and opportunity for hearing to all interested parties, certifies to the Secretary of Labor that there is no other source for the material or services furnished by the person affected by the Board order.

"(3) In a case in which the Board determines that any person has engaged in an unfair labor practice within the meaning of subsection (a)(3) or (b)(2) of section 8 which deprives an employee of employment while employees in a bargaining unit which includes that employee are seeking representation by a labor organization or during the period after a labor organization has first been recognized as a representative defined in subsection (a) of section 9 in such unit until the first collective bargaining contract is entered into between the employer and the representative, the measure of backpay for the period until a valid offer of reinstatement is made shall be double the employee's wage rate at the time of the unfair labor practice. In a case in which the Board determines that an unlawful refusal to bargain prior to the entry into the first collective bargaining contract between the employer and the representative selected or designated by a majority of the employees in the bargaining unit has taken place, the Board may award to the employees in that unit compensation for the delay in bargaining caused by the unfair labor practice which shall be measured by the difference between (i) the wages and other benefits received by such employees during the period of delay, and (ii) the wages and fringe benefits such employees were receiving at the time of the unfair labor practice multiplied by the percentage change in wages and other benefits stated in the Bureau of Labor Statistics, Average Wage and Benefit Settlements, Quarterly Report of Major Collective Bargaining Settlements for the quarter in which the delay began. If the Secretary of Labor certifies to the Board that the Bureau has, subsequent to the effective date of the Labor Reform Act of 1977, instituted regular issuance of a statistical compilation of bargaining settlements which the Secretary determines would better effectuate the purposes of this subsection than the compilation specified herein, the Board shall, in administering this subsection use the compilation certified by the Secretary.".

SEC. 9(a) The third sentence of subsection 10(e) is amended by inserting the following immediately before the period at the end thereof a comma and the following: "nor shall any objection be considered by the court unless a petition for review pursuant to subsection (f) of this section has been timely filed by the party stating the objection".

(b) The first sentence of subsection 10(f) is amended by

(1) inserting "within 30 days" after "by filing", and

(2) inserting before the period at the end

thereof the following: "except that if a petition for review has been timely filed, any other party to that Board proceeding, aggrieved by the order, may, within 15 days of service on it of said petition, file a further petition for review.".

SEC. 10. The first sentence of section 10(1) is amended to read as follows:

"(1) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of—

"(1) subsection (a)(3) or (b)(2) of section 8 which deprives an employee of employment while employees in a bargaining unit which includes that employee are seeking representation by a labor organization or during the period after a labor organization has first been recognized as a representative defined in subsection (a) of section 9 in such unit until the first collective bargaining contract is entered into between the employer and the representative, or

"(2) subsection 4 (A), (B), or (C) of section 8(b) or section 8(e) or section 8(b)(7), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred.".

SEC. 11. Section 10(m) is amended by inserting "under circumstances not subject to section 10(l)," after "section 8,"

SEC. 12. Except as otherwise specifically provided in this Act, the amendments made by this Act shall take effect 60 days after the date of enactment of this Act.

FACT SHEET: LABOR REFORM ACT OF 1977

The Labor Reform Act of 1977 embodies several procedural and remedial changes to the National Labor Relations Act which are designed to correct two major problems that have arisen under the current Act: (1) delays in the processing of both election petitions and unfair labor practice cases, and (2) the inadequacy of the remedies which the National Labor Relations Board may invoke against violators of the law, particularly when violations occur during the critical period before a collective bargaining relationship is first established. The bill addresses these problems by (1) restructuring the operation of the Board to minimize delay in election and unfair labor practice proceedings without sacrificing the protections of due process, and (2) creating more effective remedies which will become meaningful deterrents to violations of the law. Specifically the bill provides for—appropriate bargaining units to be established to the fullest extent practicable by rulemaking; and election deadlines imposed on the Board—

(a) Where the unit is covered by a rule or decision, and where the union produces authorization cards from more than half of the unit employees, the election must be held within 15 days after the filing of a representation petition. This period may be extended to 21 days in certain circumstances.

(b) Where the unit is covered by a rule or decision, and where the union produces authorization cards from more than 30% of the unit employees, the election must be held within 45 days from the filing of a representation petition.

(c) Where the Board determines that the issues involved in the representation case are of exceptional novelty or complexity, the election may be delayed as long as 75 days from the date the representation petition was filed—

When employers make campaign speeches or other communications to employees on plant premises or during working time, employees to be given opportunity to receive information from union in equivalent manner, consistent with maintenance of production, details to be established by rulemaking within one year;

Whenever an employee is discharged during an organizational campaign or during a period after an election but prior to the entering into of a first collective bargaining contract, the Board must seek reinstatement of that employee through a court injunction under section 10(1) of the Act;

Employees discharged for protected activities during an organizational campaign or during a period after an election prior to a first collective bargaining contract must be reimbursed at double their wage rate with no deductions for income or behavior in their interim;

Where a party is found guilty of refusing to bargain in good faith for a first collective bargaining contract, the Board may award damages to the employees based upon an objective statistical measure of wage gains under collective bargaining agreements;

The expansion of NLRB from 5 to 7 members, with 7-year terms;

Quorum of 2 Board members may summarily affirm an Administrative Law Judge's unfair labor practice decision within 30 days after the ALJ's decision upon the motion of the prevailing party, procedure to be established by rulemaking within 90 days;

Any party seeking judicial review of a final order of the Board must file in court within 30 days of the Board order; otherwise the Board will obtain automatic court enforcement of its order;

Employers who the Board finds have willfully violated a final order of the Board, or of the Court where the Board's order was contested within the last 3 years to be debarred for three years unless the Secretary of Labor finds that the national interest requires otherwise or agency finds firm is sole source of material or service;

Separate units of guards may be represented by any local union, except for a local that admits into membership other employees of the same employer at the same location or a local that is affiliated with a national or international union that represents other employees of the same employer at the same location.

ENERGY AND TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 10 minutes.

Mr. COTTER. Mr. Speaker, as my colleagues know, the Ways and Means Committee recently completed markup of the tax portions of the National Energy Act. I explained the results of the committee's work in the Hartford, Conn., Courant, and I would like to share that article with my colleagues.

[From the Hartford Courant, July 15, 1977]

ENERGY AND TAXES

(By Congressman BILL COTTER)

The Ways and Means Committee has completed its draft of President Carter's National Energy Act. Every American should try to understand this legislation because it will change our standard and style of living.

In its final form, our bill is close to the President's original version. The committee decided to adopt most of his major proposals because we agreed that America's wasteful consumption of finite energy resources cannot go on forever.

Connecticut residents don't need to be convinced that there is an energy crisis. Last winter's uncontrolled escalation in the price of home heating oil was proof enough that the country needed a long-range energy policy.

But the crisis has been building since the end of World War II. During the fifties and sixties, America's unprecedented economic expansion and material prosperity made us more and more dependent on foreign oil. While U.S. companies enjoyed a monopoly over the exploitation of Middle Eastern oil, few Americans were worried. But as nationalistic governments began in the sixties to assert more and more control over their natural resources, American companies eventually lost their monopoly. We soon discovered the price of our dependence on imported oil.

The Arab oil embargo of 1972–73 hurt us more deeply than the temporary inconvenience of long lines at the gas pump. Since the embargo, Connecticut homeowners have seen the price of home oil swell by more than 300 per cent. At the same time, the high energy bill of American farmers has been passed on to the consumer in the supermarket.

But even before 1972, Connecticut was paying a higher home fuel bill than almost any other state in the country. With no energy reserves of its own, the state has long been dependent on foreign oil. Between 1959 and 1972, when foreign oil was cheaper than domestic, tariffs and quotas forced up the price of imported oil and compelled Connecticut distributors to buy more of the expensive domestic oil than they wanted.

Therefore, OPEC price increases since 1972 have only added to a state fuel bill that already was higher than the rest of the country.

The President's energy bill is less than perfect, but it gives Congress a basic working document with which a national energy policy can be enacted. Some of its most important provisions—energy taxes and credits—went to the Ways and Means Committee.

Taxes and credits are the clout behind the President's "carrot and stick" approach to the energy crisis. Some taxes, for example, are designed to discourage wasteful consumption of oil and natural gas by raising the price of these two fuels. Tax credits are provided to make it easier for industries and utilities to convert to coal, which is cheaper and more plentiful. Credits also will help consumers insulate their homes and purchase equipment for solar and wind energy.

The new energy taxes will raise revenue, and part of the committee's job was to decide how this money should be spent. Much of it will be returned to consumers in the form of rebates, which should keep the taxes from dampening economic growth. Some of the rebates are also intended to correct the social inequities that otherwise would result from the energy plan.

During the committee's month-long drafting work on the bill, two decisions were made that will affect Connecticut residents directly: tax rebates for users of home heating oil and a tax exemption for Connecticut utilities and industries.

The President's proposed wellhead tax on domestic crude oil has been called the "centerpiece" of his energy plan. This particular tax, which the committee adopted, is supposed to discourage oil consumption by raising domestic oil prices to the world level.

Under the President's proposal, the revenues from the wellhead tax would be rebated back in two ways: one general rebate for all consumers, and one rebate specifically for the purchase of home heating oil.

The President's rebate concept was equitable and fair. The general rebate would return tax money taken out of the economy and therefore avoid the recessionary impact of a major new tax. The home oil rebate would protect low- and middle-income consumers who already are paying more than they can afford for a basic necessity.

Without the home oil rebate, the wellhead tax would have increased the nation's residential fuel bill by $1.4 billion in 1980 alone. In Connecticut, the 1980 price tag would have been $64 million.

Home heating oil is not a wasteful luxury Since other provisions of the energy bill were designed to protect homes heated with electricity or natural gas, the home oil rebate was a logical way to help another group of consumers.

However, this rebate was almost killed when some committee members decided it was a special favor to New England. They persuaded the committee to delete the provision from the bill. Only four members dissented.

Two weeks later, the home oil rebate was back. The committee changed its mind when it learned there were homeowners dependent on home heating oil in 14 states outside New England, including Wisconsin, Michigan, Illinois, Ohio, Virginia and North Carolina. The issue, as I pointed out during the committee's debate, was clearly not one of "favoritism" to New England.

The "Cotter amendment," which put the rebate back into the bill, was passed on a 20 to 14 vote. By 1980, the amendment would be worth approximately $150 a year to the average home oil consumer. At the same time, it preserves the general rebate that goes to all consumers.

Both rebates would need Ways and Means approval again next year when the committee hopes to rewrite the tax code.

The home oil rebate is consistent with a basic principle in the Carter energy plan: Although everyone will have to make sacrifices, America's future energy policy should be fair to all regions and consumers.

The second important decision for Connecticut came after the committee voted to tax natural gas and oil burned by industries and utilities. The tax would be supplemented by a tax credit to help the industries and utilities convert to coal.

These were good proposals, but they posed a threat to states like Connecticut, where federal clean air standards forced utilities to discontinue coal, a major pollutant, in favor of cleaner fuels like oil. Connecticut utilities therefore faced a dilemma: burn oil, pay a heavy federal tax and pass the costs on to the consumer, or convert back to coal and risk violation of federal air quality standards.

In Connecticut, where air pollution is second only to Los Angeles, this was a serious problem. The committee therefore decided that utilities and industries forced by government order to burn oil or natural gas would not have to pay the tax.

In addition to these two decisions, the committee voted to:

Provide tax credits for homeowners and renters who install insulation and equipment for solar or wind energy.

Repeal various federal taxes on school and transit buses.

Grant tax credits for the purchase of electric automobiles and to encourage the development of geothermal energy.

Tax "gas guzzling" automobiles.

The "gas guzzler" tax was delayed until the 1979 model year. The committee took this step because General Motors has a head start on its competitors in the development of the small, gas-saving cars the tax is designed to favor. A one-year delay will give GM's rivals a chance to catch up and preserve competition in the industry. When it is imposed, however, the tax will be heavier for the most wasteful cars than the Administration's original proposal.

In its final form, the Ways and Means version of the energy bill will save slightly less than the President's version. White House energy experts, who worked closely with the committee during the long drafting sessions, have said they are basically pleased with the committee's product.

Most Ways and Means members believe they have written an equitable bill that will reduce energy waste without imposing unfair hardships on low- and middle-income consumers or on certain regions of the country. Every effort was made to limit the legislation's effect on the country's economic recovery.

The committee's work and the work of other House committees now goes to an Ad Hoc Energy Committee. The bill then faces action on the House floor and in the Senate.

The Ways and Means Committee has not written a perfect energy bill, and we believe that the legislation, once enacted, will need revision in the future. Even the most optimistic analysts of the President's original bill conceded that it could not significantly reduce our dependence on OPEC oil even after 1985.

But in spite of these doubts, we will have a national energy policy for the first time in our country's history. Future Congresses will have the opportunity to criticize and change this policy as the need becomes evident.

ANNOUNCEMENT OF HEARINGS ON ILLEGAL ALIENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to announce that the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary has scheduled 2 days of public hearings July 27 and 28 to consider the problem of illegal aliens in general as well as proposed legislation to combat this problem.

The hearings will be held in room 2237 Rayburn House Office Building and will commence at 9:30 a.m. on both Wednesday and Thursday.

These will be the first in a series of hearings to be held on this subject and it is our intent to receive testimony only from Members of Congress during next week's hearings.

Those Members who are interested in testifying before the subcommittee on either of the aforementioned dates should address their requests to the Committee on Judiciary, room 2139, Rayburn House Office Building, or contact the subcommittee staff at 225–5727.

TRIBUTE TO DR. WILLIAM EDWARD FARRISON

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. BURKE) is recognized for 5 minutes.

Mrs. BURKE of California. Mr. Speaker, I would like to bring to the attention of my colleagues the record of an outstanding individual, Dr. William Edward Farrison.

Recently North Carolina Central University named its communications building after Dr. Farrison, who retired from the faculty in 1970 after 31 years as a teacher and 20 as chairman of the English department. The Farrison-Newton Building is only the third structure that has been named after a living person.

Dr. Farrison has made a tremendous contribution to the university community and has won the affection and admiration of his colleagues, friends and associates. It gives me special pleasure to compliment his fine career and achievements.

Miss Pauline Newton, an assistant professor of English is the cohonoree of the $2.5 million communications building.

NO "FREE RIDE" ON THE WATERWAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

Mr. ALEXANDER. Mr. Speaker, The Washington Post carried a very pertinent viewpoint in its issue of July 19 regarding the issue of our inland waterways. The author, Harry N. Cook, is executive vice president of the National Waterways Conference, Inc.

In an effort to inform my colleagues of the value and benefits provided to the public and the relatively limited public investment in the waterways as a transportation system, I am commending it to my colleagues:

NO "FREE RIDE" ON THE WATERWAYS

(By Harry N. Cook)

After following T. R. Reid's continuing coverage of the saga of S. 790 in The Washington Post, many readers must be saluting efforts of New Mexico's Sen. Pete Domenici (R) to end the waterway users' "free ride" on the "federally built and [federally] maintained waterways." In fact, each of the articles must lead readers to wonder why on earth Congress hasn't gotten around to enacting waterway tolls in almost 200 years of federal government.

There are many reasons why not. I want to address just two of them. These are, first, that the federal taxpayer foots the entire bill for the inland navigation system and, second, that waterways have been unduly favored by transportation subsidies.

Even when defined in the narrowest sense, as a series of dredged channels and navigation structures to control depths, the waterways are not wholly federal projects. The U.S. Water Resources Council determined that non-federal interests currently provide seven per cent of the construction costs and eight per cent of the operation, maintenance and repair costs of in-channel navigation improvements. Non-federal expenditures include provision of lands, easements and rights-of-way, and dredged-material disposal sites.

But navigable channels alone do not make usable waterways. Before a waterway can be productive, extensive non-federal investment is required for onshore facilities such as wharves, terminals, docks, warehouses, elevators, special cargo-handling equipment, fire, water and sewer services, highway connections and railroad spurs. Much of this investment comes from private-sector users and beneficiaries of the waterway system, including port authorities and communities.

Port-related investments often total 20 to 40 percent of the federal cost of inland-waterway improvements. Thus, waterways are hardly projects of the federal govern-

ment. Rather, the federal investment serves as the "seed money" to attract large investments by states, localities and the users themselves.

These shippers, in return, have made a financial commitment stimulated by the federal investment that first made the channels navigable. Since 1952, some 10,000 plants have been built or substantially expanded along the nation's inland waterways. This expansion represents a capital investment exceeding $171 billion.

When the inland-waterway system is viewed as the complex transportation system and critical component of America's industrial and governmental economy that it truly is, the non-federal and especially the "user" contribution to the system's viability has been enormous. It far outstrips the modest $5 billion that the federal government has spent since 1824 on construction, operation and maintenance of navigation channels.

The federal government has always assisted all the major transportation modes: railroads, highways and airways as well as waterways. All are the beneficiaries of subsidies and other programs totaling in the billions of dollars. However, the lion's share of federal assistance has gone to highways, railways and airways.

While highway users do pay fuel taxes, it is important to note that government expenditures for streets, roads and highways that are not recovered from the users amounted to $4.3 billion in 1973, a typical year. In other words, in a single year, the total unrecovered government investment in highways, roads and streets almost equalled the 150-year total unrecovered government investment in inland-waterway construction, operation and maintenance.

Likewise, the cumulative waterway subsidy was exceeded by a single program of federal aid to the nation's railroads—the $6.4 billion Rail Revitalization and Regulatory Reform Act. A century ago, American railroads received perhaps the largest government subsidy in history: land and right-of-way grants totaling 9.4 percent of the continental United States. In more recent times, railroads have been the beneficiaries of various programs having the effect of subsidies: grade-crossing elimination, the Regional Rail Reorganization Act, a 1974 act to refinance the Railroad Retirement Act, inauguration of the quasi-governmental Amtrak passenger service. In addition, railroads are the beneficiaries of special federal tax relief.

Frequently, the statement is made that railroads must build, operate and maintain their own rights-of-way, while barge and truck rights-of-way are furnished by the federal government. There is one important difference, however. Waterways are public ways, open to all, and the competition is fierce. Because they own private rights-of-way, railroads control the traffic that moves over their tracks and the freight rates that are charged. To have a similar situation on the waterways, the federal government might consider granting a particular bargeline company exclusive rights to operate on, for instance, the Ohio River. If that line had the right to control all the traffic on the Ohio River and the rates charged, it is entirely probable that it could maintain the waterway, pay taxes on it and make a profit, too. But the line surely could not do all this without raising rates substantially. And who would pay? Clearly, the taxpayers and consumers.

The point is that waterways have been neither alone nor at the forefront in receipt of national support. The inland waterways move 16 percent of the nation's cross-country freight at a cost of less than two per cent of the total freight transportation revenues.

A waterway-user charge might be designed to recover revenues at a certain level for the government. Advocates in government have suggested 100 per cent cost recovery. But consumers of transportation services would actually pay several times the intended amount. They would pay again as water-competitive rail rates increased. Railroad spokesmen have estimated that water-compelled rail rates depress rail earnings by approximately $500 million a year. It is reasonable to assume, therefore, that imposition of waterway-user charges—freeing railroads from the constraint of lower water rates—would cost rail shippers as much as $500 million annually in higher rail rates.

These considerations suggest the wisdom of a careful and exhaustive study of the economic impact of waterway-user charges before rushing into inadequately considered legislation.

LOBBYIST OPPOSING CLASS ACTION SECTION OF H.R. 3816

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

Mr. ECKHARDT. Mr. Speaker, in past special orders, I have described some of the inconsistencies and duplicity of lobbyists in opposing the class action section of H.R. 3816, the Federal Trade Commission amendments. Today, I would like to focus on the behavior of the chief lobbyist for the Business Roundtable, who apparently sees no inconsistency in lobbying against this provision on the grounds that it would clog the courts, while he argues against closing the courthouse doors in his capacity as a lobbyist for another organization.

This lobbyist has argued that the class action section of H.R. 3816 would clog the courts and unduly line the pockets of opportunistic attorneys.

It is ironic that this same lobbyist also represents the Association of Trial Lawyers of America. In that capacity, he opposes no-fault auto insurance, arguing that the victims of automobile accidents should not be denied their rights to sue.

It is not unusual, of course, for a lawyer to take two conflicting positions for two separate clients, but when he is making both of his arguments in the public arena as a lobbyist, it is quite appropriate to point out the inconsistencies.

How is it that consumers making claims that they have been cheated in the marketplace clog the courts, but personal injury claimants do not? Incidentally, no-fault legislation permits full recovery for most permanent disability or serious bodily impairment and certain economic, hospital, and medical recovery for all injured persons.

However, it is not my purpose here to argue for or against no-fault insurance. I merely state that one insisting on all traditional rights for auto collision victims is in a poor position to deny any effective recovery to the thousands of consumers who are cheated in the marketplace daily.

How is it that trials which consolidate the cases of many consumers cheated in the same way in a single suit can be said to be more burdensome and time-consuming than the many separate claims of persons alleging personal injury?

How can it be argued that lawyers conducting class actions—thus avoiding a multiplicity of suits—are overpaid at 17 percent of the amount involved when personal injury attorneys bringing a multitude of suits are taking one-third or one-half of the recovery for themselves?

A lawyer best serves his client and the social system when it is possible for him to make a decent fee without overburdening his client by taking an inordinately great amount of the recovery. Every practicing lawyer knows that most consumer frauds involve too small an amount to make it worthwhile to try the customer's case. H.R. 3816 simply affords a means by which consumers may bring their cases in court in a practical and efficient way. I am sure that most of the trial lawyers of America would agree with the principles that underlie this bill. Of course, the Business Roundtable, which looks upon the judicial process as a nagging inconvenience to unrestrained business conduct, would disagree.

LEGISLATION TO REFORM THE SOCIAL SECURITY RETIREMENT TEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 30 minutes.

Mr. HAMILTON. Mr. Speaker, no one in this Chamber can doubt that life is becoming more difficult each day for millions of older Americans. Members of Congress ought to be especially sensitive to their problems. Who among us has not received touching letters from elderly constituents who live alone, who cannot get adequate social services or who cannot make ends meet on a meager income? Who among us has not sensed the helpless—or what is worse, hopeless—tone of such letters? As Members of Congress we bear a certain responsibility for the unacceptable conditions in which too many elderly people find themselves. It is incumbent upon us to identify and to understand the causes of their problems. It is our obligation to take whatever corrective steps we can and to set things right with America's aged.

Our easy access to information on the elderly does not permit us to claim ignorance of the causes of their problems. The dramatic social changes of the past few decades, especially the weakening of traditional family bonds in a society whose younger members have become increasingly mobile, have forced many older people to live alone without the aid and comfort of relatives. Deprived of the company and spiritual support that a closely knit family provides, they live out their final years in numbing isolation. Tied by choice or necessity to the familiar places in which they have passed so many years, they remain behind in America's hard-pressed rural areas and decaying inner cities. The statistics on their numbers are fairly precise, but the depth of their feelings of abandonment can only be guessed at.

The striking demographic changes of the past few decades, namely, a greater lifespan and a lower birth rate in all regions of the Nation, are also complicating the situation of the elderly. Any community of people suffers if its numbers increase too rapidly, and the community of the aged is no exception. One look at the statistics on aging in America leaves no room for doubt that the Nation's population is growing older at a profoundly rapid rate.

At the turn of the century, only one in every 25 Americans was aged 65 years or more. Today, 1 in every 10 Americans falls into this age category. If present trends continue, the proportion will reach one in every eight by the year 2000 and one in every six by the year 2030. In the absence of vigilance and action, this sort of increase in the numbers of a community inevitably results in the deterioration of social services in that community. Our society, which is geared to the needs and desires of the young, does not have sufficient retirement homes, hospitals or recreational facilities for the elderly. Likewise, it does not count among its members enough practitioners of the professions that serve the elderly. Worst of all, its public and private programs to assist the elderly are not adequate to meet the demands placed on them. Overcrowding, neglect and despair are the ultimate consequences.

There is one final factor which aggravates older people. I am referring, of course, to the rampant inflation that has wracked the American economy in the past few years. Runaway prices have hit everyone hard, but older people on a fixed income have been most cruelly hurt. Aside from the erosion of purchasing power—purchasing power which cannot be recouped if income is fixed—inflation harms the elderly in other ways. First, they must dispose of an increasingly greater share of their income in order to live, and so they cannot accumulate savings or make investments as a hedge against inflation. Furthermore, the necessities of life on which they spend most of their income, that is, food, shelter and medical care, are items whose prices rise the fastest of all.

Aged Americans are victims of an economic syndrome that pushes them into a more precarious position each year. It is already the case that a substantial portion of the elderly do not receive enough income to support themselves. Those who live alone or with nonrelatives tend to be the poorest of any single identifiable group in America. Nearly 60 percent of them receive less than $3,000 per year. Among the elderly as a whole, approximately one in six is officially classified as poor. Despite pensions, insurance programs and earnings, more than 3 million of them live in conditions of abject poverty.

It seems to me that there have been in Congress a gratifying appreciation of the problems of older people. Indeed, the 94th Congress was a watershed of legislation beneficial to them. Two major tax bills—the Tax Reduction Act of 1975 and the Tax Reform Act of 1976—contained helpful provisions. Some housing and credit discrimination problems were addressed in the Housing Authorization Act of 1976 and the Equal Credit Amendments of 1976, respectively. The improvement of health care was the object of two important bills—the Health Revenue Sharing and Health Services Act of 1975 and the Health Maintenance Organization Amendments of 1976. In addition, Congress passed the far-reaching Older American Amendments of 1975 as well as much other legislation of lesser impact.

No one can or should detract from such accomplishments. Just like the measure of a man, however, the measure of a legislature is often better taken with an eye to what was omitted and left undone. To the disappointment of millions of older people, the 94th Congress made no significant efforts in the area of social security reform. The social security program, a hallmark of the American spirit and perhaps the single most valuable program for the elderly ever enacted by Congress, continued to evade congressional examination. The success of the program in achieving its goals was not assessed; glaring deficiencies that have developed in the 42 years of its existence were not corrected. To my way of thinking, social security reform is a touchstone of concern for the elderly. No Congress, no matter how impressive its record, can boast of its concern for the elderly if it fails to ask serious questions about social security reform. I intend to ask some such questions today.

It is safe to assume that every Member of Congress knows something of the so-called retirement test, an integral part of the formula by which social security benefits are computed. The test is applied to all social security beneficiaries except disabled workers, disabled children of retired, disabled or deceased workers, and persons aged 72 years or more. At the present time the test specifies that beneficiaries may earn $3,000 per year before they begin to lose benefits at a rate of $1 for every $2 in earnings.

Besides this annual measure of retirement there is a monthly measure. Beneficiaries receive full benefits in any month during which they do not earn in excess of $250, regardless of the sum of their earnings in previous months. Only income from self-employment and wages count as earnings. A different retirement test is applied to beneficiaries who do not reside in the United States.

For many years now the retirement test has been the object of vigorous criticism. The limitations it provides have been attacked as an unnecessary, harsh and unfair disincentive to work. While there is truth to such charges, we should not think that the test was created in order to inconvenience older people. Forward-looking policymakers originally conceived the social security program first and foremost as a system of insurance. Much like the payments one receives when insured property is damaged or destroyed, social security benefits were intended to replace earnings lost when the principal wage earner of a family retired, was disabled, or died. Consequently, just as the insurer of property has tests to determine whether an insured loss has in fact taken place, so the Government had tests to determine whether a potential social security beneficiary had in fact suffered an insured loss of earnings. In the absence of such a loss, that is, in the case where a potential beneficiary was still receiving income from self-employment or wages, eligibility for benefits was not established. Income from such sources as savings, investments, and so forth, which a person was not working to earn, was not included for an obvious reason: the test was for retirement, not total income.

So the social security program was originally conceived, and in light of the original conception a retirement test was consistent. It is not a necessary feature of an insurance program, however, that it pay benefits only when an insured loss has occurred. For example, some life insurance programs, the so-called "investment plans," provide annuities to participants who have suffered no insured loss. Although the social security program could have been conceived along such lines, it is likely that it was not so conceived for a number of reasons.

In 1935, the year in which the program began to operate, Congress saw a definite advantage in a test that would push older workers into retirement. Younger workers, whose employment opportunities were strictly limited, could move more easily into the world of work. Also, Congress was justifiably worried that the limited funds available to the program might be spread too thin if those who did not suffer an insured loss were given benefits nonetheless. Moreover, Congress desired to protect a labor union movement that was none too strong in those years. Labor union representatives convinced Congress that automatic payments without a retirement test might depress wages by creating a pool of elderly workers who would willingly take jobs at low pay. The upshot of such considerations was a social security program—with a retirement test—which provided benefits only in case insured earnings were lost.

But changing times have had a clear effect on the original conception. The retirement test, which initially allowed no benefits to be paid for a month during which the potential beneficiary worked, has been liberalized in 11 separate instances since 1939. The liberalizing moves have included raises in the exempt limit of earnings, elimination of the test for persons of advanced age, establishment of the annual measure of retirement and reductions in the schedule of penalties. The test has never once been tightened. Thus, in responding to the need to improve the social security program and to keep it current, Congress has been moving in a single direction: Away from the idea of pure insurance—one gets benefits because one has suffered a loss—and toward the idea of pure entitlement—one gets benefits because one is entitled to them. The fact that there has been wide-

spread support for each of the liberalizing moves indicates that the conception behind the social security program is changing. Members of Congress should welcome this change and should search for fiscally responsible ways to encourage it.

I myself believe that it is once again time for Congress to liberalize the retirement test. To that end I am offering legislation which would weaken the test in two ways. First, the bill would assist those beneficiaries who receive less than the maximum benefits by allowing them to earn without penalty the difference between their benefits and the maximum benefits plus the exempt limit. Second, the bill would assist all beneficiaries by raising the exempt limit from $3,000 to $4,800. Both provisions would take effect for the taxable year beginning after December 31, 1977.

To see exactly what consequences the bill would have, suppose that it had gone into effect at the beginning of the present year. A person who retired at age 65 and who received the maximum benefits of $4,654.80 per year would have been able to add $4,800 to his benefits, thus bringing to $9,454.80 his total unpenalized income. A similar retiree who received the minimum benefits of $1,284.80 per year would have been able to add $8,170 to his benefits, thus bringing to $9,454.80 his total unpenalized income. Finally, a similar retiree who received the average benefits of $2,703.60 per year would have been able to add $6,751.20 to his benefits, thus bringing to $9,454.60 his total unpenalized income. The bill, then, would have established a uniform unpenalized income ceiling of $9,454.80 for such beneficiaries in place of current ceilings for them ranging from a high of $7,654.80 to a low of $4,284.80, with an average of $5,703.60. If the bill were enacted this year, the uniform unpenalized income ceiling for such beneficiaries would be slightly higher than $9,454.80 due to projected increases in social security benefits. There would be other ceilings for other categories of retirees, but all retirees in the same category would have a uniform ceiling. It is estimated that the bill would help at least 2 million older people, 1.4 million of whom lose all or part of their benefits and 600,000 of whom work only part time, or not at all, in order to stay below current limits. Those elderly capable of work, especially those in receipt of smaller benefit, would be able to achieve an adequate income without sacrificing any part of their hard-earned, well deserved benefits. At the current minimum wage, earnings of $4,800 represent slightly more than 1 year's work.

Before I close I would like to detail a few reasons why this legislation should be supported. To begin, two of the problems which originally motivated Congress to enact the retirement test, that is, the problems of making room for younger workers and of protecting wage levels, are no longer compelling. As concerns the first problem, economic conditions have improved vastly since the Depression and the forced retirement of older workers is no longer required.

Although it is not yet performing at peak efficiency, the expanding economy is creating jobs to accommodate both older and younger workers. Recent legislation to stimulate public hiring has further brightened the employment outlook. In addition, it should be remembered that a high level of competition for jobs between older and younger workers has never been conclusively documented. In fact, we know that these groups of workers often seek different kinds of employment because they have different needs. As concerns the second problem, a much stronger labor union movement and a comprehensive minimum wage statute already provide ample protection for most workers' wage levels. In any case, if more protection is called for then it can be either supplied by Congress or won through collective bargaining in a way that does not work to the disadvantage of economically powerless older people.

The third problem which originally motivated Congress to enact the retirement test is a bit more troublesome. I am referring, of course, to the problem of spreading too thin the limited funds available to the social security program. At a time when the program is on uncertain financial footing, is it fiscally responsible to draft legislation that would make greater demands on limited funds? Congress must proceed carefully in its reform of the retirement test inasmuch as small changes in the test can entail large expenditures of funds. For example, an increase in the exempt limit to $7,500—a common suggestion—would cost $3.6 billion in the first year and higher sums in subsequent years. Outright elimination of the test would cost $7 billion in the first year and higher sums in subsequent years. Therefore, I do not favor either a sizable increase in the exempt limit or the outright elimination of the test at the present time. Before such steps are taken Congress should address the serious problem of adequate funding for the social security program. No elderly person would be served if too generous benefits were to cause the program to collapse.

The bill I offer, however, can be considered fiscally responsible for two reasons. It has a moderate price tag when compared with many other bills to reform the retirement test. First-year costs would be slightly less than $3 billion. Also, because the bill would provide special relief to beneficiaries whose monthly benefit checks are small—the beneficiaries who most often require some public subsidy or assistance to survive—increased expenditures under the social security program would be offset by reduced expenditures under public subsidy and assistance programs. It is difficult to say just how much would be recovered but the sums could be substantial. For instance, 2.3 million social security beneficiaries receive supplemental security income at an annual cost of $3.5 billion. Another 3.5 million beneficiaries receive food stamps at an annual cost of $1.2 billion. A recovery of 64 percent of this $4.7 billion annual expenditure would completely offset increased expenditures under the social security program. I believe that the opportunity to have an unpenalized yearly income of over $9,500, when combined with the desire of many older people to get off the welfare rolls and onto the payrolls, would make complete recovery a live possibility.

There are other important arguments in favor of the legislation I offer. For one, there is no question but that the retirement test prompts premature withdrawal from the work force. Data of the Bureau of the Census indicate that droves of workers quit their jobs at age 65 in spite of the fact that few workers need to retire for reasons of health. It is a mistake to believe that most of these people want to stop working. Studies have shown that there is a sharp increase in work force participation among people aged 72 years or more, the exact opposite of what one would expect if these people stopped working because they wanted to. The reason for this increase is clear enough: the retirement test no longer applies at age 72.

The personal tragedy of enforced idleness is bad enough in itself. Gerontologists tell us that it can have devastating psychological effects on the elderly. It is not, however, the only cost of the retirement test. I have seen estimates that the enforced idleness of the elderly has resulted over a 12-year period in a gross national product 2.4 percent lower than it otherwise would have been. One might expect a loss of this magnitude if one considered the caliber of people being barred from productive labor. Older workers are frequently the most expert, experienced, and highly trained in their occupations. Many employers have noted that they are also the most reliable. It is sheer folly not to take advantage of such assets.

The retirement test is unacceptable on another ground: it is discriminatory in that it hits hardest at those who need their social security benefits most. On the one hand, those whose retirement income consists in a small benefit check each month are faced with the grim dilemma either of losing all their benefits through work or living in the poorest of conditions as public wards. The retirement test makes the social security program virtually worthless to such beneficiaries. On the other hand, those whose retirement income derives from large savings, investments, et cetera, are faced with no dilemma at all. The retirement test allows such beneficiaries a full compensation which they may not even need.

To compound the unfairness, the monthly measure of retirement permits the payment of nearly full compensation to those who are able to earn large amounts of retirement income in short periods of time. Such beneficiaries may earn substantial sums in a month or two and may draw their full benefits the rest of the time. It is obvious that the retirement test should not be a major part of a program one of whose main aims is the protection of the destitute.

Mr. Speaker, there is one final argument against the retirement test. To put it briefly, the test promotes a set of values for which Congress and the public have shown remarkably little sym-

pathy. It punishes productivity and rewards idleness. At a time when Congress is ready to eliminate work disincentives from welfare and unemployment compensation programs, the retirement test stands as a monument to inconsistent thinking. The inconsistency spills over into other areas of legislative concern. For example, Congress may very well put an end to mandatory retirement practices throughout the Nation. If this happens, then we shall be telling older workers that they can stay on the job and lose all their social security benefits in the process. I do not relish the thought of explaining such a contradiction to my elderly constituents. We cannot have it both ways. We cannot build up a policy with one hand and tear it down with the other hand. We must continue to weaken the retirement test in a fiscally responsible way. The legislation I offer should be considered.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CORCORAN of Illinois), to revise and extend their remarks, and to include extraneous matter:)

Mr. HILLIS, for 1 hour, on July 27.

Mr. BROWN of Ohio, for 1 hour, on July 27.

Mr. EVANS of Delaware, for 5 minutes, on July 19.

Mr. MARTIN, for 5 minutes, today.

Mr. FINDLEY, for 5 minutes, today.

Mr. TRIBLE, for 5 minutes, today.

(The following Members (at the request of Mr. VOLKMER) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. AUCOIN, for 5 minutes, today.

Mr. THOMPSON, for 5 minutes, today.

Mr. COTTER, for 10 minutes, today.

Mr. EILBERG, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mrs. BURKE of California, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

Mr. GUDGER, for 5 minutes, today.

Mr. ECKHARDT, for 5 minutes, today.

Mr. HAMILTON, for 30 minutes, today.

Mr. WIRTH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SISK, to revise and extend his remarks in the body of the RECORD in connection with the consideration of H.R. 7171 immediately following the Agriculture Committee chairman.

(The following Members (at the request of Mr. CORCORAN of Illinois), and to include extraneous matter:)

Mr. ABDNOR in two instances.

Mr. BROWN of Ohio in two instances.

Mr. MARTIN in two instances.

Mr. PURSELL.

Mr. HYDE in two instances.

Mr. MICHEL.

Mr. HAGEDORN.

Mr. LAGOMARSINO.

Mr. WHALEN.

Mr. BROWN of Michigan.

Mr. ANDERSON of Illinois.

Mr. CRANE.

Mr. DORNAN in two instances.

Mr. MARLENEE in two instances.

Mr. SNYDER in two instances.

Mr. KEMP in two instances.

Mr. DERWINSKI.

Mr. BROOMFIELD.

Mr. ASHBROOK in three instances.

Mr. STEIGER.

Mr. TREEN.

Mr. STEERS.

Mr. PRESSLER in two instances.

(The following Members (at the request of Mr. VOLKMER) and to include extraneous matter:)

Mr. AKAKA.

Mr LONG of Maryland in two instances.

Mr. CARNEY.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. ALEXANDER.

Mr. MCDONALD in two instances.

Mr. RISENHOOVER.

Mr. MURTHA.

Mr. SISK.

Mr. FRASER.

Mr. MAZZOLI.

Mr. KILDEE.

Mr. MINISH in two instances.

Mr. EILBERG.

Mr. TEAGUE.

Mr. KOSTMAYER.

Mr. RODINO.

Mr. PEPPER.

Mr. HANNAFORD.

Mr. BRECKINRIDGE.

Mr. DOWNEY.

Mr. JOHN L. BURTON.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1496. An act to amend title 18, United States Code, to make a crime the willful destruction or attempts to destroy the trans-Alaska pipeline system; to the Committee on the Judiciary; and

S. 1502. An act to amend title 18, United States Code, to make a crime the willful destruct'on of any interstate pipeline system; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2502. An act to extend certain oil and gas leases by a period sufficient to allow the drilling of an ultradeep well;

H.R. 5970. An act to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loads, and to authorize appropriations for civil defense and for other purposes; and

H.R. 7552. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1978, and for other purposes.

ADJOURNMENT

Mr. VOLKMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 20, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1959. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–54, to regulate land disturbing activities to prevent accelerated soil erosion and sedimentation and to prevent sediment deposit in the Potomac River and its tributaries, including the sewer system of the District of Columbia, and for other purposes, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1960. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–56, to amend the Good Samaritan Act of the District of Columbia, to establish a program for the certification of emergency medical technician/paramedics, and for other purposes, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1961. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–59, to revise the rates charged for medical and mental health services provided by the District of Columbia, and for other purposes, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1962. A letter from the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of a proposed new system of records for the Department of Agriculture, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1963. A letter from the Secretary of the Interior, transmitting the final report on the addition of the Santa Fe Trail to the National Trails System, pursuant to section 5(b) of Public Law 90–543 (H. Doc. No. 95–189); to the Committee on Interior and Insular Affairs and ordered to be printed.

1964. A letter from the Assistant Secretary of the Interior, transmitting notice of a proposed refund for excess payments on leases by Union Oil Co. of California, Mobil Oil Corp., and Gulf Energy and Minerals Co., United States, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of

1953 (Public Law 83–212); to the Committee on Interior and Insular Affairs.

1965. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by a friendly government for permission to transfer certain U.S.-origin military equipment to a third party, pursuant to section 3(a) of the Foreign Military Sales, as amended; to the Committee on International Relations.

1966. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares of retail gasoline marketers during March of 1977, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1967. A letter from the Administrator, Federal Energy Administration, transmitting a report on market shares of distillate fuel oil and residual fuel oil in March of 1977 by refiner-marketers and independent marketers, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1968. A letter from the Administrator, Federal Energy Administration, transmitting a report on the economic impact of energy actions, pursuant to section 18(d) of Public Law 93–275; to the Committee on Interstate and Foreign Commerce.

1969. A letter from the Chairman, Federal Trade Commission, transmitting the Commission's annual report on cigarette labeling and advertising, pursuant to section 8(b) of the Public Health Cigarette Smoking Act (84 Stat. 89); to the Committee on Interstate and Foreign Commerce.

1970. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on a survey for flood control and allied purposes on Kalihi Stream, Oahu, Hawaii, pursuant to section 219 of the Flood Control Act of 1968; to the Committee on Public Works and Transportation.

1971. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, together with other pertinent reports, on Niniichik and vicinity, Alaska, in response to resolutions of the Senate and the House Public Works Committees; to the Committee on Public Works and Transportation.

1972. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, together with other pertinent reports, on Raccoon Creek Basin, Pennsylvania, in response to a resolution of the House Public Works Committee; to the Committee on Public Works and Transportation.

1973. A letter from the Secretary of Health, Education, and Welfare, transmitting a special supplemental report on the child support enforcement program, to update the data contained in the first annual report to include the transition quarter, pursuant to section 452(a)(10) of the Social Security Act, as amended by Public Law 95–30; to the Committee on Ways and Means.

1974. A letter from the Comptroller General of the United States, transmitting a report on the need for better techniques to identify and recover overissuances of food-stamp benefits and punishment for cases of fraud (CED–77–112, July 18, 1977); jointly, to the Committees on Government Operations, and Agriculture.

1975. A letter from the Comptroller General of the United States, transmitting a report on the status of major defense installations compliance with air quality standards (LCD–77–305, July 18, 1977); jointly, to the Committees on Government Operations, Armed Services, and Interstate and Foreign Commerce.

1976. A letter from the Deputy Attorney General, transmitting the report on antitrust issues relating to the production and transportation of Alaska natural gas, pursuant to section 19 of Public Law 94–586; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and the Judiciary.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 6831. A bill to establish a comprehensive national energy policy; with amendment (Rept. No. 95–496, Pt. IV). Referred portions reported from the Committee on Interstate and Foreign Commerce with amendment. Referred to the ad hoc Committee on Energy.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRODHEAD:

H.R. 8405. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. DON H. CLAUSEN:

H.R. 8406. A bill to provide recognition to the Women's Air Forces Service Pilots for their service to their country during World War II by deeming such service to have been active duty in the Armed Forces of the United States for purposes of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 8407. A bill to provide for the monthly publication of a Consumer Price Index for the Aged and Other Social Security Beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 8408. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increase in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 8409. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

By Mr. THOMPSON:

H.R. 8410. A bill to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act; to the Committee on Education and Labor.

By Mr. DORNAN:

H.R. 8411. A bill to amend the Export Administration Act of 1969 to provide for greater congressional oversight of exports of items which are subject to export controls imposed for purposes of national security; to the Committee on International Relations.

By Mr. EVANS of Delaware:

H.R. 8412. A bill to require the President to appoint a Special Prosecutor to investigate and prosecute acts by agents of foreign governments to influence elected and nonelected officials and employees of the United States; to the Committee on the Judiciary.

By Mr. HAMILTON:

H.R. 8413. A bill to amend title II of the Social Security Act to increase to $4,800 the amount of outside earnings which (subject to future cost-of-living adjustments) is permitted any individual each year without deductions from benefits thereunder, with further increases in the case of individuals receiving less than the maximum provided for benefits of the type involved; to the Committee on Ways and Means.

By Mr. HANNAFORD (for himself, Mr. ASHLEY, Mr. BLANCHARD, Mr. KRUEGER, Mr. MINETA, and Mr. MARKS):

H.R. 8414. A bill to declare a national policy on investment in the private sector of the U.S. economy; to the Committee on Banking, Finance and Urban Affairs.

By Ms. HOLTZMAN:

H.R. 8415. A bill to amend title 28 of the United States Code to provide for the appointment of a Special Prosecutor in appropriate cases, and for other purposes; to the Committee on the Judiciary.

By Mr. KETCHUM:

H.R. 8416. A bill to convey rights of certain lands removed from the Tule River Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY of New York (for himself, Mr. JENRETTE, and Mr. NEAL).

H.R. 8417. A bill to amend title 38, United States Code, to provide for a 12-year delimiting period for a veteran to complete a program of education; to the Committee on Veterans' Affairs.

By Mr. PURSELL:

H.R. 8418. A bill to provide for a reduction in the number of Federal employees through voluntary attrition; to the Committee on Post Office and Civil Service.

By Mr. QUIE (for himself, Mr. FORD of Michigan, Mr. BUCHANAN, Mr. BIAGGI, Mr. PRESSLER, Mr. SIMON, and Mr. HEFTEL):

H.R. 8419. A bill to amend title 38, United States Code, to provide for the payment of supplemental tuition allowances to certain veterans pursuing educational programs for purposes of offsetting the differences in State educational costs; to the Committee on Veterans' Affairs.

By Mr. ROONEY (by request):

H.R. 8420. A bill to amend the Department of Transportation Act and the Regional Rail Reorganization Act of 1973 to extend the eligibility for financial assistance under the rail service assistance programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSE (for himself and Mr. DRINAN):

H.R. 8421. A bill to amend title 18, United States Code, to make a crime the use, for fraudulent or other illegal purposes, of any computer owned or operated by the United States, certain financial institutions, and entities affecting interstate commerce; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI (for himself, Mr. DUNCAN of Tennessee, Mr. CORMAN, Mr. PIKE, Mr. VANIK, Mr. COTTER, Mrs. KEYS, Mr. FORD of Tennessee, Mr. BRODHEAD, Mr. MARTIN, and Mr. GRADISON):

H.R. 8422. A bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI (for himself, Mr. VANIK, Mr. CORMAN, Mr. COTTER, Mrs. KEYS, Mr. FORD of Tennessee, Mr. BRODHEAD, Mr. DUNCAN of Tennessee, Mr. MARTIN, and Mr. GRADISON).

H.R. 8423. A bill to amend titles II and XVIII of the Social Security Act to make

improvements in the end stage renal disease program presently authorized under section 226 of that act; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 8424. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

By Mr. WEAVER:

H.R. 8425. A bill to designate certain lands for inclusion in the National Wilderness Preservation System; to the Committee on Interior and Insular Affairs.

By Mr. WEAVER (for himself, Mr. FOWLER, Mr. COHEN, Mr. ROYBAL, Mr. ASPIN, Mr. MILLER of California, Mr. WEISS, Mr. GILMAN, Mr. DOWNEY, Mr. JOHN L. BURTON, Mr. CARNEY, Mr. METCALFE, and Mr. VENTO):

H.R. 8426. A bill to assist in the marketing and handling of 1977, 1978, 1979, 1980, and 1981 crops of wheat and feed grains; to the Committee on Agriculture.

By Mr. WINN (for himself, Mr. SEBELIUS, Mr. GUYER, Mr. ICHORD, Mr. GLICKMAN, Mr. SKUBITZ, Mr. EILBERG, Mr. SYMMS, Mr. WATKINS, Mr. TAYLOR, Mr. JONES of Oklahoma, Mr. VOLKMER, Mr. YOUNG of Missouri, Mr. THONE, and Mr. SKELTON):

H.R. 8427. A bill to amend the Natural Gas Act to provide certain limitations on gas curtailment plans; to the Committee on Interstate and Foreign Commerce.

By Mr. ADDABBO:

H. Con. Res. 292. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. STUDDS (for himself, Mr. ROSENTHAL, Mr. PIKE, Mr. ASPIN, Ms. SCHROEDER, Mr. MAGUIRE, Mr. HANNAFORD, Mr. CARR, Mr. WEAVER, Mr. BEDELL, and Mr. FITHIAN):

H. Con. Res. 293. Concurrent resolution disapproving the proposed sale of airborne early warning aircraft to Iran; to the Committee on International Relations.

By Mr. ANDERSON of Illinois (for himself, Mr. RHODES, and Mr. COHEN):

H. Res. 694. Resolution providing for the consideration of the bill (H.R. 8125) to provide for the appointment of a Special Prosecutor in appropriate cases, and to require the Attorney General to make a preliminary investigation of alleged improper foreign influence in Congress to determine whether or not such a special prosecutor should be appointed for any cases arising therefrom; to the Committee on Rules.

By Mr. MAZZOLI:

H. Res. 695. Resolution to establish a Commission on South Korean Influence; to the Committee on Rules.

By Mr. SHIPLEY:

H. Res. 696. Resolution to maximize local nighttime radio service; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

228. By the SPEAKER: Memorial of the Legislature of the State of Washington, relative to the shipment or trading of Alaskan crude oil; to the Committee on International Relations.

229. Also, memorial of the Legislature of the State of Louisiana, relative to Federal income taxes paid by retirees over the age of 65; to the Committee on Ways and Means.

230. Also, memorial of the Legislature of the State of California, relative to the enactment of a national earthquake hazards reduction program; jointly, to the Committees on Interior and Insular Affairs, and Science and Technology.

231. Also, memorial of the Legislature of the State of Nebraska, relative to regulation of the insurance business; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. KETCHUM introduced a bill (H.R. 8428) for the relief of Gail Williamson; which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

149. By the SPEAKER: Petition of the United Cement, Lime and Gypsum Workers, Chicago, Ill., relative to the housing problem; to the Committee on Banking, Finance and Urban Affairs.

150. Also, petition of the United Cement, Lime and Gypsum Workers, Chicago, Ill., relative to amending the National Labor Relations Act; to the Committee on Education and Labor.

151. Also, petition of the World Organization For Freedom, Dearborn Heights, Mich., relative to human rights; to the Committee on International Relations.

152. Also, petition of the Surfside Masonic Lodge, Surfside, Fla., relative to the indictment of FBI agents in certain cases; to the Committee on the Judiciary.

153. Also, petition of the township committee of the township of Cranford, N.J., relative to the funding of public works project in fiscal year 1978; to the Committee on Public Works and Transportation.

154. Also, petition of the United Cement, Lime and Gypsum Workers, Chicago, Ill., relative to unemployment compensation; to the Committee on Ways and Means.

155. Also, petition of the United Cement, Lime and Gypsum Workers, Chicago, Ill., relative to national health security; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

AMENDMENTS

Under clause 6 of the rule XXIII, proposed amendments were submitted as follows:

H.R. 5400

By Mr. COHEN:

Page 31, after line 6, insert the following new subsection:

(e)(1) The Administrator, in consultation with the Secretary of Health, Education, and Welfare, and in accordance with section 553 of title 5, United States Code, shall prescribe standards of accessibility for physically handicapped and elderly individuals for registration and polling places for Federal elections, which shall be adopted, as provided in paragraph (2), by any State seeking financial assistance under section 7. Such standards shall include a requirement—

(A) that all such registration and polling places be located on the ground level, or at a location accessible by elevator, of a building or other facility, that such building or facility provide easy access to the outside, by ramp or otherwise, for such individuals, and that such building or facility meet any other standard prescribed by the Administrator which is necessary to enable such individuals to register and vote at such places;

(B) that paper ballots be made available at each polling place for a Federal election, for the use of voters who would otherwise be prevented from voting because of their inability to operate a voting machine; and

(C) that any voter who is unable to operate a voting machine or use a paper ballot, because of blindness or other physical handicap, be permitted to select a person of his choice to accompany such voter into the polling place in a Federal election to assist him in the completion of his ballot.

(2)(A) In order to become eligible for financial assistance under section 7, a State shall require, except as provided in subparagraph (B), that registration and polling places in each voting precinct in such State comply with the standards prescribed by the Administrator under paragraph (1).

(B) Each such State shall provide, in any case in which the chief election official determines that there is no available site in a voting precinct complying with the standards prescribed by the Administrator under paragraph (1)(A), for one or more alternative methods of registration and voting for physically handicapped and elderly individuals. Such alternative methods may include—

(i) the selection of one or more alternative registration or polling places outside of the voting precinct, but within the same congressional district, at which such an individual may register or vote;

(ii) the use of an absentee ballot on or before election day, curbside registration or voting outside of a registration or polling place, or any methods included in a plan for voter registration submitted under section 7(c)(1); or

(iii) any other method, or combination of methods, which guarantee that such individuals will be able to fully exercise their right to vote.

(C) Each such State shall require that when such an alternative method of registration or voting is selected in a voting precinct—

(i) the appropriate State or local official shall file a report with the chief election official of the State, not later than 60 days before the election in the case of a polling place and not later than 60 days before the close of registration in the case of a registration place, in such form and containing such information as such chief election official may require, including assurances that all reasonable efforts have been made to locate a site in compliance with the requirements of paragraph (1); and

(ii) such State or local official shall issue public notice of such method as early as practicable, and in any case not later than 60 days before the close of registration or election, respectively, in which such alternative method is to be used.

(3) Any State which, in the determination of the Administrator, has established by law standards for polling and registration places at least as stringent as those prescribed under paragraph (1), and has adopted and is implementing adequate procedures for the enforcement of such standards, may apply such standards in lieu of those prescribed by the Administrator under paragraph (1), and may be eligible for financial assistance under section 7. The Administrator may require each such State to keep such records and make such reports as he considers necessary to enforce this paragraph.

By Mr. SAWYER:

On page 30, line 4, strike out "and".

On page 30, line 6, strike out the period and insert in lieu thereof a semicolon.

On page 30, after line 6, insert the following new subparagraphs:

"(D) is not a candidate (as defined in section 301(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(b)) with respect to the Federal election involved;

"(E) is not, at any time during the 30-day period ending on the date of the Federal election involved, an officer or employee (with or without compensation) of (i) the

United States, or any agency or instrumentality thereof, or (ii) any State, or any general purpose or special purpose unit, subdivision, agency or instrumentality thereof; and

"(F) is not, at any time during the 30-day period ending on the date of the Federal election involved—

"(i) an employee (with or without compensation) of any candidate referred to in subparagraph (D); or

"(ii) an officer or employee (with or without compensation) of an organization which, at any time during such period, engages in any activity for the purpose of influencing the nomination for election or the election of any individual to Federal office."

By Mr. SOLARZ:

Page 36, line 23, strike out "and".

Page 36, after line 23, insert the following new paragraph:

(12) establishing and maintaining voting procedures in accordance with subsection (k); and

And redesignate the following paragraph accordingly.

Page 37, line 2, strike out "(11)" and insert in lieu thereof "(12)".

Page 39, after line 20, insert the following new subsection:

(k)(1) Each State and unit of general local government which receives funds under subsection (b)(1)(A) or subsection (b)(1)(C) may use such funds to establish and maintain a program which requires each individual who registers to vote under section 6(a)(1) in any Federal election or in any State or local election conducted in the jurisdiction of such State or unit of general local government, to submit to an ink marking procedure designed as a means of identification to prevent individuals from voting more than once in any such election.

(2)(A) Such ink marking procedure shall require that any individual who registers to vote under section 6(a)(1) and who desires to vote in any election referred to in paragraph (1) shall consent to the marking of any portion of his hand with an ink marking which—

(i) does not exceed 2 square inches in size;

(ii) is visible or is detectable through the use of any mechanical or electronic device; and

(iii) remains visible or detectable for a period of not less than 24 hours nor more than 96 hours.

(B) The type of ink used in the ink marking procedure by a State or unit of general local government in accordance with subparagraph (A)(ii) shall be used uniformly for all individuals who register to vote under section 6(a)(1) and who desire to vote in any election referred to in paragraph (1) which is conducted in the jurisdiction of such State or unit of general local government.

(3) Any apparent violation of section 11 which is discovered by a State or unit of general local government as a result of the ink marking procedure established and maintained by such State or unit of general local government under paragraph (1) shall be referred to the Attorney General of the United States.

H.R. 6796

By Mr. OTTINGER:

On page 51, between lines 20 and 21, insert the following new paragraph:

"Notwithstanding the provisions of this subsection or any other provision of this section, nothing herein shall be construed as authorizing the Administrator to enter into or make any such guarantee for the purpose of financing the construction of any commercial or full sized facility, including the expansion of any modular facility to a commercial or full sized facility, to convert coal, oil shale, or other domestic resources into alternative fuels for sale in commercially marketable quantities: *Provided*, That this paragraph shall not preclude the incidental sale of such fuels or byproducts thereof produced from a demonstration facility financed in furtherance of the purposes of this section."

On page 71, lines 18 and 19, strike "legislation" and insert "any authorization and appropriation".

H.R. 7171

By Mr. BURLISON of Missouri:

SEC. 1013. Section 331 of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new subsection as follows:

"(j) in any area eligible for emergency loans under subtitle C, permit, at his discretion, the deferral of principal and interest on any outstanding loans made, insured, or held by the Secretary under this title, or under the provisions of any other law administered by the Farmers Home Administration, for not to exceed three years from the date of such deferral.".

By Mr. JOHN L. BURTON:

(Amendment to H.R. 7940, as reported, and offered as an amendment in the nature of a substitute for title XII of H.R. 7171, as reported.)

On page 53 of H.R. 7940, as reported, line 2, immediately after "of the" insert the following: "higher of the applicable state or".

On page 53 of H.R. 7940, as reported, after line 23, insert the following new paragraph:

"(3) A pilot project established under paragraph (2) of this subsection shall provide:

(A) Appropriate standards for health, safety, and other conditions applicable to the performance of work, including workman's compensation;

(B) That the project does not result in displacement of persons currently employed, or the filling of established unfilled position vacancies;

(C) That the project does not apply to jobs covered by a collective bargaining agreement;

(D) Reasonable conditions of work, taking into account the geographic region, the residence of the participants, and the proficiency of the participants;

(E) That participants will not be required, without their consent, to travel an unreasonable distance from their homes or remain away from their homes overnight;

(F) That participants will not be required to work in excess of 80 hours in any calendar month, nor in excess of eight hours during any calendar day in order to provide time to seek regular employment;

(G) That participation shall not result in any cost to a participant and that provisions be made for transportation, child care, and all other costs reasonably necessary to and directly related to participation in the project; and

(H) That no individual shall be required to participant in a project if—

(i) the position offered is vacant due directly to a strike, lockout, or other labor dispute; or

(ii) as a condition of accepting the work or continuing in the work, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization; or

(iii) acceptance would be an unreasonable act because of hardship imposed on the person or his family due to illness or remoteness.".

By Mr. HARKIN:

Line 16, page 9, after the words "disaster payments" insert the words "for prevented planting".

Line 14, page 9, strike out the period and insert the following: "and disaster payments for low-yield shall be made as provided in this section: *Provided*, That no disaster payments for low-yield for such crop shall be made under this section prior to October 1, 1977: *Provided, further*, That in the event any producers have received disaster payments for low-yield for the 1977 crop under prior law, they may retain such payments and if such payments are less than the amounts to which they are entitled under this section, the Secretary is authorized and directed to pay to such producers such additional amounts as may be due them under this section."

By Mr. JOHNSON of Colorado:

Page 52, after line 4, insert the following new section:

TOBACCO

SEC. 910. (a)(1) Section 101 of the Agricultural Act of 1949 is amended—

(A) by striking out "tobacco (except as otherwise provided herein), corn," in subsection (a) and inserting in lieu thereof "corn"; and

(b) by striking out ", except tobacco," in subsection (d)(3) and by striking out all that follows the first semicolon in such subsection.

(2) Sections 101(c) and 106 of such Act are repealed.

(3) Section 301 of such Act is amended by inserting the following before the period at the end thereof: ", except that no price support shall be made available for tobacco under this Act".

(4) Section 408(c) of such Act is amended by striking out ", tobacco".

(b) Section 303 of the Agricultural Adjustment Act of 1938 is amended by striking out "rice, or tobacco," and inserting in lieu thereof "or rice,".

(c) Section 5 of the Commodity Credit Corporation Charter Act is amended by adding the following undesignated paragraph at the end thereof:

"Notwithstanding any other provision of law, the Corporation may not exercise any of the powers specified in this section or in any other provision of this Act with respect to tobacco."

(d) The amendments made by subsections (a), (b), and (c) of this section shall become effective on January 1, 1980.

(e) Not later than January 1, 1979, the Secretary of Agriculture shall prepare and transmit to the President and both Houses of the Congress a report concerning economic effects, particularly on producers of tobacco, which are likely to result from the amendments made by subsections (a), (b), and (c) of this section and by section 1104 (a) of the Agricultural Act of 1977 becoming effective. Such report shall at least include the Secretary's findings and conclusions concerning such effects and his or her recommendations, if any, concerning methods of reducing or minimizing such effects.

Page 66, after line 15, insert the following new section and redesignate the subsequent sections accordingly:

SEC. 1104. (a) The first sentence of section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out "for the purposes of title II of this Act,"

(b) The amendment made by subsection (a) shall become effective on January 1, 1980.

By Mr. LEACH:

Page 64, line 20, strike out line 20 and insert in lieu thereof the following: "by inserting in Section 102 immediately before the first colon the words "and, when requested by the purchased of such commodities, may serve as the purchasing or shipping agent, or both, in arranging the purchasing or shipping of such commodities".

SEC. 1102. Title I of such Act is further amended by adding at the end thereof the following new section:

Page 66, line 5, strike out "1102." and insert "1103."

Page 66, line 9, strike out "1103." and insert "1104."

Page 66, line 16, strike out "1104." and insert "1105."

Page 67, line 5, strike out "1105." and insert "1106."

Page 67, line 4, insert the following:

SEC. 1105. Section 408 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by adding at the end thereof, the following subsection:

(d)(1) No later than six months following the date of enactment of this subsection, and at each two-year interval thereafter, the Secretary of Agriculture shall issue revised regulations governing all operations under title I of this Act, including operations relating to purchasing countries, suppliers of commodities or ships, and purchasing or shipping agents. The regulations shall include, but not be limited to, prohibitions against conflicts of interests, as determined by the Secretary, between (A) recipient countries (or other purchasing entities) and their agents, (B) suppliers of commodities, (C) suppliers of ships, and (D) other shipping interests.

" '(2) The regulations shall be designed to increase the number of exporters participating in the program, especially small business corporations and cooperatives. In this respect, the regulations shall limit—unless waived by the Secretary—the financing of any commodity exported during any fiscal year by any individual, cooperative, firm or subsidiary, or affiliate thereof, to no more than 25 per centum by volume of the planned programming of such commodity as reported under subsection (b) of this section.

" '(3) All revised regulations governing operations under title I and title III of this Act shall be transmitted to Congress by the Secretary as soon as practicable after their issuance."

Page 67, line 5, strike out "1105" and insert in lieu thereof "1106".

By Mr. SEBELIUS:

Title XI, on page 67, immediately after line 4, insert the following new section and redesignate existing section 1105 as section 1106:

"SEC. 1105. Section 408 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by adding the following subsection:

" '(d) Bagged commodities for the purpose of financing by the Commodity Credit Corporation under this Act shall be considered 'exported' upon delivery at port, and upon presentation of a dock receipt in lieu of an on-board bill of lading.' "

By Mr. WALKER:

(Amendments to H.R. 7840, as reported and offered as an amendment in the nature of a substitute to title XII of H.R. 7171, as reported.)

On page 4 of H.R. 7940, line 6, strike out "except" and insert in lieu thereof the following: "which is determined by the Secretary to be of high nutritional value and which is approved and identified for purchase with food stamps under section 9 of this Act, except that such term shall not include".

On page 29 of H.R. 7940, after line 22, insert the following new subsections:

(e)(1) The Secretary shall determine that a food is of high nutritional value under section 3(g)(1) and under paragraph (3) of this subsection if such food has an Index of Nutritional Quality which is at least 2 for 2 or more of the following nutrients: protein, vitamin A, vitamin C, niacin, thiamine, riboflavin, calcium, and iron, or if such food has an Index of Nutritional Quality of at least 1 for 4 or more of such nutrients; except that the Secretary after consultation with the National Research Council of the National Academy of Sciences, the Food Nutrition Board of the National Academy of Sciences, and the President of the National Academy of Sciences, may make specific exceptions to this definition of condiments or food products which have a significant value in the enhancement of palatability.

(2) As used in this subsection, the term "Index of Nutritional Quality" for a particular nutrient means the ratio of the nutrient content of the food sample to the human nutrient requirement as defined by the United States Recommended Daily Allowances, divided by the ratio of the calorific content of the sample to the United States Recommended Daily Allowance of calories.

(3) Food manufacturers, processors, and producers desiring to have their products approved for purchase with food stamps shall submit an application therefor at such times, in such form, and with such information as the Secretary may, by rule, require. The Secretary shall periodically review such applications, shall approve for purchase with food stamps those products which the Secretary determines are of high nutritional value, and shall transmit a list of products so approved to the Congress. The first such list shall be transmitted to the Congress within one year after the date of enactment of the Agricultural Act of 1977, and subsequent lists shall be transmitted at such times as the Secretary may, by rule, determine appropriate.

(4) Annually after products are first approved for purchase with food stamps under this subsection, the Secretary shall review the products approved for such purchase and withdraw the approval of any product which the Secretary determines to be no longer of high nutritional value.

(5) The Secretary shall notify food stamp recipients and retail food stores and wholesale food concerns participating in the food stamp program of products which are approved for purchase with food stamps and of the withdrawal of the approval of any product for purchase with food stamps.

(f)(1) Within 90 days after any product is approved under subsection (e) for purchase with food stamps, the manufacturer, processor, or producer of such product shall indicate the approval in a conspicuous place on the outside container or wrapper of the retail package of such product; except that if the Secretary determines that it is not feasible to so indicate the approval of any product (such as fresh meat, vegetables, and fruit), the approval need not be so indicated, and the Secretary shall notify retail food stores and wholesale food concerns participating in the food stamp program of such products and shall publish in the Federal Register a list of such products.

(2) Within 90 days after the approval of any product for purchase with food stamps has been withdrawn—

(A) the Secretary shall publish in the Federal Register a notice of such withdrawal; and

(B) the manufacturer, processor, or producer of such product shall remove any indication of the approval of such product from the outside container or wrapper of the retail package of such product.

(g) The Secretary shall select the manner by which manufacturers, processors, and producers shall indicate the approval of products for purchase with food stamps under subsection (f).

H.R. 7940

By Mr. NOWAK:

Page 16, line 25, redesignate subsection "(h)" as "(h)(1)";

Page 17, following line 12, add the following:

"(2) The Secretary shall require each State to submit a plan of operation for providing food stamps for households that are victims of a disaster. Such plan shall include, but not be limited to, procedures for informing the public about the program and how to apply for benefits, coordination with Federal and private disaster relief agencies and local government officials, application procedures to reduce hardship and inconvenience and deter fraud, and instruction of caseworkers in procedures for implementing and operating the disaster program;

"(3) The Secretary shall establish a Food Stamp Disaster Task Force, to assist states in implementing and operating the disaster program. The task force shall be available to go into a disaster area and provide direct assistance to state and local officials after the Secretary has determined that a disaster exists."

SENATE—*Tuesday, July 19, 1977*

(Legislative day of Wednesday, May 18, 1977)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. ALAN CRANSTON, a Senator from the State of California.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of our Fathers, whose almighty hand has made and preserved us a nation, "be Thou our Ruler, Guardian, Guide and Stay. Thy true religion in our hearts increase, Thy bounteous goodness nourish us in peace." May we never forget that this land was first settled "for the glory of God" and freedom to worship according to one's conscience. As this purpose permeated the life of the people, so many religions have flourished in this Republic. For this we give Thee daily thanks. May the Pilgrim dream be fulfilled in daily life as we remain true to the God they worshiped. Give us grace to complete what our fathers began that this Nation may be a bastion of spiritual power and a beacon of freedom to all mankind. Help us now to work in the spirit of our prayer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 19, 1977.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ALAN CRANSTON, a Senator from the State of California, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. CRANSTON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Monday, July 18, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—H.R. 2 CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with reference to the conference report on the surface mining bill (H.R. 2) there be a 1-hour limitation of time for debate on the adoption of the conference report, the time to be equally divided between Mr. METCALF and Mr. HANSEN.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider Calendar Orders No. 1 and 4 on the treaties.

Mr. BAKER. Mr. President, reserving the right to object, the majority leader knows, as I just advised him, that these matters are cleared on this side on the Executive Calendar, and there is no objection to proceeding to executive session and to the ratification of these treaties.

PROTOCOL OF AMENDMENT TO THE INTER-AMERICAN TREATY OF RECIPROCAL ASSISTANCE (RIO TREATY)

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate as in Committee of the Whole, proceeded to consider Executive J, 94th Congress, 1st session, the procotol of amendment to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty) which was read the second time, as follows:

PROTOCOL OF AMENDMENT TO THE INTER-AMERICAN TREATY OF RECIPROCAL ASSISTANCE (RIO TREATY)

(Signed at the Conference of Plenipotentiaries for the Amendment of the Inter-American Treaty of Reciprocal Assistance San José, Costa Rica, July 1975)

PREAMBLE

The High Contracting Parties represented at the Conference of Plenipotentiaries, meeting in the city of San José, Costa Rica, upon convocation by the Fifth Regular Session of the General Assembly of the Organization of American States, for the purpose of taking decisions on the amendments to the Inter-American Treaty of Reciprocal Assistance presented by the Special Committee to Study the Inter-American System and to Propose Measures for Restructuring It; of revising and coordinating the texts; and of preparing a Protocol of Amendments to that Treaty and signing it;

Considering:

That the High Contracting Parties are motivated by the desire to consolidate and strengthen their friendly relations, to ensure peace among the American States and to defend their sovereignty, their territorial integrity and their political independence;

That it is essential that peace and security among the American nations be guaranteed by an instrument that is in accordance with the history and principles of the Inter-American System;

That the High Contracting Parties wish to reiterate their will to remain united in an Inter-American System consistent with the purposes and principles of the United Nations, and their steadfast decision to maintain regional peace and security through the prevention and settlement of conflicts and disputes that could endanger them; to reaffirm and strengthen the principle of nonintervention as well as the right of all states to choose freely their political economic and social organization; and to recognize that, for the maintenance of peace and security in the Hemisphere, it is also necessary to guarantee collective economic security for the development of the American States; and

That the Preamble of the Inter-American Treaty of Reciprocal Assistance signed in Rio de Janeiro on September 2, 1947, insofar as it is compatible with this Protocol, shall be maintained because of its intrinsic value and is therefore reproduced below:

In the name of their Peoples the Governments represented at the Inter-American Conference for the Maintenance of Continental Peace and Security, desirous of consolidating and strengthening their relations of friendship and neighborliness, and

Considering:

That Resolution VIII of the Inter-American Conference on Problems of War and Peace, which met in Mexico City, recommended the conclusion of a treaty to prevent and repel threats and acts of aggression against any of the countries of America;

That the High Contracting Parties reiterate their will to remain united in an inter-American system consistent with the purposes and principles of the United Nations, and reaffirm the existence of the agreement which they have concluded concerning those matters relating to the maintenance of international peace and security which are appropriate for regional action;

That the High Contracting Parties reaffirm their adherence to the principles of inter-American solidarity and cooperation, and especially those set forth in the preamble and declarations of the Act of Chapultepec, all of which should be understood to be accepted as standards of their mutual relations and as the judicial basis of the Inter-American System;

That the American States propose, in order to improve the procedures for the pacific settlement of their controversies, to conclude the treaty concerning the "Inter-American Peace System" envisaged in Resolution IX and XXXIX of the Inter-American Conference on Problems of War and Peace;

That the obligation of mutual assistance and common defense of the American Republics is essentially related to their democratic ideals and to their will to cooperate permanently in the fulfillment of the principles and purposes of a policy of peace;

That the American regional community affirms as a manifest truth that juridical organization is a necessary prerequisite of security and peace, and that peace is founded on justice and moral order and, consequently, on the international recognition and protection of human rights and freedoms, on the indispensable well-being of the people, and on the effectiveness of democracy for the international realization of justice and security,

Have agreed upon the following:

ARTICLE I

Articles 1, 2, 3, 4, 5 (present 6), 8, 9, 10 (present 5), 20 (present 17) and 23 (present 20) of the Inter-American Treaty of Reciprocal Assistance shall read as follows:

Article 1

The High Contracting Parties formally condemn war and undertake, in their international relations, not to resort to the threat or the use of force in any manner inconsistent with the provisions of the Charter of the Organization of American States, the Charter of the United Nations or this Treaty.

Article 2

As a consequence of the principle set forth in the preceding article, the High Contracting Parties undertake to settle their disputes with one another by peaceful means.

The High Contracting Parties shall make every effort to achieve the peaceful settlement of disputes through the procedures and mechanisms provided for in the Inter-American System before submitting them to the Security Council of the United Nations.

This provision shall not be interpreted as an impairment of the rights and obligations of the States Parties under Articles 34 and 35 of the Charter of the United Nations.

Article 3

1. The High Contracting Parties agree that an armed attack by any State against a State Party shall be considered an attack against all the States Parties and, consequently, each of them undertakes to assist in meeting any such attack in the exercise of the inherent right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations.

2. At the request of the State Party or States Parties directly attacked by one or more American States and until the Organ of Consultation provided for in this Treaty takes a decision, each of the States Parties may determine, according to the circumstances, the immediate measures it may take individually in fulfillment of the obligation set forth in the preceding paragraph.

3. In the event of armed attack of extrahemispheric origin against one or more States Parties and until the Organ of Consultation takes a decision, each State Party may determine, according to the circumstances and at the request of the State Party or States Parties attacked, the immediate measures it may take in the exercise of its right of individual or collective self-defense in accordance with Article 51 of the Charter of the United Nations and with the obligation set forth in paragraph 1 of this article.

4. For the purposes of paragraphs 2 and 3 of this article, on convocation by the Chairman of the Permanent Council the Organ of Consultation shall meet without delay to examine such immediate measures as the States Parties may have taken in accordance with paragraph 1 of this article and to agree on the collective measures that may be necessary, including any joint action the States Parties may take before the United Nations, to give effect to the pertinent provisions of the Charter of the Organization.

5. The provisions of this article shall be applied in any case of armed attack against a State Party that takes place within the region described in Article 4 or within the territory under the full sovereignty of a State Party.

6. Measures of self-defense provided for in this article may be applied until the Security Council of the United Nations has taken the measures necessary to maintain international peace and security.

Article 4

The region to which this Treaty refers is bounded as follows:

Beginning at the South Pole, thence due north to a point 7 degrees south latitude, 90

degrees west longitude; thence by a rhumb line to a point 15 degrees north latitude, 118 degrees west longitude; thence by a rhumb line to a point 56 degrees north latitude, 144 degrees west longitude; thence by a rhumb line to a point 52 degrees north latitude, 150 degrees west longitude; thence by a rhumb line to a point 46 degrees north latitude, 180 degrees longitude; thence by a rhumb line to a point 50 degrees 36.4 minutes north latitude, 167 degrees east longitude, thereby coinciding with the End Point of the United States-Russia Convention Line of 1867; thence along this Convention Line to its Initial Turning Point 65 degrees 30 minutes north latitude, 168 degrees 58 minutes 22.587 seconds west longitude; thence due north along the Convention Line to its Starting Point at 72 degrees north latitude; thence by a rhumb line to a point 75 degrees north latitude; 165 degrees west longitude; thence due east to a point 75 degrees north latitude, 140 degrees west longitude; thence by a great circle to a point 86 degrees 30 minutes north latitude, 60 degress west longitude; thence due south along the 60 degrees west meridian to a point 82 degrees 13 minutes north latitude, which coincides with Point No. 127 of the Line of the Agreement between the Government of Canada and the Government of the Kingdom of Denmark, which entered into force March 13, 1974; thence along this Line of Agreement to Point No. 1 at 61 degrees north latitude, 57 degrees 13.1 minutes west longitude; thence by a rhumb line to a point 47 degrees north latitude, 43 degrees west longitude; thence by a rhumb line to a point 36 degrees north latitude, 65 degrees west longitude; thence by a rhumb line to a point at the Equator and 20 degrees west longitude; thence due south to the South Pole.

Article 5

If the inviolability or the integrity of the territory or the sovereignty or political independence of any State Party should be affected by an act of aggression as determined in accordance with Article 9 of this Treaty that does not fall within the scope of Article 3 or by a conflict or serious event that might endanger the peace of America, the Organ of Consultation shall meet immediately to agree on the measures that must be taken to assist the affected State Party and the measures and steps that should be taken for the common defense and for the maintenance of the peace and security of the Hemisphere.

If the inviolability or the integrity of the territory or the sovereignty or political independence of any other American State should be affected by an act of aggression as determined in accordance with Article 9 of this Treaty or by a conflict or serious event that might endanger the peace of America, the Organ of Consultation shall meet immediately to agree on the measures and steps that should be taken for the common defense and for the maintenance of the peace and security of the Hemisphere.

Article 8

Without prejudice to such conciliatory or peace-making steps as it may take, the Organ of Consultation may, in the cases provided for in Articles 3, 5 and 7, adopt one or more of the following measures: recall of chiefs of missions; breaking of diplomatic relations; breaking of consular relations; partial or complete interruption of economic relations or of rail, sea, air, postal, telegraphic, telephonic, radio-telephonic or radio-telegraphic, or other means of communication; and use of armed force.

Article 9

1. Aggression is the use of armed force by a State against the sovereignty, territorial integrity or political independence of another State, or in any other manner inconsistent with the Charter of the United Nations, the Charter of the Organization of American States or this Treaty.

The first use of armed force by a State in contravention of the aforementioned instruments shall constitute *prima facie* evidence of an act of aggression, although the Organ of Consultation may, in conformity with these instruments, conclude that the determination that an act of aggression has been committed would not be justified in the light of other relevant circumstances, including the fact that the acts concerned or their consequences are not of sufficient gravity.

No consideration of whatever nature, whether political, economic, military or otherwise, may serve as a justification for aggression.

2. Any of the following acts, regardless of a declaration of war, shall, subject to and in accordance with the provisions of paragraph 1 of this article, qualify as an act of aggression—

(a) Invasion by the armed forces of a State of the Territory of another State, through the trespassing of boundaries demarcated in accordance with a treaty, judicial decision or arbitral award or, in the absence of frontiers thus demarcated, invasion affecting a region which is under the effective jurisdiction of another State, or armed attack by a State against the territory or people of another State, or any military occupation, however temporary, resulting from such invasion or attack or any annexation by the use of force of the territory of another State or part thereof;

(b) Bombardment by the armed forces of a State against the territory of another State or the use of any weapons by a State against the territory of another State;

(c) The blockade of the ports or coasts of a State by the armed forces of another State;

(d) An attack by the armed forces of a State on the land, sea or air forces of another State;

(e) The use of armed forces of one State which are located within the territory of another State with the agreement of the receiving State, in contravention of the conditions provided for in the agreement or any extension of their presence in such territory beyond the termination of the agreement;

(f) The action of a State in allowing its territory, which it has placed at the disposal of another State, to be used by that other State for perpetuating an act of aggression against a third State;

(g) The sending by or on behalf of a State of armed bands, groups, irregulars, or mercenaries, which carry out acts of armed force against another State or such gravity as to amount to the acts listed above, or its substantial involvement therein.

3. Organ of Consultation may determine that other specific cases submitted to it for consideration, equivalent in nature and seriousness to those contemplated in this article, constitute aggression under the provisions of the Charter of the United Nations, the Charter of the Organization of American States on this Treaty.

Article 10

The High Contracting Parties shall immediately send to the Security Council, in conformity with Articles 51 and 54 of the Charter of that Organization, complete information concerning the activities undertaken or in contemplation in the exercise of the right of self-defense or for the purpose of maintaining inter-American peace and security.

Article 20

The Organ of Consultation shall adopt all its decisions or recommendations by a vote of two-thirds of the States Parties, except as provided for in the following paragraph.

To rescind the measures taken pursuant to Article 8, a vote of an absolute majority of the States Parties shall be required.

Article 23

The measures mentioned in Article 8 may be adopted by the Organ of Consultation in the form of:

(a) Decisions whose application is binding on the States Parties, or

(b) Recommendations to the States Parties.

If the Organ of Consultation takes measures to which this article refers against a State, any other State Party to this Treaty that finds itself confronted by special economic problems arising from the carrying out of the measures in question shall have the right to consult the Organ of Consultation with regard to the solution of those problems.

No State shall be required to use armed force without its consent.

ARTICLE II

The following new articles shall be incorporated into the Inter-American Treaty of Reciprocal Assistance and numbered as follows: 6, 11, 12 and 27.

Article 6

Any assistance the Organ of Consultation may decide to furnish a State Party may not be provided without the consent of that State.

Article 11

The High Contracting Parties recognize that, for the maintenance of peace and security in the Hemisphere, collective economic security for the development of the Member States of the Organization of American States must also be guaranteed through suitable mechanisms to be established in a special treaty.

Article 12

Nothing stipulated in this Treaty shall be interpreted as limiting or impairing in any way the principle of non-intervention and the right of all States to choose freely their political, economic and social organization.

Article 27

This Treaty may only be amended at a special conference convoked for that purpose by a majority of the States Parties. Amendments shall enter into force as soon as the instruments of ratification of two thirds of the States Parties have been deposited.

ARTICLE III

The following articles of the Inter-American Treaty of Reciprocal Assistance shall be renumbered as follows:

Article 10 shall become Article 13; 11, 14; 12, 15; 13, 16; 14, 17; 15, 18; 16, 19; 18, 21; 19, 22; 21, 24; 22, 25; 23, 26; 24, 28; 25, 29; and 16, 30.

Consequently the words "Articles 13 and 15" in the present Article 16 of the Treaty shall be replaced, in Article 19, by the words "Articles 16 and 18".

ARTICLE IV

The text and number of Article 7 of the Inter-American Treaty of Reciprocal Assistance remains unchanged.

ARTICLE V

The terms "Permanent Council of the Organization of American States" and "General Secretariat of the Organization of American States" shall replace the terms "Governing Board of the Pan American

Union" and "Pan American Union," respectively, wherever these terms appear in the articles of the Treaty that have not been specifically amended by this Protocol.

ARTICLE VI

This Protocol shall remain open for signature by the State Parties to the Inter-American Treaty of Reciprocal Assistance and shall be ratified in accordance with their respective constitutional procedures. The original instrument, the English, French, Portuguese and Spanish texts of which are equally authentic, shall be deposited with the General Secretariat of the Organization of American States, which shall transmit certified copies thereof to the Governments of the Signatory States for the purpose of ratification. The instruments of ratification shall be deposited with the General Secretariat, which shall notify the States Parties to the Inter-American Treaty of Reciprocal Assistance of each deposit.

ARTICLE VII

The Inter-American Treaty of Reciprocal Assistance, together with this Protocol of Amendment, shall remain open for signature by the Member States of the Organization of American States that are not Parties to the Inter-American Treaty of Reciprocal Assistance and shall be ratified in accordance with their respective constitutional procedures. The instruments of ratification shall be deposited with the General Secretariat, which shall notify the States Parties to the Inter-American Treaty of Reciprocal Assistance of each deposit.

ARTICLE VIII

This Protocol shall enter into force among the ratifying States when two thirds of the Signatory States thereof have deposited their instruments of ratification. It shall enter into force with respect to the remaining States when they deposit their instruments of ratification.

ARTICLE IX

When this Protocol enters into force, it shall be understood that Member States of the Organization of American States that are not Parties to the Inter-American Treaty of Reciprocal Assistance and that sign and ratify this Protocol are also signing and ratifying the parts of the Inter-American Treaty of Reciprocal Assistance that have not been amended.

ARTICLE X

This Protocol shall be registered with the Secretariat of the United Nations through the General Secretariat of the Organization of American States.

ARTICLE XI

When this Protocol of Amendment enters into force, the General Secretariat of the Organization of American States shall prepare a consolidated text of the Inter-American Treaty of Reciprocal Assistance that shall include the parts of that Treaty that have not been amended and the amendments introduced by this Protocol. This text shall be published upon approval by the Permanent Council of the Organization of American States.

ARTICLE XII

The Inter-American Treaty of Reciprocal Assistance shall continue in force between the States Parties to the Treaty. Once this Protocol of Amendment enters into force, the Treaty as amended shall apply among the States that have ratified this Protocol.

ARTICLE XIII

The States Parties to the Inter-American Treaty of Reciprocal Assistance that have not ratified the Protocol of Amendment on the date on which this Protocol enters into force may request a meeting of the Organ of Consultation and participate fully in all the meetings this Organ may hold provided that they formally undertake, in each case, to accept the decisions of the Organ of Consultation adopted in accordance with the Inter-American Treaty of Reciprocal Assistance as amended by this Protocol of Amendment.

In witness whereof, the undersigned Plenipotentiaries, whose powers have been found to be in due and proper form, sign this Protocol, which shall be called "Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty)", in the city of San José, Costa Rica, on the twenty-sixth day of July of the year one thousand nine hundred seventy-five.

DECLARATIONS AND RESERVATIONS

DECLARATION OF BOLIVIA

Bolivia signs this Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance without reservation in the conviction that this Protocol updates and improves the stipulations of the original instrument in the light of the changed circumstances.

RESERVATION OF PERU

In signing the Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance, Peru makes an express reservation with regard to article 3, paragraph 3.

RESERVATION OF PARAGUAY

In signing the Protocol of Amendment ad referendum, the Delegation of Paraguay makes an express reservation concerning Article 20, on the grounds that it is inappropriate to use different criteria for applying measures and for removing them; this is tantamount to requiring different majorities for the two cases. The Delegation of Paraguay therefore considers that since the decisions or recommendations of the Organ of Consultation must be adopted by a two-thirds vote of the States Parties, a two-thirds vote of those States must also be required to rescind them.

RESERVATION OF GUATEMALA

On signing this Protocol, Guatemala reiterates the reservation it made on ratifying the Inter-American Treaty of Reciprocal Assistance, which reads: "The present Treaty poses no impediment whatever to Guatemala's assertion of its rights over the Guatemalan Territory of Belize by whatever mean it considers most appropriate; a Treaty that may at any time be invoked by the Republic with respect to the aforesaid territory."

STATEMENT BY PANAMA

Panama signs this Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance with the reservation that the new text can only be accepted in accordance with the provisions of the Constitution of Panama with respect to the ratification of treaties; in the meantime, Panama will not accept any new clause that might be in contravention of the mandates of the Political Constitution of the Republic of Panama or the national interest.

STATEMENT BY MEXICO

1. The Delegation of Mexico reiterates its conviction that, in establishing the boundaries of the security zone as indicated in Article 4, regions protected by other international instruments that have been expressly or tacitly approved by the United Nations should, as far as possible, not have been included.

2. The Delegation of Mexico continues to consider that, except in case of self-defense, the collective measures to which Article 8 refers cannot be applied in mandatory form, given their coercive nature, without authorization by the Security Council of the United Nations.

RESERVATION OF THE UNITED STATES

The United States, in signing this Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance, accepts no obligation or commitment to negotiate, sign or ratify a treaty or convention on the subject of collective economic security.

STATEMENT AND RESERVATION OF EL SALVADOR

The Delegation of El Salvador states its firm conviction that no provision of this Protocol impairs the principle of hemispheric solidarity in the face of aggression, whatever its origin may be. Without prejudice to any other reservations the Government of the Republic may make in due course, it signs this Protocol with the reservation that its articles contain no commitment by the Parties to use compulsory methods or procedures for the settlement of disputes, which El Salvador cannot accept.

Mr. SPARKMAN. Mr. President, we have before us today the Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance, better known as the Rio Treaty. This treaty, which was signed in 1947 and which entered into force for the United States on December 3, 1948, incorporated the guiding principle of earlier agreements: that "an armed attack by any state against an American state shall be considered as an attack against all the American states."

The protocol of amendment does nothing to change this fundamental principle of inter-American solidarity. All it does is to modernize the language in several articles, redefine the zone of defense by eliminating Greenland and certain areas of the high seas, and allows sanctions—diplomatic, economic or military—to be lifted against a member state by a simple majority rather than by two-thirds vote as was previously required. Sanctions, members will recall, were applied against Cuba in 1961 by a two-thirds vote, but lifting them was forestalled when the same number of votes was required to remove them. Our Ambassador to the Organization of American States, Gale McGee, a former Member of this Chamber, testified that it became obvious to the Latin governments, and among our officials who are involved in Latin American policy matters, that the imposition of sanctions, which is a formidable responsibility, is one thing, but their lifting becomes another type of responsibility.

Mr. President, this protocol of amendment also contained one article to which the United States could not agree. Article 11 provides that a new "collective economic security" treaty be developed sometime in the future by the Organization of American States. The United States opposed this provision and entered a reservation to it upon signing the Protocol, on the basis that collective economic security was not germane to a military security agreement. As a consequence, the Protocol of Amendment to the Rio Treaty, which we have before us now, should be given the advice and consent of this body subject to the following reservation:

The United States, in signing this Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance, accepts no obligation or commitment to negotiate, sign or ratify a treaty of convention on the subject of collective economic security.

Mr. President, I urge that the Senate give its advice and consent to ratifica-

tion of the Protocol. I request unanimous consent that portions of the Foreign Relations Committee report, accompanying Ex. J., 94–1, the Protocol to the Rio Treaty, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PURPOSE

The Amendments incorporated in the Protocol reaffirm the principles embodied in the Rio Treaty, modernize its language and induce somewhat greater flexibility into the use of the Treaty's mechanisms with the object of enhancing its usefulness as a peacekeeping instrument in the hemisphere. More specifically, the Protocol reaffirms the principle of "attack against one, attack against all," while restricting its applicability and resultant obligations. Secondly, it provides for the lifting of diplomatic, economic and military sanctions against a member state by a simple majority vote rather than by the two-thirds majority vote required for all other decisions. Thirdly, it revises Treaty procedures so as to provide specifically, rather than by implication for binding decisions and for recommendations by the Organ of Consultation.

COMMITTEE ACTION

President Gerald R. Ford transmitted the Protocol of Amendment to the Inter-American Treaty of Reciprocal Agreement signed at San Jose, Costa Rica July 26, 1975, to the Senate on November 29, 1975. The Committee on Foreign Relations held a public hearing on the Protocol on June 7, 1977. At that time it received testimony from Hon. Gale McGee, United States Ambassador to the Organization of American States, who was accompanied by Mr. David A. Gantz, Assistant Legal Adviser for European Affairs of the Department of State.

Ambassador McGee described the Rio Treaty as "a hallmark in the lexicon of international treaties in the collective security sense." The amending processes, he said, reaffirms its principles, which he called "the real significance of this updating." He reminded the Committee Members that while he was a Senator and chaired the Western Hemisphere Subcommittee he had held hearings on the proposals the American delegation planned to take up at the San Jose, Costa Rica meeting of the OAS. His point was that the Senate had been consulted in advance before any decision was made, and before policy had been determined. "The result," he said, "is almost precisely the present document."

He then outlined for the Committee the three salient points of the Protocol. First, the original 1947 Rio Treaty provided that any sanctions imposed by the OAS for security reasons, including the imposition of embargo, must be imposed by two-thirds vote. Since the years of the Cuban embargo, the Latin American nations have come to the conclusion that the imposition of sanctions, a formidable responsibility, is one thing, but removing them is another category of responsibility. Therefore, it was agreed that an action to rescind sanctions or measures could be approved by a majority vote of the states that are parties rather than by two-thirds vote. Paraguay was the only nation to object to this revision which it did by adopting a reservation.

Second, these amendments will limit the area of coverage of the Treaty. Instead of incorporating almost all of the Western Hemisphere, including Greenland and extensive off-shore waters, the Protocol excludes Greenland and confines the Treaty to the continental Americas, North and South, along with a reduced high seas area. This met with the uniform approval of all governments, although Mexico declared that regions already protected by other international agreements should not have been included.

Third, certain Latin American countries insisted that a collective economic security clause be injected into the Rio Treaty as Article 11. They were concerned, Ambassador McGee said, "about the actions that we sometimes take in the economic field." He told the Committee that the United States delegation felt that "an economic policy ought to be settled in an economic pact and not be mixed up in a military document. Combining the two areas confuses issues and raises questions of integrity and credibility." As Article 11 was incorporated into the Protocol despite the United States protest, the U.S. delegation made a reservation which reads:

"The United States, in signing this Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance, accepts no obligation or commitment to negotiate, sign or ratify a treaty or convention on the subject of collective economic security."

Ambassador McGee and the State Department strongly recommended that the Senate give its advice and consent to ratification of the Protocol together with the reservation to Article 11.

Ambassador McGee's complete statement, a transcript of the hearing, and State Department replies to questions regarding the Rio Treaty and the Protocol are included as an appendix to this report.

On July 12, 1977, the Committee met again in open session and ordered by voice vote, without dissent, that the Protocol be reported favorably.

BACKGROUND

The guiding principle of the Rio Treaty—that every act which disturbs the peace of the Americas affects the peace of every nation of the hemisphere—has antecedents in four earlier agreements.

The Inter-American Conference for the Maintenance of Peace, Buenos Aires (1936), which established the same principle and provided for mutual consultation in the event of war or threat of war.

The Declaration of Lima (1938), which reaffirmed that principle and expanded the system of consultation.

The Declaration of Reciprocal Assistance and Cooperation for the Defense of the Nations of the Americas (1940), which specifically applied the principle to attacks by non-American states, declaring that "any attempt . . . against . . . the inviolability of territory, the sovereignty or political independence of any American state shall be considered as an act of aggression against the states which sign this declaration."

The Act of Chapultepec (1945), which recommended the conclusion of a formal treaty incorporating the principle following the establishment of world peace.

Two years later, in 1947, the treaty recommended by the Act of Chapultepec was concluded. The Inter-American Treaty of Reciprocal Assistance (more commonly known as the Rio Treaty) was signed by the twenty two original members of the Organization of American States. It entered into force for the United States on December 3, 1948. Article 3 states in part:

"An armed attack by any State against an American state shall be considered as an attack against all the American states. On the request of the State or States directly attacked and until the decision of the Organ of Consultation of the Inter-American System, each one of the Contracting Parties may determine the immediate measures which it may individually take in fulfillment of the obligation contained in the preceding paragraph."

In the view of its supporters, including the United States, the Rio Treaty has served the hemisphere well in dealing with aggression and threats of aggression, whether by one American state against another or from extra-continental sources. It has provided good offices for calming disputes which might have led to conflict. In so doing, it has provided in eighteen cases a preferred alternative to action by the United Nations.

In recent years, however, the emergence of strong new economies and tighter links between many Treaty members and the world economy have signaled a change in the traditional structure of hemispheric relations. As a consequence, the OAS in 1973 created a special Committee to Study the Inter-American System and to propose Measures for Restructuring it, called CEESI, after its Spanish acronym.

In the overall study carried out by CEESI over a period of several months, one of the main topics of concern to the Committee was that of the scope of the system of collective security. The outcome of its work in this regard was a draft Protocol Amendment to the Rio Treaty. The purpose of this draft was to modify certain provisions and to incorporate other new provisions in the Treaty signed in 1947. Later it served as the basis for approval of the Protocol of Amendment signed at the Conference of Plenipotentiaries held in San Jose, Costa Rica in July 1975.

On July 25, 1975, the Conference considered and approved the Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance, which was signed by the delegates of the following Member States, duly empowered for this purpose, at the closing meeting held on July 26, 1975:

Bolivia
Venezuela
Trinidad and Tobago
Peru
Nicaragua
Colombia
Uruguay
Guatemala
Paraguay
Honduras
Haiti
Panama
Dominican Republic
Chile
Mexico
Brazil
United States of America
Ecuador
El Salvador
Argentina
Costa Rica

From the beginning of its deliberations, CEESI was split into two camps. The first, consisting of Peru, Mexico, Argentina, Panama, Chile and Venezuela, argued for major changes in the Treaty including the elimination of Article 3, on the grounds that the extra-hemispheric attacks to which it pertains would be directed against the United States, not themselves. They also wanted to eliminate Article 6 which provides for possible action in the event of aggression which is not an armed attack; and the narrowing of the area of coverage to exclude non-signatories, such as Canada, and of territory outside the hemisphere, including a wide maritime area and U.S. foreign bases.

The second group, representing the majority view, sought minor changes, but at the same time sought retention of the principle of "attack against one, attack against all," and the preservation of the broad authority of Article 6.

Of major concern to both groups was the revision of Article 17 of the Treaty, which requires a two-thirds vote to lift economic and military sanctions. The drive to revise Article 17 to permit the lifting of sanctions by a simple majority vote had as its origin in the continuation in force of the mandatory sanctions imposed against Cuba in 1964. By 1973, the majority of member states

favored either lifting the sanctions or allowing each member to determine for itself its relations with Cuba. However, under Article 17, this majority, which represented less than two-thirds of the member states, could not end the mandatory sanctions. As a result of the CEESI negotiations, Article 17 has been revised to allow the lifting of sanctions by a simple majority vote rather than by the two-thirds vote still required for all other decisions.

Also of major concern to both groups was that of alleged U.S. economic intervention in Latin America, epitomized in the view of some Latin American countries by Hickenlooper and Gonzales Amendments. Despite strong U.S. objections, this concern is reflected in Article 11, as amended, which states "collective economic security shall be guaranteed by a special treaty on the subject." The United States made a specific reservation to Article 11 on the grounds that the Article is not germane to the Treaty and that "economic security" has not been defined.

Thus far, 21 of the 25 member States of the OAS have signed the Protocol of Amendment. Of these, seven have signed with a reservation. Those member states which have signed with a reservation include the United States, Peru, Paraquay, Guatemala, Panama, Mexico and El Salvador.

Four states, Mexico, Costa Rica, the Dominican Republic and Haiti, have already ratified the Protocol; ten more must ratify to provide the two-thirds majority which will bring the Protocol into force. It is likely that this process will take another two or three years, although the Department of State believes that if the U.S. proceeds to ratification it will encourage a number of other member states to do likewise.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the protocol be considered to have passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will state the resolution of ratification.

The assistant legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty) signed at a special conference of plenipotentiaries at San Jose, Costa Rica, on July 26, 1975 (Ex. J, 94–1), subject to the following reservation:

The United States, in signing this Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance, accepts no obligation or commitment to negotiate, sign or ratify a treaty or convention on the subject of collective economic security.

TREATY WITH CANADA ON THE EXECUTION OF PENAL SENTENCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate call up the treaty with Canada on the execution of penal sentences.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive H, 95th Congress, 1st Session, the treaty with Canada on the execution of penal sentences, which was read the second time, as follows:

TREATY BETWEEN THE UNITED STATES OF AMERICA AND CANADA ON THE EXECUTION OF PENAL SENTENCES

The Government of the United States of America and the Government of Canada,

Desiring to enable Offenders, with their consent, to serve sentences of imprisonment or parole or supervision in the country of which they are citizens, thereby facilitating their successful reintegration into society;

Have agreed as follows:

ARTICLE I

For the purposes of this Treaty:

(a) "Sending State" means the Party from which the Offender is to be transferred;

(b) "Receiving State" means the Party to which the Offender is to be transferred:

(c) "Offender" means a person who, in the territory of either Party, has been convicted of a crime and sentenced either to imprisonment or to a term of probation, parole, conditional release or other form of supervision without confinement. The term shall include persons subject to confinement, custody, or supervision under the laws of the Sending State respecting juvenile offenders; and

(d) "Citizen" includes an Offender who may be a dual national of the Parties and in the case of the United States also includes nationals.

ARTICLE II

The application of this Treaty shall be subject to the following conditions:

(a) That the offense for which the Offender was convicted and sentenced is one which would also be punishable as a crime in the Receiving State. This condition shall not be interpreted so as to require that the crimes described in the laws of the two Parties be identical in such matters not affecting the character of the crimes as the quantity of property or money taken or possessed or the presence of interstate commerce.

(b) That the Offender is a citizen of the Receiving State.

(c) That the offense is not an offense under the immigration laws or solely against the military laws of a Party.

(d) That there is at least six months of the Offender's sentence remaining to be served at the time of his application.

(e) That no proceeding by way of appeal or of collateral attack upon the Offender's conviction or sentence be pending in the Sending State and that the prescribed time for appeal of the Offender's conviction or sentence has expired.

ARTICLE III

1. Each Party shall designate an authority to perform the functions provided in this Treaty.

2. Each Party shall inform an Offender, who is within the scope of the present Treaty, of the substance of the Treaty.

3. Every transfer under this Treaty shall be commenced by a written application submitted by the Offender to the authority of the Sending State. If the authority of the Sending State approves, it will transmit the application, together with its approval, through diplomatic channels to the authority of the Receiving State.

4. If the authority of the Receiving State concurs, it will so inform the Sending State and initiate procedures to effectuate the transfer of the Offender at its own expense. If it does not concur, it will promptly advise the authority of the Sending State.

5. If the Offender was sentenced by the courts pursuant to the laws of a state or province of one of the Parties, the approval of the authorities of that state or province, as well as that of the federal authority, shall be required. The federal authority of the Receiving State shall be responsible for the custody of the transferred Offender.

6. In deciding upon the transfer of an Offender, the authority of each Party shall bear in mind all factors bearing upon the probability that transfer will be in the best interests of the Offender.

7. No Offender shall be transferred unless:

(a) he is under a sentence of imprisonment for life; or

(b) the sentence which he is serving states a definite termination date, or the authorities authorized to fix such a date have so acted; or

(c) he is subject to confinement, custody or supervision under the laws of the Sending State respecting juvenile offenders; or

(d) he is subject to indefinite confinement as a dangerous or habitual offender.

8. The Sending State shall furnish to the Receiving State a statement showing the offense of which the Offender was convicted, the termination date of the sentence, the length of time already served by the prisoner and any credits to which the Offender is entitled on account of work done, good behavior or pretrial confinement. Where requested by the Receiving State a translation shall be provided.

9. Each Party shall establish by legislation or regulation the procedures necessary and appropriate to give legal effect within its territory to sentences pronounced by courts of the other Party and each Party agrees to cooperate in the procedures established by the other Party.

10. Delivery of the Offender by the authorities of the Sending State to those of the Receiving State shall occur at a place agreed upon by both Parties. The Sending State shall afford an opportunity to the Receiving State, if it so desires, to verify, prior to the transfer, that the Offender's consent to the transfer is given voluntarily and with full knowledge of the consequences thereof, through the officer designated by the laws of the Receiving State.

ARTICLE IV

1. Except as otherwise provided in this Treaty, the completion of a transferred Offender's sentence shall be carried out according to the laws and procedures of the Receiving State, including the application of any provisions for reduction of the term of confinement by parole, conditional release or otherwise. The Sending State shall, in addition, retain a power to pardon the Offender and the Receiving State shall, upon being advised of such pardon, release the Offender.

2. The Receiving State may treat under its laws relating to youthful offenders any Offenders so categorized under its laws regardless of his status under the laws of the Sending State.

3. No sentence of confinement shall be enforced by the Receiving State in such a way as to extend its duration beyond the date at which it would have terminated according to the sentence of the court of the Sending State.

4. The Receiving State shall not be entitled to any reimbursement from the Sending State for the expenses incurred by it in the completion of the Offender's sentence.

5. The authorities of each Party shall at the request of the other Party provide reports indicating the status of all Offenders transferred under this Treaty, including in particular the parole or release of any Offender. Either Party may, at any time, request a special report on the status of the execution of an individual sentence.

6. The transfer of an offender under the provisions of this Treaty shall not create any additional disability under the laws of the Receiving State or any State or province thereof beyond those which the fact of his conviction may in and of itself already have created.

ARTICLE V

Each Party shall regulate by legislation the extent, if any, to which it will entertain collateral attacks upon the convictions or sentences handed down by it in the cases

of Offenders who have been transferred by it. Upon being informed by the Sending State that the conviction or sentence has been set aside or otherwise modified, the Receiving State shall take appropriate action in accordance with such information. The Receiving State shall have no jurisdiction over any proceedings, regardless of their form, intended to challenge, set aside or otherwise modify convictions or sentences handed down in the Sending State.

ARTICLE VI

An Offender delivered for execution of a sentence under this Treaty may not be detained, tried or sentenced in the Receiving State for the same offense upon which the sentence to be executed is based. For purposes of this Article, the Receiving State will not prosecute for any offense the prosecution of which would have been barred under the law of that State, if the sentence had been imposed by a court, Federal, State, or provincial, of the Receiving State.

ARTICLE VII

If either Party enters into an agreement for the transfer of sanctions with any other State, the other Party shall cooperate in facilitating the transit through its territory of Offenders being transferred pursuant to such agreement. The Party intending to make such a transfer will give advance notice to the other Party of such transfer.

ARTICLE VIII

1. This Treaty shall be subject to ratification and shall enter into force on the date on which instruments of ratification are exchanged. The exchange of instruments of ratification shall take place at Ottawa as soon as possible.

2. The present Treaty shall remain in force for three years from the date upon which it enters into force. Thereafter, the Treaty shall continue in force until thirty days from the date upon which either Party gives written notice to the other Party of its intention to terminate the treaty.

In witness whereof the undersigned, being duly authorized by their respective Governments, have signed the present Treaty.

Done in duplicate, in the English and French languages, each language version being equally authentic, at Washington this second day of March, 1977.

For the Government of the United States of America: GRIFFIN B. BELL.

For the Government of Canada: FRANCIS FOX.

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations, having weighed carefully the purposes of the treaty with Canada on the execution of penal sentences, and a similar treaty with Mexico, recommends the Senate give its advice and consent to the ratification of the treaty with Canada.

Individuals incarcerated in foreign jails or on parole in a foreign nation face significant obstacles to effective rehabilitation and successful reentry into society. Such individuals are far from their families, they must deal with an unfamiliar legal system and they are unable to take part in rehabilitation programs, work release programs and other methods of social rehabilitation.

The treaty is designed to assist Americans in Canadian jails and Canadians in U.S. jails by allowing them to be voluntarily transferred to a prison in their home country. In addition to this benefit for the prisoner, there is a real benefit to the United States and Canada. Since most persons imprisoned abroad will eventually return home, both countries have a definite interest in the rehabilitation of the prisoners in the other nation. The treaty will also alleviate friction which may occur as a result of the imprisonment of each nation's citizens in the jails of the other.

During its consideration of the treaty, the committee was especially concerned with the constitutionality of the prisoner transfers and the procedures to be used in the transfer process. The committee has concluded that a strong case can be made for the treaty's constitutionality and all of the numerous legal opinions submitted to the committee concur in this finding. It is my understanding the Judiciary Committee, in its action on the legislation necessary to implement the treaty, has taken additional steps to insure that the transfers are constitutional and the interests of the prisoners are protected.

The committee has recommended a declaration to the resolution of advice and consent to the effect that the instrument of ratification not be deposited until the necessary implementing legislation has been enacted. This will prevent a situation of our having a treaty with no means of carrying out its objectives. This declaration will also allow a full examination of the implementing legislation, and the procedures and safeguards it provides.

Our examination has found the purposes of this treaty to be worthwhile and has resolved in favor of the treaty the legal questions raised. Accordingly the committee urges the Senate to give its advice and consent to the treaty with the declaration.

I ask unanimous consent that an excerpt from the committee's report on the treaty and a section-by-section analysis of the treaty be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE COMMENTS

Individuals imprisoned in a foreign nation face large obstacles to rehabilitation: language barriers; distance from family; differences in culture; inability to participate in educational, work-release or counseling programs and difficulty in receiving parole. Parolees also have problems, such as securing suitable employment in a foreign nation, once they are paroled. The transfer of these prisoners or parolees to their home countries to finish out their sentences or to receive parole would greatly increase the prisoners chances of making a successful reentry into society. Taking the case of Mexico, for example, most of the U.S. prisoners in jail there are young Americans who are first-time offenders. Their ability to readjust would undoubtably be enhanced if they could participate in job training, counseling and other programs available in penal institutions in the United States.

Since most of the prisoners will eventually return to their home countries after completing their sentences all three nations have an interest in the penal conditions of their citizens incarcerated abroad. The Treaties would also have a beneficial effect in reducing the tension between the United States and Mexico and the United States and Canada arising from the imprisonment of each others' citizens.

These Treaties involve concepts and legal issues new to the criminal justice system of the United States. Whenever the Congress legislates in new areas, constitutional questions arise. The Treaties and the implementing legislation are no exceptions and the Committee recognizes that legitimate constitutional issues are involved. The ultimate test of constitutionality may, of course, come before the Supreme Court of the United States. But the Committee has carefully considered these issues and has concluded, in good faith, that a case for the constitutionality of the Treaties can be made. All the legal opinions received by the Committee concur in the constitutionality of the treaties.

Under the terms of the Treaties, collateral attacks on the sentences of the foreign nations can only be made in the courts of that nation. These provisions would have the effect of denying to an American citizen transferred to the United States an opportunity to petition for a writ of habeas corpus to challenge the validity of his Mexican or Canadian sentence or conviction. The Committee has determined that any constitutional questions involved in this preclusion of a writ of habeas corpus can be resolved by a valid waiver made at the time of the prisoners' consent to transfer. If the consent is to act as a waiver, then the prisoner must be made fully aware of the consequences of his consent and the attendant waiver. The Committee understands that procedures will be established under the implementing legislation to provide full counseling, legal assistance and information to prisoners eligible for transfer. The families of prisoners, to the extent possible, should be informed of these conditions and the status of their family member.

In considering the question of a waiver, the Committee recalled that the prisoner in a foreign jail would not have access to the courts of the United States to attack his conviction or sentence. It is only upon his transfer to the jurisdiction of the United States that a transferee could claim any access to U.S. courts. As a practical matter, the prisoner is not waiving a right held prior to transfer. It would place the United States in paradoxical posture to insist that the writ of habeas corpus be available to transferees to contest the judgments of foreign courts when the result would be that the Americans would remain in foreign jails with no access to the courts of the United States for any purpose dealing with his confinement.

Although the implementation of the transfers will benefit several hundreds of Americans imprisoned in Mexico and Canada, the Treaties should not be viewed as a final solution to the problems of all U.S. citizens imprisoned in those countries. Some will not be eligible for transfer and others will not become eligible until they have been convicted, received definite sentences, and these convictions and sentences have been appealed. Therefore, the Committee feels that the Government of the United States should continue to assist fully those prisoners not transferred. Particularly important are improved consular services, including more consular offices where needed, and insistence, through appropriate diplomatic channels, on respect for the rights of the accused. These steps should not be confined to the two nations with which we have negotiated these treaties, but should be taken in all countries where significant numbers of Americans have been arrested and imprisoned.

In summary, the Committee has found the purposes of the Treaties to be worthwhile, that a good case can be made for their constitutionality and their subject matter is appropriate for the making of a treaty. Accordingly, the Committee on Foreign Relations recommends the Senate give its advice and consent to the Treaty with Mexico on the Execution of Penal Sentences and the Treaty with Canada on the Execution of Penal Sentences.

BACKGROUND ON CANADIAN PRISONER TRANSFER TREATY

On the initiative of Canadian parole authorities, discussions on an agreement to transfer parolees began in 1975. The Canadian initiative was an outgrowth of discussions under the auspices of the United Nations dealing with the problems of supervision of parolees and rehabilitation of prisoners. In May, 1976, the Canadian parole committee forwarded a draft agreement which expanded the proposal to include incarcerated individuals in addition to parolees. Negotiations in person were resumed in Ottawa on January 7, 1977, and after some further correspondence, the treaty was signed in Washington by Attorney General Bell and Solicitor General Fox on March 2, 1977. At that time, about 275 Americans were in Canadian prisons and 90 Canadians were in American penitentiaries.

This Treaty, unlike the one with Mexico, did not come about as a result of drug enforcement efforts, adverse prison conditions or publicity. The Canadian authorities originated the idea in order to promote rehabilitation of parolees.

SECTION-BY-SECTION ANALYSIS—TREATY WITH CANADA ON THE EXECUTION OF PENAL SENTENCES

STATEMENT OF PURPOSE

The stated purpose is to facilitate the successful reintegration into society of American or Canadian prisoners, parolees and those under supervision in either foreign nation.

Article I

This article provides the definitions of the terms: "Sending State", "Receiving State", "offender" and "citizen" as used in the Treaty.

Article II

This article imposes the following conditions to the application of the Treaty:

1. That the crime for which the offender was convicted would be also punishable as an offense in the Receiving State;
2. That the offender is a citizen of the Receiving State;
3. That the offense is not one against the immigration or solely military laws; and
4. That no appeal or collateral attack is pending and that the time for appeal has expired.

Article III

This article deals with the mechanisms of the transfers and eligibility of transferees and provides that—

1. Each nation must designate an authority to perform the functions of the Treaty;
2. All subject offenders be informed of the terms of the Treaty;
3. The transfers will be initiated by a written request of the offender and, if the Sending State approves, the request will be forwarded through diplomatic channels;
4. The Receiving State must approve of the transfer;
5. If the offender was convicted by a state or province under its laws, that state or province must also consent to transfer;
6. The best interest of the prisoner will be the basis of any decision by the States on the suitability of transfer;
7. No offender can be transferred unless he is serving a definite sentence, a life sentence, is a juvenile offender or is serving an indefinite sentence as a dangerous or habitual criminal;
8. A report by the Sending State on the prisoner's status be submitted at the time of the transfer;
9. Each State shall adopt the necessary implementing legislation; and
10. The place of delivery of transferees will be agreed to by both parties and that the Receiving State will be allowed to review the consent of the transferee.

Article IV

The article imposes certain conditions on the Receiving State and protects the rights of the transferee:

1. The laws and procedures of the Receiving State, including parole laws, shall apply, except the power to grant pardons or amnesty is reserved to the Sending State;
2. The Receiving State's laws on youthful offenders shall apply regardless of the offender's status under the laws of the Sending State;
3. No sentence can be enforced by the Receiving State so as to extend its duration;
4. The expenses of the completion of the sentence will be borne by the Receiving State;
5. That each State will cooperate in the furnishing of requested reports on the status of a transferee; and
6. The transfer does not impose any loss of rights that would not have been imposed as a result of conviction in the foreign state.

Article V

This article allows each State to adopt legislation to regulate the extent to which its courts will entertain collateral attacks by offenders transferred to the other State. The Sending State must inform the other of any decision to modify or set aside a conviction or sentence, and once so informed, the Receiving State must take the appropriate action. Most importantly, this article prohibits collateral attacks or appeals of the sentence or conviction except in the courts of the Sending State.

Article VI

Article VI protects a transferred prisoner from double jeopardy by providing that the prosecution of the transferee would be barred on the same basis as if the conviction had been obtained at the federal or state level in the Receiving State.

Article VII

This article provides that either State will cooperate in facilitating the transfer through its territory of a prisoner transferred under authority of a separate treaty between one of the signatories and a third state.

Article VIII

The terms of ratification and the duration of the Treaty are spelled out in this article. The exchange of instruments of ratification will take place at Ottawa. The initial term of the Treaty will be three years, and it will continue in force after the first three years until either party gives thirty days notice of intent to terminate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the treaty be considered as having passed through the various parliamentary stages up to and including the presentation of the resolution of ratification.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will state the resolution of ratification.

The assistant legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty between the United States of America and Canada on the Execution of Penal Sentences which was signed at Washington on March 2, 1977 (Ex. H, 95–1), subject to the following declaration:

That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in Article III has been enacted.

ORDER FOR ROLLCALL VOTE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote occur on the protocol and the treaty today at 12 o'clock noon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a single rollcall vote on both the protocol and the treaty, Calendar Nos. 1 and 4, and that the single rollcall vote count for two.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it is anticipated that the votes on the declaration and reservation can be by voice vote. They will only require a majority vote. There will be only one rollcall vote on the resolutions of ratification.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no further need for my time.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

TRIBUTE TO JAMES STOKLEY

Mr. BAKER. Mr. President, not long ago, east Tennessee lost a good friend with the death of James Stokley of Newport. His wife, noted author Wilma Dykeman, writes a column that appears in the Knoxville News-Sentinel, and the column that she wrote following the death of her husband is one of the most eloquent and touching personal descriptions I have ever read.

I offer the article for the benefit of my colleagues and ask, Mr. President, unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DIMINISHED BY HIS GOING, BETTER FOR HIS PRESENCE

(By Wilma Dykeman)

Three times I have reached for the telephone to ask my editor for a reprieve from writing for a few weeks. But my hand was stayed.

Exactly a week ago, from the day I am writing, on Monday afternoon, I was composing my weekly column for this paper. A few minutes later my perceptive co-author, my wisest counselor, my mentor, and my love read my words, offered a penetrating suggestion and his daily (indeed, almost hourly) words of approval and affection. A few hours later, he fell on the grass beside his garden and was gone.

Thus a week becomes a lifetime, and the world is changed, and for a few people on this mysterious planet nothing will be the same again. Yes, the oak outside the window will stand, the garden will bear, summer will flourish and wane, other lives will continue their familiar routine—but all diminished

because he is not here. And I shall continue, too, diminished by his absence, but better than than I could ever have been without his presence for a little while.

We met in a garden and we parted in a garden. I was picking flowers in my mother's garden in Asheville on that August Sunday morning when Thomas Wolfe's sister and her husband drove into our yard with two young men, "Stokley brothers from Newport, Tenn." One of them wore a white shirt, open at the collar with rolled-up sleeves, against which his smooth skin was a golden tan and his eyes were the clear blue of sea or sky, and before that day was finished he had asked me if I liked books and the woods and the final question—Beethoven. Two weeks later I canceled my career in New York. In October we were married. I believe there never was a couple more destined for each other.

Very few people knew the true dimensions of James' life. In a world where outer appearances are judged as reality he invested more and more of his time in inner riches. In a time when bigger is considered best and power seems a prize worth any sacrifice, he cherished the fragile spirit, the delicate creativity that flows from an eternal power. In a period when the loud and the self-proclaiming receive the world's awards, he was quiet and self-forgetful.

He was also a person of immense power. With all his gentleness he was capable of deep anger. Anger against injustice—injustice in any form or dimension—led him into some lonely valleys. He never talked of those experiences because he had no martyr's complex—too much laughter to be a martyr. And when his family or friends or society caught up with his farsighted vision, he never suggested an attitude of "I-told-you-so." He was too busy looking ahead to other horizons. In all his patience he seethed with powerful impatient. Impatience with trivia—the second-rate in our cultural, spiritual, educational, political, industrial, individual and social lives—led him to some lonely pinnacles. This grieved him, not because he minded being alone but because any riches of mind or spirit or body that he discovered he wanted to share with everyone else. And every day was an adventure of discovery for him.

I never met anyone who savored more deeply the potential of the moment. Whether we were in a strange land or here in our own familiar mountains, whether we were listening to the first katydids of summer or the Eroica Symphony, whether we were among exciting famous people or talking with old-timers or were alone together, to whatever we were doing he brought full appreciation, passion, imagination.

People sometimes asked if he was disconcerted by my writing, my career. How little they knew him! He had no identity crisis, no need to narrow anyone else's life to enhance his own. Indeed, one of the purposes of his life seemed to be to make sure that everyone—no matter race or sex, social status or creed—should have not only opportunity but encouragement to be not only good but best.

And he was the best. Funny and sad, uniquely innocent and infinitely sophisticated, he balanced the world of nature and the world of books and dwelt in a realm of special goodness. He would not have liked that word, it would embarrass him. But he was good. We shall rarely see his like again.

A week ago he left on one of the few trips we have not taken together. But he is not wholly away—and I am not wholly here. We are still together.

ENDANGERED SPECIES ACT

Mr. BAKER. Mr. President, later this week the Committee on Environment and Public Works will hold hearings on the implementation of the Endangered Species Act. The hearings are designed to be a comprehensive examination of the act, leading, if necessary and appropriate, to modifications in the manner in which the very worthwhile goals of this act are achieved.

The hearings have arisen, Mr. President, from a broadly perceived need to reexamine this legislation and determine whether the implementation of the act conforms to the original intent of Congress in enacting it. In holding these hearings, we will attempt to determine whether a sensible solution can be found to mitigate the untoward effects that the strict implementation of the act has caused in the past and will continue to cause in the future.

The State of Tennessee has had its share of these problems, Mr. President, as indicated by a joint resolution passed by the 90th General Assembly of the State of Tennessee. I believe the resolution abundantly illustrates the problems that have arisen under the Endangered Species Act and, therefore, believe it merits the attention of my colleagues; I ask unanimous consent, Mr. President, that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION NO. 53

Whereas, the United States Department of the Interior has placed the snail darter fish and certain species of mussels and snails on the Endangered Species List pursuant to provisions of the Endangered Species Act; and,

Whereas, the snail darter and mussels have been litigated in lawsuits (Environmental Defense Fund vs TVA et al) in the U.S. District Court in Knoxville and the Sixth Federal Circuit Court of Appeals; and,

Whereas, these species were found subsequent to the approval of the required Environmental Impact Studies prepared by TVA; and,

Whereas, there is no proof that the Tellico Dam or the Duck River Project (Normandy and Columbia Dams) will destroy the snail darter, mussels or snails or that their species cannot exist in other streams; and,

Whereas, the Tellico, Normandy and Columbia Dams will provide improved water quality which will make other segments of the streams more favorable for the propagation of these species; and,

Whereas, the Tellico Dam and the water control system on the Duck River is absolutely necessary for economic growth and development in their respective locations; and,

Whereas, the people of the Duck River area have in good faith committed themselves to pay TVA a sum of 16.2 million dollars over a 40 year period; and,

Whereas, this commitment is being met since January 1972 by a payment of five cents per thousand gallons on water being used in the Upper Duck River Watershed; and,

Whereas, the use of the Endangered Species Act to curtail worthwhile public works and endanger human life would be grossly unfair and a breach of faith with the citizens of the State of Tennessee and a general waste of effort and money; now, therefore,

Be it resolved by the House of Representatives of the Ninetieth General Assembly of the State of Tennessee, the Senate concurring, That this Assembly urge the President of the United States, the Secretary of the Interior, Congress and the Board of the Tennessee Valley Authority to immediately consider remedial measures and adopt appropriate rules and/or legislation which would provide a sensible solution and permit these vital public projects in the State of Tennessee to continue.

Be it further resolved, That copies of this Resolution be sent to the President of the United States, the Secretary of the Interior, each member of the Tennessee Congressional delegation and the Chairman of the Board of the Tennessee Valley Authority.

Mr. BAKER. I am confident, Mr. President, that through these hearings the committee will be able to make recommendations regarding amendments to the act that will address the problems experienced in Tennessee and will lead to its implementation with reason and flexibility. I would hope that the Senate, and ultimately the Congress, will respond in a prompt and favorable manner to these recommendations.

SPECIAL ORDERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Indiana (Mr. BAYH) is now recognized for not to exceed 15 minutes.

Mr. BAYH. I thank the Chair.

THE FUTURE ENERGY POLICY OF THIS COUNTRY

Mr. BAYH. Mr. President, I seldom request the privilege of occupying the time of the Senate on a special order. However, it is very likely that the Senate will spend most of the time remaining in this session acting on various components of the President's energy proposals and this morning I would like to take a few moments to talk about a matter which will impact significantly on the Nation's future energy policy and which is being debated at the highest levels of the executive branch—the future route of a gas transmission system to bring Alaskan gas to the lower 48 States.

Mr. President, all of us, elected officials and citizens alike, have been preoccupied with developing a coherent national energy policy. The country has listened to special Presidential messages; it has heard the President at press conferences. There is not a Member of this body who has not talked to his constituency or to a larger national audience about the importance of resolving both our short-term and long-term energy problems.

Between now and the time we adjourn, whenever that day comes, I think it is likely that more time will be spent on energy than any other legislative matter before this body.

One area that will doubtlessly be controversial and receive priority attention is the question of how to best increase the Nation's supply of natural gas. Few of us from those States of the country heavily dependent on natural gas can easily forget the severe hardships and economic disruptions caused this past winter by natural gas shortages. It is ironic to be addressing the Senate in the midst of one of the longest and most severe heat waves this Nation has had in a long time and asking my colleagues

to remember the severe winter we had last year.

But the fact is that unless we resolve the problem of equitable, efficient, and speedy distribution of our natural gas resources we are apt to have a number of long cold winters accompanied by misfortunes similar to those we witnessed last year.

Twenty States suffered unemployment as a result of the gas curtailments in 1977. Approximately 1.2 million workers were thrown out of work as a result of factory, school, or other closings. We must do everything possible to avoid these things from happening again.

All of us know that there is no magic panacea, no bill we can pass that will prevent similar events tomorrow. It takes a certain amount of lead time to develop delivery systems for new energy resources. However, there is a question now being discussed at the highest levels in the administration that can, in my judgment, if resolved in the right way, cut as many as 4 or 5 years off the time necessary to deliver new natural gas supplies to the energy deficient parts of the Nation. And that proposal is the construction, just as rapidly as possible, of a safe, economical, and environmentally acceptable gas transmission system to bring our Alaskan gas reserves to those parts of America that need them most.

Mr. President, most of us here in this Chamber agree on the necessity to conserve energy, and switch from heavy reliance on natural gas and oil to coal, which we have in abundance, and clean, renewable energy resources, currently in the research and development stage. But the undeniable fact is that the United States will be deeply dependent on natural gas for our energy needs for the foreseeable future.

Even with the best research and development efforts and smoothest possible conversion from oil and gas to coal and other energy sources, it is going to take us a while to get this job done, and we are going to be heavily dependent on natural gas for the rest of this century. Natural gas is a critical component of the Nation's total energy supply, making up about one-third of all energy used in this country. It seems to me only prudent to suggest that we must do all we can to assure ourselves the most stable supply possible. One critical factor in giving us this assurance will be access to our Alaskan gas.

Mr. President, the natural gas discovered at Prudhoe Bay on the North Slope of Alaska is estimated to exceed 20 trillion cubic feet of gas, which can provide, at the very minimum, 5 percent of American natural gas consumption for the next 25 years.

Experts believe that there are other undiscovered reserves elsewhere in Alaska, and that these could run as high as 72 to 185 trillion cubic feet.

A reliable, safe, and efficient transportation system for moving this gas south could impact significantly on future American shortages by potentially supplying as much as 1.6 trillion cubic feet annually, as soon as the President chooses and Congress approves one of the proposed gas lines.

Mr. President, as my colleagues know, I have long been interested in delivering Alaskan oil and gas to the lower 48 States in an economical, equitable, efficient, and environmentally sound manner. My interest in this matter, as that of other Members of this body, was first stimulated when the question of distributing Alaskan oil was before this body.

I opposed the Alaskan oil pipeline proposal, which was eventually adopted, from its very inception because I predicted that it would not result in an equitable or economical distribution of North Slope oil, but would instead lead to a surplus of crude on the west coast, at vastly inflated prices, and continued shortages in parts of the country—primarily the Midwest, Northeast, and Atlantic States—dependent on unstable sources of foreign gas and oil.

Of course, I do not like people who say, "I told you so." But the tragic fact is that the predictions many of us in this body made at the time the Alaskan oil pipeline was built have been borne out. Barring further mishaps on the Alaskan oil pipeline, there will be a 500,000 to 600,000 barrel per day surplus of crude oil on the west coast this fall.

It is imperative that this error not be repeated when we select an Alaskan gas pipeline.

For this reason, I find the El Paso gas pipeline proposal, which would parallel the Alyeska route, totally unacceptable and am firmly committed to a trans-Canadian route which would bring Alaskan gas to a central location and connect up with pipelines that could carry it east, west, or south, as demand dictates.

As I understand the current situation, deliberations in both the United States and Canada on the issue of a trans-Canada pipeline are reaching a decisive stage, and both Governments will soon announce their preference for a gas pipeline route. This is the reason I have requested time this morning.

The Canadian Government has already received recommendations from the Berger inquiry and the National Energy Board, both of which were critical of the Arctic route, the trans-Canada route proposed earliest, back in 1973. It is currently awaiting reports from the Lysyk inquiry, which will address the economic and social costs of the Alcan route, a second and more recently proposed trans-Canada route, and the environmental assessment review panel, which will assess the environmental impact of the Alcan route. These reports are due on August 1 of this year. If these analyses uncover no major problems with the Alcan route, and my study has led me to believe that none are expected, it is almost definite that Prime Minister Trudeau will approve the Alcan route, pending the resolution of certain issues raised by Canada's National Energy Board about this proposal.

The posture of our own Government in negotiations with the Canadians is likely to be crucial. If our negotiations can resolve these issues in a way that does not compromise the technical or financial viability of the Alcan proposal, then construction of a trans-Canada pipeline, which will distribute Alaskan gas economically and equitably, can proceed promptly and in a manner that is mutually beneficial to both the United States and Canada.

Here, in this country, the Federal Power Commission and the administration's task forces have also sent final recommendations to the President. While the FPC was divided in its judgments about the relative merits of the Alcan and Arctic routes, it clearly found either of them superior to the El Paso proposal. The Alcan route received the strongest backing from the interagency task forces set up by the President, and just this weekend the Justice Department issued a report criticizing the Arctic route because of its anticompetitive aspects.

It seems to me, from reviewing these various reports and recommendations, especially those issued by the Canadian Government, that the only viable trans-Canadian option available to us is the route that follows the Alcan Highway, particularly if issues raised by the National Energy Board about the Alcan route can be negotiated successfully. With the demise of the Arctic route, pressure upon the President to recommend the El Paso route will become increasingly intense. For this reason, I intend to ask my colleagues to join me in signing a letter to the President urging him to pursue negotiations with the Canadians toward consummating an acceptable agreement on the Alcan route and recommending this route to the Congress.

In the past many of us have supported the Arctic proposal over the Alcan route. When I first supported this McKenzie Delta route, back in 1973, it was the only trans-Canada option available and was looked on favorably by the Canadian Government because of their belief that vast gas reserves would be found in the McKenzie Delta. Over the past year, and even the past few months, the situation has changed dramatically, and I have reassessed my earlier position.

I hope those colleagues who were with me on the Arctic route will also reexamine the situation, and understand that because of recent developments, the Alcan route is the only trans-Canada option now open to us, and one that avoids the social, environmental, and technical problems recently found to be associated with the Arctic route. We must join together now and support a sensible trans-Canada route, which is far superior, from almost any perspective, to the El Paso, Alaskan route.

This issue will be before Congress after the President makes his recommendation this fall. Therefore, I think it is important that we begin to convey our concern to the President, to make sure that lack of prior consultation between the Congress and the President does not lead to differences of opinion at the time the President sends up his choice.

In closing, Mr. President, I would like to express that it is my firm contention that going ahead with construction of

the Alcan route is in both the short-term and long-term interests of this Nation. If the green light is given to this project soon, we will likely begin receiving gas through the Alcan pipeline sometime in the winter of 1979–80, and in the areas of the country in desperate need of it. This compares to a distribution predicted completion date of 1984–85 for the El Paso route, which will deliver energy to areas already experiencing a surplus of energy—areas which themselves do not want the El Paso route because of the severe environmental problems associated with it.

Mr. President, the Alcan Consortium has already contracted for Canadian gas from Alberta for delivery to the Lower 48 by 1979–80.

We know that gas is there, and the Canadian Government has commented favorably on its sale to the United States. By starting construction on the southern end of its proposed gas pipeline, the Alcan Consortium can distribute Canadian gas to the Midwest, Atlantic region, and the west coast by the winter of 1980 and continue these deliveries until the northern segments of the pipeline are built to bring our own Alaskan gas south. This should avoid the risk of too many more winters like the one we had last year.

Therefore, I urge my colleagues to join with me in requesting that the President conduct our negotiations with the Canadians in such a way that they result in an acceptable agreement on the Alcan route and that he ultimately recommends this route to the Congress. I believe that most of the issues raised by the Canadians can be resolved in a way that benefits both countries, but it is important that our negotiators realize the crucial role they will play in the coming months and that they represent our interests fairly.

I do not want us to have a glut of natural resources in one part of our country, and I want us to solve this problem as quickly as we can. All of that seems to augur for the selection of the Alcan route, so that we can get Canadian gas and then Alaskan gas as quickly as possible, and will not have a repetition of the long, cold shortages we experienced last winter.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. ZORINSKY). Under the previous order, the special order having been concluded, there will now be a period for the transaction of routine morning business, with no resolutions coming over under the rule.

ORDER FOR NO ROLLCALL VOTES BETWEEN 12:30 P.M. AND 2 P.M. TODAY

Mr. BAKER. Mr. President, if I may have the attention of the distinguished majority leader, I wonder if it would be possible, for today only, to arrange that there not be any votes between 12:30 and 2 p.m. I respectfully urge the majority leader that there be no rollcall votes between the hours of 12:30 and 2 p.m. today.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, the minority leader, as I understood his request, said for today only?

Mr. BAKER. That is true.

Mr. ROBERT C. BYRD. This is not by any means intended to set a precedent?

Mr. BAKER. No, let me say it is not. There are certain traditional factors we take account of, and we would wish to continue on that basis.

Mr. ROBERT C. BYRD. But there are certain additional factors today?

Mr. BAKER. There are; and I would respectfully urge the majority leader not to object to this request at this time.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, are we still in morning business?

The PRESIDING OFFICER. We are still in the period for morning business.

TRANS-CANADA PIPELINE ALTERNATIVES

Mr. STEVENS. Mr. President, having listened to my good friend from Indiana outline his position with regard to a pipeline for Alaska gas through Canada, I would be remiss if I did not urge him to study two vexatious issues concerning a pipeline through Canada.

One is the potential for cost overruns, and whether or not this Government ought to guarantee the cost of a pipeline running through a neighboring but nevertheless a foreign country, with a prospect for cost overruns, as we have seen on the oil pipeline, approaching at least 100 percent going through a new area, as proposed to go through Canada.

I seriously question whether the Federal Government should be called upon, as it is indicated from Canada we will be called upon, to guarantee the construction cost of a pipeline that the Canadians say must be owned by Canadians but financed by world capital, which to me means Saudi Arabian money, owning the pipeline to carry Alaska's gas through Canada.

Secondly, the National Energy Board has stated categorically that one of the conditions for a pipeline through Canada to carry Alaska's gas would be an all-events tariff. I believe they stated that the consumers of the United States should bear the risks—all the risks—of interruptability or accident encountered in terms of the gas supply, so that the people who finance the pipeline through Canada would know it is the American consumer that bears the risk.

In other words, all the profit would stay in Canada and all the control would stay in Canada, but all the risks would be borne by the consumers of the United States.

To my knowledge, we have never permitted any interstate pipeline to have an all-events tariff, and I believe Congress is going to have a substantial burden of issues before it should the President recommend a pipeline through Canada. I, for one, will oppose to the last drop of Alaska's gas the proposal that a pipeline should go through Canada under those two conditions, and I am sure my friend from Indiana understands the depth of our feeling with regard to our resources.

But I appreciate his statement, and the fact that he has announced a change in position so far as the gas pipeline through Canada he supports is concerned.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the committees have been notified well over a month ago that objections would be made to unanimous-consent requests for committee meetings during sessions of the Senate other than on energy matters and emergency matters, and matters which were considered to be important legislation before the Senate goes out for the year.

I do have a request I will propound, and I believe there is some exigency involved here. As I say, there was well over a month of notice given.

I ask unanimous consent that the Agricultural Research and General Legislation Subcommittee of the Agriculture, Nutrition, and Forestry Committee be allowed to meet during the session of the Senate today until 1 p.m. on the subject of chemicals in food and agriculture. It is my understanding that a panel of scientists are coming in from all over the country. Those scientists would be discommoded otherwise.

Again, I say, well over a month of notice was given. It seems to me that the meeting could have been set up at another time, but I am constrained to ask for the request in view of the fact that the scientists are from other parts of the country. I hope there will be no objection.

Mr. BAKER. Mr. President, reserving the right to object, it poses a problem of good proportion for me because I have objected repeatedly, both on the floor and in informal conferences with the distinguished majority leader, to other committees and subcommittees meeting on matters not related to energy legislation and other urgent matters. I am extremely reluctant to refrain from objecting at this time. The only matter which would compel me to withhold my objection—and I will, of course, withhold my objection today—is that we reconvened a good hour earlier than we planned originally yesterday.

At this time I will not object to this single request; but I would say, Mr. President, that this action does not alter my general feeling that committees should not meet at this point beyond the time limits in which they are permitted to meet under the standing orders and under the Stevenson resolution.

I might also say, Mr. President, it is anticipated we will have a rollcall vote at 12 noon and we may have other rollcall votes prior to that time. So there is a good possibility the subcommittee will be interrupted in any event. I would urge them to terminate those hearings as

soon as possible and well before 1 p.m. for the convenience of their members and all the rest of us.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader. I believe he has raised other thoughtful points which lead him to refrain from objecting in this instance. He points out certain other exigencies which prevail in this instance which were not foreseen.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAILURE OF THE SUGAR PROGRAM

Mr. LONG. Mr. President, I am sad to state, as many of my colleagues in this body have been sad to state, that the present sugar policy of this administration is a failure. It is a bankrupt policy which the GAO today suggested is illegal.

I ask unanimous consent, Mr. President, that there be printed at this point in the RECORD a letter dated July 19, 1977, from the Comptroller General of the United States to Congressman PAUL FINDLEY explaining why the administration's sugar program, with which I have disagreed, is improper and illegal. The report goes on to say that the GAO is not sure whether the program would increase or decrease sugar imports in the United States.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., July 19, 1977.

Hon. PAUL FINDLEY,
House of Representatives

DEAR MR. FINDLEY: This is in response to your letter dated June 15, 1977, which was also signed by the Honorable Edward R. Madigan, House of Representatives, concerning the Department of Agriculture's proposed regulations which would establish a price support payments program beginning with the 1977 sugar crop.

In this regard, you say that the proposed sugar regulations issued on June 14, 1977, are a classic example of an administrative agency trying to do indirectly what it cannot do directly. You refer to the current law as not permitting direct payments to sugar producers, but that the proposed regulations would get around this by providing that the processor would pay the producer the full amount of the support payment received, after deduction for administrative expenses. You indicate that there is also dubious legal authority for the proposed sugar plan because the current law requires that any payments shall be for the purpose of price support and you believe that the payments will not in any way increase, support or stabilize market prices, but will only provide income support.

You also question the legal basis for requiring a processor to carry out the program. You inquire as to what method of enforcement is available to the Department of Agriculture?

Finally, you question the legality of this type of "domestic subsidy" under our Government's international agreements, including the General Agreement on Tariffs and Trade (G.A.T.T.).

We have reviewed the opinion of the Department's Acting General Counsel which you included with your letter. We have also written to the Secretary of Agriculture in order to obtain his views on these matters. Due to the time constraints you have placed on our response, we met with certain officials of the Department of Agriculture to obtain such information and expression of views as we needed to prepare a quick response to your inquiry. While we have not received the written views of the Department we understand the Department's reply would confirm the views expressed by Department officials.

With regard to price supports for agricultural commodities, 7 U.S.C. § 1421 (1970) provides in pertinent part as follows:

"(a) The Secretary [of Agriculture] shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

"(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support * * *. (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported * * * (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, (8) the ability and willingness of producers to keep supplies in line with demand * * *.

"(e) Whenever any price support or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as he deems adequate that the producers of the agricultural commodity involved have received or will receive maximum benefits from the price support or surplus removal operation."

Section 1447, title 7, U.S. Code (1970) provides for price support levels of nonbasic agricultural commodities as follows:

"The Secretary is authorized to make available through loans, purchases, or *other operations* price support to producers for any nonbasic agricultural commodity not designated in section 1446 of this title at a level not in excess of 90 per centum of the parity price for the commodity." (Emphasis added.)

The program proposed by Agriculture in its regulations has the stated objective of supporting prices in the market place for sugarbeet and sugarcane producers through payments made to sugar processors. In support of the proposed payments program for 1977 crop of sugar specific reference is made to the eight applicable factors enumerated in 7 U.S.C. § 1421(b). In this regard it is stated that the price received by producers in the United States is a function of the world market price which is currently depressed and therefore the price received by domestic producers is below their cost of production. Price support payments are said to be limited to two cents a pound for several reasons including that the effect of larger payments would be to support the world market price for sugar which would mean an unlimited outlay of currency from the U.S. Treasury.

Section 1435.3 of the proposed regulations (42 Fed. Reg. 30409 (June 14, 1977)) refers to a determination by the Secretary of Agriculture that the level of price support for 1977 crop sugar will be no more than 13.5 cents a pound and that if the national average market price is less than 11.5 cents a pound, the price support payment rate shall not exceed two cents a pound. Under section 1435.5, at the end of each marketing quarter, after the Department of Agriculture has determined the national average price for sugar received by processors in that marketing quarter, it will announce the rate of payment for sugar marketed in the quarter. Payments will be made to a processor on eligible sugar marketed by it during the marketing quarter.

Section 1435.6 provides for a written contract between the processor and the producer stipulating the producer's share of proceeds for the sale of sugar in the market place and the method of payment of the proceeds. The processor shall agree to pay the producer the full amount of the price support payment after deduction for administrative expenses incurred in carrying out its obligations under the program.

Section 1435.9 of the proposed regulations provides that the processor will only be allowed to deduct from the payments actual administrative expenses directly incurred as the result of distributing payments to producers and fulfilling other requirements of the program. Allowable costs may include increased labor, automated data systems use, postage, and the processing of bank drafts. It would not include general administrative and overhead expenses incurred in the processors normal operations.

The Secretary of Agriculture, under 7 U.S.C. § 1447 may make price supports available to sugar producers by means of loans, purchases or "other operations." With regard to "other operations," the Department of Agriculture's Acting General Counsel, in a memorandum to the Secretary, dated April 6, 1977, a copy of which was enclosed with your letter, states as follows:

"The term 'other operations' as stated in Section 301 [7 U.S.C. § 1447] would permit the Secretary of Agriculture to make payments to processors of sugar who pay support prices to sugar producers. Such payments would assure that procedures would receive the support prices in the market place for their sugar at a time when processors could not otherwise afford to pay the support price in view of market prices for the processed product. The phrase 'other operations' would not, however, authorize direct payments to producers by the Secretary, since such payments would not support the price which the producers received in the market place for their sugar. This conclusion is supported by extensive legislative history."

After reviewing the pertinent legislative history, the Acting General Counsel concludes:

"* * * the phrase 'other operations' as contained in the Agricultural Act of 1949, as amended, would not allow the Secretary to make payments to producers of sugar beets and sugar cane, but would permit payments to processors of sugar in order to support the price received by producers for sugar in the maket place."

We have reviewed the statute and legislative history discussed in the Acting General Counsel's memorandum and concur that the Department may not make direct payments to producers. Hence, whatever else it may encompass, we agree that the statutory term "other operations" was not intended to include direct payments to producers.

Under the proposed program, after the end of the previous marketing quarter, payments are to be made to processors who have agreed that after deduction for administrative expenses, the full amount of the payment is to be paid to the producers. It appears that while the payment is made by the Government to the processor, the processor's function is akin to that of a trustee for the benefit of the producers, and to act as an agent of the Government in determining the amount due to each producers who has sold eligible sugar to it, and in forwarding such payments to the individual producers. It is indeed diffi-

cult to distinguish the effect of the proposed program from that of a program of direct producer payments made on the basis of the amount of sugar marketed. Accordingly, the proposed program is not, in our view, authorized under 7 U.S.C. § 1447 as the Department may not do indirectly what it cannot do directly.

In any event we have substantial doubt that the proposal represents a price support program as contemplated by 7 U.S.C. §§ 1421 and 1447. As we understand the proposed program, at the end of each marketing quarter the Department of Agriculture will determine the national average price for sugar for the quarter, and based on this determination, payments, not to exceed two cents a pound, will be authorized to be paid to the processors for the benefit of the sugar producers, provided the market price does not exceed the designated support price (of, for example, 13.5 cents a pound for crop year 1977). The actual rate of payment per pound will be the amount by which the national average market price is less than the designated support price.

The stated objective of the proposed program is to support prices in the market place for sugarbeet and sugarcane producers through payments made to sugar processors. However, the proposed program is unlike traditional price support programs in which the Government stands ready to purchase a commodity at a given price, and in which it in effect establishes a floor in the market price which those desiring to purchase the commodity must pay. Under the purposed program purchasers in the market place would pay the current price for sugar, for example, 11.5 cents a pound. At a later date, with a designated support level of 13.5 cents a pound, the producers would receive 2 cents a pound from the Government (less the processors' administrative expenses). It thus appears that the additional payment received by producers does not support or increase the market price but rather makes payments to processors for the benefit of the producers, as if the market price actually were higher.

In other words, the proposed program seems to provide, in essence, the equivalent of direct payments to producers, and we fail to see how the payments contemplated under the program would support the market price of sugar.

For the foregoing reasons, we are doubtful that the proposed program may be considered as a price support program as contemplated by 7 U.S.C. §§ 1421(e) and 1447.

With regard to processor participation in the proposed program, we have been informally advised by an official of the Department's Office of General Counsel, that he is aware of no means of compelling a processor to take part in the program. However, since producers would presumably bring their sugar to processors whose participation in the program would result in substantial additional payments to producers, it would appear that processors would for economic reasons voluntarily participate in the program. Once part of the program, after having entered into written agreements with producers stipulating their share of proceeds from the sale of sugar and the method of payment, the processor would be required to submit reports and certifications to Department of Agriculture which would probably conduct local spot checks of the processor's activities under the program.

Finally, you question the legality of the proposed program under G.A.T.T. or other of our Government's international agreements. The above agreement (61 Stat. part (5) and (6), T.I.A.S. No. 1700, 55–61 U.N.T.S.) which was concluded on October 30, 1947, and entered into force for the United States on January 1, 1948, provides in pertinent part as follows:

"ARTICLE XVI—SUBSIDIES

"Section A—Subsidies in General

"1. If any contracting party grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of any product from, or to reduce imports of any product into, its territory, it shall notify the contracting parties in writing of the extent and nature of the subsidization, of the estimated effect of the subsidization on the quantity of the affected product or products imported into or exported from its territory and of the circumstances making the subsidization necessary. In any case in which it is determined that serious prejudice to the interests of any other contracting party is caused or threatened by any such subsidization, the contracting party granting the subsidy shall, upon request, discuss with the other contracting party or parties concerned, or with the contracting parties, the possibility of limiting the subsidization."

Under this provision if the U.S. grants a subsidy including any form of income or price support which operates to increase sugar exports or decrease sugar imports into the country, the Government is required to notify the other contracting parties. Upon request, the U.S. also must discuss the possibility of limiting the subsidization with any party that believes its interests have been seriously prejudiced. It is not clear to us at this point if the proposed program would increase exports or reduce imports of sugar into the United States; you may wish to raise this question with the Department of Agriculture officials. Of course if there were an increase of the market share of domestic producers, the U.S. Government would be obligated to inform the other parties regarding the program and upon request to discuss possible limitations on the extent of the subsidy. We are not aware of provisions of any other international agreement which might invalidate the proposed program.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. LONG. Mr. President, instead of helping many of our small farmers whose livelihood depends on cane and beet sugar production, the administration was misled by some advisors to give direct subsidies to the rich. Multimillion dollar companies, some owned by one family, would receive million dollar checks from the U.S. Treasury, while the small farmer was squeezed out by the combination of dumped foreign sugar at ridiculously low prices and the large rich U.S. companies which receive million dollar checks from Uncle Sam.

It is difficult for me to understand how anybody in the administration who knew anything about sugar, including our Secretary of Agriculture, could have supported this "subsidy for the rich" program.

I do not believe Bob Bergland, a lifelong supporter of the sugar industry, supported this program. He was apparently overruled and now has to play the role of a good soldier. But he cannot support a program which is illegal.

It is an open invitation for foreign producers to take over our market and that is, in fact, what is happening. Currently, imports of foreign raw sugar account for over 45 percent of U.S. sugar consumption. Imports are arriving in the United States at less than 8 cents a pound, and foreign contracts with U.S. refiners indicate the strong likelihood of dumping. This compares with an estimated cost of production for U.S. producers of between 15 and 18 cents per pound, depending on the particular crop—cane or beet—and the particular part of the country.

The U.S. International Trade Commission thoroughly studied the sugar situation and concluded by an overwhelming majority, after 6 months' investigation, that the domestic industry is being seriously injured by foreign imports. The Commission recommended immediate action to reduce imports.

Receiving very bad advice from people who should know better, the President denied that relief and opted for this direct payment scheme. Apparently, some suggested that this approach would encourage the successful negotiation of an International Sugar Agreement. The opposite proved to be the case. Foreign producers, seeing a weak U.S. program and probably sensing it would drive out many U.S. producers leaving them a captive market, showed no interest in signing such an agreement.

We are still trying, but these countries feel that the United States is so desperate, they can wait and force us to sign any agreement. It is a typical "heads I win, tails you lose" trade negotiation in which the United States has been Uncle Sugar or Uncle Sucker too many times.

Mr. President, I strongly support the override petition introduced by Senator DOLE and cosponsored by Senators ANDERSON, BURDICK, CURTIS, HAYAKAWA, MCCLURE, and HASKELL. If the President does not use the authority he has to give a reasonable chance of survival to U.S. sugar producers, I will push hard to the override or the Church bill, of which I am also an active cosponsor.

I understand there will be an amendment offered to the farm bill in the House which add sugar beets and sugarcane to the list of "designated nonbasic commodities" in section 201 of the Agriculture Act of 1949.

In addition, it provides for price support at a level of 55 percent of parity, which translates to a price floor of about 14 cents per pound.

That amendment, which is essentially the same as the Church amendment here in the Senate, has the support of the cane, beet, and corn processors as well as the following groups representing farmers: National Farm Organization; National Farmers Union; National Corn Growers; International Brotherhood of Teamsters; International Longshoremen; General Federal of Grain Millers and others. In my judgment it makes a great deal of sense and actually gets the administration off the hook. It is a temporary program until there is a adequate International Sugar Agreement.

Sugar is a basic commodity and deserves to be treated as one. We do not expect, nor do we ask for all of the agriculture benefits of peanuts, corn, honey, or many other basic commodities. There is a virtual embargo on peanut imports but we do not ask for that on sugar. We do not mind sharing our market with foreign producers. But we do not want to give them the whole thing.

Finally, Mr. President, I ask unani-

mous consent that an excerpt from the transcript of the July 13 hearings before the Finance Committee on the subject of sugar be incorporated in the RECORD. The discussion is primarily between me and Secretary Bergland. It details many of the differences which I and many other Senators from the cane, beet, and corn sugar areas have with the administration's misguided program.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Senator LONG. You made reference to the very unfortunate situation with regard to sugar. Is not sugar the only, or at least one of the very few forms, of commodities today that does not have a program, either through loans, payments or purchases of some sort?

Secretary BERGLAND. That is correct, one of the few. We have nonstorables, of course, for which there is no program—livestock, and eggs, and the like.

Senator LONG. As a means of achieving the 14 cent price of sugar, do you hope to treat sugar as the other farm commodities that do have a program today?

Secretary BERGLAND. Mr. Chairman, we have tabled a very detailed proposal of the Sugar Conference in Geneva. We are prepared to participate in an international sugar agreement. We hold that the best longterm permanent solution, or hope, for the American and international sugar industry—the international sugar market, Mr. Chairman, as you know, is a dump ground, a zoo. It is not a free market. It is a residual market. We all understand that. It has to be dealt with in that context.

We think, therefore, because if there is an international problem it should be dealt with in an international forum, the international sugar talks we think is the most appropriate place. The talks commenced in June. Reasonable progress was made. No conclusion was expected. They resume next week.

Secretary Katz will represent the Administration in those talks. You may ask him more details in this regard. If they blow up on us, if we cannot produce an international sugar agreement, then I think we have to seriously consider going about developing a policy of our own regarding sugar.

But until and as long as we have some reasonable good hope of getting an international agreement, I would urge that we not take any unilateral action beside the 2 cent a pound payment which has been agreed to.

Senator LONG. Mr. Secretary, I heard the statement made, and I agree with it, under the leadership of Mr. Katz we sent the best negotiation team that we have sent to any such meeting of this sort over to Europe and they were not successful in working something out, and I doubt that they are going to be able to work it out this time. It is not their fault.

We are making a good proposal to the world, but there are various people, because they do not want to pay the price, the consumer nations do not want to agree with something that would make it possible for the producer to charge them more for sugar.

I honestly do not see a great deal of prospect of Mr. Katz and his group of achieving any more cooperation from the world than they did before. Those people have a greater diversity of opinion over there than we do here, because they represent more countries.

Why can we not have some sort of a program that you could either support, or at least not oppose, to bring the sugar producers 13.5 to 14 cents for sugar, while all this effort to reach an international agreement is going on?

Secretary BERGLAND. Mr. Chairman, the sugar talks will resume next week and will continue on through the first week in August, or so. If no progress is made there, then I think it is unfortunate, but a fact, that we will not have an agreement. The next few weeks will tell the story.

If the thing disintegrates, then we have to consider a domestic sugar policy. There are a variety of ways in which this can be done. We can establish a target price concept, authorize payments to be made by producers; by law we do not currently have authority to do that.

We could establish the price support level and a lower range, a so-called competitive most times in the market, protect that by levies against the imports, to be sure that our own price support program is not overrun by low-cost or cheaper foreign imports.

We could establish quotas, restrictive import limits in various countries. There are a variety of remedies, Mr. Chairman, that we will consider.

Senator LONG. Mr. Secretary, it seems to me that all that we really need to do is pass some law to treat sugar like some of these other commodities, let you fix the support price wherever you think it ought to be, and I think we know where you think it ought to be. That would take care of our sugar producers and give the Administration the right to put quotas and handle the quotas however you want to handle them.

It seems to me that the fine reputation and record that President Carter has, and you have, for integrity and fairness, it seems to me that you could have a program and we would not have any problem with it. Under the old sugar program, there was only one thing that gave us trouble about that. These people would come in here and lobby and try to get some advantage regarding quotas. Representing the sugar producing states, there was not much I could do about that, because we wanted a Sugar Act. On the House side, we would have to contend with Mr. Cooley who did not need a Sugar Act.

Those House fellows pretty well ran over us.

If we give the Administration the right to handle the quota how they want to handle it, it seems to me that they could handle it, and it would make our foreign policy more effective. The President could use that as he wants to, to get a little leverage for human rights.

I think that would be a lot better leverage than to get somebody to try to make some progress in the human rights area, then tell them you are not going to send a weapon or something, they can get the weapons elsewhere, trade with other foreign countries.

I cannot understand why we cannot simply make sugar a basic commodity that you fix a support price where you think it should be fixed and under Section 22, as I understand it, that would require you to put quotas into effect. You could put them out for us and let everybody bid on them, or try to help people in some of these countries to achieve an equitable and just standard of living by getting those people to use the favorable price they get from the United States, to pass it on through to some of those workers in the field.

Why can we not do something like that?

Secretary BERGLAND. That is obviously one of the options we do have, indeed. As I stipulated earlier, we still have hopes that we can bring out a sugar agreement. If it does not work, we have to consider that remedy you suggested, Mr. Chairman, and there are some others.

Senator LONG. If Mr. Katz could get an agreement from all of these people he is too valuable to be sitting there negotiating sugar agreements. He should be Secretary of State. I know that he will do the best that can be done, but it seems to me what you are talking about there is something that cannot be done. I applaud his efforts to try to bring it about.

Meanwhile, it seems that we have people suffering, our own people. We owe it to them to look after them. You are interested in those people and you are doing your best to try to help them. Why can we not move on ahead with something along the line that I have been discussing, or something that would do the job, rather than do the type of thing that was done up to now, get a program that is a complete flop.

To say you are doing something for those people now is to apologize to them and I just think that we ought to give these people a program. They are suffering, and you know they are suffering, do you not?

Secretary BERGLAND. Yes, Mr. Chairman. We are not satisfied with the current sugar situation.

There are two processors in Louisiana that have closed, four more in big trouble; two processors in Colorado have closed.

There are a dozen processors across the United States in serious financial trouble. There is not a sugar producer in this land who can produce sugar for these prices. Things are coming apart at the seams; we understand that.

We do not think the U.S. can afford to sit idly by to let its own domestic sugar industry fall apart. If we destroy our own productive capability, that means we are going to have to import an additional $2 to $4 billion worth of sugar, making our own trade deficit even worse, obviously no better.

From our vantage point in the Department of Agriculture, we will never support a policy that will consciously or subconsciously allow the distintegration of the domestic sugar industry. It is in the process of coming apart at the seams.

Senator LONG. I would call the existing sugar program a Coca Cola program. It will make money for Coca Cola.

Mr. Austin could say what he did to see to it that those who consume the product do well, but it is a disaster as far as the American sugar producer is concerned, and I just think that the time has come for the Secretary of Agriculture to be called on and give us authority. I would frankly, Mr. Secretary, give you the power to do it, and settle for whatever you do.

I am impressed that by the time your recommendations get down there to that variety of opinion down there at the White House and the Bureau of the Budget, we might as well forget about it. Nothing is going to happen. We will keep hearing conversations, and keep providing disappointments to our people. They are entitled to something better than that, from me and you, it seems to me.

The President is interested in the farmer; he is a farmer himself. It seems that responsibility should be vested in you and your Department to give us a program, and we should implement it.

If you cannot recommend something to us, can you just agree not to get involved at all until we do pass something?

Secretary BERGLAND. We still have high hopes that Mr. Katz, with all of his professional experience and wisdom and charm can pull off the near impossible, that we will have a successful sugar agreement this fall.

Senator LONG. Here is my problem, if you could have your way, my people would not be suffering. If Mr. Katz could have his way, my people would not be suffering, and I suppose some of those people down there in the White House have good intentions.

The problem is, we are getting the worst of it, and are in very bad shape. The same thing is occurring elsewhere in this country. We need action—not conversation, action.

I am just pleading with you. If you cannot do something to help us, then send us word. If you cannot help you will not help the other fellow, you will just get out of the road and see what we can do by ourselves.

Secretary BERGLAND. All right, Mr. Chairman. I will be talking to you.

Senator LONG. Thank you very much.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

RESCISSION, B-1 BOMBER—MESSAGE FROM THE PRESIDENT— PM 97

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, and Armed Services:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of $462.0 million in procurement funds appropriated to the Department of Defense for the B-1 bomber. In addition, I am proposing rescission of $1.4 million provided to the Department of Defense for procurement of the short range attack missile (SRAM-B).

The details of the proposed rescissions are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1977.*

TWO RESCISSIONS, MILITARY CREDIT SALES PROGRAM AND FEDERAL BUILDINGS FUND—MESSAGE FROM THE PRESIDENT— PM 98

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Budget, Foreign Relations, Governmental Affairs, and Armed Serviecs:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose two new rescissions totalling $96.1 million in budget authority and report one new deferral of $12.5 million in budget authority.

The rescission proposals pertain to the foreign militarv credit sales program and the General Services Administration's Federal Buildings Fund. The new deferral relates to the Department of Defense, Uniform Services University of the Health Sciences.

I urge the Congress to act favorably on the rescission proposals.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1977.*

REPORT OF THE ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT—PM 99

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I herewith transmit the Annual Report of the Saint Lawrence Seaway Development Corporation for 1976. This report has been prepared in accordance with Section 10 of the Saint Lawrence Seaway Act of May 13, 1954. This report covers the period January 1, 1976 through December 31, 1976, prior to the commencement of my term of office.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1977.*

MESSAGES FROM THE HOUSE

At 3:17 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks announced that:

The House has passed the bill (S. 1435) to authorize appropriations for the Federal election Commission for fiscal year 1978, with amendments in which it requests the concurrence of the Senate.

The House disagrees to the amendments of the Senate to the bill (H.R. 7932) making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two houses thereon; and that Mr. SHIPLEY, Mr. BENJAMIN, Mr. GIAIMO, Mr. MCFALL, Mr. MURTHA, Mr. TRAXLER, Mr. MAHON, Mr. ARMSTRONG, Mr. COUGHLIN, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The House has passed the following bills and joint resolutions in which it requests the concurrence of the Senate:

H.R. 3373. An act to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk;

H.R. 3387. An act to continue until the close of June 30, 1979, the existing suspension of duty on synthetic rutile;

H.R. 3755. An act to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriage occurred before July 18, 1966, and for other purposes.

H.R. 4319. An act to amend subchapter III of chapter 83 of title 5, United States Code, to provide that employees who retire after 5 years of service, in certain instances, may be eligible to retain their life and health insurance benefits, and for other purposes;

H.R. 5037. An act for the relief of Jack R. Misner;

H.R. 5146. An act to amend the Tariff Schedules of the United States to provide for the duty-free entry of competition bobsleds and luges;

H.R. 5176. An act to lower the duty on levulose until the close of June 30, 1980;

H.R. 5285. An act to amend the Tariff Schedules of the United States with respect to the tariff treatment accorded to film, strips, sheets, and plates of certain plastics or rubber;

H.R. 5289. An act for the relief of Joe Cortina of Tampa, Fla.;

H.R. 6975. An act to amend title 5, United States Code, to provide that hearing examiners shall be known as administrative law judges, and to increase the number of such positions which the Civil Service Commission may establish and place at GS-16 of the General Schedule;

H.R. 7012. An act to provide for a 40-per centum reduction of the burden on respondents in the censuses of agriculture, drainage, and irrigation taken in 1979 and thereafter, and for other purposes; and

H.J. Res. 372. A joint resolution to authorize the President to issue a proclamation designating the week beginning on November 20, 1977, as "National Family Week."

At 4:40 p.m, a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that:

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4088) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1474) to authorize certain construction at military installations, and for other purposes.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7554) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending September 30, 1978, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 9 and 24; and that the House recedes from its disagreement to the amendments of the Senate numbered 28, 40, 45, and 46 and concurs therein each with an amendment in which it requests the concurrence of the Senate.

The House disagrees to the amendments of the Senate to the bill (H.R. 3722) to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal year 1978; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ECKHARDT, Mr. METCALFE, Mr. KRUEGER, Mr. CARNEY, Mr. DEVINE, and Mr. BROYHILL were appointed managers of the conference on the part of the House.

The House has passed the bill (H.R. 2982) to suspend until the close of June 30, 1980, the duty on synthetic tantalum/columbium concentrate, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

At 5:25 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the following enrolled bills:

H.R. 2502. An act to extend certain oil and gas leases by a period sufficient to allow the drilling of an ultradeep well.

H.R. 5970. An act to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loads, and to authorize appropriations for civil defense, and for other purposes.

H.R. 7552. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1978, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–1690. A letter from the Chairman of the Cost Accounting Standards Board transmitting, pursuant to law, a report of proposed Standards, rules and regulations promulgated by the Cost Accounting Standards Board concerning adjustment and allocation of pension cost (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1691. A letter from the Chairman of the Federal Trade Commission transmitting, pursuant to law, a report concerning (a) the effectiveness of cigarette labeling, (b) current practices and methods of cigarette advertising and promotion, and (c) recommendations for legislation deemed appropriate (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1692. A letter from the Secretary of Transportation transmitting, pursuant to law, a report on "Availability and Use of Abandoned Railroad Rights-of-Way" (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1693. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report on gasoline service station market shares for the month of March 1977 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1694. A letter from the Secretary of the Interior transmitting, pursuant to law, the final report on the Santa Fe Trail concerning inclusion in the National Trails System (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1695. A letter from the Director of the National Science Foundation transmitting, pursuant to law, a report on a planned addition to the NSF system of records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC–1696. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act, 2–56 an act to amend the Good Samaritan Act of the District of Columbia, to establish a program for the certification of emergency medical technician/paramedics, and for other purposes (with accompanying papers); to the Committee on Governmental Affairs.

EC–1697. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act, 2–59 an act to revise the rates charged for medical and mental health services provided by the District of Columbia, and for other purposes (with accompanying papers); to the Committee on Governmental Affairs.

EC–1698. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act, 2–54 an act to regulate land disturbing activities to prevent accelerated soil erosion and sedimentation and to prevent sediment deposit in the Potomac River and its tributaries, including the sewer system of the District of Columbia, and for other purposes (with accompanying papers); to the Committee on Governmental Affairs.

EC–1699. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Food Stamp Program—Overissued Benefits Not Recovered and Fraud Not Punished" (CED–77–112) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1700. A letter from the Comptroller general of the United States transmitting, pursuant to law, a report entitled "Department of Defense Air Pollution Control: Progress and Delays (LCD–77–305) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1701. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Labor Surplus Policy: Is it Effective in Providing Government Contracts to High Unemployment Areas and Jobs for the Disadvantaged?" (PSAD–77–133) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1702. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Clarence Connon Dam and Reservoir: Cost, Schedule, and Safety Problems" (PSAD–77–131) (with an accompanying report); to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Human Resources:

With amendments:

S. 1750. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act, as amended, to conduct studies concerning toxic and carcinogenic substances in foods, to conduct studies concerning saccharin, its impurities and toxicity and the health benefits, if any, resulting from the use of nonnutritive sweeteners including saccharin; to ban the Secretary of Health, Education, and Welfare from taking action with regard to saccharin for 18 months, and to add additional provisions to section 403 of the Federal Food, Drug, and Cosmetic Act, as amended, concerning misbranded foods (together with supplemental views) (Rept. No. 95–353).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

James J. Gillespie, of Washington, to be U.S. attorney for the eastern district of Washington.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were each read twice by their titles and referred as indicated:

H.R. 2982. An act to suspend until the close of June 30, 1980, the duty on synthetic tantalum/columbium concentrate; to the Committee on Finance.

H.R. 3373. An act to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk; to the Committee on Finance.

H.R. 3387. An act to continue until the close of June 30, 1979, the existing suspension of duty on synthetic rutile; to the Committee on Finance.

H.R. 3755. An act to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes; to the Committee on Governmental Affairs.

H.R. 4319. An act to amend subchapter III of chapter 83 of title 5, United States Code, to provide that employees who retire after 5 years of service, in certain instances, may be eligible to retain their life and health insurance benefits, and for other purposes; to the Committee on Governmental Affairs.

H.R. 5037. An act for the relief of Jack R. Misner; to the Committee on Finance.

H.R. 5146. An act to amend the Tariff Schedules of the United States to provide for the duty-free entry of competition bobsleds and luges; to the Committee on Finance.

H.R. 5176. An act to lower the duty on levulose until the close of June 30, 1980; to the Committee on Finance.

H.R. 5285. An act to amend the Tariff Schedules of the United States with respect to the tariff treatment accorded to film, stripes, sheets, and plates of certain plastics or rubber; to the Committee on Finance.

H.R. 5289. An act for the relief of Joe Cortina of Tampa, Fla.; to the Committee on Finance.

H.R. 6975. An act to amend title 5, United States Code, to provide that hearing examiners shall be known as administrative law judges, and to increase the number of such positions which the Civil Service Commission may establish and place at GS–16 of the General Schedule; to the Committee on Governmental Affairs.

H.R. 7012. An act to provide for a 40 per centum reduction of the burden on respondents in the censuses of agriculture, drainage, and irrigation taken in 1979 and thereafter, and for other purposes; to the Committee on Governmental Affairs.

H.J. Res. 372. A joint resolution to authorize the President to issue a proclamation designating the week beginning on November 20, 1977, as "National Family Week"; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent the second time, and referred as indicated:

By Mr. GLENN:

S. 1882. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to authorize the Law Enforcement Assistance Administration to make grants to States for the prevention and detection of certain crimes involving the torching of buildings, and for other purposes; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 1883. A bill to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act; to the Committee on Human Resources.

By Mr. RIEGLE (for himself and Mr. CRANSTON):

S. 1884. A bill to amend the National Labor Relations Act to clarify its coverage of health professionals; to the Committee on Human Resources.

By Mr. McINTYRE:

S.1885. A bill for the relief of Lewis and Saunders, Inc.; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 1886. A bill to amend title IV of the Social Security Act to make necessary changes in the amount of earned income to be disregarded under the State plan for aid and services to needy families with children; and

S. 1887. A bill to amend title IV of the Social Security Act to reverse the computation of earnings disregards and work-related expenses under the AFDC program; to the Committee on Finance.

By Mr. BELLMON:

S. 1888. A bill to amend title IV of the Social Security Act to allow States to provide community work and training programs under State plans for aid and services to needy families with children; to the Committee on Finance.

By Mr. LUGAR:

S. 1889. A bill to terminate the authorization of the navigation study and survey of the Wabash River, Ind.; to the Committee on Environment and Public Works.

By Mr. WILLIAMS:

S. 1890. A bill to extend commuter rail passenger services operated by the Consolidated Rail Corporation, to provide for the adequate insurance of risks incurred in the operation of such services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BELLMON:

S. 1891. A bill to amend title IV of the Social Security Act to require that dependent children of unemployed fathers be eligible for assistance under the aid to families with dependent children program, and to provide 100 percent Federal funding for such aid; to the Committee on Finance.

By Mr. THURMOND:

S. 1892. A bill to authorize and direct the Secretary of Agriculture and the Secretary of the Interior to quitclaim retained rights to certain land in Orangeburg County, S.C., to the State superintendent of education of the State of South Carolina; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, Mr. JAVITS, and Mr. PELL):

S. 1893. A bill to amend the Public Health Service Act to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and for other purposes; to the Committee on Human Resources.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1894. A bill for the relief of California Canners and Growers, a nonprofit cooperative association organized under the Agricultural Code of the State of California; to the Committee on the Judiciary.

By Mr. FORD (for himself and Mr. PEARSON) (by request):

S. 1895. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for fiscal year 1979; to the Committee on Commerce, Science, and Transportation.

By Mr. FORD (for himself and Mr. PEARSON) (by request):

S. 1896. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal year 1979; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S.J. Res. 72. A joint resolution authorizing the President to proclaim annually a week during the first 10 days of May as "Pacific/Asian Amercan Heritage Week"; to the Committee on the Judiciary.

By Mr. BARTLETT:

S.J. Res. 73. A joint resolution proposing an amendment to the Constitution of the United States to establish maximum age limits for certain officers of the Government; and

S.J. Res. 74. A joint resolution proposing an amendment to the Constitution of the United States providing for the reconfirmation by popular vote of certain Federal judges; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 123

At the request of Mr. INOUYE, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 123, to amend the Social Security Act.

S. 1307

At the request of Mr. THURMOND, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1307, to amend title 38, United States Code.

S. 1570

At the request of Mr. MOYNIHAN, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 1570, to amend the Internal Revenue Code.

S. 1693

At the request of Mr. CRANSTON, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 1693, the Veterans Health Care Amendments Act of 1977.

S. 1702

At the request of Mr. INOUYE, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1702, to amend the Social Security Act.

S. 1728

At the request of Mr. ANDERSON, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 1728, the Domestic Violence Prevention and Treatment Act.

S. 1785

At the request of Mr. KENNEDY, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1785, the Lobbying Reform Act of 1977.

S. 1820

At the request of Mr. METCALF, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 1820, to establish programs for maintenance of natural diversity.

S. 1871

At the request of Mr. WILLIAMS, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 1871, to amend the Fair Labor Standards Act.

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. GRIFFIN, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of Senate Concurrent Resolution 5, relating to the Missing in Action in Vietnam.

SENATE CONCURRENT RESOLUTION 5—WITHDRAWAL

At the request of Mr. WEICKER, the Senator from Rhode Island (Mr. PELL) was withdrawn as a cosponsor of Senate Concurrent Resolution 5, concerning diplomatic relations with Vietnam.

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. WEICKER, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of Senate Concurrent Resolution 15, to reduce the risk of chemical warfare.

SENATE CONCURRENT RESOLUTION 22

At the request of Mr. KENNEDY, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of Senate Concurrent Resolution 22.

SENATE CONCURRENT RESOLUTION 26

At the request of Mr. CRANSTON, the Senator from Michigan (Mr. GRIFFIN), the Senator from Michigan (Mr. RIEGLE), the Senator from Nevada (Mr. LAXALT), the Senator from Florida (Mr. STONE), the Senator from North Dakota (Mr. BURDICK), the Senator from Indiana (Mr. LUGAR), and the Senator from South Dakota (Mr. ABOUREZK) were added as cosponsors of Senate Concurrent Resolution 26.

SENATE RESOLUTION 224—SUBMISSION OF A RESOLUTION RELATING TO CAPTIVE NATIONS

(Referred to the Committee on Foreign Relations.)

Mr. DOLE (for himself and Mr. PERCY) submitted the following resolution:

SENATE RESOLUTION 224

Whereas Public Law 86–90 authorizes the third week of July to be proclaimed Captive Nations Week, and

Whereas the basic premise of Public Law 86–90 is the reaffirmation of the right of national self determination of all captive peoples, and

Whereas the Final Act of the Conference on Security and Cooperation in Europe committed the participating States to "respect the equal rights of peoples and their right to self determination"; Therefore be it

Resolved that it is the Sense of the Senate that, in keeping with the spirit of P.L. 86–90 and the Final Act, the United States delegation to this fall's Belgrade Conference reaffirm the universal significance of respect for and effective exercise of equal rights and self determination of all peoples for the development of friendly relations among ourselves as among all States.

CAPTIVE NATIONS WEEK

Mr. DOLE. Mr. President, I rise to introduce a Sense of the Senate resolution on behalf of myself and Mr. PERCY, my distinguished colleague from Illinois.

This being Captive Nations Week, our resolution addresses the all important question of self-determination and its relationship to the Belgrade Conference which will convene this fall to discuss implementation of the Final Act of the Conference on Security and Cooperation in Europe.

BASKET I ALSO IMPORTANT

With all of the attention that has recently been paid to the human rights provisions of basket III, there has been a tendency to overlook the equally important humanitarian ideals articulated in basket I. This is especially true of principle VII which succinctly states that:

All peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and

to pursue as they wish their political, economic, social and cultural development.

CAPTIVE NATIONS STILL CAPTIVE

It is during Captive Nations Week that we are reminded of the plight of certain nations in Europe who, because of external interference, are not in a position to determine, in full freedom, their own future development or to exercise their right of self-determination.

PEACE THROUGH SELF-DETERMINATION

As the final act makes clear, friendly relations among the participating States can come about only when there is a recognition of the "universal significance of respect for and exercise of equal rights and self-determination."

The Dole-Percy resolution recognizes the wisdom of this final act language and calls upon the U.S. delegation to this fall's Belgrade Conference to reaffirm the principle of self-determination and the right of all peoples to exercise it freely.

SENATE RESOLUTION 225—SUBMISSION OF A RESOLUTION TO REFER A BILL TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. CRANSTON (for himself and Mr. HAYAKAWA) submitted the following resolution:

SENATE RESOLUTION 225

Resolved, That bill (S. 1894) entitled "A bill for the relief of California Canners and Growers, a nonprofit cooperative association organized under the Agricultural Code of the State of California," now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims, and the Chief Commissioner shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, notwithstanding the bar of any statute of limitation, laches, or bar of sovereign immunity, and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusion thereon as shall be sufficient to inform the Congress of the nature and character of the demand of the claim, legal or equitable, against the United States, or a gratuity in the amount, if any, legally or equitably due from the United States to the claimant.

SENATE CONCURRENT RESOLUTION 37—SUBMISSION OF A CONCURRENT RESOLUTION DISAPPROVING COMPULSORY AIR BAG EQUIPMENT IN AUTOMOBILES

(Referred to the Committee on Commerce, Science, and Transportation.)

Mr. BARTLETT submitted the following concurrent resolution:

SENATE CONCURRENT RESOLUTION 37

Resolved by the Senate (the House of Representatives concurring), That the Congress disapproves the Federal motor vehicle safety standard transmitted to Congress on June 30, 1977.

BIG BROTHER AND THE BAG

Mr. BARTLETT. Mr. President, I am today introducing Senate Concurrent Resolution 37, which would disapprove the recent decision of the Secretary of Transportation to require airbags or other passive restraint systems in all new autos by 1984.

What more appropriate effective date could they have chosen than 1984? This latest blow to freedom of choice by American citizens is indeed a decision that would be better suited to the pages of an Orwellian novel.

Instead, this decision by the Department of Transportation merely marks another area of our national life in which a Federal bureaucracy deems itself better able to look out for Americans than can Americans themselves.

The problem of preventing injury and death on our highways is obviously one which should be of concern to all Americans. Both the dollar cost and human cost of traffic accidents are extremely high. However, the fact that a serious problem exists should not automatically lead us to conclude that a response by Government is necessary. Unfortunately, the Federal Government seems inclined to adopt an all-knowing, paternalistic approach to the problem of automobile safety.

Some regulation of the use of our highways has always been necessary and widely accepted. State imposed speed limits, restrictions on drinking and driving, and various traffic control laws are examples of regulations which have been established to prevent some drivers from harming others who use the roadways. In recent years, the Federal Government, acting through the Department of Transportation, has occasionally gone beyond what is necessary to protect other road users from the dangerous actions of drivers. It has sought to require the use of certain safety devices which protect only the driver of the vehicle in which they are installed, but has left no choice to the driver as to whether he or she wants such devices in the car.

The seatbelt interlock system, formerly required by the Department, is a good example. Now the requirement for air bags is added to the list of Government attempts to take care of us whether we like it or not.

I am prepared to concede that there probably are advantages in terms of personal safety that result from using the airbag. Notwithstanding this fact, I think we fail to consider an essential factor when we allow Government to arbitrarily decide for us what steps we should take to protect ourselves. That factor is the importance of freedom of choice. Government may try to determine the risks from a given course of action. It may seek to inform the public of those risks. But so long as it is clear that no one else's safety is involved, I believe the decision on whether airbags or other passive restraint devices will be used should be left to the individual car owner.

In my judgment, the Government went as far as it reasonably could in 1976, when the Department of Transportation under Secretary Coleman announced that while it would not require airbags on all autos, it would at least require that they be available for those who wanted them.

Mr. President, under the National Motor Traffic and Motor Vehicle Safety Act of 1966, as amended, Congress has 60 calendar days, excluding recesses, in which it can veto any regulation which would require the installation of a passive restraint system other than seat belts. It is pursuant to this act that I have introduced this Senate concurrent resolution.

I hope that Congress will act favorably on this measure. The 60-day period will expire sometime around October 9. We must therefore act with dispatch on this matter. If we do so, we can lay to rest once and for all the recurring issue of "Big Brother and the Bag."

SENATE CONCURRENT RESOLUTION 38—SUBMISSION OF A CONCURRENT RESOLUTION DISAPPROVING PRESIDENTIAL ACTION REGARDING THE SUGAR INDUSTRY

(Referred to the Committee on Finance.)

Mr. DOLE (for himself, Mr. LONG, Mr. CURTIS, Mr. ANDERSON, Mr. JOHNSTON, Mr. MELCHER, Mr. HAYAKAWA, Mr. BURDICK, Mr. MCCLURE, Mr. HASKELL, Mr. ZORINSKY, Mr. YOUNG, and Mr. STONE) submitted the following concurrent resolution:

S. CON. RES. 38

Resolved by the Senate (the House of Representatives concurring), That the Congress does not approve the action taken by, or the determination of, the President under section 203 of the Trade Act of 1974 transmitted to the Congress on May 4, 1977.

AN EFFECTIVE SUGAR PROGRAM IS NEEDED

Mr. DOLE. Mr. President, I am introducing a resolution today along with Senators LONG, CURTIS, ANDERSON, HAYAKAWA, BURDICK, MCCLURE, HASKELL, STONE, and ZORINSKY which disapproves the President's substitute program to the International Trade Commission's recommendations to remedy the finding of injury to our domestic sugar industry because of imports. Under provisions of the Trade Act of 1974 the International Trade Commission conducted a study in response to a resolution of the Committee on Finance of the Senate. The resolution asked whether sugar imports were a substantial cause of serious injury or threat to the domestic sugar industry. After an intensive investigation of 6 months, on March 17, 1977, the USITC reported to President Carter that the domestic sugar industry is being threatened with serious injury by increased imports. To relieve this threat the USITC recommended that an import quota of 4.275 million tons be imposed. The President rejected this recommendation and on May 4, 1977, instructed the Secretary of Agriculture to institute an "income support" program.

The President's proposed sugar program is not in reality a price support program and would not solve the severe economic crisis that the sugar industry is presently undergoing. In fact, rather than a sugar producer price support program it would give industrial users of sugar a low priced ingredient. The records show that despite the drop in the sugar prices the industrial users' prices have gone up for such items as cola drinks, cookies, chocolate bars, and grape jelly.

SUPPORT PRICE

The announced level of 13.5 cents per pound support is not the support price. Two cents per pound is the support price and producers would not receive that if the market price exceeds 11.5 cents per pound. No matter how low the market price declines below 11.5 cents the maximum payment is still only 2 cents.

DOLE AMENDMENT

When the Senate passed my payment limitation amendment to the agricultural appropriation bill, it was pointed out that potential recipients of a large share of the payments are large corporations. The Senate limitation of payments to $50,000 on sugar made uniform and even-handed the maximum amount to be received by an individual producing any crop such as corn, wheat, cotton or rice as passed in the Senate farm bill. Payment limitations prevent payments of millions of dollars to conglomerate corporations.

PRODUCERS CONDEMN PROPOSED PROGRAM

Sugar producers are condemning the administration's proposed program. At a meeting in Denver, Colo., July 8, the National Sugarbeet Growers Federation jointly with the Great Western Sugar Co., issued a press release stating that they will take immediate steps to oppose the implementation of the proposed program and work to develop constructive alternatives. They expressed concern for glaring failures of the proposal as follows:

(1) The program's failure to provide adequate support to the costs of production and processing,

(2) The program not being a true price support program,

(3) The possibility the program could actually operate to further deflate prices, and

(4) The program's failure to recognize the inseparable and reciprocal relationship of beet growers and processor, both of whom share in the industry under traditional participating contracts.

Other concerns named were the program's innumerable ambiguities and legal uncertainties in its present form. These could result in harmful delays in providing assistance urgently needed to preserve the industry.

PRODUCERS NEED HELP

Mr. President, the announced sugar proposal will not save the industry from impending bankruptcy. The President's program does not become effective to provide any payments until after the first marketing quarter thus delaying relief for most producers well into 1978. Disapproval of his program by this resolution would provide the industry with relief immediately by restricting imports. The producer would receive better prices immediately from the marketplace instead of Government subsidies and there would be no problem of limiting payments to large corporations because there would be no payments.

A true support price of sugar at a reasonable level with the enforcement provisions to protect against dumping of excess sugar supplies of the world in the U.S. market is an alternative that should be enacted. The farm bill currently being considered by the House should also be amended to provide for an adequate sugar support program. I urge Members of this body to join in the effort to support the sugar industry.

Acceptance of my resolution would: First, disallow the President's proposed sugar program; and second, mandate the President to proclaim the USITC recommended import quota of 4.275 million tons.

My resolution provides a program more responsive to the needs of the sugar producers.

PRESIDENT'S PROPOSED PROGRAM ILLEGAL

Today, in a letter to Congressman PAUL FINDLEY, the Comptroller General of the United States indicates that the President's proposed sugar program may be illegal. He questions the legality of making payments to processors which would then go to producers on the basis of the amount of sugar marketed.

I quote from the Comptroller's letter:

It appears that while the payment is made by the Government to the processor, the processor's function is akin to that of a trustee for the benefit of the producers, and to act as an agent of the Government in determining the amount due to each producer who has sold eligible sugar to it, and in forwarding such payments to the individual producers. It is indeed difficult to distinguish the effect of the proposed program from that of a program of direct producer payments made on the basis of the amount of sugar marketed. Accordingly, the proposed program is not, in our view, authorized under 7 U.S.C. § 1447 as the department may not do indirectly what it cannot do directly.

Since direct payments to producers are prohibited under the Agricultural Act of 1949 and since the Comptroller General sees legal problems with the President's proposed sugar program, the recommended quotas of the USITC should be imposed immediately. After this needed action is taken the Congress can then consider sugar price support legislation.

Mr. President, I ask unanimous consent that the letter to which I have referred be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., July 19, 1977.

HON. PAUL FINDLEY,
House of Representatives.

DEAR MR. FINDLEY: This is in response to your letter dated June 15, 1977, which was also signed by the Honorable Edward M. Madigan, House of Representatives, concerning the Department of Agriculture's proposed regulations which would establish a price support payments program beginning with the 1977 sugar crop.

In this regard, you say that the proposed sugar regulations issued on June 14, 1977, are a classic example of an administrative agency trying to do indirectly what it cannot do directly. You refer to the current law as not permitting direct payments to sugar producers, but that the proposed regulations would get around this by providing that the processor would pay the producer the full amount of the support payment received, after deduction for administrative expenses. You indicate that there is also dubious legal authority for the proposed sugar plan because the current law requires that any payments shall be for the purpose of price support and you believe that the payments will not in any way increase, support or stabilize market prices, but will only provide income support.

You also question the legal basis for requiring a processor to carry out the program. You inquire as to what method of enforcement is available to the Department of Agriculture?

Finally, you question the legality of this type of "domestic subsidy" under our Government's international agreements, including the General Agreements on Tariffs and Trade (G.A.T.T.).

We have reviewed the opinion of the Department's Acting General Counsel which you included with your letter. We have also written to the Secretary of Agriculture in order to obtain his views on these matters. Due to the time constraints you have placed on our response, we met with certain officials of the Department of Agriculture to obtain such information and expression of views as we needed to prepare a quick response to your inquiry. While we have not received the written views of the Department we understand the Department's reply would confirm the views expressed by Department officials.

With regard to price supports for agricultural commodities, 7 U.S.C. § 1421 (1970) provides in pertinent part as follows:

"(a) The Secretary [of Agriculture] shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

"(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support * * *. (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported * * * (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for ofisetting temporary losses of export markets, (8) the ability and willingness of producers to keep supplies in line with demand * * *.

"(e) Whenever any price support or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as he deems adequate that the producers of the agricultural commodity involved have received or will receive maximum benefits from the price support or surplus removal operation."

Section 1447, title 7, U.S. Code (1970) provides for price support levels of nonbasic agricultural commodities as follows:

"The Secretary is authorized to make available through loans, purchases, or *other operations* price support to producers for any nonbasic agricultural commodity not designated in section 1446 of this title at a level not in excess of 90 per centum of the parity price for the commodity." (Emphasis added.)

The program proposed by Agriculture in its regulations has the stated objective of supporting prices in the market place for sugarbeet and sugarcane producers through payments made to sugar processors. In support of the proposed payments program for 1977 crop of sugar specific reference is made to the eight applicable factors enumerated in 7 U.S.C. § 1421(b). In this regard it is stated that the price received by producers in the United States is a function of the world

market price which is currently depressed and therefore the price received by domestic producers is below their cost of production. Price support payments are said to be limited to two cents a pound for several reasons including that the effect of larger payments would be to support the world market price for sugar which would mean an unlimited outlay of currency from the U.S. Treasury.

Section 1435.3 of the proposed regulations (42 Fed. Reg. 30409 (June 14, 1977)) refers to a determination by the Secretary of Agriculture that the level of price support for 1977 crop sugar will be no more than 13.5 cents a pound and that if the national average market price is less than 11.5 cents a pound, the price support payment rate shall not exceed two cents a pound. Under section 1435.5, at the end of each marketing quarter, after the Department of Agriculture has determined the national average price for sugar received by processors in that marketing quarter, it will announce the rate of payment for sugar marketed in the quarter. Payments will be made to a processor on eligible sugar marketed by it during the marketing quarter.

Section 1435.6 provides for a written contract between the processor and the producer stipulating the producer's share of proceeds for the sale of sugar in the market place and the method of payment of the proceeds. The processor shall agree to pay the producer the full amount of the price support payment after deduction for administrative expenses incurred in carrying out its obligations under the program.

Section 1435.9 of the proposed regulations provides that the processor will only be allowed to deduct from the payments actual administrative expenses directly incurred as the result of distributing payments to producers and fulfilling other requirements of the program. Allowable costs may include increased labor, automated data systems use, postage, and the processing of bank drafts. It would not include general administrative and overhead expenses incurred in the processors normal operations.

The Secretary of Agriculture, under 7 U.S.C. § 1447 may make price supports available to sugar producers by means of loans, purchases or "other operations." With regard to "other operations," the Department of Agriculture's Acting General Counsel, in a memorandum to the Secretary, dated April 6, 1977, a copy of which was enclosed with your letter, states as follows:

"The term 'other operations' as stated in Section 301 [7 U.S.C. §1447] would permit the Secretary of Agriculture to make payments to processors of sugar who pay support prices to sugar producers. Such payments would assure that producers would receive the support prices in the market place for their sugar at a time when processors could not otherwise afford to pay the support price in view of market prices for the processed product. The phrase 'other operations' would not, however, authorize direct payments to producers by the Secretary, since such payments would not support the price which the producers received in the market place for their sugar. This conclusion is supported by extensive legislative history."

After reviewing the pertinent legislative history, the Acting General Counsel concludes:

"* * * the phrase 'other operations' as contained in the Agricultural Act of 1949, as amended, would not allow the Secretary to make payments to producers of sugar beets and sugar cane, but would permit payments to processors of sugar in order to support the price received by producers for sugar in the market place."

We have reviewed the statute and legislative history discussed in the Acting General Counsel's memorandum and concur that the Department may not make direct payments to producers. Hence, whatever else it may encompass, we agree that the statutory term "other operations" was not intended to include direct payments to producers.

Under the proposed program, after the end of the previous marketing quarter, payments are to be made to processors who have agreed that after deduction for administrative expenses, the full amount of the payment is to be paid to the producers. It appears that while the payment is made by the Government to the processor, the processor's function is akin to that of a trustee for the benefit of the producers, and to act as an agent of the Government in determining the amount due to each producer who has sold eligible sugar to it, and in forwarding such payments to the individual producers. It is indeed difficult to distinguish the effect of the proposed program from that of a program of direct producer payments made on the basis of the amount of sugar marketed. Accordingly, the proposed program is not, in our view, authorized under 7 U.S.C. §1447 as the Department may not be indirectly what it cannot do directly.

In any event we have substantial doubt that the proposal represents a price support program as contemplated by 7 U.S.C. §§ 1421 and 1447. As we understand the proposed program, at the end of each marketing quarter the Department of Agriculture will determine the national average price for sugar for the quarter, and based on this determination, payments, not to exceed two cents a pound, will be authorized to be paid to the processors for the benefit of the sugar producers, provided the market price does not exceed the designated support price (of, for example, 13.5 cents a pound for crop year 1977). The actual rate of payment per pound will be the amount by which the national average market price is less than the designated support price.

The stated objective of the proposed program is to support prices in the market place for sugarbeet and sugarcane producers through payments made to sugar processors. However, the proposed program is unlike traditional price support programs in which the Government stands ready to purchase a commodity at a given price, and in which it in effect establishes a floor in the market price which those desiring to purchase the commodity must pay. Under the proposed program purchasers in the market place would pay the current price for sugar, for example, 11.5 cents a pound. At a later date, with a designated support level of 13.5 cents a pound, the producers would receive 2 cents a pound from the Government (less the processors' administrative expenses). It thus appears that the additional payment recieved by producers does not support or increase the market price but rather makes payments to processors for the benefit of the producers, as if the market price actually were higher.

In other words, the proposed program seems to provide, in essence the equivalent of direct payments to producers, and we fail to see how the payments contemplated under the program would support the market price of sugar.

For the foregoing reasons, we are doubtful that the proposed program may be considered as a price support program as contemplated by 7 U.S.C. §§ 1421(e) and 1447.

With regard to processor participation in the proposed program, we have been informally advised by an official of the Department's Office of General Counsel, that he is aware of no means of compelling processor to take part in the program. However, since producers would presumably bring their sugar to processors whose participation in the program would result in substantial additional payments to producers, it would appear that processors would for economic reasons voluntarily participate in the program. Once part of the program, after having entered into written agreements with producers stipulating their share of proceeds from the sale of sugar and the method of payment, the processor would be required to submit reports and certifications to Department of Agriculture which would probably conduct local spot checks of the processor's activities under the program.

Finally, you question the legality of the proposed program under G.A.T.T. or other of our Government's international agreements. The above agreement (61 Stat. part (5) and (6), T.I.A.S. No. 1700, 55–61 U.N.T.S.) which was concluded on October 30, 1947, and entered into force for the United States on January 1, 1948, provides in pertinent part as follows:

"ARTICLE XVI—SUBSIDIES

"Section A—Subsidies in General

"1. If any contracting party grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of any product from, or to reduce imports of any product into, its territory, it shall notify the contracting parties in writing of the extent and nature of the subsidization, of the estimated effect of the subsidization on the quantity of the affected product or products imported into or exported from its territory and of the circumstances making the subsidization necessary. In any case in which it is determined that serious prejudice to the interests of any other contracting party is caused or threatened by any such subsidization, the contracting party granting the subsidy shall, upon request, discuss with the other contracting party or parties concerned, or with the contracting parties the possibility of limiting the subsidization."

Under this provision if the U.S. grants a subsidy including any form of income or price support which operates to increase sugar exports or decrease sugar imports into the country, the Government is required to notify the other contracting parties. Upon request, the U.S. also must discuss the possibility of limiting the subsidization with any party that believes its interests have been seriously prejudiced. It is not clear to us at this point if the proposed program would increase exports or reduce imports of sugar into the United States; you may wish to raise this question with the Department of Agriculture officials. Of course if there were an increase of the market share of domestic producers, the U.S. Government would be obligated to inform the other parties regarding the program and upon request to discuss possible limitations on the extent of the subsidy. We are not aware of provisions of any other international agreement which might invalidate the proposed program.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

AMENDMENTS SUBMITTED FOR PRINTING

PUBLIC FINANCING OF ELECTIONS—S. 926

AMENDMENT NO. 528

(Ordered to be printed and to lie on the table.)

Mr. PEARSON. Mr. President, the Senate Rules Committee has recently reported S. 926, a bill to provide for the public financing of elections for the U.S. Senate. While I do not rise in support of the bill in all of its particulars, I do want to take this opportunity to indicate my support for the concept of public financing of congressional campaigns.

I take this position for four reasons: First, I am now convinced that our ex-

perience with public financing of presidential campaigns in 1976 shows that the concept is a workable one and meets the requirement that such a program be maintained through voluntary public support. Second, I believe that public support for public financing is sufficient to underwrite the program. Further, I believe the reform is needed to restore public confidence in Congress. And, finally, Mr. President, my own personal experiences have demonstrated to me that such reforms would be helpful.

I do not take this stand lightly, for in the past I have entertained serious reservations about the advisability of public financing. For one thing, Mr. President, I have opposed the idea of taxing the American people to foot the bill for my, or any other candidate's politicking.

I do believe, however, that the method employed to finance Presidential campaigns preserves an essential element of freedom of choice in the matter. The same method can be used for congressional campaigns, and is therefore an acceptable process for funding needed electoral reform in the Congress.

As you know, Mr. President, existing law permits citizens to "check-off" $1 on their returns—$2 for joint returns—to be taken out of taxes paid, and placed in the Presidential campaign fund maintained by the Secretary of the Treasury. When it was established, this method of collecting the funds necessary to finance Presidential elections created no new tax to further weigh upon the already overburdened taxpayer. Also, it lets the American people decide for themselves whether they want their tax dollars to finance political activities. Further, the decision is one of conviction, not convenience, as the check-off does not serve to reduce an individual's taxes.

Mr. President, I do want to stress my firm belief that any legislation adopted to finance congressional campaigns must retain this guarantee of the voter's right to choose. No public funds beyond those voluntarily designated should be spent on campaign financing. I will vigorously oppose any move to authorize the use of funds from the general treasury for this purpose.

Because of my very strong views on this point I am today introducing an amendment to S. 926 specifically prohibiting the use of any funds other than those raised through the checkoff. Public financing of congressional campaigns must be limited to the voluntary checkoff.

Mr. President, the workability of voluntary public financing of Presidential elections was clearly demonstrated in 1976 and I am convinced that the concept will work just as smoothly at the congressional level.

Beyond our positive experience with public financing in 1976, there has been a convincing demonstration of general public support for extending the concept. A recent nationwide public opinion poll found that a majority of the American people—57 percent—believe congressional campaigns should be financed by the Federal Government. Indeed, correspondence from my constituents in Kansas strongly endorses public financing. I think the time has come to make another refinement in our democratic process and extend public financing to congressional campaigns.

Certainly, Mr. President, part of the reason for the vanishing confidence in Government is the public's perception that its elected officials are controlled by special interests. Adoption of the public financing concept would do much to improve the image of the legislative branch and serve to bolster the people's confidence in Government. I harbor no illusions about eliminating all relationships between special interests and public servants. Special interest groups will continue to exist, and some elected officials will continue to be unduly influenced by them. But we can reduce the temptation. We can act to reduce, if not eliminate, those relationships which are not in the public interest. That is one reason for my support of the public financing concept, which places the responsibility for financing congressional elections in the open, with the public.

There are a number of positive arguments on the public financing issue. However, Mr. President, I must admit that I come to a position of support for the concept in large part because of personal experiences which highlighted for me the need for some reform of our current system of campaign financing.

Through personal experience I have learned, much to my discomfort, that whatever precautionary steps are taken it is entirely possible for a senatorial candidate to be the unwitting recipient of illegal campaign contributions. A system that allows this to happen is weak and must be strengthened.

In addition, Mr. President, because of another recent experience I have been forceably reminded that there are those who would make their campaign contributions contingent upon how the office holder would vote on a given issue or set of issues. It is only natural, of course, that persons give or withhold funds depending upon their perception of the candidate's overall record and expected performance. But attempting to link money and votes is abhorrent and simply unacceptable.

Our decisionmaking process must be governed by the merits of the issues at hand, not influenced by either the promise to give or the threat to withhold campaign contributions.

Mr. President, the concept of public financing is not without problems. But I have come to the decision that the problems are outweighed by the overall potential of improving our representative form of Government.

NOTICE OF HEARINGS

REORGANIZATION PLAN NO. 1

Mr. RIBICOFF. Mr. President, pursuant to chapter 9, title 5 of the United States Code, the President submitted on July 15 Reorganization No. 1, relating to the Executive Office of the President. The Governmental Affairs Committee will hold hearings on the plan on July 25 and July 26. On July 25, the committee will take testimony from the administration; and on July 26, opportunity will be given to other interested individuals and organizations to comment on the President's proposal.

The hearings will be held in room 3302, Dirksen Senate Office Building, and will begin at 10 a.m. each day.

AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION

Mr. ALLEN. Mr. President, I wish to point out that the Committee on Agriculture, Nutrition and Forestry's Subcommittee on Agricultural Credit and Rural Electrification, which I chair, will conduct a hearing on S. 1729 at 9 a.m. on July 21, 1977.

The bill would amend the Rural Electrification Act of 1936 in order to permit the use of rural electrification and telephone revolving funds to replace electric power and telephone lines and equipment damaged or destroyed in rural areas by natural disasters.

Leading off the witnesses will be Mr. David A. Hamil, Administrator, Rural Electrification Administration, to be followed by Mr. Dick Wilkerson, general manager, Colorado Rural Electric Association; Mr. Al Ballard, general manager, Nebraska Rural Electric Administration; Mr. Harold Shoafe, assistant to the general manager, Kansas Electric Coops, Inc.; and, Mr. Robert D. Partridge, executive vice president, National Rural Electric Cooperative Association. Also included will be Mr. Thomas P. Dunne, Administrator, Federal Disaster Assistance Administration, HUD, and Mr. David Fullerton, executive vice president, National Telephone Cooperative Association.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEFENSE APPROPRIATIONS, 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 7933, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

The Senate resumed with the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska (Mr. STEVENS) is recognized to call up three amendments.

Mr. STEVENS. Mr. President, was that to be recognized at a time certain, or is it in order that I can put in a quorum call at this point without the time running?

The PRESIDING OFFICER. It would take unanimous consent.

Mr. BAKER. Mr. President, I ask unanimous consent that it be in order to suggest the absence of a quorum without the time being charged to either party.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time not start running on Mr. STEVENS' amendments until he calls them up, which will be after the disposition of one or two other little amendments which the chairman has in mind.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for each of the two votes following the first rollcall vote on the STEVENS' amendments, each of the two next amendments by Mr. STEVENS, be limited to 10 minutes each, with the warning bell to sound after the first 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the first vote on the amendment by Mr. STEVENS, there be a 10-minute limitation for debate between the disposition of that vote and the vote on the second, to be equally divided between Mr. STENNIS and Mr. STEVENS. I make the same request with respect to the vote on the third amendment by Mr. STEVENS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that that 10 minutes come, in each instance, out of the time allotted on the Stevens amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following proceedings occurred later in the day and are printed at this point in the RECORD by unanimous consent.)

Mr. ALLEN. Mr. President, will the Senator from Alaska yield a few minutes, without it being charged to either side, in order that I may handle an amendment that I believe meets with the approval of the manager of the bill and the minority member of the committee?

Mr. STEVENS. Mr. President, we wish to accommodate the Senator from Alabama, and I ask unanimous consent that we have 6 minutes, not to be charged against the amendment.

I ask unanimous consent that the remarks of the Senator from Alabama precede in the RECORD the consideration of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 521

Mr. ALLEN. Mr. President, I call up my amendment No. 521.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside temporarily.

The amendment by the Senator from Alabama will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), on behalf of himself and Mr. SPARKMAN, proposes amendment No. 521:

On page 28, line 9 and 10, strike the following: "$2,352,758,000" and add the following: "2,452,758,000".

FUNDING FOR ARMY BALLISTIC MISSILE DEFENSE R&D

Mr. ALLEN. Mr. President, I cannot imagine a more inopportune time to propose cutting the Army ballistic missile defense research and development budget. For the reasons which I will bring before this body, any cut at all in this austere program is difficult to comprehend, let alone justify. The amendment by the Senate Appropriations Committee to reduce the budget for the two R. & D. line items by a total of $100 million—nearly one-half of the authorized amount and the amount approved by the House—is absolutely unthinkable.

An aggressive BMD R. & D. program is vital to our Nation's strategic forces and necessary to our ability to continue an effective arms limitation agreement. A reduction in funding would result in letting down our guard for no good or sufficient reason.

It would weaken the President's policy of essential equivalence.

It would hand to the Soviets a unilateral advantage—without even the necessity of negotiation.

It could lead to technological surprise of the same magnitude of Sputnik, which shocked and appalled our Nation in 1957 and took 10 years of the most massive R. & D. effort in the history of mankind to catch up to another nation—an effort which, however noble, would not have been necessary had our Nation stayed abreast of technology. A comparable technological surprise in BMD could upset the strategic balance between the United States and U.S.S.R.

It is imperative that this Congress consider the effect of interrupting and disrupting such a relatively small but critically important program as this one at this time.

Over the last several years, we in the Senate and our colleagues in the House have pared the BMD program and budget to the funding level and direction a majority of us felt represented an acceptable risk for the United States in the face of Soviet strategic offensive and defensive activities. I am convinced that the $215 million funding level is the minimum necessary to adequately pursue BMD research and development.

This is the only program for strategic missile defense that we have in this Nation, and indeed, in the Western free world. We have alternatives in strategic offensive systems that are in debate year after year, but we only have one program on BMD. We are not debating alternatives to some other system, or the need for replacing obsolete equipment. We are faced with this one program.

The need for a viable BMD research and development program has become increasingly apparent since the United States and Soviet Union entered into the ABM treaty in 1972. The lead enjoyed by the United States in BMD at the time we entered into the treaty has greatly diminished. The United States has closed its only operational BMD site and research and development funding has been reduced to the barebone figure of $215 million.

Conversely, the Soviets have retained the Moscow ABM system, and there are strong indications of intensified research and development efforts. The Soviets appear to be developing a new BMD system which possesses advanced technological capabilities and the ability of rapid deployment. The Soviets could initiate deployment of their new system in about half the time required for the United States to initiate deployment. The Soviet Union is estimated to be spending on BMD systems research and development at twice the rate of the United States and there are indications of concerted effort toward potentially revolutionary R. & D. concepts which could upset the strategic balance.

The future survivability of the U.S. silo-based Minuteman system is being endangered as a result of Soviet momentum in both the quality and quantity of their ICBM development and deployments. Their aggressive strategic programs—coupled with extensive civil defense preparations—pose grave questions of Soviet intentions.

The U.S. BMD program must continue to support the provisions of a cost effective hedge option for defense of Minuteman and other elements of the deterrent forces during the early to mid-1980's, should the strategic situation force U.S. withdrawal from the ABM treaty.

Furthermore, Mr. President, I believe there are five vital points which must be considered in maintaining a sustaining level of ballistic missile defense research and development.

The first point is that the Soviet Union may not need the ABM Treaty and its attendant constraints if the United States does not pursue a meaningful, continuing ballistic missile defense program—and the treaty is up for review in October of this year. Dare we rely on Soviet good will to match our own unilateral restraint in ballistic missile defense? It definitely is not the course they are on now.

In this regard, the Secretary of Defense report to Congress, dated December 29, 1976, stated:

As the Soviets continue their substantial BMD R. & D. program, we must do likewise to encourage Soviet compliance with the ABM Treaty, protect our technological lead in BMD, and guard against their unilaterally achieving technological breakthroughs.

Furthermore, it would unilaterally foreclose the option to actively defend Minuteman and other high value targets. This could indicate to the Soviets a lack of U.S. resolve for maintaining a credible

BMD capability, and could reduce Soviet incentive to continue the ABM Treaty and to negotiate, in earnest, further arms control agreements. These likely adverse consequences are diametrically opposed to the intent of Congress as expressed in the "Jackson amendment" to the resolution approving the interim agreement in September 1972. This amendment reads in part as follows:

The Congress recognized the difficulty of maintaining a stable balance in a period of rapidly developing technology; the Congress recognizes the principle of United States-Soviet Union equality reflected in the Anti-ballistic Missile Treaty, and urges and requests the President to seek a future treaty that, inter alia, would not limit the United States to levels of intercontinental forces inferior to the limits provided for the Soviet Union; and the Congress considers that the success of these agreements and the attainment of more permanent and comprehensive agreements are dependent upon the maintenance under present world conditions of *vigorous research and development and modernization program as required by a prudent strategic posture.* (Emphasis added)

Second, such a unilateral reduction in BMD R. & D. portends a willingness to abandon the commitment to maintain qualitative leadership in BMD and to risk technological surprise. For this to occur on the eve of the ABM Treaty Review, and other arms limitation talks with the U.S.S.R. could place the U.S. negotiators in a position of weakness.

Third, aside from the points regarding the ABM Treaty and arms control negotiations, we need to consider the potential for future ballistic missile threats to the United States. The potential for a Soviet technological breakthrough in strategic offensive or defensive systems continues to be a major concern for the United States. It is only prudent that the United States continue a meaningful level of research on ballistic missile defense technologies and systems focused toward more economical and effective defensive capabilities until each of these threats is significantly mitigated or eliminated.

My fourth point is to caution against program interruption in ballistic missile defense at this time. A reduction of this size would disrupt the ongoing programs and would be essentially nonrecoverable in the near term—even in a crisis. It also would represent a failure to realize the benefits now accruing from the major investment in scientific technology made over the last decade in the BMD advanced technology and systems technology programs. It is clear that this budget cut would produce an irrecoverable impact. The disruption created in the program, the major deletions and shifts in technology tasks which would be necessitated, and the large scale termination of skilled personnel required would not permit full restoration in the near term. The momentum of the program would be interrupted for an indefinite period.

R. & D. is essential to maintain our technology lead, which in itself constitutes a deterrent to aggression. Hopefully, the Soviet perception of this sustained investment in technology will foreclose the need for an expensive deployment.

Finally, let us address the real question before this body: How much funding is essential? I have characterized this as a bare-bones budget request. We have heard that term used all too often in committee hearings. But, Mr. President, I say in all sincerity and with every conviction I possess, for the good of America, this program must be fully funded. No other nation in our hemisphere has such a program. It cannot be bought. It cannot be duplicated. It is our only strategic missile defensive option.

If we do not support the authorized amount, we risk the rapid disintegration of our entire strategic defense program, and we contradict the specific program and budget guidance this Congress gave DOD last year, which was reiterated so strongly in this year's Senate authorization.

Senator STENNIS and Senator MCINTYRE and the other distinguished members of the Senate Armed Services Committee recognized that fact when the budget request was authorized. This is what their report said about ballistic missile defense:

The committee strongly supports a stable level of R&D of ballistic missile defense technology designed for the protection of our land based deterrent. The committee recommends that the Department of Defense stabilize both the Advanced Technology and Systems Technology programs at a consistent level of real purchasing power in future years. The recommended funding adjustments for fiscal year 1978 reflect this reasoning. The Department of Defense is further requested to develop a long range R&D management plan consistent with such future funding levels.

Those are the words which represent the attitude of Congress after several years of close examination of this program and its effect on national defense and our arms limitation discussions. DOD submitted to Congress the minimum acceptable level which we had mandated. If you take last year's funding, and add the inflation factor, quick arithmetic will bear this out. There was no fat in the request. It is the amount required to maintain austere but effective technology programs for strategic defense.

In summary, what we are talking about is whether we will have an effective or an ineffective long-term BMD R. & D. program. It cannot be effective with this proposed cut. A unilateral reduction of this kind suggests a willingness to abandon the commitment to maintain qualitative leadership in BMD. For this to occur on the eve of the ABM Treaty Review with the U.S.S.R. could place the U.S. negotiators in a position of weakness.

My appeal to my colleagues is that they carefully consider the merits of BMD R. & D. and provide the funding essential for viable but relatively inexpensive programs which far outweigh their costs in terms of importance, both in the arms limitation negotiations and in the security of our Nation for the next several years.

Mr. President, I commend the House bill to our Senate conferees.

Mr. President, this amendment would restore the figure to the amount set by the House. I hope it will be accepted by the manager of the bill and by the ranking minority member.

Mr. STENNIS. Mr. President, how much time do we have on the Senator's amendment?

The PRESIDING OFFICER (Mr. CLARK). Three minutes.

Mr. STENNIS. I wish to yield time to the Senator from North Dakota, and I doubt that 3 minutes will be enough to cover the matter. We should have at least 3 additional minutes. I ask unanimous consent that 3 minutes be added to the time allotted for the amendment of the Senator from Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. I yield 4 minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, the Congress unilaterally terminated the Safeguard ABM system without regard to the agreement the United States has with the U.S.S.R. permitting each country one ABM system. There is every reason to believe that the U.S.S.R. continues to maintain its ABM system around Moscow as well as continuing to improve its capability.

The United States is now in a position of not having an ABM site in accordance with an ABM agreement and at the same time if it obeys the agreement it is unable to build and deploy another system. As strange as this may seem, this has been the interpretation provided by the Department of Defense to the Committee on Appropriations. Although the United States is restricted by this interpretation from building and deploying an ABM system, it has been determined that a research and development program should be continued to keep abreast of the latest technology in ballistic missile defense.

Since fiscal year 1976, $450 million has been appropriated for ballistic missile defense research and development. The fiscal year 1978 budget request is for an additional $214.3 million. This would be in addition to the $450 million appropriated in prior years. The committee has recommended a reduction of $100 million leaving $114.9 million to continue this research and development. The reasons for this $100 million reduction are:

First. The Defense Department and Congress have agreed that the research and development in this field should be restricted to component development. This restriction excludes building a radar, missiles, or integrated control system.

Second. The division of funds between advance and system technology under the restrictions of component development is inefficient. Therefore, consolidation of funding into one research and development program will provide more flexibility and improve management control.

The $114.9 million remaining for research and development in ballistic missile defense should provide sufficient funds to keep the United States abreast in this technology area.

Mr. President, I have always supported a strong research and development program and support the continued funding for ballistic missile defense. But, I feel that the continued increase in

funds for this area is not warranted when the United States is prevented by agreement from deploying an anti-ballistic-missile system.

Mr. President, I realize there is need for some research in the field, but I felt that the amount appropriated by the House was excessive. I realize that my friend from Alabama has always been a reasonable man, and I dislike taking this position. But I felt the funds appropriated were too high.

Mr. ALLEN. I thank the Senator.

Mr. STENNIS. Mr. President, I yield myself 1 minute here. As I understand, this is an important matter. It is a matter about which there could be some differences of opinion, but it is an important matter, and I think it will meet the ends of the situation here now, so far as this amendment is concerned, if the Senator could modify and would modify his amendment to the $50 million, which will be the restoration of the funds. It will not be taking new money, so to speak, and I would recommend that the Senate accept a modified amendment to that amount for that amount.

Mr. ALLEN. I appreciate the response of the distinguished Senator from Mississippi, the manager of the bill, and the distinguished Senator from North Dakota (Mr. YOUNG), the ranking minority member.

I appreciate their attitude with regard to the amendment. I feel that the fate of the amendment lies in the hands of the two managers of the bill and, obviously, we will accede to the suggestion of the distinguished Senators.

I would like to state to the distinguished Senators that by agreeing to this modification that would not preclude an effort by the supporters of this program seeking to get the conferees to agree on the House figure; would it? It will be before the conference at a reduced figure.

Mr. STENNIS. Mr. President, so far as I am concerned, if the Senate adopts the amendment of $50 million that is the position of the Senate in conference. That would not preclude the House conferees at all from contending for what they saw fit. We just have to handle the matter in conference the best we can. I found out that is the best way to put it.

Mr. ALLEN. Yes.

Mr. STENNIS. That is certainly the way it is.

Mr. ALLEN. That is the way I understood it.

Mr. STENNIS. I yield to the Senator from North Dakota.

Mr. YOUNG. If the Senator from Alabama would be willing to modify his amendment to that extent, I would be willing to accept it. I would go further in conference with the House, if the House conferees make a good case, for more funds, I would be willing to go along with it.

Mr. ALLEN. I thank the distinguished Senator.

I yield to my distinguished colleague, Mr. SPARKMAN.

Mr. SPARKMAN. I thank the Senator very much.

Of course, I would like to see the full amount put in. After all, the nature of work that is done in this is the very thing we ought to be carrying on in connection with our various defense activities. What is the old saying? Half a loaf is better than no loaf at all. So I am very glad to join with my colleague in a willingness to accept that figure here if those in charge will accept it.

I do hope though we may keep an open mind with reference to what may come out of the conference or what future developments may be.

I appreciate the action taken.

Mr. STENNIS. I thank the Senator.

Mr. ALLEN. Mr. President, Mr. SPARKMAN and I are going to agree to the modification. The administration supports the restoration of the entire amount. I ask unanimous consent to insert a letter from Dr. William J. Perry of the Defense Department in support of the full restoration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DIRECTOR OF DEFENSE
RESEARCH AND ENGINEERING,
Washington, D.C., July 13, 1977.

Hon. JAMES B. ALLEN,
U.S. Senate, Washington, D.C.

DEAR SENATOR ALLEN: I am answering your 12 July 1977 letter on behalf of the Secretary of Defense regarding funding for the Ballistic Missile Defense R&D Program.

We are seriously concerned that the recommended cut of $100 million by the Senate for Ballistic Missile Defense R&D will adversely affect our posture vis-a-vis the Soviets in this important strategic area. For a reduction to occur on the eve of the ABM Treaty Review is particularly disturbing since this could indicate to the Soviets a lack of resolve for maintaining a credible BMD capability and thereby reduce Soviet incentive to review the ABM Treaty in earnest.

Such a unilateral reduction in BMD R&D portends a willingness to abandon the commitment to maintain qualitative leadership in BMD and would risk technological surprise. The reduction would create a major asymmetry between the U.S. and USSR in future BMD capability and would foreclose the option to actively defend MINUTEMAN.

We strongly request that the authorized funding of $215 million be appropriated so that the BMD program can continue at a meaningful level of activity. Full restoration of the $100 million is an important issue within the Department.

Sincerely,

WILLIAM J. PERRY.

AMENDMENT NO. 521 (AS MODIFIED)

Mr. ALLEN. I send to the desk a modification and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the modification.

The legislative clerk read as follows:

On page 28, lines 9 and 10, strike: "$2,352,758,000" and add: "$2,402,758,000".

Mr. ALLEN. Mr. President, one further remark I would like to make. Inasmuch as there is not a line item on this program, I state specifically that the amendment is introduced for the purpose of restoring one-half of the cut, $50 million, to the Army ballistic missile defense program. The legislative history would show that that is the purpose of the amendment.

Mr. YOUNG. That is my understanding.

Mr. ALLEN. Yes. I thank the distinguished manager.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Alabama.

The amendment, as modified, was agreed to.

Mr. STENNIS. I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ALLEN. I thank the Chair and I thank the Senator.

(This concludes proceedings which occurred later in the day.)

AMENDMENT NO. 499

Mr. STEVENS. Mr. President, I call up my amendment No. 499.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes amendment No. 499.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, lines 2 and 3, strike "$7,910,176,000" and insert in lieu thereof; $7,949,376,000".

On page 6, line 14, strike "$10,560,063,000" and insert in lieu thereof: "$10,573,563,000".

On page 7, line 17, strike "$8,146,638,000" and insert in lieu thereof: "$8,186,638,000".

On page 7, line 6, strike "$589,001,000" and insert in lieu thereof: "$592,001,000".

On page 14, line 6, strike "$300,000,000" and insert in lieu thereof: "$200,000,000".

On page 39, line 22, strike all that follows the "," through the "," on page 40, line 3.

Mr. STEVENS. I ask unanimous consent that the Senator from Utah (Mr. HATCH) be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order that these amendments be considered en bloc. It is to a series of figures in the bill, but it is the same principle applied to each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, this is the amendment that deals with commissaries in the armed services. The men and women in our Armed Forces are the backbone of our strong Defense Establishment. I think it is essential to the survival of our defense system that our military people be compensated at a rate that is comparable to what they would receive if they were in similar civilian positions.

One of the most important compensations in the form of benefits of our retired and active duty military members and their families is the commissary system, providing them with savings on food products. The amendment that I introduce today will restore full funding to these essential food stores.

In keeping within budgetary restraints, full funding for commissaries under my amendment would be accomplished by

reducing the $300 million Secretary of Defense readiness fund by $100 million. There is no House allowance and no budget request for this item which has been added by the Senate committee.

I want to call to the attention of the Senate that this is not an amendment which would increase the funding under the bill.

In keeping with the request of the chairman of our committee and subcommittee, when I presented this amendment, to restore the money for the commissary system, we also include the amendment to reduce the readiness fund for the Secretary of Defense by $100 million.

Mr. President, the time on this amendment is limited. It is a similar amendment to one that has been here before. There is no similar provision in the House bill. This year, the Senate committee has added, over my protest, a 3-year phaseout of the appropriated funds support for commissary-clerk hire.

In recent times, the members of our Armed Forces have slowly but surely lost many of the benefits they were originally promised. Since the inception of our All-Volunteer Force, all branches of the service have been using the commissary system as a prime recruitment and retention factor.

Now according to a provision in the Senate appropriations bill, this factor will be jeopardized. This measure, as I said, recommends a 3-year phaseout of the appropriated subsidy for commissary-clerk hire. Enactment of this proposal will serve to escalate the prices of food in commissaries at least 4 percent a year in addition to the usual inflation of food prices causing an undue hardship on military and retired personnel.

Despite numerous congressional efforts to erode this essential military benefit, since its creation by legislation in 1866, our military commissaries have continued to receive Federal subsidies. It is my belief that the money used to fund these commissaries is a small price to pay for what this Nation receives from our men and women in uniform.

In many instances, the families of those who are military personnel are actively using food stamps at the present time. Yet, we have a situation where we are asked to raise the costs of food to those in military service.

We have in addition to that a large number of retired personnel living on a fixed income. One of the things they rely upon greatly in order to maintain their standard of living is, in fact, the commissary system.

As we are well aware, the commissary privilege was initiated as a convenience and economic benefit to all military personnel. But in Alaska this benefit is more than just a convenience, it is a necessity. According to figures compiled by the U.S. Department of Labor, Alaska remains the most expensive State in the Nation for families of all income brackets. The expense is greatest for families of low income.

Alaska's high cost of living is a financial burden on all State residents but these costs are especially taxing on the enlisted and retired personnel living there. These two groups generally fall within low-income level. According to the Department of Defense, Alaska has 3,130 military retirees and 23,152 active military personnel. Of the military personnel actively stationed in Alaska, 86 percent of these people are enlisted men and women.

Throughout our Nation, the largest number of people using the commissaries are the poorest people in the military including: married enlisted, the junior officers, and retired military members. According to the Department of Defense, the proposed 3-year phaseout of clerk-hire subsidies would have the most disastrous effect on the nearly 60,000 enlisted families that are eligible for food stamps.

The Reserve Officers Association of the United States cited a 1974 survey depicting the composite commissary picture: 43 percent retired personnel and 57 percent active duty members. Of the active duty military using commissaries, 15 percent are officers and 42 percent are enlisted men. According to their statistics, 67 percent of today's active force is a grade E5 or below making between $5,300 and $9,600 a year in pay and allowances.

As my colleagues will recall, last year in deferring the subsidy phaseout request, we directed the Secretary of Defense to submit to Congress a report on commissary reorganization. According to a Department of Defense official:

> The reorganization of the commissary store system is going well. When the instructions to reorganize into central management modes were disseminated to the Army and the Air Force, our goal was to reduce costs and increase our efficiency. In our view, that goal is well on track. Personnel savings and other management efficiencies have enabled us to effect reductions in appropriated fund costs. (Budgeted direct appropriated fund costs for FY 1978 are $309 million versus $313.5 million for FY 1977.) Increased efficiencies through centralized management have resulted in greater uniformity and control over commissary store operations, opening the door to other possible savings.

In the report submitted to the Senate and House Armed Services Committees, Assistant Secretary of Defense David Taylor stated management improvements will save almost $14 million in fiscal year 1977, $26 million in fiscal year 1978, and $36 million in fiscal year 1979. The savings are due to centralized management, consolidation of regions, greater use of part-time employees, and reducing the number of annexes.

Mr. President, while problems still remain in reorganization, commissaries have made great strides toward their goal of "reducing costs and increasing efficiency." I ask unanimous consent that the attached article entitled, "Commissary Reorganization—Is It Working?" from the May, June 1977 Review magazine be printed in its entirety in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMISSARY REORGANIZATION—IS IT WORKING?

Is the reorganization of the commissary store systems working? A distinguished industry leader and longtime ALA supporter recently suggested that the question is redundant. "It must work," he commented, "Since alternatives are no longer available."

The important question is whether the reorganization will increase efficiency and reduce the cost of commissary store operations enough to merit continued support from the Congress. The reprieve the Armed Services won in the hard-fought struggle to retain Federal funding didn't finally resolve the issue. Last year when Congress agreed to continue appropriated commissary funding, it told the military, in no uncertain terms, that the *stores* must be managed more efficiently. Military officials say this is being done.

The management improvements—some of the most important of which include greater centralized management, increased use of automation, and other labor-saving measures—are producing positive results.

In a recent report to the Chairmen of both the Senate and House Armed Services Committees, Assistant Secretary of Defense David Taylor said management improvements already made will save almost $14 million in Fiscal Year 1977, $26 million in Fiscal Year 1978, and $36 million in Fiscal Year 1979.

The Department of Defense report to Congress said the savings came from:

Centralized Management. Both the Air Force and the Army went to centralized management of their stores last October. And this, the report said, allowed management functions to be consolidated and reduced the number of people required for administration.

Consolidation of Regions. The Navy commissary system, already centrally managed, consolidated two of its regions, which further reduced administrative costs.

More Use of Part-time Employees. By using part-time employees the stores save by not having to pay for the same amount of fringe benefits normally provided full-time employees. Also, part-time employees normally do not advance to higher paying grades.

Reducing Annex Stores. The Army, Air Force and Marine Corps have reduced the number of small annex stores and consolidated sales in the main stores.

The Air Force Commissary System is set to begin the second phase of its food store complexing operation. The move involves the administrative consolidation of two or more stores into a single operation.

SAVINGS REPORTED

AFCOMS officials recently reported that the complexing of 22 stores last year resulted in savings of $1.5 million and a reduction of 123 job slots. They expect "substantial savings" following the proposed consolidation of 58 additional stores. Customers will not be affected by the move. Local item selection boards will continue to meet and choose merchandise desired by a majority of local patrons.

In these and many other ways—even income from "cents-off" coupons, which commissaries had previously been turning over to the military exchanges for redemption—on balance, the comstores are making an all-out effort to improve management efficiency and operate more cost-effectively.

They are encountering a few problems here and there, but over all they're making progress. For example, Rear Adm. Edward M. Kocher, Commanding Officer, Navy Resale Systems Office, points out: "In the area of variable pricing NAVRESO still has a long way to go. It is a very sophisticated science and our Navy commissary stores just don't have the experience in this field that is available in the commercial sector. But, based on

the limited testing that we have accomplished on variable pricing to date, we are encouraged by the potential."

Admiral Kocher explains that one of the larger commissary regions has been trying out slightly larger markups on certain commodity groups, such as spices, snack items, luncheon meats, cookies and crackers, and frozen foods. Health and beauty aid items also carry a slightly higher markup, except for certain dentifrices, which are given a lower than normal markup.

"Our approach to variable pricing," says the admiral, "is to try to more closely approximate the total savings to the commissary customer across all commodity groups rather than, if you will, having super-buys on a few items and lesser savings on the others. Variable pricing represents a major change in the way we do business."

He believes variable pricing, thoughtfully and skillfully applied, should give NAVRESCO the tools it needs to adjust to the commercial competition to ensure that customers perceive the values they should in their commissary shopping privilege.

EFFORTS BEING MADE

Air Force, Army and Marine Corps comstores are also making a concerted effort to improve management and become as self-sustaining as possible through a variety of sound food marketing management techniques and efficient business practices—from centralized management to increased use of automation and labor-saving measures.

Maj. Gen. Daniel L. Burkett, AFCOMS Commander, is moving ahead with centrally directed management and administrative consolidation. He thinks variable pricing should apply basically to non-basic items: tobacco, soft drinks, candy, health and beauty aids, household items.

Army comstore's chief, Maj. Gen. Emmet W. Bowers, relies on a centrally directed worldwide commissary system to achieve more efficient operation, reduce personnel, lower direct and indirect operating costs, obtain better visibility and control of resources, resolve problems and put actual decision making at fewer supervisory levels. Suppliers and distributors are now able to do business at the region director's level. "By using source data automation to complete transactions more rapidly, payments are speeded up," General Bowers points out, "and increased efficiency reduces operating costs, and costs for the vendors doing business with us. This permits us to pass on the savings to our customers."

The effort at Marine Corps commissaries, says Brig. Gen. G. L. Bartlett, Director of the Corps' Facilities and Services Division, includes construction and renovation—replacing inadequate facilities with new buildings financed from surcharge revenues; upgrading equipment at stores not undergoing major modifications. The emphasis is on labor saving devices wherever possible and on improved convenience to the shopper.

WHAT'S IN THE FUTURE?

Will these management improvement efforts be sufficient to convince Congress and the Carter administration they are "for real"? The comstore subsidy looks safe (for now anyway) but what about its future after the Ford budget runs out in 1979?

The Department of Defense budget request for Fiscal Year 1978 (which begins this coming Oct. 1, and runs through Sept. 30, 1978) contains the money necessary to provide full appropriated fund support for commissary stores through that date. That budget proposal ($123.1 billion worth) was forwarded to the Congress by the outgoing President last Jan. 17. Ford's original budget proposal contained a provision to begin phasing out Government funding for the military food stores over a three-year period. The first phase of that plan would have lopped some $90 million of commissary operating funds out of the FY 78 military budget. But, just before Christmas, outgoing Secretary of Defense Donald Rumsfeld successfully prevailed upon President Ford to change his mind and restore the deleted $90 million in commissary funds.

Substituted was a paragraph which read: "We propose to continue the appropriated fund support to the commissary stores. Some cost reductions will be achieved as a result of certain management action, e.g., centralizing the management of Army and Air Force commissary stores. In addition, we are examining the potential for achieving further reductions, such as the increased use of part-time and intermittent employees, and the combining of administrative functions for two or more stores in one geographic area. As a result of management improvements we expect to reduce the cost of this support while simultaneously maintaining a reasonable savings for commissary patrons."

Despite this action, however, the commissaries—over the long haul—still face an uncertain future. The proposal to eliminate the stores' salary subsidies has been rejected by Congress each of the past two years. However, it is entirely possible that the new Carter administration—or Congress itself—may revive the idea, and the new Congress, of course, is not bound by previous votes. So, for FY 1979 and beyond, it's anybody's guess what will happen in the area of appropriated fund support for commissaries.

Dr. Harold Brown, the new Secretary of Defense, has said he expects to reduce defense spending by $5 billion to $7 billion by 1979. Much of the savings could come in reduced personnel and support costs, he said. He also observed that in his view "military pay and benefits costs take up a disproportionately large share of the defense budget."

EFFECTIVE PROOF

The savings to date are proof reorganization is effective. A DOD official said recently that:

"The reorganization of the commissary store system is going well. When the instructions to reorganize into central management modes were disseminated to the Army and the Air Force, our goal was to reduce costs and increase our efficiency. In our view, that goal is well on track. Personnel savings and other management efficiencies have enabled us to affect reductions in appropriated fund costs. (Budgeted direct appropriated fund costs for FY 1978 are $309 million versus $313.5 million for FY77) Increased efficiencies through centralized management have resulted in greater uniformity and control over commissary store operations, opening the door to other possible savings."

Corrections for drift, as the political winds change, have and are being made. But a careful review of the improvement effort over the past two years will convince even the most severe critic that—yes, the reorganization of the commissary system, with its goal of substantive increases in efficiencies, is working. And that industry, through ALA, is contributing substantially as an interested/involved/objective third party.

DON'T FORGET RECENT PAST

For those who attended the recent ALA Regional Seminars in San Diego and Norfolk the reasons why were fairly obvious: new and continuing dialogue, total participation by the respective services, etc.

But, for those who did not attend the seminars, may we remind *Review* readers that just two and one half years ago the Ford administration decided to support the OMB position to discontinue appropriated funds for the commissaries. Industry, along with many others, recognized that this action was unsound and unwise. The American Logistics Association, itself at the time just recently restructured and reorganized, quickly recognized and assumed its leadership role as an involved, concerned, interested and therefore objective third party.

An ALA Task Force was immediately put together. It met with responsible high-level people at DOD and offered its assistance and input. At the same time, a DOD Study Group, chaired by now Maj. Gen. Emmet W. Bowers, USA, and co-chaired by Capt. Robert Brewin, USN, was created.

The ALA Task Force met with this prestigious group on several occasions and presented a consensus of industry's suggestions and ideas. These meetings led to a survey of all ALA members, the results of which were developed into an "Industry Report" which the DOD Study Group accepted in its entirety and published verbatim in their final full report on the commissaries.

It is worth noting that the ALA Task Force showed foresight at the time in stating that after a blueprint for increased efficiency is developed, the "real world" of transition will come into play. The Task Force underscored another important fact: that change is difficult under any circumstance, but under the glare of publicity, and the divergent views in the Congress and the administration, it would be doubly difficult and a real challenge.

SOME PROBLEM AREAS

It is interesting that today, in implementing the DOD Study Group's recommendations, all of the suggestions made by ALA's Task Force are either in effect, under consideration, or in the process of being adopted. Admittedly, there will be some hangups in implementing the reorganization. Among them, for example, are:

Shelf Stocking—The DOD view on shelf stocking is that it is strictly voluntary on the part of the supplier and is requested only on a limited number of line items.

Payment Problems—Payment problems are actually not a major problem systemwide, according to DOD. If bills are sent to the proper place, they are paid on time. As part of the management improvement effort all of the Services are making every effort to handle payments as expeditiously as possible.

But, even the longest journey begins with the first step forward. And even the severest critics of Federal funding for commissaries will admit a good beginning has been made. There will be further problems, of course. But ALA believes they will not be insurmountable, and, as part of a concerned mature industry, stands ready to continue to provide guidance and lend expertise in the food marketing area whenever requested to assist the Services in reaching their objectives.

Mr. STEVENS. Mr. President, I urge my colleagues to reinstate full funding for our military commissaries so that the Department of Defense can continue to implement the programs of commissary reorganization that they have so successfully initiated.

We have come a long way already, Mr. President, in making the commissary system support itself. I think that the measures taken by Congress in the last several years are sufficient. There is no need to go further. This financial burden should not be placed upon those who are so much in need, those who, in fact, use the military system of commissaries.

Mr. President, I reserve the remainder of my time.

Mr. President, how much time do I have remaining?

May I make this inquiry?

As I understood it, this was 30 minutes, 15 on a side. I request how much time I used.

The PRESIDING OFFICER. We have the amendment as a 40-minute amendment. The Senator has used 4 of the 20 minutes. Sixteen minutes remain.

Mr. STEVENS. I thank the Chair.

Mr. STENNIS. I yield to the Senator from Missouri gladly whatever time he may wish on this amendment. We have 40 minutes on this amendment, equally divided. I yield the Senator such time as he may wish.

Mr. EAGLETON. I thank my distinguished colleague.

I wish to ask a question of Senator STEVENS.

With respect to the Senator's amendment, the funds that he would allocate to this clerk hire, he would take out of the so-called Secretary of Defense readiness fund, is that correct?

Mr. STEVENS. The Senator is correct. That fund was added by the Senate at the level of $300 million. This amendment would reduce it to $200 million and use the $100 million, roughly, for continuing the support for the commissaries.

Mr. EAGLETON. I thank the Senator.

Mr. STEVENS. It is the same amendment I offered in the committee.

Mr. EAGLETON. Very well.

Let me address myself then for a moment, before getting into the substantive debate, Mr. President, to the question of this readiness fund.

The Senator from Alaska has pointed out accurately that there is a $300 million readiness fund. And out of that $300 million he would take $100 million for this clerk-hire subsidy.

Let me read into the Record, Mr. President, what this readiness fund is about, and we can see whether taking $100 million from it for clerk-hire subsidies is a prudent thing to do.

Just briefly, here is what the committee says about this fund:

> The Committee believes that creation of a special fund that can be used exclusively to fund the highest priority military readiness items would be effective in helping the Department focus on readiness, provided that it is under the strict control of the Secretary of Defense. Accordingly, the Committee has recommended the creation of such a fund, the "Secretary of Defense Readiness fund." The funding provided is to be transferred to the various active and reserve operation and maintenance accounts, but only to be used for items that are directly associated with maintaining or improving military readiness in the strict sense of the term. The appropriation language provides that the Secretary is to notify the Congress—et cetera.

Let me just repeat a few of these words, Mr. President, because I think they are important.

> The committee believes that creation of a special fund that can be used exclusively to fund the highest priority military readiness items be effective in helping the Department focus on readiness.

"The highest priority military readiness items," that is what it says.

Later in the committee report:

> But only to be used for items that are directly associated with maintaining or improving military readiness.

Readiness, which might include, say, more ship overhauls, perhaps the fixing of aircraft engines not operating, or the funding of additional flying hours, and the like.

I am not saying what Senator STEVENS proposes is illegal. But I am saying that to equate restoring $100 million for clerk hire in commissaries—to equate that with what the committee had in mind in creating this fund, namely, the highest priority military readiness items—I think is a non sequitur.

I do not see how $100 million in clerk hire is anywhere on a par with the highest priority military readiness items.

Let me move on, Mr. President, in response to my distinguished colleague from Alaska. I strongly support the committee proposal to phase out the commissary-clerk hire subsidies over the next 3 years. Mr. President, I should point out that the Senate has for the past 3 years in a row, passed bills including a phaseout of this subsidy.

However, the House has not been willing to adopt the issue in conference and, consequently, no phaseout has occurred.

This is most disturbing since the phaseout has been supported both by President Carter and President Ford.

The committee's proposal will not close any commissaries, but will likely reduce food price savings from about 25 percent less than the local, say, Safeway or Giant grocery store, to about 15 percent less.

I repeat, no commissary is going to be closed. There are dozens of these around the major cities of the country. I think there are several in the Washington area. I believe there are five and we will check the figure here in a minute.

Here we are, five in San Antonio, six in Washington, D.C., three in Honolulu, four in Norfolk, five in San Francisco, just to name a few cities.

None will be closed. Perhaps some should be but that is not covered by this amendment. None will be closed.

The effect, if the committee's position prevails, will be, instead of the savings at commissaries being 25 percent, it will be about 15 percent—still a substantial saving.

Mr. President, the Committee on Appropriations provided an extensive write-up explaining the proposal, and I ask unanimous consent that it, together with the following material be printed in the RECORD at the conclusion of these remarks: A fact sheet prepared by the Appropriations Committee explaining in summary "Why commissary clerk-hire subsidies should be phased out over the next 3 years;" a section of the committee's report on pay comparability between military and civilian; an economic analysis comparing food chain stores and commissaries.

The PRESIDING OFFICER (Mr. DURKIN). Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. Now I shall address a subject that I know is troubling some of my colleagues—the use of food stamps in the commissaries. The Department of Agriculture has advised the committee that there are 303 military commissaries authorized to participate in the food-stamp program. The monthly redemption of food stamps in these stores amounts to about $1.3 million. The Department of Agriculture has advised the committee that, based on an average family size of 4, this represents usage by only 7,590 families, although the number may be somewhat higher since the participants probably used a part of their food-stamp allowance at other retail establishments.

The committee believes that the relatively small usage of food stamps is not an appropriate argument for the retention of a nearly $300 million annual subsidy. That is what we are talking about, Mr. President—a subsidy of about $300 million a year. More efficient ways can be found to subsidize the small number of families using food stamps in commissaries. And, furthermore, I remind my colleagues that eligibility standards for food stamps are not as restrictive as many believe they should be.

As my colleagues know, eligibility for food stamps is based on a "net income" concept under which households may deduct certain expenditures from a gross income that is higher than this level and still qualify for food coupons. I also note that food stamp net income eligibility levels under this concept are somewhat higher than the official poverty threshold. But the poverty threshold is based on a gross income concept. What this all boils down to is that there are estimated to be over 171,000 households participating in food stamps with annual gross incomes of over $9,000 per year. The Senate Committee on Agriculture, Forestry, and Nutrition, in reporting out this year's farm bill (S. 275), which includes reform of the food-stamp program, stated—Senate Report 95–180, page 116:

> The food-stamp program does not have any meaningful limits on gross income for eligibility determination. Because the regulations allow essentially unlimited "itemized" deductions from gross income, non-needy households with adequate incomes can qualify. It is this potential for "pyramiding" deductions in order to qualify that destroys public confidence in the program and evoked the consternation of the American public last year when it read that households might be eligible with incomes up to $16,000 per year.

Mr. President, the fact that there are somewhat loose eligibility standards in the food-stamp program that permit individuals with high incomes to use those stamps should not deter the Congress from eliminating an unjustifiable clerk-hire subsidy to commissaries. I strongly suspect that under the various food stamp reforms being proposed, both in S. 275 and in the House version, many of the commissary patrons now using food stamps would become ineligible under the more reasonable eligibility criteria being proposed in those pieces of legislation.

Mr. President, the distinguished Senator from Iowa is here, and I know that Senator STENNIS wishes to address himself briefly to this matter.

I will summarize: Over a 3-year period, if this becomes law, we will phase out a $300 million subsidy. We will save $100 million the first year, $200 million the second, and to phase it out entirely at the end of 3 years.

I can find no legitimate justification for this subsidy under current conditions. There is great pressure on the Defense budget, because of its huge size, to try to save wherever we can. If we were just talking about $5 million or $10 million, one could say that is picayune. But $300 million, even in the context of the Defense budget, is a significant amount.

The projection is that over the next 10 years, approximately $3.9 billion

would be saved by embarking on the program that the Appropriations Committee has wisely recommended.

I repeat: To try to equate this subsidy with the military readiness fund, which is to go for the highest priority military readiness items, just boggles the mind.

I am prepared to yield some time to the Senator from Iowa at this time.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. I am not ready yet.

Mr. EAGLETON. Mr. President, I reserve the remainder of my time.

EXHIBIT 1

WHY COMMISSARY CLERK-HIRE SUBSIDIES SHOULD BE PHASED OUT OVER THE NEXT THREE YEARS

Commissaries provide no military power, no forces and no readiness. Yet, according to the Defense Department, the clerk-hire subsidy to commissaries is $287 million in fiscal year 1978 and will total over $4 billion over the next ten years.

The Senate last year voted to phase out the subsidy over the next three years—but only the personnel subsidy. This year the Appropriations Committee recommends a similar subsidy phaseout. No commissaries would be closed. Under both Senate proposals, commissaries would still receive a subsidy for overseas transportation, free rent, base support, etc., as they do now (estimated to be about $100 million per year).

The proposal recommended by the Committee would save $3.9 billion over the next ten years.

Instead of the subsidy, this $3.9 billion savings could be used to eliminate the entire backlog of ships, aircraft, tanks and vehicles now overdue for overhaul in all three services. It could further be used to improve readiness significantly in the future.

The original justification for commissaries—to provide life's necessities to soldiers at remote frontier posts—is no longer valid in the United States, where there are 279 commissaries. Of these, there are 133 commissaries located within ten minutes driving time of the nearest commercial supermarket. Several metropolitan areas are glutted with commissaries—there are four in Norfolk, three in Honolulu, five in San Antonio, four in San Diego, five in San Francisco, and six in Washington, D.C.

Military pay is comparable to, or greater than, civilian pay—grade by grade comparison made by the Appropriations Committee this year shows that military salaries are close to or more than most civilian salaries. When benefits are added to both military and civilian pay, the military average $4,257 per year more than civilians.

No commissary would be eliminated if the appropriated fund subsidy is phased out. Commissaries would still have significant price advantages over commercial supermarkets since they need make no profit; the government has already paid for their inventory; buildings were provided from appropriated funds; they pay no rent, etc.

The average commissary savings is between 25 percent and 31 percent below local supermarket prices. Even after the subsidy is removed, average savings would be 13 percent to 21 percent.

Military retirees—all of whom are eligible to use the commissaries—now receive an average annual annuity of over $7,400. DOD's figures show that 15 percent, or over 150,000 retired military, also receive Social Security benefits averaging nearly $2,405 per year for individuals and $3,102 per year for families.

Cost-of-living pay raises to military retirees have averaged 10 percent for the past three years—between $500 and $700 per year. By law, these cost-of-living pay raises are likely to continue to amount to between 5 percent and 10 percent, or $400 to $700 per year in the future.

If commissaries are phased out over a three-year period, the average family buying all its groceries at the commissary would pay only about $1.60 extra per week.

Conclusion: There is no reason to continue to subsidize clerk-hire at the commissaries. Phasing out the subsidy will not close down commissaries and can be accomplished without hardship to either military retirees or active duty personnel. Even after the subsidy is removed, commissary patrons will still save 13 percent to 21 percent below local supermarket prices.

EXTRACT FROM SENATE REPORT 95-325 ON 1978 DEFENSE APPROPRIATIONS COMMISSARY SUBSIDIES

The fiscal year 1978 budget request of $113.9 billion for the Defense Appropriations Bill represents an increase of $9.5 billion, or 9 percent over the comparable amount of $104.4 billion appropriated in this bill in fiscal year 1977 (excluding the pay raise supplemental). This is the case even though the military force levels supported are virtually the lowest in 25 years. In fiscal year 1973—the final year of intense U.S. combat activity in Vietnam, the comparable amount provided in the Defense Appropriations Bill was $74.4 billion. Therefore, in the four year period 1973–78 since the U.S. ended its last major war, there has been a growth of $39.5 billion, or 53 percent, in the Defense budget. To a very great extent, the inflation that affects the cost of all goods and services in the U.S. has been responsible for this fantastic increase in the cost of defense.

Inflation notwithstanding, the Congress has strongly urged and supported the need for the Department of Defense to moderate its large annual budgetary increases by "pruning" out programs that are of only marginal utility to the true combat capabilities of our forces and to the essential defense of our nation. A major initiative was undertaken by the Administration in fiscal year 1976 and fiscal year 1977 in proposing a two year and three year phaseout respectively of the appropriated fund subsidy to military commissaries (grocery supermarkets) for the costs of military and civilian personnel. Although the 1976 two year phaseout proposal was rejected, the Senate version of the Defense Appropriations Bill provides for a five year phaseout. The Senate version of the 1977 Defense Authorization Bill provided for a three year phaseout. However, the final Conference Agreement on that bill concluded:

"Legislative action is not required for improvement in the efficiency of commissary store operations or the gradual reduction of appropriated commissary subsidies. These issues are routinely reviewed in the annual appropriations process. The conferees agree that as less funds are needed for commissary subsidies they should be used for urgent military requirements such as improved readiness."

Last year, the Senate Defense appropriations bill again recommended a 3 year phaseout, but this was deleted from the final version of the bill.

NATURE OF THE SUBSIDY

Unlike all other manpower-intensive nonappropriated fund activities that serve as fringe benefits for military personnel, commissaries presently receive a 100 percent subsidy for the cost of the military and civilian personnel required to manage and operate the stores. The total number of personnel involved has been stable at approximately 26,000 (24,000 civilians and 2,000 military) for the past three years (fiscal years 1975–77), even though this number is about 5,700 higher than the personnel who were operating these stores in 1970. For fiscal 1978, the budget requests increases of over 500 civilians employed in commissaries in 1979, but this is billed as a "management improvement" since it represents the substitution of less expensive part-time employees in place of full-time.

The reason for the subsidy is rooted in the original justification for commissaries, which were first established during the 19th century. A key part of this country's expansion to the West and settling of the frontier territories was the provision of military protection for citizens. To the extent that military personnel were deployed at remote frontier posts that lacked the commercial enterprises normally available in the developed portions of the countries, it was deemed necessary to provide such services. At that time, it became the clear policy to provide the civilized needs and amenities of life to soldiers at remote duty locations through commissaries and post exchanges. The Army established the first commissaries at frontier posts based on legislation enacted in 1866, and sold food and other items at cost to servicemen. The Marine Corps began operating its first commissary in 1909, and the Navy in 1910. Air Force began operating its own commissaries when it was established as a separate service in 1947.

In the post-World War II era, with the U.S. having extensive military deployments throughout the world, commissaries and exchanges have served a similar purpose—providing the normal everyday products that can be readily obtained by American citizens living in the U.S., but which simply are either unavailable in commercial stores overseas, or unreasonably expensive when available.

QUESTIONS ABOUT NEED FOR COMMISSARIES

In 1948, the services operated 210 commissaries at installations in the U.S. The House Committee on Armed Services became concerned about the growing number, and looked into the need for their continuing operation. The Committee Chairman concluded that the Congress originally intended the services to operate commissaries only in remote areas (as just explained) where servicemen didn't have the benefit of metropolitan food stores. As a result of that inquiry, the Services received approval for a regulation stating that commissaries would not be authorized where "adequate commercial facilities are conveniently available and sell commissary merchandise at reasonable prices." The Department of Defense Appropriation Act of 1954 included language that required the Secretary of Defense to certify the continued need for each commissary on the basis that commercial stores were inadequate, inconvenient or not selling food at reasonable prices. Similar language has been included in every subsequent DOD appropriation act.

Somewhere during the past century, however, the original purposes of commissaries gradually faded from view. The General Accounting Office (GAO) reported recently (FPCD–75–88, May 21, 1975, "The Military Commissary Store: Its Justification and Role in Today's Military Environment") that despite the Congressional concern and reemphasis on the reason for commissaries, no commissary *has ever failed to meet the DOD criteria*, and the number of stores in the U.S. was increasing. GAO has repeatedly reported that the DOD criteria for implementing the Congressional criteria of adequacy, convenience and price are unrealistic, and that there is no valid justification for commissaries in large metropolitan areas, (e.g., there are four commissaries in the Norfolk area, three in Honolulu/Pearl City, five in San Antonio, four in San Diego, five in San Francisco, and six in Washington, D.C.)

As of June 1974, there were 418 commissary stores in operation—279 in the U.S. and 139 overseas, all of which were built or rehabilitated using publicly appropriated funds. In December 1974, however, the Congress passed legislation prohibiting the use of appropriated funds for the construction

or improvement of commissaries in the United States. Henceforth, their construction was to be financed in the same manner as post exchanges—i.e., through profits generated. (A small surcharge was added to prices.)

In 1964, the annual subsidy amounted to only about $100 million for the cost of military and civilian personnel working in commissaries. These costs grown to an estimated $327 million ($287 million in this bill, plus an estimated pay supplemental of $18 million) in fiscal year 1978 if fully subsidized. Over the next 10 years, the full subsidy will cost the taxpayer $3.8 billion—a fantastic sum in the Defense bill for an item that has no *military* mission value.

The President's fiscal year 1977 budget proposed to phase out, over a three year period beginning in fiscal year 1977, the commissary subsidy for personnel and utility costs. The phaseout was to start on October 1, 1976, the date on which the next pay raise was scheduled. No commissary was to be closed. Ultimately, commissaries would be placed on a non-subsidized basis, in a manner similar to the way military post exchanges are now operated. As explained previously, although the Senate approved this proposal last year, final congressional action deferred the phaseout again.

Through product-by-product comparison survey, it has been established that commissary prices are about 23 percent below the price of similar goods in a commercial supermarket. In addition, no state or local taxes (totaling between 2 percent and 8 percent) are levied on commissary sales, thereby providing patrons further savings. The proposals to eliminate the subsidy have recommended raising prices sufficiently so that the amounts generated would gradually replace the appropriated fund subsidy. Based on an annual sales volume of $3.0 billion in fiscal year 1977, it is estimated that an increase in price of about 10 percent would generate enough funds to eliminate completely the need for the subsidy. Therefore, even after the full subsidy has been eliminated, commissary patrons would still enjoy a price savings of about 13 percent below commercial supermarkets, as well as sales tax savings of between 2 percent and 8 percent. Further management improvements could increase these savings.

Although the 1977 proposal for a phaseout was not repeated in the 1978 budget, President Carter did indicate that he generally supported phaseout of the subsidy. This occurred in response to a question from a private citizen, and was reported in the "Army Times" of June 13, 1977 as follows:

Question. Mr. President, my name is Randall Tucker from Fullerton, U.S. Navy retired, and my question pertains to the military.

What percent of commissaries do you expect to be closed in the next four years, and what area will be affected the most, and why?

The PRESIDENT. Well, I don't expect any appreciable number of the commissaries to be closed. The only proposal that I've ever heard about the PXs or the commissaries, is that they be self-supporting; that enough be charged in the prices of the goods that Navy and other military people buy just to pay the cost of operation of the commissary. But I don't think that's too tight a constraint to put on the military personnel.

I was in the Navy for 11 years myself. And I can't remember now. I wouldn't have any way to know if the commissaries paid their own way. But I don't think it's unreasonable for the taxpayers to demand that the military at least pay enough for goods they buy to cover operating expenses.

So, *two* Presidents have supported elimination of commissary clerk-hire subsidies.

REASON FOR CHANGE IN SUBSIDY

The proposal to eliminate the subsidy is a result of the very high cost of Defense manpower, which now consumes well over half of the Defense budget. The idea is to reduce manpower support costs in the interest of using funds to sustain and equip the strongest possible military force. The proposal would have absolutely no impact on the military strength of our combat forces or on their military readiness.

It can readily be seen why the commissary subsidy became a candidate for elimination. In 1964, the subsidy amounted to only about $100 million. At the same time, personnel costs in the entire Defense budget totaled $22 billion—or about 43 percent of a total budget of $50.8 billion. Since 1962, the Congress has made three key decisions:

1. Federal civilian salaries will be pegged at a rate that is comparable to employees in private industry; (1962)

2. Any increase in civilian salaries will be matched by an equivalent increase in military salaries; (1967), and

3. Military salaries shall be high enough to attract and retain a quality all-volunteer force. (1971)

Together, these account for an increase of 127 percent in military compensation from 1964 to 1975, and 117 percent in civilian pay during the same period. (During this period, the consumer price index increased only 74 percent.) As a result of these decisions, the commissary subsidy has increased by 180 percent, along with the other manpower costs of the Defense Department.

COMPARABILITY OF MILITARY SALARIES

Elsewhere in this report (see pp. 22–28) there is an extensive analysis of the relative comparability of military and civilian compensation, including benefits. Although there is difficulty in placing actual values on certain items, the analysis does include an attempt to make realistic comparisons. Careful examination of these comparisons show that military salaries are at least comparable to civilian pay and when fringe benefits of both military and civilians are added to salaries (e.g. retirement, health care, etc.) the average military employee receives $4,257 per year more than the civilian employee.

IMPROVEMENTS IN MANAGEMENT NEEDED

It has been the repeatedly stated view of the Congress that the management and operation of commissaries can and must be improved. This was reiterated in the Conference Report on the fiscal year 1977 Defense Authorization Bill (H. Report 94–1305). The problems relate, among other things, to location, duplication of coverage, and inefficient and non-uniform practices. Many of these problems were pointed out in studies made by the General Accounting Office (Report of March 19, 1975, FPCD–75–132 and May 21, 1975, FPCD–75–88). In addition, the Department of Defense completed a thorough study in May 1975 that pointed out many potential areas for improvement, including development and implementation of automatic data processing systems, consolidation of functions, greater utilization of employees to more effectively match workload, functional training, and the need for standards for measuring production efficiency.

There is no question that better management of the commissaries is an absolute necessity. The Department of Defense should reexamine the number of stores in relationship to the adequacy, convenience and price criteria. Recommendations within DOD have been made to close some 133 of the stores in the U.S. which are located within 10 minutes driving time of the nearest commercial supermarket. These should be examined carefully. In addition, the Department should examine commissary staffing and consider removing some of the increase in full-time personnel that has occurred since 1970. The proposal made by the Administration in its budget request to replace full time with part time personnel appears to be a welcome first step in the proper direction.

RECOMMENDATION—PHASE OUT COMMISSARY SUBSIDIES OVER A THREE YEAR PERIOD

It is clear that the appropriated fund subsidy to commissary stores is no longer justified in light of current military salaries and benefits, the high cost of continuing the subsidy, and the fact that it provides no combat readiness and makes no military contribution to the national defense. The committee therefore recommends phaseout of the subsidy over a three-year period. See page 288 for the rollcall vote of the Committee on this subject.

IMPACT ON MILITARY RETIREES

Many arguments have been raised that reduction in the commissary subsidy will seriously impact on retirees who use the commissaries. It should be recognized that the average military retiree will receive a stipend in excess of $7,402 during fiscal year 1978. Nearly 150,000 retirees receive social security benefits averaging $2,405 per year for individuals and $3,102 per year for families. In addition, over 140,000 retirees hold "second career" jobs in federal employment. In some cases, the total compension received by the individual exceeds $70,000 per year. (Civil Service pay and retirement.) The Committee's proposal would hold the annual price increase in commissaries to only about four percent a year—far less than the cost of living increases to retirees that have averaged over 10 percent a year in the past three years. By law, these cost of living pay raises for retirees are likely to continue to amount to between 5 percent and 10 percent per year, or between $400 and $700 per year in the future. If commissaries subsidies are phased out over a three year period, the average family buying all its groceries at the commissary would pay only about $1.60 extra per week. At the end of a three year phase out period, the commissary patron would pay approximately $280 more per year if all purchases were from a commissary store and $140 per year if half his food purchases were from commissaries.

In an attempt to clarify further the situation regarding the true income levels of military retirees, the committee directed that the Defense Department undertake a special study of income levels of military to include income from all sources except for social security. This would take into consideration such things as second jobs, investments, etc.

The Department provided the detailed information, based on 1975 data. It confirmed the committee's view that there are few retirees who are living on extremely low incomes. In fact, only 107,000 have adjusted gross incomes of less than $6,000. And it is very likely that many of these individuals receive social security benefits in the amounts discussed above, which tends to increase their total disposable income substantially since social security is not taxable. The detailed table provided by the Defense Department follows:

ADJUSTED GROSS INCOME[1] OF RETIRED MILITARY PERSONNEL[2]—TAX YEAR 1975

Adjusted gross income range	Number of members in this income range	Number of members in this income range or below
Under $1,000	6,261	6,261
$1,000 to $1,999	7,932	14,193
$2,000 to $2,999	11,891	26,084
$3,000 to $3,999	21,315	47,399
$4,000 to $4,999	30,591	77,990
$5,000 to $5,999	29,660	107,650
$6,000 to $6,999	28,668	136,318
$7,000 to $7,999	29,022	165,340
$8,000 to $8,999	30,707	196,047
$9,000 to $9,999	33,276	229,323
$10,000 to $10,999	35,574	264,897
$11,000 to $11,999	37,980	302,877
$12,000 to $12,999	40,769	343,646
$13,000 to $13,999	42,741	386,387
$14,000 to $14,999	44,042	430,429
$15,000 to $15,999	44,761	475,190

ADJUSTED GROSS INCOME[1] OF RETIRED MILITARY PERSONNEL[2]—TAX YEAR 1975—Continued

Adjusted gross income range	Number of members in this income range	Number of members in this income range or below
$16,000 to $16,999	44,701	519,891
$17,000 to $17,999	44,638	564,529
$18,000 to $18,999	42,894	607,423
$19,000 to $19,999	39,320	646,743
$20,000 to $20,999	35,274	682,017
$21,000 to $21,999	31,932	713,949
$22,000 to $22,999	28,289	742,238
$23,000 to $23,999	24,122	766,360
$24,000 to $24,999	21,996	788,356
$25,000 to $29,999	74,996	864,352
$30,000 to $34,999	37,038	901,390
$35,000 or more	32,944	934,334

[1] In addition to retired pay, this includes the 2d career income of the member plus any income from interest, dividends, other pensions, rents, and royalties. It is reduced for moving expenses, tax exempt disability retired pay, any disability income exclusion, and certain employment expenses. A spouse's adjusted gross income is included if a joint return was filed.

[2] Data do not include title III retired members or 116,000 members with an unknown adjusted gross income.

Source: Department of Defense.

COMMISSARIES WILL NOT BE ELIMINATED

The Committee rejects the notion that this proposal will result in the eventual elimination of commissaries. The continuing savings at commissaries will make them even more attractive as the cost of goods in the civilian sector continues to increase. Price advantages under local supermarkets are likely to improve as better management practices recently recommended by the Department's own study are implemented.

The most recent comprehensive study of commissaries prepared by the Department concluded that "Economies obtainable apthat these subsidies be phased out over a three year period, and has modified Section 814 of the bill to provide for such a pear to be sufficient to permit reimbursement for direct costs as proposed, retain significant savings for customers, and maintain a workable commissary system".

The fundamental problem found in the same study just quoted was the military patron's misperception of savings in commissary food prices. Although real savings averaged between 23 percent and 32 percent, over 60 percent of the patrons surveyed thought they were saving only 20 percent or less. The Committee recommends that an educational campaign be conducted by the Department as the subsidy is phased out, so that military members will recognize the true, continuing value of the commissary savings. Savings will still provide a viable recruiting incentive under the Committee's recommendation.

It would be particularly helpful if the various defense publications supported from non-appropriated funds were to provide true cost comparisons of commissary prices versus supermarket prices. In addition, the news media should be periodically informed of such pricing comparisons.

Finally, the Committee would point out that the military exchanges, which do not receive a subsidy for civilian personnel costs, still manage to provide average savings of about 20 percent or better below commercial prices. With a real incentive for improvement, commissaries should be able to achieve fairly similar savings.

The Committee is therefore recommending that these subsidies be phased out over a three year period, and has modified Section 814 of the bill to provide for such a subsidy phaseout, allowing price increases at the stores to reimburse the operation and maintenance accounts in order to make up for the reduction in subsidies. Under this plan, no commissaries need be closed.

SUMMARY OF COMMISSARY STORE SUPPORT

The table below shows the appropriated fund support being provided for commissary store operations in the budget request, including military and civilian personnel. The Committee has reduced civilian personnel funds by one-third to reflect savings from the phaseout. (Total saving is $95.6 million in fiscal year 1978.)

PERSONNEL END STRENGTH

	Fiscal year 1976		Fiscal year 1977		Fiscal year 1978	
	Military	Civilian	Military	Civilian	Military	Civilian
Army	196	10,193	169	9,938	169	10,155
Navy	1,287	3,718	1,287	3,663	1,287	3,620
Marine Corps	12	108	12	797	12	855
Air Force	426	10,029	427	9,363	385	9,718
Total	1,921	24,750	1,895	23,761	1,853	[1] 24,348

[1] Includes increase for part-time employees.

APPROPRIATED SUBSIDY

[In millions of dollars; [1] fiscal year]

	1976	1977	1978
Military personnel funds:			
Army	2.3	1.8	1.9
Navy	14.5	15.9	16.0
Marine Corps	.1	.1	.1
Air Force	4.2	4.4	4.2
Total	21.1	22.2	22.2
Operation and maintenance funds:			
Army	111.1	119.2	117.5
Navy	44.1	44.1	40.5
Marine Corps	9.6	9.8	8.9
Air Force	106.5	118.2	119.9
Total	271.3	291.3	286.8
Total Army	113.4	121.0	119.4
Total Navy	58.6	60.0	56.5
Total Marine Corps	9.7	9.9	9.0
Total Air Force	110.7	122.6	124.1
Total all appropriations	292.4	313.5	309.0

[1] Excludes the cost of transporting commissary store goods to overseas stores.

EXTRACT FROM SENATE REPORT 95-325 ON 1978 DEFENSE APPROPRIATIONS: PAY COMPARABILITY

Two years ago, in reporting out the Defense appropriations bill, the Committee included a detailed discussion of the question of military and civilian pay comparability (Senate Report 94-446, pp 17-22). The discussion addressed the controversy over the subject of pay and special benefits, and included detailed tables showing approximately how much the military and civilian personnel employed by the Federal Government actually received in some direct or indirect fashion and provided an assessment of their relative comparability.

The report included a summary table comparison of military and civilian compensation and benefits, using the Oct. 1, 1975 pay scales in effect at that time. The conclusions the committee drew at that time are reproduced below:

"The Committee is not yet in a position to state unequivocally that the military community is or is not better paid than civilian counterparts. It does believe that actual total compensation and benefits must be fully understood by the military member if we are to avoid the unnecessary loss of significant numbers of personnel. A first step is to educate the member in computing and understanding the actual extent of his entitlements, and to secure acceptance of the fact that he is not significantly worse off than others. The permanent solution is to revise the outmoded and confusing structure of the military pay system. The Committee will follow with interest any system modernization proposals arising from the current Quadrennial Review of Military Compensation, investigations of the Defense Manpower Commission, and other independent studies on the matter."

The Committee regrets that there does not appear to have been much progress made since that time. The Defense Manpower Commission and the Third Quadrennial Review of Military Compensation have met, studied, reported and are now generally defunct. The administration is in the process of appointing yet another "blue ribbon" panel to examine these problems. All of this is coupled with a plea from senior military commanders around the world not to change anything in the pay and benefits structure. Basically the perception, whether right or wrong is that any change to the system which either directly or indirectly costs the serviceman money is an "erosion of benefits." This is without regard to the question of whether or not the particular pay or benefit is justified on the basis of merit or common sense.

The Committee has carefully considered the views of the senior military commanders who have requested a "moratorium" on changes in pay and benefits. The Committee notes that this moratorium seems to be limited to those proposals that would in some way reduce pay or benefits. There is no moratorium on proposals that would increase pay or benefits. In fact, the 1978 budget was submitted with no fewer than six proposals to increase pay or benefits as part of the legislative program at the same time the Services were requesting a moratorium on changes. (These proposals involved retirement modernization, Family Protection Plan, Trailer allowances, Officer Personnel management, Family Separation allowance and Allowances for quarters in the Navy.)

The Committee does not subscribe to the view that a moratorium is appropriate at this time. It is the considered opinion of the Committee that a failure to review the budget request thoroughly and to make adjustments where warranted based on sound logic would be poor policy and represent a lack of attention to the Committee's responsibilities.

Accordingly, the Committee has rejected the notion of freezing all pay and benefits, and opted instead for the alternative of making a detailed and objective review of these pays and benefits, as it has done in the past.

In connection with this, the Committee has once again attempted to portray the comparable benefits and pay of the military and civilian employees of the defense department. The following tables provide the committee's analysis. Careful attention is drawn to the footnotes that explain the various assumptions used in preparing the material.

TABLE 1.—SELECTED EXAMPLES OF ANNUAL MILITARY AND CIVILIAN COMPENSATION (OCTOBER 1976 PAY SCALES)

Civilian salaries		Pay grade	Military grade (Army title)	Military salary (RMC)	Longevity step [2]	Typical number of dependents	Regular military compensation (RMC)[1]			
Salary	Comparable civilian grade						Basic pay	Quarters	Subsistence	Federal tax advantage
$47,500	Executive level V	010	General	$57,805	30	1	$47,498	$4,457	$667	$5,182
47,500	GS-18 step 1	09	Lieutenant general	53,769	30	2	43,805	4,457	667	4,840
47,500	GS-17 step 4	08	Major general	48,936	30	2	39,492	4,457	667	4,319
44,913	GS-16 step 5	07	Brigadier general	43,143	28	2	34,340	4,457	667	3,679
38,293	GS-15 step 5	06	Colonel	34,941	22	3	27,821	3,935	667	2,518
30,052	GS-14/GS-13 step 5	05	Lieutenant colonel	27,881	16	3	21,834	3,604	667	1,777
23,166	GS-12 step 5	04	Major	22,577	10	3	17,374	3,229	667	1,307
18,462	GS-11/GS-10 step 5	03	Captain	18,966	4	3	14,468	2,912	667	918
15,197	GS9/GS-8 step 4/step 6	02	1st lieutenant	14,407	2	2	10,422	2,603	667	715

Civilian salaries		Pay		Military salary	Longevity	Typical number of	Regular military compensation (RMC)[1]			
Salary	Comparable civilian grade	grade	Military grade (Army title)	(RMC)	step[2]	dependents	Basic pay	Quarters	Subsistence	Federal tax advantage
13,059	GS-7 step 5	O1	2d lieutenant	11,604	<2	1	8,280	2,092	667	565
15,197	GS-9/GS-8 step 4/step 6	W4	Chief warrant officer W-4	24,173	26	3	19,037	3,114	667	1,355
15,507	GS-9/GS-8 step 4/step 6	W3	Chief warrant officer W-3	19,486	20	3	15,026	2,848	667	945
13,059	GS-7 step 5	W2	Chief warrant officer W-2	16,593	16	3	12,661	2,563	667	701
13,059	GS-7 step 5	W1	Warrant officer W-1	14,115	10	3	10,422	2,365	667	660
13,059	GS-7 step 5	E9	Sergeant major	19,574	22	3	14,668	2,743	967	996
11,754	GS-6 step 5	E8	Master sergeant	16,353	18	3	12,082	2,549	967	756
11,754	GS-6 step 5	E7	Sergeant first class	14,275	14	3	10,199	2,380	967	729
10,543	GS-5 step 5	E6	Staff sergeant	12,040	8	3	8,158	2,196	967	719
10,543	GS-5 step 5	E5	Sergeant	10,477	4	2	6,700	2,020	967	791
9,147	GS-4 step 4	E4	Corporal	9,329	3	1	6,044	1,775	967	543
7,902	GS-3 step 3	E3	Private 1st class	7,673	<2	0	5,198	1,062	967	445
6,791	GS-2 step 2	E2	Private	7,326	<2	0	5,008	940	967	412
5,810	GS-1 step 1	E1	Private	6,732	<2	0	4,493	886	967	386

[1] Regular military compensation (RMC). RMC is defined in law as basic pay, basic allowance for quarters, basic allowance for subsistence, and the Federal tax advantage on these 2 nontaxable allowances. It assumes all members receive these allowances in cash. Federal tax and tax advantage are calculated on RMC only using the standard deduction for the dependents data shown based on the 1976 laws including the new negative income tax feature. It must be recognized that many members, particularly in lower enlisted grades are required to live in Government quarters and subsist in Government dining facilities like barracks and ships, and do not receive cash allowances.

[2] Average length of service for pay purposes of the personnel in each pay grade.

TABLE 2.—SELECTED EXAMPLES OF ANNUAL PAY AND BENEFITS FOR CIVILIAN PERSONNEL

	Total salary and benefits	Salary[1]	Retirement and survivor[2]	Life insurance[3]	Health benefits[4]	Total benefits[5]
General schedule (GS) grade/step:						
Executive level	$56,308	$47,500	$8,170	$231	$407	$8,808
18-1	56,308	[6] 47,500	8,170	231	407	8,808
17-4	56,308	[6] 47,500	8,170	231	407	8,808
16-5	53,262	44,913	7,725	217	407	8,349
15-5	45,475	38,293	6,586	189	407	7,182
14-5	38,726	32,557	5,600	162	407	6,169
13-5	32,831	27,548	4,738	138	407	5,283
12-5	27,678	23,166	3,985	120	477	4,512
11-5	23,166	19,332	3,325	102	407	3,834
10-5	$21,11	$17,592	$3,026	$92	$407	$3,525
9-4	18,664	15,507	2,667	83	407	3,157
8-6	12,934	14,888	2,561	78	407	3,046
7-5	15,786	13,059	2,246	74	407	2,727
6-5	14,248	11,754	2,022	65	407	2,494
5-5	12,823	10,543	1,813	60	407	2,280
4-4	11,182	9,147	1,573	55	407	2,035
3-3	9,714	7,902	1,359	46	407	1,812
2-2	8,408	6,791	1,168	42	407	1,617
1-1	7,253	5,810	999	37	407	1,443

[1] Average nearest whole step of general schedule employees as of December 1976.

[2] Normal cost of the current retirement system, net of employees' 7 percent contribution. Estimated at 17.2 percent of salary. Economic assumptions used to calculate normal cost were: 6 percent interest rate, pay growth of 3 percent, and an inflation rate of 4 percent.

[3] Based on the Government contribution of $4.615 per thousand of insurance. Amount of life insurance is the next highest thousand over base salary plus $2,000; e.g., an employee with a base salary of $7,500 would be insured for $10,000.

[4] Per capita cost of government contribution to health insurance premiums. Data extracted from OMB report, "Work-Years and Personnel Costs, Executive Branch, Fiscal Year 1976," Dec. 1, 1976 No data is available on the direct health care benefit of civil service employees. The Civil Service Commission does not treat it as compensation.

[5] Does not include the civil service overseas commissary or civil service use of military commissaries and exchanges, available only to a very small number of U.S. civilian employees stationed overseas. No data is currently available and the Civil Service Commission does not treat it as compensation.

[6] Limited to the salary of Executive Level V.

TABLE 3.—SELECTED EXAMPLES OF ANNUAL COMPENSATION AND BENEFITS FOR MILITARY PERSONNEL (PAY SCALES AS OF OCTOBER 1976)

				Military estate benefits[1]				Medical care[5]				
Pay grade	Total compensation and benefits	Longevity step	Typical number of dependents	Retirement[2]	Percent expected to retire	Social security[3]	Other[4]	Current	Deferred	Commissary[6] and exchange	Total[7] benefits	RMC
O-10	$73,792	30	1	12,540	98.7	$817	$1,689	$852	0	$90	$15,987	$57,805
O-9	68,732	30	2	11,564	98.7	817	1,639	852	0	90	14,963	53,769
O-8	62,702	30	2	10,426	98.7	817	1,582	852	0	90	13,766	48,936
O-7	55,481	28	2	9,066	98.6	817	1,513	852	0	90	12,338	43,153
O-6	45,191	22	3	7,345	98.0	817	1,146	852	0	90	10,250	34,941
O-5	36,317	16	3	5,764	96.5	817	755	852	$158	90	8,436	27,881
O-4	29,518	10	3	4,587	85.9	817	438	852	158	90	6,941	22,577
O-3	24,911	4	3	3,820	62.6	716	309	852	158	90	5,945	18,966
O-2	19,006	2	2	2,751	33.0	516	232	852	158	90	4,599	14,407
O-1	15,441	<2	1	2,186	26.3	410	141	852	158	90	3,837	11,604
W-4	31,621	26	3	5,026	98.0	817	663	852	0	90	7,448	24,173
W-3	25,749	20	3	3,967	97.1	744	610	852	0	90	6,263	19,486
W-2	22,241	16	3	3,343	86.8	627	578	852	158	90	5,648	16,593
W-1	19,031	10	3	2,751	64.1	516	548	852	158	90	4,916	14,115
E-9	25,741	22	3	3,970	98.1	736	519	852	0	90	6,167	19,574
E-8	21,728	18	3	3,226	98.0	598	451	852	158	90	5,375	16,353
E-7	18,966	14	3	2,723	96.7	505	363	852	158	90	4,691	14,275
E-6	15,948	8	3	2,178	88.6	404	226	852	158	90	3,908	12,040
E-5	13,833	4	2	1,789	61.4	332	136	852	158	90	3,356	10,477
E-4	12,428	3	1	1,614	23.1	299	86	852	158	90	3,099	9,329
E-3	9,846	<2	0	1,388	15.2	257	92	188	158	90	2,173	7,673
E-2	9,438	<2	0	1,337	13.0	248	91	188	158	90	2,112	7,326
E-1	8,678	<2	0	1,200	12.7	222	88	188	158	90	1,946	6,732

[1] Military estate benefits. Composed of retirement, the Government's contribution to old-age and survivors insurance (social security), and "other." The "other" category includes the survivor benefit plan (SBP) dependency and indemnity compensation (DIC), and death gratuity.

[2] Retirement. Calculations are based on the current retirement system. The present value of the contingent future benefit is estimated using the aggregate age entry normal actuarial technique. It represents the amount that would have to be placed into an interest-bearing fund in order to cover the retired costs of those who ultimately do retire. Economic assumptions are discussed in a special note. These values represent 26.7 percent of enlisted basic pay and 26.4 percent of officer basic pay.

[3] Social Security. The Government contribution to old age and survivors insurance is based on the 1977 rate of 4.95 percent of basic pay up to $16,500. The remainder of the social security tax is for the medicare program.

[4] (a) Other includes: Survivor benefit plan. Estimated in same way as retirement. The values are 1.3 percent of basic pay for officers and 0.5 percent for enlisted personnel.

(b) DIC. Estimated cost of a 1-yr term insurance premium to provide the protection provided by this program. The program is funded by Veterans Administration.

(c) Death gratuity. The per capita cost of death gratuity is $4 and $7.50 per year for enlisted and officers, respectively.

[5] Medical care. Composed of current care while on active duty and estimated present value of contingent future benefit received after retirement. The estimate included in the comparison base is the lower end of a range of estimates of compensation value, represented by a health maintenance organizations (HMO) premium, based on the costs of providing health care to military beneficiaries. This recognizes that military personnel, particularly younger enlisted and officer personnel would not, given the choice, purchase the full level of benefit specified in the military health care system. The value above that level is included in the institutional benefit package representing the differences between military service and civilian employment.

Current benefit. 2 rates are used: $188 for single and $852 for married personnel.

Deferred benefit. This benefit is fully earned as a result of 20 yr of active military service. Care is provided from military facilities and CHAMPUS (or medicare after the retired member reaches the age of 65). The present value of the accrual, including the medicare coverage, on a per capita basis is $158 for those with less than 20 yr service. Those with over 20 yr of service earn no more present value.

[6] Commissary and exchange. Estimated per capita benefit value calculation based on the appropriated fund subsidy to commissaries and exchanges. Retired portion of costs calculated on a deferred accrual basis. This per capita estimate overstates the benefit value for bachelors and understates it for married personnel and for persons located where no commissary exists.

[7] Does not include any estimate for certain nonappropriated fund activities associated with moral and welfare activities (e.g., hobby shops, officer clubs, golf and sports facilities, etc.). The DOD estimated the value of these to be $367 per active duty member in fiscal year 1976. This has been excluded because of differential use of the facilities and differential distribution in the United States and overseas.

Note on Economic Assumptions: Estimating present values for the deferred benefits requires the projection of interest or discount rates, pay growth and inflation many decades into the future. These calculations were based on an interest rate of 6 percent, pay growth of 3- and 4-percent inflation, a set of assumptions used in the Board of Actuaries of the Civil Service Retirement System Fifty-Second Annual Report to estimate the cost of the civil service retirement benefit. Estimates of present value are highly sensitive to these assumptions. For example, the civil service retirement benefit is often quoted as being worth 7 percent of salary. That estimate is based on an interest rate of 5 percent with no pay growth or inflation. Under the assumptions used above, the same benefit net of employee contribution is worth 17 to 18 percent of salary.

Note: Excluded from the table are such military benefits as follows, along with their estimated fiscal year 1978 budgetary costs and annual value of benefit to those who receive them:

Flight pay—paid to 79,500 officers in fiscal year 1978 or 29 percent of the officer force; range—$1,200 to $2,940 annually. Special pay to doctors, dentists, and optometrists, and veterinarians: paid to 17,700 officers in fiscal year 1978 or 6 percent of the officer force; range—$1,200 to $3,000 annually. Variable incentive pay to medical doctors only—paid to 2 percent of the officer corps, 5,800 officers in fiscal year 1978; range—$9,000 to $13,000 annually. Enlistment and reenlistment bonuses to enlisted personnel—paid to 291,100 personnel, or 16 percent of the enlisted force in fiscal year 1978; range—$1,500 to $2,500 for enlistment bonuses and up to $15,000 for reenlistment bonuses. Reenlistment bonuses however, are generally provided for in equal annual installments over the reenlistment period with an average payment in fiscal year 1978 of $967.

TABLE 4.—COMPARISON OF ANNUAL MILITARY AND CIVILIAN COMPENSATION AND BENEFITS (OCTOBER, 1976 PAY SCALES)[1]

Military grade and title	Military advantage (+) or disadvantage (−)	Military compensation and benefits	Civilian compensation and benefits	Comparable civilian grade
O-10—General	−$17,484	$73,792	$56,308	Executive V.
O-9—Lieutenant general	+12,424	68,732	56,308	GS-18.
O-8—Major general	+6,394	62,702	56,308	GS-17.
O-7—Brigadier general	+2,219	55,481	53,262	GS-16.
O-6—Colonel	−284	45,191	45,475	GS-15.
O-5—Lieutenant colonel	+539	36,317	35,778	GS-14/GS-13.
O-4—Major	+1,840	29,518	27,678	GS-12.
O-3—Captain	+2,770	24,911	22,141	GS-11/GS-10.
O-2—1st lieutenant	+707	19,006	18,299	GS-9/GS-8.
O-1—2d lieutenant	−345	15,441	15,786	GS-7.
W-4/W-3—Chief warrant officer	+$10,386	$28,685	$18,299	GS-9/GS-8.
W-2/W-1—Chief warrant officer	+4,850	20,636	15,786	GS-7.
E-9—Sergeant major	+9,955	25,741	15,786	GS-7.
E-8/E-7—Master sergeant and sergeant 1st class.	+6,099	20,347	14,248	GS-6.
E-6/E-5—Staff sergeant and sergeant.	+2,067	14,890	12,823	GS-5.
E-4—Corporal	+1,246	12,428	11,182	GS-4.
E-3—Private 1st class	+132	9,846	9,714	GS-3.
E-2—Private	+1,040	9,438	8,408	GS-2.
E-1—Private	+1,375	8,678	7,253	GS-1.

[1] Where more than one military or civilian grade is shown, the amount for compensation and benefits is the average of the values shown on tables 2 and 3 for those grades.

COMPARISON OF FOOD CHAIN STORES AND COMMISSARY OPERATIONS 1975[1]

[In millions of dollars]

Item	Safeway Stores	Greater A. & P. Tea Co.	Winn-Dixie Stores	Typical store (composite-identical firms[2])
Sales	9,716.9	6,537.9	2,961.0	3.689
Cost of sales	−7,761.8	−5,260.8	−2,385.1	−2.912
Gross profit (margin)	1,955.1	1,277.1	575.1	.777
Operating and administrative expenses, excluding interest costs	−1,667.2	−1,311.7	−494.7	0−.755
Net operating profit (loss)	287.9	(34.6)	81.2	.022
Items of expenses included in cost of sales or operating and administrative expenses that commissaries do not pay for:				
Taxes	137.8	82.2	31.7	.110
Rents and royalties	141.4	98.8	48.2	.050
Depreciation and amortization costs	87.7	53.7	35.0	.025
Advertising	[3] 194.3	98.2	28.3	.044
Maintenance and repair	[4] 119.0	62.3	26.3	.003
Accounting adjustments			[5] 7.7	
Insurance	[6]	[6]		.004
Other services[7]	[6]	[6]		.076
Total costs commissaries do not have	680.2	395.2	177.2	.312
Sum of net operating profits plus costs commissaries do not have—estimated potential commissary margin	968.1	360.6	258.4	.334
Potential commissary margin as percent of sales	10	6	9	9

[1] Source of data for Safeway, A. & P. and Winn-Dixie are "10K" reports filed annually with the Securities and Exchange Commission, except where noted otherwise. See footnote 2.

This is a 1974–75 composite analysis prepared annually and published in "Operating Results of Food Chains 1974–75," compiled by Wendell Earl and Willard Hunt (New York State College of Agriculture and Life Sciences, Cornell University).

The data from this report are all aggregated data reported as a percentage of sales for 30 identical firms. The study says "This stable group of firms is one of the best indicators of industry trends available" (p. 4). This data has been used for col. 4.

[3] Estimated at 2 percent of sales. According to Rom J. Marken, "The Supermarket" (1968: Washington State University), p. 93, the average amount spent on promotional activity by all supermarkets in the United States is 2.5 percent of sales. In recent years this percentage appears to have declined.

[4] Estimated at 10 percent of Safeway's plant and equipment value.

[5] Switch to "Last-In-First-Out" (LIFO) accounting made a paper reduction of $7,700,000 in 1975 earnings according to the "10K" Report.

[6] Not available.

[7] Includes: Transportation operations, travel, general administration and accounting and office services.

DISCUSSION

The above data clearly shows that *even without any subsidy,* the "profit margin" that should be achievable by commissary stores is at least 9 percent. This margin is the price savings that should be passed on to the customers. A&P is considered to be less representative for the 1975 year since it showed a net loss and was attempting to close stores to effect savings and turn the corner on profitability in 1976.

The 9 percent figure is considered to be a conservative estimate since the public information does not identify other cost advantages enjoyed by commissaries over food chains as follows:

Commissaries are not subject to certain minimum pricing agreement (e.g. milk and dairy products) and can buy these at lower prices than food chains. It is estimated this could save as much as 3 percent of the cost of goods sold.

Salaries for commissary personnel are subject to legal ceilings. Many private company officials' salaries exceed these maximums considerably. For example, executive pay levels for the three firms were as follows in 1975:

Firm	Annual salary of chief executive	Average annual salary of all officers and directors	Total number of officers and directors	Total salaries of all officers and directors
Safeway	$179,904	$73,807	59	$4,354,654
A. & P	160,416	51,396	21	1,079,319
Winn-Dixie	272,000	106,105	26	2,758,750

Source: Forbes magazine, annual directory issue, May 15, 1975.

It should be recognized that Federal salaries are limited by law to $47,500 per year.

The limited nature of the 10K Securities and Exchange Commission report made it impossible to determine that all costs that commissaries do not have had actually been identified. These could amount to several per cent of the cost of sales and operating and administrative expenses.

CONCLUSION

If commissaries are managed efficiently, price savings of about 12 percent, and perhaps even more, should be achievable based on analysis of three large food chain stores.

There is absolutely no reason why elimination of the subsidy should cause commissaries to close if they are managed efficiently. A three year phaseout of the subsidy gives plenty of time to improve management.

Prepared July 8, 1977, Senate Appropriations Committee.

Mr. STEVENS. I yield 5 minutes to the Senator from Utah (Mr. HATCH) on my time.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a unanimous-consent request?

The PRESIDING OFFICER. The Chair will advise the Senate that the question recurs on the amendment of the Senator from Alaska, amendment No. 499.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Christopher Lehman of my staff be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I am anxious to support the amendment to H.R. 7933——

Mr. STENNIS. Mr. President, we are moving along. May I ask for quiet so the Senator can be heard?

The PRESIDING OFFICER. Will the Senate be in order?

The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I am anxious to support the amendment to H.R. 7933 offered by my distinguished colleague from Alaska, Senator STEVENS, which deletes phaseout of the commissary subsidy over a 3-year period for the following reasons.

Reduction in appropriated funding for military commissaries will increase costs to active, reserve, and retired military personnel who patronize the commissary. Such an action is equivalent to a pay cut. With the recommended increase of 10 percent in commissary prices, this would effectively mean a 3-point-5-percent to 4-percent decrease in the soldier's real income.

I am concerned that section 814 of the bill, as it now stands, will cause a tremendous morale problem in the Active and Reserve Forces. When one considers that it is the lower pay grades that will be affected the most, I think it is im-

portant to note that that would cause morale problems. Some important facts should be noted: 31 percent of the enlisted men with less than 1 year of service are married and 50 percent of the officers with less than 2 years of service are married. These are the men who depend upon the commissary privileges to stay above water financially, particularly the junior enlisted families of which more than 60,000 are now eligible for Federal food stamps because of the low pay scale.

The bill, as now constituted, would mean the Government is changing past promises and commitments made as recruitment incentives. An Air Force triannual survey of attitudes shows that 31 percent of enlisted men and 35 percent of the officers say commissary and exchange privileges were influential in their career decisions. Further, we have the plight of the retired reservist who was promised the commissary benefits at age 60. This was one of the reasons that he stayed in the Reserves. Think also of the havoc that this would raise with our retired career military people. To many of them, this would appear as a breach of contract.

The present bill will seriously undercut recruitment and could be an important factor in leading to manpower shortages in later years. A study by the General Accounting Office shows that 13 percent of enlistments were greatly affected by the promise of commissary benefits.

Mr. President, the Senate will recall that House and Senate conferees discussed the commissary issue at great length last year and agreed to provide the full subsidy. Congress observed that economies could be realized by improving the efficiency of commissary operation, thereby achieving savings which will lead to a gradual reduction of the commissary subsidy, while still providing substantial savings to commissary patrons.

The conferees directed the Secretary of Defense to institute management improvements and operational efficiencies for the purpose of reducing commissary subsidies.

It appears that positive steps are being taken to accomplish that goal. I believe it would be premature for Congress to now dictate a three-year phaseout without the benefit of complete analysis and review of the steps which have already been taken by the Secretary of Defense in an effort to improve operations and thereby reduce the subsidy. Furthermore, I believe it would be precipitous to reduce the commissary benefit prior to the report of the President's blue ribbon panel on military compensation which is now considering the total compensation package.

I might add that generally I am the last person to want to keep spending programs alive and spending programs in bills.

But as I see it, in order to have a strong military, live up to the commitments we have made to the men who have given service in the military, keep the active participation of our public in becoming members of the military, and live up to the obligations the United States has undertaken, I think we should live up to this obligation at this time. Therefore, I wholeheartedly support the amendment of my colleague and recommend that all of my colleagues do so likewise. I think it is worthwhole. I think we should do it.

Mr. THURMOND. Mr. President, I support the amendment which deletes phaseout of the commissary subsidy over a 3-year period for the following reasons:

First. Reduction in appropriated funding for military commissaries will increase cost to active, reserve, and retired military personnel who patronize the commissary. It will be equivalent to a pay cut.

Second. The amendment will cause a tremendous morale problem in the active force.

Third. The amendment would mean the Government is changing past promises and commitments made as recruitment incentives.

Fourth. The amendment will add fuel to the discontent among the ranks, thus maintaining the pressure for unionism.

Fifth. The amendment will seriously undercut recruitment and could be an important factor leading to manpower shortages.

Mr. President, as you will recall, House and Senate conferees discussed the commissary issue at great length last year and agreed to provide the full subsidy. They further agreed that economies could be realized by improving efficiencies of commissary operations, thereby achieving savings leading toward gradual reduction of the commissary subsidy while retaining substantially the level of savings experienced by commissary patrons.

The conferees directed the Secretary of Defense to institute management improvements and operational efficiencies for the purpose of reducing commissary subsidies.

Preliminary indications are that positive steps have been taken toward that end. I believe it would be premature for the Congress to now dictate a 3-year phaseout without the benefit of complete analysis and review of the steps which have already been taken by the Secretary of Defense to reduce the subsidy. Furthermore, I believe it would be precipitous to reduce the commissary benefit prior to the outcome of the President's Blue Ribbon Panel on military compensation and without considering its impact in the context of the total compensation system.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, will the Senator yield me time?

Mr. STENNIS. Mr. President, I believe my time is about exhausted.

Mr. STEVENS. Mr. President, what is the time situation?

Mr. STENNIS. Mr. President, what time do I have remaining?

Mr. STEVENS. In the spirit of fairness I am happy to yield a couple of my time.

The PRESIDING OFFICER. The Chair advises the Senator from Alaska has 5 minutes and the Senate from Mississippi has 3 minutes remaining, and then both have an agreement for 5 additional minutes each prior to the vote.

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from Iowa at this point.

Mr. STEVENS. Mr. President, I yield 2 minutes of my remaining time to the Senator from Iowa.

Mr. STENNIS. So we can consider the matter of the amendment.

Mr. CULVER. I thank the distinguished chairman for yielding, and I simply wanted to alert the proponent of the amendment that I would have, upon completion of his time on this amendment, an amendment to his amendment. I simply wanted to have the opportunity to notice that intent so that we do not move to a vote without consideration of that amendment.

Mr. STEVENS. Might I ask my friend a question? Because of the situation we are going to postpone the rollcall votes which might lead to a little complication. Does he intend to offer his amendment at the end of this period or the end of the extended period? We reserved 5 minutes to each side when the voting starts.

Mr. CULVER. My intent would be to offer at the end of this period and obtain the additional time for its consideration.

Mr. STEVENS. I ask that because we want to stack the vote on the Senator's amendment also.

Mr. President, I shall ask that it be in order for the Senator from Iowa to offer his amendment at this time.

Mr. CULVER. With the understanding that we have a half hour time for debate on it for both sides.

Mr. STEVENS. I think there are 20 minutes on an amendment.

Mr. CULVER. I think it is a half hour.

The PRESIDING OFFICER. Time for amendments are 30 minutes equally divided.

Mr. STEVENS. Yes.

Mr. HATCH. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STEVENS. I yield.

Mr. HATCH. Mr. President, I ask unanimous consent that John Haddow, of my staff, be accorded the privilege of the floor during the pendency of this bill and the vote thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, if the Senator is prepared to offer his amendment, and if it is agreeable to the Senator from Mississippi, I suggest we take up his amendment at this time and add on the time that the Senator has coming and that which we have coming on his amendment and continue so we get all these votes in the right sequence.

Does the Senator have any objection to postponing the vote on his amendment until after the discussion of our other two amendments as we previously agreed? That would mean the rollcall would start sometime after 11:30 a.m.

Mr. CULVER. I think it would be appropriate to reserve 5 minutes for both sides on that as well because if my amendment were to prevail it would change the Senator's amendment.

Mr. STEVENS. That is agreeable.

We would have a quorum call and then 5 minutes on each side, and the Senator's amendment would be the first vote when the voting starts.

Mr. CULVER. The only other consideration in that regard would be that in the event my amendment were to prevail it may make moot the Senator's amendment in a significant way and he may wish to have an opportunity to correct that deficiency on that occasion.

I do not know if he has time to do that.

Mr. STEVENS. As I understand it, the bill would still be open to amendment, I say to my friend.

Mr. CULVER. I am trying to protect the Senator's interest.

Mr. STEVENS. I appreciate the Senator's concern.

Mr. President, I ask unanimous consent that it be in order for the Senator from Iowa to offer his amendment at this time and the time remaining for the Senator from Mississippi and the Senator from Alaska be continued and not be yielded back.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 681

Mr. CULVER. Mr. President, I have an unprinted amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CULVER) proposes unprinted amendment No. 681.

Strike lines 9 and 10 from the amendment No. 499 by Mr. STEVENS.

Mr. CULVER. Mr. President, this amendment would simply strike out the section of the amendment of the Senator from Alaska, reducing the $300 million earmarked in the appropriations bill for the combat readiness issue in our forces.

The Senator from Alaska would have us reduce that $300 million figure by $100 million in order to have the available money to fund the increase for the commissary subsidy that had been deleted by the committee.

Mr. President, I think that this amendment, as proposed by the Senator from Alaska, is a classic example of dangerously misplaced priorities in terms of our national defense effort. The real issue posed here is, who is for a strong defense?

Who is for a strong defense? At the present time, we have a commissary system that is based on a 19th century need to have these outposts to supply our troops in remote areas, and we have a commissary system that was initially established to compensate our military personnel properly at a time of inferior pay scales.

What has changed since then? First of all, on the commissary issue, what has changed is that we have seen a proliferation of commissaries all over America and all over the world. We have six of them in D.C.

When you go into one of these commissaries, what do you find? You find that, on the average, purchases are 23 percent—23 percent—cheaper than across the street at the supermarket. Twenty-three percent cheaper.

Why should we look at that? Mr. President, we should look at it, I think, because we have a situation where, since 1968, we have seen dramatic increases in military pay to our service personnel. I have voted for every one of them, so that we could approach comparability. But in achieving comparability, we have not accompanied that by a rational, appropriate reduction in some of the fringe benefits that were only justified at a time when pay scales were not comparable or appropriate.

What does the committee recommendation do? The committee recommendation does not eliminate any commissaries. All it says is that at a time when these commissaries are operating at U.S. Government expense, with no sales taxes, free real estate, free overhead, at a time of pay comparability, at a cost of $300 million a year just to the personnel working as clerks, we should no longer subsidize that particular aspect of the commissary operations. This is appropriate action because we have pay comparability.

This has been recommended by the Department of Defense for the past 2 years.

What happens if we eliminate that $300 million unjustified subsidy? What happens then? Do any commissaries close? No. Is there a reduction in any commissary services? No. The only thing that happens is that we put that small element of our total operation on a pay-as-you-go basis, so that the users pay for clerk-hire instead of making all taxpayers foot the bill.

What happens to the military personnel that avail themselves of this service? Well, simply, instead of a 23 percent savings, when we phase out the entire subsidy over the 3-year period recommended here, we get a situation by that time that it is still 13 percent cheaper than your constituent and mine, who are on comparability with that military person, have to pay for the same items in your hometown and my hometown.

Mr. President, why is this a problem? Why is this a problem from the defense posture of this Nation?

Mr. President, it is a problem because today we have two great threats—two great threats—to our defense budget. One is the fact that manpower costs represent 60 cents of every dollar that we apply to defense.

What about the Russians? They do not pay 60 cents out of every dollar for manpower costs. No; they pay a fraction of that, about 20 percent.

What does that mean? It means that when we talk about cutting the budget, and when we talk about fiscal restraint on the budget, it means that we start cutting it right away, with fixed costs at 60 percent of the budget for manpower, into the bone and the muscle of our defense program, because we have to cut into weapons and into other essential elements of our national defense posture in order to achieve that fiscal restraint.

Therefore, when we have properly, I think, and generously increased the salaries of military personnel to a point of comparability, certainly it is the height of irresponsibility to continue a subsidy at a time when we must restrain in our manpower costs.

Mr. President, what is the other big problem we have in our national defense?

In addition to manpower costs, the other special problem we face, in my judgment, is readiness—the lack of readiness.

We talk all the time about whether we are achieving or hurting our defense. We talk about what the Russians are doing. Are the Russians coming?

Let me say this: Last December I went to 12 bases—Air Force, Army, Navy, and Marine Corps—in the continental United States. We made a study, with members of the Senate Armed Services Committee staff, of the issue of readiness.

What did we find? I will tell you what we found, and it ought to scare the life out of you if you are interested in a strong defense.

People come in here and say they are for subsidizing commissaries, and somehow that is supposed to help achieve a strong defense.

What we found is that one-half—one-half—of America's military ships are not combat-ready on any given day. One-half of what all these taxpayers have paid all this money for, all these ships—I do not want to shock you too much, but one-half of them will probably not be available for combat on any given day if the balloon goes up with the Russians.

Do you know what else we found? One-half of our airplanes, our combat aircraft, on any given day, are not operationally ready to fly. Can you believe it?

This is not a figment of my imagination. This is documented, chapter and verse, by the Pentagon, by the commanders in the field, by a recent GAO study on the Army. In that instance, the GAO visited a base which I also inspected. And despite a similar investigation and critical report 5 years ago, GAO concluded:

It is still doubtful that strategic Army forces could deploy quickly and in a fully combat ready condition.

Much of the forces' combat essential equipment was not kept up, although it was reported to be. As a result, a considerable amount of maintenance would be required in a deployment to make it combat ready.

The problems had not yet been adequately corrected.

The Pentagon's own figures confirm my findings and give additional reasons for concern.

Some of the more sophisticated aircraft in our inventory, like the F–14, are operational only 30 percent of the time.

We have antisubmarine aircraft in the Navy—brace yourself—which are operational 10 percent of the time. We do not have the spare parts and other equipment. We do not have the operation and maintenance funds.

If we do not have spare parts, do you know what happens then? Cannibalization. I have talked with the men who work on those planes, on the line. Do you know what they have to do to make them fly? They have to open up one plane, take a part out of it, open up another plane—spend all those manhours—

and put that part in the other plane, while we send all those parts to the Shah and our own people do not have them.

What happens then? Other than the fact that they have all that down-time, other than the fact that they are not operationally ready, other than the fact that they cannot train adequately, what else happens?

Their morale goes down. The morale of those men goes down. They will not reenlist. They develop technical skills. Some contractor comes by, knocks on the door and says, "How much are you getting paid, kid, for being frustrated here on the line? How would you like to go to Iran and work for us, getting three times as much, doing the same thing, with the single exception that you will have parts to do it with?"

Every time in this defense budget we go fund some exotic, long-term, sophisticated weapons system we turn right around, cut the guts out of operation and maintenance and readiness funds, so that somtime, somewhere, in the year 2000-plus we might be ready on paper to fight a war. Everybody says we have to be tough to the Russians, so we come in and say, "We are going to give you toothpaste. Never mind that we cannot stop the submarine threat. We want a kid who can go to the ship's stores and go to Davy Jones' locker fat, dumb and happy."

That is the tradeoff being made right here.

Since I have previously studied this issue of receivers and reported to the Senate Armed Services Committee, and since I also recommended specific readiness improvements to the Appropriations Committee, I am particularly pleased that the committee has created this special fund.

Mr. President, this amendment gives the Senate a clear choice: we can save each commissary user a few cents or we can improve the sorry state of our combat forces.

Frankly, I think that if any serviceman were asked whether he wanted to pay a few pennies more for bread or milk or instead wanted to be sure that his rifle fired accurately and his plane was flyable, I believe he would agree with the Appropriations Committee.

If we want to send a signal to the Russians of our determination to resist aggression, the best way is by improving readiness—and not by pouring money into unnecessary exotic weapons systems or into a costly subsidy for the clerk-hire in military commissaries.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CULVER. I have 30 minutes on the amendment.

The PRESIDING OFFICER. The Chair would remind——

Mr. STEVENS. It is my understanding that 5 minutes have been reserved to a later period so the time has expired; is that correct?

The PRESIDING OFFICER. The agreement is that there was 30 minutes to be equally divided.

Mr. CULVER. I thought there was an hour equally divided.

The PRESIDING OFFICER. Thirty minutes equally divided with 5 minutes to be reserved for final debate prior to the vote.

Mr. EAGLETON. Mr. President, I ask unanimous consent that an additional 20 minutes be equally divided and allocated on this matter.

Mr. STEVENS. I object. In the first place, he is not arguing about his amendment.

Mr. EAGLETON. He most certainly is.

Mr. STEVENS. Absolutely not. Let me take my 10 minutes. If the Senator wants to get additional time later, that is something else. We are going to finish this bill by 6:30 tonight and in my functions on this side I have to have a limitation somewhere. I have cut down my amendments from an original hour to 30 minutes in order to accommodate the managers of the bill and the managers of the Senate. If the Senator is going to have an hour on an amendment to my amendment that I cut down to 30 minutes in order to accommodate the Senate, I will object.

Mr. CULVER. Will the Senator yield? It was the Senator's understanding that I had a half hour to a side. I can assure the Senator that the 20 minutes can be amply utilized in addressing as specifically as the Senator cares to hear it——

Mr. STEVENS. I will not yield further. We have agreed to a time limit on these amendments and amendments to the amendments. I will address the amendment. I will address my amendment later.

Right now, this amendment is the amendment to delete that portion of my amendment which is consistent with the provisions of this bill as it was before our committee. Our committee decided that no amendment to restore funds would be considered unless the person who offered the amendment found another place in the bill to cut. It so happens that the readiness fund which is in this bill was dreamed up in this committee. It was not a budget request. It was not in the House bill. There was no hearing on it. It is a $300 million blank check to the Secretary of Defense to meet readiness requirements.

My friend says that this is going to affect the readiness. We have $34.5 billion in this bill—$34.5 billion—for operation and maintenance for the Department of Defense, $2.5 billion more than last year. He wants to compare that to the duty I had to find some place to cut the bill in order to make it possible to restore the money, not to increase the money. I am not increasing any money for funding commissaries. It is to restore the money for commissaries.

Just yesterday we voted on whether or not we are going to subsidize those who park around the Capitol. I assume the people who want to cut out the subsidy for commissaries clerk-hire, that is, the people who work in the commissaries, are going to face up to the question of whether we are going to ask the military people to pay for their parking spaces, whether we are going to ask the military people to pay for those who are hired to run the recreation camps, whether we are going to ask them to pay for those people who run the gas stations on the military bases.

I will tell you, Mr. President, the issue here is not readiness. That readiness fund is the source of a cut that we have to make in order to go to conference. If the House conferees want the $300 million in readiness funds, which I doubt, I seriously doubt they are going to give the Secretary of Defense a blank check for $300 million—if they do, we can absorb the $100 million somewhere in this budget, which has no much money for the military.

Mr. President, Alaskans believe a promise made is a debt unpaid. We made a promise to those people when they entered the military that they would have commissary privileges as they were known at the time. The retired people relied upon that. That promise would be broken by those who do away with the commissary privilege.

We are having difficulty now getting people to enlist in the military services, and even greater difficulty in getting them to stay. Yet annually someone comes in here and says, "Let us remove one of these privileges, one of these subsidies."

Is it a subsidy to give them parking on base? Is it a subsidy to have people run the gas stations? Is it a subsidy to have people there 24 hours a day, or whatever it takes, to have a commissary in some of these places? So there are three or four commissaries here. How many retired people are there in the District of Columbia, in the Washington area? How many people relied upon the fact that commissaries would be there and served their time in the military? This is a question of keeping a promise.

On the Senator's amendment to delete the readiness fund, so far as I am concerned, if the Senator from Mississippi believes in the readiness fund so much that that amendment which deletes $100 million from its offends him, I will take it out and carry the burden of the increase in the budget.

It was a rule of the committee that we had to cut somewhere to get any money restored.

I only selected that because it is an unbudgeted item. So far as I know, the Secretary of Defense does not want it, at least to my knowledge he has never asked me for it.

I yield to the Senator from Mississippi as to whether or not the Secretary of Defense asked for it. To my knowledge, he did not.

Beyond that, it is just an item, as the Senator knows, to carry it into conference and maintain the budget level as set by the Senate Budget Committee.

I have no love lost one way or the other for the blank check for readiness. To me, that $300 million is nothing compared to the $34.5 billion for operation and maintenance. We also have $25 billion in here for procurement. But the Senator wants to shift over a 10-year period $4 billion in cost to the very needy people of the military service, the retired people and the lower paid military people, both enlisted and officers, who use the commissaries. The study indicates, if the Senator wants to look at it, the people who use the commissary are the people who need the commissary. If it does not make any difference to the

Senator, he can go downtown and shop at the Safeway if he wants to. We have the figures, which I will give during the summation, as to the number of people who are in the military with families who are today shopping at the commissaries with food stamps.

Do not talk to me about savings. Over 10 years, we shall have $4 billion, but it will be at the cost of those people who cannot afford it and they will leave that military service.

Mr. CULVER. Will the Senator yield?

Mr. STEVENS. I did not interrupt the Senator from Iowa and I do not want to be interrupted now.

Mr. CULVER. The Senator did not ask me to yield.

Mr. STEVENS. I did not interrupt him, and I am not going to yield.

I say to the Senator from Mississippi, out of my great respect for him, if he wants this readiness feature, I shall delete it myself, but I am not going to have it on the basis that somehow or other, we are going to waive readiness on one side against the commissary privileges that we have promised to people of the military. They came in the service; they stayed through military retirement; those commissary privileges must be there.

That is putting an apple on one scale and an orange on another scale and saying we are happy. I am trying to balance out the equities of those promises that were made to the people in the military service against the total military budget. I am not balancing readiness against this restoration. The Department of Defense wants this. They requested that full funding for commissaries this year. They have a blue ribbon panel making a study of all of the costs and all of the benefits today.

Mr. EAGLETON. Will the Senator yield?

Mr. STEVENS. They have not reported back.

Mr. EAGLETON. The Department of Defense, for the past 2 years, has supported the phaseout of commissaries.

Mr. STEVENS. They may have done it in the past, but this year they took a lesson from the fact that, 2 years in a row, Congress rejected a phaseout. This year they say they have a blue-ribbon panel studying military compensation. The Department of Defense requested deletion of the Senate modification to section 814, which would phase out the commissary study. This is their position, as presented to our committee.

Mr. EAGLETON. For 2 years they have been trying to phase this out. We in Congress have not been sufficiently responsive.

Mr. STEVENS. I might say this could be one of the more enlightened positions of the new administration.

I find myself in a very admirable position, supporting the new administration in the Department of Defense. I think we ought to listen to them. At least, Congress told the Department of Defense, 2 years in a row, not to do this. I think that was a message.

I am sure the Senator knows that the House is not going to go along with this reduction should my amendment fail.

Mr. EAGLETON. I hope the Senator will listen to the administration on his blue-collar amendment. We can stipulate on that, since he is supporting their position.

Mr. STEVENS. That is one of those great positions. I am happy to know they are in support of this position.

Again, with all due deference to my good friend from Mississippi, who does so much work on the floor of the Senate, I ask the Senator from Mississippi if he wants this amendment, this $100 million, restored to the readiness fund. If he does, I shall agree to the amendment that is offered by the Senator from Iowa. If he does not, or if he does not care one way or the other, I am going to oppose the amendment of the Senator from Iowa.

Mr. STENNIS. I respond that the Senator from Mississippi was hoping to be heard briefly on the entire problem. But the amendment is pending. I do not have any time on that. I shall have to make a background statement when I speak.

Mr. STEVENS. I am more than willing to yield the time I have remaining to the Senator from Mississippi. If he wishes that amendment agreed to, again I say, I shall agree to it and carry the burden of the increased cost of my commissary amendment.

Mr. STENNIS. Again, I think we shall have to go into it fully. When I get some time, I shall outline the picture as I see it.

Mr. STEVENS. What is the time remaining?

The PRESIDING OFFICER. The initial 10 minutes of the Senator from Alaska have just expired.

Mr. YOUNG. Will the Senator yield to me?

Mr. STENNIS. Mr. President, without anyone being at fault, there is a little mixup on this matter. I yield to the Senator from North Dakota, the ranking minority member of our subcommittee, 5 minutes on the bill if he wants to use it now.

Mr. YOUNG. Mr. President, undoubtedly, there is greater need for these commissaries in some places than others in the United States and around the world. Alaska is one place where they are badly needed. But a lot of inequities have crept into the use of commissaries. We have, in Washington, a great many retired military personnel, who retired at 38–40 years of age, and have another job at, say, $30,000 or $40,000 a year now and are eligible for sizable retirement pensions. They are eligible for this cheaper food. I think there is an inequity, not only in the military personnel, but with other people.

Some of these commissaries, I believe, should be kept just as they are. But I think it is a subject that deserves more study. I would like to see the bill go to conference with the $100 million and a 3-year phase-out, to be considered in conference with the House. At that conference, something might be done to, stop some of these inequities.

So far as active military personnel are concerned, they need them. I hope they keep them. But we are spreading these around the world far more than is necessary.

Mr. STENNIS. I thank the Senator.

Mr. President, what is the situation, if I may inquire now, with reference to time on the Culver amendment to the amendment?

The PRESIDING OFFICER. The Chair advises the Senator from Mississippi that all time has expired on the amendment, except that 5 minutes remain on each side prior to the vote.

Mr. STENNIS. Good.

Mr. STEVENS. Mr. President, at this time I call up my amendment 501.

Mr. CULVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I ask unanimous consent that the time remaining for the Senator from Mississippi and the time remaining for the Senator from Alaska be added on to the time to be taken up on a previous amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair advises that there are 4 minutes remaining for the Senator from Alaska, 3 minutes for the Senator from Mississippi. The unanimous-consent agreement added that to the final time.

Mr. STEVENS. I ask unanimous consent that the time be equal when we reconsider amendment 499, so it gives him 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 501

Mr. STEVENS. At this time, I call up my amendment No. 501.

Mr. STENNIS. Mr. President, I think that is the next thing in order.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes amendment No. 501.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 55, strike out line 1 and all that follows through line 24, and redesignate the following sections accordingly.

The PRESIDING OFFICER. The Chair advises the Senators that there are 10 minutes to a side on this amendment.

Mr. EAGLETON. May I ask, did the Chair say there are 10 minutes to a side?

The PRESIDING OFFICER. At this time. Then, of course, there will be an additional 5 minutes.

Mr. EAGLETON. On the earlier vote, there will be 5 minutes to a side on the Culver amendment.

Mr. STEVENS. He still has 5 minutes coming on his amendment to my amendment, and I have 5 minutes.

Mr. EAGLETON. Then we have 5 minutes and——

Mr. STEVENS. The agreement is that there are 5 minutes on each side before

any vote occurs on these three amendments.

Mr. DURKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DURKIN. What amendment are we discussing?

The PRESIDING OFFICER. The Senator from Alaska has just called up amendment 501, which the clerk just read.

The Senator from Alaska is recognized.

Mr. STEVENS. Let me temporarily recall that. I had forgotten that the Senator from New Hampshire wished to participate in discussion on amendment 500. Let me call up amendment 500.

I withdraw amendment 501 temporarily.

The PRESIDING OFFICER. The amendment is laid aside.

AMENDMENT NO. 500

The PRESIDING OFFICER. The clerk will report amendment No. 500.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes amendment No. 500.

Mr. STEVENS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 58, strike out line 14 and all that follows through line 4 on page 59, and redesignate the following sections accordingly.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senator from Alabama (Mr. ALLEN) and the Senator from New Hampshire (Mr. DURKIN) be added as cosponsors to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I thank the Senator from Mississippi and I thank the Chair.

Mr. President, the amendment I have offered would delete the provision limiting Wage Board entrance salaries and ingrade step increases of Wage Board employees. This limitation was in the House bill as reported from the House Appropriations Committee, but was deleted on the House floor. The Senate Appropriations Committee never discussed this amendment. In fact, a less restrictive amendment, which would have limited Wage Board salary increases to 3 percent a year was defeated in subcommittee at my request.

The Senate report is silent on the reasons for including this restriction. The House report, however, stated:

The Committee cannot, through the Appropriations process, fully address the complex problems involved in wage board reform.

I agree that we cannot solve this complex matter by adding one paragraph of legislative language to the defense appropriations bill. Moreover, as a member of the Governmental Affairs Committee, which was jurisdiction in this area, I can assure my colleagues that the committee will be reviewing the entire situation during the next session of Congress. Additionally, the Post Office and Civil Service Committee in the House has already begun hearings on Wage Board reform.

Let me briefly outline the reasons this limitation should be removed from the Department of Defense appropriations bill:

This provision would deny funds appropriated under this act to pay the full salary for certain blue-collar Federal workers who are not provided for under existing law. It would apply only to those blue-collar workers who happen to be working for the Defense Department; Federal workers under the jurisdiction of all other departments would receive the full salary as now provided by law.

Those supporting the legislative provision now contained in this appropriations bill might point out that the language only restricts the use of funds to pay 100 percent of the local prevailing wage, and so we are just insuring Federal comparability with local rates. The problem with this argument is that local prevailing rates are based on averages.

Obviously, in private industry, some will be paid more than the average rate, and some will be paid less—depending on the experience of the individual and his skill level. The provision contained in this bill would insure that the Department of Defense would have available to it only the labor pool of the average low-skill workers. Experienced, highly qualified blue-collar workers will most certainly leave the Federal service to seek the better paying jobs which will be available in the private sector.

Another inequity that this provision would impose is that it limits a defense employee to a local wage that may be far, far below the wage that prevails in the particular industry—such as the aircraft industry. Our concern is this area should not be in meeting the local average wage as in being competitive with wages that prevail in any given industry. That is what the Monroney amendment recognized and provided for, and that is what this language would vitiate. It would return us to a situation in which the Government cannot retain highly skilled workers because those workers can find and will move toward positions in the private sector where they can command better wages.

For those workers who would remain with the Defense Department there would be absolutely no incentive to perform the job efficiently or effectively since they could not advance beyond the capricious and arbitrary limit that section 852 would impose.

Finally, Mr. President, for those blue-collar workers who are now making more than the average local rate, they would be denied any salary increase whatsoever until such time as the average local rate exceeded their current salary. For some long-term Federal employees, it might be 5 years or more that they would be forced to go without a pay increase if we allow this language to remain in the bill.

Let me repeat, Mr. President, the Defense Appropriations Subcommittee defeated an amendment which would have restricted Wage Board employees to a 3-percent annual salary increase. This limitation is more restrictive and more onerous and, therefore, I would hope that the Senate will accept my amendment to delete section 852 from the bill.

Mr. President, I will go into this matter in greater detail later.

I ask the Senator from New Hampshire how much time he would like to have.

Mr. DURKIN. Two minutes.

Mr. STEVENS. I yield to the Senator from New Hampshire 2 minutes at this time.

Mr. DURKIN. Mr. President, I thank the Senator.

Mr. President, I rise in support of this important amendment which I am cosponsoring with my friend and colleague from Alaska (Mr. STEVENS). The Wage Board salary provision in the Department of Defense appropriation bill is both unfounded and unwarranted, and will have a discriminatory impact on blue-collar Federal workers. In my own State of New Hampshire, we have the Portsmouth Naval Shipyard and the blue-collar workers at the shipyard do excellent work, particularly in the area of overhaul and conversion of nuclear submarines. Our amendment will delete this discriminatory provision from the appropriation bill, and allow the full salary levels to be provided the hard-working blue-collar Federal employees at PNSY and across the Nation.

Section 852 of the reported bill has the effect of placing severe limitations on the pay of blue-collar employees in the Department of Defense. This provision will create unjust and unreasonable conditions for the hourly-paid employees of the Department of Defense. Further, section 852 will create limitations on defense employees that do not apply to similar employees who work in other agencies. It will allow a person of similar skills to be paid more than an individual working for the Department of Defense. In this way, the provision will not allow for like workers to receive like pay.

It is the blue-collar workers who are most hurt by inflation and have the most difficulty as far as their wage situation is concerned. The step increases in wages are the only means by which many persons in the blue-collar establishment can get promotions. Yet, section 852 of the appropriation bill severely limits these step increases, creating an additional burden for this financially hard-pressed group of workers.

By placing a limitation on the step increase in wages, the end result will be that a Federal installation will employ and train a skilled person, and that person will later move to take the same type of job in another area. The Federal Government will not be able to retain these highly skilled workers, because these workers will be able to find other jobs which can offer better wages and benefits. In this way, the Government will lose all its investment in the training of that person.

The blue-collar workers at the Portsmouth Naval Shipyard have already been forced to suffer economically due to the arbitrary civilian manpower ceilings. The shipyard has a sufficient amount of overhaul and repair work to employ additional blue-collar workers,

but for the civilian manpower ceilings. Like many of the defense industrial and commercial activities, the Portsmouth Naval Shipyard has the capacity and ability to handle more work if not for the limitation on industrially funded civilian manpower in the Department of Defense manpower ceilings. As I argued during the debate on the military construction appropriation bill, the imposition of the end-strength ceilings has resulted not only in decreased efficiency of operation but also in a severe economic hardship for workers who may be dismissed periodically in order to meet the ceilings. We should not place an even greater burden on Federal blue-collar workers through limiting wage board salary increases.

Finally, let me add that this is a complex topic which will affect the lives of many of the workers of the Nation. Such an important subject should not be considered as part of this appropriation bill.

I urge my colleagues to join me in supporting this amendment.

I thank the Senator from Alaska.

Mr. STEVENS. I am happy to have the Senator as a cosponsor.

How much time does the Senator from Maine need?

Mr. HATHAWAY. Two minutes.

Mr. STEVENS. I yield to the Senator.

Mr. HATHAWAY. Mr. President, I rise in support of the pending amendment offered by the Senator from Alaska (Mr. STEVENS). This amendment would strike from the bill language contained in section 852 which would prevent the pay of any wage board employee from exceeding the prevailing local wage rate in the area in which he works.

At first glance this language might seem desirable to some as fostering cost-cutting. But, in fact, the committee language is discriminatory and would result in an inequitable treatment of a great number of Department of Defense blue-collar workers.

Since the measure before us today can only affect the utilization and disbursement of funds available to the Department of Defense and its subsidiary departments, adoption of the committee language would have the discriminatory result of allowing blue-collar workers in all civilian departments to continue to benefit from the procedures and policies contained in title 5 of the United States Code, while prohibiting their colleagues employed by the Defense Departmentment from enjoying equal treatment.

At the same time I am most concerned that the committee language would in reality raise personnel costs of DoD over the long run and in fact achieve exactly the opposite of the result the committee purportedly intends.

The structure of title 5 of the United States Code has the past several years allowed specified employees performing certain highly skilled jobs to be paid somewhat more than the prevailing wage rate for their area This results from the language of the Monroney amendment adopted a number of years ago which endorses such payment if the specified employees possess such skills and talents as to make a local wage rate inapplicable or inappropriate.

In such situations, the employee must instead be paid a wage equivalent, and I stress the word equivalent, to that paid to comparable workers with comparable skills in the private sector in other parts of the country.

Let me cite an example to demonstrate the workings of the Monroney amendment and the impact which the committee language would have.

For example, certain employees charged with the responsibility of maintaining and overhauling our Nation's naval fleet are necessarily highly skilled. They must be familiar with extremely sophisticated electronics equipment and other state-of-the-art technology. They represent, through their experience and talents, a resource to our national defense capability and mobilization base.

In this regard, from my own personal knowledge, I am thinking of the employees of the Kittery Naval Shipyard located in Kittery, Maine, with some functions occurring in Portsmouth, N.H.

A number of these employees, under the Monroney amendment, have been paid wages higher than the prevailing local wage rate, because their skills are not found in the private sector and because it is in the national interest to pay these employees a higher rate.

The Appropriations Committee language in section 852 would freeze such employees at their current rate, and prevent them from receiving any future raises until the local wage pool caught up with their frozen rate.

To some this may appear to be desirable cost-cutting. But in fact, it would greatly raise Government costs and in the long run achieve exactly the opposite of that which it intended.

These employees, so adversely affected, would be forced to seek alternative employment in the private sector in other parts of the country where they would receive pay commensurate with their skills.

As a result, the Government facility would be forced to seek and train, at great expense, new personnel to fill their places. The cycle would no doubt continue in future years. The taxpayers would be poorly served by such a policy, and we would be ill-advised to adopt the committee language for this reason.

Further, the committee langauge, in my view, undermines the structure of this body in attempting to achieve, by way of limitation on an appropriation bill, that which properly is the concern of an authorizing committee, in this case the Committee on Governmental Affairs. That committee is charged now with the overall supervision of the civil service system, and properly should be the committee which undertakes any action in this area.

I do not doubt that there is some need for reform of the wage structure of Federal employees. Perhaps there are some positions and skills subject to the provisions of the Monroney amendment which should not be, and no doubt this provision results in some Federal employees being paid more than good management principles, and equity with their colleagues in the private sector would dictate.

But these are the type of issues which ought to be examined in detail by the appropriate committee and not adopted helter-skelter without adequate study. To adopt the appropriate committee language would in effect wipe out the Monroney amendment which is valid in principle.

On June 30 of this year, the House of Representatives made this determination, and by a division vote to strike this language.

I would, therefore, urge my colleagues to support the pending amendment to strike the committee language and thereby give us the opportunity to study these issues in more detail, without discriminating against our valuable defense workers.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, what time is left?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. EAGLETON. Mr. President, the Senator from Mississippi has left the floor, but he assigned his time to me. I yield myself such time as I may consume.

Mr. President, I rise in opposition to this amendment, and in support of section 852 of the committee bill. The blue collar wage board determination process has a long history. The need for reform of the process is well known and well recognized. Last year, the Committee on Appropriations fully described the problems and proposed reforms in the system. I would simply like to summarize the worst features of the present system as pointed out by this committee, the House Appropriations Committee, the Defense Department, the Civil Service Commission, the General Accounting Office, and the Rockefeller Panel special report to the President on Federal Compensation.

Just let me say in a nutshell, the House Appropriations Committee, the Defense Department, the Civil Service Commission, the GAO, and the Rockefeller panel, all agree with the position the Committee has taken, and all, in essence, run counter to what the Senator from Alaska is suggesting.

As a result of present law, the Government is legally required to pay wages greater than those being paid for comparable jobs in private industry.

Although the law requires the Government to equate the average wage in the private sector to step 2 of the Federal wage system, the average step in the Department of Defense is 3.7.

There is a single night shift premium wage applicable nationwide; no attempt is made to relate night shift differentials to local practices. In the majority of cases, the uniform differential substantially exceeds local practices.

The Monroney amendment (5 U.S.C. 5343(d)) requires local prevailing rates to be based on wage rate data from outside the local area in certain cases. This is contrary to the prevailing rate premise, and in fact results in Federal employees in many local areas earning more than their counterparts in the private sector.

These, Mr. President, are four, as I raise them, of the most telling points as to why the committee position should be supported.

In essence, the sum is that the blue collar worker in the Federal Government is consistently getting higher wages than that being paid in a comparable private industry position.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks appropriate extracts in this subject from last year's Senate committee report as well as this year's House and Senate Appropriations Committee, as well as extracts from the report of the President's panel on Federal compensation, and the General Accounting Office report entitled "Improving The Pay Determination Process For Federal Blue Collar Employees."

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. I think there is a very clear case that we must ask now to bring some sense to the blue collar pay determination process. While it is true that this provision only affects DOD employees, they account for over 70 percent of all Federal blue collar workers. Reform begun in this bill can be completed in others, and reform is exactly what is being proposed by section 852.

This section will prevent the hiring of employees at any step above step 2—100 percent comparability level—or promoting employees above this step who are hired after December 31, 1977. This provision will not reduce the salary of anyone employed in a Federal wage board position prior to December 31, 1977.

There is a further and compelling reason to reject this amendment and support the pay reform embodied in the committee bill. The bill as reported would result in outlays totaling $101.5 billion. That is the outlay figure of the defense bill as reported. There is a further amount of $2.3 billion for military and civilian pay raises that the Department of Defense will be submitting in a supplemental next January. Even assuming that a partial reduction can be made in that $2.3 billion, outlays for matters under the Defense Subcommittee are likely to be at or greater than the Appropriations Committee's allocation of $103.7 billion under the first concurrent budget resolution. This amendment will result in the expenditure of an additional $300 million, thereby breaking the budget outlay allocation totals. I do not believe it would be wise to do that at this time. Therefore, I support the committee's position.

I strongly urge my colleagues to vote against this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a document supplied us by the Navy which shows that in many instances the blue collar wage board employee is making a higher salary than his supervisor; that there have been situations in which blue collar people have moved into white collar supervisory situations and say they were not going to get as high a salary as they once had been making, and have gone back to a blue collar position. The salaries being paid, I repeat, are not comparable with those in private employment on the outside. They are in excess of that, and this is an area in which the committee has decided we should trim the budget. I fully concur with the committee's recommendation.

I reserve the remainder of my time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Provide specific details for the record, by shipyard if possible, of white collar supervisory salaries compared with present blue collar salaries, demonstrating that at some point, the white collar supervisor finds it more economically attractive to revert to blue collar.

Answer. The information follows for four West Coast yards:

Supervisory level	Annual salary: Graded 4th step [1]	Ungraded: 2d step [1]	Ungraded: 4th step [2]
Long Beach Naval Shipyard:			
GS–11	$18,763		
WS–13		$21,674	
GS–12	22,485		
WS–14		22,506	
WS–13			$23,400
WS–15		$23,483	
WS–14			$24,315
WS–15			25,355
GS–13	$26,738		
Mare Island Naval Shipyard:			
GS–11	18,763		
WS–12	22,485		
WS–13		23,317	
WS–14		23,962	
WS–15		24,710	
WS–13			25,189
WS–14			25,875
WS–15			26,686
GS–13	26,738		
Puget Sound Naval Shipyard:			
GS–11	18,763		
WS–13		22,048	
GS–12	22,485		
WS–14		22,859	
WS–15		23,774	
WS–13			23,816
WS–14			24,690
WS–15			25,667
GS–13	26,738		
Pearl Harbor Naval Shipyard:			
GS–11	18,736		
GS–12	22,485		
WS–13		23,546	
WS–14		24,357	
WS–15		25,272	
WS–13			25,438
WS–14			26,312
GS–13	26,738		
WS–15			27,290

[1] Denotes representative rates for comparison purposes between wage board and graded.

[2] Denotes actual average grade of employee in wage board status.

An example of a situation where the white collar supervisor would find it economically more attractive to revert to blue collar status, which is typical of all the yards, is shown below:

A GS–12 white collar supervisor (e.g., a Supervisory Production Controller) frequently will supervise a WS–13 step 4 (blue collar). The GS–12 salary at all the yards in this example is, however, below the WS–13 level. Hence it becomes economically attractive for the GS–12 to revert to WS–13 (step 4), a position for which he would be qualified. Thus at the GS–12 level, there is an incentive to assume the less responsible position of the WS–13. In numerous instances the GS–12 supervises even a WS–14 or WS–15 blue collar type which is even more inequitable.

EXHIBIT 1

EXTRACT FROM SENATE REPORT 95–325 ON 1978 DEFENSE APPROPRIATIONS

SECTION 852—WAGE BOARD SALARY REFORM

In its report on Defense Appropriations last year (S. Rept. 94–1046, pp. 53–56) the Committee strongly urged that action be taken to implement proposals for reform of the Blue collar (wage board) pay system that were recommended by the Administration, the Rockefeller (Presidential) Commission, and the General Accounting Office. It is the committee's understanding that no action has been taken on these proposals by the legislative committees. Accordingly, the committee recommends inclusion of a general provision that will prevent the pay of any wage board employee from exceeding the prevailing rate in the local area in which he works. This provision will not result in a reduction in salary of any employee, but will prevent any pay increases from taking effect for any employee until the prevailing rate in the private sector for that employee has "caught up" with his salary.

It is estimated that this general provision will save approximately $300 million in fiscal year 1978. These savings will be in funds that otherwise would need to be appropriated in the 1978 pay supplemental to be submitted next January.

EXTRACT FROM HOUSE APPROPRIATIONS COMMITTEE REPORT NO. 95–451, 1978 DEFENSE BILL

WAGE BOARD SALARY REFORM

A Presidential commission has recommended major changes in the laws that govern pay of federal Wage Board employees. The changes would keep federal blue collar wage rates equal to average private wages. These changes proposed by the President's Panel on Federal Compensation would save federal taxpayers $660 million per year in current dollars. It has been estimated that $540 million of this savings would occur in the DOD budget, which contains over $6 billion for Wage Board employees' salaries. In addition, these reforms would take away much of the impetus to commercial contract by Defense services.

The President's Panel on Federal Compensation (Rockefeller Commission) and a General Accounting Office study both recommended major changes in this law. According to the Rockefeller Commission, the current law causes "significant departures from the local prevailing rate principle," which result in "an unfair competitive advantage for the Federal Government, and unjustifiable payroll costs."

There are a number of aspects embodied in the Wage Board Reform proposals. They include bringing the average step at which employees are actually paid in line with the step (step 2) at which comparability with civilian wages is established. As of June 30, 1975, the average step for DOD employees equalled step 3.7 and is probably at 4.0 or higher at the current time. This is equivalent to paying an 8 percent premium.

A provision added to the basic law (5 U.S.C. 5343) in 1968 referred to as the Monroney Amendment permits the importation of wage rates from one area to another under certain circumstances. This often results in federal wages in small cities and rural areas being based in part on higher prevailing wage rate found in larger cities. In addition, the imported data is never used if it will lower wages. Other inequities in the Federal Wage Board procedures include a nationwide differential for night shift work and the exclusion of state and local government workers wages from the wage surveys.

The Committee cannot, through the appriations process, fully address the complex problems involved in wage board reform. However, the Committee feels that as a part of the proposal to protect the jobs of many federal employees it is required to sharply limit the practice of contracting for services provided by these employees. To accomplish this some steps should also be made in the direction of wage board reform. It is hoped that this proposal will also encourage the appropriate legislative committees of the Congress to take some action on this matter. Thus, the Committee has inserted a general provision, Section 853, in the bill which will prevent the hiring of employees at any step

above step 2 (100 percent comparability level) or promoting employees above this step who are hired after December 31, 1977. This provision will have no effect on anyone employed in a federal wage board position before December 31, 1977. This proposed general provision reads as follows:

SEC. 853. None of the funds appropriated by this Act shall be available after December 31, 1977, for the pay of a prevailing rate employee, as defined in section 5342(a)(2), (A)–(B) of title 5, United States Code, that is greater than 100 percent of the prevailing rate determined under section 5343 of title 5, for the grade in which he is serving: *Provided*, That the pay of a prevailing rate employee who was employed on or before December 31, 1977 shall not be reduced by this limitation below that to which he was entitled based on his rate of pay on December 31, 1977 if the employee—

(A) continues to be employed after December 31, 1977 without a break in service of one work day or more; and

(B) is not demoted or reassigned for personal cause, or at his request.

EXTRACT FROM SENATE REPORT 94–1046 ON 1977 DEFENSE APPROPRIATIONS BILL

FEDERAL WAGE SYSTEM EMPLOYEES OF THE DEPARTMENT OF DEFENSE

The Department of Defense employs over 350,000 Federal Wage System (blue collar) employees at a cost in excess of $5.7 billion in fiscal year 1977. Total Federal wage system employees in the U.S. Government is about 480,000 with basic payroll costs of approximately $7.8 billion. DOD is, therefore, the largest employer of this type of personnel.

DESCRIPTION OF SYSTEM

Rates of pay for Federal Wage System employees are maintained in line with prevailing rates of pay for comparable work within each local wage area. Within each local wage area there is a single set of wage schedules applicable to the blue-collar employees of all agencies in the area. Each non-supervisory regular schedule consists of 15 grades with each grade having five steps. A single grade structure applies nationwide. Individual positions are graded on the basis of job evaluation in accordance with a uniform set of job-grading standards. There are separate leader and supervisory schedules for each area.

Uniform policies and procedures for the Federal Wage System are established by the Civil Service Commission, but significant roles in policymaking and operation of the system are played by both agencies and employee unions.

The prevailing rate principle on which Federal blue-collar pay rates are based dates from the 1860s. While there have been many changes in blue-collar pay setting since then with respect to occupational and agency coverage, agency authorities, and administrative procedures, the basic principle is over 100 years old.

The principal result of the pay rate determination process for blue-collar employees has been pay raises that have significantly exceeded those in the general schedule over the past 6 years. During the past 3 years, the wage board increases have been nearly double the general schedule increases as shown on the following table.

Average annual increases in pay raises for Federal employees

[In percent]

Fiscal year:	General schedule[1]	Wage system (blue collar)
1971	6.0	8.7
1972	5.5	6.5
1973	5.1	5.7
1974	4.8	[2]10.2
1975	5.5	8.9
1976	5.0	[3]9.5

[1] Increases granted in October of the fiscal year concerned.

[2] Includes about 4 percent caused by removal of wage price controls and "catch-up."

[3] Composite estimate of increases provided to the Committee during hearings on the fiscal year 1976–DOD Supplemental estimates.

INEQUITABILITY OF PRESENT SYSTEM

The Committee believes that, as a result of present law, the Government is now legally required to pay wages greater than those being paid for comparable jobs in private industry.

As of June 1975, 74 percent of Federal blue-collar employees were in the upper three of the five Wage Board pay step levels. The average step in the Department of Defense is 3.7. Yet the law requires the Government to equate the average wage found in the private sector to Step 2 of the Federal Wage System. Steps 3, 4, and 5 receive wages, 4, 8, and 12 percent respectively, higher than the average private sector rate. Thus, on the average, Federal blue-collar civilians are paid more than their counterparts in the private sector.

The Federal Wage System has a single premium wage or night shift differential applicable nationwide. No attempt is made to relate night shift differentials to local prevailing practices. In the majority of cases, the uniform differential exceeds local practices substantially, resulting in Federal employees earning more than their counterparts in the private sector.

The Monroney Amendment (5 USC 5343 (d)) requires local prevailing rates to be based on wage rate data from outside the local area when it is determined that there is insufficient specialized industry in the local area. This concept of using out of area rates is contrary to the basic prevailing rate premise on which the Federal Wage System is based. It is not necessary to find matches for every Federal occupation in a wage area in order to establish an equitable wage schedule. Private firms follow reasonably consistent patterns in setting wage relationships among kinds and levels of work. Similar relationships are followed in the federal service by grouping jobs doing the same level of work and aligning them in a uniform grade pattern. It is only necessary to obtain a reasonable sample of local industry rates in order to identify prevailing levels of pay and relate them to the Federal grade structure The result, once again, is that, in those cases, Federal employees in the local area earn more than their counterparts in the private sector.

PROPOSED REFORMS

These inequitable practices of the Federal Wage System were pointed out in the recent report of the Rockefeller Commission ("Report to the President of the President's Panel on Federal Compensation," December 2, 1975), and a General Accounting Office Report (FPDC 75–122) "Improving the Pay Determination Process for Federal Blue-Collar Employees," June 3, 1975. The Rockefeller Commission recommended that substantial changes be made in the Federal Wage System. These recommendations were consistent with earlier, similar recommendations made by the Comptroller General in the reported cited. The Rockefeller Commission's recommendations were as follows:

The requirement that, under certain circumstances, local wage rates will be set in consideration of survey data from outside the area should be repealed.

The provision for uniform percentage night shift differential should be amended to provide that such differentials be established in accordance with prevailing practices in each wage area.

The requirement that each grade of a regular wage schedule have five steps should be amended to provide that step-rate structures be established in accordance with the predominant industry practice on a nationwide basis.

The requirement for a fixed payline step should be amended to provide for wage schedule adjustments on the basis of comparisons between average rates in industry and average rates being paid to federal wage employees.

The present restriction of wage surveys to private enterprise only should be amended to permit the inclusion of state and local governments whenever necessary to obtain adequate samples and appropriate job matches.

On March 2, 1976, the administration submitted a legislative package that would effect the reforms discussed above. In the letter of transmittal, the Chairman of the Civil Service Commission states.

"We urge early enactment of this important proposal, which is essential to assure that the taxpayer's burden for compensation of Federal wage employees is limited to that which is fully warranted by prevailing practices."

IMPACT ON DEPARTMENT OF DEFENSE APPROPRIATIONS

Naturally, since DOD contains over 70 percent of the blue collar employees in the Federal government, the proposed reforms have a significant impact on DOD appropriations. The Department estimates that implementation of the proposed legislative package will save $437 million in fiscal year 1977. The net savings in fiscal year 1977 amount to only $337 million, since the proposal involved a 3 percent minimum wage increase for all employees notwithstanding the reform measures. The savings in later years resulting from this proposal are very significant. They have been estimated by the Defense Department to be $871 million in fiscal year 1978, $1,331 million in fiscal year 1979, $1,553 million in fiscal year 1980, and $1,641 million in fiscal year 1981. Aggregate savings, fiscal year 1977 through 1981, therefore, will total $5,733 million if the reforms are enacted.

COMMITTEE RECOMMENDATION

The committee urges the appropriate legislative committees to take action on these proposals in time for their speedy adoption. The committee seriously considered including a limitation in this bill that would have prevented blue collar wage increases from exceeding 3 percent in fiscal year 1977 (it is estimated they will be approximately 8.8 percent based on present law). However, the committee decided that since most of the funding required for the pay raises is not being requested in this bill, but rather will be submitted along with the fiscal year 1977 pay supplemental, it would defer action on such a limitation at this time.

The Department of Defense is placed on notice, however, that even though the President's proposed legislation changing the wage board pay raise determination process has not yet been acted upon, the committee expects that the funds included in this bill, plus the $35 million included in the President's budget contingency estimate (to be transmitted in the fiscal year 1977 supplemental), will fully fund the blue collar payroll in fiscal year 1977. Any shortfall in funding is to be made up through civilian strength reduction.

REPORT TO THE PRESIDENT OF THE PRESIDENT'S PANEL ON FEDERAL COMPENSATION, DECEMBER 1975

THE VICE PRESIDENT,
Washington, December 2, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In response to your memorandum of June 12, 1975, I submit

herewith, on behalf of all the Members, the report of the Panel on Federal Compensation. We have kept in mind your primary objective of "a system that is fair and equitable, both to the employees and to the public."

The findings and recommendations of the Panel are presented in this volume. Background information, summaries of comments received, alternatives considered, and similar materials which provide support for the Panel's recommendations, are in a supplementary volume.

Some of the recommendations can be implemented administratively; others will require legislation to be effected. Before implementation of any of the recommendations, additional consultation with interested parties.

We wish to acknowledge the assistance provided by prior studies of Federal compensation by the U.S. Civil Service Commission, the General Accounting Office, and the Congress, as well as the hundreds of letters containing the comments of State Governors, labor unions, private employers, professional associations, Federal employees, and the public:

Respectfully,
NELSON A. ROCKEFELLER, *Chairman.*

SUMMARY OF RECOMMENDATIONS

The full texts of the recommendations summarized below can be found in the indicated chapters. Those recommendations which will require legislation are indicated by an asterisk.

The many separate Federal civilian pay systems should be reviewed, and combined with other pay systems or eliminated if no longer needed (Chapter I).

The principle of comparability with the private sector should be reaffirmed as the basis for Federal pay-setting (Chapter II).

Consideration should be given to conducting major Federal pay surveys less frequently than once a year, with interim adjustments based on an appropriate statistical indicator (Chapter II).

The principle of comparability should be extended to include benefits as well as pay. Development and testing should take place over the next two years to determine the best approach to implementation (Chapter II).

The present General Schedule, which covers white-collar employees, should be replaced by a Clerical/Technical Service and a Professional/Administrative/Managerial/Executive Service (Chapter III).

The Clerical/Technical Service should be paid local or other geographical rates (Chapter III).

The executive branch should be authorized to establish special occupational schedules and personnel systems when the regular schedules hamper management's ability to recruit and manage a well-qualified workforce (Chapter III).

Merit, rather than length of service, should be the principal basis for within-grade pay advancement for employees in the Professional/Administrative/Managerial/Executive Service (Chapter III).

Pay rates for the Executive Schedule should be increased so that the rate for level V is above the current "comparability" rate for GS-18 (Chapter IV).

Federal pay laws should be amended to permit the inclusion of State and local governments in Federal pay surveys when needed (Chapters V and VI).

The President's Agent should continue its efforts to improve the statistical techniques used in the white-collar survey design and pay rate determination processes (Chapter V).

Certain statutory provisions of the Federal Wage System should be repealed or amended to: eliminate the requirement that out-of-area data be used, under certain circumstances, in setting local wage rates; permit the establishment of night shift differentials in accordance with local prevailing practices; permit step-rate structures to be established in accordance with predominant industry practice; eliminate the fixed payline step; and permit the inclusion of State and local governments in wage survey when needed (Chapter VI).

The Civil Service Commission should develop appropriate legislative and regulatory proposals to provide more equitable premium compensation to all Federal employees working under similar circumstances (Chapter VII).

The President's Agent, the Federal Employees Pay Council, and the Advisory Committee on Federal Pay should meet jointly on a regular basis throughout the year to discuss and resolve the issues in the pay-setting process, with a view to formulating a common recommendation to the President (Chapter VIII).

The present roles in the pay-setting processes of the Federal Wage System should be continued (Chapter VIII).

The Advisory Committee on Federal Pay should be assigned the responsibility for an ongoing review of the interaction between the Federal compensation system and the private sector marketplace (Chapter VIII).

[Report to the Congress, Civil Service Commission, Department of Defense, Veterans Administration]

IMPROVING THE PAY DETERMINATION PROCESS FOR FEDERAL BLUE-COLLAR EMPLOYEES

(By the Comptroller General of the United States, June 3, 1975)

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C.

To the President of the Senate and the Speaker of the House of Representatives:

This report discusses the ways in which the pay setting process for Federal blue-collar workers can be improved to insure closer pay comparability with the non-federal sector. These improvements will require changes in certain legislative provisions and administrative policies and practices. The agencies involved agreed with most recommendations contained in the report, and the Civil Service Commission plans to draft legislative proposals to revise some statutory provisions.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Chairman, Civil Service Commission; the Secretary of Defense; the Administrator of Veterans Affairs; and the Director, Office of Management and Budget.

ELMER B. STAATS,
Comptroller General of the United States.

DIGEST

The law provides that pay rates for Federal blue-collar employees—about 475,000—be fixed and adjusted from time to time, by administrative action, in accordance with local prevailing rates.

LAWS PREVENTING ATTAINMENT OF COMPARABILITY

However, Federal blue-collar wage rates often exceed local prevailing rates, putting the Government at a competitive advantage in the labor market. This situation arises because of the following legislative provisions.

The Federal pay range at each non-supervisory grade is 16 percent with five equal steps. In contrast, most private sector employees are paid under single-rate pay schedules. When multiple-step schedules exist in the private sector, many have fewer steps than the Federal system. The second Federal step is equated to the prevailing private sector rate, but most Federal employees moved to the fifth step in May 1975—placing them 12 percent above market.

Under certain conditions private sector wage rates used in setting Federal rates may be based on private rates of other localities.

Federal night differentials are based on a percentage of employees' scheduled wage rates. This often results in a more generous differential than the prevailing private sector differential.

To insure that the legislative pay principle of comparability is attained, the Congress may wish to reconsider these legislative provisions.

MORE REPRESENTATIVE SURVEY COVERAGE NEEDED

Annual surveys are made of private industry wages in 137 geographic areas. State and local governments are excluded by law and certain segments of the private sector by administrative action.

To insure that wage data is sufficiently representative of local prevailing wages, the Congress may wish to consider allowing State and local governments to be included in the survey process. Also, the Chairman of the Civil Service Commission should:

Expand wage surveys to cover the broadest feasible universe of private sector establishments.

Reassess periodically and adjust as necessary wage and survey area boundaries.

Require appropriate agencies in areas having a specialized Government industry to determine whether sufficient applicable industry exists in the entire wage area before going outside of the area for wage data.

Require that the predominant Federal jobs in each wage area which have comparable private industry jobs be surveyed in addition to the required jobs.

IMPROVING DATA COLLECTION PROCESS

Teams of Federal employees, selected from the local area, match private sector jobs with descriptions of Federal jobs and collect private sector wage rates for the jobs. It is likely that many errors have been introduced into the wage data because of fundamental weaknesses in collection techniques.

To improve these, the Chairman of the Civil Service Commission should:

Establish a permanent body of carefully selected and thoroughly trained full-time collectors to minimize errors.

Establish additional quality controls on the data collection process.

The Civil Service Commission, Department of Defense, and Veterans Administration generally agreed with most of the recommendations.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. EAGLETON. Yes. I do not know how much time I have. Is the Senator supporting my position or opposing it?

Mr. BUMPERS. I do not know. That is why I want to ask questions.

Mr. EAGLETON. If the Senator is going to ask unfriendly questions, I suggest he do it on the time of the Senator from Alaska.

Mr. BUMPERS. What if I am ambivalent and do not know how I am going to vote?

Mr. EAGLETON. Mr. President, I ask unanimous consent that 3 minutes be allocated to the distinguished Senator from Arkansas, without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BUMPERS. In my ambivalent mood, let me ask the Senator a very pointed question. Does this mean that the people who presently are employed will be frozen until the prevailing wage rate in the area reaches their present wage rate?

Mr. EAGLETON. Yes.

Mr. BUMPERS. What effect does the Senator think that will have on the morale of blue collar workers, and how long would he anticipate that taking?

Mr. EAGLETON. The question of morale crops into all of the debate we have had this morning. If we take away the commissary subsidy, the Senator from Alaska says that will affect morale. If we try to bring comparability to wages being paid blue collar workers, on the military base, as compared to those working outside the base, that is going to affect morale.

The point is that the Defense budget is under considerable pressure for reduction, and if we do not pick these areas of excess, I do not know where we will ever cut the budget.

This morale factor can be raised in a host of areas—double dipping, military retirement at 20 years, and others. By the way, the Department of Defense opposes the Stevens amendment, as do a whole host of other agencies. They obviously have taken morale into account.

Mr. BUMPERS. Nobody takes a cut under this bill. Is that correct?

Mr. EAGLETON. Yes, that is correct.

Mr. BUMPERS. No. 2, I come from a low per capita income State. However we want to gage it, the point is that it would mean that people who work as blue collar workers for the Department of Defense will be stuck with whatever that low per capita income is, that low prevailing wage rate.

Mr. EAGLETON. If the prevailing rate is higher, it would not have the negative impact that the Senator from Arkansas has just described.

The PRESIDING OFFICER (Mr. NUNN). The 3 minutes of the Senator have expired.

Mr. INOUYE. Mr. President, will the Senator from Alaska yield for a few questions?

Mr. STEVENS. I will be happy to do so.

Mr. INOUYE. Is not this problem presently under very intensive study by the GAO?

Mr. STEVENS. It is, and it is also under study by the legislative committees. This is legislation in an appropriations bill. The House Committee on Post Office and Civil Service is working on the problem, and the Senate Governmental Affairs Committee has announced that it will work on the problem next year.

The difficulty with this amendment is that it covers only blue collar people in the Department of Defense. All other blue collar people working for the Federal Government would continue to be available for their wages. It is very discriminatory against the Department of Defense blue collar people.

Mr. INOUYE. Is the Senate committee having jurisdiction over labor activities concerned about this section?

Mr. STEVENS. As I understand it, this would come under the joint jurisdiction of the Senate Labor Committee and the Governmental Affairs Committee. As I said, the Governmental Affairs Committee has announced that it will take it up following action by the House Committee on Post Office and Civil Service.

We are concerned about this. It is a very discriminatory way to deal with the problem. The reason is that the incoming "new hires" would be able to get increases until they reached the average wage.

The Senator from Missouri is talking about average wages. What it means is that once you reach the average wage, the comparability wage for the area, based on seniority or any merit increases or anything else, you are frozen. So we have frozen Federal employment in the blue collar level for the Department of Defense to the average wage. You can hire all the bright new ones you want and give them raises up to the average; but once you reach the average, you are not entitled to any raise until the comparable wage for an average wage for the area increases. It means that there is no incentive to stay, once you reach the average wage in the blue collar field in the Defense Department. It is counterproductive.

There is a way to deal with it, we think, and we are trying to work on it in the legislative commitees. I did not know this was in the bill. The committee, as the Senator will recall, struck out the provision and limited these increases to 3 percent. I did not realize this other provision was in there, or I am certain the committee would have stricken it at the same time.

Mr. INOUYE. I thank the Senator for his response and his clarification. I believe his position is just, and I hope the Senate will support it.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. STEVENS. I yield.

Mr. BUMPERS. That is what the Davis-Bacon Act is all about, for example.

Mr. STEVENS. Yes.

Mr. BUMPERS. To make certain that the prevailing wage rate in an area prevails in Federal construction jobs. If that is fair under the Davis-Bacon Act, why is it not fair for blue collar workers in the Department of Defense?

The PRESIDING OFFICER. The time of the Senator from Alaska has expired. The Senator from Missouri has 3 minutes remaining.

Would you like to answer that question, the Senator from Missouri?

Mr. EAGLETON. Yes. I thought it was an excellent question deserving an answer. The whole question, if I may point out to my colleague from Arkansas, is whether the wages paid to the people under the Wage Board pay system ought to be comparable to what is paid private civilian blue collar employees in the immediately adjacent geographic area. In many, many instances the rate of pay being paid to Federal blue collar workers is considerably in excess. The Department of Defense thinks that is wrong, the Rockefeller Commission that studied it thought it was wrong; the GAO thinks that it is wrong; the two most recent Presidents of the United States, President Ford and President Carter, think that is wrong. Here is an area where a sizable amount of money can be saved, and this is an area in which we should support the committee's position.

The PRESIDING OFFICER. The Senator from Missouri has 2 minutes remaining.

Mr. EAGLETON. I am prepared to yield back the remainder of that time.

Mr. STEVENS. As I understand it, Mr. President, the time will carry over, according to the previous agreement.

The PRESIDING OFFICER. That is correct.

AMENDMENT NO. 501

Mr. STEVENS. I call up amendment No. 501.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposed amendment No. 501.

Mr. STEVENS. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER: Without objection, it is so ordered.

The amendment is as follows:

On page 55, strike out line 1 and all that follows through line 24, and redesignate the following sections accordingly.

Mr. STEVENS. Mr. President, I ask unanimous consent that my colleague from Alaska (Mr. GRAVEL), and Senators TOWER, HATCH, and DOLE be added as cosponsors to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. How much time is on this amendment?

The PRESIDING OFFICER. At this point there are 10 minutes to the side on this amendment.

Mr. STEVENS. Mr. President, this amendment to strike section 844 of the appropriations bill is before us.

The language now contained in the bill would prohibit retired servicemen from receiving retired pay if they work for the Federal Government. The popular term used to refer to men and women in this situation is "double-dippers." The term itself is offensive and shows little understanding of the incentives we have tried to establish and maintain which are absolutely essential if we are to be able to defend our form of government. Retired servicemen now employed under civil service are not double-dippers. They are receiving compensation for a job currently being performed, and they are receiving retirement for a job they have honorably completed.

While the language contained in this bill would allow those drawing $6,000 or less in retired pay to work for the Government without penalty, the fact is that this exception will affect very few people. The average retired pay of enlisted personnel today is $6,100 per year. I remind my colleagues that this is just $300 more than the official poverty level as determined by the Bureau of Census. It is apparent that retired military personnel must work to support their families. When the Federal Government has already invested 20 years in the education and training of these people, it seems sheer folly to deny ourselves the benefit of these experienced men and women by penalizing them for further Government service. Additionally, many skills necessary for the military are most useful in

other areas of the Federal establishment, but are not easily transferrable to the private sector.

One major flaw with the language now contained in the Defense appropriations bill is that no distinction is made between disability retirement and regular retirement benefits. A disabled veteran who perhaps lost an arm or leg in the service of his country and who goes to work for the Federal Government after October 1, 1977, would be denied his disability retirement benefits under this bill. This limitation must certainly stand out as one of the most abhorrent ever to come before this body for consideration. We would deny compensation to a man who has become physically handicapped in the defense of his country if he is still working for that Government he defended at so costly a personal price. If for no other reason than this, my amendment to strike this provision from the bill should be accepted.

I would also point out that this prohibition is a clear example of one hand not knowing what this other is doing in Congress. Legislation has been introduced to allow those who have served in the Reserves and National Guard to begin drawing retirement at 55 years of age rather than the present age of 60. A bill has also been introduced to provide an additional credit point in the civil service competition for veterans of the National Guard and Armed Forces Reserves. These two bills express interest in increasing the incentives associated with Reserve and Guard duty which is essential if the volunteer force is to be a workable concept. Enactment of section 844 of this bill would certainly provide a disincentive for any Federal employee who is now spending a weekend a month and 2 weeks each summer insuring the readiness of our Reserve forces.

Finally, the President has appointed a blue-ribbon panel to make recommendations on the entire spectrum of the military retirement system. These recommendations will be forwarded to Congress early next year. If the system does indeed require change, it should be accomplished in a fair, comprehensive manner rather than the piecemeal, discriminative approach embodied in the legislative prohibition contained in this appropriations bill.

At least a dozen different bills have been introduced in this Congress to prohibit the unionization of the Armed Forces. I can certainly sympathize with those who advocate the establishment of a military union when I look at the bill now before the Senate. We are appropriating $100 million in advertising and other gimmicks to induce men and women to join the All-Volunteer Army, yet at the same time, we are talking about eliminating the commissary benefits; every year there are more and more restrictions placed on the CHAMPUS program; and now we are talking about denying servicemen their justly earned retired pay if they seek a job with the Federal Government. I would also remind my colleagues that we now require a retired officer to forfeit 40 percent of his retirement if he comes to work for the Government. There is no United States of America without the Army, Navy, and Air Force; and there will be no Armed Forces if we continue to drive away the people who seek to make a career of the military service. Despite rosy projections from the Army on the success of the All-Volunteer Force, I personally find it just a bit disconcerting that less than half of the Army recruits have completed high school. Many men and women who have served for years in the Army forces would not recommend it to anyone seeking a career—over the years they have seen too many of the promised benefits disappear on a rollcall vote of Congress.

I would make one final point Mr. President. Some who support the prohibition contained in this bill might say that servicemen do not contribute to their retirement system so that we are really taking away something they have not earned. They have indeed contributed in that for 20 years, the enlisted personnel, particularly, have been paid at a substandard level. The Senate report makes a big deal of how much military pay has increased over the past 10 years. Are we to pat ourselves on the back for paying lower grade enlisted personnel less than the poverty income? Even adding in the additional allowance for quarters, the most any enlisted man gets is less than $3,000 per year and it is less than $1,000 a year for the lower grade enlisted men. I challenge anyone to find suitable rental units within the Washington metropolitan area or my State of Alaska which can be leased for a family at $200 a month.

Mr. President, I have here a statement from the Department of Defense stating that the prohibition contained in the Senate bill should be stricken, and I would ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1)

Mr. STEVENS. There is no accurate estimate of what the language in section 844 would save the Federal Government. The rough estimate is $26 million. If the actual monetary impact is of prime importance to any of my colleagues, I would certainly support an amendment to delete that amount from the advertising and recruiting budget contained in this bill. The surest way we can continue to have a capable military force is to live up to the promises we have made in the past. I am advised, however, that additional funds would probably not be required if my amendment is accepted because last year there was some $141 million surplus in the retirement fund which was returned to the Treasury.

Mr. President, I urge the Senate to accept my amendment to delete section 844 from the defense appropriations bill.

I want to call attention to the fact that even today under the Dual Compensation Act if a retired officer is employed by the Federal Government he forfeits 40 percent of his retirement compensation. That leads to one problem with this amendment, because I am not sure what the result will be. I fear it might be that he would have to forfeit the 40 percent even if he were to receive less than $6,000. But I think my colleague from Missouri could clear that up.

The great problem with this is that, again, it is trying to deal in an appropriations bill something that ought to be dealt with in the regular legislative process.

Since I have been a member of the Appropriations Committee I have tried to keep controversial amendments off bills like this, because I do not think these bills should be vehicles for controversial subjects.

There is a flaw in this language, because there was no distinction between disability retirement and regular retirement benefits. A disabled veteran who perhaps lost an arm or a leg in service to his country, and who goes to work for the Federal Government October 1, 1977, would be denied his disability retirement benefit under this section which, I think, is just not proper, that is all. There is no word for it, there is no reason for it.

Second, even for those who have earned their retirement, the question is why should we do this? The President has appointed a blue-ribbon panel to make recommendations on the entire spectrum of the military retirement system.

I think probably one of the most difficult problems facing the United States today is the total unfunded liability of the military retirement system. I agree with that. But to make the change as is advocated here, to say that those who are employed by any portion of the Federal Government and who have more than $6,000 retirement compensation must forfeit it all or be ineligible for Federal employment, I think is unfortunate.

In the first place, if that person is employed in the private sector, he is entitled to 100 percent of his retirement. In many instances their employment skills are related to Federal activities. We can actually benefit from their employment in other areas of the Federal Government after their service in the military.

I believe those who support this prohibition might say that servicemen do not contribute to this retirement system, so we are not really taking away something they have not earned. That is a true statement, they have not contributed.

But this is another one of those commitments we made to get them to enlist in the first place, and in this Congress we are worried about what is going to happen to the volunteer military concept. Are we going to continue the process of taking away the benefits that were used as inducements to enlistment?

We have limited the medical benefits in the CHAMPUS program; we have phased out the regular reenlistment bonus; we have phased out travel pay on reenlistment; we have phased out the superior performance proficiency; we put a pay cap of 5 percent on what should have been 8.75; we have eliminated the terminal leave benefits; we have limited the distance which people who are still eligible for CHAMPUS can use the CHAMPUS program; we have put in a Federal income tax sick pay exclusion in terms of the military pay personnel; we have taken the BAQ and BAS payments from the terminal leave payment

benefits; we have reallocated the pay raises so that it reduces the home pay for families occupying Government quarters; we have eliminated the 1 percent add-on for retired pay adjustments; we are phasing out the GI bill; and we are now limiting the pay for tuition for airmen's education and for the commissioning program, the so-called AECP program. I could go on, there are others.

We have dealt already with the commissaries; we have already passed on a great portion of the costs that were previously supported by the Federal Government; on the medical benefits there is a proposal to charge dependents for outpatient care; we now have the vending machines that used to go into the recreation funds diverted into a separate program, which I support, but it is still the program taking away from the funds that used to be available on base.

Now we are starting, as I mentioned, the first foot-in-the-door where if you have anything other than a vehicle on base you now have to pay for on-base rental space for your recreation boat or your recreation trailer or whatever else you might have if you live on base.

All I am saying is this is just another step to prove to people that the Federal Government, when it makes commitments to induce enlistments, will not keep them in the end. That is the problem here, and the great problem is that this should not be on an appropriations bill. Since the President has taken the step of appointing this commission to study and look into this problem of military retirement, I think we should await the action of the President's commission before taking any further consideration of it in Congress.

EXHIBIT 1

LIMITATION ON RETIRED MILITARY PAY (SECTION 844)

HOUSE BILL

The House Report recommended that military retirees who begin work for the Federal government after 1 October 1977 be prohibited from collecting military retired pay. Defeated on the floor of the House.

SENATE BILL

Sec. 844. The Committee recommends inclusion of a general provision that prohibits future retirees whose annual retired pay is $6,000 or more as of 30 September 1977, from collecting military retired pay while employed by the Federal government.

DEPARTMENT OF DEFENSE POSITION

The Department requests that this section be deleted.

JUSTIFICATION

Military retired pay is earned through fulfilling the obligation of a military career which oftentimes encompasses armed conflict, unique hardships and sacrifices. Therefore, it is inappropriate and inequitable for retirees to forfeit retired pay for accepting Federal Government employment. Even a provision exempting retirees who earn less than $6,000 per year in retirement pay can be counterproductive in the long run. The average enlisted retiree employed with the Civil Service (E–7) who retires after 20 years, receives an annual retirement annuity below the $6,000 limitation. If he retires after 22 years his retirement pay will exceed the $6,000 limit. The effect of this provision will be to encourage early retirements causing reduced productive manyears and increased training and procurement costs. The loss of retired pay will also prove disadvantageous to the government. In lieu of taking such a substantial reduction in income, most will seek employment elsewhere, thus precluding the intended savings. In addition, it will deny the government the opportunity to employ highly trained individuals not available from other sources. There are numerous alternatives that can provide adequate controls on the number, type and pay of retirees which are not as drastic as complete forfeiture of pay. This decision should be delayed pending examination by the Presidential Blue Ribbon Panel.

Mr. HATCH. Mr. President, I wholeheartedly support the amendment offered by the distinguished Senator from Alaska (Mr. STEVENS). I am hopeful that a majority of my colleagues are also in support of this action, however, if this amendment is not approved, a grave injustice will be done to the many members of our armed services. Retirement pay is an essential element of the career incentive package which induces members of the military service to endure the hardships of a military life. I believe military retirement pay is justly earned for enduring these hardships. In addition, this retirement pay is compensation for the ever present possibility of a recall to active duty in the event of a national emergency.

To penalize these retirees for accepting future Federal employment I believe would be discriminatory. The military retiree should be afforded the opportunity to compete for Federal employment without the threat of monetary loss. The military system forces early retirement on many through the "up-or-out" method used to keep the forces young and viable. This is necessary to prevent stagnation in the ranks. Battles will not be won by the overaged soldiers and sailors who cannot withstand the rigors associated with combat.

Section 844 of this bill would allow Federal employment to any one with military retirement pay of less than $6,000. This exemption can prove to be counterproductive in the long run. The average 20-year enlisted retiree at the rank of E–7 who is employed in the Federal Government civil service will fall just under the $6,000 limitation. If this same person were to remain in the service for 22 years he would exceed the $6,000 limitation. The military retirement formula is very basic and every man nearing retirement age can readily compute his retirement pay. This provision will encourage early retirement causing reduced productive man-years and increased training and procurement costs. The supporters of this provision foresee million of dollars of saving to the Government resulting from forfeited retirement pay. But I believe this provision will prove to be counterproductive to the Government.

This august body is filled with intelligent men. Would any of you seek employment in a job where you would forfeit $6,000 or more each year in order to hold the job? No, you would not . . . and neither will they. In effect this will deny the Government of a prime source of skilled—experienced manpower. I ask the supporters of this provision—how much will the Government save? Government jobs will still have to be filled and with this provision we will be robbing the Nation of quality personnel to fill these positions. The door will be closed on a group of men and women who have 20 plus years of administrative and leadership experience.

Now let us examine some of the facts surrounding this issue. According to data provided by the Department of Defense—at the end of 1976 there were approximately 1 point 2 million military retirees. In fiscal year 1978 another 68,000 are expected to retire. Of all the military retirees at the end of 1976—11-point-4 percent are paid $5,000 or less—22-point-5 percent are between $5,000 and $6,000—28-point-5 percent are between $6,000 and $7,000—and 12-point-8 percent are between $7,000 and $8,000. A quick pause for addition tells us that 74-point-2 percent of all retirees at the end of 1976 receive less than $8,000 per year. These are men who are still capable of giving years of service in another capacity. Those figures are enlightening—but let us now relate them to the Federal civil service. Only 5 percent of all Federal workers are what has become known as "double dippers"—and I find that term offensive—I prefer to think of them as "double servers." Of this 5 percent—two-thirds earn between $10,000 and $18,000 per year. Less than 1 percent of those military retirees now employed by the Federal Government earn $36,000 or more. Of the 141,817 "double servers"—111,793—78 percent—are retired enlisted men. Senator STEVENS has already told us that the average retired pay of enlisted personnel today is $6,100 per year. He has reminded us that this is just $300 higher than the offical poverty level—and we are all aware of today's high cost of living which forces the retired serviceman to seek employment to support his family.

Unless this amendment is passed, future military retirees will not seek employment with the Federal Government. This loss of talent and useful training to the Government will result in future employees not being the best qualified in many cases. Additional training costs and the practice of hiring outside consultants will ultimately result in additional costs to the Government.

It is for these reasons, I object to the placing of military retirees into a position of being a second-class citizen. I ask my colleagues to join me in strongly supporting this amendment offered by the distinguished Senator from Alaska.

Mr. EAGLETON. The Senator from Mississippi has assigned to me his 10 minutes on this amendment as well.

Mr. STENNIS. By unanimous consent. The Senator from Missouri is handling this part of the bill.

Mr. EAGLETON. Mr. President, I have been concerned, as have many Members of the Senate, including the distinguished Senator from Mississippi, about the very high costs and unfunded financial liability of all of the retirement systems in this country, Federal, State, and local. With very few exceptions they all share one common characteristic, ballooning future costs that very well could drive this Nation into serious financial straits

during the next 50 years or so into the next century.

I might add, parenthetically, at this point, that one of the items that brought New York City almost into the depths of bankruptcy, was their pension obligations and pension liabilities. It still is a millstone around the neck of New York and continues to haunt them every day with the same problems which relate to other cities, other governmental entities and, indeed, relates to the military pension system as well.

The military pension system, as has been pointed out by the Senator from Alaska, is totally noncontributory. The individual makes no contribution whatsoever toward the eventual cost of his annuity. Second, it allows individuals to retire and draw an immediate annuity after 20 years of service regardless of age at the time of retirement.

These two features of the military retirement system have resulted in the situation where the current annual cost of the retirement system is now $9 billion.

That is what it is up to now—$9 billion. Roughly 12 or so years ago it was $1 billion. Today it is $9 billion, and 25 years from now it is conservatively projected that it will be $30 billion.

The unfunded liability of the present pension system—listen to this figure, Mr. President—the unfunded liability of the present system is $170 billion. That is the unfunded liability of this system. Just to give you a concept of the order of magnitude of this, that figure, $170 billion, is over four times the unfunded liability of pension systems of the 100 largest industrial firms in the country, according to a recent Washington Post article.

Take the Fortune 500 list. Take the 100 biggest corporations, add up their unfunded pension liability, and it is about $38 billion. For the Defense Department, it is about four times that, $170 billion.

The question of double dipping really, Mr. President, is the tip of the iceberg on this whole pension retirement system.

It is the focus of this immediate amendment, but I repeat it is only the tip of the iceberg. The whole question of military pensions has been studied for over 10 years by various commissions, and I am going to ask that at the conclusion of my remarks that various extracts and portions of these previous studies be printed in the RECORD.

The question of double dipping itself has been extensively studied in a report I have before me entitled "Study of Retired Uniformed Services Personnel in the Federal Civilian Service—December 1976," by the U.S. Civil Service Commission. This report is 400-plus pages long, and I am going to ask unanimous consent that a few pages, as designated, be printed in the RECORD at the conclusion of my remarks.

We have in this country now, nearly 8,000 double-dippers, who retired from the military under the age of 40 and are drawing their military retirement pension and a new Federal civil salary as well.

That is nearly 8,000 under 40—38, 39, 37 years of age—are drawing a pension and at the same time drawing a full civilian paycheck every month. We have, a total, of about 140,000 double-dippers. But of that 140,000, nearly 8,000 of them are under age of 40.

I ask you, Mr. President—and, indeed, I will ask my colleague from Alaska—do you know any business in the United States—Coca-Cola, IBM, United States Steel—any business, that would retire some of its key personnel in the 30-years-of-age bracket, say at 37, 38, or 39, and pay them a pension so that they then could get in another line of work and draw a full salary?

The problem with double-dipping is inextricably entwined with the "20-year and out" policy. That again is going to be studied by a special panel appointed by President Carter, as it has been studied by previous panels, and I hope their studies give us some useful information. But the time to begin to make some inroads on this gigantic fiscal dilemma of the military retirement system is to nip this double dipping as best we can in this bill.

The President, as I said, has appointed another group. However, even the President has placed himself on record as being opposed to double-dippers. He does not have to wait for his study commission to handle that issue. I believe it was during one of his town meetings in Clinton, Mass., that he was asked about double-dipping and said that he was opposed to it.

To give you another figure that is relevant, there are about $1 billion in pension checks being paid to individuals who are also on the Government payroll in a full-time line of work. They get about $2 billion in civilian salaries in addition to their $1 billion in retired pensions.

The Senator from Alaska repeatedly points out these were promises made. When all of this double-dipping, commissary, and all of these other benefits were first introduced, Mr. President, it was at a time when the military pay scale was considerably below the going market rate. Even I am young enough or old enough to remember a song called "$21 a Day Once a Month." Years and years ago in the thirties—the Senator from Alabama remembers it—a buck private was paid $21 a day once a month in the depths of the depression, and he could have made more perhaps on the outside if he could have found a job.

But that has been changed, Mr. President. Today the military pay schedule now is comparable to that of the civilian sector. Indeed, I put in the RECORD during my discussion of an earlier amendment a table that shows military pay and benefits exceeds comparable civilian pay and benefits in almost all grades. So as to the needs for the inducement of double-dipping, commissaries, or all of these things we have been discussing here today those needs were geared to a bygone era. We are in a very expensive era now. I assure this body if we do not begin to make some inroads on the ballooning cost of these pension systems, we are going to get to the day where we have to make the decision "guns or pensions."

President Johnson always talked about guns or butter during the Vietnam era. The day of reckoning is coming here, I say to my colleagues. One of these days it is going to be guns or pensions because in the last 12 years it has gone from $1 to $9 billion, and in the next 25 years it is going to $30 billion.

If we do not begin to get a handle on this fiscal time bomb, our successors in this body are going to have such a problem on their hands that it will overwhelm them and the defense budget. As the Senator from Iowa said in response to an earlier discussion, it will cut into the very heart and muscle of the military system.

Mr. President, the House Appropriations Committee recognized this as one of the worst features of the present military retirement system, and included a provision prohibiting future retirees from "double-dipping." The House committee estimated that the approximately 150,000 military retirees employed in the Federal civil service receive a total of $3 billion in retired and civilian service pay—about $1 bllion of which is derived from their retired pay. The House committee report stated:

> This, in the view of the Committee, is a cost to the military pension system and to the taxpayer that is not necessary, particularly in a time of increasing burdens of taxation at the Federal, State, and local levels.

Unfortunately, this well-thought out House committee proposal was deleted by the full House, on a voice vote. However, we in the Senate do have an opportunity to work for meaningful reform of the retired pay provision by defeating this amendment.

Mr. President, the sponsors of this amendment would have us believe that the military retirees working for the Federal Government are at very low wage levels. This is not the case. I ask unanimous consent to include in the RECORD a table from page 107 of the House Appropriations Committee report showing average compensation for all retirees in the Federal civil service.

AVERAGE COMPENSATION, ALL MILITARY RETIREES EMPLOYED IN THE FEDERAL CIVIL SERVICE

[Fiscal year 1975 data plus 12 percent in pay raises]

	Average retired pay	Average civil service pay	Average total compensation
All retirees (139,298)	$6,775	$15,345	$22,120
Officers (27,623)	10,865	21,660	32,525
Enlisted (111,675)	5,765	13,783	19,548

This chart shows that the average civil service pay of all military retirees is $15,345 annually. For retired enlisted personnel, the average annual civil service pay is nearly $14,000. For officers, with an average civil service salary of $21,660 and average retired pay of $10,865, the average total compensation is more than $32,000 per year.

Mr. President, I bring up these figures to emphasize that the combination of years of service and experience makes military retirees eligible for civil service employment at rates of pay that are very

reasonable. For the most part retiring military entering the Federal civil service do so at a level of responsibility and pay that is comparable to his military occupational level. The transition, therefore, is not likely to result in an overall loss of income, in most cases.

Mr. President, I further would point out that for those retired military at the low end of the pay scale, the committee has included a proviso that permits retirees making under $6,000 per year in retired pay from forfeiting their military retired pay. So the committee has tried to be fair to everyone, while at the same time making some meaningful reform.

Mr. President, I would like to point out one simple thing—according to the study done by the Civil Service Commission for the House Post Office and Civil Service Committee, over 100,000 of all "double-dippers" are under the age of 55 years—the normal civil service retirement age. This is shown on a table taken from the committee print, and I ask unanimous consent that it be included at the conclusion of these remarks. This further goes on to demonstrate the point I made at the outset of my remarks—the 20-year and out policy just does not make any sense and encourages highly unusual situations like this.

Mr. President, it is estimated that about 68,000 military personnel will retire in 1978. About 8,000 to 10,000 are expected to go to work for the Federal Government, without this amendment. Under this provision, some will probably not. We know it will effect significant savings. The House Appropriations Committee estimated anywhere from $26 to $72 million. Mr. President, I believe the exact amount of savings is not the issue—it is the principle of double dipping and reform of the military retired pay. I urge defeat of this amendment.

Mr. President, I ask unanimous consent that an article appearing in the Washington Post of July 17, 1977, entitled "Top 100 Firms Pension Debts Large," a table showing the age of military retirees as of June 1975, an excerpt from the report on retired uniformed services personnel employment by agency and by age, an extract from House report 95–451 on 1978 defense appropriations, an extract from Senate report 95–325 on 1978 defense appropriations, and selected extracts from the study of retired uniformed services personnel in the Federal civilian service—December 1976, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

[From the Washington (D.C.) Post, July 17, 1977]

TOP 100 FIRMS' PENSION DEBTS LARGE

(By Evans Witt)

America's 100 largest industrial corporations owe their employees at least $33 billion more in pensions than the companies have put aside to pay retirement checks.

This massive potential debt is more than the companies' combined profits of $32 billion in 1976, one indication that it could pose a major problem for some companies and for their employees.

The bill collector won't come around next week or even next year to collect this debt. Piece by piece, like a home mortgage, the companies have to pay off the debt.

And if the companies fold or can't pay their pension debts, the government will step in.

Paying off these long-term debt obligations plus funding the pension checks due now is quite a burden already for some companies, because it is a business expense that must be paid out of income and thus lowers profits.

For example, Uniroyal's pension costs of $79.4 million were almost four times its $20.1 million profit. McDonnell-Douglas, the aircraft company, made a $108.8 million profit in 1976, but that is overshadowed by the $115.6 million it paid for employee pension costs.

Others among the top 100 whose profits were lower than pension costs include Lockheed, Republic Steel, LTV and Litton.

Together, the top 100 firms paid $9 billion for pensions last year—both in current costs and paying off the $38 billion liability.

That's up $1.4 billion from 1975 costs, a 20 percent rise in one year.

These totals come from an Associated Press study of annual reports and other official reports to the Securities and Exchange Commission by the 100 largest industrial corporations, as ranked by sales.

Despite the huge dollar figures, individual workers' pensions generally are not threatened. A semigovernment agency, the Pension Benefit Guaranty Corp., now insures pensions for millions of workers, assuring them of retirement benefits up to a certain dollar limit even if their companies are unable to pay the benefits.

The $38 billion figure is the total of the so-called "unfunded liabilities" of the pension plans of the top 100 companies. These liabilities are estimates of how much the firm must pay in pensions for all its workers, minus what it already put in the bank and what it plans to put in the bank in the future to pay retirement benefits.

These are estimates based on extremely complicated assumptions, such as future salary increases, inflation in future years and how the stock market will perform.

In terms of total unfunded liabilities, General Motors Corp. is No. 1, with an estimated liability of $7.3 billion. Next is Ford Motor Co., with a $3.3 billion burden, and then Chrysler Corp., with $2.04 billion.

In order, the rest of the Top 10 in pension burden are U.S. Steel Corp., $1.2 billion; Bethlehem Steel, $1.13 billion; E. I. du Pont de Nemours & Co., $959 million; International Harvester Co., $920 million; Republic Steel Corp., $837 million; Union Carbide Corp., $830 million; and Westinghouse Electric Corp., $817 million.

Each firm uses different assumptions in determining its "unfunded liabilities," based on each company's particular view of economic conditions and its own pension experience. Although this means company pension liabilities are not strictly comparable to one another, all the figures in this story are those provided by the companies, based on whatever assumptions each chose.

Assumptions on which these figures are based may not form an accurate picture of future economic conditions, so some of these billions actually never may be paid out to retired employees in pensions.

But the federal Employes Retirement Income Security Act of 1974 (ERISA) requires companies to pay off each year a portion of this estimated liability, enough to elimiate it over 30 or 40 years.

Companies also must pay each year for the pension checks going out. Company by company, the pattern of annual pension costs is similar to that of total unfunded liabilities.

General Motors spent the most last year on pensions and paying off the unfunded liabilities—$1.07 billion. Next came International Business Machines Corp., with $590 million; Ford, $505 million; Western Electric Corp., Inc., $400 million; Exxon Corp., $291 million; Chrysler, $277 million; Bethlehem Steel, $261 million; General Electric Co., $240 million; U.S. Steel, $221 million; and Du Pont, $212.8 million.

Many factors affect a company's pension costs:

The more workers a company has, the higher the pension costs.

Generally, the more employees represented by a strong union, the higher the pension benefits negotiated in collective bargaining.

The younger the work force, the smaller the current pension liabilities: The workers simply haven't worked long enough to build up their pension rights.

The more conservative the accounting policies, generally the smaller the pension liability. For example, Western Electric has the fourth highest annual pension cost. But its accounting policies since the 1940s have required full funding of pensions, its own experts say. Western Electric has no unfunded liabilities.

The more profitable a company is, the more money it has to pay fringe benefits, including pensions, and the more likely it is to fund its pension costs fully.

"Unfunded liabilities" are estimates, the basic elements of which are:

Pension benefits due already retired workers.

Pensions that each individual worker has earned through his accumulated years of service with the company.

Pensions that each worker will earn over the rest of his years working for the company, adjusted for salary increases.

Offsetting to some degree these liabilities can be these assets:

The value of money and investments in the pension fund.

An estimate of how much the company will put into the pension fund over the working lives of the employees.

A projection of how much other income the fund will earn over the working lives of the employees, including employee contributions and investment income.

WHAT THE BIGGIES PAY, OWE

Here is a list of the annual pension costs and the unfunded liabilities of the top 100 industrial corporations in the United States, as reported by the companies.

The companies are ranked in order by total sales for 1976.

The first figure is cost of employee pensions for the latest year, usually 1976, in millions of dollars. The second figure is the unfunded liability for pensions, also in millions of dollars.

[In millions]

Company	Annual cost	Prior service
1. Exxon	$1,291	$790
2. General Motors	11,071.1	7,300
3. Ford Motor Co	1,505.5	3,300
4. Texaco	1,102.9	xxx
5. Mobil Oil	1,131.5	100
6. Standard Oil (CA)	172.2	325
7. Gulf Oil	1,136	310
8. IBM	1,590	727
9. General Electric	1,240.1	581
10. Chrysler	1,277.1	2,045.2
11. ITT	1,146.7	240
12. Standard Oil (Ind.)	183	xxx
13. Shell Oil	1,120.9	164.4
14. U.S. Steel	1,221	1,200
15. Atlantic Richfield	169.7	340
16. E. I. du Pont	1,212.8	959.7
17. Continental Oil	128.8	notsg
18. Western Electric	1,400	none
19. Procter & Gamble	xxx	none

Company	Annual cost	Prior service
20. Tenneco	$148.9	$140
21. Union Carbide	1,130.3	830
22. Westinghouse	1,108.5	817
23. Goodyear Tire	187.7	638.2
24. Phillips Petroleum	138.2	214
25. Dow Chemicals	182.7	226
26. Occidental Petro.	xxx	xxx
27. Int'l Harvester	1,121	920
28. Eastman Kodak	1,164.3	520
29. Sun Oil	164.4	20.5
30. Union Oil (CA)	124.9	24.9
31. RCA	174.6	83
32. Esmark	130	101
33. Bethlehem Steel	1,261.2	1,137
34. Rockwell Int'l	1,139.3	401.1
35. United Technologies	1,116.8	notsg
36. Caterpillar Tractor	1,100.3	750
37. Kraft	130.8	30
38. Beatrice Foods	123	64
39. LTV	188.3	738
40. Xerox	1,150.8	none
41. R. J. Reynolds	140	394.5
42. Monsanto	170.7	394.5
43. Ashland Oil	112	18.8
44. General Foods	134.3	125
45. Cities Service	129.6	75
46. Firestone Tire	160	490
47. Boeing	184.8	201
48. Amerada Hess	137	5.2
49. Greyhound	159.4	386
50. W. R. Grace	118.8	xxx
51. McDonnell-Douglas	1,115.6	128
52. Int'l Paper	157	189
53. 3M	139.2	notsg
54. Colgate-Palmolive	126.2	49
55. Marathon Oil	118.4	notsg
56. Continental Can	173.7	367
57. Gulf & Western	xxx	$256
58. Ralston Purina	$112.8	34
59. Borden	114.5	111
60. Litton Industries	131.7	81
61. Lockheed Aircraft	196	276
62. Sperry Rand	152	xxx
63. Armco Steel	182.9	574
64. American Can	177	238.8
65. Phillip Morris	129.7	28.1
66. Deere	182	329
67. Getty Oil	125.7	436
68. Georgia-Pacific	120.7	20
69. Coca-Cola	119.1	notsg
70. Bendix	155.5	405.3
71. TRW	163.3	306
72. Alcoa	194.7	770
73. Standard Oil (Ohio)	113.3	93.7
74. Champion Int'l	124.9	96.9
75. Weyerhaeuser	133.6	159
76. National Steel	177	640
77. PepsiCo	121.5	60
78. Consolidated Foods	113.4	5.7
79. CPC International	125.6	113.2
80. American Brands	138	200.5
81. General Mills	117.9	41
82. Allied Chemicals	142.3	280.9
83. Textron	137	161
84. Owens-Illinois	153.7	342
85. General Dynamics	156.7	92.5
86. Republic Steel	183.8	837
87. Johnson & Johnson	128.9	xxx
88. Honeywell	150.2	192
89. Amer. Home Products	15	none
90. Raytheon	127.7	113.8
91. Signal Companies	146.3	205
92. Inland Steel	151.7	504.3
93. Warner-Lambert	129.3	101
94. American Motors	137	360
95. Uniroyal	179.4	687
96. NCR	144.5	175.2
97. FMC	125.3	120
98. Burlington	127.3	xxx
99. United Brands	111.7	135
100. PPG Industries	141.9	257

An "xxx" means no figure was provided by the company in its annual report or in its 10–K report to the SEC.

"None" means the company stated in its annual report or 10–K that the assets of a pension fund are roughly equal to or exceed the vested liability or the prior service liability of the fund. The vested liability is that for those pensions that are guaranteed to the workers. The prior service liabilities are those that have been earned for the workers, including those which have been guaranteed.

"Notsg" means the company reported the liability is not significant to the company's finances.

EXHIBIT 2

AGE OF MILITARY RETIREES, AS OF JUNE 1975

	Total	Disability	Nondisability
Retirees who are:			
Under 40 yr old	60,786	35,414	25,372
Under 45 yr old	228,523	50,256	178,267
Under 50 yr old	450,855	72,349	322,911
Under 55 yr old	651,131	95,803	555,328
Under 60 yr old	827,894	126,100	701,794
All others	216,029	34,530	181,499
All ages	1,043,923	160,630	883,293

Source: Department of Defense.

EXHIBIT 3

MAJOR STUDIES OF THE MILITARY RETIREMENT SYSTEM—PAST TEN YEARS

STUDY GROUP AND REPORT	TIME PERIOD OF STUDY	MAJOR RECOMMENDATIONS ON 20 YEAR AND OUT POLICY
First Quadrennial Review of Military Compensation "Modernizing Military Pay"	March 1966–November 1967	"Before any basic change is made in present retirement and estate benefits, each service should develop a program of force management under which potential excess retention up to the 20 year point will be curtailed, and desirable retention of individuals beyond the 20 year point will be sought—both for enlisted and officer personnel. This means that an "optimum force structure profile" and techniques of achieving this profile under the new salary program must be developed."
Interagency Committee "Report to the President on the Study of Uniformed Services Retirement and Survivor's Benefits"	May 1971–August 1972	(1) Increase the multiplier of 3% per year for 25 to 30 years of service. (2) Reduce annuities for 20 to 24 years of service by 2% for each year the member is under age 60 at time of retirement. Full annuity to be paid upon reaching age 60. (3) Annuities for 25 or more years of service be reduced by 2% for each year the member is under age 55 at retirement. Full annuity to be paid upon reaching age 55.
Department of Defense Study Group "Report to the Secretary of Defense"	January 1972–May 1972	"Provide a continuously increasing incentive for continued service at all points beyond 5 years of service, and specifically, beyond 20 years.
Defense Manpower Commission "Defense Manpower: The Keystone of National Security"	April 1974–April 1976	"The military retirement system should provide for retirement eligibility with an immediate annuity only upon an accumulation of 30 retirement points. Retirement points should be earned at a rate such that 30 years of service in noncombat jobs will qualify and a minimum of 20 years of service in combat jobs is needed to qualify.
Third Quadrennial Review of Military Compensation	January 1975–December 1976	No formal report ever issued—only staff studies (10 volumes). Prepared: June 28, 1977 by Senate Appropriations Committee.

EXHIBIT 4

RETIRED UNIFORMED SERVICES PERSONNEL EMPLOYMENT BY AGENCY AND BY AGE—REPORT 4A

RETIRED UNIFORMED SERVICES PERSONNEL EMPLOYMENT BY GRADE OR SALARY WITHIN PAY SYSTEM BY AGE—REPORT 4B

The material introduced in the next two reports covers the age of retirees by agency (report 4A) and pay system (report 4B). Ages are calculated as of June 1975, reflecting ages on that date rather than the ages of the individuals at the time of their retirement.

Table 7 gives the numbers of retirees in each of the defined age categories and the percentage representations of all retirees therein. For comparison, the appropriate percentage for each category from the 1972 study is also presented. Although the 1972 results are based on Executive Branch employment only, comparisons are still considered valid.

TABLE 7

Age category	Number of retirees	1975 percentage	1972 percentage
Under 40	7,897	5.6	1.5
40 to 45	32,379	22.8	18.7
46 to 50	32,760	23.1	26.4
51 to 55	35,610	25.1	32.4
56 to 60	23,063	16.3	15.1
60 and over	9,246	6.5	5.9
Unspecified	862	.6	------

Generally, this table indicates that the 1975 retirees were younger than those in 1972. In 1975, 28.4% of all retirees were 45 years of age or younger compared to 20.2% in 1972. In 1975, 51.5% were 50 and younger—the 1972 figure was 46.6%. The break in this trend occurred in the numbers of retirees at 55 and younger. In 1972, 79.0% were 55 or less compared to 76.6% in 1975. Of the 1972 retirees 94.1% were 60 or less compared to 92.9% in 1975.

Table 8 provides a percentage comparison by age categories for the major pay systems identified in report 4B.

TABLE 8

Age category	GS and equivalent	Federal wage systems	Postal	Executive
Under 40	4.5	5.2	8.0	----------
40 to 45	19.3	23.1	29.6	----------
46 to 50	21.2	25.2	24.6	9.1
51 to 55	27.2	25.2	21.2	31.8
56 to 60	19.2	15.1	12.0	22.7
60 and over	8.1	5.3	4.1	36.4
Unspecified	.5	.9	.5	----------

EXHIBIT 5

[Extract from House Report 95-451 on 1978 defense appropriations]

TITLE II—RETIRED MILITARY PERSONNEL

RETIRED PAY DEFENSE

Estimates and appropriations summary

The accompanying bill provides $9,010,000,000 for Retired Pay, Defense, a decrease of $26 million from the request of $9,036,000,000. This will provide retired pay for an average retired population totaling 1,220,671 persons in fiscal year 1978.

The size of the retired population and the total cost of military retired pay continue to increase dramatically. The following table provided by the Department of Defense shows this increase for the past 25 years and projects additional increases in obligations of nearly $3 billion in the next five years. Defense retired pay costs have practically doubled every ten years during this period and under current statutes will continue to increase at a similar rate.

BUDGET AUTHORITY, TOTAL OBLIGATIONS, UNOBLIGATED BALANCE, AND AVERAGE NUMBER OF RETIRED MILITARY PERSONNEL

[In thousands of dollars]

Fiscal year	Budget authority	Total obligations	Unobligated balance	Average number [1]
Actual:				
1952	345,000	330,598	14,402	137,785
1953	357,000	356,385	615	147,216
1954	387,000	386,298	702	162,305
1955	423,500	422,102	1,398	174,012
1956	495,000	478,932	16,068	185,754
1957	515,000	510,784	4,216	192,209
1958	567,000	560,962	6,038	208,570
1959	640,000	634,542	5,458	222,545
1960	715,000	692,922	22,078	242,904
1961	789,500	787,806	1,694	275,914
1962	920,000	895,854	24,146	313,436
1963	[2] 1,029,000	1,014,755	10,925	358,830
1964	1,228,000	1,211,215	16,785	410,853
1965	1,399,000	1,835,578	13,422	462,463
1966	1,600,000	1,592,352	7,648	508,566
1967	1,839,000	1,831,159	7,841	564,280
1968	2,095,000	2,093,478	1,522	624,496
1969	2,450,000	2,422,941	7,059	691,688
1970	[3] 2,859,000	2,853,234	4,766	750,144
1971	3,391,032	3,388,999	2,033	806,139
1972	[4] 3,921,446	3,889,115	12,331	867,190
1973	4,441,684	4,392,218	49,466	923,635
1974	5,150,700	5,136,897	13,803	983,788
1975	6,250,900	6,238,511	12,389	1,049,553
1976	7,325,600	7,300,052	25,548	1,109,357
19TQ	[5] 1,968,248	1,946,132	22,116	1,144,717
Estimate:				
1977 [6]	8,381,700	8,238,100	[7] 143,600	1,197,691
1978 [6]		9,036,000		1,220,671
1979 [6]		9,709,100		1,255,988
1980 [6]		10,482,800		1,289,412
1981 [6]		11,202,700		1,321,633
1982 [6]		11,898,600		1,352,427

[1] Includes those receiving survivors' benefits.
[2] $3,000,000 transferred to "claims, defense."
[3] $1,000,000 transferred to "operation and maintenance, defense agencies."
[4] $20,000,000 transferred to "operation and maintenance, Air Force."
[5] Includes $1,942,700 appropriated plus $25,548 apportioned in fiscal year 1976 but unobligated on June 30, 1976, which is automatically apportioned for use during fiscal year 19TQ.
[6] Estimates for fiscal years 1977-82 are based on October 1976 military pay rates and OPI rates expected to be in effect through fiscal year 1982.
[7] Proposed rescission No. R77-8.

The current unfunded liability of the military retirement system is estimated to be over $160 billion. This, and the unfunded liability of the Federal civil service retirement system, which is about $120 billion, are of equal concern to the committee, as is the current fiscal condition of the Social Security System, which has between $3 and $4 trillion unfunded liability. This bill, however, includes only the military retirement system costs and as such that is all that is addressed here.

ISSUES OF CONCERN TO THE COMMITTEE

The significant increases already experienced and anticipated in the future are of considerable concern to this Committee. This year's review of the overall scope and size of retired military pay costs have led the Committee to recommend two general provisions designed to begin reducing the costs of the military retirement system. These are two of the obvious problem areas in the overall military pension system:

Section 858, a limitation prohibiting the use of funds to pay retired or retainer pay to any military retiree who begins work for the Federal Government after October 1, 1977.

Section 859, a provision that requires that Navy and Marine Corps enlisted personnel must serve a full twenty years of active duty service before being eligible to receive retainer pay. This eliminates the use of "shipping over time" which makes it possible for these personnel to retire and receive retainer pay after as little as 18 years of actual service. These two provisions are discussed in greater detail here.

COMPENSATION OF RETIRED MILITARY PERSONNEL IN THE FEDERAL CIVIL SERVICE

A recent study prepared by the United States Civil Service Commission and published by the House Post Office and Civil Service Committee identified over 142,000 retired military personnel who were employed as civilian employees of the Federal Government as of June 30, 1975. Current estimates indicate that more than 150,000 retired military personnel may be so employed. All but a small portion of these employees receive the entire amount of their military retired pay as well as the full pay for the civil service position which they occupy. The total compensation of all of these reemployed military retirees is over $3,000,000,000, of which nearly one third, or $1,000,000,000, is from retired pay. The average individual earnings from both the retired pay and the civil service pay for all 150,000 reemployed retired military personnel is over $22,000 at current pay scales. More than $15,000 of this is from the Civil Service position.

In this year's review of the military retired pay request of $9.04 billion, the Committee addressed the issue of retired military personnel receiving both retired military pay and Federal civil service compensation (commonly referred to as "double dipping"). This review considered the merits of the current practices, its comparability to other federal retirement systems, and the equity of providing dual compensation of this type to a select group of federal civil servants. The Committee also considered the question of fairness to current retirees employed in the Federal Government.

Committee recommendation

The Committee has included in this bill a new general provision (Section 858) that prohibits the payment of retired pay to any military retiree who begins work in the Federal Government after October 1, 1977. This is a limitation on the use of funds appropriated for retired pay and it applies only to future employees. It in no way affects current employees who are military retirees. It does not limit employment opportunities and it does not prohibit employment of retired military personnel by the Federal Government. The provision specifically deals only with the payment of dual compensation. It does not and is not intended to affect any of the other benefits that accrue to retired military personnel.

The general provision language is as follows:

"SEC. 858. None of the funds appropriated by this Act shall be available after September 30, 1977, to pay the retired or retainer pay of any officer, warrant officer or enlisted member of a regular or reserve component of the armed forces for any period for which the officer, warrant officer, or enlisted member is entitled to receive pay as an officer or an employee of the Federal Government or a member of Congress or a congressional employee, as defined in section 2104, 2105, 2106, or 2107 of title 5, United States Code, or as a person excepted from the provisions of chapter 51 of title 5, United States Code, by section 5102(c) of that title, other than a person covered by section 5102(c), (13), (17), (18), (19), (20), (21), or (24), of title 5, United States Code: *Provided*, That this limitation shall not apply to a person who, on or before September 30, 1977, is receiving retired or retainer pay and who, on that date is an officer or an employee of the Federal Government or a member of Congress or a congressional employee, or as a person excepted from the provisions of chapter 51 of title 5, United States Code, by section 5102 (c) of that title."

Basis for committee recommendation

The Committee this year addressed the issue of the costs of military retirement and examined several aspects of it which contribute to its rapidly escalating costs. The most significant single aspect affecting military pension costs is the availability of immediate pensions after 20 years of military service at any age. This means a person can perform his military service, retire after 20 years and begin immediately, regardless of his age, receiving a military pension of at least 50 percent of his basic pay. This makes it financially advantageous, in many cases, for a military person to retire and seek employment elsewhere because he can receive his retired pay as well as the salary from his employment. In addition, it is possible to vest in a second retirement system so that the military retiree can get eventually two retired pay checks and Social Security benefits.

Because of this concern over the costs and provisions of the military pension system, the Committee recommended this limitation to the use of retired pay funds. The following details the Committee's rationale.

(1) *Costs of the Military Retirement Program.*—In the last 25 years, the costs of the military retirement system have increased dramatically, doubling in size roughly every ten years. In relation to the overall Defense appropriations, the proportion of funds devoted to paying military retirees has increased from 0.6 percent of the total funding available in fiscal year 1952 to 8.0 percent of available funds in fiscal year 1978. This is disturbing to the Committee because these are funds that do not directly contribute to increasing national security. In a sense, because retired pay funding must compete within the overall Defense budget, it may in fact detract from overall national security because other important priorities may not be funded.

In examining the costs of the military retirement system, the Committee, using data provided by the Department of Defense, found that the costs of the 20-year immediate annuity pension are enormous. This data showed the substantial costs associated with retirement at 20 years of service regardless of age. The following table shows representative savings at various ages, based on fiscal year 1975 data.

Military retired pay costs

(Fiscal year 1975 Costs plus 12 percent)

If the minmum age at which pensions could be paid were raised to:	*The annual savings would be:*
40 or older	$149,338,000
45 or older	1,211,240,000
50 or older	2,296,240,000
55 or older	3,797,396,000
60 or older	5,029,687,000

(2) *Costs of Employment of Retired Military Personnel in the Federal Civil Service.*—The Committe estimates that the military retirees employed in the Federal civil service receive a total of $3 billion in retired and civil service pay. About $1 billion of this is derived from the retired military pay. This, in the view of the Committee, is a cost of the military pension system and to the taxpayer that is not necessary, particularly in a time of increasing burdens of taxation at the federal, state and local levels.

(3) *Appropriateness of Permitting Dual Compensation.*—The House report on this issue shows that 94 percent of the 142,000 reemployed retired military personnel working for the Federal Government were 60 years of age or younger and more than half (51 percent) were 50 years of age or less. More than 13 percent retired from the military with some form of disability (using fiscal year 1975 data). The fact that these persons are qualified and able to be employed by the Federal civil service shows that they are capable of employment and that the payment of retired pay of any type under these circumstances is contrary to purposes of retired pay. Retired pay is made to provide for the maintenance of a respectable standard of living after cessation of employment. The practice of paying retired pay and then a civil service salary on top of it is inconsistent with this purpose. Some would argue that military pensions are actually "deferred compensation" intended at one time to offset relatively low military pay scales. Current military pay levels, however, are very adequate and this argument is no longer applicable. Furthermore, the military pension system is noncontributory in nature, so that the individuals do not suffer any loss of pay during the period of time they serve in the military. Military retired pay costs are paid solely from funds appropriated on an annual basis. There is no fund or other mechanism such as exists for the civil service retirement systems into which employees must contribute a part of their income for future retirement costs.

(4) *Comparability With Other Federal Retirement Systems.*—The Dual Compensation Act of 1964 established an unusual condition for federal retirement systems in that it permitted retention of retired pay even though a person might be fully employed with the Federal Government after retirement. There are a variety of federal retirement programs that provide for retired compensation for federal civil servants, postal workers and selected groups of federal employees (such as the Foreign Service and the Judiciary). The most prominent of all retired compensation systems—the Social Security System—is federally operated. The Federal civil service and the Social Security programs, each of which require employee contributions into a fund—both require either total or partial sacrifice of retirement payments upon reemployment. This is based on the premise that if a person is capable of earning a living, he has no need of a retired pay check. This action of the Committee applies this principle to the military retirement system, which is noncontributory. It is particularly appropriate in the case of military retirement where it is possible to retire and begin receiving immediate annuities at as young an age as 37.

(5) *Comparability with Military Retirement System Limitations.*—There is a provision in title 10 of the United States Code that places restrictions on dual compensation of retired military reservists who return to active duty. 10 U.S. C. 684 provides as follows:

§ 684. Payment of certain Reserves while on duty.

(a) Except as provided by subsection (b), a Reserve of the Army, Navy, Air Force, or Marine Corps who because of his earlier military service is entitled to a pension, retired or retainer pay, or disability compensation, and who performs duty for which he is entitled to compensation may elect to receive for that duty either—

(1) the payments to which he is entitled because of his earlier military service; or

(2) if he specifically waives those payments, the pay and allowances authorized by law for the duty that he is performing.

(b) Unless the payments because of his earlier military service are greater than the compensation prescribed by subsection (a) (2), a Reserve of the Army, Navy, Air Force or Marine Corps who because of his earlier military service is entitled to a pension, retired or retainer pay, or disability compensation, and who upon being ordered to active duty for a period of more than 30 days in time of war or national emergency is found physically qualified to perform that duty, ceases to be entitled to the payments because of his earlier military service until the period of active duty ends. While on that active duty, he is entitled to the compensation prescribed by subsection (a) (2). Other rights and benefits of the member or his dependents are unaffected by this subsection.

The Committee's recommended general provision would extend the principle already established in this statute to cover a broader category of military retirees.

This basically prohibits a retired reservist from receiving both a military retired check and a military salary while performing active duty. He may choose whichever of the two is higher.

The Committee believes that it is appropriate that this kind of restriction on receipt of military retired pay by persons serving on active military duty should also apply to receipt of military retired pay by persons employed in the Federal civil service. The same kind of rationale against dual compensation for retired military personnel in military service should apply equally to those employed elsewhere. At the very least, the Congress should insist upon a consistent approach to dealing with military retirees and the statutory limitation in 10 U.S.C. 684 reflects that view.

(6) *Fairness to Other Federal Civil Service Employees.*—The Federal civil service is composed for the most part of dedicated, loyal, hard-working individuals who look upon their public service as being as important and as valuable to the nation as the services performed by military servicemen. Although there are certain aspects of military service that are unique, from the standpoint of fairness and equity to all who choose a public service career of any type, it is highly desirable to treat all in as equitable, uniform and fair a manner as possible.

The employment of retired military personnel in the Federal civil service is often unfair to other civil servants. They transfer into positions and grade levels that many civil servants work and strive for throughout their careers. They receive additional benefits as a result of being a military retiree and they get jobs that would otherwise be filled by a person whose only source of income is his civil service pay. In the view of the Committee, it is unfair to the career civil servant to permit continuation of this dual compensation practice. The House Committee on Post Office and Civil Service, when it acted on the Dual Compensation Act of 1964, recognized this in its Report that said: "The policy should protect career civilian employees from advantages enjoyed by retired military personnel solely as a result of military service . . ."

(7) *Compensation of the Individual Retiree.*—Federal civil service compensation is linked to compensation for comparable work done in the private sector of the economy. Civil service employment also carried with it generous fringe benefits and other satisfactions. For these reasons, it is difficult to argue that Federal civil servants are not fairly or adequately compensated for their services. And when this civil service pay is coupled with military retired pay, the overall compensation package is very adequate. The table below reflects the average pay of all reemployed retired military personnel working for the Federal civil service.

AVERAGE COMPENSATION, ALL MILITARY RETIREES EMPLOYED IN THE FEDERAL CIVIL SERVICE

[Fiscal year 1975 data plus 12 percent in pay raises]

	Average retired pay	Average civil service pay	Average total compensation
All retirees (139,298)	$6,775	$15,345	$22,120
Officers (27,623)	10,865	21,660	32,525
Enlisted (111,675)	5,765	13,783	19,548

It is interesting to note from this table that the average civil service pay of all military retirees is $15,345 annually. For retired enlisted personnel, the average annual civil service pay is nearly $14,000.

For retired military officers, with an average civil service salary of $21,660 and average retired pay of $10,865 the average total compensation is more than $32,000 a year.

These average annual earnings figures are displayed here to emphasize that the combination of years of service and experience make military retirees eligible for civil service employment at rates of pay that are very reasonable. For the most part, in fact, persons retiring from the military who enter the Federal civil service do so at a level of responsibility and pay that is comparable to his military occupational level. The transition, therefore, will not in most cases result in an overall loss of income.

On the other hand, the Committee has received reports that retired military personnel have difficulty transferring into the Federal civil service at rates of pay comparable to that which they receive in the military. If this is true, it is an apparent result of the awareness that employers have that military retirees already have a source of income that makes it possible for them to be paid less and still maintain a standard of living comparable to or better than that which they enjoyed in the military. This also appears to be an accepted practice in private industry. If this is true, and the Committee is not convinced that it is, it is a discriminatory practice that is contrary to the merit system and the principles of the civil service position classification process. If a retired full colonel, for example, who would otherwise be equivalent to a GS–15 in the Federal civil service, were to be offered and accept the pay of a GS–12 or GS–13, yet be expected to perform at the level of a GS–15, for a particular job, this would contravene the purposes of merit system and is wholly undesirable. As such it is a practice that should be investigated by the Civil Service Commission. The Committee believes that this is simply one of the unfortunate consequences of permitting dual compensation and that the unfavorable morale and prestige implications for those military retirees could be avoided. However, many military retirees by choice accept a civil service position at a grade level lower than that for which they may otherwise be qualified for reasons other than pay—geographic location, other benefits of civil service discussed in this section of the report, and so forth. The attractiveness of Federal civil service employment is such that there are 10 persons eligible and desiring to have every single available job.

(8) *Undesirable Aspects of Dual Compensation for Civil Service Employment.*—The policy of permitting dual compensation has resulted in several practices which are contrary to the purposes of the merit employment system and which existing procedures and regulation have not been able to eliminate. The first, the so-called "buddy system", involves the hiring and promotion of retired military personnel. * * * This circumvents the normal channels through which persons enter the Federal Government and is a channel that is generally unavailable to the average citizen who is seeking employment. The second practice, the conversion of a military job to a civilian job, is equally undesirable in that it makes it possible, through this informal mechanism, for a military person to retire into a job essentially identical to the one he held while he was in the military service. Whether or not the additional civilian position is necessary at all is questionable, and whether it should be filled through this conversion process is also questionable.

(9) *Military Personnel Policies Encouraging Early Retirements.*—The Department of Defense, in discussing the need for reform of military retirement in the fiscal year 1978 budget, acknowledged that the current retirement system creates ". . . disincentives to careers longer than 20 years." This is because the immediate annuity pension provision makes it financially advantageous for a military man to retire at that point in his career and seek a second career.

Of equal importance, however, are the official and unofficial policies and practices that make the 20-year career the norm rather than the exception. Officially, statutes and regulations prescribe stages in military careers at which point they must be promoted or be required to leave the service. A twice passed over officer is officially forced out of the service for failure-of-promotion. This official separation under the "up-or-out" policy applies in very few cases, however: just 2,065 in fiscal year 1976; 1,161 in fiscal year 1977 (estimated) and 1,432 in fiscal year 1978 (estimated). The unofficial effect, on the other hand, causes many to chose to leave voluntarily rather than be forced out with the stigma associated with that. There is no official data available to show how many military officers choose to leave the service of their own accord after being passed over a first time, but data provided by the Services shows that 87 percent of officers passed over once are passed over a second time. So there is only a 13 percent chance of success for promotion the second time around. This undoubtedly encourages many to leave with the attitude that 20 years is the extent of most careers.

Also reflecting this unofficial attitude is the fact that more than half (50.5 percent) of all military retirees leave at or shortly after reaching their 20th year of service.

It is disturbing to the Committee that so much talent and expertise is being lost to the military through the execution of these official and unofficial policies. The costs to the individual who desires to stay in the service beyond 20 years but can't are enormous. The cost to the military are considerable in that the skills, training and professionalism developed in a 20-year career are very difficult to replace. The costs, too, in additional recruiting, training and lost time resulting from inexperience cannot be fully estimated.

The argument that changes in these policies will result in a military force that is too old to fight is not valid. Much of the support capability and command, control and communications can be handled as well, if not better, by older, more experienced personnel than those actually assigned to combat duties. No judgment is made on what the appropriate length of service should be, but a change to 30 years, rather than 20, as the basic career length would not be unreasonable.

(10) *Calculation of Savings.*—The Committee estimates that the first year's savings resulting from implementation of this recommendation will be $26,000,000. This is based on consideration of prior-year experience, average cost per retiree and the effect this provision will have on a military person's decision to work for the Federal civil service.

In fiscal year 1978, it is estimated that about 68,000 military personnel will retire on either disability or nondisability. Between 12 and 15 percent of military retirees have chosen to work in the Federal civil service. Based on this percentage, between 8,000 and 10,000 military retirees would be expected to seek and obtain employment in the Federal civil service. (Although this estimate does not account for variable conditions affecting civil service employment, it must be remembered that the number of retired military persons working for the Federal Government increased from 77,655 in 1972 to 141,817 in 1975, an 83 percent increase in three years. At this rate, the number of retired military who might be expected to enter the Federal civilian employment could be much higher.) The average military retiree draws approximately $7,200 annually in retired pay, so the total retired pay that would be paid to the estimated 8,000 to 10,000 retirees who might go to work for the Federal Government would be between $57,600,000 and $72,000,000 in fiscal year 1978. This estimate of average annual retired pay may also be low—FY 1976 retirees averaged $7,900 and two pay raises since then could increase this to closer to $9,000 per retiree. This would raise the totals to between $72,000,000 and $90,000,000. Using the low end of this calculation to reflect a conservative base, the Committee estimates that slightly more than half of those military retirees who would otherwise choose to work for the Federal Government will choose to seek employment elsewhere in order to obtain both the retired pay and other pay checks or for other reasons. Therefore, the Committee's estimated savings is based on the assumption that only 3,600 of the 68,000 new retirees in fiscal year 1978 will choose to work in the Federal civil service and forego their retired pay. This represents 5.3 percent of the total eligible new retirees as opposed to the normal 12–15 percent who go to work in the civil service. Of course, the mix of officers and enlisted retirees will affect the savings. If, for example, just 1,300 of the 68,000 eligibles (1.9 percent) who receive $20,000 each in retired pay annually see more advantages in working in the civil service and give up their retired pay, the $26,000,000 will be realized.

The Committee does not agree with the assumption that all military retirees will go to work outside the Federal Government. Some will, and this is recognized in the Committee's estimated savings. However, many military retirees will weigh the advantages of civil service employment, and they are considerable, and decide to temporarily give up retired pay in order to work for the Federal civil service. One of the major factors they will consider is the generous civil service retirement program which vests after five years of civilian service.

In addition, the Committee believes that savings will result from the fact that more military men will choose to extend their military careers and continue their military service.

(11) *Other Costs to the Government.*—There are several other costs to the Federal Government that must be considered. Primary among these is that a military retiree who works for the civil service for a second career will be eligible for a civil service retirement after a certain period of time and at a certain age. This can be, for example, 40 percent of the civilian pay after 20 years of service or more and it is escalated to keep up with inflation. In addition, military personnel are covered under the Social Security system, and at age 62 or later they can begin receiving that benefit. So it is possible for a person to receive three pension checks from the Federal Government under this system.

Conclusion

The Committee has several objectives it wishes to achieve with this recommended general provision. In properly exercising its responsibility to address fiscal and budgetary issues affecting the Defense establishment and the nation, the Committee believes this is a necessary and proper approach to reducing military retirement costs.

The following are the principle objectives of this recommendation:

(1) Reduce the costs of the military retirement system, which have been increasing dramatically, in fiscal year 1978 and beyond;

(2) Encourage more servicemen to stay in the military longer by reducing the financial incentive to early retirement;

(3) Encourage a more comprehensive Executive and Congressional review of the military retirement system.

(4) Provide an equitable and fair safeguard for current military retirees working in the Federal civil service; and

(5) Insure the integrity of the Federal civil service by reducing the effect of the "buddy system" and assuring appropriate classification of civil service positions for all employees.

The Committee's amendment is an interim step which addresses only one facet of modernizing military retired pay. The Defense Manpower Commission, for example, has recommended that "the present practice of allowing normal retirement with an immediate annuity after only 20 years of active service should be phased out." Other studies have suggested related, major revisions. The Committee does not view this dual compensation provision as a substitute for such legislative reform proposals to be considered by the Armed Services Committee. A full revision of the military retired pay structure is long overdue.

The current structure was devised for an era when the military wage was severely depressed. It has been one decade, however, since Congress altered the pay philosophy and ordered military pay brought in line with the civilian wage structure. Retired pay, designed in part to compensate for the low wage structure, has not yet been brought into line with the new pay structure. As a result, retirement benefits, which are linked directly to the pay system, have skyrocketed. Even the Defense Department has been motivated to say that the current system "provides excessively liberal benefits." President Carter has reflected these same sentiments especially as they relate to reemployed military retirees. He said on March 1, 1977:

"And I've been particularly concerned at the excessive retirement benefits that are available to those who served in the military, who then retire and get full-time jobs working for the government. This is too expensive."

USE OF CONSTRUCTIVE CREDIT IN DETERMINING ELIGIBILITY FOR AN AMOUNT OF RETIRED PAY

In addressing the retired pay request for fiscal year 1978 the Committee took action on two of the least justifiable aspects of the current military retired pay system. The first of these, dual compensation for military retirees working for the Federal government, has already been discussed. The second item is referred to as "constructive credit" for time not actually served. The use of constructive credit is currently authorized by section 6330(d) of Title 10 which provides that an enlistment in the Navy or Marine Corps that is "terminated within three months before the end of the term of enlistment is counted as active service for the full term." This applies only to the Navy and Marine Corps. Air Force and Army enlisted members do not have this option.

Under this system of "shipping over" an individual can reenlist up to three months before the termination of his current enlistment and receive credit for retirement purposes for having served the three month period. It is not unusual to reduce through successive reenlistment the time actually served by 18 months. Thus, retirement (transfer to the fleet reserve) is possible without serving the full 20 years minimum service.

This particular provision of law is also costing millions of dollars in addition to those spent for the early retirements since members of the Navy and Marine Corps who serve over 20 years and then retire receive the constructive credit in calculating the amount of retired pay (retainer pay) they will receive. The amount of retired pay received is determined by multiplying 2½ percent of base pay for each year of service including those years of service or portion thereof for which constructive credit is awarded. This later aspect represents the big cost (millions of dollars) of the constructive credit feature of the law. Added to this is the privilege to count as a full year any time served over six months as a full year in determining retired pay.

The Committee has traced this and related statutes which permit retirements prior to 20 years of service back to 1916, as shown in a later table. It is understood although no one seems to know for sure that the concept for this extra "shipping over" credit is based upon the lengthy period that ships were at sea without contact with the home-port. Members of the crew were expected to have enough time remaining on the enlistment to insure that they could complete the cruise. As a result, they were given credit for having served an enlistment when they reenlisted for the next cruise. This time was later converted to credit in determining eligibility for retirement.

The Committee has placed a general provision in the bill (Section 859) which will terminate this system effective December 31, 1977. However, like the dual compensation provision, it will not impact on anyone already retired or take away any "constructive credit" already earned by anyone currently on active duty in the Marine Corps and Navy. Subsection (a) of the general provision terminates the use of appropriated funds to pay retired pay, the eligibility for which was earned using "constructive credit". Subsection (b) of section 859 prohibits the use of funds for that portion of retired pay that is based upon constructive credit. This last subsection addresses the problem of allowing time not actually served (constructive credit) to be used in computing retired pay. In all cases, credit is given to those who earned "constructive time" under the law prior to December 31, 1977.

The Committee did not make a reduction to the retired pay request because the way the limitation is written there will be little or no savings the first year.

The DoD data base on this matter appears to be incomplete or there is difficulty in extracting the data from the computer information systems. The following table shows that there are currently about 31,600 nondisabled retired members on the rolls who have served less than 20 years, of which about 31,000 are in the Navy.

RETIRED MEMBERS (NONDISABILITY) AS OF JUNE 30, 1976 [1]

	Army [2 3]	Navy [4 5]	USMC [4 5]	USAF [6]	DOD
Years of service:					
10	6	0	0	0	6
11	12	6	1	1	20
12	5	3	0	2	10
13	16	15	2	0	33
14	28	147	2	0	177
15	45	97	11	0	153
16	77	364	32	2	475
17	86	235	43	1	365
18	120	1,507	30	0	1,657
19	608	30,982	27	6	31,623

[1] Information based on unedited statistics from MARDAC data base.

[2] Act of June 30, 1922 (42 Stat. 722)—permitted retirement of Army officers with as little as 10 yr of commissioned service.

[3] Act of July 31, 1975 (49 Stat. 507)—provided retirement for Army officers after 15 yr of service; was in effect until 1948, although suspended during WW II.

[4] Act of May 29, 1934 (42 Stat. 811)—provided retirement for Navy lieutenant after 14 yr of service and for lieutenant (junior grade) after 7 yr of service—revised in 1935 to keep lieutenants to 21 yr and lieutenant (junior grade) to 14 yr of service.

[5] Act of Aug. 29, 1916 (39 Stat. 558)—permitted Navy and Marine Corps enlisted men to transfer to Fleet Reserve with between 16 to 20 yr of service; revised in 1925 but kept the 16 yr of service feature if enlisted man on AD on July 1, 1925.

[6] U.S. Air Force established as separate service in 1947. Pre-1947 retirement under U.S. Army criteria.

The Committee has little confidence in these figures because the Marine Corps has the same "constructive credit provision but few Marines are shown as having retired with less than 20 years of service. Also with more than 1,176,000 personnel on the retirement rolls it seems that more than 30,000 should have taken advantage of the constructive credit provision. The Fleet Reserve retirement rolls contain about 100,000 service members. The Fleet Reserve contains Navy and Marine retirees between the 20th and 30th years. When they reach 30 years, they are transferred to the regular retired rolls.

One reason for the relatively small number (31,000) who have served less than 20 years may be related to granting constructive credit in determining retired pay rates. Personnel may be opting to stay longer and obtain additional constructive credit in calculating their retired pay.

Other data provided by DoD indicate that about 4,000 persons are added to the nondisability retired rolls each year, who have served less than 20 years.

The Committee realizes that the Department was not given a prolonged period of time to provide such date, but in that the inappropriateness of the constructive credit feature in the Navy/Marine Corps laws has been recognized by DOD for some time it would seem that the statistical data would be readily available. In fact, the Committee understands that the current DOD plan to modernize the retirement system will also propose the elimination of this constructive credit feature.

EXHIBIT 6

[Extract from Senate Report 95-325 on 1978 Defense appropriations]

TITLE II—RETIRED MILITARY PERSONNEL

RETIRED PAY, DEFENSE

1977 appropriation	$8,238,100,000
1978 budget estimate	9,036,000,000
House allowance	9,010,000,000
Committee recommendation	9,010,000,000

Appropriations under this title finance retirement pay, as authorized and prescribed by law, for military personnel on the retired lists of the Army, Navy, Marine Corps, and Air Force. This includes payments for nondisability retirement at completion of prescribed lengths of service, for those in temporary or permanent disability status, for Navy and Marine Corps members of the Fleet Reserve who have 20, but less than 30, years' creditable service, and for survivors of deceased members who qualify for continued annuities. The estimates exclude payments to individuals who elect to receive compensation for physical disability from the Veterans Administration. The amounts requested are also exclusive of any administrative expense.

The budget request

The fiscal year 1978 budget request for retired pay is $9,036,000,000, an increase of $797.9 million over the fiscal year 1977 appropriation. The budget request assumes that 1,243,570 personnel will be on the retired rolls by the end of the fiscal year, for an average of 1,220,671 individuals to be supported. The following table displays the budget request by major category.

RETIRED PAY, DEFENSE

[Dollars and personnel numbers in thousands]

	Fiscal year 1976 actual		Fiscal year 1977 estimate		Fiscal year 1978 request	
	Average number	Funding	Average number	Funding	Average number	Funding
Retirement Category:						
Nondisability	818.3	$5,745,796	880.2	$6,544,689	915.9	$7,189,229
Temporary disability	13.4	63,744	11.9	57,372	11.4	60,384
Permanent disability	146.1	855,964	143.9	912,096	145.2	984,055
Fleet Reserve	98.9	549,478	100.0	607,133	101.0	658,556
Survivors' benefits	32.6	85,070	40.7	116,810	47.1	143,776
Total [1]	1,109.4	7,300,052	1,176.7	8,238,100	1,220.7	9,036,000

[1] Totals may not add due to rounding.

The almost $800 million increase in funding requested for fiscal year 1978 is attributable to several factors. The addition of 35,624 to the average number of military personnel receiving nondisability retirement benefits is the largest single factor in this increase. The 1978 request also reflects the impact of the 3.62-percent increase in basic pay effective October 1, 1976, as well as increases resulting from adjustments in the survivor benefit plan approved October 14, 1976. Finally, the Department of Defense has budgeted for future Consumer Price Index-related adjustments to retired pay scheduled to take place during fiscal year 1978.

Subcommittee hearings

Additional data and testimony in support of this appropriation request can be found on pages 752 through 772 of volume 2 of the subcommittee's hearings on the fiscal year 1978 budget.

Summary of committee action

For Retired Military Pay, the Committee recommends an appropriation of $9,010,000, which is $26,000,000 below the budget request and the same as the House allowance. In doing so, the Committee recommends concurrence with the General Provision in the House bill dealing with Military Retired Pay for enlisted personnel in the Navy and Marine Corps.

Section 856 of the House bill deals with the system of constructive credit whereby enlisted personnel in the Navy and Marine Corps can receive retirement credit for time not actually served. By reenlisting up to three months before the termination of his or her current enlistment, an individual in the Navy or Marine Corps can receive credit for retirement purposes for having served the full three months. This General Provision terminates the use of appropriated funds to pay retired pay in cases where eligibility is earned using constructive credit. It also prohibits the use of funds for that portion of retired pay that is based on constructive time. In all cases, credit is given for those who earned constructive credit prior to December 31, 1977.

The Committee also recommends inclusion of a General Provision (Section 844) that prohibits future retirees whose annual retired pay is $6,000 or more as of September 30, 1977, from collecting military retired pay while employed by the Federal Government. With the exception of the $6,000 provision, this is identical to a provision recommended in the bill reported by the House Appropriations Committee.

The Department of Defense provided the following data pertaining to this provision:

RETIRED MILITARY PERSONNEL

	For all retirees	For nondisability retirees only
Percent of retirees who retired in 1976 receiving annual retired pay of—		
$5,000 or less	11.4	4.4
$6,000 or less	33.9	25.6
$7,000 or less	62.6	53.1
$8,000 or less	75.4	65.4

There are approximately 1,200,000 retirees now on the rolls. In 1976, the year for which the data in the preceding table apply, a total of 56,339 military personnel began to draw retired pay. The Defense Department expects that approximately 68,000 military personnel will retire during fiscal year 1978. Accordingly, if the 1978 retiree force composition were similar to the 1976 force composition, this amendment will affect all but 34 percent, or 23,000 individuals, who elected to go to work for the Federal Government. (Note: This does not take into account cost of living increases that have occurred in military retired pay since 1976 which would tend to reduce the percentage of military retirees receiving $6,000 or less in retired pay annually.)

Retirement accounting procedures

In its report on the fiscal 1977 Defense Appropriations bill (Senate Report 94–1046) the Committee recommended that in future budgets the Administration propose including the costs of military retired pay within a more appropriate functional area of the Federal budget. As the Committee stated then, military retired pay contributes nothing to our military preparedness effort. Also, since no other agency budget comparably displays the costs of its retired personnel, the costs of military retired pay should be displayed within the Income Security or Veterans Benefits function.

The Committee received testimony this year indicating that several changes in accounting procedures are being considered by the Department for inclusion in the fiscal 1979 budget request. These changes include transferring the costs of currently retired military personnel out of the Defense function, and setting up a system of accrual budgeting for retirement costs under which the full costs for future defense retirement payments would be charged to the Defense function. The Committee expects to be kept fully informed of the status of these proposed changes between now and the submission of the fiscal year 1979 President's budget.

EXHIBIT 7

[Committee print]

STUDY OF RETIRED UNIFORMED SERVICES PERSONNEL IN THE FEDERAL CIVILIAN SERVICE—DECEMBER 1976

(Prepared by the U.S. Civil Service Commission for the Committee on Post Office and Civil Service, House of Representatives, February 28, 1977)

TABLE 1.—RETIREES IN THE FEDERAL CIVILIAN SERVICE: NUMBERS BY FORMER MILITARY PAY GRADES (RANKS AT RETIREMENT)

Rank at retirement	Number of retirees	Army, Air Force, and Marine Corps	Navy, Coast Guard, and NOAA	Public Health Service
Commissioned officers:				
O–10	16	General	Admiral	(Note: PHS does not use grades O–9 or O–10).
O–9	34	Lieutenant general	Vice admiral	
O–8	67	Major general	Rear admiral (upper half)	Assistant surgeon general.
O–7	60	Brigadier general	Rear admiral (lower half)	Assistant surgeon general.
O–6	2,486	Colonel	Captain	Director grade.
O–5	8,681	Lieutenant colonel	Commander	Senior grade.
O–4	7,472	Major	Lieutenant commander	Full grade.
O–3	2,471	Captain	Lieutenant	Senior assistant grade.
O–2	1,416	1st lieutenant	Lieutenant (jg)	Assistant grade.
O–1	394	2d lieutenant	Ensign	Junior assistant.
Total	23,097			
Warrant officers:				
W–4	875	Chief warrant officer	Chief warrant officer	
W–3	1,563	Chief warrant officer	Chief warrant officer	
W–2	1,587	Chief warrant officer	Chief warrant officer	
W–1	560	Warrant officer	Warrant officer	
Total officers	27,682			

Military pay grade	Number of retirees	Army	Navy and Coast Guard	Air Force	Marine Corps
Enlisted personnel:					
E-1	86	Private	Seaman recruit	Airman, basic	Private.
E-2	575	Private	Seaman apprentice	Airman	Private, 1st class.
E-3	1,349	Private, 1st class	Seaman	Airman, 1st class	Lance corporal.
E-4	2,604	Corporal, specialist	Petty officer, 3d class	Sergeant	Corporal.
E-5	12,048	Sergeant, specialist	Petty officer, 2d class	Staff sergeant	Sergeant.
E-6	31,510	Staff sergeant specialist	Petty officer, 1st class	Technical sergeant	Staff sergeant.
E-7	44,881	Platoon sergeant; sergeant, 1st class specialist	Chief petty officer	Master sergeant	Gunnery sergeant.
E-8	13,174	Master sergeant; First sergeant	Senior chief petty officer	Senior master sergeant	First sergeant; master sergeant.
E-9	5,566	Sergeant major	Master chief petty officer	Chief master sergeant	Sergeant major; master gunnery sergeant.
Total	111,793				

Note.—The National Oceanic and Atmospheric Administration's Commissioned Corps and the Public Health Service do not have enlisted personnel. There were a total of 141,817 retirees employed in the Federal civilian service at the time of this study. The numbers of retirees shown in table 1 do not reflect a total of 2,342 retirees receiving their full retirement benefits from the Veterans' Administration and, thusly, were not identifiable by military pay grade or rank.

DISTRIBUTION OF RETIRED UNIFORMED SERVICES PERSONNEL BY AGENCY AND BY COMPONENT, REPORT 2: ALL AREA

Agency	Total			Unsp. va.	Regular			Nonregular			Unsp. va.
	Total	Officers	Enlisted		Total	Officers	Enlisted	Total	Officers	Enlisted	
All agencies and departments	141,817	27,682	111,793	2,342	115,114	5,164	109,950	24,361	22,518	1,843	2,342
Executive branch	106,820	24,201	81,223	1,396	84,739	4,740	79,999	20,685	19,461	1,224	1,396
State	373	220	152	1	220	69	151	152	115	1	1
Treasury	2,939	928	1,938	73	1,975	90	1,885	891	838	53	73
Defense	78,124	15,759	61,581	784	63,657	2,914	60,743	13,683	12,845	838	784
Army	25,509	7,079	18,141	289	18,588	659	17,929	6,632	6,420	212	289
Regular	25,467	7,054	18,126	287	18,759	657	17,922	6,601	6,397	204	287
National Guard technicians	42	25	15	2	9	2	7	31	23	8	0
Navy	26,252	2,900	23,142	210	24,147	1,419	22,728	1,895	1,481	414	210
Marine Corps	2,021	198	1,809	14	1,905	105	1,800	102	93	9	14
Air Force	20,597	3,947	16,434	216	16,728	452	16,276	3,653	3,495	158	216
Regular	20,480	3,929	16,336	215	16,633	447	16,186	3,632	3,482	150	215
National Guard technicians	117	18	98	1	95	5	90	21	13	8	1
Department of Defense	3,745	1,635	2,055	55	2,289	279	2,010	1,401	1,356	45	55
Office of the Secretary	194	172	21	1	119	99	20	74	73	1	1
Defense Communications Agency	172	100	72	0	93	21	72	79	79	0	0
Defense Contract Audit Agency	79	35	39	5	41	2	39	33	33	0	5
Defense Intelligence Agency	280	158	122	0	159	37	121	121	121	0	0
Defense Investigative Service	132	77	55	0	58	4	54	74	73	1	0
Defense Mapping Agency	314	164	146	4	162	18	144	148	146	2	4
Defense Supply Agency	2,397	825	1,530	42	1,559	70	1,489	796	755	41	42
Other Defense agencies	177	104	70	3	98	28	70	76	76	0	3
Justice	1,817	287	1,518	12	1,576	73	1,503	229	214	15	12
Federal Bureau of Investigation	12	12	0	0	12	12	0	0	0	0	0
Interior	1,458	388	1,025	45	1,051	64	987	362	324	38	45
Agriculture	1,806	563	1,190	53	1,209	62	1,147	544	501	43	53
Commerce	1,156	406	733	17	836	123	713	303	283	20	17
Labor	422	209	207	6	234	31	203	182	178	4	6
Health, Education, and Welfare	2,076	863	1,170	43	1,372	225	1,147	661	638	23	43
Housing and Urban Development	375	197	173	5	214	43	171	156	154	2	5
Transportation	3,585	1,265	2,285	35	2,505	249	2,256	1,045	1,016	29	35
Independent agencies	12,689	3,116	9,251	322	9,890	797	9,093	2,477	2,319	158	322
ACTION	11	7	4	0	8	4	4	3	3	0	0
Civil Service Commission	183	81	99	3	108	11	97	72	70	2	3
Community Services Administration	33	24	8	1	10	2	8	22	22	0	1
Energy Research and Development Administration	199	126	69	3	161	92	69	34	34	0	3
Environmental Protection Agency	236	122	103	11	151	52	99	74	70	4	11
Federal Deposit Insurance Corporation	38	18	19	1	23	6	17	14	12	2	1
Federal Energy Administration	122	72	48	2	83	36	47	37	36	1	2
Federal Maritime Commission	9	4	5	0	5	0	5	4	4	0	0
General Services Administration	2,280	424	1,823	33	1,875	87	1,788	372	337	35	33
National Aeronautics and Space Administration	716	404	302	10	421	126	295	285	278	7	10
National Labor Relations Board	17	11	4	2	6	2	4	9	9	0	2
National Science Foundation	30	25	5	0	15	10	5	15	15	0	0
National Transportation Safety Board	34	31	3	0	9	6	3	25	25	0	0
Nuclear Regulatory Commission	78	55	21	2	60	39	21	16	16	0	2
Office of Management and Budget	7	6	1	0	7	6	1	0	0	0	0
Panama Canal Company	174	37	136	1	150	15	135	23	22	1	1
Selective Service System	105	67	38	0	42	5	37	63	62	1	0
Small Business Administration	137	78	55	4	68	14	54	65	64	1	4
Smithsonian Institution	193	22	168	3	173	7	166	17	15	2	3
U.S. Information Agency	75	22	50	3	54	4	50	18	18	0	3
Veterans' Administration	7,288	1,227	5,827	234	5,919	188	5,731	1,135	1,039	96	234
Other executive agencies	725	253	463	9	542	85	457	174	168	6	9
Legislative branch	260	83	170	7	209	43	166	44	40	4	7
General Accounting Office	102	55	46	1	72	29	43	29	26	3	1
Government Printing Office	150	22	122	6	132	11	121	12	11	1	6
Other legislative branch	8	6	2	0	5	3	2	3	3	0	0
Judicial branch: Administrative Office of the United States Courts	13	7	6	0	7	1	6	6	6	0	0
United States Postal Service	34,724	3,391	30,394	939	30,159	380	29,779	3,626	3,011	615	939

Retired Uniformed Services Personnel Employment by Agency and by Age—Report 4A.
Retired Uniformed Services Personnel Employment by Grade or Salary Within Pay System: by Age—Report 4B.

The material introduced in the next two reports covers the age of retirees by agency (report 4A) and pay system (report 4B). Ages are calculated as of June 1975, reflecting ages on that date rather than the ages of the individuals at the time of their retirement.

Table 7 gives the numbers of retirees in each of the defined age categories and the percentage representations of all retirees

therein. For comparison, the appropriate percentage for each category from the 1972 study is also presented. Although the 1972 results are based on Executive Branch employment only, comparisons are still considered valid.

TABLE 7

Age category	Percent of retirees	1975 percentage	1972 percentage
Under 40	7,897	5.6	1.5
40 to 45	32,379	22.8	18.7
46 to 50	32,760	23.1	26.4
51 to 55	35,610	25.1	32.4
56 to 60	23,063	16.3	15.1
60 and over	9,246	6.5	5.9
Unspecified	862	.6	

Generally, this table indicates that the 1975 retirees were younger than those in 1972. In 1975, 28.4% of all retirees were 45 years of age or younger compared to 20.2% in 1972. In 1975, 51.5% were 50 and younger—the 1972 figure was 46.6%. The break in this trend occurred in the numbers of retirees at 55 and younger. In 1972, 79.0% were 55 or less compared to 76.6% in 1975. Of the 1972 retirees 94.1% were 60 or less compared to 92.9% in 1975.

Table 8 provides a percentage comparison by age categories for the major pay systems identified in report 4B.

TABLE 8

Age category	GS and equivalent	Federal wage systems	Postal	Executive
Under 40	4.5	5.2	8.0	
40 to 45	19.3	23.1	29.6	
46 to 50	21.2	25.2	24.6	9.1
51 to 55	27.2	25.2	21.2	31.8
56 to 60	19.2	15.1	12.0	22.7
60 and over	8.1	5.3	4.1	36.4
Unspecified	.5	.9	.5	

The following chart shows a cumulative frequency distribution of the data presented in Table 8:

	GS and equivalent	Federal wage systems	Postal	Executive
Under 45	23.8	28.3	37.6	
50 or less	45.0	53.5	62.2	9.1
55 or less	72.2	78.7	83.4	40.9
60 or less	91.4	93.8	95.4	63.6

Table 9 provides the same types of information as table 8, based on data from the three government branches (the Legislative and Judicial data are combined). Age distribution for the Department of Defense, are also shown, as are the age distributions of all retirees. As a further comparison with the results of the 1972 study, the age distributions for both 1972 and 1975 are shown for the Executive Branch.

TABLE 9

Age category	Government-wide	Legislative and judiciary	Executive 1975	Executive 1972	Department of Defense
Under 40	5.6	11.0	4.8	1.5	3.9
40 to 45	22.8	24.9	20.6	18.7	19.3
46 to 50	23.1	22.3	22.6	26.4	23.2
51 to 55	25.1	20.5	26.4	32.4	27.5
56 to 60	16.3	13.2	17.7	15.1	18.5
60 and over	6.5	7.7	7.3	5.9	6.9
Unspecified	.6	.4	.6		.7

The following chart shows the cumulative percentage distribution of the data presented in Table 9:

	All retirees	Legislative and Judiciary	Executive 1975	Executive 1972	Department of Defense
Under 45	28.4	35.9	25.4	20.2	23.2
50 or less	51.5	58.2	48.0	46.6	46.4
55 or less	76.6	78.7	74.4	79.0	73.9
60 or less	92.9	91.9	92.1	94.1	92.4

TABLE 19.—COMPARISON OF TOTAL COMPENSATION BY UNIFORMED SERVICES AND BY SELECTED MILITARY PAY GRADES OR RANKS AT RETIREMENT

Military pay grade	Air Force Number	Air Force Average	Army Number	Army Average	Coast Guard Number[1]	Coast Guard Average	NOAA Number[1]	NOAA Average	Marine Corps Number[1]	Marine Corps Average	Navy Number	Navy Average	Public health Number	Public health Average
Commissioned officers:														
O–7 to O–10	53	$51,000	80	$46,265	7		0		6		24	$53,547	6	
O–4 to O–6	7,269	30,944	8,821	31,255	85	$38,369	1		343	$33,675	1,975	36,222	96	$41,120
O–1 to O–3	1,182	23,572	2,255	22,991	19	27,531	1		227	24,075	591	25,925	1	
Total	8,504	30,044	11,156	29,692	111	37,403	2		576	30,023	2,590	34,032	103	41,527
Warrant officers	598	23,078	3,136	22,085	59	23,960	0		107	22,060	681	21,530		
Total, all officers	9,102	29,586	14,292	28,023	170	32,737	2		683	28,776	3,271	31,430	103	41,527
Enlisted personnel:														
E–8 to E–9	6,127	21,014	5,986	19,268	236	21,275			1,831	19,932	4,539	21,172		
E–7	14,045	18,181	11,827	17,464	492	18,842			2,209	17,587	16,269	18,491		
E–6	12,828	16,421	9,058	15,660	178	16,600			885	15,915	8,522	16,159		
E–1 to E–5	7,500	15,133	3,630	14,514	86	15,549			1,542	16,033	3,885	14,651		
Total	40,500	17,488	30,501	16,931	992	18,733			6,467	17,652	33,215	17,810		
Total, all retirees	49,602	19,708	44,793	20,470	1,162	20,782	2		7,150	18,715	36,486	19,031	103	41,527

[1] Total compensation figures will not be revealed in those ranks with 10 or fewer officers, due to possible invasion of privacy.

Note: Average total compensation figures do not include any reduction in retirement pay under provisions of the Dual Compensation Act of 1964.

TABLE 22.—COMPARISON OF TOTAL COMPENSATION BY FORMER SERVICE AND SELECTED RANKS AT RETIREMENT (REGULAR COMMISSIONED AND WARRANT OFFICERS ONLY)

Rank at retirement	Air Force Number	Air Force Average	Army Number	Army Average	Coast Guard Number	Coast Guard [1] Average	NOAA Number	NOAA [1] Average	Marine Corps Number	Marine Corps [1] Average	Navy Number	Navy Average	Public Health Number	Public Health [1] Average
Commissioned officers:														
O–7 to O–10	45	$56,764	52	$54,743	6		0		4		20	$59,698	6	
O–4 to O–6	873	40,187	856	42,600	69	40,137	1		193	$36,073	1,088	37,925	80	$41,214
O–1 to O–3	44	24,376	95	23,479	19	27,531	1		219	24,161	409	25,266	0	
Total	962	40,239	1,003	41,418	94	38,847	2		416	30,081	1,517	34,799	86	41,940
Warrant officers: Total	158	25,946	82	22,934	57	23,827	0		100	22,220	666	21,502	0	
Total, all regular officers	1,120	38,223	1,085	40,021	151	33,176	2		516	28,557	2,183	30,743	86	41,940

[1] Total compensation figures will not be revealed in those ranks with 10 or fewer officers, due to possible invasion of privacy.

Note: Average total compensation figures do not include any reduction in retirement pay under provisions of the Dual Compensation Act of 1964.

TABLE 23.—COMPARISON OF TOTAL COMPENSATION BY UNIFORMED SERVICE AND BY RANKS AT RETIREMENT—ADJUSTED FOR POSSIBLE REDUCTION IN RETIREMENT UNDER PROVISIONS OF THE DUAL COMPENSATION ACT

Rank at retirement	Air Force Number	Air Force Average	Army Number	Army Average	Coast Guard Number	Coast Guard [1] Average	NOAA Number	NOAA [1] Average	Marine Corps Number	Marine Corps [1] Average	Navy Number	Navy Average	Public Health Number	Public Health [1] Average
Commissioned officers:														
O–7 to O–10	45	$44,504	52	$42,290	6		0		4		20	$45,470	6	
O–4 to O–6	873	34,599	856	36,518	69	$35,389	1		193	$31,678	1,088	33,277	80	$34,554
O–1 to O–3	44	22,392	95	21,483	19	25,375	1		219	22,248	409	22,842	0	
Total	962	34,504	1,003	35,393	94	34,233	2		416	26,914	1,517	30,624	86	35,036
Warrant officers	158	23,394	82	20,632	57	21,954	0		100	20,575	666	20,174	0	
Total, all regular officers	1,120	32,937	1,085	34,277	151	29,597	2		516	25,685	2,183	27,437	86	35,036

[1] Total compensation figures will not be revealed in those ranks with 10 or fewer officers, due to possible invasion of privacy.

TABLE 2.—TOTAL COMPENSATION: ALL RETIREES VERSUS THOSE RETIREES IN THE WASHINGTON, D.C., METROPOLITAN AREA

Military pay grade	Retirees (all areas) Number	Retirees (all areas) Total compensation (average)	Retirees (Washington, D.C.) Number	Retirees (Washington, D.C.) Total compensation (average)
Commissioned officers:				
O-10	16	$60,482	14	$58,917
O-9	34	55,531	30	56,514
O-8	66	47,314	45	45,844
O-7	60	44,428	38	43,075
O-6	2,465	41,835	1,055	45,926
O-5	8,665	32,764	2,142	38,273
O-4	7,460	27,339	994	33,125
O-3	2,470	24,372	252	30,122
O-2	1,413	22,757	131	29,570
O-1	393	22,170	47	29,108
Total	23,042	30,409	4,748	38,419
Warrant officers:				
W-4	875	25,630	119	30,940
W-3	1,561	22,627	145	26,186
W-2	1,586	20,654	125	24,260
W-1	559	19,665	29	22,226
Total	4,581	22,156	418	26,688
Total all officers	27,623	29,040	5,166	37,470
Enlisted personnel:				
E-9	5,559	22,221	461	26,464
E-8	13,160	16,623	867	22,953
E-7	44,842	18,082	2,519	20,403
E-6	31,471	16,118	1,506	16,507
E-5	12,032	14,921	682	14,582
E-4	2,601	14,930	148	14,761
E-3	1,349	15,342	67	18,088
E-2	575	15,480	26	18,963
E-1	86	14,084	2	15,535
Total	111,675	17,452	6,278	19,468
Total all retirees	139,298	19,750	11,444	27,594

Note: Average total compensation figures do not include any reduction in retirement under provisions of the Dual Compensation Act of 1964.

TOTAL COMPENSATION: UNIFORMED SERVICES RETIREMENT AND CIVIL SERVICE PAY—ALL UNIFORMED SERVICES RETIREES—REPORT 13: ALL AREA

Rank or pay grade at retirement	Total uniformed services retirees	Average total compensation	Average civil service pay	Average uniformed services retirement
Commissioned officers:				
O-10	16	$60,482	$25,939	$34,543
O-9	34	55,531	23,546	31,985
O-8	66	47,314	25,282	22,031
O-7	60	44,428	25,625	18,803
O-6	2,465	41,835	26,626	15,208
O-5	8,665	32,764	21,507	11,257
O-4	7,460	27,339	18,330	9,009
O-3	2,470	24,372	16,798	7,574
O-2	1,413	22,757	16,806	5,951
O-1	393	22,170	17,101	5,069
Total	23,042	30,409	20,186	10,224
Warrant officers:				
W-4	875	25,630	15,819	9,811
W-3	1,561	22,627	15,435	7,192

Military pay grade	Retirees (all areas) Number	Retirees (all areas) Total compensation (average)	Retirees (Washington, D.C.) Number	Retirees (Washington, D.C.) Total compensation (average)
W-2	1,586	20,654	14,479	6,175
W-1	559	19,665	14,684	4,981
Total	4,581	22,156	15,C86	7,070
Total all officers	27,623	29,040	19,340	9,701
Enlisted personnel:				
E-7	44,842	18,082	12,781	5,301
E-6	31,471	16,118	11,616	4,502
E-5	12,032	14,921	11,146	3,774
E-4	2,601	14,930	11,526	3,404
E-3	1,349	15,342	12,076	3,266
E-2	575	15,480	12,264	3,216
E-1	86	14,084	11,491	2,592
Total	111,675	17,452	12,306	5,147
Total all retirees	139,298	19,750	13,701	6,049

TOTAL COMPENSATION: UNIFORMED SERVICES RETIREMENT AND CIVIL SERVICE PAY REGULAR COMMISSIONED OFFICERS AND REGULAR WARRANT OFFICERS ONLY—REPORT 14: ALL AREA

Rank at retirement	Total uniformed services retirees	Average total compensation	Average civil service pay	Average uniformed services retirement
Commissioned officers:				
O-10	16	$60,482	$25,939	$34,543
O-9	34	55,531	23,546	31,985
O-8	44	60,298	32,800	27,498
O-7	39	51,671	27,732	23,939
O-6	1,049	47,240	28,917	18,324
O-5	1,342	38,904	25,840	13,063
O-4	769	31,374	21,002	10,373
O-3	491	26,172	17,172	9,000
O-2	241	22,580	16,453	6,127
O-1	55	21,612	16,037	5,576
Total	4,080	37,474	24,064	13,410
Warrant officers:				
W-4	228	27,771	16,942	10,829
W-3	190	23,796	16,852	6,945
W-2	358	20,684	15,076	5,608
W-1	287	19,592	14,703	4,889
Total	1,063	22,466	15,693	6,773
Total: All regular commissioned officers	5,143	34,372	22,334	12,038

Mr. EAGLETON. Mr. President, I reserve the remainder of my time.

Mr. GRAVEL. Mr. President, will the Senator from Alaska yield me 5 minutes to respond?

Mr. STEVENS. I yield the remainder of my time from the other amendment so he has 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. GRAVEL. Mr. President, speaking to the point raised by my distinguished colleague from Missouri, I think he makes the argument that we have been trying to make.

Unfortunately, I think he demonstrates accurately that there is a great injustice that may be perpetrated if we keep this item in the bill the way it is. We did not get comparability on military pay until the 1972–73 period. So that means that all of the people who served 20 years before that.

When you say it is not contributory to the pension, I think the military people will be happy to have the proper pay and contribute so that they would have what is considered a normal vested right.

But that was not what we did to them. We euchered them into the service, and they were not paid at the comparability level, and now they have paid their dues. They have paid for their pensions, because the margin they did not receive in salary rates is what they have contributed to their pensions.

Are we going to say to them, "You have paid your part of the pension, you have made your contribution, but now we are changing the rules on you"?

I say that is unjust.

The present system may be unjust from 1973 forward, but certainly not in 1950, and certainly not to the people who went into the Korean war and the Second World War, and the early parts of the Vietnam war. It would certainly be unjust to them now to change the rules as far as they are concerned.

Our colleagues probably do have a point on pensions, but the tremendous cost they are talking about is the hidden cost of our defense establishment in prior years. Now we have to pay the price. That may be a problem we have to adjust ourselves to, and perhaps it should be corrected prospectively; but to come in here and say we are no longer going to regard a contract made with those people in prior years, and change the game on them, I do not think is either doing justice or solving the problem we are talking about.

If we want to solve the problem, we had better change the situation as it is today; and I would hope that the committee, recognizing that is the problem, would join us in cutting this sticky matter out pending the study that is to be made, and we could focus the study on the horrendous problem we are going to incur in the future.

When you compare the military to a private company—the Senator mentioned the Coca-Cola Co.—the Coca-Cola Co. or any other company does not hire people to go out and put their lives on the line in defense of the country. But that is exactly what the military have to do, and why we have given them an extra edge in pensions. Also, it is important to remember that people in Coca-Cola and private industry can go out on a project with personnel of an average age of 50, and it would not alter the situation. But it is in the best interests of our defense establishment to have a young fighting force; so it is to our interest to get them in for a period of time and get them out, because after they are 40 years old they are deadwood.

So what would we do? We would take these human beings that have given 20 years of their lives to their country and throw them on the job market when it is tough to get a job at any age. When you are over 40 years old, you are over the hill.

It strikes me as odd that we should discriminate against these people who have given, in a patriotic fashion, of their lives to their country, under a contractual obligation, and then all of a sudden change the rules and say they are not entitled to go to work for the Federal Government when their doing so is a distinct advantage to the Federal taxpayer, and, second, when they have some very fine talents that they have developed in the uniform services of the Government, talents that they could now transfer to the civilian area of the Government.

I think it is foolhardy, first, to exclude this talent, and second, not to meet the contractual obligation. If we do have a problem with pensions, which I think the able Senator from Missouri has demontrated just by reciting the figures, that is a present and prospective problem, and we will not solve that problem by going back to the other people and avoiding the contract they had.

What we should do is consider a new contract prospectively, so that we will not have a $170 billion liability in the future.

The PRESIDING OFFICER (Mr. NUNN). The Senator's time has expired.

ADDITIONAL STATEMENT SUBMITTED

Mr. DOLE. Mr. President, the Senator from Kansas joins the distinguished Senator from Alaska in speaking against the provision in the DOD appropriations bill which would prohibit future military retirees whose annual retired pay is $6,000 or more as of September 30, 1977, from collecting military retired pay while employed by the Federal Government. Furthermore, this provision in the bill would be inequitable in that:

It does not require military retirees who work for the private sector, or for local or State governments, to forfeit their retirement.

It penalizes those who served longer or advanced higher in grade.

It will encourage early retirement with a resulting loss of productive man-years to the services.

It does not differentiate between regular retirement and disability retirement; for example, a disabled veteran of the Vietnam conflict who does not currently work for the Federal Government would be required to forfeit his disability retirement should he accept a civil service position.

STUDY IN PROGRESS

The President has recently appointed a blue ribbon committee to fully review and submit recommendations on the dual compensation issue it seems to the Senator from Kansas it would be premature to take any action on this issue without considering the findings and recommendations of the President's blue ribbon panel. The panel's report is due in March of 1978.

PREVENT ABUSES

In recent years there have been many attacks on the military by Congressmen, bureaucrats, and the general public. This castigation has been focused on what is commonly referred to as "double dipping"; that is, retired military people employed in Federal civil service.

While I am in favor of allowing military retirees to serve this country under civil service, I also support the current study and the monitoring of this activity to prevent any abuses.

Mr. PERCY. Mr. President, the entire military retirement system needs a major overhaul. Why must some military personnel be forced to resign after 20 years of service just at that time in life when they may have reached their professional and intellectual peaks? How much does the current "up or out" system cost, both in terms of money and wasted human resources? We need to determine whether a system incorporating a 30-year voluntary retirement rather than a forced early retirement would be more equitable and less costly. We should also take a hard look at the arguments for and against a contributory retirement system for the military.

The provision in the bill as it now stands addresses only part of the problem. But I believe that this measure will encourage major reform of the entire military retirement system. I realize that the provision may cause some inequities and I call on the Armed Services Committee to address these problems in a comprehensive reform of the retirement system. I believe that such a reform can and must be achieved with fair treatment of our military personnel who are serving our Nation so well. For these reasons, I am voting against the amendment.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. It is my understanding, now that time has expired on my third amendment; that we now revert back to Senator CULVER's amendment to my first amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. In order that the Senators may understand what is going on, I will state that I intend to suggest the absence of a quorum; but it would be my hope that both cloakrooms will send out notice that we are about to——

Mr. STENNIS. Will the Senator please raise his voice?

Mr. STEVENS. That we are about ready to begin the final period of time on the Culver amendment, after which there will be a vote and then two other votes, or there could be three, depending on the result.

I suggest the absence of a quorum, to run about 3 minutes, with the time to be charged equally to both sides on the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Is time limited to 5 minutes on a side at this point?

The PRESIDING OFFICER. On the amendment of the Senator from Iowa, the Senator is correct. Who yields time?

Mr. STEVENS. Before yielding any time, I might ask the Senator from Mississippi if he intends to take any time on the Culver amendment.

Mr. STENNIS. Yes. Mr. President.

Mr. CULVER. Mr. President, I yield my remaining time to the distinguished chairman of the committee.

UP AMENDMENT NO. 681

Mr. STENNIS. Mr. President, we have to be quite brief. The Culver amendment is the pending amendment here, concerning the commissary out-pull.

The amendment of the Senator from Alaska proposes to pay for his amendment, the cost of which, in round numbers, we will just call $100 million, by taking it out of another part of the bill that we call the readiness fund.

I do not think that fund, the readiness fund, can be belittled, Mr. President. It is very definitely a part of this bill. The Senator from Iowa and I talked about it. I agreed to and did sponsor the amendment before the Appropriations Committee.

It is relatively a small amount for this purpose, but the Senator is very properly trying to get a new and better system started with reference to some action toward fill-ins at certain places that he wanted to try, and I agreed that he should try it out, putting the money at the disposal of the Secretary of Defense.

There is not time to go into the details of that, but I believe definitely he has a good idea which will lead to a definite program of readiness. We are getting into a review of it. He has done more than any other one person, unless we classify the Senator from Georgia up to him on readiness. Both of them have worked on it, some of it together. I do not discount that at all.

Here is a case where the committee tried to put in some money especially earmarked. This $34 billion is getting into the O. & M. funds. If anything is going to be done especially by the Secretary of Defense on this question, it has to come from this money.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CULVER. I yield additional time to the Senator.

Mr. STENNIS. The readiness amendment itself has to be justified in conference. We have to try to justify it, and then justify the other end of it with the clerk-hire. We add a difficult matter to an impossible situation. I am supporting the Culver amendment. We will come to the other part of it later. I thank the Senator.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I yield myself a half minute. In view of the statement of the Senator from Mississippi, I modify my amendment by deleting lines 9 and 10.

The PRESIDING OFFICER. The amendment is so modified.

Mr. STEVENS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. That is, in effect, accepting the amendment of the Senator from Iowa, as I understand it.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Now as I understand it, there are 5 minutes left to a side between the Senator from Mississippi and myself as far as the original amendment is concerned.

The PRESIDING OFFICER. The Senator is correct.

Mr. CULVER. There is no vote necessary on that?

Mr. STEVENS. The yeas and nays were not ordered. I accepted the Senator's amendment by modifying my amendment.

Mr. CULVER. The Chair did not have to rule on that?

Mr. STEVENS. That is correct.

The PRESIDING OFFICER. It was modified.

Mr. STEVENS. Mr. President, I yield myself 1 minute at this point because I know the Senator from Mississippi deserves to be heard.

I would ask unanimous consent that Claudia Louis, who has been working with me, be granted the privilege of the

floor during the three votes and the consideration of these amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 499

Mr. STEVENS. Mr. President, the only reason for the provision that I have just deleted is that it was my understanding that the committee desired and requested Members to find a place to reduce funds in the bill if they were going to offer amendments which would restore money in the bill.

Again, the money that I seek to restore is in the budget. It was within the Senate budget. It is a request of the Department of Defense that the commissaries be continued at their current level until the completion of the study going on concerning benefits. I see no reason why we should have a unilateral action on the part of the Senate for the third year in a row when twice the House has refused to go along with similar provisions.

We will await the study of the new Secretary of Defense and the administration concerning commissary costs. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, as I understand, we have 5 minutes. I am going to be quite brief and yield the remainder of my time to the Senator from Missouri, who has worked on this.

Mr. President, we had this proposition before us all last year, the phaseout of the clerk-hire subsidy for the commissary. In-depth hearings were held on the subject matter in our committee by the Senator from Georgia (Mr. NUNN) and his subcommittee. We totally examined all phases of that and other questions. Our committee approved it. It was not unanimous, but it was approved by a large vote. However, it was defeated in the House.

When this matter came up this year—and I did support it last year—I said that my position on the merits of the matter was still the same. This amendment is one way to go at it. There are other ways, and it is a question of which is the best way.

Mr. President, I believe that in a commissary furnished by the Government, the Government pays for the building, the upkeep, the repairs, the electric bills, everything about it, janitors and everything else, the clerk hire goes with the pair of shoes, or whatever else is bought. It is not a taxpayer's bill. It is a cost of the product. Whomever buys the product ought to have to pay that part of the freight. It is just as simple as that.

I am amazed at the amount of opposition this matter has run into, and I do not blame anyone interested in wanting to keep it. But it is something that somewhere, sometime, the Congress will have to face up to and do something about. This amendment will.

I yield to the Senator.

Mr. EAGLETON. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Missouri has 3 minutes.

Mr. EAGLETON. Mr. President, I ask my distinguished colleague from Alaska, would he prefer, maybe, that we sum up on all three amendments and then have the votes in rapid succession?

Mr. STEVENS. I might say to my friend I would like to do that, but there are other people involved in the other amendments and I could not change the schedule. They will come back for the other two amendments. There will be a vote at 12 noon on the treaty. We would like to have the vote on this amendment following the vote on the treaty.

Mr. EAGLETON. I will be very brief and yield back whatever time remains, Mr. President. We will have the treaty vote and then the first of these three votes.

I believe the commissary matter has been well discussed. What this amendment does is very simple. There is about a $300 million subsidy in this bill for commissary clerk-hire. Over a 3-year period this would phase out this $300 million subsidy—$100 million a year for the next 3 years. Over 10 years, it will save the Federal Government $3.9 billion. It is a very simple issue before the body. Do we want to save this amount in the budget?

The current subsidy gives people who shop at the commissary a 25-percent price saving compared to local grocery stores. If this committee provision prevails, it will become a 15-percent savings. It will not close on commissary. The six commissaries here in the District of Columbia will not close, nor the ones in San Antonio, Norfolk, nor any of them. The price break will be reduced from 25 percent to 15 percent. That is all it basically does.

Mr. STENNIS. May we have quiet?

The PRESIDING OFFICER. Will the Senator from Missouri suspend until we have order?

The Senator from Missouri.

Mr. EAGLETON. The issue is joined. Do we want to save this amount of money or do we want to continue a system that, in light of the present comparability military pay has outlived its original purpose.

Back in the old days, when pay was not comparable, one could justify, or attempt to justify, these various fringe benefits. Now, in the day and age of comparable pay—indeed, military pay in certain areas being higher than civilian pay—these fringe benefits are no longer, in my opinion, justifiable. I yield back the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, there is to be a treaty vote at 12 noon today. I ask unanimous consent that the votes be reversed and that the first vote occur on the amendment by Mr. STEVENS, when the time has run out, and then the treaty vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Stewart Brahs be granted the privileges of the floor during the consideration of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I have no fight with my good friend from Missouri, it is time for us to look at the retirement problem of people in the military and the future costs to the system if it is continued.

Nor do I argue with the distinguished Senator from Mississippi about the problem of payment of some of these costs. As a matter of fact, the commissaries themselves pay for utilities. The commissaries themselves pay for the new buildings. We no longer build commissaries. We no longer provide the utilities. We have shifted a great many of the costs over.

I am particularly concerned about the promises made by our Government to the people who entered the service in World War II, for instance. The Senator from Missouri talked about those of us who got $21 a month, and many of us here did. Those people who stayed in and made the military a career, and who retired, did so on the belief that they would have the commissaries as one of the benefits after their retirement.

That was not something that was just held out as, "Oh, well, if we still have some, you can use it." It was a promise. We made a promise to those people that when they retired, the military commissary system would be available to them.

We have the strange situation in this bill, Mr. President, where $700 million is for advertising to try to get people to join the military service. Yet, there are at least three things in the bill that guarantee that people will get out of the military service, because there were three promises made to people as they entered the service that the Senate is trying to take away.

I just cannot believe that that is the way to solve this problem—on the one hand, to cut off the benefits and, on the other hand, put up more money to try to get people to join the military service.

I again say, we are paying a debt. We are providing commissaries for those people who need them. I think we could change this system. I urge the legislative committees to look at the problem and find a way to keep the promise we made to the people in the past and tell those who enter now under the new comparability concept that they are not going to be eligible for them. That is the way to solve them. It is not by just cutting through and denying them to people.

Again, I want to point out the number of people who are on food stamps now. We have 53,000 eligible food stamp families in the military today. This will do nothing more than increase their costs and will increase the costs of those people who retired after 20 years, and particularly, the 30-year retirees. I just do not think we should do it.

It is not in the House bill. The House refused to go along with it 2 years in a row. The Department of Defense did not request it this year. It is in the Senate's budget. It is in the President's budget. This is a budgeted item that I am trying to restore.

The PRESIDING OFFICER (Mr. PELL). All time having expired, the question is on agreeing to the amendment of the Senator from Alaska, as modified.

Mr. STEVENS. I ask for the yeas and nays on my amendment.

The PRESIDNG OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MELCHER), the Senator from Montana (Mr. METCALF), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE), the Senator from Vermont (Mr. STAFFORD), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Wyoming (Mr. WALLOP) and the Senator from New Jersey (Mr. CASE) would each vote "yea."

The result was announced—yeas 59, nays 33, as follows:

[Rollcall Vote No. 299 Leg.]

YEAS—59

Abourezk	Glenn	Matsunaga
Allen	Goldwater	McClellan
Baker	Gravel	McClure
Bartlett	Griffin	McGovern
Bayh	Hansen	McIntyre
Bentsen	Hart	Nunn
Brooke	Haskell	Pell
Bumpers	Hatch	Proxmire
Burdick	Hatfield	Randolph
Byrd, Harry F., Jr.	Hayakawa	Sarbanes
	Heinz	Sasser
Cannon	Helms	Schmitt
Chafee	Huddleston	Schweiker
Chiles	Humphrey	Sparkman
DeConcini	Inouye	Stevens
Dole	Jackson	Stone
Domenici	Johnston	Talmadge
Durkin	Laxalt	Thurmond
Ford	Lugar	Tower
Garn	Magnuson	Williams

NAYS—33

Anderson	Eastland	Packwood
Bellmon	Hathaway	Pearson
Biden	Hollings	Percy
Byrd, Robert C.	Javits	Ribicoff
Church	Kennedy	Riegle
Clark	Leahy	Roth
Cranston	Metzenbaum	Scott
Culver	Morgan	Stennis
Curtis	Moynihan	Weicker
Danforth	Muskie	Young
Eagleton	Nelson	Zorinsky

NOT VOTING—8

Case	Melcher	Stevenson
Long	Metcalf	Wallop
Mathias	Stafford	

So Mr. STEVENS' amendment, as modified, was agreed to.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session and proceed to the consideration of the protocol and treaty, Executive Calendar Nos. J and H.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the resolutions of ratification of the protocol and treaty.

The yeas and nays were ordered.

PROTOCOL OF AMENDMENT TO THE INTER-AMERICAN TREATY OF RECIPROCAL ASSISTANCE (RIO TREATY)

TREATY WITH CANADA ON THE EXECUTION OF PENAL SENTENCES

The PRESIDING OFFICER. The resolutions of ratification of the protocol and treaty having been read, the Senate will proceed to vote on the protocol of amendment to the Inter-American Treaty of Reciprocal Assistance—Rio Treaty, Executive J, 94th Congress, 1st session.

The first question is on agreeing to the reservation, which the clerk will state.

The legislative clerk read as follows:

The United States in signing this protocol of amendment to the Inter-American Treaty of Reciprocal Assistance, accepts no obligation or commitment to negotiate, sign, or ratify a treaty or convention on the subject of collective economic security.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reservation be agreed to.

The PRESIDING OFFICER. Without objection, the reservation is agreed to.

The question is on agreeing to the resolution of ratification, with the reservation, of Executive J, 94th Congress, first session.

The resolution of ratification, with the reservation, reads as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty) signed at a special conference of plenipotentiaries at San Jose, Costa Rica, on July 26, 1975 (Ex. J, 94–1), subject to the following reservation:

The United States, in signing this Protocol of Amendment to the Inter-American Treaty of Reciprocal Assistance, accepts no obligation or commitment to negotiate, sign or ratify a treaty or convention on the subject of collective economic security.

The PRESIDING OFFICER. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. METCALF) is necessarily absent.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE), the Senator from Vermont (Mr. STAFFORD), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "yea."

The yeas and nays resulted—yeas 95, nays 0, as follows:

[Rollcall Vote No. 300 Ex.]

YEAS—95

Abourezk	Brooke	Church
Allen	Bumpers	Clark
Anderson	Burdick	Cranston
Baker	Byrd, Harry F., Jr.	Culver
Bartlett		Curtis
Bayh	Byrd, Robert C.	Danforth
Bellmon	Cannon	DeConcini
Bentsen	Chafee	Dole
Biden	Chiles	Domenici
Durkin	Javits	Percy
Eagleton	Johnston	Proxmire
Eastland	Kennedy	Randolph
Ford	Laxalt	Ribicoff
Garn	Leahy	Riegle
Glenn	Long	Roth
Goldwater	Lugar	Sarbanes
Gravel	Magnuson	Sasser
Griffin	Matsunaga	Schmitt
Hansen	McClellan	Schweiker
Hart	McClure	Scott
Haskell	McGovern	Sparkman
Hatch	McIntyre	Stennis
Hatfield	Melcher	Stevens
Hathaway	Metzenbaum	Stevenson
Hayakawa	Morgan	Stone
Heinz	Moynihan	Talmadge
Helms	Muskie	Thurmond
Hollings	Nelson	Tower
Huddleston	Nunn	Weicker
Humphrey	Packwood	Williams
Inouye	Pearson	Young
Jackson	Pell	Zorinsky

NAYS—0

NOT VOTING—5

Case	Metcalf	Wallop
Mathias	Stafford	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

TREATY WITH CANADA ON THE EXECUTION OF PENAL SENTENCES

The PRESIDING OFFICER. The question now is on agreeing to the declaration, which the clerk will state.

The legislative clerk read as follows:

That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in article III has been enacted.

The PRESIDING OFFICER. The question is on agreeing to the declaration.

The declaration was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification, with the declaration, of Executive H, 95th Congress, 1st session.

The resolution of ratification, with the declaration, reads as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty between the United States of America and Canada on the Execution of Penal Sentences which was signed at Washington on March 2, 1977 (Ex. H, 95–1), subject to the following declaration:

That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in Article III has been enacted.

The PRESIDING OFFICER. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. METCALF) is necessarily absent.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE), the Senator from Vermont (Mr. STAFFORD), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "yea."

The yeas and nays resulted—yeas 95, nays 0, as follows:

[Rollcall Vote No. 301 Ex.]

YEAS—95

Abourezk	Glenn	Metzenbaum
Allen	Goldwater	Morgan
Anderson	Gravel	Moynihan
Baker	Griffin	Muskie
Bartlett	Hansen	Nelson
Bayh	Hart	Nunn
Bellmon	Haskell	Packwood
Bentsen	Hatch	Pearson
Biden	Hatfield	Pell
Brooke	Hathaway	Percy
Bumpers	Hayakawa	Proxmire
Burdick	Heinz	Randolph
Byrd, Harry F., Jr.	Helms	Ribicoff
	Hollings	Riegle
Byrd, Robert C.	Huddleston	Roth
Cannon	Humphrey	Sarbanes
Chafee	Inouye	Sasser
Chiles	Jackson	Schmitt
Church	Javits	Schweiker
Clark	Johnston	Scott
Cranston	Kennedy	Sparkman
Culver	Laxalt	Stennis
Curtis	Leahy	Stevens
Danforth	Long	Stevenson
DeConcini	Lugar	Stone
Dole	Magnuson	Talmadge
Domenici	Matsunaga	Thurmond
Durkin	McClellan	Tower
Eagleton	McClure	Weicker
Eastland	McGovern	Williams
Ford	McIntyre	Young
Garn	Melcher	Zorinsky

NAYS—0

NOT VOTING—5

Case	Metcalf	Wallop
Mathias	Stafford	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which both resolutions of ratification were agreed to.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER (Mr. ABOUREZK). The Senate will now return to legislative session.

DEFENSE APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7933.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. Peter Parkham, of my staff, be permitted access to the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, will the Senator yield to me to make an announcement?

Mr. KENNEDY. I yield without losing my right to the floor.

Mr. STENNIS. While the membership is here in larger numbers than usual, let me make an observation here about where we are with reference to this bill. We now are going into an hour and a half recess so far as voting is concerned, unless it is voice-voted.

There is one amendment here that has been debated some already that may be disposed of by a voice vote, and we have an amendment here that the Senator from Massachusetts proposes to present now, I am sure. We have a matter here by the Senator from Ohio (Mr. METZENBAUM) that can be disposed of during this recess. We have another one by the Senator from Maine (Mr. HATHAWAY) which can be disposed of during this same period.

Mr. President, if we are going to finish the bill by 8 o'clock we have got to move along. I call the attention of the Senator from Alabama, if I may, to the fact that we are up against a situation of trying to get these matters moving. There is one matter here, the helicopter matter, that was, I learned, excepted, the amendment was. It is a committee amendment, and it was excepted the other day from the general agreement, and so forth. Therefore, it has the rating here of a committee amendment.

Senators are coming to me and saying they have matters to leave town about, some have. I think we ought to move along. That is a major amendment by both sides that ought to be called up sometime before real late.

I plan on notifying them now to make some plan to call it up as a committee amendment. If we may take a minute or two here, will the Senator from Massachusetts indulge us for just a moment?

Mr. KENNEDY. Mr. President, I am glad to yield further with the understanding that none of this time is charged against the time of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, there are several speakers involved. If we are having a period from 12:30 p.m. until 2 p.m. during which there will be no votes, I anticipate there will be few Senators in the Chamber. But there are some amendments, as the Senator pointed out, that can be handled possibly by voice vote.

I suggest this amendment might possibly be called up around 3 p.m. so I could alert Senators on both sides to be present at that time.

Mr. STENNIS. I wish to be as accommodating as I can. I have to call up the amendment. I do not know that I have to wait that long.

Mr. ALLEN. That is perfectly all right.

Mr. STENNIS. We will make headway. Some Senators have to leave. It is always that way. We cannot avoid it.

Mr. STEVENS. Mr. President, will the Senator yield to me with the same understanding?

Mr. KENNEDY. Yes.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which amendment No. 499 was agreed to by the Senate.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, it was my understanding that it may be agreeable to the Senator from Missouri and the Senator from Mississippi to have a voice vote on my amendment No. 500.

I am prepared to yield back the remainder of my time if that is what they desire to do—to have a voice vote on that at this time.

Mr. STENNIS. Mr. President, this time does not count now against the time of the amendment of the Senator from Massachusetts.

Mr. STEVENS. That is correct.

The PRESIDING OFFICER. The Chair will advise the Chamber that the time is being charged to the Senator from Mississippi on the bill since the time cannot be charged to the Senator from Massachusetts until his amendment is called up.

Mr. ALLEN. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield 1 minute, but I can talk to the Senator from Alabama and we can move on with the bill.

Mr. ALLEN. If the Senator will set a time in which he wishes to bring up the helicopter amendment that would be satisfactory. Just give us a little time to notify the interested Senators.

Mr. STENNIS. I wish to have some of the voice voting during this voting recess here, if we could; part of it then and then part of it later. How would that be?

Mr. ALLEN. Will the Senator suggest 1 p.m.?

Mr. STENNIS. He and I will work out something on it.

Mr. ALLEN. All right.

Mr. STENNIS. I yield the floor, Mr. President.

Mr. STEVENS. Mr. President, may I inquire of the Senator from Mississippi if the statement I made is correct? I am prepared to ask to call up my amendment and dispose of it by voice vote if that is correct.

Mr. STENNIS. Yes. We conferred here. The Senator from Missouri and I have conferred, and that is correct.

AMENDMENT NO. 500

Mr. STEVENS. With the indulgence of the Senator from Massachusetts, I ask unanimous consent that we return to the consideration of my amendment No. 500 and set his amendment aside for the time being. He gets the floor back immediately thereafter.

Mr. KENNEDY. Do I understand it is noncontroversial?

Mr. STEVENS. Yes. It is noncontroversial.

Mr. KENNEDY. I yield for those purposes.

The PRESIDING OFFICER. The amendment will be stated.

Mr. KENNEDY. Mr. President, I ask if we can get the yeas and nays on my amendment.

The PRESIDING OFFICER. The Senator would have to ask unanimous consent that it be in order to ask for the yeas and nays.

Mr. KENNEDY. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered on the Kennedy amendment.

The clerk will state amendment No. 500.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes amendment No. 500.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Again I state to my good friend I am prepared to have a voice vote on the amendment.

Mr. EAGLETON. Yes.

Mr. STEVENS. I yield back the remainder of my time.

Mr. EAGLETON. I yield back the remainder of the time of the Senator from Mississippi.

The PRESIDING OFFICER. Does the Senator from Mississippi yield back the remainder of his time?

Mr. STEVENS. He does.

Mr. EAGLETON. He does.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

(Putting the question.)

The ayes appear to have it. The ayes have it.

The amendment was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. I thank my good friend from Massachusetts.

Mr. BELLMON. Mr. President, will the Senator yield for a unanimous consent request?

Mr. KENNEDY. I yield.

Mr. BELLMON. Mr. President. I ask unanimous consent that Dick Hargis, of my staff, be accorded the privilege of the floor during consideration and votes on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, will the Senator yield for the same purpose?

Mr. KENNEDY. I yield.

Mr. DANFORTH. Mr. President, I make the same unanimous-consent request for Mark Edelman, of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Massachusetts is recognized.

AMENDMENT NO. 525

Mr. KENNEDY. Mr. President, I call up my amendment No. 525 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes amendment No. 525.

On page 12, strike out lines 13 through 25 and insert in lieu thereof the following:

PROHIBITION AGAINST USE OF FUNDS FOR CIVILIAN RIFLE PRACTICE PROGRAM

None of the funds appropriated in this Act may be used in connection with any civilian rifle practice program, including the issuance of military rifles or ammunition under the authority of section 4311 of title 10, United States Code.

Mr. STENNIS. Mr. President, may we have quiet? This amendment is certainly entitled to the attention of the Senate.

Mr. KENNEDY. Mr. President, I understand there is a time limitation of 15 minutes to each side.

Am I correct in that understanding?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I yield myself 7 minutes, Mr. President.

Mr. President, I take this opportunity to offer an amendment to H.R. 7933, the appropriations for the Department of Defense, in order to eliminate the functions of the Army National Board for the Promotion of Rifle Practice. The appropriations request for this program in fiscal year 1978 is $694,000.

My reason for moving to delete this activity from the appropriations for our vast military organization is straight forward. Federal support of civilian rifle practice is an obsolete anachronism that cannot be justified in our modern society.

Congress created the National Board for the Promotion of Rifle Practice in 1903 to carry out four missions:

First. To promote practice in the use of military type individual small arms among civilians,

Second. To promote small arms matches and competitions,

Third. To issue arms, ammunition, targets, and other supplies to competitors participating in these activities, and

Fourth. To procure and award to winning competitors, trophies, medals, badges, and other insignia.

According to the legislation creating the board, the basic purpose of these activities is to encourage and support small arms target practice, presumably so that in time of war the Nation would have a trained corps of riflemen and rifle instructors.

Perhaps in 1903, that was a noble goal. At the turn of this century, the need for a prepared civilian force of riflemen may have been important. But if there is any one thing that our enormous military training system has mastered—it has mastered the technique for teaching raw recruits how to shoot.

And I seriously doubt that the funds appropriated for the civilian marksmanship program have contributed substantially, if at all, to the development of proficient marksmen in today's Army.

Indeed, the visible and obvious result of those Pentagon sponsored shooting matches is to provide a Federal subsidy for people who derive recreational enjoyment and personal satisfaction from the use of firearms.

Every member of this Senate is fully aware of my earnest demand to establish a nationwide Federal firearms control system. I believe that only with such a system can we begin to stem the bloody flow of firearms killings in this country.

Until a standardized system to restrain firearms abuse is enacted, I can see no reason why the Federal Government should be involved in paying for people to take target practice in military firing ranges or anywhere else, for that matter.

I at this point bring to the attention of my colleagues some interesting data: In fiscal year 1978, the requested appropriations for the NBPRP expenses are 3½ times as much as what was requested for fiscal year 1971. To expend money on this unnecessary program at any time is unwise, if not foolish. I, for one, am not willing to sanction this expenditure at this time or anytime.

This Nation has been through a period when needed funds for programs to help our poor were stricken by an unsympathetic administration. Shortly, a welfare reform plan based on zero budget increase will be put before us. I need not tell this body that people in this country are hungry, in need of jobs, in need of relief from hospital costs that has many of our citizens checking their wallets to determine if they can afford the proper medication.

To consider an appropriation for this program, given our domestic and international priorities, is unconscionable. In all sincerity, can we justify spending $329,000 on ammunition for target practice and competition?

Let me share with you the figures from the funding support for the appropriation, "National Board for the Promotion of Rifle Practice":

Fiscal year	Total appropriation including supplemental	Value of ammunition transferred under 10 U.S.C. 4311	Number of rounds of ammunition transferred
1978	[1] $365,000	$329,000	34,000,000
1977	297,000	329,000	33,600,000
1976	235,000	280,000	33,600,000
1975	183,000	297,000	33,000,000
1974	169,000	270,000	30,000,000
1973	159,000	-------	----------
1972	122,000	-------	----------
1971	102,000	-------	----------

[1] Requested in 1978 budget.

How can we justify spending $694,000 for ammunition and expenses for a civilian marksmanship program—the benefits which are nonexistent—when that same $694,000 could provide 2.3 million meals to our elderly citizens?

How can we justify spending $694,000 on the NBPRP which contributes little, if anything, to our national defense when many of the young people who would be called upon to defend our country are today languishing in both urban and rural locales unable to find employment?

We certainly cannot justify spending $694,000 for a civilian marksmanship training program as some would argue, because our country's priority is to send a competitive rifle team to international competitions. I have not seen any place else in this year's appropriations or any other where the Congress subsidizes basketball, track, and swim teams which represent the United States in international competition. I hardly think if we were to do so, that shooting would be the first area that we would subsidize.

Further, it is my understanding that this appropriation was deleted in subcommittee, but in full committee, it was restored by voice vote. I intend with the help of my colleagues to support the wisdom of the subcommittee and eliminate all the funds for this unnecessary program.

In 1967, when I first brought the details of this program to public attention, annual expenditures for the civilian marksmanship program amounted to over $3 million. Today, the appropriations bill before the Senate specifically denotes $365,000 for support personnel, of which $50,000 is for the lease of Camp Perry, a cost that has been borne by the National Rifle Association for the last 9 years, and a sum of $329,000 for ammunition and supplies.

During that timespan, we seem to have produced a substantial reduction in this program. But I am currently alarmed by the Department's action which reveals a blatant assault on the integrity of the public trust.

Because the National Rifle Association exercises nearly exclusive control over the eligibility of participants in these programs, the fundamental legality of the programs is in doubt, for participants in these subsidized programs must show allegiance to and negotiate through the National Rifle Association affiliates in order to gain access to the Federal arms supply. If the Defense Department can justify a subsidy for those who enjoy shooting guns, why cannot the Department of Transportation subsidize people who enjoy racing automobiles? Or why should not the Agriculture Department subsidize people who derive pleasure and satisfaction from cultivating and raising roses or camellias? Or, why cannot the Interior Department provide subsidies for young boys and girls who yearn to play the wholesome sports of baseball, football, or basketball?

Mr. President, I would like to advise my colleagues that the entire subject of civilian marksmanship was studied by Arthur D. Little, management consultant firm, and a report was issued in January 1966. I ask unanimous consent that excerpts from this report be printed in the RECORD at the conclusion of my remarks today.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. The study issued a 57-page report which provides some valuable insights into why this program should be abolished.

The most significant conclusion in the report appears on page 14 and again on page 57, and deals with training soldiers to meet marksmanship proficiency. The report states:

> A fundamental question in determining how much to spend on training is what degree of proficiency is desirable or even "good enough"?
>
> We were surprised to find that no desired objectives or even minimum standards of rifle marksmanship proficiency have been set for either units or individuals going into combat. Therefore, as far as we could tell, no one has yet been able to "price out" the value of achieving a given level of marksmanship proficiency in a rifle company, platoon, squad, or perhaps even more difficult, in an individual rifleman. Thus, it is difficult to justify on a cost/benefit basis, the investments made in teaching riflemen how to shoot.

Further from page 24 of the report, I quote:

> Until more direct study and research is applied to the question of how incremental degrees of rifle marksmanship proficiency relate to a unit's combat effectiveness, and also to the question of "how much it's worth" for a unit to attain higher levels of combat effectiveness, we believe it will be extremely difficult to "price out" the value of the DCM program in terms of a quantitatively expressed cost/benefit relationship.

The Arthur D. Little study recommended that consideration be given to defining and carrying out needed research in this area.

Mr. President, although that recommendation was made in 1966, the Army has never formulated and has never requested funds for the recommended research. Eleven years later, there is still absolutely no cost-benefit justification for this program. I might point out that a program that can be shown to have few, if any, benefits, but has a cost of almost $1 million, such as this, cannot possibly survive under President Carter's zero base budgeting concepts. Zero base budgeting is in fact designed specifically to eliminate such a program.

I think my colleagues should also recognize that Arthur D. Little did an extensive study of the benefits of the program and, in doing so, discovered the remarkable fact that only about 3 percent of the personnel who enter Army basic training have ever been members of civilian marksmanship gun clubs. This completely reinforces the point I made earlier that this program is simply an expensive subsidy being provided to enhance both the image and function of the National Rifle Association and subsidize the sport of shooting in this country.

I am particularly dismayed with the thrust and direction of this program because it serves to validate the role of firearms as an acceptable and attractive part of our daily life. Each year the count of gun deaths on America's domestic battlefields leaps beyond the death toll of the year before. Instead of actively seeking to stop killing over 21,000 civilians with guns each year, the administration is vigorously spending tax dollars to encourage people to do even more shooting.

American households comprise the largest civilian owned arsenal in the history of mankind. Between 100 and 150 million rifles and shotguns are owned by our citizens. And another 30 million handguns are believed to be privately owned by the American people.

With such an enormous civilian arsenal, what rationale justifies a Government subsidy aimed at the development of yet another potentially deadly firearm?

Why should the citizens of this country contribute their tax dollars for the production of a device that could ultimately fall into the hands of those who might abuse such a powerful and threatening weapon?

Mr. President, while I seek to delete less than $1 million dollars from this appropriations measure, it is important to remember that the money amount is much less significant than the overall impact of this program.

My amendment not only would abolish the program by deleting the $694,000 appropriation, it would also deny the use of other Defense Department funds to subsidize any of the civilian firearms activities currently operated under the National Board for the Promotion of Rifle Practice.

There is clearly no justification for the Department to continue this activity, and certainly there is no reason why the Department should expand its subsidy in this area.

I therefore urge the Senate to strike the appropriation for the National Board for the Promotion of Rifle Practice. And insert the following in lieu thereof:

> Prohibition against use of funds for civilian rifle practice. None of the funds appropriated in this act may be used in connection with any civilian rifle practice program including the issuance of military rifles or ammunition under the authority of section 4311 of title 10, United States Code.

Continued Federal support of this privately operated recreational pursuit contributes little, if any good, to the welfare of our citizens or the defense of this Nation. There is no room in our Federal Establishment for programs that may serve to embellish the public appeal for activities that can lead to the abuse or the misuse of firearms.

I will basically summarize the case.

Mr. President, in the existing appropriations there is some $694,000 added in this bill of which $365,000 is for incidental expenses of the National Board including $50,000 for lease of Camp Perry. In addition $329,000, is the value of ammunition which is transferred to the National Rifle Association, which is made available to their members for target practice and for competitions.

This is basically a 20-percent increase over the appropriations of last year. It is in excess of 300-percent increase from 1971.

I think we should ask ourselves why the American taxpayer should be subsidizing one particular activity which will be listed as a sporting activity: We do not subsidize little leaguers. We do not subsidize the bowlers. We do not subsidize young people going out and camping. But we do subsidize effectively with this particular program the National Rifle Association to the tune of $694,000 for ammunition and military personnel.

I think it is appropriate for us to ask why we should be paying American service personnel salaries of some $300,000 to provide solely this particular support

function. So we ask that, and try to consider whether with this particular resource it really makes very much of a difference in terms of our national security. We can look back on the rather detailed study that was done on that by Arthur D. Little in the mid-1960's, and the conclusion of the Arthur D. Little study.

I shall include the relevant section of the report, but just for the purpose of this particular debate mention these lines:

Thus it is difficult to justify on a cost-benefit basis the investment made in teaching riflemen how to shoot.

That is a part of the evaluation of the program on the target-shooting ability of the various ground personnel.

We can justify it perhaps by saying that we need this program to teach young people how to shoot, because then they will go in the military. The fact of the matter is that more than half of all the people who will take the benefit of this particular program are over 20 years of age, and will not go into the military at all. So whatever justification there may be, as small as it is in terms of any kind of study or review, it has to be justified or borne out; and nothing in the report would indicate that it is.

More than half of the people who would use this program will never go into the military. So it fails on that particular basis.

Furthermore, Mr. President, if you are a small gun club in any particular area of this country, unless you are members of the National Rifle Association, you are not eligible to receive any of the ammunition. So they have really, a closed shop. To become a member of the National Rifle Association, you have to pay a good amount of dues. So it is not just the mom and pop target practicing association that exists in the small towns and communities of this country that would be eligible for this ammunition; you have to belong to the NRA organization, the organization sets standards, you have to pay the dues, and then you become eligible for the utilization of this ammunition.

The PRESIDING OFFICER. The Senator's 7 minutes have expired.

Mr. KENNEDY. I yield myself 3 more minutes.

Beyond that, Mr. President, this ammunition is not the type of antiquated ammunition that would justify some of the arguments. Perhaps there was a justification after World War II or the Korean War that "We have a lot of excess ammunition; if we do not shoot it up, it will just clog up the storehouses and warehouses, we have to pay rent for all of that, and it is a cost saving for us." That is not the situation with regard to the ammunition being utilized under this particular legislative appropriation.

So, Mr. President, I think we have to ask ourselves if we can find a justification for this particular program, why do we not justify the Department of Transportation having a driving program for the young people of this country, in order that they may be safer drivers; and why do we not subsidize 4–H Clubs, for the benefit of cultivating agricultural science and techniques? Or why do we not subsidize the Interior Department in providing baseball, basketball, or football programs for young Americans?

We do not do that, nor do we underwrite our Olympic teams, when they compete in the Olympics representing this country. But the Appropriations Committee has made the decision that in this narrow area of shooting, we will justify the expenditure of some $694,000—a 20-percent increase over last year and a 360-percent increase over the year of 1971.

I do not believe it is justified from any point of view, and I would hope that the appropriation would be struck down.

Mr. President, I reserve the remainder of my time.

EXHIBIT 1

A STUDY OF THE ACTIVITIES AND MISSIONS OF THE NBPRP

REPORT TO THE DEPARTMENT OF THE ARMY

Public release of the study of the civilian marksmanship program

A study of the Civilian Marksmanship Program prepared by the Arthur D. Little Company has been received by the Department of the Army.

This study is a comprehensive review of the Army's Civilian Marksmanship Program. Although no final action has been taken on the study, it will be the basis for further consideration by the Department of Army Staff and the National Board for the Promotion of Rifle Practice to determine those actions necessary to carry out those recommendations which may be approved for implementation.

SECTION I

A. Organization and composition of the NBPRP

The NBPRP consists of not less than 21, nor more than 25, members appointed by the Secretary of the Army from the Army, Navy, Air Force, Coast Guard, Reserve Officers' Association, National Guard Bureau, Selective Service, National Rifle Association, and the country at large. These members serve without compensation other than reimbursement of necessary authorized expenses. Each member is appointed for a term of three years, with one-third of the membership terminating annually. Members may serve a maximum of two successive terms and may be reappointed after a break in tenure.

Each group represented on the NBPRP nominates its own members in numbers designated by the President of the Board to fill vacancies. The National Rifle Association is the nominating agency for all civilian members representing both the NRA and the country at large.

B. Programs administered by the DCM

1. The Club and State Association Issue and Loan Program

DCM-affiliated clubs are eligible to receive the following quantities of arms on a loan basis (depending upon the number of club members):

	Senior clubs	Junior clubs	Cadet schools—except ROTC
Rifle U.S. caliber .30 M–1	4–8		1 per cadet.
Rifle caliber .22	4	4–10	10.
Pistol caliber .45 M–1911A1	4		

TABLE I–1

Authorized DCM staff

Colonel—Director of Civilian Marksmanship	1
Colonel—Executive Officer, National Matches	1
Lt. Col.—Executive Officer, National Board for the Promotion of Rifle Practice	1
GS–12—Executive Officer, Civilian Marksmanship	1
GS–12—Budget Officer	1
GS–8—Administrative Assistant	1
GS–8—Assistant for Program Planning	1
GS–8—Secretary	1
GS–8—Purchasing and Contracting Agent	1
GS–6—Unit Supervisors	2
GS–5—Administrative Aide	1
GS–5—Supply Clerks (Typing)	3
GS–5—Clerk Typists	2
GS–5—Correspondence Clerks (Typing)	2
GS–4—Correspondence Clerks (Typing)	2
GS–4—Supply Clerks (Typing)	2
GS–4—Clerk Typist	1
WB–5—Warehouseman	1
Total staff	25

In some cases the above allotments are increased if the club makes a special application to the DCM and presents sufficient justification for their request. For example, an increased allotment might be approved in the case of a particularly large club, if sufficient Government arms are available.

Annual ammunition issues to DCM-affiliated clubs are made on the basis of quantities shown in Table I–2. Initial allotment is based on the entire club membership while subsequent issues are based on the number of members who have fired a DCM qualification course for record the preceding year. Targets are also issued on the same basis. A club may divide up its ammunition (and target) allotment by type any way it sees fit, using these ratios.

TABLE I–2.—BASIS FOR AMMUNITION ISSUES—ROUNDS PER MEMBER

Ammunition type	Senior and college clubs	Junior division, senior club	Junior clubs	Cadet schools
Cal. 45	150 or			Determined by DCM, based on enrollment and supply.
Cal. 30	150 or	150 or		
Cal. 22	300	300	300	

In Chapter VI we explain in detail the requirements the club must meet in affiliating with the DCM. In brief, the primary requirement is that the club must be affiliated with the NRA and thus must meet the NRA's club membership qualifications. Through this requirement, the NRA has the responsibility for ascertaining the character and responsibility of the club officers and the legitimacy of the club's intentions and membership. NRA-affiliated clubs wishing to affiliate with the DCM must then submit to the DCM a roster of club members, a report assuring that it has access to adequate range facilities, and a signed agreement that it will comply with the anti-discrimination provisions of Title VI of the 1964 Civil Rights Act. The only exception made in these requirements is that schools with a Corps of Cadets need not affiliate with the NRA, but can apply directly to the DCM. Table I–3 gives a breakdown of membership and type of DCM-affiliated clubs as of 2 September 1965.

TABLE I–3.—DCM-AFFILIATED CLUBS AND MEMBERSHIP SEPT. 2, 1965

Type of club	Clubs		Membership	
	Number	Percent	Number	Percent
Senior	2,720	46.5	151,302	36.8
Senior with junior division	566	9.7	89,372	21.7

Type of club	Clubs		Membership	
	Number	Percent	Number	Percent
Junior (includes public high schools)	2,457	43.9	161,933	39.3
College	78	1.3	6,018	1.5
Cadet schools	33	.6	2,679	.7
Total	5,854	100.0	411,304	100.0

Source: DCM records (computer run SAOAS-69).

State NRA Associations (now about 50 in number) are also eligible to be issued the following arms for selection and training of teams to represent the state in the National Matches:

Rifle U.S. Cal. 30–NM or Cal. 7.62 mm–NM—8 per State Association.

Pistol Cal. .45 M1911A1–NM—6 per State Association.

As with the club program, the arms issues to the State Associations may be increased above the amounts shown if a sufficient reason is given (e.g., particularly large teams in large or heavily populated states). The State Associations are also given ammunition allotments to conduct tryouts and for team member practice for the National Matches. The amounts of these issues are determined by the size of the team and by the available supplies of ammunition.

2. Sales of Government arms, ammunition, and supplies

This part of the DCM program is available to any individual member of the NRA (about 670,000 members as of January 1965) as well as to clubs affiliated with the NRA. Information on the availability and prices of such Government arms and supplies is made available to NRA members through distribution of the DCM Price List which is issued twice a year and through DCM notices published in the NRA magazine, "The American Rifleman."

The DCM office has responsibility for establishing policies and procedures for administering the sales program, but outside of printing and distributing the Price List, has little additional role in the sales program. Individual NRA members must send their arms-purchase requests to the U.S. Army Weapons Command, Rock Island Arsenal, Illinois, and their requests for ammunition to Ammunition Procurement and Supply Agency, Joliet, Illinois, for processing. The inclusion of the purchaser's current NRA membership card or facsimile verifies his eligibility to purchase. Ammunition Procurement and Supply Agency and U.S. Army Weapons Command and the various Army depots administer the shipment of purchased arms and ammunition.

3. Civilian use of military rifle ranges

As authorized by Title 10, U.S. Code, Section 4309b and implementing AR 920–20, all ranges which have been constructed wholly or partly with funds provided by Congress are open for use by those in any branch of the military or Naval service of the United States and by all able-bodied citizens of the United States under prescribed regulations. The only reason allowed by AR 920–20 for denying such use of a military range is if the range is required for the use of the Army or other controlling service. In carrying out these provisions, the DCM provides liaison between civilian organizations desiring the use of range facilities and the installation at which the range is located. The DCM processes these requests and, when satisfied as to the responsibility of the organization, furnishes the club president or secretary a letter addressed to the Commanding Officer of the installation approving the application subject to such regulations as the Commanding Officer may prescribe. The civilian organization then contacts the installation Commander and arranges for suitable firing dates. In the case of National Guard or unoccupied installations, the DCM requests permission from the state Adjutant General or other agency concerned and notifies the requesting organization of the result. If permission is granted, the latter then arranges all details with the Commander or agency concerned.

4. National matches

The Secretary of the Army is charged by law with responsibility for conducting the National Matches. He has delegated the responsibility for planning and conducting the Matches to the President of the NBPRP. The actual planning and administration of the Matches is carried out by the National Match Executive Officer who reports to the DCM.

The National Matches consist of the Small Arms Firing School, the National Trophy Rifle and Pistol Matches, the NRA National Rifle and Pistol Championship Matches, and all ceremonies, activities and official events connected therewith. The National Matches last for approximately 30 days and are held each year at Camp Perry, Ohio, usually during the month of August. These Matches represent the national championships, both for the military and for the NRA, which is the national sports governing body for rifle and pistol shooting in the United States.

The Small Arms Firing School was started in 1918 as a means of making shooters into good instructors. Current methods of instruction employed by the U.S. Army are stressed in this school. The most important function of this school is to develop instructors who can properly train others in their communities and organizations in the use of small arms, including both rifles and pistols. The school is conducted by the Advanced Marksmanship Training Unit of the United States Army. An appropriate certificate indicating satisfactory completion of each course of instruction is given by the Small Arms Firing School to those who meet the qualifications established by the NBPRP.

The National Trophy Rifle and Pistol Matches, for which national trophies and medals are awarded by the NBPRP, consist of the following:

(a) National Trophy Individual Pistol Match

(b) National Trophy Pistol Team Match

(c) National Trophy Individual Rifle Match

(d) National Trophy Rifle Team Match

(e) National Trophy Infantry Team Match

The National Rifle Association Rifle and Pistol Championship Matches are events for which trophies and medals are awarded by the NRA and are as follows:

(a) Pistol and revolver matches

(b) Smallbore rifle matches

(c) Junior-tyro rifle matches and schools

(d) High power rifle matches

(e) Special events

Appropriate opening ceremonies and award ceremonies are conducted as an official part of the National Matches. Entry fees are not charged for any National Trophy Match or for the Small Arms Firing School. They are, however, charged for the NRA championship matches and other related events.

Figure I–1 on page 12 indicates the distribution of responsibilities among the various organizations which play significant roles in the conduct of the National Matches.

5. NBA regional championship matches

Subject to approval by the NBPRP, the National Rifle Association is authorized to sanction individual rifle and pistol matches in which credits towards distinguished designation may be achieved. These matches are open to any citizen of the United States 16 years or older on the date of the match. Military personnel are responsible for complying with the eligibility rules of their own service.

The DCM provides ammunition for issue to competitors in all matches included in the NRA regional tournaments in which credits towards distinguished designation may be achieved. In the event that Government funds are not available for this purpose, the cost of transportation and other charges incidental to shipment of ammunition must be borne by the tournament sponsor. Where ammunition is not available for free issue to competitors in these matches, arrangements are made by the DCM with the nearest Department of the Army agency to provide for the sale of competition and sighting-in ammunition to match sponsors in these particular matches. In this event, the competitor is charged the current-cost-to-the-Government price of the ammunition.

SECTION II

A. Background

The primary aim of any marksmanship training sponsored for national defense purposes is to train potential combatants and prepare instructors of combatants so that they may function effectively in the national interest in case of war. Until the likelihood of armed conflict is eliminated this requirement will persist.

In spite of recent technological developments in the modes of waging war, the Army's Light Weapons Infantrymen (LWI) and the Marines are almost certain to be employed in any "shooting wars" in which our nation becomes embroiled. Since the basic individual weapon of such combat arms is the rifle, it is important that the men in such units become thoroughly proficient in its use.

A fundamental question in determining how much to spend on training is what degree of proficiency is desirable or even "good enough." We were surprised to find that no desired objectives or even minimum standards of rifle marksmanship proficiency have been set for either units or individuals going into combat. Therefore, as far as we could tell, no one has yet been able to "price out" the value of achieving a given level of marksmanship proficiency in a rifle company, platoon, squad, or, perhaps even more difficult, in an individual rifleman. Thus, it is difficult to justify on a cost/benefit basis the investments made in teaching riflemen how to shoot. To make the problem even worse, the training program for the LWI is getting more complex and crowded, and the different subject areas to be covered compete for precious time in the limited amount available in Basic Combat Training and Advanced Individual Training. Allocations of time, personnel and resources to rifle marksmanship training in the Army must be adjusted then in a compromise with other training requirements.

If the Army's marksmanship training program were totally effective that is, if there were sufficient time, facilities and competent instructors to turn out enough completely capable combat riflemen by the time they were needed (including periods of major, national mobilization), then there would be little, if any, justification for a civilian marksmanship program. On the other hand, the shorter the time for mobilization and training and the fewer the trained instructors available, the more valuable is a civilian marksmanship program which contributes to the development of qualified instructors and to the marksmanship training of young men apt to enter military service and be assigned to a rifle unit. The results of our interviews and literature search suggest that due to various compromises, the processes of training and selection employed by the military services in preparing units for combat still leaves something to be desired in the proficiency with which members of rifle units use their weapons in combat.

B. Benefits to the military from the civilian marksmanship program effect of prior marksmanship training and shooting experience on Army basic marksmanship training

The results of our study indicate that the Civilian Marksmanship Program sponsored and supported by the Army, directed by the National Board for the Promotion of Rifle Practice (NBPRP), and administered by the Director of Civilian Marksmanship (DCM) contributes significantly to the development of rifle marksmanship proficiency and confidence in the ability to use a rifle effectively in combat on the part of those who participate in the program or benefit indirecly from it. Unfortunately, only a relatively small percentage of Army trainees appear to have been members of DCM-affiliated gun clubs (just over 3% of our sample) or received any marksmanship training prior to entering service (32%).

Until more direct study and research is applied to the question of how incremental degrees of rifle marksmanship proficiency relate to a unit's combat effectiveness, and also to the question of "how much it's worth" for a unit to attain higher levels of combat effectiveness, we believe it will be extremely difficult to "price out" the value of the DCM program in terms of a quantitatively expressed cost/benefit relationship.

C. Administration of the civilian marksmanship program

There is currently no means for the NBPRP or the DCM to conveniently and systematically examine the various DCM programs in detail, evaluate their benefits and costs, and consider changes or new programs (possibly more consistent with national interest) in terms of the budgetary implications of such changes. In addition, the DCM has little planning, budgetary, or administrative control over aspects of its programs that could generate income to defray the total program cost. The DCM programs would benefit from more systematic liaison between the DCM and the various agencies affected by, participating in, and having financial responsibilities for parts of the DCM program. Several studies and individual efforts have been made recently by some of these various agencies for the purpose of streamlining operations and reducing cost. The DCM should contribute to and be represented in the consideration of such changes.

In the past, it has been difficult for the DCM to document either the concrete benefits or the full and accurate costs of its several programs. Because of this it has been vulnerable to criticism on the grounds that the total program obviously costs more than was represented in the DCM budget.

A final recommendation concerns the DCM program for the sale of Government arms and ammunition. Currently, this provision is available to any individual member of the NRA. We recommend that the sales privilege be extended to any member of a DCM-affiliated club, regardless of whether he is an individual NRA member. If the member does not belong to the NRA, however, he should have his purchase order endorsed by an officer of the DCM-affiliated club. In addition, clubs should be able to qualify for additional small allotments of ammunition as long as they can document by name and date the use of such issue for hunter safety programs, youth programs, or by potential club members.

D. Major recommendations

1. We recommend that the National Board for the Promotion of Rifle Practice (NBPRP) should be continued with some minor changes in its organization and in the administration of the Office of the Director of Civilian Marksmanship.

(a) The membership of the NBPRP should be broadened to include parties-in-interest other than the NRA and the military departments. Representation of capabilities and resources mentioned in the body of this report should result in an increased capability of the NBPRP to carry out its missions effectively.

(b) The Secretary of the Army should appoint the six representatives on the NBPRP from the Country At Large after soliciting nominations from a variety of sources.

(c) The NRA should continue to provide three members to the NBPRP.

(d) The NBPRP should develop and promulgate more effective programs to facilitate the social and cultural acceptance of shooting in America.

2. The DCM should be established as the DCM Program Office and given full program responsibility and authority for all activities related to its legal mission as prescribed in Army regulations and as directed by the NBPRP.

(a) This DCM Program Office should have the responsibility to develop a five year program and a budget plan for review by the NBPRP in its budget committee. It should then make annual reviews of all existing programs or activities and assess their progress, effects, and importance.

(b) The DCM Program Office should also be given the authority to establish reporting procedures for obtaining, on a routine basis, information from the various Army agencies concerned with and contributing to the DCM program. This should also include authority to establish an active liaison program with such agencies so that all parties concerned could contribute to the formulation of policies and procedures affecting the success of the total DCM program.

(c) We recommend that a more inclusive system of accounts be set up so that the true cost to the government of the DCM programs can be accounted for on a regular and complete basis. This should entail provisions for credits to the DCM program for all revenues returned to the Federal Government.

3. The Department of the Army should provide for field representatives for the DCM.

(a) Members of the headquarters staff in each numbered Army Area Headquarters might be assigned the role of DCM field representatives. This function might be added to the job assignment of the Army Area Marksmanship Coordinator or to a member of the public relations staff particularly interested in marksmanship activities.

(b) These field representatives should be responsible for assisting and maintaining personal contact with clubs in the Army Area, for facilitating club use of military rifle ranges, for stimulating organized shooting programs within clubs, especially for junior age groups, and for more effective administration and liaison of the check-out procedures of officers of clubs applying for membership in the DCM.

4. The DCM should take primary responsibility for investigations made of clubs wishing to affiliate with the DCM.

(a) Checks and investigations of personnel in clubs applying for affiliation with the DCM should be focused on club officers.

(b) Information used in clearing applying club officers should be more complete and lend itself more effectively to efficient check-out procedures. We recommend that the DCM require each officer of an applying club to submit his fingerprints. After the club is affiliated, each new person who is elected to office should also be required to submit his fingerprints.

(c) In all other respects, the essential steps of the present system of controls should be maintained. That is, the control procedure should consist of a police records check of club officers, of endorsements from two community leaders, and of a personal meeting with club officers and members. In addition, clubs should continue to be required to affiliate with the NRA to be eligible for DCM affiliation. This will insure continued club support for and liaison with the national sports governing body for shooting and the many relevant activities it promotes.

5. Those aspects of the DCM program which relate to the stimulation of broader interest and participation in rifle shooting among the youth of our country should be emphasized more and pursued even more effectively in order to reach a greater percentage of those young men likely to enter military service.

(a) In designing its programs and in allocating resources, the NBPRP and the DCM should give consideration to more emphasis to club activities. This should include stimulation of membership, more emphasis on junior programs, and further extensions of marksmanship and coaching clinics, and local and regional competitions.

(b) In view of the very considerable support to state, regional, and especially National Matches, the NBPRP and the DCM should capitalize further on the public relations benefits inherent in these competitions and the potential for using films, short subjects, TV coverage, etc., in stimulating greater interest and participation in organized shooting activities in the country. Since the current interest of the general public in international competitions is high, opportunities to capitalize further upon the public relations value of successful performances of members of international shooting teams should be extended.

(c) Any member of a DCM-affiliated club, regardless of whether he is an individual NRA member, should be enabled to purchase government arms and ammunition through the DCM sales program. However, in order to maintain a screening and control procedure over such orders, any such member should have his purchase order endorsed by an officer of the DCM-affiliated club to which he belongs.

(d) Consideration should be given to enabling clubs to qualify for additional small allotments of ammunition issue as long as they can document the use of such issue for hunter safety programs, youth programs for non-members, or for other community programs to stimulate further interest and participation in shooting.

6. Since there are no minimum marksmanship proficiency standards established for rifle units going into combat and since no one has yet been able to "price out" the value of achieving a given level of marksmanship proficiency in a rifle unit, we recommend that consideration be given to defining and carrying out needed research in this area.

(a) Consideration should be given to making "quality control checks" on the marksmanship proficiency of rifle units going into combat. If data is gathered to measure the combat proficiency of units with varying degrees of marksmanship proficiency, this information should be valuable "feedback" in adjusting marksmanship training standards and in evaluating the need for improved selection of individuals who will be more effective in combat.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order to suggest the absence of a quorum without the time being charged to either side.

Mr. KENNEDY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. KENNEDY. And how much time does the other side have?

The PRESIDING OFFICER. Fifteen minutes.

Mr. STENNIS. Well, Mr. President, if anyone wishes to speak, I will yield time to him.

Mr. President, I will yield myself 5 minutes.

I am familiar with the position of the Senator from Massachusetts, even though I did not get to bear all of his argument here.

May I ask the Senator, what is the amount now involved? $329,000?

Mr. KENNEDY. No, the total is $694,000; $329,000 for the ammunition, $365,000 for the personnel, including $50,000 for the lease on Camp Perry.

That was borne, incidentally, by the NRA for the last 9 years. Maybe the Senator can tell us why, when Camp Perry was paid for by the NRA for the last 9 years, and why the American taxpayer ought to be paying $50,000 to support that in this measure.

Mr. STENNIS. This amendment, Mr. President, has a long and distinguished history, and there is a course of action there that has gone on at Camp Perry for a long time, thought by the Appropriations Committee to be a good investment.

It is a matter that did not come before the Armed Services Committee. I do not know that we have had any discussion of it at any time lately.

Just speaking for myself, though, I have heard it debated many, many times in the committee and on the floor over a period of years, and I think it is a real investment with reference to marksmanship training, which is such an important part of the military program.

There are marksmanship clubs all over the country, just as we have other kinds of clubs that are interested in various matters like conservation of natural resources, we will say, and a great number of other organizations that have an appeal to our young people.

I am not a hunter, much, myself, although I enjoy going hunting some. I do not mean to be too personal, but I wish that I had had some marksmanship training or rifle training, or something of that kind, when I was a youngster, to learn how to swing with the fowl, and shoot to the left as well as to the right.

I think the amount is spread out so thin, and affects so many people—young people, the middle-aged, and others—that it is money well spent. This amount of money for advertising on television and other purposes would not go—it would not be 10 minutes worth, hardly. But these are programs that last month after month and year after year.

That is my position on it. I think that is generally the substance of the position of all the Members in favor of it. A former Senator whom I refer to as one of the wisest men I have ever associated with, the late Senator Hayden, was widely active in promoting these things, and we used to call this the Hayden amendment.

That is all I have to say.

Mr. KENNEDY. Mr. President, let me ask the chairman of the committee, am I not correct that only 3 percent of those who go into the military have had any DCM association whatsoever? And that we do not know, of those 3 percent, what percentage have participated in the marksmanship program, or what percentage actually go into the combat arms?

That was a part of the 1966 Arthur D. Little study, that recommended we get that information.

It is now 11 years later, we have a 360-percent increase in the request, and we still do not have the answers to those questions.

Mr. STENNIS. Mr. President, I do not suppose there are any complete, specific, detailed answers that you could reduce to numbers and sell the idea on it for that amount.

If this was a great sum of money, or if I thought it had any element whatsoever of being used for any ulterior purposes, anything like that, I would feel differently about it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. That is about a complete story. I believe that is the main basis for this appropriation. Frankly, I could not be at the meeting where this was written up, this particular item. I do not know what else was said.

Mr. KENNEDY. Mr. President, I yield myself 2 minutes. This might not seem like a lot of money, $694,000. It happens to represent the total amount that my own State of Massachusetts receives for the meals-on-wheels program. This represents 2 million meals for elderly people at the Department of Agriculture's figure of 29 cents; 2 million of them. In this appropriation, as I mentioned, $50,000 that was being paid by the NRA for the last 9 years is now being paid by the taxpayers. No other area of recreation, no other area of international competition, no other area of enjoyment for the young people of this country is being subsidized by the Federal Government with the exception of this one area of shooting, where more than half of the people who are participating are too old to go into the military in any event. There is probably no area in the total budget which has gotten the kind of a sizable increase this program has, a 22-percent increase.

I can just think of the areas in health which never saw this kind of an increase. That has been true with regard to most of the education programs, most of the elderly programs, most of the areas of human resources. It is just appropriate that the Federal taxpayers understand what they are being called upon to pay for. I have no illusions about the power of the National Rifle Association, and what the outcome of this amendment is going to be, but the record ought to be made with regard to this program, and it will continue to be made by myself and others in the future. I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, we are not allowed to vote now, under the rules. I do not know of any other speaker, Mr. President. Could we lay this amendment aside until it is time to vote? That would suit me all right, if it would suit the Senator from Massachusetts. We could reserve 2 minutes to each side at that time to make a little explanation.

Mr. President, I ask unanimous consent that we yield back the remainder of our time except for 2 minutes on each side, and we use that time for an explanation of the amendment when it comes up for a vote sometime after 2 o'clock.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ADDITIONAL STATEMENT SUBMITTED

Mr. STEVENS. Mr. President, I rise in opposition to the amendment offered by the Senator from Massachusetts (Mr. KENNEDY) which would delete $365,000 contained in the Defense appropriations bill for the National Board for the Promotion of Rifle Practice.

As of June 1976 there were 125,192 individuals participating in this program through membership in 2,169 clubs around the country. This small amount of money requested in the budget and approved by the House and the Senate Appropriations Committees, does a great deal to strengthen the ties between our armed forces and the general population. Deletion of these funds would have no impact on the ability of the existing rod and gun clubs to continue to function; it would, however, deny the Army the public relations opportunities now possible through affiliation with these clubs.

I ask unanimous consent that several letters I have received in support of the board's activities be printed in the RECORD at the conclusion of my remarks.

Mr. President, I hope that the Senate will accept the committee position and retain funding for the National Board for the Promotion of Rifle Practice.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Telegram]

FAIRBANKS, ALASKA,
July 12, 1977.

Senator STEVENS,
Capitol Hill, D.C.:

I understand that Senator Kennedy will introduce an amendment to the Senate Wednesday to delete the director of civilian marksmanship program from the fiscal 78 budget. This would be disastrous to youth marksmanship training in Alaska. Please give your best effort to defeat the Kennedy amendment on July 13.

JOE NAVA.

SACRAMENTO, CALIF.
July 14, 1977.

Senator TED STEVENS,
Senate Office Building, Capitol Hill, D.C.:

Kennedy amendment H.R. 7933 would kill civilian marksmanship appropriation. 200,000 gun owners urge "no".

State Senator H. L. RICHARDSON,
Chairman,
Gun Owners of America.

NATIONAL GUARD ASSOCIATION
OF THE UNITED STATES,
Washington, D.C., July 12, 1977.

Hon. TED STEVENS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENS: The National Guard Association of the United States has been informed that Senator Kennedy will introduce an amendment on the floor of the Senate to strike funding of $365,000 for the

National Board for the Promotion of Rifle Practice.

This Association strongly supports this appropriation and has a firm belief that civilian marksmanship programs contribute to this nation's defense.

We urge that you vote down the Kennedy Amendment.

Your consideration and support will be appreciated.

Sincerely,

FRANCIS S. GREENLIEF,
Major General, NGUS (Retired), Executive Vice President.

Mr. STENNIS. I thank the Senator from Massachusetts.

Mr. President, the next item I have on my list, and we must keep this bill moving, is a matter of concern to the Senator from Ohio (Mr. METZENBAUM). There may be someone in the Chamber representing him.

I see the Senator from North Carolina is in the Chamber. He might wish to present his amendment now and offer his explanation of the amendment, making the arugment for it. We would have to lay it aside without voting, as he knows.

Mr. HELMS. Mr. President, I suggest the absence of a quorum, with the time to be charged against me on amendment No. 526.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be able to modify my amendment, though not with regard to the amount, prior to the time of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator should send his modification to the desk at the appropriate time.

Mr. KENNEDY. I will.

AMENDMENT NO. 526

Mr. HELMS. Mr. President, I call up my amendment No. 526 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS), for himself, Mr. HUMPHREY and Mr. NUNN, proposes amendment No. 526.

On page 6, beginning at line 2, strike out "$7,910,176,000" and insert in lieu thereof "$7,911,006,000".

On page 6, line 5, strike out the period after the word "facilities" and add the following new language: ", and of which not less than $1,530,000 shall be available only for the continuation of the Area Handbook Program.".

Mr. HELMS. This will restore the Department of the Army's Area Handbook program to an ongoing program. The Senate report for H.R. 7933 indicates that $700,000 is to be appropriated for the phase-out of the program. This amendment—and incidentally, it is cosponsored by the distinguished Senator from Minnesota (Mr. HUMPHREY) and the distinguished Senator from Georgia (Mr. NUNN)—would increase this amount to $1.53 million, the level of the Department of the Army request, and assure the continuation of the program.

The PRESIDING OFFICER. Will the Senator suspend for a moment? I am advised by the Parliamentarian that the first part of the Senator's amendment deals with a figure which has already been subject to amendment and has been amended. Therefore, it would require unanimous consent to offer that particular part of the amendment.

Mr. HELMS. I ask unanimous consent that it be in order to offer that part of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, this amendment would restore the Department of the Army's Area Handbook program to the status of an ongoing program. The Senate report for H.R. 7933 indicates that $700,000 is to be appropriated for the phase-out of the program. Our amendment would increase this amount to $1.53 million—the level of the Department of the Army request—and assure the continuation of the program.

The area handbook program has been in operation for 22 years. During this period, it has been contracted out to American University, which maintains a special section of scholars and experts who devote full-time to this project. The program provides a comprehensive handbook of about 400 pages for each country of the world in which the U.S. Army assigns its personnel. There are presently 106 handbooks in print, representing a source of information which is available nowhere else. Each book is written for the nonspecialist who is probably entering the area for the first time and needs objective, nonclassified background on the host country. Without the area handbooks' in-depth descriptive analysis of a country's social, economic, political, and military structures, the Army cannot carry on the required high level strategic training of its officers and other selected personnel.

Over 80 percent of the annual distribution goes directly to Army personnel. In addition, some 360 Government offices—such as DOD, State, the White House, the National Security Council, Congress, and others—receive copies under this appropriation. However, another 50,000 copies are not distributed under Government appropriations; they are sold at no cost to the Federal budget through the Government Printing Office at a price set to recover printing costs. GPO also distributes copies to 1,700 Federal deposit libraries that have requested them—an indication of the high regard in which they are held. I would like to emphasize, however, that the overwhelming majority of volumes paid for through this appropriation are distributed to Army personnel.

The committee's action in phasing out this program has apparently been based on misinformation. The military requirement is well-documented. The Department of Army program justification for fiscal year 1978 said:

The continuation of the program is considered essential to the Army's program of orienting its personnel for important national security assignments. . . .

Yet the committee's reports, this year and last year, have contained unfortunate errors of fact and misinterpretation.

Last year's report, for example, said:

The committee has been advised that most of the cost pays for travel of the contractors.

Yet not one penny is paid for travel, and the sums paid to the scholars involved are modest.

Last year's report also recommended that the functions of the area handbooks be taken over by the State Department. Yet it is hard to see why the State Department should fund a program which has as its principal beneficiary the Department of Army. Moreover, the State Department's programs are designed for the professional analysts who need rapid technical updates on fast-moving events. It is not practical to provide such update capability in manual form for nonprofessionals. More frequent revision could be performed if more funds were available. However, since the books are intended for nonspecialists, the proposed rate of funding seems adequate.

This year's report is no more accurate than last year's. It states that "There is no military requirement for the handbooks as determined by the Deputy Secretary of Defense." Yet what the Deputy Secretary actually said was that a reprograming action in fiscal year 1977 "does not represent a compelling national defense need." This statement was made at a time of the changing of administrations, and does not represent a judgment on the substantive merits of the program. Indeed, DOD is an agency that has no substantive concern in the matter. The area handbook program is an Army program, developed by the Army for its own use and in response to its own requirements, not the requirements of the Department of Defense or the Department of State. The Army fully supports the program, as quoted above.

This year's report also criticizes as excessive the so-called final 1978 request for $1.8 million, which it characterizes as "a 155-percent increase over the 1977 funding level." But in point of fact, at no time was any request made for $1.8 million. The request was for $1.53 million, the amount provided by our amendment, and an amount which provides only a 10-percent inflation factor over last year's request of $1.4 million. It should be noted that fiscal year 1977 provided only half that sum because of the erroneous information which appeared in last year's report.

Mr. President, the area handbook program is not a major item in the appropriation process, and I can well understand why perhaps not enough time was spent in double checking the information involved. However, it is rather mystifying why this program has been singled out for so much distortion and erroneous implications. The program is a good program, with a sound product, and it is performing well for all who are concerned with its use. In the judgment of Senator HUMPHREY, Senator NUNN, and this Senator from North Carolina, it

should be restored to its function, not phased out.

Mr. President, the distinguished Senator from Minnesota, Mr. HUMPHREY, is well-known to all of us for his broad experience and expertise in foreign affairs. He has been a long-time supporter of the area handbook program, and an enthusiastic one. Not long ago, he wrote a letter to the distinguished chairman of the Appropriations Committee asking that this program be sustained.

Mr. President, I ask unanimous consent that the letter of the Senator from Minnesota be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.

Washington, D.C., June 17, 1977.

Hon. JOHN L. MCCLELLAN,
Chairman, Appropriations Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR JOHN: I am writing to request your consideration of a matter affecting the budget of the Department of the Army, the Area Handbook Program.

The Area Handbook Program has been sponsored by the Department of Army since 1955. It has been administered under successive annual contracts with the American University.

Area Handbooks are studies of a country's social, economic, political and military organizations designed for the nonspecialist.

The Army's budget request for FY 78 is $700,000, the amount which was funded for FY 77. The Army had originally requested $1.4 million for the revision and printing of the handbooks in FY 77, but the Senate denied the total request. This denial apparently was the result of an allegation that most of the funds pay for travel of the contractors, an allegation which has since been refuted. Nonetheless, the Conferees agreed that $700,000 be provided and that the Army reevaluate the program.

By letter of April 13, 1977, to you, Major General West recommended that the Army continue the program. Originally, the Army was requested $1.53 million for FY 78, but it revised the request to $700,000 when its effort to reprogram funds in FY 77 failed.

I realize the constraints under which you operate, but I request that you consider providing an additional $700,000 for the program in FY 78.

With best wishes.

Sincerely,

HUBERT H. HUMPHREY.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield myself 3 minutes.

I have had a conference with the Senator from North Carolina. I think we understand that. There is some money in the bill now regarding this handbook question; a greater sum is in the House bill.

Mr. HELMS. That is correct.

Mr. STENNIS. These figures will be in conference. We cannot know what will come out of conference, but it will be considered. Our position would be to support the $700,000 and see what else happens. But we will take the position that this matter will be considered in the 1979 budget, rather than just demand an immediate cutoff. That is, if it is requested by the President and comes in as such in the budget, it will be considered at face value. And, of course, the ones that are passing on it then will have to decide what to do about it. But our position will not be a demand that it be killed.

Mr. HELMS. Mr. President, nobody could ask for more than that. The legislative history is clear. I thank the Senator.

I withdraw the amendment.

The amendment was withdrawn.

Mr. STENNIS. I thank the Senator.

Mr. President, we have had a discussion about the helicopter amendments. Several are concerned and wanting to leave. We have had a kind of round-the-table discussion that we shall split that debate in two parts, beginning at 1:30. So I shall call up that committee amendment, Mr. President, at 1:30 and we shall have part of that debate.

In the meantime, I had asked the Senator from Ohio to come to the floor. He has an amendment that we have gone over. We think it requires certain reports regarding subcontractors. We think we can take that to the conference and do what we can with it.

I am speaking a little ahead here. I am going to retire from the floor now, by unanimous consent, and eat a little lunch.

Mr. GOLDWATER. Will the Senator yield?

Mr. STENNIS. A very fine member of our Appropriations Committee, Senator DEE HUDDLESTON, is going to hold the floor.

Mr. GOLDWATER. Will the Senator yield?

Mr. STENNIS. Yes, I yield.

Mr. GOLDWATER. I have two amendments that I have shown the chairman. They will not take long for me to explain. I shall be glad to call them up after——

Mr. STENNIS. Well, I have not had a chance to see the Senator's amendments. I am going to have to do now what I said I would. I shall be back in 10 or 12 minutes.

Mr. GOLDWATER. If the Senator will yield, they have been at the Senator's desk now for about 40 minutes.

Mr. STENNIS. I have not had a minute's interruption. I have been working on matters that were here before he brought his amendments in, I say to the Senator.

AMENDMENT 520

Mr. METZENBAUM. Mr. President, I call up amendment 520 on behalf of myself and Senators MOYNIHAN, HEINZ, HATHAWAY, CHAFEE, HUMPHREY, LUGAR, BAYH, BROOKE, and CASE.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) for himself and Senators MOYNIHAN, HEINZ, HATHAWAY, CHAFEE, HUMPHREY, LUGAR, BAYH, BROOKE, and CASE proposes amendment No. 520.

Mr. METZENBAUM. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 50, between lines 21 and 22, insert a new section as follows:

"SEC. 836. (a) The Secretary of Defense shall require all prime contractors receiving contract awards of $10,000 or more from the Department of Defense to file a report with the Secretary at the end of the year showing the amount of Department of Defense work (in terms of dollars) each such contractor had performed by subcontractors during such year and to identify the State or States in which each subcontractor performed the work subcontracted to it.

"(b) The Secretary of Defense shall submit a report annually to the Congress showing, on a State-by-State basis, the total amount of Department of Defense funds paid to subcontractors, during the year for which the report is submitted, by the prime contractors described in subsection (a).".

Renumber sections 836 through 860 as sections 837 through 861, respectively.

Mr. METZENBAUM. Mr. President, our amendment would require the Department of Defense to provide more information about defense procurement spending than is now available. That information was availiable up until 1973. In fiscal year 1976, the Department of Defense accounted for $42 billion in procurement expenditures, nearly 75 percent of the total for all Federal agencies combined. The Department of Defense keeps careful record of all prime contract awards over $10,000, but since 1972, the Department has not kept track of awards to subcontractors. Because of this practice, Department of Defense experts estimate that there is no way to determine where up to 50 percent of the Department's procurement money, a staggering $20 billion this year, is actually spent.

This failure to track the secondary distribution of defense funds results in a distorted picture of Federal expenditures in various States. In fiscal year 1976, for example, one major company, ranked in the top 10 in sales to the Department of Defense, received over a billion dollars in prime contracts. Under current accounting procedures, the Department of Defense reported this entire amount as flowing into the economy of the firm's headquarters State. But a study of this firm's subcontract awards revealed that $374 million of this total was, in fact, allocated to out-of-State subcontractors.

Mr. President, I ask unanimous consent that a recent analysis of this problem by the Northeast-Midwest Research Institute, entitled "Defense Subcontracts: Which Companies Get Them and Why Doesn't the Pentagon Know Their Names?" be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METZENBAUM. As we are all aware, Mr. President, there has been a good deal of discussion over whether there is regional balance in the distribution of Government contracts. As a businessman, I know it is impossible to make prudent judgments about such an important economic issue on the basis of incomplete and misleading information. I believe we urgently need to develop ac-

curate data on the degree to which regional imbalance actually exists. Our amendment will provide Congress and the public with that data as regards defense procurement.

Mr. President, I should like to add one further comment: The chairman of the committee indicated that this matter would be taken to the conference committee. I hope that, by his indication that it will be taken to conference, he did not mean to imply that it would also be lost in the shuffle at the conference committee. I think those of us who are concerned about loss of defense contracts, about the dwindling number of defense contracts in our State, have a major concern that we know what the facts are. I strongly urge upon the chairman of the committee, as well as the members of that conference committee, that this amendment not go the way of so many others that get lost at the conference stage.

I urge, Mr. President, that this amendment be adopted by the entire Senate.

EXHIBIT 1

DEFENSE SUBCONTRACTS: WHICH COMPANIES GET THEM AND WHY DOESN'T THE PENTAGON KNOW THEIR NAMES?

(Northeast-Midwest Research Institute, Thomas Cochran, Executive Director; Laurence Zabar, Research Assistant, May 16, 1977)

EXECUTIVE SUMMARY

At the request of Congressman Michael J. Harrington, Chairman of the Northeast-Midwest Economic Advancement Coalition, and the Coalition's Task Force on Military Installations, the Northeast-Midwest Research Institute has examined the procedures utilized by the Department of Defense to monitor the flow of its procurement dollars.

The importance of accurately tracking DOD expenditures is clear: this department's annual procurements total over $42 billions and account for approximately 75 percent of total U.S. procurements.

The study shows, however, that under current accounting procedures, the Defense Department loses track of more than $20 billions every year: the dollar value of Defense production that, by DOD estimates, is redirected to subcontractors.

The reliance on prime contract data to determine the geographic flow of Defense dollars may result in a systematic overcounting of the dollars flowing into the Northeast and Midwestern states, where many of the prime contractors' headquarters are located, and undercounting the flow into other regions of the country where the actual production lines are located

DOD once maintained records of the top 700 firms in the dollar value of defense production, including both prime and subcontractor. In 1973, however, DOD officials determined that it was no longer necessary to retrieve this information and, in fact, destroyed records for prior years.

The study also reveals that, by failing to require prime contractors to indicate to whom they award subcontracts, the Defense Department appears to be in clear violation of Federal Regulations that specify the need for DOD to monitor the activities of its prime and subcontractors.

The study concludes with recommendations for an accounting system that more accurately traces federal procurement dollars to their ultimate geographic location.

INTRODUCTION

The 16[1] states of the Northeast and Midwest region share several fundamental economic characteristics and problems:

During the period 1960–75, manufacturing employment grew by 43.3 percent in the Southeast states, 67 percent in the Southwest states, 24 percent in the Plains states, 45 percent in the Rocky Mountain states, and 20 percent in the Far West states. Yet during the same period, manufacturing employment declined by 9.9 percent in the New England states, 13.7 percent in the Mideast states and grew by only 3.2 percent in the Great Lakes states.

Older industrial cities are typical of the region. With their aging capital stock, these urban centers are losing skilled jobs and, in many cases, people. The people who remain tend to be poor and unskilled—local and state governments responsible for their basic well-being are rapidly becoming less able to fulfill their responsibilities as their tax bases stagnate or erode.

The region has not been sharing in the general forward movement of the national economy. During the modest economic recovery of the past 20 months, rates of unemployment have remained high in the Northeast and, to a slightly less extent, in the Midwest.

All 16 states are cold-winter states, and during the energy crisis of 1976–77, most shared similar difficulties in obtaining adequate energy supplies. Without major new initiatives, the long-term energy future of the region is bleak.

Representing nearly a quarter of the Gross National Product, federal government spending has a profound effect on each region's economy. Gauging the regional impact of federal spending requires an accounting procedure that monitors the geographic flow of expenditures. Wages to federal employees, payments to state and local governments and payments to individuals can be traced with relative ease. However, payments for procurements must also be included in any complete picture of expenditure patterns.

To determine the degree to which a capacity for tracking federal procurement dollars exists, the Institute has analyzed the accounting procedures of the Defense Department. In FY 77, DOD will spend more than $42 billion on procurements, nearly 75 percent of total U.S. procurements, and thus qualifies as the nation's largest procuring agency.

This paper discusses the analytic usefulness of maintaining accurate data detailing to whom Defense subcontracts were awarded, statutory requirements that argue the need to keep this information past DOD attempts to track subcontract awards and finally, alternating for change.

THE FAILURE TO TRACK SUBCONTRACTS

DOD's procurement dollars, contributing over 2% annually of the nearly two trillion dollar Gross National Product, impact significantly on the economies of regions where they are spent. Obtaining an accurate account of the flow of DOD dollars, however, has so far proven to be impossible.

While the Institute has had no difficulty in obtaining the names of firms to whom price contracts were awarded by DOD—and the dollar value of the award[2]—this data is not an accurate reflection of where the Defense dollars are actually being spent. The Defense Department estimates that at least 50% of its annual procurements— totalling over $20 billion per year—is subcontracted out by the prime contractors. An Office of Management and Budget analyst contacted by the Institute felt that this estimate was low, and suggested that few plants are more than assembly plants and must therefore subcontract out to other firms to obtain the component parts necessary to assemble the item(s) contracted for. Thus, in this analyst's opinion by failing to require prime contractors to compile a list of their subcontractors by dollar value of the award and the state where the work was actually done, the government loses track of substantially more than $20 billion every year—just as a result of Defense spending. DOD maintains no records indicating to what firm the prime contractor awards subcontracts.

The failure of the Defense Department to track the secondary distribution of its expenditures may result in a systematic overcounting of the money flowing into some states and undercounting of the flow into other states. When many of the firms that contract for defense production were first established, their headquarters tended to be located in the urban centers of the Northeast and industrialized Midwest. More recently, however, many firms are locating production lines in the south and west where labor and energy costs are thought to be less than in other regions of the country, while continuing to maintain headquarters in urban centers. DOD, however, reports its expenditures by the state where the prime contractor's headquarters is located. Thus, while it may appear, by reviewing DOD prime contract awards, that the Northeast and Midwest are receiving their "fair share" of defense dollars, this may not be the case.

A review of subcontracting by a leading Defense contractor, from whom the Institute obtained a list of subcontract awards by state, on a confidential basis, graphically illustrates the problem.

This Northeast based firm ranked in the top 10 in the dollar value of DOD prime contract awards in FY 1976. According to the present Defense Department accounting method, this firm's contract total of $1 billion is reported by DOD as flowing into the firm's headquarters state and accruing to that state's economy. However, a list of this firm's subcontract awards revealed that only 45% of the $1 billion in prime contracts—$450 million—was spent on production lines in the state of its headquarters. Moreover, of the $550 million in subcontracts awarded by this firm, 68% went to firms outside the state where the prime contractor's headquarters is located.[3]

Yet the Department of Defense continues to rely on this highly suspect data. In an April 13, 1977 letter to Congressman MICHAEL J. HARRINGTON, regarding DOD outlays by region, Deputy Secretary of Defense Charles Duncan stated:

"Accordingly, we have reviewed the overall matter . . . using the data contained in the FY 1976 Summary Volume of the 53 volume "A report of the Federal Government's impact by State, County and large City", compiled for the Executive Office of the President by the Community Services Administration. . . . Our review indicates that the 16 Coalition states received 27.4 percent of the FY 1976 DOD outlays and the 12 Southern States received 25.3 percent."[4]

The Community Services Administration report, referred to by Secretary Duncan lists only prime contract awards by the Defense Department.

Until December 29, 1973, the Defense Department published an annual list of the top 700 firms in terms of the dollar value of defense production, including both prime and subcontractors. This compilation, entitled "Economic Information System", contained information indicating where the work was performed and the number of employees employed by each plant. Although the list did not extend beyond the top 700 firms, this information must have been helpful in accurately tracking a significant portion of total defense dollars.

The Institute attempted to review the last edition of this publication to determine if any discernable trends in defense spending could be found. A DOD official, however, stated that, due to lack of interest, all publications related to this system had been de-

Footnotes at end of article.

stroyed. The result has been that DOD now tracks only its prime contract awards and uses this incomplete data as a basis for decisions on the impact of its spending.

The argument most frequently raised by those opposed to requiring the compilation of subcontract data cite the inordinate amount of time it would take to compile this data on an annual basis. Procuring agents at several of the larger defense contracting firms contacted by the Institute stated that it would be impossible to centralize this information within their own firms and present it in aggregate form.

A procurement official with the Navy Department, however, flatly stated that any firm that maintains that it cannot provide this information within two days isn't being truthful. This official went on to ask if these firms are implying that if an airplane engine for which they subcontracted out is not delivered on time, they wouldn't know who to call to find out why?

LEGAL OBLIGATIONS

Defense Department officials in the Comptroller's Office, contacted by the Institute, have indicated that records detailing to what firms and in what amounts prime contractors subcontract defense production are of "no use to them." These officials further contend that they have a legal relationship with their prime contractors that in no way requires them to furnish records listing their subcontractors and dollar value of the awards. In their view, this would be an "unlawful" intrusion into a private business' affairs. According to a DOD official, the Department's sole concern is awarding prime contracts to the lowest bidder. Moreover, DOD officials admit to having little or no interest in the regional economic consequences of the department's procurement actions or in obtaining the data necessary to understand those implications.

This was made clear in the letter from Deputy Secretary Duncan to Congressman Harrington, referred to earlier. Responding to a charge of regional imbalance in FY77 military construction, Duncan stated: ". . . If regional aspects of Defense expenditures are to be considered, *and we do not believe that they should*, the total DOD outlays should be examined . . ."[5] (emphasis added)

Yet, recent court rulings, legislative mandates, and Executive Orders have required government agencies, and private firms doing business with them, to conform to certain guidelines in such areas as contracting preference in labor surplus areas and civil rights.

Thus, precedents have been established to justify report requirements imposed on federal agencies and private businesses concerning social consequences of their policy actions.

For example, Section 1.1–805, subsections 1–4, of the Code of Federal Regulations promulgated under Title 41 of the United States Code, addresses the issue of subcontracting governmental contracts to labor surplus area concerns. The Department of Labor, charged with the responsibility of defining the term "labor surplus", set the standard 25 years ago of a 6 percent or higher unemployment rate for an area to be classified as "labor surplus". Since this figure has never been revised upward to account for the rising national unemployment rate, more than 70 percent of the major labor areas in the country are presently classified as labor surplus and thus fall within the jurisdiction of these provisions.

Under the section cited above, prime contractors who accept contracts worth between $5,000 and $500,000 are required "to undertake the obligation of using his best efforts to place his subcontracts in areas of labor surplus . . ."

Furthermore, in contracts worth more than $500,000, the contractor is required to "undertake a number of specific responsibilities designed to assure achievement of the objectives referred to above (placing subcontracts in labor surplus areas) and to impose similar responsibilities on major subcontractors."

These responsibilities include requiring the contractor to designate a liaison officer who will administer the contractor's labor surplus area subcontracting program and maintain records showing procedures adopted to comply with this policy.

The adequacy of the contractor's "labor surplus area subcontracting program shall be reviewed by the procuring agency concerned, and any deficiencies shall be brought to the attention of the contractor's liaison officer with a request for corrective action."[6]

While the regulations clearly indicates that priority be given by prime contractors to subcontractors located in labor surplus areas, no evidence can be found that the Defense Department is currently enforcing compliance with this requirement or that it even gathers the data on which such an enforcement would be based. In fact, a DOD official maintains that the Defense Department relies on a firm's competitors to inform them of any violations of this statute and takes no other action other than an occasional spot-check to determine the extent to which the firm receiving defense dollars is complying with these provisions. This seems a weak method of enforcement, at best.

Further, Executive Order 11246 Equal Employment Opportunity—issued in 1965, outlines the responsibilities and obligations of contractors *and subcontractors* whose work is paid for by federal dollars. Included in this Order are provisions requiring that each contractor and each of his subcontractors file Compliance Reports with the contracting agency or the Secretary of Labor and a requirement that each contractor and subcontractor permit access to their books by the contracting agency and the Secretary of Labor to ascertain compliance with Part 2 of this Order, entitled "Nondiscrimination in Employment by Government Contractors and Subcontractors."[7]

In summary, then, several provisions would appear to require the maintenance of subcontracting data. These requirements, and the usefulness of such data to those interested in the regional impacts of federal expenditure patterns, strongly argue that a system for retrieving and reporting them be established.

ALTERNATIVES FOR CHANGE

A simple system can be developed and implemented that will enable the government to accurately account for the regional expenditure of its procurement dollars. Such a system could have the following characteristics:

1. firms receiving prime contracts from the government agencies would compile an annual statement listing the amount of money expended through subcontract awards in each state, down to the production line where the work is actually performed. This information would be sent to the Secretary of the appropriate agency by a specified date each year; and

2. the Secretary would, within a specified time period (between 30–90 days) compile, analyze and make this information available to Congress and the public in an annual report.

This information will enable the government to monitor the actual flow of federal dollars and determine which areas of the country are benefiting from the direct and indirect effects of federal procurements.

Such a simple reporting system could be mandated: by each agency through regulations; by the President with an Executive Order; or, by the Congress through legislation.

CONCLUSION

In recent months, considerable controversy has centered around the issue of where the federal government spends its money. The controversy has arisen in part because the federal government lacks an accurate accounting procedure that enables those interested from determining exactly where federal dollars are being spent.

The Department of Defense, the government's largest procuring agent, spending in excess of $42 billion a year, is a case in point. Though cognizant of the fact that at least 50 percent of its prime contract awards—worth over $20 billion annually—is redirected to subcontractors, often in other states and regions, the Defense Department attributes the full dollar value of the prime contract as accruing in to that state's economy where the prime contractor's headquarters is located. This seriously overcounts the flow of money into some states and undercounts the flow into others. The problem is magnified when the Defense Department bases conclusions about its spending—and effectuates policies—on this incomplete data.

In a recent study released by the Institute, a 25 year old policy of targeting contracts and facilities to areas of high unemployment was discussed ("Federal Procurement and Regional Needs: The Case of Defense Manpower Policy Number Four"). A necessary pre-condition, however, is a system that accurately monitors the geographic flow of federal dollars.

Unless such a system is developed, efforts to determine if states and regions are receiving their "fair share" of federal dollars will never succeed.

FOOTNOTES

[1] States comprising the Northeast-Midwest Economic Advancement Coalition. Connecticut, Illinois Indiana, Iowa, Maine, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Wisconsin.

[2] *Prime Contract Awards by State*, DOD, OASD (Comptroller), Directorate for Information Operations and Control.

[3] Confidential Industry source.

[4] Letter from Deputy Secretary of Defense Charles Duncan, April 13, 1977.

[5] Letter from Deputy Secretary of Defense Charles Duncan, April 13, 1977.

[6] Section 1.1–805 subsections 1–4, Code of Federal Regulations.

[7] Executive Order 11246, Part 2.

Footnotes at end of article.

ABOUT THE NORTHEAST-MIDWEST RESEARCH INSTITUTE

The benefits from the modest economic recovery of the past 20 months have not been shared equally by all regions of the country. Unemployment rates in the Northeast, and to a slightly less extent in the Midwest, have remained above the national average while the economies of the southern and far western States have begun to move forward.

The economic plight of the Northeast-Midwest region* has moved groups of businessmen, Governors, State legislators, Congressmen and others to organize for study and common action.

The Northeast-Midwest Economic Coalition has perhaps the broadest reach of any of these organizations. This bi-partisan group of 204 Congressmen from the 16 States of the region is led by its Chairman, Congressman Michael J. Harrington (D-Mass.); Rep. Frank Horton (R-N.Y), the Coalition's Co-Chairman; and Rep. James Oberstar (D-Minn.), the Secretary-Treasurer. The Coali-

*Connecticut, Illinois, Indiana, Iowa, Maine, Massachusetts, Michigan, Minnesota, New Jersey, New Hampshire, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and Wisconsin.

tion seeks to inform its members about regional implications of Federal policies and influence those policies wherever possible.

The Northeast-Midwest Research Institute was developed to analyze the common problems of the region and seek realistic solutions, concentrating on Federal policy options. While the Coalition's 204 Congressmen are key clients of the Institute's work, it makes its findings available to Senators, decision-makers in the Executive Departments, interested Governors and other elected officials, concerned leaders of business, labor, and industry, and the public.

The Institute neither seeks nor encourages confrontation with other regions of the Nation. In the Institute's view, economic problems of regions must be addressed in the context of national policy because economic difficulty in one part of the country weakens the Nation's entire economic structure.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, as the distinguished chairman of the committee indicated a few moments ago, this amendment is acceptable to the committee. We move its adoption.

The PRESIDING OFFICER. Do both sides yield back their time?

Mr. HUDDLESTON. I yield back the remainder of time.

Mr. METZENBAUM. Mr. President, I appreciate the acceptance of the amendment by the representative of the committee, but may I ask the spokesman for the committee on the floor whether or not there will be some assurance that an effort will be made?

I am certain that this is not a controversial amendment, but I hope it will not be lost at the conference committee level.

Mr. HUDDLESTON. I believe the chairman of the committee indicated he would take this to conference and would make every effort to retain it.

Mr. METZENBAUM. I would appreciate the personal assistance of the distinguished Senator from Kentucky in that effort, as well.

I thank the Senator very much.

The PRESIDING OFFICER. Do both sides yield back their time?

Mr. METZENBAUM. I yield back the remainder of my time.

Mr. HUDDLESTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Against whose time will it be charged?

Mr. HUDDLESTON. Against the time on the bill.

The PRESIDING OFFICER. Equally divided?

Mr. HUDDLESTON. Equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, we have a general understanding that at 1:30—and it is that time now—we will go into the matter of the pilot training program. The Senator from Arizona is interested in two amendments, I believe. I have not had a chance to look at them, but I will do so when the debate begins.

What I am trying to do—I say this for the information of the Members—is to pull these matters together. So far as I can tell, the only thing that will require extended debate is the helicopter pilot training matter, and that already has been set up. There are others, but I do not expect them to take a great length of time. However, we always have to allow some extra time.

THIRD REMAINING COMMITTEE AMENDMENT (HELICOPTER PILOT TRAINING PROGRAM)—UP AMENDMENT NO. 682

In keeping with what we already understood, I now call up, for the committee, the committee amendment that relates to the helicopter training program.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Page 2, line 10, strike out $8,746,573,000 and insert $8,704,357,000.

Page 2, line 19, strike out $6,169,662,000 and insert $6,133,758,000.

Page 3, line 2, strike out $1,919,522,000 and insert $1,899,442,000.

Page 6, line 2, strike out $8,369,746,000 and insert $7,949,376,000.

Page 6, line 14, strike out $10,832,191,000 and insert $10,573,563,000.

Page 15, line 2, strike out $627,700,000 and insert $673,300,000.

Beginning on page 61, line 22, strike all through line 14 on page 62 and insert the following new section:

SEC. 857. None of the funds appropriated in this Act may be used for the consolidation or realignment of advanced undergraduate pilot training squadrons of the Navy as currently proposed by the Department of Defense.

Mr. STENNIS. Mr. President, how much time is there on this amendment, according to the agreement?

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The time agreement is for 2 hours, equally divided.

The Chair adds that 2 hours includes amendments thereto.

Mr. STENNIS. Who is in charge of the opposition to the amendment? Is it the minority leader or the minority member of our committee? Who is in charge of the time?

The PRESIDING OFFICER. The Senator from Alabama (Mr. ALLEN) has the time in opposition.

Mr. ALLEN. In opposition to the Senate committee amendment, also with respect to any amendments he might care to offer.

Mr. STENNIS. I just want to be certain we understand that.

Mr. ALLEN. The Senator from Alabama does not plan to offer any amendments unless a motion to table the amendment fails. If it does fail, then, under the unanimous-consent agreement giving 30 minutes for any amendment that was not theretofore filed, he would offer amendments at that time—if the motion to table should fail.

Mr. CHILES. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. CHILES. Would that be in addition to the 2 hours allocated, or would that be part of the 2 hours?

Mr. ALLEN. I do not plan to offer any amendments prior to the motion to table; but under the section of the unanimous-consent agreement, any amendment can be offered if it had not been filed at the desk, irrespective of any other agreement. So I would offer some amendments if the motion to table should fail.

Mr. CHILES. It was my understanding that last night we came to an agreement that there would be 2 hours debate on this amendment and any amendments thereto—any amendments on this subject. I thought we were providing an hour to a side.

Mr. ALLEN. That would be any amendments prior to the motion to table. But if the motion to table should fail, I will then avail myself of the right to offer amendments subsequently.

The PRESIDING OFFICER. The Senator from Alabama is correct.

Mr. ALLEN. I thank the Chair.

Mr. STENNIS. Mr. President, I yield time to the proponents of the amendment. The Senator from Florida, a member of our committee is familiar with the facts in this matter.

Mr. President, it will help a great deal if we can have quiet in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. How much time does the Senator want?

Mr. CHILES. Seven minutes.

Mr. STENNIS. I yield the Senator such time as he may wish, up to 10 minutes.

Mr. CHILES. I thank the Senator.

For several years, elements within the Department of Defense have been advocating consolidation of all helicopter pilot training at Fort Rucker, Ala. The rationale is based on the premise that about $100 million would be saved over a 5-year period. There has been a lot of opposition to this consolidation, and this opposition has not all come from Florida. Certainly, we would save economically by such a move.

Much of the opposition has come from within the Department of Defense itself, from those who are knowledgeable about naval aviation, from pilots who have gone through real Navy training and would have to work with pilots who would result from the consolidated or the Army training, and from ship captains who would have the fighting capability of their ships diminished if there were one error by one pilot in an attempted landing at sea.

Why, one might ask, is the Secretary of the Navy supporting this consolidation? I am not really sure. But I do not think he ever has done any flying. I understand that he knows a lot about railroads.

What about the Chief of Naval Operations? I quote some of his supporting statements when he recently testified in support of consolidation:

I think the future fleet pilots ought to be trained by experienced fleet pilots. (But . . .) I accept that decision.

That is, the decision to consolidate.

Is this an endorsement of consolidation under Army command, or is it better to say that is a military officer taking his orders and recognizing that he must take has orders and do the best he can under the circumstances?

How about the assistant commandant of the Marine Corps? I quote:

We prefer helicopter training at Pensacola . . . but we accept the decision and we will carry out our orders.

I applaud these fine men for their sense of duty, but I am gravely concerned that if we go forward with this consolidation, not only will the Navy and the qualities of maritime training be lost, but also, there will be no cost savings resulting from this move.

Retired Navy personnel have been explicit in their concern about this proposed consolidation. During the same hearings at which the Department testified, John Warner, former Secretary of the Navy; Admiral Moore, former Chief of Naval Operations; and Admiral Hill, former Assistant Deputy Chief of Naval Operations for Manpower, laid bare any contention of cost saving and raised serious questions about the effect on quality of training.

Let us examine some of the differences in the quality of Army versus Navy training.

Army pilots do not receive the rigorous instrument training of Navy pilots. Army missions are flown in clear weather over land, and they can rely on ground markers for their orientation. The recent unfortunate incident in which an Army helicopter strayed into North Korean territory and was shot down apparently resulted because the pilot lost sight of his ground markers and unintentionally strayed into hostile air space. Navy, Marine, and Coast Guard pilots must be prepared to fly over water in all weather conditions and find their destination with instruments and without ground markers.

Well, what is the Army doing at Fort Rucker with its instrument training now?

On April 13, 1977, the commander of the Air Force detachment at Fort Rucker sent a communication to the director of training at Fort Rucker:

Air Force is not satisfied with the instrument training provided its undergraduate helicopter pilots. . . .

There appears to be no central concept or idea underlying basic instrument training which builds on a student's previous experience * * *

Instruction in basic instruments of the flight line is not standardized . . .

Does this sound like a program which should be used to train pilots who might crash at sea if they miss their ship?

Well, as an afterthought, and when the going got too rough with this consolidation proposal, the Deputy Secretary of Defense agreed to beef up the instrument training which would be given maritime pilots at Fort Rucker—beef it up in terms of hours. However, given the quality of the program being used now, how much good are more hours going to really do?

One thing the Secretary did not propose to beef up adequately, however, was the cost of the additional helicopters to provide the additional training. Careful inspection of all their aircraft costs shows that it is going to take $98 million for the Army to buy and operate the helicopters which they will need for this complete program.

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

Mr. CHILES. I thought the Senator yielded me such time as I might need.

Mr. YOUNG. I yield time to the Senator.

Mr. CHILES. Now the Army has said that it can get some aircraft out of its own inventory—but those helicopters are flying now and to move them to training will require their replacement for their current missions. If not, we could have saved money already by getting rid of them long ago.

Let us look at some other aspects of this study to see what was included and what was not—and what the ground rules seem to be.

This latest round began last year when the Senate overwhelmingly opposed consolidation for helicopter training by a vote of 61 to 23. We sent the Secretary of Defense back to the drawing board and asked him to do a thorough, objective review of the costs and benefits involved.

Did we get an objective analysis? Hardly.

To begin with—an internal defense memorandum, now in the public record, shows that the study team was in agreement on the outcome of the study before they ever began.

In this memorandum, they talk about how to enhance their position with "swing Members" of Congress—that is a study memorandum, Mr. President, before the study was to begin, a study that the Congress dictated was to take place to determine whether this consolidation was feasible or not. That memorandum says, "How do we enhance our position with the swing Members of Congress?"

They chose an option which "would permit implementation of consolidation a year earlier," and they finally talked about being sure to coordinate early-on with the GAO so that the study would be "compatible with their perceptions." That is the kind of impartial study I would like to have any time I am on the other side.

This apparently was not difficult to do.

None of the GAO people who reviewed the OSB report were experienced in aviation or in flight training from a professional standpoint.

And, for example, in their review and endorsement, GAO failed to even notice that OSD mistakenly attributed hundreds of people to Navy's helicopter training program—people that are actually dedicated to Navy's fixed wing training requirements. This slight oversight adds up to $26 million in direct manpower and operations and maintenance, and $9 million in support tail—$35 million in all.

GAO also accepted Army cost material for which there is no source documentation or statistical data. Perhaps you were under the impression that I was under—that the GAO does audits.

I guess when you think that you are on the winning team, there is no need to do your homework.

The leader of this team, Deputy Secretary Duncan, is kind of sitting on some of my homework.

The leader of the team, Deputy Secretary Duncan, is now sitting on some of the studies—in fact, a particular study that said—that he had his staff prepare—an Economic Adjustment Assistance Planning Report showing what would be the influence on the move from Whiting Field helicopter activity on Milton and Pensacola, Fla.

He has had it prepared, he has had it dated May 1977, he has had it printed, I understand, with a blue cover and black binding, and he has had it stacked somewhere in the Pentagon.

When I last tried to get it a few days ago, I was advised that the study is not yet approved, that Secretary Duncan still had some decisions to make regarding it.

I would venture to say those decisions will be made after today's debate, and that study is going to show when those decisions are made that it is going to cost another $15 million, because of the economic adjustments that are going to have to be made, because of the economic assistance for the move in the local housing market. So that is one more cost.

I have said the savings are illusory, and I think we find that is true. Any time we could pin that down, we find the study is back in the Cabinet somewhere and it has not been released.

I kind of think that the only decision he has left to make is whether to officially let us know that it is going to cost about $15 million in economic adjustment assistance for the Department when this move depresses the local housing market for the military as they leave Florida.

Does this sound like the thorough, objective effort that we expected from the Department?

When the OSD consolidation study was being conducted, did they look to the affected commands for guidance?

There was very little participation in the formation of the study by Navy personnel. In fact, the ones who were actually on the flight line who knew anything about the flight business were given 5 days to comment on the study.

Even the Chief of Naval Operations, Admiral Holloway, felt compelled to testify that this was simply inadequate time, that the command should have been allowed at least twice that time for a response.

Does this sound like a thorough, objective report?

The bottom line is that the only way to save $100 million is if you are going to close a base. But they say there is not going to be any base closing or if you are

not going to have the adequate training or the same kind of training that we are now having.

Well, OSD's bottom line is that they would save about $100 million if we went through with this consolidation.

By bottom line is that the only way to save $100 million in training costs over 5 years is to simply not train Navy and Marine helicopter pilots, or perhaps close a base.

Training cost savings really are not there. OSD made a few oversights:

First. They ignored the equivalent aircraft investment recover costs for Army aircraft, and their 5-year operating costs. That is a $98 million oversight.

Second. They overestimated the people to be saved by mistakenly attributing hundreds of manpower spaces to helicopter training, which, in fact, are for fixed wing training. Only a $35 million error.

Third. They failed to account for the decreased operating costs of Navy's more fuel efficient T–34 trainer. An $11 million oversight.

Fourth. They wrongly included the expense of training foreign students which would be reimbursed by foreign governments. About $9 million wrong.

Fifth. They are sitting on their own report which addresses the disruption of the local housing markets resulting from this move; $15 million.

Sixth. They used unaudited Army cost material with no source documentation.

The issues here clearly do not revolve around dollar costs and training quality. While the Department officially denies that this proposed consolidation is an indication of a broader policy of consolidating flight training for all services at a few locations, testimony at House hearings raised serious questions about what the future holds for flight training across the country—especially if it is subject to the kind of study that OSD has applied to the issue of helicopter consolidation.

Last year, this body overwhelmingly defeated a proposal to consolidate training by a vote of 61 to 23.

One crash of one helicopter on one ship could easily add up to $100 million and put a ship out of action. Let us not be fooled by stacks of paper studies generated from air conditioned Pentagon offices.

Under the circumstances and because of the risks we may be taking with Navy and Marine personnel through possible inadequate training, we should sustain the Appropriations Committee's action, and allow the Navy to continue its current helicopter training programs in its own hands.

I think it becomes clear as we view this in the Senate, as we did last year, this is something that certain people in the Department of Defense are determined to do. They are not going to look at the facts or the figures. But the fellow who is responsible for flying and the ship captain who is out there who is responsible for those choppers finding their ships in all kinds of weather, they are the ones we keep hearing from, and they are the ones who keep saying, "We need this kind of training because it is a different kind of training from what the Army gives, and we need to have that training be separate." That is why, I think, the Senate overwhelmingly voted for this last year to prevent the consolidation, and why I think they will overwhelmingly support the prevention of the consolidation again.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I yield such time as the distinguished Senator from Arizona may require.

Mr. GOLDWATER. Mr. President, we went through this last year, and I think we might as well make it clear at the outset that this is political. It has nothing to do with training, it has nothing to do with the quality of pilot training.

I come from a State that trains pilots, and if you can figure out a better way to train the pilots than the way we are training them in Arizona I would be for it.

We are the only country in the world that has three training commands. We are the only country right now that has two helicopter training commands, and, Mr. President, I just do not think it makes any sense.

Let me try to argue some of this in as rational a way as I can. For example, we heard it all last year during the debate that there is something special about flying a helicopter over water. I think I am the only helicopter pilot in this body, and I am an active helicopter pilot. When you can learn how to fly a helicopter, and the most important maneuver is hovering, it does not make any difference whether you are hovering over an ocean, a canyon, a desert, trees, or what not. In fact, Mr. President, the Navy helicopter pilot training program does not produce—let me repeat that—does not produce qualified antisubmarine warfare pilots; and, in fact, has relatively little training directly related to flying at sea.

The Army program similarly does not turn out qualified helicopter gunship pilots. What do they do? They train these men, and women now, in the basics of helicopter flying, how to lift it off, how to do emergency procedures, how to make it go forward and backward and sideways, and after they have learned these things they are assigned either to the Marines, in the case of the Navy, or the Navy. The Navy selects the men they are going to use to fly helicopters off the decks, and they assign them that kind of training.

The same thing happens in fixed-wing training. When the Air Force graduates a young second lieutenant from jet flying training at Williams Air Force Base in my State he is not a qualified fighter pilot. He has to go to a fighter school. If he is going to be a materiel airlift commander he goes to an airlift school. If he is going to be an air defense pilot he goes to an air defense school, and the same way in the Navy. The Navy fixed-wing program merely does the same thing that the Air Force program does. It teaches a young man or a young woman how to take an airplane off daytime, at night, and on instruments, and how to land it.

Then, when the pilot is assigned his assignment, if it is on a carrier he is given special training on how to land and take off on a carrier.

Many Navy pilots never land on a carrier, like many Air Force pilots never fly single-engined fighter planes. Many of them fly just transport planes.

But, Mr. President, this idea that I keep hearing on this floor about the Navy's having to train their pilots, because it is over water I say is plain unadulterated poppycock.

As for instrument training, instrument flying in a helicopter has not been perfected. You can do it but they have not perfected a dependable landing system yet. You would think that would be easy. I have even thought of handing a string down with a bob, and when the string got slack I knew I was pretty doggone close to the ground, but we have no safe way of doing it.

The Army Training School at Fort Rucker—and I have been through that school, not as a student—has the finest equipment in the world for the training of helicopter pilots. It has far, far more sophisticated, newer simulators than does the Navy. For the Navy to put in this new equipment—and you can teach a lot of helicopter flying in a simulator—it would cost the Navy hundreds of millions of dollars to bring this facility in Florida and elsewhere up to date.

Mr. President, less than a year ago we argued the same subject which would have allowed helicopter training to be consolidated, and although that amendment was lost it was generally agreed that maybe the facts were not all determined as to the quality of training and the potential savings. Subsequently, in last year's DOD Appropriations Act there was a requirement for a formal study of this proposed helicopter consolidation which was to be completed and forwarded to Congress by April 15, 1977.

Mr. President, the Department of Defense, because preliminary results of that study showed consideration to be cost effective, again included undergraduate helicopter training consolidation in the fiscal year 1978 Department of Defense budget. The final results of the study provided last April sustained preliminary findings. However, as we know the proposal was still deleted by the Appropriations Committee in spite of the fact that the study requested by Congress confirmed that consolidation was the way to go.

Mr. President, why did they do this? Again, politics, that dirty old word politics got into it because, as I read section 857 of this act, it says:

> None of the funds appropriated in this Act may be used for the consolidation or realignment of advanced undergraduate pilot training squadrons of the Navy as currently proposed by the Department of Defense.

There is no mention in there about helicopter training at all. What the Navy in their usually sly way has done is to convince people from the States that have helicopter training, that while helicopter training is not mentioned in this section 827, "Do not worry, boys, it is in there and it is going to sneak in."

Mr. President, since last year there has been additional support generated for

this consolidation. Secretary of the Navy Claytor has indicated his support of this consolidation in a letter addressed to Senator ALLEN, and I am sure that Senator ALLEN will make that a part of the record.

In addition Secretary Claytor appeared before the House Appropriations Defense Subcommittee in June and made a statement in support of this consolidation. That letter and the statement are part of the package attached to our dear colleague letter asking for your support of this amendment.

On July 13, 1977, Deputy Secretary of Defense Duncan wrote to Senator PROXMIRE to allay the concern that some Senators thought that this proposal to consolidate undergraduate helicopter training was an "opening wedge" in a trend that would lead to all jet training being conducted by the Air Force. The Secretary stated that this concern is groundless. On May 5, 1977, in further support of consolidation the Comptroller General of the United States wrote to Chairman MEL PRICE of the House Armed Services Committee saying that it was the GAO position that the defense study—again I point out this was a study at the direction of Congress—demonstrates once again the feasibility and desirability of consolidating helicopter pilot training.

Mr. Staats concluded his letter with a recommendation that Congress approve the proposed consolidation of helicopter pilot training.

Mr. President, it has been argued that the Navy has some unique training requirements for its helicopter pilots that cannot be satisfied if training is consolidated. I believe I am the only Member of Congress who is certified by the FAA to fly both fixed-wing and rotary-wing aircraft; therefore, Mr. President, I am confident when I make the statement that there is no reason why Navy helicopter pilots cannot be trained at Fort Rucker, especially after the training syllabus has been adjusted to unique Navy training requirements, and they have none.

Those who are concerned about specialized Navy skills, such as flying from ships under operational conditions, can be assured that those skills are gained at a later point in the pilot's training program. It would be similar to an Air Force pilot flying to Nellis Air Force Base to learn combat tactics after having graduated from jet school, as I mentioned earlier. I believe the major concern of those who oppose this consolidation program is not that Navy helicopter pilots will be any less well trained; rather, for some the concern centers on the potential impact on the overall Navy flight training system and its basis.

It is my understanding that the only impact would be that caused by the movement of Navy helicopter assets from Pensacola Navy Air Station to Fort Rucker, Ala., and the possible shutdown of one auxiliary field. There will be no other training impact on Navy's other training bases nor, as Secretary Duncan wrote, is this designed as a first step in an attempt to consolidate all jet pilot training under the Air Force.

I reiterate to my colleagues Secretary Duncan's words, "this concern is groundless."

Mr. President, if we are not to be hypocritical in our pronouncements about savings in the Department of Defense, then the consolidation should be supported. The Department of Defense supports it, the Secretary of the Navy supports it, the House approved it by a vote of 333 to 54, the Department of Defense study supports it, and the GAO verifies the findings of the congressionally directed study. If there was ever a case that was clear cut and an opportunity to save money, this is it.

Mr. President, as I did last year, I urge my colleagues to vote for this. This makes sense. We stand here on this floor day after day after day. We sit in committee meetings hour after hour, figuring out how we can save a little bit of money in defense. We have some of our colleagues who suggest that we destroy whole weapons system concepts. Yet, here is a program that can save $120 million a year and turn out just as good, if not better, trained pilots for the Navy.

I remember as an Air Force officer I resisted the Army training Air Force helicopter pilots. But they do a much better job of it than the Air Force ever could, and we are very, very highly pleased with the product that has come out of Fort Rucker under the Army.

Mr. President, I possibly will have more to say on this. but I do not want to hog all the time. I feel very strongly about this. I think we have a lot of Members of this body who talk about saving money but when it comes down to the chips, when it comes down to closing a base in your own State or in a friend's State, then that is another matter. I do not care where the base is, or what the matter is. If we are going to save money in this Government of ours we have to stop saying, "Hooray for me and to hell with you."

Mr. President, I will save the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I am glad to yield such time as he may wish to the Senator from Florida (Mr. STONE).

How much time does he want?

Mr. STONE. Three minutes.

Mr. STENNIS. I yield 5 minutes, Mr. President, more if he wishes.

The PRESIDING OFFICER. The Senator from Florida (Mr. STONE) is recognized.

Mr. STONE. I appreciate that, I say to the chairman.

Mr. Presidnt, each year we analyze something that is so basic as to really not require analysis.

It is different to fly a helicopter on a mission over water than it is to fly a helicopter on a mission over land. It is different to be required to land and take off on ships in all weather than it is to be required to exercise and execute a mission over land in, generally speaking, flyable weather conditions.

The difference of the mission has always required training from the very first day for that mission. When an attempt is made to train a helicopter pilot under land conditions followed by a supplemental or advanced training for training regarding over water conditions, you have not only wasted time and money, but you have without any question turned out an inferior product.

The main difference between the Air Force and the Navy, between the Army and the Navy, is the difference of the mission.

The training that has done us so proud for naval and marine helicopter pilots, which has proved such a success, does not require tinkering, does not require major surgery. If we had had a series of failures in the discharge of marine and naval missions by helicopter pilots, that would be time enough to look not merely for a way to save money, but for a way to save lives. But the opposite is the case.

Not only would this constantly repeated attempt to train one kind of pilot with another kind of training be a failure in terms of mission, but a failure financially as well, and we would not only be spending more money for basic and further training, but we would be spending money to unlearn and unteach that which has been taught, because of a different approach entirely.

So the Senator from Florida, adopting a mission approach to this issue, asks our colleagues once more to stand up for the success that we have enjoyed, instead of turning it around at a very substantial risk of failure.

I thank the Senator from Mississippi.

Mr. GOLDWATER. Mr. President, will the Senator let me answer a couple of questions?

Mr. STENNIS. I yield the Senator such time as he may require.

Mr. GOLDWATER. Mr. President, I wish to repeat for the benefit of my friend from Florida what I stated before: that learning to fly a helicopter has nothing to do with whether one is flying over water or over land; and I further wish to repeat, as I stated before, that the Navy program does not produce qualified antisubmarine warfare pilots, and has very little to do with flying at sea. I repeat that. This is the Navy UHPP helicopter training program. It has very little to do with training directly related to flying at sea. After the pilot learns to take the helicopter off, to move it in any direction he wants it to go, then they start training those men who are going to fly at sea in antisubmarine warfare and rescue missions; they teach them that particular skill, and they also teach them skills that will allow a Navy pilot to hover 25 or 30 feet over the sea and lower a line to rescue a man in the water, as was done day after day by both Marine and Air Force pilots in North Vietnam.

There is an advantage, if you want to know it, in flying a helicopter at sea from a ship. The ship is always headed into the wind, but the helicopter pilot flying on the ground has to contend with a crosswind, and there is nothing more difficult, in trying to fly anything that flies, than trying to land a helicopter in a strong crosswind.

So I wish to rebut the allegations we heard time and time again last year that there is something different about flying

a helicopter over water. There is absolutely no difference.

I made quite a long flight over the Pacific Ocean myself, and it did not bother me a bit. I just kept slowly repeating the Lord's Prayer that the engine would keep on running.

Air Force pilots, incidentally, did the rescue mission at Mayaguez.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. CHILES. Did the Senator have to worry about trying to find that ship at sea when he made that trip across the water?

Mr. GOLDWATER. I was headed for an island, and could see it. But if I were headed for a ship, yes, a trained pilot can find what he is aiming at, I do not care what he is flying. It is hard to do, and I have great admiration for Navy pilots who go out on carriers and are able to come back with no homing devices. A helicopter pilot can do it more easily, because, while the fixed-wing pilot is normally on instruments, a helicopter pilot can fly visually, or on instruments, or can do whatever he wants to.

Mr. CHILES. I am just thinking about all those pilots I have talked with, and I would hate to try to tell those fellows it is easy, that anyone can do it, because I would hate to be out there trying ot find that cork bobbing in the whole ocean. I would hate to try to get that plane down on top of it.

Mr. GOLDWATER. I will tell you the truth: There is very little flying by the Navy of helicopters off ships. In the daytime, when you have rescue work to do——

Mr. CHILES. I am sure the able Senator from Arizona, who is an able pilot, would agree that, while those helicopters fly 24 hours a day, night and day, in all kinds of weather, when they are on patrol, they are often far from the carrier, going around the fleet.

Mr. GOLDWATER. Around the fleet; that is not very far from the fleet. I want to remind the Senator of what I said before, the Navy training program does not teach antisubmarine warfare.

Mr. CHILES. It teaches them instrument training, it teaches them from the very first start, taking off, that they are not going to be helped in working out their roll and direction and height, but they are going to have to start taking off on their own.

The PRESIDING OFFICER (Mr. DECONCINI). Who is yielding time to the Senator from Florida?

Mr. GOLDWATER. I might say, for the edification of my friend from Florida——

Mr. ALLEN. Mr. President, I will yield the Senator 1 minute.

Mr. GOLDWATER. The very first instruction given to the Army trainee is in a simulator, on instruments, and they probably spend 10 or 12 hours on instruments before they are ever subjected to the rigors, whatever they may be, of getting a bird up and down. They fly simulators; and the Navy does not have good, sophisticated simulators.

I yield the floor.

ADDITIONAL STATEMENT SUBMITTED

Mr. PROXMIRE. Mr. President, I must oppose the Chiles amendment and defend the House language which calls for the consolidation of undergraduate helicopter pilot training. If ever there was a proposal which was easy for the Senate to support, it is this one.

The consolidation of undergraduate helicopter pilot training is supported by the President, the Secretary of Defense, the Secretaries of the Army, Navy, and Air Force, the Chief of Naval Operations, and the Commandant of the Marine Corps.

Here is a proposal which the Department of Defense estimates will save $90 million over the next 5 years. GAO corroborates that savings estimate and predicts an additional $46 million savings for a total of $136 million saved over the next 5 years.

Equally important, here is a proposal which will dramatically improve the training of helicopter pilots. It will almost double the amount of inflight training received by Navy and Marine pilots and will train those pilots on the sophisticated equipment which now benefits only the Army and the Air Force.

When this proposal was introduced last year, the House supported consolidation by a vote of 288 to 110—an almost 3 to 1 margin. The Senate withheld support pending further consideration and the conferees asked that the Secretary of Defense and the Navy study the proposal.

The study requested by the Senate was published by the Secretary of Defense in April of this year. That study overwhelmingly supported consolidation. In House testimony, the Secretary of the Navy and the Chief of Naval Operations urged the House committee to consolidate the training programs. After 3 days of extensive hearings, the House Appropriations Committee approved consolidation.

Mr. President, why is there such strong support for consolidation from the President, the Secretary of Defense, and the heads of the armed services?

Well, there are three major reasons: large savings, increased efficiency, and improved training.

COST SAVINGS

Let us look at the cost savings involved in this proposal. The Secretary of Defense estimates that consolidation will save $90 million by 1982—5 years from now.

Where do the savings come from?

To start with, it costs less for the Army to train helicopter pilots than for the Navy to do so. In fiscal year 1976, it cost the Navy $110,000 to graduate a pilot. It cost the Army only a little over $80,000. The Army would have had to spend 38 percent more on each pilot to equal the level of the Navy's expenditures.

And what did the extra $30,000 per pilot pay for in the Navy program?

It gave Navy and Marine helicopter pilots training on fixed wing aircraft. Not helicopters.

It is no wonder that 40 percent of the Navy helicopter pilots and 60 percent of the Marine pilots do not continue into career service.

In addition to savings from having the Army train helicopter pilots on UH–1 helicopters, there will be additional savings from not having to staff and operate two separate training facilities. In order to maintain a separate Navy program at Pensacola, we will have to add $9.4 million to this year's appropriations, unless consolidation is approved.

But that figure is deciptively small, Mr. President, because expenses would increase in the outyears. In fiscal year 1979, for example, we would need to spend an additional $23 million to procure T–34 C fixed-wing aircraft in order to continue the Pensacola training program.

So without consolidation we will be spending ever increasing sums to keep operating a helicopter training program at the Pensacola Navy Base that the Navy does not want.

How much money will we have to spend if we pass this amendment and prevent the services from consolidating their helicopter training programs?

The Secretary of Defense says consolidation saves $90 million over 5 years. GAO calls that estimate conservative. Let me explain.

The Secretary of Defense used cost estimates provided by the services to compute the net savings from a consolidation. GAO stated in a May 5 letter, a copy of which is on your desks, that the Defense study neglected reductions in future retirement costs for personnel no longer needed, future veterans benefits for those personnel, and base operating costs for the Pensacola Naval Air Station. Using the GAO estimate, the amendment offered by the Senator from Florida becomes even more expensive—costing $146 million over the next 5 years.

Whether one adopts the cost analysis of the Secretary of Defense or that of GAO, consolidation represents a huge savings to the American taxpayer.

INCREASED EFFICIENCY

A second reason to support the original House language is the increased efficiency which will result from consolidation.

The Army base at Fort Rucker, Ala., which can train 2,500 to 4,000 helicopter pilots a year, is now only being used for 700. Consolidation would greatly increase the efficiency of training due to economies of scale and better utilization of existing facilities.

IMPROVED TRAINING

Besides large savings and increased efficiency, consolidation will provide better training for Navy, Marine, and Coast Guard helicopter pilots.

The Navy and Marine pilots will receive almost double the amount of inflight training under the consolidated program. At Pensacola, Navy and Marine pilots spend only 100 hours flying helicopters. At Fort Rucker, they will receive 195 hours of inflight training. In addition, the Navy and Marine pilots will receive 50 hours of training on sophisticated helicopter simulators which feature full degree motion and computer simulation. The closest things they have at the Pensacola base are nonmoving, noncomputerized cockpit procedure trainers.

That the Army provides higher quality training than the Navy is not surprising. Helicopter pilot training is the Army's only undergraduate flight instruction. The major undergraduate pilot training program in the Navy and the Air Force, however, is instruction in specialized skills required by jet fighter attack pilots. Helicopter pilot training is a low priority.

It is no wonder that the Marine Corps best helicopter pilots told the House committee that they were unhappy with the Pensacola program and would prefer Army training.

With so many factors supporting consolidation, how can anyone oppose it? Let me respond to the questions which have been raised.

Does not the Navy need more over-the-water training?

No. Navy pilots receive only 40 minutes of over-the-water training in the current Navy program. The Navy has waived such training when a carrier was not available. Under the Army program the Navy pilots will fly down to Pensacola—which is only an hour away—and receive the same amount of carrier training as they now do, if not more.

Would not the Army have to buy new helicopters to accommodate the increased number of students—thus invalidating the cost estimates?

No. The Secretary of the Army testified before the House Defense Appropriations Subcommittee that there were enough UH–1's in storage or otherwise available to handle the consolidated program. The Secretary stated clearly that no new funds would be needed for any new equipment purchases.

Is not the consolidation of undergraduate helicopter pilot training the first step toward the consolidation of all military pilot training programs?

No. The heads of the Armed Services have opposed such consolidation. The Secretary of Defense has not only opposed broad consolidation but is currently investigating possibilities for further specialization. And I have in my hand a letter I just received from the Deputy Secretary of Defense flatly stating that there will be no consolidation of jet pilot training.

Would not this consolidation be a departure from the historic independence of the Armed Service training programs?

No. The Air Force and the Navy have consolidated their Advanced Undergraduate Navigator Training at Mather Air Force Base near Sacramento, Calif. The Marine Corps and the Army have consolidated their artillery training at Fort Sill, Okla. These and other consolidated training programs are providing better instruction at less cost.

Are not the Navy and the Marine Corps unhappy with the Army training syllabus?

No. The Secretary of Defense added an additional 20 hours of helicopter flying time and 10 hours of simulator time which the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps have stated will completely satisfy Navy and Marine Corps requirements. And I have a letter from Deputy Secretary Duncan to prove it.

Would not the proposed consolidation destroy the specialized instruction now given to Navy and Marine helicopter pilots at the Pensacola base?

No. Navy and Marine Corps pilots will provide the actual instruction for Navy and Marine students in all phases of flight training except the primary introductory period. Each service will have its own service-unique portion within the syllabus in which to provide special training oriented to that service's needs. In the current program at Pensacola, in contrast, 48 percent of the flight instruction is not even given in helicopters but in fixed wing aircraft.

Finally, do not the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps really oppose consolidation?

Well, Mr. President, if anyone questions their support for consolidation, I have three letters here dated July 15. One is from the Secretary of the Navy; one is from the Chief of Naval Operations; one is from the Commandant of the Marine Corps. And they all support consolidation.

In closing, let me emphasize that this consolidation has been carefully studied and tested. The studies include reports by GAO, the Secretary of Defense, and the Interservice Training Review Organization, all of which recommended consolidation. More important, the Air Force consolidated its undergraduate helicopter pilot training program with the Army in 1970 and has been completely satisfied with the results over the past 7 years.

The issue at hand could not be clearer. A vote for the Chiles amendment is a vote to spend an additional $9.4 million this year and an additional $90 million over the next 5 years. It is a vote to keep Army helicopters in storage and to prevent the Navy and the Marines from receiving the helicopter pilot training which they desire.

A vote against the Chiles amendment will save $90 million over the next 5 years. It will make use of the Army's capacity. It will give Navy and Marine helicopter pilots the additional and better training which they have requested.

I urge my colleagues to support the President, the Secretary of Defense and the heads of the armed services and vote against this amendment.

Mr. President, I ask unanimous consent that letters from Deputy Secretary of Defense Charles W. Duncan, Jr. and Secretary of the Navy Graham Claytor be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPUTY SECRETARY OF DEFENSE,
Washington, D.C., July 13, 1977.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: It is my understanding that, in connection with consideration of the President's proposal to consolidate Defense undergraduate helicopter pilot training, some senators have expressed a concern that this proposal is an "opening wedge" in a trend that would result finally in consolidation of all jet pilot training under the Air Force.

This concern is groundless.

I attempted to allay any such concern in my appearance before the House Appropriations Committee during the extensive special hearings last month on proposed undergraduate helicopter pilot training consolidation. I wish to reemphasize to you that I cannot envision a situation where naval jet fighter/attack undergraduate pilot training would be consolidated with Air Force training.

Economies of scale in training operations make the proposed consolidation of undergraduate helicopter pilot training very desirable, even under the longer syllabus which I have approved, at the request of the Secretary of the Navy, to assure the quality Navy says it needs. However, I can find no basis for analogous economies of scale from a consolidation of Navy undergraduate jet pilot training with Air Force.

I strongly urge your support, and the support of the Senate, of the present proposal to consolidate undergraduate helicopter pilot training.

Sincerely,

C. W. DUNCAN, JR.

DEPUTY SECRETARY OF DEFENSE,
Washington, D.C., June 16, 1977.

Honorable GEORGE H. MAHON,
Chairman, Defense Subcommittee, House Appropriations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: At the recent hearings on undergraduate helicopter pilot training, one issue which remained to be resolved was the syllabus for Navy and Marine Corps students. The Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps have stated that a 195/50 syllabus (195 helicopter flying hours, 50 simulator hours) would completely satisfy Navy and Marine Corps undergraduate helicopter pilot training requirements. This syllabus would entail an increase in training time above the 175/40 syllabus which was the basis of the report on undergraduate helicopter pilot training consolidation and would be equivalent to or better than the present Navy program.

After due consideration and to insure that Navy and Marine Corps helicopter pilots have the training that those Services deem necessary, I have decided that Navy and Marine students will receive the 195/50 syllabus within the consolidated training program.

Sincerely,

CHARLES W. DUNCAN, Jr.

DEPARTMENT OF THE NAVY,
Washington, D.C., July 15, 1977.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: In response to your request, I'd like to confirm, in no uncertain terms, the Department of the Navy's support for the consolidation of undergraduate helicopter pilot training with the Army at Fort Rucker, Alabama.

I would emphasize two fundamental factors underlying the decision to consolidate helicopter training. First, quality of training will be maintained or improved. To assure the complete adequacy of the consolidated syllabus, the Department of Defense has recently approved our request for an additional 20 flight hours and 10 simulator hours to provide increased instrument and maritime training for our unique Service requirements.

The other key factor in this decision is the expected savings of at least $90 million over the next five years. A careful and independent review of costing data associated with consolidation, made at my request by Navy and Defense Department Comptrollers, confirmed the amount of the savings. Furthermore, the General Accounting Office reviewed both the feasibility of consolidation and the anticipated savings and found the estimates to be conservative and recommended that Congress approve consolidation.

I know you will agree that we must make every effort to ensure the efficient use of de-

fense dollars. In my view, the consolidation of helicopter pilot training is that type of action.

I appreciate the opportunity to express my support for this consolidation plan.

Sincerely,

W. GRAHAM CLAYTOR, Jr.,
Secretary of the Navy.

(This concludes additional statements submitted.)

Mr. ALLEN. Mr. President, I yield myself 1 minute. I hope the distinguished majority leader will approve the request I am making.

I have consulted with the distinguished Senator from Florida (Mr. CHILES) and with Mr. STENNIS, the manager of the bill. In order to expedite the consideration of the amendment, I ask unanimous consent that at 2:30 I be recognized for the purpose of making a motion to table the committee amendment.

Mr. STEVENS. Mr. President, reserving the right to object, will the Senator permit us—it will be my intention to move to take up the remainder of the consideration of my amendment No. 501, and then have a vote. Will the Senator amend his request so that he would be recognized immediately after that vote, so that we can start terminating some of these things?

It may run just past 2:30, is my point.

Mr. ALLEN. To take it up, the Senator means, after this?

Mr. STEVENS. It can be taken up right now, if we can come in and have a vote, and then the Senator can come in after that vote.

Mr. ALLEN. Is that the request of the majority leader as well?

Mr. ROBERT C. BYRD. If the Senator will yield, I would support that request, and I think clockwise it would come out about as the Senator wishes.

Mr. ALLEN. Well, I will require considerable time, because Senator PROXMIRE wishes to speak, and I want to speak, as do some others.

I would suggest that 30 minutes after the rollcall I be recognized for the purpose of making a motion to table the committee amendment.

Mr. ROBERT C. BYRD. I have no objection to that.

Mr. STENNIS. Mr. President, I have in mind that we proceed now, if it is agreeable, to a vote on this Stevens amendment, and then thereafter we could vote on the Kennedy matter, but I am not sure he can get back.

Mr. ALLEN. Suppose we wait until after action on the Stevens amendment, and then we will consider the request, in view of the action at that time.

Mr. STENNIS. The point is, you expect, then, to come to a definite restated agreement as to the division of time?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Mr. President, I ask for the yeas and nays on my amendment.

Mr. EAGLETON. First have it laid down.

AMENDMENT NO. 501

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to further consideration of amendment No. 501.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes amendment No. 501:

On page 55, strike out line 1 and all that follows through line 24, and redesignate the following sections accordingly.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. STEVENS. This is the third and last of my amendments.

The PRESIDING OFFICER. Does the Senator want to ask for the yeas and nays?

Mr. STEVENS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I believe I have asked that Senator GRAVEL, Senator DOLE, Senator TOWER and Senator HATCH be added as cosponsors.

I will be very brief. I know the Senator from Mississippi wishes to be heard, and the Senator from Missouri.

We are talking about a provision which would prevent those people who are retired from the military from accepting a job with the Federal Government if their retirement income exceeds $6,000.

On the average, retired military people working on Federal jobs today earn $15,000 from that job, and they average a retirement income of $6,100. The average military retiree is an E–7 with three dependents, and I do not feel that he should be denied either his retirement income or the Federal job if he is qualified for it under the circumstances.

Let me point out that the problem we have with regard to dual compensation is a real one. We realize that. Again, we realize that the legislative committees ought to be dealing with, and I am sure will be dealing with, the provisions of the retirement system as they apply not only to funding of the retirement system, but also as they apply to the concepts of so-called early retirement and other activities of military people.

Previously, I read into the RECORD a series of incentives which have been denied to the military people.

This discriminatory provision would really deny the Federal Government the services of the people who are best qualified, in some instances, to provide their talents in specific situations. I say discriminatory because they could go to work for the private sector and keep their retirement. There is no income limitation at all; we would still pay the retirement. But if we find key situations where their military background gives them as special qualification to work for the executive branch, the legislative branch, or the judiciary, this would deny them the opportunity to continue their careers and would deny the Federal Government the advantage of their training and their capability which developed in the period of time they have been in the military service.

I believe this is a basic discrimination against those who have served in the military, which should not persist in this bill. I hope the Senate will agree with me to delete it. I reserve the remainder of my time, Mr. President.

Mr. EAGLETON. Will the Senator yield 3 minutes, Mr. President?

Mr. STENNIS. I yield, Mr. President.

Mr. President, may we have order? I ask this time not be charged, Mr. President, until there is order in the Chamber.

The PRESIDING OFFICER. The Senate will please be in order.

The Senator from Missouri.

Mr. EAGLETON. I thank my colleague. Mr. President, I will be brief. After my remarks perhaps Senator STENNIS will have a few things to say and then we will come to a vote.

This is the double-dipping amendment, the last of the three amendments offered by the Senator from Alaska. Very briefly, Mr. President, this amendment examines and probes the tip of the iceberg. The iceberg is the military retirement system.

Back about 12 years ago or so, all pensions paid by the military cost $1 billion. Today, in 1977, it is up to $9 billion. The actuarial projection is that in the next 25 years it will go to over $30 billion.

I also should point out that the unfunded liability of the military pension system is $170 billion.

If we take the 100 largest corporations of this country, their pension liability is $38 billion. The unfunded liability of the military pension system is four times that, $170 billion.

So what we are talking about here, Mr. President, is very, very important. Double-dipping is just the most visible part of it, but it is only a tiny part of it.

I believe the day will come, Mr. President, perhaps not in my lifetime or in the lifetimes of my colleagues here in the Chamber today, but certainly in the next 20 years, where some horribly hard choices will have to be made. President Johnson used to talk about guns or butter during the Vietnam era. We are getting to the point where, with respect to the defense budget, we will have to talk about guns or pensions. Pensions are eating this budget alive. If we do not take meaningful steps to remedy that, and this double-dipping is the first step, I think we will rue the day.

With respect to double-dipping, there are about 140,000 Federal employees who are now drawing both a pension check and a salary check from their Federal civilian jobs. Almost eight thousand of these double-dippers are under the age of 40.

They retired when they were 37, 38, or 39 years of age. I ask my colleagues to name me one business which would permit a valuable employee to retire and draw a pension from that business at age 37, and then turn right around and rehire him in another capacity and give him a paycheck and a pension check as well. It just does not make sense, Mr. President. That is what we are trying to reform here.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. EAGLETON. Will the Senator yield 1 additional minute?

Mr. YOUNG. I will yield 3 minutes to the Senator on the bill.

Mr. EAGLETON. I will not use all 3 minutes. I do not want to belabor the point.

By an earlier Stevens amendment in committee, he put in a proviso so this does not affect people drawing pensions under $6,000. If the pension is under $6,000, they can still double dip. Senator STEVENS offered that amendment in committee. I did not think it was a very good amendment but he was more persuasive than I was and the committee adopted it. It will, for those whose pensions are over $6,000, tell them they cannot draw simultaneously both a pension and a paycheck.

Under the committee bill, when your time comes and you do retire, you can draw your pension when you retire from your civilian job. You cannot draw both while working for the Federal Government. Mr. President, there are even cases where retired military have accrued enough credit for social security to triple dip—getting a military pension, social security pension, and a pension from private industry or civil service.

Mr. President, if we do not begin to come to grips with this pension matter there will be a lot of people in this Chamber shaking their heads in the years to come on how we are to pay for these ballooning pensions. They escalated from $1 billion to $9 billion in 12 years and are going higher and higher. I yield back the remainder of my time.

Mr. McINTYRE. Will the Senator yield for a unanimous-consent request?

Mr. YOUNG. I yield.

Mr. McINTYRE. Mr. President, I ask unanimous consent that Susan Pitts, of my staff, be granted the privileges of the floor, during the debate on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. STENNIS. Mr. President, what time remains on this amendment?

The PRESIDING OFFICER. The Senator from Alaska has 6 minutes remaining, and the Senator from Mississippi has 7 minutes remaining.

Mr. STENNIS. Mr. President, if I may, I want to get to a vote, just as everyone else does. This is a rather confusing subject. It has been confusing for a long time. Under the present law, as I understand, when a man in the Regular Army or Navy, retires and then goes over and accepts employment with the civilian branch of the Government, he has to give up a certain portion of his retirement pay.

A reserve officer, even though he has put in all those years of active service, is not subject to any penalty. Nor is an enlisted man. That is because of some compromise somewhere, sometime.

Mr. EAGLETON. Will the Senator yield to clarify that? Only regular officers, not reserves or enlisted men are subject to the Dual Compensation Act.

Mr. STENNIS. The enlisted man is in with the reserves, you are correct.

Mr. EAGLETON. Yes. I just wanted to clarify that.

Mr. STENNIS. Anyway, this matter is of growing importance. Personally, I think it cannot be fully settled until there have been real indepth hearings on the matter.

The first I knew about this amendment was when it was amended with the $6,000 proviso on the motion of the Senator from Alaska. That proviso is in there now at his request.

Mr. STEVENS. Let me interrupt the Senator.

Mr. STENNIS. I yield briefly.

Mr. STEVENS. It was at the request of the Senator from Missouri, but he did exempt from his provision those that received less than $6,000 in compensation.

Mr. EAGLETON. I acceded to the Senator from Alaska's request to exempt those under $6,000.

Mr. STEVENS. I wanted to take it all out.

Mr. STENNIS. I was there at the time and as I got it, the Senator from Alaska modified his amendment.

Mr. STEVENS. I modified the amendment of the Senator from Missouri.

Mr. STENNIS. Anyway, the situation is in an unsatisfactory condition. I want to give the whole picture, so far as I can.

It is tied in, in part, with the whole matter of the amount of money, the $9 billion per year, that it takes to pay the retirement benefits. Also, we have the amendments offered here, from time to time, about recomputation. This thing must be solved some way. I am going to vote to sustain here what the committee did. It will not be a complete solution, but it will be a start.

It is true that this matter is pending now, to a degree, before the President's commission. I hope they take it up early. It is going to have to be settled. But just to throw it back and continue to throw it back is not going to solve this very grave problem.

I yield the rest of my time to anyone who might be interested in it. I am just trying to make a frank appraisal of our situation.

Mr. STEVENS. Mr. President, let me yield myself 3 minutes to see what happens here.

I point out to the Senate that, of the 2.8 million people working for the Federal Government, only 141,817 people are included in the coverage of the amendment of the Senator from Missouri. Of those, 111,793 are retired enlisted personnel. The figures that we have show that the annual retirement pay for all retirees—there are 11.4 percent making $5,000 or less; 33.9 percent making $6,000 or less. This is in terms of their retirement compensation. $7,000 or less for 62.6 percent and $8,000 or less for 75.4 percent of the total retirees.

The problem with the amendment of the Senator from Missouri is that those people who retired because of disability, who may have retired in World War II under the disability program, are included in this. My good friend from Alaska, Howard Pollock, who gets a disability because of the loss of his arm, would be barred from receiving the disabilty that he was given during World War II—because of his disability, not because of the length of his service—by the amendment of the Senator from Missouri.

I really do not think this is the place to legislate the question of dual compensation. I agree with the Senator from Missouri and the Senator from Mississippi that there must be something done about the whole concept of dual compensation. But to talk about solving the retirement fund, and particularly the unfunded liability of the retirement fund, by denying those people who could work for the Federal Government—and incidentally, would waive 40 percent of their compensation if they went to work for the Federal Government; that is, 40 percent of their retirement compensation for the officers—is wrong and this subject should not be on an appropriations bill.

I hope that, one of these days, the Committee on Appropriations will strengthen the rule against legislation on an appropriations bill and require an affirmative vote; not require that the burden be on the Appropriations Committee, but require a two-thirds vote for anybody who wants to put legislation on an appropriations bill. Maybe some day, we would be able to get appropriations bills through here and have the subject of the money be considered and not reforms.

I do not disagree with my friend from Missouri that the retirement system needs to be examined. But what he wants to do is prevent those who are entitled to retirement compensation from getting employment from the Federal Government, when that is what they are best qualified for, particularly when you consider the fact that they take examinations. They go onto the civil service rolls under the civil service system.

They compete with other nonmilitary retirees in the acquisition of these jobs. They are found to be the best qualified person for the job under the civil service system. But my friend's amendment will say, "even though you are the best qualified person under the system, if you are entitled to compensation under the pension plan that is currently in existence because of military service, you cannot take the job with the Federal Government."

I think that is wrong.

Does the Senator from Alabama desire to offer his amendment at this time? If he does, I shall yield back the remainder of my time.

Mr. ALLEN. Yes, I do.

Mr. STEVENS. I yield back the remainder of my time.

Mr. ALLEN. Mr. President, I have an amendment at the desk that I call up and offer on behalf of myself and the distinguished Senator from Rhode Island (Mr. PELL) and the distinguished Senators from Florida (Mr. CHILES and Mr. STONE).

The PRESIDING OFFICER. The amendment is not in order until all time has been used or yielded back.

The Senator from Mississippi has 3 minutes remaining.

Mr. ALLEN. It is a perfecting amendment.

Mr. STEVENS. If the Senator from Mississippi will yield back his time, we can get this amendment considered.

The PRESIDING OFFICER. Does the Senator from Mississippi yield back his time?

Does the Senator from Mississippi yield back his time?

Mr. STENNIS. I do not yield back my time.

Mr. EAGLETON. Is the amendment of the Senator from Alabama on the subject of the Stevens amendment?

Mr. ALLEN. It is, and it takes into account that the $6,000 limitation might deprive the Government of the services of able people. It would provide that the provision would not apply to those whose retirement compensation is less than $6,000 and to those who waive the retirement compensation over $6,000.

Mr. EAGLETON. I suggest, in the interest of time, that Senator STEVENS accept the perfecting amendment to his amendment and we can move on.

Mr. ALLEN. It is not a perfecting amendment to his amendment, because his amendment is an amendment to strike. This is perfecting language to the bill.

Mr. STEVENS. His is a perfecting amendment to the bill.

Mr. EAGLETON. Since it is on the subject, I suggest to my colleague from Mississippi that we might as well yield back the time and go to this amendment.

Mr. STENNIS. Mr. President, just to meet the time here, I think the matter has been debated, frankly. We are down to the time to vote. The membership is expecting it. If the Senator is going to amend the bill, he could amend it later, could he not?

Mr. ALLEN. I think now would be the appropriate time because there would not be any language in there if the Stevens amendment carries. I think this amendment offered on behalf of myself and Mr. PELL, Mr. CHILES, and Mr. STONE, would give the opportunity——

Mr. STENNIS. Mr. President, if it will hasten things any, I will in a minute yield back my time.

Mr. STEVENS. Will the Senator yield to me?

Mr. STENNIS. Yes.

Mr. STEVENS. If the Senator is prepared to accept the Senator from Alabama's amendment, I am prepared to withdraw my amendment.

Mr. EAGLETON. Let me see if I have an understanding.

Mr. STENNIS. I ask the Chair to indulge us for a couple of minutes, if I may, Mr. President.

Mr. STEVENS. Just to make sure I understand what——

Mr. EAGLETON. I think I understand the thrust of his amendment. If I do, I think it would be agreeable to me.

Under the bill language as now drafted, let us say a person retires from the military and his pension check is $5,900.

Mr. ALLEN. That is right.

Mr. EAGLETON. He starts to draw that pension check. Let us say he is 42 years old. He gets another Federal job, making $15,000 a year, and he gets the $5,900 check monthly as well as his new Federal salary.

The PRESIDING OFFICER (Mr. JOHNSTON). The time of the Senator from Mississippi has expired.

Mr. STEVENS. I ask unanimous consent for 4 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from Alabama offer his amendment?

Mr. ALLEN. I have offered the amendment, we can talk on the time of the amendment.

Mr. STENNIS. I yield 3 minutes on the bill to the Senator.

Mr. EAGLETON. We have already discussed the fellow who draws $5,900 in retired pay. Let us consider the person who had a similar job in the military, but who will be entitled to a pension of $6,100. He wants to retire.

Under the bill as now drafted by the committee, he would forfeit all of the $6,100. He would not start to draw that at all. Later, when he left Federal employment he would.

But considering the example of two coworkers, one with a $5,900 pension, and another with a $6,100—one would get his full pension while the other would not.

Is that the inequity the Senator from Alabama seeks to correct?

Mr. ALLEN. The inequity is this, that under the bill a retired person making $6,000 would not be eligible for a Federal job.

The inequity is cured by the amendment that would provide that a retired person making more than $6,000 could become eligible by waiving all his retired compensation down to $6,000. It opens up a broad reservoir of experience and talented individuals who might wish to work for the Government and for whom there might be a place in the Government. But he could not draw more compensation than $6,000.

Mr. EAGLETON. Could I see the amendment?

Mr. ALLEN. That is the purport of the amendment.

Mr. STENNIS. Mr. President, if I may ask, the Senator said he is not eligible if he is making $6,000. Does the Senator mean he is not ineligible for a job, or he can take the job but he would have to surrender his military——

Mr. ALLEN. Yes. But the man making $6,000 does not have to surrender his compensation. This amendment would provide that if someone makes more than $6,000, suppose it is $20,000, and he says that he wants to work for the Federal Government and is willing, he can waive all his retirement income over $6,000.

So we accomplish the same thing, but open up a reservoir of potential employees.

Mr. STENNIS. Mr. President, in view of the situation here, our agreement for the final vote, it is unusual, but I ask that there be 3 minutes' time for these Senators to confer and we not leave this amendment. I think we can dispose of it one way or another.

The PRESIDING OFFICER. If the Senator offers his amendment, there will be 15 minutes.

Mr. ALLEN. I tried to offer it, but the Chair has not——

UP AMENDMENT NO. 683

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself and Mr. PELL, Mr. CHILES, and Mr. STONE, proposes unprinted amendment No. 683:

On page 55, line 24 of the bill, before the period insert the following: ", or who shall waive all retired compensation over $6,000 per year."

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, I suggest the absence of a quorum, the time to be equally divided.

Mr. STEVENS. If the Senator will withhold that, I would like to explore it while they do that.

It is an amendment to my amendment? Or is this a perfecting amendment to the bill?

Mr. ALLEN. No. It is an amendment to the language of the bill. Then, as the Senator states, if he would withdraw his amendment on the adoption of this amendment, the provision then would be that no one could work for the Federal Government unless his retired compensation was less than $6,000, or who waived his retired compensation down to $6,000.

That would be the net effect of it.

Mr. STEVENS. May I inquire, if we have a vote on my amendment and my amendment carries, this amendment——

Mr. ALLEN. The Senator's amendment would not come up.

Mr. STEVENS. This would no longer be in order?

Mr. ALLEN. This amendment would come up first.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, all I can do is restate what the amendment provides.

The language of the bill which Senator STEVENS seeks to strike out provides that no one who is retired, no Federal employee who is retired, on a retirement of $6,000, can work for the Federal Government.

That overlooks the great number of people who are highly qualified.

All this amendment would do would be to provide that these people who are eligible, who are highly qualified and are drawing large retirement compensation, if they would waive their compensation down to the figure at which others are eligible, they, too, would become eligible.

That is all it involves.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, if I may have a minute from the distinguished Senator from Mississippi.

Mr. STENNIS. I yield to the distinguished Senator.

Mr. EAGLETON. I think the Allen amendment as just discussed make sense. I would strongly recommend to the

chairman that he accept the Allen amendment. Then we will proceed to the Stevens amendment.

I had thought, having once accepted the Allen amendment, that that would dispose of the matter.

In any event, I think the Allen amendment makes sense. I would recommend that the chairman accept it.

Mr. STEVENS. Would someone yield to me?

Mr. STENNIS. I yield 2 minutes to the Senator.

Mr. STEVENS. My problem with this, Mr. President, is that at $6,000 or less, we are dealing with one-third of the people and they are, basically, those who are in the first grades of the enlisted ranks, the people who have built up over the years and have been successful in the military, who have reached what I would have called a master sergeant, technical sergeant, first sergeant level. They are the ones penalized by this.

I think that the level of $6,000 in this regard, if we could possibly do it, ought to be increased so that those people would be reflected. It ought to be $8,000, I think. If they waive everything over $8,000, in effect, they will have the same treatment as the officers who must waive 40 percent of their compensation to take a Federal position under the Dual Compensation Act.

I am willing to withdraw my amendment if the Senator from Alabama will make it $8,000.

Mr. ALLEN. No. I am trying to use the framework of the present language of the bill, to give those who make more than $6,000 the option of cutting their retirement down to $6,000, to become eligible. They do not have to do it if they do not want to.

Mr. STEVENS. $6,000 was not my suggestion. It was a compromise with the Senator from Missouri in committee. I would be happy to compromise again, if we could get the principle. It would be the same thing, as I said, for the officers as for the enlisted men if they waived everything in excess of $8,000.

Mr. EAGLETON. I think the best thing for us to do is to accept the Allen amendment and then vote on the Stevens amendment. We could be jockeying here all day. In the committee, we first talked in terms of $5,000, and then Senator STEVENS wanted to make it $8,000 and then $6,000. I suppose if he made it a $112,000 limit, it would satisfy everybody because it would not affect anybody.

I suggest that we accept the Allen amendment and then vote up or down on the Stevens amendment.

Mr. STEVENS. If that has to be, all right. I am trying to see if there is some balance here with officers. If they go to work for the Federal Government in a nonmilitary capacity after becoming eligible for the military retirement compensation, they must waive 40 percent.

What I am saying here is that there should be some combination. Even if we take the $6,000 figure and they would waive 60 percent of all their compensation, or some balance between those who reach the level of warrant officer, 1st sergeant, or master sergeant, they are the people who are being hurt by this.

Mr. EAGLETON. How about $7,000?

Mr. ALLEN. No.

Mr. EAGLETON. Senator ALLEN wants to stick with $6,000.

Mr. STENNIS. Mr. President, I call the attention of the Senate to the conditions we have to face. This bill has to be completed, under the unanimous-consent agreement. I think we are about as close to an agreement on this as we can get. To find out exactly how it applies would require a calculator, which could be done in conference.

For the committee—I have conferred with others on the committee—we can agree to the Allen amendment and hope it will be adopted. If the Senator from Alaska will withdraw his amendment, there is no complaint about that; but it seems to me that the situation is largely solved.

Unless someone else wishes to speak, Mr. President——

Mr. NUNN. I should like to ask a question.

Mr. STENNIS. I yield the Senator 2 minutes.

Mr. NUNN. It seems to the Senator from Georgia that this so-called double dipping is a symptom of an underlying problem rather than the problem itself, and that is the up or out policy which is required of officers after 20 years.

We have before us the Personnel Management Act, and I should like to get some sentiment from the Senator from Missouri as to whether he thinks this act should be modified basically to allow or require a longer term of service; if so, whether he has any thought as to whether the up or out policy should be modified.

Mr. EAGLETON. As is often the case, Senator NUNN has come to the heart of the matter. He is absolutely correct.

The reason we are in this double dipping dilemma, is the "20 and out" policy which permits somebody to retire and draw an immediate annuity at age 43 or 44. Many servicemen are forced to retire if they do not make the promotion gates, even at a young age.

When there is true reform of the military pension system, there will have to be a considerable modification of the 20 and out policy. Now whether it should be 30 and out, whether it should depend on what the assignment of the person was—combat, support, and so forth—that has all been discussed in the study commissions that already have reported on this matter. There were five of them within the past 10 years with one more to come appointed by President Carter. The "20 and out" policy gives vitality, as it were, to the double dipping dilemma.

Mr. NUNN. The thing that is frustrating to the Senator from Georgia is that it is my understanding that the administration is about to endorse, if it has not already endorsed, the same DOPMA proposal that the Ford administration had last year, which basically endorses and reinforces and builds into permanent law the 20-year up or out policy. It seems to me that is totally inconsistent with the frustration that has been voiced on the so-called double dipping.

I am a little perplexed about the whole situation, because I share the concerns and sentiments about retirement, but the administration—and perhaps the last administration—continues to treat these things as separate items.

Mr. EAGLETON. The new Carter Commission was specifically instructed to study the "20 and out" policy. They were specifically mandated to give attention to that.

Mr. NUNN. In the meantime, we are being asked to approve legislation which contradicts any kind of study on that, and that legislation is being pushed at this moment on the House side by the administration. So I am perplexed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STEVENS. I say this to the Senator from Georgia: The problem is that an officer must be a major in order to retire. When he retires, he is going to make in excess of $10,000. Under the Dual Compensation Act, he must waive 40 percent if he wants to go to work for the Federal Government. So automatically the Allen substitute would take care of that. It would be in the vicinity of 40 percent. The chief warrant officer, W–4, retires at somewhere around $12,000. Under this amendment, if he goes to work, he has to waive everything over $6,000. In other words, he must waive at least 50 percent of his retirement compensation in order to go to work for the Federal Government.

The discrimination I have been trying to get at is the discrimination between the Dual Compensation Act of the officers and the existing law for enlisted men. Enlisted men do not have to waive today. By putting it at $6,000, the Senator from Alabama, unfortunately—and I attribute no malice—gets into the situation where automatically the chief warrant officer, the technical sergeant, and the master sergeant must waive a great deal more of their retirement compensation than a major would waive if he went to work for the Federal Government. I am trying to get some equity. The breaking level would be $8,000.

Mr. NUNN. Does the Senator realize that there is a distinction between retired Regular officers and retired Reserve officers; that retired Regular officers are the ones who have to waive part of their retirement pay and yet Reserve officers do not have to waive theirs?

Mr. STEVENS. I do understand it. That is precisely the reason why I do not see why we should legislate in an appropriations bill when no one really understands all the variations of this retirement system now.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NUNN. I am inclined to agree with the Senator from Alaska on that point. It is so complex that it is bewildering.

Mr. ALLEN. I yield myself 1 minute.

In answer to the distinguished Senator from Alaska, he talks about the man retiring on $12,000 who would have to waive compensation in order to work for the Federal Government. Without the amendment we have proposed, this $12,000 man would not be eligible at all to work for the Government.

Mr. STEVENS. Our statistics show that the proposal of the Senator from

Alabama would be too burdensome to the enlisted retiree.

Mr. ALLEN. Without the amendment, he would not be eligible at all.

Mr. STEVENS. He would be eligible after the vote on my amendment, because we will win.

Mr. ALLEN. The Senator may not win.

Mr. President, I yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

Mr. STEVENS. Mr. President, I am constrained to state that the amendment per se is legislation on an appropriations bill, and I raise a point of order.

Mr. EAGLETON. Mr. President, before the Chair rules on that matter, I raise the question of germaneness.

The PRESIDING OFFICER. The Chair has sent for the amendment, before the Chair can rule.

Mr. STEVENS. I ask unanimous consent to have printed in the RECORD an article by Jerry Waldie.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Federal Times, June 27, 1977]

'DIPPER' TAG OFFENSIVE

(By Jerry Waldie)

There is no doubt that the term "double dipping" is offensive to military retirees employed by the government. But I've been surprised that the term isn't equally objectionable to all government employees. It is to me and I'm neither military nor civil service retiree nor an employee of the government.

I do, however, work with such employees, both retirees and non-retirees, on a daily basis. With rare exceptions they are conscientious and productive individuals who give a full day's work for a full day's pay.

Why, then, refer to their wages and salaries as "dipping?" Mind you, the term "double dipping" refers to wages for work currently being done, and retirement income for work that has been done.

To use the phrase "dipping" to describe the compensation a federal employee receives from his employer is reminiscent of that tired old saw that the government employee is "feeding at the trough of the taxpayer." He is doing no such thing. He is performing a responsible job and earns every cent he receives, including retirement pay. Whatever the proper description of that mutual obligation might be, "dipping" is not an acceptable one.

Neither do I follow the argument implicit in the term "double dipping" that military retirement income is somehow less than honorable payment for services already rendered. It is true that military personnel do not have dollars deducted from their checks as payment toward retirement. But one of the reasons they do not contribute in that manner is that their pay was at a level where their "contribution," in effect, was made by accepting lower pay for their service. To argue that military people do not "contribute" to retirement seems simplistic and unfair. Therefore, when they become entitled to receive their retirement income, to describe that payment as "dipping" is wrong. I think the term "double dipper" demeans all employees of the government.

Those that use it betray a contempt for government service, military and non-military, that is revealing.

The PRESIDING OFFICER. The Chair has sent for the amendment.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I will withdraw the point of order, Mr. President.

The PRESIDING OFFICER. The point of order is withdrawn.

The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Alaska, amendment No. 501. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

(Mr. MOYNIHAN assumed the chair.)

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK) is necessarily absent.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE), the Senator from California (Mr. HAYAKAWA), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from California (Mr. HAYAKAWA) would vote "yea."

On this vote, the Senator from Wyoming (Mr. WALLOP) is paired with the Senator from New Jersey (Mr. CASE). If present and voting, the Senator from Wyoming would vote "yea" and the Senator from New Jersey would vote "nay."

The result was announced—yeas 49, nays 46, as follows:

[Rollcall Vote No. 302 Leg.]

YEAS—49

Anderson	Ford	Matsunaga
Baker	Garn	McClure
Bartlett	Glenn	McIntyre
Bayh	Goldwater	Melcher
Bellmon	Gravel	Metcalf
Bentsen	Hansen	Nunn
Brooke	Hart	Packwood
Bumpers	Haskell	Randolph
Byrd, Harry F., Jr.	Hatch	Sasser
	Heinz	Schmitt
Cannon	Helms	Stafford
Chafee	Huddleston	Stevens
Chiles	Inouye	Stone
Danforth	Jackson	Thurmond
Dole	Johnston	Tower
Domenici	Laxalt	Williams
Durkin	Magnuson	

NAYS—46

Allen	Humphrey	Proxmire
Biden	Javits	Ribicoff
Burdick	Kennedy	Riegle
Byrd, Robert C.	Leahy	Roth
Church	Long	Sarbanes
Clark	Lugar	Schweiker
Cranston	McClellan	Scott
Culver	McGovern	Sparkman
Curtis	Metzenbaum	Stennis
DeConcini	Morgan	Stevenson
Eagleton	Moynihan	Talmadge
Eastland	Muskie	Weicker
Griffin	Nelson	Young
Hatfield	Pearson	Zorinsky
Hathaway	Pell	
Hollings	Percy	

NOT VOTING—5

Abourezk	Hayakawa	Wallop
Case	Mathias	

So Mr. STEVENS' amendment was agreed to.

Mr. BELLMON. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. I have an amendment at the desk, which I call up and ask for its immediate consideration.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 525

Mr. ROBERT C. BYRD. Mr. President, could we get an agreement that there will be 4 minutes of debate on the amendment (No. 525) by Mr. KENNEDY, which has already been debated, to be equally divided between Mr. STENNIS and Mr. KENNEDY, and then proceed to a vote on the amendment?

Several Senators addressed the Chair.

The PRESIDING OFFICER. Such an order has been entered, I believe.

Mr. ALLEN. Mr. President, reserving the right to object, may I inquire when the committee amendment on the helicopter training will come back before the Senate?

The PRESIDING OFFICER. The Senator from Alabama is correct; the helicopter amendment is now before the Senate.

Mr. ROBERT C. BYRD. Yes; I was asking unanimous consent that we take 4 minutes for further debate on the Kennedy amendment, and vote on it, and then come back to the helicopter amendment.

The PRESIDING OFFICER. Is their objection?

Mr. McCLURE. Mr. President, reserving the right to object, has there been a unanimous-consent agreement on the Kennedy amendment?

The PRESIDING OFFICER. For 4 minutes of debate.

Mr. McCLURE. When was that agreement entered into, Mr. President?

Mr. ROBERT C. BYRD. Just now.

Mr. KENNEDY. The debate has already occurred.

The PRESIDING OFFICER. The Chair would like to state that the 4-minute agreement was reached earlier.

Mr. ROBERT C. BYRD. Oh, it was? I am sorry.

Mr. McCLURE. Mr. President, reserving the right to object, is this on the one relating to civilian ranges?

Mr. KENNEDY. That is right.

Mr. McCLURE. And the time agreement has already been agreed to on that?

Mr. STENNIS. Yes, it has.

The PRESIDING OFFICER. The half-hour of debate was had on it, and, by unanimous consent, 4 minutes of debate immediately preceding the vote was agreed to. Is there objection to proceeding with that amendment?

Mr. BELLMON. Mr. President, reserving the right to object, the Senator from Oklahoma had the floor; did he not?

The PRESIDING OFFICER. The Senator did not. The helicopter amendment is pending, and no other amendment can be offered except, of course, by unanimous consent.

Is there objection to proceeding with the Kennedy amendment?

Mr. DOMENICI. Mr. President, reserving the right to object, I was in the Chamber. I do not understand how the Senator from Oklahoma lost the floor. He was recognized, and the distinguished majority leader got the floor from him.

Mr. ROBERT C. BYRD. Oh, no, I did not receive it from him. The Senator from Alaska moved to reconsider the vote, and someone moved to table that motion, and the motion to table the motion to reconsider the vote on the Stevens amendment was agreed to. The floor was then open, and I sought recognition.

Mr. DOMENICI. I was here, and perhaps that happened, but I do remember the Senator from Oklahoma was recognized.

The PRESIDING OFFICER. The Senator's proposal was not in order. The Senator was recognized, but he wished to call up an amendment which was not in order at the time.

Mr. ROBERT C. BYRD. And then the developments transpired as I explained following that.

Mr. BELLMON. When will it be in order for the Senator from Oklahoma to call up his amendment?

The PRESIDING OFFICER. Will the Senator restate his question?

Mr. BELLMON. When will it be in order for the Senator from Oklahoma to call up his amendment?

The PRESIDING OFFICER. After the helicopter amendment and the pending amendment, and the other remaining committee amendment, are disposed of.

Mr. BELLMON. Is there an agreement to vote on the bill at 8 o'clock, Mr. President?

The PRESIDING OFFICER. There is an agreement to vote at 8 o'clock.

Mr. BELLMON. Would this preclude calling up other amendments?

Mr. ROBERT C. BYRD. No. The Senator can get recognized after the disposition of the helicopter amendment, and I will be glad to ask unanimous consent, if there is no objection, that after we finish the helicopter amendment the Senator from Oklahoma (Mr. BELLMON) be recognized.

Mr. STENNIS. Mr. President, I am not going to object, but we do have the agreement here on the Kennedy amendment, and time on this helicopter amendment, and I think we have to proceed now to dispose of those, and then take our chances on the matter of getting the floor. I am not trying to keep anyone from getting the floor.

The PRESIDING OFFICER. Is there objection to proceeding with the pending amendment at this time?

Mr. BELLMON. Mr. President, reserving the right to object, when will the Bellmon amendment be in order?

The PRESIDING OFFICER. As the Chair has stated, after the helicopter amendment and the last remaining committee amendment.

Mr. BELLMON. Mr. President, I ask unanimous consent that the Bellmon amendment be the order of business following the disposition of the committee amendment.

The PRESIDING OFFICER. Is there objection? The Chair hearing none, it is so ordered.

Mr. McCLURE. Mr. President, further reserving the right to object, would it be possible to get a brief extension of the time on the amendment of the Senator from Massachusetts? The Senator from Idaho was unaware that there had been any agreement entered into on that. I had requested, on our side of the aisle, that there be some reservation of time. In my absence on the Clean Air Conference, that time has been given away. I would like a few minutes to discuss that issue.

The PRESIDING OFFICER. The Chair informs the Senator from Idaho that time could be taken from the general time available on the bill.

Is there objection to proceeding with the pending amendment? Without objection, it is so ordered, and the clerk will state the amendment.

Mr. KENNEDY. Mr. President, as I understand, the amendment has already been stated. It has been reported, and there has already been debate on it. Now we have a 4-minute time limitation, 2 minutes to the Senator from Massachusetts and 2 minutes to the Senator from Mississippi.

Mr. President, I yield myself 1 minute and 45 seconds. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Mr. President, this amendment is a very simple one. In the past 6 years, there has been a 350-percent increase in the amount of money which would be appropriated for ammunition and personnel to be available to the National Rifle Association for pistol and rifle competition. They support this proposal because they say it is a sport that needs further support.

Mr. President, no other appropriation provides any degree of support for any other sport, or any other competition. Moreover, this appropriation includes $50,000 for the support of Camp Perry, which has been supported by the National Rifle Association for the last 9 years.

I say that if the National Rifle Association wants this competition, if they want ammunition, then the American taxpayer should not have to pay for it. The National Rifle Association should pay for it. There is no reason why they should have the exclusive right, as provided by this legislation, to be the ones who are going to be supplied ammunition.

In 1966, there was a study by the Arthur D. Little Corp., which pointed out that only 3 percent of the members of the DCM ever go into the Army, and pointed out further that there is no correlation between the experience that they have received in terms of any firing or the utilization of any of this ammunition and their expertise in targeting.

Approximately 65 percent of the members of the National Rifle Association who are going to use this ammunition are too old to go into the Army, the Navy, or the Marine Corps in the first place. Basically, this is a subsidy for one particular narrow activity, which is a sporting activity. I say if we are going to be able to do this for firing or for shooting, we ought to be able to do it for baseball, we ought to do it for basketball, we ought to do it for boating, we ought to do it for all the other sports that affect the young people of this country. If we say we are not going to be involved in those, there is no justification for a 350-percent increase in the last 6 years.

Mr. STENNIS. Mr. President, there is some confusion here about the time. The Senator wants 5 minutes. I wonder if it is agreeable to everyone that the Senator from North Dakota yield to the Senator from Idaho on the bill.

Mr. KENNEDY. Mr. President, I am not going to object, but I was here to debate this earlier. If there is going to be additional time, I would like to have similar time for us.

Mr. STENNIS. The Senator would certainly be entitled to equal time.

Mr. President, I will just use the 2 minutes, if I may.

I will say to the Members of the Senate this is relatively a small amount for a nationwide promotion of this rifle practice. This is something which cannot be placed in a computer and then come out with a full answer about its influence. But over the years there are those of us who have observed that it certainly does have, according to what the military people and others tell us, an encouragement for the interest in the military, for the military life, the marksmanship, and all the things which go to make up promotion for youngsters particularly. That is the group in which I am interested.

There is no hint of any kind of abuse, or anything of that kind, in the way these moneys have been handled.

The late Senator Hayden in the old days was always the author of the amendment. He gave it almost a personal supervision. It is one of those things which grew as a tradition, as I see it. It has been put in from year to year under a very popular vote, when it came to a vote, in this body. With all deference, it has been taken as a matter of course. I judge that is the sentiment and the unanimous vote as far as I know in the committee for the sum of $365,000.

Mr. RIEGLE. Will the chairman yield at that point?

Mr. STENNIS. I yield.

Mr. RIEGLE. Was the Senator from Massachusetts correct when he said that two-thirds of the recipients of this program are beyond military age?

Mr. STENNIS. I do not know that percentage, but a good number of them are. It is not limited to the military age.

Mr. RIEGLE. I thank the chairman.

The PRESIDING OFFICER. The time of the chairman on the amendment has expired.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the

following staff members: Mr. DOLE, Ernest Garcia; Mr. LEAHY, Douglas Racine; Mr. BARTLETT, Ron Lehman; Mr. CHAFEE, Ed Hawley.

Mr. McCLURE. Will the Senator from North Dakota yield 5 minutes on the bill?

Mr. YOUNG. I will yield.

Mr. STENNIS. And I will yield to the Senator from Massachusetts the same amount of time.

Mr. McCLURE. I thank the Senator.

I thank the manager of the bill and the Senator from North Dakota for making it possible for the Senator from Idaho to take part in this debate. Had I known of the timing of the offering of this amendment, I would have been in the Chamber and would have participated more fully in the dabate at that time.

I think there is a more fundamental issue involved in this amendment. It goes far beyond that question. It is an annual assault on the question of gun control. That is simply what it amounts to. Those who are in favor of gun control make this kind of an annual assault on the Office of Civilian Marksmanship.

I do not want to debate the issue on the basis of whether or not our Olympic shooters are capable or not. They are. They have participated through this program, and they have done remarkably well at the Olympics because of the participation in this program. But to suggest that this is simply a support for a sporting event ignores all of the past experience of what this program is all about.

I think if we look back we will find out that a great many of the people who participated in this program have served in the armed services. One of the reasons why our citizen soldier does as well as he does is because he has had some familiarity with firearms, many of whom gained it only and solely through this kind of a program.

One of the reasons they are familiar with firearms and able to conduct themselves as well as they do when they go into the service is because they have had some background and some training in gun safety, gun handling, and marksmanship. Certainly, if there is anything which contributes to the effectiveness of the infantry of this country, it lies in that kind of a preliminary training of thousands upon thousands of young people who would otherwise have no contact with firearms, but when they are called into the service of their country in time of crisis they already have this kind of background.

That is why it has had the support of the Military Establishment in years past. In spite of the criticisms of the program, the study by the Arthur D. Little Corp., in regard to the constant effectiveness of this program, finds it is indeed very cost-effective in terms of its results.

The question of whether or not the recipients of the money are young people who are able to serve in the armed services after they receive the money begs the question because, of course, a good many of the people who receive money directly are the people who are instructing the young people. The beneficiaries are not necessarily the same people who receive the money directly. They are instructors, the people who keep these gun clubs going, the people who keep this program going.

I think it would be a tragic error for us, under some kind of a mistaken idea of gun control, to come in here and abolish something which has had as much value as this has had over the years.

Unless I mistake the thrust of the amendment, it grows out of the urge to control firearms. I will say to the Members of this body that firearms are still essential to the armed services. We have not yet found a way to conduct wars without firearms, even though there has been a debate on the neutron bomb, which indicates it is somehow immoral to kill people with neutrons but it is not yet wrong to kill people with bullets. Wars are fought by people who kill other people. That is an unpleasant fact of life, but it is a fact of life.

If we are going to have adequately trained services, we are going to have to continue to have people who are familiar with the use of firearms.

It seems to me to be entirely wrong for us now, as we move to an all volunteer service, where we have done away with large portions of the vestiges of the idea of the citizen soldier, that we cut the last link, that we destroy the last link, between the concept of a citizenry that is somehow prepared to take up arms and defend his country by destroying one of the most effective programs that we have.

It has been scaled down under the pressure of the gun control lobby. We have done away with the Camp Perry matches, one of the most renowned international matches which was kind of the hallmark, the Olympic games, if you would, outside of the Olympic games, in marksmanship. We sacrificed it on the altar of gun control. Why? Are we talking about misuse of guns? Are we talking about the incidence of crime? Are we talking about the criminals using or misusing firearms? Are we talking about the incidence of crime on the streets?

No, we are just going to do away with it because somehow we are caught up in the emotions of antigun legislation, and that emotion is to be brought to bear now to destroy this program.

I think it would be a tragic mistake that will not be unnoticed by the gun fraternity of this country. If there is one thing we have learned, it is when the people of this country have the opportunity to speak on this issue, they are opposed to gun control, whether it be by referendum in Massachusetts or in the mail received by Members of Congress.

It is the antigun lobby which is well organized, well financed, and correlated in their activities here in Washington. But they are a minority of the people of this country.

I think it would be a massive mistake if we now adopt the amendment of the Senator from Massachusetts. I hope that, indeed, we shall not.

The PRESIDING OFFICER (Mr. RIEGLE). The Senator's 5 minutes have expired.

Mr. KENNEDY. Mr. President, just a response to the Senator from Idaho.

Irrespective of what one's position is on gun control, I wonder why the American taxpayer ought to be supporting this endeavor to the tune of $694,000. If the NRA wants to conduct rifle matches, if they want to purchase ammunition, why do they not go out and do it? Why should they be subscribed and underwritten by the American taxpayer?

If young children want to learn baseball, we do not, at this time, underwrite that game, If they want to play football or any of the other outdoor sports, all of which are enormously worthwhile and valuable. we do not say the American taxpayers are going to underwrite it. This is the one exception in this area, target practice.

If the NRA wants to conduct those matches, fine. There is nothing here to prohibit that. But the fact of the matter is that over 60 percent of those using the ammunition are never going to go into the military service.

The Senator from Idaho talks about cost effectiveness. Despite the fact that other people have asked for similar studies, there is only one study on it, only one, by Arthur D. Little. This is their conclusion, talking about this particular program:

> It is difficult to justify on a cost-benefit basis the investment made in teaching riflemen how to shoot under this program.

That is the cost-effective study. It is not just a casual comment of a Member of the Senate. That is the basis of the only study that has been done.

I would welcome a study being done. I asked to see if we could not get a study done.

The fact remains that only 3 percent of the people who go into the Armed Forces have been members of the programs under the DCM. There has been no study done to find out whether those members have gone into the combat area or whether it has improved their marksmanship. There would be no justification of this support based on the information or testimony that we have here.

The Senator from Idaho talks about what happened at Camp Perry. He said we discontinued Camp Perry in terms of the report. We did it for 9 years. The NRA underwrote it for 9 years and had the rifle matches out there for 9 years. However, not for the 10th year. The American taxpayer is being asked, under this appropriation legislation, to underwrite Camp Perry for $50,000. They are beginning to creep in again. I ask the chairman of the Armed Services Committee or any member of the Appropriations Committee if there is any other single program that has been increased by 22 percent, which is the increase this year? Three hundred sixty-five over the last 5 years, 22 percent for this year.

We can say, this is not a big amount of money, $694,000. It happens to be just about what the State of Massachusetts gets for the meals-on-wheels program. That happens to be 2 million meals for elderly people in this country.

Two million meals. I wonder how many States have received those kinds of re-

sources. Our State, under the formula, received that. That is what we are talking about in terms of dimension.

Let them go out and justify the program. Let them have their target practice. Let them be able to purchase the ammunition. Let them move ahead. There is nothing in the amendment of the Senator from Massachusetts that would prevent that. But do not ask the American taxpayer, on the one specific area of target shooting, to underwrite that activity, when they have not been and appear not to be willing to underwrite any of the other activities that can benefit young boys and girls in learning how to live and enjoy their lives.

Mr. President, I yield back the remainder of my time.

Mr. STENNIS. I yield back the time I have.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE) and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Wyoming (Mr. WALLOP) and the Senator from New Jersey (Mr. CASE) would each vote "nay."

The result was announced—yeas 15, nays 82, as follows:

[Rollcall Vote No. 303 Leg.]

YEAS—15

Abourezk	Hathaway	Moynihan
Anderson	Javits	Percy
Brooke	Kennedy	Ribicoff
Clark	Matsunaga	Riegle
Culver	Metzenbaum	Stevenson

NAYS—82

Allen	Goldwater	Morgan
Baker	Gravel	Muskie
Bartlett	Griffin	Nelson
Bayh	Hansen	Nunn
Bellmon	Hart	Packwood
Bentsen	Haskell	Pearson
Biden	Hatch	Pell
Bumpers	Hatfield	Proxmire
Burdick	Hayakawa	Randolph
Byrd, Harry F., Jr.	Heinz	Roth
	Helms	Sarbanes
Byrd, Robert C.	Hollings	Sasser
Cannon	Huddleston	Schmitt
Chafee	Humphrey	Schweiker
Chiles	Inouye	Scott
Church	Jackson	Sparkman
Cranston	Johnston	Stafford
Curtis	Laxalt	Stennis
Danforth	Leahy	Stevens
DeConcini	Long	Stone
Dole	Lugar	Talmadge
Domenici	Magnuson	Thurmond
Durkin	McClellan	Tower
Eagleton	McClure	Weicker
Eastland	McGovern	Williams
Ford	McIntyre	Young
Garn	Melcher	Zorinsky
Glenn	Metcalf	

NOT VOTING—3

Case	Mathias	Wallop

So Mr. KENNEDY's amendment was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MCCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Senators will please cease conversations, so that we can resume consideration of the pending committee amendment.

THIRD REMAINING COMMITTEE AMENDMENT—UP AMENDMENT NO. 682

Mr. STENNIS. Mr. President, to carry out the avowed purpose to vote on this bill, on final passage, by 8 o'clock, we will have to move along. The agreement is to return to the consideration of the helicopter amendment, which has been debated by each side.

The PRESIDING OFFICER. The Chair advises the Senator that he has 45 minutes remaining on the helicopter amendment. The Senator from Alabama (Mr. ALLEN) has 40 minutes remaining.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Alabama, on my time.

Mr. ALLEN. I do not believe, in view of the interruptions we have had on this amendment, that it would be well at this time to shorten the time. So let us proceed. Possibly, before all the time has been used up, we might be able to go ahead with the motion. I believe that, for the time being, we had better reserve our time.

I now yield 5 minutes to my distinguished senior colleague.

Mr. STENNIS. Mr. President, what is the remaining time now, and is there any other understanding?

The PRESIDING OFFICER. The Chair advises the Senator from Mississippi that he has 44 minutes remaining on this amendment, and Senator ALLEN has 40 minutes remaining.

Mr. STENNIS. I thank the Chair.

Mr. ALLEN. I yield to the distinguished Senator from Alabama (Mr. SPARKMAN).

The PRESIDING OFFICER. The Senate will be in order, so that the Senator can be heard.

Mr. SPARKMAN. Mr. President, my colleague has been on the floor all the time and has been engaged in debate. I am sorry that a conference committee has kept me from the floor during a good part of the debate.

In looking over the record of dealing with the problem of the proposed consolidation of helicopter pilot training at Fort Rucker, Ala., I have been amazed how many times it has been recommended by those one would expect to be respected in those recommendations.

Knowing Senator STENNIS as I do, I could hardly believe that he was turning aside from what the Defense Department recommended and from the expense involved in it.

The Defense Department had something to say about the amount of money that would be saved by this consolidation, and the General Accounting Office suggested that the amount that the Defense Department has come up with, it was believed, would not make up the expense, that it would be much more than that. I have seen figures used here over a few years that suggested that $90 million would be the cost of this, over what the other program would be.

President Carter has carried forward in his budget for this year the amount necessary, or at least a program for consolidating the training at Fort Rucker. It has been acted upon many times. I cannot see the logic of not going through with what the Defense Department has urged and what the General Accounting Office has said would be a much lower figure than anticipated. The training has been going on there for years.

A lot has been said about landing on carriers, but these are land-based machines. Those who do need to land on carriers certainly do it. The two places are near enough together so that it could be done, and there would be no sacrifice so far as adquate defense with helicopters is concerned.

I hope very much that this matter will be considered very carefully. As I recall, there was a vote in the House of Representatives that amounted to more than 2 to 1 when this matter came up, and it has been favored many times in many different ways. I hope that the amendment offered by my colleague, of which I am a cosponsor, will prevail, to save money for the Government and get a program that has been recommended by the Government—the President, the Department of Defense, and all others connected with it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. I yield the Senator an additional 3 minutes.

Mr. SPARKMAN. I have been interested in looking over the testimony with respect to this matter and looking over the fact sheets that have been available. I believe the facts definitely are in favor of the consolidation, and I earnestly hope that the proposal will be approved by the Senate. I wish the Senator from Mississippi could accept it. It seems to me that his whole nature would be for it.

But he is unable to do it, and I earnestly hope the Senators here will recognize the real facts regarding it and will support the amendment.

Mr. ALLEN. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 15 minutes on his own time.

Mr. ALLEN. Mr. President, what the Senate has before it at this time is a committee amendment that goes contrary to the recommendations of the administration, contrary to the Secretary of the Navy, the Chief of Naval Operations, the Commandant of the the Marine Corps, and the Secretary of the Army.

The amendment of the committee seeks to prevent the administration from carrying out a program to consolidate undergraduate helicopter pilot training under one head.

Mr. President, we hear a lot of criticism of the Department of Defense, often strongly criticized by Congress for alleged wastefulness. But here we have the Department of Defense recommending a consolidation that will result in a savings of some $103 million over a 5-year period.

The Defense Department had a study in which they suggested that the sav-

ings would amount to some $13 million a year. The GAO made a study and they recommended the consolidation, and they said the $13 million was not sufficient; that was not the amount of saving, that the saving should be $9 million more.

I have the report of the GAO here and the study of the Defense Department, excerpts, and I will at the proper time ask that they be included in the record.

We hear so much about the defense budget, the Pentagon budget, as being loaded with fat and that we should eliminate some of the fat. Then the Defense Department comes in with a recommendation that they say will result in a saving of $100 million over a 5-year period and, according to the Secretary of the Navy, will give equal or more efficiency in the operation of this program. Yet the Senate committee says to the Defense Department in this amendment that we are opposing, "You cannot carry out this plan. We do not want you to do it. Yes, there is a big saving here, but we do not want you to make this saving."

Another thing occurs to me, Mr. President: It was pointed out there has been a change from this program of last year, and some statements were made here on the floor that if they would just prove there is going to be a saving "We would be for this consolidation." But the Defense Department study shows a tremendous saving, the GAO says what the Defense Department found is not the full saving; that it is $9 million a year more, after the Defense Department said $13 million saving, so how can Senators now say it has not been proved that a saving will result?

Members sometimes berate the Department of Defense for lack of foresight, lack of businesslike management, lack of initiative in searching and eliminating practices that waste the taxpayers' money, and some comment was made that last year the Secretary of the Navy did not give full support to this consolidation.

But the present Secretary of the Navy, as is indicated by a letter to me, which I will introduce, is 100 percent for the program and, in fact, has contacted a number of Senators in this regard.

The Secretary of the Navy is the Honorable W. Graham Claytor, Jr. He comes to the Navy from the presidency of the Southern Railway System, one of the few moneymakers among railroads in the country. He operated one of the best-managed railroads in the entire country; so well operated and so well in the black that it is, I believe, the only railroad in the country that kept its passenger line, its trunkline, from New Orleans to Washington, and able to have that as a loss leader.

But he recognizes the benefits to be obtained by this consolidation, and he supports the consolidation.

So it came as a shock and a surprise to me when, faced with a proposal by the Department of Defense to save money while strengthening national security, some Senators stand in opposition. Perhaps their opposition is because they do not fully understand the merits of the proposal.

What is the proposal? The Department of Defense proposes to consolidate all Defense helicopter pilot basic training. Mr. President, I underscore the word "basic" because after this basic training program of all the services then they would go for specialized training in the service to which they belong. So this argument about the Army helicopter training not being the type of training that a naval pilot might want certainly has no merit because after this basic training they will be able to go to the specialized training with which the service of which they are members is concerned.

You might say even if the consolidation does take place there, at the point where the consolidation is made they would have Navy and Marine instructors. So there is no reason for saying they cannot get the same or better pilot training at the new installation.

The Department of Defense proposes to consolidate all defense helicopter pilot basic training into a single program, making possible the elimination of the separate program now conducted by the Navy. This action will save at least $90 million over the next 5 years; partly because training aircraft which the Navy would need to continue its separate program would not have to be bought, but mainly because of the fact that a single integrated training program is cheaper than two programs.

At the present time, I might say, parenthetically, Mr. President, there has been a factsheet and letter distributed here by advocates of the amendment; that is, opponents of the consolidation. We also have a factsheet. I might be able to read some of the excerpts from it, but it refutes every single so-called fact in the factsheet that has been distributed to Senators.

I will, at the proper time, offer for the RECORD a copy of this factsheet which does show the inaccuracies in the fact sheet that has been presented by the opponents of consolidation.

Mr. SPARKMAN. Mr. President, will the Senator yield for one question?

Mr. ALLEN. Yes, sir.

Mr. SPARKMAN. Is it not true that last year in the conference report it was recommended that there be a report——

Mr. ALLEN. Yes, sir.

Mr. SPARKMAN. A study and a report?

Mr. ALLEN. Yes, sir.

Mr. SPARKMAN. And that study was made?

Mr. ALLEN. That study was made.

Mr. SPARKMAN. And the report was made?

Mr. ALLEN. And the report was made.

Mr. SPARKMAN. And the report recommended the consolidation?

Mr. ALLEN. It certainly did.

Mr. SPARKMAN. It was the committee that asked for the report?

Mr. ALLEN. Yes, sir.

Mr. SPARKMAN. In order to give them guidance?

Mr. ALLEN. Yes, sir; and the report was given to them, and I assume they studied it.

Mr. SPARKMAN. But they are reluctant to be guided by it.

Mr. ALLEN. It seems that is the case, I will say to the distinguished Senator. Not only did the Department of Defense make the study and a report, but the GAO made a study, and it, too, recommends the consolidation.

I thank the distinguished Senator for his helpful remarks.

Mr. President, there are two separate undergraduate helicopter training programs sponsored by the DOD. Army and Air Force helicopter pilots are training at Fort Rucker, Ala., while Navy, Marine Corps, and Coast Guard helicopter pilots are training less than an hour away at Pensacola, Fla.

Some critics of this consolidation proposal contend that these savings are ephemeral, that they will never be realized. But who can vouch for this estimate of savings? The Army, which must do the training with the allotted resources, says that the savings are valid. The Navy, which would have to give up most of the resources, says that the savings are valid. Furthermore, the General Accounting Office has reviewed the resource implications of the consolidation proposal in detail and has reported to the Congress that the savings are even greater than the $90 million estimated by the Department of Defense.

One suggestion made by the distinguished Senator from Arizona (Mr. GOLDWATER) was that some Senators fear that this consolidation might inspire overconsolidation, and for that reason they are going to oppose this, thinking that they might be next.

Nothing could be further from the truth, and I call attention to this report from the Defense Department at this time on item 6 of this report.

IMPLICATIONS FOR FUTURE CONSOLIDATION

The letter by the proponents of the amendment, the opponents of consolidation, alleges that testimony at House hearings suggest that further flight training consolidations are being planned.

In fact, the Deputy Secretary of Defense testified that no flight training consolidations other than UHPT—universal helicopter pilot training were under consideration.

He has since further stated that he cannot envision a situation where naval jet fighter attached undergraduate pilot training would be consolidated with Air Force training.

So I say to some of the Senators who fear other consolidations might affect bases in their States do not worry about this amendment; just act in the interests of national security and in the interests of fiscal responsibility, and there is no penalty going to attach to installations in their States.

During consideration of the military appropriations bill last year, the Senate did not go along with a House-approved plan to consolidate all military undergraduate helicopter pilot training at Fort Rucker, Ala.

And this year they again approved the consolidation by a vote of 333 to 54. I am hopeful, even if we are not successful in killing this amendment, that the results of the conference will be this time to accede to the House position inasmuch

as they voted this way, the Pentagon has complied with the suggestion and the requests of the proponents of the amendment, that is the opponents of the consolidation, and have had the study made, had two studies made, one by the Defense Department and one by the GAO. Both of them show millions of dollars of savings each year. So I think now is the time to go along with the Defense Department in this area.

They are the ones charged with training these pilots. They say that they do a better job at less money through the consolidation and why should the Senate stand in the way for some local consideration, some provincial consideration rather than consideration of what is best for the national good.

The Congressional Committee of Conference on DOD appropriations directed the Department of Defense to make further detailed studies of the proposal and to submit a report by April 15, 1977.

This report, which was submitted as directed, confirms the significant dollar and manpower savings that had been projected, and also reconfirms DOD studies demonstrating that this consolidated training program would provide improved training for all of our military helicopter pilots in the basic program.

On May 5, 1977, the Comptroller General of the United States submitted a letter to the chairmen of the Senate and House Committees on Armed Services, and to the chairmen of the Senate and House Committees on Appropriations citing the DOD report as "conservative." He said that in his judgment savings of $23 million or more annually can be achieved through this proposed consolidation.

Some critics of consolidation will tell you that helicopter pilots of the other services will not be adequately trained in a program conducted by the Army. This simply is not so. What does the Air Force say? The Army has been training Air Force undergraduate helicopter pilots for the past 7 years and responsible Air Force officials have repeatedly stated that they are completely satisfied with the quality of training. What about the Navy and Marine Corps? The Secretary of the Navy, the chief of Naval Operations, and the commandant of the Marine Corps have all stated that the consolidated program, as now planned, would completely satisfy Navy and Marine Corps undergraduate helicopter pilot training requirements.

Under the DOD proposal, which has been studied and approved by a task group of the Interservice Training Review Organization composed mostly of military aviators, Navy and Marine Corps instructors would join Army and Air Force instructors in the consolidated undergraduate program at Fort Rucker. After basic training, Navy and Marine Corps helicopter pilots would go on to advanced service-oriented helicopter training, as is presently the case with the Air Force and Coast Guard.

A comparison of the present training that Navy and Marine Corps student pilots get with the training that they would get in the consolidated program clearly shows that they will get better training as helicopter pilots in the consolidated program than they get now. Consider the additional training they will get:

More total flying hours.

Almost twice as many helicopter flying hours.

Twice as many training hours in helicopter simulators.

Some concern has been expressed that the Navy and Marine Corps missions, which involve flight over water and shipboard landings, are different from those of the other services, and that these unique requirements will not be met in a consolidated program. Let us strip away the rhetoric about the hazards of maritime flying and look at the facts. First, the current Navy program provides very little exclusively maritime training. The program turns out basically trained helicopters pilots, not pilots skilled in antisubmarine warfare or amphibious landing techniques. These mission-oriented skills are learned in advanced flight training conducted by each service. The consolidation of helicopter pilot basic training will not affect these advanced training programs. Second, about 25 percent of the training in the consolidated program will be reserved for service-unique training. The Navy and Marine Corps can each specify the types of training which will be given in these segments, and Navy and Marine Corps military instructor pilots will conduct the training of their own students. Navy students, for example, can fly to Pensacola—only about an hour's helicopter flying time—and get at least as much carrier landing practice as they get now. It is clear that Navy and Marine Corps graduates will be much better helicopter pilots than the graduates the Navy now produces, and that they will be at least as well prepared—and probably better prepared—to enter their services' advanced flight training programs.

These are the facts, and the choice is clear. We can approve consolidation of undergraduate helicopter pilot training, save the taxpayers $90 million or more, and produce better-trained helicopter pilots than the Navy produces now. Or we can choose the route of waste and inefficiency, continue to have two programs at substantially higher cost, and get, for this added cost, Navy and Marine Corps helicopter pilots who are not as well trained as they could be.

On June 30, 1977, by a vote of 333 yeas to 54 nays, the House of Representatives once again gave its overwhelming support to the proposed consolidation of helicopter pilot basic training.

The Appropriations Committee, however, is offering an amendment to kill this cost-savings proposal.

We believe that to deny this consolidation is to fly in the face of reality. We believe that it is in the best interest of national defense for Congress to provide the finest possible training for our military helicopter pilots. We believe that the American taxpayers deserve a break, and this improved training is possible while saving millions of dollars.

Colleague support is vital to bring about this improvement in training with its associated savings.

Mr. President, I ask unanimous consent that certain papers, to which I shall allude, be printed in the RECORD.

First, a "Dear Colleague" letter written by Mr. SPARKMAN, Mr. GOLDWATER, Mr. PROXMIRE, and myself; a letter dated June 10, 1977, from the Honorable W. Graham Claytor, Jr., Secretary of the Navy, in which he strongly supports the consolidation; then a statement of Secretary Claytor before the Defense Subcommittee of the House Appropriations Committee on June 7, 1977, in which he strongly supported the consolidation and interpreting it to the matter at hand in opposition to the Senate committee amendment that we are seeking to defeat; and then a copy of the GAO letter of May 5, 1977, to Hon. MELVIN PRICE, giving the result of the GAO study.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.
July 12, 1977.

DEAR COLLEAGUE: Your strong support is needed to help ensure the best possible undergraduate training for our military helicapter pilots and, at the same time, to help provide the American taxpayers a much-needed savings of some $23 million a year.

At the present time there are two separate undergraduate helicopter training programs sponsored by DOD: Army and Air Force pilots are training at Fort Rucker, Alabama, while Navy, Marine Corps and Coast Guard pilots are training less than an hour away at Pensacola, Florida.

During consideration of the military appropriations bill last year, the Senate did not go along with a House-approved plan to consolidate all military undergraduate helicopter pilot training at Fort Rucker, Alabama. Instead, the Congressional Committee of Conference on DOD appropriations directed the Department of Defense to make further detailed studies of the proposal and to submit a report by April 15, 1977.

This report, which was submitted as directed, confirms the significant dollar and manpower savings that had been projected, and also reconfirms DOD studies demonstrating that this consolidated training program would provide improved training for all of our military helicopter pilots in the basic program.

On May 5, 1977, the Comptroller General of the United States submitted a letter to the Chairmen of the Senate and House Committees on Armed Services, and to the Chairmen of the Senate and House Committees on Appropriations citing the DOD report as "conservative". He said that in his judgment savings of $23 million or more annually can be achieved through this proposed consolidation.

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We believe that to deny this consolidation is to fly in the face of reality. We believe that it is in the best interest of National Defense for Congress to provide the finest possible training for our military helicopter pilots. We believe that the American taxpayers deserve a break, and this improved training is possible while saving millions of dollars.

This proposal will soon be the business of the Senate as it considers the 1978 appropriations bill for the Department of Defense.

We are attaching a copy of the Comptroller General's letter to the Chairmen of the Committees on Armed Services and Appropriations, detailing his independent findings which support the requested consolidation.

Also attached is a copy of a letter from Secretary of the Navy Claytor to Senator Allen, reaffirming the Navy's support for the consolidation.

Your support is vital to bring about this improvement in training with its associated savings.

Sincerely,

JOHN SPARKMAN,
WILLIAM PROXMIRE,
BARRY GOLDWATER,
JAMES B. ALLEN,
U.S. Senators.

WASHINGTON, D.C.,
June 10, 1977.

Hon. JAMES B. ALLEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLEN: In response to your letter of June 8, I'd like to confirm my support for the consolidation of undergraduate helicopter pilot training under the Army at Fort Rucker.

In my view, there are two primary reasons which form the basis for this decision to consolidate helicopter training. First, the training that will be provided for our Navy and Marine Corps student helicopter pilots under this program is planned to be equivalent to or better than that which they currently receive. Secondly, an expected savings of at least $90 million over the next five years has been identified and essentially corroborated by Navy and Defense Department Comptrollers, as well as by the General Accounting Office.

I have taken the liberty of enclosing a copy of my prepared statement which provides some additional detail. If further information is desired, please let me know.

I appreciate the opportunity to express my support of this consolidation program.

Sincerely,

W. GRAHAM CLAYTOR, JR.

STATEMENT OF W. GRAHAM CLAYTOR, JR., ON CONSOLIDATION OF UNDERGRADUATE HELICOPTER PILOT TRAINING BEFORE THE DEFENSE SUBCOMMITTEE, HOUSE APPROPRIATIONS COMMITTEE, JUNE 7, 1977

Mr. Chairman and Members of the Subcommittee: It is a privilege for me to testify today before this Subcommittee and to present the Department of the Navy's view on the proposal to consolidate undergraduate helicopter pilot training. I welcome this opportunity to clarify the Department of the Navy's position, to provide the rationale for this position and then to respond to any questions you may have. We have with us today the Chief of Naval Operations and, in the Commandant's absence from the country, the Assistant Commandant of the Marine Corps, in the event their specific views can be of assistance.

In my view, there are two fundamental prerequisites to a decision to consolidate. First, the planned training must be generally equivalent to or better than that currently being received, and, secondly, there must be a worthwhile savings or cost avoidance resulting from the consolidation. As I view it, both of these conditions have been satisfied in the current proposal.

In the process of examining the consolidation proposal and the alternatives, conflicting opinions and varying interpretations of supporting data surfaced. A careful and independent review of the cost data, which is pivotal in this decision, was made at my request by the Navy and OSD Comptrollers, who had had no part in the initial preparation of these data. This review essentially resolved previous costing differences between the Navy and OSD staffs. As documented in the study report to the Congress, the Department of the Navy concurs that the proposed consolidation of helicopter training will permit a cost avoidance of just over $100M over the next five years if the "175/140" syllabus is used. The Navy Department would prefer a slightly expanded syllabus of 195 flying hours and 50 simulator hours in order to make sure that our helicopter pilots are adequately trained for their specialized Navy and Marine Corps assignments; if this expanded syllabus is adopted, the five year savings would be about $90M.

With regard to the quality of training, the program now being developed will be based on the core of the Army's syllabus. However, a separate, Service-unique segment is also included which will provide a series of special flights oriented to maritime missions and Navy/Marine Corps tactics. Additionally, I would point out that Navy and Marine Corps pilots will do the actual instructing for essentially all phases of flight training for our student aviators except the primary, introductory period. By augmenting the Army syllabus in these ways, the resulting program will have the potential of producing a graduate helicopter pilot of the same, or even better, quality than the curricula now being used to meet Navy and Marine Corps requirements.

Follow-on fixed-wing training will be provided for those relatively few pilots requiring it after their career decision points—after completion of their initial service obligation at about the five-year point. In the case of the Marine Corps, it is recognized that initial fixed-wing training, as currently provided in the Navy's program, has a certain overall value, particularly in view of the Commandant's feeling regarding his unique requirements. However, after considering these alternatives, it is our position that fixed-wing training is not a prerequisite to training a basic helicopter pilot.

In summary after careful consideration of all of the factors, we in the Department of the Navy support the proposal to consolidate helicopter training with the Army at Fort Rucker. The significant cost avoidance in Defense resources with consolidation, together with the expected preservation of quality of training, indicate consolidation to be the best course of action.

WASHINGTON, D.C.,
May 5, 1977.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: We reviewed the Department of Defense study of undergraduate helicopter pilot-training consolidation submitted to the Congress on April 29, 1977. The study concluded that consolidation of the separate Army and Navy programs was feasible and that large savings could be realized. We believe that the claimed savings of $13.8 million or more annually are conservative because they do not include reductions in (1) future retirement costs of both military and civilian personnel no longer needed, (2) future veterans benefits for those military personnel, and (3) base operating costs for the Pensacola Naval Air Station, Pensacola, Florida. We estimate that these items would be additional savings of as much as $9.2 million annually. We discussed this report with Defense officials, and they agreed with our findings. We believe that the Congress should approve the recommended consolidation of helicopter pilot training.

BACKGROUND

In our May 1974 report entitled "Need To Assess Potential for Consolidating Undergraduate Helicopter Pilot Training," we recommended that the Secretary of Defense consider consolidating undergraduate helicopter pilot training at one site under a joint, all-helicopter program. In response, Defense asked the Interservice Training Review Organization to study the potential for consolidating this training. The Organization concluded that consolidation of the separate Army and Navy programs was feasible and that large savings would result.

Defense proposed consolidation of helicopter pilot training in the fiscal year 1977 President's budget. The conferees on the Defense Appropriations Bill did not approve consolidation but directed Defense to make a study which would more clearly document the savings and address the concerns regarding the training syllabus.

SAVINGS FROM CONSOLIDATION

As a starting point to assess savings, the Defense study used the Army's estimate of costs to assume Navy's training loads and the Navy's budget estimate for conducting a separate program during fiscal year 1978. Adjustments were made to both Army and Navy estimates to derive the net savings from consolidation. Some of the larger changes which are described in more detail in the study report included:

Adjustments to Army costs for (1) additional support personnel, (2) additional flying hours, and (3) modifying Navy helicopters to the same configuration as Army aircraft.

Adjustments to Navy costs for (1) base operations, (2) phaseout of training, (3) changes in student loads, (4) changes in mix of training aircraft, (5) depot-level aircraft rework, and (6) reductions in support personnel.

After adjustments, the estimated costs and savings, by fiscal year, follow:

[In millions of dollars]

	1978	1979	1980	1981	1982	Cumulative 1978–82
Reduction in Navy costs	33.6	[1] 67.7	41.8	40.4	39.3	222.8
Increased Army costs	19.8	24.8	24.8	24.8	24.8	119.0
Net savings	13.8	42.9	17.0	15.6	14.5	103.8

[1] Includes $23,000,000 for procurement of T–34 aircraft which would be avoided.

We traced Defense's cost estimates to the source documents provided by the services and verified the accuracy of the computations. We did not verify the accuracy of each service's cost estimate but believe that the estimates represent the best available data since their budgets for the program are based on this data. We believe that, except for the items discussed below, the study presents a fair assessment of the savings that can be achieved by consolidation.

Future retirement costs and veterans benefits

Since the study addressed only current costs, it did not consider savings from reductions in future retirement costs and veterans benefits. The consolidated program would eventually result in reductions of 1,918 Navy and Marine Corps military personnel and 268 civilian employees. Although the military spaces no longer needed in this program were used by the Navy partly to satisfy personnel required to man its new ships, it is appropriate to consider these as savings because the Navy's total personnel authorizations would have to be increased accordingly if the consolidation is not approved. We estimated the unfunded retirement cost for these personnel based on factors which represent the discounted present value of expected future retirement benefit currently accruing to active duty military personnel and civilian employees. These costs would amount to $5.8 million annually.

Likewise, the reduction in military personnel will result in savings due to lower costs for veterans benefits in the future. We could not estimate the current value of these reduced benefits.

Operating costs for Pensacola Naval Air Station

The Navy estimated that the total base operating costs for the Pensacola Naval Air Station were $21,259,000 of which the Navy allocated $5,166,000 to undergraduate helicopter pilot training. Because of uncertainties as to the extent of reductions in functions at that location and to assure that estimated savings were conservative, Defense did not consider these costs in its study.

On the basis of the Navy's claim that these costs are directly related to this program, we believe it would be appropriate to consider any reduction in such costs from consolidation as an additional savings. Using Navy's estimate that two-thirds of base operating costs are variable, additional savings of as much as $3,444,000 would be realized annually if all functions related to undergraduate helicopter pilot training are phased out.

Potential for additional savings from base realinements

The Defense study did not include savings from base realinements made possible by this consolidation. The Navy is studying alternative basing alinements and has proposed other alternatives for further study. Since final decisions on basing could not be made before these studies were completed, savings resulting from base releases were not considered.

The transfer of helicopter pilot-training loads to the Army will leave the Navy with substantial excess capacity at the seven bases involved in pilot training. It appears that, considering future training loads, one and possibly two bases may no longer be needed as training installations but could be converted to naval air facilities for use as outlying fields in support of jet and prop pilot training. Converting these bases would result in large savings.

TRAINING SYLLABUS CONCERNS

The two major concerns about the adequacy of the training syllabus follow.

Navy and Marine Corps students need more instrument instruction than provided in Army's syllabus.

Navy and Marine Corps students should be trained in a maritime environment.

Concerning instrument training, the study concluded that (1) the Army's syllabus provided more rotary-wing instrument flying hours and simulator time than the Navy's program and (2) it was expected that from 25 to 30 flying hours would be available in the service-unique portion of the consolidated training syllabus which could be used to provide additional instrument instruction.

The study concluded that a relatively minor part of the Navy's training was related to a maritime environment. Navy's syllabus provides for 48 minutes' flying time for field carrier-landing practice which is conducted over land and only 42 minutes' flying time for carrier qualification which is conducted over water. In the past, the Navy waived the latter training when a carrier was not available, such as during major overhaul.

CONCLUSIONS AND RECOMMENDATION

We believe that the Defense study demonstrates once again the feasibility and desirability of consolidating helicopter pilot training. Savings of $23 million or more annually can be achieved. In our opinion, the training syllabus can be tailored to meet Navy and Marine Corps needs.

We recommend that the Congress approve the proposed consolidation of helicopter pilot training.

We are also sending this report today to the Chairman, Senate Committee on Armed Services, and to the Chairmen, House and Senate Committees on Appropriations. We are sending copies to the Director, Office of Management and Budget, and to the Secretary of Defense.

Sincerely yours,

LEWIS B. STAATS,
Comptroller General of the United States.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. ALLEN. Mr. President, I yield myself additional time.

The PRESIDING OFFICER. The Senator is recognized for an additional 5 minutes.

Mr. ALLEN. Mr. President, I ask unanimous consent to print in the RECORD a paper entitled "Undergraduate Helicopter Pilot Training Consolidation;" then a letter from Mr. Claytor to Mr. PROXMIRE; a letter from Gen. Lewis H. Wilson, commandant of the Marine Corps, to Mr. PROXMIRE in which he supports the consolidation; a letter from the Chief of Naval Operations, Admiral Holloway to Mr. PROXMIRE; and then a letter from the Deputy Secretary of Defense to Senator MCCLELLAN; also a letter from Mr. Duncan to Mr. PROXMIRE; and then, a summary of the findings of the Department of Defense study.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNDERGRADUATE HELICOPTER PILOT TRAINING—UHPT—CONSOLIDATION

BACKGROUND

DOD presently has two UHPT programs:

Army program at Ft. Rucker, Alabama using all-helicopter syllabus for training Army/USAF pilots.

Navy program at Whiting Field, Florida using part fixed-wing and part helicopter syllabus for training Navy/USMC/Coast Guard pilots.

Consolidation has been urged by Congress, GAO and OSD.

Consolidation was proposed in the FY–77 Budget.

Congress deferred FY–77 consolidation and directed a detailed study on subject be submitted by 15 April 1977.

Consolidation was included in the President's FY–78 Budget.

DISCUSSION

OSD study approved and forwarded to Congress by DEPSECDEF in April 1977.

Study concluded UHPT consolidation with Army at Ft. Rucker is the most cost-effective alternative. Savings/benefits identified in Study were:

$13.8M in FY–78.

$103.8M cumulative FY 78–82.

DOD manpower reduction of 1,917 military, 276 civilian in FY–78 and subsequent.

Better utilization of facilites at Ft. Rucker.

Training of no less quality.

Carries out intent of Congress (eliminates costly duplication in training activities).

ISSUES/ANSWERS

Cost. Previous differences between Navy and OSD regarding cost savings have been essentially resolved.

Independent review of costing data by Navy Comptrollers concurs that consolidation permits a cost avoidance of $99.2M with the 175 flight hours/40 simulators hours syllabus.

Difference of $4.6M between Navy and OSD estimates results from Navy desire to use Service instructors vice contractors during instrument phase of training.

Syllabus. Navy had requested an expanded syllabus of 195 flying hours and 50 simulator hours to provide additional instrument and service unique training.

Expanded syllabus will reduce five year savings to about $90M.

DEPSECDEF memo of 16 June 1977 approved the 195/50 syllabus for Navy/USMC students.

Initial Fixed Wing Training. Although desirable to meet USMC unique requirements, initial fixed wing training is not a prerequisite to training a basic helicopter pilot.

Follow-on fixed wing training will be provided for those pilots (40% USMC/15% USN) requiring it after completion of their initial service obligation.

Funding to accomplish this has been included.

DEPARTMENT OF THE NAVY POSITION

Navy supports UHPT consolidation at Ft. Rucker.

A significant cost avoidance will result from consolidation.

The proposed 195/50 syllabus should provide training which is equivalent or better than that currently being received.

OTHER SERVICE POSITIONS

Army fully supports and has indicated capability to accomplish desired training.

Air Force (50 students per year) supports consolidation which it has utilized since 1970.

Coast Guard accepts consolidation (about 20 students per year).

CONGRESSIONAL ACTIONS ON FY–78 BUDGET

Consolidation approved by full House, on floor 6/24/77.

SAC recommends against consolidation (17 to 8 vote).

WASHINGTON, D.C., *July 15, 1977.*

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: In response to your request, I'd like to confirm, in no uncertain terms, the Department of the Navy's support for the consolidation of undergraduate helicopter pilot training with the Army at Fort Rucker, Alabama.

I would emphasize two fundamental factors underlying the decision to consolidate helicopter training. First, quality of training will be maintained or improved. To assure the complete adequacy of the consolidated syllabus, the Department of Defense has recently approved our request for an additional 20 flight hours and 10 simulator hours to provide increased instrument and maritime training for our unique Service requirements.

The other key factor in this decision is the expected savings of at least $90 million over the next five years. A careful and independent review of costing data associated with consolidation, made at my request by Navy and Defense Department Comptrollers, confirmed the amount of the savings. Furthermore, the General Accounting Office reviewed both the feasibility of consolidation and the anticipated savings and found the estimates to be conservative and recommended that Congress approve consolidation.

I know you will agree that we must make every effort to ensure the efficient use of defense dollars. In my view, the consolidation of helicopter pilot training is that type of action.

I appreciate the opportunity to express my support for this consolidation plan.

Sincerely,

W. GRAHAM CLAYTOR, Jr.,
Secretary of the Navy.

WASHINGTON, D.C., *July 15, 1977.*

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I welcome the opportunity to respond to your request of 14 July 1977 for my official position with regard to the proposed consolidation of undergraduate helicopter pilot training. Of course, Marine Corps support for the program is predicated on its ability to satisfy our unique requirements.

The consolidated undergraduate helicopter program has been proposed primarily on the basis of its cost effectiveness. Since no Marine Corps funds are allocated to undergraduate flight training programs, any considerations concerning cost are left to the United States Navy to determine. However, if a program is cost effective and fulfills our unique requirements I will support the program.

Initially, Marine Corps opposition to the pilot training focused on the lack of satisfying unique Marine Corps requirements. Incorporation of the separate service unique segment in the revised syllabus has the potential of producing a basic helicopter-only pilot for the United States Marine Corps. Therefore, the Marine Corps supports consolidated undergraduate helicopter pilot training as it is presently proposed, and so long as it continues to be accepted that it will be necessary to transition these helicopter-only trained officers to fixed wing training at the career decision point.

On balance I support the consolidation of undergraduate helicopter pilot training and suggest that we move ahead with it.

LOUIS H. WILSON,
General, U.S. Marine Corps, Commandant of the Marine Corps.

JULY 15, 1977.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: In response to your letter of 14 July concerning the consolidation of undergraduate helicopter pilot training (UHPT) under the circumstances which now exist, my position is as follows.

I originally advised the Secretary of the Navy that I would prefer to retain the undergraduate training of Navy helicopter pilots in Pensacola under the present arrangement. This preference is based upon my desire that, as Chief of Naval Operations, I remain in full control of those programs for which I have the responsibility in terms of ultimate performance. In the case of fleet pilots, the responsibility for their training and readiness to perform their operational missions is that of the Chief of Naval Operations. However, I am equally aware of the President's policy for an austere but capable military establishment, and I fully support that policy. The decision to consolidate UHPT was made by the President on the basis of a cost-versus-effectiveness study which showed that savings up to $100 million could be achieved in a five year period by moving Navy UHPT to Fort Rucker and consolidating it with the Army program.

Because the Army helicopter training syllabus lacked fixed wing training, was limited in instrument training, and totalled 175 syllabus flight hours compared to a Navy syllabus of 181 flight hours, I had reservations concerning the effectiveness of that program in meeting operational requirements unique to a naval environment, although it was clear that potential cost savings were significant. My staff proposed that an increment of 20 additional hours be added to the Army UHPT syllabus for Navy students and concluded that this specially structured 195 hour flight syllabus would produce a helicopter pilot of equivalent flight proficiency to that of a student graduate of the current Navy UHPT program at Pensacola. The cost of these additional flight hours would reduce the projected savings to some degree over the five year period; however, it does not substantially affect the significant cost savings projected by the OSD study on UHPT consolidation. The Secretary of Defense has agreed to this increase in syllabus flight hours to structure a Navy-unique UHPT course at Fort Rucker.

I support the President's decision to consolidate the Navy UHPT at Fort Rucker on the basis that it is cost effective and that significant savings are projected to accrue. This consolidation is in consonance with the President's policy of cost savings in government to be achieved through increased efficiencies without reductions in effectiveness.

Sincerely,

J. L. HOLLOWAY, III,
Admiral, U.S. Navy.

WASHINGTON, D.C.,
June 27, 1977.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: In the Report of the Department of Defense Study of Undergraduate Helicopter Pilot (UHPT) Consolidation submitted to the Congress in April, the Department proposed consolidation of this training based on a 175/40 syllabus (175 helicopter flying hours, 40 simulator hours) for students of all four Services. Subsequently, the Secretary of the Navy has recommended additional training hours for Navy and Marine Corps student pilots. He, the Chief of Naval Operations and the Commandant of the Marine Corps have stated that a 195/50 syllabus would completely satisfy Navy and Marine Corps undergraduate helicopter pilot training requirements.

While I believe that the 175/40 syllabus would provide training of equal or better quality than now provided by the Navy, I have decided that Navy and Marine Corps students will receive the 195/50 syllabus within the consolidated program. This will insure that Navy and Marine Corps helicopter pilots have the training that those Services deem necessary.

Sincerely,

C. W. DUNCAN, Jr.

WASHINGTON, D.C.,
July 13, 1977.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: It is my understanding that, in connection with consideration of the President's proposal to consolidate Defense undergraduate helicopter pilot training, some senators have expressed a concern that this proposal is an "opening wedge" in a trend that would result finally in consolidation of all jet pilot training under the Air Force.

This concern is groundless.

I attempted to allay any such concern in my appearance before the House Appropriations Committee during the extensive special hearings last month on proposed undergraduate helicopter pilot training consolidation. I wish to reemphasize to you that I cannot envision a situation where naval jet fighter/attack undergraduate pilot training would be consolidated with Air Force training.

Economies of scale in training operations make the proposed consolidation of undergraduate helicopter pilot training very desirable, even under the longer syllabus which I have approved, at the request of the Secretary of the Navy, to assure the quality Navy says it needs. However, I can find no basis for analogous economies of scale from a consolidation of Navy undergraduate jet pilot training with Air Force.

I strongly urge your support, and the support of the Senate, of the present proposal to consolidate undergraduate helicopter pilot training.

Sincerely,

C. W. DUNCAN, Jr.

VI. SUMMARY FINDINGS

As reported in detail in the preceding chapters, the Department of Defense study of proposed UHPT consolidation results in the following findings about the consolidation proposal incorporated in the FY 1978 President's Budget request and described in Chapter II.

1. UHPT consolidation is feasible in that it is possible to implement a consolidated UHPT program using a single syllabus, with Service-unque segments, which will meet valid UHPT requirements of each Military Service, including adequacy of the following:

Instrument training.
Overwater training.
Carrier/ship landing training.
Type of training helicopter.

Moreover, implementation of this single (Army's new "175/40") UHPT syllabus, with Service-unique segments, could notably improve UHPT effectiveness, as is discussed in Chapter III.

2. UHPT consolidation would be economical in that the estimated net funding and manpower reductions from cessation of the Navy UHPT program significantly exceed the estimated costs and manpower increases needed to expand the Army/Air Force UHPT program at Fort Rucker to accommodate UHPT loads from the Navy program. Cumulative estimated net savings for FY 1978–82 from consolidation are approximately $104 million; approximately 2,200 military and civilian manpower spaces could be saved through consolidation. The report does not include savings from any base realignment actions which might become possible after UHPT consolidation.

The net annual reductions in training operations costs and manpower associated with UHPT consolidation are greater as determined by this more detailed study, than were estimated for training operations in the proposal presented to the Congress last year in connection with the President's Budget request for FY 1977.

In addition, as detailed in Chapter IV, the study has determined that it is possible to take the base realignment action postulated in last year's UHPT consolidation proposal regardless of UHPT consolidation. This implies an opportunity, with UHPT consolidation, to take additional action to improve the alignment of Navy basing. with possibilities for even more savings. However, these possible additional savings are not included in the estimated savings shown in ths report.

The contents of ths report affirm the feasibility and desirability of implementing the UHPT consolidation proposed in the President's Budget request for FY 1978.

Mr. ALLEN. I thank the Chair.

I ask unanimous consent that a factsheet prepared by the Department of Defense be printed in the RECORD.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

FACT SHEET: UNDERGRADUATE HELICOPTER PILOT TRAINING (UHPT) CONSOLIDATION

Subject Response to Letter by Senators Stone, Chiles, Garn and Tower Opposing UHPT Consolidation.

1. Each topic addressed in the Fact Sheet accompanying the subject letter is responded to in the enclosure.

2. Special Navy and Marine Corps UHPT Requirements. The letter notes special training requirements for Navy and Marine helicopter pilots. However, the consolidated UHPT program will provide training at least as good as that provided in the Navy program, and probably better training.

a. Instrument Training:

(1) All instrument training will be in helicopters, not partly in fixed-wing aircraft.

(2) Navy and Marine students will receive twice as much helicopter flight simulator training, in much more capable simulators.

(3) All, or any part of the 50 flying hours allotted for Service-unique training can be used for additional instrument training.

b. Carrier Landings and Over-water Training.

(1) Very little of the current Navy UHPT training is specified to be over water, and less than one hour is devoted to carrier landings.

(2) This much, or more, training of this type can be accomplished in the Service-unique segments of the consolidated course.

Validity of Savings.

a. Aircraft Investment and Operating Costs.

(1) Army has more than enough primary helicopters on hand or in storage to support consolidated training.

(2) Army will receive UH–1 helicopters released from the Navy UHPT program and transfer others from within the Army inventory.

(3) Aircraft operating costs are included in the calculation of cost savings.

(4) Since there are no aircraft investment costs and operating costs are already accounted for, there is no basis for the $88 million in additional cost cited in the letter.

b. Verification of Savings:

(1) GAO reviewed the DoD report on UHPT consolidation in detail and verified that the stated savings were valid and were, in fact, somewhat understated.

(2) Senior financial officials of the Navy, which will lose most of the resources, and the Army, which must carry out the training with the resources provided, agree that the savings are valid.

Pre-Judgment of Study Results.

a. It is not correct, as the letter states, that OSD staff decided on UHPT consolidation before doing the study. The study results show that consolidation is cost-effective; if it had not been, it would not have been proposed by DoD.

b. GAO monitored the progress of the study and advised on methodology; it did not participate in the study or comment on it until the study report was issued. GAO is well known for its objectivity and independence.

Economic Adjustment Report. The letter alleges that OSD is "withholding" the Department's "Economic Adjustment Assistance Planning Report" and that this report identifies $15 million in assistance funding.

The Department is not "withholding" the Report. No request has been made by any member of the Senate for a copy of the Report, which is available upon request.

The Report does not identify $15 million in assistance funding. It identified specific grants of $0.98 million and loan resources of about $1.6 million to initiate the adjustment program for the Whiting Field area.

The Report identifies a strong growth and recovery potential for the Milton-Pensacola area. The federal agency members of the Economic Adjustment Committee are prepared to provide priority adjustment assistance.

Implications for Future Consolidations: The letter alleges that testimony at House hearings suggests that further flight training consolidations are being planned. In fact, the Deputy Secretary of Defense testified that no flight training consolidations, other than the UHPT consolidation, were under consideration. He has since further stated that he "cannot envision a situation where naval jet fighter/attack undergraduate pilot training would be consolidated with Air Force training."

A. Validity of the Cost Savings

Statement 1. "OSD ignored the equivalent aircraft investment recovery costs for Army aircraft, and their five-year operating costs ($98 million)."

Army does not require any additional aircraft procurement to support the consolidated UHPT program. More than enough TH–55 primary trainers for all students are on hand or in storage. To support the consolidated program, Army will require 104 additional UH–1 advanced trainers. Of these, 72 now being used in the Navy UHPT program will be transferred to the Army. The remainder are available within the Army inventory. There is therefore no requirement for additional aircraft investment.

Additional operating costs for Army aircraft are included in the computations which result in the five-year savings of $90 million.

Statement 2. "OSD overestimated the people to be saved by mistakenly attributing about 800 manpower spaces to helicopter training, which in fact are for fixed-wing training ($35 million)."

The statement is incorrect. The manpower savings (over 1,900 military and 250 civilian spaces) are all attributable to stopping the Navy UHPT program and transferring the students to the Army program. These savings are agreed to by the Navy and OSD Comptrollers and verified by GAO. The only manpower saved through consolidation which is related to fixed-wing training is that associated with the fixed-wing portion of the Navy UHPT program, which will phase out when UHPT is consolidated.

Statement 3. "OSD failed to account for the decreased operating costs of the Navy's T–34C trainer ($11 million)."

The statement is incorrect. The decreased operating costs of the T–34C were explicitly included in the cost calculations. The Navy Comptroller and GAO agree with the cost calculations.

Statement 4. "OSD wrongly included the expense of training foreign students which would be reimbursed by foreign governments ($9 million)."

The adjustment is correct as shown in the DoD Report on UHPT Consolidation, and was included to insure comparability between Army and Navy costs. The adjustment is appropriate because the consolidated course cost will be lower than the cost of the more expensive Navy course, and therefore total reimbursements will be less. The Navy Comptroller and GAO agree with the adjustment.

Statement 5. "Army cost material used in the study had no source documentation and were accepted on faith by both OSD and GAO."

The Army cost estimates used in the study were official Army estimates of the additional costs which it would require to train the additional students now trained by Navy.

Statement 6. "OSD is refusing to release its own study of additional costs associated with consolidation resulting from disruption of local housing markets ($15 million)."

OSD has not "refused" to release the "Economic Adjustment Assistance Planning Report". No request has been made by any member of the Senate for a copy of the Report, which is available upon request.

The Report does not identify $15 million in additional costs to the government. It identifies specific grant resources (approximately $980,000) and loan resources (about $1.6 million) necessary to initiate the local adjustment program.

The Report indicates that the Milton-Pensacola area reflects a strong recovery and growth potential. The Federal agency members of the Economic Adjustment Committee will provide priority adjustment assistance to the affected communities.

B. Objectivity of the Study—

Statement 1. "No naval training command personnel participated in the study."

Naval Training Command personnel were extensively consulted during conferences and staff visits throughout the course of the study.

Statement 2. "Only 5 days were permitted for a response at that level to the report."

Key Navy officials, including members of the Training Command, were given portions of the draft report several weeks before it was provided officially for Navy comment. Most of the substance of the report was therefore known in advance to the Training Command. The report was officially provided to the Department of the Navy on March 31, 1977, and the final comments of the Department were forwarded on April 14. The Department of the Navy thus had two full weeks to review the report and prepare comments, in addition to having advanced copies of much of the report.

Statement 3. "OSD memoranda, introduced in the public record make it clear that the department had decided to go through with the consolidation before doing the study."

As was made clear by OSD witnesses in testimony on the cited memoranda, OSD intended to do, and did, an unbiased study. The Secretary of Defense (both the incumbent and his predecessor) agreed fully with the study results. The Secretaries of the three Military Departments all endorse the study results, as does the General Accounting Office. There is no basis for stating that DoD had decided to approve consolidation prior to doing the study.

Statement 4. "None of the GAO people who reviewed the OSD report were experienced in aviation or in flight training from a professional standpoint."

GAO personnel involved had previously studied the issue of UHPT consolidation and were fully conversant with the issues. GAO expertise on this subject compares quite favorably with that organization's expertise on the full range of government operations upon which GAO reports reliably to the Congress.

Statement 5. "GAO chose not to audit the Army cost material used in the study but instead accepted it on faith."

GAO, in is report to the Congress, stated: "We traced Defense's cost estimates to the

source documents provided by the Services and verified the accuracy of the computations. We will not verify the accuracy of each Service's cost estimates but believe that the estimates represent the best available data since their budgets for the program are based on that data."

It should be noted that GAO used *both* Navy and Army budget estimates, not just Army's, in auditing the potential UHPT savings. In any case the Army, which will have to support the consolidated UHPT program with the resources provided to it, has no reason to underestimate the resources it will require.

Statement 6. "The Navy was openly opposed to consolidation last year, and with the turn-around of the Navy Secretary, only retired Naval personnel . . . have been able to freely express their opposition."

The Chief of Naval Operations and the Commandant of the Marine Corps have both stated that training under the planned consolidated syllabus would completely satisfy Navy and Marine Corps UHPT requirements. Experienced Marine Corps aviators who have reviewed both the Army and Navy UHPT programs have testified in support of the consolidated UHPT program. The Comptroller of the Navy has verified the potential savings. These views are the result of understanding the quality of training available under the consolidated program and the resource savings, not the result of an inability to speak freely.

C. Quality of Instrument Training—

Statement 1. "The Air Force is on record as expressing its dissatisfaction with the current Army training: 'There appears to be no central concept or idea underlying basic instrument training . . .'"

The Air Force, in fact, has repeatedly stated that it is completely satisfied with the training the Army has been providing it for the past seven years. The quotation is an extract from a memorandum by the senior Air Force officer at Fort Rucker in which he recommended improvements to the techniques used in instrument training. The Army agreed with his proposal and adopted it.

Statement 2. "The recent incident in Korea in which an Army helicopter strayed into North Korean territory and was shot down apparently resulted from pilot instrument error."

The central issue here is whether all Services will get adequate instrument training in a consolidated UHPT program. The following facts demonstrate that instrument training in the consolidated program will be better than in the current Navy program:

All instrument training will be in helicopters, rather than partly in fixed-wing aircraft.

Army's instrument flight simualtors are much better teaching devices than Navy's, and Navy and Marine Corps students will get twice as many helicopter simulator hours as they do now.

Both Navy and Marine Corps students will receive 50 helicopter flying hours of Service-unique training, designed by the parent Service and taught by instructor pilots from that Service. All, or any part, of these segments can be used to provide instrument training beyond that in the core syllabus.

Mr. ALLEN. Mr. President, I wish to comment about this factsheet at this time.

After several pages of answers to a letter by the proponents of the amendment listing various statements in the factsheet, the validity and cost savings, this factsheet of the proponents of the amendment says:

Statement 1. "OSD ignored the equivalent aircraft investment recovery costs for Army aircraft, and their five-year operating costs ($98 million)."

The answer of the Army is that:

Army does not require any additional aircraft procurement to support the consolidated UHPT program. More than enough TH-55 primary trainers for all students are on hand or in storage. To support the consolidated program, Army will require 104 additional UH-1 advanced trainers. Of these, 72 now being used in the Navy UHPT program will be transferred to the Army. The remainder are available within the Army inventory.

So that fact, as stated in the factsheet of the proponents, has been blasted.

Statement 2 of the factsheet is:

"OSD overestimated the people to be saved by mistakenly attributing about 800 manpower spaces to helicopter training, which in fact are for fixed-wing training ($35 million)."

The statement is incorrect. The manpower savings (over 1,900 military and 250 civilian spaces) are all attributable to stopping the Navy UHPT program and transferring the students to the Army program. These savings are agreed to by the Navy and OSD Comptrollers and verified by GAO. The only manpower saved through consolidation which is related to fixed-wing training is that associated with the fixed-wing portion of the Navy UHPT program, which will phase out when UHPT is consolidated.

Statement 3. "OSD failed to account for the decreased operating costs of the Navy's T-34C trainer ($11 million)."

The statement is incorrect. * * *

Statement 4. "OSD wrongly included the expense of training foreign students which would be reimbursed by foreign governments ($9 million)."

The adjustment is correct as shown in the DoD Report on UHPT Consolidation, and was included to insure comparability between Army and Navy costs. * * *

Statement 5. "Army cost material used in the study had no source documentation and were accepted on faith by both OSD and GAO."

That is a statement in their fact sheet. Answer:

The Army cost estimates used in the study were official Army estimates of the additional costs which it would require to train the additional students now trained by Navy.

Statement 6. "OSD is refusing to release its own study of addtional costs associated with consolidation resulting from disruption of local housing markets ($15 million)."

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ALLEN. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 additional minutes.

Mr. ALLEN. The answer:

OSD has not "refused" to release the "Economic Adjustment Assistance Planning Report". No request has been made by any member of the Senate for a copy of the Report, which is available upon request.

It goes right on and refutes every one of the facts set forth in the factsheet of the proponents of the amendment.

So, Mr. President, it appears to me that the time has come to lay aside a provincial outlook on the defense effort. If the Defense Department states that they can carry on this program on a consolidated basis at a saving of $100 million over a 5-year period, that they can do as good or better a job with the consolidation, I do not see why the Senate would say to the Defense Department, "You have come in with a recommendation for saving money; go on back to the Pentagon, we are not interested in your recommendations. We do not credit them; we do not recognize them; we are going to handle this in our own way."

I do not believe that should be the attitude of the Senate, and I am hopeful that this amendment of the committee seeking to go contrary to the administration, contrary to the Defense Department, contrary to the Army, and contrary to the Navy, just on its own judgment of what is right in the matter, will be stricken from the bill.

I believe we would do well to go along with the House of Representatives' position, which they have enunciated on several occasions, and am hopeful that we will remove this matter from the conference by defeating the Senate amendment. At a proper time, I shall make a motion to table the amendment.

I reserve the remainder of my time.

Mr. STENNIS. Mr. President, I yield 5 minutes, now, to the Senator from Utah (Mr. GARN).

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. GARN. Mr. President, this is a matter that we debated at great length on the Senate floor last year. With all due respect to Senator ALLEN and Senator SPARKMAN, I think it is only fair to point out that they are from Alabama. I think it is also fair to point out that Senator CHILES and Senator STONE are from Florida. So we have heard from the Senators of the States affected economically and parochially, who have taken the positions we might well have expected them to take.

The only reason I mention that is that we are going to hear now from the Senator from Ohio, the Senator from New Mexico, and I, who have no interest, State-wise. There are no interests in those States that have anything to do with where undergraduate pilot training is conducted. But each of us has had experience in being involved and in being trained as a military pilot by the services. So I would hope our testimony would have some weight, from our having been participants in those programs.

I will repeat what I said last year: I spent 8 years in the Navy, trained at Pensacola and Corpus Christi as a Navy pilot, and spent the last 4 years as an Air Force pilot. I have some 10,000 hours of pilot time, more in the Air Force than in the Navy because of my length of years in the Air Force.

Mr. President, I can read all of the statistics. I shall not attempt to dispute the $100 million savings.

The thing the Senate needs to understand, however, is the difference in attitude, philosophy, and training between an Air Force or Army pilot versus a Navy pilot. It is an entirely different environment in the attitudes sought to be developed.

For example, there is a great deal more stress laid on instrument training in the Navy. It has not changed very much since I was there. When I went through, we did not receive our wings until we completed all-weather flight school. Air Force pilots got their wings in about 12 months, 5 or 6 months less than a Navy pilot, and then went to all-weather flight school. Incidentally, Mr. President, we lost many people from pilot training at that point.

I say now, as an Air Force colonel, that I do not know what the Air Force did with those who did not go to all-weather flight school after they received their wings. I do not know whether they took them away from them or what.

There is the matter of the naval officer training that goes along with the daily flight training. You fly half a day every day, and go to school the other half a day. I do not know how much the Army knows about that kind of training.

It is not just the manipulation of those aircraft instruments. Much has been said about more training in helicopters and less in fixed-wing. I happen to think that is a disadvantage. Most Army helicopter pilots know how to fly helicopters period. I happen to think knowing how to fly fixed-wing is important. When I was in the Navy, you went through the entire basic flight training period in a fixed-wing, before you ever went to helicopter. And certainly in instrument flying, instrument flying is somewhat more difficult in fixed-wing than helicopter, primarily because of the speed.

Any pilot here, including the dean of pilots in this body, the distinguished Senator from Arizona (Mr. GOLDWATER), will tell you that speed complicates flying, because you need to be ahead of that airplane and not have it flying you. It is natural that your higher approach speeds——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. I yield the Senator 3 additional minutes.

Mr. GARN. I think, heighten your responses and your ability to handle instruments in a helicopter, because speed does complicate the picture.

Mr. President, I shall reserve the remainder of my remarks until later in the debate, but I do feel very strongly, with all due respect to the distinguished Senators who are in favor of this consolidation, that they have not experienced serving in both services, have not experienced the differences in attitude and philosophy of a Navy environment compared to an Army environment.

Simply looking at the hard, cold facts, if I had not had the experience I have had, I am sure the savings to be derived from consolidation look very good and very logical, and if I had not had that experience, the arguments of the proponents look very persuasive and I am sure I would be voting with them.

But I hope Senators will listen to the experience of some of us who have had experience in both services.

Mr. SCHMITT. Mr. President, will the Senator from Mississippi yield me some time?

Mr. STENNIS. Yes. Mr. President, I yield 4 minutes to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, I feel fairly strongly on this issue, and I come at it from a somewhat different perspective, even, than the distinguished Senator who just spoke.

I am a civilian and was a civilian all through my pilot training. I received Air Force fixed-wing training and Navy helicopter training.

I feel very strongly that all three services have extremely well-qualified helicopter pilots. I think the important consideration, as Senator GARN has pointed out, is that they have entirely different missions, for which they are, as I say, extremely well qualified.

In my experience with the Air Force and the Navy, I saw the importance of these different missions in guiding the training of the individuals concerned, right from the very day they entered the gates. It permeates the entire syllabus, the entire training techniques, the attitudes of the IP's and the attitudes of the students. Because of that, each service has an extremely high level of operational effectiveness that I feel strongly would be lost if there was integrated training, as has been proposed.

I respect the cost-benefit analyses that have been made. On the surface, they seem persuasive. However, too often in Congress, in many types of issues, we leave out the benefits that we cannot cost.

I think it is extremely important that in this case we include as a benefit that we cannot cost that benefit which comes from a clear focus on the operational aspects which are necessary to be considered in an individual pilot's training, whether in the Army, the Air Force, or the Navy.

I do believe, personally, based on my experience, not nearly as extensive as the experience of the distinguished Senator from Utah, but, nevertheless, based on over 2,000 hours in various types of aircraft and spacecraft, that this operational orientation within each service is extremely important and has a benefit far beyond the dollars being considered here today.

I might add an additional comment, that having the fixed-wing training prior to helicopter training is extremely important. I had flown many hundreds of hours in fixed-wing aircraft before I took on the helicopter at Pensacola. I would not have given a dime for my chances of meeting the syllabus which the Navy presented to us. That was to solo me in 8 hours. But they did it. I felt confident when I soloed. Eight hours after I started I was flying a helicopter by myself. It is based on a certain attitude which is important to the Navy type of pilot training. That is not to degrade in any way the outstanding training I received in fixed-wing aircraft, the T–38 and other aircraft, with the Air Force.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. I yield 2 additional minutes to the Senator.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. SCHMITT. There is a completely different focus between those two services. Having talked, to an extensive degree, with pilots trained in the Army, one can see an extremely different focus in their operational requirements. But, above all, all three services are doing an outstanding job in the training of those kinds of requirements.

I would strongly recommend that we maintain that spirit and what I believe are the necessary types of training which couple with the separation of this training between the services. I thank the Senator for his indulgence.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 3 minutes.

Mr. GLENN. Mr. President, I submit that perhaps the Senators from Florida are off base. That may come as a surprise to them. They are off base in not suggesting we transfer all Army training to the Navy, and amending the present proposal. I say that for this reason: if we used the same cost accounting system which has been used by the OSD studies in charging the full cost of the Navy's training and only charging incrementally what is being charged the Army for this training, we could then reverse this trend and instead of saving an estimated $100 million we could save several hundred million dollars by transferring all Army training to the Navy, if we used this same rationale.

I will not go through all the figures here. It would take to much time right now.

The OSD's UHPT cost comparison between the Army and Navy is weighted in favor of OSD's predetermined position and calculates increases in Army cost incrementally. If this had been done in the opposite manner, we could show several hundred millions of dollars of cost-saving in the other direction. The OSD study, for one thing, understated the Army aircraft requirements.

In quite another area, I wonder why the Interservice Training Review Organization, which is the organization responsible for reviewing any change in training techniques or change in training bases, has not been consulted with regard to this move? They have not been so consulted.

Mr. President, I also would come back to what some of my colleagues have already mentioned. That is the different types of training, given different mission requirements.

The Air Force is unhappy with Army instrument training. The Army, the Navy, and the Marine Corps have never agreed on the type of instrument training required. The Army, to perform their mission, operates most of the time, of course, over land, and a pilot can set down if he needs to, if there is any difficulty. The Army has stressed in their training of pilots more the factor of having a particular part of an instrument panel damaged or shot away in a combat situation, but still enabling the pilot to get the helicopter down.

The Navy and Marine Corps, on the other hand, have stressed full instrument

training for their pilots. I can assure you, Mr. President, if you have ever taken off in a helicopter from a flight deck in the middle of the night when all the lights were blacked out about 200 yards from the ship, as I have been privileged to do on occasion, you will appreciate that kind of training and the importance of it.

How does one get this instrument training? The best way is as the Senator from New Mexico indicated to start out with some fixed-wing training where basic instrument procedures are taught. Later on there is a transfer of this knowledge to helicopter-type training. There is no better way to provide that instrument capability that anyone has so far devised.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Mr. President, I yield an additional 2 minutes to the Senator.

Mr. GLENN. I thank the Senator. The fact the Air Force is unhappy with this is evidenced by a letter we have. This letter is signed by a lieutenant colonel in the Air Force in April of this year, complaining about the low caliber instrument training that the Air Force pilots under contract to the Army are receiving.

Are we to say that all of our helicopter training for those pilots required to operate in a maritime requirement, those required to go out and land aboard ship in the middle of the night, those required to go out under adverse weather conditions and dip sonar sensing equipment into the water under minimum altitude under adverse weather conditions, are to be less than the very best of instrument trained pilots this Nation knows how to produce?

I say that is folly. I say when a pilot partially trained is trying to come aboard ship in the middle of the night, with a carrier deck stacked with highly expensive aircraft, it is penny wise and pound foolish to give other than the best instrument training. I can assure you, Mr. President, if I am going to be riding those helicopters some time, I want that pilot to be the very best trained pilot also.

One time I was picked up off the deck of a destroyer in a sling, hauled up into the helicopter, and taken at night to another ship. Mr. President, do you want less than the best of instrument training if you are going to participate in such situations as that?

In the environment in which Navy and Marine helicopter pilots are forced to operate, to perform their mission they need the very best of training. They are not going to get it under the Army by the current training methods. I say this is pennywise and pound foolish. Further, other figures show that the dollar savings are not what is claimed in the OSD study. I yield back the remainder of my time.

Mr. GOLDWATER. Mr. President, how much time does the Senator from Alabama have?

The PRESIDING OFFICER. The Senator from Alabama has 12 minutes.

Mr. GOLDWATER. Will the Senator yield 4 or 5 minutes?

Mr. ALLEN. I will be delighted to yield.

Mr. GOLDWATER. Mr. President, it has been a real pleasure for me to sit here and listen to a man who was trained to fly in the Navy, who has flown with the Air Force, and who received his training in the Navy, and later flew with the Marines; a man whom I have great admiration for, who learned to fly jet aircraft as a civilian and later learned to fly helicopters.

I want it understood, I am not making a plea for the Army or the Air Force. If, as the Senator from Ohio says, we would put this all under the Navy, I would be the first one to come along. I have been talking about this subject as long as I have been here. We are the only country in the world which now has two helicopter training programs, three fixed-wing training programs, and four tactical Air Forces. I can say it is a big waste of money.

Let us look at the advantages which have been proclaimed for Navy training.

First of all, under Navy helicopter training, they do not train in antisubmarine warfare while learning to fly a helicopter, any more than an Army helicopter pilot is trained in a gunship. My argument is in both fixed-wing and rotary-wing, pilots learn the fundamentals of flying each machine. Once they have become a rotary-wing aviator or a fixed-wing aviator, then the service to which they are assigned will assign them to further training.

The fact that my friend from New Mexico graduated in P–38's does not automatically make him a fighter pilot. The fact that my friend from Ohio graduated in fixed-wing jet aircraft does not automatically make him a fighter pilot. He had to go get that training. The Senator from New Mexico had to go get that training.

We are not talking about the finished product here. When the Navy helicopter pilot finishes training, some of which—in fact a lot of which—is received in fixed-wing, he practices more on instrument than he would if he were assigned to any other segment of the Navy.

Let us just take a look at this: In flying hours, the Navy gives 91 hours and in advanced helicopter, 91. The Army gives a total of 195 in helicopter and in fixed-wing.

I am not going to make a big, prolonged argument about whether he should be a fixed-wing pilot before he is a rotary pilot. I took civilian training. I took Air Force training—it was Army then. I took helicopter training as a civilian. I question very seriously whether experience in fixed-wing really helps in rotary. They are really two different breeds of cat. While they fly a little bit alike, there is a total difference, particularly when you get on instruments.

As far as simulators go, I have seen the Navy equipment. I have flown the Army equipment, the Air Force equipment. There is no comparison between the two. Consolidation would give the Navy neophyte pilot a chance to fly really advanced simulators, during which phase of his training, about 20 hours before he ever gets into helicopter, he learns what instruments are for and how to fly those instruments. But, even then, he is not, by any means, a helicopter pilot.

I just want to remind my colleagues that I am arguing here today that we need one school. I do not care who runs that school. I think we would save millions of dollars if we had one fixed-wing school in this country, instead of having three, as we do now. I think we would save billions of dollars if we had one tactical Air Force instead of four, or possibly two. I am thinking out loud.

We have probably 13 different types of training aircraft. We only need about two at the most. So we are wasting money. That is all I am interested in. Who gets the job—Alabama, Florida, Texas—I could not care less. But I think it is time that we in this body, interested in saving the money of the American taxpayer, started saving that money instead of, every time something hits our own State, standing up and speaking against savings.

I was very interested to see the Senator from New Mexico, who certainly has no Navy bases in that State, and the Senator from Utah, who has no Navy bases in that State, and the Senator from Ohio—I do not think they have any Navy bases. And God knows, Arizona does not have any. We are talking about the same subject. The only ones that are interested are the Senator from Mississippi, who has some concern about northern Florida, and the two Senators from Florida, who are concerned about Mr. SIKES and Pensacola.

The PRESIDING OFFICER (Mr. HASKELL). The Senator's time has expired.

Mr. STENNIS. Mr. President, I yield myself 3 minutes only at this point.

I want to say this: I remember, about a year ago, a tremendous impression being made by the Senator from Ohio, and also my good friend, Senator GARN, both of them former pilots, with tremendous experience. They testified—it was testimony, not oratory, that still rings in my ear. Then, this afternoon, Senator SCHMITT, with his fine background of experience, spoke with such great sincerity and feeling about the main part of the training being the atmosphere, the feel, the environment, the things that were on the ground that went to make up the kind of pilot that we are talking about here today, something beyond my field.

Just a minute or two on this cost question. The Senator from Alabama and I have been down the road together. He was talking about my having been converted here because of the cost. I appreciate the spirit of his fine remarks. I mean Senator SPARKMAN. Let me quote another Alabamian on cost. Admiral Moorer, now retired, was Chief of Naval Operations for years, outstanding. This is Adm. Thomas Moorer. He was later chairman of the Joint Chiefs of Staff. Here is a paragraph from his recent statement, dated June 8, this year:

In sum, this audit—

Talking about cost—

This audit trail indicates in round figures that, far from saving $104 million over 5 years, the move, at the very best, could save only a little more than $2 million per year.

That is not the Senator from Mississippi speaking. That is a man who went to the very top. He had something to make him go there. I know one of those

ingredients is character, honor. We know he had to have some judgment, too. This is what he thinks about this so-called saving.

That does not mean that the others are dishonest; of course not. But he says that, at very best, it could save only a little more than $2 million per year, at great cost to the quality of the training.

That is not something that he read in a book. It is not something these men that I have already referred to read in a book, either.

The PRESIDING OFFICER. The Chair inquires, did the Senator from Mississippi yield himself so much time as he needs?

Mr. STENNIS. Two minutes more.

Those words spoke for themselves. It is a great pity that men who have gotten into this matter are not here to hear what the real testimony is.

I do not discredit the character of anyone that has made any kind of audit, but here is what the man said who knows how to read it and how to go into it and how to analyze it and then cast it against the experience of life.

Commonsense, and that is the only field in which I claim to know anything much about life; that is in this field of commonsense. The commonsense of this thing tells us that it is vastly different by any standards—the training, the feel of things that is required for the Navy helicopter pilot and the Navy pilot from what is in the Army, the Air Force. And that is not to call either one of them inferior. They are all superior.

I say, after all, the best proof of anything is the product. We have the product right here in this membership. And even if it does cost a little more, if they could be heard, they would be convincing.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STENNIS. I yield the floor.

Mr. ALLEN. Mr. President, how much time remains to our side?

The PRESIDING OFFICER. The Senator from Alabama has 7 minutes.

Mr. ALLEN. I yield myself such time as I may use.

I ask unanimous consent that a statement prepared by the Defense Department for Senator PROXMIRE be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FACTS ON UNDERGRADUATE HELICOPTER PILOT TRAINING (UHPT) CONSOLIDATION

HOW IS UHPT CONDUCTED NOW?

There are presently two UHPT programs. The Army trains its own student pilots and Air Force student pilots at Fort Rucker, Alabama. The Navy trains its own, Marine Corps and Coast Guard student pilots in the Pensacola, Florida, area. The Army training is entirely in helicopters; the Navy uses a combination of fixed-wing training aircraft and helicopters.

WHAT IS THE NATURE OF THE CONSOLIDATION PROPOSAL

Beginning in October 1977, all new Defense UHPT students would enter the consolidated program at Fort Rucker. Students already in the Navy program at that time would complete the Navy course; as these students finish their training the Navy UHPT program would phase out.

The consolidated program at Fort Rucker would be conducted entirely in helicopters and in helicopter simulators.

WHAT IS THE ANALYTICAL BASIS OF THE UHPT CONSOLIDATION PROPOSAL?

The Conferees on the FY 1977 Defense Appropriations Bill directed a study and report on UHPT consolidation and alternative ways of conducting UHPT. The study began in September 1976 and was completed in March 1977. The study method included analysis of data provided by the Services, field visits, and extensive discussions with responsible training and financial experts of the Services. The Services made formal comments on the draft report of the study findings; their comments were either accepted and integrated in the report or included in the report along with the reasons why they were not accepted. The report, submitted to the Congress in April 1977, provides a comprehensive explanation of all aspects of the issue and fully supports the proposal to consolidate UHPT.

WOULD TRAINING IN THE CONSOLIDATED COURSE SATISFY THE REQUIREMENTS OF EACH OF THE SERVICES?

Air Force student helicopter pilots have been trained by the Army since 1970. Air Force officials have repeatedly stated that they are well satisfied with the quality of the training in the Army program.

The Secretary of the Navy recently requested that Navy and Marine Corps students be provided additional flying hours and simulator hours in the consolidated course. The Deputy Secretary of Defense, in order to assure that Navy and Marine Corps helicopter pilots receive the training those Services deem necessary, has agreed to provide the additional training. Navy and Marine students will therefore be trained in a "195/50" syllabus (195 helicopter flying hours, 50 flight simulator hours) rather than the 175/40 syllabus which will be used for Army and Air Force students. The following table compares training in the 195/50 syllabus in the consolidated UHPT program with training in the current Navy UHPT program.

	Consolidated program (195/50)	Current Navy program Fixed-wing	Current Navy program Helicopter
Flying hours:			
Fixed Wing	----	91.0	----
Primary helicopter	50	----	34.5
Advanced helicopter	145	----	65.5
Total	195	91.0	100.0
Simulator hours:			
Fixed-wing	----	31.2	----
Helicopter	50	----	24.0

In the consolidated program, as the table shows, Navy and Marine Corps students will receive, as compared to the current Navy training:

More total flying hours (195 vs. 191).

Almost twice as many helicopter flying hours (195 vs. 100).

More than twice as many flying hours in the advanced training helicopter, the UH–1 (145 vs. 65.5).

Twice as many helicopter simulator hours (50 vs. 24). In addition, the simulators used by the Army are high-capability teaching devices; the Navy's are cockpit procedures trainers of limited capability.

Given these facts, Navy and Marine Corps graduates of the consolidated program would have received considerably more intensive helicopter instruction than they would if they had taken the present Navy UHPT course.

WHAT PROVISIONS ARE BUILT INTO THE CONSOLIDATED UHPT PROGRAM TO INSURE THAT THE DIFFERING TRAINING REQUIREMENTS OF EACH SERVICE ARE MET?

First, it should be understood that all UHPT programs, whether consolidated or separate Service programs, have the common objective of producing helicopter pilots with basic flying skills. The Navy UHPT program does not produce qualified ASW pilots, and, in fact, has relatively little training directly related to flying at sea; the Army program, similarly, does not turn out qualified helicopter gunship pilots. Training in specific operational aircraft for specific missions is provided in advanced flight training conducted by the parent Service after completion of UHPT. This training, which is particularly oriented toward the missions of the parent Service, will not be affected by the proposal to consolidate UHPT.

However, full allowance is made in the consolidated UHPT program for meeting Service-unique training requirements. Within the consolidated syllabus, some 30 flying hours (50 for Navy and Marine students) and a portion of the simulator hours will be reserved for *Service-unique training*. Each of the Services will designate the type of training to be conducted in these segments, and military instructor pilots of the parent Service will conduct the training. During its Service-unique segment, the Navy, for example, will have ample opportunity to provide its students at least as much carrier landing training (Fort Rucker is only about an hour from Pensacola, where Navy's training carrier is based) as it now provides its students. Similarly, instrument flying, tactical training or any other subject can receive additional emphasis in the Service-unique segment.

In addition to designing its own Service-unique segment, each Service will have the opportunity to influence the consolidated program through its instructor pilots and liaison personnel stationed at Fort Rucker. A task group, with representatives from each Service, has been established by the Department of Defense and is reviewing the consolidated syllabus. Mutual agreement has been reached on the core syllabus, and the details of the Service-unique segments are being worked out.

WILL THE ELIMINATION OF FIXED-WING TRAINING FROM UHPT FOR NAVY/MARINE STUDENTS, AS WILL OCCUR IF UHPT IS CONSOLIDATED, BE HARMFUL?

Navy and Marine Corps graduates from the all-helicopter UHPT course will have had 195 flying hours in helicopters as compared to 100 in the Navy course. They therefore will have received considerably more intensive training as helicopter pilots. Fixed-wing training, in itself, is not necessary to produce helicopter pilots.

Generally, because of the very high cost of flight training, all pilots should continue to serve in one aircraft community unless there is a compelling requirement for some portion to be cross-trained into other types of aircraft. Certainly, all Navy and Marine Corps UHPT graduates should continue as

helicopter pilots during the four or five years of their initial obligated service. At the end of that period, about half of these pilots can be expected to leave the service. Of the remainder, some will require cross-training, either to fill a deficit in a fixed-wing aircraft community or to occupy the relatively few positions which require dual qualification. The consolidation proposal recognizes this cross-training requirement and allows for its funding beginning in FY 1981.

WHAT SAVINGS ARE AVAILABLE THROUGH UHPT CONSOLIDATION?

Consolidation would reduce funding requirements for UHPT by more than $90 million over the five-year period FY 1978–82. Manpower requirements would be reduced by over 1,900 military and 250 civilian spaces in each year.

The five-year funding savings shown above are somewhat smaller than the savings ($103.8 million) shown in the DoD Report on UHPT Consolidation. Subsequent to the submission of the Report to the Congress, the Secretary of the Navy requested that Navy and Marine Corps students receive additional training time (the 195/50 syllabus rather than the 175/40 syllabus). Based on the statement of the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps that the 195/50 syllabus would completely satisfy Navy and Marine Corps UHPT requirements, the Deputy Secretary of Defense decided to provide the additional 20 flying hours and 10 simulator hours to Navy and Marine Corps students.

The cost of this additional training reduces the five-year savings to a level somewhat greater than $90 million. However, these savings are still so substantial that they do not detract from the validity of the consolidation proposal, particularly since the additional cost would pay for training which would provide full satisfaction of Navy and Marine Corps UHPT requirements.

HOW ARE SUCH LARGE SAVINGS POSSIBLE?

Without consolidation, Navy would require about $30 million in investment funding to continue its separate program, as shown below:

Procurement:	*million*
T–34C aircraft to replace aging T–28's	$23.0
Simulator	3.0
Construction:	
Outlying field and simulator building	3.2
Total	29.2

Army requires no investment funding to undertake the consolidated UHPT mission. Fort Rucker is operating well below its capacity and can assume the additional student load without any new facility construction. Ample numbers of TH–55 primary trainers are on hand or in storage; sufficient UH–1 aircraft can be transferred from the Navy UHPT program and from elsewhere in the Army inventory.

Consolidation would save over $60 million in military personnel costs and operating funds over the period FY 1978–82. Consolidation takes advantage of economies of scale which are available in a single program but not in two separate ones. Fort Rucker has more than enough capacity for the consolidated student loads. Consolidation eliminates most of the overhead costs which are inherent in the separate Navy program.

The large personnel reductions are made possible by economies of scale and by the fact that Fort Rucker makes efficient use of resources, including greater use of contracts—for aircraft maintenance, refueling, and instruction—than the Navy program.

DO THESE SAVINGS INVOLVE A BASE RELEASE?

No savings from bare release actions are included in the consolidation savings; the savings are entirely the result of phasing out the separate Navy program and consolidating all UHPT students and resources into a single program.

ARE THE CLAIMED SAVINGS GENUINE?

The savings were derived (1) from data submitted by the Navy on the resources required for its separate UHPT program and (2) from Army estimates of the additional costs it would incur in training the students who would otherwise be trained by the Navy. Appropriate adjustments were made to these resources to account for other relevant factors. All pertinent resource data are included in the DOD Report on UMPT Consolidation submitted to the Congress.

The estimated savings, as shown in the Report, were analyzed and agreed to by senior financial officials of the Department of the Navy. One minor program question remains to be decided which would affect cost; there is agreement, however, about the resource implications (less than $1 million a year) of this issue, which involves the extent of contract vs. uniformed instruction for a familiarization flying segment. The Army states that it can conduct the consolidated program with the additional resources allotted to it in the consolidation plan.

The General Accounting Office also reviewed the DOD Report on UHPT Consolidation and the source data used in the resource analysis. In its report to the Congress, GAO verified the savings as stated by DOD and, in fact, indicated that the savings were somewhat underestimated.

Based on the method of computation, the intensive review of the data, and the GAO's verification of the validity of the claimed savings, there is no doubt that the savings can be realized through UHPT consolidation.

WHAT IS THE DEGREE OF SUPPORT WITHIN THE DEPARTMENT OF DEFENSE FOR UHPT CONSOLIDATION?

The Secretary of Defense, the Deputy Secretary of Defense and the Secretaries of the three Military Departments have all expressed strong support for consolidation. The Army is fully prepared to undertake the increased training mission with the resources provided. The Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps have stated that the 195/50 syllabus, which Navy and Marine Corps students will receive, would completely satisfy Navy and Marine Corps UHPT requirements.

The proposal for UHPT consolidation also has support outside the Department of Defense. The General Accounting Office reviewed the DOD Report on UHPT Consolidation; the Comptroller General of the United States, in a report to the Congress, has recommended that the Congress approve consolidation. The Defense Manpower Commission expressed its strong support for the concept of UHPT consolidation. In addition, the House Appropriations Committee, after very extensive hearings on the issue during the period 7–9 June 1977, approved the consolidation proposal. The full House has approved the FY 1978 Defense Appropriations Bill, which embodies the consolidation proposal.

Mr. ALLEN. I ask unanimous consent that a report by the Marine Corps, appearing on page 430, et seq., of hearings before a subcommittee of the Committee on Appropriations, House of Representatives, 95th Congress, 1st session, part 6, be printed in the RECORD in full.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

HEADQUARTERS MARINE CORPS ROUTING SHEET (5711)
JAN. 13, 1977

CONSOLIDATED UNDERGRADUATE HELICOPTER TRAINING, TRIP REPORT, JAN. 4–7, 1977

[Key to operation code: C—Signature, G—Information. Routing—The numbers to show order or routing]

Addresses	Routing	Operation code
DC/S for Aviation (A)	8	G
Dir, Avn Wpns Policy, Support, Analysis and Coord Division (AA–1)	15	G
Avn Analysis Br (AAO)	1	C

Note: AAQ brief—Joint memo for the record is the report of recent trip to Fort Rucker and NAS Pensacola to compare Army and Navy undergraduate helicopter training.

JOINT MEMORANDUM FOR THE RECORD

Subj: Consolidated Undergraduate Helicopter Training; Trip Report, 4–7 Jan 1977

1. During the period 4–7 January 1977 a group of USMC officers visited the U.S. Army Aviation Training Center, Fort Rucker, Alabama, and the Naval Air Training Command, Pensacola, Florida. The purpose of the visit was to become familiar with both the Army's and the Navy's undergraduate helicopter pilot training systems in order to form a base for comparison. An objective comparison is considered beneficial in view of the consolidated UHPT issue both in OSD and Congress.

2. USMC members of the party were:

Colonel P. G. Boozman, Head, Aviation Training Branch;

Colonel W. R. Ledbetter, Head, Aviation Analysis Branch;

Colonel B. H. Mann, AC/S G–3, 3rd MAW;

Colonel J. L. Shanahan, CO, MAG–26, 2d MAW; and

Colonel C. H. Pitman, OPA, Navy.

Navy had been invited to provide representatives for the visit. Naval officers present at Fort Rucker were:

Captain Coffman, AC/S N–3, CNATRA.

Commander Thompson, CO, HT–18, CNATRA.

3. Itinerary:

4–5 Jan Fort Rucker.

6–7 Jan Pensacola (NAS Whiting).

4. The following comments represent a consensus of opinions of the USMC officers making the visit. All topics had been discussed with the Navy representatives; however, their views are not included in the following:

A. OBJECTIVES OF TRAINING PROGRAMS

(1) The Army system trains UH–1 helicopter pilots to a combat capable level. The Navy system, on the other hand, trains pilots to a basic level for entry into combat readiness training squadrons.

(2) Comparison of the programs is difficult due to the difference in training philosophies. Since the Army has no post graduate training squadrons and sees no requirement for fixed wing training, it must orient its training from the beginning to meet combat training objectives. The Navy, traditionally, has desired pilots more thoroughly trained in fundamental airmanship. The Navy's advanced helicopter syllabus reflects this philosophy, being weighed toward fixed wing and/or instrument training and devoting only 16.5 hours (10 sorties) to helicopter tactics as compared to the Army's 40 hour advanced tactics training.

(3) While both the Army and the Navy basically meet their training objectives, the suitability of those objectives to meet USMC requirements (expressed or desired) is a question to be resolved. The tasks required of an Army UH–1 Pilot are not the same as those required of a USMC CH–46/CH–53

pilot. Precise tailoring of the Army syllabus would be necessary to ensure training reflects USMC doctrine for employment of helicopters. After comparison of the two systems it was obvious that the Navy's syllabus should be more tactically oriented as is the advanced jet syllabus. However, it is recognized that additional helicopter tactical training may not be feasible with current assets. In any case identification of desired changes to the Navy syllabus is considered necessary.

B. TRAINING SYSTEMS

(1) Army System:

(a) The Army system of instruction uses classroom lectures, programmed texts, practical exercises, simulators and flight instruction. Programmed texts are complemented by various instructional media—sound-slide, mock-ups, instructional television (ITV). An extra study learning center is available for self help and referral extra study. The learning center has available all instructional media as well as instructors on duty. The Army's instructional facilities in some cases are "home-made" and the result of innovative thinking of instructors; however, quality in presentation of instructional material has not been sacrificed.

(b) The Army's integration of cockpit procedures trainers and flight simulators into the training program is excellent. The 2B24 UH–1 Operational Flight Trainer (OFT) is an outstanding training device and produces real savings in flight hours. Of significance is the use of each student's flight instructor as his simulator instructor, thus preserving the integrity of the training evolution.

(c) The Army's system is centrally managed and coordinated. Its single site location directly supervised by an officer of flag rank provides opportunity to be as dynamic as required by changes in Army tactics and doctrine.

(2) Navy System:

(a) The Navy's system, like the Army's is designed around the latest thinking in instructional technology with the main difference being the reliance of the Navy almost exclusively on programmed texts. A shortcoming in executing this philosophy is the lack of a learning center and the absence of self pace instructional media. The simulators used by the Navy are outdated, being of 1950's technology. No high fidelity simulator is available at this time. T–34C operational flight trainers are programmed for use by FY–80, however, delivery of aircraft is during January 1977. The Navy has funding available in the current year for a building to house a 2B24 UH–1 OFT; however, these funds are being withheld pending resolution of the UHPT issue. If the Navy retains UHPT, it is estimated this OFT will not be in the syllabus until 1979.

(b) Although the Navy has centralized management of all flight training by CNATRA at Corpus Christi with immediate supervision by the Training Wing Five Commander at NAS Whiting, the assets devoted to helicopter training when compared with those devoted to fixed wing training seem inadequate. This may be attributable to lack of helicoper pilot representation in the CNATRA or TRARON Five staffs.

C. ADVANTAGES OF ARMY SYSTEM

(1) Pilots are combat capable (by Army standards) UH–1 pilots on completion of UHPT.

(2) Expressed goal of the Army is to produce the best possible combat pilot.

(3) Army system stresses flight crew coordination. During UH–1 phase, students not under instruction ride in jump seats to assist the pilot under instruction by filling co-pilot duties. This system doubles the students air time and raises the learning curve.

(4) Stability in instructor/student assignments. During each phase instructors fly with the same students except for flight checks. This includes simulator instruction.

(5) Army simulators are more capable to support the training program.

(6) Army system is unified system with central control at one site.

(7) Learning center supports academics.

(8) Army uses a mini-airways system for radio instrument training. This permits short-leg instrument flights within the Fort Rucker airspace. Matching slow speed of helicopters with short legs provides more experience in radio point to point navigation.

(9) Army system produces pilots in 33 weeks. Schedule is adhered to.

D. DISADVANTAGES OF ARMY SYSTEM

(1) Tactics taught are Army airmobile tactics which may not reflect USMC doctrine.

(2) Army helos are not equipped with TACAN.

(3) Army system produces a restricted (helo-only) pilot.

(4) Present plans for consolidated UHPT call for Pre-Flight to be taught at Pensacola with an attendant extra move for the student.

(5) Marine Corps' ability to influence the syllabus may be restricted.

E. ADVANTAGES OF NAVY SYSTEM

(1) Helo primary is taught in a turbine powered helo (TH–57).

(2) Professional development is continuing in that all instructors are USMC/USN officers. Constant officer contact is considered beneficial.

(3) USMC has some control over syllabus.

(4) Centralized USMC control over students at Pensacola through MATSG.

(5) Fixed wing training meets stated USMC requirements. Students are dual-trained pilots.

F. DISADVANTAGES OF NAVY SYSTEM

(1) Programmed text not supported by adequate instructional media.

(2) Helo community seems to receive less than its fair share of assets.

(3) Navy syllabus provides less helo time than Army (101 vs 175 hrs).

(4) Training syllabus (and supporting facilities) is not oriented toward tactical mission (either Marine or Navy).

(5) Students do not normally graduate within programmed training time.

(6) Navy uses "Plow-back" instructors. Briefings stated that 41% of UHPT instructors were plow-back. (Marine Corps does not plow-back instructors).

G. ADDITIONAL IMPRESSIONS

(1) Concern was expressed that the helicopter pilot is considered a "second-class citizen". The division of assets in CNATRA, at first glance, seems to favor the fixed wing community. Lack of solid helicopter pilot representation on the CNATRA or Training Wing staff either substantiates or perpetuates this, as does the selection process which channels students into the helo/jet pipelines. The selection process, which sends students with the highest flight grades in fixed wing primary to the jet pipeline, is designed to reduce attrition in the more costly jet pipeline; however, the manner in which it may be executed reduces helicopter training to a form of punishment, e.g. "If you don't do good, you'll be sent to helicopters". In comparison, the Army places the highest importance on the production of quality aviation officers, thereby elevating the helicopter pilot to the position of a most vital link in the Army's tactical chain.

(2) The Army's having a one site training base under direct command of a flag officer drives the Army's system to respond to tactically oriented instruction. While the Navy has an officer of equal rank commanding the training effort his span of control reaches physically from Florida to Texas and functionally across three diverse training pipelines with the emphasis seeming to be given to jet training. Under this system of management, the Army Training Command is more responsive, on its own initiative, to the needs of its field commands.

(3) The Navy system is three-phased (and considering Combat Training Squadrons, four-phased). Pilots fly the T–28 (T–34C), TH–57, TH–1 (and later fleet type aircraft). The Army system is two phased, TH–55 and UH–1. The Army benefits from this arrangement since its operational units are equipped with the UH–1. The Navy's system wastes flight time by requiring pilots to fan three aircraft plus a fourth in readiness training squadrons.

(4) An initial point of concern by the officers on the visit was the lack of professional development realized through contact with the civilian contract instructors in the Army as opposed to military instructors. While this remains valid, it is believed the use of civilian pilots does not detract from training but rather simply fails to add this value. The experience level of civilian pilots at Fort Rucker generally far exceeds that of military flight instructors, especially in the realm of flight instruction. The Army's standardization system seems adequate to assure quality.

(5) It was the consensus that the Army's training system is preferred; however, the content of the Army's syllabus to meet USMC requirements must be validated.

(6) Any lack of the Navy's system to be responsive to the Marine Corps' desires is, in part, the result of insufficient input to CNATRA by USMC. This is partially the result of the forum established for input/feedback, e.g. units through fleet commanders to CNATRA as opposed to submitting to CNATRA a unified USMC input by CMC. This was discussed with Captain Coffman, CNATRA N–3, who agreed the input channels should be revised.

H. RECOMMENDATIONS

(1) Provide input to the Navy to insure the CNATRA produce meets USMC requirements.

(2) USMC endorse acceleration of new simulators into the training syllabus.

(3) CNATRA upgrade training media support.

(4) Review current assignment of USMC representatives on the CNATRA staff to ensure USMC input is continuous.

(5) Revalidate the Navy's syllabus including the ratio of fixed wing to helicopter flight time.

(6) It was the concensus that fixed wing training is not required to produce a well qualified helicopter pilot; however, the value of fixed wing training of a Marine aviator is recognized. It is recommended that the Marine Corps' ability to sustain this program be reassessed.

5. It is the additional recommendation of the undersigned that pending resolution of the current UHPT issue, no unilateral action be taken by the Marine Corps to change the helicopter training system. If the Navy should retain UHPT responsibility, demands should be placed on the Navy to upgrade the quality of training. If CNATRA cannot respond to USMC desires, the feasibility of moving USMC UHPT to the Army be explored.

6. OTTF will take for action the review of the execution of the current pipeline screening process.

P. G. BOOZMAN,
Head, Aviation Training Branch.
W. R. LEDBETTER,
Head, Aviation Analysis Branch.

Mr. ALLEN. I read from that report, signed by W. R. Ledbetter, head, Aviation Analysis Branch, and P. G. Boozman, head, Aviation Training Branch. In it, they give an interesting comment about the concern having been expressed that the helicopter pilot is considered a second-class citizen.

They speak of the selection process in the Navy, "which sends students with the highest flying grades in fixed-wing primary to the jet pipeline, is designed to reduce attrition in the more costly jet pipeline; however, the manner in which it may be executed reduces helicopter training to a form of punishment."

This is Navy training.

e.g. "If you don't do good, you'll be sent to helicopters". In comparison, the Army places the highest importance on the production of quality aviation officers, thereby elevating the helicopter pilot to the position of a most vital link in the Army's tactical chain.

That is the type of attitude they give a helicopter pilot in the Navy training according to the Marine report.

Mr. CHILES. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. CHILES. How much rank can that fellow attain in that vital link in that Army chain, what is the highest rank he can attain?

Mr. ALLEN. Well, the Senator must know the answer.

Mr. CHILES. I thought the answer was a warrant officer. I think the Army pilots attain the rank of warrant officer as long as they are flying helicopters and a Navy pilot could be an admiral.

So he has already been punished if he could become an admiral.

Mr. ALLEN. I yielded on the Senator's time.

This report is what is stated by the Marine officers who made the inspection.

Now, let us go on.

Mr. GARN. Will the Senator yield?

Mr. ALLEN. No; I have only about 5 minutes.

Mr. GARN. We could take it out of our time.

Mr. ALLEN. It was the consensus in the report, they went to both places, it was the consensus that the Army's training system is preferred.

Now, this referred to some of the testimony here by full colonels before the House committee—full colonels, helicopter pilots in the Marine Corps. They were asked on page 439 of this hearing, and Colonel Ledbetter is a Marine helicopter pilot:

Mr. EDWARDS. What was your assessment after you made that trip?

Colonel LEDBETTER. My assessment was that we preferred the training that was given at Fort Rucker, as helicopter pilots, because the tactical training given at Fort Rucker was not included at Pensacola.

We decided we needed the training given at Fort Rucker and we so stated in our trip report.

That same opinion is expressed on page 442 by Colonel Pitman in answer to the question:

Mr. EDWARDS. Do you have any hesitation at all about recommending the program at Fort Rucker?

Colonel PITMAN. No, sir.

Mr. President, I reserve the remainder of my time.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Utah.

Mr. GARN. Mr. President, I wanted to reply to that statement.

I recognize the distinguished Senator from Alabama was only quoting one Marine colonel. I think that is a terribly disparaging remark to be made in testimony, or any place else, because I would refer back to the very tough standards for getting inflight training, to begin with, in either the Air Force or the Navy.

I did not get what I wanted to go to when I went to advanced training. I ended up in seaplanes.

To begin with, by the standards necessary for selection for this colonel to make a statement that helicopter pilots are second-class pilots, not having the same ability, I think is a ridiculous statement, because people who get to that flight training to begin with are highly qualified in the testing procedure to get there.

For him to use that as a statement of punishment, there are a lot of people, friends of mine, that graduated in the same class who asked for helicopter training, among the highest qualified in basic fixed-wing. In fact, the fellow in my class at the top of my class, asked for helicopter training. I just dispute that testimony by a Marine colonel.

Mr. ALLEN. Mr. President, I yield myself such time as I may require.

The distinguished Senator from Florida must have misunderstood me because I understood him to say that only Army helicopter pilots could get just to the rank of warrant officer.

Actually, Major General Maddox, who was in charge of Fort Rucker, was a helicopter pilot. He was a major general, contrary to what the distinguished Senator said, that no admirals fly helicopters, they fly fixed-wing.

I just wanted to straighten the Senator's statement out.

Mr. President, I reserve the remainder of my time.

Mr. GLENN. Will the Senator yield?

Mr. STENNIS. Three minutes?

Mr. GLENN. Four.

Mr. STENNIS. I yield the Senator 4 minutes.

Mr. GLENN. I think we have a lot of statements being bandied around out of context that require clarification.

I do not know Colonel Ledbetter in the Marine Corps. I do not know whether his reference referred to all of the training at Fort Rucker or whether he was referring to a specific type of combat training, perhaps a simulated course, and perhaps it was taken out of context in that regard.

As far as any helicopter pilots being considered second class in the Marine Corps, that is not the case—absolutely not the case.

There is, however, as the Senator from Florida indicated, a difference in attitude, a very great different in attitude, as far as the career pattern and potential of personnel being brought into the Navy or Marine Corps, as contrasted to the Army.

The Army is clear. They want the bulk of pilots to be in the warrant officer category. That is their specialty. They are not expected to go to flag rank status.

However, in the other bodies, it is the opposite. Every officer in the service has a career track open to him, whether he is a helicopter pilot, a fighter pilot, a transport pilot, or whatever his specialty may be.

That is also one reason for the cross training that starts out with fixed wing. Even if they go into helicopter, they have some fixed-wing background and can be later cross training for other pilot tasks with less delay than if they had not had that previous training in the early stage of their flight career.

I think to try to say the colonel speaks for the whole Marine Corps when he refers to training at Fort Rucker is not the case. It may have been a specialized case he was referring to, or by referring to helicopter pilots as being second-class pilots. Perhaps he was trying to obscure the fact that this cross training and different career possibilities open to the pilots exist.

I thank the Senator for yielding time.

Mr. BENTSEN. Mr. President, I support the committee amendment to prohibit the consolidation of pilot training during the coming fiscal year.

The previous administration proposed an extremely unwise and militarily unsound consolidation which would have moved Navy pilot training out of the Corpus Christi Naval Air Station and downgraded this important base to a Naval air facility, without a training mission.

This action was proposed despite some of the best flying weather, some of the most extensive flying space and some of the finest equipped training fields in the Navy's inventory.

I am pleased, Mr. President, that the current administration is taking a new look at this proposal which, in my opinion, would have been harmful both to our Nation's defense effort and to a community which is suffering from a serious unemployment problem, particularly among Mexican-Americans.

At present, Secretary of the Navy Graham Claytor is reevaluating the proposed Corpus Christi pullout. Deputy Secretary of Defense Charles Duncan has instituted a similar restudy.

Mr. President, I make no secret of the fact that I am urging both Secretary Duncan and Secretary Claytor to reverse the decision and I believe that once the previous administration's action is reexamined on its merits such a reversal will be made.

In the interim, though, the Appropriations Committee has decided to preclude

the Navy—and all other military services—from taking premature steps to consolidate pilot training during the coming year.

I support the committee's efforts and urge adoption of the committee amendment.

Mr. STENNIS. I yield to the Senator from Florida.

Mr. CHILES. Mr. President, we might be ready to yield back our time and get to a vote on this.

Mr. STENNIS. What is the pleasure of the Senator from Alabama?

Mr. ALLEN. I am ready to yield back the remainder of my time.

Mr. STENNIS. We are talking about time now that was allotted to the original committee amendment.

Mr. ALLEN. Yes.

Mr. STENNIS. That is the pending matter.

I am ready to yield back my time.

Mr. ALLEN. I yield back my time. I move to lay on the table the committee amendment.

I ask for the yeas and nays.

Mr. STENNIS. Will the Senator yield to me?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STENNIS. I thank the Senator.

There was some misunderstanding before. Ordinarily, we do not have committee amendments coming up following an appropriation bill. But in this case, this amendment came up with the bill, but was excepted—is that not correct—excepted from our general agreement?

Mr. ALLEN. That is correct.

Mr. STENNIS. Therefore, it stands here the——

The PRESIDING OFFICER. The Chair would announce that the motion of the Senator from Alabama is not debatable.

Mr. ALLEN. I withdraw the motion in order that the Senator might have something to say about it.

Mr. STENNIS. That is all right.

I thank the Senator from Alabama.

Mr. ALLEN. Now my motion to table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the committee amendment.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. McCLELLAN) and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas (Mr. McCLELLAN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. WALLOP) is necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Wyoming (Mr. WALLOP) would vote "nay."

The result was announced—yeas 21, nays 75, as follows:

[Rollcall Vote No. 304 Leg.]

YEAS—21

Abourezk	Goldwater	Proxmire
Allen	Huddleston	Sarbanes
Bellmon	Kennedy	Schweiker
Burdick	Leahy	Sparkman
Chafee	McGovern	Stevenson
Clark	McIntyre	Weicker
Culver	Percy	Zorinsky

NAYS—75

Anderson	Glenn	Metzenbaum
Baker	Gravel	Morgan
Bartlett	Griffin	Muskie
Bayh	Hansen	Nelson
Bentsen	Hart	Nunn
Biden	Haskell	Packwood
Brooke	Hatch	Pearson
Bumpers	Hatfield	Pell
Byrd, Harry F., Jr.	Hathaway	Randolph
	Hayakawa	Ribicoff
Byrd, Robert C.	Heinz	Riegle
Cannon	Helms	Roth
Case	Hollings	Sasser
Chiles	Humphrey	Schmitt
Church	Inouye	Scott
Cranston	Jackson	Stafford
Curtis	Javits	Stennis
Danforth	Johnston	Stevens
DeConcini	Laxalt	Stone
Dole	Long	Talmadge
Domenici	Lugar	Thurmond
Durkin	Magnuson	Tower
Eagleton	Matsunaga	Williams
Eastland	McClure	Young
Ford	Melcher	
Garn	Metcalf	

NOT VOTING—4

Mathias	Moynihan	Wallop
McClellan		

So the motion to table was rejected.

UP AMENDMENT NO. 684

Mr. ALLEN. Mr. President, I call up my unprinted amendment.

The PRESIDING OFFICER. The clerk will report.

Mr. STENNIS. Mr. President, may we have quiet?

The PRESIDING OFFICER. The well will be cleared.

The Clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself, Mr. SPARKMAN, Mr. GOLDWATER and Mr. PROXMIRE, proposes an unprinted amendment numbered 684 to the language inserted by the committee amendment:

On page 62, line 18, at the end of the amendment add the following: "This provision shall expire on July 1, 1978.".

Mr. ALLEN. Mr. President, I yield myself 3 minutes.

Mr. President, some of the Senators may possibly have thought the closing or the consolidation of the helicopter training in one place might have been precipitate action, although I hardly see how they could have thought that since the matter was recommended by the last administration and by this administration as well, by the Department of Defense in the last administration and the Department of Defense in this administration.

But with the thought that possibly some were thinking of the economic dislocation that might possibly have taken place in the event the training should be consolidated, the purpose of this amendment would be to provide that no steps toward the consolidation could be taken before July 1 of next year, which would allow approximately one year from this time for the implementation or start of implementation of the consolidation. That is what the amendment does in its entirety. That is the purpose of it, to provide an opportunity to protect against any possible dislocation that might take place by reason of the consolidation, to allow plenty of time for the consideration of all of the various angles in the event of economic dislocation.

It would be 1 year under this amendment that Senator SPARKMAN, Senator GOLDWATER, Senator PROXMIRE, and I have introduced, it would be July 1 of next year, before the program could start being implemented.

I hope the Senator will accept the amendment and, if they do, I then have no objection to the committee amendment.

Mr. STENNIS. Mr. President, will the Senator yield on that point here?

Mr. ALLEN. I yield.

Mr. STENNIS. Will the Senator state again the substance of the amendment that the program should not be implemented or started until June 30 of next year?

Mr. ALLEN. July 1, yes.

Mr. STENNIS. July 1 of next year?

Mr. ALLEN. That is accomplished. The committee amendment provides that funds under the bill cannot be used to affect the consolidation. The amendment says that no funds can be used prior to July 1 of next year. So it would be a period of approximately 1 year before the consolidation could be started on its implementation.

Mr. STENNIS. The point I explain as I read it is the amendment that the committee is sponsoring here says "none of the funds appropriated" shall be used for the consolidation, and so forth. It just says "none shall be used," period.

Mr. ALLEN. That is correct.

Mr. STENNIS. If that is correct, why go on and add an amendment to that and say until after July 1? What does that mean if it does not mean an attempt to authorize a change at that time? I cannot understand the English language.

Mr. ALLEN. It would authorize the start of a change, starting July 1, but under the bill the change would be effective starting October 1 of this year.

Mr. STENNIS. I respectfully submit to the Senator that if there is a real meaning to this 21 to 75 vote, the conclusion here is that it just shall not spend any money on making this change, period.

Mr. ALLEN. That is the reason for the amendment, I state to the Senator.

Mr. STENNIS. Yes; but the meaning is already clear and certainly if the Senator wants it authorized for the beginning year of July 1, 1978, there will be plenty of time to get that done later.

Mr. ALLEN. That is what the amendment does. Senators can act accordingly. I was not trying to argue with the distinguished Senator from Mississippi, I say.

Mr. STENNIS. I understand.

Mr. ALLEN. I am going to yield back the remainder of my time.

Mr. STENNIS. Does any Senator want any time yielded?

Mr. President, I do not want to use any time but just to restate what I have said by way of a question. To just be sure that we get this clear now on page 62 there appears proposed section 857 and, we just voted on the matter by way of a motion to table the amendment, which provides:

SEC. 857. None of the funds appropriated in this Act may be used for the consolidation or realignment of advanced undergraduate pilot training squadrons of the Navy as currently proposed by the Department of Defense.

And the vote that goes with it. Why say more?

Mr. STONE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. STONE. Would Senators who voted "no" on the motion to table then also wish to vote "no" to this amendment?

Mr. STENNIS. Yes, I should think so. I do not speak for them but that is my point.

Mr. President, I do not want to try to cut anyone off from debate. If there is anyone else who wishes to speak, of course, I want to make this motion, but frankly, I think the time has about run out on us. It is clearly understood what this vote would be; therefore, I shall move to table—well, I yield back the time. Did the Senator from Alabama yield back his time?

Mr. ALLEN. Yes.

I call for the yeas and nays.

Mr. STENNIS. All right.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

Mr. ALLEN. Does the Senator withdraw the motion to table?

Mr. STENNIS. Yes, I withdraw that motion. I did not actually make it.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. A parliamentary inquiry over here.

The PRESIDING OFFICER. All right.

Mr. GOLDWATER. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays were ordered.

Mr. GOLDWATER. I would hope as one who has fought for this consolidation almost every year that I have been here and having been——

Mr. CHILES. Mr. President, is this a parliamentary inquiry?

The PRESIDING OFFICER. Yes.

Mr. CHILES. All time has been yielded back.

Mr. GOLDWATER. I am trying to help the Senator. If he does not want help, fine.

Go ahead and vote.

The PRESIDING OFFICER. Is there objection to withdrawing the motion to table.

Without objection, the motion to table is withdrawn.

Mr. STENNIS. I did not make a motion to table.

The PRESIDING OFFICER. The yeas and nays are requested.

Is there a sufficient second?

Mr. STENNIS. Mr. President, just a parliamentary situation. I made no motion to table. I said let me explain such a motion but I decided not to make it.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. GOLDWATER. Regular order, Mr. President.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senate will be in order. Senators will please clear the aisles. Senators will please be seated.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. MCCLELLAN) and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. WALLOP) is necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS), is absent on official business.

I further announce that, if present and voting, the Senator from Wyoming (Mr. WALLOP) would vote "nay."

The result was announced—yeas 23, nays 73, as follows:

[Rollcall Vote No. 305 Leg.]

YEAS—23

Abourezk	Goldwater	Proxmire
Allen	Kennedy	Sarbanes
Bayh	Leahy	Schweiker
Bellmon	McGovern	Sparkman
Burdick	McIntyre	Stevenson
Chafee	Metcalf	Weicker
Clark	Nelson	Zorinsky
Culver	Percy	

NAYS—73

Anderson	Case	Eastland
Baker	Chiles	Ford
Bartlett	Church	Garn
Bentsen	Cranston	Glenn
Biden	Curtis	Gravel
Brooke	Danforth	Griffin
Bumpers	DeConcini	Hansen
Byrd, Harry F., Jr.	Dole	Hart
	Domenici	Haskell
Byrd, Robert C.	Durkin	Hatch
Cannon	Eagleton	Hatfield
Hathaway	Magnuson	Roth
Hayakawa	Matsunaga	Sasser
Heinz	McClure	Schmitt
Helms	Melcher	Scott
Hollings	Metzenbaum	Stafford
Huddleston	Morgan	Stennis
Humphrey	Muskie	Stevens
Inouye	Nunn	Stone
Jackson	Packwood	Talmadge
Javits	Pearson	Thurmond
Johnston	Pell	Tower
Laxalt	Randolph	Williams
Long	Ribicoff	Young
Lugar	Riegle	

NOT VOTING—4

Mathias	Moynihan	Wallop
McClellan		

So Mr. ALLEN's amendment was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STONE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I ask unanimous consent that Win Wheeler may have the privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. This is a committee amendment, and I now move that the Senate proceed to adopt the committee amendment.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment.

The committee amendment—UP amendment No. 682—was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the committee amendment was agreed to.

Mr. STONE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, inquiries have come in—and I do see the Senator from Oklahoma, whom I am not trying to cut off—on the list of people who had amendments and which we discussed this morning. Senator HATHAWAY has an amendment.

FOURTH REMAINING COMMITTEE AMENDMENT

The PRESIDING OFFICER. The question now recurs on the committee amendment on page 28, lines 9 and 10, as amended.

Mr. STENNIS. May we identify that amendment by a further title, Mr. President?

The PRESIDING OFFICER. It is on page 28, lines 9 and 10.

Mr. STENNIS. Mr. President, if I may say, that is merely a matter of a change in the figure in the total line of $3,294,000,000.

The PRESIDING OFFICER. The Chair will state that the amendment was amended but not agreed to. It must be agreed to in order to be disposed of be-

fore any other amendment may be considered.

Mr. STENNIS. I am sorry, I did not understand the Chair.

The PRESIDING OFFICER. If the Chair will be permitted to put the question, we may proceed expeditiously. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma is recognized.

AMENDMENT NO. 522

Mr. BELLMON. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

Under the previous order, the Senator from Oklahoma will be recognized for 30 minutes and the opponents will be recognized for 30 minutes.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes a printed amendment No. 522.

On page 28, line 25, and continuing to page 29, line 1, strike "$3,953,918,000" and insert in lieu thereof "$3,511,418,000".

Mr. STENNIS. Will the Senator yield?

Mr. BELLMON. I yield.

Mr. STENNIS. If I may continue for about a half minute, Mr. President, there are some other amendments that I judge will not take a great deal of time. There is a point of order here. I am not contesting the Senator's right to the floor. He has the floor. But I did not make an agreement for him to have the floor over others who have been waiting. That is all I have to say. I thank the Senator.

Mr. BELLMON. Mr. President, I will be very brief. I have no intention of taking anything like 30 minutes.

The PRESIDING OFFICER. The Senator is recognized for 30 minutes.

Mr. BELLMON. I have no intention of taking 30 minutes. I believe I can say what I have to say in 3 minutes.

Mr. President, what this amendment does, very briefly, is to strike the $442 million in this bill for continued research and development on the B–1 bomber. As Members know, yesterday the Senate voted 59 to 36 to remove these funds from this bill which would have been used to procure the B–1. The President has already decided that he does not want to purchase this aircraft. I am at a loss to understand why we propose to spend roughly a half billion dollars to perform research and development on an aircraft we have already junked. To me, it is most extraordinary. It is almost like the Ford Motor Co. spending millions of dollars to do research and development on the Edsel after they decided not to build that automobile.

I went so far as to ask the Air Force for their reasons for wanting this money. I am not sure they do want it, but at any rate, they have given me a list of reasons for going ahead with the R. & D. on the B–1. I would like to take a moment to read these for the information of the Senate. To me they are the most unpersuasive arguments for spending a half billion dollars I have ever heard:

B–1 development program has been highly successful to date. President and Secretary of Defense have determined that cruise missiles are preferable alternative to the B–1.

If that is the case, why go ahead with the R. & D. on the B–1?

President has cancelled the B–1 production and plans for deployment.

Cruise missile development for use with the B–52 force has been accelerated.

President has recommended that further B–1 development and testing should continue in the event cruise missile alternatives should run into technical difficulty.

Further R&D and continued testing on the B–1 will provide:

More definitive answers to future bomber effectiveness and operations;

The needed aerodynamics, electronic countermeasures techniques, and technical base as a hedge for future aircraft applications;

Additional opportunity to capitalize on expenditures to date improving emerging systems and developing new systems and techniques.

Lack of a definitive SALT agreement.

Relations with the Soviets and the world situation could deteriorate in the absence of future agreements.

Fall back positions where technology is not fully proven are not unique and may be required.

Our strategic concept for the future includes manned aircraft and continued B–1 R&D will provide our nation with an effective and flexible option.

Would avoid the necessity to start completely anew by maintaining a skilled technical team and data base.

Definitive Air Force plans for future B–1 R&D are currently being formalized and will appropriately be subject to review by the upcoming hearings.

Mr. President, this list of reasons simply does not make sense and is no justification for our spending roughly a half billion dollars on more research and development for aircraft that we are simply not going to build. There seems to be some feeling that if we go on with R. & D. and if conditions with the Soviets worsen, somehow, we can open a spigot and suddenly, we will have a fleet of B–1 aircraft ready to put into service. The fact is, and I think every Member knows it, that once we stop the production of the B–1, as we have now done, it will take years to gear up and build a fleet of these aircraft. If we are going to have the B–1's, we have to go into production now. Spending this money for R. & D. absolutely makes no sense.

Mr. President, the effect of this amendment is to stop the R. & D. on the B–1 aircraft, just as we have stopped the production of this bomber. I urge approval of the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I shall be quite brief. In the budget this year, along with the major request for the B–1, there was a request in round numbers for $440 million that was classified and carried on the books, in the bookkeeping, as research and development. That came to our committee in the general overall authorization bill. On the Armed Services Committee, we have a Research and Development Subcommittee that is headed by the Senator from New Hampshire. He and his coworkers do a marvelous job, in quality and quantity.

I just say this about it: It is not at all unusual for an expensive plane, a bomber and so forth, to be carried on a program of what is called, on the record, research and development for some years. The early part of any missile that might be added, like the SRAM, would originate in R. & D. So it is not extraordinary for these sums to be here.

I yield now to the Senator from New Hampshire, who is versed in this subject and knows what the amount is for. I yield him 10 or 15 minutes.

Mr. McINTYRE. So much time as I may need. I do not believe it will be 15 minutes.

I am happy, Mr. President, to join with the chairman of the Armed Services Committee and the floor leader on the appropriations bill to remind my colleagues, as Senator GOLDWATER has referred to it a number of times, that there is no presto change-o and we now have cruise missiles that will be everything we want them to do. Cruise missiles are very much in the research and development stage.

Somehow, I think that there is a feeling that the B–1 is now gone and the cruise missile has taken over. Far from it. The idea of a manned bomber still persists. The B–52 will be put into some sort of rephasing, reconditioning, to handle the new cruise missiles as they are developed.

In the meantime, the B–1, with a tremendous amount of money already spent on it, probably the finest aircraft of its type ever built, costly beyond belief, almost—I remember, my friends in the Senate, when we first encountered this aircraft in R. & D., it was labeled as a $26 million aircraft. Nevertheless, there is a great deal to be learned, there is a great deal still to be done with the B–1 before it is completely phased out.

In the technical field, the fourth aircraft is designed and ready for testing very shortly in the very important field of electronic countermeasures. It will be tested, I believe, severely as to its ability to operate and to fit in the ECM or the electronic warfare of the future. It would be a shame to turn that testing program off.

There is, to be sure, some $440-odd million in the R. & D. I am sure that the D.D.R. & E., the Research and Development Office in the Pentagon, in Defense, will probably be altering some of their plans that they originally had for testing. There may be some reassignment of funds.

I notice here in this statement that it says that the $442 million will partially fund completion of the R. & D. aircraft at a total of $137.7 million; further development of the engine at $52.4 million; procurement of avionics at $44.3 million; and testing and management of the program at some $281 million.

There is going to be some modification, I am sure. Without a shadow of a doubt, all of that money that is being appropriated in this bill for the research and development will be well used for the benefit and for the knowledge of manned aircraft of the future.

I think, too, we ought to point out to our good friend from Oklahoma that the President's decision recommended not only that the B–1 be closed down, but it also recommended a continuation of the R. & D. program. The R. & D. program was to be carried on for two reasons: First, because, as I mentioned—I could go into great detail. I could give you more acronyms in 5 minutes than you ever heard. But also, as a hedge for possibilities that might occur in the SALT talks. There is a possibility, as we look forward over a 10- or 12-month span—I think that is about all that we are looking forward to here—that the B–1 will be kept alive before we get into the tremendous expenses, I might say to the Senator from Oklahoma, of settlements. The settlements we shall have to make with the various manufacturers and subcontractors have not even been entered into yet.

There is a need here to hedge on the national security plane for the SALT talks. It is also very necessary not to be carried away with the idea of all of the ALCM's and the SLCM's and the GLCM's—these are the various acronyms that we have for our various cruise missiles, including, of course, the one you have all seen bursting out of the water, the Tomahawk. There are plans now to change the Tomahawk and put it aboard the B–52.

There is a move afoot to shorten the range of the ALCM–A and go with the ALCM–B, with 1,700 nautical-miles, or 1,680.

But I say to my good friend from Oklahoma that the cruise missile is not in the armament force today. The cruise missile is 4, 5, or 6 years down the road, with problems that it may confront that we do not know.

Does the Senator from Oklahoma know what an unk-unk is? I bet he does not.

Mr. BELLMON. Will the Senator yield?

Mr. McINTYRE. Does he know what an unk-unk is?

Mr. BELLMON. Does the Senator know I am talking about R. & D. on the B–1, not the cruise missile? This amendment does not talk about the cruise missile. Why talk about an airplane that is in the scrap pile? Why do we go on researching and developing this aircraft?

I am not talking about R. & D. on the cruise missile. I am talking about research and development funds for an aircraft that is as dead as a dodo bird.

Mr. McINTYRE. I would not say to my good friend from Oklahoma that research and development is dead for manned aircraft. Far from it.

An unk-unk, just so we all know, is an unknown-unknown. Sometimes, that is what happens with the best of the cruise missiles: an unknown-unknown that you never expect; they find that they cannot take the TERCOM guidance, cannot give us the accuracy.

In answer to the Senator's question, no, not everything is being laid in the lap of the cruise missile. The manned bomber is still around and the manned bomber needs improvement. The stuff that we are learning in the R. & D. for the B–1 could well be applied to the new B–52 or whatever we are going to call it.

Incidentally, this Senator may—I certainly hope next year—bring the Pentagon in and ask them to consider a stretched version of the FB–111. Because, as the good Senator from Arizona knows and I know, this is the only aircraft we have that can penetrate supersonically at 200 feet.

So there are many, many reasons, I say to the Members of the Senate, why the research and development program should be brought to an orderly close, but it should be done with every attempt to gain all the knowledge we need and with the time utilized for a possibility of a hedge or a change of options that might occur to the President.

Mr. BELLMON. Mr. President, I yield myself an additional 3 minutes.

Let me ask the Senator from New Hampshire: This $440 million is for use in fiscal year 1978. How much longer is this kind of research and development going to continue? We decided not to build a B–1 bomber. The Senator from New Hampshire wants to spend a half billion dollars researching and developing this equipment. Are we in another 10-year R. & D. program on manned aircraft? What is the planning?

Mr. McINTYRE. That is a good question. I certainly would not want to say we are all done with manned aircraft because President Carter, or somebody, said the B–1 could not be built.

That is a good controversial question, whether that B–1 should be built.

I do not know why we should drop everything, throw hammer and pliers down, and not think about any more manned aircraft.

Mr. BELLMON. Is that not the effect of the President's decision and the Senate vote to stop construction of the B–1?

Mr. McINTYRE. Yes, stop the B–1, and other programs have been stopped, but not the idea of a manned bomber or a manned aircraft.

Mr. BELLMON. I am at a loss to know what manned aircraft the committee has in mind.

Mr. McINTYRE. Well, not every one is a B–1.

Mr. BELLMON. What aircraft is the committee considering building if the B–1 is not going to be procured?

Mr. McINTYRE. I cannot look deep into the hearts and brains of the Pentagon and tell the Senator that.

I know I am thinking about the FB–111.

Mr. BELLMON. The fact is that there is no aircraft on the horizon if we are not building the B–1.

Mr. McINTYRE. There is a possibility of a stretch version of the FB–111. This is presently in our SAC force.

It has the weaknesses of having very short legs. But it is still a very fine aircraft.

I believe I am correct when I say that the technical skill that built the FB–111 is a precursor of the B–1, and more that was in that first one is in the B–1.

If I do not make myself clear, I never will.

Mr. BELLMON. The Senator has not made it clear to me why we need spend $422 billion doing R. & D. on an aircraft we decided not to procure.

Mr. GARN. Will the Senator yield?

Mr. BELLMON. First, I yield to the Senator from North Dakota.

Mr. YOUNG. When the plan for the B–1 was continuing for the production of five additional planes, the figure for R. & D. was $442.5 million.

Now that the production of the plane has been terminated, the Senator from Oklahoma makes a good point. I would not think they need all that money. Maybe the Senator from Oklahoma would consider a cut $100 million. The Air Force could certainly get along with $100 million less since the plane has been terminated, rather than go ahead full speed.

I would think we could take a reduction of at least $100 million.

Mr. BELLMON. I yield to the Senator from Utah.

Mr. GARN. I am not sure I can answer the question, but as one who feels the President made a tragic error concerning production of the B–1, I think even keeping the door open a very slim amount and continue R. & D. and testing is vital in the eventuality that there are changes, SALT or whatever.

I think the President made his decision prematurely. There are possibilities of changes in the Russian attitude.

No matter how slim, as one who felt we should have built it, I think the President was violating the law with regard to the 1977 budget.

I think the Senate should be aware of that, that he has stopped production on Minuteman III. But the law that was designed to get Richard Nixon also applies to President Carter.

I suggest it is about time he sent up a rescission order. He does not have authority to just stop without the consent on the 1977—I am not talking about 1978.

I am using this to make a point, that I suggest the President send up a rescis-

sion order on both Minuteman III and the B–1 because we can build five, six, and seven, have three more aircraft for further testing, for about what the closedown costs.

We can build the extra 50 Minuteman III's for less cost than the 10 he is going to build.

So the President is violating the law.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. BELLMON. Three additional minutes.

I agree with the Senator from Utah. We should not have stopped building it. But since the decision has been made, the point of this amendment is not to waste R. & D. funds on an aircraft the President and Senate agreed we will not procure.

Mr. GARN. Let me make another comment which the Senator from New Hampshire was making, that on R. & D., we learned a lot from the B–70. The B–70 was junked, but we certainly learned a lot about the technology.

So I do not think we can assume this R. & D. will be wasted if it is never built.

Mr. BELLMON. The language of the section reads:

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law.

My amendment would still allow $3,511 million for that purpose. So we are not stopping all R. & D., just on the B–1. That is what the $440 million this budget is intended to accomplish.

There is still $3.5 billion left here for the purposes I have just enumerated.

So this does not stop all R. & D. on manned aircraft.

Mr. President, I reserve the remainder of my time.

Mr. GLENN. Will the Senator yield me a couple of minutes?

Mr. STENNIS. Yes, I yield the Senator 4 minutes.

Mr. GLENN. I thank the Senator from Mississippi.

I would like to comment on this.

I think the main reason I worked for continuing this research is that we are not that locked in yet, on certainty, that the cruise missile is here now, is ready, and we can forget everything else.

I look at this funding as an insurance policy, No. 1. That is first and foremost.

Second, we have a tremendous amount of data still to be obtained with the B–1. If our progress in the past is any indicator of how things will be found, we have used research in the past even on planes that were not being built that has benefited us.

I think when we have a brand new wing form, a new aerodynamic shape, it certainly is in our best interest to get all this information back into our data base that we can possibly get.

I say to the Senator from Oklahoma, when we do this, it may have tremendous benefits quite apart from the B–1.

I am not trying to further the B–1 program even though I favored it mainly for its conventional warfare role, not its triad role the Pentagon tried to sell it on.

The base I am looking for may even have application over into the cruise missile area. We may learn aerodynamic things from this shape of the B–1 that will benefit us in smaller airplanes, fighter airplanes, cruise missiles.

In fact, some experimenting with cruise missiles can best be done off a B–1, if we talk about supersonic launchers, as the Senator from New Hampshire mentioned was made possible a while ago if we go to an FB–111.

So there are all kinds of data to be obtained out of that airplane. We would be pennywise and pound foolish if we took everything at this point and said that we will not reap the benefit of all this potential knowledge we are getting.

It is this query into the unknown that set our country apart from most other nations. This is an opportunity to expand our information and our beliefs that may be able to be applied to cruise missiles, other missiles, aircraft, as well as supersonic aircraft, doing research on preventing sonic booms from reaching the ground, to move into an SST area.

All sorts of things could be gotten out of this to make it well worth this expenditure of funds.

I thank the Senator from Mississippi.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. I yield an additional 3 minutes.

I ask this of the Senator from Mississippi: This figure of $3.9 billion that is in the bill anticipated the construction and purchase of five new aircraft. That is money that was to be used in R. & D. in connection with the operation of those planes. It seems to me that, at the minimum, we could take out some of the money. Perhaps it is going too far to suggest striking all the R. & D. on the B–1, but I do not understand why, if we are not going to purchase the planes, we need the same number of dollars to go on with the R. & D. that was anticipated when we were planning on procurement.

Mr. STENNIS. Mr. President, the Senator makes a legitimate inquiry, and he is wise to say that he does not even advocate throwing it all out.

Here is the best itemization that I have available. The first item is this B–1, the completion of it, and there is bound to be more related material. They have $137 million for that, and that is the fourth aircraft. We have three completed, as the Senator will recall, and this was in the process. They will finish it and take care of the related matters.

The next thing we have is the further development of the engines. In other words, this process of development, as the Senator understands, is not just pure research. That is the working part of it that has already been made.

The procurement of avionics in that field, $44 million. Testing and management of the program, $208 million.

Covering the whole thing, it may be that later some of this money—I would not know how much—might become available for other purposes; and that is where we sometimes have a transfer or a reprograming, and so forth.

The explanation made here by the Senator from New Hampshire and the Senator from Utah is the best explanation I know of.

As one who was for it and wants to see it come back, I would not want to surrender this part of the B–1 program, if the facts change somewhat or opinions change I do not want to lose any time that goes with it. If we take this money out—even any part of it—without a microscopic examination of how much can be spared, I think we would make a great mistake.

Mr. BELLMON. Will there be an examination of these funds?

Mr. STENNIS. Yes. I am sure there will be. I can think of one offhand. Senator McINTYRE and his subcommittee will go into this matter. That is more or less a continuing thing.

Mr. BELLMON. The figures the Senator has read total approximately $400 million—$137 million for the fourth plane, $44 million for avionics, and $208 million for testing. That leaves $100 million unaccounted for.

Mr. STENNIS. I said that $52.4 million is another item in those figures. That is all I have in my hand.

The staff members work on this the year around, and they work with what I call the bookkeepers from the Department of Defense. The Appropriations Committees of the House and the Senate check out these matters. There is a surveillance to it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BELLMON. I yield.

Mr. YOUNG. I wonder if the Senator from Oklahoma would accept an amendment to cut the figure by $100 million.

All he would have to do is change the last figure on line 3 to $3,853,918,000.

When we go to conference, and since the House has a higher figure, we can consider both amounts, we can accept the House figure and leave all the money in there or take the lower figure. Since they are not going ahead with five production planes, the Senator from Oklahoma makes a good point. Some saving can be made. We will have a week or two before the conference, and if they can prove they need all the money, we can put it back in.

Mr. BELLMON. Mr. President, I will take a part of the suggestion of the Senator from North Dakota and change the amendment to read "$3,753,418,000."

I ask for the yeas and nays on the amendment.

Mr. STENNIS. Mr. President, will the Senator yield on that? Can he identify that?

Mr. BELLMON. That is a reduction of $200 million.

Mr. STENNIS. So the Senator proposes to reduce his amount by $200 million.

Mr. BELLMON. I propose a cut of $200 million.

Mr. STENNIS. The Senator asked for the yeas and nays.

The PRESIDING OFFICER. Is there objection to the amendment being so modified? The Chair hears none, and the amendment is so modified.

Mr. BELLMON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, the Senator from Nevada is a member of our committee, a very valuable one. He is versed in these matters. I yield him 5 minutes.

Mr. CANNON. I thank the chairman for yielding.

Mr. President, the purpose of the continuation of the B–1 R. & D., as has been stated, was a hedge against the cruise missile technical problems. I am sure Senators have read in the press that, supposedly, the cruise missile had been fired six times and three had been failures. I am sure the technical problems can be overcome. The President's desire to go ahead here was simply as a hedge against the technical problems and as an option in the SALT-related matters, which I think is extremely important.

With respect to the money figures, there is $442.5 million in fiscal year 1975 for the B–1 program. That is in the R. & D. As has been explained, $137.7 million would be taken to complete the fourth aircraft, and it would be cheaper to complete it than to terminate it at this time. In addition, it would give us another test bed for this research.

The Senator has said that we are not going ahead with production, so why have any further research and development? Senators may recall the B–70 program some years ago. The determination was made long before the termination of the research and development program that the B–70 would not be put into production, but it turned out to be a very important test bed, and much was learned from that in the research program over a number of years, before the B–70 was finally stood down. That technology has been put into effect in connection with the B–1 program and with other programs of our aircraft development.

In addition to the $137.7 million for the completion of the fourth B–1, the engine of this aircraft is going to require more research and development funds, and that is $52.4 million. For procurement of the avionics, there is $44.3 million, and then the testing and management of the program, $208.1 million.

With the completion of the fourth B–1, we will have four of the aircraft to run out through this test and development and research program, to learn the things we should learn, now that we have the fourth aircraft, or 3½.

We certainly do not want to just say we are going to junk them, that we will stand them down, that we will put them out in the bone yard. We can learn much in the next few years from the use of these four aircraft, through the research and development program. That $208 million is important toward testing of the cruise, running the test missions, and learning all the things we should learn.

As has been pointed out by Senator GLENN and other Senators, we can learn a lot from this program that can be used in other applications, and it may very well be useful in the cruise missile program itself.

I thank the Senator for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The time of the Senator from Mississippi, is it yielded back?

Mr. STENNIS. Mr. President, I am not going to take over a minute. I do know, as a fact, Mr. President, that those who have worked on the B–1 in opposition to it over the years do not want this research and development now stricken out. I know I can refer, I think, to the Senator from Iowa who worked hard and offered an amendment here 2 years ago and in debate yesterday or the day before he said he did not oppose the R. & D. I am just illustrating that.

I would not attempt to say that all of it is going to be used, all of it is going to be needed, but I think it would really be a mistake, and a serious one, to go to taking it out, just a figure we would take out of the air.

As far as it would go with the Senator, we could say we will review this matter further, and if it turns out this matter can be a saving, we will take the appropriate action.

Mr. YOUNG. Mr. President, I wonder if the Senator would consider a reduction of $100 million, and we could put it back if we found it absolutely necessary?

Mr. STENNIS. I would not object to it if I just felt a little more certain of where the line is there, Senator. I do not have a firm idea at all.

Mr. BELLMON. Mr. President, if the Senator will yield to me for a moment, this matter will be in conference if we cut the $200 million out of the amount, and it could be adjusted after conference with the House. If we do not make any adjustment it will go right on through, and we will have no chance to examine it. It seems a good device to change the figures so at least there will be a discussion with it when the conference with the House is held.

Mr. STENNIS. I appreciate the sentiments of the Senator from Oklahoma. He is always thoughtful. But we would just be taking more of a chance than we should take under the facts as we know them now. We certainly will give a surveillance on this matter, and I just have to stand on the figure.

I thank the Senator. If he wants to yield back his time——

The PRESIDING OFFICER. Does the Senator from Mississippi yield back the remainder of his time?

Mr. STENNIS. Yes.

The PRESIDING OFFICER. The Senator from Oklahoma yielded back his time.

Mr. BELLMON. Mr. President, I would like to use the remainder of my time for just a moment here, another 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BELLMON. Mr. President, let me point out to the Senate now what has been done. The amendment which would have originally stricken all of the R. & D. funds for the B–1 has been modified so it leaves in half that amount, roughly.

We have taken out $200 million so that roughly $250 million would remain. The original amount was put in the bill contemplating the procurement of five additional aircraft. It seems to me the $250 million we have left in the budget is more than adequate.

I would also like to point out this matter will be in conference with the House and if, in the meantime, it is shown that all the funds are needed then clearly the figure could be adjusted upward during the conference.

So, Mr. President, I yield back the remainder of my time.

Mr. STENNIS. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. MCCLELLAN) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 27, nays 71, as follows:

[Rollcall Vote No. 306 Leg.]

YEAS—27

Abourezk	Danforth	Muskie
Bayh	Hart	Nelson
Bellmon	Haskell	Packwood
Biden	Hatfield	Pell
Brooke	Javits	Percy
Bumpers	Kennedy	Proxmire
Case	Leahy	Roth
Chafee	McGovern	Stevens
Church	Moynihan	Young

NAYS—71

Allen	Durkin	Inouye
Anderson	Eagleton	Jackson
Baker	Eastland	Johnston
Bartlett	Ford	Laxalt
Bentsen	Garn	Long
Burdick	Glenn	Lugar
Byrd, Harry F., Jr.	Goldwater	Magnuson
	Gravel	Matsunaga
Byrd, Robert C.	Griffin	McClure
Cannon	Hansen	McIntyre
Chiles	Hatch	Melcher
Clark	Hathaway	Metcalf
Cranston	Hayakawa	Metzenbaum
Culver	Heinz	Morgan
Curtis	Helms	Nunn
DeConcini	Hollings	Pearson
Dole	Huddleston	Randolph
Domenici	Humphrey	Ribicoff

Riegle	Sparkman	Thurmond
Sarbanes	Stafford	Tower
Sasser	Stennis	Wallop
Schmitt	Stevenson	Weicker
Schweiker	Stone	Williams
Scott	Talmadge	Zorinsky

NOT VOTING—2

Mathias McClellan

So Mr. BELLMON's amendment was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. STENNIS. Mr. President, I yield to the Senator from Colorado for a unanimous-consent request.

Mr. HART. Mr. President, I ask unanimous consent that William Lind of my staff have the privilege of the floor during the deliberations and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, if I have just 1 minute, for the information of the Senate we have several so-called small amendments here. The Senator from Oklahoma (Mr. BARTLETT) has an amendment.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. The Senator from Oklahoma, as I say, has an amendment. I do not know whether you have a list down there or not, that the leaders have prepared, but I am sure that this amendment is one we can readily dispose of on a voice vote.

The PRESIDING OFFICER. The Senator from Oklahoma.

UP AMENDMENT NO. 685

Mr. BARTLETT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT), for himself and Mr. Bellmon, proposes an unprinted amendment No. 685:

On page 64, after line 8, insert the following:

SEC. 861. None of the funds appropriated in this Act may be used for increasing the unit equipment (u.e.) of individual Air National Guard squadrons assigned the A–7 aircraft.

Mr. STENNIS. Mr. President, this is a small amount of money, but it is an important matter. I hope we can have quiet.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Oklahoma has 15 minutes, and the Senator from Mississippi has 15 minutes.

Mr. BARTLETT. Mr. President, the Air National Guard has had for some time a program of replacing the old, obsolete F–100 planes. This program has been proceeding ahead with the transfer of A–7's from the Air Force to the Air National Guard, and it has been proceeding very well.

However, there was action taken in the House Appropriations Committee that would alter and change this method and this approach and program of assigning A–7 aircraft to squadrons. All this amendment says is that none of the funds appropriated in this act may be used for increasing the unit equipment of individual Air National Guard squadrons assigned the A–7 aircraft.

Mr. President, my amendment would restrict the use of appropriated funds to increase the number of A–7 aircraft assigned to Air National Guard units. This amendment relates to $5 million that was not requested by the administration and which contains strings opposed by the Air Force and the Air National Guard. If used as the House report suggests, this $5 million which was added in the House would delay modernization of Air National Guard tactical fighter squadrons, would spread thin money available for the operation of the Air Guard squadrons, and could require additional expenditures in the next three fiscal years of over $24 million just based on this 1 year's action alone. Let me explain.

In considering the Defense appropriations bill, H.R. 7933, the House Appropriations Committee added $5 million to the operation and maintenance appropriations for the Air National Guard in order to take 36 A–7D fighter-bombers which are scheduled to be transferred from the Active Air Force to the Air National Guard and give these A–7D aircraft to Air Guard Squadrons which already have A–7's. The House proposal would divide 36 A–7D aircraft among six existing Air Guard A–7D squadrons in order to raise their authorized strength to 24 aircraft instead of the present 18 aircraft each. These units getting additional A–7D fighters could then train more pilots and increase the number of support personnel on their rolls. At the same time, the two squadrons which would have been modernized with the 36 A–7D fighters will be forced to retain the 48 obsolete F–100 fighters which the administration, the Air Force, and the Air Guard had hoped to replace. The Senate Appropriations Committee accepted this proposal without comment in their report. Because of the serious consequences of this House initiated action, I ask that the managers of this bill, Senator STENNIS and Senator YOUNG accept my amendment and take it to conference.

Mr. President, I understand this amendment is acceptable to the chairman.

Mr. STENNIS. Yes. Mr. President, I yield first to the Senator from North Dakota. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. YOUNG. Mr. President, this amendment does not require additional money, but it would distribute the planes among the Air National Guard squadrons in a manner more in line with their requests and needs.

The Air Force and Air National Guard plans to transfer 54 A–7's from the Active Air Force to the Air National Guard. The 54 A–7's would be assigned to two Air Guard Squadrons—18 A–7's to each squadron, and the remaining 18 A–7's would be assigned to Air National Guard Training. This plan would increase the A–7 squadrons in the Guard from 9 to 11 plus aircraft for training.

The House Appropriations Committee proposes to assign 6 aircraft to 8 Guard Squadrons that are presently assigned 18 A–7 aircraft. This will hold the Guard to 9 A–7 squadrons and require 24 aircraft squadrons in the future.

Mr. STENNIS. Mr. President, I have conferred with the other members of the committee on this proposal. It does not involve any new money. It does not add any planes, or anything like that. It has to do with how certain planes are used. It would modify provisions in the House bill on the subject.

We need this one, I think, and I thank the Senator from Oklahoma for bringing it up.

Mr. BARTLETT. I thank the Chairman. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Mississippi yield back his time?

Mr. STENNIS. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. The Chair has a listing on them. The Senator from New Hampshire is to be recognized next. Is the Senator from New Hampshire in the Chamber? If not, the Chair recognizes the Senator from Kansas (Mr. DOLE).

UP AMENDMENT NO. 686

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk for myself, Mr. DOMENICI, Mr. HELMS, Mr. DURKIN, and Mr. BARTLETT, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and others, proposes an unprinted amendment No. 686:

On page 64, between lines 8 and 9, insert a new section as follows:

SEC. 861. None of the funds appropriated by this Act may be expended by the Department of Defense for purposes of negotiating or bargaining with any individual, organization, or association with respect to terms or conditions of military service of members of the armed forces.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. On this amendment the Senator from Kansas has 30 minutes and the Senator from Mississippi has 30 minutes.

Mr. DOLE. Mr. President, I ask unanimous consent to add as cosponsors of the amendment the Senator from Alaska (Mr. STEVENS) and the Senator from Delaware (Mr. ROTH).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, very simply stated, this amendment would prohibit

any funds appropriated by this act to be used to negotiate or bargain with any individual, organization, or association with respect to the organization of unions and union activities in the military services throughout fiscal year 1978. It would, in the opinion of this Senator, provide a stopgap from potential unionization of 2 million plus members of the armed services while pending legislation on that subject is thoroughly debated. As the Senator from Kansas understands, hearings are now being held. I think the distinguished Senator from Mississippi and others are moving ahead with that legislation.

It would also reflect the overwhelming public sentiment opposing unions in the military. According to a recent Gallup Poll survey, of a representative sample, 3 persons in 4, 74 percent of those interviewed, were against the introduction of unions into military, 13 percent were in favor, and the remaining 13 percent undecided.

Above all, it would maintain the defensive strength of our country.

Mr. STENNIS. Mr. President, may we have order? I believe we can gain time by listening to the Senator.

The PRESIDING OFFICER. The Senate will be in order.

UNIONS IN THE MILITARY: A BAD CONCEPT

Mr. DOLE. Mr. President, the idea of unionizing the armed services is frightening to this Senator. It is unthinkable that any influence should be allowed to interrupt the military chain of command in an age where every policy, every strategy, every tactic is based upon instant response of the American servicemen and women.

OPPOSITION

Opposition of unions in the military has long warned that diluting the single-purpose of a national defense force would inevitably undermine the military chain of command and invite complexities involving picketing and picket lines and temptation for insubordination.

According to a recent Gallup poll survey, three persons in four, 74 percent, interviewed oppose unionization of the military. Another 13 percent say they favor the idea and 13 percent are currently undecided. Interestingly, opposition to organizing the Armed Forces is found to be nearly as great among members of labor unions as in nonunions. Even Mr. Meany, an important figure in the U.S. labor movement, has gone on record against military unions.

UNIONS IN THE MILITARY: AN EROSION OF DISCIPLINE

Discipline is the indispensable ingredient in military operations. The military is not, and cannot be a democratic organization. There is not room for negotiation or vote on whether commands are to be followed. National security requires that military organization be able to count on instant obedience to orders.

The Senator from Kansas shudders to think that union stewards and military leaders might, if this preposterous concept is allowed to materialize, haggle over the weight of the soldier's pack, how many days a sailor can be out to sea, how many pushups a marine can do, or whether a GI can wait for a dry and clear day to go on maneuvers. Mr. President, think of the opportunities a soldier would have to demand a pay raise, et cetera. Suppose enemy ships were off the U.S. coast ready to land; would that not be a good time for U.S. unionized troops to demand a pay raise?

SUPREME COURT RULING ON A SOLDIER'S CONSTITUTIONAL RIGHTS

There will be those who will challenge the prohibition against joining a union as an infringement of the constitutional rights of the individual serviceman.

It has long been recognized that military personnel enjoy the protection of constitutional rights. However, those rights in this case, as in others, must yield to the unique role of the military. The need for discipline, obedience, and unswerving loyalty is an absolute military necessity. The Supreme Court has recognized the unique role of the military with the following statement:

. . . The rights of men in the Armed Forces must perforce be conditioned to meet certain overriding demands of discipline and duty. U.S. Ex. Rel. Toth v. Quarles, 350 U.S. (1955).

Last March, the Court held that—

A military organization is not construed along democratic lines and military activities cannot be governed by democratic procedures. Military institutions are necessarily far more authoritarian; military decisions cannot be made by vote of the interested participants.

EXISTING LEGAL BARRIERS?

There are in existence numerous legal barriers to the unionization of the armed services. These laws and regulations, which are numerous and broad in scope, strongly discourage unionization but do not forbid it. Mr. President, my amendment which will bar the expenditures of any funds appropriated in this act for purposes of negotiating with unions in the military, will provide a temporary but definite and unquestionable prohibition of this activity.

PRESIDENTIAL AND CONGRESSIONAL RESPONSIBILITY

The Congress and President Carter have a duty to cancel out any prospect of military unions—a duty that overrides both political and philosophical support of the union movement in the civilian sector. Responsibility for immediate action preventing unionization in the military is on the President and the Secretary of Defense. The President has legal authority to issue an Executive order banning union membership. He should issue that order. The Secretary of Defense also has the authority to issue directives to the military banning union membership and activities.

To put the matter to rest once and for all, Congress should move quickly to pass one of several pending bills to ban military unionization. I believe my amendment is a step in the right direction in that it will provide a temporary ban of union activities in the military while unchallengeable legislation is thoroughly debated, considered, and acted upon by Congress. Such unchallengeable legislation has been introduced by the most distinguished and able Senator from South Carolina, and I commend him for his dedication and hard work on this sensitive issue.

I have discussed this amendment with the distinguished Senator from Mississippi. The last thing this Senator wants to do is in any way offend the distinguished floor leader of this bill. The Senator from Kansas offers the amendment in an effort to send a signal and, in effect, support the hearings now being conducted by the Armed Services Committee.

Mr. President, with that in mind, the Senator from Kansas reserves the remainder of his time.

Mr. DOMENICI. Will the Senator yield?

Mr. DOLE. I yield to the distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am privileged to be a cosponsor with the Senator from Kansas on this measure. I would like to say to the distinguished Senator from Mississippi that I join as cosponsor not in any way to infringe on the hearings which I know he is having in the Armed Services Committee, but, rather, to make sure that those in our country who are attempting to promote this organization of our military into unions understand that during the period of time that this bill covers, while the Senate may be debating an affirmative-type law prohibiting the conduct, for any of those who might think they could force our military into negotiating this would be a strong buttress for the military leaders to say they cannot, in this interim, use any tax dollars to negotiate or spend time on that kind of effort.

I believe that is the intention of the Senator from Kansas, to strengthen their position to make sure that not one penny of the funds herein can be used by the military in time, negotiating, going to meetings, where the subject matter is the potential unionization, in whole or in part, of any of our military troops. I thank the Senator for letting me cosponsor.

Mr. DOLE. The Senator from New Mexico is exactly right. This is to undergird and to firm up any view that someone might have who may be appearing before the hearings. It is in no way intended to be anything but supportive of those hearings.

I would like to add at this time the distinguished Senator from Maine (Mr. HATHAWAY) and the distinguished Senator from Wyoming (Mr. WALLOP) as cosponsors to the amendment. I yield 2 minutes to the distinguished Senator from New Hampshire (Mr. DURKIN).

Mr. DURKIN. I thank the Senator. After cosponsoring this measure, I realized hearings were being conducted. It was not to disrupt the hearings, but it does disturb me when I turn on the morning news on TV to see that national labor leaders are actively discussing the subject of organizing the military. It is something which causes great concern to me.

I urge my colleagues to adopt this amendment which would prohibit any funds being expended to negotiate in any way with any union organization with respect to the military. We have enough problems in the military.

I believe there is a place for unions in this country, and I support the union movement, generally.

I think it is absolutely asinine and a serious threat to military readiness to have union organizations in the military. I thank the Senator from Kansas for yielding.

Mr. STENNIS. Mr. President, I fully appreciate all the intentions of the Senator from Kansas and everyone else who has worked on this program. But with great deference, Mr. President, in the first place, this is a legislative matter, unmistakably, it is a legislative question, it is a legislative responsibility, and this is an appropriations bill which is not supposed to carry legislation.

I am not trying to make that point on the amendment of the Senator.

The very heart of the matter is that there is nothing like this going on now. The Secretary of Defense has testified that he is not carrying on, and is not going to carry on, anything with the unions, any negotiating of any kind. This amendment puts a prohibition on any funds being used to negotiate.

The Secretary of the Navy has made a very strong witness before our committee on the Thurmond bill. I introduced a bill later seeking to make it a more comprehensive bill in support—we could not tell just how some points were going to be decided—of that principle. The other Secretaries of the services have testified either in person or by representation as to what is going on now.

There is no threat or danger of any officer in office now carrying on with this money.

We have had some excellent testimony in the hearings this morning and yesterday morning. There will be more testimony Friday, if we can meet. Anyway, there will be a bill reported by our committee within a few days, and I believe it will have very broad support in the committee.

It is going to have meaning in it. It is not a punishing bill, but it has meaning. It is comprehensive. It is going to cover the problem. I am strongly for it. I do not think any kind of constitutional rights or the Bill of Rights can overcome the duty on the Congress concerning the military departments and their regulation.

There will be a bill here, Mr. President. I am not begging anyone to do anything, but I think the correct legislative thing to do is to leave it to that bill.

Number two, this, it seems to me, will just kind of smoke up the thing, though not intentionaly. It will blur the issue some and create an unknown situation.

My bill is moving along. The Senator from South Carolina has worked on it diligently and with great persistence. He has worked on it very hard and has made a real contribution. He is head man on it, not the chairman of the committee.

I am satisfied that this subject is under control and we will have a bill the Members can support. We wanted to have the right kind of a hearing.

I wish the Senator would withdraw his amendment.

Let me yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I commend the able and distinguished Senator from Kansas on taking the position he does to prohibit unionizing the military. However, I believe it would be better if we allowed this permanent bill to proceed. We are holding hearings. We have already held a good many. We held a hearing today, and we will hold another one tomorrow. The distinguished chairman of the Armed Services Committee has promised that we will get the bill out within a few days. That will be a permanent bill.

If this particular amendment is adopted, it will only apply to this year's bill. If we could not do any better, that would help, and I would certainly go all out for that. However, since we can bring this bill out and pass a permanent bill, I believe it is better to do that. I would hope in view of that the able and distinguished Senator from Kansas will see fit to withdraw his amendment.

I might also say that we have 43 cosponsors on this permanent bill. I believe the distinguished Senator from Kansas is one of those sponsors. I am heartily in accord with his thinking concerning the importance of this subject, because it is very important. We have been bringing out the threat, how the AFGE is working to organize. It is important that we act and not delay. We have been promised action by the distinguished chairman (Mr. STENNIS). In view of that, I would hope the Senator would withdraw his amendment.

Mr. STENNIS. The Senator from Rhode Island and I have discussed this. I yield 2 minutes to the Senator.

Mr. CHAFEE. I rise in support of the statement of the distinguished chairman of the Committee on Armed Services. I say that it just does not seem to me that that is an appropriate way to proceed. I think that the Senate is overreacting in this situation. There is legislation under consideration. I think that, really, what we should turn our attention to in connection with this matter is to make the All-Volunteer Force concept a great success.

I do express my admiration for the report that Senator STENNIS and Senator MCCLELLAN and that committee have produced in here with their comments on the All-Volunteer Force. I think that is what we want to turn our attention to, making service life as attractive as possible.

Therefore, I wish to join in the sentiments expressed by the distinguished senior Senator from Mississippi.

Mr. DOLE. Mr. President, first I ask unanimous consent that the distinguished Senator from Utah (Mr. GARN) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the Senator from Kansas, of course, certainly supports the distinguished chairman. We have known for many months of the interest that the distinguished Senator from South Carolina (Mr. THURMOND) has in this broad and complex problem. In fact, the Senator from Kansas was privileged to join as one of the early sponsors of the Thurmond proposal. I also have great respect for the committee process. But I hope we have demonstrated, by what I think is almost unanimous support in this body, that the Senate of the United States, as a body, would support this type of amendment.

I hope it may be helpful to the distinguished Senator from South Carolina, the distinguished chairman of the committee (Mr. STENNIS), and the distinguished Senator from Rhode Island, and others, as they proceed with the hearings.

The Senator from Kansas hopes that the committee hearings move very quickly. I shall withdraw the amendment, based on the assurances that I have received from the distinguished Senators from South Carolina and Mississippi that work on this issue will move quickly.

Before withdrawing the amendment, the Senator from Kansas will only state one more time: There has been a great deal of publicity, in the past few days, about unionization of the military. It is not something that is on the back burner. It is something being considered actively by certain unions, something that is being talked about and discussed on television, radio, and in the newspapers. It is the right time to be discussed. But I hope, based on the statements made, we can expect, before the recess or shortly after the recess, a bill to come forth from the committee. With this in mind, the Senator from Kansas withdraws the amendment. Furthermore, I would like to assure the distinguished chairman and the distinguished leader in this effort (Mr. THURMOND) that the Senator from Kansas endorses and supports their efforts wholeheartedly.

Mr. THURMOND. I congratulate the able Senator from Kansas on this action. We feel that this is the best procedure. We feel that, within a few days, we shall have a bill out of the committee.

I admit, it has been there a long time, 2 years. But at the same time, we have a commitment that it will come out soon and we hope to get action promptly. It is important that we pass this bill without delay.

Mr. STENNIS. Mr. President, may I take a half minute to thank the Senator from Kansas and others?

I repeat, Mr. President: What I wanted to get was a balanced bill that had meaning in it that could be passed with broad support. I believe we have reached that point.

Mr. DOLE. I appreciate those remarks.

The amendment was withdrawn.

AMENDMENT NO. 523

Mr. GOLDWATER. Mr. President, I call up my amendment No. 523 and ask that it be considered.

The PRESIDING OFFICER (Mr. MELCHER). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER), for himself and Mr. BENTSEN, proposes amendment No. 523.

On page 2, line 10, strike out "$8,704,357,000" and insert in lieu thereof "$8,704,733,000".

On page 8, lines 14 and 15, strike out "$2,795,436,000" and insert in lieu thereof "$2,811,586,000".

Mr. GOLDWATER. Mr. President, I shall not take more than 10 minutes on this, if that much. I just want to explain the amendment and call the attention of my chairman to what I have to say.

This amendment No. 523 sponsored by Senator BENTSEN and myself, restores $16.5 million to operate the overseas American Forces Radio and Television service and restore the Armed Forces Office of Information mini-TV program.

The recommendation of the Appropriations Committee to eliminate the American Forces Radio and Television funds could mean the end of this service to our overseas military and civilian personnel and their dependents.

This service could be terminated because the committee has directed the DOD to convert this service to a nonappropriated fund activity. The committee has directed the Department to sell commercial time on the American Forces Radio and TV network in order to fund this operation. The DOD has estimated it would take some $80 million to make this transition if it were legal to sell commercial time.

However, the DOD reports such an activity would be contrary to the laws and the agreements we have with host nations which specifically forbid the use of commercials. Our own broadcast industry, which provides programs to AFR–TV at minimum cost, also prohibits commercials based on a 1958 agreement. In addition, unions and guilds who donate their members' services also prohibit commercial use of their product. These prohibitions are also contained in other governmental agreements in order that we do not infringe on the foreign commercial radio and television station operations.

Thus, the committee recommendation to sell commercials seems impractical, since it would be in violation of existing agreements. The end result of not restoring these funds will be to end the AFR–TV service, since there is no way, other than through appropriated funds, that they can meet operating expenses.

Mr. President, the second part of the amendment restores $1.1 million for a system the services are using that is called Mini-TV. We have military personnel assigned to numerous isolated areas throughout the world where they do not have access to the services of AFR–TV. To cope with that problem, the DOD has developed Mini–TV by which, through the use of cassettes played back on video tape, they are able to provide programs to our military personnel. This avoids the expense of creating a costly transmission system if we were trying to broadcast to some of these remote areas.

Mr. President, in sum, the question of using appropriated versus nonappropriated funds for our American Forces Radio and TV network has been reviewed periodically and the determination is it can only work with appropriated funds. Simply stated, there is no way to raise the necessary amounts to operate as a nonappropriated fund activity. The selling of commercial time is in violation of existing host nation agreements and is not a practical solution.

I urge adoption of the amendment.

Mr. President, before I end, I ask unanimous consent that a message from General Ellis, CINCUSAFE, to General McBride in Washington on this subject be printed at this point in my remarks.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

MESSAGE FROM ELLIS TO MCBRIDE RE AFR–TV

Subject: Senate Appropriation Committee (SAC) recommendations/AFRT funds.

1. We have received disturbing reports the committee has deleted $15.5 million FY 78 funds for programs. Operations and maintenance of Overseas American Forces Radio and Television (AFRT) (to include Mini–TV) from the appropriations bill. We understand the committee directed that conversion of these operations to nonappropriated fund activities take place immediately, that DOD explore the feasibility of raising revenue by selling commercial advertisements, and that military personnel funds budgeted for this activity have been deleted from the bill. This command strongly objects to the Senate Appropriations Committee recommendation to place AFRTS under nonappropriated funding for the following reasons:

A. AFRT as an appropriated fund activity is absolutely essential for the effective management of our air forces in Europe. Any possibility of a loss of AFRTS as a command resource, through nonavailability of NAF monies would seriously jeopardize our ability to communicate with the men and women of USAFE. Broadcasting is the single most important mass communications medium available to this command. Therefore, any deterioration of AFRTS would reduce our ability to accomplish the mission.

B. While AFRTS provides entertainment, it more importantly serves as a command communications tool. It is vital for emergency communications to insure the safety and welfare of our people as well as the security of our nation.

C. In addition to this emergency link with Air Force people, our stations provide a means of communication on important Air Force policies, programs and procedures. Broadcast interviews with commanders, commander's hot line programs, and interviews with key staff people allow the commander to inform his people on key issues and often avoid problems that could occur. For example, in a base housing area in Germany, there were a series of alleged rapes which had the community in a near panic. The community commander used the local AFRT outlet to personally give periodic reports on the status of dependent protection and to clarify the many rumors which were being circulated throughout the community.

D. These types of communications are specifically command functions and should be available through appropriated funds. Any chance that nonappropriated funds would not provide AFRTS outlets with adequate operating funds, qualified broadcast personnel, broadcast equipment and supplies or quality programming would severely hamper the execution of command.

E. Another area of concern is the right of every American to obtain consistent and immediate broadcast of accurate and unbiased news. To the military member it is particularly important since he must discharge his responsibilities as a voter and citizen outside the boundaries of the United States. In many USAFE locations the only timely news available is through AFRTS outlets.

F. The most serious dangers of becoming a nonappropriated fund activity is the loss of outlets which are now established under USAFE management and a loss of quality AFRTS programming acquisition.

(1) It is illegal in many countries to use AFRTS for commercial purposes. For example, the chief of staff for the Portuguese Air Force in a letter dated 20 Aug. 54, authorizing the TV station at Lajes Field, Azores, states, quote: It (AFRTS station) cannot be used for commercial or propaganda purposes of any kind. Unquote. Turkish law states, quote: No fee will be charged (by AFRTS) in any way, for the transmission. Unquote. Commercials could be interpreted as revenue producing and, therefore, as charging a fee. Other countries in Europe have similar laws and rules. Should commercials be used we would undoubtedly lose our right to broadcast either temporarily or permanently in most of the countries where we now have outlets.

(2) The loss of quality news and entertainment programming is a serious concern. Most AFRT radio and television programming material is provided at a very nominal cost to AFRTS. Normal fees, as unions and guild charge, have been waived. Should AFRTS be placed under NAF and begin charging for commercials, even for local commercials, the unions and guilds would certainly begin charging for their services. The amount for these services have been estimated to be about 80 million dollars per year. Any decrease in the quality of AFRTS radio and television entertainment programming, to reduce those costs, would result in a large audience dropoff and reduce the effectiveness of AFRTS as a critical information channel with Air Force people.

Your assistance to support the present AFRTS system as an appropriated fund activity in the congressional conference committee deliberations is strongly urged.

Mr. GOLDWATER. I urge the adoption of the amendment.

Mr. BENTSEN. Mr. President, I strongly endorse the amendment of the Senator from Arizona to restore funding for the Armed Forces Radio-TV network and the Mini-TV program. My reasons are quite simple. The American Forces Radio and Television system performs an indispensible function for servicemen and their dependents. However, the committee action would silence this important link to the outside world.

Many of my colleagues have experienced the isolation and hardship of life at remote or foreign military posts. That loneliness still exists today but the Armed Forces Radio and Television system has been able to reach all portions of the globe and fulfill the need for a voice from home.

At places like the outback of Alaska and ships at sea, news, entertainment and emergency broadcasts have helped keep military morale high.

Lives have been saved and injuries avoided due to emergency broadcasts during a typhoon in Korea and a tanker fire in Germany, just to cite a few examples.

Obviously, none of these services come free. The House recognized this fact when it included over $15 million for the American Forces Radio and Television Service and Mini-TV program. However, the Appropriations Committee struck the funds, believing that "the same type of entertainment services could be provided through a nonappropriated fund activity with significant savings to the Government." I am all in favor of saving money,

but because of the peculiar circumstances of this program, we will not be able to accomplish the Appropriations Committee's hoped for saving without sacrificing the program itself.

Mr. President, as the Senator from Arizona has pointed out, agreements exist in virtually every country where U.S. bases are located preventing commercial enterprise or competition with host country broadcasting outlets. Also, the $80 million in free programing that we currently receive would be lost due to a 1958 agreement that states no commercial use of these materials will be allowed.

And even if it was allowed, I ask you, who would buy these commercials in Turkey or Taiwan? There is no Madison Avenue style market waiting for another medium to promote its products.

The committee has done a commendable job in dealing with such a complex subject as military appropriations. However, its action with regard to Armed Services Radio and TV and the Mini-TV program will not stand up to careful examination.

I need only quote a telegram from four-star Gen. Robert E. Huyser, Deputy Commander in Chief of European Command, to bring home the importance of this program and the need to restore the funding:

> We are deeply concerned that [the striking of funds] will stop all Armed Forces Radio and T.V. operations in this theater. . . . American Forces Radio and Television in this theater is vital in transmitting mission-essential information to the Forces. Armed Forces Radio and T.V. is also vital as a contingency means of communications in the event of emergencies. In peacetime, American Forces Radio and Television is a key means of keeping our people overseas in touch with American society. Finally, the fledgling mini-T.V. program is a key morale builder for the many servicemen who, due to their remote location, having nothing else.

Mr. GOLDWATER. I thank my friend from Texas.

Mr. STENNIS. Mr. President, I shall have something to say a little later. I want to yield some time to the Senator from North Dakota. I yield such time as he may use.

Mr. YOUNG. Mr. President, I think the Senators from Arizona and Texas make a good case. If the Defense Appropriations Committee were considering this today with more time on the new developments, this amendment would not have been in the bill.

So I urge that the amendment be accepted.

Mr. STENNIS. I thank the Senator.

One point that has arisen, Mr. President, I call this to the attention of the authors, the matter of having some of this in conference. It is thought that good can come from that and some adjustments can be made and some understandings had.

Let me suggest we reduce the amendment $2 million and that amount will be in conference and we will have a chance to work on it and get some better understanding.

Mr. GOLDWATER. Mr. President, I think that is a good, just, fair discussion.

I know the problems of going into conference with the House on this. I thank my leader for being willing to make it $14.6 million instead of $16.6 million.

Mr. BENTSEN. I would like the record to show I am a cosponsor on that.

Mr. STENNIS. Let us get the figures correct. Make it $13.6 million and that would give us $2 million only in conference.

The PRESIDING OFFICER. Will the Senator from Arizona send his modification to the desk?

Mr. GOLDWATER. The modification was made by my chairman.

The PRESIDING OFFICER. Does the Senator seek to have his amendment modified?

Mr. THURMOND. Will the Senator yield for just a very brief statement?

Mr. STENNIS. Just a second. There is a little confusion here about the figures. We may be together on it already.

If we could make that last figure $2,809,000,000 instead, of $2,811,000,000, that would leave $2 million only in conference and that would be our lever we would have to work on.

Mr. GOLDWATER. That is correct.

Mr. STENNIS. Is that the Senator's figure?

Mr. GOLDWATER. Yes.

The PRESIDING OFFICER. The Senator's amendment is so modified.

Mr. BENTSEN. Let me understand, that is $2,809,686,000?

Mr. STENNIS. Yes.

Mr. BENTSEN. All right.

Mr. STENNIS. That is right, $686,000.

Mr. THURMOND. Mr. President, I am strongly in favor of restoring funding for the Armed Forces Radio and Television Service.

Mr. President, I rise in support of this amendment to restore funding for the Armed Forces Radio and Television Service which provides information and entertainment to American servicemen and women stationed overseas.

This network is the prime source of military information and national and international news for military personnel and their dependents overseas. The Senate Appropriations Committee recommended that approximately $16 million be deleted from the budget and that this program be completely funded by nonappropriated funds. The services unanimously say that such a change will be the end of the Armed Forces Radio and Television Service. It seems to me that this is a small price to pay considering the importance of Armed Forces Radio and Television Service to our military and their dependents overseas.

The Senate Armed Services Committee has just recently conducted hearings on the issue of military unionization. At this hearing, testimony was received from military witnesses at all levels. Their testimony indicated that the erosion of service benefits has adverse impact on morale of the servicemen and was the main reason some of them were considering turning to unions. It seems to me that to take away the Armed Forces Radio and Television system and thereby removing the sole link that our servicemen and women overseas and their dependents have to their own country would certainly have a damaging impact on their morale.

In addition to the morale factor, I understand that the Armed Forces Radio and Television Service provides communications during periods of emergencies such as power failures, civil disturbances in foreign countries and crises caused by the weather. Therefore, I urge my colleagues here in the Senate to support this amendment and restore funding for the Armed Forces Radio and Television Service.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. I will yield back all my time.

Mr. STENNIS. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Arizona.

The amendment, as modified, was agreed to.

AMENDMENT NO. 524

Mr. GOLDWATER. Mr. President, I have another amendment which I call up.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Arizona (Mr. GOLDWATER), proposes an amendment numbered 524, as modified.

Mr. GOLDWATER. Mr. President, I have had so many modifications today, it is hard to know whether I modified it or not.

That is the amendment that has not been modified and probably will not be.

The PRESIDING OFFICER. The Chair informs the Senator from Arizona it will be necessary to have unanimous consent.

Mr. GOLDWATER. 524 was the amendment I wanted read, without modification.

The PRESIDING OFFICER. The Senator from Arizona will need unanimous consent to offer his amendment because it strikes a portion of the bill which has already been amended.

Mr. GOLDWATER. I ask unanimous consent that such be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Arizona (Mr. GOLDWATER) proposes an amendment No. 524:
>
> On page 3, line 11, strike out "$7,149,609,000" and insert in lieu thereof "$7,154,509,000".
>
> On page 7, line 17, strike out "$8,146,638,000" and insert in lieu thereof "$8,152,838,000".

Mr. GOLDWATER. Mr. President, please do not allow this to be confusing. We are talking about $11.1 million.

Mr. President, my amendment restores $11.1 million to the Air Force O. & M. account for the accelerated copilot enrichment program which was cut by the Appropriations Committee. This program is called the ACE program.

Since 1968, Air Force flying hours have been cut more than 50 percent. The many reasons for this are not germane

to the issue before us. What is a major and valid concern is that the flying hour programs of the Air Force has been pared down to the point at which only a minimum acceptable level of readiness is sustained. At this level of endeavor, the young copilots of the Strategic Air Command, who will be the B–52 and KC–135 aircraft commanders of the future, will not have the needed air experience and maturity when they are needed to assume the added responsibilities.

Look at the facts.

In 1968, a young copilot, just graduating from pilot training, sat beside a seasoned aircraft commander who was about 35 years old with 14 years of service and 3,600 hours of flying. Today, this copilot sees a younger, 31-year-old man, with about 2,400 hours. In 1983, the Air Force projects the typical aircraft commander will have only 1,700 hours. This aircraft commander, who has the heavy responsibility of other crewmen's lives and an expensive weapon system, must have the maturity, experience, and confidence to accurately respond to stress situations and provide confident leadership to the crew.

The Air Force sought alternatives. They determined that, by supplementing mission aircraft flying with flying in a less costly aircraft, where the young copilot would be making decisions for himself, in the air and on his own, the maturing process could be accelerated. The concept was tested with three Air Force commands participating and found valid.

Because of the limited resources available for program execution, the commands were examined to determine the greatest need. The Strategic Air Command was selected.

The committee report states that MAC and TAC rejected the program as not appropriate or cost effective. The missions of the three participating commands are separate and distinct; however, the test parameters were held constant to provide a common baseline. Obviously, the results varied. As an example, the mission of TAC is event intensive. Because of this, TAC pilots rapidly gain experience and maturity. The TAC portion of the test showed that the less experienced pilots benefited from their program participation; whereas, the benefits derived by the more experienced pilots were not as apparent.

On the other hand, MAC, due to air traffic congestion at the home station of the test group, sent the pilots TDY for program participation. MAC test results were dramatically affected because of this. The impact of being TDY decreased the participants accrual of mission aircraft flying time. Both MAC and TAC said in their test reports that, for the program to be effective in their particular commands, minor changes would be required in the program concept. Neither command rejected the program as stated in the committee report.

The Appropriations Committee report also states that the ACE program is particularly inappropriate for the KC–135 crews. This was based on a small increase in the average hours flown by each KC–135 aircraft—about 319 hours in 1977 to 343 in 1978. In 1973, the hours were over 500 per aircraft; and, as late as 1975, it was 420. The overall trend is down, not up. Moreover, the KC–135 copilot accrues less time per year than his B–52 counterpart. Today, the average tanker copilot flies 246 hours per year; whereas, for the average B–52 pilot, it is 264. Second, KC–135 flying is less event intensive; that is, the KC–135 copilot has less things to do in an hour than his partner in the B–52. But the main concern remains; neither copilot is getting his mettle tested sufficiently to take over as a mature, experienced aircraft commander when his turn comes.

Finally, the committee agrees that more flying time improves readiness, but questions the basis for the ACE program. It believes the Air Force to be seeking a way to use excess T–37 and T–38 resources. First, the ACE program is not the case of pilots flying more; these supplemental hours are needed for the pilots to fly enough. Second, it was the immediacy of the need that directed the use of the available T–37 and T–38 resources. The Air Force had, concurrently with the flying test, embarked on an aircraft study. The goal of this study was to establish a conceptual design for a dedicated ACE aircraft. The funds for this study were cut from the fiscal year 1977 budget.

We must support this essential, cost-effective program. The modest costs will reap large dividends in the readiness of Strategic Air Command.

Mr. President, I have been concerned for quite a few years about the number of Air Force captains and majors who are leaving the command. I have been investigating it as much as I can in my visits to various places and in my flying with the various members of the Air Force. While I have not gone far enough to make an absolute statement on this, it appears more and more to me that when a young man reaches the age to be a captain or a major and his cockpit time is so restricted that he sometimes does not get 4 hours a month, he begins to say to himself, "What is there in this for me? What does the Air Force mean? I joined it to fly."

Mr. President, I think we made a tremendous mistake in the so-called interests of cutting expenses when we cut the flying time of flying personnel. All of us who have served in the Air Force regardless of what we are, can remember the way we looked forward to almost unlimited flying, going places on weekends, going into strange fields, improving our techniques and improving our abilities. That is the whole essence of the Ace program.

What I am asking is that we restore $11.1 million for this program, which will pay off and pay off and pay off so many more times in this that it would be ridiculous to make an estimate. I want to see young captains and young majors staying in the Air Force. That goes for the Navy, the Marines, and the Army, also—not leaving the services with the idea that the grass is a little greener in the airline yard or some private flying yard.

I rest my case with my chairman.

Mr. STENNIS. Mr. President, this concerns training and training time, training pay. We have looked into this matter. I have conferred with the Senator from North Dakota. A great part of the amendment is good, and we have agreed to it. We have a situation about which there should be a better understanding.

Suppose the Senator drops a million dollars on each of these, as he did before. He has two items. We will have that in conference, and with that as a base, we can get into this matter. I understood that perhaps he would be agreeable.

Mr. GOLDWATER. As in the case of the other amendment, will the Senator offer any other figure that seems acceptable?

Mr. STENNIS. The Senator has here $7,154,000 and I was guessing to make that $153 million.

Mr. GOLDWATER. That is correct.

Mr. STENNIS. That would be $1 million.

Then, dropping down to the last line, the paper I have shows $8,152 million. The Senator might make that $151 million.

Mr. GOLDWATER. That is correct.

Mr. STENNIS. Will the Senator modify his amendment?

Mr. GOLDWATER. Mr. President, I send to the desk a modified amendment bearing those figures.

The PRESIDING OFFICER. The amendment will be so modified.

The modified amendment is as follows:

On page 3, line 11, strike out "$7,150,731,000" and insert in lieu thereof "$7,155,631,000".

On page 7, line 17, strike out "$8,186,638,000" and insert in lieu thereof "$8,192,838,000".

Mr. STENNIS. Mr. President, I am authorized by the Senator from North Dakota to say that he joins in this and supports it.

Mr. GOLDWATER. I thank the chairman and my good friend from North Dakota. I can assure them that the Strategic Air Command will be extremely grateful.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

Mr. GOLDWATER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment as modified, was agreed to.

Mr. STENNIS. Mr. President, the time is running out fast.

UP AMENDMENT NO. 687

Mr. HATHAWAY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. HATHAWAY) proposes an unprinted amendment numbered 687.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45, line 7, after "NATO" insert the following: "so long as such agreements with foreign governments comply with the requirements of section 36 of the Arms Export Control Act and, where applicable, with section 814 of the Department of Defense Appropriation Authorization Act, 1976".

Mr. HATHAWAY. Mr. President, this amendment has the effect of insuring that a provision in the bill which permits the Department of Defense to procure specialty metals from foreign sources does not in any way override or supersede provisions of existing law which require the Department of Defense to report international agreements on reciprocal weapons purchases.

On August 2, 1976, I offered this same amendment to last year's DOD appropriation measure, and the Senate approved it. At that time, I pointed out that my concern in this area was based upon the controversy surrounding the Army's decision to procure a Belgian-made machinegun instead of an American-manufactured one, made by Maremont Corp. located in Saco, Maine.

The Army's decision, made in March of 1976, was widely reported in the media to be part of a package deal allegedly entered into by the United States and Belgium in the spring of 1975, involving the latter nation's commitment to enter into a consortium of European nations to coproduce over $2 billion of the U.S.-manufactured F–16 aircraft.

As a result of these allegations, I offered amendments to procurement authorization legislation and to foreign military sales legislation, which were approved and have now become part of existing law. Those amendments required that, in the future, any quid pro quo deals be disclosed to Congress, and Congress be given an opportunity to determine whether such deals are in the national interest.

The amendment I am offering today is a necessary one to insure that the mandate of my previous amendments is met. The pending amendment will prevent the language contained in the reported version of the bill from being construed as waiving such disclosure requirements.

Mr. President, that is the gist of the amendment.

The language on page 45 of the bill which allows the purchase of specialty metals from countries other than the United States in certain circumstances. This amendment is intended to insure that the language of the bill does not undercut or supersede provisions in underlying authorization legislation which require the administration to reveal or disclose to Congress any quid pro quo arrangements entered into with foreign nations.

Mr. DURKIN. Mr. President, will the Senator yield for a question?

Mr. HATHAWAY. I am happy to yield to the Senator from New Hampshire.

Mr. DURKIN. Does this amendment have anything to do with importing chrome from Rhodesia or the Soviet Union?

Mr. HATHAWAY. No, it does not.

Mr. President, I have discussed this amendment with the distinguished chairman of the committee. I do not believe there are any problems in it.

I reserve the remainder of my time.

Mr. STENNIS. Mr. President, this amendment has been thoroughly examined by the staff, and other members of our committee have looked at it. The Senator from North Carolina has looked into it, and Senator NUNN and Senator CULVER, who work on this subject have looked at it. We can take the amendment to conference, as we did last year. I hope we can get further with it than we did before.

I thank the Senator for not suggesting that we would do anything less than our best. We will try harder.

Mr. HATHAWAY. I know the Senator will do his best. I wish him luck and hope he makes out better than he did last year.

Mr. STENNIS. Again, the Senator has been waiting here since about 12 o'clock, and I am glad he has got his time.

I yield back all of my time.

The PRESIDING OFFICER. Does the Senator from Maine yield back his time?

Mr. HATHAWAY. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

POINT OF ORDER ON COMMITTEE AMENDMENT

The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, I make a point of order that the committee amendment found in section 843(g) of this bill is general legislation and is not in order to a general appropriations bill under rule XVI. Specifically, Mr. President, I am referring to page 53, line 15, beginning with section (g) and running through the word "rendered" on page 54, line 9.

Mr. President, the proposed Appropriations Committee amendment, comprising section 843(g) of this legislation, was a last minute tag on designed, so its proponents contend, to curb abuses in the CHAMPUS program. The idea is to tie in CHAMPUS payments to the same formula as medicare, that is, a "cost-reimbursement" system. Under the present practice, the hospitals and doctors serving CHAMPUS patients charge the usual and prevailing rate in the area—in other words, the same as they charge private patients. The medicare formula arbitrarily sets bureaucrat-dictated fees, and the net result will be the lowering of fees for CHAMPUS patients.

While the purported purpose of this amendment is to put an immediate end to widespread abuses, it is interesting to note that the most optimistic estimated cost saving is only $30 million out of a $600 million program, or about 5 percent. Assuming that not all of the reductions achieved by changing formulas are abuse-curbing reductions, this amendment will achieve cost reductions resulting from alleged abuses at substantially less than 5 percent. This token amount of savings means one of two things: Either the alleged abuses do not exist, or this amendment is ineffective in dealing with them.

I have made the procedural point that this amendment is legislation on an appropriations bill—which indeed it is. But this is more than just a procedural nicety. One of the reasons we have rule XVI, prohibiting legislation on an appropriations bill, is to prevent hasty and ill-conceived action without adequate perusal by the appropriate authorization committee. It is noteworthy that there was no opportunity for hospitals to testify, or to express views on this change, because no advance knowledge of the language change was expressed in the Appropriations Committee proceedings. If there is a problem with the use or abuse of CHAMPUS benefits, then let this question be addressed by the Armed Services Committee which is in a better position to judge the effect of remedial legislation on the entire defense mission.

The present amendment is flawed throughout with difficulties, most of which are the kind that tend to arise from overly simplistic and hasty solutions to a problem. Let me list some of these difficulties:

First. Most health economists, Members of Congress with a health background, Government health planners, budget specialists and administrators of health programs reject such a reimbursement system as one which is archaic, unfair and lacking any incentive to reward efficiency or cost containment initiatives;

Second. The administrative costs for each hospital providing CHAMPUS services to convert to another cost reimbursement system would be high. These costs would have to be added to the CHAMPUS program patients or absorbed by the hospital. It is not as simple as making a second copy of the medicare cost report for CHAMPUS, since only the medicare formula will be used, not the medicare cost forms. A second, third, or fourth cost finding process will have to be added—depending on whether the hospital also services medicaid, Blue Cross, and CHAMPUS patients, as well as medicare—as well as another set of reimbursement forms and instructions. Finally, a CHAMPUS cost reimbursement would require another audit of a hospital's accounts.

Third. The hospital would have to raise its rates to commercial insurance patients, and to those who self-pay, in order to recover the losses a hospital sustains in a so-called cost reimbursement system.

Fourth. Many hospitals whose CHAMPUS population is small may choose to refuse CHAMPUS patients, rather than take on another loss program. This is certain to create great concern among active duty and retired service families in many members' areas.

Last, and most important, the change in the CHAMPUS formula would be perceived by our servicemen as another "erosion of benefits." It may be true, as some argue, that the erosion is more perceived than real. The important thing, however, is that such a perception, true or untrue, undermines morale and exacerbates the currently difficult recruiting problems. Unless we are ready to go back to the draft, we had better pay heed to this problem. The purported $30 million saving to the Government may be more than offset by higher costs associated

with increasing dissatisfaction among our servicemen. Such dissatisfactions can translate into millions of dollars of increased spending due to higher turnover, a.w.o.l., and desertion, increased recruiting expenditures, and the possible need for greater monetary inducements.

Speaking of cost, it should not be overlooked that estimates indicate that the additional administrative costs to the hospitals as a result of this amendment would run at least $5–$10 million. If CHAMPUS has problems, certainly we can come up with a better solution than more bureaucracy, paperwork, and redtape.

This amendment is a classic example of being penny wise and pound foolish. By the time one adds up the administrative costs, the erosion-of-benefits cost, the higher cost to private patients and commercial health insurers—which will be passed on in higher premiums—the $30 million will quickly vanish.

For these reasons, I urge my colleagues to strike this section by voting "no" on the germaneness issue.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I was interrupted here on another matter on this bill. Does the Senator make a point of order; is that correct?

Mr. HELMS. Yes. I have made it, I would say to my friend from Mississippi.

Mr. STENNIS. As I understood the ruling here last night, Mr. President, before the Chair rules the proponents have to raise the point of germaneness, is that correct? Will the Chair state the rule? I really do not understand it, and I think a lot of my colleagues would like to hear it too.

The PRESIDING OFFICER. If the question of germaneness is made before the Chair rules, then the point of order is laid aside and the question of germaneness is submitted to the Senate without debate.

Mr. STENNIS. All right.

The PRESIDING OFFICER. To be decided by a majority vote.

Mr. STENNIS. I thank the Chair.

I do raise the question of germaneness.

Mr. HELMS. Mr. President, before the Senator raises it——

Mr. STENNIS. I will withhold it.

Mr. HELMS. Mr. President, last evening, as my dear friend, the able Senator from Mississippi.

The PRESIDING OFFICER. The Chair must advise the Senator from North Carolina that a point of order is not debatable.

Mr. HELMS. I ask unanimous consent that I be permitted to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

I raised a point of order last evening. The point of order was sustained by the Chair as well-taken. The Chair was obviously correct. As the distinguished Senator from Mississippi has pointed out, his having failed to raise the question of germaneness prior to the ruling of the Chair resulted in the striking of this committee amendment.

Now, Mr. President, I did not want to take advantage of my friend from Mississippi. I never want to take advantage of any colleague. So I asked unanimous consent last evening that it be in order for me to withdraw my point of order with the understanding that I would make it again today. I did this to accommodate the able Senator from Mississippi. He is now aware of the provisions of Rule XVI and the appropriate precedents of the Senate.

The PRESIDING OFFICER. Without objection, the point of order is withdrawn.

Mr. HELMS. Mr. President, I believe the Chair misunderstands the situation. I did not ask unanimous consent to withdraw it today. I was simply in the process of reciting what happened yesterday.

Mr. STENNIS. Mr. President, I thank the Senator. If I understand the situation we are back to the same place now, I raise the question then of germaneness.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

Mr. STENNIS. I want to make a parliamentary inquiry, Mr. President, following the ordering of the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, is there not some way now to get before this body the information in some manner by the Chair as to just what the situation is when the Senate finds itself confronted here with matters that are not understood and the question is not subject to debate. I ask the Chair to be resourceful.

The PRESIDING OFFICER. The Chair must advise the Senator from Mississippi that the motion is not debatable. The Chair, under Senate rule XVI, now submits to the Senate the question raised by the Senator from Mississippi (Mr. STENNIS), namely, is the amendment germane or relevant to the subject matter in the House-passed bill?

Mr. STENNIS. I ask the Chair to let me put a unanimous-consent proposition here to the body for a brief, very brief, minute or two statement by the Chair to the membership here of what the facts are in connection with this situation. If that can be given by unanimous consent, the Chair can just put the question.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Senator from Mississippi is recognized to make that unanimous-consent request.

Mr. STENNIS. I was going to ask the Chair—just to be sure—there is no partisan flavor in the thing—to explain to the body here what the parliamentary situation is and the meaning. I have made the point here, I have raised the question, of germaneness.

The PRESIDING OFFICER. It is up to the Senate to decide whether the amendment is germane.

That is prescribed by the Senate rules which include the fact that it is nondebatable. But the Chair will state, however, that where the House has opened the door the Senate has allowed germane amendments to come in if the Senate determines they are germane under the rule I have just enunciated.

Mr. STENNIS. Mr. President, if I may say, I think the Chair has correctly stated the situation here. There is language in this House bill on this subject. Therefore, it is germane.

The PRESIDING OFFICER. With that, the Chair puts the question.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Carolina wish to be heard.

Mr. HELMS. I ask unanimous consent, Mr. President, that I may be heard.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Will the Chair advise the Senate if, in fact, the Presiding Officer last evening ruled the point of order raised by the Senator from North Carolina was well taken?

The PRESIDING OFFICER. The Chair ruled last night that the point of order was legislation on an appropriation bill and was well taken.

Mr. HELMS. Exactly, I thank the Chair.

The PRESIDING OFFICER. But the question of germaneness was not raised in a timely fashion.

Mr. HELMS. I understand, of course, and I thank the Chair. That is the situation of last evening that I have just described.

Mr. President, I ask unanimous consent that a portion from the July 18 RECORD, page 23553, be printed in the RECORD of today at this point. It will, perhaps, be useful later to Senators who are not in the Chamber—there are only a few of us here—when they try to explain their vote to veterans, military personnel and hospital administrators who will feel the adverse effects of this committee amendment, if it is not stricken. Also, I might add, the patients of hospitals who will suffer increased costs of hospitalization.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

POINT OF ORDER

Mr. HELMS. Mr. President, I raise a point of order that the amendment comprising section 843(g) of H.R. 7933 is general legislation and not in order to a general appropriations bill under rule XVI.

I ask for a ruling that section 843(g) constitutes legislating on an appropriations bill. That subsection changes hospital payments from charges to cost reimbursement for services to CHAMPUS beneficiaries. By requiring hospitals to accept substantially reduced CHAMPUS payments as payment in full, the appropriations bill clearly charges existing CHAMPUS authorizing legislation which originated in the Armed Services Committee. The Appropriations Committee has the power to propose restrictions on and reduction in funding, but it cannot change the substance of the authorizing statute.

Section 843(g) provides that no funds may be used to pay hospital charges in excess of costs as determined under medicare. That provision will reduce CHAMPUS payments to

hospitals by approximately $33 million of about 5 percent.

Under current law, hospitals are not required to accept CHAMPUS payments as payment in full for services rendered. In practice they have done so because CHAMPUS has paid current hospital charges. Since acceptance of reduced CHAMPUS reimbursement as payment in full is a new legislative proposal changing the substance of authorizing legislation, it is not a proper amendment on an appropriations bill.

The PRESIDING OFFICER. The point of order has been raised by the Senator from North Carolina that the language on page 53, beginning with line 11, is legislation on an appropriations bill. Under paragraph 4 of rule XVI, the point of order is well taken. The language objected to is legislation on an appropriation bill, and therefore the amendment is not in order.

Mr. STENNIS. Mr. President, the Chair is ruling now with reference to language in the House bill, to which certain language was added by the Senate committee. I raise the issue of germaneness—that the additional language added by the Senate committee is germane to that House language.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Chair must hear the point being made.

Mr. STENNIS. Mr. President, I know this is raised in good faith, but in all fairness to all involved, we should get down to section 843, on page 52, which is language in the appropriations bill put there by the House; and it is subject to a point of order if originally raised here as Senate language. But it is already in the bill, and we are not permitted to modify it in any way, except on the ground of germaneness, and it is germane to the language of the House bill.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

Mr. STENNIS. It is in order, notwithstanding the point made.

Mr. ROBERT C. BYRD. Mr. President, will that Senator yield?

Mr. STENNIS. I yield.

Mr. ROBERT C. BYRD. Mr. President, no debate is in order once a point of germaneness has been raised. I ask unanimous consent that the rollcall vote which I understand Mr. HELMS will request go over until tomorrow. Senators on both sides have been told that there will be no more rollcall votes tonight.

The PRESIDING OFFICER. Under the precedents of the Senate, the point raised by the Senator from Mississippi regarding germaneness comes too late, because the point of order raised by the Senator from North Carolina had been sustained. Once sustained, the question of germaneness is moot.

Mr. STENNIS. Mr. President, that is all right. I do not mind that. But there seem to be some lessons taught to the Senate here. This matter of germaneness is raised many times, and the membership are all the time telling what they are voting on and how to interpret the issue, and many of them have come to me about it. I am not complaining.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. STENNIS. Yes.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order for the Senator from North Carolina to request that there be a rollcall vote notwithstanding the ruling of the Chair with respect to the point of order.

Mr. STENNIS. Mr. President, if the Senator will yield, there will have to be some discussion of this matter.

Mr. HELMS. I understand.

Mr. STENNIS. On each side, a short discussion.

Mr. HELMS. I did not want the Senator to be shut off.

Mr. STENNIS. That is mighty nice, mighty fine. I was not complaining. I just say we ought to do something about these rules.

Mr. ROBERT C. BYRD. Mr. President, the point of order has been made and the issue has been settled. I did not understand that the Chair had ruled when the Senator from Mississippi raised the question of germaneness, but the matter is settled.

Mr. HELMS. From my point of view that is satisfactory, but I did not want the Senator from Mississippi to be cut off, and I am perfectly willing to have a vote.

Mr. STENNIS. I am advised, Mr. President, if the Senator will yield, you can withdraw it and redo the thing tomorrow, and we will get a vote in that way.

The PRESIDING OFFICER. It would take unanimous consent.

Mr. HELMS. I will be glad to do that. I ask unanimous consent to be permitted to withdraw it, with the understanding that I will raise the point of order tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STENNIS. Mr. President, since we are into this, page 52 of the printed bill here, section 843, carries the House amendment, and the latter part of it is the Senate amendment put in by the committee at least. That is really what we are voting on. It is germane and, therefore, not subject to a point of order, in my opinion.

Mr. HELMS. Mr. President, I ask unanimous consent that I be permitted 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I am confident the able Senator from Mississippi agrees that we both wish this matter could be discussed fully before the Senate——

Mr. STENNIS. Yes.

Mr. HELMS (continuing). So that our respective positions could be heard. I suspect that many a Senator will, in the complex circumstances, regret their votes. But under the rules of the Senate, it is not possible for Senators to understand, so I am ready to vote.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HELMS. Mr. President, I do not want to preempt the majority leader, but if he desires a 10-minute vote on this question it may save some time.

Mr. ROBERT C. BYRD. Mr. President, I make the request that there be a 10-minute limitation on this rollcall and on the final passage rollcall.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The yeas and nays have been ordered. The question occurs on whether or not the amendment is germane or relevant to the House-passed bill. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. ABOUREZK), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The yeas and nays resulted—yeas 62, nays 31, as follows:

[Rollcall Vote No. 307 Leg.]

YEAS—62

Allen	Durkin	Metcalf
Anderson	Eagleton	Metzenbaum
Bayh	Eastland	Moynihan
Bellmon	Glenn	Muskie
Bentsen	Gravel	Nelson
Bumpers	Hart	Packwood
Burdick	Haskell	Pearson
Byrd, Harry F., Jr.	Hatfield	Percy
Byrd, Robert C.	Hathaway	Proxmire
Cannon	Humphrey	Randolph
Case	Inouye	Riegle
Chafee	Jackson	Sarbanes
Church	Javits	Schmitt
Clark	Johnston	Schweiker
Cranston	Kennedy	Stennis
Culver	Leahy	Stevens
Danforth	Long	Stevenson
DeConcini	Magnuson	Talmadge
Dole	Matsunaga	Williams
Domenici	McIntyre	Young
	Melcher	Zorinsky

NAYS—31

Baker	Hayakawa	Ribicoff
Bartlett	Heinz	Roth
Biden	Helms	Sasser
Brooke	Hollings	Scott
Chiles	Huddleston	Stafford
Curtis	Laxalt	Stone
Ford	Lugar	Thurmond
Garn	McClure	Tower
Griffin	Morgan	Wallop
Hansen	Nunn	
Hatch	Pell	

NOT VOTING—7

Abourezk	McClellan	Weicker
Goldwater	McGovern	
Mathias	Sparkman	

The PRESIDING OFFICER. On the question of germaneness there are 62 yeas and 31 nays, and the amendment is held germane.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the germaneness of the amendment was affirmed.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 688

Mr. JACKSON. Mr. President, I call up an unprinted amendment which I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, line 25, insert the following: Strike the amount $3,953,918,000 and insert in lieu thereof $3,954,218,000.

Mr. JACKSON. Mr. President, this is a very simple amendment. It would restore $300,000 for the Air Force project RAND, and bring that appropriation up to the level authorized.

Mr. STENNIS. Mr. President, we have been into this matter, and it is a relatively small amount. That is not controlling, but we think this amount should be restored.

Mr. YOUNG. Mr. President, we concur with Senator STENNIS.

Mr. STENNIS. We support the amendment.

The PRESIDING OFFICER. Is time yielded back?

Mr. STENNIS. I yield back the remainder of my time.

Mr. JACKSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I would like to ask the Senator from Mississippi one question. It relates to base operating support. On page 34 of the report——

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Will the Senator from Mississippi yield me 1 minute?

Mr. STENNIS. I yield the Senator 1 minute.

Mr. NUNN. On page 34, there are a good many bases singled out in terms of base operating support. The committee, as the Senator from Georgia understands, made an overall lump sum cut. As I understand the table on page 34, it is illustrative but not mandatory or directive in terms of directing or allocating these particular cuts. Is my understanding correct in that regard?

That is to say, the Department of Defense has the discretion to allocate the cuts as they see fit, and this table is discretionary; it is not meant to be mandatory or directive.

Mr. STENNIS. Yes, I think the Senator is correct. In fact, on page 43 of the report, the last sentence reads:

The committee does not expect implementation of these reductions to result in any base closures, but rather in a more rational and reasonable allocation of base operating support costs at installations in the United States.

Mr. NUNN. The authorization committee has also made a similar statement.

My concern is that I do not think we have a common definition of base operating support. I would like to see the Department of Defense go into this in detail, and not just make arbitrary cuts across the board without seeing if there are differences between the bases in terms of defining base operation support.

Mr. STENNIS. I think the Senator is correct.

Mr. TOWER. Mr. President, will the Senator yield for a question? I want to follow up on the question of the Senator from Georgia.

Mr. STENNIS. I yield.

Mr. TOWER. For example, in my own State, there is a suggested reduction of $11.4 million in the base support budget for the naval air station at Beeville. This would be a cut of 64 percent. I want to make it clear that cut is not mandated.

Mr. STENNIS. Yes. That is the way I understand it, that it is not mandated. But the Senator from Georgia may be more familiar with that than I am.

Mr. NUNN. That is exactly the point the Senator from Georgia was raising. It is my position that it is illustrative only, and is not mandated. I think that is the position of the committee.

Mr. STENNIS. Yes. I refer to this paragraph on page 32 in the report, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the excerpt from the report (No. 95–325) was ordered to be printed in the RECORD, as follows:

The Committee has displayed below the results of this analysis. Although the funding reductions have been made to the various service budgets, the Committee wishes to emphasize that the military departments will be permitted to reallocate the reductions in a way that is different from that shown below. The Committee does not expect implementation of these reductions to result in any base closures, but rather in a more rational and reasonable allocation of base operating support costs at installations in the United States.

Mr. YOUNG. It is my understanding that the cuts are discretionary.

Mr. STENNIS. Yes, I think that is correct; the cuts are discretionary.

UP AMENDMENT NO. 689

Mr. HART. Mr. President, I send to the desk an unprinted amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an unprinted amendment numbered 689.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

On page 7, line 17, insert the following:

Strike the figure, "$8,191,838,000," and add in its place the figure "$8,191,862,000."

Mr. HART. I ask unanimous consent that it be in order to offer this amendment at this time.

The PRESIDING OFFICER. Without objection, the amendment is in order.

Mr. HART. Mr. President, this amendment would clarify that in the Senate bill there should be added $24,000 for additional Air Force ROTC scholarships that are badly needed for officer candidates with scientific and technical training. The House has deleted these funds. The Air Force believes very strongly, since there are 475 scholarship slots to be made available by these funds, that they should be included in the Senate bill. I hope very much the Senate will accept the amendment and add it to the Senate bill.

As I say, Mr. President, the purpose of this amendment is to add $24,000 to the Air Force ROTC scholarship program. This money was deleted by the House, and the Senate agreed to the deletion. The House also included language deleting 475 Air Force ROTC scholarships.

I believe that this $24,000 for these 475 spaces is a cost-effective investment. The Air Force has an increasing requirement for officers with scientific and technical backgrounds. The Air Force ROTC scholarship program is structured to produce more officers with this type of background. Of the 475 scholarships deleted by the House, about 90 percent will go to students with scientific and technical majors. The majority of these scholarships will be awarded to cadets preparing for pure scientific and technical officer assignments with some scholarships awarded to flying and missile officer candidates. The latter group will have the opportunity for assignment to scientific and technical areas following completion of their initial tour of rated duty.

Air Force ROTC is the Air Force's largest source of commissioned officers. Air Force ROTC has a production goal of 2,830 line officers per year, of which some 1,550 must have degrees in the scientific and technical disciplines. Scholarships are the key ingredient in attracting high quality students to enroll in ROTC programs, in order to meet the Air Force requirement for scientific/technical officers. Scholarships enable the Air Force to compete with industry for these select individuals. Additionally, scholarships offer expanded opportunities for women and minorities to complete their education at a college of their choice.

Reinstatement of the 475 scholarships deleted by the House and Senate Appropriations Committees will put the Air Force ROTC program more in line with the Army and Navy ROTC programs, in terms of number of students authorized. The 475 additional scholarships are needed to offset a projected shortfall of 450 officers in the scientific and technical areas in fiscal year 1980.

I urge the Senate to agree to restore this $24,000, for 475 additional Air Force ROTC scholarships.

Mr. STENNIS. Mr. President, this concerns the Air Force ROTC, a program of $24,000. They have 275 ROTC scholarships in 1978. The House denied this request, but I think it ought to at least go to conference. We will see what we can do about it.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. HART. I yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

UP AMENDMENT NO. 690

Mr. TOWER. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes unprinted amendment No. 690.

On page 28, lines 17 and 18, strike out $4,025,214,000 and insert in lieu thereof: $4,031,214,000.

Mr. TOWER. Mr. President, this amendment relates to the Navy Tactical Flag Command Centers. The requested $6.1 million was removed by the House. The Senate Appropriations Committee accepted this cut and did not restore the funds. The House cut was based on the mistaken view that these centers are used simply as a message handling system. This is not the case. These centers are

in fact the command and control operations for the Navy. They are a major element of the Navy's command and control network.

The command and control communications, is an area in which our forces need considerable improvement. I think the House was mistaken in their concept of what this was for.

I would urge the committee to accept this amendment and take the matter to conference where it can be formally discussed and deliberated upon there.

Mr. STENNIS. Mr. President, I yield myself 2 minutes.

Senators have heard the statement of the Senator from Texas that he learned this was taken out by the House by mistake. He offered his amendment a few minutes ago and we looked it over and talked to him, Senator Young and I. We will take the amendment to conference with the understanding that we will get into the facts fully and thoroughly to see what we can do on that basis. I would not want to take it and say we were just going to stand on it or die. We will try to examine the facts and make a judgment.

Mr. TOWER. I think the amendment will stand on its own merits and will certainly prevail in conference. I yield back the remainder of my time.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

UP AMENDMENT NO. 691

Mr. HART. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an unprinted amendment No. 691.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, line 17, insert the following: Strike the figure, "$4,031,214,000" and add instead the figure, "$4,032,214,000."

Mr. HART. Mr. President, I ask unanimous consent that it be in order to offer this amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, the purpose of this amendment is to add $1 million to the appropriation for the advanced hydrofoil program, for a total of $1.5 million in that program; $1.5 million is the figure authorized for this program.

This program is a most important one in terms of developing the new technology Navy which this Nation badly needs. Hydrofoils have great promise, particularly in the critical field of antisubmarine warfare. A number of nations are pursuing active programs in military hydrofoils, including Britian, Italy, and the Soviet Union. The U.S. Coast Guard is currently using a hydrofoil to enforce the new 200-mile fishing zone.

The advanced hydrofoil program is needed if the United States is to continue to be active in this important field.

This hydrofoil craft program is the Navy's only in-house technological base for advanced hydrofoil ships. This program's recent efforts have included a study involving conceptual development of a large ASW-capable hydrofoil craft. Quite recently, in fact within the past 2 months, NATO and other allies have shown a keen interest concerning the development of such a ship. These countries are:

United Kingdom;
Federal Republic of Germany;
France; and
Netherlands.

These countries obviously realize that their navies must capitalize on new technologies which will allow them to build small, high-speed ships that are quite capable of doing the job of much larger conventional warships. More specifically, certain of these allies have expressed a desire to participate with the U.S. Navy in design and feasibility studies for a large hydrofoil configured primarily for the ASW mission.

The United States could directly benefit from such a joint development program, which would eventually lead to the introduction of a highly effective ASW hydrofoil into the fleet.

Besides NATO's interest in a large hydrofoil, the advanced hydrofoil program element includes funds to demonstrate the ASW potential of the smaller PHM. The PHM, built initially for antiship attack, could also be modified to give it a dual-mission capability to include ASW. These ASW demonstrations are now being planned by the Navy. They are in keeping with the intent of the report of the Committee on Armed Services authorizing appropriations for the fiscal year 1978 budget. The Senate report stated:

The Navy should explore possible antisubmarine warfare applications of the PHM utilizing a different weapon/sensor suite.

It is in view of these two considerations—the interest by four of our allies in participating in design and feasibility studies for a large ASW hydrofoil, and the need to demonstrate the ASW potential of our smaller PHM class—that I offer this amendment.

Mr. STENNIS. Mr. President, this matter has been in and out of the bill for a good while. The Senator from New Hampshire has looked into it some. There is some difference of opinion. This is only $1 million. I believe it is worth taking to conference. I have talked this amendment over with the Senator from Colorado. I will take it on that basis. Some figure has to be reached. We will see what we can do about it. I have consulted with Senator YOUNG and he is also agreeable.

The PRESIDING OFFICER (Mr. BUMPERS). Is all time yielded back?

Mr. HART. Mr. President, I yield back the remainder of my time.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

UP AMENDMENT NO. 692

Mr. STENNIS. Mr. President, I believe we are about through. I found something which had been lost.

The PRESIDING OFFICER. Will the Senator suspend until the Senate is in order?

Mr. STENNIS. Mr. President, I will send this amendment to the desk, but I want to make an explanation first.

There is a program carried on by the Department of Commerce within one of its units, what they call NOAA, tracking and studying hurricanes and other weather conditions. There was a memorandum of understanding between the Department of Commerce and the Air Force about who was going to pay the bill of $2.6 million. They never could agree on it and the thing got lost. Neither one of them has the money unless we put the $2.6 million back into the bill, which I had overlooked. The trouble about this is that this is in Mississippi.

[Laughter.]

Mr. STENNIS. But it is money I am sure the Government owes. If it is not put somewhere, there is not going to be any money to pay it. I am going to see if we cannot make it come out where the Department of Commerce will have to pay it. I believe they will. But we have to have some money to pay it now. I hope the Senators will vote to put this into the bill. It got left out and I did not know about it until after the bill had been reported.

Mr. YOUNG. Will the Senator yield?

Mr. STENNIS. Yes.

Mr. YOUNG. I think this is the most meritorious amendment in the whole bill.

Mr. STENNIS. I thank the Senator. That is a fine start.

[Laughter.]

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Mississippi (Mr. STENNIS) proposes an unprinted amendment No. 692.

On page 4, line 18, strike "$173,083,000" and insert in lieu thereof "$174,400,000".

On page 10, line 20, strike "$372,650,000" and insert in lieu thereof "$373,944,000".

The PRESIDING OFFICER. If all time has been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STENNIS. That is within the budget, too, Mr. President, whosever budget we decide to put it into.

Mr. President, those are all the amendments I know about.

ADDITIONAL STATEMENTS SUBMITTED

Mr. INOUYE. Mr. President, I call to your attention two paragraphs on page 43 and 44 of the Senate Appropriations Committee Report on the Defense Appropriations bill which speaks about the role of psychiatric nurses and nurse-midwives in providing quality health care to a large segment of our civilian and military population. Again this important role and need is emphasized in the July 12, 1977 Washington Post editorial, which I ask unanimous consent to have printed in the RECORD.

Qualified psychiatric nurses and nurse-midwives provide much needed health

care to families and individuals of civilian and military personnel. These health services include counseling services to problem children and adults, in addition to giving anticipatory guidance to families with young children, and mothers through the maternity cycle. These professional nursing services are provided many times via a team approach so that each professional discipline's expertise is maximized and the patient or family received the appropriate quality care. This kind of cooperative health care cannot help but improve the effectiveness of the health care that is delivered. Equally, each discipline must be reimbursably recognized in this effort of health delivery to this segment of the population.

I believe that the qualified, certified psychiatric nurse and nurse-midwife should be accorded reimbursable recognition and a position of policymaking authority in matters of reimbursement for professional services given to families and individuals of the civilian and military personnel. I do hope that the Government will critically look at this untapped nurse resource and favorably recognize the preventive role of psychiatric nursing and nurse-midwifery and its potential impact on the delivery of health services to a 9.5 million segment of the population.

Accordingly, I am especially pleased that the Senate Committee on Appropriations has directed the independent reimbursement of these two nursing specialists under CHAMPUS and feel that the objective data which will be obtained from this pilot program will be extremely worth while during our forthcoming deliberations regarding the role of nursing services under a comprehensive national health insurance program.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RURAL HEALTH AND MEDICARE

"Shortage areas" is the term used by the American Medical Association and others to describe those parts of the country that lack doctors. They are mostly rural places. In Minnesota, 297 rural towns have no doctors. In Nevada, citizens in 15 rural counties constitute 19 per cent of the population but are served by less than six per cent of the state's physicians. Throughout Appalachia, county after county has no doctor.

Nobody doubts that rural citizens surely suffer from this shortage of doctors. What is irksome is that they suffer more than they need to for the reason that the current Medicare law does not allow reimbursement for services provided by nurse practitioners and physician assistants. As written in 1972, the Medicare provisions within the Social Security Act require that a physician be present at the health clinic or facility if reimbursements are to be made. With no doctors and no reimbursements, many rural health clinics have been forced to close, many more are threatened by closings. One of the ironies of the situation is that patients have been receiving excellent care from these physician extenders. In recent hearings before the House Ways and Means subcommittee on health, Dr. Jesse Walker of Clairfield, Tenn. said that 75 to 90 per cent of the patients at his clinic can be treated by the non-physicians. The patients, Dr. Walker added, feel they are receiving quality service.

Several bills to remedy this situation are now before the Ways and Means Committee and the Senate Finance Committee. Immediate action is needed. As the Appalachian Regional Commission has warned, more than 40 of its 200 mountain clinics are seeing their grants run out this summer. The problem has to do not with unused or costly services but with Medicare payments' not coming in to keep the clinics going. The commission has taken the lead in this issue and argues persuasively that if adequate health care can be provided by nurse practitioners and physician assistants—many of whom were trained in the past few years to fill the doctor void—then the least Congress can do is broaden the law to keep the clinics open.

Sens. Dick Clark (D-Iowa) and Patrick Leahy (D-Vt.) have proposed a useful bill that would offer a comprehensive approach. Many in Congress appear willing to allow reimbursement in clinics that are so remote and small that they can never support a full-time doctor. But they are reluctant to reimburse the work done by nurse practitioners and physicians assistants at slightly larger clinics that do have full-time doctors. The latter account for the majority of the rural clinics nationwide. The Clark-Leahy bill would cover both types of clinics. Even then, rural Americans would remain underserved. According to recent figures from the Department of Health, Education and Welfare, the nation has 3,019 rural medically underserved areas with only some 700 rural clinics among them.

The Clark-Leahy legislation has 54 cosponsors. The question is whether the Finance Committee will take up the matter when it is expected to mark up the Medicare bill later this month. Not to address the issue is likely to mean that many rural citizens will find themselves short not only of doctors but of all health workers.

H.R. 7933: A DANGEROUS PROPOSAL TO RESTRICT GOVERNMENT SERVICES CONTRACTS

Mr. TOWER. Mr. President, in the form passed by the House, H.R. 7933 contained substantial restrictions on the contracting out of Government services. Section 852 of the House version would prohibit the Department of Defense from converting certain base operating functions to a contractor operation and it would severely limit the use of certain commercial contracts to be physically performed at an installation.

The Senate Appropriations Committee, in its wisdom, deleted section 852 from the bill currently before us. The committee recognized that section 852 would restrict the ability of the Department of Defense to achieve maximum efficiency in its base operations.

As the ranking Republican on the Armed Services Committee, I would like to call to the attention of my colleagues a hearing held by the Subcommittee on Manpower and Personnel on July 12, 1977. At that time, we heard from a number of administration witnesses, including the Assistant Secretary of Defense, Manpower, Reserve Affairs and Logistics and the the Administrator for Federal procurement policy, both of whom strongly opposed the House-passed restriction. The committee also received the views of Secretary of Defense Brown to the effect that section 852 would be basically inconsistent with section 809 of H.R. 5970, the Defense authorization bill, in the form in which that measure passed the Senate just 1 week ago.

Mr. President, the Office of Management and Budget announced on June 13, 1977, that a comprehensive review of the Federal Government policy concerning contracting out for goods and services will be conducted. A moratorium on further contracting out was not established; however, OMB announced that a careful and judicious analysis would precede any contract for private sector services. In addition, OMB is now in the process of reviewing and revising OMB Circular A–76—the standards applicable to the contracting out of services—which is scheduled for completion in September of this year.

Section 809 of the Defense Authorization bill, which I referred to earlier in my remarks, contained a moratorium on the contracting out of any commercial or industrial Defense activities to March 15, 1978. I strongly opposed that provision but, notwithstanding my efforts, it emerged from the House-Senate conference.

Against this backdrop, we simply cannot tolerate a restriction of the type suggested by the House for inclusion as Section 852 of the measure now before us. Section 852, as proposed, would not only be inconsistent with a policy which the Congress as a whole announced 1 short week ago but it would, in the words of Assistant Secretary of Defense John White, "introduce uncertainty and result in delays . . . in necessary maintenance." It could severely hamper DOD's efforts to maintain its equipment in an emergency situation where adequate Government personnel were unavailable, or at least not at a reasonable cost to our taxpayers.

Government services contracts can in appropriate situations permit the Department of Defense to take advantage of less costly forms of manpower, in furtherance of our military requirements. We should not deny our citizens and taxpayers the flexibility offered by this contracting out authority.

OMB objects to section 852; the Defense Department objects to section 852; the Senate Appropriations Committee objects to section 852; and the Senate as a whole objects to section 852. I am hopeful that our colleagues in the other Chamber will soon see the light and end this folly.

IMPLEMENTING THE LABOR SURPLUS POLICY: COMMITTEE AMENDMENT TO SECTION 823

Mr. HATHAWAY. Mr. President, I commend the Committee on Appropriations and its distinguished chairman for including in the reported version of section 823 a much-needed and long-overdue modification to the so-called Maybank amendment.

The committee amendment will remove a substantial impediment to the successful utilization of defense manpower policy No. 4, the so-called labor surplus policy, which was originally intended to direct Federal procurement contracts into areas of substantial or persistent unemployment.

The amendment will provide the Secretary of Defense with the flexibility he needs to award total contracts to firms located in such labor surplus areas.

Mr. President, to explain the problems in prior existing law and the need for this amendment, I ask unanimous consent that a fact sheet, which I prepared for the committee, along with my letter to

Chairman McCLELLAN, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACT SHEET ON AMENDMENT TO SECTION 823—BUY AMERICA PROVISION

1. The proviso—"No funds shall be used for the payment of a price differential on contracts made for the purpose of relieving economic dislocations," known as the Maybank Amendment, has been included in every DoD appropriation since 1953.

2. Defense Manpower Policy Number 4, initiated pursuant to Executive Order in 1952, requires that certain procurement contracts be set aside for bidding in areas of substantial unemployment.

3. In fiscal year 1975, labor surplus concerns received preference awards of $74.4 million, or 0.19 percent of DoD procurement.

4. This negligible utilization of DMP–4 is due to a General Accounting Office interpretation of the Maybank amendment and DMP–4. That interpretation requires that any contract contemplated for a DMP–4 set-aside must be split into at least two production runs; one of these runs is bid out among all types of firms to establish a ceiling price for the DMP–4 reserved portion.

5. This interpretation restricts DMP–4 to use on only those few contracts susceptible to two economical production runs, and creates unnecessary red tape for contracting officers.

6. Such interpretation ignores the extreme likelihood of competitive prices emanating from competition among labor surplus concerns. A recent count by the Labor Department determined that over 800 labor markets across the country were characterized by substantial unemployment.

7. The Committee Amendment to Section 823 would grant discretionary authority to the Secretary of Defense or his designee to set-aside an entire contract for competition among labor surplus concerns if he determines that there is sufficient competition from such concerns to insure a reasonable price to the government.

8. Similar amendments were included in the Senate version of this bill in each of the last three years.

9. Prior objections were made to this change as being potentially prejudicial to small business set-aside program—to the extent that more contracts went into labor surplus program, fewer might be available for small business set-asides.

10. Such objections are mitigated by provisions contained in Senate version of H.R. 692 (S. 1442), which passed Senate on May 19, 1977. Title IV of this bill stipulates that labor surplus and small business set-aside programs be coordinated by giving first preference to small business within labor surplus areas, second preference to small business outside such areas, third preference to larger firms within such areas, and so on. The conference on this bill is scheduled to begin tomorrow.

WASHINGTON, D.C.,
June 23, 1977.

Hon. JOHN L. McCLELLAN,
Chairman, Committee on Appropriations, Dirksen Senate Office Building, Washington, D.C.

DEAR JOHN: It is my understanding that the full Committee on Appropriations will be marking up the DoD Appropriations bill on June 29, and floor action by the full Senate is scheduled shortly thereafter.

Over the past few years, I have appreciated very much your cooperation and assistance with respect to amendments I have offered to the so-called Maybank amendment contained in the general provisions of this bill. My goal has been to modify this language to the extent necessary to allow greater utilization of Defense Manpower Policy #4. I particularly appreciated your consideration last year in including such a modification in the reported version of the bill. On the floor, I offered what amounted to a perfecting amendment, which you graciously accepted, to conform the language to that recommended by the General Accounting Office. This language is detailed in GAO's letter to Chairman Ribicoff of the Governmental Affairs Committee in connection with S. 2659, a bill I introduced last Congress, which was referred to his Committee. I have enclosed for your convenience the relevant portion of the Congressional Record of August 2, 1976, which includes this letter on page S. 13115.

I would therefore appreciate the following change included in this year's bill as reported:

In Section 723, immediately after "No funds shall be used for the payment of a price differential on contracts made for the purpose of relieving economic dislocations.", insert the following: "except that nothing herein shall be construed to preclude total labor surplus area set-asides pursuant to Defense Manpower Policy No. 4 (32A C.F.R. Chapter 1) or any successor policy if the Secretary or his designee specifically determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards will be made at reasonable prices".

This language is virtually identical to that approved by the Senate last year, but includes one technical change, and would accommodate any alteration in DMP 4, should the executive so decide. It also would allow the Secretary of DoD to delegate his authority to subordinates. This latter change has been recommended informally by officials of the Office of Federal Procurement Policy.

My staff has discussed this with Mr. David Lyles, of your staff, and I am grateful for his assistance on this issue.

Best personal regards,
Sincerely,

WILLIAM D. HATHAWAY,
United States Senator.

[From the CONGRESSIONAL RECORD, August 2, 1976]

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., April 6, 1976.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations, U.S. Senate.

DEAR MR. CHAIRMAN: By letter of December 8, 1975, you requested our comments on S. 2659, 94th Congress, a bill to repeal the prohibition against payment of a price differential on certain Department of Defense (DOD) contracts made for the purpose of relieving economic dislocations, and to state the manner and order in which contracts will be awarded to carry out labor surplus area and small business set-aside programs. While the law which this bill in part seeks to amend has expired, the Committee staff has informally requested that we provide our comments on the bill due to the recurring nature of its provisions.

The bill would repeal section 823 of the 1975 DOD Appropriation Act, Pub. L. 93–437, which prohibited the use of appropriated funds for payment of a price differential on contracts made for the purpose of relieving economic dislocations. Similar provisions have been contained in prior appropriation acts, and this provision was also contained in section 723 of the 1976 DOD Appropriation Act, Pub. L. 94–212. An attempt to delete this provision from the 1976 DOD Appropriation bill was defeated in conference. H. Rept. 94–710, 94th Cong., 1st Sess. 60 (1975).

We have held that this type of provision precludes expenditure by DOD of appropriated funds under any contract awarded on the basis of a labor surplus area set-aside in excess of the lowest price obtainable on an unrestricted solicitation of bids or proposals . We have also held that set-asides for surplus labor areas of more than 50 percent of particular procurements can be justified only by definite determinations that prices on the non-set-aside portion of the procurement could not reasonably be expected to be greater than for the total quantity of the procurement. While no Federal law specifically authorizes a preference for labor surplus areas in the award of Government contracts, such a preference is contained in Defense Manpower Policy No. 4 (Revised), 32A C.F.R. Chapter 1, and Department of Labor Regulations, 29 C.F.R. Part 8, and is in turn contained in the Armed Services Procurement Regulation (ASPR) and the Federal Procurement Regulations (FPR). However, the prohibition against payment of a price differential for these contracts is also contained therein.

Whether the legislation should be enacted is a policy matter for the Congress to decide. If the bill is to be enacted, we recommend the inclusion of a provision in the bill as follows:

(c) No total set-aside shall be made under the authority of paragraph (b) above unless the contracting agency determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that any awards will be made at reasonable prices.

Sincerely yours,

R. F. KELLER,
Acting Comptroller General of the United States.

Mr. HATHAWAY. Mr. President, as further background on the need for this amendment, as well as of previous efforts to accomplish this goal, I ask unanimous consent that three items be printed in the RECORD at this point: My testimony of June 2, 1977, submitted to the Subcommittee on Minority Enterprise and General Oversight of the House Small Business Committee, an excerpt from Senate Report 94–184, filed May 16, 1977, detailed parallel action by the Senate Small Business Committee in connection with the 1978 SBA authorization bill which passed the Senate on May 19, 1977, and finally, excerpts from the CONGRESSIONAL RECORD of April 25, 1977, in connection with the introduction of S. 1380, my bill which is cosponsored by the distinguished senior Senator from Michigan (Mr. GRIFFIN).

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR WILLIAM D. HATHAWAY

Mr. Chairman, I regret that I am unable to testify in person before this hearing of your Subcommittee, but I am pleased to have the opportunity to submit written testimony.

First, I commend the distinguished Chairman and the members of the Subcommittee for holding these hearings on Defense Manpower Policy Number 4, the so-called Labor Surplus Policy.

This policy, first made effective in 1952, applies to both defense and civilian procurement and to large and small concerns. Generally, DMP–4 requires that priority be given to the awarding of contracts and to the placement of subcontracts to concerns which shall perform a substantial proportion of the production on those contracts and subcontracts within areas of concentrtaed unemployment or underemployment or within labor surplus areas.

Unfortunately, the Labor Surplus Policy has not been fully implemented and therefore remains largely dormant. In fiscal year 1975, labor surplus concerns received $74.4 million or 0.19 percent in preference awards of prime contracts in excess of $10,000 from the Department of Defense procurement agencies.

DMP–4 has been of considerable interest to me for a number of years and I am pleased that recently a number of other Members of Congress and other elected officials throughout the country have shown a strong interest in making this program more workable.

One of the primary reasons that the Labor Surplus Program has not worked well is a provision of existing law, the Maybank Amendment, which has been included in every Defense Appropriations Act since 1953. This language states:

"No funds shall be used for the payment of a price differential on contracts made for the purpose of relieving economic dislocations."

This language has been interpreted by the General Accounting Office to apply to both defense and civilian procurement and to prohibit the setting-aside of a total contract for competition among labor surplus concerns. The GAO views the Maybank Amendment to mandate instead the splitting of all contracts otherwise eligible for DMP–4 into at least two production runs, one of which is open to competition among all firms, inside and outside labor surplus areas. Under the GAO interpretation, the open competition on one portion of the contract determines the highest price payable on the remaining portion of the contract to be set aside for labor surplus areas. This construction is based on the theory that the best price can only be obtained by an open competition among all sorts of firms and would not be obtainable under a total set-aside to labor surplus areas. Such a theory might have made some sense in times of low levels of unemployment where there were few qualifying labor surplus areas, but makes little sense today.

I might add that in 1953, when Senator Maybank first introduced his amendment, unemployment was only 3-percent. In a time of 7.3-percent unemployment when approximately 800 areas across the country were designated by the Secretary of Labor as having substantial unemployment in a count made a year ago, setting aside a Government contract for procurement among firms in these areas would surely yield a competitive price. Furthermore, the GAO interpretation which refuses to allow such a total set-aside severely limits the labor surplus area set-aside program's goal of helping alleviate localized severe unemployment. The time has come to change the statutory structure to allow total labor surplus set-asides and to eliminate the GAO's tortured construction to the Maybank amendment. I have attempted in each of the last three sessions of Congress to amend the Defense Appropriations Act to modify the Maybank Amendment to allow for total labor surplus area set-asides where the Secretary of Defense or his designee specifically determines that a reasonable price will result. The Senate has accepted these modifications each time, but the changes have been dropped in Conference, due apparently to concern over the impact which such a change might have upon small business set-aside programs.

It has been my belief that the Labor Surplus Program and the small business set-aside program were totally compatible and mutually complementary. But in order to ensure that the interests of small business are fully protected and enhanced in any altered structure, it is probably necessary to establish by statute a system of priorities for the implementation of the Labor Surplus Program which guarantees that small businesses located within labor surplus areas receive highest priority in the awarding of total labor surplus area set-asides, and that small businesses located elsewhere receive preferential treatment thereafter.

With this in mind, on April 25, 1977, I introduced S. 1380 which amends the DoD Appropriation Act and establishes a priority structure for the awarding of small business and labor surplus area set-asides. This structure protects the interests of small business and ensures that it benefits from an expansion of the Labor Surplus Program. I have included this bill, as well as my introductory remarks which appeared in the Congressional Record as Appendix 2 to my testimony, and ask that this material be included in the record for this hearing.

Also, of particular interest to this Committee, included in Title IV of the Senate amendments to H.R. 692, the SBA Authorization bill, as approved by the Senate on May 19, are similar provisions intended to integrate the goals of the small business and labor surplus set-aside programs. Attached as Appendix I to my testimony is the relevant excerpt from Senate Report 95–184 which explains these provisions in more detail. I am hopeful that, based on the findings of today's hearings, these provisions will receive favorable consideration in the course of the upcoming Conference on the differing versions of H.R. 692.

Since I am unable to appear today to respond personally to any questions which Members of the Subcommittee might have, I would be pleased to respond subsequently to such questions.

Mr. Chairman, thank you for this opportunity.

SMALL BUSINESS ADMINISTRATION AUTHORIZATIONS AND DISASTER LOAN PROGRAM AMENDMENTS

TITLE IV—PROCUREMENT ASSISTANCE

BACKGROUND ON LABOR SURPLUS SET-ASIDE SECTION

Section 2 of the Small Business Act stipulates as a declared policy of the Congress that a "fair proportion of the total purchases and contracts or subcontracts for property and services for the Government . . . be placed with small business enterprises. . . ."

To implement this policy, section 15 of the act mandates that small businesses shall receive awards or contracts, or any parts thereof, whenever it is determined by SBA and the contracting procurement agency "(1) to be in the interest of maintaining or mobilizing the Nation's full productive capacity, (2) to be in the interest of war or national defense programs, or (3) to be in the interest of assuring that a fair proportion of the total purchases and contracts for property and services for the Government are placed with small business concerns. . . ."

This language is the statutory basis for the small business set-aside program by which contracts or parts of contracts are allocated for competition solely among small business concerns.

In fiscal year 1976, small businesses received approximately $12.4 billion in procurement awards from both defense and civilian procurement agencies out of a total of approximately $57 billion, or 22 percent. But of the $12.4 billion awarded to small business, only $3.19 billion were for set-asides.

Almost three-fourths of the aggregate value of procurement awards made to small firms, therefore, resulted not from set-aside procedures, but rather from small companies succeeding in open competition with large concerns. The net result was that small business set-asides constituted approximately 22 percent of the value of total procurement contracts awarded to smaller businesses and only 5.6 percent of overall Federal procurement.

The committee believes that in order to meet the requirements imposed by existing law, an increased number and proportion of contracts, with an increased aggregate value, should be subject to set-aside procedures. It is also the committee's conclusion that small firms should be assured a "fair proportion" of Federal procurement. An appropriate target goal should be a proportion equal to not less than the small business proportion of private employment in the economy of the United States. As of last year, this figure was approximately 55 percent. It is clear that there is a great need for expansion of contract set-asides to achieve this goal.

This bill specifically authorizes $13 million for salaries and expenses for procurement assistance. These funds are to be used to employ an increased number of procurement officers to increase the number and total value of set-asides, and to develop a procurement data bank of small business concerns.

In order that these increased set-asides are awarded to those businesses which have the greatest need and could most benefit from such contracts, the committee feels it appropriate that priority be given to concerns which are located in areas of concentrated unemployment, underemployment, or labor surplus areas. In establishing this priority, the committee intends that there be greater coordination and interaction between the small business set-aside procedures and the set-aside procedures established pursuant to Defense Manpower Policy No. 4 (32A C.F.R. Part 8), the so-called Labor Surplus Policy. This policy, first made effective in 1952, applies to defense and civilian procurement and to large and small concerns.

Unfortunately, the Labor Surplus Policy has not been fully implemented and therefore remains largely dormant. In fiscal year 1975, labor surplus concerns received $74.4 million or 0.19 percent in preference awards of prime contracts in excess of $10,000 from the Department of Defense procurement agencies. Expansion of this total would be of benefit to the small business sector since, in fiscal year 1975, these small businesses received approximately 77 percent of the DOD labor surplus preference awards. In the preceding fiscal year, the figure was 76 percent.

One of the principal reasons that the labor surplus program has not been adequately implemented is that under a General Accounting Office interpretation of existing law, labor surplus set-aside contracts must be split into two or more units. One of those units must be bid among all eligible firms to establish a competitive price. If Labor Surplus concerns can meet this price on the reserved portion of the contract, they are eligible to receive that portion as a labor surplus area set-aside.

While this procedure insures that the procurement agency receives a reasonable price on the total production run of the contract involved, it artificially restricts the number of contracts going into this program to contracts susceptible to being split into two production runs. It also ignores whether a reasonable price for the entire contract could be obtained from labor surplus area concerns.

SUMMARY OF LABOR SURPLUS SET-ASIDE SECTION

The Small Business Act is amended to authorize total labor surplus area set-asides if the head of the procurement agency involved "determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards will be made at reasonable prices."

The amendment requires that a contracting agency give highest priority to the setting aside of a total contract for performance by small business concerns eligible for labor surplus area contracts. If this is not feasible due to a lack of reasonable expectation that offers will be obtained from a suf-

ficient number of eligible small business concerns, the contracting agency would then consider setting aside the entire contract to small firms regardless of their location. If this is not feasible, next consideration would be given to setting aside part of the contract for small business concerns regardless of location. Final consideration would be given to a total set-aside for large and small firms eligible for labor surplus area contracts.

[From the CONGRESSIONAL RECORD, Apr. 25, 1977]

EXCERPTS

By Mr. HATHAWAY:

S. 1380. A bill to amend the Department of Defense Appropriation Act, 1977 to authorize labor surplus area and small business set-aside programs, and for other purposes; to the Committee on Governmental Affairs.

UNEMPLOYMENT AND FEDERAL PROCUREMENT POLICY

Mr. HATHAWAY. Mr. President, the bill I introduce today would channel a greatly increased number of Government procurement contracts into areas of high unemployment. It is similar to amendments I have offered to Department of Defense appropriation bills during the last three sessions of Congress. Each of these amendments was accepted by the Senate, but was subsequently dropped in conference. The Senate has therefore approved the goals of this proposed legislation 3 years in a row and I am hopeful that these changes will ultimately be enacted into law during the 95th Congress.

MODIFIES MAYBANK AMENDMENT

The bill I propose today would modify language contained in the 1977 defense appropriations bill, and in every DOD appropriation since 1953. The language I wish to modify is the so-called Maybank amendment, named after Senator Burnet R. Maybank who first introduced it. It states that:

No funds shall be used for the payment of a price differential on contracts made for the purpose of relieving economic dislocations.

Senator Maybank's goal was to prohibit the DOD from paying more for textiles obtained from mills in New England than from mills in other parts of the country, particularly the South, where labor costs were lower. At that time the DOD was prone to pay these higher costs in an attempt to stop or slow the trend of many New England firms moving to areas with lower labor costs. The Maybank amendment was intended to counteract this regional favoritism which imposed higher costs for the defense of the country as a whole.

As we all know, most of the mills moved, and therefore the historic phenomenon to which the Maybank amendment was addressed no longer is significant.

LABOR SURPLUS AREA SET-ASIDE PROGRAM

The Maybank amendment, however, has lived on, and become a significant problem in its own right as it has affected the DOD's labor surplus area set-aside program.

This program was initiated in 1952 under Defense Manpower Policy No. 4 which requires that certain procurement contracts be set aside for bidding in areas of substantial unemployment. The program was meant to preserve management and employee skills useful to the Nation's defense during times of economic downturns. This program is a valuable one, and ought to gain increased attention today as unemployment hovers at an unacceptable level of 7.3 percent.

The General Accounting Office has, however, in its construction of the Maybank amendment and the labor surplus area set-aside program, limited implementation of the goals of the latter by its determination that a defense procurement contract cannot be totally set aside for award to firms located in labor surplus areas, but rather must be split up into two or more units with at least one of those contract units beginning bidding competitively among all firms, within and without labor surplus areas. Under the GAO interpretation, the open competition on a portion of the total contract award determines the highest price payable on the remaining portion of the contract to be set aside for labor surplus areas. This construction is based on the theory that the best price can only be obtained by an open competition among all sorts of firms and would not be obtainable under a total set-aside to labor surplus areas. Such a theory might have made some sense in times of low levels of unemployment where there were few qualifying labor surplus areas, but makes little sense today.

I might add that in 1953, when Senator Maybank first introduced his amendment, unemployment was only 3 percent. In a time of 7.3-percent unemployment when approximately 800 areas across the country were designated by the Secretary of Labor as having substantial unemployment in a count made a year ago, setting aside a Government contract for procurement among firms in these areas would surely yield a competitive price. Furthermore, the GAO interpretation which refuses to allow such a total set-aside severely limits the labor surplus area set-aside program's goal of helping alleviate localized severe unemployment. The time has come to change the statutory structure to allow total labor surplus set-asides and to eliminate the GAO's tortured construction to the Maybank amendment.

SPECIFIC PROCEDURES

My bill would allow the Secretary of Defense or his delegate, the contracting officer, to make a total set-aside to labor surplus areas of a Government contract when the Federal Government will not be forced to pay an unreasonable contract price. In order to make the determination the officer should look at the number of labor surplus areas, the overall unemployment level the number of firms within the labor surplus areas willing and capable of performing such contracts and the probability of such firms competing such contract at a fair and reasonable cost.

This determination would be made on a contract-by-contract basis, substituting specific criteria for the present procedure which arbitrarily decides that a total labor set-aside is not feasible.

The procedure I suggest for allowing total labor surplus area set-asides borrows heavily from current procedures followed by a contract officer in placing a procurement into a total small business set-aside, regarding which the Armed Force's procurement regulation states that:

"The entire amount of a procurement may be set aside for exclusive small business participation if the contracting officer determines that there is a reasonable expectation that officers will be obtained from a sufficient number of responsible small business concerns so that awards will be made at reasonable prices."

This procedure has worked well for such total small business set-asides. The procurement officers solicit bids from available firms on bidders lists compiled by the Small Business Administration and from lists compiled by the DOD of firms which have bid in the past on other contracts to insure adequate competition. The same sort of lists could be obtained of the labor surplus area firms.

The contracting officer has an additional safeguard against an unreasonably high bid price under total small business set-aside which would also be available under a total labor surplus area set-aside; he may cancel the set-aside and readvertise among all firms.

My bill would extend these well established and workable procedures to make them applicable to total labor surplus area set-asides, and would remove the current blanket prohibition against such set-asides.

PRIOR OBJECTIONS

My bill would not mandate a total labor surplus area set-aside in situations where such a procedure would prove uneconomical. In previous Congresses I had attempted an outright repeal of the Maybank amendment. In fact, the last session of the 93d Congress, an amendment offered by Senator PASTORE and myself which did repeal Maybank, was accepted by the Senate, but dropped in conference, apparently due to DOD opposition. The DOD objected to outright repeal because in certain circumstances a total labor surplus set-aside would not result in an economical contract price, such as where there were an insufficient number of firms within the labor surplus area to generate a fair price. I appreciate the nature of such objections and have drafted the bill accordingly. The bill would preserve the positive features of the Maybank amendment and at the same time unfetter the labor surplus area set-aside program, so badly needed in today's economy.

Based on my prior experiences in having this proposed change in law rejected by House conferees due to expressed opposition from the Department of Defense, I would like to make my colleagues aware of some of the arguments raised against this proposed change, and my rebuttal to these arguments.

In this regard, I prepared two letters to Chairman MCCLELLAN in November of 1975. I ask unanimous consent that these letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., November 26, 1975.

Hon. JOHN L. MCCLELLAN,
Chairman, Senate Appropriations Committee, Washington, D.C.

DEAR JOHN: I understand that you have been contacted by the Department of Defense regarding its objection to the Senate amendment to H.R. 9861, which modifies the Maybank Proviso to permit a procurement contract to be totally set aside for firms located in labor surplus areas where the Secretary of Defense determines that sufficient competition exists in these areas to insure a reasonable price to the government. Such a total set-aside is not possible under the current G.A.O. interpretation of the Maybank Proviso.

First, I would like to stress that the amendment as finally drafted was intended to meet the previously expressed objections from DOD to my earlier attempts to repeal the Maybank Proviso. On those occasions, the DOD had objected on the grounds that the Maybank Proviso was necessary lest the government be forced to pay unreasonable prices on contracts, whether or not procured through the labor surplus set-aside program. Consequently, my amendment this year was intended both to allow for total labor surplus area set-asides and insure that contracts would be bid at a fair price to the government. At the time the amendment was offered, I was advised that the DOD had no objections, that it met DOD's concerns. Now it is disturbing that a new source of objection has arisen, and ironic that DOD bases its objection over a concern for small business. While I understand that the DOD opinion could change upon further reflection, I wonder whether this further objection ought to be considered to be in good faith, and not simply motivated out of an aversion to any change in status quo.

The DOD's objection, as I understand it, is based upon a concern that such a modification would result in fewer contracts going to small businesses which are not located in

labor surplus areas. As you may recall, the same concern was expressed last year by the Small Business Administration to a Senate amendment which would have repealed the Maybank Proviso. At that time I offered a rebuttal to their expressed concern, but unfortunately the amendment was dropped in Conference. I repeat that rebuttal now.

The Small Business Act provides that small businesses shall receive a fair proportion of total government purchases and contracts. To implement this mandate, the Armed Services Procurement Regulations establish preference categories when set-asides are to be made.

A procurement officer gives primary consideration, or first preference to making a small business set-aside, a portion of which is further set aside for small business located in a labor surplus area. Thus the first preference is given to small business both in and out of labor surplus areas.

Second preference is given to partial set-asides in labor surplus areas. With the modification of the Maybank Proviso, total set-asides could be given to those labor surplus areas.

Third preference is given to total set-asides to small business only with no part of the proceurement being reserved to small businesses located in labor surplus areas.

Fouth preference is given to partial set-asides to small business.

The DOD seems to be concerned that, if the restriction against total set-asides is eliminated from the second preference category, more procurements will go into the labor surplus area program and fewer procurements will be assigned to the third category giving total set-asides for small business only.

Last year, 73.4 percent of the contracts set aside for labor surplus areas went to small business. I am of the opinion that, with the authority to make total set-asides to labor surplus areas, larger numbers of contracts will go to this program, and small business will most likely retain its proportionate share. The enlargement of the labor surplus area program has a two-fold purpose—one, to aid small business and the other to alleviate unemployment in labor distressed areas.

If modifying the restrictive language of the Maybank Proviso does result in fewer contracts being set aside for small business under the third preference, then in accordance with the mandate of the Small Business Act, the preference categories should be rearranged to assure that a fair proportion of purchases and contracts go to small business.

In fact, a reordering of these relative priorities is now being considered by the Office of Federal Procurement Policy of the Office of Management and Budget. Mr. Hugh Witt, Administrator of the O.F.P.P., stated in testimony at hearings before my Subcommittee on November 11 that a determination would be made within 60 days of that date. The Senate amendment, by allowing total labor surplus set-asides, would give the O.F.P.P. increased flexibility in making such a determination.

The claim that allowing for increased use of the labor surplus area set-asides would injure small business located outside labor surplus areas rests on a false premise: that any increase in one program would result in a concurrent loss in the other. It is far more likely that small businesses located both inside and outside labor surplus areas would benefit from an increase in the variety of set-aside programs which the DoD must fulfill. In this way the total number of contracts going to small business in all areas would increase.

My intention in offering the amendment to modify the restrictive language of the Maybank Proviso from the Defense Appropriations bill was to aid small business in an area which I feel is being hampered by the restrictions of the Maybank Proviso. I believe that the modification will be an aid to small business, and I urge the members of the conference committee to support the modification of this restrictive language from the legislation before it.

With best regards.

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON LABOR AND
PUBLIC WELFARE,
Washington, D.C., December 2, 1975.

Hon. JOHN L. MCCLELLAN,
Chairman, Senate Appropriations Committee, Washington, D.C.

DEAR JOHN: I would like to supplement my letter to you dated November 26, to explain further my goal in offering my amendment to H.R. 9861 and my hope that this amendment will be retained in conference.

It is my understanding that the Department of Defense has now been joined in opposing the amendment by the Small Business Administration and the Office of Federal Procurement Policy. I would agree that the united opposition of these different entities of the Executive Branch ought to be carefully considered, but also ought to be examined for motive and purpose.

All of these entities seem to be concerned that any increased emphasis on the labor surplus area set-aside program would necessarily have an adverse impact upon the small business set-aside program. Such a result would be contrary to existing law and contrary to the intent of my amendment. I suspect that this charge on the part of these entities is motivated more by an affection for the status quo than any legitimate dispute regarding the impact of the amendment.

At heart, the objections are based on a unified sentiment that the amendment would be difficult to administer, that it would be hard to simultaneously fulfill the Nation's defense goals and to channel contracts to areas of high unemployment and to small business. Of course the task may be difficult but it can and ought to be done. Without the amendment it will never be done and the labor surplus area set-aside program will continue as a dead letter with little if any practical significance.

All of the expressed objections could be met with a simple reordering of the current Armed Services Procurement Regulations, to allow for total labor surplus area set-asides and uphold the precedence of small business in this and other set-aside programs. I would envision the following priority structure emerging from this administrative change in regulations:

1. Highest priority be given to total set-asides for small businesses located within labor surplus areas, followed by:

2. Total set-asides for small business located anywhere, then:

3. Partial set-asides for small business anywhere, and finally:

4. Total set-asides for firms located within labor surplus areas, whether or not small businesses.

Such a change in the priority structure or something very close to it would be required in order to assure the precedence of small business as mandated by the statutory authority of the Small Business Act. I believe the SBA makes a mistake in seeing the current regulations as static and not requiring such change.

Regulations are not static and must change as their statutory underpinnings change. Let us not lose this opportunity to remove an anachronistic constraint from the Defense Appropriations legislation simply because the Executive branch prefers not to amend its regulations.

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Senator.

Mr. HATHAWAY. Mr. President, in order to make totally clear my intention that small business not be adversely affected by modification of the Maybank proviso and to insure that small business, both within labor surplus areas and outside such areas receive special consideration and priority in Government procurement procedures, the bill I am introducing today in subsection (b) stipulates the order of priority as delineated in my previous letter to chairman MCCLELLAN.

The difficulties I have experienced in seeing this needed change become law have in large part resulted from the lack of attention given and lack of understanding regarding our very complex Federal procurement procedures.

I first learned of the existence of Defense Manpower Policy No. 4 and of the impediment posed by the Maybank amendment in the course of my work as chairman of the Subcommittee on Government Procurement, but I understand that my interest and expertise in this area are not shared by all of my colleagues.

Consequently, I was most pleased to learn that the Northeast-Midwest Research Institute on March 28, 1977, published a complete history and analysis of DMP 4 titled "Federal Procurement and Regional Needs: The Case for Defense Manpower Policy Number Four." The Institute was set up by the Northeast-Midwest Economic Advancement Coalition, and at the request of its chairman, Congerssman MICHAEL HARRINGTON, has embarked on a study of our Federal procurement policies. Its initial report on DMP–4 prepared by Laurence Zabar, is an excellent piece of research, and highlights the need for expansion of DMP–4 and elimination of the impediment to this goal posed by the Maybank amendment.

Mr. President, I ask unanimous consent that at the conclusion of my remarks the text of my bill be printed in the RECORD, and that subsequent thereto, Mr. Zabar's excellent study be printed in the RECORD along with its appendixes, as further background to the goals of this proposed legislation.

There being no objection, the bill and study were ordered to be printed in the RECORD, as follows:

S. 1380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second proviso to section 723 of the Department of Defense Appropriation Act, 1977, is amended by inserting immediately after "economic dislocations" the following: "except that nothing herein shall be construed to preclude total labor surplus area set-asides pursuant to Defense Manpower Policy No. 4 (32A C.F.R. Part 8) if the Secretary specifically determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards will be made at reasonable prices".

(b) In carrying out labor surplus areas and small business set-aside programs, departments, agencies, and instrumentalities of the executive branch shall award contracts, and encourage the placement of subcontracts for procurement to the following in the manner and in the order stated:

(1) Concerns which are located in labor surplus areas, and which are also small business concerns, on the basis of a total set-aside.

(2) Concerns which are small business concerns, on the basis of a total set-aside.

(3) Concerns which are small business concerns, on the basis of a partial-set-aside.

(4) Concerns which are located in labor surplus areas on the basis of a total set-aside.

FEDERAL PROCUREMENT AND REGIONAL NEEDS: THE CASE OF DEFENSE MANPOWER POLICY No. 4

(By Laurence Zabar)

EXECUTIVE SUMMARY

At the request of Congressman Michael J. Harrington, Chairman of the Northeast-Midwest Economic Advancement Coalition, the Northeast-Midwest Research Institute has examined how federal procurement can be used to stimulate economic activity in areas of high unemployment.

The vital importance of this question is clear: In FY 77, the federal government spent more than $60 billion on procurements—approximately four times the annual amount requested by the President for his economic stimulus program.

The concept of targeting federal procurement moneys to areas of economic need dates to the early 1950's and is embodied in Defense Manpower Policy Number Four (DMP–4), issued by the Director of Defense Mobilization in 1952. The Institute studied the use of DMP–4 by the Defense Department which is responsible for 73% of federal procurement this fiscal year. The study reveals that the program has been used for only a tiny fraction of procurements and that its use has fallen since 1964.

During the year of greatest use, 1964, DOD spent .69% of a $25 billion procurement budget under the provisions of DMP–4. In the period 1973–1975, a period when unemployment rates in some sections of the country reached heights unattained since the depression, DOD spent only .23% of its total procurement budget under DMP–4. In each of those years, the percentage decreased from the preceding year: from .36% in 1973, to .30% in 1974, to .19% in 1975.

This study details the procurement process under DMP–4 and outlines limitations in its design and execution. The concluding section lists alternatives for change including:

A redefinition of the unemployment rate triggering the use of DMP–4; changes in legislation; and

A wide variety of changes in administration to make the program more effective and efficient.

Future Institute research will study this policy vis-a-vis at least three other major departments of the government that engage in substantial procurement activity: The Department of Labor, the Department of Health, Education, and Welfare, and General Services Administration. Additional research will also explore the use of DMP–4, with respect to facilities in addition to procurements.

I. DESCRIPTION AND HISTORY OF DMP—4

Targeting federal procurement funds to areas of economic stagnation is not a new concept. In the summer of 1951, no general government policy was to encourage total commitment to defense production, in support of the U.S. engagement in Korea. Numerous firms, however, contacted the Office of Labor in the National Production Authority, wanting to know why they were not being awarded defense contracts while they had unused facilities and idle manpower.

In 1951 CIO Textile Workers met in Washington with The Office of Labor to request that the government take immediate action to relieve the serious unemployment in the region's textile industry.

In response to this request, the Office of Labor contacted the Central Military Procurement Information Office of the Munitions Board. The Board replied that there was no legal means for DOD to channel contracts to firms or areas to relieve unemployment. It quoted from a DOD pamphlet:

No legislation exists which will permit the selective placing of contracts based on size of a business concern without regard to lowest cost."

The Office of Labor did not agree with that opinion and contacted numerous DOD officials concerning the placing of contracts in labor surplus areas in order to relieve unemployment. DOD repeatedly took the position that its procurement policies were controlled by the 1947 Armed Services Procurement Act (P.L 413, 80th Congress), which required that only the most advantageous contract awards be made. DOD interpreted "most advantageous" to mean the lowest price.

The Office of Labor countered by quoting Section II(c)(1) of the Act which stipulates that the advertising policies in awarding contracts need not be complied with during a national emergency. Labor argued that since President Truman had declared a national emergency on December 16, 1950, DOD's interpretation was not applicable.

The Office of Labor also quoted five other opinions and directives that were at odds with DOD's version of awarding contracts to firms in labor surplus areas.

After a meeting on unemployment with Congressional leaders, in September of 1951, President Truman directed the Office of Defense Mobilization (ODM) to undertake a review. The ODM review determined that one of the solutions to the unemployment problem was the placement of government contracts in the area.

As a result of the study, the Office of Defense Mobilization, on February 7, 1952, issued Defense Manpower Policy Number Four (DMP–4). The purpose of DMP–4 was "to provide for procurements by negotiated contracts and purchases with responsible concerns which are in an area of current or imminent labor surplus . . ." (For text, see appendix 1)

To accomplish the objectives of DMP–4, regulations provided that preference in certain federal contracts be given to employers who would perform substantial portions of awarded contracts in areas which the Department of Labor classified as "persistent" or "substantial" unemployment areas.

In 15 years of operation, however, this program never realized its expected potential. DOD during this period spent an average of only $23 million per year of a multi-billion dollar budget for procurements under DMP–4.

Due to low levels of participation, a major revision of this program was introduced by the Director of the Office of Emergency Planning in October, 1967 This modification created a new category of high unemployment areas: "sections of concentrated unemployment or underemployment."

The mandate of the revised DMP–4 program was specified in the Federal Register on July 20, 1968: (For full text see Appendix 2)

"It is the policy of the Federal government to encourage the placing of contracts and facilities in sections of concentrated unemployment or under-employment and in areas of persistent or substantial labor surplus with preference being given in accordance with regulations prescribed by the Secretary of Labor in making the best use of their available resources . . ."

Describing procurement agencies:

"All procurement agencies shall use their best efforts to award negotiated procurement contracts to contractors who will perform a substantial portion of the production on those contracts within or near sections of concentrated unemployment or within labor surplus areas, giving preference to contractors in accordance with regulations prescribed by the secretary of Labor to the extent that procurement objectives will permit."

Furthermore, the Secretary of Commerce is directed to:

". . . assist employing establishments, certified in accordance (with the provisions detailed above) which have agreed to perform contracts in or near sections of concentrated unemployment or underemployment by (a) providing such firms with timely information on proposed Government procurements; (b) maintaining current information on the manufacturing capabilities of such firms with respect to Government procurement and disseminating such information to Federal procurement agencies . . ."

Despite these revisions, neither contract awards or jobs created for the unemployed increased under DMP–4. Between 1967–1969, DOD averaged an increase of only .02% over the 1952–1966 period in the value of procurements secured under DMP–4 in relation to total procurements. (See Section III)

A revision of the process governing certification of firms took effect May 1, 1970.

II. PROCUREMENT PROCESS UNDER DMP–4

During the Senate hearings on the Defense Appropriations Bill in 1953, Senator Burnet Maybank (D-SC) offered an amendment that prevented any preferential treatment on price to firms located in labor surplus areas when bidding on defense contracts. Senator Maybank's goal was to prohibit the Department of Defense from paying more for textiles produced in New England mills than they would have to pay were the textiles purchased from southern mills. DOD at this time was willing to pay the higher price in an attempt to slow the exodus of many New England mills to areas of the country with cheaper labor costs.

The Maybank amendment has been added routinely to the Defense Appropriations Bill each year since 1953. This year (FY77) the language of the amendment read: "provided further, that no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocation;"

In 1972, the interagency Surplus Manpower Committee set up by DMP–4 determined that the only way to insure that the government can comply with Maybank was to insure that only those products that can be divided into two full production runs be considered under DMP–4. This determination used the theory that a reasonable price—the lowest or "base price"—can be determined only if bids are invited from all interested firms and that this price cannot be obtained if a contract award is totally set aside for a labor surplus area.

When a procurement agency identifies such a "splittable" item and decides to offer part of that contract to a labor surplus area firm under DMP–4, the contract is processed according to the following methodology:

The contracting officer publicizes the procurement as a "labor surplus area set-side." This means that 50% of the award is set-aside to be bid on only by those firms certified for preference. This is known as the "reserved" portion. The other 50%—the "unreserved" portion—is open to all employers to bid on. To be considered in negotiations on the reserved portion, however, employers must also have bid on the unreserved part of the contract.

The contrating officer initially awards the unreserved portion to the lowest bidder. Once this "base price" has been determined, the reserved part is offered, at the base price, to firms in this prioritized manner:

1. Small firms with a first preference rating.

2. Large firms with a first preference rating.

3. Small firms with a second preference rating.

4. Large firms with a second preference rating.

5. Small firms with a third preference rating.

6. Large firms with a third preference rating.

7. Small firms not located in a labor surplus area and with no preference certificate.

If no firm in a labor surplus area can accept this contract, it is then offered to any firm that can meet the base price.

EXAMPLE OF DMP–4 IN PRACTICE

An agency must purchase 100 widgets. Bids are accepted from all interested firms on the unreserved portion of the contract (50 widgets) and the contract is awarded to the lowest bidder. Assume, however, that the lowest bidder can produce widgets for $1.00 each but can only produce 25. The contract for the remaining 25 on the unreserved portion is awarded to the next lowest bidder (for the sake of this example, assume that bid was $1.05 each).

Once these contracts are awarded and the base price determined, the reserved portion of the contract is offered to labor surplus area firms at the highest price paid on the unreserved portion, that is, $1.05 each. If no firm is capable of producing 50 widgets at this price, the contract is available to any firm nationwide at the lowest price paid on the unreserved portion—$1.00 each.

The Maybank amendment, coupled with the GAO interpretation discussed earlier, effectively insures that the more expensive procurements will not be directed to labor surplus areas under DMP–4. Only such products as clothing, food, construction supplies, medical supplies, etc. can be divided into two full production runs and therefore set-aside under DMP–4. Obviously, the cost for these split-table items cannot compare to the cost of an engine for a nuclear submarine.

For the past three years, Senator William Hathaway (D-Maine) has introduced an amendment to the Defense Appropriations Bill to repeal the Maybank amendment. During the debate on the FY77 Defense Appropriations Bill, Senator Hathaway's amendment provided: ". . . that no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocation, except that nothing herein shall be construed to preclude total labor surplus area set-asides pursuant to Defense Manpower Policy Number Four . . . if the Secretary specifically determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards will be made at reasonable prices."

This amendment passed the Senate by a voice vote on August 2, 1976 but was not discussed by the House when it considered the Defense Appropriations Bill. The amendment did not survive the House-Senate Conference. Senator Hathaway is likely to offer the same amendment again this year.

Should the Maybank amendment be repealed, the result would be that the contracting officer of DOD will be able to award a total set-aside of a government contract to a labor surplus area under DMP–4, if the Secretary of Defense determines that the government will be paying a reasonable price. This would substantially increase the number and value of contracts which could be awarded to labor surplus areas.

The Secretary could use any of a variety of methods for determining if a reasonable price was being paid; such as:

1. Using the last price paid for a similar or identical item, plus a normal inflator, or percentage of a normal inflator, to discourage "self-fulfilling inflation";

2. Employing experts knowledgable in the market for specific items to recommend a reasonable price or range of prices; and

3. Developing an explicit permissible price difference between the lowest bid price and the lowest DMP–4—certified firm bid price, such as .5% or 1%. This permissible difference would represent the net "price" the Federal Government is willing to "pay" to use procurements to promote employment in depressed regions. The permissible difference would be applied to all procurements, or some sub-set of all procurements.

III. PATTERNS OF UTILIZATION OF DMP–4

Between December 1972 and December 1975, the number of areas within each classification has changed as follows: (See Chart A)

1. The number of labor surplus areas has increased by 30 percent.

2. Areas of persistent unemployment have declined by 46 percent (due, in part, to the rise in the average national unemployment rate).

3. Areas of substantial unemployment have increased by 139 percent.

Thus, the number of major areas of persistent and substantial unemployment almost doubled between 1972 and 1975. Yet, during the same period the number of certified establishments under DMP–4 has grown by only 4.5 percent. (See Chart B)

The limited use of this program by DOD may discourage many eligible firms from expending the effort, minimal as it is, to obtain preference certificates. Since FY72, the ratio of the value of DOD contract awards under DMP–4 to the total DOD contract awards has dropped from .62 percent to .19 percent (less than one-fifth of 1 percent). In FY75 this amounted, to an outlay of only $64 million of a procurement budget of over $40 billion. (See Chart C)

There is also evidence that the federal dollars being spent under this program are not being targeted to areas of greatest need. For example, in FY74, the Boston area received 18 percent of all DMP–4 awards from DOD (worth $13 million); in FY75, while unemployment rose, this area received only 8 percent of all DMP–4 awards from DOD (worth $4 million). In contrast, the Atlanta region, with substantially less unemployment, received 21 percent of all DMP–4 awards in FY74 (worth $15 million) and 39 percent in FY75 (worth $19 million). (See Chart D)

The minimal use of DMP–4 can be attributed to some extent to the limitations imposed by the Maybank amendment. No explanation can be found, however, for the existing regional disparity in the allocation of federal dollars under DMP–4 by DOD.

CHART A

NUMBER OF LABOR SURPLUS AREAS (LSA's)

Area classification	Total, December 1972	Number, December 1975	Substantial, December 1972	Unemployed, December 1975	Persistent, December 1972	Unemployed,[1] December 1975	Total (percent)	Percent change in numbers, December 1972–75: Substantial	Persistent
Major areas [2]	45	131	36	122	9	9	+191	+239	0
Other areas [3]	830	1,009	325	741	505	268	+22	+128	−47
Total areas	875	1,140	361	863	514	277	+30	+138	−46

[1] For explanations and definitions of area classifications see Area Trends. In times of a rising national unemployment rate, persistent unemployment may become "substantial."
[2] Major labor areas usually have at least 2 central cities with a population of 50,000 or more. In most cases the geographical boundaries are the same as an SMSA.
[3] In most cases, areas smaller than the 150 major labor areas listed in Area Trends.

Note: Sections of concentrated unemployment and underemployment eligible for certification under the DMP–4 program, have not increased or decreased for some years. See Area Trends for definitions and listings.

Sources: Area Trends in Employment and Unemployment, December 1972 and October–December 1975; Division of Labor Market Information, Office of Policy, Evaluation and Research, Employment and Training Administration, U.S. Department of Labor.

CHART B

DMP–4: AVERAGE NUMBER OF DMP–4 CERTIFIED ESTABLISHMENTS AT END OF THE MONTH

[By region and fiscal year: 1972, 1973, and 1976]

Headquarters city for region	Average number of certified establishments at end of the month: 1972	1973	1976	Percent change in monthly average: 1972–73	1973–76	Percent of total certified establishments, 1976
Boston	89	85	110	−4.5	+29.4	+10.1
New York	242	271	281	+12.0	+3.7	25.8
Philadelphia	113	114	141	+.9	+23.7	13.0
Atlanta	89	74	116	−16.9	+56.8	10.7
Chicago	140	144	117	+2.9	−18.8	10.8
Dallas	91	82	73	−9.9	−11.0	6.7
Kansas City	52	50	37	−3.8	−26.0	3.4
Denver	17	14	10	−17.6	−26.0	.9
San Francisco	223	185	184	−17.0	−.5	16.9
Seattle	21	21	18	0	−14.3	1.7
Total	1,077	1,040	1,087	−3.4	+4.5	100.0

Source: Monthly MA 7–38 reports from State employment security agencies in 50 States, Puerto Rico, and the District of Columbia.

CHART C

TOTAL DEFENSE MANPOWER POLICY NO. 4 PREFERENCE TO LABOR SURPLUS AREAS, 1952–75

[Dollar amounts in millions]

	Total DOD procurement	Preference awards	Percent of all defense contracts
Fiscal year:			
1952	$38,479	41.6	0.11
1953	26,994	23.0	.09
1954	10,632	8.5	.08
1955	13,972	47.8	.34
1956	16,491	4.2	.03
1957	18,027	10.8	.06
1958	21,116	36.6	.17
1959	22,000	96.0	.44
1960	20,505	22.3	.11
1961	22,181	50.5	.23
1962	25,016	106.1	.42
1963	25,091	137.8	.55
1964	$25,196	172.9	0.69
1965	24,299	109.0	.45
1966	32,763	98.2	.30
1967	38,364	57.8	.15
1968	38,337	108.4	.28
1969	36,260	185.2	.51
1970	30,680	135.5	.44
1971	29,809	99.3	.33
1972	33,601	208.8	.62
1973	32,328	117.2	.36
1974	34,445	183.8	.30
1975	39,418	74.4	.19

Notes: Excludes work performance outside the United States. Includes civil functions. Excludes prime contracts under $10,000. Prime contract awards to large firms certified for preference under provisions of Defense Manpower Policy No. 4. Includes value of awards to subcontractors receiving a substantial proportion of prime contract award received by certified prime contractor. Does not include awards under $10,000 or awards to small business with DMP–4 preference. Values are net values.

Source: Department of Labor compilation from Department of Defense, OASD (Comptroller Directorate for Information Operations).

CHART D

TOTAL VALUE OF DMP–4 PARTIAL SETASIDES AWARDS BY DOD, BY REGION (FISCAL YEARS)

[Dollar amounts in thousands]

Region headquarters	Total value of DMP–4 awards by the DOD [1]		Value of awards to region as percent of all awards		Rank of region by percent of United States	
	1974	1975	1974	1975	1974	1975
Boston	$12,752	$3,788	18.0	8.0	3	4
New York	14,827	11,215	21.0	23.7	1	2
Philadelphia	5,050	2,233	7.1	4.7	7	6
Atlanta	14,635	18,607	20.7	39.3	2	1
Chicago	6,766	4,948	9.6	10.4	5	3
Dallas	6,134	1,651	8.7	3.5	6	7
Kansas City	0	−$53	0	−0.1	10	10
Denver	$1,715	766	2.4	1.6	8	8
San Francisco	8,352	3,541	11.8	7.5	4	5
Seattle	477	687	.7	1.4	9	9
Tota., United States	70,708	47,383	100.0	100.0		

[1] Awards for partial setasides under DMP–4 preference only. DOD dollar value of awards are for contracts of $10,000 or more. Does not include awards of less than $10,000 fo combined awards to small business/DMP–4 preference, or awards under DMP–4 to civilian departments.

Source: Directorate for Information Operations and Control, OASD (comptroller), DOD; Prime Contract Awards in Areas of Substantial Unemployment, fiscal year 1974 and fiscal year 1975, table 4.

IV. ALTERNATIVES FOR CHANGE

Several alternatives exist to allow the DMP–4 program to more fully realize its potential for economic development. These include the following:

1. The definition of "substantial unemployment" could be revised upward. This definition, 6 percent, has not been changed in the 24 years that this program has been operative. The 6 percent definition now includes nearly every area in the country and thus gives little, if any, selective advantage to firms located in areas especially hard hit by recession.

2. The requirement that only those items that can be split into two production runs be included could be eliminated or altered to include total set-asides of some contract awards to firms located in labor surplus areas. An instrument like the Hathaway amendment would accomplish this end and would establish the machinery necessary to direct the more expensive defense contracts to areas of highest unemployment.

3. The administration of DMP–4 can be made more effective. Because DMP–4 only encourages placing facilities and contracts in areas of high unemployment; the increased use of the DMP–4 program would appear to require an Administration willing to enforce this policy rigorously. This can be done through:

(a) Increased training of federal procurement agents in the DMP–4 program;

(b) Increased staff for DMP–4 administrators in Department of Defense, Department of Labor, Department of Health, Education and Welfare, Department of Commerce, General Services Administration, and other appropriate agencies;

(c) Increased public encouragement by federal and state agencies of obtaining DMP–4 preference certificates and increased technical assistance by these agencies to interested firms;

(d) Lengthening the time a DMP–4 certificate is usable by a firm;

(e) Federal encouragement of large contractors to put production into plants in areas of high unemployment;

(f) Requiring government agencies to set and meet dollar amount quotas to meet in the implementation of DMP–4; and

(g) Providing for more equitable distribution and efficient targeting of DMP–4 use.

CONCLUSION

Unemployment continues to be a major national problem. This year (FY77), the Federal government will spend $174 billion—nearly 40% of the total budget—on income maintenance programs (Food Stamps, welfare, unemployment compensation); funds that could be used to enhance cities, improve educational facilities, and clean up the environment were they not needed to bolster a lagging economy.

The potential for effectively utilizing the Federal procurement process to aid areas suffering from chronic unemployment exists. Specifically, Defense Manpower Policy Number Four was implemented in 1952 to serve just this purpose.

The Department of Defense, with a procurement budget of over $47 billion, is capable of targeting some of these funds through DMP–4, to firms located in areas in particular need of economic stimulation. Our research, however, demonstrates a very minimal use of this program by DOD. This can be explained, in large part, by three factors:

1. The lack of commitment by any previous administration toward addressing the unemployment problem through the procurement process;

2. The absence of any educational campaign, either on the federal or state level, directed toward those who could benefit from this program; and

3. The limitations imposed by the Maybank amendment.

The enormous potential of DMP–4 can never be realized if these obstacles remain substantially in place.

APPENDIX I.—DEFENSE MANPOWER POLICY NO. 4

Subject: Placement of Procurement in Areas of Current or Imminent Labor Surplus.

I. INTRODUCTION

The aim of the mobilization program is to develop and maintain the necessary military and economic strength to carry out the policy of the United States to oppose acts of aggression and promote peace. As was declared in Defense Manpower Policy No. 1, success of the mobilization program requires efficient use of all our resources, including manpower as well as facilities. The conversion from civilian to military production, unless carefully coordinated, would result in dislocation, causing serious waste of manpower and facilities in many areas and thereby reducing our defense potential. The overriding need is to obtain on schedule the goods and services required for defense. In achieving this goal, every effort must be made to hold to a minimum any waste of manpower which may result from materials shortages and conversion to defense production.

II. PURPOSE

The purpose of this Defense Manpower Policy No. 4 is to provide for procurement by negotiated contracts and purchases with responsible concerns which are in an area of current or imminent labor surplus (including a surplus of manpower possessing skills necessary to the fulfillment of Government

contracts and purchases), in cases where the public interest dictates the need for doing so in order to achieve the following objectives:

a. To coordinate conversion from civilian to military production;

b. To minimize strains and dislocations in the economy resulting from such conversion;

c. To preserve employee skills necessary to the fulfillment of Government contracts and purchases;

d. To maintain productive facilities;

e. To assure utilization of the Nation's total manpower potential by making use of the manpower resources of each area; and

f. To help assure timely delivery of required goods and services by locating procurements where the needed manpower and facilities are fully available.

III. IMPLEMENTATION

By virtue of the authority vested in me by Executive Order 10193 and to supplement the national Manpower Mobilization Policy issued by the President on January 17, 1951, and to carry out the purpose set forth above, it is hereby ordered that:

1. There is created a Surplus Manpower Committee. The members of the Committee shall be appointed by the Chairman of the Manpower Policy Committee and shall include representatives from the Department of Defense, Department of Labor, Atomic Energy Commission, Defense Production Administration, General Services Administration, Small Defense Plants Administration and National Production Authority.

2. The Defense Manpower Administration of the Department of Labor will certify to the committee the existence of surplus labor area under standards to be established by the Secretary of Labor.

3. Upon such certification of surplus labor area the Committee shall obtain from the appropriate manpower and production agencies manpower facilities information which shall include the following:

a. The nature and extent of the labor surplus involved, including the availability of skills necessary to the fulfillment of Government contracts and purchasees, and the need for preserving these skills in the national interest.

b. The nature and extent of the facilities involved, including their suitability and availability for the fulfillment of Government contracts and purchases, and the need for maintaining these facilities in the national interest.

4. The Committee shall make findings in appropriate cases that:

a. There exists an area of current or imminent labor surplus, including a surplus of manpower possessing skills necessary to the fulfillment of Government contracts;

b. There exists in such area facilities suitable and available for the employee skills found surplus in (a);

c. The public interest dictates the need for the negotiation of Government contracts, at reasonable prices, in such area although lower prices might otherwise be obtainable elsewhere, in order to achieve the purposes of this policy as set forth in II above;

d. Such findings may set forth any other factors which may assist in the placement of contracts in such areas including (1) an indication of the dollar amount of contracting which is desired to be placed in such area based upon the amount and timing of Government needs and (2) a determination of the maximum price differential considered appropriate to effectuate paragraph 4(c) hereof.

5. The Committee shall report these findings to the Director of Defense Mobilization with a recommendation that he notify the Department of Defense and the General Services Administration that he has concluded that it is in the public interest to give preference to such area in the placement of contracts in accordance with the findings of the Committee. The recommendations of the Committee shall be reviewed within the Office of Defense Mobilization to determine the relationships of such recommendations to other policies affecting procurement for which the Office of Defense Mobilization has responsibility, and if there are conflicts, they shall be resolved by the Director.

6. On receipt of such notification from the Director of Defense Mobilization, the Department of Defense and the General Services Administration shall (a) determine what procurement contracts can be fulfilled by utilization of the manpower skills and facilities described in the Committee's surveys and findings (b) take all practicable steps, consistent with other procurement and military objectives, other than price, to locate procurement in the areas covered by the Committee's findings; and (c) within a reasonable time, report to the Director of Defense Mobilization the steps taken, and furnish any other relevant information requested by him.

7. After receiving reports in accordance with paragraph 6(c) above, the Committee shall request from the appropriate agencies information concerning the utilization of manpower in the area involved, and shall report to the Director the effects of the actions taken, with recommendations as to whether it is necessary to continue to give preference to such area in the placement of contracts.

8. When the application of this policy would have a major effect on the operation of an entire industry, appropriate recommendations shall be made to the Director relative to that industry in lieu of recommendations relative to specific geographical areas. In such cases, after notice to and hearings of interested parties, consideration will be given to a separate certification applying to the entire industry.

9. This Manpower Policy No. 4 shall not be deemed to authorize the payment of prices higher than ceiling prices established by the Office of Price Stabilization.

10. The appropriate departments and agencies shall furnish information to carry out this policy.

11. This policy shall take effect on February 7, 1952.

TITLE 32A.—NATIONAL DEFENSE, APPENDIX 2
CHAPTER 1.—OFFICE OF EMERGENCY PLANNING

(Defense Manpower Policy 4, Revised)

DMP 4.—Placement of procurement and facilities in sections and areas of high unemployment

Pursuant to the authority vested in me by Executive Order No. 10480 and Executive Order No. 11051, as amended, Defense Manpower Policy No. 4 is hereby amended to read as follows:

1. Introduction. Success of the defense program depends upon efficient use of all our resources, including manpower and facilities, which are preserved through practice of the skills of both management and workers.

A primary aim of Federal manpower policy is to encourage full utilization of existing production facilities and workers in preference to creating new plants or moving workers, thus assisting in the maintenance of economic balance and employment stability. When large numbers of workers move to already tight areas, heavy burdens are placed on community facilities—schools, hospitals, housing, transportation, utilities, etc. On the other hand, when unemployment develops in certain areas, unemployment compensation costs increase and plants, tools, and workers' skills remain idle and unable to contribute to our defense program.

2. Purpose. It is the purpose of Defense Manpower Policy No. 4 to direct attention to the potentialities of sections of concentrated unemployment or underemployment and of areas of persistent or substantial labor surplus for the placement of procurement contracts of the location of new plants or facilities, and to assign responsibilities to specified officials of the Government to carry out the policy stated below.

3. Policy. It is the policy of the Federal Government to encourage the placing of contracts and facilities in sections of concentrated unemployment or underemployment and in areas of persistent or substantial labor surplus with preference being given in accordance wtih regulations prescribed by the Secretary of Labor in making the best use of the available resources in order to achieve the following objectives.

(a) To preserve management and employee skills necessary to the fulfillment of Government contracts and purchases;

(b) To maintain productive facilities;

(c) To improve utilization of the Nation's total manpower potential by making use of the manpower resources of each area;

(d) To help assure timely delivery of required goods and services and to promote readiness for expanded efforts by locating procurement where the needed manpower and facilities are fully available.

4. Implementation. By virtue of the authority vested in me by Executive Order No. 10480 and Executive Order No. 11051, as amended, and to carry out the purpose and policy objectives set forth above, the following assignments of responsibilities are made to the specified officials of the Government:

(a) The Secretary of Labor shall:

(1) Classify sections of concentrated unemployment or underemployment, and areas having a persistent or substantial surplus of labor under standards to be established by the Secretary of Labor.

(2) In cooperation with State and local authorities, provide labor market data and related economic information in efforts to assist in the initiation of industrial expansion programs in these areas.

(3) Identify skills which are in surplus supply within such sections and areas and make this information available to firms requiring such skills and interested in establishing new plants and facilities.

(4) Identify occupations and skills for which labor will be needed by new or expanding industries; and, in collaboration with other government agencies, make assistance available to area institutions and manpower users in developing on-the-job apprentice or other training programs for developing skills of the workforce.

(5) Certify employing establishments which have agreed to perform contracts in or near sections of concentrated unemployment or underemployment and which have agreed to comply with regulations of the Secretary of Labor with respect to the employment of disadvantaged applicants.

(6) Prescribe regulations establishing the order of preference in which procurement contracts shall be awarded with respect to sections of concentrated unemployment and underemployment and areas of persistent or substantial labor surplus.

(b) All procurement agencies shall:

(1) Use their best efforts to award negotiated procurement contracts to contractors who will perform a substantial proportion of the production on those contracts within or near sections of concentrated unemployment or underemployment or within labor surplus areas, giving preference to contractors in accordance with regulations prescribed by the Secretary of Labor to the extent that procurement objectives will permit: Provided, That in no case shall price differentials be paid for the purpose of carrying out this policy.

(2) Where deemed appropriated, set-aside portions of procurements for negotiations at prices no higher than those paid on the balance of these procurements exclusively with firms which have agreed to perform or cause

to be performed a substantial proportion of the production on these contracts within or near sections of concentrated unemployment or underemployment or within labor surplus areas, giving preference to firms in accordance with regulations prescribed by the Secretary of Labor: Provided further, That firms which have agreed to perform in areas not meeting the minimum size qualifications for classification by the Secretary of Labor shall be eligible for participation in set-asides, if these firms submit a certificate issued by the Secretary of Labor that a persistent or substantial labor surplus exists in the area in accordance with standards and procedures prescribed by the Secretary of Labor.

(3) Assure that firms that have agreed to perform contracts in or near sections of concentrated unemployment or underemployment or within labor surplus areas that are on appropriate bidders' lists will be given the opportunity to submit bids or proposals on all procurements for which they are qualified. Whenever the number of firms on a bidders' list is excessive, there will be included a representative number of firms from labor surplus areas.

(4) In the event of tie-bids or offers on any procurement, award the contract to the firms which has agreed to perform a substantial proportion of the contract in or near sections of concentrated unemployment or underemployment or in persistent or substantial labor surplus areas by incurring costs on account of production or manufacturing in such sections or labor surplus areas (by itself or its first-tier subcontractors) that amount to a substantial proportion of the contract price, giving such preference as the Secretary of Labor may by regulation prescribe.

(5) Encourage prime contractors to award subcontracts to firms that have agreed to perform a substantial proportion of the production on those subcontracts in or near sections of concentrated unemployment or underemployment or in labor surplus areas.

(6) The preferential actions described in this policy shall in addition to other such actions to which firms may be entitled because of performance in substantial labor surplus areas, such as additional preference under the "Buy American Act."

(7) Cooperate with the other agencies listed herein in achieving the objectives of this policy.

(c) The Secretary of Commerce shall:

(1) In cooperation with State development agencies, the Secretary of Defense, the Administrator of General Services, and the Administrator of the Small Business Administration, assist employing establishments, certified in accordance with sec. 4(a)(5) above, which have agreed to perform contracts in or near sections of concentrated unemployment or underemployment and manufacturers in areas of persistent labor surplus in obtaining Government procurement business by (a) providing such firms with timely information on proposed Government procurements; (b) maintaining current information on the manufacturing capabilities of such firms with respect to Government procurement and disseminating such information to Federal procurement agencies.

(2) Urge firms planning new production facilities (where Federal assistance or interests are involved) to consider the industrial location advantages of sections of concentrated unemployment or underemployment and labor surplus areas.

(3) Provide technical advice and counsel to groups and organizations in such sections or areas on planned industrial parks, industrial development organizations, expanding tourist business, and available Federal aids.

(d) The Administrator of the Small Business Administration shall make available to small business concerns in sections of concentrated unemployment and underemployment and labor surplus areas all of its services, endeavor to insure opportunity for maximum participation by such concerns in Government procurement, and give consideration to the needs of these concerns in the making of joint small business set-asides with Government procurement agencies.

(e) There is hereby continued in operation within the Office of Emergency Planning the Surplus Manpower Committee:

(1) This Committee shall be chaired by the Director of the Office of Emergency Planning, or his designee, and shall include representation from the Department of Defense (including the three military departments), Department of Commerce, Department of Labor, General Services Administration, and Small Business Administration.

(2) The Committee shall advise the Director of the Office of Emergency Planning on policies, procedures, and activities in existence or needed to carry out the purpose of this policy.

(3) When an entire industry, which sells a significant proportion of its production to the Government, is generally depressed or has a significant proportion of its production units located in sections of concentrated unemployment or underemployment or in areas of persistent or substantial labor surplus, the Committee may make appropriate recommendations relative to that industry in lieu of recommendations relative to specific geographical areas. In such cases, after notice to and hearing of interested parties, the Director of the Office of Emergency Planning will give consideration to appropriate measures applicable to the entire industry.

(f) All Federal departments and agencies shall give consideration to labor surplus areas, particularly to persistent labor surplus areas, in the selection of sites for Government-financed facilities expansion, to the extent that such consideration is not inconsistent with essential economic and strategic factors that must also be taken into account.

(g) Notifications No. 38.39, 53, 57, and 58, dealing with the placement of procurement with the textile, shoe, apparel, shipbuilding, and petroleum and petroleum products industries, are continued in effect to the extent that they are not inconsistent with this revised policy.

Effective date. This revised policy shall take effect upon the date this document is filed with the Office of the Federal Register.

Dated: October 16, 1967.

APPENDIX 3

In the revised Department of Labor regulations, effective May 1, 1970, the Secretary of Labor established the following order of preference for applicable Federal contracts:

A. First Preference Group: Employers who will perform or cause to be performed a substantial portion of a Federal contract awarded under this program: (1) in or near classified sections of concentrated unemployment or underemployment, or (2) in areas of persistent unemployment, or (3) in areas of substantial unemployment, providing that such contracts or substantial portions thereof will be performed in an establishment(s) certified by the Department of Labor in accordance with its regulations pertaining to the employment of disadvantaged workers.

B. Second Preference Group: Employers, regardless of where they are located, who will perform or cause to be performed a substantial portion of a Federal contract awarded under this program in an establishment(s) which has been certified by the Department of Labor in accordance with its regulations pertaining to the employment of disadvantaged workers.

C. Third Preference Group: Employers who will perform or cause to be performed a substantial portion of a Federal contract awarded under this program in areas of persistent or substantial unemployment.

D. Priority for Small Business Concerns: Federal procurement procedures implementing DMP-4 give priority to small business concerns. Thus, within each of the preference categories listed above, small business concerns shall receive first consideration in making awards under the program. In the event all set aside contracts under this program have not been awarded to employing establishments eligible or such preference under categories A, B, and C above, small business concerns not eligible for such preference will be afforded an opportunity for an award of a contract at the highest award price paid on an unreserved portion of the contract. However, no price differentials shall be paid in connection with any of the above mentioned preference categories.

III. REQUIREMENTS FOR CERTIFICATION

To be eligible for first or second preference, an employer must submit with his bid a copy of a certificate of preference issued by the Department of Labor or its authorized representative to the bidding employer or the subcontractor designated to perform the substantial portion of the contract. To be certified in the first or second preference group, an employer must meet the conditions outlined below:

A. First preference group certificate

1. The establishment must be located

a. In or near a classified section of concentrated unemployment or underemployment, or

b. In an area of persistent unemployment, or

c. In an area of substantial unemployment

2. Irrespective of whether a contract is awarded as a result of the certification, the employer must agree, in writing, to comply with the following provision

a. The employer will hire, in the certified establishment, a proportion of disadvantaged residents from the classified labor surplus area equaling at least 25 percent of the total new hires each month, beginning with the first full month following the date of certification and continuing until the expiration of the validity period of the certificate or the completion of an awarded contract or subcontract, whichever is later. This commitment relates both to new hires to replace turnover and to new hires for expansion purposes.

b. The disadvantaged new hires shall be identified and referred by the local State employment service office, the local Concentrated Employment Program agency, or by any other nonprofit community agency designated by the local employment service office of the Manpower Administrator's Representative (MAR) as a referral source.

c. The employer will furnish to the certifying employment service office, by the tenth of each month, a report of new hire activity for the previous calendar month. The report shall include the following:

(1) A statement of the total number of new hires in the certified establishment.

(2) A list of names and social security numbers of the disadvantaged residents of the classified labor surplus area who were hired during the month.

(3) The identity of the employment service office or agency which identified and referred each of the disadvantaged residents of the classified labor surplus area.

B. Second preference group certificate

1. The employer, regardless of location, must agree in writing to comply with the following provisions, regardless of whether or not a contract is awarded as a result of the certification:

a. The employer will hire a proportion of disadvantaged workers equaling at least 15 percent of the total new hires in the certified establishment each month, beginning with the first full month following the date of certification and continuing until the expiration of the validity period of the certificate or the

completion of an awarded contract or subcontract, whichever is later. This commitment relates both to new hires to replace turnover and to new hires for expansion purposes.

b. The disadvantaged new hires shall be identified and referred by the local State employment service office, the local Concentrated Employment Program agency, or by any other nonprofit community agency designated by the local employment service office as a referral source.

c. The employer will furnish to the certifying employment service office, by the tenth of each month, a report of new hire activity for the previous calendar month. The report shall include the following:

(1) A statement of the total number of new hires in the certified establishment.

(2) A list of names and social security numbers of disadvantaged workers hired during the month.

(3) The name of the employment service office or agency which identified and referred each of the disadvantaged workers.

C. Third Preference Group. No certificate is necessary for the third preference group, since no commitment to employ disadvantaged workers is required. The location of the bidding employer or his designated subcontractor in an area of persistent or substantial unemployment is sufficient to qualify for third preference.

IV. CERTIFICATION PROCEDURES

A. Responsibility for Certification. Local offices of State employment security agencies are responsible for certifying establishments for first and second preference. First preference group certificates will be issued by the local employment service office which has administrative jurisdiction over the classified labor surplus section or area. Where the employing establishment applying for certification is located in the administrative area of a local employment service office other than the office that serves the classified labor surplus area, the two offices will collaborate in deciding whether the establishment is eligible for certification, compliance, and reporting functions.

Second preference group certificates will be issued by the local employment service office which serves the administrative area in which the employing establishment is located.

B. Review of Applications for Certification. Within five working days after receipt of an application for certification, an authorized local employment service staff member will review the application, preferably in the presence of the applying employer's representative, to insure that the application is completed correctly and to clarify any points that may have a bearing on the employer's eligibility for certification or his ability to comply with the agreement. Information received from the employer's representative during the discussion may also be used to determine the type of service which the certified employment may require and the measures employment service staff and other agencies must take to insure referral of a sufficient number of applicants.

Upon completion of the review, the employment service manager should verify all information which is not known to be factual. For example, if the employment service manager does not know that public transportation exists in the manner described by the employer's representative, the information should be verified. When the application has been reviewed, the employment service manager will either approve or disapprove the application and proceed with the issuance or denial of the certificate.

C. Disapproval of an Application for Certification. If the eligibility of an employer is questionable, the area or local office manager should review the application with appropriate officers in the State agency. The State agency may authorize approval or disapproval of questionable applications. If both the local office and State agency agree that an application should be disapproved, the area or local office manager will notify the employer in writing. The notification should include the following:

1. Reasons for disapproval.

2. Statement of the employer's right to request reconsideration by the U.S. Department of Labor.

3. Procedure for requesting reconsideration.

V. SERVICE TO EMPLOYERS

Identification and Referral of Disadvantaged Applicants. Local employment service offices are responsible for providing a sufficient number of disadvantaged applicant referrals to enable certified employers to hire the required percentage.

Local employment service offices, the Concentrated Employment Program agencies, and other referring agencies are also responsible for providing intensive employability services in accordance with the Human Resource Development (HRD) concept so that the disadvantaged applicants will be better equipped to enter a job with a certified employer.

Disadvantaged applicants referred to employers in the first preference group must be residents of the classified labor surplus area. There is no residence restriction on the disadvantaged applicants referred to employers in the second preference group.

VI. RESPONSIBILITY OF CERTIFIED ESTABLISHMENT

A. Employment of Disadvantaged Applicants. Under provisions of the agreement for First Preference Group Certification, an employer is obligated to employ a percentage of disadvantaged residents of classified labor surplus areas which equal 25 percent of the total number of new hires at the certified establishment each month for the duration of the validity period of the certificate, or the completion of an awarded contract or subcontract, whichever is later.

The agreement for Second Preference Group Certification obligates an employer to employ a percentage of disadvantaged applicants which equals 15 percent of the total new hires at the certified establishment each month for the duration of the validity period of the certificate, or the completion of an awarded contract or subcontract, whichever is later. While an employer must obtain at least the required percentage of disadvantaged applicants from local employment service offices or other designated sources, he is not relieved of the responsibility for providing job opportunities acceptable to disadvantaged applicants. The intent of DMP–4 is not served unless disadvantaged applicants enter a job in the certified establishment, continue in gainful employment, and have equal opportunity for upward mobility.

B. Monthly Report of New Hire Activity. Certified establishments are required to submit a monthly report covering employment activity which occurred during the previous month. The report is to be submitted to the certifying employment service office by the tenth of each month covering the first full month following certification, and each subsequent month during the certificate's validity period, or the completion of an awarded contract or subcontract whichever is later.

C. Surrender of Certificates. Certified establishments may surrender their certificates at any time unless they are performing a contract which has been awarded on the basis of the certificate. The return of such certificates to the issuing local employment service office releases the employing establishment from its commitment to hire disadvantaged applicants and submit monthly reports.

VII. COMPLIANCE PROCEDURES

A. Responsibility. Local employment service offices which certify employers for preference are also responsible for insuring that employers comply with the agreement for certification. In situations where the certified employer is in the administrative area of a local employment service office other than the certifying office, the two offices work together to bring the certified employers into compliance. Employment service representatives are also to be available to give technical assistance to certified firms by suggesting practices which industry has proved to be successful in retraining and retaining newly hired disadvantaged workers, including equal opportunity for good wages and working conditions and upward mobility.

B. Recall of Certificates. Certificates will be recalled by the local employment service office whenever an establishment fails to submit the required reports for 2 months and cannot be persuaded to do so; or whenever the proportion of disadvantaged new hires falls below the agreed proportion for 2 consecutive months or 2 months in any 3-month period. After all efforts have been made to bring an employer into compliance with his agreement and it becomes necessary to recall a certificate, the employment service local office manager should review the case with the appropriate official in the State agency. If the State agency agrees that the certificate should be recalled, the employment service local office manager will notify the employer by letter that the certificate is being recalled and will not be valid after a specified date. Copies of the letter will be forwarded to the State agency, the Regional Manpower Administration office, and the Manpower Administration national office. In addition, if the employer is currently performing a contract awarded under this program, the procurement officer who awarded the contract should be notified of the recall of the certificate and given a copy of the notification of recall. The notification to the employer should include the following:

1. Reason(s) for recall.

2. Statement of the employer's right to request reconsideration by the U.S. Department of Labor.

3. Procedure for reconsideration.

VIII. RECONSIDERATION OF LOCAL OFFICE ACTION

A. Rights of Employers to Request Reconsideration. The Code of Federal Regulations (Section 8.9 Part 8, Subtitle A. Title 29) provides that any employer denied a certificate of eligibility may request reconsideration or review by the Secretary of Labor, or his authorized representative. The Secretary has authorized the Manpower Administrator to review such requests and render a decision.

The disapproval of an application for certification, or the recall of a certificate, constitutes denial of a certificate. In either case, therefore, employers may request reconsideration.

B. Procedures for Requesting Reconsideration. If the employer wishes to have his case reconsidered, he will be instructed to prepare a statement of justification and to forward the request for reconsideration to the appropriate Regional Manpower Administration office.

Upon receipt of a request for reconsideration, the regional office will secure from the State agency information pertinent to the case. After a review of all the facts, if the regional office determines that an employer is eligible for certification, an explanation will be made to the State agency which, in turn, will cause the employer to be certified. When the regional office agrees with the State agency that the employer should not be certified, all correspondence and other pertinent information, including the regional office's recommendation, will be forwarded

to the Manpower Administration national office for final determination. The national office will inform the employer of the decision by letter signed by the Manpower Administrator. Copies of the decision and appropriate instructions will be transmitted to the regional office and State agency.

CONSTRUCTION OF NEW AMMUNITION PLANTS

Mr. DOLE. Mr. President, the legislation now before the Senate, H.R. 7933, contains funds for the construction of a new ammunition complex at Bay St. Louis, Miss. This plant will produce the 155-millimeter conventional artillery round. The justification for this new construction is we have a need for a greater ammunition production capacity than presently exists. At some points in the Vietnam war, our capacity to produce 155 millimeter rounds nearly equaled the demand by our Armed Forces.

The Senator from Kansas has always been an advocate of a strong national defense posture. One important component of our defense capability is the readiness of the United States to engage in conventional warfare. If the members of the Armed Services Committee feel that expanded capacity for production of 155-millimeter rounds is required, I accept their learned judgment.

COST MUST BE CONSIDERED

Since the Senate and House have agreed that expanded production capability for the 155-millimeter shell is necessary by passage of S. 1474, the Military Construction Authorization Act, the only remaining question is the proper way to spend these funds. The answer turns on whether the money can be best spent for new facilities or upgrading of present plants.

Mr. President, the Parsons Ammunition Depot in Parsons, Kans., has been involved in the production of 155-millimeter rounds for many years. Unfortunately, the use of this facility has been declining. Employment during the recent war was over 5,000 workers. By May of 1977, the number of people employed at this plant had dropped to 764.

The plant at Parsons is in need of modernization to be able to produce at its maximum potential; however, this modernization would not be as costly as building an entirely new facility. A large part of the capacity of the Parsons plant is being wasted while a new plant is being proposed.

NEED FOR FOCUS ON AREAS WITH PLANTS

Any new plants that are constructed should be placed in areas where existing plants are being closed, or at which production is curtailed. In Parsons alone, 315 people with experience in munitions manufacture have been laid off in the past 2 years. The loss of these jobs has had an adverse effect on the economy of that part of the State of Kansas. These skilled persons should be considered in any new construction of ammunition plants.

The areas which the Army has utilized for production of munitions in the past should be given priority consideration in the construction of new facilities. Existing production capacity must not be ignored in any plans which look toward our future needs.

During Senate consideration of S. 1474, the military construction authorization bill, the Senator from Kansas had an extended discussion with the distinguished chairman of the Senate Armed Services Committee, Senator STENNIS, on the future of the Parsons Munition Plant. At that time, he emphasized both the present need for expanded capacity in the production of 155 millimeter shells and the future place of the Parsons Ammunition Plant in the Army's plans.

Senator STENNIS outlined the Army's plans to request $36.5 million for modernization of the Kansas Army Ammunition Plant in Parsons in future budget requests. The chairman of the Armed Services Committee also stated that even with the Bay St. Louis plant, the United States would only have half of the capacity needed in case of war. This shows the need for continued operations at the existing plant at Parsons.

I ask the distinguished manager of this bill whether he feels that the Appropriations Committee will look favorably on requests for modernization for the Parsons Munitions Plant if present projections for the needs of 155 millimeter shells continue?

Mr. STENNIS. As I said in my discussion with the Senator on May 13, 1977 during consideration of the military construction authorization bill, I support the program to modernize our ammunition production base. The Appropriations Committee has fully supported this program in the past and I see no reason for that support to diminish.

Mr. DOLE. If the Armed Services Committee should propose funds for increased utilization of the Parsons plant in the future, would the Appropriations Committee be disposed to support the request to enhance the status of the Kansas Army Ammunition plant in Parsons?

Mr. STENNIS. I cannot speak specifically for the Appropriations Committee, but I have every reason to believe that any request to improve our ammunition production base that can be justified will be favorably considered. As far as the Parsons plant is concerned, I am advised that current Army plans call for expenditures of $20 million in fiscal year 1980 and $16.5 million in fiscal year 1981. These programed expenditures, together with ongoing construction worth in excess of $20 million, I think demonstrates the Army's commitment to continued operations at the Parsons plant.

Mr. DOLE. I understand the plans for the Bay St. Louis facility are pretty firm. However, I wanted these assurances from the manager of this bill as to the future of the Parsons plant if the Bay St. Louis is built. I want to make clear that I intend to continue to push for greater utilization of the ammunition plant in Parsons because use of it will be cost-effective as compared with building of new facilities. The existing capacity in the Parsons plant should be an integral part of the Army's future production plans for 155 millimeter shells.

THE IMPORTANCE OF READINESS

Mr. NUNN. Mr. President, I wish to commend the Appropriations Committee for creating a specific Secretary of Defense readiness fund. Although the $300 million provided in the fund amounts to less than one percent of the total budget for operations and maintenance, it increases flexibility if unforeseen readiness improvements can be identified.

From my own investigations of our defense posture in Europe, I am concerned that insufficient attention has been paid to readiness in that region. I believe that we need to be sure that our equipment is ready and available in case an attack comes without the comparatively lengthy warning time on which we continue to base our force planning.

If properly used, this fund can stimulate urgent improvements in readiness. However, since we cannot foresee precisely what requirements might emerge for operations and maintenance 18 months from now, I believe this fund is a positive contribution to our national security posture.

Mr. SASSER. Mr. President, I commend the members of the Subcommittee on Defense Appropriations. I believe this bill before the Senate today is a good legislation. The defense bill recommended by the committee balances the needs of this country for a strong and credible defense with the limited budgetary resources and fiscal restraints faced by the Federal Government.

In particular I want to commend the subcommittee for recommending the initial appropriation for construction of a new RDX/HMX explosive production facility.

This new arsenal expansion is certainly needed by the Department of the Army. Currently there is only one RDX/HMX production facility in this country—the only one in the Western World for that matter. To me it just does not make sense to depend on only one plant to produce this necessary explosive. One site makes our production capability vulnerable to any number of mishaps such as natural disaster or sabotage.

It is my understanding that the Defense Department has stated that there is a mobilization shortfall of 9 million pounds per month of RDX—a 30-percent shortfall if this Nation were to enter a war.

The demand for RDX-HMX is growing. The needs of the NATO countries are expanding. Also, it should be pointed out that HMX will be utilized as a propellant for the Trident submarine.

So, all the factors taken together indicate that there is a need to expand our RDX/HMX production capability.

This bill provides a total of $44.4 million which is the entire budget request for this facility. Included are $17.9 million for long lead time steam plant equipment and $26.5 million for design work.

The Defense bill which was approved by the House of Representatives deleted these funds. I hope that the Senate conferees will make a strong case in confer-

ence for keeping these funds in the final version of the bill.

I also want to point out that the Department of Defense is considering three possible sites for this proposed arsenal expansion. One of those sites is in my State of Tennessee—in Milan. I want to point out to the Senate that the Milan site will be the most cost efficient location for this new plant. Total cost to the taxpayers would be $334.7 million if the plant is eventually built in Milan, Tenn. This is a savings of at least $16 million when compared to the cost estimates of the other two possible locations.

The Defense Department is currently reviewing the various proposals and is assessing the need for additional RDX/HMX manufacturing capability.

It is my hope that the officials at the Department of Defense will make a favorable determination concerning the needs for a new arsenal expansion. I believe that the facts merit construction of this new facility.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back. The bill, having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Alabama (Mr. SPARKMAN) and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 91, nays 2, as follows:

[Rollcall Vote No. 308 Leg.]

YEAS—91

Allen	Byrd, Robert C.	Domenici
Anderson	Cannon	Durkin
Baker	Case	Eagleton
Bartlett	Chafee	Eastland
Bayh	Chiles	Ford
Bellmon	Church	Garn
Bentsen	Clark	Glenn
Biden	Cranston	Gravel
Brooke	Culver	Griffin
Bumpers	Curtis	Hansen
Burdick	Danforth	Hart
Byrd, Harry F., Jr.	DeConcini	Haskell
	Dole	Hatch
Hathaway	McClure	Sarbanes
Hayakawa	McIntyre	Sasser
Heinz	Melcher	Schmitt
Helms	Metcalf	Schweiker
Hollings	Metzenbaum	Scott
Huddleston	Morgan	Stafford
Humphrey	Moynihan	Stennis
Inouye	Muskie	Stevens
Jackson	Nunn	Stevenson
Javits	Packwood	Stone
Johnston	Pearson	Talmadge
Kennedy	Pell	Thurmond
Laxalt	Percy	Tower
Leahy	Proxmire	Wallop
Long	Randolph	Williams
Lugar	Ribicoff	Young
Magnuson	Riegle	Zorinsky
Matsunaga	Roth	

NAYS—2

Hatfield	Nelson

NOT VOTING—7

Abourezk	McClellan	Weicker
Goldwater	McGovern	
Mathias	Sparkman	

So the bill (H.R. 7933) was passed.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. BUMPERS) appointed Mr. MCCLELLAN, Mr. STENNIS, Mr. MAGNUSON, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. EAGLETON, Mr. CHILES, Mr. SASSER, Mr. YOUNG, Mr. CASE, Mr. STEVENS, Mr. SCHWEIKER, and Mr. BROOKE conferees on the part of the Senate.

Mr. STENNIS. Mr. President, I yield the floor.

STATE - JUSTICE-COMMERCE-JUDICIARY APPROPRIATIONS, 1978—CONFERENCE REPORT

Mr. HOLLINGS. Mr. President, I submit a report of the committee of conference on H.R. 7556 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7556) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1978, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 30, 1977.)

Mr. HOLLINGS. Mr. President, on June 30, 1977, we filed the conference report on the appropriations for the Departments of State, Justice, Commerce, the Judiciary and related agencies for fiscal year 1978. This report was printed as House Report 95–476 and since it has been available for some time I will merely highlight the decisions made in the conference.

The conference agreement amounts to $7,709,432,000 in new budget authority for fiscal year 1978. Due to the give-and-take on the 90 Senate amendments to this bill, the conference agreement is actually higher than both the Senate and House versions; but, is of course within the range for each of the individual items. The conference agreement is approximately $91 million less than the amount allocated to the subcommittee under the first concurrent resolution, and reflects the additional congressional priorities that were included in our $7.8 billion allocation in the first concurrent resolution.

In addition, the conferees agreed on $211,515,000 of the supplemental appropriations inserted by the Senate for certain agencies funded by this bill. The major portion of the supplemental appropriations will replenish the Small Business Administration's disaster loan fund.

DEPARTMENT OF STATE

Going back to the 1978 appropriations, we recommended a total of $1,234,970,000 for the Department of State. The main item in the conference was the Senate amendment to delete $19,250,000 of technical assistance included in the U.S. assessed contributions to international organizations. The Managers from the House did not want to interrupt the funding cycle but are agreed that the technical assistance should be funded through voluntary contributions and not by substantial increases in the assembled budgets of the various international organizations. Next year I plan a comprehensive investigation of this technical assistance in conjunction with the Subcommittee on Foreign Assistance, chaired by the distinguished Senator from Hawaii (Mr. INOUYE). The Department and the various international organizations are now on notice that the Committee on Appropriations is going to thoroughly evaluate both the merits of the technical assistance and the mechanism for making the U.S. contributions.

DEPARTMENT OF JUSTICE

The conference agreement provides a total of $2,300,619,000 for the Department of Justice. We had a major issue in the Law Enforcement Assistance Administration and managed to split the difference with the House of Representatives. Since there is considerable interest in this appropriation, I ask unanimous consent to have printed in the RECORD at this point tables comparing the budget and the conference allowance for the LEAA, as well as a State distribution of the conference amount for parts B, C, E, and the juvenile justice and delinquency prevention formula funds.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXHIBIT I

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

[In thousands of dollars]

Budget activity	Fiscal year 1978 budget	Fiscal year 1978 conferee allowance	Change
1. Direct assistance (formula grants):			
Planning formula grants	60,000	50,000	−10,000
Corrections formula grants	35,454	29,849	−5,605
Juvenile justice formula grants	47,625	64,000	+16,375
Criminal justice formula grants	301,352	253,717	−47,635
2. Collateral assistance:			
Criminal justice programs	53,179	44,773	−8,406
Correctional programs	35,453	29,849	−5,604
Juvenile justice programs	27,375	36,000	+8,625
Community anti-crime programs	10,000	15,000	+5,000
Technical assistance	12,000	11,000	−1,000
Educational assistance and special training programs	34,218	34,218	
National Institute of Law Enforcement and Criminal Justice	22,000	21,000	−1,000
Data systems and statistical assistance	22,000	16,000	−6,000
3. Public safety officer's benefit program	15,000	15,000	
4. Management and operations	28,844	26,844	−2,000
Total	704,500	647,250	−57,250

EXHIBIT II

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION DISTRIBUTION OF PTS. B, C, E, AND J.J. & D.P. FORMULA FUNDS FOR FISCAL YEAR 1978

[In thousands of dollars]

State	Pt. B	Pt. C	Pt. E	J.J. & D.P.
Alabama	$852	$4,240	$499	$1,106
Alaska	311	428	50	200
Arizona	618	2,594	305	698
Arkansas	601	2,475	291	628
California	3,778	24,864	2,925	5,973
Colorado	673	2,980	351	754
Connecticut	766	3,636	428	870
Delaware	346	679	80	200
Florida	1,628	9,708	1,142	2,200
Georgia	1,071	5,784	680	1,535
Hawaii	394	1,018	120	265
Idaho	385	954	112	262
Illinois	2,113	13,133	1,545	3,286
Indiana	1,134	6,232	733	1,610
Iowa	726	3,356	395	841
Kansas	629	2,674	315	635
Kentucky	814	3,973	467	1,017
Louisiana	883	4,464	525	1,239
Maine	426	1,241	146	316
Maryland	936	4,835	569	1,211
Massachusetts	1,218	6,819	802	1,630
Michigan	1,766	10,686	1,257	2,835
Minnesota	903	4,599	541	1,188
Mississippi	640	2,746	323	779
Missouri	1,043	5,591	658	1,356
Montana	374	875	103	231
Nebraska	507	1,811	213	453
Nevada	348	692	81	200
New Hampshire	385	952	112	243
New Jersey	1,470	8,601	1,012	2,084
New Mexico	440	1,342	158	386
New York	3,258	21,202	2,494	5,025
North Carolina	1,156	6,382	751	1,614
North Dakota	356	747	88	200
Ohio	2,037	12,591	1,481	3,204
Oklahoma	720	3,184	375	768
Oregon	630	2,679	315	642
Pennsylvania	2,224	13,911	1,637	3,261
Rhode Island	405	1,092	129	258
South Carolina	719	3,303	389	889
South Dakota	363	799	94	208
Tennessee	944	4,895	576	1,218
Texas	2,287	14,353	1,689	3,777
Utah	450	1,411	166	425
Vermont	329	554	65	200
Virginia	1,079	5,842	687	1,448
Washington	842	4,174	491	1,020
West Virginia	549	2,110	248	516
Wisconsin	1,014	5,383	633	1,387
Wyoming	313	441	52	200
District of Columbia	368	835	98	200
American Samoa	255	33	4	50
Guam	267	117	14	50
Puerto Rico	741	3,461	407	1,109
Virgin Islands	270	97	12	50
Trust territory	264	139	16	50
Total	50,000	253,717	29,849	64,000

Mr. HOLLINGS. The Senate prevailed in our amendments to implement the antitrust enforcement grants to the States and in our language concerning the supervision of U.S. prisoners in non-Federal institutions. With respect to the later amendment, we anticipate improved management and better accountability in the change we inserted to make the U.S. Marshal Service responsible for the persons detained in jails.

We compromised on the Immigration and Naturalization Service at a level of 454 positions over the budget estimate. The additional positions will booster the Border Patrol's effort to control the entry of illegal aliens, particularly over the southwest border that is a major concern of the Senator from Arizona (Mr. DE CONCINI); and provide additional staff in the offices as many Senators have complained that INS is not answering the phones or being responsive to requests of Members and the public.

DEPARTMENT OF COMMERCE

For the Department of Commerce, the conference agreement provides a total of $1,923,275,000. We obtained a split on the additional amount we provided to the Economic Development Administration, including $15 million to implement the new section 204 redevelopment area loan program. For this new program we retained the 50/50 allocation of the funds between the redevelopment areas with populations under 100,000 and those exceeding 100,000 originated by the Senator from Vermont (Mr. LEAHY).

The other major Commerce item was the National Oceanic and Atmospheric Administration where we retained all of the amendments of major concern to the Senators, such as, the new aquaculture research facility in Oregon, the data buoys and other programs proposed by the Senators from New England, and a continuation of the Coastal Zone Management funding levels we established in the 1977 supplemental. We also obtained approval of the full $15,500,000 requested by the President for the design and construction of the NOAA western regional center at Sand Point in Seattle, Wash.

THE JUDICIARY

Our amendments under the judiciary were minor and were completely accepted by the managers from the House so that a total of $444,318,000 is provided for the courts and related functions. Our amendments reflected another management improvement in that we were able to eliminate some superfluous appropriation language.

RELATED AGENCIES

For the related agencies, the conference agreement provides a total of $1,806,250,000. The major items include an additional $10 million over the Senate amount to provide a total of $205 million to the Legal Services Corporation. The agreement also provides $935 million for the Small Business Administration, and we were able to prevail in having all the administrative funds budgeted in the salaries and expenses appropriation, a change that has long been needed. The House also accepted the additional amounts we put into the bill for the new radio facilities for the Board for International Broadcasting and the U.S. Information Agency that was requested too late for House consideration.

Mr. President, I want to acknowledge the valuable assistance of the distinguished Senator from Connecticut (Mr. WEICKER) in developing this bill. He was present throughout all our hearings and deliberations and was a constant source of support and wisdom. We have been full partners throughout this process and I look forward to a long and pleasant relationship together on this subcommittee.

Mr. President, it will be recalled there are no funds in the bill for the Inter-

national Labor Organization as the United States has decided to withdraw from this organization.

When the bill was before the Senate, our distinguished colleague, the Senator from New York (Mr. MOYNIHAN) indicated his longstanding interest with respect to the International Labor Organization. He did formative work as a student and followed its development throughout the years, particularly when he was at the United Nations. I want the Senator from New York to be recognized at this point to bring the Senate the history and the record of the United States with respect to its original international organization.

I am glad to yield now to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the distinguished manager of the bill for his graciousness in allowing me these moments. While it might, in ordinary circumstances, be an occasion on which one would ask the indulgence of the Senate to speak, even to a brief extent, on this matter, I think this may be a different occasion.

Mr. President, in this Chamber in the year 1919, the U.S. Senate debated at great length and made its fateful decision not to accept the Treaty of Versailles which had been negotiated and brought back to the United States by President Woodrow Wilson.

In that debate, one of the major questions about the treaty had to do with the International Labor Organization. The debate was not a hostile one, but an inquiring one, for it was known that this was a matter with which President Wilson had deeply associated himself.

The group at the Versailles Peace Conference which drew up the charter of the ILO was headed by Samuel Gompers, head of the American labor movement. Later, on every occasion when President Wilson spoke on his famous trip west—from which he returned in a coma—and when he spoke of the ILO he spoke of the hopes that it had contained for the world.

Mr. President, in 1934, the United States joined the ILO, the first organization of its kind we ever joined.

Now, Mr. President, we must face the prospect that is explicit in the report of the conference committee that we are now to leave the International Labor Organization.

We have never before taken such a move and it is appropriate that this body note and state to the world what we do and why we do it.

Mr. President, the Appropriations Committee report states: The amount recommended by the committee does not include any funds for payment to the International Labor Organization and no funds were requested for that purpose, since the United States has notified that organization of its intent to withdraw. That notice of intent was given on November 6, 1975. Contributions covered the required 2-year waiting period, which expires on November 6, 1977, have already been made. Subsequent funding will depend on the decision regarding continued membership in the ILO."

Mr. President, I stand here, concerned and somber, to state that the United States now almost certainly, as anticipated by the conference committee, will withdraw. We have never done such a thing. We do it with solemnity, with care, and with the greatest reluctance.

Mr. President, I was the U.S. Permanent Representative to the United Nations in 1975 at the time our notice to withdraw was given. I trust it will not too much impair the standards of discretion in these matters to say that I wrote the letter. I ask unanimous consent that the letter of November 5 stating our intention be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 5, 1975.

The DIRECTOR GENERAL,
International Labor Office,
Geneva, Switzerland.

DEAR MR. DIRECTOR GENERAL: This letter constitutes notice of the intention of the United States to withdraw from the International Labor Organization. It is transmitted pursuant to Article 1, Paragraph 5, of the Constitution of the Organization which provides that a member may withdraw provided that a notice of intention to withdraw has been given two years earlier to the Director General and subject to the member having at that time fulfilled all financial obligations arising out of its membership.

Rather than express regret at this action, I would prefer to express confidence in what will be its ultimate outcome. The United States does not desire to leave the ILO. The United States does not expect to do so. But we do intend to make every possible effort to promote the conditions which will facilitate our continued participation. If this should prove impossible, we are in fact prepared to depart.

American relations with the ILO are older, and perhaps deeper, than with any other international organization. It is a very special relationship, such that only extraordinary developments could ever have brought us to this point. The American labor movement back into the 19th century was associated with the international movement to establish a world organization which would advance the interests of workers through collective bargaining and social legislation. Samuel Gompers, President of the American Federation of Labor, was Chairman of the Commission which drafted the ILO constitution at the Paris Peace Conference. The first meeting of the International Labor Conference took place in Washington, that same year. In 1934 the United States joined the ILO, the first and only of the League of Nations organizations which it did join. The Declaration of Philadelphia in 1944 reaffirmed the Organization's fundamental principles and reformulated its aims and objectives in order to guide its role in the postwar period. Two Americans have served with distinction as the Directors-General; many Americans have contributed to the work of the organization. Most particularly, the ILO has been the object of sustained attention and support by three generations of representatives of American workers and American employers.

In recent years, support has given way to increasing concern. I would emphasize that this concern has been most intense on the part of precisely those groups which would generally be regarded in the United States as the most progressive and forward-looking in matters of social policy. It has been precisely those groups most desirous that the United States and other nations should move forward in social matters which have been most concerned that the ILO—incredible as it may seem—has been falling back. With no pretense to comprehensiveness, I should like to present four matters of fundamental concern.

1. THE EROSION OF TRIPARTITE REPRESENTATION

The ILO exists as an organization in which representatives of workers, employers, and governments may come together to further mutual interests. The constitution of the ILO is predicated on the existence within member states of relatively independent and reasonably self-defined and self-directed worker and employer groups. The United States fully recognizes that these assumptions, which may have been warranted on the part of the western democracies which drafted the ILO constitution in 1919, have not worked out everywhere in the world; in truth only a minority of the nations of the world today have anything resembling industrial democracy, just as only a minority can lay claim to political democracy. The United States recognizes that revising the practices and arrangements of the ILO is not going to restore the world of 1919 or of 1944. It would be intolerable for us to demand that it do so. On the other hand, it is equally intolerable for other states to insist that as a condition of participating in the ILO we should give up our liberties simply because they have another political system. We will not. Some accommodation will have to be found, and some surely can be found. But if none is, the United States will not submit passively to what some, mistakenly, may suppose to be the march of history. In particular, we cannot accept the workers' and employers' groups in the ILO falling under the domination of governments.

2. SELECTIVE CONCERN FOR HUMAN RIGHTS

The ILO Conference for some years now has shown an appallingly selective concern in the application of the ILO's basic conventions on freedom of association and forced labor. It pursues the violation of human rights in some member states. It grants immunity from such citations to others. This seriously undermines the credibility of the ILO's support of freedom of association, which is central to its tripartite structure, and strengthens the proposition that these human rights are not universally applicable, but rather are subject to different interpretations for states with different political systems.

3. DISREGARD OF DUE PROCESS

The ILO once had an enviable record of objectivity and concern for due process in its examination of alleged violations of basic human rights by its member states. The Constitutions of the ILO provides for procedures to handle representations and complaints that a member state is not observing a convention which it has ratified. Further, it was the ILO which first established fact-finding and conciliation machinery to respond to allegations of violations of trade union rights. In recent years, however, sessions of the ILO Conference increasingly have adopted resolutions condemning particular member states which happen to be the political target of the moment, in utter disregard of the established procedures and machinery. This trend is accelerating, and it is gravely damaging the ILO and its capacity to pursue its objectives in the human rights fields.

4. THE INCREASING POLITICIZATION OF THE ORGANIZATION

In recent years the ILO has become increasingly and excessively involved in political issues which are quite beyond the competence and mandate of the Organiza-

tion. The ILO does have a legitimate and necessary interest in certain issues with political ramifications. It has major responsibility, for example, for international action to promote and protect fundamental human rights, particularly in respect to freedom of association, trade union rights and the abolition of forced labor. But international politics is not the main business of the ILO. Questions involving relations between states and proclamations of economic principles should be left to the United Nations and other international agencies where their consideration is more relevant to those organizations' responsibilities. Irrelevant political issues divert the attention of the ILO from improving the conditions of workers—that is, from questions on which the tripartite structure of the ILO gives the Organization a unique advantage over the other, purely governmental, organizations of the UN family.

In sum, the ILO which this nation has so strongly supported appears to be turning away from its basic aims and objectives and increasingly to be used for purposes which serve the interests of neither the workers for which the organization was established nor nations which are committed to free trade unions and an open political process.

The International Labor Office and the member states of the Organization have for years been aware that these trends have reduced support in the United States for the ILO. It is possible, however, that the bases and depth of concern in the United States have not been adequately understood or appreciated.

I hope that this letter will contribute to a fuller appreciation of the current attitude of the United States toward the ILO. In due course the United States will be obliged to consider whether or not it wishes to carry out the intention stated in this letter and to withdraw from the ILO. During the next two years the United States, for its part, will work constructively within the ILO to help the Organization return to its basic principles and to a fuller achievement of its fundamental objectives.

To this end, the President is establishing a Cabinet-level Committee to consider how this goal may be achieved. The Committee will of course consult with worker and employer representatives, as has been our practice for some four decades now in the formulation of our ILO policy. The Committee will also enter into the closest consultations with the Congress, to the end that a unified and purposeful American position should emerge.

Mr. MOYNIHAN. Mr. President, I would like to note the second paragraph which says simply, "having stated our intention under article I, paragraph 5, of the Constitution of the Organization which provides that a member may withdraw provided that a notice of intention to withdraw has been given 2 years earlier to the Director General and subject to the member having at that time fulfilled all financial obligations arising out of its membership."

And this is a letter from the Secretary of State, wherein he also states:

Rather than express regret at this action, I would prefer to express confidence in what will be its ultimate outcome. The United States does not desire to leave the ILO. The United States does not expect to do so. But we do not intend to make every possible effort without a corresponding response. If this should prove impossible we are, in fact, prepared to depart.

The United States in a tradition that began with the Declaration of Independence, stated its concerns, and expressed its terms. We spoke of the erosion of tripartite representation. We spoke of a selective concern for human rights.

Mr. President, I ask the patience of my colleagues in listening to this paragraph:

The International Labor Conference for some years now has shown an appallingly selective concern in the application of the ILO's basic conventions on freedom of association and forced labor. It pursues with violation of human rights in some member states. It grants immunity from such citations to others. This seriously undermines the credibility of the ILO's support of freedom of association, which is central to its tripartite structure, and strengthens the proposition that these human rights are not universally applicable, but rather are subject to different interpretations for states with different political systems.

In sum, Mr. President, the Communist world, having totally destroyed the right of free association and collective bargaining, has become immune nonetheless from censure by the ILO.

It is only those societies which still have some vestige of freedom left, or, indeed, are wholly free—as for example the State of Israel—that are the continued objects of the totalitarian assault in this.

Mr. President, with good faith, the American business community and the American labor movement which both helped to fund this organization, which both brought the United States into it, went back to Geneva and for 2 long years sought two simple propositions: First, that there would be a single standard for the rights and responsibilities of charter membership; and second, that the ILO would seek to avoid political issues in order to go about its work, which is primarily concerned now with the developing world and the new nations.

Mr. President, in June this year that effort failed.

Mr. President, I ask unanimous consent to have printed in the RECORD a succession of news stories from the New York Times in which the headlines read simply, "U.S. Is Defeated In Move To Keep 'Political' Issues Out of U.N. Labor Agency"; "Arabs Stage New Move Against Israel in ILO Despite U.S. Warnings"; finally, a plaintive thought, the now director urging us to remain after we had said we would leave if our plan and proper conditions were not attended to.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 4, 1977]

U.S. IS DEFEATED IN MOVE TO KEEP "POLITICAL" ISSUES OUT OF U.N. LABOR AGENCY

GENEVA, June 3.—The United States lost the first round tonight in its campaign to keep what it considers extraneous political issues out of the International Labor Organization, a United Nations specialized agency.

The defeat, a result of the combined voting strength of the Soviet bloc and the Arab and other third world countries in the I.L.O.'s assembly of member states, increased the likelihood that the United States would make good its threat to withdraw from the organization.

Using a procedural device, the Communist and third world countries blocked action on an American-inspired proposal that the assembly's rules be amended to screen out politically motivated resolutions unrelated to the I.L.O.'s field of activities or bypassing its constitutional procedures.

Underlying the issue was an Arab-sponsored resolution passed by the Assembly in 1974 calling for I.L.O. action against Israel for alleged "racism and violations of trade union rights" in the occupied Arab territories.

The I.L.O.'s Governing Body, or executive council, recommended the rule change to the Assembly. The United States considers the change as a necessary step away from the "politicalization" that it denounced when it submitted notice of its intention to withdraw from the I.L.O. unless the situation changes. The withdrawal will become effective in November unless it is rescinded.

Today in the I.L.O.'s assembly of government, worker and employer delegates, Mohammed Ennaceur, the Tunisian Minister of Social Affairs, strongly critized the proposed rule change as an attempt to dictate to third world countries.

This brought an angry retort from Daniel L. Horowitz, the American Government delegate, who saw in what he termed the "insinuations" of the Tunisian minister the "kind of accusation we will not accept."

The opponents of the rule change effectively blocked all action by formally abstaining in order to prevent a quorum from being reached in the vote on whether to send the proposal to a committee for examination.

Only two Mexican delegates voted against having the rule change taken up. Although 133 delegates voted in favor, the 219 abstentions decided the issue.

[From the New York Times, June 21, 1977]

ARABS STAGE NEW MOVE AGAINST ISRAEL IN I.L.O. DESPITE U.S. WARNINGS

GENEVA, June 20.—Arab countries today staged a new anti-Israel maneuver in the annual assembly of the International Labor Organization despite warnings by the United States that continued political actions might impel it to go through with its announced intention of quitting the agency.

Backed by the Communist bloc and many third-world countries, the Arabs prevented the adoption by the assembly of a committee report that would have referred to an independent group of legal experts the issue of Israel's treatment of Arab workers in the occupied territories.

This was done by the procedural device of abstaining in the balloting on the report so that it fell short of the required quorum of 277 yes and no votes cast by the government, trade union and employer delegates representing member countries. The vote was 1135 in favor, none opposed and 197 abstaining.

By killing the report after a prolonged and often heated debate, the Arab countries again gave primacy to a resolution that they had succeeded in having adopted in 1974. This accused Israel of "racial discrimination and violation of trade union rights" in the occupied lands and called on the I.L.O. to "take all measures" to correct the situation.

There was no immediate comment from the United States delegation, but throughout the session it had made clear that the outcome of the Israeli issue would weigh heavily on its final decision on whether to remain in the I.L.O. The United States had deplored the "politicization" of the I.L.O. when it gave two-year notice, expiring in November, of its intention to withdraw unless the organization showed an intention to concentrate on its official goal of promoting

better working and living conditions for workers everywhere.

To the United States, the 1974 resolution amounted to a denial of Israel's right to have the discrimination charges against it examined by experts under established I.L.O. procedures before being condemned.

[From the Washington Post, June 29, 1977]

ON LEAVING THE ILO

Will the United States now proceed, for the first time, to pull out of a United Nations agency, the International Labor Organization, with whatever impact that could have on the whole U.N. system? In justified frustration two Novembers ago the United States said it would quit in two years if this ostensibly technical agency didn't mend its grossly political ways. Some improvements subsequently were seen but they were badly undercut at the ILO's annual Geneva conference, just completed. Defying reasonable American demands, a Communist-Third World coalition trampled on due process and socked Israel, sidetracked a rule-change proposal to screen out loaded political resolutions and applied a familiar double standard (attacking only violators on the political right) on human rights. All in all it was a bad show.

If the ILO were just another organization, an administration as keen as this one on seeking global consensus might easily decide that—notwithstanding its predecessor's two-year warning—quitting to protect politicization was less important than staying to talk on. But ILO's charter makes governments only one of three equal partners with workers and employers. And while employer representation is not of great concern to the Chamber of Commerce, worker representation is to the AFL–CIO. Through the ILO, the AFL–CIO has battled to promote human and trade-union rights and to raise labor standards (and, perhaps not incidentally, labor costs) overseas. In brief, George Meany, in leading the charge to hold ILO to its charter and tradition, is not being simply a reflexive anti-Communist.

The United States cannot lightly start down the road of quitting international organizations. The ILO, moreover, has been useful in matters of union and workers' rights and and is a forum for keeping in touch with international proposals to make job creation more central to economic growth. And since, at American urging, a good number of the United States' fellow democracies stuck out their necks to help Washington battle politicization, they must be consulted in planning the next step.

Still, it is hard to make a persuasive case that the organization is so important to American diplomacy that Americans should overlook the damage to credibility and the invitation to anti-Americanism that could result from slinking away, unrequitted, from the Ford and Carter administrations' two-year warning to pull out. A cabinet-level committee will now study the two-year record (not just the record of the recent and disappointing Geneva conference). If its verdict is to quit in November, so be it.

[From the Wall Street Journal, June 29, 1977]

DEJA VU AT THE ILO

The International Labor Organization, founded at the end of World War I to promote the well-being of workers around the world and later turned into an agency of the United Nations, has just finished its annual conference in Geneva. Near the end, the organizations Director General addressed a public plea to the United States delegation: America had a "duty to itself" not to quit the ILO. The Director General had plenty of reason to be worried about the prospect, for what happened at this year's conference just may have been the last straw for the American camel.

For well over a decade, the ILO has been turning into a forum for the same kind of ideological warfare against us that has corrupted much of the UN system. The Eastern bloc has been insisting that it should not be held to the same standards as the West when it comes to judging how workers are treated. The annual meetings have been condemning nations whose politics are out of favor, without any investigation of facts beforehand. In 1974, the ILO outdid itself and voted to condemn Israel for discrimination, racism and violation of trade union freedoms and rights in the occupied territories. In 1975, the conference admitted the Palestine Liberation Organization to observer status.

American representatives to the various UN agencies have tended to dismiss the importance of such resolutions and official gestures. But one force in American life that has held few illusions in these matters is organized labor. When it became clear that the ILO had turned into a propaganda forum, the AFL–CIO saw to it that at least in this one arena the United States would protest in a way that would have to be taken seriously. In December of 1975 the U.S. wrote a letter to the ILO announcing that unless the body changed, we would withdraw at the end of the two-year waiting period required by the organization's rules.

This year's conference came as that two-year waiting period was drawing to a close. When the meeting began, it seemed as if our protest might finally have some effect. The Director General had already told the ILO's governing board that he thought he could take no further action to implement the condemnation of Israel, and the U.S. planned to introduce a rules change that would make it harder for politically inspired resolutions to get to the conference floor in the future.

But these plans and indications proved misleading. The conference sent the U.S. rules change to an unfriendly committee for preliminary consideration, and not surprisingly, our initiative was not heard from again. As for the issue of Israel, the U.S. and the Arabs at first worked out a compromise: Questions about Israel's behavior in the occupied territories would be put back into normal ILO channels and examined, as any such questions would be, by the organization's committee of experts. The Director General would continue to make formal reports on the subject, as required for any resolution, for two more years; and the Arabs would introduce no more floor resolutions on the topic.

But this compromise faltered. When the committee report embodying it actually came to a vote, the conference would not pass it. By refusing to adopt the report, the conference asserted once more that no investigation was necessary. The question of Israel was not an open one. The condemnation must stand. So on this issue as well, the members either refused to believe the U.S. was serious about withdrawing or were willing to risk seeing the organization collapse rather than give us what we wanted.

Now the U.S. has to decide whether it will actually pull out of the ILO this fall; Secretary of Labor Ray Marshall has said we probably will. It's a probability that by now should be faced without too much regret. The ILO was once a symbol of our commitment to internationalism: In 1934 we joined it alone of all the organs of the League of Nations. But 40 years later, when the ILO abandoned its role as a parliamentary institution and became simply a place in which to attack us by attacking our friends, it became just about useless for the goals we had in mind.

Instead, these events should remind us that international forums like the ILO have become a dangerous kind of place for us. The Carter administration has begun an effort to identify the U.S. more closely with Third World concerns; what we've gotten for the effort so far has been exemplified by the treatment we received from the ILO. We'd best not start building a foreign policy around the illusion that we can expect much different in the future. It's been to labor's credit that they, at least, have seen our situation clearly and have been willing to make the hard choices that this situation entails.

[From the New York Times, June 22, 1977]

U.S. IS URGED TO REMAIN IN WORLD LABOR GROUP

GENEVA, June 21.—The director general of the International Labor Organization appealed directly to the United States today to renounce any intention to resign from this United Nations specialized agency.

Francis Blanchard was addressing the annual assembly of the 135-nation I.L.O. that has been meeting here under the shadow of Washington's announced intention to withdraw unless the agency avoided continued involvement in so-called extraneous political issues.

Mr. Blanchard, a Frenchman, urged the delegates of the governments, trade unions and employer associations to what he called this "world parliament of labor" to make every effort to "preserve and strengthen the conditions which will enable the organization to maintain its universal character."

He then concluded by saying: "I make this appeal finally to the United States of America, that great country which has contributed so much to this organization and which has a duty to itself to continue to provide the aid and support that are needed to deal with the great problems of tomorrow for a world that is more fraternal, more just and more free."

The director general's appeal followed a major defeat suffered last night by the United States. The assembly refused to allow Arab charges against Israel of racial discrimination and violations of trade union rights in the occupied territories to be channeled into procedures that would mute their political repercussions.

Mr. MOYNIHAN. Mr. President, on the 29th of June, the Washington Post wrote:

It is hard to make a persuasive case to stay and nothing but an invitation to anti-Americanism can result from slinking away, unrequited, from the Ford and Carter administrations' 2-year warning to pull out.

Finally, Mr. President, I have an article from the Wall Street Journal. The Wall Street Journal is not a publication of the AFL–CIO. Yet, there has been a unique business and labor collaboration going back almost now half a century in the ILO, and together business and labor have said that the time has come to go.

I shall read the last paragraph. Commenting on the events of June, the Wall Street Journal writes:

Instead, these events should remind us that international forums like the ILO have become a dangerous kind of place for us. The Carter administration has begun an effort to identify the U.S. more closely with Third World concerns; what we've gotten for the effort so far has been exemplified by the treatment we received from the ILO. We'd best not start building a foreign policy around the illusion that we can expect much different in the future. It's been to labors' credit that they, at least, have seen our situation clearly and have been willing to make the hard choices that this situation entails.

Mr. President, if it were a fateful hour in 1919 when this body chose not to ratify the Treaty of Versailles, it is no less fateful in this hour, when we, in effect, accept the fact that we now leave the ILO.

I express the hope which I know many Members of the Senate share, and which I know the distinguished manager of the bill shares, that when we do leave, the President of the United States will state the conditions on which we will come back, because we never wanted to go. We helped create that organization before 90 percent of its present members existed as nations. But we will not submit to totalitarian standards of what is freedom and what is not. We will not submit to the politicization of an organization designed to help workingmen, not dictators. We have stated our purpose. We will carry it out. Let the world understand that the United States, with all its patience, has a limit.

This time, this night, the United States says, with the utmost regret, with respect to the ILO, that our patience has been exhausted, our pleas have not been heard and no money can be forthcoming. We are now to leave. Pray God, this makes a sufficient impression upon the members of that body and every other institution in the international system, so that they will understand the conditions under which we will remain, so that they will restore those conditions which may make it possible for us to return.

I know that I have delayed the Senate on this question. It is clearly one which matters personally to me.

I express especially my appreciation for the thoughtfulness of the manager of the bill, the Senator from South Carolina (Mr. HOLLINGS).

Mr. HOLLINGS. Mr. President, I express the thanks of the Senate and in a sense the Nation for the comments and the history made by our distinguished colleague from New York.

We do leave the International Labor Organization with tremendous regret. It is not a split decision. From my own personnel knowledge of 6 years of working on this bill, I know it is a situation that we have haggled with and tried in every way to make our dues current and otherwise to make ourselves felt with respect to human rights. Our interest is really not in international politics but with respect to the rights and conditions of international labor.

The Senator from New York has emphasized that it is not a split decision between business and labor. On the contrary, it is the unanimous conclusion from all sectors of our economy.

I can only say, on behalf of the Senate, as we move along, that I suppose the great thrill of the American system is that in some instances the cream does rise to the top. Certainly it is the case here this evening, with this international scholar in the person of the Senator from New York, who wrote his doctoral dissertation and studied this subject and worked with tremendous pride and dedication on the participation of the United States in the ILO.

It is somewhat tragic to have to make this history tonight, but at least he has made the history clear. We are all indebted to our friend from New York on this score.

Mr. President, I ask unanimous consent to have printed in the RECORD a table that gives the complete results of the conference in tabular form. The table includes a comparison of the conference agreement with new budget authority made in fiscal 1977, the budget estimates for fiscal 1978, and the amounts approved in the House and the Senate versions of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1978

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

[In dollars]

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE I—DEPARTMENT OF STATE									
ADMINISTRATION OF FOREIGN AFFAIRS									
Salaries and expenses	548,500,000	605,300,000	598,200,000	604,000,000	604,000,000	+55,500,000	−1,300,000	+5,800,000	
Representation allowances	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000	+500,000			
Acquisition, operation, and maintenance of buildings abroad	67,350,000	103,101,000	103,101,000	103,101,000	103,101,000	+35,751,000			
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	3,235,000	7,520,000	7,520,000	7,520,000	7,520,000	−22,715,000			
Emergencies in the diplomatic and consular service	2,100,000	2,600,000	2,350,000	2,350,000	2,350,000	+250,000	−250,000		
Payment to the Foreign Service retirement and disability fund	25,849,000	26,599,000	26,599,000	26,599,000	26,599,000	+750,000			
Total, administration of foreign affairs	676,034,000	747,620,000	740,270,000	746,070,000	746,070,000	+70,036,000	−1,550,000	+5,800,000	
INTERNATIONAL ORGANIZATIONS AND CONFERENCES									
Contributions to international oranizations	325,843,202	337,104,000	325,979,000	306,729,000	325,979,000	+135,798	−11,125,000		+19,250,000
Contributions for international peacekeeping activities	28,000,000	32,000,000	32,000,000	32,000,000	32,000,000	+4,000,000			
Missions to international organizations	9,550,000	10,144,000	9,900,000	10,144,000	10,144,000	+594,000		+244,000	
International conferences and contingencies	8,660,000	8,110,000	8,000,000	8,000,000	8,000,000	−660,000	−110,000		
International trade negotiations	3,550,000	3,823,000	3,800,000	3,800,000	3,800,000	+250,000	−23,000		
Total, international organizations and conferences	375,603,202	391,181,000	379,679,000	360,673,000	379,923,000	+4,319,798	−11,258,000	+244,000	+19,250,000
INTERNATIONAL COMMISSIONS									
International Boundary and Water Commission, United States and Mexico:									
Salaries and expenses	6,040,000	6,333,000	6,300,000	6,300,000	6,300,000	+260,000	−33,000		
Construction	3,919,000	17,000,000	17,000,000	17,000,000	17,000,000	+13,081,000			
American sections, international commissions	1,890,000	2,232,000	2,200,000	2,232,000	2,232,000	+342,000		+32,000	
International fisheries commissions	5,550,000	5,745,000	5,745,000	5,745,000	5,745,000	+195,000			
Total, international commissions	17,399,000	31,310,000	31,245,000	31,277,000	31,277,000	+13,878,000	−33,000	+32,000	
EDUCATIONAL EXCHANGE									
Mutual educaticnal and cultural exchange activities	59,000,000	70,500,000	66,500,000	64,500,000	65,500,000	+6,500,000	−5,000,000	−1,000,000	+1,000,000
Center for cultural and technical interchange between East and West	10,000,000	12,600,000	11,000,000	12,600,000	12,200,000	+2,200,000	−400,000	+1,200,000	−400,000
Total, educational exchange	69,000,000	83,100,000	77,500,000	77,100,000	77,700,000	+8,700,000	−5,400,000	+200,000	+600,000

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1978

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[In dollars]

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
OTHER									
Eighth Pan-American Games	10,000,000					−10,000,000			
Total, title I, new budget (obligational) authority, Department of State	1,148,036,202	1,253,211,000	1,228,694,000	1,215,120,000	1,234,970,000	+86,933,798	−18,241,000	+6,276,000	+19,850,000
TITLE II—DEPARTMENT OF JUSTICE									
GENERAL ADMINISTRATION									
Salaries and expenses	22,735,000	26,231,000	25,067,000	26,067,000	26,067,000	+3,332,000	−164,000	+1,000,000	
Working capital fund	2,238,000					−2,238,000			
Total, general administration	24,973,000	26,231,000	25,067,000	26,067,000	26,067,000	+1,094,000	−164,000	+1,000,000	
LEGAL ACTIVITIES									
Salaries and expenses, general legal activities	71,909,000	75,981,000	76,075,000	76,075,000	76,075,000	+4,166,000	+94,000		
Salaries and expenses, Antitrust Division	26,706,000	39,785,000	29,785,000	41,678,000	39,785,000	+13,079,000		+10,000,000	−1,893,000
Salaries and expenses, U.S. attorneys and marshals	167,870,000	178,365,000	178,300,000	179,300,000	179,075,000	+11,205,000	+710,000	+775,000	−225,000
Support of U.S. prisoners				21,000,000	21,000,000	+21,000,000	+21,000,000	+21,000,000	
Fees and expenses of witnesses	19,177,000	20,222,000	20,050,000	20,050,000	20,050,000	+873,000	−172,000		
Salaries and expenses, Community Relations Service	4,675,000	5,192,000	5,192,000	5,192,000	5,192,000	+517,000			
Total, legal activities	290,337,000	319,545,000	309,402,000	343,295,000	341,177,000	+50,840,000	+21,632,000	+31,775,000	−2,118,000
FEDERAL BUREAU OF INVESTIGATION									
Salaries and expenses	513,377,000	529,454,000	529,454,000	529,454,000	529,454,000	+16,077,000			
IMMIGRATION AND NATURALIZATION SERVICE									
Salaries and expenses	244,515,000	256,312,000	269,500,000	260,350,000	266,450,000	+21,935,000	+10,138,000	−3,050,000	+6,100,000
DRUG ENFORCEMENT ADMINISTRATION									
Salaries and expenses	168,244,000	181,895,000	181,895,000	181,895,000	181,895,000	+13,651,000			
FEDERAL PRISON SYSTEM									
Salaries and expenses, Bureau of Prisons	218,200,000	234,040,000	234,040,000	264,650,000	259,576,000	+41,376,000	+25,536,000	+25,536,000	−5,074,000
National Institute of Corrections	5,043,000	9,924,000	9,900,000	9,900,000	9,900,000	+4,857,000	−24,000		
Buildings and facilities	78,980,000	67,588,000	54,400,000	38,850,000	38,850,000	−40,130,000	−28,738,000	−15,550,000	
Support of U.S. prisoners	41,875,000	47,086,000	35,063,000			−41,875,000	−47,086,000	−35,063,000	
Federal Prison Industries, Incorporated: Limitation on administrative and vocational training expenses	(6,447,000)	(6,328,000)	(6,328,000)	(6,328,000)	(6,328,000)	(−119,000)			
Total, Federal prison system	344,098,000	358,638,000	333,403,000	313,400,000	308,326,000	−35,772,000	−50,312,000	−25,077,000	−5,074,000
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION									
Salaries and expenses	753,000,000	704,500,000	600,000,000	694,500,000	647,250,000	−105,750,000	−57,250,000	+47,250,000	−47,250,000
GENERAL PROVISIONS									
3 percent transfer authority									
Total, title II, new budget (obligational) authority, Department of Justice	2,338,544,000	2,376,575,000	2,248,721,000	2,348,961,000	2,300,619,000	−37,925,000	−75,956,000	+51,898,000	−48,342,000
TITLE III—DEPARTMENT OF COMMERCE									
GENERAL ADMINISTRATION									
Salaries and expenses	14,645,000	15,899,000	15,725,000	15,750,000	15,750,000	+1,105,000	−149,000	+25,000	
White House Conference on Balanced National Growth and Economic Development		1,564,000		750,000	750,000	+750,000	−814,000	+750,000	
Total, General Administration	14,645,000	17,463,000	15,725,000	16,500,000	16,500,000	+1,855,000	−963,000	+775,000	
OFFICE OF ENERGY PROGRAMS									
Salaries and expenses	2,162,000					−2,162,000			
BUREAU OF THE CENSUS									
Salaries and expenses	44,845,000	46,127,000	44,560,000	45,560,000	45,235,000	+390,000	−892,000	+675,000	−325,000
Periodic censuses and programs	48,800,000	71,266,000	71,000,000	71,000,000	71,000,000	+22,200,000	−266,000		
Total, Bureau of the Census	93,645,000	117,393,000	115,560,000	116,560,000	116,235,000	+22,590,000	−1,158,000	+675,000	−325,000
BUREAU OF ECONOMIC ANALYSIS									
Salaries and expenses	12,800,000	13,912,000	13,475,000	13,749,000	13,475,000	+675,000	−437,000		−274,000

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
ECONOMIC DEVELOPMENT ADMINISTRATION									
Economic development assistance programs	390,100,000	339,000,000	360,000,000	405,000,000	382,500,000	−7,600,000	+43,500,000	+22,500,000	−22,500,000
Administration of economic development assistance programs	27,525,000	24,034,000	26,725,000	26,925,000	26,825,000	−700,000	+2,791,000	+100,000	−100,000
Local public works program	6,000,000,000	----------	----------	----------	----------	−6,000,000,000	----------	----------	----------
Drought assistance program	175,000,000	----------	----------	----------	----------	−175,000,000	----------	----------	----------
Total, Economic Development Administration	6,592,625,000	363,034,000	386,725,000	431,925,000	409,325,000	−6,173,300,000	+46,291,000	+22,600,000	−22,600,000
REGIONAL ACTION PLANNING COMMISSIONS									
Regional development programs	63,500,000	64,500,000	64,600,000	64,600,000	64,600,000	+1,100,000	+100,000	----------	----------
DOMESTIC AND INTERNATIONAL BUSINESS ADMINISTRATION									
Operations and administration	65,112,000	65,947,000	65,775,000	66,250,000	65,947,000	+835,000	----------	+172,000	−303,000
MINORITY BUSINESS ENTERPRISE									
Minority business development	50,350,000	50,337,000	50,300,000	50,300,000	50,300,000	−50,000	−37,000	----------	----------
UNITED STATES TRAVEL SERVICE									
Salaries and expenses	14,470,000	14,199,000	14,190,000	14,500,000	14,190,000	−280,000	−9,000	----------	−310,000
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION									
Operations, research, and facilities	584,550,000	597,058,000	595,000,000	620,290,000	607,506,000	+22,956,000	+10,448,000	+12,506,000	−12,784,000
Coastal zone management	37,695,000	44,888,000	44,800,000	57,000,000	50,822,000	+13,127,000	+5,934,000	+6,022,000	−6,178,000
Coastal energy impact fund	115,000,000	143,000,000	115,000,000	115,000,000	115,000,000	----------	−28,000,000	----------	----------
Fishermen's Guaranty Fund	61,000	61,000	----------	----------	----------	−61,000	−61,000	----------	----------
Construction	970,000	15,500,000	1,000,000	30,800,000	15,500,000	+14,530,000	----------	+14,500,000	−15,300,000
Total, National Oceanic and Atmospheric Administration	738,276,000	800,507,000	755,800,000	823,090,000	788,828,000	+50,552,000	−11,679,000	+33,028,000	−34,262,000
NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION									
Operations, research, and administration	12,339,000	13,859,000	13,850,000	15,850,000	13,850,000	+1,511,000	−9,000	----------	−2,000,000
Facilities	2,850,000	----------	----------	----------	----------	−2,850,000	----------	----------	----------
Total, National Fire Prevention and Control Administration	15,189,000	13,859,000	13,850,000	15,850,000	13,850,000	−1,339,000	−9,000	----------	−2,000,000
PATENT AND TRADEMARK OFFICE									
Salaries and expenses	89,400,000	89,590,000	89,590,000	89,500,000	89,500,000	+100,000	−90,000	−90,000	----------
SCIENCE AND TECHNICAL RESEARCH									
Scientific and technical research and services	71,535,000	73,027,000	73,000,000	73,000,000	73,000,000	+1,465,000	−27,000	----------	----------
(By transfer)	(12,555)	----------	----------	----------	----------	(−12,555)	----------	----------	----------
MARITIME ADMINISTRATION									
Ship construction	----------	135,000,000	135,000,000	135,000,00	135,000,000	+135,000,000	----------	----------	----------
Operating-differential subsidies (appropriation to liquidate contract authority)	(388,000,000)	(372,109,000)	(352,000,000)	(352,000,000)	(352,000,000)	(−36,000,000)	(−20,109,000)	----------	----------
Research and development	18,500,000	18,325,000	18,325,000	20,725,000	18,325,000	−175,000	----------	----------	−2,400,000
Operations and training	49,700,000	53,006,000	53,000,000	54,200,000	54,200,000	+4,500,000	+1,194,000	+1,200,000	----------
Total, Maritime Administration	68,200,000	206,331,000	206,325,000	209,925,000	207,525,000	+139,365,000	+1,194,000	+1,200,000	−2,400,000
Total, title III, new budget (obligational) authority, Department of Commerce	7,891,909,000	1,890,099,000	1,864,915,000	1,985,749,000	1,923,275,000	−5,968,634,000	+33,576,000	+58,360,000	−62,474,000
TITLE IV—THE JUDICIARY									
SUPREME COURT OF THE UNITED STATES									
Salaries and expenses	7,732,000	8,391,000	8,391,000	8,391,000	8,391,000	+659,000	----------	----------	----------
Care of the building and grounds	830,600	825,500	825,500	800,000	800,000	−30,600	−25,500	−25,500	----------
Total, Supreme Court of the United States	8,562,600	9,216,500	9,216,500	9,191,000	9,191,000	+628,400	−25,500	−25,500	----------
COURT OF CUSTOMS AND PATENT APPEALS									
Salaries and expenses	927,000	1,020,000	1,020,000	1,020,000	1,020,000	+93,000	----------	----------	----------
CUSTOMS COURT									
Salaries and expenses	2,813,000	2,907,000	2,907,000	2,907,000	2,907,000	+94,000	----------	----------	----------
COURT OF CLAIMS									
Salaries and expenses	2,595,000	3,018,000	3,000,000	3,000,000	3,000,000	+405,000	−18,000	----------	----------

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1978

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[In dollars]

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES									
Salaries of judges	29,782,000	39,797,000	39,797,000	39,700,000	39,700,000	+9,918,000	−97,000	−97,000	----
Salaries of supporting personnel	139,063,000	150,912,000	148,400,000	148,400,000	148,400,000	+9,337,000	−2,512,000	----	----
Defender services	21,000,000	24,877,000	24,000,000	24,000,000	24,000,000	+3,000,000	−877,000	----	----
Fees of jurors and commissioners	21,500,000	23,250,000	23,250,000	23,250,000	23,250,000	+1,750,000	----	----	----
Travel and miscellaneous expenses	24,380,000	28,653,000	27,600,000	27,600,000	27,600,000	+3,220,000	−1,053,000	----	----
Salaries and expenses of magistrates	13,861,000	17,507,000	17,500,000	17,500,000	17,500,000	+3,639,000	−7,000	----	----
Salaries and expenses of referees	31,016,000	34,563,000	33,500,000	33,500,000	33,500,000	+2,484,000	−1,063,000	----	----
Space and facilities	71,980,000	92,595,000	89,700,000	89,700,000	89,700,000	+17,720,000	−2,895,000	----	----
Furniture and furnishings	4,940,000	8,099,000	7,500,000	7,500,000	7,500,000	+2,560,000	−599,000	----	----
Judicial Survivors' Annuity Program	31,100,000	----	----	----	----	−31,100,000	----	----	----
Total, courts of appeals, district courts and other judicial services	388,622,000	420,253,000	411,247,000	411,150,000	411,150,000	+22,528,000	−9,103,000	−97,000	----
ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS									
Salaries and expenses	8,674,000	10,589,000	10,500,000	10,500,000	10,500,000	+1,826,000	−89,000	----	----
FEDERAL JUDICIAL CENTER									
Salaries and expenses	7,752,000	6,594,000	6,550,000	6,550,000	6,550,000	−1,202,000	−44,000	----	----
Total, title IV, new budget (obligational) authority, the Judiciary	419,945,600	453,597,500	444,440,500	444,318,000	444,318,000	+24,372,400	−9,279,500	−122,500	----
TITLE V-RELATED AGENCIES ARMS CONTROL AND DISARMAMENT AGENCY									
Arms control and disarmament activities	12,200,000	13,600,000	13,255,000	13,600,000	13,600,000	+1,400,000	----	+345,000	----
BOARD FOR INTERNATIONAL BROADCASTING									
Grants and expenses	53,385,000	63,985,000	60,660,000	65,900,000	65,900,000	+12,515,000	+1,915,000	+5,240,000	----
COMMISSION ON CIVIL RIGHTS									
Salaries and expenses	10,078,000	10,540,000	10,540,000	10,420,000	10,480,000	+402,000	−60,000	−60,000	+60,000
COMMISSION ON SECURITY AND COOPERATION IN EUROPE									
Salaries and expenses	----	350,000	325,000	347,000	347,000	+347,000	−3,000	+22,000	----
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION									
Salaries and expenses	70,513,000	77,177,000	76,800,000	77,150,000	77,050,000	+6,537,000	−127,000	+250,000	−100,000
FEDERAL COMMUNICATIONS COMMISSION									
Salaries and expenses	56,911,000	59,826,000	61,300,000	61,500,000	61,400,000	+4,489,000	+1,574,000	+100,000	−100,000
FEDERAL MARITIME COMMISSION									
Salaries and expenses	8,640,000	8,901,000	8,950,000	9,424,000	9,424,000	+784,000	+523,000	+474,000	----
FEDERAL TRADE COMMISSION									
Salaries and expenses	54,680,000	59,543,000	59,500,000	59,500,000	59,500,000	+4,820,000	−43,000	----	----
FOREIGN CLAIMS SETTLEMENT COMMISSION									
Salaries andjexpenses	742,000	929,000	920,000	920,000	920,000	+178,000	−9,000	----	----
INTERNATIONAL TRADE COMMISSION									
Salaries and expenses	11,840,000	12,187,000	----	12,187,000	11,500,000	−340,000	−687,000	+11,500,000	−687,000
JAPAN-UNITED STATES FRIENDSHIP COMMISSION									
Japan-United States Friendship Trust Fund	----	2,000,000	2,000,000	2,000,000	2,000,000	+2,000,000	----	----	----
LEGAL SERVICES CORPORATION									
Payment to the Legal Services Corporation	125,000,000	217,053,000	217,000,000	195,000,000	205,000,000	+80,000,000	−12,053,000	−12,000,000	+10,000,000
MARINE MAMMAL COMMISSION									
Salaries and expenses	1,000,000	900,000	900,000	900,000	900,000	−100,000	----	----	----
OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS									
Salaries and expenses	2,581,000	2,680,000	2,680,000	2,680,000	2,680,000	+99,000	----	----	----
PRIVACY PROTECTION STUDY COMMISSION									
Salaries and expenses	776,000	----	----	----	----	−776,000	----	----	----
RENEGOTIATION BOARD									
Salaries and expenses	6,002,000	6,285,000	6,000,000	6,000,000	6,000,000	−2,000	−285,000	----	----

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
SECURITIES AND EXCHANGE COMMISSION									
Salaries and expenses	56, 270, 000	58, 290, 000	58, 000, 000	58, 290, 000	58, 100, 000	+1, 830, 000	−190, 000	+100, 000	−190, 000
SMALL BUSINESS ADMINISTRATION									
Salaries and expenses:									
Direct Appropriation	36, 470, 000	43, 150, 000	43, 150, 000	164, 000, 000	164, 000, 000	+127, 530, 000	+120, 850, 000	+120, 850, 000	
Transfer from revolving funds	(103, 380, 000)	(110, 000, 000)	(110, 000, 000)			(−103, 380, 000)	(−110, 000, 000)	(−110, 000, 000)	
Business loan and investment fund	601, 600, 000	537, 000, 000	750, 000, 000	520, 000, 000	605, 000, 000	+3, 400, 000	+68, 000, 000	−145, 000, 000	+85, 000, 000
Disaster loan fund	90, 000, 000	20, 000, 000	120, 000, 000	115, 000, 000	115, 000, 000	+25, 000, 000	+95, 000, 000	−5, 000, 000	
Lease guarantees revolving fund	3, 000, 000	4, 000, 000	4, 000, 000	4, 000, 000	4, 000, 000	+1, 000, 000			
Pollution control equipment contract guarantees revolving fund	15, 000, 000					−15, 000, 000			
Surety bond guarantees revolving fund	36, 000, 000	19, 000, 000	47, 000, 000	47, 000, 000	47, 000, 000	+11, 000, 000	+28, 000, 000		
Total, Small Business Administration	782, 070, 000	623, 150, 000	964, 150, 000	850, 000, 000	935, 000, 000	+152, 930, 000	+311, 850, 000	−29, 150, 000	+85, 000, 000
U.S. INFORMATION AGENCY									
Salaries and expenses	248, 325, 000	262, 229, 000	262, 000, 000	262, 000, 000	262, 000, 000	+13, 675, 000	−229, 000		
Salaries and expenses (special foreign currency program)	8, 600, 000	7, 057, 000	7, 057, 000	7, 057, 000	7, 057, 000	−1, 543, 000			
Special international exhibitions	4, 841, 000	4, 360, 000	4, 360, 000	4, 360, 000	4, 360, 000	−481, 000			
Acquisition and construction of radio facilities	2, 142, 000	13, 032, 000	2, 952, 000	13, 032, 000	13, 032, 000	+10, 890, 000		+10, 080, 000	
Total, U.S. Information Agency	263, 908, 000	286, 678, 000	276, 369, 000	286, 449, 000	286, 449, 000	+22, 541, 000	−229, 000	+10. 080, 000	
Total, title V, new budget (obligational) authority, related agencies	1, 516, 596, 000	1, 504, 074, 000	1, 819, 349, 000	1, 712, 267, 000	1, 806, 250, 000	+289, 654, 000	+302, 176, 000	−13, 099, 000	+93, 983, 000
Total, Titles I, II, III, IV, and V—New budget (obligational) authority	13, 315, 030, 802	7, 477, 556, 500	7, 606, 119, 500	7, 706, 415, 000	7, 709, 432, 000	−5, 605, 598, 802	+231, 875, 500	+103, 312, 500	+3, 017, 000
TITLE VI—SUPPLEMENTAL APPROPRIATIONS, 1977									
DEPARTMENT OF STATE									
ADMINISTRATION OF FOREIGN AFFAIRS									
Salaries and expenses		3, 500, 000					−3, 500, 000		
INTERNATIONAL ORGANIZATIONS AND CONFERENCES									
Missions to international organizations		145, 000		145, 000	145, 000	+145, 000		+145, 000	
INTERNATIONAL COMMISSIONS									
American sections, international commission		20, 000		20, 000	20, 000	+20, 000		+20, 000	
Total, Department of State		3, 665, 000		165, 000	165, 000	+165, 000	−3, 500, 000	+165, 000	
DEPARTMENT OF JUSTICE									
GENERAL ADMINISTRATION									
Salaries and expenses (by transfer)		(147, 000)		(147, 000)	(147, 000)	(+147, 000)		(+147, 000)	
LEGAL ACTIVITIES									
Salaries and expenses, Antitrust Division		1, 000, 000		2, 617, 000	1, 000, 000	+1, 000, 000		+1, 000, 000	−1, 617, 000
THE JUDICIARY									
COURT OF CUSTOMS AND PATENT APPEALS									
Salaries and expenses		41, 000		41, 000	41, 000	+41, 000		+41, 000	
CUSTOMS COURT									
Salaries and expenses		73, 000		73, 000	73, 000	+73, 000		+73, 000	
COURT OF CLAIMS									
Salaries and expenses		159, 000		159, 000	159, 000	+159, 000		+159, 000	
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES									
Salaries of judges		5, 135, 000		4, 300, 000	4, 300, 000	+4, 300, 000	−835, 000	+4, 300, 000	
Salaries of supporting personnel		249, 000		249, 000	249, 000	+249, 000		+249, 000	
Defender services		75, 000					−75, 000		
Salaries and expenses of magistrates		450, 000		450, 000	450, 000	+450, 000		+450, 000	
Salaries and expenses of referees		1, 435, 000		1, 435, 000	1, 435, 000	+1, 435, 000		+1, 435, 000	
Total, Courts of Appeals, District Courts, and other Judicial Services		7, 344, 000		6, 434, 000	6, 434, 000	+6, 434, 000	−910, 000	+6, 434, 000	
ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS									
Salaries and expenses		53, 000		53, 000	53, 000	+53, 000		+53, 000	

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1978

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[In dollars]

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
FEDERAL JUDICIAL CENTER									
Salaries and expenses		20,000		20,000	20,000	+20,000		+20,000	
Total, The Judiciary		7,690,000		6,780,000	6,780,000	+6,780,000	−910,000	+6,780,000	
OTHER INDEPENDENT AGENCIES									
ARMS CONTROL AND DISARMAMENT AGENCY									
Arms control and disarmament activities		220,000		220,000	220,000	+220,000		+220,000	
BOARD FOR INTERNATIONAL BROADCASTING									
Grants and expenses				3,350,000	3,350,000	+3,350,000	+3,350,000	+3,350,000	
SMALL BUSINESS ADMINISTRATION									
Salaries and expenses (by transfer)		(500,000)		(500,000)	(500,000)	(+500,000)		(+500,000)	
Disaster loan fund		200,000,000		200,000,000	200,000,000	+200,000,000		+200,000,000	
Total, Title VI, new budget (obligational) authority, supplemental		212,575,000		213,132,000	211,515,000	+211,515,000	−1,060,000	+211,515,000	−1,617,000
RECAPITULATION									
Total, Titles I, II, III, IV, V, and VI—New budget (obligational) authority	13,315,030,802	7,690,131,500	7,606,119,500	7,919,547,000	7,921,947,000	−5,394,083,802	+230,815,500	+314,827,500	+1,400,000
Memoranda: Appropriations to liquidate contract authorizations	388,000,000	372,109,000	352,000,000	352,000,000	352,000,000	−36,000,000	−20,109,000		
Total appropriations, including appropriations to liquidate contract authorizations	13,703,030,802	8,062,240,500	7,958,119,500	8,271,547,000	8,272,947,000	−5,430,083,802	+210,706,500	+314,827,500	+1,400,000

Mr. HOLLINGS. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 33 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$15,500,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 52 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

"INTERNATIONAL TRADE COMMISSION

"SALARIES AND EXPENSES

"For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $11,500,000: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the International Trade Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative: *Provided further*, That no part of the foregoing appropriation shall be used for making any special study, investigation, or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof."

Mr. HOLLINGS. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate as stated by the legislative clerk.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF MEASURE TO THE UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I understand that Calendar No. 320 is cleared for unanimous consent. I ask that the clerk transfer the measure to the Unanimous Consent Calendar.

The PRESIDING OFFICER. The measure will be so transferred.

MARITIME APPROPRIATION AUTHORIZATION, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1019.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1019) to authorize appropriations for fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes.

(The amendment of the House is printed in the RECORD of July 13, 1977, beginning at page 22677.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MAGNUSON, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

The motion was agreed to; and the Presiding Officer appointed Mr. INOUYE, Mr. MAGNUSON, Mr. LONG, Mr. GRIFFIN, and Mr. STEVENS conferees on the part of the Senate.

PROTECTIVE SERVICES FOR THE ELDERLY

Mr. ROBERT C. BYRD. Mr. President, there is a measure on the Unanimous-Consent Calendar that was placed there yesterday, I believe—Calendar No. 322. I ask unanimous consent that the Senate proceed to the consideration of that measure.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 203) to provide additional copies of "Protective Services For the Elderly."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with an amendment in line 2, following "hundred" insert "additional", so as to make the resolution read:

Resolved, That there be printed for the use of the Special Committee on Aging one thousand five hundred *additional* copies of its committee print, "Protective Services for the Elderly".

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-348), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

1,500 additional copies, at $451.97 per thousand ---------- $677.95

A joint letter in support of Senate Resolution 203 addressed to Senator Howard W. Cannon, chairman of the Committee on Rules and Administration, by Senator Frank Church and Senator Pete V. Domenici, chairman and ranking minority member, respectively, of the Special Committee on Aging, is as follows:

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., June 29, 1977.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Senate Resolution 203, pending before your committee, requests printing an additional 1,500 copies of our working paper, "Protective Services for the Elderly," to the Senate. This working paper summarizes legal, policy, and social considerations concerning protective services—such as guardianship, conservatorship, and civil commitment—for older Americans. Several organizations and practitioners in the field of aging have already requested copies of this publication. Requests have also been received from numerous local offices on aging, legal services attorneys, the American Bar Association, mental health practitioners, and many others in the field of aging.

Enclosed is the copy of the GPO cost estimate for the requested additional copies of the report.

Thank you for your consideration of this request and resolution.

With best wishes.

Sincerely,

FRANK CHURCH,
Chairman.
PETE V. DOMENICI,
Ranking Minority Member.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, with no resolutions coming over under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there routine morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in adjournment for 30 seconds.

The PRESIDING OFFICER. The question is on agreeing to the motion to adjourn.

The motion was agreed to, and at 8:39 p.m. on Tuesday, July 19, 1977, the Senate adjourned until 8:39:30 p.m. the same day.

AFTER ADJOURNMENT

TUESDAY, JULY 19, 1977

The Senate met at 8:39:30 p.m., pursuant to adjournment, and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to dispense with the reading of the Journal today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS AND CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business without any resolutions coming over under the rule, and that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 11 o'clock tomorrow following the recess and, at some point during the day, it is my desire to attempt to take up the public financing bill, Calendar Order No. 277, S. 926.

I would hope it would be possible to work out some agreement whereby we could take up the bill, say, Monday of next week without having any filibuster on the motion to proceed, in which case if we were able to do that, I would be willing to also include in that agreement that I would not offer a cloture motion on Monday, and we could use Monday for the debate on the measure itself.

In the meantime then tomorrow, Thursday, and Friday the Senate could proceed with other business that has been cleared for action.

I realize the minority leader is in no position to agree to such a request tonight, but I wanted to state this for the record so it would be in the RECORD and Senators could think about it overnight, and possibly tomorrow before we go into session at 11 o'clock some kind of an agreement could be worked out.

Mr. BAKER. Mr. President, I thank the majority leader for that information and for his observations. The majority leader and I have been conferring during much of the afternoon and I thank him for the courtesy of advising me of his desires and ambitions with respect to not only this matter, but other scheduling matters for the attention of the Senate.

The majority leader is right. I am not in position to agree to anything on this measure at this time. I have conferred at length with many Members on this side of the aisle, and I would freely say it is possible that some sort of an arrangement might be worked out. I do not know that such is possible, but it is worth exploring, and I am willing to explore it.

There are several aspects of the problem that ought to be taken account of by our colleagues as they turn their attention to this matter tomorrow, as I hope they do. For instance, we should determine whether or not there should be an agreement to proceed to the consideration of this measure or whether or not we should have first some consideration of the budget waiver resolution which is also on the calendar.

The question, of course, whether or not we can agree to the consideration of the measure, disposes neither of the question of how long we debate the merits of the controversy itself nor the question of whether some alternative possibility to the financing of elections might be considered.

It is my understanding that the distinguished junior Senator from Oregon has an alternative proposal he would like to offer. While it may be difficult for him to do that in the context of the measure the majority leader identifies as S. 926, Calendar Order No. 277, since that is a bill and since the Packwood amendment probably has revenue features, I would hope, Mr. President, that we could find some way to make sure we have an orderly arrangement for the consideration of this measure and alternatives to this measure.

As the majority leader has expressed his hope to me that we could consider and discuss this matter further tomorrow, I hope he would consider this proposal and on tomorrow as well.

Mr. ROBERT C. BYRD. Mr. President, I certainly will be glad to consider alternatives as the distinguished minority leader has suggested. I think about the only thing we can do at this point is to stand in recess and go home and try to get a good night's sleep and come back tomorrow and see if anything can be worked out.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. So, Mr. President, if there be no further business to

come before the Senate, I move, in accordance with the previous order, the Senate stand in recess until the hour of 11 o'clock tomorrow morning.

The motion was agreed to; and at 8:45 p.m. the Senate recessed until tomorrow, Wednesday, July 20, 1977, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate July 19, 1977.

TENNESSEE VALLEY AUTHORITY

Simon David Freeman, of Maryland, to be a member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 1984, vice Donald Opie McBride, term expired.

THE JUDICIARY

Nicholas J. Bua, of Illinois, to be U.S. district judge for the northern district of Illinois, vice William J. Lynch, deceased.

Earl E. Veron, of Louisiana, to be U.S. district judge for the western district of Louisiana, vice Edwin F. Hunter, Jr., retired.

Stanley J. Roszkowski, of Illinois, to be U.S. district judge for the northern district of Illinois, vice Richard W. McLaren, deceased.

DEPARTMENT OF JUSTICE

John C. Krsul, of Montana, to be U.S. marshal for the district of Montana for the term of 4 years, vice Louis O. Aleksich, term expired.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Harold Robert Aaron, [redacted], U.S. Army.

IN THE NAVY

Vice Adm. John G. Finneran, U.S. Navy (age 53), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Charles H. Griffiths, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. GLENN:

S. 1882. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to authorize the Law Enforcement Assistance Administration to make grants to States for the prevention and detection of certain crimes involving the torching of buildings, and for other purposes; to the Committee on the Judiciary.

ARSON CONTROL ASSISTANCE ACT OF 1977

Mr. GLENN. Mr. President, today I am pleased to introduce the Arson Control Assistance Act of 1977. I believe that it is tragically ironic that we in Congress annually deliberate at length seeking the best approaches for saving and revitalizing our older, urban innercity neighborhoods while simultaneously there is a vicious, rapidly spreading crime that is destroying major portions of some of those same urban neighborhoods which goes virtually unchecked and unnoticed. I am speaking of the crime of arson for profit, known in the vernacular as "Torching." Reduced to its most basic terms, this is the practice of property owners "arranging" for fires and the consequent damage and destruction of marginal urban properties for the purpose of receiving large insurance payments and favorable tax benefits.

THE SCOPE OF THE PROBLEM

Because the FBI does not now classify arson as a major crime, it is very difficult to amass hard specific criminal statistics on incidences of arson. However, from various sources, my staff has compiled these rather startling facts and figures. From 1965 to 1975, the incidence of building arson has increased 325 percent according to the LEAA. This increase has continued. In 1975 alone incendiary and suspicious fires increased by 24½ percent. An estimated 1,000 people, including 45 fire fighters die each year in arson fires, and 10,000 people are injured annually. Arson fires because, they are so difficult to detect and require specialized investigation that many communities lack, often go unreported or are listed as fires of "unknown" origin.

Consequently, these statistics and estimates are probably quite conservative. Many officials in larger cities believe that as many as 50 percent of their fires are maliciously set. In Newark, N.J., a recent increase in the number of vacant downtown buildings was followed by a 500 percent surge in the number of building fires. In Houston, Tex., the fire marshal has described the upsurge in arson as "epidemic." Chicago, Ill.; Seattle, Wash.; New Haven, Conn.; Boston, Mass.; Detroit, Mich., and especially New York City are among other cities that have suffered widespread arson epidemics in recent years.

Arson represents devastating financial losses to its intended victims, insurance companies. The American Mutual Insurance Alliance estimated arson losses of $1.3 billion in 1975 alone, 37 percent of total U.S. fire losses. In 1976 it is estimated that arson losses approached $2.5 billion. How can the terror of the sound of fire engines in the night to a family living in a densely populated, aging urban neighborhood even be calculated?

FEATURES OF THE ARSON CONTROL ASSISTANCE ACT

S. 1882 would do two things that, taken together, will underline Federal interest in more effectively dealing with this crime while preserving the enforcement aspects and prosecution of offenders to local officials operating under local statutes. First, S. 1882 reclassifies arson from a "part two" to a "part one" crime under the FBI is Uniform Crime Reports System. At present, arson is not considered a major or "part one" crime for purposes of the FBI statistical crime index. Murder, forcible rape, robbery, assault, burglary, larceny, and auto theft are so classified and arson is not, even though human and property losses from arson often exceed those of these other major crimes. As a result, specific, official statistical compilations on arson are often nonexistent or incomplete.

Furthermore, the failure to have arson included in the major crimes category serves to isolate this vicious crime from proper public attention and scrutiny, thus reducing the priority that we attach to more effectively dealing with it. We need to move to take the mantle of "white collar respectability" off of this crime and to expose it for what it is, a grave danger to life and property, a large component part of the problems of our urban areas and an increasing menace throughout the Nation.

S. 1882 authorizes and directs the FBI to classify arson as a major crime. Second, S. 1882 adds to the list of specific permissible areas for LEAA law enforcement and criminal justice grants to States and units of local government a category for assistance in the development of programs designed to prevent and detect arson for profit in urban areas. Some States, including my home State of Ohio, have taken the lead in developing more sophisticated technological and law enforcement approaches to arson detection and enforcement. I feel confident that other areas can do the same. LEAA should, like the FBI, begin to treat arson as a major crime and assist communities accordingly.

Mr. President, those are the two major features of the Arson Control Assistance Act of 1977. Together, they will cost little yet they will begin to direct attention and assistance to a crime that is by some accounts becoming almost commonplace and routine while often going undetected, unsolved, and even unreported. I want to take this opportunity to comment in greater detail about the scope of this problem and to make a part of the RECORD some key materials related to the arson issue. Although I certainly recognize that the general crime of arson has a varied cast of practitioners ranging from psychopathic, mentally disturbed individuals to so-called thrill seekers to individuals seeking ways to "speed up" public housing waiting lists, I want to confine my remarks here to the area of the hardcore criminal who has attempted to make arson a for-profit business practice.

Prevention and detection of arson-for-profit will do much to discourage all other forms of arson. I am particularly disturbed that this type of crime has become so frequent and so rampant that it is gaining a certain aura of legitimacy as a "cost of doing business" in the inner city. There is nothing legitimate or respectable about this crime. Arson-for-profit only contributes to further loss of community jobs, homes, business, and insurances coverage for areas already suffering disproportionately from these very same problems.

REASONS FOR THE INCREASE IN URBAN ARSON

Mr. President, we are not speaking of a practice that requires a knowing wink of the eye, we are talking about a costly, wasteful, and terrifying major crime. I think that it is obvious that this crime is directly linked to the overall malaise

of our central cities. Industry and jobs have rapidly moved out of central city areas taking with them much of the middle class and leaving behind large numbers of low-income families, the elderly, and many public assistance recipients.

Consequently, the economic core of many of our cities is not a strong one. Diminished tax revenues, reduced municipal services, rising property taxes, reduced profit margins, all combined with aging structures and a tax structure that encourages depreciation and fast "write-off" have come together as part of the vicious cycle of inner-city life that makes urban property so particularly susceptible to arson-for-profit. An old structure in this cycle is likely to change hands repeatedly and is quite unlikely to be slated for improvements or renovations. Thus, the deterioration accelerates.

Bill Moyers, in his startling CBS documentary on the South Bronx, "The Fire Next Door" referred to this pattern as the "peculiar chemistry of poverty." Indeed, the South Bronx has the dubious distinction of holding the world's record for arson. In just 10 years, more than 30,000 buildings have been burned and abandoned. Researchers from Battelle in Columbus have informed my staff that growth patterns of urban arson can be measured simply by observing these deterioration patterns. S. 1882 will not solve the poverty and housing problems of our cities but, hopefully, it will build a forceful deterrent against those who would exploit and exacerbate those problems.

ARSON ARREST AND CONVICTION RATES

It is estimated that only 9 persons are arrested, 2 convicted and 0.7 incarcerated per every 100 fires classified as incendiary or suspicious. This compares with 21 arrests, 6 convictions, and 3 incarcerations per every 100 of each of the presently classified "major" crimes. These statistics, more than any others, illustrate the extremely difficult nature of arson. As I mentioned, there are usually severe shortages of trained investigative personnel. The investigation itself is often extremely difficult and technical due to damage. Arrests and convictions are rare and even more difficult to obtain where professionals are involved and fraud is the motivation. Even with very few arrests and convictions in the arson-for-profit area, fraud is still implicated in 17 percent of a sample of arson cases.

There are often no clear lines of responsibility for the investigation as between the police and fire departments. Further, arrest and prosecution are complicated by the usual lack of witnesses and the requirements of difficult-to-obtain physical and circumstantial evidence. All of this explains why arson is often called "the easiest crime." Once again, I would like to stress that at present the only central source of national arson statistics is the National Fire Prevention Association, a private, nonprofit organization.

SOPHISTICATION OF ARSON-RELATED CRIMINAL ACTIVITY

The image of the harried, indebted property owner sprinkling gasoline around an abandoned property is an overly generous one when applied to the area of arson-for-profit. In reality, we are speaking of professional "torches" who can earn as much as $300,000 per year, according to arson investigators. These "wages" are percentages of insurance payments. In Detroit, a huge arson-for-profit ring was only recently smashed that involved corrupt home repair contractors and homeowners who, in collusion, "torched" buildings and submitted inflated insurance claims.

Other evidence of organized criminal activity in this area consists of buyers and sellers making "paper" purchases and sales of buildings in order to hike insurance coverage prior to the building's "torching" and ultimate splitting of the insurance proceeds. Other, more basic arson-for-profit methodologies include the "moving in" and hiring of narcotics addicts and teenagers with payments and instructions to burn. Often in New York's Harlem and South Bronx, unscrupulous real estate speculators have used this method to vacate perfectly sound structures that were money losers because they were subject to city rent control laws, or because the tenants had fixed low incomes.

THE ROLE OF THE FAIR ACCESS TO INSURANCE REQUIREMENT

In 1968, Congress passed a well-intentioned law designed to assure insurance coverage for property owners in high risk neighborhoods. Participating States set up quasi-government operations which underwrite coverage of independent companies. Twenty-eight States, most of them industrial, have so-called Fair plans. David Lucht of the National Fire Prevention and Control Administration feels that the Fair plans, because they guarantee even overly insured buildings, represent a tempting plum to the unscrupulous.

In Massachusetts, only 10 percent of Fair policies produced losses in 1974 but those losses wiped out the premium money paid for by the other 90 percent of the policies leaving a $6 million taxpayer debt. Only two States of 28 Fair plan States—New Mexico and Georgia—covered their expenses. So, although Fair is an excellent and vitally necessary program for our cities, it is being undermined and exploited by the arson-for-profit criminal.

Many insurance companies have responded to the arson wave by using the value of the building on the open market as opposed to replacement costs as their standard for damage payments. Business Week magazine estimates that in some areas this is sometimes as little as 10 percent of replacement costs. Obviously, the wave of urban arson has set off a cycle that is damaging and harmful to urban property insurance patterns.

THE ROLE OF OHIO, THE BATTELLE MEMORIAL INSTITUTE, AND OTHERS IN HELPING COMBAT ARSON

Mr. President, I am particularly pleased that the State of Ohio, through State and local government, State insurance officials, and the widely respected Battelle Memorial Institute of Columbus, Ohio, have taken a leading role in combating the rising incidence of arson. In 1975, Ohio formed a Blue Ribbon Arson Committee whose chairman was Mr. Gene Jewell, chief of the State Arson Bureau and whose membership I will make part of the RECORD. The committee commissioned Battelle to do an indepth analysis of the arson problem.

Battelle's project team assembled leading arson investigators, insurance company representatives, and others and came up with extensive and impressive data and recommendations, many of which are included or mentioned in this statement. Battelle has also used its arson expertise in conducting leadership seminars and making a 1976 report on arson to the National Academy for Fire Prevention and Control. Additionally, many substantive technical and procedural recommendations have been made in an October 1976 study for LEAA by the Aerospace Corp., of El Segundo, Calif. The National Fire Protection Association of Boston, Mass., in 1976 contributed still more valuable data and technical investigative materials.

I believe that S. 1882 represents the two primary thrusts of all of the new data and attention given to arson. Specifically, all of the studies have pointed out the need to classify arson as a major crime and to have data on arson collected nationally and disseminated. All of the studies have also pointed out the need for increased, more sophisticated training of law enforcement officials and investigators. Dan Econ, past president of the International Association of Arson Investigators, has pointed out that in 1970 there were 8,000 cases, 9,000 fires classified as "undetermined" and 1,500 "suspicious" fires. Yet, in 1974 Ohio had only eight State arson investigators, excluding Cincinnati, Cleveland and Columbus which conduct their own investigations with small staffs.

DETROIT, MICH.

Detroit has developed a specifically trained staff of arson investigators who are trained for 5 years as firemen and another 5 years as arson specialists. Coincidently, Detroit has reached an arrest rate of 30 percent in its arson investigations, quite a high figure. Unfortunately, Detroit is now faced with the budget necessity of cutting its arson team sharply.

SEATTLE, WASH.

Seattle is considered the model for arson control. Its arson squad of eight firemen and two policemen replaces divided responsibilities. Firemen go through a 180-hour training course on arson. The city has an "arson hot line" and arson alert car on patrol and other innovations. As a result of this intense program, arson losses in Seattle dropped from $3.2 million in 1974 to $1.9 million in 1976.

So, Mr. President, progress in this area is possible and the double thrust of S. 1882 should encourage progress with a minimum expenditure. The two features of this bill go hand-in-glove. Better, more sophisticated training and programs in detection will produce better data as well as better enforcement. National data and the status of "major crime" will result in more attention, more resources and improved enforcement.

Mr. President, I reiterate that this is not simply a matter of criminal law in terms of public policy. The Arson Control Assistance Act of 1977 must be read as a component part of national urban, housing, and economic policy. Arson is an insidious crime that tears at the fabric of all three. I look forward to early hearings and passage of this bill and urge my colleagues to join in support.

Mr. President, I ask unanimous consent that certain material be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OHIO FAIR PLAN UNDERWRITING ASSOCIATION—BLUE RIBBON ARSON COMMITTEE

Chairman Gene L. Jewell, Chief, State Arson Bureau.

James Brackney, Mgr. Eng. Div., Celina Mutual Insurance Company.

Donald E. Fisher, Exec. Dir., Buckeye State Sheriff's Assn.

Burt Lugannani, Chief, Cincinnati Fire Department.

Corrin J. McGrath, Chief, Toledo Police Department.

Robert M. Peterson, Chairman, Ohio Claims Association.

Clint L. Templeman, Exec. Dir., Insurance Board of Cleveland.

Jerry L. Walke, Ph. D., Director, Drug Abuse Education.

Ex Officio:

Harry V. Jump, Director, Ohio Insurance Department.

Terry E. Drake, State Fire Marshall.

William R. Morris, Chairman, Ohio FAIR Plan Board of Governors.

Richard P. Fogo, Administrator, Ohio FAIR Plan Underwriting Assn.

Frederick E. Hill, Claims Manager, Ohio FAIR Plan Underwriting Assn.

[From "Arson: America's Malignant Crime." Final Report of Battelle Columbus Laboratories, Columbus, Ohio for National Fire Prevention and Control Administration of the U.S. Dept. of Commerce]

THE NEED TO RECLASSIFY ARSON IN CRIME REPORTING SYSTEMS

The almost complete lack of reliable arson statistics leads inevitably to local apathy.

Though records on arson are kept within local and state police and fire agencies, there is only one recognized national source of complete crime statistics. This is the Federal Bureau of Investigation's Uniform Crime Reports. Neither the National Fire Data System of the NFPCA nor the proposed national data system on fire losses being considered by the insurance industry will include specific listings of arson crimes. Nor does the Fire Marshal Reporting Service which is active in 28 states have such specific information. The problem is that within the Uniform Crime Reports arson is not given the "major crime" status of murder, forcible rape, robbery, assault, burglary, larceny and auto theft. It is paradoxical that property losses from arson may exceed those from any of the so-called major crimes.

Because arson is not a major or "Part I" crime, its incidence is not reported with the thoroughness or publicity of other crime reports. Arson actually is recognized as a "Part II" offense, and there are voluntary reporting requirements, but these apparently are generally not observed by the reporting agencies. Each year the "Part I" crime statistics for small and large communities are publicized; they appear in the local press, and they are compared with previous records and the reports from other communities. Not so for arson, where the only local reports are usually those supplied by the fire services on a voluntary basis.

Participants in the seminar recommended that steps be taken immediately through the International Association of Chiefs of Police and its Uniform Crime Records Committee to get arson reclassified as a "Part I" crime. This reclassification should have several consequences:

1. Better reporting of arson cases by law enforcement authorities, possibly leading to an enormous increase in the reported incidence of arson.

2. Better data on arson through existing data systems, leading to information which could be of use to private and public authorities.

3. Increased awareness of the problem through "shock treatment" affecting the public, legislators, public officials and insurance companies.

4. Identification of arson as a law enforcement problem, leading to improved access to applicable sources of funding for research, development, technology and control programs.

5. Increased motivation for the development of training programs for handling arson at all levels.

6. Incentives to get better arson laws on the books, and to involve prosecutors and the judiciary in a more active manner.

7. Greater attention by the insurance industry to preventing arson fraud.

Getting arson reclassified as "Part I" crime is a national need, and that need is becoming recognized by all concerned groups, including police. Because police departments often are "rated" in the public mind by their success in curbing "Part I" crimes, many departments might have a public relations problem. However, an intensive public awareness activity, simultaneous with reclassification, might even turn this potential disadvantage to an advantage by calling attention to the need for law enforcement resources.

RECOMMENDATIONS

Because we recognize that the problem of arson is so intense and is growing so rapidly, it is a national problem. We cannot run the risk of letting it stay a local matter, so there must be national reporting of its incidence through a mechanism that we know is reliable and valid—the FBI Uniform Crime Reporting System. We all have a responsibility to help bring this about by actively involving our own constituent groups—the arson investigators, the police chiefs, the fire chiefs, insurance executives, bankers, judges, lawyers, fire marshal personnel, research workers, trainers and educators.

We recommend that the NFPCA and the National Fire Academy do the following now:

1. Communicate to the directorate of the Federal Bureau of Investigation that national reporting of arson in uniform crime statistics would be of great value to stopping this crime. Indicate that a concerted effort will be made to get arson declared a "Part I" crime.

2. Alert the National Association of Insurance Commissioners to the same need.

3. Make a formal presentation to the International Association of Chiefs of Police, or its Uniform Crime Records Committee, that "Part I" crime status is urgently needed. Indicate readiness to participate in a national effort aimed at public awareness, so that individual police agencies do not receive adverse publicity when the new statistic is introduced.

At the same time these activities are initiated, all concerned public agencies should begin meeting to work out the details of actually implementing the national reporting of arson. The NFPCA should work with the Uniform Crime Records Committee of the IACP in developing reporting standards and formats. The assistance of the Joint Council of National Fire Service Organizations also should be enlisted.

For the insurance industry there is a special responsibility to call attention to the national reporting problem through all of its information activities at national, state and local levels. As a start, the NFPCA must familiarize insurance organizations with this report and establish working lines of communication with each organization, including (but not limited to):

The American Insurance Association
The American Mutual Insurance Alliance
The Association of Insurance Attorneys
The Factory Mutual System
Industrial Risk Insurers
The Insurance Crime Prevention Bureau (Canada)
The Insurance Crime Prevention Institute
All state insurance associations
Major independent insurance companies
Property Insurance Plans Service Office
The Insurance Information Institute
The National Association of Mutual Insurance Companies
The National Association of Independent Insurers
The National Crime Prevention Association
All state FAIR Plan agencies

Similarly, the NFPCA must provide awareness to and establish communications with the American Bar Association and the National District Attorneys Association.

[From Business Week, Feb. 28, 1977]

BUSINESS BATTLES THE ARSONIST

The numbers tell the story. An estimated one-third of the $7.3 billion that business paid in fire insurance premiums in 1976 went to cover arson losses. Half of all fire losses above $250,000 are estimated to result from deliberately set fires. Most alarming, losses caused by incendiary fires are rising faster than losses caused by accidental fires. In 1966 incendiary fires accounted for $363 million, or some 24% of a total fire loss bill of $1.5 billion. By 1975, the latest fully reported year, such losses had reached $1.3 billion, jumping to 37% of a total $3.4 billion.

Shaken by these soaring figures, business and insurance groups that formerly dismissed arson as too minor and too difficult to tackle are mounting organized campaigns against it:

The American Mutual Insurance Alliance (AMIA) is lobbying in state legislatures for legal changes that would make it easier to catch and convict arsonists.

The Insurance Crime Prevention Institute (ICPI) has doubled its staff of investigators to 90 in the past 18 months and started a national program to help its 324 member companies prosecute arsonists.

Individual businesses are improving lighting in their plants, tightening security at entrances, and implementing their own arson-prevention schemes. In Humbolt Park, a northwest Chicago neighborhood with high arson rates, filling station operators refuse to sell containers of gasoline to anyone who has not previously registered as having a legitimate need for them—for instance, as the owner of a power mower or motorboat.

The American Insurance Assn. will soon issue a plan for an industrywide computerized data bank to help investigators spot similarities among suspicious fires. All investigations now start from scratch. Anyone checking a fire that started in, say, the machinery of a near-bankrupt dry-cleaning store has no access to information on other fires that started in dry-cleaning machinery or even on suspicious fires that started anywhere else.

Nobody, in fact, has access to useful information on arson because almost no such information exists. Says Eugene Jewell, chief of the arson bureau in Ohio, one of many states that depend heavily on volunteer firemen: "When you've already asked a volunteer to give up his time fighting fires, how much

more time can you ask him to give up doing paperwork?" And communities with professional fire-fighters usually divide the responsibility for arson between police and fire departments, so neither department pays special attention to incendiary fires.

Part of this information gap may be filled soon by the Battelle Memorial Institute, which is gathering data from 11 major cities, including New York and Chicago, under a grant from the National Fire Prevention & Control Administration, a Commerce Dept. unit. NFPCA is also training arson investigators and preparing a community action manual on preventing and detecting arson.

THE PROFIT MOTIVE

Improved investigation is the crucial issue, says Charles Morgan, president of the National Fire Protection Assn., whose 33,000 members include fire marshals, industry security officers, and other professionals. "If you can take the profit out of incendiary fires, you've got a deterrent," Morgan says.

At present there is not much deterrent: An estimated 1 percent of all arson fires result in an arrest, and only 1 percent of those arrests result in a conviction. The ICPI hopes that its beefed-up investigating staff and national educational program will improve these percentages. Meanwhile, the institute plays the averages by trying to nail arsonists for fraud, which is easier to prove and frequently accompanies arson. "If you're going to burn your restaurant, you're more likely to remove your liquor than to leave it there," says ICPI Director James F. Ahern.

Other organizations are fighting arson along different lines. Insurance companies—some of which formerly paid fire loss claims even before local authorities had finished investigating—have become more aggressive. "We are making dog-gone sure that it isn't arson before we pay the claim," say Roger M. Freeman Jr., president of Allendale Mutual Insurance Co. State Farm Mutual Fire & Casualty Co. seeks more information than it used to from insurance applicants and conducts more frequent inspections of insured premises. Moreover, the industry is increasingly willing to fight dubious claims in court, says Marvin Karp, a Cleveland lawyer who specializes in such cases. "In the past couple of years [the insurance companies] have really gotten their backs up," Karp says. "They now have the courage to say, 'This is arson, and there's evidence that the insured is involved. So let's let the jury decide.' "

CLAIMANTS GET LESS

Juries have also turned tougher. The Metropolitan Chicago Loss Bureau, which monitors claims disputed by its 125 member companies, reports that only 69 claims, asking for a total of $4 million, went to court in the five years before October, 1975, and policyholders collected about two-thirds of that sum. But during the following year, 106 disputed caims, for a total of $6 million, went to court, and the claimants got only one-third of what they had sought. "We may have more people setting fires, but fewer claims are being won," says the bureau's director, Donald H. Mershon.

As for why more people are setting fires for profit, experts offer these explanations:

Some failing businessmen, because of a general decline in moral standards, burn their plants for the insurance money with easier consciences than their fathers would have had. "Today you've got arson in the suburbs, not just the inner city," says Robert M. Hyatt, commander of the Wayne County Organized Crime Task Force.

Arson, formerly a largely do-it-yourself crime, has become professionalized. "Criminals have learned that this is a great area for them," says Victor Palumbo, arson specialist at the National Fire Academy.

State Fair plans (Fair Access to Insurance Requirements) now cover property loss in high-risk neighborhoods formerly shunned by insurance carriers. The plans stem from a 1968 federal law.

For a property owner who has seen the value of his holding plummet as an area deteriorated, the Fair plans provide a temptation "to turn around an set his own fire," says David A. Lucht of the National Fire Prevention & Control Administration. As a result, notes Allendale's Freeman, Fair plans pay out $150 for every $100 of premium income in some New England states, and only two of the 28 plans—those in New Mexico and Georgia—cover their expenses.

In self-defense, some insurance companies have begun to discourage slum arson by changing the basis on which they figure the value of lost property. Instead of the conventional standard—the cost of replacing the lost building—they are paying the amount that the building would have brought on the open market. In the South Bronx, this is sometimes as little as 10% of replacement costs.

CONTROLS THAT WORK

Communities, too, have begun to fight arson. In Seattle, generally considered the model for arson control, officials post conspicuous "Reward" signs on buildings gutted by arson (and pay the rewards for leads to criminals out of a fund established by insurance companies) operate a hot line for citizen reports of suspicious behavior by possible arsonists, and send out an "arson alert car" to patrol the streets each night.

In place of divided responsibility, a fire department arson squad of eight firemen and two policemen has full charge of detecting, arresting, and prosecuting arsonists. Firemen from individual engine companies from throughout the state go through an 180-hour training course on arson. In addition, the city encourages insurers to file civil suits blocking payment of insurance benefits in cases where fires are suspicious but evidence is not hard enough for criminal prosecution.

Apparently these techniques work. The Seattle program got under way after 1974 arson losses reached $3.2 million, more than half of the city's total fire loss. Last year, arson losses came to $1.9 million, 40% of the city's total, according to arson squad chief Richard Hargett.

CHANGING LAWS

The insurance industry, operating through the AMIA, has launched a major lobbying effort to change state laws that the industry claims tie its hands in dealing with arsonists. The AMIA wants other jurisdictions to copy an Ohio law that amends the confidentiality of insurance records to require that insurers give arson investigators data from their claims files. The AMIA also seeks a legal way to open up blind trusts so that law enforcement officials can identify common ownership of burned buildings. And it wants insurers to be able to question applicants for new policies about their past loss records.

In addition, the AMIA also wants badly to have arson reclassified as a "Part I crime" in the national statistics collected by the Federal Bureau of Investigation. At present arson is a "Part II crime," along with gambling, drunkenness, and violating a curfew. Most police departments measure both their towns' lawlessness and their own efficiency by the FBI figures on Part I crimes, and insurance officials hope that promoting arson to the first rank will increase the time and money spent on its prevention, detection, and prosecution. Says Allendale's Freeman: "Certainly arson should be ranked on the same level of heinosity as stealing a bicycle."

[From New York Times, June 20, 1977]

U.S. INQUIRY IS BEGUN ON ARSON IN BRONX

INSURANCE-PAYMENT DATA GATHERED IN BROAD INVESTIGATION OF FRAUD

(By Joseph P. Fried)

A Federal grand jury has begun an investigation into possible arson for fraud in the Bronx, where in recent years entire neighborhoods have been ravaged by fires, first in the South Bronx and more recently in the West Bronx.

The possibility of similar arson in upper Manhattan is also being examined.

Sources in the insurance industry said that the records of some insurance companies had been subpoenaed in recent weeks, apparently as part of an effort to determine whether the companies had been defrauded into making payoffs for fires deliberately set by property-owners or their associates.

One insurance organization, according to one of its officers, has been asked for its files involving all Bronx buildings on which the organization in recent years paid fire-damage claims involving more than $25,000. The organization provided the grand jury with files on more than 30 buildings, both residential and non-residential, the officer said.

The office of the United States Attorney Robert B. Fiske, whose jurisdiction includes the Bronx and Manhattan, declined to provide any information.

A grand jury investigation of the arson situation would appear to indicate that Mr. Fiske has a different view of Federal jurisdiction in this matter than his predecessor, Paul J. Curran, had in 1975. Mr. Curran said then that he did not feel there was a basis for a "broad-scale Federal investigation" into the arson situation in the South Bronx, although he said there might be specific arson cases that he might look into.

Mr. Curran's comments followed a call by local Bronx officials for Federal Bureau of Investigation help in dealing with arson in the borough.

The current investigation appears to involve a relatively broad scale, as indicated by the fact that at least one of the subpoenas for insurance-payment information did not cite any specific buildings, but sought the insurer's records of all Bronx buildings on which payments of more than $25,000 have been made in recent years.

Legal experts said that even though arson itself was not a Federal crime—unless a Federal building was involved—the Federal Government could still have jurisdiction where privately owned property was "touched," if the mails or interstate telephones were used for such things as filing fraudulent insurance claims and receiving payments in arson-fraud schemes.

FEDERAL AID MAY BE A FACTOR

Another possible basis for Federal jurisdiction could be Federal financial involvement in some of the housing that has been hit by fires. The Bronx District Attorney, Mario Merola, has said in the past that apartment properties built or rehabilitated with Federal aid had been among the structures set afire by South Bronx arsonists.

Such aid generally takes the form of mortgage insurance or direct subsidies.

Generally in the United States, Federal prosecutors have begun using the Federal mail-fraud statutes in prosecuting cases of arson for fraud, which is reported to have risen sharply in the last few years.

In New York City, Fire Department officials say that increasing arson, including

arson for fraud, is one of the reasons why structural fires generally, and serious fires in particular, have risen sharply in the city in recent years.

Structural fires have gone up from 36,800 in 1966 to 56,000 last year, a 53 percent rise. Serious fires have risen by 40 percent since 1974 alone—from 3,700 that year to 5,200 last year.

The desire of property-owners to collect insurance, especially on slum-area buildings whose value has otherwise plunged, is not the only arson motive, fire officials say. They also talk of arson by slum-area residents seeking relocation benefits or priority status for public housing; youngsters who set fires in vacant buildings for thrills; people seeking various types of revenge, and "scavengers" who want buildings vacated so they can strip plumbing and other materials to be sold for scrap.

The spread of poverty and building decay in general also have fostered increased fires, officials say. Critics of the city hold that sharp cutbacks in the Fire Department because of the city's fiscal crisis have also contributed.

The most severe plagues of fire have shifted in recent times from the South Bronx and the Brownsville and East New York areas of Brooklyn, which have already been heavily burned out, to portions of the West Bronx and Bushwick and Sunset Park in Brooklyn, officials say.

[From "Survey and Assessment of Arson and Arson Investigation"]

Prepared for LEAA/U.S. Dept. of Justice by the Aerospace Corporation of Elsegundo, California.

TABLE 5.—*Property losses from serious crimes, 1974*

Offense	Property loss [1]	Average loss per offense [2]
Robbery	$142	$321
Burglary	1,181	391
Larceny	816	156
Auto theft	[3] 841	1,246
Arson:		
Incendiary and suspicious	616	3,294
Incendiary and suspicious plus ½ unknown cause	1,284	2,558

[1] Dollars in millions.
[2] In dollars.
[3] Of this 69 percent was recovered.

A comparison of deaths and injuries due to arson and to other serious crimes is shown in Table 6. It should be noted that the deaths and injuries due to arson are included in the total for the categories of murder and aggravated assault, respectively.

Table 7 compares the rate of increase in arson between 1964 and 1974 with the increases in other serious crimes during the same period.[10] Incendiary and suspicious building fires rose more than any other crime category. When one-half the building fires of unknown cause were included, the building arson increase was somewhat less, but still greater than every crime type except robbery.

In view of the relative magnitude of arson, it is surprising that it has not received more attention in the past. This situation is likely due to the lack of a single, well known source of national statistics, as is provided for other offenses by the FBI Uniform Crime Reports.

TABLE 6.—*Deaths and injuries from serious crimes, 1974*

Offense	Deaths	Injuries
Murder	20,600	
Police killed	132	
Aggravated assault		[1] 453,000
Arson: Incendiary and suspicious	1,000	[2] 10,000
Firefighters killed	45	([3])

[1] Includes unsuccessful attempts.
[2] Estimate.
[3] Not available.

TABLE 7.—*Serious crime in 1974 and increase, 1964–74*

Offense	Number 1974	Increase percent 1964–74
Murder	20,600	121
Rape	55,200	159
Robbery	441,000	239
Aggravated assault	453,000	125
Burglary	3,021,000	150
Larceny	5,228,000	109
Motor vehicle theft	974,000	107
Arson:		
Incendiary and suspicious	187,000	127
Building fires	114,000	269
Motor vehicle fires	42,000	62
Wildfires	31,000	22
Incendiary and suspicious plus one-half unknown cause	502,000	95
Building fires	194,000	204
Motor vehicle fires	277,000	65
Wildfires	31,000	22

[From "Arson: Some Problems and Solutions]

Published by National Fire Protection Association.

ARSON: THE GROWING PROBLEM

(By Paul E. Teague)

Like many other components of the montage known as "The Fire Problem," the arson picture did not, until recently, attract the eyes of anyone other than insurance company representatives, fire marshals, and fire fighters. The rest of the population seemed to view arson with either a snicker or a yawn.

One possible reason for that ho-hum attitude was described by the American Insurance Association's W. D. "Pete" Swift in a recent speech before the Insurance Society of New York. Why, he asked, should anyone, including law-enforcement authorities, get excited about "an isolated, low-visibility occurrence with only two persons really interested in the contest—the policyholder and the insurer—and a limited chance of conviction?"

Why, indeed? At first glance, arson, the crime of willfully setting fire to defraud or for other purposes, seems to lack the immediacy or personal threat potential of other problems, such as sickness, murder, robbery, or the struggle to earn a living. Consequently, in terms of priorities, arson has not rated much concern outside the fire protection world.

Times have changed, and as Mr. Swift pointed out, "everybody and his brother wants to get into the act" of combatting arson now. The reason for this new concern is quite simple: There has been a staggering increase in the number of incendiary (deliberately set) and suspicious fires in the United States in the last 10 years. In fact, a 1972 study by the Stanford Research Institute claimed that arson, at that time, was the fastest growing crime in the nation.

That claim may or may not be true, but this much is certain: Arson and other incendiary fires are a major problem today. Consider these statistics:

In 1964, the number of incendiary and suspicious fires, according to NFTA records, was approximately 30,900. In 1974, that number had soared to 114,000, an increase of about 237 percent.

According to "Fires and Fire Losses Classified, 1974," published in the September 1975 Fire Journal, incendiary and suspicious fires in 1974 accounted for 9 percent of all building fires and a disproportionate 17 percent of the related dollar loss. Some fire investigators suggest that at least half of the fires of unknown cause are also incendiary. If this is true, 21.5 percent of the building fires in 1974 and 40 percent of the related dollar loss were deliberately set.

Discounting the category of "Unknown Causes," incendiarism in 1974 was the fifth largest cause of building fires; however, the dollar loss of $550 million incurred due to incendiary and suspicious fires that year was larger than that from any other known cause of building fires.

As a percentage of the total dollar loss caused by fires during the past decade, incendiary and suspicious fires increased from a little over 4 percent in 1965 to almost 15 percent in 1974. Factory Mutual data confirm this trend by showing 8.9, 14.9, 11.2, 12.0, and 14.8 percent respectively for the years 1970 to 1974.

What are the potential costs to the general public of this increase in the rate of arson and incendiary fires? One cost, of course, is rising insurance premiums. Another, more important cost is the potential risk that the flames from an arson or incendiary incident can reach out and directly threaten the lives and property of others not involved in the incident. That this possibility is all too real is demonstrated by the fact than an estimated 1,000 people, including 45 fire fighters, die each year in arson fires.

There are still other costs that stem from arson and incendiary fires. The report on Page 61 of this book shows how one fire alleged to have been an arson incident had a devastating economic impact on an entire community.

All these statistics put the arson picture in better focus. This question remains, however: What can be done about the problem of arson and incendiary fires?

The ultimate answer to that question may have to wait until we know for sure why people set fires. Obviously, profit is a motive, as can be inferred from the correlation between increases in arson and incendiary incidents and downturns in the economy. There are other motives besides profit, however, and Bernard Levin explains these on Page 43.

Even without definitive answers as to why people set fires, there are things that can be done to reduce the rate of arson and incendiary fires. The following is a list of things that have been or are being done:

Insurance companies are beginning to talk to each other about ways to take the profit out of arson and incendiary fires. They are also talking about steps that can be taken to improve the poor conviction rate in arson cases.

Lynn, Massachusetts has instituted an effective anti-arson program that Fire Chief Joseph Scanlon credits with helping to reduce building fires in that industrial city by 29 percent. An essential element of the program is a permanent Arson Squad consisting of one deputy fire chief, one fire prevention officer, one fire fighter, a police lieutenant,

and three police patrolmen, all of whom perform other duties within their respective departments. The Arson Squad keeps a cross-referenced card file to keep track of suspicious fires. The Squad likes to be called to the scene of all suspicious fires as soon as possible, preferably while fire fighters are still on the scene. With the Fire Department in control of the property, the Squad can look for evidence of arson without getting into difficulties about illegal searches.

Since the Arson Squad went into operation, 32 people have been arrested in connection with arson; at least four of them are now in prison and another four are in mental institutions. Full details about Lynn's anti-arson program can be found in the December 1975 issue of *Fire Command!*

The National Fire Academy of the National Fire Prevention and Control Administration hosted a "Leadership Seminar for developing a Coordinated Attack on Arson" on January 13–15, 1976. The objective of this seminar was to utilize the efforts of many concerned groups in developing programs to combat arson. Representatives from the fire investigation, law enforcement, criminal justice, insurance, and financial communities attended the seminar. After the January seminar, attendees returned to their organizations to review the results of the meeting and evaluate and consolidate position papers for development of a national action plan for a public and private sector attack on the arson problem.

The State of Ohio has opened a special laboratory for analysis of arson evidence and is training fire fighters in arson recognition.

The International Association of Chiefs of Police was sufficiently concerned about incendiary fires to form an Arson Committee.

The International Association of Arson Investigators (IAAI) adopted a resolution in April, 1975, "insisting that the Crime of Arson be included as a Class One crime in the FBI Uniform Crime Reporting System. As part of that resolution, the IAAI said it believed the insurance industry should: 1) reestablish a central national loss information data system accessible to all accredited fire and law-enforcement agencies and the insurance industry; 2) reinstate an all-industry supported national investigative organization to work with public agencies engaged in the investigation of incendiary and suspicious fires; 3) continue to encourage more careful and selective underwriting practices relating to moral and physical risks to reduce the profit gained by fraudulently motivated fires; and 4) continue to resist fraudulent claims.

The Detroit-based Criminal Justice Institute has designed an eight-hour course for fire fighters on their responsibilities at the scene of an arson incident, and a 40-hour course for those conducting the actual arson investigation.

Finally, there has been an increase in the attention the media has given to the arson problem. For example, on December 18, 1975, Boston's WBZ–TV presented a special documentary on arson. NFPA President Charles Morgan was one of those who were interviewed during the program.

All this activity is really just the beginning. But it's a beginning long overdue, in the eyes of the fire protection world. And, if the activity works, perhaps the arson picture can be erased from the "Fire Problem" montage.

WHAT IS ARSON?

Although the terms are often used interchangeably, there is a difference between incendiary fires and arson.

According to Webster's Dictionary, the term "incendiary" refers to the deliberate burning of property. Arson, according to Webster's, is the malicious or fraudulent burning of property.

All arson fires, in the sense that they are deliberately set, can be called incendiary. However, since arson involves malicious or fraudulent intent, not all incendiary fires can be called arson.

Arson, generally, is considered a legal term and refers to the crime of maliciously or fraudulent intent, not all incendiary fires can be called arson.

Suspicious fires, according to the Fourth Edition of *Fire Department Terminology* (NFPA Publication No. FSD–3A), are those for which exact cause has not been determined, but which, due to unusual circumstances, may have been of incendiary origin.

[From Journal of Commerce Nov. 6, 1975]

CPCU'S WARNED OF RISING ARSON FREQUENCY THROUGHOUT THE US

An executive in the insurance industry has warned that the crime of arson seems to be on a dramatic upswing throughout the nation and described "widespread indifference" to the problem as a "national disgrace."

Walter D. Swift, vice president of the American Insurance Association's Property Claim Services, is scheduled to make his remarks today before the Minneapolis Chapter of the Chartered Property and Casualty Underwriters. The Journal of Commerce has received some of the highlights of Mr. Swift's speech in advance.

Mr. Swift has charged that too much attention is being given the problem on official and public levels.

As a result, increasing fires motivated by fraud and social unrest "have created an escalating arson epidemic in recent years." Mr. Swift told the Minneapolis chapter of Chartered Property and Casualty Underwriters.

Mr. Swift called for the establishment of national all-insurance industry arson detection and prevention organizations to attack the problem head-on and exert needed pressures in the social, civic and legislative arenas.

SEEN GREATEST ILL

"In my opinion," said Mr. Swift, "arson is one of the greatest problems confronting the property insurance business today."

Mr. Swift said that in 1974 there were 21 per cent more incendiary fires and 75 per cent more losses from such fires than in the preceding year. He said that while this upswing was of dramatic proportions, incendiarism has been steadily increasing for more than 10 years.

He said the three million fires in 1974 resulted in almost $4 billion in damages.

"At least three out of 10 of those fires, causing over $1 billion damage, are believed to have been incendiary in origin," he said. "Even worse, fires caused 11,600 deaths and well over 123,000 injuries.

"The less spectular habitational fires must not be treated lightly. They represent 71 per cent of the fires, 34 per cent of loss and majority of fire-related deaths."

In addition, he said, 1974 witnessed a dramatic upurge in builders' risk fires. He cited an estimate by the National Association of School Security Directors putting fire losses at $109 million, up $10 million from 1973.

Mr. Swift said that some of the factors that have helped worsen the arson picture include a disinclination by the public to think of it as a crime, lack of public outcry against it, and a low level of investigation and prosecution stemming from the belief that arson is "an isolated, low visability occurrence with only two persons really interested in the contest—the policyholder and the insurer, and limited chance of conviction."

Mr. Swift said indifference to the crime of arson and inattention to its detection by civil authorities will be difficult to overcome.

"We need to get the point across that municipalities and states have moral and legal obligations to detect, prevent and punish those responsible for incendiary fires," he said.

"Implicit with this is the need to expand facilities where needed and to develop meaningful educational programs. We would suggest consideration of a national fire investigator's school with varying types of courses designed to accommodate needs of adjusters, fire marshals, private investigators and others directly concerned."

He said, however, that the greatest challenge is to impress the public with the gravity of the situation.

"They must understand that incendiary fires result in a staggering loss of irretrievable national resources and, more tragically, they result in an alarming number of personal injuries and deaths each year," he said.

"People must understand," said Mr. Swift, "that it is they who are paying for crime through increased insurance rates, costs of maintaining police, fire departments and the courts. They must be made aware of their responsibility to see that justice prevails and that those committing crimes be held accountable."

ECONOMIC INFLUENCE

He said insurance statistics reveal that fire losses increase during periods of economic stress, the increase being due to deliberately set fires by people in financial trouble. He said such troubles can arise when a merchant has a large inventory and little cash, costs are escalating and sales are decreasing, and when individuals have large home mortgages and are otherwise in debt.

Other motivations include efforts to conceal evidence of a crime; jealousy; revenge; thrill; riot, vandalism and malicious mischief; and terrorism.

Mr. Swift emphasized that agents are the first line of defense in preventing loss through thorough and careful underwriting and engineering evaluation. Back-up team members are safety and loss prevention engineers of insurance companies whose job it is to identify and eliminate fire hazards, and adjusters who should be aware of factors that could alert them to the possibility of incendiarism.

"It is significant," he said, "that most adjusters have been trained during a period of prosperity with no real awareness of arson."

Mr. Swift said a major factor aggravating the problem of arson investigation is that, historically, police and firemen have been at odds over responsibility.

"Police seem to have the opinion that all fire relates to firemen and this includes arson," he said. "Firemen say they are not trained to investigate criminal matters and that this responsibility belongs to the police."

Meanwhile, said Mr. Swift, State Fire Marshals and others have been unable to cope effectively with the avalanche of incendiarism related to the present recession. It may take days or even weeks before an investigation begins.

He added: "It is ironic that Fair Access to Insurance Requirement Plans (FAIR Plans) should be compelled to provide a market for the slumlords or opportunists who purchase derelict properties, insure them for several times the purchase price, and conveniently have fires.

"To compound the felony, outmoded valued policy laws foreclose compromise. Insurance company investigations of suspicious fires are sometimes frustrated by time requirements of Unfair Claim Practices Acts and pressure from insurance commissioners in response to complaints.

"There is also the anomaly of the well-intentioned Fair Credit Reporting Act interfering with underwriting evaluations. Adjust..

ers and investigators must carefully guard against 'libel and slander' suits."

"I have little doubt," Mr. Swift continued, "that as the obsolete tort reparations system winds down, the Plaintiff's Bar will increasingly interest itself in punitive damage actions designed to force payment of fire claims. Counter planning seems indicated."

Mr. Swift suggested that prolonged prosperity from the early 1940's until recently "lulled a great segment of the insurance industry into a false sense of arson security." As a consequence, he noted, the Fraud and Arson Bureau of the Association began to lose financial support and was disbanded in 1970.

"Its demise took with it the only national industry supported organization of trained investigators dedicated to detection and investigation of suspicious fires," he said. "Concurrently, the Loss Information Service, a national fire loss data bank, was abandoned."

Referring to what he described as "an increasing awareness" of the need for a national all-industry arson organization, Mr. Swift said:

"It occurs to us that to be successful, such a venture would require full financial and other support by companies writing a substantial percentage of national fire insurance business.

"An appropriate fire loss data bank and other support programs have been envisoned and researched. It would be our hope that existing organizations with similar orientation such as the Insurance Crime Prevention Institute (ICPI) would find it possible to accommodate such need. If existing institutions are not in a position to consider these responsibilities, the industry will have to evaluate other alternatives."

[From the Wall Street Journal, May 24, 1976]

SPREADING FIRES: AN EPIDEMIC OF ARSON AFFLICTS MANY CITIES; RECESSION IS A FACTOR—SOME FAILING FIRMS FIND IT AN EASY OUT; RACKETEERS IN REPAIR WORK PROSPER; WHY THE SLUMS ARE BURNING

(By Douglas Martin)

Growing numbers of Americans, faced with a burdensome financial problem, have come to the same nefarious solution: burn it.

"It's very simple," says a man in Detroit who should know. Acknowledged by police to be one of the most efficient arsonists in Detroit ("the very best," he contends) until he was recently convicted, he states that he can set a disastrous fire in 15 minutes, leave no evidence and even phone the fire department if the client doesn't want a complete burn. "I can set a fire where it's impossible to detect the source," the arsonist boasts, "and I'll be on the other side of town before it starts."

Although this arsonist is no longer available for hire, plenty of others are, authorities say. And this one professional's experiences underline some stark realities that make arson one of the country's most serious and widespread crime problems: Arson is lucrative (he earned up to $20,000 annually by setting fires, it's easy (high school chemistry taught him how) and it's tough to prove (although he set over two dozen fires, he never was linked to one by clues at the scene; instead, he was turned in by someone who had hired him).

EPIDEMIC PROPORTIONS

Indeed, property losses from arson are surging. The Insurance Information Institute estimates they exceeded $1.4 billion in 1975, up from $1.2 billion in 1974 and $845 million in 1973. Some estimates, moreover, range as high as $12 billion. In Houston, where an astounding 50% of all fire losses may be caused by arson, "it's reached epidemic proportions," Fire Marshal Alcus Greer says.

And although arson is believed to kill 1,000 people a year (including some 45 firemen) and has reduced to charred rubble whole city blocks in decaying areas like New York City's South Bronx, fire officials complain that many law-enforcement authorities still consider arson a "white-collar crime" no more serious than embezzlement. They further complain that arson isn't even included on the Federal Bureau of Investigation's list of major crimes, partly because of the job difficulty of pinpointing which fires resulted from arson and which didn't.

"At a $100,000 fire, you may find one arson investigator," a Georgia insurance official says. "With a $10,000 bank robbery, you'll have local police, state police and the FBI falling all over each other."

The economic slump helped fuel the arson epidemic. With business failures last year up more than 15% from 1974, many besieged entrepreneurs preferred an insurance fire to slowly drowning in red ink, observers say. If a business fails, inventory and building go for bargain prices—if a buyer can be found at all. But after an insurance fire, both go for replacement cost. "It an easy, low-risk way to make a lot of money," concedes David Lucht, deputy administrator of the National Fire Prevention and Control Administration, a federal agency.

A DRESS SHOP BURNS

A relatively typical such entrepreneur—except for her conviction last July—was Lois Thompson, owner of Jamie Lo Fashions, a dress shop in Cleveland, Tenn. Mrs. Thompson owed $5,345 to her landlord, $2,218 in state taxes and at least $59,089 to local banks. In addition, one bank officer testified at her trial that she had bounced three bad checks in the months preceding the October 1974 fire.

In the midst of her economic crisis, Mrs. Thompson had one thing going for her: insurance. She had $160,000 in property insurance, which she increased by $10,000 about a month before the fire. On the day of the blaze, which also damaged adjoining stores, she tried to raise her insurance coverage on accounts receivable to $30,000 from $12,000, but that maneuver failed; her premium check bounced.

A combination of circumstantial evidence—including the moving of much of the inventory to another location and the presence of gasoline at the site—led to Mrs. Thompson's conviction for procuring arson. She is appealing, however. Her lawyer says the government failed to prove its case.

Another rapidly expanding arson fraud is the fire set to exploit the repair bill. Consider the recent case involving Sanford Zack, a Detroit fire-repair contractor who pleaded no contest to a charge of preparation to burn a building. Detroit police had charged that Zack headed a ring—similar to several others in Detroit—that arranged fires in advance in exchange for homeowners' signatures on a fire-repair contract.

THE FIRE-REPAIR RACKET

Detroit investigators say the ring involved salesmen who got the homeowners' signatures, corrupt insurance adjusters who approved much higher settlements than necessary for proper repairs, and homeowners who usually were in dire financial trouble and agreed to the fires. The homeowners were paid up to several thousand dollars. Often the actual repairs were slipshod, thus increasing the profit margin of contractors like Zack, who did the repair work, investigators say. Professional torches allegedy did the burning, for about $1,000 a job.

In March, Zack was given five years' probation: he agreed to quit the fire-repair business and to cooperate with police in fingering corrupt insurance adjusters. But despite Zack's plea and the conviction of 26 other persons, arson by fire-repair concerns, continues in Detroit, investigators say.

Arson, also is used to eliminate business competition. Detroit, for instance, has experienced a rash of supermarket fires. 90% of which are believed to be arson, according to the Wayne County Organized Crime Task Force. Supermarket fires increased to 75 last year from 17 in 1973. Police attribute the surge to fierce competition, which induces some merchants to burn out competitors. Six indictments involving eight people have been handed up so far, and more are expected.

In urban slums, some owners of deteriorating buildings that collect no rents and literally can't be given away resort to arson to recoup their financial losses through insurance settlements. And some insurance-minded landlords, rather than hiring arsonists, bank on the possibility that fires will be set by welfare-supported tenants. "Landlords know that they can stack a building with welfare people, and it will self-destruct in a couple of years," a Bronx law-enforcement aide says.

GOVERNMENT INDUCEMENTS

For arson is an attractive money-making ploy for people on welfare, too. New York welfare recipients, following an apartment fire can get up to $2,000 to move, buy new furniture and find a new place to live. They also can get relocated to better housing. Such government-financed inducements have created "an extensive fire problem," says Donald Forster, a New York arson investigator. Mario Merola, Bronx district attorney says one welfare recipient had eight such fires.

In addition, many tenement fires are set by building strippers seeking copper tubing, electrical wiring and plumbing fixtures, authorities say. The culprits either set fires to drive out tenants and then strip the buildings, or strip and then burn the buildings to cover their tracks.

AMATEURS SUCCEED, TOO

Done by experts, arson is almost impossible to prove. Some arsonists, for example, mix in ordinary envelopes difficult-to-detect chemicals that flare up long after the arsonist has left the scene. And other arsonists allegedly travel from city to city to start fires for hire. "A guy can fly to Houston, set a fire and be out in less than three hours," Mr. Greer, the Houston fire marshal says.

Moreover, prosecutors have trouble convicting even amateur arsonists who leave gasoline traces—detectable even after a fire by sophisticated "sniffers"—and easily recognizable burn patterns. "About the only way to convict one is to catch him running out of the building with his clothes on fire," says Patrick Henry of the Insurance Crime Prevention Institute. Indeed, according to a study sponsored by the Law Enforcement Assistance Administration, less than 1% of incendiary fires result in convictions.

Another problem is that the time required to connect a suspect with a proven arson fire often stretches into years. For instance, a series of Denver fires set by building trades unions against non-union employers didn't result in convictions until 1975, despite the fact that the first of more than 40 fires was lit in 1968. Over that period, the fires—in unoccupied condominiums and apartments—did at least $6 million of damage.

And finally, many arson squads are understaffed. Some financial pinched cities are even reducing their arson forces. Detroit, for example, is proposing to shrink its squad to 14 persons from 20. Moreover, the insurance industry in 1970 disbanded its nationwide team of about 100 fire investigators after some insurers dropped out of the venture: Walter D. Swift, vice president of the American Insurance Association thinks the disbanding "was one of the factors" that led to the upsurge in arson. Mr. Swift and other insurance officials add, however, that the industry is more concerned about arson and individual companies are investigatings fires more carefully than ever before.

[From U.S. News and World Report, May 12, 1975]

BEHIND ALARMING RISE IN FIRES FOR PROFIT—

Arson suddenly has become the fastest growing—and one of the most costly—crimes in this country.

Alarmed officials believe this mounting wave of deliberately set fires is being fueled, at least in part, by the economic recession. Fires for profit helped boost the total of known arson cases last year above 100,000, at a cost exceeding 350 million dollars. This year will see an even higher toll.

As insurance officials describe it, property owners in fast-growing numbers are burning down their own buildings—or hiring professional arsonists—to collect enough fire insurance to bail themselves out of financial trouble.

James L. Smith, an arson investigator in Lexington, Ky., put it this way:

"As the economy goes down, the number of fraud fires is going up fast."

The number of fires classified as arson more than tripled between 1964 and 1973, grew by about 12 per cent last year and has jumped another 12 per cent or more thus far in 1975. Authorites say many fires officially listed as of "unknown origin" actually are caused by arson.

As stores and factories are destroyed, the number of jobs lost is counted high in the thousands.

Like spontaneous combustion, the jump in arson cases has appeared suddenly in all parts of the country, in both large and small cities, coast to coast.

MAJOR CASES

As recent examples—

In Shelton, Conn., a fire-bombing described as one of the biggest arson cases in the annals of the Federal Bureau of Investigation destroyed a 10-million-dollar rubber-products plant in March. On April 24, charges of arson and conspiracy were lodged against the plant's owner and nine other men.

In Omaha, Fire Capt. Robert W. Rockwell reported a 28 per cent increase in the number of suspicious fires since the first of this year—with a rash of burnings of small stores, restaurants, night clubs and taverns.

In Tampa, fire investigators are looking into a series of suspicious fires that have destroyed at least a dozen night spots.

In New York, one elaborate fire-for-profit ring was uncovered—organized by two elderly ladies who netted millions of insurance dollars.

In Detroit, arson investigators are looking into what they call the most complicated arson-fraud ring yet, involving a network of building contractors, adjusters, real-estate interests and cooperating businessmen.

In Colorado, a big increase in the number of fires in condominiums is reported, and blamed by insurance men on a serious recession in the construction industry there.

In Newark, a recent major increase in the number of vacant buildings downtown was followed by a 500 per cent surge in the number of building fires.

In St. Louis, the number of arson cases jumped by 17 per cent last year, and Fire Capt. Daniel Austin reports that "the whole picture here is looking more and more economy-related."

And in Chicago, an investigation is under way into the case of a landlord who purchased some 600 buildings in urban-renewal areas, with a rash of fires then erupting in more than half of them.

HARD TO DETECT

In most cases, arson is difficult to detect and hard to prove in court. The conviction rate in recent years has been only about 1 per cent of those charged with arson. And only 5 per cent of suspected arson cases even reached court. As a result, insurance companies until now have been reluctant to pursue lengthy and expensive legal attacks on suspected arsonists.

There are signs that this attitude may be changing, with the big increase this year in the number of fires. According to the National Fire Protection Association, in an average day—whether by arson or by accident—there are serious fires in: 139 industrial plants; 215 stores, offices or restaurants; 215 apartment buildings; 33 schools, and 1,500 homes. The toll in lives, the NFPA reports, is about 33 persons per day. The dollar value of property destroyed by fire, according to the Insurance Services Office, rose 21 per cent last year to 3.2 billions and is still rising.

Profit, of course, is only one of many motives behind the thousands of fires that are deliberately set. Investigators say that a wide variety of psychological quirks may lead to arson—things like revenge, pyromania, boredom, hate, insanity, even a search for "kicks." However, the fastest-growing category of arson appears to be that motivated by a desperate desire for money—either from insurance or some indirect gain such as a rebuilding contract.

As Robert E. May, executive secretary of the International Association of Arson Investigators, puts it:

"Fraud arson is really our biggest concern today. A lot of businessmen aren't able to face financial failure. They can't admit it to anyone, so they take the easiest available way out—they burn and sell out to the insurance company."

First crime. A typical case is described by Patrick Collins, an arson investigator addressing an IAAI meeting at Lincoln, Nebr., in late April:

"Very often today, a businessman who has been a law-abiding citizen all his life will commit his first crime by burning down his store.

"This fellow may set the fire himself after thinking about it for several months. He hopes it will solve all his problems, by simply collecting on the insurance he already carries."

An arson plotter need not set the fire himself. He can contract with a professional arsonist who will do the job for a percentage of the insurance take, Mr. Collins explains.

There is evidence that organized crime as well as the hard-pressed businessman is responsible for much of the incerase in the rate of arson. As Mr. Collins tells it—

A criminal syndicate will buy a vacated store, office building or factory cheaply. The new owners may bring in a legitimate businessman to start a "front" business and justify higher insurance coverage for the building. Or the structure may be bought and sold among several members of the syndicate, raising the building's apparent value each time and hiking the insurance coverage. Then a professional arsonist—known as a "torch"—is hired to burn the building down, and the syndicate collects the insurance.

In a growing number of cases, the investigators were told, arson syndicates now include crooked insurance adjusters, real-estate interests, building-repair firms, corrupt public officials and friendly businessmen.

The central figure in both types of fraud arson is the "torch," nowadays the aristocrat of the criminal world, willing to set fires for a fee anywhere in the country. "Torches" are reported to be in great demand and are often so skilled that there is little or no real chance of their being caught.

Their rewards are often spectacular. According to Bruce Potts, arson investigator for an insurance alliance in Atlanta, an experienced "torch" with a good reputation in the underworld can earn about $300,000 a year, tax-free, by doing only four or five jobs a year, "if he guarantees his work and takes a percentage rather than a flat fee."

The easy accessibility of such professional fire setters to the economically pressed businessman or home-owner at this time makes the temptation that much greater. It also makes arson "the easiest crime," as some criminologists see it.

"PUT OUT YOUR NAME"

In Norfolk, Va., for example, Fire Department Capt. Sam S. Cobb, Jr., says: "You just put out your name and your problem in the right places and you're certain to be approached in a short time.

"Often, you'll be consulted first by an insurance representative with criminal connections. He will probably review your insurance coverage and recommend an increase in your policy. Then he may send a torch to do the job."

And if you want to set your own fire but are not sure how to do it without getting caught, Captain Cobb says, "organized crime also will provide you with a do-it-yourself arson kit."

As of now, few cities have adequate arson-investigation squads, trained to detect deliberately set fires. Such detection is said to take years of experience in dealing with fires and locating the elusive evidence of arson. Some metropolitan areas, notably Detroit, are putting a lot of effort into creating squads of such skilled antiarsonists.

But in suburban and rural areas, where there has been an especially big upsurge in suspicious fires this year, the chances of detection are minimal.

Just who is responsible for combatting the growing incidence of arson is still unclear in many communities. Firemen often are too busy or unwilling to engage in investigations of suspicious fires. And police departments rarely have the skills needed to track down arsonists. Co-operation between the two also is frequently lacking.

Until recent months, there has been no Federal Government agency charged with combatting fires.

A new National Fire Prevention and Control Administration is only just being formed, within the U.S. Department of Commerce.

What is happening now appears to be a repeat on a larger scale of an upsurge in the rate of arson a few years back, when a business setback hit part of the economy. One insurance official says:

"For example, when the electronics business went haywire in the late '60s, we had an astounding number of vendors and subcontractors, who were working for electronics companies, whose plants burned to the ground."

TWO CHOICES

Another concerned investigator sums it up in the current issue of the *Journal of Insurance:*

"For many a businessman, it boils down now to having two choices. He can go into bankruptcy, or he can have a fire. He feels he has to do something.

"You run into all kinds of people setting fires or having them set. You find the chronic shady operator, but you also find the businessman who takes the Boy Scouts out on his week-ends, who suddenly gets pressed."

Whatever the cause, the trend is up sharply at this time in the number of deliberately set fires and even more in the losses caused by them—with no leveling off yet in sight.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 1883. A bill to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act; to the Committee on Human Resources.

THE LABOR REFORM ACT OF 1977

Mr. WILLIAMS. Mr. President, yesterday President Carter transmitted to the Congress his recommendations for reform of the National Labor Relations Act. Over the past month Senator JAVITS, Congressman THOMPSON and I have worked closely with the White House and Secretary of Labor Marshall to develop a legislative proposal which will bring the speed and effectiveness to the administration of the National Labor Relations Act without which the right of American workers to form, join and assist labor organizations cannot be assured.

The Labor Reform Act of 1977, which I will introduce today, reflects the consensus we reached. It represents both my views and those of the administration on this important issue of public policy.

It has been 18 years since the Congress reexamined the operation of our national labor relations policy. Since the passage of the Wagner Act in 1935, Congress has twice enacted fundamental revisions of the policy embodied in that act—first in 1947 and again in 1959. These amendments were designed to regulate collective bargaining and to make adjustments in the relationship between unions and employees. But in neither instance was the debate focused on the administration of the act as it affects the ability of workers to organize and bargain collectively. In fact, since 1935 the Congress has never looked at the NLRA from the perspective of the unorganized worker who desires to be represented by a labor organization. I am convinced that just such an examination is long overdue.

The Labor Management Relations Act asserts that it is the policy of the United States to encourage the practice of collective bargaining by protecting the exercise by workers of full freedom of association in selecting representatives for the purpose of negotiating the terms and conditions governing their employment relationships.

Any civilized society must develop legal mechanisms which guarantee its various social and economic groups the opportunity to obtain a measure of economic and political power over their lives. For working people in America the mechanism we have provided is collective bargaining. Through the National Labor Relations Act we have created a system of industrial democracy that extends to the workplace the basic principles of our political democracy. Just as representative government assures the legitimacy of our laws, so the NLRA legitimates the working rules stated in collective bargaining agreements.

This system is unique because its beneficial results are not accomplished through the intervention of a bureaucracy in Washington which dictates the proper arrangements between employers and employees. Rather, these benefits are secured by enhancing the ability of working men and women to participate directly in determining those arrangements. The value which workers have gained from the operation of our system of free collective bargaining can hardly be overstated. Under it millions of workers represented by unions have improved their working conditions, raised their standard of living and gained a sense of security and individual freedom.

Beyond its benefit to workers, our system of collective bargaining has immeasurably benefited the American people generally. A strong, effective democratic trade union movement is synonymous with the development of a modern economy and political democracy. But it may take different forms. And one need only look at the state of worker-employer relations in Britain or France, in Italy or in Argentina to realize that we in the United States enjoy and daily reap benefits from an effective, stable, and essentially strife-free labor relations system which is unmatched anywhere in the world.

But labor relations in America involves much more than the relationships which exist between unions and management in major industries which are well organized. There are millions of workers today, and there may be many more in the future, who have not and may not have the opportunity to gain that measure of economic and political power over their lives which, until recently, our national labor policy has provided. If that need is not met, the desire for it will not abate but will arise in one form or another, probably bringing with it more direct Government intervention.

For despite the overall success of the Labor Act in giving workers the opportunity to gain a measure of financial security and a sense of individual freedom, it has proven ineffective and impotent in the face of adamant employer resistance to self-organization. For the antiunion employer, the procedures of the National Labor Relations Act have become a legalized mechanism suppressing workers' desire to organize.

The economic and legal resources commanded by the unorganized are minimal. The employer who wishes to avoid unionization, on the other hand, possesses substantial resources, both economic and legal. Economic strength has always been at his command. His legal resources are a more recent phenomenon, having developed gradually through case law and through manipulation of the legal process. Over the years the law, both substantively and procedurally, has grown to favor the employer bent on avoiding unionization. As a few employers proved successful in preventing legitimate organizing drives from taking root, more and more employers have taken up their methods to defeat workers' attempts to exercise their rights. Moreover, some employers have not been satisfied with simply making use of their already substantial advantages under the law, but have adopted a policy of flagrantly violating their obligations under it.

Indeed, a small but growing number of employers have found the act so hospitable to antiunion tactics that they have taken to almost totally ignoring the law. The now well-known case of the J. P. Stevens Co. is the leading example. That company was found to have "interfered, restrained, and coerced its employees in the exercise of their rights under the act flagrantly, cynically and unlawfully." In 15 cases, the NLRB has concluded that J. P. Stevens has violated the law. The Court of Appeals has sustained the Labor Board on eight different occasions. Three times the Supreme Court has refused to review company appeals, and on five different occasions the Labor Board has gone to the Court of Appeals to adjudicate Stevens in contempt of court. But the lesson is that these flagrant violations pay. There have been 11 elections at J. P. Stevens. Six have been set aside because of company unfair labor practices. In lieu of obedience to Federal law, the company has chosen to pay out almost $1.3 million to approximately 300 unlawfully discharged workers, apparently concluding that this amount would be less than the first round wage increase for its employees.

Company and union officials alike have long lists of legal grievances requiring legislative redress. Each side argues that the balance has shifted in favor of the other. I am certain that we will, in time, address these issues. But this bill is not the vehicle for that work, because the most pressing problems—those which require immediate attention—are the problems of unorganized workers. This bill is designed for and addressed exclusively to their needs.

The Labor Reform Act of 1977 embodies several procedural and remedial changes to the National Labor Relations Act which are designed to correct two major problems that have arisen under the current act: First, delays in the processing of both election petitions and unfair labor practice cases, and second, the inadequacy of the remedies which the National Labor Relations Board may invoke against violators of the law, particularly when violations occur during the critical period before a collective bargaining relationship is first established.

The bill addresses these problems by: First, restructuring the operation of the Board to minimize delay in election and unfair labor practice proceedings without sacrificing the protections of due process; and second, creating more effective remedies which will become meaningful deterrents to violations of the law.

ELECTION AND CERTIFICATION PROCEDURES

Section 9(a) of the NLRA provides that a representative chosen or selected by a majority of the employees in a unit appropriate for bargaining shall be the exclusive representative of these employees. Section 9(c) of the act authorizes the NLRB to conduct secret ballot elections for workers who seek certification of a union to represent them in collective bargaining.

In order for the election to proceed, determinations must first be made on a number of preelection issues. The Board must decide whether or not it has jurisdiction over the employer. It must rule on the appropriateness of the unit in which the employees will be grouped and the eligibility of employees to be included in that unit. A formal hearing on these issues is not a prerequisite to bargaining. Most employers do not litigate them. The regional offices of the Board are instructed to seek consent election agreements. However, if the employer demands a hearing, contests the unit and

the eligibility of employees to vote, the median time to election is 75 days if the issues are resolved by the NLRB regional director. If the case is referred to the Board, the median jumps to 275 days. In some instances, hearings are requested in good faith to litigate substantial questions of law. But in many cases, employers demand hearings when there is no arguable question of law, hoping that the administrative process will buy time during which union majority support can be undermined.

This bill would substantially diminish the potential for abuse of the NLRB election process by setting up a new system for the conduct of elections without sacrificing the right of employers to fully litigate arguable questions of law.

Over the years the Board has, through case law, established a series of plainly appropriate groupings of employees of collective bargaining.

The Board has always had the power, under section 6 of the act, to issue rules respecting unit issues but has steadfastly refused to do so. Indeed, in its entire history, it has issued only two rules.

Section 3 of the bill requires that within 1 year of the act's effective date, the Board must exercise its authority under section 6 to promulgate rules, in accordance with the Administrative Procedure Act, establishing certain units as appropriate for collective bargaining, and to issue regulations designed to facilitate agreements on voter eligibility by spelling out criteria which will be used in making such determinations.

Fixed time limits for conducting elections is the second method to speed elections and reduce frivolous litigation.

Section 5 of the bill establishes four different time units for holding an election, depending on the extent of union support and the complexity of the issues involved.

Under present law, if a majority of the employees in an appropriate bargaining unit present evidence of their desire to be represented by a union, the employer need not bargain and the union must petition for an election with all the attendant delays. Under this bill, if a majority of a group of unrepresented employees petition for an election in a unit established as plainly appropriate by a Board rule, the Board will be required to conduct an election within 15 days. Upon receiving a petition, the regional office would examine the petition to determine whether the unit applied for was one deemed appropriate under a Board rule or a rule of decision in the applicable industry and make sure the group applied for was not presently represented.

If these questions were answered in the affirmative, within 7 days the Board would direct an election which would be held within 15 days. These time periods could be extended to 14 and 21 days in cases where the distance from the Board's regional office to the election or the number of the employees involved in the election makes it infeasible to meet the 15-day election requirement. Section 3 requires the Board to issue rules spelling out the circumstances which would permit such extensions of time.

If less than a majority of employees sign authorization cards but at least a 30-percent showing of interest is established, the Board will be required to order an election within 30 days and hold it within 45 days. The unit applied for may be one which has been established as presumptively appropriate by a Board rule or one which is not. In either case, if a consent agreement cannot be obtained, the Board may hold a hearing on unit questions or eligibility questions or both, but must hold the election within 45 days. The Board would then count the ballots and announce the results. In accordance with present Board procedure, the bill provides that an objecting party may file post-election objections within 5 days of the balloting.

If the challenged ballots are insufficient to affect the outcome of the election, the Board will certify the union as the representative of the employees. If there is an objection to the conduct of the election or if the challenged ballots constitute a number sufficient to affect the outcome of the election, the Board will move expeditiously to decide these issues and then, depending on their resolution, either issue a certification or dismiss the petition.

In cases which present unit and eligibility questions of exceptional novelty or complexity, for example those involving industries with no history of collective bargaining, the election may be conducted as much as 75 days after the petition is filed. If all issues are not resolved in that time, the Board will hold the election, count the ballots and then, if necessary, complete the processing of outstanding issues before issuing a final determination.

FAIR CAMPAIGN PROCEDURES

At present a substantial imbalance exists between the employer and the union in terms of their ability to get their respective messages across to the employees. The Supreme Court has said that under present law, unions are not entitled to use a medium of communication simply because an employer is using it. Thus, an employer can require employee attendance at meetings in the plant during working hours in order to communicate his views with respect to the union election. Neither the union nor employees who are union supporters have this right. Union adherents are usually limited to communicating during nonworking time in nonwork areas. Union organizers generally have no access to the plant whatsoever. Instead, they are limited to attempting to communicate with employees as they leave, or after they have left their place of work—at home or at the union hall.

In order to achieve this balance, section 6 of the bill directs the Board, after full hearing, to establish rules to insure that if an employer exercises his right to address workers on his premises on issues relating to the organizing campaign, employees will be given an opportunity to obtain information from the union, in an equivalent manner, subject to reasonable rules designed to assure continuity of production.

INJUNCTIONS IN DISCRIMINATORY DISCHARGE CASES

The cumbersome nature of present Board procedure provides the employer with an additional and extremely effective weapon to thwart organizing drives. The discriminatory discharge involves direct and indirect intimidation of employees and is probably the most effective method of destroying union support.

An employer who is bent on destroying a union organizing campaign will frequently discharge active union adherents prior to the conduct of the election. The intended effect is to intimidate the discharged employees' fellow workers and show that collective organization does not afford the protection promised. Too often the intended effect is achieved because of the time it takes to process a discharge case. If found guilty, the employer may then appeal to the court of appeals and thus buy an additional year or more. Ultimately the employee who is unlawfully discharged will be reinstated, but the point has been made that the union cannot effectively protect him.

Under section 10(1) of the act, the regional director must seek a preliminary injunction whenever a preliminary investigation indicates that there is probable cause that a union has engaged in violations of section 8(b)(4), secondary boycotts; section 8(e), hot cargo agreements; or 8(b)(7), recognition picketing. Section 10(1) injunctions are used regularly to give employers prompt relief from alleged union violations of the law, before the administrative process commences. Its purpose is to rapidly enjoin unfair labor practices which have a particularly deleterious effect on business operations.

My bill recognizes that certain unfair labor practices can have an equally detrimental effect on workers and unions. Section 10 amends section 10(1) to require the regional director to seek preliminary injunctions whenever he has reasonable cause to believe that an employee has been unlawfully discharged for union activity during a union's organizing efforts or prior to completion of negotiations on a first collective bargaining agreement.

This change would offer protection to employees during the critical organizing period when employees are most vulnerable to employer reprisals.

STREAMLINING PROCEDURES AND REDUCING DELAYS

If there is a single problem which has contributed most to the breakdown in enforcement of national labor policy, it has been the inability of the enforcing agency to provide expeditious protection of people's rights. An unfair labor practice charge filed with the Board in 1975 took a median time of 315 days for disposition. In 1976, it took 358 days and in the first quarter of 1977 it was up to 374 days.

It presently takes a median of 120 days for the Board to issue a final decision after its receipt of the decision of the administrative law judge, despite the fact

that many of these cases do not involve substantial questions of law. In fiscal 1975, 66 percent of the unfair labor practice charges filed against employers alleged unlawful discrimination in violation of section 8(a)(3). Most of these cases turn on their own facts and have little if any precedential value. It is clear that there are also other types of cases which do not require detailed Board attention.

Even so, these cases continue to be processed in the same manner as those which do require it. This poor allocation of limited resources would be unworthy of anything more than academic note were it not for the fact that grievous harm is done to litigants in some of these cases as a result.

In order to remedy this situation, section 2 of the bill requires that, within 90 days of enactment, the Board must adopt a procedure whereby, on motion of the prevailing party in an unfair labor practice case, a quorum of two members of a designated Board panel will be empowered to summarily affirm the decision of an administrative law judge in certain types of cases. The Board would retain discretion to select those types of cases to which this procedure will be applicable. The only requirement is that motions for summary affirmance must be presented to the designated panel within 30 days of the decision of the administrative law judge. If the panel declined to grant summary affirmance, the case would be held for further action in accordance with normal Board case handling methods.

I believe this change will minimize pretextual delays while leaving sufficient flexibility in the review process to insure that meritorious cases will receive full treatment on review.

The delay in processing is further complicated by a general increase in the number of cases, in part resulting from recent amendments to the act. In 1960 the Board handled 21,000 cases with 7,000 cases pending at year's end. In 1970 it handled 33,000 cases with 11,000 pending at year's end. And in 1976 it had 49,000 cases with 18,000 pending at year's end. In fiscal year 1976 the present five-member Board had a median number of 447 cases before it at any one time.

In most unfair labor practice cases the Board now delegates its authority to panels of three members. In order to reduce the time required for the Board to process what appears to be an ever-increasing workload, the Board must be able to decide more cases at any given time. This can best be achieved by increasing the Board from five to seven members. When combined with the establishment of the summary affirmance procedure, this would enable more panels to operate at any one time and should dramatically increase the Board's ability to examine and complete its review of cases and substantially cut down the median time presently required to move a case from complaint to Board order.

SELF-ENFORCING BOARD ORDERS

Another method of cutting down delays in the administrative process concerns the method of enforcing a Board order in the courts.

Unlike the orders of most Federal agencies, a decision or order of the Board is not self-executing. Rather, it merely describes the action which must be taken to remedy the unlawful conduct. The violator has a right to appeal the Board's decision to the court of appeals. Or he may sit back and wait for the Board to determine if he is in compliance—a process which often takes many months. If the Board determines the party's noncompliance, it must file a petition for enforcement. Because there are no fixed time limits for filing these petitions, long delays often occur before enforcement or review.

The bill would change this. Section 10(f) of the act would be amended to require any party aggrieved by a Board decision to file an appeal in the appropriate court of appeals within 30 days. If no petition for review was filed within that time, the Board could, by filing a petition for enforcement, obtain a final decree from the court without further delay.

EFFECTIVE REMEDIES

The Board's power to remedy unfair labor practices is the means by which it is to effectuate the act's fundamental purpose of protecting workers' rights of free association without fear of reprisal.

Enactment of the election and case processing procedures which I have previously discussed will mean little if we do not take the incentive out of both frivolous litigation and patently illegal activity by providing adequate sanctions for unlawful behavior.

DEBARMENT OF WILLFUL VIOLATORS OF LABOR BOARD ORDERS

In order to discourage employers from adopting a policy of willful violation of the law, the bill amends section 10(f) of the act to establish a new procedure whereby any person found by the Board to have willfully violated a cease and desist order which has become final, either through court enforcement or because no appeal has been taken, would be barred from participating in Federal contracts for 3 years. Presently, violation of such an order must be enforced through a contempt proceeding. This has proved unsatisfactory, primarily because of lengthy delays and the fact that the Courts of Appeals thoroughly dislike the de novo review which a contempt proceeding requires.

To remedy this, the bill provides a method to debar willful violators of Board orders from receiving Federal contracts. It creates an internal Board proceeding as an alternative to the contempt proceeding. Any allegation that a party is violating a final cease and desist order would be lodged with the General Counsel who, if convinced that a violation had been committed, could issue a complaint. The Board would then conduct a hearing to determine whether or not the order was being willfully violated. If so, the Board would certify the identity of the party to the Secretary of Labor. The Secretary would be required to inform the Comptroller General that such firm was barred from participating in Federal contracts for a 3-year period.

The section provides for certain exceptions if the Secretary determines: First, that the national interest requires that the company not be barred; or second, if, after a hearing, an agency of the Government certifies to the Secretary that the employer is the sole source of a particular material or service.

Debarment from participation in Federal contracts is neither novel nor draconian. Numerous Federal statutes, including the Davis-Bacon, Service Contract, Walsh-Healey and Fair Labor Standards Act, as well as Executive orders prohibiting race and sex discrimination, include comparable provisions. Most are not as narrowly drawn or designed for such limited use as the procedure which this bill would create. The Service Contract Act provides for 3-year debarment for even the most minor violations of a Government contract. Under Executive Order 11246, an employer may be debarred prior to any adjudication that the law is being violated. The provision in this bill is designed for limited use against a party who has been twice adjudicated to have violated the law under similar circumstances. I find debarment in such a case far preferable to a system which permits employers who continually violate our labor laws to have those violations blessed by the granting of millions of dollars in Federal contracts.

BACK PAY AWARDS IN DISCRIMINATORY DISCHARGE CASES

As I have said, one of the most pernicious practices used to undermine a union organizing drive is the discriminatory discharge of a union supporter.

The Board has the statutory power to remedy discharges by requiring that employers make employees whole for loss of earnings because of such discrimination for union activities. Under present law, back pay is limited to the amount an employee would have received had he continued to work. Substantial delay in calculating back pay may occur because a second hearing is required to determine if the employee's conduct since the discharge has mitigated the employer's liability. At this hearing the employer may attempt to demonstrate that the employee removed himself from the labor force, that he made no effort to seek employment, and a myriad of other points. As a result, back pay hearings are often of greater duration than the initial unfair labor practice case. Many, particularly those involving a large number of employees, go on for several years.

It is clear that the present system of compensating discriminatees is inadequate. The threat of back pay awards simply does not deter discharges—as is evidenced by the staggering number of discharges cases the Board processes each year. It does not adequately compensate the employee for the true loss he has incurred. It fails to recognize the gravity of the employer's conduct both with respect to its effect on the employee and the union's organizing drive. The hearing to establish mitigation further serves to encourage violation of the law.

In order to eliminate delay in back pay proceedings and recognize the gravity of the employer's conduct, my bill amends section 10(c) to provide that whenever the Board finds that an illegal discharge

has occurred during the course of a union's organizing effort or before the first contract is obtained, the affected employees would receive double back pay computed on the basis of the employee's wage rate in effect at the time of the discharge. The employer would not be able to show mitigation.

MAKE WHOLE REMEDIES FOR REFUSAL TO BARGAIN

According to present Board policy, when an employer refuses to bargain and litigates the issue of whether or not his action has violated section 8(a)(5) of the act, his employees are not entitled to wages and benefits lost in the interim if he is subsequently found to have violated the law. The Board and the courts have disagreed for some time over whether or not the Board has the power to make employees who for the economic loss suffered in this period.

The bill resolves this issue in the affirmative. It amends section 10(c) to establish a procedure whereby the Board may compensate employees for a delay in bargaining caused by an employer's refusal to bargain which occurs prior to the signing of a first collective bargaining agreement. The compensation would be calculated by the difference between the wages and fringes received at the time of the refusal to bargain and the wages and fringes received at the time the unfair labor practice was committed multiplied by the percentage change in wages and other benefits as stated in the BLS Quarterly Report on Major Collective Bargaining Settlements.

This method of calculating the obligation of the employer has several advantages. First, it provides a readily ascertainable measure of relief in cases of 8(a)(5) and 8(b)(3) violations during the initial contract. Second, it is predictable and swift and eliminates the need for a lengthy hearing to calculate liability, which in other areas, most notably discharge cases, has so often undermined the remedial purposes of the act.

GUARD EMPLOYEES

Section 9(b)(3) of the act requires that guard employees must be organized in units separate and apart from any other employees. A union may not be certified as the representative of guards if it admits to membership or is affiliated, directly or indirectly, with any union which admits to membership employees other than guards.

The intent of Congress in enacting this section was to insure that during strikes or labor unrest an employer would have available loyal plant protection employees who would enforce rules for the protection of both persons and property.

Section 4 of the bill amends section 9(b)(3) to allow a guard union to affiliate with a union which represents nonguard employees, provided that the affiliate does not represent nonguard employees at the same location. It also permits an affiliated nonguard local union to represent guards provided it does not represent nonguards at the same location. For example, an affiliated local union representing production workers at plant A could not represent guards at that plant but could do so at plant B if plant B's production workers were represented by a different international union. The proposal thus retains the current restriction against including within a single union local both guards and nonguards, but at the same time recognizes that the free choice of union membership is not inconsistent with a guard's exercise of his duties to an employer.

Mr. President, I believe the changes embodied in this bill will make it possible once again for the unorganized worker to exercise his right to gain representation. That right should not be dependent on the acquiescence of the employer. The present law can be made to work if the most glaring procedural and remedial deficiencies are corrected and enforcement made swift as well as just. If the preamble of the Wagner Act is to be anything but a hollow promise, I believe this bill must be enacted into law.

Mr. President, I now ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1883

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Labor Reform Act of 1977".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the National Labor Relations Act.

SEC. 2. (a) Section 3 (a) of the National Labor Relations Act is amended to read as follows:

"SEC. 3. (a) The National Labor Relations Board (hereinafter called the 'Board') created by this Act prior to its amendment by the Labor Management Relations Act, 1947, and by the Labor Reform Act of 1977, is hereby continued as an agency of the United States, except that the Board shall consist of seven instead of five members, appointed by the President by and with the advice and consent of the Senate. Of the two additional members so provided for, one shall be appointed for a term of five years and the other for a term of six years. Their successors, and the successors of the other members, shall be appointed for terms of seven years each, excepting that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom that individual shall succeed. The President shall designate one member to serve as Chairman of the Board. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.".

(b)(1) The third sentence of Section 3(b) is amended by striking "three" and substituting "four".

(2) Section 3(b) is further amended by inserting after the third sentence the following new sentence: "The Board shall within 90 days after the date of enactment of the Labor Reform Act of 1977 establish a procedure, upon conditions stated in the rule, pursuant to which a quorum of a group designated pursuant to the first sentence of this subsection may, in appropriate cases, upon motion of the prevailing party in a decision of an Administrative Law Judge after a hearing under section 10(b), summarily affirm such decision. A motion and the response thereto shall be filed with the Board and presented to a quorum of a group designated pursuant to the first sentence hereof within 30 days after the decision of the Administrative Law Judge.".

SEC. 3. Section 6 is amended to read as follows:

"SEC. 6. (a) The Board is authorized to make, amend, and rescind (in the manner prescribed by subchapter II of chapter 5 of title 5, United States Code) such rules and regulations as may be necessary to carry out the provisions of this Act.

"(b)(1) The Board shall within twelve months after the date of enactment of the Labor Reform Act of 1977 issue regulations to implement the provisions of section 9(c)(6) including rules—

"(A) which shall, subject to reasonable conditions, including due regard for the needs of the employer to maintain the continuity of production, assure that if an employer or employer representative addresses the employees on its premises or during working time on issues relating to representation by a labor organization during a period of time that employees are seeking representation by a labor organization, the employees shall be assured an equal opportunity to obtain in an equivalent manner information concerning such issues from such labor organization;

"(B) For classes of cases in which either the distance from the Board's regional office to the election site or the number of employees involved in the election makes it infeasible to comply with the time limits stated in subsection (c)(6)(a) of Section 9, to extend to a maximum of 14 days the period for directing an election stated in that subsection, and to a maximum of 21 days the period for the holding of such an election stated in that subsection.

"(C) to facilitate agreements concerning the eligibility of voters; and

"(D) to govern the holding of elections in cases in which an appeal has not been decided prior to the date of the election.

"(2) The Board shall, to the fullest extent practicable, exercise its authority under subsection (a) of this section to promulgate rules declaring certain units to be appropriate for the purposes of collective bargaining.

"(3) A rule or regulation issued by the Board with respect to the subject matter set forth in paragraphs (1) or (2) of this subsection shall be judicially reviewable only in a proceeding under section 10 of this Act and only on the grounds that the Board prejudicially violated the requirements of subchapter II of chapter 5 of title 5, United States Code or that a rule or regulation of the Board is arbitrary or capricious, contrary to a specific prohibition of this Act, or of the Constitution. The failure of the Board to comply with the time requirements set forth in paragraph (1) of this subsection, or to institute a rule-making proceeding with respect to the subject matter set forth in paragraph (2) of this subsection, within a reasonable period of time after a request for such a rule-making procedure has been filed with the Board pursuant to section 553(e) of title 5, United States Code, to complete such a procedure within a reasonable period after its institution, may be reviewed at the behest of any aggrieved party only in the United States Court of Appeals for the District of Columbia Circuit. The United States Court of Appeals for the District of Columbia Circuit shall have jurisdiction to grant appropriate relief."

SEC. 4. Section 9(b)(3) is amended by striking ", or is affiliated directly or indirectly with an organization which admits to membership, employees other than guards." and substituting "non guard employees of the same employer at the same location, or if such organization is directly affiliated with any national or international

labor organization which represents nonguard employees of the same employer at the same location".

SEC. 5. Section 9(c) is amended by adding at the end thereof the following new paragraph:

"(6)(A) Notwithstanding any other provisions of section 9, whenever a petition shall have been filed, in accordance with such regulations as may be prescribed by the Board, by an employee or group of employees or any individual or labor organization acting in their behalf alleging that their employer declines to recognize their representative as the representative defined in subsection (a) in a unit appropriate for the purposes of collective bargaining under a rule established by the Board pursuant to section 6 or a decision in the applicable industry, that a majority of the employees in that unit have designated that individual or labor organization as their representative defined in subsection (a), and that no individual or labor organization is currently certified or recognized as the exclusive representative of any of the employees in the bargaining unit defined in the petition, the Board shall investigate such petition. If the Board finds that the unit there specified is a unit appropriate for the purposes of collective bargaining under a rule established by the Board pursuant to section 6 or a decision in the applicable industry, and if the Board has reasonable cause to believe that a question of representation affecting commerce exists and that the other conditions specified in this subsection have been met, the Board shall within seven days after the filing of the petition direct an election by secret ballot not more than 15 days after a petition is filed under this subparagraph and shall so notify the representative named in the petition and the employer.

"(B) In any proceeding under this subsection in which the Board directs an election by secret ballot, and which is not governed by subparagraph (A) of this paragraph, the Board shall direct the election on a date not more than 45 days after the filing of the petition and shall inform the representative named in the petition, the employer, and all other interested parties of the election date not less than 15 days prior to the election except that where the Board determines that the proceeding presents issues of exceptional novelty or complexity, the Board may direct the election on a date not more than 75 days after the filing of said petition.

"(C) After an election conducted pursuant to subparagraphs (A) or (B) of this paragraph is completed, the Board shall promptly serve the parties with a tally of the ballots.

"(D) (i) Any party to the election conducted pursuant to subparagraphs (A) and (B) of this paragraph may, within five days after such election, object to the election on the ground that conduct contrary to a rule relating to election declared by the Board pursuant to its authority under section 6 or conduct contrary to a rule of decision declared by the Board in a proceeding under section 10 did affect the result of the election.

"(ii) With regard to challenged ballots, the Board shall, where such ballots are sufficient in number to affect the outcome of the election, investigate the challenges and serve a report upon the parties on challenges.

"(iii) The Board shall move expeditiously to resolve any issues raised by the objections or regarding eligibility and to certify the results of the election, provided that an objection that an election was conducted under subparagraph (A) instead of subparagraph (B) shall not be a basis for setting the election aside.".

SEC. 6. Section 9(d) is amended by inserting immediately before the period at the end thereof a comma and the following: "except that no such certification shall be set aside unless the Board in issuing such certification prejudicially violated the procedural requirements of this Act or of subchapter II of chapter 5, United States Code, or acted arbitrarily or capriciously, or contrary to a specific prohibition of this Act or of the Constitution".

SEC. 7. The first sentence of subsection (10)(b) is amended to read as follows:

"(b) Whenever—

"(1) it is charged that any person has engaged in or is engaging in any such unfair labor practice, or

"(2) it is charged that any person has engaged in or is engaging in a willful violation of—

"(A) any final order of the Board entered pursuant to subsection (c) of this section and which is not and has not been the subject of a proceeding under subsection (e) or (f) of this section, or

"(B) any final order of a court of appeals of the United States entered in a proceeding under subsection (e) or (f) of this section, prohibiting interference with, restraint or coercion of employees in the exercise of the rights guranteed in section 7 or discrimination against employees to encourage or discourage membership in a labor organization, and that said violation occurred within three years of the entry of the order violated,

the Board, or any agent or agency designated by the Board for such purposes, is authorized to issue and cause to be served upon such person a complaint stating the charges. Such complaint shall contain a notice of hearing before the Board or member thereof, or before a designated agent or agency, at a place therein fixed, not less than five days after the serving of such complaint. No complaint shall be issued based upon any unfair labor practice or willful violation of a final order occurring more than six months prior to the filing of the charge with the Board and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the armed forces, in which event the six-month period shall be computed from the day of his discharge.".

SEC. 8. Section 10(c) is amended by—

(1) inserting "(1)" after "(c)";

(2) striking out the fifth sentence of paragraph (1) (as redesignated by this section) and inserting in lieu thereof the following: "If upon the preponderance of the testimony taken the Board shall not be of the opinion that the person named in the complaint has engaged in or is engaging in any such unfair labor practice, or has willfully violated or is willfully violating a final order as specified in subsection (b) of this section, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint.";

(3) by adding at the end thereof the following new paragraphs.

"(2) If upon the preponderance of testimony taken the Board shall be of the opinion that the allegation in the complaint that a person has willfully violated or is willfully violating a final order as specified in subsection (b) of this section has been sustained, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order certifying the identification of that person to the Secretary of Labor. Notwithstanding any other law, unless the Secretary of Labor determines that because of unusual circumstances, the national interest requires otherwise, the Secretary shall certify the identity of such person to the Comptroller General. The Comptroller General shall distribute a list to all agencies of the United States containing the names of persons certified by the Secretary of Labor pursuant to this subsection. Notwithstanding any other law, no contracts shall be awarded to such person during the three-year period immediately following the date of the Secretary's certification, unless the agency of the United States concerned, after notice and opportunity for hearing to all interested parties, certifies to the Secretary of Labor that there is no other source for the material or services furnished by the person affected by the Board order.

"(3) In a case in which the Board determines that any person has engaged in an unfair labor practice within the meaning of subsection (a)(3) or (b)(2) of section 8 which deprives an employee of employment while employees in a bargaining unit which includes that employee are seeking representation by a labor organization or during the period after a labor organization has first been recognized as a representative defined in subsection (a) of section 9 in such unit until the first collective bargaining contract is entered into between the employer and the representative, the measure of backpay for the period until a valid offer of reinstatement is made shall be double the employee's wage rate at the time of the unfair labor practice. In a case in which the Board determines that an unlawful refusal to bargain prior to the entry into the first collective bargaining contract between the employer and the representative selected or designated by a majority of the employees in the bargaining unit has taken place, the Board may award to the employees in that unit compensation for the delay in bargaining caused by the unfair labor practice which shall be measured by the difference between (i) the wages and other benefits received by such employees during the period of delay, and (ii) the wages and fringe benefits such employees were receiving at the time of the unfair labor practice multiplied by the percentage change in wages and other benefits stated in the Bureau of Labor Statistics, Average Wage and Benefit Settlements, Quarterly Report of Major Collective Bargaining Settlements for the quarter in which the delay began. If the Secretary of Labor certifies to the Board that the Bureau has, subsequent to the effective date of the Labor Reform Act of 1977, instituted regular issuance of a statistical compilation of bargaining settlements which the Secretary determines would better effectuate the purposes of this subsection than the compilation specified herein, the Board shall, in administering this subsection use the compilation certified by the Secretary.".

SEC. 9. (a) The third sentence of subsection 10(e) is amended by inserting the following immediately before the period at the end thereof a comma and the following: "nor shall any objection be considered by the court unless a petition for review pursuant to subsection (f) of this section has been timely filed by the part stating the objection".

The first sentence of subsection 10 (f) is amended by

(1) inserting "within 30 days" after "by filing", and

(2) inserting before the period at the end thereof the following: "except that if a petition for review has been timely filed, any other party to that Board proceeding, aggrieved by the order, may, within 15 days of service on it of said petition, file a further petition for review.".

SEC. 10. The first sentence of section 10(1) is amended to read as follows:

"(1) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of—

"(1) subsection (a)(3) or (b)(2) of section 8 which deprives an employee of employment while employees in a bargaining unit which includes that employee are seek-

ing representation by a labor organization or during the period after a labor organization has first been recognized as a representative defined in subsection (a) of section 9 in such unit until the first collective bargaining contract is entered into between the employer and the representative, or

"(2) subsection 4 (A), (B), or (C) of section 8(b) or section 8(e) or section 8(b)(7), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred.".

SEC. 11. Section 10(m) is amended by inserting "under circumstances not subject to section 10(1)," after "section 8,".

SEC. 12. Except as otherwise specifically provided in this Act, the amendments made by this Act shall take effect 60 days after the date of enactment of this Act.

Mr. JAVITS. Mr. President, I join today with Senator WILLIAMS, chairman of the Committee on Human Resources, in introducing the Labor Reform Act of 1977. This bill has the endorsement of the President, as it reflects the message he delivered yesterday to the Congress concerning labor law reform. The bill represents a long overdue revision of our basic labor relations statute, a revision that is necessary if we are to maintain respectively the rights and protections already incorporated in the act as our national labor relations policy.

This bill is a moderate proposal, primarily addressing certain procedural and remedial problems that have arisen under the National Labor Relations Act. It does not atler the substantive rights of labor unions versus management, nor does it give one side or the other enhanced power at the bargaining table. Rather, this bill is designed simply to effectuate better the unchanged substance of our national labor relations policy first detailed when the Taft-Hartley Act was passed 30 years ago.

As such, the bill is not a final solution to all of the problems associated with collective bargaining in this country. There are many such substantive issues which in my judgment bear reexamination by the Congress. These range from the inconsistency in national labor policy permitted by section 14(b) of the act—which was the reason I voted against the Taft-Hartley Act as a Member of the House in 1947—to the many reforms necessary to rationalize and stabilize collective bargaining in the construction industry.

These issues must wait for another time, however, when further consensus can be reached as to their proper resolution. Today we have concluded that reform of the regulatory procedures and administrative remedies which implement and enforce the National Labor Relations Act is necessary to protect the collective bargaining rights agreed upon long ago by the Congress. This tightening of the mechanism of administration and enforcement is both long overdue and vital to the continued integrity of our collective bargaining system.

The Labor Reform Act of 1977 embodies several procedural and remedial changes to the National Labor Relations Act which are designed to correct two major problems have arisen under the current Act:

First, delays in the processing of both election petitions and unfair labor practice cases; and

Second, the inadequacy of the remedies which the National Labor Relations Board may invoke against violators of the law, particularly when violations occur during the critical period before a collective bargaining relationship is first established.

The bill addresses these problems by: First, restructuring the operation of the Board to minimize delay in election and unfair labor practice proceedings without sacrificing the protections of due process; and second, creating more effective remedies which will become meaningful deterrents to violations of the law.

If there is any one single problem that has contributed most to breakdowns in enforcement of national labor policy, it has been the inability of the enforcing agency to provide prompt and effective protection of the rights guaranteed by the act. The problem of delay has become especially serious as legal advocacy in labor relations has become more sophisticated and the case law more complex.

Under the law today, there are too many opportunities for lawyers to obtain delays both in election matters and in the enforcement of remedies against unfair labor practices. Because the National Labor Relations Board has not promulgated rules covering appropriate bargaining unit determinations, it must now make such determinations on a case-by-case basis before an election may be held. Employers and unions may gain substantial delays for further campaigning and possible unfair tactics simply by demanding hearings on such issues. These delays often jeopardize the fairness of the ensuing election and lead to charges of unfair labor practices during the campaign.

There is simply no justification for such delay in the holding of elections. Accordingly, the Labor Reform Act of 1977 would dramatically speed elections and eliminate many of the existing incentives for delay. Within 1 year of enactment, the Board would be required to exercise its existing authority under section 6 to promulgate rules establishing certain units of employees as presumptively appropriate for collective bargaining, and to issue rules designed to facilitate agreements on voter eligibility by spelling out criteria which would be employed in making such determinations.

These rules will eliminate the need for case by case unit determinations, and will thus enable most elections to proceed within rigid schedules without delays. Where issues of voter eligibility or other issues remain, the Board may continue to resolve those after the election is held if necessary.

The bill establishes three new categories of representation petitions and sets election deadlines for each. Where the Board has already established, by rule or decision in the applicable industry, the appropriate units involved, and where over 50 percent of the employees in the unit have signed authorization cards, the Board would be required to hold the election within 15 to 25 days of the application under section 9(c) of the act, the exact period depending upon the number of employees in the unit and the geographical accessibility of the unit employees to the Board's regional office. Thus, where a majority of employees have indicated they want the union to begin collective bargaining on their behalf, the election is to be held in the shortest possible time in order to effectuate their right to bargain and to avoid the possibility of industrial disruption inherent in an extended campaign period.

A second category of representation petitions is where the currently unrepresented employees are in a plainly appropriate unit, as established by rule or decision in the applicable industry, but where less than 50 percent, and more than 30 percent, of the employees in the proposed unit sign authorization cards. Such elections must be held within 45 days of the application.

The final new category includes representation petitions which would fall into the above categories, except that the Board makes a determination that the petition presents issues of exceptional novelty or complexity. For such extraordinary cases, the election must only be held within 75 days of the application.

These deadlines are dramatic speedups when compared to the current median times between application and the election, of 57 days for uncontested elections, 75 days for contested elections, and a shocking 275 days for petitions referred to the Board from the Regional Director for decision.

A related fair campaign provision assures that employees asked to vote for or against representation will not be subject to campaign communications from only one side of the issue when they are working on the employer's premises. The bill directs the Board to issue rules within one year to guarantee employees the right, where an employer uses its premises or working time to address them about the election, also to hear from the union in an equivalent manner. The application of this rule must be done with due regard for continuity of production.

This "equal time" requirement represents only basic fairness in any campaign where one side controls and utilizes primarily the means of effective communication to the voters. Without such a requirement, employees are not always able to obtain information necessary to their full freedom of choice regarding representation.

Since the time between the union's first organizational efforts and the entering into of the initial collective bargaining agreement is typically the most volatile and important period for concerted activity and bargaining in good faith, the protections of the act during this time must be made especially strong if statutory rights are to be respected.

Accordingly, the Labor Reform Act of 1977 contains three provisions designed to strengthen the remedial powers of the National Labor Relations Board during this critical period. Under current law, employers frequently have every financial incentive to discharge union ad-

herents and to refuse to bargain in good faith. This is because the Board is limited to remedial orders simply reinstating the employees discharged for engaging in protected activities under section 7 of the act often after the election or the contract issue is decided, or simply telling the employer to "go and sin no more" after his unlawful bargaining tactics have destroyed the collective bargaining relationship.

I believe that we cannot permit such incentives to break the law to remain unchanged. We need to enact remedies which will both truly restore the injured employees to the place they would have occupied but for the unfair labor practice, and which will effectively remove the existing incentives to engage in such practices.

The bill accomplishes these objectives in three steps: First, it requires the General Counsel of the NLRB to seek a temporary court injunction under section 10(1) of the act immediately reinstating employees unlawfully discharged during the precontract period, pending the Board's own hearing; second, it establishes a double backpay remedy for the employee discharged during that same period; and third, it permits the Board to issue "make whole" orders in refusals to bargain for first contracts, cases awarding objectively determined damages to employees where an employer's refusal to bargain in good faith for an initial collective bargaining agreement results in economic losses to the employees when compared to their position had there been no violation.

These three remedial reforms remove profit motives associated with the most serious violations of the act. The quickly obtained court injunction under section 10(1) should restore those employees unfairly discriminated against to their jobs in the most expeditious manner possible. Speedy reinstatement is vital to the protection of rights under the act, for it not only relieves the hardship associated with loss of employment, but it also demonstrates to other employees that the law can react swiftly to violations of protected rights. Combined with the speedy court injunctive relief, the award of double backpay to the discharged employee is not designed to become anything more than an approximate equivalent of the true losses associated with an unfair discharge. The bill is designed to keep the backpay period as brief as humanly possible, so that in real terms the backpay awards should be significantly smaller than they average under current procedures.

I believe this combination affords both employers and employees greater justice than is now available to them under the act, and it does this while minimizing the disruption to all parties that is an inevitable consequence of a prolonged period of unemployment. The backpay provision does not provide for mitigation by the employee, since the unemployment period is not designed to be long enough to permit finding another job. This feature has the related benefit of permitting the Board to utilize the backpay remedy without getting involved in a lengthy investigation and hearing to determine the extent of the employee's efforts to mitigate lost wages.

The "make whole" remedy for refusals to bargain in good faith for an initial collective bargaining contract is recognized by the Board itself as a necessary tool in effectuating the remedial purposes of the act. But in *Ex-Cell-O Corp.* (185 NLRB 107, 1970), the Board concluded that additional legislative authority was necessary before it could issue make whole orders for refusals to bargain. This bill would grant the Board the remedial power that it needs, but only for those especially serious violations associated with bargaining for a first contract.

Although previously similar proposals have been attacked as permitting the Board to engage in too much speculation in computing the amount of the make whole damages, the bill we introduce today permits no such speculation. Instead, the bill establishes an objective, highly accurate statistical index for make whole awards. The Secretary of Labor has informed us that the Quarterly Report of Major Collective Bargaining Settlements, published by the Bureau of Labor Statistics, is the quickest and most accurate index of gains that can be expected through collective bargaining. Of course, the committee will be interested in its hearings on this bill to explore the exact details involved in this and other possible reports, for it is possible that other objective measures would better serve to index such awards. But I believe that whatever the details, the concept of an objective index for such make whole remedies is a real solution to the criticisms of earlier proposals, and a solution which both labor and management should feel is fair.

Two important procedural reforms in the bill are designed to eliminate delays in unfair labor practice cases. First, the Board is required within 90 days to establish through its rulemaking authority a procedure for summary affirmance within 30 days of an administrative law judge's decision and order, by a quorum of a three-member Board panel.

The summary affirmance procedure is designed to permit the Board to dispose quickly of those routine unfair labor practice cases that present primarily issues of fact or credibility that the administrative law judge is in the best position to evaluate. This procedure would, of course, still permit a party to seek judicial review of the Board's final order, but it would relieve the Board of the burden of reviewing every case appealed to it on a de novo basis. The current system of a two-tier de novo decisionmaking structure is simply not an efficient use of administrative resources nor is it required in light of the relatively low rate of Board reversals of administrative law judge's orders.

The bill requires that a motion by the prevailing party below for summary affirmance, and the opponent's response, be presented to a two-member quorum of Board members within 30 days. This is intended to permit the Board to make a decision on the basis of the motion, the opposition, and the supporting briefs almost immediately upon presentation. This compares to the current 120-day median time elapsed at the Board between appeal and final decision. Such summary affirmance procedures could greatly reduce the ever-growing caseload pressure on the Board, and free it to give greater attention to rulemaking and to significant decisions on questions of law.

Second, the bill shortens the delay between a final Board order and judicial review of it in the court of appeals when a party contests the Board's decision. In all cases under the bill, the party seeking judicial review would have 30 days after the Board's decision in which to file for such review with the clerk of the appropriate court of appeals. If no petition for review has been timely filed, the Board is directed to have its order automatically enforced by the appropriate court, as in any default proceeding.

Although the most significant delays in the enforcement of contested Board orders occur while the case is under consideration by the courts of appeal, there is currently a period of unnecessary delay while the Board decides whether to seek court enforcement of its order due to noncompliance. Under the bill's provision for "self-enforcing" orders, this latter period is reduced to 30 days. It is also designed to relieve the Board of the burden of determining whether to seek enforcement when a violator delays full compliance, and to put pressure on such violators either to comply with or to contest a Board order within a month of the Board's decision. Again, the overriding policy is the elimination of as much delay as possible consistent with maintenance of due process.

A final new remedial power addresses the persistent problem of flagrant violators who do not comply even when all means of judicial review are exhausted. The Board's current contempt proceedings have been severely hampered by several factors, including the reluctance of the courts of appeal to engage in the required de novo fact-finding hearings, the lack of any pool of magistrates or hearing officers familiar with the NLRA, and the higher standard of proof required for contempt as compared to the underlying violation. For these reasons, there is a real danger today that violators are being encouraged to try to get away with noncompliance in the knowledge that the Board faces a difficult and lengthy road in contempt proceedings.

In response to these concerns, the bill follows the example of the Service Contract Act and provides for a 3-year debarment from Government contracts for those who willfully violate a final order of the Board. The bill thus creates an internal Board procedure that could serve as an alternative to contempt proceedings. An allegation that a party is violating a final cease and desist order would be reviewed by the General Counsel, who could issue a complaint specifying a willful violation of an order less than 3 years old. After a hearing on the issue of willful violation, the Board could make the required finding and then certify the identity of the party to the Secretary of Labor. The Secretary would be required to inform the Comptroller General that such firm was barred from participation in Federal contracts

for a 3-year period. The bill provides for exceptions where the Secretary determines the national interest precludes debarment or where a Government agency certifies to the Secretary that the firm is the sole source of a particular material or service.

This debarment provision simply insures that parties doing business with the U.S. Government are not labor law scofflaws. Those who profit from public business opportunities must be made to obey public law in doing so. It would be unconscionable indeed if our Government were to continue to give business to firms who may have obtained it by willfully violating the rights of employees. This bill would merely incorporate this fundamental principle into the administration of the National Labor Relations Act, as it is already incorporated in several other of our laws regulating labor practices.

The bill also would increase the size of the National Labor Relations Board from its present membership of five members to a total of seven, and would lengthen their terms from the present 5 years to 7 as well. The committee's hearings will fully consider the potential impact of the other reforms proposed in the bill on the Board's workload. Although the Board has been subject to ever-increasing caseloads, it is not clear at this time whether an increase in the size of the Board will be necessary to handle the work, given the other proposed reforms which are also designed in part to facilitate case-handling. If the Board were expanded to seven, more panels could meet simultaneously to decide cases, since the present provision for three-member panels would remain.

Finally, the bill corrects the outdated restriction, contained in section 9(b)(3) of the act, on the affiliation of organized guard employees. Such employees today are not permitted to be represented by labor organizations affiliated with groups such as the AFL–CIO. Whatever the concerns as to potential conflicts in loyalties which prompted this and other restrictions on guards, the prohibition on affiliation with other unions has no basis today and has seriously impeded the efforts of these employees to bargain collectively. The bill retains all of the current restrictions on guards except for this one affiliation limitation, so that there remains more than adequate protections against conflicts in loyalty.

Mr. President, the Labor Reform Act of 1977 is nothing more than an attempt to make the present law work. It corrects the most glaring procedural and remedial deficiencies under the National Labor Relations Act. It does not change the rules, but it does embody vitally necessary administrative reforms.

The responsible employer has no need to feel threatened by this bill. Only persons who seek to evade their responsibilities through delay and through bad faith will be affected by this bill. Everyone has the right to due process, but not the right to frustrate the purposes of the act through interminable delay and evasion. I firmly believe that due process can and must be made consistent with the effective enforcement of our Nation's basic labor law.

Now is the time for the Congress to insure that our national labor policy is working fairly and effectively. This bill is designed to do just that, and I urge its prompt enactment.

By Mr. RIEGLE (for himself and Mr. CRANSTON):

S. 1884. A bill to amend the National Labor Relations Act to clarify its coverage of health professionals; to the Committee on Human Resources.

Mr. RIEGLE. Mr. President, I rise today to introduce, on behalf of myself and Senator CRANSTON, legislation to include certain residents, interns, and other trainees in professional medical training programs within the scope of the professional employee definition of the National Labor Relations Act. The purpose of this bill is to recognize that such interns and residents are employees as well as professionals seeking to extend their knowledge in their chosen fields—a concept that should be self-evident in view of the notorious workloads of such doctors in many American hospitals.

This simple, one-paragraph bill clarifies the intent of Congress in the 1974 amendments to the NLRA, at which time the long hours and low wages of hospital housestaffs were cited as reasons to pass the health-care amendments to that act. At that time, Senator CRANSTON, who joins me in introducing this bill today, noted in this Chamber that interns and residents were notoriously underpaid. He went on to state that—

> [a]ccording to the Physicians National Housestaff Association, the average housestaff officer—intern, resident, or fellow—works 70 to 100 hours per week and earns $10,000 per year.

Yet, despite this clear legislative intent, the National Labor Relations Board ruled in the *Cedars-Sinai Medical Center* case, 223 NLRB 57 (1976), that housestaff doctors were "students," and therefore outside the scope of the 1974 amendments to the NLRA.

Mr. President, the time is ripe to revise and improve our national labor policy. President Carter's forthcoming proposals for amending the NLRA will, I hope, respond to the faults and abuses that have developed on both sides of the labor-management issue. But let us not overlook, in revising that law, the choice we made in 1974 with respect to hospital employees—the choice this bill would reestablish as the law of the land by reversing the Cedars-Sinai decision of the NLRB.

The strength of our economic system is due in no small part to the development of peaceful, constructive means of resolving employment conflicts. The evidence in the health-care field foreshadows the worth of this collective approach for hospital housestaff as well. For instance, the three major hospitals in Los Angeles County recently reached a settlement—under California law, which permits bargaining in public hospitals—with that county's Joint Council of Interns and Residents. According to the Los Angeles Times of June 15, 1977, that settlement included an agreement by the county to fund a $1 million patient care fund used primarily to buy emergency medical supplies and equipment. More than $2 million more will be paid into the fund over the next 2 years. Examples such as this illustrate both the professionalism of organized residents and interns and the potential for improved patient care from passage of this bill.

The 60,000 intern and resident physicians in the Nation's hospitals are more than simply students; if they were not, our health care would suffer dramatically. The American Medical Association recognized this vital fact when it recently endorsed, for the second time, restoration of bargaining rights to such doctors. The dozen Representatives who have sponsored H.R. 2222, the companion bill in the House, have also borne witness to the congressional intent to recognize the professional characteristics of hospital housestaff.

With respect to H.R. 2222, I should like to point out that Representative FRANK THOMPSON, who introduced the bill and then conducted hearings on it in his Subcommittee on Labor-Management Relations, has worked tirelessly to insure its passage. His prime cosponsor, Representative BILL FORD of my home State of Michigan, has joined actively in support, refuting charges that the bill would lead to labor unrest. "When nonprofit hospital employees were included under the NLRA, people feared it would give them automatic license to strike," Representative FORD told the Physicians National Housestaff Association's national convention this spring. "That just isn't the case. The number of strikes in the hospital sector has dropped."

At a time we in the Congress and across the country are concerned about the quality of American health care, this bill is a much-needed step. At a time when we are considering how best to improve our national labor policy, this bill is an appropriate means of restating our belief in the constructive potential of collective bargaining. So I am delighted to join with the Senator from California in seeking to reestablish our intent to assure housestaff full bargaining rights.

By Mr. McINTYRE:

S. 1885. A bill for the relief of Lewis and Saunders, Incorporated; to the Committee on the Judiciary.

Mr. McINTYRE. Mr. President, I introduce for appropriate reference a bill similar to that which I introduced last year, for the relief of Lewis and Saunders, Inc., of Laconia, N.H.

I would like to make some brief comments regarding the purpose of this legislation.

Lewis and Saunders, Inc., is a very fine, small business engaged in the precision bending, coiling, welding and other fabrication of metal tubing.

This company has performed work for companies throughout the country and it has done much work which has gone into our defense structure.

Lewis and Saunders had a subcontract with Murdock Machine and Engineering Co. of Utah. This contract was to provide supplies for the U.S. Navy. After carrying out its responsibility under this contract Lewis and Saunders found that Murdock had gone bankrupt and left this

small business holding a $91,914.27 commitment from Murdock.

I contacted the Small Business Administration, the Senate Select Committee on Small Business, the Navy Department and others. No relief for Lewis and Saunders is available through the Small Business Emergency Relief Act or other procedures. I believe this is unfair to a small business attempting to do its part in our defense effort. I believe it is not right that Lewis and Saunders should suffer because the prime contractor has failed.

I realize that $91,000 does not seem a large amount of money but to one of our Nation's small businesses this can be the difference between profit and loss. We have had enough losses to our small businesses. We must begin to put a stop to it.

I urge early, and I hope serious consideration can be given this bill.

By Mr. CURTIS:

S. 1886. A bill to amend title IV of the Social Security Act to make necessary changes in the amount of earned income to be disregarded under the State plan for aid and services to needy families with children; and

S. 1887. A bill to amend title IV of the Social Security Act to reverse the computation of earnings disregards and work-related expenses under the AFDC program; to the Committee on Finance.

Mr. CURTIS. Mr. President, I am today introducing two measures which I believe will be most effective in improving and strengthening current practices under the aid to families with dependent children—AFDC—program. Both deal with the so-called "$30½" earnings disregard under current law, and both make changes which have been urged for some time to bring a greater measure of fairness to our welfare programs and to what we ask of those who must work for a living.

Under current law, there is no gross income ceiling in the AFDC program. Initially placed in the law as a work incentive as part of the Social Security Amendments of 1967, the disregard of the first $30 plus one-third of the remainder has had a "boomerang" effect—so that, instead of persons working their way off welfare at a faster rate, persons stay on welfare at higher and higher income levels for longer periods of time. Examples have been reported from all over the country:

In Kern County, Calif., a county welfare employee earned almost $10.000 per year and still received welfare benefits, bringing her total income to almost $17,000.

In Milwaukee County, Wis., more than 600 persons earning from $7,200 to $12,000 a year remained on the welfare rolls.

According to HEW samplings, in 1973 a total of 37.625 families received AFDC benefits while at the same time earning a monthly income about $500.

In Los Angeles County, Calif., a recent survey in the AFDC program found that there were over 1.600 persons making $600 per month or more. 39 percent of the gross earnings of working AFDC–FG recipients in 1975 were disregarded there under the "$30⅓" regulations, amounting to a disregard of $3.7 million per month of recipient wages. The net reduction of AFDC–FG grants there due to the deductible earned income of working recipients was, in 1975, less than $1 million per month—even though the total gross earnings of recipients approached $8 million. Upon implementation of the "$30⅓" regulation the caseload there began to increase by an additional 1,100 cases per month.

In Green County, Pa., a family with income of $21,000 per year received almost $8,400 more in welfare payments.

One California county survey on AFDC showed 95 AFDC families with earned income ranging from $500 per month to $1,344 per month; a more expanded 5-county survey revealed 84 percent of AFDC recipients with outside incomes earning from $401 per month to $1,344 per month.

Similar examples have been reported from jurisdictions all over the country. The time has come for the Congress to put a stop to the fact that high-income persons can continue to receive welfare payments; it is the truly needy of this country who suffer when limited resources are drained off by persons who can take—and, in fact, are taking—care of themselves. We must remember, as well, that with welfare eligibility comes complete medicaid eligibility, and the steps that I am proposing today would have a dramatic and long-sought effect upon curbing the rising costs of public medical care in this country.

The recommendations which I am including in the first bill I am introducing today, therefore, would do several things:

In place of the "$30⅓" excessive earnings disregard, the measure would exempt the first $60 of earned income for individuals who are employed at least 40 hours per week, or at least 35 hours per week and earning at least $92 per week.

For other individuals, the first $30 of earned income would be disregarded.

In each case, an additional exemption would be provided of up to $300 of additional earnings, and one-fifth of any further earnings in excess of $300.

Also, in each case, reasonable and necessary child care actually paid would be deductible, subject to limit by regulation; the States would have the option of setting a maximum for child care expense, and the disregard would be limited to 80 percent of the cost of care for a child under 15—to operate in conjunction with the 20 percent tax credit for child care costs under current law.

There would be a limit of 4 consecutive months for the purposes of the disregard.

An overall gross income ceiling would be established of 150 percent of the applicable State's needs standard.

The first four of these provisions were favorably reported by the Finance Committee in 1973, as a part of its deliberations on H.R. 3153, and were adopted by the Senate. The remaining two make long overdue corrections in defects in the current law.

Finally, Mr. President and Members, the second bill I am introducing today is a measure which also would make a technical correction in the interface between the earnings disregard and work-related expenses deductions. At the time of the 1967 amendments, work-related expenses were deducted *first*, and then the "$30⅓," which is as it should be.

In the late 1968, however, by administrative action, the sequence was reversed, so that the "$30⅓" is now deducted first. This has the clear result of deducting one-third of the work-related expenses twice. The second bill which I am introducing today restores the original, correct order of computation.

I am hopeful that the Senate will act expeditiously to make these significant improvements in the operation of the AFDC program, and I am confident they will be a measurable improvement in the method in which we allocate our scarce public assistance resources.

I ask unanimous consent that there be printed in the RECORD, in its entirety, a communication which I received from the Northeast Nebraska County Welfare Directors Association, which represents 22 counties, urging modification of the "$30⅓" rule to provide equity for the working taxpayer.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTHEAST NEBRASKA COUNTY
WELFARE DIRECTORS ASSOCIATION,
June 28, 1977.

CARL CURTIS,
Dirksen Building,
Washington, D.C.

DEAR SENATOR: At a recent meeting of the Northeast Nebraska County Welfare Directors Association it was agreed we should contact you concerning our personal concern for the taxpayers dollar in regard to the inequities of the Aid to Dependent Children payments.

We feel the 30⅓ disregard given to the ADC recipients is unfair to the taxpayer. Many mothers, who are not on assistance, work and support their children with no disregard or incentive other than common decency. It is our opinion recipients of ADC should be encouraged or required to work but all income should be considered against their needs.

We also recommend that cort rules be enforced that the absent father be imprisoned if he fails to make the court ordered child support payments.

We urge your help in encouraging divorce lawyers to consider the requirements of the absent father to be liable for all medical and educational needs of his children.

We would appreciate reconsideration of including the needs of an unborn child in the ADC grant. It is our opinion if these payments were not considered perhaps it could discourage illegitimate children.

Any consideration given to these requests will be greatly appreciated.

Northeast Nebraska is comprised of 22 counties that our association represents.

Sincerely,

VERNA CHAMBERLAIN,
President, Northeast Nebraska County Welfare Directors Association.

Aid to Dependent Children family: father-employed, daughter-normal, son-retarded, son-retarded.

Aid to Disabled family: mother-incapacitated (mentally).

Father's gross earnings	$746.06
Earnings disregard 33⅓	269.00
Withholding	88.45
Work related expenses:	
Mileage	64.50
Mandatory retirement	17.58
Total disregard	439.53
Net earnings	306.53
Basic requirements for 4 member family	330.00
Less net earnings	306.53
ADC payment	23.47
AD payment	101.80
Total gross income	871.33

Plus: Complete medical for the family, food stamp bonus of $28.00, free school lunch, disregarded earnings of daughter under Neighborhood Youth Corps, also eligible for Social Service.

The family's gross income is more than the gross income of any county official in this particular county.

By Mr. BELLMON:

S. 1888. A bill to amend title IV of the Social Security Act to allow States to provide community work and training programs under State plans for aid and services to needy families with children; to the Committee on Finance.

Mr. BELLMON. Mr. President, the Senate Finance Committee is currently holding hearings on H.R. 7200, a bill passed by the House of Representatives on June 14, 1977. This bill—known as the Public Assistance Amendments of 1977—would change several parts of the Social Security Act dealing with the aid to families with dependent children—AFDC—program, the supplemental security income—SSI—program, the title XX social services program, and child welfare services programs.

Mr. President, several of our colleagues who serve on the Senate Finance Committee appear to agree that we should do all we can to improve our current public assistance programs while we and the other body debate the President's welfare reform proposals and other possibilities for comprehensive reshaping of our public welfare systems.

I, for one, feel very strongly that we should examine and improve, through amendments, the AFDC, the SSI, and the social services and child welfare programs—just as we on the Agriculture Committee recently examined the food stamp program and recommended important amendments which were accepted by the Senate as part of S. 275, the omnibus farm bill. We should not delay needed changes while we wait for "welfare reform". We have only to look at the history of the family assistance program debate early in this decade. After a long struggle within the Congress and between the Congress and the Nixon administration, "welfare reform" went onto the back burner and the existing programs remained in force.

We owe it to those people dependent on these programs, and to the State and local people who administer them, to be continually vigilant for ways we can change the law to make these programs work better.

To this end, I am today offering a bill which would provide States with increased flexibility to develop and implement community work and training programs as part of their AFDC programs. Mr. President, my specific proposal is that we reinstate and amend section 409 of the Social Security Act which has remained in the law, but has been suspended since the advent of the work incentive—WIN—program in 1968.

Mr. President, my bill would enable States to supplement efforts being made through WIN, the CETA programs, and otherwise to help employable AFDC recipients obtain job skills and work experience and thereby assist them to become supporting. In addition, my bill would permit States to utilize the time and talents of employable AFDC recipients to support the provision of needed public services.

Mr. President, I will now summarize the provisions of this bill:

First. Section 409 of the Social Security Act, community work and training, would be reinstated effective January 1, 1978, thereby giving States an option to include a community work and training component in their AFDC program.

Second. The following changes would be made to section 409:

The community work and training activities would be conducted on a "beyond WIN" basis. This is any recipient participating in a WIN training, work experience, or public service assignment would be exempt, as would those enrolled in a CETA program or actually working on a regular job for 16 hours or more a week.

States would be freed from prevailing wage standards, but would be required to assure that no AFDC recipient was required to work more hours than would equate to the Federal minimum wage, given the size of the AFDC grant to the particular family.

A limit of 24 hours per week in assigned work plus up to 8 hours in training would be established. This would enable recipients to search for regular jobs and provide them some time for dealing with other personal needs.

Persons who are exempt from WIN registration requirements under current law would also be exempt from community work and training assignments.

A limit of 3 years would be established for an individual to participate in community work and training. This limitation was included in the work experience program operated in the mid-1960's under title V of the Economic Opportunity Act. This will preclude States from keeping people in the program on a long-term basis, and thus will facilitate the developmental purposes of the program.

States which operate such programs would receive 90-percent Federal matching for the administrative costs involved. This would be consistent with the WIN matching rate.

States could make the program mandatory, or could operate it on a voluntary basis. If the State chose the mandatory approach, any AFDC recipient who refused to accept a work training assignment would be excluded in the future calculations of his/her family's AFDC grant.

Mr. President, I believe these are amendments which deserve most serious consideration by the Senate Finance Committee. There is great interest in several States in developing programs of the type I am proposing to authorize. I ask unanimous consent to have printed in the RECORD an article from the July 18, 1977 issue of U.S. News & World Report. This article discusses State activities and interests in the areas addressed by this bill.

Mr. President, I want no part of any program which would exploit AFDC recipients or expose them to "slave labor" conditions. I saw the title V work experience program, to which I alluded earlier, operate successfully in Oklahoma when I was Governor. The bill I offer today would authorize States to have programs quite similar to those conducted under title V. This would provide an important added option to States for improving public welfare programs while the welfare reform debate is conducted.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN STATES TELL PEOPLE THEY MUST WORK FOR WELFARE

The idea that able-bodied people should be required to work for their welfare money is spreading rapidly across the U.S.

One such "workfare" program attracting nationwide attention is operating smoothly in Utah.

So successful is the Utah plan in moving people off relief rolls that half a dozen other States are taking a look at it as a possible model for programs of their own. Some believe it might even be useful to the Carter Administration in its search for national welfare reforms.

Besides Utah, at least 16 States have stiffened their work requirements or added new work incentives in the last two years. A number of other States and many cities have some kind of program aimed at putting relief recipients to work. And the Federal Government's Work Incentive Program—known as WIN—is steadily stepping up its pace in finding jobs for welfare recipients.

On the job, on the dole. The Utah plan is unique in several respects. It is sterner and goes further than most other programs. It is mandatory. And it doesn't just train people for future jobs. It actually puts them to work while they are still drawing welfare payments.

In most places, such work requirements apply only to people on programs financed by State or local funds, such as "general assistance" or "direct relief."

Utah's plan applies to those who receive Aid to Families with Dependent Children (AFDC), a huge, nationwide program that draws heavily upon federal funds. Utah officials say theirs was the first work requirement approved by the Department of Health, Education and Welfare for application to AFDC.

"Utah is the first State where people earn their welfare grants," claims the program's co-ordinator, Usher T. West.

Officially, Utah's method is called a work-experience and training program. But its training is not the usual type done in classrooms. Trainees learn to work by actually working. If private employment cannot be found for them, they are put to work for public agencies, doing jobs that are needed by State or local governments. They serve as teachers' aides in their neighborhood schools or plant trees in public parks, for example. They work three days a week but remain on the welfare rolls until they find regular jobs.

Only ill, aged or disabled persons or mothers with children under 6 years of age are exempted. All others are told to take one of

the jobs offered to them or lose all or at least a part of their welfare payments.

Those who participate in the program are helped by the State to find jobs in private industry. Many are doing so.

In one six-month period, from July through December of last year, 782 people were assigned to the work program. Of that total, 311 were removed because they did not perform as required. But 11 people were hired by the sponsors who gave them their training jobs, and 218 found other kinds of employment. In addition, 109 mothers found enough work to reduce the amount of welfare funds needed to support their families.

"FEELING GREAT"

A 32-year-old mother of two children was hired recently as a full-time office worker in Salt Lake City's assistance-payments administration, the same office that handed her welfare checks for 13 years before she took job training for two years. During the instruction period, she says, "even though I was getting welfare I felt I was working for it." And now, she adds, "With my new job I am barely making ends meet. But I feel great because I am making it on my own."

Utah officials point out that communities as well as individuals benefit from the program. Some agencies, such as private nonprofit organizations that are constantly short of funds, report that the services of welfare recruits have been invaluable.

One self-help agency in Salt Lake City, for instance, had the funds to buy insulation for the homes of elderly poor people, but lacked money to hire workers to install it. Welfare trainees have been assigned to the job. Another self-help group put trainees to work repairing the homes of elderly Salt Lake City residents.

A question of legality. Some critics charge that Utah's job-training effort is nothing more than a thinly disguised public-works program that uses underpaid welfare recipients in place of regular employes.

Legal-services lawyer Lucy Billings says she is considering filing a court suit against the program on the ground that it violates federal regulations that people cannot be required to work for their welfare payments.

It took Utah three years to get its program approved by the U.S. Department of Health, Education and Welfare. For 18 months, HEW withheld federal contributions to Utah's program for Aid to Families with Dependent Children. It cost the State almost a million dollars to make the AFDC payments entirely from State funds. But many Utah people feel that it was well worth the cost.

Utah officials concede that their program might not work so well in other parts of the country, especially in big cities where population is denser and welfare rolls are much larger. Of Utah's nearly 1.2 million residents, only 39,000 are getting money grants of aid. Also, it is suggested, labor unions in more-industrialized States might oppose welfare people being given jobs that might be sought by union members.

But in the view of Robert W. Hatch, a field director for the Utah assistance-payments administration, public acceptance of the idea that welfare recipients should work for their money is spreading throughout the nation. Says Hatch: "I think that in time, putting welfare clients to work will become a common practice."

In fact, a trend in that direction is already apparent.

Oklahoma has a 2-year-old work-experience program that was passed by the legislature at the urging of Governor David Boren. It requires that anyone 18 or older in a family receiving Aid to Families with Dependent Children must visit the local employment office and sign up for a job that's available.

In 1975, there were 2,300 persons participating in the Oklahoma program. Many worked in State institutions, hospitals or in county offices for $5 a day to offset expenses, plus their regular AFDC checks.

"They are usually placed in jobs where they can easily be trained and hopefully be picked up by the business community," says a State spokesman. Last year, more than 700 persons were placed in permanent positions outside the government.

The risk of rejecting work. The Texas legislature recently passed legislation to supplement the Federal Government's Work Incentive Program. Welfare recipients must register for work, and if they reject a job without a good reason, their benefits may be cut off after an administrative review.

North Carolina's legislature this year passed a law requiring welfare recipients to register for work.

As the law's sponsor, State Senator E. Lawrence Davis of Winston-Salem, explains it: A family head who fails to register is taken off the rolls. But aid to his or her children will continue as "protective payments" made through some other person or perhaps an agency, such as a church. Since the law did not take effect until July 1, it's too soon to tell how effective it will be.

A part-time work force. In the State of New York, all employable persons receiving general welfare-assistance payments have, since May 1, been required to work three days a week in a local-government agency if jobs are available.

There are about 60,000 such persons and State Social Services Commissioner Philip Toia says: "We're hoping to develop jobs within local-government agencies for at least 30,000 of those employables within the next three months. We're hoping that, when faced with working three days a week, many will go out and get a full-time job."

One problem is that four fifths of the employables covered by the program are in New York City, where in the last two years thousands of public employes have been laid off in the city's effort to cope with a financial crisis. "I anticipate some complaints from the municipal workers' union," says Assistant Welfare Commissioner Irwin Brooks. However, according to a *New York Daily News* poll published May 23, about 87 per cent of residents in the New York metropolitan area approve of the new workfare program.

Work-for-welfare bills similar to New York's are pending in several States, including Connecticut and New Jersey.

Massachusetts is one of the States studying the Utah plan of mandatory work for heads of AFDC families. Since 1975, Massachusetts has barred all employable persons from direct relief or general-assistance rolls. The State of Rhode Island followed suit last September, cutting its relief case load by more than 20 per cent.

Million-dollar savings. Bridgeport, Conn., started last year a plan requiring employable people receiving welfare to work one or two days a week, depending on the amount of their aid. About 300 persons out of a case load of 1,330 are now working. If they fail to work for a period of two weeks, their benefits are automatically terminated.

Result: Bridgeport's case load has been cut 45 per cent in a year's time, with a million-dollar reduction in the city's welfare budget.

Milwaukee County, Wis., has a locally run pay-for-work program requiring all able-bodied welfare applicants to take specially created jobs in municipal or county departments. They are paid $2 an hour for a 32-hour workweek.

One experiment being watched closely is a "supported work" program run by the Manpower Demonstration Research Corporation, a nonprofit, tax-exempt organization set up with the support of the Ford Foundation and five Federal Government agencies—principally the Department of Labor.

It has 15 projects in 13 States that provide jobs, mostly with public or nonprofit agencies, for more than 2,000 marginally employable people, including AFDC mothers. Instead of welfare checks, they get paychecks at minimum-wage rates.

A mixture of welfare funds and grants is used to finance the program. The workers will be helped to find permanent jobs in private industry once they have developed the necessary skills.

Many towns and some States have found that the administration of work-for-aid programs is too costly to justify the small numbers put to work. But the search for practicable systems goes on—and widens.

In the words of Fritz Kramer, a manpower specialist with the Labor Department: "A number of States are exploring ways to provide jobs in either the public or the private sector to get people off the welfare rolls."

By Mr. LUGAR:

S. 1889. A bill to terminate the authorization of the navigation study and survey of the Wabash River, Ind.; to the Committee on Environment and Public Works.

Mr. LUGAR. Mr. President, the legislation I am introducing today would terminate the authorization of the navigation study and survey of the Wabash River in Indiana.

In recent weeks, an enormous amount of public debate has surrounded the scores of water projects under study or construction by the Army Corps of Engineers. And this debate has been beneficial, because it has shed light on the inordinate expense and, frequently, the obsolescence of many of these projects.

The Senate recently adopted as part of the Water Resources Development Act a bill which I introduced earlier to deauthorize further study, planning, property acquisition, construction or other activity on the Lafayette Dam/Wildcat Creek Reservoir and the Big Pine Dam and Reservoir in Indiana. This vote struck a double blow for environmental preservation and fiscal responsibility. The rising costs of those projects, coupled with potential damage to the environment, far exceeded any foreseeable benefits that might have come from these programs.

Mr. President, a similar argument can legitimately be made in opposing the so-called Wabash Canal.

This project is today more than a century and a half old. Arguments for its construction, perhaps once valid, are no longer defensible by any standards, yet requests for funding and further study still linger. A companion bill, H.R. 6164 is being sponsored by Representatives SHARP, CORNWELL, FITHIAN, HAMILTON, JACOBS, and QUAYLE, of Indiana, and Representative SIMON of Illinois. I am hopeful that this cooperative effort will put an end to this ill-fated project once and for all.

To provide comprehensive background on this issue, I call my colleagues' attention to an article by Richard S. Simons entitled "The Great Canal Boondoggle," published in the June 12 issue of the Indianapolis Star's Sunday magazine. This carefully researched piece catalogs the amazing recuperative powers of the Wabash Canal idea—and the accumu-

lated drain on taxpayer dollars which can result from a failure to terminate projects of this type.

The "sun must set" for good on the Wabash Canal, and the bill I am introducing today is intended to do just that.

Mr. President, I ask unanimous consent that my bill—and Mr. Simons' article—be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1889

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the navigation study and survey by the Secretary of the Army, acting through the Chief of Engineers, of the Wabash River, Indiana, is not authorized after the date of enactment of this Act.

THE GREAT CANAL BOONDOGGLE—HOW FOR YEARS PLANNERS HAVE DUG INTO THE TAXPAYER'S POCKET WITHOUT EVER DIGGING AN INDIANA WATERWAY

(By Richard S. Simons)

Nearly 150 years ago, Indiana fulfilled a longtime dream by digging a navigation canal between Toledo, Ohio, on Lake Erie and Evansville on the Ohio River. Within a surprisingly short time, however, it collapsed financially and physically, bankrupted the state and dissolved into a useless chain of stagnant pools and ditches.

Despite this unhappy reality, certain Hoosiers have enjoyed a canal dream that recurs with the regularity of a summer TV rerun. Since the project has surfaced regularly since about 1800, it is, without doubt, one of America's longest-running political pork barrel acts. It would be comic if it didn't reach so deeply into the taxpayers' pockets.

The current dream again would link the Ohio and Lake Erie by canal.

For the first 50 years, the canal dream was resurrected in Indiana spasmodically. But during the last century, it has been a study in perpetual monetary motion.

The ink scarcely dries on one rejection report before Congress appropriates more funds for yet another study. Sometimes, due to news leaks, Congress dips anew into the pork barrel before the report is made public on the last study, and rejection.

The Army Corps of Engineers, which six times has vetoed the idea of a canal as unfeasible, spent about $1 million on the current study. The first several surveys combined only cost about a half-million.

Clearly the cost of determining that a canal in Indiana is not economically feasible has continually gone up. But so has the estimated cost of building this unfeasible canal.

The first proposal for a canal in 1828 was priced at $65,000 and rejected as too costly. Now the estimated tab is as high as $5 billion, depending on who is doing the talking.

Representative Philip Sharp (D-10th District) has introduced a measure to cut off further funds. Five other Hoosier representatives are co-sponsors.

But, on the basis of past history, it would appear folly to think the canal log-rolling will cease. Proponents continue to contend it would be a boon to coal and grain shippers and would attract new industry, overlooking rail and highway facilities that already parallel proposed canal routes.

Backers include the Wabash Valley Association and its governmental offspring, the Wabash Valley Interstate Commission, although the commission has been stripped of nearly all power.

Opposing the canal are the Coalition on American Rivers, private transportation companies, the Izaak Walton League, some labor unions, numerous Audubon Societies and a variety of local civic groups. Even the Corps of Engineers, which rarely has been known to favor nature, has maintained its objections for at least 75 years.

Nevertheless there has been a century of canal promotional efforts, economic studies, engineering surveys and congressional appropriations.

The main dream is repeating the entire Cross-Wabash project, the one which was built once and failed. When it was in operation, it was the longest canal in North America. The smaller dream is merely to improve the lower Wabash River.

Other versions of these two dreams have been proposed. Sometimes a branch is suggested off the main canal from Lafayette to Lake Michigan. Others would attack a branch near Cayuga and follow the Vermillion, Iroquois and Kankakee rivers toward Chicago.

Another version suggests going from Lake Erie to Fort Wayne, then across northern Indiana to Lake Michigan.

The goal of improving the lower Wabash calls for creation of a river-canal system from the Ohio River up to Mt. Carmel, Ill., or maybe as far north as Terre Haute. This version usually is proposed in times of stress and suggests that this shipping route then could be put in a holding pattern until a more favorable canal-building climate permitted realization of the entire canal dream.

The historical backdrop for the entire idea is one of disaster. The original canal resulted in bankruptcy for the state. The uncompleted canal was turned over to creditors. Because of this, Indiana shortly thereafter constitutionally prohibited bonded debt for the state, creating the pay-as-you-go policy which is supposed to still be in effect.

French fur traders, portaging their pirogues over the Wabash route, originated the canal idea during the 18th Century. Settlers who followed took up the cry as early as 1800. Eighteen years passed, however, before Congress financed a survey. Recommendation: A six-mile canal.

The idea languished, however, for 10 years until Congress ordered a second survey. This time the idea grew to channel improvement downstream from Logansport at an estimated cost of $65,000.

Again, nothing came of it, partly because President Andrew Jackson vetoed a Wabash Valley navigation bill in 1834. "Too extravagant," he snorted.

But by the 1830s, Hoosiers had incurable canal fever. The 1836 legislature passed the Mammoth Internal Improvement Act, which provided for numerous canals, railroads and turnpikes. The Wabash and Erie Canal was to be the star of the show and despite occasional protests that the onrushing railroads were the wave of the future, digging began. An ecstatic buoyancy seized the public.

But three years later the bubble burst. The state went bankrupt. Workmen laid down their picks and spades and walked off the job. All construction halted.

Creditors took possession and, completed the canal to Lafayette in 1843. Ten years later, it reached Evansville.

But inadequate traffic never reached projections and continual massive vandalism complicated by lesser natural disasters closed the canal below Terre Haute within seven years. Fourteen years later, the entire route was abandoned as a through waterway and no further effort was made to operate it. The subsequent state constitution which prohibited bonded debt showed the Hoosiers had learned a lesson, but, as future events showed, not permanently.

Meanwhile, other efforts were made to navigate the unwilling Wabash. A private firm, Wabash Navigation Company, completed a dam and locks near Mt. Carmel, Ill., in 1849. It cost $70,000. Unable to make a go of it, the firm sold out to the Federal government for a 10th its original investment. In 1872, Congress funded a plan to rebuild the dam and clear the river for navigation. The price tag expanded geometrically, as it has done with each subsequent Wabash Navigation Company's expenditure.

Meanwhile, back at the canal, in 1880, Congress look another look and ordered a survey between Toledo and Lafayette costing $15,000. The verdict: A canal would cost $25,000,000—up $24,935,000 from the projected cost in 1828. Even the Federal government thought twice and abandoned the idea.

During ensuing years, channel improvements were completed on the lower river, pressure mounted for a canal to connect Lakes Erie and Michigan via Fort Wayne and Congress once more looked into another Toledo-Evansville canal.

Came 1885 and Congress appropriated funds to rebuild the Grand Rapids lock and dam in the Wabash near Mt. Carmel. But things moved slowly. It required nine years to do the job, but after only eight years of use, Congress discontinued the funds which it had authorized in 1870. Too little traffic, the lawmakers said.

Twenty-three years later, Congress got around to repealing the law that authorized the funding. But the move was academic. Nearly a quarter century of neglect had reduced the dam to the point of no return.

In 1902 Congress halted all funding for navigational improvements but also appropriated $5,000 to re-survey the Wabash below Vincennes, and then for good measure threw in a survey upstream to Perrysville in Vermillion County. Estimated cost up to Vincennes: $3,045,000 or nearly four times the cost of the 1872 improvement.

Further pressure resulted in a public hearing at Vincennes. In 1904, the Board of Engineers for Rivers and Harbors sidestepped a firm decision by calling the project "premature."

Four years later, the Wabash canal project languishing, Congress took a new tack. It considered building a canal to connect Lakes Erie and Michigan via Fort Wayne and earmarked $50,000 for a survey.

But the river route still kicked feebly. In 1909, Congress authorized yet another survey below Mt. Carmel, Ill., and a year later flew in the face of the engineers who rejected it by ordering a new study all the way upstream to Terre Haute. When results were tabulated, four years later, estimated cost was $7,900,000, well over double the Vincennes project esimate eight year earlier.

By 1911, results were in from the Great Lakes-Fort Wayne canal survey. Cost: $43,000,000. Verdict: Not economically feasible.

Evidently sensing the bad news but not waiting for the official report, canal supporters joined ranks behind the 1911 Rivers and Harbors Act, which sent surveyors swarming over northern Indiana at a $50,000 cost to determine which of nine routes would be most practical for the canal which already had been rejected in concept.

Despite repeated official rejections, canal frenzy began to build as it had during the 1830s. Numerous canal associations organized and issued rosy predictions. Fort Wayne activists foresaw ships steaming through their city within five years. A new survey was urged. By this time its cost had jumped to $250,000.

The urgency of World War I temporarily sidetracked canal projects but by the early '20s, they were back in full bloom. A prominent Indianapolis businessman in 1925 publicly recommended that the frequently rejected canal be re-routed through the capitol city. He predicted that nearly all ocean-going ships could call at Indianapolis, which would become the Midwest's leading shipping center. Steel mills, cotton, wool and rubber factories, shipyards and airplane factories would swarm in and the city would grow to

a population of 1,000,000. An additional 100,000 transient workers also would be needed, he declared.

Such unbounded dreams brought the canal projects back in full force and in 1927 Congress instructed the Army Corps of Engineers to undertake a major resurvey. Six years and thousands of dollars later the verdict came in: Cost was unjustifiable. The Wabash portion would cost $110,000,000 and there would be "no considerable commerce" unless the canal would be extended to Toledo. This would run the price tag up to $160,000,000.

The river is not so located for trunk traffic, the report stated, and local traffic would not justify the expense. Reservoirs would not effect any substantial reduction in Mississippi River floods.

Again in 1946, the Army Engineers rejected a canal project; in 1957, the Indiana Senate requested yet another Great Lakes canal survey, and in 1967, the Corps reported that an Ohio River-Terre Haute improvement was not economically feasible. This was no news. The corps had reached the same conclusion about Indiana waterways in 1902, 1909, 1911, 1933 and 1946.

But canal enthusiasts pretended not to have heard. Only a year after the latest rejection, the merry-go-round began to move again. Four years and numerous public hearings later, the Corps declared the estimated $86,000,000 cost of a lower Wabash improvement was unjustified.

After a short three-year breather, however, the United States Senate proposed $135,000 to take another look at the rejected canal and the House proposed a $40,000 survey of the lower river. Estimated canal costs now had exploded to $243.5 million.

In addition to the cost of digging the canal and preparing it for navigation, there is the nagging problem of finding enough water to keep it full. Hydrologists doubt that the area's rivers can provide the depth necessary for floating barges. Opponents are closing in on expansion of the system of Upper Wabash reservoirs, which some say are being constructed with a canal in mind.

Incredible as it may seem, one proposal has been to bring the water from Alaska through a feeder system that would stretch two-thirds the width of the continent. The proposed Alaskan Ramparts Dam there would flood an area larger than the state of New Jersey.

With the Cross-Wabash Canal effectively blocked for the moment, attention turned to a short river/canal system through the lower 42 miles of the Wabash Valley. Estimated cost to the taxpayer would be $387 to $390 million, up from $86 million four years earlier and $243.5 million the previous year.

The Indiana General Assembly, evidently disenchanted, sliced the Wabash Valley Interstate commission's annual appropriation from $36,000 to a token $1. The Corps now has placed a $1 billion construction price on the Cross-Wabash Canal, although the Izaak Walton League, one of the most vociferous opponents, says the entire canal package will cost nearer $5 billion.

Meanwhile, as word leaked out that the Corps' latest report will reject the project for the 12th time, plans pushed forward for a repeat survey of the lower Wabash and the Indiana Committee for the Humanities awarded $5,812 to a Ball State University professor to study related effects.

Old canal dreams, it seems, never die.

By Mr. WILLIAMS:

S. 1890. A bill to extend commuter rail passenger services operated by the Consolidated Rail Corporation, to provide for the adequate insurance of risks incurred in the operation of such services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE COMMUTER RAIL PASSENGER SERVICE CONTINUATION ACT OF 1977

Mr. WILLIAMS. Mr. President, today I am introducing a bill to improve ConRail's commuter rail program.

ConRail currently operates most of the commuter service that was previously provided by the bankrupt railroads in the Northeast.

Under the Regional Rail Reorganization Act of 1973, ConRail was required to honor the bankrupt railroads' long-term commuter contracts with State and local authorities. Services now being operated by ConRail under these preconveyance contracts include former Penn Central services in New York and Connecticut and former Erie Lackawanna services in New Jersey. ConRail's obligation to continue these services after the expiration of the contracts is, however, unclear.

This bill would require ConRail to continue such services as long as a State or local authority provides a subsidy adequate to cover the cost of the service.

Commuter services that were not covered by long-term contracts, including most of the services in Pennsylvania and New Jersey, were preserved under the Railroad Revitalization and Regulatory Reform Act of 1976. This act required ConRail to continue all services that were being provided by the bankrupt carriers at the time of conveyance. State and local authorities were in turn required to subsidize the service. The level of subsidy was determined according to standards developed by the Rail Services Planning Office.

Since the conveyance of rail properties to ConRail, however, State and local authorities have wanted to modify the routings or increase the frequency of some services, or to extend service to additional lines. Unfortunately, under present law, there is no provision for ConRail to operate these services.

The bill I am introducing would require ConRail to provide modified or additional services if adequate compensation is provided by State or local authorities.

I believe these provisions will help to assure both continuity and flexibility in commuter rail service.

Another problem that has arisen in ConRail's commuter service operations is that of catastrophic liability insurance.

Subsidies provided to ConRail by State and local authorities for the operation of commuter service include the costs of insuring ConRail against losses due to accidents. However, ConRail has been unable to obtain insurance for certain losses—those below $2 million and those over $50 million per occurrence. Some States, on the other hand, are prohibited by law from guaranteeing the payment of unpredictable losses.

To resolve this dilemma, this bill would permit the U.S. Railway Association to reimburse ConRail or the State or local subsidizer for any uninsurable losses of up to $50 million. The Rail Services Planning Office would have to certify that ConRail has sought in good faith and failed to obtain insurance before ConRail could be reimbursed for any accident losses.

The third issue this bill addresses involves maintenance projects on commuter lines.

Federal assistance is currently being provided for rehabilitation projects to correct conditions of deferred maintenance on commuter lines. Such assistance will be available for a 2½-year transitional period following conveyance to ConRail, with the Federal contribution decreasing each year. The Urban Mass Transportation Administration, which administers this assistance, has contended that the Federal share of the cost of a deferred maintenance project is determined by the date of completion of the project. But many of the projects will take several months to complete. A project could be started during a period of 90 percent Federal assistance and not completed until the Federal share dropped to 50 percent.

Under this bill, the Federal share would be determined by the date of initiation of a project. This is comparable to an amendment to the rail freight assistance program proposed by the distinguished chairman of the Surface Transportation Subcommittee, Senator LONG.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Commuter Rail Passenger Service Continuation Act of 1977."

SEC. 101. FINDINGS AND PURPOSES.

(a) The Congress finds and declares that—

(1) Essential rail commuter passenger services in the midwest and northeast region are provided by the Consolidated Rail Corporation.

(2) It is the policy of Congress that the corporation, which must also provide essential rail freight services in the region, continue to provide and extend commuter passenger services where a state or regional or local authority provides adequate financial assistance.

(3) Certain states and regional and local authorities which are otherwise able to provide this assistance cannot provide assurances that the costs of catastrophic losses not presently identifiable or insurable will be subsidized if and when these costs occur.

(4) Federal action is required to insure that the Corporation is able to extend new commuter services where adequate subsidies are available and to protect the Corporation, states and regional and local authorities from catastrophic losses for which insurance is unavailable from private insurance carriers.

(b) It is therefore declared to be the purpose of Congress in this Act to amend the Regional Rail Reorganization Act of 1973 to permit the extension of commuter services where an adequate subsidy is available and to provide for the adequate insurance of risks incurred by the Corporation, the states and regional and local authorities in the provision of rail commuter passenger services not insurable by private insurance carriers.

SEC. 201. EXTENSION OF COMMUTER SERVICES.

(a) Section 304(e)(4) of the Regional Rail Reorganization Act of 1973 is amended:

(1) By adding "or" to the end of subparagraph "B" and

(2) By adding a new subparagraph "C" as follows:

"(C) Offers a rail service continuation payment, pursuant to subsection (c)(A)(2) of this section and regulations issued by the Office pursuant to Section 205(d)(5) of this Act, for the operation of rail passenger service provided under an agreement or lease pursuant to Section 303(b)(2) of this title or subsection (c)(2)(B) of this section where such offer is made for the continuation of the service beyond the period required by such agreement or lease."

(b) Section 304(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 744 (e)) is amended by adding the following new subparagraph:

"(7) If a State (or a local or regional transportation authority) in the Region offers to provide payment for the provision of additional rail passenger service (as hereinafter defined), the Corporation shall undertake to provide such service pursuant to this subsection. An offer to provide payment for the provision of additional rail passenger service shall be made in accordance with subsection (c)(2)(A) of this section and under regulations issued by the Office pursuant to section 205(d)(5) of this Act, and shall be designed to avoid any additional costs to the Corporation arising from the construction or modification of capital facilities. The State (or local or regional transportation authority) shall demonstrate that it has acquired, leased, or otherwise obtained access to all rail properties other than those designated for conveyance to the National Railroad Passenger Corporation pursuant to section 206 (c)(1)(C) and 206(c)(1)(D) of this Act and to the Corporation pursuant to section 303 (b)(1) of this title necessary to provide the additional rail passenger service.

As used in this subsection, additional rail passenger service shall mean rail passenger service (other than rail passenger service provided pursuant to the provisions of paragraphs (2) and (4) of this subsection) including, but not limited to, extended or expanded service and modified routings, which is to be provided over rail properties conveyed to the Corporation pursuant to Section 303 (b)(1) of this title, rail properties conveyed to the National Railroad Passenger Corporation pursuant to this Act or over any other rail properties to which a State (or local or regional transportation authority) has obtained access. Any provision of this subparagraph to the contrary notwithstanding, the Corporation shall not be required to operate additional rail passenger service over rail properties leased from or owned or leased by a profitable railroad in the Region."

SEC. 301. CATASTROPHIC LOSS INDEMNIFICATION.

(a) Section 304(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 744 (e)) is amended by adding the following new paragraph:

"(8) If the Director of the Rail Services Planning Office finds (i) that the Corporation or a State (or a local or regional transportation authority) as a result of the operation of rail passenger service required to be operated pursuant to this subsection, has incurred liabilities for damage to persons or property which are not underwritten by private insurance carriers, and (ii) that the Corporation or the State (or local or regional transportation authority) has, prior to incurring such liabilities, exercised due diligence in attempting to secure such insurance, the Corporation or the State (or local or regional transportation authority) shall be entitled to reimbursement pursuant to section 211 (j) of this Act in an amount required for full payment of such liabilities.

(b) Section 211 of the Regional Rail Reorganization Act of 1975 (45 U.S.C. 741) is amended:

(1) By inserting in subsection (a) thereof, following the phrase "as it shall prescribe,", the words "to indemnify the Corporation or a State (or a local or regional transportation authority) for rail passenger casualty losses as provided in section 304(e)(8) of this Act;"; and

(2) By adding the following new subsection:

"(j) The Association is authorized upon being notified in writing of a finding of the Director of the Rail Service Planning Office pursuant to section 304(e)(8) of this Act and of a claim for casualty loss indemnification by the Corporation or a State (or a local or regional transportation authority) for such losses in amounts not to exceed for any one casualty occurrence $50,000,000 in excess of privately underwritten losses in accordance with procedures established by the Association."

(c) Section 210(b) of the Regional Rail Reorganization Act of 1975 (45 U.S.C. 74(b)) is amended:

(1) By striking the number "395,000,000" and inserting in lieu thereof the number "495,000,000;"

(2) By striking the word "and" in paragraph (1) thereof; by striking the period at the end of paragraph (2) thereof and by inserting ": and" in lieu thereof; and

(3) By adding the following new paragraph:

"(3) to indemnify liabilities incurred by the Corporation or a State (or a local or regional transportation authority) in the manner prescribed in section 304(e) of this Act."

SEC. 401. Section 304(e)(5)(C) of the Regional Rail Reorganization Act of 1973 is amended by adding a new sentence at the end thereof as follows:

"The date of initiation of any such program to correct deferred maintenance shall establish the assistance period from which the reimbursement to which States or local public bodies or agencies thereof shall be provided."

By Mr. BELLMON:

S. 1891. A bill to amend title IV of the Social Security Act to require that dependent children of unemployed fathers be eligible for assistance under the aid to families with dependent children program, and to provide 100 percent Federal funding for such aid; to the Committee on Finance.

Mr. BELLMON. Mr. President, the question of "Welfare Reform" will soon be one of the major issues before Congress. The President has said he will send to the Congress in early August, a comprehensive proposal for restructuring public assistance programs. Each day's newspapers carry new rumors about the content of the administration's proposal. I look forward to the President's proposals.

There are many problems in our present programs. I am pleased that we are probably going to reform the food stamp program this year. I believe the changes the Senate has adopted as part of the omnibus farm bill (S. 275), will help that program to respond more sensitively to the needs of low-income families, while improving the administrative aspects of the program and helping assure that fraud and error are minimized.

Mr. President, I hope no one expects a comprehensive reshaping of the whole array of public assistance programs to come quickly or easily. The President and the Secretary of Health, Education, and Welfare have found that preparing a "Welfare Reform" proposal is considerly more difficult than the President assumed when he was making promises during last year's campaign. The Congress, which must mold a majority position out of the combined perspectives of 535 Members, is likely to have an even more difficult and time-consuming effort than is the administration in reaching a final position on "Welfare Reform."

While we are studying and debating the President's proposals and other ideas for major redesign of public assistance programs, we ought to do all we can to improve our present programs. Our colleagues on the Senate Finance Committee recognize this need and they are currently holding hearings on a number of proposed public assistance amendments. Some of these amendments have already been endorsed by the House; others are being addressed by the Finance Committee although they are not included in the House-passed bill (H.R. 7200, passed by the House of Representatives on June 14, 1977).

Mr. President, I hope the bill I now offer will receive early and positive consideration by the Finance Committee and then by this body. This bill would respond to one of the most telling criticisms of the aid to families with dependent children—AFDC—program. I refer to the charge that the program is antifamily in that, in nearly half the States, a family cannot qualify for assistance if it includes an employable male. This means that those men who have no other means of supporting their families may have no choice other than to desert their families so that the family can qualify for AFDC.

Mr. President, this is not the kind of public policy we should have in the United States of America. I am aware of some of the concerns that led to this provision in our current law. But experience with the unemployed fathers portion of AFDC in the 26 States—and the District of Columbia—which have the program has shown that it remains a small, but important component of the overall AFDC program. Currently, there are only about 150,000 families nationally in the unemployed fathers programs out of about 3½ million families receiving AFDC.

Estimates my staff have received informally from HEW indicate it would cost the Federal Government about $160 million per year to pick up the full cost of the AFDC—unemployed fathers—AFDC–UF—program in those States which do not now have it. It would obviously be unfair for the Federal Government to pay the full cost of the program only in those 24 States. Therefore, this bill provides that 100 percent of the costs of benefits to AFDC–UF families in the 50 States and the District of Columbia be assumed by the Federal Government, effective in fiscal year 1979.

Mr. President, this proposal would provide about $300 million in fiscal relief to those 26 States—plus the District of Columbia—which already have the AFDC–UF fathers program. And, it would correct a major deficiency in the AFDC program in the other 24 States. I believe the total cost of this bill—about $460 million—is justified by the significant movement it would bring toward a better public welfare system in this Na-

tion, and by the fiscal relief it would provide to some of our States which are experiencing the most strain from the welfare costs they must pay.

I ask unanimous consent to have printed in the RECORD a preliminary table obtained from HEW. This table shows the estimated benefits of this bill by State. The first column of figures are the total estimated Federal costs per year after adoption of the changes I propose. The second column of figures shows the cost of the AFDC–UF program in those States which are now operating it.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

NET COSTS TO FEDERAL GOVERNMENT AND SAVINGS TO STATES FROM MANDATING AND FEDERALIZING THE AFDC–UF PROGRAM (1978)

	AFDC–UF dollars, additional 1978 net Federal costs of mandating and federalizing UF[1]	AFDC–UF dollars, State savings 1978 from mandating and federalizing UF[2]
Alabama	4,696,646	
Alaska	1,831,584	
Arizona	6,205,279	
Arkansas	2,785,558	
California	89,543,196	89,543,196
Colorado	2,512,908	2,512,908
Connecticut	2,452,752	2,452,752
Delaware	430,872	430,872
District of Columbia	544,140	544,140
Florida	20,704,854	
Georgia	5,735,945	
Hawaii	1,219,356	1,219,356
Idaho	2,327,121	
Illinois	20,194,968	20,194,968
Indiana	11,010,435	
Iowa	2,032,104	2,032,104
Kansas	932,712	932,712
Kentucky	6,213,660	6,213,660
Louisiana	4,823,156	
Maine	3,785,526	
Maryland	3,043,548	3,043,548
Massachusetts	12,975,444	12,975,444
Michigan	43,852,788	43,852,788
Minnesota	3,093,756	3,093,756
Mississippi	908,167	
Missouri	275,616	275,616
Montana	189,888	189,888
Nebraska	85,308	85,308
Nevada	1,846,170	
New Hampshire	2,402,947	
New Jersey	44,265,312	
New Mexico	2,528,538	
New York	27,899,964	27,899,964
North Carolina	8,735,607	
North Dakota	755,441	
Ohio	32,440,776	32,440,776
Oklahoma	6,134,364	
Oregon	8,765,844	8,765,844
Pennsylvania	15,206,376	15,206,376
Rhode Island	894,624	894,624
South Carolina	2,508,165	
South Dakota	872,309	
Tennessee	4,734,204	
Texas	11,320,414	
Utah	1,310,328	1,310,328
Vermont	1,799,076	1,799,076
Virginia	10,939,847	
Washington	8,529,204	8,529,204
West Virginia	686,424	686,424
Wisconsin	8,895,648	8,895,648
Wyoming	828,218	
Totals	458,707,087	296,021,280

[1] Includes total estimated cost of UF for 1978 in states without UF plus state share in states with UF.
[2] State share of UF in those states that have the program.

By Mr. THURMOND:

S. 1892. A bill to authorize and direct the Secretary of Agriculture and the Secretary of the Interior to quitclaim retained rights to certain land in Orangeburg County, S.C., to the State superintendent of education of the State of South Carolina; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. THURMOND. Mr. President, I am today introducing legislation which would turn over all rights of certain property in Orangeburg County, S.C., to the State superintendent of education of the State of South Carolina. Specifically, this legislation would authorize the Secretaries of the Departments of Agriculture and Interior to convey the reversionary interests of the U.S. Government in an 18.10-acre tract of land located in Orangeburg County to the State superintendent of education.

As I understand it, this property was originally secured by the State department of education to be used as a camp by a group known as the New Homemakers of South Carolina for educational and recreational purposes. The 1945 transfer provided that the U.S. Government would maintain a 61.9-percent reversionary interest in the surface and mineral rights. In the event the property should ever cease to be used for the intended recreational and educational purpose the ownership would revert back to the Government.

It is my understanding that this property is no longer being used for the purposes for which it was acquired. However, the South Carolina Association of Future Homemakers of America, which took in the New Homemakers student organization after complete integration of the public schools, would like to acquire full title to this land. This cannot be accomplished without the State superintendent of education having full title to the property which would then have authority to dispose of the property.

Mr. President, the New Homemakers group made substantial investment in improving this property when it was used as a camp. Additionally, three adjoining tracts of land, comprising a total of 8.31 acres, were purchased by the Homemakers group to provide additional needed space.

Members of student organizations and home economics teachers actively used the camp from 1945 through 1970. They maintained and expanded the facilities and equipment through dues, local moneymaking projects, and personal contributions of time and money. I think it is evident that the Future Homemakers organization has made substantial investments in this 18.1-acre tract of land and in neighboring property owned entirely by the association.

I have been advised that the Government's interest cannot be released administratively. Therefore, Congress must enact special authorizing legislation in order for the Secretary of Agriculture and the Secretary of the Interior to relinquish the Federal Government's reversionary interest in the property to the State superintendent of education.

There are numerous precedents for this type of legislation in unique circumstances such as these. To cite one example from my home State, I would point out that Public Law 93–457 authorizes the Secretaries of Agriculture and Interior to convey a quitclaim deed to the Lee County, S.C., Board of Education, releasing the U.S. Government's reversionary interests in certain tracts of land. I believe the situation with respect to this property in Orangeburg County is very similar.

Mr. President, from reports I have received, the property is in a state of disrepair, because it is not currently used. The rundown appearance of the camp is of concern to members of the community, and they would like for it to be cleaned up. However, since no one has full title to the property, it is difficult to get anyone to take the time and spend the money necessary to fix up the property.

Therefore, Mr. President, I feel that it is in the best interest of the public to give full title to this property to the State

superintendent of education, who can then negotiate an appropriate settlement for the property. I hope that this legislation can be promptly approved by Congress.

Mr. President, I ask unanimous consent that a brief history of this tract of land be included in the RECORD at the conclusion of my remarks. This information further explains the background and need for this legislation. I also ask unanimous consent that this bill be printed in the RECORD following the exhibit and referred to the appropriate committee for prompt consideration.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture and the Secretary of the Interior are authorized and directed to execute and deliver to the State superintendent of education of the State of South Carolina, his successors and assigns, a quitclaim deed conveying and releasing unto the said State superintendent of education of the State of South Carolina, his successors and assigns, all right, title, and interest of the United States of America in and to a certain tract of land, situated in Orangeburg County, South Carolina, conveyed by the United States to the State superintendent of education of the State of South Carolina, by a deed dated December 9, 1945, and recorded on May 17, 1946, in the land records of the office of the clerk of court for Orangeburg County, South Carolina, in deed book 124, page 471.

BRIEF HISTORY OF NEW HOMEMAKERS CAMP, ORANGEBURG, S.C.

On December 6, 1945, a tract of land consisting of 18.10 acres was secured from the Farm Security Administration and deeded to James H. Hope, State Superintendent of Education. The land was secured through the State Superintendent of Education for $600 paid by the New Homemakers of South Carolina, an organization for Negro students in high school home economics.

The land described in the deeds as a tract of land of the Orangeburg Farms Project of Farm Security Administration was secured for a camp to be used for educational and recreational purposes by the New Homemakers of South Carolina.

The advisory committee of the association authorized the Exectuive Secretary to borrow $3,000 to move and rebuild buildings on the campgrounds, from camp 42 near Vance, South Carolina.

Three additional tracts of land indicated on the plat as tracts 2–3–4 were purchased by the organization to provide additional needed space. These three tracts of land comprising a total of 8.31 acres surround the tract secured from the Farm Security Administration. The camp was operated for use by members of the organization through 1970. From 1945 through 1970 members of the organization and home economics teachers maintained and expanded the facilities and equipment through dues, local money-making projects and personal contributions of time and money.

The organization of New Homemakers of South Carolina ceased to exist after complete integration of schools and students became members of the national and state organization of Future Homemakers of America. Other camping facilities in the state under the supervision of the FHA were used by these students for their camping program and this property was no longer needed for this purpose.

The organization of the South Carolina Association of Future Homemakers of America desires to secure a clear deed to this property with the privilege of using the property to recover some of the investment made by the organization, make the adjoining property owned by the organization useful, and to use any benefits from the property for all members of the Association.

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, Mr. JAVITS, and Mr. PELL):

S. 1893. A bill to amend the Public Health Service Act to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and for other purposes; to the Committee on Human Resources.

Mr. KENNEDY. Mr. President, I rise on behalf of myself and Senators JAVITS, SCHWEIKER, and PELL to reintroduce the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research Act, which reestablishes the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research as a Presidential Commission, broadens its jurisdiction, and expands the composition of its membership. Similar legislation passed the Senate last year, but was not acted upon in the House of Representatives.

Mr. President, this Nation was shocked several years ago by the revelations of unethical research and unethical medical practice carried out in programs sponsored by Department of Health, Education, and Welfare funds. In Tuskeegee, Ala., black men were enrolled in a syphilis study and were denied treatment for this dread disease for over 30 years, long after the time that syphilis became an easily treated disease. In Montgomery, Ala., Alice and Minnie Relph, two teenage girls, one of whom was retarded, were sterilized without their parent's knowledge or consent. In Mississippi, experimental phychosurgical techniques were carried out without proper experimental designs and without fully informed consent.

During the Health Subcommittee's investigations of these matters. Dr. Bernard Barber, the distinguished sociologist from Barnard University in New York City, presented the results of his national survey of biomedical research programs which raised profound ethical questions about all kinds of research in all kinds of settings.

The committee was shocked to see the extent of the use of approved drugs for unapproved purposes. DES was widely used as a morning-after contraceptive across the Nation, especially on college campuses, without proper informed consent. In fact, it became clear that in the United States, in spite of a strict drug regulatory system, drugs are frequently used for new purposes. Sometimes, these purposes turn out to be legitimate and approval subsequently follows. Oftentimes, these uses are not legitimate, approval never follows, and patients have no recourse except after they are injured. In the State of Tennessee, the experimental drug Depo-Provera was in widespread and common use in the family planning clinics throughout that State as an injectable contraceptive. No informed consent accompanied the use of this experimental drug. Indeed, the drug was used at the Arlington School and Hospital for the Mentally Retarded. Again, there was no informed consent.

The subcommittee also heard of the use of medical devices which were developed in isolation, without careful scientific scrutiny, and which did grievous harm to many patients.

The common thread of all of these stories was the absence of informed consent, the absence of adequate protection for the patient. In all cases, the doctor or the researcher was able to operate without the checks and balances which have since been accepted as an integral part of the biomedical and behavioral research process.

The Congress responded to these outrageous abuses by enacting the National Research Act of 1974, which established the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. Because the hearings had focused on abuses in the Department of Health, Education, and Welfare, and because it was believed that most of the violations occurred in programs under the purview of that agency, and because focusing on that agency alone was in itself a mammouth job, the Commission's jurisdiction was limited to the programs of HEW. As structured, the Commission, which has been in existence for 10 months, reviews the policies for the protection of human subjects in HEW. It specifically was charged with focusing on fetal research, psychosurgery, research on children, prisoners, and the mentally retarded, as well as the overall protection system for human subjects. It is charged with making recommendations in all of these areas. The Secretary of HEW, though not bound to follow the recommendations, must, if he chooses to disagree with the Commission, publish the reasons for his disagreement in the Federal Register so that all interested parties including the Congress will know and will have an opportunity to take corrective action if warranted. It also assures that the entire process will be a public and open one.

In establishing this Commission, the Congress clearly stated that the highly emotional issues involved in human experimentation required careful, scholarly study by a group of persons with a wide range of backgrounds. It was hoped that this interdisciplinary approach would focus the best minds in the country on the ethical dilemmas raised by human experimentation. I believe the first report of that Commission, the report to the Secretary on fetal research, illustrated the value and importance of the National Commission.

Mr. President, one of the responsibilities for the National Commission is to recommend to the Congress a mechanism for the expansion of its jurisdiction so as to cover all programs of biomedical and behavioral research which are conducted under Government funds regard-

less of which Federal agency administers those grants or contracts. I believe, however, that it is no longer necessary or desirable to wait for the Commission to make that recommendation. The revelations of the past months concerning biomedical and behavioral research abuses in the Department of Defense and the CIA underscore the urgent need to expand the National Commission's jurisdiction and to expand it now. The abuses that have been uncovered in the research programs of the Defense Department and the CIA are of a magnitude every bit as frightening, every bit as outrageous, and every bit as incompatible with the spirit of biomedical and behavioral research in this country, and warrant immediate action.

The full extent of abuses is still not known. The Defense Department itself is unable to recount to the Health Subcommittee the full extent of biomedical and research activities or the conditions under which they are carried out. We do know that research involving LSD was carried out on human subjects without their knowledge or consent. We do know that research was carried out without proper medical supervision. We do know that treatment for unexpected side effects was delayed because of the inadequate medical care. We do know that at least one death and several suicide attempts resulted from these research efforts. We do know that the LSD research experiment continued up until 1973, long after the initial hearings on human experimentation were being done by the Senate and long after the standards for the conduct of biomedical and behavioral research had altered in this country.

We also learned in these hearings that the unethical research carried out by the Defense Department usually bore a secret label. Although the Defense Department had policies enunciating high principles for the ethical conduct of biomedical and behavioral research, the abuses uncovered at the Senate hearings involved a complete departure from these principles. Experimentation boards designed to review all human subject research were bypassed by the Edgewood Arsenal in Maryland. The director of that arsenal claims never to have been instructed to send his protocols there. He also claims to have obtained informed consent from all of his patients, yet was able to furnish only a standard informed consent sheet—the same sheet was used for every single research project carried out there.

Now, Mr. President, we learn of new revelations from the CIA—revelations which make it clear that the human experimentation carried out by that agency is in violation of accepted ethical and moral standards, extended far beyond what we previously believed. Even now the extent of these research abuses is unknown.

Mr. President, the measure that I am introducing on behalf of myself and Senators JAVITS, SCHWEIKER, and PELL takes the long-needed step of assuring the people of this country that all research, no matter where it is conducted or by whom, if it is funded with Government money, will come under the purview of the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. The Commission will have its membership expanded to include the Secretaries of HEW and the Department of Defense, the Director of the CIA, and the Administrator of the Veterans' Administration as well as four Members from the House of Representatives and four Members from the Senate. The majority of members will still be non-Government employees. Current members of the National Commission will be expected to serve out the remainder of their terms. The purpose for the expansion of the membership is both to upgrade the importance and impact of the work of the Commission as well as to provide a mechanism whereby top secret research can be reviewed by those members of the Commission who have such clearance.

Mr. President, this Nation has always had a biomedical and behavioral research program second to none. The Commission gives this Nation a policy for the protection of human subjects of research second to none. It makes no sense to limit its jurisdiction. It makes no sense to have the Commission dissolved in 2 years to be replaced by a permanent advisory committee with the same responsibilities. The Nation needs a permanent Commission. This Nation needs a permanent Commission with the authority to standardize all biomedical and behavioral research conducted under Government funds. This legislation accomplishes this goal.

The Senate has seen fit to enact this measure before. It must enact it again. The time is right. The authority for the existing commission expires in December. Its track record is evident for all to see. It has earned a reputation for responsible, effective work in very difficult and controversial areas. We can look at its record with pride and look to the expansion of its responsibilities with optimism. Only after this legislation is enacted can we assure our constituents that the U.S. policy for the protection of human subjects of biomedical and behavioral research is second to none.

Mr. President, I ask unanimous consent that the full text of this legislation be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1893

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research Act of 1977".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 2. The Public Health Service Act is amended by adding after title XVII the following new title:

"TITLE XVIII PRESIDENT'S COMMISSION FOR THE PROTECTION OF HUMAN SUBJECTS OF BIOMEDICAL AND BEHAVIORAL RESEARCH

"ESTABLISHMENT OF COMMISSION

"SEC. 1801. (a)(1) There is established a Commission to be known as the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (hereinafter in this part referred to as the 'Commission').

"(b) The Commission shall be composed of eleven members appointed by the President by and with the advice and consent of the Senate. The President shall appoint—

"(1) five (and not more than five) members of the Commission from individuals—

"(A) who are or have been engaged in biomedical or behavioral research involving human subjects, and

"(B) who are especially qualified to serve on the Commission by virtue of their training, experience, or background; and

"(2) six members of the Commission from individuals—

"(A) who are not and have never been engaged in biomedical or behavioral research involving human subjects, and

"(B) who are distinguished in the fields of medicine, law ethics, theology, the biological, physical, behavioral and social sciences, philosophy, humanities, health administration, government, and public affairs.

"(c) No individual who is a full-time employee of the United States may be appointed as a member of the Commission.

"(d) Prior to the appointment of an individual as a member of the Commission under subsection (b), each such individual shall receive all agency and department security clearances necessary to assure such individual's access, as a member of the Commission, to information (as defined in section).

"(e) Until such time as the President acts to appoint members of the Commission under subsection (b), those members of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, who are serving upon the date of enactment of the Act, are deemed members of the Commission; Provided, That no classified information be made available to such members through a request of the Commission until appropriate security clearances be obtained by such members.

"(f) The term of office of each member of the Commission shall be four years; except that—

"(1) the terms of office of members first taking office shall begin on the date of appointment and shall expire, as designated by the President at the time of their appointment, four at the end of two years, four at the end of three years, and three at the end of four years;

"(2) * * * prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(3) a member whose term has expired may serve until his Successor has been appointed.

"(g)(1) The members of the Commission shall elect a Chairman and one Vice Chairman from among themselves. Either the Chairman or Vice Chairman may be a scientist; however both shall not be scientists.

"(2) Seven members of the Commission shall constitute a quorum for business, but a lesser number may conduct hearings.

"(3) The Commission shall meet at the call of the Chairman or at the call of a majority of its members.

"(4) No individual may be appointed to serve as a member of the Commission, if such individual has served for two terms of four years each.

"(5) A vacancy on the Commission shall not affect the authority or activities of the Commission.

"(h) Members of the Commission shall receive compensation at a rate to be fixed by the Commission, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for GS–18 of the General Schedule while engaged in the actual performance of the duties vested in the

Commission, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

"(i) The Secretary of Health, Education, and Welfare, the Secretary of Defense, the Director of Central Intelligence, the Director of the Office of Science and Technology Policy (established under the Presidential Science and Technology Advisory Organization Act of 1976), the Administrator of Veterans' Affairs, and the Director of the National Science Foundation shall each designate an individual to serve as a nonvoting, ex-officio advisor to the Commission.

"(j) The Commission may secure directly from any department or agency information necessary to enable it to carry out its duties. Upon the written request of the Chairman of the Commission, or eight members thereof, each department or agency shall furnish all information requested by the Commission which is necessary to enable the Commission to carry out its duties.

"DUTIES AND FUNCTIONS OF THE COMMISSION

"GENERAL

"SEC. 1802. (a)(1)(A) The Commission shall conduct a comprehensive investigation and study to identify the basic ethical principles which should underlie the conduct of biomedical and behavioral research involving human subjects.

"(B) In carrying out the provisions of subparagraph (A), the Commission shall consider at least the following:

"(i) The boundaries between biomedical or behavioral research involving human subjects and the accepted and routine practice of medicine;

"(ii) The role of assessment of risk-benefit criteria in the determination of the appropriateness of research involving human subjects;

"(iii) Appropriate guidelines for the selection of human subjects for participation in biomedical and behavioral research;

"(iv) Appropriate mechanisms to assure the full exercise of the rights and full protection of the interests of human subjects of biomedical and behavioral research;

"(v) The nature and definition of informed consent in various settings;

"(vi) The principles identified and developed by the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research; and

"(vii) All relevant work of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.

"(2) The Commission shall develop comprehensive and uniform policies, procedures and guidelines which should be followed in biomedical and behavioral research involving human subjects to assure that it is conducted in accordance with principles identified by the Commission under subsection (a)(1)(A) and concerning any other matter pertaining to the full exercise of the rights and full protection of the interests of human subjects of such research.

"(3) The Commission shall advise, consult with, and make recommendations to any department or agency concerning such administrative or other action as may be appropriate or necessary to apply the policies, procedures and guidelines developed under paragraph (2) to biomedical and behavioral research conducted, funded or regulated under programs administered by such departments or agencies, and concerning any other matter pertaining to the full exercise of the rights and full protection of the interests of human subjects of biomedical and behavioral research.

"(4) The Commission shall, from time to time, monitor the implementation of those policies, procedures and guidelines recommended by the Commission under paragraph (3).

"(b)(1) The Commission shall investigate and study biomedical and behavioral research conducted, supported or regulated under programs administered by any department or agency and involving children, prisoners, military personnel, and the institutionalized mentally infirm to determine—

"(A) The nature of the consent obtained from such persons or their legal representatives before such persons were involved in such research;

"(B) The adequacy of the information given them respecting the nature and purpose of the research, procedures to be used, risks and discomforts, anticipated benefits from the research, and other matters necessary for informed consent; and

"(C) The competence and the freedom of the persons to make a choice for or against involvement in such research.

* * * * *

ments if any for informed consent for participation in biomedical and behavioral research involving children, prisoners, military personnel and the institutionalized mentally infirm.

"(3) The Commission shall advise, consult with, and make recommendations to any department or agency concerning such administrative or other action as may be appropriate or necessary to assure that biomedical and behavioral research conducted, funded or regulated under programs administered by such department or agency meet the special requirements for informed consent, if any, identified by the Commission under paragraph (2).

"(c)(1) The Commission shall conduct an investigation and study of the scope, nature and extent of personal injuries to and deaths of individuals which were proximately caused * * * behavioral research program. Such study shall include recommendations for a method of compensation for such injuries and deaths.

"(2) Upon completion of the study, the Commission shall simultaneously submit copies of a report on such study to the appropriate departments or agencies and to the appropriate committees of Congress.

"(d)(1)(A) The Commission shall develop comprehensive and uniform policies, procedures and guidelines consistent with this part which should be followed by each department or agency in establishing, implementing, certifying and monitoring Human Investigation Review Boards in those entities which receive funds from or which are regulated by each such department or agency.

"(B) In carrying out the provisions of subparagraph (A), the Commission shall include among other matters, comprehensive and uniform policies, procedures and guidelines concerning—

"(i) The establishment, operation and functions of the Protocol Review Subcommittee and the Subject Advisory Subcommittee required under subsection (c) of section ;

"(ii) The nature and extent of public participation in the decisionmaking process of the Human Investigation Review Boards and Subcommittees;

"(iii) The inclusion of the public in meetings of such Boards and Subcommittees;

(iv) The requirement for public hearings by such Boards and Subcommittees; and

"(v) The requirement of public disclosure of decisions of such Boards and Subcommittees and the nature and scope of such disclosure.

"(2) The Commission shall advise, consult with, and make recommendations to any department or agency for such administrative or other action as may be appropriate or necessary to establish, implement, certify and monitor Human Investigation Review Boards in entities which receive funds from which are regulated by such departments or agencies.

"(3) Once a department or agency has required the establishment of Human Investigation Review Boards in those entities which receive funds from or which are regulated by such department or agency, the Commission shall, from time to time, monitor such department's or agency's policies, procedures, guidelines and other administrative actions.

"(f) The Commission shall continually review the ethical, social, and legal implications of all biomedical and behavioral research involving human subjects conducted, funded or regulated by any department or agency, and shall make appropriate recommendations to any such department or agency, for the protection of human subjects of such research.

"(g)(1) The Commission shall compile a complete list and record of decisions of Human Investigation Review Boards and shall annually publish reports of important decisions and distribute such reports to the public.

"(2) The Commission shall ensure communication among Human Investigation Review Boards as it determines necessary to permit such Boards to be informed about the activities, standards and decisions of such Boards.

"SPECIAL STUDY

"SEC. 1803. (a) The Commission shall undertake a comprehensive study of the ethical, social and legal implications of advances in biomedical and behavioral research technology. Such study shall include

"(1) an analysis and evaluation of scientific and technological advances in past, present and projected biomedical and behavioral research and services;

"(2) an analysis and evaluation of the implications of such advances, both for individuals and for society;

"(3) an analysis and evaluation of laws and moral and ethical principles governing the use of technology in medical practice;

"(4) an analysis and evaluation of public understanding of and attitudes toward such implications and laws and principles; and

* * * * *

public policy of such findings as are made by the Commission with respect to advances in biomedical and behavioral research and technology and public attitudes toward such advances. "(b)(1) The Commission shall simultaneously submit copies of a report on such study to the appropriate departments or agencies and to the appropriate committees of Congress.

"(2) The Commission may, if it deems it appropriate, include in such report recommendations to such departments or agencies and to Congress.

"DELIVERY OF HEALTH SERVICES

"SEC. 1804. (a)(1) The Commission shall identify the basic ethical principles which should underlie the delivery of health services to persons.

"(2) In carrying out the provisions of paragraph (1), the Commission shall—

"(A) study those basic ethical principles identified in subsection (a)(1)(A) of section 1802 for the purpose of determining their application to the delivery of health services to persons;

"(B) conduct a comprehensive investigation and study to identify those basic ethical principles which—

"(i) should underlie the delivery of health services to persons; and

"(ii) were either not identified under subsection (a)(1)(A) of section 1802 or if identified under such subsection were determined by the Commission to be inapplicable to the delivery of health services to persons.

"(b) The Commission shall develop comprehensive and uniform policies, procedures, and guidelines which should be followed in the delivery of health services to persons

to assure that such services are performed in accordance with principles identified by the Commission under subsection (a) and concerning any other matter pertaining to the full exercise of the rights and full protection of the interests of persons receiving health services.

"(c) The Commission shall advise, consult with, and make recommendations to any department or agency the Commission deems appropriate concerning such administrative or other action as may be appropriate or necessary to apply the policies, procedures, and guidelines developed under subsection (b) to the delivery of health services to persons and concerning any other matter pertaining to the full exercise of the rights and full protection of the interests of such persons.

"(d) The Commission shall, from time to time, monitor the implementation of those policies, procedures and guidelines recommended by the Commission under subsection (c) and adopted by departments or agencies.

"HUMAN INVESTIGATION REVIEW BOARDS

"ESTABLISHMENT AND OPERATION

"SEC. 1805. (a) Each department or agency shall, in consultation with the Commission—

"(1) develop policies, procedures and guidelines for the establishment and operation of Human Investigation Review Boards in entities which receive funds from or which are regulated by such department or agency;

"(2) require the establishment and operation of a Human Investigation Review Board by each such entity;

"(3) take such administrative or other action as may be necessary or appropriate to require the establishment and effective operation of a Human Investigation Review Board by each such entity.

"(b)(1) The members of each Human Investigation Review Board shall be appointed by the chief executive officer of the entity in accordance with policies, procedures, guidelines and regulations established by a department or agency.

"(2) No member of a Human Investigation Review Board shall be involved in either the initial or continuing review of an activity in which he has a conflict of interest as defined by the Commission, except to provide such information as may be requested by such Human Investigation Review Boards.

"(c) Each Human Investigation Review Board shall establish two subcommittees as follows:

"(1) a Protocol Review Subcommittee, which shall be responsible for approving, disapproving, or offering suggestions and modifications of protocols for experimental procedures;

"(2) a Subject Advisory Subcommittee, which shall be primarily concerned with the protection of the rights and interests of subjects of biomedical and behavioral research, and shall assure that human subjects are as well informed about the nature of the research as is reasonably possible.

"(d) Notwithstanding any other provision of law, no entity shall be required to establish more than one Human Investigation Review Board.

"(e) In a case where the policies, procedures, or guidelines of more than one department or agency conflict and a Human Investigation Review Board or an entity cannot resolve the application of such conflicting policies, procedures or guidelines, the Commission shall decide the resolution of such conflict.

"CERTIFICATION

"SEC. 1806. (a) Each department or agency which funds or regulates an entity with respect to biomedical and behavioral research involving human subjects shall certify that the Human Investigation Review Board of such entity is in conformity with the requirements of subsection B.

"(b) No human Investigation Review Board shall be certified by a department or agency unless such department or agency is satisfied that—

"(1) the entity has established a Human Investigation Review Board in such manner as is required by this title and by such department or agency;

"(2) the Human Investigation Review Board will operate in a manner so as to assure the full exercise of the rights and full protection of the interests of subjects of biomedical and behavioral research consistent with the ethical and moral principles identified by the Commission, pursuant to section 1801.

"DUTIES OF THE HUMAN INVESTIGATION REVIEW BOARDS

"SEC. 1807. It shall be the duty of each Human Investigation Review Board, established under section 1805, to—

"(a) establish policies for the review of research sponsored in whole or part by federal funds or required by federal regulation, consistent with the policies, procedures and guidelines of appropriate departments or agencies;

"(b) assume full responsibility to ensure that biomedical and behavioral research involving human subjects is carried out under the safest possible conditions and with the fully informed consent of the subject (or his family) in a manner fully consistent with the policies, procedures and guidelines of appropriate departments or agencies;

"(c) seek the consultative services of the Commission on any decision, or for the provision of information needed to arrive at a decision; and

"(d) initiate, if appropriate, the referral of particular decisions to the Commission in accordance with regulations promulgated by the Commission.

"MONITORING AND INSPECTION

"SEC. 1808. (a) A department or agency which has certified the Human Investigation Review Board of an entity shall, from time to time, monitor the operation and activities of—

"(1) such Board, and

"(2) such entity,

to determine whether the operation and activities of such Board and entity are in compliance with this title, and the policies, procedures, guidelines and regulations of such department or agency.

"(b)(1) A department or agency which has certified the Human Investigation Review Board of an entity shall, from time to time, inspect such entity to determine whether it is in compliance with this title, and the policies, procedures, guidelines and regulations of such department or agency.

"(2) In the case of an entity inspected pursuant to this section, the inspection shall extend to all tangible things therein, including records, files, papers, documents, processes, controls, and facilities, which such department or agency finds relevant or material to whether such entity is in compliance with this title, and the policies, procedures, guidelines, and regulations of such department or agency.

"(c) The monitoring and inspection authority of any department or agency, pursuant to this section, shall be limited to those operations, activities and tangible things which relate to research funded, in whole or in part, by or required pursuant to a regulation of such department or agency.

"RECORDKEEPING REQUIREMENTS

"SEC. 1809. If an entity has established a Human Investigation Review Board and such Board has been certified by a department or agency, such entity shall—

"(a) establish and maintain such records, make such reports, and provide such information as any such department or agency shall by regulation or order require to determine whether such entity is in compliance with this title, and the policies, procedures, guidelines and regulations of such department or agency; and

"(b) make such records, files, papers, documents, processes and controls which such department or agency finds material or relevant to whether such entity is in compliance with this title, and the policies, procedures, guidelines, and regulations of such department or agency available to such department or agency, or any of its duly authorized representatives for examination, copying, or mechanical reproduction on or off the premises of such entity upon the reasonable request therefor.

"(c)(1) A department or agency shall not disclose any information reported to or otherwise obtained by it pursuant to this title which concerns any information which contains or relates to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code.

"(2) The Commission, each department or agency and each entity which is required to establish and maintain records, make reports, and provide information pursuant to this title shall in securing and maintaining any record of individually identifiable personal data (hereinafter in this subsection referred to as 'personal data') for purposes of this title—

"(A) inform any individual who is asked to supply personal data whether he is legally required, or may refuse, to supply such data and inform him of any specific consequences, known to the Commission, department or agency, or entity, as the case may be, of providing or not providing such data;

"(B) upon request, inform any individual if he is the subject of personal data secured or maintained by the Commission, department or agency, or entity, as the case may be, and make the data available to him in a form comprehensible to him;

"(C) assure that no use is made of personal data which is not within the purposes of this title unless an informed consent has been obtained from the individual who is the subject of such data; and

"(D) upon request, inform any individual of the use being made of personnel data respecting such individual and of the identity of the individuals and entities which will use the data and their relationship to the Commission, department or agency, or entity.

"(3) Any entity which maintains a record of personal data and which receives a request from the Commission or a department or agency for such data for purposes of this title shall not transfer any such data to the Commission or a department or agency unless the individual whose personal data is to be so transferred gives an informed consent for such transfer.

"(4) Notwithstanding any other provision of law, personal data collected or maintained by the Commission or a department or agency, pursuant to this title, may not be made available or disclosed by the Commission or a department or agency to any person or entity other than the individual who is the subject of such data. Such personal data may not be required to be disclosed by any Federal, State, or local civil, criminal, administrative, legislative or other proceeding.

"(d) Any person who unlawfully discloses the contents of any record, file, paper, document, process or control shall upon conviction be fined not more than $500 in the case of a first offense, and not more than $5,000 in the case of each subsequent offense.

"(e) The recordkeeping requirements established by any department or agency shall be limited to those operations and activities which relate to research funded by or required pursuant to a regulation of such department or agency.

"INTERIM PROVISIONS

"SEC. 1810. (a) Until such time as a Human Investigation Review Board has been certified by a department or agency, each department or agency shall determine with respect to biomedical and behavioral research conducted, supported or required by regulation under programs administered by each such department or agency that—

"(1) the rights of human subjects of such research are fully exercised;

"(2) the interests of human subjects of such research are fully protected;

"(3) the risks to a human subject of such research are outweighed by the potential benefits to him or by the importance of the knowledge to be gained from such research;

"(4) informed consent is given by each human subject in accordance with the provisions of this section.

"(b) For purposes of this section only, the term 'informed consent' shall mean the consent of a person, or his legal representative, so situated as to be able to exercise free power of choice without the intervention of any element of force, fraud, deceit, duress, or other form of constraint or coercion. Such consent shall be evidenced by a individualized written document signed by such person, or his legal representative. The information to be given to the subject and recorded with such written document shall include the following basic elements:

"(1) a fair explanation of the procedures to be followed, including an identification of any which are experimental;

"(2) a description of any attendance discomforts and risks reasonably to be expected;

"(3) a fair explanation of the likely results should the experimental procedure fail;

"(4) a description of any benefits reasonably to be expected;

"(5) a disclosure of any appropriate alternative procedures that might be advantageous for the subject;

"(6) an offer to answer any inquiries concerning the procedures; and

"(7) any other matter which a department or agency deems appropriate for the full exercise of the rights and full protection of the interests of human subjects of biomedical and behavioral research.

"In addition, the written document executed by such person, or his legal representative, shall include no exculpatory language through which the subject is made to waive, or to appear to waive, any of his legal rights, or to release the institution or its agents from liability for negligence. Any organization which initiates, directs, or engages in programs of research, development, or demonstration which require informed consent shall keep a permanent record of such consent and the information provided the subject and develop appropriate documentation and reporting procedures as an essential administrative function.

"ADMINISTRATION PROVISIONS

"SEC. 1811. (a) The Commission may for the purpose of carrying out its duties hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission deems advisable.

"(b)(1) The Commission may appoint and compensate, at a rate not to exceed the annual rate of basic pay in effect for grade GS–18 of the General Schedule, an executive director, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, who shall administer full-time the daily activities of the Commission.

"(2) The Commission may appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(3) The Commission may procure, in accordance with the provisions of section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants. Persons so employed shall receive compensation at a rate to be fixed by the Commission, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for Grade GS–18 of the General Schedule. While away from his home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(c)(1) Except as provided in paragraph (2), the Commission may publish and disseminate to the public such reports, information, recommendations, and other material relating to its functions, activities, and studies as it deems appropriate.

"(2) The Commission shall not disclose any information reported to or otherwise obtained by it in carrying out its functions which (1) identifies any individual who has been the subject of an activity studied or investigated by the Commission, (2) concerns any information which contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, or (3) is properly classified for any purpose by a federal agency.

"(d) Within sixty days of the receipt of any recommendation made by the Commission under this part, the appropriate department or agency shall publish it in the Federal Register and provide opportunity for interested persons to submit written data, views, and arguments with respect to such recommendation. The appropriate department or agency shall (1) determine whether the administrative or other action proposed by such recommendation is appropriate to assure the protection of human subjects of biomedical and behavioral research conducted, supported or required by regulation under programs administered by it, and (2) if it determines that such action is not so appropriate, publish in the Federal Register such determination together with an adequate statement of the reasons for its determination. If the appropriate department or agency determines that administrative action recommended by the Commission should be undertaken by it, it shall undertake such action as expeditiously as is feasible.

"(e) The Commission may make grants and enter into contracts for the purpose of undertaking any required investigation or study, for the development of required policies, procedures and guidelines and for monitoring compliance with this title and the policies, procedures, guidelines and regulations of a department or agency.

"(f) The Commission shall determine the priority and order of those duties and functions required to be performed under this title.

"(g)(1) Upon a determination by the Commission that sufficient information already exists concerning an area of investigation and study required to be conducted under this title, the Commission may decide that such investigation and study need not be conducted. In such a case, the Commission shall utilize already existing information as the basis for identifying those principles and developing those policies, procedures and guidelines required under this title.

"(2) Unless the Commission has determined that an investigation and study required under this title need not be conducted pursuant to paragraph (1), each investigation and study shall be completed within three years from the date of enactment of the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research Act of 1977.

"(h)(1) Pursuant to any activity relating to its duties and functions under this title, the Commission may subpoena witnesses, compel the attendance and testimony of witnesses, and require the production of any records and information, including records, files, papers, documents, processes and controls and other tangible things, which the Commission finds relevant or material to its duties and functions. The attendance of witnesses and the production of records may be required from any place in any State or in any territory or other place subject to the jurisdiction of the United States at any designated place of hearing; except that a witness shall not be required to appear at any hearing any more than 500 miles distant from the place where he was served with a subpoena. Witnesses summoned under this section shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(2) A subpoena issued under this section may be served by any person designated in the subpoena to serve it. Service upon a natural person may be made by personal delivery of the subpoena to him. Service may be made upon a domestic or foreign corporation or upon a partnership or other unincorporated association which is subject to suit under a common name, by delivering the subpoena to an officer, to a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process. The affidavit of the person serving the subpoena entered on a true copy thereof by the person serving it shall be proof of service.

"(3) In the case of contumacy by or refusal to obey a subpoena issued to any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which the activity is carried on or of which the subpoenaed person is an inhabitant, or in which he carries on business or may be found, to compel compliance with the subpoena. The Court may issue an order requiring the subpoenaed person to appear before the Commission to produce records, if so ordered, or to give testimony touching the matter under consideration. Any failure to obey the order of the court may be punished by the court as a contempt thereof. All process in any such case may be served in any judicial district in which such person may be found.

"(i) On November 1 of each year, each department or agency shall each submit a report simultaneously to the President and to the appropriate committees of Congress. Each such report shall include with respect to the previous fiscal year—

"(1) a complete list and description of all recommendations made to such department or agency by the Commission;

"(2) a description of what action such department or agency took with respect to each such recommendation;

"(3) in those situations where such department or agency accepted a recommendation, a description of the policies, procedures, guidelines, regulations, and other administrative actions were taken by such department or agency to implement such recommendation;

"(4) in those situations where such department or agency failed to accept, in whole or in part, a recommendation, a description of the reasons for such failure; a description of policies, procedures, guidelines, regulations, and other administrative actions were followed in lieu of such recommendation; and what were the results.

"(j) Section 14 of the Federal Advisory

Committee Act shall not apply with respect to the Commission.

"PENALTIES

"SEC. 1812. (a) No entity may receive any federal funds from a department or agency, for the conduct of biomedical or behavioral research unless such entity has established a Human Investigation Review Board which has been certified by such department or agency.

"(b) No entity may receive a federal approval by a department or agency of a program, patent, product or study which requires the conduct of biomedical or behavioral research unless such entity has established a Human Investigation Review Board which has been certified by such department or agency.

"DEFINITIONS

"SEC. 1813. (a) As used in this title the term—

"(1) "Commission" means the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.

"(2) "President" means the President of the United States.

"(3) "Department or Agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

"(A) the Congress;

"(B) the courts of the United States;

"(C) the governments of the territories or possessions of the United States; and

"(D) the government of the District of Columbia.

"(4) "entity" includes an individual, partnership, corporation, association, or public or private organization but does not include a department or agency which conducts biomedical or behavioral research solely through grants or contracts.

"(5) "information" includes any information which is classified or deemed to be classified for any purpose (including national security) by an agency or department.

"(6) "health services" means those health services which are supported or financed by federal funds.

"(7) "regulated" and "required pursuant to a regulation" means any biomedical or behavioral research involving human subjects which is required to be conducted pursuant to a regulation of a department or agency as a condition precedent to an approval by such department or agency of a program, patent, substance, product, or study.

"(b) As used in subsection (b) of section 1802 the term—

"(1) 'children' means individuals who have not attained the legal age of consent to participate in research as determined under the applicable law of the jurisdiction in which the research is to be conducted.

"(2) 'prisoners' means individuals involuntarily confined in correctional institutions or facilities as defined in section 601 of the Omnibus Crime Control and Safe Streets Act of 1968 (54 U.S.C. 3781).

"(3) "institutionalized mentally infirm' includes individuals who are mentally ill, mentally retarded, emotionally disturbed, psychotic, or senile, or who have other impairments of a similar nature and who reside as patients in an institution.

"(4) the term 'military personnel' means individuals who are active and inactive members of the United States Armed Forces and employees and agents of the Central Intelligence Agency.

MISCELLANEOUS

SEC. 3. (a) Part A of title II of the National Research Act (42 U.S.C. 2891) is repealed.

(b) Sections 211 and 213 of the National Research Act are repealed.

(c) Subsections (f) of section 217 of the Public Health Service Act (42 U.S.C. 218(f)) is repealed.

EFFECTIVE DATE

SEC. 4. This Act and the amendments made by this Act shall take effect on October 1, 1977, except that the provisions of section 1812 shall not take effect until April 1, 1978.

Mr. JAVITS. Mr. President, for the past several years this country has been hearing numerous accounts of human participation in military and CIA drug research experiments. Such accounts demonstrate the need for the bill Senators KENNEDY, SCHWEIKER, and I join in introducing today.

It is alleged that much of the military personnel research and experimentation is done under the auspices of HEW research guidelines. Yet, the Congress, over the past year, has heard evidence which raises serious questions regarding how, if at all, such guidelines are implemented.

I am convinced that Congress has a responsibility to assure meaningful legal controls of all federally supported research activities involving human subjects.

The bill we introduce today builds upon the foundation created in Public Law 93-348—which is based on legislation Senator KENNEDY and I authored. It established a Commission to conduct a comprehensive investigation and study to identify the basic ethical principles which should underlie the conduct of biomedical and behavioral research involving human subjects. The Commission was also required to develop guidelines which should be followed in such research to assure that it is conducted in accordance with ethical principles. However, the law is limited to HEW-funded research activities.

To achieve responsible control of all federally supported research activity involving human subjects, this bill would:

First, Transfer the present established in law, time limited HEW National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research into a Presidential Commission.

Second. Broaden Commission membership to include along with HEW Secretary, the following: DOD Secretary; CIA Director; VA Administrator; and eight Members of Congress, equally divided between House and Senate.

Third. Authorize qualified public members to be appointed by the President with Senate advice and consent, for varying terms; however, until such time as the President makes such appointment recommendations for Senate advice and consent, the existing public members continue to serve on Commission.

Fourth. Broaden scope of Commission activities re experimentation issues to include all federally funded biomedical and behavioral research programs.

Fifth. Authorize nonappointed members—as provided in "Second" above—to serve as a select committee within the Commission. It would obtain Commission requested data respecting federally funded biomedical and behavioral research programs, which is alleged to be classified, and necessary for the Commission to carry out its duties under the act. Then the Select Committee would determine—by majority vote—whether such information should be made available to the Commission. The standard they would apply is whether the failure to provide such information could have an adverse impact upon the protection of human subjects at risk in research without regard to the alleged sensitive nature of the classified information.

Sixth. Transfer all present Commission authority to the newly established Commission and modify, as appropriate, to whom Commission recommendations respecting research apply.

Although medical experimentation on human beings is as old as recorded history—the ancient Persians experimented on condemned criminals—the increase in human subject research, coupled with the desire to apply new knowledge quickly, make it prudent for the Congress to act now to provide additional statutory protection for the rights of individuals who participate in research.

It may be necessary for reasons of national security to authorize special consideration for research involving military personnel—and this bill provides for that contingency. However, civilized society cannot tolerate callous disregard of human rights for any purpose—and the bill achieves that goal.

Mr. SCHWEIKER. Mr. President, last weekend articles describing the extent of human drug experimentation by the Central Intelligence Agency were again in the news. I have followed these continuing revelations with great interest, as a former member of the Senate Select Committee on Intelligence Activities and as the ranking Republican member of the Senate Subcommittee on Health and Scientific Research.

I am pleased that more information about this program is becoming available to the public, but at the same time I am deeply disturbed by the pattern of disregard for the basic rights of human subjects of research which is illustrated by these disclosures. Although the particular CIA drug testing program which was the subject of this weekend's news reports ended years ago, I believe legislation like that Senators KENNEDY, JAVITS, and I are introducing today is clearly needed if we are to guard against future abuses.

During hearings before the Senate Health Subcommittee last session, we explored the human experimentation activities of the Department of Defense and the CIA. We learned of secret experiments with LSD and other hallucinogenic drugs conducted on military personnel with virtually no medical supervision or followup and little adherence to established ethical principles. Earlier this session, the subcommittee held another set of hearings focusing on Department of Defense biological warfare testing activities, which in the past had exposed countless Americans to potentially disease-producing organisms by releasing live bacteria into the open air over populated areas.

It is my understanding that the material recently discovered further detailing the CIA's drug-related activities still does not provide a complete picture of the agency's program, but it does point

to additional cases of drugs being tested on American citizens without their knowledge; research on surreptitious means of administering drugs; and the use of drug addicts, alcoholics, and advanced cancer patients as subjects. In addition, there is a possibility that improper payments were made. I commend Senator KENNEDY for his decision to schedule prompt Health Subcommittee hearings on this new information, to complete the hearing record of our subcommittee.

The bill we introduce today is similar to legislation passed by the Senate on a voice vote last Congress. It establishes the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and transfers the functions, powers, and duties of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research to the new Commission. The Commission shall be responsible for the review of all federally funded biomedical and behavioral research programs.

Mr. President, in the area of human experimentation, we can allow nothing short of the highest ethical standards. My work on the Select Committee on Intelligence Activities, together with my experience on the Health Subcommittee, convinces me this bill is a necessary step to guarantee the safety of all Americans.

By Mr. FORD (for himself and Mr. PEARSON) (by request):

S. 1895. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for fiscal year 1979; to the Committee on Commerce, Science, and Transportation.

Mr. FORD. Mr. President, I introduce today, at the request of the Department of Transportation, and on behalf of myself and my colleague, Mr. PEARSON, a bill to amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for fiscal year 1979.

I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 15 of the Natural Gas Pipeline Safety Act of 1968 is amended:

(1) in subsection (a) thereof, by striking out "and" after "1977," and by inserting after "1978," the following: "and such sums as are necessary for the fiscal year ending September 30, 1979,"; and

(2) in subsection (b) thereof, by striking out "and" after "1977," and by inserting after "1978" the following: ", and such sums as are necessary for the fiscal year ending September 30, 1979".

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., June 3, 1977.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill, "To amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for fiscal year 1979."

The proposed bill would amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for the pipeline safety program for fiscal year 1979. The authorization for Federal grants-in-aid to the States would be stated separately from the authorization for administration of the program.

The proposed legislation will not serve to impact adversely the environment nor will it have an inflationary impact on the economy.

The Office of Management and Budget has advised that the Administration has no objection to the transmission of this proposed legislation to the Congress.

Sincerely,

BROCK ADAMS.

By Mr. FORD (for himself and Mr. PEARSON) (by request):

S. 1896. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal year 1979; to the Committee on Commerce, Science, and Transportation.

Mr. FORD. Mr. President, I introduce today, at the request of the Department of Transportation, and on behalf of myself and my colleague, Mr. PEARSON, a bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal year 1979.

I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 115 of the Hazardous Materials Transportation Act (49 U.S.C. 1812) is amended by: (1) striking out "and" after September 30, "1976,", (2) striking the comma after "1977", and (3) inserting after "1978" the following: ", and such sums as are necessary for the fiscal year ending September 30, 1979".

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., June 3, 1977.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill, "To amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal year 1979."

The proposed bill would amend the Hazardous Materials Transportation Act to authorize appropriations for the Department of Transportation's Materials Transportation Bureau to carry out the functions assigned to it with respect to the transportation of hazardous materials under the Hazardous Materials Transportation Act and various other statutes and for the Secretary for other activities carried out pursuant to this Act.

The proposed legislation will not serve to impact adversely the environment nor will it have an inflationary impact on the economy.

The Office of Management and Budget has advised that the Administration has no objection to the transmission of this proposed legislation to the Congress.

Sincerely,

BROCK ADAMS.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S.J. Res. 72. A joint resolution authorizing the President to proclaim annually a week during the first 10 days of May as "Pacific/Asian American Heritage Week"; to the Committee on the Judiciary.

Mr. INOUYE. Mr. President, Senator MATSUNAGA and I today introduce a Senate Joint Resolution that would authorize the President to annually issue a proclamation designating a week in early May as "Pacific/Asian American Heritage Week."

The intent of this measure, consistent with previous resolutions passed by the Congress addressed to our Nation's Spanish-speaking and black Americans, is to set aside a specific time of year for the recognition of the more than 1.4 million Pacific/Asian Americans and their distinguished contributions to America's rich cultural heritage and modern development.

We may all find assurance in the great strides which our country has taken in the area of civil rights and simple awareness of the traditions of other cultural groups. Much, however, still needs to be done to engender a lasting respect for the ethnic differences found in the United States.

Many years ago the State of Texas ran a population survey to determine the racial composition of its population. With only three categories provided in the questionnaire, the tens of thousands of Pacific/Asian Americans living in cities like Houston, Dallas, and San Antonio were advised by Texas officials to check the box marked "white."

Some of you may recall the days during World War II when Life magazine and other national publications ran pictures of a Chinese man and a Japanese man side by side with lines drawn to their facial and body features and short descriptions of their differences. The message to the readers was: Be able to tell the difference between your friend and your enemy.

To this day the rich Polynesian heritage of the Native Hawaiian people, and the contributions they and other Pacific/Asian Americans have made in all aspects of American life are all but unknown outside of the immediate area.

These are just a few of the many examples illustrating my belief that the Pacific/Asian American community is, perhaps, among the least understood minority groups in this country. Therefore, I feel it is especially important that a week be set aside to assess the many contributions which Pacific/Asian Americans have made.

With increasing frequency Americans throughout the country are learning about the dramatic histories of their immigrant past, and are beginning to realize that genuine assimilation and true understanding amongst all the ethnic groups of our Nation cannot come about without a deeper sense of appreciation for their differences. A future of lasting internal cooperation and good will in the United States must start with a greater knowledge of the valuable backgrounds of each fellow American.

If we love our country, all of us must do our utmost to insure that the ethnic identities within it are kept intact, and, just as importantly, that we are able to grow as a nation from an awareness of them. Our differing backgrounds and past contributions are rich resources which every American brings to his fellow citizen today. They are to be treas-

ured, shared, learned from, and built upon. Accordingly, our task now is to eradicate the false stereotypes and images. the misunderstandings which linger still today, and to replace these with an awareness of the true worth of each contributing cultural group.

Toward this end, I urge my colleagues to join Senator MATSUNAGA and me in sponsorship of this resolution and support for its passage. I am pleased to inform this body that this measure is supported actively by the National Coalition for a Pacific/Asian American Heritage Proclamation, a broad-based group of Pacific island and Asian American associations across the country.

Mr. President, I request unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 72

Resolved by the Senate and House of Representatives of the Untied States of America in Congress assembled, The President shall hereby be authorized and requested to issue annually a proclamation designating a week during the first 10 days of May as "Pacific/Asian American Heritage Week" and calling upon the people of the United States, especially the educational community to observe such week with appropraite ceremonies and activities.

Mr. MATSUNAGA. Mr. President, today I am pleased to introduce with my colleague, Senator DANIEL K. INOUYE, a joint resolution to commemorate the contributions of Pacific/Asian Americans to the United States. A similar resolution was introduced in the House by Representative NORMAN MINETA and Representative FRANK HORTON on June 30, 1977.

Numerically, Pacific/Asian Americans do not constitute a significant minority in the United States. However, their enormous contributions to this Nation's growth and progress are of a magnitude far greater than their numbers would seem to indicate. This is true in many fields, but it is particularly noticeable in the sciences and in the arts where Pacific/Asian Americans have made major strides to benefit all Americans.

There is a need for all Americans to appreciate the significance and the relevance of Pacific/Asian American experience to the mainstream of America's culturally pluralistic past and present. Through their labor, Pacific/Asian Americans have aided in the building of the Nation's transcontinental rail system and in the growth of farming and agriculture. Numerous contributions of Pacific/Asian Americans have been made in the food and fashion industries as well. Technical skills and knowledge have advanced education and the sciences. In 1957, Chinese Americans Chem Ning Yang and Tsung Dao Lee received international recognition as recipients of the Nobel physics prize for their work in disproving the law of conservation of parity. More recently, in 1976 Samuel C. C. Ting, from the Massachusetts Institute of Technology, was the Pulitizer prize winner in physics. Thomas Noguchi is a nationally known figure in forensic medicine. Dr. C. H. Li, with the Albert and Mary Lasker Foundation in New York, has contributed significantly to medical research and medical journalism in the field of biochemistry.

Military achievements by Pacific/Asian Americans can also be cited. The World War II exploits and the record of the 100th Infantry Battalion and the 442d Regimental combat team, consisting of Japanese-Americans, is now legendary. Together they constitute the most highly decorated unit in the military history of the United States.

Artistic accomplishments by Pacific/Asian Americans are also reflected in literature, theater, music, and other forms of the fine arts. Noted for their artistry and craftsmanship are architects Minoru Yamasaki and I. M. Pei, designers of Washington's L'Enfant Plaza. Expanding the esthetic world of watercolor paintings is artist Don Kingman. Innovation in motion picture cinematography can be attributed to the talents of James Wong Howe. In literature, author Michi Weglyn has received international acclaim for "Years of Infamy: The Untold Story of America's Concentration Camps."

The true greatness of the United States lies in its multi-ethnic character. The mosaic pattern of people of all races—each distinct, but joined as Americans—distinguishes the United States from all other nations, and continues to make America the most sought after destination for all migrants.

The Congress of the United States recognizes the need to know and to understand more about the diverse cultures represented by Americans. This recognition is reflected in the following statement regarding the ethnic heritage study provided for in the Education Amendments of 1972:

A greater understanding of the contributions of one's own heritage and those of one's fellow citizens can contribute to a more harmonious, patriotic, and committed populace.

There is a resurgence of ethnic and cultural pride, especially among minority groups. Particularly noteworthy is the gathering of major national Pacific/Asian American organizations, such as the Organization of Chinese Americans, the Japanese American Citizens League, and the Asian/Pacific American Federal Employees Coalition, which comprise the ad hoc National Coalition for a Pacific/Asian American Heritage Proclamation. The Pacific/Asian American Heritage Proclamation, chaired by Ms. Jeanie F. Jew, has focused exclusively on the contributions and historical significance of Pacific/Asian Americans.

The Congress and various administrations have over the years recognized the contributions of individual ethnic groups to the development of America since its founding. Legislation has been adopted to commemorate National Hispanic Heritage Week and the executive branch has designated February as Black History Month.

I believe it is equally important that a week be designated to pay tribute to those Pacific/Asian Americans who have offered valuable contributions to the social, scientific, economic, cultural, and political development of our Nation.

In order that the past and present achievements of this important segment of the American population may be duly recognized in a manner befitting their contributions, I am pleased to introduce this joint resolution with my senior Senator from Hawaii. I strongly urge its early adoption.

By Mr. BARTLETT:

S.J. Res. 73. A joint resolution proposing an amendment to the Constitution of the United States to establish maximum age limits for certain officers of the Government; to the Committee on the Judiciary.

Mr. BARTLETT. Mr. President, I have today introduced for consideration by the Senate a proposal to amend the Constitution which would establish a mandatory retirement age for members of the Federal judiciary.

I have introduced and supported such a proposal in previous Congresses. I continue to believe that this constitutional amendment would offer substantial advantages in assuring that only judges of the highest possible caliber continue to serve on the Federal bench.

If adopted, this constitutional amendment would do the following: First, it would prohibit appointment to the Federal bench of any person who has attained the age of 70 years. Second, the amendment would require all judges to retire at the age of 70, except those judges who are now serving and have not acquired their full retirement benefits. These judges in the latter category would be allowed to continue their service until their judicial retirement rights had vested.

Mr. President, the purpose and value of this proposed amendment are obvious. We see on an almost daily basis examples of the tremendous power and authority that Federal judges wield in dealing with virtually all sorts of problems. It just makes no sense to allow persons with that sort of authority and responsibility to continue their duties at a time when they may not be fully capable, either physically or mentally.

Far too often, judges, being devoted to their jobs, far outstay the time when they can judiciously perform their duties.

Business and Government have already recognized the good judgment of a reasonable retirement age. In 1966, the Congress passed legislation requiring civil service employees to retire at age 70. In most instances American businesses require retirement by age 65.

The need for mandatory retirement of judges exceeds that of most other professions. While I would readily admit that there have occasionally been outstanding judges who continue to function admirably and well long past the age of 70, I think we would all agree that we should not just assume that only exceptional judges will remain on the bench after age 70. Federal district judges, because of their lifetime tenure, are virtually unremovable for any offense short of commission of a crime.

There exist numerous cases of judges who, though well qualified when

younger, continue to serve and handle important cases even though advancing age has brought on senility or actual incompetence. This measure, if passed, would reduce the likelihood of such incompetence occurring due to advancing age.

Support for a proposal such as that which I have introduced today is widespread. In particular I would call the attention of the Senate to a resolution passed by the Western Conference of Attorneys General in August of 1976. Although the specific action called for by the conference was slightly different than the proposal I have made today, the thrust of it was essentially the same. The resolution called on Congress to—

Enact such a bill so that all Federal district court judges over the age of seventy shall be retired to senior judge status unless they have served less than ten years in which case they shall so retire as an active Federal district court judge upon serving that period of time.

Resolutions expressing similar sentiments were passed in 1976 by the National Association of Attorneys General. The United States Judicial Conference has made a similar recommendation.

Mr. President, if passed my amendment would do a great deal to restore the public's flagging confidence in its judicial officers. I therefore urge that the Senate give its serious consideration to this proposed constitutional amendment.

By Mr. BARTLETT:

S.J. Res. 74. A joint resolution proposing an amendment to the Constitution of the United States provided for the reconfirmation by popular vote of certain Federal judges; to the Committee on the Judiciary.

Mr. BARTLETT. Mr. President, I have today introduced Senate Joint Resolution 74 a proposed constitutional amendment to require reconfirmation of Federal judges every 8 years by a vote of the people. I have previously introduced such an amendment, and believe its provisions to be more pertinent and desirable than ever before.

One of the most perplexing problems facing the American people has been the dilemma of how to deal with the occasional judge who fails to meet the high standards we properly expect from our Federal judges. The remedy of impeachment exists, of course, but is constitutionally reserved for only those extreme circumstances where some high crime or misdemeanor has been committed by the judge. Such a procedure is therefore inappropriate for dealing with inviduals who are just bad judges—those who lack the necessary skill in legal scholarship, those whose demeanor or temperament are not suited to the bench. And those who are just plain lazy.

While seeking a means to deal with the occasionally bad judge, we must be mindful of the need for a certain amount of independence in the judiciary. We strive to be a Government of laws; not of men, but that cannot be achieved if judges are required in practice to cater to every whim of public opinion.

Mr. President, I believe that the constitutional amendment which I have proposed achieves the proper balance between these competing interests. It provides that each Federal district judge would go before the voters of his judicial district every 8 years for a reconfirmation vote. If the voters approved his continuation in office, the judge would retain his or her office. If the voters did not approve, the President and Congress would select a replacement in accordance with our established constitutional procedures.

This procedure parallels the process we in Oklahoma have used in the appointment and retention of appellate judges in the State courts. The procedure has worked well in Oklahoma. To my knowledge, no judge has been turned out of office yet by the voters, a fact which strongly suggests that the independence of the judiciary will not be adversely or unfairly affected by this sort of proposal. But more importantly, this procedure has made available to the people of Oklahoma a process for dealing with bad judges that stops short of impeachment.

Mr. President, this constitutional amendment, if adopted, would do much to redress some of the excesses and abuses that occasionally mar our judicial system. It would serve as a reminder to all judges that, while their task is to impartially apply the law, the source of their authority is, ultimately, the people. I believe that this constitutional amendment will help us achieve a more capable and outstanding Federal judiciary. I strongly urge its adoption by the Congress, so that the ratification process may begin.

ADDITIONAL STATEMENTS

CHOLESTEROL, DIET, AND HEART DISEASE

Mr. McGOVERN. Mr. President, I was quite pleased to find in the Washington Post's Outlook section of Sunday the 17th, a full page nutrition article on "Cholesterol, Diet and Heart Disease." I found this article by Dr. William Knaus, an internist on the faculty of George Washington University Medical Center, to be excellent in describing in lay terms the cholesterol story, and some of the controversy which has arisen in researching the cholesterol hypothesis.

I noted also yesterday that the Washington Post printed the following correction concerning that article:

Because of an editing error, an article on cholesterol and heart disease in Sunday's Outlook section erroneously stated that publication and distribution of the Senate Nutrition Committee report "Dietary Goals for the United States" has been ordered halted. In fact, the committee's report has not been retracted and is available through the Government Printing Office.

Since heart disease is the Nation's No. 1 killer, and is of interest to my colleagues and all Americans, I ask unanimous consent that the aforementioned article and three related articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CHOLESTEROL, DIET AND HEART DISEASE

By William A. Knaus

"The science of life," wrote the 19th Century French physiologist Claude Bernard, "is a superb and dazzlingly lighted hall which may be reached only by passing through a long and ghastly kitchen."

In the United States of the 20th Century we are, as Bernard predicted, spending a lot of time in the kitchen, trying to determine what in our diet may be killing us. This search has followed some unique paths: Charcoaled steaks were once believed to cause cancer and the suggestion that saccharin does the same has sent dieters, scientists and politicians into a frantic scramble for data to support or refute the association.

Through all these years of controversy, new discoveries, warnings and public skepticism, however, one theory has been steadily increasing in popularity and, as announced last week by the National Institutes of Health (NIH), has produced major changes in the American diet. The villain is cholesterol, and the theory that a diet loaded with saturated fats and cholesterol increases the risk of heart disease has encouraged many persons to cut in half their intake of cholesterol-rich foods. The result is a 5-to-10 per cent drop in our average cholesterol level over the last 10 years.

This dramatic change in diet is the result of intense publicity by private interest groups, especially the American Heart Association, combined with growing pressure from food companies which now offer a wide variety of cholesterol-free food.

These findings also raise the question of what role the federal government should assume in regard to dietary cholesterol, for the NIH survey demonstrated that the dietary change is not uniform. The drop in cholesterol is largely confined to the well-educated, higher-income portion of our population, the same group currently thought to be the major benefactor of a progressive decline in the proportions of the coronary heart disease epidemic.

In 1976, the death rate from coronary heart disease fell below 200 deaths per 100,000 population—its lowest level in 35 years. But heart disease, formerly "an affliction of the wealthy," is becoming relatively more common within the poorer segments of our population.

To date, Washington has taken a cautious attitude toward this problem. The first official condemnation of cholesterol by any branch of the federal government didn't occur until last January, when the Senate Select Committee on Nutrition included the recommendation that our daily intake of cholesterol be reduced to 300 mg (about 1¼ eggs) as one of its six "Dietary Goals of the United States." One reason behind this government reluctance, which also could have major implications for future public health decisions, can be seen in the reactions to the committee's report.

On March 24, in special hearings called by the Nutrition Committee chairman, Sen. George McGovern, and attended by an unusually large and powerful group of senators including committee members Kennedy, Dole, Percy and Schweiker, an angry group of representatives from the nation's beef producers and feeders criticized "Dietary Goals of the United States"—especially the one concerning cholesterol—as based on insufficient evidence and potentially harmful to their industry.

In April, the American Medical Association issued a statement saying it was "inappropriate to recommend radical dietary changes" and suggested that the committee's recommendation that low cholesterol dietary instruction be instituted in all public schools not be adopted.

The Government Printing Office has been instructed to stop publication and distribu-

tion of "Dietary Goals for the United States," and the committee has reopened the already lengthy hearing record with testimony scheduled for July 26 from the AMA and the American Egg Board.

What eventually happens to the committees' six dietary goals—which, in addition to recommending limits on the amount of cholesterol and saturated fat eaten, suggest cutbacks in the daily consumption of salt and sugar—will provide a unique picture of the balancing of public health, economic and political considerations.

It also will be a barometer of exactly how much scientific information is needed before a branch of the federal government will voluntarily endorse preventive measures affecting large portions of the population. For, unlike saccharin, whose continued use is potentially harmful to an estimated 400 persons per year—the number of bladder cancer cases believed caused by saccharin—coronary heart disease is still this nation's most common cause of death, with 647,000 victims recorded in 1976. And, unlike the one or two studies relating saccharin to cancer, there is extensive and detailed scientific information with which to judge the current status of the cholesterol controversy.

Persons who believe excess cholesterol is hurting us point to dozens of epidemiologic or population surveys that establish a direct statistical association between the level of blood cholesterol and the death rate from coronary heart disease.

Since the original study in 1916 performed by a Dutch physician, C. D. DeLangen, practicing in Java, population surveys have been done in such diverse places as Framingham, Mass., Chicago, Tel Aviv and Johannesburg. From these surveys a monotonous and frightening pattern emerges.

People who eat large amounts of meat, butter and saturated fat have higher levels of cholesterol than people who don't and the higher a person's cholesterol level the greater the risk he or she will develop heart disease.

Further, persons with familial hypercholesterolemia, a rare genetic disease whose unfortunate victims have extremely high levels of blood cholesterol because their cells lack cholesterol receptors, usually die before age 20 of heart disease. In one case, a heart attack occurred in a 1½-year-old South African girl.

The milder form of this same genetic deficiency, where each cell has only half the normal number of cholesterol receptors, is one of the most common genetic or inherited diseases in this country, affecting 1 out of every 500 Americans. These persons also develop heart attacks, usually in their mid 30s and 40s, and account for a large number of persons with early or "premature" death from coronary heart disease.

Still, statistical associations and the behavior of a genetic disorder do not provide proof that cholesterol causes heart disease and certainly don't account for the size of the problem in this country.

CAUSING ATHEROSCLEROSIS

Atherosclerosis is the pathologic or disease process responsible for heart attacks and other coronary heart problems. The name is derived, in part, from the Greek word *athera*, meaning gruel. It refers to the thick, sticky, yellow substance that oozes out of arteries affected by atherosclerosis when cut at autopsy. This yellow gruel is pure cholesterol.

Our coronary arteries, five pencil-sized tubes beginning at the base of our aorta, the main artery of the body, and supplying our heart muscle with blood, are believed to be so frequently affected by atherosclerosis because of their strategic location.

Each coronary artery begins its path at sharp right angles to the main flow of blood pumping out of the heart. This bend makes the initial stream of blood flowing into the artery rough and turbulent, like water gushing out of an open fire hydrant. The harsh stream of blood pounding on the delicate inner lining of the coronary artery 60 times each minute will occasionally cause a tear in its surface. And, once this tear occurs, it's believed that cholesterol finds its way into the arteries' wall.

Then, like a fallen tree in rapidly flowing water, this collection of cholesterol attracts passing cells and other debris that make up an atherosclerotic plaque. The plaque grows and can eventually block an artery, producing a heart attack.

Therefore, accepting this theory of injury followed by cholesterol collection, there appears to be two ways to prevent atherosclerosis and thereby reduce heart disease. One is to reduce the chance of injury to the artery. The best way currently known to reduce turbulence and injury is to control abnormally high blood pressure. The other approach is to lower the level of cholesterol.

The amount of cholesterol in our blood is a delicate balance depending on four factors: what we eat, how much our cells use, how much is broken down and excreted in the stool and how much our body makes. Seventy-five percent of our cholesterol is made in our liver and, to date, we have no control over it. But through diet and, occasionally, drugs, we can change the other factors.

Much of our current knowledge describing the way cholesterol is metabolized comes from the results of meticulous work performed in the laboratory of E. H. Ahrens, Jr., professor of medicine at Rockefeller University.

"The main reason working with cholesterol is so difficult," Ahrens explains, "is because it stays in the body for such a long time."

Two months after giving a patient a test dose of cholesterol, half of it is still present. To complete a project, Ahrens and his colleagues have to study their subjects for three months, checking their bowel movements for cholesterol loss.

From such experiments we know that dietary cholesterol cannot be absorbed alone into our intestinal wall. It must first be combined with bile, proteins and other fats into a small transferrable package called a micelle. The formation of micelles depends on the amount of fat in our diets and, using this pickup system, a person will absorb from 30 to 80 per cent of the cholesterol eaten. Where in this range each of us falls and what happens to our cholesterol levels as a result of our diet is a very individual matter.

TRANSPORTING FATS

Once absorbed, cholesterol, along with other fats and proteins, is combined into a tiny milky white droplet called a chylomicron for its passage from our intestine to our bloodstream. Following an especially fatty meal, thousands of these chylomicrons shower our bloodstream like drops of milkly oil poured into water. But the cholesterol contained in chylomicrons does not contribute to the slow, gradual growth of the underlying atherosclerotic plaque. Chylomicrons stay in our bloodstream but a few hours following a meal. The body has a separate system to carry out the day-to-day transport of fats, proteins and cholesterol. Like a fleet of trucks, this internal transport system is classified by weight.

There are the light pickups known as very low-density lipoproteins (LDL) which, along with their other freight, carry cholesterol manufactured in our liver to other parts of the body. Then there are the heavier low-density lipoproteins which move cholesterol from cell to cell and serve as the keys to unlock the cell's cholesterol receptors. Finally, there are the garbage trucks, high density lipoproteins (HDL) which pick up excess cholesterol and return it to the intestine where it is disposed of.

The cholesterol traveling with the LDL is the portion that gets trapped inside arteries. Therefore, the amount of a person's total cholesterol contained in the LDL carrier is of crucial importance in the development of atherosclerosis. LDL cholesterol can be decreased by a diet high in polyunsaturated fats.

Likewise, the higher levels of HDL found in marathon runners and premenopausal women are thought to protect these groups by clearing cholesterol out of their systems more efficiently. The exact meaning of the HDL cholesterol transport vehicle still needs to be fully explained but, for once, a high level of something appears to be good.

Therefore, as viewed from the limited perspective of our internal anatomy, it appears our current faith in the cholesterol theory is well founded. We know cholesterol is the main substance found inside atherosclerotic plaques. We know our bodies need far lower levels of cholesterol than most of us have. We have shown that, although there are large individual differences, many of us can reduce the amount of cholesterol in our bloodstream by changing our diet. And, finally, there is early but encouraging evidence that exercise, by increasing the amount of HDL, may decrease the risk of heart disease by changing the form in which cholesterol is transported.

The only thing left to prove is that, by lowering cholesterol, you save lives.

In the past four years, three separate studies using clofibrate, a cholesterol-lowering drug, have tried to prove this. The studies involved 5,106 men and women, each of whom had suffered at least one heart attack. All three studies had failed to show any difference in the number of new heart attacks or deaths.

Despite these negative results, cholesterol-lowering drug sales reached $38 million last year with Atromid-S (the brand name for clofibrate) accounting for $27 million. Clofibrate has recently been critized by Ralph Nader's Health Research Group for causing gallstones, although this has long been recognized as a complication of its cholesterol-lowering effect.

Of greater importance than clofibrate's potential toxicity, however, is the question of why all those studies failed to show any benefit. Is the drug worthless? Some scientists believe the failures are not drug-related but because we've given cholesterol too much importance. Like many of the experimental animals used in cholesterol testing, rabbits don't normally eat the stuff. When it's forced into their stomach, however, they can absorb four times more of it per pound than humans. They are literally drowning in cholesterol.

Most researchers still believe that the relationship of cholesterol to heart disease is too strong not to test it more thoroughly before discarding it. They attribute the failure of the clofibrate studies to the fact that cholesterol was only slightly reduced (generally from 5 to 10 per cent) and that the patients were too old and had already developed heart disease.

Through a group of 12 cholesterol research clinics, one located at George Washington University, and at a cost of $100 million, the National Heart, Lung, and Blood Institute (NHLBI) of the National Institutes of Health hopes to determine whether further lowering of cholesterol in a younger population will help. In this study, 3,800 men between the ages of 30 and 59 who have never had heart disease but whose cholesterol levels put them in the upper 5 per cent of the U.S. population (a level above 265 mg with most of it in the LDL form) will be placed on a low-cholesterol, high-polyunsaturated diet.

In addition, half the 3,800 will be given another drug, choleystramine, which interferes with the formation of micelles and thereby reduces the amount of dietary cholesterol absorbed. All the men will be followed for five years and, if the study's goal of a

25 per cent reduction in blood cholesterol is achieved with enough of the participants, it will be the most vigorous test of the cholesterol hypothesis to date.

OTHER FACTORS

The results of this Lipid Research Clinic study will not be available for a number of years, definitely not in time to influence the committee's decision this summer. Most researchers, however, are not waiting for these results. A recent survey of 182 scientists around the world found that 92 per cent of them had already changed to a low-cholesterol diet.

The just released NIH survey found that, over the past 10 years, the average amount of cholesterol Americans eat dropped from 800 mg to 400 mg and the ratio to saturated to unsaturated fat has decreased from 3:1 to 1:1, the American Heart Association's recommended level. Another study has discovered a simultaneous drop in the average level of cholesterol in our blood from 226 mg to 221 mg.

But does this drop in cholesterol levels and the change in our diet account for the gradual but persistent decline in our death rate from coronary heart disease?

"No way to tell," Dr. Robert Levy, director of the NHLBI, admits. "In addition to the dietary changes, we also know that middle-aged white males, the ones most often affected by coronary disease, are smoking 25 per cent less and exercising more than they did 10 years ago. It could be any one or all these factors," the NIH official concludes, "or none of them."

Despite this uncertainty, Dr. Levy does observe that the greatest decrease in the coronary death rate has occurred within the affluent portion of our population, the same fraction that is thought to be most closely observing the dietary and exercise recommendations. Nevertheless, despite all this encouraging evidence, don't expect the NIH to join the Senate Nutrition Committee in an official condemnation of cholesterol.

"The scientific jury is still out on the cholesterol question," says Dr. Levy, "and the public has already been placed in the middle too often by scientists supporting one theory or the other.

"No, this time the choice should be up to the individual, not the government."

Dr. Levy is not scheduled to testify at the Senate hearings this month; he presented testimony on the cholesterol issue last year. Indeed, the committee heard extensive scientific evidence pro and con on the cholesterol question before it published its dietary goals.

Despite scientific caution, the guidelines finally were issued, according to a nutrition committee staff member, "because the American people need this type of dietary information to offset the tremendous influence of food advertising and pricing practices. Without this report, the consumer has nowhere to turn for help. We're just trying to balance the situation."

In light of the NIH findings, a better balance in regard to individual dietary information appears needed. Nevertheless, since its January report, the committee has had no response from other branches of the federal government, while the staff and members of the committee, which is scheduled to go out of existence on Dec. 31, have spent their time listening to the disquieting voices of industries at risk if further dietary change occurs.

Among those scheduled to testify on July 26 is G. C. Bookey, vice president of the American Egg Board, an organization established in 1974 under the Egg Research and Consumer Information Act. Last year, the board spent $5 million advertising its product, "the incredible edible egg," attempting to reverse what has been a steady decline in the number of eggs eaten in this country since 1950. The egg board also supports research to support preliminary findings demonstrating that a diet high in eggs does not automatically increase the level of cholesterol in a person's blood.

The reception accorded Bookey, if it is anything like that given last March to Wray Finney, president of the American National Cattlemen's Association, will be friendly. In his opening remarks to that hearing, Sen. McGovern acknowledged that 75 per cent of his state's agricultural income results from the sale of live animals. In response, he and other committee members were told that the beef industry is having a difficult time. Although beef consumption per capita is up, the nationwide prices are at or below their cost of production and, since domestic consumption accounts for 90 per cent of all meat sales, any decrease in consumer demand would be damaging.

But judged from the other perspective, the stakes are also high. There are 4 million persons in the United States today affected by coronary heart disease. Their total medical bill is estimated to be $40 billion per year.

A recent survey of a school district in Massachusetts discovered that 13 per cent of the children had higher than average cholesterol levels. Considering what we now know about cholesterol, at least some of these children could have their levels lowered by an appropriate diet and, if the cholesterol heart disease association is later demonstrated to be true, perhaps spared the effects of heart disease as adults.

WHAT CHOLESTEROL DOES

(By William A. Knaus)

Cholesterol is a tasteless, odorless, fatty alcohol which we can't live without. Its natural waxlike hardness enables it to function as our internal chemical skeleton. Every cell in our body needs cholesterol to maintain its shape; without it, we would be like jellyfish, our form changed at the slightest touch.

Cholesterol's contribution to growth and reproduction is illustrated by what happens when rats are deprived of it early in life: The animals fail to develop a complete nervous system and become deficient in their sex hormones—two functions dependent on adequate amounts of cholesterol. This early dependence is one reason some scientists warn that too severe a reduction in cholesterol during childhood could be dangerous. Mother's milk, after all, is loaded with the stuff.

Dependence on dietary cholesterol, however, is short-lived. When we're a few months old, every cell is capable of making its own supply. Within each cell is a factory able to manufacture cholesterol from simple materials. These factories seldom operate, since all our cells' demand for cholesterol is easily obtained from the supply circulating in our bloodstream.

Until recently, we didn't understand how this internal system worked. But thanks to the work of Drs. Michael Brown and Joseph Goldstein of the University of Texas Medical School, we now know that on each cell's surface are thousands of tiny cholesterol receptors, like locks on a door. Cholesterol can enter a cell only if it comes bearing the appropriate key, in its case a certain kind of protein, and only if the cell wants it. The more receptors a cell has the more rapidly it can accept cholesterol from the passing blood.

Brown and Goldstein also discovered that, depending on the blood cholesterol level, a normal cell can increase the number of its receptors from 7,000 to about 15,000. Because of this ability to attract cholesterol under varying conditions, the Texas researchers estimate that we really need only about a fifth of the circulating cholesterol most of us have.

[From the Washington Post, July 14, 1977]

HEART DEATH RATE, CHOLESTEROL LEVELS SHOW DECLINES

(By Victor Cohn)

The average American's cholesterol level has dropped 5 to 10 per cent since the early 1960s and this may have helped cause a sharp drop in deaths from heart and blood vessel diseases, officials of the National Heart, Lung and Blood Institute said yesterday.

Cholesterol is a fatty, waxy substance that tends to clog arteries and cause heart and blood vessel ailments. In the last 30 years there has been a vast amount of publicity about the dangers of overeating high fat and high cholesterol foods, and there have been profound changes in the average American diet.

"What we think we are seeing now are the effects of great changes in the lifestyles of men and women who have been reading and listening." Dr. Robert I. Levy, director of the heart institute, said in an interview.

"We can't prove or be sure yet that diet and other changes—like 25 per cent less smoking among middle-aged men—have contributed to the dramatic decrease we are seeing in cardiovascular deaths," he said.

"But it's looking very much as though this is the case, and this is very encouraging."

Levy said that "there is no doubt today" that a high blood cholesterol level is "a major risk factor" for heart disease although it may take several years to prove beyond doubt whether lowering cholesterol levels can reduce heart attack deaths.

Also important, he said, has been a national campaign against high blood pressure that began in 1972. Persons with high blood pressure have a high incidence of strokes and heart attacks.

Since 1972, screening campaigns have found early, previously unnoted high blood pressure in 8 million persons. There has been a 50 per cent increase in patients under treatment, with most of them now on drugs or diets to keep their blood pressure down.

Health officials first began noticing the drop in heart and stroke deaths about two years ago. In 1973 in the United States there were 1,062,000 deaths from heart and blood vessel disorders. Last year, with a larger and older population, there were 975,000 such deaths. On a per capita basis, there were 15 per cent fewer such deaths than in 1960, Levy said.

He called the drop in the average adult's cholesterol level a surprise that has been noted only in recent months with analysis of data on 70,000 persons under observation at 12 lipid (blood fat) research clinics launched in 1971 and 1972 by the heart institute, which is part of the National Institutes of Health in Bethesda.

Levy and colleagues told a news conference that the cholesterol drop may be largely confined to persons with higher education and higher paying jobs. Men and women of higher status tend to have lower cholesterol levels than other Americans, except for low-pay workers who perform heavy exercise. Many doctors say exercise may also reduce cholesterol and cut heart attack risk.

The figures on the cholesterol decline are also based so far only on observation of whites. The lipid clinics are just starting to analyze their early data and aren't ready yet to report on the 10 per cent of their patients who are black.

[From the Lancet, April 23, 1977]

DIETARY GOALS

An important document has just been published by the U.S. Senate Select Committee on Nutrition and Human Needs.[1] The chairman, Senator George McGovern, expresses his conviction that "the eating patterns of this century represent as critical a

Footnotes at end of article.

public health concern as any now before us. We must acknowledge and recognize that the public is confused about what to eat to maximize health . . . We have an obligation to provide practical guides to the individual consumer as well as set national dietary goals. . . . Such an effort is long over-due". The committee sets out six dietary goals, based on scientific testimony and recent reports, including fifteen sets of guidelines, mostly about prevention of coronary heart-disease, from expert and official bodies.

Goal one is to increase carbohydrate consumption to between 55% and 60% of the energy (caloric) intake. The committee shows its professionalism by starting with what should be increased, to compensate for the reductions entailed by the other five goals. Present total carbohydrate consumption in the U.S.A., as in Britain, is 46% of dietary energy, about half in the form of sugar. The increase should be in the form of complex carbohydrates or starchy foods such as vegetables, fruits, and whole grains that also contain many other nutrients including dietary fibre. A day's allowance of protein from whole-grain cereals, legumes, and nuts costs less than the equivalent amount from most types of meat. This first goal will surprise those (one hopes few of them are medical people) who still imagine that starchy foods are unhealthy or that bread and potatoes are especially fattening.

Goal two is to reduce fat consumption from over 40% down to 30% of energy intake. This goal is in the same direction as official British advice [2] but goes further. 30% of fat is rather less than was available in Britain during the 1939–45 war but more than the content in traditional Mediterranean cookery. Fats are the most concentrated source of energy in the diet and so favour obesity. Many fats provide empty calories—they are not associated with the mixture of micronutrients found with complex carbohydrates. There are, in addition, epidemiological associations of breast and colon cancer with fat intake, unsaturated as well as saturated.

The next two goals concern the nature of the dietary fats. Goal three is that saturated fats should be reduced to 10% of total calories and balanced with around 10% monounsaturated and 10% polyunsaturated fats. For comparison the present British diet [4] is 21% saturated, 16% monounsaturated, and 4% polyunsaturated fats (total 41% of energy intake). The reasons for reducing saturated and increasing polyunsaturated fats are well enough known.[6 7] The fourth goal is reduction of dietary cholesterol to about 300 mg a day because it too tends to increase plasma-cholesterol—though seemingly more in some individuals than in others. One egg contains some 250 mg of cholesterol in the yolk, but servings of liver and kidney can provide more.

The fifth goal is to reduce refined sugar to 15% of dietary energy from the present estimated 24% in the U.S.A. Refined sugar in Britain contributes about 20% of total calories.[4] While most experts believe that no clear links have been established between sucrose and heart-disease, refined sugars provide empty calories and are associated with dental caries. A major source of refined sugar is soft drinks; in the U.S.A. their consumption has doubled in the past 15 years and the report suggests they should be much reduced or even eliminated from the diet.

The sixth goal is reduction of salt intake to approximately 3 g a day. Present consumption in the U.S.A. is 6–18 g, but the physiological requirement probably averages only 0.5 g a day. Sodium intake is more and more determined by food processors rather than by the individual. This extensive addition of salt to our foods disturbs the natural balance with potassium and may well favour the development of essential hypertension.

Looking at the foods which can be used to achieve these six nutritional goals, the report shows that highly processed foods are the most likely to be high in saturated fat and sugar or salt. In addition they very likely contain unnecessary additives such as colouring. Soft drinks account for more of the artificial colour intake in children than any other type of food or drink. For school and institutional catering, unprocessed foods, cooked on the premises, have sociological and economic as well as nutritional advantages over convenience foods.

Nutrition education of the public is poor. The seven (or four) basic food groups are out of date; they were not designed to meet current nutritional problems. Television is said to be the primary source of information for the American public today, but the advertisements for food and drink are unbalanced towards alcoholic beverages, confectionery, and highly processed foods while fresh fruit, vegetables, fish, and nuts get hardly any time. A similar picture can be seen in Britain.[9] Food labelling should show not only the essential nutrients but also the percentage and type of fats and of sugar, the amount of cholesterol and of salt, and the caloric content. The new U.S. goals are similar to Scandinavian recommendations on a healthy diet, published in 1968 [10] and subsequently incorporated in the Swedish Diet and Exercise programme and in the proposed Norweigian nutrition and food policy.[11] The American goals will welcomed by people who have thought seriously about the diet of modern Western man. Their major blind-spot is to ignore alcohol consumption, which is increasing fast along with its pernicious effects.[12]

FOOTNOTES

[1] Dietary Goals for the United States. U.S. Senate Committee on Nutrition and Human Needs. Washington, D.C., 1977.

[2] Diet and Coronary Heart Disease. Report of the advisory panel of the Committee on Medical Aspects of Food Policy (Nutrition). H. M. Stationery Office, 1974.

[3] Royal College of Physicians of London and British Cardiac Society. *H. H. Coll. Physics Land.* 1976, 10, 213.

[4] Household Food Consumption and Expenditure, 1974: annual report of the National Food Survey Committee. H. M. Stationery Office, 1976.

[5] *Lancet*, 1975, ii. 398.

[6] Miettinen, M. Karvonen, M. J., Turpeinen, O., Elosno, R., Paavilsvien, M. *ibid.* 1972, ii, 835.

[7] O'Brien, J. R., Etherington, M. D., Jamieson, S. *ibid.* 1976, I, 878.

[8] Mistry, P., Nicoll, A., Nichaus, C., Christie, I., Janus H. Lewis, B. *Circulation*, 1976, 54, suppl. 11–178.

[9] Iruswell, A. S. *Naringsforskning* (Swedish Nutrition Foundation, 1975, 20, suppl. 13, p. 42.

[10] Mediciniska sunpunker pi folkkosten i de nordiska landerna. *Var feda*, 1968, 20, 3 for English translation see Davidson, S., Passmore, R., Brock, J. F., and Iruswell, A. S. Human Nutrition and Dietetics, p. 632. Edinburgh, 1975).

[11] Royal Norwegian Ministry of Agriculture Report No. 32 to the Storing (1975–76) on Norwegian nutrition and food policy. Oslo.

[12] Glatt, M. M. *Proc. R. Soc. Med.* 1977, 70, 202.

(NOTE.—Reference Nos. 3, 5, 8 not printed in text.)

[From JAMA, June 13, 1977]

EXPERTS LINK HEART DISEASE AND DIET

A sampling of medical scientists from 22 countries produced similar opinions about some aspects of dietary relationships with coronary heart disease.

Kaare Reidar Norum, MD, chairman, Nutrition Research Institute, University of Oslo, Norway, sent a questionnaire last December to 214 men and women around the world who are engaged in lipid, lipoprotein, atherosclerosis, and nutrition research.

Dr. Norum selected the recipients himself. He agrees that his was not a random sample, but notes (in the March 10 issue of The Journal of the Norwegian Medical Association) that these are "persons having been actively engaged in atherosclerosis problems in recent years." By mid-February, 85 percent of the addressees had responded. These are the results (translated by a staff member of the U.S. Library of Congress):

Is there a connection between diet and development of coronary heart disease? Yes 99.4 percent. No 0.6 percent.

Is there a connection between diet and plasma lipoprotein concentration? Yes 98.9 percent. No. 1.2 percent.

Is there a connection between plasma cholesterol concentration and development of coronary heart disease? Yes 98.9 percent. No 1.2 percent.

Is there a connection between plasma triglyceride concentration and development of coronary heart disease? Yes 77.9 percent. No 22.1 percent.

Is your knowledge of diet and coronary heart disease sufficient for recommending a moderate change in the diet of the population of our society? Yes 91.9 percent. No 8.1 percent.

Is your diet affected by your knowledge? Yes 92.4 percent. No 7.6 percent.

Should one or another form of mass examination be made to detect "high-risk persons"? Yes 82.6 percent. No 17.4 percent.

Do you know your own serum lipid values? Yes 87.6 percent. No 12.4 percent.

Do you smoke? Yes 14.8 percent. No. 85.2 percent.

Dr. Norum told the U.S. Senate Select Committee on Nutrition that about half the respondents are from the United States.

Those researchers who considered their knowledge sufficient to recommend diet changes were given nine choices of dietary advice and asked to set priorities. Fewer calories, less fat, and less cholesterol in the diet got high priority from most. There was disagreement on the importance of recommending more polyunsaturated fat in the diet.

A statement from the office of Sen. Edward M. Kennedy (D-Mass), chairman of the Subcommittee on Health and Scientific Research, quoted Dr. Norum as saying in a telephone interview with the Nutrition Committee staff that "the survey was conducted in response to meat industry arguments that there is considerable disagreement on the relationship of diet to heart disease.

"In November 1975, the Norwegian Ministry of Agriculture issued a report to that nation's parliament outlining nutritional guidelines for food policy and recommending, among other things, limiting meat consumption as part of an effort to limit total fat and saturated fat intake."

REPEAL THE EARNING TEST

Mr. GOLDWATER. Mr. President, it was my pleasure to appear this morning before the House Subcommittee on Social Security of the Ways and Means Committee to urge the complete repeal of the earnings limitation on social security benefits at age 65.

Mr. President, it is shocking that our law, as it now stands, openly discriminates against more than 11 million citizens age 65 to 72. If persons of this age wish to continue working beyond age 65, they must pay what is in effect a tax of 50 percent. They lose $1 of benefits for every $2 of earnings above $3,000.

This penalty against our older citizens is totally unjustified. It robs older workers of benefits that are rightly theirs due

to the payroll taxes which they and their employers have been making over their working lifetimes.

The earnings test also deprives the economy of the skills and production of millions of older citizens who want to work, are capable of working, and have pulled out of the labor force for no reason other than a desire to get their social security checks.

Mr. President, there has been a lot of hogwash spread about the supposed cost of repealing the earnings test, but this argument is unproven and unfounded. The truth is that most workers who would benefit from a repeal of the test would not cost the social security system a penny. These older persons are already drawing the maximum benefits by staying home; but if the lid on earnings is repealed, they will rejoin the employment force.

These workers will pay additional social security taxes once they resume work, but the system will not be paying out to them any more than it presently is. Also, many workers will pay additional Federal income taxes to the Treasury and their output will benefit the gross national product.

In other words, it is my conviction that repeal of the earnings ceiling will virtually finance itself. It definitely will cost less than half of the amount defenders of the earnings test bandy about.

Mr. President, my conclusions are based upon new and independent data that is becoming available thanks to the original research being done by economists outside of the Social Security Administration. I provided a list of several of these independent economists to the House subcommittee this morning with the request that they invite these or similar expert witnesses to testify specifically on the subject of the earnings limitation. This new research information is an invaluable source of objective and factual data which has never before been available to Congress, and I am hopeful that committees on both sides of Capitol Hill will choose to draw on it.

Mr. President, in order that I may share with my colleagues the complete analysis of why I believe repeal of the earnings test will almost be self-financed, I ask unanimous consent that my testimony before the House Subcommittee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BARRY GOLDWATER OF ARIZONA BEFORE THE HOUSE SUBCOMMITTEE ON SOCIAL SECURITY JULY 19, 1977 REMOVING THE EARNINGS TEST

Mr. Chairman, I propose the complete repeal of the earnings test of Social Security at age 65. I am joined in this proposal by 33 other Senators who are cosponsoring a Senate bill I have introduced to do just that.

Mr. Chairman, our law openly sanctions discrimination against more than 11 million citizens age 65 to 72. If persons in this age category wish to continue working, they must pay a discriminatory tax of 50%! They lose one dollar of benefits for every two dollars of earnings on all income earned over $3,000, until their benefits are withheld entirely.

This penalty is in addition to any federal, State, county or city income taxes workers 65 and under 72 must pay on their earnings, and it is on top of Social Security taxes that will be collected from the same workers regardless of age.

Older workers are doubly discriminated against. Not only are they the target of a steep tax levy, but our Social Security law discriminates between those individuals who have earned income and those with non-wage income. It is only the work who *must* continue working because he can't afford to retire who bears the brunt of the earning ceiling. Workers who are well off and have been able to build up a nestegg of stocks, bonds or other savings can get unlimited income from these investments and still draw their full Social Security checks.

There are many reasons why the retirement test should be eliminated. One is the great physical and mental harm older persons suffer when they are forced to retire sooner than they are ready. The American Medical Association has confirmed this injury to the health of older persons.

Another reason for ending the earnings ceiling is the drain it puts on the national economy due to the loss of skills and output of older persons who retire in order to collect their social security checks.

Then there is the obvious financial need that many older persons have to receive their social security income, while still continuing to work.

To these arguments, we can add one that is made by older persons who say these benefits belong to them at age 65 since they have been paying social security taxes all of their working lives. These workers also know they have been receiving lower wages on account of the matching Social Security "contributions" made by their employer.

Our former colleague in Congress, the late Paul H. Douglas, stripped the earnings limitation of its false pretenses in 1939, when he was a noted college professor and economist. He wrote, in an authoritative book on Social Security, that by requiring workers to give up gainful employment, the earnings limitation "is in reality, attaching a condition upon insurance which they have themselves bought."

Now, I know we hear the objection that repeal would cost too much. For example, the Social Security Administration puts the cost of my proposal at $2.9 billion.

But the Social Security Administration has never told me, even though I have requested it, the amount of additional Social Security taxes that will be collected as a result of the higher earnings produced from eliminating the earnings test.

Nor do any of the cost estimates include the additional income taxes that will be paid by individuals who rejoin the labor force or increase their earnings, once the income test is eliminated.

Also, no government analysis has ever considered the value of the increased output of goods and services that would be injected into the nation's economy by repeal of the test.

Based on studies made by independent economists, I am convinced the first two tax offsets alone will exceed $1 billion in revenues to the United States.

Let me explain where these offsets will come from. The answer is quite simple if we will just keep in mind three basic categories of persons who are covered by social security.

According to the Social Security Administration, there were two million persons, age 65 to 72, who were employed in 1975 but had no benefits withheld because of the earnings test. Second, there were another 1.4 million persons who received reduced or no benefits in 1975 due to the retirement test. Third, there were 7.9 million persons age 65 to 72 who were not employed at all.

Now, I am convinced that a substantial number of the two million older persons, who were employed, but had no benefits withheld, *deliberately limited* their earnings so that they could receive the full amount of their Social Security checks. It is no coincidence that about one fourth of these workers are clustered at or a few hundred dollars below the ceiling.

In fact, the government's own studies prove "that a substantial number of beneficiaries subject to the test limited their earnings to the annual exempt amount and thus got their full benefits for the year." This finding appears in an official 1968 report by the Secretary of HEW.

What we must recognize about this group—about half a million persons—is that their working for higher wages would not result in any added cost to the system. They are already receiving the full amount of their benefits.

They would, however, pay additional payroll and income taxes and boost the Gross National Product.

Next, there is the large group of almost 8 million persons with no earnings. Professors Kaplan and Weber, two economists, believe government studies of the earnings test completely overlook millions of persons in this retired group who do not have a choice of working part time. They are people who can either work full time or not at all.

Under current law, Professors Kaplan and Weber argue, their extra income is so heavily taxed by the reduction in their Social Security benefits that they stay out of the labor force entirely. But if the retirement test is eliminated, they will return to work with no additional cost to the system. They are already receiving the maximum benefits.

How many of this group would return? Hard evidence suggests that from a quarter to one-half of them would return to work if the earnings limitation were repealed. This would produce tremendous new revenues for the system.

The HEW report mentioned above admits "that the annual exempt amount has a significant effect on incentives to work." Just how great is this impact? According to a recent study by Professor Boskin of Stanford University, the earnings test is the major reason persons retire at age 65. In fact, he writes:

"A reduction of the implicit tax on earnings from one-half to one-third cuts the annual probability of retirement *in half* for typical workers."

Professor Boskin's study uses data from a five year natural survey of thousands of persons aged 61 through 70, and his conclusions appear to have great validity. But even if we take the government's own statistics, they will prove my case.

For example, a 1968 Social Security Administration survey of men who stopped working altogether concluded that only 16% of retired men aged 65 actually wanted to retire. Specific illness or disability caused but 14% of men this age to retire. Even counting the answers of men who said work had become too tiring or that they couldn't keep up anymore, only 23% of all men age 65 left their jobs due to health.

Compulsory retirement policies were another reason, being mentioned by 36% of men age 65 as the reason they left work. But a worker who is retired by one employer can often shift to another or become self-employed.

However, accepting these statistics at face value, there still remains at least a quarter of the 8 million retired persons age 65 to 72 who had no health problems, no compulsory retirement problems and did not want to retire.

Studies, such as the one by Professor Boskin, provide strong evidence that most of these persons gave up their jobs because of the earnings test.

In conclusion, Mr. Chairman, I believe the earnings limitation is holding down the eco-

nomic condition of at least four million older persons. The majority of these persons could return to the labor force with no additional cost to the system since they are already drawing the maximum benefits.

They would pay additional Social Security and income taxes, and their employers would provide matching payroll taxes. These revenues would offset most of the cost of repealing the earnings limitation for the smallest group of affected workers, those who now lose all or part of their benefits due to the income ceiling.

APPROVE SURFACE MINING ACT NOW

Mr. JACKSON. Mr. President, tomorrow the Senate will be able to end its 7-year struggle to enact a Federal law regulating surface coal mining by approving the conference report on H.R. 2, the Surface Mining Control and Reclamation Act of 1977.

Approval of this legislation is long overdue. Development of coal is the key to meeting our energy needs for the rest of this century. One of the major inhibiting factors to coal development in all regions of the country—east and west—is the failure to establish Federal surface mining standards. Our coal industry must know what the ground rules are to plan their investments and proceed with mining. The conference report on H.R. 2 strikes an appropriate balance between the need to develop our coal resources and protect our land and water. It is flexible enough to be applicable to the mountains of Appalachia, the fertile agricultural areas of the Midwest and the arid, fragile areas in the West. It recognizes the interest of individual States by giving them the principal responsibility for regulation within their borders.

Mr. President, I am aware that three of my colleagues are concerned about the fact that the conference report contains the language passed by the House of Representatives with respect to the situation where certain private individuals own the surface of land overlying Federal coal. This language is identical to that reported by the Committee on Energy and Natural Resources in S. 7. The Senate debated this so-called "surface owner consent" issue extensively. On May 19, an amendment to change this language was defeated by a 67 to 25 vote. However, on May 20, the Senate reversed itself and adopted a similar amendment, which I cosponsored, by a vote of 44 to 32. It is obvious that opinions on the surface owner issue are closely divided. It is equally obvious that while the Senate receded on this issue, the Senate prevailed on many other issues.

As I have already indicated, the end result is a good bill which is urgently needed. I strongly believe that the conference report should be adopted by the Senate, and I urge all Senators to vote for it.

SENATOR DOLE'S SPEECH TO THE ZIONIST ORGANIZATION OF AMERICA'S 80TH CONVENTION

Mr. JAVITS. Mr. President, on July 7, 1977, Senator BOB DOLE of Kansas, was a principal speaker at the 80th convention of the Zionist Organization of America, held in Jerusalem. Senator DOLE has earned a reputation as one of the staunchest friends of U.S.-Israel relations in the U.S. Senate. We have been joined together in many struggles concerning Israel's security and national integrity in the Congress and within the Republican Party.

The text of Senator DOLE's speech to the 80th ZOA convention shows very clearly and dramatically how he has captured quite vividly both the deep aspiration for peace in Israel, as well as the security concerns which shape Israel's posture—at the time of Prime Minister Begin's historic visit to the United States—with the prospect of a resumption of the Geneva Mideast peace conference a strong possibility later this year.

Mr. President, I was in Israel and other Mideast countries myself just a few days before Senator DOLE's arrival to address the ZOA convention. I can attest to the esteem and affection with which he is regarded by the people of Israel. I can also attest to the seriousness of his observations, and his articulation of them, of the hopes and concerns of Israel's people at this critical juncture in history.

For this reason, Mr. President, I ask unanimous consent that the text of Senator DOLE's speech be printed in the RECORD so as to be available for all our colleagues.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

PREPARED TEXT OF SPEECH PRESENTED BY SENATOR BOB DOLE

I am honored to address this 80th Congress of the Zionist Organization of America. It is a pleasure to be with you all again, I see many familiar faces here. I am especially grateful for the reception given me. I get more applause and fewer votes from my Jewish friends than any other politician in America. The distance between Israel, 1977, and Switzerland, 1897, is not significant in terms of miles. But in terms of the time and energy, of the hopes and frustration, of the grief and the monumental achievement between that First Congress and this one today, the distance is greater than words can tell.

PEACE ENDANGERED, PEACE DESIRED

Today, the journey is still not complete. In spite of the green valleys and the crops on the hills of Latrun, in spite of the industry and the universities, in spite of the creation of a democratic oasis, the redemption of the holy places, in spite of it all, the journey is not over. The peace prophesied by Isaiah for all the world, is most endangered here, even as the hope of its achievement remains most fervent here. Hebrew is a strange tongue. In most of the languages of the world, the most common, the most necessary verb is the infinitive "to be." In the language of Israel—the language of the Jews, "to be" exists only in the past tense and in the future. For the present, it is simply understood.

So, for two thousand years, has the ultimate realization of the most cherished hopes of the Jewish people been understood. That a reborn Israel was to be, was understood. That Jews would one day live and work and worship freely in the city of David was to be—it was understood.

That peace will crown and sanctify this achievement is also something that will be. That, too, is understood. But how it shall be defies and surpasses our understanding.

CHANGE AND CONTINUITY

Today there is concern in Israel, and among the American Jewish community, about the U.S. position toward Israel in its relations with the Arab states and the Palestinians. This is understandable. We meet at a time of change. We have a new Administration in America. We have a new Administration in Israel. Both promise to explore and pursue courses of action affecting Israel in ways that differ from their predecessors. But while there may be changes in procedure, there can be continuity in goals.

I have spoken to Prime Minister Begin, and to former Prime Minister Rabin, and to the Leader of the Labor Party, Shimon Peres. All share the same goal of a safe, secure and lasting peace for Israel. This includes and requires sensible, secure, defensible borders.

I believe these are goals which President Carter shares. Israel and America may differ on how to reach those goals. But friends can differ and still be friends. Allies can differ and still support each other fully and forcefully. We can also differ in America about the proper way to achieve those goals. But the proper place to express those differences is in America, and I can assure you that whenever necessary, this will be done. What is most important is not the differences between allies. But those between adversaries: between Israel and the Arabs. Today we are testing the strength and the dimensions of those differences to see if they can be compromised far enough to negotiate a peace. This is still unclear.

When one party to a dispute says, as Egypt's foreign minister did recently, that they will not negotiate a resolution of the dispute unless their objectives are agreed to in advance, it is difficult to see where an opportunity for a settlement exists, or even that any basis for real negotiation exists. I think it is more, it is more common to find negotiation producing an agreement than to find agreement producing a negotiation.

SADAT AND FAHMI

But Mr. Sadat has said he is anxious to negotiate. So perhaps Mr. Sadat does not always listen to his foreign minister, and great good may come of that. I understand Mr. Fahmi recently said the Jews should go back where they came from. I hope you don't all take his advice, but for those who do I trust the new Minister of Immigration and Absorption is prepared to handle the influx.

We may be witnessing the most radical reversal in Egyptian policy since the Exodus.

For the first time since her rebirth, Israel is in a position to negotiate from strength. It is natural that she wishes to be patient and deliberate about it. It is understandable that her friends should want to offer her advice about it, and we can understand the great interest in what she considers negotiable, since that is for Israel and only Israel to decide.

WHAT DO THE ARABS HAVE TO NEGOTIATE?

What is missing from serious public discussion, however, is any real consideration of what the Arabs should bring to the table. What they are publicly committed to in an agreement is to recognize Israel's right to exist, and to make peace with Israel. Those are desirable goals, but they are somewhat less specific and consequential than what they are asking of Israel, and asking to have committed in advance.

As desirable as they are, I would suggest that they are hardly indispensbale in the short term, which is why Israel can afford to be patient and deliberate, and should be.

RECOGNITION, RECONCILIATION

On recognition, as I understand it, the Arab position is that they will acknowledge Israel's right to exist, in return for which Israel must give up some of the means of preserving her existence. Israel does exist. Whether the Arabs acknowledge that is problematical. Her right to exist is recognized in international law confirmed by history, and reinforced by the same Lockean logic which guided and informed those men and

women who founded and built the United States of America. So for the Arabs to say they will recognize Israel's right to exist is hardly a dramatic concession. When they are able to speak of reconciliation along with recognition, that will be a more serious signal.

The other condition is peace. That, too, is desirable. But it is worth noting that in the present circumstances, a peace of sorts already exists. In the past year, no Israeli solider has died in hostile action.

This is a peace enforced by the strength of Israeli arms and equally important, by the strength of Israel's military position—which means having control of the Golan Heights, the Sinai, and the West Bank.

So the question is: which situation is better calculated to maintain peace—an Israel which is in a strong defensive position, or an Israel which is in a weak defensive position? I've been out of the Army for thirty years and I don't remember much, but Ezer Weizman tells me it's better to be in a strong defensive position.

A SLOW, STRUCTURED APPROACH TO PEACE

I do not suggest that an enforced peace is better than a negotiated peace. But the history of assassination and coup de'etat' by which governments and government policies change in the Arab states gives little confidence that the agreements made by one government will be binding on its successors.

Further, it gives little confidence that an agreement will not trigger a radical upheaval aimed at eliminating of the agreement, as well as those who made it.

Therefore, a negotiated peace will almost certainly have to be one structured in such a way as to give the Arabs the opportunity to demonstrate that it can and will be kept. And this may take time. So the question will be whether the Arabs want to spend time to get an agreement on mutually acceptable terms, or to spend more lives to try to force an agreement on their own terms. I hope neither the parties to the dispute, nor their allies, will become anxious if a peace which the Arabs have taken thirty years to talk about, should take time to negotiate and a longer time to implement.

The great fallacy in the popular evaluation of the Middle East is that Israel's agreement to withdraw to the pre-1967 borders would lead to peace, and this would result in the stabilization of the Middle East.

1967 BORDERS NOT SACRED

This baffles me. For one thing, the inescapable truth is that the pre-1967 borders led not to peace, but to war. With the constant cry about the 1967 borders, it is hard to understand why their desirability was not recognized before the six-day war instead of after.

In the months and weeks leading up to the six-day war, the Jordan Valley was being shelled continually from the Golan Heights. Efforts were made to divert the Jordan River and deny Israel water. The call for a "people's war" against Israel was constant, and growing louder by the day. The Egyptian army was concentrated in the Sinai. At Nasser's insistence the U.N. emergency force in the Sinai was withdrawn. The Straits of Tiran were closed. A pact of war was established, and armies were massed along the 1967 borders. Reasonable men could not doubt that the intent was to violate these borders.

Prudent men could not help but react.

1967 BORDERS ARE 1948 ARMISTICE LINES

So one must ask what is the magic in the borders that makes them so desirable in 1977, and made them so undesirable in 1967? The simple answer is that the Arabs expected to push those borders in, to "push the Jews into the sea." as the saying went—and instead the Jews, in defending themselves, pushed the borders out. If that is not the answer, then we have to ask why the Arabs should have fought two wars just to obtain what they already had in peace. It should be remembered, however, that the so-called pre-1967 borders are not borders at all under any acceptable interpretation of international law. Rather they are the Armistice lines drawn where the efforts by five Arab armies to destroy the State of Israel were finally halted in 1948.

Jordan's representative to the United Nations put the point very well on May 31, 1967 in the Security Council, when he said: "There is an Armistice Agreement. The Agreement did not fix boundaries, it fixed the demarcation line. The Agreement did not pass judgment on rights—political, military or otherwise, thus I know of no boundary: I know of a situation frozen by an Armistice Agreement."

This position was being put forth to defend and justify in advance the intended violation of the Armistice Agreement. Today the Arab states insist that Israel return to borders which, ten years ago, the same states said had no standing.

This is a circumstance which justified caution on Israel's part. But it may also justify optimism about the long-term possibility of arriving at fixed, mutually acceptable borders. In order to find borders sanctioned internationally, it is necessary to go all the way back to 1922. After Britain severed Transjordan, what remained for a Jewish homeland included the West Bank, Jerusalem, and the Gaza. That is a legal argument. There are historical arguments. Some are compelling. All are interesting. Some favor one side, some favor the other.

WEST BANK LIBERATED, NOT OCCUPIED, TERRITORY

The difficulty of sorting out competing claims is reflected in a long-standing U.S. policy cliche which says "We will not defend Israel's conquests." Even-handedness ought to require, therefore, that we do not defend Arab conquests, and I trust we will not—not in the Gaza strip, and most especially not in the West Bank.

The Arab nations rejected the partition recommendation in 1947, went to war in 1948, and Jordan conquered the West Bank. Her only claim to that territory is by conquest. In 1967, Israel took back the lands provided as a Jewish homeland in the League of Nation Mandate for Palestine of 1922, and recognized by a U.S. Congressional Resolution of September 21, 1922. Therefore, I fully concur with Prime Minister Begin's characterization of the West Bank as liberated territory and not occupied territory.

If Israel wishes to relinquish all or part of the West Bank by negotiation, that is her right. It is not her obligation. Let us not defend Israel's conquests.

But let us also not defend Arab conquests.

THE PALESTINIAN QUESTION

Now we have the Palestinian question. It has been suggested that a Palestinian homeland be provided, preferably in conjunction with Jordan.

There is nothing in the history of the Jordanian-Palestinian relationship to suggest that a Palestinian homeland might be established in conjunction with Jordan. The territory most frequently suggested for a Palestinian state is the West Bank. Jordan held the West Bank for nineteen years, and did not establish a Palestinian state there. From the assassination of Abdullah through almost weekly demonstrations and shootings on the West Bank, through September of 1970 to the assassination of Wasfi Tell in Cairo, and on and on, the history of that relationship is not one that would justify hope for the success of a Palestinian homeland in conjunction with Jordan.

ARAB JEWISH REFUGEES

But if such a homeland can be established in conjunction with Jordan, that is something which Jordan must work out with the Palestinians, and with her other Arab neighbors. It becomes an Arab question which has no relationship to negotiations with Israel. Israel has already done more than any Arab state, with the exception of Jordan herself, to help the Palestinians and make a home for them. That fact is too often ignored.

Israel has also assimilated Jewish refugees from Arab lands, and nowhere in the discussion of refugees is the difficult situation being discussed.

When the problems of the Palestinians are raised in Geneva, I hope we will insist that the problems—and the legitimate rights of dispossessed Arab Jews are represented equally.

They have no propaganda, and they don't throw bombs and commit terrorism, but their problems are as great as those of the Arab Palestinians, and their numbers are as great.

It is time to recognize that the Palestinian problem will not be resolved until it becomes a humanitarian concern rather than a political opportunity for Arab governments, and for bandits like Yasser Arafat and George Habash.

JERUSALEM NON-NEGOTIABLE

Finally, there is Jerusalem. Historically and legally it is a Jewish city. Spiritually, it is the home of three of the worlds' great religions. Under the never-implemented partition recommendation, Jerusalem was to be an international city. Christian, Moslem and Jew were to have access to their holy places within the old city. But the city was taken by the invading armies in the war of independence, and for Christians and Moslems there was access, but to the Jews there was none.

The hotel was in Arab hands. Jewish holy places were desecrated. And those who once called for internationalization were silent. The city that ought to have been a symbol of unity among ranking became one more symbol of the divisions in the Middle East. King Faisal used to say that he wanted to worship at the Dome of the Rock before he died, but he would not do so while the city was in Jewish hands. It is worth noting, however, that he would not worship there during the nineteen years that Jerusalem was in Jordanian hands, either.

Today, the City of David is open to all. For the first time, it has the chance to stand as a unifying symbol, as well as the vibrant, dynamic city that it is. All religions are respected here. All holy places are protected here. There are those who object—not because it is open, but because it is open under the Jews. It is difficult to build arguments about justice on those grounds. Those who love their holy places more than they cherish their hatreds will have no difficulty going to Jerusalem regardless of who holds it. Those who do not, are perhaps not ready for Jerusalem.

And in the search for a solution to the dilemma which Israel's first President called "a conflict of right with right', whatever else may be negotiable, the capital of Israel clearly is not.

ISRAEL, VITAL TO U.S. SELF-INTEREST

Israel and America are bound by ties of affection and respect, by history, culture, and common tradition. But in the hard logic of international relations, the most important bond between nations is self-interest.

A short time ago, the government of Israel changed hands. It was done peacefully. The man who was unsuccessful in his bid for the leadership is still alive and well. The nation is divided in its politics, as is the United States, it is united in its purposes as is the United States. There has been a smooth, dignified transition.

This is an unusual event in this part of the world. It is an unusual event in any part of the world today. Freedom and democracy are on the defensive all around the world, but we believe they will survive and prevail.

The success of Israel serves to justify and strengthen that belief. Perhaps a people who can grow oranges in the desert can also help freedom and democracy to grow in the Middle East. In any event, she can help to defend it wherever it exists. I think it is fair to say that Israel needs America. But I think it is also fair to say that America needs Israel. And we know it.

Whatever the temporary growing pains which may result from our Administrations getting to know each other, we can be confident that these represent a further growing together, and not growing apart.

Eighty years ago, in a gambling casino in Switzerland, the miracle of modern Israel began. It began with an ancient dream stated in the language of modern politics. It began with a flag and a song: Hatikvah (The Hope). That flag flies free in a democratic nation, the hope has become a reality, and the possibility of miracles has been demonstrated anew. With that possibility fresh in our minds, we may hope for another miracle—for the peace which comes not by imposition, but by understanding and reconciliation, for the peace that comes with healing in its wings, and without the seeds of future conflict.

We must work for it as we can, and pray for it as we may: trusting in the words of David: "As the mountains are round about Jerusalem, so the Lord is round about his people from henceforth even forever . . . and, peace shall be upon Israel."

Thank you. Shalom.

THE W. C. MAYS BRIDGE

Mr. HOLLINGS. Mr. President, a bridge recently dedicated near Fair Play, S.C., bears the name "W. C. Mays Bridge." Dr. William C. Mays is known and admired throughout our State of South Carolina. For 60 years, from 1912 to 1972, Dr. Mays devoted his life to improving the health of generations of South Carolinians. He was a country doctor who acknowledged no obstacles when he set out to visit his far-flung patients. The ideals of the country doctor, and the energy with which he implemented them, are perhaps the most inspiring chapter in the saga of American medicine. And I know of no one who did more to live those ideals than Dr. Mays.

So it is with great pride that many of Dr. Mays' friends and admirers turned out for the dedication of the bridge, which is located very close to the spot where Dr. Mays was born. The transportation network in that part of the State is a far cry now from what it was when the good doctor braved all in healing the area's sick. His job would perhaps be easier now, at least from the perspective of travel. But that bridge is symbolic as well as tangible, for it reminds us how William Clayton Mays was himself a bridge for thousands and thousands of people, how he was the vital link between good health on the one hand, or illness and death on the other.

Mr. President, the Anderson Independent published a news story on the bridge dedication, and I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW BRIDGE DEDICATED TO "COUNTRY DOCTOR"

(By Jerry Alexander)

FAIR PLAY.—A new bridge at I–85 and Scenic Highway 11 was dedicated Saturday in honor of a country doctor who, for 60 years, healed the sick in parts of Oconee and Anderson counties.

The $1 million bridge and interchange will bear the name "W. C. Mays Bridge" in remembrance of 91-year-old William Clayton Mays, M.D.

It is located about two miles south of Fair Play near the hillside where Dr. Mays was born July 11, 1886.

A crowd of about 150 persons was on hand for the 11:30 a.m. ceremony at the north end of the gleaming concrete span. The granite marker bearing Dr. Mays' name and other inscriptions will be placed there permanently after the area is landscaped, officials said.

Dr. Mays practiced medicine in Oconee and Anderson counties from 1912 until 1972. During that time he also had patients from Georgia, also.

Fellow physician Dr. Hugh Wells of Seneca said Dr. Mays has left his footprints in the clay hills of Oconee for present and future generations to follow.

He told of the gentle, white-haired doctor's early practice, including travel over muddy, rough roads to deliver a total of 3,000 babies in his career. In those days of horses and buggies, Dr. Mays always kept two horses on hand. One had to be always fresh and ready to go at all times.

Later he used a model T Ford to get around to the farms of his patients. Those were the days of the house call and Dr. Mays traveled literally thousands of miles per year.

Dr. Mays was married in 1913 to the late Kate Harris of Oconee County and they had seven children.

Almost all the doctor's descendants were on hand to help him observe the occasion Saturday. They gathered around the marker with him for photographs and previously, two of his sons who are Oconee physicians, Harry and Lane, walked arm in arm with him to the podium.

There Dr. Mays thanked all who had turned out and said he hoped he has lived up to the remarks made about him during the ceremony.

Two of his granddaughters, Nancy Lane Graham and Julie Sammeth unveiled the marker.

Presiding was Rep. Bob McLellan of Seneca. Sen. Herbert D. Morgan of Seneca welcomed guests, and speakers were Furman L. Fendley, vice chairman, S.C. State Highway and Public Transportation Commission; H. Carl Blackwell; Rep. Cecil Sandifer; the Rev. Roger Estridge, Dr. Mays' pastor at Beaverdam Baptist Church in Fair Play, gave the invocation and prayer of dedication.

SKEPTICS TAKE NOTE

Mr. BARTLETT. Mr. President, a recent editorial published in the Daily Oklahoman, a major Oklahoma City newspaper, quite vividly depicts the present national energy dilemma. I feel the editorial, entitled "Skeptics Take Note," would be of interest and benefit to my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Daily Oklahoman, June 24, 1977]

SKEPTICS TAKE NOTICE

May crude oil imports into the United States exceeded 6.7 million barrels per day, marking the fifth consecutive month in which crude oil imports surpassed the 6 million barrel per day level. Estimated total imports comprised 46 per cent of the total supply in May, as compared to 38 per cent in 1976.

Domestic wells in this country produced 8 million barrels per day in May 1977, compared to 8.2 million barrels per day in May 1976.

Petroleum products, as distinct from crude oil, imports during the month of May were up 14.9 per cent above the same period a year ago. Total product imports so far this year, up to June 1, are up 20 per cent above the comparable 1976 level.

Motor gasoline demand for the first five months of 1977 in the United States alone is up 3.3 per cent above the 1976 requirement, and for May the demand was up 4.7 per cent.

These are some of the figures in the most recent report of the American Petroleum Institute, and they tell a lot about why there is a continuing crisis in our supply of basic fuels.

The domestic production continues to drop, and the search for new supplies not only grows more costly but the capital with which to develop new sources of supply is being drained off by exorbitant taxes on the sale of petroleum products, from the wellhead to the service station pump. The demand continues to rise, and the extent of our dependence on imports rises accordingly.

It is small wonder, then, that those who have ample supplies to sell on the world market are taking advantage of the demand situation by holding prices high. Nor is it surprising that some of them, at least, use their hold on our energy supply to exert pressure on our national policies.

The skeptics who insist that there is no real shortage of oil or gas, or that the producers are deliberately holding supplies off the market in order to wait for higher prices, might ponder the figures above. The market is there waiting for our own producers to supply it, and the producers want to meet its demands. But they cannot produce oil by waving a magic wand. It takes months, sometimes years, to decide where to drill, to put together the leases and the equipment and the drilling teams to complete a well that may or may not be a producer. It also takes prodigious accumulation of capital to pay for the whole show. When it is found and brought to the surface, it must still be transported to suitable refineries, which may or may not exist, through pipelines that may or may not be ready, or even planned.

The whole complex system is a wonderful one, and it has survived depressions and earthquakes and fire and floods, but it may not survive political interference by demagogues and bureaucrats blissfully ignorant of its most basic components.

The skeptics to the contrary, there is a shortage of oil ready to process into the products we demand, and there is no great reservoir ready to be shipped to market at the turn of a tap. But the doomsayers are equally wrong when they say there is nothing that could be done about it, and there are no more supplies to be located and produced.

The system that has given us the abundance we have known for so long will still meet our needs if the political monkeywrenches can be kept out of the machinery.

SO MUCH MORE TO BE DONE FOR HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, we often wonder whether human rights protests have any effect. Do they actually make some headway toward ending or reducing oppression? Or are they merely an exercise in ineffectual oratory?

One might argue that human rights protests produce only limited results, but there can be no question that they do produce results. Just recently, a series of protests concerning the disappearance of

approximately 1,500 persons in Chile has resulted in the retreat of that government from its adamant denial of involvement in, or knowledge of, those "disappearances." Tom Wicker, in a June 24 article in the New York Times, described the protests and the resulting changes in the official Chilean position regarding missing persons.

Wicker's article is most important as an indication of the great deal more that could be done to protect human rights. If protests such as those described in Wicker's article can produce small gains for persecuted individuals, how much more could be accomplished if this nation came out in support of basic human rights.

Is it feasible for this nation to commit itself to support fundamental human rights? Is there an issue defined narrowly enough to make our support meaningful?

The answer to both these questions is a resounding yes. The Genocide Convention, now under consideration by the Senate Foreign Relations Committee, provides a vehicle for this body to oppose a crime that is clearly defined—and one which is clearly one of the most reprehensible atrocities known to man.

I ask my colleagues to study Mr. Wicker's description of the effect on the Chilean Government of several demonstrations, a handful of protestors, and a few statements of support. And I ask my colleagues to consider how much greater would be the impact of human rights protests such as these with the support of this body.

Mr. President, I ask unanimous consent that Mr. Wicker's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SMALL GAIN IN CHILE

(By Tom Wicker)

Twenty-six hunger strikers have forced Gen. Augusto Pinochet, the iron ruler of Chile, to give a little ground—but not much—on the question of the approximately 1,500 persons who have "disappeared" in Chile.

The Pinochet regime has been blandly disclaiming any knowledge of the whereabouts or fate of these "disappeared prisoners," as they are referred to by Amnesty International and other human rights organizations. But on June 14, 24 women and two men, all relatives of disappeared prisoners, entered the headquarters of the Economic Commission for Latin America in the United Nations building in Santiago, and began a hunger strike.

In a remarkably nonideological document, the demonstrators made three demands on General Pinochet:

That the cases of the missing persons "should be cleared up once and for all."

That an international commission of Chileans and other nationals be set up to investigate and report on the "disappeared prisoner" situation and other human rights violations in Chile.

That no reprisals be carried out against the hunger strikers.

These demands were submitted along with exhaustive lists of the "disappeared prisoners," compiled by the Catholic Church in Chile, with the assistance of what the strikers called "thousands of world figures, men of culture, lawyers, trade-union leaders, etc."

On June 23, after intervention by the United Nations, a White House statement of concern, and supporting demonstrations in Paris, Mexico, San Francisco, Norway and elsewhere, the strike came to an end after small concessions had been wrung from General Pinochet by U.N. negotiators.

The general agreed to provide information about the missing relatives of the 26 hunger strikers, and promised not to retaliate against the 26 themselves. No one had really expected him to agree to the second demand—for an investigative commission—since he has never been willing to allow even the U.N. Human Rights Commission or its representatives to come to Chile to look into the human rights situation there.

The agreement leaves more than 1,400 "disappeared prisoners" not only unaccounted for but not even officially acknowledged. And of course, the Pinochet regime may yet say of the relatives of the 26 what it has usually said in the past—only that they were neither exiled nor jailed but simply left the country for reasons unknown.

Even so, the mere acknowledgement that the regime could provide some sort of information about the relatives of the 26 strikers was a limited admission of responsibility for—or at least knowledge of—their disappearances. And by extension, this admission tends—at least in the eyes of anti-Pinochet forces in exile—to acknowledge the whole list of "disappeared prisoners."

The hunger strike also produced a deeper involvement of the United Nations in conditions in Chile and in the human rights problem generally. Both because the strikers were occupying U.N. quarters in Santiago and because of a General Assembly resolution of last November, which condemned the practice of arresting political prisoners and making them "disappear," the U.N. had little choice but to intervene.

Enrique Iglesias, the director of E.C.L.A., acted as chief negotiator, on the instructions of Secretary General Kurt Waldheim. The U.N.'s chief legal officer, Erik Suy, also was involved. Mr. Waldheim apparently met with the Chilean representative to the U.N.

But these are minor gains indeed compared to the continuing repression and misery of the great Chilean people. Inflation and unemployment, though claimed by the regime to have been eased, continue at extraordinarily high levels; the "disappeared prisoner" technique appears to have replaced less subtle forms of political detention; and as recently as February, a special five-member U.N. working group reported to the Human Rights Commission that the Pinochet regime continued to torture as "a regular practice" those unfortunates it did detain.

The hunger strike and its outcome, however, suggest at least some sensitivity on the part of General Pinochet to world opinion about his violations of human rights. Therefore, President Carter might consider making the Pinochet regime the focus of an American human rights policy—while firmly refusing new agricultural loans to Chile that are now being considered in the State Department.

REHABILITATION AND GOVERNMENT ACTION

Mr. HUMPHREY. Mr. President, during the July 4 recess, frequently and incorrectly referred to as a "vacation," I had an opportunity to participate in a number of public events in Minnesota.

Invariably, these intervals back home permit a spirited and useful exchange of information and opinion with my constituents.

I particularly enjoyed the opportunity to address a workshop sponsored by Mankato State University for vocational rehabilitation counselors.

My hosts had invited me to discuss legislative and human rights issues in the area of rehabilitation, and especially how to influence and enforce the law.

I would like to share with my colleagues my comments on that occasion, because I believe they are relevant to legislative issues and policy decisions which will face Congress with increasing frequency and urgency as the handicapped of this Nation actively seek the fulfillment of promised rights.

Mr. President, I ask unanimous consent that my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

POWER, POLITICS AND CURRENT ISSUES IN REHABILITATION

"My hand trembles, but my heart does not." Stephen Hopkins reportedly said of his signature on the Declaration of Independence.

Historians do not agree whether this founding father suffered from cerebral palsy.

But that sentiment stands as a remarkable expression of mixed strengths and weaknesses of every human being.

Recall Franklin D. Roosevelt.

Would you categorize that great leader by his affliction?

Whether his politics inspires or alienates you, he represents achievement, strength and leadership.

There is no shortage of inspiring examples of persons who overcame handicaps, sometimes in a spectacular manner.

The current issue is the extent to which public policy can and should help make this opportunity widely available to all disabled persons. Regardless of their individual situation.

Had Franklin D. Roosevelt been seeking the most ordinary employment, he might well have encountered discouraging physical, architectural and psychological barriers.

This suggests something of the arbitrary nature of the prejudice that confronts any oppressed and labeled group.

Discrimination is clever and pervasive. Perhaps its most essential characteristic is that it defines which personal strengths will be assigned social value and importance.

Because each human being is a mixture of skill and ineptness, strength and weakness, aptitudes and interests, it is surprising how long it has taken to change public policy toward those whose disabilities have barred them from the mainstream of American society.

The focus used to be to treat weakness and often, involuntarily, to perpetuate dependence. A new horizon is opening to the possibility and the desirability of programs that emphasize and build on strengths.

I am proud and honored to speak to a group whose professional purpose is to create a more just and compassionate society, and to help the "Lost Minority" of the physically and mentally handicapped to assume a meaningful, satisfying and productive role in this Nation's economic and cultural life.

I suspect that many of you chose this career because of a basic optimism about the resilience and potential of human beings, and the divine spark shared by even the most seriously afflicted.

My purpose today will be to describe very briefly how I view the present climate of concern for the handicapped and some of the progress that has been made.

I also will suggest how we can expand and consolidate that progress.

It has become a truism that the 1970's is the decade of the handicapped, just as the 1960's was the decade of civil rights.

I understand that the 1980's has been preempted as the decade of older Americans, and that will suit me just fine. I will be coming of age just in time to be in step with the crowd.

The 94th Congress enacted major legislation in the areas of developmental disabilities, education of the handicapped, vocational rehabilitation and mental health.

As you know, the Developmental Disabilities Act provides support to State efforts to plan, coordinate and implement programs for developmentally disabled.

To qualify for aid, States must submit plans for both deinstitutionalization and institutional reform.

Another very significant feature of this legislation is the inclusion of a Bill of Rights which asserts the right of the mentally retarded to appropriate treatment and services. And it backs up those rights with the demand that a specific system be devised to protect and advocate these rights.

Another legislative step, with revolutionary potential, was passage of the Education for All Handicapped Children Act. Under this law, in order to be eligible for federal aid, a state must provide a free and appropriate public education for all handicapped children by September, 1980. And priority attention must be given to the most severely handicapped.

For the less severely handicapped who are able to learn work skills, and even become self-supporting and contributing members of the community, the Rehabilitation Act of 1973, as amended, provides important support for training programs. But this law also mandates priority attention for those with the most severe handicaps.

One measure of the impact of this law is the increasing number of severely disabled being served in this nation's rehabilitation programs, including sheltered workshops. In the past, these people had little hope of achieving the sense of purpose, satisfaction and self-respect that comes with successfully performing a useful and productive task.

Many of the severely handicapped cannot hope to earn a decent wage based on productivity alone. I have introduced a proposal to provide wage supplements that will reward the efforts of long-term workers in sheltered workshops with a living wage. I sincerely hope that Congress will enact this measure.

Last week we succeeded in passing an enormous Labor-Health, Education and Welfare appropriations bill. The most controversial and divisive provisions of this bill were widely publicized. But little emphasis was placed on the tremendous financial commitment expressed in the bill to programs of health and education that help to prevent crippling disease, to restore health, to rehabilitate the disabled, and to provide the education and services that enable the handicapped to assume a proud and productive role in our national life.

I could list dozens of initiatives, but I am sure you do not want an oral bibliography. There are exciting new efforts to help the handicapped achieve independent living, to coordinate the programs that serve them and to make transportation both financially and physically accessible.

These efforts are paralleled by developments in our state legislatures. That is an important area of government an effort that should not be overlooked.

In our federal system, states traditionally and ideally serve as the laboratory for reform legislation. This is true of Minnesota, which has been a leader and model in medical group practice, in catastrophic and no-fault insurance, in election-day registration, in support for crippled children, and in many social welfare programs.

I have listed some of our recent legislative achievements and concerns.

But perhaps most symbolic of this new social sensitivity and personal activism are the recently signed so-called 504 Regulations.

As all of you here know, these regulations stem from a brief provision in the Rehabilitation Act of 1973.

Section 504 says:

"No otherwise qualified handicapped individual in the United States . . . shall, solely by reason of his handicap, be excluded from participation in, or be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance . . ."

That is a beautifully simple and direct statement. It expresses a sound principle few could oppose.

I have become aware, just as Secretary Califano did when he threaded past those wheelchairs blocking his anterooms, that the landmark importance of that statement resides in the recognition the disabled have given it as their Declaration of Independence.

They—not just their spokesmen—are determined to give its promise substance and reality.

In fact, developments regarding Section 504 offer insight into the process of self-government which not always is as scientific and carefully calculated as one might think. If it were more calculated, it certainly would be less democratic.

I will not deny that many of us who insisted that this provision be included in the Rehabilitation Act, had not considered every implication or consequence: For example, What constitutes discrimination? Who suffers from it? How can you enforce nondiscrimination? What is the meaning of equal access to building and programs? Who should pay the costs involved? How is disability to be defined?

Despite unanswered questions, sometimes it is a sufficient beginning to do what is right, and to assume that we will find the strength and wisdom to handle the resulting problems and challenges as they arise. If you don't have that faith, you wouldn't be much of a legislator.

Law in this country is dynamic. This is not the first law in which the U.S. Congress has expressed its intent and convictions, and then turned to the people and to much-maligned bureaucrats to help flush out the meaning, and to determine its application.

Nor is that always necessarily bad. When we have a Congress full of expert regulation writers we will have a focus far too narrow to accommodate the bursting vitality and diversity of America's culture, values and aspirations.

Two Administrations failed to come to grips with the issues of cost, and the goals of equality mandated by that brief 504 paragraph. Secretary Califano, too, was taken aback momentarily by the implication of the implementing regulations.

But the existence of the law had a powerful and pervasive influence in the four years that the general public, the specialists serving the handicapped, the disabled themselves and their lobbyists, testified and negotiated, interpreted and compromised, and finally hammered out the definitions and criteria to give this section reality.

Section 504 gave immediacy to a goal that otherwise might have remained in the realm of theory.

It helped to define the goals and focus the efforts of the persons affected.

It generated a national awareness of the problems of the handicapped, and a new questioning of the goals, principles and adequacy of current policy.

It fostered a sensitivity to the problems of the handicapped, and a realization of the hopes and feelings each of us shares with those less fortunate.

Most important, it forced action.

Lawmaking should capture the current of public sentiment and opinion, and help to mold and guide them.

It is a dynamic, reciprocal process. But it also is an imperfect and imprecise art. Measured by rigid standards, some might consider even the Bill of Rights sophomoric, because it still gives rise to conflicting claims as we strive to determine just which rights are covered, and how they ought to be respected and protected and, by extension, what kind of a society we want.

That is my message today. I can summarize it in a few brief phrases:

The national climate is receptive to a new and more humane approach to rehabilitation.

Opportunities for progress already are written in dozens of statutes and regulations. Know them. Use them. Test them.

Zero in on chapter and verse. Define limited and specific goals, and then focus your efforts on their realization.

Build a wide base of public support.

Your legislators respond. And they respond best to demands for justice and national priorities that are widely held and accepted.

Thank you.

THE ECONOMIC DEVELOPMENT ADMINISTRATION'S ALLOCATION OF FUNDS IN RHODE ISLAND

Mr. PELL. Mr. President, more than 2 months ago, the President signed into law the authorization and Appropriation Acts providing funds for the Public Works Employment Act designed to stimulate the economy through the construction of public facilities by State and local governments. From the viewpoint of local and community planning, this program has become a fiasco.

Approval of that program was greeted enthusiastically by local government officials in Rhode Island who planned and worked to qualify for funds to meet high priority needs for their cities and towns.

Unfortunately, Mr. President, the allocation of funds within the State of Rhode Island by the Economic Development Administration has become an administrative travesty.

The initial Rhode Island planning targets established by EDA on June 9 contained gross errors that were quickly acknowledged as such by EDA. All Rhode Island communities were put on notice that their planning target allocations were subject to change.

On Friday, July 15, EDA announced what were described as the final, corrected planning targets for Rhode Island communities. Yesterday, Monday, July 18, EDA acknowledged that this final, corrected allocation also has serious errors which must be corrected.

The result of these errors has been agonizing uncertainty for local government officials in the State of Rhode Island. Town officials have been officially informed of substantial allocations of up to $3.5 million on one day, and then, just as those officials plunged into construction planning to meet EDA deadlines, they have been informed that their allocations have been reduced to zero.

Because correction of these errors affects the allocations for other communities, planning for the Public Works Em-

ployment Act program in the State of Rhode Island has been thrown into chaos.

I realize that the Congress assigned to EDA a very difficult administrative chore in requiring a speedy, accurate, and just allocation and distribution of $4 billion in public works funds in a short period of time. I know that EDA personnel have worked long hours to meet this challenge.

The fact remains that as far as the allocations within the State of Rhode Island are concerned, the program has been badly botched. Recurring, very sizable errcrs have produced not only uncertainty, but a growing distrust of the allocation process by local government officials.

Confidence in the fairness and equity of the allocation process has been seriously undermined.

The Economic Development Administration is well aware that there are serious problems in the allocation of funds within the State of Rhode Island. It is time, indeed it is long past time, that EDA resolved those allocation problems finally, accurately, and equitably.

It is time that EDA explained the allocation process clearly so that every government official in Rhode Island can know with confidence whether his city or town has been given fair treatment.

Until this is done, the intent of the Congress, to combat unemployment and provide jobs through the construction of needed public facilities, will be frustrated.

COMPUTER-RELATED CRIMES

Mr. RIBICOFF. Mr. President, Brandt Allen, D.B.A., is a professor at the Colgate Darden Graduate School of Business Administration at the University of Virginia, Charlottesville. He is a member of the Financial Executives Institute, the American Accounting Association, and the Society for Management Information Systems, and is the author of several articles on computer fraud.

In the May 1977 issue of the Journal of Accountancy, Professor Allen has published a comprehensive article on the nature, types, and scope of computer-related crime. Professor Allen also proposed recommendations for detecting and preventing computer-related crime.

The Senate Governmental Affairs Committee recently completed a year-long investigation of computer-related crimes, their prevention, detection, and prosecution, in Federal programs and private industry.

The investigation led to the issuance of a committee staff report, "Computer Security in Federal Programs," dated February 2, 1977.

In addition, with the cosponsorship of Senators JOHN L. MCCLELLAN of Arkansas, CHARLES H. PERCY of Illinois, HENRY M. JACKSON of Washington, LEE METCALF of Montana, EDWARD M. KENNEDY of Massachusetts, STROM THURMOND of South Carolina, ROBERT P. GRIFFIN of Michigan, PETE V. DOMENICI of New Mexico, H. JOHN HEINZ III of Pennsylvania, and JACOB K. JAVITS of New York, I introduced on June 27, 1977, the Federal Computer Systems Protection Act of 1977.

This measure, S. 1766, is to amend title 18, United States Code, to make a crime the use for fraudulent or other illegal purposes, of any computer owned or operated by the United States, certain financial institutions, and entities affecting interstate commerce.

The legislation, which was referred to the Judiciary Committee, would impose heavy prison terms and stiff fines for electronic burglars who use computers and computer technology to steal or manipulate information, financial instruments, and other property.

Many of the issues raised in the Senate Governmental Affairs Committee inquiry are discussed in Professor Allen's article, "The Biggest Computer Frauds: Lessons for CPA's."

Professor Allen's article is well documented and is written in a manner which persons not expert in the computer field can understand.

Mr. President, I ask unanimous consent that Professor Allen's article, and supporting charts, from the May 1977 issue of the Journal of Accountancy be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE BIGGEST COMPUTER FRAUDS: LESSONS FOR CPA'S

(By Brandt Allen)

Today no one argues that computers are "fraud-proof" as some did a decade ago, but there is still much disagreement as to what comprises computer fraud, where it begins and how to prevent it. As a result, the activities of accountants and auditors as they relate to computers and computer security systems often lack direction and focus. Because of the increased incidence of computer frauds, auditors can no longer consider them of concern only to law enforcement agencies. Now the entire accounting profession must be alerted to the proliferation of these crimes and must understand how to recognize them and how to inform management of ways to prevent them.

This article analyzes most of the publicly documented computer fraud cases detected to date (see Appendix, page 62) with special emphasis on the major ones. The latter include those that were long running, were difficult to detect, produced large losses and are representative of frequently detected schemes. Through analysis, it has been possible to determine the major control lapses that seem to invite such schemes. Through analysis, we're also able to speculate about the major undetected computer frauds and where they may turn up.

This analysis focuses on 150 major cases that have been publicized, excluding many others where the data was skimpy. For purposes of this article, computer fraud is defined as any defalcation or embezzlement accomplished by tampering with computer programs, data files, operations, equipment or media, and resulting in losses sustained by the organization whose computer system was manipulated. In most instances, this would encompass all activities in the computer department as well as those departments that directly enter or prepare computer input. Excluded are thefts of computerized information, use of computer time for personal gain, alteration of computer records for nonfinancial gain and schemes where the employer was not the victim. These excluded schemes cover instances where the records of credit bureaus, license agencies and property registers were altered to defraud credit grantors and others dependent on these records. Also eliminated are unusual cases like Equity Funding or Computer Payroll and Accounting Services, Inc., where the service bureau owner absconded with the payroll funds of his client companies.

PREVENTION NECESSARY

As will be seen from the analyses of the computer fraud cases subsequently described in this article, such fraud can often be prevented by a tight system of internal control. Later analyses of these cases will show that certain areas of internal control are weak and in need of improvement. As a result, the CPA should give special attention to the following areas:

1. Transaction controls. The most important area for improvement seems to lie in tightening controls over the generation and flow of input transactions. In all the big cases, perpetrators were able to add bogus transactions or to alter others. Computer users need to perfect means to ensure that all transactions are subject to controls and that the controls are tight. Obvious problem areas, such as adjusting entries and error corrections, should be designed to be controlled by persons other than those responsible for the entries.

2. Rigorous audits. Auditors must give increased attention to the causes of inventory losses. It seems clear that many of the disbursement and inventory frauds were conducted in an environment of large, continuing inventory losses. It appears that the growing crime problem has established the expectation of inventory shrink in many organizations. Inaventory frauds or disbursement frauds flourish in this climate; not only does it reduce the organization's diligence but it also tends to foster fraud ideas. Where losses run to the hundreds of thousands or even millions of dollars per year, additional inventory controls and investigations are warranted and can probably be cost justified.

3. Improved responsibility reporting. The most effective internal control for the big cases seems to be improved management reporting systems to alert others to possible fraudulent transactions. Buyers should receive recapitulations of orders placed, received, paid and canceled by time period, by vendor and by type of item. Adjustments and corrections should be highlighted in special management reports. All expense entries should be reported to authorizing management in sufficient detail and clarity to enable the executives to spot unauthorized charges.

4. Program controls. In a well-run computer department, neither programs judged to be critical nor those that access critical programs or data collections are accepted for use in the computer center until they have been subject to independent verification. Once so accepted and approved, they are placed in secure file storage and are available for use only according to schedule. And any time, internal audit can verify that the current program version being used is the one approved for use. All program changes must go through the same sequence.

5. File controls. Every computer user must have a file librarian responsible for the security of all critical program and data files. No files should be released to computer operations except as scheduled. Monitors are necessary to ensure that files are used according to the approved schedule and that all deviations are investigated.

6. Place EDP house in order. Even today many computer centers are run on a crisis basis with few controls, poorly designed systems and unaudited and unauditable software. In too many organizations, edit tests and input controls are relaxed when backlogs grow. Program patches are made in desperation with no review or control. In such an environment it would not be surprising to find computer fraud, and such was the situation in the cases in this study. In

one case, the data files and programing systems were in such bad shape that direct file changes were made repeatedly in order to correct errors. This made it easy for the dishonest employee to make certain other "corrections" to effect his scheme without arousing suspicion. In my opinion, the auditor who discovers a chaotic, poorly controlled data center in his review of internal control is in trouble. He can hardly proceed without additional, and sometimes exhaustive, verification, but it is in just such situations that the additional review is so difficult to perform. The auditor can do a great service for his client and for himself by working to reduce the "management by crisis" conditions found in many computer rooms.

TYPE OF SCHEME

The 150 cases were first sorted into categories by type of scheme and victim organization. In examining Figure 1, page 54, we observe that accounting and inventory control fraud involves average losses of $1.3 million, the largest in the corporate category. Schemes based on fraudulent payments account for almost 40 percent of the cases involving corporations. Fraudulent payments to creditors average $324,000 while fraudulent payments to corporate employees average a $139,000 loss per case. Fraudulent payments in corporations are made to employees (payroll), to other individuals (usually pension or insurance claims) or to creditors or suppliers (disbursements). Losses average well over $100,000 per case. Disbursement frauds are the most costly, primarily because they are more difficult to detect and thus continue longer. Disbursement frauds also are more complex and can be understood and planned by only a few in the company, usually members of management.

In banks and savings institutions, the payment frauds are, with one exception, manipulations of withdrawals. Ordinarily, these involve attempts to withdraw funds from inactive or dormant accounts or efforts to prevent the processing of a check by rendering the MICR (magnetic ink character recognition) codes unreadable. By their very nature, these schemes usually are detected quickly by auditing procedures or internal controls. In one typical case, however, where check processing was blocked on a customer account resulting in a $6.8 million loss, a bank officer was in collusion with an officer of the client company and was in a position to hide the discrepancy in the reconciliation of the bank's account with the regional Federal Reserve Bank.

Frauds shown as payments to other individuals for state and local governmental agencies were for welfare payments, unemployment insurance and job corps programs.

In summary, in most types of organizations automated systems that pay money from the organization to suppliers, employees and others are the most troublesome.

All the cases in the accounting/inventory control category shown in Figure 1 are based on changes made in accounting and subsidiary records without an immediate change in physical assets or cash payout. Several of the corporate cases had the same pattern: inventory clerks or managers entered fraudulent transactions into computerized inventory systems; this, in effect, deleted items from inventory or assigned responsibility for the items to someone or someplace else. Then items would be stolen, bringing the physical count into line with inventory records. In the bank and savings and loan cases, various schemes were employed. The simplest schemes were thefts from inactive accounts accomplished by transferring funds to accounts of the perpetrators. Several other cases involved crediting perpetrators' accounts while charging the offset to various expense and adjustment accounts. In one case, service charges to customers were overbilled, with the overage flowing into the programer's account.

In cases involving the manipulation of incoming funds, the number of cases and size of losses for corporations were less significant. There are several reasons for this. Most corporations can and do exercise tight control over customer remittances; the process is more easily audited. Payments to a firm are generally made by check and are not easily cashed. Manipulations of receivables or deposits, the so-called "lapping schemes," require constant attention and manipulation of accounts. These schemes are also risky; the stolen amount is always hidden in the accounts, awaiting detection. In only two cases was there a potential for large losses.

FIGURE 1.—AVERAGE LOSSES IN COMPUTER FRAUDS

[In thousands of dollars]

Type of fraud	Corporation	Bank/savings and loan	State and local government	Federal Government
Payments to employees	$139(4/8)	$3(1/1)	$14(3/4)	$33(22/29)
Payments to other individuals	133(2/4)		487(6/9)	
Payments to creditors	324(5/5)	[1] 252(8/12)		56(25/30)
Accounting/inventory control	1,300(10/10)	195(10/12)	[2] (—/1)	
Collections/deposits	43(2/6)	157(8/9)		
Billings	6(2/6)			
Miscellaneous	[2] (—/2)		[2] (—/2)	
Average loss totals	621(25/41)	192(27/34)	329(9/16)	45(47/59)

[1] 1 case of $6,800,000 deleted from figures to avoid distortion.
[2] Amount of loss unknown.

Note: The average loss figure is based upon x cases out of y total cases in that category where (x/y) is shown just to the right of the average. Losses in some cases were unavailable or were eliminated for other reasons.

FIGURE 2.—THE VICTIMS OF COMPUTER FRAUDS

Method of computer manipulation	Corporation	Bank/savings and loan	State and local government	Federal Government
Transactions added	16	9	9	48
Transactions altered	8	12		
Transactions deleted	3	4		
File changes	5	3	5	
Program changes	6	8		
Improper operation	4		1	
Miscellaneous, unknown	4	1	1	11
Totals	46	37	16	59

Note: Case totals do not add up to 150 because some are classified in more than 1 category.

In each instance, the perpetrators had discovered how to permanently eliminate the receivables from the accounts through unauthorized adjustment of entries. In certain corporate receivables frauds, the billings were manipulated—and reduced—before the basic sales transactions were recorded in the accounts.

The analysis revealed a significant number of deposit frauds in banks, which yielded much higher average losses. The basic scheme is really the same as that for receivables collection in a corporation: deposits intended for one account are pocketed or credited to another; then the former is made good later by diverting another deposit intended for still another account. Also in this category are check-kiting schemes where deposit tickets or records were altered so that uncleared deposits could be immediately withdrawn.

It's probably misleading to draw any conclusions from the fact that corporations had the largest average fraud losses per case, because only the major cases are publicized. No doubt there were many smaller detected computer frauds in corporations that were simply settled by dismissal; it's the bigger cases that are brought to court and thus reported. Banks, on the other hand, probably report a much higher percentage of their fraud cases because they're federally regulated, insured and required to report their losses. As in corporations, possible computer frauds in state and local governments appear to be underreported and the losses understated.

METHODS OF COMPUTER MANIPULATION

Figure 2, this page, and Figure 3, page 56, illustrate how the computer system was manipulated. Several things are clear from these tabulations. Manipulation of transactions is by far the most frequent method: adding unauthorized transactions, such as phony purchase orders and warehouse receipts in the case of disbursement frauds; altering transactions, such as posting deposits or payments on account to some other account; or not processing a transaction at all, such as payments on long term certifications of deposit. Sometimes a combination of methods is used, as in the cases of pension fraud where a termination triggered by a death notice is not processed (transaction deleted) and then an address change (unauthorized transaction added) is used to channel the payments to the schemer.

Schemes involving direct charges to matter files by the use of utility programs or direct terminal entry via file maintenance were found less frequently. In several cases, transactions had to be added or altered in order to accomplish the file change. I classified these schemes as file changes if a one-time, unauthorized transaction resulted in a recurring fraudulent activity, such as the misappropriated pension payments. If an unauthorized transaction had to be added each time a fraudulent activity was triggered, this was classified as a transaction, even though the effect of the transaction was to change a master file.

Direct manipulation of master files can be difficult to prevent because of the difficulty of establishing file maintenance and change controls:

In one case, a programer/systems analyst used his ability to make direct changes to master files to change the price on items he

was purchasing just before the billing run; later he'd return the price to its correct condition. In another, a programer transferred funds from inactive accounts to his own and his associates by using a utility program and by carefully making all switches within a file control block. The change was made between the end of one quarter and the beginning of another, further compounding the auditor's decision problem.

FIGURE 3.—THE SCHEMES USED IN COMPUTER FRAUDS

Method of computer manipulation	Payments to employees and other individuals	Accounting/inventory control/disbursements	Billings/collections/deposits	Miscellaneous
Transactions added or altered	40	40	17	----
Transactions deleted	2	3	2	----
File changes	6	3	1	2
Program changes	2	7	5	----
Improper operation	4	1	----	----
Miscellaneous, unknown	2	11	2	2
Totals	56	69	27	4

Note: Totals do not add up to 150 because some cases are classified in more than 1 category.

Computer frauds caused by program changes or patches have been discovered in only a few cases. This method has been used to hide overdrafts on checking accounts, to accumulate fractional cents on interest calculations, to skip over accounts at billing time in order to inflate service charges and to mispost accounting transactions fraudulently. Computer users appear to be particularly vulnerable to program patches, as can be seen in the following recent case:

A programer at a large savings and loan association attempted what could have been the perfect computer fraud. At this institution, the on line teller terminals accessed only a temporary customer file during the day; after all tellers had balanced out, the day's transactions were posted to the permanent files and the temporary file was then refreshed for the following day's business. This two-file system was used for security reasons and is the preferred approach for advanced, on line systems. The programer had patched the program so that any withdrawals against his personal account, when posted to the permanent file, would be actually charged to an inactive account. On the following day he would remove his withdrawal slip from the documents sent to the computer center from the branches and substitute one drawing on the inactive account. With the program patch removed, it would have been impossible for auditors to discover the perpetrator. Fortunately, the scheme never got off the ground; the programer erred in keying the inactive account number on his first effort. He was caught the next day.

Frauds caused by improper computer operation were almost always payroll frauds, where extra checks were printed or where unauthorized use of computer terminals was employed to enter fraudulent payroll data, thus leading to excessive payments.

UNDETECTED COMPUTER FRAUDS

One cannot help inferring that a significant amount of fraud and embezzlement goes undetected. Since so many cases are uncovered only by chance or because the perpetrator simply gives up or makes a stupid mistake, one may well conclude that most fraud goes undetected. I believe this is true for computer fraud as well. Furthermore, it's possible to determine the most likely undetected cases simply by applying the pattern of non-computer-related frauds to computer users. Other cases appear probable, considering the buying, selling, employment or functional activities of various types of organizations.

First, it should be clear that a large number of undetected computer frauds simply follow the patterns found in these detected cases. Thus, there is much undetected corporate inventory and disbursements fraud, much undetected welfare fraud in federal, state and local government agencies and many undetected funds transfers in banking institutions. Theft from inactive accounts in savings institutions is a good case in point. This scheme was the most frequently reported in this analysis, and yet many more probably go undetected. Officers of such institutions depend heavily on the computer to block attempted withdrawals from dormant accounts, yet this control can easily be circumvented by the computer thief. Long running dormant account thefts can easily be masked by blocking or diverting quarterly statements and then sending adjusted statements in their places. Beyond this, my guesses as to undetected schemes are the following:

1. *Pension frauds.* There were a couple of cases in this study where pension payments were discovered being made in the names of deceased individuals. But the number of pensioners in this country, the number of pension-paying organizations and the ease of the scheme suggest that computerized pension fraud in the United States is a hidden problem of major significance. There are probably thousands of deceased pensioners on computer files whose monthly checks are being diverted to white collar criminals.

2. Inventory and disbursement frauds in state and local governments. Disbursement and inventory frauds were found to be big problems for automated systems in corporations and federal government agencies; the same must be true for state and local governments, but no cases of this type were found in my collection. It seems clear that they weren't included because they haven't been detected, perhaps because auditing of these agencies is not as thorough. When you consider the number of state and local governments in existence, the amount of purchasing they do and the size of their inventories, this must be considered another hidden problem.

3. Insurance claims fraud. From the cases to date it might be concluded that there is no computer-related fraud in insurance companies. This can't be so. The nature of the business in this industry is money collecting, investing and paying; there are many individual accounts, many transactions, a high degree of automation, the dollar magnitude is high and much of the industry depends primarily on good faith—such as medical insurance claims processing. Few industries have such a high potential for computer fraud and so few detected cases to date.

4. Corporate billing frauds. While there were a few detected cases of this type in my collection, the total was surprisingly small considering the vast amount of billing activity in the corporate sphere. The large number of employees who have access to billing transactions and the case of manipulation suggest that much fraud here goes undetected, particularly that effected by deleting, blocking or altering transactions.

5. Federal government program frauds. If the results of this survey can be believed, there have been no dishonest computer programers in the federal government. This hardly seems possible. Considering the potential for abuse in such agencies as the Department of Health, Education and Welfare, the Department of Defense, the Internal Revenue Service and the Agriculture Department and in programs such as revenue sharing, it may be concluded that a significant number of payment frauds generated by unauthorized program patches go undetected in the federal government.

6. Loan frauds in commercial banks. Commercial banks, as opposed to savings institutions, also appear surprisingly clean in the survey. For many reasons, the chances of operating successful funds transfers are lower for demand accounts than for savings accounts, but the opportunities for loan frauds are greater in commercial banks. It seems impossible that computer-assisted loan frauds are not a giant problem for commercial banks. My guess is that many are out there waiting to be detected.

PERPETRATOR'S JOB POSITIONS

Some of the most interesting observations to be made from computer fraud cases come from looking at the job positions of the perpetrators. As shown in Figure 4, this page, there was much collusion, particularly in those cases initiated by data entry personnel. Line 1 of Figure 4 should be read as follows: There were 15 cases involving data entry personnel; 4 of these acted alone; 5 colluded with 1 other employee, 1 colluded with 2 others and 3 with more than 2 employees; 1 colluded with a nonemployee and 5 colluded with at least 3 nonemployees; the average loss per case for those 4 employees working alone was $8,000 and it was $727,000 per case for all cases in this category.

The distinction between data entry/terminal operators and clerk/tellers is essentially that the latter category deals directly with customers, suppliers and others; the former do not.

FIGURE 4.—AVERAGE LOSS, JOB POSITION OF PERPETRATOR, INDIVIDUALS INVOLVED

Job position of primary perpetrator	Total	Prepetrator alone	Inside 1	Inside 2	Inside >2	Outside 1	Outside 2	Outside >2	Average loss (thousands) Alone	Average loss (thousands) Total
1. Data entry/terminal operator	15	4	5	1	3	1	----	5	$8	$727
2. Clerk/teller	16	11	3	1	1	2	----	1	37	58
3. Programer	15	10	4	1	----	3	----	1	20	53
4. Officer/manager	21	18	----	3	----	----	----	1	274	314
5. Computer operator	9	5	----	2	1	----	1	1	33	37
6. Other staff	5	4	----	1	----	----	----	----	48	92
7. Computer operator	5	3	----	----	----	----	----	----	----	696
8. Unknown	3	----	----	----	----	----	----	----	----	2,400

Note: All but 4 of the Federal Government cases were excluded because of missing information in those case descriptions.

The higher the rank or position of the perpetrator, the less likely is one to find collusion; thus, managers were found to work alone much more often than keypunchers or teller operators. Perhaps this is because the higher the rank, the broader the job responsibilities and the greater the knowledge of company operations and controls. Thus, there is less need to collude for purposes of gathering knowledge or to effect frauds via transaction generation, etc. Also, the higher the rank, the greater the loss. For example, officers and managers, working alone, stole $274,000 on the average, whereas other staff took $48,000 and clerk/tellers $37,000.

Something of a surprise was the fact that the computer specialists were caught taking much less when working alone than were nonspecialists; operators took $33,000, programers averaged $20,000 and data entry personnel only $8,000. It seems that ordinary managers and clerks have learned to use the computer to steal much more readily than have the computer specialists.

The anomaly of the $727,000 average loss per fraud perpetrated by data entry personnel and cohorts is explained by the nature of the cases here. Several were large welfare frauds, one with over $2.5 million of fraudulent payments to bogus recipients, and several others were large inventory frauds. The cases in this category come as close to being "organized crime" situations as any observed in this project. The majority of deceptions by "unknown" perpetrators or outsiders were inventory frauds; one of these apparently involved organized crime.

The perpetrator was considered an "outsider" if he is unknown and could have conducted the scheme without specialized knowledge or access.

For example, an unknown person or group stole over $2 million from New York banks by depositing bogus checks designed so they could never clear the bank's computer. The checks were printed as if they were drawn on a New York bank, but with a California bank's MICR encoding. The checks were ping-ponging back and forth between New York and California well after the normal clearance time; by then, the funds had been withdrawn.

Comparison of the perpetrator's job position with the method used to manipulate the computer system confirms that the majority of the schemes involve employee actions very similar to those of his job position: data entry personnel and tellers manipulated transactions and programers manipulated programs as shown in Figure 5, this page. Management, staff and computer operators engaged in several types of schemes, but the majority involved tampering with input transactions.

Comparison of perpetrator's job position and type of scheme yielded little pattern in the data. All types of employees operated payroll, disbursement and accounting/inventory frauds. About all that can be said from the analysis was that just about anyone could be involved in a fraud scheme.

Figure 6, page 60, suggests differing degrees of control in different types of organizations. Corporate computer frauds were perpetrated by all types of employees from officers to keypunchers. In banks and savings and loan associations, the primary fraud position was one of management; branch managers and teller supervisors were frequently responsible for the crimes. In state and local governments, the primary job position involved data entry; here again, most of these cases were welfare frauds where bogus recipients or payments were simply added to the transaction flow at the time of computer input.

AN OUNCE OF PREVENTION

Many of the fraud cases cited here could have been prevented by a revision of the company's organizational structure. Employees should be given positions that do not conflict or overlap with the responsibilities of others in the organization. And all employees should be consistently observed and reviewed to prevent opportunities to commit fraud.

Separation of responsibility. Perhaps half the fraud cases summarized in this article would have been impossible had separation of responsibility in data processing been practiced and enforced. In many of these cases, employees who had no responsibility for transactions were still able to generate, tamper with or delete them. Separation of responsibility in a computer environment means separation of the following functions:

1. Input data generation.
2. Input control.
3. Computer operation.
4. Programing and maintenance.
5. Output control.
6. Data, program file control (librarian).

FIGURE 5.—JOB POSITION OF PERPETRATOR, METHOD OF MANIPULATION

Job position	Transactions added	Transactions altered	Transactions deleted	File changes	Program changes	Improper operation	Miscellaneous unknown
1. Data entry/terminal operator	9	4		1			1
2. Clerk/teller	9	6		1			
3. Programer					14		1
4. Officer/manager	8	4	3	1	3	1	1
5. Computer operator	1	4		1		3	
6. Other staff	1		1	1			2
7. Outsider (nonemployee)	3	1					1
8. Unknown		1		2			

Note: All but 4 of the Federal Government cases were excluded because of missing information in those case descriptions.

It is essential that programers not have access to input transactions, real data or program files and that they not operate the computer. Computer operators must not be able to change programs or gain access to data files except according to job scheduling, and they should not be able to enter or change input data. In keeping with time-honored auditing principles, certain responsibilities should be kept separate and controls or checks are necessary to make sure that data is not manipulated as it is generated and processed.

Employee surveillance. Bankers have always tried to monitor the financial situations of their employees—and for good reason. All computer users should realize that all data center employees and particularly those managers and staff who work with the data center should be closely supervised. All systems where employees or associates have personal accounts (banks, insurance companies, brokerage houses, etc.) should be given special attention.

THE BIGGEST DETECTED COMPUTER FRAUDS

From the 150 computer fraud cases included in this survey, 15 were selected and are listed in Figure 7, page 61, as "the biggest." These cases all involved schemes that ran for more than a year, were operated by employees of the victim organization and are typical of the schemes discovered to date. Excluded from this list are half a dozen cases each with losses greater than $1 million. They were not included because they ran less than a year, the victim was not the employer or the fraud methodology was atypical.

The most important observation to be made from these cases is that they are common. None are creatures of the computer; they have all been tried before. Four of the cases were disbursement frauds where bogus vendors, together with the supporting details, were set up and paid. Four cases were of the "fund transfers through the accounts" type, all in financial institutions where the perpetrator's and his accomplices' accounts appeared as liabilities; the others were of different types. Thus, in terms of scheme type, the biggest computer frauds are all old wine in new bottles. The technology may be random access and hexadecimal, but the scheme itself should be as familiar to the auditor as debits and credits.

A surprise is the variety of the job positions of the perpetrators; it appears that big frauds can be conducted from almost any job position but the higher the position of responsibility, the greater the prospects for fraud. The one job position conspicuously absent from the big cases was that of computer programer. Perhaps these people are not as dangerous as had been feared; but it's also possible that the reverse is true. This is a good illustration of the problem of working from detected cases—we have no way of correcting for sample bias. In this situation, we know nothing about currently successful embezzlers. One thing that the perpetrators throughout the biggest cases have in common is that each had a thorough understanding of the functional operation of the computer system. Of the 15 cases, 1 involved a man who had designed and installed the computer system, 4 were conducted by managers of computer departments and all others were frequent users of the system.

One big surprise in this tabulation was that all but one of the cases were effected by manipulation of transactions, mostly by unauthorized transactions being added to the input stream. Another was the paucity of cases detected by ordinary audit—1 case out of 15. Most were uncovered by suspicious associates and employees of related parties, such as banks. Again, this is probably misleading. No doubt many schemes were detected by internal audit or external review or were thwarted by internal controls and were never publicized. Thus, long running schemes must necessarily have escaped ordinary audit.

FIGURE 6.—JOB POSITION OF PERPETRATOR, TYPE OF VICTIM

Job position	Corporation	Bank/savings and loan	State and local government	Federal Government	Tota
1. Data entry/terminal operator	6	2	6	1	15
2. Clerk/teller	6	4	3	3	16
3. Programer	7	7	1		15
4. Officer/manager	7	12	2		21
5. Computer operator	3	5	1		9
6. Other staff	4		1		5
7. Outsider (nonemployee)	2	3			5
8. Unknown	2	1			3

Note: All but 4 of the Federal Government cases were excluded because of missing information in those case descriptions.

FIGURE 7.—LONG RUNNING COMPUTER FRAUDS

Case and summary	Amount (thousands)	Time frame (years)	Type of scheme	Computer manipulator	Fraudulent debit	Job position of primary perpetrator	Number of perpetrators inside/outside	Means of detection
1. Accountant at west coast department store set up phony vendors, purchase and vouchers.	$100	1.3	Disbursements	Unauthorized transactions added.	Inventory	Accountant	1/–	Suspicious bank employee.
2. Claims reviewer at insurance company prepared false claims payable to friends in a manner that would be paid automatically by the computer.	128	4	Fraudulent claims paid.	do	Expense	Claims clerk	1/22	Error made by greedy associate.
3. Clerk at storage facility entered false information to computerized inventory system to mask theft of inventory. Shipments then made without billing.	4,000	6	Inventory/billing	Input transactions altered.	Inventory	Computer terminal operator.	1/13	Physical inventory shortage detected in audit.
4. Warehouse employees manipulated computerized inventory system through unauthorized terminal entries to mask inventory thefts.	200	1.5	Inventory	Unauthorized terminal entries.	None (inventory records changed as to location).	Warehouse employee(s).	(1)	Suspicious wife of store manager.
5. Accountant at metal fabricating company padded payroll, thereby extracting funds for own use.	100	3	Payroll	Unknown	Expense	Accountant	1/–	IRS investigation.
6. Officer of London bank stole funds from inactive customer accounts.	290	5	Account transfers	Unauthorized addition and alteration of transactions.	Customer accounts (liability).	Computer liaison officer.	1/–	Unknown.
7. Bank employee misused on line banking system to perpetrate large lapping fraud including unrecorded transactions, altered transactions and unauthorized account transfers.	1,400	3	Lapping	Transactions altered, added and withheld.	do	Teller supervisor	1/–	Gambling activities uncovered by police raid.
8. Manufacturing company manager who had designed and installed automated accounting system used it to steal.	1,000	2	Disbursements (also billings fraud)	Transactions altered (also unauthorized transactions).	Inventory (also expense).	Operations manager	1/1	Suspicious associate.
9. Customer representatives of large public utility, together with outside associate, erased customer receivables using computer error correction codes; received kickback from customer.	[2] 25	2	Accounts receivable—collections.	Unauthorized transactions.	Expense (adiusting entry).	Customer service representative.	2/1	Suspicious bank employee together with expanded type of scheme.
10. Clerk in department store established phony purchases and vouchers paid to friend's company.	120	3	Disbursements	do	Inventory	Accounts clerk	1/1	Suspicious associate.
11. Organized crime ring operated check-kiting fraud between two banks using computer room employees who altered deposit memos to record check deposits as available for immediate withdrawal.	900	4	Kiting (float fraud)	Transactions altered	Timing	VP-computer systems (also assistant branch manager).	2/3	Bank messenger failed to deliver checks on time.
12. Accountant at large wholesaler established phony vendors through computerized accounting system that he operated.	1,000	4	Disbursements	Unauthorized transactions.	Inventory	Controller	1/–	Gave up.
13. Officer of brokerage house misappropriated company funds through computer system that he controlled.	277	3	Account transfers	do	Revenue account (interest earned).	VP-computer system	1/–	Unknown.
14. Partner at brokerage house transferred funds from firm's accounts to his own.	81	3	do	do	Expense (via adjusting entry).	Partner-head of computer system.	1/–	Do.
15. Director of publishing subsidiary manipulated computer system to add false sales and block recording of accounts payable—all to improve operating results thereby securing a position on board of directors.	11,500	(3)	Padded sales (also unrecorded expense).	Program alterations (also file changes).	Receivables	Director of subsidiary.	5/–	Do.

[1] Several.
[2] Probable losses much greater.
[3] Several years.

Auditors should be particularly interested in the conclusions about the biggest computer frauds drawn from the column labeled "fraudulent debit." In every accounting-based fraud, a trace or "footprint" of the fraudulent transaction is left in the accounts. In almost every case, it is the debit that should be the focus of internal control or the base of fraud detection. For example, disbursement frauds result in bogus debits to inventory or, in some cases, expense accounts; payroll debits are to expense accounts; and theft from dormant or inactive accounts in banks include fraudulent debits to customer accounts. The key to long running frauds is in the identification of unauthorized debit entries. In the 15 biggest cases, these entries form a definite pattern: 6 were to inventory or receivables, 3 were to expense, 2 were adjusting entries to revenue and 2 were to customer accounts (liabilities). Two involved schemes other than manipulation of accounting entries. These cases became big because these debits were such that detection by management was seriously impaired: inventory shortages were probably considered part of normal shrink, expenses were to those accounts where additional charges wouldn't be easily spotted (payroll, claims expense in an insurance company, interest expense at brokerage houses or revenue adjustments that appeared to be correcting entries). In reviewing automated accounting systems, the auditor would do well to establish a clear idea of the debit entries most likely to be fraudulently used.

CONCLUSION

The first time I assembled a set of computer fraud cases, I was struck by the incompetency of most of the embezzlers who had been discovered.[1] Since the computer provided such a high degree of fraud potential, I wrote at that time, "I can't help wondering what the really clever people are doing" with the computer. I still wonder; I think the biggest computer frauds are still to be revealed.

APPENDIX

Five sources were used to collect cases for this article:

1. Annual reports, magazine articles and newspaper clippings.

[1] Brandt Allen, "Computer Fraud," *Financial Executive*, May 1971, p. 38.

2. Case files of the Stanford Research Institute. Donn B. Parker of the SRI allowed me to examine his case files, which have been established, in part, through research sponsored by the National Science Foundation.

3. Case files of the U.S. General Accounting Office. These cases are described in *Computer-Related Crimes in Federal Programs*, GAO Report FGMSD-76-27, April 27, 1976. Walter Anderson of the GAO's Financial and General Management Studies Division provided further details of these cases short of identifying the agencies and individuals involved.

4. Case files of the Federal Bureau of Investigation. Summaries of closed cases with individual and institutional identification removed were obtained from the FBI.

5. My own files from previous research and consulting projects.

While I am indebted to these organizations and individuals for their cases and assistance, I alone am responsible for the summaries, analyses and speculations contained in this article.

INITIATIVE CONSTITUTIONAL AMENDMENT

Mr. ABOUREZK. Mr. President, on July 11 of this year, Senator HATFIELD and I introduced Senate Joint Resolution 67, a joint resolution proposing a constitutional amendment to allow the use of the initiative process at the national level.

Though 23 States have successfully used the initiative for many years, the idea of a national initiative is fresh and warrants explanation. To make information on the initiative process available across the country, I am working with Initiative America, an organization with representatives in more than half the States. Initiative America has prepared a series of questions and answers which clarify some of the issues involved.

I ask unanimous consent that the question and answer document prepared by Initiative America be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS ON THE NATIONAL INITIATIVE CONSTITUTIONAL AMENDMENT

Q. What is the Initiative Process?

A. The Initiative is the process by which citizens can propose and enact laws independently of the legislative body. Laws are placed on the ballot after citizens collect a required number of signatures. A majority affirmative vote enacts the measure into law, a majority negative vote rejects the measure.

Q. What is a National Initiative?

A. A National Initiative process enables citizens to petition to place federal laws on the national Congressional election ballot every two years. Though not now available federally, a proposed constitutional amendment to provide for a National Initiative was just introduced into the U.S. Senate.

Q. Where is the Initiative now available? When was it established?

A. The right of Initiative is authorized by the constitutions of 23 states: Alaska, Arizona, Arkansas, California, Colorado, Florida, Illinois, Idaho, Maine, Massachusetts, Missouri, Montana, Michigan, Nebraska, Neveda, Ohio, Oklahoma, Oregon, North Dakota, South Dakota, Utah, Washington, and Wyoming.

In addition, the Initiative is presently available in hundreds of municipalities around the country.

Use of the Initiative began in the United States around the turn of the Century, after South Dakota became the first state to adopt the process in 1898. Other states followed South Dakota's lead, with 18 additional states authorizing Initiative in the following 20 years. The origins of Initiative procedures date back to the "plebiscitums" of the ancient Roman Republic, whereby the question of repealing or enacting laws over the opposition of the Senate could be put to a vote of the "plebes"—the enfranchised commoners. Initiative procedures were really pioneered in Switzerland in the years 1831–1891, however, when various forms of the Initiative came into use. Their use is continued on a national basis in the present Swiss Constitution.

Q. Does a National Initiative really require amending the U.S. Constitution?

A. Portions of the existing Constitution lay the foundation for a National Initiative process, but a separate amendment is necessary to provide a specific procedure by which citizens can use this right. The first amendment states that the people have the right to petition the government for redress of grievances, for instance, but the first amendment does not provide a procedure to practically implement this right.

Q. Exactly how will a National Initiative work?

A. Citizens would be allowed a maximum of 18 months to collect signatures of registered voters equal in number to 3 percent of those voting for the office of President at the last Presidential election. Of this total figure, a distribution requirement of at least 3 percent in each of 10 states would apply. The total signature requirement, based on the 1976 Presidential election (81.5 million voting) would equal 2.45 million valid, legal signatures. Signatures would be certified within 90 days for their sufficiency by the U.S. Attorney General, and then placed on the next national Congressional election occurring at least 120 days after certification is completed. Initiative proposals could appear every two years at Congressional or Presidential elections.

Q. How does this process work in conjunction with our representative system of government?

A. The Initiative is an integral part of our representative system of government. It is a complement to the present system, because it helps it to operate more accountably and openly. Initiative is simply another check and balance in our political system, except, instead of one branch of government being a check against another, the Initiative is a final check against the institutions to which the people have delegated authority.

Initiative is accepted as another democratic means by which citizens can express themselves. The Initiative has survived the test of nearly 60 years of use in 20 states across the United States. Initiative drives provide feedback to legislators about how the people feel on different issues. Additionally, many Initiatives prompt a public discussion about pertient issues which would otherwise go unaddressed. By providing another communication link with our elected officials, initiatives bring more citizens into the mainstream of public affairs and bring greater responsiveness on the part of the legislative body.

Any tool such as the Initiative which improves consultation between government and the people is a tool which enhances the effectiveness and openess of our democracy.

Q. Won't the ballot eventually become very complicated by dozens and dozens of issues?

A. The history of state-level use does not indicate that such frequent use of the Initiative has ever occurred. There are built-in safeguards to insure that the Initiative is used for issues with substantial public interest and support. The signature requirement is stiff enough to prohibit most drives from gaining the legal number of signatures to qualify for the ballot in the first place.

Q. What will prevent the process from being controlled by special interests? Is the Initiative really a citizens tool?

A. Special interests already enjoy an unequal voice in the legislative process through full-time lobbying of the legislature. The Initiative is proposed as a people's check for those times that the legislature is unresponsive to public needs.

The Initiative process has several unique features which make it an effective citizens tool, enabling the people to be heard even when normal legislative channels fail. Initiative gives people the power to get a fair hearing on an issue which concerns them. If there are enough citizens willing to sign petitions to put a question to a public vote, then that issue, at the very least, will be fully debated and addressed in a public way. Even if the issue is lost at the polls, the increased public awareness and education may go a long way toward resolving a question left unaddressed by the legislature.

The Initiative is also a very open process which invites scrutiny by the public, the media, and by community leaders. If special interests use or attempt to unduly influence the Initiative process, the community is aware of it. It is not easy to work behind closed doors when an issue is on the ballot. Of course, appropriate disclosure and other campaign requirements are useful complements to the Initiative process.

State level Initiative use has demonstrated that a measure qualified and campaigned for by a private, special interest group cannot succeed at the polls without the active support of community and political leaders.

Q. The Initiative has worked for decades at a state and local level. Will it work equally well at a national level?

A. Initiative will work every bit as effectively at a national level. Early opponents of this process argued that it could not work effectively at a state level, because of the complexity of the issues it could be used to address, the lack of understanding citizens were said to have of complicated state budgets, and the like. However, the best test of the Initiative has come in the state of California, a state with 10 percent of our nation's population and a $14 billion budget. Even with California's traditionally complex social problems, the Initiative has performed well. There is no reason to believe that Initiative will not work equally effectively when applied to national issues.

Q. Why a 3 percent requirement for signature gathering?

A. The signature gathering requirement must be substantial enough so as to discourage frivolous, unsupported drives, yet not so difficult as to preclude use of the process by volunteer, grass-roots efforts. Any percentage over 3 percent would require an effort so large that only well-financed or already formally-organized interest groups could use the Initiative.

The total signature gathering requirement of 3 percent of those voting for the office of President at the last Presidential election equals 2.45 million legal, valid signatures of registered voters, based on voter turnout of 81.5 million in 1976.

Any signature gathering drive must take into consideration an invalidation rate (for non-legal signatures) of anywhere from 33 to 50 percent. The practical goal for a National Initiative signature drive would likely be between four and five million. Anyone who has gathered legal signatures surely realizes the magnitude of such an effort.

Q. Are there safeguards preventing one region of the country from dominating the use of the Initiative?

A. Yes. The proposed amendment requires that, of the total signatures collected, there

must be a minimum distribution of signatures equal to 3 percent in each of 10 states. This requirement insures that at least 10 states be covered extensively by the drive.

The other safeguard regional domination of the National Initiative is the total signature gathering requirement. This is large enough that no one region of the country could practically collect the full number of signatures, without going to many other states for help. Even by meeting the three percent requirement in the 12 largest states, approximately one million additional signatures would be required to satisfy the 3 percent nationwide requirement. Any National Initiative drive will virtually require organized campaigns in half the states.

Q. Can the people be trusted with a National Initiative process, or will they begin to pass frivolous, unsound laws?

A. We trust the people to elect representatives, who, in turn make our laws; we must therefore trust the people to make law directly on issues which concern them.

The use of the Initiative in the states has not produced the wholesale enactment of unsound or frivolous laws by the people. Instead, it has proven that people use this process with restraint, in moderation. Initiative measures still constitute but a tiny fraction of the laws considered annually by the legislative body.

Any laws passed by Initiative has the further safeguard of having to be upheld by the courts.

In addition, although a controversial measure may reach the ballot, it will generally fail without widespread backing by community leaders. Unreasonably or poorly drafted laws tend to fail at the polls as well, because they are identified publicly as such early in the campaign.

Q. Doesn't the Initiative bypass and therefore lose the benefit of deliberative bodies?

A. Again, the Initiative is not intended to duplicate or replace completely the legislative process. It is used for issues of considerable public concern, and only for those which have not been resolved in the legislature adequately.

An Initiative does not preclude a legislature from holding hearings on the issue, and it in fact encourages considerably more discussion, usually involving a much larger segment of the public, than does the usual legislative process.

It is also a fair statement that Initiative sponsors will have a difficult time placing a measure on a national ballot which has not already received serious consideration by members of Congress.

Q. What types of issues will National Initiative be used for? Will it be used primarily by liberal, conservative or other political interest groups?

A. A National Initiative could be used by any individual or group which has sufficient support to mount a campaign. Whatever the issue, it must have substantial backing if it is to reach the ballot or be voted into law.

State level Initiatives have included liberal and conservative issues alike, yet the Initiative remains neither a liberal nor conservative tool—it is a democratic process.

Some state level Initiative issues include: property tax limitations, shoreline development, political reform, the death penalty, pornographic materials, returnable deposits on beverage containers, removing sales tax from food and drugs.

Q. How can Congress change a law enacted by National Initiative?

A. During the two years immediately following the adoption of a measure passed by Initiative, the Congress can, by two-thirds vote of members of both Houses, amend or repeal the law. After two years, a majority vote by Congress is necessary to amend or repeal an initiated law, just as with any other law passed by Congress. A law passed by two-thirds vote to amend or repeal an Initiative must be signed or vetoed by the President just as with any other law.

Q. Is National Initiative a very major change in our US Constitution?

A. Yes, it is a major change, but there is a historical basis for the right of National Initiative in our U.S. Constitution. Several Constitutional amendments have in some way sought to extend voting rights—the 15th to Black Americans; the 17th—to provide for the direct election of Senators; the 19th—to women; the 23rd—to the residents of the District of Columbia; the 24th—to prohibit the use of the poll tax; and the 26th—to those 18 years or older.

This proposed amendment would extend to the people the right to vote on proposed laws of national importance. It is a further step in this evolutionary process toward more meaningful citizen participation in the affairs of our government.

Therefore, the roots of a National Initiative already exist in the present provisions of our Constitution. This amendment is intended to provide the practical procedure whereby citizens can actualize their first amendment right to "petition the government for redress of grievances."

Q. What is the procedure for amending the Constitution to provide for a National Initiative?

A. A Constitutional amendment for National Initiative will require the same procedure as any other Constitutional amendment: First, the Congress must pass a joint resolution by a two-thirds vote of each House. Then, three-fourths of the states must ratify the amendment.

ON FAMILY PLANNING FUNDS

Mr. BROOKE. Mr. President, 3 weeks ago the Senate Subcommittee on Labor-HEW Appropriations, on which I serve, accepted my motion to appropriate $140 million in fiscal year 1978 for title X family planning services, training and information and education. At that time I stated:

> It is estimated that the recommendation will support an additional 600,000 persons in need of family planning services, particularly low-income women and teenagers . . .

The House, however, has provided only $123.7 million for title X family planning services, training, and information and education, a sum of $16.3 million less than that of the Senate and a figure which would provide approximately 300,000 less persons with family planning services than would the Senate bill.

The Senate-House conference committee on the 1978 Labor-HEW appropriations bill meets today to resolve differences in funding levels between the Senate and House bills. I strongly urge my colleagues who are conferees to insist upon the $140 million for title X voted by the Senate.

The Senate, House, and administration are all rightfully striving to provide alternatives to abortion and there is no more effective alternative than adequate family planning services. I find it tragic, for example, that in my own State of Massachusetts about 41 percent of the hospitals reporting abortion services did not have an identified family planning program on their premises.

The need for family planning services is urgent. Millions of low-income women in our country are not being served due to lack of funds and educational effort. In particular, the need for family planning services among teenagers of all income levels has reached almost epidemic proportions.

We need only look in more detail at the need for increased appropriations for family planning services project grants to understand why the higher Senate level of funding must be upheld.

In 1970 the Congress added title X to the Public Health Service Act by passing the Family Planning Services and Population Act. The passage of title X was in response to the fact that only 800,000 low-income women out of 5.4 million in the United States needing subsidized family planning services were receiving them from all known organized programs in public and private agencies. The passage of title X program signalled the beginning of a major Federal campaign to provide low-income families with the same access to modern fertility control which higher income couples already enjoyed.

Yet, now 7 years later, the need of low-income women, their number further swelled by the combined effects of unemployment and inflation, is still unmet. Of the 10 million low-income women in the United States in need of subsidized family planning services, about 3.5 million, or one-third, are presently not being served.

In addition, there is an urgent new need. For there are now approximately 2 million sexually active teenage women of all income groups who do not obtain family planning services from clinics or private physicians. And as a result, there are approximately 1 million teenage pregnancies each year, with 270,000 resulting in abortions, 210,000 resulting in out-of-wedlock births, and 100,000 resulting in hasty and unstable marriages.

In my own State of Massachusetts, the citizens of which have been in the forefront of providing family planning services, there were still an estimated 75,000 low and marginal-income women in need of subsidized family planning services in 1975, the last year for which there are reliable figures. About 29 percent of these women were teenagers. In addition, about 40,000 teenage women of higher income levels were also in need of services.

About 84 percent of the expenditures in Massachusetts for family planning services came from Federal funds and only 16 percent from State and local funds. Federal project grants under title X of the Public Health Services Act, the program whose funds we are now considering, compromised the majority of these funds, about $2.3 million out of $3.5 million.

Thus it is clear not only that the need for family planning services is great but also that the greater Federal effort promised with the enactment of title X will be required if family planning services are to be provided to all those women in my State and your State who need them.

That promise is, as of yet, still unfilled. In fiscal year 1972, the first full fiscal year of operation of the title X program, Congress appropriated $45.4 million, a sum providing services for nearly 1 million women. It was estimated

at that time that approximately $726 million would have to be appropriated incrementally over the next 5 year period for the title X project grants to reach the more than 5 million women in need of services.

However, only about $450 million of this $726 million has been appropriated. When the Federal Government consolidated the family planning services program of OEO and HEW into title X in 1973, the second year of title X operations, the administration requested $140 million for the costs of consolidation and the growth of the program. But President Nixon then vetoed the 1973 Labor-HEW appropriations bill and impounded the additional $32 million provided under the continuing resolution for the title X family planning services project grant program. As a result, funds for the project were frozen at the $100.6 million level, an amount sufficient primarily for funding already existing programs. Funds remained at this level for the next 4 fiscal years, and progress in the program was obviously greatly hampered. Furthermore, the backlog of low-income women needing services was compounded as the economy worsened and more and more women entered the rolls of the unemployed and the low income.

Not until last year in fiscal year 1977 did the Senate Labor-HEW Subcommittee on Appropriations insist on increasing the funding level for title X family planning services project grants to $113.5 million. Unfortunately, even then this increase in funds was largely absorbed by the 10–12-percent annual increase in cost of living that this program, along with other health programs, had experienced during the 4-year freeze on their expenditure level.

However, even during the 6-year period when title X family planning services endured level funding at a time of high inflation, title X achieved significant results. For, to date more than 4 million patients have been served by the program. And these patients were among the most economically wanting in our Nation. In 1975, more than half of all clinic patients had incomes below the poverty level; 89 percent were below twice the poverty level and one in six were on welfare and/or eligible for medicaid.

More than 4,500 clinics came to be involved in the provision of services, with health departments serving the largest number of patients, accounting for about 42 percent of the total caseload. Planned parenthood affiliates served 25 percent of the patients, and hospitals and all other agencies each served about one-sixth of the patient load. In these clinics, patients are offered the full range of family planning methods currently available, including natural family planning and the Billings ovulation method.

In addition to providing birth control services, the family planning services system of health departments, planned parenthood affiliates, hospitals, and other agencies have proved to be the most successful system for the provision of preventive health services to low- and marginal-income women ever instituted by HEW. Altogether, millions of pap smears for cervical cancer and breast examinations for cancer have been conducted. Patients have also received initial physical examinations from a physician, necessary laboratory work to detect the presence for diabetes, sickle-cell anemia, venereal disease, tests for hypertension and for other contraindications to the use of the most modern family planning methods, and diagnosis and treatment of infertility problems. In 1975 alone, more than 3 million women received pap smears, pelvic and breast examinations, VD tests and blood pressure checks in family planning clinics.

As a result of this Federal family planning legislation, rural families in Kansas and North Carolina, young couples struggling to make ends meet in Florida or California, the working poor in Massachusetts or in South Dakota, and young women throughout the country have learned through personal experience that national policy commitments can be translated into sensitive, effective help. For services are provided on a voluntary basis and in a nondiscriminatory manner. No patients are turned away on the basis of marital status or income or age. And this is important because increasingly the program is serving younger persons, many of whom are seeking to prevent a first pregnancy. The proportion of patients below age 20 rose from an estimated one-fifth of the total caseload served by all programs in 1969 to about 30 percent of all patients served in fiscal year 1975. Seventy percent of these patients had never borne a child.

However, as I stated earlier, the 1.14 million youngsters who received services from all organized family planning programs in the United States are the exception, not the rule. Teenagers becoming parents before they become adults is a serious, and escalating, social, economic and health problem. Adolescents in the United States have rates of childbearing that are among the world's highest. Indeed, incredibly, adolescent fertility is higher in the United States than in many less-developed nations such as the Philippines, Tunisia, and East Malaysia where health services are more scarce.

Part of this can be attributed to an increase in early sexual activity. About half of the unmarried women aged 19 are now sexually active; about one-quarter of unmarried women aged 15. Among the predominantly white middle class teens in one Midwestern city, the proportion who are sexually active nearly doubled between 1971 and 1973. At the same time birthrates for older adolescents declined, fertility did not decline among younger adolescents aged 14–17. Among girls younger than 14, birthrates actually rose slightly. Five-sixths of the infants born to these girls 14 and younger are born out-of-wedlock; one-third of all those infants born to 14–19 year olds are born out-of-wedlock. Altogether, more than half of all out-of-wedlock births in the United States are to teenagers.

What really makes these figures tragic is that teenagers' responses to national studies show that nearly two-thirds of all adolescent pregnancies and one-half of births are not intended. Of the 30,000 pregnancies and 12,500 births to girls 14 and younger, the percentage that is intended is unknown, but the number is probably very small.

Such unintended teenage pregnancies are also tragic when viewed in terms of the serious adverse effects on the mother and infant's health, educational and employment opportunities, income, mental stability and family size. For teenagers are much more likely to lose their babies soon after birth than women who give birth in their twenties. And the younger the teenage mother, the more likely that her baby will die. About 6 percent of first babies born to girls under age 15 die in their first year—a rate 2.4 time higher than that for babies born to women giving birth in their early twenties. Furthermore, babies born to teenagers are much more likely to be premature and of low birth weight than infants born to mothers in their twenties. Sixteen percent of babies born to mothers under 15 are of low birth weight, 2.2 times that of the proportion of babies born to 20–24 year olds. And low birth weight is not only a major cause of infant mortality but also of many childhood illnesses and birth injuries, such as neurological defects which may involve lifelong mental retardation.

Not only is the infant of a teenage mother at greater risk of death, defect, and illness than the infant born to a mother in her twenties, but the teenage mother herself is more likely to die or suffer illness or injury. The death rate from complications of pregnancy, birth and delivery is 60 percent higher for women who become pregnant before they are 15. The difference by age is especially striking for some causes of maternal mortality: Mothers aged 15–19 are twice as likely to die from hemorrhage and miscarriage, and 1.5 times more likely to die from toxemia; while mothers under 15 are 3.5 times more likely to die from toxemia.

In addition to the special health problems of maternal and infant mortality and morbidity associated with teenage childbearing, the teenage mother is likely also to face problem of education and employment attainment directly related to her early entrance into parenthood. Teenage mothers, especially those under age 18, are likely to begin childbearing without having had the opportunity to acquire the necessary skills to compete successfully for jobs and income with their contemporaries who postponed having a child until their early twenties. Eight out of 10 women who first become mothers at age 17 or younger never complete high school. And pregnancy is the reason most often cited by female teenage dropouts for this school discontinuation.

Furthermore, teenage mothers are less likely to work and more likely to be on welfare than mothers who first gave birth in their twenties. Thus, one New York City study of mothers of first-borns showed that 91 percent of women who first had babies at ages 15–17 had neither full- or part-time employment. This represents 1.4 times the proportion unemployed of those who first gave birth at ages 20–24. And 72 percent of mothers who first gave birth at ages 15–17 were receiving welfare. This represents 4.6 times the proportion of those who gave

birth at ages 20–24, while 41 percent of those who gave birth at 18 or 19 were on welfare—2.6 times the proportion of mothers who began childbearing in their early 20s.

Our society can and must help young women avoid these problems of health, education, and employment. We cannot afford to have the teenage women of our country being trapped in poverty, ignorance, and despair. For most teenage women and for our society, the principal issue is prevention; the majority of adolescents do not want to become pregnant or to have infants while in their teens.

The answer to this problem of unwanted teenage pregnancy lies largely in the provision of at least two types of services that can help young people avoid such pregnancies.

First, it is important that schools, churches, and the media and parents provide realistic sex education about birth control and about facilities where teenagers may obtain the assistance they need.

Second, health institutions must make available to teenagers modern, effective fertility control services without high cost.

In response to these very urgent family planning needs, President Carter in his revised budget for fiscal year 1978 proposed a package of increases particularly designed to provide services, with the exception of abortion, to young teenage women. Secretary of HEW Califano calls this package of services "alternatives to abortion" and it includes the following:

First, a $14 million increase for the community health centers program designed to "extend comprehensive services including family planning, health education, counseling, and outreach, with emphasis on reaching sexually active teenagers.";

Second, a $5 million increase for the National Institute for Child Health and Human Development—NICHD—to "develop better understanding of the physiological mechanisms involved in reproduction and normal prenatal development;

Third, a $2 million increase for the Bureau of Health Education of the Center for Communicable Disease Control for sex education research and demonstration and development and dissemination of information materials, together with a $2 million restoration of funds for the Bureau cutback by the Ford proposals;

Fourth, a $2 million increase for HEW's Office of Human Development for foster care and adoption research; and

Fifth, a $10 million increase for title X family planning project grants, with particular attention to teenage services.

The total amount for the entire administration package is $35 million. I welcome this proposal as an important gesture, demonstrating that, even in the early days of the administration, specific attention is being given to the problem of unwanted pregnancy and childbearing. This could indeed represent an important first step towards regaining the momentum of the family planning program which has been hampered since 1973.

However, the administration proposals are seriously inadequate.

The $14 million increase which the administration asked, and we granted, for the budget of the community health centers program would be earmarked, according to the budget plans, for family planning with emphasis on reaching sexually active teenagers. However, HEW internal documents indicate that these funds will also finance prenatal care and maternity care services. Therefore, it is unlikely that enough of this increase would be left to have much impact on the expansion of family planning services.

In addition, the funds for community health centers have not been substantially increased during recent years. The $14 million increase represents only a 6.5 percent increase over the program's current budget of $215 mililon, hardly enough to offset inflation for the year. Therefore, it is not realistic to expect that the community health centers would initiate new or expand existing family planning activities at the expense of other essential current health services to patients.

Two other proposals in the "alternatives to abortion" package are also inadequate. While a proposal to fund "research and demonstration projects related to sex education as well as the development and dissemination of information materials" is welcome, the Federal Government has not been very aggressive in its approach to this subject, and the $2 million allocated cannot begin to meet the need and stimulate sufficient activity around the country.

Likewise the $2 million for foster care and adoption research is also a minimal effort and represents, until only a few days ago, the administration's opposition to successful congressional proposals to supplement the costs of adoptions and care for "hard-to-place" children.

And most importantly, the major administration initiative requesting a $10 million increase in title X funds, the most successful family planning program particularly for teenagers, represents only a 10-percent increase over this year's funding level. This contrasts with the 13-percent increase for family planning funds which Congress passed for fiscal year 1977. A 10-percent increase would be sufficient to offset inflation but it would be clearly insufficient to provide services to "an estimated 278,000 low-income or teenage individuals" who, according to the HEW budget papers "will benefit as a result of these additional funds."

Therefore, the size of the entire "alternatives to abortion" budget proposal is unrealistic.

That is why I strongly urge that at least $140 million, the amount of the Senate bill, be appropriated for title X family planning service project grants, training and information and education programs.

This level of funding is still not adequate to provide family planning services for all who need them. But it does represent a more substantial effort toward fulfilling the promise Congress made when it enacted title X to provide family planning services to all low-income women than the level of the budget request or the House bill. And it does represent a true commitment to providing alternatives to abortion. To refuse less than the $140 million recommended by the Senate will raise cynical doubts about our real commitment to providing such alternatives.

SEABED ARMS CONTROL TREATY REVIEW CONFERENCE

Mr. PELL. Mr. President, as chairman of the Foreign Relations Subcommittee on Arms Control, Oceans and International Environment, I wish to draw the attention of my colleagues to a very important arms control conference which was held in Geneva, Switzerland, from June 20 to July 1, 1977. It was the first review conference of the Seabed Arms Control Treaty which came into force in May 1972.

That treaty—known officially as the Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Seabed and the Ocean Floor and in the Subsoil Thereof—is of particular satisfaction to me as it came about, in part at least, as a result of Senate Resolution 186 which I introduced in 1967 proposing a treaty governing the uses of ocean space.

The purpose of the review conference was to review the operation of the treaty during the 5 years since its entry into force, in terms of both its specific provisions and of its broader purposes and objectives as set out in the treaty's preamble. The treaty is specifically designed to prohibit placing nuclear weapons and other weapons of mass destruction on the seabed and the ocean floor and in the subsoil thereof. The treaty's broader objective, however, is to prevent the emergence of an arms race on the seabed.

I am pleased to report that both the specific and the broad objectives of the treaty have been achieved during the period under review. At the conclusion of the review conference, a final declaration was issued setting forth the findings of the participants.

Mr. President, I ask unanimous consent that the full text of that declaration as well as the text of the Seabed Arms Control Treaty be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE FINAL DECLARATION OF THE SEABEDS ARMS CONTROL TREATY REVIEW CONFERENCE

PREAMBLE

The States Party to the Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Sea-bed and the Ocean Floor and in the Subsoil Thereof who met in Geneva in June 1977 in accordance with the provisions of Article VII to review the operation of the Treaty with a view to assuring that the purposes of the preamble and the provisions of the Treaty are being realized:

Recognizing the continuing importance of the Treaty and its objectives,

Affirming their belief that universal adherence to the Treaty would enhance international peace and security,

Recognizing that an arms race in nuclear weapons or any other types of weapons of mass destruction on the sea-bed would present a grave threat to international security,

Recognizing also the importance of continuing negotiations concerning further measures in the field of disarmament for the prevention of an arms race on the seabed, the ocean floor and the subsoil thereof,

Considering that the continuation of the trend towards a relaxation of tension in international relations provides a favorable climate in which more significant progress can be made towards the cessation of the arms race,

Reaffirming their conviction that the Treaty constitutes a step towards the exclusion of the sea-bed, the ocean floor and the subsoil thereof from the arms race,

Emphasizing the common interest of mankind in the progress of the exploration and use of the sea-bed and the ocean floor for peaceful purposes,

Recognizing that the natural resources of the seabed and ocean floor beyond the limits of national jurisdiction will have an increasing role in assuring the economic progress of States, particularly of developing countries, and recalling in this connection the resolution UNGA 2749 (XXV),

Appealing to States to refrain from any action which might lead to the extension of the arms race to the seabed and ocean floor, and might impede the exploration and exploitation by States of the natural resources of the seabed and ocean floor for their economic development,

Affirming that no measures which may be decided upon in the context of international negotiations on the law of the sea will affect the rights and obligations assumed by the States parties under this Treaty,

Declare as follows,

PURPOSES

The States Party to the Treaty reaffirm their strong common interest in avoiding an arms race on the seabed in nuclear weapons or any other types of weapons of mass destruction. They reaffirm their strong support for the Treaty, their continued dedication to its principles and objectives and their commitment to implement effectively its provisions.

ARTICLE I

The review undertaken by the Conference confirms that the obligations assumed under Article I of the Treaty have been faithfully observed by the States Parties. The Conference is convinced that the continued observance of this article remains essential to the objective which all parties share of avoiding an arms race in nuclear weapons or any other type of weapons of mass destruction on the seabed.

ARTICLE II

The Conference reaffirms its support for the provisions of Article II which define the zone covered by the treaty.

ARTICLE III

The Conference notes with satisfaction that no State Party has found it necessary to invoke the provisions of Article III, paragraphs 2, 3, 4, and 5 dealing with international complaints and verification procedures. The Conference considers that the provisions for consultation and cooperation contained in paragraphs 2, 3, and 5 include the right of interested States Parties to agree to resort to various international consultative procedures, such as ad hoc consultative groups of experts and other procedures.

The Conference reaffirms in the framework of Article III and Article IV that nothing in the verification provisions of this Treaty should be interpreted as affecting or limiting, and notes with satisfaction that nothing in these provisions has been identified as affecting or limiting, the rights of States Parties recognized under international law and consistent with their obligations under the Treaty, including the freedom of the high seas and the rights of coastal states.

The Conference reaffirms that States Parties should exercise their rights under Article III with due regard for the sovereign rights of coastal states as recognized under international law.

ARTICLE IV

The Conference notes the importance of Article IV which provides that nothing in this Treaty shall be interpreted as supporting or prejudicing the position of any State Party with respect to existing international conventions, including the 1958 Convention on the Territorial Sea and Contiguous Zone, or with respect to rights or claims which such State Party may assert, or with respect to recognition or non-recognition of rights or claims asserted by any other State, related to waters off its coast, including, inter alia, territorial seas and contiguous zones, or to the seabed and the ocean floor, including continental shelves. The Conference also noted that obligations assumed by State Parties to the Treaty arising from other international instruments continue to apply. Without prejudice to any possible outcome of international negotiations on the law of the sea, the Conference agrees that the zone covered by the Treaty reflects the right balance between the need to prevent an arms race in nuclear weapons and any other types of weapons of mass destruction on the seabed and the rights of States to control verification activities close to their own coasts.

ARTICLE V

The Conference affirms the commitment undertaken in Article V to continue negotiations in good faith concerning further measures in the field of disarmament for the prevention of an arms race on the seabed, the ocean floor and the subsoil thereof. To this end, the Conference requests that the Conference of the Committee on Disarmament in consultation with the States Parties to the Treaty, taking into account the proposals made during this Conference and any relevant technological developments, proceed promptly with consideration of further measures in the field of disarmament for the prevention of an arms race on the seabed, the ocean floor and the subsoil thereof.

ARTICLE VI

The Conference notes that over the five years of the operation of the Treaty no State Party proposed any amendments to this Treaty according to the procedure laid down in this Article.

ARTICLE VII

The Conference notes with satisfaction the spirit of cooperation in which the Review Conference was held.

The Conference takes note of the fact that no information has been presented to it indicating that major technological developments have taken place since 1972 which affect the operation of the Treaty. The Conference, nevertheless, recognizes the need to keep such developments under continuing review and invites the CCD, in consultation with States Parties to the Treaty, to consider establishing an ad hoc expert group under its auspices for this purpose. Such a group might facilitate the implementation of the purposes stated in the section dealing with Article V. It might also contribute to the orderly preparation of the next Review Conference.

In order further to facilitate dissemination of information relevant to the Treaty to States for their assessment, the Conference invites the Secretary-General of the United Nations to collect such information from officially available sources and publish it in the United Nations Yearbook on Disarmament.

The Conference, recognizing the importance of the review mechanism provided in Article VII, decides that a further Review Conference should be held in Geneva in 1982 unless a majority of the States Parties indicate to the depositaries that they wish it to be postponed. In any case a further Review Conference shall be convened not later than 1984.

The next Conference shall determine in accordance with the views of a majority of those States Parties attending whether and when an additional Review Conference shall be convened.

ARTICLE VIII

The Conference notes with satisfaction that no State Party has exercised its rights to withdraw from the Treaty under Article VIII.

ARTICLE IX

The Conference reaffirms its conviction that nothing in the Treaty affects the obligations assumed by States Party to the Treaty under international instruments establishing zones free from nuclear weapons.

ARTICLE X

The Conference stresses that the five years that have elapsed since the date of entry of the Treaty into force have demonstrated its effectiveness. At the same time the Conference notes with concern that the Treaty has not yet achieved universal acceptance. Therefore the Conference calls upon the States that have not yet become parties, particularly those possessing nuclear weapons or any other types of weapons of mass destruction, to do so at the earliest possible date. Such adherence would be a significant contribution to international confidence.

TREATY ON THE PROHIBITION OF THE EMPLACEMENT OF NUCLEAR WEAPONS AND OTHER WEAPONS OF MASS DESTRUCTION ON THE SEABED AND THE OCEAN FLOOR AND IN THE SUBSOIL THEREOF

The States Parties to this Treaty,

Recognizing the common interest of mankind in the progress of the exploration and use of the seabed and the ocean floor for peaceful purposes,

Considering that the prevention of a nuclear arms race on the seabed and the ocean floor serves the interests of maintaining world peace, reduces international tensions and strengthens friendly relations among States,

Convinced that this Treaty constitutes a step towards the exclusion of the seabed, the ocean floor and the subsoil thereof from the arms race,

Convinced that this Treaty constitutes a step towards a treaty on general and complete disarmament under strict and effective international control, and determined to continue negotiations to this end,

Convinced that this Treaty will further the purposes and principles of the Charter of the United Nations, in a manner consistent with the principles of international law and without infringing the freedoms of the high seas.

Have agreed as follows:

ARTICLE I

1. The States Parties to this Treaty undertake not to emplant or emplace on the seabed and the ocean floor and in the subsoil thereof beyond the outer limit of a seabed zone, as defined in article II, any nuclear weapons or any other types of weapons of mass destruction as well as structures, launching installations or any other facilities specifically designed for storing, testing or using such weapons.

2. The undertakings of paragraph 1 of this article shall also apply to the seabed zone referred to in the same paragraph, except that within such seabed zone, they shall not apply either to the coastal State or to the seabed beneath its territorial waters.

3. The States Parties to this Treaty undertake not to assist, encourage or induce any State to carry out activities referred to in paragraph 1 of this article and not to participate in any other way in such actions.

ARTICLE II

For the purpose of this Treaty, the outer limit of the seabed zone referred to in article I shall be coterminous with the twelve-mile outer limit of the zone referred to in part II of the Convention on the Territorial Sea and the Contiguous Zone, signed at Geneva on April 29, 1958, and shall be measured in accordance with the provisions of part I, section II, of that Convention and in accordance with international law.

ARTICLE III

1. In order to promote the objectives of and insure compliance with the provisions of this Treaty, each State Party to the Treaty shall have the right to verify through observation the activities of other States Parties to the Treaty on the seabed and the ocean floor and in the subsoil thereof beyond the zone referred to in article I, provided that observation does not interfere with such activities.

2. If after such observation reasonable doubts remain concerning the fulfillment of the obligations assumed under the Treaty, the State Party having such doubts and the State Party that is responsible for the activities giving rise to the doubts shall consult with a view to removing the doubts. If the doubts persist, the State Party having such doubts shall notify the other States Parties, and the Parties concerned shall cooperate on such further procedures for verification as may be agreed, including appropriate inspection of objects, structures, installations or other facilities that reasonably may be expected to be of a kind described in article I. The Parties in the region of the activities, including any coastal State, and any other Party so requesting, shall be entitled to participate in such consultation and cooperation. After completion of the further procedures for verification, an appropriate report shall be circulated to other Parties by the Party that initiated such procedures.

3. If the State responsible for the activities giving rise to the reasonable doubts is not identifiable by observation to the object, structure, installation or other facility, the State Party having such doubts shall notify and make appropriate inquiries of States Parties in the region of the activities and of any other State Party. If it is ascertained through these inquiries that a particular State Party is responsible for the activities, that State Party shall consult and cooperate with other Parties as provided in paragraph 2 of this article. If the identity of the State responsible for the activities cannot be ascertained through these inquiries, then further verification procedures, including inspection, may be undertaken by the inquiring State Party, which shall invite the participation of the Parties in the region of the activities, including any coastal State, and of any other Party desiring to cooperate.

4. If consultation and cooperation pursuant to paragraphs 2 and 3 of this article have not removed the doubts concerning the activities and there remains a serious question concerning fulfillment of the obligations assumed under this Treaty, a State Party may, in accordance with the provisions of the Charter of the United Nations, refer the matter to the Security Council, which may take action in accordance with the Charter.

5. Verification pursuant to this article may be undertaken by any State Party using its own means, or with the full or partial assistance of any other State Party, or through appropriate international procedures within the framework of the United Nations and in accordance with its Charter.

6. Verification activities pursuant to this Treaty shall not interfere with activities of other States Parties and shall be conducted with due regard for rights recognized under international law, including the freedoms of the high seas and the rights of coastal States with respect to the exploration and exploitation of their continental shelves.

ARTICLE IV

Nothing in this Treaty shall be interpreted as supporting or prejudicing the position of any State Party with respect to existing international conventions, including the 1958 Convention on the Territorial Sea and the Contiguous Zone, or with respect to rights or claims which such State Party may assert, or with respect to recognition or nonrecognition of rights or claims asserted by any other State, related to waters off its coasts, including, *inter alia*, territorial seas and contiguous zones, or to the seabed and the ocean floor, including continental shelves.

ARTICLE V

The Parties to this Treaty undertake to continue negotiations in good faith concerning further measures in the field of disarmament for the prevention of an arms race on the seabed, the ocean floor and the subsoil thereof.

ARTICLE VI

Any State Party may propose amendments to this Treaty. Amendments shall enter into force for each State Party accepting the amendments upon their acceptance by a majority of the States Parties to the Treaty and, thereafter, for each remaining State Party on the date of acceptance by it.

ARTICLE VII

Five years after the entry into force of this Treaty, a conference of Parties to the Treaty shall be held at Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the preamble and the provisions of the Treaty are being realized. Such review shall take into account any relevant technological developments. The review conference shall determine, in accordance with the views of a majority of those Parties attending, whether and when an additional review conference shall be convened.

ARTICLE VIII

Each State Party to this Treaty shall in exercising its national sovereignty have the right to withdraw from this Treaty if it decides that extraordinary events related to the subject matter of this Treaty have jeopardized the supreme interests of its country. It shall give notice of such withdrawal to all other States Parties to the Treaty and to the United Nations Security Council three months in advance. Such notice shall include a statement of the extraordinary events it considers to have jeopardized its supreme interests.

ARTICLE IX

The provisions of this Treaty shall in no way affect the obligations assumed by States Parties to the Treaty under international instruments establishing zones free from nuclear weapons.

ARTICLE X

1. This Treaty shall be open for signature to all States. Any State which does not sign the Treaty before its entry into force in accordance with paragraph 3 of this article may accede to it at any time.

2. This Treaty shall be subject to ratification by signatory States. Instruments of ratification and of accession shall be deposited with the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland, and the Union of Soviet Socialist Republics, which are hereby designated the Depositary Governments.

3. This Treaty shall enter into force after the deposit of instruments of ratification by twenty-two Governments, including the Governments designated as Depositary Governments of this Treaty.

4. For States whose instruments of ratification or accession are deposited after the entry into force of this Treaty, it shall enter into force on the date of the deposit of their instruments of ratification or accession.

5. The Depositary Governments shall promptly inform the Governments of all signatory and acceding States of the date of each signature, of the date of deposit of each instrument of ratification or of accession, of the date of the entry into force of this Treaty, and of the receipt of other notices.

6. This Treaty shall be registered by the Depositary Governments pursuant to Article 102 of the Charter of the United Nations.

ARTICLE XI

This Treaty, the English, Russian, French, Spanish and Chinese texts of which are equally authentic, shall be deposited in the archives of the Depositary Governments. Duly certified copies of this Treaty shall be transmitted by the Depositary Governments to the Governments of the States signatory and acceding thereto.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Treaty.

Done in triplicate, at the cities of Washington, London and Moscow, this eleventh day of February, one thousand nine hundred seventy-one.

IN NEW HAMPSHIRE'S WOODS

Mr. DURKIN. Mr. President, I was delighted to see that as far away as London, the beauty and tranquillity of the New Hampshire forests are well known. A recent issue of the Economist, the respected British journal, included an article about Peterborough, N.H., and its silent pine woods that attract 200 artists, composers, writers, and painters each summer.

As the article noted, Peterborough's MacDowell Colony has served the needs of artists since 1908. The Colony not only offers each visiting artist a studio of his own, but a precious opportunity to work without interruption or noise, away from telephone, television, and office.

Only professionals are accepted into the artist colony, although fame is not a requirement. The MacDowell Colony has but two rules: No one may enter another studio uninvited nor may one ask another how his work is progressing. The colony's only purpose is to enable a serious artist to enjoy one of our Nation's most inspirational environments. The New Hampshire forests, after all, inspired Thorton Wilder's Pulitzer-prize-winner-play, "Our Town."

Included among the MacDowell Colony's visitors have been James Baldwin, Leonard Bernstein, Max Frankel, and Alec Waugh. Additionally, Peterborough's tranquillity is enjoyed by thousands of less renown artists who merely seek a temporary escape to a quiet, less hurried lifestyle to nuture their creative talents.

Mr. President, because I know many of my colleagues are interested in this unique New Hampshire community, I ask unanimous consent that the Economist be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN NEW HAMPSHIRE'S WOODS

"Whose woods these are I think I know," said Robert Frost about a snowy evening in New Hampshire. This summer folk in Peterborough will be in no uncertainty about

whose are the 400 acres of woods in their midst: 200 artists, composers, writers and painters come to work in the silence of the pine forests each year, mostly in the summer. The MacDowell Colony, with an annual budget of $355,000, is one of the town's main employers, as well as the source of its best-known product—artistic creation. In fact, Peterborough itself, a sleepy New Hampshire town about two hours northwest of Boston, inspired Thornton Wilder's Pultizer-prize-winning play, "Our Town."

Each visiting artist has a studio in a cabin which is out of earshot of any other. Silence is golden, and expensive. The colony was founded by the American composer Edward MacDowell who found on his Peterborough farm what he felt were the ideal conditions for creativity. When he died in 1908 at the age of 46, his widow devoted the rest of her life—and it was a long one—to build and endow the colony in his name. A pianist, she gave concerts which would end with a plea for funds. Across America she encouraged good ladies who would never see New England, let alone a creative artist, to form MacDowell Clubs to raise money. She herself donated her farm and land and had as a financial base the fund of money set up in her husband's name by J. Pierpoint Morgan.

Today the MacDowell endowment covers only a third of the colony's running costs; another third comes from the National Endowment for the Humanities and the rest is scraped together each year by spirited fund-raising. Those artists who can afford it are now asked to pay $10 a day. Yet the colony runs a deficit and how it will survive if costs rise much more is hard to see. Lavish federal funds are unlikely to be forthcoming for a community which could easily pass for a very progressive summer camp.

Only professionals are accepted. But fame is no requirement, nor poverty—nor is any evidence of finished work. The colony has two main rules: no one may enter another studio uninvited and no one may ask another how his work is going. Artistically, the colony is tolerance itself. One composer works on a choral piece which consists of aspirant sounds and no musical notes at all; another artist is immersed in "acrylic stained abstractions and experimental caustic works on rice paper."

While the colonists live in small dormitories and meet for breakfast and dinner, the solitude of most of the day is total. There is no break for lunch. A scout silently steals up to the cabin porch and leaves a hamper of food. Some people cannot bear the strain. A few take to each other, some to the bottle. For most, the opportunity to work without interruption or noise, away from children, telephone, television and office, is precious and they make the most of it. The average stay is about two months.

Who goes there? Who doesn't? Certain great names are always mentioned in the same breath as MacDowell—Virgil Thomson, Stephen Vincent Benet, Aaron Copland, Edwin Arlington Robinson. But the list of slightly lesser and more recent lights is longer and more interesting: James Baldwin, Padraic Colum, Rumer Godden, Leonard Bernstein, Frances Fitzgerald, Max Frankel, Marya Mannes, Nora Sayre, Peter Viereck and Alec Waugh, to name a very few.

ISRAEL AND TORTURE

Mr. ABOUREZK. Mr. President, on June 11, 1977, there appeared in the London Sunday Times a report entitled, "Israel and Torture." This investigation into human rights violations by the Israelis in the Arab-occupied territories is only one of several reports the Times has done so the claim cannot be made that the paper is singling out Israel for investigation.

The detailed report is well-documented by a team headed by Eric Marsden who has earned increasing respect for their accurate reports in the Times. These men and women are well-known as journalists all over Europe.

"Israel and Torture" contains details about the torture, deprivation, detention, and degradation of Arabs at the hands of their Israeli occupiers. The reports conclude in part:

Torture of Arab prisoners is so widespread and systematic that it cannot be dismissed as "rogue cops" exceeding orders. It appears to be sanctioned as deliberate policy.

But if this report were not enough in itself, what is also shocking is that the original investigation, the Israeli reply to the findings and the Times' response to the Israelis have been virtually ignored by the press in the United States. Therefore, I ask unanimous consent to print all three in the RECORD so that many more people will be able to read them. In this time when both President Carter and the Congress are speaking out strongly for human rights, such a thorough report about Israel and her treatment of Arabs should not go unnoticed or ignored.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ISRAEL AND TORTURE

(By Eric Marsden and the Insight Team)

ISRAEL AND TORTURE: A CASE FOR CONCERN

Several pages of this issue of The Sunday Times are devoted to the result of our inquiries into alleged maltreatment by the Israeli authorities of Arabs in the occupied territories of Israel. Such coverage requires a special explanation. It is unpleasant reading; that is inescapable by the nature of the subject. It is long; that is inevitable if we are to set out the evidence properly and not merely publish assertions and denials.

The aim is to present the reader with the material on which we based our own judgment that Israel has been covering up ill-treatment and torture of Arab prisoners before they are brought to trial. As it is, we have published the minimum necessary for this purpose. We have in the form of transcripts of first-hand inerviews ten times this amount of testimony with varying degrees of plausibility.

The subject merits such intensive treatment in our view, because respect for human rights must be indivisible, and because Israel occupies a special place in our world. Israel itself has always made justice, the rule of law and the fair treatment of Arabs central to its claim to nationhood. It was founded in idealism following oppression and this is one of the emotional obstacles: few people are prepared to believe that Israelis, as members of an ancient community which has for centuries been victim of persecution, are capable of persecuting others. There is all the more reason that when allegations are made and persist—there has been an increase in them in the past year—they should be taken seriously and examined in detail.

The detailed evidence The Sunday Times has collected will be made available to any properly constituted international inquiry—that farce of a body the UN Commission on Human Rights will not do. But of course the best result would be an end to the practices we describe. The Israeli authorities know we are publishing this inquiry, but we have not presented them with the details for three reasons. The first is that the bulk of the allegations is known to the Israeli authorities and/or the courts who have rejected them in circumstances we find unconvincing and we say why in the course of the report. The second is that though a number of Arabs have agreed to be named others involved would agree to be identified only to an international tribunal; and a few were frightened even of that.

The third, frankly, is that we are not prepared to accept simple new assertions that there is no truth in any of it. Israel has for years successfully resisted outside inquiries into these matters and particularly into allegations of torture. It has been helped by the fact that many of those making the inquiries have been obviously biased and one-sided—for instance the UN Commission on Human Rights which repeatedly attacks Israel and South Africa but is shatteringly silent over Uganda.

This, though, only demonstrates the Commission's partiality; it does not necessarily mean all the testimony it has heard is false. Israelis frequently, and with justification, complain of a double standard operating against them in international affairs. In some cases, such as the present one, it operates in their favour. International bodies which are prepared to air allegations of ill-treatment of prisoners made against Latin American, Asian and African countries hesitate to do so against Israel, and there has been similar reticence in the Press and in particular in the Israeli Press.

In a free society, the Press operates as a safety valve for grievance and complaint, but Israel's Press, normally so vigorous and outspoken, has not taken up the challenge of finding out just what is going on in the interrogation centres. The newspapers have until recently given little coverage to the West Bank and Gaza (with the exception of Haaretz) and rarely refer to the allegations of ill-treatment except in giving denials. The military governments of the West Bank and Gaza have therefore had a free hand in enforcing law in the occupied areas.

Israel's conduct in the occupied lands has deserved more scrutiny than it has received in ten years; but it now assumes a profound new importance. There is a new government in Israel. The outgoing government at least held out the possibility that the most densely populated areas of the West Bank might be returned to Arab rule in a peace agreement, though it has continued to build Jewish settlements.

Likud, the party of Mr. Menaham Begin, makes no such offer. It is committed to maintain Israel's rule over all the West Bank and Gaza, adding another million Arabs to the half million who are already Israeli citizens. Mr. Begin says they will have equal rights with Jews so long as they accept they are a minority in a Jewish state.

Apart from disbelief, two other responses to the allegations are certain. The first is that very few if any of the Arab countries would emerge unstained from a comparable inquiry into methods used there by police and prison authorities. Many, indeed, would fail to pass any westernised tests of civilised practice. The second is that ousiders should have some understanding that Israelis feel besieged and under the provocation of Arab terrorism. In such circumstances, the argument will run, ends justify means: to extract from suspects a confession, followed by conviction in the courts, is so important to the stamping out of terrorism that it takes priority over everything, human values included.

Both points can be met. Torture must be condemned wherever it is practised. But in the occupied lands of Israel the people are dependent on international protection and only respect for international conventions can help them. Secondly, though surrounded by enemies, Israel has not had to contend in recent years with massive internal violence on the Ulster or Algerian pattern.

But the justification of torture for the con-

trol of populations cannot be accepted by nations with claims to western values, whatever the provocations. It is inhumane. It is self-defeating. At the minimum it strengthens the resolve of those who think of themselves as oppressed. It demoralises those who practice it; as the French in Algeria had reason to learn. And, most important, an apologia like this does less than justice to Israel's own standards. Mr. Begin, who is about to become Prime Minister, suffered in a Russian prison in his youth, had a price on his head under the British, and has written with great emotion in condemnation of British methods of interrogation and trial of his comrades in the Irgun Zvai Leumi underground organization in the 1940's. Unless his convictions have changed, he cannot be satisfied that since 1967 Israel has used against Arab prisoners the British mandate laws and regulations he so bitterly denounced.

Finally, it will be said, of course, that to publish reports of torture and ill-treatment is to strike at the very heart of Israel's existence. The opposite is true. Israel has to live in peace with Arabs. It seems unaware of the deep strength of feeling against continued occupation. Certainly the occupation has brought some material benefits to the Arabs, but the deprivation of human rights is gravely poisoning its relationships with those people it must not only subdue now but eventually live with as neighbours. In the long term a just peace is essential to Israel; and some kind of basic trust is essential to that. Torture by Israel (like terrorism by extremist Palestinians) undermines trust, is an obstacle to peace and by extension weakens Israel's prospects of survival.

Six years ago we published a report on interrogation on Northern Ireland which led to the banning of those practices by the British Government, and the removal of a little of the poison in Anglo-Irish relationships. The report we publish today, we hope, cause Israel to rethink its occupation policies and remove a little of the poison between Jew and Arab.

Early on the morning of February 24 this year, a transfer took place at the Allenby Bridge, the main crossing point from the Israeli-occupied West Bank to the East Bank of Jordan.

An Israeli army jeep drove to the centre of the bridge and pulled up. Several Israeli soldiers climbed out, followed by an International Red Cross delegate from Jerusalem, a young Swiss named Bernard Münger. Together they helped a frail figure from the jeep and laid him on a stretcher. His name was Omar Abdel-Karim. He was a Palestinian carpenter from the village of Beit Sahur, just below Bethlehem. He was 35 years old, but he looked an old man.

On the Jordanian side of the bridge a small group awaited Abdel-Karim. It comprised his brother; a Jordanian army liaison officer; and Jean Courvoisier, head of the International Red Cross delegation in Jordan's capital, Amman. The Red Cross men, Courvoisier and Münger, picked up the stretcher and carried it to an ambulance of the Jordanian Red Crescent (which operates in Jordan in liaison with the International Red Cross).

As Münger walked back to the Israeli jeep, Abdel-Karim tried feebly to wave goodbye. When an army man asked his name, his lips barely moved. To his brother's distress, Abdel-Karim appeared not to recognise him. "I thought he was going to die," Courvoisier told friends later.

Abdel-Karim lived. At midday, he was admitted to the King Hussein hospital at Salt, 25 miles from the bridge on the road to Amman. The case notes of his initial examination recorded that he was thin and weak. He complained of pains in the chest and found it hard to breathe out. He had an infection of the urinary tract. He talked of severe head pains and showed signs of giddiness. And his difficulty in moving tended to confirm his complaint that his joints, especially his knees, were painful too. Chest X-rays then showed that Abdel-Karim's ribs had at some point been fractured. The houseman also noted that Abdel-Karim was in a highly nervous state—and prescribed tranquilisers.

Abdel-Karim continued to bear the marks of having come through some traumatic experience, however. When his wife Nijmi came to see him, he stared at her. "Who are you?" he asked. It was some time before he showed signs of remembering her.

With the aid of antibiotics, multi-vitamins and a high-protein diet, Abdel-Karim has slowly recovered, though two months later, he could still barely walk.

He had been arrested, said Abdel-Karim, by the Israeli security forces four months before and accused of belonging to the *fedayeen*, the Palestinian resistance and terrorist movement. He had then, he said, been tortured. And the tortures he recounted were so brutal, so prolonged and, above all, so organised and applied as to leave no doubt—if his story were true—that systematic torture is an Israeli practice.

We were expecting Adbel-Karim's arrival. We had learned of his case in January, while he was still in Israeli custody; and before his release we had talked with his wife, his lawyer and the mayor of his village.

For five months, we have been inquiring into allegations of systematic torture by Israel of Arab prisoners. Such allegations have been persistent for almost a decade, ever since the first weeks of the Israeli occupation of the West Bank and the Gaza strip after Israel's victory of June 1967. The United Nations, Amnesty and several individuals, have, at different times, made detailed examinations of the evidence and have, in varying degrees, been disapproving of Israel. But virtually all previous inquiries have been vulnerable to criticism because they were conducted outside Israel and the occupied territories, without attempts at on the spot verification. Even a special committee of the UN, a body not loath to criticise Israel, has admitted its inability "to reach a conclusive finding, since this would only be possible after a free investigation inside the occupied territories."

For this Insight inquiry we have worked inside the West Bank and the Gaza Strip, taking statements and examining stories there and going into neighbouring Arab countries, when necessary, to check those claims further. We have questioned 49 Palestinian Arabs, who have been in the custody of the Israeli security forces. Almost all are still living in the occupied territories. Forty-four of them alleged, in varying detail, that they had been tortured.

In 22 of the cases, the Arabs involved have agreed to be named, even though they still live under Israeli military rule. In reaching our conclusions we have given greater weight to these cases. The remaining cases where Palestinians have asked to remain anonymous, we have treated with great caution, though consistent patterns emerge from these, too. Our conclusions are:

1. Israel's security and intelligence services ill-treat Arabs in detention.

2. Some of the ill-treatment is merely primitive: prolonged beatings, for example. But more refined techniques are also used, including electric-shock torture and confinement in specially-constructed cells. This sort of apparatus, allied to the degree of organization evident in its application, removes Israel's practice from the lesser realms of brutality and places it firmly in the category of torture.

3. Torture takes place in at least six centres: at the prisons of the four main occupied towns of Nablus, Ramallah and Hebron on the West Bank; and Gaza in the south; at the detention centre in Jerusalem, known as the Russian Compound; and at a special military intelligence centre whose whereabouts are uncertain, but which testimony suggests is somewhere inside the vast military supply base at Sarafand, near Lod airport on the Jerusalem-Tel Aviv road. There is some evidence too that, at least for a time, there was a second such camp somewhere near Gaza.

4. All of Israel's security services are implicated: the Shin Beth, roughly Israel's MI5 and Special Branch in one, which reports to the office of the Prime Minister; Military Intelligence, which reports to the Minister of Defense; the border police; and Latam, Israel's "Department for Special Missions," both of which report to the Police Minister.

5. Torture is organized so methodically that it cannot be dismissed as a handful of "rogue cops" exceeding orders. It is systematic. It appears to be sanctioned at some level as deliberate policy.

6. Torture seems to be used for three purposes. The first is, of course, to extract information. The second motive, which seems at least as common, is to induce people to confess to "security" offences, of which they may, or may not, be guilty. The extracted confession is then used as the principal evidence in court: Israel makes something of the fact that it has few political prisoners in its jails, only those duly convicted according to law. The third purpose appears to be to persuade Arabs in the occupied territories that it is least painful to behave passively.

It may be, therefore, that the 22 Arabs we name are at risk of reaction in Israel. The 22 knew and accepted this. We see no way to protect them except by publicity, so we publish as an appendix to this report their names and home towns.

THE PROBLEMS OF CHECKING

The case of Omar Abdel Karim, the man sent over the Allenby bridge, is typical for two reasons. His allegations differ little from those in scores of previous cases. And the difficulties of checking what he says are, as we shall show, no different either. First, his story, recorded during eight hours of questioning in mid-April. The phrase "he says" should mentally be added to each assertion that follows:

Omar Abdel-Karim was arrested on October 3, 1976, as he was crossing eastward over the Allenby bridge on his way to see his brother's wife in Amman. He was driven to the Russian Compound, known to Arabs as "Moscobiya"—the detention and interrogation centre in Jerusalem which houses Shin Beth and Latam and occassionally the border police.

Among the interrogators who questioned him the same evening were two whom he came to know as "Edi" and "Orli." They accused him of being one of the Fedayeen. When he denied this, they beat him on the soles of his feet. Later, for about 15 minutes, he was hung up by his wrists. Then he was sent to a cell in the main prison block at Moscobiya. His feet were swollen; he crawled there.

He was in Moscobiya for seven days. In later interrogations, he lay prone on the floor and, while one man stood on his legs, another pulled his arms back. Another time, a stick was twisted through his handcuffs, cutting the blood supply to his hands. He still denied involvement with the fedayeen.

After a week, he was transferred in a closed lorry to another location—he thought Sarafand. So far his treatment might just be described as "brutality" rather than torture. But the new centre was more purposeful. Except during interrogation sessions, he was continuously hooded by a black canvas bag. Fresh interrogators took over, though Orli was also there.

Electricity was now used. Two thin, black leads were taped to Abdel-Karim with sticking plaster. These went into a black box, presumably a transformer, and from it a thick white wire was plugged into a wall

socket. A button on the box switched the current on. "It felt as though my bones were being crushed," Abdel-Karim said. "The most painful was when they attached the wires to my testicles. When the current was applied, I felt it through my whole body. After the shocks ended, I felt pain in all my joints. Every muscle ached and I felt that my nerves were exhausted."

Abdel-Karim says electricity was used at "eight or nine" sessions. But he says he continued to maintain his innocence. After 11 days he was moved again, to the prison at Hebron on the West Bank.

Edi and Orli were still with him, but yet more interrogators now joined in. In his first day at Hebron, one named "Ouzi" kicked his face; when blood from Abdel-Karim's nose spotted his boot, Ouzi made him lick it off. Abdel-Karim recalls the boot: "Thick, with a kind of grid on the soles, like a commando's."

He also identifies one interrogator as "Abu Ghazal," a man with an "Aleppo rose" on his cheek, a pitting peculiar to the Middle East. Abu Ghazal swung him round the room by his hair and, when it came out, forced him to eat it. "It stuck all down my throat. It made me want to throw up." Then he had to drink salty water. Finally, Abu Ghazal and a second interrogator forced a bottle up Abdel-Karim's rectum.

That was the first day. The second day, he says he was again suspended by his wrists from a pulley and beaten. "I felt something break in my chest. . . . Then I fell unconscious. When I came to I was on the floor and they were throwing water in my face. . . ."

It was on the third or fourth day that Orli brought Abdel-Karim's wife Nijmi to the prison. "When she saw me in such condition she started screaming. Orli grabbed her by the hair. He started slapping her face until blood came from her nose and mouth. . . ." Abdel-Karim said he would confess.

"Orli said: 'Now we are friends.' He pulled out a cigarette and handed it to me. I took the cigarette and started smoking and he said: 'Now talk.' So I had to start lying. I had nothing to tell and I had to save my wife. I said I had bombs and I hid them in my lavatory. When I said this my wife said: 'No, I was the one who put them there.' In fact there was nothing we had done but she said she had done it to save me, and I said it to save her.' "

Abdel-Karim was taken back to his home at Beit Sahur where sewage trucks sucked out the cesspit by his house. They found nothing. When it was realised he had lied, Edi repeatedly banged Abdel-Kahim's head against a rough wall. Pieces of plaster fell out and Orli told him to swallow them, which he did.

"If I had anything I would give it to you," Abdel-Karim kept telling his interrogators. They did not believe him. He was kept under a cold shower; jammed into a barrel of freezing water; and suspended from his wrists once more while the interrogator Orli squeezed his genitals. "The mind cannot imagine how that hurts. It was so bad, it made me forget all the other pain."

The last assault Abdel-Kahim remembers is being shut in a small cell into which some kind of gas was squirted through the judas-hole in the door. "I couldn't stop coughing. My eyes and nose were running. The whole world started turning round me." He remembers "a piece of glass like a finger" which was finally slid into each nostril to ease his breathing.

From that point, Abdel-Karim's alleged recollections are confused and fragmentary. We have established that at the end of November, for example, he spent a week in the main Israeli prison hosptial at Ramleh. He says he does not remember this. Then on December 12, his wife Nijmi says, she and their 12-year-old son visited him back in Hebron and he did not recognize the boy. He says he does not remember this episode either. About this time, the Israelis took him to the Jordanian border; but the Jordanians refused to accept him because no arrangements had been made. Abdel-Karim says he just recalls something like that. Of his eventual journey to Salt in February through the mediation of the International Red Cross, he remembers very little.

It is an appalling story, but how much of it is true? In the nature of torture, only two parties are present: torturer and victim. As Amnesty International has said: "The confrontation between the individual and the limitless power of the state . . . takes place in the darkest recess of political power." Failing a confession by the torturers, we have to look for other things: corroboration of verifiable details; or the consistency of one account with others, in circumstances where collusion can be ruled out. By those tests, Abdel-Karim's story deserves credence.

We had learned of his case, as we said, even before his release. The independent interviews we conducted then went some way to corroborate his account.

Six weeks before Abdel-Karim's release, his wife Nijmi had told us—in an interview at Beit Sahur—how she had been arrested and taken to Hebron prison. She and her husband had been beaten in front of each other, she said. Her face had been slapped and her hair pulled. Her husband appeared "badly beaten on his face and his eyes were swollen. There were burns on the back of his hands and there were burns on his face as if made by an iron or an electric fire." (Abdel-Karim later showed us, among other marks on his body, a flat scar on the back of his right wrist. He said it had been caused by the application of electricity, unmodified by a transformer, in Hebron. "They taped the wires to me and then put the plug directly in the socket. It just blew me away, and they had to re-attach it. Sparks came from my hand. The other equipment didn't cause sparks.")

Other interviews helped to corroborate Abdel-Karim's story. On November 14, his lawyer Felicia Langer and her clerk Abed el-Asali visited Abdel-Karim in Hebron prison. Langer subsequently wrote an account of the visit:

He was brought to me supported by other prisoners because he was unable to walk by himself. . . . He was looking very bad, his face was completely yellow. . . . All the time he was pointing to his ribs, claiming he was unable to breathe out. One of his fellow prisoners told us that his ribs had been broken during interrogation. . . . Omar indicated to us that he had been tortured by electricity and while speaking of it he started trembling terribly. . . . It was as if his body was convulsed.

He did not know his age, place of birth, address, or whether he had children. Just once during our visit, he let slip that his wife had been beaten in front of him, but then he stopped talking about it. It seemed to us that he was in another world.

In another interview six weeks before Abdel-Karim's release, Langer's clerk Asali confirmed her account, adding that they had seen Abdel-Karim suddenly start laughing and kiss a prison guard. "He said that the guard was the only one who didn't torture him. . . ." (Asali did not mention burns on Abdel-Karim, but he did claim to have seen "blue marks and red marks like blood near his ear.")

It was also in mid-January, again six weeks before his release, that we interviewed the mayor of Abdel-Karim's village, Hanna al-Atrash. He told us then how the Israelis had spent several days draining the sewers round Abdel-Karim's house. His account of the episode agrees in general with that given to us later by Abdel-Karim—who could in no way have colluded with him.

The mayor also told us that in late November, having heard from Felicia Langer of Abdel-Karim's state, he went to see the Israeli military governor of the Bethlehem district: "He said he didn't believe the story, but he would look into it." He later told the mayor that Abdel-Karim had been moved to a prison hospital.

The mayor also contacted the International Red Cross in Jerusalem: "I asked them to look into the allegations. Later the Red Cross delegate Bernard Munger confirmed to me that they were true. He confirmed Felicia Langer's letter completely."

As a matter of policy, the Red Cross never comments publicly on cases. The chief Red Cross delegate in Jerusalem, Alfredo Witschi, said he could not confirm or deny the mayor's statement. "We make our reports to the authorities and request action," he said. Similarly in Amman, Jean Courvoisier would confirm only that he had met Abdel-Karim on the Allenby bridge.

We have established, however, that the Jerusalem Red Cross delegate Munger first got access to Abdel-Karim at the end of November, about 55 days after his arrest. It was about then—and so possibly as a result of Munger's intervention—that Abdel-Karim was moved to Ramleh prison hospital. He was X-rayed, but returned, after a week to Hebron. In the light of his later condition—which Munger described to doctors in Amman as "lamentable" and to which the medical records at Salt bear witness—this seems a strange decision. It is not surprising that Abdel-Karim has the fondest memories of Munger, whose continued efforts helped finally bring his release. "He saved my life," Abdel-Karim says.

MEMBER OF THE FEDAYEEN

But if there is independent corroboration for points of Abdel-Karim's story, there are also weaknesses which make it fall short of final proof.

In the first place, he was once a member of the fedayeen. Seven years ago, he served a 20-month sentence for possessing a revolver. His lawyer, Felicia Langer, though Jewish and a refugee from the Final Solution, is an active Communist, regularly denounced by the Israeli Government for political contacts with enemies of the state.

Secondly, the medical evidence is not conclusive. It rests ultimately upon the judgments and testimony of the director of the Salt hospital. Dr. Ahmad Hamzeh. But Dr. Hamzeh is scarcely neutral. In 1976 the Israelis deported him from the West Bank. His clinical judgments, too, are open to challenge. In finding Abdel-Karim's injuries "consistent with" his story of torture, Dr. Hamzeh placed some emphasis on his fractured ribs. Yet in February 1976, we have discovered, Abdel-Karim visited the Mount of David orthopaedic hospital in Bethlehem, complaining of pains in his back and chest. Hospital records show that an X-ray taken then also showed "evidence of multiple fractures in ribs." Medical experts in London say that even if Abdel Karim's ribs had later been refractured, Dr. Hamzeh's X-rays might not have allowed him to distinguish between the two sets of breaks.

It might be said that, in a country of avowed political freedom, Felicia Langer's politics should not debar her testimony. It could also be said that old fractures were surely susceptible to fresh damage from beatings. Yet doubts remain. And while we could corroborate many points in their accounts, Abdel-Karim and his wife disagreed on one significant detail. He said that his wife was brought before him at Hebron about October 25—and the detail of his testimony leaves little room for error. She had already told us that the date was October 15.

This ebb and flow of evidence is typical of torture allegations; and it illustrates the persistent difficulties of proof. In Abdel-Karim's case, however, one piece of external evidence strongly suggests that something which the Israelis wish to hide did indeed

happen to him. It comes from the Israelis themselves.

The day he was sent over the Jordan and up to Salt hospital, Dr. Hamzeh contacted Reuters and told them of Abdel-Karim's condition. A Reuters' reporter in Israel asked the West Bank military authorities for an explanation.

He was told that Abdel-Karim was a convicted Arab guerrilla and saboteur who had fallen ill in prison after serving three years of an 11-year sentence. He had asked the Israelis to let him go to Jordan for medical treatment, and they had agreed.

The story was a lie. Medical records in Bethlehem show, as we have said, that in February 1976—a year before his release over the Allenby bridge—Abdel-Karim went a free man, to the Bethlehem orthopaedic hospital, and made several further visits as an out-patient before his arrest. The mayor, Hannan-al Atrash, confirms that the arrest was in October 1976. Finally, we reproduce (page 17) the picture of Abdel-Karim and his wife taken on their 13th wedding anniversary. It was taken at the Photo-david studio in Bethlehem in the spring of 1976. The studio remembers taking it.

Mistaken identity can be ruled out. Few convicted "guerrillas and saboteurs" are invalided in mid-sentence over the Allenby bridge. Nor did the military authorities sound confused. The point, however, is not that they probably lied. The disquieting point is that the officer who told the lie must either have been ordered by his superiors to do so—or else lied on his own initiative, knowing he would not be punished if his superiors found out. Whatever happened to Omar Abdel-Karim, in other words, was part of an officially-sanctioned system.

THE JUDGMENT OF THE WORLD

On the day after the United Nations had voted to establish the State of Israel in November, 1947, Chaim Weitzmann, Israel's first president and, to many, its founding father, wrote: "I am certain that the world will judge the Jewish state by what it shall do with the Arabs." The dilemma his prophecy encapsulates leads directly to the situation revealed by our investigation.

Israel is a Jewish state, determined to remain so. Yet it rules 1.7 million Arabs—for a decade 1.2 million of these have been under military occupation.

The reasons why Israel has since 1948 steadily increased its dominion over Arabs and their land go back into the infinite regress of cause-and-effect, charge and countercharge that makes up modern Middle Eastern history. That is outside the scope of our inquiry. The fact is that most Israelis see no choice but to continue military occupation; while some Israelis actively want to do so, on the grounds of historic Jewish rights to the land.

Because Israel is so dependent on what Weitzmann saw as the judgment of the world, it must try to ensure the judgment is favourable. The conflict between this international need and the domestic reality of military rule and Arab resistance expressed sometimes through terrorism seems to us the most concrete explanation of why torture has become, on the evidence, an accepted Israeli practice.

There are, of course, many who will passionately reject our evidence as literally unthinkable. Many more will find in the idea of a persecuted race becoming in turn the persecutors a paradox so distasteful as to demand better evidence than perhaps would be needed against other countries. Even more will point out that Israel claims—and undoubtedly feels itself—to be at war for its life; and that the Arabs' record on civil liberties is, to say the least, poor.

The point, of course, is that Israel itself does not, in theory, accept the unspoken implications of their argument.

Israel does not admit that torture is justified by its situation. It denies that torture is ever used. Nor does Israel justify failures in civil rights by comparisons with Arab deficiencies. On the contrary, it is fundamental to Israel's ethos and to its claims for international support that it is part of the West—thus to be judged by Western standards. Israel claims as "a fact"—in the words of an official Israeli observer to a United Nations Human Rights Commission meeting in March 1973—"that the human rights of the civilian population [in the occupied territories] have been and are fully respected and protected. . . . The realities are those of an open society, tranquil and relaxed."

After a decade of military occupation, Israel has felt able to state, in its official handbook:

"The administered areas are tranquil and thriving today. . . . Arabs and Israelis who until 1967 had lived in mutual separation and estrangement, are today enjoying the beginnings of a peaceful and fruitful coexistence."

Since our thesis is precisely that the international need to maintain that position goes far to explain the use of torture, it is necessary to begin by outlining Israel's response to the problems of "co-existence":

On the West Bank, Palestinian reaction to the Israeli occupation has run through three phases. Phase One: active resistance from mid-1967 to the end of 1969. By the end of 1969 raids on border settlements had almost died out.

Phase Two from mid-1970 brought relative quiescence. With the crushing of Palestinians in the "Black September" struggle in Jordan, and the death of President Nasser, the activists looked abroad: to the Munich Olympics of September 1972, for instance.

Phase Three can be traced back to the Israeli raid on Beirut in April 1973, when it seized thousands of documents. On the basis of these, the West Bank, and, significantly, Galilee, within Israel's old borders, saw fresh waves of arrests of suspected *fedayeen* activists or sympathisers. The unrest these sparked—largely in the form of civil disorders and demonstrations by high school students—has ebbed and flowed but never really died. With continued Israeli settlement on the West Bank, and Palestinian suicide raids like those on Kiryat Shmona, Maalot and Beit Shen, feeling between the two communities has steadily worsened.

In Gaza, the sequence has been different. With 300,000 refugees crammed into camps alongside 100,000 native Gazans, the area is one of the most overcrowded in the world—and perfect guerrilla country. Active resistance continued there until mid-1971, when it degenerated into a mini civil war between rival Palestinian factions. Israel bulldozed wide roads through the camps as the first step towards their pacification and control. By mid-1972 the *fedayeen* were crushed.

Israel has never denied that its battle against the Palestinian resistance has involved tough measures. It has demolished homes (16,212 between July 1967 and August 1971 according to an independently-kept log) and deported "known agents of subversion" (1,130 to Jordan since 1967 according to Jordanian police records). But it points out that the Arabs have free municipal elections and enjoy better standards of living than Arabs in Egypt, Syria and the Lebanon, and that it uses punitive measures with restraint.

Against this background, Israel has confronted the hardest problem for any occupying power, its treatment of resistors and terrorists. In 1976, it claimed to have broken up 91 sabotage rings and arrested 807 people connected with them.

Even before its 1967 victory, Israel had prepared an administrative structure for territories to be occupied—and a system of military courts. But the round-ups of late 1967 and early 1968 swamped the system. Faced with similar problems in the Mandate, the British resorted to detention camps—one near Tel Aviv; one in the desert near Gaza. (Arabs and Jews alike still refer to them as "concentration camps", conditions were apparently dreadful.)

The idea of the Jews of all people reviving "concentration camps" was rejected in emotional debates in the Israeli parliament. There was no alternative to overcrowding the jails of Israel and the occupied territories with detainees. In the months after the 1967 war, the number held without trial passed 2,000. By early 1970 it was still 1,923.

But, slowly, the military courts caught up. Gradually, almost all Arabs picked up in new sweeps—and most of those held from the early days—were convicted by the military courts of "security offences" ranging from membership of an illegal organisation, distributing leaflets, or daubing slogans, to possessing arms or committing sabotage or murder.

Ten years after the occupation, Israel has (on the latest published figure) only 37 detainees. But nearly 60 per cent of all prisoners in jail in Israel or the occupied areas are Arabs found guilty of security offences—some 3,200 out of 5,800.

Thus Israel can demonstrate to itself and to the world that it has no political prisoners—only convicted terrorists. As Israel's ambassador to the United Nations, Jacob Doron, asked in a speech last November: "What is wrong with the holding of trials and the conviction of those found guilty after due process of law?" The answer is: when those public convictions are gained by means of secret torture.

The military courts are the fulcrum of Israel's claim to rule the occupied territories according to the rule of law. We have talked with six lawyers—two Israelis and four Palestinians—who regularly appear in them to defend those accused of security offenses. For the record, their names are: Felicia Langer, Lea Tsemel, Wasfi O. Masri, Anton Jaser, Elias Khoury and Fayez abu Rahmehs. Their unanimous opinion is that the military courts collude in and knowingly conceal the use of torture by Israel's intelligence and security services. The mechanism is, in its way, elegant, almost syllogistic. Most convictions in those courts are based on confessions by the accused: most of those confessions, the lawyers are convinced, are extracted by ill-treatment or torture; almost without exception the courts reject that contention.

A security suspect in the occupied territories is usually arrested by Israeli soldiers or border police, accompanied mostly by one or more men in civilian clothes. Most Palestinians we spoke to referred to the plain-clothes men as Shin Beth, Israel's internal security service. (In fact, we have learned they are just as likely to belong to Israel's military intelligence.)

The suspect can be held for up to 18 days before being taken before a military judge. He can order further detention of up to six months. In this time the suspect is interrogated. When eventually he is brought to trial—up to a year later—the prosecution is almost invariably equipped with a statement, signed by the suspect, confessing to at least some of the charges.

Israel says that all confessions are voluntary. The six advocates we have spoken to do not believe this. Wasfi O. Masri, a 60-year-old lawyer from Nablus, and a senior judge under Jordanian rule said: "In 90 per cent of cases I have, the prisoner had told me that he was beaten and tortured. Of course it is very difficult to prove because they don't have witnesses to see them beaten. But I am certain that it happens."

The military courts usually have three military judges—of whom only one must have been qualified, through six years at the Bar, to become a civilian judge. The Military Regulations they apply are based to some extent

on regulations drawn up by the British in 1945—to counter mainly Jewish terrorism.

But it is not in the courts that the crucial maneuver takes place. The courts do indeed allow defense counsel to challenge the validity of confessions. When that occurs, a "little trial" (in Hebrew, a *zuta*) is held.

This is what happens. The defendant tells the court that he was ill-treated or tortured. The prosecution then produces the policeman or army officer who took the confession. According to the young Israeli-born advocate Lea Tsemel, the officer tells the court: "I sat with the suspect, we had coffee together, I gave him cigarettes, he talked freely, and everything was normal." And this officer is almost always telling the truth.

The catch is that the policeman may indeed have taken the statement. But he did not conduct the interrogation. Many of the former prisoners we questioned said that after they had agreed to make a statement they were passed from interrogators to the police, together with a note of the offences they were admitting. The new officer then composed the statement for the court.

Several had tried to change their minds about confessing. One, Shehadeh Shalaideh of Ramallah, protested for instance, that he could not read his supposed confession because it was in Hebrew. (This is a common complaint.) "The officer left the room and two men in civilian clothes came in. I told them I wanted to know what I was signing. They said, 'we haven't got time for all that' and they started beating me. So I said 'okay, okay, I'll sign'."

It is almost impossible for defendants to bring their real interrogators to court because they use Arab names—"Abu-Sami," "Abu-Jamil," 'Abu-Daoud"—or nicknames like "Jacky," "Danny," or "Ari." Even if the defendants did succeed, the result was the same. Lea Tsemel told us how she had finally brought to court an interrogator her client had described. "He just looked at the defendant and said he had never seen him before in his life."

Successful challenges to the validity of confessions are rare. Wasfi O. Masri is much admired by other advocates for having persuaded military courts to rule out confessions in five cases—from a total he estimates as "thousands." Lea Tsemel said she had "almost succeeded once."

Her real role, she explained, was plea bargaining. One of her clients was the only survivor of a band of infiltrators who had been shot down by an Israeli patrol. "He told me he had suffered very bad torture and he wanted to protest in court. The prosecution offered a deal. If I did not contest his confession they would ask for a maximum of 18 years. As he could have got life, I advised him to agree."

A Palestinian advocate from Gaza, Fayez abu Rahmeh, told us that he had decided not to take any more security cases: "I told the Israelis, I have had enough. I told them they should just go back to internment and end this farce."

The question, therefore, is what happens in those secret interrogation sessions?

THE STORY OF GHASSAN HARB

Ghassan Harb is a 37-year-old Palestinian intellectual and journalist from Ramallah, on the West Bank ten miles north of Jerusalem. On the night of April 21–22, 1974, he and his wife were staying with his father-in-law there. Shortly after midnight, they were awakened by half a dozen Israeli soldiers and two men in civilian clothes. One of the civilians told Harb to get dressed.

"What is the matter?" Harb asked.

"You will find out," the man replied. Harb was handcuffed, blindfolded and bundled into a vehicle which took him to Ramallah prison.

What happened to Ghassan Harb over the two months that followed has already excited international attention. When his case was raised at the United Nations last year. Israel's ambassador there, Jacob Doron, dismissed it as "typical of the kind of atrocity stories spread against the Israeli administration by certain elements."

What he meant was that Harb was a Communist. It is true, however, that both sides, Israel and its accusers, have distorted the Harb case—in part because the key witness, Harb himself, was unavailable. For two-and-a-half years after that midnight visit, Harb was detained without trial.

Only on January 18 this year was he released and sent home. Soon afterwards, we recorded for the first time his own account of his experiences. Harb struck us as an excellent witness: careful, restrained, questioning his own impressions and anxious to find points that might be verified. This, in essence, is his story:

For the first 50 days, nothing happened to him. He was punched and kicked on his arrival at prison and, still blindfolded, heard others getting the same treatment. But then, after three nights in a small cell with six other prisoners, he was moved to a larger room containing 40 men. As the days passed, the others—most of whom had been arrested on the same night as himself—were taken for questioning. After six, seven or sometimes 15 days they would return "in very bad condition," he says. "They had been beaten. You could see the marks on their faces and chests." Strangely, they appear to have talked very little. It was not until June 12, 51 days after his arrest, that Harb's own turn came.

He was blindfolded again and made to lie down in what he thinks was a jeep for a journey of two or three hours. When the jeep stopped at last, and Harb got out, still blindfolded, a heavy cloth bag was put over his head. After perhaps 30 or 40 minutes just standing there with his hands in the air—"when there are bad conditions, perhaps a person thinks that the time is longer than it really is," Harb adds cautiously—he was taken into a room, and both blindfolds were removed. A man in civilian clothes addressed him in Arabic.

"Do you know where you are?"

"No," Harb said.

"You are in Kasr el-Nihaye."

That is the name of a prison in Baghdad, the capital of Iraq, notorious for its tortures and secret executions. Harb knew he was not in Iraq. But he also knew what Kasr el-Nihaye means: The Palace of the End. And he knew what his interrogator meant.

Harb learned that he had been arrested because, as an admitted Communist, he was suspected of complicity in armed resistance on the West Bank. He had joined the Communist party as a schoolboy in Ramallah, then part of Jordan. The Jordanian government had banned the party and in 1957 Harb was arrested. He was 17. With other party members he spent the next eight years in prison.

An amnesty finally released him and during the 1967 war, Harb was studying economics at Moscow university. He returned to Ramallah in 1972, to work for the Arab newspaper El-Fajr, published in Jerusalem. He wrote and spoke against the Israeli occupation.

These activities may have irritated the Israelis but none of them was illegal. As Israel's Ambassador, Jacob Doron, said: "Nobody is in prison because of their political beliefs." Israel permits Communists to stand for election in Israel itself.

On the West Bank, however, all political parties and their activity are banned, and known Communists are kept under surveillance. This has been especially so since 1973 when the West Bank communists and the Palestine Liberation organization decided to form an alliance, which they called the Palestine National Front. Since Israel regards the PLO as a purely terrorist organisation it soon saw the Front in the same light. On the night of April 21–22, 1974, it moved against the Front. Harb was arrested.

At the UN, Ambassador Doron said afterwards that Israel had only "arrested those against whom there was evidence of criminal offences." But most of those arrested in the sweep were never charged. We know of nine men—one of them Harb and eight of them avowed Communists—who were apparently taken to Israel's own Palace of the End. Three were deported to Jordan in 1975; two more were allowed to return to their West Bank homes in 1976; Harb and another were released this year, two are still in prison. None has ever been tried, let alone convicted.

That does not, of course, prove that none had committed an offence. The secretary of the Jordanian Communist party has been quoted as saying that his West Bank comrades had indeed been active. The fact remains that Harb denies involvement in any criminal activity, and no evidence has ever been produced.

It is necessary to spell this out only because Ambassador Doron has dismissed the allegations which follow as "an attempt to arouse public opinion and to cover up the crimes committed." He, therefore, uses the assertion of unproved crimes to brush aside the allegations of torture.

The underlying issue remains: Even if Harb and his comrades were guilty, how were they treated in Israel's Palace of the End?

ORDEAL IN THE "CUPBOARD"

On Harb's account, his first meeting with his interrogator there ended abruptly. "We know you are against the authorities; tell us everything you know," the interrogator said. Harb replied that he had no information. "All right," the interrogator said, "You don't want to speak." He gestured to the guards, who wore soldiers' uniforms. "Take him," he said.

In another room, Harb was made to strip, given a military-type overall and photographed. Then he was brought back to his interrogator. He was to see him many times in the next 16 days.

"He was stout, rather dark-skinned, but not black. Black hair, no moustache. His hair was a little curly. I don't remember if he had a parting or not." He was, Harb thinks, about 170 centimetres—5ft 7in—tall, and between 32 and 40 years old. "He spoke Arabic with a Syrian accent." Herb recalls that he always wore civilian trousers and a short-sleeved shirt.

The first beating began at once. "He sat on a table, I was on a bench and he began to beat me. Fifteen minutes, 20 minutes, beating with his hand across my face," Harb says. (Again, Harb warns that he may exaggerate the time.) Only one question was asked: "Do you want to speak?" Harb repeated that he had nothing to say.

At the end of that first session Harb, blindfolded once more with the bag, was led away. His handcuffs were removed, he was stripped of his overall, his hands were refastened behind his back and, naked apart from the bag over his head, he was pushed into what he felt was a confined space. The door shut. Despite two air holes in the top of the bag, Harb feared he would suffocate, so by sliding his head against the wall he removed it. He found himself in a tiny windowless cell, the only light coming from a crack under the door.

"It was really just a cupboard," he says. He thinks it was 60 cms (2ft) square and no more than 150 cms (5ft) high. "I am 178 cms and I couldn't stand up in it." Nor was it possible to sit down.

But the most curious feature was the floor. It was concrete, and set into it at close but irregular intervals was a set of stone spikes. "They were sharp, and they had acute edges. They were perhaps one-and-a-half or two centmetres high. I could not normally stand on them. I could stand on them

but with difficulty and pain. I would lift one leg and put the other down, and then lift that one when it got tired and put the other down, and so on."

Harb thinks he spent three or four hours in "the cupboard" on his first occasion—though he cautions this may be an overestimate. But his release from the place brought no relief.

The door opened. A soldier undid Harb's handcuffs to let him dress, then fastened his hands in front of him. Because Harb had pulled off his hood, he was slapped and blindfolded again, this time with "some kind of spectacles, cloth spectacles made of a black material." The bag was then put over these. Harb was led into what he thinks was an open courtyard, for further treatment.

"There were three or four of them. I judged that by their voices. They were beating me, and then they said: 'Now go down on your hands and knees'. There were little stones in the yard, and they were very painful to crawl on." (Particularly painful for Harb, he has bone deformities protruding from his knees.)

"That continued for about an hour perhaps. I was crawling around on the ground and they were kicking me and beating me. While I was crawling around they rode on me, sat on me like a horse."

When Harb was at last brought to his interrogator once more, the man said: "Now see your condition." He then punched Harb repeatedly, while he and a second interrogator asked questions.

"They said: 'Do you know this person, that person . . .' mentioning names. I said I didn't . . . One of them said I was accused of military charges and I told them 'No, no'. He said: 'We know you are active in this field,' and I said: 'All right, if you know I'm active show me some evidence. I know it isn't true. If you have some evidence, please show it to me.' He said, 'We know, we know,' and he kept on beating me."

That was the first day. Eventually, according to Harb, he was locked into a cell and allowed to sleep. In the morning, the routine began again—and again almost without variation over the four days that followed. "Cupboard," courtyard, interrogation, cell—though not always to rest. The routine could start at any time of day or night.

Sometimes during the beatings in the courtyard, Harb would be stripped: "They took me outside, took my clothes and there were four or five people. Now one kicks me, the other receives me, and gives me to the first—as a ball, kicking to and fro. Afterwards they let me crawl. I was still without clothes of course. Somebody sat on my back, and they were laughing."

On another occasion, Harb was made to crawl, bizarrely, into a dog kennel, less than two feet square. The dog was not in it, but Harb could hear it howling nearby.

Harb also heard the sounds of other prisoners: "On one occasion in the very early period they took me to the cupboard at night . . . at perhaps nine or twelve o'clock. Then I was taken outside and I heard some voices, sounds of pain, crying, pleading. 'Oh my head.' 'Oh my stomach,' 'You are killing me.' Of course I couldn't see who were the people who were groaning, but I heard it."

Certainly, the centre appeared to be staffed to handle more than one inmate. Between June 12–16—the five days of intensive questioning—Harb was interrogated by six or seven different men, all in civilian clothes. The "Syrian" was not always among them. Nor was violence always used—though when it was, it was severe. At one point, Harb says, his feet were beaten with a stick.

After those five days, however, his treatment eased. He was interrogated for another 12 days, but the sessions became more relaxed and discursive, and he was spared the "cupboard" and the courtyard. "I don't know if I had convinced them I had nothing to do with military charges," Harb says.

On what he calculates was June 28, Harb, still blindfolded, was driven from the centre to Yagur prison outside Haifa in northern Israel. Five or six other prisoners went with him. At Yagur, Harb began the detention from which he was released in January this year.

Israel denies that Harb was tortured. Its most detailed rebuttal was given by Ambassador Doron in a speech at the United Nations last November, after a report by a "special committee" of the U.N. on the occupied territories had mentioned Harb's case among others.

The lawyer Felicia Langer had brought several of these cases to the U.N.; so Doron first attacked her credibility: "a member of the politbureau of the pro-Moscow Communist party" and "an active propagandist against the state . . . devoted to the slander and denigration of Israel."

Harb, Doron continued had been detained for investigation of his "subversive activities on behalf of a terror organisation." As soon as his allegations of torture had become known, he had been examined by two doctors who had "found absolutely nothing wrong with him." An Arab delegation from his home town, Ramallah, had also been allowed to visit him; they too, Doron said, had been "satisfied that he had not been mistreated in any way." As to the substance of Harb's charges, Doron said that after "impartial inquiries" which the Israeli authorities had themselves instituted, he could state that no torture had taken place. "Nobody's held in prison blindfolded and tied up."

The other parties involved in those inquiries have different recollections. It was only a day or so after Harb had left the interrogation centre that his wife Afaf visited him in Yagur prison. She was, she says, horrified: "He looked terrible. He was pale and exhausted, and he had lost a lot of weight."

Her report of what she had seen and what her husband told her caused unrest in Ramallah. Harb's family is well-known locally; and Harb's own writings and speeches had given him a reputation. Seeing this, the Israeli military governor of Ramallah ordered Harb's transfer from Yagur to the local prison.

It was on his arrival there that Harb was examined by two Israeli doctors—perfunctorily, Harb claims. He was also interviewed by a delegate of the International Red Cross, to whom he made a formal complaint of torture. And, as Doron said, he was allowed to meet a local deputation: the deputy mayor of Ramallah and his own brother.

We have talked to both men. Contrary to what Doron claimed, both say they did think Harb had been mistreated. His brother says Harb looked ill, had lost weight and showed signs of ill-treatment, including scars. The deputy mayor of the time, a lawyer named Alfred Kisek, recalled: "He told us he had been tortured. He didn't seem as bad as I had heard, but he looked ill and we believed that he had been ill-treated."

What of Israel's "impartial inquiries" into the case? Early in July, as unrest grew over the allegations put about by Harb's wife, the police minister, Shlomo Hillel, announced an inquiry—under a police officer, Harb was taken to Ramallah police headquarters to be questioned. It was, he says, a cursory affair. The resultant statement was no more than 500 words. (By contrast, the transcript of our detailed questioning of Harb totals 11,000 words.) The policeman also questioned Langer's six other complainants. By early August, he had presented his report. It dismissed the allegations.

Langer fought back. With another lawyer, Whalid Fahum, she filed a complaint in the Supreme Court in Tel Aviv alleging that the inquiry had been inadequate and the minister, Hillel, delinquent in his duty. Technically, therefore, the court could only examine the narrow procedural issue. But the lawyers, of course, hoped the court would consider the wider issue of the allegations themselves. And this the court duly did.

Its procedure was so strange, however, that at the very least considerable doubt must be cast on what it found. No witnesses were called. No fuller statements were taken. The court said it limited itself "to choosing between the conflicting claims of the prisoners and the investigators as submitted in writing." On the strength of medical reports which, "did not show any signs of intentionally inflicted injuries" it chose to believe the investigators. On December 18 the complaint against Hillel was dismissed.

FOUR STORIES IN SUPPORT

We know, as we have said, of eight other Palestinian Arabs who appear to have been in the special interrogation centre at about the same time as Harb. Two are still in custody, but of the six who were freed we traced and interviewed four:

Mohammed abu-Ghabiyr,
Jamal Freitah,
Kaldoun Abdul Haq
Husni Haddad.

Only Haddad was in exile in Jordan. (He died in Amman in May this year; we retain the tape of our interview with him.) The other three still live, like Harb, on the West Bank. None was ever charged.

In view of what they say, it is important to consider whether these four and Harb could have colluded their accounts.

Harb and three of them were certainly together for some days in Yagur, immediately after interrogation. But then they were split up, and only two served in the same prison (Haq and Freitah in Nablus). Haddad had not been in Yagur with the others, but he saw Harb for a few days in Ramallah when he was taken there for a hearing to extend his detention.

This gives the theoretical possibility that the five men could have conspired to fabricate a story. But only during those days at Yagur could a story have been cooked up—to be passed to Haddad later. And there are two further points. After his deportation to Jordan, Haddad had no chance to meet the others. Secondly, we first interviewed two of those still on the West Bank—Haq and abu-Ghabiyr—without any warning and before the final pair, Harb and Freitah, had been freed. We questioned *them* only days after their release.

In our view these facts and the weight of detail the men volunteered 30 months after their experiences argues reality rather than some long-remembered fabrication.

These are their stories:

Mohammed abu-Ghabiyr, a shoemaker from Jerusalem, spoke of the interrogation centre as a "military camp" where the guards wore "soldiers' uniforms." He too was stripped, photographed and given a one-piece overall in camouflage colours. He too talks of being blindfolded with "a black bag made of very thick cloth" with two air holes in the top. He too was blindfolded the whole time except in his cell or under interrogation. Like Harb he described a "stony courtyard," and mentioned the presence of dogs.

Harb, asked to estimate the layout and size of the centre, said that he could not do so, because he thought he had been led everywhere in circles. Ghabivr, asked the same question, replied: "I couldn't tell. The problem was they used to walk me in circles. . ."

Jamal Freitah, a labourer from Nablus, talked of "a prison uniform" and a 'bag of black cloth' over his head. He spoke of crawling naked over gravel; during that ordeal, he added, his eyes were covered with an extra blindfold under the bag.

At least once a day, he said, he was put into what he called "the frigidaire": It is about 60 cms by 60 cms by 160 cms high. The concrete in the floor was made in a way that it looks like small hills near to each other

with very sharp edges. Everyone of them is like a nail."

Kaldoun Abdul Haq, a partner in a Nablus construction company, spoke of being stripped, photographed and given "a camouflage overall" to wear. His blindfold was "a black sack made of cloth with two holes in the top to let air in." He talked of a courtyard—he called it "a place in the open air"—where, he said, he was hung by his arms from a hook in a wall. And he remembered a tiny cupboard—"the floor was covered with very sharp stones which were set in cement."

Husni Haddad, at the time of his arrest a factory owner in Bethlehem, was given a khaki jacket and trousers rather than an overall. But the "black canvas sack" with the two holes was unchanged. So was "a sort of garden" with "gravel underfoot," where he was once made to crawl and kicked as he did. He too remembered a cell 50 cms by 50 cms by 150 cms, the floor of which had spikes "like people's thumbs" but with sharp edges.

Even mundane details in Harb's account were confirmed by Haddad. Both men said that the first interrogation room had instructional charts showing weapons on its walls. Both said that a strange noise disturbed their sleep. Harb talked of "sounds of engines, whirring." Haddad spoke of "a kind of hissing noise from an engine, or maybe a buzzing noise." The plastic plates, the absence of cutlery, the plastic bucket for a lavatory, the lack of lavatory paper . . . scores of details match in the five accounts.

There were also inconsistencies. Haq, for instance, recalls the courtyard as being "like the soil" and denies there were stones or gravel. And the ill-treatment alleged varied in type and extent Freitah alleged almost continuous beatings and abuse. Ghabiyr said he was hardly touched. (Perhaps the reason was that Ghabiyr has a history of tuberculosis and, at his arrest, was ill with a stomach complaint.)

Taking the evidence as a whole, however, we conclude that it amounts at least to a strong prima facie case that in 1974 Israel maintained an interrogation centre administered by the army, where suspects were hooded, continuously handcuffed, deprived of sleep and other human amenities, and systematically subjected to physical and mental suffering.

WHERE DOES IT ALL HAPPEN?

Where is this interrogation centre, this "Palace of the End"? The most likely answer is that it lies behind the high wire fence that all tourists see as they drive the last stretch from Jerusalem to Tel Aviv. The wire, the military checkpoints at a couple of entrances, and a few low, scruffy buildings in the distance are virtually all that is visible of the ten square miles of Israel's biggest army ordnance and supply depot, Sarafand. (The Jewish National Fund also uses part of Sarafand to house the equipment for roadbuilding in its new settlements in Israel and the occupied territories.)

Sarafand occupies a prominent place in Palestinian demonology. Scores of statements talk of it; and most of those who have been through the interrogation centre refer to it automatically as Sarafand. But that is an assumption on their part, as questioning soon shows.

There are, nevertheless, historical reasons why they could be right. Sarafand was built as the main British ordnance depot in Palestine before World War Two. When Britain then needed two camps to house Arab detainees during the riots of the late 1930s, one was built inside Sarafand. (The other was in Sinai.) So many of the old British mandate buildings were taken over, function and all, by the Israelis that Sarafand would have been a logical choice to house a new generation of Arab detainees.

For it is clear from detainess' accounts that the mysterious new interrogation centre run by the military came into operation after the 1967 war. And it was another three years or so before its buildings—ramshackle at first, as if disused for a time—had been renovated. (Some detainees, taken there at intervals, observed the process.)

The assertion that they were in Sarafand comes most confidently from those early alumni. Yet each in turn seems to have learned this only from inmates already there. Only one claimed to have seen a sign "Sarafand prison," and we thought this improbable.

In those early years, blindfolding was less rigorously enforced, and a few detainess caught glimpses of their surroundings. One recalls a eucalyptus tree. But after 1970, continuous blindfolding and isolation shut out even those fragments.

Detainees could still hear, of course, and many speak of aircraft overhead. Sarafand lies below a flight path into Lod airport five miles away. But while some spoke of low-flying heavy aircraft—which suggests an airport nearby—others said they had been high. (Because theirs is the less predictable testimony, the high-fliers seem preferable witnesses.)

So completely have the Israelis managed to isolate those under interrogation since 1970–1971, in fact, that the only evidence that the centre did not shift to some new locale then comes from two prisoners who, having been there before and after, that period are confident they were in the same place both times.

But when we tried to match those few early topographical details with those from Harb and the others arrested in 1974, we could not decide if they related to the same place. Nor was Harb or his comrades prepared to assert that they were in Sarafand.

"Others said it was Sarafand," Harb recalled. "But I don't know." Because it was so hot there, Harb tends to believe he was in "the southern part of Israel." (But he lived in the cool hills, and all the Israeli coastal plain is hot in June.)

Husni Haddad agreed with Harb. "I was a driver and I knew the roads," he said, and he thought that on the journey from his home in Bethlehem the jeep had turned south before reaching Sarafand. Haddad also said that near the end of his stay at the centre, the shutter outside his cell window slipped.

He saw fast traffic on a main road about 150 yards away, he said. That is roughly the distance from the road to the buildings visible at Sarafand. But Haddad thought that a high proportion of the cars he saw had light grey number plates, which indicates Gaza registrations. He believed, therefore, that the centre was somewhere close to the Gaza strip.

LIMITS ON THE RED CROSS

Israel commonly cites the International Committee of the Red Cross in its defence. At the UN last November, for instance, Ambassador Doron said: "Following his imprisonment, particulars of each security prisoner are sent to the International Committee of the Red Cross." This category of prisons, he said, "even enjoy some additional privileges, e.g. visits by the representatives of the ICRC. . . on these occasions, they may talk with each prisoner without witnesses."

Ambassador Doron did not mention two important points. The Red Cross has indeed been able to visit prisons in the occupied territories since 1968. (Israel denies that the Geneva Convention applies, so it concedes the Red Cross no rights there; but it is allowed in.) Throughout those nine years, however, the Israelis have consistently forbidden the Red Cross to see prisoners undergoing interrogation. Nor did Doron say what we know from unimpeachable sources to be true; over the last nine years, when Red Cross representatives have got to prisoners in jails, they have heard story after story of ill-treatment and torture. And the Red Cross has filed hundreds of notices to the Israeli Government pointing this out.

The International Committee of the Red Cross has, of course, won its right to operate by promising governments to remain silent. Its delegates, all Swiss, undertake never to talk of their work. We have, however, learned from impeccable sources of the problems the Red Cross faces in the occupied territories.

The Red Cross is not immediately notified of arrests. Often it is the families or lawyers of prisoners who contact the Red Cross—and usually they do not themselves know where the prisoners are now. The Red Cross then tries to trace and get to the detainees as swiftly as possible—especially if there are any grounds for suspecting ill treatment. But the delegates face three obstacles.

They have access only to prisons, not to police stations or military camps. Nor do they have unrestricted access even to prisons. Attached to prisons in the occupied territories are sets of cells which the Red Cross cannot see. Some are outside the prison proper, attached to the local military governor's office. But inside Nablus jail, for example, the special cells—known there as "X-cells"—are to be found on the south side near the solitary confinement cells.

These remain under the control of the security services, and the Red Cross has no access.

Nor, for the first eight years of occupation, could the Red Cross visit any prisoners in the holding and interrogation centre known as the Russian Compound in Jerusalem. And it has no access to the secret interrogation center where Harb was held.

Moreover, 48 hours before a prison visit, the Red Cross submits to the prison authorities a list of prisoners it particularly wants to see. It sometimes then happens that when the delegates arrive, they are told that the prisoner in question has just been moved to another jail. The delegates covering that jail promptly add the man to their list. If they in turn are told that the prisoner has again been moved—a process described to us as "playing paper games"—their concern inevitably increases.

So the Red Cross may only get to prisoners after a search and rarely if ever until interrogation is over. Several witnesses told us how Red Cross delegates greeted them when they finally met. I've been looking for you everywhere," one delegate allegedly said. Another apparently remarked: "Now I have found you, you will be safe."

How often does the Red Cross then hear allegations of ill-treatment? The Red Cross, of course, will not say. But our impression is that while beatings are commonly mentioned, more elaborate ill-treatment is alleged by half the prisoners or less. Not all of these decide to make formal complaints.

Even a formal complaint is made—which the Red Cross then transmits without comment to the Israeli authorities—the Red Cross rarely learns officially if there has been any action as a result—or even if there has been an inquiry into the complaint. Over a period of six months delegates may notice that complaints about a particular form of treatment are diminishing; or discover that a particular interrogator has been transferred. That is all.

Only for five months, through the summer of 1969, did the Red Cross persuade the Israelis to let its delegates see some of those under interrogation—and then only in prisons, not military camps or police stations. But then the Israeli authorities changed their minds. The International Committee of the Red Cross subsequently reported: "Even though its delegates thought that there had been some improvement in the interrogation conditions, the ICRC considered that the visiting procedure now laid down by the Israeli authorities no longer permitted it to ensure that interrogation methods at variance with humanitarian law did not occur."

That was in September, 1970. Six years later, after reports in Israeli newspapers that the Red Cross was satisfied with conditions, the ICRC made another of its rare public statements. (The Red Cross says it does this only when it feels its policy of silence is being exploited or abused.) On January 12 this year, the Red Cross said that "a number of problems which have been raised regularly by the ICRC have not been solved." And it pointed out that it was still not permitted to visit "those undergoing interrogation."

AN ASSERTION OF POWER

Interrogation, of course, is only one of the ends of ill-treatment or torture. Ill-treatment may also deter a rebellious populace. For that, however, a degree of openness is required—a semi-public assertion of power. That is one possible explanation for what happens in the Russian Compound in Jerusalem.

The Russian Compound which sprawls over several acres in the heart of Jerusalem just north of the old city, derives its name from its original use as a hospital for Orthodox pilgrims. Inside its walls today are a prison, a repair depot for police vehicles, petrol pumps and two rows of single-story barracks.

Much of the compound is open to the public: barrack number two issues driving licenses and identity cards. But barracks four, six and eight house the Jerusalem outposts of Israel's civilian security services, including—in Barrack Four—the section called Miotim, the department of minorities. Its boss is an Iraqi Jew named Naim Shabo.

Unlike the rest of the captured territories, east Jerusalem has been not merely occupied by Israel but effectively annexed—and its 90,000 unwilling Arab citizens with it. Miotim's job is to cope with the "subversive elements" among them.

A few minutes after 3pm last December 15, Hevda Sarid walked into Barrack Four. She is the secretary of the Israeli-born lawyer Lea Tsemel, whom she had arranged to meet there. "I looked for a secretary in the reception office, but nobody was there. Then I heard a shout—I think *'halam* (Arabic for 'immediately'). The door of an office a little further down the corridor was half-open and I looked inside.

"There were some men—five, six or seven—around someone who I recognised as a client of ours. They were all talking to him at the same time. In the middle of snouting at him, one of them—a man with grey hair—swung his leg and kicked our client in the genitals. The client cried out and folded over. He held his genitals and he was crying.

I started shouting at the men. They came and pushed me away and shut the door behind them. I saw the man with grey hair and I shouted at him: 'I saw you kick that boy. I want your number; that's illegal.'

"He said: 'I am the head of this department. My name is Naim Shabo. What do you want here?' " They pushed her out.

Hevda Sarid is not the only person who claims to be have witnessed violence in the Russian Compound. An American charity worker whose business sometimes takes him up there recalls seeing, last year, a man, clearly in a dazed state, brought out of Barrack Four, led around in the fresh air for a few minutes and then taken back inside. On another visit, he saw a man led across the compound bleeding from the nose and mouth.

Lea Tsemel's client, whom Hedva Sarid says she saw being kicked, was a youth called Mahmud el-Mughrabi. At 16, he had already been picked up a dozen times, and he was clearly regarded as a trouble-maker. Mughrabi gave us a detailed account of how he was beaten at the session Hedva Sarid interrupted. His story is in part corroborated by another prisoner, though Mughrabi's additional allegation of electric shock remains unconfirmed.

Mughrabi was one of 24 Palestinians we interviewed who had been interrogated in the Russian Compound—"Moscobiya" the Arabs call it. Twenty-two said they had been ill-treated or worse.

Like the allegations involving the prisons of Ramallah and Hebron or the secret interrogation centre, those relating to the Russian Compound consistently specify a range of abuses which is both limited and by and large peculiar to that place. At the Russian Compound, these centre on sexual assault.

Nine of those we interviewed spoke of having had their genitals beaten, squeezed or twisted. Consistently, they said this was done mostly from behind, while they stood, naked and with legs apart, facing a well.

What is unusual is that Miotim makes little apparent effort to conceal at least these more common assaults. Indeed, it seems to go out of its way to demonstrate its power over east Jerusalem. While most of those in its hands are arrested in night raids, for example, many are simply summoned by pro forma letter. It talks of an interview, but Miotim's reputation among Palestinians is such that the recipients automatically expect worse.

Most of those summoned accept it is pointless trying to escape, though. So they turn up as requested, and frequently just disappear into detention. No notification is given to their families.

Mughrabi's experience, in other words, seems fairly typical of what Miotim has taught "troublemakers" to expect. But the Russian Compound has, like the "Palace of the End," interrogation and confession functions as well. For what happens there to those suspected of knowledge or complicity in more serious offences seems to be altogether harsher.

In assessing those allegations, however, we were frequently driven back to gauging from long interviews what Amnesty calls the "credibility and motivation" of a witness. The testimony of Josef Odeh, for example, is terrible—though by no means unique. It squares with the pattern thrown up by other testimony, and some corroboration is available. But the most impressive aspect was Odeh's manner in giving it.

Odeh's allegations go back to 1969 when his daughter Rasmiah, then aged 21, was given two life sentences for terrorist offenses which included the planting of two bombs which killed 14 people.

Odeh says that it was around 1 am on February 28, 1969, when Israeli soldiers burst into his home, then in Ramallah, and arrested him and his three daughters—one 23, one 17 and Rasmiah. They were taken to the Russia Compound.

His testimony bears out what the later prison sentences argue: that the Israelis were from the start, really interested in Rasmiah. According to Odeh's account, during his 20 days at the compound, the interrogators arranged a series of confrontations between members of the family, seemingly, as a pressurising device.

Once, he said, he was kept in one room while Rasmiah was beaten nearby: "When they took me back . . . Rasmiah couldn't stand on her own feet. She was lying on the floor and there were blood stains on her clothes. Her face was blue and she had a black eye. Then she was picked up by two soldiers, and at that moment I started crying and screaming and they blindfolded me and I think she was then taken away."

As his recital continues, Odeh became visibly distressed. He began to breathe rapidly and the muscles in the side of his neck were twitching. We asked him when he next saw Rasmiah, and he began to cry. At last he said to our interpreter: "I wish I had died rather than see this thing . . . It's a question of honour . . . It's all right, interpret, why not? What is there to tell? They held her down and shoved up a stick."

When he could go on, he said that he had been taken into an interrogation room to find Rasmiah naked and handcuffed. One of the interrogators, he said, "asked me to sleep with her, and I said: 'Don't even think of that. I would never do such a thing.' They were beating her and we were both screaming Rasmiah was still saying: 'I know nothing.' And they spread her legs and shoved the stick into her. She was bleeding from her mouth and from her face and from her end. Then I became unconscious."

"An important element in determining Amnesty's reaction to any evidence (on torture)," the organization has written, "is the government's readiness to investigate allegations and to punish any offenders."

Israel's habitual response to allegations of ill-treatment or torture is to dismiss them as fabrications. Some, even many, may be—but not, we think, all. And, judged by that Amnesty criterion, Israel's denials are not always convincing. We have already outlined Israel's domestic response: the repeated failures of lawyers to persuade its courts to accept the allegations; the "impartial inquiries" where court procedures effectively bar the complainants from seeing, let alone challenging, official denials; in sum, a judiciary usually equivocal and often hostile to attempts to probe the truth.

ISRAEL'S U.N. EXPLANATION

Internationally, Israel's response is exemplified by the assertions given at the United Nations last November by its ambassador there, Jacob Doron: "My country can proudly stand by its record of scrupulously observing the rule of law in the administered areas." Israel, he said, showed a "liberal and enlightened attitude, including the candid admission of any mistakes that may have been made and the efforts to correct them. . . ."

Doron admitted those mistakes: "It is true that in one or two cases, which are completely exceptional, force has been regrettably used against prisoners. One of these exceptional cases unfortunately brought about the death of Ahmed Sheikh Dahdoul. . . ."

Dahdoul was beaten to death by soldiers in a military vehicle in March 1976 while being driven to Tulkarm police station 20 miles northeast of Tel Aviv. Doron described the aftermath: "The rule of law is strictly applied by the Israeli authorities and . . . no favouritism is shown by the authorities or the courts. The officer in question has since been found guilty and was sentenced to a long term of imprisonment."

When Dahdoul died, the Israeli authorities announced that he had done so of a heart attack. This was challenged by the Arab doctor who had treated him. Despite considerable uproar, the truth did not begin to emerge until four months later when the authorities suddenly told Dahdoul's lawyer—once again, Felicia Langer—that an officer would be charged.

No evidence has yet been publicly produced that any trial occurred. It was allegedly in a military court. But it was held in camera. Mrs. Langer was not permitted to send an observer, let alone participate. No action has yet been taken against the soldiers who actually did the beating (through the Attorney General has recently announced that they will now be filed). Nor were any depositions ever taken from the other Arab prisoners in the truck with Dahdoul. The authorities merely announced that a major had been reduced to the rank of private and jailed for two years. To this day, Israel has refused to name the soldier or say where he is serving the sentence.

Last December, Dahdoul's family at last got an order from the high court for a transcript of the trial. Two months ago, the military court responded by saying that it would allow only Mrs. Langer to see a copy—and then only if she agreed not to copy it or to write anything about it. Mrs. Langer refused. The battle to see the record of this particular "candid admission" continues.

So do the allegations.

THE ARABS UNDER ISRAELI RULE

About 1.7 million Arabs live under Israeli rule. Half a million live within the pre-1967 borders, and are Israeli citizens. The other 1.2 million live in areas occupied by Israel during the 1967 six-day war—800,000 in East Jerusalem and the West Bank (formerly part of Jordan), and 400,000 in Gaza (formerly administered by Egypt). A small number also live on the Golan Heights, captured from Syria.

Israel annexed East Jerusalem to "reunite" the divided city. The rest of the West Bank and Gaza are administered by military governors, and basic policy is made by Israel's Ministry of Defence—which has, for example, sanctioned about 80 Jewish settlements in the occupied areas.

A degree of normal civilian life is permitted: there are Arab newspapers (though subject to censorship), and last year municipal elections took place on the West Bank. Beyond this, political organisation and activity is banned.

Local justice is administered by Palestinian Arab officials, who apply Jordanian law on the West Bank, and British Mandate law in Gaza. (This is the same legal system applied there by Egypt from 1949 to 1967.)

All "security offences," however, are handled by military courts staffed by Israeli judges and court officials. Most allegations of torture and ill-treatment involve border police and members of Israeli intelligence who arrest and interrogate suspected security offenders before bringing them before a military court.

THE PATTERN OF TORTURE

The allegations of the 44 Palestinians who told us they had been ill-treated or tortured covered all of Israel's six main interrogation centres, shown on the map. Some general patterns did emerge: 19 told us, for example, that their genitals had been hit or otherwise abused. But from these accounts it was also possible to discern the apparent predilections of interrogators in different centres (and we found this picture confirmed by examination of some 50 statements from other sources).

At the "Russian Compound" in Jerusalem, interrogators tended to favour assaults on the genitals, besides endurance tests such as holding a chair with outstretched arms or standing on one leg. The speciality of the military centre known as Sarafand was to blindfold prisoners for long periods, threaten them or assault them with dogs, and hang them by the wrists. From Ramallah came many allegations of having been immersed in cold water for long periods—either in a shower, or in a pool in the centre of the prison courtyard. Ramallah was almost alone, on the other hand, in giving rise to no allegations of electric shock torture. From Hebron came several allegations similar to that of Omar Abbel-Karim—with whose account our story begins—of anal assault.

THE ARABS WHO GAVE THEIR NAMES

Insight interviewed 44 Palestinians who alleged ill-treatment or torture at the hands of Israel's security services. Of those, 22, still living under Israeli purisdiction, agreed to their names being published. They are:

Ghassan Harb, Ramallah: Mohammed abu-Ghabiyr, East Jerusalem; Jamal Freitah, Nablus; Kaldoun Abdul Haq, Nablus; Mahmud El-Mughrabi, Old City, Jersusalem (since being interviewed he has been re-arrested and is currently serving a six-month sentence in Dimoun Prison, Israel); Hasan Hammad, Old City, Jerusalem; Eshak H'lefawi, East Jerusalem; Samir Edkeidek, East Jerusalem; Omar Salameh Abdel-Karim, Bie Sahur, near Bethlehem; Joseve Odeh and his daughter Leila, Jericho; Jamil abu-Ghabiyr, East Jerusalem; Fawzi Abdel-Wahed Nijim, El Mugazi refugee camp, near Gaza; Zudhir Al-Dibi, Nablus; Nablan Kreishy, a student at Bir Zeit College near Ramallah: Shehadeh Abdel Hadi Mohammed Shaladeh, Ramallah; Isam Atif Al Hamoury, Hebron; Abed Al-Kareen Taha Al-Shalloudi, a student at the UNWRA Vocational Training Centre at Kalandia; Asad Sinnokrat, a student at Bir Zeit College; Misief Suleiman Atrash Abu-Atwan, Dcura; Nalfa Awawdeh, Doura; Fayez Toutunji, Old City, Jerusalem.

Three other Palestinians who though not alleging torture provided corroborative evidence also agreed to be named; Hassan El Mughrabi (father of Mahmud el Mughrabi), Old City, Jerusalem; Taha Massalha, student at the Hebrew University, West Jerusalem; Khalil Rasmawi, Beit Sahur, near Bethlehem.

The Insight team has carried out a detailed inquiry in Israeli-occupied territories into Arab allegations and official Israeli denials of the use of torture. It concludes in part: "Torture of Arab prisoners is so widespread and systematic that it cannot be dismissed as 'rogue cops' exceeding orders. It appears to be sanctioned as deliberate policy."

TORTURE: ISRAEL REPLIES

(On June 19 The Sunday Times published a four-page Insight report entitled Israel and Torture, which dealt with alleged torture of Arab prisoners by Israeli security forces. Before publication we gave an assurrance to the Israeli authorities that we were "very ready indeed to consider giving space to a detailed reply from your Government." Here we publish in full the official Israeli statement issued to us last week by the Israeli Embassy in London. Next Sunday we intend to reply to the points raised in this statement and also to publish a further selection of letters received about the report. To date these total 237, of which 142 criticised publication of such a "farrago of innuendo," 72 supported our "courageous exposure" and 23 raised associated issues.)

We regret that the Sunday Times did not ask for Israel's reaction or response to the statements made in the Insight article on torture before publishing it. Although the journalists involved claim that they were working on the story for more than five months, there is no reference made to any attempt to verify the stories from any authoritative Israel source whatsoever.

It is striking that there is not a single interview with an Israeli judge, nor with a member of the Israel Bar other than the two hostile lawyers who apparently inspired the article. There is not a single attempt at verification with members of the prison service. A place such as the Jerusalem local police station is ominously termed "a detention and interrogation centre" in order to try and create a suitable *"mise en scene"* for The Sunday Times horror fiction. Yet this local police station is in the centre of town and, as every Jerusalem lawyer and journalist is aware, local police are perfectly willing to allow visitors. The buildings, by the way, served as British Police Headquarters, including the barracks, and any Jerusalem resident who has lost a camera will also be visiting these "barracks." Incidentally, driving licences and identity cards are not issued there.

Some legal facts: Israel has an independent judiciary, a Ministry of Justice, an Attorney-General and an Office of State and District Attorneys, all staffed by lawyers. We possess a judicial system which even Israel's avowed enemies admit is both fair and of extremely high calibre, yet the journalists did not apparently feel there was need to ask these people about what was supposed to be going on in the State.

That Israel is the one and sole country in the area that does not carry out the death penalty, and that torture is a crime under Israel law are facts not mentioned. That torture or use of force in addition to being crimes are also offences against the police and military codes is not referred to, and that in the past officers have been punished and demoted for use of force, is given but scanty mention.

Only by careful reading of the article can a reader realise that even the writers of the article have grudgingly admitted that Israel courts refuse to consider any statement by the accused if the court is not convinced that it was given of the accused's own free will, without use of force or threat of force, and that Israel applies the British "Judges Rules" in regards to statements made to the police. The journalists did not apparently feel it necessary to add that the onus of proof in such cases is on the prosecution, although they do, again grudgingly, admit that even the Arab lawyer to whom they spoke knew of five cases where military courts had refused to receive confessions by accused terrorists, as the prosecution had not shifted the burden of proof.

Only a reader with legal training can realise that in Israel, as in other common law countries, a statement to the police containing a confession needs corroborative evidence and it is impossible to obtain a conviction based on a confession alone. In the well-known case of Zoher Wasef Zaki Amira, who admitted in his statement to the police to the murder of a policeman and the defence did not object to the admissibility of the statement, he was nevertheless acquitted by the military court in Hebron solely on the ground that there was no corroborative evidence to that contained in the statement to the police; and after being kept in administrative detention he was been released to Jordan last week.

Selective and misleading reporting: The article most carefully refrains from mentioning for what crimes people involved were found guilty. It was in fact, acts of terror against civilians; it was the placing of bombs in supermarkets, buses and high street shops. This terror has been aimed at Arabs and Jews alike. In the Gaza Strip alone between January 1968 and August 1971 over 215 Arabs were killed, 51 of them women and 29 children, and over 1,314 wounded, of them 180 women and 139 children—all by Arab terror groups.

The impression the reader is intended to get is that what is involved is some sort of political agitation, and that the only evidence against the persons were their confessions. The phrase used, for instance, "the secretary of the Jordanian Communist Party has been quoted as saying that his West Bank comrades had indeed been active," is a prime example of the sort of deliberate avoidance of the fact that there had been clear statements from the same source that the "activity" involved was physical and brutal terror.

On first reading the article one's impression is that although, as the journalists admit, there is no hard evidence of such torture, there is "corroboration of verifiable details." On a second careful reading, it transpires that the corroborative evidence exists as regards details that are not disputed. The persons were indeed arrested, interrogated and charged with crimes. That is not in issue. The fact, for instance, that prisoners were at such-and-such a prison together and both describe it, is indeed evidence, but it is evidence as to facts that are not in question. All Israel prisons are open to inspection and such inspections are carried out frequently by judges, representatives of the Attorney General and defence-counsel, including advocates Tsemel and Langer. It is only on careful reading of the article, that it becomes apparent that there is no evidence whatsoever on the actual use of torture.

Israel emphatically denies the truth of the allegations in the Insight article. Since a detailed refutation of all the allegations published in the four-page report of The Sunday Times would require at least the same amount of space, we would like to refer only

to some of the more blatant alleged evidence quoted in the article.

Omar Abdel Munini Abdel Karim Salame: The case referred to is that of Omar Abdel Munim Abdel Karim Salame. The authors of the article admit that "the medical evidence is not conclusive." However, they add that there is "external evidence," this being, according to the article, that Israel military authorities told a Reuter's correspondent that Omar Abdel Karim had served three years in prison while in fact Insight "discovered" that he had been only three months in prison. In fact Omar Abdel Karim had been arrested in 1970 and sentenced to four years in prison, of which two and a half were suspended. He was released on June 20, 1972, his period of arrest pretrial being taken into account. He was arrested again four years later on October 3, 1976 and three months later, on February 24, 1977, released to Jordan on medical grounds. These facts are on file and available to the public. The fact that the Reuter's correspondent referred to the earlier period of imprisonment and not the later is the "external evidence" submitted by the Insight team. The article quotes the fact that the Mayor of the village saw Israeli soldiers draining Karim's sewer as "corroboration" of Karim's story. This is, in fact, evidence that was not in dispute. The search of the sewer was done openly, and it was as a result of this search that damning evidence against Karim was found. The article continues to quote another classic case of a half-truth. It is stated that in 1970 Karim "served a 20-month sentence for possessing a revolver." Karim refrains from adding that in addition to the revolver, he was found guilty by a court of complicity in the placing of a bomb in the Labour Exchange of Bethlehem on August 17, 1969 and a further bomb in the Municipality of Bethlehem on March 7, 1970. Incidentally, both places, are frequented by local Arab residents.

After quoting the allegations by Karim of torture, the Insight report goes on to quote him: "I had to start lying. I had nothing to tell and I had to save my wife. I said I had bombs and I hid them in my lavatory." However, the article does not state that Karim then went on to give a long and detailed statement in which, *inter alia*, he described how and from whom he received explosive charges and his meeting in Amman with Yusul Qumsieh, a leading member of Fatah, who in turn was under instructions from Abdulla El Atira, the man responsible for placing the boobytrapped refrigerator in Jerusalems Zion Square in which 14 people were killed and 78 wounded. Omar Abdel Karim went on to describe how he had sent his nephew, Othman, to Damascus to obtain arms (the nephew Hassan Othman confirmed this in a separate statement to the point). He then described how he had hidden detonators in the roof of his house in the village of Beit Sahur. After signing the statement, Karim went with an escort of border police to his house where the detonators were found, as Karim had described them.

Karim was released after three months because of his medical condition. The fact that he was under treatment prior to his arrest is not disputed by Insight.

Incidentally, two days after being released from prison in a state where "he couldn't recognise his brother," he happily appeared at a Press conference and on Jordanian television. Release of a prisoner on medical grounds is a regular procedure in Israel and in many countries but it might well seem an extraordinary step to people in our neighbouring Arab states. This reasoning might well go a long way to explaining why Karim felt it necessary to elaborate a false story of torture to explain his statement to the police and his early release.

Hassan Harb: As regards the second case mentioned, that of Hassan Harb, there is a formidable list of medical certificates disproving the allegations. Hassan Harb was examined on admission to prison on April 24, 1974 and was found to be suffering from haemorrhoids. On May 2, 1974 he received a dental check-up and dental treatment. He was examined again on June 11, 1974 and on July 4, 1974. On August 8, 1974, Hassan Harb again received dental treatment and a further medical check-up on August 14, 1974. On all the medical check-ups, Hassan complained of the haemorrhoids and received medication. On the examination held on July 4, 1974, the examining doctor noted a cut on the right ankle. In none of the examinations did Hassan complain that he had been tortured nor did any of the examinations reveal any signs of such torture. The Insight team do no directly attempt to deny the veracity of the medical reports, and they admit that the medical statements were subjected to examination by the Israel Supreme Court and were not faulted.

No attempt to bring any conflicting medical report was made; yet the paragraph on Hassan Harb ends by criticising the Supreme Court of Israel that "at the very least considerable doubt must be cast on what it found."

The Insight team do, however, quote Harb's wife as saying that when she visited him at Yagur Prison some days after 28 June, that is after he had been allegedly tortured at an interrogation camp, "he was pale and exhausted and had lost a lot of weight." This statement, however, takes on a different hue when it transpires that the same person, the wife of Hassan Harb, had at least a week before the visit submitted a sworn affidavit to the Supreme Court (H.C. 247/74) stating that her husband was "a sick person and she was worried about his health." This was before she had seen him after his alleged "torture" or heard about the allegation.

Yusuf Oden: A further case referred to is that of Yusuf Odeh, who recalls a tale of sexual sadism that indeed sounds horrifying. "The event allegedly took place eight years ago; yet there is in the article not a word of any attempt to verify the incident, although Odeh claims there were soldiers present. No mention of any complaint made to Army authorities, no mention of any request for a medical examination, no mention of any names. The authors however state simply that "the most impressive aspect was Odeh's manner in giving the evidence." Israel emphatically and categorically denies that this incident (and the other incidents) occurred—it is the warped imagination of a sick mind.

In addition to the quoting of allegations that are simply not true, there is the omission of facts that must have been known to the Insight team. As regards the Odeh story, the article admits that Rasmiah was sentenced for "terrorist activities which included the planting of two bombs which killed 14 people." (They were indeed planted on a shelf full of glass bottles in a supermarket on Agron Street in Jerusalem, and two other bombs in the British Consulate.) However, the article fails to point out that Odeh himself was tried for participating in the bomb outrages, found guilty by the court after hearing of evidence and witnesses and sentenced to life imprisonment.

Abed Al Shalloudi Al Karim: The pattern of refraining from mentioning facts that must have been known to the Insight team comes up again and again. Obed Al Shalloudi Al Karim is quoted as complaining of being beaten, yet at his trial held in the Lod court, he was represented by advocate Razi Kfir who put up a bitter and prolonged defence of his client but made no objection to the admission of his statement to the police and made no mention of such a beating.

He is quoted as having been held 16 months without trial, but the Insight team then fails to add that he was then brought to trial and sentenced to four years imprisonment of which all but 15 months were suspended, and the sentence ran retroactively from the day he was arrested; so that in fact he was released immediately after being sentenced.

Zuher Al Dibl: Zuher Al Dibl is quoted as having received a seven-year sentence for distributing leaflets. It is true that he did distribute leaflets, but the Insight team fails to add that he was also convicted of throwing hand grenades at a truck on December 28, 1969 and of possessing explosives. It was this that earned him a 12-year sentence, of which five were suspended and he was released on February 12, 1977.

Fayez Toutunji: Fayez Toutunji appears on the list of those claiming they were ill-treated or tortured. However, advocate Tsemel, on July 13, 1976, wrote to the Minister of Police complaining that when Toutunji had been arrested, one of the policemen who accompanied him back to the house drew a revolver in a threatening manner against a member of the household. (The policeman later explained that he thought he was being threatened, and nevertheless was reprimanded). Lea Tsemel specifically states in her letter that there was no violence during the arrest. In a further letter to the Minister of Police, dated September 29, 1976, on the issue advocate Tsemel again makes no reference to any violence against her client. The Insight team fails to quote either of these two letters or explain why advocate Tsemel did not complain if there had been ill-treatment.

The methods of advocates Langer and Tsemel: Again and again reference is made to advocates Langer and Tsemel as sources. Both advocate Langer and advocate Tsemel make a practice of claiming that every client of theirs who makes a statement to the police does so under pressure. A case of advocate Tsemel that has become famous in Israeli legal history is the case of Khaled Zawawi v the Minister of Defense (H.C. 98/76). Here she claims that her client had had to undergo two brain operations to remove thrombosis caused by "previous interrogations." What advocate Tsemel had forgotten was that a year earlier, at Zawawi's criminal trial (H.C. 1104/75), she herself had pleaded for leniency on the grounds that her client had a long history of chronic brain thrombosis dating back many years before. When this discrepancy was pointed out at the Supreme Court session, advocate Tsemel hurriedly withdew her petition and only requested that the State not press for expenses against her client (which they refrained from doing).

Advocates Tsemel and Langer have made a practice of submitting complaints about ill-treatment of their clients, yet when the police open inquiries and request the people to provide statements or to submit evidence the two lawyers simply fail to reply.

For example, in police file 598/76 advocate Langer complained about an arrest that had taken place on February 25, 1976. The police phoned and wrote a number of letters, the last being on May 31, 1976 asking her to substantiate the claim. No answer at all was received from advocate Langer. In police file 755/76 advocate Tsemel complained on April 1, 1976 to the Minister of Police that nine of her clients had been beaten by the police. The police wrote repeatedly asking her that her clients or witnesses make statements as to the allegations. Advocate Tsemel ignored the letters and no statements were received. Again in police file 76/76 advocate Tsemel complained on January 8, 1976 that a client of hers had been struck by a policeman during his arrest. The police authorities wrote three times to the advocate asking that her client make a statement. The letters were ignored by advocate Tsemel.

In many of the cases the persons referred to had good reason for claiming that statements they made were made under torture.

for in these statments they implicated others in the various acts of terror committed. There have been a number of cases of Arab prisoners being brutally murdered by their fellow prisoners on suspicion that they had cooperated with the authorities. Once claiming torture, they perhaps feel that they can no longer be accused by their colleagues of betrayal.

Israel police and security have every reason to refrain from use of force. Such use of force is a serious criminal offence, and where cases of police brutality have been found in the past, police officers have been prosecuted, and it is Israel's policy to do so in the future.

Furthermore, as has been emphasized, any statement obtained by such methods is inadmissible. Torture leaves medical evidence; yet in not one of the alleged cases has medical evidence been submitted. On the contrary, in every case where Israel authorities were informed of the allegations, medical reports failed to substantiate the allegations.

Every prisoner admitted to prison is subject to a medical examination and to a further examination on release. These examinations are on record.

During 1975, 216 of the persons from the territories brought before military tribunals were given full acquittals, and in 1976, 408 of such persons were given full acquittals. The total number of persons sentenced to more than ten years imprisonment was 31 in 1975, and 26 in 1976. This figure includes both persons sentenced for regular criminal activity and persons sentenced for crimes connected with security offences. Israel reports to the Red Cross on every single prisoner from the territories. The details of the prisoner are listed on a computer run by the Red Cross.

If clear evidence is produced, the Israeli Government undertakes to make every effort to investigate such complaints and to prosecute any policeman, soldier or security official involved, but no such evidence has been produced and we can but reiterate our regret and dismay that The Sunday Times found fit to print such an article.

[From the Christian Science Monitor, July 12, 1977]

TIMES DEFENDS ISRAEL TORTURE REPORT—BRITISH PAPER URGES INSPECTION OF PRISONS

(By William Blakemore)

LONDON.—London's Sunday Times stands by its original report of routine torture in Israel's prisons. It describes Israel's reply to that original report—which reply the Sunday Times printed in full—as a flawed defense.

"Israel's reply to our investigation dealt with the central points by flat denial, rather than with detailed evidence; it raised side issues; it devoted great energy to attacking two of its own citizens who were by no means our principal witnesses; it contained a number of untruths," the Sunday Times wrote July 10.

The Sunday Times article then went on in a careful point-by-point analysis of the Israeli reply (published in the Sunday Times one week earlier) pointing out the ways in which many of the reply's claims were demonstrably false.

RED CROSS ACCESS SOUGHT

In an editorial accompanying the article, the Sunday Times called for the International Red Cross (ICRC) to be allowed free access to Israeli prisons as a means of ending the controversy, and reasserted that the ICRC does not have such access.

"We reject the idea that to criticize Israel is to deny her right to exist. We are not anti-Israel. We believe strongly in her right to peace and security. We have said so consistently over many years. But no state is above criticism," the editorial said.

The original article, published in the Sunday Times June 19, carefully detailed results of a five-month investigation by the papers "Insight" team which concluded that torture has been regularly used against Palestinians during the 10 years of the Israeli occupation of the West Bank for the purpose of pacifying the population as well as obtaining information.

ISRAELI FOREWARNED

The London paper made a point of informing the Israeli Government of the original report before its publication, and of giving full and unedited coverage to the Israeli replies, and to the many letters the sensitive story has produced.

"Since publication of the Insight report, we have received 384 letters of which 262 criticized publication of a farrago of inuendo, 90 supported a courageous exposure, and 32 discussed associated issues," the paper reported.

Anticipating the nature of the controversy to which its published investigations would lead, the Sunday Times said of Israel in a June 19 editorial: "It was founded in idealism following oppression and this is one of the emotional obstacles: Few people are prepared to believe that Israelis, as members of an ancient community which has for centuries been victims of persecution, are capable of persecuting others.

EXAMINING ALLEGATIONS

"There is all the more reason that when allegations are made and persist—there has been an increase in them in the past year—they should be taken seriously and examined in detail," the June 19 editorial added.

Repercussions of the Sunday Times report continue to be felt among Britain's Jewish community. The Jewish Chronicle of July 8 featured on its front page the attacks of eminent British judge Lord Salmon against the Sunday Times.

The judge, speaking in London at a dinner held by the legal group of the Friends of the Hebrew University was quoted as saying that it was crystal clear to him that there was no truth in the Sunday Times accusations.

A former Conservative Lord Chancellor, Lord Halisham, in whose honor the dinner was held, endorsed Lord Salmon's assertion of the integrity of the Israeli judiciary, and was quoted as describing them as men of manifest independence. He said:

"I am quite convinced that they would never have allowed things to pass them by that would have aroused criticism or complaint in the most meticulous of English courts.

In its July 10 edition, the Sunday Times publishes two long letters from Israeli lawyers Felicia Langer and Lea Tsemel (the two citizens the Israeli reply sought discredit) which describe repeated and extensive difficulties they have had in attempting to represent Palestinians in Israeli courts.

In its firm reassertion of its original report, the Sunday Times takes care not to confuse the stated ideals with the reported practices of the Israeli judiciary—Israel: "torture is a crime under Israeli law." Insight: "so it is in most countries that use it."

A TRIBUTE TO HERBERT T. EDWARDS

Mr. CRANSTON. Mr. President, I would like to take a few moments to share with my colleagues a moving eulogy paid at the memorial service for Herbert T. Edwards at St. Albans Church on June 25.

Herbert was the husband of an extraordinary woman and a good friend, India Edwards, known to many of us as the grande dame of the Democratic Party and one of our most energetic fighters for women's rights in this century.

Herbert Edwards, as Leon Keyserling states in his tribute, "was one of this century's first fully liberated men." Truly so, for he was a man without affectation or pretense, endowed with a keen perspective, a deep humanity and unfailing good humor. He was a humanist in his interests and outlook, an idealist in principles and example. I believe his life—and his way of life—merit our most thoughtful attention.

I ask unanimous consent to have Leon Keyserling's remarks printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS ABOUT HERBERT T. EDWARDS

(By Leon H. Keyserling)

My wife, Mary, and I were deeply touched when India asked me to say a few words about Herbert at this Memorial Service—deeply touched because we knew without being told that the request stemmed from India's feeling that our long years of friendship with Herbert blossomed into great appreciation of his unusual endowments as a man and love for him as a human being. We know that this attitude toward Herbert is true also of his many close friends among those here today.

It is of Herbert's qualities as a human being that I shall mainly speak, although I cannot refrain from a brief reference to his splendid professional career. His early efforts as a volunteer doing medical and social work in Labrador and Newfoundland bore the stamp of his conviction that the welfare of mankind is the supreme law on earth in all temporal things. His sensitive and efficient administration of the international motion picture programs of the U.S. Information Agency after World War II bespoke his awareness that the towering problem of the world is to substitute the contacts which unite people and nations for the quarrels which divide, and that cultural activities know no restrictive barriers and are the main medium for peaceful togetherness. Herbert's later surveys related to the United Nations and other matters evinced similar concerns. And his retirement from official obligations and restrictions in 1970 did not release him from many further manifestations of these personal commitments. It merely enabled him to continue them as an even freer spirit.

Turning to Herbert's great human qualities, the only aspect of the man about which I am really qualified to speak and which are in any event the most important things about Herbert, or most of us: Herbert's ever-present sense of humor, which was instrinsic to his attitude toward life and living rather than superficial, comes first to mind. Herbert would never have wished that this occasion be solemn, much less mournful. His humor and bubbling good spirit were brilliant but never showy, and while much humor has in it an element of cruelty, his was sharp and penetrating but never cutting. I can cite but one example.

Herbert knew that Mary, being born and raised in our greatest metropolitan area, had a considerable knowledge of plants and is a good gardener, while I, being born and reared in one of our most rural areas, am hard put to distinguish between a geranium and a palmetto tree. Years ago, Herbert had witnessed one occasion, at one of Mary's garden parties, when Arthur Schlesinger from an elevated vantage point was admiring an array of beautiful flowers, at which point Mary called Arthur's attention to a distant flower bed which seemed especially colorful and said this was Leon's contribution to the garden. Arthur walked over to inspect it more closely, and discovered it was a small group of artificial flowers Mary had stuck in the ground that morning. Shortly thereafter, we had dinner at the Edwards' home and heard Her-

bert's embellishment when this flower incident burst forth. He said he had just planted a cornflower in their backyard garden, which I think he had named "headacres," and had named this flower "Leon's cornflower," in the certainty that with that helpful characterization it would soon transmute itself into an American Beauty rose!

But Herbert's humor was not his main stock in trade in his contacts and conversations with his friends. On the Washington scene, the manifestations of his multiple interests contrasted with that of many others. So many of those in this capital city reveal the fact that they are looking for something—political office/or still higher poitical offices, or Executive appointment, rewarding private clienteles, or even another chance to be seen in the company of the high and mighty. But not Herbert. He was never looking for something, but rather at everything, and with wisdom and discernment. He valued the judgments of others, but his own candid and clear values always involved the test of what was for the common good at home and around the world.

This predominant trait in Herbert was manifest in his comments on the political scene. On principle, he was committed to the Democratic Party. But when a new Democratic Administration took over after a number of years of a Republican Administration, as in 1961, Herbert was not like the majority of Democrats who were prone to say, "At last all is well; we can rest content." Rather, he would ask his friends what they thought of the newcomers, how they were doing, and what they should do. His politics was pragmatic and utilitarian, never partisan in an invidious sense. His own ideas on the subject were always modestly expressed, but always unreserved, objective, and perceptive, and almost always correct.

In all of these aspects and activities, Herbert was the shining exemplar of generosity of spirit, modesty almost to a fault, magnanimity and tolerance, and kindliness toward people. He always saw the best in everyone. He embodied the words of an ancient admonition: "There's so much bad in the best of us, and so much good in the worst of us, that it hardly befits any of us to be too hard on the rest of us." Herbert Edwards saw evil to be sure, but I practically never heard him speak evil of anyone. After I had written this, India told me today that Herbert was the kindest person she ever knew and that, throughout his years, he was looked upon by old and young to extend help in practical matters and as a father confessor as well. And, I never knew a person with a kindlier expression upon his face, the very mirror of his soul.

The relationship between Herbert and India was what Shakespeare called "a marriage of true minds," which would "never admit impediments." For many years in Washington, India was in the limelight. But always their marriage evinced an unqualified and equal partnership, and I believe that such a partnership is a prime aspect of the nobility of the marriage relationship. In the minds of all their friends, it was never India and Herbert, nor Herbert and India. It was two magnificent people, viewed together with no order or precedence. What a tribute this is to both of them.

Indeed, Herbert was one of this century's first full-liberated men. And how could he be otherwise with a wife like India, his dear step-daughter and the five beautiful and extraordinary granddaughters?

The quality of a person is often indicated by his or her attitude toward death. None of us knows when it is coming to us, but some of us at times know that it is probably closer to us than to some others. This must have been true of Herbert in recent months. He was not unaware of this prospect, but rather impervious to it. This was not conspicuous nor contrived bravery; it was of the essence of the man. In the words of Browning, Herbert did not ask that "death bandage his eyes and bid him creep past." Or in the still more applicable words of a great Latin poet, uttered about a millenium earlier, Herbert seemed to feel that "Death plucks at my ears, and bids 'live, I am coming?' "

Just more than a week ago, at a party Herbert felt faint and was taken to the emergency room at a nearby hospital. But during the following days he was insouciantly "carrying on" again in Washington and New York. Last Sunday, India was busy but Herbert said to Mary on the phone—I was in Europe—that he wanted to come by for a visit and bring a copy of India's wonderful new book on his way to returning a rental car. He did come by, was of good cheer and was his vivid, entertaining and good humored self, although looking weak and not well. Mary offered to return the car for him, but this gallant gentleman would have none of that.

Today we do not need this typical and tell-tale vignette of Herbert, nor this Memorial Service, fitting though it is, to keep Herbert alive and throbbing before us. What he was and what he did during his long and inspiring life will remain a part of the lives of all of his friends, in their hearts and minds, as long as we live.

VETERANS' GI BILL

Mr. DURKIN. Mr. President, I have long maintained that the GI bill stands as one of the most successful Federal programs in the history of this Nation. The Vietnam war was the cause of much conflict within this country, but perhaps its most tragic and lasting effect is the readjustment problems which have endured in the many veterans of that war. Unemployment for Vietnam-era veterans remain dangerously high. A successful GI bill which will provide meaningful educational opportunities for the Vietnam veteran can ameliorate much of the negative readjustment difficulties.

The Senate Veterans' Affairs Committee will soon be considering comprehensive legislation which will improve deficiencies in the present GI bill. Included in this legislation are provisions incorporating acceleration of tuition, extension of the delimiting date, and a cost of living increase in benefits. An editorial in today's Washington Post stresses the necessity for these provisions. I ask unanimous consent that a copy of this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

VIETNAM VETERANS AND THE GI BILL

The Congress is discovering, and rightly so, that the unfinished business having to do with equity and reasonable opportunity for the veterans of the Vietnam era cannot be wished away. The other day we talked about the efforts of sensitive and responsible members of Congress to rescue the administration's program for speedier review of less-than-honorable discharges. Today, as the Senate Veterans Affairs Committee begins to debate amendments to improve the GI Bill, we would like to take note of another effort by those in Congress who recognize the importance of working for fair and humane solutions to the particular problems confronting the veterans of Vietnam as a consequence of the particular nature of that conflict.

Sens. Alan Cranston (D-Calif.), John Durkin (D-N.H.), Jacob Javits (R-N.Y.) and Hubert Humphrey (D-Minn.) are aware of the flaws in the current provisions of the GI Bill. But doing repair work on this legislation is not one of the appealing pursuits in Congress. For one thing, the GI Bill is perhaps the best known of the veterans' programs, which means that its failures receive the most publicity. For another, when Vietnam veterans are involved in the failures, a kind of general, anti-Vietnam prejudice sets in. A few years ago, when abuses involving Vietnam veterans began to be reported—overpayments, payments to those who didn't attend classes, creation of training courses that had no substance—the critics seemed not to remember that similar abuses occurred after World War II and Korea; only the glowing successes of those programs were well remembered. That almost nobody seemed to remember any *successes* of the GI Bill for Vietnam veterans may have something to do with a general inclination on the part of politicians as well as the public not to want to be reminded about anything having to do with the first war America lost.

In any case, Sens. Cranston and Durkin have set out, first of all, to correct some of the abuses that have come to light. This is expected to be handled without great difficulty by balancing the needs of the schools with a prudent use of federal funds. Other problems will not be resolved so easily. For example, the GI Bill as it is now operating favors veterans in states that have educational systems providing low-cost schools—unlike the World War II program, which gave all veterans equal amounts to live on. An example of this, as Stuart Feldman has pointed out in a report to the National League of Cities and the U.S. Conference of Mayors, is that "a veteran at Temple University, the public college in Philadelphia, would have to pay $1,498 for tuition fees and books. A veteran attending San Francisco State would have only to pay $200 tuition. When coupled with expenditures for average book and supply costs, this means that the California vet, who may have served in the same company with the Philadelphia vet, has to spend only 15.1 per cent of his yearly GI Bill benefits for education costs—while the Philadelphia vet has to spend 57 per cent of his benefits. The California vet has $122 more per month to apply to his living expenses."

Sen. Cranston would take a step toward correcting these inequities by allowing veterans whose tuition is more than $1,000 a year to use their benefits at a faster rate to cover the differences. This is the "acceleration provision," which was part of the World War II GI Bill. It has the support of the VFW and American Legion. An alternative, which also has merit and which passed the Senate in 1974, is being offered by Sens. Javits and Humphrey. It would pay 80 per cent of a veteran's tuition between $400 and $1,400. The Javits-Humphrey proposal would help veterans who are now locked out of high-cost schools that may be the only ones in their area. A third alternative, is to provide a five per cent increase in educational benefits. But this does little to affect the geographical inequities.

Another proposal, offered by Sens. Cranston and Durkin, would allow veterans whose benefits have run out to pick them up again so they can complete their training or schooling. This would extend the delimiting period that cut off benefits to veterans whose time has or will run out 10 years after eligibility began.

Although the GI Bill legislation is in only the markup period in the Senate, it is important that a strong bill emerge now. In the past, the leadership of the House Veterans Committee has resisted such proposals as the tuition-equalization plan, accelerated payments and delimiting-date removal. The President has an obvious role to play in the debate. In his campaign, he spoke out in behalf of Vietnam veterans. He now has the opportunity to involve his administration in ensuring that the money that it has already committed goes to those legislative ap-

proaches that promise to serve veterans with the greatest need.

THE INTELLIGENCE AGENCIES: WHAT IS TO BE DONE?

Mr. GOLDWATER. Mr. President, Mr. Michael Raoul-Duval who was special Counsel to President Ford and executive director of the President's Foreign Intelligence Coordinating Group, has written a very interesting article entitled, "Intelligence Agencies: What Is To Be Done?" This is another piece of paper I have found that expresses more of my concern about the direction the Congress is traveling in its seeming responsibility to intelligence.

Now that the House has finally brought about the creation of its own Select Committee on Intelligence, we have both Houses equipped with people to do investigative work on the intelligence agencies and make recommendations. I am hopeful that the House unit will prove to be as dependable as far as classification protection as the Senate committee has been. I also hope that the House will not take off on wild excursions never attempted before in the intelligence field.

I would suggest that my colleagues read the article by Mr. Raoul-Duval because he points out, as others have pointed out before him, the absolute need for intelligence and the absolute need for covert intelligence with as few people knowing about it the better. We are probably the only people on Earth who want to expose to everyone's view the findings of our intelligence community and this is wrong. I ask unanimous consent that the article I have referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE INTELLIGENCE AGENCIES: WHAT IS TO BE DONE?

(By Michael Raoul-Duval)

DAYTON, OHIO.—President Carter is now reviewing the activities and organization of the nation's intelligence community, including the C.I.A. and portions of the Defense and State Departments, the F.B.I. and other agencies.

Despite public attention over intelligence abuses, the problem for Mr. Carter is with the quality of the product.

There are five principles which should serve as a foundation for considering foreign intelligence issues.

The United States must have a foreign intelligence capability superior to that of any other nation, and it must be able to deal with multiple and simultaneous events involving military, economic, social and political matters.

We must have the capability to conduct necessary covert operations.

Activities of the intelligence community must conform to an acceptable moral standard.

Activities of the intelligence community must be legal and constitutional and never aimed at United States citizens.

The President must conduct foreign intelligence activities, and the role of Congress must be limited to oversight. The role of the judiciary should be generally limited to cases and controversies involving individuals protected by the United States Constitution.

Besides the need for quality foreign intelligence there are other reasons for these principles. No matter how distasteful we may find covert operations they are absolutely necessary if we are to have a "third option." Conventionally there are two ways for any country to influence world events: by diplomatic or military action. However, there are an increasing number of situations in which diplomatic actions cannot resolve the problem and military actions could risk nuclear confrontation. In these situations, the "third option" of covert action is essential.

Partially in overreaction to excesses and abuses by the intelligence community and former Presidents from the Korean War to the early 1970's, Congress is attempting to move beyond oversight and is reaching for operational control of our intelligence activities. If Congress is successful in this power grab—and indeed if current Congressional involvement is not pruned—our intelligence community will cease to function effectively.

Congress should oversee the activities of the intelligence community, but oversight and management functions should always be separated. Effective oversight requires the objectivity of judgment that comes from not having participated in the operational decisions leading to the activity being judged.

In addition, Congress cannot be trusted to keep secrets, and key covert and clandestine intelligence operations will fail if secrecy is not maintained. Under current law over six Congressional committees must be informed of all ongoing covert operations. Furthermore, under the rules of both the House and the Senate all members can get access to any information given any committee. There are no enforceable secrecy rules in Congress, and any member can reveal classified information with complete immunity from prosecution.

Thus an individual senator or representative can actually overrule a covert action decision made by the President with the concurrence of his Cabinet and a majority of the House and the Senate. This is irreconcilable with the constitutional principle of separation of powers, and the law which created this anomaly, section 662 of the Foreign Assistance Act, should be repealed.

There are some decisions which must be made by an individual who retains ultimate responsibility and not by a committee. A wartime example—which is just as valid as during modern peacetime when international tensions are high—can be found in Winston Churchill's 1940 decision not to alert the city of Coventry that the Germans were about to launch a massive air attack against it. Churchill decided not to risk tipping off the Germans that England had broken their codes. It is inconceivable to think that a deliberative body could cope with such a decision.

Congress should establish overall objectives for the intelligence community primarily through the appropriations process, but its major role should be limited to rigorous oversight by judicious examination of community's actions and judgments.

The converse of this is of equal importance. The President must effectively control the operations of the intelligence community, and he must be ultimately accountable for its performance. The surest way to reduce the quality of our intelligence and increase the likelihood of abuses is to diffuse responsibility and accountability within the executive branch, and between it and the Congress.

In February 1976, President Ford restructured the intelligence community by rejecting the concept of deniability and the confused and overlapping intelligence command structure that went with it. He established clear lines of defined authority in a new command and control structure where ultimate responsibility rested in the Oval Office. President Carter should build on this approach.

The President and Congress should also:

Avoid statutory charters for the various intelligence agencies because President Ford's 1976 executive order does have the force of law in preventing abuses, and legislative debate in this sensitive area will greatly assist our adversaries.

Maintain the intelligence community's current organizational structure which has replaced deniability with accountability, closed the gap between responsibility and authority, centralized resource control and maintained competition among the agencies in the analysis of intelligence information.

Avoid creating an intelligence "czar" because the intelligence agencies must be insulated—in fact and appearance—from domestic politics, and this will be very difficult if the leader of the community draws his institutional support from the White House. Further, the appropriations committees of Congress with support from the Pentagon will soon undercut the czar's control over resources, thus leaving him with paper power but no real authority.

The examination and reforms of the intelligence community which began in 1975 have demonstrated that it is possible to have quality foreign intelligence and effective covert operations while adhering to sound moral principles and without abridging the constitutional rights of U.S. citizens.

The key is firm control by the President over the activities of the intelligence community and effective oversight by the Congress. If these roles overlap and if the President does not provide the leadership to maintain public support for the intelligence community, America will grope blindly toward disaster.

PUBLIC SUPPORT FOR BILL TO BAN STEEL-JAW, LEG-HOLD TRAP

Mr. WILLIAMS. Mr. President, on February 25 of this year, I introduced S. 818, a bill to ban the steel-jaw, leg-hold trap.

Since that time, I have received nearly a thousand pieces of mail in support of the bill from every area of the United States.

Much of the mail was generated by an ad that the Committee for Humane Legislation ran in 26 newspapers nationwide. The committee itself received 29,135 pieces of mail and 12,306 signatures on petitions in support of S. 818 and H.R. 3516, a companion measure introduced in the House by Congressman CLARENCE LONG.

Mr. President, I believe that these letters and petitions indicate strong and broad-based support for a ban on the steel trap. More and more people are becoming aware of the cruelty that these devices inflict on wild animals and of the threat they pose to pets and children. Mr. President, I am hopeful that the strong sentiment expressed in these letters will help to increase the Congress understanding of this important issue.

A FAMILY'S AFFAIR WITH JAPAN

Mr. PERCY. Mr. President, I would like to share with my colleagues a very interesting and enjoyable article from the New York Times magazine of July 10 entitled "A Family's Affair With Japan," by Andrew H. Malcolm. The author's account of life in Tokyo captures the flavor of a culture which is full of contrasts and contradictions, where good manners and gracious traditions endure in the midst of the hectic daily pace of a crowded modern city.

Japan is about the size of California but has five times the population. Yet

Malcolm observes that crowded conditions have not led to a callous everyone-for-himself attitude; quite the opposite. Malcolm believes that—

This constant proximity of people, this smaller personal space by wide-open U.S. standards, may help explain Japan's unique group interdependence and the apparent consideration given to others, even strangers.

In Japan he also finds an innate sensitivity to the events of nature; a simple rainfall can be a special experience.

Malcolm finds much importance attached to having things work smoothly: Trains run on time. There are musical signals at traffic lights to assist blind people. "Things work according to plan in Japan," he says. "Surprises are not valued."

Yet, in contrast to this penchant for precision, we learn about a mysterious aspect of the Japanese language which can pose quite a challenge to the foreigner. He says there is an unspoken Japanese language, a "language of implication, which is much preferred here, and makes what you don't say often more important than what you do say."

Mr. President, I believe Andrew Malcolm's article about our valued ally is worthwhile reading, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FAMILY'S AFFAIR WITH JAPAN

(By Andrew H. Malcolm)

TOKYO.—What my family and I didn't know about Japan 18 months ago when we arrived here is what we are only beginning to understand about Japan now: The honesty that keeps a man from picking up a forgotten coin in a phone booth because "it's not mine." The personal security that makes fear in the city a fiction. A service philosophy that makes a dentist phone a patient several days after an appointment to make sure a new tooth cap is still fine. The values that turn a common boulder into a decorative object of great worth. The traditions that prompt a shopkeeper to double-check an electronic calculator with an ancient wooden abacus. The language based on vagueness where a single world like hakitai carries three meanings: to sweep, to put on shoes and to vomit.

Already, my wife, June, and two sons, Christopher, 8, and Spencer, 4, have become accustomed to some of this. Now it seems natural, for instance, for Kojak to speak Japanese. We leave our doors unlocked. My wife walks home at night without a second, or even a first, thought. After using chopsticks so much, Spencer has yet to master fully the knife and fork. And the other day I caught myself considering the purchase of a large rock for our garden.

But even today, a year and a half after the movers here shocked us by delivering our household goods at the precise moment they said they would, we are still fascinated by the sometimes bewildering, sometimes warming, sometimes plain weird events that form the life of an American family abroad, a burgerless band of former beef addicts adrift in a land of fisheaters. Here are a few of our first impressions.

CROWDS

Upon arriving here, we were instantly engulfed in a swarming mass of humanity. As June said on our first ride into Tokyo (pop. 12 million), "I don't think there's any room for us in Japan." Elevators, trains, planes, sidewalks and parks are all packed (in fact, picnickers depart at dawn to reserve a good spot for lunch). Even stairways, which are steeper here to conserve costly building space, are packed.

Everything here seems small in scale: the streets, the cars, the houses, the rooms, the soft-drink cans, the cigarette packs. Things must be small to fit. It is our first fact of life in Japan, homeland of the tiny radio and tiny television. Japan's 112 million population is five times that of California—in the same space. And mountains cover 80 percent of Japan's 3,937 islands.

People, lots of them, are everywhere, even under elevated roads or tracks, where battallions of boutiques, shops and restaurants stand. Fire hydrants are buried under sidewalk covers to save space. Doors don't swing open in Japan: To save space, they slide open.

These crowds, this constant proximity of people, this smaller personal space by wide-open U.S. standards, may help explain Japan's unique group interdependence and the apparent consideration given to others, even strangers. This blatant politeness may sometimes be mechanical and it may be deteriorating, as some complain, but it is striking.

MANNERS

When anyone enters a neighborhood restaurant, everyone from the cashier to the chef calls out, "Welcome, welcome!" On a train, when the conductor enters the car, he says, "Good day, everyone," and tips his hat. A friend loses her subway pass one morning on the way to work; by nightfall, it has been returned. The day before a new construction project begins, the foreman delivers giant boxes of cookies to all the neighbors to apologize in advance for any inconvenience.

Such social manners are especially apparent in stores, where the concept of customer service is not foreign. I was caught in a rainstorm out of town one day. An acquaintance of a few moments called a local store, which delivered a new umbrella in minutes. At gas stations, three men in spotless shirts and ties descend in our car to wash windows, vacuum the inside and polish the hubcaps.

When June stops by a liquor store, the owner says he will deliver her order that afternoon. Then he spies a heavy bundle of linoleum she is carrying. "We'll deliver that too," he says. And they do—on time.

CLEANLINESS

Bathing is a state religion. Litter is noticeable, not normal. Housewives and shopkeepers tend to their own curb sections. Some crews sweep up the gutters, while others, often the elderly, wash roadside guardrails until they are bright green again.

I am greatly embarrassed when, knowing that Wednesday is the day for collecting burnable trash, I somehow let an orange Fanta can creep into our garbage bin. When I go out to the street, the lone soda can is sitting upright on the curb next to the emptied container. Someone has sorted our trash.

OPPOSITES

Life here seems so full of opposites. Pop-top cans in Japan are really pop-bottom cans. One washes before getting into the bathtub. Department-store bargain basements are on the top floor. Taxi drivers protest higher fares. The emergency phone number is 119. Papers are stapled in the upper righthand corner. Romance and inspiration are associated not with sunsets but with the rising sun. A woman applies lipstick to her lower lip first. On St. Valentine's Day, Japanese women give the gifts.

Baseball announcers give the full count as "two and three." Stand-up comedians don't stand for their monologues; they kneel. The barber sits our boys on the floor, then squats next to them to cut their hair. Scolding mothers in this group-conscious society threaten misbehaving children with having to play outdoors away from their side.

EARTHQUAKES

You'd think we'd get used to them, but we still get white knuckles. Tokyo registers about two quakes a day, though not all are noticeable. One recently began with a sharp crack, and our wooden house began to move. Glasses and windows rattled. Boards creaked. Dogs barked. In 20 seconds or so, the two land masses 38 miles beneath us settled down. It took us a little longer.

COMMUNICATING

The Japanese make every effort to understand and sympathize with us awkward-mouthed foreigners—the simplest *arigato* ("thank you") draws a flood of praise and compliments—but we still have to struggle to make ourselves understood. June went shopping for a Western-style toilet seat recently (Japanese so-called conveniences are little more than holes in tiled floors). Armed with the proper measurements and diagrams and drawings, she explained in great detail to the clerk, and then the supervisor, exactly what she needed. The sales people nodded knowingly and led June to the ladies' room.

We have discovered another cultural barrier, the complex unspoken language of Japanese. It is the language of implication, which is much preferred here, and makes what you don't say often more important than what you do say. Twice tonight, Mrs. Kazuko Ishibashi, an elderly widow who gives Japanese instruction, interrupted our lesson to suggest that the boys playing elsewhere in the room might be cold. It wasn't until 15 minutes later, when Mrs. Ishibashi donned her sweater, that we grasped what she had really been saying.

RAIN

So much of living in Japan is like watching a storm on a dark night. It may seem like a plain old rainstorm, but suddenly there's a flash of lightning. And in the instant between the flash and the thunder you can see through the rain to something deeper. You can't quite understand it or remember it all, even one moment later when the light subsides. But somehow you feel different, a little richer usually.

In the cities, the rains turn single trees into glistening green clumps. In the countryside, where emerald hillsides sway in the winds like coordinated cheering sections and pockets of white fog cling to the folds of the valleys, I find myself simply listening to the rain. In Kyoto, there's a Buddhist temple with a gutter in the ground instead of on the roof. The trough is filled with stones, and throughout each rain the drops plop and plip and splatter and splash right next to the meditation garden. The effect is calming. Nearby is a waterfall hidden by bushes. You can only hear the waterfall. Its appearance is left to each person's imagination. I have never seen the fresh water gushing over that shiny black stone precipice, but I know exactly what it looks like.

Day after day come such delightful discoveries: The old man who rides the subway with a parakeet on his shoulder to entertain youngsters. The door-to-door salesmen selling clothes poles or collecting old newspapers in exchange for fresh rolls of toilet paper. The lantern-lit wooden cart dispensing hot noodles near our house every night at 9:10 P.M. The signs for Ronald McDonald that call him Donald McDonald because the Japanese have trouble saying "R."

There are egg timers that stand by many pay phones to mark the three minutes when the 3-cent calls are automatically cut off. And musical tones at traffic lights to tell the blind when it's safe to cross. But even the unpredictability of these experiences is somehow predictable. Things work according to plan in Japan. Surprises are not valued. Trains leave and arrive on time. If the

painted platform arrow says car No. 5 will stop there, it will—precisely there.

There is, of course, some unpleasantness for foreigners. This can come as remarks or "accidental" fondlings by passing Japanese men who use an excess of alcohol as a license to release the suppressed emotions that society does not permit them to show when sober. But there is also in life for the foreign family here a removal of a city's rougher edges, a sense of general security that seeps from such a strict social order, a reliability that makes urban living once again pleasant.

It is, we know now, impossible ever to fully understand this complex society. Just when you think you have the planks nailed down, a new door opens on an unfinished room. We were riding along a familiar expressway one day when I noticed a sign that read: "R 450.5." I asked the driver what it meant, and he told me, "Oh, that's the radius of the next curve."

When Japan's professional baseball season is well under way, it ignites fierce loyalties for the Whales, Swallows and Fighters in Christopher and Spencer, who also provides reams of dinner-table sports comments about men named Horiuchi, Takahashi, Shibata. Each team is allowed to hire two foreign players, but, as Chris notes, "all those American players look alike."

A recent incident produced final proof that the family is firmly settled in Japan. American friends, passing through Tokyo on a tour of the Orient, remark on the immense costs of their trans-Pacific tickets, which they say totaled something like $1,200.

Christopher pipes up. "How much," he asks, "is that in yen?"

RETIREMENT OF EMILIO DADDARIO

Mr. KENNEDY. Mr. President, on July 1, 1977, Emilio Q. Daddario retired as the first Director of the Congressional Office of Technology Assessment—OTA. I want to take this occasion to pay tribute to Mim Daddario for his statesmanlike leadership of OTA during its critical formative years, as well as for his long record of distinguished service to the Nation.

Emilio Daddario is a native of Newton Centre, Mass., and was graduated from Wesleyan in 1939, where he was an All-American football star. He received his law degree from the University of Connecticut in 1942, and soon after enlisted in the Army where he was assigned to the Office of Strategic Services—OSS—and worked behind the lines with the Italian partisans.

His bravery and leadership as a young OSS captain is recounted in the book, "Cloak and Dagger: The Secret Story of OSS," as follows: "This one man taskforce, Capt. Emilio Q. Daddario maneuvered single-handed the surrender of the Nazi S.S. Headquarters . . . arranged with the German general in command to confine his troops to the barracks . . . and made a prisoner of Marshal Graziani, Chief of the Italian Fascist Army. Captain Daddario had orders from Allied Headquarters to bring Graziani back alive. Somehow he managed to spirit his prized prisoner out of Milan. Several times the OSS party was under fire from excited Italian partisans; the car which was assigned to the marshal was dynamited and an OSS lieutenant badly wounded, but Graziani was delivered intact." For this daring feat, Captain Daddario was awarded that U.S. Legion of Merit and the Italian Medaglio d'Argento.

After leaving the service in 1946, Daddario was elected mayor of Middletown, Conn., and at age 28 was the youngest mayor in the State's history. He was recalled to active duty as a major in the Korean war, served as a municipal judge, and was elected to Congress from the First District of Connecticut in 1958.

He served in the House for 12 years where he chaired the Subcommittee on Science, Research, and Development and provided a major national forum for science and technology policy issues. He was the author of major legislation reshaping the National Science Foundation—which I sponsored in the Senate—and he contributed greatly to the Nation's understanding of science and its applications for the public good.

Through all of his efforts, Mim Daddario exhibited vision and foresight. Thus in the mid-1960's, he recognized the need for technology assessment, if our democratic society was to survive and solve the complex technological issues facing us in the closing decades of this century.

Mim Daddario is one of those rare individuals who both conceive a significant idea and have the opportunity to put it into practice. He had the vision to recognize the need for technology assessment before anyone else even knew what the term meant. He had the resourcefulness to build the legislative record which eventually led to the establishment of the Office of Technology Assessment. And as first Director of OTA, he exhibited a high degree of statesmanship in demonstrating that OTA could function as a nonpartisan, objective analytical arm of the Congress.

Mim Daddario has achieved a niche in the history of our Nation and the history of science policy. He conceived the innovative idea of technology assessment, and he demonstrated that it could work in practice.

We in the Congress and all American citizens are indebted to him for this accomplishment and for his long record of dedicated service to the Nation. As Chairman of the OTA Board, I know I can speak for all the Board members in expressing our gratitude to him and our deep sense of loss at his retirement.

In whatever career he pursues in the future, I am confident he will continue to exhibit the same vision and dedication he has shown in the past. And we in OTA—and in the Congress at large—will continue to be privileged to call on Mim Daddario for sage counsel in the years ahead.

CAPTIVE NATIONS WEEK

Mr. PERCY. Mr. President, on the occasion of the 19th observance of Captive Nations Week, we once again express our concern for the millions of people who live under governments which do not allow them full freedoms, including the freedom to national self determination and expression.

It is beyond belief that now—in the last half of the 20th century—so many nations and peoples are still denied a meaningful national life and basic human rights. Despite all the advances in education, science and technology, and social and behavioral studies, the world does not reflect progress of the most fundamental kind—progress in expanding man's freedom.

We must do our best to support such progress, and we must not forget those who—in captive societies—continue to live a deprived life.

VETO THE FARM BILL

Mr. ANDERSON. Mr. President, ever since the Senate passed its farm bill, big city editorialists, economists, Federal Reserve officials and others have complained about the bill's price tag. These people prefer the administration's approach to the farm problem and urge the President to veto the farm bill if it resembles what we in the Senate passed just a few weeks ago.

A typical example of this kind of thinking came just a few days after the Senate sent its farm bill to the House. In a June 6 editorial, the Wall Street Journal advised the President to reject what we passed. It is a "bad bill," they said, apparently because it offers too much aid to thousands of depression-stricken farmers engaged in raising wheat and feed grains.

The truth is, Mr. President, that the only legitimate criticism of the Senate farm bill is that it does not go far enough to guarantee our farmers a price that is equal to their cost of production. The Wall Street Journal should have talked to rural bankers. The bankers know that at least one-third of those farmers who have had to seek bank financing to stay in operation are suffering serious credit and income problems. And about one in five of these farmers will probably fold up their farming operations forever.

These same rural bankers know that many midwestern banks are perilously close to their maximum lending capacity, and all because of shockingly low farm prices and rising farm production costs.

In spite of this, the Wall Street Journal and others persist in urging the President and the House to reject the Senate-passed farm bill. I am pleased that Senator Humphrey did not allow the Journal's editorial to go unanswered. There is no more eloquent and knowledgeable defender of the family farm than our distinguished and beloved senior Senator from Minnesota. His detailed response to the Wall Street Journal's misguided editorial appeared in the July 11 issue of that paper. It is "must" reading for those seeking the facts about the Senate's 1977 Omnibus Farm Bill.

I request unanimous consent that the original editorial and Senator Humphrey's response be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 6, 1977]

VETO THE FARM BILL

We hope President Carter is serious in his threat to veto the farm bill Congress is concocting. It is a bad bill. Worse, there are rumors floating around that Republicans have lent their support to confront the

President with a political embarrassment. Naughty, naughty.

Senator Muskie may not have been entirely on target when he said it would "bust the budget," since the budget has been a wreck for some years now. But with farm price supports for next year costing $2 billion more than the President's $2 billion ceiling it certainly won't help unbust the budget.

In fact, the first-year costs are only a beginning for this five-year bill. The sleepers buried in it remind us of some expensive congressional high jinks of the past—the 1972 double indexing of Social Security, for example.

One such joker is the inclusion for the first time of land costs in the production cost estimates used to set "target" prices for farm subsidies. When market prices fall below the target, farmers get a government check to make up the difference. But when you include land costs there is a ratchet effect. As the target rises, land becomes more valuable and as land becomes more valuable the target rises. A nice machine for enriching farmers and milking taxpayers.

The Senate bill mandates a target price on wheat that is already above current market levels, so the machine could start working soon after Mr. Carter signed the bill. Wheat state interests, where admittedly there have been some impacts from declines in world prices in recent years, are a major force behind the bill. Kansas Republican Senator Dole has been an important backer. It of course mandates higher target levels for other commodities as well.

Aside from the exposure of the Treasury to large payouts under the target system, the Senate bill harks back to the support tactics of the 1950s. It calls for a return to a commodity reserve program to support the price of wheat, a prelude to a hoped-for international grain reserve, which is the brainchild of Mr. Carter's own Agriculture Secretary. Farmers would be granted loans on their stored wheat and paid storage costs. Loan price levels are keyed to the target prices.

Which reminds us of those days 20-odd years ago when the government was spending over $1 million daily for grain storage costs, not to mention the cost of the loans (in reality grants). Such attempts to support and "stabilize" prices of a commodity unleash something equivalent to a sorcerer's apprentice. The artificial supports encourage farmers to produce more than the market wants when they should be switching to other crops. They at the same time discourage demand. Unless Secretary Bergland really succeeds in his efforts to set up a worldwide wheat cartel, other countries will be in a position to undersell American farmers. U.S. stocks of wheat will rise and rise.

The traditional answer to that is acreage controls. Farmers neatly circumvent that by using more fertilizer to increase yields. Or maybe the government moves in and attempts direct production controls—a cop in every wheatfield, so to speak. There are certain inefficiencies in that as well. In short, there is no satisfactory answer, as the U.S. wisely decided when it backed away from commodity reserves in the 1970s to let U.S. farmers fully exploit world markets.

U.S. farmers admittedly have not fared as well in the last two years as in the early years of this policy, when they fared very well indeed. But its benefits to the U.S. and the world at large have been little short of spectacular. U.S. agricultural exports in the first quarter of this year were running at an annual rate of $24 billion, triple the level of 1972. The U.S. in 1975 accounted for over 40 percent of the world's wheat exports, over 60 percent of corn exports and 76 percent of soybeans.

The Senate is obviously responding to farm belt political pressures but it may well have overreacted. The American Farm Bureau Federation, which is not an inconsiderable representative of the farm bloc, has been wise enough to see the eventual public reaction to a farm program run wild. It is against the target price ratchet and the grain reserve. It is particularly opposed to linking loan levels to the ratchet, preferring instead to give the Secretary of Agriculture considerable latitude in setting loan prices.

In short, Congress is in the final stages of writing a farm bill for the next five years based almost entirely on pressures from the wheat belt, from militant farm groups such as the National Farmers Union and, bless their souls, a group of Republicans still smarting over the way Democrats booby-trapped a farm bill to force a veto from President Ford last year. It simply won't do. The President will win more friends than he will lose if he throws it out.

SEN. HUMPHREY RESPONDS

Editor, The Wall Street Journal:

I feel compelled to comment on The Wall Street Journal editorial of June 6 which recommends that the President veto the farm bill being developed by Congress.

The editorial refers to it as a bill which "Congress is concocting" and terms it "a bad bill." The editorial also implies that this is a bill sprung on Congress and the public by farm interests and refers to the inclusion of land costs in setting target prices as a "joker."

Your newspaper should be aware that the Senate farm bill, S. 275, involved months of preparation before it was introduced on January 19, with additional months of work by a wide variety of groups and extensive hearings, culminating in two and one-half weeks of mark-up sessions during April and May which began at 8 a.m. each day.

A main concern of the Journal editorial is the bill's cost. But I am amazed at the certainty with which you put forward your position. The editorial spoke of the bill as costing $2 billion more than the President is prepared to accept. But the fact is that the cost is very much open to debate.

The Senate Committee on Agriculture, Nutrition and Forestry, in its cost estimates, provided a range of costs for commodities from $2 billion up to $3.9 billion per year on the average, depending upon weather and other factors. The levels were developed on the basis of the previous five years' weather.

Even if the Journal's cost figures are accepted, your newspaper should be aware that nearly a third of the cost is for crop loans which ultimately mean little if any actual cost to the government. And yet the Journal's conclusions reflect the same trap which some of the other news media have fallen into—accepting the administration's cost estimates without question.

The subject of cost also is directly related to farm income. Without adequate crop loans and target prices, farm income will drop. And when farm income drops, taxes that farmers pay to the federal government drop. It can be argued that the cost of a farm bill, such as reported by the Senate Committee on Agriculture, is more than offset by the increase of revenues to the Treasury from improved income. Furthermore, farm income is the economic fuel for rural America and the many business enterprises that serve our farm producers. The cost that Congress needs to be concerned about is the cost of depressed farm income, coupled with high operating cost. This is the problem and this is the danger.

Moreover, the editorial said that "sleepers" in the bill were reminiscent of "some expensive congressional hijinks of the past" and it referred to the legislation as unleashing "something equivalent to a sorcerer's apprentice."

Very careful analysis was involved in developing target prices and loan levels which would provide some stability but still enable the United States to be competitive in the world markets. There was little question over including land in the calculation of the target prices. Rather, the issue was at what level. Should a business ignore the cost of its buildings and land in calculating its produce prices? Farmers remember, cannot turn off or adjust their production like an assembly line.

I would suggest that there are numerous complex issues involved here, and they deserve a more careful airing than they received in your editorial.

HUBERT H. HUMPHREY,
U.S. Senate.

TEAMSTER CENTRAL STATES PENSION FUND ABUSES DETAILED

Mr. PERCY. Mr. President, on July 18, 1977, the Subcommittee on Permanent Investigations aired publicly, for the first time, the results of an almost 2-year Federal investigation into the operations of the Teamsters Central States, Southeast, and Southwest Areas Pension Fund.

I, personally, and the subcommittee members share an abiding concern for the future security of union fringe benefit programs, which include severance pay plans, health and welfare funds, and pension funds. Many of these Teamster funds may be well managed and fully solvent. But one of the largest of these fringe programs is the Central States Teamsters Pension Fund with a face value of $1.4 billion in assets that has been widely discussed in the press. It covers 459,000 active and retired employees, mostly from the trucking industry. Each week, nearly 16,000 employers contribute up to $28 for each of their employees in order to finance pension, disability, and health benefits. The funds pays out $22 million each month to 74,000 retirees.

The purpose of the hearing was to inquire into the fiscal integrity of the fund, in view of what appears to have been, over a period of years, a pattern of mismanagement, cronyism, and faulty judgment on the part of former fund trustees.

We have learned of millions of dollars of bad investments in Las Vegas gambling casinos, a Florida dog track, Ohio and Pennsylvania race tracks, and a Connecticut jai-alai fronton. Millions have also been invested in a luxurious California resort frequented by Teamsters officials, and a failing Chicago hotel whose construction was financed by a bank which had a fund trustee serving on its board of directors. Millions were loaned to a firm which allegedly gave at least one trustee a gift of substantial stock.

Associates of organized crime figures were loaned enormous sums. Reportedly, an associate of Meyer Lansky was loaned $15 million; $150 million went to Allen Glick, mostly for Las Vegas gambling casinos which were subsequently investigated for skimming from slot machines. At the time of the loans, Glick had no substantial business experience.

Fund investments resulted in a 4.9-percent rate of return between 1960 and 1974, compared with 7.5 percent on Treasury notes. Some 29 loans were listed as in default as of December 1975. Many more were uncollectable. Some 71 percent of fund assets were in high-risk real estate ventures; by comparison, most pension funds limit their real estate investments from 5 to 10 percent of their

portfolios. About half of the fund's loans were to a handful of individuals. More than half were for ventures in just two States—Nevada and California.

There is concern on the part of some Federal officials that the fund may have lost between $500 million and $700 million—perhaps as much as one-half of the fund's assets—because of these bad investments.

As a result of bad investments and diminishing assets, a fund administrator has warned that future employer contributions may have to be increased about 20 percent to $37 a month for each new employee. If so, every consumer in this Nation will ultimately have to pay for this increase through higher costs for goods that move by truck. There is also speculation that, if things continue as they have been, newly enrolled Teamsters may not be able to draw full pensions until after 30 years of service or age 65. Currently, fund participants can retire with a full pension after 20 years of service or age 57.

Why did this occur? I believe the answer lies in consummate arrogance on the one hand, and excessive secrecy on the other. It is an arrogance born of too little attention by the former trustees to their obligations to the rank and file. And it is a secrecy that appears deliberately intended to conceal their reckless investment decisions.

For years, rank and file union members have inquired, "What about my pension?" Our best source of information has been an alert press which has investigated and uncovered fund abuses that jeopardize individual pension rights.

Although the Labor Department has briefed committees of the Congress, these briefings have either been in executive session or in public hearings of little use to the fund beneficiaries because of the guarded nature of the testimony. It was for that reason that this subcommittee decided to conduct a public session. Had we not asked, in all probability the pension fund door would remain tightly shut. As noted, the fund trustees have in the past been unwilling to discuss the details of their questionable investments with the rank and file. Likewise, the Labor Department has also declined to discuss publicly their investigations into past mismanagement and their negotiations concerning the future management of the fund.

For the Congress to acquiesce in the withholding of this vital information would only compound this problem. The problems which have afflicted the Central States fund vitally and directly affect the lives of almost a half million Teamsters and indirectly affect the 9 million Americans who rely on similar union fringe benefit plans to sustain them in times of sickness and to provide for them in old age. Surely, any matter of this consequence deserves to be discussed fully and openly.

The Twentieth Century Fund, in a March 1977 study of the management of union pension fund assets, urged certain changes which this subcommittee should examine with a view toward recommending remedial legislation. These include a requirement that third-party trustees be appointed to prevent domination by union trustees, and that management trustees of union funds be given incentives so as to become more actively involved in making sound investment decisions—that they truly be watchdogs instead of puppydogs.

Finally, I believe the doors to fund meetings should be thrown open so that the rank and file can see and hear what is being done with its moneys. Toward that end, I intend to explore the possibility of recommending a "sunshine bill" for the working men and women of America entitling them to closely monitor the critical decisions that affect their own economic security for years to come.

Our hearing on Monday was ably chaired by Chairman HENRY M. JACKSON and Vice Chairman SAM NUNN both of whom have consistently taken a keen interest in this area, and pressed Secretary of Labor Ray Marshall for more detailed information.

Testifying at the hearing, Secretary Marshall outlined the steps taken by his Department to protect the assets of the fund. His report, however, fell short of reassuring the subcommittee or the rank and file as to the current soundness of the fund. His testimony indicates, after an 18-month investigation, his Department still does not know the full value of the fund's assets or the status of each of the loans which are now outstanding.

While the Labor Department should be commended for forcing a restructuring of the fund's board of trustees and putting investment decisions in the hands of independent professional managers, too many questions remain unanswered to assure rank and file members of the union that their pensions are secure. Their legitimate concerns, and our subcommittee's, can only be assuaged when we have a complete assessment of the current value of the fund's assets. The rank and file who depend on this fund for future economic security deserve better answers.

I ask unanimous consent that the opening statement by Secretary Marshall be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF RAY MARSHALL, SECRETARY OF LABOR

Mr. Chairman, Members of the Subcommittee: I am glad to be here this morning to discuss the progress we have made in our investigation of the Teamsters' Central States, Southeast and Southwest Areas Pension Fund. As you know, the authority for our investigation is based on ERISA, the Employee Retirement Income Security Act of 1974.

We have not been alone in our investigation of the Central States Pension Fund. We have worked closely with the Internal Revenue Service and the Justice Department, each of which has been pursuing its own statutory mandate. Since representatives of both the IRS and the Justice Department will also be testifying, I will focus my remarks on the actions of the Labor Department under ERISA.

Let me begin by talking about how I became involved in this investigation. During my confirmation hearings, several Senators on the Senate Human Resources Committee expressed serious concern about the Labor Department's conduct of this investigation. I told them that one of my first steps as Secretary of Labor would be to take personal control of the investigation.

I recognized the importance of our efforts to examine the Teamsters' Central States Pension Fund. Following the disappearance of Jimmy Hoffa, there was widespread interest in the activities of the Fund by Congress, the press and the public. Also important was the fact that this was the first major investigation under ERISA. If this landmark piece of legislation was to have lasting value, it was crucial that the Labor Department be zealous in its efforts to safeguard the pensions of American workers.

To help me personally supervise the investigation, I brought in Eamon Kelley, an experienced investment manager on leave from the Ford Foundation. With his help, I think we have made great progress in our efforts to preserve the integrity of the Central States Pension Fund. I think we have also demonstrated the effectiveness of vigorous enforcement of ERISA.

To understand our investigation it is important to have some background on the Teamsters' Central States Pension Fund. The Fund was established in 1955 as a collectively bargained, multi-employer pension fund. Under federal law, the Fund must be held in trust for the exclusive purpose of providing pension benefits to Teamster members.

The law also requires that union and management be equally represented on the board of trustees. As a result, of the original 16 Fund trustees, 8 were appointed by various associations of contributing employers and 8 were appointed by the International Brotherhood of Teamsters and the Central States and Southern Conference of Teamsters.

The Fund is one of the largest private pension funds in the country. The ERISA annual report for fiscal year 1975, the most recent report available, shows the Fund's assets carried at a book value of about $1.4 billion. The Fund now covers about 450,000 participants in 22 states and currently provides pension benefits to roughly 70,000 retirees. Each month the Fund receives contributions of about $29 million. About $21 million of this money goes for pension benefits and administrative expenses. This leaves about $8 million a month available for investments.

About 70 percent of the Fund's holdings are in real estate related investments. Most of these assets consist of notes held by the Fund on loans secured by real estate mortgages. In a few cases, the real estate is owned outright by the Fund, often as a result of mortgage foreclosures. The remaining 30 percent of the Fund's portfolio is in securities.

Let me briefly sketch out the history of our investigation of the Fund. Our power to undertake investigations of this kind began on January 1, 1975, when ERISA's fiduciary, reporting and disclosure provisions took effect.

Since numerous charges had been made about the Central States Fund over the years, it was not surprising that it was one of the first targets of an ERISA invesigation. The mysterious disappearance of Jimmy Hoffa during the summer of 1975 added to the urgency of the investigation. There was widespread speculation that Hoffa's disappearance was related to information that he had about the operations of the Central States Pension Fund. Other allegations which had been made about the Fund included charges that individuals involved in organized crime had connections with the Fund. It was also alleged that questionable loans had been made by the Fund to people who were linked to organized crime. The net effect of these charges was to raise serious questions about the prudent management of the assets of the Central States Pension Fund.

The joint Labor and Justice Department investigation of the Central States Fund

began in the fall of 1975. A separate investigation by the Internal Revenue Service had already been underway and arrangements were made to coordinate the efforts. The focus of the joint Labor and Justice Department investigation was on the handling of the Fund's assets and the conduct of people who managed these assets.

The authority for the Labor Department's investigation is the fiduciary responsibility and enforcement provisions of Parts 4 and 5 of Title I of ERISA. The Justice Department has centered its efforts around possible violations of Federal criminal laws. The applicable criminal provisions of the U.S. Code pre-date ERISA, but the emphasis is similar—the conduct of people operating on behalf of employee benefit fund assets.

The basis for the IRS investigation is somewhat different. Even before ERISA, the IRS had authority under the Internal Revenue Code to qualify pension plans and to make sure that such plans did not abuse their tax privileges. While parts of the IRS investigation dated back as far as 1965, the current emphasis of IRS is to make sure that the Central States Pension Fund met the new minimum standards in the ERISA amendments to the Internal Revenue Code.

When the Labor Department began its investigation in 1975, certain steps were taken to prepare for an effort of this scope and gravity. The Department established a Special Investigations Staff to run this investigation. And a coordinating board was set up in order for top officials from the Labor and Justice Departments to discuss strategy and tactics during the investigation.

Shortly after the Labor Department's investigation began, the Fund trustees in April 1976 decided not to make any new loans. At the same time, they decided to place all new money (their $8 million per month surplus after benefits and administrative expenses were paid) in a group of six banks. These banks would manage these new assets up to a limit of $75 million each.

In June 1976, the IRS revoked the Fund's tax qualification. A few days later, the IRS issued the first in a series of grants of discretionary relief. This relieved such innocent parties as participants in the Fund of the adverse tax consequences of this action. The IRS did not grant relief to the Fund itself, meaning that the income earned by the trust could be taxed.

In July and August of 1976, the Labor Department subpoenaed and deposed several Fund trustees and members of its professional staff. In September 1976, one of the trustees resigned after refusing to give a deposition. In October, 11 more Fund trustees resigned, leaving only 4 of the original 16 trustees.

Meanwhile, the joint Labor and Justice Department investigation was continuing. The focus of these efforts was transactions by the trustees of the Fund in which Fund assets were loaned to various borrowers with the loans being secured by mortgages on real estate. Most of the allegations of wrongdoing have focused on these real estate transactions and on the Fund's asset management practices in general. There are about 600 of these real estate loans and Fund officials maintain that the great majority are current and trouble free. While we have not yet reviewed all these loans, our investigators have found that some Fund loans are neither current nor trouble free.

That roughly was the situation when I became Secretary of Labor. One of my first steps was to undertake a review of the investigation's status. Working with the Special Investigations Staff, the Solicitor's Office and officials of the Department's Pension and Welfare Benefit Programs, we assessed the evidence that we had. We came to the conclusion in late January that our primary goal had to be the preservation of the Fund's assets. We decided that, if necessary, we had a strong case that could stand up in court. But we also realized that this would likely lead to bitter and protracted litigation. That is why we decided to explore with representatives of the Fund the possibility of achieving the relief that we believed necessary without resorting to litigation.

During the second week in February, I met with Secretary of the Treasury Blumenthal, Attorney General Bell and then Commissioner of Internal Revenue-designate Kurtz, as well as other Treasury, IRS and Justice Department officials, to discuss my plans and solicit their views. This discussion led to a decision to present a series of demands to the Fund's representatives. These demands and all further actions were closely coordinated among the relevant government agencies. In fact, the demands were presented to the Fund's representatives as "Government" demands.

On February 16, we told the Fund representatives that we were prepared to go to court to accomplish three objectives: (1) that the four "holdover" trustees must resign; (2) that they had to take steps to remove the day-to-day management of the Fund's assets from the management and union trustees; and (3) that certain changes must be made in the terms of the Central States plan and its procedures outside the asset management area in order to bring the plan in compliance with ERISA's minimum standards and to meet other requirements of the IRS.

In many ways, the second objective (that day-to-day asset management be taken out of the hands of the Fund's trustees) was the most important. It was imperative that those who contributed to the Fund should not see their assets dwindle because of mismanagement. In this area, we gave the Fund two choices. They could either restructure the board of trustees to obtain a majority of neutral, independent professionals, or they could turn over complete asset investment control to one or more professional, independent asset managers.

On February 23, Fund representatives gave us the trustees' initial reply. They said that the trustees refused to obtain the resignations of the four "holdover" trustees. They were willing, however, to discuss several alternate methods of professionalizing the Fund's asset management. These ranged from improving the Fund's professional staff, to hiring an investment adviser who would direct the trustees, to a true independent investment manager arrangement. They also stated that the trustees were willing to comply with our demand to change plan procedures to comply with ERISA and IRS rules in areas other than asset management.

On February 28, the then current IRS letter granting relief from the consequences of disqualification was due to expire. IRS decided that the trustees' response on February 23 was encouraging enough to justify an extension of relief. However, the Department of Labor could not accept the trustees' response because it did not include the resignation of the four "hold-over" trustees.

On February 26, with Labor Department approval and authorization, a news release was issued by the IRS which announced an extension of relief from the disqualification until the end of April 1977. At the same time, the Labor Department announced that because insufficient progress was being made from our perspective, we had decided to take "appropriate remedial action."

Within a few hours after the news release was issued, Fund representatives told us that the trustees would meet again in a few days to reconsider their decision. At a meeting on March 11, the trustees decided to comply with the Government's demand. On March 12, we met with their representatives. On March 14 the Labor Department and IRS issued identical news releases announcing the terms of an agreement. The critical points were as follows: (1) that the trustees would reach agreement in principle as soon as possible with one or more independent investment managers of nationally recognized stature; (2) that they would make the required changes in the terms of the plan; (3) that they would have an independent legal audit undertaken of all Fund investment transactions, beginning with 1965; (4) that they would begin making certain annual disclosures; and (5) that they would secure the resignations of the four "holdover" trustees. When these steps were completed or underway, the Service would requalify the plan and the Department would terminate that portion of its investigation which related to Fund asset management practices.

On April 14, the trustees entered into an agreement in principle with the Crocker Bank of San Francisco, under which Crocker would become the fund fiduciary, with authority to hire other investment managers to assist in asset management. On the same day, the Labor Department announced that the choice of Crocker was fully satisfactory to us. On April 26, the Internal Revenue Service requalified the Fund with certain caveats. On April 29, the four holdover trustees resigned.

During the latter part of April and the month of May, Fund representatives and Crocker worked diligently to attempt to put together an asset management group and a contractual structure that would be satisfactory. This proved to be a difficult task. From the standpoint of the Government, the arrangement had to satisfy several criteria. It had to provide for complete divestiture of trustee control, subject only to the obligations imposed by ERISA that the trustees not be relieved of their duty to monitor. The arrangement also had to involve managers who were competent and who could withstand the public scrutiny. The contractual structure had to be one which was workable and which met ERISA's requirements. Most important, the arrangement had to be put in place as rapidly as possible.

When the end of May approached and the parties did not seem close to agreement, we informed the Fund representatives that time was running out, and that the Department would have to consider alternatives if progress did not accelerate. During the week of June 6, Fund representatives told us that they were considering a different arrangement, under which the Equitable Life Assurance Society of the United States, a large insurance company headquartered in New York City, would become the Fund's fiduciary, real estate-related assets would be managed by Equitable and the Victor Palmieri Company, and the securities assets would be managed by Equitable, Lazard Freres, the Crocker Investment Management Company and the Mercantile National Bank of Dallas. These institutions and their management assignments were fully satisfactory to the Labor Department.

On June 16, the trustees instructed their representatives to proceed rapidly to prepare contracts between the trustees and the Equitable group. That was done, and the contracts were executed during the week of July 5.

The key features of the contractual arrangement are as follows:

Equitable is fiduciary of the Fund. Its role can best be understood if it is described as the "managing" fiduciary;

Equitable and Palmieri are the managers for real estate related assets. Equitable will manage those assets located east of the Mississippi River; Palmieri those assets to the West;

Equitable, Lazard Freres, Crocker Investment Management Company and Merchantile National Bank will each have responsibility for approximately one-fourth of the Fund's securities portfolio:

The trustees will monitor Equitable's performance as fiduciary and real estate manager, and, with Equitable, will monitor Palmieri's performance; Equitable will monitor the performance of the other managers;

As managing fiduciary, Equitable has the exclusive power to appoint and remove investment managers and custodians; to allocate available investment funds among types of investments and among the various managers; and to develop and implement long- and short-term investment strategies. To assist the trustees in their monitoring, Equitable must report regularly and maintain complete and accurate records.

The contracts anticipate that management control of all or most of the assets will be transferred to the respective investment managers by September 1, 1977.

Under the contracts, the trustees, who are chosen by the collective bargaining parties, retain power over those aspects of Fund administration that are closely related to labor relations and collective bargaining. For example, the establishment of benefit levels, enforcement of collective bargaining agreement rules, eligibility and benefit payment rules, and the actuarial soundness of the Fund.

We believe that the contractual structure provides a sound basis for proper future management of the Central States Fund's giant portfolio. It removes entirely asset management control from the trustees, yet retains their authority and power to monitor performance. It provides sufficient security for the independent professional fiduciary and the investment managers to insure that they cannot be dismissed at the whim of the trustees, yet permits the trustees to dismiss them for cause. It leaves the affairs of a private sector fund in private sector hands, yet provides for lawfully authorized government assistance. It also contains a triggering device to insure government oversight in the event the trustees, Equitable or the investment managers need advice or help in matters relating to Fund management. And it contains great promise of ending, once and for all, the years of suspicion, allegations, and demonstrable wrongdoing that have surrounded asset management of the Fund and the people associated with it.

The portion of the Labor Department investigation that focused on investment management practices of the Fund ended with the execution of these contracts. Another part of the investigation continues. That part is designed to establish whether evidence of fiduciary violations, during the period since January 1, 1975, warrants proceeding against people who have served the Fund in a fiduciary capacity since then. Such action would seek restitution for losses that may have occurred because of such violations and the return of any wrongful profits.

At this time, our investigative activity is shifting from a review of Fund records and documents to a search for evidence in the possession of others such as individuals associated with the Fund. Much of what we discovered in the asset management phase of our investigation will be relevant to this second phase. In addition, we have periodically turned over to the Justice Department evidence that may warrant prosecution under federal criminal statutes. We will continue to do this as we proceed with the second phase of our investigation.

In addition to our activities respecting the Pension Fund, we have been reviewing available data relating to the Central States Health and Welfare Fund, a plan which is also covered under ERISA.

In conclusion, Mr. Chairman, I want to say that I am aware that you and other members of your subcommittee helped to enact ERISA. And, I want to emphasize that the actions taken recently by the Trustees of the Central States Pension Fund represent an extremely important step in the right direction. In my opinion, these steps would not have been taken so quickly, or perhaps not at all, if ERISA didn't exist. ERISA's fiduciary responsibility provisions are powerful, but flexible, civil enforcement mechanisms gave the Department of Labor the authority and strength to bring about a truly significant change in the Fund's asset management practices.

MAX CLELAND: THE RIGHT MAN IN THE RIGHT JOB AT THE RIGHT TIME

Mr. MATSUNAGA. Mr. President, disabled veterans at Hawaii's Tripler Army Medical Center were considerably cheered to receive a visit, last week, from a man who has been there himself—VA Administrator Max Cleland.

Touring the hospital in his wheelchair and declaring that he is "the right man in the right job at the right time," the new VA Administrator inspired hope in the hearts of hundreds of Vietnam veterans who feared a life of inactivity and second-class citizenship. Because of his visit, some of them will return to school. Others will seek meaningful employment when discharged from the hospital. Declaring war on the debilitating environment of some facilities for the handicapped, Cleland promised that the VA will stress rehabilitation, therapy, and other programs aimed at returning veterans to society with useful skills and the educational background necessary to earn a good living.

Clearly, Max Cleland is the right man, in the right job at the right time. With the thought that my fellow Senators will find it of interest, I ask unanimous consent to have printed in the RECORD a description of his visit to Tripler Hospital which appeared in the Honolulu Star-Bulletin of July 13, 1977.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Honolulu Star-Bulletin, July 13, 1977]

HE'S A MAN WHO'S BEEN THERE HIMSELF

(By Lois Taylor)

Max Cleland, U.S. Administrator of Veterans' Affairs, rubbed the small plastic bandage on his left thumb. "I caught it in a door in Chicago, and it has rendered me almost disabled," he said with a small laugh. And, of course, it had. Cleland uses his super-strong left arm and hand to power his wheel chair, to hoist himself in and out of it, to write and to shoot an occasional basket.

Cleland, 34, lost both legs and his right arm nine years ago in a hand grenade accident near Khe Sahn, Vietnam, while serving as a captain in the 1st Air Cavalry Division. His battalion was preparing to move by helicopter when he saw a live grenade on the ground that had dropped from someone's pack. He threw himself on it, and in doing so saved the men he was with.

"The good Lord works in mysterious ways to shape our lives," Cleland said yesterday on a tour of Tripler Hospital. "I feel now that I'm the right man in the right job at the right time.

"It gives me a great deal of pleasure to wheel up to a guy in bed and give him my hand, and he knows that I know about being there. It makes all I went through have some positive meaning and purpose."

Cleland is in town for a week on his first official visit as the youngest man ever to head the Veterans' Administration.

"The Veterans' Administration is the sleeping giant of the federal bureaucracy. We have a budget of $19 billion and more than 200,000 employes. We have the largest health care delivery service system in the country, the fifth largest life insurance company, 103 cemeteries, and the largest federal aid to education program, too," he said.

The G.I. Bill's education benefits were pushed by Cleland as he toured the wards of the tremendous hospital. When he stopped to talk to David A. Ross of Kailua-Kona, Cleland asked Ross how many years of college he had.

Ross told him he had three years, and Cleland said, "If you were discharged in 1969, then you still have two more years to use the benefits. Go back and use the G.I. Bill to finish college. Think about it." Ross promised he would talk to William Oshiro at the Honolulu regional office.

Cleland could probably do wheelies in his wheelchair, which he propels at a pace hard to keep up with by those on foot. As he sped through the halls of Tripler, accompanied by a trailing parade of generals, lesser officers, a nurse, a public relations woman and several members of the press—patients and their visitors watched with amazement.

Bruce Brown in a full leg cast approached on crutches and presented Cleland with a plumeria lei. Cleland wanted to know all about the injury and was introduced to Brown's visitors. "God bless you," Brown said. Cleland smiled from ear to ear.

Another happy surprise was Cleland's meeting with Lt. Col. Jo Ann Grownley, a physical therapist at Tripler who had been his therapist at Walter Reed Hospital in Washington, D.C., during his eight months there.

"I had a pretty good experience at Walter Reed," Cleland said. "I gained a definite point of view about hospital therapy while I was there, and I'm putting it into action in this job.

"I'm big on rehabilitation. I'm declaring war on the debilitating environment at some government hospitals. I'm big on color, a good strong therapy program and adequate staffing. I'm big on maximizing the potential of every veteran, getting him back into society and not being a ward of the state if it can be avoided. That's a very dehumanizing experience.

"Unfortunately, there are those who cannot cope in the real world and we will always meet their needs."

He announced last week that the Veterans' Administration would open a second rehabilitation research and development center particularly for spinal injuries, amputees and the blind. The new center, similar to the one now in New York, will be built near Chicago.

"The Veterans' Administration has a $100 million research program, probably one of the biggest in the country. One out of every two doctors in private practice, the Veterans' Administration helped train."

It was while an out-patient for a year at a veterans' hospital that Cleland learned again to swim, play basketball and tennis. "I hit the Pacific for the first time yesterday," he said of the swim he took at Waikiki. "I was a lifeguard once. I shoot baskets, and play a little tennis. I was right-handed, so I play net now in doubles. I can't cover the back court in my chair."

He is accompanied on his trip by hs parents, Mr. and Mrs. Joseph Cleland of Lithonia, Ga. "It's nostalgic for my father—he was stationed at Pearl Harbor for a while during World War II. I hit Honolulu on a refueling stop for a couple of hours on my way to Vietnam," he said.

An Army doctor stopped on his rounds to talk to Cleland, and extended his left hand. "Dan Inouye and I are the only left-handed shakers in Washington. I must remind him of that when I see him," Cleland mentioned.

"Nothing is more eyecatching than a missing limb, unless it's a glaring facial injury. A missing limb gives an impression of a greater disability than it really is," he said, and as he said it, you knew he believed it because he wanted to.

When he was discharged from Walter Reed Hospital, Cleland went home to Georgia and ran for the State Senate at the same time that Jimmy Carter ran for Governor. Both were elected and met each other during that period. Cleland remains one of Carter's greatest admirers, but unlike the President, Cleland has lost his Georgia accent.

"Somewhere between Monmouth, N.J., and downtown Saigon I realized it was gone," said Cleland. "I never got it back. That's the way it is sometimes." And he wheeled off to cheer up a veteran with his arm in a sling.

EXTENSIONS OF REMARKS

REVOLUTION ON THE FARM: PART V

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues the fifth in a series of articles that appeared in the Arkansas Gazette that deal with emerging trends in Arkansas agriculture. I commend this article to my colleagues:

REVOLUTION ON THE FARM: V—DRAMATIC POPULATION REDUCTION INSPIRES TECHNOLOGICAL CHANGES

(By Tom Hamburger)

WILSON.—The technological changes in the last 30 years at the 33,000-acre Wilson family farm are astonishing. Even more amazing is the fact that they are continuing.

For example, the Wilson fields average about 50 acres each, limited by the drainage ditches that surround them, but Robert E. Lee Wilson III, Board chairman of the Lee Wilson Co., sat in his office recently discussing future expansion of the fields until they are a mile long and a mile wide.

The six-row cultivators now in use handle the 50-acre fields nicely, but tractors capable of cultivating 18 rows at a time now are available and a 70-foot disc capable of discing 48 rows just has been introduced by one implement company.

The new equipment is more efficient and expensive and Wilson knows that to meet the expense the farm will have to become more efficient.

"We'll have to figure out a way to drain the land without ditches," he said in his office. "We'll have fields that are a mile long and a mile wide. They're doing it now in the Imperial Valley [California] and there must be some way we could get underground drainage in the big fields here."

The dramatic loss of population from Wilson and other towns in the South after World War II inspired one of the most dramatic technological revolutions in history. The town's population has dropped from more than 10,000 before the war to 1,048 today.

The Wilsons, for example, employed as many as 3,000 workers before World War II. Today, they have 200 employees.

In searching for answers to the problem of farming without cheap labor, the Wilsons were daring. Sometimes they made mistakes.

In the 1960s, for example, when the Mexican labor needed to weed cotton fields was no longer available, the Wilsons invested in geese.

That's right, geese. The company paid $16,000 a year for the birds because it was known that, while they don't care for cotton shoots, they thrive on Johnson grass, a weed that plagues cotton fields. The geese were set loose on thousands of acres of fenced cotton fields and Robert E. Lee Wilson II liked them because they would "work from dawn to sundown, seven days a week." But the noise they made, the fences that were needed and their inefficient methods doomed the project.

HERBICIDE EXPERIMENT

The Wilsons concentrated their efforts in an area they had pioneered a few years earlier. In the 1950s, in cooperation with a national chemical company, the Wilson plantation became the first farm in the United States to experiment with aerial application of herbicides. Company officials came down to witness the results. They were pleased and a workable answer to the labor shortage in chopping weeds was born. Chemical farming spread across the country in a very few years.

METHODS CHANGE

The change in the number of Wilson employes reflects the effect mechanization has had on agriculture in Arkansas in the last three decades. Farm methods at Wilson have changed from that of a Southern plantation to "agribusiness."

A new position at the company, "marketing manager," has become about the most important. Robert E. Lee (Bob) Wilson V, 24, is the Lee Wilson Co.'s marketing manager and his primary responsibility is watching the company's trading on the Chicago Board of Trade futures market.

MARKET CRUCIAL

In the last decade, the futures market has become a crucial part of American farming. The reduction of federal price supports and the instability of the market caused by speculators following the recent boom in international trade has caused the market to fluctuate wildly. To protect themselves farmers have had to become market experts. In the last five years, trading volume has more than doubled from 18.3 million contracts in 1972.

"Due to these fluctuations," Bob Wilson says, profitability today depends as much on careful marketing as it does on your ability to farm well."

Hudson Wren, recently retired general manager of the Wilson holdings and the company's historian, joined the company in January 1945, when much of the Wilson land was farmed with mules. The property then was still divided into 40-acre tracts, he said.

TRACTORS PURCHASED

Today the Wilson's 33,000 acres is farmed from two company "headquarters" and three or four men are responsible for every 1,000 acres. When Wren joined the Wilsons, the company had purchased 40 35-horsepower John Deere tractors, Wren said, for $1,600 each. The tractors were replacing mules and, in addition to increasing efficiency, the change was opening up new land for growing cash crops. For each 40-acre unit, eight to 10 acres had to be set aside to grow feed for the mules. As the mules were replaced, acreage for cash crops thus increased 25 per cent.

BLACKS LEAVE AREA

The war and its economic prosperity raised the hopes and expectations of many of the blacks who lived at Wilson, as it did elsewhere in the South, and blacks left the area in record numbers. More tractors were needed to take up the slack caused by the sudden outmigration.

Wren remembers the coming of the tractor and other devices to save labor as "kind of a happy marriage" because the labor was leaving for better opportunities just as mechanization was coming in.

CHANGE SWIFT

The change at Wilson, and the rest of the country after the initial breakthrough of mechanization, was swift. When steel became plentiful again after World War II, the Wilson Co. ordered more tractors, Wilson farm manager Jim Germany recalled. The efficiency of the tractors pulling two-row cultivation equipment was considered spectacular.

In those early days, a 35-horsepower tractor with a two-row cultivator attached could farm about 30 acres a day. Today's tractors work 120 acres a day pulling six-row equipment. The 85 to 185-hp tractors also pull herbicide and fungicide as they drive, thus making the operation even more efficient. "It has practically eliminated hand labor," Mike Wilson said.

As fast as tenant farmers would leave the land, Germany recalled, "we would combine land * * *. As fast as the land was available we took it."

By 1950, all the 40-, 80-, and even 120-acre farm units were gone. The green, red-roofed farmworker houses began to disappear and the company began to reorganize the farm.

In 1950, Robert E. Lee Wilson III took over management of the farm from his father. He changed the organization of the plantation, dividing it into 20 farms averaging about 1,500 acres. These became the responsibility of individual farm managers, each of whom was put in charge of 10 tractor drivers, 15 pieces of heavy farm equipment and as much itinerant hand labor as was necessary during peak seasons. The managers reported to Wilson through a general farm manager. Records and books were kept for each farm and the managers paid the parent company rent for use of the land. Each 1,500-acre plot was worked with 12 to 14 persons working on it year round and hundreds employed during chopping and harvest season.

DAY BEGINS

Steve Wilson, the second son, is manager, along with Germany, of one of the units. He starts his day at 6 a.m., supervising the fields from his Ford LTD, equipped with a two-way radio. He is consulted by radio about all major decisions concerning the farms in his unit and, when necessary, he drives to the farms to supervise in person.

Also in the 1950s, the company began a policy of land leveling to better use the increasingly expensive equipment. The Wilsons used earth moving machinery to level out the knolls, fill in the low spots and give the acreage a slight, 1½ foot a 1,000 feet tilt to assure proper drainage. In the last 25 years, the Wilsons have graded about 1,000 acres annually at a cost of $75 to $150 an acre and have leveled most of the land.

The Wilsons hope to be able to lessen the odds of danger from drouth. This year they started a $1.5 million project to irrigate 10,000 acres of farmland.

During peak season, the company still employs itinerant hand labor, mostly from Memphis. In 1950, when Robert E. Lee Wilson III took over operation of the company from his father, 3,000 itinerant laborers were brought in to help in peak seasons. In 1964, the company used only about 500 extra hands and in 1976 hired only a few busloads of choppers from Memphis. In the future they may discontinue hiring outside labor altogether. "When the minimum wage goes to $3 an hour, we may not be able to afford to do any chopping at all," Mike Wilson says.

Most of the reduction in hand labor was the result of the introduction in the early 1960s of mechanical cotton pickers.

During planting season, a reduction of labor was made possible in the last decade with the development of a technique that permits herbicide and fungicide to be applied from a tractor at the same time as seeds are planted. Formerly, Steve Wilson said, the herbicide and fungicide were added on separate trips.

A veteran Wilson farm hand, in his 70s, retired five years ago in part because he was unable to handle the new, more complicated tractors that require tractor drivers to mix the chemical herbicides and fungicides for their tractor before they work each field.

But a farmworker's retirement is different at Wilson from what it was in years past. The Wilson Co., at its expense, instituted a pension plan for its employes in 1967. The plan provides, when combined with Social Security, approximately three-quarters of a farm worker's wage at retirement.

TRIBUTE TO GEN. CASIMIR PULASKI

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. NEDZI. Mr. Speaker, the passage of time naturally blurs the sharpness of peoples and events. It drains from them the sense of immediacy and, inevitably, some of their significance.

Most people tend to tire of celebrations of events which took place long ago and also to lose sight of their importance.

But any nation which fails to look back to its early history will tend to forget the ideals and purposes which brought it into existence.

I believe it is important, therefore, that Congress take note of the 200th anniversary of General Pulaski's arrival in America.

Almost all of us know of the great contributions two men of Polish blood, Pulaski and Kosciuszko, made in the American War of Independence. I will not dwell on them here.

But it should be noted that not only was Pulaski the highest ranking officer of the American cavalry, but his name represented something far greater, namely the idea of liberty that knew no national boundaries.

Pulaski was a rare individual. While in his thirties, he had fought gallantly but unsuccessfully to save Poland from Russian occupation. Forced into exile in 1773, he continued his efforts to organize military action against Russia. In the course of his travels in behalf of this cause, he arrived in Paris in November 1776. He met French sympathizers of the American Revolution and Ben Franklin himself.

Pulaski saw America's fight for freedom as his own. Shortly after his arrival in the United States, he entered into a close association with Gen. George Washington and distinguished himself in a series of battles until he was mortally wounded in Savannah in 1779.

We should note that special ceremonies are being held late this month in Savannah to honor Pulaski's life and contribution.

The Polish contribution to America has been very considerable. It is not limited to two men. For every famous figure like Pulaski there have come to these shores hundreds of thousands of unknown, but honorable, men and women. They have built their homes, raised their families, and made a life here which shines with honor, duty, and self-respect. They have helped make America great.

Pulaski embraced the principle that all people should have the right to decide for themselves their own form of government. Americans of Polish blood have taken Pulaski's legacy and improved on it and that is what I would like to have remembered today.

MISLEADING INFORMATION

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. RISENHOOVER. Mr. Speaker, I take this opportunity to inform my colleagues that the National Republican Congressional Committee, NRCC, has started its own news service.

UPI and AP need not worry. However, after seeing a couple of NRCC dispatches, I think that supporters of truth and honesty have cause for concern. NRCC's two news releases to papers in my district are classic examples of shoddy journalism, slanted propaganda, half-truths, and misleading statements.

They are the kind of political trash that editors expect from extremist lobby groups like the "Right-to-Work-Committee," which starts off with a misnomer and should be called the "Right-to-Slavery-Committee." I am surprised that NRCC, an organization representing some good Republican Congressmen, would adopt such tactics.

NRCC heralded this new news service by writing to editors in my district promising "news which is on balance critical * * * You may think that is biased." NRCC was right. They could have added "misleading, dishonest, slanted, and shoddy." Those same editors have received their first samples of such reports.

One dispatch claimed that I had "voted to virtually repeal the Hatch Act," and continuing with an unattributed statement, the Hatch Act "was designed to prevent employees of the Federal Government from being coerced into engaging in political activities against their desires." Good journalists generally attribute such claims.

That handout prompted a letter to the editor from Charles M. Nobles of Tulsa who said the story was "amusing and puzzling * * * not logical."

As for the issue of Hatch Act reform, I believe it was due an overhaul. We saw high-profile Republicans receive high-paying Government appointments under the Nixon administration. These policy jobs then were placed under the civil service system and the new administration appears powerless to rid the Government of these people.

In that context, I could understand the Republican opposition to H.R. 10. In any context, I certainly respect any position taken by Republican Members; however, there is little room to respect the NRCC's interpretation of my vote for the bill.

Perhaps the Democratic Campaign Committee could "get even" with the Republicans by fashioning similar releases critical of Republican colleagues. That is a poor solution.

Congress has an "image" problem. Individual Members, however, judging from election returns and the rate of reelection for incumbents, obviously are viewed by their own constituents in a more favorable light.

Neither side of the isle is exempt from problems and the specter of criticism. Neither party has a monopoly on morality nor saintdom. Each Member makes daily decisions on issues which are controversial. We have plenty of critics and we graciously accept each other's criticism.

But, in my view, we should be fair and evenhanded with each other. Unfortunately, the first two news releases to newspapers in my district by NRCC failed to meet the criteria of balanced criticism. They were a despicable example of yellow journalism and partisanism.

Over the long haul, I believe the credibility of our minority critics may be the loser and such tactics help explain why the Republicans are in such a minority position.

I ask unanimous consent to include the news releases in the RECORD:

AN INFORMATION SERVICE OF THE NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE

WASHINGTON, D.C.—Congressman Ted Risenhoover (D–OK–2) voted to virtually repeal the Hatch Act in floor action yesterday.

The Hatch Act, on the books since 1939, was designed to prevent employees of the federal government from being coerced into engaging in political activities against their desires and insured an employee could not be discriminated against for personal beliefs. Yesterday's bill would remove almost all restrictions on participation in political activities.

The bill faces an uphill struggle in the Senate where the opposition is expected to be bipartisan and stiff.

It passed the House 266 to 164 over the objections of nearly all Republicans, Common Cause, the Civil Service League, and Americans United Against Union Control of Government. Over 30 Democrats joined the coalition against the bill.

But their efforts were overcome by the lobbying of labor unions who sided with Rep. Risenhoover in voting for the bill.

Opposition to the bill centers around concern for rights of federal employees, who could already engage in most political activities, from being coerced and discriminated against, and the right of the public to expect an impartial administration of the law.

Congressman Edward Derwinski of Illinois, ranking Republican on the Committee responsible for the legislation, said: "To in effect repeal the Hatch Act represents nothing less than the enactment of special interest legislation."

Congressman James Mann (D) added: "It is only the more active levels of partisan activity that are barred by the Hatch Act, and those restrictions have proved successful over the years in promoting fair administration of government policy and freedom against political pressure for federal employees."

Representative John Rousselot (R) summed up opposition to effectual repeal of the Hatch Act by saying: "No amount of rhetoric can change the simple fact repealing the Hatch Act will politicize our merit Civil Service system. It is naive to believe people will not try to reward their friends or that a person can campaign effectively for one point of view and loyally serve another."

NEWS RELEASE FROM CONGRESSMAN TED RISENHOOVER

WASHINGTON.—Congressman Ted Risenhoover today charged that a Republican propaganda agency has misrepresented his view concerning reform of the federal Hatch Act—which affects political participation by U.S. government workers.

"The Republican Congressional Committee, without attribution—which is shoddy journalism, indicated that my position would allow political coercion of federal employes. That is a total misrepresentation."

Risenhoover said the bill he supported would:

Encourage federal employes to exercise their rights, as American citizens, to voluntarily participate in the political process.

Prohibit official influence or coercion regarding the right to vote or to encourage or discourage political participation.

Prohibits use of federal funds to influence votes or to raise political money.

Allows federal employes to seek public office—but only on their own time. Leaves of absence would be required.

Banned certain law enforcement, management and national security officials from running for office or engaging in politics.

Risenhoover charged that the past Republican Administration had placed high paid political appointees under the merit system even though they held policy positions. Risenhoover pointed to Truman Branscum of of the Small Business Administration and Ludwig Johnson of the Farmers Home Administration, two such GOP appointees in Oklahoma, as "glaring political abuses of the civil service system."

"Hatch Act reforms approved by the House would prohibit agencies or officials from intimidating federal employes who exercise their rights as American citizens," Risenhoover said.

"The problem is opposite from the propaganda the Republicans are distributing," Risenhoover said.

SOUTH DAKOTA'S SKY RANCH SCHOOL FOR BOYS

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. PRESSLER. Mr. Speaker, flying and ranching are unique ways of rehabilitating teenage boys in trouble with their families or the law. But Father Don Murray, the late founder of South Dakota's Sky Ranch School for Boys, found them to be an unbeatable formula.

Since 1960, more than 800 boys from broken homes or the courts have passed through Sky Ranch in the famous Black Hills of northwestern South Dakota. Of those boys, a stunning 90 percent have been successfully rehabilitated, returning to full lives in society.

Under the close supervision of Father Dale Kutil, Father Murray's successor, the boys at Sky Ranch spend their days raising vegetables and chickens, tending cattle, and attending classes in the ranch's fully staffed grade school and trade shop.

The boys are rewarded for special achievement in work, school and their relations with others with the privilege of flying in the Sky Ranch plane. Responsibility on the ranch prepares them for responsibility in society and the inherent rewards.

Working with the soil brings the boys in tune with the rhythms of nature and their own souls, according to the school's founder. Flying above the clouds gives them a unique perspective on the world that led them astray.

Surely the Sky Ranch formula is unusual, but the rehabilitation rate is proof positive that a return to the simple values of hard work and concern for the individual works.

As a member of the House Education Committee and chairman of the Rural Caucus' Education Subcommittee, I was proud to address this year's graduating class at Sky Ranch. I hope that educators and juvenile justice organizations will consider the school as a model for future youth rehabilitation ventures.

Fathers Murray and Kutil and the alcohol industry which has almost singlehandedly supported the school can be proud indeed.

TRIBUTE TO JAMES DURANTE: A VERY SPECIAL CONSTITUENT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. HYDE. Mr. Speaker, I am honored to pay tribute today to one of my constituents, Mr. James (Jimmy) Durante of Wood Dale, Ill.

Mr. Durante has been an active member of the Knights of Columbus for the past 54 years and presently holds the rank of Grand Knight. The Father F. X. Breen Council recently honored him at a testimonial dinner, and I am pleased to share with my colleagues several paragraphs from the Columbian, the official publication of the Knights of Columbus of Chicago and the surrounding Cook County area, concerning the dinner in Mr. Durante's honor:

* * * SK Sheik Pintozzi, never one to let the grass grow under his feet, found the time and effort to personally organize a testimonial dinner for hard working SK James (Jimmy) Durante.

The dinner was held on June 21st at the Ferrara Manor under the tender loving care of B. K. Mario Conti. It was a fantastic, sumptuous dinner and was enjoyed by all. Sheik received pledges from over 125 members but only 75 were able to attend this beautiful affair-all pledges were honored-Sheik-toastmaster for the affair gave his usual entertaining talk and spoke about Jimmy who is a member of F.X. Breen for 54 years. He told the audience how Jimmy is a giant amongst K of C members, well liked and respected by all.

His charitable work in the Mentally Retarded program and the CYO programs are sincere. (I know, I saw him on the street-hustling Tootsie Rolls). His hard work on committees such as the dinner dances, St. Joseph Parties, Picnics, Christmas Parties, Quarterly Communions, Theatre Parties and so many others over the past 50 years is something no one will ever forget.

Msgr. Pellicore, gave his usual short talk praising Jimmy for being a good Catholic gentleman and the many times he stood honor guard at quarterly communions, wakes and other festive occasions. God bless you Sheik Pintozzi, for taking the time and showing the young members that there is still a lot of zip in the old-timers but most of all for letting the old-timers know that sooner or later someone thinks of them in a special way.

Mr. Durante has also been the recipient of the Knights of Columbus Fellowship Award, and he has been a leader for many years in the KC's fund raising programs to benefit children and senior citizens.

From personal knowledge, I can attest to Mr. Durante's willingness to lend a helping hand for any worthwhile cause.

I addition to his many church, community and political activities through the years, Mr. Durante has been a devoted family man.

People like James Durante are not the kinds of people we hear and read about every day. And that is unfortunate because such people are rare. He is a man who possesses three great virtues: faith, hope and charity; a person we should all strive to emulate.

Mr. Durante has my greatest admiration and respect. I know my colleagues in Congress join me in wishing him and his lovely wife, Jo, continued success and great personal fulfillment.

POSTAL PROMISES HARD TO DELIVER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. DERWINSKI. Mr. Speaker, I have been continually pointing out to Members the need to move slowly, carefully, and properly on any new reform of the Postal Service.

The Postal Service is consistently advised to return to the "good old days." That is to political domination of the Post Office Department—which is certainly not the answer.

A practical editorial commentary in the Chicago Sun-Times in their Sunday, July 17, 1977, edition follows:

POSTAL PROMISES HARD TO DELIVER

We poked editorial fun the other day at proposals for a 13-cent "citizen rate" letter, which will require handwritten addresses. Yet deteriorating mail service is no joke. And if the best the U.S. Postal Service can suggest is a two-price plan for first-class mail, what hope is there for improvement?

Many people like the idea of a 13-cent stamp for ordinary letters and 16 cents for business mail. But is that unprecedented step fair? Will it work in practice? And will it really save money, since business will pass on its extra costs to consumers anyway?

When it was formed in 1970, the semi-autonomous Postal Service was told to be businesslike. It hasn't done well. To be sure, Congress never fully freed the service, impos-

ing old Post Office ideas on the new agency—from rural post offices to special services that don't pay their way.

To its credit, the system has cut some 60,000 jobs, mostly through attrition, from its swollen work force, and it may go to five-day deliveries, which is a businesslike move. But its deficits continue. Mail rates have climbed sharply. Mail service has declined.

And while customers turn to United Parcel Service, electronic communications and other delivery systems, the Postal Service has been reluctant to compete. It said no, for example, to a Xerox Corp. offer to install an electronic mail system that might have lured back customers.

Congress should consider restoring mail service as a full government function. Or it might want to push the Postal Service to new business-management techniques and innovative technologies, though a self-financing postal-service isn't needed. What's needed is fast, reliable, reasonable mail delivery.

WORLDWIDE HUMAN RIGHTS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. CRANE. Mr. Speaker, of late, our policy toward human rights is based on a worldwide respect for the rights of individuals and minority groups alike. President Carter has repeatedly reaffirmed his commitments to human rights, although he has encountered some opposition and criticism. Yet, we must discern that this commitment is often disregarded when it comes to positive action in regard to Communist governments. As recently as June 3, 1977, the President asked us to approve most-favored-nation status for Romania despite the continued human rights violations of the government both in the field of emigration, family reunification, freedom of speech and, last but not least, in the field of open discrimination against the national minorities, particularly the 2.5 million Hungarians of Transylvania.

The situation of the Hungarian minority has been amply described by me and my colleagues in past sessions of Congress as it constitutes an almost perennial problem of discrimination in the fields of religion, education, jobs, and housing. Some of it is attributable to the Communist dictatorship and some of it is the pursuance of a chauvinistic policy against the national minorities by the present Communist Romanian Government.

We must not forget, however, the rights of the gallant Hungarian people in Hungary and other Danubian states where significant Hungarian minorities reside. While the tenor of oppression in Hungary compares favorably with that of Romania, very substantial problems remain in the field of human rights. Freedom of religion is still closely limited, despite Janos Kadar's recent visit to the Pope, but state interference is the administration of the Catholic and Protestant churches remains an everyday affair and discrimination against youths active in religion has not ceased. Freedom of speech is limited to remarks against some of the leaders of the regime but not against the Party whose commitment and allegiance to the Soviet Union may not be criticized without the fear of jail and labor camps. Twenty years after the glorious revolution of 1956, the Hungarian people still do not enjoy the rights they so heroically strove for in the days of October 1956.

An almost similar situation exists for the 700,000 Hungarians of southern Slovakia in Czechoslovakia. They are oppressed, together with Czechs and Slovaks, by the regime and the freedoms of speech, religion, assembly, and press are practically unknown to them. In addition, the educational and cultural situation of the minority suffers under constant Slovakization tendencies of the present regime although measures taken are not as obvious as those taken by the Romanian Government.

Few people know that the Soviet Union, itself, harbors about 180,000 Hungarians in the Ukrainian S.S.R. This territory was originally allotted to Czechoslovakia in 1919 in order to prevent a common Soviet-Hungarian border. In 1939, it was returned to Hungary and in 1944, it became Czechoslovak territory for a few months. At that point, the Soviet Union forced the Czechoslovak Government to cede the territory. The 180,000 Hungarians of Subcarpathian Ruthenia, as the area is called, suffer all the indignities of Soviet citizens. They are an insignificant minority, among more than 40 million Ukrainians, and they live in a frontier region which is often off limits to Westerners. They have very limited educational and cultural opportunities and far fewer rights than their brethren in Hungary or Romania.

The only Hungarian minority of the region which enjoys at least cultural rights and relatively good educational opportunities, while remaining curtailed in regard to individual human rights, are the Hungarians of the Voivodina in Yugoslavia. They number about 560,000 but their situation has been deteriorating with regard to religious rights in the past year.

In conclusion, it can be said that the Carter approach to human rights in the Soviet empire remains inadequate, although more courageous than that of previous administrations. If the President is serious about human rights let him concentrate also on the less known but no less real problems of individual and group human rights violations in east central Europe, which would encompass the Hungarians and the Hungarian minorities in four different countries. After all, human rights, like freedom, are indivisible.

The ongoing preparatory meeting in Belgrade for a new conference of the Foreign Ministers of the Cooperation and Security in Europe provides an excellent opportunity for the administration to insist on a full airing of the human rights violations committed since the Helsinki Declaration of 1975 by the Soviet Union, Hungary, Romania, Czechoslovakia, and other Communist governments. Action must be taken now unless our policy becomes a sham which hurts not only the gallant freedom fighters and dissidents in these states but also the oppressed peoples in other lands.

BOB CURRAN REMINDS US OF OUR OBLIGATION TO PRESS FORWARD ON BEHALF OF THE FULL ACCOUNTING OF MIA'S

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. KEMP. Mr. Speaker, I would like once again to bring to the attention of my colleagues the plight of the 742 POW's and MIA's who are still unaccounted for.

The determination of status of our American men still missing in Southeast Asia is one of the most vital and compelling tasks continuing to face our Nation. Families are anxious and frustrated as their agony in compounded by rumors, neither confirmed nor denied. It is vital for the families' emotional and physical well-being to determine the truth about their loved ones. I believe that we owe it not only to the families of the missing men but to all Americans to bring about a speedy and complete resolution to this vitally important problem.

We have just recently celebrated the 201st anniversary of our Nation's independence. Our Forefathers, despite great odds and consequences, fought for freedom in order to guarantee all Americans both liberty and democracy. In this light we must continue to work with the families of the MIA's to put an end to the unrelenting struggle to obtain information on the fate of their loved ones who so bravely served this Nation, and who have yet to know their freedom.

I wish to congratulate Mr. Bob Curran, columnist for the Buffalo Evening News, who has continued to keep this tragic situation in the public eye. The following article depicts the hard work and sacrifices made by one western New York family. Mrs. Susan Czajkowski, a good friend, has dedicated the past several years of her life to this cause and by doing so, she continues to reflect the tremendous sacrifice made by these men and their families for the cause of freedom. American men, such as Lt. Col. Robert Dyzkowski, Susan's brother missing since 1966, must not be forgotten. It is up to the Congress and the President to bring about the complete and expeditious accounting of Americans still missing in action.

Mr. Speaker, at this time, I include for the RECORD and commend to the attention of my colleagues, this July 9, 1977 Buffalo Evening News column by the highly respected journalist Bob Curran concerning Susan Czajkowski and the ongoing tragedy of the POW–MIA's. It is entitled "Some Special People Coming to Call on You, Mr. President."

At a time when the administration is reportedly supporting membership in the U.N. for Vietnam and has even discussed

foreign aid to Vietnam, I believe this letter and this cause becomes even more significant. I still believe that to do so without a full accounting of our MIA's would be turn our backs not only on these men and their families but every man and woman who has ever served our country in military uniform:

To: President Jimmy Carter.
From: Curran's Corner.
Subject: Some bullet-biting friends of mine.

Dear Mr. President: I am writing to you five days after your first Independence Day as our president to tell you about some fine Americans who on the Fourth of July could not mouth the words, "Independence Day."

While others around them talked about the tall ships of the bicentennial and other glorious times, their minds were occupied by reminders of one of the most shameful chapters in our short history. It is a chapter in which they are involved. A chapter whose end they want so desperately to see.

It is the chapter about our men missing in action in Southeast Asia.

There was a time when most Americans were interested in that chapter. Unfortunately, too many of these people came to the conclusion that the end of it had been written during those great days when they saw the returning prisoners being welcomed home.

* * *

Within a week after the last scene unfolded on the television screen, most people discarded the PW-MIA bracelets they had worn as a reminder. They did this because they felt that there was no more they could do—that the living were back and the rest were dead.

Others continued to wear the bracelets because they realized that for the families of the men still missing, the war was still raging. And that for them it would not stop until the hour they learned what had happened to their loved ones.

To most people the missing men are just a statistic. I know that a man of your sensitivity appreciates that behind that cold statistic is a host of human beings, a long line of flesh and blood.

A large part of the long line of flesh and blood will be in Washington Thursday through Sunday. And the hope here is that you will have the opportunity to meet some of them.

I use the word "opportunity" because they are very special people. The sort of people who could march to the White House a few years back and throw roses—each of which bore a missing man's name—over a fence while ignoring those who said they would get more attention from the media if they desecrated the grounds.

* * *

One day a few weeks back I journeyed to Rochester with Susan Czajkowski. Susan's brother and Lee's son, Lt. Col. Robert Dyezkowski, has been missing in Southeast Asia since 1966.

The reason for the trip to Rochester was to attend a state convention of the Army-Navy Union. The members of that organization had invited Susan to attend and this young housewife has never missed the chance to keep the memory of the missing men green.

I've been working with the MIA families for about 8 years now and until the other night in Rochester I thought there were no new jolts in store for me.

Then as I talked to a man from the Army-Navy Union, I happened to glance inside the meeting room where we would have dinner. And all of a sudden I didn't trust myself to speak.

* * *

What I saw inside was a young brave housewife going from table to table leaving MIA buttons and literature at each place setting. She was so alone and yet so determined. At that moment she represented every person who has a loved one missing in Southeast Asia.

Susan and the other MIA people from Western New York and those from all over the country who will be in Washington next week do not ask for much, Mr. President.

They ask only that you give one-tenth of the attention to their men that you have given to the people who, for various reasons, chose not to pay the rent the last time around.

Respectfully,

BOB CURRAN.

NATIONAL FAMILY WEEK—DR. RICHARD HALVERSON'S TRIBUTE TO THE FAMILY AND ITS ROLE IN OUR SOCIETY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. KEMP. Mr. Speaker, I was pleased that the House yesterday passed a bill which I cosponsored to designate the week of Thanksgiving as National Family Week. I cannot think of a more important time for Congress to be reaffirming our support for families and family life. For as the outstanding journalist Michel Novak recently commented:

Clearly the family is the seed bed of economic skills, money habits, attitudes toward work and the arts of financial independence. The family is a stronger agency of educational success than the school. The family is a stronger teacher of the religious imagination than the church. Political and social planning in a wide social order begin with the axiom: "What strengthens the family strengthens society."

Recently, a very revealing story broke in the Washington Post, reporting that the key element in juvenile delinquency was not poverty or deprivation, materialism, or permissiveness—but family background. Those families who emphasized love, teamwork, and a respect for their members, had children whose sense of selfworth supported them even in the face of extreme adversity—whose sense of pride in their families carried them through difficult as well as happy times.

Dr. Richard C. Halverson, Minister of the Fourth Presbyterian Church in Washington, D.C., gave what was to me the very finest sermon I have ever heard on the meaning of the family in modern-day life, in honor of Father's Day last month. I would like to enter it here into the CONGRESSIONAL RECORD, for I feel that it expresses my strong dedication to the continuation of the family unit as the cornerstone of our society, and as the backbone of our Nation and its Judeo-Christian values. Dr. Halverson is truly one of the outstanding Christian leaders in the Nation and speaks eloquently to not only the fathers of America but also to all family members, of all religious persuasions:

HOW A FATHER LEADS

(By Dr. Richard C. Halverson—Fathers' Day Sermon, June 19, 1977)

Four quotations from Michael Novak, writing for the Washington Star, April 4, 1976, are relevant to this Fathers' Day message. They have been used before, but no one has verbalized more effectively the basic indispensability of the family.

"Clearly the family is the seed bed of economic skills, money habits, attitudes toward work and the arts of financial independence. The family is a stronger agency of educational success than the school. The family is a stronger teacher of the religious imagination than the church. Political and social planning in a wide social order begin with the axiom: 'What strengthens the family strengthens society.' . . ."

"The role of a father, a mother and of children with respect to them, is the absolutely critical center of the social force . . . it is family strength that most defends individuals against alienation, lassitude or despair. . . . One unforgettable law has been learned painfully through all the oppressions, disasters and injustices of the last thousand years: if things go well with the family, life is worth living; when the family falters, life falls apart."

". . . Every avenue of research today leads to the family. Do we study educational achievement? nutrition? the development of stable and creative personalities? resistance to delinquency and violence? favorable economic attitudes and skills? sex role identification? relations to authority and to dissent? Family life is fundamental."

Finally, ". . . Apart from millions of decisions by couples of realistic love to bring forth children they will nourish, teach and launch against the void, the human race has no future—no wisdom, no advance, no community, no grace.

"Only the emptiness of solitary space, the dance of death.

"It is the destiny of flesh and blood to be familial."

We have learned in this series that God is a God of order. He created an orderly universe. There is physical order, there is moral order, there is spiritual order, there is social order; and when God's order is violated, destructive forces are discharged and set in motion. You cannot violate God's order physically, morally, spiritually, or socially without triggering destructive forces. You can't jump from a building and say, for example, "I don't believe in the law of gravity; it doesn't make any difference to me; I don't believe it." You can't go against the Ten Commandments the moral law of God, without being destroyed ultimately—individually and corporately. And when we violate the social order, destruction of society is inevitable.

Now God began the social order with marriage—a husband and wife and children. Marriage is, therefore, the ground and core of all social order. Marriage, family, a father and mother and children are at the heart of all social order—and if the core or the heart breaks down, the social order simply cannot survive. And I believe that this is precisely what we're seeing. You can't legislate order when the family breaks down. You can't get order politically when the family breaks down. It just gets worse and worse and worse, until the social order, or the civilization itself or the culture itself, comes to its own destruction.

Not only so, but it is clear in the Bible that marriage is the supreme human analogy to the relationship between Christ and His church. Consider Ephesians 5, verses 30, 31, and 32. Here Paul is setting forth the relationships in the order of God between husbands and wives. Start at verse 29: "No man

ever yet hated his own flesh, but nourisheth and cherisheth it, even as the Lord the church." And by the way, I believe the implications of that statement are significant.

A great deal of the breakdown in a husband's life, in a father's life, is due to his failure to obey this order of God concerning his wife. He will probably not attribute the negative things that are happening to him, the breakdown in his own life, to this; but the fact is when he violates God's order in his relationship with his wife, it affects his own flesh—he cannot escape it. Paul goes on, "he that loveth his wife loveth himself, even as the Lord the church." You see how closely together these are in Paul's mind as he writes. Verse 30: "for we are members of His body, of [Christ's] flesh, and of [Christ's] bones"; following which he quotes from Genesis 2:24—"for this cause shall a man leave his father and mother and shall be joined unto his wife and they two shall be one flesh." Incidentally, it is assumed always in marriage that a wife leaves her parents for the husband, so it is the husband that needs the command to leave his parents.

In other words, it works both ways—both husband and wife leave their parents to become one flesh. Then he says in verse 32, "This is a great mystery." What is a great mystery? What he's talking about in Genesis 2:24—a man leaves his family and is joined to his wife and they two become one flesh. This is a great mystery, this institution of mariage. ". . . but I speak concerning Christ and the church." You see that in the mind of God and in the mind of Paul, the family relationship and the church are somehow inseparable. This passage describes marriage as God ordered it. And because this is Fathers' Day, I'm going to ignore those things which have to do with the wife, and speak only to the fathers, the husbands.

The interesting thing to me is—and I've been in the ministry forty years—with all the messages I've heard on Ephesians chapter 5—the emphasis again and again and again has been "wives, be subject to your husbands as the church is subject to Christ." Maybe that is one reason why we need female preachers—because it is the male preachers that are presenting this lop-sided view. Well, we are going to change the focus this morning.

The first thing that's very clear and explicit and you can't argue out of it because it is precise and explicit, is a verse 25: "The husband is the head of the wife even as Christ is the head of the church"—but notice what else it says: "the husband is the saviour of the body." "The husband is the saviour of the body"! Where does the responsibility for saving a marriage rest? Precisely—the husband is the head of the wife; the husband is the saviour of the body. Now that's the way God made it, whether we like it or not. That's the social order.

In verse 21 Paul lays down a basic principle for all relationships and he develops the application of this principle in the relationship between wives and husbands, and in Ephesians 6, verses 1 through 4, between parents and children, and in the next two verses between an employer and an employee. In principle he covers all social relationships; he covers the whole social order in these verses by saying, "Submitting yourselves one to another out of reverence for Christ." The word "submit" means to put oneself under another—it suggests servanthood. Jesus said that in the kingdom we must be everybody's servant—husbands, wives, children—fathers, mothers. My children are not only to submit to me, I am to submit to my children. The employee is to be in submission to the employer, but the employer has the same accountability to the employee. This is the basis of all human relationships, submitting one to another. Relationships break down when we refuse to obey this command.

But we are talking to fathers today, and the record is, "Fathers, submit . . . to your wife, to your children." That's what Paul is saying—the husband is required to submit to his wife as much as she is required to submit to him. Submission is fundamental.

The question then is how is the husband and father, the head of the household, how is he the saviour of the body? The answer is love, verse 25. "Husbands, love your wives." How? How should we love our wives? "Even as Christ loved the church and gave Himself for it, that He might sanctify and cleanse it with the washing of water by the word, That he might present it to Himself a glorious church, not having spot, or wrinkle or any such thing; but that it should be holy and without blemish." Christ's love for His church is the model of the husband's submission to his wife, as well as to his children. Incidentally, the model for the wife's submission is the church, a very human, very faulty model; but the model for the husband's submission to his wife is the perfect submission of Christ's submission to the Cross. Christ is the model for the husband to follow, and his love is to be selfless and sacrificial.

Three things are true about that love: First, love is defined in I Corinthians 13. This is the way a husband is the head of a house, this is the way a husband leads, this is the way a husband rules, this is the way a husband expresses his headship in verses 4, 5, 6 and 7 of I Corinthians 13. Instead of the word charity in our King James Bible, I'll substitute the word love. "Love suffereth long, and is kind; love envieth not; love vaunteth not itself, is not puffed up, Doth not behave itself unseemly, seeketh not her own, is not easily provoked, thinketh no evil; Rejoiceth not in iniquity, but rejoiceth in the truth; Beareth all things, believeth all things, hopeth all things, endureth all things. Love never fails." This is the way I am to love my wife.

Look at the end of Romans chapter 8. Paul asks the question in verse 35 (now remember, fathers, husbands, this is a description of your relationship to your wife and to your children in your submission to them), "who shall separate us from the love of Christ? shall tribulation, or distress, or persecution, or famine, or nakedness, or peril, or sword?" Verse 37 answers: "Nay, in all these things (notice in them now—in tribulation, in distress, in persecution, in famine, in nakedness, in peril, sword—in all these things, husbands, if we are obedient to Christ) we are more than conquerors." Verse 38: "For I am persuaded that neither death, nor life, nor angels, nor principalities, nor powers, nor things present, nor things to come, Nor height, nor depth, nor any other creature, shall be able to separate us from the love of God, which is in Christ Jesus our Lord." Let me paraphrase that in the light of Ephesians 5: "I am persuaded that neither death, nor life, nor angels, nor principalities, nor powers, nor things present, nor things to come, nor height, nor depth, nor any other creature, shall be able to separate a husband from his wife."

The love of God, the love of Christ, is unconditional love, and I'm to love my wife that way—unconditionally. That is God's order. If I don't, the whole social order begins to break down. If the husband and the father violates God's order, the family, the neighborhood, the larger community, the city, the county, the state, the nation, the world, the social order breaks down. There's a destructive process at work that cannot be stopped. God began with a father and a mother.

One other simple passage that is a clear answer. How does a father lead, how does a father rule, how does a father save the body, how does a father express his headship? Listen to this from II Corinthians 5, verse 14. Paul writes, "For the love of Christ constrains us." The whole mission of the church, the whole life of the church, constrained by the love of Christ. The father controls by love, the husband controls by love. It is the love of the husband and father that saves the body. Note, please, that this is not optional—it is a command: "Husbands, love your wives as Jesus Christ loved His church." That is a command to be obeyed.

How do I obey? Well, we were talking this morning in the little meeting with the brothers upstairs about love. I didn't start the conversation—it had started before I arrived—but it was interesting to see that when they talked about love they talked about emotional things. Now you can't obey a command with emotion. You obey a command, even if emotionally you don't want to. You obey a command or an order even if, emotionally, you don't feel like it. You obey with your will. That's discipline—obedience.

So this is the message for Fathers' Day. This is God's order—and I urge husbands and fathers in the closing moments of this service to decide that you're going to obey. Many of you already do, of course. Some do not. But quit blaming circumstances, wife, children, for the breakdown in your marriage if there is one. You have the responsibility to save the body. And you do so by loving as Christ loved His church—and gave Himself for it. Let us pray.

Father in Heaven, help us to hear, understand, receive, and obey the truth, for Jesus' sake. Amen.

OBSERVATIONS ON SALARIES

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. ABDNOR. Mr. Speaker, the July 1977 edition of the Uniformed Services Journal, a publication of the National Association for Uniformed Services made some very pertinent observations in their editorial column. The subject was age, background, experience, and responsibilities and their comparative worth in prominent walks of life. I commend it to the attention of my colleagues:

SOME OBSERVATIONS ON WHITE HOUSE EMPLOYEES AND THEIR COMPARATIVE WORTH

President Carter's frequently voiced concern about military personnel costs, particularly retirement costs and dual compensation of the military retiree in the Civil Service, does not appear to be matched by concern about personnel costs in his own staff. In spite of campaign promises to reduce the White House staff and return responsibilities to the Cabinet Departments, his staff is now larger than President Ford's by some 80 individuals. He now employs 590 people. Because of the prestige of White House assignments, nearly all of these employees enjoy higher-than-average government pay levels for their particular skills.

Few critics of government pay scales complain about the pay of top level government officials. At a time when $1 million or more a year is not unusual pay for corporation presidents, prize fighters and rock musicians, $67,000 is modest indeed for Cabinet officers and top-level Presidential assistants.

Neither is $57,500 a source of great wealth for the next level of Presidential appointees. Serious inequities appear from there down, however, if any weight is given to comparative responsibilities, qualifications and length of service of career uniformed personnel.

Comparison of military pay with civilian pay is inexact at best. The Congress and the

Department of Defense have devised a formula for converting basic pay, quarters and subsistence allowances, and tax advantages into a figure for each grade called Regular Military Compensation (RMC). This formula is used in most military studies, and it does give a reasonably valid basis for comparisons. The RMC figures from the Third Quadrennial Review of Military Compensation (Jan. 1977) are used for the military in the following comparisons.

Members of the Joint Chiefs of Staff:

Ages 54 to 59.

Experience: 34 to 36 years of command and staff duties in the most competitive, demanding and dangerous profession in the modern world. In a lifetime of ever-increasing responsibilities, each has risen to the top by a process that repeatedly selected him from peer groups numbering in the thousands. Each has been tested in battle.

Responsibilities: Direction of the globally-deployed armed forces of the United States and their reserve forces, administration of an annual budget of $123 billion, and the military defense of the United States and much of the free world.

Pay (RMC): $62,106/yr.

White House "Chief of Staff" Hamilton Jordan:

Age: 32

Experience: International Volunteer Services in Vietnam, Governor Carter's Campaign Manager and Executive Secretary, Democratic National Committee, President Carter's Campaign Manager.

Responsibilities: Trouble-shooter for the President and the nearest approximation of a Chief of Staff in the White House.

Pay: $56,000/yr.

White House Deputy Press Secretary Rex Granum:

Age: 27

Experience: Three years as a newspaper reporter and one year managing press affairs for the Carter campaign and the Carter-Mondale transition.

Responsibilities: Assist in advising the President on press affairs and participate in the care and feeding of White House press corps.

Pay: $48,500/yr.

Commanding General, 2d Marine Div., Maj Gen Kenneth McLennan:

Age: 52

Experience: Thirty-four years of command and staff duties in a Service that has few easy jobs.

Responsibilities: Command, training and administration of a 18,000-man fighting force with the obligation of keeping it and its hundreds of millions of dollars worth of supplies and equipment ready to move anywhere in the world on a few hours notice and land ready to fight.

Pay (RMC): $46,090/yr.

White House Staff Secretary Richard G. Hutcheson, III:

Age: 26

Experience: Three years on the Democratic National Committee Staff.

Responsibilities: Supervision of White House paper flow.

Pay: $42,500/yr.

Commander of the Aircraft Carrier Forrestal, CAPT Joseph S. Barth, Jr.:

Age: 46

Experience: Twenty-one years of command and staff duties as a line officer of the U.S. Navy.

Responsibilities: The all-encompassing burden of the Captain of a ship that is one of the largest and most expensive combat vessels in the world. Its crew numbers more than 3,000, and with its aircraft aboard, the Captain is responsible for 4,500 highly trained men and $2.5 billion of the United States property.

Pay (RMC): $33,024/yr.

Senior Drill Sergeant, Sergeant First Class Derek A. Barlow:

Age: 37

Experience: 19 years as a combat engineer, developing his technical skills and natural leadership. He served twice in Vietnam, volunteering to return the second time after evacuation for wounds.

Responsibilities: Training hundreds of young Americans each year to become effective soldiers—making the All Volunteer Force Concept work.

Pay (RMC): $18,605

Some further comparisons

White House			Military		
Name and job	Age	Pay	Rank	Age	Pay(RMC)
Tim Kraft, appointments secretary	36	$51,000	Col	45	$33,024
Richard Harden, accountant	32	51,000	Lt Col	39	26,359
Greg Schneiders, special projects	30	48,500	Maj.	34	21,394
Bob Russell, Congressional Liaison	31	42,500	Capt.	27	18,011
Elizabeth Rainwater, Deputy Assistant for Research	30	42,500	1st Lt	25	13,538
Barry Jagoda, Media Advisor	33	42,000	MSgt.	40	23,729
Sara Emery, secretary-steno	33	20,000	Sgt.	37	18,605

NAUS does not object to the basic concept of higher than average government pay for elected and appointed government officials. The best ones are worth far more than they are paid, and a large number of appointed officials take substantial income losses to serve the President. Neither do we criticize the President for surrounding himself with trusted and loyal subordinates who have already proved their worth to him. He really has too few appointive positions at his disposal throughout the Executive agencies.

Our objection is to the establishment of any government job of modest importance and responsibility at pay and protocol levels far above its true worth in relation to other government positions. This objection is compounded for appointees to such positions who are so very youthful and inexperienced that only the magic of Presidential favor could have placed them in government career supergrade levels.

The members of the uniformed services who work for financial rewards are few indeed. Their greatest job satisfaction comes from service in a cause vital to their country's security, pride in accomplishment, and recognition of the importance of their services. Pay and acknowledgement of status are the measures of that recognition by the President and the Congress.

Therefore, NAUS hopes that the President will take note of the above pay comparisons in weighing military compensation. We also hope he will note that the current average total pay of the military retirees working in the Federal Civil Service—the "double dippers" who (he has repeatedly said) were overpaid—is $34,000/yr. for officers and $19,500/yr. for enlisted. These figures include both their retired and Civil Service pays. Surely, the President does not really believe that his 27-year old Deputy Press Secretary is worth $2400/yr. more than the Commander of the 2d Marine Division or that his 26-year old Staff Secretary is worth $9,000/yr. more than the Commander of the USS *Forrestal*. By this same comparison, the pays of the young and inexperienced staffers and several of their associates make the pays of most of the 141,000 military retirees in Civil Service look small indeed. Yet, every one of the latter has had almost as many years of adult experience in demanding and dangerous work as these young men and women have had on this earth.

NAUS recognizes the wisdom of a policy of rapid promotion and lateral injection of bright, young people in any organization. Promotion on longevity alone can only result in hardening of bureaucratic arteries. But the transfusion of new blood to higher levels can be destructive if it not based on merit demonstrated long enough inside or outside the organization for some measure of comparison with the other members. The fundamental requirement is that not only the boss recognize that the individual is exceptional, but also that the majority of the organization's members agree.

ENGLISH AMENDMENT TO H.R. 7171

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. PRESSLER. Mr. Speaker, today we begin debate on the farm bill. I implore my colleagues to carefully study the English amendment of which I am a cosponsor. The family farmer or rancher is the most efficient unit of production. Consumers will benefit from a strong farm bill. If we can preserve family farms and small towns, much unemployment and congestion in larger cities can be avoided.

I strongly support the English amendment to increase the target price for the 1977 wheat crop to $2.90 a bushel.

Wheat is the largest cash crop in my home State, South Dakota. The United States went into this crop year with a huge wheat carryover. South Dakota alone went into the 1977 crop year with 26 million bushels of wheat in storage. A year ago, my State had an 18.5 million bushel carryover.

No doubt many of my farm State colleagues can point to similar excess carryovers, however, the irony of the South Dakota situation is that so much wheat is in storage despite the drought conditions which prevailed in my State last year. Indeed, many South Dakota wheat farmers have had 3 drought-stricken years in a row.

Last year the rest of the country had a record wheat harvest, while South Dakota had a miserable harvest. We have had some rain this year, and the small grain harvest looks pretty good for the majority of South Dakota wheat growers.

However, there can be little joy over a good harvest this year. A fair crop year in South Dakota in 1977 will not get a fair return on the market. I support the English amendment, not only to keep South Dakota wheat farmers' heads above water this year, but to benefit American consumers.

A $2.90 support price is not the actual cost a farmer incurs in growing a bushel of wheat—which averages approximately 4.16 a bushel—but it will help our farmers and consumers more than the committee bill. I can assure my colleagues

from urban areas that many farmers in my State cannot afford to farm if the wheat target for this crop year is inadequate. This is particularly true for young farmers who have yet to have a good year. These young farmers are the ones who will be providing food for our country over the next 40–50 years. If the Congress does not help our young producers now, the consumer will certainly pay the price in higher food bills later, because our young people are not going to go into farming or will be wiped out by 5 to 7 years of bad conditions.

It is in the interest of both the food producers and food consumers that the English amendment gain approval.

THE BALANCE(S) OF POWER

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. BRECKINRIDGE. Mr. Speaker, I interrupt this schedule of my Balance(s) of Power series, which I have been running in the CONGRESSIONAL RECORD since April of last year, to incorporate the following article appearing in the July 18 issue of Aviation Week & Space Technology.

The particular attention of CONGRESSIONAL RECORD readers is directed to so much of paragraph 2 as reads:

This * * * Library of Congress report to the Senate Armed Services Committee is currently being suppressed by certain committee staff members because they believe it paints too bleak a picture of U.S.–U.S.S.R. comparative pictures.

Mr. Speaker, I have been trying unsuccessfully for months to obtain permission to make this document—bought and paid for by public funds of a congressional agency—the Congressional Research Service—public and available to the Congress, the administration and the American people.

The article follows:

PRACTICAL POWER USE URGED ON PLANNERS

(By Herbert J. Coleman)

WASHINGTON.—U.S. strategic and tactical warfare decision makers, faced with growing Soviet might in quantity and quality of defense equipment, should concentrate on defining the U.S. uses of practical power to counter the threat from USSR forces in the Warsaw Pact and at sea.

This is a conclusion of a Library of Congress report to the Senate Armed Services Committee, currently being suppressed by certain committee staff members because they believe it paints too bleak a picture of the U.S.–USSR comparative postures (AW& ST July 11, p. 11).

The report, prepared by John M. Collins of the Congressional Research Staff, compares the growing Soviet threat with U.S. positions and trends, and concludes:

"Procuring unnecessary or unusable assets simply for the sake of achieving apparent parity (a strong argument supporting some U.S systems) seems a poor way to influence perceptions among enemies, allies or uncommitted countries. Practical power would pay greater dividends."

The Collins report is being held back by some Senate staff members who are promoting PRM–10, a presidential review memorandum, which takes a more optimistic view of the balance between U.S. and Soviet capabilities.

The Collins report makes these points:

Quantitative changes in U.S. and Soviet armed forces since 1970 favor the Soviet Union, with scattered exceptions.

U.S. qualitative leads, less pronounced than in the past, cannot completely compensate for these changes.

Essential equivalence with the Soviets across the conflict spectrum is neither necessary nor desirable. Opposing capabilities would be quite different in many cases if U.S. and USSR forces were identical in size and structure, because circumstances and strategies are dissimilar.

Possible Soviet preemptive use of intercontinental ballistic missiles or anti-ship cruise missiles, for example, would pose counterforce perils far out of proportion to reciprocal U.S. actions constrained by second strike concepts.

The report stressed that current trends curtail U.S. freedom of action and now impinge increasingly on U.S. abilities to deter attacks against the U.S., to defend the country if deterrence fails and to safeguard allies whose security is linked closely.

The concept of Mutual Assured Destruction as a means of deterrence for both nations is less mutual than it was in 1970, the starting year for the comparison study, and U.S. conventional capabilities also have faded in comparison with those of the Soviet Union, Collins found.

"U.S. land, sea and air forces alike consequently would be hard pressed to support North Atlantic Treaty Organization plans at existing levels and cope concurrently with large-scale contingencies, including those caused or sustained by the Kremlin," the report continued.

The report warned that clashes between Congress and the Executive Branch over expensive programs, each considered essentially in isolation and each with a life of its own, focus on forces and funds, adding "interrelationships with enemy systems and each other commonly get short shrift, except for matching counts with Moscow." It continued:

"Problems will prevail as long as U.S. decision makers bank on bigger budgets to cure defense ills, without reference to better strategy. More money will ensure substantial improvements only if connected with force sufficiency factors that match meaningful U.S. ends with measured means in ways that minimize risks and reinforce weak spots."

STRATEGIC DEFENSIVE MISSILE SYSTEMS

	1970	1971	1972	1973	1974	1975	1976
ABM LAUNCHERS							
United States	0	0	0	0	0	100	0
Soviet Union	64	64	64	64	64	64	64
U.S. standing	−64	−64	−64	−64	−64	+36	−64
SAM LAUNCHERS							
United States:							
Active Hawk launchers [1]	(288)	(288)	(288)	(288)	(288)	(288)	(288)
Hawk missiles	864	864	864	864	864	864	864
Nike Hercules [2]	792	504	504	504	126	126	126
Bomarc	196	196	84	0	0	0	0
Total	1,852	1,564	1,452	1,368	990	990	990
National Guard Nike Hercules	684	486	486	486	0	0	0
Grand total	2,536	2,050	1,938	1,854	990	990	990
Soviet Union:							
SA–1	3,200	3,200	3,200	3,200	3,200	3,200	3,200
SA–2	4,600	4,500	4,300	4,100	3,700	3,500	3,400
Launchers							
SA–3 [1]	(900)	(1,000)	(1,100)	(1,100)	(1,150)	(1,200)	(1,300)
Rails	1,800	2,000	2,200	2,600	3,100	3,500	3,700
SA–5	1,100	1,200	1,300	1,400	1,500	1,600	1,800
Total	10,700	10,900	11,000	11,300	11,500	11,800	12,100
U.S. standing	−8,164	−8,850	−9,062	−9,446	−10,510	−10,810	−11,110

STRATEGIC NUCLEAR BOMBERS

AIRCRAFT							
Heavy bombers:							
United States: B–52	465	435	397	397	372	330	330
Soviet Union:							
TU–95 Bear	100	100	100	100	100	100	100
M–4 Bison	40	40	40	40	40	35	35
Total	140	140	140	140	140	135	135
U.S. standing	+325	+295	+257	+257	+232	+195	+195

STRATEGIC NUCLEAR BOMBERS—Continued

	1970	1971	1972	1973	1974	1975	1976
Modern medium bombers:							
United States: FB-111	4	66	66	66	66	66	66
Soviet Union: Backfire	0	0	0	0	0	25	60
U.S. standing	+4	+66	+66	+66	+66	+41	+6
Grand total:							
United States	469	501	463	463	438	396	396
Soviet Union	140	140	140	140	140	160	195
U.S. standing	+329	+361	+323	+323	+298	+236	+201
Nuclear weapons:							
United States	2,226	1,762	1,842	1,206	1,426	1,658	2,058
Soviet Union	140	140	140	140	140	185	255
U.S. standing	+2,086	+1,622	+1,702	+1,066	+1,286	+1,473	+1,803

LAND-ORIENTED TACTICAL AIR FORCES

FIGHTER/BOMBERS							
United States:							
Air Force:							
A-7	4	80	144	144	253	224	210
F-4	968	971	933	965	1,056	1,055	1,091
F-100	282	209	9	0	0	0	0
F-105	145	104	66	31	55	38	37
F-111	26	158	211	283	311	333	312
Total	1,425	1,522	1,363	1,423	1,675	1,650	1,650
Marine:							
A-4	94	101	67	89	85	65	76
A-6	76	47	45	49	49	56	57
AV-8	0	6	13	32	59	53	53
F-4	184	154	144	130	128	130	132
Total	354	308	269	300	321	304	318
Grand total	1,779	1,830	1,632	1,723	1,996	1,899	1,968
Soviet Union:							
Bombers:							
Backfire	0	0	0	0	0	25	60
Tu-16	500	500	500	500	500	475	450
Tu-22	175	200	200	200	200	170	170
Total	675	700	700	700	700	670	680
Fighters:							
Mig-17	800	800	800	900	900	900	600
Mig-19	100	200	100	50	0	0	0
Mig-21	1,400	1,500	1,600	1,700	1,500	1,600	1,700
Mig-23	0	0	100	200	300	300	500
Su-7	500	500	500	500	400	400	400
Su-17	0	0	50	100	100	100	100
Su-19	0	0	0	0	0	0	50
Yak-28	50	50	100	200	50	0	0
Total	2,850	3,050	3,250	3,650	3,250	3,300	3,350
Grand total	3,525	3,750	3,950	4,350	3,950	3,970	4,030
U.S. standing	−1,746	−1,920	−2,318	−2,627	−1,954	−2,016	−2,062

All Hawk launchers have 3 arms. SA-3's originally had 2 rails, but some were deployed with 4 rails, beginning in 1973. Each arm/rail holds 1 missile.

[2] 54 Nike-Hercules launchers now are in Alaska. All other U.S. SAM's are in Florida, on call, but out of position to deal with surprise attacks.

Note: Bomber force loads vary according to assigned missions. U.S. weapons figures were derived by subtracting ICBM/SLBM warheads from total loads published in Defense Department posture statements for fiscal 1971-77. Soviet figures reflect 1 large bomb or ASM per Bear/Bison, and 2 ASM's per Backfire. No reserve weapons are counted on either side.

Report highlights include:

Better bombers, combined with more and bigger ballistic missiles, multiple independently targetable reentry vehicles (MIRVs) and maneuverable reentry vehicles (MARVs) will improve U.S. counterforce capabilities very little because of the U.S. second strike strategy.

Soviet capabilities will increasingly endanger U.S. intercontinental ballistic missiles as long as U.S. missiles constitute undefended point targets in silos.

Matching the Soviet submarine-launched ballistic missile buildup would serve little purpose, since essential U.S. missions depend on survivable systems, not more submarines, missiles or warheads.

The Soviet Backfire bomber buildup has a direct bearing on U.S. air defense needs, but is unrelated to requirements for the USAF/Rockwell International B-1 bomber (a comment made before B-1 production was halted by President Jimmy Carter).

U.S. technological supremacy shows signs of perishability that results more from policies than potential.

The report contended that the Soviet forces already field new systems based on technology well known in the West, but slightly exploited. These include ICBMs with cold launch capabilities, mobile air defense, satellite intercept and surveillance craft, armed vehicles and ships from chemical and biological warfare, rapid-fire rocket launchers, antiship cruise missiles and "fire-control systems unmatched either in [the U.S.] or among other NATO members."

Soviet developments that can bear strongly on the future balance, if breakthroughs occur, include controlled thermonuclear fusion for limitless power supplies. Wing-in-ground-effect aircraft are being developed as skimmers in antisubmarine warfare units.

In contrast, U.S. funds for abstract research are being curtailed drastically or canceled, the report said. It continued:

"One-way-street technological transfers to Soviet competitors create sharp anxiety among some U.S. authorities. . . . Nevertheless, the United States still holds unsurpassed abilities to compete technologically and could consistently create superior products, if policies and priorities changed."

In referring to the influence of 5,000-naut. mi. range supersonic Backfire bombers, the report claimed that Backfires have some bearing on U.S. needs for improved air defense—they could strike some U.S. cities without refueling and land in Cuba—but their value to the Soviet inventory is unrelated to offensive force requirements. The main use is in threatening sea lanes and NATO.

"Backfire squadrons, which currently contribute less to Soviet strategic nuclear capabilities than forward-based fighters add to ours [the U.S.], could double in number or disappear without diluting any advantages that accrue from Strategic Air Command's aircraft," the report said. "Manned bombers may indeed be a legitimate leg of the U.S. triad, but maintaining superiority, essential equivalence, or any other military balance with Backfire would serve some cosmetic or symbolic purpose, nothing more."

The U.S. has maintained a higher reliance on airpower than has the Soviet Union, largely geared to its ICBM and SLBM forces

for offensive power, the report said, noting that ballistic missiles on both sides essentially are unopposed because neither country has erected an extensive antiballistic missile shield.

The SALT 1 treaty and protocol limit scientists on both sides to ABM studies and restrict developments and deployments but not basic research, and the report said "the stakes are high, because a breakthrough by either side could suddenly shift the strategic balance."

Collins said it became apparent, in conversations between himself and officials of the Defense Intelligence Agency, that "there is no consensus in the U.S. intelligence community concerning Soviet progress [in ABMs], but their purpose appears unswerving."

The U.S. also has all but abandoned point defense of U.S. cities to rely on General Dynamics F-106 fighters as the first line of defense to the degree that U.S. defenders now have a watered-down mission for limited day-to-day control of U.S. airspace, according to the report. It continued:

AIR DEFENSES

"The Soviet Union, in stark contrast, has amassed the world's most impressive array of air defenses, which currently includes 2,700 interceptor aircraft and 12,000 surface-air missiles. Numerical strengths are slightly smaller than they were in 1970, but sheer mass serves a useful purpose even though half the inventory consists of items outmoded according to U.S. standards.

"U.S. bombers fighting their way to targets, therefore, would face serious competition that cuts penetration prospects considerably."

The report also stressed that effective solutions to Soviet antiship cruise missiles now transcend all other requirements of the U.S. surface Navy.

WARHEAD WEIGHT

The weight of some warheads in the Soviet antiship missile inventory exceed a ton, and Soviet strategy according to the report seems designed for the purpose of seizing and securing initiative with a single killing salvo.

Soviet submarine-launched cruise missiles now have operational ranges from 25 to 250 naut. mi. and supplement new Soviet advances in homing, acoustic and wire-guided torpedoes, according to the Collins study.

TECHNOLOGICAL BALANCE U.S. VS. USSR

U.S. Clearly Superior

GENERAL: "black box" electronics; computers; integrated circuits; microtechnology; night vision; small turbofan engines; space technology; submarine noise suppressants; target acquisition; and terrain-following radar.

SPECIFIC: aircraft; air-to-air missiles; artillery ammunition; ECM, ECCM; look-down shoot-down systems; precision-guided munitions; remotely piloted vehicles; strategic cruise missiles, and survivable submarines.

Soviets Closing Gap

GENERAL: aerodynamics; composite materials; and inertial instrumentation.

SPECIFIC: MIRVs; missile accuracy; satellite sensors, and tactical nuclear systems.

Soviet Union Clearly Superior

GENERAL: cast components; commonality of components; ease of maintenance; high pressure physics; magneto-hydrodynamic power; rockets and ramjets; simple systems for common use; titanium fabrication, and welding.

SPECIFIC: air defense missiles; antiship missiles; armored fighting vehicles; artillery/rocket launchers; chemical/biological warfare; cold weather equipment; gas turbines for ships; ICBM payloads, yields; mobile ballistic missiles; ship size vs. firepower, and tactical bridging.

Status Uncertain

GENERAL: acoustics; adaptive optics; high explosive chemistry; inductive storage and switching systems for pulsed power control, and reduced drag for submarines.

SPECIFIC: antiballistic missiles; antisubmarine warfare; high energy lasers, and satellite-borne radars.

PRESIDENT NYERERE OF TANZANIA

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. HAGEDORN. Mr. Speaker, Tanzanian President Julius Nyerere has achieved enviable respect among many elements of Western leadership. He is endlessly extolled as a prime example of responsible African statesmanship. U.N. Ambassador Young refers to him as "my mentor," and the World Bank seems to fall all over itself to "loan" him what he wants. Just for the sake of a little perspective, however, I would like to call to the attention of my colleagues a recent column by Evans and Novak. I believe that they make clear that with friends like Nyerere, the United States has little need for enemies on the African Continent:

THE UNITED STATES-SOVIET CONTEST FOR "PROGRESSIVE" AFRICA

(By Rowland Evans and Robert Novak)

DAR ES SALAAM, TANZANIA.—The hazards invited by the Carter administration's attempts to compete with Moscow for the affection of Africa's "progressive" nations became clear in the reaction of Julius Nyerere's Tanzania to Washington's new policy. President Nyerere's position can be authoritatively described as follows: President Carter's tough stand against white-ruled Rhodesia and South Africa "is a far cry from the Kissinger policy" and warmly appreciated. But U.S. "non-lethal" aid to Zaire during last spring's Communist-backed invasion was a "hangover" from the bad old days, greatly to be deplored. Furthermore, it is noted that the "armed struggle" against Rhodesia is still paid for by Moscow, not Washington.

The message is chilling but clear. To achieve the Soviet Union's status in "progressive" Africa, the United States must abandon its "conservative" friends—particularly President Mobuto of Zaire—and support a military assault on white-ruled southern Africa. In short, Nyerere wants Washington to duplicate the Kremlin's policy, which was specifically tailored for maximum Soviet influence on the continent.

This does not mean Nyerere is a Soviet agent but it does reflect basic incompatibility between U.S. interests in Africa and the "progressive" bloc. Whereas Nyerere is referred to by Ambassador Andrew Young as "my mentor" and is the favorite of touring congressional liberals, his rigid policies, both internal and external, run much closer to traditional Soviet than American models.

This hard reality is partly obscured because Nyerere, who earned his master's degree at Edinburgh, can test the intellectual mettle of even Henry Kissinger. U.S. officials enjoy the challenge of dealing with Nyerere and are reassured when he passes slighting remarks, fairly common among leftist African leaders, about the Russians.

But Nyerere's record speaks louder than words. He supported the Soviet-backed Cuban intervention in Angola from the start. He intervened with Tanzanian troops when Mozambique's Marxist government was threatened by armed resistance. He was blatantly sympathetic to armed rebellion—traced to Angolan, Cuban and Soviet sources—against Zaire.

As the most prestigious of the "front-line" presidents, Nyerere has grown closer to the Soviet Union as principal supplier and financier of guerrilla warfare against white Rhodesia, no matter what he might say about the Russians in private. His government perceives no ulterior Kremlin motive in its bountiful financing of the Rhodesian war. "The Soviets would just like to have a government in Zimbabwe [Rhodesia] that does not hate them," Sammie Mdee, an intimate Nyerere adviser, told us.

The government-owned Daily News recently called for a Zimbabwe government that is not merely black but also Socialist and revolutionary—a view, we were assured by high-level sources, that reflects Nyerere's own. Thus, the Tanzanian government is neither interested in preserving Rhodesia's highly developed private-enterprise economy nor worried about Soviet influence in Zimbabwe. That fits this reality: Julius Nyerere may be one of Africa's most respected leaders, but there is no more doctrinaire Socialist on the continent. His regime looks with contempt across the border into Kenya, where an open door to private investment and tourism produces a buoyant economy in sharp contrast to Tanzania's prolonged stagnation (alleviated recently by high coffee prices).

Kenya, Zaire and, most of all, the United States are viewed here as exploiters of the common man. Indeed, the Americans are seen as ideological adversaries. If there is a model to which Tanzanian socialism aspires, it is the faceless, dehumanized communism of China.

Western political models are no more popular here than are Western economic models. Nyerere runs a typically African one-man, one-party show, but 3,000 political prisoners (exceeding South Africa's total) in a country with no overt insurgency is excessive even by African standards.

Such repression, sluggish economic development and the physical deterioration of Dar Es Salaam are supposed to be compensated for by egalitarianism and freedom from the high-level corruption permeating Kenya and Zaire. But diplomats, businessmen and ordinary Tanzanians told us of petty corruption at middle and lower levels that impedes commerce and torments the average citizen.

There are then elements of hypocrisy when the new moralism in Washington, assailing repression in South Africa and complaining about corruption in Zaire, finds no quarrel with Tanzania. An answer is that the political and economic unpleasantness here is nobody's business but the Tanzanians', and the Carter administration should be commended for restraint in its moralizing at least here.

That still leaves unresolved the question whether Nyerere's standard is suitable for U.S. policy to set its African course by. Nyerere's high esteem in Washington, reflected by his coming state visit, suggests Andrew Young is not the only U.S. official who thinks so.

ELISA BETH WOLFE, NATIONAL YOUTH OF THE YEAR

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. SISK. Mr. Speaker, it is a particular pleasure for me to take this occasion to recognize the achievements of my con-

stituent. Elisa Beth Wolfe of Modesto, Calif., who has been selected as the National Youth of the Year by the National Exchange Club. She is to be formally honored at the Exchange's annual banquet in New Orleans next week.

Elsia Wolfe recently graduated as valedictorian of her class at Beyer High School in Modesto. In the fall she will be attending the University of California at Los Angeles on a Regents scholarship. Active in high school organizations and community service activities, Elisa is a credit to her family, friends, and community.

As National Youth of the Year, Elisa Beth Wolfe offers a fine example for the youth of this Nation—an example that more and more of our young people will hopefully follow.

NO "FREE RIDE" ON THE WATERWAYS

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. SNYDER. Mr. Speaker, only God can make a tree. Nobody ever challenges this truism. But listening to the proponents of waterway user fees, one certainly gets the impression that the Federal Government—not the Almighty—is responsible for the creation of our vast network of rivers and streams. It just is not so.

The Federal Government has contributed to the endeavor of making rivers and waterways more navigable, but the Federal Government has contributed to the development of railroads, airways, and highways as well. In fact, instead of being unduly favored by transportation subsidies, our waterways have absorbed a modest amount of Federal assistance when compared to the amounts which have gone into the highways, railways, and airways.

Harry N. Cook, executive vice president of the National Waterways Conference, Inc., airs these facts and puts the Federal subsidization of waterway projects into its proper perspective in the following article which appeared in today's Washington Post. Mr. Cook contends there is "no free ride on the waterways" and the facts back up his contention.

I commend them to your attention—article follows:

NO "FREE RIDE" ON THE WATERWAYS

After following T. R. Reid's continuing coverage of the saga of S. 790 in The Washington Post, many readers must be saluting efforts of New Mexico's Sen. Pete Domenici (R) to end the waterway users' "free ride" on the "federally built and [federally] maintained waterways." In fact, each of the articles must lead readers to wonder why on earth Congress hasn't gotten around to enacting waterway tolls in almost 200 years of federal government.

There are many reasons why not. I want to address just two of them. These are, first, that the federal taxpayer foots the entire bill for the inland navigation system and, second, that waterways have been unduly favored by transportation subsidies.

Even when defined in the narrowest sense, as a series of dredged channels and navigation structures to control depths, the waterways are not wholly federal projects. The U.S. Water Resources Council determined that non-federal interests currently provide seven per cent of the construction costs and eight per cent of the operation, maintenance and repair costs of in-channel navigation improvements. Non-federal expenditures include provision of lands, easements and rights-of-way, and dredged-material disposal sites.

But navigable channels alone do not make usable waterways. Before a waterway can be productive, extensive non-federal investment is required for onshore facilities such as wharves, terminals, docks, warehouses, elevators, special cargo-handling equipment, fire, water and sewer services, highway connections and railroad spurs. Much of this investment comes from private-sector users and beneficiaries of the waterway system, including port authorities and communities.

Port-related investments often total 20 to 40 per cent of the federal cost of inland-waterway improvements. Thus, waterways are hardly projects of the federal government. Rather, the federal investment serves as the "seed money" to attract large investments by states, localities and the users themselves.

These shippers, in return, have made a financial commitment stimulated by the federal investment that first made the channels navigable. Since 1952, some 10,000 plants have been built or substantially expanded along the nation's inland waterways. This expansion represents a capital investment exceeding $171 billion.

When the inland-waterway system is viewed as the complex transportation system and critical component of America's industrial and governmental economy that it truly is, the nonfederal and especially the "user" contribution to the system's viability has been enormous. It far outstrips the modest $5 billion that the federal government has spent since 1824 on construction, operation and maintenance of navigation channels.

The federal government has always assisted all the major transportation modes: railroads, highways and airways as well as waterways. All are the beneficiaries of subsidies and other programs totaling in the billions of dollars. However, the lion's share of federal assistance has gone to highways, railways and airways.

While highway users do pay fuel taxes, it is important to note that government expenditures for streets, roads and highways that are not recovered from the users amounted to $4.3 billion in 1973, a typical year. In other words, in a single year, the total unrecovered government investment in highway, roads and streets almost equalled the 150-year total unrecovered government investment in inland-waterway construction, operation and maintenance.

Likewise, the cumulative waterway subsidy was exceeded by a single program of federal aid to the nation's railroads—the $6.4 billion Rail Revitalization and Regulatory Reform Act. A century ago, American railroads received perhaps the largest government subsidy in history: land and right-of-way grants totaling 9.4 per cent of the continental United States. In more recent times, railroads have been the beneficiaries of various programs having the effect of subsidies: grade-crossing eliminations, the Regional Rail Reorganization Act, a 1974 act to refinance the Railroad Retirement Act, inauguration of the quasi-governmental Amtrak passenger service. In addition, railroads are the beneficiaries of special federal tax relief.

Frequently, the statement is made that railroads must build, operate and maintain their own rights-of-way, while barge and truck rights-of-way are furnished by the federal government. There is one important difference, however. Waterways are public ways, open to all, and the competition is fierce. Because they own private rights-of-way, railroads control the traffic that moves over their tracks and the freight rates that are charged. To have a similar situation on the waterways, the federal government might consider granting a particular bargeline company exclusive rights to operate on, for instance the Ohio River. If that line had the right to control all the traffic on the Ohio River and the rates charged, it is entirely probable that it could maintain the waterway, pay taxes on it and make a profit, too. But the line surely could not do all this without raising rates substantially. And who would pay? Clearly, the taxpayers and consumers.

The point is that waterways have been neither alone nor at the forefront in receipt of national support. The inland waterways move 16 per cent of the nation's cross-country freight at a cost of less than two per cent of the total freight transportation revenues.

A waterway-user charge might be designed to recover revenues at a certain level for the government. Advocates in government have suggested 100 per cent cost recovery. But consumers of transportation services would actually pay several times the intended amount. They would pay again as water-competitive rail rates increased. Railroad spokesmen have estimated that water-compelled rail rates depress rail earnings by approximately $500 million a year. It is reasonable to assume, therefore, that imposition of waterway-user charges—freeing railroads from the constraint of lower water rates—would cost rail shippers as much as $500 million annually in higher rail rates.

These considerations suggest the wisdom of a careful and exhaustive study of the economic impact of waterway-user charges before rushing into inadequately considered legislation.

EMERGENCY RULE ON SPECIAL PROSECUTOR BILL

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, today the distinguished minority leader (Mr. RHODES), the gentleman from Maine (Mr. COHEN), and I are introducing an emergency rule to discharge the Judiciary Committee from further consideration of our special prosecutor bill—H.R. 8125—and send the matter directly to the House floor. Under the terms of our bill, which is nearly identical to the special prosecutor provisions of a Senate-passed bill—S. 555—a standby special prosecutor is authorized to prosecute crimes committed by high Government officials, and the Attorney General is required to determine within 90 days whether there is sufficient evidence in the so-called Korean influence scandal to warrant the activation of the standby special prosecutor for that case.

Mr. Speaker, when Mr. Cohen and I introduced our special prosecutor bill on June 30 we noted there was a dark cloud hanging over this Capitol as a result of allegations that Members of this body had accepted monetary gifts from agents of the South Korean Government. This

cloud has grown even darker and more ominous as a result of certain events and news reports of recent days. The time has clearly come to dispel those clouds of suspicion, doubt, and mistrust in the Congress by appointing a distinguished, independent special prosecutor to take over the Justice Department's investigation of these matters. I think it is important to emphasize that the President has endorsed the concept of such a standby special prosecutor in his ethics message to the Congress on May 3. Quoting from that message, "This approach will eliminate all appearance of high-level interference in sensitive investigations and prosecutions. The American people must be assured that no one, regardless of position, is above the law."

Mr. Speaker, we endorse and concur in those eloquent words of the President, but we would submit that the time has come to follow through on that rhetoric with the type of action which is called for in our bill—a speedy determination on the need for a special prosecutor in the Korean influence scandal.

Mr. Speaker, neither the introduction of our bill nor the emergency rule is intended in any way to impugn the integrity of the Justice Department investigation to date or the persons responsible for it. But, as our bill and the Senate-passed bill make clear, whenever any investigation substantially and directly affects the political interests of the President or his political party as to make it inappropriate in the interest of justice for the Department of Justice to conduct such an investigation, then the appointment of a special prosecutor should be seriously considered. In testifying for the Senate special prosecutor provisions, Justice Department spokesman John Harmon said the following:

> We must not only do justice, but be able to assure the public that justice has been done.

And to quote from the report of the Senate Governmental Affairs Committee on the need for a special prosecutor:

> The appearance of conflict is as dangerous to public confidence in the administration of justice as true conflict itself. Having men of integrity operate in the face of a conflict is an insufficient protection for a system of justice.

The Senate report went on to note that provision for a special prosecutor does not reflect on the integrity of any individual; but it goes on to state:

> It does reflect the legal profession's constant concern with whether or not justice is administered with complete impartiality, and, equally important, whether or not there is an appearance of such impartiality.

I underscore these points because I think that now more than ever before the public needs the "appearance of impartiality" in connection with the investigation of the Korean influence scandal.

At the same time, I want to make it clear that our bill is in no way intended to serve as a substitute for the House investigation into these matters which we have authorized. We have a clear responsibility under article I, section 5, of the Constitution, to punish our Members for disorderly behavior, and it is our hope that the current investigation will be pursued with full vigor in the interests of justice and our institutional integrity.

But the responsibility for prosecuting any violations of the law rests with the executive branch, and we feel that in this instance the Attorney General should apply to a special panel of the court under the terms of our bill for the appointment of a special prosecutor. Because this is a matter of such grave concern, affecting as it does the very confidence of the people in their government and elected officials, we strongly feel an emergency rule providing for the consideration of our special prosecutor bill is warranted. Under this procedure, the emergency rule would be referred to the Rules Committee, which is considered an arm of the majority leadership. A mere majority vote of that committee—nine votes—would send this matter to the House floor for a final determination. We think this is far preferable to the secretive and timeconsuming procedure of filing a discharge petition which requires the signatures of 218 Members.

This is indeed an emergency situation requiring expeditious consideration and leadership backing. In view of the fact that the Senate has already passed such a Special Prosecutor bill which is now pending at the Speaker's desk, there should be no problem in sending this bill to the President prior to the August recess if the majority leadership gets behind it. Our emergency rule places that decision squarely in the leadership's court where it belongs, since it moves the matter from the Judiciary Committee into the Rules Committee, two-thirds of whose members are appointed directly by the Speaker. As one Republican on that committee, I think I can predict that this emergency procedure will have the full backing of the minority Members.

Mr. Speaker, today Mr. RHODES, Mr. COHEN, and I will be circulating a letter to all House Members urging their cosponsoring of our emergency rule. The rule itself does not prejudge the final form of the legislation since it is a 2-hour open rule, permitting amendments to be offered on the House floor. But Members will have an opportunity, through this vehicle, to voice their approval for at least considering and deciding this issue on the House floor. We hope that a large number of our colleagues will respond affirmatively to our request for cosponsors and thereby to adopting this emergency procedure.

At this point in the RECORD, Mr. Speaker, I include the text of our emergency rule:

RESOLUTION

Resolved, That upon the adoption of this resolution the House shall immediately resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8125) to provide for the appointment of a special prosecutor in appropriate cases, and to require the Attorney General to make a preliminary investigation of alleged improper foreign influence in Congress to determine whether or not such a special prosecutor should be appointed for any cases arising therefrom. All points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall not continue to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

IMPORTANCE OF THE SUGAR INDUSTRY TO HAWAII

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. AKAKA. Mr. Speaker, as you know, the members of the House-Senate conference committee on H.R. 7558, the fiscal year 1978 agriculture appropriations bill, will be meeting to make important decisions with respect to Federal payments to the domestic sugar industry. I am pleased to submit for the record the statement of the Honorable Robert Yotsuda, a member of the city council of the island of Kauai. Councilman Yotsuda has made an excellent analysis of the importance of the sugar industry to Hawaii. I would like to ask my honorable colleagues to carefully consider Councilman Yotsuda's remarks when the fiscal year 1978 agriculture appropriations bill comes before the House for consideration:

STATEMENT OF COUNCILMAN ROBERT YOTSUDA

In Hawaii, sugar production is the major agricultural activity and the second largest provider of export income in the private sector. Sugar is an essential part of Hawaii's economy—much more so than in any other sugar-producing state.

The loss of the sugar industry to Hawaii would have a serious impact on employment in the State. At a time when Hawaii's economy is unable to provide a sufficient number of jobs for the rapidly growing labor force, the loss or even the decline of the industry would strike a crippling blow to the State.

To see what impact the sugar industry has on the island economy, let us look at the number of jobs and the payroll it provides. In 1976 there were 9,430 jobs in sugar which represented 3.2 percent of total private jobs filled throughout the State.

Sugar payroll in 1975 amounted to $114.6 million or 4.7 percent of total private payroll. When broken down by the islands, Oahu had 1,640 sugar jobs, or 0.7 percent of total private jobs on the island last year. The total payroll in 1970 amounted to $21.3 million, or 1.1 percent of the total private payroll for the island.

On Kauai, the sugar acreage of 45,727 represents more than 96 percent of all of the cultivated land on the island. The high percentage of land used for the sugar crop reflects the indispensible part the sugar industry plans in Kauai's economy. In 1976, the sugar industry on Kauai supplies 2,450 jobs or 21.5 percent of all jobs in the private section. The payroll amounted to $25.3 million or 31.3 percent of total private payroll in 1975.

On the island of Hawaii, the sugar acreage is twice as large as that on any other islands. The industry is concentrated mainly in east

Hawaii, which makes that half of the island almost totally dependent on sugar—somewhat like Kauai. And on the island of Maui, the sugar industry is also a major part of the economy, and yields a larger crop because of better overall soil and growing conditions.

This brief sketch of the size of sugar in each island's economy demonstrates clearly the dominant part the industry plays on the Neighbor Islands. It is estimated that the loss of the sugar industry to Hawaii would amount to a decline in some 31,000 jobs, which would double the jobless total and increase the state unemployment rate from 8.8 percent to some 17 percent. The State of Hawaii cannot afford to have such a drastic reduction in its labor force at this time, or in the future.

FISH AND WILDLIFE EDUCATIONAL EFFORTS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. ABDNOR. Mr. Speaker, I am pleased to note the recent efforts of the Fish and Wildlife Service of the Department of Interior, and the Extension Service of the U.S. Department of Agriculture, in working to provide increased fish and wildlife educational efforts through the Extension Service. I would like to emphasize that this is a much needed vehicle for communication of local feelings to the policymakers in both the USDA and DOI.

The following correspondence, a letter from myself to Mr. M. Rupert Cutler, Assistant Secretary of Agriculture for Conservation, Research and Education, U.S. Department of Agriculture, and his reply provide the specifics of this important act, and I would like to draw the attention of those of my colleagues that I know will be interested:

JUNE 29, 1977.

Mr. M. RUPERT CUTLER,
Assistant Secretary of Agriculture for Conservation, Research and Education, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. CUTLER: I was pleased to see the June 27, 1977, release from USDA announcing the agreement signed with the Department of the Interior to increase fish and wildlife educational efforts through the Extension Service. I would appreciate receiving any more detailed information you may have in this regard.

In my view there is a great discrepancy between Federal policies and local views on many fish and wildlife issues, and increasing Federal regulation is a poor substitute for a more informed public. Hopefully, this effort will be a two-way street for improved communication of local feelings to the policy makers as well as the reverse.

Again, your efforts have my commendations, and I look forward to receiving additional information.

Sincerely,

JAMES ABDNOR,
Member of Congress.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., July 15, 1977.

Hon. JAMES ABDNOR,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ABDNOR: Thank you for your letter of June 29, 1977, regarding increased fish and wildlife educational efforts by the Extension Service.

We are enclosing a copy of the Memorandum of Agreement between the Fish and Wildlife Service, DOI, and the Extension Service, USDA. You will note that the objective of the Agreement is to provide for a closer working relationship between the two agencies. Concurrently, we feel that this arrangement will enable a more effective use of research information and technical assistance from the Fish and Wildlife Service. It is felt that, through this arrangement, it will be possible to resolve the discrepancies existing at the local level.

In addition, the Extension Service, USDA, is in the process of filling the position for a full-time Fish and Wildlife Specialist thus enabling a more effective coordination, not only with the Fish and Wildlife Service, but with the State Cooperative Extension Wildlife specialists as well. This will also fulfill another aspect of your concern, that of providing a vehicle for the communications of local feelings to the policymakers in both USDA and DOI.

Again, our thanks for your expressed interest and support for this effort.

Sincerely,

M. RUPERT CUTLER,
Assistant Secretary for Conservation, Research and Education.

MEMORANDUM OF AGREEMENT BETWEEN THE FISH AND WILDLIFE SERVICE, U.S. DEPARTMENT OF THE INTERIOR, AND THE EXTENSION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

I. Purpose—

The purpose of this agreement is to establish policies and administrative arrangements that will provide for a working relationship between the Fish and Wildlife Service, U.S. Department of the Interior, and the Extension Service, U.S. Department of Agriculture, to provide more effective procedures for planning, coordinating, and developing fish and wildlife extension services of mutual interest for the benefit of the Nation.

II. Background and authorities—

The Fish and Wildlife Service, U.S. Department of the Interior, is charged with the responsibility for carrying out programs relating to fish and wildlife throughout the Nation, in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661–667e), as amended; the Fish and Wildlife Act of 1956 (16 U.S.C. 742(a)–754), as amended; and with other authorities.

The Extension Service engages in extension work pursuant to the Smith-Lever Act, as amended (7 U.S.C. 341–349), to aid in diffusing among the people of the United States useful and practical information on subjects relating to agriculture and home economics.

Many programs conducted by the Fish and Wildlife Service and the Extension Service include the dissemination of useful and practical information of mutual interest to both agencies. Accordingly, cooperation and coordinated efforts in the conduct of such programs will be mutually beneficial and will avoid needless and duplicative efforts.

III. Responsibilities of agencies—

A. Pursuant to this agreement, the Fish and Wildlife Service will:

1. Provide technical assistance on fish and wildlife matters to the Cooperative Extension Services.

2. Make its published information available to the Cooperative Extension Services.

3. Cooperate with Extension Service in the design, development, and support of educational programs and materials through which the useful and practical information generated by the Fish and Wildlife Service may be disseminated to the people of the United States through interested State Cooperative Extension Services.

4. Cooperate with Extension Service in the preparation of educational materials that may be used by Cooperative Extension staffs on a national, regional, state, or local basis.

5. Keep Extension Service informed on the status of Fish and Wildlife Service national and regional objectives.

B. Pursuant to this agreement, Extension Service will:

1. Cooperate with Fish and Wildlife Service in the design of appropriate educational programs and materials for dissemination to the people of the United States through interested State Cooperative Extension Services.

2. Provide channels of communication and distribution to the State Cooperative Extension Services for information relating to such educational programs.

3. Coordinate with Fish and Wildlife Service in the development and conduct of fish and wildlife programs.

4. Encourage effective involvement of state fish and wildlife agencies in Extension and Fish and Wildlife programs.

5. Provide feedback and information from State Extension Services to Fish and Wildlife Service of current information on fish and wildlife problems and to assist the Fish and Wildlife Service in evaluating the cooperative programs in developing new programs of mutual interest.

IV. Programming, budgeting, and reimbursement arrangements—

This agreement is not a fiscal or funds-obligating document. Any joint endeavors involving reimbursement or transfer of funds between the parties to this agreement will be handled in accordance with prescribed financial procedures, and will be the subject of subsidiary agreements that shall be effected in writing by representatives of both parties to this agreement.

V. Public affairs/press liaison—

Releases to the press, public announcements and communication with the Congress concerning joint programs can be made by either party to this agreement following coordination by representatives of each party. Credit will be given to the Fish and Wildlife Service and Extension Service interests as appropriate.

VI. Amendments and review—

This agreement will be reviewed periodically but not less than annually. It may be subject to reconsideration at such other times as may be required and as agreed to by the parties to this agreement.

VII. Implementation—

Fish and Wildlife Service and Extension Service will assign senior staff to serve in a liaison capacity to satisfy requirements of this agreement.

VIII. Terms of the agreement—

This agreement will become effective upon the signature of both approving officials of the respective agencies entering into this agreement.

The terms of this agreement will remain in effect until terminated by (1) mutual agreement, or (2) ninety-day advance written notice by either party.

IX. This Memorandum of Agreement supersedes the previous Memorandum of Understanding executed in July of 1970.

FOR THE RECORD

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. BROOMFIELD. Mr. Speaker, on July 18, the House voted during roll No. 432, to agree to the Conference Report on H.R. 7556, making appropriations for 1978 to State, Justice, Commerce, and Judiciary.

Although I was present and voted "Aye," I am recorded as not voting.

Mr. Speaker, I ask that the record reflect that if my vote on roll No. 432 had been recorded, it would have been in agreement to the Conference Report on H.R. 7556.

RENEGOTIATION REFORM ACT

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. MINISH. Mr. Speaker, since the House will consider the Renegotiation Reform Act (H.R. 5959) in the near future, I want to share with my colleagues the testimony of the distinguished chairman of the House Government Operations Committee on this legislation. Chairman JACK BROOKS has done outstanding work on renegotiation and is one of the foremost experts on this subject in the Congress of the United States.

Mr. BROOKS' testimony follows:

STATEMENT OF HON. JACK BROOKS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS AND CHAIRMAN OF THE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

Thank you very much, Mr. Chairman, for inviting me to appear here today.

I want to commend you and the subcommittee for your efforts to strengthen the Renegotiation Board and make it more effective. This legislation will help to do that. I supported it in the last Congress. Regretfully, it cleared only the House and not the Senate.

I am pleased to be a cosponsor of it again this year.

It is a pretty good indication that we are on the right track with this bill from the way that the defense industry and its friends, all the subcontractors, of course, are carrying on in opposition to it. They wouldn't be trying so hard to have the Board abolished if it were going to be the same old paper tiger that they have been dealing with all these years. The old paper, toothless tiger.

Now, there isn't much they have to worry about when they can lump the profits of all their products together so that the fat ones don't show. With all the exemptions they can take, it is easy to stay outside the whole renegotiation process. In most years, none of the 100 largest defense contractors must renegotiate their profits.

The odds are pretty good that you won't be touched at all.

Now, even those that do have to go through the process don't usually find it too painful. A study by the Joint Committee on Internal Revenue Taxation a few years ago found that of 131 firms that were determined to have pocketed excessive profits, and had to give some back, 94 of those had after-refund profits of over 50 percent of net worth.

Forty-nine of them made profits over 100 percent of net worth, and four made over 500-percent profit of their net worth.

Now, that is after this terrible, mean, old, arbitrary Board had worked them over so badly.

Now, that is like going to the dentist expecting to have some teeth pulled and winding up in a massage parlor. [Laughter.]

It should be a lot different under our bill, the requirement for reporting profits by product line, the repeal of the oil and gas well exemption, the narrowing of the commercial articles exemption, and the change in the methods of accounting should lead to much more accurate reporting of a contractor's profits. That is all going to help, but the real key to making the Board more effective, in my opinion, is to give it the resources to make the best use of any broader authority.

Part of that can be accomplished through a better organization of the Board. I believe our bill provides that. Making the Chairman the chief executive officer, providing the members with fixed terms, giving the Board subpena power, these are bound to improve the Board's performance.

An absolutely essential need, however, is to increase the size of the staff of the Renegotiation Board. I understand it is now down to somewhere around 177, where just a few years ago we conducted oversight hearings in the Government Operations Committee and it was 232. I thought that was too low. You just cannot handle 3,000 or 4,000 filings totaling $40 billion each year with that few people. They fall further behind each year, and I understand that the backlog awaiting process is now around $90 billion, and because of the lack of staff, the great bulk of filings are never even assigned to a regional officer for processing. They are just passed over.

So, besides enacting this kind of legislation, we need to follow up and be sure there is enough in the budget and appropriations bill to enable the Board to hire people it needs to properly do this job.

I would like to make one more point I understand you are being asked to amend the bill to limit renegotiation to sole source contracts, the idea being that if there has been competitive bidding on a contract the Government would not have to worry about profiteering.

I would just like to tell you about a couple of contracts that our Committee on Government Operations looked into that were awarded in competitive bidding.

In one, the company getting the contract bid $528 a unit for some 5,500 mobile field radios. After the initial batch was delivered, the contract was simply amended, and 5,500 more radios were sold at prices ranging from $570 to $870. In fact, the $528 bid that won the award was $150 below the actual cost of production to that company. It was simply a buy-in to get the contract, and nevertheless, it would technically qualify as a competitively awarded contract, and thereby escape renegotiation.

Another contract we looked into for flight control communications equipment involved a rebid and a company that had been high the first time came in about $10 million lower and got the bid at around $78 million.

Then, through change orders and negotiations it jacked up the total price by $25 million.

When they reached a draw of $102 million, and still had not delivered a workable product, the contract was at long last, belatedly, but thank God, terminated.

So with the ability to amend and change Government contracts, the bidding process is no surefire protection against excess profits and no reason whatsoever to avoid renegotiation if you honestly want to protect the public interest.

Now, Mr. Chairman, I certainly support the right of manufacturers to make a reasonable profit on their Government contracts. The renegotiation process, however, should serve as a check on those few who would abuse the public treasury. With the appointment of Goodwin Chase and Harry VanCleeve and Bill McQuillen as members of the Board, the President has indicated his intention to make the Board function once again.

I hope you will reject efforts to abolish the Board and instead will give it the tools it needs to become a meaningful and effective Government entity.

I commend you for your efforts.

ACTIVE AMERICANS OVER 65

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. BIAGGI. Mr. Speaker, on Monday July 11, I chaired a hearing of the House Select Committee on Aging in New York. The hearing spotlighted a diverse and distinguished group of active Americans over 65 as a means of developing support for legislation to abolish mandatory retirement.

The committee received testimony from some 10 witnesses including Hon. Paul O'Dwyer, president of the New York City Council, Gabe Paul, president New York Yankees, Ms. Penny Singleton, director, American Guild of Variety Artists.

The predominant theme presented in testimonies was that mandatory retirement is unfair and unjust. Mr. Paul stated that the proper criteria for retirement should be performance, not age. Ms. Singleton strongly and eloquently opposed mandatory retirement. "Retirement should be voluntary" she stated "because people have enough common sense to know when they should retire."

One of the most interesting testimonies was presented by Mr. Ralph Destino, president of Cartier's, Inc. Mr. Destino pointed to the fact that many of his most expert jewelers were over the age of 65 and in some cases even over the age of 75. As an example he brought with him a $10,000 watch made by a 78-year-old watchmaker.

The main purpose of the hearing was to develop arguments against mandatory retirement and support for H.R. 5383 the main legislation calling for its abolition. The bill which abolishes mandatory retirement in the Federal Government and raises the retirement age to 70 in the private sector was reported favorably last week by the House Education and Labor Committee.

The comments of many of the witnesses were revealing in that most who were asked what they would do if they retired replied that they either did not know, or that they would seek part time work. Not only do Americans not want to retire, they simply are unprepared economically and socially for retirement.

Mandatory retirement is based on a fallacy that age determines ability. It is discrimination of the highest order.

It is my hope that the hearings will play a significant role in gaining full congressional approval of H.R. 5383. For the benefit of my colleagues I now wish to insert my opening statement delivered at the hearing as well as the testimony of Paul O'Dwyer.

STATEMENT OF MARIO BIAGGI, ACTIVE AMERICANS OVER 65—A CASE AGAINST MANDATORY RETIREMENT

I am pleased to chair the Select Committee on Aging's hearing his morning entitled

"Active Americans over 65—A Case Against Mandatory Retirement". This is the second in a series of hearings which the Committee has conducted on behalf of this issue. The Committee has made the passage of legislation to abolish mandatory retirement its primary goal in the 95th Congress.

As Chairman of the Subcommittee on Federal, State and Community Services of the Select Committee on Aging, I have long been opposed to forced retirement and believe its elimination to be vital to the well being of our nation's senior citizens.

I am opposed to mandatory retirement for several reasons. It is based on the fallacy that age determines one's capability to do a good job. In addition, mandatory retirement can cause unnecessary financial hardships, it is discriminatory and it has been proven that it is not good for either the individual or the economy.

The American people have expressed their opposition to mandatory retirement. A recent Harris poll reports that 86% of the persons polled feel that no one should be forced to retire because of age if that person wants to continue to work and is able to do a good job. In April of this, year the elimination of mandatory retirement was tested at the polls. A referendum for the elimination of mandatory retirement for City employees of Los Angeles was passed by 58.2%. To date, 13 states have passed laws prohibiting mandatory retirement in the public and private sectors. In addition, the New York State Assembly recently passed legislation to eliminate mandatory retirement in both the public and private sectors.

Major progress toward enactment on the federal level was achieved on June 28, 1977, when the Subcommittee on Economic Opportunities of the House Education and Labor passed legislation which bans mandatory retirement from the private sector before the age of 70 and eliminates it entirely for civil service employees. I am fortunate to serve on the full House Education and Labor Committee and will make every effort to see that the full Committee acts favorably on the measure. Its prospects for full House approval are good.

Each day 5,000 people in this country reach the age of 65. It is an arbitrary age at which many are forced to retire, although there is no evidence that this is an age at which one becomes incapable of functioning in the work force.

Many of our witnesses here today represent not only all walks of life but, more importantly, they represent visible proof against mandatory retirement. Our witnesses have not had the doors of employment close on them at 65. They have dispelled the myth that age determines ability they are proud of their continuing contribution.

Mandatory retirement is wrong from an economic, social and personal standpoint.

For the individual, forced retirement can be traumatic and cause financial hardships. The American Medical Association tells us that forcing people to retire, when they are capable of working accelerates the aging process and is a direct threat to the health and life expectancy of the persons affected. Part of the reason for the difficult transformation from employment to retirement is due to a lack of an overall retirement plan for the elderly of this nation.

It is simply too expensive for the average person to retire. The financial hardships mandatory retirement causes are unnecessary. The median income of the typical retired worker is lower than preretirement earnings by almost one half. With the soaring cost of living these days, it is impossible to make ends meet on a fixed retirement income. Today almost one half of our elderly citizens live at or below the poverty line.

For the economy of a particular business, mandatory retirement is unwise. A report by the Conference Board, after examining the retirement policies of 800 companies, concluded that those companies requiring mandatory retirement are increasing costs for the company. The report also cited the mandatory retirement was creating numerous financial, medical and social problems for those forced to retire. It has been proven that older employees have a better attendance record and that older employees do not change jobs as much.

From a national economical standpoint mandatory retirement is unsound. The future of the Social Security System is a major economic problem this country must confront. I have proposed on numerous occasions that the President consider the elimination of mandatory retirement as an element of his proposal to preserve the fiscally beleagured Social Security System.

For the first time in its 40 year history, the Social Security System faces the threat of going broke. The system is currently paying more in benefits than it receives in payroll tax revenues. Projections indicate that if this trend continues, the Social Security trust fund will run out in the early 1980's.

The relationship between mandatory retirement and the future of the Social Security System is simple. Forced retirement imposes an unnecessary expense on the Social Security System, an expense which the System cannot afford.

As older workers are forced to retire, they tax an already strained Social Security System. Social Security benefits are financed by payroll taxes contributed by employees, employers and the self employed. Declining birth rates, coupled with increasing retirement rates, have resulted in less workers supporting the system. A few years ago, the ratio of workers to Social Security beneficiaries was 4 to 1; today the ratio is 3.2 to 1; by the year 2030, the ratio will approach 2 to 1.

The abolishment of mandatory retirement would alleviate this lopsided ratio by permitting workers to continue contributing to the system instead of merely taking from it.

A survey conducted by the Social Security Administration found that 52% of the males who were forced to retire under mandatory retirement did not want to do so at that time. Ideally, these persons should have been permitted to remain in the work force, paying Social Security taxes, rather than forced to join the retirement ranks, collecting cash benefits.

A national poll commissioned by the National Council on Aging shows that there are approximately 4 million Americans over the age of 65 who would work if they had a job. With 90% of the persons over 65 on the Social Security beneficiary roles, it is safe to assume that many of these 4 million persons are Social Security recipients who want to, and should be able to, contribute to the system rather than draw from it.

The abolishment of mandatory retirement would have obvious financial benefits on the future of the Social Security System. This proposal is gaining support. For example, Hobart Rowan, Financial Editor of the Washington Post, in an editorial entitled "Must the Elderly be Forced to Retire?" stated:

"It is clear that under present rule, with an aging population, the percentage of people paying into the Social Security System, compared with those taking the money out, will decline dramatically. More money is going to have to put into the system. One way of easing that burden on corporate and individual taxpayers is to encourage people to stay on the job longer, instead of severing them as the calendar ticks off their 65th birthday."

Its human benefits would be equally compelling. Compulsory retirement violates the basic principles of democracy which this nation cherishes. Many elderly Americans are willing and able to continue working. They should be allowed to. This nation prides itself as a leader in the fight for self-determination for peoples of foreign nations. We should insure that our own elderly citizens also have the right of self-determination with respect to employment and their economic security.

STATEMENT BY CITY COUNCIL PRESIDENT, PAUL O'DWYER, BEFORE THE HOUSE SELECT COMMITTEE ON AGING

Congressman Biaggi, members of the Select Committee on Aging, I am pleased to have this opportunity to come before you today to state my views on the question of mandatory retirement.

First, for the record, I would like to commend the work of this Committee in seeking legislation to end discrimination on the basis of age. The criterion should be capacity to do the job, and to do it well. The man who has worked at a lathe and has done it proficiently for a lifetime is in a position to pass along his skill to a neophite. The compulsory retirement of such a man removes his special talent from an industrial society. Apart from the injury done to the individual, we have hastened the day when his or her capacity to function shall have been threatened. That may affect the quality of a product.

The City of New York must bear its share of the blame for contributing to this shame. Last year it was used rather hysterically, I thought, when it was found necessary to reduce our work force and the plan to drop many of our elder workers from the payroll was proposed with callous disregard for the rights of the City's most productive, most experienced and most dedicated employees.

But I do not wish to dwell on the lack of sensitivity which such a rule implies. I am sure these aspects of the problem will be adequately dealt with by others during these hearings. One thing is clear, however. Setting limits to employment based on age factor alone is discriminatory.

The history of any form of discrimination establishes that its tendency is to expand.

Parenthetically, I want to point out the inconsistency of such a law which is out of step with the New York Supreme Court where a judge may serve up to the age of 76, and Federal Court judges, including Justices of the United States Supreme Court, may serve without limitation as to age.

It is obvious that there can be no special magic about the age 65, in its relationship to employment. Why not 64 or 66? It was an arbitrary decision made by someone and others followed blindly. It cannot be logically argued that all those who have reached that stage in life are a detriment to professions, to industry or to the arts. If 65 is the age selected for enforced retirement, will not the same argument in time be applied to 62 and 60, and I have heard talk of 55 as the appropriate time to enforce citizens into a state of idleness.

Truly the middle-aged are the most vulnerable part of our working force. The efficiency expert knows he can save money by eliminating the forty-year-old and replacing him or her with a younger worker who has not yet acquired family obligations and therefore can work for less.

When we begin to tell the country how desirable it is from a financial viewpoint to eliminate those over 65 from the work force, we are moving in the direction which must affect middle-aged people. That can be disasterous to family life.

Our general hiring practices are affected by this insidious approach as we focus on the age of our workers. For instance, it is a fact that the insurance arrangements and pension plans and the cost of health benefits make hiring those who have reached their

fortieth birthday all the more difficult for union and management alike. When we speak about age in relationship to work we have moved into dangerous waters and the 65 mark is, to use a cliche, 'but the tip of the iceberg'.

Furthermore, we may not in good conscience cure or ameliorate our unemployment problems at the expense of any one segment of our society. And it is obscene when such a rule does violence to those who during a lifetime have paid our taxes, supported our institutions—yes—and even fought our wars.

In the long run, it is our nation as a whole which is the loser when we fritter away the skills, the experience and the wisdom of those who can continue to make a valuable contribution to life.

Men and women who have acquired and used the art of production in a highly industrialized world gave our country its preeminence. We should hesitate to tamper with customs and practices which have been so helpful in the development of our nation. Again, let me congratulate you in probing the facts which we hope will be the basis for remedial legislation in this important area.

JACKIE ROBINSON: AN INSPIRATION FOR ALL AMERICANS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. RANGEL. Mr. Speaker, this evening at Yankee Stadium, professional baseball and baseball fans will pay tribute to Jack Roosevelt Robinson. The tribute was organized through the efforts of the Jackie Robinson Foundation and is scheduled for the pregame activities of the annual all-star game.

Much of his life was centered around the struggle for racial equality and human rights. He was an admirable person who bore the insults of players and fans alike with dignity. His persistence and grace under these adverse conditions were an inspiration and won the hearts of all Americans.

This past Sunday an article by Pee Wee Reese, the Brooklyn Dodger shortstop when Jackie Robinson came to the major leagues, appeared in the New York Times. Their friendship was unique and grew from a deep respect and admiration which grew from their contact both on and off the playing field. No tribute to this great ballplayer and man is adequate, but Mr. Reese's comes from one who knew Mr. Robinson about as well as two humans can. The text of his article follows:

ARTICLE BY PEE WEE REESE

It was October, maybe November, in 1945 and I was on a Navy transport ship coming back from overseas, from Guam. I'd played shortstop for the Brooklyn Dodgers for three seasons, then into the Navy "for the duration," as they used to say during the war. Now I was finally coming home, and somebody on board told me that the Dodgers had signed a black ballplayer. And that was the first time I can remember being aware of Jackie Robinson's arrival on the baseball scene.

Actually, I had heard of Jack before—as a football player at U.C.L.A. But now when his name came up in a baseball context, I didn't give it a whole lot of thought. You know, I reacted kind of instinctively to the news, something like "You've got to be kidding," because the color line was still keeping black players out of the major leagues.

But, except for that initial reaction, I didn't give it too much thought. I had been away for three years and was more concerned at the moment with getting myself back to work. Then I realized that Robinson could run and hit and play shortstop, and some of the guys started kidding me about my job. Welcome home, Pee Wee.

AWFULLY BIG, AWFULLY FAST

After that, it was more than a year before I saw him in a baseball uniform—a year that Jackie spent at Montreal in the International League and that I spent in Brooklyn with the Dodgers. Then in spring training in 1947, we had our camp in Santo Domingo in the Dominican Republic that year, and I finally got my first look at him. What was my first impression? That he was big, awfully big. And fast, awfully fast.

Anyway, Jack was there that year; and, once we realized he was there to stay, I began to realize that there were more problems facing him than I'd thought at first.

One thing I remember was the petition some guys passed around. But I wouldn't sign it. I wasn't trying to think of myself as being the Great White Father, really, I just wanted to play the game, especially after being in the Navy for three years and needing the money, and it didn't matter to me whether he was black or green, he had a right to be there, too.

Then you'd hear a lot of insults from the opposing benches during games, guys calling him things like "nigger" and "watermelon-eater," trying to rile him. But that was when Jackie Robinson started to turn the tables: You saw how he stood there at the plate and dared them to hit him with the ball, and you began to put yourself in his shoes. You'd think of yourself trying to break into the black leagues, maybe, and what it would be like—and I know that I couldn't have done it.

In a word, he was winning respect.

ALL KINDS OF CLASS

That was the decisive thing about Jack: He had all kinds of class. That's the reason he was selected by Branch Rickey, and that's the best way to remember him. And right there, now that they're honoring his memory and his impact on baseball at this year's All-Star Game, you have the key to it all—if he hadn't "made" it, the black movement would have probably been set back several years. It still would have happened, but it would have taken longer.

Playing alongside him for so many years—10 years, actually, until the Dodgers left town after the 1957 season—I realized his impact in other ways. For one thing, he was one of the best pressure players I ever saw and he became instrumental in those Dodger pennants because of it. The old saying applied to him perfectly—"When the going gets tough, the tough get going." And when the chips were down, he was at his best. So after a while, I didn't pay the slightest attention of his being black. At first, he'd been a big black guy who came into a white man's game. But after two or three years, with all that class and talent, he was just a great ballplayer alongside me.

He had a big impact on all the Dodgers, too. In Birmingham and some other Southern towns, traveling up from Florida, it was rough. Even during the season, I remember we got to St. Louis for a series, and that might've been the last place in the league where the black players were segregated, where they stayed in one hotel in the black section and the other guys stayed in the regular hotel.

GETS THE JOB DONE

Jack got off the train one day there and said, "I'm going to the hotel with you." Roy Campanella and some of the other black guys told him not to do it, they said they were doing O.K. and so don't rock the boat. But Jackie joined us on the team bus, went right into the hotel and registered, and Campy and the others followed. That was Jack—he got the job done.

Finally, Jack had a big impact on me personally. We had many conversations about things, and I'd ask: "Do you think blacks and whites will ever get along smoothly?" And he'd say: "Yes, it'll work, give it some time."

I used to say to him later: "You know, I didn't particularly go out of my way just to be nice to you." And Jack would say: "Pee Wee, maybe that's what I appreciated most—that you didn't.

As a ballplayer? Super. Jack was super. For a guy his size, well over 6 feet and maybe 215 pounds, he had the quickness of a guy 5 foot 10. In a rundown, you couldn't run him down. I don't know how many bases he would have stolen if our club ran more. I led the league with 7 steals one year, but mostly we depended on power. And he didn't have the greatest arm in the world, but making the double play, he'd straddle the bag and dare you to hit him.

For all that, he was a fun guy. Sure, he could be a little nasty at times, but who couldn't? I never saw him take a drink in my life. He was just a great friend, a great baseball player and a great influence on our lives—a lot greater than I ever could have guessed that day on the ship coming home from Guam when somebody told me the Dodgers had signed a black ballplayer.

FEDERAL ATTRITION TIMETABLE

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. PURSELL. Mr. Speaker, throughout the past several years, we have consistently heard criticism of our inflated bureaucracy, listened to cries against increased Government control, and watched the growing frustration among our citizens as the Government seems to become more distant and abstract to them with each passing day. While we have many fine, hard-working civil servants, we also have room for improvement in productivity. We have all experienced the inefficiency of the bureaucratic system, and we are well aware of its high costs. Our constituents tell us of long delays in replying to requests, arbitrary and conflicting rulings, and the entangled mass of regulations which few ever understand.

While our leaders express the thoughts of the people on this issue, and advocate reform, few sound and extensive solutions have been offered to deal with the problem. By 1974, the American bureaucracy—at the Federal, State, and local levels—had grown to 14.5 million civilian workers. In effect, one out of every six American workers were on the public payroll.

The problems of our mushrooming bureaucracy are very real and must be dealt with immediately if we are ever to solve them. Reorganizing this tangled web will not control its increasing size. It is time that the unchecked growth which must be curtailed. My studies have convinced me that we can increase productivity

sufficiently to continue essential services to our citizens, without enlarging our bureaucracy any further.

Therefore, today I am introducing legislation to provide for a reduction in the number of Federal employees through voluntary attrition. Attrition, wherein positions which become vacant because of retirement, resignation, removal or death are simply not filled, is generaly viewed to be the least disruptive means of achieving across-the-board reductions in the numbers of Federal employees.

This method has already been proven successful in the past few years. In 1969, the President ordered a reduction in Federal civilian employment through attrition which led to a workforce drop from 3,076,414 in 1969 to 2,981,574 in 1970. In 1974, a further reduction of 37,400 was ordered.

My bill sets a goal of a total reduction of 10 percent across-the-board within 5 years, at a rate of 2 percent a year, and maintains that reduction. The only stated exemptions from the provisions of this bill are the armed forces, law enforcement officers, and firefighters.

In fiscal year 1976, there were 640,887 separations throughout the Federal Government, at a rate of 22 percent. While my bill is somewhat of a departure from standard congressional procedure in such matters, such a rate should allow considerable flexibility in achieving a 2-percent annual reduction in 5 years.

A bureaucracy is necessary to help implement the laws which we pass. However, an inflated, inefficient bureaucracy only serves to complicate and hinder the orderly functions of Government. We have exhausted all discussions on this issue—it is now time for decisive action to bring about solutions. I feel my legislation is a strong and equitable answer to the problem of our mushrooming bureaucracy.

"EXCLUSIONARY RULE"

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. HAGEDORN. Mr. Speaker, one of the most indefensible remnants of criminal law fashioned by the Warren Court is the so-called exclusionary rule. The rule states that evidence obtained through means which are later determined to be unconstitutional shall be inadmissible in the courts, regardless of how inherently trustworthy the evidence otherwise is. Subtly, in recent years, the major objective of the American criminal justice system has evolved from pursuit of a fair trial to pursuit of a perfect trial—in the process insuring the attainment of neither. This is a process noted at greater length by Judge Macklen Fleming in his book "The Price of Perfect Justice." He observes that there are at least 26 separate stages of the judicial process at which a criminal defendant can make collateral attacks against the admissibility of evidence. The trustworthiness of the evidence is irrelevant at each of these stages.

The Supreme Court has explicitly stated that the "exclusionary rule" is not of constitutional origin, but is simply the best that the Court can come up with. If we are to restore a modicum of sense to our criminal justice system, I believe that we must insure that all relevant evidence should be considered in the determination of criminal guilt or innocence. Fourth amendment guarantees can be protected in better ways, such as direct penalties against jurisdictions whose law enforcement officers violate these guarantees, or perhaps by some formula for at least balancing the gravity of the constitutional violation with the value of the obtained evidence. An otherwise culpable individual should not be released to prey on society simply because of an error in judgment by the constable.

I would like to call to the attention of my colleagues an excellent article on the subject of the "exclusionary rule" by Judge Albert M. Rosenblatt and Julia Carlson Rosenblatt from Harper's Magazine:

A LEGAL HOUSE OF CARDS

(By Albert M. Rosenblatt and Julia Carlson Rosenblatt)

Now and again it is heard that the American criminal has a monopoly on the United States Constitution. Day after day, the public sees the guilty set free through legal procedures which they do not understand, but which, they are told, have something to do with someone's constitutional rights having been violated.

At its basis, the Constitution is blind to differences between people. Its protections, including the Fourth Amendment's guarantee against unreasonable searches, apply to the young, the old, the poor, the rich, the honest, the wicked. But things have taken a curious turn. In order to see to it that the Fourth Amendment is honored, the United States Supreme Court has decreed that anyone caught with incriminating evidence is authorized (and, increasingly, expected) to cry out that the evidence not be used against him because he was unlawfully searched. The trial court must entertain the claim even though the claimant may be undeniably guilty. Evidence obtained unlawfully must be thrown out, and this is the essence of the exclusionary rule.

The doctrine was first promulgated in federal courts and then expanded by the Warren Court in 1961 to embrace every state and local criminal court in the land. It was heralded as the enlightened solution; it was repudiated in England; it is unique among the nations of the world. It does not work.

In a free society, the government owes its citizens freedom from crime as well as freedom from governmental intrusion. Both criminal activity and police power threaten individual liberty, and the balance between the two is delicate. It was thought that occasionally releasing a lawbreaker—a short-term injustice—would bring about the higher justice of balance between these opposing forces. It has not.

The exclusionary rule was born out of concern for citizens' right to privacy, according to the theory that an errant police officer is "punished" by being made to stand by, helplessly, and watch his catch thrown back into the sea. The rule forbids the use of any evidence obtained by police who violate constitutional standards, according to the interpretations of the Supreme Court and lesser judiciary. The tainted evidence, however reliable it may be, is "suppressed" from prosecutorial use, so that, in most cases, guilt, though acknowledged, my not be proved. There is a concrete physical reality about a machine gun, a corpse, or a kilo of heroin. Yet in countless prosecutions tangible evidence is routinely excluded, in furtherance of the belief that through suppression of an ill-gotten truth a higher truth will emerge, in the form of a more nearly perfect legal system.

Ironically, if the police search someone unlawfully and turn up nothing, the victim of the search finds no solace in the exclusionary rule. A law-abiding citizen, harassed by unreasonable intrusions, cannot redress his grievance through the suppression of evidence, for there is none. Whether or not the scale has actually tipped in favor of the criminal, that is the way many people perceive it.

Americans increasingly feel under siege, with too many remaining fearful behind locked doors. Few if any citizens, however, would trade the fear of going out at night for the dread of the midnight knock on the door from the police. Although we may seem to be a long way from the police state, we must be ever mindful of the danger. The exclusionary rule was designed to keep such oppression at bay.

Let us look at the rule in action: police officers, on patrol, see two masked men flee from a jewelry store in an unidentified late model, light-colored car. The officers approach the premises and see the proprietor on the floor, bound and shot dead, his display case ransacked. No witnesses. Several hours later, in a neighboring town, other police alerted to the crime see two men traveling a little too slowly in a light-colored car. They stop the car and inquire. The answers are unhelpful. With only their intuition to reply upon, the policemen search the car and find the stolen merchandise, the murder weapon, and the masks. Arrested, confronted, and told of their rights, the suspects confess to robbery and to murder.

Nevertheless, they will go free. The search, despite its empirical success, would be held unconstitutional in the opinion of most American courts. No evidence resulting from it could be used against the criminals. The inexact suspicion of a police officer, however validated, is no proper yardstick. No search may ever be justified by what it turns up. The confessions, too, must be ignored, for they were the product of an improper arrest and a confrontation with "illegally seized evidence."

As another example, Singer tells the police that Moran has a stolen revolver hidden in his apartment. The police get a court-ordered search warrant and seize the gun exactly where Singer said it was. This sort of thing is routine, but often, in spite of the correctness of the information on which the warrant was based, the warrant will be struck down and the evidence excluded, if the warrant is signed without "probable cause." This means enough proof to convince a reasonable person that the criminal evidence is at the place to be searched. If, in presenting the proof to the magistrate, the police omit mention of how Singer knew he was right, the search will be nullified.

The paradox of the exclusionary rule was described sardonically by the late John Wigmore, dean of the Northwestern University Law School and the author of the leading treatises on the law of evidence: "Our way of supporting the Constitution is not to strike at the police officer who breaks it but to let off somebody else who broke something else."

We cannot say that the rule was imposed upon the states in order to convert irrationality into a national policy, nor can we say that it has served no purpose. That it has turned out rather badly is not a strike against the Warren Court so much as it is an outgrowth of implications which were not then foreseen. Perhaps they should have been; the Court was warned by some of its

own dissenters, but the misstep occurred in the launching of a social experiment—bold and noble as it was—which did not fully take into account the disinclinations of both police and criminals to be deterred by hollow threats.

Deterrence by punishment is experienced in all forms of human endeavor. A child is warned not to play with fire. He tries, experiences pain, then desists. If anyone is to be deterred from doing anything—the police from misbehavior or the criminal from his crime—the punishment must be swift and certain, as well as sufficiently painful to counterbalance the more immediate reward of the proscribed act.

Applying the deterrence hypothesis, the Court thought that release of a criminal was a sufficiently painful consequences of an illegal search. But the punishment imposed by the release of a mugger does not jolt the police so much as it does the next victim. The cop's hand is not burned by the fire; his palm is slightly singed as the candle is extinguished and the room darkened. The simple truth is that police brass rarely punish or otherwise discipline officers who are, to their way of thinking, guilty only of high-minded exuberance. With the quarry sacrificed, they feel that the disappointed policeman should not be set back further, but, if anything, consoled or promoted for his thwarted civic efforts. The disposition of the case matters, but is not, typically, the ultimate police criterion. It is the arrest and the maintenance of police professional standards that count for respect and advancement. If the courts want to throw out cases—well, that's their business.

With supreme irony, those who pooh-pooh the deterrent effect of punishment on criminal activity are the first to exalt it as a device to curb police misconduct. But if the threat of prison does not deter thieves, how may police misconduct be stemmed by such impersonal penalties as the judicial dismissal of cases? Both failures have a point in common: the sanction is either absent or blunted (in the case of the police) or, in the case of criminals, delayed, diminished, or denied.

DELAYED

Constitutional exclusionary battles involve judges in the adjudication of pretrial contests which have nothing whatever to do with guilt or innocence. Guilt is assumed. The defense attorney exhorts the court to throw out a case solely because it is composed of incriminating evidence claimed to have been improperly taken from his client's pocket, house, or car. Hours, days, and sometimes weeks may be spent on even one such claim. Court calendars are bloated with hearings arising out of an obsession with procedure in which guilt or innocence is irrelevant; for the exclusionary rule excludes, of all things, the truth itself.

DIMINISHED

Unsure of the unassailability of a search warrant, of the legality of a search, or of the truthfulness of its avowed circumstances, the prosecutor often finds it expedient to bargain with the defense despite unerring proof of guilt. The police seize an illegally possessed gun; when the defendant claims it, he gets a discount in culpability because there is a legal shadow over the seizure.

DENIED

If the shadow is too long, the proof is suppressed entirely under the rule.

Of course, offenders are sometimes caught and jailed. Yet, the rule operates even for them with freakish inconsistency. Bumble and Dodger are caught committing a burglary. Bumble goes to prison because his conviction is somehow free of constitutional or legal flaws. Dodger is luckier; he is sprung by the exclusionary rule. From the viewpoint of the two, there is much to be learned from this. One would like to think that a potential offender perceives some cause and effect between crime and punishment: the teachings of deterrence. But that is by no means the lesson learned by the participants or by the person contemplating a life of crime. The inescapable conclusion is that going to jail has less to do with getting caught than with the fastidiousness of some murky and incomprehensible courtroom procedures.

While intended to curb abuse of police power, the exclusionary rule has opened up a whole new field of police misconduct: perjury. Police officers who testify at suppression hearings have sometimes shown a remarkable facility for adjusting facts to fit the court's constitutional sensibilities. The bad cop, knowing that he acted arbitrarily in pulling the heroin out of his target's pocket, testifies that in fact no search was conducted but that the defendant "dropped" the drugs to the ground when approached. "Dropsy" is a bastard legal phenomenon born of cynicism, and growing in importance with each triumph. Occasionally, however, there is a true dropsy case. To the callous prosecutor, there is no need to differentiate; to the virtuous prosecutor, it is an added quandary.

Moreover, the rule has tarnished the reputation of the conscientious, honest policeman in the eyes of the public, while eroding self-respect within the profession. In most criminal cases there are now, so to speak, two accused: the defendant and the police. To have every move—especially those taken in good faith—challenged, examined, and often condemned, creates incalculable damage to police morale and to public perceptions of law enforcement.

Because the public does not fully understand the exclusionary rule, a victim will see only the outrageous release of his assailant, and may very well assume that someone was paid off. Either way, the ensuing anomie infects the public. With an air of resignation tinged with fear, the victim of crime acquiesces to his lot with scarcely a thought of recourse. "Why contribute interminable hours as a witness against a criminal?" he reasons. "He will only be right back on the street to take revenge." The victim slowly parts company with law enforcement; the cycle is compounded.

During the 1960s and early 1970s, difficult cases arose in which it became necessary to develop the rule with logic and consistency. While each extension of the irrational doctrine may have been internally consistent, the sum of the decisions was irrational—like the addition of floors, in perfect symmetry, to a house built on quicksand. Here is a sampling of further oddities, based upon actual decisions.

Skinner is charged with possession of a switchblade which the state police had, undeniably, found concealed on his person. He blames the police, testifying, at a pretrial suppression hearing, that they took it from him in violation of his constitutional rights. The court disagrees: he does not walk free but is put on trial, at which the prosecution must establish that the defendant had the weapon. The state's attorney is forbidden to so much as hint to the jury that Skinner himself swore that the police took it from his very person. At the jury trial Skinner does not testify and his attorney may successfully convince the jury that his client never had the knife.

Rust is arrested on a weapons charge. He is convicted. His guilt is not questioned by an appeals court, but it nonetheless overturns his conviction because it marks his lawyer incompetent for not challenging the means by which the police got the weapon.

Wedgewood pleads guilty to burglary, admitting a break-in and the theft of a revolver. On appeal, his conviction is reversed when a higher court finds that the police violated his rights in searching him and retrieving the stolen gun without prior justification. His plea of guilt does not bar his challenge or his release.

Enough. These are results which only legalists can fathom. And therein lies the rub. Surely a rule of such profound social dimensions should spring from something closer to social consensus than to judicial or legal dialectic. It is mistakenly assumed that these results are somehow mandated by the Constitution. The Fourth Amendment condemns unreasonable searches, but it does not decree that insult be added to injury, that the public be affronted first by the crime and then by the release of the acknowledged malefactor. Lacking an efficient legislative scheme by which citizens could be guaranteed their Fourth Amendment rights, the Supreme Court chose the exclusionary rule.

The extraordinary irony of that choice is that under the reasoning of the rule, the convictions of Skinner, Rust, and Wedgewood would be fully intact if the searches were conducted by any nonpolice member of the population. The rule does not sour the fruits of a private citizen's search; it blocks only those convictions which flow from bad police searches. Of course the citizen who searches another person risks both a lawsuit and a bloody nose, but the evidence he draws is at least permitted to be of some use.

All of this leads one to suggest that the question of police searches be reexamined. Naturally, there must be an institutionalized procedure of complaint and recompense for those whose privacy is unjustly shattered, but not if it allocates disproportionate windfalls to the guilty and nothing to the innocent.

At present, courts which routinely deal with challenges to search warrants are reluctant to release offenders who argue that the damning evidence was seized under a faulty warrant. In order to "save" the warrant which gave up a corpse, judges will sometimes engage in tortuous legal sophistry, while righteously suppressing the gram of marijuana seized under a comparably deficient warrant. The result is a jumble of precedents and standards not easily reconciled by a judge who must decide when to issue a particular search warrant. If the warrent is applied for and issued in good faith, the criminal should not be allowed to turn the results of a magistrate's understandable confusion into an escape hatch.

The exclusionary rule does not distinguish between blunder and malice. It should. If the police officer is wrong, if he lacks the legal savvy to guide him through the most arcane legal distinctions, his search will be aborted, just as though he acted out of the vilest motivations. It is not at all uncommon for an appellate court to divide, four to three, over whether a police officer was authorized to conduct a particular search without a warrant. The police officer has the unenviable duty of deciding, in the heat of the moment, whether his conduct will eventually be approved by the four or by the three. If he makes an educated choice that the court's majority does not prefer, he will be judged the "offender," and the criminal "the victim." The *level* of constitutional misconduct should have some place in these matters.

Cases may be imagined, to be sure, in which the behavior of the police is so contemptuous that exclusion of the ill-gotten evidence is a necessary sanction. But where the conduct is merely mistaken, we ought to compare our own legal practices with those of the rest of the world.

To recommend lifting the exclusionary rule is not to advocate eliminating safeguards against abuses of power. The choice should not be between repression and what we have now. Consideration of civil lawsuits against police agencies, with the awarding of money damages, raises the specter of the

medical malpractice morass, but a workable system may be fashioned. We can learn from the experiences of other eminently democratic countries, England and Canada for example, which use such a system. The solution will not be simple, but the time has come to seek a new way.

The exclusionary rule is, perhaps, the boldest experiment in enforcing civil liberties that has ever been launched. To have tried it is very much to our credit. To recognize that it is no longer tenable will be even more so.

SOME LESSONS FROM THE NEW YORK BLACKOUT BY WILLIAM SAFIRE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. KEMP. Mr. Speaker, yesterday's column in the New York Times by William Safire is one of the most important analyses of the looting and rioting during the recent New York City blackout that I have seen in print.

Mr. Safire points out that the rampage of stealing cannot be explained either by the standard "liberal" answer that it resulted from economic deprivation, nor by the orthodox "conservative" answer that only stricter law enforcement would have prevented it. As Mr. Safire put it:

"People do not become a thieving mob because they cannot afford jewelry, booze or new couches. They do not refrain from stealing because of the pressure of glinting bayonets. They do not break the law because of signs in the sky or anti-establishment conspiracy theories.

"The looters looted because of the spreading non-ethic that stealing is O.K. if you can get away with it, as you usually can; that only a jerk passes up an opportunity to rip off his neighbor; that society not only owes you a living, but the good life."

Of course, it goes without saying that the looters have only hurt themselves in the long run—even though they may have escaped initial arrest. The shops and businesses that were destroyed will never be reopened, thereby depriving the community still further of needed jobs. This is the history of previous riots in Newark, Detroit, and Washington, D.C.

If lax law enforcement and economic deprivation cannot be considered adequate explanations for the looting, what can? Safire notes that poverty was greater during the previous blackout, yet no riots occurred. He notes that by and large the looters took toasters, not bread; liquor, rather than milk; and sport shirts for the sporty, instead of shoes for the shoeless. I have also noted news reports which showed that no bookstores were broken into, even though they stood in the middle of heavily looted areas. Of course, the very idea of looters stealing books during a riot would be absurd. They are not trying to fulfill some kind of genuine need, only get something for nothing.

Bill Safire goes on to say that this "something for nothing" philosophy is really just an extension of the "welfare rights" philosophy promulgated by Government, that welfare is a right to be expanded rather than a condition to be relieved and avoided. Likewise, a job is something to be provided by society, rather than something to be searched for and earned.

I frankly do not know what actually caused the looting and violence to arise so spontaneously when the lights went out. Nor do I know whether it would have helped to bring in the National Guard, though I suspect that it would. But I do believe that serious thought should be given to Government policies which promote the kind of attitude which makes looting and criminal behavior more likely, under conditions such as a blackout. As I have said, I believe that the welfare and tax system as it operates is a prime factor here. I hope it is reexamined before similar incidents reoccur and plague other cities.

Mr. Speaker, the real and lasting way to reduce poverty in New York and elsewhere is by lowering the tax rates and encouraging people in their own interest to choose work, production, and investment over nonwork and debt.

[From the New York Times, July 18, 1977]

CHRISTMAS IN JULY

(By William Safire)

In white letters on a black background, the headline of a New York Spanish newspaper, El Diario, demanded to know "POR QUE?" Why?

Why, when the city's lights went out, was there a billion-dollar orgy of looting and pillaging by tens of thousands of the occupants of the city's slums?

Nothing like the rampage of 1977's Bastille Day has happened to an American city before. This was not a race riot: No discrimination was shown between black or white shopkeepers. Race relations have surely suffered—television's projection of exultant black looters wiped out the gains of the televised "Roots"—but no civil rights cause motivated the blackout's glad-to-be-angry opportunists.

Nor was this an example of people driven by desperation to reach out for necessities. They took toasters, not bread; liquor, not milk; more sports shirts for the sporty than shoes for the shoeless. One of the participants aptly called the evil carnival atmosphere "Christmas in July:"

Why? The standard liberal answer is that this was a cry for economic help, an expression of despair by society's forgotten people. It is our fault for abandoning the Great Society, for not making certain that each ghetto resident has a job or a welfare payment to keep him content.

The standard hard-line answer is just as foolishly self-flagellating: that the militia was not called out in time to keep law and order, or that the cops were not equipped with shoot-to-kill instructions.

More far-fetched answers come from people in the looting area who were neither criminals nor victims. The blackout itself was described as an Act of God, as Consolidated Edison promptly called it, which suspended the rules of lawful behavior. Or that Con Ed pulled the plug on purpose, to dramatize its need for more power plants, and that such a conspiracy justified gleeful participation in its "strike."

None of these answers, nor all together, satisfy; they are excuses, not reasons. People do not become a thieving mob because they cannot afford jewelry, booze or new couches. They do not refrain from stealing because of the presence of glinting bayonets. They do not break the law because of signs in the sky or anti-establishment conspiracy theories.

The looters looted because of the spreading non-ethic that stealing is O.K. if you can get away with it, as you usually can; that only a jerk passes up an opportunity to rip off his neighbor; that society not only owes you a living, but the good life.

Millions of black and Hispanic New Yorkers were the worst victims of the looting and arson on Bastile Day, and do not deserve the shudders directed their way in its aftermath. Many of them called the looters "animals," and in a non-racial sense were right: Inhumanly, the looters attached no guilt to their actions. They took what was in the stores as their right; it was free-style Christmas in July.

What is the basis for that newly widespread attitude of a "right" to rip off? Sorry, the economic-despair excuse will not hold up, because poverty in the ghettos was greater in the last blackout, and the standard of living was lower in the past generation.

One reason for the I'm-entitled-to-what-I-want attitude is the philosophy that welfare is a right to be expanded and not a condition to be avoided by the able-bodied.

Another reason is the claim that because minorities have suffered discrimination in the past, they are now entitled to reparations in the form of special treatment—and some carry that claim to extremes.

Another reason is the notion that a job is something to be provided and not searched for, and that menial work is to be spurned as not a "decent" job.

Another reason is the argument that crime is the result of poverty, and that poverty is nobody's fault but the System's; it follows that in this no-fault world, society is to blame for what a poor person does when the lights are out.

Heresy? Of course. Most of us prefer a much more palatable get-tough-with-the-rich exploitation of resentment or a get-tough-with-the-crooks correctionism. Not many are willing to get tough-minded about the prevailing political philosophy, and to face up to the consequences of the overweening assumption of responsibility by government.

Surely there are other and more complex reasons for the suspension of ordinary civility and morality by so many New Yorkers during the city's ordeal. But that's the beginning of the hard answer to El Diario's "Por Que?"

FOOD STAMPS AMENDMENT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. LEHMAN. Mr. Speaker, because my name has become associated with an amendment to be offered concerning the "workfare" concept in the food stamp program, an explanation of my position is in order.

I unfortunately misunderstood the intent of a letter which was circulated last month expressing support for the "food for work" proposal. I had been under the impression that the letter's purpose was to voice approval of the committee's decision to set up pilot programs to test this concept. I do not support any moves to expand this provision. We must first determine whether or not these programs are feasible and fair.

THE CROWN OF ST. STEPHEN

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. KOSTMAYER. Mr. Speaker, I rise today at the request of a concerned constituent, John Letai, of Yardley, Pa. Mr. Letai has written very movingly of the importance of the crown of St. Stephen to the Hungarian people and I wish to share with my colleagues his words:

The Hungarians originated in Asia and, after a long period of wandering, settled in the Carpathian Basin of central Europe. In the ninth and tenth centuries, as a pagan, nomad tribal nation, they conducted their adventurous, predatory raids against the peaceful, Christian, agricultural Western nations.

At the early success of the Hungarians, Europe trembled. "Oh, Lord, save us from the arrows of the Hungarians," they prayed in the churches. Eventually though, other nations learned the Hungarian war tactics and countered them with feudal techniques. In 955 A.D. they met total defeat at Ausberg, Germany. In time the Hungarians learned their lesson, realizing that the only way to survive was to conform to the European social and political order.

After the Hungarians accepted the Christian moral, political, economic and social order of Europe, Pope Silvester II sent a crown to King Stephen accepting him as a member of the European community in 1001 A.D.

The crown was and still is a symbol. It has represented the source of power in Hungary since 1001. The receiver and holder, the king or the Hungarian State, had the obligation both nationally and internationally. All actions by the king or the State were done in behalf of the Hungarian Crown.

Hungary—by the symbol of the Crown—was accepted by the European community as conforming to the international standard established by that community. The Hungarian people gave the Crown to her kings as a symbol of a contract. The people expected the king to obey the constitution of the Hungarian State and the king pledged each time at the day of coronation to obey the law and fulfill the expectations of the nation.

The United States had intervened in the Second World War because—we were told—Hitler's Germany raided Europe and bluntly violated moral and political standards established by the community of civilized nations. Hungary participated on Germany's side in this adventure and suffered defeat. She lost the Crown the symbol of civilized living among nations and individuals. The American goal of intervention was reestablishment of the right of self-determination, national and individual, as well. Thousands died for the same goal in Korea and Vietnam. By policy and actions the United States sees herself as spokesman and champion of self-determination. Only the United States possesses the moral ground and military power to implement these moral and political principles of living together of nations and human individuals.

The noble effort of the U.S. in the Second World War only partially survived. The fascist terror was replaced by communist tyranny. There is still no self-determination in the eastern part of Europe. The government is not freely elected by the Hungarian people but forcefully imposed on them by a foreign power. This government rules according to the rules set forth by an outside force.

Returning the Crown to this government would mean the recognition and acceptance of moral, political, economic and social standards which are contrary to the original goals and present principles for which the American people fought, stand and live for.

There is no such symbol with a 1000-year history that plays a role which would signify the success or failure of the most important international struggle for human rights.

When the time comes, when the Hungarian nation can be an equal partner of the European free community, when the Hungarian people freely elect their government and this government respects the rights of individuals, the U.S. can take the satisfaction that those principles for which the Americans fought in World War II have been achieved and the Congress shall return the Crown to the House of Representatives of Hungary. The significance of this gesture would be so fundamental and similar to the action of Pope Silvester II, 1000 years ago, that it might inspire and reinforce the ground rules of living together among nations for another 1,000 years.

Therefore, I support the "Hungarian Crown of Saint Stephen Protection Act."

Mr. Speaker, I concur with Mr. Letai that the Hungarian Crown of St. Stephen and other relics of the Hungarian royalty should remain in the custody of the U.S. Government unless Congress provides otherwise by legislation.

To Hungarian people all over the world who honor freedom, the crown is a sacred symbol of the independence and legitimacy of their government. Just as the American flag, the Declaration of Independence, and the Constitution are symbols to Americans, so the Crown of St. Stephen is a national symbol to Hungarians. It would be an injustice, in light of the foreign domination in Hungary represented by 200,000 Russian troops occupying Hungarian soil, for the Crown of St. Stephen to be returned to the present government of Hungary.

I urge my colleagues to support the Hungarian Crown of St. Stephen Act which has been introduced by Congresswoman Oakar.

THE B–1: CLEARTHINKING VERSUS MUDDLEHEADEDNESS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. DORNAN. Mr. Speaker, the Senate yesterday voted to delete funds for the B–1 program. Although this did not come as a great surprise when compared to the shock which accompanied President Carter's decision, it did seem to me to be one more nail in the coffin of our Nation's defense.

The Senate-House conferees have yet to meet and decide if they will join in the coffin hammering by choosing the Senate version of the authorization bill. But if they do decide to bury the B–1 and our national security, I can easily imagine what they in their illogic will argue was the reason. They will probably argue, as the President and the majority in the Senate did, that the costs of the B–1 are too great when compared to the cruise missile.

That illogic convinced the President and it convinced 59 Senators, but it does not convince some clear-thinking Americans who are distressed and angry at the series of defeats the B–1 is suffering and the muddleheadedness which appears to have won the day.

One of these clear-thinking Americans is Mr. Elmer Fasol of San Pedro, Calif. Mr. Fasol has recently written me a most articulate letter delineating the actual—not the muddled—comparative costs of the cruise missile and the B–1.

I call my colleagues' attention to Mr. Fasol's letter. It is my sincere hope that they will not succumb to the illogic of the other body and will stand fast on the funding for the B–1.

The letter follows:

Congressman R. DORNAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: According to the recent statements by Pres. Carter and Def. Sec. H. Brown the reasons given for cancellation of the B–1 aircraft were B–1 program costs and the fact that the cruise missile could do the same job at less cost. However there are some questions which are bothersome and have not been fully addressed.

The B–1 cost is quoted at $100+ million per aircraft whereas the cruise missile is $500,000 per missile. These figures are constantly being quoted as though they were equivalent, however one cruise missile is not in any way a substitute for one B–1 and the most ardent missile proponents will not claim that it is. Due to the way the costs are quoted however the general public has been led to believe there is a one-to-one ratio, i.e. when costs are quoted no mention is ever made of the total quantity of cruise missiles which are required to have the same assurance of reaching a target as does the B–1. Also how many cruise missiles will be produced? What will be the total cost of the cruise missile program? To my knowledge this figure has not been quoted in any news releases or stated anywhere that I am aware of. The public has a right to be made aware of the total cost of both programs.

When quoting costs of refurbishing B–52's ($700,000 per aircraft), I have seen no mention of the fact that it takes two B–52's to equal the payload (and ability to deliver payload to the target is the only real threat of a weapon) of a B–1. Therefore one must double the cost of B–52 refurbishment (2×$700,000 = $1,400,000) for comparison to a B–1. But that isn't the total cost of comparison either. To arrive at the true delta cost of the program one must also add the costs of 2 air crews for the B–52 (12 men for B–52 vs 4 for B–1), 2 maintenance crews (keeping in mind that the B–1 has automated test systems), 2 complements of support equipment, etc. In each case the B–52 costs far exceed the B–1 costs. One might argue that these already exist and therefore are no extra cost. Not true. Crews are in a constant state of change (here we are talking about the life of the program, not just today's operation), ground crews come and go, support equipment is always being replaced and repaired (twice the equipment twice the cost).

One B–52 uses more fuel than one B–1, two B–52's (equals one B–1) use more than twice as much fuel as a B–1. What is the difference in fuel costs over the life of the program? And wouldn't that be a good way to start conserving fuel! Or would we rather have gasoline rationing? It appears that present administration would.

How about development costs? What amounts of money is it going to take to develop the cruise missile to the point that it will be fully operational and have the required range to get to a target? How many missiles are going to be fired during the test

and development phase and at what cost? There is no recovery of missiles. Inflation and contingency costs as well as costs for the development of all avionics and controls must be included and not hidden under some other program. What new support and check out equipments will be required? At what cost? The B–1 is fully developed and ready now! A large amount of money has been spent to develop it to a production version. Is it economical to throw that away in deference to another development program? Is the administration thinking that they will save money by developing systems and then cancelling them? Will the cruise missile also be cancelled when it is ready for production? That is false and dangerous thinking. Dangerous in that the security of this country is at stake and false in that it is a well known fact that the development costs are a major part of program costs and one cannot save money by being constantly in a development phase and never going into production.

The cost of switching over to a cruise missile development program must also include the cancellation and termination costs for the B–1, which will be quite significant. Companies spread all across the United States will be closing down work and will be entitled to payment for all termination and cancellation costs. These costs although not directly chargeable to the cruise missile program are costs to the taxpayers as a result of the cruise missile decision.

Likewise the effects of terminating some 60,000 jobs will result in added costs to the taxpayers in the form of unemployment benefits, employment aid, welfare, etc.

Would it not be meaningful and worthwhile to put all the costs down on a balance sheet side by side so that all the people could see for themselves the true savings or costs of each program? Addressing the numbers individually and in generalities only leads to confusion and misinformed people. I certainly hope that is not the intent of the administration or of Pres. Carter.

There are probably other costs which have not been included here. Actual costs to the taxpayer. These costs do not begin to address all the secondary economic impacts such as loss of sales to businesses in affected areas, loss of workers due to loss of business (foods, autos, homes, recreation/sports, etc). Nor does this letter address the human costs of the B–1 decision.

Is the taxpayer being ripped off again? From what has been published and said so far it is impossible to tell. It certainly would be a great service to the general public and to your constituents if these costs could be published for one and all to see. I'm sure that you will give this your fullest consideration.

Sincerely,

Mr. ELMER FASOL.

DALE WILSON DAY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. MARTIN. Mr. Speaker, recently, on July 1, the city of Statesville, N.C., celebrated a day of tribute to former U.S. Marine Sgt. Dale Wilson. On this occasion, Dale Wilson was presented the Silver Star for heroic action in the Vietnam war.

All the people of Iredell County have a special pride in his accomplishments both in combat and in subsequent civilian life. He has become a great inspiration to many disabled and handicapped individuals who have gained from his example a renewed spirit of determination and optimism.

On Dale Wilson Day in Statesville, there were many glowing and moving statements. Mr. Speaker, I want to take this opportunity to share with the House one exceptionally appropriate and helpful statement delivered as an address by Mr. Jim Webb. Mr. Webb currently serves as an Assistant Minority Counsel of the House Committee on Veterans' Affairs, and earlier served us as commander of the Marine company to which Sergeant Wilson was assigned. He was in a special position to evaluate the importance of Dale Wilson's gallantry as well as the involvement of the United States. His insights will be of great value to all Members, and I am pleased today to make them a part of the RECORD:

ADDRESS BY JIM WEBB ON THE OCCASION OF DALE WILSON DAY, JULY 1, 1977

I've been asked to say a few words about Dale Wilson when he was with our Company, and then say a few more words about our Company during the period Dale was with us.

The first part is the easiest. There is little I can say that would embellish what is already on the face of Dale's record. His leadership is evidenced by his combat decorations—the Bronze Star he received previously for heroism, the two Purple Hearts, the Silver Star he will receive today for gallantry. It is also evidenced by the fact that he became a Sergeant during one Vietnam tour—a feat seldom accomplished in the Marine Corps. Wilson accomplished it by combat-meritorious promotions to Lance Corporal, Corporal, and Sergeant.

Dale came to my platoon as a rifleman in a place called Go Noi Island. We were also together, with so many others, in the villages and on the hills of the wide, rice-laden valleys of the An Hoa Basin. I later became a Company Commander. He became a fire team leader and, on the date of the incident for which he is to receive the Silver Star, he took over as squad leader. As you must know, people became squadleaders largely by attrition in the Marine infantry. Dale's squadleader was wounded that day. Dale himself remained a squadleader until he was wounded and medevacked. Dale was the seventh squadleader of that particular squad during the nine months I had been in the field.

Our company roamed like nomads across the valley, gave its villages and ridges our own nicknames, ripped its earth with our bombs, stained it with our blood. And when we left, each of us in our own turn, a part of us stayed there, forever, fused into the stench and dread of combat. And at the same time, a part of it clung to us forever, became an inseparable part of us, like a burden that few of our countrymen seemed willing to share.

We were, emphatically, young. I recall one afternoon when I was serving as Company Commander. We had just moved into a new position, and were digging into our perimeter. I was walking along the fighting holes, watching the Marines setting up, and it occurred to me that, except for the Company Gunnery Sergeant, and one Staff NCO, I was the oldest person in the field. It was a stunning revelation. I had 170 people under me, and 167 of them were younger than I. I personally was the ripe old age of 23.

I've often gone back to that moment, because for me it told much of the story of Vietnam, or any other war. Civilians fight wars. Dale Wilsons and millions of others like him, who join the service to fight wars and more often than not leave the service when their tour is up—these are the men who end up facing the bullet and bleeding into foreign dirt.

When I was a platoon commander, our platoon averaged perhaps 25 men. Yet, during one short period of about a month and a half, we suffered more than 50 casualties. I don't claim this was unusual. In fact, in the Marine infantry it was common. But as I look back on those 50 casualties, again I find they had two things in common. First, hardly a one was old enough to vote. And second, virtually every one was a civilian who had become a Marine because of Vietnam.

And that's important. It becomes even more important when I think, as I often do, of what I could possibly offer to these individuals I was so privileged to command as justification for their suffering and bleeding for what is now perceived to have been a lost cause. If they had all been careerists—professionals—it would have been enough to say it was a war and they were the people who were supposed to fight it.

But they were not careerists. They—like Dale—were very young, who fought because our country had made a judgment—and I would say that it was our country's best judgment—that they should interrupt their lives and face the misery and the tragedies of war.

I lived with them, Dale and the others, I felt their pains, wept when they were killed or wounded, and I shared their deep disillusions when, after all the broken bodies and the nights in the rain, so many in this country ignored their sacrifices.

So today has a very special meaning for all of us. It is Dale's day, he earned it as only an infantryman can earn it, but it is also a day for every man who shared that existence. We can all walk a little taller today.

And after eight long years of considering it, I think that I can offer at least a partial answer to those young civilians like Dale who became forever Marines in the dirt and grit of Vietnam. It is the same answer—an explanation, actually—that was offered to our mutual Confederate ancestors. It is etched into the Confederate Memorial in Arlington Cemetery. I'd like to read it to you:

"Not for fame or reward, not for place or rank, not lured by ambition or goaded by necessity, but in simple obedience to duty as they understood it, these men suffered all, sacrificed all, dared all, and (sometimes) died."

And Dale Wilson was of the very best among them.

MR. CHARLES PULASKI, CONSERVATION CHAIRMAN FOR THE SUFFOLK COUNTY AMERICAN LEGION, TESTIFIES AS TO WHY A NATIONAL CEMETERY SHOULD BE ESTABLISHED AT CALVERTON, LONG ISLAND, N.Y.

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. CARNEY. Mr. Speaker, on Friday and Saturday, July 15 and 16, 1977, the Subcommittee on Cemeteries and Burial Benefits of the House Veterans' Affairs Committee, of which I am chairman, went to Long Island, N.Y., to hold hearings on a proposed National Cemetery at Calverton.

One of the witnesses who testified at those hearings was Mr. Charles Pulaski, conservation chairman for the Suffolk

County American Legion. Mr. Pulaski, who has the same surname as another great American patriot, Casimir Pulaski, gave the reasons why he believes that a new national cemetery should be established at Calverton, Long Island. But beyond that, Mr. Pulaski addressed himself to the reasons why we should continue to have national cemeteries.

Mr. Speaker, I would like to insert Mr. Pulaski's eloquent and poetic statement in the RECORD at this time for the information and consideration of my colleagues in the U.S. Congress and the American people. Mr. Pulaski's statement follows:

STATEMENT OF MR. PULASKI

My name is Charles Pulaski and I am the conservation chairman for the Suffolk County American Legion. I do not hold any degrees in zoology, ecology, or forestry. I am proud, however, to say that on behalf of the Suffolk County American Legion I have accepted many conservation awards for youth, for saving of parks and woodlands, trees, meadows and wildlife.

Recently we have been the recipient of the Environmental Protection Agency's Conservation Award. One of our proudest achievements was when we were able to save 230 acres of virgin land opposite the historical Sagtikos Manor in West Islip. We did this, I might add, without help from any State conservation departments or any environmental impact statements to aid us.

For this I was named nature's humble champion by Newsday. The county executive proclaimed a day to be set aside in my honor and I received a plaque from the citizens for saving the land that God has loaned us.

The above statement is not for self-glorification but merely to bring out the fact that the Suffolk County American Legion has and will always be in the forefront of environmental battles.

Now, in regard to the proposed national cemetery at Calverton which comprises approximately 900 acres, there is mention of the wildlife that will be affected: pheasants, quail, woodcock, fox, deer, grouse, mink, raccoon, squirrels. These species are associated with hunting and trapping. But what of the wild life that will not be affected, the Robin will still arrive to herald the miracle of spring, the Thrush, Meadowlark, and Song Sparrows' sad sweet song will still be heard if one just takes time to listen.

The Swallows and Martins will still be seen flying gracefully in the open sky above in their quest for food. Warblers, Bluebirds and hundreds of other species will stop to pause and rest before continuing their long journey to some distant land.

The wild flowers in the patches of woodlands, the bloodroot, violets, wild Sweet William, untouched by the hoe, nor planned, unattend, will still remain. The bee will murmur, the fire fly glow, the wind will whisperwhisper while the jack-in-the-pulpit summarizes his own sermon. These things and hundreds more will remain; it's only sad that most of us don't see or hear them.

The land will not be covered over with concrete, it will stay open to absorb the precious rain so vital to our ground water. I wonder how many thousands and thousands of acres of prime farm land have already been covered over for roads, shopping centers and the suburan sprawl. How many thousands more have yet to go. What I'm trying to say is that the few acres of farmland here are nothing in comparison to the thousands of prime farmlands scattered throughout the east end of Long Island.

I observe no concerted effort to save these farmlands and I believe the farmland preservation program is now in a precarious position. We all love the land and like to see it remain as it is, but sometimes we must, out of necessity, disturb it; a school must be built, a home, a playground for the children, a church, roads, yes even a cemetery.

When we do these things we must try to do them with the utmost care. I truly believe the people that are in charge of this national cemetery have addressed themselves to the environment with meticulous concern.

Now what about the national cemetery. We have addressed ourselves to the environmental impact statement, but what about the human and moral impact statement? I read somewhere "that man continues to rape the living land in the name of the dead filling the landscape with slabs of cold stone".

Isn't it sad that some Americans must wait 200 years for a birthday to be reminded of what this country is all about. This is the only time I guess they remember the fields of Gettysburg, the tomb of the unknown soldier, Valley Forge and Independence Hall. Yes, they may be slabs of cold stone on the landscape, but if these stones could talk what a story they would tell: Bell Wood, Iwo Jima, Normandy, Korea, and Vietnam.

The stones would tell you a story about men who did and were willing to give up their lives in defense of their country, from the stinking jungles of Guadalcanal to the mountains of Italy, each stone has a story to tell and if it were not for these stones, the deeds of these men would be thrown on some trash heap of forgetfulness.

A national cemetery is always a reminder that men did and were willing to place on the altar of sacrifice God's most precious gift, their very lives. So that we could do such simple acts as exercising our right to vote. John Ruskin once wrote: "God has loaned us the land for our life, it belongs as much to those who come after us and we have no right in anything we do or neglect to deprive them of any benefits it was in our power to bequeath."

I don't believe that 100 years from now anyone would fault us for bequeathing this national cemetery. More in keeping with the truth though, some child probably will stand here and say these must be the men I read about in my history books. These must be the men who made it possible for me to be free.

HELSINKI'S UNFULFILLED PROMISE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. HYDE. Mr. Speaker, all of the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

Because the Soviet Union is not living up to that promise, Members of Congress are conducting a vigil on behalf of the families which remain separated. I commend Congressman DRINAN for coordinating "Helsinki's unfulfilled promise," and I am honored to speak today on behalf of the Shamuilov family of fabled Samarkand.

When the Shamuilov family applied to emigrate to Israel, the parents, Saadia and Tsipora, realized that only by undergoing a form of divorce would Tsipora and their three children be given exit permits. Tsipora writes:

We did everything possible to stay together. However, Saadia had an important job as foreman on a building site. We thought by divorcing, the authorities would let me and the children go. Then Saadia could get a simple laboring job and join me later. But the whole thing hasn't worked and our family is broken up for nothing.

The three Shamuilov children, Olga, Rambam, and Rafik, write from Israel:

On May 11, 1976, our father applied to the OVIR offices in Samarkand for an emigration permit to go to Israel. He received a verbal unexplained refusal.

Our father was never connected with any state secrets, does not have a formal education, and there could not be any reason for refusing him the exit visa so he could become reunited with his family. Both the Soviet Constitution and the Universal Declaration of Human Rights ratified by the USSR guarantee the right of free emigration of citizens.

We, the children, Olga, Rambam and Rafik, would like to stress that our father loves us very much and is very attached to us. The refusal to let him join us could have a tragic effect on his life. We appeal to you to do everything you can to enable our father to come to Israel and live together with us. Help us see our father again!

Most recently, Saadia was given an interesting proposal. In spite of the fact that the Helsinki agreement promises to reunite husbands and wives, parents and children, the emigration officer in Samarkand has his own interpretation. He told Saadia that he would be given permission to leave on condition that every one of his remaining near and distant relatives in the U.S.S.R. went with him.

The policies that decree children to be raised as orphans even though their father lives repudiate the promise of Helsinki. But the perpetrators of such cruelty must know that the free world watches and works toward the day when Helsinki will be fulfilled and the burdens of suffering will be lightened. May that day be soon!

THE ADVANTAGES OF COMMUTING BY VAN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. FRASER. Mr. Speaker, a significant but little-noted feature of President Carter's energy conservation program involves the encouragement of a new form of commuter transportation known as van pooling. As part of the conservation program, the President wants to purchase 6,000 vans to transport Federal workers to and from work.

One of the first private van pooling programs in the country was initiated by Minnesota's 3M Co. in 1973. The 3M program has saved its employees over 100,000 gallons of gas per year and has lessened the risks and tensions of commuting. Significant benefits have accrued to the company, as well. Van pooling has decreased traffic congestion around 3M installations, reduced demand for parking and enabled the company to cut the cost of an employee parking ramp by $2.5 million.

A recent article in the Washington Post by Neal Peirce discusses the progress of van pooling throughout the coun-

try. Peirce reports on a new effort in Minnesota, spearheaded by a group known as Public Service Options, to develop multiemployer van pooling programs.

I would like to take this opportunity to have the Post article reprinted in the CONGRESSIONAL RECORD:

THE ADVANTAGES OF COMMUTING BY VAN

(By Neal R. Peirce)

LOS ANGELES.—If you drive 5 miles or more to work, there may be a van in your future.

From coast to coast, the "coming thing" in commuter transport is the mundane 12-passenger van, one of the most versatile, energy-efficient, economic, relaxing and socially pleasant ways to get to work ever devised.

Van-pooling is no cure-all for transit problems. It can't compete with high-quality mass transit, or with carpools on short commuting hauls (when it takes proportionately too long to pick up as many as 11 passengers). To date, because of complex organizational problems, large-scale van-pool operations haven't gotten off the ground without some corporate executive "burning" for the idea.

But van-pooling is spreading rapidly. Since the 3M Company introduced the first commuter van program in St. Paul in 1973, the idea has been picked up by more than 100 corporations, a number of government offices and transit agencies. As part of his energy program, President Carter wants to buy 6,000 vans for federal workers' commuting trips.

Van-pooling's big breakthrough may be occurring right now in Los Angeles, where David J. Lester of Atlantic Richfield Co. has persuaded a joint government-private industry organizations, "Commuter Computer," to sponsor a multi-employer van-pooling scheme that could easily expand to tens of thousands of workers across a five-county metropolitan region.

Under the 3M program, widely copied elsewhere an employee volunteers to drive eight people to and from work in a 12-seat van. The company purchases and insures the van, and the passengers pay a commuter fare covering gas, maintenance and depreciation. The driver can add up to three more passengers, earning some spare income, and has the use of the van on weekends at a modest mileage charge.

But there's no dominant form of van-pooling. Actual owners of the vans can be individuals, corporations, unions, governments, transit agencies, banks or credit unions. Getting riders together ranges from an ad hoc private affair to sophisticated computer matching by corporations, governments or groups like Commuter Computer. Management and maintenance of a pool of vans can vary just as widely.

"The beauty of van-pooling," 3M's Robert D. Owens, the acknowledged "father of corporate vanpooling," claims, "is that everybody wins." There are solid reasons to think he's right.

SITTING NEXT TO MARY

Van-poolers get front-door pick-up, a guaranteed seat, fast transport and no transfers or waiting for buses. As they zip along to work, many riders sip coffee, read or snooze. Van-pooling is also a social phenomenon. Practically all riders talk about a strong group identity and cohesiveness that develops. Riders in a 3M survey mentioned "camaraderie of fellow riders," "our annual van-picnic and Christmas party" and "sitting next to Mary." Ninety-eight percent said they planned to stay with the program permanently.

Van-poolers also have substantial cash. Typical monthly fares range from $20 for shorter commuting runs to $35 for long ones. Even if a rider decides not to sell the car he'd used for commuting, he can expect to pocket savings of $130 to $750 a year, plus whatever he might have been paying for a parking place.

Los Angeles' Commuter Computer has stepped up to luxury van service. At an extra cost of $1,500 (over the $8,000 standard van price), the walls and ceilings are carpeted for soundproofing; first-class, reclining airline seats are installed; finally, each passenger has an individual reading light and stereo headphones. Seating capacity is reduced to 10, and the average monthly charge increases to $50. But several firms contribute up to $25 because they save expensive employee parking they otherwise underwrite.

Van-pooling benefits employers because employees' morale and acuity are enhanced when they escape the hassle of a commuting drive. Tardiness and absenteeism may be reduced; street congestion at the work site is relieved. 3M and the Tennessee Valley Authority in Knoxville saved millions of dollars they would otherwise have had to spend for parking garages.

Van service also increases an employer's access to the labor market—particularly to low-income workers who don't own cars (an ideal way, for instance, to transport inner-city workers to suburban plant sites). And van-pooling is good public relations, showing employers' concern about energy and air pollution.

The general public benefits through reduction of cars on the road during peak commuting hours, improved air quality and reduced gasoline consumption. In energy use, a 10-passenger van is more efficient than almost any other commuter mode, including four-member carpools, conventional buses or rail transit. Only commuter charter bus service consumes less energy per passenger.

To lure commuters out of their autos, says Clarence Shallbetter, chief architect of an ambitious multi-employer, shared-riding service about to be launched in Minnesota, "you need to offer something that approximates the convenience of the private auto.

"Energy and the public good," he adds wistfully, "are not the important motivators."

But while vans excel in convenience and comfort, they are often hindered when public service commissions classify them as common carriers and try to regulate them off the roads. Several states, including Minnesota, California, Tennessee, Virginia and Connecticut, have passed laws legalizing van-pooling as a mode of commuter travel.

THE INSURANCE BUGABOO

Insurance is another knotty problem, unless vans are insured under a corporation's fleet umbrella. Commuter Computer carries insurance of $10 million per van, costing each passenger $15 a month. Yet only two minor accidents were reported in a nationwide survey of 1,000 "vehicle-years" of van-pool operations.

Fearful insurance underwriters, the University of Tennessee's Frank Davis says, visualize a catastrophic accident involving two vans of which 30 young physicians, each with six young children, are injured for life, triggering astronomic claims. That reaction, he says, ignores the fact that drivers are carefully screened, drive well-maintained vehicles over familiar routes and usually take a defensive driving course.

Davis has been working with the Insurance Services Office, a carriers' rating service, to develop reasonable van insurance premiums that will probably reduce rates substantially.

Rather than competing with mass transit, vans can actually help transit systems by relieving rush-hour loads that force them to buy extra equipment and hire extra drivers who are idle most of the day—a key factor in the alarming nationwide escalation of transit subsidies.

In fact, a growing number of governments and transit agencies are now aggressively promoting van-pooling to reduce public investment in highways, mass transit equipment and uneconomic bus lines.

The van-pool "star" among government agencies is TVA, which has 150 commuter vans serving its Knoxville headquarters and various construction sites. At TVA's big nuclear power plant construction site at Hartsville, Tenn., there will eventually be 300 vans, thus saving $7 million to widen a 12-mile two-lane road used by thousands of workers.

But while government and big corporations can set an example, van-pooling will remain limited until service linking employees of different companies is perfected and the final regulatory and insurance barriers are erased. Exclusive freeway lanes for buses and vehicles with multiple riders, rising gas prices and gas shortages will provide further impetus. And as Americans learn more of the convenience and comfort of vanpooling, the humble vans may become an omnipresent future of our roadways.

A BILL TO RESTORE EFFECTIVE ENFORCEMENT OF THE ANTITRUST LAWS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. RODINO. Mr. Speaker, as I indicated yesterday, Senator KENNEDY and I have introduced identical bills to overrule the Illinois Brick decision, and to once again make the antitrust laws fully responsive to injuries suffered by businesses and consumers as a result of antitrust violations.

I should like to insert for the RECORD, an article appearing in the July 18, 1977, Wall Street Journal at page 12, by Mr. Stan Crock.

As Mr. Crock points out, while the Supreme Court has been rather tough on those who have committed violent crimes, defendants accused of antitrust and securities laws violations have "fared remarkably well before the Court."

Mr. Crock notes that the Court has emasculated one of the biggest deterrents to white-collar crimes—the private civil damages suit.

This article points up quite clearly that the Illinois Brick decision must be overruled. The text of the article follows:

SUPREME COURT IS TOUGH ON ONLY CERTAIN MISCREANTS

(By Stan Crock)

WASHINGTON.—The current Supreme Court has a reputation for being tough with miscreants. Some miscreants, anyway.

The court won its reputation mainly from cases involving violent crimes in which it whittled down procedural safeguards that protected defendants and upheld such deterrents as capital punishment.

But some other types of defendants have fared remarkably well before the court; specifically, those accused of violating the antitrust and securities laws. In cases involving those white collar crimes, the court has moved in the opposite direction by emasculating one of the biggest deterrents to such crimes, the private civil damages suit.

Two cases decided as the court wrapped up its term last month bring the divergent trends into sharp relief.

In one, the court upheld the death sentence of a Florida man under a law passed

after he committed the crime. In the face of a constitutional bar against retroactive laws, the court went to great lengths to sustain the deterrent in that case.

Deterrence in the antitrust area, in contrast, didn't fare so well the previous week when the court ruled that only those who buy directly from price-fixers can sue them for triple damages under a provision that allows such suits by "any person who shall be injured . . . by reason of anything forbidden in the antitrust laws. . . ."

In that case, the state of Illinois tried unsuccessfully to recover damages from concrete block manufacturers whose price-fixing raised the construction costs of some state buildings. The decision means that indirect consumers of products with fixed prices no longer can sue for damages.

The ruling may pose serious enforcement problems because the direct buyer is unlikely to sue; buyers don't want to anger their suppliers with lawsuits, and they can pass on their extra costs anyway. It is "absolutely vital that this decision be thrown out immediately," says C. Ray Marvin, Washington counsel for the National Association of Attorneys General, who is working on legislation to nullify it.

John Shenefield, acting assistant attorney general in charge of the Justice Department's antitrust division, calls the decision a "disheartening development." Triple damages suits, he says, are a "very effective" deterrent.

The Supreme Court action was only one of more than half a dozen similar rulings in the white collar area. For example, the court ruled in another antitrust case that most restrictions manufacturers put on the resale of their products by retailers are violations of the law only if they are proved unreasonable.

In the securities area, the court has ruled that the loser in a tender offer fight can't recover damages from the winner even if the winner violated securities laws. And in a separate case, the court said a breach of the antifraud provision governing buying and selling of securities doesn't give rise to damages if the breach is merely due to negligence.

The decisions cutting back on the availability of private damages actions as an enforcement tool are significant setbacks, according to Harvey Pitt, general counsel of the Securities and Exchange Commission, because the commission "cannot police all violations of the securities laws."

Despite the fact that the decisions in white collar cases seem to cripple enforcement and decisions in cases involving violent crimes back law enforcement, it would be too simplistic to say that the court winks at the former and is two-fisted with the latter.

For example, some decisions have upheld the protections of defendants accused of violent crimes. The court has refused to overrule the famous Miranda decision which protects a defendant's right against self-incrimination. And while the court has shown some solicitude for white collar defendants, it has cited other reasons for its rulings in such cases: the fact that the court is bound by the wording of statutes, a desire to prevent federal courts from being inundated with similar cases and a concern that its ruling could spur enormously complicated lawsuits.

For example, in the Illinois brick case, the court voiced concern that "massive evidence and complicated theories" would be involved in cases brought by indirect purchasers trying to prove how much extra they paid for an item whose price was fixed.

But the impact of the decisions is the same regardless of the motivation—civil damages suits no longer will serve as a potent deterrent and aid to law enforcement at a time when other deterrents are being reinforced. Congress has beefed up the penalties for antitrust violations and the Justice Department has stiffened its sentencing recommendations for those violations.

Statistics bear out the importance of the private suits as an adjunct to government enforcement. In the fiscal year ending in June 1976, 1,504 private antitrust suits were filed in the federal courts, while the Justice Department filed 51 civil and 19 criminal suits.

The same year the SEC sought 158 injunctions and referred 116 criminal cases to the Justice Department for prosecution while 2,230 private civil suits involving securities, commodities and the exchanges were filed in federal court. An exact figure for the number of securities cases isn't available, but they probably were a substantial portion of the 2,230 cases.

The court's white collar rulings are ironic because if deterrence works anywhere, it works in this area, where the economic crimes are based on cost-benefit analysis and aren't done in the heat of passion.

There may be another irony: The rulings have been viewed as pro-business when they in fact may not be in the long run. The Justice Department's Mr. Shenefield, for example, notes that as many businessmen as consumers use the antitrust laws to sue violators.

And the securities decisions also may hurt business, says Mr. Pitt of the SEC. "If investors get the feeling that their remedies are limited," he says, "they may find themselves less receptive to investments in the securities market."

"The question," he adds, "is whether we've gotten to that point."

CRITIQUE OF H.R. 2176

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. BROWN of Michigan. Mr. Speaker, on June 28, 1977, the Government Operations Committee approved H.R. 2176, the Federal Banking Agency Audit Act. This bill would specifically authorize the General Accounting Office—GAO—to conduct audits of both financial accounts and programs of the Federal Reserve System—FRS, the Office of the Comptroller of the Currency—OCC, and the Federal Deposit Insurance Corporation—FDIC.

This legislation requires careful scrutiny, because it involves a reversal of longstanding Government policy against political influences in the monetary policy and bank regulation processes. Freedom from "political influences" should not be interpreted as "independence" since in passing the Federal Reserve Act, the Congress intended to make the Fed "independent" of the executive branch but not independent with respect to its creator, that is, the Congress; protected from "political influence" and, those of us who believe in a Fed protected from "political influence" have never argued it should be independent of the Congress acting in a proper statutory manner. In addition, the exclusions and safeguards in a bill such as this take on added significance—and Members must examine them accordingly.

I believe that if the Members analyze this bill closely they will find its shortcomings outweigh its public benefit or justification.

EXISTING LAW

This legislation would be a step backward to a procedure which was rejected after it was tried over 40 years ago. In 1933, Congress deliberately voted to remove the Federal Reserve System from the jurisdiction of the GAO. That action resulted from a judgment that noninterference with the internal management of the FRS would in the long run provide better monetary and credit policies.

The many reasons why the GAO has not audited the FRS or the OCC in spite of its general grant of authority are best stated in a 1973 letter from Comptroller General Elmer Staats which states:

In view of the broad authority conferred upon the Board to determine and prescribe the manner of incurring obligations and to pay its expenses, and the fact that funds used to defray the expenses of the Board are not Government funds or appropriated monies, together with the provision in 12 U.S.C. § 484, that no bank is subject to any visitorial powers other than authorized by law, or vested in the courts, or as shall be exercised or directed by the Congress or by either House thereof or by any committee of the Congress or of either House, it is our opinion that GAO would be unable to undertake an audit of the Federal Reserve System without specific authority of the Congress. (See Cong. Rec. H4574–5, May 30, 1974.)

The legislative record for H.R. 2176 does not address any of the issues raised by GAO itself which stand as obstacles to any audit. There has been no attempt to justify this bill in terms of existing law, or the circumstances which gave rise to that law more than 40 years ago.

SCOPE OF AUDIT PROPOSED IN H.R. 2176

During 1974–76 public and congressional attention focused on the bank supervision functions of the FRS, OCC, and FDIC, because of three large bank failures. During 1976, the Commerce, Consumer, and Monetary Affairs Subcommittee undertook an investigation into the so-called "problem bank" situation. Further, three congressional committees asked the GAO to study the Federal regulation and supervision policies and procedures of the banking agencies. It is important to note that the record established in each of these investigations related to the bank supervision, examination, and regulation functions only. Thus, H.R. 2176, which comes out of these investigations should be limited to a GAO performance audit of bank supervision policies and procedures, if there is need for GAO review at all. However, the bill encompasses audit of financial accounts and many programs of the three agencies beyond the bank supervision functions. There is nothing in the subcommittee record to justify or support this expanded audit.

Although I recognize there has been general agreement expressed with respect to an "administrative" audit, I would point out that there is already an extensive FRB audit of its financial accounts, required by statute, and additional independent audits by outside accounting firms. Any GAO audit would only duplicate this work, at great expense. Since there has been little or no

evidence to indicate impropriety in the handling of FRB financial or administrative accounts, I see little justification for the large expenditure necessary for a GAO audit of these accounts.

COSTS

The CBO estimate of the cost of the audit authorized by this bill is substantially understated. It merely uses the cost figures for the recently completed GAO study of bank supervision by the banking agencies—a total of $818,000. However, as stated above, the bill approved by the Government Operations Committee calls for GAO audit of not only the bank supervision activities, but in addition all other agency programs, personnel and operating policies, and the financial accounts of the OCC and the FRB. In the case of the Federal Reserve System, a GAO financial audit would cost a minimum of $750,000 annually, and would duplicate the Fed's own extensive audit required by statute, and its independent audit done by outside accountants. Adding together the costs of all these audits, $818,000, plus $750,000, plus the cost of review of the financial accounts of the OCC and FDIC and other program audits, would put the annual cost of this legislation at over $2 million, if not more.

CONGRESSIONAL OVERSIGHT OF BANKING AGENCIES

Because of jurisdictional limitations the Government Operations Committee did not consider the other forms of congressional oversight of the banking agencies: First, the semiannual testimony of the Federal Reserve on monetary policy under House Concurrent Resolution 133; second, annual testimony by all three agencies on the state of the banking system; third, congressional review of the proposed budgets of the agencies; and fourth, the proposed Federal Bank Examination Council supported by GAO. A better approach to this issue would be to consider these different forms of congressional oversight together rather than enacting one proposal such as H.R. 2176, in isolation.

AFFECT ON THE BANK EXAMINATION PROCESS

The process of bank supervision and examination is unique among the various types of Government regulation of business. It is characterized by an absence of formalized legal procedures and by pervasive exposure of examiners and supervisors to the operations of the banks they regulate. For this process to be successful and effective it is essential that communications between banks and bank examiners, as well as between examiners and other supervisory officials, be frank and uninhibited. Fundamental to the process is the opportunity for professional examiners to express their unbiased judgments. If bankers were not willing to discuss their problems freely with their supervisors, and if bank examiners were not free to express their findings and opinions about the condition of the banks they examine, without extraneous influences on the manner in which those findings and opinions are expressed, the examination process would not function effectively and the health of our Nation's banking system would probably suffer.

At present this essential freedom of communication exists in the examination process. However, the enactment of legislation that would require continuous monitoring and review of bank examination reports and other highly sensitive communications relating to bank examinations by the General Accounting Office, an agency having no responsibility for bank safety or soundness, would be an extraneous influence that could impede rather than improve the process. This problem was not presented by the recent GAO study, because GAO reviewed old examination reports that had been prepared without any thought that they would later be reviewed by GAO auditors. However, if GAO were to undertake such studies in the future, at regular periodic intervals, both bankers and bank examiners would be aware that communications made during the course of the examination process would be subject to scrutiny and evaluation by GAO auditors. The inevitable effect of that knowledge would be to inhibit those communications and encourage technical compliance at the cost of lessened substantive benefits.

For example, if a bank examiner knew that his performance would be evaluated on the basis of some statistical analysis of his success in "curing" problems noted by him in examination reports—which was essentially the approach followed by GAO in that recent study—he might be reluctant to express his comments candidly, knowing that his failure to resolve problems might reflect adversely on his statistical rating. On the other hand, some examiners, knowing that outsiders will be evaluating their performance, might be inclined to state their analyses and conclusions more strongly than otherwise, in order to create the impression of vigorous supervision. In either case, the intrusion of an outside influence would have caused distortions in the examination process that do not exist at present, and the likelihood would exist that examiners might unconsciously shade their judgments to reflect attitudes they think would be approved by GAO, irrespective of their impact on a sound banking system.

MONETARY POLICY

This bill touches the topic of whether GAO should audit the monetary policy functions of the Federal Reserve Board. With little exception, since 1913 the Fed has operated independently, without political influence being exercised over its work as the Nation's central bank. This independence must be preserved to maintain the integrity of the work of the Board. Thus, monetary policy should be excluded from GAO review. The bill contains a monetary policy exclusion, but dialogue between Representatives ROSENTHAL and ST GERMAIN at the subcommittee markup create an exception in that exclusion as it pertains to operations of the Federal Reserve discount window. Representative ST GERMAIN attempts to argue that the use of the discount window in cases such as Franklin National Bank is a supervisory action, not a monetary policy action. This attempted distinction is not workable. A staff report covering among other things the Franklin situation, which was sent out to the Banking Committee over Representative ST GERMAIN's signature, points out the serious implications for international money markets of Franklin's unmatched foreign exchange contracts. The use of the discount window in that case in order to unwind those contracts and thereby prevent a worse panic in the worldwide financial market is clearly a monetary policy function. This example points out the extremely close relationship of Federal Reserve Board bank supervision activities to its monetary policy activities. The hair splitting exclusions for the discount window and the payments mechanism, which would be interpreted by GAO personnel unfamilair with the subtleties of monetary policy underscore a basic defect in this bill.

PRIVATE CONSIDERATIONS

This bill has serious implications for the future privacy of bank records of individuals, and bank examination reports. The proposed GAO study of the policies and procedures of the agencies and the accounts of these agencies is a plausible form oversight. However, in the course of any such GAO work, its employees would review bank examination reports, problem bank lists, and personal financial information of private citizens who do business at these banks. It is essential that this information is used only for GAO to assess overall policies and procedures of the agencies, not as part of a review of an individual bank or bank customer situation. Under no circumstances should this raw data be disclosed by the GAO in any report or communication outside the agency responsible for supervision of the bank in question. Unfortunately, the proponents of H.R. 2176 have an entirely different view of this issue. The bill has two gaping loopholes concerning the confidentiality provisions. There is no reason why GAO should be discussing individuals who had a controlling influence in closed banks as allowed in subsection (d)(5)(B); and there is no reason why GAO should be discussing individual customers and individual open banks before congressional committees sitting in executive session as allowed in subsection (d)(5)(D). In the latter case the best witnesses to testify before congressional committees in executive sessions are the agencies charged with the responsibility for supervising the banks in question. This is contemplated in subsection (d)(5)(e) of the bill. These two loopholes will also raise the possibility of leaks of problem bank lists, or bank customers' names and private financial affairs from the committee executive sessions.

In short, I believe serious problems would result from enactment of this bill and the several specific provisions to which I have directed these remarks. Accordingly I believe the bill should be rejected unless it is modified and amended to remedy the several concerns I have expressed.

Mr. Speaker, I am pleased to state that the gentleman from Illinois (Mr. CORCORAN) concurs in and fully endorses these remarks.

WHO CONTROLS OUR SCHOOLS?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. MICHEL. Mr. Speaker, from time to time our Nation is suddenly confronted with problems of such magnitude and gravity that they affect all Americans. We have fallen into the habit of labeling these problems as "crises." Predictably enough, through over-use, the word "crisis" no longer has the impact it once had.

But by whatever name we call it, the problem confronting our Nation in the field of education is one of the most serious in our history.

According to a New York Times survey, taken in New York, New Jersey, and Connecticut, the parents and taxpayers of the suburbs of those States are losing control of their schools. The Times reports that—

> Decisions about financing, curriculum and personnel are increasingly being influenced by state and Federal agencies, the courts and aggressive professional unions.

I have no doubt that generally speaking what the Times found in those three States can be found in every other State in the Union.

In a recent column, Patrick J. Buchanan told of Vice President Mondale's speech before a meeting of the National Education Association, which, for all intents and purposes, has become a union in fact if not in name. The Vice President proudly boasted of large increases in Federal spending on education. Buchanan then quoted the distinguished educator, Dr. Roger Freeman:

> "Between 1952 and 1972", he noted, "when enrollment in public schools and colleges almost doubled (increase 87%), the staffs in these institutions tripled, and their funds multiplied eight times. Expenditures per student nearly tripled in constant dollars."

What return have we received for this vast investment? Again, Freeman:

> Mean scores on college board tests (SATs) have been declining sharply and consistently for a dozen years . . . Analysis of test results in the few city school systems from which detailed data are available, such as New York and Oakland, show a clearcut and strong negative relationship between expenditures per pupil and pupil achievement.

These facts are ignored by the Congress. Instead of looking at the new harsh realities of the relationship between Federal aid and Federal control, leaders in the Congress continue to spout the big-spender cliches and platitudes of the 1960's. Well, those cliches are no longer applicable, if, indeed, they ever were.

Mr. Speaker, the parents of America are losing control of their schools. That is an established fact. The Congress is doing nothing to change that situation and both the majority leadership and the administration seems to want to make it worse. Pressure groups and aggressive unions have made schools into battle grounds in which buses are more important than learning and Federal power more important than local control. This is one of the most explosive issues in the country today.

The question is, Mr. Speaker: What is the Congress going to do about it?

I request that at this time "Suburbs Losing Control of Their Schools," the New York Times, July 18, 1977, and "Spend More, Get Less in Education" by Patrick Buchanan be inserted in the RECORD:

SPEND MORE, GET LESS IN EDUCATION

(By Patrick J. Buchanan)

WASHINGTON.—Following Sen. Robert Dole's encounter with Walter Mondale in the vice presidential debates, a resident wit suggested that rerelease of the tapes be subtitled "Jack the Ripper versus the Scoutmaster."

Last week, the Scoutmaster was in Minneapolis on an odd assignment—serving as Jimmy's bag man to the National Education Association, handling the payoff to NEA for its cash-and-kind contributions in the campaign of '76.

Mondale brought it off well. Following "one of the most antieducation administrations in history," he declared, we've made the "largest increase in federal dollars for education since the Elementary and Secondary Education Act was passed in 1965. . . ."

Actually, Congress had done the job, over Carter's protest. But Mondale's little whopper did not diminish the revelry and good cheer of the convention, which was that of a player on a long winning streak at the gaming tables in Las Vegas.

While the payoff aspects of Carter's unfortunate cave-in to the education lobby are transparent, where is his policy rationale? Is this new billion-dollar transfer from taxpayers to NEA & Friends a bonus for a job well done in public education? Is it an incentive that will guarantee continued advances?

If the President will only review his budget, once again, he will find no finer example of the futility of "throwing money at problems," than in the education division of HEW.

Speaking at Hillsdale College last spring, Dr. Roger Freeman of Stanford's Hoover Institute, reflected upon the record of recent education policy:

"Between 1952 and 1972," he noted, "when enrollment in public schools and colleges almost doubled [increase 87 per cent], the staffs in these institutions tripled, and their funds multiplied eight times. Expenditures per student nearly tripled in constant dollars."

What return have we received for this vast investment? Again, Freeman:

"Mean scores on college board tests [SATs] have been declining sharply and consistently for a dozen years . . . Analysis of test results in the few city school systems from which detailed data are available, such as New York and Oakland, show a clearcut and strong negative relationship between expenditures per pupil and pupil achievement."

In short, the richer the education industry becomes, the poorer the product it produces. This truth has penetrated into the inner city.

Here is the Rev. Jesse Jackson, Chicago-based civil rights leader, on the subject:

"Maybe the biggest fraud going on in America today . . . is that many students are being graduated from high school and getting a diploma, but they have no information and they can't read well. When that happens, you better know that you have been robbed."

Fraud? Robbed! Heavy terms, Brother Jackson. But that is precisely what's going down. Students, parents, teachers are being defrauded and robbed—by a loose conspiracy of permissive social scientists, bureaucratic meddlers, judicial ideologs, and a populous confraternity of chowderheads who run a multi-billion-dollar racket that operates behind the legitimate business front of education reform.

SUBURBS LOSING CONTROL OF SCHOOLS

(By Michael Knight)

The control and governance of suburban schools—which for decades has been the basic political focus in communities throughout the region and often the only area in which voters felt they had a stake or a voice—is increasingly passing out of the hands of parents and local school boards.

Interviews with school board members and superintendents throughout New York, New Jersey and Connecticut indicate that decisions about financing, curriculum and personnel are increasingly being heavily influenced by state and Federal agencies, the courts and aggressive professional unions.

"I think within a few years the state and the teacher's union are going to be running the whole show between them," complained Joy Emanuele, a member of the Clarkstown School Board in Rockland County.

"We don't even have any choice any more over who we want teaching where, and we can't set up our own curriculum," she added. "The school boards have tried to organize, but we are paper tigers. The average community resident has no idea of the way things are closing in on us."

Mrs. Emanuele's comments were echoed by school board members throughout suburban New York and New Jersey and, to a lesser degree, in Connecticut, which has a tradition of strong local government and a relatively weak state government. Gov. Ella T. Grasso warned last month, however, that local school boards could expect "a larger state presence" in their affairs now that reliance on local property taxes has been ruled unconstitutional in the state.

The apparent powerlessness of the school boards has led people like Annaleen Phillips to stop attending school board meetings in East Ramapo, N.Y. "Most of my neighbors have finally given up, too," she said. "We vote against the budget every year just to show they can't cram something down our throats. But we just don't have any control anymore over the way things happen here."

Even the school board's power to influence the schools through their ability to set their budgets has dwindled, now that the great bulk of local school budgets are mandated by state and Federal requirements, as well as the provisions of union contracts.

"This year we have a budget of $10.8 million, but only $300,000 of that is in the nonmandated category," said John B. Sommi, Superintendent of the Nyack School District. He said the nonmandated category included interscholastic athletics, the purchase of library books and supplies for students.

LONG-TERM SHIFT

"Whether the people vote things down or not, they're still getting pretty much the same thing," he added. "The State Legislature has mandated so many things now that there's not really much choice on the local level. Years ago there were other items that were not mandated, like textbooks."

He conceded, however, that what was mandated and was not was often a matter of definitions. "A recent state law says we must offer students music or art courses," he said by way of example. "Yes, the law doesn't say we must hire an experienced art or music teacher, and it doesn't say what the class size shall be. But the choice there is one of an unacceptably large class with an unacceptably inexperienced teacher, which is no choice at all, really."

The total effect of state and Federal mandates to local school boards is difficult to assess, since the requirements come in a wide variety of forms and stem from a wide variety of sources ranging from pension plan actuarial tables to court decisions in labor relations cases to recent ruling by the De-

partment of Health, Education and Welfare that schools across the country must remove "architectural barriers" to handicapped students. The requirement means that school districts must now eliminate curbs, rearrange doors, lower water fountains and build ramps to accommodate handicapped students, whether local voters approve or not.

Some measure of the increasing roles of the Federal and state government in local education is available, however, in figures compiled by H. E. W.'s National Center for Education Statistics. According to Dr. Vance Grant of the Center, 55.9 percent of the total education expenditures in the nation during the 1955–56 school year came from local sources, 39.5 percent came from state sources and 4.6 percent came from Federal sources.

In the 1975–76 school year, however, the local share had fallen to 48 percent, while state expenditures had increased to 43.7 percent and the Federal share to 8 percent.

"These figures actually grossly understate the restrictions in the discretionary power of the local boards," Dr. Grant said. "In order to qualify for various state and Federal funds, they have to spend increasing amounts of their share complying with requirements, and so they have less discretion on how they spend their money."

One study by the privately financed Education Commission of the States shows that local school boards spend 39 percent of their time complying with Federal regulations to receive grants representing 7.5 percent of their income.

Another study by the National School Boards Association showed that filling out just two Federal forms dealing with civil-rights compliance had occupied local school officials nationwide for 1,193,400 hours last year, at a cost of $11,492,000.

A study of the range of mandated programs in New York State was undertaken recently by Dr. Jeffrey Bowen, the assistant director of research for the New York State School Boards Association, who was unable to come up with a definite number.

"There are new requirements all the time," he said. "The Legislature considers 800 education bills annually and adds 100 chapters to the state education law each session, which is not even to begin talking about the rules of the Board of Regents or the very detailed requirements of the State Education Commissioner."

"I think it's probably impossible to ever find out how many requirements there really are," he added. "There are just so many and they're growing all over the board. There is no question in my mind that there's a lot less freedom in local control now than, say, 20 years ago, because of this."

The effect of the rapidly increasing role of state and Federal agencies at the expense of local boards has resulted in a "severe, accelerated, erosion of local control," according to Richard L. Ornauer, the president of the Nassau-Suffolk School Boards Association.

"We no longer have much control over finances because of the mandates," he said, "and we no longer have control over whom we can dismiss, because of the unions and the courts. Local control has become almost vestigal compared with what it used to be. I don't want to paint too black a picture, but it's a pretty good shade of gray right now."

In addition, the school superintendents, who are hired by the boards to run the schools for them, are required more and more now to report to state agencies as well. In New Jersey that state's new "thorough and efficient" education law is forcing local superintendents to report to the state how they are complying with new guidelines on increasing school guidance staffs, measuring the progress of students, and the like.

The slow transfer of control over suburban education is part of a long-term shift that began around the turn of the century, according to Harmon Zeigler of the Center For Educational Policy and Management at the University of Oregon. In an address earlier this year to the annual meeting of the National School Board Association, Mr. Zeigler called local school boards "irrelevant appendages" as the country moves toward what may become a national education system.

"Lay control was first destroyed by professionalism and only later was assaulted by state and national bureaucracies," he said, tracing the decline of local boards from the ascendancy of local superintendents and other educators to the present era, which he characterized as one in which education is considered an instrument for nationwide social change.

The power of local school boards is also being rapidly eroded by teachers unions, which have negotiated increasingly wide-range agreements in the period of militancy which began in the 1960s.

"Such agreements," Mr. Zeigler said, "are being expanded to include not only salary, but also course content, curriculum change procedures, teachers evaluations, community participation, teaching procedures and grievance procedures.

"As such agreements become more prevalent, the range of issues left for even the superintendent to disucss with the board will diminish."

TEACHERS HAVE LITTLE TO SAY

The rise of the unions has also prompted school boards, faced with professional union negotiators, to hire their own negotiators and full-time attorneys. The school board in Stamford, Conn., recently hired its own attorney to defend it in numerous suits rather than rely on that city's corporation counsel. The school board in Paramus, N.J., did the same. The East Ramapo, N.Y., board went so far as to hire the former chief negotiator for the East Ramapo Teachers Union as its own negotiator.

The increasing request by teachers throughout the region for some say in what is taught was angrily rejected in at least one community. "The board will approve all the curriculum and textbooks, not the teachers," argued Michael Gilmartin, a member of the Piscataway School Board in New Jersey's Middlesex County.

Other boards are under similar teacher pressure, although teachers have not yet made appreciable headway. "I've heard that demand repeatedly over the years," said Mr. Ornauer of the Nassau-Suffolk School Boards Association. "Their argument is usually that they are the practitioners, that the board should listen to them."

"If their proposals are not honored, you get job actions, slowdowns, sudden difficulties, impasses of all sorts and an inability to get things done. It's a constant situation and a constant refrain in contract demands."

The power of the unions is felt most openly when jobs and money are at stake, however. The East Ramapo Board of Education learned that lesson last year when it attempted to cut the budget by eliminating the positions of department heads, a job that entails little teaching but pays a premium salary.

"We wound up before the State Board of Education on that one," recalls Harold Block, the board chairman. "And we finally ended up restoring about two-thirds of the department head positions." In another incident an attempt to reduce the number of principals ended with one job eliminated and a new position created for the person affected. "It satisfied everyone involved, but it hardly helped us cut our costs," he said.

The district is expected to encounter even more difficulties with its most recent attempt to cut costs this time by reducing salaries an average of 15 percent.

STUDENT-TEACHER RATIO

"I would say that the teachers are much better organized than we are," Mr. Block added. "Every time we get into a dispute or a hearing process, they have some attorney or negotiating expert down here from Albany. They know the rules much better than we do most of the time; they have the manpower and the expertise to back up just about any demand that they make."

The involvement of the Federal Government in the affairs of local school systems grew rapidly beginning in 1965, according to Mr. Zeigler, with the passage of the Elementary and Secondary Education Act, which doubled Federal contributions to local school districts.

Over the last decade, for example, the student population in Stamford schools has increased 2.2 percent, while the number of teachers increased 29.2 percent, the number of administrators rose 22 percent and specialized personnel increased 129 percent. According to Allen Grafton, a spokesman for the school system, Federal funds for reading improvement, bilingual education and other special programs have led the city to hire more teachers in an effort to make use of available money.

School boards like Stamford's are eager for the money, which eases the burden of local taxes they must impose, but have also grown increasingly to resent the strings that go with the Federal money. "When I see guidelines issued dealing with the school lunch program, then I see one regulation too many," complained Paul Shelly, Superintendent of Schools in Paramus, N.J. "I am concerned about the increasingly heavy hand of control that the Government is wielding in local school matters."

The most recent Federal directive to local school boards requires them to "actively search" for children who may have learning disabilities and thus might be eligible for federally financed special education classes. The Government, however, does not provide funds for the search, which means that unwilling residents must tax themselves to pay for the search effort the Government has decided upon, or risk losing all or part of their Federal funds.

"This board is coming to the point where it will have to tell the Federal Government to go to hell," Rocco Colatrello, a member of the Stamford School Board, said at a meeting of the board, where the search effort was being discussed. But despite his angry outburst, the board is bowing to Federal pressure and searching for children with learning disabilities rather than risk losing the 18 percent of its $34.1 million budget that comes from state and Federal programs.

SUPPORT NEEDED FOR FARM PRICES

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. MARLENEE. Mr. Speaker, today we begin debate on the Agricultural Act of 1977 and I would like to commend to my colleagues attention an editorial from the Billings Gazette of July 18, 1977. The price of wheat has dropped over 35 percent since last year, while inflation has raised the cost of equipment and supplies. The Billings Gazette points out why we must reverse this trend and prevent further losses in the agricultural sector of our economy.

The editorial follows:

WHEN FARMERS HURT, SO DOES REST OF STATE

Farmers and ranchers living near Billings, Livingston, Bozeman, Missoula and a few other urban and recreation areas of Montana are more fortunate than those 'way out in the hinterlands.

When hit hard by depressed farm prices, farmers near the cities and more desirable recreation areas have the option of selling to developers or subdividing their land for other use.

This isn't the case for most of Montana farmers and ranchers. Those who reside in the wide-open spaces and near the farm service center towns have no choice but to try to make a living off their land through its food and fiber production. It's either that or sell out at a heavy loss.

What a farmer or rancher can profit today from operating his land is mostly negative. Unlike some of our major corporations, his losses are real, not paper or accounting adjustments.

How long the majority of farmers can continue to operate under current farm price conditions is questionable.

Those of us who live in the urban centers of Montana may not think it effects us, but it does.

The lack of buying power on the part of the farmer and rancher is soon reflected on the Main Streets of the smaller communities. Then it doesn't take long for it to make its impact on the major trade and distribution centers.

True, some farmers and ranchers do have reserves to hang on for a while. Quite a number don't, especially those who are younger, who purchased their land, machinery and loans at high prices.

When you hear the farmer talk about his problems remember this, if you live in Montana they are yours, too.

"HELP," CRIES AGRICULTURE

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. MARLENEE. Mr. Speaker, as debate begins today on H.R. 7171, the Agricultural Act of 1977, I cannot overemphasize the vital role farmers and ranchers play in our economy. The following editorial from the Great Falls Tribune of July 13, 1977, sums up the importance of agriculture, and I commend it to my colleagues' attention:

"HELP," CRIES AGRICULTURE

It's strange that so many Montanans and Americans in general fail to appreciate the contributions of agriculture. Although our high standard of living rests on the productivity and efficiency of farmers and ranchers, too many Americans simply don't understand the importance of a healthy agricultural climate.

An article in the current issue of "Montana, Magazine of the Northern Rockies," explains clearly the value of agriculture to Montana and the nation.

R. J. McConnen, professor and head of the Agricultural Economics and Economics Department at Montana State University, Bozeman, presents a convincing case for agriculture in his article, "Montana's Agriculture, Food, Jobs and Tax Dollars."

McConnen stresses that our "good life" depends on a solid agricultural base.

". . . if American agriculture had not been able to dramatically increase its productivity, we would have precious few choices about lifestyle to make," he writes. "Food and fiber come first. Once we are able to satisfy minimal requirements, we can make choices about how we should use the rest of our scarce resources."

The article points out that U.S. agricultural exports in recent years have had a value in excess of $20 billion and comprise the nation's single most important source of export earnings.

One of about every five jobs in the private sector of the U.S. is associated with agriculture, McConnen says. And, agriculture's tax payments, which increased 75 per cent from 1971 to 1975, are keeping Montana solvent.

Agriculture and the agribusiness sector dominate much of Montana's economy, McConnen writes. That has been true for the past 100 years and likely will continue, he adds.

"Given the capabiilties of Montana's farmers and ranchers, it probably always will be first," he adds.

"But Montana's agricultural community needs understanding and sometimes help," he continues. "If Montanans are to live comfortably in their environment, they should understand that environment. A significant part of that total environment is Montana's agriculture."

Since Montana's farmers and ranchers are in desperate economic trouble now with high production costs and depressed market prices, this is the time for Montanans and the entire nation to show some understanding of the quicksand problems facing agriculture.

THE CASE OF LEV GENDIN

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. DOWNEY. Mr. Speaker, I would like to bring to your attention yet another case of religious discrimination in the Soviet Union.

Lev Gendin, a Jewish resident of Moscow, strongly desires to emigrate to Israel. Mr. Gendin lost his job as an electrical engineer and was reduced to performing menial tasks, shortly after his first application for a visa in November 1970. He has been separated from his wife since 1971, when she fled to Israel under threat of KGB arrest.

Lev Gendin is presently under continuous surveillance and harassment. He has been detained in prison for a total of 160 days since 1970. Mr. Gendin has also suffered spinal injury as the result of a severe beating at the hands of the KGB. He was threatened with violence by the KGB and he was beaten into unconsciousness, following the warning, in May 1974.

Mr. Gendin recently reapplied for a visa and he was again refused. He was warned that he would be sent to Siberia instead of Israel.

Although he is 36 years old, well beyond military age, Mr. Gendin was recently called to serve in the Soviet Army. If inducted, Mr. Gendin will not be granted a visa for at least 5 years after his discharge from the army.

At the present time, Mr. Gendin is in hiding. Everyone who knows him is afraid for his life. The Soviet authorities have made repeated visits to Lev's father's house in order to trap him or discover his whereabouts. In addition, the authorities have attempted to trace mail and friends in order to locate Mr. Gendin.

Keeping Mr. Gendin in the Soviet Union against his will is a violation of the Helsinki accords provision on the Unification of Families. It is also a violation of both the spirit and the letter of the Universal Declaration of Human Rights and the Final Act of the Conference on Security and Cooperation in Europe.

Lev Gendin is presently an unhappy and unproductive member of Soviet Society. Cases like Mr. Gendin's can only serve to strain and damage relations between the United States and the U.S.S.R.

We cannot stand by while violations of basic human rights continue to occur. I again urge my colleagues, as I have urged them in the past, to do all that they can to speak out against these injustices.

AMERICA'S SECURITY MAY DEPEND ON B–1 BOMBER

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. ASHBROOK. Mr. Speaker, I am deeply disturbed by President Carter's decision to terminate the B–1 bomber program. Failure to produce the B–1 will leave a major gap in our defensive capabilities.

As my colleagues are aware, the manned bomber plays a key role in our national defense planning. Our strategic triad presently consists of manned bombers along with land-based ballistic missiles and sea-based ballistic missiles. It is essential that each component of the triad remain strong and not be allowed to become outdated or outmoded.

The B–52 has admittedly been an outstanding airplane. It has effectively carried out its job of protecting our Nation.

The fact of the matter, however, is that the B–52 is growing old. It has been in service for nearly three decades. To continue to rely on this airplane as our manned bomber is a grave error. We need to be constructing a new airplane fleet now if we are to meet the Soviet challenge in the years ahead.

This is not just political rhetoric. The Soviet Union by the 1980's will have the technological ability to defend against the B–52. Our B–52's will be outclassed by Soviet air power.

The B–1, however, is a far more technologically advanced airplane. Its effectiveness and survivability are greatly superior to the B–52.

Let me cite just a few of the many strategic advantages of the B–1 in comparison with the B–52. One such advantage is speed. Top speed for the B–52 is about 650 miles per hour. The B–1 can fly twice as fast, hitting 1350 miles per hour.

Another advantage is payload. The B–52 can carry 38,000 pounds. The B–1 has a payload of 75,000 pounds, about twice the capability of the B–52.

A third advantage is detection. The B–1 has only a third of the radar reflectivity of the B–52. This makes it much harder for the enemy to detect. Even if detected, the B–1 has advanced electronic equipment which makes it difficult for radar to determine the exact location.

These and other features of the B–1 would make it a valuable addition to our defense preparedness. For President Carter to terminate this important program at a time when the Soviets are seeking a position of military superiority is beyond belief. His decision seems to indicate a dangerous misconception of Soviet aims and world realities.

We are playing parlor games with the Communists. They are our deadly enemies and the security of America may depend on whether or not we build the B–1 bomber.

SIT ON IT, LIBERALS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. LONG of Maryland. Mr. Speaker, I bring to the attention of my colleagues a thoughtful, penetrating and well-written article on liberalism and reverse discrimination that appeared in the Dundalk Times on July 14, 1977. The insight provided by this article should make even the staunchest liberals stop to reexamine their thinking on one of the most important issues facing our Nation:

SIT ON IT, LIBERALS

(By Ronald DeCicco)

A friend of mine is slowly, quietly, almost on tiptoe becoming conservative. It's fun to watch the changeover process, although I'm sure liberals would compare it to going mad, going blind, deaf and dumb, or being kicked in the head by a horse. I suspect she is not a loner in her new thinking; she is, rather a part of a trend away from the liberalism of the 1960s, of promises that, unfortunately, were delivered.

The liberals' brand of thinking is in every corner of our daily lives, and the result is—well, mush. Mush in the educational system, mush in the quality of performance, and mush in the meanings of degrees, awards, and accomplishments. Equality of opportunity is one thing, but equality in awarding performance is something else again. My friend is not becoming a zealot for conservatism. (She is not a zealot, period.) What she is doing, however, is much better than that. She is learning, by experience, that liberalism does not work, and that in the long run it penalizes people with talent as a way of making up for past sins and unclear consciences.

Perhaps the biggest abomination liberals have given us is the quota system, which is a basic tenet in the liberals' philosophy. The quota system, reduced to simplest terms, says employers must hire X number of people simply because they belong to a minority group. I have trouble with that. What, then, is a majority group? Name one. And what does background have to do with the ability to perform work? Here we have a phenomenon that I call inequality of opportunity.

But back to my friend. She is above average in intelligence, and her capacity for work is admired by everyone who knows her. In her job, she is witnessing a flow of college graduates who have trouble spelling, typing, following directions and answering the telephone. These are college people, not high school seniors, mind you. My friend, who is not a college graduate, is not considering going back for her degree because she knows from experience that the old sheepskin has been rendered meaningless. The evidence is all around her.

And it goes without saying that some of the graduates are working with her because of the quota system. So Dorsey Dumbbell is being passed along year after year, deficient in skills because schools do not have the gumption to say, "Enough!" Dorsey Dumbbell is being shortchanged; talented people who give a damn about the calibre of work they are doing are being overlooked; and people without college degrees are being penalized because they did not participate in what for many is a four-year sham. I use sham with all due respect for the word; any time you can get college credit for belly dancing or bowling, it's a sham.

Thanks to the liberals, college has become commonplace rather than exclusive. Exclusive connotes money, but it also means wealth of ability, which you once had to have to even be considered for college. If you wanted to go badly enough, if you had the ability, then you were willing to sacrifice for it, financially and socially, because the rewards were worth it. Not so anymore. Higher education is nothing more than a moneymaking enterprise, on an equal footing with peddlers of souos and shoes, hollipops and liquets. Let's admit it's an extension of high school, which itself is another watered-down product.

My friend is changing her liberal thinking in other areas, too. She is nowhere near as anti-rich as she once was. As so many before her, she has finally realized that it is not the rich who cause the poor. Anyone who holds that opinion is probably making excuses for personal shortcomings. It's popular McGovern dogma, but it never held water. Estates have been split up among nephews and nieces, grandchildren and great-grandchildren. The companies they own keep people in jobs and off the welfare rolls, which are bulging thanks to the liberals' abuse of the welfare system.

My friend has discovered all this and more. She did not, I should point out, think any of these thoughts back in her college days. Back then she held lofty thoughts and damned the rich and pitied the poor. It was a black and white world—then. Out in the world of work, it's another story when your beliefs crumble right before your eyes. It's a bit much to see your talents passed over because of the very theories you once held in high regard. But one of the joys of living is you never stop learning. Experience makes liberalism a youthfull idyll, fantasy not unlike Santa Claus, the Tooth Fairy and Mother Goose.

In other words, pure illusion.

JOHN E. WHITNEY SERVES MANY YEARS IN CHRISTIAN SERVICE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. LAGOMARSINO. Mr. Speaker, one of my constituents, Rev. Ed Crist of Ventura, recently brought to my attention the many fine works that his father-in-law, John E. Whitney, has engaged in during his many years of Christian service.

I am advised that John Whitney was born in 1890. His parents died when he was a child. He was reared in an orphanage and later in a foster home. He worked his way through school and was ordained as a Baptist minister in 1913. Shortly thereafter, he founded the Odosgih Bible Conference in New York and was its president for two decades.

Mr. Whitney, a widower, is presently living with his youngest daughter, Virginia Buchman, in Sayre, Pa. He has five children in all. The oldest daughter, Lois, has been a missionary in Kenya for the past 30 years. His son, Gordon, is also a Baptist minister. His other son, Leslie, is a surgeon in Wilmington, Del., and his daughter, Marguerite Crist, has lived in Ventura for the past 7 years.

It is apparent from his many years of dedicated work that Mr. Whitney is a man who loves and strongly supports his country. In addition to his church work, Mr. Whitney has been involved in community civil projects, often being a speaker for community organizations and special events such as Memorial Day services and Fourth of July meetings.

I know that Mr. Whitney has been a great inspiration to many people and a person many have attempted to emulate. It is my personal pleasure to commend John Whitney for his many years of dedicated service to his community and our country.

CHET HOLIFIELD SPEAKS OUT FOR THE BREEDER—PART II

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. TEAGUE. Mr. Speaker, I wish to present the continuation of CHET HOLIFIELD'S June speech on our recent nuclear policy shift and its ramifications:

President Carter is apparently obsessed with the problem of nuclear weapon proliferation. Our Joint Committee agonized over this same problem for many years. But as I said before the "atomic genie is out of the bottle."

Five nations possess atomic-plutonium-hydrogen weapons, there could be more. Hundreds of scientists and engineers have participated in the design and construction of nuclear bombs. There are hundreds of research reactors in universities throughout the world. Many full scale electricity producing atomic reactors throughout the world are also burning uranium and thereby producing plutonium. Weapon material can be produced in central station reactors and in university research reactors. I cite the most recent addition to the nuclear nation club. The nation of India, which produced their so called "peaceful-device" from material produced in a Canadian research reactor.

The President apparently believes that if we deny our people the use of plutonium for reactor fuel that other nations will also forego the use of plutonium in their reactors. But the other nations are not rich in oil, gas and coal as we are. Japan as an example has to import 98% of the oil, coal and gas they use. Many other nations lack indigenous fossil fuels. They must turn to nuclear as a matter of national survival. This they have done and are continuing to do. A breeder reactor offers an irresistable economic bonanza. A breeder reactor will create more

fuel than it burns. It is estimated that it will multiply the extraction of energy from a given amount of uranium by factors of fifty to seventy. In an energy hungry world it is naive to expect other nations to follow our lead.

The President is inconsistent in his position. He has accepted the reality of spent fuel pond storage throughout the world. If any nation builds a shielded processing facility they can extract plutonium from their spent fuel ponds. He says the problem is that some country might construct secretly the nuclear weapon assembly system and that overnight they might take the plutonium from the power system and put it through their nuclear weapon assembly system and the world would be confronted with a new nation seeking membership in the nuclear weapon nation club. He apparently assumes that the new nation would make a few nuclear bombs secretly and then blackmail the adjacent nations. This causes me to ask if the newest nations to achieve nuclear bombs, i.e., China and India have tried to blackmail their neighbor nations with their new weapons? The answer is "no". Those new nuclear weapon nations know very well that such a rash act would be counterproductive in the eyes of the world. The major nuclear weapon nations would combine in opposition to such a move and their superior strength in nuclear weapons would, in my opinion, correct such a rash adventure in brinkmanship.

When a nation enters the nuclear weapon nation club, I have noticed that they suddenly become very conservative with their new found status. They do not engage in high noon confrontations. There is no place to hide from the effects of a nuclear world war.

I know that a national questioning of atomic values is in being. I know that organized groups under unofficial, non-elected leaders who claim they represent the opinions of the majority of our citizens, are spreading propaganda and mis-information thruout the land about atomic matters.

But I also know that in seven states where anti-nuclear advocates were successful in placing the issue of nuclear power on the ballot, the people rose up and defeated those anti-nuclear initiatives by huge majorities.

The anti-nuclear people continue to oppose the use of generating electricity by nuclear reactor plants politically and with legal interventions. They oppose most of the national and international policy concepts and programs of scientific research and engineering development which have been followed for the past three decades.

I do not contend that all of our concepts and programs have been perfect. But neither have they been disastrous failures as the critics and dissidents charge. Some postmortem criticisms can be made on the minus sides. Also, a great list of of constructive achievements can be furnished on the plus side.

I can state for the record. During the past three decades we have developed many valuable and beneficial national and international policies, treaties and agreements.

Nationally we have engaged in a phenomenal and unprecedented program of scientific research and engineering development. These programs strengthened our Nation's peacetime capability tremendously.

This great national effort was financed primarily with more than $150 billion dollars from the tax funds of our people.

Concurrently with the Federal stimulus, additional billions were invested from the private funds of great corporations and other private enterprise sources.

National and State legislatures functioned as the people's officially elected representatives, in bringing to fruition the beneficial uses of atomic fission.

In the face of today's urgent energy need probably the most beneficial use was the development of the most powerful new energy fuel ever known to man—atomic energy.

During these three decades we also developed a very wise policy of international sharing. In 1953 we called it the "atoms for peace program." Its result was the sharing with the people of other Nations the peacetime benefits of the atom.

In 1957 we took the lead in the formation of the International Atomic Energy Agency. In a permanent site in Vienna, Austria, we gathered the atomic scientific leaders of many nations together to formulate in the I.A.E.A. charter, the International Rules and Regulations for Procedure. We organized seminars to discuss scientific and engineering problems. We agreed upon safe guards for the international shipment of nuclear materials and we exchanged scientific and engineering information.

International agreements and arrangements were made and officially approved by the co-operating member nations of I.A.E.A. This organization is ready to assume new and important duties in monitoring and safe guarding nuclear materials under any task which may be assigned to it under the non-proliferation treaty.

As a charter member of the United States Joint Committee on Atomic Energy for three decades, I was a vigorous participant in our national program of atomic development and in supporting international agreements and arrangements.

These national and international actions and policies were based on many years of study by scientists, engineers and Members of the Congress. They were slowly and carefully beaten out on the anvils of educational, political and legislative action.

I believe that we should pause and ask many pertinent questions before we change our course or before we jeopardize our national programs or violate our international commitments.

Questions:

Did our House of Representatives and our United States Senate fail in discharging their public trust and responsibilities in meeting the great challenge of the atom?

Were seven Presidents, Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon and Ford wrong in supporting and developing the national and international use of the atom?

Were we wrong in protecting our military security and pledging the use of our military strength to the North Atlantic Treaty Organization for the purpose of preventing a Communist take over of Europe?

Were we wrong in developing over two thousand peacetime uses of the atom for the benefit of our people and the people of the world?

Were all the nations of the world wrong in accepting peacetime atomic technology from us and making their own supreme efforts to develop their own atomic capabilities?

Where do we as a nation stand today?

We are justifiably a proud nation. We are zealous of our record of leadership in the atomic field. We are proud of our record of accomplishment in domestic atomic technology.

We are especially proud of our ability to manufacture and operate light water and boiling water reactors which produce safe, clean, dependable and economically competitive electricity. This capability alone may become our energy salvation as our supply of fossil fuels decline.

Concurrently with the development of our light water reactors we have improved our gaseous diffusion separation processes and we are now ready to build an advanced type of separation plant based on the centrifuge process.

We also recognized as far back as 1948 that there might come a time when our high yield domestic uranium ores would be exhausted or seriously diminished.

We foresaw the need to beat our plutonium spear and sword into an energy source fuel for a different type of reactor. A reactor that would breed more fuel than it used. So we began thirty years ago to develop a breeder type of reactor. Our strong research and development program soon gave us experimental breeder reactor No. 1. Then experimental breeder reactor No. 2. We expanded our R & D in the FERMI and SEFOR experimental reactors. We continued laboratory programs and testing devices. We started the fast flux test reactor at Hanford and we are approaching the consummation of this huge and very costly testing device, whose purpose is to undergird our liquid metal fast breeder fuel technology. It should make possible an inexhaustable energy fuel for the next thousand years.

Regardless of the final decision to defer-delay or terminate the L.M.F.B.R., the fast flux test facility must be funded and its invaluable function continued. Our Nation will inevitably be forced to build and use many fast breeder type reactors to supply our energy needs.

Our scientists and engineers were not the sole possessors of the dream of a future breeder technology. Their counterparts in the Soviet Union, Great Britain, France and elsewhere accepted the principle of the reactor that would breed fuel as it burned uranium 235 and fertilize thorium and U-238. I am sorry to state that foreign nations have forged ahead of us in building their first demonstration breeder plants.

In our own country two breeder approaches survived the screening process. The liquid metal fast breeder and the Rickover seed and blanket type of a slower breeder.

The joint committee and the Congress supported the Rickover seed and blanket slow breeder and we hope to start demonstrating its function in 1978.

The liquid metal fast breeder seemed to offer more potential in the evaluation of most of the scientists, engineers, electric utilities, and reactor manufacturers. It became the committee's greatest challenge. We have expended 2.8 billion dollars in research, design and the development of fuel and components, the site has been chosen on T.V.A. property adjacent to the Clinch River in Tennessee. The Congress authorized the breeder demonstration plant in 1973 and appropriations have been made annually for five years.

Suddenly we find ourselves faced with a new President who is opposed to continuance of the project and has decided to defer indefinitely, construction of the demonstration reactor.

ERDA has been instructed to terminate the L.M.F.B.R. program. The President has stated that he will not request 1978 fiscal year funding.

These decisions have been made abruptly by the President without consultation with the Congress. Without consultation with the private manufacturers and the more than three hundred private utilities and corporations that have pledged 250 million dollars and who are partners in the project management corporation. These people have been contributing funds and management personnel to the joint project for years and have a right to be heard.

The Federal Govrenment has expended in the last thirty years two billion eight hundred million dollars and two hundred fifty million dollars has been pledged by private and public entities.

If this project is terminated, three billion dollars of the tax payers investment will go down the drain because of a sudden arbitrary decision of the President.

But that in no way compares to the loss which the people of the United States will suffer in future years. They will lose a vitally needed inexhaustible source of energy fuel

for the production of electricity in the years and decades of the future.

They will stand aside while the Soviet Union, France, Japan, Germany and Great Britain build a series of breeder type reactors. The loss of leadership will diminish the prestige we have earned in nuclear technology. We will lose our influence in developing international agreements on further nonproliferation procedures.

Our unilateral withdrawal from breeder development will not deter other nations who are determined to achieve the energy which they must have, because of their lack of indigenous fossil fuels. The Teague report of two weeks ago reliably supports this statement.

What can pro-nuclear professional and technical associations do?

What can the people do?

What can informed scientists, engineers and technicians do under present circumstances?

The problem we face is not a technical one in my opinion. It is a problem caused by a political decision made by the President of the United States.

Let me pause here to recognize reality. The opposition of President Carter is a powerful factor, especially a new President that has proven to have a strong charisma. The polls continue to prove his popularity. He has a strong majority of democratic members in the House and Senate. They are aware of the President's popularity.

They know that in many matters they can by majority vote pass legislation but they are painfully aware that it takes a two-thirds vote to override a Presidential veto.

There will be considerable negotiation between the President and the Congress on every difference of opinion. Neither the President nor his congressional leaders relish a confrontation by veto. If negotiation fails and the President stands firm and threatens to veto legislation, either the Congress accepts the necessity to compromise or makes the attempt to override the veto. A nose count by the congressional leaders will dictate the decision of the leaders.

Few vetoes have been overridden in the history of Congress. With a popular new President the odds are in the President's favor.

The Members of Congress must be convinced that there is an overwhelming public support on an issue before they will confront a presidential veto with override action.

The President's tenure is four years. All Members of the House of Representatives will face a new primary election only 12 or 15 months from today. One-third of the Senate will also face re-election at the same time.

Most of the Democrats would rather run for re-election as a loyal supporter of the Democratic President than as one of his independent opponents.

If enough voting citizens—if enough organization groups contact their elected representatives in Congress and convey their interest in a strong nuclear energy development program as the people did in the votes on the seven anti-nuclear state initiative proposals, I know this would strengthen the will of their representatives to negotiate stronger, and vote if necessary to override a veto.

So, if you ask me, "What can I do to preserve our nuclear progress?", I can only say to you, generate letters to your Congressman and your Senators from yourself and any organization to which you may belong and let your wishes be known.

If enough voting citizens are interested enough to write their Federal officials they will strengthen their will to vote affirmatively on nuclear legislation and strengthen their backbones to vote against the President when they believe that he is wrong.

In this matter I believe he is tragically wrong on a vital issue involving the energy base necessary to protect our economic vitality and to preserve our social and political structure as a free nation.

"INDEXING"—THE WRONG WAY OUT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. McDONALD. Mr. Speaker, as inflation continues to inflict great suffering, lowering real income, and eroding savings, many propose to remedy the injury by "indexation." This consists of raising everyone's income, prices, or wages by the average level of price increases, usually as measured by the Consumer Price Index.

The rationale is that inflation raises the wages of some faster or more than others, but that such "inequities" can be eliminated by indexing. But what is overlooked by the advocates of indexing—many of whom, incredibly, are self-styled supporters of a free market—is that in a free market one man's income is another's cost. If incomes are mandatorily raised by fixed amounts, more inequities would result than would be cured, and production would be disrupted and misdirected to a greater level than without indexing. Some results of indexing, for example, would be bankruptcies of marginal businesses and higher unemployment.

Inflation is the direct result of Federal deficit spending and amounts to an indirect tax. Indexing would not cure the problem, it would only redistribute inequities. The only real cure is to eliminate deficit spending.

An excellent analysis of the fallacies of indexing is provided by the noted economist Henry Hazlitt in the May 1977 issue of the Freeman:

"INDEXING"—THE WRONG WAY OUT

(By Henry Hazlitt)

Inflation is caused by the issuance of too much paper money. Inflation is the issuance of too much paper money. Its most conspicuous consequence is to raise prices. But it never raises all prices, wages, and incomes simultaneously or to the same extent. The persons whose wages or incomes it raises least or latest suffer the most from inflation and raise the greatest opposition to it.

Therefore some politicians and economists propose that this be remedied by what they call "indexing" or "indexation." This consists in prescribing that everybody's price, wage, or income be raised as much as the average "level" of prices. This usually means: by the same percentage as the official "Consumer Price Index" of the country has gone up.

The mere statement of this proposed remedy suggests some of its difficulties. We must distinguish first of all (though it is surprising how seldom this is done) between mandatory and voluntary indexing. This country has already adopted a large measure of the latter. According to a calculation made in 1975, the incomes of more than 65 million Americans were indexed: 31.3 million Social Security recipients, 19 million food stamp users, 7 million union members, 4 million aged, blind, and disabled persons on Federal aid, and so on—including also members of Congress and thousands of other employees of federal, state, and local governments.[1]

This "voluntary" or quasi-voluntary indexation does some harm, as I shall later point out, but not nearly as much harm as mandatory indexation. Mandatory indexing is a form of government wage-and-price control. Like any form of price control it is bound to be disruptive. "Standard" price control prescribes maximum wages and prices; mandatory indexing would prescribe minimum wages and prices. Imposing price ceilings brings underproduction and overconsumption of many commodities, causes shortages and leads to rationing. Imposing wage and price floors would lead to massive unemployment and to surpluses of goods that could not be sold at the higher prices.

WHAT IS NOT SEEN

It is amazing that among the champions of compulsory indexing there are some self-styled free-market economists. Inflation from its very nature does not raise all prices, wage-rates, and incomes simultaneously and uniformly but at different times and by different amounts. And during an inflation individual prices, wage-rates, and incomes also change in relation to each other, for the same variety of reasons that they do when there is no inflation. But the advocates of indexing see all these changing divergencies not as market fluctuations that accelerate and smooth out a necessary re-allocation of production to changes in demand, but as "inequities" that need to be eradicated.

What the advocates of indexing overlook is that in a market system, with division of labor, practically every man's money income is some other man's cost. Therefore, indexing not only creates more inequities than it cures, but it tends to disrupt and misdirect production. When wage-rates in industry X, that have not yet gone up as much as the average, are suddenly and mandatorily boosted to that level, profit margins in that industry are narrowed or wiped out. One result is bankruptcies of marginal producers and less output. Another result is not a higher income for all the previous workers in that industry, but more unemployment. Similar consequences follow when raw material prices or rents are boosted by mandatory indexing. And every upward adjustment to produce "equity" creates the need for other upward adjustments, a never-ending process.

MISALLOCATION OF SOURCES

One of the great evils of inflation, of course, is that it tends to redistribute wealth and incomes erratically and wantonly. Another consequence is that it leads to the misdirection of labor and investment. But indexing, by arbitrarily altering and falsifying the market signals still further, only tends to increase the misdirection and misalloction of labor and output.

The advocates of indexing appeal to a class interest. What they say in effect is: You haven't got your "fair share"; you are being cheated, and only indexing will save you. Powerful pressure groups push for a kind of indexing calculated to benefit them at the expense of everybody else. But if they could succeed in their aim, the result in the long run would be damaging to them as well as everybody else. The strong unions, for example, want to keep abreast of increases in the Consumer Price Index, as a minimum. On top of that they ask for so-called "productivity" increases, increased pensions, and other guarantees. The result can only be reduced returns to employers, leading at best to less capital formation and slower growth.

Footnotes at end of article.

if not to increased bankruptcies and unemployment.

The typical newspaper reader is led to assume that the official Consumer Price Index, on which most indexation schemes are based, represents all prices of all consumer goods. It is in fact not even designed to do that. Its full official name is the "Consumer Price Index for Urban Wage Earners and Clerical Workers." It covers only 400 items out of the thousands bought and sold by consumers. It is weighted to apply to a particular minority. Its calculation is arbitrary in a score of ways. As a measure of changes in "everybody's" cost of living, it lacks precision. And it necessarily must, because each person's particular "mix" of needs and purchases is individual. The average is never the actual. The average family has 3.1 members, but there is not a single family in the United States with 3.1 members.[2]

UNEVENLY APPLIED

But these statistical defects are a comparatively minor objection to indexing. Contrary to the naive assumption of its advocates, indexing simply cannot be applied evenly all around the circle. It can only fix prices; it cannot guarantee incomes. It can order that wage-rates be raised; but it cannot insure that employment will not thereby be reduced. It can order that the price of an item be increased, but it cannot guarantee that the sales of that item will not be diminished.

For another example, let us look at how indexing would affect savings and loan institutions. The government, as has been suggested, could offer notes and bonds on which the annual interest rate varied with consumer prices, and on which even repayment of principal was increased to correspond with consumer price rises. Perhaps some private borrowers would offer similar bonds. In that case there would probably be massive withdrawals from the savings banks to buy such securities. How could the savings banks then maintain their liquidity or solvency? Would they, in order to compete, have to offer their depositors a similarly indexed interest rate and indexed repayment of principal? Where would they get the money from? Would they, in lending mortgages, also demand an indexed interest rate and a similarly scaled-up repayment of principal? How many homeowners would dare to undertake such a risk or be able to meet the terms in the event of a major inflation?

Mandatory indexing is practically certain to favor the interests of the most powerful political groups. In a democracy it would favor primarily the big labor unions. It is naive to suppose, as some of the advocates of indexing do, that in the event of an actual fall in prices, the unions would tolerate a corresponding cut in money wages. Indexing would force wage-rates up, and keep them up, on a ratchet principle.

Among those whose incomes are already indexed—if not overindexed—are Social Security recipients. This is having a disturbing political effect. It must tend to remove many of our elder citizens as opponents of inflation, and make them complacent about it. If elderly persons and the members of labor unions ever come to assume that they are adequately protected against the ravages of inflation, and may even profit by it, the outlook for restoring balanced budgets and a sound currency will become all but hopeless.

Among those who are already overprotected by indexing are retired Federal employees. Lately Congressmen have been voting themselves all sorts of catch-up raises. This is the most ironic indexing, and the most ominous of all. If those who are responsible for permitting or producing the inflation are allowed to become also the profiteers from inflation, to whom can we look to end it?

Footnotes at end of article.

HIGHER TAX BRACKETS

One of the most serious inequities wrought by inflation falls on all those subjected to progressive income taxes and to capital-gain taxes. Inflation keeps pushing them into higher tax brackets. They are called on to pay higher percentage rates even though their real income may not have gone up at all. Many are forced to pay taxes on so-called capital gains when in real terms they may actually have suffered capital losses. If the taxpayer were allowed to recalculate his money income or capital gain in "real" terms, it would remove this flagrant inequity, at the same time as it would take part of the profit out of inflation for the government that was producing it.

In this instance the argument for indexation makes a strong appeal to conservatives. In fact, it might perhaps with as much accuracy be called de-indexing taxes as indexing them. But politically speaking, it would be at best very difficult to get such tax indexing or de-indexing except as part of a sweeping indexation program. And such a program would only tend to prolong and increase inflation itself.

PROLONGED AND ACCELERATED

Indexation tends to prolong and accelerate inflation for two reasons. It does so first because it postpones, diminishes, or removes the worst effects of inflation and influential groups, and so greatly reduces the political opposition to inflation. And it does so also because of its purely mathematical effect. In Phase 1, say, indexing would bring all (or most) wages and incomes that were below the average up to the average. But as soon as Phase 1 had been completed, the average itself would be raised by that increase. This would necessitate a further upward adjustment in Phase 2; and so on. To make the new wage and income levels sustainable at each stage, there would be great political and economic pressure to increase the money supply still further.

The effect is even greater when indexation directly increases government expenditures themselves. It does this most notably, for example, when Social Security payments are indexed. When government expenditures are forced up automatically whenever the Consumer Price Index rises, we have come close to a formula for perpetual inflation.

It should be pointed out that the same sort of result would follow, though on a smaller scale, if tax rates were also indexed or de-indexed so as not to go up with increasing nominal money incomes. This indexation would make tax revenues lower than they would otherwise be, and so tend to increase the deficit—unless the government compensated, as it no doubt would, by openly increasing income-tax rates.

Even if indexing did not increase inflation or the political pressures for inflation, it should at least be obvious that it does nothing by itself to reduce or slow down inflation. Even Milton Friedman, one of the strongest advocates of indexing, concedes that "indexing per se will not, in my opinion, do anything to reduce inflation," [3] and even that ". . . widespread indexation would reduce the public pressure to end inflation." [4]

How does it come about that, with all the objections to it, indexing is nonetheless being seriously proposed and discussed? The active discussion began in this country early in 1974, when Milton Friedman returned from a short visit to Brazil full of enthusiasm for the indexation program that he found there.

THE BRAZILIAN MODEL

To have Brazil upheld as an economic or monetary model for the United States to emulate seems a strange irony. Brazil, one must admit, does not have the very worst inflation record in the world in recent years. Chile and Argentina have been competing too vigorously for that honor. But Brazil does have *one* of the worst records—especially one of the worst long-term records. It was inflating at a double-digit rate as early as 1941. The accompanying table shows its annual record for the last 26 years:

Annual percentage change, year-end

	Percent
1952	20.8
1953	16.8
1954	26.2
1955	19.1
1956	21.7
1957	13.4
1958	17.3
1959	52.0
1960	23.8
1961	43.2
1962	55.2
1963	80.6
1964	91.9
1965	34.5
1966	38.3
1967	25.0
1968	25.5
1969	20.1
1970	19.3
1971	19.5
1972	15.7
1973	15.5
1974	34.5
1975	29.4
1976	46.3

Source: Getulio Vargas Foundation.

It will be noticed that in the single year 1964 consumer prices in Brazil soared 91.9 per cent. In fact, in the first quarter of 1964 the annual rate of inflation was running at 150 per cent, but at that point the Brazilian authorities took hold and applied the old-fashioned "classical medicine." They imposed a heroic contraction in the growth of "aggregate demand" by severe fiscal and monetary restraint. It was this, and not "indexing," that slowed down the cost-of-living rise to 25 per cent in 1967.

The indexing that was applied in Brazil in this three-year period was not the kind that its present American advocates are recommending. Brazil's authoritarian government was careful not to allow full indexing of labor incomes to rising consumer prices. In this way it was not only able to prevent heavy unemployment, but by diverting a larger proportion of industry's income to profits, it encouraged capital accumulation, plant expansion, and "economic growth." Once fuller indexing came into play after 1967, labor's opposition to inflation diminished, and inflationary policies were resumed.[5]

AUTOMATIC BUT VOLUNTARY

When an inflation once develops and continues beyond a certain point, indexing arises almost spontaneously and spreads by mutual acceptance as the only way of mitigating an otherwise intolerable situation. This was exemplified in the hyper-inflation in Germany in 1922 and 1923. But such indexing should always be voluntary, and flexible enough to adapt itself to special situations. When it is mandatory and Procrustean, it can only increase economic disruption and create at least as many inequities as it cures.

We come back to the point that one man's price, wage, or income is another man's cost. Inflation is a disguised, haphazard, and iniquitous form of taxation. It is a government-imposed swindle or robbery, and most of us must be swindled or robbed by it. As Dr. Hans F. Sennholz has put it:

"If a government resorts to inflation, that is, creates money in order to cover its budget deficits or expands credit in order to stimulate business, then no power on earth, no gimmick, device, trick or even indexation can prevent its economic consequences. If by way of inflation government spends $10 billion in real goods, capital or labor, someone somewhere must forego $10 billion in real resources. It is a fundamental principle of

inflation that there must be victims. Indexation may shift the victimization; it cannot prevent it."[6]

THE ONLY REAL CURE

One last argument against indexing remains. It is the most important of all, and in itself sufficient. The advocates of indexing tacitly take it for granted that inflation is some mysterious and incurable disease, like cancer; and as it cannot be cured, the best we can do is to live with it and try to mitigate the pain as much as possible. This is a preposterous assumption. Every economist worth the name knows precisely what causes inflation and how to stop it. It is caused by a government that insists on spending more than it can or is willing to raise by taxes; a government that recklessly runs chronic deficits and issues more paper money to pay for them. If the politicians responsible for government policy had the will, they could stop inflation overnight.

The proponents of indexing blandly suggest that the same government that is creating and prolonging the disease continue to do so but graciously provide us with indexation as a partial pain-killer—or rather, that it shift the pain from some of us to someone else. They propose a complicated and spurious cure and overlook the simple, real, and only one. Stop the inflation.

FOOTNOTES

[1] *U.S. News and World Report*, Aug. 18, 1975, p. 44.

[2] The reader interested in a fuller analysis of the defects of the CPI may consult the pamphlet "The Case Against Indexation," by John W. Robbins (Committee for Monetary Research and Education, P.O. Box 1630, Greenwich, Conn. 06830).

[3] *Indexing and Inflation*, American Enterprise Institute, 1974, p. 2.

[4] *Ibid*, p. 18.

[5] For a more detailed description, see Ronald A. Krieger, "Inflation and the 'Brazilian Solution,'" in *Challenge*, Sept.–Oct. 1974, pp. 43–52. And for a fascinating history of the incredible monetary mismanagement and chronic inflation in Brazil from the seventeenth century to the present, see Norman A. Bailey's pamphlet: "Brazil as a Monetary Model" (Committee for Monetary Research and Education, Greenwich, Conn., June 1975.)

[6] *Inflation Survival Letter* (Washington: Human Events, July 1, 1974.)

CUT THE CLINCH RIVER BREEDER

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. LONG of Maryland. Mr. Speaker, the House of Representatives will soon have the opportunity to strike a crucial blow against nuclear proliferation by voting for GEORGE BROWN'S amendment to cut funds for the Clinch River Breeder Reactor. And we can save a lot of money in the process.

The breeder will be a threat to world peace. Each reactor contains enough plutonium to build several hundred nuclear weapons. Once a country has the material, it can build the bomb. The United States has trained nuclear scientists and technicians from around the world for the past 25 years. The knowledge needed to build the bomb is out of our control. But if the United States does not subsidize the development of breeder technology, it is doubtful that other countries will be able to afford it.

The breeder is very expensive. A GAO study says that it is significantly more capital intensive than light water reactors of coal powerplants.

If it is so expensive and dangerous, why should we even consider it? The proponents answer this by emphasizing that it creates its own fuel. In other words, it is a renewable energy source. But there are renewable energy sources all around us. Solar, solar electric, wind, water, ocean thermal gradients, and biomass are all renewable, less capital intensive and less dangerous to our natural and political environment. Even countries that are poor in fossil fuels have access to these "clean" renewable resources.

The breeder program is a subsidy for the already heavily subsidized nuclear industry. Without subsidy the industry would probably not exist at all. Support the Brown amendment for a less dangerous world.

FOOD STAMP REFORM

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. STEERS. Mr. Speaker, as a cosponsor of the Food Stamp Reform Act of 1977, the original measure which Mr. RICHMOND introduced in this Congress and one which is essentially similar to the food stamp provisions of the Agricultural Act of 1977, I rise to express my strong support for eliminating the purchase requirement and for certain exceptions to the standard $60 deduction already provided in the full committee bill.

Under the existing program, food stamp recipients must pay a purchase price to gain access to benefits. A household entitled to $66 worth of stamps, for example, would then have to pay a "purchase" fee which could amount to $100. If the purchase requirement were eliminated, the household would simply receive the $66 worth of food stamps without the $100 payment. It is important to note here that elimination of the purchase requirement would not increase the amount of benefits a household receives. It only changes the way the household receives it.

Additionally, the elimination of this purchase requirement cuts administrative redtape, promises to decrease vendor fraud and simplifies the process of issuing food stamps.

I favor this elimination because I believe it will remove a financial barrier which keeps many low income and otherwise eligible recipients from eating decent meals. To underscore this, recent participation estimates place participation rates at 55 to 63 percent of those potentially eligible for the program.

With respect to the deduction provisions of this bill, I believe that a long list of itemized deductions is the fairest way to determine benefit levels. However, it has become apparent that such a list is too complex and prone to errors and delay in issuance of stamps. The Committee has therefore adopted a standard deduction of $60, $15 less than that mandated in the bill which I cosponsored and which included several important exceptions to this standard figure.

A child care deduction, also embodied in my bill, is kept in the committee measure we are debating here today. This deduction is essential to encourage families with children to use babysitters or other child care facilities so that they may work.

In addition, I strongly favor the deduction for shelter costs in excess of 50 percent of net income up to $75 per household to be used in computing benefits. This is a particularly important exception to the standard deduction because shelter costs are the major portion of all current deductions and easy to identify.

I would also hope that this distinguished body will accept the Jeffords-McHugh amendment to adjust the cap on the shelter deduction in the cost of living. There is no question that recipients such as those in my district of neighboring Montgomery County, Md., are paying significantly higher shelter costs than in most other parts of the Nation. As an example, a one-bedroom apartment in my district, as a conservative estimate, runs in the vicinity of $250 a month while two-bedroom apartments in many other areas of the country can easily be rented for $160. This cost of living adjustment should be supported by this body as a simple matter of equity.

I believe that in large part the sections of the Agricultural Act of 1977, as reported, which amend and extend the food stamp program are an asset to the lower-income citizens of our country and the committee is to be commended for its good sense.

SALUTE TO RAY MORELAND

HON. FRANK E. EVANS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. EVANS of Colorado. Mr. Speaker, the following is a tribute to constituent Ray M. Moreland of Rocky Ford, Colo., local businessman and president of the National Farm and Power Equipment Dealer's Association:

Today, I would like to recognize the distinctive year of service that Ray M. Moreland of Rocky Ford, Colo., has contributed as president of the National Farm and Power Equipment Dealer's Association.

During the past year, he has taken out much time from his own business to service the 13,000-plus members of NFPEDA. Not only has he been concerned with the welfare of equipment dealers, but also with the well-being of farmer-customers. Moreland has traveled from border to border during the last year to make good his commitment to agriculture.

In Rocky Ford, Moreland has served with distinction as president of the chamber of commerce, Lions Club, Rocky Mountain Council of the Boy Scouts of

America, Colorado Boy's Ranch, as past master of the Ordway, Colo., Shrine Lodge, and as a trustee of Otero Community College.

Ray Moreland is a valuable citizen of the Lower Arkansas Valley, Colo., and the Nation's agricultural community.

TRADING LED ZEPPELIN FOR HIGH-SPEED WINGS

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. SNYDER. Mr. Speaker, in Sunday's Potomac Magazine section of the Washington Post there appeared a unique column by Frank Mankiewicz which dealt with the Concorde landings in America. I found the column most interesting and am inserting it in the RECORD at this point so my colleagues and others may read it:

TRADING LED ZEPPELIN FOR HIGH-SPEED WINGS

(By Frank Mankiewicz)

Out in San Francisco, they are gearing up to resist—not Anita Bryant but the Concorde. This reverses what has been called a national trend, that causes and styles move from West to East, and that what Californians find trendy today will be on sale at Bloomingdale's and on the cover of Time tomorrow.

In the case of the Concorde, it has taken San Franciscans a while to catch on, but they will soon be ready. It is a city, after all, which only reluctantly has accepted the internal combustion engine and fast food, and where J. Alfred Prufrock's "necktie rich and modest" would be asserted by a simple cocaine spoon.

But what is the fight really all about? The Concorde doesn't cost the American taxpayer so much as a penny—the issue of whether or not we would build a supersonic transport was settled in the negative some time ago. For a few Americans, those who can afford a few thousand dollars for the round trip over the Atlantic, it may even be a boon.

It is only the British and French who were so foolish as to persevere with commercial supersonic flight and not to cut their losses some time back. As things stand, they will probably never get their money out of the Concorde, but as in the old joke about the man who was selling his wares at a loss, they hope to make it up in volume. They also hope the price of fuel will come down. There are some people who hope Yasser Arafat will one day celebrate Shavuoth. Don't count on it.

As things stand, the flights from the U.S. to Europe, now exclusively through Dulles, are filled almost exclusively by people on expense accounts, many of them provided by international lending institutions which want their people to travel fast, it would appear, but who would react with horror to the idea that they are thereby subsidizing this "rich man's toy."

There is the further point that all this luxury, once you get past the transatlantic run, is designed to bring people to some of the most unluxurious places in the world. Why, you may well ask, would anyone want to hurry to Bahrein? Why cut down the time between Washington and, let us say, Dakar?

But there are people and institutions who want to use the Concorde, and why, one wonders, are there so many others who don't want to let them? Surely it can't be the noise factor alone, although that is the one most frequently cited by the Concorde's opponents. But a society that makes millionaires out of the members of Led Zeppelin is surely in no position to complain about noise. One imagines, in fact, that most anti-Concorde protestors leave their demonstrations to go to rock concerts, where the decibel count tends to put the Conocrde in the range of classical guitar.

Why, then, do motorists who would otherwise be home at their backyard barbecues spend weekend afternoons cruising slowly around the approaches to Kennedy Airport in protest, thus making miserable the lives of ordinary passengers seeking only to board—or to greet passengers aboard—conventional aircraft? It is, perhaps, envy that some people should be able to afford that kind of money just to travel a little faster? Is it fear that new things (although the Concorde hardly looks new; it resembles nothing so much as the pterodactyl in my old natural history book) will overwhelm us and change our familiar surroundings?

Or is it perhaps some unspoken recognition that we have come too far, too soon, and that the old ethic which said, "if we can do it, we should do it," was wrong and that our reliance on it needs somehow to be expiated? Have we become some sort of 1970s-style Luddites, bent at least on smashing the machines upon which society has long relied?

Whatever the reasons they can hardly be the simple ones advanced by the foes of the Concorde. Supersonic military aircraft fly all over the country, all the time, and if there is to be damage to the ozone layer from the Concorde, then there are great gaps in it already.

In any event, to deny the British the right to fly a plane we decided not to build seems churlish and unworthy of a great nation. Let us make an arm's-length deal—we will allow the Concorde to land, and the British will keep their rock stars at home.

OPERATION CORK

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. PRESSLER. Mr. Speaker, today I wish to call attention to a fine effort that is being made in South Dakota and elsewhere around the Nation to combat the disease of alcoholism. This effort, called "Operation Cork," is completely successful without the use of any public funds. Today I wish to place in the RECORD a brief description of how and why Operation Cork functions.

Operation Cork was founded by Joan Kroc in May 1976 and is a national program of communication and education, focusing on helping families in which there is alcoholism or alcohol mis-use.

Objectives of Operation Cork are:

One. To help families become aware of the signals in their own experience that indicate the need to seek help.

Two. To let families know there is hope if they actively seek the help that is available.

Three. To guide family members to help resources in their community.

Four. To conduct workshops that will produce practical recommendations for bringing about needed change.

Five. To develop effective education materials for various levels within the education system.

Six. To help students develop a sensitive concern for students who have a drinking problem.

Seven. To motivate students to become actively interested in the prevention of drinking problems.

Operation Cork is working to achieve its objectives by communicating with people through newspapers, magazines, radio and television, as well as through written materials and motion picture films produced and made available by Operation Cork for use in schools and by other institutions and organizations.

Working closely with Mrs. Kroc is John E. Keller, a Lutheran minister and 22-year veteran in the field of alcoholism, who became president of Operation Cork, May 1, 1977. Keller is former executive director of the Alcoholic Treatment Center at Luthern General Hospital, Park Ridge, Ill.

Mrs. Kroc describes the goals of Operation Cork as:

An effort to educate the educators, so that the helping professionals will become more knowledgeable about early symptoms. Another of our objectives is to guide families, who are living with an alcoholic situation, to other agencies—such as Alanon (for adults) and Al Ateen (for minors)—for free, immediate help.

Mrs. Kroc is the wife of Ray A. Kroc who is the founder and senior chairman of the McDonalds Corp. Mrs. Kroc was recently named to the board of directors of the National Center for Health Education.

Operation Cork, which became a program of the Kroc Foundation, October 5, 1976, is privately funded and neither seeks funds nor receives requests for funds from any public or private agency, service or project. The Kroc Foundation was created by Ray A. Kroc in 1965.

Operation Cork's national headquarters are at 4425 Cass Street, San Diego, Calif. 92109, phone (714) 270-5880.

Mr. Speaker, in conclusion I can only say that Mrs. Kroc's effort is another fine example of Americans helping each other without the construction of a massive Government program. It is this type of effort that America must rely upon in order to meet the demands placed upon todays society.

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. Speaker, because of previous commitments in my district, I was absent on July 15, 1977, and missed five rollcall votes. Had I been present:

I would have voted "yes" on roll No. 419 that the House resolve itself into the Committee of the Whole for the further consideration of H.R. 4287, the Federal Mine Safety and Health Act of 1977.

I would have voted "no" on roll No. 420 seeking to amend H.R. 4287 to transfer the authority for administering the provisions of the bill from the Secretary of Labor to the Secretary of the Interior.

I would have voted "no" on roll No. 421 to amend H.R. 4287 to provide separate administrations for coal and noncoal mines.

I would have voted "no" on roll No. 422 to amend H.R. 4287 to allow the States to administer certain Federal regulations implementing this act.

I would have voted "yes" on roll No. 423, final passage of H.R. 4287, the Federal Mine Safety and Health Act of 1977.

SENATE—*Wednesday, July 20, 1977*

(Legislative day of Tuesday, July 19, 1977)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. GEORGE MCGOVERN, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the apostle Paul in II Corinthians, the 12th chapter:

My grace is sufficient for Thee: for my strength is made perfect in weakness. Therefore I take pleasure in infirmities, in reproaches, in necessities, in persecution, in distress for Christ's sake: for when I am weak, then am I strong.

Eternal Father in the midst of toilsome days and endless pressures, we are grateful for this moment when our place of work becomes a sanctuary of prayer. Without Thee our striving would be losing, for in our own strength we are not equal to the task. In our weakness we would lean on Thee.

We thank Thee for dark days as well as sunny days, for adversity as well as prosperity, for sickness as well as health. Make us to see life as a whole. We crave Thy nearness every hour. Prepare us for failure as well as success, for defeat as well as victory. Teach us once more that man's extremity is God's opportunity. Into Thy hands we commend our lives this day.

We pray in His name who was servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 20, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable GEORGE MCGOVERN, a Senator from the State of South Dakota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MCGOVERN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Tuesday, July 19, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WE OWE THEM NOTHING

Mr. ROBERT C. BYRD. Mr. President, in this morning's Washington Post, former Secretary of State Henry A. Kissinger is quoted as saying we owe Vietnam "nothing" in the way of financial assistance.

I agree wholeheartedly with Dr. Kissinger.

I have always been vehemently opposed to U.S. aid to Vietnam, and I know of no U.S. commitment in that regard.

Even if these were the best of economic times—which they are not—even if we had money to spare—which we do not—I would still oppose any attempt to ship a single American tax dollar to Vietnam.

As Dr. Kissinger points out, and as the entire world knows, Vietnam has repeatedly violated the cease-fire agreement almost from day one—January 27, 1973.

Beyond that, Vietnam has responded to legitimate American concern over servicemen missing in action in the most callous and inhumane manner imaginable. It has used the bodies of Americans killed in Vietnam for political and propaganda purposes, exhibiting a disgustingly high degree of insensitivity to the long-suffering families of American MIA's.

I join Dr. Kissinger in responding to Vietnam's demand for U.S. aid by saying, as he did, "We owe them nothing."

Mr. President, I ask unanimous consent that the article containing Dr. Kissinger's remarks be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KISSINGER: WE OWE VIETNAM NOTHING

(By Murrey Marder)

Former Secretary of State Henry A. Kissinger calls it "an absurdity" for Vietnam to claim the United States is still bound by a 1973 proposal to give it billions of dollars in postwar reconstruction aid.

"We owe them nothing," Kissinger told a House subcommittee yesterday, because "they systematically violated" the Jan. 27, 1973, cease-fire agreement between what was then North and South Vietnam "from practically the first day."

Kissinger also said he did not want "to second-guess" his successor, Cyrus R. Vance, over the Carter administration decision to support unified Communist Vietnam's admission to the United Nations. But he said "we wanted to make it more conditional" on an accounting of American servicemen missing in South Vietnam.

Now, Kissinger said, in the light of all current claims on American resources, "I would oppose" aid to Vietnam. "I would not even consider reconstruction aid until we have a full accounting" of the missing Americans, Kissinger said.

Kissinger was testifying in the two-year-old controversy over whether the Nixon administration misled Congress about aid commitments to North Vietnam in conjunction with the cease-fire accord, which brought Kissinger a Nobel Peace Prize for diplomacy. It was his first congressional testimony on international issues since he left office.

North Vietnam, in December, 1975, disclosed what it contends was a pledge by former President Nixon in a Feb. 1, 1973, letter to supply it with $3.25 billion in unconditional reconstruction aid, plus $1 billion to $1.5 billion in normal economic aid. Nixon and other officials have said the proposal was extremely conditional, tied to compliance with the cease-fire and to congressional approval.

Rep. Lester L. Wolff (D-N.Y.), chairman of the House International Relations Subcommittee on Asian and Pacific Affairs, asked Kissinger:

". . . Why did you and other members of the Nixon and Ford administrations repeatedly deny the existence, and then when that became impossible, the substance of Mr. Nixon's letter of Feb. 1, 1973 . . ."

Kissinger, bristling at some questions by Wolff and other Democrats, said "there was nothing to cover up."

There was no offer of "unconditional aid," Kissinger said. What was mentioned in the Nixon letter to Vietnamese Premier Pham Van Dong, he said, was "a target figure," a "ballpark figure around which negotiations would take place."

Potential postwar reconstruction aid to North Vietnam was never a secret, Kissinger said, for it was first suggested by President Johnson and repeatedly mentioned by Nixon and others.

A possible $2.5 billion in aid for Vietnam was cited by Nixon in 1972, but Kissinger acknowledged that the $3.25 billion and higher figures were not disclosed. He said "maybe it should have been," but that Nixon letter was not made public until it was pried out by the subcommittee. Kissinger said it was regarded as an executive document, and the record shows that it was up to Congress to decide any binding aid commitment.

To support that explanation, Kissinger produced copies of what he called a 57-page document which "we handed over to the Vietnamese in Hanoi in February, 1973, "explaining in excruciating detail . . . what the American constitutional processes would be."

The compilation, as shown, is a melange that starts with the words, "The Congress plays a key role whenever funds are involved." It includes explanations of U.S. aid programs, "how a program might be structured" for Vietnam, quotations from members of Congress protesting foreign aid spending, interviews, newspaper clippings, and even a National Security Council mem-

orandum on Vietnam discussions with congressional leaders.

Kissinger said wryly that Hanoi's leaders "could not believe that the Congress was not a docile instrument of the administration." He said the North Vietnamese "constantly told us that Congress was a rubber stamp, and therefore this was a subterfuge."

When Chairman Wolff asked if there were any other "undisclosed agreements or promises" about aid, Kissinger said "I cannot find such a document," and if the Vietnamese have one, "they ought to produce it."

Kissinger said, "I don't object to attempts to normalize relations" with Vietnam. But he said Vietnam's claims of an American aid obligation after massive breaches of the 1973 cease-fire and the military conquest of South Vietnam in April, 1975, are "an absurdity" as well as "an insult."

He also said "I find it sort of offensive . . . that a few bodies [of American servicemen] are produced by the Vietnamese in order to appeal to American public opinion."

Republicans on the subcommittee strongly supported Kissinger throughout the questioning, in which he was rarely hard-pressed and dominated the scene, with touches of his old-style quips and repartee.

Early in the hearing, Rep. J. Herbert Burke (R-Fla.) said, "It seems to me now that this question has been fully resolved." He added, challengingly, "I hope that this matter doesn't become a political type of thing—which it seems to me it is becoming." Chairman Wolff effusively commended Kissinger for his "voluntary testimony" as the hearing ended after 90 minutes, with no sign that Kissinger had been bruised by the encounter.

PUBLIC FINANCING LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, on yesterday, after discussions in the Democratic policy committee, I indicated to the very distinguished minority leader that it was my intention to attempt to bring up the public financing bill. I felt it my duty to give the distinguished minority leader a day's notice. I had indicated to him sometime ago that I would not give him an hour's notice or 2 hours' notice, but that I would give him at least a day's notice. I have kept my promise.

I informed the distinguished minority leader yesterday that once I moved to proceed to the consideration of the public financing bill, it would be my intention to offer a cloture motion at that time if it were agreeable and possible to do so all the way around—pending the vote, which would be on the following calendar day but one after the offering of the cloture motion—to bring up other matters in the meantime and dispose of them so that the Senate would be continuing its fine productive work record. I did not feel that many Senators, if any, would be prone to discuss the motion to proceed for 2 days of session.

If that cloture motion were to succeed, then once the Senate gets on the bill, I would expect the Senate to stay on the bill then, if that is the desire of the Senate, until such time as the next cloture motion would be voted on with respect to the bill itself.

The distinguished minority leader indicated that it was his desire to proceed in that fashion, if possible, and that he would contact Members on his side of the aisle to see if something could be worked out, and we discussed certain measures which would be good prospects for consideration during that hiatus, if I might use that word for the moment.

Later the distinguished minority leader came back to me, and I do not think I am misstating the facts—he will speak for himself, of course—and indicated that he had tried, but he did not believe that an agreement could be worked out which would allow specific measures to be called up by unanimous consent during the period following the offering of the cloture motion on a motion to proceed and the vote on that cloture motion.

So the matter rested there for a little while.

Later in the day, I again talked with the distinguished minority leader and suggested an agreement which would allow the bill to be brought up on a date, say, next Monday, without going through any fight on the motion to proceed, and in the meantime the Senate could proceed with other matters.

He responded to that suggestion in a very receptive way, but, again, as he properly should, he felt that he needed to consult with Members on his side of the aisle.

I believe that that brings the situation up to the present moment. The distinguished minority leader and I talked briefly this morning again. I have a feeling that I am stating the situation correctly when I say that at the moment that is where the matter rests and that the distinguished minority leader is still probing among his membership to see if we can reach that kind of agreement, and I hope that we can. But he has carried out his commitments to the fullest. So have I. Having said that, I now yield to the distinguished minority leader.

Mr. BAKER. Mr. President, the majority leader, of course, is correct in his recitation of the evolution of the development of our discussions yesterday. He is correct, particularly, in pointing out that he has fulfilled his representation to me that he would let the minority know well in advance, before trying to motion up or ask consent that we proceed to the consideration of the measure; and I thank him for that. He has been, as he always is, meticulous in his honoring of those commitments.

Mr. President, the Public Financing Act or the Federal Election Campaign Act proposal is fundamentally important to the political system in the United States, to the Congress, to the two-party system, to the Republican Party and the Democratic Party. In my view, it would be difficult to overstate the care or to describe the caution that should be utilized in deciding how to proceed, how to frame the issues, how best to present the merits and demerits of the controversy to our colleagues.

The majority leader knows that I strongly oppose that legislation; that I feel if it is passed it will change, in a very basic way, the nature of the political system in the United States in the long term; and that it will be destructive.

Those issues will be the focus of the debate that we will no doubt undertake on this measure at some point.

I believe it is my obligation to see that we have the useful, thorough debate that a matter of this importance requires. In response to that feeling, I have discussed this matter with the majority leader in a number of different configurations. I have requested the distinguished Senator from Nebraska (Mr. CURTIS), the chairman of the Republican conference, to convene a conference of the Republican Senators this afternoon at 2 o'clock. That will be done, and at that time I will make certain representations to the Republican conference, and certain recommendations of which I have generally apprised the majority leader.

I think the important thing is that the Senate turn to the consideration of this matter; and when it does, in a way that will give everyone the opportunity to express his views fully, and to have a fair test of this measure.

With that in view, then, Mr. President, I would hope that we could simply lay aside this impending debate until after the conference this afternoon at 2 o'clock. If, after that Republican conference, it is possible to present a proposed unanimous-consent agreement or other arrangement to the majority leader, it may be possible to construct a schedule for the consideration of this measure. If it is not, I will very frankly tell the majority leader that I think the prospects are good that we can arrive at some sort of an agreement that protects the interests of both parties.

Therefore, I would hope that the majority leader would withhold any effort at this time to proceed to the consideration of the bill, either by request for unanimous consent to make it the pending business, or by moving to proceed to the consideration of the measure. I have no desire to prejudice that option of the majority leader later in the day, but I would hope that we could lay this matter aside for the moment, and turn to something else. For instance, the strip mine conference report is eligible, privileged, available, and restricted by a time order. I would hope that we could turn to the consideration of that measure as soon as possible. Meanwhile, enough time will go by for us to consider this matter fully; for each Member on this side to ventilate his point of view; and to try to formulate a proposal that will serve the interests of all parties in the Senate.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. BAKER. Yes.

Mr. ALLEN. I think both leaders know that the Senator from Alabama has been adamant in his opposition to all forms of public financing of Federal elections, though he has supported limitations on contributions and limitations on amounts of expenditures. Certainly the Senator from Alabama would vote against cloture on a motion to proceed, and he would vote against cloture on the bill itself; but I would like to impress on the distinguished minority leader that

if the majority leader is put to a motion to proceed to this legislation, and that is subjected to extended debate, there would be no chance whatsoever of successfully resisting the cloture motion, because I feel that the vast majority of the Members of the Senate would feel that we should proceed to the consideration of the measure. I like the suggestion of the distinguished majority leader that we agree to this matter being put before the Senate at a given time early next week; and I feel that the chances of defeating it by extended debate would be enhanced by letting the matter come up for consideration and debating the issue, rather than the matter of whether we are going to proceed to it.

So I hope the distinguished minority leader will pass on to the members of his conference the views of the Senator from Alabama, who has taken a fairly active part in opposition to this type of legislation, and who expects to continue such opposition when the bill is laid before the Senate.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Alabama. I have listened with great care to his recommendations in that respect, mindful of his vast experience in this field. He can be assured that I will pass that on to the Republican conference this afternoon at 2.

However, I must say that as minority leader I am in no position to make a commitment of any type at this time. I am a little like the man who, when he was asked if he was ready to renounce the Devil and embrace the Lord, said, "I ain't in no position to make any enemies."

I will simply have to wait, Mr. President, until we have had time to consider this matter in conference this afternoon.

Mr. President, with that I think I have stated the matter as clearly as I can. I hope we can arrive at an orderly method for proceeding in this respect, and that the Republican conference this afternoon at 2 will produce a result that will move us in that direction. I am simply not prepared to do that at this point.

Mr. ALLEN. I thank the Senator.

Mr. BAKER. I would hope we could proceed with something else, so that the business of the Senate can continue while I have an opportunity to make my recommendations to the conference this afternoon.

Mr. ROBERT C. BYRD. Mr. President, if I may respond to the distinguished minority leader, first let me say, Mr. President, that I voted—I believe—against public financing for congressional elections at the time such an amendment was proposed to the measure providing for public financing of Presidential campaigns. I voted against that amendment at that time for at least two reasons, one of which was that I felt that public financing of a Presidential campaign ought to have some test before we proceeded beyond that. Since then, I have changed my viewpoint, and in the light of the experience under that act, I have not only lifted my opposition to the general idea of public financing of congressional campaigns, but, as I say, I support it.

I believe, Mr. President, that in the atmosphere in which we presently find ourselves, with a great lack of confidence among the American people toward their Government, toward our political system, and toward public officials in general, we ought to do everything we possibly can to restore the confidence of the American people in all three of the elements which I have mentioned.

I think a part of that restoration can only come about if we can find some way, as much as possible, and to the degree possible, to remove the possible taint of money on the elections process.

Everyone is aware of the problem that is current in connection with the so-called Korean probe. I feel that the one thing which contributes as much as anything else, if not more so, to the lack of confidence and to the distrust on the part of the American people toward the Congress is the continuing cloud which, in part at least, has to do with alleged illegal contributions, gifts of money, and so on.

It seems to me that if the Congress were to pass legislation providing for the public financing of congressional campaigns, it would to some degree at least, relieve the system of the cumbersome, suspicious, and dangerous way of raising moneys for campaigns in the past.

In the course of the debate on the bill, if the bill is brought before the Senate, there may be flaws in the legislation. Frankly, I am not familiar with the legislation to the extent that I can say that it ought not be amended. Perhaps it should be. The Senate would have that opportunity to modify it, amend it, and improve it. But first we have to get the bill before the Senate. Let the Senate work its will on the bill. If the Senate votes the bill down, then the matter is disposed of. If the Senate amends it and passes it, then that disposes of the matter, so far as the Senate is concerned, until the conference report is returned, if there should be a conference report thereon.

I believe the distinguished minority leader has made a very reasonable proposal, and I certainly want to accommodate the request of the minority leader. I think he should have an opportunity to discuss this in conference with his people at 2 o'clock this afternoon. For the moment, therefore, I will forgo any further effort toward this end until I hear from the minority leader subject to his conference.

I would, therefore, suggest, Mr. President, and I ask unanimous consent, if this is agreeable to the distinguished minority leader, that at the conclusion of the standing orders for the two leaders today, Mr. METCALF be recognized to call up his surface mining conference report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask the staff to contact Mr. BUMPERS, who has a motion to recommit, which he will make at some point. I am sure the distinguished minority leader will want to alert the Members on his side.

Mr. BAKER. Mr. President, Senator HANSEN will be managing the conference report on this side.

Mr. METCALF. Will the Senator yield? May we call up the conference report and have a brief quorum call while we do the necessary phoning to bring these people to the Chamber?

Mr. ROBERT C. BYRD. I yield the floor.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977—CONFERENCE REPORT

Mr. METCALF. Mr. President, I submit a report of the committee of conference on H.R. 2, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 12, 1977.)

Mr. METCALF. Mr. President, I ask unanimous consent that the following members of the Senate Committee on Energy and Natural Resources be admitted to the Senate during the consideration of this conference report: D. Michael Harvey, Norman Williams and Caroline M. Clark.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. Mr. President, I suggest the absence of a quorum, without the time being taken out of either side in accordance with the time limitation.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HANSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that Tony Bevinetto, of my staff, may have the privilege of the floor during debate on this conference report and any vote occurring thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that Tom Wylie, of the Committee on Energy and Natural

Resources, and Fred Craft, be granted privilege of the floor during the debate and any votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that George Jacobson and Ark Monroe of my staff be granted privilege of the floor during the debate and voting on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, this bill is the culmination of 7 years of effort on the part of the Congress of the United States to pass a measure that would control, regulate, and provide for the reclamation of areas that would be strip mined for coal.

The Senate passed the bill, S. 7. The House passed the bill, H.R. 2. We have before us the conference report today on the differing provisions of those two bills.

It was a difficult conference. It was a rather complex, rather involved one. Even though in 2 previous conference sessions we had days and days of conference, we had to have 12 separate meetings of the conference committee. We had more than 200 issues that were in conference, differentiation between the Senate bill and the House bill. Some of those issues were resolved as a result of negotiations between the respective staffs of the House of Representatives and the Senate.

Before I go any further I should pay tribute to the dedication and devotion of our respective staffs in working out these very involved, very complex issues so that they did not have to come to the conference and could be resolved by unanimous consent.

We had 37 major issues that had to be resolved by the conference. One of the major issues, of course, is the issue that is going to be addressed by the distinguished Senator from Arkansas on surface owner consent.

We had many other issues: Lignite reclamation fee, allocation of orphan lands, national disaster aid, alluvial valley floors, prime farmlands, small operators, and so forth.

I ask unanimous consent to have this breakdown printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

1. Number of conference committee meetings—12 (June 8, 14, 15, 16, 20, 21, 22, 23, 27, 28, 29 30).

2. Deferral of the surface owner consent issue—3; June 14 (p. 27 of transcript); June 16 (p. 71 of transcript); June 22 (p. 63 of transcript).

3. Number of major issues resolved by conferees—37; title I=0; title II=0; title III=1; title IV=6; title V=20; title VI=1; title VII=7; title VIII=1; title IX=1.

4. Approximate number of minor issues resolved by staff—160; title I=4; title II=8; title III=1; title IV=85; title V=40; title V=0; title VII=20; title VIII=0; title IX=0.

5. Itemization of major issues resolved by conferees, by title: title I, none; title II, none; title III, all mineral research institutes; title IV, lignite reclamation fee, allocation of orphan land reclamation funds, impact aid to communities from fund, State orphan land reclamation authority, natural disaster aid, land development authority; title V, small operator exemption; Federal inspection of mine sites, consistency of State rules and regulations, public notice and hearings, alluvial valley floor exemption, prime farmlands performance standards, alluvial valley floor constraints, surface owner protection, private coal, prime farmlands constraints, 500-foot limitation regarding underground coal mines, blasting notice, undisturbed natural barrier, variance for retention of bench or highwall, civil penalties, prime farmlands performance bond, Alaska national forests, judicial review, special bituminous coal mines, exempted coal extraction, anthracite mines; title VI, designation of lands unsuitable for non-coal mining; title VII, alluvial valley floor definition, Federal lands definition, prime farmlands definition, grants to States, Indian lands study and regulation, experimental practices, special land uses, surface owner protection, Federal coal; title VIII, coal research laboratories, title IX, energy resource graduate fellowships.

Mr. METCALF. So we are here today to adopt finally, I hope, a surface mining bill that will provide for adequate restoration, adequate reclamation, and at the same time give some stability to the mining industry and encourage the members of industry to go forward with the tremendous investments they have made in order to mine this coal, which is one of the keystones of any environmental policy and any energy policy.

I hope the conference report will be adopted.

I have put an analysis of the conference report in the July 18 RECORD. In the July 12 RECORD, the House of Representatives inserted the complete conference report and the report of the board of managers, and a copy of the report is on the desk of each Senator.

Mr. President, I reserve the remainder of my time, and I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I shall take just a few moments.

The country is deeply indebted to the Senator from Montana (Mr. METCALF) for his persistent interest, his continuing leadership, and his in-depth understanding of the problems this Nation faces in trying to make better and greater use of this important energy resource we have.

No one needs to remind any knowledgeable citizen these days that this Nation does face a very grave crisis—the energy crisis. When we stop to reflect that 75 percent of our energy presently comes from oil and gas, when we recognize that we are importing roughly half of all the oil we use; when we think of the implications these facts hold for our national survival, the continuing vitality of industry in this country, the reasonable expectation that jobs will continue throughout the 12 months of the year, the fact that our foreign policy can and indeed will be influenced more and more as we become increasingly aware as a nation of our dependence upon natural resources from foreign countries—all these items tend to underscore the importance of the bill we have before us.

As the senior Senator from Montana pointed out, it has not been an easy task to draft this bill. Two bills that received attention and the deliberation of both Houses of Congress were vetoed by former Presidents.

I think it can be said, aside from the fact we have lost some time, that we have come up with the best balanced bill all around that Congress has been privileged to examine as a result of the work of a conference committee. It does not suit anyone in every detail, I am certain, and it certainly does not suit me completely. But, all in all, I think it is the best bill we could hope to offer to Congress. I hope the conference report will be adopted by both Houses and the bill will be signed at an early time by the President.

It is important that we spell out in the law what the rules are, so that the industry and all Americans can get on with the job of taking positive steps to mitigate our dependency upon uncertain foreign sources of energy supply.

I again compliment the distinguished Senator from Montana for his leadership and at this time express my appreciation to each member of the Energy and Natural Resources Committee.

Mr. METCALF. I thank the Senator.

Mr. President, I yield to the Senator from Pennsylvania.

FLOOD DISASTER IN PENNSYLVANIA

Mr. HEINZ. Mr. President, I thank the Senator from Montana for yielding.

I apologize to my colleageus for interrupting the discussion of the conference report on H.R. 2, the Surface Mining Control and Reclamation Act of 1977, but I do so to bring to the attention of my Senate colleagues the fact that in my home State of Pennsylvania this morning we have had a very serious flood disaster. Four counties—Cambria County, Westmoreland County, Indiana County, and Somerset County—have been stricken by extremely severe flash flooding.

The report from Johnstown, Pa., which was the scene of the great flood of 1889, has been recalled in connection with this tragic events. In fact, some of the people in Johnstown who are old enough to remember the flood, say that this flood is that bad.

Communications with the area have been totally interrupted. There are no utilities at all in Johnstown, a town I visited only the day before yesterday.

In just a few minutes, Mr. President, I will leave to tour this area of western Pennsylvania. It is my hope that the reports are exaggerated, because the 1889 flood killed 2,300 persons. I do understand, however, that it is reliably reported that there has been at least 5 or 6 feet of water in the downtown area of Johnstown and in surrounding communities.

The director of the area civil defense, Robert Simell, has been quoted as saying:

It is hard to give an accurate rundown on the situation. There are just no utilities in all Johnstown. I have already heard this is worse than what happened in the '89 flood.

By all accounts, our various disaster agencies are responding.

The State council of civil defense in Harrisburg has had to evacuate three area hospitals and two emergency care centers. Three State emergency centers are functioning at Harrisburg. One of our State roads, route 56, is closed and has isolated nearby communities of Somerset County.

Apparently what happened was that what was thought to be a local thunderstorm simply stayed in that area. It started with a downpour, the kind we normally assume will go on through, and just stayed and continued to pour. As a result, although the waters apparently are receding rapidly, thank Heaven, it was a very severe flash flood.

I hope that as soon as the Government and the Federal Disaster Assistance Administration people have a chance to acquaint themselves fully with the situation in that area, a disaster assistance proclamation will be forthcoming, not only by our Governor, but also by the President because, by all accounts, it is a crisis situation.

I will be able to give a firsthand report to my colleagues later today, assuming I get there and back in time to do so, what the exact situation is.

I thank the senior Senator from Montana for yielding. I appreciate his generosity with his time and his sensitivity and concern about the problem.

Mr. METCALF. I am very grateful to the Senator from Pennsylvania.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on H.R. 2.

Mr. METCALF. Mr. President, I believe this is a unique bill. Not only has every member of the Energy Committee participated and worked hard on this bill, but also many Members of the Senate who are not members of the committee have contributed greatly, including the Senator from Pennsylvania; the Senator from New Mexico (Mr. SCHMITT) made outstanding contributions. The Senator from Wyoming (Mr. WALLOP) made contributions.

We had some new members of the committee who had brought to us a new knowledge and new experience, especially Senator FORD from the largest coalmining area in the United States, which substantially changed the bill.

In spite of the fact that the Senator from Arkansas is going to make the motion to recommit, he also participated in many of the discussions and changed the bill that was originally introduced.

I have never known to have had more participation from people outside of a committee and more worthwhile suggestions made than were made in this bill.

I especially want to pay tribute at this time—and I hope the accolades back and forth will now cease—to Senator HANSEN of Wyoming who has been dedicated and devoted and who has attended every one of the meetings and every one of the conferences.

I wonder if the Senator from Arkansas is ready to make the motion to recommit?

Mr. BUMPERS. I will be ready in 2 or 3 minutes. If the Senator is finished we can put in a quorum call.

Mr. METCALF. May we have a quorum call without the time being charged to either side until the Senator is ready to make a motion to recommit?

Mr. BUMPERS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER (Mr. ANDERSON). The Senator will state it.

Mr. BUMPERS. Where is the time charged if the general order does not apply to quorum calls?

Mr. METCALF. The quorum call will be charged to my time of 1 hour on the bill if I do not have unanimous consent.

Mr. BUMPERS. I have no objection to the quorum call. I just thought we might clarify this point. It is my understanding from talking to the policy committee this morning that quorum calls would not be charged to either side. I do not intend to abuse this, and I think we will finish well before the 4 hours are completed, but I just thought we would clarify that point.

The PRESIDING OFFICER. If the Senator seeks unanimous consent for this purpose, the quorum call time will not be charged to either side.

Mr. ROBERT C. BYRD. Mr. President, what is the request?

The PRESIDING OFFICER. A parliamentary inquiry was made. The inquiry was whether or not a quorum call will be charged against either party's time.

Mr. ROBERT C. BYRD. I have no objection to such a request. But I should make it clear there is no assurance, no promise—I overheard something that was said about the Policy Committee staff having said that quorum calls would not be charged against either side—there is no understanding to that effect. I must say that to the Senator so he will not labor under this misimpression.

Mr. BUMPERS. Let me ask the distinguished majority leader just as a point of information: What is the precedent when the general order makes no provision for quorum calls under time limitations?

Mr. ROBERT C. BYRD. They have to be charged against somebody's time except by unanimous consent to the contrary.

Mr. BUMPERS. If there is no request that quorum calls not be charged to someone's time, are they automatically charged to somebody's time?

Mr. ROBERT C. BYRD. They have to be charged to somebody's time else they cannot be called.

Mr. BUMPERS. I understand.

Mr. ROBERT C. BYRD. I do not object to the Senator's unanimous-consent request. I am one Senator. If he wants to put in a quorum call and ask it not be charged to either side, I do not object. But it would be charged——

Mr. BUMPERS. We are still on the time of the Senator from Montana for the first hour. I simply say I would like to have 2 or 3 minutes to make some notes to myself.

Mr. METCALF. What is the ruling?

The PRESIDING OFFICER. I did not hear any objection. There is no objection. I am informed that you must make the request, unanimous-consent request, during the consideration of the motion to recommit.

Mr. BUMPERS. Mr. President, I understood the Senator from Montana to request the quorum call. I simply made a parliamentary inquiry which did, in fact, intercede, but he made the unanimous-consent request for the quorum call.

Mr. METCALF. It was my understanding that the Senator from Arkansas asked for a quorum call, and I asked that it not be charged to either side. I have no objection to a quorum, and I would hope the clerk will call the roll while the Senator from Arkansas——

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

Mr. BUMPERS. I thank the Senator.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I send to the desk a motion to recommit H.R. 2 and ask that it be stated.

The PRESIDING OFFICER. The motion will be stated.

The legislative clerk read as follows:

MOTION TO RECOMMIT

I move that the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 2, providing for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, be recommitted to the committee of conference with the following instructions to the Senate conferees:

To reconsider the issue of surface owner protection, as contained in Section 714 of the Senate amendment; and to take no action on such issue until a new motion thereon has been made and agreed to.

The PRESIDING OFFICER. There are 2 hours of debate.

Mr. BUMPERS. Two hours on either side; is that correct?

The PRESIDING OFFICER. Yes.

The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, it is with considerable concern and regret and not without trepidation that I have decided to make this motion. It is very difficult, and quite frankly, I am dismayed to debate a subject of this magnitude in a Chamber with four or five Senators present, at least four of whom have very fixed opinions already. Nevertheless, I have decided and elected to

make this motion to recommit H.R. 2 on very narrow grounds.

H.R. 2 is a good bill. The Senator from Montana has worked assiduously for stripmining legislation in Congress for a long time, for much longer time than I have. He certainly started long before I got here. But I happen to be from one of the three counties in Arkansas that produces coal, and I happen to be from a county where all the coal is stripmined. So I have seen the ravages of stripmining firsthand all of my life.

I have seen the pools of alkali water in the very small town I came from. We always lost one, two, or three teenagers almost every year, swimming in the pits, as we called them. We do not have the drownings any more. The pits are still available for swimming, but we have modernized the recreational facilities for teenagers. However, the moonscape that was left in my home county has been a source of resentment and outrage to me as long as I can remember.

The Senator from Montana has recognized that his own State and the State of his neighbor in Wyoming were about to be ravaged irreversibly and irrevocably. I know that has caused his great concern for this legislation and I share it.

The bill has wallowed around in the Congress for at least 6 years. As the Senator from Wyoming said a moment ago, it has been vetoed twice. The bill that we have before us now was worked on by the Senate and the House of Representatives and went to conference. There were several controversial items in the bill. There was only one that was really seriously controversial to me, and that was the so-called surface owner consent provision.

There were other issues about which I had serious reservation and grave concern, not the least of which were the alluvial valley floors, the high wall retention provision which was put in by the Senator from Kentucky, the mountain removal provision, which allows coal to be mined by removing the entire top of a mountain. I reluctantly agreed to the mountain top removal section because of the strong recommendation of both the Governor of Kentucky and the Governor of West Virginia, and of course our colleagues from those two respective States.

The prime farmlands issue was sponsored by the distinguished Senator from Iowa (Mr. CULVER) in this body, and caused considerable debate. It was finally accepted by the floor manager and the committee and was a matter which I fought very hard to keep in the conference because the House did not have a similar provision to protect prime farmlands from strip mining. The Senate provision will prevent the irreparable damage of prime farmlands which are infinite in their value to this country. Whereas, the coal is a finite resource.

Mr. President, it would have been unthinkable to me for my great-grandchildren to have looked back and seen where their great-grandfather was in the U.S. Senate at a time when we allowed the finest farmlands in the country to be ravaged and not repaired and put back into production equal to or even greater than before they were mined.

That was of concern to the House Members, but finally, after debating that issue and reopening it a number of times, we resolved it in a manner that I think is satisfactory. It is not perfect, and it is not what I would have liked, but it is good. On that issue, Mr. President, there are very few people who know that the United States is one of only six countries in the world that export food, and of those countries which export food, we export well over half the food that travels to international markets.

I have always championed land use planning, which is not understood in this country, and very unpopular in my State. I have consistently championed it because I know that some day the land will be gone.

For example, the State of Arkansas has 33 million acres, and 8 million acres of it are in rice, soybeans, wheat, and cotton. That is the cultivatable land in my State. Yet in this country we are ravaging a million acres a year for airports, for highways, for urban sprawl. So, Mr. President, we are taking a food production area equal to that of the State of Arkansas out of production in this country every 8 years. Apparently it is felt we could go on indefinitely doing that. We can say, "Land-use planning is very unpopular; or people do not like land-use planning because they think it smacks of socialism or something," but some day Congress will have to come to grips with that issue.

But back to the subject: In the conference committee we finally resolved all of those knotty issues of prime farmlands, alluvial valley floors, high wall retention, and mountain top removal. Those issues were resolved satisfactorily, I think, to most of the conferees. The point I wish to make, Mr. President, is that a number of Senators have called my office and said, "We have wanted this legislation for a long time. We favor your position on surface owner consent; but we are afraid that if we vote for this motion to recommit, the whole bill will get bottled up in conference. The bill will never get back to the Senate, and another year or two will go by, while the country, desparately needing to mine more coal, will not have a good, solid reclamation bill."

That is the reason why I have drafted the motion to recommit with instructions to the conferees on this one single issue, because it is the only issue, I think, that there is any controversy about. I do not think there is a single member of the conference who wants to reopen any other issue in the bill.

Mr. METCALF. Mr. President, will the Senator yield?

Mr. BUMPERS. I shall be happy to.

Mr. METCALF. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. METCALF. Even though the Senator from Arkansas has carefully drafted his motion on the narrow issue of surface owner consent, it is my understanding that under the rules of the Senate and under the rules governing conferences, when a bill is referred back to conference, it is de novo on every other issue: alluvial valley floors, owner consent, and every other issue is in conference. Is that not true?

The PRESIDING OFFICER. The understanding of the Senator from Montana is correct.

Mr. METCALF. So there is no way, if this bill is recommitted, to control the conference as to the very narrow issue that the Senator from Arkansas is talking about. Every one of the 200 issues that were before us in the 12 days of the conference can still be reopened and are subject to being considered de novo; is that not correct?

Mr. BUMPERS. I think the Senator is precisely correct. I think the Parliamentarian has given him the precedent that has been set in the Senate.

But the point I am trying to make is that I have tried to draft the instructions very narrowly. I understand the conferees are not bound by those instructions, and they are precatory only, but I do not know of a single conferee who wants to reopen any other single provision in the bill.

Mr. METCALF. I say to the Senator from Arkansas that several of the House conferees, on such matters as he has suggested, prime farm lands and alluvial valley floors, are anxious to open up the conference. The distinctions there were just as narrow as the distinctions on surface owner consent; and while I would be delighted to cooperate with the Senator from Arkansas to restrict the conference as he wants to restrict it, no one wants a bill more than I, and I would gladly restrict it to the provisions that he wants to, but there is no way to keep the Members of the House of Representatives who acquiesced and agreed with several of our provisions in the conference from bringing those matters up also for reconsideration.

Mr. BUMPERS. I think the Senator will recall, for example, the case of the prime farmlands, which, as the Senator knows, was the subject of discussion on numerous sessions of the conference. The last time a House Member sought to reopen that issue he was not supported by the other conferees, and the issue was not reopened. I believe that would be true in every instance where another issue is brought up. Certainly, I would vote with the chairman of the conference, the distinguished Senator from Montana, to not reopen any other single issue. I believe I speak for all of the Members who supported my position on this thing.

I think the Senator from Ohio (Mr. METZENBAUM), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Washington (Mr. JACKSON), the Senators voting with me in the conference on this issue would uniformly and unanimously vote not to reopen any other issue. However, I recognize the Senator is correct.

Mr. METCALF. Nevertheless, we voted in conference, even under the narrow constructions the Senator from Arkansas has drafted, it is completely de novo,

a new conference, and every issue which was before the conference, 200 of them, are reopened.

Mr. BUMPERS. Let me say to the Senator from Montana:

No. 1, that does not mean that a bill would not come back, even if other items were opened, which, I strongly doubt.

No. 2, as badly as I want this legislation, I feel quite strongly about this provision and the future effects it is going to have on this country and the utility payers and consumers of the country, and the unjust enrichments which will result in so many people. I feel strongly about this provision, but I will not say that I am going to vote against final passage of the bill. I will not say that because perhaps there will be another day. I cannot overemphasize how strongly I feel about this provision. I honestly have no personal qualms or fears about allowing it to go back to conference, because I think the conference would have it out in one session and back on the Senate floor.

Mr. METCALF. The Senator can draw his own conclusions. However, I will agree that the Senator signed the conference report. I accept that as an indication that he does believe basically that this is a substantially strong bill.

I am not throwing up to the Senator the fact that he signed the conference report.

I am sorry, I am informed that he did not sign the conference report.

Mr. BUMPERS. I did not sign it. I regret it. I am very sorry.

Mr. METCALF. I thought he signed it with a very vehement objection to this provision.

Mr. BUMPERS. If I had signed it, it would have been with vigorous objections to this provision.

Mr. METCALF. Anyway, we are agreed that no matter how narrow a proposal the Senator from Arkansas has drawn, this does reopen the entire conference de novo.

Mr. BUMPERS. I concede the Senator and the Parliamentarian are technically both correct.

What is the difference between the House and the Senate bill which brings us here to this unhappy day? It is very simple. This provision of the bill pertains to all the coal which the United States owns. As a practical matter, virtually all the coal we are talking about is in North Dakota, South Dakota, Wyoming, and Montana. That coal was reserved by the United States as long as 75 years ago. After we reserved the coal, various people were sold the surface rights. The United States actually severed its ownership by selling off the surface to other people. A lot of it was taken under the Homestead Act for 25 cents an acre. The House provision simply provides that the United States cannot mine its own coal unless the surface owner gives his written consent.

That, in itself, seems fairly stringent. Why did the House put in that provision? It was not in the bill last year. It was not in the bill the year before. But suddenly it comes up in this bill. When we ask why is that provision in there, the answer always is, "We want to take care of those little ranchers out West. We want to take care of those little farmers who just want to keep ranching and doing their thing. We do not want the big, old, ugly, bad, coal miners to come in there and take their land away from them."

That is one argument, and it evokes considerable sympathy from me. As a trial lawyer for 18 years nothing was more repulsive to me than the use of eminent domain in unreasonable cases.

The argument which often evokes great sympathy is that those little farmers and ranchers out West just want to keep farming and ranching. That is just fine. But there is just one little problem with that argument. It means the United States cannot mine its coal under any circumstances, no matter how badly we may want it. If anybody owns the surface over the coal the United States owns, we just cannot mine it, no matter how badly the Nation may need it.

But there is another argument made by the environmentalists. Let me change that. They do not make this argument, but I think this is really their feeling. They have supported the House provision, because I believe they honestly feel that the coal will not be mined.

I do not believe there is anyone in the Senate who has much better environmental credentials than I have, but this is one place where the environmentalists and I part company. I think they are dead wrong. I do not doubt their motives. I do not doubt for an instant that they believe they are right. But I personally believe they are dead wrong, because I think the net result is that the coal is going to be mined at an exorbitant price which the consumers of America are going to pay.

Imagine yourself as an individual owning coal. If your section of land of 640 acres was to be sold to someone and you said to the purchaser, "Look, this land is worth $200,000, but I want to reserve the minerals." He says, "Under no circumstances. I am not going to buy if you are going to reserve the minerals."

Finally, you say, "Look, I will take $150,000 for it. I will cut the price $50,000 and reserve the minerals." Finally he says, "OK."

That is not a far-reaching proposition. That happens literally hundreds of times every day in the United States.

We have a lot of gas in Arkansas. I do not believe there was more than a week that went by when I practiced law that I did not draw a deed where someone reserved the mineral rights to the land he was selling, because he thought it had gas or coal under the surface.

This is exactly what the United States did from 50 to 75 years ago. They reserved it. Who did they reserve it for? For us, our children and grandchildren, because they knew some day we were going to need it. They sold the surface off for a pittance, just a song, and kept the minerals.

Now we say to people who have reduced the price of their property in order to reserve the minerals, "We are sorry about that. You cannot get your coal anyway. We do not care how much you reduce the price." This is what the United States is saying.

It is just unfortunate that there were some people who were visionary enough in this body 100 years ago to start reserving that coal with the knowledge that some day we would need it. What are we saying to them? "It does not pay to be very perceptive or visionary in this body."

What if the United States owns the surface and a private landowner owns the coal under the U.S. surface? What that means under this bill is that the private landowner can come in and take his coal and pay the United States just his normal damages for the surface.

What else does it mean? It means that, 100 years ago, the United States, also in its largess, was passing out to the railroads of this country 6 sections of land on either side of the right-of-way to entice them to build a transcontinental railroad to stimulate the economy of this Nation. It means that railroads like the Burington Northern, who own billions and billions of tons of coal in Montana and Wyoming, and reserved the coal and sold off the surface, can go in and mine their coal and pay the surface owner the normal damages required by State law. There will be literally thousands of instances in Wyoming and Montana where the United States will own a section of coal and, right next to it, the Burlington Northern will own a section of coal. The Burlington Northern will go in and take its coal and pay the surface owner the normal damages provided for under State law. The United States, if it goes in at all, will go in after the surface owner has given his consent, which will be given only if we pay dearly for it.

Mr. METCALF. Mr. President, will the Senator yield?

Mr. BUMPERS. I am just getting warmed up, Mr. President I am anxious to yield, but, if the Senator does not mind, on his time.

Mr. METCALF. I am delighted to yield substantial amounts of my time.

Mr BUMPERS. I thank the Senator for his generosity.

Mr. METCALF. I want to correct the Senator's statement.

The State law in Montana and Wyoming, where most of this coal is, is that there has to be surface owner consent. So the Burlington Northern cannot go in and mine, as the Senator from Arkansas has suggested, without the consent of the surface owner.

Mr. BUMPERS. I know that the Senator knows a lot more about the Montana law than I do, but does not the Montana law provide that a surface owner's consent is required only if strip mining was not a known technology at the time the reservation was made?

Mr. METCALF. That was not.

Mr. BUMPERS. When was the law passed in Montana?

Mr. METCALF. Just recently, two or three sessions ago.

Mr. BUMPERS. In the last 24 months?

Mr. METCALF. Not in the last 24 months, but I believe in the last few years.

Mr. BUMPERS. Is the Senator telling me that the Montana law provides that any reservation of coal that was made before the day that was enacted may not be made without the surface owner's consent?

Mr. METCALF. That is correct.

Mr. BUMPERS. Has that been constitutionally tested in the Supreme Court?

Mr. METCALF. It has not gone to the Supreme Court.

Mr. BUMPERS. I am not a constitutional lawyer, but I wager that it will not make it.

Mr. METCALF. I shall cite the Kentucky decisions under the so-called large forum claim, where they did decide that all of these provisions relative to surface owner's consent on mining related only to the deep mining and the kind of mining that was in operation at the time that the instrument was entered into. Surface mining was a different type of mining and you had to have the consent of the surface owner before you destroyed the surface.

That is the Montana law and that is the Wyoming law, and that is the law under which the Burlington Northern, which the Senator is suggesting, would have to come in and mine. I do not know whether it will stand up in the Supreme Court. The Senator has tried as many cases as I have. I hope he has won more, because he would not be as successful a lawyer if he had not. No one can predict what will happen in the Court on such things as that.

Mr. BUMPERS. If I may proceed.

Mr. METCALF. Surely. I am sorry to have taken the time, and I am delighted to yield to the Senator time to make up for this.

Mr. BUMPERS. I thank the Senator very much.

Mr. President, there is another significant difference in the House and Senate versions. We were trying to make sure that the United States was totally fair with those legitimate ranchers and farmers with whom the Senator from Wyoming is so concerned—and I share his concern. If I were the Senator from Wyoming, I would be trying to protect them. But I would not be trying to protect them in a way that is fraught with so many people being so unbelievably, unjustly enriched.

I think that is what this amounts to. But in any event, the Senator will recall that on May 19, 1977, the Senator from Louisiana (Mr. JOHNSTON) first offered an amendment. I cosponsored that amendment with Senator HASKELL from Colorado. That amendment was defeated, 67 to 25. The next day, I offered an amendment that we varied enough to make it in order, and we also changed it to provide such generous compensation to anybody whose surface is disturbed that he would virtually be unjustly enriched at the expense of the country. But, even so, it was so magnanimous that nobody could accuse anybody of being insensitive or less than charitable to those farmers and ranchers, who, in fact, want to continue ranching.

The next day, when I offered that amendment—and I hope this does not sound immodest—there were three or four Senators who had voted against the amendment the day before who stayed and listened to the arguments. They came up to me and said:

I voted yesterday without hearing the debate. I really did not understand the implications of this thing. You are patently correct.

Most of the Members will remember that, when we voted late that afternoon, after a long debate during the day, that same amendment passed by a vote of 44 to 32.

That is one of the reasons I am always saddened when I feel my cause is just but I do not have anybody to present it to. The next day, on that amendment, what we did was, literally, go overboard in being fair.

As a matter of fact, a Senator said to me yesterday afternoon:

Dale, one of the reasons I do not like your motion to recommit and I am opposed to this thing is because you are giving the landowners double damages.

I said:

Good Lord, Senator, that is a pittance. Giving them double the value of the surface is a pittance compared to what they are going to get without this amendment.

But to go on. What was the debate? What was the amendment the second day? It said, No. 1, we give the surface owners double the value of their surface. The law in virtually every State in the Union, Mr. President, is that when you disturb the surface in order to get minerals you own, you pay that surface owner the difference between the value before and the value after the surface is disturbed. In other words, if you own 100 acres of land and it is stripmined, and it was worth $1,000 an acre the day before it was stripmined and it is worth $100 an acre after it was stripmined, the surface owner is entitled to $900 an acre in damages. That is the difference between before and after value.

So what do we do? We give him twice the difference between the before and after value, twice the value.

What else? Two years' loss of profits. Two years' loss of profits from the day they start mining it.

What else do we give him? We give him all of his relocation costs, whatever it costs him to move off and find another place, anything he can justify.

And what else? Why, we give him any other costs he can dream up and reasonably justify.

That is not all. We give him his land back under the terms of this bill, which says that land must be put back in the same condition it was before it was mined.

Does that sound like a big bad Government that does not care about the small farmers and ranchers in this country? Never in the history of this body, of the U.S. Congress or any State, has the law been as generous to people as this Senate provision.

I think it is a fair and satisfactory arrangement. But one Senator proposes to vote against my motion, because he thinks it is too liberal.

Mr. President, let me give a comparison of this provision with the House provision. In the four States we are talking about—and certainly, Burlington Northern can mine all they want to in North and South Dakota, because there is no such law as Montana and Wyoming have. But in those four States—Wyoming, Montana, North Dakota, and South Dakota—the United States owns 96 billion tons of strippable coal. The current production rate of coal in this country is about 600 to 700 million tons a year. The United States, in just those four States, owns 96 billion tons.

Of that 96 billion tons, Mr. President, 50 billion tons lie under the surface that is owned by somebody other than the United States. So just look at it. In order to mine that 50 billion tons of coal, we have to get the surface owner's consent, whoever he may be.

And what is the going rate, the going rate for a coal royalty out West?

I hear it is 50 cents. I have heard everything from a nickel to 50 cents, but certainly 50 cents is the one I hear the most.

Mr. President, let us assume you own a section of that land, 640 acres. Let us assume further that the coal under that 640 acres is 50 feet thick—and that is just about the average thickness of the vein of coal out there, especially in Campbell County, Wyo. So if you have a 50-foot vein under that 640 acres, the National Coal Association says it will produce 85,000 tons per acre. So if you have 85,000 tons per acre under that land, let us assume the surface owner says, "Look, I really want to keep ranching, but if you pay me 50 cents a ton for my consent, I might consider it because that means my land is going to be worth $42,500 an acre."

I know it will take very little pressure for him to accept that payment for his land because some of it will carry about one cow for every 50 acres.

Assume that he will accept this $42,500 for each acre of his land, that translates to what? $27,350,000 for one section of land.

Mr. MELCHER. Will the Senator yield?

Mr. BUMPERS. I am not guaranteeing that arithmetic. The Senator from Wyoming is always questioning my pencil.

Mr. MELCHER. Will the Senator yield?

Mr. BUMPERS. Yes.

Mr. MELCHER. I do not question the Senator's arithmetic. But I question the "Dear Colleague" letter I received in my office today signed by the Senator and two other Senators that says the Burlington Northern Railroad, which owns mineral rights——

Mr. BUMPERS. If I may anticipate, we have just gone through that. The Senator from Montana points out they have a law, and Burlington must give consent. Is that the one?

Mr. MELCHER. That is exactly the point. I am glad the Senator from Arkansas has admitted to his mistake.

Mr. HANSEN. Will the Senator yield?

Mr. BUMPERS. Which means Burlington Northern may have to pay $27 million for a section of land, too.

Mr. HANSEN. I want to point out in this context, it is my understanding the

Wyoming law and the Montana law are nearly identical in this respect.

Mr. BUMPERS. So to proceed, Mr. President, I suspect it is not going to be too difficult to get some of the little farmers and ranchers to part with their land when they can get $27 million a section for it.

I think both Senators here who are strong proponents of this bill will agree that a 640-acre spread in most of Wyoming and Montana is not a very big spread.

Mr. President, in anticipation of some things that were going to happen if this bill passed, I predicted in the debate when the Senate adopted this amendment what was going to happen.

While I am most reluctant to read, and I apologize to my colleagues for reading to them, I will read an article from the Coal Daily, which is an independent publication. It deals with a matter which would have been very difficult for the Senate to have anticipated. It is a loophole in this law big enough to drive a Mack truck into. Here is the story:

Has pending federal strip mine legislation opened a loophole that will permit bypassing the Interior Dept. coal leasing moratorium?

It is possible large energy companies may be able to hold federal coal hostage under a provision in the proposed strip mine bill which enables them to control the land without owning it, the Daily learned Friday.

The apparent weakness deals with the surface owner consent section. Language in the bill requires the owner of surface land above federal coal to approve any strip mine operations on his land.

To qualify under the provision, the bill specifies, the surface owner must have resided on the land for three years or derived a significant portion of his income from the land during that period of time.

I will come back to that in a minute:

However, the bill does not prevent a company from purchasing the surface rights from the surface owner, a Congressional source tells the Daily. This would, in effect, split ownership of the land from control of it, he said.

The question came to light after Kaneb Services, Inc., Houston, Tex.—

I never heard of it, maybe some have—

recently purchased surface rights to 5,800 acres of land covering 725 million tons of coal in Campbell County, Wyo. (Daily, July 7). The coal is primarily owned by the U.S. government.

A Kaneb official acknowledged, in a telephone interview with the Daily, that the company does not expect bidding competition from other companies if the moratorium on leasing federal coal is lifted. The reason: Kaneb has secured an agreement from ranchers already living on the land enabling Kaneb to control the surface. This means the company may be able to exercise a defacto veto power over the federal coal under the surface.

The company declined to name the individual who assembled the leases to the land.

Another provision of the strip mine bill states that if a majority of landowners in an area decide not to strip mine, their decision may pre-empt that of the surface owner who consents to the surface mining.

Kaneb said it is negotiating to buy other coal adjacent to the new reserves, which are in northeastern Wyoming, near Gillette.

Another Congressional aide said the surface owner who gives up his rights to the land may cloud his title to the land. He predicted any such action taken by energy companies would lead to entangling litigation. Other companies interested in bidding on federal coal under the land would be likely to shy away, one source noted.

Kaneb is involved in mining coal and in oil and gas exploration.

House and Senate strip mine conferees are scheduled to vote on final language in the bill Tuesday.

Mr. President, I would not denigrate the small ranchers and farmers in Wyoming, Montana, North Dakota, South Dakota, for anything in the world. I know some of them feel very strongly and seriously about this provision. But it just happens to overlook the fact that speculators are already out there busily engaged in buying not the surface rights but the veto right.

The coal company goes up to the man and says, "I know you don't want your farm disturbed or to have strip mining here, but some day your son or grandson may be willing to let the coal be mined. So how about just selling me that right when that day comes?"

We have a company here which has already acquired 5,800 acres. When the President of the United States affixes his signature to this bill, we can rest assured there will be hundreds of them, literally, in all four States doing the same thing.

What are the requirements? What is the protection here?

The Secretary of the Interior said:

I don't want these surface owners to get any economic benefit from the coal. I want them to be compensated. I don't want them to have to give their consent. But if they choose to give their consent, I only want them to be compensated for the value of the surface, not with any economic royalty from the coal.

I find fault with that, but that would be infinitely preferable to what we have done. There is no provision in the bill now that prevents him from getting such a royalty.

The bill the President vetoed last year said that the surface owner does not have to give his consent; but if he does give his consent, he may only get the damages to the surface plus $100. Everybody was euphoric about it. The Senator from Wyoming and the Senator from Montana and DALE BUMPERS were all terribly disappointed that the President vetoed that bill for what I consider the most specious and spurious reasons.

What is required now for a surface owner to get the payments allowed under the consent provision of this bill? First of all, if he resides on the land for 3 years or—I did not say "and"—or farms it, or if he gets a significant part of his income from it. What is significant? It can mean anything. It is not defined in the bill. It simply means that if somebody lives on that land, or if he is engaged in farming that land, or if he gets a significant part of his income—any of those three—he is entitled to withhold his consent from the mining of that land if he fulfills any of those requirements 3 years before he is notified by the Secretary that the Secretary wants to lease the land.

I am not anticipating any big, wholesale leasing operation disturbing these ranchers' lands in the immediate future.

Here is a map I used in the debate earlier. I do not want to lecture the Senator from Montana. He has seen it a hundred times.

To illustrate my point, Senators can see here that everything in red is where the United States owns all the coal and the surface. Everything in purple is where the United States owns all the minerals but not the surface. Everything in gray is where the United States owns the coal but not the surface. Everything in blue is where the United States owns the oil and gas but not the surface.

What does that mean? It means that the Secretary of the Interior is not going to rush out there and disturb a surface owner's property. He has plenty of other land there.

About 40 percent of that map is land where the United States owns both the coal and the surface. There is no urgency about the Secretary disturbing ranchers and families right now.

What do we put in the amendment besides that compensation feature I mentioned a moment ago? We put in there that even with that, the Secretary could not lease this land unless he found it to be in the national interest. What does that mean? It can mean a lot of things, but it certainly would have to mean that the United States was in dire straits for the coal. He would not dare offer a tract of land for lease unless the surface owner consented or the surface was available, unless he knew the United States was in desperate need of the coal. We gave him that protection, but we could not even get that passed in the conference. I do not know what we have to do to be fair.

Finally, Mr. President, I have a few more comments to make, but I will sit down and let somebody else talk.

I know as well as I know my name that my motion to recommit is not going to be adopted. I am reluctant to take up the Senate's time with something that I know essentially is doomed to failure. When the Senators come in here and walk down that aisle, I know what is going to happen, and I regret it. I am saddened by it.

One of these days, as the reporters and the historians start checking out the instant millionaires and the instant billionaires we have made as a result of what we have done here, I want them to go back and look at the CONGRESSIONAL RECORD of today, and I want them to see that there was one Senator who made his case, made his point.

I do not feel mistreated by the conference. The Senator from Montana and I know that things happened in the conference about which we were both disappointed. I do not feel mistreated by the conference. It is the people of the Nation who are being mistreated. They are going to be asked to pay and pay and pay through the nose for coal they already own, under this bill.

The Teapot Dome is going to look like child's play. I will tell Senators what the difference is. This scandal has been sired and legitimatized by the U.S. Congress.

Mr. President, I reserve the remainder of my time.

(Mr. SASSER assumed the chair.)

Mr. NELSON. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. I am happy to yield.

Mr. NELSON. I say to the distinguished Senator from Arkansas that I am in wholehearted agreement with the motion he has made, and I am happy to have been a cosponsor and a supporter of it.

I agree with the point the Senator has made. This provision opens the floodgates for landowners who own the surface, who got their patent from the Federal Government, with the American public holding the mining rights; and now we are saying that the landowner, who owns the surface, can refuse to let the American public have the coal they own, or, if they want to have it, can sell it at a very high price. We are going to make instant millionaires out of all kinds of people, out of the pocketbook of the American public.

It is absolutely inexcusable to have a provision that says a surface owner who got his land from the American public, with the mineral rights reserved to the American public, can now bar the public from even mining that mineral, and if they do mine it, can hold up the price and make himself an instant millionaire, on the minerals owned by the people of this country.

I say to the Senator from Arkansas that I regret I was not here when he began his remarks. I am chairman of a conference of the Small Business Committee with the House, which was to have started meeting 7 minutes ago. However, before going to that conference, I wished to commend the Senator from Arkansas for his vigorous fight in behalf of a very, very important principle, in the potential amount of money to be made by people from this provision. It will make the Teapot Dome look like a tiny, tiny, tiny teapot; because the potential is for tens of millions of dollars to be made out of the taxpayers' pockets because of the provision that was thrown out in conference, after having been voted in on the floor of the Senate.

Mr. BUMPERS. I thank the Senator.

Mr. METCALF. Mr. President, I hope that the Senator from Wisconsin will stay on the floor, but he has left. He is a signatory to a letter from Senator BUMPERS and Senator BARTLETT. There are grave misstatements in the letter and in the article that is enclosed. I will comment on that later, because neither Senator BUMPERS nor Senator NELSON is on the floor. Senator BUMPERS regretted that he did not have any audience.

Senator BUMPERS is on the floor.

I do want to correct a statement in the article that accompanied the letter from Senator BUMPERS when he said——

I see the Senator from Wisconsin (Mr. NELSON). I ask him whether he concurs in this letter he signed.

Mr. NELSON. I have never signed a letter that I did not concur in. I am not starting now.

Mr. METCALF. I want to tell you you have criticized my conduct of the conference in signing this letter. You were not there. I doubt if you had read the statement. I doubt if you had read the transcript, and I can demonstrate to you that Senator BUMPERS was treated with absolute courtesy and with great deference during the entire part of the conference.

Mr. BUMPERS. Mr. President, if the Senator will yield——

Mr. METCALF. I would be delighted to yield.

Mr. BUMPERS. I say, first of all, I drafted the letter myself. It is a very common practice in this body for a letter to be drafted by one Member and signed by others.

Mr. METCALF. It is a common practice for someone who acquiesces in a letter to read it.

Mr. BUMPERS. I consulted with Senator NELSON on almost a daily basis and told him what was happening. I told him the surface owner consent motion was made, I was defeated, and I was so upset about it that I was seriously considering a motion to recommit, and the Senator is completely aware of that. He did, in fact, read the letter. Anything in there the Senator may consider to be deprecatory toward him or his conduct as chairman I sincerely regret. The Senator from Wisconsin has the utmost respect for the Senator from Montana and he would not sign anything that would denigrate the chairman in any way.

Mr. NELSON. Let me say to the Senator from Montana that I agree with what the Senator from Arkansas said. The Senator from Arkansas—of course I was not at the conference—had a proposed draft which he did draft, and I went through it and had some reservations about some of the language, as the Senator from Arkansas knows.

He redrafted the letter, then sent it over to my office. I read it again and endorsed it.

Whatever occurred at the conference I agree I was not there. That would have to be a matter of differences between the distinguished chairman and the Senator from Arkansas. My concern only was on the question of its having been left out in conference.

Mr. METCALF. Well, the Senator from Wisconsin, while he is here, let me raise another question.

Mr. BUMPERS. Certainly.

Mr. METCALF. Accompanying Senator BUMPERS' letter, which you and the Senator from Arkansas signed, is an article called "Party Lines, the Great Coal Robbery," and in that——

Mr. NELSON. Mr. President, will the Senator from Arkansas listen to this?

Mr. METCALF. In that is a statement that "Senate majority leader Mike Mansfield put his influential stamp on the provision that was adopted by the last conference committee."

Mr. BUMPERS. What is the Senator reading from?

Mr. METCALF. I am reading from——

Mr. BUMPERS. The New Times, an editorial from the New Times?

Mr. METCALF. Yes, the New Times.

Mr. BUMPERS. Yes, June 10 issue of the New York Times.

Mr. METCALF. That you sent around with your "Dear Colleague" letter and very courteously provided me with.

Mr. BUMPERS. That is correct.

Mr. METCALF. Let me remind the Senator from Wisconsin and the Senator from Arkansas that the position of Senator Mansfield and my position, and still mine, was that we should not mine any of the coal where there was divided ownership. Senator Mansfield said when there was divided ownership and the title to the surface is in the person who owns the surface rights and the Federal Government owns the mineral rights that it is a pretty good conservation proposition to just leave it there until there is a national necessity. That would mean that nobody makes the great big ripoff that the Senator from Arkansas——

Mr. BUMPERS. Senator, that is exactly what the Senate provision does.

Mr. METCALF. No. But Senator Mansfield did not agree. Senator Mansfield said that we will not mine the coal at all, and this is entirely wrong and, I suppose I should not bring this up because Senator Mansfield is no longer here to defend his position, this is entirely a misrepresentation of Senator Mansfield's position on the bill.

Mr. NELSON. Let me say to the distinguished Senator from Montana that I recall very well the position of the distinguished majority leader, and the Senator states it correctly. He would not permit even the landowner to consent to the mining of the coal, as I recall it.

Mr. METCALF. The coal, as the Senator from Arkansas said, belongs to the United States, and he said we will keep it in reserve and where there is divided ownership we will not mine it.

Mr. NELSON. That is correct. I did not agree with that position.

Mr. METCALF. I thought it was a pretty good position.

Mr. BUMPERS. Let me say this before the distinguished Senator from Wisconsin leaves, I would like to make one point. I agree with that, and that is the reason we put in the Senate provision that none of this land could be mined until the Secretary deemed it in the national interest, and I think that is exactly what the Senate majority leader's position was.

Mr. NELSON. He would not even permit it to be mined even if the landowner wanted it.

Mr. BUMPERS. That is not correct.

Mr. METCALF. He said, and I introduced the bill that way, as the Senator from Arkansas knows, he said where there is this divided ownership—I thank the Senator.

Mr. BUMPERS. If I could make one more statement before the Senator leaves, since I made this point, we might as well put it out in the open——

Mr. METCALF. Let us put it in the RECORD.

Mr. BUMPERS. That is fine.

Mr. METCALF. The article I was talking about.

Mr. BUMPERS. That is right. The point I want to make is——

Mr. METCALF. Mr. President, I ask

unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GREAT COAL ROBBERY

(By Robert Shrum)

The Senate and the House soon will decide in a conference committee, whether or not to sanction one of the greatest giveaways to private interests in American history. The House version of the strip-mining bill would hand tens of billions of consumer dollars to oil companies and major ranching interests in the mountain states.

The story begins with the energy crisis of 1973 and the government's decision to shift to a heavier reliance on coal. Under the ground of the mountainous West, from the foothills of New Mexico to the grazing lands of Montana, lay vast coal reserves; their worth exceeds a trillion dollars. Eyeing them, the Ford Administration projected that Western coal production could be tripled to 300 million tons by 1985.

Among environmentalists, the Ford plan set off an instant alarm; the most expansive, least spoiled tract of land in the continental United States seemed suddenly to be in danger of rape; or, technically and economically, strip mining offers the most efficient method of extracting Western coal, which usually lies close to the surface. For years, there had been persistent demands that the federal government force coal companies to repair the moonscapes they were creating in Appalachia. Now, at the prospect of massive surface mining in the virgin West, the demand for tough strip-mining regulation took on new urgency.

When Congress was drafting the 1976 version of the strip-mining bill, Representative John Melcher of Montana, then chairman of the House Interior and Insular Affairs subcommittee on Public Lands, added a new, seemingly sensible provision to the legislation: that no federal coal reserves could be leased for strip mining without the consent of the surface landowner.

Although the Homestead Act had given away huge portions of the West to settlers through the 19th and early 20th centuries, the federal government had retained the subsurface mineral rights. In effect, the coal under the land was kept as the property of the American people. Now, however, the Melcher provision would transfer absolute control over it to those who have inherited or bought the Homestead grants.

It was, Melcher has argued plausibly, a matter of simple justice, "a question of basic property rights": no one should be forced to let giant bull-dozers gouge up their land to scoop out coal. Senate Majority Leader Mike Mansfield put his influential stamp of approval on the provision.

Neither Mansfield nor Melcher (who has succeeded to Mansfield's Senate seat) thought of the provision as local-interest peddling. Environmentalists have welcomed it and coal operators have not objected to it—which alone should serve as a warning that the matter is not as simple as it seems.

In fact, the Melcher provision is subtle proof that easy cases, too, can make bad law. For the best of (environmental) intentions is generating a next round of special-interest enrichment. The ecology lobbies latched on to the Melcher provision because they hoped surface owners would demand the strictest of environmental safeguards before allowing their land to be mined. But the issue is not one of despoiling the owners' land without restoring it or compensating them; other provisions of the strip-mining bill will impose as national policy the stringent Pennsylvania state standards requiring mining companies to reclaim the surface to its "approximate original contour" (with certain exceptions).

Fred Simonton, the executive director of the Midwest Electric Consumers Association, a cooperative of consumer-owned utilities, is one of the few experts who has bothered to analyze the effects of granting surface owners the additional right to block the mining altogether. In a recent letter to energy czar James Schlesinger, Simonton warned that it would be a "give-away of enormous proportions for the benefit of giant energy companies and a few landowners." And he's right.

For the energy companies will pass on to consumers the inflated cost of buying the consent of surface owners, who can set prices as high as they wish. Those prices will have to be paid because, as Simonton put it to Schlesinger, "the government is requiring a conversion [by utilities] . . . from oil and gas to coal."

Who will reap this windfall? Though precise staistics have not been compiled, most experts agree that the largest portion of the affected land belongs not to family farmers, but to agriranchers with their sprawling tracts of land. And it turns out that the other major holder of coal-rich Western land is the oil industry, which early on sniffed the breezes of this potential windfall. Quietly, big oil has gained control of five of the nation's seven largest coal companies—and, in turn, those coal companies, as Fred Simonton notes, previously had "bought up [many] surface owner consents." So as the other surface owners raise the price of giving their consent under the Melcher provision, the value of what the oil-coal conglomerates now hold will "automatically, drastically increase." For all coal—like oil—rises to the highest price of any of it. Thus, companies that already have purchased surface-owner consents cheaply could now sell the resulting coal, not at this cost plus a reasonable profit, but at an exorbitant level reflecting the higher costs of obtaining the consent of other surface owners.

Recently, the Senate approved an amendment by Arkansas Senator Dale Bumpers to dispense with the consent requirement whenever the Secretary of Interior finds that the leasing of a specific coal deposit is in the national interest. The issue must be resolved in a House-Senate conference.

In the end, the Melcher provision will *not* lead to greater land protection. Rather than higher environmental standards, most owners are likely to demand instead higher prices. One environmentalist concedes that "some of us hope that by making consent expensive, strip mining will become so expensive that it won't occur at all."

But that is wishful thinking. Like it or not, the coal soon will be coming out of the ground: Carter's reliance on it, like Ford's, is a matter of national necessity, one that the Melcher provision can't change. It began with the best of intentions, but its real effect will be to license profiteering.

Mr. BUMPERS. I think the Senator will admit that, No. 1, I asked that the provision of the surface owner's consent be postponed to be the last item considered.

Now, that was not agreed to by the conference. I admit it was not agreed to. Finally it showed up on the agenda, and I knew it was on the agenda. I also knew that the Senator from Wyoming's motion to recede from the Senate language would not pass because I knew we had five votes and he had five votes, and his motion would fail because of a tie vote.

But the day we took this vote Senator BARTLETT was in the hospital. He was one of the people who had helped me with the amendment on the Senate floor, and had debated in my behalf. He was in the hospital in Sloan-Kettering in New York the day it was voted and, therefore, the Senator from Wyoming's motion carried on a 5-to-4 vote.

Mr. METCALF. This is on my time, Mr. President. The Senator from Arkansas was absent on June 14 when this matter of surface owner consent came up. At that time I objected to bringing that up as a part of the agenda and said the Senator from Arkansas was interested in and concerned with this, and I had it put over.

On June 16 the surface owner consent was also on the agenda. At that time, in deference to the Senator from Arkansas, I had it put over until the Senator from Arkansas would be present.

On June 22 it was on the agenda again. The Senator from Wyoming made the motion to recede each of those days, and on each of those days in deference to the Senator from Arkansas I told the chairman of the conference committee, Congressman UDALL, that we could not take this up until the Senator from Arkansas was there and allowed to present his opinion.

However, we went into 2 days of discussion in the absence of the Senator from Arkansas on the matter with the understanding that he would have a right to present his case.

Then, on the final day, the Senator from Montana had to catch an airplane at 3 o'clock. I asked that we have a vote at 3 o'clock on surface owner consent. There was no objection. At 10 minutes to 3 there was a rollcall in the Senate. The Senator from Arkansas had presented his case, many other Congressmen had presented their opinions on surface owner consent, and I called for a vote on that day after deferring for three other times to the Senator who was not here and not present during the course of the deliberations.

Mr. BUMPERS. Senator, if I may make this observation. At the same time I requested that surface owner consent be postponed as the last item on the conference agenda. I also asked that it be considered when every Senator is present, which was also not acted on.

I am not unmindful of and certainly not ungrateful for the fact that the Senator protected my rights to be present when this matter was debated. But on June 14, the day I was absent, that was the first day of the conference, and the Senator from Wyoming, as the first item, said, "I move we recede from the Senate language," and I think he will admit now he said it in jest and everybody laughed.

Mr. METCALF. I do not think he said it in jest.

Mr. BUMPERS. It was considered to be in jest. Everybody laughed.

Mr. METCALF. You were not there.

Mr. BUMPERS. My aides told me.

Mr. METCALF. The record does not so show.

Mr. BUMPERS. In any event, I have stated the case as best I could. The vote was indeed taken, and on Thursday—I cannot give you the date——

Mr. METCALF. June 14.

Mr. BUMPERS. It was taken on Thursday. That was the day Senator BARTLETT had surgery, and on Sunday night he tried to call me at my home, and I was not there. He called me, got me out of bed on Monday morning, to tell me he wished very strongly to be recorded on this issue, and I said it may be too late.

He called me back three different times after that and, finally, the Senator will recall that I moved for a reconsideration of the matter and the Senator said I was out of order because I had not voted on the prevailing side. He was absolutely correct, and I did not quarrel with it.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. HANSEN. Let me make one observation. Senator JACKSON has pointed out repeatedly, as has the distinguished senior Senator from Montana, that absent specific rules that control conferees and conferences, the rule that has been followed repeatedly has been that the rules of the Senate shall apply.

I was present when the point was made that Senator BARTLETT had indicated that he would like to be recorded. I recall rather distinctly that Senator JACKSON made that announcement so that insofar as the——

Mr. METCALF. Mr. President, may we have the attention of the Senator from Arkansas?

Mr. BUMPERS. I say to the Senator if he does not have my attention he does not have anyone's attention, because I am almost the only other Senator in the Chamber.

Mr. METCALF. We did not have the attention of the Senator from Arkansas. Go ahead.

Mr. HANSEN. The point I was making, Mr. President, was that I do not think the Senator from Arkansas was there, but Senator JACKSON, the chairman of the full committee, one of the conferees, made the point that Senator BARTLETT, if he had been present and voting—I think this is essentially what he said—would have voted against the Senate receding on surface owner consent.

Senator BARTLETT, as everyone knows, was not there at that meeting. I can say that I think Senator BARTLETT's staff man was there, I believe, at every one of those conferences, and he knows, as do other staff members, that I worked closely with him for direction on specific points. I had proxies from I believe practically everyone except Senator BARTLETT on this issue. Before Senator BARTLETT went to New York, where he was hospitalized, I asked him specifically what his position would be on this issue and I said:

> It is going to be a tight one. This is extremely important to me. Could I have your support?

He said:

> Cliff, I feel very strongly about this issue. I have opposed surface owner consent when we had the bill up on the floor.

And I am sorry that the Senator apparently is not in the room at the moment because I wish he were.

He said: "If that issue comes up, I will try to be there," and I am paraphrasing now what I understood him to say very clearly to me. He said:

> I will try to make up my mind at that time to cast my vote.

He did not instruct me to vote one way or the other on surface owner consent. I did not vote his proxy when the issue came up for a vote. As I think most Senators here know, the motion I made recommending that the Senate recede was passed by a vote of 5 to 4. The five votes were all cast in person. The four votes that were cast in opposition to the Senate's recession as I remember were cast personally, and I think two proxies were cast.

I wanted to say this because I have not had an opportunity since our good friend from Oklahoma has been back here to tell him precisely what had taken place. I thought he knew what had taken place. I wanted to say to him that his staff man was there, and I told all conferees this, that I would seek specific instructions; if an issue came up that was important to them, I would do my best—and I repeat that now—I would do my best to see that their wishes were carried out, and that is precisely what I tried to do.

Mr. BUMPERS. If I may, and I am most reluctant to pursue this whole question of what was said and by whom, I will make two statements and ask the Senator to either agree or disagree.

No. 1, I moved that this matter not be taken up until the Senator from Oklahoma could be present, at which time the Senator from Wyoming said, "I have his proxy." And I asked: "Do you have his proxy to vote on this specific issue?" And the Senator said, "Mr. Chairman, anybody who holds a proxy is accountable to the person who gave it to him."

Mr. HANSEN. Will the Senator from Arkansas be interested in what was actually said?

Mr. BUMPERS. Yes.

Mr. HANSEN. I will be glad to read the transcript.

Mr. BUMPERS. Is that a transcript?

Mr. HANSEN. It is, of the conference report.

This is June 23, 1977.

I sought recognition. I will start with Chairman UDALL:

> Oh, yes. I'm just presenting them. No debate and no discussion today.
>
> The next item is a little old problem called "Surface owner consent," which I thought we might take a whack at today.
>
> Pages 227 to 231 deal with Federal coal.
>
> Senator HANSEN. Mr. Chairman?

Chairman UDALL says, "Senator HANSEN" and then I say:

> The House and Senate language on this issue differs, you know. I think the issue has been discussed and re-discussed repeatedly.
>
> I'm prepared to let the Senate Conferees decide if we should recede to the position taken by the House. I, therefore, move with the Chairman on my side that the Senate recede to the House conditions.

The Senator from Arkansas (Mr. BUMPERS) sought recognition by saying "Mr. Chairman." Chairman UDALL recognized Senator BUMPERS. Whereupon the Senator from Arkansas said:

> I would move that in light of the fact that one of the Conferees who steadily and bulkly supported the position of the Senate action, and will be for some time, that this matter be passed over until he can either be present or communicate his proxy to somebody on this specific issue.
>
> Senator HANSEN. Is it the presumption of the Senator from Arkansas that that has not been done?
>
> Senator BUMPERS. Well I would presume, based on conversations with his staff, based on conversations and during the debate on the issue, that he would not have given his proxy contrary to the way felt all during the debate on this issue.
>
> Senator HANSEN. Does the Senator from Arkansas know who has his proxy?
>
> Senator BUMPERS. Only what's been related to me from the Senator from Wyoming.
>
> Senator HANSEN. Mr. Chairman, I see no reason to delay a vote on this issue on that point. The Senator has left a general proxy, and I can assure the Senator—though I would not appreciate being placed in a position that I might have to assure him—but I'm answerable, or whoever may have Senator Bartlett's proxy or the proxy of any other person, a person who holds a proxy, I admit, is answerable to the person whose proxy he has.
>
> I have his proxy. I can assure the Senator from Arkansas that I will be thoroughly answerable to Senator Bartlett. I would move that we vote on this issue.

Mr. BUMPERS. Is that not just precisely what I said transpired in that conference?

Mr. HANSEN. I would ask Senators to respond to the Senator's inquiry by reading what he earlier said and what I have just said.

Mr. BUMPERS. I appreciate very much the Senator bringing that transcript. I appreciate his bringing it and I appreciate his reading it into the RECORD. That is my precise recollection of what transpired.

Mr. METCALF. If the Senator will yield, a copy of the complete transcript of the entire conference is available for the Senator or his staff at the rear of the Chamber.

Mr. HANSEN. Mr. President, I think the following should be further pointed out, and I am glad that our good friend, Senator BARTLETT, is here because from what I have just learned this morning I am fearful that I have been derelict and that perhaps there has been a presumption certainly on my part, possibly on the part of others, that he had been informed more specifically in greater detail than I gather now is the case.

Let me say this: I talked with Senator BARTLETT before he went to the hospital, and I have tried to relate here precisely what that conversation involved. Insofar as I was concerned, I had the proxies of the three other Republican conferees. I knew that they did not agree, necessarily, with my position on every issue; but insofar as I voted their proxies, I honestly tried to vote those proxies precisely as I was instructed or precisely as their staff members there instructed me to.

On the precise issue of surface owner consent, as I said earlier, I talked with Senator BARTLETT before he went to New York, and he said to me, "That is a tough issue. I have been opposed to surface owner consent. If that issue should come up, I will try to be there to vote on that issue and to make a judgment at that

time." Those are not necessarily his precise words, but that is essentially the thrust of what I understood the Senator to say to me.

So if the Senator from Arkansas had had his proxy, or had directions from him, or anyone else had voted his proxy on that issue, I would not have challenged it, except to make the point I have just now made.

Having in mind what Senator BARTLETT had said to me, I did not cast his vote on that issue.

Mr. BUMPERS. Mr. President, if the Senator will yield to me, first I would like to make a couple of comments, and then yield to the Senator from Oklahoma.

Mr. METCALF. Mr. President, I think we are operating on my time.

Mr. BUMPERS. I am sorry.

Mr. METCALF. I will be delighted to yield to anyone who wishes.

Mr. BUMPERS. Mr. President, this places the Senator from Oklahoma in a slightly awkward position, because he was not at the conference. He was a perfectly honest, innocent bystander who cosponsored this motion for a simple reason. I know he has great admiration for the Senator from Wyoming, and that it is very difficult for him, or for either of them, to be on opposite sides on any issue, because I know of their close friendship.

I think it is only fair for me to say that he joined with me on this issue not because of any procedure that happened during that conference; he joined me because he feels very strongly about the issues I outlined in my opening statement. Therefore, I hope we will not bother him further on this issue.

Mr. HANSEN. Mr. President, let me make the observation that I know of no other Member of this body more universally respected for his honesty, his integrity, than is the Senator from Oklahoma. That is a view that I share, and I can assure you there is nothing the Senator from Oklahoma has done since I have known him that has detracted one bit from the high admiration in which I hold him. The fact that he is a cosponsor of the Senator's motion does not change my feeling one bit. He has every right to do so; he is an honest person who sincerely believes what he says, and I respect him and admire him for it. The fact that he has joined with my good friend from Arkansas in cosponsoring this motion to recommit does not change that situation at all.

I did welcome an opportunity, though, to point out what had taken place, because I just learned that, while I had not told the Senator from Oklahoma what precisely had been said, I gathered that, through my dereliction, probably, he was not as completely informed as to what had taken place as he might have been, and it was with that in mind that I wanted to spell out to my cherished friend from Oklahoma exactly what I had tried to do.

Mr. BARTLETT. Mr. President, will someone yield me some time?

Mr. METCALF. This is on my time. I yield to the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I have the greatest admiration for the Senator from Wyoming, the Senator from Montana, and the Senator from Arkansas, who have been discussing the matter of my proxy and the fact that it was not cast in a decisive vote on surface-owner consent.

First, I wish to say that I congratulate the Senator from Arkansas for expressing very strongly and I think accurately, from my point of view, the arguments that show that surface-owner consent is providing to a certain few people what is tantamount to mineral assets of tremendous value that belong to the Government. That position, which is better expressed by the Senator from Arkansas than I have expressed it in the past, is one that I have espoused in the past and espoused on this floor. So I am quite at home on this side of the issue.

The question, to my mind, centers around the casting or not casting of my ballot, of my proxy. I have absolutely no question as to the integrity or the motives or the manner in which this was handled by the distinguished Senator from Wyoming.

Let me describe the committee on which I serve, which for 4 years was known as the Interior and Insular Affairs Committee and is now the Energy and Natural Resources Committee. I think the Members who are here from that committee would agree that I probably have disagreed in voting with the chairman of the committee, the Senator from Washington, as much as anyone. But I think that they would also agree that they had heard me express myself that I have always been fairly treated on that committee, and that if I had been asked or had commented abcut the rights and opportunities of other members, I would have said that every member of that committee was given due consideration to express himself as to how he felt on any particular issue.

I think you could say accurately that the committee was run in a rather relaxed way. Just as an example, which does not get into proxies or voting, but to make the point, we have on occasions voted to report a bill out subject to further amendment. This is somewhat of a contradictory situation, and when it first happened I think as far as I was concerned I was rather surprised, and did not quite see how that could be. Nonetheless, we have done that, and we have done it recently; and it works. It works because the chairman agrees that if there are any amendments to be brought up, they will be properly considered and voted on, and if there is a change to be made, it will be made in the bill that was reported out.

By doing this, just to explain the reason for doing it, the staff has been able to proceed ahead with the report and expedite the matter that much faster. On the matter of proxies, I think the chairman (Mr. JACKSON) and the floor manager, the Senator from Montana (Mr. METCALF), have likewise made every effort to see that a Member's proxy was voted the way he wanted it voted. So we have had votes in which proxies have been cast by the Senator having the proxy, and then sometimes there have been doubts as to whether or not the proxy was cast just the way the Senator wanted it.

The chairman, or the acting chairman, would generally turn to the staff and say, "Let us find out just what that Senator wants to do. Let us find his true wishes on this particular question."

This is the point I am raising. There were efforts, I believe, by the Senator from Wyoming and also the Senator from Arkansas to contact me through the office, but I do not know of any efforts by the committee to contact me to find out whether or not I wanted to cast a vote and, if so, how. Because of this, I did not learn of the action. Certainly, I want to say that I was not contemplating or thinking about the action when I left the Senate the previous Friday and checked into Sloan-Kettering Memorial Hospital on a Sunday for what turned out to be surgery on Thursday. I was not thinking of this particular question. It was not on my mind at all. But I did learn about it on Friday. I then did make a call to our chairman (Mr. JACKSON) over the weekend as well as a call to the Senator from Arkansas (Mr. BUMPERS).

I asked Mr. JACKSON if there could be a reconsideration of that question and my vote be counted.

I am aware in the past of votes which have taken place in which proxies were cast and a bill was passed or an amendment was agreed to, and then later on the person whose proxy was cast was consulted and he cast a different vote, which changed the outcome. That change stood.

In some cases that went from one day to the next.

I felt, because the conference was still in session, and since there had not been a final reporting of the conference committee report, that it was a fair request that would give me this opportunity to indicate how I would like to have my vote cast.

It is for this reason that I have joined with Senator BUMPERS, plus the basic argument on the merits of this provision of the bill, that I feel there should be recommitment for this purpose.

The PRESIDING OFFICER. Who yields time?

Mr. METCALF. I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I appreciate very much what our good friend from Oklahoma has just observed. I think there is one point which I believe needs clarification, a point which may have led to some misunderstanding.

I, too, know, as has been explained by the Senator from Oklahoma, when we have been in markup, when we have been in committee session, not only when our membership was part of the Interior Committee but even more recently as part of the Energy and Natural Resources Committee, and as a member of the Finance Committee, what Senator BARTLETT speaks about has happened oftentimes. Because of the inability of Senators to be present and voting as a bill has been progressing through markup, we have done precisely what the Sena-

tor from Oklahoma has talked about and has described in some detail here on the floor.

The point made by Senator JACKSON can best be explained if I just read precisely what Senator JACKSON said. I would call attention to the fact that this statement is part of the official transcript of the conference and took place on the 27th day of June of this year.

The chairman said, "Surface owner consent." Senator JACKSON was recognized and said:

Senator JACKSON. I had a call last night from Senator Bartlett from the hospital in which he stated if he had been present, he would have voted with Senator Bumpers against the Senate receding to the House language, and I think that is the way the language was.

The question I had it was five to four; that would make it five to five. It is my judgment, unless my colleagues rule me on the Senate side because this is a Senate decision, I want to bring this up at his request.

We do not have in the Senate rules that are applicable to the parliamentary conduct of the Senate in a conference. I would defer to Senator Metcalf on this. He has followed the rules a lot closer than I have, but in view of the fact, it would be my personal judgment, we should follow the rules of the Senate; that is, in order to take up the request of Senator Bartlett, we would have to move to reconsider somewhat on our side, on the prevailing side. So, the point is we would still be five to five, I assume, even if it were taken up on a motion to reconsider. It would be five to five and it takes an affirmative vote.

I would defer to Senator Metcalf on this, but it seems to me we should follow the rules of the Senate in the absence of not having rules governing the conference.

That concludes the statement by Senator JACKSON, and I believe makes the point, and the important distinction, concerning the situation to which Senator BARTLETT earlier referred and which, too, I have experienced repeatedly. If one of the committees, say the Energy and Natural Resources Committee, is in markup, we have done precisely what Senator BARTLETT has described.

I think the point made by Senator JACKSON here in essence is that in conference with the House the conduct of the Senate conferees should be circumscribed and directed by the rules of the Senate. It was that point that I think Senator JACKSON had in mind when he observed that a person in order to vote would have to be present and voting. If he happened to miss a vote on the floor, he could be recorded.

I know that Senator JACKSON wanted to make clear what Senator BARTLETT's position was, but then he made the further point that in order to reconsider an action taken by the conferees, the rules of the Senate would apply. We know, as we understand and have watched the conformity to rules of the Senate here, if a motion to reconsider is to be made it must be made by a person who has voted with the prevailing side, and it does indeed take an affirmative vote to have the Senate reconsider a vote.

That was the point I wanted to make which I thought might possibly need some clarification. I thank my friend.

Mr. METCALF. I would like to yield to my colleague from Montana.

Mr. BARTLETT. Would the Senator mind if I comment pertaining to the comments made by the Senator from Wyoming? I will be brief.

Mr. MELCHER. I will yield for that purpose.

Mr. BARTLETT. I would make two points:

I do not think in conferences in which I have participated there has been any enunciation of what rules are to be followed by the Senate Members of the conference. I think it is only natural that, since the conference is made up of members of the Energy and Natural Resources Committee, the manner in which business had been conducted in committee is the manner in which it would be conducted in the conference. As I said, I felt it was a very fair way, a fairly relaxed way, and a very workable way, which resulted in the members of the committee having their wishes presented accurately and properly.

Second, I say that I think it is also a policy of this committee, during a vote or during that period leading up to a vote, to find out what the wishes of an absent member are so that his proxy can be accurately voted. This was not done by the committee. I think this is a departure from the usual approach to making certain that the committee members do have the right to have their votes cast or to cast them in a certain way.

Those are the two points I make to what the Senator had to say. I thank the distinguished Senator from Montana.

Mr. METCALF. I say to the Senator from Oklahoma that the Senator from Wyoming told the Senator from Arkansas that he had the proxy of the Senator from Oklahoma; that his staff member was there. As the chairman of the Senate conferees, I assumed that he did not know exactly what the Senator's position was.

I had a general proxy from the chairman of the committee (Mr. JACKSON), but I did not know what his position was going to be on that and I did not vote that proxy at that time. I think that that is the best we can do when we have proxies. If we are not sure, we just do not vote those proxies.

Mr. BARTLETT. I say to the distinguished Senator from Montana that I believe I can recall a number of instances in which the chairman or the acting chairman of the committee, when the question came up about an individual member's proxy and there was some doubt, would then make a request to find out for sure what the desires of that Senator were. This is what I do not think happened in this case. This is why I felt, when I talked to the distinguished chairman (Mr. JACKSON), who is now here, that since the conference was still in session, it was a reasonable request to ask that my vote be cast in the manner in which I desired to cast it.

Mr. METCALF. The Senator from Wyoming had read that statement into the RECORD.

(Mr. LEAHY assumed the chair.)

Mr. HANSEN. Mr. President, I want to make a couple of points, at least.

No. 1, I take full responsibility for the way I voted proxies in each instance that I voted a proxy. The blame or any fault that anyone may find with the conference or the chairman of the Senate delegation to that conference that might result from the exercise of proxies under my control, I would have to believe would be placed on me, rather than on anyone else.

I shall be repeating, but I think perhaps I should, to say that, on this specific issue, as the Senator from Oklahoma will recall, I observed, before he went to New York, that this was going to be a close vote on this specific issue.

I asked, "If one vote could make the difference, may I have your proxy?"

I think that, essentially, what the Senator from Oklahoma said to me was, "Well, no, I oppose surface owners' consent. If that issue comes up—" and, of course, he and I knew that it would, in all probability—the Senator from Oklahoma said to the Senator from Wyoming, "I shall try to be free to make my judgment at that time and vote my feelings at that time."

I have mentioned, also, that, because I needed specific guidance from staff members—who, as far as I was concerned, were the best and most accurate representatives available to me of each Senator's feelings—I did follow the policy, on those issues that required my voting proxies, if I voted them, of trying to get specific instructions from staff members on specific issues in order that I could fairly vote those proxies the way Senators may wish them to be voted.

I have been repetitious, but I wanted to repeat what I had earlier said in order that our good friend from Oklahoma would not feel that the chairman of the Senate delegation (Mr. METCALF) had been derelict in any way in trying to see that the proxies that may have been voted by the Senator from Wyoming had not been faithfully voted. I felt constrained to say that.

Mr. METCALF. Mr. President, if my colleague from Montana will bear with me—he has been patient—I wish to yield at this time to the chairman of the full committee (Mr. JACKSON).

Mr. JACKSON. I thank the distinguished chairman, the Senator from Montana (Mr. METCALF). I shall be very brief, Mr. President.

I am strongly opposed to the motion to recommit the conference report on H.R. 2. I have the highest regard for my colleague from Arkansas, but I feel that it would be unwise to take this conference report back to conference and start over again on this particular issue.

I voted with the distinguished Senator from Arkansas, as I indicated in my statement yesterday, on the subject of surface owner consent, I have some very strong views on that. I understand the concern of the sponsors of the motion. I believe, however, that recommittal would, in effect, reopen the entire conference and would be a grave mistake.

The "surface owner consent" issue was only one of 37 major issues resolved by the conference committee. While on this issue, the Senate receded to the House;

on many other issues, the House receded to the Senate. The end result, I think, is a good bill which needs to be approved now.

Development of coal, obviously, is the key to meeting our energy needs for the rest of this century. One of the major inhibiting factors to coal development in all regions of the country—East and West—is the failure to establish Federal surface mining standards. Our coal industry must know what the ground rules are to plan their investments and proceed with mining. The conference report on H.R. 2 strikes an appropriate balance between the need to develop our coal resources and the need to protect our land and water. It is flexible enough to be applicable to the mountains of Appalachia, the fertile agricultural areas of the Midwest and the arid, fragile areas in the West. It recognizes the interests of individual States by giving them the principal responsibility for regulation within their borders.

Mr. President, I urge my colleagues to vote against the motion to recommit, accept the conference report, and thus end the Senate's 7-year struggle to enact the Federal surface coal mining law.

Mr. President, I shall read into the RECORD at this point a letter that I received from James A. Joseph, Under Secretary of the Interior. It is dated July 20, 1977:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., July 20, 1977.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: I understand the Senate will today be taking up the conference report on S. 7, the Surface Mining Control and Reclamation Act of 1977.

As you know, the passage of this bill into law is one of the cornerstones of this Administration's energy policy. The bill as reported from conference will provide an environmentally sound framework for harnessing our vast domestic reserves of coal.

The Department of the Interior supports approval of the conference report by the Senate.

Sincerely,

JAMES A. JOSEPH,
Under Secretary.

Mr. President, I thank the Senator from Montana for yielding the floor for this purpose.

Mr. METCALF. Mr. President, I am very grateful to my colleague and my chairman for that statement.

We did vote against this proposition. He and I joined in the two previous Congresses on this. We went through hours and hours of conference and discussion in previous years on this same grave question.

I appreciate his sincere effort to say—

Let's put an end to all of this discussion and send the bill down to the President which he says he will sign and the Secretary of the Interior supports, and let's start mining coal under the environmental provisions.

I finally have an opportunity to yield to my colleague from Montana.

Mr. MELCHER. I thank my senior Senator for yielding.

Mr. President, it was Churchill who called democracy the worst form of government except all those other forms that have been tried from time to time.

The answer we have on the final version of this bill as presented by the conference committee on the issue of surface owners' consent is the best answer after considering all other possible solutions, because the answer is that the property rights of owners will be respected and will be upheld by law.

How did we get here? How did we get to this issue?

It was because in the early 1900's Congress said in retaining the coal for the United States on lands that were offered for homestead that if that coal were mined only the improvements and the crops would be paid for by the coal company that secured the lease, or the right to mine the coal by the United States.

It was a considered action of Congress at that time that that was right and fair to allow the land to be homesteaded, but to retain the coal.

The Congress addressed the problem at a time when there was not any strip mining, when there was only mining for coal underground, and mentioned in the debate during the consideration of the bill that the homesteader, after all, would not be out very much, that he would be out the necessary land for a right-of-way, for a tipple, and for other things that were necessary for a coal company to mine the coal under shaft methods, underground methods.

Well, the technology, of course, has changed. The coal is the same, but the technology has changed. The coal that was not mined before because it was of a nature and of a geologic structure that did not lend itself to shaft mining has now become valuable in terms of mining it under the means of strip mining.

So it is time that Congress addressed this problem and in equity realize that those landowners will have not just a small fraction of their land disturbed if it is mined, but will have it stripped—all of it. The buildings moved, the fences torn down, the grass, the trees, the crops stripped, and that is a different situation—entirely different.

So, in equity, Congress should recognize the technology that will be used, that it will be strip mined, and that those landowners will not just lose a tiny fraction of their land if it is mined, but will lose it all.

Eminent domain is not the proper way to treat landowners. How about other land in the United States? What land in the United States would have attached to it the requirement that the landowner give up his surface so that Uncle Sam could have all the subsurface?

I do not know of any other land. I have not been advised that there is any other land, not by the Senator from Arkansas, not by the Senator from Wisconsin, nor by the Senator from Oklahoma that signed the Dear Colleague letter to us asking us to reject the conference committee report on the basis of this issue.

But the authors of that letter did cite the case of Burlington Northern, citing that that land acquired from the Congress through an act of Congress in the land grant to the Northern Pacific Railroad where there is split ownership would be subject to a different type of procedure.

Not so in Montana. Our State law says where private land is involved with a different owner of the coal, that that coal can be mined only after written consent is given.

It was adopted in 1975 and it was adopted by the Montana legislature specifically with Burlington Northern ownership of coal under consideration.

So the Montana legislature protected, as much as they could, the landowners' rights in that case of split ownership involving the coal.

But the Montana legislature could not act on the federally-owned coal. It is only Congress that can. We are the guardians, or the stewards of the public land and in this case the public's coal.

So it is up to us to take that step that is essential to guarantee the landowners their right of property ownership that so many other landowners throughout this country have.

The amounts of money involved have been stated to be millions of dollars, even billions of dollars involved with surface owners' consent.

That does not happen to be the case in the market where surface owners' consent has been arrived at, coal companies seeking that right to mine federally-owned coal underneath private land. That is not the case at all.

But I think that posing that question begs a point. Are we to measure property rights on the basis of dollars? Are we to take away from a landowner his or her rights to say, "My land is important to me as it is, with my buildings, my trees, my grass or crops as it is. I seek to retain that right."

Are we to take that away on the basis of so many dollars? I hope not.

I think the answer arrived at in the conference committee report on this issue is absolutely correct. It is the best solution after all others have been considered.

Mr. President, the letter from the three Senators I mentioned, who are offering the motion to disagree with the conference report, contains a page from New Times called Party Lines, which already has been made part of the record in this debate, under a unanimous-consent agreement.

In his June 10 article, Robert Shrum expressed fears that allowing landowners the right to decide whether or not his or her land would be strip mined for coal would lead to exorbitant profits. Shrum's fears have been expressed by many others who have considered the strip mine bill during the last 5 years.

Winston Churchill called democracy "the worst form of government except all those other forms that have been tried from time to time." There is a parallel to that in answering the Shrum argument. Permitting the person owning the land to make a decision on whether or not to agree to strip mining is the worst possible solution, some say, but would they admit that all other solutions are worse? To prevent an exorbitant

profit, the only alternative is to deny the landowner the right to keep his land. Shrum reports it as an environmental issue. Environmental organizations have consistently supported the requirement for written consent of landowners. But in addition they, I, and western people, see it as a basic property right that Congress should address as a major concern on what is fair and equitable.

Recognizing that a person with his home and livelihood at stake should have the basic right of deciding, "No, I want my home, my land, my trees, and my livelihood in farming or ranching to stay the way it is and I'm not interested in selling so it can be strip mined," we convinced the House of Representatives and eventually the conference committee between the House and Senate that this right should become an element in the strip mine bill passed in 1974.

We had fought hard to establish it in the bill in the House Interior Committee and on the House floor. The Senate version of the bill that year was different and the final and most difficult agreement in the conference was the section on written consent of the landowner before the federally owned coal underneath the land could be mined. It protracted the conference and almost resulted in failure to agree, thereby scuttling the bill. The conference committee first met on August 7, 1974, and we met 18 times, only reaching a final solution on December 31, 1974. That solution was a compromise and was as follows:

The landowner can make a decision whether or not to strip mine his land. If the decision is "No to strip mining," that was the end of it. If the decision was "Yes, to have it strip mined," the payment for the surface of the land would be restricted on the basis of the value of the surface, the improvements, the loss of income to the landowner, moving expenses that were involved, plus—at the discretion of the Secretary of the Interior—a bonus of up to $100 per acre. The House and Senate both accepted the conference committee decision, but the bill was vetoed by President Ford. In 1975 exactly the same provision was included in the bill passed by Congress, and again the bill was vetoed by President Ford.

During the past half-dozen years, the written consent that has been obtained from landowners over federally owned coal in the West to acquire the right to strip mine the land has varied in price depending on the offers made by coal companies. Some of those offers have been accepted, some rejected. To my knowledge, in no instance has it amounted to more than $1,000 per acre. But in order to answer the argument of utility companies and the cooperatives such as Shrum refers to, we calculated what that cost of the surface right acquired at $1,000 per acre would amount to in a consumer's utility bill: $.00636, or less than ⅔¢ per month.

It is worth knowing that the reason Congress reserved this coal for the United States while allowing homesteaders to gain title to the land was to prevent the grabbing of huge blocks of land just for the sake of the coal that underlies so much of the Western United States. Homesteaders were not deterred from taking up homesteads in North Dakota, Montana, and Wyoming, because of the coal reservation. Remember, then there was not any strip mining for coal, and the colloquy on the House floor in 1916 when the bill was passed referred only to underground coal mining and provided that if the coal was to be mined, the needed land surface for a road or a railroad and for the necessary land for a mine shaft and tipple could not be located on the homestead of the farmer or rancher where their own buildings were situated.

Strip mining, however, is different. It does not just take 1 or 2 percent of the land surface. It takes all the land, including all the improvements on the land where the homes, buildings and trees are; and even when the land is reclaimed, it involves a period of decades in the vast western strip mining operations, where seams of coal are 20, 30, and 50 feet thick and mining on small areas takes years.

Congress did not contemplate in 1916 that strip mining would occur for the coal owned by the United States. Homesteaders who received titles to the land did so on the basis that if the coal was mined it would be done so by underground shaft mining which would disturb and take only a minute portion of their land. The times and the technology have changed, and Congress must also recognize the need for change in the law.

That is the reason for this provision requiring the landowner's rights be recognized before the coal is mined. There are 175 billion tons of coal in the Fort Union Coal Deposit which underlies portions of Wyoming, Montana, and North Dakota. The procedures of obtaining written consent of the landowners have progressed thus far without modifying the law. Congress is recognizing that in the strip mine bill and is appropriately modifying the law on the basis of equity to allow those landowners who say their land is more important to them than anything that has been offered to get at the coal underneath.

The bill as finally agreed to does guarantee to those landowners who really want to keep their homes, trees and livelihood that they will have that precious right. With me, that is a basic right well worth fighting for.

Mr. METCALF. Mr. President, I now yield to my friend who worked alongside me for many months and thousands of hours on this bill, the Senator from Wyoming.

Mr. HANSEN. Mr. President, I thank my distinguished colleague, the floor manager of the bill.

I wish to make some rather brief comments in response to the very eloquent statement of my good friend and admired colleague from Arkansas, Senator BUMPERS.

The situation to which the distinguished junior Senator from Arkansas referred earlier today was anticipated, I think, by the Members of the House and the Members of the Senate who have labored long and diligently on this bill. In order to make certain that there would be no speculation by people who do not qualify as those of us interested in trying to protect the rights of various owners, we placed this language in the bill:

(e) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface;

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent. In computing the three-year period the Secretary may include periods during which title was owned by a relative of such person by blood or marriage during which period such relative would have met the requirements of this subsection.

I think the courts will be keenly interested in determining who indeed is a qualified surface owner, as cases may be brought to trial, if they are. However, it seems to me that this language is very clear in assuring the American public that people who are not farmers or ranchers will not be accorded the right to withhold mining under the terms of this particular section of the bill dealing with surface owner consent.

As has been pointed out, the State of Montana has a surface owner protection law which gives the surface owner the right to say whether or not mining may take place on lands of which he owns the surface.

We have a similar law in Wyoming. It was patterned after the language which was incorporated in earlier versions of this bill and which has been carried down into this bill because of its specificity. I make that point because the specter that has been painted for us by the Senator from Arkansas would have Members believe that we have created in this bill a provision that will yield fantastic amounts of money to a person who qualifies as a surface owner.

So I make this point: Since 1975, the State of Wyoming has had such a law. It has given a surface owner the right, without contradiction, to say whether or not mining may take place. There is no doubt about that. Since 1975, we have had transfers of ownership taking place. In some instances, a coal company not only has acquired the right from the surface owner to mine the land but also has bought him out.

What are we paying for these ranches in Wyoming? These are ranches that my friend from Arkansas says where just the right to withhold consent to mine could yield as much as—I think he pointed out that a 50-foot seam of coal on 1 acre of ground has been computed to have been 5,000 tons, and he says that at 50 cents a ton, the figure that he uses, it could yield $42,500 an acre.

The fact is I know of no sale of a ranch or farm in Wyoming to a coal company

that has exceeded $1,000 an acre. Now, there may be some, but I know of none.

I know of a number that have sold for $500 an acre. So I do not think there is any reason at all to worry one moment about what this surface-owner-protection clause holds for the American public, for the consumers of energy, insofar as a ripoff by a rancher or farmer in Wyoming goes.

There are, according to information we have from the BLM, 26 billion tons of coal already under Federal lease. I remind my colleagues that presently we are mining about 665 million tons of coal per year, surface coal, coal recovered by surface mining, as well as underground mining.

So the point that there are presently under lease 26 billion tons of coal that can be surface-mined alone assures the American public we have got a whale of a lot of coal in reserve that could be recovered just from land already under lease.

Just recently I read that the BLM or the Bureau of Mines, one or the other, or the USGS, to mention a third, had indicated that there was a far greater expansion of the available coal that can be mined in the West.

I make that point because we are getting down to this fact: Why should the Government of the United States give the owner of the surface the right to say whether or not these lands can be mined? Our friend from Montana, the junior Senator (Mr. MELCHER), has already pointed out that when the Federal Government started reserving its minerals back in 1909 there was not the kind of machinery we have today. No one contemplated the kind of a surface mining operation we have today.

I do not disagree at all that if we were to expand this concept to include the drilling and the production of oil and gas, of conducting an underground mine operation, and a lot of other things that we could think about, that we would, indeed, be creating a situation that might very well deserve the serious consideration of Congress.

That is not what we are talking about. We are talking about lands the surface of which was given to a farmer or a rancher by the Federal Government when the minerals were reserved, and when it was never contemplated that this kind of an operation, a surface-mining operation, was going to be taking place.

These ranchers and farmers—and I know a lot of them in the State of Wyoming—have lived and are living on farms and ranches that were patented many years ago. Their father and oftentimes their grandfather have operated on the land. In more cases than just a few, their parents and their grandparents are buried on that land.

All we are saying in this surface-ownership-protection provision is that the surface owner shall have the right to say whether or not his lands are to be surfaced-mined. We are not talking about a couple of years. A surface-mining operation can continue for as many as 40 years' time, and it is not simply a case of inconveniencing that rancher or farmer for a year or two. It means, in effect, for all practical purposes, once that surface-mining operation has started, and pending its final completion and the restoration of the land, which is called for and guaranteed by this bill, that rancher or farmer is going to have his way of life practically totally disrupted.

I think we have struck a very fair balance in determining what the rights of the landowner should be under this situation and, at the same time, what the rights of the Government should be.

Mr. President, I do not think there is much more that needs to be said and, perhaps, I have been—and I certainly have—repetitious already in saying what I have. But I want to have no one in this Chamber present now under any illusion that we are doing something here that is not fully consonant with what the Government of the United States did in the first place when it gave a farmer or a rancher the right to own the surface of the land.

When we move in now with a whole new technology and say, "We are not going to remove the coal," as was contemplated when we reserved the coal back in the early part of the century, but by a whole new technique now, which is going to virtually mean putting you off the land and keeping you off until long after you are dead and buried, that is a different situation.

I yield the floor.

Mr. METCALF. Mr. President, I would like to ask if the Senator from Arkansas would now yield some time. I would like to take not more than 10 minutes, probably 5 minutes, to close the debate. But I ask, Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Montana has 32 minutes and the Senator from Arkansas has 17 minutes remaining. I beg the Senator's pardon, 78 minutes remaining.

Mr. BUMPERS. You just caused my heart to flutter. [Laughter.]

The PRESIDING OFFICER. The Chair heard the heart fluttering.

Mr. BUMPERS. I have 2 or 3 more minutes of comment I would like to make, after which time I would like to put in a live quorum call, following which we would agree, that immediately after the quorum is established, we would finish with 30 minutes, to be divided evenly.

I would like to ask the Senator from Montana if that would be acceptable to him. I would be happy to yield on establishing the live quorum. I have 78 minutes left.

The PRESIDING OFFICER. The Senator from Montana has 32 minutes.

Mr. BUMPERS. The Senator has been very generous and cooperative, and I would be happy to at least start the quorum on my time until we get down to where I am even with him.

Mr. METCALF. The Senator from Arkansas has the right to put in a quorum call, and has the right to make a live quorum, but I would be pleased to agree to a quorum call now.

REQUEST FOR TIME-LIMITATION AGREEMENT

Mr. BUMPERS. Let me ask the Senator this: If I could change my proposition slightly, that we just put in a quorum call and go live, with the understanding, on a unanimous-consent request, that the minute the quorum is established we each have 15 minutes left, immediately following which the vote would be taken.

Mr. METCALF. I have no objection.

Mr. ROBERT C. BYRD. I would recommend that. I am glad the Senator has made that suggestion. Would he like to begin the live quorum now?

Mr. BUMPERS. I have 2 or 3 minutes, after which I would like to have the live quorum.

Mr. ROBERT C. BYRD. Very well, with the understanding that following the live quorum there will be 30 minutes equally divided.

Mr. METCALF. I have no objection.

Mr. HANSEN. Reserving the right to object—and I do not intend to object—I would call attention to the fact that there is a Department of Energy conference taking place now, I understand, and there is another conference in place that involves, I understand, Members of the minority, I would say to my good friend.

Mr. BUMPERS. Mr. President, I do not wish to be put in the position of objecting to my own request, but I have been advised that there is a Republican caucus taking place which started at 2 p.m. I wonder if the Senator from Wyoming has any idea when the caucus might terminate.

Mr. HANSEN. I am sorry. I do not know.

Mr. BUMPERS. I am most reluctant to start the live quorum as long as they are going because it would certainly defeat the purposes of a live quorum if Senators came in, answered the roll, and then went right back in caucus.

I wish, if at all possible, for the live quorum to take place immediately following the Republican caucus.

Mr. HANSEN. Of course, there is no way, as the Senator knows, of keeping a Senator in the Chamber once he has answered the roll. I would think all we can do is go ahead and call it.

Mr. BUMPERS. With that understanding, I withdraw my own unanimous-consent request and immediately after making a few comments I shall ask for a quorum call to be charged against my time so that we can find out when the caucus will be over.

Mr. METCALF. Mr. President, will the Senator agree to the other part, that after the quorum is over, whether it is called off or a live quorum, each side would have not more than 15 minutes?

Mr. BUMPERS. Do not get confused on this. With the Senator's permission, I wish to postpone that a minute. I shall put in a quorum call at my expense, and the Senator from Montana and I can discuss it and see if we can work it out.

Mr. METCALF. Very well.

The PRESIDING OFFICER (Mr. RIEGLE). The unanimous-consent request is withdrawn.

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I am not going to repeat any of the arguments I made this morning, but I do wish to point out the editorial from the New Times, which I believe has already been

made a part of the RECORD. While it is in the RECORD. I think there are some very salient points made in the editorial, and it is very interesting that this has not attracted the attention of the press or any of the media in this country. This is the only editorial I have seen that really goes to the heart of what this issue is all about.

We are talking about $50 to $250 billion that the American public is going to pay in the next 20 to 50 years. Maybe that is not very scintillating to write about.

But New Times has certainly hit the nail right on the head. If I may, I shall read just a couple paragraphs from it. It starts out by saying:

The Senate and the House soon will decide, in a conference committee, whether or not to sanction one of the greatest giveaways to private interests in American history. The House version of the strip-mining bill would hand tens of billions of consumer dollars to oil companies and major ranching interests in the mountain states.

It goes ahead and states that:

The story begins with the energy crisis of 1973 and the government's decision to shift to a heavier reliance on coal. Under the ground of the mountainous West, from the foothills of New Mexico to the grazing lands of Montana, lay vast coal reserves; their worth exceeds a trillion dollars. Eyeing them, the Ford Administration projected that Western coal production could be tripled to 300 million tons by 1985.

It goes on, but let me skip through the editorial and come down to the point:

Fred Simonton, the executive director of the Midwest Electric Consumers Association, a cooperative of consumer-owned utilities, is one of the few experts who has bothered to analyze the effects of granting surface owners the additional right to block the mining altogether. In a recent letter to energy czar James Schlesinger, Simonton warned that it would be a "giveaway of enormous proportions for the benefit of giant energy companies and a few landowners." And he's right.

For the energy companies will pass on to consumers the inflated cost of buying the consent of surface owners, who can set prices as high as they wish. Those prices will have to be paid because, as Simonton put it to Schlesinger, "the government is requiring a conversion [by utilities] . . . from oil and gas to coal."

Who will reap this windfall? Though precise statistics have not been compiled, most experts agree that the largest portion of the affected land belongs not to family farmers, but to agri-ranchers with their sprawling tracts of land. And it turns out that the other major holder of coal-rich Western land is the oil industry, which early on sniffed the breezes of this potential windfall. Quietly, big oil has gained control of five of the nation's seven largest coal companies—and, in turn, those coal companies, as Fred Simonton notes, previously had "bought up [many] surface owner consents." So as the other surface owners raise the price of giving their consent under the Melcher provision, the value of what the oil-coal conglomerates now hold will "automatically, drastically increase." For all coal—like oil—rises to the highest price of any of it. Thus, companies that already have purchased surface-owner consents cheaply could now sell the resulting coal, not at this cost plus a reasonable profit, but at an exorbitant level reflecting the higher costs of obtaining the consent of other surface owners.

That has already been printed in the RECORD, but I am pleased that at least one publication in this country has seen the magnitude of what we are debating here today.

QUORUM CALL

Mr. President, unless someone else wishes time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 19 Leg.]

Allen	Hayakawa	Roth
Anderson	Inouye	Sarbanes
Bumpers	McClure	Stevens
Byrd, Robert C.	Melcher	Talmadge
Case	Metcalf	Weicker
Chiles	Metzenbaum	Zorinsky
Church	Pell	
Hansen	Riegle	

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

(Mr. FORD assumed the chair.)

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk	Glenn	Morgan
Baker	Goldwater	Moynihan
Bartlett	Gravel	Muskie
Bayh	Griffin	Nelson
Bellmon	Hart	Nunn
Biden	Haskell	Packwood
Brooke	Hatch	Pearson
Burdick	Hatfield	Percy
Byrd, Harry F., Jr.	Hathaway	Provmire
Cannon	Helms	Randolph
Chafee	Hollings	Ribicoff
Clark	Huddleston	Sasser
Cranston	Humphrey	Schmitt
Culver	Jackson	Schweiker
Curtis	Javits	Scott
Danforth	Johnston	Sparkman
DeConcini	Kennedy	Stafford
Dole	Laxalt	Stennis
Domenici	Leahy	Stevenson
Durkin	Long	Stone
Eagleton	Lugar	Thurmond
Eastland	Magnuson	Tower
Ford	Matsunaga	Wallop
Garn	McGovern	Williams
	McIntyre	Young

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN) and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) and Senator from Maryland (Mr. MATHIAS) are absent on official business.

The PRESIDING OFFICER. A quorum is present.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a limitation of 30 minutes, to be equally divided between Mr. BUMPERS and Mr. METCALF.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time?

Mr. BUMPERS. I yield myself 10 minutes.

Mr. President, obviously, the quorum call did not serve any useful purpose. I had hoped that a few Senators would be present to hear a summation of the arguments involving the issue. But I will go ahead and make the point that I already made this morning regarding this motion to recommit.

Mr. President, I think it would be instructive to note that the instructions in the motion to recommit are very narrow. Admittedly, under the precedents of the Senate, this does not preclude the conference, if the bill is recommitted, from going into other issues. But I make the point that I do not know of even one conferee who has any interest in reopening any issue in the conference report except the one we are talking about now—the surface-owner consent provision.

This is generally a good bill. The Senator from Montana is to be congratulated for his long years of work on it. Many controversial issues were resolved, and I think everybody wants them to stay resolved.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. ROBERT C. BYRD. Does the Senator want to ask for the yeas and nays on his motion now, while we have enough Senators present?

Mr. BUMPERS. Yes.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Mr. President, it was with serious reservations that I decided to move to recommit this matter, because I know, No. 1, it is almost impossible; and, No. 2, I did not want to deprecate the work that the conference committee did on most of the bill.

However, we are talking about the language that the Senate adopted after 2 days of debate, and was passed by a substantial majority, and from which the Senate conferees receded before the House even had an opportunity to say whether or not they liked the Senate language.

The chairman of the conference committee, Mr. UDALL, told me that he had no quarrel with the Senate language. And why would he? The Senate language for which I am fighting is the most liberal language in the history of this body.

The people who champion the House provision are saying, "We do not want to disturb those small farmers and ranchers out West," and I do not either. I champion their cause. I do not want them to have to move off. If they do have to move off because the coal belongs to us and we have to have it, I want to be certain they are well compensated. So what do we do in the Senate language? We gave them twice the value of the surface. We said if the Secretary elects to mine that coal, the surface owner is entitled to twice the value of the coal. He is entitled to 2 years' loss of profits. He is entitled to all his relocation costs. He is entitled to anything else he can conjure up and reasonably justify. Finally, Mr. President, he is entitled to get his land back in as good as or

better condition than it was before it was mined.

That does not show a lack of sensitivity or a lack of charity on the part of the Senate for the surface owners of the West.

That is not all. We also provided that the Secretary cannot mine land out there where the surface is owned by somebody else unless he finds it is in the national interest. What is wrong with that?

Somebody mentioned that Senator Mansfield, the former majority leader, did not want the coal mined at all. That is true, he did not. But what he said was where the surface owner is one person and the United States owns the coal under that surface, it should not be disturbed until it is absolutely necessary. That is all the Senate bill says. What is wrong with that?

There is a map; we have looked at it a hundred times in this Chamber. It has not changed any. It says that in the States of Wyoming, Montana, North Dakota, and South Dakota the Government owns 96 billion tons of strippable coal. It also says the surface over that 50 billion tons of coal is owned by somebody else.

Mr. President, we are not talking about peanuts. We are talking about a lot of money. I did a little calculation here on the blackboard this morning and I invite the Senate's attention to it again.

One way you might look at that is that if the surface owner demanded and got $1 an acre royalty for his veto, you know right now that ultimately somebody is going to pay $50 billion for that coal in those four States which belongs to the United States.

Do you know what the House of Representatives' position says? It says we own the coal; we started reserving the coal in the early part of the 20th century, and now we are saying, "We are going to give it back to you so you can sell it back to us." That is what this bill says, and anybody who votes for it ought to understand that.

But let me tell you whom we are protecting. We are not just protecting small ranchers and farmers. Most of that land is owned already by the oil companies, by the coal companies, by the agriranchers out there. What does that mean to them in dollars? The National Coal Association says that if I own coal 50 feet thick—and that is just about the average of the veins in Wyoming and Montana—it will produce 85,000 tons of coal an acre. The going rate right now for consent is 50 cents a ton. That means those ranchers and farmers and corporations and agribusiness interests can demand and get right now $42,500 an acre for their land. I submit that they can, with some prodding, be convinced to sell for that. If they own 640 acres with a 50-foot seam of coal under it—and that is a small spread in Montana and Wyoming—that section of land is worth $27,200,000. I submit that it will not be difficult to get a man to sell a section of land in Wyoming and Montana for that amount of money.

I submit you can buy the richest farmland in the United States for a fraction of that price.

What we are talking about is the national interest. What we are talking about is the issue of unjust enrichment.

Mr. President, someday a lot of people are going to start writing stories. The press is not interested in this now, and they never have been. As I said earlier, the New Times is the only magazine publication of any kind that has picked up on this issue.

Not long from now, as the scandals begin to unfold, and they are certainly going to unfold, somebody is going to come and look at the record to find out who the father of this thing is. It is not going to be the Senator from Arkansas. As reluctant as I was to offer this amendment, and in the certain knowledge that this body would almost certainly not vote for a motion to recommit, I, for one, was not going to let an issue of this magnitude go by unnoticed and untalked about.

You know what is going to happen and I know what is going to happen. The Kaneb Corp. of Houston, Tex., is in Campbell County, Wyo., and, according to the National Coal Daily, has recently acquired 5,800 acres, not of surface rights, let me repeat not of surface rights, gentlemen, but of the right to consent. That points out a loophole in this bill big enough to drive a wagon and team through.

They go out there and they say, "Look, I know you don't want your surface disturbed. You don't want the coal mined under your land. You just give us the consent because one of these days your children or grandchildren may want to consent, and we will pay you now for it."

You have the right. When the President affixes his signature to this bill, which he is very likely to do, Kaneb Corp. is going to be in Wyoming, Montana, North Dakota, and South Dakota in droves. Where are the people in this country who are so anxious to protect the consumers in this country? Who is going to pay this $50 billion to $200 billion ripoff? Why, the utility users of America.

I have heard at least half the Senators on this floor cry tears for the utility payers of this country. Yet they will come in here and with total abandon vote for a bill that will raise the price of the utility electrical rates in this country very substantially. Everybody who votes not to recommit ought to understand precisely what they are voting on.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Montana.

Mr. METCALF. Mr. President, my colleagues from Montana and Wyoming have adequately covered, I believe, the problem. But just as Senator BUMPERS is reiterating many of the arguments he made this morning, I want to underscore some propositions we are voting for.

In the first place, we had in conference almost 200 differences between the House and the Senate. When this bill goes back to conference, if the motion to recommit is successful, every one of those 200 differences will be before the conference again.

Senator BUMPERS suggested he does not want to bring up anything other than surface-owner consent. I want to remind some of us who were in the conference for the bills that were vetoed, the two bills, we spent more than 90 hours debating this question of surface-owner consent. We were very divided in the Senate. They were divided over in the House of Representatives. We spent 2 hours, two conferences, discussing this matter with the House of Representatives when Senator BUMPERS was not there.

So when he tells you that this motion to recede took place without the House having anything to say about it, he does not recall that while we deferred until he was present, we did have some discussion with the Members of the House, and even on that last day when we voted, the fourth day after we deferred for three times, the Members of the House participated in the discussion.

Even if we take up only surface-owner consent, we go back into hours and hours and hours of discussion on the conference bill. But there is not any assurance that we will not take up alluvial valley floors, prime agricultural land, that the House will not raise many of these other questions.

We have a good bill. In my opinion we have a better bill than we had before. Some of the reasons we have a better bill are because we have had some assistance from such Members as the present occupant of the chair, the Senator from Kentucky (Mr. FORD), who comes from the largest coal-producing State in America, and he made substantial changes in this legislation.

The Senator from Ohio (Mr. METZENBAUM), also new to the conference, made an outstanding contribution.

Senator BUMPERS had participated in much of the markup, and also made a contribution.

But if we have to go back to conference there is not any assurance we will not have to go through the entire 12 days all over again and take up these entire matters again.

Mr. DOMENICI. Mr. President, will the Senator yield 2 minutes to the Senator from New Mexico?

Mr. METCALF. I would be delighted to yield because the Senator from New Mexico also made a contribution.

Mr. DOMENICI. I was going to ask the distinguished Senator from Montana a question. I heard the Senator from Arkansas in the last few minutes contend that these consent rights are going to be a marketable commodity, that the people are going to sell them and there will be holders of these who will own the right as a piece of commercial paper.

Am I reading the right conference report on this bill, the one that is on our desks that says "conference report to accompany H.R. 2"? That is the bill we are talking about; is it not?

Mr. METCALF. Yes.

Mr. DOMENICI. I am reading on page 89. It says for persons to give consent they have to hold legal or equitable title to the land surface; and they have to have their principal place of residence

on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations.

That is still in the bill, is it not, I ask the distinguished leader?

Mr. METCALF. Yes, that is correct.

Mr. DOMENICI. I wonder if the Senator from Arkansas understands that that is still in the bill when he contends that these rights to consent will be sold and bartered away in the marketplace. Does he find some way in that language that a corporation could go out there and buy up his right to consent and then sell it 10 years from now?

Mr. BUMPERS. I am telling the Senator that they are doing it right now. It may be questionable and it may be litigable, but I am telling the Senator they have already done so to 5,800 acres.

Mr. DOMENICI. If they are doing it now, they are not doing it under the language here that has concern with whether or not the Secretary of the Interior can force this kind of mining activity on the ranch.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. McCLURE. Mr. President, will the Senator from Montana yield briefly?

Mr. METCALF. I yield to the Senator from Idaho.

Mr. DOMENICI. I thank the Senator.

Mr. METCALF. I thank the Senator from New Mexico for bringing that matter up.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. METCALF. Two minutes.

The PRESIDING OFFICER. The Senator yields 2 minutes.

Mr. McCLURE. I thank the Senator for yielding.

I follow what the Senator from New Mexico has said. I know the Senator from Arkansas feels very strongly about this, but I am afraid he is allowing his emotions to overcome his reason because certainly, even though they may be dealing in surface owner consent, the provisions of the bill do not provide any compensation for that consent or any requirement for that consent except under the carefully restrictive provisions of this bill.

And under the precise conditions the Senator from Arkansas has mentioned there would be no compensation under this bill, no consent required, so they are buying something that has no value.

Mr. BUMPERS. Will the Senator yield?

Mr. McCLURE. I have no time. I am glad to yield on the Senator's time.

Let me make just one further point, and that is in regard to the article in New Times to which the Senator from Arkansas has made reference. He is assuming that because oil companies have bought surface owner consent or surface rights that they have somehow increased the value of surface rights. The truth of the matter is once they have bought the surface rights the question has been removed. There is no question remaining. If as a matter of fact they bought it then the issue is moot. It does not raise the issue. It lays it to rest. So the very article that the Senator brings up lays to rest his own argument.

Mr. BUMPERS. If the Senator will allow me to comment on that, the point I am making is the surface owner will retain the right to consent but what the Kaneb Corp. is buying is the right to get the coal when he gives his consent. They are saying simply: "If you or your children or your grandchildren ever decide to give your consent you give it to me."

Tell me where in the bill that is prohibited.

Mr. MELCHER. Will the Senator yield?

The PRESIDING OFFICER. The 2 minutes of the Senator from Idaho have expired.

Mr. METCALF. Mr. President, I am in complete accord with the Senator from Idaho and the Senator from New Mexico.

When the Senator from Arkansas first raised this question and read from the New Times, or whatever it is, a publication I never heard of before, when he read it this morning I asked counsel for the committee to look into that. I am told that there is not any way to barter this surface consent off without complying with the provisions of the legislation and they are rather strict and they are rather difficult with which to comply.

But I want Senators to turn to that map back there which is completely and totally inaccurate. It is not a map that is up to date.

Two years ago, if I stood on the same side of this question as the Senator from Arkansas stands today, I might have talked about that map. But I have gone to clerk and recorder offices and talked to landowners whose land is pictured on that map, and they have already sold or leased the surface. The surface owner who does not want his coal mined is nearly all that is left in the State of Montana and the State of Wyoming. He is the surface owner who wants to continue to live on the ranch on which he and his father and his grandfather lived since the days that they homesteaded it.

Those are queer people. I do not understand why they do not lease their coal and move to Acapulco, or some place, but there are a whole lot of people out there who want to fork frozen hay in the middle of a 40-degree blizzard and live on this land. And this is all that is left today or almost all that is left anyway, I say to the Senator from Arkansas. We are giving those people who want to live there, live out on their ranch, the opportunity to say: "You are not going to mine my coal. I am not going to give consent to the mining."

He says that the big oil companies have acquired the surface. If they have acquired the surface, then the question is completely moot. The surface is there. The oil companies have acquired it. They can go ahead and give their consent and mine. The coal companies have acquired so much coal already that there is no problem about adequacy of coal. Down in the Crow Indian Reservation there is a big mining operation and we cannot find the Crow Indians to make an agreement on what the extension of the mine will be. So the coal companies said: "OK, if we cannot get the approval from the Crow Indians we will move someplace else."

There is so much coal already leased down in the southeastern part of Montana and the Powder River Basin of Wyoming that it will take years and years and years before they have to even get into this problem.

The only question that is left, Mr. President, is the question of whether or not we are going into that area and take away from these ranchers the right to continue to perpetuate their way of life.

We have a balanced bill. I think we have a better bill than we had before. I regret that the President has twice vetoed these bills. Had he not vetoed it we would have been underway in the matter of surface mining. But there is a little bit of a bonus here, in that we have achieved, I think, a better piece of overall legislation.

I hope that this will be the last time on the Senate floor that we will have to consider this after 7 years of effort to pass a bill that stabilizes the mining industry and at the same time provides for conservation, rehabilitation, and restoration of our natural resources.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, will the Senator yield 2 minutes?

Mr. METCALF. I yield 2 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois has 2 minutes.

Mr. PERCY. Mr. President, I express deep appreciation to the manager of the bill for having brought us a monumental piece of legislation. I think this bill will be very reassuring, indeed, to both those people who feel that we must move ahead rapidly with the development of our energy resources and to those concerned with protection of the environment.

I am particularly appreciative that the Senate conferees prevailed and the House receded on the amendment that I introduced dealing with prime farmland, section 410(d). Millions of acres of prime farmlands have coal reserves beneath them. It was a matter of grave concern to those who are anxious to keep our production high. This amendment also was important to those who are concerned about the amount of prime farmland being taken out of production every single year. This country is in urgent need of and greatly depends upon this land.

The language worked out by the conferees is certainly acceptable to the Senator from Illinois. It assures that any strip mining permits will take into account technological capabilities to restore that land to its original purpose once it has been mined——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY (continuing). This has been my primary concern. I commend the managers of the bill on their accomplishment.

Mr. DOMENICI. Mr. President, will the Senator yield me 1 minute?

Mr. METCALF. If I have it.

Mr. DOMENICI. I just want to say to my good friend from Arkansas that I sympathize with his desire to have more Senators listen to the debates on this floor, but I do hope he will understand, from some of our positions—I am speaking personally to him—that I basically believe I have heard the arguments a number of times, and I hope he will understand, in terms of my not having been here, although he is right that I have a genuine interest as a conferee.

I did hear one thing new today in the half hour I have been here, and that one thing amazes me, because there are still plenty of ranchers holding on to their ranches. I really did not understand that, in the light of the Senator's last calculation that their lands may be worth $27 million an acre. I just do not believe there would be any around if anything like what he is suggesting were the case.

Mr. President, I do not believe the 50 major ranches in either of the two States involved are worth $27 million altogether, much less than much for 1 acre.

Mr. BUMPERS. Mr. President, first of all, to correct the Senator from New Mexico, I did not say $27 million an acre, I said $27 million a section, or about $42,200 an acre.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. BUMPERS. No, I will not because my time is limited.

As to the accuracy of this map, Mr. President, this map was prepared under the auspices of the Department of the Interior, the Department of Agriculture, the Environmental Protection Agency, and the State governments of Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

Mr. HANSEN. As of what date?

Mr. BUMPERS. This map was commissioned in 1971, by a group representing those agencies.

Second, you can talk all you like about sending this bill back and opening up the whole strip mining bill. Gentlemen, you are not going to reopen the whole thing. The instructions say, and I think the conferees will abide by it, that we are going to consider this one point, that is, the surface owner consent provision.

What we are doing here, at least in North Dakota and South Dakota, is say to the Burlington Northern railroad, "You can come in and mine the coal and pay the surface owner his damages," but the United States cannot do that.

When the U.S. Government had the good sense to reserve all this coal upon releasing the surface for homesteading in the four States I mentioned earlier, we are now saying that did not mean anything. We are saying, "We are going to give it back to you so you can sell it back to us."

Mr. President, that does not make any sense, and will not make any sense to future historians, either.

We would not be here today if Senators BARTLETT had had an opportunity to vote on this issue in conference, because the motion to recede would have failed on a 5-to-5 vote. I regret that he was not permitted to vote on it, because he wanted to very badly.

Mr. President, I know I am not changing any minds here, but if this proposal gets one vote, I have no regrets about having done it, and I will be very pleased for all the investigative reporters and future historians to read the record of this debate today, and the debate that transpired in the Senate about a month ago.

What is happening out there right now in anticipation of the choice being made is the most significant thing that has happened on this bill; and what is going to happen in the future is going to be one of the most outrageous abdications of responsibility the U.S. Congress has ever been accused of. It will make Teapot Dome look like child's play.

I will repeat what I said this morning: The blame will lie right here. The U.S. Government, in a paternity suit, will be found guilty. It will have legitimized something for which we will all be sorry.

Mr. President, I yield back whatever time remains.

Mr. MELCHER. Mr. President, the Senator from Arkansas (Mr. BUMPERS) makes a strong and startling argument over the cost of surface owner's consent. It is a strong argument because it involves, under his arithmetic, a great amount of money for that consent, and it is startling because the figures he uses are so much greater than any amounts of money previously discussed.

During the 50 years when the surface owner's consent has been an issue regarding the strip mining bill, those of us supporting surface owner's consent have continually striven to determine what the amounts of money are per acre that are involved when a rancher or farmer agrees either to sell his land or to give his consent for the purpose of strip mining. I have talked to the Senator from Wyoming (Mr. HANSEN) a number of times on this point and neither of us knows of any instance where such a sale has been consummated that has been as high as $1,000 per acre. But, using what I feel is a high price per acre, $1,000, we have computed what that would mean in terms of cost to the consumers of electricity from coal that is burned in a utility plant that provides them with that electricity. I ask unanimous consent to have that printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Cost to consumer when an electric company pays $1,000 per acre for the land over Federal coal:

55,000 tons/acre at $4.00/ton=$220,000 coal/acre; asking price for surface is $1,000 per acre at $1,000/acre=1.8 cents per ton.

Impact on the cost of a kilowatt of electricity:

The national average for coal-fired steam electric generation plants of the number of BTU's required to produce one kilowatt-hour of electricity in 1970 was 10,269 BTU's; for the Mountain region (Montana, North Dakota, Wyoming, South Dakota, etc.) this figure was 10,445 BTU's. Source: National Coal Association.

$$\frac{97 \text{ kilowatt-hours per million Btu's of heat}}{10{,}269 \text{ Btu/kWh } 1{,}000{,}000 \text{ Btu}}$$

BTU value of the Colstrip Mine coal is 8,750 BTU/pound or 8,750 BTU/lb. x 2000 lb. = 17.5 million BTU per ton.

Thus, one ton of Colstrip coal can produce: 17.5 million BTU x 97 kwhr/million BTU = 1697 kilowatt-hours.

With an increase of 1.8 cents per ton (based upon surface value of $1,000) the cost per kilowatt-hour is:

$$\frac{.0000106}{1697).018000} = \$.0000106 \text{ per kWh increase}$$

An average home uses about 600 kilowatt-hours of electricity per month, thus the increase in the cost of a ton of coal of 1.8 cents would amount to: $.0000106 per kwhr. x 600 kwhr.=$.00636 or .636 cents per month or approximately ⅔ of 1¢ per month.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the motion of the Senator from Arkansas. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. LEAHY). The Senate is not in order. It is becoming increasingly difficult to hear the votes. Senators are asked to keep the well as clear as possible. Those Senators having conversations of a noncritical nature will kindly retire to the cloakrooms. Voting will be suspended until such time as there is order in the Chamber.

The clerk will suspend until such time as there is order in the Chamber.

The clerk may proceed.

The legislative clerk resumed the call of the roll.

The PRESIDING OFFICER. The Senate will be in order. The clerk will suspend until there is order in the Senate. Senators have indicated to me they are unable to hear names being recorded on the recapitulation. The clerk will suspend until there is order in the Chamber. The Chair asks for the cooperation of Senators so we can get on with the rollcall. The rollcall will remain suspended until there is order in the Chamber.

The clerk may proceed.

The legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) and the Senator from Maryland (Mr. MATHIAS) are absent on official business.

The result was announced—yeas 43, nays 53, as follows:

[Rollcall Vote No. 309 Leg.]

YEAS—43

Abourezk	Eagleton	Pell
Allen	Hathaway	Percy
Anderson	Hollings	Proxmire
Bartlett	Humphrey	Ribicoff
Bellmon	Inouye	Riegle
Biden	Kennedy	Sarbanes
Brooke	Leahy	Sasser
Bumpers	Matsunaga	Stafford
Burdick	McGovern	Stevenson
Cannon	McIntyre	Stone
Chafee	Metzenbaum	Talmadge
Chiles	Morgan	Tower
Culver	Muskie	Williams
DeConcini	Nelson	
Durkin	Nunn	

NAYS—53

Baker	Gravel	Melcher
Bayh	Griffin	Metcalf
Byrd, Harry F., Jr.	Hansen	Moynihan
	Hart	Packwood
Byrd, Robert C.	Haskell	Pearson
Case	Hatch	Randolph
Church	Hatfield	Roth
Clark	Hayakawa	Schmitt
Cranston	Helms	Schweiker
Curtis	Huddleston	Scott
Danforth	Jackson	Sparkman
Dole	Javits	Stennis
Domenici	Johnston	Stevens
Eastland	Laxalt	Thurmond
Ford	Long	Wallop
Garn	Lugar	Weicker
Glenn	Magnuson	Young
Goldwater	McClure	Zorinsky

NOT VOTING—4

Bentsen	Mathias	McClellan
Heinz		

So the motion to recommit was rejected.

Mr. METCALF. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following proceedings occurred earlier and are printed at this point by unanimous consent.)

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. McCLURE. I thank the Senator for yielding.

I should like to ask a question with reference to section 510(d)(2) which provides that the special requirements prescribed in that subsection for mining on prime farmland shall not apply to any permit issued prior to the date of the act, or to any revisions or renewals thereof, or to any surface mining operations for which a permit was issued prior to the enactment of this act.

The conference report explains that this exclusion for existing mine permits or renewals thereof after the date of the enactment was designed to assure continued operation of ongoing mines.

I am in complete accord with the expressed intention of the provision and merely wish to confirm my understanding of its purpose and effect. Am I correct that the exclusion will apply to continued operation of an ongoing mine beyond the acreage and time covered in the existing permit at the time of the enactment of the act, just so long as the continuance does, in fact, constitute a continued operation of an ongoing mine?

Mr. METCALF. Yes. I say to the Senator from Idaho that that would be my interpretation of this clause and this proposition as it was carried forward from the House and the Senate respective bills into the conference.

Mr. McCLURE. I thank the Senator for that comment.

I say to my colleagues that those of us who worked with this legislation over the last several years recognize that it does not do everything that everyone would like to have done. It is not a perfect piece of legislation in the minds of any of us, I suspect, but it is a good compromise, in my judgment.

I join my colleagues in commending the Senator from Montana for having done a fair job in conducting the hearings as well as his participation in the markup and the conference of this very, very difficult and important piece of legislation.

While I share with some of my colleagues some of the reservations about individual portions of the bill, I am as certain as I am standing here that if it is recommitted, we are not going to improve it; that we have done the best job that is possible to do in compromising the various points of view and bringing about what is a workable solution to the very real necessity of getting adequate reclamation upon the stripmined areas of this country, but still permitting strip mining under those strictures.

The bill has my support. I will oppose the motion to recommit it, because I do not think there is any useful purpose in trying again to do what has been done many times in many hours of a very difficult conference.

I commend the Senator from Montana for his efforts.

Mr. METCALF. I thank the Senator from Idaho. He has participated in this bill and the other two bills all the way. He has cooperated in many of the hours we have spent on the bill.

(This concludes proceedings that occurred earlier.)

Mr. METCALF. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Montana has 16 minutes remaining.

Mr. METCALF. Mr. President, if we could get to that point, I should like to have passage without the yeas and nays, in view of the fact that most of this debate has taken place on the motion to recommit. I am prepared to yield back the remainder of my time if the Senator from Wyoming is.

Mr. HANSEN. I yield back my time.

ADDITIONAL STATEMENTS SUBMITTED

Mr. HANSEN. Mr. President, in regard to section 714 of the conference report, accompanying H.R. 2, the Surface Mining Control and Reclamation Act of 1977, I would like to point out to my colleagues the Senate report on page 102 has some language which I think is very pertinent to some of the issues being discussed today. It says and I quote:

Special problems arise where coal deposits have been reserved to the United States but title to the surface has been conveyed to private individuals. This section establishes as Federal coal leasing policy a requirement that the Secretary of the Interior not lease for surface mining, without the consent of the surface owner, Federal coal deposits underlying land owned by a person who has his principal place of residence on the land, or personally farms or ranches the land affected by the mining operation, or receives directly a "significant portion" of his income from such farming. The Committee does not intend by this to impose an arbitrary or mechanical formula for determining what is "significant." This should be construed in terms of the importance of the amount to the surface owner's income. Significant is not intended to be measured by a fixed percentage of income. For example, where a person's gross income is relatively small, a loss of but a fraction thereof may be significant. By so defining "surface owner," the bill should prevent speculators purchasing land only in the hope of reaping a windfall profit simply because Federal Coal deposits lie underneath the land.

At the same time, so that there will not be any undue locking up of Federal coal, no stipulation has been placed upon the amount and manner of negotiation between the prospective lessee and the surface owner.

This section will insure that the valuable agricultural lands under which lie deposits of Federal coal will not be unduly disturbed by surface mining. By allowing direct negotiations between the lessee of the coal and the surface owner, individual safeguards can be agreed upon to benefit the land on a case by case basis, making it more likely that the surface owner will be able to remain on the land.

I think it was clear that the committee, and for that matter the House of Representatives who developed the language that is currently in section 714, clearly intended that the written consent could be given to any party including the Secretary and that they were fully aware that surface owners have already entered into agreements or consent to or with coal companies which intend to attempt to obtain Federal coal leases. Does the distinguished Senior Senator from Montana agree that written consent could be given to any party, including the Secretary, prior to leasing, prior to the date of enactment or in the future, as the surface owner may see fit?

Mr. METCALF. As the Senator from Wyoming knows, the conferees agreed to the House bill. In the joint explanatory statement of the conference committee the conferees stated it would require the Secretary to obtain the written consent of the surface owner, as defined before leasing any coal deposits underlying the surface owners land for surface mining. I think it is quite clear in the Senate report language and is the intention of the conferees the Secretary may obtain consent which is in fact evidence. He also may be given evidence of consent as given between the surface owner and the potential leasee, operator, or other party. As the Senator is aware, the committee and the conferees and the House of Representatives agreed that many surface owners have already entered into agreement with coal companies which intend to obtain Federal coal leases.

Section 714 does not apply retroactively to require new consents and payments to the surface owner where written consents have already been negotiated.

Mr. HANSEN. In that regard, I ask the distinguished floor manager of this bill, if prior to enactment of H.R. 2 a surface owner gave his consent to a hypothetical company A to enter his land and remove the coal, does that consent satisfy the consent requirement?

Mr. METCALF. Yes, I believe it does.

Mr. METZENBAUM. I should like to inquire of the chairman of the Senate subcommittee how the conference report would deal with overlap between section 515 performance standards which are a part of the interim program and performance standards which are only part of the permanent program. For example, does the bill require the Secretary of Interior to deal with the hydrologic consequences of roads on the mine site, a

source of serious disturbance of the hydrologic balance, in the interim program under section 515(b)(10) even though the more extensive regulations dealing with roads in section 515(b) (17) and (18) are only part of the permanent program.

Mr. METCALF. Sections 501 and 502 were designed to expedite the issuance of regulations during the "interim period" to control the more serious, adverse, environmental impacts of surface mining, both deep and surface. These impacts may fall into more than one of the categories we have established in section 515 (b). Thus, there may be overlap between standards in the interim program and those in the permanent program.

In the case of such overlap we expect the Secretary of Interior to implement fully the interim standards, regardless of whether by doing so the interim regulations have an impact on areas of concern reserved for the permanent program. The example you gave is appropriate. It will be necessary for the Secretary to address the hydrologic impacts of access and land roads and any other activity associated with mining in the context of section 515(b)(10) in the interim program.

Mr. METZENBAUM. I thank the distinguished chairman for his explanation.

Mr. FORD. Mr. President, I would address the manager of the bill, Senator METCALF, for a brief discussion relative to the initial cut of Earth in steep slope mining.

Mr. METCALF. I would be pleased to respond to the Senator's point.

Mr. FORD. The Senate bill S. 7 had this provision in what is now section 515 (d)(1) of the conference bill:

> Except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed on a limited and specific area of the downslope below the initial cut if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met.

This provision was intended to insure that these would be no de facto prohibition of mining in steep slope areas, because the operator might have no place to put the spoil from the first cut.

An amendment to delete the provision was not accepted by the full Committee on Energy and Natural Resources. It was retained by the full Senate. The House bill had no such provision and the provision was dropped in the conference.

My question to the manager is: Does the absence of the provision affect in any way the ability to mine in steep slope area?

Mr. METCALF. I would assure my colleague that deletion of the provision was not intended to, nor in my opinion, does it restrict the ability to mine in any manner. In the course of developing this bill, we substantially revised spoil storage provisions. Several of these amendments were yours. These provisions now cover the first cut storage provision, for that is what the language in S. 7 that you cite was—a storage provision for first cut spoil.

Mr. FORD. Then, it is your considered opinion that a limited storage area for first cut spoil is permitted on the downslope if all the required standards can be met?

Mr. METCALF. Yes, it is, if there is no practical way that the first cut can be hauled off to an offsite storage area.

Senator FORD, you have demonstrated throughout this bill that you are as concerned as anyone about wholesale dumping of spoil over the side. Why, even on the last day of the conference you saved your natural barrier amendment that had not yet been adopted.

You have my assurance that the point you raise is taken care of in the bill. There is no backdoor prohibition.

Mr. FORD. I thank my colleague and friend.

Mr. METZENBAUM. I should like to inquire of the chairman of the Senate subcommittee whether it is his understanding that the interim regulatory program applies to the surface effects of deep mining in States that regulate any such effect.

Mr. METCALF. They do. Section 502 requires compliance with the interim regulations by "coal surface mining operations" which is defined to include the surface effects of deep mining. If a State presently regulates any surface effect of deep mining, then the interim regulation adopted under section 501 and the program under section 502 would apply in that State.

Mr. METZENBAUM. I thank the distinguished chairman for his explanation.

I should like to inquire of the chairman of the Senate subcommittee about the nature of the public hearings pursuant to section 521(a)(5) in or near the mine after the issuance of a cessation order. How does this public hearing relate to the formal adjudiciatory "public hearing" to which the operator is entitled?

Mr. METCALF. The public hearing provided for in section 521(a)(5) may be an informal hearing akin to a management review by an inspector's supervisor of the order closing part or all of the mine. Section 525(b) provides for a formal adjudicatory hearing and a final secretarial decision within 30 days of receipt of the application for review where the appeal is from a cessation order. This right makes a formal mine-site review clearly unnecessary. I might add that it was our intent in adjusting the various hearing requirements in conference that the regulatory authority have the flexibility to structure his hearing procedures to provide for less formality than formal adjudication unless the act specifically requires such formal adjudication.

Mr. METZENBAUM. I thank the distinguished chairman for his explanation.

Mr. HANSEN. I should like to address a question or two to the distinguished senior Senator from Montana concerning the effect of the surface owner consent provision on the rights of the holder of a Federal prospecting permit. It is my understanding that as the bill went to conference, section 714 of S. 7 would not have superseded or otherwise affected any rights which the holder of a Federal prospecting permit may have to the issuance by the Secretary of the Interior of a coal lease.

I should like to ask the distinguished floor manager whether my understanding is correct and, if so, whether the same is true of the provision as adopted by the conferees.

Mr. METCALF. Answering the first question put by my distinguished colleague, his understanding is, as usual, correct. The Senator will recall that his understanding was expressly confirmed by the Senate committee report at pages 102 and 103. The amendments adopted on the Senate floor had no effect on the rights of a prospecting permit holder. Whatever those rights may be, section 714 of S. 7 either as reported out or amended on the floor did not affect them.

Mr. HANSEN. I thank the Senator for his observations which accord entirely with mine. Now, may I request the distinguished Senator's response to my second question concerning the effect, if any, of the conference provision.

Mr. METCALF. The conference version likewise leaves unchanged and unaffected such rights as the holder of a prospecting permit may have. I might add that the conference version, like the House and Senate versions, is operative where federally owned coal is to be offered for lease under section 2(a) of the Mineral Leasing Act as amended. The rights of a prospecting permit holder to lease issuance arise under section 2(b) of that act as it stood prior to its amendment last year by the Coal Leasing Act amendments. By section 4 of the Coal Leasing Act amendments, Congress amended section 2(b) of the Mineral Leasing Act to eliminate the old prospecting permit system under which a permit holder became entitled to lease if he found coal in commercial quantities. In eliminating the prospecting permit system, however, the Congress reserved "valid existing rights" to the issuance of a coal lease under section 2(b) of the Mineral Leasing Act as it read prior to the amendment. In such cases, the Secretary does not "offer" the coal for lease; instead he fulfills the obligations that arise under the permit if coal was found in commercial quantities during the permit life.

Mr. HANSEN. I thank the senior Senator from Montana for his explanation.

Mr. METZENBAUM. Mr. President, the conferees resolved the matter of exemptions for small operators by compromising on length of time the exemption would be in effect. The exemptions to the small operators ceases on January 1, 1979. Upon reexamination of that provision, I became aware of the possibility that someone might misconstrue the scope of the exemption with regard to those persons who would qualify. I would like to pose a circumstance wherein a possible abuse of the exemption provision might occur and ask the distinguished Senator from Montana, and the very able conference cochairman if he agrees that such a possibility would not be permitted during the enforcement of this legislation.

The exemption provision on page 27 of

the conference report grants the exemption to surface mining operations in operation pursuant to a permit issued by the State before the date of enactment of this act to a person in existence prior to May 2, 1977, whose total coal production does not exceed 100,000 tons annually. The provision specifies that "person" in this instance, is the "person" as defined in section 701(19) on page 81. When I read that definition, I find that a company is also a person.

Therefore, I could be a person who owns or controls five coal companies or corporations, or partnerships, each having one surface mine in operation. Each mine produces 90,000 tons of coal annually. Thus, the aggregate amount of coal produced by my companies is 450,000 tons annually. This should eliminate me and each of my companies, corporations, or partnerships from being granted an exemption. However, the definition of "person" means a company also. Since none of my companies or other business entities produced more than 100,000 tons of coal annually, each is entitled to an exemption regardless of the fact that I, the owner, produced almost one-half million tons of coal.

I do not think this is what the conferees had in mind when this provision was adopted and I would like to ask my colleague from Montana:

Am I correct in assuming that, in the case of providing an exemption from requirements set forth in the interim program, the term "person" is not taken to mean a coal company but refers, instead, to an individual who owns or controls or has controlling interest in coal mining operations whose aggregate production does not exceed 100,000 tons of coal annually. I realize that an individual may control more than one coal company and still be producing less than 100,000 tons. He would be considered a small operator whom the conferees intended to help by providing additional time in which to come into compliance. However, those persons whose coal companies produce an aggregate of more than 100,000 tons would not have the right to an exemption.

Mr. METCALF. As the Senator will recall, the conferees deliberated this provision and adopted it with some reluctance among the House conferees. The debate was always focused on small operators which our colleague from Kentucky, Senator FORD, reminded us, would suffer hardships if the compliance deadline were not extended. However, small operators were looked upon as individuals who have invested their life savings in mining equipment in order to open a small mine or several small mines to produce coal. It was never intended that this exemption apply to individuals who own more than one company or controls or has controlling interest in more than one company if the aggregate production from all those companies exceeded 100,000 tons annually. That individual would not qualify for an exemption under this act.

The production must be combined, regardless of the business forms an operator chooses. If, for example, an individual owns or controls corporation A, which, in turn, owns or controls corporation C and corporation D, their separate production must be combined; and if together they produce more than 100,000 tons, none of the three corporations, or the individual, are entitled to the exemption.

There are many combinations and permutations of ownership and control: Part ownership, partnership, and joint ventures. In this area of concern, we expect the Secretary, as we stated in the conference report, to adopt regulations for the qualification of small operators based on the principle of tracing the patterns of ownership, control, or corporate relationship to insure that only genuinely independent operators whose total production is under 100,000 tons annually, are qualified.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. BURDICK. Mr. President, I ask for the yeas and nays on passage of the conference report.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON) and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) and the Senator from Maryland (Mr. MATHIAS) are absent on official business.

The result was announced—yeas 85, nays 8, as follows:

[Rollcall Vote No. 310 Leg.]

YEAS—85

Abourezk	Eagleton	Matsunaga
Allen	Ford	McClure
Baker	Glenn	McGovern
Bayh	Goldwater	McIntyre
Bellmon	Gravel	Melcher
Biden	Griffin	Metcalf
Brooke	Hansen	Metzenbaum
Bumpers	Hart	Morgan
Burdick	Haskell	Moynihan
Byrd, Robert C.	Hatfield	Muskie
Cannon	Hathaway	Nelson
Case	Hayakawa	Nunn
Chafee	Helms	Packwood
Chiles	Hollings	Pearson
Church	Huddleston	Pell
Clark	Inouye	Percy
Cranston	Jackson	Proxmire
Culver	Javits	Randolph
Curtis	Johnston	Ribicoff
Danforth	Kennedy	Riegle
DeConcini	Leahy	Roth
Dole	Long	Sarbanes
Domenici	Lugar	Sasser
Durkin	Magnuson	Schweiker
Sparkman	Stone	Weicker
Stafford	Talmadge	Williams
Stennis	Thurmond	Zorinsky
Stevens	Tower	
Stevenson	Wallop	

NAYS—8

Bartlett	Garn	Schmitt
Byrd, Harry F., Jr.	Hatch	Scott
	Laxalt	Young

NOT VOTING—7

Anderson	Heinz	McClellan
Bentsen	Humphrey	
Eastland	Mathias	

So the conference report was agreed to.

Mr. METCALF. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION FOR TECHNICAL CORRECTIONS IN ENROLLMENT OF H.R. 2

Mr. METCALF. Mr. President, I send a concurrent resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 39) authorizing technical corrections in the enrollment of H.R. 2.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. METCALF. Mr. President, the title of the concurrent resolution indicates the problem. This is merely to correct a minor error in the bill, and I am told it has to be done by a concurrent resolution. I have cleared it with the minority. It has the agreement of both sides.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives is authorized and directed, in the enrollment of H.R. 2, An Act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of service coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, to make the following technical and conforming changes:

(1) in section 406(i) strike out "303(c)" and insert in lieu thereof "401";

(2) in section 701(4)—

(A) strike out "715" and insert in lieu thereof "714"; and

(B) strike out "712" and insert in lieu thereof "715"; and

(3) in section 710 add at the end thereof the following:

"(h) The Secretary shall analyze and make recommendations regarding the jurisdictional status of Indian Lands outside the exterior boundaries of Indian reservations: *Provided*, That nothing in this Act shall change the existing jurisdictional status of Indian Lands.".

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATSUNAGA). Without objection, it is so ordered.

TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS—CONFERENCE REPORT

Mr. BAYH. Mr. President, I submit a report of the committee of conference on H.R. 7557, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MATSUNAGA). The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7557) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1978, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 29, 1977.)

Mr. BAYH. Mr. President, the pending conference report recommends $6,196,609,023 in new budget authority for fiscal year 1978 for the Department of Transportation and related agencies. This is an increase of $331,982,666 over last year's appropriation, but is $86,175,000 below the budget estimates for fiscal year 1978.

I am pleased to present this conference agreement to the Senate and to recommend its adoption. As chairman of the Senate conferees, I feel that while we were not able to bring back an agreement containing all of the Senate items, we did come away with a very good bill with all of the major Senate amendments still intact. Again this year, it was a pleasure to be working with the very knowledgeable and experienced House conferees on this bill—led by Chairman JOHN J. MCFALL and ranking minority member SILVIO CONTE. They are served by an excellent professional staff, as well—Tom Kingfield and Dave Olson.

Mr. President, the conference report and the statement of the managers was printed in the CONGRESSIONAL RECORD of June 29, 1977, on pages 21425-21428. I will not at this time go into a detailed discussion of all of the items that were considered in the conference, but I would like to highlight some of the matters that I feel are of particular importance to my colleagues.

First, for the Coast Guard, the conference agreement contains $236,000,000 for the acquisition, construction, and improvements activity. That is $20 million below the Senate bill, but still nearly $10 million over the budget. I have received copies from the chairmen of the House and Senate authorizing committees indicating that the intent of those committees was to establish a limit on the amount in the pollution fund of the Coast Guard at any one time and not to limit the aggregate appropriation into the fund. The fiscal year 1977 appropriation of $10 million is available to perform the Coast Guard's important cleanup work now and in fiscal year 1978.

Second, for the FAA, the agreement provides funding for virtually all of the controller and systems maintenance personnel, as well as the full $540 million authorization for airport development grants and $15 million for airport planning grants.

Third, for the Federal Highway Administration, I am gratified that, for the third year in a row, the House has agreed to accept the full Senate amendment for highway-related safety grants. This year's level will be $200 million, which is an increase of $50 million over the budget request and last year's level. These additional funds will be made available to the States for use in their highest payoff highway safety programs as determined by each State. We continue to receive reports of excellent results from this effort throughout the fiscal year, and I am glad to be able to participate in helping to achieve those results through these increased funding levels each year. I can think of no better place to increase the budget than in this area—where we end up saving peoples' lives through these very important and well-managed highway safety programs.

Fourth, for the programs of the Federal Railroad Administration, the conferees recommend appropriations totaling $1,410,650,000, of which $646.5 million is for grants to Amtrak and $400 million is for the Northeast Corridor improvement program. Also, the agreement includes $200 million for nationwide rail rehabilitation programs.

Fifth, for the Urban Mass Transportation Administration, $2,365,000,000 in commitments from the urban mass transportation fund are authorized for fiscal year 1978, including $1.4 billion for capital grants, $775 million in formula grants, $55 million for technical studies, $70 million for research, and $45 million for commuter rail operating payments. The House accepted $50 million of the $100 million Senate addition to the capital grant program. Of that increase, $35 million will be used in bus and bus-related grants and the other $15 million will increase the rail modernization program.

Mr. President, I want to point out that throughout the bill, in all safety programs, be it rail, highway, aviation, water, or transit, we have provided funding levels that should enable DOT to continue and improve upon their past record in all areas effecting the safety of our people.

Mr. President, the conference report was printed in the House proceedings in the CONGRESSIONAL RECORD as of June 29. If anyone has any questions, I shall be glad to deal with them.

I think it is most appropriate again, as we are discussing the conference action, to reiterate what I said while the Senate was discussing this bill originally: the distinguished Senator from New Jersey (Mr. CASE), the ranking Republican member on the committee, performed exceptionally in trying to sustain the Senate position, and his cooperation has been instrumental in getting us to the point where we now are. Also, I think we all owe a debt of gratitude to Mr. English, Mr. Leach, Mr. Berger, and Miss Talmont for the exceptional staff support they gave to the Senate conferees.

Are there any questions?

Mr. CASE. Mr. President, will the Senator yield?

Mr. BAYH. I yield to our colleague from New Jersey.

Mr. CASE. Mr. President, first of all, I compliment our chairman, the Senator from Indiana, for his outstanding work on this bill. As I indicated before, when we were considering this matter in the Senate initially, it is a pleasure to work with a man like him, and to work with the staff that he has assembled, and it turned out to be a pleasure to work with our colleagues from the House of Representatives and their staff. I think we have a good bill.

I would like to acknowledge the thoughtful consideration given to the many matters included in this bill by the chairman and ranking minority member of the House Subcommittee, Mr. JOHN MCFALL and Mr. SILVIO CONTE.

On June 23, in my remarks to accompany the Senate version of this bill, I mentioned a series of provisions which I felt were particularly noteworthy. I am pleased to report that the majority of these Senate provisions emerged intact from conference.

Mr. President, I would like to briefly highlight some of these provisions. First, I should note that the conference version of the bill represents $6.196 billion in budget authority. This is $86,175,000 below the administration's budget in budget authority and about $500 million below the first concurrent resolution in budget authority.

In the area of commuter and mass transit service, the House accepted the inclusion of an additional $5 million for section 17 urban mass transit funds, thus providing the fully authorized amount of $45 million for commuter rail service to communities in the Northeast and Midwest. These funds are badly needed for the renovation and repair of commuter rail equipment as well as for commuter rail subsidy payments. Equipment repair funds are particularly needed in Pennsylvania, Maryland, and New Jersey where many of the commuter cars now in service are quite ancient.

The conferees also agreed to include $50 million of the $100 million proposed by the Senate for upgrading existing subway systems and for the purchase of transit buses. Under the agreement reached in conference, $530 million will be provided for rail modernization in order to halt the further deterioration of the existing rail systems in New York, northern New Jersey, Chicago, Cleveland, Pittsburgh, Boston, Philadelphia, and San Francisco. The conferees also provided $395 million for the purchase of transit buses to assist other communities throughout the United States.

We also included language to increase the number of positions in the Urban Mass Transportation Administration. The additional 50 positions recommended will greatly improve the service that UMTA can provide to State and local jurisdictions. Most of these positions will be assigned to field offices to assist in the preparation of grant and subsidy applications and provide technical and planning assistance at the local levels.

For Amtrak the Senate accepted the House figure for operating expenses and the House agreed to increase Amtrak's capital grants by $13 million as urged by the Senate. The conferees feel that the $646.5 million is adequate to meet Amtrak's anticipated needs. Furthermore, the conferees expect Amtrak to reevaluate its route structure and service levels in order to make the system as effective as possible within the funds provided. The conference report sustains the position taken by our subcommittee that such route and service decisions should be based on the criteria and procedures for making route and service decisions approved by Congress. The use of this mechanism will assure that sufficient consideration is given to the social and environmental implications of passenger train service.

For the Federal Rail Administration, the conferees have included $3.5 million for the minority business resource center's venture capital program. This is $2.5 million above the House and $2.5 million below the Senate recommendation. The conferees agreed with the Senate position that this program can be of considerable value to minority businesses and further agreed to include language indicating their willingness to support additional appropriation requests in the future. A higher funding level would most likely have been agreed to if a mechanism for obligating the fiscal year 1977 and 1978 funds was already in place. The conferees also agreed with the intent of the Senate language on branch line rehabilitation. The conference report language instructs the Federal Railroad Administration to fund such rehabilitation projects at whatever level is cost effective in terms of increasing the transportation service provided or decreasing the need for Federal subsidy.

In the aviation area, the House agreed to restore 150 of the 177 air traffic controller positions previously cut and to include an additional $5 million for airport planning grants and State standard grants—making a total of $15 million available for these purposes. The funds provided for the Federal Aviation Administration also include $15 million for the replacement of VOR/VORTAC's with solid state equipment. This is $8 million more than recommended by the House. The committee does, however, intend to monitor closely this program to see whether the entire $104 million replacement program is cost effective.

The conference report includes language to add 150 positions to the Coast Guard for tanker inspection. Testimony provided during the hearings indicates that these positions can be effectively used to check the condition of foreign tankers using American ports. We understand that the Coast Guard may have to expand its training facilities in order to bring all these positions onboard in fiscal year 1978. It certainly is the intent of the conferees that the fully authorized number of inspectors be provided as soon as possible. The conferees also addressed the 200-mile fisheries enforcement zone. The conference report earmarks $5 million from the acquisition, construction or improvement funds for these enforcement activities. In addition, this committee intends carefully to monitor the activities of the Coast Guard to determine if more resources are needed in the future to adequately enforce Public Law 94-265.

In the safety area, the House receded to the $50 million increase proposed by the Senate for community highway safety grants. The Senate intended that the additional $50 million would be provided for such high priority items as enforcement of the 55-mile-per-hour speed limit, emergency medical services and alcohol safety. These programs are particularly effective in that they are developed at the State and local levels and are therefore responsive to the unique needs of these jurisdictions.

Mr. President, the Senate conferees agreed to accept $20 million of the $30 million recommended by the House for traffic control signalization demonstrations. Although we did not include any money in our bill for this item, it appears to be a worthwhile program designed to demonstrate signal light technology in order to increase the capacity and efficiency of existing highways. I understand that studies have shown that a 30 percent decrease in fuel utilization can occur through proper computerized signalization. I am anxious to see the results of these demonstration projects and assume that the administration will quickly develop a plan to obligate the $20 million provided in this bill and the $10 million that was provided for this purpose in the economic stimulus package.

The conference report also contains the additional $1 million recommended by the Senate for the development of energy conservation systems for buses and the $600,000 for the demonstration of an accelerated moving walkway.

All in all, I believe that the conference report represents a good compromise between the House and the Senate and I urge my colleagues to support it.

Mr. President, I am prepared to respond, as the chairman is, to any questions that may exist.

Mr. WILLIAMS. Mr. President, I have noticed in the section providing appropriations for transit projects substituted for interstate highway projects, the conference report states:

> Of the total amount provided, $15,000,000 shall be made available to northern New Jersey for the improvement of existing commuter rail service in the corridor previously owned by the Central of New Jersey railroad between Aldene and Phillipsburg, N.J.

Mr. President, the decision to proceed with a transit project has usually been made by the States and the Urban Mass Transit Administration. This is, I believe, as it should be.

The CNJ rail project to which the conference report refers has been extremely controversial in my State of New Jersey. The State favors an alternative project, the extension of PATH service to Plainfield. The U.S. Department of Transportation has allowed the State to decide how to use its Federal mass transit funds. The State is now in the process of applying for an interstate transfer to help fund the PATH extension.

I do not believe this issue was addressed in either the House or Senate reports on this bill. I would like to know whether the conference report language indicates that the conferees intended to earmark funds for the CNJ project, as opposed to the PATH extension.

Mr. BAYH. I would be happy to clarify this point for the Senator from New Jersey.

The conference report language makes it clear that these funds will be available if the State of New Jersey and the U.S. DOT decide to carry out the CNJ project. If an alternative project is selected, the funds could be used for the alternative. However, it would be appropriate for the DOT authorities to notify the committee if an alternative is selected.

Mr. President, I believe we have touched on sufficient items, and particularly since this matter has been available in the CONGRESSIONAL RECORD for more than 2 weeks for the consideration of our colleagues, I am prepared to yield back the remainder of my time and move the adoption of the conference report.

Mr. CASE. Mr. President, if I have any time, I yield it back.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The assistant legislative clerk read as follows:

> *Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 12 to the aforesaid bill, and concur therein with an amendment as follows:
>
> In lieu of the sum proposed in said amendment, insert: $1,500,000.
>
> *Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

expended: *Provided*, That $12,243,000 of such amount shall become available upon the date of enactment of this Act: *Provided further*, That the Secretary of Transportation shall execute an agreement with the Authority whereby the Authority agrees to (1) issue no additional bonds under title I of Public Law 92-349, (2) provide a minimum of 20 percent of the Authority's unreimbursed debt service costs under title I of Public Law 92-349, and (3) develop and execute a plan, with the participating local governments, that will provide for the Authority to be financially responsible for the remaining capital and operating costs of the rail transit system in a manner consistent with the Urban Mass Transportation Act of 1964, as amended, the Federal-Aid Highway Act of 1973, as amended, and the terms and conditions the Secretary may require.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 39 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 318. Such funds as may be necessary shall be utilized from the appropriations above made available to the Federal Aviation Administration and to the Civil Aeronautics Board for the preparation of a plan to coordinate as promptly as possible the use of Midway Airport with O'Hare Airport in Chicago, Illinois, for service by regularly scheduled airline carriers in order to relieve air traffic congestion and to promote air safety in that area.

SEC. 319. Funds appropriated for grants to the National Railroad Passenger Corporation under Public Law 95-26 and for the fiscal year 1978 purchase payments for the Northeast Corridor shall be used for the payment of any principal and interest costs due or payable to the Consolidated Rail Corporation after March 11, 1977.

Mr. BAYH. Mr. President, I ask unanimous consent that the amendments in disagreement be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. I move that the Senate concur in the amendments of the House of Representatives to the amendments of the Senate numbered 12, 34, and 39.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAYH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today. I hope the cloakrooms will put out that word.

I will suggest the absence of a quorum, but I hope someone will summon Mr. CANNON and Mr. ALLEN so they can be present on the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY CONSTRUCTION AUTHORIZATIONS — CONFERENCE REPORT

Mr. HART. Mr. President, I submit a report of the committee of conference on S. 1474 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1474) to authorize certain construction at military installations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 12, 1977.)

Mr. HART. Mr. President, the matter before the Senate is the conference report on S. 1474, the fiscal year 1978 military construction bill.

The Department of Defense requested new authorization for military construction for fiscal year 1978 in the amount of $3,576,517,000. This request provided for the construction of new facilities for the Active and Reserve forces, and for the operation and maintenance of the military's inventory of family housing.

On May 13, 1977, the Senate passed S. 1474, providing new authority in the amount of $3,726,663,000. Based on the recommendations of the Armed Services Committee, the Senate-passed bill reflects reductions in the administration's request of $229 million, additions to the request of $379 million, for a net addition of $150 million to the administration's request.

The House considered the companion bill on June 6, 1977, authorizing new programs at $3,508,560,000.

The conference committee agreed to new authority in the amount of $3,724,718,000. The bill, as contained in the conference report, is a good bill that adequately provides for the construction needs of the Services. I invite my colleagues' attention to the printed conference report for details which I do not intend to get into unless there are questions.

There are three important points in this bill that I do want to emphasize.

First, the Senate had added to this bill carefully selected projects in an amount totaling nearly $200 million designed to conserve energy and to control pollution sources on military installations. These same projects were not in the House bill, but the House conferees agreed in conference to include most of them in the final bill. I feel that this is an encouraging additional step toward making our military installations as environmentally clean and as energy efficient as possible. Through this bill and future military construction bills the Federal Government can use military communities to demonstrate new energy conservation and pollution abatement concepts to speed their acceptance by the general public; and we have challenged the Department of Defense to be aggressive and imaginative in applying its technological expertise to pioneer new energy conservation and pollution control measures at all of its installations.

Second, the House had added a provision to its bill which would require the Defense Department to install utility meters on all of its family housing units and to charge occupants of military family housing for energy consumption that exceeded an established norm. The premise behind this provision was that by metering and charging for excess consumption, energy would be conserved—some studies have predicted savings of 15 to 30 percent. While the Senate conferees strongly endorsed the intent of the provision—to save energy—there was concern that the provision impacted the entire pay and compensation question, which is to be the subject of study by a Commission recently appointed by President Carter, and that the administrative burdens of implementing such a program equitably might prove unmanageable. The conferees, therefore, agreed to conduct a test program of the concept to see if it can be managed fairly and to assess the value of such an effort. Two things should be emphasized regarding this new provision to meter family housing. First, no military occupant of family housing is going to be billed for energy consumption until the test program is completed and that will take at least 1 year and probably 2. Second, when and if this program is implemented, military family housing occupants will not be charged for all utilities—only that amount of energy used that is considered excessive. For the majority of occupants who are prudent in their conservation measures, there will be no charge; for those few who are careless or deliberately use excess energy, they will be billed for that excess consumption.

Finally, this bill includes, as permanent law, a provision concerning base realinements and base closures. As my colleagues may recall, a similar provision in last year's military construction authorization bill evoked a veto from President Ford. The base realinement provision in this bill has the endorsement of the Department of Defense. Base realinements are highly emotional issues because of their devastating impact on local communities. Previous Defense Department procedures of keeping base realinement decisions secret until they were announced for implementation, clearly could not continue. Likewise, some recent attempts at legislation to give the approval authority for base realinements to Congress would have completely tied the hands of the President and the Defense Department. Section 612 in this bill, which directs public involvement in the decisionmaking process—but clearly leaves the final decision with the Chief Executive—is, I feel, the best approach for handling base realinement proposals.

Mr. President, I will endeavor to answer questions if there are any. If not, I move the adoption of the conference report.

Mr. HATHAWAY. Mr. President, I appreciate very much the work of the Committee on Armed Services with regard to the 1978 military construction authorization measure, the conference report on which is now pending.

I particularly appreciate the efforts of the Subcommittee on Military Construction and Stockpiles ably chaired by the Senator from Colorado (Mr. HART) with respect to the provisions contained in section 612 of the pending measure.

That section establishes as permanent Federal law a sound procedure of congressional participation and review of any proposed base closure or significant realinement. Under these provisions, the Secretary of Defense or the Secretary of the military department involved is required to publicly announce, and notify the Senate and House Committees on Armed Services in writing of any proposed closure or realinement. The Secretary is then required to comply with all of the requirements of the National Environmental Policy Act of 1969 with respect to the proposal. The Secretary must submit his final decision to implement such a proposal to the committees accompanied by a detailed justification for the decision including statements of "estimated fiscal. local economic, budgetary, environmental, strategic, and operational consequences of the proposed closure or realinement."

Most importantly the Secretary is barred from taking any final irrevocable action with respect to the proposal until the expiration of 60 days subsequent to the submission of the final decision to the committees. In this way Congress is assured of having an ample opportunity to review the proposed closing or realinement from the standpoint of our national interest in its broadest sense.

If Congress does not agree with the reasons cited in the submissions to the committee, or if it feels that, notwithstanding those reasons, a particular base ought to be kept open due to an overriding national interest, it can nullify the decision of the Secretary by enacting legislation.

I commend the Senator from Colorado for including these procedures in his bill S. 1474, and for successfully steering them through the Senate on May 13, 1977.

I commend him also for convincing the conference committee to retain these important provisions, since they were not included in the House-passed version.

I was particularly pleased to see that the final conference report version of section 612 contains drafting changes which represent further improvement and refinement of the version which passed the Senate on May 13, 1977.

In particular, these changes should clarify the relationship between section 612 of the pending measure and section 612 of the Military Construction Authorization Act, 1977 (Public Law 94–431), and will, I believe, serve to underline the integrity and continuing applicability of the provisions already in existing law.

In this regard I was particularly concerned about the potential interpretation of a portion of the Senate passed version of May 13 which stated:

(d) This section shall not apply to any closure or realignment . . . if such closure or realignment was publicly announced prior to October 1, 1977.

This subsection was apparently required because the bill itself, the 1978 authorization, was intended to govern the authorization of funds beginning in the 1978 fiscal year, which did not begin until October 1, 1977.

The language of the subsection at the same time called into some question the status of proposed base closures and reductions which were publicly announced prior to October 1, 1977.

The language of the 1977 Authorization Act states, in the relevant subsection, the following:

(c) This section shall not apply to any closure or realignment . . . if such closure or realignment was publicly announced prior to January 1, 1976.

Thus the language in the 1977 act, now law, was intended to apply to any and all base closures or reductions announced subsequent to January 1, 1976. During the Senate floor debate on that measure, which occurred on September 15, 1976, it was made clear by me and a number of other Senators, including my colleague from Maine, that that provision was intended to be applicable, or capture, all proposed closures and major realinements made public subsequent to that date.

Specifically mentioned in the course of this debate by me and others as being captured by these provisions was the proposed reduction at Loring Air Force Base located in Limestone, Maine, which was announced publicly in March of 1976.

The legislative history therefore made it clear at that time that the Senate intended these provisions to apply prospectively to the proposed Loring AFB realinement, for as long as the proposal was pending.

The language in the bill before the Senate on May 13, 1977, however, cast some doubt as to whether this version of section 612 was intended to supersede the provisions of existing law, and whether, with its different trigger date, it might somehow take Loring AFB out from under the sound and rational review procedures in existing law.

To remedy this situation, I offered an amendment cosponsored by my colleague from Maine and the Senator from Massachusetts (Mr. KENNEDY) on June 29 of this year to H.R. 7589, the military construction appropriation bill that stipulated that no funds appropriated in that bill could be used to implement a closure or realinement until all of the provisions of both section 612 of the 1977 authorization in existing law and section 612 of the 1978 authorization legislation were complied with. I was pleased that the Senate approved this amendment and that it was incorporated into the appropriations legislation as it passed this body. I would urge the conferees to retain this language to plug any potential loophole and to make crystal clear that the principles of section 612 apply to any and all closures or reductions announced subsequent to January 1, 1976.

This thus removes any potential for the Air Force, or any other department, to engage in artful dodging of these vital provisions.

At the same time, I am greatly appreciative of the adjustments made in the pending measure since it was last before the Senate. These changes are responsive to the concerns I raised on the floor on June 29 and should further underline the continuing applicability of the original version of section 612 to those proposed reductions announced prior to the effectiveness of the pending measure.

In this regard, Mr. President, I ask unanimous consent that section 612 of the conference report be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BASE CLOSURES AND REALIGNMENTS

SEC. 612. (a) Chapter 159 of title 10, United States Code, as amended by section 504 of this Act, is amended by adding at the end thereof a new section as follows:

"§ 2687. Base closures and realignments

"(a) Notwithstanding any other provision of law, no action may be taken to effect or implement—

"(1) the closure of any military installation;

"(2) any realignment with respect to any military installation involving a reduction by more than one thousand, or by more than 50 percent, in the number of civilian personnel authorized to be employed at such military installation at the time the Secretary of Defense or the Secretary of the military department concerned notifies the Congress under subsection (b)(1) that such installation is a candidate for closure or realignment; or

"(3) any construction,, conversion, or rehabilitation at any military facility other than a military installation referred to in clause (1) or (2) (regardless of whether such facility is a military installation as defined in subsection (d)) which will or may be required as a result of the relocation of civilian personnel to such facility by reason of any closure or realignment to which clause (1) or (2) applies, unless and until the provisions of subsection (b) are complied with.

"(b) No action described in subsection (a) with respect to the closure of, or a realignment with respect to, any military installation may be taken unless and until—

"(1) the Secretary of Defense or the Secretary of the military department concerned publicly announces, and notifies the Committees on Armed Services of the Senate and the House of Representatives in writing, that such military installation is a candidate for closure or realignment;

"(2) the Secretary of Defense or the Secretary of the military department concerned complies with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realignment;

"(3) the Secretary of Defense or the Secretary of the military department concerned submits to the Committees on Armed Services of the Senate and House of Representatives his final decision to carry out the proposed closure or realignment and a detailed justification for such decision, including statements of the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences of the proposed closure or realignment; and

"(4) a period of sixty days expires following the date on which the justification referred to in clause (3) has been submitted to such committees, during which period no irrevocable action may be taken to effect or implement the decision.

"(c) This section shall not apply to the closure of a military installation, or a realignment with respect to a military installation, if the President certifies to the Congress that such closure or realignment must be implemented for reasons of national security or a military emergency.

"(d) As used in this section:

"(1) 'Military installation' means any camp, post, station, base, yard, or other facility under the authority of the Department of Defense—

"(A) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

"(B) at which not less than five hundred civilian personnel are authorized to be employed. Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

"(2) 'Civilian personnel' means direct-hire permanent civilian employees of the Department of Defense.

"(3) 'Realignment' includes any action which both reduces and relocates functions and civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar causes.

"(e) Except as provided in subsection (c), this section shall apply to any closure of a military installation, and any realignment with respect to a military installation, which is first publicly announced after September 30, 1977.".

(b) The table of sections at the begining of chapter 159 of such title is amended by adding at the end thereof a new item as follows:

"2687. BASE CLOSURES AND REALIGNMENT.".

(c) Section 611 of the Military Construction Authorization Act, 1966 (Public Law 89–188; 10 U.S.C. 2662 note), and section 612 of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1366), shall be inapplicable in the case of any closure of a military installation and any realignment with respect to a military installation, which is first publicly announced after September 30, 1977.

Mr. HATHAWAY. Mr. President, first, the language contained in this section acts to insert a new section into positive law of the United State Code, thus insuring that it will be interpreted as permanent law. But at the same time, it cleans up the potential difficulties in the prior draft.

This language cannot be seen as superseding the provisions of section 612 of Public Law 94–431 with respect to reductions proposed prior to October 1, 1977 since in subsection (c) of section 612 of the pending measure it states the following:

(c) Section 611 of the Military Construction Authorization Act, 1966 (Public Law 89–188; 10 U.S.C. 2662 note), and section 612 of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1366), shall be inapplicable in the case of any closure of a military installation and any realignment with respect to a military installation, which is first publicly announced after September 30, 1977.

Thus the existing law continues to be valid and fully applicable to all major reductions announced subsequent to January 1, 1976 and prior to October 1, 1977, including Loring Air Force Base.

This conclusion flows directly from the language which stipulates that the existing law does not apply to closures announced after September 30, 1977 and at that point 10 U.S.C. 2687 takes over.

The potential problem of the new language superseding the old is avoided, and section 612 of Public Law 94–431 continues to stand as valid law now and in the future.

Mr. President, in order to make entirely certain that this is the case and that there is no possibility for ambiguity, I would like to ask the distinguished floor manager, who also was the manager of the conference in behalf of the Senate, if this is the proper interpretation of the measure before us.

Mr. HART. I am pleased to respond to the inquiry of the Senator from Maine on behalf of the Senate conferees.

The Senator's interpretation is entirely correct. The changes made in conference referred to by the Senator do make absolutely clear that any base closure or realinement which is announced from January 1, 1976 to September 30, 1977, will continue to be captured and governed by section 612 of Public Law 94–431.

Section 612 of Public Law 94–431 is is no way superseded by the language in section 612 of the bill before us which will add section 2687 to title 10 of the United States Code.

As the Senator mentioned, the proposed reduction at Loring Air Force Base was specifically and repeatedly discussed during the floor debate on last year's bill, and it clearly continues to be governed by section 612 of that bill.

Mr. HATHAWAY. I thank the Senator from Colorado and appreciate his participating in this colloquy with me.

Mr. HART. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is agreeing to the conference report.

Mr. BAKER. Mr. President, reserving the right to object, Mr. President, would the Chair withhold for a moment?

The PRESIDING OFFICER. The Senator from Tennessee reserves the right to object.

Mr. BAKER. Mr. President, if I could have the attention of the majority leader for a moment, or the distinguished manager of the conference report, I have a request from the distinguished Senator from South Carolina (Mr. THURMOND) to make a statement on this conference report. Therefore, while we are waiting for him to appear in the Chamber, I would suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise in support of the conference report on S. 1474, the Military Construction Authorization Act for 1978.

This bill now represents the best compromise attainable by the conferees of the two bodies who met to hammer out many differences in the bills approved by the two Houses.

Needless to say, the final version does not meet all of my views, but on balance, it is the best compromise recognizing all of the concerns involved.

The most important military construction projects of the services are included in this legislation.

While I regret many needed projects were not recommended due to the base realinement study, it is expected these projects will be proposed next year.

Mr. President, the conference agreed to a new adjusted total of $3.7 billion, a modest increase of $148 million above the sum requested by the Defense Department.

The Senate added various pollution abatement and energy proposals which may well pay for themselves, in addition to high priority operational items. The House followed the same course, giving more emphasis to the operational needs of the various service departments.

Of major note was the conference decision to retain provisions establishing procedures for congressional participation in military base realinements and closures. This proviso is worthy of support as it gives Congress a voice in base shutdown without an outright veto of what the President may consider necessary.

One major concern not addressed by this bill is the critical shortage of dental facilities for military personnel, especially in the Army. The administration has assured me this will be given top priority in the legislation presented next year.

Mr. President, I wish to commend the able junior Senator from Colorado, Mr. HART, who ably handled this bill in the Senate hearings, on the floor and in conference. Also, I would like to recognize the expert assistance of Mr. James Smith, the committee professional staff member who assisted us during the course of this legislation. He was aided considerably by Mrs. Jean Kilgore, also of the staff.

In closing I urge the Senate approve this conference report.

Mr. BAKER. Mr. President, I have no further objection to the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana is recognized.

DEPENDENCE OF COMMUNITIES ON FOREST SERVICE TIMBER SALE BIDDING REGULATIONS

Mr. MELCHER. Mr. President, many small sawmills in the West specialize in wood products which require specific species of trees as sold in specific timber sales. Many of these mills and the communities they support rely almost exclusively on national forest materials, because in many areas the Forest Service is a virtual monopoly owner and seller of timber. These small operators depend upon the national forests for their survival. They must often obtain specific timber sales suitable for the characteristics of their own operations. If these sales are offered under sealed bidding methods, these operators are in a precarious position. They need the timber, but they do not know how much to bid over the appraised price to insure they will obtain the sale. They have but one chance to succeed.

Oral auction bidding has been the traditional bidding method used for Forest Service timber sales in most parts of the West for over 30 years. It has been a method judged to be in the best public interest, because it allows timber purchasers to respond to bidding competition in an open manner. But bidding methods were changed with the National Forest Management Act, passed by Congress in 1976. A section of this law required the use of sealed bidding methods, but also required special precautions to protect dependent communities. In implementing this section of the law, the Forest Service initially decided to virtually eliminate oral auctions for timber sales. The new final regulations are a significant improvement, but they require that up to 25 percent of national forest timber be sold under sealed bids, even in dependent community situations.

This is not what Congress intended. The necessity of providing a means by which western timber buyers can compete openly for national forest timber is the reason behind the legislation recently reported by two Senate committees to revert to traditional oral auction sale methods in the West. In the East, Midwest, and South, most timber buyers are relatively independent of Federal timber; they have alternative sources of supply. Sealed bidding has been traditional in these regions. But in the Pacific Northwest and Rocky Mountain States, the Forest Service owns most of the timber. In those parts of the country, oral bidding has become the norm.

In the East and South, the size of individual national forest timber sales is comparatively small—they averaged only 800,000 board feet between 1964 and 1972, whereas in Idaho and Montana the size of an average sale was 6.3 million board feet during this same period. Because they make up only about 6 percent of the timber supply in the East and South, the national forests are not as important a source of timber as they are in the West. In short, my part of the country contains many communities that are totally dependent on national forest timber.

Sealed bidding is not the best sale method for the West. Sealed bidding reduces the opportunity for the small independent sawmill to compete in the open for the timber he must have. The inability of a timber purchaser to buy a sale can be fatal to his company and his community. In an oral auction situation, however, the purchaser can continue to raise his bid if he must. He gets a second, third, or fourth chance to recalculate and bid again.

It has been charged by some that it is easier for operators to conspire to keep bid prices down under an oral auction system. That allegation remains unproven. First, the Government always receives the full value for the timber sold by oral auction, because no sales are made below the appraised value of the timber as set by the Forest Service. Second, there is no evidence that collusion is widespread. The Department of Justice has pursued only 10 investigations in the last 70 years, and there have been literally tens of thousands of timber sales during this period valued as high as $500 million annually. Furthermore, only two of those cases ever came to trial, and in only one was the Government able to get a conviction. Third, the ability of the Department of Justice to seek out and prosecute collusion is not impaired by oral bidding. The successful conviction occurred under an oral bidding situation.

The legislation that both the Agriculture Committee and the Energy and Natural Resources Committee have approved will provide the Secretary of Agriculture with the tools to stop collusion, should that activity be taking place. The main point of S. 1360, as amended, is to protect the small sawmills in the West. Those mills have been having a hard time of it as it is. In recent years, the volume of timber offered for sale in western national forests has been shrinking. In some areas, the Forest Service is barely selling enough timber to maintain existing mills on a break-even basis. A number of mills have closed—simply because there is insufficient timber being offered for sale by the Forest Service. As a result of this artificial scarcity of timber supply, competition for most Federal timber sales is keen. Under sealed bidding, the small operator is at a great disadvantage. After all he has been through in the past few years, it seems to me to be extremely unfair for us to ask him to cope with this added problem.

S. 1360 would modify the bidding provisions contained in the National Forest Management Act by eliminating the apparent mandate to use sealed bidding in all situations. It allows the Forest Service to return to historic bidding methods in the West, but it retains enough flexibility to allow sealed bidding, where appropriate, in situations where collusion is suspected.

The bill has broad support from both small and large timber operators who buy national forest materials. It is also supported by labor. When the bill comes before the Senate for approval, which I hope will be later this week, I shall urge my colleagues to support it.

Mr. President, I ask unanimous consent to have printed in the RECORD an amendment for S. 1360, which was jointly referred to the Committee on Energy and Natural Resources and to the Agriculture Committee.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 529

Strike all after the enacting clause and insert in lieu thereof the following:

That section 14(e) of the National Forest Management Act of 1976 (90 Stat. 2959; 16 U.S.C. 472a(e)) is amended to read as follows:

"(e)(1) In the sale of trees, portions of trees, or forest products from National Forest System lands (hereinafter referred to in this subsection as 'national forest materials'), the Secretary of Agriculture shall select the bidding method or methods which—

"(A) ensure open and fair competition;

"(B) ensure that the Federal Government receive not less than the appraised value as required by subsection (a) of this section;

"(C) consider the economic stability of communities whose economies are dependent on such national forest materials, or achieve such other objectives as the Secretary deems necessary; and

"(D) are consistent with the objectives of this Act and other Federal statutes.

The Secretary shall select or alter the bidding method or methods as he determines necessary to achieve the objectives stated in clauses (A), (B), (C), and (D) of this paragraph.

"(2) In those instances when the Secretary selects oral auction as the bidding method for the sale of any national forest materials, he shall require that all prospective purchasers submit written sealed qualifying bids. Only prospective purchasers whose written sealed qualifying bids are equal to or in excess of the appraised value of such national forest materials may participate in the oral bidding process.

"(3) The Secretary shall monitor bidding patterns involved in the sale of national forest materials. If the Secretary has a reasonable belief that collusive bidding practices may be occurring, then—

"(A) he shall report any such instances of possible collusive bidding or suspected collusive bidding practices to the Attorney General of the United States with any and all supporting data;

"(B) he may alter the bidding methods used within the affected area; and

"(C) he shall take such other action as he deems necessary to eliminate such practices within the affected area.".

FARMING

Mr. MELCHER. Mr. President, I would like to call the Senate's attention to two items concerning farming which came to my attention today.

The first is a reprint of one of Will Roger's comments, published 47 years ago, in May 1934. Rogers said:

If I was Secretary of Agriculture, I would say: Boys, you all are just too good farmers. You just raise too much. If you just wouldn't be so expert for a few years. It don't do any good to plow under every third row, if you are going to raise more on the other two than you did on three. Your efficiency is driving you into the poor house. So please, don't be such good farmers!

It is fortunate for everyone, except the farmers themselves, that the farmers did not follow Rogers' advice. Even in World War II, when we had food rationing to share some of our abundance with allies, we still had enough.

The consequence for farmers?

Well, the Small Business Administration has summarized the situation in a revision of its regulations in regard to agricultural loans, where it states, under the heading: "Farms Not Typical Business Venture," the following:

First, farms are not commercial operations in the sense of being reasonably efficient, economically viable ventures. Most farmers are carrying on a traditional way of life, not a for-profit venture.

That may not be what farmers want farming to be, but there is every indication that that is what farming will continue to be if we don't do better for agriculture than we are doing in the pending farm bill.

TIME-LIMITATION AGREEMENT—EXECUTIVE D (95TH CONGRESS, FIRST SESSION)

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that, when the Senate considers the resolution of ratification on Ex. D—95th Congress, 1st session—Calendar No. 3, debate on the resolution of ratification and any amendment, reservation, understanding, declaration thereto, and any debatable motion, appeal from the ruling of the Chair, or point of order in connection therewith that is submitted, be limited to 4 hours, to be equally divided and controlled by the Senator from Alabama (Mr. SPARKMAN) and the Senator from New Jersey (Mr. CASE), or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

RE-REFERRAL OF BILL—S. 2

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Maine (Mr. MUSKIE).

Mr. MUSKIE. Mr. President, there is on the calendar, reported by the Committee on Government Operations, the so-called sunset bill, S. 2. I have discussed this matter dealing with that piece of legislation with the distinguished chairman of the Committee on Rules (Mr. CANNON) and the majority leader. Last year, when this legislation was considered, because it did involve some modification of the rules and for other reasons, it was referred to the Rules Committee under a time agreement, which the Rules Committee asked to have extended. Ultimately, the Rules Committee reported the bill to the Senate. We were unable to complete work on it.

We are at the same point this year. I have discussed the question of re-referral to the Rules Committee with Senator CANNON and the majority leader. I understand that the Rules Committee is under several mandates now, involving specific times for completion of work on various legislative items. Senator CANNON is reluctant to agree to a specific time for reporting back.

Taking that into account, we have agreed to a re-referral to the Rules Committee. Senator CANNON has been kind enough to assure me that he will do everything in his power to see that the bill is reported back to the Senate for action early in September. This arrangement is agreeable to me. I am sure that Senator CANNON and the Rules Committee will do their utmost, given their full committee load, to get the bill back to the Senate. I cannot ask more than that of any of my colleagues. So I should like to move, if it is agreeable to Senator CANNON, who is here on another matter, that the bill be re-referred to the Committee on Rules.

Mr. CANNON. Will the Senator yield?

Mr. MUSKIE. Yes, I yield to my good friend from Nevada.

Mr. CANNON. The Senator from Maine has stated the matter correctly. I have assured him that if it is re-referred to the Committee on Rules, we shall hold hearings early in September and will report it back at the earliest possible date. I cannot agree to a precise date, but we have no desire to delay the matter. We are under time constraints on several other matters that have to be reported back. We shall hold a hearing early in September and will report it back to the Senate at the earliest possible date.

Mr. MUSKIE. I appreciate that assurance from my good friend from Nevada.

With that, I make the motion, Mr. President.

The PRESIDING OFFICER. Would the Senator state his motion and the number of the bill he refers to?

Mr. MUSKIE. S. 2, Calendar No. 305, is the bill, and I move that bill be referred to the Committee on Rules.

The PRESIDING OFFICER Without objection, it will be so referred.

Mr. MUSKIE. I thank the Chair.

UNANIMOUS-CONSENT AGREEMENT ON PUBLIC FINANCING LEGISLATION—SENATE RESOLUTION 206 AND S. 926

Mr. ROBERT C. BYRD. Mr. President, earlier today in a colloquy on the floor the distinguished minority leader and I reached an understanding whereby no effort would be made to proceed to the consideration of the public financing bill until such time as the minority leader could consult with Members of the Senate on his side of the aisle, hopefully, with respect to an agreement that would allow the Senate to proceed to the consideration of the public financing bill on a designated date without going through the procedure of using a cloture motion in regard to the motion to proceed.

The distinguished minority leader has pursued those consultations and subsequent thereto he and I have had at least two meetings, and other Senators have been present in those meetings, and we have agreed on the following unanimous-consent proposal among ourselves.

I shall now promulgate that proposal to the Senate.

Mr. President, I ask unanimous consent that on Monday next, after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of Senate Resolution 206, a resolution waiving section 402(a) of the Congressional Budget Act of 1974, with respect to the consideration of S. 926; provided further, that upon the disposition of that resolution, the Senate proceed to the consideration of S. 926, a bill to provide for the public financing of primary and general elections for the U.S. Senate; provided further, that the time on the congressional budget waiver resolution be equally divided between Mr. MUSKIE and Mr. BELLMON; provided further, that no motion to invoke cloture on S. 926, a bill to provide for public financing of primary and general elections for the U.S. Senate, be offered prior to Wednesday of next week.

Mr. President, that is the request.

Mr. BAKER. Mr. President, reserving the right to object, the distinguished majority leader, of course, accurately described the situation as we have been about to negotiate it during the course of the day.

I would say, Mr. President, as I said this morning, this is a matter of extraordinary importance. The question of public financing is so vital, in my view, and in the view of many of my colleagues, to the future of the political system in the United States as we know it, that it was imperative that we proceed with caution and care in trying to arrange the best, most orderly, most useful method for debating and disposing of this issue.

In keeping with that concept, I requested the distinguished Senator from Nebraska (Mr. CURTIS) to convene a conference for Republican Senators today, which he did at 2 o'clock.

We discussed the matter at hand, including the provisions of the unanimous-consent request just put by the distinguished majority leader.

It will be noted that the arrangement that is provided for in this unanimous-consent agreement bypasses all of the procedural steps that might otherwise occur and moves us directly to the question at hand; that is, the budget waiver resolution, and then immediately to S. 926.

I feel, as my colleagues on this side of the aisle feel, it is far better that we turn immediately to the question at hand than to consume the time of the Senate—indeed, the time and attention of the country—with preliminary and procedural moves.

I must frankly say that I also feel that procedure is the best test of the sentiment in the Senate for and against public financing.

I would also say, as the distinguished majority leader knows, that every effort will be made to resist cloture if an effort is made to invoke cloture against this measure.

The time for debate will be used freely to discuss the matter in detail, to identify our concerns, to propose amendments, to publish to the country our fears, and to explain to the country our understanding of this measure.

I think this unanimous-consent agreement as propounded by the distinguished majority leader provides for just that.

So, if it is granted by the Senate, the effect of the request will be to permit us, for the balance of this week, to proceed with the business of the Senate, other than S. 926 and the attendant budget waiver resolution; to turn to S. 926 and the budget waiver on Monday without sparring or maneuvering for position on procedural matters; to have free and unfettered debate on the issue itself and not collateral issues; and to debate in the best traditions of the Senate the matter at hand.

With that explanation, Mr. President, I would announce to the majority leader that I do not object to the unanimous-consent request.

I have one small modification that I would ask the majority leader to consider. I have a request from the distinguished Senator from South Carolina (Mr. THURMOND) for a special order on Monday, July 25, and I would like to include that in our order prior to the time we turn to the consideration of these matters.

Mr. ROBERT C. BYRD. Very well.

Mr. BAKER. Mr. President, other than that, I have no objection; and, on the contrary, I express my thanks to the majority leader for hearing our concerns, for negotiating in good faith, and for providing I believe, a reasonable method of approaching a difficult problem.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader for his comments. I also thank him for his cooperation and for the cooperation that has been evidenced on the part of Members on his side of the aisle.

I think this agreement will indeed eliminate at least one phase of the struggle, that which would certainly ensue with respect to a motion to proceed to the consideration of the public financing bill and which could entail one, two, or three cloture votes or more.

It is an agreement that will allow the Senate, as the distinguished minority leader has pointed out, to work its will on other matters during the remainder of this week. It will assure Senators that there will be 2 days of debate—at least 2 days of debate—on the public financing bill itself, before a cloture motion is submitted, which should allow for ample airing of all sides of the question as to the merits or demerits of the bill.

Having said that, I now modify my request to include the suggestion by the able minority leader—to wit, that following the order or orders for the recognition of Senators on Monday next, the Senate then proceed to the consideration of Senate Resolution 206, the resolution waiving 402(a) of the Congressional Budget Act with respect to the consideration of S. 926.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The text of the agreement is as follows:

Ordered, That on Monday, July 25, 1977, after the Special Orders, the Senate proceed to the consideration of S. Res. 206 (Calendar No. 316), resolution waiving sec. 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 926, with the 1 hour for debate thereon to be equally divided and controlled by the Senator from Maine (Mr. Muskie) and the Senator from Oklahoma (Mr. Bellmon).

Ordered further, That following the disposition of S. Res. 206, the Senate proceed to the consideration of S. 926 (Order No. 277), a bill to provide for the public financing of primary and general elections for the United States Senate: Provided, That no cloture motion thereon be offered prior to Wednesday, July 27, 1977.

ORDER FOR RECESS FROM FRIDAY UNTIL MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Friday of this week, it stand in recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDER FOR MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on Monday next, Mr. THURMOND be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I am awaiting the arrival in the Chamber of certain Senators who I believe have a conference report which may be called up. I hope we can dispose of another bill on the calendar before we go out. We should not be long about either of these matters.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SALINE WATER CONVERSION ACT—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. GRAVEL, I submit a report of the committee of conference on H.R. 4746 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4746) to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 13, 1977.)

Mr. DOMENICI. Mr. President, I wish to state my support for the adoption of the conference report on H.R. 4746. This bill extends the provisions of the old Water Resources Research Act and establishes an important new provision to demonstrate usable technologies for saline water conversion under the Saline Water Conversion Act.

I do not have to tell my colleagues that our Nation confronts a possible era of severe water shortages. In the West, this danger is upon us now. Large sections of the West, as well as the East now face what many have termed a disaster. A prolonged national drought could have a catastrophic impact on virtually every aspect of our economy and our lives.

But we are fortunate in two respects. We have vast quantities of saline water reserves, and we should have the time to develop them, if we act quickly. Our ability to meet this challenge will depend in large measure upon the effort we will be willing to make now to augment water resources research and technology.

For this reason, enactment of H.R. 4746 is essential to our national water outlook. I would like to detail for my colleagues some of the aspects of this program and this bill.

The general water research program is carried out through the land-grant universities across the country, and the Water Resources Research Institutes established at each one. The bill provides continuing grant authorization of $250,000 for each WRRI, together with $5,000,000 in matching fund authorization. Also authorized is $10,000,000 for nonacademic water research.

That is an important program. But I would like to focus my comments on the need to see that research on the saline water program moves ahead. In this connection, H.R. 4746 directs that the Office of Water Research and Technology expand its program in saline water conversion research from a current level of about $7,000,000 to roughly $12,000,000 during fiscal year 1978.

This bill continues this authority for a single year, fiscal year 1978. While I supported a 2-year extension, the House made a persuasive case for the need for oversight this fall to examine the nature and direction of this program. I shall do what I can as one Senator to assure that oversight and a careful review is undertaken.

Mr. President, as I indicated earlier, the saline water conversion program offers the opportunity to provide an answer to many of our national water needs, if it can be stimulated at the Federal level. It is time to stop talking about the conversion of saline water and to take action to convert it to usable, fresh water. If we wait until all the surface waters in the West are fully allocated

and until our fresh water aquifers are gone, it may be too late. The time to do it is now. I hope that this bill and its legislative history will be a clear message to the administration that the Congress is very serious about water research in general and saline water research in particular.

To this end, the conference report authorizes the construction of four desalination plants to demonstrate the economic and technical feasibility of desalting brackish water at reasonable costs. At least two of these plants must be designed and built to use saline groundwater as a feed source.

I worked long and hard to obtain this authorization, Mr. President, and I would like to give you some numbers which explain why I believe that it is so vitally important. Of all the water on our planet, excluding that which is locked up in the oceans and the ice caps, fully 97.6 percent is groundwater. Of that amount, about two-thirds is saline, and therefore is not currently suitable for irrigation, domestic, or most industrial uses. As an example, we have a large groundwater deposit underlying the arid Tularosa Basin in the State of New Mexico. This aquifer contains enough water, I am told, to produce for many centuries a river the size of the Rio Grande. Yet, not a drop of it is being used today because of its salty quality.

I would anticipate, as the conference report indicates, that the Tularosa Basin, because of its vast potential for the entire Southwest, will be one of the sites for a desalination demonstration plant under this new authority.

I note that the conference report contains a procedure for continuing congressional review of these plants. This is to assure full consultation by the administration with the Congress. It must not become a tool for the Congress to second-guess executive agencies, or for delay.

Mr. President, I will conclude by pointing out that our original bill, S. 846, was reported out unanimously by both the Water Resources Subcommittee and the full Committee on Environment and Public Works. It was adopted unanimously by the full Senate. The aspects of the conference bill, as it affects the saline water program, is substantially similar to, and in some ways stronger than, the Senate bill for fiscal year 1978. I urge my colleagues to again act affirmatively on this legislation.

In addition, I ask unanimous consent, Mr. President, that excerpts from the summary and conclusions of an FEA study "Use of Brackish Ground Water Resources for Regional Energy Development, Tularosa Basin, New Mexico: Preliminary Evaluation," dated March 1977, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY

It is our conclusion, based upon this preliminary investigation of the Tularosa Basin's suitability for energy development projects, that there are no outstanding physiographic, social, or environmental barriers to preclude detailed analysis and planning for industrial development predicated on the use of extensive ground water resources in the Tularosa Basin. We believe that the ground water resources of New Mexico, as well as other states of the arid West, will inevitably become an important resource base for continued industrial expansion in the region, particularly in the energy industry.

This generally positive statement concerning the suitability of the Tularosa Basin must rest, however, on three qualifications, themselves guideposts for advanced planning for the Tularosa region:

(1) We have not spoken, obviously, to the economic feasibility of energy development projects in the region. The economic feasibility of a combined nuclear power, agricultural and recreation complex in the basin was the subject of an earlier study that emphasized the infeasibility of the proposal.* That study was premised on desalting 500,000 acre ft/year, most of which is assumed to be devoted to agricultural use or to trans-basin diversions, as opposed to applications in concentrated energy industries (energy center). Precedents in the arid states of the West suggest, however, that the recovery and use of ground water resources for application in the energy industry can be feasible economically, although as far as the Tularosa region is concerned, economic feasibility must await determination by industry officials.

(2) A great deal more field work and analysis must be devoted to the aquifer system underlying the Tularosa Basin. This would be required:

(a) To determine the optimum location in the basin for a well field. (A well field in the southern part of the basin may be as good, or better, than the well field location upon which this study is based, but less is known about the hydrology of the southern area.)

(b) To be able to calculate more precisely the effect of ground water withdrawals on land surface subsidence. Geophysical logs and cores from exploratory wells and consolidation tests on the cores would be required.

(3) The question of compatibility with present military land use in the basin must be assessed. Although Federal (BLM), private, and State lands do exist in the basin, any large-scale energy developments almost surely would impinge on military-use lands, at least to the extent of pumping and distribution facilities. Tradeoffs between future military ordnance testing requirements and the growth of the State and regional economies would have to be analyzed.

Based on the assumptions which guided this research effort, the following conclusions emerge.

The primary source of energy for producing electric power in the Tularosa Basin would probably be nuclear. Use of coal for either producing electric power or in coal conversion processes depends primarily on how difficult it becomes to acquire enough water near the major coal resources. Further investigations on the Sierra Blanca coal field may be warranted.

Preliminary aquifer-flow modelling indicates the feasibility of withdrawing up to 300,000 acre-feet per year of slightly saline ground water from the well field between Three Rivers and Alamogordo for power plant cooling. The resulting water table decline would interfere, however, with existing water rights, especially near the Village of Tularosa. Vertical and/or lateral encroachment of saline water on existing well fields is possible as water levels are lowered.

Circulating brackish water through a cooling loop consisting of a condenser and cooling tower or pond seems feasible and such practices are in operation presently, or planned, in other parts of the country.

The economic penalty for utilizing brackish water in cooling towers does not appear to be more than 10% over the costs of comparable fresh water cooling towers.

The land surface subsidence modelling indicates that as much as 20 ft. of subsidence could occur after 25 years of ground water withdrawal. Some disruption of existing facilities could be expected. Of course, lower withdrawals for a more modest level of energy development would have less pronounced effects.

The detrimental effect of subsidence on new energy facilities can be mitigated by advanced planning for subsidence, i.e., locating structures on outcrops of bedrock or constructing facilities on lower parts of the alluvial fans in the area.

In addition to subsidence, other principal environmental problems to be reckoned with include salt drift, brine disposal, degradation of present air quality, and possibly increased precipitation in the basin due to heat releases. Major alteration of the present configuration of the water table due to high rates of withdrawal of ground water could disrupt the hydrogeologic system which produces the eolian dunes of gypsum included in the White Sands National Monument.

Projected growth of demand for electric power in the Southwest suggests that the probable service area for a 12,000 MWe generating station in the Tularosa area would be within a 400-mile radius of the project site. Assuming a continued 7%/year growth in electrical demand, total demand in that area would be great enough by 2008 to use not only a full 12,000 MW Tularosa output, but that of other generating projects as well.

The Tularosa Basin seems ideally situated for solar and wind energy developments. Nowhere in the world does solar radiation exceed that in the Tularosa region by more than 10%. The potential for geothermal energy development exists but it may not be great. Further investigation is required.

Given the assumptions of project development in terms of employment and population impacts, new direct and indirect employment would create 16,589 new jobs in 1987 and decline to a steady 6000 by 2007. Depending on the quality of advance planning and the actual pace of development, living conditions for many people could become rather undesirable as large numbers of workers and their families surge into the area demanding housing, utilities, municipal services, and community facilities including schools and shopping areas which may exceed the area's capacity. Makeshift arrangements would be probable while the area struggles to provide for the greatly increased population in a relatively short time.

No rare or threatened biologic species were found during the field work, although one (the Arizona black-tailed prairie dog) is known to be there and a number of endangered birds might be expected to visit the small basin oases.

The proposal of increased energy-related industrial development in the basin, including nuclear generating units, enjoys a strong base of support among those citizens of the basin responding to a public attitude survey.

*Robert R. Lansford, et al., "An Economic Feasibility Study for the Establishment of an Energy-Water Complex in the Tularosa Basin," New Mexico Water Resources Research Institute, Report No. 068, February 1976.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EMERGENCY EDUCATIONAL ASSISTANCE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, at the request of Mr. PELL, that the Senate proceed to the consideration of Calendar No. 323.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 701) to provide Federal financial assistance to educational institutions in order to assist such institutions to meet the emergency caused by the high costs of fuel and fuel shortages and harsh weather conditions, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Human Resources, with amendments, and which had been reported from the Committee on Energy and Natural Resources with an amendment.

Mr. PELL. Mr. President, I commend my colleagues, Senator JACKSON and Senator JOHNSTON, for reporting S. 701. They have done an excellent job completing a large amount of work in a short period of time, and they have produced a final version of the measure which I wholeheartedly endorse and which deserves the support of every Member of the Senate.

As the chairman of the Senate subcommittee charged with authorizing education programs, I first held hearings on the subject of the effect of the energy crisis on our schools 3 years ago. Since then, the energy crisis has become worse; and there has not been a clear national policy in regard to energy supply. With the new administration, there has finally developed a consensus of opinion in favor of a strong energy policy; and S. 701 was introduced to take advantage of that attitude. S. 701 was also timely, because it was introduced during one of the coldest winters in memory. During the cold months this year, the Nation's schools and universities suffered huge financial losses. The result of these losses was that many children, literally millions of students, missed days or even weeks of classes.

The weight of this loss was borne almost entirely by local taxpayers. Education is a major portion of local budgets and as a result, this loss of services and increase in operating costs hit citizens twice. Parents saw their children lose portions of their school year and, as taxpayers, they had to pay more for the shortened services that were maintained.

The energy crisis has had a similar effect on hospitals, further stimulating the inflation in costs that already are too high. Totally separate from the energy issue is the fact that the cost of health care is approaching 10 percent of our national product. Therefore, action here will help not only the energy crisis, but it will materially relieve a part of the crushing burden of health costs which we all must bear.

CHANGES IN THE BILL

Since the introduction of S. 701 and its passage through the Human Resources and the Energy and Natural Resources Committees, there have been a number of changes in the bill. These amendments have been necessary to make the measure conform to part C of the President's energy program. Once again, I have to thank Senators JACKSON and JOHNSTON in this regard, because theirs was the initiative to move this measure in place of the administration-proposed part C.

I will not go over every detail of the bill. But, I would like to mention the three most important changes made in the bill and three provisions in the original bill, which I consider most important, that have remained in the bill.

First, the changes. As I have said, the language of the bill was modified heavily to make it conform to part C of the energy program. This is a vital step since it would be foolish to go ahead with any new program, especially one as large as this, without putting it in harness with the rest of the team. I think the biggest problem we have had in the past few years, in regard to the energy crisis, has been a lack of unity. We have all been pulling in different directions. So, instead of making that error once again, we have succeeded in working in concert toward a national energy plan. This intention has made us adjust the bill's authorization and add hospitals as eligible recipients for the aid. These new steps have not weakened the bill, however, and, for all the reasons stated above, I welcome and support them.

The revised bill requires this program to be administered by the new Department of Energy. Once again, the purpose of this amendment was to tie our efforts in with the national energy program. That is, again, an added strength to the program. I have always been most concerned that these programs get underway at the earliest possible instant. Of course, it would be nice to have the grants dealt out by HEW as I originally proposed, but the program will be just as strong in the new energy department, so I support the change.

Finally, the last major change I will address is the new method of in-State administration. State energy agencies, now in operation, will handle the program and for the same reason as I support a national energy department taking over at the Federal end, I think State energy offices should carry the weight on their side.

Briefly, the three provisions maintained from the bill as introduced are the ones extending this aid to nonpublic schools, providing technical assistance to applicants, and increasing the Federal match from 40 to 50 percent of each project. These are initiatives I took to broaden the applicability and type of this aid as well as providing a stronger Federal stimulus for the program in general. I am happy that the Committee on Energy and Natural Resources maintained these provisions and repeat that they are deserving of the support of the Members of the Senate.

THE NEED FOR CONTINUED ACTION ON S. 701

I hope the Members of the Senate will not mind my raising a few more issues. This will take more time, and I have been speaking a long time already; but, then, I have been waiting for this moment, and I have been working toward it for 3 years. There is a lot that needs to be said.

I am concerned now that we should pass S. 701 and advance to a conference and enactment as rapidly as possible. If we continue acting on this bill with the speed that we have maintained up to now, then we can see these programs helping hospitals and schools before this winter. That is a prime concern.

We all are only too aware of the terrible sufferings of the last winter. We must not let that happen again without having taken action, without offering some relief, and this bill will do just that. It would be a great benefit to our citizens, and it would be a great credit to this Congress if we begin this program now; not sometime in the future, but immediately. Conversely, if we do not act, if we delay or waste time, then we shall have failed in our duty and we shall have failed the trust which the people have conferred on us. Therefore, not only must we pass this bill today, but we must continue working tomorrow to insure the entire Congress passes the measure and sends it on to the President as rapidly as possible.

SUPPORT FROM EDUCATORS FOR S. 701

I have one more point to make in my presentation. S. 701 was universally supported by the educational community when I introduced it 5 months ago. Last week, I contacted various representatives from the field once again, and I am pleased to tell the Members that those same associations have universally reaffirmed their support of the measure as reported by the Energy and Natural Resources Committee.

I ask unanimous consent to have several letters from the representatives to which I have just referred be placed in the RECORD at this point. And I hope the sincerity and unanimity of their support for S. 701, placed with the support of the Members of the two authorizing committees which handled this legislation, will convince the Members to vote in favor of this bill.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 20, 1977.

Hon. CLAIBORNE PELL,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR PELL: As you know, NEA has supported S. 701, your bill to provide federal assistance to education institutions to meet energy emergencies. We are glad that the essential concepts of your bill are contained in the version reported by the Committee on Energy and Natural Resources as Part C of President Carter's proposed energy legislation.

We believe, however, that the chances of having this bill ready for implementation before the coming winter would be improved if the House were to move Part C separately.

Please let me know if there is anything we can do to help move this important legisla-

tion along. We are grateful for your interest and support.

Sincerely,

STANLEY J. MCFARLAND,
Director of Government Relations.

WASHINGTON, D.C.,
July 19, 1977.

Hon. CLAIBORNE PELL,
U.S. Senate, Washington, D.C.

DEAR SENATOR PELL: This is to express the support of the higher education community for prompt passage of S. 701 as approved by the Senate Energy and Natural Resources Committee.

The bill would authorize funds to help schools, colleges, and hospitals meet critical needs for reconstruction and reconversion of facilities to make them more energy-efficient. As we testified before your Education Subcommittee last March, the needs in this area are estimated to be $4 billion for higher education alone. Therefore, enactment of the bill and subsequent appropriations for these purposes are a matter of urgent concern to the nation's colleges and universities.

We appreciate your leadership in calling these concerns to the attention of the Congress through your sponsorship of the original legislation. This letter is written on behalf of the American Association of Community and Junior Colleges, the American Association of State Colleges and Universities, the American Council on Education, the Association of American Universities, the Association of Jesuit Colleges and Universities, the Association of Physical Plant Administrators, the National Association of College and University Business Officers, the National Association of Independent Colleges and Universities, the National Association of State Universities and Land-Grant Colleges, and the National Catholic Educational Association's College and University Department.

Sincerely,

CHARLES B. SAUNDERS, Jr.,
Director of Governmental Relations.

JULY 20, 1977.

Hon. CLAIBORNE PELL,
Chairman, Subcommittee on Education, Senate Committee on Human Resources, Dirksen Office Building, Washington, D.C.

DEAR SENATOR PELL: On behalf of the American Association of School Administrators, I would like to commend you for your efforts to assist educators in their continuing need to conserve energy in school buildings. As we have testified before your committee, and other Congressional committees, school superintendents have for some time been concerned over rapidly rising fuel costs and their increasing impact on school budgets.

Most schools in use today were built when space was critical and the oil barrel was bottomless. As a result, these "first cost" energy inefficient buildings are a great drain on the nation's energy reserves and on the taxpayer's educational pocketbook. These losses can be quantified, but the losses in educational opportunity for America's youth cannot be. The "Winter of '77" and its associated school closings dramatically demonstrated the price children are being asked to pay to meet energy needs. We should not, indeed cannot, ask such a price again in the coming winter, but we must act immediately if we are to avert it.

AASA is gratified that the schools' needs are addressed in S. 701, now known as the Educational and Health Care Facilities Energy Efficiency Act of 1977, which is now before the Senate. Matching federal funds will provide both the incentive and the dollars necessary for them to undertake effective energy conserving measures. Given the time needed for federal and state planning inherent in the bill, it is imperative that this legislation have quick action so that the relief S. 701 provides can reach the local school district level and meet the schools' critical energy needs as soon as possible.

School superintendents throughout the nation are anxiously awaiting the assistance they feel this legislation will provide. Thank you for your continuing assistance.

Sincerely,

SHIRLEY J. HANSEN,
Associate Director.

JULY 20, 1977.

Hon. CLAIBORNE PELL,
Chairman, Subcommittee on Education, Arts and Humanities, U.S. Senate, Washington, D.C.

DEAR SENATOR PELL: The Council of Chief State School Officers endorses the concept of providing assistance to schools for the promotion of energy conservation practices. We commend the Senate on its swift action on such an important issue.

In testimony before the Education Subcommittee on S. 701, the Council recommended that any assistance to public elementary and secondary schools be coordinated at the state level through the State Education Agency and the State Energy Office. It remains our firm belief that this is the most effective and efficient way to target energy conservation assistance to areas of the most need within each state. S701 as reported by the Committee on Energy and National Resources recognizes the need for state level coordination and flexibility through the state plan, and through state assistance in the preparation of applications. We hope, however, that the state role could be clarified further during floor debate on the bill especially with regard to the application process and the distribution of funds.

In view of the urgent need for energy conservation assistance, however, we urge the Senate to pass S701 so that the overwhelming energy problems in schools may be met before the coming winter. We appreciate your leadership in this important area of national concern.

Sincerely,

JOHN W. ADAMS,
Director, Federal/State Relations.

Mr. STAFFORD. Mr. President, the bill before us, the Emergency Educational Assistance Act of 1977, was considered carefully by both the Committee on Energy and Natural Resources and the Committee on Human Resources. So, it has had the benefit of double scrutiny.

Originally it was a product of our Subcommittee on Education, Arts and Humanities, chaired by Senator PELL. I am a cosponsor of the bill. Within the Committee on Human Resources, it has been supported unanimously, by all the Senators representing the minority party as well as by all those representing the majority.

The reasons for this very strong support are most straightforward. The Nation needs to conserve energy. Schools consume more than 11 percent of the energy used for heating and cooling in this country, and it has been estimated that at least half of that is wasted. Severe weather conditions last winter led to unusually large numbers of school closings in 20 States, in all parts of this country. Energy shortages caused prolonged school closings in 432 school systems in Kentucky and Ohio, plus additional school closings in several other States.

Most schools in this country were built in those postwar years in which space was needed badly and energy was cheap. Schools were built accordingly. Today, however, energy costs are the most rapidly increasing expense in the school budget. Those expenses have doubled and tripled within the last 3 years. Yet school budgets have not been keeping pace. The schools do not have money to undertake energy conserving modifications in their buildings. Because they are financially strapped, they can only afford construction-for-conservation by reducing their services in teaching. This is a national problem. It is in the national interest to keep the schools open, to keep the teachers teaching, to conserve our energy, and to limit our dependence upon foreign energy suppliers.

In this regard the Federal Energy Administration has calculated that K–12 schools consume more than 170 million barrels of oil per year. The FEA has suggested that if 30 percent of the Nation's schools were retrofitted, this country would save 25 million barrels of oil per year or 68,000 barrels per day. I should add that our committee heard testimony that the average school in the United States would be able to cut its energy use by 30 to 40 percent by spending $150,000 on energy conservation measures.

I should point out that the situation of our country's hospitals is in striking parallel to that of the schools. The Senate has been focusing upon the high cost of hospital care at a time that hospital energy costs are increasing sharply and hospitals, like schools, could be saving energy by conservation measures.

These situations brought us to the present bill. We believe it will be effective legislation. The conservation measures to be taken will be based upon existing technology. We are not seeking a research program, but rather an implementation program. We know how to do the job in most places; what is needed is the wherewithal.

This legislation authorizes expenditures for three kinds of activities:

It authorizes grants to support work in renovation, insulation, equipment repair, and updating, minor reconstruction, demonstration projects, and technical assistance.

I have received no mail in opposition to this bill, but have received numerous favorable comments concerning it. It creates jobs in the short run and saves money in the long run. It helps to meet a national need of our schools and the national need to conserve energy. I have no reservation about recommending this bill to my colleagues wholeheartedly.

Mr. MUSKIE. Mr. President, the pending bill, S. 701, authorizes a total of $900 million over a period of 3 years to assist schools and hospitals in making improvements in their facilities and operating procedures for the purpose of conserving energy.

The bill is the first portion of the national energy plan to be reported in the Senate. The two committees involved, Human Resources and Energy and Natural Resources, are to be commended for their prompt action. So is our distinguished majority leader whose determination to have the Senate act upon

portions of the energy plan this summer is critical to a satisfactory, timely response on the part of the entire Congress to the Nation's energy crisis.

As a Senator from Maine, I support S. 701. Schools and hospitals in Maine, where energy costs are extremely high, will benefit from the conservation program established in the bill.

I also support S. 701 as chairman of the Budget Committee. Funding for the bill's energy conservation program would be classified in function 300: Natural resources, environment, and energy. Currently, estimated spending in this function for fiscal year 1978 based on appropriations to date is well below the function 300 targets of the first budget resolution. S. 701, if enacted and fully funded, would result in additional spending of $200 million in budget authority and $45 million in outlays. These amounts could be accommodated in the present function 300 targets.

However, it appears that enactment and full funding of all of the elements in the President's energy plan, plus other possible later requirements in function 300, would require the function 300 targets to be adjusted. Recommendations on this adjustment will be made by members of the Budget Committee during the committee's consideration of the second concurrent budget resolution. The full Senate will then have the opportunity to review our recommendation when the second budget resolution is taken up after the August recess.

Mr. JOHNSTON. Mr. President, the legislation adopted by the Senate today is the first portion of the President's energy proposals to be enacted by either House of Congress. I would like to congratulate my good friend and distinguished colleague, Senator PELL and the entire Committee on Human Resources for the excellent cooperation they have extended to the Committee on Energy and Natural Resources throughout the consideration of this legislation. This cooperation should stand as a model of the achievements which are possible when the creative efforts of two committees are marshalled to reach a common goal.

This legislation is the first of several energy conservation proposals which the Congress will consider in the coming weeks. It will conserve energy in our Nation's schools and hospitals. It will also afford needed relief from the burdens of rising energy costs for our schools and hospitals. It will help retard the rate of growth in domestic energy demand which must occur if we are to formulate an effective and balanced energy program.

I think this legislation also shows that our institutions can and will work to develop the mechanisms which are needed to deal with our energy problems. Obviously, much more is needed both for conservation and for increased energy production, but this legislation marks a magnificent beginning.

Mr. President, I would like to submit for the RECORD at this point, a summary of the major provisions of the legislation as adopted.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS

The bill authorizes the Administrator of FEA to make dollar-for-dollar Federal matching grants to public or nonprofit schools and hospitals. Eligible schools include public or private (nonprofit) elementary, secondary, and vocational schools and colleges, universities, and graduate schools. Each State desiring Federal assistance for its schools and hospitals is required to submit a State plan to the Administrator of FEA that describes the energy conservation measures that schools and hospitals in that State may implement. The FEA Administrator is to prescribe guidelines for the State plans. If a plan has not been approved by a specified time the Administrator shall establish a plan for that State in order to make its schools and hospitals nonetheless eligible for financial assistance.

The total appropriation for each year is allocated among the States on a per capita basis. Once a State's allocation is established, then the amount is further divided, 25 percent for hospitals, and 75 percent for schools.

An individual nonprofit hospital may apply to the Administrator for a grant but the application must first be submitted to the State's health care facilities agency and approved by that agency. In practice, that agency will control distribution of the Federal assistance to hospitals in the State. Furthermore, the hospital's application must be consistent with the State plan. The allocation to the hospitals in a State would be available until used unless no application is made by the end of fiscal year 1980.

Schools applying as individuals would be entitled to funds based on their enrollment. This allotment would be available until used unless no application is made by the end of fiscal year 1980. In general, the applicant for a particular school will be the highest governing body that has administrative control over that school. Should no such institution exist, for instance in the case of an independent private (nonprofit) school, then the school will apply directly to the Administrator. As for elementary and secondary public schools, the applicant is the public board of education for the respective political subdivision in the State. The board's share of the State's funds reserved for schools is proportional to the enrollment in that political subdivision's schools compared to the total enrollment in all the State's schools.

Private, nonprofit elementary, and secondary schools similarly will apply through a private, nonprofit institution recognized as their representatives, if such an institution exists. For instance, the local diocese will apply for its member parochial schools. Its allotment is, again, based on the enrollment of its schools.

Institutions of higher education may apply directly to the Administrator, but applications must be consistent with the State plan. Should a school or hospital receiving Federal assistance fail to comply with the provisions of the act, the Administrator may notify them that he is ceasing further payments until they do comply.

Authorization for appropriation under this bill is $200 million for fiscal year 1978, $300 million for fiscal year 1979, and $400 million for fiscal year 1980.

Mr. JACKSON. Mr. President, today's Senate passage of S. 701, that would authorize $900 million in matching grant funds for the implementation of energy conservation measures in our schools and hospitals is a significant day for this body and for the Nation as well.

This is the first of the legislation contained in President Carter's national energy package to pass either House of Congress. It is, of course, only the beginning of a succession of energy legislation that will rapidly follow, but I think that we should note the importance of this beginning.

The one aspect of this energy legislation that I want to emphasize is the several forms of cooperation that it represents.

Much of the credit for S. 701 and the prompt action on it goes to my colleagues Senator CLAIBORNE PELL and Senator J. BENNETT JOHNSTON. Senator PELL sponsored this measure and worked closely with Senator JOHNSTON who chaired the hearings on it and managed the markup in the Committee on Energy and Natural Resources. The cooperation exhibited between these two Senators in shaping and moving this bill is worthy of the Senate's attention.

Congratulations are also in order for the two committees that produced this legislation. S. 701 began in the Committee on Human Resources, was reported out and rereferred to the Committee on Energy and Natural Resources. The consultation back and forth between these two committees is, I think a fine example of how the committees of the Senate should coordinate to expedite action on President Carter's energy legislation. I am confident that this coordination will continue among our committees on the other parts of the National Energy Act.

There is another important form of cooperation implicit in this bill and that is the fact that S. 701 provides for matching Federal grants to public or nonprofit schools and hospitals. Funding from local government, from the States, and from private organizations will be combined to promote energy conservation in our schools and hospitals.

Finally, we look forward to close cooperation in conference with the House after they pass their similar measure.

Mr. President, I conclude these remarks by simply saying that personally, I am delighted with Senate passage of S. 701.

Mr. HATHAWAY. Mr. President, will the Senator yield?

Mr. PELL. I yield.

Mr. HATHAWAY. Mr. President, I commend the Senator for his diligent work. I am a cosponsor of this bill.

Mr. PELL. I thank my colleague very much.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and was passed, as follows:

S. 701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Educational and Health Care Facilities Energy Efficiency Act of 1977".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) public and nonprofit educational institutions and hospitals throughout the Nation consume significant amounts of energy and have been and will continue to be especially burdened by the rising energy costs;

(2) substantial energy conservation can be achieved in educational and health care facilities through implementation of energy-conserving and maintenance and operating procedures and the installation of energy conservation measures; and

(3) financial assistance is especially needed by public and nonprofit educational institutions and hospitals to make necessary improvements to achieve greater energy efficiency, to conserve energy and reduce costs to the public.

(b) It is the purpose of this Act to authorize grants to public and nonprofit educational institutions and hospitals to assist in evaluating and implementing energy-conserving maintenance and operating procedures and energy conservation measures.

DEFINITIONS

SEC. 3. As used in this Act the term—

(a) "Administrator" means the Administrator of the Federal Energy Administration.

(b) "State" means, in addition to the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands.

(c) "Governor" means the chief executive officer of a State.

(d) "public or nonprofit institution" means an institution owned and operated by—

(1) a State, a political subdivision of a State or an agency or instrumentality of either; or

(2) an organization exempt from income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

(e) "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(f) "institution of higher education" means an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association. Such term also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provision of clauses (A), (B), (D), and (E).

(g) "local educational agency" means:

(1) a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform such a service function for, a group of public institutions of higher education within a State, public elementary or secondary schools of a city, county, township, school district or other political subdivision of a State, or such combination of school districts or counties as recognized in a State as an administrative agency for its public elementary or secondary schools, and includes any other public institution or agency having administrative control and direction of an institution of higher education a public elementary or secondary school; or

(2) a private nonprofit institution legally constituted within or otherwise recognized by a State for either administrative control or direction of, or to perform such a service function for, a group of private nonprofit elementary or secondary schools or institutions of higher education within such State.

(h) "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(i) "school facilities" includes classrooms and related facilities of an elementary school, secondary school, or an institution of higher education, and initial equipment, machinery, and utilities necessary or appropriate for educational purposes; but does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public.

(j) "educational institution" means any local educational agency, any institution of higher education and any nonprofit elementary or secondary school.

(k) "hospital" means a public or nonprofit institution which is—

(1) a general hospital, tuberculosis hospital, or any other type of hospital, other than a hospital furnishing primarily domiciliary care; and

(2) duly authorized to provide hospital services under the laws of the State in which it is situated.

(l) "hospital facilities" means buildings housing a hospital and related facilities, including laboratories, outpatient departments, nurses' home and training facilities and central service facilities operated in connection with a hospital, and also includes buildings housing education or training facilities for health professions personnel operated as an integral part of a hospital.

(m) "project costs" means costs incurred in the evaluation, design, acquisition, construction, and installation of energy conservation measures.

GRANT AUTHORIZATION

SEC. 4. (a) The Administrator is authorized to make grants to educational institutions and hospitals for the payment of the Federal share of project costs incurred in connection with projects undertaken pursuant to this Act.

(b) The Federal share of the project costs incurred in connection with any project shall not exceed 50 per centum thereof. The remainder of the project costs shall be provided from sources other than Federal funds.

STATE PLANS

SEC. 5. (a) The Administrator shall, by rule, at the earliest practicable date after the date of enactment of this Act, prescribe guidelines for the development of State plans with respect to the evaluation and installation of energy conservation measures in school facilities and hospital facilities, including guidelines indicating the types of measures appropriate for each region of the Nation. The Administrator shall invite the Governor of each State to submit, at the earliest practicable date after the effective date of such guidelines, a proposed State plan for such State. Such plan shall include—

(1) a description of the State's recommendations with respect to the evaluation and installation of energy conservation measures in school and hospital facilities in such State over the period for which funds are authorized to be appropriated pursuant to this Act including—

(A) the types of energy conservation measures to be considered for installation in school and hospital facilities under projects undertaken pursuant to this Act; and

(B) an estimate of the energy savings and cost effectiveness of energy conservation measures anticipated for each type of project.

(2) The procedures under which the State will provide technical assistance to educational institutions and hospitals within such State with respect to the identification, evaluation, and design of energy conservation measures in the facilities and maintenance and operating procedures of such institutions and hospitals.

(b) Each State plan shall be reviewed and approved or disapproved by the Administrator not later than thirty days after submission. A Governor may submit a new or amended plan at any time after submission of the original plan if the State obtains the consent of the Administrator.

(c) If, after the expiration of the fourth month after the appropriation of funds in the first fiscal year for which funds are appropriated under this Act, the State plan of any State has not been approved by the Administrator under this section, the Administrator shall take such action as is necessary to develop and implement a plan (and carry out the functions which would otherwise be carried out by the State under this Act) in order that educational institutions and hospitals in such State shall be eligible for grants under this Act, such plan to be effective until a plan submitted by the Governor of such State has been approved by the Administrator.

(d) Reasonable steps shall be taken to assure that plans submitted or implemented pursuant to this section are consistent with the applicable provisions of the Public Health Service Act describing State health plans.

FINANCIAL ASSISTANCE

SEC. 6. (a) The Administrator shall provide financial assistance to any applicant from sums appropriated for any fiscal year under this Act only upon approval of an annual application submitted to the Administration pursuant to section 7.

(b) The Administrator shall allocate sums appropriated for each fiscal year—

(1) to the educational institutions of each State an amount which bears the same ratio to 75 per centum of such sums as the population of the State bears to the population of all States; and

(2) to the hospitals of each State an amount which bears the same ratio to 25 per centum of such sums as the population of the State bears to the population of all States.

(c) The population of a State and of all States shall be determined by the Administrator on the basis of the most recent satisfactory data available to him from the Department of Commerce.

(d) The Administrator shall not provide financial assistance authorized in this Act to any hospital in any State unless the application for a grant by such hospital has been submitted through and has been approved by an established health care facilities agency (as defined by the term "State health planning and development agency" in section 1521 of the Public Health Service Act), or, if no such agency exists, an agency designated by the Governor of such State which is broadly representative of the public and private nonprofit hospitals in such State.

(e) Each educational institution in a State shall be allocated and shall be eligible to make application to the Administrator for financial assistance in an amount which bears the same ratio to the sums allocated to all educational institutions of such State pursuant to paragraphs (b)(1) of this section as the enrollment of such institution bears to the total enrollment of all educational institutions of such State.

(f) The enrollment of an educational institution and of all educational institutions within a State shall be determined by the Administrator on the basis of the data most satisfactory to the Administrator made available to him by the Governor of such State.

(g) The allocations available to all hospitals of a State and to each educational institution of a State pursuant to this section from sums appropriated to the Administra-

tor pursuant to this Act in any fiscal year shall remain available until used.

APPLICATIONS

SEC. 7. (a) Applications of educational institutions and hospitals for financial assistance under this Act shall be made annually to the Administrator during the fiscal years for which appropriations are authorized under this Act, shall be consistent with State plans approved pursuant to this Act, and shall contain or be accompanied by such information as the Administrator may reasonably require.

(b) The Administrator shall not provide financial assistance under this Act unless the applicant has provided reasonable assurances that it has—

(1) established procedures to assure that funds made available under this Act will be expended for project costs in compliance with the requirements of this Act and rules promulgated under this Act;

(2) establish procedures for implementation of energy conserving operational and maintenance procedures in those facilities for which projects are proposed;

(3) established policies and procedures designed to assure that financial assistance provided under this Act will be used to supplement, and not to supplant, State, local, or other funds, and, to the extent practicable, to increase the amounts of such funds that would be made available in the absence of Federal funds for carrying out this Act; and

(4) established procedures to provide reports to the Administrator in such form and containing such information (including information for evaluation purposes) as the Administrator may reasonably require and to keep such records and furnish access thereto as the Administrator may find necessary to assure the correctness and verification of such reports.

(c) Amendments of an application shall, except as the Administrator may otherwise provide, be subject to approval in the same manner as the original application.

ADMINISTRATION

SEC. 8. The Administrator is authorized to prescribe such rules as may be necessary in order to carry out the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. (a) For purposes of making grants pursuant to this Act, there is authorized to be appropriated not to exceed $200,000,000 for the fiscal year ending September 30, 1978; $300,000,000 for the fiscal year ending September 3, 1979; and $400,000,000 for the fiscal year ending September 30, 1980, such sums to remain available until expended.

(b) For expenses of the Administrator in administering the provisions of this Act, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

WITHHOLDING

SEC. 10. Whenever the Administrator, after reasonable notice and opportunity for hearing to any educational institution or hospital receiving assistance under this Act, finds that there has been a failure to comply substantially with the provisions set forth in the application approved under section 7 of this Act, the Administrator shall notify the educational institution or hospital that further payments will not be made to such educational institution or hospital under this Act until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied no further payments shall be made to such educational institution or hospital under this Act.

SEVERABILITY

SEC. 11. If the provisions of this Act or the application thereof to any person or circumstances be held invalid, the provisions of the other parts and their application to other persons or circumstances shall not be affected thereby.

TECHNICAL AMENDMENTS

SEC. 12. (a) Section 1502 of the Public Health Service Act is amended by adding at the end thereof the following new paragraph:

"(11) The promotion of an effective energy conservation and fuel efficiency program for health service institutions to reduce the rate of growth of demand for energy.".

(b) Section 1532(b)(2) of the Public Health Service Act is amended by deleting the period after "made" and inserting in lieu thereof ", or in the case of nonsubstantive reviews, provision for a shortened review period.".

(c) Section 1532(c)(9)(A) of the Public Health Service Act is amended by deleting the comma after "construction" and inserting in lieu thereof ", including the costs and methods of energy provision, and,".

(d) Section 1532(c) of the Public Health Service Act is amended by adding at the end thereof the following new paragraph:

"(10) The special circumstances of health service institutions and the need for conserving energy.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I congratulate Mr. PELL on his very able work in authoring the bill and in managing it on the floor.

This is one of the important aspects of the President's energy package. I compliment all Senators and the Senate on the expeditious handling of this bill. It has been acted upon by two committees.

I compliment Mr. JOHNSTON, on the Committee on Energy and Natural Resources, for his part in shaping the bill, considering it, and conducting whatever studies were necessary on the part of that committee. This measure has run the gamut of two committees—the Committee on Energy and Natural Resources and the Committee on Human Resources—and all Senators are to be commended for the work they have done.

Mr. PELL. I thank my colleague, the majority leader, for his kind words.

I am glad, too, that the bill has been passed. We held our first hearings on the bill—I hold the volume in my hand—January 7, 1974, before the cold winter of last year. I am very glad, indeed, that this bill, which has been 3 years in gestation, has finally come to passage.

Mr. ROBERT C. BYRD. I thank the Senator.

OREGON OMNIBUS WILDERNESS ACT OF 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 306, S. 658.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

Calendar No. 306, S. 658, to designate certain lands for inclusion in the National Wilderness Preservation System.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be known as the Oregon Omnibus Wilderness Act of 1977.

SEC. 2. (a) In furtherance of the purposes of the Wilderness Act (78 Stat. 890), the following lands are hereby designated as wilderness and, therefore, as components of the national wilderness preservation system:

(1) certain lands within the Umpqua National Forest, Oregon, which comprise about nineteen thousand two hundred acres, are generally depicted on a map dated June 1977, and entitled "Boulder Creek Proposed Wilderness", and shall be known as the Boulder Creek Wilderness;

(2) certain lands within the Siskiyou National Forest, which comprise about eighty-two thousand, four hundred acres, are generally depicted on a map dated June 1977, and entitled "Kalmiopsis Wilderness Additions", and shall be included as a part of the Kalmiopsis Wilderness;

(3) certain lands within the Umatilla National Forest, Oregon and Washington, which comprise about one hundred and eighty-five thousand acres are generally depicted on a map dated June 1977, and entitled "Wenaha-Tucannon Wilderness—Proposed", and shall be known as the Wenaha-Tucannon Wilderness;

(4) certain lands within the Mount Hood National Forest, Oregon, which comprise about thirty-three thousand acres, are generally depicted on a map dated June 1977, and entitled "Mount Hood (Zigzag) Proposed Wilderness" and shall be known as the Mount Hood Wilderness Additions.

(b) As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of each wilderness area designated by section 2 with the Interior and Insular Affairs Committee of the House of Representatives and the Energy and Natural Resources Committee of the Senate. Such legal description and map shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

(c) Each wilderness area designated by section 2 of this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 3. (a) In furtherance of the purposes of the Wilderness Act, the Secretary of Agriculture shall review as to its suitability for preservation as wilderness certain lands within the Mount Hood National Forest and the Willamette National Forest, Oregon, which comprise about forty-nine thousand acres, are generally depicted on a map dated June 1977, and entitled "Bull of the Woods (Hidden) Proposed Wilderness".

(b) In accordance with the provisions of the Wilderness Act, the Secretary shall complete his review and report his findings to the President and the President shall advise the Congress of his recommendations with respect to the designation of the Hidden Wilderness Study Area as wilderness not later than two years after the date of enactment of this Act.

(c) Subject to existing private rights, the area to be studied by this section shall, until Congress determines otherwise, be administered by the Secretary of Agriculture so as to maintain its presently existing wilderness character and potential for inclusion in the National Wilderness Preservation System, except that such management requirement shall not extend beyond a period of four years from the date of sub-

mission to the Congress of the President's recommendation concerning said area. Already established uses may be permitted to continue, subject to such restrictions as the Secretary of Agriculture deems desirable, in the manner in and degree to which the same was being conducted on the date of enactment of this Act.

(d) Nothing in this Act shall be construed to (1) limit the President in proposing, as part of his recommendation to the Congress, the alteration of existing boundaries of the area designated for study by this section or recommending the addition to such area of any contiguous area predominantly of wilderness value, or (2) limit the authority of the Secretary of Agriculture to establish, protect, study, or make recommendations to the President and the Congress with respect to additional wilderness study areas within national forests in the State of Oregon.

Mr. JACKSON. Mr. President, I wish to commend the distinguished Senator from Oregon, Mr. HATFIELD, for the work that he has done in the development of S. 658, the Oregon Omnibus Wilderness Act.

I am concerned, however, over certain aspects of the committee's treatment of those lands within the State of Washington which were included in Senator HATFIELD's original proposal of 200,000 acres but which were deleted from the bill as reported.

Mr. President, agreement was reached to delete approximately 15,000 acres from the proposed Wenaha-Tucannon Wilderness area only after delicate negotiations between the interested parties. Our colleague in the House of Representatives, the distinguished Chairman of the House Agriculture Committee, Mr. FOLEY, was instrumental in getting final agreement.

This agreement was predicated, however, on the inclusion of certain directions to the Department of Agriculture relative to the management of those lands deleted from the original bill. The committee report language generally reflects the terms of this agreement; however, I would like to discuss certain important elements of the agreement with the Senator from Oregon, Mr. HATFIELD, to help clarify the intent of the committee.

First, agreement was reached that the committee should direct the Secretary to prohibit the construction of new logging or recreational roads in those areas.

Second, the Secretary must require at least a 200-meter uncut buffer strip along class 1, 2, and 3 streams in this area so as to preserve and enhance water quality.

Third, there was general agreement that off the road vehicles or all terrain vehicles should be prohibited in those areas which were deleted from the bill.

Finally, it was understood that the Secretary would prohibit experimental or demonstration logging practices on these lands. It was also expected that no Federal funds would be used to supplement the cost of actual logging operations on these lands.

Mr. President, it is my understanding that language will be included in the House Committee Report to accompany H.R. 3454, the Endangered American Wilderness Act, clarifying and specifically setting forth the agreed to management directives. I would like, however, to have this matter also clarified in the bill before us.

While I recognize that this agreement is not totally satisfactory to any of the interested parties in the State of Washington, I do feel that it is a workable compromise that will protect and enhance these areas while at the same time providing for possible timber operations in the future, subject to advances in logging techniques.

Mr. President, I would appreciate hearing from the Senator from Oregon if he has any objections to these additional management directives. Again, they reflect a delicate compromise between the competing groups.

Mr. HATFIELD. Mr. President, I am aware of the negotiations that took place affecting these areas in the State of Washington, and concur in the statements made by the distinguished Chairman of the Energy and Natural Resources Committee regarding the intent of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to designate certain lands for inclusion and potential inclusion in the National Wilderness Preservation System.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR PERMISSION TO FILE STATEMENTS IN CONNECTION WITH S. 658 UNTIL 7 O'CLOCK TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 7 o'clock today to insert statements in the RECORD in connection with the adoption of S. 658, Calendar Order No. 306.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR HELMS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, that Mr. HELMS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I do not think the Senate will be in much longer, but I am constrained to put in a quorum, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business. I take it that inasmuch as we are in a recess situation there is no need to ask that resolutions not come over under the rule, but if that is necessary I so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 5:05 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that:

The House disagrees to the amendments of the Senate to the bill (H.R. 7589) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MCKAY, Mr. SIKES, Mr. MURTHA, Mr. STEED, Mr. LONG of Maryland, Mr. CHAPPELL, Mr. MAHON, Mr. MCEWEN, Mr. REGULA, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6138) to provide employment and training opportunities for youth.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 4975) to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs.

The House has passed the following bills and agreed to the following resolution in which it requests the concurrence of the Senate:

H.R. 1550. An act to reduce temporarily the rate of duty on certain ceramic insulators used in spark plugs;

H.R. 1904. An act to suspend until July 1, 1980, the duty on intravenous fat emulsion;

H.R. 2692. An act to suspend until the close of June 30, 1980, the duty on wood excelsior;

H.R. 2849. An act to suspend until July 1, 1978, the rate of duty on mattress blanks of rubber latex;

H.R. 2850. An act to suspend until the close of June 30, 1978, the duty on certain latex sheets;

H.R. 3093. An act to provide duty-free treatment for certain copying lathes used for making rough or finished shoe lasts and for parts of such lathes;

H.R. 3790. An act to suspend until the close of June 30, 1980, the duty on concentrate of poppy straw used in producing codeine or morphine;

H.R. 3946. An act to suspend for a temporary period the rate of duty on wool not finer than 46s;

H.R. 4018. An act to suspend until the close of June 30, 1980, the duty on certain doxorubicin hydrochloride antibiotics;

H.R. 4654. An act to reduce until the close of June 30, 1980, the duty on unmounted underwater lenses;

H.R. 5052. An act providing for the temporary suspension of duty on photographic color couplers and coupler intermediates;

H.R. 5263. An act to suspend until the close of June 30, 1980, the duty on certain bicycle parts;

H.R. 5322. An act to provide duty-free treatment for istle;

H.R. 2661. An act for the relief of Patricia R. Tully;

H.R. 3081. An act for the relief of Mrs. Chong Sun Yi Rauch; and

H. Con. Res. 291. A concurrent resolution to authorize certain corrections in the enrollment of H.R. 6138.

ENROLLED BILLS SIGNED

The Speaker has signed the following enrolled bills:

H.R. 4088. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

H.R. 7556. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1978, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration:

Without amendment:

S. Res. 184. A resolution amending Rule XV of the Standing Rules of the Senate relative to reading of amendments when submitted for Senate consideration.

S. Res. 185. A resolution to amend Rule III of the Standing Rules of the Senate relative to the reading of and amendments to the Journal.

S. Res. 186. A resolution to amend Rule XXVII of the Standing Rules of the Senate relative to the reading of conference reports when submitted for consideration.

S. Res. 226. An original resolution to amend Rule III, Rule XV, and Rule XXVII of the Standing Rules of the Senate relative to the reading of and amendments to the Journal, the reading of amendments when submitted for Senate consideration, and reading of conference reports when submitted for consideration, respectively.

By Mr. ROBERT C. BYRD (for Mr. McCLELLAN), from the Committee on the Judiciary:

With an amendment:

H.R. 5864. An act to approve with modifications certain proposed amendments to the Federal Rules of Criminal Procedure, to disapprove other such proposed amendments, and for other related purposes (Rept. No. 95-354).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Charles E. Graves, of Wyoming, to be U.S. attorney for the district of Wyoming.

Joseph F. Dolan, of Colorado, to be U.S. attorney for the district of Colorado.

Edward L. Filippine, of Missouri, to be U.S. district judge for the eastern district of Missouri.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. STENNIS, from the Committee on Armed Services:

Antonio Handler Chayes, of Massachusetts, to be an Assistant Secretary of the Air Force.

Hans Michael Mark, of California, to be Under Secretary of the Air Force.

Walter Barber LaBerge, of Virginia, to be Under Secretary of the Army.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of Lt. Gen. Sam S. Walker, U.S. Army, to be general; and Maj. Gen. Thomas H. Tackaberry, U.S. Army, to be lieutenant general; and Maj. Gen. Charles A. Gabriel, U.S. Air Force, to be lieutenant general. Also, there are 27 in the Regular Army of the United States, for appointment to the grade of brigadier general—list beginning with Maj. Gen. Richard H. Thompson; and there are six for appointment in the Reserve of the Air Force in the grade of brigadier general and major general—list beginning with Brig. Gen. Robert Buechler; and Adm. David H. Bagley, U.S. Navy—age 56—for appointment to the grade of admiral on the retired list. Also, Vice Adm. Shannon D. Cramer, Jr., U.S. Navy—age 55—for appointment to the grade of vice admiral on the retired list; and Lt. Gen. Frank A. Camm, U.S. Army—age 55—to be placed on the retired list in the grade of lieutenant general; and Maj. Gen. John R. Thurman, III, U.S. Army, to be lieutenant general. I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. In addition, there are 44 in the Navy to be permanent and temporary commanders and below—list beginning with Timothy M. Aspery; and 40 for promotion in the Reserve of the Air Force to the grade of lieutenant colonel—list beginning with Major Gene A. Budig. Also, the are 44 in the Marine Corps Reserve for permanent appointment to the grade of colonel—list begins with Vincent P. Andaloro. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of June 23 and July 11, 1977, at the end of the Senate proceedings.)

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Finance:

H.R. 1550. An act to reduce temporarily the rate of duty on certain ceramic insulators used in spark plugs;

H.R. 1904. An act to suspend until July 1, 1980, the duty on intravenous fat emulsion;

H.R. 2692. An act to suspend until the close of June 30, 1980, the duty on wood excelsior;

H.R. 2849. An act to suspend until July 1, 1978, the rate of duty on mattress blanks of rubber latex;

H.R. 2850. An act to suspend until the close of June 30, 1978, the duty on certain latex sheets;

H.R. 3093. An act to provide duty-free treatment for certain copying lathes used for making rough or finished shoe lasts and for parts of such lathes;

H.R. 3790. An act to suspend until the close of June 30, 1980, the duty on concentrate of poppy straw used in producing codeine or morphine;

H.R. 3946. An act to suspend for a temporary period the rate of duty on wool not finer than 46s;

H.R. 4018. An act to suspend until the close of June 30, 1980, the duty on certain doxorubicin hydrochloride antibiotics;

H.R. 4654. An act to reduce until the close of June 30, 1980, the duty on unmounted underwater lenses;

H.R. 5052. An act providing for the temporary suspension of duty on photographic color couplers and coupler intermediates;

H.R. 5263. An act to suspend until the close of June 30, 1980, the duty on certain bicycle parts;

H.R. 5322. An act to provide duty-free treatment for istle.

The following bills were each read twice by their titles and referred to the Committee on the Judiciary:

H.R. 2661. An act for the relief of Patricia R. Tully; and

H.R. 3081. An act for the relief of Mrs. Chong Sun Yi Rauch.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ALLEN (for himself, Mr. BARTLETT, Mr. BROOKE, Mr. HAYAKAWA, Mr. HELMS, Mr. NUNN, Mr. ROTH, Mr. SPARKMAN, Mr. STONE, and Mr. THURMOND):

S. 1897. A bill to authorize the making of grants to developing institutions to establish endowments for developing institutions; to the Committee on Human Resources.

By Mr. PEARSON:

S. 1898. A bill to provide for improved air service to small communities, expanded programs for the rehabilitation of rural high-

ways and bridges and railroad branchlines, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. JAVITS (for himself, Mr. HUMPHREY, Mr. MOYNIHAN, Mr. MATHIAS, Mr. CLARK, Mr. RIEGLE, Mr. BAYH, Mr. MCGOVERN, Mr. WILLIAMS, Mr. KENNEDY, Mr. BROOKE, Mr. CHAFEE, Mr. DOLE, Mr. JACKSON, Mr. HEINZ, Mr. GLENN, Mr. RIBICOFF, and Mr. CASE):

S. 1899. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

By Mr. MCINTYRE (by request):

S. 1900. A bill to clarify the treatment of banks and other depository institutions under State and local revenue laws; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GRIFFIN (for himself and Mr. RIEGLE):

S. 1901. A bill to provide that a portion of the savings which are realized by the Department of Defense as a result of the closure or realinement of a military base in a community shall be returned to the community for economic recovery and adjustment; to the Committee on Government Affairs.

By Mr. DOMENICI:

S.J. Res. 75. A joint resolution designating the pine tree as the national arboreal emblem of the United States; to the Commmittee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 514

At the request of Mr. RIBICOFF, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 514, to amend title XVIII of the Social Security Act.

S. 543

At the request of Mr. PELL, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 543, to amend title VII of the Social Security Act to provide that benefit checks shall be mailed for delivery on the day preceding a Saturday, Sunday, or legal public holiday, and to amend section 3020 of title 38, United States Code, relating to the time of delivery of benefit checks paid under laws administered by the Veterans' Administration.

S. 1167

At the request of Mr. DOMENICI, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1167, relating to the commercialization of native latex rubber.

S. 1571

At the request of Mr. MCINTYRE, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1571, to incorporate the National Ski Patrol System.

S. 1728

At the request of Mr. ANDERSON, the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 1728, the Domestic Violence Prevention and Treatment Act.

S. 1745

At the request of Mr. MCINTYRE, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 1745, to amend the Employee Retirement Income Security Act.

S. 1783

At the request of Mr. ANDERSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1783, to amend the Internal Revenue Code.

S. 1872

At the request of Mr. CHURCH, the Senator from California (Mr. CRANSTON), the Senator from Michigan (Mr. RIEGLE), and the Senator from South Dakota (Mr. ABOUREZK) were added as cosponsors of S. 1872, to provide price support for sugar.

S. 1864

At the request of Mr. DOMENICI, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1864, to establish the Salinas National Monument in New Mexico.

SENATE CONCURRENT RESOLUTIONS 40—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO ILLEGAL PAYMENTS TO MEMBERS OF CONGRESS BY KOREA

(Referred to the Committee on Governmental Affairs.)

Mr. ROTH submitted the following concurrent resolution:

S. CON. RES. 40

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. (a) There is established a Special Commission to Investigate Illegal Korean Payments (hereafter in this resolution referred to as the "Commission"), which shall be composed of six members, three members of which shall be recommended by the Committee on Standards of Official Conduct of the House of Representatives, to become effective upon approval, by resolution of the House of Representatives, and three members of which shall be recommended by the Committee on Ethics of the Senate, to become effective upon approval, by resolution of the Senate.

(b) Recommendations for membership on the Commission shall be based on the integrity, impartiality, and good judgment of the individuals recommended, and by their willingness and ability to conduct a thorough, vigorous, and objective investigation of illegal or unethical behavior by Members of Congress.

(c) The Commission shall elect a chairman and a vice chairman from among its members, and adopt rules and procedures to govern its proceedings. The vice chairman shall preside over meeting of the Commission during the absence of the chairman, and discharge such other responsibilities as may be assigned to him by the Commission or the chairman. Vacancies in the membership of the Commission shall not affect the authority of the remaining members to execute the functions of the Commission and shall be filled in the same manner as original appointments to it are made.

(d) A majority of the members of the Commission shall constitute a quorum for the transaction of business, but the Commission may fix a lesser number as a quorum for the purpose of taking testimony or depositions.

SEC. 2. It shall be the duty of the Commission to assist the Committee on Standards of Official Conduct of the House of Representatives and the Committee on Ethics of the Senate in carrying out their responsibilities by conducting investigations and making determinations of fact with respect to all serious and substantial allegations that Members of the Senate or House of Representatives, or officers or employees thereof accepted illegal gifts or payments from the government of Korea or individuals employed or compensated by the government of Korea or engaged in any other illegal activity or conduct reflecting adversely on the Senate or the House of Representatives encouraged by any individuals acting for or on behalf of the government of Korea.

SEC. 3. (a) Members of the Commission shall receive, for each day in which they are engaged in the performance of their duties as members of the Commission, compensation at a daily rate equal to the per diem equivalent of the highest rate of gross compensation which may be paid to an employee of a standing committee of the Senate; and shall be entitled to reimbursement for transportation expenses and to receive a per diem, in lieu of subsistence, at the same rate as is payable to employees of the Senate, for each day on which they are away from their home or regular place of business or employment and are engaged in the performance of their duties as members of the Commission or in traveling to or from the place where such duties are to be performed.

(b) The Commission shall appoint, prescribe the duties and responsibilities of, and fix the compensation of a staff director and such other employees as may be necessary to enable it to carry out its functions and duties. The staff director may be paid at a maximum annual rate of compensation not exceeding the maximum annual rate which may be paid to the two committee employees of a standing committee of the Senate referred to in section 105(e)(3)(A) of the Legislative Branch Appropriation Act, 1968, as amended and modified, and other employees of the Commission may be paid at a maximum annual rate of compensation not exceeding the maximum annual rate which may be paid to the four committee employees of a standing committee of the Senate referred to in such section.

(c) The Commission is authorized to procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946.

(d) The Commission is authorized to utilize the services, information, facilities, and personnel of the Library of Congress, and the General Accounting Office; and the Librarian of Congress, and the Comptroller General of the United States are authorized to furnish such services, information, facilities, and personnel as may be requested by the Commission.

(e) The Commission is authorized to subpoena witnesses and documents. Subpoenas may be issued by the joint committee acting through the chairman or any other member designated by him, and may be served by any person designated by such chairman or other member anywhere within the borders of the United States. The chairman of the Commission, or any other member thereof, is hereby authorized to administer oaths to any witnesses appearing before the Commission. The Commission shall make recommendations to the Senate and the House of Representatives regarding any willful failure by a witness to comply with a subpoena or to give testimony when summoned under the authority of this subsection.

(f) The Commission shall have access to any data, evidence, information, report, anal-

ysis, document, or papers relating to any of the matters the Commission is authorized to investigate and which is in the custody or under the control of any department, agency, officer, or employee of the executive branch of the United States Government having the power under the laws of the United States to investigate any alleged criminal activities or to prosecute persons charged with crimes against the United States or of any committee of the Senate or the House of Representatives and which will aid the Commission in making the investigations and determinations of fact authorized by this resolution.

(g) Office space and office furniture, furnishings, and equipment shall be provided to the Commission in the same manner as for joint committees of the Senate and the House of Representatives.

SEC. 4. Upon the completion of its investigation under this section, the Commission shall report in writing the results of the investigation and its determinations of fact with respect to any current or former Member of the House of Representatives, or officer or employee of the House of Representatives to the Committee on Official Standards of Conduct of the House of Representatives and the results of the investigation and its determinations of fact with respect to any current or former Member of the Senate, or officer or employee of the Senate to the Ethics Committee of the Senate. The determinations of fact shall also be submitted in writing to the individual who was the subject of the investigation.

SEC. 5. The Commission is authorized to make such expenditures as may be necessary to carry out its functions. One-half of such expenses shall be paid from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon presentation of vouchers approved by the chairman of the Commission.

SEC. 6. The Commission shall cease to exist on February 1, 1978.

Mr. President, I am today submitting a concurrent resolution to create a special, independent commission to conduct the investigation of Korean influence-peddling on Capitol Hill.

This Commission would be established much along the lines of the special ethics commission I proposed at the time the Senate considered the new Ethics Code.

It was my belief that the public would have little confidence in any procedure under which the Members of the Senate and the House of Representatives conducted investigations of allegations of unethical conduct by their own Members. Moreover, I believe it is difficult for our Ethics Committees, despite the very fine people who serve on them, to conduct investigations of their own friends and colleagues. Conflicts of interest or personal ties and friendships inevitably are involved.

For that reason, I suggested that an outside body, composed of people with the highest reputations for integrity and impartiality, be created. This body would do the actual investigating and factfinding, and then it would report to the Ethics Committee, which would be responsible for recommending any sanctions which, under the Constitution, would have to be voted upon by the Senate.

The Senate tabled my amendment, in large part, I believe, because it did not have adequate time to consider the matter and the special committee we established to revise the Ethics Code had not held any hearings on it.

I believe that Members looking at the current plight of the Ethics Committee in the House might now come to a different conclusion about the wisdom of this approach.

Here is certainly a case where the public has many doubts about the ability and willingness of the committee to conduct a full and careful investigation of allegations involving Korean bribery and influence-peddling reportedly involving as many as 115 present and former House Members. These doubts have been stimulated by the charges and resignation of the committee's special counsel. Quite frankly, there was little pressure for a speedy, full investigation until Mr. Lacovara's resignation.

Now the House leadership is frantically seeking a new special counsel with a national reputation to give the investigation some credibility. The question is why, 18 months after the first revelations concerning the activities of Tongsun Park first came to light, the committee should now still be only at the point of trying to substantiate its own credibility as an investigating body.

If there had been an independent factfinding body, I believe the investigation would have wrapped up long ago. Those involved would have been called to testify—none have so far—and the appropriate sanctions for those guilty would have been applied.

Why do we not establish such a commission to look into this matter right now and establish all the facts?

I think we could get some very good people on this Commission—Mr. Jaworski, for example, or former Senator John Williams, who was called the conscience of the Senate. The public, the press, and the Members of Congress would have confidence that a panel of this caliber would do the job completely, fairly and independently.

This would be a commission created by Congress—for the purpose of cleaning up Congress. It would show that Congress is serious about integrity and ethics, that Congress can clean its own houses.

The Commission would be charged with making its investigation and reporting back by January 15. It would be given access to all the information now in the files of both Ethics Committees relating to the Korean scandals and to subpena whatever further information or individuals it would need.

Mr. President, there is a report today that Mr. Jaworski is considering accepting the House Speaker's offer that he head the House Ethics Committee investigation. I believe that if Mr. Jaworski does accept, he will conduct a full investigation, and, for that reason, I would not press this resolution. However, I believe that as an approach to congressional ethics, the concept of an independent factfinding commission should be reevaluated. The very first major investigation by either Ethics Committee since the new codes were enacted earlier this year have come up against the very difficulties I had predicted.

SENATE RESOLUTION 226—ORIGINAL RESOLUTION REPORTED TO AMEND STANDING RULES OF THE SENATE

(Placed on the Calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. RES. 226

Resolved, That paragraph 1 of rule III of the Standing Rules of the Senate is amended by striking out all after the words "unless by unanimous consent" and inserting in lieu thereof the following: "or on motion decided without debate. Motions to correct the Journal shall be privileged, shall be confined to an accurate description of the proceedings of the preceding day, and debate thereon shall be limited to twenty minutes to be equally divided and controlled between the mover thereof and the majority leader or his designee.".

SEC. 2. That rule XV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph: "The demand for the reading of an amendment when presented to the Senate for consideration, including House amendments, may be waived on motion decided without debate when the proposed amendment has been identified by the clerk and is available to all Members at their desks in printed form.".

SEC. 3. That rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following: "The demand for the reading of a conference report when presented may be waived on motion decided without debate when the report is available to all Members at their desks in printed form.".

AMENDMENTS SUBMITTED FOR PRINTING

TIMBER SALES PROCEDURE—S. 1360

AMENDMENT NO. 529

(Ordered to be printed and to lie on the table.)

Mr. MELCHER (for the Committee on Agriculture, Nutrition, and Forestry) submitted an amendment intended to be proposed to the bill (S. 1360) to establish an Advisory Committee on Timber Sales Procedure appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service, and to restore stability to the Forest Service timber sales program and provide an opportunity for congressional review.

BLACK LUNG—S. 1538

AMENDMENT NO. 530

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment intended to be proposed by him to the bill (S. 1538) the Black Lung Benefits Revenue Act of 1977.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there any further morning business? If not, morning business is closed.

AUTHORIZING CERTAIN CORRECTIONS IN THE ENROLLMENT OF H.R. 6138

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 291.

The PRESIDING OFFICER (Mr. MATSUNAGA) laid before the Senate House Concurrent Resolution 291 to authorize certain corrections in the enrollment of H.R. 6138.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

U.S. CAPITOL GROUNDS

Mr. ROBERT C. BYRD. Mr. President, there is a measure on the Unanimous Consent Calendar that was placed there on yesterday for passage by unanimous consent. I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 322.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1859) to amend the act of July 31, 1946, relating to the U.S. Capitol Grounds, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of July 31, 1946, as amended (40 U.S.C. 193a), is amended to include within the definition of the United States Capitol Grounds the following additional areas and portions of streets which are situated as follows:

(1) that portion of D Street Northeast from the east curb of Second Street Northeast to the east curb of First Street Northeast;

(2) that portion of Second Street Northeast from the south curb of F Street Northeast to the south curb of C Street Southeast;

(3) that portion of Constitution Avenue Northeast from the east curb of Second Street Northeast to the east curb of First Street Northeast;

(4) that portion of Pennsylvania Avenue Northwest from the west curb of First Street Northwest to the east curb of Third Street Northwest;

(5) that portion of Maryland Avenue Southwest from the west curb of First Street Southwest to the east curb of Third Street Southwest;

(6) that portion of Constitution Avenue Northwest from the east curb of Second Street Northwest to the east curb of Third Street Northwest;

(7) that portion of Independence Avenue Southwest from the west curb of First Street Southwest to the east curb of Third Street Southwest;

(8) that portion of Maryland Avenue Northeast from the east curb of Second Street Northeast to the east curb of First Street Northeast;

(9) that portion of East Capitol Street from the east curb of Second Street Southeast to the east curb of First Street Southeast;

(10) that portion of Independence Avenue Southeast from the east curb of Second Street Southeast to the east curb of First Street Southeast;

(11) that portion of C Street Southeast from the east curb of Second Street Southeast to the east curb of First Street Southeast;

(12) that portion of North Capitol Street from the south curb of Massachusetts Avenue to the north curb of Louisiana Avenue;

(13) that portion of New Jersey Avenue Northwest from the north curb of D Street Northwest to the north curb of Louisiana Avenue;

(14) all that area contiguous to, and surrounding, square numbered 724 from the property line thereof to the contiguous curb; and

(15) those areas contiguous to, and surrounding, the areas comprising the grounds of the United States Botanic Garden from the property line of such grounds to the contiguous curb.

SEC. 2. Section 1 of the Act of July 31, 1946, as amended (40 U.S.C. 193a), is amended (1) by deleting "First Street Northeast to Second Street Northwest." and inserting in lieu thereof "Second Street Northeast to Third Street Northwest"; and (2) by inserting immediately before the colon preceding the proviso, a comma and the following: "Pennsylvania Avenue Northwest from First Street Northwest to Third Street Northwest, Maryland Avenue Southwest from First Street Southwest to Third Street Southwest, Second Street Northeast from F Street Northeast to C Street Southeast; C Street Southeast from Second Street Southeast to First Street Southeast; that portion of Maryland Avenue Northeast from Second Street Northeast to First Street Northeast; that portion of New Jersey Avenue Northwest from D Street Northwest to Louisiana Avenue".

SEC. 3. On and after the effective date of this section, that portion of C Street Northeast from the west curb of Second Street Northeast shall be under the exclusive jurisdiction and control of the Capitol Police Board and the Architect of the Capitol in the same manner and to the same extent as such Board or the Architect of the Capitol has over other streets comprising the United States Capitol Grounds, and the Architect of the Capitol shall be responsible for the maintenance and improvement thereof.

SEC. 4. The foregoing provisions of this Act shall take effect upon the expiration of the thirty-day period following the date of the enactment of this Act.

SEC. 5. The Capitol Police Board is authorized to detail police from the House Office, Senate Office, and Capitol Buildings for police duty on the Capitol Grounds and on the Library of Congress Grounds.

SEC. 6. (a) Notwithstanding any other provision of this Act, with respect to those squares occupied by the United States Supreme Court and the Library of Congress, those streets or portions thereof referred to in the first section of this Act which surround such square shall be considered a part of the Capitol Grounds only to the face of the curbs contiguous to such squares.

(b) Nothing in this Act shall be construed as repealing, or otherwise altering, modifying, affecting, or superseding those provision of law in effect on the date immediately preceding the date of the enactment of this Act vesting authority in the United States Supreme Court police and the Library of Congress police to make arrests in adjacent streets.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-346), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

For many years, the Capitol Grounds comprised only the area lying between Independence Avenue and Constitution Avenue and First Street East and First Street West and totaled 58.8 acres. In 1929–35, the Capitol Grounds were enlarged by the acquisition and development of the area north of Constitution Avenue, lying between that avenue and the Union Station. Since that time, certain streets have been included in the Capitol Grounds for purposes of jurisdiction by the Capitol Police. Some of these, for example Constitution Avenue between Second Street NW. and First Street NE. were designed to be maintained by the District of Columbia, while others have been maintained by the Architect of the Capitol. When the District "home rule" bill (Public Law 93-198) was enacted, additional streets were added to the Capitol Grounds in order to further enable the grounds to be patrolled and security to be maintained by the Capitol Police.

Recently, it has become apparent that Capitol Police jurisdiction over traffic and other matters on the Capitol Grounds for security purposes would be strengthened by the addition of several streets that had not previously been included. The committee therefore deemed it appropriate to bring those within the definition of Capitol Grounds.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR THE CONSIDERATION OF S. 1538 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized and special orders have been completed, the Senate proceed to the consideration of Calendar Order No. 312, the black lung bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on that bill there be a time limitation of 2 hours to be equally divided between Mr. RANDOLPH and Mr. JAVITS; that there be a time limitation on an amendment by Mr. JAVITS of 2 hours; that there be a time limitation on an amendment by Mr. CHAFEE of 1 hour, and that there be a time limitation on all other amendments in the first degree of 1 hour; that there be a time limitation on any amendment to an amendment of one-half hour; that there be a time limitation on any debatable motion or appeal or point of order, if such is submitted to the Senate for its decision or if the Chair entertains discussion, of 20 minutes, and that the agreement be in the usual form.

Mr. President, I modify further the agreement on the black lung bill as follows.

I further ask unanimous consent that action on that bill be completed before the close of business tomorrow and that paragraph 3 of rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous consent agreement reads as follows:

Ordered, That on Thursday, July 21, 1977, after the Special Orders, the Senate proceed to the consideration of S. 1538 (Order No. 312), a bill to amend title IV of the Federal Coal Mine Health and Safety Act to improve the black lung benefits program established thereunder, to impose an excise tax on the sale or use of coal, and for other purposes, debate on any amendment in the first degree (except an amendment by the Senator from Rhode Island (Mr. CHAFEE), on which there shall be 1 hour, and an amendment by the Senator from New York (Mr. JAVITS), on which there shall be 2 hours) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from West Virginia (Mr. RANDOLPH) and the Senator from New York (Mr. JAVITS): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered further, That final passage on this bill shall occur not later than the close of business on Thursday, July 21, 1977.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, is the order entered that upon the conclusion of orders for the recognition of Senators on tomorrow the Senate will proceed to the consideration of the black lung bill?

The PRESIDING OFFICER. That is correct.

PROGRAM

Mr. ROBERT C. BYRD Mr. President, tomorrow the Senate will convene at 9:30 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. HELMS will be recognized for not to exceed 15 minutes, after which the Senate will proceed to the consideration of the black lung bill, S. 1538, Calendar Order No. 312, under a time agreement. There will be rollcall votes throughout the day on motions and amendments in relation to that bill and action on the bill will be completed tomorrow.

Other measures may be taken up if cleared for action by the joint leadership if time permits.

I think that is about it. I should think that there is a likelihood that the Senate could be into the evening tomorrow. I hope it will not be, but I do not see any reason why the Senate would be in late on Friday. I also do not see any reason why the Senate would be in late on Monday in view of the agreement that has been reached in connection with the public financing bill.

I should think that on Monday sometime around 6 o'clock or 6:30 p.m. the Senate should be ready to go out.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9:30 a.m. tomorrow morning.

The motion was agreed to; and at 6:04 p.m. the Senate recessed until tomorrow, Thursday, July 21, 1977, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 20, 1977:

NATIONAL TRANSPORTATION SAFETY BOARD

James B. King, of Massachusetts, to be a member of the National Transportation Safety Board for the term expiring December 31, 1981, vice William R. Haley, term expired.

NATIONAL MEDIATION BOARD

Robert Oberndoerfer Harris, of the District of Columbia, to be a member of the National Mediation Board for the term expiring July 1, 1980, vice Kay McMurray, term expired.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. ALLEN (for himself, Mr. BARTLETT, Mr. BROOKE, Mr. HAYAKAWA, Mr. HELMS, Mr. NUNN, Mr. ROTH, Mr. SPARKMAN, Mr. STONE, and Mr. THURMOND):

S. 1897. A bill to authorize the making of grants to developing institutions to establish endowments for developing institutions; to the Committee on Human Resources.

DEVELOPING INSTITUTIONS ENDOWMENT ACT OF 1977

Mr. ALLEN. Mr. President, I am introducing today a bill to authorize grants to developing institutions to help establish private endowment funds to assist those institutions in strengthening their reliance on private assistance and to lessen their reliance on direct Federal grants in aid. The legislation is entitled the Developing Institutions Endowment Act of 1977, and I am introducing it at the request of the Moton Foundation and the United Negro College Foundation.

The measure is designed to authorize the Department of Health, Education, and Welfare to expend funds from this year's HEW appropriation to assist developing institutions—covered under title III of the Higher Education Act of 1965—in initiating programs to allow such institutions to place increased reliance on private financial support.

As Senators know, title III of the Higher Education Act of 1965 does not extend beyond October 1, 1979, except under the saving provision contained in section 400 (14) of the General Education Provisions Act which would extend programs under title III on an emergency basis for 1 year. Therefore, as matters now stand, this year's appropriation of $120 million for title III programs may provide the last opportunity for grant disbursement to the institutions covered under title III.

Fortunately, the $120 million appropriated for fiscal year 1978 does increase the fiscal year 1977 appropriation by $10 million. Thus, existing title III programs can be fully funded for fiscal year 1978, and the additional $10 million would still be available in that year for the programs contemplated by the proposal.

Inasmuch as there does appear some substantial possibility that title III programs may not be authorized to continue beyond fiscal year 1979, the proposal is designed to permit HEW to provide Federal matching funds as seed money—approximately $250,000 per institution—for the establishment of private endowments for the benefit of 40 or more of the institutions involved.

The Federal seed money authorized by the bill would be utilized in an endowment funding plan which would encompass a combination of Federal funds, private gifts, and commercial loans invested over a period of time sufficient to provide: First, income to the institution's operating budget; second, repayment of the loan; and third, capital accumulation in the form of endowment. The endowment developed could represent as a minimum accomplishment at the end of an appropriate investment period the combined sum of all initial gift and loan moneys. The funding plan actually used by a particular institution selected for participation would obviously be subject to many variations but, as an appendix to my remarks, I am including an example of one such endowment plan which was developed by Dr. F. D. Patterson, president of the Moton Foundation.

Mr. President, there are many excellent institutions throughout the country that participate in Federal programs under title III of the Higher Education Act of 1965. Each of the 50 States contains an institution which would potentially benefit from this proposal. Moreover, higher education in general will benefit from enactment of the proposal since it does represent a logical approach to easing and assisting the transition from a high degree of direct Federal aid

under title III to increased private financial support for all developing colleges and universities as they work to establish an adequate base for funding from private sources.

Mr. President, I am joined in seeking passage of this legislation by Senators BARTLETT, BROOKE, HAYAKAWA, HELMS, NUNN, ROTH, SPARKMAN, STONE, and THURMOND. I am sure that each would also join me in urging that hearings be held at a very early date in the appropriate committee or subcommittee of the Senate so that this laudable plan advanced by the Moton Foundation and the United Negro College Fund can be given effect in this fiscal year. We anticipate that an identical measure will be introduced in the House of Representatives, and we hope that action in that House will also be prompt and favorable.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the plan to which I previously referred developed by Dr. Patterson.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL DEVELOPING INSTITUTIONS ENDOWMENT ACT OF 1977

The Act passed in 1965 to provide monies to assist developing institutions upgrade their educational programs has over several years of funding provided participating institutions with an indispensable resource. This was accomplished by the basic institutional development program in the first several years of effort under the Act. In 1974 the Advanced Institutional Development Plan was added as a means of phasing out federal assistance to institutions that had achieved substantial progress. In order to do this larger grants considered terminal were made with the stipulation that over the 3 to 5 year expenditure period involved, such institutions would have found monies to replace the federal grants, thus retaining the quality of effort the federal monies had made possible. This stipulation has proven unrealistic and burdensome because if these colleges had been able to attain these monies, they would not have needed federal assistance.

It is necessary, however, to preserve the quality of effort achieved and it is felt that this can be done under a program of endowment development in which a portion of monies available as AIDP grants would be given to institutions as conditional or matching grants. The matching could be done either with new gift monies or with substantial loans placed in a trust arrangement and supervised by expert investment management. The College Endowment Fund Plan was developed to meet this critical situation and its institution would produce the following benefits:

1. Will enable the Office of Education to develop an orderly and sound arrangement for phasing out or discontinuing AIDP grants by providing the institutions involved with a plan to achieve the new funding expected to insure budget stability.

2. Experience covering grants from a wide variety of sources over a long period of years offers significant proof that grants made in the form of challenge and requiring matching are uniformly successful. Such grants, however, must be realistic in terms of the capability of the institutions involved. Developing institutions have less capability than advanced institutions; thus the terms involved in challenge grants should reflect this level of capability. A study of CEFP has indicated that one important way in which challenges may be successfully met is through matching loan funds.

3. Loans in the amount of 3 times the grant money and invested over a 25-year period in highest quality fixed interest securities will yield escalating income to the operating budget and achieve a final endowment equal to the combined value of the gift and the loan monies which initiated the process. Thus, grant terms along these lines will measurably strengthen the fund raising capability of developing institutions.

4. Unless these institutions are to regress in the quality of their performance substantial emphasis must be given to endowment building to provide an essential budget supplement or resource. Studies done show that student tuitions on the one hand and current gifts for operating expenses on the other, in view of inflation and mounting standards of performance leave a widening gap between the above resources and the monies required to adequately cover educational and general costs. Hence, the importance of the Endowment Plan.

5. This plan will be valuable for developing institutions regardless of race or the region in which they are located. Endowment will not meet the total need, but endowment building can and must be a continuing process given equal importance in educational funding to the generation of resources from tuition and current gifts.

6. By seeking loans from sources with long term monies to invest endowment building offers a new and significant opportunity to the free enterprise system to become a potent resource in strengthening higher education through loans as well as grants. The process reverses the trend of looking to the federal government for an ever increasing largess by facilitating the contact of the colleges with resources of a non-federal character.

7. Colleges will be strengthened because they will be rewarded in accordance with their ability to meet challenge grants with either gifts or borrowed monies from non-federal sources.

8. Challenge grants will stimulate colleges to manage their resources more effectively and to improve the quality of development efforts in order that they may be increasingly effective as they approach non-public sources.

Thus, the legislation proposed will foster institutional independence and will provide through the federal challenge grants a significant inducement to fund raising efforts from non-federal sources.

This plan will in all ways be similar in import and impact to the generous federal grants now being reported to the National Endowment For The Arts as challenges for endowment building. It should be noted, however, that the constituencies from which the matching monies must come in the case of developing colleges represents a more limited potential and therefore terms must be correspondingly generous.

MINI ENDOWMENT PLAN

The College Endowment Funding Plan represents a combination of gift and loan monies invested over a period of time sufficient to provide (1) income to the operating budget; (2) repayment of the loan; and (3) capital accumulation in the form of endowment which would represent as a minimum accomplishment the combined sums of gift and loan monies at the end of a 25-year period after all other obligations have been met. Since the above combination is subject to many variations, it was decided to use a very simple form in which gift monies would be matched by three identical sums of loan monies to constitute the investment package, which will be composed of fixed interest securities of the highest quality. The specific objective of endowment building to result from this combination is the achievement of an endowment fund of $1 million at the conclusion of the program. In order for this to occur, it is necessary that the income to the operating budget be 4 percent annually of the earnings beginning at the end of the first year. At the end of the first year, the amount going to the operating budget would be $10,000. Each year thereafter, because of capital accumulation, the amount going to the budget will increase annually and the endowment to be achieved when all obligations have been met, including interest payments, taxes and return of principal, will be $1 million plus dollars. In the meantime, the escalating 4 percent will enable the operating budget to receive approximately $500,000 over the 25-year period of the program.

When amortization has been accomplished and a $1 million of endowment is available free and clear, a college may wish either to continue the 4-percent input to the operating budget or $40,000 or a 5-percent input to the operating budget or $50,000. In either case, it is assumed that the $1 million, even if conservatively invested, would earn more than either 4 or 5 percent and therefore capital accumulation would continue. This, of course, will be necessary in view of inflation and other increased costs.

It is suggested that no fewer than five colleges will participate in this first undertaking each of whom will have $250,000 of gift funds to be matched by $750,000 of loan funds. This is the simplest plan that can illustrate endowment building without the use of the endowment component which would be required if the gift monies were for a specified program and would need to be spent during the first 10 years of the program's operation. By limiting the input to the operating budget of 4 percent of earned income, capital accumulation will be faster and lenders will be protected by the favorable capital accumulation which is retained over and above expenditures for budget, interest, taxes and loan payment.

It should be further explained that this plan which eliminates the necessity for an endowment component changes the ratio of loan to gift money to 3 to 1 as compared with the original version of 2 to 1 in which a 10-percent expenditure of the program gift was necessary.

A recent ruling from the Internal Revenue Service approves the operation of the College Endowment Funding Plan with the United Negro College Fund serving as the monitoring institution. It is understood that the services to be rendered by UNCF will not impair its tax exemption. IRS states that monies borrowed by individual colleges even though they are participating in a group activity, will be taxed to each college based on the amount said college has borrowed. This means the amount of tax will be minimal as contrasted with what the tax would be if the borrowings were taxed as a combined total.

The Equitable Life Assurance Society has agreed to make available $1,100,000 or one-third of the borrowed monies required by the $5 million dollar loan package of gift and borrowed monies and to serve as the lead lender, representing the other lenders. This will include guidance in the selection of securities, drafting of terms and selection of the financial institution to administer agreed to financial arrangements. It is assumed that the spread between the cost of borrowed monies and the investment return will be approximately 1¼ percent. Of course, earnings will be on both the gift and loan monies at the same level of return.

Contribution $250,000, loan $750,000

Total investment	Increase at 7 percent	Interest and principal at 8 percent	Loan principal	Tax	Current at 4 percent	Balance
1,000,000	90,000	60,000	----------	1,875	10,000	18,125
1,018,125	91,631	60,000	----------	1,875	10,725	19,031
1,037,156	93,340	60,000	----------	1,875	11,486	19,979
1,057,135	95,142	60,000	----------	1,875	12,285	20,982
1,078,117	97,031	60,000	----------	1,875	13,125	22,031
1,100,148	99,013	60,000	----------	1,875	14,006	23,132
1,123,280	101,095	60,000	----------	1,875	14,931	24,299
1,147,569	103,281	60,000	----------	1,875	15,903	25,503
1,173,072	105,576	60,000	----------	1,875	16,923	26,778
1,199,850	107,787	60,000	----------	1,875	17,994	28,118
1,227,968	110,517	60,000	----------	1,875	19,119	29,523
1,257,491	113,174	60,000	----------	1,875	20,230	31,069
1,288,560	115,970	60,000	----------	1,875	21,542	32,553
1,321,113	118,900	60,000	----------	1,875	22,845	34,180

Contribution $250,000, loan $750,000

Total investment	Increase at 7 percent	Interest and principal at 8 percent	Loan principal	Tax	Current at 4 percent	Balance
1,355,293	121,976	60,000	----------	1,875	24,212	35,889
1,391,182	125,206	60,000	75,000	1,875	25,647	(37,316)
1,353,886	121,848	54,000	75,000	1,688	27,155	(35,995)
1,317,891	118,610	48,000	75,000	1,500	28,716	(34,606)
1,283,285	115,496	42,000	75,000	1,313	30,331	(33,148)
1,250,137	112,512	36,000	75,000	1,125	32,005	(31,618)
1,218,519	109,667	30,000	75,000	938	33,741	(30,012)
1,188,507	106,966	24,000	75,000	750	35,540	(28,324)
1,160,183	104,416	18,000	75,000	563	37,407	(26,554)
1,133,629	102,027	12,000	75,000	375	39,345	(24,693)
1,108,936	99,804	6,000	75,000	188	41,357	(22,741)
1,086,175	2,681,185	1,230,000	750,000	38,440	576,570	86,175

By Mr. PEARSON:

S. 1898. A bill to provide for improved air service to small communities, expanded programs for the rehabilitation of rural highways and bridges and railroad branchlines, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. PEARSON. Mr. President, I introduce today for appropriate reference, a bill to improve the quality of transportation services available to our Nation's rural areas and small communities.

Mr. President, it is an established national transportation policy that all rural areas, together with the urban areas, shall be served by adequate transportation systems. Yet, the quality of transportation services available to our rural areas not only is not keeping up with rural growth, but is, in fact, deteriorating. Small communities have lost air service, unsafe roads and bridges have created safety hazards and adverse economic effects on affected communities, and rail abandonments have brought economic hardship to rural communities. I learned of these and other deficiencies in rural transportation services at a hearing on rural transportation which the Senate Committee on Commerce, Science, and Transportation conducted in Kansas in April of this year.

Mr. President, the Senate is beginning to address itself to the transportation problems of rural areas. Recently, the Senate passed and sent to the House S. 208, the National Mass Transportation Assistance Act of 1977, which would allow public transportation projects to use Federal assistance for operating expenses as well as for capital expenses. The availability of Federal assistance for operating expenses should encourage the development of public transportation projects in rural areas, particularly for the elderly and the handicapped, because resources to maintain such projects are especially scarce in our rural areas. But more must be done to improve rural transportation services. It is to these other unmet needs that my bill addresses itself.

IMPROVED AIR SERVICE TO SMALL COMMUNITIES

Mr. President, small communities in isolated rural areas depend upon regularly scheduled air service to maintain their economic health and to attract new industrial and commercial development. As rail passenger service has declined over the years to the bare-bones Amtrak system, the Nation's small communities have been forced to rely increasingly upon scheduled air services for intercity travel.

Unfortunately, the character and quality of air service to small communities has deteriorated since 1967 despite gradually increasing local air service subsidy from the Federal Government. In the past 10 years, over 70 small communities have lost certificated air service altogether. As the local service air carriers have shifted to larger equipment, service to the smallest communities has become increasingly uneconomic, despite the availability of Federal support.

In an effort to reverse this trend, I introduced in 1970 the Commuter Air Carrier Act, a bill which would have provided for expedited certification of commuter airlines, operating small aircraft tailored for small markets, and for subsidy payments to those airlines when justified by the economics of small community air service.

The Congress did not act on my bill in the 91st Congress; but the small community air service problems of declining frequency of service and deletion of points from air carrier certificates did not abate. With each passing year, additional communities suffered deterioration of service as schedules became more convenient for the long haul passenger and less convenient for the feeder traffic to the hub airports.

Two marketplace experiments have developed in recent years which have underscored the importance of the approach outlined in my bill in the 91st Congress: The Allegheny commuter program has been extremely successful in generating new traffic through increased frequency of service with small aircraft, and Air Midwest has been certificated by the CAB as an air carrier providing scheduled air service exclusively from small communities in Kansas to the Wichita, Kans., and Denver hubs. Air Midwest uses exclusively the small equipment designed for feeder or commuter-type operations in small communities.

Mr. President, on January 18 of this year, I introduced S. 292, a bill to provide for comprehensive regulatory reform of CAB practices and procedures. Contained in that bill is an updated version of the legislation offered in 1970. I am gratified to report that the Committee on Commerce, Science, and Transportation, during consideration of aviation regulatory reform this month, has incorporated in its bill the essential elements of my proposal to certificate a new level of air carriers which will specialize essentially in small community service with subsidy where economically justified.

Mr. President, the Rural Transportation Act of 1977, which I am introducing today, incorporates those provisions of the committee's draft legislation on aviation regulatory reform that reflect the service to small communities program which is so necessary if improved service in those markets is to be achieved. If this legislation, set forth as title I of the bill I am offering today, becomes law in this Congress, I am confident that the continual decline in small community air service will be arrested and reversed.

Because improved air service is an essential ingredient in any comprehensive program to upgrade the quality of rural transportation systems, I believe that the program outlined in this legislation is of major importance to the small communities of this Nation. Their efforts to attract new job opportunities, in many cases, will depend upon their ability to retain—and improve—the character and quality of regularly scheduled air transportation services to their communities.

AID TO RURAL ROADS

The movement of grain and other agricultural commodities from farm to market requires a well maintained system of rural highways and bridges. Farmers, however, are plagued by deteriorating roads and unsound and unsafe bridges. Farm equipment has been increasing in size to the point where some farm tractors weigh as much as heavy highway construction equipment. Modern agriculture requires such equipment, yet many rural bridges cannot bear the weight or are too narrow to accept farm implements.

Local governments are trying to keep up with the necessary improvements, but the financial burden is too great. My bill would aid States and local governments to meet this financial burden by increasing the level of Federal assistance to rural highways and by expanding the Federal bridge replacement program.

The bill would increase the authorization for the Federal-aid secondary highway system in rural areas from $400 million to $500 million for fiscal year 1978 and to $600 million for fiscal years 1979 and 1980. The authorization for the safer off system road program would be increased from $200 to $250 million for

fiscal year 1978, and $300 million for fiscal years 1979 and 1980.

The bill would expand the existing Federal bridge replacement program by increasing the funding level from $180 million to $400 million annually through 1990. Federal funds would be available for bridge repair as well as bridge replacement. The bill recognizes the special bridge replacement problems of rural areas by earmarking 15 percent of the funds for bridges which have been designated by county officials as in need of attention. Moreover, the bill would reduce the local matching share from 25 to 10 percent.

IMPROVEMENTS TO THE LOCAL RAIL ASSISTANCE PROGRAM

Mr. President, agriculture is highly dependent upon dependable, low-cost rail transportation. Today, however, many rural areas are faced with the prospect of losing their rail service. System maps, which the railroads were required to submit to the Interstate Commerce Commission, indicate that as much as 10 percent of the Nation's rail mileage may be abandoned in the near future. With passage of the Regional Railroad Revitalization Act of 1973 and the Railroad Revitalization and Regulatory Reform Act of 1976, Congress attempted to aid the States in addressing the problem of rail abandonments.

Those laws created State rail assistance programs which provided for Federal subsidies to rehabilitate rail lines and encouraged the States to become involved in rail planning. After a year of operation, the necessity for some improvements in the program has become apparent. The bill would make amendments to the local rail assistance program contained in these laws that would improve their administration and grant more flexibility to the States to determine which rehabilitation projects should be undertaken.

CONCLUSION

Mr. President, this bill represents a comprehensive approach to meeting critical rural transportation needs. In the past, rural transportation problems have not received the attention that they deserve. The bill that I am introducing is an effort, therefore, to bring together into one proposal the diverse elements of a coordinated rural transportation policy.

Mr. President, I ask unanimous consent that the text of my bill, together with a section-by-section summary of the provisions of the bill, be printed in the RECORD following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Transportation Act of 1977".

SEC. 2. DECLARATION OF POLICY.

The Congress finds and declares the following:

(1) A safe and efficient multimodal transportation system is vital to the economic and social well-being of the Nation's small communities and rural areas.

(2) Improved air service to small communities is essential to link rural areas with the Nation's population centers and to stimulate the growth of small communities.

(3) The economic and efficient movement of agricultural commodities has been impeded by an inadequate system of rural highways and deteriorating railroad branchline service.

(4) Unsound bridges pose a serious safety hazard, contribute to energy consumption by forcing detours, increase the transportation costs of agriculture, and impose an adverse economic impact on affected communities.

(5) Funding levels in existing programs have been inadequate to address the growing deterioration of the Nation's rural highways and bridges; and

(6) More attention should be given to the promotion and maintenance of a safe, efficient, and economical transportation system for agriculture and rural development in the United States.

TITLE I—SMALL COMMUNITY AIR SERVICE IMPROVEMENTS

SEC. 101. COMPENSATION FOR SMALL COMMUNITY AIR SERVICE.

Subsection 406(a) and 406(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1376) are amended to read as follows:

"AUTHORITY TO DETERMINE AMOUNTS OF COMPENSATION

"SEC. 406. (a) With respect to any air carrier entitled to receive compensation from the Board pursuant to an order of the Board issued under the provisions of this section for performance of services on January 1, 1977, the Board shall, during the 7-year period beginning on July 1, 1978, upon its own initiative or upon petition of such air carrier (1) periodically determine, after notice and hearing, the fair and reasonable rates of compensation for air transportation under the same general criteria used on January 1, 1977, the facilities used and useful therefor, and the services connected therewith, and make such rates effective from such date as it shall determine to be proper; (2) prescribe the method or methods for ascertaining such rates of compensation for each air carrier or class of air carriers; and (3) publish the same.

"(b) In periodically determining fair and reasonable rates of compensation under this section during such 7-year period, the Board considering the conditions peculiar to transportation by aircraft and to the particular air carrier or class of air carriers, may determine different rates for different air carriers or classes of air carriers, and different classes of service. In determining the rate for each carrier or class of carriers, the Board shall among other factors consider, (1) such standards respecting the character and quality of service to be rendered by air carriers as may be prescribed by or pursuant to law; and (2) the need of each such air carrier for compensation sufficient, together with all other revenue of the air carrier from the service for which the compensation is being paid (and after July 1, 1982, together with all other revenue of the air carrier from other sources also), to enable such air carrier under honest, economical, and efficient management, to provide air service of at least the same extent, character, and quality as that provided as of January 1, 1977, and to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the Postal Service, and the national defense.".

SEC. 102. COMPENSATION FOR ESSENTIAL AIR TRANSPORTATION TO SMALL COMMUNITIES.

Title IV of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1371 et seq.), is further amended by adding at the end thereof the following new section:

"COMPENSATION FOR ESSENTIAL AIR TRANSPORTATION: AUTHORITY TO PROVIDE COMPENSATION

"SEC. 418. (a)(1) In furtherance of the congressional policy to encourage and foster the development of safe and reliable scheduled air transportation for small communities and isolated areas, the Board shall, according to the provision of this section, determine fair and reasonable amounts of compensation for, and make payments of compensation to, any eligible air carrier who is providing or will provide essential air transportaton to an eligible point, as provided in this section. Such compensation shall be made available from appropriations made to the Board for that purpose.

"(2) The Board shall, by rule, establish guidelines to be used by the Board in computing the fair and reasonable amount of compensation required to insure the continuation of essential air transportation at any eligible point. Such guidelines shall include expense elements based upon representative costs of air carriers providing scheduled air transportation of persons, property, and mail, using aircraft of the type or types determined by the Board to be appropriate for providing essential service to such points.

"AIR CARRIER ELIGIBILITY

"(b) An eligible air carrier, for purposes of this section, shall be an air carrier who—

"(1) holds either a certificate to engage in interstate and overseas air transportation issued under section 401, or a certificate to engage in local air transportation issued under section 419, or both; and

"(2) if such air carrier will be providing essential air transportation to an eligible point in the State of Alaska, holds authority to engage in such air transportation issued by the proper agency of the State of Alaska.

"POINTS ELIGIBLE FOR COMPENSATION

"(c) For purposes of this section, the term 'eligible point' shall include—

"(1) any point in any State or the District of Columbia which was on July 1, 1978, listed on the certificate, issued under section 401 before July 1, 1978, to any air carrier, regardless of whether authority to serve such point has been suspended by order of the Board; and

"(2) any other point designated by the Board under subsection (d) of this section.

"Each point designated as an eligible point according to paragraph (1) shall remain so designated until July 1, 1988. Before July 1, 1988, the Board shall review the points designated as eligible points under paragraph (1), and, applying the criteria established under subsection (d) of this section (as well as other criteria the Board deems appropriate), determine which of those points shall continue to be designated as eligible points after July 1, 1988.

"ADDITION OF ELIGIBLE POINTS

"(d)(1) By no later than July 1, 1979, the Board shall, by rule, establish objective criteria for designating points as additional eligible points. In establishing or modifying such criteria, the Board shall consider, among other factors, the level of traffic generated by the point concerned, its future traffic generating potential, the cost to the Government of providing essential air transportation to the point, the alternative means of transportation available for access to the national transportation system and its principal communities of interest, and the degree of isolation of the point from the national air transportation system. The Board may, from time to time, by rule, modify the criteria established by it under this paragraph.

"(2) By no later than July 1, 1979, the Board shall begin to review those points in

any State or the District of Columbia which were deleted from any certificate of public convenience and necessity between July 1, 1968, and July 1, 1978, to determine whether any such point shall be designated as an eligible point under the criteria established under paragraph (1). The review and designation of any such points shall be completed before July 1, 1981.

"(3) On or after July 1, 1981, the Board, upon application by any interested party, may designate any point as an eligible point under the criteria established under paragraph (1).

"(4) The designation of any point as an eligible point may be withdrawn, according to procedures established by the Board, if the point no longer meets the criteria for designation as an eligible point, except that the designation of a point under subsection (e)(1) as an eligible point may not be withdrawn before July 1, 1988.

"APPLICATION; REVIEW OF COMPENSATION

"(e)(1) When the Board determines that essential air transportation will no longer be provided to any eligible point without compensation under this section, the Board shall entertain and consider applications by eligible air carriers who are willing to provide essential air transportation to such point for compensation under this section. In reviewing such applications, the Board shall, among other factors, specifically consider—

"(A) the desirability of developing an integrated linear system of air transportation whenever such a system most adequately meets the air transportation needs of the communities involved; and

"(B) the experience of an applicant in providing scheduled air service in the vicinity of the communities for which essential air transportation is proposed to be provided.

"(2) The Board shall determine the amount of compensation to be paid any individual eligible air carrier, for the provision of essential air transportation at each eligible point, according to the guidelines established by it under subsection (a)(2). The Board shall continue to pay compensation to an eligible air carrier only for so long as the Board determines it is necessary in order to maintain essential air transportation at the eligible point for which compensation is being paid. The Board shall make payments of compensation under this section at times and in a manner determined by the Board to be appropriate.

"(3) The Board shall periodically review the amount of compensation being paid an eligible air carrier under this section. Based upon that review, using the guidelines established by it under subsection (a)(2), the Board may make appropriate adjustments in the amount of compensation which it will pay to that eligible air carrier after such review. If an air carrier fails satisfactorily to provide the essential air transportation to an eligible point specified by the Board, for the amount of compensation computed by the Board, then the Board may terminate compensation payments to such air carrier.

"COMPETING APPLICATIONS

"(f)(1) After July 1, 1982, the representatives of any eligible point, together with any air carrier holding a certificate issued under section 401 or 419, may file an application with the Board seeking to have any compensation provided under section 406 to the air carrier then serving such eligible point terminated in order to allow the applicant air carrier to provide air transportation to that eligible point for compensation under this section. The Board shall grant such application, taking into consideration the objectives specified in subparagraphs (A) and (B) of subsection (e)(1), if the applicant can show after notice and hearing that termination of the compensation being paid under section 406, and the provision of service by such applicant air carrier with compensation under this section will not result in a substantial—

"(A) improvement in the air service being provided such eligible point at the same level of compensation; and

"(B) decrease in the amount of compensation that will be required to continue essential air transportation to that eligible point.

"(2) After July 1, 1982, any air carrier holding a certificate issued under either section 401 or 419 may file an application with the Board seeking to have the compensation provided under this section to an air carrier which has been serving an eligible point for more than 3 years terminated in order to allow the applicant air carrier to provide essential air transportation to such eligible point for compensation under this section. The Board shall grant such application, taking into consideration the objectives specified in subparagraphs (A) and (B) of subsection (e)(1), if the applicant air carrier can show that termination of the compensation being provided to the air carrier then serving such eligible point, and the provision of essential air transportation for compensation under this section by the applicant air carrier will result in a substantial—

"(A) improvement in the air transportation being provided such eligible point; or

"(B) decrease in the amount of compensation that will be required to continue essential air transportation to that eligible point.

"(3) The Board shall set such application for hearing and dispose of each application filed with it under this subsection according to regulations established by the Board.

"ESSENTIAL AIR TRANSPORTATION

"(g)(1) The Board, after specifically considering the views of the communities affected and the proper State agency involved, shall establish criteria to be used in determining the essential air transportation for eligible points for which compensation may be provided under this section. Such criteria shall include, among other things, the minimum frequency of air transportation to an eligible point, the minimum specifications of the aircraft to be used in providing such air transportation, and the maximum fares.

"(2) For the purposes of this section, the term 'essential air transportation' means scheduled air transportation provided under such criteria as the Board determines satisfies the needs of the community concerned for air transportation to one or more communities of interest and insures access to the Nation's air transportation system, at rates, fares, and charges which are not unjust, unreasonable, unjustly discriminatory, unduly preferential, or unduly prejudicial. In no case, except with respect to points in Alaska, shall essential air transportation be specified as fewer than 2 daily round trips, 5 days per week.

"(3) The Board shall periodically review the specification of essential air transportation for each eligible point, and may, based upon that review, make appropriate adjustments to the specifications.".

(b)(1) Except as provided in section 418(f)(1) of the Federal Aviation Act of 1958, as amended, any air carrier who, on January 1, 1977, was providing interstate air transportation, under a certificate issued under section 401(d) of the Federal Aviation Act of 1958 (as such section read before it was amended by this Act), in any city-pair market for which it was receiving compensation from the Board under section 406 of that Act (as such section read before it was amended by this Act), shall not, during the 7-year period beginning on July 1, 1978, solely by reason of the enactment of the amendment made by subsection (a)—

(A) have such compensation payments suspended or terminated; or

(B) be required to obtain a certificate to serve such point under section 419 of that Act (relating to certificates for local air carriers).

(2) Notwithstanding any other provisions of law, if during such 7-year period any air carrier specified in paragraph (1) terminates air service to an eligible point, then the Board shall determine the amounts of, and eligibility for, any compensation payments made to another air carrier for providing air transportation to that point under the provisions of section 418 of that Act.

SEC. 103. LOCAL AIR TRANSPORTATION.

Title IV of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1371 et seq.), is further amended by adding at the end thereof the following new section:

"LOCAL AIR TRANSPORTATION

"SEC. 419. (a) The Board shall issue a certificate to an applicant to engage in local air transportation of persons, property, and mail, if the Board determines that the applicant is fit, willing, and able to perform properly local air transportation, to conform to the provisions of this Act and the rules, regulations, and requirements of the Board made or issued under this Act.

"PROCEDURES

"(b) The Board shall dispose of applications filed with it under this section according to the provisions of this Act.

"LIMITATIONS

"(c) The Board shall not designate the geographical area, or the terminal or intermediate points, within or between which air transportation may be provided under a certificate issued under this section.

"SUSPENSION AND REVOCATION

"(d) The Board, upon application or upon its own motion, may suspend or revoke any certificate issued under this section, if the Board, after notice and hearing, determines that the air carrier holding such certificate—

"(1) is no longer fit, willing, and able to properly perform the local air transportation authorized by such certificate; or

"(2) has intentionally failed to comply with any applicable provision of this title, or any order, regulation, or rule issued by the Board under this title.

Any interested party may file with the Board a protest or memorandum in favor of or in opposition to any such suspension or revocation of a certificate issued pursuant to this section.

"TERMINATION OF SERVICE

"(e)(1) No air carrier providing local air transportation to any eligible point (as defined in section 418(c)(1)) shall terminate or suspend such local air transportation except after at least 90 days notice filed with the Board and served on each of the communities to be affected by such termination or suspension, unless the essential air transportation for that point will be performed by another air carrier. During that 90-day period the Board shall make every reasonable effort to secure another air carrier who is fit, willing, and able to perform the essential air transportation for that point. If no other air carrier can be found before such suspension or termination will take effect, then the Board shall arrange for the continuation of air transportation to that point under the provisions of section 418 of this Act.

"(2) With respect to any other point to which such an air carrier provides local air transportation, the Board may, by rule, prescribe a reasonable notice period (not longer than 30 days) to be adhered to by such air carrier when proposing to terminate or suspend local air transportation to that point.

"NONAPPLICABILITY OF CERTAIN PROVISIONS

"(f) The following provisions of this title shall not apply to an air carrier which holds a certificate issued under this section and does not hold a certificate issued under section 401, or to the performance of local air

transportation by any other air carrier holding a certificate issued under this section:

"(1) Sections 405(b), 407(b), 407(c), and, to the extent consistent with the public interest, 407(d).

"(2) Section 403, except the provisions of that section shall apply to—

"(A) tariffs for through rates, fares, and charges filed jointly with an air carrier or a foreign air carrier subject to the tariff filing requirements of such section 403;

"(B) tariffs, to the extent required by the Board, which relate to liability limitations with respect to persons or property in international air transportation; and

"(C) tariffs for rates, fares, and charges for the performance of essential air transportation, to the extent required by the Board under section 418.

"(3) Section 404(a), except—

"(A) such section shall apply to any essential air transportation provided under the provisions of section 418;

"(B) every air carrier shall at all times provide safe service, equipment, and facilities in connection with local air transportation; and

"(C) every air carrier shall observe just and reasonable joint rates, fares, and charges, and just and reasonable classifications, rules, regulations, practices as provided in tariffs specified by paragraph (2) to be filed jointly by such an air carrier with any other air carrier or foreign air carrier, and shall establish just, reasonable, and equitable divisions of such joint fares, rates, and charges as between air carriers participating therein which shall not unduly prefer or prejudice any such participating air carrier.

"(4) Section 404(b), except—

"(A) with respect to through service provided pursuant to tariffs specified by paragraph (2) to be filed jointly by such air carrier and any other air carrier or foreign air carrier; and

"(B) with respect to the provision of essential air transportation under the provisions of section 418.

"(5) Sections 408 and 409 with respect to any air carrier which holds a certificate issued under this section and does not hold a certificate issued under section 401, except that this paragraph shall not be construed as relieving any other person who is subject to such sections from the obligations of those sections with respect to any relationships, transactions, contracts, or agreements they may have with any such air carrier.

"LIMITATIONS ON AIRCRAFT SIZE

"(g) An air carrier holding a certificate issued under this section shall not provide or offer to provide local air transportation under that certificate with an aircraft having a maximum certificated gross takeoff weight of more than 40,000 pounds, and a passenger capacity of more than 36.

"(h) An air carrier holding a certificate issued under this section shall not provide or offer to provide local air transportation under such certificate between points both of which are in the State of Alaska, or one of which is in the State of Alaska and the other in Canada, unless such air carrier also holds authority to provide such air transportation from the State of Alaska.

"(i) Each air carrier holding a certificate issued under this section shall maintain in effect liability insurance as required by the Board.".

TITLE II—RURAL ROAD AND BRIDGE SYSTEM IMPROVEMENTS

SEC. 201. INCREASED AUTHORIZATION FOR THE FEDERAL-AID SECONDARY HIGHWAY SYSTEM.

Section 105(a)(1) of title I of the Federal-Aid Highway Act of 1976 (Public Law 94-280) is amended to read as follows:

"(1) For the Federal-aid primary system in rural areas, including the extensions of the Federal-aid primary system in urban areas, and the priority primary routes, out of the Highway Trust Fund, $1,350,000,000 for the fiscal year ending September 30, 1977, and $1,350,000,000 for the fiscal year ending September 30, 1978. For the Federal-aid secondary system in rural areas, out of the Highway Trust Fund, $400,000,000 for the fiscal year ending September 30, 1977, $500,000,000 for the fiscal year ending September 30, 1978, $600,000,000 for the fiscal year ending September 30, 1979, and $600,000,000 for the fiscal year ending September 30, 1980.".

SEC. 202. INCREASED AUTHORIZATION FOR SAFER OFF-SYSTEM ROADS.

Section 105(b)(17) of title I of the Federal-Aid Highway Act of 1976 (Public Law 94-280) is amended to read as follows:

"(17) For safer off-system roads under section 219 of title 23, United States Code, $200,000,000 for the fiscal year ending September 30, 1977, $250,000,000 for the fiscal year ending September 30, 1978, $300,000,000 for the fiscal year ending September 30, 1979, and $300,000,000 for the fiscal year ending September 30, 1980.".

SEC. 203. SPECIAL BRIDGE REPAIR AND REPLACEMENT PROGRAM.

(a) Section 144 of title 23, United States Code, is amended to read as follows:

"§ 144. Special bridge repair and replacement program

"(a) Congress hereby finds and declares it to be in the vital interest of the Nation that a special bridge repair and replacement program be established to enable the several States to repair or replace bridges over waterways or other topographical barriers when the States and the Secretary find that the bridge is significantly important and is unsafe because of structural deficiencies, physical deterioration, or functional obsolescence.

"(b) The Secretary in consultation with the States shall (1) inventory all bridges located on any of the Federal-aid systems over waterways and other topographical barriers of the United States; (2) classify them according to their serviceability, safety, and essentiality for public use; and (3) based on that classification, assign each a priority for repair or replacement.

"(c) Each State in consultation with the county officials of that State shall (1) inventory all bridges located on any non-Federal-aid system public road over waterways and other topographical barriers of such State; (2) classify them according to their serviceability, safety, and essentiality for public use; and (3) based on that classification, assign each a priority for repair or replacement.

"(d) Whenever any State or States make application to the Secretary for assistance in repairing or replacing a bridge which the priority system, established under subsections (b) and (c) of this section, shows to be eligible, the Secretary may approve Federal participation in the reconstruction of a comparable facility. In approving projects under this section, the Secretary shall give consideration to those projects which will remove from service bridges which are most in danger of failure and give consideration to the economy of the area involved. Approval of projects and allocation of funds under this section shall be without regard to allocation or apportionment formulas otherwise established under this title. Not less than 15 percent of the funds authorized to any State to carry out the provisions of this section may be expended for the emergency repair or replacement of bridges on and off the Federal-aid system, as determined by the State highway or transportation director in consultation with county officials to have the greatest need for replacement or rehabilitation, which are under the sole jurisdiction of the county authority in any State.

"(e) The Federal share payable on account of any bridge repair or replacement under this section shall not exceed 90 percent of the cost thereof.

"(f) For the purposes of carrying out the provisions of this section, there are authorized to be appropriated out of the Highway Trust Fund $400,000,000 per fiscal year in the period beginning October 1, 1978, and ending September 30, 1990. Such funds shall be available for obligations at the beginning of the fiscal year for which authorized in the same manner and to the same extent as if such funds were apportioned under this chapter.

"(g) Notwithstanding any other provisions of law the General Bridge Act of 1946 (33 U.S.C. 525-533) shall apply to bridges authorized to be repaired or reconstructed and bridges constructed to replace unsafe bridges under this section.

"(h) The Secretary shall report annually on projects approved under this section with any recommendations he may have for further improvement in the special bridge repair and replacement program authorized in accordance with this section.".

(b) The analysis of chapter 1 of title 23, United States Code, is amended by striking out

"144. Special bridge replacement program."

and inserting in lieu thereof

"144. Special bridge repair and replacement program.".

TITLE III—EXTENSION OF HIGHWAY TRUST FUND AND CERTAIN RELATED PROVISIONS

SEC. 301. EXTENSION OF THE HIGHWAY TRUST FUND.

(a) Subsections (c) and (f) of section 209 of the Highway Revenue Act of 1956 (relating to the Highway Trust Fund; 23 U.S.C. 120 note) are amended—

(1) by striking out "1979" each place it appears and inserting in lieu thereof "1990"; and

(2) by striking out "1980" each place it appears and inserting in lieu thereof "1991".

(b) Subsection (e)(1) of section 209 of such Act is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1990".

SEC. 302. TRANSFER FROM LAND AND WATER CONSERVATION FUND.

Subsection (b) of section 201 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-11) is amended—

(1) by striking out "1979" and inserting in lieu thereof "1990"; and

(2) by striking out "1980" each place it appears and inserting in lieu thereof "1991".

SEC. 303. POSTPONEMENT OF CERTAIN EXCISE TAX REDUCTIONS.

(a) The following provisions of the Internal Revenue Code of 1954 are amended by striking out "1979" each place it appears and inserting in lieu thereof "1990":

(1) Section 4041(c)(3) (relating to rate of tax on fuel for noncommercial aviation).

(2) Section 4041(e) (relating to rate reduction).

(3) Section 4061(a)(1) (relating to imposition of tax on trucks, buses, etc.).

(4) Section 4061(b)(1) (relating to imposition of tax on parts and accessories).

(5) Section 4071(d) (relating to imposition of tax on tires and tubes).

(6) Section 4081(b) (relating to imposition of tax on gasoline).

(7) Section 4481(a) (relating to imposition of tax on use of highway motor vehicles).

(8) Section 4481(e) (relating to period tax in effect).

(9) Section 4482(c)(4) (defining taxable period).

(10) Section 6156(c)(2) (relating to installment payments of tax on use of highway motor vehicles).

(11) Section 6421(h) (relating to tax on gasoline used for certain nonhighway purposes or by local transit systems).

(b) Section 6412(a)(2) of such Code (relating to floor stock refunds) is amended—

(1) by striking out "1979" each place it appears and inserting in lieu thereof "1990"; and

(2) by striking out "1980" each place it appears and inserting in lieu thereof "1991".

TITLE IV—IMPROVEMENTS TO THE LOCAL RAIL SERVICE ASSISTANCE PROGRAM

SEC. 401. FEDERAL SHARE.

(a) Section 5(g) of the Department of Transportation Act (49 U.S.C. 1654(g)) is amended to read as follows:

"(g)(1) The Federal share of the cost of any rail service assistance program described in paragraph (3) of subsection (f) of this section shall be (A) 100 percent for the period beginning July 1, 1976, and ending September 30, 1978, (B) 90 percent for the period beginning October 1, 1978, and ending September 30, 1979, (C) 80 percent for the period beginning October 1, 1979, and ending September 30, 1980, and (D) 70 percent for the period beginning October 1, 1980, and ending September 30, 1981.

"(2) The Federal share of the cost of any rail service assistance program described in paragraph (1), (2), or (4) of subsection (f) of this section shall be (A) 100 percent for the period beginning July 1, 1976, and ending June 30, 1977, (B) 90 percent for the period beginning July 1, 1977, and ending September 30, 1978, (C) 80 percent for the period beginning October 1, 1978, and ending September 30, 1979, and (D) 70 percent for the period beginning October 1, 1979, and ending September 30, 1981.

"(3) For the period beginning on October 1, 1979, and ending September 30, 1981, the Secretary may make such adjustments in the percentage level of the Federal share as may be necessary and appropriate so as not to exceed the maximum amount of funds authorized under subsection (o) of this section. The Secretary shall, within 1 year after the date of enactment of this subsection, promulgate standards and procedures under which the State share of the cost of any rail service assistance program may be provided through in-kind benefits such as forgiveness of taxes, trackage rights, and facilities which would not otherwise be provided.".

(b) Section 402(a)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 762(a)(1)) is amended by striking out the last sentence thereof and inserting in lieu thereof the following: "The Federal share of the cost of any such assistance for the rehabilitation and maintenance of rail properties shall be 100 percent for the 24-month period following the date on which rail properties are conveyed pursuant to section 303(b)(1) of this Act. The Federal share of the cost of any such assistance for purposes other than the rehabilitation and maintenance of rail properties shall be (A) 100 percent for the 12-month period following such date of conveyance, and (B) 90 percent for the succeeding 12-month period.".

SEC. 402. EXCESS IN-KIND BENEFITS.

(a) Section 5(g) of the Department of Transportation Act (49 U.S.C. 1654(g)) is further amended by adding at the end thereof the following new sentences: "In-kind benefits which a State provides for any period in excess of such State's share of project costs for such period shall be applied toward such State's share in any subsequent period. The date of initiation of any maintenance, rehabilitation, improvement, or acquisition project shall determine the period from which rail freight assistance to which a State is entitled shall be provided for such project. Whenever the costs of an approved maintenance, rehabilitation, improvement, or acquisition project exceed the amount of unobligated rail freight service assistance to which a State is entitled for the period in which such project is initiated, the Secretary may provide assistance in any subsequent period to cover the costs of such project, at the percentage level and from the Federal share established by this subsection for such subsequent period.".

(b) Section 402(a)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 762(a)(2)) is amended by adding at the end thereof the following new sentences: "In-kind benefits which a State provides for any period in excess of such State's share of project costs for such period shall be applied toward such State's share in any subsequent period. The date of initiation of any maintenance, rehabilitation, improvement, or acquisition project shall determine the period from which rail freight assistance to which a State is entitled shall be provided for such project. Whenever the costs of an approved maintenance, rehabilitation, improvement, or acquisition project exceed the amount of rail freight service assistance to which a State is entitled for the period in which such project is initiated, the Secretary may provide assistance in any subsequent period to cover the costs of such project at the percentage level and from the Federal share established by this subsection for such subsequent period.".

SEC. 403. STATE ENTITLEMENT FORMULA.

(a) The first sentence of section 5(h) of the Department of Transportation Act (49 U.S.C. 1654(h)) is amended to read as follows:

"(h) Each State which is, pursuant to subsection (j) of this section, eligible to receive rail service assistance is entitled to an amount authorized and appropriated for such purposes, multiplied by a fraction whose numerator is the sum of the rail mileage in such State (1) for which the Commission has found that the public convenience and necessity permit the abandonment of, or the discontinuance of, rail service on the line of railroad; (2) which was eligible for assistance under title IV of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 761–763); (3) which is identified as 'potentially subject to abandonment' or as a line for which a carrier plans to submit an application for a certificate of abandonment or discontinuance as those terms are used in section 1a(5)(a) of the Interstate Commerce Act (49 U.S.C. 1a(5)(a)); and (4) lines for which an abandonment or discontinuance application is pending before the Commission; and whose denominator is the sum of all such rail mileages in all of the States which are eligible for rail service assistance under this section, except that the mileage of any line or portion of line of railroad shall not be included more than once in the calculation of the numerator or the denominator of the fraction."

(b) The first sentence of section 402(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 762(b)) is amended to read as follows:

"(b) ENTITLEMENT.—(1) Each State in the region which is, pursuant to subsection (c) of this section, eligible to receive rail service continuation assistance is entitled to the total amount authorized and appropriated for such purpose multiplied by a fraction whose numerator is the sum of the rail mileage in such State which are (A) those rail services of railroads in reorganization in the region, or persons leased, operated, or controlled by any such railroad, which the Final System Plan does not designate to be continued; (B) those rail services on rail properties referred to in section 304(a)(2) of this Act; (C) those rail services in the region which have been, at any time during the 5-year period prior to the date of enactment of this Act, or which are, subsequent to the date of enactment of this Act, owned, leased, or operated by a State agency or by a local or regional transportation authority, or with respect to which a State, a political subdivision thereof, or a local or regional transportation authority has invested (at any time during the 5-year period prior to the date of enactment of this Act), or invests (subsequent to the date of enactment of this Act), substantial sums for improvement or maintenance of rail service; (D) those rail services in the region with respect to which the Commission authorizes the discontinuance of rail services or the abandonment of rail properties, effective on or after the date of enactment of this Act; (E) those rail services which are identified as 'potentially subject to abandonment' or as lines for which a carrier plans to submit an application for a certificate of abandonment or discontinuance as those terms are used in section 1a(5)(a) of the Interstate Commerce Act (49 U.S.C. 1a(5)(a)); and (F) lines for which an abandonment or discontinuance application is pending before the Commission; and whose denominator is the sum of all such rail mileages in all of the States which are eligible for rail service assistance under this section, except that the mileage of any line or portion of line of railroad shall not be included more than once in the calculation of the numerator or the denominator of the fraction."

SEC. 404. RAIL LINE ELIGIBILITY.

(a) Section 5(k) of the Department of Transportation Act (49 U.S.C. 1654(k)) is amended—

(1) by striking out "or" immediately after "project"; and

(2) by striking out "; and" immediately after "1973" and inserting in lieu thereof ", or (C) the line of railroad which is related to the project is identified as 'potentially subject to abandonment' or as a line for which a carrier plans to submit an application for a certificate of abandonment or discontinuance as those terms are used in section 1a(5)(a) of the Interstate Commerce Act (49 U.S.C. 1a(5)(a)) or is a line for which an abandonment or discontinuance application is pending before the Commission: in which case, the eligibility for financial assistance shall be limited to projects which have as their principal objectives the elimination of deferred maintenance and the rehabilitation of such rail line, with such line being ineligible for rail service continuation assistance unless and until such line becomes eligible pursuant to subsection (1)(A) of this paragraph and".

(b) Section 402(c)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 762(c)(2)) is amended—

(1) by striking out "or" at the end of subparagraph (C) thereof;

(2) by striking out the period at the end of subparagraph (D) thereof and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new subparagraph:

"(E) those rail services which are identified as 'potentially subject to abandonment' or as lines for which a carrier plans to submit an application for a certificate of abandonment or discontinuance as those terms are used in section 1a(5)(a) of the Interstate Commerce Act (49 U.S.C. 1a(5)(a)) or those lines for which an abandonment or discontinuance application is pending before the Commission; in which case, the eligibility for financial assistance shall be limited to projects which have as their principal objectives the elimination of deferred maintenance and the rehabilitation of such rail line, with such rail line being ineligible for rail service continuation assistance unless and until such line becomes eligible pursuant to subparagraph (B), (C), or (D) of this subsection.".

SEC. 405. FEDERAL-STATE RELATIONSHIP.

(a) Section 5(l) of the Department of Transportation Act (49 U.S.C. 1654(l)) is amended by adding at the end thereof the following: "The authorization of the appropriation of Federal funds or their availability for expenditure for the purpose of subsections (f) through (o) of this section shall in no way infringe on the sovereign rights of the States to determine which projects shall be federally financed. The Secretary shall not withhold approval of a State rail freight program or project solely on the grounds that the State initiated the program or project without the prior approval of the Secretary. The provisions of subsections (f) through (o) of this section provide for a federally assisted State program.".

(b) Section 402(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 762(e)) is amended by adding at the end thereof the following new sentences: "The authorization of the appropriation of Federal funds or their availability for expenditure for the purpose of this section shall in no way infringe on the sovereign rights of the States to determine which projects shall be federally financed. The Secretary shall not withhold approval of a State rail freight program or project solely on the grounds that the State initiated the program or project without the prior approval of the Secretary. The provisions of this section provide for a federally assisted State program.".

SEC. 406. STATE RAIL PLANNING.

The second sentence of section 5(o) of the Department of Transportation Act (49 U.S.C. 1654(o)) is amended to read as follows: "Of the foregoing sums, not to exceed $10,000,000 shall be made available for planning grants during each of the 4 fiscal years ending September 30, 1977, September 30, 1978, September 30, 1979, and September 30, 1980.".

SECTION-BY-SECTION SUMMARY OF THE RURAL TRANSPORTATION ACT OF 1977

DECLARATION OF POLICY

Section 2 of the bill establishes the findings and declarations of the Congress that small, isolated communities depend upon a safe and efficient multimodal transportation system, that improved air service is essential to maintain effective communications and commercial relations with the nation's population centers, that improved roads and rail systems are needed to serve the requirements of agriculture, that major improvements in existing bridge structures are needed, and that increases in funding levels for basic rural transportation systems are required to promote a safe, efficient and economical transportation system for agriculture and rural development in the United States.

SMALL COMMUNITY AIR SERVICE IMPROVEMENTS

Title I of the bill amends the Federal Aviation Act of 1958 to establish a new program of specialized small community air transportation consistent with the public convenience and necessity.

Under section 101 of the bill, existing subsections 406(a) and (b) of the Federal Aviation Act of 1958 are repealed. In their place is established a limit of seven years, beginning July 1, 1978, on the current program of subsidy for regularly scheduled certificated air transportation services to small communities. The Civil Aeronautics Board would be obligated, under the provisions of this section, to maintain subsidy payments during the seven-year period adequate to ensure no deterioration in the kind, character and quality of air transportation services provided with subsidy on January 1, 1977.

The program which would succeed the current local air service subsidy for small community service is established in sections 102 and 103 of the bill, which are described below.

Under section 102 of the bill, the Federal Aviation Act of 1958 is amended by adding at the end of Title IV thereof, a new section 418. Proposed section 418 establishes a new program of small community air service compensation which would be phased in during the seven year period that section 406 subsidy payments are to be phased out.

Those communities, or points, eligible for compensation under new section 418 would include all points listed on a certificate to engage in interstate and overseas air transportation issued by the CAB under section 401 of the Act. No point so listed could be removed from eligibility until after July 1, 1988.

Beginning no later than July 1, 1979, the CAB would be directed to review those points that have been deleted from the certificates of air carriers since July 1, 1968—about 70 in number—for eligibility for renewed status as certificated points under new criteria to be established by the Board.

Beginning July 1, 1981, the CAB would have the opportunity to designate any other point as eligible for compensated air service under the objective criteria to be established by the Board.

Thus, this section provides not only that points listed currently on air carriers' certificates are assured eligibility for compensation for ten years, but it also provides access to the national air transportation system for additional points which have been deleted within the past ten years, as well as other points that have not received any certificated air carrier service since July 1, 1968.

Those air carriers which would be eligible for compensation under 418 include not only those carriers now providing service, but also newly certified air carriers who will specialize in small community air service with small equipment.

Under proposed section 418(g), the CAB would establish the level of "essential air transportation" for which compensation would be paid. In no case, within the "lower 48" States, would the definition of essential air service be specified as fewer than 2 daily round trips, five days per week, as part of a linear route system to a principal community of interest.

While the incumbent air carriers in small communities now receiving service are eligible to receive the current section 406 payments for up to seven years, this section does provide for a phase-in of specialized small community local air carriers, compensated for essential air transportation services under proposed section 418, beginning in four years.

Proposed section 418 is designed to provide an orderly transition to the new compensation program for air service to small communities without disruption of service to any point. As the new program of compensation is phased-in, it is anticipated that additional communities will be included in the national air transportation system. Overall subsidy cost to the government should be reduced over time, as increasingly the compensation payments will be based upon representative costs of efficient carriers operating smaller equipment, with higher frequency of service, at the smallest points.

Under section 103 of the bill, Title IV of the Federal Aviation Act of 1958 is further amended by adding at the end thereof, a new section 419. This new section establishes the conditions for certification of a new class of air carrier that will specialize in "local air transportation" to small communities.

Because of the administrative burdens of traditional section 401 certification proceedings, this new class of air carrier will be certificated under expedited procedures and the class will not be required to conform to certain requirements of the Federal Aviation Act that apply to other air carriers certificated under section 401.

Of most significance, air carriers certificated under proposed section 419 will be limited, with respect to operations under section 419, to aircraft with a maximum gross takeoff weight of 40,000 and a maximum passenger capacity of 36 passengers.

Under section 419, certificated air carriers will be required to maintain adequate insurance and otherwise prove fitness, willingness, and ability to provide air transportation services. But these carriers will hold certificates that will not restrict their operations, with small aircraft, to any particular geographic locations.

After the transition period is completed, it is anticipated that air carriers, certificated under section 419 and receiving compensation for services to small communities under section 418, will be providing essential air transportation services with increased frequency and convenience to the traveling public to those small communities for which air service with larger aircraft is not economically justified.

INCREASED AUTHORIZATION FOR THE FEDERAL-AID SECONDARY SYSTEM

Section 201 of the bill would increase the authorization for appropriations for the Federal-aid secondary highway system in rural areas by $100 million for the fiscal year ending September 30, 1978. Section 201 would also establish authorizations for the Federal-aid secondary system of $600 million for the fiscal year ending September 30, 1979 and for the fiscal year ending September 30, 1980.

INCREASED AUTHORIZATION FOR SAFER OFF-SYSTEM ROADS

Section 202 of the bill would increase the authorization for appropriations for the Safer Off-System Road Program by $50 million for the fiscal year ending September 30, 1978. Section 202 would also authorize $300 million for off-system roads for the fiscal years ending September 30, 1979 and September 30, 1980.

SPECIAL BRIDGE REPAIR AND REPLACEMENT PROGRAM

Section 203 of the bill would amend the current Federal bridge replacement program in five ways. First, section 203 would make Federal funds available for bridge repair in addition to bridge replacement. Second, funds would be earmarked for the repair or replacement of bridges, both on and off of the Federal-aid system, that county officials in consultation with State departments of transportation have designated as in the greatest need of attention. Third, the States would be required to inventory, classify, and assign a priority for repair or replacement to bridges not on the Federal-aid system. The current national bridge inventory is limited to on-system bridges. Fourth, the local matching share would be reduced from 25 to 10 percent. Finally, the level of funding for the program would be increased and funding would be authorized through 1990.

EXTENSION OF THE HIGHWAY TRUST FUND

Section 301 through 303 of the bill would extend the existence of the Highway Trust Fund, which would otherwise expire at the end of 1979.

FEDERAL SHARE

The Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act) created the Local Rail Assistance Program in section 5 of the Department of Transportation Act (DOT Act) (49 U.S.C. 1654(g)) to aid the States in addressing problems caused by the abandonment of rail freight service. A Federal-State program, the Federal share of the program's costs was to be 100 percent in the first year of the program with the Federal share decreasing to 70 percent over a three-year period. States could not qualify for the 100 percent assistance for rail rehabilitation projects until after they had completed state rail plans approved by the Federal Railroad Administration (FRA). By the time the States complete their rail plans and qualify

for Federal assistance, the initial period of 100 percent Federal assistance will have expired.

Section 401(a) of the bill would amend section 5(g) of the DOT Act (49 U.S.C. 1654 (g)) to extend the period during which rail rehabilitation projects could qualify for 100 percent Federal assistance. Section 401(b) of the bill would make a parallel amendment to section 402(a)(1) of the Regional Railroad Reorganization Act of 1973 (3R Act) (45 U.S.C. 762(a)(1)), which established a state rail assistance program to aid States affected by the failure of the northeastern railroads.

Section 401 of the bill would also amend section 5(g) of the DOT Act (49 U.S.C. 1654 (g)) to make the local rail assistance program's funding periods coterminous with the Federal fiscal year.

EXCESS IN-KIND BENEFITS

Section 5(g) of the DOT Act (49 U.S.C. 1654(g)) allows the State share of the costs of rail freight assistance programs to be provided through in-kind benefits such as shipper donations and forgiveness of taxes. The regulations implementing section 5(g), however, do not allow States to carry over excess in-kind benefits and apply them to a subsequent year's State share. Section 402(a) of the bill would amend section 5(g) to expressly provide that States could carry over excess in-kind benefits to satisfy a subsequent year's State share.

The bill would also improve administration of the Local Rail Assistance Program by providing that the date on which a State initiates a rail rehabilitation project will determine the annual period during which the FRA will fund the project.

Section 402(b) of the bill makes parallel amendments to section 402(a)(2) of the 3R Act (45 U.S.C. 762(a)(2)).

STATE ENTITLEMENT FORMULA

Under existing law, a State's share of Local Rail Service Assistance funds is determined by the amount of rail mileage in the State that the Interstate Commerce Commission has approved for abandonment or discontinuance of service. Section 403(a) would amend the entitlement formula, which is contained in section 5(h) of the DOT Act (49 U.S.C. 1654(h)), to base a State's share on the rail lines in that State which have been approved for abandonment by the Commission, rail lines which the railroads plan to abandon, and rail lines that are the subject of pending abandonment petitions.

Section 403(b) of the bill would make a similar amendment to section 402(b) of the 3R Act (45 U.S.C. 762(b)).

RAIL LINE ELIGIBILITY

Under current law, a rehabilitation project on a rail line is eligible for Federal assistance under the Local Rail Assistance Program only after the ICC has approved that rail line for abandonment or discontinuance of service. Section 404(a) would amend section 5(k) of the DOT Act (49 U.S.C. 1654(k)) to make rehabilitation projects on rail lines that the railroads were considering for abandonment eligible for Federal assistance. This amendment would give the States flexibility to revitalize rail lines before such lines deteriorated to the point of being abandoned.

Section 404(b) similarly expands the rail lines eligible for Federal local rail assistance pursuant to section 402(c)(2) of the 3R Act (45 U.S.C. 762(c)(2)).

FEDERAL-STATE RELATIONSHIP

The purpose of the amendment contained in section 405(a) is to indicate that the States should have the primary role in deciding which projects should be carried out under the Local Rail Assistance Program. This section would also address a problem of regulatory decay by giving States the flexibility to undertake urgent projects under the Local Rail Assistance Program without waiting for final approval from the Federal Railroad Administration.

A similar amendment is made to the 3R Act by section 405(b).

STATE RAIL PLANNING

The 4R Act established a five-year Local Rail Assistance Program. Funds for State rail planning were provided only for the first three years of the program. Section 406 of the bill would extend Federal funds for state rail planning through the life of the program and would increase the authorization for state rail planning assistance from $5 million to $10 million for each of the two additional years.

By Mr. JAVITS (for himself, Mr. HUMPHREY, Mr. MOYNIHAN, Mr. MATHIAS, Mr. CLARK, Mr. RIEGLE, Mr. BAYH, Mr. MCGOVERN, Mr WILLIAMS, Mr. KENNEDY, Mr. BROOKE, Mr. CHAFEE, Mr. DOLE, Mr. JACKSON, Mr. HEINZ, Mr. GLENN, Mr. RIBICOFF, and Mr. CASE):

S. 1898. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

VETERANS TUITION EQUALIZATION ACT OF 1977

Mr. JAVITS. Mr. President, I am pleased to introduce for myself and Senators HUMPHREY, MOYNIHAN, MATHIAS, CLARK, RIEGLE, BAYH, MCGOVERN, WILLIAMS, KENNEDY, BROOKE, CHAFEE, DOLE, JACKSON, HEINZ, GLENN, RIBICOFF, and CASE, a bill which will enable thousands of veterans to utilize the GI bill education benefits which are their right, but which are effectively denied to them by widely differing tuition costs, both public and private, not taken into account by the present GI bill.

Far too few New York veterans use their GI bill opportunities. This is generally the case throughout the Northeast and Midwest. A prime reason for this is the fact that today's GI bill, unlike the World War II legislation, fails to take into account State differences in educational costs.

The Senate recognized this in 1974 by passing a tuition equalizer provision which attempted to give veterans a more equitable subsistence allowance. Unfortunately the provision was rejected by the House in Conference. In introducing similar legislation, it is my hope that the House will recognize that since 1974, in the expenditure of an additional $10 billion of GI bill benefits, the United States has continued to discriminate against veterans in Eastern and Midwestern States.

In 1976 California ranked second among States in cumulative GI bill use rate among eligible veterans. New York, with the second largest population of veterans eligible for benefits, ranked 30th. Given the open ended GI bill financing, California's opportunities are not at the expense of New Yorkers. It comes about principally because of a highly developed junior and 4-year college system in California.

Of course, we in New York have spent substantial sums developing State and city university systems. At the same time, we get no credit for our substantial private college system, which was built up with public support and by private initiative and whose students who pay a substantially greater share of the actual cost of education than do those in public colleges.

Both the Veterans' Administration and the House Veterans Committee have taken the position that the abuses of the World War II GI bill require that we do not use a tuition system. However, President Eisenhower's Commission on Veterans Pensions, headed by Gen. Omar Bradley, made the most careful study on record of veterans legislation and found relatively little abuse by colleges. The Commission's staff noted—

> The curious fact is that the Korean GI Bill recognized the additional cost of dependents at the rate of $25 per month, but does not recognize tuition differences of three times that amount.

Under today's formula, which is a simple adoption of the Korean war GI bill formula, only one payment is made to a veteran no matter what his tuition is. The World War II GI bill formula provided that each veteran would have the same amount of money to live on, $75 a month in the case of a single veteran and a direct tuition payment of up to $500 would be made by the Federal Government to the school of the veteran's choice. Thus, all veterans were on the same footing as far as the amount of money on which they had to live. They could attend whichever educational institution their educational interests and abilities permitted.

Under today's system we have the anomaly that a veteran can attend a 4-year college such as San Francisco State, pay $190 for tuition and the average cost for books of $208, and then have 85 percent of his GI bill left for subsistence. In contrast, the veteran attending a 4-year college in Philadelphia—Temple University—has to spend 57 percent of his GI bill for tuition and books and is left with only 43 percent, or $1,130, for subsistence. This is $1,110 less per year than his compatriot in California with whom he may have served in the same combat company in Vietnam.

The tuition equalizer bill I am introducing today is similar to one introduced in the House by Congressmen JONATHAN B. BINGHAM and SILVIO O. CONTE. It would pay 80 percent of the veteran's tuition above $400 up to $1,400, for a maximum tuition assistance payment of $800. This approach should be substituted for the present system which ignores tuition costs, so that all veterans are afforded a more equal opportunity to use their once in a lifetime chance to attain adequate education and training, regardless of State of residence.

The voucher system that is the mechanism for the tuition payment assistance would give a veteran a certificate along with his check that would be good for payment of part of his tuition when presented by the school to the Federal Government. This would prevent the use of the GI bill as an income supplement program, which some critics contend it could be used for. I would hope that the committee in its markup will give this legislation careful consideration, particularly in view of the fact that this ap-

proach has already received the support of the Senate as part of the 1974 bill.

I commend the Senate Veterans' Affairs Committee chairman, ALAN CRANSTON, and Senator JOHN A. DURKIN for introducing their accelerated payments plan on June 22. While this is another approach to this problem, I would hope that the two approaches can be melded so that veterans in more expensive educational systems can begin to use their GI bill more effectively.

Mr. President, I would like to close my explanatory remarks by inserting for the RECORD a New York Times editorial of June 28, 1974 in support of the Senate-passed tuition equalizer amendment; a Washington Post editorial of July 19, 1977 which again points out the inequitable treatment of Vietnam era veterans under the present GI bill; and a chart which sets forth relative utilization rates of GI education benefits among the States.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 28, 1974]

FAIRNESS FOR VIET VETS

The Senate-House conference now working on the 1974 G.I. Bill amendments has an opportunity to correct large inequities which afflict veterans of the Vietnam war. The major issue up for resolution is whether the Vietnam veterans' educational benefits will be raised to reasonable parity with those accorded to veterans of World War II a generation ago.

The key issue is over college tuition payments. The World War II veteran received full tuition assistance, plus a living-expense payment that was roughly equivalent to what Vietnam veterans now receive monthly for all educational and living expenses. The Senate version of the 1974 amendments would remedy this discrepancy by providing a reasonable portion of tuition costs in addition to the living expense stipend. The House bill makes no provision at all for tuition assistance.

The Senate bill is preferable not only because it provides assistance closer to that received by World War II veterans, but also because it would equalize educational opportunities for poor veterans throughout the United States. As it stands now, Vietnam veterans living in states where moderately priced college tuitions are unavailable find college prohibitively expensive, even with the currently available assistance. Veterans living in Ohio, Pennsylvania and New Jersey, where tuition costs are high, are less able to avail themselves of G.I. Bill benefits than are those living in California and Texas, where tuition costs are considerably cheaper. Elemental fairness requires adoption of the Senate bill.

[Washington Post editorial, July 19, 1977]

VIETNAM VETERANS AND THE GI BILL

The Congress is discovering, and rightly so, that the unfinished business having to do with equity and reasonable opportunity for the veterans of the Vietnam era cannot be wished away. The other day we talked about the efforts of sensitive and responsible members of Congress to rescue the administration's program for speedier review of less-than-honorable discharges. Today, as the Senate Veterans Affairs Committee begins to debate amendments to improve the GI Bill, we would like to take note of another effort by those in Congress who recognize the importance of working for fair and humane solutions to the particular problems confronting the veterans of Vietnam as a consequence of the particular nature of that conflict.

Sens. Alan Cranston (D-Calif.), John Durkin (D-N.H.), Jacob Javits (R-N.Y.) and Hubert Humphrey (D-Minn.) are aware of the flaws in the current provisions of the GI Bill. But doing repair work on this legislation is not one of the appealing pursuits in Congress. For one thing, the GI Bill is perhaps the best known of the veterans programs, which means that its failures receive the most publicity. For another, when Vietnam veterans are involved in the failures, a kind of general, anti-Vietnam prejudice sets in. A few years ago, when abuses involving Vietnam veterans began to be reported—overpayments, payments to those who didn't attend classes, creation of training courses that had no substance—the critics seemed not to remember that similar abuses occurred after World War II and Korea; only the glowing successes of those programs were well remembered. That almost nobody seemed to remember any *successes* of the GI Bill for Vietnam veterans may have something to do with a general inclination on the part of politicians as well as the public not to want to be reminded about anything having to do with the first war America lost.

In any case, Sens. Cranston and Durkin have set out, first of all, to correct some of the abuses that have come to light. This is expected to be handled without great difficulty by balancing the needs of the schools with a prudent use of federal funds. Other problems will not be resolved so easily. For example, the GI Bill as it is now operating favors veterans in states that have educational systems providing low-cost schools—unlike the World War II program, which gave all veterans equal amounts to live on. An example of this, as Stuart Feldman has pointed out in a report to the National League of Cities and the U.S. Conference of Mayors, is that "a veteran at Temple University, the public college in Philadelphia, would have to pay $1,498 for tuition fees and books. A veteran attending San Francisco State would have only to pay $200 tuition. When coupled with expenditures for average book and supply costs, this means that the California vet, who may have served in the same company with the Philadelphia vet has to spend only 15.1 per cent of his yearly GI Bill benefits for education costs—while the Philadelphia vet has to spend 57 per cent of his benefits. The California vet has $122 more per month to apply to his living expenses."

Sen. Cranston would take a step toward correcting these inequities allowing veterans whose tuition is more than $1,000 a year to use their benefits at a faster rate to cover the differences. This is the "acceleration provision," which was part of the World War II GI Bill. It has the support of the VFW and American Legion. An alternative, which also has merit and which passed the Senate in 1974, is being offered by Sens. Javits and Humphrey. It would pay 80 per cent of a veteran's tuition between $400 and $1,400. The Javits-Humphrey proposal would help veterans who are now locked out of high-cost schools that may be the only ones in their area. A third alternative, favored by the Veterans Administration, is to provide a five per cent increase in educational benefits. But this does little to affect the geographical inequities.

Another proposal, offered by Sens. Cranston and Durkin, would allow veterans whose benefits have run out to pick them up again so they can complete their training or schooling. This would extend the delimiting period that cut off benefits to veterans whose time has or will run out 10 years after eligibility began.

Although the GI Bill legislation is in only the markup period in the Senate, it is important that a strong bill emerge now. In the past, the leadership of the House Veterans Committee has resisted such proposals as the tuition-equalization plan, accelerated payments and delimiting date removal. The President has an obvious role to play in the debate. In his campaign, he spoke out in behalf of Vietnam veterans. He now has the opportunity to involve his administration in insuring that the money that it has already committed goes to those legislative approaches that promise to serve veterans with the greatest need.

CUMULATIVE GI BILL USE RATES FOR COLLEGE AND JUNIOR COLLEGE

States ranked by GI bill college participation rate	1976 Viet veteran population	Junior and 4-year college GI bill use rate	
		Rank	Percent
1. Arizona	84,000	1	54.1
2. California	911,000	2	52.5
3. Hawaii	33,000	3	47.7
4. North Dakota	17,000	4	47.7
5. South Dakota	18,000	5	46.2
6. New Mexico	38,000	6	43.3
7. Colorado	111,000	7	42.6
8. Alabama	113,000	8	38.6
9. North Carolina	176,000	9	38.4
10. Washington	181,000	10	38.2
11. Utah	49,000	11	38.1
12. Texas	451,000	12	37.4
13. Wyoming	13,000	13	36.9
14. Idaho	28,000	14	36.7
15. Oregon	105,000	15	36.5
16. Oklahoma	114,000	16	36.2
17. Rhode Island	41,000	17	36.1
18. Florida	293,000	18	35.3
19. South Carolina	100,000	19	34.2
20. Kansas	83,000	20	33.9
21. Nevada	25,000	21	33.2
22. Delaware	24,000	22	32.5
23. Montana	28,000	23	32.2
24. Tennessee	148,000	24	32.1
25. Nebraska	55,000	25	32.0
26. Michigan	333,000	26	31.8
27. Virginia	191,000	27	31.7
28. Mississippi	57,000	28	31.6
29. Missouri	183,000	29	31.6
30. New York	570,000	30	30.4
31. Illinois	393,000	31	29.6
32. Alaska	14,000	32	29.3
33. Massachusetts	231,000	33	28.9
34. Kentucky	108,000	34	28.8
35. Maine	38,000	35	28.4
36. Louisiana	118,000	36	28.1
37. Maryland	174,000	37	28.1
38. New Hampshire	36,000	38	26.8
39. West Virginia	57,000	39	26.7
40. Georgia	192,000	40	26.4
41. Wisconsin	164,000	41	25.9
42. Arkansas	67,000	42	25.8
43. Connecticut	118,000	43	23.9
44. Minnesota	169,000	44	23.7
45. Iowa	102,000	45	23.4
46. Ohio	410,000	46	23.4
47. New Jersey	262,000	47	21.6
48. Pennsylvania	442,000	48	19.7
49. Indiana	207,000	49	19.3
50. Vermont	19,000	50	16.6
Total	7,894,000		
Average			32.8

By Mr. McINTYRE (by request):

S. 1900. A bill to clarify the treatment of banks and other depository institutions under State and local revenue laws; to the Committee on Banking, Housing and Urban Affairs.

Mr. McINTYRE. Mr. President, upon request of the American Bankers Association, the National Savings and Loan League, the U.S. League of Savings Associations, and the National Association of Mutual Savings Banks, I introduce a bill entitled the "Interstate Taxation of Depositories Act of 1977".

I ask unanimous consent that the bill be printed in its entirety at this point in the RECORD, along with a digest and an explanation of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Interstate Taxation of Depositories Act of 1977".

TITLE I—JURISDICTION TO TAX

SEC. 101. UNIFORM JURISDICTIONAL STANDARD: BUSINESS LOCATION TEST.

No State or political subdivision thereof shall have power to impose a doing-business tax on a depository unless such depository has a business location in the State or political subdivision during the taxable year.

TITLE II—MAXIMUM PERCENTAGE OF INCOME, RECEIPTS, OR CAPITAL ATTRIBUTABLE TO TAXING JURISDICTION

SEC. 201. OPTIONAL TWO-FACTOR FORMULA.

(a) A State or political subdivision thereof may not impose for any taxable year on a depository taxable in more than one State a doing-business tax measured by an amount of net income, gross receipts, or capital in excess of the amount determined by multiplying the depository's base by an apportionment fraction, the numerator of which is the sum of the payroll factor and the receipts factor and the denominator of which is 2. For this purpose the base to which the apportionment fraction is applied shall be such depository's net income, gross receipts, or capital for that taxable year as determined under State law, with the exceptions provided for in section 205.

(b) TAXABLE IN MORE THAN ONE STATE; TAXABLE IN A STATE. For purposes of this title, a depository is taxable in more than one State if, pursuant to title I, more than one State has jurisdiction to impose a doing-business tax upon the depository regardless of whether, in fact, any State does or does not impose such a tax.

For purposes of this title, a depository is taxable in a State if, pursuant to title I, that State has jurisdiction to impose a doing-business tax upon the depository regardless of whether, in fact, that State does or does not impose such a tax.

(c) COMBINED REPORTING.

(1) Except as provided in subparagraph (2), a participant State may require, or a depository may elect, that its net income, gross receipts, or capital be determined by reference to the combined base and apportionment factors of all corporations of an affiliated group of which the depository is a member, except a corporation organized under Section 25(a) of the Federal Reserve Act having its principal office located outside the State.

(2) A State may not require a depository not having its principal office in the State, nor may such depository elect, to combine or consolidate for the purpose of determining its net income, gross receipts, or capital with the net income, gross receipts, or capital of the following:

(A) A corporation which is not a depository as defined under this Act,

(B) A corporation which is incorporated outside of the United States, or

(C) Any corporation which derives more than 90 per centum of its income from sources without the United States.

SEC. 202. PAYROLL FACTOR.

(a) IN GENERAL. The payroll factor is a fraction, the numerator of which is the total amount paid in the State by the depository as compensation and the denominator of which is the total amount paid in all States by the depository as compensation during the taxable year.

(b) LOCATION OF COMPENSATION. Compensation is paid in a participant State if paid to an employee considered to be located or as having a regular presence therein, as provided in section 306. All compensation paid by a depository to an employee located in a State in which the depository is not taxable shall be deemed to have been paid in the State in which the depository has its principal office.

SEC. 203. RECEIPTS FACTOR.

(a) IN GENERAL. The receipts factor is a fraction, the numerator of which is the receipts of the depository which are located in the State during the taxable year and the denominator of which is the total receipts of the depository within the United States during such taxable year.

(b) LOCATION OF RECEIPTS FROM LOANS. All interest, discount, net gain and other receipts from each loan which is secured primarily by real estate, shall be included in the numerator of a participant State if the predominant part of such security property is or will be located in such State, as determined in accordance with section 305; and the interest, discount, and net gain from each unsecured loan and each loan secured primarily by tangible or intangible personal property, or any participating interest therein, shall be included in the numerator of a participant State if such loan was originated in such State. All interest, discount, net gain and other receipts from loans which are located in a State in which the depository is not taxable shall be included in the numerator of the State in which the depository's principal office is located.

(c) LOCATION OF CERTAIN OTHER RECEIPTS.

(1) Fees, commissions, service charges, and other receipts from the sale of depository or financial services shall be included in the numerator of the State in which the service is performed. Sales or services rendered in two or more States shall for purposes of the numerator be included in the numerator of the State in which the greater portion of the income-producing activity is performed, based on costs of performance.

(2) Receipts from the lease of tangible property shall be considered to be located in the State in which the property is located.

(3) Interest, dividends, and net gains from securities (whether held for investment or trading purposes) and money market instruments are included in the numerator of the State in which the principal trading activities are conducted.

(d) ALL OTHER RECEIPTS. All receipts other than those described in subsections (b) and (c) of this section shall be excluded from both the numerator and the denominator of the receipts factor for all participant States.

SEC. 204. LOCAL TAXES.

The maximum net income, gross receipts, or capital attributable to a participant political subdivision for tax purposes shall be determined under this title in the same manner as though such political subdivision were a State; except that the denominators of the depository's payroll factor and receipts factor shall be the denominators applicable to all States and political subdivisions. For this purpose, the numerators of the depository's payroll factor shall be determined by treating each reference to a participant State as a reference to a participant political subdivision.

SEC. 205. EXCLUSIONS FROM NET INCOME, GROSS RECEIPTS, AND CAPITAL.

(a) EXCLUSIONS FROM NET INCOME AND GROSS RECEIPTS. The net income or gross receipts of a depository shall not include (1) dividends received from a corporation in which such depository owns at least 80 percent of the voting stock or (2) net income or gross receipts which are derived from the conduct of business at an office, branch, agency or other fixed place of business located outside the United States.

(b) EXCLUSIONS FROM CAPITAL. The capital of a depository shall not include investments in, and advancements to, affiliated corporations.

TITLE III—DEFINITIONS AND MISCELLANEOUS PROVISIONS

PART A—DEFINITIONS

SEC. 301. DOING BUSINESS TAX.

The term "doing business tax" means any tax imposed on, or measured by, net income; any tax which is imposed upon or measured by gross income or gross receipts; or any tax imposed for the franchise, privilege, excise, or license for the doing of business of banking in the State or providing other lending or depository services based on the value of property, assets, or capital employed in the State.

SEC. 302. DEPOSITORY.

The term "depository" means any bank the deposits of which are insured under the Federal Deposit Insurance Act, any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, or any thrift or home financing institution which is a member of a Federal home loan bank; any other bank or thrift institution incorporated or organized under the laws of any State which is engaged in the business of receiving deposits; or any company organized or created under the laws of a foreign country which maintains or owns a branch or subsidiary in the United States which receives deposits.

SEC. 303. STATE.

The term "State" means any of the several States of the United States and the District of Columbia.

SEC. 304. BUSINESS LOCATION.

(a) GENERAL RULE. A depository shall be deemed to have a "business location" in a State in a taxable year only if (i) such depository maintains an office in such State; (ii) one or more employees of the depository has or have a regular presence in such State; (iii) such depository regularly leases to others tangible personal property located in such State; or (iv) such depository owns and uses tangible property involved in funds transfers in the State.

If a depository has a business location in a State solely by reason of (iii), such depository shall be considered to have a business location in that State only with respect to such leased property.

(b) APPLICATION OF GENERAL RULE.—For purposes of subsection (a), a depository shall not be deemed to have a business location within a State during any taxable year merely by reason of (1) the acquisition or purchase of loans, secured and unsecured, or any interest therein, from one or more independent contractors having a business location in the State; (2) the maintenance of an office in the State by, or the business activities in the State of, one or more independent contractors, including but not limited to the collecting and servicing of loans in any manner whatsoever and the making, on behalf of such depository, of physical inspection and appraisals of real or personal property in such State securing any loans or proposed to secure any loan; (3) making loans through or in participation with other depositories having offices in the State; (4) holding, sale, assignment, transfer, collecting or enforcing any loans, or the foreclosure or other disposition thereof, including acquisition of title to property securing such loans by foreclosure, deed in lieu of foreclosure, or otherwise, as a result of default under the terms of the mortgage or other security instruments relating thereto, or the holding, protection, rental, maintenance and operation of said property so acquired or the disposition thereof: *Provided,* That such de-

pository shall pay real estate taxes on said property, and shall not hold, own or operate said property for a period exceeding 5 years from the final date of its acquisition; or (5) by reason of the use of tangible property involved in funds transfers owned by independent contractors.

The term "independent contractor," as used in reference to a particular depository, means any individual, corporation, partnership, voluntary association, trust, or other entity, other than such depository engaged in business activities on behalf of more than one principal, including such depository, but such term shall not include an employee of such depository.

(c) POLITICAL SUBDIVISION. For the purpose of determining whether a depository has a business location in a political subdivision, subsection (a) shall be applied by treating each reference therein to a State as reference to a political subdivision.

SEC. 305. LOCATION OF PROPERTY.

(a) GENERAL RULE. Except as otherwise provided in this section, tangible property, including real property which is security for a loan, shall be considered to be located in the State in which such property is physically situated.

(b) MOVING PROPERTY LEASED TO OTHERS. Tangible personal property which is characteristically moving property, such as motor vehicles, rolling stock, aircraft, vessels, mobile equipment, and the like, and which is leased to others for use, shall be considered to be located in the State if—

(1) the operation of the property by the lessee is entirely within that State, or the operation without the State is occasional or incidental to its operation within the State; or

(2) the operation of the property by the lessee is in two or more States, but the principal base of operations from which the property is sent out by the lessee is in that State.

(c) POLITICAL SUBDIVISION. For the purpose of determining whether property is located in a political subdivision, subsections (a) and (b) shall be applied by treating each reference therein to a State as a reference to a political subdivision.

SEC. 306. LOCATION OF EMPLOYEE.

(a) IN GENERAL. An employee shall be considered to be located in a State or to have a regular presence therein if—

(1) the employee's service is performed entirely within the State;

(2) the employee's service is performed both within and without the State, but the service performed without the State is incidental to the employee's service within the State; or

(3) some of the employee's service is performed in the State; and

(A) the base of operations, or if there is no base of operations, the place from which the employee's service is directed or controlled is within the State; or

(B) the base of operations or the place from which the service is directed or controlled is not within any State in which some part of the service is performed but the employee's residence is within the State.

(b) EXCEPTED ACTIVITIES. An employee shall not be considered to be located or to have a regular presence in a State if his or her only business activities within such State on behalf of his or her employer are any of the following:

(1) The solicitation of applications for loans which are sent outside the State for approval, of deposits which are received and maintained at an office outside the State, and of financial or depository services which are performed outside the State;

(2) The making of credit investigations and of physical inspections and appraisals of real and personal property securing or proposed to secure any loan;

(3) The filing of a security interest; the enforcement of any loans by trustee sale, the judicial process or deed in lieu of foreclosure; or the maintaining or defending of any action or suit; and

(4) Acting as an executor of an estate, trustee of a benefit plan, employe's profit sharing or retirement plan, testamentary or intervivos trust, corporate indenture, or in any other fiduciary capacity, including but not limited to holding a title to real property in the State. This subsection shall not apply with respect to the business activities carried on by one or more employees within a State if the employer (without regard to those employees) has a business location in such State.

(c) POLITICAL SUBDIVISION. For the purpose of determining whether an employee is located or has a regular presence in a political subdivision, subsections (a) and (b) shall be applied by treating each reference therein to a State as a reference to a political subdivision.

SEC. 307. COMPENSATION.

"Compenstion" means wages, salaries, commissions, and any other form of remuneration paid to employees for personal services.

SEC. 308. SECURITIES.

The term "securities" means United States Treasury securities, obligations of United States Government agencies and corporations, obligations of State and political subdivisions, corporate stock and other securities (excluding stock of corporations the dividends of which are excluded from net income or gross receipts), and participations in securities backed by mortgages held by United States or State government agencies.

SEC. 309. MONEY MARKET INSTRUMENTS.

The term "money market instruments" means Federal funds sold and securities purchased under agreements to resell, commercial paper, purchased banker's acceptances, and purchased certificates of deposit.

SEC. 310. AFFILIATED CORPORATIONS.

Two or more corporations shall be deemed to be members of an "affiliated group" comprised of one or more corporate members if they are connected through stock ownership with a common owner, which may be either corporate or non-corporate, in the following manner:

(a) 80 percent or more of the voting stock of each member other than the common owner is owned directly by one or more of the other members; and

(b) 80 percent or more of the voting stock of at least one of the members other than the common owner is owned directly by the common owner.

SEC. 311. EMPLOYEE.

The term "employee" has the same meaning as it has for purposes of Federal income tax withholding under chapter 25 of the Internal Revenue Code of 1954, as amended.

SEC. 312. INCOME FROM SOURCES WITHOUT THE UNITED STATES

"Income from sources without the United States" means income from sources without the United States as defined by the Internal Revenue Code of 1954, as amended.

SEC. 313. TANGIBLE PROPERTY INVOLVED IN FUNDS TRANSFERS.

The term "tangible property involved in funds transfers" shall include, but not by way of limitation, automated teller machines, point of sale terminals, clearing house facilities, wire systems and other telephonic or electronic credit authorization and direct payment systems.

SEC. 314. PARTICIPANT STATE.

The term "participant State" means a State in which a depository has a business location during a particular taxable year.

SEC. 315. PARTICIPANT POLITICAL SUBDIVISION.

The term "participant political subdivision" means a political subdivision in which a depository has a business location during a particular taxable year.

SEC. 316. ORIGINATION OF LOANS.

A loan shall be deemed to have been orignated in the State if the loan application, including any application for prearranged extension of credit, is received for approval at an office within the State or by an employee within the State who has a regular presence therein and who is authorized to approve such loans.

PART B—MISCELLANEOUS PROVISIONS

SEC. 351. PROHIBITIONS AGAINST DISCRIMINATION.

No State or political subdivision may impose a doing business tax on any depository not having its principal office within such State which would not be imposed, or at a higher rate than would be, if such depository had its principal office in the State.

SEC. 352. APPLICABILITY OF ACT.

Nothing in this Act shall be considered—

(a) to repeal section 548 of title 12, United States Code, or section 1464(h) of title 12, United States Code; or

(b) to prevent a State or political subdivision from enacting legislation that would result in a lesser tax liability than provided in the Act.

THE INTERSTATE TAXATION OF DEPOSITORIES ACT OF 1977

The national goals of fostering an efficient banking system and the free flow of commerce among the states, cited by Congress in P.L. 93–100, require the enactment of Federal legislation which clearly defines the limits on the powers of the states to tax out-of-state depositories and allows such depositories to determine the tax consequences of their interstate transactions. As mandated by P.L. 93–100, the Interstate Taxation of Depositories Act of 1977 (ITDA) establishes uniform and equitable rules for determining jurisdiction to tax and divides the depository tax base among the states. ITDA is similar in format and concept to a number of bills regulating the interstate taxation of non-depository businesses introduced in Congress, with appropriate changes to reflect the special problems of depository institutions.

The jurisdictional standard of ITDA provides that a state (or a local subdivision) may tax an out-of-state depository only if that depository has a business location within the state (or local subdivision). In summary, a business location of a depository is defined as:

(1) an office in the state;

(2) the ownership of tangible personal property leased to others for use in the state;

(3) the performance of certain activities in the state by employees regularly present in the state; or

(4) the ownership of EFT facilities in the state.

The jurisdictional standard recognizes the Federal and state statutory and regulatory limitations on interstate branching and other depository activities in non-domiciliary states. Yet, it allows non-domiciliary states to tax depositories which have established business locations within their borders. Similar to P.L. 86–272, which governs the taxation of non-depositories, it exempts minor, incidental, or occasional activities (such as the solicitation of loans) which would produce minimal state revenues, but would impose heavy bookkeeping and compliance burdens,

particularly on small- and medium-sized depositories. ITDA does not allow for discrimination as between Federally and state-chartered depositories.

ITDA does not require substantial changes in existing methods of taxation which the individual states now apply to their depositories. ITDA does not restrict the type of doing-business tax (net income, gross receipts, or capital stock) which a state may impose on out-of-state depositories or the rates of tax which may be applied to depositories. ITDA also allows each state to define the tax base under its chosen method of doing-business tax, subject to certain exclusions to avoid double taxation, *i.e.*, it excludes dividends from and investments in affiliated corporations and foreign branch income which already has been heavily taxed by foreign jurisdictions.

ITDA provides division of tax base rules, which the Federal Reserve Board in its study of the taxation of depositories in 1972 recognized as being necessary to avoid overtaxation of the depository state tax base and to promote uniformity. ITDA allows any state, which has jurisdiction to tax an out-of-state depository, to adopt its own apportionment formula or other division of base rules, subject to the maximum determined by the optional apportionment formula. The two-factor apportionary formula of ITDA based on payroll and receipts reflects the particular nature of the financial business conducted by depositories.

In summary, ITDA provides a comprehensive approach to a very complex issue. It clearly defines those activities which establish state authority to tax an out-of-state depository and provides equitable rules for determining the maximum amount of the depository tax base which may be assigned to a state. Within these limits, ITDA strives to preserve the fiscal autonomy of the states to continue existing methods of taxing depositories and to extend these rules to out-of-state institutions. By removing the uncertainties that depositories wou.d face under the current diverse state systems of taxing depositories, ITDA minimizes the impact of tax considerations on the interstate flow of credit, which has been a long-time concern of the Federal Reserve Board and Congress.

TECHNICAL EXPLANATION OF THE INTERSTATE TAXATION OF DEPOSITORIES ACT OF 1977

General.—The Interstate Taxation of Depositories Act (ITDA) embodies concepts which are similar to those contained in various bills governing the interstate taxation of *non*-depository businesses which have been introduced in Congress. This approach provides parallel interstate tax treatment, where possible, between depositories and non-depositories. ITDA adopts specific provisions which differ from other interstate taxation bills in order to reflect the particular problems and operations of the depository industry.

Section 101.—Uniform Jurisdictional Standard.—The Act adopts the business location standard for jurisdiction provided in the other interstate taxation bills. It is the intent of this provision that no state may tax a depository unless there is a business location in the state, and that no political subdivision may tax a depository unless there is a business location in the political subdivision. In other words, a depository must have a business location within a political subdivision before it is subject to a local doing business tax even though it may have a business location elsewhere in the State. The definition of business location is contained in Section 304.

Section 201.—Optional Two-Factor Formula.—(a) The formula is optional, which means a state may apply its own apportionment formula or other division of base rule to divide the applicable state tax base of any depository taxable (but not necessarily taxed) in two or more states.

However, in order to prevent over-apportionment, the formula establishes the maximum percentage of that base which may be taxed by a state having jurisdiction—that is, the sum of the percentages in all states may not exceed 100 percent of a depository's tax base. The formula applies to the measure of doing business tax (whether net income, gross receipts, or capital) selected by the states.

A two-factor formula based on the location of payroll and receipts is used. A property factor, commonly provided in the three-factor formula used by the states to apportion the income of non-depositories, is not included. Tangible property is not as significant to financial institutions which conduct more of a service-type business, and the location of depository premises and equipment tends to be duplicative of the location of payroll. The location of intangible personal property, dependent upon the rules adopted, would be duplicative of the location of receipts or payroll, and would tend to double such factors. Moreover, problems arise as to non-income producing intangibles such as cash, reserves, balances with other banks, and collection items. Under the two-factor formula, equal weight is given to the sales or receipts factor (the marketing function) and the payroll factor, which recognizes the contribution of the deposit-gathering, lending and servicing functions, to the production of depository income or capital.

In recognition of the existing fiscal policies of the several states, no definition of tax base is provided (except that income from foreign branch operations and subsidiary dividends or investments are excluded to avoid double taxation). All income is basically treated as apportionable business income (that is, it is assigned by the formula, rather than specifically assigned to a single state) because the lending and investment activities are integral parts of the depository business.

(b) Taxable in More Than One State.—In subsection (b) the concept of "taxable in more than one state" is introduced to clearly establish when the formula is applicable to a depository. The phrase "taxable in a state" prevents those states which have jurisdiction to tax a depository from claiming the portion of the tax base attributable to any state which has jurisdiction to tax but does not do so because it adopts a higher jurisdictional standard or refrains from taxing out-of-state depositories to implement state policy of encouraging credit flows into that state.

(c) Combined Reporting.—The general rule allows most states to continue to apply existing combined reporting practice to depositories which have their principal office in the state and to other members of affiliated groups of which such depositories are members. Under ITDA, those states which require the combination of depositories with non-depository affiliates under their current rules, generally may continue to do so. However, ITDA prohibits the states from combining out-of-state depositories with non-depositories, which are subject to different jurisdictional rules, and with non-U.S. corporations, as to which the claims of non-domiciliary states to tax are much more remote.

Without these limitations on combined reporting, overtaxation may result due to distinct and often non-uniform methods of taxing depositories and other corporations in the various states and countries. The ITDA rule does not deprive the states of any existing authority as to non-domiciliary depositories and allows the states to continue their current policies on combination as to other members of an affiliated group. This approach also parallels the other interstate taxation bills which do not allow combination which "excluded corporations," a term which includes financial and non-U.S. corporations.

Section 202.—The Payroll Factor.—The payroll factor follows the other interstate bills and locates compensation in accordance with the Model Unemployment Compensation Act which simplifies recordkeeping and assigns employees to a single state. These rules are set forth in Section 306. Payroll in states in which a depository is not taxable is assigned to the principal office state so that the total of the numerators equals the denominator, thereby avoiding the tax base being assigned to a state which lacks jurisdiction to tax the depository.

Section 203(b).—Receipts Factor.—Under the receipts factor, interest from loans secured by real property is assigned to the state where such property is located. Interest from other loans is assigned to the state in which the loan was originated. As defined in Sec. 316, a loan is originated in the state if the loan application is made at an office or received by an employee authorized to approve the application Loans attributable to a state in which a depository is not taxable are "thrown back" or "recaptured" by the principal office state which prevents the assignment of the receipts to the numerator of a state in which a depository is not taxable.

Section 203(c).—Other receipts.—Service income is assigned to the state where the service is substantially performed. This avoids the difficulty of apportioning service income among several states. Rentals from tangible property, whether real or personal, are assigned to the state where the property is located. The property location rules in Section 305 apply. Because investment activities of depositories are significant, interest, dividends, and gains from securities and money market instruments are included in the receipts factor and are assigned to the state where the trading activities are conducted. Other receipts, such as sales of tangible property, are excluded from the numerator and denominator because they are outside of the normal trade or business of the depository, or they may distort the receipts factor, or they are incidental and minor.

Section 204.—Local Taxes.—The apportionment formula will apply to a depository having a business location in more than one political subdivision, thereby allowing the political subdivision to tax the portion of the depository's tax base attributable to its business location under the same rules. The rule for local taxes will prevent overtaxation at local levels by assuring that the sum of the apportionment percentages for all political subdivisions does not exceed 100 percent.

Section 205(a).—Exclusions From Net Income and Gross Receipts.—Foreign branch income is excluded from net income and gross receipts to avoid making this income (which is subject to foreign tax at national, state, provincial, canton or local levels) also subject to tax by states and localities of the United States. The formula would not properly avoid such double taxation, because it would not properly recognize differences in exchange controls, currency fluctuations and foreign banking regulations that affect the methods of operation in foreign countries. The inclusion of foreign factors would distort the formula and would not truly reflect the income from domestic operations. Dividends received from affiliates, which were already taxed at the state and local level on the income from which the dividend is paid, are also excluded to avoid double taxation. Similarly, in Section 205(b), investments in affiliates are eliminated from a capital stock tax base.

Section 301.—Doing Business Taxes.—The phrase "doing business tax" is defined to include those taxes which are construed to be within the purview of Public Law 93-100. Under a recent Supreme Court decision, there are no longer any limitations upon the power of the states to impose on interstate businesses franchise taxes measured by income. Therefore, a state may impose a franchise tax measured by income on an out-of-state depository which maintains a business location in the state. Therefore, interest from Federal obligations may be included in the tax base without amendment to the Public Debt statute.

Section 303.—States.—Unlike P.L. 93-100, the bill is limited only to the states of the United States and the District of Columbia. It was considered to be unwise to treat territories and possessions as "states" which is inconsistent with their special treatment under the Internal Revenue Code. Furthermore, application of the Act to territories and possessions may affect their revenues provided by taxes imposed under existing organic Acts adopted by Congress.

Section 304.—Business Location.—A "business location" is defined as the maintenance of an office location, the regular presence of employees, and the ownership and use of an EFTS facility. Under ITDA, a business location also includes the leasing of tangible personal property for use in the state, but leasing does not extend jurisdiction to tax income derived from unrelated lending or investment activities unless the depository otherwise maintains a business location therein.

The Act also enumerates a number of activities which in themselves do not constitute a business location in the state, and thus do not subject a depository to the state's taxing jurisdiction. Section 306(b) clarifies that a depository is not considered to have employees regularly present in the state where the employees' only activities are the solicitation of loans or those necessary to perfect a lien or enforce a loan. The performance of these activities, which are merely incidental to loans that are approved, funded and serviced outside the state, are accorded the same protection provided for the solicitation of sales by non-depositories in P.L. 86-272. Similarly, under Section 304(b) a depository will not be subject to a state's jurisdiction because of such activities performed on its behalf by independent contractors which have a business location within the state, or because of correspondent relationships or loan participations with depositories located in the state. ITDA also excludes jurisdiction based on the ownership of EFTS facilities in the state by independent contractors or based on the ownership of real property acquired through foreclosure. Basing jurisdiction on the acquisition of real property through foreclosure would deter interstate mortgage loans, particularly those acquired through secondary markets.

Section 305.—Location of Property.—A presumption of location is provided for moving property leased to others to avoid a depository being subject to jurisdiction to tax in a multiplicity of states and political subdivisions merely because of the temporary presence of the leased property. This rule also assigns the rental receipts from movable property.

Section 306.—Location of Employee.—The rules for determining the location of an employee are adopted from the other non-depository interstate taxation bills. As noted above, mere solicitation (of loans, deposits or services) by a depository employee does not constitute a business location within a state where the loans are approved and serviced outside the state, the deposits are made at an office outside the state or the services are performed outside the state. The other excepted activities of an employee allow minimal contact to perfect, hold or enforce a loan. The last sentence of Section 306(a) clarifies that the employees' activities are not "excepted" if the employer has a business location in the state.

Section 351.—Prohibition Against Discrimination.—This prohibition is not intended to require that uniform taxation be imposed upon banks and thrift institutions. The language of this provision protects out-of-state depositories, whether national or state-chartered, from being taxed at higher rates than similar domiciliary institutions. Therefore, the power to tax will not be used to impede the interstate flow of credit.

Section 352.—Applicability of the Act.—Existing provisions of Federal law requiring non-discrimination as to state and Federally chartered institutions are ratified. The second paragraph clarifies that the states in order to attract out-of-state loans, or for other reasons, may elect not to extend their jurisdiction to the fullest or may elect not to apportion income or capital to the extent allowable by the Act. As noted above, the reference to "taxable" in Section 201(c) prevents other states from recapturing this income or capital.

By Mr. GRIFFIN (for himself and Mr. RIEGLE):

S. 1901. A bill to provide that a portion of the savings which are realized by the Department of Defense as a result of the closure or realinement of a military base in a community shall be returned to the community for economic recovery and adjustment; to the Committee on Governmental Affairs.

Mr. GRIFFIN. Mr. President, today, Senator RIEGLE and I are introducing the Defense Economic Development and Recovery Act, a bill designed to meet the needs of those regions which have been severely impacted by the closure or realinement of major military installations. A similar bill has been introduced in the House by Congressman PHILIP RUPPE.

It is a fact of life that the closure of major military installations causes severe social and economic problems for the affected nearby communities. In 1977, five major military bases will be closed, one of them being Kincheloe Air Force Base in the State of Michigan.

According to the Department of the Air Force's own environmental impact statement unless some relief is provided, closure of the Kincheloe Air Force Base in northern Michigan will affect the local area with a 24 percent population loss, a 43.4 percent unemployment rate, a 22 percent cut in the payroll of the surrounding area, and a housing market approaching depression levels.

Frankly, Federal assistance for communities caught in such a situation is far from adequate. For example, the Office of Economic Adjustment is limited to providing up to $30,000 for studies and some technical assistance. Title IX of the Economic Development Act is helpful, but competition for the grants available under that legislation is fierce and the application process is too lengthy to be very meaningful for such communities.

Therefore, we are proposing a program which would be administered through existing Federal agencies and departments to help alleviate the economic hardships of base closures. In short, it would provide that:

First, 10 percent of the 10-year savings which the Government claims it will save by closing a military installation be set aside to help the local communities directly impacted by such closures, and

Second, funds so set aside would be distributed as grants upon approval of community applications for projects providing productive jobs and improving opportunities for industrial or commercial enterprises in the impacted areas.

In addition, the bill requires annual reports on expenditures and calls for updated comprehensive planning to insure local accountability.

We believe that such a program is fair and reasonable, and that the bill we introduce should be enacted.

By Mr. DOMENICI:

S.J. Res. 75. A joint resolution designating the pine tree as the national arboreal emblem of the United States; to the Committee on the Judiciary.

Mr. DOMENICI. Mr. President, it is with pride and pleasure that I introduce a proposal to designate the pine tree as the official national tree of the United States. Not only will the approval of this resolution finally designate a national symbol, but it will illustrate to 31 students and all Americans that they may have actual input to their elected representatives and the American democratic process.

The proposal for designating an official national tree originated with a sixth-grade class at Barea Middle School in Greenville, S.C. While compiling information on the Nation and its 50 States, the students were astonished to learn that the United States had never selected a national tree. Soon the students decided to pursue the goal of finding a national tree which was uniquely suited to become the national tree. Thus in September of 1976, the students formed a permanent committee to gather information and data on trees preferred and designated as official State trees. Soon after corresponding with the Governors of each State in the Union, it became clear that only one tree grew in every State, and that was the pine tree. In reaction to this minor surprise, the students conducted research on the pine tree and soon learned that it has played a most significant and noted role in our Nation's history.

For instance, the pine tree was depicted on the very first coin in America and also on three flags during the Revolutionary War period. From the earliest beginnings of this country, the pine tree has been used for many necessary and varied purposes.

As a matter of fact, the pine tree was one of the first trees to be used by early settlers for the construction of homes, naval stores, coffins, and canoes.

The important role it has played in the individual States is indicated by the mere fact that the pine tree has been selected as the official tree of 18 States, which represents about one-third of the

Union. I am happy to note that my State of New Mexico has designated the pinon pine, a member of the pine tree family, as its official State tree.

Economically, the pine tree still plays a major role. Research conducted by the 31 students shows that the pine tree is still the No. 1 tree in total use in the United States. Surely no other tree on Earth is more universally recognized and enjoyed than the pine tree, both for recreational and industrial purposes. The pine tree's needles, bark, cones, smell, shape, and color are nationally familiar to every American.

However, besides these substantive reasons for selecting the pine tree as the official national tree of the United States, I believe this resolution should receive favorable consideration, because of the illustration this entire effort will be to these 31 students and all Americans interested in helping this Nation. If this resolution is approved, then I feel very confident these young but sincere Americans who have dedicated more than 9 months to this project, will see that they too may play the ultimate role in a democracy by bringing proposals to their elected representatives and having their collective thoughts and ideas enacted into actual governmental policies and in this case—official designations. This is the most important lesson we can teach any student, because if they learn it well, they will not only be good students in the classroom, but more importantly, active and contributing citizens in our democracy.

Already, Congressman MANN has introduced this resolution in the House as House Joint Resolution 389. I urge my colleagues to act quickly on this resolution.

I ask unanmious consent that the full text of the resolution be in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 75

Whereas the peoples of the world have from time immemorial adopted emblems (flags, birds, and flowers) for their countries, representative of their national virtues; and

Whereas the people of the United States have similarly adopted emblems (the American flag and the American eagle) to represent the virtues of this country; and

Whereas each of the fifty sovereign States of the United States, in addition to its State flag, has an arboreal emblem which it cherishes as its own; and

Whereas the pine symbolizes the American past more appropriately than any other tree in that the pine tree was represented on three flags of the American Revolution, provided the first settlers with food and shelter, and is still found today flourishing in all fifty sovereign States of the United States; and

Whereas the pine tree represents the character of the United States in that it is a noble tree whose grandeur and significance is manifested in the harmonies of its distribution and varying aspects throughout the season; and

Whereas the pine tree represents the strength of the United States with its superior powers of enduring variation of climate and soil as well as its longevity and capabilities for individual expression, original and picturesque; and

Whereas pines represent the spirit of the United States because they are sky-loving trees that must necessarily aspire or die, towering grandly above their companions with steadfast resilient strength; and

Whereas the pine tree represents the renewable resourcefulness of the United States more appropriately than does any other tree in that it is hardy and frequently springs up in devastated and impoverished land; and

Whereas pines are valued for their durability and have long supplied most of the soft-wood lumber produced in the United States: the billions of board feet used each year for such purposes as beams, house frames, furniture, and interior finish come mainly from the pine tree, and the pine supplies many industries with huge quantities of naval stores (resin, tar, and turpentine) while young pines, which have no value for timber or resin, make satisfactory newsprint: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled. That the tree commonly known as the pine is designated and adopted as the national arboreal emblem of the United States of America, and the President of the United States is authorized and requested to declare such fact by proclamation.

ADDITIONAL STATEMENTS

THE ADMINISTRATION'S "INSTANT REGISTRATION" PLAN

Mr. HARRY F. BYRD, JR. Mr. President, the administration has made a wise decision in abandoning at least that portion of its election bill calling for federally mandated instant voter registration on election day.

I have just received the results of a survey on this issue conducted among Virginia's chief election officials in the State's 136 counties and cities. Eighty-seven percent of Virginia's registrars responded to the survey.

All of those officials except four indicated their opposition to the administration's "instant registration" plan, most citing the likelihood of fraud as one of the major reasons for opposing the federally dictated procedure.

Of the 118 who responded, 114 opposed "instant registration" and only four in favor.

The views of the registrars was best summarized by Mr. William Thomas, president of the Voters Registrars Association of Virginia and registrar for Pulaski County, Va. Mr. Thomas' comment follows:

The greatest concern with this legislation voiced by the Registrars is the open invitation to uncontrollable fraud and the chaotic conditions it could create at the polls on Election Day. The so-called safeguards against fraud only guarantee as much as the enforcement personnel are able by numbers to enforce. Laws without follow-through teeth are almost useless. Once a vote is recorded on a voting machine there is no way to retrieve it, short of throwing out the election. We are concerned that the one vote per person could be diluted enough to sway close elections.

I commend to my colleagues the results of this survey, as well as an editorial from the Washington Post. I ask unanimous consent that the statement issued by the Voter Registrars Association of Virginia and the Washington Post editorial be printed in the RECORD.

INSTANT REGISTRATION

The Voter Registrars Association of Virginia today released the results of a survey questionnaire which was sent by the association to all General Registrars in the Commonwealth. The survey was generated by a Bill, H.R. 5400.

Alarmed at the possibility of severe technical problems with the administration of the Election Day Registration and Voting Legislation now before Congress and with a desire to be of assistance, this association, prompted by requests from Capitol Hill, conducted a state-wide survey among personnel who would be responsible for the administration of this Act. The Bill, H.R. 5400, is just now beginning to receive notice. Requests have come to V.R.A.V. members from some Congressmen asking for technical and professional in-put which may help them in reaching a decision for or against this change in registration and voting procedures.

Congressman Caldwell Butler in speaking before a joint meeting of the Virginia Electoral Boards Association and the Voter Registrars' Association of Virginia about President Carter's Universal Voter Registration Bill asked that he be given in-put from these groups who would actually be responsible for the administration procedures on the grass roots level if the bill is enacted into law.

A committee from the Voter Registrars' Association spent much time in the study of the bill and presented its findings as to possible effects which might be expected to occur.

It also presented amendments which might make the bill more palatable as well as alternate proposals for accomplishing the same purpose, that of facilitating the participation of citizens in the electoral process, but which would present fewer problems in administration and fraud potential.

In a follow-up of this committee's report, questionnaires were mailed to the General Registrars of each of the 136 cities and counties in Virginia. A summation of results of this questionnaire follows:

Of the 87% responding, all but four answered "No" to the question of whether or not the Bill should be passed. Additional opinions expressed were that the measure was too extreme and manipulation-prone and that registration was not the real reason for voter *non*-participation.

In answer to another question, several felt that further study was needed, especially in states where the system has been tried, in order to prove conclusively that election day registration does not increase fraudulent voting.

In answer to a query about possible problems which could face the public as well as the officials whose duty and responsibility it is to administer elections smoothly, efficiently and with the highest level of integrity, all but four gave vital reasons for not supporting H.R. 5400. These few stated that only after much trial and error could judgment be made.

It was felt that the measure was too extreme and was not the real reason, but merely the "scape goat," for low voter turn-out.

The overwhelming response, based on experience and technical knowledge was that voter participation would probably be discouraged because of confusion to the voter, brought about by long lines and serious delays, even for voters who registered in advance and that the chaotic condition and ease of multi-registration would promote widespread fraud of the most flagrant nature.

Sixty-four percent predicted that more (from 30% to 50% more each year) persons would wait until Election Day to register, regardless of the incentives to register ahead of time. While a lesser number felt that voters going to the wrong polling places would

be a large problem, causing unnecessary anger and confusion to the voter, an even greater number felt that the very difficult responsibility of assigning a voter to the correct precinct would be error-prone, especially in very rural areas or in large metropolitan areas where precinct boundaries are in the middle of streets or roads.

Further complicating the process and adding to the possibility of challenged elections, is the difficulty of the proper ballots to be voted when Congressional or State Offices are split within jurisdictions or precincts.

Over one fourth were vitally concerned by increases in election and registration expenses due to the uncertainty of the numbers of extra officials, materials, ballots, machines, etc., needed for standby equipment and personnel.

The seeming impossibility to plan orderly elections and maintain correct records concerned 29% of the responding officials who feared that the extreme problems in administration would make it virtually impossible to attract competent, trainable personnel willing to serve as election officers or registrars and that election administrators would consider it an undue hardship to manage such elections.

An inability to check the state master registration file as well as insufficient information would make proper and prompt i.d. certification impossible. Many responders expressed concern that such a change in registration procedures might indeed bring on the deterioration and breakdown of an orderly electoral system in the Commonwealth.

Some of the Registrars stated that administration could be worked out only after much experience, and a lesser number felt that fewer problems would arise with the use of a Central Registration Location on Election Day.

Of those responding to the question on how to determine the number of election officers and voting machines for use or for standby, a significant number said that this could be done based on population in each precinct. A much larger number, however, felt that it would be impossible to determine thereby causing too many or too few in some precincts.

Most of the Registrars answered that they would need at least one additional registrar per precinct. Nearly 25% felt that it would require two or more per precinct.

When asked how many persons would one registrar be able to certify (register) in a 13-hour day, which is the time the polls are open, the answers covered a rather wide range based on type of voter i.d. required and amount of trained experience the registrar had. Generally, it was indicated that 150 registrations would be possible per registrar.

The types of communities in Virginia range from very stable to extremely transient. Those transient areas showed a range of from 5% to 30% turnover yearly.

Included with the survey was a list of five alternate proposals for stimulating voter participation. A "National Registration Holiday" to be held shortly (at least 30 days) before but other than on Election Day received the most favorable responses. The use of an "occupant mailing" as a reminder to register as well as for information regarding issues and candidates rated a second choice.

Some Registrars felt that allowing registration and voting during the period when the books are normally closed should be considered. The year-round addition of extra night hours and extra Saturdays for registration in addition to those required received little positive response, based on actual experience. Election Day Registration at only one Central Registration Location received little support.

"The greatest concern with this legislation voiced by the Registrars," according to Mr. William Thomas, Pulaski Co. Registrar and President of the Registrars Association of Virginia, "is the open invitation to uncontrollable fraud and the chaotic conditions it could create at the polls on Election Day." "The so-called safeguards against fraud only guarantee as much as the enforcement personnel are able by numbers to enforce. Laws without follow-through teeth are almost useless. Once a vote is recorded on a voting machine there is no way to retrieve it, short of throwing out the election!" "We are concerned that the one vote per person could be diluted enough to sway close elections."

In Virginia, the responsibility of the registration of voters is imposed upon the General Registrars, and the Electoral Boards are delegated the responsibility of the conduct of elections. This is a check and balance system which may be unique in that many other states combine these two responsibilities under one administrative head.

Virginia may also be unique in that the funding of the electoral processes for the most part is done by local governing bodies who may or may not be willing to use local tax dollars to accomplish programs mandated at the federal or state levels.

[From the Washington Post, July 17, 1977]

THAT INSTANT-VOTER BILL

At first glance, it may seem that the Carter administration and the House Democratic leadership have vastly improved their Election Day registration bill by agreeing to make the program voluntary. After all, the most persuasive and least partisan objection to the bill has been that it would compel every state to adopt by 1980, at least for federal elections, a new instant-registration system that could easily lead to widespread fraud and confusion at the polls. If the program is now to be optional forever, that criticism has been swept away. States with histories of Election Day problems, such as Rhode Island, Louisiana, Maryland and Illinois, will be free to go on requiring would-be voters to register in advance. States with less turbulent traditions may try out the new approach.

That sounds just fine . . . but wait a minute. If the program is to be optional, why is it needed at all? The states are free to adopt instant-registration or no-registration systems any time. What would the legislation add? Just one thing: money. Federal money, to be precise, through grants for administrative overhead and fraud control and "voter outreach" programs and the like in states that do agree to open their registration rolls on Election Day.

That's why the bill is still alive—and why we still object to it. We have no quarrel with federal inducements in principle; the carrot is often more effective than the stick. But the idea of federal aid for state and local electoral activities has its own problems. Without careful supervision, "voter outreach" could quickly turn into voter roundups for the benefit of one party, faction or candidate. With federal monitoring, on the other hand, would come federal regulations and bureaucracy—and equal-opportunity rules for precinct workers would not be far behind.

It doesn't help that the federal largesse would go only to willing states. On the contrary, the states most cordial to Election Day registration are likely to be those with the fewest voting problems—and the least real need for federal aid. One could argue in fact, that if the aim is to shore up state and local election boards, the greatest help should go to those that don't dare risk instant registration at all. But bolstering election administration seems to be a secondary interest for the Democrats. Their first hope is to get more people to the polls. They ought to try to do that in the customary ways, through good grass-roots organizations, attractive candidates and issues, and strong campaigns.

DEFENSE APPROPRIATIONS, 1978—THE NAVY "BUILD AND CHARTER" PROGRAM

Mr. MUSKIE. Mr. President, the bill now pending contains $6.1 billion for Navy ship construction so that the Navy may procure vessels consistent with its missions and in accord with the carefully considered approval of the Congress. A primary aspect of the approval by Congress is that the shipbuilding program is subject to both, and I repeat both, the authorization and appropriation legislative processes.

Mr. President, there has been in existence within the Department of Defense a "build and charter" program which operated in the following manner. The military sealift command, within the Department of the Navy, contracted with groups of private investors to secure the construction of certain ships. The investors in turn contracted with a shipbuilder for the actual construction of the ship. Although the investors owned the ship and financed the construction, the Navy made a commitment to charter the vessel, upon completion, for a period of time equivalent to the economic life of the ship. By leasing or chartering ships, instead of making a purchase, the Navy could apply operation and maintenance funds to the charter payments. This particular use of O. & M. funds, unlike procurement funds in the shipbuilding construction account, did not require specific authorization by the Congress.

Mr. President, as chairman of the Senate Budget Committee, I am concerned that this method of obligation of U.S. funds has serious implications for the integrity of the budget process.

First, Mr. President, the "build and charter" program that I just described is removed from the effective control of the Congress. Because operation and maintenance funds are used to charter, and not purchase vessels, the normal authorization and appropriation process is circumvented. Nor can the budget process effectively control the obligation of these funds for two reasons: First because the budget process is not a line item control mechanism and second, the amount of any 1-year obligation in relationship to the budget totals is too small to permit effective congressional review. Thus, these programs are uncontrollable and unresponsive to current year decisions.

In addition, Mr. President, when spending obligations are not reflected in the budget documents that we consider, the effectiveness of the budget process is undercut. If the numbers, upon which we base our budget decisions are inaccurate, the process itself is weakened as a tool with which the Federal resource is directed. The Budget Committee has a duty to strengthen the process. A "build and charter" program's method of obligating U.S. funds without an authorization review weakens the congressional budget process. When the Congress makes a decision to spend x amount of

dollars for a particular mission, we have every right to expect that our decision is based on an understanding of the total Federal outlays that result from our decision.

This is not the case with a "build and charter" program that avoids authorization for a specific number of ships. Only a small fraction of the ultimate costs show up; if at all, in the budget for the year in which a commitment is made to huge future year costs.

Any funding program that is put forward should conform to sound, honest, and above board accounting practices. I understand that the Navy has circulated within DOD a proposal to modify the "build and charter" program that they have operated in the past. I welcome such a proposal and I understand any new "build and charter" proposal will subject such a policy to both the authorization and appropriation process.

Mr. President, the "build and charter" program must undergo the scrutiny that the budget process requires if we are to insure that constitutional checks and balances and the integrity of the Congress are upheld.

HARD ENERGY VERSUS SOFT ENERGY

Mr. GARN. Mr. President, the key point of Amory Lovins Foreign Affairs article, "Energy Strategy: The Road Not Taken?" is the possibility of immediate conversion to solar heating and cooling for homes. Sheldon H. Butt, president of the Solar Energy Industries Association, has commented perceptively on this contention. Obviously, as the president of solar energy association, Mr. Butt cannot be accused of a bias against solar energy.

His point, however, is that however desirable it may be to use maximum solar energy in home heating and cooling, it is a delusion to think that this source can supply 100 percent of our needs now. As he says, solar energy is cost-effective for 40 to 60 percent of heating and cooling needs in the United States now, but that simply doubling costs does not produce a 100-percent system as Lovins implies. Costs increase exponentially, so that it costs almost three times as much to reach 85 percent efficiency as it does to reach 60 percent. Most projections do not go beyond that point, simply because the size and cost of the installation needed to supply 100 percent of needed energy is too great to be seriously contemplated.

I ask unanimous consent that Mr. Butt's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SOLAR VIEW OF THE SOFT PATH

(By Sheldon H. Butt)

As I see it, the basic justification for our technological society, as it has evolved over a period of somewhat less than two centuries, lies in the exceptionally broad opportunity it has provided citizens for individual expression and initiative. At no time in past history have more individuals had the opportunity to devote a large proportion of the product of their labor to those things that express their own desires than they do today.

But, our recent history also tells us that the maintenance of a society providing for broad individual election and for widespread exercise of individual initiative depends upon individual rewards, which may be interpreted to mean individual betterment—and, particularly, betterment as defined by the individual's perceptions. And the vast majority of individuals in our society have perceived individual betterment in material terms, whether this is ownership of a dishwasher or the opportunity to travel. Even totalitarian states have found it necessary to provide considerable material incentive to the population.

It may well be that there is a sufficient gap between the subsistence needs and economic productivity of the population to accomplish a transition to the purely "soft" energy technology Lovins advocates. However, it is implicit in the changes he proposes that the population must sacrifice a great deal in terms of material well-being. If we are going to replace our existing energy industry with a new decentralized, "soft" energy technology, it would appear to follow that, somehow or other our existing assets—which have been paid for by the past "gap" between gross production and personal consumption—must be replaced, thereby greatly diminishing that which is available within the system to provide rewards for the population. Indeed, Lovins proposes to replace a substantial portion of our energy production and conversion capability not once but twice within fifty years—first by converting to the direct burning of coal and then replacing this with "soft" energy technologies.

In addition, Lovins proposes that energy consumption in the transportation industry[1] be reduced by two-thirds. It is reasonable to conclude that this reduction would require a very large-scale use of mass transit. But greatly increasing our use of mass transit implies much more than an investment in buses, rapid transit lines and the like.

Because the pattern of our urban-suburban residential and industrial development does not lend itself to the cost-effective use of mass transit to the extent needed to achieve the level of transportation energy efficiency Lovins glibly represents as being "a reasonable estimate for early in the next century," the sought for energy savings would appear to require a massive restructuring of our metropolitan areas; and with it, massive replacement of residential and commercial structures. Again, a process of forced abandonment of our capital stock and its replacement.

Generating the capital required for the least capital intensive approach to resolving our energy problems must certainly be regarded as a difficult problem. The process of capital formation is, of course, no mystery. Very simply, it is the difference between production and consumption. To the extent that we adopt plans requiring accelerated capital formation, we must increase this difference. However, if we reduce the product available for consumption, we necessarily reduce or eliminate the material incentives available to meet individual expectations of betterment. And recent history has shown us that nations can only briefly—and then only in times of great perceived danger—gain acceptance for policies which reduce consumption, without resorting to severe repression of individual liberties.

Lovins claims that the transition to a soft energy technology society can be effected while maintaining economic growth, by identifying his future society as one of elegant frugality and one in which individuals pursue intellectual rather than materialistic goals. He further claims that the tally of the ballot box supports his contention that a substantial—but invisible—social movement supporting his concept of an ideal, elegantly frugal society already exists. I think most analysts of the last election will tell you that the central issue of the election was economic and that, generally, the winners were those who convinced the voters that their policies were the ones best suited to accelerating economic growth.

SOLAR ECONOMICS

Lovins advocates widespread use of solar heating and cooling, stating that solar heat is cost competitive with electric heat throughout most of the United States. This is true—but only if the solar system is limited in size so that it may operate efficiently. The fraction of the heating and hot water load which can be cost-effectively met by a solar installation varies significantly with climatic conditions. In the United States, it varies generally over a 40% to 60% range.

But Lovins goes on to imply that a doubling of capital cost for a 100% solar heating system as compared to that for a 66% or 75% system is a liberal estimate. This is simply not true.

Many careful analyses of the relationship between solar system size and the percentage of total heat requirements supplied by the system have been made. One of the more reliable of these studies[2] indicates that a system intended to provide 85% of heating needs would be 2.8 times as large as one designed to carry 60% of the needs. In greater detail, system size for various percentages of solar heating follows this pattern:

60 percent	1.0
70 percent	1.28
75 percent	1.65
80 percent	1.94
85 percent	2.80

As is typical of such studies, a 100% solar system has not been calculated simply because it would be too large to be of interest.

Since climatic conditions will not change radically in fifty years, I must logically take the position that, although solar heating can make a major contribution to our national energy budget in the next fifty years, it cannot reasonably be a 100% source of heating energy. Consequently, there will be a continuing need for "conventional" energy sources to provide that portion of the heating load which cannot be logically provided by solar energy.

Lovins' article carries us one step further forward into the realm of fantasy when he suggests that "active" solar systems, using separate collectors and storage, can be replaced in new construction with entirely "passive" systems. It is true that, as a solar system is designed to carry an increasingly larger percentage of the total heating load, thermal storage requirements increase exponentially. This is part of the reason for the exponential increase in cost of active systems designed to carry overly large percentages of the heating load. The problems of providing long-term heat storage in passive systems are, however, much more severe than in active systems. Therefore, a passive

[1] While we must find a substitute for liquid transportation fuels derived from petroleum, I fail to understand Lovins logic in insisting that the alternative must be alcohol produced from farm crops. For example, we may logically ask why this method of converting solar energy into a useful form should be considered desirable while dismissing as undesirable the use of solar generated electricity. After all, the conversion efficiency of solar electric devices is ten or twenty times higher and can make use of roof-tops or of land area unsuitable or unavailable for cultivation.

[2] Pacific Regional Solar Heating Handbook," Report LA-6242-MS, Los Alamos Scientific Laboratory. Location of study: Fresno, California, which climatically, is somewhat better for solar than the average for the United States.

system carrying 100% of the heating load becomes even more difficult to achieve than the "100%" active system.

It is quite true, as Lovins states, that the storage of low and medium temperature solar generated thermal energy is technically quite straightforward, using water tanks, rock beds, or perhaps fusible salts. However, the economics of long-term storage of medium temperature thermal energy cannot be ignored. If one assumes a relatively wide operating temperature range, approximately 120 Btu per pound of water can be stored. Fusible salt storage technology, which is still not fully developed, promises to increase storage capabilities by a factor of at most six.

On the other hand, coal provides 10,000 to 12,000 Btu of energy storage per pound. Even when this is discounted by two-thirds to reflect the loss of energy in electric power generation and transmission, we find that energy storage in coal is substantially the more efficient mode. Thus, it is easy to see why the high capital cost of long-term, high-volume solar thermal energy storage is one of the reasons why "100% solar" is difficult to achieve.

The optimization of solar energy storage has also been studied extensively. And it appears that the optimum situation is to provide sufficient storage for both supplementary and (primary) solar energy to make it possible to restrict the demand for supplementary energy to off-peak periods.

Somewhat over 20 percent of the nation's energy budget is used as low temperature heat to heat domestic hot water and to heat and air-condition building space. We in the Solar Energy Industries Association think we can provide about one-fifth of this, or 4 percent of the nation's total energy budget, by the early 1990's; and can ultimately—by 2025—provide about 60 percent of these needs or 12 percent of our total budget. Another large increment of the national energy budget falls in the category of industrial process heat. Solar thermal energy can provide a substantial contribution here as well; although for technical reasons, the rate at which the solar contribution can be realized will be somewhat slower than in the case of heating and cooling. Less precisely, we estimate that 2 percent of the national energy budget may be solar process heat by the early 1990's and 10 percent by 2025. Although the percentages may seem modest, the magnitude of energy requirements is such that their importance is very great.

The immediate problem which the nation faces is to develop replacements for petroleum and natural gas. The extent to which we depend upon these energy resources is several times greater than the potential solar contribution.

Such information as we have been able to gather, relative to the potential contribution from other energy alternatives, convinces us that we must exploit not one but several energy sources. Among these, we include the "hard" technology of solar thermal and solar photovoltaic electric generation, as well as other "hard," non-solar technologies.

ENERGY TRUST FUND

Mr. RIBICOFF. Mr. President, I am pleased to learn that the chairman of the House Ad Hoc Energy Committee, Representative THOMAS L. ASHLEY, with the President's support, has proposed a special energy trust fund. With revenue to be derived from a four cents a gallon increase in the Federal gasoline tax, this trust fund would be used for mass transit systems and for research and development of alternative sources of energy.

Important energy savings will occur through various conservation programs. But conservation is part of the answer. We must look for other alternative fuel sources if we are to lessen our dependence on fossil fuels and insure that we will have future energy resources. However, the development of alternative sources of energy is a vast undertaking. It will cost in the vicinity of a trillion dollars over the next decade. Private capital alone cannot do the job. Serious long-term work on alternative energy sources demands greater governmental support. If we intend to make a real effort to develop the full potential of geothermal energy, coal gasification and liquifaction, nuclear fusion, ocean currents, wind power, solar energy and synthetic fuels within the near future, we must be willing to invest the necessary capital.

An increase of four cents a gallon in the gasoline tax is expected to generate approximately $4 billion annually. These funds can be effectively utilized for research and development in the field of alternative energy sources as well as more efficient public transportation. The action proposed by Representative ASHLEY is a welcome and constructive development in the effort to come to grips with the energy challenges facing America. I am particularly encouraged that the President has indicated his support for such a program.

Mr. President, if we are to explore and utilize alternative energy sources and take meaningful action to promote improved mass transportation, an energy trust fund must be established. The tax revenues which the National Energy Act will generate represent an appropriate and available source for capital for research, development, and demonstration of new energy technologies and efficient public transportation.

I ask unanimous consent that articles from this morning's New York Times and Wall Street Journal on the energy trust fund proposal be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 20, 1977]

HOUSE UNIT EXPECTED TO CLEAR DOUBLING OF TAX ON GASOLINE

(By Albert H. Hunt)

WASHINGTON.—The House Energy Committee, with the blessing of the Carter administration, is expected to approve an increase of four cents a gallon in the federal gasoline tax.

Following a private caucus of committee Democrats yesterday, sources said there was nearly unanimous agreement to back this tax as part of the major energy legislation the panel is considering. It would be imposed two cents this year and two cents in 1978. Action on the provision is likely to come either today or tomorrow.

The four-cent tax boost has been pushed by the committee chairman, Rep. Thomas Ashley (D., Ohio), and yesterday he received signals the White House would actively support the plan today.

President Carter had proposed an increase in the four-cent-a-gallon federal gasoline tax of eventually as much as 50 cents.

The revenue raised by the Ashley proposal—about $4 billion a year—would go into a special trust fund to be used for mass transit systems, for research and development of alternative energy sources, and some of it would go directly to the states.

The general distribution formula that Mr. Ashley and the committee Democrats agreed on yesterday would give 50%, or two cents, of the tax to the federal government for "energy related" expenditures. The exact nature of these outlays would be determined later.

Another half cent would go to the states to defray any loss of revenue from state gasoline taxes. The other 1½ cents would be earmarked for mass transit and a special plan to have the government partly finance car-pooling arrangements around the country through such devices as purchasing large passenger vans.

The committee Democrats, who constitute more than a two-to-one majority on the Energy Committee, discussed the proposal at some length yesterday. Although a few expressed reservations, sources said there's little doubt a strong majority will vote for the proposal.

A four-cent boost in the gasoline tax, many energy experts believe, would be mainly a symbolic gesture. A relatively small increase wouldn't change driving habits much and thus wouldn't have any real conservation impact. Moreover, some liberals complain it's a regressive measure because it has a greater impact on lower-income persons.

But Mr. Ashley argues that the trust fund expenditures in areas such as mass transit could produce real energy conservation. And the House Democratic leadership is behind the plan chiefly to thwart charges that Congress is watering down the Carter proposals.

[From the New York Times, July 20, 1977]

CARTER REPORTED AGREEING TO SEEK GASOLINE TAX RISE OF UP TO 5 CENTS

OFFICIALS SAY MONEY WOULD BE USED TO FINANCE TRANSPORTATION OR OTHER U.S. PROGRAMS

(By Steven Rattner)

WASHINGTON, July 19.—President Carter agreed today to seek an increase in Federal gasoline taxes of up to 5 cents to finance transportation or other Government programs, according to administration officials.

The new tax proposal would replace a stiffer standby gasoline tax that was advanced in April but rejected by the House Ways and Means Committee in June. That tax, which would have been imposed if there were excessive increases in gasoline consumption, could have reached 50 cents a gallon by 1985.

The new formula is intended as a quick, one-time increase in the current tax of 4 cents a gallon. Unlike the earlier proposal, which was intended as a mechanism for reducing the use of gasoline, the new formula would most likely be too modest to have a significant effect on consumption. Instead, proponents of the tax, led by Transportation Secretary Brock Adams, hope to use the funds for transportation programs.

Based on Mr. Carter's April calculations, a 5-cent tax would raise nearly $6 billion annually and would presumably be retained by the Federal Government. The President had intended to rebate collections under the original formula.

Whether the tax will be enacted is problematic, particularly in view of the opposition displayed in the House Ways and Means Committee to both the President's standby tax and a committee proposal for a 3-cent tax.

However, strong support for a proposal similar to that approved by the President today has come from Representative Thomas L. Ashley, Democrat of Ohio, who is chairman of the House's ad hoc energy committee.

Mr. Ashley has repeatedly said that he favors a gasoline tax of 3 to 4 cents to be used for transportation, including mass transit

and carpooling experiments. The ad hoc energy committee, which begins its deliberations tomorrow, is expected to consider the gasoline tax on Thursday.

The President's decision, which was made this afternoon at a meeting with top economic and energy officials, came on a proposal from Mr. Adams, who was also present at the session.

PERMANENT SYSTEM SUGGESTED

The Transportation Secretary, in a confidential memorandum, suggested a more permanent financing system for transportation programs. That system, which would be known as the National Transportation Account, could be financed by revenues from either the new tax on domestically produced crude oil or an added gasoline tax.

According to a source familiar with the President's views, Mr. Carter rejected the former option on the ground that he was committed to returning those tax collections to consumers.

Another Administration source familiar with the gasoline tax deliberations suggested that the potential proceeds from a gasoline tax were not yet committed to transportation and could easily be diverted to other purposes, such as reduction of the deficit.

As originally proposed, the President's energy program would have had an almost negligence effect on the Federal deficit because collections and disbursements under the various aspects of the program were in almost perfect balance.

However, changes made by House committees will result in $30 billion to $40 billion in added Federal deficits over the next eight years, according to Administration estimates.

In his memorandum to the President, Mr. Adams said "our economic models indicate the tax would have to amount to at least 7 cents per gallon to have any impact on demand," and that "there is little likelihood that a tax at this level could be passed this year, and even less likelihood of passage in 1978, an election year."

PSYCHOLOGICAL IMPACT CITED

Mr. Ashley, on the other hand, believes that even a modest tax could help to cut the consumption of gasoline, particularly if the proceeds were used for such transportation programs as carpooling, which could yield further reductions in gasoline use. Some Administration officials believe that any increase in gasoline taxes would be desirable because of its psychological impact on the driving public.

Mr. Adams wrote to the President: "I am prepared under your direction to fight this battle on Capitol Hill. I believe the passage of such a tax this year or next year to be possible, if the amount is reasonable."

However, the Transportation Secretary cautioned that passage of a "minimal tax" of 2 or 3 cents could "lull the Congress and the public into the erroneous impression that the funding need has been responsibly met."

Mr. Adams indicated that there would be a gap of at least $4.2 billion a year between grant commitments and trust fund revenues between 1978 and 1982. He said that if proceeds from the gasoline tax were not diverted for this purpose, "the transportation financing problem will become more difficult."

SENATOR MOYNIHAN'S ADDRESS CONCERNING THE LAW OF THE SEA CONFERENCE

Mr. JAVITS. Mr. President, on June 18 my distinguished colleague from New York (Mr. MOYNIHAN) was the guest of honor at the launching of our Navy's newest nuclear attack submarine, the *New York City*. Quite appropriately, Senator MOYNIHAN addressed his comments to the Law of the Sea Conference, to which I am one of the Senate advisors to the U.S. delegation headed by Ambassador Elliot Richardson. Senator MOYNIHAN points out the critical importance of this 114 nation effort to arrive at a mutually satisfactory convention and states his concern that a final text acceptable to the United States may prove to be unattainable. I share this concern and hope very much it will not turn out to be the case. This is a most important issue which appears now to be approaching a critical stage. I commend consideration of Senator MOYNIHAN's comments to Senators interested in this issue and ask unanimous consent that his speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN

Trying to describe what Venice meant to the Mediterranean world of the 15th or 16th Century, the French historian Fernand Braudel writes: "Venice dominated the 'Interior Sea' as New York dominates the western world today."

We welcome this newest dimension to our influence, the nuclear attack submarine *New York City*. I would like to take this occasion to comment on developments now in evidence at the United Nations Law of the Sea Conference, now underway in New York City.

It will seem odd, perhaps, but my thoughts on the occasion go back three years almost to this day when I found myself sitting on the bank of the Thimphu Chu River which flows past the palace in the Himalayan kingdom of Bhutan, where I was attending the coronation of His Majesty Jigme Sinye Wangchuck. It was a memorable occasion on several scores. Of the greater personal significance was the day's fishing. A Scotsman devoted the first quarter of this century getting brown trout into those incomparable streams, but the Bhutanese, as Buddhists, won't kill them. So there they were awaiting me, and for the first and last time in my life I caught all the fish I could hope for. Indeed I grew weary of the work, and fell into conversation with the young Foreign Minister of Bhutan who was watching, tolerantly, from the stream bank. How much, I said, I would regret leaving this incomparable country, at the very top of the world, touching the heavens if any country could be said to do, the very outermost reach of human habitat. The Foreign Minister remarked that he, too, was sorry that he would be leaving. For what, I inquired? Why, for the Law of the Sea Conference, he answered.

That was indeed a bright confident morning, and it seems so far past. In 1970 the United Nations Seabed Committee declared that the resources of the seabed and the ocean floor were the "common heritage of mankind." The United States, far from resisting this proposal, embraced it in the most forthcoming manner. President Nixon's statement on U.S. Oceans policy of that year supported the concept, and the United States entered the negotiations which led to the opening of the Law of the Sea Conference in Caracas, Venezuela on June 20, 1974.

Three years have passed, however, and confidence is fading. Just this week our chief negotiator Elliot L. Richardson, who has played a singular role in American government over so many years now, and who commands a unique respect among the American people and in the United States Congress, spoke of stalemate, and warned that the entire effort "now hangs in the balance."

This is not good news. Not for the seafaring nations of the world; not for the landlocked, not for those, as it were, in between. For the assertion that the seabeds were a common heritage gave to nations everywhere a common interest—Bhutan no less than Iceland, Hungary as much as New Zealand—in how this common heritage is shared.

Nor is it good news that the Soviets appear to have judged that the prospects for failure are sufficiently strong that they should no longer invest any energies in pursuing success. For a long period the Soviets in effect acknowledged that they shared the common interests of the seafaring and technologically advanced nations in getting a good treaty. Now they appear to have cut any ideological losses that might have occasioned, and are routinely supporting the most counterproductive demands of the Group of 77. Thus if the Conference fails, they will have been on the side that will blame us for the failure. If it succeeds, we will have won for them the terms they desire.

Let me state that the United States negotiators do not at all share the Soviet view. Ambassador Richardson's statement on June 13 had the desired effect of bringing forth a new draft which could be described as very substantially improved—from, that is, its predecessor which was plain unacceptable.

Some general comment might accordingly be of use from someone who was marginally involved in these negotiations at an earlier stage, and who will be one of those assessing the final result if, hopefully, a treaty is agreed upon at an early date and sent to the Senate for ratification.

I speak now to the Group of 77, now 114 countries in all, and I shall speak to what I believe to be the two principal questions involved here.

First, do the developing nations understand that by entering into these negotiations, and remaining faithfully with them, the United States and the western nations generally have agreed to negotiate for and, in the bargaining sense, to pay for rights which exist in the absence of a treaty? We did not have to do this; we wanted to do it. We wanted to do it, among other reasons, because we wanted to establish a regime for the use of the resources of the seabed which would produce resources that would be shared with the farmers of the Thimpu Chu River in Bhutan—and the Yangtze, and the Congo, and the Amazon. We did not have to do this. We have under existing international law, including as Dr. S. Fred Singer has noted, the 1958 Geneva Convention, the perfect right to extract mineral resources from the deep ocean beyond the continental shelf. Moreover, we have the technology to do so.

I remember at the United Nations I had breakfast one morning with officers of the Kennecott Corporation, which has its headquarters on 42nd Street in New York. We spoke of the matter, and I asked the company's President: if it were decided to go into deep sea mining that day, how long would it be before manganese nodule copper would be used in lamps on sale in Brooklyn? 1985 was his reply. That was two years ago, and so I assume his answer today would be 1987. We have lost two years and the developing world has lost two years also.

And, we need some of those metals. We now import 82 percent of our nickel and manganese, 72 percent of our cobalt. We are dependent on other nations for minerals which verge on the strategic. And we would not have to be—we could quickly become almost wholly self-sufficient—if we simply went ahead to do what we have the right to do and the know-how to do.

What we do not have to do is to bog down in an endless parley in which every concession we make is instantly transformed into the next item to be negotiated.

There is a second and larger question. It is well known that the greatest obstacle to agreement at this point has to do with the nature of the Seabed Resource Authority. How will it be run? Will it have complete control over who may or who may not undertake seabed mining, or will there exist a right of access by all parties, public and private?

The Group of 77 clearly opts for an all powerful international authority. Their newest draft states: "All activities in the area shall be conducted on the Authority's behalf." ". . . All activities in the area shall be conducted, organized, and controlled by the Authority . . ." We resist this. We want to make sure, among other things, that the seabeds will be open to private businesses which meet internationally agreed standards for such operations. We remind ourselves of Grotius' great dictum: the oceans "can neither be seized nor enclosed." (Mare Liberum)

Here once again we glimpse what my senior colleague Senator Javits, in a brilliant address to the Senate reporting on the recent (and failed) North-South conference in Paris (the Conference on International Economic Cooperation), termed "the abyss of difference between the developing countries and the developed world."

There is a simple point to be made here. The members of the Group of 77 will not like hearing it, but if they really want a Law of the Sea Treaty they are going to have to try to understand us, just as we must try to understand them.

The simple point is this: Most of us in the West—not all of us, by any means, but most of us—regard free economic activity as an indispensable condition of free political activity. We know that most nations in the Group of 77 do not believe this, or don't think it matters. We do not ask them to change their views. But we do ask them to understand that we do believe this and we do think it matters.

It comes to this: Of the 114 nations in the Group of 77, the Freedom House survey can find only sixteen that could be listed as free, which is to say, these are nations in which citizens enjoy free political activity. Now obviously for many of the governments of the other 98 nations free economic activity—after a point at least—poses as much a threat to their way of doing things as would free political activity. And so they will not have it. Which is all well and good.

But they must not tell us that we cannot have it. For to do so is to tell us that we must risk losing the political freedoms that are precious to us beyond all things.

The Group of 77, so adept at asserting principles, must understand that for us, too, there is an issue of principle at stake in these negotiations.

We will not abandon the economic and political principles that have created our society in order to provide ideological sanction for the dictatorships of the Group of 77. I speak not as a negotiator of course, but as a Senator. I speak in the desire that there should be a treaty, but in the conviction that nothing would be worse than a bad treaty. I speak as one who wholly supports the efforts of Senator LEE METCALF of Montana to make it possible for American firms to get on with the job pretty soon now, treaty or no treaty.

We want a treaty. We want a regime of shared responsibility and shared resources. But we remind the new nations of the world that by law the seas are free today, and we are not about to negotiate away that freedom in order to provide international sanction for political systems that are so painfully different from and usually opposed to our own. Do not suppose we do not understand you on this. We understand you well enough.

Do not suppose it is going to come as any surprise to us when some regime accuses a Woods Hole survey of stealing vital secrets of its continental shelf. The freedom of science is as threatening to repressive regimes as is any other freedom.

But this does not mean we cannot work together. It means only that we must seek agreement in open awareness of the complexity of each other's concerns.

At whatever cost in the small change of diplomatic niceties, the Group of 77 must acquaint themselves with the full range of our interests in this negotiation and the steadfastness of purpose with which we will pursue these interests.

THE ART OF ECONOMICS

Mr. GRAVEL. Mr. President, the Brazilian Ambassador to Britain, Roberto Campos, has written a precis on the prospects of economics as a science, especially as used in solving third-world problems.

Mr. Campos is himself a development economist, and he presented his paper over the British Broadcasting Corporation in the course of a series on political growth in third-world nations.

Mr. Campos reaches three conclusions:

First, that economists "must acquire a new humility" and recognize that some of the so-called fine-tuning they are asked to provide may in fact be beyond their capability—a wider field of inquiry, described by the older name of "political economy," may be a more valuable pursuit, he says;

Second, that a solid contribution which economists should be able to make in developing countries is the "formulation of guidelines to reconcile income distribution with economic growth;" and,

Third, the developed Western nations, where capital accumulation and democratic government grew together, may not be a viable model for much or most of the third world—he asks for an end to the "black and white approach to political systems, in terms of democracies versus dictatorships," saying this kind of distinction "fails naively to differentiate modes and degrees of authoritarianism."

Mr. Campos' ideas are indeed provocative. They come from a thoughtful citizen of a nation which is now coping with the conflicting demands of economic growth and political liberty.

I commend the paper to my colleagues and ask unanimous consent that the paper be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE ART OF ECONOMICS

Described as the "dismal science" not a very long time ago, economics came closer than any other social discipline in our generation to claim unwarranted prestige as a true science, capable of quantification and prediction. This was made possible by assuming, on the one hand, fairly rational patterns of behaviour in the household and the market place; and on the other, by a massive infusion of mathematics and statistics, the first requiring simplifying assumptions and the second reliable only if used as the drunkard uses the lamp-post—for support, rather than illumination . . .

Perhaps the apex of the prestige of economics as a science came in the immediate post-Keynesian period some thirty years ago. Then we appeared to have reached an ultimate understanding of the recipes for economic stability. It looked as if the old scourge of business cycles had been finally mastered through purposive government intervention. And, new light having been cast on the mechanics of savings and investment, all the necessary ingredients seemed to be at hand for a theory of growth.

In the last few years however, the transition was swift indeed from high status to low esteem. Economists found themselves unable to predict the severity of the 1973/74 inflation and the breadth of the ensuing recession, or of agreeing on recipes to cope with a new hybrid animal—stagflation—this sinister marriage between rising prices and rising unemployment. Those were evils that economists had learned to fight as single beasts not as a consorted monster. Things must be bad enough for the profession when the Wall Street Journal dares say that nowa-days the only purpose of hiring an economist is "to systematize one's mistakes".

Development economics did not escape this humiliating reappraisal of the limits of economics as a science. In Adam Smith's inquiry into the causes of the wealth of nations, development economics played a central role. Subsequently, when Ricardo for technical reasons, Marx for political reasons, the welfare economists for ethical reasons, brought to the foreground the problem of income distribution, development economics was relegated to play second fiddle to other branches of the science.

In the perspective of time, development economics—which is my special interest—appears also to have reached its zenith in the immediate post-war period when technical recipes appeared to be at hand, and international political cooperation forthcoming, for reducing the gap between rich and poor countries. This also proved a forlorn hope. The newly acquired humility of development economists stems from the increasing realisation that the success of their craft has as much to do with social motivation and political institutions than with the manipulation of economic variables. The theory of economic growth has to be interdisciplinary if it is to mean anything. Thus, while it loses its capacity for prediction and quantification, it becomes more relevant to current day problems of the developing countries that still encompass three fourths of mankind.

As every other social science, economics is subject to fits and faddishness. Initially, underdevelopment was interpreted largely as a scarcity of resources. Subsequently, it was found out that perhaps inefficiency and waste in the application of resources rather than scarcity itself was the main culprit. In a welcome broadening of horizons, investments in upgrading human capital (through education and technology) came to be recognized as perhaps more important than the traditional inputs—land, capital and the quantity of labour. Finally, the stage has been set for a fully interdisciplinary approach to the problem of development by recognising that certain patterns of social behaviour—including achievement—motivation, social discipline and political institutionalisation—are essential for reducing destabilising tensions of the modernisation process itself.

The bicentennial of the publication of Adam Smith's "The Wealth of Nations" is an opportune time to look back at the development of economics—which he founded as a science—as well as at the economics of development—which was the central concern of his inquiry. Both have proven to be an unended quest for solution of three basic problems that came to the foreground, with different emphasis at different stages, and which for lack of better terms I shall label—the philosophical question, the social question and the political question.

The philosophical question centres on whether the economic man is perfectible and whether economic growth is a continuous process without visible bounds or whether the stationary state is inevitable.

The "science" or "art" of economics can be credited with surviving several waves of pessimism. Malthus saw a barrier to growth in the race of population against hunger. Ricardo feared the diminishing rent of less fertile land. Marx predicted the explosion of capitalism through the decline in the rate of profits. Stuart Mill envisaged the fatality of the stationary state. Schumpeter saw dangers in the dearth of inventions and the declining enterpreneurship. Some of the early Keynesians predicted the onset of an era of stagnation due to the slowing down of population growth, the scarcity of new frontiers to discover and the ending of the era of great innovations. Quite recently the Club of Rome—congregating economists, political scientists and enterpreneurs—weaved those pessimistic strains into the "theory of the limits of growth" resulting from the population explosion, pollution and the diminishing supply of natural resources. Or stagnation might come from the satiation and boredom of the consumer society.

Invariably these fears have either proven unfounded or doomsday has been postponed. In the end the economic man proved to be perfectible, consumption wants rather elastic, and the boundaries of economic growth vastly expansible.

The social question stems from the difficulty of reconciling acceleration of economic growth with improvements in income distribution. Are the two really compatible? Is an option necessary? And if not how can these two goals be reconciled?

At the outset two extremes can be distinguished: that of the cynics and of that of the utopians.

The cynics would accelerate economic growth whatever the social cost, and rely on the market, eventually to spread the benefits to lagging regions and underprivileged persons. The utopians would immediately activate the distributory mechanisms of the welfare state, in the hope that this will not reduce savings and investment needed for the growth of output.

Quite clearly, a more sophisticated approach is needed to guide developing countries in the task of compatibilising distribution and growth. As noted by the American economist Professor Hollis Chenery, the policy alternatives can be reduced to four basic variants: the productivist approach, which seeks to maximise the current rate of economic growth, by concentrating investments on the highest yielding sectors and regions; the welfare approach, which gives priority to enhancing the level of consumption of goods and services by low income groups through government expenditures and subsidies; the confiscatory approach, which purports to redistribute assets and property obtained through confiscation from wealthier groups; the eclectic approach, which advocates a reorientation of investment by increasing the share of socially productive investment (health, education, housing) in the hope that the slower growth of physical plant will be offset by increased productivity of the human factor.

Of those, the last seems to be the most promising. The first approach—the productivist one—assumes sufficient waiting patience of those underprivileged groups that do not share in the fruits of growth—a politically dangerous assumption. The welfare approach is likely to slow down the feasible growth of production, because of inadequate investment, thus resulting in a less unjust slicing of a stagnant cake. The confiscatory approach is very conflictive and, unless used with moderation, may provoke social turmoil and substantially reduce the growth of productivity.

The final question is the political one. Is there a correlation positive or negative, between political and economic development? Is some form of authoritarianism a fatal, if unpleasant, accompaniment of some phases of rapid capital accumulation?

The answer to those questions lies beyond the reach of economic science; or rather, it brings economics back to its original vocation—political economy—less pretentious in terms of scientific precision and more ambitious as to its field of inquiry.

Let me first dispose of a forlorn hope: that economic and political development would be so intertwined that the advancement of economic growth would also promote political democracy. If experience has shown something it is that there is a disgustingly low correlation between the two. Economic development has occurred under all sorts of political institutions: modernizing autocracies such as Imperial Germany and Japan, and more recently, Spain; ideological dictatorships, as in communist countries; democratic institutions, as in the Anglo-Saxon world and most of Western Europe. The latter outcome—development and freedom—is what it is: a coincidence, not a correlation. Nazi Germany of yesterday was quite developed in industry and technology and yet an example of political barbarism.

If we look at the 140 odd nations that compose the current political universe, one begins to think that we live in the age of the "normalcy of the abnormal". For no more than two score of these nations—and few, if any, developing countries—could be identified as representative democracies in the Western sense of the word.

The majority of developing countries of the Third World either have never known democracy or have lapsed into authoritarian interludes, but many of them remain nevertheless culturally committed to liberal values and democratic institutions.

The implantation of full-bodied democratic systems in developing countries faces a number of difficulties. Historically, they have to telescope the process. That is, to modernise politically in an age of mass consumption, mass societies, and mass culture, while the Western industrialised democracies had a chance to complete the modernisation process before the age of mass politics.

Another source of limitation to the exercise of the democratic apparatus stems from what might be called "mobilisation economics". The need for rapid capital accumulation, deferment of consumption, and strict observance of national priorities requires more often than not placing restraints on two traditional distributory mechanisms in Western democracies; the spending power of Parliament, whose duty it is to respond to constituency appeals, and the reinvidicatory freedom of trade unions, which place greater value on current consumption than on future development.

I have arrived at the end of this disquisition with more fatigue than satisfaction. I will be happy if three conclusions survive. The first is that economists, and particularly those concerned with economic growth, must acquire a new humility and recognise the overwhelming importance of getting a better knowledge of social motivation and political behaviour. In this sense, economics must become less "econometrics" and more "political science". The second is that the formulation of guidelines to reconcile income distribution with economic growth is perhaps the best service that economists can render to the desirable objective of making democratic institutions viable. The third is that the black-and-white approach to political systems, in terms of "democracies versus dictatorships", fails naively to differentiate modes and degrees of authoritarianism. And what is more important, fails to recognise that the double problem of developing countries—telescoping in a few years the long process of development of industrialised countries and administering "mobilisation economics" geared to rapid capital accumulation—may require political arrangements and institutions such as authoritarian-liberal regimes, different from those that proved effective in the industrialised societies. I feel I have committed the sin of attempting to draw sufficient conclusions from inadequate premises. But, as Samuel Butler, I believe, once said, this is after all the business of life. . . .

CAMBODIA: THE FACE OF EVIL

Mr. GARN. Mr. President, 2 years ago this month, we began to receive the first few reports out of Cambodia of the forced exodus of people from the major cities. Unfortunately, the reports have continued to only leak out since these initial ominous stories related the horror of the Khmer Rouge takeover.

While reporters have continued to root out every possible story of corruption or malfeasance in the United States or among our allies, few concerted attempts have been made to find out just what has transpired in Cambodia since the unconditional surrender to the Communist force. Yet what has taken place under this cloak of ignorance is a gruesome spectacle that probably dwarfs what transpired in Nazi Germany 40 years ago.

According to reliable and probably conservative estimates, over one-fifth of the population of the country has died either directly or indirectly at the hands of the new communist rulers—in other words, over 1 million people.

Mr. President, 2 years of peace in Cambodia has led to more deaths and suffering than 5 years of actual warfare. For all those who said that no bloodbath would follow the American departure from Indochina, they need only look to Cambodia. The limited reports out of Laos and Viet Nam indicate severe repression and massive imprisonment—again, 2 years after the conclusion of hostilities.

But in Cambodia, the worst tragedy has undoubtedly unfolded, there the government has simply engaged in the wholesale slaughter of any real or imagined opponents of the regime—and given the nature of the regime, nearly everyone must be an opponent.

Fortunately, the enormous gap in coverage of the slaughter in Cambodia has now been substantially filled by a study by John Barron and Anthony Paul. In their recently published book, "Murder of a Gentle People," they provide a detailed examination of what has happened in Cambodia since the military conquest by the Communists in April 1975. Fortunately, part of this study has already appeared in Reader's Digest so that a much larger number of Americans might become aware of the fate of Cambodian people. One would hope that world attention would focus on this gruesome situation and the United Nations and other international organizations would take whatever actions they can to stop the slaughter of innocent people.

The publication, Human Events recently conducted an extensive interview

with John Barron that deals with some of the most important questions concerning Cambodia. In the interview Barron relates the basic information he has gathered through numerous personal interviews with refugees and other information from the scene of the tragedy. He points out the incredible regimentation in Cambodia today and how even minor infractions of work rules can lead to death sentences. Even marriages are carefully controlled and "if you don't follow the prescribed procedure you can be shot."

Barron also points out how the use of Cambodia as a sanctuary by seven North Vietnamese divisions in March 1970, precipitated the escalation of war in Cambodia, and not the brief American incursion in response 3 months later. Similarly only the continued support from their Communist allies made the success of the Khmer Rouge possible. Since the takeover, the Communist Chinese have continued to furnish critically needed supplies to their allies.

The fiction about the origins of the Cambodian phase of the war continues to appear in our local newspapers from time to time, generally put forth by those whose interests have been from the beginning to produce a Communist victory in Southeast Asia, and repeatedly unthinkingly by the reporters and editors of our media. Mr. Barron's article provides a useful counter to this disinformation.

But possibly the major point that Barron drives home in this article is the appalling lack of concern about the plight of Cambodia today. He points out that in 1975 massive demonstrations occurred throughout the Western world against the American actions in Indochina, allegedly because of the suffering inflicted upon the people living there. But now, in the absence of war, we have much greater suffering and far more people being killed, yet virtually no outcry at all. Barron quite properly points out that if the incidents before 1975—were worthy of protests, surely we've got our priorities and standards out of balance when we fail to say anything about the extermination and continuing extermination of hundreds of thousands of Cambodians.

This point is very well taken and one would hope that the Congress will thoroughly investigate the plight of our former allies in Indochina. What will our allies around the world think of their continuing relationship with the United States if we can so callously ignore the suffering of allies who joined us in battle a few years ago. We should direct our Ambassador at the United Nations to demand that the General Assembly take up this issue and bring any pressure they can to stop the unending slaughter of people.

In order to bring to the attention of my colleagues and the American press and public in general this information on Cambodia, I ask unanimous consent that the interview with John Barron be published in its entirety in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

CAMBODIA: THE FACE OF EVIL

Q. Mr. Barron, you recently wrote a book with Anthony Paul called *Murder of a Gentle Land*, the basic theme of which is that the Communists in Cambodia have imposed one of the most barbarous regimes ever to exist in world history. How did you go about collecting your information?

A. Beginning in October 1975, Tony Paul, two experienced colleagues from the *Reader's Digest*, Ursula Naccache, an associate editor in our Paris office, and Cathryn Clark, a senior reporter in our Washington office, and I undertook to interview as many refugees from Cambodia as we could find.

Tony and I went into the refugee camps all along the Thai-Cambodian border and over a period of 13 months, the four of us spoke to more than 300 people who had escaped from Cambodia and who were eyewitnesses to events transpiring there.

The refugees interviewed, from different parts of the country, represented all the socio-economic strata of Cambodian society, the educated, the untutored, the poor, the well-to-do, the peasant, the student and university professor. They also included all age groups except the very young.

Comparatively few of the people we interviewed could fairly be classified as having been supporters of the pro-western Lon Nol government and some had been active opponents of it. I think most would be characterized as having been politically apathetic, but most had enthusiastically welcomed the Communist conquest, not so much because they favor communism but because they craved peace above all else, and thought that peace would bring restoration of pre-war tranquility.

We did not feel, however, that despite the varied composition of the refugee sources, that they were enough; so we additionally monitored, or studied, all broadcasts of Radio Phnom Penh, the Cambodian capital, as published by the Foreign Broadcast Information Service, and all statements that we could note made by the Cambodian leadership. With the assistance of our research department in New York and our foreign editions, we endeavored to read everything reported in the foreign press about Cambodia. We also sought in Asia, France and the United States the counsel and guidance of scholars specializing in Cambodian studies and, finally, we consulted intelligence agencies, both American and foreign, in an attempt to check our data with what they had gathered through their own means.

Q. What did they say about the takeover immediately after the war, and what did they tell you about the general nature of the regime?

A. The testimony was strikingly consistent, and it reflects a pattern of action that was applied by the Communist conquerors throughout the land. In essence, on the morning of April 17, 1975, when the first Communist troops entered the capital of Phnom Penh, they were greeted extravagantly and warmly by the populace who viewed them as heralds of peace, auguries of happier times.

Within two or three hours, the Communists, using loudspeakers and going from door to door, ordered everyone, every man, woman and child, to get out of the city. The first institutions evacuated, for reasons still inexplicable to me, were the hospitals—patients bedridden and crippled, some just emerging from surgery, some dying, all patients were tumbled out of the hospitals like so much garbage. Those who were too incapacitated to walk were pushed in beds by friends or relatives; the unfortunate who had no friends and relative tried to push their own beds, some times with sticks as if punting.

People who resisted the order to leave the city, or who were perceived as being recalcitrant, were simply shot. The sheer physical task of moving more than three million people out of the city required several days; the streets were packed so tightly with humanity that in many instances it was possible to advance only 100 yards or so an hour.

Driving was usually impossible in this crush of humanity and in any case a few miles outside the city the Communists began to confiscate the cars.

While the city of Phnom Penh, and a few days afterwards the other cities of Cambodia, were similarly being emptied, the Communists mounted an organized assault on the physical sinews and symbols of pre-existing Cambodian society.

They ransacked libraries, offices, archives, burning books by the hundreds of thousands, books of every sort, medical libraries, dictionaries, textbooks, books on technology, priceless manuscripts, the records of government, of business. Literally any printed or written material became a target for destruction.

They smashed hospital equipment, wrecked furniture and threw the contents of houses into the streets to ruin. They despoiled and sacked the temples and overturned and vandalized cars by the thousands, cars symbolizing modernity and foreign technology. They destroyed many objects that could have been of use to them because they represented the old society and things foreign, and they were going to purge all Cambodia of all vestiges of the past, and all influences from outside the land.

Simultaneously, the Communists commenced the killing of former military officers and civil servants of the Lon Nol government. Many thousands were slaughtered in organized massacres conducted in the vicinity of the cities and outlying fields. Personnel who had been induced to surrender en masse were taken usually by truck or bus to outlying fields under various guises where Communist troops waited for them in ambush. The actual methods of extermination varied; they included artillery fire, the explosion of land mines, hand grenades, machine gun and automatic rifle fire, bayoneting, stabbing, garroting, bludgeoning—virtually any means you can conceive to do away with human life were employed.

Officers and civil servants who disguised their identity were killed wherever unmasked, and in a number of cases recounted by eyewitnesses, their families, including children and infants, were slaughtered along with them.

Meanwhile, the great march for which we can find no precise historical parallel, continued. Some people brought along bicycles, or carts on which they carried enfeebled relatives and such belongings as they had been able to assemble at the time of their sudden eviction. But most of the millions proceeded toward the bush and jungle on foot. Along the lines of march, troops guarded and goaded them onward, and simply shot those who refused or were unable to keep the required pace, which was rather brisk.

The temperatures at mid-day on the main highways leading out of Phnom Penh in that late April rose to above 100 degrees, and the nights were very cold. The dry season now ending had parched the flatlands, evaporating rice paddies and ponds and leaving fetid pools that were increasingly befouled by bodies and excrement.

The very young and very old were the first to die. Adults and children alike tried to quench their thirst from these foul ponds and consequently contracted acute dysentery which produced dehydration and death.

A Cambodian physician, Dr. Vann Hay, who was driven along with his patients from his clinic on April 17, spent about a month on various roads and trails before he escaped

to Vietnam. He told us: "We must have passed the body of a child every 200 yards. Most of them died of gastro-intestinal afflictions which caused complete dehydration. I had some medication with me, but most children brought to me required massive dosages and lengthy rest. Neither was available. I decided to save the medicine for those who had some chance of life. It was a terrible decision to take, but I could think of no other under the circumstances.

"Thinking of all the bodies I saw, plus the sick who came to see me, between 20 and 30 every day, half of whom were not going to live, I figure that between 20,000 and 30,000 people must have died the first month, just in the area described." He means the route along which he walked to Vietnam. The other major causes of death were typhoid, cholera, and sheer fatigue. There were no provisions, or almost none, made to provide these millions of people with potable water, food, shelter, and so they had to subsist on whatever they could forage along the lines of march.

The countryside soon resembled a vast dump as the people gave up belongings that they could no longer bear to carry—sewing machines went first, then pots and pans and then bedding, then the countryside was littered with cars that had been pushed from the road and overturned in the fields by the Communists. The countryside also was increasingly littered with bodies.

Some of the exiles were fortunate in that they were consigned to new settlements or villages a relatively short distance from the cities and thus, for them, the ordeal of the march lasted only a few days. Hundreds of thousands, if not millions, however, marched for weeks, goaded ever onward toward a destination and a fate that was unknown to them.

There were terrible scenes. Families who, now weakened, could no longer bear the weight of children or relatives too old or sick to walk, had to make a choice between leaving the beloved by the roadside, or trying to struggle onward and risking being shot, by not being able to keep pace.

I was struck by a scene that illustrates some of the difficulties of this epic exodus.

Among the tens of thousands of families marching south from Phnom Penh on National Highway 2 was a slender, pretty Khmer airline stewardess named Lon. She and her husband took turns carrying their four-month-old daughter Vathana. The infant was accustomed to canned milk because Lon, needing to return to work after childbirth, had not breast-fed her. Now the canned milk brought from Phnom Penh was gone and the mother's body was incapable of producing milk. Though Lon, herself, was suffering the effects of malnutrition and dehydration, she struggled to match the pace required by the soldiers, hoping somewhere to find sustenance for the baby. Finally, however, she knew she was going to collapse and in tears she begged her husband to forsake her to try to save her daughter and himself.

The husband hesitated, then reached for the baby. As he cradled her in his arms the child smiled and laughed at him. He turned back and through his own tears said to his wife: "We stay together." Friends who observed this scene and who, themselves had to quickly move on, understood, as probably did the husband, that he was really saying, "We die together."

The march continued for some people up to six weeks and with few exceptions and for virtually all it ended at some roadblock or some crossroads where a Communist commander would, as if casting a net into the sea, gather up an indeterminate number of bypassers and have them marched off into the jungle or into the bush, toward a new settlement. There were thousands of these new settlements and typically, in the beginning, a new settlement consisted of nothing except a demarked area. The arrivals, many of whom were used to sedentary life in the city, unaccustomed to physical labor and devoid of physical skill, were made to first build huts for themselves and they had to do this very often without any tools, unless they happened to have brought a knife or some instrument along with them. They pulled down bamboo and gathered leaves and fashioned a hut. Next, they were put to work clearing the jungle to prepare for the planting of rice, digging irrigation ditches and building dikes. The food ration in the early summer of 1975 generally consisted of one Nestlé's milk can of rice.

Q. How many people do you estimate to have died in this carnage?

A. No one can know precisely. I very much doubt that the Communists themselves know. Certainly hundreds of thousands have perished. Based on all data available to us, and consultations with a number of governments, Tony Paul and I concluded at the end of our research last year that between April 17, 1975, and Dec. 31, 1976, at least 1.2 million died as a direct consequence of Communist actions. Personally, I thought this total was too low and so did some relief workers in constant touch with refugees escaping to Thailand. But we were trying to understate the case. After interviewing many more refugees who had escaped this year, Tony last month wrote me that he also now is convinced that our original computations were too low.

Q. How many were involved in this massive exodus?

A. One must bear in mind the data on the population of Cambodia are imprecise and no one is really in a position to say in a scholarly way that can be documented just what the population of the country was; so we're working with the most authoritative estimates and a consensus of them.

That consensus is, and the Communists themselves have used the same figures, although I suspect they've just picked them up from Western sources, that there were approximately seven million residents of Cambodia at the end of the war. Of these seven million, approximately three million are thought to have been in Phnom Penh.

Now the normal population of Phnom Penh was much less, but as the people fled the countryside to escape the fighting, to escape Communist rule, and to seek food that was available through American aid in the cities, the population increased enormously, particularly in the last week. So we think there were about three million people in Phnom Penh; we believe there were approximately a half-a-million in the other cities, which were evacuated, and then we think there were probably another half-million people in larger villages in territories controlled by the government at the end of the war, and these villages also were emptied of people in time.

So there were, according to the best calculations we can make, approximately 3.5 million people banished from the cities, plus another half-million from the villages. So you have four million people we are speaking of.

Q. Who were force-marched into the countryside.

A. Into the countryside, into the jungle.

Q. And these cities just no longer exist at all? Have a few people been left behind?

A. There appears to be some life in Phnom Penh now. Again, even Communist diplomats stationed in Phnom Penh have difficulty making observations because they live under virtual house arrest and they cannot estimate even what the population is.

Q. It's still a functional capital?

A. Well, in the most rudimentary way. During the first months, after the evacuation of Phnom Penh, it was literally a ghost land. Phnom Penh University, for example, was turned into a banana farm, and pigs rooted around in the classrooms.

There were probably for many months no more than 20,000 people in the capital and the majority consisted of troops stationed there to make sure no one returned. But we are seeing second-hand reports that suggest that perhaps now there are as many as 50,000 and I saw one report suggesting 200,000, which perhaps is high. It is kind of city and there's some evidence that a little bit of life has returned to Battambang, which is the nation's second largest city. But, in general, the cities have been abolished.

Q. What is the motivation and philosophy of these Communist rulers? Even for a Communist government, this seems a bit extreme.

A. Everything that has been done in Cambodia has been done in the name of "Angka Loeu," which literally translates into English as the "high organization," but probably a better translation is the "organization on high."

Now this organization on high is controlled and directed by probably no more than a dozen men and women, certainly no more than two dozen, who exercise all power. Of the principal leaders we know quite a bit, and they are remarkably similar in background, experience and outlook. Allowing for a few exceptions, I can quickly generalize about them as follows:

They all came from middle-class families; all were educated in the 1950s in France; they all became ardent Communists at a time when the French Communist party was very much under the influence of the Stalinist wing of the Soviet party. They were all educated as lawyers, economists or teachers. They were all, or most of them, wedded to theory. They were all, with one exception, very puritanical, ascetic in their lives, and really would appear very honest in their personal deportment.

All of them had spent most of their adult life outside of Cambodia, or in the jungles detached from the mainstream of their country's life. None of them has ever worked with his or her hands, yet they were to extol physical labor above all else. And all of them were determined that they were going to realize the ultimate nihilist dream, the ultimate revolutionary dream, of obliterating the existing order—totally—so as to create in the consequent vacuum a pure and perfect society.

And this is what they undertook to do without regard to human or material cost. And you see in the evacuation of the cities, they advanced more rapidly and more swiftly than have any other revolutionaries toward the total obliteration of all that existed, because in a matter of two or three weeks the past was eliminated.

There were no more classes, because on the roads, and in the jungles everyone was suddenly equal, equal before disease, equal and vulnerable to the guns of Angka Loeu. No one had any property. Everyone was working at the same task, more or less. There was no more printed word, no more communications, no money, no colors, no religion. Soon, very serious inroads were to be made into traditional family life.

Cambodians, I might say, always had a happy attitude toward sex which they viewed as just a lovely adornment of life. Well, courtship is, unless licensed by Angka Loeu, punishable by death, as are extra-marital affairs. Children, just as in George Orwell's *1984*, are trained to be venomous, vicious little spies and are rewarded for informing on their parents, and some of them derive a heady sense of power from knowing that they can bring the execution of the adult whom they report.

The knowledge by the adults that anything they may say may be reported to Angka Loeu inhibits conversation in family life. Parents are forbidden to punish their children. They

can ask them to do things, but the children are under no obligation to obey. So you have the assault on the family, the assault upon religion, upon all traditional ways of things.

Q. Is religion abolished or suppressed the way it is in most Communist countries?

A. In practice, it is. Most of the monks have been impressed into the work gangs and those who persist in retaining their vows are persecuted.

Q. What kind of a society do they have? Do they have schools for children, or for young men and women?

A. Not really. The best evidence we have is that they are beginning to teach children the most elementary rudiments of reading and writing. The rest of the educational effort is ideological, political in nature. There are no universities. No schools, as such.

Question. What sort of ideology are they taught? Is it just a Communist philosophy?

Answer. They are taught their god is Angka Loeu, that their whole life, their every thought, their being, must be consecrated to Angka Loeu, the organization on high, any faltering, any deviation, will cause the Wheel of History, which is an instrument of Angka Loeu, to grind them down. They are taught to hate fiercely all things foreign, and particularly anything American, to consider that their life must be dedicated to toiling in the fields and serving the will of Angka Loeu.

Question. Is it to some extent similar to Communist China under Mao, at least early Mao, and to Russia under Stalin? Many of the terror instruments used for keeping the people in line seem to be similar.

Answer. Yes, I think you could find certain antecedents in Soviet and Chinese history, but, as they themselves boast, they intend to build the only true communism. They sneer at the Russians and the Chinese as not really being serious about this. After all, in the harshest, most homicidal periods of Soviet and Chinese history, the Communists retained cities, money, books, automobiles . . .

Question. But in China and Russia there was also a tremendous repression of individuals, the family life seemed to be similar in the sense that the children were asked to inform on their parents. There was a massive burning of books under Mao and Stalin, too. Mao had his fling at sending everybody to the countryside, and he had this idea even though he didn't carry it to the extreme that these rulers in Cambodia are carrying it.

Answer. The collectivization programs of Stalin in the early 1930s resulted in the mass deportation and extermination of millions of peasants. At least, however, these people were transported in freight cars and not made to march. What has happened in Cambodia is simply carrying revolution to its logical extreme. The Marxists have always asserted the creation of a classless society, and the Cambodian Communists have, in my judgment, come closer than anyone else in history to creating such a classless society.

Question. Except for the ruling class.

Answer. Yes, there is the tyrannical ruling class composed of a tiny fraction of the population.

Question. Is it the Communist party which rules?

Answer. The rulers are Communist, and they were members of the Communist party, but they mute their communism and invoke the term "Angka Loeu" in referring to themselves.

Q. Is it basically a peasant society now?

A. Yes, it's basically a society of serfs.

Q. Their economy must be wretched at this point. Or non-existent.

A. There is a detailed account in the New York Times of May 2 of which on the basis of our prior research I believe to be utterly accurate. And it depicts an economy that is in utter shambles and degenerating by the month, and this is inevitable. Given the methods they have chosen to follow, you can project with almost mathematical precision the trajectory that this society is following and see where it's going to end. And it's going to end in the death of a large portion of the remaining population.

Eventually, I suppose, when enough people have died, they will reach a level where they can feed themselves. Cambodia is a very fertile land and used to produce rice surpluses.

Q. Now it does not produce surpluses?

A. The welter of evidence is that even famine levels are periodically reached throughout the country.

Q. Is Hanoi in any way responsible for having brought this type of communism to Cambodia?

A. Very much responsible. It isn't my purpose now, nor was it our purpose in the book to recite, much less debate, the baleful history of the travail in Indochina that preceded the Communist conquest, but the historical facts that are relevant to your question show that after the removal of Prince Sihanouk, the North Vietnamese, with elements of seven divisions, attacked Cambodia in March 1970. And they attacked not in the name of communism, but in the name of Prince Sihanouk with the professed aim of restoring the Prince to his rightful throne.

They rapidly occupied as much of the territory of Cambodia as they could and there followed from North Vietnam between 5,000-6,000 Communists composed of Cambodians who over the years had been imported to North Vietnam, trained and kept in reserve for just such a contingency.

Now as the North Vietnamese acquired control of territory, the in-country insurgents, who were to form the leadership of Angka Loeu, moved in behind them and began to administer the occupied territory. Additionally, the North Vietnamese, upon withdrawing from Cambodia, were the principal source of supply for the Cambodian Communists and their insurgent allies who were not necessarily Communist. The North Vietnamese, therefore, contributed greatly to the success of in-country Communists.

Now of course an argument is made that the United States bears responsibility for these developments. The arguments may be summarized as follows:

The U.S.-South Vietnamese invasion of Cambodia in 1970, which followed by about 30 days the North Vietnamese, and the B-52 bombings of Cambodia which accompanied this American/South Vietnamese invasion and which continued in support of the Cambodian populace that large numbers of them gravitated to the insurgent cause. And, the argument goes, our intervention molded the attitudes and the xenophobia, and the fanaticism of the Khmer Rouge, the Communists who now control the country.

I don't know whether the Nazi extermination of millions of Jews was the result of actions or lack of actions that Britain and France took in 1938 and 1939. All that I feel competent to talk about with any certitude is what we know has happened since April 17, 1975.

Q. What is happening in the new villages?

A. Well, the routine of the new villages into which most outcasts from the cities are driven is approximately as follows:

The people are organized into work groups usually consisting of 10 families and there is a very elaborate hierarchical organization pretty much patterned along military lines with supervisors, group supervisors and village chiefs.

A gong awakes the people at 5:00 a.m., and they have a little while to prepare themselves to go into the fields where they work until 1:30 or 12:00. They have a mid-day break and then resume work around 2:00 p.m. and continue until 5:00 or 6:00 p.m. And then on moonlit nights they frequently work another three hours. On nights when work isn't required, they undergo political indoctrination.

The people are segregated in the fields by sex and children are assigned to different work groups: conversation is discouraged if not prohibited. There are no holidays and work goes seven days a week.

Any sort of infraction, violation of the work rules of the ordained regimen of life evokes what is called a *kosang*, a Khmer word which literally translates as construction. And a *kosang* is an elaborate ritual wherein the offender is required to stand before the village and abase himself, or herself, confess his sins and repent.

A second infraction produces another *kosang*, and these *kosangs* are very, very serious because everyone knows there is no third one. A third offense means that the offender will disappear, or be sometimes publicly executed. And so when somebody gets a *kosang*, everyone quivers.

Now, the least deviation—sexual behavior, domestic behavior—can produce a *kosang*. For example, husbands and wives are forbidden to quarrel, and a quarrel is grounds for a *kosang*, and this again is a very powerful factor in disintegrating family life, because knowing that a quarrel can lead to death inhibits people from even talking. It's better to say nothing to your spouse than to risk death.

There is no gaiety or amusement, as previously known, no recreation. There's no leisure time, there's not enough food. A boy and girl may not court, or plan their lives together without prior permission from Angka. They have to go and say we'd like to do this. Then they sort of get on the list and periodically there are mass marriages, but if you don't follow the prescribed procedure, you can be shot. I must say that women and children are almost never shot unless they are trying to escape. They are most normally put to death by being struck on the back of the neck with a hoe, or having their throats slit.

Q. You are talking about women and children?

A. Yes. Sometimes they are just beaten to death.

Q. Is there any sort of resistance?

A. We tended to discount those reports. But we have seen so many reports since that I tend to attach some credence to them now. I think that some refugees have gone back from Thailand to fight. There are reports of bands of anti-Communist guerrillas interdicting transport and functioning in the mountains.

I think that, unquestionably, the classic ingredients for an insurgency do exist in Cambodia. The Communist insurgency forces probably never numbered more than 60,000 or 70,000 men. They are spread very, very thin. The population is obviously quite disaffected.

Tens of thousands of people have risked probable death to attempt to escape through the jungles, though the jungles themselves pose great hazards and the borders are sown with mines and heavily patrolled, yet people risk all these perils rather than face what they consider to be inevitable death within the country. So were there any sort of external encouragement and sustenance of an insurgency, I would think that one would develop rather rapidly. The problem is, though, that where would it end and, absent a policy by the sponsoring powers, I'm not sure that the final result would leave the people any better off than they are now.

Q. How do the other Communist nations feel about Cambodia? Are they friendly, neutral, or what?

A. I think the Communists the world over are appalled and embarrassed and would like to disassociate themselves from what has happened in Cambodia. The Cambodians do not maintain relations with the Soviet Union. Their relation with the Vietnamese are strained and even hostile. Parenthetically, it should be noted that historically

there is a great animus between the Cambodian and Vietnamese people that transcends communism. It's ancient, deep and venomous. There have been numerous armed clashes between Khmer Rouge and Vietnamese forces and relations are quite bad.

Q. Do they get any sustenance or help in terms of aid from the Communist bloc?

A. They receive aid from the Chinese. The Chinese, it would appear, are the only foreigners with whom they have any kind of significant relations. They're terribly xenophobic. And they are also, in their sort of schoolboy way, rather haughty in considering themselves to be the supreme Communists and they look patronizingly upon other Communists who haven't had the "vision" and the "courage" to do what they've done.

Q. In terms of human rights, who is really speaking out on this? I know obviously you have. Has Amnesty International? I see that Sen. Frank Church (D.-Idaho) finally put something in the Congressional Record the other day. But I haven't seen any sustained criticism of this. There has been nothing from our own government, which is now interested in human rights. What can be done?

A. Dr. Ernest Lefever has published in the current issue of *TV Guide* a fascinating thoroughly researched study of media coverage of the events in Cambodia, and particularly television coverage. And his data show there has been shockingly little attention paid to this by the television networks, and that at least in the first months much of the coverage connoted an apology, or skepticism about what was happening there. On the other hand, the New York *Times*, the *Wall Street Journal* and the *Christian Science Monitor* have eloquently, forcefully denounced what has happened in Cambodia. But there have been no outcries from the people or most of the politicians about what has happened. The Human Rights Subcommittee of the House International Relations Committee, headed by Rep. Donald Fraser (D.-Minn.), has taken my testimony on this.

Campuses all over the United States were thrown into great turmoil in 1970 by students who in moral indignation were protesting our dispatch of troops to fight these very people. I vividly remember when I was en route to the Cambodian border, in the autumn of 1975, the Champs Elyées in Paris had been virtually wrecked by thousands of protesters demonstrating against the execution of five Spanish terrorists who rightly or wrongly had been convicted of killing policemen. And there was the outcry following the disclosure of the Mylai massacre. If these incidents were worthy of protests, surely we've got our priorities and standards out of balance when we fail to say anything about the extermination and continuing extermination of hundreds of thousands of Cambodians.

Q. Do you know whether Allard Lowenstein, who deals with human rights at the United Nations for the Carter Administration, will bring this up? Do you know whether Amnesty International has made any sort of protest?

A. No, I don't. Whatever protests have been made have clearly not been sustained.

Q: What about the Indochina Resources Center, which has been a supporter of the Cambodian regime? Does it still support it?

A: I don't know if it's even in existence anymore. There were attempts by some people in the United States to rationalize and justify the evacuation of the cities on the grounds that it represented not a death march, but "a march away from death," echoing the Khmer Rouge propaganda disseminated for foreign consumption. And those who espouse this theory reasoned that it was impossible to feed the people in the overcrowded cities and that therefore the Communists humanely had chosen to disperse the urban population into the countryside where it was reasoned there were supplies of food and they could be fed. It was admitted that perhaps in the haste and chaos some people would die, but surely not so many as would have starved had the cities not been evacuated.

Of course, subsequent events have made it very difficult to hold to this argument and one doesn't hear it anymore. I should say that the principal stocks of rice in Cambodia, at the time of the Communist conquest, were American supplies and had been airlifted into Phnom Penh, and stocks that had been cached in government-held enclaves around the other cities. And our data suggest that most of the rice that was dispersed to the people in the first months after the evacuation of the cities came from the American stocks in Phnom Penh.

Thus, the rice had to be taken from the cities out into the countryside. In any case, the evidence is overwhelming that there were no prior provisions to feed the people once they were scattered.

SUN DEFENDS FBI

Mr. CANNON. Mr. President, last week I introduced for the edification of the Senate a series of three articles dealing with the issues involved in the Justice Department's decision to prosecute one of their special agents, John J. Kearney. I found the series has increased my understanding of the problems involved and I am sure they will be helpful to my fellow Senators in assessing the future of the FBI.

I ask unanimous consent that the concluding four installments of the series be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Las Vegas Sun, June 27, 1977]

(Sun Defends FBI—Part IV)

SECURITY THREAT

(By Bryn Armstrong and Brian Greenspun)

The unprecedented prosecution of former FBI special agent John J. Kearney and others, not only will have an adverse effect on the individual agents and their families, but, more importantly, such action could have a devastating effect on national security.

Kearney's indictment for various counts of mail and wire interceptions stemmed from a massive manhunt in 1970–72 to blunt the violent offensive of the Weathermen underground which included the indiscriminate bombing of many public buildings.

There is no question that Kearney's superiors in the FBI and even the Department of Justice knew of the counter-measures employed against these malicious groups bent on the destruction of our public institutions and the accompanying loss of life as a part of such criminal acts. The fact that no one in authority ordered these counter-intelligence techniques abandoned gave Kearney ample reason to believe he was acting in a lawful manner to prevent further violence.

We are now faced with a dangerous prospect.

The sheer reluctance of U.S. intelligence and counter-sabotage operatives today to take effective action against our enemies domestic and foreign presents a clear and present danger to our national security. The continued threat of Kearney-type prosecutions in the future, coupled with the tremendous financial burden incurred for a defense, forces many of our top agents to consider their actions in a light different from that which will promote effective, speedy completion of their missions.

If our government cannot forgive Kearney his transgressions, how can the agents in the field today be assured that at some later date, an assignment given to them won't lead to their own ruination, fiscally and professionally.

It is unconscionable for our government to assign the responsibility of protecting our citizens, domestic and foreign, to individuals dedicated to that goal and then turn on them with criminal prosecution for acts committed to further that end. To impose sanctions retroactively is the height of governmental callousness and irresponsibility under such circumstances.

Kearney and the others were led to believe they acted lawfully during the early 1970s in their massive hunt for the promiscuous bombers. Years later, a judicial decision and an ill-applied code of morality makes such techniques subject to criminal action.

In the future, should any agent fail to use every available technique to pursue bombers or others who threaten our national security and safety, we cannot blame him, even if such a failure resulted in disaster or worse. No longer can we expect such allegiance.

Loyalty is a two-way street and the vassal cannot carry out the commands of his liege with unquestioned loyalty if that lord has betrayed others in as foul a manner as Kearney has been treated.

Kearney's plight is especially unfortunate because nowhere in the record is there the slightest hint of criminal intent. There is not one iota of evidence to lead to any conclusion other than that Kearney acted with the highest ideals and in the finest tradition of intelligence service to this country.

There is not one person who will dispute the fact that these agents acted solely for the purpose of forestalling and ultimately, stopping the indiscriminate bombings which had claimed lives and destroyed property on a nationwide basis.

Not only had numerous large businesses been damaged or destroyed, but the terrorists made clear their intentions with the bombing of the U.S. Capitol and the Pentagon.

Far from attempting to infringe on any citizen's constitutional rights, the FBI agents were attempting to thwart terrorists. They acted at all times in good faith in the belief that what they were doing was authorized and lawful under the circumstances.

It may be that in light of the events which caused the indictments to issue, that the rules should be changed to set down proper guidelines for actions in the future. But it would be the height of recklessness and a gross inequity to apply those new rules to events which had occurred prior to their being promulgated.

This is especially true in light of the long history of intelligence and counter-intelligence operations which have used mail openings and wire surveillance as recognized, sanctioned and approved methods of intelligence gathering. Approval came in many instances from attorneys general and presidents themselves.

As noted previously, prosecution was denied by the Justice Department against former CIA Director Richard Helms for authorizing a surreptitious entry in Virginia in 1971 because it "would be impossible to prove he (Helms) had intent to violate anyone's civil rights."

If the Justice Department could find no criminal intent on the part of the man who authorized and directed surreptitious entries, how can it find the necessary intent by Kearney who was acting under lawful authority and in the interest of the security of the country. The answer rings loud and clear that prosecution of Kearney and other agents just will not wash with the American people.

[From the Las Vegas Sun, June 28, 1977]
(Sun Defends FBI—Part V)

FATAL BLOW

(By Bryn Armstrong and Brian Greenspun)

The Justice Department's decision to prosecute former agent John J. Kearney has dealt one of America's great institutions, the Federal Bureau of Investigation, a perhaps fatal blow.

Kearney was a special agent charged with the gathering of intelligence on the militant Weathermen organization during 1970–72. He opened mail addressed to others and wiretapped their telephones. He employed these methods in an effort to apprehend these terrorists who were fugitives from justice.

One of the reasons for the high morale of the FBI is the keen sense of belonging which has permeated this elite law enforcement organization.

Agents have fulfilled their missions in the belief that their work was vitally important to the protection of our people and the security of our country. They acted with the full assurance that the methods of investigation used and the techniques employed to complete the assignments were backed 100 per cent by their superiors up to and including the President of the United States.

This is no longer the case.

No more can an agent, in light of the government's decision to prosecute, carry out orders without hesitation because of the doubt cast by the Kearney case. Now an agent in the field must evaluate the validity and necessity of each and every order he receives. He must make subjective judgments where before he could respond immediately with the assurance that his actions were right and proper under the circumstances.

Carried to the extreme, it would not be unusual to see agents clearing all orders with their own private attorneys, seeking to determine whether carrying out these orders would be appropriate.

Imagine a direct, secret order from the President being questioned by an agent and reviewed by an attorney! Delaying such an order long enough for a legal opinion could cause chaos in the intelligence community, not to mention serious jeopardy to sensitive assignments.

When the day comes that an agent must consult a lawyer or a law book before carrying out a lawful order issued for the security of the United States, that day the FBI receives a mortal wound.

This is not to say that all criminal prosecutions of FBI and CIA agents should cease merely because it would create a morale problem. Certainly, agents know full well the laws of this country and the consequences should they be violated.

The situation in Kearney's case is different, however. He had operated under well-established practices and techniques in an effort to obtain vital intelligence about Weathermen terrorists who were threatening unrestrained acts of violence.

Even after they had knowledge of these techniques, Kearney's superiors at the FBI and the Justice Department failed to take any action to delineate and define which areas could not be pursued. By not acting to restrain the agents, the Justice Department gave tacit approval of the methods and manner of the intelligence gathering activities.

Former Atty. Gen. Edward H. Levi said that the actions by these agents, if wrong, were "in large part the fault of the government, and indeed the Department of Justice itself.

"What really stands indicted is the government as an institution," he concluded. That very same government should take the blame for those practices rather than pass it along to loyal servants who acted with high ideals and unquestionable motives. This country will no longer accept finger pointing for the sake of political expediency.

Perhaps even a greater blow to the sensitive morale of this great institution, is the incomprehensible refusal of the Justice Department to support these agents financially in their defense of these charges. Incomprehensible because the actions for which they are charged occurred solely and completely under the direction of the Justice Department and FBI.

Even U.S. Atty. Gen. Griffin Bell acknowledges the department's moral obligation to defend these agents, but says that Justice cannot legally do so. President Carter's human rights stand should demand that these agents be supported for acts done in service to their country.

FBI agents are salaried and have little opportunity to accumulate an estate other than retirement benefits. The legal costs alone involved in a defense of this kind are enough to financially ruin the average citizen and certainly are beyond the resources of an FBI agent.

The picture is an ignoble one, a blot on the annals of the department.

An institution like the FBI, which enjoys the overwhelming support of the American people, who look to it as the protector of their freedom and guardian of their security, deserves better treatment. And so do the agents who risk their lives daily protecting their fellow citizens.

[From The Las Vegas Sun, June 29, 1977]
(Sun Defends FBI—Part VI)

RIGHTS 'HERRING'

(By Bryn Armstrong and Brian Greenspun)

Some government officials advocating the prosecution of former FBI agent John Kearney on charges of wire tapping and mail openings while trying to thwart the terrorist bombing activities of the Weathermen underground cite the "Nuremberg" thesis as grounds for such a stand.

They note Nazi leaders were prosecuted for acts done under orders of their superiors and therefore FBI agents in the U.S. cannot rely on the defense they were merely following orders. The further argument is advanced that the Nazis accused of war crimes should have refused to follow instructions, because they were flagrant violations of human rights.

The analogy then made is that in adopting techniques of mail opening and wiretapping, FBI agents were violating basic rights enjoyed by Americans, and they, likewise, should have refused to follow orders.

That thesis is spurious and ridiculous on its face.

The Nuremberg trials involved prosecution of Nazi leaders for the most heinous of crimes against nature and mankind in history—indeed the consummate acts of genocide. These prosecutions included persons who not only participated in the mass destruction of human beings but also were proven volunteers and active participants in the conception and carrying out of genocide plans.

It is beyond belief that anyone of sane mind could compare the prosecution of Nazi war criminals for the wholesale slaughter of human beings with the charges against an FBI agent for opening mail and intercepting telephone conversations in an effort to prevent the indiscriminate bombing of public buildings and people across this country.

The atttempts to capture members of the terrorist Weathermen organization—criminals for whom fugitive warrants were outstanding—hardly falls into the same class of activity as the murdering of over six million people.

Similarly, the "civil rights" red herring profferred by various spokesmen for the Carter administration is likewise flawed.

The theory in that instance is since President Carter has advocated the advancement of civil rights in all nations of the world, he can hardly ignore civil rights violations by FBI men in his own Department of Justice.

This stance betrays a crucial lack of understanding of the President's crusade for civil rights. He is profoundly concerned about the utter deprivation by other governments of fundamental human rights, and laudably so.

The obvious mistake, however, is to equate the treatment by the Kremlin and other Iron Curtain countries of people who wish only basic human rights with the actions by FBI agents who tried to prevent the destruction of innocent people and the waste of multi-millions of dollars.

Humans lives are cheap in those dictatorships and human dignity is an elusive phrase, indeed.

The methods used by agent Kearney and others were nothing more than long-used, approved techniques for intelligence gathering made necessary under the circumstances of terrorist bombings and destruction.

There was no intent to deprive anyone of civil rights or privileges but merely an attempt to hasten the capture of dangerous fugitives known to have participated in bombings and threatening the further destruction by bombing, the most vicious form of promiscuous and indiscriminate taking of human life.

The way is clear. Atty. Gen. Griffin Bell can remove this blot on our nation by dropping this unwarranted prosecution of former FBI special agent John Kearney. By doing so he will be acting in the highest tradition of fair play, common sense and elementary justice. He will also restore the faith of the American people in our cherished judicial process.

[From The Las Vegas Sun, June 30, 1977]
(Sun Defends FBI—Part VII)

EPILOGUE

(By Bryn Armstrong and Brian Greenspun)

The highest responsibility of a newspaper is to the public it serves and to the Constitution which guarantees that service.

When the action of our government becomes so incredible, both in reasoning and response, that it affects each and every one of us, newspapers are charged with the duty to make such information public.

During the past seven days, the Las Vegas SUN has set forth a tragic set of circumstances involving, specifically, former FBI agent John J. Kearney, and more importantly, the entire FBI and intelligence gathering apparatus of our country.

It is incumbent upon all newspapers to cry out against hypocrisy at all levels of government, especially when it emanates from the Oval Office itself.

The prosecution of Kearney will have a detrimental and possibly fatal effect on the future of the FBI and the security of the United States. The SUN has detailed the many reasons why this prosecution is needless, unwarranted and extremely dangerous to our security. We have done so with full knowledge that our position might be unpopular with some people in positions of authority. We have also done so in the firm belief that we are right.

The time has now come for all of us to stand together to let our elected representatives know that we choose the freedom of these agents over the malicious, life-destroying bombings perpetrated by the terrorist Weathermen organization.

At the same time, we must resolve to insure that in the future agents of the FBI and CIA will have clear, established guidelines controlling their actions. That way they can act swiftly and assuredly with the knowledge that our government will stand squarely behind its loyal servants.

Agent Kearney, and others like him, face total ruin, financially and socially, as a result of this ill-conceived prosecution by the Justice Department. President Carter's human rights movement is laudable, indeed, in its effort to restore human dignity throughout the world.

It is a crime itself, when in the name of human rights, our government must destroy the very lives which have worked so hard to insure that dignity.

The SUN has demonstrated the problem, discussed the reasons why the prosecutions should be abandoned and set forth a course of future conduct to help prevent a recurrence of these events.

It is time for the people to act. Like Paul Revere of Independence days, the people of this country must respond to the call and protest this irrational action by the government. Hypocrisy is no longer a way of life in American politics. Your feelings and thoughts must be heard in Washington where the control of this prosecution rests.

Let the President know that prosecuting FBI agents for actions which were condoned and encouraged by our government in an effort to stop needless bloodshed and destruction is not the way to restore human rights and dignity around the world. It is only a way to destroy our dignity and security at home. Let him know that human dignity demands that we stand up for what we believe, even if that stand is unpopular in high circles.

Let Atty. Gen. Griffin Bell know that misguided, hypocritical prosecution of FBI agents, who acted in our interests and for our security with the sanction of our government, is not in the American tradition of fair play.

Only this way can we rest easier at night. And so can the thousands of FBI and other intelligence agents who risk their lives daily so that our system of government can endure. They will know full well the measure of support of the American people for their actions and, knowing that, the FBI will remain a bastion of internal security and the greatest law enforcement agency the world has known.

UNPREDICTABLE BENEFITS FROM SIGNING THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, if we cannot guarantee that certain benefits will result from the ratification of the Genocide Convention, neither can we anticipate the unforeseen benefits from ratification.

One cannot detail what will happen when the Senate ratifies the convention. It is impossible to be sure that all atrocities now being committed will stop. It is equally impossible to state with certainty that new instances of genocide will not develop.

Since we cannot predict the results from Senate ratification of the Genocide Convention, we should not rule out the possibility that there will be unforeseen benefits.

To get an impression of the sort of results which can be obtained when the United States takes a position in support of human rights, one might look at the influence that President Carter's remarks have had on certain Eastern European situations. To take just one example, Yugoslavia recently pardoned a number of prisoners as the East-West Conference on the Helsinki Agreement opened in Belgrade.

Mr. President, the benefits from the ratification of the Genocide Convention cannot be ascertained with complete certainty. Let us not use this as an excuse for failing to sign the convention.

Although the benefits to the rest of the world are matters for speculation, one result for the United States is clear: signing the Genocide Convention will place this Nation on record as an opponent of one of the worst crimes against humanity.

AMERICA'S CITIES: AN URGENT CHALLENGE TO THE NATION

Mr. McGOVERN. Mr. President, the recent massive rampage of looting and destruction which accompanied the electrical power failure in New York has reminded us again of the desperate conditions which exist in our major cities. Millions of Americans reside in urban areas marked by miserable housing, crime-ridden streets, joblessness, and a culture of drugs and alcoholism.

During the first half of this year I offered a course each Monday night at Columbia University which led me to drive from LaGuardia Airport across Harlem on 126th Street. Each week I saw the conditions of misery, despair, and insecurity that mark that area. It is unfortunately all too similar to conditions in large parts of Detroit, Newark, Los Angeles, St. Louis, and other major cities.

The truth is that we have become two nations—not "one nation indivisible with liberty and justice for all"—but one nation of affluence and freedom and another nation where millions live in misery under the tyranny of joblessness and poverty. For 30 years we have assumed that the major threat to our national security was from Moscow, or Peking, Vietnam, Korea, or Cuba. I believe that the major threat to our security for many years has been the gathering storm in our cities. If we do not now begin directing at least as much of our attention and resources to the needs of our cities as we have heretofore devoted to meeting the challenge posed by adversaries abroad, then American society will decline and perhaps collapse.

We need to move now to engage the jobless of our cities in rebuilding and revitalizing those vital centers of our commerce and our culture. No American in village or farm or suburb can rest easy so long as the urban cauldron continues to boil.

The best statement of the urban challenge that I have seen in recent days is the lead editorial in yesterday's New York Times. I ask unanimous consent that this superb, courageous editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 19, 1977]

WHAT NEW YORK CAN DO FOR MR. CARTER

With misleading solemnity and precision, President Carter made a place for himself in the news of the New York blackout by demanding a full report from the Federal Power Commission—in exactly two weeks' time. (Nine days remain to deadline.) But that was a press-agent President at work or, at best, a White House that takes too seriously its press clippings about the President's talent as an engineer.

What New York can finally do for Mr. Carter is to broaden his sense of the national defense and Presidential duty. A President does not worry about generator nuts and bolts when the social fabric of the nation's largest city is exposed as inflammable. A President cannot confine himself to tension in Korea or negotiation with Israel when life's losers are rampaging in the streets of America, spreading blight and the disease of racism. Nor does he need yet another commission to discover that half the black and Hispanic youths in his major cities are out of work and out of hope and out of mainstream America.

The President prides himself on his knowledge of poverty in the rural South. But he need no longer pretend, as in his campaign, that this equips him to understand the culture of desperation that makes urban centers unlivable. A President who knows what he does not know about urban America would seize on such dramatic opportunities as the New York looting to inform himself and to rouse a nation. He would meet with looters and their victims and find a way to convey their nightmares to the rest of the land. And he would find ways to lead the nation to take up the burdens that it has unintentionally dumped upon New York and Newark, Detroit, St. Louis and Los Angeles. He would seek ways to have the Federal Government assume responsibility for more of the poorhouse costs that weigh upon these cities. He would struggle urgently to create the proposed national youth service corps and also programs for massive neighborhood rehabilitation, vocational training and job-placement services. (And as James Weighart observed in yesterday's Daily News, a President seeking to keep in touch with the American people would do better one week after the blackout to visit Brooklyn than the home of a fertilizer manufacturer in Yazoo City, Miss.)

Understandably, this was the year in which President Carter intended to sacrifice almost everything else for the design and adoption of a sound national energy policy. When he heard about a power failure, it was his energy program that he thought of first. So much depends on it, that the program rightly claims his highest priority. But a President so shrewd at recognizing political opportunity, and so in need of a memorable social program as well, might also seize upon the New York experience to ask whether welfare reform must really wait four years more, to ask whether job-creation and city rebuilding must really remain in the category of primitive and experimental Federal programs.

A lack of money can be a pretext for inaction but not a reason. The causes that Americans embrace in common can be afforded and enacted, whether they are called national security or unemployment insurance. The need in our cities is for both defense of the society and insurance against the unemployable underclass. That is not a noble way of defining our most urgent human problem, but anything would do for a President who cares to learn and then sets out to teach us to care.

It has been estimated that a National Youth Service Corps to enlist the energies of the idle in social reconstruction and personal rehabilitation might cost $15 billion. The large-scale Federal assumption of more welfare costs might cost $5 billion. Call these figures conservative. Imagine an effort that might cost $30 billion. What price millions of our fellow citizens properly motivated, educated and relocated in jobs? What price conquest of a social disease? What price habitable cities, with hundreds of billions of dollars worth of housing and transit already in existence, that law abiding citizens can find fit places for raising children? The

last President's fear of the swine flu cost the Treasury a quarter of a billion dollars and produced damage claims close to a billion. Another recent President's payoff to a single lobby of milk producers cost consumers nearly one billion dollars. The direct cost of the damage done in one night in New York last week is estimated at a billion, and a billion more each year in lost commerce and opportunity and taxes is inevitable if the damage to morale and property is not soon repaired.

But the issue is not what Mr. Carter can do for New York. The crisis exposed so devastatingly in our home city is not a special product of New York mismanagement or fiscal legerdemain. It points up a national danger that threatens dozens of communities, millions of homes and livelihoods. It points to a people waiting to be led.

KINCHELOE AIR FORCE BASE CLOSING AND DEFENSE ECONOMIC DEVELOPMENT AND RECOVERY ACT

Mr. RIEGLE. Mr. President, I have long believed that the Federal Government has a clear moral responsibility to help the people who suffer severe social and economic dislocation caused by the closures of major military installations such as Kincheloe Air Force Base in my home State of Michigan. Senator GRIFFIN and I are today jointly introducing the Defense Economic Development and Recovery Act which is designed to assist communities that have lost major military bases. This bill was developed in consultation with the Office of Economic Adjustment and is designed to assist President Carter in his effort to strengthen the role of the Office of Economic Adjustment in assisting communities that have lost major military bases.

In short, this legislation would:

First. Set aside 10 percent of the estimated 10-year savings achieved by the closure of a major military installation for those communities directly impacted by the closures.

Second. Require that the money set aside be distributed in the form of grants upon the approval of community applications for projects that must provide productive jobs. In order to cut down on paperwork and administrative duplication, applications would be processed through existing agencies and departments in cooperation with the Secretary of Defense.

Third. Require annual reports on the expenditures of the grant moneys and call for updated comprehensive planning to insure local accountability.

If passed by the Congress and signed by the President this bill would implement the recommendation made by the President's Defense Manpower Commission April 1976 report:

> Economic adjustment funds should be identified as a percentage of the dollars projected for savings from base closures or other realignments, and used toward the restoration of the economic health of impacted communities.

This legislation is desperately needed to prevent the devastation that could result to Chippewa County, the area primarily affected by the closure of Kincheloe. The Department of the Air Force estimates the following impacts: The 3,811 servicemen and civilian employees at the base who will be leaving could bring about a 24-percent population loss in the impacted area; there will be a 21-percent loss of school age population; a 13-percent drop in retail sales is expected; payroll in the surrounding region will be cut by 22 percent; the housing market will experience depression levels, specifically a 14-percent vacancy rate; most staggering of all, the Air Force projects an overall unemployment rate of 43.4 percent in the impacted area.

As several of my colleagues know all too well, other communities around the country are undergoing similar, although less severe, devastation from base closings this year and the Defense Department is looking ahead to another round of base closures in the next few years.

While the Defense Department's Office of Economic Transition is well intentioned, it lacks the requisite resources and stature to make the kind of contribution needed in Chippewa County and other similarly affected areas around the country. However, this is not simply a matter of economics. If the Federal Government continues to coldly ignore the impact these base closing have on the respective communities, then the broad public support for other defense programs will diminish. None of us wish to see that happen.

Again, I believe it is the Government's responsibility to see that areas that have opened their communities to provide local support for military bases receive similar support from the Federal Government necessary to adjust to the dislocation which base closures can cause.

Mr. Chairman, I urge my colleagues to give this legislation prompt and careful consideration.

HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS CONFERENCE REPORT

Mr. BENTSEN. Mr. President, I simply want to make some legislative history here with regard to amendment No. 20 of the conference report, entitled "Health and Ecological Effect Program." The distinguished chairman knows of my interest in this section, for I have corresponded with him about it and also talked to him personally. On the House floor, when the additional $10 million was added for this section, the dialog between Congressmen BROWN, ECKHARDT, KRUEGER, and GAMMAGE made it plain that it was the intent of Congress that some of the funds appropriated here would be expended on an air quality study of the Texas Gulf coast area, a project which is authorized presently in the Senate version of the EPA R. & D. authorization bill.

The Gulf coast study is vitally important to the people of my State, who are not at all convinced that the EPA strategy to get oxidant levels down is the proper course to pursue in that area. EPA has concentrated on hydrocarbon reduction, yet the figures indicate that problems may exist along the Gulf coast which make that approach financially and ecologically unsound. We believe we have special problems with liquid and solid aerosols, with topographic and climatological conditions, and with a heavy petrochemical complex. These may call for alternate strategies rather than the present inflexible EPA tradeoff policy. This study should have nationwide importance, for it is necessary that whatever we do to reduce oxidant levels proceed from a sound data base; if it does not, we will be spending hundreds of millions of dollars on faulty cleanup strategies.

It is my understanding that a portion of the funds provided in this section of this appropriation bill shall be used to start up the study of the gulf coast area. We have made it clear in previous floor dialog that we do not believe EPA should conduct that study alone, but that it should involve environmental experts at the National Institutes of Health and from outside organizations in the region which are presently working on the problem. One important participant will be the Houston Chamber of Commerce, which is already spending more than $1 million on its own exploration of the problem.

Is it the understanding of the distinguished chairman that the Texas gulf coast study should be one of the projects to share in the $6 million that was added to the Senate bill in the conference committee?

Mr. PROXMIRE. I have received correspondence from Senator BENTSEN on this matter and I am aware of the legislative history made on the House floor. I am in accord with his interpretation that the Texas gulf coast study should share in these additional funds. The entire question of oxidant control, particularly in his region of the country, tied up the Environment and Public Works Committee for several weeks. I believe EPA should address this issue promptly with a portion of the additional funds we have provided in amendment 20.

FIVE-POINT PLAN FOR TAX SIMPLIFICATION AND REFORM

Mr. PERCY. Mr. President, George E. Barnes, a senior partner of Wayne Hummer and Co. and formerly chairman of the Midwest Stock Exchange, has worked during most of his distinguished career for a sound and sensible Federal income tax system. His first of several successful proposals to Congress—to gear salary and wage withholdings closely to tax liability—was made in 1943. Today, he states that—

> It is now imperative that our income tax laws be simplified as well as made more productive as the principal revenue source of the country.

As part of his commitment to the fulfillment of that need he has presented a five-point tax reform proposal to President Carter and to the House Ways and Means Committee.

In summary, Mr. Barnes' proposal calls for:

First. Simplification of the tax code.

Second. Taxation of earned and unearned income on the same basis.

Third. A gradual elimination of the double taxation on dividends.

Fourth. Increase capital investment by improving incentives and plugging loopholes.

Fifth. Replacement of the estate tax on capital gains with a uniform tax for all capital transfers.

Mr. President, Mr. Barnes' recommendations are well worth the thoughtful consideration of all Members of the Senate and I commend them to the attention of my colleagues.

I ask unanimous consent that the full text of the recommendations be printed in the RECORD.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

TEXT OF RECOMMENDATIONS

To the Members of the House Ways and Means Committee: Submitted herewith, for your consideration, is a tax reform plan to accomplish the following:

1. Simplify the Federal Income Tax Code to enable taxpayers to prepare their own tax returns again, by shortening the tax tables and raising the personal exemption to eliminate miscellaneous deductions from income.

2. Tax unearned income on the same basis as earned income in all brackets to eliminate discrimination, as well as fully repeal World War II tax on excess incomes.

3. Reduce gradually the double taxation impact on corporate income and make preferred dividends paid by corporations deductible by them for tax purposes the same as interest.

4. Stimulate the economy, and increase government revenues substantially by adopting a realistic capital gains tax that will encourage capital investments, plug present tax loopholes and reverse the trend of creating giant industrial monopolies.

5. Repeal the burdensome provisions of the 1976 Tax Reform Act which unfairly discriminate against estates and beneficiaries on all forms of property other than marketable stocks and bonds.

Reform of our Federal Tax Code is mandatory as a realistic way to help stimulate our economy and encourage maximum employment. Prompt reforms that are proposed herein will increase government revenue, decrease the cost of tax administration, and hopefully begin to reduce the National Debt.

The 1976 Tax Reform Act did not simplify, but instead, it has highly complicated tax preparation of tax returns. Personally, I have been helping friends and neighbors prepare their income tax returns for more than 50 years. Now, I find myself in the position where I cannot even prepare my own return without securing professional counsel. This has alerted me to the fact that different professional counsel cannot agree on interpretation of many provisions of the 1976 Act. I have concern also because I know of instances where the very health of people has been adversely affected by the additional burdens and complexities of the Act.

The provisions of the 1976 code discriminate for the first time against all capital investments other than listed securities. Land, buildings, private corporations and other forms of property require different treatment of capital gains, upon subsequent sales by executors and beneficiaries. These complexities which now burden the taxpayer will increase an already overburdened IRS. Thousands of government agents will have to be hired to examine the new complexities, extensive records will have to be established, and more taxes levied to support a larger IRS personnel. It is hard to believe such complex, unfair, burdensome and expensive legislation would have been adopted by Congress. One might say the 1976 Tax Reform Act may prove to be a blessing in disguise by making the country realize that a comprehensive overhaul of our Taxing System is truly necessary.

Following is submitted a tax proposal to simplify, and make constructive changes in the Federal Tax System:

1. SIMPLIFICATION OF THE FEDERAL INCOME TAX CODE

It is highly important to simplify and shorten Form 1040 to enable taxpayers to prepare their own returns again. If small deductions, miscellaneous credits, preference items of income, and the capital loss deduction from ordinary income are eliminated, this can be accomplished and government administrative costs greatly reduced as well. As one small example of waste, instruction forms accompanying Form 1040 now use a half page for state gasoline tax tables for use of taxpayers who keep no records of this tax. The elimination of this item alone would save Uncle Sam tons of paper and ink. Also, it is needless to spend millions and millions year after year reprinting and mailing yearly dated tax forms to taxpayers, when they could be made available at local post offices. Taxpayers would merely fill in the tax year. In the following plan, changes to higher revenue needs would not require new forms and new tax tables, because taxpayers could compute their tax liability in the regular way, and simply add whatever percentage increase would be approved by Congress. Conversely, if taxes are to be cut, a similar computation would apply. Either way, errors and costly paperwork would be reduced to a minimum and savings to both government and taxpayers would be colossal.

To accomplish this simplification, without loss of revenue, it is proposed that the personal exemption be increased from $750 to $1000 and the complicated determinations of alternate tax credits on Form #1040 lines 17A and 17B should be eliminated as well as the additionally following miscellaneous deductions:

1. State and local gasoline taxes on use of pleasure cars.

2. Sales taxes on personal items.

3. Present 1% exclusion on drugs and medicine and 3% exclusion on other medical items.

Your committee is urged to have the Treasury Department make some early studies on further simplification as follows:

1. Adoption of two rate tables in place of four to reduce disparities.

2. Elimination of three pages of tables showing tax on income of less than $20,000.

There is no reason for a single person, widow or widower, without dependents to pay 32% more than a married person in the $8,000 income bracket, 27% more in the $20,000 income bracket, and 11% more in the $200,000 bracket. Rates should be uniform for all taxpayers with fixed allowances for marital status, dependents and so forth. It would be much simpler, for example, to give a married person a uniform percentage reduction in the total tax liability.

By eliminating the full page tables on pages 24, 25 and 26, it would be much simpler at the beginning of the standard table on page 27, to add two or three lines. These expanded tables for 1976 have already resulted in countless errors in taking the tax from the wrong column. Moreover, tons and tons of paper and ink would be saved by Uncle Sam in eliminating these lengthly tables as well as the other proposals suggested herein to shorten the form.

2. TAX UNEARNED INCOME ON THE SAME BASIS AS EARNED INCOME IN ALL BRACKETS AND FULLY REPEAL WORLD WAR II TAX ON EXCESS INCOMES

Our tax code presently discriminates against unearned income. The top bracket rate is 70% on unearned income compared to a top rate of 50% on earned resulting in a percentage increase of 40% in tax. When this high bracket rate is added to the rate of taxpayers home State tax, the result is "confiscation", not fair and equitable taxation.

It is proposed that we return again to the same rate structure on all classes of income, to remove this disparity by placing a 50% ceiling on all income and to gradually lower the top bracket rate 2% each year for the next 5 years to 40%. Please believe this proposal will actually increase government revenues, as well as stimulate our economy. Higher rates are not productive for the reason that taxpayers seek tax-free or tax-deferred sources when the penalty is too great. For example, it is simply not equitable to tax income considered unearned, such as rentals, dividends and interest in a bracket substantially higher than the top income of executives, doctors, stockbrokers and lawyers whose income is considered earned.

Furthermore, it is unrealistic to think that capital will go fully to work with a tax penalty on income as high as 70%. Everybody loses, including Uncle Sam. Such high bracket rates are a carryover from World War II taxes on excess incomes which have never been fully repealed, except for corporations. Taxpayers are willing to be subject to such confiscatory rates in time of War, but not in time of Peace.

3. REDUCE GRADUALLY THE DOUBLE TAXATION IMPACT ON CORPORATE INCOME

It is not generally realized that the first Revenue Act of 1864 recognized the principle of not double taxing corporate income. (See copy of 1867 Federal Income Tax Return attached on page 11). Please observe that individual taxpayers reported on line 9 any income of corporations not paid out in dividends, or undistributed. A few years ago, small corporations were permitted to reorganize under subchapter "S", so as to eliminate all corporate income taxes by disbursing 100% of earnings in dividends to shareholders. This is not the answer for large corporations, or small corporations either for that matter, since funds are not available for growth and replacement of plant and equipment. At present, I happen to be counselling a subchapter "S" corporation as to whether or not to go out of business, or make a substantial bank loan to replace plant equipment. As an example of the double tax on corporate earnings, today a sole owner of an incorporated business, earning $1,000,000, drawing a salary of $100,000 and receiving the balance of the income after taxes in dividends, has only 21% left over before any State income tax liability.

Moreover, Uncle Sam has recognized the principal of excluding 85% of the dividend income of corporations, since I have been preparing returns beginning with the year 1917. In fact, I recently prepared a corporate return for a family owned company with substantial corporate stockholdings which paid little or no tax for the year 1976, for the reason that the company's principal income comprised dividends which are as stated 85% nontaxable. Also, I have before me the 1976 annual report of a well-known nationwide insurance company which reported common and preferred stock investment holdings as of December 31, 1976 aggregating $85,000,000 on which the income is 85% nontaxable.

There is a discussion in high places of entirely eliminating double taxation on individual incomes of taxpayers. It should be obvious that this cannot be done in one step, because present government revenues received from corporations closely approximates that received from individual taxpayers. This would shift a very high tax burden from corporations to individuals on salaries and other forms of income.

Therefore, it is proposed that the double taxation impact be reduced by gradually lowering the corporate rate of 48% by 2% in each of the next four years to a rate of 40%.

This would also enable corporations to help keep down prices to consumers, and minimize inflated prices for goods and services.

Next, it is proposed that the present exclusion of $100 on dividends received be increased to $500 and then increased $200 each year for a period of 5 years to $1,500. This would be supplemented with an exclusion of 10% on common stock dividends received in the year 1978, 20% in 1979, 30% in 1980 and 40% in 1981. (No exclusion on preferred dividends).

Finally, it is proposed that preferred dividends paid by corporations be made deductible by them before tax figuration the same as interest. Far too many corporations are building up an unsound debt structure today, instead of increasing their capital for the reason that interest is deductible for tax purposes. These changes will be most helpful in enabling corporations to raise needed capital for sound growth and expansion of employment. The added incentive to both corporate and individual taxpayers will generate additional government revenues.

4. STIMULATE THE ECONOMY, AND INCREASE GOVERNMENT REVENUES SUBSTANTIALLY BY ADOPTING A REALISTIC CAPITAL GAINS TAX THAT WILL ENCOURAGE CAPITAL INVESTMENTS, PLUG PRESENT TAX LOOPHOLES AND REVERSE THE TREND OF CREATING GIANT INDUSTRIAL MONOPOLIES

Proposed below is a much more realistic tax on capital gains that would substantially increase government revenues, and eliminate present loopholes and complications. The present code discourages capital investment and expansion with tax rates that vary as high as 38½%. Such a high bracket rate is creating giant monoplies in all industries by making it so prohibitive to sell. As a consequence,, small companies make exchanges of shares with larger companies on a tax-free basis. Every time you pick up a newspaper, you read of small companies being absorbed through the exchange of shares with larger corporations, furthering the trend toward monoplies. On the other hand, the government is spending millions to break up monopolies that they have in many instances created. In other words, the present tax kills the goose that lays the golden egg. The law is self-defeating—taxpayers avoid large capital gain penalties by either making lifetime gifts of property, or electing to defer sales until death. In other words, the present law does not work to the advantage of the government or the taxpayer.

Therefore, to give capital the freedom to stimulate our economy, reverse the monopolistic trend, and simplify the code, these changes should be made:

A. Provide for a separate return on all capital gains and losses or calculate the tax liability itself on Schedule D and bring it forward to page 1 of Form 1040 as an addition to any tax due on ordinary income.

B. Eliminate the present distinction between long and short term holdings. Holding an asset for one day, or more than one year, does not make such an asset an ordinary income item. Dealers in securities and other forms of property would not be affected, since their income from capital gains is already considered ordinary income and subject to regular income tax rates.

C. Eliminate capital loss deductions from other income. Capital losses should never be allowed to reduce ordinary income, but only used and carried forward to apply against capital gains in future years or at death. The additional provisions under the 1976 Act to increase this item from $1,000 to $3,000 results in a tax savings of $2,100 to an individual in the top bracket, and only a nominal savings to one in the bottom bracket. This single change would provide the government with substantial additional revenues.

D. Adopt a uniform tax rate on Capital Gains (less losses) not to exceed 12½%, on all transfers of property whether by sale, gift[1] or death. This would eliminate the need of a December 31, 1976 stepped-up valuation and other complicated determinations depending upon the length of time held. Moreover, the 1976 Reform Act still allows inherited and lifetime gifts of property to escape capital gains taxes from generation to generation. Under this proposal, the capital gain tax liability is easily determined and reported on Form 1040 before totaling the tax due on income from all other sources. It is that simple. In other words, capital gain tax liabilities would be fully paid during the taxpayer's limetime or at death, with no escapement or complex carryover liability to beneficiaries.

To test this out, I took several income tax returns for prior years, applied the 12½% rate, and found, under supervised scrutiny, that government revenues were increased with few exceptions. This is understandable, because the average taxpayer establishes tax losses each year to offset any gains and defers until death any large capital gain tax on holdings with substantial gain. This plan could double or triple government revenues, and at the same time remove the present disadvantage for a taxpayer to establish gains while living. It is not generally realized that the present structure on capital gains causes the withholding of property from the market place. Adoption of this proposal will increase the flow and supply of capital, and thereby fuel the economy—without the artificial inflation of values occuring because investors refuse to sell during their lifetime to avoid present exorbitant capital gains taxes. Why not provide an annual exclusion of $1,000 to eliminate reporting of small gains and to bring the small investor back into the market place?

5. REPEAL THE UNFAIR AND BURDENSOME PROVISION OF THE 1976 TAX REFORM ACT WHICH DISCRIMINATE AGAINST ESTATES AND BENEFICIARIES

Outright repeal is proposed of the 1976 Reform Act provisions requiring valuations as of December 31, 1976 for estates and beneficiaries on all listed securities as well as the cockeyed provisions of taxing gains on an entirely different basis than other forms of property. This is discriminatory, most unfair, and possibly unconstitutional. It permits capital gains escapement from generation to generation, whereas, proposal (4) above, applies a capital gains tax at death and on lifetime gifts. As set forth previously under the December 31, 1976 valuations, taxpayers will be obliged to retain counsel for years to assist in the preparation of income and estate tax returns. The complexities are beyond description and lead to nothing but confusion and consternation even among professional counsel.

In the interest of simplification, it is proposed that the six month alternative date on Inheritance Tax valuations be abolished in order to greatly reduce the government and taxpayer administrative costs as well as speed up the settlement of estates. It is proposed that Inheritance Tax valuations be based on the last "closing price" on listed securities and "bid price" on unlisted securities, to avoid complicated determinations of "mean price" on all future valuations. It is proposed to change the "settlement date" in determining capital gains to the "sale date", the same as on capital losses. These changes alone would save both taxpayers and government millions of man hours each year with little or no loss of government revenues.

[1] Not including contributions to religions, political, charitable and educational organizations.

In conclusion, it should be stressed that the new Congress must bear the burden of bringing about true tax reform so that taxpayers can again prepare their own returns. This proposal will result in a savings in government costs and paperwork beyond imagination and offers more stimulus to our economy than a general tax reduction. It also paves a sound way for assistance in Debt Retirement and balancing of the Federal Budget.

The opportunity to meet with your Committee to discuss these proposals further would be very much appreciated. The record shows that there have been Congressional acceptance of my proposals in the past. It is my hope that I can be helpful again.

Respectfully submitted,

GEORGE E. BARNES,
Senior Partner, Wayne Hummer & Co.

MAY 17, 1977.

NEW YORK CITY—WILL THE BLACKOUT HELP US HEAR URBAN AMERICA'S CRY FOR HELP?

Mr. KENNEDY. Mr. President, the shock that all of us felt over the tragic circumstances of the blackout and the destruction that came in its wake last week in New York City is still with us. It is a shock that does not easily subside, because it lays open, in a way that none of us can ignore, the deep wounds and simmering violence that lie just beneath the surface of our major cities—not just New York City, but many other major cities in many different parts of the Nation.

I believe that the Federal Government has an obligation to do all within its power to alleviate the immediate tragedy and to ease the burden of the severe financial losses caused by the blackout and the serious wanton destruction of property that followed.

I am pleased, therefore, to know that our two distinguished Senators from New York, as well as the able members of the city's congressional delegation, are moving quickly and effectively to help mobilize the available Federal resources to meet the urgent need and to provide aid to the countless innocent victims of the crisis. I am confident that both Congress and the executive branch in Washington stand ready to do whatever may be necessary to make such assistance available as promptly as possible.

But we cannot wash our hands of the problems by returning to business as usual after the cleanup and the repair work have been completed. A bandaid is not enough. A short-run solution is not enough this time.

We also have to become much more concerned than we have been before about the long-term future of our cities. It is fair to say that if we have had a national urban policy in recent years, it has been imperceptible to those of us in Congress who care about the cities. For too long, we have followed a piecemeal approach that has been seriously inadequate at best and culpably negligent at worst.

The cities and their people need jobs. They need housing. They need transportation. They need better schools and decent health care. They need all the other things that can make a difference in this rich country between progress

and retreat, between hope and despair, between peace and war.

I believe that the Federal Government has a much more active role to play in developing and coordinating a comprehensive all-fronts approach to the long neglected needs of urban America. Our priorities are wrong if we think we can ignore the problem, or cut the corners of the budget in ways that harm the cities.

It is not enough to have an economic plan, a welfare plan, an energy plan, a tax plan, or a national health insurance plan. We need all these, but we also need an urban plan, a plan for the cities, a plan capable of answering in a realistic way the cry we heard last week from the heart of our Nation's largest city.

So I hope that both Congress and the administration will commit themselves to a much greater effort than we have been willing to make before to deal with our worsening urban crisis. The handwriting is on the wall, and we ignore it at our peril.

Mr. President, in recent days, few have written more eloquently about this problem and about our abdication of urban responsibility than Pete Hamill of the New York Daily News. I believe his comments will be of interest to all of us concerned about the cities and I ask unanimous consent that his columns of today and last Monday may be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Daily News, July 18, 1977]

FIVE SOLID WAYS THAT JIMMY CARTER CAN HELP OUR CITY

(By Pete Hamill)

There is nothing left now but rubble and hope. More than property was ruined on the battlegrounds of Bushwick and Flatbush, Jamaica, Bed-Stuy, Harlem and the Bronx. Some illusions were destroyed, too. One illusion was that you could forever have one million human beings on welfare, and another 250,000 unemployed, and expect them to remain docile. Another was that you could treat such human beings with a policy of benign neglect and never reap the whirlwind.

And so the whirlwind arrived, and only the extraordinary discipline of the New York Police Department prevented widespread killing. More than 300 cops were injured on the Night of the Great Darkness, but they made more than 3,700 arrests, and did not have to fill the graveyards to do it. If a similar outbreak of looting and violence had taken place in a city like Los Angeles, where the grim legions of Police Chief Ed Davis would have out to do battle, they would still be counting the corpses. In New York, life still takes precedence over property.

It was also clear to anyone who moved around the city on Wednesday night that this was a riot against property, not against people. White civilians moved freely among blacks and Latinos without being attacked. Black, white and Latino businessmen were equally victimized. And in some cases, whites joined the looting. If there was ever any doubt that it is class that divides us, not color, Wednesday night should have provided the proof. In almost all cases, the goals of the looters were the same: They were taking those material things that they could not buy, and they destroyed what they could not take.

For a decade—since the heady days of the War on Poverty that was declared, but never fought—poor people have seen these material things sold on television. The purpose of television commercials is to make people want things enough to buy them. They never suggest that the items are junk or that even having all of them at once is no guarantee of happiness. Television commercials do not include cautions about morality or justice. They are as single-minded as hookers: First they get you to want the goods, and then they get you to buy.

But in most cases, poor people cannot buy. Welfare provides bare necessities: food, shelter, clothing. There is no margin in a welfare budget for air conditioners, remote-control TV sets, dishwashers, or cars. But the barrage of commercials are still being worked on poor people who feel, think and desire. Their hopes and desires are precisely the same as those of the middle class, and they are subject to the same commercial manipulation. There should have been no surprise that people would pile into a store under cover of darkness to take those things they had been instructed for so long to want.

This is not to excuse the terrible things that happened last Wednesday night, but to attempt to explain them. Hopefully, Jimmy Carter has begun to understand that all of his concerns about weapons systems, all his declarations on behalf of human rights, all his pleas for national morality mean nothing if he does not deal with the poor of this country. Wednesday night cost New York more than $1 billion. If the federal government had invested $1 billion in the creation of factories, some of that looting might never have happened.

Through every report of the dark night, the word "jobs" ran like a counterpoint to the main story. In the ghettos, unemployment among young people stands officially at 40%, and unofficially at 65%. That is outrageous. No society can contain that many idle people without risking self-destruction. Carter can look the other way, dismiss Wednesday's outbreak as an aberration in a city that itself is an aberration. Or he can move swiftly and decisively. Obviously, New Yorkers hope he will move.

Among other things, Carter can:

Order the Army in from Fort Dix and other Eastern bases and put them to work cleaning up the rubble-strewn slums. If New York was in China or France or Mexico, the blackout disaster would be recognized as a real responsibility of the central government. America's huge standing Army is doing absolutely nothing these days, aside from marching around drill fields and shining shoes. Let them leave their weapons home and come to this city with shovels and bulldozers and paint brushes and tools. Let them clean away the rubble and paint the buildings, let them go into the backyards and clean out the rotting garbage. Put them to work fixing boilers, broken plaster, smashed windows. Since New York helps to pay the salaries of these soldiers, New York should have the benefit of their labor in this emergency.

Ask Congress for immediate authorization to create 200,000 goods-producing jobs to be located in New York. Not make-work jobs, shoveling sidewalks or cutting grass. The Army can do that work. But bulding factories that employ New Yorkers in the creation of material goods that can be sold to other people. The government can do this in partnership with private enterprise. Tax breaks can be provided to make those goods competitive in the market place; what is lost in business taxes would be gained many times over in individual incomes taxes from people who would leave welfare. People who work pay taxes; people on welfare do not.

Tell the governments of Japan, Hong Kong, Formosa and South Korea that the honeymoon is over. If they want to continue selling goods in New York and other American cities, then they will have to build plants in those cities. We cannot continue losing jobs to other countries, particularly countries that we subsidize. A leader's first responsibility is to his own people. Imagine how de Gaulle would have reacted if Wednesday night's disaster had occurred in Paris. Jimmy Carter must consider the people of the South Bronx, Bushwick, Bed-Stuy and Harlem before he considers the feelings of foreign governments. It will do him no good to have relations with Japan, if New York isn't there any more.

Retrieve the Defense Department budget and chop big holes in it. Carter's decision on the B–1 was fine. But the defense budget still eats up an inordinate amount of this nation's taxes. We are not currently at war with anyone. We have no wars down the road that could possibly justify the disgusting amounts now being spent on armaments. We all know there can be no war with the Russians in the immediate future, because we would only destroy each other. A hunk of that defense money could be used to create a social-industrial complex. Put missile designers to work designing subway systems. Get all those generals to work building factories, instead of planning new forms of destruction. In short, use a hunk of that defense money on the needs of people, not the needs of a military bureaucracy in the Pentagon.

Go on television and make a speech that reminds the rest of America that New York has given them many things for many years, and that now the country will have to start giving something back.

New York has given America money, uncountable billions of dollars in taxes, that built highway systems all over the West, created space centers in Texas and Florida, paid subsidies to farmers, financed wars and research for wars. But more than money, New York gave America literature and art. It provided music for millions. It staffed America's hospitals with doctors educated in our free City University. New York gave birth to the movies. It gave America its greatest comedians. It trained America's finest actors. It nurtured America's greatest playwrights. It allowed America's finest dancers to shine. New York financed and built much of America's railroad system. In the years when nobody cared about such things, New Yorkers built America's first museums and libraries, and constructed a great public school system, and in doing so, this city benefitted all of America.

Carter could tell America about New York again: Remind the Americans that every kid saved from polio in the past two decades was saved by the discoveries of a New Yorker named Jonas Salk, who was educated by New York tax dollars. Remind them that New York took in wave after wave of the poor of Europe, gave them places to live, gave them jobs, and gave their children the freedom to leave, to go out into all the states of the nation, with skills acquired in New York, to help build a nation.

And he should remind them that even now, New York is doing for America what many American states will not do for themselves. We are housing America's poor. Not all of them. But far more than our share, we have tried to absorb the poor of the American South, the poor of Puerto Rico: People displaced by automation or bigotry. New York did not make them poor. They arrived in New York poor, at the very moment when our factories were moving to the Sun Belt, the Far East or South America.

If he told America those things, Carter would then have to add that it is time for America to do something for New York. This city is hurting. Its ghettos are burning. Its

poor fill the jails. Its streets are packed with idle people. This is a city that is getting rid of cops, firemen and teachers in a time when they are needed more than ever. This is a city that needs help.

NO HANDOUT, JUST JUSTICE

But this city does not want a handout. All it wants is simple justice. For most of this century, we gave. Now we need. The country that we helped make prosperous must respond, or be exposed to the world as a nation whose basic emotion is selfish indifference. And effective attack on our core problems will not be simple, and Carter and the Congress cannot take halfway measures. It was the halfway measures of the War on Poverty—helping a few people, widening the gap with others—that has led us to the perilous edge.

"The fellowship of suffering," said poet W. H. Auden, "lasts only so long as none of the sufferers can escape. Open a door through which many but probably not all can escape one at a time, and the neighborly community may disintegrate . . ."

We can't do it a little at a time. We can't be conned by the gradualists. We have to do it all at once. Create 200,000 jobs in New York and you eliminate welfare entirely, because each job will take three or four people off the dole. Those people can clear the land, build the factories, and then work in factories they have built. They will thus become people who pay taxes. They will make things that bring in money. And they will then become people who buy things, instead of taking them. The neopessimists will tell you it cannot be done. I don't believe it. I think it can be done, if the will is there, and the time to start is now.

[From the New York Daily News, July 20, 1977]

A FIRE GROWS IN BROOKLYN

(By Pete Hamill)

Suddenly the whole world was burning.

The fire rose tentatively from the basement of the old knitting mill at Knickerbocker Ave. and Bleecker St. in Bushwick, Brooklyn, reaching out, licking at the walls and the rubbish and the mounds of soggy textiles.

Firemen started to arrive out on the street. Then the fire climbed out of the cellar, full of defiance and rage, eating wood, twisting beams, roaring up through five stories, and then the windows blew out, and the building across the street was on fire, and more firemen came.

Now the heat in the city had reached 100 degrees, and this fire seemed to be reaching for the sun; trying to connect, to make a great fire storm, to revive Dresden, and the smoke belched out like a signal of power, and then the buildings behind the factory on Menahan St. were on fire, and the buildings across Knickerbocker Ave. were on fire, and the buildings down Bleecker St. were on fire and still the firemen came.

They kept coming across the afternoon: three alarms, then five alarms, and then a full-borough alarm, which is the equivalent of 10 alarms. There were 60 pieces of equipment here before they were finished, and 300 men, and still the fire raged. The smoke rose in a wild black plume, scattering across the sky, visible for miles. The house next to the factory swelled up, and then burst, spilling out onto the street, burying a red Dodge. Walls of brick fell to Knickerbocker Ave., crushing a parked gypsy cab, crushing nine other cars. Sirens tore through the afternoon. Police sealed off the streets. Children screamed in fear or excitement, running through the rivers of water. The few men who had jobs came rushing down from the Myrtle Ave. subway to see what could be saved. Firemen fell in the baking heat, and others came behind them, doing a job nobody else in this city knows how to do.

"I was asleep in my bed, takin' a nap 'cause it was so hot," said a small, thin girl named Tiny Lopez, 17, who was staying with friends in the first floor left at 224 Bleecker St. "The smoke woke me up, and I jumped outta bed.

"I pulled on my clothes and ran out, and all the fire engines were starting to come and there was a lot of noise. Then the house over there, 220, it was empty, it jus' fell. It came out, all the wood broke, and it came out, and it hurt the firemen, right over there."

Tiny Lopez was talking from the stoop in front of 224. It was night now, and down at the corner, behind the barricades, there were two giant cherry pickers and the firemen were still pouring water into the knitting factory, and into Marion Manor, a large brick structure across the street, where the local branch of the Bund had held meetings in the '30s, and which now was used for dances and bingo. A bank of powerful searchlights played against the roofless factory and still the fire smoldered and smoked, alive down below street level, under the fallen roof.

"It's the junkies," Tiny Lopez was saying. "The junkies come and they light their spoon, you know, where they have the dope, and then they drop the matches, and the fires start."

"Some of them set them for fun," said her friend, Ruben Perez, 18, who was helping guard her belongings until relatives arrived with a car from New Jersey. "They run around, with nothin' to do, man, kids 13, 14 years old, and they think settin' fires is fun. Crazy kids. And all these empty buildings are everywhere, all over, and the city don't come around and knock them down. So these kids and the damned junkies, they do, and we end up with this."

Perez looked around this corner of the midnight city: The searchlights blazing, the water coming in a steady, powerful stream, a few firemen off to the side smoking cigarets, the men from Con Edison working their way into the tunnels beneath the street to shut off the electricity. In front of him were the belongings of Tiny Lopez and the people she was staying with: a bowl of plastic flowers, some Spanish magazines, knick-knacks, a boxed Sure Shot Hockey Game. On the sidewalk was a ruined mattress.

"No use livin' in Bleeker any more," Perez said. "It's like all over. Everything's burning out. The whole place. It's like the Sou' Bronx, man. No use livin' here any more."

I walked down to Wilson Ave. with a young man named Angel Santiago. People were out on the stoops looking at the fire, listening to radios, drinking soda and beer. It was after midnight now, kids were running in the wet streets, A guy sat with a girl on a stoop, picking at a guitar. But Wilson Ave. smelled of death. One side of the street had been burned out six months ago, its windows looking like a hundred blinded eyes.

"It's all goin', man," Santiago said. "This is bad tonight, but things are gonna get badder."

At the end of Menahan St. you could see the glow of the searchlights, and realized what this resembled: It was the Blitz again, and we were in London in 1940, except that there was no Luftwaffe, and Ed Murrow was not broadcasting from the roof of the BBC, and nobody in Washington was listening.

"We complained and complained around here, about these buildings and the fires," said Santiago. "But nothing happened. Nothing ever happens, man."

Nothing happens in Bushwick, except death. The President of the United States was off seeing farmers, and the United States senators were talking about statesmen and laetrile and a lot of other matters. But in Bushwick, 85% perrcent of the adults were unemployed, out of a total population of 225,000 (more than the entire city of Des Moines, Iowa.) More than 40% of the people in Bushwick were on welfare. There are 3,000 students in Bushwick High School, which was designed for 2,000, and they are dropping out at the rate of 400 a year. This is in a place that started out as a Dutch village in 1660, a place where the first black citizens worked on tobacco plantations, a place that grew into a gorgeous urban hamlet full of trees and churches, when New York was a great big beautiful town.

"FIRES STARTED THREE YEARS AGO"

"The fires started three years ago," said Santiago. "And they never stopped."

At the corner, in this neighborhood that loses one building a day to fires, people stood behind police barriers in front of the storefront headquarters of the Dover Sewing Machine Corp. Across the street, you could stare through the shattered windows of the Iglesia Metodista Unida, at the long black strips of fallen beams where the roof had collapsed in the heat. Signs in Spanish offered summer Bible classes. The street was covered with hot slate that had fallen from the peaked roof. The church smoldered, abandoned by God and man.

Across Knickerbocker Ave., Miguel Landin stood in the doorway of his store, a corner bodega called Johnny's Food Center. The building upstairs was completely destroyed. Landin had a rented panel truck pulled up on the sidewalk and he and his friends were carrying out those goods that were not destroyed in the fire: canned beans, cases of beer.

"I lost everything," he said, close to tears in the cloying, smoky heat. "I don't know what to do. I saved and saved and saved, and my family helped me, and we open the store eight months ago, and now it's gone. I don't know what is going to happen now. What is going to happen?"

RED CROSS HELPS

Through the night, the Red Cross helped relocate the homeless, and the Salvation Army fed coffee to the cops and firemen. But there seemed no way to answer the man's question. What was going to happen? Probably nothing good. We would just burn down. That's all. We would burn.

By morning, scavengers had already begun to move through the abandoned buildings, stealing copper pipes, plumbing fixtures, radiators, anything that could be sold. Eleven cars lay squashed under piles of Brockway brick. Young people helped empty the basement of the Methodist church, stacking religious books on top of chairs and desks. In the backyard of one of the burned-out houses, you could see the scorched frame of a child's swing, moving gently in the breeze.

On the corner of Bleecker and Knickerbocker, a cop stood under a One-Way sign whose white paint had been scorched yellow. Behind him, the entire building above the Ruth and Sam Book Shop had caved in, as if some ferocious giant had stomped through the neighborhood on his way to Manhattan. A blackened bathtub lay in the rubble. A stove was upside down, its white ceramic burned black.

WATER DRIPS FROM PIPES

A man from Brooklyn Union Gas chopped at the gutter with a jackhammer and, behind him, water dripped from the pipes of a third-floor bathroom, falling steadily into the rubble of what had once been the homes of human beings.

Across from the bookstore, there was a small triangular park. Behind its picket fence, a statue of a bareheaded enlisted man stood with a rifle. His helmet was beside him, cast forever in bronze. At the base of the statue were the following words

To the Memory
of the Bushwick-Ridgewood
Boys who Served in the
World War, 1917–1918

There were three floral wreaths beside the statue. The soldier, the tip of his bayonet

broken off, stared out at the ruins of the country he had fought for; a country called Bushwick, with church steeples among the trees, a place where you hoped you could live and marry and raise children and die, all in the proper time.

But that country, Little Old New York, the country where George M. Cohan wrote the war songs, was gone forever. The soldier stood in his little park, with everything before him reduced to rubble, the Salvation Army cups lying at his feet in the sour grass. If he had been given eyes, you could not have blamed him if he thought he had lost the war.

GEN. CASIMIR PULASKI

Mr. PERCY. Mr. President, it is a source of justifiable pride to American Polonia that two of the great men of American history, Casimir Pulaski and Thaddeus Kosciuszko, were of Polish birth. I am reminded of this by the fact that July 23 will mark the 200th anniversary of Casimir Pulaski's arrival in America. It is a date to be remembered not only by Polish Americans, but by all Americans who cherish their Nation's history.

Both Pulaski and Kosciuszko performed brilliantly in the American revolution and their memories have been much honored. As early as 1825, for example, General Lafayette laid the cornerstone for the Pulaski monument in Savannah. It was off Savannah on an American ship that General Pulaski lost his life during a gallant attack on British forces.

To insure that the bicentennial of Casimir Pulaski's arrival in America is appropriately celebrated, Aloysius Mazewski, President of the Polish American Congress designated a group of distinguished Americans to form a Casimir Pulaski Commemorative Committee, chaired by Dr. Edward C. Rozanski of Chicago.

Others on the committee include Henry Archacki, New York; Hilary Czaplicki, Philadelphia; Henry Dende, Scranton, Pa.; Jan Krawiec, Chicago; Maria Lorys, Chicago; Tadeusz Maliszewski, Hartford; J. K. Miska, Falls Church, Va.; Evelyn Pacyna, Detroit; Gen. Joseph Pieklik, McLean, Va.; Edward Pinkowski, Philadelphia; W. J. Pisarski, Dorchester, Mass.; Dr. Walter Sikora, Chicago, Reinhold Smyczek, Old Bridge, N.J.; Joseph Wiewiora, Chicago; and Henry Wyszynski, Philadelphia.

I am confident that this splendid committee will find a public eager to commemorate the anniversary of General Pulaski's arrival in this country, just as we do here in the United States Senate this week.

NORTH CAROLINA URGES WHITE HOUSE CONFERENCE ON AGING

Mr. CHURCH. Mr. President, on May 3 I introduced a joint resolution, Senate Joint Resolution 48, calling for a White House Conference on Aging in 1981. Representative CLAUDE PEPPER introduced companion legislation in the House on the same day.

At that time I said that much progress has been made since the 1971 White House Conference on Aging. But I also had to point out that:

First. At the end of this century there may be more than 35 million persons 65 years of age or older, as compared to 22 million today.

Second. At present nearly 3.3 million older Americans have incomes below the official poverty level and another 2 million or so are barely above.

Third. The pressing need to assure adequate income is compounded by the need to improve health care and make it more readily available, to expand housing opportunities, to improve social services, and to develop a national retirement policy responsive to the needs of older persons while taking new steps to overcome age discrimination in all areas of our society.

In short, a third White House Conference on Aging is needed to assure that the momentum generated by previous White House Conferences does not falter and die.

Recently I enjoyed participating in the North Carolina Governor's Conference on Aging in Raleigh. I learned then that the General Assembly of that State has ratified a joint resolution urging the Congress to enact legislation calling for a White House Conference on Aging. I welcome their action, and I ask unanimous consent to have the text of the ratified bill printed in the RECORD.

There being no objection, the ratified bill was ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 1523

Whereas, in 1960 and again in 1971, there was held a White House Conference on aging at which substantial steps were made in assessing the needs of older people throughout the Nation and in meeting those needs;

Whereas, the fastest growing segment of the population is represented by the aging group (65 and older); and

Whereas, in order to do effective planning for their increasing numbers through the year 2000, we need a conference in 1980 or 1981 to build on the experiences of the previous two conferences so that the needs of this group will be recognized and planned for in advance; and

Whereas, North Carolina took an active role in both of the previous conferences which resulted in wide activity in the way of meetings statewide and smaller meetings throughout the State which helped to focus within the State on problems and needs of the over half million North Carolinians 65 and over; and

Whereas, it will benefit the State of North Carolina to have this national focus because it will mean an increased focus generally;

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. That the General Assembly of North Carolina does hereby urge Congress to enact enabling legislation looking toward the planning and financing of a White House Conference on Aging in 1980 or 1981.

SEC. 2. That a certified copy of this resolution be sent by the Secretary of State to United States Senator Frank Church and United States Representative Claude Pepper.

SEC. 3. This resolution shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 1st day of July, 1977.

CHALLENGING THE ASSUMPTIONS ABOUT SURFACE TRANSPORTATION REGULATION

Mr. PERCY. Mr. President, many of those opposing regulatory reform have repeatedly claimed that the consuming public would suffer inordinate costs, in both the price and the quality of goods and services, should certain types of Government regulation be relaxed. While there is a clear and compelling need for Government intervention in some areas, in others, regulation has either outlived its usefulness or strayed far from its original intent. Frequently, it has proved more of a burden than a benefit, to both producer and consumer.

These concerns have prompted myself, Majority Leader BYRD, Senator RIBICOFF, and 41 of our colleagues in the Senate to sponsor the Regulatory Reform Act of 1977. This measure evolves from the belief that we must identify those instances in which the costs of regulation have begun to outweigh the benefits and must move to make the legislative changes necessary to correct these imbalances. A unique feature of this bill is that it would require the President and Congress to clearly define and analyze our long-unexamined asumptions about the nature of and need for Federal regulation of industry and commerce. If enacted, it would compel the executive and legislative branches to subject the arguments in favor of continued regulation to painstaking critical scrutiny.

A brief but significant example of the type of analysis envisioned in this bill appeared in the May 16, 1977, edition of Business Week, in an article entitled "Regulation's Phantom Benefits—ICC Style." In this piece, the author, Seymour Zucker, casts a critical eye on a cost-benefit evaluation of surface transport regulation recently released by the Interstate Commerce Commission's Bureau of Economic Analysis.

Mr. Zucker finds the study to be riddled with examples of faulty economic reasoning, internal contradictions, and bias in the selection of evidence. The authors of the study, Mr. Zucker finds, turn the accepted pattern of economic analysis on its head by assuming away the very proposition they seek to prove—that total deregulation will lead to a rise in transportation costs. In fact, the body of the report, according to this article, indicates exactly the opposite: that ICC regulation has served only to inflate the costs of road, rail, and water transportation, with no offsetting benefit to consumers.

Mr. Zucker's cogent point-by-point rebuttal of the arguments presented by the ICC in defense of its continued existence constitutes exactly the sort of approach to regulatory reform that Congress and the President should exercise on a much broader scale. His essay is thoughtful and clearly written, and I recommend it to my colleagues.

Mr. President, there have been some encouraging signs recently from the ICC, just as there have been from CAB, that the Commissions themselves recognize the need to reform the regulatory process. I will continue to report on these trends from time to time. Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REGULATION'S PHANTOM BENEFITS—ICC STYLE

The Interstate Commerce Commission relies on the 25 economists in its Bureau of Economic Analysis to provide economic evi-

dence for deciding major rate cases and setting transportation policy. But the quality of a recent cost-benefit study by the bureau—highlighted in ICC's Transport Economics, just out—raises serious questions about the adequacy of the economic advice that the ICC is getting. And by authorizing the study's release, the commission shows signs of being unable to distinguished between solid economic analysis and its tissue-thin imitations.

The study, entitled "A Cost and Benefit Evaluation of Surface Transport Regulation," is a response to the continuing assault by independent economists, who say that ICC regulation of the nation's trucks, railroads, pipelines, and waterways is costing the economy dearly in higher freight bills. Not so, say the bureau's economists, calculating that ICC regulation benefits the nation to the tune of $4.4 billion a year of which trucking regulation accounts for $4.1 billion.

Cost-benefit analysis is a technique that, in the hands of a skillful economist, can be a powerful, objective tool for determining whether a government program is in the best interests of the nation. It can subject the costs and benefits of government regulations and programs to the same kind of rigorous analysis that a business executive makes in deciding on a capital investment. But in the hands of the ICC bureau's economists, cost-benefit analysis turns into something quite different.

WRONG FROM THE PREFACE

The preface to the study states: "It was assumed that as a result of total deregulation of the surface transportation industry, rates would surely increase." Yet the call of private economists for substantial deregulation, especially in trucking, is based on their case that rates would be lower, as they already are in nonregulated agricultural trucking. The controversy over regulation hangs precisely on whether rates would fall or would rise. Instead of addressing this issue, the study, without offering any evidence, simply assumes that deregulation would mean higher freight rates.

Indeed, the body of the report indicates just the opposite. The first purported benefit under current regulation, amounting to $35 million a year, is the lower cost of capital financing that trucking companies now enjoy. The study claims that the industry would have to pay higher interest rates on debt capital and have to shift from equity financing to more expensive debt financing. But if deregulation were to raise freight rates and increase the degree of monopoly as the bureau assumes, just the opposite would happen. Monopolists command very favorable rates in financial markets.

Aside from this contradiction, the study errs in claiming that a shift from equity financing to debt financing would cost the trucking industry, and presumably the public, $23 million a year. The bureau estimates the cost of debt capital at 10%, which is approximately correct, but it commits a glaring error in taking the dividend payout rate of 5% as the cost of equity capital. By this reasoning, a company that pays no dividends should have a zero cost in selling new equity.

Says Harold Bierman, of Cornell University's Graduate School of Business and coauthor of The Capital Budgeting Decision: "In a regulated industry, the best measure of the cost of equity capital is the ratio of earnings to the market price of the stock. A student using the dividend rate would get an 'F' in my course." Using the price-earnings ratio rather than the dividend rate eliminates the bureau's alleged benefit entirely.

The bureau's economists, it seems, would receive an "F" not only in corporate finance but in Economics 101 as well. If regulation enables trucking companies to borrow at more favorable rates than they would under competitive conditions, capital resources are currently being misallocated. They are being diverted from other sectors to the trucking industry. This is not necessarily a benefit to the nation.

A DISAPPEARING GAIN

Another purported benefit cited in the study is a saving of $59 million a year by small shippers and businesses in rural areas on their costs of holding inventory. These shippers and businesses are paying rates below cost, so they are able to carry smaller inventories than they would under deregulation. Without regulation of trucking, the bureau contends, service to these users would decline or rates would rise, so they would have to hold larger inventories.

But if small shipments are moving below cost, then high-volume shippers must be making up the difference. No economist worth his supply-and-demand curves would claim that the inventory savings of small shippers and rural areas are a national benefit, because they are in effect offset by higher costs to users in high-volume urban areas.

"Regulation," says the study at another point, "has acted as a brake on carrier contribution to inflation. Measurements suggest that carrier rates have generally reflected a lesser inflation trend than the economy as a whole." From 1969 to 1975, the bureau finds, inflation as measured by the wholesale price index rose 64.2%, compared with a 41% increase in truck rates. If rates had risen as much as the WPI, the study says, the truck freight bill would have been $3.7 billion higher in 1975. The study then subtracts the $500 million excess of the rail index over the WPI in that period and claims a net benefit of $3.2 billion to the nation.

However, a critique by the Council on Wage & Price Stability (COWPS) points out that if the bureau had used other measures of inflation, such as the gross national product deflator or the consumer price index, its estimated benefit would have vanished. When either of those measures is applied, the benefit from truck regulation plummets to less than $800 million, and the added cost from the rail index rises to $2.1 billion, turning a $3.2 billion benefit into a $1.3 billion cost to the nation.

Why were other inflation barometers not used, or even discussed in the ICC bureau's analysis? "I don't know—we only tried this [the WPI]," says Ernest R. Olson, the bureau's director. However, the numbers for 1976—not available when the bureau did its study—produce a different result. According to the latest estimates, the rail index last year rose 10.2% and the truck rate index 6.4%, compared with a 4.6% increase in the WPI. Thus, according to the ICC's own method, transportation regulation last year was a net cost to the economy, not a benefit.

ROARING RATES OF RETURN

As COWPS notes, the issue is not the rate of change in carrier rates but whether the rates and profits are higher than they would be under competition. The evidence indicates that they indeed are. Rates of return in the regulated trucking industry have consistently run above those in most other industries. In 1976, the top 13 truckers earned a 22% rate of return, after taxes, compared with an average of 14% for all major companies.

Perhaps even more important, by comparing rises in common carrier rates with overall inflation, the bureau betrays a lack of knowledge of basic economics. Suppose regulators did not allow rates to rise at all, while prices in the rest of the economy were skyrocketing.

Seemingly, as the bureau's economists picture it, the difference between what the rates were and what they would have been constitutes an economic benefit—and a huge one at that. But if rates should have risen under the pressure of rising trucker costs and the forces of supply and demand, then holding rates down artificially through regulation would represent a serious misallocation of resources, according to basic economic law, and regulators would have done a disservice to the nation. The Federal Power Commission, for example, has cost the nation dearly by keeping natural gas rates below the level determined by market forces and thus encouraging overuse of gas heating in homes and factories.

A. Daniel O'Neal, the new ICC chairman, has said that he wants to streamline the encrusted 90-year-old agency and place more emphasis on economic studies. If the ICC's cost-benefit study is any guide, he should be skeptical of any economic advice he gets from the bureau.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

William B. Gray, of Vermont, to be U.S. attorney for the district of Vermont for the term of 4 years, vice George W. F. Cook.

Earle B. McLaughlin, of Vermont, to be U.S. marshal for the district of Vermont for the term of 4 years, vice Christian Hensen, Jr.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, July 27, 1977, any representations or objections they may wish to present concerning the above nominations with a further statement whether it is their intention to appear at any hearing which may be scheduled.

HOUSE OF REPRESENTATIVES—*Wednesday, July 20, 1977*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord will give grace and glory; no good thing will he withhold from them that work uprightly.—Psalms 84: 11.

Eternal Father, whose love is everlasting and whose truth endures forever, lift our spirits above the clamor and confusion of the world into the calm of Thy presence. Here may we receive wisdom to make wise decisions, strength for daily duties, courage to overcome moods of discouragement, and faith to face forward fearlessly knowing Thou art with us and that we are laboring for the highest good of our beloved country.

To Thy goodness and guidance we commend our Nation. Bless the leaders of our land that by word and deed they may set good examples for our people to follow. Bless the citizens of our country that they, following sound leadership, may have faith sufficient for daily tasks and love to make them happy all their lives. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 386, nays 12, not voting 35, as follows:

[Roll No. 440]

YEAS—386

Abdnor	Clausen,	Fraser
Addabbo	Don H.	Frenzel
Akaka	Clawson, Del	Frey
Alexander	Clay	Fuqua
Allen	Cleveland	Gammage
Ammerman	Cochran	Gaydos
Anderson,	Cohen	Gibbons
Calif.	Coleman	Gilman
Anderson, Ill.	Collins, Ill.	Ginn
Andrews, N.C.	Collins, Tex.	Goldwater
Andrews,	Conable	Gonzalez
N. Dak.	Conte	Goodling
Applegate	Corcoran	Gore
Archer	Corman	Gradison
Armstrong	Cornell	Grassley
Ashbrook	Cornwell	Gudger
Ashley	Cotter	Guyer
Aspin	Crane	Hagedorn
Badham	Cunningham	Hall
Bafalis	D'Amours	Hamilton
Baldus	Daniel, Dan	Hammer-
Barnard	Daniel, R. W.	schmidt
Baucus	Danielson	Hanley
Bauman	Davis	Hannaford
Beard, R.I.	de la Garza	Hansen
Beard, Tenn.	Delaney	Harkin
Bedell	Dellums	Harris
Bellenson	Derrick	Hawkins
Benjamin	Derwinski	Hefner
Bennett	Devine	Heftel
Bevill	Dicks	Hightower
Biaggi	Dingell	Hillis
Bingham	Dodd	Holland
Blanchard	Dornan	Holt
Blouin	Downey	Holtzman
Boggs	Drinan	Horton
Boland	Duncan, Oreg.	Hubbard
Bonior	Duncan, Tenn.	Huckaby
Bonker	Early	Hughes
Bowen	Eckhardt	Hyde
Breaux	Edgar	Ichord
Breckinridge	Edwards, Ala.	Ireland
Brinkley	Edwards, Calif.	Jeffords
Brodhead	Edwards, Okla.	Jenkins
Brooks	Eilberg	Jenrette
Broomfield	Emery	Johnson, Calif.
Brown, Calif.	English	Johnson, Colo.
Brown, Ohio	Erlenborn	Jones, N.C.
Broyhill	Evans, Colo.	Jones, Okla.
Buchanan	Evans, Del.	Jones, Tenn.
Burgener	Evans, Ga.	Jordan
Burke, Calif.	Evans, Ind.	Kasten
Burke, Fla.	Fary	Kastenmeier
Burleson, Tex.	Fascell	Kazen
Burlison, Mo.	Fenwick	Kelly
Burton, John	Findley	Kemp
Burton, Phillip	Fish	Ketchum
Butler	Fisher	Keys
Byron	Fithian	Kildee
Caputo	Flood	Kostmayer
Carney	Florio	Krebs
Carr	Flowers	LaFalce
Carter	Flynt	Lagomarsino
Cavanaugh	Foley	Le Fante
Cederberg	Ford, Tenn.	Leach
Chappell	Fountain	Lederer
Chisholm	Fowler	Leggett
Lehman	Oakar	Solarz
Lent	Oberstar	Spellman
Levitas	Obey	Spence
Lloyd, Calif.	Ottinger	Staggers
Lloyd, Tenn.	Panetta	Stangeland
Long, La.	Patten	Stanton
Long, Md.	Patterson	Stark
Lott	Pattison	Steed
Lujan	Pease	Steers
Lundine	Pepper	Stockman
McClory	Perkins	Stokes
McCloskey	Pettis	Stratton
McCormack	Pickle	Studds
McDade	Pike	Stump
McDonald	Poage	Symms
McEwen	Pressler	Taylor
McFall	Preyer	Thompson
McHugh	Price	Thone
McKay	Pursell	Thornton
Madigan	Quie	Traxler
Maguire	Quillen	Treen
Mahon	Rahall	Trible
Mann	Railsback	Tsongas
Markey	Rangel	Tucker
Marks	Regula	Udall
Marlenee	Reuss	Ullman
Marriott	Rhodes	Van Deerlin
Martin	Richmond	Vander Jagt
Mattox	Rinaldo	Vanik
Mazzoli	Risenhoover	Volkmer
Meeds	Roberts	Waggonner
Metcalfe	Robinson	Walgren
Meyner	Roe	Walker
Mikulski	Rogers	Walsh
Mikva	Roncalio	Wampler
Milford	Rooney	Watkins
Miller, Calif.	Rose	Waxman
Miller, Ohio	Rosenthal	Weaver
Mineta	Rostenkowski	Weiss
Minish	Rousselot	Whalen
Mitchell, N.Y.	Roybal	White
Moakley	Rudd	Whitehurst
Moffett	Runnels	Whitley
Mollohan	Ruppe	Whitten
Montgomery	Russo	Wiggins
Moore	Ryan	Wilson, Bob
Moorhead,	Satterfield	Wilson, C. H.
Calif.	Sawyer	Wilson, Tex.
Moorhead, Pa.	Scheuer	Winn
Moss	Schroeder	Wirth
Motti	Schulze	Wolff
Murphy, Ill.	Sebelius	Wright
Murphy, N.Y.	Seiberling	Wydler
Murphy, Pa.	Sharp	Wylie
Myers, Gary	Shipley	Yates
Myers, John	Shuster	Yatron
Myers, Michael	Sikes	Young, Alaska
Natcher	Simon	Young, Fla.
Neal	Sisk	Young, Mo.
Nedzi	Skelton	Young, Tex.
Nichols	Slack	Zablocki
Nix	Smith, Iowa	Zeferetti
Nowak	Smith, Nebr.	
O'Brien	Snyder	

NAYS—12

AuCoin	Glickman	Pritchard
Brown, Mich.	Jacobs	Quayle
Coughlin	Latta	Sarasin
Forsythe	Mitchell, Md.	Steiger

NOT VOTING—35

Ambro	Ford, Mich.	McKinney
Annunzio	Gephardt	Mathis
Badillo	Giaimo	Michel
Bolling	Harrington	Murtha
Brademas	Harsha	Nolan
Burke, Mass.	Heckler	Rodino
Conyers	Hollenbeck	Santini
Dent	Howard	Skubitz
Dickinson	Kindness	St Germain
Diggs	Koch	Teague
Ertel	Krueger	Vento
Flippo	Luken	

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7556) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1978, and for other purposes," and that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 33 and 52 to the foregoing bill.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1019) entitled "An act to authorize appropriations for the fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. INOUYE, Mr. MAGNUSON, Mr. LONG, Mr. GRIFFIN, and Mr. STEVENS to be the conferees on the part of the Senate.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 697) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 697

Resolved, That ROBERT A. YOUNG, of Missouri, be, and he is hereby, elected to the Committee on Science and Technology of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR WEDNESDAY, JULY 20, 1977

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, a number of Members have inquired as to the schedule of today's business. I would like to take the opportunity of indicating that it is the intention of the leadership to call up four conference reports, as follows:

H.R. 4746, conference report on Water Resources Research and Saline Water Conversion Acts authorization, 1978;

H.R. 4975, conference report on Health Assistance Program Extension Act of 1977;

H.R. 6884, conference report on International Security Assistance Act of 1977;

H.R. 6714, conference report on International Development and Food Assistance Act of 1977.

It is my understanding that then the House will resume consideration of the Agricultural Act of 1977, H.R. 7171, at the conclusion of the conference reports or shortly after 3 o'clock, if the conference reports have not been concluded.

It is the intention of the Committee to move to rise from further consideration of the agriculture bill at 6:30 p.m. this evening.

The SPEAKER. Is it the understanding of the Chair that the Committee will be in general debate at that time?

Mr. FOLEY. The general debate has not yet been concluded. There are 2 hours of general debate. We shall begin that shortly after 3 o'clock, and then we shall proceed, following the general debate, with the reading of title I of the bill for amendment. If the conference reports are concluded earlier, we will move immediately into the consideration of the agriculture bill.

The SPEAKER. As Chairman of the Committee, the gentleman hopes to rise at 6:30?

Mr. FOLEY. Yes, Mr. Speaker.

Mr. ANDREWS of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Does the gentleman propose to carry on the farm bill on Thursday and Friday, or on Thursday and then carry over until next week?

Mr. FOLEY. It will be the decision of the leadership that we proceed with the farm bill through Thursday and Friday.

Mr. ANDREWS of North Dakota. That decision has not been made as yet?

Mr. FOLEY. That decision has not been made.

Mr. ANDREWS of North Dakota. I thank the gentleman.

PERSONAL EXPLANATION

Mr. JACOBS. Mr. Speaker, on Monday, July 18, I was granted a special order to compliment the administration for nominating the Honorable Allard K. Lowenstein as Alternate U.S. Representative for Special Political Affairs to the United Nations.

During my remarks, I included in the RECORD a statement by Mr. BRADEMAS who was out of the city.

Mr. BRADEMAS' statement was printed during the special order as if he had actually delivered it.

Therefore, I would like the record to show that Mr. BRADEMAS' statement was inserted as part of my remarks, rather than delivered.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, AND INTERNATIONAL LAW OF THE COMMITTEE ON THE JUDICIARY TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary may be permitted to sit tomorrow during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, there is a great problem about which many Members have expressed concern, and that is the difficulty, when there is major legislation on the floor, such as the Agriculture bill, of being shuttled back and forth between the House floor and important committee meetings. What is the necessity for meeting tomorrow? Why can we not just do it in the regular way of conducting business?

Mr. EILBERG. If the gentleman will yield, we are under some pressure to move along with legislation dealing with crimes by U.S. citizens abroad, crimes committed by the military. There is no U.S. jurisdiction over these people, and we have been asked by the Defense Department to get this moving. We would like to get to hearings on this.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, this will be for hearings only?

Mr. EILBERG. If the gentleman will yield, I expect so.

Mr. ROUSSELOT. Further reserving the right to object, the gentleman can assure us there will be no markup on any bill?

Mr. EILBERG. Yes.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 7589, MILITARY CONSTRUCTION APPROPRIATION ACT, 1978

Mr. McKAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7589) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. BOLAND). Is there objection to the request of the gentleman from Utah? The Chair hears none, and, without objection, appoints the following conferees: Messrs. McKAY, SIKES, MURTHA, STEED, LONG of Maryland, CHAPPELL, MAHON, McEWEN, REGULA, and CEDERBERG.

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 7932, LEGISLATIVE BRANCH APPROPRIATION ACT, 1978

Mr. SHIPLEY. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 7932) making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CONFERENCE REPORT ON H.R. 4746, WATER RESOURCES RESEARCH AND SALINE WATER CONVERSION ACTS AUTHORIZATION, 1978

Mr. MEEDS. Mr. Speaker, I call up the conference report on the bill (H.R. 4746) to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 13, 1977.)

Mr. MEEDS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. MEEDS) will be recognized for 30 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to explain to the Members the conference report on H.R. 4746 to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes. This measure passed the House on May 17, 1977, by an overwhelming rollcall vote. As passed, the measure authorized appropriation of funds for the saline water program in the amount of $11,950,000 and reinstated for 1-year an expired authorization in the amount of $10,000,000 for funding research grants under title II of the Water Resources Research Act. Thus the dollar cost of H.R. 4746, as passed by the House was $21,950,000.

The amendment of the Senate; adopted by that body on May 25, 1977, by voice vote; increased the appropriations authorization for the Water Resources Research Act above existing levels by the amount of $28,500,000 for each of the fiscal years 1978 and 1979 and authorized appropriations for saline water research and development in the amount of $35,000,000 for each of the fiscal years 1978 and 1979. Of this amount, the Senate earmarked $10 million per year for demonstration plants. The aggregate amount by which the amendment of the Senate increased existing appropriations authority totalled $63,500,000 for each of the 2 fiscal years, or an aggregate sum of $127,000,000.

The conference report, being presented today, holds the Water Resources Research Act and the saline water conversion authorizations at the level of the House version of the bill ($21,950,000). The conference report also includes the demonstration program added by the Senate amendment. The conferees agreed to provisions whereby $40,000,000 would be authorized to construct

not to exceed four demonstration plants to determine whether existing technology can be effectively and economically utilized in meeting critical water supply needs in actual operating utility circumstances.

The conferees also adopted language that requires the Secretary to present his plans to the legislative committees of the House and Senate before expenditures can be made for demonstration plants and also requires certain specified levels of cost-sharing with non-Federal interests.

Mr. Speaker, the demonstration plant program is a modest start in the direction of encouraging water utility planners to take advantage of the technology developed under the federally supported saline water conversion program. The experience to be gained through operation of these plants will be invaluable in guiding the Congress and the executive branch in orienting this program in the years ahead. We believe that saline water conversion technology can play an increasingly important role in meeting tomorrow's water supply problems, but we will not know this with certainty until we test it in the markeplace in the manner the conference report contemplates.

In summary, the conferees have brought to the House a bill which compromises the House version of $21,950,000 with the Senate version of $127,000,000 at the level of $61,950,000. We believe this is a fair and reasonable response to the differences in the two versions and recommend its adoption by the House.

SUMMARIZED COST INFORMATION ON H.R. 4746

	Amount authorized under existing law (annually on continuing basis)	House version (for fiscal year 1978)	Senate amendment (annually for fiscal year 1978 and 1979)	Conference report (for fiscal year 1978)
Payments to institutes	$13,500,000	0	$27,000,000	0
Matching grants to institutes	5,000,000	0	10,000,000	0
Title II grants	0	$10,000,000	10,000,000	$10,000,000
Saline water research and development	0	11,950,000	25,000,000	11,950,000
Demonstration plant program	0	0	10,000,000	[1] 40,000,000
Total	18,500,000	21,950,000	82,000,000 or 164,000,000	61,950,000
Adjustment to Senate amendment to account for authorizations now on the books that would be superseded by Senate amendment		[2]	18,500,000 or 37,000,000	
Comparison reflected in statement of managers		21,950,000	127,000,000	61,950,000

[1] No year.

[2] Minus.

Mr. LUJAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as one of the House managers of this conference, I want to point out that the seven managers on the part of the House and the three managers on the part of the Senate went into this conference in total agreement as to what we want to achieve in the saline water conversion program. Our differences centered only on dollar amounts and on the type of legislative vehicle that could best get the job done.

We were quite far apart in dollars. The House bill authorized a total of $21,950,000 in new authorizations. The Senate amendment called for $127,000,000. That is a difference of $105,050,000. The compromise we arrived at comes to $61,950,000. And $40 million of that is for hardware in the form of four demonstration plants. We held the line on all other authorizations exactly as had been previously approved in the House bill.

It is a good compromise and I fully support the conference report. But I want to emphasize that the major thrust of this legislation is to tell the administration, loudly and clearly, that both the House and the Senate are firmly determined to keep the saline water program going strong until we have brought the cost of desalting seawater and brackish ground water down to the point where it is economically viable for American users.

We have provided the administration with only 1-year funding authority for the saline water program—but that does not in any way indicate that we intend to limit the program to 1 year only. Quite the opposite.

This 1-year funding is intended to give the new administration time to crank up the saline water program, provide additional staffing and get the R. & D. moving again. We expect the administration to come back next year with a greatly expanded authorization request, because we know it is going to take money to achieve our goal of reasonably priced desalted water.

In our hearings, we heard from the presidents of two of the major companies engaged in desalting technology research and production. Both of them gave us firm assurances that price breakthroughs are possible. Arthur Goldstein, president of Ionics, Inc., which produces desalting plants based on electrodialysis, showed us the specific areas of R. & D. that can be advanced significantly within 2 years, given the national will and money to do so. With this bill, Congress is expressing the national will to get the job done. And we are providing a portion of the money required by industry to do the job. When they show us the results, we will not stint in providing whatever it takes to complete the job.

This Nation needs new sources of water. Desalting has proven itself as a major new source. This conference report is evidence that both the House and the Senate are firmly committed to tapping that new source and that we will not countenance any footdragging or delays in moving this program ahead at full speed.

I urge all my colleagues to give this conference report their unanimous support.

Mr. MEEDS. Mr. Speaker, I yield myself 2 additional minutes.

I might just say, in conclusion, that it was certainly the feeling of all of the conferees and I think of the majority of the members on the Committee on Interior and Insular Affairs and on the Committee on Environment and Public Works of the other body that we had not done nearly enough, particularly in the past 3 or 4 years, in the field of salt water conversion. We were prepared to authorize additional funds, but we were convinced that the administrative and technical infrastructure in the Department had been so badly eroded that it would not be able to properly spend the money.

We have communicated with them, and we want them to upgrade their staff and to get on with furthering good salt water conversion development programs.

Mr. Speaker, the fact is that we are going to be facing—we are indeed facing right now in this Nation—a very severe crisis in water. It may be the next major crisis that this Nation faces, even though we have as much water today as we had 1,000 years ago. It is different from fossil fuels. We still have as much water as we had 1,000 years ago, and we have as much right now as we will have 1,000 years from now.

What we have to do is to better manage how we utilize what water we have; and certainly, saline water conversion is one of the most promising ways in which to do that.

Mr. Speaker, I want to emphasize for the people downtown that we expect them to get going on this and to provide us with some good programs.

In fact, I will very shortly be announcing, for late September, a series of definitive oversight hearings in which the Subcommittee on Water and Power Resources will address every aspect of the water research program of the Department of the Interior. We will consider the law, the administrative set-up, the funding levels, and the research priorities. In short, we intend to make sense out of our water resources research effort.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 401, nays 1, not voting 31, as follows:

[Roll No. 441]

YEAS—401

Abdnor	Corcoran	Hammer-schmidt
Addabbo	Corman	Hanley
Akaka	Cornell	Hannaford
Alexander	Cornwell	Hansen
Allen	Cotter	Harkin
Ambro	Coughlin	Harris
Ammerman	Crane	Harsha
Anderson, Calif.	Cunningham	Hawkins
Anderson, Ill.	D'Amours	Heckler
Andrews, N.C.	Daniel, Dan	Hefner
Andrews, N. Dak.	Daniel, R. W.	Heftel
Applegate	Danielson	Hightower
Archer	Davis	Hillis
Armstrong	de la Garza	Hollenbeck
Ashbrook	Delaney	Holt
Ashley	Dellums	Holtzman
Aspin	Derrick	Horton
AuCoin	Derwinski	Hubbard
Badham	Devine	Huckaby
Bafalis	Dicks	Hughes
Baldus	Diggs	Hyde
Barnard	Dingell	Ichord
Baucus	Dodd	Ireland
Bauman	Dornan	Jacobs
Beard, R.I.	Downey	Jeffords
Beard, Tenn.	Drinan	Jenkins
Bedell	Duncan, Tenn.	Jenrette
Beilenson	Eckhardt	Johnson, Calif.
Benjamin	Edgar	Johnson, Colo.
Bennett	Edwards, Ala.	Jones, N.C.
Bevill	Edwards, Calif.	Jones, Okla.
Biaggi	Edwards, Okla.	Jones, Tenn.
Bingham	Eilberg	Jordan
Blanchard	Emery	Kasten
Blouin	English	Kastenmeier
Boggs	Erlenborn	Kazen
Boland	Evans, Colo.	Kelly
Bolling	Evans, Del.	Kemp
Bonior	Evans, Ga.	Ketchum
Bonker	Evans, Ind.	Keys
Bowen	Fary	Kildee
Breaux	Fascell	Kindness
Breckinridge	Fenwick	Kostmayer
Brinkley	Findley	Krebs
Brodhead	Fish	Krueger
Brooks	Fisher	LaFalce
Broomfield	Fithian	Lagomarsino
Brown, Calif.	Flood	Latta
Brown, Mich.	Florio	Le Fante
Brown, Ohio	Flowers	Leach
Broyhill	Flynt	Lederer
Buchanan	Foley	Lehman
Burgener	Ford, Tenn.	Lent
Burke, Calif.	Forsythe	Levitas
Burke, Fla.	Fountain	Lloyd, Calif.
Burleson, Tex.	Fowler	Lloyd, Tenn.
Burlison, Mo.	Fraser	Long, La.
Burton, Phillip	Frenzel	Long, Md.
Butler	Frey	Lott
Byron	Fuqua	Lujan
Carney	Gammage	Lundine
Carr	Gaydos	McClory
Carter	Gephardt	McCloskey
Cavanaugh	Giaimo	McCormack
Cederberg	Gibbons	McDade
Chappell	Gilman	McEwen
Clausen, Don H.	Ginn	McFall
Clay	Glickman	McHugh
Cleveland	Goldwater	McKay
Cochran	Gonzalez	Madigan
Cohen	Goodling	Maguire
Coleman	Gore	Mahon
Collins, Ill.	Gradison	Mann
Collins, Tex.	Grassley	Markey
Conable	Gudger	Marks
Conte	Guyer	Marlenee
Conyers	Hagedorn	Marriott
	Hall	Martin
	Hamilton	Mathis
Mattox	Pursell	Stark
Mazzoli	Quayle	Steed
Meeds	Quie	Steers
Metcalfe	Quillen	Steiger
Meyner	Rahall	Stockman
Mikulski	Railsback	Stokes
Mikva	Rangel	Stratton
Milford	Regula	Studds
Miller, Calif.	Reuss	Stump
Miller, Ohio	Richmond	Symms
Mineta	Rinaldo	Taylor
Minish	Risenhoover	Thompson
Mitchell, Md.	Roberts	Thone
Mitchell, N.Y.	Robinson	Thornton
Moakley	Rodino	Traxler
Moffett	Roe	Treen
Mollohan	Rogers	Trible
Montgomery	Roncalio	Tsongas
Moore	Rooney	Tucker
Moorhead, Calif.	Rose	Udall
	Rosenthal	Ullman
Moorhead, Pa.	Rostenkowski	Van Deerlin
Moss	Rousselot	Vanik
Mottl	Roybal	Vento
Murphy, Ill.	Rudd	Volkmer
Murphy, N.Y.	Runnels	Waggonner
Murphy, Pa.	Ruppe	Walgren
Myers, Gary	Russo	Walker
Myers, John	Ryan	Walsh
Myers, Michael	Santini	Wampler
Natcher	Sarasin	Watkins
Neal	Satterfield	Waxman
Nedzi	Sawyer	Weaver
Nichols	Scheuer	Weiss
Nix	Schroeder	Whalen
Nolan	Schulze	White
Nowak	Sebelius	Whitehurst
Oakar	Seiberling	Whitley
Oberstar	Sharp	Whitten
Obey	Shipley	Wiggins
Ottinger	Shuster	Wilson, Bob
Panetta	Sikes	Winn
Patten	Simon	Wirth
Patterson	Sisk	Wolff
Pattison	Skelton	Wright
Pease	Slack	Wydler
Pepper	Smith, Iowa	Wylie
Perkins	Smith, Nebr.	Yates
Pettis	Snyder	Yatron
Pickle	Solarz	Young, Alaska
Pike	Spellman	Young, Fla.
Poage	Spence	Young, Mo.
Pressler	St Germain	Young, Tex.
Preyer	Staggers	Zablocki
Price	Stangeland	Zeferetti
Pritchard	Stanton	

NAYS—1

McDonald

NOT VOTING—31

Annunzio	Early	Michel
Badillo	Ertel	Murtha
Brademas	Flippo	O'Brien
Burke, Mass.	Ford, Mich.	Rhodes
Burton, John	Harrington	Skubitz
Caputo	Holland	Teague
Chisholm	Howard	Vander Jagt
Clawson, Del	Koch	Wilson, C. H.
Dent	Leggett	Wilson, Tex.
Dickinson	Luken	
Duncan, Oreg.	McKinney	

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Luken.

Mr. Burke of Massachusetts with Mr. McKinney.

Mr. Brademas with Mr. Caputo.

Mr. Dent with Mr. Dickinson.

Mr. Howard with Mr. Vander Jagt.

Mr. Teague with Mr. Skubitz.

Mr. Murtha with Mr. O'Brien.

Mr. Harrington with Mr. Michel.

Mr. Ford of Michigan with Mr. Koch.

Ms. Chisholm with Mr. Leggett.

Mr. John Burton with Mr. Del Clawson.

Mr. Early with Mr. Flippo.

Mr. Charles H. Wilson of California with Mr. Holland.

Mr. Badillo with Mr. Duncan of Oregon.

Mr. Ertel with Mr. Charles Wilson of Texas.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 4991, NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, FISCAL YEAR 1978

Mr. FUQUA submitted the following conference report and statement on the bill (H.R. 4991) to authorize appropriations for activities of the National Science Foundation, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 504)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4991) to authorize appropriations for activities of the National Science Foundation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "National Science Foundation Authorization Act, Fiscal Year 1978".

SEC. 2. (a) There is authorized to be appropriated to the National Science Foundation $879,350,000 for the fiscal year 1978.

(b) Funds authorized under subsection (a) shall be available for the following categories:

(1) Mathematical and Physical Sciences and Engineering, $246,500,000.

(2) Astronomical, Atmospheric, Earth, and Ocean Sciences, $210,500,000.

(3) United States Antarctic Research Program, $47,475,000.

(4) Biological, Behavioral, and Social Sciences, $142,500,000.

(5) Basic Research Stability Grants, $4,500,000, or 2 per centum of the funds available for categories (1), (2), and (4) of this subsection, whichever is less.

(6) Science Education Programs, $83,300,000.

(7) Research Applied to National Needs, $75,850,000.

(8) Scientific, Technological, and International Affairs, $20,900,000.

(9) Program Development and Management, $47,825,000.

SEC. 3. (a) Notwithstanding any other provision of this or any other Act, of the total amount authorized under section 2(b)(6)—

(1) $11,900,000 shall be available for Graduate Fellowships;

(2) $1,200,000 shall be available for the program "Continuing Education for Scientists and Engineers";

(3) $3,000,000 shall be available for the program "Resource Center for Science and Engineering";

(4) $2,500,000 shall be available for the program "Minorities, Women, and the Handicapped in Science";

(5) $1,800,000 shall be available for the program "Science for Citizens";

(6) $2,600,000 shall be available for the program "Public Understanding of Science";

(7) $1,400,000 shall be available for the program "Ethics and Values in Science and Technology";

(8) $500,000 shall be available for a comprehensive assessment of science education in two-year colleges;

(9) $14,500,000 shall be available for the program "Comprehensive Assistance to Undergraduate Science Education"; and

(10) $6,000,000 shall be available for the program "Pre-College Teacher Development".

(b) Notwithstanding any other provision of this or any other Act, $4,000,000 shall be available for the program "Policy Research

and Analysis" authorized under section 2(b)(8).

(c) Of the appropriations made pursuant to section 2(b)(7), not less than 25 per centum shall be available for "Applied Social Research" and for "Policy-related Scientific Research" directed toward increasing the cost-effectiveness of policies and programs dealing with urban and human service problems at the Federal, State, and local government levels, including use of such funds to identify, analyze, and contribute knowledge to improve productivity in the public sector, to identify, analyze, and evaluate more effective, efficient, and equitable ways of delivering human services, and to develop the data base and analytical techniques required for improving applied research on municipal systems and human service delivery.

SEC. 4. (a) From funds authorized under section 2(b)(1), (2), and (4) the National Science Foundation is authorized to increase support for cooperative research projects involving researchers from the industrial and academic sectors.

(b) Notwithstanding any other provision of this or any other Act, not less than 12.5 per centum of the amount provided under section 2(b)(7) shall be available for small business concerns.

(c) In the use of the funds made available pursuant to section 2(b)(8) for "International Cooperative Scientific Activities", emphasis shall be placed on bilateral and multilateral research and exchange programs, particularly programs involving Western Europe and neighboring countries in the Western Hemisphere. The Director of the National Science Foundation shall consult with the Director of the Office of Science and Technology Policy, the Secretary of State, and other appropriate officials to assure that the programs carried out under this subsection are consistent with the international scientific and foreign policy objectives of the United States.

SEC. 5. (a) From the funds authorized under the program "Science and Society", the National Science Foundation is authorized to provide support which is designed to—

(1) improve public understanding of public policy issues involving science and technology;

(2) facilitate the participation of qualified scientists and engineers and of undergraduate and graduate students in public activities aimed at the resolution of public policy issues having significant scientific and technical aspects; and

(3) assist nonprofit, citizens, and bona fide public interest groups to acquire necessary scientific and technical expertise in order to improve their comprehension of scientific and technical aspects of public policy issues.

(b) Awards made pursuant to this section shall, to the extent feasible, include support for—

(1) qualified scientists and engineers to work on public policy issues with significant scientific and technical components in conjunction with units to State and local government, nonprofit organizations, or bona fide public interest groups;

(2) internship programs for science and engineering undergraduate or graduate students to work on public policy issues with significant scientific and technical components in conjunction with units of State and local goverment, nonprofit organizations, or bona fide public interest groups as part of their academic training;

(3) forums, conferences, and workshops on public policy issues with significant scientific and technical components;

(4) training in the presentation of scientific and technical studies in a manner which (A) improves public understanding of the ways in which science and technology influence contemporary life, (B) improves public access to the results of scientific and technical research, (C) encourages and facilitates interaction between laypersons and scientists on public issues with important scientific and technological components, and (D) increases public knowledge and understanding of the ethical and value implications of scientific and technological developments;

(5) new and existing programs using radio or television to increase public understanding of public policy issues with significant scientific and technical components; and

(6) bona fide public interest groups to acquire necessary scientific and technical expertise relating to the scientific and technical aspects of public policy issues and to enable such groups to bring together in appropriate forums experts whose research has been directed to the resolution of such issues.

SEC. 6. (a) The National Science Foundation shall establish a Resource Center for Science and Engineering to be located at an educational institution which—

(1) enrolls substantial numbers of minority students, students from low-income families, or both;

(2) is geographically located near one or more population centers of low-income families or minority groups;

(3) demonstrates a commitment to encouraging and assisting minority students or students from low-income families, or both; and

(4) has an existing or developing capacity to offer doctoral programs in science and engineering.

(b) The Center established under this section shall—

(1) support basic research and the acquisition of necessary research facilities and equipment;

(2) serve as a regional resource in science and engineering for the community which the Center serves; and

(3) develop joint educational programs with nearby pre-college and undergraduate institutions which enroll a substantial number of minority students or students from low-income families.

SEC. 7. In addition to such sums as are authorized by section 2, not to exceed $4,900,000 is authorized to be appropriated for the fiscal year 1978 for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 8. Appropriations made pursuant to this Act may be used, but not to exceed $5,000, for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 9. The National Science Foundation is directed to issue instructions to grantees for pre-college curriculum projects covering the protection of pre-college students and procedures for involving such students in pre-college education research and development, pilot-testing, evaluation, and revision of experimental and innovative pre-college curriculum projects funded by the Foundation. These instructions shall require such grantees to obtain written approval of the school board or comparable authority responsible for the schools prior to the involvement of such students.

SEC. 10. (a)(1) Each officer or employee of the National Science Foundation who performs a decisionmaking function in the handling of any application or proposal for a grant from or contract with the Foundation shall provide a written statement for the record identifying (in accordance with the standards promulgated under subsection (b)) any financial interest or other relevant interest he or she has in the person submitting the application or proposal and any academic affiliation he or she has with that person. If the application or proposal results in an award, the statement shall be made available to the public.

(2) The Director shall remove or take other appropriate disciplinary action against any employee who knowingly violates the requirements of this subsection.

(b)(1) Within 60 days after the date of the enactment of this Act, the Director of the National Science Foundation shall publish—

(A) proposed standards to implement the requirements of subsection (a), designed to minimize conflicts of interest and to assure that the appropriate files of the Foundation relating to any grant or contract referred to in such subsection contain a statement of any financial or other relevant interest which any of the officers and employees involved may have in the person or institution applying for or proposing the grant or contract as well as any academic affiliation which any of such officers and employees may have with such person or institution; and

(B) proposed standards appropriately requiring identification of any conflicts of interest by peer reviewers.

(2) Within 120 days after the date of the enactment of this Act, the Director shall promulgate the standards published under paragraph (1), with such modifications as the Director may deem appropriate; and such standards shall take effect upon their promulgation.

(c) The Director shall report annually to the Congress on the administration and enforcement of this section.

(d) If the President issues an Executive order that requires financial disclosure by officers and employees of Federal agencies generally, only so much of this section as relates to peer reviewers and to academic affiliations of officers and employees shall remain effective.

SEC. 11. Appropriations made pursuant to this Act shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in the Acts making such appropriations.

SEC. 12. No funds may be transferred from any particular category listed in section 2 to any other category or categories listed in such section if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 2 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(1) a period of thirty legislative days has passed after the Director of the National Science Foundation or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Human Resources of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(2) each such committee before the expiration of such period has transmitted to the Director written notice to the effect that such committee has no objection to the proposed action.

SEC. 13. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Technology of the House of Representatives and the Committee on Human Resources of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

SEC. 14. (a) Section 3(e) of the National Science Foundation Act of 1950 (42 U.S.C. 1862(e)) is amended by striking out "one of

the objectives" and inserting in lieu thereof "an objective".

(b) Section 4 of such Act (42 U.S.C. 1863) is amended by adding at the end thereof the following new subsection:

"(j) The Board shall render an annual report to the President, for submission to the Congress on or before March 31 in each year. Such report shall deal essentially, though not necessarily exclusively, with policy issues or matters which affect the Foundation or with which the Board in its official role as the policymaking body of the Foundation is concerned.".

(c) Section 14(d) of such Act (42 U.S.C. 1873(d)) is amended to read as follows:

"(d) The members of the Board and the members of each special commission shall receive compensation for each day engaged in the business of the Foundation at a rate fixed by the Chairman but not exceeding the rate specified for the daily rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code, and shall be allowed travel expenses as authorized by section 5703 of title 5, United States Code.".

And the Senate agree to the same.

OLIN E. TEAGUE,
RAY THORNTON,
DON FUQUA,
TOM HARKIN,
ROBERT KRUEGER,
JOHN W. WYDLER,
HAROLD C. HOLLENBECK,
Managers on the Part of the House.

EDWARD M. KENNEDY,
CLAIBORNE PELL,
GAYLORD NELSON,
WILLIAM D. HATHAWAY,
HARRISON A. WILLIAMS, Jr.,
RICHARD S. SCHWEIKER,
JACOB K. JAVITS,
JOHN H. CHAFEE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4991) National Science Foundation Authorization Act, fiscal year 1978, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the actions agreed upon by the managers and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause in the House bill and substituted new language. The committee of conference agreed to accept the Senate amendment with certain amendments and stipulations proposed by the conferees.

The National Science Foundation requested authorization in the amount of $879,000,000 for Fiscal Year 1978, plus $6,000,000 in excess foreign currencies. The House authorized $863,100,000 and $4,900,000 in excess foreign currencies. The respective Senate figures were $894,000,000 and $6,000,000.

The committee of conference recommended $879,350,000, plus $4,900,000 in excess foreign currencies. This total amount of $884,250,000 is $16,250,000 more than authorized by the House and $15,750,000 less than authorized by the Senate for Fiscal Year 1978.

2-YEAR AUTHORIZATION

The Senate bill authorized $1,059,400,000 to be appropriated to the Foundation for Fiscal Year 1979. Funds were made available for nine program categories. Funding levels and set-asides for certain activities within those categories were specified. The House bill included no similar provisions.

The conferees agreed that a two-year authorization would be useful in establishing a framework for planning that could be of substantial assistance to the Foundation and to the scientific community in the development of programs and policies. They agreed that a two-year authorization could be helpful in assuring full consideration by the appropriations committees of the programs and policies included in the authorization—and that a two-year authorization might also be of assistance in enabling the authorizing committees to meet the requirements of the Congressional Budget Act, under which stringent reporting deadlines must be met and projections of budget levels must be submitted.

Nonetheless conferees adopted the view of the Managers on the part of the House that a 2-year authorization would not be acceptable to the House at this time. The major reasons given by House managers were: (1) no record of fiscal year 1970 funding for NSF has been made or attempted by appropriate House committees; (2) evidence of a carefully considered 1979 budget for NSF by the Foundation itself is not available; (3) there are disadvantages as well as advantages to be considered in adopting a 2-year budget cycle—and these have not yet been thoroughly explored.

SECTIONS 2 AND 3—FUNDS

1. For Mathematical and Physical Sciences and Engineering, the budget request of the National Science Foundation was $249,200,000. The House authorized $243,800,000 and the Senate authorized $249,200,000. The conferees agreed on $246,500,000.

2. For Astronomical, Atmospheric, Earth and Ocean Sciences, the budget request of the National Science Foundation was $213,400,000. The House authorized $207,600,000 and the Senate authorized $213,400,000. The conferees agreed on $210,500,000.

3. For the United States Antarctic Research Program, the House, the Senate, and the conferees approved the Foundation request for $47,475,000.

4. For Biological, Behavioral, and Social Sciences, the budget request of the National Science Foundation was $144,800,000. The House authorized $139,200,000, and the Senate authorized $145,800,000. The conferees agreed on $142,500,000, including an increase of $500,000 in the support of research on nitrogen fixation.

5. For Basic Research Stability Grants there was no request by the National Science Foundation. The House authorized no funds, and the Senate authorized $6,800,000 or 2 per centum of the funds available for categories (1), (2), and (4) above, whichever is less, for a new program. The conferees agreed on $4,500,000 or 2 per centum of the funds available for categories (1), (2), and (4) above, whichever is less, with the stipulation that the Basic Research Stability Grants program will replace the Research Initiation and Support program.

6. For Science Education Programs, the budget request of the National Science Foundation was $75,700,000. The House authorized $83,300,000 and the Senate authorized $83,900,000. The conferees agreed on $83,300,000.

This amount includes the following:

a. For Graduate Fellowships the budget request was $11,400,000. The House recommended $11,400,000 and the Senate authorized $12,500,000. The conferees agreed on $11,900,000.

b. For Continuing Education for Scientists and Engineers the budget request was $1,200,000. The House authorized not more than $600,000, and the Senate authorized $1,200,000. The conferees agreed on $1,200,000.

c. For a Resource Center for Science and Engineering the budget request was $1,000,000. The House authorized not more than $1,000,000, and the Senate authorized $6,000,000. The conferees agreed on $3,000,000.

d. For Minorities, Women, and the Handicapped in Science the budget request was $2,000,000. The House recommended $2,000,000, and the Senate authorized $3,000,000. The conferees agreed on $2,500,000.

e. For Science for Citizens the budget request was $1,200,000. The House authorized not more than $100,000 and the Senate authorized $5,000,000. The conferees agreed on $1,800,000.

f. For Public Understanding of Science the budget request was $2,600,000. The House recommended, the Senate authorized, and the conferees agreed on that amount.

g. For Ethics and Values in Science and Technology the budget request was $1,400,000. The House recommended, the Senate authorized, and the conferees agreed on that amount.

h. For a comprehensive assessment of science education in two-year colleges there was no request. The House authorized no funds, and the Senate authorized $1,000,000 for a new program. The conferees agreed on $500,000.

i. For Comprehensive Assistance to Undergraduate Science Education the budget request was $14,500,000. The House recommended $17,500,000, and the Senate authorized not more than $100,000. The conferees agreed on $14,500,000.

j. For Precollege Teacher Development the House recommended $4,000,000, and the Senate recommended $7,600,000. The conferees agreed on $6,000,000.

The Senate Bill included a provision directing the Foundation to use not less than 50 percent of funds available for the program Pre-college Teacher Development to provide science teachers with training in instructional methods which encourage stuscience and society. The Senate authorized $7.6 million for pre-college teacher develdents to explore the interaction between opment. The House authorized $4 million for pre-college teacher development, but the House Bill did not include a set aside provision.

The conferees agreed to authorize $6 million for pre-college teacher development and to urge the Foundation to use not less than 25 percent of the funds available to train teachers in methods to encourage students to explore the interaction between science and society.

7. For Research Applied to National Needs, the budget request of the National Science Foundation was $78,000,000. The House authorized $72,700,000, and the Senate authorized $79,000,000. The conferees agreed on $75,850,000, including an increase of $500,000 in the support of research on nitrogen fixation.

The House bill included a provision establishing a floor of $23,000,000 and policy direction for "Applied Social Research" and "Policy-related Scientific Research" in the program of Research Applied to National Needs. The Senate bill did not provide a floor or specific policy direction for these programs.

Recognizing the importance of these programs, the need to ensure balance in the overall RANN program, plus the uncertainties of appropriations from year to year, the conferees have included in the bill a requirement that not less than 25 percent of available RANN funds be earmarked for "Applied Social Research" and "Policy-related Scientific Research" in lieu of a specific amount.

8. For Scientific, Technological, and International Affairs, the budget request of the National Science Foundation was $22,600,000. The House authorized $21,200,000, and the Senate authorized $20,600,000. The conferees agreed on $20,900,000.

Of that amount, for Policy Research and Analysis the budget request was $4,000,000. The House authorized not less than $4,500,000, and the Senate authorized not more than $2,000,000. The conferees agreed on $4,000,000.

9. For Program Development and Management, the House, the Senate, and the conferees approved the Foundation request for $47,825,000.

SECTION 4

Section 4(a)—Academic and industrial participation in NSF-supported programs

The Senate bill included a provision to permit researchers in the industrial sector to compete for basic research support on an equal basis with researchers in the academic sector. The Senate bill also (1) authorized fellowships to enable academic researchers to spend up to two years in an industrial environment and to allow industrial researchers to spend up to two years in an academic environment, and (2) directed the Foundation to increase support for cooperative research projects involving researchers from the industrial and academic sectors. The House bill included no comparable provisions.

The conferees agreed to adopt the Senate provision with regard to cooperative research projects.

The conferees further agreed that fellowship exchange programs between universities and industries could improve the interaction between the two sectors to their mutual benefit and to the benefit of U.S. science and technology. The conferees therefore urge the Foundation to use funds authorized in the bill for Science Manpower Improvement to make such fellowships available.

With regard to competition for basic research support, N.S.F.'s Organic Act does not require the use of special criteria in evaluating industrially-based research proposals. Rather, the application of such criteria is the result of National Science Board policy.

The conferees noted that although the 1976 National Science Foundation Report "Research in Industry: Roles of the Government and the National Science Foundation" explicitly reaffirms the Board's policy with regard to industrial participation in basic research programs, it also acknowledges that there is "a range of opinion on this policy among members of the National Science Board as well as the staff of the National Science Foundation" and states that "the National Science Foundation will periodically review this policy to determine if it continues to be appropriate."

In reviewing this Report and the hearings record compiled by the House Committee on Science and Technology and the Senate Committee on Human Resources, the conferees agreed that the Foundation should proceed cautiously in making policy changes which might affect established funding patterns to any significant degree—particularly since those funding patterns have been well received by the Congress as a whole and by most of the scientific community throughout the Foundation's existence. At the same time, the proposals of industrially-based basic researchers should not be systematically excluded from consideration. Hence the conferees concur that industrial researchers should be made aware that their proposals are eligible for consideration and that the Foundation should advise them of the criteria under which they will be evaluated. The Foundation is requested to report annually to the House Committee on Science and Technology and the Senate Committee on Human Resources on the results of this effort, and on the result of the periodic review of present policy recommended by the National Science Board.

The conferees further believe that more information than has been compiled by the Foundation in the past should be acquired to help determine the degree of interest and technical expertise of the industrial community in basic research. Such data should make possible a more accurate assessment of the extent of the desire of industrial researchers to have their proposals considered on the same basis as those submitted by the university-based researchers.

The conferees therefore request the Foundation to compile appropriate information, with particular emphasis on the size of profit-seeking firms whose researchers might be expected to become eligible for support and, insofar as feasible, the contribution to the body of scientific knowledge which might result. The Foundation is requested to report its findings to the House Committee on Science and Technology and the Senate Committee on Human Resources by February 1, 1978.

Section 4(b)—RANN small business set-aside

The Senate bill provided that not less than 12.5 per centum of the amount available for Research Applied to National Needs should be expended to small business concerns. The House bill had no similar provision. The conferees agreed to adopt the Senate provision and express support for the small business innovation program.

Section 4(c)—International cooperative scientific activities

The Senate bill provided that emphasis in International Cooperative Scientific Activities should be placed on bilateral and multilateral research and exchange programs, particularly programs involving Western Europe and neighboring countries in the Western Hemisphere. The House bill had no similar provision. The conferees agreed to adopt the Senate provision with language added requiring coordination with the Office of Science and Technology Policy, the Secretary of State and other appropriate officials.

SECTION 5—SCIENCE AND SOCIETY

The Senate bill contained provisions emphasizing activities of the programs in the Office of Science and Society of the National Science Foundation. The House bill contained no similar provisions. The conferees agreed to adopt certain of the Senate provisions with modifications in some.

In addition, it is the intention of the conferees that in the implementation of its "Science and Society" program the Foundation should give due consideration to such planning grants as may facilitate:

(1) The design and use of registries of scientists and engineers to serve as a resource to local decisionmakers, community and public interest groups, including the study of past and present registries and their effectiveness;

(2) The establishment of at least one regional center to support projects involving public policy issues with significant scientific and technical components, which have been proposed by State and local organizations and institutions; and

(3) The establishment of a national clearinghouse with at least one regional branch to facilitate access by scientists, engineers and the general public to research and other information and material related to the scientific and technical components of public policy issues.

It is further the intention of the conferees that under the "Science for Citizens" part of the program, the Foundation shall follow the principles applied for purposes of Sec. 501 (c)(3) of the Internal Revenue Code in determining the categories of organized groups eligible for grants and awards. In addition, it is intended that no contract, grant or award under this part of the program shall be made to any person or group requesting support solely or principally for the purpose of intervention in any judicial or administrative proceeding by contesting any action or decision before any court of law or Federal, State or local executive agency or instrumentality.

SECTION 6—RESOURCE CENTER FOR SCIENCE AND ENGINEERING

This program has been funded during the 1977 fiscal year at an $800,000 level under the title of Minority Graduate Centers. While testimony provided some differences as to the value of the program as currently designed, both Senate and House indicated a sympathy for the goals sought and a willingness to support them. The Senate amended the concept by enlarging it to include low income groups as well as minorities and funding the program at a $6 million level for 3 centers. The House agreed to a requested increase over last year's budget of $200,000 to a total of $1 million.

In addition the House recommended that the program of Minority Institution Trainees be increased from the $1,000,000 request to $3,000,000 with the provision that not less than $1,500,000 of that amount be made available to Minority Graduate Scholars to continue their education in science or engineering at institutions of their choice.

Conferees agreed to earmark $3 million for a Resource Center program as designed in the Senate bill, and to recommend that NSF fund its Minority Traineeships at Graduate Institutions at a level of $1.5 million—which would allow an additional $500,000 to be used so far as feasible in accordance with the House proposal for developing a graduate scholarship program.

It was further agreed that the $3 million authorized for the Resource Center in its modified form is the amount realistically needed to develop a single center. If experience with such a center warrants its continuation and/or the establishment of other centers in geographically dispersed areas, consideration can and should be given to such expansion.

SECTION 7—SPECIAL FOREIGN CURRENCY AUTHORIZATION

The National Science Foundation requested authorization in the amount of $6,000,000 for expenses incurred outside the United States to be paid for in foreign currencies determined to be excess to the normal requirements to the United States. The House authorized $4,900,000, and the Senate authorized $6,000,000. The conferees agreed on $4,900,000.

SECTION 8—CONSULTATION AND EXTRAORDINARY EXPENSE LIMITATIONS

Section 8 is identical to section 4 of the House bill, and is identical in purpose to section 9 of the Senate bill.

SECTION 9—PRE-COLLEGE CURRICULA

The bill as passed the House contained a section directing NSF to issue instructions to its curriculum development grantees to provide special protection for students involved in precollege research, pilot-testing, evaluation and experimental curriculum projects. This section grew out of several controversial curriculum development programs sponsored by NSF in years past.

The Senate bill contained no such provision and the Managers on the part of the Senate opposed the language on grounds that NSF revised grant procedures in this area make it unnecessary, that such Federal intervention in the procedures of local school boards is undesirable and that the provision in the House bill was so broad as to preclude desirable curricula study and development.

Conferees agreed to retain in the bill the basic requirement for instructions to provide adequate protection for pre-college students in the designated areas. They agreed that detailed implementation of this provision, however, was not essential to the legislation itself.

In lieu of the latter, Conferees note that the intent of the section is that the Foundation shall require grantees (1) to provide school boards (or comparable authority) and other interested school officials, in advance of any such student involvement, information concerning the need for and the

purposes of the particular education project, the proposed content of the material to be used, and the expected benefits to be derived, and (2) to take such steps to protect students as may be requested or required by the local school board or comparable authority.

The conferees noted further that the Federal Interagency Committee on Education is reviewing the applicability to education research of guidelines on the protection of human subjects. It is the intent of this section that grantees will be required to comply fully with applicable guidelines as they may be promulgated by the Department of Health, Education and Welfare. It is expected that NSF shall also require grantees to provide information and materials required by school boards or comparable authority to carry out their own established procedures in regard to securing parental consent for involvement of students in such projects.

Special attention by NSF is directed to Section 13 of the bill in the foregoing matter.

SECTION 10—CONFLICT OF INTEREST

The House bill included a section establishing financial disclosure procedures to help guard against the possibility of conflicts of interest on the part of N.S.F. employees and peer reviewers. The Senate bill included no comparable provision.

The Conferees agreed on the importance of guarding against possible bias in the consideration of applications for Foundation support and have included the substance of the House provision of the bill. They have made several alterations in language, however, designed to give the provision improved accuracy and focus.

The changes are mainly technical. Substantively, only two changes were made. One eliminated, as unnecessary, a statutory requirement for the definition of certain terms. The other added a requirement that proposed standards developed by NSF in accordance with this section not only be published but, after a reasonable period for review, promulgated and put into effect.

SECTION 11—OBLIGATION LIMITATION

Section 11 is identical in purpose to section 3 of the House bill and section 10 of the Senate bill.

SECTION 12—TRANSFER LIMITATION

Section 12 is identical in purpose to section 11 of the Senate bill and section 6 of the House bill.

SECTION 13—INFORMATION REQUIREMENT

Section 13 is identical to section 10 of the House bill and section 12 of the Senate bill.

SECTION 14—AMENDMENTS TO THE NSF ACT OF 1950

Section 14(a).—The House bill included a section amending section 3(e) of the NSF Act of 1950 to emphasize that an objective of the Foundation in strengthening research and education in the sciences throughout the United States shall be to avoid undue concentration of those activities. The Senate bill included no comparable provision.

The conferees agreed to adopt the House provision.

Section 14(b).—The House bill included a section adding a new clause to the NSF Act of 1950 which requires an annual report of the National Science Board. The Senate bill included no comparable provision.

The conferees agreed to adopt the House provision.

Section 14(c).—The Senate bill included a section amending section 14(d) of the NSF Act of 1950 to permit the Chairman of the National Science Board to fix the rate of compensation for members of the Board and members of each special commission engaged in NSF business, provided this rate does not exceed the daily rate for GS–18 of the General Schedule. The House bill included no comparable provision.

The conferees agreed to adopt the Senate provision.

PROGRAM INSTRUCTIONS

Interdisciplinary studies

The Senate bill included a section authorizing and directing the Foundation to provide sustained support for projects which would encourage the establishment of interdisciplinary teams of researchers to address selected problems of national importance. The House bill included no comparable provision.

The conferees agreed that the application of research results to national needs would be enhanced through the award of sustained support to teams of researchers qualified to build links between science, government, industry and the public. Such sustained support should enable an independent interdisciplinary research capacity to be built and maintained.

The conferees therefore urge the Foundation to provide the sustained support authorized in section 5(b) of the Senate bill, although no statutory directive appears necessary.

Research instrumentation

The Senate bill provided that not less than 15% of the research funds available for instrumentation, facilities, and research resources was to be used for instrumentation, facilities, and research resources costing $25,000 or less. The House bill included no comparable provision.

The conferees agreed to urge the Foundation to make such support available and to disseminate to program managers and grantees information concerning eligibility for these funds.

2-Year college study

The comprehensive assessment of science education in 2-year colleges will provide the basis for an understanding of the unique roll of those colleges in science education and the problems they face. The results are to be used to assess the effectiveness of current NSF science education programs and to make those programs more relevant to the needs of 2-year colleges. With the assistance of an ad hoc advisory committee of representatives of 2-year colleges and science educators, it is expected that NSF will conduct a local needs assessment and a national needs assessment thereby giving both in-depth and national scope to the study.

In the local needs assessment a number of representative types of 2-year colleges should be selected to undertake a thorough study of their science education programs, students, and faculty; and of needs in transfer curricula, science and engineering technology programs, and general/community education programs. NSF may wish to select colleges for specific criteria, such as a high concentration of minority or part-time students, a strong emphasis on occupational or transfer curricula, and so on, so that various specific aspects will be thoroughly examined.

In the national needs assessment one or more grants should be awarded for comprehensive national surveys on selected topics designed to yield an understanding of the needs of 2-year colleges in science education. Relevant questions may include types and needs of students, types of programs, needs and characteristics of faculty, and measures of program effectiveness.

OLIN E. TEAGUE,
RAY THORNTON,
DON FUQUA,
TOM HARKIN,
ROBERT KRUEGER,
JOHN W. WYDLER,
HAROLD C. HOLLENBECK,
Managers on the Part of the House.

EDWARD M. KENNEDY,
CLAIRBORNE PELL,
GAYLORD NELSON,
WILLIAM D. HATHAWAY,
HARRISON A. WILLIAMS, Jr.,
RICHARD S. SCHWEIKER,
JACOB K. JAVITS,
JOHN H. CHAFEE,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 4975, HEALTH ASSISTANCE PROGRAM EXTENSION ACT OF 1977

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (H.R. 4975) to amend the Public Health Service Act to extend through the fical year ending September 30, 1978, the assistance programs for health services research; health statistics; comprehensive public health services; hypertension programs; migrant health; community health centers; medical libraries; cancer control programs; the National Cancer Institute; heart, blood vessel, lung, and blood disease prevention and control programs; the National Heart, Lung, and Blood Institute; National Research Service Awards; population research and voluntary family planning programs; sudden infant death syndrome; hemophilia; national health planning and development; and health resources development; to amend the Community Mental Health Centers Act to extend it through the fiscal year ending September 30, 1978; to extend assistance programs for home health services; and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 14, 1977.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER pro tempore. The gentleman from West Virginia (Mr. STAGGERS) is recognized for 30 minutes, and the gentleman from Kentucky (Mr. CARTER) is recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Speaker, this is a bill that was passed in three parts by the House. In the first part it was passed by a voice vote. On the second part of the bill the vote was 385 to 4. On the third part, the vote was 376 to 4. When the Senate took up the bill, they took up one part and had hearings on it and joined all three bills together, so we brought it back. We went to conference

on all three bills as one and we bring it back as one.

Mr. Speaker, this conference report extends for 1 year several critical health programs crafted by the Congress over the years in order to contribute to the health needs of this country. Included are programs for community or neighborhood health centers, family planning, community mental health centers, migrant health centers, maternal and child health activities, health planning, heart and cancer research, and others.

I am happy to report a spirit of real cooperation during the conference—your conferees agreed generally to split the difference between the House and Senate measures with respect to authorizations. In addition, the conference report includes important technical revisions made by either or both measures to the existing health manpower, health planning and alcohol and drug abuse authorities to make the programs under those authorities more workable.

Mr. Speaker, this is a report that I can commend to my colleagues without reservation. It has been adopted by the other body by unanimous vote, and deserves similar action in this body.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, since this is a consolidation of three different bills, what is the new cost?

Mr. STAGGERS. Well, when it passed the House, all three bills carried a term of $3,080.187,450.

Mr. ROUSSELOT. $3,080 million?

Mr. STAGGERS. That is correct; when the Senate passed the three bills, they passed it as $3,329,714,200.

When the conference report came out it was $3,357,284,200.

Mr. Speaker, I might say to the gentleman that there are 39 programs that affect every household in America in this bill, 39 programs, and we are only extending this for 1 year with the understanding that we will consider all of these programs in this coming year, all 39 of them will be considered this coming year and reenacted into law. There will be some changes made in them at that time.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, of all the 39 programs which the gentleman mentions, there is only an authorization for 1 fiscal year; is that correct?

Mr. STAGGERS. That is correct.

Mr. ROUSSELOT. For all 39 programs?

Mr. STAGGERS. This is correct.

Mr. ROUSSELOT. But the gentleman wishes to inform us that the gentleman thinks there will be changes in many of these programs?

Mr. STAGGERS. I am not sure there will be. There will probably be new developments in each one. Then we will have to have hearings and go along with them. They go all the way from cancer to minimum health treatmen' and construction and family planning and what have you, just about anything on the board. I just cannot begin to name them. Just about anything the gentleman mentions is in the three bills. They are bills which just carry forward items that had been enacted before in piecemeal fashion. They are all connected together now, and they all have been considered by this House in previous years.

Mr. ROUSSELOT. I thank the gentleman for his explanation.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the conference report on H.R. 4975—which amends the Public Health Service Act to authorize appropriations for fiscal year 1978 for various health services, health planning, and biomedical research programs.

This legislation provides a 1-year extension of the following programs—

HEALTH SERVICES

Grants to States for comprehensive health services;
Hypertension;
Migrant health centers;
Community health centers;
Community mental health centers;
Family planning;
Sudden infant death syndrome;
Hemophilia treatment centers;
Home health services and training;
Blood separation centers;
Maternal and child health services.

BIOMEDICAL RESEARCH

Cancer control programs;
National Cancer Institute;
Heart, blood vessel, lung, and blood disease prevention control programs;
National Heart, Lung, and Blood Institute;
National research service awards; and
National Library of Medicine.
Health Planning and Resources Development (Public Law 93–641).
Health services research.
Health statistics programs.

Mr. Speaker, while the total authorization in this conference report is about $277 million above the House-passed legislation—these figures represent a compromise between the House and Senate authorizations. In most cases—we agreed to split the difference between the bills. Thus, Mr. Speaker, the grand total of authorizations in H.R. 4975 for all these health programs is $3,357,-284,200.

Also, Mr. Speaker, the intent of this bill is to provide a simple 1-year extension of these health authorities so that the committee and the administration will have time to examine these programs in depth next year. At that time we will consider what substantive changes are needed and how major improvements can be made. Therefore, in this conference report, we have tried to refrain from making major policy changes in these programs—although some minor substantive amendments were adopted which are described in the report. We also made a few changes to the health manpower law—Public Law 94–484—which the conferees felt were necessary.

Mr. Speaker, since this legislation extends the authorities for so many of our Nation's health programs—it would be difficult for me to discuss each and every one of them during our limited time period for consideration of this measure.

However, I want to emphasize that these programs are very important in contributing to health care for our citizens and I strongly urge continuation of these authorities for 1 year as provided in this legislation.

For example, H.R. 4975 includes funds for the support of community health centers, migrant health centers, family planning, and grants to the States to provide comprehensive health services.

Under the State-grant program funds are used to provide a wide range of health services at the community level, including communicable disease control, chronic disease control, and various screening programs.

I believe these public health activities are vital and need to be strengthened. We need to do more to encourage State and local health departments to provide preventive, as well as curative health services. As a step toward that goal, we have included a provision in the legislation directing the Secretary of HEW to establish model standards with respect to preventive health services in our Nation's communities.

In addition to the health delivery programs this legislation also extends the authority for the National Health Planning and Resources Development Act (Public Law 93–641).

As you know, Mr. Speaker, the objective of that legislation is to develop an effective nationwide planning network to assure rational planning for health services and resources development. Under this law—over 200 health systems agencies have been designated. The purposes of these planning agencies are to help improve the health of residents in the area, increase the accessibility and improve the quality of health services provided, and help restrain increases in the cost of providing health services through effective planning. These are difficult tasks indeed, but I believe they can be accomplished with active community involvement.

Moreover, I believe we need to encourage cooperative efforts between the health systems agencies, the professional standards review organizations, and the cost containment agencies of each area. Only through a cooperative commitment to effective health planning can the problems of our health care delivery system be solved.

Finally, this legislation extends various authorities for our Nation's biomedical research efforts. It includes funds for cancer research and research in heart, lung, and blood diseases. Mr. Speaker, these programs are vital to the future health of our people. These researchers are searching for the causes, cures, and treatments for many of our Nation's most dread diseases. I strongly support continuation of these biomedical authorities and I urge favorable consideration of the conference report on H.R. 4975.

Mr. Speaker, because the conference report inadvertently omits certain authorizations included in H.R. 4975, I am including the following chart for the RECORD:

HEALTH PROGRAMS EXTENSION ACT OF 1977

[In millions of dollars]

Section No.	Programs	House amendment	Senate amendment	Conference substitute
	PUBLIC HEALTH SERVICE ACT			
	Health Planning			
1516(c)	Grants to HSA's	125	125	125
1525(c)	Grants to States	35	35	35
1526(e)	Rate regulation	6	6	6
1534(d)	Planning centers	10	10	10
1613	Construction	135	135	135
1625(d)	Life-safety codes	0	135	[1] 67.5
1640(d)	Resource development	120	120	120
	Subtotal	431	566	498.5
	Health Services Research and Statistics			
308(i)(1)	Health services research	27.6	29.6	28.6
308(i)(2)	Health services statistics	31.74	35	33.6
	Subtotal	59.34	64.6	62.2
	Biomedical Research			
390(c)	Medical libraries	9.2	20	14.6
409	Cancer control	69.11615	100	84.56
410C	Cancer research	847.16245	1,000	923.59
414(b)	Heart-lung control	29.9	30	30
419B	Heart-lung research	406.63655	446	426.32
472(d)	Research service awards	137.77	185	161.39
	Subtotal	1,499.7851	1,781	1,640.46
	Health Services			
314(d)(7)(A)	Bloc grants	103.5	110	106.75
314(d)(7)(B)	Hypertension	10.35	15	12.68
319(h)(1)	Migrant planning	1.8975	4	2.95
319(h)(2)	Migrant operation	29.1525	35	32.08
319(h)(3)	Migrant hospitalization	3.45	5	4.23
330(g)(1)	CHC planning	5.75	6	5.88
330(g)(2)	CHC operation	241.6702	272	256.84
1001(c)	Family planning projects	123.625	140	136.4
1003(b)	Family planning training	3.45	5	3
1004(b)	Family planning research	67.838	70	68.5
1005(b)	Family planning information	.69	2.5	.6
1121(b)	Sudden infant death syndrome	2.3	5	3.65
1131(f)	Hemophilia	3.45	5	4.55
1132(e)	Blood separation centers	3.45	4	3.45
	COMMUNITY MENTAL HEALTH CENTERS ACT			
202(d)	CMHC planning	.1	3.75	1.93
203(d)	CMHC initial operation	22.775	55	38.89
204(c)	CMHC consultation and education	15	15	15
205(c)	CMHC conversion	22	24	23
213	CMHC financial distress	12	15	13.5
228	CMHC construction	0	5	2.5
231(d)	Rape prevention	5.75	10	7.88
	SOCIAL SECURITY ACT			
501	Maternal and child health	399.8642	399.8642	399.8642
	Public Law 94-63			
602(a)	Home health services	8	8	8
602(b)	Home health training	4	4	4
	Subtotal	1,090.0623	1,218.1142	1,156.1242
	Total, H.R. 4975	3,080.1875	3,509.7142	[2] 3,357.2842

[1] Existing law provides that 22 percent of the appropriation made under sec. 1613 shall be made available for grants for construction or modernization projects designed to eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life-safety codes or regulations, or avoid noncompliance with State or voluntary licensure or accreditation standards. The conference substitute authorizes appropriations of $67,500,000 in addition to the 22 percent earmark.

[2] Conference report is $277,000,000 over the House bill.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the chairman of the subcommittee, the gentleman from Florida (Mr. ROGERS), who has done a magnificent job in preparing all these bills and getting them consolidated.

Before yielding, I do want to say that the staff has done an excellent job in keeping up with these bills.

Mr. ROGERS. Mr. Speaker, I thank the chairman for yielding to me. I appreciate his kind remarks, and also join with him in thanking the members of the subcommittee for their cooperation, the ranking minority member of the subcommittee, the gentleman from Kentucky (Mr. CARTER), and members of the staff who have done an outstanding job.

Mr. Speaker, I am pleased to join my distinguished chairman in urging adoption of the conference report on H.R. 4975. As the chairman stated, this report extends, through fiscal year 1978, important health research, health service, and health planning programs, and affects revisions in several ongoing programs, particularly the health manpower legislation adopted late last year.

Your conferees agreed to split the differences between the line item authorizations and committed themselves to a thorough review and revision of these critical programs, working with the new administration and the general public. This review, now ongoing, will result in introduction of new legislation later this year or early in the second session.

Mr. Speaker, the authorizations in the House measure, the Senate measure, and the conference report are as follows:

HEALTH PROGRAMS EXTENSION ACT OF 1977

[In millions of dollars]

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	SOCIAL SECURITY ACT			
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	Public Law 94-63			
602(a)	Home health services	8	8	8
602(b)	Home health training	4	4	4
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	Total, H.R. 4975	3,080.18745	3,629.7142	3,357.2842

[1] Existing law provides that 22 percent of the appropriation made under sec. 1613 shall be made available for grants for construction or modernization projects designed to eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life-safety codes or regulations, or avoid noncompliance with State or voluntary licensure or accreditation standards. The conference substitute authorizes appropriations of $67,500,000 in addition to the 22 percent earmark.

[2] No fiscal year limitation.

In addition, as I mentioned, the report includes several significant amendments to existing health programs. Two of these amendments—both of which affect health manpower legislation (Public Law 94-484) bear discussion.

First, the conference report makes revisions in the provisions of the Immigration and Nationality Act, as amended by Public Law 94-484, with respect to alien graduates of foreign medical schools who are desirous of entering this country in order to practice medicine. These amendments in effect postpone for 1 year the requirement that all alien physicians demonstrate their competence in the English language and pass an examination equivalent to parts I and II of the National Board of Medical Examiners examination. This is so because of the unreasonable delay of the Department of Health, Education, and Welfare in implementing this provision. In addition, the new provisions are made inapplicable to aliens residing in this country on January 10, 1977 who have demonstrated their competence by passing a State licensure examination and by holding a specialty board certificate. Finally, the provisions are made inapplicable to graduates of all medical schools accredited by a body approved for such purpose by the Office of Education, thus exempting graduates of Canadian medical schools from them.

I must point out that the managers are less than pleased with the implementation of this law by the Departments of State, Justice and Health, Education, and Welfare and directs the attention of those agencies to the views of the conferees as expressed in the report's statement of managers.

Second, Mr. Speaker, the conferees were concerned with respect to infighting within the Department of Health, Education, and Welfare over the proper role of regional offices in implementing the new provisions of Public Law 94-484. Section 707 of the Public Health Service Act, as added by Public Law 94-484, prohibits the Secretary of Health, Education, and Welfare from delegating his authority to review and prepare comments on the merits of grant and contract applications, and to make grants and enter into contracts under title VII of the Public Health Service Act to HEW regional offices.

Apparently, this provision is being interpreted by certain factions within the Department as leaving to the regional offices the authority to prepare and comment on grant and contract applications, to manage approved grants and contracts, and to approve modifications and renewals of existing grants and contracts. This tortured interpretation of the provision would, in effect, limit the Bureau of Health Manpower's authority to making or entering into the initial grant award or contract.

This interpretation of the provision was never our intent. It was our view, and intent, that the role of the regional offices in the implementation of health manpower authorities designed to respond to national needs is that of providing technical assistance to potential and existing grantees and contractors and to be sources of public information. It was not our intent that the regional offices remain the principal executors of Federal health manpower policy, employing hundreds of personnel at the expense of the personnel ceiling of the Bureau of Health Manpower which is charged with the responsibility for implementing this vitally important, and complex, program.

Therefore, the conference report contains a technical and clarifying amendment to section 707 which would make it clear that the regional offices are not charged with the responsibility for reviewing for merit grant and contract applications and any renewal or modification of such applications nor may they make or enter into renewals of modifications of such grants or contracts. The conferees intend that the provision, as amended, be fully implemented by October 1, 1977, the effective date of the provision and that the central office of the Bureau of Health Manpower be provided with the essential personnel resources needed to carry out its mandate to implement the law.

I would note, parenthetically, that identical language to existing section 707 appears in section 856 of the Public Health Service Act with respect to grants and contracts for nurse training. The Conferees are not aware that a similar problem exists with respect to implementation of section 856 and assume that that provision is being implemented in accordance with congressional intent. If this is not the case, the Subcommittee on Health and the Environment will seriously consider making the same changes to section 856 that we have made to section 707.

Mr. Speaker, this legislation extends programs providing vital health services to millions of Americans who otherwise would not receive them. It continues important research activities in cancer, heart, lung, and blood diseases and our ongoing effort to rationalize the distribution of health services. It is fiscally responsible and has the support of the administration. I urge the adoption of the conference report.

Mr. CARTER. Mr. Speaker, will the distinguished gentleman yield?

Mr. ROGERS. I yield.

Mr. CARTER. I want to compliment the distinguished gentleman from West Virginia, chairman of the full committee, and the subcommittee chairman, the gentleman from Florida (Mr. ROGERS) for his patience, which is really a rare quality. I do not see how they put up with all the irascible members of this subcommittee and full committee. I thank the distinguished gentleman for yielding to me.

Mr. ROGERS. I thank the gentleman.

Mr. STAGGERS. Mr. Speaker, I will just take one moment in order to say that the gentleman from Kentucky (Mr. CARTER)—he is a medical doctor—has given invaluable service to this committee and has helped to do so many things that are so great for this land. I want to compliment him and all the members of the subcommittee on the job they have done, and especially Mr. CARTER.

The SPEAKER pro tempore. The question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 401, nays 6, not voting 26, as follows:

[Roll No. 442]

YEAS—401

Abdnor	Baldus	Brinkley
Addabbo	Barnard	Brodhead
Akaka	Baucus	Brooks
Alexander	Bauman	Broomfield
Allen	Beard, R.I.	Brown, Mich.
Ambro	Beard, Tenn.	Brown, Ohio
Ammerman	Bedell	Broyhill
Anderson, Calif.	Beilenson	Buchanan
	Benjamin	Burgener
Anderson, Ill.	Bennett	Burke, Calif.
Andrews, N.C.	Bevill	Burke, Fla.
Andrews, N. Dak.	Biaggi	Burleson, Tex.
	Bingham	Burlison, Mo.
Applegate	Blanchard	Burton, Phillip
Archer	Blouin	Butler
Armstrong	Boggs	Byron
Ashbrook	Boland	Carney
Ashley	Bolling	Carr
Aspin	Bonior	Carter
AuCoin	Bonker	Cavanaugh
Badham	Bowen	Cederberg
Badillo	Breaux	Chappell
Bafalis	Breckinridge	Chisholm

Clay	Hollenbeck	Oberstar
Cleveland	Holt	Obey
Cochran	Horton	Ottinger
Cohen	Hubbard	Panetta
Coleman	Huckaby	Patten
Collins, Ill.	Hughes	Patterson
Conable	Hyde	Pattison
Conte	Ichord	Pease
Corcoran	Ireland	Pepper
Conyers	Jacobs	Perkins
Corman	Jeffords	Pettis
Cornell	Jenkins	Pickle
Cornwell	Jenrette	Pike
Cotter	Johnson, Calif.	Poage
Coughlin	Johnson, Colo.	Pressler
Cunningham	Jones, N.C.	Preyer
D'Amours	Jones, Okla.	Price
Daniel, Dan	Jones, Tenn.	Pritchard
Daniel, R. W.	Jordan	Pursell
Danielson	Kasten	Quayle
Davis	Kastenmeier	Quie
de la Garza	Kazen	Quillen
Delaney	Kelly	Rahall
Dellums	Kemp	Railsback
Derwinski	Ketchum	Rangel
Derrick	Keys	Regula
Devine	Kildee	Reuss
Dicks	Kindness	Richmond
Diggs	Kostmayer	Rinaldo
Dingell	Krebs	Risenhoover
Dodd	Krueger	Roberts
Dornan	LaFalce	Robinson
Downey	Lagomarsino	Rodino
Drinan	Latta	Roe
Duncan, Oreg.	Le Fante	Rogers
Duncan, Tenn.	Leach	Roncalio
Early	Lederer	Rooney
Eckhardt	Leggett	Rose
Edgar	Lehman	Rostenkowski
Edwards, Ala.	Lent	Roybal
Edwards, Calif.	Levitas	Rudd
Edwards, Okla.	Lloyd, Calif.	Runnels
Eilberg	Lloyd, Tenn.	Ruppe
Emery	Long, La.	Russo
English	Long, Md.	Ryan
Erlenborn	Lott	Santini
Evans, Colo.	Lujan	Sarasin
Evans, Del.	Lundine	Satterfield
Evans, Ga.	McClory	Sawyer
Evans, Ind.	McCloskey	Scheuer
Fary	McCormack	Schroeder
Fascell	McDade	Schulze
Fenwick	McEwen	Sebelius
Findley	McFall	Seiberling
Fish	McHugh	Sharp
Fisher	McKay	Shipley
Fithian	Madigan	Shuster
Flood	Maguire	Sikes
Florio	Mahon	Simon
Flowers	Mann	Sisk
Flynt	Markey	Skelton
Foley	Marks	Skubitz
Ford, Tenn.	Marlenee	Slack
Forsythe	Marriott	Smith, Iowa
Fountain	Martin	Smith, Nebr.
Fowler	Mathis	Snyder
Fraser	Mattox	Solarz
Frenzel	Mazzoli	Spellman
Frey	Meeds	Spence
Fuqua	Metcalfe	St Germain
Gammage	Meyner	Staggers
Gaydos	Mikulski	Stangeland
Gephardt	Mikva	Stanton
Giaimo	Milford	Stark
Gibbons	Miller, Calif.	Steed
Gilman	Miller, Ohio	Steers
Ginn	Mineta	Stockman
Glickman	Minish	Stokes
Goldwater	Mitchell, Md.	Stratton
Gonzalez	Mitchell, N.Y.	Studds
Goodling	Moakley	Stump
Gore	Moffett	Taylor
Gradison	Mollohan	Thompson
Grassley	Montgomery	Thone
Gudger	Moore	Thornton
Guyer	Moorhead, Calif.	Traxler
Hagedorn	Moorhead, Pa.	Treen
Hall	Moss	Trible
Hamilton	Motti	Tsongas
Hammer-schmidt	Murphy, Ill.	Tucker
Hanley	Murphy, Pa.	Udall
Hannaford	Myers, Gary	Ullman
Harkin	Myers, John	Van Deerlin
Harrington	Myers, Michael	Vander Jagt
Harris	Natcher	Vanik
Harsha	Neal	Vento
Hawkins	Nedzi	Volkmer
Heckler	Nichols	Waggonner
Hefner	Nix	Walgren
Heftel	Nolan	Walker
Hightower	Nowak	Walsh
Hillis	O'Brien	Wampler
Holland	Oakar	Watkins
Weaver	Wilson, Bob	Waxman
Weiss	Wilson, Tex.	Yates
Whalen	Winn	Yatron
White	Wirth	Young, Alaska
Whitehurst	Wolff	Young, Fla.
Whitley	Wright	Young, Mo.
Whitten	Wydler	Young, Tex.
Wiggins	Wylie	Zablocki
		Zeferetti

NAYS—6

Collins, Tex.	Hansen	Rousselot
Crane	McDonald	Symms

NOT VOTING—26

Annunzio	Dent	McKinney
Brademas	Dickinson	Michel
Brown, Calif.	Ertel	Murphy, N.Y.
Burke, Mass.	Flippo	Murtha
Burton, John	Ford, Mich.	Rhodes
Caputo	Holtzman	Rosenthal
Clausen, Don H.	Howard	Steiger
Clawson, Del	Koch	Teague
	Luken	Wilson, C. H.

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. John Burton.
Mr. Annunzio with Mr. Caputo.
Mr. Brademas with Mr. Steiger.
Mr. Teague with Mr. Michel.
Mr. Howard with Mr. Dickinson.
Ms. Holtzman with Mr. Don H. Clausen.
Mr. Ford of Michigan with Mr. McKinney.
Mr. Luken with Mr. Del Clawson.
Mr. Dent with Mr. Rhodes.
Mr. Rosenthal with Mr. Charles H. Wilson of California.
Mr. Murtha with Mr. Flippo.
Mr. Murphy of New York with Mr. Ertel.
Mr. Koch with Mr. Brown of California.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AGRICULTURE ACT OF 1977

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7171) to establish more responsive programs for the benefit of farmers and consumers of farm products; to extend and improve the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, as amended; and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7171, with Mr. EVANS of Colorado in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, July 19, 1977, the first reading of the bill had been dispensed with, the gentleman from Washington (Mr. FOLEY) had 1 hour of debate remaining and the gentleman from Virginia, (Mr. WAMPLER), had 1 hour of debate remaining.

The Chair recognizes the gentleman from Washington, Mr. FOLEY.

Mr. FOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Committee on Agriculture brings to the Committee of the Whole House and to the House the bill H.R. 7171 which is the result of the extended efforts of the Committee on Agriculture over the period, with a few exceptions, since we have come into this session of the Congress. It is probably, together with the additional food stamp provisions that are made in order as part of this bill by the rule, one of the most complex and certainly one of the most important pieces of legislation that this House will consider in this session of the Congress and perhaps, with the exception of the energy package, the most complex legislation.

First, I would like to say a word of thanks not only to those distinguished subcommittee chairmen and members on the Democratic side of the committee who worked so very hard and long on this bill, but to the distinguished gentleman from Virginia (Mr. WAMPLER), the ranking minority member of the committee, and to all of the Republican members of the committee who have worked long and hard through many, many long, difficult sessions of hearings and markup on this legislation.

Mr. FOLEY. Mr. Chairman, I rise in support of H.R. 7171, a bill to establish more responsive programs for the benefit of farmers and consumers of farm products, and for other purposes.

The bill is a result of consideration by the Committee on Agriculture on a continuous basis during the spring of this year. It consists of 15 titles, each dealing with matters of important concern to agriculture and the national economy. It includes major revisions of commodity programs including dairy, wool and mohair, wheat, feed grains, cotton, rice, peanuts, and a number of miscellaneous provisions generally affecting farm commodities.

There will be included by amendment a title that provides a comprehensive reform of the food stamp program to simplify administration, encourage participation, and eliminate fraud.

Other titles to the bill relate to matters of immediate interest to rural America, with consequential benefits to persons throughout the United States, such as a major revision of the agricultural research extension and teaching program, a title dealing with rural development and conservation, and another amending the Agricultural Trade Development and Assistance Act of 1954, as well as a title that would provide a new thrust for agricultural solar energy projects.

I would like to discuss some of the details that relate to the various titles of the Agricultural Act of 1977.

Title I—payment limitation for wheat, feed grains and upland cotton. This title revises the payment limitation figures for wheat, feed grains, and upland cotton from the limit of $20,000 that has been in effect for the 1974 through 1977 crop. The committee has struck a compromise between the proposal of the administration for a limitation of $50,000 and those who believe it necessary to retain the limitation at current levels. It has decided on a limitation of $35,000 for the

1978 crop with annual adjustments of 10 percent thereafter to take account of inflation.

Title II—dairy and beekeeper programs. This title requires dairy price support at a minimum of 80 percent of parity for the 4-year period ending March 31, 1981, with semiannual adjustments after the beginning of the marketing year to reflect changes in the parity index; further quarterly adjustments would be left discretionary with the Secretary.

The title also contains provisions extending for 4 years the dairy and beekeeper indemnity programs, and extending also milk marketing order authorizations for class I and certain other base plans, and authority for transfers of milk to military and veterans hospitals.

Title III—wool and mohair. This title would amend and extend the National Wool Act of 1954, as amended, for 4 years—through December 31, 1981. It also increases the price support level for wool and mohair beginning with the 1977 crop year and clarifies the findings of Congress with regard to the act.

Wool is a small but important segment of our agricultural economy. It is an energy-efficient natural fiber which provides warmth and comfort to the American consumer. These attributes will become increasingly important in the years ahead.

Sheep and goat producers have been adversely affected in recent years by increases in the prices of the production items and services they must purchase.

As a result of increased production costs and large losses to predatory animals, the number of sheep in the United States has decreased from over 20 million head in 1970 to only about 12.7 million head at present. Wool production during the same period has decreased from about 160 million pounds to only about 110 million pounds at present. Goat numbers and mohair production have decreased to a similar extent during the same period. The increased payments authorized under H.R. 7171 are necessary to encourage the continued domestic production of wool at prices fair to producers and consumers.

Elimination in the findings of the 300 million pound production target recognizes the declining trend of U.S. production. Imports of wool from our friendly allies will continue to be required if a viable wool-using industry is to be maintained in the interest of U.S. growers, consumers, laborers, and the general national interest.

Titles IV and V—wheat and feed grains. Title IV provides a loan and target price program through the 1981 crop for wheat under which loans and purchases would be made available at not less than $2.25 per bushel for the 1977 crop and $2.35 per bushel for the 1978 through 1981 crops, nor more than parity. Target prices are set at $2.65 per bushel for the 1977 crop, $3 per bushel for the 1978 crop, and for the 1979 through 1981 crops at a price equal to the previous year's target price, adjusted to reflect changes in certain costs of production. These would include variable costs, machinery ownership costs and a portion of general farm overhead costs. Target prices would be used, as in current law, for computing deficiency and disaster payments.

Title V provides a similar loan and target price program through the 1981 crop for feed grains under which loans and purchases for corn are made available at not less than $1.75 per bushel for the 1977 crop and $2 per bushel for the 1978 through 1981 crops, nor more than parity, and for other feed grains at a level fair and reasonable in relation to corn. Target prices for corn are set at $1.85 per bushel for the 1977 crop, $2.10 per bushel for the 1978 crop, and for the 1979 through 1981 crops at a price equal to the previous year's target price adjusted to reflect certain changes in cost of production. The target prices for other feed grains are set in relation to the level for corn.

Current wheat and feed grains legislation expires with the 1977 crop. Unless action is taken now to enact new farm legislation, permanent legislation will come back into effect which has been suspended for almost a decade and which is out of phase with current needs. H.R. 7171 is an attempt to meet the challenge of present-day America.

On the one hand, wheat producers and to some extent the feed grains producers are faced with a severe financial crisis. During the last 3 crop years the farmers of the United States have produced near-record crops of wheat and feed grains. During the same period of time the other areas of the world have also produced bountiful crops of grain. As a result, America's wheat and feed grains producers have seen a slackening of demand for their production and prices have plummeted. In the case of wheat, 3 straight years of bumper crops have swelled the surplus carryover of wheat in the United States to in excess of 1.1 billion bushels with the carryover expected in May 1978 to be near 1.4 billion bushels. As a result of the large surplus of wheat in the United States and around the world, the market price for hard red winter wheat has dropped from an average of $5.52 per bushel in February of 1974 to less than $2 per bushel at the present time.

On the other hand, the Nation is faced with an unprecedented budget deficit projected at about $60 billion for 1978 and competing pressures for increased Government outlays from many sectors of the economy. The President has indicated his intention to have a balanced budget by 1981 and has alerted the Congress to the need for restraints in legislation which call for increased Government spending.

The target prices in the legislation are an attempt to strike a deliberate balance between these conflicting forces—to provide additional income to assist our hard pressed grain farmers and at the same time achieve legislation which is fiscally responsible and which will be acceptable to the Congress and to the President. It is the judgment of the committee that H.R. 7171 has accomplished these objectives.

H.R. 7171 also updates farm allotments for wheat and feed grains. Acreage allotments were originally devised as a mechanism for the distribution of farm program benefits and an equitable apportioning of the burdens of production control among all producers. To achieve this, farm allotments were initially assigned on the basis of historical cropping patterns. The 1959–60 period was used to establish bases for feed grains; the most recent wheat allotment was established during 1952–53.

The present allotments are antiquated, reflecting economic conditions of a bygone era. They do not adequately reflect either the actual cropping patterns or production practices adopted by today's farmers. Many producers have no allotment or have only a very small allotment relative to their current cropping practices.

Under the wheat and feed grains provisions of H.R. 7171, all historical allotments would be abolished and the programs would be administered based on the current year plantings, or in some cases, on previous year plantings. All producers would be eligible for program benefits.

The legislation also fulfills a need to revise the disaster payment provisions included in the 1973 act in the interest of a more equitable system. As previously stated, under current legislation only producers with historical allotments are entitled to disaster payments. Many producers who entered into production since the base period used in establishing allotments have been unable to qualify for relief. In addition, as little as one unit of production per acre can determine whether or not a farmer is entitled to a low yield payment. Producers are not eligible for disaster payments unless the low yield is less than two-thirds of their established yield, in which case payments are made for the entire deficiency in production below 100 percent of the established yield. Elimination of this "snap-back" provision is greatly needed.

Under the revised disaster program, benefits would be directed to those who need help the most—producers who have suffered the greatest losses.

Title VI—cotton. This title extends for 4 years with some amendments the current target price and loan program for upland cotton. The purpose of the cotton amendments is to keep United States cotton competitive in world markets with foreign produced cotton and to provide stable cotton prices so that cotton can continue to maintain its fair share of the fiber market in both the United States and abroad. At the same time, the program is designed to provide cotton producers a measure of income protection so they may be able to produce the cotton necessary to meet domestic and export needs.

The bill assures that U.S. produced cotton would remain competitive in world markets by establishing the loan rate at 85 percent of the 4-year weighted average price of SLM 1 1/16-inch cotton as quoted on the U.S. spot markets or 90 percent of the adjusted Liverpool A index quotation—the best known world cotton price index. To give producers adequate opportunity to make their plans for the next crop, the Secretary

must announce the loan rate by November 1 each year and not change the rate thereafter. Target prices would be set at 110 percent of the loan rate.

To avoid widespread price swings and price instability provisions are included which give producers the option to extend the CCC loan for up to 18 months, except when the spot market price for the preceding month exceeds a specified level. If cotton prices exceed this level, import quotas would be relaxed to allow an additional quantity of upland cotton to be imported during a 3-month period.

The provisions relating to extension of the loan period and to proclamation of the special quota become effective upon enactment even though the cotton may be of a crop prior to the 1978 crop so as to encourage speculators to become more careful about selling short in a sharply falling market or buying heavily into a rapidly rising market, thus permitting the market to reflect more closely the true supply-demand situation.

Title VII—rice. This title extends the current loan and target price rice program through the 1981 crop with the following changes:

It authorizes the Secretary to depart from the formula prescribed in the act and set loans at not less than $6.31 per hundredweight if necessary to avoid buildup of excessive stocks and loss of export markets.

It provides for adjustments in the target price beginning with 1978 to reflect changes in certain items of cost of production, the same as for computing target prices on wheat and feed grains.

It requires planting of rice in order to qualify for deficiency payments, with payments to be based on acreage planted within the allotment.

And it reduces the $55,000 payment limitation in effect for the 1976 and 1977 crops by 5 percent each year beginning with 1978 until it reaches the level of payment limitation for other crops.

Otherwise, H.R. 7171 continues the existing program providing for deficiency payments and disaster payments and loans to allotment holders based on a national allotment of 1.8 million acres with authority for a set-aside program. Marketing quotas would be suspended through the 1981 crop.

The purpose of the rice title is to establish for rice the producer-freedom and market-oriented policy which is provided for other farm commodities. This legislation offers an opportunity for the rice farmer to grow this staple commodity with a minimum of Government control and interference. The proposed program will make it possible for anyone to grow rice if he wishes and decide on the basis of market considerations how much rice should be grown.

If no legislation is enacted to extend or replace the Rice Production Act of 1975, program authority will revert to existing permanent legislation which provides for the minimum national acreage allotment of 1,652,596 acres, and for marketing quota penalties for those who produce in excess of their allotments—if marketing quotas are approved by two-thirds or more of rice producers.

Title VIII—peanuts. The Peanut Production Act of 1977 provides a sharp reduction in the cost of the peanut program to the Federal Government, assures U.S. consumers continued abundant supplies of high quality, high protein peanut products at reasonable prices, provides minimum—though reduced—income protection to the Nation's peanut farmers and, finally, gives growers new opportunities to produce U.S. peanuts for export or crushing at competitive world prices. The act is the culmination of a long inquiry into the need for changing the Federal peanut program.

The Peanut Production Act of 1977 would reduce the cost of the program for 1978–81 crops by reducing the quantity of peanuts eligible for support at the higher loan rate, the rate established for peanuts sold for primary use. This would be accomplished by placing each allotment holder on a minimum poundage quota which would decrease over the 4-year life of the bill. Second, the support level would be frozen at $420 per ton instead of escalating to a projected $556 per ton under the parity formula in existing law.

The Department of Agriculture projects that the Peanut Production Act of 1977 would reduce Government net outlays on the peanut program by $592 million during the 1978–81 period. The Congressional Budget Office also projects substantial savings under the provisions of this legislation.

The act would also allow greater flexibility for production of peanuts for export and crushing by providing for a lower support rate for peanuts produced in excess of the poundage quota but within allotted acres. The Secretary would have broad discretion under the Act in setting the support rate for additional peanuts.

With price support loans and related operations, the farmer has an effective means of obtaining the value of his peanuts in the primary food market. He also has a means for moving any production above food requirements into the secondary crushing and export market in an orderly manner.

The Peanut Production Act of 1977 represents a compromise between the various peanut producing areas and is a practical solution to the problems faced by the industry. The committee is of the view that it is a positive step in the right direction.

Title IX—miscellaneous commodity Provisions. This title contains a number of separate provisions dealing with various aspects of commodity legislation.

Among these, is provided an extended loan program on wheat and feed grains under which the borrower may extend a loan for a 12-month period without interest being charged and receive a storage payment of 1 cent per bushel per month. CCC sales of wheat and feed grains would be restricted to a level not less than 150 percent of the current loan level except where there is loss or waste or sales for disaster program purposes. These provisions would insulate existing stocks of grain from the market as much as possible.

Another provision amends the Commodity Credit Corporation Charter Act for the period October 1, 1977, through September 30, 1981, to provide a special storage facility loan program to farmers to encourage storage of dry and high moisture forage, silage, or grain on farms.

Loans for farm storage facilities were first authorized under the Commodity Credit Corporation Charter Act of 1949, with discretionary authority for the Secretary of Agriculture to determine provisions for carrying out this program. The storage facility provision was added to H.R. 7171 so that farmers can plan for storage needs in advance and not have to deal with frequently changing loan terms and provisions. Such fluctuations in the past have resulted in a great deal of farmer dissatisfaction with the program.

The bill provides for the loans not to exceed $50,000 for a period not to exceed 10 years, at an interest rate of 7 percent and would be in amounts not less than 75 percent of the total construction costs, including the cost of structural and equipment foundations, electrical systems, grain handling systems, drying equipment and site preparation. Loans could be made for remodeling costs as well. The size of the facility would be based on an estimate of 2 years production.

The title also requires the Secretary to set the loan level of a commodity at 100 percent of parity if the executive branch of the Federal Government should suspend or cause suspension of export sales of wheat, feed grains, soybeans, rice, flaxseed and cotton. This provision is intended to discourage embargoes or the suspension of export sales by the executive branch. It does not, of course, prevent such action where an overriding national interest exists.

Included in the title is a requirement for the Secretary to conduct an assessment of rural water supplies and report the result of the study to the Agriculture Committees of the Congress within 180 days of enactment of the Act together with recommendations for legislative and administrative action. The basic reason for this legislation is that information on rural water resources gathered under numerous programs by Federal, State, and local governments is not adequately coordinated for dissemination and effective use by farmers, rural Americans, governmental administrators and legislators.

Another provision authorizes the Secretary to provide a new critical lands resource conservation program in the Great Plains area, whereby owners and operators of land may enter into 2-year renewable contracts to divert cropland to a soil conserving cover crop. The Secretary may provide for diversion of up to 50 percent of the acreage planted in the 2 prior years in consideration for which he would make payments not in excess of $30 per acre.

The title also adds a new provision mandating the Secretary to establish a soybean loan and purchase program for producers, but it provides appropriate discretion for the Secretary to set the level of support in relation to competing commodities and foreign and domestic supply and demand factors. It does not

authorize the Secretary to make producer payments.

Under section 301 of the Agricultural Act of 1949, loans for soybeans and most other "nonbasic" agricultural commodities are discretionary with the Secretary of Agriculture.

In recent years, the Secretary has exercised this discretion to set the loan for soybeans at $2.25 to $2.50 per bushel with the exception of the 1975 crop when a price support program was not authorized at all. Even though the Department announced a $3.50 loan for the 1977 crop, during the hearings the soybean industry pointed to the suspension of support in 1975, when prices had fallen sharply, as justification for new legislation to mandate a price support program for soybeans.

The title also amends the Rural Development Act to authorize $20 million for each of the next 2 fiscal years for a revised and extended small farm research program and a small farm extension program.

Title XI—Public Law 480. This title extends the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for 2 years through December 31, 1979. It also amends the Act in several particulars. One amendment would require purchases under title I to be publicly advertised in the United States and made on the basis of bid offerings received and publicly opened in the United States. Commissions to selling agents would be prohibited and reporting of commissions to purchasing agents required.

An additional provision authorizes waivers to the restrictions on availability of commodities to cover urgent humanitarian needs.

Another amendment increases the authorization level for title II programs by $150 million in order to insure that adequate funding authority is available to meet programing requirements. The current projection for fiscal year 1978 programing is that approximately $570 million—just below the $600 million ceiling—will be necessary to fund 1.5 million tons of commodities. A slight increase in commodity prices, or other variable costs, would mean that current funding would not be available to meet this level of commodity programing. Such increased authority would provide adequate funding for title II programing of approximately 1.8 million tons at current prices in the event that additional programing requirements develop.

Title XII—food stamps. At the time title XII comes up for consideration, I will offer an amendment striking out the language now appearing in H.R. 7171 and inserting in lieu thereof the text of the bill, H.R. 7940, the Food Stamp Act of 1977, as reported by the committee.

The Food Stamp Act of 1977, as reported by the Committee on Agriculture, represents the culmination of 2½ years' work by the committee. Prompted by widespread public concern about the rapid growth and cost of the food stamp program during the winter of 1974 and 1975, the committee undertook a comprehensive study of the program beginning in the spring of 1975 to collect basic information about how the program actually operates, who participates, what the incomes of participants are, and to determine the nature and extent of administrative problems. Unfortunately, at that time that kind of information simply was not available to the committee or to anyone else.

The result of that effort by the committee was a published study of some 600 pages which provided information for the first time regarding these basic questions. In September of last year, the committee completed action on a food stamp reform bill, H.R. 13613. Because of the press of other business late in the session, a rule was never granted and the bill was never brought to the floor.

The new administration gave very high priority to food stamp reform, and early in this session the administration forwarded a proposed bill to the Congress. The Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition promptly held hearings and reported an improved bill to the full committee. The full committee has now completed action on the most comprehensive reform of the food stamp program since its inception as a pilot program in 1961.

The committee bill is a tightly interrelated package of provisions that accomplishes several major objectives:

First. To tighten program administration and reduce fraud and abuse.

Second. To eliminate the nonneedy from the program so that those who do not need food stamps do not get them.

Third. To facilitate the participation of the needy so that those who do need stamps do get them.

Fourth. To hold program costs close to current program levels.

Fifth. To simplify administration.

Sixth. To minimize the loss of benefits to current needy participants.

It is important to emphasize that legislation to accomplish those objectives in no way depends on subsequent welfare reform proposals. The food stamp program needs to be reformed, and it should be reformed regardless of the direction of welfare reform. The changes adopted by the committee are needed to improve the effectiveness of this program and to correct current deficiencies. The record clearly indicates that the path to welfare reform is, indeed, rocky and, if enacted, the administration has indicated that it will be several years before fully implemented. In the meantime, we must move ahead with food stamp reform. If welfare reform is enacted, appropriate modification to the food stamp program can be made in that context; if it does not come soon, the necessary changes in the food stamp program will be in effect.

First. Provisions to tighten program administration and reduce fraud and abuse—of major concern to the committee have been the persistent reports of fraud and abuse associated with this program. As a result, nothing in the bill received more attention than the efforts to strengthen program administration. Major provisions in this area include:

Strengthened work registration—recipients who can work must register for work, search for work, accept available work, and continue to work or lose food stamp eligibility.

Workfare—A pilot effort in one local area in each State is provided to test a mandatory work provision. In these pilot projects, work registrants who do not find private sector jobs within 30 days would be required to accept public service jobs at the minimum wage rate but paid in the form of their food stamp allotments.

Fraud penalties—in addition to civil and criminal penalties, individuals found guilty of fraud by the State will be disqualified from food stamp participation for 3 months. If found civilly or criminally fraudulent by a court, the disqualification will be at least 6 months, but not more than 24 months, in addition to the administrative 3-month disqualification.

State administration—States will receive stronger encouragement through both rewards and penalties to improve program administration. States will receive at least 75 percent—instead of the normal 50 percent—administrative matching for costs associated with the investigation and prosecution of fraud. They will be encouraged to reduce certification error rates by a provision which increases to 60 percent and 65 percent the administrative matching amounts if they reduce error rates below 10 percent and 5 percent respectively. On the other hand, States that fail to comply with Federal standards and requirements will have their administrative matching reduced as determined appropriate by the Secretary. In addition, the Department is required to establish State staffing patterns consistent with proper program administration.

Recipient reporting requirements—all certified households must receive a form at the time of certification and are required to report changes in income, assets, or other household circumstances that affect their eligibility or benefit level. That form must spell out clearly and in large print the criminal and civil penalties for fraud.

Transfer of assets—households that knowingly transfer assets in order to become eligible for food stamps will be ineligible to receive food stamps for up to 1 year.

Second. Provisions to eliminate the nonneedy from the program—under the committee bill, approximately 1.3 million people will be eliminated from the program and an additional 2.3 million will have their benefits reduced.

High gross income families—while the evidence indicates that the number of families with high gross incomes who have participated have been low, it nevertheless has been theoretically possible for families with high gross incomes to become eligible by claiming several of a long list of itemized deductions from income. The committee bill eliminates that possibility. First, the net income limits have been reduced to the official poverty guidelines. For a family of four, the eligibility level goes from $6,804 to $5,850 annually. For a family of eight, the ceiling would be lowered $2,550. In Alaska and Hawaii, the ceiling would be lowered as much as $4,764 and

$5,118, respectively. Second, on a monthly basis, deductions are limited to $60 per household, 20 percent of earned income, a dependent care deduction up to $75, and a shelter deduction of the shelter cost in excess of 50 percent of income up to $75—for benefit determination only. This means the annual gross income limits are $6,570 for a nonworking family, $8,212 for a working family, and $9,338 for a working family with dependent care.

Students—provisions in the bill eliminate all students except those who could not be claimed as tax dependents or those whose parents are eligible for food stamps if the students could be or were claimed as tax dependents and those who are either: First, working at least 20 hours per week; or second, registered for at least 20 hours' work; or third, the head of a household with at least one dependent; or fourth, otherwise exempt from work registration. Thus, the program is limited to needy students who are working at least half-time or are registered to work or are the heads of households with dependents.

Aliens—the committee gave extensive consideration to the question of alien eligibility for the food stamp program. In addition to excluding illegal aliens, the bill also effectively excludes aliens who enter under contracts with employers who guarantee jobs—but who subsequently become public charges—by imputing their employers' income and assets to them. The bill also excludes aliens who may be granted amnesty for illegal entry, but who have not, by act of Congress, been granted legal status. Fugitives from human rights oppression, and national disasters would be eligible for food stamps if they meet normal eligibility requirements.

Assets—the bill requires the Secretary to prescribe the types and allowable amounts of assets with limits of $1,500 for single-person households, $2,250 for households of two or more; and $3,000 for households of two or more containing one person over age 60. In addition to the limits contained in current regulations, the Secretary must count against the prescribed limits boats, snowmobiles, and airplanes used for recreational purposes, vacation homes and mobile homes used primarily for vacation purposes. Also to be counted against the prescribed limits is the value in excess of $4,500—fair market value—of any car used for household transportation and any other car used for employment, but not vehicles used to produce earned income. The Secretary is required to study the effectiveness of these requirements in limiting participation to needy households and report back to the Congress.

Third. Provisions to facilitate the participation of the needy—the committee bill will bring in approximately 2,084,000 people who are currently eligible but not participating and most of whom have incomes below the poverty line. The net addition will be substantially less because of the elimination of 1,344,000 nonneedy from the program.

Elimination of the purchase requirement—perhaps the most significant change adopted by the committee is the proposal to eliminate the requirement that families spend some of their income for food stamps. The committee believes the elimination of the purchase requirement will:

First, simplify administration;

Second, eliminate a major barrier to participation by the needy;

Third, reduce administrative cost; and

Fourth, reduce the potential for fraud in the handling of cash.

Eliminating the purchase requirement will significantly reduce the States' administrative burden. Eliminating the cash collection and depositing system will reduce reporting requirements, save staff time, and cut down on paperwork. Eliminating the purchase requirement will make the food stamp program available to families not able to afford the cash requirement at all or have only been able to participate irregularly. Not having a purchase requirement will reduce the number of food stamps printed, shipped, stored, issued, redeemed, reconciled, and destroyed each year by over $3 billion. Finally, the potential for vendor abuse in the selling of coupons and the handling of cash will be eliminated.

Accessible certification and issuance offices—the Secretary is authorized to set standards relating to the hours and locations of certification and issuance offices to provide an adequate opportunity for participation by needy families. Further, under certain circumstances, for example, elderly disabled, or persons with transportation difficulties, families can be certified by mail or through telephone contact. Similarly, recipients of supplemental security income may apply for food stamps in social security offices. Eligible families are assured of the receipt of benefits within 30 days of filing an application.

Indians—to encourage the participation of Indians, in a feeding program, authority is provided to allow tribal organizations to have both the food stamp and food distribution programs available on a given reservation so that individual Indian families could choose the one which best meets their needs.

Fourth. Provision to control program costs. The cost of the committee bill is estimated at $5,316 million, approximately $48 million below the committee's current services estimate and $38 million below the Congressional Budget Office's—CBO—current services estimate for the fiscal year 1978. While the cost estimates made by USDA, CBO, and the committee staff are reasonably close, the committee is very sensitive to the uncertainties associated with the cost impact of eliminating the purchase requirement. Therefore, the committee has directed the Secretary to provide special reports to the Congress on the affect on participation and cost of the program without the purchase requirement. The first report will be due 6 months after implementation, with subsequent reports due annually thereafter. Should costs begin a rapid escalation, the committee will be in position to move rapidly to take appropriate action.

Fifth. Provisions to simplify administration. The calculation of itemized deductions for each individual family has contributed substantially to the very complex administrative structure of the program and has been the source of numerous certification errors. The committee has replaced all but two of the long list of itemized deductions with a standard deduction of $60 per month plus 20 percent of earned income. This will simplify the certification process for both caseworkers and applicants and reduce error rates.

Sixth. Provisions to minimize loss of benefits to needy currently participating. Shelter deduction—under the current program of itemized deductions, approximately 69 percent of all families have shelter deductions because of higher shelter costs. In part, this has been brought about because of rapidly rising energy costs. Accordingly, a standard deduction applied equally to all would severely penalize millions of families who have shelter costs far above the amount provided for by the standard deduction. Therefore, to minimize the impact of the standard deduction and in recognition of the fact that shelter costs do vary from area to area, the committee adopted an excess shelter deduction. Families are permitted to deduct from their incomes shelter costs in excess of 50 percent of their net incomes up to a maximum of $75 per month. This deduction cannot be used in determining eligibility, but can only be used after eligibility has been determined in establishing the level of benefits. Thus, families cannot become eligible because they have high shelter costs; they can, however, increase their food stamp benefits once determined eligible.

Dependent care deduction—only about 3 percent of all households claim dependent care as a deduction under the current program. For this small group, however, the absence of a dependent care deduction would work a severe hardship and would provide a disincentive for food stamp recipients to continue employment. Therefore, the committee approved a dependent care deduction of actual expenses up to a maximum of $75 per month.

Title XIII—National Agricultural Research, Extension, and Teaching Policy Act of 1977. This title contains important initiatives in agricultural research and extension. And I would like to commend the ranking minority member of our committee, Mr. WAMPLER, for spearheading the committee's efforts in this area.

The committee found, after extensive hearings, that agriculture's share of the Federal research budget has shrunk alarmingly in the past 10 or 15 years and that this lack of emphasis has been accompanied by deterioration of the national agricultural research and extension efforts. We noted, first of all a disturbing lack of coordination of efforts, both among Federal agencies and, on a broader front, among the many Federal, State, and other entities working in this area. This bill makes the Department of Agriculture the lead agency of the Federal Government for this purpose and requires the Secretary to establish and submit to the Congress a 5-year national plan for research, extension, and teach-

ing in the food and agricultural sciences. To assist him in getting off the ground and in establishing priorities we have established two advisory committees, both to be chaired by the Assistant Secretary in charge of agricultural research and extension. One of these committees is composed of scientists and administrators; and the other is composed of direct users of the fruits of agricultural research. After the initial start-up period, the Secretary would have discretion as to whether to continue these committees in existence.

We found a number of fields of research which need emphasis right now, and this bill authorizes incentives in the form of grants for basic and applied agricultural research, as well as research into human nutrition, animal diseases, new crops, and the manufacture of industrial hydrocarbons from agricultural commodities. In addition, this bill would authorize grants to upgrade both graduate and undergraduate programs in the food and agricultural sciences and also grants for construction of research facilities and establishment or expansion of veterinary medical schools. In addition, the bill would authorize pre-doctoral and post-doctoral programs and an annual national agricultural research award.

This bill provides for the strengthening of the USDA extension program in a number of particulars and directs the Secretary to study the impact of the Federal and cooperative extension programs and report the results to the Congress by March of 1979. The bill also puts the so-called 1890, predominantly black, land-grant institutions on a par with the 1862 land-grant colleges and universities by providing specific authorizations for funding of agricultural research and extension at the 1890 schools. Finally, the bill authorizes appropriations both for existing research and extension programs and for the new initiatives contained in the bill. However, both the existing programs and new initiatives would have to be reauthorized after 5 years.

Title XIV—Agricultural Solar Energy Research, Development, and Demonstration Act of 1977. The agricultural solar energy research, development, and demonstration program is a comprehensive package of initiatives for the promotion of solar energy use on American farms. It would encourage present and future farmers to use renewable energy sources by providing for demonstration projects of practical solar energy applications and by providing loans to incorporate solar energy systems in farm homes and in farm operations. It would do this through established agencies within the Department of Agriculture and through the cooperation of the State departments of agricul'ure. It is a response by Congress to President Carter's expressed concern over the serious need for energy conservation, and a response to the concern of farmers all over America who have been experiencing drastic increases in food and fiber production costs due to energy price increases.

Title XV—Wheat and Wheat Foods Research and Nutrition Education Act. Title XV provides for a coordinated program of wheat research and nutrition education to be conducted by a Wheat Industry Council, financed through an annual assessment on end product manufacturers of wheat of not to exceed 5 cents per hundredweight of processed wheat purchased. The program is contingent on approval of end product manufacturers in a referendum. Any end product manufacturer, subject to the assessment, would have the right to obtain a refund of his assessment, upon request. An exemption is provided for end product manufacturers who do not purchase more than 2,000 hundredweight of processed wheat per year for use in the manufacture of end products. It is anticipated that as a result of this exemption, less than 20 percent of retail bakers would be covered by the assessment.

The program would be carried out by a Wheat Industry Council in whi:h wheat producers, processors, end product manufacturers, and consumers of wheat foods would be equally represented.

The program is designed to improve and enhance the quality and make the most efficient use of American wheat, and processed wheat and wheat end products, to help insure a better and more adequate diet for all Americans as well as foreign consumers. Specific objectives of the program are: First, to develop more efficient manufacturing processes; second, to develop new wheat and wheat food products and new uses for wheat byproducts; third, to develop higher protein wheat strains; and, fourth, to improve the competitive position of U.S. wheat in international markets through broadening of sales.

A final word concerning costs of H.R. 7171. The Congressional Budget Office estimates the average yearly cost of the commodity support portion of H.R. 7171 at $2.317 billion, and the total farm program covered by H.R. 7171 at $6.168 billion per year. The food stamp portion of H.R. 7171 is estimated to cost $5.316 billion for fiscal year 1978 and over the 4-year term of the bill an average of $5.49 billion per year. Thus, according to CBO, the average cost per year for all sections of H.R. 7171 is estimated at $11.658 billion.

The Department of Agriculture estimates that the farm program portion of the bill would be substantially less than CBO's estimate—more than $1 billion per year less. The committee finds sections of both CBO and USDA's estimates with which it disagrees. However, on the balance, we feel that the two estimates do provide a reasonable range for the cost of the bill and, our best guess is that the actual cost of the farm program portion of the bill will fall somewhere between the two estimates. In the case of the food stamp program, the committee is of the view that the program will cost approximately the amount estimated by the Congressional Budget Office.

Mr. Chairman, H.R. 7171 is a comprehensive bill covering most areas of interest involving food and agriculture. It is the result of great effort on the part of the committee. It is a balanced bill and deserves the support of the Members. I urge the Members to vote in favor of the bill.

Mr. SISK. Mr. Chairman, House Resolution 666 provides for the consideration of H.R. 7171, the Agriculture Act of 1977. This is a fairly complex rule, containing several waivers. While there are a number of waivers, they are, for the most part, technical in nature.

The rule provides for 2 hours of general debate with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. The bill is to be read for amendment by title rather than by section.

The rule provides for several waivers of the Budget Act in order for the bill to be considered. This is necessary because H.R. 7171 contains violations of sections 303(a)(4), 401(a), 401(b)(1), and 402 of the Budget Act. Most of these violations, however, are merely technical since the Committee on Agriculture has indicated that it will offer floor amendments to correct all of the problems with one exception.

The one provision of the bill which will not be amended in order to meet Budget Act requirements concerns support levels for crop years beyond 1977. Section 303(a)(4) of the Budget Act prohibits the consideration of new entitlements to become effective in a fiscal year prior to the adoption of the first budget resolution of that year. For example, a bill containing a new entitlement to become effective in fiscal year 1979 cannot be considered in the House until the first budget resolution for fiscal year 1979 has been adopted.

H.R. 7171 sets target prices for certain commodities at one level for the 1977 crop, a higher level for the 1978 crop, and a yet higher level for the 1979 crop. Since support payments for a given crop year are made the following fiscal year, this provision creates some entitlements first effective in fiscal year 1978 for the 1977 crop, some in fiscal year 1979 for the 1978 crop, and some in fiscal year 1980 for the 1979 crop. Applying the requirements of section 303(a)(4) of the Budget Act, the fiscal year 1979 and fiscal year 1980 entitlements cannot be considered until after the first budget resolution for the appropriate fiscal year has been agreed to.

However, full compliance with the Budget Act in this regard would preclude consideration of new price support measures for a given crop year until after the crops are planted. Clearly, compliance in this case would be inconsistent with any sound farm policy. Consequently, the Budget Committee recommended that a waiver of section 303(a)(4) be granted. The Committee on Rules concurred with this recommendation and the rule contains the waiver.

As I stated earlier, the Committee on Agriculture has agreed to offer amendments to cure the Budget Act violations under sections 401 and 402 of the Budget Act. However, waivers are required in order for the bill to be considered.

Section 1315 of H.R. 7171 provides contract authority which is not limited "to such extent or in such amounts as

are provided in Appropriations Acts," as required by section 401(a) of the Budget Act.

A number of provisions of the bill, including those relating to certain disaster payments, would violate section 401(b)(1) of the Budget Act because they would become effective upon enactment of the bill. Section 401(b)(1) provides that it shall not be in order to consider a bill containing new entitlement authority to become effective before the first day of the fiscal year which begins in the calendar year in which the bill is reported. Thus, the entitlement provisions in H.R. 7171 should not become effective before October 1, 1977—the first day of fiscal year 1978—since the bill was reported from committee in calendar year 1977.

Similarly, certain provisions of the bill contain authorizations that would become effective upon enactment of the bill. Since this could occur during fiscal year 1977, the provisions in question would violate section 402(a) of the Budget Act. This section provides that it shall not be in order to consider a bill authorizing the enactment of new budget authority for a fiscal year unless the bill has been reported by May 15 preceding the beginning of that fiscal year.

Mr. Speaker, this rule also waives points of order against the consideration of section 1334 of H.R. 7171 for failure to comply with the provisions of clause 5 of rule XXI which prohibits appropriations in a legislative measure. This is actually a technical violation since the language in question simply allows administrative funds to be used for transportation of non-Federal scientists to research meetings. The language appears on page 139, lines 22 to 25 of H.R. 7171.

The rule also makes in order the consideration of the text of H.R. 7940, the Food Stamp Act of 1977, in lieu of title XII of H.R. 7171. H.R. 7940 is to be considered as an original text for the purpose of amendment and it will be read for amendment by section. Two points of order are waived against the substitute. Clause 7 of rule XVI, the germaneness rule, is waived. This is necessary for two reasons: First. H.R. 7940 amends several laws which are not amended by the original bill, and second, H.R. 7940 is much broader than title XII of H.R. 7171. Clause 5 of rule XXI prohibiting an appropriation in a legislative bill is also waived. Again, this is a technical violation relating to the transfer of funds. The language in question appears on page 57 of H.R. 7940.

After passage of H.R. 7171, the rule makes in order the consideration of S. 275, the Senate Agriculture Act of 1977. A waiver of section 303(a) of the Budget Act is also granted for this bill because it, like the House bill, contains price supports for various commodities for fiscal year 1979 and fiscal year 1980.

Mr. Speaker, H.R. 7171 is a complex piece of legislation containing some 15 titles. It is the result of extensive consideration by the Committee on Agriculture. I do not plan to discuss at this point the various provisions of the bill as I am sure there will be ample opportunity for Members to discuss those provisions during consideration of the bill. I urge my colleagues to adopt House Resolution 666 so that we might proceed to consideration of H.R. 7171, a vital piece of legislation not only for the agricultural community in this country but for the Nation as a whole.

Mr. WAMPLER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, just over a decade ago, this Nation's farm programs were on the verge of collapse. Surpluses piled up in warehouses, grain overflowed its bins, storage costs alone totaled more than $1 million a day, and farmers faced severe financial hardships.

A new approach to the problems of agriculture was needed—away from the programs which had caused the problems in the first place: High rigid price supports, production controls, and Government domination over the life of the farmer. A new approach was developed on a bipartisan basis—and the legislation we are now considering continues much of the past which is good. It also adds some new which I consider bad.

Without question, however, this legislation is important—perhaps the single most important measure this Congress will consider. It is important for a number of reasons:

First. It replaces farm programs which would otherwise expire this year. If this happens, most programs would revert to quarter-century-old laws which are no longer applicable. So we must act this session.

Second. Agriculture is this Nation's biggest and most important industry with assets totaling approximately $600 billion, and with about one out of every five jobs in the private sector involved in some way with it. We must assure a viable farm economy which, in turn, will help to assure a vigorous national economy.

Third. We can possibly survive without such life basics as clothing and shelter, if we must, but we can in no way survive without food. We must therefore enact programs which will assure adequate agricultural production to meet the ever-increasing need for food which will face this Nation in the years ahead.

Because this legislation is so vital to our country, I will put my every effort during its consideration into making it the best possible bill for agriculture specifically and for the country generally. As I indicated a moment ago, there are both good and bad features in this bill. Let me elaborate.

The 1970 Agricultural Act charted a new course for farm policy by abandoning to some extent the discredited farm policies of the 1960's. It not only moderated many of the Federal controls on crops, production, and stockpiles that had dogged farmers and producers for a decade, but it turned attention to expanding farm markets overseas.

The Agricultural and Consumer Protection Act of 1973 next emphasized market-oriented farm policies and programs. Target prices were established which were realistically set so as to stabilize prices without billions of dollars of cost to the taxpayers.

Loan levels were established which permitted farmers to hold inventories and to make basic decisions on when to sell, whether to feed or when to switch to other nonsurplus crops. Loan levels did not build up huge Government-held inventories which could "hang over" the market as a threat for dumping; instead they merely helped farmers finance their operations and gave them a greater voice in making supply and demand decisions.

Farm prosperity since 1973 attests to the success of the 1973 act—a "free market" approach to farm policies. This does not mean that the Federal Government is totally removed from farm programs. But it does mean that Federal paternalism—such as Federal control of prices through control of surpluses and export subsidies—is largely and rightly diminished.

Recently, with the advent of a new administration, there is concern among farmers over possible new directions for American agriculture. USDA initiatives into international cartels for wheat, subsidies for sugar processors and a legislative program—the farm bill we are now considering—call for what appears to be a return to the Federal farm policies of the sixties—and I might add—to many of the same old faces of the Freeman era.

Mr. Chairman, the programs presently on the books have worked. Let us build on their record of achievement.

One of the provisions of the committee's bill that could have the most beneficial impact on American agriculture is title XIII, the National Agricultural Research, Extension, and Teaching Policy Act of 1977. This initiative which was begun and which passed the House overwhelmingly in the last Congress has been expanded on in this legislation. The purpose of title XIII is to reestablish agricultural research, extension and teaching as a primary function of the U.S. Department of Agriculture—fields which have, to a large extent, been neglected and ignored by the executive branch and the Congress for over a decade.

The need to expand research, extension and teaching in the food and agricultural sciences is well documented. Despite current projections of surpluses in some crops this year, recent brushes with famine in some areas of the world and predictions of Malthusian population growth in others require this Nation to establish new policies and new priorities to insure that our farmers will have the capability to produce the food, fiber, and wood products to meet future needs both at home and abroad.

At the appropriate time, I shall speak at length on this title, as one of its prime authors.

I strongly endorse in the bill such provisions as that inserted by the gentleman from Kansas (Mr. SEBELIUS) and by the gentleman from Minnesota (Mr. HAGEDORN) which would permit extension of loans to farmers, which would provide for storage of commodities on farms and payment of minimum storage costs to producers.

I also applaud the facilities loan expansion initiative offered by the gentleman from Louisiana (Mr. MOORE). This expansion of credit for onfarm storage goes hand in hand with policies to leave commodity control decisions to the largest extent possible in the hands of farmers and producers.

H.R. 7171 makes legislative progress on some rural development and conservation programs. By increasing the limits on congressional approval of resource conservation and development project loans, this bill would decrease the time the States will have to wait to obtain loans. The gentleman from Illinois (Mr. MADIGAN) has also included an amendment calling for a rural water program assessment by USDA—so that Federal, State, and local governments may have such information when legislating on matters such as water disappearance, conservation, allocation, collection, and storage.

Let me also note that the gentleman from Colorado (Mr. JOHNSON) has inserted language in the bill to amend Public Law 480 by revising purchase procedures and publication of fees to agents, brokers, et cetera, by suppliers of commodities or ocean transportation. This provision should do much to correct the Korean-type scandals which have centered around Public Law 480, title I sales.

During the past several years, farmers and consumers alike have experienced instability at the marketplace with regard to milk. A giant step forward can be taken if Congress approves the dairy provisions increasing the support floor to 80 percent of parity for the life of the farm bill, with a semiannual updating. The stability of this provision will enable dairy farmers to plan better—which, in turn, will help to stabilize consumer prices for dairy products.

Other aspects of the dairy and beekeeper programs are basically simple extensions of the 1973 Consumer Protection Act. These portions have worked well and should be continued.

There's another section of H.R. 7171 which I call to your attention—because it addresses one of the most important problems facing this Nation: energy. In particular, energy for agriculture.

The entire food production and processing system has dramatically increased its use of energy over the past several decades. In 1910, two calories of input energy were required to produce one calorie of food. In 1970, nine calories of input energy were required to produce one calorie of food. In the face of rising energy expenses and uncertain supplies, the need for reliable, low-cost alternative sources of energy is becoming more and more critical for agriculture.

The potential of solar energy for agricultural application has hardly been tapped. Title XIV of this legislation encourages the development and use of solar energy through Farmers Home Administration loans, through additional USDA research and extension activities related to solar energy and through a new 4-year Federal/State cooperative program for solar energy demonstration farm projects.

This additional legislative authority for new USDA initiatives in the area of solar energy will complement and expand the Department's present efforts in this field.

Altogether, Mr. Chairman, I understand there will be over 40 amendments introduced during debate on H.R. 7171. I believe several of these amendments would substantially improve the bill—and I intend to support them wholeheartedly.

One of the most controversial sections of H.R. 7171 involves food stamps. Although I favor a strong food and nutrition program, the fact is that the inclusion of food stamps in this bill weakens it considerably, in my opinion. Nevertheless, I will work to improve the language in the bill—specifically, to delete the part which calls for elimination of the food stamp purchase requirement. If it remains in the bill, this section would move this program a long way toward straightout welfare. For one thing, it will make this program more costly, since more people will be added to food stamp rolls—with estimates ranging from an increase of $600 million to well over $2 billion more, depending upon the degree of participation. Since poor people will spend less for food under this new system—an estimated $1 billion a year less—it will reduce farmers' income by a proportionate amount. By substituting income supplements for a food supplement program, it will erode the one program designed to help improve the nutritional level of the poor people in this country.

I urge my colleagues to take a close look at title XII before going along with its provisions to eliminate the food stamp purchase requirement.

An amendment which will help to improve the food stamp section will be offered by the gentleman from Vermont (Mr. JEFFORDS). His amendment would give States the option of issuing cash in lieu of stamps to households where every member is over 65, blind or disabled. The food stamp program has an abysmal service record for this group. Only 25 percent of eligible elderly persons actually receive food stamps. Participation among the elderly is even lower in rural areas, to an extreme of 5 percent in Wisconsin, for instance. The reasons for lack of participation on the part of this group are primarily fear of welfare stigma and logistical inconveniences. All of the evidence indicates that participation among this group would vastly increase if they could use cash instead of stamps.

The gentleman from Vermont (Mr. JEFFORDS) will also offer an amendment to recover food stamp benefits received by households having an annual income over twice the poverty line. The recoupment proposal would greatly add to the integrity and equity of the food stamp program by insuring that benefits only go to truly needy households. It would utilize the efficiency of the Internal Revenue Service system to make recipients accountable for their income and benefits received, thus greatly reducing opportunities for fraud and abuse of the program. By best estimates, there are 400,000 recipient households in this income category annually—which means there would be some $283 million which could be recovered through this process.

Another amendment—this one by the gentleman from Georgia (Mr. MATHIS)—is important to protect the fiscal integrity of the program. It would place a cap on spending of 10 percent above what the committee staff has estimated the program would cost. In other words, the committee estimates the food stamp program would cost $5.3 billion in fiscal year 1978. The proposal would set the funding ceiling at $5.8 billion. This would not preclude additional expenditure if authorized by Congress in the event of a national emergency.

Mr. Chairman, an amendment which I consider highly useful will be introduced by my colleague from Illinois (Mr. FINDLEY) to improve on the "food for work" concept now embodied in the bill. This provision was earlier adopted in the Agriculture Committee by a vote of 43 to 2, I might add.

Specifically, it would establish one pilot project in each State under which certain able-bodied recipients would be required to perform some public service in exchange for food stamps. The amendment of the gentleman from Illinois (Mr. FINDLEY) will attempt to expand these pilot projects by providing for State and local option.

Mr. Speaker, I consider these amendments important to establishing the integrity of the food stamp program and to restoring the self-esteem of food stamp recipients.

A General Accounting Office report released just Monday indicates that because of errors, misrepresentation, and outright fraud, $12 in every $100 of food stamp benefits is overissued and only 12 cents of that sum is ever recovered. USDA does not bother to collect information as to what proportion of overissuances result from suspected fraud and misrepresentation, but GAO found in the project areas surveyed and based on office classification of individual overissuance claims cases, about 55 percent of the dollar value of all the claims they had established involved suspected recipient fraud.

This parallels a 1976 study by the Agriculture Committee, entitled "Survey of State Administrators on Illegal Activities Within the Food Stamp Program," which revealed a shocking rate of coupon overissuance—nearly 50 percent—through misrepresentation in some cases and outright fraud in others.

This is an absolute indictment of the whole food stamp complex in the Department and in the Congress. American workers and taxpayers continue to provide complete Federal funding of food stamp benefits, thus giving the States no stake in better program management. The Department continues to rely on the States to prosecute fraud, but at the same time it does not provide guidance and assistance in handling such cases. In addition, any benefit retrieved by the States is returned to the Federal Government, so why should the States take a more aggressive approach and spend their own money in collections that will be turned over to the Federal Govern-

ment. This is a cruel hoax on the needy deserving the benefits and the honest folks funding these misguided benefits.

Despite widespread media presentation of abuse and congressional inquiry into the matter, USDA has vigorously contended that the word "fraud" does not exist in the food stamp vocabulary—that abuse represents eight-hundredths of 1 percent, a miniscule amount. Worse, departmental officials and the hunger lobby—both outside and inside Government—when asked about these reports during congressional hearings, accuse concerned Members of "demagoguery." Every page of this GAO report represents severe indictment of a massive food stamp scandal and to deny it is irresponsible. Unfortunately the food stamp legislation coming before us as part of the farm bill does not correct the situation. Despite the food stamp lobby's contention that the EPR provision alone will take care of fraud, the fact is it will not. Assistant Secretary Foreman went on nationwide TV yesterday and proclaimed that EPR will eliminate fraud. She was wrong. EPR will address only the matter of vendor fraud, which represents peanuts in misspent funds. The big items of fraud in the certification process are still to be dealt with.

To help meet the deteriorating financial problems of wheat farmers in the Great Plains areas, I understand amendments will also be offered to increase the loan rate and target price on wheat above the levels contained in this bill. I urge each of you to listen to the arguments which will be presented during this debate and decide on that basis the merits of these amendments. I will only say that I sympathize completely with the concern of wheat farmers who were promised support levels in line with costs of production by Mr. Carter when he was campaigning for the Presidency.

Mr. Chairman, I hope when we have finished action on the Agricultural Act of 1977 that the Members of this body will be able to return to their districts proud of what has been achieved—for the future of American agriculture and the economic well-being of this great Nation rests largely on what we produce here over the next few days.

Mr. FOLEY. Mr. Chairman, I yield 5 minutes to the distinguished vice chairman of the Committee on Agriculture, the gentleman from Texas (Mr. POAGE), chairman of the Subcommittee on Livestock and Grains.

Mr. POAGE. Mr. Chairman, I want to first commend the chairman of our Agriculture Committee, Mr. FOLEY, for his efforts and leadership in bringing the Agricultural Act of 1977 to this floor. There have been and still are sharp differences of opinion among committee members. There will be similar sharp differences on the floor. Chairman FOLEY's task was a difficult one, but he has worked with understanding and patience and has brought out a bill which addresses itself both to the serious problems of the producers and to the welfare of the consumer. I do not know of any other Member of this House who could have achieved what Chairman FOLEY has done. I congratulate him.

This legislation could not have been presented at a time when it is more needed. As a result of the record crops here in the United States, coupled with a decreased demand for agricultural commodities abroad, the market price for wheat and feed grains in the United States is at a disastrously low level, and cotton and soybeans not doing much better. The result is a severe depression for our agricultural economy with a threat of economic catastrophe unless this or similar legislation becomes law in the near future. Surely, we must have legislation which will reduce the accumulation of surplus wheat beginning with next year's crop, and that means we must have legislation in the next few weeks. The planting of next year's winter wheat crop will begin the last week of August 1977.

The present economic crisis in American agriculture is real—not imaginary—and not simply something politicians talk about. It is real in that unless some legislation is forthcoming very soon, thousands of small American family farmers will go bankrupt within the next 2 years. It is real in that the entire economy of a number of Midwestern States is in a severe slump. A slump which must be reflected in and adversely effect other sections of the country. It is real in that many banks in our wheat-growing areas are on the verge of insolvency and probably cannot finance farmers to make any future crops without some assurance of price.

To illustrate how severe the problem is I ask my colleagues to consider the following. The USDA has estimated that in 1977 it cost an average of $3.15 to produce a bushel of wheat. Yet, today, wheat is selling in most parts of the United States for less than $2 a bushel. I personally know of wheat that sold for $1.85 a bushel when harvested last month. I am sure prices are less today. Thus, farmers are losing more than $1 a bushel on every bushel they produce. Those unlucky enough to have suffered a drought or a hard hail storm this year are losing even more. The Department of Agriculture has also estimated that this year it will cost $2.20 to produce a bushel of corn. Yet, at the present time, corn is selling for $2.15 a bushel and all feed grains are following the downward trend of corn. For many months cotton and soybeans enjoyed a somewhat better price structure but recently these prices have collapsed .

It is America's small family farmers who suffer the most as a result of the price situation. For example, the USDA estimated that in nine Midwestern States—Colorado, Kansas, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Oklahoma, and Texas—over 59,000 farmers would be forced to refinance or dispose of a portion of their assets just to pay their debts this fall and in the same nine States about 14,000 farmers will be unable to pay and must go into bankruptcy. Those going broke are not the giant corporations, but hard-working families who are trying to make a living rather than go on the public dole.

Mr. Chairman, H.R. 7171 is not going to solve all our farm problems. It is not going to save all farmers from bankruptcy but in my opinion, it is a bill which will go a long way in solving the present crisis. At the same time, it will help the President attain his admirable goal of balancing the Federal budget by 1981. It is a bill which had been attacked by both sides. Naturally many of those on the verge of bankruptcy feel the bill should provide more help from the Government. The representatives of these distressed people often feel they must reflect their constituents' demand for greater Government help. I cannot condemn or criticize those who point out that this bill does not go far enough in that it will not restore prosperity to many of our farm people.

On the other hand there is much criticism of the bill because, in the judgment of many, possibly including the President, it goes too far. It commits the Federal Government to the expenditure of billions of dollars if necessary to maintain a very minimal farm income. But the farm income sections of this bill are very modest as compared with the social and welfare sections which involve expenditures for food stamps, et cetera. Here, it seems to me, the bill substantially exceeds the amount which can properly be spent without any contribution whatsoever by the beneficiaries. But this is another matter—one which I feel should be considered on its own merits.

The President has stated categorically that he could not approve expenditures as great as those approved by the other body. He has not even said that he would approve the expenditures called for in this bill, but our beloved former colleague and present Secretary of Agriculture feels this bill if passed by Congress as it now stands would become law. I think this bill will receive Presidential approval. At the same time I fear that any substantially more costly multiyear program would be vetoed. I cannot assure the committee that substantial increases for even 1 year will be approved but I feel that there is a reasonable probability that relief to this year's grain producers will be approved—for 1 year only—and I expect to support such a program.

I have been a Member of this House several years and I have never observed any benefits, other than political flowing from a vetoed bill. I do not believe that it is going to help any wheat farmer in Kansas, Ohio, or Texas to have his Representative tell him: "I voted against H.R. 7171. I want to get us a much more helpful program and I want to give it to you for the full life of this bill." Certainly, such a vote could be of no help to farmers who need help, if we can rely on the President's repeated statements. I do believe them and believing it seems clear to me that the greatest help we can extend to farm people is to pass this bill with amendments which we think can receive Presidential approval. Of course, there are a great many serious and well-meaning people in my district and in each of your districts who will say: "Farmers should receive something

better than this;" but I learned a long time ago it was better to take a part of something than it was to get all of nothing. I believe I can say that with all sincerity that if we insist on a continuing more expensive program, we are assuring farmers of all or nothing. If we can send this bill to the President as it stands or with reasonable amendments which add costs for this year only. I think that we will have given farmers a substantial part of something. We will have come a long way in stabilizing prices at a higher level. We will have protected our consumers from unreasonably high prices and we will have provided a very adequate reserve against any unforeseen adverse crop situations in the future. At the same time, we will be passing a bill which holds our governmental spending to realistic levels. We will be passing a bill which will enable American farmers to continue to move their crops into the export market and over the years we will be maintaining the ability of our consumers to buy domestically produced foods at a reasonable price. If, on the other hand, we let thousands of farmers go bankrupt, I am sure that every Member of this body recognizes that food production will decline and prices will very well reach unreasonable levels.

Mr. Chairman, this is a good bill. It is a balanced bill. It is not an extreme measure. It is one we can afford. Indeed, it is one we cannot afford to do without. I hope Members will recognize that we must pay a substantial price for an assured, adequate supply of food. On the other hand, we must recognize that it is not going to help our farmers to pass bills that are not going to become law. While I come from a city of more than 100,000 people and have more urban than rural constituents; I know that all of my people are best served when they can get their food at fair and stable prices. This bill clearly moves in that direction. I urge you not to distroy its balance by accepting amendments which go so far in either direction as to jeopardize the bill's very real benefits.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I want to add my remarks to those of the chairman and the vice chairman, the ranking member. I think the chairman, the gentleman from Washington (Mr. FOLEY) has done a remarkable job, and the gentleman from Virginia (Mr. WAMPLER), on our side, has done an excellent job. There is no greater pleasure than serving as a ranking minority member with the gentleman from Texas (Mr. POAGE) chairman of the Subcommittee on Livestock and Grains. They have all done an outstanding job.

Mr. Chairman, I appreciate this opportunity to discuss in some detail H.R. 7171, the Agricultural Act of 1977. I would like to stress that I have the privilege of representing the Nation's leading wheat-producing district and 57 counties that are typical of rural and small-town America. This legislation directly affects the pocketbook and lives of my constituents. However, the point I would like to make is that this legislation is not parochial, but will affect the welfare of citizens throughout our Nation and throughout a troubled and hungry world as well.

Before we make the basic decisions that will determine the direction of farm policy over the next 4 years, I believe it would be helpful to reflect on where we have been.

We certainly did not achieve the millennium with the Farm Acts of 1970, and 1973, but what was achieved was unprecedented, and the farmer's response in terms of productivity has been nothing short of remarkable. We became optimistic about a farm policy that enabled us to play a vital and successful role in providing food for our nation, alleviate hunger and malnutrition, improve our balance of payments, pay for the imported oil we use, and,even play a significant role in achieving world peace.

We did this with a market-oriented farm policy. And, as we look at what has happened since the 1960's, I do not believe it is in our best interests to go back down the road to Government-controlled agriculture. The current policy is market oriented but with target price deficiency payments to protect the farmer from sudden declines in farm income. It is a policy of freedom for the individual to make his own planting decisions, rather than a policy of allotments and quotas

I believe we should add to and build upon this basic policy. It was this policy that led to record export sales and farm income levels that for the first time in decades enabled the farmer to receive a fair return from the marketplace. In fact, per capita income of farmers exceeded that of the nonfarm sector in 1973 for the first time in recent economic history.

However since that time we have seen serious deterioration in that market. Worldwide wheat stocks have been replenished by more than 50 percent within the last 18 months, exports have fallen off, and prices have plummeted by 44 percent within the past year to levels below the cost of production.

Today, throughout High Plains wheat producing country, we are experiencing a severe price, credit, and cash flow crisis. The value of hard red winter wheat in a 1-pound loaf of bread is now about 2.5 cents, less than the cost of wrapping it. Some time ago within the House Agriculture Committee, I made an effort to dramatize our plight by wearing a breadwrapper as an arm band in mourning for the wheat producer. His cost-price squeeze has become a virtual bear hug. Bureau of Labor statistics show the cost of food increased 2.5 percent while wages have increased 7.2 percent, energy 11.3 percent and transportation 14.1 percent. All of these items weigh heavily in the farmer's cost of production.

We have just harvested the third largest wheat crop on record in the United States and by the time cutting is finished in the Dakotas and Montana, we will have more than 3 billion bushels of wheat on hand. That is enough wheat to provide 944 loaves of bread for every man, woman, and child in this country. By the time anticipated domestic use and exports for the upcoming year are subtracted, we will have enough wheat on hand to bake 426 loaves of bread for every citizen of this Nation, triple the wheat surplus of 3 years ago and the largest carryover since 1961.

Let me stress that in wheat country the attitude of farmers, farm wives, farm organizations, and now our business interests and financial institutions has turned from concern to fear. A preliminary report from 309 Kansas banks show 45 percent of our farmers are in "serious trouble" and predicts 86 percent of our State's wheat producers will lose money this year due to the current farm price crisis.

The term "serious trouble" includes 8.7 percent of farm bank customers who cannot repay current debts and 36.2 percent of farm customers who have gone through major refinancing of their assets. Our rural banks are presently carrying debt loads of up to 80 percent. We are facing an agri-tragedy in wheat country and are in danger of losing a generation of young farmers.

The Kansas bank study only confirms the findings of a special USDA survey in April that revealed that 10 percent of farmers in Kansas were unable to pay their debts at that time and that 35 percent had to refinance or dispose of their assets. The figures were similar for a nine-State area.

The Kansas State University Farm Management Association records show that the average net income of its 2,500 association members has dropped 84 percent in the last 3 years. No business can take losses like that and still remain solvent. No one in our economy has taken losses like that, and yet, somehow, the farmer manages to tighten his belt and hang on.

Let me emphasize this situation is especially critical to our younger and more progressive farmers. They find themselves in a highly leveraged position and in danger of going under as a result of an increasingly burdensome debt service and negative cash flow. This is a generation of young farmers who found it economically possible to get into the business of family farming only to see their dreams shattered. Who will take their place? Who will produce the food and fiber for our Nation and a troubled and hungry world?

I think my colleagues can tell from this grim picture that we need at least some temporary repairs on our farm policy road or we shall very likely end up in the ditch. Let me stress that I agree in full with those who favor a long-term free market and export-oriented farm policy. I dare say there are few advocates of the old price support days of the 1960's. But, the point is that a market oriented agriculture policy must first have a market, and we do not. Somehow, the farmer has to get "there" from "here."

The farmer's immediate need is for cash flow. If he cannot earn at least the

cost of production, and goes out of business, a new farm bill and this entire debate and discussion will be academic and meaningless. Our financial situation in the High Plains is such that we must tell the farmer's banker that help is on the way and there is good reason to carry that farmer and keep him in business.

Mr. Chairman, the $2.65 target price for 1977 wheat contained within this bill does not represent adequate assistance. That level has been arrived at through the process of budget considerations along with food stamps, welfare, national health insurance, and other Federal programs. The assistance within this version of the farm bill may look good on the budget chart down at the Office of Management and Budget or over in the White House. But this deficiency payment needs to be measured by what is needed to enable our wheat producers to stay in business and keep producing.

Back in 1975, a sizable majority within this body approved a farm bill that would have pegged the target price for wheat today at $3.73. Since that time, three things have happened:

The wheat farmer's cost of production has escalated.

The price of wheat has dropped 44 percent and the farmer's annual income has dropped a shocking 57 percent.

And we have that surplus of wheat that represents 944 loaves of bread for every man, woman, and child in America.

After 2 years of inflation in the cost of production and 2 years of declining farm prices, our colleagues in the other body have passed legislation approving a target price for this year that is lower than the target price a majority approved in both Houses in 1975. As my colleague, the Honorable BOB DOLE, has pointed out, this is certainly not a bailout for farmers. It is not a raid on the Treasury. It is a bare minimum level of support that we should provide for farmers.

During consideration of amendments to this legislation, my colleague, the Honorable GLENN ENGLISH of Oklahoma, and I are offering an amendment to raise the wheat target price to the modest figure of $2.90; the level already passed by the Senate. I would greatly appreciate the support of my colleagues in behalf of this amendment.

I think it is important at this juncture to stress that establishing a target price level commensurate with the financial needs of wheat farmers does not represent a "cost" to the Federal Government but an "investment."

The average American family today still spends only 17 percent of its income dollar on food. The American farmer now feeds 56 people—43 American citizens and 13 citizens of foreign nations. We have a surplus on hand today, but with the growing world population, we must enable the farmer to continue this amazing record of productivity.

I realize most of my colleagues think of this legislation in terms of being a "farm bill." Let me point out that this legislation will also directly affect the economic well-being of our Nation. Last year, farmers spent almost $81 billion to produce crops and livestock. This went for equipment, machinery, seed, feed, fertilizer, petroleum, property taxes, and other items which generate economic activity, especially in small towns and rural communities.

Sales of crops and livestock introduced an additional $94.8 billion into our Nation's economy. Transportation, processing, packaging, manufacturing, wholesaling, and retailing all share in the economic activity generated by farming.

Farming and the industries which support it account for about one-fourth of our gross national product. In some areas of our country, the only economic activity is that generated by agriculture.

Agriculture is the Nation's biggest industry. It employs about 4.3 million workers, almost as many as the combined employment of transportation, the steel industry, and the automobile industry.

Estimates show that about one out of every five jobs in private employment is related to agriculture. About 2 million people have jobs providing the supplies farmers use for production. Eight to ten million people have jobs storing, transporting, processing, and merchandising the products of agriculture.

In 1975 purchases by farmers included: $5.4 billion for new farm tractors and other motor vehicles, machinery, and equipment; $5.6 billion for fuel, lubricants, and maintenance of machinery and motor vehicles; $15.1 billion for fertilizer and lime.

American farm productivity is an example to the Nation. Output per man-hour on farms is over three times higher than 20 years ago. In manufacturing industries, output per man-hour is only 1.7 times as great; thus output per man-hour on farms is increasing nearly twice as fast as in industry and is an unmatched record in efficiency.

Several months ago, a majority within this body approved a $50 rebate proposal with the intention of stimulating the economy. Let me again point out for every dollar invested in agriculture, many more dollars return to the economy.

According to the economics department at Kansas State University, every dollar that the farmer receives from hay production generates $1.50 of additional spending within the economy. The $1 the corn producer receives generates $1.70; the wheat farmer multiplies his $1 return to create $1.80 within the economy as do other grain producers. The dairy farmer generates $3.40 for every dollar he receives and the beef cattle producer returns $5 for every dollar he receives for his product. Hogs are truly beautiful for the American economy, generating $3.30 for every dollar received by the pork producer.

Without question, other representative industries throughout our economy also generate additional spending in this manner but there is one essential difference. The inflation buck stops with the farmer. He cannot pass on his costs. He receives only what the market dictates. I submit to my colleagues that every dollar of assistance provided in this bill will be returned many times over within our economy.

Mr. Chairman, there are many other provisions within this farm bill and we will be considering amendments next week. I would also like to state for the record that I support the payment limitation provision; the set-aside authority on summer fallow farms; the loan extension and reseal provisions for wheat and feed grains; the optional wheat grazing and hay provision; modernized and expanded farm storage facility loans; the provisions for expanded agricultural research, particularly in regard to utilizing grain alcohol or "gasohol" as an alternate fuel; and the wheat and wheat foods nutrition education title.

At the same time, I wish to indicate my opposition to sections of the food stamp program, especially the elimination of the purchase requirement, and authorizing food stamps for strikers and to certain college students.

This legislation is being called and will be publicized in news accounts as a "farm bill." Yet in terms of priorities, we see increased spending on food stamps at the expense of denying program assistance that farmers need to stay in business. I do not see how we can have a good food stamp program without the man whose job it is to produce food and fiber to stay in business. If the farmer cannot at least receive his cost of production and goes out of business, the food stamp program will be meaningless.

Mr. Chairman, in terms of the direction of this farm bill, I think we are headed down the right policy road and that we have the basic framework of a 4-year bill that will answer this country's food and fiber needs. However, in terms of dollar priorities, I question the administration's policy of putting program assistance to farmers secondary to other programs within this legislation.

I would prefer to summarize and put the entire picture, so far as my remarks are concerned, in perspective.

I would like to read a letter from one of my farmer constituents.

DEAR KEITH: We have finished harvest and everyone is wondering how much land to get ready for wheat this fall. Most farmers agreed that we should have a reduction of 20 percent of our present allotment base, foregoing using seeded acres in the 1977 wheat crop.

Also, push for the Senate's $2.90 target price. It is not only in the best interest of the wheat farmer, but also in the best interest of the entire economic picture of this country. Example: This is the year I should repaint my outbuildings, but I am not doing it. It takes 25 gallons of paint. My car has 92,000 miles, my pickup 71,000 miles. I should replace one of them but I am not going to be able to do it.

One tractor needs new tires, but I will not be changing them this year. I should replace one grain drill, but I can't do it this year. We are foregoing any vacation this year.

Now those statements are cold hard facts, which I have heard from over a hundred farmers in our small area within the last few weeks. So multiply that by several hundred times and it is easy to see a loan price of 43 percent of parity or a target price of anything less than 60 percent of parity is disastrous. You are aware of the cutback or shutdown of money for our short line machinery manufacturers in western Kansas,

plus the trouble the dealers are having including all the various stores.

If your urban colleagues can't get the picture then something is seriously wrong in Washington, if our President can't get the picture, then there is something drastically wrong in the White House among his economic advisers, plus the fact we still need greater support from the U.S. Department of Agriculture.

Sincerely,

JOHN V. MURRAY.

HOLYROOD, KANS.

Mr. Chairman, that kind of sums up the thoughts I have in mind today as we go to work on this farm bill.

I urge a $2.90 target for wheat for 1977.

I think that if 25 cents can be added, it will help wheat farmers hang on, it will help them to keep the faith, and it will help them to keep their fingers in their operations and keep going.

Therefore, I urge support for the bill and urge support of the English-Sebelius amendment that, if it is adopted, will make this a much more responsible bill.

Mr. Chairman, in closing, I would only like to say that this is the moment, the time has arrived, and we all should go to work here for the good, not only of the wheat farmers, but of all consumers of this Nation, because if we do not have solvent farmers around, we are not going to have individual farmers delivering the food as they have in the past. Therefore, we should all open our minds and try to understand the problem and try to solve it.

Mr. Chairman, I urge all my colleagues to support the English-Sebelius amendment and the bill.

Mr. FOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, the Ways and Means Committee and its Trade Subcommittee are concerned about the provisions in this bill relating to cotton import quotas.

As you know, we are now in our fourth year of multilateral trade negotiations known as the Tokyo round. At long last, it appears that we are beginning to obtain some movement in these negotiations which are so extraordinarily important to the agricultural sector. It is the goal of the American side to reduce foreign barriers to our agricultural exports, and I believe that we will make substantial gains in this area where America so clearly excels. Billions of dollars in potential additional exports are at stake. Therefore, we must be more careful than ever in any actions we take here in the Congress affecting international trade. Any unilateral action on our part restricting imports or eliminating import barriers can inadvertently cut the ground out from under our negotiators at the trade talks by giving away an important bargaining chip or by creating new trade tensions.

For these reasons, the Ways and Means Committee is concerned that jurisdiction over matters affecting import quotas be carefully observed and we hope that the gentleman will assure us that we will continue to be consulted in all such matters and that Ways and Means joint or original jurisdiction on import quota matters will be maintained.

Second, am I correct in understanding that the quota provision in title VI does not alter the existing law relating to the importation of cotton other than to allow additional imports in certain months when the price of cotton is substantially above average—and thus, this amendment is not a restrictive trade measure and is also not a permanent concession on the part of the United States?

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I am happy to yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, the gentleman is absolutely correct in his understanding.

I also want to assure him that the Committee on Agriculture recognizes the primary jurisdiction of the Committee on Ways and Means with respect to all such matters as quotas and import-related duties.

I want to say further that the Committee on Agriculture appreciates the cooperation of the Committee on Ways and Means, including that of the distinguished chairman of the committee, the gentleman from Oregon (Mr. ULLMAN), the gentleman from Ohio (Mr. VANIK), and the ranking minority member.

Furthermore, I give the gentleman from Ohio (Mr. VANIK) assurance that we will continue to recognize the primacy of the Committee on Ways and Means in this area and will keep him fully advised.

Mr. VANIK. I thank the distinguished chairman.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, yesterday the General Accounting Office ruled that the Administration's proposed sugar program is not authorized by law.

GAO ruled, as many of us who have examined this program carefully have always contended, that the Department of Agriculture may not do indirectly through sugar processors what they are banned from doing directly; that is, make cash payments to sugar growers.

Unfortunately for the American taxpayers and consumers, however, the rejoicing over the GAO report will be brief.

When the farm bill is debated this week, an amendment will be offered to mandate a 14 cents per pound sugar loan and purchase program.

This sugar lobby amendment has a lot of steam behind it right now and many Members may feel that since GAO has dealt a mortal blow to the administration's 2-cent subsidy plan, this is the appropriate way to get help to an ailing sugar industry.

I strongly disagree, and seriously question the wisdom of trying to write a complicated and controversial new sugar subsidy program on the floor of the House.

Why can we not have hearings on this matter? Why can we not establish for sugar the same type target-price programs as for other commodities.

Why can we not hear witnesses from the administration, from the sugar industry, from the corn industry, and from the public before launching a new subsidy system which starts out at a half cent higher than the administration's proposal and grants a total subsidy of 4 cents a pound, not just the 2-cent maximum proposed by the administration.

Clearly, this new plan will cost the consumer a bundle.

The Secretary of Agriculture, in a memorandum of February 26, 1976 to the economic policy group, stated—and I quote:

An increase of one cent a pound in the raw sugar price adds about $125 million to producer income and about $220 million to consumer costs.

Today's Wall Street Journal quotes raw cane sugar in New York at 9.95 cents a pound.

That means a 4-cent boost if the sugar lobby amendment is adopted.

It does not take a lot of brains to figure out that this amendment will "rescue" the consumer from a 10-cent price and "reward" him with a 14-cent price.

The cost of this sugar lobby generosity of course would, according to the Secretary's memo, approach $880 million.

On top of this consumer ripoff there will be a bonanza for the foreign sugar lobby.

Under present law the U.S. sugar quota is 7 million tons. Yet foreigners are only selling us about 4.8 million tons.

If we raise our price to 14 cents by Government fiat, it is obvious that at least another 2.2 million tons of foreign sugar will gush into the U.S. market in order to capitalize on our higher price.

How many foreign sugar barons and how many foreign sugar lobbyists will become instant millionaires under this neat little exercise?

The answer you will hear is that the President would invoke quotas. But will he? What does the administration say about this amendment?

Last Friday, July 15, 1977, the administration position was clear. It was opposed to a mandatory sugar support plan. Here's what James Webster, the Director of Congressional and Public Affairs of the U.S. Department of Agriculture, said:

The Secretary has directed me to assure you that he does not approve of such an amendment. In fact, the Administration is solidly opposed to any amendment to H.R. 7171 which would in any way constrict our existing authority to assist sugar producers or to negotiate an International Sugar Agreement.

Whether in the form of payment limitations or a mandatory price support program, any such amendment would seriously weaken the Administration's ability to conclude successfully the negotiations on an International Sugar Agreement.

Finally, one can ask, what will this amendment cost the taxpayer?

With the Department of Agriculture going into the sugar purchase and loan business we can assume it will be ex-

pensive. House Agricultural Committee staff estimates costs up to $350 million annually. So the price tag for this amendment will be over $1 billion a year.

Finally, let me say that as a member of the International Relations Committee I have learned that most of the sugar bonanza that goes to foreign nations goes to a very small segment of society.

The poor people in most tropical sugar-producing countries get very little out of high U.S. sugar prices.

Why then in the name of good sense should we embark on an unbudgeted, unappropriated, unprepared, unheard, unconsidered billion-dollar sugar ripoff?

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would ask the gentleman from Illinois (Mr. FINDLEY) that I am sure the gentleman does not have any question but that the sugar producers in this country are in difficut straits, does the gentleman?

Mr. FINDLEY. I have no doubt but what the effect of the sugar policies of the United States over the years have induced excessive production in this country, and that fact has contributed to the recent decline in prices, but just a short time ago the U.S. sugar producers were enjoying a bonanza when the sugar prices were skyhigh. If they are going to have a bonanza in good times, they they are going to have to take a loss at other times.

Mr. MOORE. The point is right now the gentleman does not argue that the raw price of sugar is less than what the domestic producers can produce it for, does the gentleman?

Mr. FINDLEY. I think that is an easily established fact, but I believe the best place to establish it is in committee hearings and not on the floor.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOLEY. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Tennessee (Mr. JONES) the chairman of the Subcommittee on Conservation and Credit of the Committee on Agriculture.

Mr. JONES of Tennessee. Mr. Chairman, the Agricultural Act of 1977 represents the most comprehensive farm legislation ever to come before this body. The House Agriculture Committee has been under tremendous pressure to finish consideration of this legislation and bring it to the floor in the allotted time period. The circumstances under which the committee has worked have been unfortunate indeed. We have had budget constraints and veto threats, along with strong messages from our farmer constituents regarding the grim financial situation American farmers are in today.

Fortunately, our distinguished chairman has the experience, foresight, and savvy to weave from these threads a bill which: First, will provide significant support for American farmers; second, protection for consumers; and third, a bill which I think the President will sign.

Chairman FOLEY's task has been next to impossible and I want to give my personal congratulations to him and I think this body owes him a great deal of gratitude.

However, we have had a very straightforward message from President Carter that a bill calling for significantly higher expenditures would be vetoed without hesitation. We must be careful in amending this bill in ways which would increase spending levels. If this bill is vetoed, we may have trouble putting it all together again. The sugar situation is a case in point. After that bill was vetoed several years ago, the momentum was lost and both producers and consumers have suffered from wildly fluctuating prices. For this reason, I think we should try to accept the farm act as near to its present form as possible.

Briefly, I will describe the sections of the bill which come under the purview of the Conservation and Credit Subcommittee which has done an excellent job in addressing some significant problems facing American farmers. Programs were adopted relating to conservation needs, overproduction, and the problems brought on by the drought. Significant improvements have been made in the farm storage facility loan programs. Soil conservation and overproduction are addressed through extending the setaside program and adopting a critical lands conservation program, our watershed projects and resource conservation loans would work more smoothly under changes in the approval procedure, and we have extended rural community fire protection programs and adopted a small farm research and extension program. One other provision which is aimed directly at the drought is a rural water assessment program which would give us better information on which to base administrative and policy actions regarding water problems.

Another section of interest is title XIV, the agriculture solar energy program which I think would put agriculture in the forefront of coming to grips with our energy situation and put us in a lead position in the development of solar energy.

I want to close by encouraging my colleagues to support this bill and to support Chairman FOLEY in his efforts to keep it intact.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the distinguished gentlemen from Nebraska (Mr. THONE).

Mr. THONE. Mr. Chairman, I rise in support of H.R. 7171, the Agricultural Act of 1977.

Before I proceed further I would like to express my thanks to Chairman FOLEY, the genial and able gentleman from the Pacific Northwest and ranking Republican Congressman BILL WAMPLER, "Mr. Ag. Resource," for their dedication in securing passage of this legislation by the House Agriculture Committee. Many hours were spent in hearings and mark-up in the formulation of this bill and our work could not have been completed without the cooperation of many, many witnesses who contributed their time to make their views known to the members of the committee. Chairman FOLEY has the patience of Job, is pretty much a legislative genius—a good chairman to be sure.

He is not 100 percent enlightened regarding the key and needed amendment to be offered by ENGLISH, SEBELIUS, HARKIN, and THONE, but a real credit to this body nonetheless. I would also like to salute the professional staff of the House Agriculture Committee—one of the best I have ever seen. And I have been in and out of the Hill halls for about 20 years.

AEI, in one of its legislative analyses, made some super points regarding farm policy proposals. First, they said "farm policy" is always an enticing subject. With this we can certainly agree. A most enticing subject. Even though farmers today constitute only a very small segment of the U.S. population, farming is still by far our largest industry. When the industries, firms, and people to whom farmers sell and from whom they buy are included, agriculture does indeed still touch nearly every segment of our society. Consequently, the economic well-being of farmers is of importance to all Americans. In addition, farmers of nearly all countries—the United States included—are considered to be the core around which a nation is formed, the fiber which connects its economic tissues.

Last year we exported $22 billion worth of our products and, we live in a world where international trade is becoming increasingly prominent and meaningful. Imports of cameras, television sets, automobiles, and a myriad of other products contribute ot our level of living. We enjoy them, we want to buy more in the future, and we would even like to visit some of the countries in which they are made. But exports are needed to pay for imports, and farmers are among our most prolific and competitive exporters. Hence, we want to make sure that our farm policy is sound, from both a domestic and an international viewpoint.

Over a decade ago our farm programs were on the verge of collapse. Surpluses were widespread, our grain bins were bursting, storage was costing the taxpayer a fortune, and farmers were in severe financial trouble. It was time for a change, and that change began to evolve on a bipartisan basis. Under a Democratic administration in the mid 1960s and under Republican administrations since then, U.S. farm policy has gradually shifted from unrealistic support levels, production controls, and intense Government involvement to a more flexible, market oriented approach. Exports have become a much more significant element of farm policy, which has become a part of U.S. foreign policy. A broad bipartisan consensus has developed, favoring the basic policies that have evolved in the past 10 to 12 years.

Nevertheless, there are many specific controversial issues regarding farm policy in 1977. Wheat farmers, in particular, are in difficulty. The price of feed grains is sliding, too, and cattlemen—

the customers of feed grain producers—have just endured their worst years ever. There is unrest in the farm sector, and concern on the part of consumers as to what this unrest will mean to them in the future. Reduced production and higher food prices are a possibility. Only time will tell, and perhaps the influence of this 1977 farm bill.

There are related issues. How high should target price levels be to provide adequate income protection for farmers? How high can loan levels be without pricing U.S. products out of the world market? The United States today supplies about 44 percent of world wheat exports, about 55 percent of the coarse grain exports, 75 percent of the soybean exports and a fourth of the world cotton exports. Should a U.S. program for food reserves be legislated? Should an international food reserve be negotiated? Although there are few differences between the wheat, feed grains, and cotton programs, rice is a bit different, and perhaps those differences should be narrowed; we will also hear about peanuts: and cane sugar and sugar beets.

This legislation is designed to be helpful, but it is not going to be the cure for all problems facing the farmer. Additional work also needs to be undertaken by the Congress in seeing that additional credit becomes available. Young farmers who have recently commenced farming are particularly hard hit in our country. The Federal crop insurance program needs to be revised to make it more responsive to the needs of farmers in disaster situations and broader in coverage. I feel certain that once this omnibus farm bill is passed and signed into law that these other matters will then be scheduled for consideration.

Also, as the chairman of the Senate Agricultural Committee, Senator TALMADGE said on May 23, 1977:

"I find it interesting that some Members of this body have shown such great concern over the cost of this bill which is designed to assure the economic health of agriculture and the continued employment of our farmers.

"The signing of the administration's economic stimulus program of $20 billion was recently carried out with great pride and fanfare. This bill included $2.6 billion for employment and training assistance, $6.8 billion for temporary employment assistance under the Comprehensive Employment and Training Act of 1973, and $4 billion for local public works.

"I am not questioning the merits of these programs, but it is somewhat puzzling to me that we seem willing to provide $12.4 billion for creating jobs while questioning a small incremental amount to assure continued agricultural employment and productivity.

"In my view, agriculture is a national resource which we must maintain at its full potential.

"The cost of the bill is a legitimate concern, but we need to keep some perspective."

The total cost in this bill is about the same.

This legislation which is patterned after the 1973 farm bill is still market oriented which is a real plus and is designed to assist the farmer in those years when supply far exceeds demand. Weather being as fickle as it is cannot be counted upon to always cooperate, and the past 2 years has seen bountiful crops throughout the world. In 1974 the world was faced with famine in many areas and who knows when this same situation will again prevail.

I am not in complete agreement with all facets of this legislation. For instance, I strongly urge support for the amendments which raise target prices on wheat and target prices and loans on feed grains. Although the target prices, as passed by the Senate, are minimally acceptable, they come much closer to actual costs of production as experienced by the farmer than do the target prices as set forth in the House bill. The key English, Sebelius, Harkin, and Thone amendment will raise wheat target to $2.90 and corn target and loan to $2.00. It merits solid support. I realize that the President has threatened a veto if the Senate target prices are accepted, but I would like to recall for the Members of this body the promises, made by both President Carter and Vice President Mondale while campaigning in the Midwest last fall, to the effect that support levels ought to be at least the cost of production. I cannot believe that the President is willing to cause additional untold suffering in our farm areas by a callous veto of this legislation.

Mr. POAGE rightly says that he would rather have part of something than all of nothing. How about all of something? And that is adoption of the English, Sebelius, Harkin, Thone price support increases. There will be no veto I urge. You wait and see. The 1975 bill passed this House by a vote of 259 to 162.

In that bill the target price for wheat was set at $3.10 and its loan price at $2.25. The corn target was $2.56 and its loan rate set at $1.87. With the escalator clause these targets would now be $3.73 for wheat and $2.77 for corn.

Teddy Roosevelt was the historical author of the saying "Talk softly and carry a big stick."

When it comes to farm programs, President Jimmy Carter says, "Talk loudly and carry a small carrot."

It is very obvious that President Carter and the White House are calling the shots on the bottom line of farm policy, and those shots are being called without regard to the interests of grain producers and without regard to the people in the States where the prosperity of the grain and livestock sector is paramount.

I say to my friends on the other side of the aisle that rubberstamps are now being manufactured in the White House for the overwelmingly Democratic Congress to use in the days ahead. I urge you to tell them no.

As a Republican, we here are somewhat more immune to that rubberstamped ink than many of you on the Democratic side, but I sincerely hope that you will resist the administration's insistence on having its own way with as much vigor as many of us in the Republican ranks did when President Ford vetoed what we felt was basically economic equity for our farmers.

In the meantime, I hope we can forget about both the loud talk and the little carrots being peddled by "Secretary" Carter.

Farm prices have dropped unbelievably fast in recent months while farming costs continued to skyrocket.

	June 15, 1976	June 15, 1977
Wheat	3.42	2.00
Corn	2.74	2.09
Cattle	36.40	34.10
Hogs	49.20	41.90

Comparison of prices paid by farmers, 1973 and 1977

Item	Price, 1973	Price, 1977
Combine, large, self-propelled	$22,200.00	$42,300.00
Wheel tractor, 90–99 h.p.	10,800.00	18,800.00
Pick-up truck, ¾-ton	3,300.00	5,650.00
Grain drill, 24-tube	2,860.00	5,210.00
Disk tiller, 12-foot	1,570.00	2,520.00
Tandem disk harrow, 16-foot	2,050.00	4,520.00
Baler twine, 40-lb. bale	8.96	15.20
Gasoline, farm delivered, gal.	.32.8	.57.2

These facts demonstrate the need for Congress to support levels which more fairly share with farmers the risk of producing in 1977 and the years ahead.

To do less would be to further expose farmers to severe economic hardship and cause many to quit farming; to weaken rural America and to risk shortages of food products for consumers and industries of the Nation.

Mr. RHODES. Mr. Chairman, the bill we consider today, H.R. 7171, is one of the most important measures we will consider in this Congress. It will have a profound effect on our great, productive agricultural industry and the American consumer.

Unfortunately, the measure as it has been sent to the floor is inadequate to bring economic justice to the American farmer. It also is unfair to the taxpayers in its unwise surplus subsidies and alteration of the food stamp program to eliminate financial participation by the beneficiaries.

Under the present farm program, which was enacted by the Majority, America's farmers are producing more, but enjoying it less. Current administration farm price policies have driven this month's parity figures down to the lowest level in many years. Prospects this year are for record grain crops. The logical solution is expansion of our export market, which I must point out reached profitable heights under the past administration. I feel it is much more sensible to sell our bounteous food and fiber surpluses than to establish an unnecessary, costly storage program and call it a reserve. In actuality it would overhang the market and could be used to depress farm prices through dumping.

The minority intends to exert every effort to focus this bill on farm exports, not reversion to the wasteful practices of the 1960s. We want farmers to grow

crops, not become depositors in a Federal soil bank. We have tried these old nostrums and found them wanting.

The alleged reforms to be applied to the food stamp program would open the door to dramatically increased costs. There would be opportunity to distort the plan so that its intended function of providing nutrition for the needy would be hampered by abuses. Diversion of the program from its emphasis on food supply to a form of income supplement will be costly. In the light of the President's often reiterated concern with a balanced budget, the proposals in this bill work at cross-purposes to this pledge to the American people, and we in the minority want to help Mr. Carter balance the budget all we can.

We cannot have true agricultural reform by exhuming the expensive errors of the past. There are some four dozen proposed amendments to this bill. It is my hope that during House consideration of H.R. 7171, we can inject some pragmatic elements of reform that will be fair to the farmers and affordable to our taxpayers and consumers.

Mr. FOLEY. I yield 4 minutes to the distinguished chairman of the Subcommittee on Department Investigations, Oversight, and Research, the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Chairman, I appreciate the distinguished chairman of the committee yielding. I want to join my colleagues who have mentioned the diligence and exhaustive research and work done by the Committee on Agriculture for this omnibus farm bill.

It was my privilege to participate in several of the subcommittee hearings as well as those in the whole committee. As I am sure Members have been told, the different subcommittees held hearings and markup sessions on matters within their jurisdiction so those matters could be included in the overall farm bill. I had the privilege of working on several of the sections and one in particular, which is the research part of this omnibus bill that will be explained by the gentleman from Virginia (Mr. WAMPLER) in detail, if the gentleman has not already explained it.

This is a very comprehensive and much needed segment of this omnibus farm bill wherein we bring the agricultural research to the forefront of agricultural programs that we have within the Department of Agriculture.

We not only had hearings in the committee but also we had studies from the institutions that would be involved in this research as well as visits to some of these institutions.

In looking at the situation presently we find the only time we have shown a favorable balance of payments in recent years has been because of the contribution made by the agricultural sector to our balance of payments.

Mr. Chairman, it is unfortunate that we would say this is a time when almost every segment of agriculture is suffering from either acts of God, drought, floods or suffering the variances of the marketplace that in many instances is not the law of supply and demand as we have heretofore known it; but, rather, all the complications we have in supply and demand as interjected by Government and, unfortunately, by governments, other than our own.

The American farmer has to suffer the variances of those markets due to actions of other countries. This happens, unfortunately. It is sad to remind ourselves, but nonetheless, it is very factual. In oil, we are at the mercy of an oil producing area that has formed an organization; in coffee, as we have just seen in the last several months, and in sugar, those are three areas where we do not have domestic supply anywhere near our consumption.

We are at the mercy of other nations and of cartels and many other types of organizations.

There will be an attempt made, or I will offer an amendment to try to assist in some small way the sugar producers in this country that are suffering very, very badly at this time, due to the fact that the cost of production is almost twice the world price. The sugar price today is 9.9 cents. The lowest cost of production for the farmer is about 15 cents.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FOLEY. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, therefore, I would offer an amendment to try to assist those farmers.

I might add that independent of this legislation, the House has already passed a comprehensive long-term program for soil conservation that will enhance our agricultural sector.

So with that, I think a comprehensive plan that, hopefully, will be molded in the next few days to assist our farmers in all the areas involved, I think that probably we will be doing the most important piece of legislation here with respect to the committees and with respect to other pieces of legislation that we have or will be considering. This will lay the groundwork, not only for the sustenance of the United States, but for our participation in the world markets which, in turn, will assist us to reach a favorable balance of payments for the future of the world, so that if any disaster faces the world and everyone looks to us and not necessarily at the dollars, but for the assistance we can give mainly from the agricultural sector.

With that, Mr. Chairman, I think the committee and the staff has done a good job. I think everyone has worked diligently. There are differences of opinion as, of course, there would be in any body or in any organization. I think those can be worked out. There are people who have different opinions, but usually I think those can be resolved and, hopefully, they will be resolved in favor of the farmer that is producing at this time, selling below the cost of his production, but nonetheless contributing to the economy of this great country of ours.

Mr. WAMPLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Chairman, few Members approach this debate today with as mixed emotions as mine. I am a sponsor of H.R. 7171, the basic farm bill, and am proud to have my name associated with this legislation. On the other hand, the procedure we will follow calls for the addition on the food stamp bill to H.R. 7171. Regrettably, I cannot support the so-called food-stamp reform bill, H.R. 7940.

The new farm legislation we are considering is a balanced extension of the agricultural legislation our Nation has been relying on for several years. The good parts of the old law are preserved and many weaknesses are greatly reduced and replaced with much improved legislative language. While this bill is not exactly as I would have written it, I do feel it is a reflection of the needs of farmers, ranchers, and consumers throughout the Nation.

As to the food-stamp program, the faults of the program have not been removed and in many cases weaknesses of the program have been exaggerated. The program has lost its nutrition dedication and has become another welfare program. I will support amendments to improve the program as we debate it here.

Mr. Chairman, at this time I would like to make a few specific observations about the farm bill as we reported it from the Agriculture Committee.

As the Agriculture Committee worked to establish national policy on agriculture, and to design specific farm programs, we failed to properly establish priorities as they regard agriculture's capacity to cope with the disasters naturally imposed by weather.

We have done little to properly review the problems farmers face that are caused by nature. Drought, flood, wind, hail, and other natural forces are not influenced by man. Yet, farmers are economically and socially destroyed each year by these forces.

In this bill we have said that even though a farmer is completely ruined by disaster, we should not respond with more than partial relief. These forces, beyond the control of man, are less likely to effect large numbers of farmers, but when they do occur, they are more likely to have a severe affect.

From my perspective, we should have recognized the disaster problem's magnitude and established a schedule for meeting its challenge. We should have planned a major review of disaster and crop insurance programs and created an interim disaster program to cope with this problem until a comprehensive overhaul was conducted.

A good, interim disaster program would have provided assistance to any farmer who suffered crop failure of more than 30 percent when the cause was beyond his control. In those cases, Government should have provided assistance to cover at least 70 percent of the target price—cost-of-production—so that the farmer could have remained in agri-

culture and attempted a crop in succeeding years.

The market should be the mechanism that, through competition, removes inefficient producers. Disasters strike too indiscriminately to be viewed as part of the mechanism for removing low-productivity farmers.

I am pleased that the committee partially recognized this problem and did make some much needed improvements to the program. Specifically, the program has been improved by expanding its coverage to all planted acres and by elimination of the so-called "snapback" provisions that overrewarded certain assistance in limited cases.

Mr. WAMPLER. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, H.R. 7171 is a conglomerate bill comprised of several farm programs and a food stamp program. A marriage ceremony was performed at the Rules Committee during the last days of June, whereby the farm bill (H.R. 7171) and the food stamp bill (H.R. 7940) were joined in an unholy, costly, and complicated single piece of legislation.

It brings together in one bill something for those who want to go back to Federal Big Brotherism in farm programs, and it offers free food stamps and an ever-increasing clientele and cost for the food stamp program.

Under provisions of the new food stamp bill, scheduled to be title XII of the farm bill, the elimination of the purchase requirement and the deletion of the nutritional thrust of the Food Stamp Act of 1964 make the new food stamp provisions basically welfare legislation.

I guess the only difference between this welfare legislation in the farm bill and the aid to families with dependent children, AFDC, legislation is that the free food stamps go to about 18 million people rather than 10 million for AFDC.

As to the farm aspects of this bill, in my opinion H.R. 7171 will bring to a close a chapter in the history of U.S. agriculture when farmers enjoyed a period of prosperity unprecedented in recent years. This period commenced in 1969 when a new administration attempted to reintroduce market-oriented policies into USDA farm programs.

The 1970 Agricultural Act ushered in an era of change wherein the emphasis of farm programs was on controlling over-production while expanding farm exports into existing and new foreign markets. It decreased, to some extent at least, Federal control and regulation of production, prices, and farm income and gave greater freedom to the farmers to make decisions in these areas.

The Agricultural and Consumer Protection Act of 1973 gave further market orientation to USDA farm programs. It introduced a new target price concept whereby farmers would receive deficiency payments to recover some element of production costs in the event of drastic declines in market prices.

The system was designed to relate production to market conditions with the farmer making the decisions. Thus, if prices in one basic commodity fell because of surpluses, the farmer could shift to crops in shorter supply. Since that bill has been in effect, target prices have offered some basic protection—but no deficiency payments have been necessary.

Under the 1973 act, loan levels were established and maintained at levels where huge inventories were not accumulated; and there was no Government "dumping" to depress farm prices when consumers complained about food prices.

The Carter administration obviously wants to get back into the business of Federal paternalism and control of farming operations. Its response to farm problems is to: First, explore international wheat cartels; second, initiate subsidies to sugar processors at a time when world sugar surpluses are exceedingly high and prices are continuing to decline; and, third, bring back the "farm supply managers" from Secretary Freeman's days to tell farmers what to grow, what amounts to grow, what acreage to set aside, what price they will get for their crops—by dumping Government stocks when consumers complain about prices—and when to shift from crop to crop.

This bill is quite simply a retreat to the 1960's when we suffered under burdensome surpluses, grain dumping, multibillion-dollar subsidies and low-farm income.

Rather than following the successful market-oriented path blazed by former Secretary Butz, this new legislation marches backward by adopting the concept that the Government should manipulate the prices and income of all our farmers.

The first manipulation lies in central control over millions of bushels of grain ostensibly held by the farmers. Of course, this grain will be in the farmers' hands, but more as custodians than as owners. When prices rise too much to suit the Washington economic wizards who already have brought our Nation to the brink of insolvency, the farmers' price will surely be destroyed again.

The next manipulation comes in Government handouts. In the early 1970's, our Government got away from income maintenance payments to farmers. This bill brings those payments back, but even so at only a fraction of what this same kind of payment will be for food stamp recipients.

The next manipulation comes in reviving supply management by idling acreage. This bill is designed to trigger a set-aside, the polite way to pay people for not producing.

A final manipulation comes in adopting a market dividing rather than a market competing policy toward agricultural imports and exports.

The concepts of cartelizing our grain exports through reserves and international agreements and protecting against foreign importation by non-tariff barriers—such as provided for filberts—are included in H.R. 7171.

The committee, despite its reversal of past policies which have spectacularly increased U.S. farm exports and dramatically improved farm income through the market, has come up with "peanuts" in subsidies for the farmers when compared to the billions being spent on welfare for food stamp recipients.

In summary, the American people and the American farmer in particular should be fully aware that the days of increased farm income and expanding markets will be over for 4 years if H.R. 7171 becomes law.

Turning next to the food stamp provisions of H.R. 7171, in reporting out this legislation the Committee on Agriculture abolished once and for all the food stamp program that has furnished assistance for the lower-income people in this country. In place of the food stamp program, we now have a free "income stamp" program.

It is important to remember that this transfer in concept from guarantee of a nutritionally adequate diet to a simple income transfer came at the hands of the Agriculture Committee, the committee vested with the concern for a nutritionally adequate diet and more adequate food supply for all Americans at a greater dollar return for the farmer. The committee failed in both responsibilities—the poor American in need of food assistance and the farmer in need of maintaining his farm income.

Committee members may have abolished food stamps for income stamps in the name of friendship to the poor; but they were, in fact, doing neither the poor nor the taxpayer any favors. As a matter of fact, this legislation is a cruel hoax to both the poor in need of assistance and the taxpayer paying for it.

According to CBO, considered alone, the simple elimination of the purchase requirement would serve to increase substantially program costs and, at the same time, cause a decline in food purchases of approximately $1 billion and an increase in non-food consumption of approximately $1.5 billion.

Worse than the increased dollar burden to the taxpayer which this bill would surely create, its most serious deficiency is the removal of the guarantee of a nutritionally adequate diet poor families have under the current food stamp program. The purchase price and the bonus allotment together, and only together, assure participating families a nutritionally adequate diet as defined by the thrifty food plan—costing $170 a month for a family of four.

Now that we have eliminated the purchase price, we no longer are able to provide members of poor families this assurance. In point of fact, Mr. Chairman, what we are doing with this approach is paving the way for a negative income tax, but we are doing so without ever addressing the issue frontally.

If we adopt EPR, it will be a very simple step to complete cash-out of the program, at which point the program will have no nutritional thrust as opposed to reduced nutritional thrust under EPR. Once we get to complete cash-out, we still will have poor people in this country in need of food assistance.

Will not our poverty lobbyists turn around and ask us to create a new food assistance program because we have destroyed this one?

Negative income tax certainly has some surface appeal, particularly from an administrative point of view; but if we are to have it, let us address the issue head on in its proper forum and build into the system strong work incentives and needs objectives. Otherwise, we will have even more welfare inequity than at present.

Again, Mr. Chairman, I repeat, the food stamp provisions in this bill do not represent reform, they represent "deform" at its worse. It does not maximize food aid to poor people; it decreases food aid to poor people. It does not increase farm income; it reduces farm income. It does not cut Government costs; it increases Government costs. In short, this measure affords no opportunity at all to provide better food and nutrition and farm benefits which are reasonable and acceptable to all Americans. I urge my colleagues to defeat this measure.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. MATHIS), the distinguished chairman of the Subcommittee on Oilseeds and Rice.

Mr. MATHIS. Mr. Chairman, title VII of H.R. 7171 extends to the 1978–81 crops of rice the market-oriented policy provided for the 1976 and 1977 crops of rice under the Rice Production Act of 1975. The provisions of the rice program extended by H.R. 7171 are as follows:

First. A 4-year rice program covering the 1978–81 crops.

Second. Continued suspension of marketing quotas and marketing quota penalties and removal of restrictions on production of rice by new producers.

Third. A national acreage allotment of 1.8 million acres as a base for determining the amount of loans and payments to be made to cooperators.

Fourth. The national allotment to be apportioned to farms and, in producer States and administrative areas, to producers on the basis of allotments established for the 1975 crop.

Fifth. Farm and producer allotments may be sold, leased or transferred to other farms or producers in the same administrative area.

Sixth. Deficiency payments, loans and purchases to be made available only to cooperators and only on rice produced within the alloted acreages. The 1977 act would allow deficiency payments to be made only on that portion of the allotment actually planted to rice.

Seventh. A continuation of the base rates for the target and loans and purchases, at $8 and $6 per hundredweight, respectively, adjusted yearly since 1976 by changes in the index of prices paid by farmers, but further adjusted for 1978–81 by the cost of production index and with limited authority by the Secretary to change the loan and purchase rate if such rate would otherwise discourage exports or result in excessive stocks of rice in the United States. However, the loan rate could not be reduced below $6.31 per hundredweight.

Eighth. A payment rate equal to the difference between the target price and the higher of the loan rate or rice market price during the period August–December of the marketing year.

Ninth. Disaster payments to cooperators who, as a result of a disaster or condition beyond their control, are prevented from planting the allotment of rice or other nonconserving crop or who are not able to harvest two-thirds of the allotment times the established farm yield.

Tenth. A set-aside program, discretionary with the Secretary, if it is estimated that the carryover for the marketing year will exceed 15 percent of the total supply for that year.

Eleventh. Cooperators to comply with a set-aside program to qualify for deficiency payments or to be eligible for loans on purchases on their crop.

Twelfth. A phased reduction in the $55,000 payment limitation applicable to the 1976 and 1977 crops by a formula that would result in a $46,585 payment limitation for the 1981 crop.

PEANUTS

Title VIII of H.R. 7171, the Peanut Production Act of 1977, represents the first major change in the peanut program in 35 years. The purpose of this legislation is to reduce the cost of the peanut program to the Government and to provide added opportunities for American growers to compete in the world market.

The Peanut Production Act of 1977 would reduce the cost of the program for 1978–81 crops by reducing the quantity of peanuts eligible for support at the higher loan rate, the rate established for peanuts sold for primary use. This would be accomplished by placing each allotment holder on a minimum percentage quota which would decrease over the 4-year life of the bill. Second, the support level would be frozen at $420 per ton instead of escalating to a projected $556 per ton under the parity formula in existing law.

The Department of Agriculture projects that the Peanut Production Act of 1977 would reduce Government net outlays on the peanut program by $592 million during the 1978–81 period. The Congressional Budget Office also projects substantial savings under the provisions of this legislation.

Another purpose of the Peanut Production Act of 1977 is to allow greater flexibility for the production of peanuts for the export and crushing markets. Peanuts produced in excess of the poundage quota, but within the allotted acreage, would be contracted in advance for the export and crushing markets at competitive market prices and could be expected to enhance the position of the United States as the leading exporter of peanuts, especially of edible grade nuts. The additional, or nonquota, peanuts could enter the domestic market for crushing purposes, but could enter the domestic edible market; that is, the market for peanuts for salting, peanut butter, and confectionary uses—only under limited circumstances. Ordinarily, only quota peanuts would enter the domestic edible market. The Secretary would have discretionary authority over the support rate for additional peanuts.

At the same time that the bill reduces the cost of the program it attempts to protect the interests of the basic peanut producing areas of the country—in the Texas and Oklahoma area, where primarily Spanish-type and to some extent runner-type peanuts are produced; the Virginia-Carolina area where Virginia-type peanuts are produced; and the Alabama, Georgia, and Florida area, where runner-type peanuts are produced. If a shortage should develop in a particular type of peanut for the domestic edible market, then buyers could obtain additional peanuts at not less than specified prices keyed to the loan rate for quota peanuts. Otherwise, all peanuts produced in excess of quota would be for crushing and export only.

Peanut producers need the continued assistance that would be provided under the Peanut Production Act of 1977 because of the unique nature of the commodity. Termination of a peanut support program would result in severe economic hardship to producers in all the peanut producing areas. Peanuts are produced typically by a small family farmer with an average allotment of only 25 acres.

Furthermore, the commercial trade does not provide warehouses and elevators where the individual farmer can store his peanuts and receive a warehouse receipt on which he can obtain a bank loan and against which he can subsequently sell a stated grade and quantity of peanuts. These services are not provided because of the nature of the commodity. Each lot of peanuts, when delivered by the farmer, is a mixture of quality factors. Grading is difficult. Peanuts cannot be carried satisfactorily from one crop year to another. They deteriorate in storage—in varying proportions from warehouse to warehouse, from one area to another and from one year to another. Before moving into food use they require milling and must be separated into various grades and qualities.

For peanuts, unlike cotton and the grains, the farmer needs assistance in obtaining inspection, storage, and financing until the peanuts can be sold in an orderly manner. This entails "mixing" or "pooling" of peanuts from many farms.

The farmer also needs assistance in the marketing of his peanuts as he generally cannot store and later obtain delivery of his peanuts for sale from the storage warehouse.

With price support loans and related operations, the farmer has an effective means of obtaining the value of his peanuts in the primary food market. He also has a means for moving any production above food requirements into the secondary crushing and export market in an orderly manner.

The Peanut Production Act of 1977 represents a compromise between the various peanut producing areas and is a practical solution to the problems faced by the industry. The committee is of the view that it is a positive step in the right direction.

SOYBEANS

Mr. Chairman, under existing law, the Secretary of Agriculture has the authority to declare a loan program for soybeans and to establish the rate of such loan. In recent years, he has exercised this discretion to set the loan for soybeans at $2.25–$2.50 per bushel with the exception of the 1975 crop when a loan program was not authorized. Notwithstanding the Department's announced $3.50 loan for the 1977 crop, producers point to the suspension of support in 1975, when prices had fallen sharply, as justification for new legislation to mandate a loan program for soybeans.

Section 906 of title IX would mandate such a program, but the amount of the loan would remain discretionary with the Secretary. Producers have asked simply for assurances that a loan will be available, and feel the Secretary needs the flexibility to determine the precise amount on the basis of world market conditions and the prices of competing commodities.

Mr. Chairman, historically soybean market prices have been higher than the loan and the program has not resulted in any losses to the Government. Because H.R. 7171 leaves the actual loan level discretionary with the Secretary, it is not anticipated that this provision will produce any net losses to the Commodity Credit Corporation.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California (Mr. McFALL).

Mr. McFALL. Mr. Chairman, I appreciate this opportunity to discuss the Agricultural Act of 1977 presently before the House. I wish to concentrate my comments on the emergency feed program. This program is presently assisting livestock producers in drought stricken States by providing a subsidy on feed purchases needed to insure the continued survival of their livestock.

I wish to emphasize, however, that this program is not without problems. Currently the emergency livestock feed program is the responsibility of the Federal Disaster Assistance Administration, FDAA. There appears to be a general consensus that this responsibility should be transferred to the Department of Agriculture, where emergency agriculture relief programs are concentrated.

On March 2, the Honorable Ed Jones of Tennessee introduced a bill, H.R. 4295, which I cosponsored, to provide for an emergency livestock feed program by the Department of Agriculture. On March 23, President Carter endorsed the transfer of the emergency livestock feed program from the FDAA to the Department of Agriculture. The President adopted this position as part of his drought assistance program.

On May 24, Senator Humphrey offered H.R. 4295 as an amendment to the Senate's farm bill, S. 275. This amendment was agreed to by the Senate, and so this subject of an emergency livestock feed program will be before the conference committee on the farm bill.

For the information of the Congress and the Department of Agriculture, I wish to emphasize the vital need for including honey bees as eligible livestock under any emergency livestock feed program.

Now some people may wonder if bees are livestock. I can assure them that they are. At the end of my comments I will include a copy of a February 1, 1954 letter from the Chief Counsel of the Internal Revenue Service to the Department of Agriculture that discusses the "bees as livestock" question in detail. It concludes that—

> Since bees are "sentient", domesticated (i.e., captured and kept in hives) and, in the instant situation, are kept by the claimants on farms as their stock in trade, for purposes of profit, it seems clear that there can be no valid objection to categorizing bees as "livestock".

If bees are livestock for taxation purposes, I certainly believe bees should be considered livestock under emergency disaster relief programs.

I do not believe that the public is generally aware of the extremely vital and essential role bees play in agriculture. In my own State of California, for example, more than 50 of the State's crops rely on the honeybee for pollination. These include 21 fruit and nut crops, 10 forage feed crops, and 20 vegetable crops. In the singular case of almonds, 350,000 California beehives are utilized annually to pollinate this crop.

Economically, the annual direct benefit to California agriculture attributed to honeybee pollination is currently projected at over $750 million. The total annual value of California's agricultural crop is estimated to be about $9 billion, and of this amount 50 percent is considered directly or indirectly attributable to honeybee pollination.

In 1976, there were 545,000 beehives in California, operated by 4,136 beekeepers. Numerically, the State's beekeepers are not, therefore, a large group. But without them, California's agriculture would be severely damaged.

The drought currently affecting California is having a terrible effect on the State's bee industry. Too much of the State's wild vegetation has died for lack of water. Additionally, commercial crops have not provided the normal level of demand for pollination. The result has been that bees do not have an adequate natural food source. Beekeepers have thereby been forced to provide supplemental feed—a mixture of sugar and pollen substitute—to their bees to avoid bee starvation.

The problem is that this is the second year of drought in California, and the second bad year for the bee industry. Consequently, many beekeepers have already exhausted their financial reserves on supplemental feed. Mr. Elliot Johnson, the manager of the Valley Honey Association in Stockton, Calif., estimates that not less than one-third of the State's bees will starve this year if beekeepers are unable to obtain financial assistance in meeting the costs of supplemental feed for their bees. Such a loss has the potential of seriously reducing the productivity of California's 1978 agricultural crops.

I consider it essential, therefore, that bees be eligible for assistance under any emergency livestock feed program. I ask that the members of the conference committee on the farm bill keep this carefully in mind when the committee considers the subject of an emergency livestock feed program to be operated by the Department of Agriculture. I also hope that the Secretary of Agriculture will take special note of the needs of the bee industry if his department is called upon to administer such a program. The failure to provide this assistance could result in serious damage to our Nation's agriculture.

I now include as part of my comments the copy of the IRS's Chief Counsel letter defining bees to be livestock.

U.S. Treasury Department,
Bureau of Internal Revenue,
Washington, D.C., February 1, 1954.

Mr. Lawrence Myers,
Director, Commodity Stabilization Service, Sugar Branch, U.S. Department of Agriculture, Washington, D.C.

Dear Mr. Myers: This will refer to your letter dated December 11, 1953, in which you state that the Department of Agriculture has been asked recently for a ruling as to whether sugar fed to bees is considered sugar used for livestock feed within the meaning of the Sugar Act of 1948. Your letter continues as follows: "It is our understanding that your office ruled on October 26, 1940, that for purposes of refunding the tax on manufactured sugar such use is considered livestock feeding. We further understand that this ruling was made after a series of memoranda were sent you by various persons in this Department." You desire to obtain a copy of this ruling and the dates and originating offices of the memoranda from your Department to this office.

As you correctly point out, the ruling from this office dated October 26, 1940, has not been made public. For various reasons, this office has always avoided sending out copies of unpublished rulings. And this rule usually applies to other Government agencies. However, in an effort to be of assistance to you, the main reasons set forth in the ruling can be disclosed and are as follows:

There is probably no dispute that as a general proposition bees are not considered embraced within the meaning of the term "livestock." It is perhaps equally true that the ordinary connotation is that found in Webster Unabridged Dictionary which defines stock as "domestic animals used or raised on a farm; especially cattle, sheep, hogs, etc., called more fully "livestock." It does not follow, however, that this fact, standing alone, disposes of the question nor conclusively supports a finding that bees are not or may not be considered "livestock." It becomes necessary, then, to carefully analyze the meaning of the term "livestock" and further to inquire into the intent of Congress in granting the exemption set forth in order to ascertain whether these claimants are rightfully entitled to the refund claimed.

In an effort to ascertain into what category bees should be placed, an opinion was requested from James I. Hambleton, In Charge of the Division of Bee Culture, Bureau of Entomology and Plant Quarantine, Department of Agriculture, with reference to the matter.

Mr. Hambleton, in a letter dated October 10, 1940 stated inter alia that:

"In this Bureau we have considered bees as livestock as they belong to the animal kingdom and are kept on farms and ranches for the production of agricultural commodities. A colony of bees is a living animal; it must be fed and cared for; it reproduces; and the agricultural commodities which it

produces are honey and beeswax which are in no wise different as agricultural commodities than are milk, eggs, or meat.

The opinion of Harold J. Clay, Associate Marketing Specialist, Agricultural Marketing Service, United States Department of Agriculture, was also requested. Mr. Clay answered the question as follows:

"Briefly, it is my belief that bees kept for producing honey are as much 'farm livestock' as cattle kept for producing milk or meat. They do not come under any other general category, and do fall within the group included in the definition in Webster's International Dictionary for 'livestock'—domestic animals used or raised on a farm, especially those kept for profit. The brief definition given for 'animal is that it' refers to sentient beings, as distinguished from plants or inanimate objects.

"Certainly bees are 'sentient,' and as raised by several hundred thousand beekeepers, are 'kept for a profit'."

It would appear from the foregoing quoted remarks that bees not only may be categorized as "livestock" but are, in fact, categorized as such by the Department of Agriculture.

The question then arises: is there anything contained in the Sugar Act of 1937 which either expressly or impliedly militates against this conclusion? An examination of that Act, together with an examination of the committee reports and the remarks of the Congress before the passage of the Act, discloses that the record is completely silent as to what was intended to be included within the term "livestock." That no support is to be obtained from the Act or committee reports is substantiated by a statement included in a letter from the Commissioner of Internal Revenue to the claimant, Oscar H. Schmidt, under date of June 21, 1940, to the effect that: "The general rule which has been laid down with reference to the meaning to be ascribed to a word, or term, used in an Act of Congress is that it shall have meaning usually and generally accepted, unless there is some contrary intention indicated either by the word being defined for the purpose of that Act, or because of a peculiar usage in the Act. In the instant case the term 'livestock' has not been defined by the Congress for the purposes of this Act, nor has it been used in such a manner as to indicate that it was intended that the term should have other than the usual and generally accepted meaning ascribed to it."

Conceding the correctness of the above statement, in view of the fact that no all-inclusive definition of the term has been found, it still becomes necessary to ascertain whether bees may properly come within the "usual and generally accepted meaning." With reference to this point the further statement was made in the Commissioner's letter of June 21, 1940, supra, to the effect that "A careful study has been made of this term as defined in the various authorities, as well as in the opinions of the courts. At no place has it been found where that term included bees."

In all fairness, however, it should also be pointed out that an examination of the various authorities and the opinions of the courts equally has failed to disclose that the term could not be deemed to include bees, a fact, it is submitted, which is all-important when it is remembered that no attempt has been made by any authority to create an all-embracing definition which would include all animals which could be considered as livestock to the necessary exclusion of all others not specifically mentioned.

At least two cases have been found which involves situations somewhat analogous to that at hand.

In *James* v. *Atlantic Coast Line R. Co.*, (N. Car. 1914) 82 S.E. 1026, 1027, the court was considering a statute which provided that "when any cattle or other livestock shall be killed * * * by the engines or cars running upon any railroad, it shall be prima facie evidence of negligence on the part of the company in any action for damages." The Supreme Court of North Carolina held, without however any amplification of its opinion, that (at page 1027):

"* * * this expression, 'any cattle or other livestock' cannot be construed as applicable to geese or other fowls."

Again in *Addison* v. *Norfolk Southern R. Co.*, (N. Car. 1925) 129 S.E. 156, in an action for negligent killing of livestock and turkeys by the railroad, the court, citing the Atlantic Coast Line R. Co. case, supra, held that the lower court's ruling to the effect that "any cattle or other livestock" did not apply to turkeys and other fowls, was proper.

It might be reasoned that if turkeys and other fowls do not come under the heading of livestock, a fortiorari bees would not come under such category. On the other hand, it should also be observed that there is no more incongruity attached to classifying bees with "turkeys and other fowls" than there is to classifying them with "pigs and horses", two of the accepted members of the livestock group. Consequently, in the last analysis, the cases cited supra offer little aid in solving the problem. Under such circumstances, in order to arrive at a correct solution, it seems only logical to rely on and be guided by the opinion of those who, by the nature and extent of their work in connection with bee culture, are well qualified to render an opinion on the subject.

Mr. Hambleton, whose opinion has already been stated, considers that bees are livestock. His opinion seems logical in view of the following undeniable facts:

1. Livestock or stock, it is generally agreed, may be defined as domestic animals used or raised on a farm, especially those kept for profit, such as cattle, sheep, hogs, etc.

2. Animals may be defined briefly as sentient beings as distinguished from plants or inanimate objects. Also classified as vertebrate or invertebrate.

3. Domestic (with reference to animals) is defined as tame, living with man; domesticate, to tame; reclaim from a wild life and render serviceable to man.

Since bees are "sentient", domesticated (i.e., captured and kept in hives) and, in the instant situation, are kept by the claimants on farms as their stock in trade, for purposes of profit, it seems clear that there can be no valid objection to categorizing bees as "livestock."

I trust that the above information will be of service to you and that it will help the Department of Agriculture in preparing its ruling with respect to whether sugar fed to bees is considered sugar used for livestock feed.

Very truly yours,

DANIEL A. TAYLOR,
Chief Counsel.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, the omnibus farm bill, H.R. 7171, which is now before us, is an important piece of legislation which I urge my colleagues in the House to support both in spirit and with their votes.

I come before the House today to speak as a representative of both the farmer and the consumer, of the processor and the transporter, and indeed of virtually every link in the food chain—from soil to table—as they all are represented within the constituency of my district.

The objective of this omnibus farm bill is not to give the farmer a free handout, for that is something most farmers have never wanted. On the contrary, the goal of this bill is to reestablish a farm program that gives the farmer a fair chance to grow his crop and raise his livestock—eventually, the food which all of us need—while earning a decent amount in return for his hard work and substantial investment.

We are now amidst hard times for most American farmers. No matter how proficient and skilled, no matter how careful in his planning, no matter how deep his reverence for the land, there are a great many very industrious and capable farmers, and their families, who are in real financial trouble through no fault of their own.

In 1976, the U.S. farm population decreased by 6.9 percent, and 600,000 people no longer lived or worked on a farm. The farm population decrease since 1970 is even more alarming: almost 1.5 million human beings.

This decline in the number of family farmers is alarming. It is especially so when considered in light of the Department of Agriculture's estimate that between 200,000 to 400,000 such farms will be lost over the next 20 years. A USDA study forecasts a reduction from the current level of 2.8 million farms to 1 million units by the turn of the century.

I believe that it is imperative that this trend be reversed for two reasons.

First, the texture and equality of life which the family farmer has earned for himself and has contributed to the social and economic fabric of his country cannot be ignored or replaced. Our Nation owes American agriculture an enormous debt of gratitude.

And second, when the farmer and his family are forced off the land, there is often nowhere for them to go but into the embrace of an already disastrous welfare system. The family farmer does not relish this prospect. All he asks for is the opportunity to lead an independent, productive life with dignity. The forced abandonment of family farming operations must not be allowed to continue. The social and human costs are no longer tolerable.

American farmers are an extremely independent breed. They are justifiably proud of their heritage and their occupation and of the fact that every 25 people in this country relies on a single producer for their daily food supply. In fact, I can assure this Congress that few farmers actually want to use federal supports, which they almost universally regard as government interference, unless they have no other alternative to save their operations.

It is also important to note that while the family farmer cherishes his independence, he also accepts the responsibilities of his freedom. The American farmer is continually facing a set of factors over which he has no control—increasingly unstable and adverse weather conditions, and unprecedented increases in his costs of production: farm machinery, fertilizer, fuel, and the like. And, at the same time, he is not always free to sell his goods when and where he would

like to sell them. I submit that the current situation in American agriculture is not only far from ideal for producers, but it is also unfair in the extreme.

The complex bill before us today does not provide all the answers for the preservation of an agriculture that now provides the most plentiful, highest quality and least expensve food in the world. Nevertheless, in my judgment, it is a reasonable and necessary piece of legislation which deserves prompt enactment into law.

As we focus our attention on H.R. 7171, I ask my fellow Representatives to recognize the tight interdependence between food production and food consumption and to join with me in the task of balancing short and long term agricultural needs with the overall interest of the national policy.

There are no issues so basic, nor so important, as those issues addressed in H.R. 7171. This measure demands the most sensitive and responsible consideration.

We have entered an era when we can no longer afford to view legislation through the narrow perspective of a purely regional lens—whether urban, suburban or rural. We must set sectionalism and special interest aside and attempt to do what is best for the national interest.

I believe that H.R. 7171 meets this criteria, and I urge its passage by the House.

Mr. FOLEY. Mr. Chairman, I yield 6 minutes to the gentleman from Mississippi (Mr. BOWEN), the distinguished chairman of the Subcommittee on Cotton.

Mr. BOWEN. Mr. Chairman, I would like to congratulate and commend the distinguished chairman of our Committee on Agriculture, the ranking minority member, and all of the bipartisan effort that went into the production of this very important piece of legislation. I think it will prove to be one of the most impressive and successful pieces of farm legislation that we have passed in the history of this country.

I also want to congratulate the cotton industry in America for arriving at a unified position in support of a program which I think is very distinctly in the interest of the consuming public of this country. The industry is unified geographically, East and West. It is unified economically, in terms of different segments of the industry.

This legislation is very important because it governs an industry which is so vital to the lives of all Americans. This is an industry which not only speaks for a quarter of a million farmers who grow cotton, but also a million textile workers and about 1.3 million apparel workers. It is the largest single industry in the United States, the fiber-textile-apparel complex.

Mr. Chairman, we designed this year, with the cooperation of the industry itself, a cotton section for this bill which is intended to end the "boom-and-bust" pattern that we have so often seen in past years, one which attempts to moderate that trade cycle. On the lower end, we attempt to provide a floor by having a loan structure which is based upon 85 percent of a rolling 4-year average of the spot market prices in this country. This is designed to insure that we have a market-oriented cotton program.

As a further assurance that we will maintain our export market, since we do export about one-third of our crop and we are the largest exporter of cotton, we have a kind of fail-safe mechanism which says that the loan level cannot exceed 90 percent of the Northern European price of cotton. We have done this to insure that the Government of this country will not have to acquire large stocks of cotton, will not have to spend tax dollars to store this cotton, and will not have to spend money on export subsidies, but, rather, the market mechanism itself will handle the cotton production and sales of this Nation.

In turn we have also designed a target price structure which is intended to minimize exposure of the treasury and the cost to the taxpayers of this Nation. It is set at 110 percent of the loan level, so it goes up and down with the loan. There is no other device which I have seen that so effectively insures that the taxpayers of this country will be protected against any excess in deficiency payments that might be necessary because of falling prices. This would not be the case with target prices based upon cost of production, which could continue to climb without regard to market prices.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I will be very happy to yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I want to congratulate the gentleman from Mississippi (Mr. BOWEN) and the other members of the Subcommittee on Cotton for their work as expressed in this bill. To me it represents about the finest part of this bill, pointing toward a market economy and assuring that cotton will continue to sell worldwide at competitive prices and insuring a good income for the producers.

Mr. BOWEN. Mr. Chairman, I thank the gentleman for his kind observations.

To continue, I would like to point out that in addition to this loan and target structure which we have designed to keep cotton competitive and to keep it market-oriented, we have at the same time given the farmer the opportunity to have an extended loan. He may be given an extra 8 months over and above the traditional 10-month loan period by the Commodity Credit Corporation so that he can market his cotton in an orderly manner and so he can have access to more than one marketing year.

The extended loan, which is for the benefit of the producer, is in turn matched by a portion of this legislation which is intended to provide some ceiling on the top end of the price cycle. This is to insure that the price of cotton does not get so excessive that our mills will have to shift to synthetics because cotton cannot be obtained at a price they can pay. This feature is a very limited 21-day import window for cotton, and it takes effect when the price exceeds 130 percent of the preceding 36-month average.

So, Mr. Chairman, this formula is designed to end that sort of "boom and bust" to which I referred, and it is intended to provide stability for the industry and stability for the consumer.

I will at a later time during the deliberations on this bill offer an amendment which was prepared by our Subcommittee on Cotton after the time H.R. 7171 was reported from the full committee. The amendment had the unanimous consent of the committee, and I think it has very strong, if not unanimous, support throughout the industry in terms of modernizing and updating the old allotment program which we have had for cotton. I will have an opportunity to discuss that amendment at a later time.

Mr. Chairman, I will simply conclude my remarks by saying that we have labored diligently to produce a bill which we believe is consumer-oriented and a bill which is also producer-oriented. I believe we have had the kind of bipartisan support that we need to pass this legislation.

Mr. Chairman, I urge the House to support the cotton section and to support H.R. 7171.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I thank the distinguished chairman of this great committee for yielding this time to me.

It is my intention to place in the RECORD certain views with regard to the cotton section and with regard to the bill generally.

I think, Mr. Chairman, that the Committee on Agriculture is entitled to praise for the fine work it has done in trying to work out an acceptable bill, and that, of course, has not been an easy task. I hope in the course of consideration of the measure by the House certain improvements can be made.

AMENDMENT OF THE COTTON IMPORT PROVISION

Mr. Chairman, during consideration of the cotton section of this bill, I will offer an amendment making a minor change in the so-called cotton import provision. The amendment I shall propose changes the provision calling for a special limited global import quota from one that operates automatically and is mandated by law to one left to the discretion of the President and the Secretary of Agriculture.

If my colleagues will turn to page 24 of H.R. 7171, they will see the language of the bill as it is now written with respect to cotton imports:

. . . *Provided further*, That whenever the Secretary determines that the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and

proclaim a special limited global import quota for upland cotton subject to the following conditions:

(1) This amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available; . . .

My amendment simply strikes the words "shall immediately" on line 16 and inserts in lieu thereof the word "may". This technical change simply makes the provision discretionary rather than mandatory. By making this authority for a limited import quota discretionary, we allow the Secretary of Agriculture an opportunity to evaluate the situation at the time the price reaches the specified trigger point and determine whether the relaxation of the import quota would be in the best interests of the domestic cotton producers and the American cotton industry generally.

My amendment does not change the other provisions of the cotton section. The only thing that this amendment does is allow the President and Secretary of Agriculture some flexibility with regard to the controversial matter of increased cotton imports whenever the specified market conditions exist. I have full confidence that the Secretary would act equitably and with caution and discretion in exercising this authority.

COTTON PRODUCERS CONCERNED

I propose this minor change because the cotton import section, as it is now written, greatly disturbs me. Many farmers in my area have contacted me about this import provision and have expressed strong opposition to it. The American Farm Bureau Federation and the National Farmers Union are concerned about it. These farm organizations have encouraged me to offer this amendment. They are concerned and I am concerned about what might happen if the measure were to become law as it is now written.

EFFECT OF COTTON IMPORT PROVISIONS AS NOW WRITTEN

I would direct my colleagues' attention to page 147 of the report which accompanies this bill. The report reads:

One of the questions raised concerned the special 90-day import quota that would be triggered when the domestic price reached 130 percent of the preceding 36-month average. The Department official present pointed out that the provisions would allow a 21-day domestic mill supply which he calculated to be a maximum of 550,000 bales. He pointed out that we are now in a situation where such an import quota would become effective. However, it was his opinion that little, if any, cotton would come in under such a quota—possibly no more than a few thousand bales because of a generally short supply situation.

An examination of the cotton price data for the last 6 years shows that prices reached a point where a special import quota would have been triggered three times (average monthly price exceeds 130 percent of the average price for the preceding 36 months). These special import quotas would have moderated the upward price movement.

The Department of Agriculture, therefore, calculates that as much as 550,000 bales of cotton could be allowed to enter this country whenever the trigger point is reached. How often would this importation of additional cotton be mandated? The report of the committee points out that, during the last 6 years, the provision would have been triggered on three separate occasions—once every other year. Indeed, Mr. Chairman, at the time this bill was being written by the committee, the price of cotton was such that the import proviso would have been triggered.

Of course, I realize that if the situation should arise where cotton prices reach 130 percent of the average price for the previous 36 months, there might not be cotton available in foreign countries to be imported. However, there is no way to be certain about the contract arrangements in foreign countries. There is no way to predict accurately what effect this provision would have on the market when it is triggered. Theoretically, this provision would have the effect of taking out the peaks and the valleys of cotton prices but, as the section is now written, it seems that it would take out the peaks but provide cotton producers with inadequate protection against the valleys of low cotton prices.

UNCERTAINTY OF MARKET DEMANDS FLEXIBILITY

As I mentioned before, when this section of the bill was written, cotton prices were relatively good. Since that time, however, the price of cotton has fallen precipitously. We have no way of knowing what the price structure will be at harvest time, or a year from now, or 2 years from now. Anyone who has been in the business of producing cotton for very long knows that you can't get overly enthusiastic about the price of cotton and expect it to always remain high. Three years ago, cotton prices were high, and people were saying that King Cotton had regained the throne and was entering a new Golden Age. The next year the energy crisis struck, and cotton prices again hit rock bottom.

For the cotton industry to become overly confident at this time and inject a provision in the farm bill mandating cotton imports would be, in my opinion, most unwise and very dangerous. There have always been periods of boom and bust in the cotton business, and I suspect there always will be, but what worries me about the cotton section as it is now written is that it could tend to take away the cotton producer's periods of boom and leave him vulnerable to the busts.

So, Mr. Chairman, I hope my colleagues will support the simple amendment which I will offer to the cotton section of this bill. The National Farmers Union and the American Farm Bureau Federation both support this minor change. It is in the best interest of our domestic cotton producers, and it leaves intact the complicated interaction of the various other provisions of the section which the Cotton Subcommittee, under the able and dedicated leadership of the gentleman from Mississippi (Mr. BOWEN) has so carefully and thoughtfully put together.

I believe the simple amendment I propose improves the package developed by the Cotton Subcommittee by allowing the President and the Secretary of Agriculture flexibility with regard to the special limited import quota in the event that unforeseen market conditions occur.

Mr. WAMPLER. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, there are a lot of features about this bill that I suppose none of us will ever get around to addressing. There are many fine features relating to research and development, gasohol, solar energy, and a number of things which I believe merit the attention of the Members. Those of us on the committee tend to talk about only those specific problems with which we have been intimate for almost 6 months now.

Mr. Chairman, I would like to address my brief remarks to the problem of the sugar situation which the gentleman from Texas (Mr. DE LA GARZA) is going to address with his amendment, and the problem of the target price for wheat and corn.

The sugar situation is this, Mr. Chairman, that it costs from 13.4 to 18.1 cents to produce sugar in the United States. The low was 13.4 cents in Florida; the high was 18.1 cents in some of the sugar beet-growing areas.

Mr. Chairman, if we do not have a provision in the law similar to what the gentleman from Texas (Mr. DE LA GARZA) intends to offer, there will be no sugar industry in these United States. The problem many Members do not understand is that the combination of production and processing is one which prevents people from getting in and out of the sugar business. One does not plant sugar beets one year and then alfalfa the next year and then wheat or something else on that land because the farmer has to maintain that production of sugar beets since the requirement of the processor is such that he has to have that capital invested and working every year.

Therefore, Mr. Chairman, the partnership between the processors and the producers is such that it requires that people must be in business every year. A person cannot get in and out of the sugar business as he can in growing corn, wheat, and some of the other crops.

Mr. Chairman, the gentleman from Texas (Mr. DE LA GARZA) is going to offer an amendment which I think is valid, which is not expensive or excessive; and I think it deserves the support of the membership of the House.

I would just briefly like to discuss the situation with respect to wheat and corn target prices.

In 1973 when we passed those target prices, we did not have an acceleration clause as we should have in that 1973 act. Therefore, as the cost of production went up, the target prices did not go up accordingly and correspondingly.

This year when we met in the Subcommittee on Livestock and Grains, I had received figures from the Library of Congress as to what the actual cost of production would have been and what the 1973 act's figures accelerated to today

would be; and the 1973 figures brought up to date in 1977 would have been $2.90 for the target price for wheat and $2.18 for the target price for corn.

Mr. Chairman, those were the actual figures we passed out of the subcommittee, nothing more than an escalation of the 1973 figures. Those Members who voted for the 1973 figures can certainly vote for the figures that are going to be offered by the gentleman from Nebraska (Mr. THONE), the gentleman from Oklahoma (Mr. ENGLISH), the gentleman from Kansas (Mr. SEBELIUS), and the gentleman from Iowa (Mr. HARKIN), because they are nothing more than an extension of the 1973 figures for 1977.

Mr. Chairman, when we got to the full committee, the target price for wheat was knocked down to $2.65. The only reason it was knocked down, in my judgment, was because of the threat of a Presidential veto. There was no other reason.

The justification is there, my colleagues, for adopting the amendment that is going to be offered by the four gentlemen I named. It is not an excessive figure at all. The 1973 figures proved to be sound, and the costs have gone up correspondingly since then; and I believe that it is consistent with the market-oriented agriculture that we all believe in.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. JOHNSON) has expired.

Mr. WAMPLER. Mr. Chairman, I yield 1 additional minute to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman.

Just to give some idea of the increased costs people are running into, a large, self-propelled combine in 1973 cost $22,000. Today it costs $42,000.

A tractor that cost $10,800 in 1973 now costs $18,800.

The same pickup truck that cost $3,300 in 1973 now costs $5,650.

A grain drill which cost $2,860 in 1973 now costs $5,210.

A disk tiller which cost $1,500 in 1973 now costs $2,500.

A harrow which cost $2,000 in 1973 now costs $4,520.

Therefore, Mr. Chairman, when the amendment is offered to raise the target price for wheat and for corn to correspond to the 1973 figures, I do not believe that there is anybody in this body who can say that this is exorbitant or too high or a boondoggle or a ripoff because it is nothing more than a reflection of the increased costs that those gentlemen who are making their living on the farms have had to pay.

Mr. POAGE. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. RICHMOND).

Mr. RICHMOND. Mr. Chairman, as a member of the Agriculture Committee, I have followed the progress of this legislation for many months, and have worked closely under the guidance of our distinguished chairman Mr. FOLEY on many details of this bill. My subcommittee moved quickly after the President's food stamp reform proposals were presented, to approve the most sweeping changes in this vital nutrition program since its creation in 1964.

As an urban member of the committee who has tried to bring the concerns of the consumer into the forefront of committee decisionmaking and one who has tried to listen to the concerns of the family farmer, I can say unequivocally that this is the most important and most comprehensive national food policy legislation ever considered by the Congress.

We stand at a watershed this year in our attempts to formulate a cohesive food policy. Will we return to the outdated boom and bust, feast or famine policies of old? Will we continue to stand by as consumers struggle with roller-coaster food prices and family farmers are driven off their land by corporate profiteers? Will we allow our own vital nutrition programs to be eroded away while ignoring world hunger around us?

In a year of grain gluts, farm foreclosures, drought, and inflation, we can no longer afford a policy that pits farmer against consumer, rural versus urban, poor against rich.

We must begin to devise a truly national food policy which benefits all Americans. I believe, Mr. Chairman, that this bill is a big step in that direction.

The price support provisions of this bill are good for farmers because they will help reduce losses and encourage farmers to stay in business. Price supports are as essential to farm income as minimum wages are to the urban laborer. Farm supports are good for consumers because they help insure a steady supply of wholesome food products.

The food stamp provisions of this bill are good for farmers because they generate $1.5 billion in farm business through increased food sales. These provisions are good for consumers because for the first time they make the program truly accessible to all in need and accountable to all who are concerned about its operation;

The food policy of our Nation must be geared to forging a coalition between the urban consumer and family farmer. Only be realizing our common interests can we form a fair food policy for all Americans. That is why I am urging my urban and rural colleagues to join with me in supporting this comprehensive bill.

Mr. WAMPLER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I first want to join with the other members in the committee in commending both the chairman of the committee, the gentleman from Washington (Mr. FOLEY), and the ranking Republican member, the gentleman from Virginia (Mr. WAMPLER), for their very fine and fair cooperation in handling the legislation and giving all of us a chance to participate meaningfully in the committee process.

I also want to commend the chairman of the Subcommittee on Dairy and Poultry, the gentleman from North Carolina (Mr. ROSE), who has given me tremendous cooperation, as I hope I have given him. I believe we have worked very well and closely together.

Mr. Chairman, today we have, in title II of H.R. 7171, an opportunity to be of real service to both the consuming public and the dairy producers of America. There are two significant improvements in the dairy price support program authorized by the Agricultural Act of 1977. The first is raising the price support floor from 75 to 80 percent of parity. The second change will require a semiannual adjustment by the Secretary of Agriculture of the parity level which he establishes at the beginning of each marketing year. This adjustment will allow our producers to keep pace with inflation while also stabilizing consumer prices at the marketplace.

During the past 3 years Congress has taken positive action on similar legislation several times. Those successful attempts carried a quarterly adjustment. I feel strongly that we should be presenting quarterly adjustments here today, however, I can understand some of the arguments against such a move. The semiannual adjustment is a definite step in the right direction. From June 1973, to June 1974, you will remember the tragic situation our farmers and consumers faced when the price support floor plummeted as a percent of parity, farmers left the business in great numbers and as supplies tightened the consumers' over-the-counter cost rocketed.

It has been estimated that erratic market situations not only cost America the loss of many top dairy farms but also cost our consumers an additional $3.2 billion over that which would have been experienced in a stable market. Today we are faced with that same potential hazard as we see the price support floor slipping once again. During the presidential campaign of 1976 in Wisconsin, candidate Carter indicated that 85 percent of parity was absolutely necesary.

On April 1, our new Secretary of Agriculture, Bob Berglund, and President Carter, both active farmers, recognized the plight of the American dairy farmer and took positive action by establishing the price support floor for the 1977 marketing year at 9.00 cwt. or approximately 83 percent of parity. The 9.00 figure has never really been achieved and as farmer's costs continue to rise, the facts show that the price support floor farmers are receiving today has dropped from the approximate 83 percent of April 1 to 78 percent as of last evening. With the proposed semiannual adjustment in H.R. 7171 the Secretary would adjust the support floor back to 83 percent on October 1. Without this adjustment, the percent of parity could well fall to the 70 percent area by next April 1 and this would be disastrous. When we look at the prices farmers are receiving for all commodities as a percent of parity we find that figure to be 67 percent of parity, the second lowest figure since the depression of the 1930's. Things are not good.

It should be noted that the administration opposed quarterly adjustments of

parity for dairy price supports and also setting the floor at 80 percent. Only reluctantly did they agree to semiannual adjustments. OMB was behind this move. At this time it might be appropriate to remind the administration of the commitment made by President Carter to the Wisconsin farmers, and I quote from the letter sent by Mr. Carter to Wisconsin farmers in October of 1976:

This month you are feeling the full impact of President Ford's vetoes of legislation increasing price supports to 85 percent of parity. Manufactured milk prices have taken their biggest nosedive in history.

The 53-cent drop per hundredweight in the Wisconsin-Minnesota series price this month even surpasses the price decline in the spring of 1974 which resulted from the increased import of dairy products.

If President Ford had not twice vetoed legislation raising price supports to 85 percent of parity; farmers would have had a floor price of $8.77 per hundredweight rather than the $8.26 floor which exists under the present 80 percent support level. Because of those vetoes, milk prices this month are 31 cents a hundredweight lower than they would have been under an 85 percent support level and are shading down toward $8.26.

That drop in milk prices is costing Wisconsin's dairy economy a quarter of a million dollars a day, and no one knows better than you how much it is costing farmers who are already hard-pressed because of the drought this summer.

A Carter-Mondale administration simply would not allow a situation like this to develop. We hope you remember that when you go to the polls November 2.

This bill will help but not insure that this commitment will be kept.

I urge my colleagues to once again show their support for the dairy legislation we have before us today.

Also, the bill before us today strengthens the dairy indemnity program. The purpose of the indemnity program has been to provide the American dairy farmer with some protection against catastrophic events beyond his control. This has not been a costly program in that the annual expenditure is somewhere between $150,000 and $200,000.

The strengthening provisions of this bill deal with protecting those farmers whose products are barred from the market due to radioactive fallout contamination. In the recent past several Pennsylvania dairymen experienced such fallout as a result of experimentation and testing done in China. These farmers had to shoulder this loss in total.

The beekeepers indemnity program is also continued in this legislation.

In the legislation also is the extension of the following authority:

First. The authority for Commodity Credit Corporation to transfer stocks of dairy products to military and veterans hospitals.

Second. The authority for base plans under Federal milk market orders including the Louisville plans, seasonal base plans and class I base plans.

Furthermore, title XI dealing with Public Law 480 carried a provision giving the Secretary more flexibility than previously experienced. Many times in the past CCC has had stocks of dairy products which, due to bookkeeping procedures and fact that dairy stocks must be valued at their purchase price, have not moved in the foreign aid program. This legislation allows such stocks to be valued at the export market price at the time the commodity is made available to the program.

Also, I was proud to offer along with my colleague, GEORGE BROWN of California, title XIV of H.R. 7171.

The keystone of this legislation is the establishment of demonstration solar farms, located in every State, to demonstrate practical solar alternative for farm use. This title will provide new funding for alternatives in the agricultural research service, and brings the results of the research to the grass roots level through the agricultural extension service.

This type of activity by the Government, I believe, is essential. Farmers are practical people, and they are not likely to invest in a solar milking parlor, for example, unless they can see one in actual operation, get good advice on how to run it and how to repair it when it breaks down and obtain solid data on how it will fit fiscally in their operation. The agricultural extension service is well equipped to carry out those important functions.

Food stamp reform efforts have been directed toward two primary goals this year. The Agriculture Committee has tried to draft a bill which would insure the fullest possible participation by those who are eligible, while streamlining the program in order to eliminate the nonneedy.

The committee chose not to streamline the program so strictly as to subvert the goal of equity. Therefore, we voted to retain certain features, such as income deductions for excess shelter costs, child care, and work expenses. We also voted to tie the standard income deduction to the Consumer Price Index, so that benefits continue to reflect the cost of feeding a household. Through an oversight, we neglected to index the excess shelter costs deduction. If the Committee of the Whole House fails ot correct this oversight, food stamp benefits will fail to keep pace with the drain on the disposable income of families who have heavy shelter expenses.

With respect to the first of the aforementioned goals, H.R. 7940 does not go far enough to achieve a decent level of participation among the elderly, blind, and disabled. The food stamp program has an abysmal service record for this group. Only 25 percent of eligible elderly persons actually receive food stamps, compared to over 50 percent of eligible nonelderly persons. The reasons for lack of participation on the part of this group are, primarily, fear of welfare stigma and logistical inconveniences.

Last year, the committee accepted, in a bipartisan effort, an amendment which would have allowed elderly, blind and disabled persons to receive cash in lieu of coupons. In addition to the obvious advantages of removing stigma problems and logistical problems associated with coupon collection, this approach has proven success in several States. This year, however, primarily due to fear of cost overruns and nervousness over endangering the elimination of the purchase requirement, the Committee unfortunately failed to mandate cash payments to the elderly, blind, and disabled.

A measure was approved, however, which gives the Secretary authority to issue cash to households in which every member is over 65, blind, or disabled, and mandates a pilot study of this approach. When the food stamp portion of the farm bill is considered by the House, I will offer an amendment to extend this discretion to the States. State governments are set up to work closely with their elderly population to determine the best policy for their particular area. With this approach, we in no way force an additional burden on State agencies, but rather allow them to take a positive initiative on behalf of their constituency.

As I have noted, the committee devoted a large part of its reform effort toward eliminating non-needy individuals from the program. Again, I don't believe the committee went far enough in attempting to restore integrity to the food stamp program.

The program is designed only to help those households at 1.5 times the poverty level or lower. Amazingly, for various reasons, statistics indicate that under the guidelines of this bill some 400,000 households would be getting stamps, even though their income exceeded twice the poverty level, or 33 percent above the intended level.

The committee narrowly rejected a proposal to recoup benefits from households earning more than twice the poverty guidelines. Had it passed, this amendment would have done much to eliminate benefits for the nonneedy, without jeopardizing or hassling those with legitimate need for food stamps. The concept is one agreed to by committee members of all philosophical outlooks toward the food stamp program.

To our knowledge, nobody has argued that the recoupment proposal would deny benefits to anybody with real need. The proposal acknowledges that a household with a relatively high income may have a temporary need. For such families, food stamp benefits would simply be considered as an interest-free loan, to be paid back in a painless manner through deduction from the family's income tax refund, or on an interest-free, penalty-free schedule, after the household is off food stamps.

In addition to restoring equity to the program on the basis of annual family income, by plugging the recoupment provision into the income reporting system for taxation, we will have an effective deterrent to fraud, and a greatly improved method of detecting fraud. The statistical information referred to above indicates that fraud in the food stamp program may be quite substantial. That is why it is impossible to accurately gauge the savings which would be gained by adoption of the recoupment proposal—the estimates range from $124 million to $283 million.

This proposal looks forward to what we are going to have to do in the future in order to establish some accountability in Federal assistance programs. We need

to do what we do in the income area with all of our businesses, which is to use our modern technologies to coordinate, monitor, and control our public assistance programs.

Mr. POAGE. Mr. Chairman, I yield such time as he may require to the gentleman from Oklahoma (Mr. ENGLISH).

Mr. ENGLISH. Mr. Chairman, I rise today to speak in behalf of America's grain producers, who are presently involved in an economic struggle so severe it could force many of them to declare bankruptcy and abandon their homes and farms by the end of this year.

Cash prices for wheat have hovered around the $2 level for the past 6 to 8 weeks, and in many cases dropped to as low as $1.80 at the peak of the 1977 harvest in the southwest. Even the most conservative economists do not suggest these prices are anywhere near sufficient to cover the farmer's cost of production. Further, the U.S. Department of Agriculture has conducted a survey which found that 72,000 grain producers in the nine-State midwest and southwest region are facing financial difficulty, and, the Department has predicted that at least one-third of these, some 24,000 farmers, will be bankrupt by the end of this year unless there is rapid improvement in the prices of wheat and feed grains.

I urge my colleagues to consider the critical nature of the financial condition of America's family farmer. Costs continue to increase, while prices for farm products, especially grains, continue to decline. Farmers have been operating at such a loss for the past several years that bankers and other lending institutions are no longer willing, or able to continue to extend credit. We can ill afford to let America's largest industry continue on this economic slide, which will, if not checked, result in a recession in rural America so severe that it could have detrimental effects on our entire economy. We have faced this situation before, and because a strong agricultural industry is so important to a strong America, the Congress has taken steps in the past designed to avert a disaster such as we are facing again today.

In fact, the 93d Congress enacted major farm legislation which was designed to assure the production of adequate supplies of food at reasonable prices to consumers by insuring producers against losses if their expanded production resulted in prices below target prices.

In 1975, because farmers were faced with spiralling production costs, the Congress deemed it necessary to once again consider legislation to assure an adequate price for farm products to help the farmer withstand an ever increasing cost price squeeze.

The House Committee on Agriculture conducted extensive hearings to determine what prices would be necessary to help the farmer meet his increasing costs of producing an abundant food supply, and on March 11, 1975, Chairman FOLEY issued the report of the committee to accompany H.R. 4296, a bill to provide "Emergency Price Supports for 1975 Crops."

I would like to quote briefly from the section of the report which outlined the need for enactment of "Emergency Price Support Legislation for 1975 Crops."

> In Secretary of Agriculture Earl Butz words, the purpose of the Agriculture and Consumer Protection Act of 1973 was to insure *"maximum production with protection"*—Farmers no longer have that protection. (in 1975) (Emphasis added.)

Continuing, the report said,

> Because of the tremendous increase in the cost of production of Agricultural commodities, the legislation inacted in 1973 no longer affords the protection to the producer that is necessary.

The report then goes on to discuss in detail the tremendous increases in the costs of fuel, fertilizer, machinery, land and labor, while pointing out that prices for farm commodities lagged behind.

Let me again emphasize that this report was issued by Chairman FOLEY on March 11, 1975. On that very same date, March 11, 1975, cash wheat in Kansas City was selling for $3.76 per bushel—on July 14, 1977, cash wheat in Kansas City was selling for $2.34 per bushel, and farmers are receiving just over $2 at most elevators in my State.

Mr. Chairman, the wheat target price in the bill reported by the Agriculture Committee on March 11, 1975, in support of which my colleague from Washington spoke so eloquently, was set at $3.10 per bushel, a level which was later adopted by the House of Representatives as the bare minimum necessary to assure this country of abundant food supplies in the future.

Today, production costs are even higher than those described by Mr. FOLEY and the committee in 1975, yet we are considering a bill which calls for a wheat target price of only $2.65 per bushel. I tried, during committee consideration of H.R. 7171, the Food and Agriculture Act of 1977, to increase this target price on wheat to a mere $2.90 per bushel, and unfortunately failed by a single vote. I could not understand why a target price of $3.10 was necessary in 1975 when cash prices were above $3.75 per bushel while a target price of only $2.65 was considered sufficient in 1977 when cash prices are $2 per bushel. Especially since, and on this there seems to be no disagreement, production costs continued to rise sharply in 1976 and again in 1977.

Mr. Chairman, I will offer today an amendment to H.R. 7171 which increases the target price on wheat to $2.90 per bushel for the 1977 crop. This, I feel, is a bare minimum necessary to enable many of our grain producers to survive under today's depressed market conditions—conditions created not by the farmer—but by their Government—which urged them to sow fence to fence and increase their production to meet growing world demand, and then, placed an embargo on grain exports which has resulted in glutted domestic markets and seriously low prices.

Mr. Chairman, I would like to again emphasize that the economic problems of the American grain farmer did not develop overnight, nor are they unique to the year 1977. In fact, the Secretary of Agriculture, the Honorable BOB BERGLAND, speaking as a member of the House Agriculture Committee in the report accompanying the 1975 farm bill, stated the problem very precisely when he said,

> Current law provides price protection at levels far below current production costs, and if grain markets continue to tumble, wholesale farm and agribusiness bankruptcies will follow.

Mr. Bergland did such an outstanding job of presenting the case for higher target prices in 1975 I feel every one of my colleagues should have an opportunity to read his remarks, and I ask unanimous consent that his statement appearing at page 31 of the committee report be printed in full at this point in the RECORD.

I submit, Mr. Chairman, that we are on the verge of that condition which now Secretary of Agriculture, Bob Bergland, was predicting when he made the above remarks in March of 1975. If my amendment to increase the target price for 1977 wheat crops is not adopted by this body, we will have "wholesale farm and agribusiness bankruptcies" as Secretary Bergland predicted, and, unfortunately, it will occur during his term as Secretary of Agriculture. I pray that this will not be the case, and I urge the adoption of my amendment to avert disaster and assure the continued strength of our largest industry, agriculture.

Mr. POAGE. Mr. Chairman, I yield one-half minute to the gentleman from Minnesota (Mr. NOLAN).

ADDITIONAL VIEWS OF HON. BOB BERGLAND

Why, you may ask, is your Committee on Agriculture reporting a bill to raise farm income guarantees at a time like that?

Some of the important facts are:

1. About 60 percent of our wheat, 40 percent of our soybeans and 20 percent of our feed grains were exported last year in a volatile world market subject to sharp price fluctuations.

2. Last year farm product exports earned $22 billion, an all-time high and were the major factor in our near-balanced trade position.

3. This year farmers have been asked by our Government to produce every pound, bushel and bale possible in order to meet our own consumer needs and to continue to meet commercial foreign demands placed upon us. There are no production controls on any of the commodities covered by the bill.

4. The markets for grains have broken sharply since last November because of the chaotic conditions in the commodity markets of the world over which American farmers have no control.

5. A major portion of farm production costs are petroleum based, i.e., fuel, fertilizers, pesticides and have tripled in cost during the past two years.

Current law provides price protection at levels far below current production costs and if grain markets continue to tumble, wholesale farm and agribusiness bankruptcies will follow.

The Committee bill is a compromise between those of us who would prefer much higher levels of protection and those who prefer no change. The grain guarantee levels recommended are about midway between present market prices and the protection af-

forded by present law. In no way will the grain sections increase food costs. To the contrary, ample food supplies can only be assured if there is some minimal protection against financial ruin and the resulting economic backlash.

In my state of Minnesota last year 3,200 farmers abandoned the production of milk because of the fierce cost-price squeeze. Nationally about 20,000 dairy farmers quit the business. I am convinced thousands more would have quit but for the fact that the proceeds of a sale would not have paid off the mortgage on the livestock.

The Committee bill would raise the price of manufactured milk products to levels comparable to prices received in February 1974 or to about $8.14 per hundred pounds of milk. I know from experience that unless dairy incomes are improved, the exodus of dairy farmers will continue; and if we are to depend on the dairy giants for our milk supplies—consumers beware.

The bill provides price protection for the 1975 crop only for the same reason your Committee moved quickly a few weeks ago to set aside the food stamp cost increases scheduled to go in place on March 1.

These actions will buy time during which the Committee can undertake a complete and comprehensive review of our food and fibre production and consumption policies, which in my judgment are in need of overhaul.

Mr. NOLAN. Mr. Chairman, H.R. 7171, the Agriculture Act of 1977, falls far short of being the "coherent, predictable, stable, coordinated food, and fiber policy" Jimmy Carter called for during his Presidential campaign. President Carter proved willing to settle for something far less than what he campaigned for and farmers in the Midwest and Plains States are extremely disappointed in the Carter administration's farm program and in the House Agriculture Committee's farm bill.

Although many Members of the House, including myself, will offer and support numerous amendments to H.R. 7171, we should recognize how limited our vision still remains. We have a long way to go before we will establish a national food policy which, in the words of the Democratic national platform:

Will be fair to both producer and consumer, and be based on the family farm agricultural system which has served the Nation and the world so well for so long.

Given the current attitudes of the administration and the House, when we complete our consideration of H.R. 7171 we will probably have no more than a bill that will keep the banker at bay, merely postponing the farm foreclosures which now loom on the horizon. Clearly, even if the price support levels in the Senate farm bill were the maximum that President Carter would abide, rural America would still face economic and social disaster. As Senator HUBERT HUMPHREY recently said:

It is important that we fully understand the gravity of this crisis. Statistics do not tell the full story. The farmers and rural entities that will go broke this year are really only the tip of the iceberg. Those that manage to hang on will be burdened with debts that will inhibit their viability for years to come. These producers will have no solace in thinking back to the Government policies that got them into this situation in the first place. I can only hope that it will be Government policy to assure their survival.

We must try, therefore, to improve the House farm bill as much as possible. We owe our family farmers a better deal.

It is also important for my colleagues from urban districts to realize that the Nation's economy will not revive substantially if agriculture remains the whipping boy for inflation. We must address ourselves to the crucial question of economic balance, without which there will be no sustained prosperity in either the rural or urban sectors of the economy. We need a decent price support program for farm commodities and a decent minimum wage as well.

Mr. POAGE. Mr. Chairman, I yield 1½ minutes to the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. I thank the distinguished chairman of the committee for yielding to me.

I want to start by thanking the gentleman from Vermont (Mr. JEFFORDS) for his kind remarks and the cooperation that he has given me in preparing the dairy section of this bill. We are basically extending existing authority under the dairy provisions of this bill. At this time I would like to yield for a question to the gentleman from New York (Mr. MCHUGH).

Mr. MCHUGH. I thank the gentleman for yielding.

As the gentleman knows, the dairy price support program is designed and intended to assure an adequate supply of pure and wholesome milk to meet current needs, to reflect changes in the cost of production, and to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.

Given adequate administration, the program has proven its ability to accomplish these purposes. In my view, the amendments proposed in this legislation would further strengthen the program and assist in achieving these stated goals.

However, there are two aspects of program administration that have, in the past, tended to undermine achievement of the purposes of the program.

The first of these relates to the policies of the Commodity Credit Corporation with regard to the management of Government stocks of dairy products acquired under the dairy price support program. While the statute provides that CCC may sell such products for unrestricted use at the higher of the market price or 105 percent of the purchase price, the practice generally employed for a number of years prior to April 1, 1976, had been to offer such stocks at the higher of the market price or 115 percent of the purchase price. This differential allowed normal market forces to work effectively and encouraged the carrying of normal inventory needs by both processors and users while still making Government stocks available as a market buffer during periods when prices might rise substantially.

Effective April 1, 1976, the resale price for dairy products owned by CCC was reduced to the statutory minimum. This was coupled with a move to rotate Government-owned stocks of nonfat dry milk by offering the product for unrestricted domestic use on a bid basis.

In pursuit of the latter policy, bids were accepted substantially below the then effective CCC purchase price for nonfat dry milk of 62.4 cents per pound. Offers as low as 58 cents per pound, 4.4 cents below the CCC purchase price, were accepted.

The effect of this practice was to demoralize the market, depress the price of nonfat dry milk and prices paid farmers for milk, and to impair the ability of the price-support program to deliver the announced level of price assurance to farmers for milk made into butter and nonfat dry milk. In addition, it also tended to increase CCC purchases by discouraging processors and users from carrying normal inventories.

Now, I would like to ask the distinguished chairman of the Dairy and Poultry Subcommittee if it is not his understanding that the management of inventories held by the Commodity Credit Corporation is to be undertaken in such a manner as to encourage normal trade practices, including inventory management, and to bolster farm prices as intended by the price-support program.

This has always been my understanding. The law does provide substantial flexibility to the Secretary of Agriculture, but it is not intended that this is to be used in a manner which can actually depress farm income or interfere with commercial market operations. We should commend Secretary Bergland for the actions he has taken to correct these problems in connection with the dairy price-support program for the 1977–78 marketing year. It is my understanding that the minimum resale price for CCC–owned dairy products has been established at the higher of the market price or 110 percent of the CCC purchase price. Further, the bid basis sales of nonfat dry milk for unrestricted use have been, at least for the time being, suspended. Both of these moves are in keeping with the basic intent of the price-support program.

Mr. MCHUGH. If the gentleman will yield further, it has always been the intent of Congress that the announced level of price assurance under the dairy price support program be available, on a national average, to all dairy farmers. During the 1973–74 and the 1976–77 marketing years, the Commodity Credit Corporation purchase prices for butter and nonfat dry milk were set at levels which, when market prices for these products were at such levels, denied dairy farmers whose market was a plant producing these products the opportunity to realize this price assurance.

To illustrate the situation, the price support level for manufacturing grade milk was set at $8.26 per hundredweight on October 1, 1976. The CCC purchase prices announced in connection with that price support level were such that the price of milk made into butter and nonfat dry milk was effectively supported at only $8.11 while milk manufactured into cheddar cheese in 40-pound blocks was supported at $8.41.

Does not such action, in the view of the distinguished chairman of the Dairy and Poultry Subcommittee, tend to deny

many dairy farmers the price assurance intended under the price support program?

Mr. ROSE. Such a policy does effectively deny dairy farmers whose market is a plant producing butter and nonfat dry milk the same price assurance afforded those able to sell their production to a cheese plant. In the administration of the program, care must be taken to assure that the announced level of price support is available to farmers, on a national average, on a nondiscriminatory basis.

Again, I must point out that Secretary Bergland has acted to remove this "tilt" from the price support program. This is an action for which he is to be commended.

Mr. WAMPLER. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, a great philosopher once said:

Those who ignore history are doomed to repeat its failures.

As we begin formal consideration of the Agricultural Act of 1977, I urge my colleagues to observe the lessons of history—to reject the narrow view, so common in the past, that agricultural legislation is "farmer" legislation pure and simple—and to recognize that the well-being of the farmer is directly tied to the well-being of the consumer.

America's agricultural system is so efficient that the United States keeps setting new world records year after year in per capita production of food and farm exports. For the most part, this is because the role of Government has been educational. Government has passed out knowledge, not orders; and farmers have based production decisions on market demand rather than Government-planned incentives. Since consumers comprise the marketplace, market demand is just another way of referring to consumer needs.

The omnibus farm bill serves to strengthen America's farmer-to-consumer system in some respects. For example, the research title will enhance the ability of American universities and colleges to unlock new doors to improved agricultural production practices which will improve food quality and reduce costs.

I also am pleased with the provision which ties cotton price support levels directly to market prices and, thereby, to consumers. However, the legislation before us is in need of improvement in a number of important respects.

I am most concerned about the high price support level now in the bill for peanuts. At $420 per ton, the recommended level is 47 percent above the estimated cost of producing peanuts and is totally out of proportion with the manner in which other commodities are treated in the bill. This amounts to a Government-guaranteed profit which puts the American people in a "no win" position in two of their capacities. As taxpayers they will pay $243 million during the next 4 years to underwrite the extravagance. As consumers, they will continue to pay inflated prices for peanuts and peanut products in the grocery store, because Government price supports create a floor under market prices.

The administration originally proposed a peanut reform that would have reduced the price support gradually to $345 a ton. This would offer adequate protection to the peanut industry and would make possible lower consumer prices. At the appropriate time, I will offer an amendment to place this proposal in the bill.

I also am concerned about the focus of Government price support assistance under the Agricultural Act of 1977. According to the Congressional Budget Office, about half of all payments will go to 4 percent of the farms—those whose sales exceed $100,000. The bill also liberalizes—in fact, doubles—the current $20,000 limitation on payments to individual wheat, feed grain and upland cotton producers, and it contains no limit at all on payments made under the Department of Agriculture's new sugar program. According to the Congressional Research Service, one giant sugar company alone could get in excess of $14 million.

It clearly is not in the taxpayers' or the consumers' interest for Government to subsidize the corporate giants of American agriculture. I will support efforts to stop this abuse of the Nation's farm programs.

Above all, however, I urge my colleagues to consider the various elements of the Agricultural Act of 1977 from this perspective: the fate of the farmer and the fate of the consumer are tied together. The needs of both must be considered. And the needs of both must be met for our efforts to succeed.

Mr. POAGE. Mr. Speaker, I yield 1½ minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, H.R. 7171, the Agricultural Act of 1977, makes no provision for the establishment of a national grain reserve. Given the desperate nature of the current farm situation, in which price depressing surpluses have forced farm returns far below the actual cost of production, it is essential that the farm bill be amended to include effective reserve provisions.

I will offer together with Congressman SMITH of Iowa a domestic grain reserve amendment on the floor when H.R. 7171 is read for amendment.

This amendment establishes a program of extended Commodity Credit Corporation loans and storage agreements allowing farmers to hold from 25 to 35 million tons of wheat and feed grains on farm until prices rise steeply. The program protects farmers from severe economic setbacks when temporary oversupply drives prices down. It will protect consumers from sharp price inflation by allowing grain to come out of reserve at times of need as determined by price rises. It provides interest free loans and storage payments to farmers for all stocks in the program. Absolutely all of the grain in the reserve is held by farmers with no Government ownership of reserve stocks.

WHY IT IS NEEDED

To moderate the extreme fluctuations in grain prices and supply that have been damaging to, first, producers in that they have left them with temporary price depressing surpluses denying them a fair return on their production, and aggravated their debt problems causing many to go bankrupt—also damaging to rural communities that are dependent on farmer income; second, damaging to producers and consumers in that occasional very high prices are immediately costly to consumers and subsequently have an extremely inflationary effect that hurts all sectors of the economy including farmers; and third, damaging to the developing nations in that when supplies are extremely short there is not enough Public Law 480 food assistance available precisely when it is needed most, and when there are surpluses the developing nations are hurt by too much U.S. food being disposed on their markets. This acts as a disincentive to their own farmers to continue to produce.

BENEFITS TO THE UNITED STATES

First. It would allow farmers to hold their grain until market prices assure them a fair return for their production.

Second. It would assure consumers a sufficient supply of food at reasonable prices.

Third. It would assure our foreign grain customers that we have the inventory to supply our sales commitments and lessen the threat of embargoes and export restrictions.

Fourth. It would have a strong anti-inflationary impact on the economy by protecting the United States against skyrocketing grain prices.

Fifth. It would help provide an added degree of world food security against the unpredictability of weather and other natural and manmade disasters.

Sixth. It would assure the developing nations a dependable supply of both food aid and commercial purchases to meet their pressing nutritional and developmental needs and also assure that periods of oversupply will not lead to depressed U.S. prices or excessive food aid and thus depress food prices abroad and discourage the growth of food production in the developing nations.

Seventh. It would assure U.S. livestock feeders and food processors a dependable supply of grain at reasonable prices.

Eighth. It would set the stage for other nations to join with the United States in negotiating an international grain reserve agreement as advocated by the Carter administration and the World Food Council.

HOW THE RESERVE WOULD OPERATE

Stocks are owned and held by the participating farmers, under established Commodity Credit Corporation loan and storage contract procedures. Storage contracts will be made on a 3- to 5-year basis, with the Government paying storage costs and interest charges whenever the market price for the given commodity is less than 140 percent of the loan rate. Above that price level, stor-

age payments cease, encouraging farmers to remove their holdings from the reserve and return them to the market. If the market price for a commodity reaches the higher of 165 percent of the loan rate or 130 percent of the 3-year average market price, the Secretary of Agriculture is authorized to require the repayment of commodity loans made under this reserve. Reserve stocks are only accumulated when there is a surplus on the U.S. market, and provision is made for rotation of stocks to prevent spoilage.

WHY SUCH A LARGE RESERVE

First. It is in U.S. producers' interest. They are stuck with surpluses that are bringing them financial ruin. Putting their grain in this reserve would mean the U.S. Government would pay the storage rather than them. It would allow the farmers to sell that grain at a higher price later on, rather than at disastrously depressed prices now.

Second. A reserve of this size is necessary to provide sufficient price stability to help both producers and consumers.

Third. It is about the level that most economists feel the United States should carry as its share of any internationally coordinated system. All authorities say the size of a coordinated international reserve would have to be between 60 to 80 million tons if it is to provide sufficient stability, thus the U.S. share would be in the 25 to 35 million ton range based on its share of world production and international trade in grain.

COSTS OF THE RESERVE

USDA figures project that the cost to the U.S. Treasury could be less—I repeat less—than H.R. 7171 as it stands now. This reserve amendment would save money. USDA reports indicate the reserve would save many millions of dollars over the lifetime of the bill with most savings in nonrecoverable expenditures; for example, income deficiency payments; although savings would also occur in the recoverable "Loan and Inventory Costs" category. The savings would result for increased farmer earnings in the commercial market and the proportionate reduction of dependency upon Government income supports. A combination of factors related to the reserve reduced Government income support payments by $1.5 billion in one study and by $351 million in a later version. While caution should be exercised in evaluating the conclusions of these USDA studies, nonetheless the data strongly supports the view that the reserve would lower overall costs of the House farm bill. It is clear that acquisition of reserve stocks would significantly raise farm prices.

We have huge reserves of grain now. The issue is, "How do we manage them?" This amendment provides a grain reserve management program, voluntary to our farmers, and of benefit to our consumers.

This reserve management program will reduce costs to the U.S. Treasury, realize a higher return to our farmers, and aid our balance of payments by obtaining a higher price for our grain sold overseas.

The reserve amendment, dealing with the 3- to 5-year loan reseal provisions, will be offered as a substitute to section 902 of H.R. 7171.

The Carter administration has indicated a desire to have a free hand in the design and management of a U.S. domestic reserve system, because of a stated desire to retain unrestricted flexibility in future international negotiations. The following addresses that concern and suggests why the House should join the Senate in mandating a domestic reserve in the farm bill presently under consideration.

First. To delay the establishment of a U.S. domestic reserve until an international system is agreed upon is not in our own self-interest nor in the interest of world food security. The Carter administration has announced plans to make a reserve proposal at the International Wheat Council—IWC—in September with negotiations to begin sometime after that. The administration anticipates June 1978 to be the earliest an international agreement might be worked out—an optimistic schedule given the complexity of the task. Even with this timetable, no guarantee exists that by the time agreement is completed there will still be sufficient surpluses in the world in order to stock the reserve. For example, while there is presently a 50 million ton surplus of wheat in the world, it should be remembered that this surplus is the result of two exceptionally good harvests worldwide—a situation unlikely to occur often given the unpredictibility of whether, and other environmental, political, and economic disruptions. Should there be shortfalls in Russia, as occured several years ago, or a combination of shortfalls as routinely occurs in India and Bangladesh, or an extended drought in major grain producing areas of the United States, as has threatened to occur in each of the past 2 years, those sizable reserves would rapidly be depleted. The time to establish a domestic reserve is now while the supplies are available.

Second. Establishment of an effective domestic reserve would enhance the climate for an international agreement, rather than impede it. Past negotiations have been blocked primarily by the United States unwillingness to commit itself to reserves of any kind—either domestic or internationally coordinated. The United States, under the Ford administration, did propose a 30 million ton internationally coordinated system of nationally held reserves at the International Wheat Council in November 1975. While it had the support of the U.S. State Department, it lacked the support of USDA and the Treasury Department—thus it was never aggressively pushed. Its chances for success were further frustrated by U.S. determination to stand alone in advocating the triggering mechanism for such reserves—the criteria for accumulation and release of the grain from the reserve—to be based on quantity, while all the other nations were in favor of a trigger related to market price.

The Weaver grain reserve proposal uses price as the triggering mechanism—complementing the Carter administration's announced preference for price as the trigger. Should the reserve become operative, the United States would no longer be in conflict with the other nations of the world on the triggering mechanism. And by implementing a U.S. reserve program that defines quantities and operational mechanisms, the United States would be demonstrating its commitment to reserves to the rest of the world. Negotiations on an international agreement should become easier than in the past.

The Weaver reserve proposal allows the administration substantial operational discretion so U.S. hands are not tied in subsequent international negotiations. The administration can define the quantities to be held in reserve—any amount between 25 to 35 million tons of wheat and feed grains—and can choose to call loans at any level above the higher of 165 percent of the loan rate or 130 percent of the 3-year average market price.

Third. Establishment of the Weaver grain reserve now would offer significant immediate relief to grain producers. The Weaver bill proposes quantities of grain to be held in reserve—25 to 35 million tons of wheat and feed grains—that meet the requirements of our own producers who are presently being hurt by limited export markets and price-depressing surpluses. The levels are also realistic in terms of the quantities the United States might be expected to carry in any subsequent international agreement. For example, all serious U.S. and international studies suggest the minimum quantities of grain needed in an international reserve system to bring sufficient food security and price stabilization is 60 to 80 million tons. Given the U.S. role in production and international trade in grain, the amounts suggested under the Weaver proposal for a domestic reserve would be appropriate as the U.S. portion of any subsequent international agreement.

Fourth. To establish a sizable U.S. reserve does not mean that the United States is paying the costs of holding the reserve for the world. By putting our surpluses into the type of reserve proposed by Representative WEAVER, we are holding them until market prices reach a higher level. Then they are sold at market prices to both domestic and foreign buyers. The profits from higher prices are realized by U.S. farmers, and the cash loans that allow farmers to hold their surplus grain are repaid to the U.S. Government. Thus, the reserve serves our own economic interest.

Mr. GRASSLEY. Mr. Chairman, in traveling around my district over the July 4 recess, one message came through loud and clear. Farmers are tired of seeing their allotments based on plantings from the late fifties and early sixties. There is little justification for basing the farmer's only real protection against overproduction or poor foreign markets or natural disaster on what was planted on his farm nearly two decades ago. Thus, I think the farm legislation we are considering today makes a major stride forward, by basing deficiency payments on current plantings for harvest. The fear that this kind of mechanism could

encourage overproduction is certainly groundless, because farmers will continue to plant for profit, not Government support.

I might add, in addition, that this kind of market-oriented program can only work where no provision is made for the establishment of a national grain reserve. A grain reserve, always subject to political manipulation, would clearly have a psychological impact on farm prices; such a reserve could clearly lead to planting for the Government, and not planting for the marketplace. In such an instance, both the farmer, the consumer, and the taxpayer would lose. For those concerned about the prospects of continued hunger in less-developed nations, I would refer you to two GAO reports: "Disincentives to Agricultural Production in Developing Countries" notes how many developing nations have policies which discourage the full production of food, and "Restrictions on Using More Fertilizer for Food Crops in Developing Countries," released on July 5, notes how restrictions on the use of fertilizer in developing nations is resulting in far less food production than is actually possible.

These reports, as well as the fact that Americans pay far less for their food as a proportion of income than any other citizens anywhere, makes clear one basic point about agriculture in the United States—the free market system, in which farmers make their own decisions, take advantage of whatever technology is available, and use those production techniques most appropriate for their particular situations, is a guarantor of more than ample food supplies for Americans, as well as substantial surpluses for foreign nations in need of supplements to domestic production. The hindrance of this free market approach could result in only higher consumer prices, the destruction of the family farm, and more hunger in nations unable or unwilling to meet their domestic needs.

Mr. POAGE. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. KREBS).

Mr. KREBS. Mr. Chairman, it is always very difficult to comment about a bill of the size of this omnibus farm bill with all its complexities in a minute and a half.

Let me, therefore, merely take this opportunity then to express my deep appreciation to the chairman of the committee, the honorable gentleman from Washington, Mr. TOM FOLEY, for the patience and leadership he has shown in making it possible for us to bring this bill to the House.

Let me also commend the chairman of the Cotton Subcommittee, the honorable gentleman from Mississippi, Mr. DAVID BOWEN, as well as the chairman of the committee that considered the food stamp program, the gentleman from New York, Mr. FRED RICHMOND.

I think in both of these areas much progress is reflected in this bill. For the first time in recent history we have gotten away from the archaic rules that dominated the cotton program. A word of thanks should go to the cotton industry, both in the Southwest and Southeast, for the leadership they have shown in resolving regional differences.

Last, but not least, I believe the food stamp program that the subcommittee chaired by the gentleman from New York (Mr. RICHMOND) voted out, and which was amended only relatively little by the full committee, represents a substantial step forward in an area where much reform was needed.

We have thus come a long way in meeting some of the very valid concerns of the American people over the food stamp program.

Mr. WAMPLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Chairman, I commend the vice chairman and the chairman of the Committee on Agriculture for their fairness in our work, but I do disagree with their approach to target prices.

Mr. Chairman, the time has come today to decide whether this Congress is interested in the wheat growing States like Montana, Kansas, Texas, and Oklahoma, or if it is going to make the American wheat farmer the sacrificial lamb to balance the budget, to bail out the Nation's deficit of payments, and to promote the objectives of foreign policy.

Granted, all of these are worthy goals, but I object to the administration liquidating our assets to do it. Unless, we keep our farmers on the farms we will lose this advantage and in the process compound the problems.

What some Members of Congress seem to expect of the American wheat farmer is more than he can shoulder this year. Next year, many of these proud men will not be around to put their shoulders to the wheel unless we declare our support here today.

The operating costs per bushel, which are supposed to be reflected by the target price, are the costs paid by the farmer, the payment of these costs flow through the veins of trade and are reflected in the economic well being of America by creating good employment and good jobs and business stimulus. It is the greatest make jobs program in the world.

Cut those veins and this economy will wither. And cutting these veins—cutting that flow of economic well being is what the House Agriculture Committee did by offering a target price of $2.65 per bushel for wheat—far less than the cost of production.

WHEAT TARGET PRICE REMARKS

The target prices for wheat in H.R. 7171 which have been recommended by the House Agriculture Committee do not provide our wheat farmers with target prices anywhere near those for cotton and rice. In fact, if we accept the committee's recommendation in this, it will be 1980 before a $3.11 target price is reached. The Senate passed bill calls for a target price of $3.10 in 1978. Our wheat producers need financial assistance this year, or they may not be in business by 1980. As it is, the price of wheat has dropped over 35 percent since last year, and if immediate action on the part of Congress is not forthcoming, many wheat farmers may not be farming in 1978 or 1979.

The administration has made wheat the straw that will break the camel's back. Never mind that target prices for rice and cotton are at a much higher percentage of parity. President Carter has taken a shortsighted attitude based on budgetary convenience and as a result the Agriculture Committee set wheat target prices at 44 percent of parity for 1977, even though the Subcommittee on Livestock and Grains voted 10 to 1 to approve the levels which we propose today.

The biggest single obstacle to approval of this amendment is President Carter's dogged insistence that he will veto the bill if target prices for wheat in 1977 exceed those recommended in H.R. 7171. It must be a heavy-handed argument, for it apparently has caused the chairman of the Agriculture Committee and the vice chairman to reverse their position of 2 years ago. At that time they joined Bob Bergland, now Secretary of Agriculture, and substantially the same majority that reported and passed a farm bill in 1975 calling for a wheat target price of $3.10 and a loan rate of $2.50. Inflation alone certainly would justify more instead of less as the bill offers.

During his campaign in the Midwest last fall President Carter said he would agree to target prices at the cost of production for wheat and corn. The Agriculture Committees in the House and Senate would have probably approved more favorable target prices for wheat and corn if the President had not threatened to veto the bill. It appears that President Carter, who was the champion of wheat and corn producers last year, has now deserted them and left a cloud of impending economic disaster hanging over the wheat-producing region.

Wheat farmers are suffering from the greatest economic crisis since the Great Depression 40 years ago. Although it has proven to be the greatest income source of the United States from international markets for 3 of the last 4 years and has offset our huge reliance on oil imports, it has received the least attention of any commodity covered in this bill.

According to a USDA report, 32 percent of farm borrowers are in serious trouble today. Out of a total of 226,100 farm borrowers who were surveyed by USDA, 13,900 will be unable to repay their loans and 53,300 will have to refinance, if possible, or liquidate their assets to offset their liabilities. Many rural banks are already carrying debt loads up to 80 percent of their limits and are experiencing liquidity problems. Some banks have already closed. We must provide higher target prices for this year's crop. Our action can show the financial institutions and farmers that help is on the way, and there was a good reason to loan to a wheat farmer and keep him in business, or it can show him that the worst is yet to come. The alternative is to allow our family farms to go to agribusiness combines or foreign investors.

By their own estimates, USDA officials predict the price of wheat could drop to $1.60 per bushel. There is not much in-

centive for a man to work long hours when he stands to lose 50 percent on his investment. If this section of the bill is not amended as proposed, it will signal cruel and unusual punishment for wheat producers. We are currently losing 40,000 farms per year. If they were animals, I would recommend that wheat farmers be put on the endangered species list, but they are human beings—proud people who need our help. Let us not turn our backs on people in need and people we need. I urge your support of the English/Sebelius amendment.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I thank the chairman for yielding to me. As a freshman, I respect the chairman's ability to perform the task, the unbelievable task, which he had.

I come before the Members on a parochial issue. It is a parochial issue because I represent the largest wheat-producing State in the country, and it is a parochial issue to all the Members because they eat the product we produce. Therefore, we need to continue the kind of cooperation between us that we have had. I have put out in the Speaker's lobby here a bushel of wheat. I notice that Members have been coming by and putting some of it in their mouths and eating it, and perhaps taking it for granted that this is the staff of our lives.

This country, above all others, is blessed with an incredible land climate for agriculture, and particularly for producing wheat. My State is the center of that production. I ask the Members to support the English amendment which will be offered later today, to help continue our ability to produce wheat.

Let me talk about the issue of priorities for just a minute. As most Members are aware, the entire agricultural component of the budget is less than 3 percent. When we take the food stamp section out, it is less than 1½ percent. Yet, this week we voted on two conference reports in which we spent nearly $300 million more in those conference reports than we did when we voted on the matter in the first place. One of those conference reports, which provided funds for operations of a department, was for $130 million over what the President asked for, in the State, Justice, Commerce Department conference report. Where are our priorities? Where was the voice of our Budget Committee and others to urge us to hold down spending in those instances? We need to consider that the agricultural component of the budget deserves the same equitable treatment that other segments of our national budget constantly receive.

Mr. WAMPLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. STANGELAND).

Mr. STANGELAND. Mr. Chairman, this bill, as presently written, is a gratuitous slap in the face of the American farmer. It is totally inadequate for the economy of America's most basic and vital industry—one economy that provides the food and fiber for this Nation and a good share of the world.

This bill completely ignores the important fact that if we shoot down the economic stability of our agricultural producers, we destroy one of our Nation's most powerful bargaining chips in international affairs. Agricultural produce, sold abroad, keeps our balance of payments in the black. Our agricultural exports have purchased the oil of OPEC nations which, in turn, has helped keep the price of gas and fuel oil at least within sight for the American consumer. And the continuing ability of our farmers to produce the food and fiber that sustains the people of foreign countries, is essential to our quest for a lasting peace.

This one-sided piece of legislation before us, says, in effect, that although the farmer can be counted on to help the Nation through every emergency, the Nation will not support the farmer when the shoe is on the other foot.

Following the gigantic farm export year of 1973, the Government urged farmers to plant fence-row to fence-row to replenish America's storehouse. And they did. Meanwhile, good crop years in some of the other wheat-producing countries left our Nation with a commodity surplus—and prices disastrously below the farmer's cost of production.

Farmers are hard-working human beings—not miracle men. They simply cannot fight the prices and other factors that are beyond their human control—and, right now, thousands upon thousands of them are on the brink of bankruptcy.

If anybody wants to question that statement, all he needs to do is look at the record. In the Ninth Federal Reserve District alone, one-third of the farms, this year, face the grave need of possible refinancing—if they can get it.

But, it should not take a loan book study to convince this Congress that our farmers need their help desperately. All of us live every day with the realities of inflation on the family pocketbook and we keep making adjustments to help every outstretched hand. Well, here are a few basic economic farm facts:

In 1949, 28 years ago, wheat was $1.90 a bushel. Last month—in Goodwin, Kans., wheat fell to $1.64. In terms of inflated dollars, that means the farmer is getting about half of the 1949 price and less than one-third of the current parity price which would be $5.03 a bushel.

Meanwhile, of course, the price of food, itself, has gone out of sight. In 1949, flour cost 9.5 cents a pound, today it sells for 27.2 cents. A loaf of bread today is 36 cents—in 1949 it was 14 cents.

How could any so-called farm bill ignore the fact that the basic producer is the only one in America's inflated food chain whose price has not only not been adjusted to the inflation, but in fact, is going rapidly backwards?

Is this bill before us the only answer the farmers are going to get from this Congress for their record achievement in helping to feed the world?

In 1949, one farmer produced enough food and fiber to feed 15 people and in 1976 he produced for 56 people. No agricultural nation, and certainly no segment of industry can match that productive increase.

At the same time the farmers' costs have skyrocketed to the point that today they are losing money at the present prices, in spite of that efficiency.

Are we here to punish him for a productivity the Government demanded of him in the first place? When I look at this bill, I wonder if its authors and sponsors think the farmer, himself, is immune to inflation—although I suspect that most people know that farmers rate as "consumers" too.

But what about his business costs as a businessman? As in all industries it is true that his machines and equipment are more efficient than they were 28 years ago—but certainly nowhere near making up the difference in cost. In 1949 a combine cost $4,700—today it is $18,885 with only a moderately increased capacity. A grain drill was less than $100 a foot—today, $556 a foot. A 1949 tractor cost about $1,200; its mate, today, goes for $8,120. In 1954 a self-propelled 14-foot windrower or grain swather went for $1,550, today it sells for $8,250.

I am not here to sell you any of these exotic rural machines. I am just giving you some down-to-earth facts, from personal experience. The point is, that from planting to harvest—from calving to stockyard—every business activity of the farmer is burdened with a heavy, inflated price tag.

In my Seventh District of Minnesota this year, 1,070 in our farm business management program, realized an average return of 4 percent on their real property investment for raising Hard Red Spring wheat—and that does not include interest on land investment which would reduce the return even more. I would not sight the cost-yield price breakdown here. But I have those figures if anybody wants to review them. The question is: How many investors would invest in a proposition that is subject to the whims and the whiles of nature? And would net them, at the long end of the line, a mere return of 4 percent?

Is it the business of this Congress, then, to pass a "farm bill" that will make farming so unprofitable that the farmer will refuse to invest in the crops that sustain this Nation and part of the world? As a responsible body of our National Government, we must not let that happen.

Not only are the target and the loan prices provided by this bill inadequate, further insult is added by the proposed storage program in which farmers will be paid one-half to two-thirds less than the commercial grain storage rates. It is essential that we correct this provision, and provide the farmer with the same storage rates as the commercial warehouses.

He bears the liability both for the quality and the shrinkage of the grain. Why should we penalize him further, with a totally inadequate storage rate?

The threat has been made—openly—that if the potential liability target and

loan payments in the bill we pass here exceed $2½ billion, the President will veto it.

It is inconceivable to me that the administration would threaten us with a veto beyond that $2.5 billion which is so patently inadequate. It is a threat that singles out the farmers as a potential "budget buster"—while expressing absolutely no concern for the food stamp portion of the administration's own bill that calls for $5.7 billion from the National Treasury—which could go 2 billion higher in the next 2 years.

Are the farmers expected to believe that their continued productivity and economic welfare have the lowest priority in this age of American "democracy?"

I submit, that is a misplaced sense of priorities. The only new wealth America can count on to meet the increasing demand for product and service comes from the mineral sources within the ground and the agricultural production from the land. To squeeze out the economic life of the farm industry is to choke off the source of supply that feeds, clothes, and enriches America and all her people.

That is not just farmland rhetoric. On the July 4 break and since, I have been spending most of my time at county fairs—visiting with farmers, small businessmen, and farm implement dealers. All of them tell the same story. Farm families no longer flock into town on rainy summer days—they cannot afford it. So the merchants and other small businessmen are suffering. The farm implement dealers say that their business is way off, and getting worse.

With projected worldwide wheat yields for this year again on at near record amounts the situation will get worse before it gets better.

But their alarm is one that every Member of this body should share. It does not take very long for the domino impact of economic depression in our small towns and cities to reach the big industrial centers—Moline, Chicago, Detroit, Akron, Pittsburgh—through the industrial corridor of New Jersey and straight to the financial center of New York. We must not overlook the larger reality of a healthy agricultural economy. For farm families and rural small town businessmen, under normal conditions, are prime prospects for all American goods, products, services, and industrial equipment that, in turn, make the difference in the state of our national economy.

Members of this House with urban labor constituencies might well consider that the economic losses in our Nation's heartland will soon be felt in your own districts as well.

We must have an adequate farm bill—one that will maintain and create real, productive jobs all across the spectrum of this Nation's interdependent industrial complex.

An inadequate one will result in more of the same problems that already plague America—worse unemployment and the need to create more Government-assisted jobs to take up the slack in yet another cycle of unemployment. It is an unemployment cycle which this Congress has in its power, right now, to stop before it spreads any further.

It is our responsibility, as representatives of all Americans, to see to it, here, that the target and loan prices of the bill we send to the White House are adequate to the real needs of the farmer and the Nation's farm economy. The $2.5 billion proposed in the bill as presently written is totally and unreasonably short of that great need.

I urge you to consider and support the amendments that will be offered to assure the American people that the farm economy, so vital to America's well-being, will recover from its present danger level and, thereafter, remain in a reasonable state of health.

Mr. WAMPLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN of Illinois. Mr. Chairman, earlier I voted against the rule governing the debate and floor consideration of this legislation. The farm bill and the food stamp bill should not be married as one bill. However since my position did not prevail, Mr. Chairman, I rise to express my misgivings about the wisdom of the food stamp portion of the legislation now under consideration. Once again we see legislation that proposes to reform, but actually just conceals a problem whose roots remain untouched. H.R. 7940 which will be considered as an amendment in the nature of a substitute to title VII of the Agricultural Act of 1977 (H.R. 7171) continues down the path away from the original intent of the Food Stamp Act of 1964, and can only help to further erode public confidence in the program. The challenge for meaningful reform is a difficult one, but difficult challenges demand to be confronted forthrightly, and not in a fractional, piecemeal manner.

As originally planned, food stamps would help to guarantee a nutritionally adequate diet for the Nation's truly needy. In addition, the program would bolster the agricultural sector of our economy. Today, however, we find virtually no gross income ceiling determining eligibility. We find a host of exemptions and deductions allowing recipients extensive ownership of valuable assets. We find college students—many, children of wealthy parents, and strikers eligible. We find a situation today where 1 out of every 4 Americans are potentially eligible. We live in a nation whose standard of living is unsurpassed in the history of the world. This is undeniable, and we can be proud of that fact. Yet current legislation would seemingly indicate that one-fourth of our population may somehow be unavoidably undernourished!

How have we come to this point? Though spoken concerning a different matter, I believe the recent words of President Carter are most pertinent here.

There are many things in life that are not fair.

He is quoted as recently stating,

But I don't believe that the federal government should take action to try to make these opportunities exactly equal.

I believe that the Government is responsible for insuring the climate in which the individual may freely pursue his or her own welfare. It is not the Government's responsibility to eliminate all the hardships and inequities of life.

Does H.R. 7940 reform? This legislation allows households with incomes of more than 150 percent of the poverty level to qualify. This legislation sets no limit to the value of a recipient's home and lot, furniture and appliances, and for all practical purposes—automobiles. Approximately 300,000 individuals with incomes above the poverty line are expected to add to the burgeoning list of recipients. To the question, "Does H.R. 7940 reform?", a reasonable man would have to declare emphatically, "No."

Since 1969 food stamp costs have increased by 2,300 percent. Does H.R. 7940 even begin to stem this unwarranted escalation? No. Elimination of the purchase requirement will guarantee substantial increases in cost outlays. Assuming that the participation rate increases by only 10 to 20 percent over a 4-year period, costs will increase by at least $600 million—fiscal year 1978. Somewhat more realistically, should the participation rate increase to that of the AFDC program, that is, 93 percent, cost increases will total around $2 billion.

In addition, the elimination of the purchase requirement could cause a drop in farm income by as much as $1.4 billion. This represents a further departure from the original intent of food stamp legislation and is indicative of the piecemeal approach; an approach which takes a fractured view of its actions, unmindful of the full effects of its proposals.

Of further concern to me are cost increases due to fraud. H.R. 7940 leaves glaring gaps in this regard; a glare sure to catch the eye of those who so willingly will take advantage of this new opportunity.

Specifically, I am concerned about certification procedures and the basis by which eligibility and benefits are computed.

The major source of fraud in the food stamp program is, I believe, the misuse of certification procedures. H.R. 7940 will only add to the problem because its certification procedures are so complex as to make them ripe for abuse. On the other hand such complexities perhaps serve a useful function—they help to conceal significant liberalizations. For example, section 11(d)(2) of the bill seemingly allows the entire process to be conducted by mail or phone; while section 11(d)(7) allows any recipient or applicant to be represented by proxy during certification, issuance and redemption. This will serve only to breed a whole new host of phantom recipients.

Another area which has led to the intolerable error rate of 48 percent in the food stamp program has been the income accounting system used to determine eligibility and benefit levels. Under this system a recipient "guesstimates" what his future income will be—an open door for conjecture that can be purposefully fraudulent. H.R. 7940 does nothing to correct this. That currently 28 per-

cent of the money distributed—over $1 billion—is done so in error, stands as marked testimony to the injudicious nature of this approach.

As bold and forthright reform, reform that restores integrity and a measure of public confidence in the program, H.R. 7940 cannot be so classified. Rather, like a sand dune, this legislation has been shaped more by influences than purposes. Mr. Chairman, I urge opposition to this measure and support for legislation which will reduce fraud and institute true reform of the program.

Mr. WAMPLER. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Chairman, I am a cosponsor of this general farm bill. I congratulate the chairman of the full committee, the gentleman from Washington (Mr. FOLEY); and the ranking minority member, the gentleman from Virginia (Mr. WAMPLER), for putting together the best bill possible under the circumstances.

There are three titles of the bill, which I had the pleasure of working on, and which I would like to discuss, as well as two amendments.

First is title VI on cotton. I served as the ranking minority member on that subcommittee. I want to compliment the chairman of the subcommittee, the gentleman from Mississippi (Mr. BOWEN) for coming forth with this title to this bill which brings all facets of the industry together in agreement, from the producer to the user. It is now a farm program that is based completely on the market. That is really the way all commodities ought to be, and I think this serves as an excellent guide, hopefully, for the future of all agricultural commodities.

Second, I would like to comment on title VII, the rice provision. I was privileged to author that provision of this bill. We feel that this is the best we can possibly do with rice. It continues the program in effect now, which is a significant change from the old Rice Act, for 4 more years. It adjusts the payment limitation and the formula for target price and loan rate increases to be like other commodities. It goes as far as can be done to bring rice in line with other commodities. It is a program everybody can live with for years to come.

Third, I point to section 905 of title IX, which I was privileged to co-author with the gentleman from Tennessee (Mr. JONES). This section of this bill goes a long way to bringing about a grain storage program for the Nation. For the first time it now makes it possible for farmers to know exactly what terms they are going to be able to get from the Federal Government for loan assistance to build storage facilities. We extend the program for the first time to wet storage which will save energy. In addition, we actually extend it for the first time to the remodeling of existing storage facilities. This section is a very meaningful contribution to helping farmers survive the boom-bust market cycles and makes possible an on-the-farm grain storage for a national reserve.

I would also like to mention two amendments, both of which I cosponsor. The first is an amendment to be sponsored by the gentleman from Mississippi (Mr. BOWEN) which I cosponsored in subcommittee and will on the floor. It provides for a new allotment program for cotton. It should be supported by all Members. It makes the allotment for cotton based on actual plantings and not an artificial configuration determined in Washington. It also brings cotton allotments in line with the other commodities.

The second amendment I also cosponsor is the de la Garza amendment on sugar. This amendment must be passed to save the sugar industry, which extends over many, many States in the form of beet production and sugar production. If something is not done in this bill, nothing will be done in time to help sugar producers in this Nation. With 45 percent of our sugar coming in from overseas, we cannot afford to have that grow any greater, or we will surely see our consumers paying greater prices for sugar, and we will surely see a valuable segment of farm production in this country go out of existence. I strongly urge support of those amendments.

Mr. FOLEY. Mr. Chairman, I yield 1 minute and a half to the gentleman from New York (Mr. MCHUGH).

Mr. MCHUGH. Mr. Chairman, I would first like to commend the distinguished chairman of the Agriculture Committee, Mr. FOLEY, on the fine work that he has done in guiding these bills through our committee. As with most legislation, the omnibus farm and food stamp bills represent attempts to balance a number of conflicting interests. Many of the issues involved are both complex and controversial. However, with the cooperation of the distinguished ranking minority member, Mr. WAMPLER, and the other members of the committee, Chairman FOLEY was able to produce bills that represent a reasonable compromise among divergent points of view. On the whole, I believe that the legislation is constructive and worthy of support by the entire House.

This legislation would substantially reform the food stamp program. Although allegations of fraud have often been grossly overstated, the current program is nonetheless in need of revision. Like many Federal programs, it is much too complex and inefficient in its administration. Excessive redtape has inevitably led to high error rates, with benefits sometimes being paid to people who are not eligible. By the same token, complexity and the purchase requirement have often restricted access to the program for those very people in our communities who are most in need.

On balance, the committee bill addresses these problems in a responsible fashion and therefore merits our support. The bill would streamline the program by substituting a standard deduction for most of the itemized deductions now available under the current program. It is the computation of those deductions that result in substantial errors.

At the same time, the bill would retain a few itemized deductions to assure equity and encourage employment. The deductions retained include one to cover work related expenses, a child-care deduction and an excess shelter deduction.

The committee bill also seeks to improve access to the program for the neediest of our people by eliminating the purchase requirement. This would be a fundamental change in the program, and one which the administration considers the centerpiece of its reform proposal. The testimony before our committee established beyond doubt that many people with incomes well below the poverty line cannot participate in this program because they do not have the cash to purchase their stamps. It is a symptom of their poverty. By eliminating the purchase requirement, our bill strives to open up the program to the people, while restricting benefits to those who are less in need.

And let there be no doubt that this bill is restrictive in many ways. Some will argue that it is too restrictive. The committee staff has estimated that 1.5 million people who are presently receiving food stamps would be rendered ineligible if the bill becomes law. In addition, over 1 million households would have their benefits reduced by more than $6 per month.

The bill would lower the maximum net income possible for eligibility from the current level of $6,804 for a family of four to the poverty line figure of $5,850. All households with net income above the poverty line would be eliminated.

The bill would set the gross income limit for a nonworking family of four at $6,570, and for a working family of four at $8,212. If the household claims the maximum child-care deduction, the upper limit of income allowable would be $9,112.

The bill would eliminate automatic eligibility under the program for those receiving public assistance or supplemental security income benefits.

The bill would tighten the work registration provisions by requiring active job seeking, and it would impose penalties on those who voluntarily leave employment.

The bill would restrict student participation by requiring students to register for and accept employment. The current requirement that they receive more than half of their support from their parents—who must also meet the eligibility standards—is continued.

The bill would tighten the fraud provisions by requiring disqualification from the program after a finding of fraud. The disqualification must be at least 3 months if the fraud is administratively determined, and from 6 months to 2 years if determined by a court of law.

The bill would tighten the assets test, counting as an asset, for example, the value of any automobile to the extent that its market value exceeds $4,500.

In short, the committee has produced a bill which would substantially restrict the program. It is in many ways a conservative bill. In my view, however, it represents a fair balance between com-

peting interests. It would simplify a cumbersome program; it would afford more access to those most in need; and it would restrict or eliminate benefits to those who have less need or have been the subject of legitimate criticism.

There is, however, one major deficiency in the food stamp provisions which must be corrected to maintain equity in the program. It relates to the excess shelter deduction which the committee has proposed, and, more specifically, to the fact that the cap on this deduction is not indexed to the cost of living.

Under this bill, every household applying for benefits may subtract from gross income a standard deduction of $60 per month. As previously mentioned, a household may under certain conditions also take a work related deduction, a child care deduction, and an excess shelter deduction. The excess shelter deduction can be claimed only if a household's actual costs exceed 50 percent of its income after deduction of the child care, work related, and standard deduction. In no event may the shelter deduction exceed $75 per month.

Under this bill the excess shelter deduction is considerably more limited than under the current program. At the present time, a household may deduct all of its shelter costs which exceed 30 percent of its net income. Under the current program there is no cap on the deduction. All actual costs for shelter over 30 percent of net income may be deducted.

It is the $75 cap on the shelter deduction that is a serious problem. While the new $75 cap for the first year may be a reasonable restriction, this cap should be adjusted thereafter to keep pace with actual increases in shelter costs. If this is not done, and shelter costs increase as they have in the recent past, recipients entitled to the shelter deduction will find their benefits eroded. The committee staff estimates the loss of benefits at approximately $60 million over the 4-year life of the program.

The committee bill does provide for indexing the standard deduction. This was done to preserve equity, and the same justification can be made for indexing the cap on shelter. The shelter deduction is clearly the most important deduction under the existing program, with 72 percent of all participants now claiming some shelter costs.

In order to avoid a significant loss of benefits to those claiming shelter costs under the new program, I will offer an amendment (on behalf of myself, Mr. JEFFORDS, and others) to tie the cap on the shelter deduction to actual increases that may occur in the shelter, fuel and utilities components of the Consumer Price Index. This would cost nothing during the first year of the program, and its cost over the life of the program would represent no increase over the original administration proposal. I hope that you will support this amendment.

The farm bill provisions, like those on food stamps, are generally well reasoned and balanced. There are, however, two matters which I would like to address briefly.

The first relates to title 13 which deals with agricultural research. There is a need for additional funding for agricultural research, and this need is appropriately addressed in title 13. I strongly support this title in its fundamental purpose. However, I disagree with section 1320, which would establish a new program of grants-in-aid for construction and expansion of schools of veterinary medicine.

This section is opposed by the Secretary of Agriculture, the Secretary of Health, Education, and Welfare, and the Office of Management and Budget. They maintain, quite properly, that authority for financing of such construction is currently assigned to HEW, not Agriculture, under the health manpower provisions of the Public Health Service Act.

Moreover, jurisdiction in the House has always been exercised by the Interstate and Foreign Commerce Committee. The chairman of that committee, Mr. Staggers, has properly complained that section 1320 is an infringement on his committee's jurisdiction and a duplication of his committee's work.

I believe these objections are valid. The Agriculture Committee has authority over agricultural research programs, which is the fundamental thrust of title 13. The construction or expansion of veterinary schools, however, is an entirely different matter. It is not now, and never has been, within the purview of this committee.

With regard to the merits of section 1320, there was no factual information presented to the Agriculture Committee, or any of its subcommittees, to support new funding for veterinary schools. In fact, representatives testifying on behalf of both the Association of American Veterinary Colleges and the American Veterinary Medical Association opposed new funding at this time. As they pointed out, the data on manpower needs is not now very complete and a study is being undertaken by the latter association to determine these needs more accurately. Both groups believe it would be premature to fund new construction or expansion until that study is completed.

The hard fact is that some States do not now have a school of veterinary medicine. They would like to have one. This may be understandable from their point of view, patricularly if the Federal Government will help them pay for it, but it is no justification for Congress to provide the funds without a clear showing that new construction will meet the need. No such showing has been made.

Mr. Chairman, I will therefore be offering an amendment to strike section 1320. If and when a showing can be made that there is need for additional money for construction, I will be happy to support it.

Finally, Mr. Chairman, I would like to comment on the need to create an International Emergency Food Reserve.

This is a matter the committee did not consider, but which is dealt with in the Senate bill. I had intended to offer an amendment on the House floor to incorporate the Senate provisions, but I understand it would be subject to a point of order. I am hopeful, therefore, that the House conferees will accept the Senate provisions when the legislation goes to conference.

There are several reasons why the United States should act now to establish an international emergency food reserve. First, maintaining such reserves would assure our capacity to respond speedily to disasters and other food emergency situations. Relatively small grain reserves could be sufficient for meeting food emergency needs resulting from droughts, floods, earthquakes, and other natural disasters, as well as helping to cover unusually large food production shortfalls in the developing countries. All or most of the food drawn to meet these pressing needs could be distributed through existing Public Law 480 channels so that the only real additional costs of such a reserve would be the costs of storing modest amounts of food.

Second, even small reserves could be of significant help in providing adequate supplies for the humanitarian and developmental purposes of Public Law 480 in times of relatively tight supplies. In 1974, for example, U.S. food aid to the famine stricken Sahel region was actually held up until revised U.S. crop forecasts became available. Yet, such aid, mostly in the form of title I concessional sales, represented only a small fraction of American commercial exports for dollars that year. This would not have happened if an emergency food reserve had been in place, and much suffering could have been avoided. Surely our Nation, which enjoys such abundance, can commit itself to setting aside minimal amounts of food for meeting urgent human needs.

Third, it is important that the United States act now to create a reserve for emergencies because food stocks are readily available at very moderate prices. Costs to the Government could be minimized by acquiring stocks now, both through defaults on nonrecourse commodity loans and through market purchases if necessary. Timely purchases of several million tons of wheat, for example, could also have a mild but beneficial effect on the prices received by producers.

As I previously mentioned, the Senate has approved a reserve plan which includes a provision for an international emergency food reserve. This provision authorizes the President to enter into negotiations with other countries with a view toward establishing an international emergency food reserve. The Secretary of Agriculture would be given authority to acquire reserves of at least 2 million tons of food as an indication of our commitment to the establishment of an international system of nationally held food reserves. Pursuant to the completion of an international agreement, this reserve could be released only to meet emergency needs or to alleviate severe crop shortfalls in developing countries.

I sincerely hope that our conferees will readily agree to the Senate provisions in this area of vital importance.

In conclusion, Mr. Chairman, I would again like to express my appreciation to Mr. FOLEY and the other members of the

Agriculture Committee for putting together a piece of legislation which, on balance, is constructive. With the addition of the amendments I have referred to, I believe that this bill is worthy of the strong support of this House.

Mr. WAMPLER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, I thank the gentleman.

Mr. Chairman, there are many important aspects of this piece of legislation that we have before us, but the thing that concerns me is the food stamp program, particularly that decision that has eliminated all references to the nutritional content of food that people buy under the food stamp program.

I just want to make mention of the fact that at the appropriate time I intend to raise this nutritional issue in the form of an amendment to require that all food stamp purchases from now on be of only nutritional food. It seems to me it is important that we center on this original concept of the food stamp program to insure that the food stamp customer is purchasing items constituting a nutritional diet.

By wiping out language referring to nutrition in this bill I think we have failed to recognize one of the reasons for developing this program in the past, and we should now go back to the original concept of providing nutrition. That is what my amendment would do.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Chairman, as a freshman Member I wish to thank the chairman of the committee, the gentleman from Washington (Mr. FOLEY), and the members of the committee for their patience and understanding of my many questions during the hearings and the markup on this legislation.

As a nonfarmer, I feel that it has been one of the best educational processes that I have participated in. Where before I had very little knowledge and understanding of many of the intricacies and details of the farm program, I have now a greater knowledge and understanding.

Although the farm bill, including the food stamp portion, is not perfect and does not contain some of the details and ideas that I would like to see included and although it does contain details that I do not agree with, overall it is a better law for the agricultural producer and the consumer than we have at present.

This bill was hammered out under the able leadership of our astute committee chairman, with meaningful and constructive input from all members, including the minority, with whom on occasion I agreed.

There is no question in my mind that each member consistently worked and persevered in the ideas he or she believed to be in the best interests of the people and the agricultural producers.

Again, Mr. Chairman, I wish to commend the chairman of the committee, the gentleman from Washington (Mr. FOLEY), the gentleman from Texas (Mr. POAGE), the ranking minority member, the gentleman from Virginia (Mr. WAMPLER), and the committee staff for their patience and understanding. The education I received was better than anything I have gotten from any university course.

Mr. WAMPLER. Mr. Chairman, I yield my remaining time to the distinguished gentleman from Minnesota (Mr. STANGELAND).

Mr. STANGELAND. Mr. Chairman, let me say that in my opinion this bill is totally inadequate for the agricultural producers of this country. I say that in all sincerity when I look at what we are doing in the wheat section of this bill.

There is nothing in the wheat section of this bill to help those wheat producers to control or curb their production and to get this surplus from which we are presently suffering in a manageable situation, except to set a price that guarantees that if they continue to produce wheat, they are going to go broke. I say that this Congress can do better than that.

We are in a surplus situation in wheat because in 1974 we had no reserves of wheat in this country. Our American farm producers were asked to produce greater quantities of wheat. For what purpose? To insure that our consumers would have an adequate source of product and to insure that our foreign buyers, when they come to us for purchases, would be certain that we would be a constant source of supply.

Our American farmers rose to that occasion, and ultimately after that time we found that Russia and Canada, two of the largest wheat-growing nations in the world, also had their largest wheat crops on record.

So we find ourselves with a surplus of wheat on hand, and we are offering our American farmers a loss position, a guarantee that if they continue to produce wheat, they are going to go broke. That is the answer that the Government of this country and the taxpayers of this country are giving to the American farmer.

Let me say as well that there are other inadequacies in this bill. It is extremely essential for the sugar industry of this country to be included in this piece of legislation, and I would hope that amendments are offered and adopted to make sure they are included.

Let me say that is essential because unless something is done, our domestic sugar industry, and particularly the beet sugar industry, is going to go down the tube, and when it does, those who are concerned about the price to the American consumer are going to find that we will be totally reliant on foreign production.

Mr. Chairman, it is strange that when we try to sell in the foreign market, we sell at less than the cost of production; but when we go back and buy, we pay at their price. If we allow ourselves and our consumers to be subjected to having to purchase in the foreign market, we are going to find those consumers paying dearly for commodities such as sugar, just as we find that we are paying dearly for a commodity like oil from the OPEC nations.

Before we are through with this bill in our discussion of these amendments, Mr. Chairman, I think we can come up with something a whole lot better so as to assure our American farmers, our agricultural producers, that the Congress of this country and the consumers of this country stand behind them in the agricultural endeavor.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. AMMERMAN).

Mr. AMMERMAN. Mr. Chairman, I rise in support of H.R. 7171, the Agricultural Act of 1977, of which I am a cosponsor. I am not in favor of every provision of this bill. With so large and complex a piece of legislation, developed over many arduous weeks, it is unlikely that any of us on the Committee on Agriculture is in favor of every provision of H.R. 7171. It does, however, provide for a wide variety of the needs of both farmer and consumer, as well as agricultural researchers, extension agents, and other participants in the complex process that is American agriculture. Moreover, this bill seeks to attain a delicate balance among a number of agricultural needs and interests which are inevitably conflicting.

Nowhere was that balance more difficult to reach, and the conflicts among competing interests and needs more obvious, than in the process of determining the appropriate price support levels for the various farm commodity programs. I am sure all of us on the committee would have liked to have been able to provide American farmers more in the way of income protection. But we must establish clearly that the farm program is not welfare. We cannot set target prices and loan rates simply on the basis of what would provide maximum income protection to the farmer. In my judgment, that is not what American farmers want—it certainly is not what the farmers in my home State of Pennsylvania have told me they want. And, furthermore, such an approach is not in the larger, long-term interest of American agriculture.

If farmers need greater income protection to survive—and there is certainly a good case that many of them do—let us not attempt to provide it in the form of target prices and loan rates so high that they guarantee a continuation of the boom and bust cycle of overproduction that is once again rising up to haunt us while at the same time undermining our ability to make the agricultural exports, which are our principal hope, apart from set-asides, of avoiding those surpluses. Such a course would greatly compound the difficulties of American agriculture in three respects.

It is clear that target prices can be an important determinant of farmers' decisions on levels of production. This will be even more true under H.R. 7171 than in the past, with farm allotments being set in accordance with recent production experience rather than historical cropping

patterns. I am concerned that higher target prices and loan rates than those established in H.R. 7171 could stimulate overproduction and contribute even greater surpluses to our already large and growing carryovers of wheat and feed grains.

Excessive support prices would, moreover, reduce our ability to dispose of crop surpluses at the same time they were contributing to those surpluses. With grain relatively plentiful on the world market, and grain exports currently well below the record levels of a few years ago, we simply cannot afford to push our prices above levels which will be competitive in international trade.

Furthermore, the combination of overproduction and depressed exports would very likely create a third condition which has increasingly become anathema to many American farmers. That is the specter of large and growing Government-held surpluses. I do not believe either farmers or consumers want a return to the situation prevalent in the 1950's and 1960's when big Government commodity holdings not only required large outlays but also acted as a depressant on agricultural product markets.

I would emphasize that, while H.R. 7171 will not provide all of the income assistance to the American farmer that most of us would prefer, the amount of income protection it does contain is nevertheless substantial. The Congressional Budget Office has estimated that, as compared with current policy set under the Agriculture and Consumer Protection Act of 1973, H.R. 7171 would add an annual average of $1 billion more to the incomes of grain and cotton producers. In this respect, as with the price supports themselves, our bill strikes a prudent balance between the administration's proposal, which would add only $300 million per year to farm income, and S. 275, which would add some $1.9 billion annually to farmers' income over that provided in the 1973 statute.

As we look at the differences between the House and Senate versions of this legislation, moreover, it is interesting to note that the wheat farmer would receive almost as much assistance under H.R. 7171 as he would under S. 275. The big increase in support payments under the Senate bill would essentially all go to producers of feed grains, not the wheat growers. In fact, the Congressional Budget Office estimates that while total Commodity Credit Corporation outlays for deficiency and disaster payments and net loans to wheat producers would be somewhat higher over the fiscal year 1978–1982 period under the Senate version—$6.9 billion against $6.5 billion, direct deficiency and disaster payments to wheat farmers would actually be higher under H.R. 7171—$5.1 billion against $4.8 billion. In striking contrast, S. 275 would provide almost $5 billion more of both total outlays and direct payments over this same period to feed grain producers than would H.R. 7171.

Thus I would suggest that my colleagues from wheat producing States examine the issue carefully before assuming that their areas are better served by the Senate bill. That is so, not only on this count but also on the basis that the higher feed grain prices will push up costs to the livestock producers who are also a key element of the agricultural community in many wheat areas.

Some of these same dilemmas, including the effects or rising feed grain prices, can be seen in an agricultural sector that is of particular interest to both my district and the State of Pennsylvania as a whole. That is the dairy industry. Many of the farmers I have spoken to in Pennsylvania have expressed concern not only that higher feed grain prices would drive up the cost of dairy operations but also that too large an increase in the dairy price support level will stimulate too much milk production and cause a glut on the market.

As you know, H.R. 7171 makes two major changes in dairy price support programs. It would increase the minimum price support level for milk to 80 percent of parity, and it would require quarterly review and semiannual adjustment of this price support level by the Secretary of Agriculture.

This outcome was a compromise between those who wanted even higher support levels—90 percent or more of parity—and more frequent required adjustment, and those who preferred the current system with support prices between 75 and 90 percent of parity that are annually adjusted.

We have sought to meet the needs and concerns of the primary milk producing areas, which have been beset by drought and ever-rising feed prices, without raising the support price to levels which will stimulate overproduction and continue the disturbing cycle of abrupt upward and downward shifts in production which has been characteristic of the milk industry in recent years.

Many of those I talk to in Pennsylvania and elsewhere are concerned about the possibility that support prices at 83 percent of parity, which were established by Secretary Bergland this Spring, may well cause production to grow, at least in the East, and Commodity Credit Corporations stocks of milk products to continue to increase. I can only hope that in establishing the 80 percent floor the committee has not exceeded that delicate but inherently elusive balance which we have sought in all the commodity programs.

At this point I would like to dwell briefly upon a provision of H.R. 7171 which applies to many of the farm price support programs. That is title I, which establishes limitations on payments to producers of wheat, feed grains and upland cotton.

Title I would raise the current $20,000 payment limitation to $35,000 in fiscal year 1978. It would also permit 10 percent increases in the limitation each year thereafter, which would result in the payment limitation rising to $46,600 for the fiscal year 1981 crop year.

Mr. Chairman, I believe that increases of that magnitude—more than 130 percent over a 5-year period—are far larger than can be justified even allowing for the effects of inflation. A number of my colleagues on the Agriculture Committee have estimated that a payment of $46,600 would be sufficient to cover the production of around 5,000 acres of corn or 2,400 acres of wheat. Holdings of that size are much larger than is typical of the small and medium-sized family farmer which the farm income support programs are designed to help.

I do not believe it is fair to the taxpayer to permit payments of the size contemplated by title I. I voted in favor of an amendment to retain the $20,000 payment limitation in committee. I shall do so on the floor as well.

No discussion of our proposed farm bill would be complete without some mention of the Carter administration's position on this legislation. We can certainly not be expected to adopt obediently all proposals put forth by the new Democratic President. Indeed, this is proving to be one of the most independent Congresses serving with a President of the same party in this century.

I believe it is incumbent on us, however, to make a reasonable effort to reach agreement with the administration on the broad lines of agricultural policy. The President has already raised his proposed target prices and loan rates once in an attempt at compromise. And the House bill exceeds even those revised levels. I expect that H.R. 7171, which the Congressional Budget Office estimates will require an annual average of almost $4 billion of Commodity Credit Corporation outlays for price support and related programs over the fiscal year 1978–1982 period, is already at the upper reaches of what is fiscally acceptable to the President. I believe it would not only be a departure from fiscal responsibility but also risk a veto to push the costs of these programs to higher levels.

And let me add that I do not think President Carter is a man who will shrink from every fiscal confrontation posed by this Congress. He knows full well that if he does, the United States will be no closer to a balanced budget in 1981 than it is now. I believe not only that he will hold our feet to the fiscal fires but also that that is the responsible course.

Mr. Chairman, having expressed my general view in support of this legislation, permit me to turn to one part of H.R. 7171 which is of especial interest both to me and to the 23d District of Pennsylvania. That is title XIII—the National Agricultural Research, Extension, and Teaching Policy Act of 1977.

Over the past 2 years both the Agriculture and the Science and Technology Committees have devoted a concerted effort to examining the adequacy of management, coordination, and funding of the Nation's diverse and farflung agricultural research, extension, and teaching activities. Our committees have found the central conclusion of a number of studies of this area to be the need for a national agricultural research policy which would effectively coordinate and integrate the many and diverse activities ongoing at the Federal and State level and in both public and private universities and other institutions.

Our committees have also found, moreover, that the level of effort in agricultural research within the U.S. Department of Agriculture, which once was its most important function, has shrunk almost to insignificant levels in comparison with its other functions. In addition, funding for agricultural research has fallen over the last four decades from almost 40 percent of the total Federal research and development effort to under 2 percent of it.

Our committee believes that these trends and priorities must be reversed and research in the food and agricultural sciences must be treated as an equal partner with the other sciences in the determination of the Nation's research and development policies. It is also essential to place renewed emphasis on the conduct of agricultural research and education as important and distinct missions of the U.S. Department of Agriculture, as well as to establish a mechanism for identifying the Nation's highest priorities for agricultural research.

An essential role in this process is played by the Extension Service and the State cooperative extension services, which are responsible under the Smith-Lever Act for disseminating and encouraging the use of agricultural research results. Both of our two committees have found that current funding levels for this vital activity are inadequate for it to meet the needs of agricultural producers and consumers alike.

Title XIII of H.R. 7171 is designed to meet the many and varied needs of this sector. It gives the Secretary of Agriculture new authority to coordinate these activities, with the U.S. Department of Agriculture to be the lead Federal agency for the food and agricultural services. The Secretary would be assisted by two statutory activity groups—a Joint Council on Food and Agricultural Services to represent the professionals working in this field, and a National Agricultural Research, Extension, and Teaching Policy Advisory Board to represent the users of agricultural research.

The bill will also provide a major increase in funding for these activities. The fund authorization for research in the food and agricultural sciences would rise from $505 million in fiscal year 1978 to $780 million in fiscal year 1982. Funding for work at State agricultural experiment stations would increase from $120 million to $220 million over this same period. The bill would also establish a program of competitive research grants, which would rise from $25 million to $50 million by fiscal year 1982. In addition, title XIII would authorize an expansion of funding for the extension programs of the Department of Agriculture from $260 million to $350 million over the fiscal year 1978–82 period.

In summary, I believe title XIII goes a long way toward providing the improved management and greater emphasis that our agricultural research and education community needs. I have dealt at length with this section of H.R. 7171, but the bill as a whole is simply too large and complex for me to discuss all of its many provisions.

The bill certainly has weak points as well as strong points. But, on balance, I have concluded that H.R. 7171 will be helpful to Americans in general and Pennsylvanians in particular. I urge my colleagues to support H.R. 7171 as setting out a responsible and balanced farm and food program for the Nation over the next 4 years.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana (Mr. FITHIAN).

Mr. FITHIAN. Mr. Chairman, I thank the gentleman from Washington (Mr. FOLEY) for yielding.

I, too, join the others in complimenting the chairman, the gentleman from Washington (Mr. FOLEY), and the ranking minority member, the gentleman from Virginia (Mr. WAMPLER), for their long-enduring patience and efforts, as a result of which they have brought the bill to this point.

I rise only to speak to a very specialized point on the bill rather than to its entire content.

Mr. Chairman, I would alert the House that I do intend to offer a payment limitation on sugar, and at the same time that I alert the Members with respect to that amendment, I want to say that in no way does the offering of this amendment indicate that I disagree with the Comptroller General. The Comptroller General, I believe, is correct that the administration has no basis, in point of law, for offering this 2-cent payment; and I will be offering that amendment at the appropriate time.

Second, Mr. Chairman, I would like to say that I wish that we could do more in this bill providing for agriculture in some other areas such as by developing overseas purchasing and the overseas marketing of American grain, for without that, there is only one alternative, and no one really wants to go to that alternative. That is the old program which we had, and that has been repudiated in the past.

Again, Mr. Chairman, I commend the chairman for his efforts with respect to this bill. I think it has some inadequacies, and I call attention particularly to what is coming in the area of sugar.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Montana (Mr. BAUCUS).

Mr. BAUCUS. Mr. Chairman, 80 years ago, William Jennings Bryan voiced an apocalyptic vision of the importance of agriculture. He said:

> Burn down your cities and leave our farms and your cities will spring up again as if by magic; but destroy our farms, and the grass will grow in the streets of every city in the country.

Bryan's vision is as true today as it was in 1896. Today, those who would destroy our farms disguise themselves as consumer advocates, budget balancers, and proponents of cheap food. The truth is that their program would lead to higher food prices, fewer family farms, more unemployment, and greater Federal expenditures.

H.R. 7171 is known as the farm bill, but it should really be called the food bill. It is the most important piece of legislation relating to food since 1973, and will be in force until 1981. Food is the essence of life and is the fundamental concern of every person in this country and around the world.

Today's food bill, with its unrealistically low target price for wheat, is almost as insulting to the American consumer as it is to the American farmer. It reflects the views of an administration that cannot look beyond a simplistic and erroneous plan to balance the budget at the expense of food production. Everyone wants to balance the budget, but H.R. 7171 is certainly not the way to do it. All this bill will balance is the bank accounts of the conglomerates which will gain control of many family farms if it passes in its present form. I, therefore, will be cosponsoring an amendment to raise target prices for wheat.

Besides producing America's food, our family farmers consume a major portion of our industrial output. Today's farm requires large quantities of chemicals, fuels, machinery, and vehicles. When farm income falls, the entire economy suffers. In 1973, farm income was $33.1 billion. When it fell to $26.1 billion in 1974, tractor sales fell from 197,000 to 174,000. Try to tell the tractor manufacturer who lost money and laid off workers that low price supports are good for the economy.

USDA studies indicate that the family farm is the most efficient production unit. Unfortunately, family farms are also the only production units in our economy with absolutely no control over the price of their product. General Motors could announce a price increase tomorrow and probably get away with it. How successful would a farmer be who announced that he was raising the price of his crop by 10 percent to cover increased costs?

The target prices and loan rates in H.R. 7171 are a tragic mistake. Montana wheat farmers spend over $3 to produce a bushel of wheat, even if they own all their land. Yet this bill tells them that they must accept $2.65 as their "cost of production."

This figure can only lead to the bankruptcy of farms and sales to conglomerates. As some farmers leave the farm and others cut purchases to a bare minimum, unemployment will grow. Fewer and larger farms will mean lower output and higher food prices. Unemployment payments, food stamp outlays, and welfare payments will increase. Cost of living escalators will boost Federal spending even further. This is not the way to balance the budget.

We are told that prices are too low because production is too high. Yet this bill would base allotments on current production. Rumors of this change have already encouraged those who can afford it to break up new land; 600,000 acres in Montana in the past 3 years alone. We are in the middle of a major drought, yet we are asked to encourage farmers to break up marginal land. These kind of Federal policies create problems; they do not solve them.

I am glad this bill would provide the Secretary of Agriculture with authority to declare a set-aside to combat overproduction. That authority, however, is meaningless unless it is used. We must have a set-aside for 1978 crops, and we must continue the policy of excluding from the set-aside those who summerfallow 55 percent of their land. The Federal Government which told farmers to plant fence-to-fence, but slapped an embargo on grain exports, has a responsibility to alleviate the situation which it has brought about.

Every dark cloud has a silver lining, and the monumental errors in this food bill do stand alongside some accomplishments. I was pleased to see my small farms bill and rural solar energy bill included in titles X and XIV respectively. Payment limitations of $35,000 are realistic, and inclusion of the Wheat and Wheat Foods Research and Nutrition Education Act is encouraging. Improvements and extension of the Wool Act will help keep the American wool industry healthy.

Section 904 is especially pleasing for me. It would automatically set the loan rate at parity, currently $5.08 for wheat, if the President suspends grain exports. I agree with the Agriculture Committee that if such a suspension is in the national interest, the entire Nation should pay for it. I hope the House will retain this provision.

This handful of minor accomplishments will not offset the injustice of piddling price supports. I cannot justify support for this food bill unless major changes are made in it. I will be working for these changes as we consider the bill.

Daniel Webster described the place of the farmer in society best when he said:

> When tillage begins, other arts follow. The farmers therefore are the founders of human civilization.

Consumers and farmers are natural allies, and I will not vote for a food bill that drives a wedge between them.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. HIGHTOWER).

Mr. HIGHTOWER. Mr. Chairman, it is impossible in a very few moments to try to convey to this House the extent of the magnitude of the economic crisis that faces a good part of rural America today.

Over the Fourth of July I went back to my district and visited with a good many farmers. A number of farmers told me that the 1930s were easy compared to now.

Mr. Chairman, the legislation under consideration today, the Agricultural Act of 1977, will provide for a farm program through 1981. It will provide planning and direction for our production of food and fiber for that period of time. It will provide some assistance to a large segment of our population who are the producers of what we eat, a large part of what we wear, and who have given us in the recent past a balance of payments surplus on our world trade.

The fact is, however, this is an emergency bill.

It speaks to a very real crisis in this country. It is not exactly the bill that I would write if the members of the Agriculture Committee had given me their franchise to draft this legislation. It is a product of extensive hearings, long and laborous debate and markup sessions. The chairman, Mr. FOLEY, has, in his customary manner, gone out of his way to be fair and to produce a good bill.

The crisis is not a military crisis, and it is not a foreign relations crisis, although foreign relations are involved. It is not the result of a sweeping natural disaster, although the elements have contributed to the problem. It is a crisis of people. If America's farm families lose the battle they are fighting today, tomorrow America's urban families as well as the underfed nations of the world will be the victims. The abundance of cheap food and fiber we have enjoyed in this land of plenty will have gone the way of the farm families.

In this House we talk today of grain and cotton, of research and conservation, of size of harvest and price. These are all factors applied to one central player: the American farm family.

The 13th Congressional District of Texas that I am honored to represent has been on the front page of several national publications during the past 6 months. There have been stories of drought and gale force winds that screamed down the great plains rolling fertile farmland into clouds of dust. These were followed by stories of dropping wheat prices, as a battered wheat crop came back from the hard winter. Then the economic impact all of this was having on those families and communities began to be seen as a hard reality. That is the crisis today. These are hard-working people, men and women who work 12 to 18 hours a day to earn a living. No minimum wage, no paid vacations, no air-conditioned offices.

It is heartbreaking to see a family lose 20 years of work and love and sweat, but it is happening. It has happened this year on the largest scale in years. I need not repeat the USDA statistics, although they back what I am saying. So often statistics cause us to forget that we are dealing with people's lives. The Extension Service finds the cost of production in Texas for a farmer to grow a bushel of dry-land wheat is $3.87 and $4.10 to grow it on irrigated land. To sell their wheat this year they must accept from $1.85 to $1.95 per bushel.

If we are going to have a farm bill, it should help in hard times. If it is not going to help, we do not need it. Since the 1973 bill was passed, the Federal Government has not had to make any payments under the target price concept. There will be payments this year. There will be a lot of wheat, corn, and grain sorghum on loan. The Secretary of Agriculture is going to have to use every tool he has to help get us back on track. We will have to be innovative in our approach to export markets. We have an innovative Secretary of Agriculture and I feel confident in his concern for the family farm.

In many ways this is an innovative farm bill. It is more market oriented than ever before. I hope we have seen the last of planting to protect historic allotments. Our production will be geared to the needs of the country and the world. Provided for the Secretary are tools like the graze out program and the critical lands program through which he can effect production and the market. Each will also help preserve that most vital of all resources: the land. More encouragement for farmers to be able to decide when to sell their crops should help the consumer as well as the farmer. If it rounds off the sharp peaks and deep valleys, a more stable income should result to the farmer and more stable prices to the consumer.

Important funds committed by this program will be the amount of money earmarked for agricultural research. We must always be working to open those new doors, to better use the resources available.

I hope the food-for-peace program will become a more vital tool to help developing nations and create markets for American producers. The changes we have made in this provision should provide for less redtape and more food where it is needed. The horror stories of commodities rotting on the dock while famine grips a people must become history instead of current events.

I hope redtape and fraud which have scandalized the existing program, will be greatly diminished by the changes in the food stamp program. It tightens the eligibility requirements and will encourage people to seek jobs.

As this House considers the entire farm program, keep in mind we are talking about people, rural and urban. If we cannot help during the hard times, there is no need to help at all. Agriculture is in step with our modern world. It must be to feed it. The farmer must still do battle with the weather, insects, and a fast changing market. While farm income today is at the same level it was in 1970, other real income is up 24 percent. The people that produce the food and fiber for the world deserve a little better.

Farmers have been accused of "crying 'wolf'" too often. The truth is that the wolf comes to see the farmer to often. Agriculture is a basic economy. We have seen many changes in our national economy in the last 50 years, but agriculture is still basic. The farmer can no longer be self sufficient. Now he, too, feels the "energy crunch." The farmer is a consumer of manufactured articles and knows what inflation has done to the costs of the equipment and supplies that he must purchase to remain a producer. He alone seems to be helpless to do anything about his increased costs and now he is helpless when he must market his products.

We must give the farmer the kind of support he must have to stay in business because he is essential to the economic health of this country and to our very survival.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, a series of important changes have occurred since Congress last evaluated comprehensive agricultural policy for this country. Our increased dependence on international trade has heightened our

concern about how our domestic policies will affect other nations, particularly developing nations. No longer can we assume that we are acting alone when we set down our own farm programs. In addition, adverse weather conditions and rapidly increasing costs of production have added to the difficult situation our farmers face today. The drought is seriously threatening farmers in more than 24 States. And the rising costs of machinery, fertilizers, energy, and land are driving thousands of farmers off their land.

The structure of agriculture has also changed. Farms have become fewer in number—now 2.8 million as compared with 5.4 million in 1950—larger in size, more specialized in the commodities they produce, more energy intensive and generate fewer jobs. As a consequence, since 1920, 40 million more people have migrated off the farm than have entered into farming. And nonfarm corporate involvement is on the rise. These trends, if they continue, at current rates, greatly endanger our family farms, rural communities and the economy as a whole.

Today we must consider the Agricultural Act of 1977, the omnibus bill which seeks to address all of the major issues affecting not only farmers and consumers in this country, but farmers and consumers throughout the world. I urge my colleagues to be cautious in your consideration of this complex bill, as well as the wide variety of amendments that will be offered.

In my view, H.R. 7171 offers a sound approach to most of the needs of our agricultural sector and it contains several innovative programs so that we can begin to look towards the concerns of the future. I would like to briefly mention a few provisions of the bill which I believe fall into these categories.

RURAL DEVELOPMENT AND CONSERVATION (TITLE X)

This section includes substantial new efforts concerning the conservation of our soil and water resources. Of particular importance are the provisions calling for an assessment of existing rural water resource programs and the establishment of a program of small farm research and extension by the Department of Agriculture.

FOOD STAMPS (TITLE XII)

Provisions to define income eligibility limitations, eliminate the purchase requirement, stimulate outreach, distribute nutritional information, and to alleviate the fraud and administrative errors demonstrate the Agriculture Committee's commitment to reforming the food stamp program.

AGRICULTURAL RESEARCH (TITLE XIII)

This section offers several new guidelines which will better integrate and coordinate food and agricultural research conducted at the Federal and State levels and in public and private colleges and universities. One provision that is noteworthy is that which will institute a system of competitive grants open to the whole research community, including land grant and nonland grant colleges as well as to the private sector. Title XIII, including the new emphasis placed on human nutrition, energy conservation, and small farming should go a long way in developing additional information and stimulating new ideas to meet today's food and agricultural needs.

AGRICULTURAL SOLAR ENERGY (TITLE XIV)

In light of President Carter's request for congressional action on energy conservation matters, this section is one of the most innovative sections in this year's farm bill. By promoting research and development of solar energy for agriculture, providing for the demonstration of solar energy projects on the farm, this title will encourage farmers to adopt and install solar powered systems, machinery, and production techniques as alternatives to other more energy intensive systems.

As is the case with most omnibus bills, there are areas which can be greatly improved upon. These include the following:

PAYMENT LIMITATIONS

I believe that it is in the best interests of consumers and the rural economy for agricultural production to remain in a widely dispersed system of small family farmers. Increasing corporate concentration in agricultural production will inevitably result in higher food prices and the channeling of new capital away from family farm operators and rural communities. There are several steps that must be taken to prevent the demise of family farming and private land ownership, most of them are not relevant to the bill we have before us. However, we can and must use every opportunity to protect the family farmer in America. For this reason, I am supporting an amendment to title I, the payment limitation section, to restrict non-farm corporations from receiving price supports and disaster payments. This amendment will begin to eliminate some of the competitive advantages now enjoyed by nonfarm corporations.

GRAIN RESERVES

I feel the farm bill does not go far enough in providing for a strong grain reserve program or in offering practical mechanisms to stabilize prices in the world market. Therefore, I am cosponsoring an amendment to institute a comprehensive grain reserve program which will secure our domestic supply, build an inventory to meet our foreign commitments, and alleviate world hunger.

AGRICULTURE RESEARCH

Although this section does contain many welcome provisions, there is one area which I feel has been overlooked—that is, water conservation. In light of recent weather changes, it is evident that water shortages will continue to threaten our agricultural community. It is, therefore, important that we begin to stress the need to conserve water. Although the extension service is already involved in educating farmers on various means for water conservation, I feel it is important for these efforts to be expanded. I will be offering an amendment to the extension education section of title XIII to include water conservation as a new area of concentration and to broaden its scope so as to include the development and dissemination of information to improve conservation methods and practices.

Mr. Chairman, there are many other provisions in this bill which may or may not go far enough in providing what is best for our farm community, our consumers and our Nation. I am certain that most of these will be debated and amended within the next 2 days. It is my hope that the result of the actions we pursue here will be a fair and forward-looking policy which will preserve the delicate balance between serving the needs of producers and consumers within this country and throughout the world.

Mr. FOLEY. Mr. Chairman, I yield one and a half minutes to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Chairman, as one of the cosponsors of H.R. 7171, I would like to express my support of this bill. The Agriculture Committee has worked very hard to put together a farm bill which is both fair to the farmer and the consumer. Some of the principal features of the bill include: Price supports for most farm crops, establishment of a loan program expected to result in a large on-farm grain reserve, expansion of agriculture research and extension service programs, continuation of the Public Law 480 Food for Peace program, and food stamp reform legislation.

The reforms that are contained in the food stamp section of the bill will bring more integrity into the program. The work requirements have been tightened and the penalties for fraud have been made harsher. Every attempt has been made by the committee to devise food stamp legislation which will allow only those who deserve and qualify for food stamps to receive them. With the elimination of the purchase requirement, the potential for fraud will be lessened, and a greater amount of the poorest of the poor will be able to enter the program.

This legislation will authorize a 4-year extension of the omnibus farm law which would otherwise expire at the end of the year. It brings about reforms which are vital to our agriculture community and to our Nation as a whole. I urge its adoption.

Mr. FOLEY. Mr. Chairman, may I inquire how much time we have remaining on this side?

The CHAIRMAN. The Chair will state that the gentleman from Washington has 4½ minutes remaining.

Mr. FOLEY. I thank the Chairman.

Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I wish to commend the distinguished chairman of the committee for his effort in putting up this legislation.

Mr. Chairman, I rise in strong support of H.R. 7171 to point out some of the more significant features of the legislation before us to amend and extend the Food Stamp Act of 1964.

As the Resident Commissioner from Puerto Rico, I want to extend the appreciation, not only on my behalf, but of the people of Puerto Rico for the commendable work the House Committee on Agriculture has done in bringing this legislation to the floor, and in its thor-

ough review of the national food stamp program.

It is no secret to Members in this Chamber that Puerto Rico presently has one of the highest levels of food stamp participants, and that this program has helped Puerto Rico immensely through our most recent and severe recession in years.

Those of us who work for Puerto Rico wish that the economic upturn now becoming evident in parts of the United States would also immediately affect Puerto Rico, but whether that happens or not, the food stamp program will continue to benefit our local economy.

We prefer, of course, programs of development rather than welfare, or dependency. But the unshakeable fact remains that the simple reason that so many people in Puerto Rico participate in the food stamp program, as citizens of the United States, is that we have more poor citizens among our population, more families in need of an adequate nutritional diet, and more of a need to continue and improve this vital program.

As I have stated, the food stamp program has helped the island through the most recent recession.

And yet there are some common and persistent myths about our level of participation in the program. I would like to discuss them today. I shall be brief, since I know there are many important amendments to this legislation, and there will be some attempts to turn back the work that members of the House Agriculture Committee have done in bringing this bill to the floor today.

The legislation before us culminates more than 2½ years of arduous work by the Committee on Agriculture. I would be remiss if I did not thank the gentleman from New York (Mr. RICHMOND) for his subcommittee's hard work on this legislation, as well as the chairman, the gentleman from Washington (Mr. FOLEY) and the dedicated staff members, both majority and minority, who have worked long hours in bringing this bill to the House floor.

As the House report on this bill notes, the continuation of the food stamp program will extend a program that has brought basic measures of social justice, and access to an adequate diet, to millions of Americans from low-income families, both in the mainland and in Puerto Rico.

The food stamp program is not, as some contend, a basic "ripoff" of the American taxpayer. As the House committee report notes, it is a program conceived in justice, dedicated to helping those most in need, and one seen by those benefiting from it the most, the recipients of food stamps, as a means of obtaining adequate nutrition.

To countries abroad, it is a symbol of the fact that this country deeply cares about the less advantaged citizen in our midst and that, along with democratic ideals, our Nation is also concerned and caring for those who, for reasons not of their own, need some programs to provide themselves and their children with an adequate diet.

In the case of Puerto Rico, another reason for our high level of participation is that Puerto Ricans, while American citizens, still do not participate in welfare programs on an equal basis with the States. In particular, I mention the supplementary security income program which, while bringing benefits totaling $177 a month to mainland U.S. citizens who are blind, aged, and disabled, only provides a level of support to Puerto Ricans in an equal situation of $14 to $18 per month under the terms of the now superseded provisions in the mainland of aid to the disabled, the elderly, and the blind.

SSI benefits are viewed as additional income to food stamp participants. Not having SSI benefits at the mainland level in Puerto Rico creates more food stamp participants.

The food stamp program has helped not only our participating families but the general economy of Puerto Rico.

The turnover from commodity food distribution at an approximate level of $40 million to an islandwide food stamp program was authorized by Congress, and the word "cupones" overnight became a familiar one to Puerto Ricans, our Spanish word for food stamps.

It is a popular program, it is a sound one, and it is one we in Puerto Rico view as a vital ingredient to an island suffering the pains of a deep depression.

In particular, the committee's efforts to eliminate the purchase requirement will provide the "poorest of the poor" who may not now be participating in the program with the means to have access to the program previously denied them.

I also commend the committee for its thorough efforts to eliminate any fraud in the program, or abuses that may presently exist, while retaining the best provisions of the current legislation, and perfecting others.

The provision to allow States 75-percent grants, instead of the normal 50-percent administrative matching costs will enable States, as well as Puerto Rico, some program of rewards and penalties to improve program administration.

Additional reform objects such as those provisions to facilitate the participation of the deserving needy to get food stamps, to minimize the loss of benefits to current needy participants, are also commendable and I believe it fair to say that the committee's actions, as contained in the House bill as it was sent to the floor, should be supported by all Members of Congress interested in the welfare of their constituents.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I certainly do not represent a farm district. I have learned that on occasion a plant is planted in some of the backyards of Baltimore, but it is not for normal consumption. However, I rise in support of this legislation and I will support some of the strengthening amendments to be added to it, those aimed primarily to benefit small farmers. I do this because I am struck by the symbiotic relationship between those of us in urban centers and on farms. Our interdependency is clear, and we are going to have to work with one another. I am also struck by the fact that the farmers were clobbered with last winter's bad weather, and they are being clobbered now by a drought. I am impressed with the significant reforms, Mr. Chairman, that the Chairman and the members of the committee have made in terms of the food stamp proposal. I think these are excellent reforms, and I am wholeheartedly committed to them. I hope that I can urge the urban Members to support this bill and the strengthening amendments designed to aid small farmers.

Mr. Chairman, I rise in strong support of the Agriculture Committee's recommendations to reform the food stamp program.

The reforms which I am talking about are the commendable proposals, such as elimination of the purchase requirement, which will insure that our most needy citizens are able to participate in the program.

While the record of the Department of Agriculture in administering the program during the previous administration can most charitably be described as abysmal, the needed reforms to the food stamp program were not proposed, despite that administration's continual harping about food stamps. Instead, a number of myths were promulgated which masked the reality that the food stamp program is currently the only national program which can provide income supplements to all needy Americans—not only welfare recipients but also the working poor.

The myths included such fallacies as:

There is extensive fraud in the program. The fact is that the Department of Agriculture reported last year that the percentage of households caught committing fraud is eight-hundredths of 1 percent of the caseload.

A second myth is that millions of high income people participate in the food stamp program. In fact, the Department of Agriculture has found that 78 percent of the participants have incomes below the poverty level and 90 percent of participants had incomes below 125 percent of the poverty level. The Department further found that only 0.4 percent of households participating in the program had gross incomes of $1,000 or more a month.

Still another myth is that:

The food stamp program is subsidizing college students from wealthy families. Data collected by the Agriculture Committee, which is included in the report on this bill, rather effectively dispels this myth. The Agriculture Committee found that slightly more than 200,000 students were participating in the program. This represents 1.3 percent of the caseload. Many of those students work while they are attending school. The committee found that 52 percent of the households headed by students had earned income. In addition, the committee's data indicate that about 40 percent of the students who head food stamp households are age 25 or older, which hardly is the stereotype of the idle undergraduates from wealthy families who are ripping off food stamps. Although one can conclude from this data

that abuse of the program by students is quite limited, the committee has wisely taken steps in this bill to insure that participation of students is limited to the truly needy. The committee bill prohibits students from receiving benefits unless they are needy and either working at least half-time or registered to work, or unless they are a head of a household with at least one dependent.

A final myth is that the food stamp program subsidizes strikers. In the first place, there are not many people receiving food stamps who are on strike. Data collected by the Department of Agriculture, the Census Bureau, and the House Agriculture Committee indicate that participation of strikers is between 0.2-0.3 percent of the caseload. In the second place, a person on strike cannot receive food stamp benefits under current law and also under the committee bill unless the striker meets both the income and asset tests and also the work registration requirement.

I intend to support vigorously the committee's proposals and with equal vigor oppose the amendments which would undo the reforms contained in this bill.

One amendment which I will oppose is the Jeffords amendment which would require food stamp participants, whose annual income turns out to exceed 200 percent of the poverty level when tax filing time comes around, to repay the Government for their food stamp benefits. This amendment is apparently based on the supposition that people who become unemployed during the year can live off their past income. I know of many hard-working, middle-income people who would quickly become needy were they to lose their jobs. With taxes and inflation, it is very difficult for middle-income people to save for a possible rainy day.

I intend also to oppose the Kelly amendment which would prohibit strikers from participating in the program. If the Federal Government is to be neutral in its treatment of strikers, we should also eliminate the tax writeroff which management can take after a strike.

I shall also oppose the so-called workfare amendment. I do not believe that the public service job program for which we have fought so hard over the past several years should be distorted into a variant on the old, discredited poor farm concept. If people are truly concerned about jobs for the needy, we should increase the number of public employment job slots, not distort the basic purpose of the program with this workfare provision.

It is with reluctance that I will not oppose the pilot tests of the workfare concept which is included in the committee bill. I feel that this is an idea which will fall of its own weight since most unemployed Americans want to work but simply cannot find jobs.

To transform this poor idea into a national program, as the Findley-Mathis amendment proposes, however, would be a grave error.

Finally, I will oppose amendments to cap the cost of this automatic entitlement program. If the cost of the program increases over what is assumed by the staff of the Congressional Budget Office and the Agriculture Committee, it could occur for two reasons. First, the economy might not recover as fast as we all hope it will. That would increase the cost of the program. If we placed a cap on spending, we could hurt recipients just at the time the benefits would be most needed.

Second, the cost of the program could also increase if the cost estimates in the bill turn out to be inaccurate. I do not think that this will be the case, however. The independent estimates of both the Congressional Budget Office and the House Agriculture Committee are both below the current policy level for fiscal year 1978.

In closing, I want to congratulate my good friend from the State of Washington, the chairman of the committee, and his colleagues for bringing before us a bill which truly reforms the food stamp program by insuring that our most needy citizens are able to participate.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from Kansas (Mrs. KEYS).

Mrs. KEYS. Mr. Chairman, the context of food policy decisionmaking has come full circle since the passage of the 1973 Act: From record high farm income to the spectre of bankruptcy; from the need for full production the need for some restraint. These profound swings have been bewildering, and I am afraid they have obscured some of the things that have remained constant: the hunger of one quarter of the earth's population; the financial plight of small scale farmers in this country and throughout the world; the dependence of modern agriculture on fossil fuels and other expensive inputs; the depletion of our agricultural land and water resources.

In the next few days the House will take action on the Agricultural Act of 1977, H.R. 7171, a bill which addresses many of these problems and contradictions. The Committee on Agriculture is to be commended for the responsible manner in which it has proceeded with this extremely complex legislation. It is not a perfect bill, but rather a creature of compromise. Through amendments offered on the floor of the House, or though the work of the House-Senate conference, I believe the bill should be improved in several important ways.

First of all, the loan rate and target price for wheat in H.R. 7171 must be viewed as minimum acceptable levels. The loan rate of $2.25 per bushel for 1977 and 1978 represents about 44 percent of parity. Mr. Speaker, the Department of Agriculture has calculated that for 1977, the variable, machinery ownership, overhead, and management costs alone average $2.36 per bushel of wheat.

If we add to this a charge for land, including average acquisition value over a number of years, the cost per bushel is about $3.16. The 1977 target price for wheat in H.R. 7171 is $2.65, about 84 percent of this cost. We must do better.

Just 2 months ago the Department of Agriculture issued a special report on the financial condition of farmers in the wheat belt. The imminent bumper crop, when added to last year's surplus, will seriously weaken the already low prices wheat farmers except for their crop. Having reaped the "bounty" of full production agriculture for several years, these farmers must now prepare for several years of financial disaster. The USDA study showed that as many as one-third of the farm borrowers may have to sell out. Small farmers and young farmers just getting started will be hardest hit. Income and price support levels must move closer to those of the Senate bill if we are to avoid financial ruin in the wheat belt.

For that reason I believe the English-Harkin amendment with its $2.90 target price for wheat and $2 target price for corn in 1977 is a necessity. Only this will deal with the emergency surplus we have at the time and save many thousands of family farmers from bankruptcy.

Most of my colleagues are aware of the fact that the main reason for the low levels of support for wheat and feed grains in H.R. 7171 is an attempt to strike a compromise with the proposals of the administration and the Senate. Grain farmers across the country recall with some bitterness Mr. Carter's promise of a year ago to seek support prices equal to at least the cost of production. In light of the tremendous contribution wheat and corn producers make to the overall economy of this Nation, I think we cannot turn our backs on them now for the sake of marginal savings in Government spending.

Another shortcoming of H.R. 7171 is its failure to deal with investment in agriculture by large corporations and foreign investors. The threat to the family farmers of this country by investments of this type was underscored by the Ag-Land Trust proposal of earlier this year. Small scale operators have not a hope of competing with large corporations or foreign investors for agricultural land. The escalation of land prices has averaged 10 percent for the last decade, and each day it becomes more difficult for young people to get a start in farming. As a first step, we should consider ways of limiting the participation of large, nonfarm corporations and alien investors in the Government commodity programs. The Senate bill (S. 275) contains such provisions, and I hope they will be favorably considered in the debate and conference.

On the positive side, the provisions of the food stamp reform bill (H.R. 7940) represent great strides in rationalizing the present system. In regard to the gross income limits on eligibility and deductions, I believe the committee has struck a fair compromise between the administration and Senate proposals. Important changes have also been made in special standards of eligibility for Indians and students, and the application procedures for social security recipients.

On the whole, the legislative package presented by the Committee on Agriculture should provide a useful point of departure for the debate and the House-Senate conference which lie ahead. We cannot afford to let the present law expire without replacement. My only hope is that we can achieve a fairer deal for the grain farmers of this Nation who are watching our deliberations with great interest.

Mr. RONCALIO. Mr. Chairman, almost without exception, America's agriculture community is in trouble.

Costs for fuel, fertilizer, labor, machinery have skyrocketed over the past few years. Banks have extended credit for operating loans beyond farmer ability to repay and foreclosures are becoming commonplace. Policies of the previous administration produced a glut on the market and now a major drought further threatens the economic survival of farmers and ranchers across much of the Nation.

Coupled with these negative factors, prices have remained sluggish and far below what is needed to meet costs for this year, let alone to provide for living expenses and repayment of loans and other obligations. Because markets have not responded to increases in production costs, the entire agriculture community and in turn the economic base of much of America is threatened.

Farmers and ranchers in my State of Wyoming share in this dilemma. Statistics from the Division of Agriculture Economics at the University of Wyoming show an increase in costs of production for sugar beets in the Worland, Wyo., area of 25.2 percent in the 2 short years from 1974 to 1976:

Cost items[1]	Worland 1974	Worland 1976	Percent change 1974 through 1976
Tractors, trucks, machinery:			
Fixed	$77.96	$104.01	+33.4
Operating	46.49	69.59	+49.7
Materials:			
Fertilizer	56.25	55.36	−1.6
Herbicides	11.28	10.91	−3.3
Nematocide	35.00	48.60	+38.8
Insecticides	8.32	9.56	+2.9
Seed	4.95	9.45	+90.9
Other	1.67	3.35	+100.6
Contract labor	54.50	59.00	+8.2
Full-time labor	47.45	58.29	+22.8
Miscellaneous	20.90	21.35	+2.1
Interest on cash costs	13.36	16.96	+26.9
Management	44.00	35.20	−20.0
Land:			
Net rent	51.75	84.94	+64.1
Taxes	2.68	3.00	+11.9
Water	5.75	5.68	−1.2
Improvements:			
Fixed	9.86	18.73	+89.8
Operating	4.14	8.30	+100.5
Total, production and opportunity costs	496.31	621.28	+25.2
Expected yield (tons per acre)	22	22	----------
Cost per ton (breakeven price)	$22.56	$28.24	+25.2
Changes in costs:			
Per acre (2 yr)		+124.97	+25.2
Per ton (2 yr)		+5.68	+25.2

Cost items[1]	Worland 1974	Worland 1976	Percent change 1974 through 1976
Per acre per year		+$62.48	+12.5
Per ton per year		+$2.84	+12.5

[1] Data from: "Costs of Producing Crops, Big Horn Basin Area, Wyoming 1974," Agricultural Extension Service, Division of Agricultural Economics, University of Wyoming, January 1975, AE 75-01, pp. 10 and 11 and preliminary costs for Worland area 1976.

U.S. Department of Agriculture statistics show that this trend is by no means limited to sugar beet production nor to Wyoming:

INDEXES OF PRICES PAID BY U.S. FARMERS

Item	January to June 1974	1975	1976	Percent change 1974 to 1976
Commodities and services, interest, taxes and wages	162	178	192	+18.5
Family living items	146	163	173	+18.5
Production items	161	179	195	+21.1
Taxes on farm real estate	154	162	169	+9.7
Wage rates (seasonally adjusted)	175	190	211	+20.5
Production items, interest, taxes, and wage rates	168	184	200	+19.1

Source: Agricultural Outlook, USDA, ERS, AO-15, October 1976, p. 19. Indexes of prices received and paid by farmers, U.S. averages.

As these production costs have risen, prices received for livestock and produce have not responded, but instead there has been a general downward trend for most items.

ANNUAL AVERAGE PRICES IN WYOMING FOR SELECTED PRODUCE

WYOMING CROP AND LIVESTOCK REPORTING SERVICE, JULY 7, 1977

Year	Per hundredweight: Beef cattle	Calves	Sheep	Wool (cents per pound)	Milk (per hundredweight)	Corn (per bushel)	Per hundredweight: Barley	Oats	Dry edible beans	Wheat (per bushel)
1973	$45.50	$56.90	$15.50	$0.92	$7.08	$2.77	$2.06	$1.39	$25.99	$4.21
1974	31.10	33.10	8.60	.69	8.34	3.44	2.74	1.77	25.80	4.06
1975	31.10	32.50	11.10	.43	8.70	3.10	2.50	1.70	17.70	3.69
1976	33.90	39.50	12.00	.68	9.85	2.30	2.20	1.55	11.90	2.40
June 1977	34.30	42.70	10.30	.70	9.60	2.21	1.92	1.43	12.40	1.76

These figures taken in conjunction with increases in production costs leave no doubt that the Wyoming farmer and rancher is in serious financial shape and Wyoming's situation is not unique. Few businessmen anywhere could survive these conditions.

The American farmer today is the world's most efficient producer of food and fiber. Drought and economics have now forced him to be even more efficient. He has little recourse today than to turn to his government for assistance and the Congress must respond with programs and financial support to sustain agriculture until the market place itself becomes adjusted to high production costs and can accommodate the food supplies currently available.

Many of you have been visited by groups of farm and ranch men and women trying to convey the message of how desperate their situation is. In Wyoming, our grain, cattle, dry bean, and sugar producers are especially in trouble. H.R. 7171 speaks to many of the needs of the farm community, though not all by any means. It does not touch every crop grown in my State and in some instances, target levels do not meet today's costs.

As indicated in this morning's Washington Post, the President's sugar program is in jeopardy and may not be able to be implemented. Our colleague from Texas, KIKI DE LA GARZA, who serves on the Agriculture Committee, will offer amendments for sugar in the hopes of bolstering that industry where farmers and processors are now receiving about half of what they need to make a profit. I ask your support.

I urge my colleagues to listen closely to debate on this bill, to the discussion of the many amendments to be offered, and to keep in mind, whether representing a rural or urban district, that we all depend upon a viable farm economy and community.

If by inaction we drive the small family farmer and rancher out of business, if we allow acceleration of foreclosures, if we fail to respond to the urgent needs of a farm crisis, we will all suffer. Through positive action on this bill, we can help. I urge my colleagues active attention and support.

Mr. DRINAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Indiana. This amendment is a simple one; it would place a ceiling of $50,000 on Federal payments to individual sugar producers. This is the same limit which applies to wheat producers, feed grain producers, cotton producers, and rice producers. The amendment thus places the sugar subsidy program in conformity with the other Federal subsidy programs and prevents a few huge sugar producers from receiving enormous payments. The Senate has adopted a similar amendment, and I hope that we will take action today to prevent massive, unjustified subsidies.

In the absence of this ceiling, the taxpayers of the United States will see their tax dollars used to subsidize the corporate giants of the sugar industry. With-

out a ceiling on payments to individual producers, the 40 largest sugar growers—all of which are large corporate entities rather than small farms—would receive almost half of the $240 million in the sugar subsidy program. At least 25 agribusiness giants will receive annual subsidies of more than $1 million; one firm alone will receive a staggering $14.2 million per year.

Unless we adopt the amendment before us, we will commit the taxpayers of this country to a multimillion dollar bailout of the giants of the sugar industry. This would constitute still another instance in which the taxpayers are called upon to rescue giant corporations from their own business decisions. No one called upon the sugar producers to yield back to the taxpayers or consumers some of their record profits of recent years; we should not now call upon the taxpayers and consumers to save the giant sugar growers from the consequences of their own actions. The present glut of sugar is the result of the decision of the industry's leaders to plant as much sugar as possible when prices were sky-high. Profits were enormous during that period. Now that the price has fallen to a more reasonable level, the taxpayers are being asked to subsidize the industry.

The amendment before us is carefully designed to eliminate the most serious defects in the sugar subsidy program. It permits payments of up to $50,000, so that small- and medium-size growers can receive payments which may be genuinely needed to stave off serious financial problems. The ceiling will prevent massive giveaways to the giants of the industry—the very corporations whose unwise decisions led to the sugar glut. Without the $50,000 ceiling, the subsidy program could produce serious anticompetitive effects within the sugar industry, helping to finance the demise of small farms at the hands of the gigantic grower-processors who will benefit disproportionately from the program.

The four largest recipients of subsidies would receive annual payments of $14.2, $10.8, $9.6, $8.8, and $5.7 million. This is in contrast to the strict $50,000 limit on annual payments to growers of wheat, cotton, feed grains, and rice. We imposed those limitations because large corporations were receiving windfall payments from the Federal Government and driving out small family farmers, ultimately to the detriment of the family farmers and consumers alike.

Moreover, such huge subsidies provide no real solution to the problem; they may actually exacerbate the situation by creating artificial incentives to increase production at a time of worldwide surplus. Surely these compelling reasons for the imposition of the $50,000 ceiling on subsidy payments to producers of other commodities applies with equal force to sugar growers, who have until now not received any Federal subsidies.

Mr. Chairman, the entire sugar subsidy program is an example of hastily drafted legislation which is characterized by serious inequities. The funds for this program were not budgeted. There was no discussion of it in any congressional hearing. The administration is, in effect, asking the taxpayers to bail out the giants of the sugar industry without careful analysis of the nature and consequences of this action.

In addition to the highly unusual method by which the sugar subsidy plan reached the Congress, there is also considerable doubt as to its legality. The Sugar Act, which included authority for payments to the sugar industry, expired 3 years ago. The Agricultural Act of 1949 does not authorize payments to producers and provides that any payments to processors must be for the sole purpose of direct price supports. In spite of this, the Agriculture Department intends to inaugurate a plan to provide income, not price, supports, which will go in large measure to producers, and in disproportionate shares to large producers. On July 19, Comptroller General Elmer B. Staats stated that, in his view, the plan was clearly illegal. It is certain that a multitude of private lawsuits will be filed challenging the legality of the subsidies.

We can best prevent the most wasteful, legally questionable, and anticompetitive effects of this program by adopting the $50,000 ceiling. This will avoid a ripoff of the taxpayers by the giants of the sugar industry while providing payments to small growers. I urge my colleagues to follow the example of the Senate and put the sugar subsidy program on the same footing as other subsidy programs by adopting the amendment before us, limiting payments to $50,000 per producer.

Mr. HAGEDORN. Mr. Chairman, H.R. 7171 is one of the most comprehensive and complex bills that will be considered by this Congress. Standing by themselves, the agricultural and the food stamp components of this legislation would be far-reaching initiatives. For this reason, I would now like to briefly address only the broad policies apparent in this bill.

For a period of more than 30 years ending in the late 1960's, our agricultural economy was plagued with chronic surpluses. In response, Federal policies attempted in a variety of ways to limit farm production—direct subsidies, huge government reserves, and acreage diversions. As the waste and inefficiencies attendant with these policies became increasingly apparent, and as the nutritional needs of impoverished nations overseas became more pressing, the wisdom of these policies was called into serious question. By the early 1970's, a new farm policy had evolved. Government controls were, to a large extent, removed, heavy government stocks were diminished, and new markets encouraged. U.S. farmers were once again making production decisions on the basis of market demand, not on the basis of government price supports and subsidies.

Since 1972, more than 60 million acres have been released from nonproductive status, with 35 million of these already put back into useful production. Farmers have been encouraged to maximize their production, with the promise that the government would minimize its interference with their markets.

Today, farm exports are the Nation's single largest source of foreign earnings, contributing substantially to the strength of the U.S. dollar. The more than $22 billion per year realized in farm exports in recent times have almost singlehandedly recouped what we have paid for energy imports. This is up from an annual export level of approximately $5 to $6 billion during the 1960's. Almost one-third of our total grain supply is presently being exported, representing nearly one-six of total world exports. Most goes to relatively stable markets such as West Germany, Japan, Canada, and the Netherlands.

During this same period, Federal payments to farmers, which has reached nearly $4 billion in the early 1970's, fell nearly 90 percent to little more than $500 million, most of it for disaster relief programs.

While I am extremely concerned that in some respects we now seem to be retreating from these commitments, such as the reinstitution of "set-asides" and the increasingly sympathetic view of international grain reserves and cartelization programs, on balance I believe that the agricultural titles of H.R. 7171 are good ones. The target prices established in this bill, with the notable exception of wheat and feed grains, reflect fairly the concerns of farmers, consumers, and taxpayers. There are differences between the levels established in this bill and in the Senate bill, but they are differences that can be handled with little difficulty in conference. Wheat, however, is now in substantial worldwide surplus which, combined with the particularly high costs of production that wheat farmers are now facing, requires, in my judgment, a target price level much closer to that set in the Senate bill.

In addition the feed grain section needs to be beefed up to more adequately reflect costs of production in relation to crashing prices at the local marketplace.

Also, one should remember that these higher target prices would be directed at crops which are currently being produced on the farms in 1977 crop year.

The loan levels set in H.R. 7171 also reflect fairly the needs of farmers, providing for their basic protection without jeopardizing their ability to compete in international markets and without creating huge Government-held grain reserves.

I am concerned, however, about the bill's failure to adequately recognize and deal with long term trends in this country which are resulting in the substantial restructuring of farm organization. Many of these trends, such as the migration of farm youths to the cities and the development of technology which seems to reward larger holdings, are probably beyond the ability of Congress to address. Other trends which are not, and which are slowly eroding the foundations of the family farm, ought to be addressed.

While I am aware of the efficiencies that industrial concentrations can sometimes implement, the strengths in the traditional family farm structure contribute something far greater to the rapidly disintegrating social fabric of

our country. The family farm is one of the dwindling number of institutions in our country in which the virtues and strengths that were early identified with our country and which contributed to its greatness are still clearly evident. While I am not one of those who view large farmholdings as an unabated evil, I do not believe it is incumbent upon the Government to promote such holdings through target price payment and commodity loan programs which reimburse farmers without reasonable limits.

Mr. Chairman, H.R. 7171 also continues the recent upgrading of our Nation's agricultural research and development efforts, providing substantial amounts of needed funding for State agricultural experiment stations, while reorganizing the efforts of the Department of Agriculture. Since 1969, so-called income security expenditures within the Department have soared from approximately 12 percent of its budget to more than 60 percent, with traditional agricultural expenditures having declined from 62 percent to less than 25 percent.

In terms of 1969 dollars, USDA is actually spending less for agricultural research today than it was 8 years ago. H.R. 7171 represents a departure from these trends and would require USDA to place a renewed emphasis on its research efforts. At a time when rates of increase in farm productivity are declining, a step-up in agricultural research efforts could well represent one of the most enduring achievements of this bill.

Despite the many excellent provisions in the agricultural titles of this bill, I am going to have a great deal of difficulty in supporting final passage due to the inclusion of the food stamp bill as title XII. It is hard for me to believe that we have the clamor that has been heard about the need for food stamp reform, and with the growing public indignation at abuses of the program that we are faced with a reform bill that actually increases outlays for food stamps.

We have done almost nothing to eliminate the voluntary poor from the food stamp rolls, little to reduce the administrative complexity of the program, and a great deal to transform the program into simply another dreary, dead-end welfare program. A welfare program, incidentally, for the poor and nonpoor alike. Someone once said that the great myth fostered by the welfare state was that every individual felt that he could live off of every other individual. As well as any legislation that we have considered recently, the food stamp provisions of this bill reflect that philosophy. It is sad to have to say, but the Agriculture Committee, after having labored for months during the past two Congresses to revamp a popularly discredited program, has emerged with a bill that will worsen things still further. In opposing two amendments, one to provide for the recoupment of food stamp payments to families at twice the poverty level, and the other to place a ceiling on annual food stamp outlays, supporters of this bill have implicitly indicated that they recognize and accept this fact also.

Mr. O'BRIEN. Mr. Chairman, I represent a district in Illinois that extends from densely populated suburbs of Chicago to some of the most fertile farming areas of the world. My constituents, whether they live in crowded urban neighborhoods or on farms in Iroquois, Will, and Kankakee counties, all have an important stake in this legislation. For the productive skills of our farmers not only put food on our tables but also provide the surpluses which, when sold abroad, generate the trade dollars we need to pay for foreign oil and other imports.

While I have reservations about certain features of H.R. 7171 and will vote for some amendments, I believe that on the whole it strikes a reasonable balance between the needs of both consumers and farmers. The 1973 Agricultural and Consumer Protection Act, which expires this year, has worked reasonably well in stimulating farm production to meet increased domestic and foreign demands for the products of American farms. The bill before us extends the present commodity programs for another 4 years with responsible increases in target prices and price supporting loan levels. A new formula for setting target prices will allow for annual adjustments reflecting changes in farmers' production costs.

These increases, in my judgment, are reasonable. They are designed to give farmers sufficient income protection without abandoning the free market concept of the 1973 legislation. Corn and soybeans are the major crops produced in my district. The minimum loan rate for corn under H.R. 7171 is raised from $1.10 a bushel to $1.75 a bushel for the 1977 crop and $2 a bushel for the 1978–81 crops. Target prices for corn are set at $1.85 a bushel for this year's crop, $2.10 for the 1978 crop, with the target prices for the 1979–81 crop to be set at the previous year's level adjusted to reflect increases in average production costs.

The bill requires the Agriculture Department to make loans available to soybean producers at levels corresponding to those set for competing commodities, taking into account the supply and demand. The notion of a $4 loan rate on soybeans, as proposed in one of the amendments to be offered later, does not seem to be popular with soybean growers in our area. They are concerned that an overly high loan rate will attract more marginal producers and build up the kinds of surpluses that have kept down market prices for other commodities. As one of my constituents put it:

> The next thing you know, the government would be in the bean business.

Favorable growing conditions in various parts of the world have resulted in reduced demands for our farm products at a time when our farmers have produced near record crops of wheat and feed grains. As a result, once again we are faced with the prospect of burdensome surpluses depressing market prices. I strongly urge the Department of Agriculture to utilize Public Law 480 and CCC credits to the fullest possible extent to maintain grain levels at maximum levels.

In conclusion, Mr. Chairman, let me say that I am reasonably satisfied with this bill and commend the distinguished chairman of the Committee on Agriculture (Mr. FOLEY), the ranking minority member (Mr. WAMPLER) and, indeed, all members of the committee, for a job well done.

Mr. LEGGETT. Mr. Chairman, I rise in support of the provisions in the agriculture bill for the construction and expansion of veterinary colleges. As part of a coordinated agricultural research effort, title 1320 will do much to advance our livestock medical care.

The bill provides for 50-percent Federal funding of construction and initial establishment and operation of schools of veterinary medicine and expansion of existing veterinary schools. Individual States will provide the remaining 50-percent funding.

The Congress has long recognized the value of the State veterinary colleges, which have been a significant asset to animal care in this century. By instituting the land grant program, Congress helped establish these schools.

In my own district, the University of California's School of Veterinary Medicine at Davis has for years trained a large percentage of the Nation's veterinary teachers and researchers. There are currently 115 graduate students at the school, many of whom will fill teaching and research positions upon graduation.

As we open new veterinary schools across the country, the personnel that Davis produces will become more and more important.

In addition, there are 379 students currently enrolled in the doctor of veterinary medicine program. Davis graduated 95 DVM's from this 4-year program last year. Combining all graduate, specialty, and regular veterinary students, Davis has 585 students matriculating at present.

In this regard, I would like to point out that this legislation applies equally to expansion of existing schools as it does to establishment of new ones. When it is implemented, I would hope that the Secretary will keep this provision in mind.

Preference will be given by the Secretary to States which cooperate with other States in establishing joint veterinary medical training programs. States that make a good-faith effort in this direction, even if they are unsuccessful, will receive equal preference.

In addition, the Secretary will give high priority to schools which emphasize care and preventive medical programs for food-producing animals. This provision will insure positive economic results from the legislation. By improving veterinary care for livestock, we will reduce the unnecessary loss of food-producing animals, thus increasing the productivity of every farmer.

Over the past many years, we have seen time and again the need for quality veterinary care. Epidemics of major proportions have been halted or prevented by efficient and skillful veterinarians.

One of the best known examples of this was the 1971 Venezuela equine encephalitis epidemic in the Southwest.

This disease spread from across the border to strike horses in 26 counties in the southern part of Texas. It also infected human beings in nine counties.

It was only through the hard work of local and Department of Agricultural veterinarians that the disease was detected, surveilled, and, through extensive vaccinations, halted.

Other epidemics faced by this country have included Newcastle disease in chickens and screw worms in livestock. In these and countless other cases, a shortage of veterinary personnel would have meant much more severe losses than actually occurred.

Billions of dollars are lost every year from livestock diseases, despite the progress that has already been made in eradicating them. It is clear that anything we can do to increase the number and quality of veterinarians in this country will prove to be very beneficial.

I urge my colleagues to support this legislation. It will guarantee a very productive expenditure of Federal funds.

Mrs. HOLT. Mr. Chairman, the previous administration pursued a very sane policy of reducing Government intervention in the agricultural economy. It recognized that in the great and expanding world market, it made no sense for the United States to be restricting agricultural production and propping up farms with subsidies.

H.R. 7171 would cancel the market-oriented reform and return us to the old system of production controls and increasing farm subsidies. The Congressional Budget Office studied this legislation very carefully and warned that it could cause U.S. agricultural export prices to be less competitive in world markets, ultimately creating a need for export subsidies.

Mr. Chairman, this appears to be the course of madness. It is also the course of Government control of agriculture. In the long run it will damage both consumers and farmers, and the damage to taxpayers generally will come very swiftly.

During the 5-year life of this legislation, direct payments to farmers would total $5.8 billion more than current policy would allow. The companion bill on the Senate side is even worse, costing $10.8 billion more than current policy over the 5 years.

It is important to understand where this largesse would be flowing. Fifty percent of the money would go to that 4 percent of farms with sales of over $100,000 a year; 25 percent of the payments would go to the 12 percent of farms with sales of $40,000 to $100,000 a year. This legislation is for the biggest and richest farms. The large majority of farms would receive marginal benefits or nothing at all.

The ceiling on total payments to any farmer would be raised from the current $20,000 to $35,000 and thereafter by 10 percent a year. The Senate bill would jump the ceiling up to $50,000 immediately.

Mr. Chairman, the study by the Congressional Budget Office suggests that this legislation provides incentives for the increasing concentration of American agriculture into large commercial farms. The report also warned that it might intensify the inflation of farmland prices. It says:

Increasing land prices mean capital gains for landowners, higher entry costs, and higher production costs for renters. Land price increases that escalate production costs may, over time, contribute to higher food prices and reduce the U.S. comparative advantage in export markets.

This legislation offers harmful potential for consumers and American agriculture. I urge my colleagues to join me in voting to defeat it.

The CHAIRMAN. All time has expired.

The Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1977".

Mr. BURLISON of Missouri. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not expect to use the full 5 minutes, but since we ran out of time on general debate, I did want just a couple of minutes.

A number of allusions were made during the debate to the threats of the President to veto the bill if we increase the funding that is in the House bill. I think there ought to be some base laid in the record, Mr. Chairman, that the President is wrong in making that threat. He should not veto this bill if we merely raise the expenditures by up to as much as the $4 billion that it is estimated the Senate bill will cost.

There are a number of reasons for this, Mr. Chairman. One is that the function of agriculture, one of the 15 functions of Government as carried in the President's budget, is the smallest segment of the Federal budget, the smallest of the 15 functions of Government.

I think it should also be pointed out that in recent years we have seen this function of Government, which is the smallest of the 15, cut a larger percentage than any of the other functions that have been cut. Many of them in fact have been increased. To illustrate that, Mr. Chairman, let me refer to my questioning in the Appropriations Committee of Secretary Shultz, the Secretary of the Treasury at that time, in 1973 on the 1974 budget when I directed his attention to the fact that the agriculture function of the budget had been cut. I said this:

We note that agricultural programs are cut for fiscal year 1974 by $2-plus billion. We look at the Defense programs, which are budgeted manyfold of Agriculture, yet they are cut only $2.7 billion. We look at HEW, which has a budget of approximately eight to nine times the resources of Agriculture, yet their cut is only twice that of Agriculture, $4.8 billion . . .

In that budget, Agriculture was in fact cut 18.3 percent.

The response of Secretary Schultz to that was as follows:

Let me say in general that the bulk of the downward movement in appropriations for agriculture reflect the very success that farmers are having in this country—that is, their incomes are rising because their products are in great demand and we no longer have to pay storage costs because these products are moving into markets.

With the rise in demand around the world for agricultural products, I believe our farmers are now moving to a position where they can have high and rising farm income based on expanded production, as distinct from a philosophy for holding production down and paying large Federal subsidies.

The point is that the situation is totally different now from what it was in 1973. The farmers are not at the apex of prosperity and in effect, as evidenced by the situation with respect to wheat and feed grains and some of the other commodities, quite the reverse is true.

Mr. Chairman, there is similar testimony in my colloquy with Mr. Lynn, at that time Director of the Office of Management and Budget, 2 years later before the Appropriations Committee, which essentially makes the same point. I am not going to take the time of the committee now to read that testimony also. The point is that our agriculture budget has been cut during the recent years of prosperity. Now in our new farm commodity recession, we should be willing to spend more for the program. Let me summarize, Mr. Chairman, by again making the point that in Agriculture we are only spending this year less than $2 billion for an agricultural program which compares to about $110 billion or $115 billion for Defense. It compares, Mr. Chairman, with $6 billion for food stamps alone, one small, minor segment of the welfare program. Yet the President gets emotional and gets excited when we talk about spending as much as $3 or $4 billion on a farm program. We were in fact, spending almost $6 billion on such a program way back in 1969.

I thought, Mr. Chairman, that this base should be laid in the record at this point to show that the President is wrong in his threat to veto a $4 billion farm bill and that he ought to reconsider, if in fact the Congress does enact such a program.

AMENDMENTS OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer certain technical amendments to various titles of the bill and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. FOLEY:

TITLE IV—WHEAT

Page 12, line 1, strike out "by allocating" and insert in lieu thereof "in the manner provided in this paragraph. The Secretary shall allocate".

TITLE V—FEED GRAINS

Page 19, line 1, strike out "by allocating" and insert in lieu thereof "in the manner provided in this paragraph. The Secretary shall allocate".

TITLE VIII—PEANUTS

Page 38, lines 13 and 21, strike out the subsection designations (g) and (h) and re-

number them as (f) and (g), respectively, and

Page 39, lines 8, 16 and 23, strike out the subsection designations (i), (j) and (k) and renumber them as (h), (i), and (j), respectively.

Page 41, line 14, strike out "following" and insert in lieu thereof "1978 through 1981".

Page 43, line 5, strike out the quotation mark at the end of the paragraph.

TITLE IX—MISCELLANEOUS COMMODITY PROVISIONS

Page 50, line 6, strike out "grain" and insert in lieu thereof "the commodity".

TITLE X—RURAL DEVELOPMENT AND CONSERVATION

Page 63, line 5, strike out "These" and insert in lieu thereof "There".

Page 64, line 8, strike out "The" and insert in lieu thereof "Title V of the".

TITLE XI—PUBLIC LAW 480

Page 65, line 9, strike out "fees" and insert in lieu thereof "fee".

Page 65, line 22, insert immediately after "Agriculture" the phrase "and the Committee on International Relations".

TITLE XIII—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

Page 70, line 18, strike out "PURPOSE" and insert in lieu thereof "PURPOSES".

Page 72, line 23, insert a comma at the end of the line.

Page 77, line 23, strike out ", recognized as a need" and insert in lieu thereof "to a recognized need".

Page 78, line 3, insert quotation mark after "State".

Page 80, line 3, strike out "and".

Page 80, lines 15 and 16, strike out "shall relate to the problems of" and insert in lieu thereof "means".

Page 81, line 4, strike out "including".

Page 81, line 6, insert "and" at the end of the line.

Page 81, line 12, insert immediately after the word "research" the following: "(except with respect to the biomedical aspects of nutrition concerned with human health or the prevention, diagnosis, or treatment of disease)".

Page 81, immediately following line 14, insert the following new subsection (a) and redesignate succeeding subsections accordingly:

"(a) establish jointly with the Secretary of Health, Education, and Welfare procedures for coordination with respect to nutrition research in areas of mutual interest;"

Page 83, lines 12 to 14, strike out "to the committees of both Houses of the Congress which have jurisdiction over appropriations and over agriculture" and insert in lieu thereof "to the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations".

Page 87, line 3, strike out "universities participating" and insert in lieu thereof "participating" and insert in lieu thereof "participants".

Page 88, lines 4 through 6, strike out the phrase "without regard to the provision of title 5, United States Code governing appointments in the competitive service,".

Page 88, strike lines 15 through and including line 21, and insert in lieu thereof the following: "a rate not in excess of the rate for GS–18 of the General Schedule of section 5332 of title 5, United States Code.".

Page 90, line 11, insert "(" immediately before "Public Law 89–106)".

Page 93, line 23, strike out everything after "compensation" through and including line 6 on page 94, and insert in lieu thereof the following: "at a rate not in excess of the rate for GS–18 of the General Schedule of section 5332 of title 5, United States Code."

Page 94, lines 9 through 11, strike out the phrase ", without regard to the provisions of title 5, United States Code, governing appointments in the competitive service,".

Page 95, line 23, insert immediately after "Act" the following: ", except that it is not the intent of Congress in enacting this Act to limit the authority of the Secretary of Health, Education, and Welfare under any Act which he administers.".

Page 98, line 10, insert "AND ALCOHOLS" immediately after "HYDROCARBONS".

Page 98, line 16, insert ", producer gas, and other coal derivatives" immediately after "coal tar".

Page 98, line 16, insert ", methanol, methyl fuel" immediately after "agricultural chemicals".

Page 99, line 13, insert "AND ALCOHOLS" immediately after "HYDROCARBONS".

Page 99, line 15, strike out "Consolidated Farm and".

Page 99, line 18, strike out "SEC. 509" and insert in lieu thereof "SEC. 510".

Page 100, line 1, insert "and alcohols" immediately after "hydrocarbons".

Page 101, line 3, insert immediately after "shall" the phrase "supply from Commodity Credit Corporation stocks or, to such extent or in such amounts as are provided in appropriation acts,".

Page 101, line 17, insert "a" immediately before "college".

Page 102, line 6, strike out the comma immediately following the parenthesis and insert in lieu thereof "including".

Page 102, line 20, strike out "hereafter" and insert in lieu thereof "after the date of enactment of this Act".

Page 103, line 13, strike out ", and" and insert in lieu thereof "including".

Page 106, line 22, insert "laboratories," immediately after "farms,".

Page 107, lines 24 and 25, strike out "in accordance with applicable laws." and insert in lieu thereof "in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of Title 5, United States Code.".

Page 108, line 7, strike out "authorized" and insert in lieu thereof "appropriated".

Page 114, lines 9 and 10, strike out "in the agricultural sciences" immediately after "programs" and insert "in the food and agricultural sciences" immediately after "results".

Page 114, lines 22 and 23, strike out "in the food and agricultural sciences" immediately after "programs" and insert such words immediately after "results".

Page 115, insert "and" at the end of line 12.

Page 115, line 17, strike out "; and" and insert a period in lieu thereof.

Page 115, line 18, strike out "(C) that at" and insert in lieu thereof "At".

Page 117, line 10, strike out "AND" and insert in lieu thereof "INCLUDING".

Page 124, line 16, strike out "AND" and insert in lieu thereof "INCLUDING".

Page 124, line 23, strike out ", beginning" and insert in lieu thereof ". Beginning".

Page 125, line 10, strike out "1941" and insert in lieu thereof "1940".

Page 129, strike out lines 9 through 16, inclusive.

Page 132, line 19, strike out "Funds" and insert in lieu thereof "Except as provided elsewhere in this Act or any other Act of Congress, funds".

Page 132, strike out lines 22 through 24, inclusive.

Page 134, line 3, strike out "the receipt" and insert in lieu thereof ", the recipient".

Page 135, lines 4 and 9, strike out "of" immediately after "Department".

Page 138, lines 10 and 24, and page 139, line 10, strike out "thereafter" and insert in lieu thereof "after the date of enactment of this Act".

Page 139, line 4, strike out "section 19" and insert in lieu thereof "section 1321".

Page 140, strike out lines 1 through 19 inclusive, and on line 20 strike out "(d)" and insert in lieu thereof "(c)".

TITLE XIV—AGRICULTURAL SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1977

Page 143, line 6, strike out "shall be used" and insert in lieu thereof "is authorized to be appropriated".

Page 145, line 5, insert "other appropriate United States Government agencies," after "Administration,".

Page 145, line 17; page 146, line 7; page 149, line 11; page 150, lines 11, 14, 21, and 22; page 151, lines 4, 5, 9, 12, 15, and 19; page 152, line 1; page 153, lines 1 and 23; page 156, line 1; and page 157, line 13, strike out "title" and insert in lieu thereof "subtitle".

Page 147, insert at the end of line 22, "the Secretary" and strike out line 23 and the first four words of line 24.

Page 148, line 24, strike out "section 5703 (b)" and insert in lieu thereof "sections 5701 through 5707".

Page 151, strike out the sentence beginning on line 17 up to the comma on line 18, and insert in lieu thereof "After receiving recommendations from the Secretary as to solar energy projects to be carried out in the State with grants made available under this subtitle".

Page 152, line 1, strike out the period at the end of the line and insert a comma in lieu thereof.

Page 157, line 5, strike out "College" and insert in lieu thereof "Colleges".

TITLE XV—WHEAT AND WHEAT FOODS RESEARCH AND NUTRITION ACT

Page 158, line 23, insert a comma immediately after "assessment".

Page 162, line 1, strike out "The" and insert in lieu thereof "the".

Page 162, line 12, immediately after the words "nutrition education," insert the words "both within the United States and in international markets,"; and on lines 13 and 14 strike out the words "both within the United States and in international markets".

Page 172, lines 22 to 24, strike out the words ", or project submitted by the Council hereunder, any proposed plan".

Page 173, lines 7 and 8, strike out the words ", if any, paid prior to the expiration of such period and of the assessments".

Page 173, line 11, strike out "(n)" and insert in lieu thereof "(b)".

Page 173, line 19, immediately after the word "form", insert the words "and within a time period"; and on lines 20 and 21, strike out the words, "and within a time period described in subsection (a) of this section".

Page 176, line 1, strike out the word "ORDER" and insert in lieu thereof, the word "ORDERS".

Page 178, line 9, strike out "4(a)" and insert in lieu thereof, "1504(a)".

Page 178, line 10, strike out "6(b)" and insert in lieu thereof "1506(b)".

Page 181, immediately after line 4, insert the following new title:

"TITLE XVI—EFFECTIVE DATE

"SEC. 1601. The Agricultural Act of 1977 shall become effective October 1, 1977, except for those provisions for which a later date is specified elsewhere in this Act."

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the technical amendments be dispensed with and that they be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. FOLEY. Mr. Chairman, these are technical amendments to title IV, title V, title VIII, title IX, miscellaneous commodity provisions; title X, rural development and conservation; title XI, Public Law 480; title XIII, title XIV, title XV, and also title XVI of the act dealing with the effective date.

The purpose of the various technical amendments is:

First. To correct typographical errors in the printing of the bill.

Second. To correct other technical errors.

Third. To bring certain sections into conformity with the Congressional Budget Act in accordance with an agreement reached with the Budget Committee.

Fourth. To amend provisions of the research section to take into account nutrition and other activities carried out by the Department of Health, Education, and Welfare. This reflects concerns expressed by the Subcommittee on Health of the House Commerce Committee.

Fifth. To take account of concerns expressed by the Committee on Post Office and Civil Service on certain provisions relating to supergrades and civil service benefits.

Mr. Chairman, copies of these amendments have been provided at the minority desk.

Mr. Chairman, I yield to the distinguished ranking member of the committee, the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I have examined the amendments. I think they do comply with what the gentleman has said. I think the gentleman's explanation is adequate and sufficient and certainly we have no objection.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Washington (Mr. FOLEY).

The amendments were agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. TABLE OF CONTENTS.

Title

I. Payment Limitation for Wheat, Feed Grains, and Upland Cotton.
II. Dairy and Beekeeper Programs.
III. Wool and Mohair.
IV. Wheat.
V. Feed Grains.
VI. Cotton.
VII. Rice.
VIII. Peanuts.
IX. Miscellaneous Commodity Provisions.
X. Rural Development and Conservation.
XI. Public Law 480.
XII. Food Stamps.
XIII. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
XIV. Agricultural Solar Energy Research, Development, and Demonstration Act of 1977.
XV. Wheat and Wheat Foods Research and Nutrition Education Act.

TITLE I—PAYMENT LIMITATION FOR WHEAT, FEED GRAINS, AND UPLAND COTTON

SEC. 101. Section 101(1) of the Agricultural Act of 1970, as amended, is amended to read as follows:

"(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949, as amended, for wheat, feed grains, and upland cotton shall not exceed $20,000 for the 1974 through 1977 crops, $35,000 for the 1978 crop, $38,500 for the 1979 crop, $42,350 for the 1980 crop, and $46,585 for the 1981 crop of such commodities.".

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read. printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 2, strike lines 2 through 13 inclusive and insert in lieu thereof the following:

"TITLE I—PAYMENT LIMITATION FOR WHEAT, FEED GRAINS, RICE, AND UPLAND COTTON

"SEC. 101. Section 101(1) of the Agricultural Act of 1970, as amended, is amended to read as follows:

"'(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949, as amended, for wheat, feed grains, rice, and upland cotton shall not exceed $20,000 for the 1974 through 1981 crops of such commodities.'

"SEC. 102. Section 101(g)(13)(A) of the Agricultural Act of 1949, as amended, is hereby repealed."

Mr. FINDLEY. Mr. Chairman, this amendment keeps the provision which has been the law since 1973. It keeps the provision in the law under which no person can receive more than $20,000 annually under the feed grains, wheat, and cotton target price and disaster programs. In respect to these commodities, this amendment represents no change whatever in the existing law.

The only change made is the addition of rice payments and, of course, rice is now under the same loan and target price arrangement that has applied for a number of years to feed grains and wheat.

Payment limitation is a concept that is already widely accepted. The concept itself should not be an issue here today, although I suspect that echoes of arguments from years ago will be heard.

Before the limitation was established, Government target payment price programs resulted in some enormous payments to farmers.

One in California, for example, got more than $4 million a year. The bill as reported by the committee provides a payment limit for all of the commodities set forth in my amendment, but at higher levels. But, it does accept the concept of payment limitation. The limit recommended would start next year at $35,000 and increase each year to $46,600 for feed grains, wheat, and cotton. For rice, curiously, payments would start at $55,000 and drop gradually each year to $46,600.

The only real question before the committee at this point is where the limitation should be placed—just how high should it be? The argument, perhaps, will be made that the target price is tied somehow to the cost of production, and the higher limit as recommended by the Committee on Agriculture is needed to approximate more closely reimbursement for cost of production in times of low prices, such as this year.

In my view, this is wrong-headed reasoning. I will cite a couple of reasons why. Cost of production is a will-o-the-wisp. It is as elusive as a drop of mercury. Cost of production for one farmer is a high-profit bonanza for another. The U.S. Department of Agriculture and Senate studies of recent date, after hundreds of pages of testimony, finally gave up trying to fix the cost of production. It simply cannot be done.

Taking the average farmer's cost of production is equally hazardous. An income guarantee at that level would guarantee very high profit to all the highly efficient commercial farmers of the Nation. But, even if cost of production could be precisely fixed, I submit that it would be very poor policy for the Government to guarantee farmers cost of production return.

That would be a sure way to disaster for the farmer and all other U.S. citizens. It would wipe out the supply-demand disciplines in the marketplace, and put Government fully in the business of running the U.S. farm plant. With costs guaranteed, farmers would turn on production without regard to consumer needs and consumer preferences.

Let us be honest. The payments under these farm programs have social policy purpose. That is their main function. They are income support for farm families when commodity prices are down. They are not support for bushels nor for bales; they are support for people. I contend that family farm income support at $20,000 is high enough. These payments are intended to help farm families over the rough spots in the road. They are intended to strengthen the family structure of American agriculture. They are not intended to cater to large corporation-type farms.

These payments are a subsidy to people operating family-owned farms, whose role in rural agriculture and rural America we all cherish and wish to protect.

Without a prudent limit, most of the payment money will go to big farms, the immense operations with several thousand acres—hardly the family farm type the programs are intended to support.

The Congressional Budget Office studies indicate that without a payment limit, most of the payment money would go to just a tiny percentage of farms. Somewhere between 4 and 10 percent of the farms would get over half the payment money. This fact of life makes it absolutely essential that the payment limit be held at $20,000 in the aggregate. The higher the limit, the bigger the grab by big farms.

Most farmers are in favor of the $20,000 payment limitation. I urge support of the amendment.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, for a number of years now we have had the amendment to farm bills that limit payment to $20,000. The Committee on Agriculture, when it considered this bill, took into account the fact that we have had these provisions in the bill for the last 4 years.

Since the first quarter of 1972, when the 1973 Farm Act was first being developed, there has been an increase in the price index paid by farmers of 64 percent, which approximates the change that the committee has brought into this bill in increasing the $20,000 payment limitation.

We have had, I do not need to tell every Member here, a variety of changes in the law which reflected the cost of inflation, in terms of living costs, in terms of production costs. Although it is not an easy task to determine how exactly the individual farmers are affected by production costs, the fact that they are grossly affected is clear. They have been affected most strongly since the 1973 bill came into effect. In the years 1974, 1975, and 1976, the increase in every single aspect of the production inputs that farmers used to raise the food and fiber of this Nation have increased dramatically.

The second problem raised by this amendment is that it tends to discourage not only the huge producers, but even the moderately large producers from cooperating in the program, and that in itself tends to hurt the smaller farmers. In my judgment, we are going to have to face the fact this fall we will be going into some production restraint on wheat and perhaps on corn and other feed grains. The ability of those set-aside programs to work and to moderate excessive stock developments depends upon wide compliance with the set-aside, which is voluntary under this act, as a condition of loans or payments. If those loans are not restricted but the payments are restricted, then certain larger producers will have an incentive to stay out of the compliance with the production restrictions. It only makes the problem of the small farmer more serious and requires a deeper cutback on his production and creates a further problem with the continuing softening of prices due to oversupply. So, in my judgment, increasing these price support levels to the $35,000 which the committee did, is modest and prudent, is something which helps food farmers. It is the large farmer who can well stand outside of these programs often, but whose compliance is often necessary to make the program work.

I hope the amendment of the gentleman will be rejected, and I urge the committee to reject it.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. I thank the gentleman for yielding.

In regard to a large farmer and a small farmer, is it the gentleman's argument that above $35,000 in the present bill, then it would be applicable, therefore you would not come under the program, and above $20,000 under the amendment, then you would not come under the program? So are we talking about the farmers that would fall in between the $20,000 and the $35,000?

Mr. FOLEY. The large farmer, who normally, without a payment limitation might receive a $75,000 payment, can receive up to a $35,000 payment.

Mr. BEDELL. It would still apply equally to him whether it is $20,000 or $35,000?

Mr. FOLEY. Not equally. Under the $35,000 limitation, the producer would be eligible for larger payments. If the cutoff were lower it would tend to discourage participation.

The Department and the administration state that they are opposed to the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

We believe that it is necessary to have larger producers encouraged to stay in the program, and we oppose bringing the payment limitation down to $20,000. Particularly, we discourage that in wheat.

Mr. FITHIAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Findley amendment.

Mr. Chairman, I would suggest that we give very serious consideration to the amendment offered by my friend, the gentleman from Illinois (Mr. FINDLEY), not perhaps because we are going to end up with $20,000, I would say to my colleagues, but because in the other body they are working on a $50,000 limitation now.

What we will probably end up in the final conference report is something reasonably close to a limitation of $30,000 or $35,000. It is in the $30,000 to $35,000 range that we will in fact have accounted for all of the items our distinguished committee chairman has mentioned in terms of inflation and still maintain the fundamental concept that we are in the farm program and the price support program not to guarantee profit but to set some kind of income limit and some kind of support for the small farmer.

I am not interested really in seeing this House once again chastised for a $1 million payment to a farmer. It jeopardizes the entire public image of agriculture in this country when we lay out payments like that.

In a short time I am going to offer an amendment calling for a payment limitation on sugar, because if we go through with what the administration is now proposing to effectuate, we would be paying to a single company over $14 million. Just imagine what Jack Anderson is going to do with something like that.

We in agriculture represent a diminishing number. We are fewer than 5 percent in the House; we are fewer than 5 percent in this country. If we are going to defend a bona fide agricultural program—and I am a very strong supporter of that program—then we are going to have to say that we are not going to lay out payments of very large amounts and not expect the concurrent criticism of the consumer sector of our society.

Therefore, Mr. Chairman, I rise in support of the amendment offered by my friend, the gentleman from Illinois (Mr. FINDLEY), to limit the payment to $20,000. That has been the expression of the House in the past, and I would like to see the House bill go forward with that limit in it, in the hope that the committee chairman and our distinguished conferees would be able to hold the limit down so that we end up with a figure somewhere in the vicinity of $30,000.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I support the statement made by the gentleman from Indiana (Mr. FITHIAN). It seems to me that if we are really going to be concerned about what type of society we are building here in America, we had better look to the small farmers and we had better start to move away from this "more and more" business, the idea that the figures constantly have to be more and more and more.

Mr. Chairman, I think this amendment addresses that idea, and I certainly support the amendment.

Mr. FITHIAN. Mr. Chairman, my friend, the gentleman from Iowa (Mr. BEDELL), is absolutely correct. We do much in this country to support the large corporate farmer, and we should encourage small farmers.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I oppose the amendment. It seems to me that the gentleman is setting up a tortured argument when he says that we have to be wary of what some newspaper columnist will say or of what the Senate has done.

It seems to me that what the gentleman is saying is that he agrees with a $30,000 or $35,000 figure, but that we ought to take $20,000 so that we can compromise in the conference. That, I believe, is a weak way to legislate. If we think that $35,000 is the correct figure, let us accept $35,000 and then have the conferees stand for $35,000.

Mr. FITHIAN. Mr. Chairman, I would point out to my friend that I would just call this the pragmatic legislative process.

Mr. MOORE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am opposed to the Findley amendment.

The committee has gone a long way in this first title toward drawing language that brings about a reasonable increase based simply on inflation and today's needs recognizing the high cost of farming today.

If we accept the $20,000 figure, it sounds as though we are supporting small family farmers, but that is not what we are doing. As the chairman of the full committee said, we are considering the average farmer today, the farmer who is neither a corporate farmer nor a big farmer. But he is operating under the disadvantage of the high cost of farming today.

Let us take rice, for instance, which is covered by this limitation. Rice farming today is the most expensive type of farming in the Nation.

It costs many times more per acre to farm rice than it does corn or wheat or feed grains, the other commodities being sought to be limited under the gentleman's amendment. It costs $387 per acre to produce rice compared to $139 for wheat and $221 for corn.

Therefore, Mr. Chairman, we would be hitting the small rice farmer. We would be hitting him to the point that if he must have a support payment made, as was done during this current year, we will be seeing to it that the $20,000 figure means nothing. We would be simply telling him, "We are going to give you a little bit of help, but because you are not so small that you cannot make money, we are going to write you out altogether." A payment of $20,000 against a production-expense possible loan of $325,000 for a 1,000-acre rice farm—not at all uncommon—means nothing.

Mr. Chairman, the bill is realistic. The committee worked hard on it. It is a realistic effort to help farmers today with meaningful aid; and the amendment offered by the gentleman from Illinois (Mr. FINDLEY) will simply make it totally unrealistic at today's high cost of farming.

Therefore, Mr. Chairman, I urge that the amendment be defeated. We would not be hurting the big farmers. We would be hurting the small and middle-size farmers who are trying to operate today faced, as they are, with the high cost of production.

Mr. HAGEDORN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. FINDLEY). H.R. 7171 increases aggregate target price payments for feed grains, wheat, and cotton from $20,000 to $35,000 in 1978 with a 10-percent annual upward adjustment for the remaining 3 years of the bill. The limitation would thus be increased to $38,500 in 1979, $42,350 in 1980, and $46,585 in 1981.

The original purpose of the target price program was to provide support for family farm incomes during periods of low commodity prices. With the increased limitation levels, however, a farmer would have to produce approximately 5,000 acres of corn or 2,400 acres of wheat by 1981 before his eligibility for benefits would be cut off.

While I am not one of those who view large farm operations with unmitigated disdain, I do not believe that it is incumbent upon the Federal Government to promote such holdings through target price payments or commodity loan programs which reimburse farmers without reasonable limits. Not only is the effect of the new payment limitations to promote and encourage concentrated holdings, but it is also a new, unjustified burden upon the taxpayer. A $20,000 cap would result in a savings of nearly $37 million for the Government, while the caps proposed in this bill would reduce this figure by more than $26 million. With less than 1 percent of wheat and feed grain producers benefiting from the new caps, it is difficult for me to justify this additional cost.

At a time when we are threatened by total deficiency payments of more than $2 billion, we should be cautious about extending levels of eligibility among those farmers least in need of such extended coverage.

Mr. CONTE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. FINDLEY). The amendment, of which I am honored to cosponsor, would limit the payments made by the Federal Government to $20,000 per producer annually for upland cotton, rice, wheat, and feed grains. Mr. Chairman, I believe that $35,000, and $55,000 in the case of rice, is too much for any individual farmer to receive as a Federal payment. If any farmer whose operation is large enough to entitle him to receive such an extravagant payment also possesses the financial resources to absorb the price and income fluctuations that plague farmers everywhere. This is an old issue, on which the Congress has been wrestling with for years. I submit that this amendment is a rational approach to the issue, not by establishing the precedent of providing large farm subsidies, but rather providing assistance for small farming operations that are facing increased challenges to its survival. Additionally, this rational approach will not be of significant benefit to the growing corporate farming sector, but rather it is designed to be of maximum assistance to the small farmer throughout the country.

Due to the time restrictions, I would like to focus my remarks on the rice supports. The basic problem with this commodity is that the loan rate, the target price, and the limitation on deficiency payments to individual producers are set so high that they seriously interfere with the proper functioning of the marketplace. The maximum deficiency payment an individual rice producer can receive is a shocking $55,000, or nearly three times the $20,000 aggregate payment limitation for wheat, feed grains, and cotton in 1973. I firmly believe that a $20,000 limitation is ample for these producers, as well as the producers of wheat, feed grains, and cotton. This limitation compares to the average income for a family in the United States of $14,000, and the fact that only a fourth of the families have an annual income of over $20,000.

Mr. Chairman, recently the Department of Agriculture released a list of recipients of these payments. This list revealed that over a hundred instances of two or more individuals claiming rice payments in excess of $20,000 each living in the same county, and each having the same last name. It appears that we have not fully severed our regrettable habits of the past. In addition, the list shows that nearly 1,000 rice producers have received payments in excess of $20,000. What this all means is that we are going to be paying large payments to these producers for some time to come, but I believe that the Congress must adopt the responsible approach and place limitations of $20,000. I also believe that this crop should be extended the same treatment as we do for wheat, feed grains, and cotton. The increased popularity of this product should be more than enough to insure the survival of the producers in the foreseeable future.

Mr. Chairman, I urge the adoption of this responsible amendment in the interest of both the consumers and the taxpayers.

Thank you, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FINDLEY. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-seven Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 443]

Addabbo	Edwards, Ala.	McKay
Andrews, N.C.	Fary	McKinney
Annunzio	Fish	Murphy, N.Y.
Archer	Flippo	Murtha
Armstrong	Flowers	Quie
Aspin	Flynt	Rosenthal
Beard, Tenn.	Ford, Mich.	Runnels
Bonker	Frey	Russo
Brademas	Gibbons	Santini
Burke, Calif.	Hammer-schmidt	Scheuer
Burke, Mass.		Smith, Iowa
Burton, Phillip	Hansen	St Germain
Byron	Harsha	Stanton
Caputo	Heckler	Steed
Cederberg	Holland	Teague
Clawson, Del	Howard	Thompson
Clay	Hyde	Udall
Collins, Ill.	Koch	Van Deerlin
Conte	LaFalce	Waxman
Conyers	Luken	Whalen
Davis	Lundine	White
Dent	McClory	Wilson, C. H.
Dickinson	McCloskey	Wright
Diggs	McDade	Young, Alaska
Drinan	McDonald	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOLLING) having assumed the chair, Mr. EVANS of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 7171, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 360 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Illinois (Mr. FINDLEY) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 230, answered "present" 1, not voting 19, as follows:

[Roll No. 444]

AYES—183

Addabbo	Giaimo	Neal
Ambro	Gibbons	Nedzi
Ammerman	Gilman	Nolan
Anderson, Calif.	Goldwater	Nowak
	Goodling	Oberstar
Anderson, Ill.	Gradison	Ottinger
Armstrong	Grassley	Pattison
Ashbrook	Hagedorn	Pepper
Badillo	Hamilton	Pike
Bauman	Hanley	Quayle
Bedell	Hannaford	Quie
Benjamin	Harkin	Railsback
Bennett	Harrington	Rangel
Bingham	Harris	Regula
Blanchard	Heckler	Reuss
Blouin	Hollenbeck	Richmond
Boland	Holt	Rinaldo
Bonior	Holtzman	Rodino
Broomfield	Hughes	Roe
Brown, Ohio	Ichord	Rogers
Broyhill	Jacobs	Rosenthal
Buchanan	Jones, Okla.	Rousselot
Burke, Calif.	Kastenmeier	Runnels
Burke, Fla.	Kemp	Ruppe
Burton, John	Kildee	Russo
Byron	Kindness	Sarasin
Caputo	Kostmayer	Scheuer
Carney	LaFalce	Schroeder
Cederberg	Lagomarsino	Schulze
Chisholm	Le Fante	Sharp
Clawson, Del	Leach	Shipley
Cleveland	Lehman	Shuster
Cohen	Lent	Simon
Collins, Tex.	Levitas	Snyder
Conable	Long, Md.	Solarz
Conte	Lujan	Spellman
Corcoran	Lundine	St Germain
Cornell	McDade	Staggers
Cornwell	McDonald	Stanton
Cotter	McHugh	Steiger
Coughlin	Madigan	Stockman
Crane	Maguire	Studds
D'Amours	Markey	Taylor
Derwinski	Marks	Tsongas
Downey	Mattox	Van Deerlin
Drinan	Mazzoli	Vander Jagt
Early	Meyner	Vanik
Edgar	Michel	Vento
Edwards, Okla.	Mikva	Walgren
Emery	Milford	Walker
Erlenborn	Miller, Calif.	Walsh
Ertel	Miller, Ohio	Wiggins
Evans, Ind.	Minish	Wilson, Bob
Fascell	Mitchell, Md.	Wirth
Fenwick	Moakley	Wolff
Findley	Moffett	Wydler
Fisher	Mollohan	Wylie
Fithian	Moorhead, Calif.	Yates
Forsythe		Yatron
Fraser	Mottl	Young, Fla.
Frey	Murphy, Ill.	Zeferetti
Fuqua	Myers, Gary	

NOES—230

Abdnor	Bonker	Conyers
Akaka	Bowen	Corman
Alexander	Breaux	Cunningham
Allen	Breckinridge	Daniel, Dan
Andrews, N.C.	Brinkley	Danielson
Andrews, N. Dak.	Brodhead	Davis
	Brooks	de la Garza
Annunzio	Brown, Calif.	Delaney
Applegate	Brown, Mich.	Dellums
Ashley	Burgener	Derrick
Aspin	Burleson, Tex.	Devine
AuCoin	Burlison, Mo.	Dicks
Badham	Burton, Phillip	Diggs
Bafalis	Butler	Dingell
Baldus	Carr	Dodd
Barnard	Carter	Dornan
Baucus	Cavanaugh	Duncan, Oreg.
Beard, R.I.	Chappell	Duncan, Tenn.
Beard, Tenn.	Clausen, Don H.	Eckhardt
Bellenson		Edwards, Ala.
Bevill	Clay	Edwards, Calif.
Biaggi	Cochran	Eilberg
Boggs	Coleman	English
Boiling	Collins, Ill.	Evans, Colo.
Evans, Del.	Lloyd, Tenn.	Rose
Evans, Ga.	Long, La.	Rostenkowski
Fary	Lott	Roybal
Flood	McCloskey	Rudd
Florio	McCormack	Ryan
Flowers	McEwen	Santini
Flynt	McFall	Satterfield
Foley	McKay	Sawyer
Ford, Tenn.	Mahon	Sebelius
Fountain	Mann	Seiberling
Fowler	Marlenee	Sikes
Frenzel	Marriott	Sisk
Gammage	Martin	Skelton
Gaydos	Mathis	Skubitz
Gephardt	Meeds	Slack
Ginn	Metcalfe	Smith, Iowa
Glickman	Mikulski	Smith, Nebr.
Gonzalez	Mineta	Spence
Gore	Mitchell, N.Y.	Stangeland
Gudger	Montgomery	Stark
Guyer	Moore	Steed
Hall	Moorhead, Pa.	Steers
Hammer-schmidt	Moss	Stokes
	Murphy, N.Y.	Stratton
Hansen	Murphy, Pa.	Stump
Harsha	Myers, John	Symms
Hawkins	Myers, Michael	Thompson
Hefner	Natcher	Thone
Heftel	Nichols	Thornton
Hightower	Nix	Traxler
Hillis	O'Brien	Treen
Horton	Oakar	Trible
Hubbard	Obey	Tucker
Huckaby	Panetta	Udall
Ireland	Patten	Volkmer
Jeffords	Patterson	Waggonner
Jenkins	Pease	Wampler
Jenrette	Perkins	Watkins
Johnson, Calif.	Pettis	Waxman
Johnson, Colo.	Pickle	Weaver
Jones, N.C.	Poage	Weiss
Jones, Tenn.	Pressler	Whalen
Jordan	Preyer	White
Kasten	Price	Whitehurst
Kazen	Pritchard	Whitley
Kelly	Pursell	Whitten
Ketchum	Quillen	Wilson, Tex.
Keys	Rahall	Winn
Krebs	Rhodes	Wright
Krueger	Risenhoover	Young, Alaska
Latta	Roberts	Young, Mo.
Lederer	Robinson	Young, Tex.
Leggett	Roncalio	Zablocki
Lloyd, Calif.	Rooney	

ANSWERED "PRESENT"—1

Daniel, R. W.

NOT VOTING—19

Archer	Ford, Mich.	McKinney
Brademas	Holland	Murtha
Burke, Mass.	Howard	Teague
Dent	Hyde	Ullman
Dickinson	Koch	Wilson, C. H.
Fish	Luken	
Flippo	McClory	

The Clerk announced the following pairs:

On this vote:

Mr. Ford of Michigan for, with Mr. Teague against.

Mr. Burke of Massachusetts for, with Mr. Brademas against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. NOLAN

Mr. NOLAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NOLAN:

TITLE I—PAYMENT LIMITATIONS

Page 2, insert the following immediately after line 13:

"SEC. 102. Section 101(4) of the Agricultural Act of 1970, as amended, is renumbered as section 101(5) and the new section 101 (4) is added as follows:

"(4) No payments shall be made under the annual programs established under the Agricultural Act of 1949, as amended, for the 1978 through 1981 crops of wheat, feed grains, upland cotton, and rice to;

"(a) a corporation, partnership, or other legal entity comprised of more than one person if a majority interest in such legal entity is held by stockholders, partners, or persons who themselves are not engaged in farming operations as a sole proprietorship;

"(b) a trust or similar arrangement established by a person who would not have been eligible for payment under this subsection;

"(c) The provisions of this subsection shall not prohibit program participation by:

"(i) Any farmer-owned and controlled cooperative, corporation, or association which meets the requirements of the Act entitled "An Act to authorize association of producers of agricultural products", approved February 18, 1922 (42 Stat. 388, 7 USC 291–292, the Capper-Volstead Act) or as defined in section 15(a) of the Agricultural Marketing Act of 1929 (49 Stat. 317: 12 USC 1141).

"(ii) Any family farm corporation, partnership or other legal entity founded primarily for the purpose of earning income from agricultural production. A majority of the shares must be held by, and a majority of the shareholders must be, close relatives. To qualify, a farm must be lived on or actively operated by one of the related family member stockholders.

"(iii) An organization described in section 501(c)(3) of the Internal Revenue Code of 1954 and exempt from tax under 501(a) of such Code."

Mr. NOLAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota

There was no objection.

Mr. NOLAN. Mr. Chairman, this amendment is very simple in substance, but it is important and far-reaching in effect.

What it does essentially is to prohibit farm subsidy payments to corporate enterprises that are not owned or controlled by farmers. Specifically exempted, of course, under that definition are family farm corporations or family farm organizations.

Mr. Chairman, this amendment has the potential of saving vast sums of money for the Treasury and seeing to it that the farm supports intended in this program to be of assistance to small farmers and family operators will, in fact, go to them, as opposed to going to such firms as Merrill Lynch or Exxon or any other large nonfarm corporation.

That, in short, Mr. Chairman, is the purpose of my amendemnt.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I congratulate the gentleman from Minnesota (Mr. NOLAN) for offering this amendment.

I would like to say that in all the hearings that we have had and also based on the experience that some of us in the Midwestern area have had with proposed operations of farms by large corporations, if we were not able to curtail what they proposed to do, in the future, if the people of this Nation think that the price is high, I assure the gentlemen who are here today that it will rise considerably if the large corporations are able to invest in farming and take over most of the farm operations.

Mr. Chairman, I would further like to point out to the Members that just recently there was a report that the Merrill

Lynch-Hubbard firm which, we thought, had agreed not to go forward with their proposal, is now going full steam ahead, and they propose to purchase massive amounts of farmland throughout the Midwest in order to take over the operations of the farms.

Mr. Chairman, that will be the end. Once this occurs, it will be the end of the family farm operation, and the competition that presently exists in the agricultural industry will fully demise, and we will have only a few firms which will ultimately own most of the farmland throughout the Midwest.

Once they get control of the production of our grain and necessarily of our livestock, they can then control the flow of those supplies, as has been seen in many other instances in this Nation.

In that event, Mr. Chairman, I am afraid that the price of food necessarily, I would say within a limit of the next 4 or 5 years, would more than double.

Again, Mr. Chairman, I commend the gentleman for offering the amendment.

Mr. NOLAN. Mr. Chairman, I thank the gentleman for his support, and I agree with everything that he said.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. FLYNT and by unanimous consent, Mr. NOLAN was allowed to proceed for 5 additional minutes.)

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Georgia.

(By unanimous consent, Mr. FLYNT was allowed to speak out of regular order.)

AGREEMENT BY LEON JAWORSKI TO SERVE AS SPECIAL COUNSEL TO HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. FLYNT. Mr. Chairman, I am pleased to announce that Mr. Leon Jaworski of Houston, Tex., a former president of the American Bar Association, and presently a member of the firm of Fulbright and Jaworski, has agreed to serve as Special Counsel to the House Committee on Standards of Official Conduct. This agreement is contingent on only two factors. One, that the Committee on Standards of Official Conduct accept my recommendation that Mr. Jaworski be employed and retained as Special Counsel by a vote of seven affirmative votes at a meeting which I have called for 10 o'clock tomorrow morning. Let me add, parenthetically, that I already have pledges of more than seven votes. The second contingency is that also at the earliest possible time Mr. Jaworski and the committee will agree on a written memorandum of understanding concerning his role as Special Counsel, which memorandum of understanding will define total independence in his role as Special Counsel to this committee.

To further clear up any possible misunderstanding, Mr. Jaworski was offered this position by me, in my capacity as chairman of the House Committee on Standards of Official Conduct. I spoke to him yesterday and I spoke to him again at 4:25 p.m. this afternoon. I believe that we have a complete meeting of the minds. I believe that the interruption of the committee's work was only of a temporary nature and that we can and will proceed to conclude this investigation in the very near future.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, can the gentleman from Georgia (Mr. FLYNT) describe what he believes will be the difference between Mr. Lacovara's role and Mr. Jaworski's role?

Mr. FLYNT. Only that this time it is going to be in writing instead of orally as it was before. The substance and contents of that agreement will be identical with the one which was entered into with the former Special Counsel who resigned.

Mr. MOFFETT. I thank the gentleman.

Mr. Chairman, will the gentleman yield still further?

Mr. NOLAN. I yield further to the gentleman from Connecticut.

Mr. MOFFETT. How could Mr. Jaworski be discharged, by the chairman, or by the full House, or how?

Mr. FLYNT. Mr. Jaworski will not be discharged by the chairman or the committee.

Mr. MOFFETT. But how could he?

Mr. FLYNT. He will not be.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Chairman, I would like to congratulate my good friend the gentleman from Georgia (Mr. FLYNT) on the selection he has made. Mr. Jaworski has a reputation that could not be enhanced by my description, but if I had the time I would be glad to try. I think he is one of the more distinguished members of the American Bar Association. I personally am pleased that he has accepted this position.

Mr. FLYNT. I thank the minority leader.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Tennessee, a member of the committee.

Mr. QUILLEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to congratulate the gentleman from Georgia (Mr. FLYNT) upon his devoted and concerted efforts to bring this investigation to a conclusion.

I am happy to report to the Members of the House that this morning I offered a motion, which was adopted unanimously by 12 votes to 0, that the committee proceed and continue full speed ahead with the investigation within the framework of the committee's special staff and counsel, and to hire a new special counsel. I feel that the committee now, without any division, is going full speed ahead, and with the eminent gentleman who is going to assume the position of special counsel in charge, I agree with the chairman, the gentleman from Georgia (Mr. FLYNT), that the investigation will go full speed ahead and come to a conclusion without delay.

Again I thank the gentleman for yielding.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

I think the chairman, the gentleman from Georgia (Mr. FLYNT), said a little earlier that Mr. Jaworski could not be dismissed under any circumstances. Did I understand him correctly?

Mr. FLYNT. If the gentleman from Minnesota will yield further, I said that he would not be dismissed.

Mr. WYLIE. The gentleman said he would not be dismissed. Does that mean even if he does not do the job?

Mr. FLYNT. I do not anticipate that anything will arise that would involve a desire on the part of the committee to terminate his services.

Mr. WYLIE. I think there ought to be some condition subsequent to employment. If Mr. Jaworski does not follow through with the job and does not do the job which this House thinks he should do, there ought to be an opportunity for someone to dismiss him.

Mr. FLYNT. If the gentleman from Minnesota would yield further, I will reply that there are times when one has to trust people. This is one of those times, and I trust Leon Jaworski.

I thank the gentleman from Minnesota for yielding.

AGRICULTURAL ACT OF 1977

Mr. HIGHTOWER. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Texas.

Mr. HIGHTOWER. I thank the gentleman for yielding.

Do I understand the gentleman's amendment to apply to any kind of corporation?

Mr. NOLAN. Any kind of corporation where it is not controlled by farmers.

Mr. HIGHTOWER. How does the gentleman define that in his amendment?

Mr. NOLAN. The majority of the controlling interest has to be held by bona fide farmers who are living on, farming the land, or sole proprietors.

Mr. HIGHTOWER. We might have situations where we would have what would be called a family corporation, but the people owning it are landlords and living in another place, perhaps, and farming out or renting out the land, but it is a family corporation. This happens often where you have an estate or trust where they see there would be a tax advantage to incorporate.

Mr. NOLAN. Yes.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. HIGHTOWER, and by unanimous consent, Mr. NOLAN was allowed to proceed for 2 additional minutes.)

Mr. NOLAN. In that instance as long as it is a family farm corporation, they would be entitled to payments. If the membership were made up of nonfamily, nonfarmer members, such as the Continental Illinois Bank & Trust Co., that type of trust would not be eligible.

Mr. HIGHTOWER. I think I understand what the gentleman is doing, but

how does he actually define it, or does he define in his amendment what a family farm corporation is?

Mr. NOLAN. Yes. It is a corporation where the controlling stockholders are members of the family farm.

Mr. HIGHTOWER. That is it?

Mr. NOLAN. If a family wants to incorporate and operate a farm, they are entitled to payments and they are enentitled to benefits.

Mr. HIGHTOWER. Even though they may not be actually out there farming it themselves?

Mr. NOLAN. The corporation may be acting as a landlord and renting out the farm, but they would still be entitled to the payments.

Mr. HIGHTOWER. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

I am concerned about the gentleman's amendment and would like to ask him a question. He suggested a corporation, partnership, or other legal entity comprised of more than one person is excluded if the majority interest in such legal entity is held by stockholders, partners, or persons who themselves are not engaged in farming operations as a sole proprietorship. Suppose we have farm A that is operated by the brothers Brown in a partnership, and farm B operated by the brothers Green in a partnership, and farm C operated by one farmer Brown and one farmer Green. Is it not true that farm C would not be eligible for payments because the majority of the stockholders do not farm any single farming operation as a sole proprietorship?

Mr. NOLAN. No; that is not correct because they are all sole proprietors.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(On request of Mr. FOLEY, and by unanimous consent, Mr. NOLAN was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, if the gentleman will yield, I would point out the amendment reads:

"(4) No payments shall be made under the annual programs established under the Agricultural Act of 1949, as amended, for the 1978 through 1981 crops of wheat, feed grains, upland cotton, and rice to:

"(a) a corporation, partnership, or other legal entity comprised of more than one person if a majority interest in such legal entity is held by stockholders, partners, or persons who themselves are not engaged in farming operations as a sole proprietorship;

Mr. NOLAN. That is correct.

Mr. FOLEY. That means they cannot receive payments unless they are engaged in farming operations as a sole proprietorship.

Mr. NOLAN. Yes; it does. They can join in other cooperatives.

Mr. FOLEY. I understand. But, going back to my example, Brown and Green, who own farm C, each have a farm—farm A and farm B in my example—in partnership with a brother. Neither is engaged in farming operations as a sole proprietorship as required by the amendment. They are engaged in farming operations as partners in a partnership. They would be denied payments under this amendment. Is that not correct?

Mr. NOLAN. If they were engaged in a number of farm corporations and they themselves were not the sole proprietor of any one farming operation, then that person would clearly be defined as an investor in the operation and would not be entitled to payment. He is not actively engaged.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Committee on Agriculture had extensive discussions surrounding proposals to eliminate certain types of organizations and entities from the farm payments. One of them was an earlier different amendment suggested by the gentleman from Minnesota.

The problems that are created by amendments of this kind are so complex that it is not easy to know who might be affected. One of our members of the committee offers an amendment that specified that no alien could receive a payment and no organization which included an alien could receive a payment. It sounded good on the face of it, but we have family trusts around this country of various kinds involving a brother or sister who may be a citizen of another country, Sweden or Germany for example. The injustice would be the application of such an amendment to the whole trust. In the case of this amendment, for example, brothers in a family farm could not form a partnership with a brother and a sister who farmed together in a separate farm. One partner from each group could not join in a new partnership and receive farm payments because not one of those individuals, even though they number only five, farms as a sole proprietor. Thus, the majority of partnership interest in the final or third farm are not in fact sole proprietors.

That is just one of the examples of complication we invite if we adopt this amendment.

It is an effort to get at a problem which in my judgment is not a severe problem at this time and I do not believe it is going to be a severe problem in terms of what the gentleman from Missouri talked about for example. That is an entirely different issue of the so-called ag land trust. This has nothing to do directly with that issue.

The amendment extends much further and affects a number of different individuals and groups of individuals which may operate small farms.

Also, if I can suggest it, I think there is an easy way around this amendment for corporations. All they have to do is cash lease property to a second party who would be eligible for a payment. The payments could be received through the rent charged in the lease. So it does not even accomplish what it is designed to do.

I really believe we would be much better advised to get some serious study undertaken of the effects of this kind of an amendment to the bill and to the program, and I ask the Members to defeat the amendment. I will undertake as chairman of the committee to ask the Department of Agriculture to conduct a thorough study of the impact of this kind of amendment in the bill.

If it can be worked out, the gentleman from Minnesota can introduce separate legislation to consider the issue. I hope we will not engage at this time in this complicated effort that I think will not achieve its purposes, but also create dangerous problems.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California.

Mr. SISK. Mr. Chairman, let me ask my colleague, if I can, would not the problem of policing such an amendment really create tremendous confusion?

I totally agree with the chairman in the gentleman's analysis of this. I sympathize with the problem that some people feel about certain individuals going out and buying huge pieces of land. There is a way to get to that, but the cost of qualifying who could buy and who could not would be unbelievable. I just raise that as an issue.

I hope this amendment will be defeated. I do not want all our farmers to go into corporate farms and corporations.

Mr. FOLEY. Mr. Chairman, the gentleman talks about these huge multinational corporations; but this bill would affect all small family partnerships. They would be eliminated from participation in the program under the amendment.

Mr. NOLAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Minnesota.

Mr. NOLAN. Mr. Chairman, the gentleman from Washington is quite correct. If you have farm A owned by two members of family and have a farm here and you have another couple members of the family that have another farm——

The CHAIRMAN. The time of the gentleman will yield further—these four

(At the request of Mr. NOLAN, and by unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. NOLAN. Mr. Chairman, if the gentleman will yield further—these four people would then get together and form another third farming corporation and are eligible for payments on all three farming operations, this amendment does not help them, because, clearly, they would not get payment on the third corporate enterprise.

What the amendment is designed to try to do is stop the proliferation of the ever increasingly large scale nature of our farming operations in this country, whether held by families or held by Exxon or Continental or other large nonfarm corporations.

Mr. FOLEY. Mr. Chairman, if I can regain my time, this is precisely what I am concerned about. It does not say how large the farm has to be. Family "A" can have 100 acres and family "B" can have 100 acres and the "C" farm 150 acres and they are still ineligible. That is not Exxon or Tenneco or any huge vertically stratified organization. It is just a couple

families who have joined together in buying and operating another farm.

The fact of the matter is that under the technical nature of this amendment, we get the kinds of inequities that I do not think any Member would want to go home and explain to his constituents. Why those two families of brothers and sisters could not get together and buy a farm, even a small farm, and be eligible for payments. It just indicates the kind of technical problems we are going to reach if we adopt amendments of this kind. We would deny payments to individuals and people who are not multinational corporations, but individual families that just chose to farm with their brothers and sisters or a cousin or a neighbor.

We do not even have a limit here in terms of size. This is going to become the thrust of many individual injustices, while the large corporation it is designed to eliminate will have plenty of ways to get around it.

Mr. JOHNSON of Colorado. Mr. Chairman, I move to strike the requisite number of words. I rise against the amendment.

Mr. Chairman, I would like to emphasize what the chairman has said with respect to section B of the amendment. Those of us who have had anything to do with probating farms and estates when the farmer chooses to leave his farm to his children, know he frequently sets up a trust. The trust operation would be vitally affected by this particular amendment. It would affect all estate planning that goes on with the small farmer as he tries to leave his estate to his children and leave it intact so that the farm can be operated as a unit; nevertheless, the proceeds would be divided among his children. All that would be affected by this seemingly inocuous amendment. It is so far-reaching that it would require the whole rewriting of our estate tax laws, in addition, by the adoption of this amendment.

Mr. Chairman, I urge that we reject the amendment.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment of the gentleman from Minnesota (Mr. NOLAN).

Mr. Chairman, if we look at this amendment and tear aside all the trappings of opposition to this amendment, it basically gets down to the philosophical approach of whether or not we feel anything ought to be done about the problem of a lot of great big nonfarm interests reaping benefits from a farm program that was meant to preserve the family farmer, the backbone of American agriculture, that produces cheap food for the American consumer.

I do not know, as a nonlawyer, whether Mr. NOLAN's amendment is a total solution to this problem, but I know that he is the only one that has tried to do something about it. I have listened to the opposition to the amendment on the floor, and they have not come up with any sort of suggestion as to where he is wrong, but they raise all sorts of scare tactics in opposition. It boils down to that.

So, I am rising in support of this amendment. It should be adopted because it focuses deficiency and disaster payments on the people the commodity programs are designed to assist in the first instance. There is no reason to give investment trusts or huge farm corporations the financial incentives of program payments.

Specific organizations such as the tax exempt trusts that have been mentioned here have been withdrawn nationally, but others appear to be rising in their place. Of course, shutting off farm programs is not going to stop these organizations entirely, just as it will not stop any corporation which really wants to get into agriculture. But, it surely ought to act as a disincentive.

It would reduce profitability over the long term, and those with the sharp pencils and the calculators who are looking out for the interests of people in nonfarm categories who want to get into agriculture, it will make it less practical for them to advise investments in agriculture.

Farm program benefits should be directed to the family farmer, to the folks who depend upon agriculture as the prime source of their income. They are the ones who do not have the resources to ride out extensive periods of bad weather or prices, but they can survive as a result of this program. The trusts can take care of themselves.

The Nolan amendment will guarantee that only those with the greatest need, who contribute the most to agriculture, will receive the protection the American taxpayer offers in major farm legislation like this.

Mr. MATHIS. Mr. Chairman, I move to strike the last word.

I would like to ask the author of the amendment how many corporations he thinks would be affected by his amendment.

Mr. NOLAN. If the gentleman will yield, according to the Congressional Research Service, there are about 2,000 very, very large corporations in America of the mathematical type that has been described on the House floor. They account for about 3 to 5 percent of production. They could possibly account for as much as $100 million in farm price support payments.

Mr. MATHIS. I would like to say to the gentleman from Minnesota that I—and I think most of the other Members of this House—certainly concur with the objective he has; that is, to do away with these large corporations receiving payments. We have heard these horror stories, and I am surprised that the gentleman left out the Queen of England. I understand she owns some land in Mississippi and is supposed to get payments on some cotton she grows there.

The problem with the amendment is that it simply will not work because it is not drawn in such a way that it does exclude the people that I think the gentleman wants to exclude. One thing about this amendment is that it sounds so doggoned good. When it comes time for a vote the gentleman is going to stand at the door and say, "Vote against big corporations." That is not the way it is going down.

The gentleman is voting against small corporations, against family corporations and against the family farms the gentleman wants to help as well as I do. We do not have any prohibition against doctors incorporating and being paid by medicaid and medicare funds. We do not have any prohibition against Lockheed or other military contractors being paid.

What the gentleman is really doing here today is laying on family farmers who have decided, under the tax laws this Congress has created, that they would be better off to be incorporated. I urge that we reject this amendment.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from New York.

Mr. DOWNEY. In Mr. NOLAN's 3 by 5 index card that was just handed to me, he has listed a number of the specific exemptions the gentleman just talked about. I am not an expert in this matter. I came to the floor to listen. I listened to my friend from Iowa passionately describe the fact that this is one of the few instances in which somebody wants to do something for the small farmer.

The gentleman suggested that this would hurt the small corporate farm, yet I see on this 3 by 5 index card that he specifically exempts: First, farmer cooperatives; second, incorporated farm operation; third, a tax-exempt charitable organization.

What I would like to know from the gentleman is this: How does this hurt the small corporate farmer and how does this hurt the small farmer specifically exempted?

Mr. MATHIS. The first point I would like to mention is that I concede that the gentleman is not an expert. If the gentleman had been present during the debate with my distinguished chairman, we went over this whole thing. He outlined several instances of farmer brother Brown and farmer brother Green, and farmer Green and farmer Brown attempting to incorporate. I think it is very real that we do in fact hurt the small corporate farmer.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield further?

Mr. MATHIS. Yes, of course, I yield to the distinguished gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I thank the esteemed gentleman, for whom I have the highest regard, for yielding to me.

I heard the distinguished chairman describe farmer Brown and farmer B and C and the description of the case example. What I would like to know is whether or not such an entity exists. It is one thing to think of a legal fiction and come up with an example.

Mr. MATHIS. I would say that of course it exists.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from Washington, the distinguished chairman of the committee.

Mr. FOLEY. I thank the gentleman for yielding.

Mr. Chairman, I think if the gentleman would go out in the wheat, corn,

cotton, and rice areas of this country he would find many, many farms which are operated and jointly owned by brothers and sisters, by relatives. And this has happened as a result of inheritance of land. They also may engage in a joint ownership of another piece of property with a third family or a second family. And I guess what I have to compliment the gentleman from Minnesota on is that he was very candid. He said:

Yes, we will deny payments to those families of two or three who join together in a partnership—just accidentally none of them are single proprietors—because we do not want to proliferate land ownership.

There will be an attempt, perhaps, on the part of somebody to offer an amendment to straighten this out. I detect a certain amount of concern among the sponsors. That is just one example of writing these amendments on the floor without careful analysis, which is going to do an injustice and create a problem.

Mr. PANETTA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I have the greatest respect for the chairman of the committee and his position opposing this amendment. At the same time, I think he has engaged in some very good lawyer tactics by pointing to one small example within the amendment and overlooking the fact that we are primarily dealing with the 2,000 nonfarm corporate interests which are engaged in agriculture. I think the Members of this body have to make a basic philosophical decision and choice between large nonfarm corporate interests and family farming. There is a real crunch with the family farmer. We engage in a great deal of rhetoric, both in the committee and on the floor, with regard to losing family farmers. In this session of Congress alone, we are going to lose something like 40,000 to 50,000 family farmers. And it is a continuing crisis in this country. We have to take some steps, but every time we start to take some steps everybody can find some reason why nothing should be done. But we have to draw the line. We have had major proposals in this country now to buy vast areas of prime agricultural land by investment interests and then lease that property back to tenant farmers.

It is a return to the feudal system. So the basic decision that this body must make is whether indeed we are going to have family farms or whether we are going to have large-scale corporate farming in this country. This amendment tries to deal with one element of it, which is the payments. Let me tell the Members that nonfarm corporate interests also can get tax advantages, they can get the value of the land, they get the agricultural products, and they get Government subsidies. We are dealing with one small element, the payments issued by the Department of Agriculture. I think that is one area of advantage that we do not have to give to nonfarm corporate interests. That is what this amendment tries to do. That is why I support it and that is why I urge the Members to support it.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentleman for yielding.

Mr. Chairman, I certainly commend the gentleman from Minnesota in what he is trying to do. I must agree with the chairman in what he says. It appears to me there are many, many farms in this country today that are family farms, that are second, third, and fourth generation farms, which have been in the family.

But there is only one person working that farm. Now, his two brothers and a sister may have equal interests, but they are off in another city, and hence the controlling interest of that small family corporation is not held by farmers.

We have literally hundreds of these farming operations in various trusts and partnerships and corporations throughout the United States.

Mr. Chairman, as I understand it, the way the gentleman's amendment is worded, all of these farms, which are family farms, would be excluded.

Mr. PANETTA. Mr. Chairman, that is not my understanding. My understanding is that this applies where there is no farmer-related interest in the corporation. That is what we are trying to deal with. But where farmers are involved in the corporation, where they form the corporation and are literally working the land as a corporation, then they are entitled to the payments.

Mr. HUCKABY. Yes, but if the gentleman will yield further, let us say one has two brothers and a sister who inherit the farm; one brother operates the farm and he has another brother who is on another farm and, let us say, another brother and a sister somewhere else. They each have equal ownership of the corporation. The corporation is not controlled by farming interests; they have other interests, and I do not believe they would be eligible under this amendment.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the chairman of the committee.

Mr. FOLEY. Mr. Chairman, if the gentleman is accusing me of a lawyer-like tactic in trying to think up one kind of a problem, let me say that I can think of a lot of problems here.

If the gentleman wants me to give examples of problems, let us take a widow. She inherits land from her husband who died and who was a farmer. She inherits one-half of the property, and her two children would, let us say, each have a one-quarter interest. It is her farm, and the children farm the land. What would be the effect of this amendment?

Mr. PANETTA. Mr. Chairman, if the gentleman will allow me to answer that, the interpretation of the author of the amendment is that in that instance they would be exempt from the amendment because they are in fact involved in a farming operation. Her interest would at least be related to a farming operation.

Mr. FOLEY. She would be related to somebody engaged in a farming operation, but she is not engaged in a farming operation.

Mr. Chairman, if we proceed on the basis that a person is eligible if she is related to somebody engaged in a farming operation, we are going to have hundreds of thousands of administrative determinations in a multitude of varying individual situations or types of farm ownership as to whether or not this amendment applies. I would hope that we have a clear rejection of this amendment and that a study of its consequences be made. The gentleman can then, if he so desires, introduce appropriate legislation and bring it out with some assurance that the problem has been properly studied and is being properly addressed.

Mr. PRESSLER. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the amendment.

Mr. Chairman, it seems to me that we are faced with the situation in rural America that we now have the last generation of family farmers, and unless some action is taken to preserve the family farm, we will have only corporate agriculture. In that event consumers will certainly suffer ultimately because corporate agriculture will be far less efficient and there will be far more of an inclination toward price-fixing.

Mr. Chairman, I commend the gentleman from Minnesota (Mr. NOLAN) for offering the amendment, and I associate myself with the remarks of the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PRESSLER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding.

Let me just suggest that the Members read the language of the amendment. The chairman of the committee, the gentleman from Louisiana (Mr. HUCKABY), and I have all laid out this situation and explained that we are not talking about corporate farms. We are talking about a situation where a man dies and he leaves half of his farm to his wife and the other half to his kids, and then we are cutting them out. Let us just read the language of the amendment.

The committee chairman is exactly right, and the gentleman from Louisiana (Mr. HUCKABY) is right. This has nothing to do with doing away with corporate farming, and I cannot do anything more than to suggest that if the Members will read the language, then they will know that the chairman of the committee is correct in what he says.

Mr. PRESSLER. Mr. Chairman, the legislative history will show the sponsor of the amendment has stated such a situation is not covered by his amendment, and the legislative history will clearly show to anyone looking for it that such a situation is not covered. The gentleman from Minnesota (Mr. NOLAN) has pointed this out. Therefore, I strongly support his amendment.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. PRESSLER. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from South Dakota (Mr. PRESSLER) and say that I hope we win this amendment, but if nothing else happens, I hope that this makes a solid record. I think it does accomplish something for the concern of family farmers, and I do not think that concern has been met.

I must say that I have the highest respect—and I mean this very sincerely—for the chairman of the committee, but I hope the gentleman will give us some suggestions as to how we can move away from the dangerous trend of wiping out the family farms of this country. I do not believe his suggestions so far have accomplished that result, and I hope the Members who have spoken on this subject today will make some constructive suggestions.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. PRESSLER. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I have a question to ask the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Yes.

Mr. WIRTH. In the event that this amendment does not pass—and I certainly hope it will pass—perhaps the gentleman would agree with me that maybe we ought to have an amendment that will require all the presidents of the corporate farming operations to work off their subsidy at the minimum wage in a public service job.

Mr. MOFFETT. If the gentleman will yield, I think that might be a good idea.

Mr. WIRTH. I thank the gentleman.

Mr. PRESSLER. Mr. Chairman, I yield back the balance of my time.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I voted in favor of the Findley amendment in order to limit payments because I believe a limit is necessary; and I certainly would like to vote for an amendment that would limit payments to corporate farmers. However, I think we ought to be sure we know what we are doing; and therefore, we should go along with the chairman of the committee, who assures us he is going to look into this matter and have the Department of Agriculture study it to find out exactly what this amendment would do. We do not want to make a serious error in our efforts to limit these payments.

Therefore, Mr. Chairman, I would say that we should support the committee; the chairman has assured us he will make certain that what we should do will be correct. This is the kind of amendment on which it is easy to say: "We are trying to eliminate the corporate farmers." People are automatically going to vote "yes." We may well injure some family farmers whom we do not want to injure.

However, I would like to speak to another problem we have, and that is the cost involved in this farm bill. I would like to inform Members of the budgetary implications of the Agricultural Act of 1977 because it includes entitlements for farm commodity supports and food stamps. This is one of the most important spending bills the Congress will consider this year.

Spending for farm commodities is included in the agriculture function. For agriculture, the first budget resolution provided $2.2 billion in budget authority, and $4.35 billion in outlays.

Mr. Chairman, let us not concern ourselves so much with the budget authority figure. The driving figure in agriculture is outlays. We are now at $4.3 billion, about $2 billion over what President Carter's original estimate of outlays was on February 22. However, we estimate that we would need, because of the crisis in agriculture, an additional $2 billion in outlays this year, bringing the total outlays up to $4.35 billion.

Up to this point, the House has already provided $2 billion in authority and $4.1 billion in outlays. The budget authority amounts were provided for in the agriculture and related agencies appropriations bill. Outlays, actual spending, are attributable both to that bill and to permanent appropriations.

The commodity support provisions of H.R. 7171, together with reestimates of spending for existing support programs, would result in our exceeding the outlay targets for agriculture set in the first budget resolution for fiscal year 1978.

The $4.1 billion in outlays have already been provided for in this function, primarily from the agriculture appropriation bill and permanent appropriations.

This bill would authorize appropriations of $70 million for agriculture research and $357 million in additional price supports for commodity programs for the 1977 crop, payable in fiscal year 1978. In addition, spending for farm commodities under existing law has been reestimated upward in the amount of $521 million.

The result, if H.R. 7171 is adopted as reported, will be as follows: Budget authority for agriculture will be below our first resolution target; but outlays for agriculture will be $700 million above the first budget resolution budget.

Mr. Chairman, if we go along with the committee bill, that will be one thing; but if we add amendments for additional commodity price supports, we are going to increase that $700 million substantially.

Obviously, any amendments to increase supports will add to the amount that outlays already exceed the target.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. The budget situation is much simpler with respect to the food stamp program, which is included in the income security function—function 600.

The first budget resolution assumed $5.358 billion for this program for fiscal year 1978. The bill being considered today would provide nearly that exact amount.

Mr. Chairman, at the proper time I shall seek permission to include at this point the Congressional Budget Office's 5-year cost estimates for farm commodities resulting from this bill, the Senate bill, and the administration proposal.

(The information referred to is as follows:)

CBO ESTIMATES OF COMMODITY CREDIT CORPORATION OUTLAYS FOR PRICE SUPPORT AND RELATED PROGRAMS

[In billions of dollars]

Option and item	Fiscal year — 1978	1979	1980	1981	1982	Total	Average 1978–82
House bill:							
Wheat	1.1	1.1	1.3	1.5	1.6	6.5	1.3
Feed grains	.6	.9	.9	1.6	2.0	6.1	1.2
Cotton	.1	.1	.1	.2	.2	.7	.1
Rice	.1	.1	.1	.1	.1	.5	.1
All other	1.1	1.0	1.1	1.2	1.5	5.9	1.2
Total	3.0	3.1	3.6	4.5	5.4	19.5	3.9
Current policy:							
Wheat	.7	.4	.6	.8	.9	3.5	.7
Feed grains	.6	.7	.7	.7	.8	3.5	.7
Cotton	.1	.1	.1	.1	.1	.6	.1
Rice	.1	.1	.1	.1	.2	.6	.1
All other	1.1	1.2	1.4	1.6	1.9	7.3	1.5
Total	2.7	2.5	2.9	3.4	3.9	15.4	3.1

Option and item	Fiscal year — 1978	1979	1980	1981	1982	Total	Average 1978–82
Senate bill:							
Wheat	1.6	1.4	1.3	1.3	1.3	6.9	1.4
Feed grains	.6	2.1	2.7	2.7	2.8	11.0	2.2
Cotton	.1	.1	.3	.3	.4	1.1	.2
Rice	.1	.1	.1	.1	.2	.6	.1
All other [b]	1.1	1.0	1.1	1.2	1.5	5.9	1.2
Total	3.5	4.7	5.5	5.5	6.2	25.4	5.1
Administration proposal:							
Wheat	.7	.9	1.1	1.2	1.4	5.3	1.1
Feed grains	.6	.7	.5	.5	.8	3.1	.6
Cotton	.1	.1	0	.2	.3	.7	.1
Rice	.1	0	0	0	0	.1	0
All other	1.1	1.1	1.2	1.4	1.7	6.4	1.3
Total	2.7	2.8	2.8	3.3	4.2	16.3	3.1

Mr. GIAIMO. Mr. Chairman, all I am urging the Members to do here today is to look carefully at all the amendments that are offered to the committee bill. The gentleman from Washington (Mr. FOLEY) has been trying to hold the line, quite properly in my opinion. We recognize that there is a very real crisis in agriculture, a crisis brought about by the bountiful crops that we have had, particularly in wheat and corn and feed grains. But I am urging Members to concern themselves because there are many amendments that are going to be offered to increase payments by the Federal Gov-

ernment, particularly with respect to the 1977 crop, which has already been planted.

I would urge the Members to look carefully at whatever they do here today. Whatever we do here today, more than anything that we have done all spring and summer, is going to affect the fiscal year 1978 budget. It is going to affect substantially that massive budget deficit of from $61 to $64 billion.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Minnesota (Mr. NOLAN).

Mr. Chairman, it is clear that much of the objection to this amendment has not really referred precisely to the amendment, and I will yield to the gentleman from Minnesota (Mr. NOLAN) to explain the situation.

Mr. NOLAN. Mr. Chairman and members of the committee, I was concerned as to the type of person or corporation covered, and in reference to the situation described by Chairman FOLEY, my amendment defines it as:

Any family farm corporation, partnership or other legal entity founded primarily for the purpose of earning income from agricultural production. A majority of the shares must be held by, and a majority of the shareholders must be, close relatives. To qualify, a farm must be lived on or actively operated by one of the related family member stockholders.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I want to say that the gentleman from Minnesota unintentionally misspoke himself in explaining the amendment. He said that they have a particular provision which exempts the family farm corporation, and family farm partnerships or other legal entities. There is not the word "partnership" in my copy of that provision.

Mr. NOLAN. There certainly is.

Perhaps this is where the confusion arises. I do not think the gentleman from Washington has a correct copy of the amendment.

Mr. FOLEY. I have the copy offered by the gentleman from Minnesota, and if it is not correct, then I am not aware of it.

Mr. NOLAN. I am sorry if the gentleman does not have a copy of the amendment that is at the desk.

I would like to reclaim my time, if I may, from the distinguished Chairman.

I would like to conclude by reading (c):

"The provisions of this subsection shall not prohibit program participation by:

"(i) Any farmer-owned and controlled cooperative, corporation, or association which meets the requirements of the Act. . . .

"(ii) Any family farm corporation, partnership or other legal entity founded primarily for the purpose of earning income from agricultural production. A majority of the shares must be held by, and a majority of the shareholders must be, close relatives. To qualify, a farm must be lived on or actively operated by one of the related family member stockholders."

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

Will the gentleman agree that this is not the amendment that was printed in the CONGRESSIONAL RECORD on July 15, 1977?

Mr. NOLAN. The amendment that is sitting at the desk is exactly the same as the one that was printed in the RECORD last week, with the exception that after the word "corporation" we have inserted "partnership or other legal entity," and that is just merely to make it conform to the proper language that is required in the law.

Mr. FOLEY. Then the copy I was provided and the copy that was printed in the RECORD is not the copy the gentleman provided the Clerk.

Mr. NOLAN. The right copy is the one I submitted to the desk and asked this House to consider. I am sorry if somebody gave the gentleman from Washington the wrong copy of the amendment.

Mr. SISK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to have the attention of my friend, the gentleman from Oregon (Mr. WEAVER). I think he rose in support of this amendment.

Mr. WEAVER. Yes, sir.

Mr. SISK. How many people does the gentleman assume it is going to take to police this? Where are we going to get the people? Where are they going to have the responsibility? Does the gentleman have any idea?

Mr. WEAVER. If the gentleman will yield, I have been told that on the third floor of the Secretary of Agriculture's building there is a whole bunch of people available to do this.

Mr. SISK. Does the gentleman mean they are not working at the present time?

Mr. WEAVER. They have the ability to cope with it.

Mr. SISK. I beg the gentleman's pardon?

Mr. WEAVER. The Department of Agriculture certainly has the bureaucracy to cope with this issue.

Mr. SISK. I just seriously doubt that. I wonder if the gentleman has any idea at all what he is talking about here when he starts policing a program which is proposed in this amendment. It means that every conceivable agricultural producer in America is going to have to be checked as to who owns it. They are going to have to make a search of the title as to the ownership of the area, and the whole works. In other words, as I indicated to the gentleman a few moments ago in conversation with my good friend, the gentleman from California (Mr. PANETTA), I think I am just as strongly in support of the intention of the gentleman from Minnesota as I think is my colleague, the gentleman from Oregon, or anyone else. I am totally opposed to the so-called-in-California farm term Tenneco's, the Tarrent County land, and that type of ownership. Very frankly, it has already been proven that they were not really feasible operators. Fortunately, what we have seen is some of these organizations getting out of farming, and we are going back, I think, more to what one might call the small corporation.

This appears to be almost or in fact is what is totally a legitimate business operation in this country. Today farming is definitely a business. I assume that all my friends are totally in agreement on that. If it is not operated as a business they soon go out of business. I simply see nothing wrong with a family which is operating a family corporation.

But there is no question in my mind, in reading this, that the imposition of additional duties on the department will mean probably thousands more new people who will have to be brought aboard to police the whole program.

Again I would hope that the amendment would be defeated.

Mr. POAGE. Mr. Chairman, I move to strike the last word.

It seems to me we are overlooking the very basis of this bill. The whole basic philosophy of this bill is that we are going to try to balance supply and demand; that we are going to try to produce about the right amount of these commodities. Now how do we go about doing it? We do not go about doing it with compulsion. We go about doing it basically by saying that if they comply with the regulations set up by the Secretary of Agriculture we will make some payments to them.

There are some corporations which own some land in the United States, some agricultural land. It produces just the same as anybody else's land. We are trying to make all of the agricultural land in the whole United States participate in the program. To get land in the program we offer the producers an inducement by saying we will make these payments if they come in the program and are a part of the program.

We need to have these corporate lands in, just the same as we need to have everybody else in the program. How are we going to get the corporations to come into the program if we say they cannot draw any of the benefits of the program? Are we going to deny them all of the benefits but we expect them to make all of the contributions that anybody else makes?

Now, unless we are going to make this a mandatory program and impose criminal penalties, how are we going to get the cooperation that is essential to make this program work?

If we leave the corporate lands out of the program we will be weakening the entire program. I do not know what percentage these corporate lands make up, but whatever percentage it is, it is large enough to mean that we are going to have to take more of the privately owned lands out of production if we are going to achieve the balance we are trying to achieve. That means we have to take that fellow who has only 40 acres and instead of making him reduce by 5 acres we make him reduce by 6 acres.

Let us be fair about it. On whom does the burden fall? The burden ultimately falls on the smaller farmers because we are going to make them make larger contributions to make up for that land

that we are not getting into the program because we are afraid or unwilling to pay the corporation the same as we pay anybody else.

I think we are tending to break down the entire program. I do not think there is enough corporate land in the entire United States really to break down the program, but the whole thrust of this amendment is to make the whole program less effective.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

One of the things that concerns me, and I certainly agree with the intent of the gentleman who has offered the amendment, to protect the small farmer, but in listening to the chairman I am wondering if he is really going to do that, and therefore I wonder if the gentleman from Minnesota who offered the amendment would respond.

Mr. NOLAN. I will respond to the gentleman.

Mr. CUNNINGHAM. Suppose we have a corporation X which has 30,000 acres and they are farming it and they go ahead and lease it out to the gentleman for a percentage lease and he goes ahead and farms it. He as an individual would be eligible under the amendment to receive the payment?

Mr. NOLAN. I would be eligible. The corporation is not.

Mr. CUNNINGHAM. The corporation is not. The corporation has rented the gentleman the land.

Mr. NOLAN. But the lessee or renter would be eligible for payment.

Mr. CUNNINGHAM. And it is agreed the person operating the land who has leased the land would receive the benefits?

Mr. NOLAN. That is right.

Mr. CUNNINGHAM. Therefore if he had the right type of lease the corporation could be as well off. The rent that is paid by the individual after receiving the benefits is still deductible to him, not taxable to him, but it is income to the corporation, and therefore I wonder whether really we are getting to the root of what the gentleman wants to get at?

Mr. NOLAN. Well, we think we are, because the payment is made directly to the farmer and he singularly benefits from it, not at the beginning of the year, because they do not know if it will be required or not. A lot of these payments are disaster payments. It would be very difficult to factor that in.

Mr. CUNNINGHAM. Mr. Chairman, the gentleman would agree if somebody would be unscrupulous, that we would not get at what we are trying to get at.

Mr. NOLAN. We are getting at that. We do realize that many farmers in an effort to get started do not have the capitalization necessary to go out and buy a farm in its entirety. They find it necessary to rent land from absentee landlords and larger enterprises. As was said earlier, there are many advantages that corporations have, tax advantages, advantages of vertical integration. One of the advantages that accrues almost year after year is some form of disaster or deficiency payments. The gentleman from Texas (Mr. POAGE) cited the example of a set-aside. That does not occur anywhere near as much as the deficiency and disaster payments would occur.

While we think this does not solve the problems of nonfarm corporations in agriculture, we are taking away one little benefit that accrues to them now. We think it is a step in the right direction. Although it does not put an end to corporate agriculture, we do think it represents a good start.

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman for his answer. I think the gentleman does agree with me.

I would like the RECORD to show that it could pass through to these corporations.

Mr. Chairman, I yield to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, the gentleman from Washington has described another problem. In the present circumstances a landlord receives a share of the crop and is usually considered a producer for the purpose of receiving a share of the payment. If the amendment were adopted, the landlord, the corporation in this amendment, would change to a cash lease, and lease out the land at a higher rate. The tenant would take all the payments, pay higher cash lease and it would, in effect, pass all the payments to the corporation, notwithstanding the amendment.

It is very difficult to draft this kind of amendment without doing real harm, so that we do not harm those people not intended to be harmed.

We need a real study to find out the impact before serious legislation such as this is enacted.

Mr. Chairman, I thank the gentleman from Washington. I hope the Members will reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. NOLAN).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. NOLAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 199, noes 207, answered "present" 1, not voting 26, as follows:

[Roll No. 445]

AYES—199

Abdnor	Brown, Calif.	Dingell
Addabbo	Buchanan	Dodd
Ambro	Burke, Calif.	Downey
Anderson, Calif.	Burton, John	Drinan
Andrews, N. Dak.	Burton, Phillip	Duncan, Tenn.
Ashbrook	Byron	Early
Aspin	Caputo	Eckhardt
AuCoin	Carney	Edgar
Barnard	Carr	Edwards, Okla.
Bauman	Cavanaugh	Emery
Beard, R.I.	Chisholm	English
Bedell	Clay	Ertel
Bellenson	Cleveland	Evans, Del.
Benjamin	Collins, Tex.	Evans, Ind.
Bennett	Conte	Findley
Bingham	Conyers	Fisher
Blanchard	Cornell	Fithian
Blouin	Cornwell	Florio
Boland	Coughlin	Forsythe
Bonior	Crane	Fowler
Brodhead	Delaney	Fraser
	Dellums	Gaydos
	Diggs	Gephardt
	Glickman	Michel
	Gore	Mikva
	Grassley	Milford
	Hagedorn	Miller, Calif.
	Hanley	Miller, Ohio
	Hannaford	Mineta
	Harkin	Minish
	Harrington	Mitchell, Md.
	Hawkins	Mitchell, N.Y.
	Heckler	Moakley
	Hefner	Moffett
	Holland	Moss
	Hollenbeck	Mottl
	Holt	Murphy, Pa.
	Holtzman	Myers, Gary
	Hughes	Myers, Michael
	Ichord	Neal
	Jacobs	Nedzi
	Jeffords	Nix
	Jones, Okla.	Nolan
	Jordan	Nowak
	Kasten	Oakar
	Kastenmeier	Oberstar
	Keys	Ottinger
	Kildee	Panetta
	Kostmayer	Patterson
	Krebs	Pattison
	LaFalce	Pease
	Le Fante	Pike
	Leach	Price
	Lederer	Quayle
	Lehman	Quie
	Levitas	Railsback
	Long, Md.	Rangel
	Lujan	Reuss
	Lundine	Richmond
	McDade	Rinaldo
	McDonald	Risenhoover
	McHugh	Rodino
	Maguire	Roe
	Markey	Rosenthal
	Mattox	Rousselot
	Mazzoli	Roybal
	Meyner	Russo
		Ryan
		Santini
		Scheuer
		Schroeder
		Sebelius
		Seiberling
		Sharp
		Shipley
		Simon
		Skubitz
		Smith, Nebr.
		Solarz
		Spellman
		St Germain
		Staggers
		Stangeland
		Stark
		Steers
		Steiger
		Studds
		Taylor
		Thompson
		Thone
		Traxler
		Tsongas
		Udall
		Van Deerlin
		Vanik
		Vento
		Volkmer
		Walgren
		Walker
		Watkins
		Waxman
		Weaver
		Weiss
		Winn
		Wirth
		Wolff
		Wydler
		Yates
		Yatron
		Young, Fla.
		Zeferetti

NOES—207

Akaka	Duncan, Oreg.	Lagomarsino
Alexander	Edwards, Ala.	Latta
Allen	Edwards, Calif.	Leggett
Ammerman	Eilberg	Lloyd, Calif.
Anderson, Ill.	Erlenborn	Lloyd, Tenn.
Andrews, N.C.	Evans, Colo.	Long, La.
Annunzio	Evans, Ga.	Lott
Applegate	Fary	McCloskey
Archer	Fascell	McCormack
Armstrong	Fenwick	McEwen
Ashley	Fish	McFall
Badham	Flood	McKay
Bafalis	Flowers	Madigan
Baldus	Flynt	Mahon
Baucus	Foley	Mann
Beard, Tenn.	Ford, Tenn.	Marlenee
Biaggi	Fountain	Marriott
Boggs	Frenzel	Martin
Bonker	Frey	Mathis
Bowen	Fuqua	Meeds
Breaux	Gammage	Metcalfe
Breckinridge	Giaimo	Mikulski
Brinkley	Gibbons	Mollohan
Brooks	Gilman	Montgomery
Brown, Mich.	Ginn	Moore
Brown, Ohio	Goldwater	Moorhead, Calif.
Broyhill	Gonzalez	Moorhead, Pa.
Burgener	Goodling	Murphy, Ill.
Burke, Fla.	Gradison	Murphy, N.Y.
Burleson, Tex.	Gudger	Myers, John
Burlison, Mo.	Guyer	Natcher
Butler	Hall	Nichols
Carter	Hamilton	O'Brien
Cederberg	Hammer-schmidt	Obey
Chappell	Hansen	Patten
Clausen, Don H.	Harris	Perkins
Clawson, Del	Harsha	Pettis
Cochran	Heftel	Pickle
Cohen	Hightower	Poage
Coleman	Hillis	Preyer
Conable	Horton	Pritchard
Corcoran	Hubbard	Pursell
Corman	Huckaby	Quillen
Cotter	Ireland	Rahall
Cunningham	Jenkins	Regula
D'Amours	Jenrette	Rhodes
Daniel, Dan	Johnson, Calif.	Roberts
Daniel, R. W.	Johnson, Colo.	Robinson
Danielson	Jones, N.C.	Rogers
Davis	Jones, Tenn.	Roncalio
de la Garza	Kazen	Rooney
Derrick	Kelly	Rose
Derwinski	Kemp	Rostenkowski
Devine	Ketchum	Rudd
Dicks	Kindness	Ruppe
Dornan	Krueger	Sarasin

Satterfield	Stockman	Whalen
Sawyer	Stratton	White
Schulze	Stump	Whitehurst
Shuster	Symms	Whitley
Sikes	Thornton	Whitten
Sisk	Treen	Wiggins
Skelton	Trible	Wilson, Bob
Slack	Tucker	Wilson, Tex.
Smith, Iowa	Ullman	Wylie
Snyder	Vander Jagt	Young, Alaska
Spence	Waggonner	Young, Mo.
Stanton	Walsh	Young, Tex.
Steed	Wampler	Zablocki

ANSWERED "PRESENT"—1

Runnels

NOT VOTING—26

Badillo	Flippo	Marks
Bevill	Ford, Mich.	Murtha
Bolling	Howard	Pepper
Brademas	Hyde	Pressler
Broomfield	Koch	Stokes
Burke, Mass.	Lent	Teague
Collins, Ill.	Luken	Wilson, C. H.
Dent	McClory	Wright
Dickinson	McKinney	

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts for, with Mr. Teague against.

Mr. Ford of Michigan for, with Mr. Bevill against.

Mr. Koch for, with Mr. Pepper against.

Mr. Badillo for, with Mr. Brademas against.

Mr. PRICE and Mr. CONYERS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FITHIAN

Mr. FITHIAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FITHIAN: Page 2, line 3, insert "SUGAR," immediately after "FEED GRAINS,".

Page 2, line 13, add a new paragraph as follows:

"(2) The total amount of payments which a person may receive under any program established under the Agricultural Act of 1949, as amended, for sugar shall not exceed $50,000."

Mr. FITHIAN. Mr. Chairman, I would ask the House to support this amendment.

The amendment is one which would limit the payments on sugar, which is under a proposed regulation by the Department of Agriculture. The proposal is to subsidize sugar at the rate of 2 cents per pound.

I would point out and I hope that my friend, the gentleman from Illinois (Mr. FINDLEY), would share with the House a little later a letter from the Comptroller General in which the Comptroller General says that there is no legal basis for such payment.

I would add to that, that by offering this amendment—and I want the RECORD to show this—I do not give any legal basis nor any indication that there is intention to show a legal basis for a payment which is now being proposed, which I believe to be without any basis in law.

I am joined in that particular opinion by our negotiator, Robert Strauss, who just a couple of hours ago told the Committee on Banking, Finance and Urban Affairs at a hearing,

We are going to have to come up with a better program, hopefully by the end of the week.

He went on to speak of the GAO ruling by saying about the GAO, "I think they're dead right on that."

Mr. Chairman, the Secretary of Agriculture has indicated that he would ask for an Attorney General's opinion on this matter. If by some chance that opinion should come in and rule that such payments are in order, let me point out to the House what we are going to be doing with the 2-cent subsidy under the proposed arrangement by the administration, without this limitation and without some other limitation. We are going to be paying firms at the rate of $14 million, $10.8 million, $9.6 million, $8.8 million, and $5.7 million. That is the level of payments which are construed from the proposal by the Department of Agriculture.

I do not believe that the Congress is ready for that.

I do not construe the farm program in any sense to be a program of that dimension.

I would point out that—unless I am wrong, and the gentleman from Connecticut (Mr. GIAIMO) chairman of the Committee on the Budget can correct me if I am—that there is no money in the proposed budget resolution that would take care of the estimated outlay. It is estimated to be, by some—and I do not have these figures accurately and conclusively—but it could be almost a billion and some estimate it could be as low as a quarter of a billion.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, let me state that the first budget resolution did not include in it any funds for 301 payments on sugar, which are estimated to be somewhere in the neighborhood of $200 to $240 million. They were not included.

Mr. FITHIAN. I thank the gentleman from Connecticut.

Mr. Chairman, it has been said that this limitation would destroy the sugar beet industry. That simply is not true. The average sugar beet grower would feel no impact through the payment limitation at all, $50,000 would be sufficient to cover their losses.

Horace Godfrey, vice president of American Sugar Cane League, said:

Louisiana's growers do not favor subsidy payments, but tariffs and restrictions on the amount of sugar that can be imported.

And I can support that opinion.

What I would argue against is a situation in which we get the House of Representatives in a position of laying out payments. I will concede to the chairman, whose judgment I trust and respect a great deal, that the present bill does not address itself to sugar, that is correct.

This is, however, a germane amendment because it is an amendment to limit payments. And simply because the present agricultural legislation does not limit payments, does not deal with sugar, does not mean that we cannot deal with it here.

I would urge, then, that when we consider this present assistance to consider whether or not we really want to lay out $14 million of the taxpayers' money to AM–FAX, or another $9.5 million to another company or another $8.1 million to Brewer & Co., and so on.

We will hear in the debate today undoubtedly that this will ruin the sugar cane industry in Hawaii. I personally do not believe it is correct.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FITHIAN was allowed to proceed for 1 additional minute.)

Mr. FITHIAN. This argument that it would ruin the industry is the same argument that was offered to Theodore Roosevelt at the turn of the century wher. we started talking about a sugar program.

I believe those who are interested in keeping the farm bill in line and keeping it from being vetoed, and keeping from an overextended budget, should very seriously consider whether or not this House should limit payments in sugar to $50,000.

I would prefer we changed them to nothing.

Mr. BOWEN. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Mississippi.

Mr. HUCKABY. Mr. Chairman, I would inquire of the gentleman from Indiana (Mr. FITHIAN) whether it is not a fact that the multibillion dollar figure that was cited as the supposed big payments are the amounts that are to be paid to the mills and not to the producers?

Mr. FITHIAN. That is correct. However, I would point out that in many instances they are one and the same payment such as in the Hawaiian sugar industry because they own the land and the industry and process it all.

Mr. HUCKABY. Is it not also true in many instances that there will be farmers who participate in the program, and they will get their payments at the mill because the payment goes to the mill and not to the farmers?

Mr. FITHIAN. My estimate is that the reason the payments are being funneled through this process is that it would be a clear violation of the law without any exception if they tried to make a direct subsidy payment to the individual farmer. A certain portion of the payment, around 10 to 20 percent will be taken off by the process, as I understand the whole operation. In many instances, however, the large operators own the land; they own everything except the laborers who work on the land; so the payment is going directly to the corporation.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield further?

Mr. FITHIAN. I yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentleman for yielding.

I would like to point out that today we import over 50 percent of our sugar. There will be a significant sugar amendment offered later on in the farm bill, but if this amendment is passed, it will totally gut the sugar program. Secretary of Agriculture Bergland stated yesterday

that the sugar industry will probably collapse in this country within 2 years if something is not done, and to date we have not been able to negotiate tariff agreements in limiting reports. I must rise in strong opposition to the gentleman's amendment.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

This is essentially the same amendment that the House turned down overwhelmingly in the appropriation bill. The gentleman from Indiana says cavalierly there are some big people in Hawaii who are getting large payments. Yes, that is the fact. The fact is that this industry is the total backbone of the economy of Hawaii. If this amendment passes, we will make one of our 50 States an army duckball.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. PHILLIP BURTON, and by unanimous consent, Mr. FITHIAN was allowed to proceed for 1 additional minute.)

Mr. PHILLIP BURTON. If the gentleman will yield further, in Hawaii they have collective bargaining agreements, and the industry is in such outrageous shape, this union has had to work without a contract. They have never done this before. They have had to work without a wage increase despite unfair inflation. If the gentleman's amendment is adopted, the sugar industry in Hawaii is wiped out, and the economy in Puerto Rico will not recover. The amendment is outrageous and ought to be rejected.

Mr. FITHIAN. I would point out to my friend, the gentleman from California, that if things are in that dire straits, and if the Comptroller General of the United States is correct, and if our international negotiator, Mr. Strauss, is correct, then, indeed, they are going to collapse entirely. I doubt the wisdom of the argument. I think that the amendment may ultimately not be necessary because I think they are going to rule, and the Comptroller General has already so said, that these payments are extralegal. I am simply urging this amendment because of the outside chance that that is not true.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding.

I think my colleague was striking at this point, and I am not sure I heard the answer correctly, or heard the answer. The gentleman's amendment refers to the total amount of payments which a person may receive. Is the gentleman defining, or is there a definition of, "person" in his amendment? I am afraid by "person" the gentleman means the processor to whom the payment is made. I would like to get the gentleman's answer to that.

Mr. FITHIAN. I believe my friend from Louisiana is one of the better lawyers in the House. I am not a lawyer, but I believe the long-standing historical definition of "person" includes "corporation."

Mr. MOORE. Then if I understand the gentleman correctly, a $50,000 limit would mean that a processor could not get more than $50,000.

Mr. FITHIAN. That is correct.

Mr. MOORE. No matter how sugar producers in turn had to split that money up?

Mr. FITHIAN. That is correct.

Mr. MOORE. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

The agriculture bill, H.R. 7171, before us does not have any sugar provisions whatsoever. The gentleman is offering a special amendment that would cover two things. One part of it would prevent the application of the present proposed sugar program until the President certified to the Congress that it was legal. The Secretary of Agriculture has assured me personally that no final regulations will be undertaken or issued on this program until the Attorney General of the United States certifies that the program is legal in his opinion. So that part of the amendment is not necessary.

The second part would attempt to impose a $50,000 payment limitation on sugar processors. If this program does not have a legal basis, the Attorney General is going to say that and it is not going to ever get off the ground and we will not have anything to worry about, for those who worry about it. If in fact the program is decided to be legal in the opinion of the Attorney General, then these payments are going to be passed through to producers by the processors, and the $50,000 per person limitation is a straight effort to make that program impossible to carry out. It guts the program.

The United States is participating in the International Sugar Agreement talks in an attempt to work out plans for an international agreement on sugar.

I do not think this is a necessary amendment. I would hope the committee would reject it. We expect to have hearings in the Agriculture Committee on sugar at a later date.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I want to endorse what the chairman has said and urge defeat of the amendment.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to make the observation that my distinguished chairman says it is a mischievous amendment. I remember when the appropriation bill was on the floor and we were standing at the door of the House and the chairman of the Agriculture Committee was cajoling the members into voting his position on the amendment at that time with the clear understanding that when the agriculture bill comes before the House they will have an opportunity to vote on this issue.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I will be happy to yield in one moment. I am just saying at that time unless the gentleman is really sincere in giving a full opportunity for it to be discussed here, he was misrepresenting the position at that time and the Members were following him in good faith, saying that it was going to be the subject of discussion and discussion would not be limited.

Mr. FOLEY. If the gentleman will yield to me, that is exactly what we are doing. I said at that time that the amendment was premature. I say at this time it is mischievous.

Mr. FITHIAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Indiana.

Mr. FITHIAN. Mr. Chairman, I rarely so sharply disagree with the chairman, the gentleman from Washington (Mr. FOLEY), as I do now. I want to assure this House that this is not a mischievous amendment. I want to assure this House the other body, the U.S. Senate, on the agriculture bill by a vote of 54 to 44 passed the same amendment. Unless we are willing so to criticize and chastise our other body across the way—I doubt if we would characterize that body as being mischievous.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I hope the gentleman does not take too much offense at the word "mischievous." Mischievous is variously defined. My purpose was not to cast a reflection on the gentleman. I think the gentleman is perfectly sincere in what he wants to do.

He does not want to limit payments under this program to $50,000. He wants to make the program impossible, and I think he is honest enough to say without reservation that his amendment makes the operation of the present program impossible.

Mr. MICHEL. Mr. Chairman, if the gentleman from Indiana wants to respond, I will be happy to yield to him.

Mr. FITHIAN. I will be happy to respond.

I would point out to the gentleman there are a lot of little sugar growers and little beet growers who will not be affected and they will get the payment.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield one more time to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, the gentleman has just said he intends the $50,000 payment limitation to apply to processors who have to pass it on to producers. The gentleman knows that a $50,000 limit on payments to the processor destroys the program.

The gentleman from Illinois (Mr. FINDLEY) was frank enough to say in the committee that was exactly correct, and I am sure the gentleman from Illinois (Mr. MICHEL) would say this is a gutting amendment.

Mr. FITHIAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Indiana.

Mr. FITHIAN. Mr. Chairman, if the gentleman from Washington, the chairman, is saying, yes, I would like to prevent or that I construe and the Attorney General of the United States construes it is an end run, and that is all the administration is doing here, making an end run around the present law, yes. I would say that is correct, I would like to defeat that proposition.

Mr. Chairman, I would like to defeat that proposition. I would, indeed, like to see us abide by the laws of the House and of the Senate and the laws of the land. We are not doing that, in my judgment, if we go for a vote with this payment; so I would like to prevent a process-oriented tax rebate.

Mr. HEFTEL. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. FINDLEY. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

The Chairman, our esteemed colleague from Washington (Mr. FOLEY) placed his argument against this amendment on the contention that the word "person" in the amendment would mean that a processor could not receive more than $50,000, and therefore the program would be gutted; it would be made a nullity.

Now, that is not the intent and effect of the Fithian amendment.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. FOLEY. In response to a colloquy with the gentleman from Louisiana (Mr. MOORE) I understood Mr. FITHIAN to say that he intended the word "person" to include a corporation, and that he agreed generally with the assumption that it would cover the mill and the processor.

Mr. FINDLEY. Will the gentleman from Indiana clarify this point?

Mr. FITHIAN. As I said at the outset, I am not a lawyer. That is my layman's interpretation.

Mr. FINDLEY. I will say to the gentleman, if he will stay on his feet, that the law, the basic law, says the Secretary shall issue regulations defining the term "person" and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limit. In joining with my friend from Indiana, I have no thought that the effect of the amendment as he drafted it would be to restrict the Secretary from passing through the processor to the producer sums up to $50,000.

Now, it is clear that the Secretary has ample latitude in the statute to define persons in that way, and thus make this a workable program which would yield up to $50,000 to each farmer producing sugar; permit the processor to be the agent for passing the funds through, assuming that the President finds a lawful way that this can be done.

I would say further that I appreciate Chairman FOLEY citing me as an authority when he makes an argument on an amendment, but, if my memory is correct, the amendment I offered at that time was a limitation to processors. It named processors, not persons.

I had in mind stopping the program by that amendment, and I believe the limitation of $50,000 would have that effect.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, the gentleman's recollection is precisely correct. At least, it is in accordance with mine, and I am sure we must both be right. In the committee the gentleman offered an amendment specifically limiting to $50,000 any payment to processors.

Mr. FINDLEY. That is correct.

Mr. FOLEY. And the gentleman very candidly said that would gut the program and that was his intention.

Mr. FINDLEY. Exactly.

Mr. FOLEY. A few moments ago we had a dialog with the gentleman from Louisiana (Mr. MOORE) and the gentleman from Indiana (Mr. FITHIAN), and the gentleman from Indiana (Mr. FITHIAN) said that the word "person," as I understood him was to include processor.

We do not make any payment to producers directly, as the gentleman knows. And the program is intended to be carried out, at least according to preliminary regulations which have been issued, by making payments to processors.

Mr. FINDLEY. That is correct.

Mr. FOLEY. If the term "person" means processor, then the program obviously cannot work under this amendment.

Mr. FINDLEY. The chairman, of course, is correct, that the program announced by the President, which has now been declared to be unlawful by the Comptroller General, is a program for the payments to processors as a pass-through to producers. But no one knows how ingenious the executive branch will be. Presumably they could come up with payments for producers on some other grounds. If that happens, I would hope this committee would try to establish a limitation of $50,000 on any such payments. We do not know what the executive branch is going to do tomorrow. The executive branch certainly has wide latitude to do all kinds of things under basic law in the agricultural field. The executive branch obviously thought it had more latitude than the Comptroller General thought it had. But we are dealing with possibilities.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. FINDLEY) has expired.

(By unanimous consent, Mr. FINDLEY was allowed to proceed for 3 additional minutes.)

Mr. FINDLEY. Mr. Chairman, I think the gentleman from Indiana is entirely right and proper and prudent in giving this committee the opportunity to establish the $50,000 as the maximum amount which any person can possibly get under a payment program dealing with sugar.

Why the $50,000 level? The committee has recommended a limitation which goes up to $47,600 for other commodities; $50,000 is not too far away from that level. It seems to be in the proper range. The Senate, on a record vote, has established its own view as to limitation on payments to sugar producers. It has voted a level of $50,000, and that seems prudent and proper to a majority of the Members of the Senate.

So I think the gentleman has chosen a good figure, and I think this is the proper time for this committee to register its opinon on that question. We have just had a vote, a very close vote, on the amendment offered by the gentleman from Minnesota (Mr. NOLAN) an amendment which was supposed to throttle down on big payments on corporate agriculture. It came within 10 or 12 votes. It is unthinkable, to me, that this committee, in the light of that decision, would limit this to $50,000 in payments to sugar producers. I think it is an absurdity for us to act otherwise and to vote affirmatively for the Fithian amendment.

Mr. CORRADA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Findley/Fithian amendment, which would limit individual producer payments under USDA's proposed sugar program to $50,000. For months now I have been in constant communication with USDA Secretary Bergland and the Sugar Task Force, apprising them of the critical situation faced by our sugar farmers and refiners in Puerto Rico. Although we in Puerto Rico welcomed the President's program, we felt that it was quite narrow and limited in scope. President Carter's guarantee of a 13.5 cents was the estimated break-even price for domestic sugar growers, but not Puerto Rico's. The President yielded further by limiting the share sugar refiners and processors could obtain. Now we face another initiative aimed at further limiting the program.

The sugar situation in Puerto Rico is indeed acute. The cost of land, shortage of labor, and inadvisability of mechanization have all helped the skyrocketing costs of production. In 1966, the Puerto Rican government had to reluctantly rescue the floundering industry by forming the Sugar Corporation. This wholly government-owned instrumentality currently operates all 11 sugar mills in Puerto Rico. The decision to enter into the sugar sector was motivated because of the severe unemployment problem on the island, and the necessity of supplying the rum industry with molasses. To say that the corporation has operated in the red is an understatement. In 1976 it suffered a deficit of $58 million, and for fiscal 1977 it is calculated at $70 million. The short-lived boom of 1974 prompted some planters to put marginal acreage into sugar cane. At today's deflated prices, these marginal lands fail to cover costs.

The proposed sugar price support program would alleviate our sugar industry's crisis and help us to retain approximately 13,000 jobs, while we continue to modernize. We are certainly not talking of windfall profits. Given the maximum allowable price support of 2 cents a pound and the 1977 crop total, the Sugar Corporation would qualify for $7,195,040 in price supports.

Last year Puerto Rico produced 308,000 tons of sugar, 185,000 tons of which was

exported. Our production level today is one fourth of what it used to be when we had a flourishing industry. I think it is in the national interest to upgrade our production levels, lest we completely default by inaction to foreign competitors.

I think it inadvisable to yield to those who claim that sugar subsidies pad the pockets of the refiners and large commercial growers. I am concerned about the livelihood of thousands of citizens, both on the mainland and in Puerto Rico, who depend on sugar and sugar derivatives such as rum for their livelihood. We have an opportunity, limited as it may be, to lend a helping hand. The limitation imposed by the Findley/Fithian amendment is unconscionable in its limitation, and should be defeated.

Mr. AKAKA. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, in the past 2 years, sugar prices have fallen sharply. Growers have been receiving less than the cost of production for their product. The President and Secretary Bergland have determined that a program offering payments of up to 2 cents per pound of sugar should be undertaken to assist producers and processors through the present period of low prices.

No one will get rich from this program. It will, however, allow the domestic sugar industry to exist until the market price reaches 13½ cents per pound. It will keep our country's sugar industry in business so that thousands of workers will not have to be laid off. If the Fithian amendment passes, it will have the effect of destroying the President's program completely and will force one of our Nation's largest industries into bankruptcy.

Any payment limitation would work a particular hardship on one single State—Hawaii. Without the ceiling, assuming payment of the full 2 cents per pound for a year, Hawaiian producers would receive $40 million. A $50,000 ceiling would limit the Hawaiian total to $750,000. Hawaii's unique situation, being 2,400 miles away from the nearest market, requires large corporate farming. A $50,000 payment which may assist a family farmer to stay in business, will be of no benefit to the corporate farm. As a result, they will no longer be able to stay in business, and tens of thousands of workers will have to be laid off. Passage of the amendment would be devastating to the State's economy since the sugar industry, now losing money, is the third largest industry in Hawaii.

On March 17, 1977, after a 6-month investigation, the U.S. International Trade Commission concluded that the increased importation of foreign sugar, most of it heavily subsidized by its country of origin, was indeed injuring our domestic sugar industry. The ITC immediately called for the reduction of import quotas. The President rejected this method of relief since it would raise the price of sugar and be harmful to consumers. Instead, he devised a price support program for interim relief until a permanent solution to the sugar crisis could be devised. It must be kept in mind that under the President's approach, the price of sugar will not increase to the consumer. If we allow the amendment to eliminate this approach, the President will be forced to limit sugar imports as recommended by the International Trade Commission, and the price of sugar will go up to the consumer. I know that this is what those who represent the corn industry want so that corn-based sweeteners will sell for considerably less than sugar.

The issue here, however, is not one of sugar versus corn. The issue that we face today is, are we going to allow cheap foreign imports to destroy one of our Nation's most important industries and throw thousands of American workers out of work. This country has painfully learned what happens when we allow ourselves to be totally dependent on the products of other nations. Only if we have our own domestic sugar industry, will we be able to control the price of sugar, so that it will be fair to growers and reasonable to consumers. I urge you to prevent any interference with the President's proposals, and vote against the amendment.

Mr. FOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. EVANS of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7171) to establish more responsive programs for the benefit of farmers and consumers of farm products; to extend and improve the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, as amended; and for other purposes, had come to no resolution thereon.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 7553, PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ENERGY RESEARCH APPROPRIATION ACT, 1978

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CONFERENCE REPORT ON S. 1377, EXTENDING TIME FOR COMMENCING ACTIONS ON BEHALF OF AN INDIAN TRIBE, BAND, OR GROUP

Mr. DANIELSON submitted the following conference report and statement on the Senate bill (S. 1377) to extend the time for commencing actions on behalf of an Indian tribe, band, or group:

CONFERENCE REPORT (H. REPT. No. 95-505)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1377) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That (a) the third proviso in section 2415 (a) of title 28, United States Code, is amended by striking out "after August 18, 1977" and inserting in lieu thereof "after April 1, 1980".

(b) The proviso in section 2415(b) of title 28, United States Code, is amended by striking out "on or before August 18, 1977" and inserting in lieu thereof "on or before April 1, 1980".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

GEORGE E. DANIELSON,
MORRIS K. UDALL,
BARBARA JORDAN,
R. L. MAZZOLI,
HERBERT E. HARRIS,
CARLOS J. MOORHEAD,
WILLIAM S. COHEN,
Managers on the Part of the House.

JAMES ABOUREZK,
HOWARD M. METZENBAUM,
JOHN MELCHER,
MARK O. HATFIELD,
DEWEY F. BARTLETT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 1377, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment and the substitute agreed to in conference are also noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

Two changes made by the House amendment to S. 1377 were necessitated by the fact that section 2415 of Title 28, U. S. Code, was amended on July 11, 1977 when the House Joint Resolution 539 was approved as Public Law 95-64. That law deleted the words "more than eleven years after the right of action accrued" from the third proviso of section 2415(a), and inserted the words "after August 18, 1977" in their place. This change in the law extended for 30 days the statute of limitations applicable to contract actions for money damages which accrued prior to July 18, 1966 and are asserted by the United States on behalf of Indians. The House amendments eliminated the reference in S. 1377 to the language in the third proviso of subsection (a) of section 2415 already deleted by Public Law 95-64, that is, the words "more than eleven years after the right of action accrued" and in their place provided for a deletion of the words "after August 18, 1977"

from that proviso of section 2415(a) in order to provide for a new date for the expiration of the statute of limitations for contract actions subject to that proviso. The Conference Report adopts the same language and fixes the new date as April 1, 1980 for such actions.

The second change made by the House amendment to S. 1377 necessitated by the enactment of Public Law 95–64, related to the proviso in subsection (b) of section 2415. Public Law 95–64 deleted the words "within eleven years after the right of action accrues" from that proviso and, by inserting the words "on or before August 18, 1977", provided for a 30-day extension for the bringing tort actions by the United States in behalf of Indians which accrued prior to July 18, 1966. The House amendment struck the words "within eleven years after the right of action accrues" and in their place provided for the deletion of the words "after August 18, 1977" from the proviso in section 2415(b) in order to provide for a new date for the expiration of the statute of limitations for the tort actions subject to that proviso. The Conference Report adopts the same language and fixes the new date for the expiration of that statute of limitations as April 1, 1980 for those actions.

GEORGE E. DANIELSON,
MORRIS K. UDALL,
BARBARA JORDAN,
R. L. MAZZOLI,
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Managers on the Part of the Senate.

PERSONAL EXPLANATION

Mr. PRESSLER. Mr. Speaker, on rollcall 445, the vote on the Nolan amendment on H.R. 7171 today, I am not recorded by the machine as voting. During the debate on the amendment I spoke in support of the amendment.

Mr. Speaker, the fact is that I did vote "aye" on the amendment, but my vote was apparently not recorded by the machine.

FISHERIES SERVICE REPORTS DRAMATIC REDUCTION IN DOLPHIN MORTALITY

(Mr. LEGGETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEGGETT. Mr. Speaker, the National Marine Fisheries Service has reported a dramatic reduction in the incidental take of dolphins by tuna fishermen during the first part of the current fishing season. The Fisheries Service estimates that 8,412 dolphins have been taken by the fleet through July 3, 1977. The importance of this figure becomes clearer when you realize that the fleet is only taking one dolphin for every four tons of yellowfin tuna landed. Expressed in another manner, the fleet is taking 2.97 dolphins per "set." Last year NMFS estimated that the fleet killed 1.1 dolphin per ton of yellowfin landed or 14.4 animals per set. In other words, the fleet has reduced dolphin mortality this year by over 400 percent!

If the fleet can continue this remarkable performance they will have no difficulty meeting the 59,050 dolphin quota for 1977 imposed under the terms of the regulations promulgated under the Marine Mammal Protection Act. Assuming a mortality per ton of .3, the total mortality for 1977 would be 20,000 animals. The National Marine Fisheries Service cautions that it is still too early to accurately estimate total mortality for the entire year. The fleet is fishing in an entirely new manner this year due to their late start. Normally, the fleet begins fishing in January and ends around October. This year most of the fleet did not begin fishing until May 13.

Despite these caveats, it is clear that the fleet has dramatically reduced dolphin mortality this year. Although everyone is ecstatic about these early reports, no one apparently can explain the drastic reduction in mortality. It is assumed that the use of fine-mesh by the entire fleet plays a large part in the mortality reductions. This year the National Marine Fisheries Service required the fleet to install 1¼-inch nets in the backdown area of the net. In the past, many dolphins died because they became entangled in the nets despite the best efforts of the fishermen to release them from the net. The fine mesh nets tend to alleviate that problem by preventing the dolphins from becoming entangled until the fishermen are given an opportunity to release them via the backdown procedure.

Dolphins are incidentally captured in the first place because of their unique association with the yellowfin tuna. Yellowfin tuna are known to swim beneath and behind dolphin schools. Tuna fishermen exploit this relationship by herding the dolphins enclosing them with nets, thereby capturing the tuna below. Unfortunately, thousands of dolphins incidentally captured along with the tuna become entangled in the nets and die.

The Subcommittee on Fisheries, Wildlife Conservation and the Environment, which I chair, has struggled with this issue over the last 2 years. I believe that these encouraging statistics indicate that much of our effort has begun to pay off.

We still have more to accomplish, however. The new statistics are based on the weekly reports by National Marine Fisheries Service observers. Currently, the National Marine Fisheries Service has observers on about 40 percent of the vessels fishing "on dolphin." The total observer coverage for 1977 will be about 20 percent of the trips taken by the American fleet. I would personally like to see the observer coverage increased to 100 percent so that we can get an absolutely accurate report of dolphin mortality in the eastern tropical Pacific Ocean.

The latest National Marine Fisheries Service report on dolphin mortality is summarized as follows:

Total 1977

Species	Allowable mortality	Cumulative mortality [1]
Spotted dolphin (offshore)	43,090	5,798
Spinner dolphin (white belly)	7,840	1,791
Common dolphin (northern)	400	170
Common dolphin (central)	600	10
Common dolphin (southern)	5,600	265
Striped dolphin (northern)	40	0
Striped dolphin (north equatorial)	400	79
Other dolphin	80	18
Total	59,050	8,141

[1] Through July 3, 1977.

Mortality per ton: 1976, 1.1; 1977, .24.
Mortality per set: 1976, 14.4; 1977, 2.97.

PEACE FOR CYPRUS MUST BE MADE A PRIORITY IN OUR FUTURE FOREIGN POLICY

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, today, July 20, 1977, we solemnly commemorate a tragic day in world history. Three years ago today, Turkey ruthlessly and without provocation invaded Cyprus. For 3 years, Turkey has occupied some 40 percent of the island. For 3 years, peace has been sought. Yet after 3 years, peace remains an illusion.

The Cyprus conflict is far more than a political issue. It is a profound human tragedy. The invasion and occupation has uprooted and displaced almost one-third of the island's predominantly Greek population. Many families have been separated and still, after 3 years, do not know the fate of their wives, husbands and children.

An estimated 2,000 Greek Cypriots are officially listed as missing since the invasion. Turkey has repeatedly failed to account for these individuals, and it is a source of deep resentment in the Greek community. I have contacted the President on this matter.

Peace for Cyprus is a formidable, but not an insurmountable challenge. The United States must assume greater leadership. Thus far, the Carter administration has not been as aggressive as we had hoped, in pursuing peace. Our concern for human rights must be the foundation in our work for peace. Peace for Cyprus must be made a priority in our future foreign policy. Let us not be forced to observe another tragic anniversary.

Marches and other commemorative observances are being held throughout the Nation today. One such march will be held in New York City's Dag Hammarskjold Plaza. The group will be led by Archbishop Iakavos—the archbishop

of the Greek orthodox archdiocese of North and South America—and Father John Poulos, pastor of St. Demetrios Church in my home district of Astoria, the largest Greek community outside of Greece. The highlight of the New York march will be the carrying of a torch which was lit in Cyprus by President Archbishop Makarios. I salute the New York participants and feel such observances should be conducted throughout this country and the world to focus on the need to bring peace to Cyprus.

U.S. TAXPAYER IS VICTIM OF WORLD BANK STING

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Florida. Mr. Speaker, I have spent a great deal of time, of late, studying the activities of one of our most influential international financial institutions, the World Bank. I have stated publicly, and often, that if the American people knew how this organization spends the hard-earned taxpayer dollars that we appropriate for its use, they would be more than a little upset, and not a bit supportive. And now I offer further evidence to support that statement.

Some people in our Government, and perhaps even some of our colleagues in this Congress, have been mesmerized by the carefully contrived "public image" of the World Bank, into believing that the money that the United States and a number of other nations of the world contribute to this organization, is doled out regularly and conscientiously only to relieve the suffering of the world's poorest people. Everyone understands that some portion of this money must be used for the administration of these "humanitarian" programs, but we are always led to believe that this sum is kept to a bare minimum. Some very interesting information has come to my attention recently, Mr. Speaker, concerning the "administrative" practices of the World Bank, and I am anxious to share that information with you, and with all of the Members of this Congress—and especially with the American people.

An upsetting part of this revelation, is how hard I had to dig to find it out. Perhaps if the World Bank was more open with Congress; if it would lay its cards on the table and explain and justify—assuming such justification is possible—their procedures; if its representatives would submit to questioning by the Members of our subcommittee which appropriates the funding the World Bank needs for its very existence, we would not be surprised when we finally do learn what they have been up to. But the fact that they have flatly refused to answer many of our questions, only serves to underline my suspicions that those internationalists know, better than anyone else, that our Nation, and a number of other nations, would not approve of their business practices if we ever found out what they were.

How would your constituents feel, Mr. Speaker, if they knew that substantial amounts of money expended by the World Bank in fiscal year 1976, purportedly to help the "poorest of the poor," actually wound up in the pockets of World Bank employees in the form of personal, low-interest loans? These loans were granted at interest rates as low as 4 percent. The American taxpayer cannot get a personal loan on such easy terms, but they are subsidizing loans for World Bank employees who make as much as 57 percent more than comparable employees in the U.S. civil service, and who pay no U.S. income taxes.

Some of these loans are granted to World Bank employees for the purpose of making a downpayment on a house. Such loans are repayable over a 12-year period. One of the stipulations of these loans is that the house cannot cost more than $125,000. Most Americans cannot borrow money anywhere, at any rate, for the downpayment on a house. In fact, most mortgage companies require the buyer to sign a statement that the downpayment has not been borrowed. If they do borrow the money surreptitiously, on a personal basis to use for the downpayment on a house, their interest rate for such a "personal" loan ranges from as much as 11 percent from a bank to as high as 24 percent from a loan company.

Education loans for staff members who wish to continue their education, may be borrowed in any amount up to the equivalent of 6 months of their salary. These loans are repayable over a 6-year period at the very low interest rate of 4 percent. Education loans are also granted, at similar rates for the education of the employees' dependent children. Few of our constituents, Mr. Speaker, can get this kind of a deal.

The third type of loan available from the World Bank to their employees is even less justifiable. These are loans to buy furniture. New appointees to the World Bank staff are eligible for loans in an amount equivalent to 6 months of their salary to buy furniture. These loans are granted at 8-percent interest and are repayable over a 6-year period. One of our constituents who wishes to borrow money to buy furniture will probably pay 11-percent interest to the bank, 15.5-percent interest if the purchase is a time payment through a local furniture store, or as much as 24 percent from a loan company. It is highly unlikely, in any event, that they could get a loan for that purpose in an amount equivalent to 6 months of their salary, and certainly not with 6 years to pay it off.

Why, Mr. Speaker, should the World Bank have the privilege of using U.S. dollars to grant low-interest loans to its own employees? These are some of the highest paid bureaucrats in the world, 95 percent of whom live in the United States, yet pay no U.S. income taxes. If the World Bank wants to help them with their personal financial problems, that is fine, but why should the American taxpayer have to foot the bill? And let us not try to fool the American taxpayer by continually telling him that his contribution is going to the "poorest of the poor," when actually a lot of it goes to the "richest of the rich." Since these World Bank employees make so much money—pay no U.S. income taxes—why not let them use the same borrowing facilities we do, just like those of us who are presently subsidizing them?

Don't you think, Mr. Speaker, that it is time we stopped being "put on" by these multilateral organizations, and started doing the job we were sent here to do—the job of spending the taxpayer's dollars prudently and sensibly, and getting something worthwhile for our money? At the very least we are entitled to an accounting of the money we do give them. I would like to provide for you more of the specifics on this World Bank employee loan program, but unfortunately, those specifics were presented to me by the U.S. Department of the Treasury with the condition that I honor the World Bank's classification of "confidential." This example of hiding information from the U.S. Congress is just another in a list of activities designed to keep World Bank operations secret. World Bank officials refuse to testify before our committees, they refuse to provide us with audits of their loans, and they won't even allow Members of Congress to attend the meetings they hold to make decisions on loans. If we ever should get an accounting, Mr. Speaker, we might really be surprised at what we learn.

RADIOACTIVE MATERIAL PROTECTION ACT OF 1977

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKUBITZ. Mr. Speaker, today I am introducing the Radioactive Material Protection Act of 1977. This legislation would provide to the maximum degree possible, protection to our Nation's citizens from the threat of terrorists and other criminals who would seek to use radioactive material to inflict harm upon our people.

This legislation is stern—make no mistake about it. The bill provides for the death penalty or life imprisonment for the sabotage of nuclear facilities, hijacking or sabotaging vehicles carrying nuclear materials, or threatening to expose another to radiation as part of an extortion punishable by death or life imprisonment.

Not only is this legislation stern, but the most careful steps were made to insure its constitutionality. A great deal of time and effort has been taken to provide that my legislation falls within the framework of recent Supreme Court decisions where the imposition of the death penalty is involved. The American Law Division of the Library of Congress has carefully reviewed my bill and they have stated that the bill's provisions fall within the guidelines established by the Supreme Court.

Another feature of my bill provides for a reward of $50,000 to any person who furnishes original information leading to the arrest and conviction of the person or persons charged with violating sections of my bill. This reward may seem steep, but when one considers that the terrorist often moves on the international scene we must insure that any individual who violates provisions of my bill never sleeps a quiet night until his arrest. We must serve notice upon the terrorists and criminal community that to inflict harm upon citizens of the United States with radioactive material is a crime of the most heinous nature—and that our Government will not allow such a criminal a moment's rest if he violates the provisions of my legislation. Only by offering such a reward for these criminals and combining this with the death penalty can we greatly diminish the likelihood of terrorism and criminal acts with radioactive material.

The necessity for my legislation has been brought about because of several factors. Among these factors is the increasing incidence of terrorism, the expansion of our Nation's reliance upon nuclear energy, published reports of security problems at nuclear facilities, a myriad of inadequate Federal statutes dealing with violations of the Atomic Energy Act of 1954, and widely divergent State statutes dealing with the imposition of capital punishment. It is entirely possible that a terrorist could cause the release of radioactive wastes from a nuclear facility in one State where no death penalty exists, but where people are killed; the wastes could then be transmitted to another State where again citizens could be killed by the same released radioactive wastes. Not 1 person could be killed, not 2, not 5, not 10, nor even 50 but conceivably thousands could be killed. And the actual question of such a terrorist facing the sentence of death—because of differing States' jurisdiction—could actually be in doubt.

We all hope and pray that such an event never happens. But if it does, we must be sure that justice is meted out and that our citizens are protected from the hazards of the nuclear age. My legislation, put forward in a nonpartisan spirit, will deal with the problem now at hand—and our people will be safer if it is enacted.

DR. ALICE PAUL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 60 minutes.

Mrs. BOGGS. Mr. Speaker, as the sponsor of today's special orders honoring the memory of Dr. Alice Paul, a major leader of the women's suffrage movement in the United States and abroad, I am both saddened and proud.

The news of Dr. Paul's death on July 9, at the age of 92, came as a loss to all of us who work to promote the interests of women in America. Although she was characterized as a "living legend" and a symbol of the women's suffrage movement, Dr. Paul was also a very real woman who literally dedicated her life's work to advancing the position of women and who enchanted all of us who have been privileged to meet her.

The tales of Dr. Paul's campaign in behalf of the right to vote for all women includes anecdotes of political persuasion and the generation of attention-getting publicity which would awe any professional campaign manager. With little money and even less public credibility, Dr. Paul and her colleagues orchestrated a tide of public opinion in favor of the vote for women. They raised money; they wrote pamphlets; they held meetings and conventions; they conducted processions (we would call them marches); they burned President Wilson's speeches; they picketed the White House; and they were often arrested.

But throughout the campaign for the suffrage amendment, Dr. Paul and the members of the National Woman's Party steadfastly maintained their commitment to obtaining the vote for women, and in 1920 the 19th amendment was ratified.

Created to spearhead the passage of the women's suffrage amendment, the National Woman's Party continues today as a forceful voice in behalf of women's rights as citizens. A lasting memorial to Dr. Paul's efforts, the party is housed in the historic Sewall-Belmont House, at 144 Constitution Avenue NE., just a stone's throw from this Chamber.

The Sewall-Belmont House incorporates a house built on the property in the early 1700's, thus giving the Sewall-Belmont House claim to being one of the oldest houses on Capitol Hill. Inhabited by Albert Gallatin, Secretary of the Treasury to Presidents Jefferson and Madison, the Sewall-Belmont House is thought to have been the location where Gallatin worked out the financial matters dealing with the Louisiana Purchase. The House also served as one of the last defenses against the British Army marching to burn Capitol buildings during the War of 1812.

After changing hands several times, the Sewall-Belmont House was sold to the National Woman's Party in 1929 and was renamed the Alva Belmont House in honor of the party's chief benefactress. The house has been used as a residence and national headquarters by the National Woman's Party since that time despite an attempt to acquire and level it to provide additional parkings spaces. The steadfastness of the membership in saving their residence was a great victory for the Historic Preservation Movement.

I feel that it is especially appropriate that the architecture housing Dr. Paul's organization should be an ancient and venerable structure, constantly growing and changing and incorporating newer architectural modes. Like the Sewall-Belmont House, the women's suffrage movement has grown to embrace all political affiliations. Just as the preservation of the Sewall-Belmont House signifies the values of our society which most revere historic association and a love of beauty, Dr. Paul worked to preserve the natural resources that women truly are for society by bringing them into the mainstream of American political life through that indispensable tool—the vote.

Mr. LUNDINE. Mr. Speaker, what does this country owe to Alice Paul? Although her name is unfamiliar to many of us, her story is that of a remarkable woman who devoted over 60 energetic years to the cause of equal rights. In all of her adult years Dr. Alice Paul never gave up the struggle to achieve equality between men and women. She died last week, but evidence of her influence will live on in the hearts, minds, actions, and accomplishments of all women and men who undertake the task of achieving equal rights for all people.

Dr. Paul is perhaps best remembered for her role in the woman's suffrage movement. It was largely through her efforts that the dying movement gained new life in the early 20th century. Alice Paul never took full credit for achieving that first step to equality, for she recognized the importance of the work done by women such as Carrie Chapman Catt, and before that, Elizabeth Cady Stanton and Susan B. Anthony. But no one can deny that without the endless energy Dr. Paul marshalled to the cause of women's suffrage, that first step, long overdue, would have been delayed even longer.

After the 19th amendment passed, and women gained the right to vote, Alice Paul did not stop there. She recognized from the start that the ballot may be powerful, but it is not a panacea. She faced even the opposition of many women's groups when she drafted and set out to incorporate into the Constitution an amendment which read:

> Men and women shall have equal rights throughout the United States and in every place subject to its jurisdiction.

Throughout the remainder of her life she devoted her considerable energy to passage of the equal rights amendment.

On July 9, the day of Alice Paul's death, over 7,000 women were gathered in Albany, N.Y., to nominate delegates for a National Women's Conference to be held later this year. Their very presence may signify that there is still much work to be done before Dr. Paul's dream becomes reality. But much more than that, it means that the spirit of equality which Alice Paul strengthened will live on long after she is gone.

Mr. SOLARZ. Mr. Speaker, a great figure in American history passed from the scene last week. Alice Paul was a woman of vision and of spirit: The vision to see new directions and new arenas for the women's movement when all around her were mired in discouragement and the spirit to sustain that vision year after year in an uncomprehending and indifferent world.

Her vision enabled her to turn the suffrage movement in 1912 onto the path toward a suffrage amendment to the national Constitution—at a time when most of the movement was hopelessly bogged down in an endless succession of State referenda. She formed the Congressional Union for Woman Suffrage, which later became the National Woman's Party.

Her vision enabled her to write the equal rights amendment in 1923 and to begin the long campaign to get it accepted—at a time when most of the women's movement was confused and scattered after the passage of the suffrage amendment.

Her vision enabled her to move the women's movement to the world arena—at a time when it was at a low ebb in the United States. She worked to establish the still-active Inter-American Commission on Women in 1929 and she founded the World Women's Party in 1938.

But even more remarkable than the vision was the spirit—a mixture of courage, tenacity, and the ability to inspire others.

Her spirit enabled her to embolden 5,000 women to march down Pennsylvania Avenue for suffrage in 1913—at a time when most women marched only between the kitchen and the bedroom.

But, above all, her spirit enabled her to keep alive the flame of the women's movement between 1920 and 1969—at a time when most women did not even know that they were not equal before the law. She maintained the national headquarters of the Woman's Party as what we would now call a women's center—offering unfailing hospitality and warm encouragement to party members and to all women. She dreamed that the handsome old house on Constitution Avenue would some day be augmented by a vast arena where women could come together to plan and build a new life for themselves.

She saw to it that the equal rights amendment was introduced in every session of Congress beginning in 1923—at a time when most women were unwilling to give up men's protection to gain equality, even if that protection meant permanent second-class status.

Because Alice Paul's spirit and her vision often made her out of step with her time, she was not well known throughout most of her life. But the ideas which were perceived by her vision and nurtured by her spirit are now reshaping the lives of women. And the full impact of her lifelong campaign for women's rights has not yet begun to be felt.

Mrs. HOLT. Mr. Speaker, at this point in American history, when an equal role for women in political life is acquiring the status of normalcy, it is strange to recall that women lacked the right to vote as recently as the early years of this century.

Today we find women in the President's Cabinet, in Congress, in elective and appointive offices at all levels of government, and entering all kinds of careers in the private sector.

We should not forget the crusading women who made this possible, and today we honor the memory of one of the great ones, Dr. Alice Paul, who died July 9. She led the campaign for women's right to vote, an effort which required monumental courage.

It provoked violent reactions. Her march of 5,000 women down Pennsylvania Avenue to the White House in 1913 was planned as a peaceful demonstration, but was reduced to violence. Dr. Paul knew and accepted personal danger as the price of continuing her crusade. She was jailed in England when she carried her campaign to Great Britain.

It was in 1919 that Congress proposed the 19th amendment to the U.S. Constitution to guarantee women the right to vote. Only a little more than a year later, three-fourths of the States had ratified the amendment to make it part of our Constitution.

Dr. Paul's lifelong devotion to the cause of advancing the status of women should interest every Member of this House who is committed to equal opportunity for all citizens. The women in Congress should remember her with gratitude, for her crusade gave us the right to run for election to this body.

I consider it an honor to participate in this tribute to Dr. Alice Paul.

Mr. EDWARDS of Alabama. Mr. Speaker, in January of this year, women's groups nationwide celebrated the 92d birthday of Dr. Alice Paul, a leader of the women's suffrage movement in America. Today, I join with pride in memorializing Dr. Paul and in recognizing her many accomplishments for women throughout the world.

Dr. Paul once said:

> I feel very strongly that if you are going to do anything, you have to take one thing and do it. You can't try lots and lots of reforms and get them all mixed up together.

Well, that is exactly how she ordered her own life, dedicating all of it toward the right to vote for women and equality of the sexes.

Although there was grassroots support for the women's issues she advocated, Dr. Paul brought them into the national focus. She came to Washington in 1913 to lead the drive for women's suffrage, and it is doubtful whether the 19th amendment giving women the right to vote would have been ratified by 1920 without the work of the National Woman's Party, which she organized. She carried her campaign internationally, working first for women's suffrage in Great Britain and then as a U.S. member of the International Council of Women. She was chairman of the Women's Research Foundation for over a decade, and she was instrumental in getting the principle of sexual equality written into the U.N. Charter preamble when it was written in 1945. Dr. Paul drafted the first version of the proposed equal rights amendment in 1923 and was successful that year, and in the following 49 years, in getting it introduced in Congress. The Lucretia Mott amendment, as it was called, met strong opposition from virtually all the women's groups organized at the time, including the League of Women Voters.

Dr. Alice Paul was clearly ahead of her time, a visionary whose goals were based on compassion and on her belief in freedom and individual equality. It is those principles of freedom and equality on which our country was founded, and without the dedication of Americans like Dr. Alice Paul, we cannot expect to protect them.

Mr. ADDABBO. Mr. Speaker, I join with my colleagues today in honoring one of the great citizens of this Nation, Dr. Alice Paul who died on July 9.

When Dr. Paul died at the age of 92 at her home in Moorestown, N.J., she had compiled more than 60 years as an activist on behalf of equal rights for women. She was one of those most responsible for the granting of voting rights for women, and she lived long enough to see her radical and outrageous opinions of the early 20th century come close to fruition and taken as a matter of right, in her latter days.

We in this Nation owe much to Dr. Paul who had the courage of her convictions in the days when women were supposed to be confined only to the home. Today, thanks to Dr. Paul and the many who followed her in the cause for human rights for women, we have learned to value and appreciate the skills and talents of our female citizens, and the Nation is a far better place for that hard-learned lesson.

But in honoring Dr. Paul, we ought to note what she undoubtedly would tell us if she were here today: the battle for human rights is not over. Not in this Nation and not around the world. If this Nation is to serve as an example to the rest of the world, then let us insure that we fight any attempt, no matter how subtle, to deny any segment of our population the rights they are accorded in our Constitution and our laws. We know just from hearings held by the Congress this year that discrimination still exists against women in this land, and against other minorities as well. Let us use this occasion in which we honor the memory of Dr. Paul to rededicate ourselves to stamping out discrimination once and for all in this Nation. And the sooner the better. Dr. Paul would approve of that most of all.

Mr. EDWARDS of California. Mr. Speaker, I would like to join with my colleagues in paying tribute today to Dr. Alice Paul, leader of the movement for women's suffrage and author of the original equal rights amendment.

Dr. Paul first became involved in the struggle for women's rights during her years in Great Britain from 1907 to 1909 where she fought along with Emmeline and Christabel Pankhurst on behalf of the British women's suffrage movement. After her return to the United States in 1912, she became the guiding force in the American women's suffrage movement which had been floundering since the introduction of the first suffrage amendment in Congress.

Utilizing the techniques she had had learned in the British suffrage movement, Dr. Paul organized a massive demonstration in Washington, D.C., immediately preceding the inauguration of President Woodrow Wilson. The next years saw a continuation of the demonstrations, picketing, imprisonments, hunger strikes and lobbying in behalf of the suffrage amendment.

It was largely through the dedication and commitment of Dr. Paul and her Congressional Union for Woman Suffrage, and later the National Women's Party, that the President was persuaded

to back the suffrage amendment and the Congress passed the 19th amendment in 1919. The amendment was ratified by the States some 14 months later.

Although many of those involved in the struggle for suffrage felt that the major battle had at last been won, Dr. Paul realized that there was still much work to be done if women were to achieve true equality. In 1923, the first Equal Rights Amendment to the U.S. Constitution, authored by Dr. Paul, was introduced in Congress.

Dr. Paul and the National Women's Party persisted in their efforts and the ERA was introduced in every Congress for the next 49 years, until at last in 1972 it successfully cleared the Congress.

Unfortunately, Dr. Paul did not live to see the ERA ratified by the required 38 States. To date, only 35 States have ratified the amendment. Now seems a fitting time to renew our commitment to ratification of the ERA in the additional States needed to make it part of our Constitution.

The struggle for women's equality will continue, but the movement has lost a great leader and our country has lost a great citizen.

Mr. McKINNEY. Mr. Speaker, the death of Dr. Alice Paul on July 9 marks the passing of a gracious and determined woman who selflessly devoted more than 60 years of her life to securing equality under the law for women in this country and abroad.

Dr. Paul began her valiant and colorful crusade for women's rights in 1913, establishing the National Woman's Party through which she spearheaded the women's suffrage movement. For the next 8 years, Dr. Paul zealously organized, demonstrated, fasted, marched on the White House and even went to jail until the 19th amendment to the Constitution was finally ratified and women were given the right to exercise the franchise.

However, unlike so many involved in the suffrage movement, Dr. Paul wisely perceived the vote as merely the first step in the long and ongoing struggle by women to gain their rightful place in society. Thus, in 1923, she drafted the legislation which is the basis for the equal rights amendment passed by Congress in 1972 and now ratified by 35 States. She championed the rights of women abroad as well, serving as a consultant to the League of Nations on women's problems in the world and founding the World's Women's Party in 1938. It was this organization which is responsible for having the principle of equal rights for women affirmed in the preamble of the United Nations Charter because, said Dr. Paul, "there will never be a new world order until women are given a part of it."

"I never doubted that equal rights was the right direction," Dr. Paul said in an interview with American Heritage in 1974. "Most reforms, most problems are complicated. But to me, there is nothing complicated about ordinary equality."

Unfortunately for Dr. Paul and for both women and men in this country, many persons apparently do not agree. It is tragic indeed, Dr. Paul died before adoption of the equal rights amendment to which she devoted so much of her energies and so much of her life. No tribute would be greater to the memory of this magnificent woman that ratification of this constitutional amendment by the people in three more States so that all women in this country could finally be guaranteed their equality under the law.

Elizabeth Chittick, who now chairs the National Woman's Party, observed upon the death of Dr. Paul that "the full impact of Dr. Paul's lifelong efforts to secure equal rights for women in the U.S. Constitution and in the United Nations Charter and throughout the world has yet to be felt." To insure the equal rights and opportunities of all men and women, I can only hope that someday soon it will.

Mrs. MEYNER. Mr. Speaker, I am sure that by now my colleagues are familiar with the life and achievements of Dr. Alice Paul. Rather than repeat what has already been said, I would like now to discuss on a broader scale her place in American annals.

A good starting point for our frame of reference is the U.S. Revolutionary War. It lasted about 8 years and, during that time, thousands of cannons boomed and millions of bullets filled the air. Much blood was shed for the cause of "liberty and justice for all." When the smoke cleared and the Treaty of Paris was signed, formally ending the war, liberty and justice were established—but only for the white, male, property-owning elites—not for all.

Since our Nation's founding, the right to vote has been granted to more and more of our citizenry; the requirement that one be a property owner was dropped, the requirement that one have white skin was dropped, and in 1920, the requirement that one be born male was dropped. After long years, many demonstrations, jail terms and forced feedings, suffrage for women was won.

But being an American means more than simply being able to vote. Alice Paul knew this and, without pausing to take a much needed and well-earned rest, she pushed on to obtain full citizenship for American women. In 1923, the equal rights amendment she had written was finally introduced in Congress. It was not until 1972, nearly half a century later, that it passed Congress and went on to the State legislatures for ratification.

She died with 35 States having ratified her dream, 3 still to go before it could become a reality. I can think of no tribute to her more fitting than to make the ERA a part of our U.S. Constitution. I, for one, pledge to carry on the work she has begun. Dr. Paul blazed a trail in the wilderness, made a clearing and proceeded to nearly complete the job. The foundation having been laid, our goal of "liberty and justice for all" is almost accomplished. Much hard work remains, but anything short of this ideal is inexcusable and ill-befitting a nation which calls itself the leader of the free world.

Looking to future elementary and secondary school textbooks, I can envision Dr. Paul being mentioned—not in some special course on "women in America"—but in the standard chronicles of the American story. I can see her being given as much time and attention in these classrooms as other Americans who contributed equal amounts of energy and daring to the concept of individual freedom—places now reserved for the Thomas Jeffersons and the George Washingtons.

Mr. STEERS. Mr. Speaker, yesterday as I was putting together my thoughts on the commemoration of Dr. Alice Paul's great contributions to the women's movement, I noticed a story in the Washington Post reporting that the Justice Department is starting, only now, a project to root out sex discrimination from thousands of Federal laws and regulations.

This item caught my eye because I had attempted to do the same with Maryland statutes when I served in the Maryland State Senate. In return, I received a great deal of cynicism from detractors of the women's movement, particularly those opposing the equal rights amendment.

I could not help but think of the kind of courage and sense of principle that was required of someone who began such efforts 70 years ago which is when Alice Paul at the age of 22 came to the aid of suffragettes in London while she was attending the School of Economics there. Certainly at that time, she was in the "wilderness" of such reforms, before women had the vote, and faced obstacles impossible for us to imagine today.

Five years after her experiences in London, in 1912, she was appointed by the National American Suffrage Association to the chairmanship of its Congressional Committee in Washington to work for passage of "the amendment that Susan B. Anthony had helped to draw."

She arrived in Washington with only a handful of contacts and no financial support. Within a year of that arrival, Dr. Paul had organized a crowd of 5,000 suffragettes in a march down Pennsylvania Avenue to the White House on the eve of President Wilson's inauguration.

Four years after the march, she was jailed for obstructing traffic during a protest for women's suffrage. This was the first of several times she was imprisoned for her efforts to gain the vote for women.

Through these sometimes dramatic efforts, the National Woman's Party, which Dr. Paul founded, was successful in achieving voting rights for women when the 19th amendment was ratified in 1920.

Shortly thereafter, the Woman's Party met in February of 1921 to decide whether to disband or as Dr. Paul put it, "take up the whole equality program—equality for women in all fields of life—that had been spelled out in the Seneca Falls convention of 1848." The party decided to go ahead and expand its efforts accordingly and in 1923 on the 75th anniversary of the Seneca Falls convention adopted the concept of the ERA.

Thereafter, Dr. Paul, who drafted the original language of the ERA, began going to "convention after convention" in order to change "the thinking of American women" many of whom feared loss

of alimony, special labor laws, and other benefits.

Dr. Paul, who earned a degree in social work from Swarthmore College, a master's and doctorate from the University of Pennsylvania, a law degree from Washington College, and a doctorate of law from American University, credits her dedication to female equality to her Quaker religion which, when founded in the 1600's, was based on equality of sexes. When asked about the basis for her strong support and lifelong dedication to the concept, Dr. Paul simply and modestly answered that—

The principle was always there. . . . I have never doubted that equal rights was the right direction.

In summing up her contribution to women's rights in an interview 3 years ago at the age of 89, she responded that—

Each of us puts in one little stone, and then you get a great mosaic at the end.

For those of us who are still fighting to implement the ERA, Dr. Paul's example of perseverance continues to serve as a guiding light in the face of our detractors.

Perhaps all our frustrations to move on equal rights for women can be summed up by Dr. Paul when she noted that—

. . . there is nothing complicated about ordinary equality. It is really true, at least to my mind, that only good will come to everybody with equality.

Mr. FRASER. Mr. Speaker, today we are paying our respects to the late Alice Paul. She will be remembered as a radical suffragist who, with untold others, worked for women's rights in the United States and around the world. Alice Paul endured prison, hunger strikes and many indignities for the goals of women's suffrage, the ERA and other efforts to insure an equal place for women in society.

At the age of 92 she died, having seen 35 States ratify the constitutional amendment she authored. But, like many leaders, she did not live to see the moment of her triumph.

The National Woman's Party, founded by Alice Paul, held a memorial service for her this morning. They have requested that expressions of sympathy be in the form of contributions to the Alice Paul ERA fund of the National Woman's Party, 144 Constitution Avenue NE., Washington, D.C.

Today few scoff at the notion of women voting. Some Americans still find the equal rights amendment a strange and frightening concept. Yet for most aspects of women's liberation, the risk of personal danger to the advocates is gone. Alice Paul was one of those who made the path easier for her intellectual heirs.

Ron Davis has chronicled the life of Dr. Alice Paul in an obituary which appeared in the Washington Post July 10. I would like to share his words with my colleagues:

ALICE PAUL, 92, LED EARLY PROTESTS FOR EQUAL RIGHTS

(By Ron Davis)

Alice Paul, a leader of the women's suffrage movement who championed women's rights for more than 60 years and was a main author of the proposed Equal Rights Amendment, died yesterday morning at the Quaker Greenleaf Extension Home in Moorestown, N.J. She was 92.

Born of Quaker parents in Moorestown in 1885, Dr. Paul pursued an education in social work and law, receiving a degree in social work from Swarthmore College in 1905, a master's and a doctorate from the University of Pennsylvania by 1912, a law degree from Washington College of Law in 1922 and a doctorate of law from American University in 1928.

Dr. Paul's crusade for women's rights began when she came to Washington in 1913 to lead the drive for women's suffrage. On March 3, 1913, the day before Woodrow Wilson's inauguration. Dr. Paul led a crowd of about 5,000 women on a march down Pennsylvania Avenue to the White House.

The demonstration, showing Dr. Paul's flair for the dramatic, never reached the White House because large crowds attracted to the event subsequently engaged in a brawl after which 40 persons were hospitalized. Cavalry troops from Ft. Myer were called to help restore order.

Four years later, in 1917, Dr. Paul and several of her associates were jailed for obstructing traffic when they were staging a protest for women's suffrage in Britain. They were given jail sentences of six months each.

While in jail, Dr. Paul went on a 22-day hunger strike and, during the last two weeks of the strike, was force-fed by a nasal tube twice a day. Such treatment generated public outrage and national protest until the women's sentences were commuted. But the incident marked only one of several times Dr. Paul was jailed for her activities.

In 1913, Dr. Paul founded the National Woman's Party, which spearheaded the movement to acquire for women the right to vote. Through continued hunger strikes and political protests, the organization was successful in achieving voting rights when the 19th Amendment was ratified in 1920.

Not content with that victory, Paul set about seeking further changes in the status of women, and in 1923, she drafted a proposed Equal Rights Amendment and presented it to a conference of the National Woman's Party at Seneca Falls, N.Y., where it was endorsed as the next major goal of the party.

The original text was brief and to the point, in keeping with Dr. Paul's direct approach in getting things done: "Men and women shall have equal rights throughout the United States and in every place subject to its jurisdiction."

When the amendment was proposed, it met stiff opposition from women's groups around the Nation, including the National League of Women Voters, which claimed that women needed protection under the law rather than equality.

Called the Lucretia Mott Amendment by Dr. Paul after her predecessor in the suffragette movement, the amendment was introduced into Congress that year, and Dr. Paul worked to see that it was introduced annually for the next 49 years.

The amendment cleared the House and Senate in 1972 after the women's liberation movement came to the fore in the late 1960s, and has been ratified by 35 states, three less than the number needed before it can become law.

Dr. Paul did not confine her efforts to the United States and Britain. In 1934, she worked on a consultant committee created by the Council for the League of Nations to study women's problems and concerns, after which she concluded that women in Europe were "straining at the leash" with the result that "men and women are facing each other as enemies today as never before."

To help correct the situation, Dr. Paul in 1938 founded the World Woman's Party, which later sent delegates to a convention that drafted the United Nations charter in order to insure recognition of women's rights by the body. The organization was successful in having the principle of equal rights for women affirmed in the preamble of the charter.

Following a two-year stay in Geneva, Switzerland, Dr. Paul returned in 1941 to resume her leadership on the domestic front, saying, "There never will be a new world order until women are given a part of it."

In 1957, Dr. Paul and the National Woman's Party faced a challenge of a different sort when the Senate started proceedings to have the party's headquarters building, historic Sewell-Belmont House at 144 Constitution Ave. NE., razed for a parking lot.

The women successfully fought attempts to remove their headquarters and in 1972, the building was declared a national landmark in commemoration of Dr. Paul and ratification of women's suffrage.

Sara McClendon, a journalist and a member of the National Woman's Party and friend of Dr. Paul, said yesterday that Dr. Paul once told her, "I never saw a day when I stopped working for women's rights," despite all the rebuffs and defeats.

According to McClendon, Dr. Paul said that she had kept a day-by-day list of members of both the House and the Senate and their position on ERA for years since 1920 and that until she became ill in recent years, she frequently lobbied members on Capitol Hill.

Elizabeth Chittick, chairwoman of the National Woman's Party, said in a statement that "the full impact of her (Dr. Paul's) lifelong efforts to secure equal rights for women in the United States Constitution, in the United Nations Charter, and throughout the world has yet to be felt."

McClendon said yesterday that memorial services will be held Friday at the Sewell-Belmont House for members of the National Woman's Party only.

McClendon said the organization plans to reenact Dr. Paul's famous march on the White House on Aug. 26 following a celebration to commemorate her life.

Dr. Paul, who was never married, is survived by a nephew.

Ms. HOLTZMAN. Mr. Speaker, I was deeply saddened to learn of the death of Alice Paul. Always it is difficult to adequately praise her extraordinary accomplishments, but I would like to add my voice in honoring her selfless and lifelong devotion to women's rights.

Dr. Paul would probably be uncomfortable with the recognition she is receiving in this public tribute. She was modest about her personal achievements and viewed the past as a thing to be vanquished rather than dwelled upon.

Nonetheless, her achievements were numerous. She founded and served as chair of the National Women's Party and founded the World Women's Party. She chaired the Congressional Committee of the American Woman's Suffrage Association and the Women's Research Foundation.

Her contribution to the international struggle for women's rights equaled her activities at home. She lobbied ably in the League of Nations for the principle of equal rights, and this principle was adopted in the preamble to the United Nations Charter. These practical efforts supplemented her impressive education which included a doctorate and three law degrees.

Alice Paul's life's work in the women's movement demonstrated an unflagging

commitment to end the inequality of women. Her vision, her active role, and her uncompromising devotion to the principle of equality contributed to the success of the two most important campaigns of her career: the ratification of the 19th amendment for women's suffrage and congressional passage of the equal rights amendment.

The women's suffrage movement was energized by Alice Paul's efforts. The political demonstrations and hunger strikes which she organized and participated in brought the 70-year battle for the vote to a successful conclusion. A similar commitment accompanied Dr. Paul's work for ERA. After securing introduction of the ERA in the Congress in 1923, Dr. Paul succeeded in seeing that it was reintroduced in every Congress for the next 49 years.

The commitment to women's issues in this country has fluctuated. The interest of the 1920's and 1930's that waned in the 1940's and 1950's and rose again in the 1960's and 1970's. All through this time, Alice Paul's devotion to equal rights of women remained constant. She remained active in this cause until 1974 when she became seriously ill.

Although we will miss her deeply, her example will inspire generations to come.

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of the special order today by the gentlewoman from Louisiana (Mrs. BOGGS).

The SPEAKER pro tempore (Mr. GONZALEZ). Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

CAPTIVE NATIONS WEEK, 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, during this week of July 17–23 the 19th Captive Nations Week is being observed in this country and abroad. In 1959, Congress provided for this annual observance in its Captive Nations Week resolution which President Eisenhower signed into Public Law 86–90.

HUMAN RIGHTS AND CAPTIVE NATIONS

The cause of human rights is nowhere more applicable, more pressing and more noble than in the direction of the over 27 captive nations found in that vast imperio-totalitarian part of the world. As has been pointed out by spokesmen of the National Captive Nations Committee, the captive nations issue has always been intertwined with that of human rights. As massive evidence shows, no part of this globe represents a graver denial of human rights, including the right to national independence, than the Communist imperio-totalitarian world imprisoning the captive nations.

For those who would restrict the scope and meaning of human rights, it cannot be emphasized too strongly that human rights encompass not only personal and civil rights but also, and in an aggregate sense most importantly, national rights.

THE HELSINKI ACCORDS

As we observe this week in dedication to the natural alliance and bonds that exist between the captive peoples and us, we must focus our sights on the Belgrade conference and its evaluation of compliance with the Helsinki accords.

Contrary to some opinion in this country, basket one in the accords is more important and fundamental than basket three, for the principle of national self-determination is what captive nations and the generic, national category of human rights are all about. Also, several colleagues and I have a pending measure, House Concurrent Resolution 165, which seeks the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine.

The religious genocide of these churches is unparalleled and deserves top priority consideration at the Belgrade Conference. And, finally, dissidence in the Soviet Union and throughout the captive world must be supported in the spirit of personal, civil and national human rights. Soviet Russian imperio-colonialism, Russification and the economic exploitation of the non-Russian nations within the U.S.S.R. are forces that must be highlighted and brought before the court of world opinion.

Mr. Speaker, as part of my remarks I submit: First, the proclamations of Gov. Meldrim Thomson, Jr., of New Hampshire and Gov. William G. Milliken of Michigan; second, an excellent piece by Andrew M. Greeley on the captive nations issue; and third, the testimony of Dr. Lev E. Dobriansky of Georgetown University on the Genocide Convention, with reference to House Concurrent Resolution 165:

The material referred to follows:

STATE OF NEW HAMPSHIRE.

A PROCLAMATION: CAPTIVE NATIONS WEEK

Whereas, the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from diverse racial, religious, and ethnic backgrounds; and

Whereas, since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the brutal subjugation of free people in a vast and growing area of the world which poses a dire threat to the security of the United States and all of the remaining free peoples of the world; and

Whereas, these policies of the Communist world have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, South Vietnam, Cambodia, Laos and others; and

Whereas, it is fitting that we make clear to such peoples through appropriate and official means that the people of New Hampshire share with them our aspirations for the recovery of their freedom and independence; and

Whereas, the United States of America has and will continue to strive toward the day when all people of the world may live in freedom, and will continue to work to reverse the trend whereby freedom loving individuals and nations are losing their independence to aggressive communist nations at an ever increasing pace; and

Whereas, President Dwight D. Eisenhower, on July 17, 1959, signed into law, a joint resolution authorizing and requesting the President of the United States to proclaim annually, the third week in July as Captive Nations Week until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas, the true spirit of the congressional resolution was to give support and encouragement to the enslaved people of captive nations to carry on their struggle for Freedom from Communist domination until liberty again reigns triumphant in their oppressed lands;

Now, therefore, I, Meldrim Thomson, Jr., Governor of the State of New Hampshire, do hereby proclaim the week of July 17–23, 1977 as Captive Nations Week, and urge our citizens to observe this week with appropriate ceremonies and activities including strong opposition to the continuation of detente with Communist Russia and Red China.

STATE OF MICHIGAN.

EXECUTIVE DECLARATION IN OBSERVATION OF CAPTIVE NATIONS WEEK

The desire for freedom and liberty burns in the hearts of people throughout the world, including those living in nations dominated by the policies of Communist Russia.

Freedom-loving peoples of Albania, Armenia, Bulgaria, Byelorussia, Croatia, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Serbia, The Ukraine and other captive nations look to the United States as the vanguard of human freedom.

Therefore, I, William G. Milliken, Governor of the State of Michigan, do hereby declare July 17–23, 1977, as Captive Nations Week, and I urge all citizens to dedicate some of their time and effort to the goal of freedom and liberty for all people throughout the world.

[From the Sunday News, Oct. 24, 1976]

THE CAPTIVE-NATION CAPER

(By Andrew M. Greeley)

Before Americans forget completely about Eastern Europe—that marvelous election bonus which President Ford gave to Governor Carter—there is an important point to be made: The captive nations issue, so much before the public eye for a few weeks, has been a matter of profound concern to some 7 percent of the population for three decades.

The national elites, the media, both political parties, and almost everyone else in the population have not taken this concern seriously. To forget about the captive nations again, as the country surely will, is going to be interpreted as a gross insult by that 7 percent of Americans who think the problems of people in those nations ought to merit attention by other Americans.

Israel is a concern to some 3 percent of the American population, and the rest of us are not permitted to forget about it—nor should we be permitted to forget it. Black rights are a concern of 10 percent of the country, and again we are not permitted to ignore those rights—nor should we be.

Then by what standards are we permitted to forget or ignore the oppression of Eastern Europe?

Immediately the answer comes that Israel is "different" or American blacks are "different" or Chile is "different" from Eastern Europe. If one wants to play that game, the differences go both ways. Israel is an independent country and Lithuania, the Ukraine, and even Poland and Hungary are not.

American blacks have more political freedom and a higher standard of living than

Poles or Bohemians or Croatians Obviously antiblack racism is a problem inside our borders, and obviously the Holocaust makes Israel a special case—though a lot of Eastern Europeans died in concentration camps, too.

Such attempts to weigh the "greater" importance of human freedom and dignity in one corner of the world against freedom and dignity in another corner are essentially hypocritical and irrelevant. Freedom and dignity are indivisible. One supports them everywhere or nowhere.

The Jew who is for freedom in Israel and not in Poland is a hypocrite; the black who is for equal rights in the United Sates and not for equal rights in Lithuania is a hypocrite; the liberal who is opposed to torture in Chile while not troubled by it in Ulster is a hypocrite; the Catholic who is worried about the right to life in the United States and not in India is a hypocrite.

Obviously one puts the major emphasis on the causes closest to home or in which one has a greater personal interest; there is nothing wrong with that. Obviously some forms of injustice are worse than others; and there is nothing wrong with calling attention to that.

What is wrong is to urge other Americans to support one's own cause in the name of freedom, dignity and justice and ignore their claim to support in return when freedom, dignity and justice are at stake.

STATEMENT OF DR. LEV E. DOBRIANSKY

Mr. Chairman, having testified over a 27 year period twice before in favor of the ratification of the Genocide Convention, I want to take this third opportunity to submit a brief statement within the new context of our human rights discussion and the primacy of the issue for a strong and influential policy. I believe the political climate today is quite different from what it was in 1970 and certainly in 1950, when I first testified on this treaty. It is unfortunate that this highly important treaty has had to be subjected to the vagaries of any political climate, since, dealing with the preservation of life itself, the treaty and its ratification should have received long ago a thoroughly apolitical and objective treatment. President Carter with his emphasis on human rights and your Committee with its patient perseverance are to be commended in striving for such treatment and the treaty's ratification by the Senate.

TRIBUTES TO PROFESSOR LEMKIN AND SENATOR PROXMIRE

It is not my intention here to repeat arguments and data which I provided in the previous testimonies. All of the supporting, substantive data offered back in 1950 apply without any qualification today. (The Genocide Convention. Hearing, Committee on Foreign Relations, U.S. Senate, 1950, pp. 319–413). The same can be said for the legal and constitutional points and arguments stressed in my testimony in 1970 (Genocide Convention, Hearings, Subcommittee of the Committee on Foreign Relations, U.S. Senate, 1970, pp. 165–174). However, for the record, certain things do require repeating.

One, it was my precious privilege to work with Dr. Raphael Lemkin on this treaty's ratification. Mention is made of this again because few now realize that in fact a life was literally sacrificed to advance this treaty and its ratification by the United States especially. Dr. Lemkin, of Polish Jewish origin and an esteemed international lawyer, coined the word "genocide", knew from experience its special meaning and horrors, and was primarily instrumental in the drafting of the convention and its carefully prepared provisions. He was an outstanding scholar and truly great person who could have leisurely extended his years on the faculty of Yale University, but who, instead, dedicated to the universal realization of this convention, spent his time and energies, and with increasing personal poverty, in the halls of the United Nations and our Capitol, promulgating this vital treaty. His death was premature. He died as a sad and disillusioned man, not understanding how some have failed to understand the crucial import of this treaty. It was, above all, the United States, his adopted country, that he placed his complete faith in leadership on this.

If, as I believe, the treaty will finally be ratified by us in view of the existence of no creditable opposition to it at this time and of the pressing need to support the human rights orientation of our foreign policy, I propose again the idea of a fitting posthumous tribute by our Congress to the works and efforts of the real father of the Genocide Convention, Dr. Raphael Lemkin. On this basis, he would also be fully deserving of a posthumous Nobel Prize Award.

To coin, help draft, lay the foundation and to struggle unto death are one end of the spectrum of this subject. The other end of dedication and perseverance in the present constitutes an equally important one. This has been provided by the steadfast efforts of Senator William Proxmire. For some ten years on a daily legislative basis he has uniquely covered the ground of all the proferred objections and criticisms to the treaty. Without his leadership in this respect, the vast majority of voices in this country for ratification of the treaty would have been stilled for want of direction and concentrated expression. As a reader of the Congressional Record and one who was well taught by Dr. Lemkin as to the legal and constitutional aspects of the treaty, I can attest to the Senator's full and objective coverage of the subject. While we pay tribute posthumously to one, we cannot but pay equal tribute to the Senator for carrying on the fight with equal dedication to this day.

FURTHER ESSENTIAL POINTS AND A CURRENT CASE

Further essential points that need restating are as follows:

(a) the inordinate delay in ratifying the Genocide Convention has been a disgrace for the United States and a source not only of embarrassment to our representatives but also of impediments to a dynamic foreign policy. Particularly in this period of human rights consciousness, the end of this delay is more urgent than ever before. The Convention has much to do with certain generic categories of human rights;

(b) the misconceptions of genocide that have mounted for over two decades have militated more against the treaty's ratification than the many relatively petty legalistic misinterpretations. For examples, mass killing in itself is not genocide, whereas mass deportations can be genocidal. The crux of genocide's meaning is found in the treaty's words, "with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group, as such."

As so well exemplified by Hitler's assault upon the Jews, Stalin's destruction of the Ukrainian Orthodox and Catholic Churches, which remains a current case, and Mao's attack against the Tibetans, to mention only a few, the intent to destroy in whole or in part, and regardless of motivation or purpose, was realized overtly in the act itself. The consummate aim of the Convention is to prevent such an act in the first place through the force of international law and morality. The "as such" is the determining qualification here that differentiates this special type of crime from all others;

(c) once the special meaning of genocide is grasped, it flows logically that this type of crime, heinously denying any of the above groups its very right to exist, is impossible within a democratic society and even an authoritarian one. In a totalitarian society, such as Nazi Germany, the USSR or mainland China, where political power was and is monopolized, the environment for its commission is fertile and the means for its execution is readily available;

(d) reflective insights into these two previous points are sufficient to place into perspective the so-called legal objections about foreign dictation to our Congress, the illusory expansion of power of the International Court of Justice, and the United Nations, and vulnerability to charges of genocide in warfare. This gamut of objections and criticisms against the treaty for almost 30 years has been almost entirely one of misinterpretation of the treaty's provisions and safeguards. Most of all, in any given analysis, it invariably was founded on a false conception of genocide and an inadequate empirical insensitivity to the real facts and experiences of genocide as precisely defined in the convention;

(e) with the American Bar Association finally favoring ratification in this decade and almost all national groups (the Ukrainian Congress Committee of America since 1950) maintaining their previous positive positions, it would be the apogee of arbitrariness for a relative few to stall further the necessary process of Senate ratification; and

(f) such arbitrary stalling would not only continue to deprive our nation of a politico-moral force in our foreign policy, such as it has done for over a generation, but it would also blindly obstruct at this stage the President's commendable attempt to make human rights the foundation of our foreign policy. In short, how would it look to others throughout the world—a world in which over 80 states have ratified the treaty—for the U.S. to continue its stall without any substantial justification on a treaty that deals with a basic human right, a specified group's right to exist and live, and yet to advocate human rights. It would be an open invitation to becoming a laughingstock at the very time that numerous LDC's look to American moral leadership and friendship.

RELIGIOUS GENOCIDE IN UKRAINE

The current case of genocide cited above has to do with Stalin's liquidation of the Ukrainian Orthodox and Catholic Churches. Why should this be pointed out here in this statement? For very practical reasons, pertaining to the Convention itself, the President's human rights advocacy, and our substantive and tactical approach to the Belgrade conference and its evaluation of compliance with the Helsinki Accords. These are all closely interrelated and serve as an exercise of thought bearing on the Convention.

As I emphasized in my recent testimony before our Commission on Security and Cooperation in Europe ("Helsinki, Human Rights and U.S. Foreign Policy") the annihilation of these two Churches is an act of religious genocide. By concept and definition, it fits to a "T" the provision of Article II in the Convention—an act "committed with intent to destroy, in whole or in part, a national . . . or religious group as such", by killing "members of the group", "causing serious bodily or mental harm to members of the group, and by deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part . . ." The murders and deportations of the Ukrainian Orthodox and Catholic clergy, the concentration camp incarcerations of their faithful and the obliteration of the two national institutions and all their functioning properties spell, without doubt, religious genocide.

Going a step beyond in the generic order of human rights, this genocide of the soul of a nation and all the mental harm this has caused, also entails in major part the genocide of the national group, the Ukrainian nation as such. As I stated in the human rights testimony, "In speaking of the genocidal surgery of a nation, just imagine what would happen if the Polish Roman Catholic Church were similarly liquidated." Moreover, the fact that this outstanding combination of genocidal operation was committed under Stalin, does not render the cases obsolete. The disintegrative effects of the crime continue with regard to the nation to this very day, and the renewal of the religious groups is possible once the continuing intent perpetuated by Stalin's successors is eliminated. H. Con. Res. 165, submitted by Representative Daniel J. Flood and several of his colleagues, seeks the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine on the basis of this logical line of reasoning and empirical validation.

HUMAN RIGHTS AND THE CONVENTION

In terms of magnitude, intensity and significance for the preservation of a nation, no other contemporary case of religious genocide can parallel this one of the two Ukrainian Churches. Yet, isn't it peculiar and strange that the councils of the world—our democratic governments, the committees and bodies of the United Nations, indeed, the Vatican and the World Council of Churches—scarcely have raised a voice against this heinous, genocidal crime? It cannot be said that they are unaware of it. Is it the fear of irritating the Russian bear, regardless of principle, value and civilized judgment?

It is fervently hoped that this Soviet Russian crime will be placed high on the agenda of the Belgrade conference, where our representatives are expected to uphold human rights. The fact that the completion of this genocidal act under Stalin predates the Helsinki Accords in no way detracts from its continuous impact on the Ukrainian nation, not to speak of the factor of institutional recoverability. Apprehended underground priests still are being murdered or imprisoned, and the faithful still are being subjected to mental harm in order to destroy permanently the two religious groups.

Philosophically, the rational link between human rights and the Genocide Convention is to be found in the two higher generic orders or categories of human rights. The delineation and explanation of the three generic categories of human rights—the personal, the civil, and the national—are provided in my recent testimony before the Commission. For clarity and precision of thought, suffice it here to state that the Convention can be applied only to the civil and national categories of human rights since, again, the treaty specifically deals with, "in whole or in part, a national, ethnical, racial or religious group, as such." The first relates to national human rights, even for a nation to exist in all of its manifold expressions; the last three relate to the civil rights category of human rights. The Convention has no direct bearing on the first generic category of personal rights.

In making these necessary distinctions, it should be clear that the combined case of the genocided Ukrainian Orthodox and Catholic Churches in Ukraine falls under the Genocide Convention and is related only, in terms of the treaty, to the civil and national categories of human rights. Without the guidelines of such necessary conceptual distinctions we would only lend ourselves to the dialectic play of the Russians.

Finally, as I argued in the Commission testimony, the possibilities of human rights serving as the centerpiece of our new foreign policy and laying the groundwork for accountability by signatory states in terms of the U.N. Charter, the Universal Declaration of Human Rights, the Genocide Convention and so forth are tremendous. Provided we attain to a clear conception of human rights in the objective and even graded quantitative form of three generic categories, this policy application can work toward international order through the rule of law. But, as applied, for example, to the combined genocidal case presented here, how could we with any credibility pursue this course without having ratified the Genocide Convention? The answer is obvious. All the essential ingredients of this statement were offered 27 years ago, again thanks to the guidance and wisdom of Dr. Lemkin, but the climate and environment were short. They appear long now in their total characteristics and, as then, we just as strongly in thought and conviction still favor the necessary ratification of this basic, group right-to-life convention.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague, the gentleman from Pennsylvania (Mr. FLOOD) yielding to me. I believe that this House is eternally grateful to the gentleman from Pennsylvania (Mr. FLOOD) for his recurring and persistent effort to make sure that Captive Nations Week will not be forgotten and will remain as a symbol of human rights around the world. Also that the gentleman from Pennsylvania has not allowed time nor events to dissuade him and others to let this issue slip by or to forget it.

I know that I speak for many Members of the House when I say how grateful we are that he has kept up this persistent effort. I wish to compliment the gentleman for it.

I also know that people who are in captivity behind these various forms of tyranny are also grateful for his voice and for his willingness to make sure, along with others, that this resolution is presented each year and passed by the House. I want to add my voice to those who are grateful for his continuing efforts in this regard.

Mr. Speaker, during this 19th observance of Captive Nations Week, it is most appropriate that we take time to consider the millions of people throughout the world from whom tyranny and oppression are features of everyday life. The list of captive nations is long. They exist in virtually all parts of the world. Some of these countries once enjoyed long periods of self-determination and freedom. Others have been free for only the briefest of moments.

Yet in each of these countries, the spirit of liberty remains alive—held dear by those who continuously struggle to rid themselves from the oppression which grips their homelands. In recognition of their ongoing battle, we have set aside the third week in July as Captive Nations Week. Through this commemoration, we pay tribute to the courage of those who are not yet free and we reaffirm our own country's strong commitment to human and civil rights for all people. It is, therefore, truly unfortunate that America's current foreign policy seems to conflict with our respect for the human rights of these captive nations.

For the past 2 years, the only country to enjoy United States most-favored nation trade benefits, subject to the human rights and free emigration conditions of the Trade Act of 1974, has been Romania. In the past, the Government has granted Romania a waiver from those requirements because, allegedly, the Romanians were pursuing a foreign policy independent of the Soviet Union. Many of us here in Congress, however, have been concerned about constant charges that attempts have been made to suppress the language and culture of ethnic minorities. In addition, recent news accounts have referred to continued harassment of those seeking to emigrate and a new crackdown on dissidents—actions which point to a serious disregard for human rights and a badly-needed reconsideration of our trade position.

Unfortunately, the Carter administration does not share that viewpoint. On June 3, the President recommended that a waiver from the human rights and free emigration conditions of the Trade Act be extended—that we continue to trade with Romania. Earlier this week, the Trade Subcommittee of the House Ways and Means Committee added its approval to the administration's recommendation. I find these actions tragic and wonder aloud when we are going to stop having a selective human rights foreign policy—when we are going to give more than lip service to Captive Nations Week.

Mr. DERWINSKI. Mr. Speaker, I know that I express the sentiments of many of the Members of this House when I say we are grateful to the distinguished gentleman from Pennsylvania (Mr. FLOOD) for taking this special order today. The distinguished gentleman has always taken the initiative to make sure that we do not forget those nations living under tyranny behind the Iron Curtain, and we especially appreciate his continuing efforts to make sure America does not forget these victims of communism.

Captive Nations Week of 1977 takes on added significance. Perhaps the significance of this observance is as great this year as it was the year the commemoration was first established in 1959.

In making this point, I specifically refer to President Carter's emphasis on human rights. Certainly there is not a more flagrant denial of human rights than the loss of freedom which has afflicted all peoples under Communist rule.

Communism by its very nature deprives people of their basic rights. Freedom of speech, freedom of religion, freedom of movement, freedom of expression, and freedom of political activity are all denied peoples by various Communist governments. Whether it be the major Communist powers, the Soviet Union or Red China, or one of their European or Asian satellites, or even a semi-independent Communist state, the adverse impact on their respective populations is the same. This is true, regardless of the diplomatic independence that some of these nations occasionally try to display.

It would seem to me that at the time that diplomats are engaged in developing the agenda of the Belgrade Conference that it is most appropriate for us to emphasize the complications which beset people who are behind the Iron or Bamboo Curtain. And even though the liberal

establishment looks down on Captive Nations Week observances as being obsolete, the facts of life are that there is not any subject that so directly effects world political, geopolitical, and military relations than the issue of the captive peoples and the totalitarian regimes which oppress them.

Mr. Speaker, may I point out to the Members that, even though there is a similarity in terms of internal oppression that is characteristic of every Communist government, the captive peoples themselves are a diverse group with their own individual nationalistic traditions and spirit, which are their strength as they continue the battle against the false ideology of communism. For example, the non-Russian peoples of the Soviet Union include the Armenians, Byelorussians, Georgians, Cossacks, the Tartars, the Ukrainians—largest of the non-Russian peoples—and the Baltic States—Lithuania, Latvia, and Estonia—which constitute in terms of population almost half the populace of the U.S.S.R. Then, when we add the countries of Eastern Europe—Albania, Bulgaria, Poland, Romania, Czechoslovakia, and Yugoslavia—that were communized by Russian military forces after the close of World War II, we have another group of people whose great spirit, determination, and nationalistic integrity are their weapons in combating the ideology of communism.

In Asia where the greatest threat is posed by the dictatorship in Peking, we must note that the recent tragedy of Communist conquest of Cambodia, Vietnam, and Laos has added millions more people to the status of captives under communism.

It is especially important that we utilize this annual Captive Nations Week observance as a means of rallying the people of the United States and peoples of the free world in support of the just aspirations for independence of the people under Communist rule. It must be noted that there is not a single case where people voluntarily came under Communist rule; it was either by military invasion or revolution that the Communists have seized control. Communism cannot survive the application of democracy. This was demonstrated by the Soviets when they moved into Czechoslovakia to crush the aborted development in that country when there was an effort made to permit an evolution to democracy at that time.

Mr. Speaker, I think it is important that we stress the worldwide importance of the Captive Nations Week commemorations, because, when we speak of those held under the alien ideology of communism, we speak of peoples in Asia, Europe, Cuba in the Western Hemisphere and we now find that the aggressive designs of Communist imperialism are clearly visible on the African continent.

As so aptly stated by Lincoln, our Nation could not long endure half slave and half free, so it is that the world cannot endure half slave and half free. The freedoms which all men seek—legitimate nationalistic aspirations, the right to national identity, the right to maintain their language, culture, and traditions, the right to worship in a manner of their choice—give more strength to the cause of the free world than to atheistic Communist totalitarianism.

Mr. Speaker, I am especially pleased that the distinguished mayor of Providence, R.I., the Honorable Vincent A. Cianci, Jr., has issued a timely proclamation for Captive Nations Week. I am pleased to insert it in the RECORD as part of my remarks:

PROCLAMATION

Whereas, the United States of America has enjoyed full freedom for all of its citizens ever since it became "one nation under God, with liberty and justice for all" in 1776; and

Whereas, throughout the world in 1977, the same rights for freedom and personal liberty to which all men are heirs, are not presently available to countless millions of our fellow human beings in many captive nations; and

Whereas, it is incumbent upon all elected officials in this nation, to whom the deprivation of human liberty and the continuing enslavement of peoples is most reprehensible, to speak out on behalf of all who reside in these captive nations;

Now, therefore, do I, Vincent A. Cianci, Jr., Mayor of the city of Providence, hereby proclaim the week of July 17th through the 23rd, 1977 as Captive Nations Week in Providence and urge all of my fellow citizens in the capital city of Rhode Island to become cognizant of the fact that all of the personal freedom that we enjoy is still being denied many of our fellow human beings throughout the world.

Mr. FLOOD. Mr. Speaker, I appreciate the remarks of the gentleman from California (Mr. ROUSSELOT). Each year the gentleman stands here and says these racious things and takes part in what we are continuing to do.

Mr. PEPPER. Mr. Speaker and Members of the House, I want to join in commending the distinguished gentleman from Pennsylvania (Mr. FLOOD) and all of those who have associated themselves with him today in his pledge of sentiment here attesting to our love for freedom on Captive Nations Week. His special order is required for that purpose.

Mr. Speaker, it is a tragic thing that we are in the 2000th year of the Christian era, when we are in the grcat age of enlightenment, the greatest that mankind has ever known, that we have had so many centuries of political struggle, and so many martyrs who have died for the cause of freedom and for the experience of liberty and independence, yet we have to look across the world today with deepening sentiments of sadness, pain and anguish that so many men, women and children throughout the world still live under slavery, still are denied the exhilarating and inspiring influence of the experience of freedom, liberty, and independence.

This week is dedicated to making ourselves a commitment and a commitment to all those who do not today enjoy freedom. Their cause is our cause. We share their aspirations. We are determined to make what contributions we properly and reasonably can to their securing the blessings and liberty and enjoying them as it has been the privilege of the people of this country for so long to do.

I think history will call to account all oppressors of mankind, whatever be the day and place of judgment which they shall face. One of those nations that will be called to account is the Soviet Union. That is a great nation. It stood with great courage and with great persistence and great faith against the terrorist attacks of Hitler. I had an interview with Stalin in 1950 in the course of which he told me that Hitler and his aggression upon Russia had been responsible for the death of at least 15 million Soviet people. We aided Russia very substantially in her resistance to Hitler's tyrannical aggression. It may well have been that without the assistance we accorded the Soviet Union, she would not have been able to stop Hitler's aggression upon the very threshold of the city of Moscow. But we gave that assistance to Russia gladly because we were fighting a common foe—Hitler, who was endeavoring to enslave as much of Europe as he could, indeed, as much of mankind as could come within the reach of his power.

But when that great victory was won against tyranny, when the bestiality of that brutal Hitler was destroyed, instead of becoming the champion of liberty and freedom, the Soviet Union repudiated its obligations to those who had helped to win her freedom and began to enslave Eastern Europe, and at another time the three great nations of the Baltic, Estonia, Latvia, and Lithuania. Today liberty and freedom as we know it in America does not exist in the Soviet Union. Why does that great country wish to repudiate the honor that it has achieved in so many areas of man's competition? Why does it not also take the lead in enjoying and giving to other people, such as it can, the blessing of liberty and freedom and independence?

Surely they are not afraid to allow those privileges to their own people. How can they be secure, how can they stand before the world proud of their accomplishment, secure in the enjoyment of the system that they have, if they are unwilling to leave that system if they want to, if they are willing to deny the fundamental simple human rights and justice to which mankind has come to believe God intended his people everywhere to enjoy?

So today we call upon every Nation that oppresses the rights of any people anywhere, a large number of people or a few people, we call upon them in the words of the Bible: "Let my people go."

Let them go, as we would allow people to leave our country. We do not have to get permission to leave America. All we have to do is to leave. We do not commit any offense. We do not offend against any law. We do not cause any police officer to be trying to keep us from getting out of the confines of our land. We have a right to go when we will and where we will.

We have enough confidence in the kind of government we have, in the sort of society that we have been able to build here, in the rights and privileges that our people enjoy, that we can with security give anybody who wishes to do so the right to leave our land.

Why cannot other nations of the world do the same thing? Many of the great nations of the world have done that for a

long time. It is a part of their cherished history. Why cannot all the nations do that? They never will be great nations, they never will stand out in history and deserve the acclaim and the commendation and the honor of mankind until those nations do make their system embrace the respect for the rights and privileges of all people who live within their borders and see to it that they get justice before the law and that they are protected against any kind of oppression maintained by the government.

We today therefore recommit ourselves to the cause of human freedom. We commend our great President for the leadership he has given to the world in calling for respect for human rights. So we particularly call upon all those nations who oppress anybody anywhere at any time to free their people from these restraints and lift them up into the beautiful air of freedom, into the enjoyment of liberty and independence which is God's blessing to all men anywhere in the world.

Ms. OAKAR. Mr. Speaker, to my distinguished chairman of the Aging Committee, I would say his words are meaningful and eloquent, and I wish to associate myself with what the gentleman from Florida has just said.

Mr. KEMP. Mr. Speaker, I wish to thank and commend the efforts of my friend and colleague, Representative DANIEL FLOOD of Pennsylvania to focus congressional attention on the plight of the Captive Nations. It is vitally important that our Nation fittingly observe Captive Nations Week. Throughout history, the American people have overcome great obstacles, in order to stand on behalf of those people who love freedom as we do.

In July 1959, the Congress passed Public Law 86–90 which authorized and requested the President of the United States to designate the third week in July of each year as Captive Nations Week "until such a time as freedom and independence shall have been achieved for all the captive nations of the world."

I am pleased to know that President Carter has now issued the annual Presidential declaration in commemoration of Captive Nations Week. At a time when the administration is looking toward normalizing relations with Cuba, has accepted Vietnam into the United Nations, and withdrawing our troops from South Korea, any hesitation may have been interpreted as turning our backs on the millions of people who look to the United States as the citadel of human freedom and democracy. It would also have been a disappointment to those Americans whose relatives and heritages are still tied to those nations held captive. While we in America are enjoying the fruits of 201 years of freedom, we must remember that God who gives life is the ultimate source of our freedom and that of all people everywhere.

It is important to keep in mind that the price of maintaining freedom in every corner of the globe is far less than the cost we would have to pay to regain it, if lost. The people who live in the captive nations are those who are imprisoned within the Communist-dominated states under dictatorship of the Communist parties, and their consummate experiences attest to the overall truth that in both theory and action, communism is the worst form of totalitarianism and imperiocolonialism in the history of mankind rivaled only by Nazi/Fascism.

All too many times, we take the convictions and ideals that our forefathers fought for too casually. For these are what have formed the ideological base in our country, and the ones which have given those people in the captive nations hope, encouragement, and a goal to base their struggle for freedom on as well. These convictions were founded in a firm belief in the spiritual worth of the individual. They must be free to think, to speak, to print, to assemble, and to worship in accordance with their consciences. They must enjoy equality before the law. They must have a fair chance to develop and use their talents and to rise to the top of their abilities.

The purpose of government is to serve its citizens in freedom. Our forefathers did not claim to have discovered novel principles. They looked on their findings as universal values, the common property of all mankind. These ideas of freedom are still the truly revolutionary political principles abroad in the world. They appeal to the timeless aspirations of mankind. In some regions they flourish; in others, they are outlawed. But everywhere, to varying degree, they stir and inspire humanity. The affairs of men do not stand still. The ideas and convictions of freedom grow in vigor and influence and only if freedom continues to flourish unrestricted around our globe, will men realize the prosperity, the happiness, and the enduring peace they seek.

Citizens of the captive nations can only look forward to continued oppression, unless we spearhead and continue to lead the efforts of all free nations to work in harmony for the common goal of bringing freedom to all mankind. To further this objective, we must rededicate ourselves to the realization that no arena is too remote, no cause too small for us to reaffirm and dedicate ourselves to a total fulfillment of this commitment.

These nations look to the United States as the distant but strong beacon of freedom shining through the darkness of tyranny. We must continue to assist these captive nations in their courageous and never-ending struggle for freedom, so that one day, that beacon might shine over their lands as well.

Since 1917, over 1 billion members of mankind have lost their independence under the heels of Soviet Russian and Red Chinese totalitarianism. With the nations of Albania, Armenia, Bulgaria, Byelorussia, Cambodia, Crimean Tartars, Croatia, Cuba, East Germany, Estonia, Georgia, Hungary, Idel Ural, Laos, Latvia, Lithuania, North Korea, Vietnam, Poland, Romania, Serbia, Slovakia, Tibet, and the Ukraine, to name a few, all in the tightened grips of communism, one can only wonder who will be the next victims to fall prey to the dark cloud of oppression and domination.

For this reason, we must remain strong both in our conviction and in our support of the captive nations, and especially in letting the captors know that we are unswerving and steadfast as a free people and a free Nation, perpetually confirming the rights of all nations to know their own national freedom and independence.

Mr. Speaker, in this regard, it is of great importance that our remarks this day are not words of rhetoric, but rather words of action. I therefore urge that my colleagues join in cosponsorship of House Concurrent Resolution 278, which would allow the Baltic States the right of self-determination, the withdrawal of all Russian troops and other nonnative troops from these countries, and the return of Baltic prisoners from Soviet Labor camps. The United States has never acknowledged or recognized the incorporation of these once independent nations into the calamitous hands of the Soviet Union.

The Russian hierarchy remains an instrument of oppression for the people living imprisoned in these captive nations. Let us then demonstrate our concern and active commitment by dedicating ourselves as the guarantors of freedom, liberty and self-determination around the world, for all mankind. Let us send a strong and forceful message to our enemies stating that we will never acquiesce to any temporary or permanent captivity of these nations, or our captive allies, and that we are determined to work for their freedom, which in essence means our national freedom as well.

I have introduced today a resolution that was first suggested by Vladimir Bukovsky, the courageous Soviet dissident whom I was honored to meet just 2 months ago, on behalf of all captive peoples of the world. Mr. Bukovsky called this "a Strategy for Freedom" and I introduce it on his behalf and those giants of recent history such as Alexandr Solzhenitsyn, Andrei Sakharov, Alexander Scheransky, Ginzburg and hundreds of thousands more whose courage is unequaled in standing up to the whole totalitarian machinery of the Communist world. I also pay tribute to the great work of Dr. Lev Dobriansky of Georgetown University whose help and leadership on this is deeply appreciated.

The Strategy for Freedom resolution follows:

Whereas under the communist Soviet state persons are routinely deprived of basic human rights, including freedom of speech and of the press, freedom to choose alternative economic, educational, social and political systems other than that imposed by force; and

Whereas this policy denial of human rights denies the spiritual worth of the individual; and

Whereas the purpose of government is to serve its citizens; and

Whereas the ideals of freedom that sparked the American Revolution 201 years ago were merely a reaffirmation of the inherent rights of all humanity; Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the President of the United States of America shall take immediate and determined steps to enact the following measures strongly supported by such Soviet human rights leaders as Vladimir Bukovsky, and proposed as a

Strategy for Freedom on behalf of all oppressed peoples, to—

(1) Make U.S. trade with an economic aid to the Soviet Union dependent on Soviet observance of civil rights agreements; and

(2) Demand that Soviet leaders admit observers to their prisons, prison camps, psychiatric hospitals and trials; and

(3) Investigate infringement of civil freedom in the Soviet Union; and

(4) Obtain free contact between Western groups which seek to bolster the Helsinki accords and similar groups which have spontaneously sprung up behind the Iron Curtain; and

(5) Appeal to Moscow at the Belgrade Conference as a signatory to the Genocide Convention, for the restoration of Ukraine's Orthodox and Catholic Churches; and

(6) Urge the direct signations of Ukraine and Byelorussia, which are members of the United Nations, to the Helsinki Accords while advancing the idea of direct diplomatic relations with these non-Russian republics; and

(7) Advance the human rights issue by openly exposing all the accumulated cases of Moscow's continuing violation and deprivation of these rights within the USSR; and

(8) Press for accountability in terms of the U.N. Charter, the Declaration of Human Rights, and other legal instruments upholding human rights.

Mr. RODINO. Mr. Speaker, I am pleased to join in commemorating the 19th observance of Captive Nations Week. It is a time when we give special attention to the plight of countless people around the world who are denied their basic freedoms and liberty—ideals which were cherished even before this Nation's birth. As America begins her second 200 years, we cannot forget our commitment to the goal of securing the fundamental rights of all individuals.

Since the writing of the Declaration of Independence, America has recognized the importance of national self-determination. The Bill of Rights is a striking indication of our forefathers concern for safeguarding basic freedoms, and we have a responsibility to carry on that tradition. We must continue to strive for human rights on all levels—personal, civil, and national. Unfortunately, there is no greater denial of these rights than the oppressive treatment to which those people living in captive nations are subject.

Nineteen years ago, the Congress proclaimed Captive Nations Week to recognize the political and cultural suppression in the captive nations throughout the world. For the people of these nations freedom is still only an ideal. During our Bicentennial Year, people across the Nation celebrated America's independence. Now we must emphasize the cause of freedom in our relations with other nations until all the people of the world may celebrate their successful quest for human dignity and freedom.

Mr. WINN. Mr. Speaker, the third week of July marks the 19th anniversary of Captive Nations Week. In 1959, President Dwight D. Eisenhower signed into law a resolution calling for an annual recognition of the oppressed peoples of the world.

The resolution states:

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of peoples of these conquered nations should be steadfastly kept alive.

This strong statement underlines the need to acknowledge the democratic aspirations of men and women who are shackled under Communist or autocratic regimes. We must look beyond our national boundaries and reassure these people that we encourage their ideals of freedom and independence. Not so long ago, we founded our own country upon these same ideals.

Captive Nations Week is especially significant in this year of the official review of the Helsinki Final Act. Without a respect for human rights, stability in Europe will continue to be threatened by insurrections. Peace and security cannot be sustained if citizens are deprived of their basic civil liberties.

By acknowledging Captive Nations Week, we are reminding Soviet-dominated Eastern Europeans that we have not forgotten them. "Life, liberty, and the pursuit of happiness" are words from the American Declaration of Independence but freedom and self-determination are universal concepts. By reaffirming our dedication to liberty, we provide the oppressed men, women, and children with hope for the future. As long as captive nations exist in the world, the United States must honor those who are struggling toward justice and freedom.

Mr. CLEVELAND. Mr. Speaker, this week marks the 19th annual observance of Captive Nations Week, and it is very disheartening that the roster of nations under Communist domination grows longer with each passing year. More than 30 countries, whose inhabitants number some 160 million, now exist under conditions that deny or repress the fundamental human freedoms that we in America are blessed with but too often take for granted.

Since the designation of Captive Nations Week by unanimous consent of the Congress in 1959, we have seen one nation after another fall before the force of communism, and it is well worth pointing out that in every single instance it was military force that was the agent of change. These countries did not choose their Communist governments by free elections and, in fact, in the elections held in Europe in the last few years, the Communist Party candidates were roundly defeated.

Even as we stand in this Chamber and speak of the freedoms unavailable in these countries, Communist forces are attempting to enlarge the list of captive nations. Several countries in Africa stand on the brink of domination, and who knows how many more throughout the world will be arenas of ideological conflict soon.

Mr. Speaker, the new administration is focusing national attention on the important issue of human rights, and I applaud that commitment. I sincerely hope, as do all Americans, that it will bring about concrete and lasting results without damaging our relations with important allies.

I am alarmed, however, by recent overtures made to several Communist governments, especially the proposals to resume diplomatic relations with Cuba, and to withdraw American troops from South Korea. The barbaric and senseless shooting down of an American helicopter last week by North Koreans should convince us that a troop withdrawal would only invite a massive invasion from the North.

These overtures, unfortunately, seem symptomatic of the American mood, which over the years has become frighteningly complacent and insensitive to those hundreds of millions of people throughout the world who cannot even voice their own inner thoughts without fear of arrest or worse. We have become so used to our own precious individual freedoms, that we cannot realistically appreciate the fact that these freedoms are only a dream in the quiet of the night to the residents of the captive nations.

Somehow that complacency has to be shaken, and attention directed with renewed strength to the cause of speaking out in behalf of these people. Let us hope that the human rights campaign of the administration helps restore some of that zeal, and let us hope as well that this 19th observance of Captive Nations Week will raise more voices to join with us. The rights and freedoms of self-determination and justice belong to all nations, and we should never waver in our determination to achieve that goal.

Mr. ADDABBO. Mr. Speaker, today marks the 19th anniversary of Captive Nations Week and it is especially important in this era of stressing human rights throughout the world that we direct our thoughts to those people whose human rights have for so long been denied.

This is additionally a good time for us to dwell upon those international conferences now underway in which the question of freedom in all nations will be a topic of serious discussion.

Our Nation has served as a beacon for those who have left Estonia, Latvia, and Lithuania, and so I believe our Nation has not only the right but the obligation to remind the world that the people of these nations are still not free and have no hopes of freedom coming anytime soon.

For these nations, it has been 37 years without freedom, from the early days of World War II through the dominance of the Soviet Union from the end of the war.

Many violations of human rights have been documented since the Soviet takeover of these nations, including genocide and forced deportations.

In this Nation, we are deeply concerned with human rights, and we are willing to report to the world violations of civil rights no matter where they occur.

I believe it is of extreme importance that on this important anniversary, we remind the world of the tribulations of millions of people who yearn for freedom but who are denied their basic human rights. Let us not forget them.

Mr. RHODES. Mr. Speaker, for the past quarter century, we Members of Congress have been discussing the plight

of the many nations of the world that have been taken over by the armed might of communism.

From the days of President Dwight D. Eisenhower, we have observed Captive Nations Week, a time to remind the world that freedom is beset with dangers, and that totalitarianism constantly is trying to capture more of the world's people.

This year is more than a reminder, it is recognition that in many countries that have been overrun by the Red tide, the people are beginning to stir. Resentment of dreary, no-hope lives, and the prospects of a dead-end future has surfaced. Dissent is being voiced, the Communist system questioned, and the yearning for self-determination expressed by many who rebel at the Communist yoke.

We all should look back at the course of the world, and realize how far communism has advanced at the expense of freedom. Much of Europe and a substantial portion of Asia has been seized through force of arms. Many other areas of the world seek our assistance, to prevent takeovers by the world Communist conspiracy.

This year, the observance of Captive Nations Week is perhaps the marking of a beginning, a time in the world when oppressed peoples rekindle the desire and the will to work toward more freedom of thought and action. We should help them in every way.

This week also is a reminder that only a strong United States, with unmatched military and economic power, can preserve the bastions of freedom that remain, and help extend self-government to the downtrodden who live against their wishes under imposed Communist rule.

Mrs. FENWICK. Mr. Speaker, I would like to draw the attention of this Chamber to the plight of the world's latest refugees, the Vietnamese, Cambodians, and Laotians. The United States did a great deal to help refugees from these countries after their governments fell in 1975. We admitted 145,000 refugees in the past 2 years and provided shelter for them in this country until they could fend for themselves. The State Department now estimates that over 80,000 refugees are living on boats or in camps in Thailand. The flow of refugees into the United States, on the other hand, has slowed to a trickle in the past 6 months, and we have allowed entry of only 100 refugees a month. This summer the rate will increase to 300 per month, but it is far from the effort we could undertake and is far from the humanitarian spirit that moved our Nation to accept refugees from other captive nations in years past.

The condition of many of the Indochinese refugees is desperate The New York Times has estimated that over 4,500 refugees are living on boats in the waters of Southeast Asia. In an excellent series of articles in July, a New York Times correspondent, Mr. Henry Kamm, reported on the conditions in the refugee camps throughout Southeast Asia. Contrary to what we may have thought, the flow from Vietnam, Cambodia, and Laos has not ceased. Each month over 1,000 Laotians, 100 Cambodians, and hundreds of Vietnamese reach Thailand, which is the closest friendly country.

Mr. Speaker, on this day in which we commemorate our dedication to our freedoms and recommit ourselves to helping those people abroad who are subject to repressive communist regimes, we should not forget the Indochinese refugees. They are fleeing those Communist governments in Southeast Asia which do not recognize the value of the individual and the inherent rights of people everywhere. Our involvement in the war in Southeast Asia contributed to the creation of these refugees, who have now literally become the flotsam of the conflict. We have a responsibility to put meaning into our words here today.

The State Department has recommended to the White House that 15,000 Indochinese refugees be admitted to the United States on an emergency basis. Under this plan, our first priority should be the boat people who have not been allowed to land in any country and who, in some instances, have been towed back out to sea by the country in which they landed. We should also add our voices to those calling for an international arrangement whereby merchant ships would be rewarded for picking up refugees who reach international waters in small, unseaworthy boats. At a minimum, we should seek to defray the expenses they encounter in picking up and supporting refugees. Many times, these ships are the refugees' only hope.

The International Organizations Subcommittee of the International Relations Committee held hearings on the condition of human rights in Vietnam in June of this year. The picture which was painted by many of the witnesses was not a pretty one. While there is no systematic elimination of opponents of the government, many are intentionally left in inhuman prisons to starve or die of disease. Others are kept from their families for years in "reeducation centers" It is no wonder that hundreds flee this type of system, even when the only alternative is a small, unprovisioned boat on an open sea.

These remarks concerning the captive nations will not, I hope, suggest indifference to the tragic situation of the Baltic countries, the Ukraine, and the other captive nations of Eastern Europe and other countries in the world. The list is long but none is forgotten.

Mrs. HOLT. Mr. Speaker, for the 19th year, we are observing Captive Nations Week, and let no one suggest that we are indulging in an exercise in futility. The struggle for freedom is never ending. It has continued through all the ages of mankind, and will continue as long as the human soul exists.

Poland, Czechoslovakia, Estonia, Latvia, Lithuania, the Ukraine, Hungary, and others remain under the heel of foreign oppression, but the hope of freedom endures. Resistance continues, if only in the passive mode today, but patriots have shed blood for the freedom of those nations and continue to endure imprisonment and/or death for their dissent.

We honor these patriots today. Americans must never forget their sacrifices. Americans must never accept the rule of the captive nations by the ruthless despotism of Soviet Russia. They will be free someday, if not in our generation, then in the next.

America won her independence through revolution against colonial imperialism, but that was a mild and benign imperialism compared with the ruthless totalitarianism of Soviet Russia, which has the most formidable police state apparatus ever seen in the world.

It imposes a system which violates all human rights. It crushes not only political freedom but also deprives its subjects of freedom of speech and press, religious freedom, and property rights. It seeks total control of the individual, and those with the courage to resist risk the horrors of prison, labor camps, or insane asylums. By subversion and aggression, it attempts to spread this system to all parts of the world.

America remains a powerful symbol of freedom in the world. As long as America remains true to her heritage and her mission in history, hope survives for oppressed peoples everywhere, and the will to resist survives in countries threatened by Soviet imperialism.

As we mark Captive Nations Week, let us conduct a self-examination to evaluate how well we are fulfilling our destiny, and whether we are effectively responding to the threat of a totalitarian force that seeks control of the world.

Mr. GILMAN. Mr. Speaker, I am pleased to join with my colleagues in this special order arranged by the distinguished gentleman from Pennsylvania (Mr. FLOOD) and the distinguished gentleman from Illinois (Mr. DERWINSKI) marking the 19th observance of Captive Nations Week.

Since enactment in 1959 of Public Law 86–90, designating the third week in July as "Captive Nations Week," forums such as this have provided us the opportunity to reflect upon those democratic ideals in which our Nation's valued traditions are rooted, while addressing at the same time, the heinous affront perpetrated against all mankind when, in the name of communism, access to even the most fundamental vestiges of democratic human rights are denied en masse.

The words of the Captive Nations Week Resolution assert that—

> The greatness of the United States is in large part attributable to its having been able to achieve a harmonious national unit of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds. . . .

The persevering spirit of accommodation which has characterized the formation of this Nation, stands in marked contrast to what Alexandr Solzhenitsyn in the "Gulag Archipelago" describes as the Soviet Union's "sewage disposal system," into which have been dumped not only tens of millions of unsuspecting "arrested" individuals, but from 1920 onward, "whole nations" as well. Those within the Soviet orbit unwilling to relinquish their birthright to basic human freedoms, are persecuted or eliminated outright.

The list of those nations over which the stultifying, oppressive pall of communism pervades has grown steadily since 1920. Throughout Eastern Europe,

in vast territories of Asia, within the Soviet Union, and in the imprisoned outpost island of Cuba, the insatiable Communist inclination toward forcible domination has made a mockery of that long recognized right to self-determination. While gallant and laudable struggles, taking many forms, have been mobilized—in Hungary, East Germany, Czechoslavakia, and within the Soviet Union, to mention but a few instances—the virulent manifestations of communism, buttressed by the naked force of brutal, unrelenting retaliatory might, have remained intact.

We have also recently seen the duplicitous manner in which Eastern Bloc countries—attempting to win the favor of Western nations—engage in projecting an image of independent-minded, liberal regimes struggling against Soviet domination. However, behind this facade, many of these countries systematically persist in wholesale, blatant violation of the rights of ethnic and minority group citizens.

That just such a scenario has been unfolding in Rumania, was well documented by a group of individuals, with whom I met this week, who are tirelessly striving to see that these abuses are terminated. Included among the flagrant systematic violations of minority rights in Rumania are: First, elimination of many Hungarian schools and the establishment of discriminatory quotes limiting minority language classes; second, elimination of Hungarian universities; third, harassment of minority churches; and fourth, obstruction of personal contacts by these minority groups with non-Rumanians.

Most of Rumania's 3.5 million minority citizens do not want to emigrate; for many it would be tantamount to expulsion from their homeland. These Rumanian citizens seek only to enjoy the basic human rights denied them by the Rumanian Government's abhorrent program of cultural genocide.

Systematic violation of the basic human rights of both individuals and ethnic groups, has become the focus of increasing public attention and concern—largely as a result of the 1975 Helsinki Accords. Illuminating its commitment of nations signature to honor and promote the human rights of all peoples. The Helsinki Final Act has been much heralded and widely applauded. However, it should be recognized that the assurances received by this Nation at Helsinki, constitute but a beachhead in what has been, since 1975, an extremely arduous, uphill effort to obtain and monitor Communist compliance with the provisions of the Final Act. Regrettably, convuluted interpretation, and in some instances, blatant defiance and disregard for the Helsinki Accords, resulting in mass imprisonments and intensified persecution of those hopeful of enjoying those human rights provisions outlined at Helsinki, have been widespread in the Soviet Union and in the Eastern bloc countries.

As we turn toward the 1977 Belgrade Conference on the Implementation of the Helsinki Accords, our strategy should be two fold. While we should try to prevent the Conference from developing into a fruitless exchange of recrimination, we must nevertheless, dedicate our energies to exposing the suspect rationale upon which Communist noncompliance with the provisions of the Helsinki Final Act is predicated.

Only by seeking full implementation of the important guarantees outlined in the Helsinki Accords; only by consistent articulation of this Nation's commitment to the realization by all peoples of their human rights, can we advance the cause of those ideals outlined in our observance of Captive Nations Week.

Mr. McDONALD. Mr. Speaker, Captive Nations Week serves as an annual reminder to us of the millions of people still held in Communist slavery. In the 60 years since the seizure of Russia by the Communists, led by Lenin and Trotsky, the drive for world conquest has enslaved nations in Europe, Asia, Latin America, and Africa. The most recent victims are Angola, South Vietnam, Laos, and Cambodia. The Angola conquest was carried out by the Soviet Union using mercenary troops supplied by Fidel Castro, the Soviet puppet ruler of Cuba.

There is a dreadful silence over Indochina. The press which was so vocal in reporting every real or fancied defect in the Governments of Vietnam, Cambodia, and Laos, no longer cover news from that area. Correspondents have been expelled and the Communists are in almost complete control of the sources of news. Nevertheless, some information has filtered out about the horrible blood bath in Cambodia and the slave labor camps and killings in South Vietnam. Even the apologists for the Communist regimes admit to 40,000 political prisoners in South Vietnam. Other estimates put the figure at hundreds of thousands in the slave labor camps and many thousands murdered.

Nguyen Cong Hoan was a hero to our press before South Vietnam fell. He was a Communist stooge operating as a leader of a so-called Third Force. His function was to undermine American support for the Government of South Vietnam. After the North Vietnamese troops conquered South Vietnam, Hoan was rewarded with a post in the puppet "Congress" set up by the Communists. After 2 years of living under communism Hoan escaped to Japan. His account of the horrors of communism received little coverage in the American press. Hoan reported 200,000 inmates in the slave labor camps called by the Communists, "Reeducation Centers."

Hoan was interviewed in the English language edition of Toyko's Mainichi Daily News on May 3, 1977. The interview read in part:

An anti-American leader of the "peace-bloc" under the Thieu regime, Hoan opposed U.S. intervention in Vietnam. He welcomed the communists as liberators when Saigon fell in April 1975, and was selected by the Vietnamese Communist Party as a representative to the Hanoi congress in April 1976.

"My first motivation was to help with the reconstruction of the country in 1975," he explained, "but I realized that the communists were worse than I had imagined.

"In Vietnam today, the fundamental human rights are not guaranteed. No freedom of religion, speech, or movement. In a word, there is no freedom at all except the freedom to obey the orders of the Communist Party, otherwise you will be put into prison."

"Reeducation," says Hoan, means simply to be in prison. The Paris agreement stipulated that Hanoi would not punish officers and employees of the Saigon regime, but he says 200,000 former military men and civilians are being kept in prison camps throughout Vietnam.

"The communists sent nearly all senior officials and high-ranking officials of the Saigon regime to the large prisons in Ha Bac Province near the Chinese frontier."

All religious publications have been stopped. And in former Catholic schools throughout the south all teachers must present Marxist-Leninist lectures. One film called "The Holy Days" distributed in the south reportedly shows Christian women who visit churches being raped by the priests, said Hoan.

Admission to universities and technical schools is reserved strictly for students whose parents did not serve the Saigon government in any capacity.

Many former politicians, including opposition party members under the Saigon government, have disappeared and are presumed executed, said Hoan.

These horrors come as no surprise to those who know the history of communism. Wherever the Communists have taken power, the first step is to wipe out any potential political or intellectual leadership that may oppose the Communists in the future. The classic example of this is in Poland after its conquest in 1939 by the combined Nazi and Soviet Armies. Much has been written about the Nazi murder of millions of people, many of whom were killed only because they were Jewish. Not enough, however, has been written about the murders committed by the Communists sometimes in collaboration with their Nazi allies. The best known of these Communist atrocities was the murder of thousands of Polish officers in the Katyn Forest. After many years of attempting to blame this atrocity on the Nazis, the Communists themselves have now admitted their responsibility.

Wladyslaw Gomulka served Moscow for many years as dictator of Poland. A few years ago, he decided to dictate his memoirs to a trusted associate. Copies of the memoirs were smuggled to the West and published in the Polish language Noviny-Kurier of Tel Aviv, April to July 1973. Gomulka wrote:

As early as 1957, Khrushchev suggested that I make a public statement about the incident at Katyn, and to reveal who was really responsible, naturally, laying the blame on Stalin. "It will not matter to him," Khrushchev said humorously, "he is already so burdened with guilt that one more charge will not make any difference. Anyway, everyone knows whose hand did this work. And even if we don't want to reveal this in an official statement and admit our guilt, we will be accused of this by everyone anyway."

Gomulka went on to say:

He was right. I am sorry now that I did not agree with him. At the time I did not want to do this, since shortly after the war I had categorically accused the Germans of the responsibility for Katyn, and (if he changed his story) my personal authority would come under attack.

Gomulka said that when he raised the question again wih Khrushchev in 1964 the answer was:

It was the work of Stalin.

Gomulka says that he answered "Yes, I agree with you it happened on Soviet controlled territory, and this has had an effect on Soviet-Polish relationships." Thus putting the blame not only on Stalin but on the whole Soviet apparatus including Khrushchev.

According to the Russian language magazine Grani of July–September 1976, the authenticity of the memoirs has been admitted by a publication associated with the Polish Communist Embassy in Canada.

The murders at Katyn were only the tip of the iceberg. The story goes back to August 1939, when Soviet-Russia and Nazi-Germany signed the misnamed "Nonaggression Pact." In reality, it was an aggression pact since it opened the door for Soviet conquest of Latvia, Lithuania, and Estonia, and the division of Poland between Nazi-Germany and Soviet-Russia. The section of the pact relating to this was labeled "Secret Additional Protocol" and was not published at the time.[1]

Immediately after the Nazi invasion of Poland, Soviet troops moved in to take the territory allotted to them.[2] On October 31, 1939, Soviet Foreign Minister, Molotov, boasted in the Supreme Soviet:

One swift blow to Poland, first by the German army and then by the Red army, and nothing was left of this ugly offspring of the Versailles Treaty . . .[3]

Britain and France had gone to war against Germany in defense of Poland. Molotov openly favored Nazi-Germany in the conflict. He said:

Germany is in the position of a state which is striving for the earliest termination of the war and for peace, while Britain and France, which only yesterday were declaiming against aggression, are in favor of continuing the war and are opposed to the conclusion of peace. The roles, as you see, are changing.[4]

According to Molotov:

One may accept or reject the ideology of Hitlerism as well as any other ideological system; that is a matter of political views[5] and further, we have always held that a strong Germany is an indispensable condition for a durable peace in Europe.[6]

In November 1939, Stalin repeated Molotov's pro-Nazi statements. He said:

(a) It was not Germany that attacked France and England, but France and England that attacked Germany, thereby assuming responsibility for the present war;

(b) After hostilities had broken out, Germany made overtures of peace to France and England, and the Soviet Union openly supported Germany's peace overtures, for it considered, and continues to consider, that the earliest possible termination of the war would radically improve the position of all countries and nations;

(c) The ruling circles of England and France rudely rejected both Germany's peace overtures and the attempts of the Soviet Union to secure the earliest-possible termination of the war.[7]

By the end of November 1939, the Soviet Union invaded Finland. According to the official magazine of the Communist International:

It was England, primarily, that spurred on the reactionary Finnish bourgeoisie to reject the peace offer of the Soviet Union.

And further:

They are using every method to keep the Soviet Union "preoccupied" in a military way; to organize a number of military ventures against it. Thereby, they hope to make it difficult for the Soviet Union to supply Germany with the necessary war materials; [8]

The conquest of Poland and the Baltic States, as well as the attack on Finland, violated solemn treaties signed by the Soviet Union with each of these countries. On July 25, 1932, the Soviet Union signed a nonaggression pact with Poland which said in part:

Should one of the Contracting Parties be attacked by a third state or by a group of other states, the other Contracting Party undertakes not to give aid or assistance, either directly or indirectly, to the aggressor state during the whole period of the conflict.[9]

The Soviet Union violated this treaty when it attack Poland together with Nazi Germany.

The Soviets signed a nonaggression pact with Estonia on May 4, 1932,[10] and with Latvia, July 28, 1932.[11] The nonaggression treaty that the Soviets signed with Lithuania dated from September 28, 1926, and was prolonged by another treaty signed by the Soviets May 6, 1931.[12]

The nonaggression treaty with Finland was signed by the Soviets on August 9, 1932.[13] Our own experience with Soviet treaties has been identical. The Soviets violate every agreement they make as soon as it suits their purpose. We should note that the current Soviet violations of the Helsinki Agreement to allow both freedom of information and travel in no way changes the fact that through the agreement we recognized the legitimacy of the Soviet conquest of Eastern Europe.

The conquest of Poland and the Baltic States gave the Soviet Union the first opportunity to communize new territory since 1920. They immediately began the arrest of potential political opponents. For almost 2 years the Soviet secret police—at that time called the NKVD—rounded up members of opposing political parties, clergymen, teachers, and other leaders of the community. Those arrested included members of Zionist groups with particular attention paid to members of the right-wing Zionist Revisionist Movement and its youth group Betar. One of those arrested in 1941, was Menachem Begin, now Prime Minister of Israel. He had been a leader of Betar and was sentenced by the NKVD without a trial to 8 years in a slave labor camp. After the Nazi invasion of Russia, he was released to serve in the Polish army and was able to escape from Communist hands.[14]

It is an interesting historical fact that even the leaders of the prewar Polish Communist Party were murdered in the Soviet Union. Isaac Deutscher, the Trotskyite historian, himself a former member of the Polish Communist Party, wrote of the havoc that Stalin made of their party, "delivering nearly all its leaders to the firing squad." [15]

Even Wladyslaw Gomulka was purged on Soviet orders in 1948. From 1951 until 1954, he was incarcerated. In 1956, as part of Khrushchev's de-Stalinization campaign, he was returned to power as First Secretary of the Communist Party of Poland.[16]

Socialists, who advocated collaboration with the Communists, also found themselves victims. Henryk Erlich and Victor Alter were the leaders of the Jewish Socialist "Bund" of Poland. During the 1930's, they advocated a united front with the Communists. They were arrested in September 1939, shortly after the Soviet conquest of eastern Poland. They were released in September 1941, after the Nazi attack on Russia, and agreed to aid the Soviet Union in its war against Germany. In 1942, they were rearrested and executed.[17]

On January 27, 1943, a group of American labor and liberal leaders sent a protest telegram to the Soviet Government, on the arrest of Erlich and Alter. The telegram read:

It is now more than a year that Henryk Erlich and Victor Alter two prominent leaders of Jewish masses Poland were re-arrested in Kouibychev stop most prominent representatives of freedom loving people throughout the world of British and American labor movements repeatedly requested their release in vain stop today when universal public opinion unites in condemnation of Nazi criminals who are murdering in cold blood entire Jewish population Poland we renew in name of justice and humanity our request for release of these outstanding courageous fighters against fascism and Nazism Henryk Erlich and Victor Alter.

William Green, President, American Federation of Labor.

Professor Albert Einstein.

Rev. Henry Smith Leiper, Executive Secretary, Universal Christian Council.

David Dubinsky, president, International Ladies' Garment Workers' Union.

Dr. Alvin Johnson, Director, New School for Social Research.

Adolph Held, Chairman, Jewish Labour Committee.

Leo Krzycki, President, American Slav Congress.

Dr. Frank Kingdon.

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[1] Nazi-Soviet relations, 1939–1941, Department of State, Washington, 1948, pg. 78.

[2] ibid, pg. 96.

[3] Molotov's Report to the Supreme Soviet, by V. M. Molotov, Workers Library Publishers, Inc., New York, 1939, pg. 4 (Note: Workers Library Publishers, Inc. was the official publishing house of the Communist Party, U.S.A.).

[4] ibid, pg. 5.

[5] ibid, pg. 6.

[6] ibid, pg. 9.

[7] A History of Soviet Foreign Policy by M. Ross, Workers Library Publishers, New York, 1940, pg. 44–45 (See Note 3).

[8] The Communist International, (magazine) February, 1940, pg. 88.

[9] Soviet Treaty Series, Georgetown University Press, Washington, D.C., 1955, Vol. II, p. 55.

[10] ibid p. 52.

[11] ibid p. 47.

[12] ibid p. 32.

[13] ibid p. 46.

[14] The Revolt, by Menachem Begin, Nash Publishing, Los Angeles, 1972, p. 1–25.

[15] Marxism in Our Time, Isaac Deutscher, Ramparts Press, Berkeley, Calif., 1971, pg. 164.

[16] Poland 1944–1962, Richard F. Staar, Louisiana State University Press, 1962, pg. 180–181.

[17] The Theory and Practice of Communism Part 2, (The Communist Party, USA—Defender of Soviet Anti-Semitism), Hearing House Committee on Internal Security, Feb. 20, 1973, pg. 1924.

Joseph Weinberg, President, Workmen's Circle.

Reinhold Niebuhr, Chairman, Union for Democratic Action.

Clinton S. Golden, Assistant President, United Steelworkers of America.

Dr. B. Hoffman, President, Jewish Writers' Union.

Raymond Gram Swing.

J. B. S. Hardman, Amalgamated Clothing Workers, Editor Official Press.

Philip Murray, President, Congress of Industrial Organisations.

They were answered by the Soviet Ambassador to the United States, Maxim Litvinov, who wrote:

EMBASSY OF THE SOVIET UNION,
Washington, D.C., February 23, 1943.

DEAR MR. GREEN: I am informed by Mr. Molotov, People's Commissar of Foreign Affairs, of the receipt by him of a telegram signed by you concerning two Soviet citizens, Alter and Erlich.

I am instructed by Mr. Molotov to inform you of the following facts:

For active subversive work against the Soviet Union and assistance to Polish intelligence organs in armed activities, Erlich and Alter were sentenced to capital punishment in August, 1941.

At the request of the Polish Government, Erlich and Alter were released in September, 1941.

However, after they were set free, at the time of the most desperate battles of the Soviet troops against the advancing Hitler army, they resumed their hostile activities including appeals to the Soviet troops to stop bloodshed and immediately to conclude peace with Germany.

For this they were rearrested and, in December, 1942, sentenced once more to capital punishment by the Military Collegium of the Supreme Court. This sentence has been carried out in regard to both of them.

Yours sincerely,
Ambassador MAXIM LITVINOV.

A similar note was sent by the Soviet Ambassador to London, A. Bogomolov, to the Polish Minister of Foreign Affairs, E. Raczynski, in response to a Polish Government protest about the murders. This note read:

LONDON,
March 31, 1943.

Mr. MINISTER: In reply to your Note of March 8, 1943, I have the honor to inform you that the Soviet Government reject the entirely unfounded protest of the Polish Government concerning the execution of Ehrlich and Alter, sentenced on account of their activities directed against the U.S.S.R. at the end of the year 1941, which went so far as to appeal to the Soviet armies to cease this bloodshed and to conclude an immediate peace with Germany; this at the time of the hardest struggle of the Soviet armies against the advancing armies of Hitler.

I have the honor to be, etc.,
BOGOMOLOV.[18]

The fate of a Polish officer, who had protected Jews during the Nazi occupation, was described by Herbert Romerstein in testimony before the House Committee on Internal Security on February 20, 1973, as follows:

The career of another non-Jewish Pole was also affected by his relationship to the Jews. He is Wladyslaw Bartoszewski who was described as follows by the official communist publishing house Interpress Publishers in 1970:

Wladyslaw Bartoszewski, office of the underground military organization, the Home Army, and participant of the 1944 Warsaw Uprising, was decorated several times during the war. In 1942 during the Nazi occupation in Poland, he was one of the co-founders of the underground Council for Aid to Jews (cryptonym: "Zegota"). At the same time, in the years 1942–1944, he was deputy-chief of the Jewish Section of the Delegate's Office of the Government-in-Exile in London. Among the main tasks of that underground unit was to collect information and documents concerning the situation of the Jewish population in occupied Poland. They prepared reports on this subject which dispatched to London, contributed to rouse world public opinion.

In April 1963, on the 20th anniversary of the uprising in the Warsaw Ghetto, the Council of State, highest organ (after the Seym-Parliament) of State authority in Poland, conferred a high decoration, the Knight's Cross of the Polonia Restituta Order, on Wladyslaw Bartoszewski for his distinguished services in the saving of Jews. A few months later, in October 1963, he was among the first ones invited to plant a symbolic tree in the Avenue of the Righteous Among Nations on the Mount of Remembrance in Jerusalem. He was also one of the first persons upon which a diploma and medal were conferred by the Israeli Martyrs' and Heroes Remembrance Authority at the Yad Yashem Institute in Jerusalem. Engraved on the medal are these words: "He who saves one life saves the whole world."

(From the Publisher's introduction to Bartoszewski's book "The Blood Shed Unites Us," Warsaw 1970, which details the help given by non-Jewish Poles to the Jewish victims of Nazism.

Bartoszewski, a Roman Catholic who had risked his life to help the Jewish victims, and was honored for this by both the Israelis and Polish communist government, has also been persecuted by the communists for these actions. According to Jewish Currents of March 1972,

Like the fate of so many other Poles, Bartoszewski's has ebbed and flowed with the rapidly changing political tides in Poland. Recently, word was received by the Anti-Defamation League of B'nai B'rith, that he was imprisoned from 1948–56 because of his undue concern over the Jewish catastrophe during the war and anxiety about Polish-Jewish relations after the war. Again, now, he is the victim of repression of the new regime and is again in prison, even though the book he has compiled, stretches the extent of Polish aid very far. We do not yet know the nature of his new crime.[19]

Probably the most horrible single crime committed by the Communists against Poland was the massacre of the Polish officers at Katyn Forest. Most of the victims were reserve officers, the cream of Poland's younger intellectuals and professionals.

On April 13, 1943, the Germans announced the discovery of mass graves at Katyn Forest in Russia, which contained the bodies of thousands of Polish army officers, government officials, and clergymen.[20] Extensive hearings in 1952 before a select committee of the House of Representatives, chaired by the Honorable Ray J. Madden of Indiana, showed conclusive evidence that the Soviets committed these murders, although Communist propaganda blamed it on the Nazis. The Germans had even brought American prisoners of war to the site to confirm the evidence that the victims had been killed during the period that the territory was in Soviet hands. A Polish report, published in volume 6 of the hearings, showed that over 4,000 bodies were recovered but that thousands more were still missing.[21]

In 1944, after the Soviet reconquest of the area, a special Soviet commission did its own investigation. They, of course, concluded that the Nazis had committed the murders. However, they examined 11,000 bodies, almost 7,000 more than the Nazis had found. Obviously, those who buried them in the first place could find them more easily than anyone else. The Soviet report also contained internal contradictions. For example, on page 19 they reported that the Germans had stripped the bodies of all documents dated later than April 1940. However, on pages 29 to 30, they list nine documents of later dates that they allegedly found on the bodies.[22]

It is a shocking fact that the U.S. Government covered up for Soviet complicity in this hideous crime. The U.S. Ambassador to the Soviet Union, Averell Harriman, sent his young daughter as the U.S. representative to observe the Katyn Commission, because to send the Embassy doctor might offend the Soviets, who would think that we did not trust them.

The Madden committee in its final report was very critical of the Office of War Information and the Federal Communications Commission. The report stated:

When the Nazis, on April 13, 1943, announced to the world the finding of the mass graves of the Polish officers at Katyn and accused the Soviets, the Allies were stunned by this action and called it propaganda. Mr. Elmer Davis, news commentator, then head of the Office of War Information, an agency established by Executive order, told this committee he reported direct to the President. Under questioning he admitted frequent conferences with the State Department and other Government agencies. However, testifying before this committee, when faced with his own broadcast of May 3, 1943, in which he accused the Nazis of using the Katyn massacre as propaganda, he admitted under questioning that this broadcast was made on his own initiative.

This is another example of the failure to coordinate between Government agencies. A State Department memorandum dated April 22, 1943, which was read into the record (see vol. VII of the published hearings), stated:

"And on the basis of the various conflicting contentions [concerning Katyn] of all parties concerned, it would appear to be advisable to refrain from taking any definite stand in regard to this question."

Mr. Davis, therefore, bears the responsibility for accepting the Soviet propaganda version of the Katyn massacre without full investigation. A very simple check with either Army Intelligence (G–2) or the State Department would have revealed that the Katyn massacre issue was extremely controversial.

Furthermore, members of the staff of both OWI and FCC did engage in activities beyond the scope of their responsibilities. This

[18] Polish-Soviet Relations 1918–1943, Official Documents, Polish Embassy in Washington, D.C., 1943, pg. 180.

[19] Theory and Practice, op. cit. pg. 2126.

[20] The Katyn Forest Massacre, Interim Report of the Select Committee, House of Representatives, Washington, D.C., 1952, pg. 5.

[21] The Katyn Forest Massacre, Hearings of the Select Committee, Part VI, pg. 1627

[22] The Truth About Katyn, Report of Special Commission, Soviet War News (official Soviet agency), London, 1944.

unusual activity of silencing radio commentators first came to light in August 1943 when the House committee investigating the National Communications Commission discovered the procedure.

The technique utilized by staff members of OWI and FCC to silence was as follows: Polish radio commentators in Detroit and Buffalo broadcasting in foreign languages after the announcement of the discovery of the mass graves of Polish officers at Katyn reported facts indicating that the Soviets might be guilty of this massacre.

In May 1943 a member of the FCC staff suggested to a member of the OWI staff that the only way to prevent these comments was to contact the Wartime Foreign Language Radio Control Committee. This committee was made up of station owners and managers who were endeavoring to cooperate with the OWI and FCC during the war years. Accordingly a meeting was arranged in New York with two of the members of this industry committee. They were specifically requested by the OWI staff member to arrange to have a Polish radio commentator in Detroit restrict his comments to straight news items concerning Katyn, and only those by the standard wire services. The fact that a member of the FCC staff attended this meeting is significant because the FCC in such a case had no jurisdiction. In fact, the FCC member was in New York to discuss the renewal of the radio license of one of these industry members. The owner of the radio station in Detroit was contacted and requested to restrict the comments of the Polish commentator on his station, and this was done.

By applying indirect pressure on the statio wner, these staff members accomplished their purpose, namely, keeping the full facts of the Katyn massacre story from the American people. (See vol. VII of the published hearings.)

Office of Censorship officials testified and supported the conclusion of this committee that the OWI and FCC officials acted beyond the scope of their official Government responsibilities on this matter of Katyn.

Testimony before this committee likewise proves that the Voice of America—successor to the Office of War Information—had failed to fully utilize available information concerning the Katyn massacre until the creation of this committee in 1951. The committee was not impressed with statements that publications of facts concerning this crime, prior to 1951, would lead to an ill-fated uprising in Poland. Neither was it convinced by the statements of OWI officials that for the Polish-Americans to hear or read about the Katyn massacre in 1943 would have resulted in a lessening of their cooperation in the Allied war effort.[23]

The German announcement of finding the bodies of missing Polish officers at Katyn came as a great shock to the Polish Government in exile. On April 15, 1943, 2 days after the German announcement the Polish Government appealed to the International Red Cross to send a delegation to inspect the site of the atrocity.[24]

The Soviets responded by sending a personal and secret message from Stalin to President Roosevelt. The message stated that the Soviets were breaking relations with the Polish Government. The message read:

The behaviour of the Polish Government towards the U.S.S.R. of late is, in the view of the Soviet Government, completely abnormal and contrary to all the rules and standards governing relations between two allied states.

The anti-Soviet slander campaign launched by the German fascists in connection with the Polish officers whom they themselves murdered in the Smolensk area, in German-occupied territory, was immediately seized upon by the Sikorski Government and is being fanned in every way by the Polish official press. Far from countering the infamous fascist slander against the U.S.S.R., the Sikorski Government has not found it necessary even to address questions to the Soviet Government or to request information on the matter.

The Hitler authorities, having perpetrated a monstrous crime against the Polish officers, are now staging a farcical investigation, using for the purpose certain pro-fascist Polish elements picked by themselves in occupied Poland, where everything is under Hitler's heel and where no honest Pole can open his mouth.

Both the Sikorski and Hitler Governments have enlisted for the "investigation" the aid of the International Red Cross, which, under a terror regime of gallows and wholesale extermination of the civil population, is forced to take part in the investigation farce directed by Hitler. It is obvious that this "investigation," which, moreover, is being carried out behind the Soviet Government's back, cannot enjoy the confidence of anyone with a semblance of honesty.

The fact that the anti-Soviet campaign has been started simultaneously in the German and Polish press and follows identical lines is indubitable evidence of contact and collusion between Hitler—the Allies' enemy—and the Sikorski Government in this hostile campaign.

At a time when the peoples of the Soviet Union are shedding their blood in a grim struggle against Hitler Germany and bending their energies to defeat the common foe of the freedom-loving democratic countries, the Sikorski Government is striking a treacherous blow at the Soviet Union to help Hitler tyranny.

These circumstances compel the Soviet Government to consider that the present Polish Government, having descended to collusion with the Hitler Government, has, in practice, severed its relations of alliance with the U.S.S.R. and adopted a hostile attitude to the Soviet Union.

For those reasons the Soviet Government has decided to interrupt relations with that Government.

I think it necessary to inform you of the foregoing, and I trust that the U.S. Government will appreciate the motives that necessitated this forced step on the part of the Soviet Government.

APRIL 21, 1943.[25]

Roosevelt responded with a conciliatory letter to Stalin dated April 26, 1943, in which he criticized the Polish Government for appealing to the International Red Cross for information about its murdered officers. Roosevelt's letter read:

I received your telegram during an inspection trip which I was making in the western part of the United States. I fully understand your problem but at the same time I hope that you can find a way in this present situation to define your action as a suspension of conversations with the Polish Government in exile in London rather than to label it as a complete severance of diplomatic relations between the Soviet Union and Poland.

I cannot believe that Sikorski has in any way whatsoever collaborated with the Hitler gangsters. In my opinion, however, he has erred in taking up this particular question with the International Red Cross. Furthermore, I am inclined to think that Prime Minister Churchill will find a way of prevailing upon the Polish Government in London in the future to act with more common sense.

I would appreciate it if you would let me know if I can help in any way in respect to this question and particularly in connection with looking after any Poles which you may desire to send out of the Union of Soviet Socialist Republics.

Incidentally, I have several million Poles in the United States, a great many of whom are in the Army and Navy. I can assure you that all of them are bitter against the Hitlerites. However, the overall situation would not be helped by the knowledge of a complete diplomatic break between the Soviet and Polish Governments.

APRIL 26, 1943.[26]

Also on April 26 the Soviets sent a note to the Polish Government breaking relations. That note read:

(Note of April 25, 1943, from Mr. Molotov, People's Commissar for Foreign Affairs, to Mr. Romer, Polish Ambassador in the U.S.S.R. severing relations between the Soviet Government and the Polish Government.)

Moscow,
April 26, 1943.

Mr. AMBASSADOR: On behalf of the Government of the Union of Soviet Socialist Republics, I have the honor to notify the Polish Government of the following:

The Soviet Government consider the recent behavior of the Polish Government with regard to the U.S.S.R., as entirely abnormal, and violating all regulations and standards of relations between two Allied States. The slanderous campaign hostile to the Soviet Union launched by the German Fascists in connection with the murder of the Polish officers, which they themselves committed in the Smolensk area on territory occupied by German troops, was at once taken up by the Polish Government and is being fanned in every way by the Polish official press.

Far from offering a rebuff to the vile Fascist slander of the U.S.S.R., the Polish Government did not even find it necessary to address to the Soviet Government any inquiry or request for an explanation on this subject.

Having committed a monstrous crime against the Polish officers, the Hitlerite authorities are now staging a farcical investigation, and for this they have made use of certain Polish pro-Fascist elements whom they themselves selected in occupied Poland where everything is under Hitler's heel, and where no honest Pole can openly have his say.

For the "investigation," both the Polish Government and the Hitlerite Government invited the International Red Cross, which is compelled, in conditions of a terroristic regime, with its gallows and mass extermination of the peaceful population, to take part in this investigation farce staged by Hitler. Clearly such an "investigation, conducted behind the back of the Soviet Government cannot evoke the confidence of people possessing any degree of honesty.

The fact that the hostile campaign against the Soviet Union commenced simultaneously in the German and Polish press, and was conducted along the same lines, leaves no doubt as to the existence of contact and accord in carrying out this hostile campaign between the enemy of the Allies—Hitler—and the Polish Government.

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[23] The Katyn Forest Massacre, Final Report of the Select Committee, Washington. D.C., 1952, pg. 8–10.

[24] Select Committee Interim Report, op. cit. pg. 5.

[25] Correspondence between the Chairman of the Council of Ministers of the U.S.S.R. and the Presidents of the U.S.A. and the Prime Ministers of Great Britain during the Great Patriotic War of 1941–1945, Foreign Languages Publishing House, Moscow, 1957, Vol. II, pg. 60–61.

[26] Ibid pg. 61.

While the peoples of the Soviet Union bleeding profusely in a hard struggle against Hitlerite Germany, are straining every effort for the defeat of the common enemy of the Russian and Polish peoples, and of all freedom-loving democratic countries, the Polish Government, to please Hitler's tyranny, has dealt a treacherous blow to the Soviet Union.

The Soviet Government is aware that this hostile campaign against the Soviet Union is being undertaken by the Polish Government in order to exert pressure upon the Soviet Government by making use of the slanderous Hitlerite fake for the purpose of wresting from it territorial concessions at the expense of the interests of the Soviet Ukraine, Soviet Byelorussia and Soviet Lithuania.

All these circumstances compel the Soviet Government to recognize that the present Government of Poland, having slid on the path of accord with Hitler's Government, has actually discontinued allied relations with the U.S.S.R., and has adopted a hostile attitude towards the Soviet Union.

On the strength of the above, the Soviet Government has decided to sever reations with the Polish Government.

MOLOTOV.[27]

Despite the fact that the Soviet Government in a statement on July 26, 1944, had said:

The Soviet Government declares that it does not pursue the aim of acquiring any part of Polish territory whatever or of altering the social system in Poland, and that the military operations of the Red Army on the territory of Poland are dictated solely by military necessity and the aspiration to render the friendly Polish people assistance in liberating themselves from German occupation.[28]

The reality was different. A Communist puppet regime had already been prepared for Poland and the legitimate government was rejected by the Soviets, because of its protest on Katyn. As early as January 23, 1944, Molotov had written to the U.S. Government:

The Soviet Government severed relations with the Polish Government in London because of the latter's participation in the Hitlerite slander over the 'Kattyn massacre.' At that time the Polish Government was headed by General Sikorski. The Mikolajczyk Government, instead of dissociating itself from the fascist act of the Sikorski Government, declared that it would continue Sikorski's policy, and the Mikolajczyk Government, far from disavowing its Ambassadors to Mexico and Canada and its supporters in the U.S.A. (the Matuszewski group), who are engaged in a campaign openly hostile to the Soviet Union, is actually abetting them.

It will be seen from these facts that the Polish Government in London has called on the U.S. and British Governments to mediate, not with a view to reaching agreement with the Soviet Government, but in order to aggravate the conflict and involve the Allies in it, for it is obvious that in the absence of a common basis for agreement negotiation and mediation are doomed to fail.

The Soviet Government would not like the friendly mission of mediation to be exposed to the threat of inevitable failure.

"That is why I believe conditions are not yet ripe for negotiation and mediation.

As I see it, a radical improvement of the composition of the Polish Government, one that would exclude the pro-fascist imperialist elements and include democratic elements, a point that I made to Mr. Harriman orally, could provide a favourable basis both for the re-establishment of Soviet-Polish relations and settlement of the frontier question and for fruitful mediation.[29]

As Soviet troops drove the Germans out of Poland, Communist teams took control of the "liberated" areas. The persecution of dissidents among the indigenous population was organized by a Soviet military intelligence unit called Smersh. The unit, who's name came from the contraction of the Russian words meaning "death to spies" was originally set up to combat dissatisfaction in the Soviet army. Its major function, however, soon became the persecution of populations in the conquered territory. After the war, Smersh was disbanded and its leadership reassigned to the NKVD, now called the KGB. They continued the persecution in the occupied territories in their new assignments.

An important part of the Soviet takeover of Eastern Europe was the destruction of all anti-Nazi, non-Communist military units in the area.

In August 1944, the Polish underground Home Army began an uprising against the Nazis in Warsaw. The Soviet army, which was approaching Warsaw, stopped its advance and refused supplies to the Polish Freedom Fighters. An exchange of letters between Roosevelt, Churchill, and Stalin give an interesting insight into this Soviet crime against Poland. Roosevelt and Churchill wrote on August 20, 1944:

We are thinking of world opinion if anti-Nazis in Warsaw are in effect abandoned. We believe that all three of us should do the utmost to save as many of the patriots there as possible. We hope that you will drop immediate supplies and munitions to the patriot Poles of Warsaw, or will you agree to help our planes in doing it very quickly? We hope you will approve. The time element is of extreme importance.

Stalin answered on August 22:

The message from you and Mr. Churchill about Warsaw has reached me. I should like to state my views.

Sooner or later the truth about the handful of power-seeking criminals who launched the Warsaw adventure will out. Those elements, playing on the credulity of the inhabitants of Warsaw, exposed practically unarmed people to German guns, armour and aircraft. The result is a situation in which every day is used, not by the Poles for freeing Warsaw, but by the Hitlerites, who are cruelly exterminating the civil population.

From the military point of view the situation, which keeps German attention riveted to Warsaw, is highly unfavourable both to the Red Army and to the Poles. Nevertheless, the Soviet troops, who of late have had to face renewed German counter-attacks, are doing all they can to repulse the Hitlerite sallies and go over to a new large-scale offensive near Warsaw. I can assure you that the Red Army will stint no effort to crush the Germans at Warsaw and liberate it for the Poles. That will be the best, really effective, help to the anti-Nazi Poles.[30]

As late as 1975, the Polish Communist Government was still embarrassed by this Soviet crime. In an official book on World War II, they wrote:

Between 16 and 23 September the Polish First Army, supported by Soviet artillery and amphibious units, forced the Vistula at Czerniaków, in an attempt to come to the aid of the Warsaw insurgents.[31]

They neglected to mention that the Nazis had been slaughtering the poorly armed Poles for many weeks by that time.

In addition, to the betrayal of the Warsaw uprising, Smersh Units arrested members of the Polish underground army, who had fought the Nazis. On June 18, 1945, a "show trial" was held of 16 Polish officers and political leaders who had been captured by the Soviets. Most of these anti-Nazis were convicted of anti-Soviet acts and sentenced to long terms in the Soviet slave labor camps.[32] Thousands of others were convicted in secret trials and were similarly sentenced.

Poland was not the only victim of Soviet mass murders. Although many of the gravesites have never been found, some have. In 1943, a mass grave was found in the Ukrainian city of Vynnytsia. The total number of corpses found at this site was between 11,000 and 12,000.[33]

The methods used by the Soviet secret police in choosing victims was graphicly revealed in a collection of NKVD documents dated 1940–41, discovered in Lithuania. I have attached these documents as an appendix to this statement. They make it clear that the victims were any members of rival political organizations ranging from conservative to socialist. Zionists were particular targets, but members of the right-wing Zionist youth group, Betar, were the main victims. You will remember that Israeli Prime Minister Begin had been arrested in Poland in 1941, because of his membership in this organization.

Captive Nations Week is the time we should all remember the millions of victims of Communist terror. The following is a list of the countries taken by the Communist either through armed coup or direct aggression and the dates of the conquest:

Russia	1917
Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ual	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkestan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia (Serbs, Croats Slovenians, etc.)	1946
Poland	1947
Romania	1947
Czecho-Slovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949

[27] Polish-Soviet relations, op. cit. pg. 245–6.

[28] Soviet-Polish relations, 1944–1946, Soviet News, London, 1946, pg. 4.

[29] Correspondence op. cit. pg. 291–2.

[30] ibid pg. 156–7.

[31] Polish Roads to Victory, Interpress Publishers Warsaw, 1975, pg. 137.

[32] Moscow trial of 16 Polish diversionists, June 18–21, 1945, Soviet News.

[33] The crime of Moscow in Vynnytsia, Scottish League for European Freedom, Edinburgh, 1952.

Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
South Vietnam	1975
Laos	1975
Angola	1976

DOCUMENTS RELATING TO THE FIRST SOVIET OCCUPATION OF LITHUANIA, 1940–41 [1]

1. MOSCOW INSTRUCTIONS ON DEPORTATIONS, ORDER NO. 001223

(Strictly Secret)

INSTRUCTIONS REGARDING THE MANNER OF CONDUCTING THE DEPORTATION OF THE ANTI-SOVIET ELEMENTS FROM LITHUANIA, LATVIA AND ESTONIA

1. General situation

The deportation of anti-Soviet elements from the Baltic States is a task of great political importance. Its successful execution depends upon the extent to which the county operative triumvirates and operative headquarters are capable of carefully working out a plan for executing the operations and of foreseeing in advance all indispensable factors. Moreover, the basic premise is that the operations should be conducted without noise and panic, so as not to permit any demonstrations and other excesses not only by the deportees, but also by a certain part of the surrounding population inimically inclined toward the Soviet administration.

Instructions regarding the manner of conducting the operations are described below. They should be adhered to, but in individual cases the collaborators conducting the operations may and should, depending upon the peculiarity of the concrete circumstances of the operations and in order to evaluate correctly the situation, make different decisions for the same purpose, viz., to execute the task given them without noise and panic.

2. Manner of issuing instructions

The instructing of operative groups should be done by the county triumvirates within as short a time as possible on the day before the beginning of the operations, taking into consideration the time necessary for traveling to the place of operations.

The county triumvirates previously prepare necessary transportation for transferring the operative groups to the villages in the locale of operations.

In regard to the question of allotting the necessary number of automobiles and wagons for transportation, the county triumvirates will consult the leaders of the Soviet party organizations on the spot.

Premises in which to issue instructions must be carefully prepared in advance, and their capacity, exits, entrances and the possibility of strangers entering must be taken into consideration.

During the time instructions are issued the building must be securely guarded by the administrative workers.

In case anyone among these participating in the operations should fail to appear for instructions, the county triumvirate should immediately take measures to substitute the absentee from a reserve force, which should be provided in advance.

The triumvirate through its representative should notify the officers gathered of the decision of the government to deport an accounted for contingent of anti-Soviet elements from the territory of the respective republic or region. Moreover, a brief explanation should be given as to what the deportees represent.

Special attention of the (local) Soviet-party workers gathered for instruction should be drawn to the fact that the deportees are enemies of the Soviet people and that, therefore, the possibility of an armed attack on the part of the deportee is not excluded.

3. Manner of obtaining documents

After the issuance of general instructions to the operative groups, they should definitely be issued documents regarding the deportees. Personal files of the deportees must be previously discussed and settled by the operative groups or townships and villages, so that there are no obstacles in issuing them.

After receiving the personal files, the senior member of the operative group acquaints himself with the personal files of the family which he will have to deport. He must check the number of persons in the family, the supply of necessary forms to be filled out by the deportee, and transportation for moving the deportee, and he should receive exhaustive answers to questions not clear to him.

At the time when the files are issued, the county triumvirate must explain to each senior member of the operative group where the deported family is to be settled and describe the route to be taken to the place of deportation. Route to be taken by the administrative personnel with the deported families to the railway station for embarkation must also be fixed. It is also necessary to point out places where reserve military groups are placed in case it should become necessary to call them out during possible excesses.

Possession and state of arms and ammunition must be checked throughout the whole operative personnel. Weapons must be completely ready for battle and loaded, but the cartridge should not be kept in the chamber. Weapons should be used only as a last resort, when the operative group is attacked or threatened with an attack, or when resistance is shown.

4. Manner of executing deportation

Should a number of families be deported from one spot, one of the operative workers is appointed senior in regard to deportation from the village, and his orders are to be obeyed by the operative personnel in that village.

Having arrived in the village, the operative groups must get in touch (observing the necessary secrecy) with the local authorities; chairman, secretary or members of the village soviets, and should ascertain from them the exact dwelling of the families to be deported. After that the operative groups together with the local authorities go to the families to be banished.

The operation should be commenced at daybreak. Upon entering the home of the person to be banished, the senior member of the operative group should gather the entire family of the deportee into one room, taking all necessary precautionary measures against any possible excesses.

After having checked the members of the family against the list, the location of those absent and the number of persons sick should be ascertained, after which they should be called upon to give up their weapons. Regardless of whether weapons are surrendered or not, the deportee should be personally searched and then the entire premises should be searched in order to uncover weapons.

During the search of the premises one of the members of the operative group should be left on guard over the deportees.

Should the search disclose hidden weapons in small numbers, they should be collected by and distributed among the operative group. Should many weapons be discovered, they should be piled into the wagon or automobile which brought the operating group, after the locks have been removed. Ammunition should be packed and loaded together with rifles.

If necessary, a convoy for transporting the weapons should be mobilized with an adequate guard.

Should weapons, counter-revolutionary pamphlets, literature, foreign currency, large quantities of valuables, etc. be disclosed, a short search act should be drawn up on the spot, which should describe the hidden weapons or counter-revolutionary literature. Should there be any armed resistance, the question of arresting the persons showing armed resistance and of sending them to the county branch of the People's Commissariat of Public Security should be decided by the county triumvirates.

An act should be drawn up regarding those deportees hiding themselves before the deportation or sick, and this act should be signed by the chairman of the Soviet-party organization.

After the search the deportees should be notified that upon the decision of the Government they are being banished to other regions of the Union.

The deportees are permitted to take with them household necessities of not more than 100 kilograms in weight.

1. Suit
2. Shoes
3. Underwear
4. Bed linen
5. Dishes
6. Glasses
7. Kitchen utensils
8. Food—an estimated month's supply to a family
9. The money at their disposal
10. Haversack or box in which to pack the articles.

It is recommended that large articles be taken.

Should the contingent be deported to rural districts, they are permitted to take with them a small agricultural inventory: axes, saws and other articles, which should be tied together and packed separately from other articles, so that when embarking on the deportation train they are loaded into special freight cars.

In order not to mix them with articles belonging to others, the name, father's name, and village of the deportee should be written on his packed property.

When loading these articles into the carts, measures should be taken so that the deportee cannot use them as means of resistance while the column is moving along the highway.

At the time of loading, the operative groups together with representatives of the Soviet-party organizations shall prepare a list of the property and the manner in which it is to be preserved in accordance with instructions received by them.

If the deportee has at his own disposal means of transportation, his property is loaded into the vehicle and together with his family is sent to the designated point of embarkation.

If the deportees do not have their own means of transportation, wagons are mobilized in the village by the local authorities upon directives of the senior member of the administrative group.

All persons entering the home of the deportees during the execution of the operations or found there at the moment when these operations are begun must be detained until the conclusion of the operations, and their relationship to the deportee should be ascertained. This is done in order to disclose policemen, military police and other persons hiding from investigation.

Having checked the detained persons and ascertained that they are persons to whom

[1] Copies of the original Lithuanian and Russian texts of these documents are deposited in the archives of the Lithuanian-American Information Center, 233 Broadway, New York 7, N.Y. Photostatic copies are deposited in the law library of the Library of Congress.

English translations of these documents have been made by the Lithuanian-American Information Center.

the contingent is not interested, they are liberated.

Should the inhabitants of the village begin to gather around the home of the deportee during the operations, they should be called upon to disperse to their homes, and crowds should not be permitted to be formed.

Should the deportee refuge to open the door of his home in spite of the fact that he is aware that members of the People's Commissariat of Public Security are there, the door should be broken down. In individual cases neighboring operative groups performing operations in that vicinity should be called upon to assist.

The conveyance of the deportees from the villages to the gathering place at the railway station should by all means be done in daylight; moreover, efforts should be made that the gathering of each family should take not more than two hours.

In all cases throughout the operations firm and decisive action should be taken, without the slightest pomposity, noise and panic.

It is categorically forbidden to take any articles away from the deportees—except weapons, counter-revolutionary literature and foreign currency—or to use the food of the deportees.

All members of the operations must be warned that they will be held strictly responsible for attempts to appropriate individual articles belonging to the deporters.

5. Manner of separating deportee from his family

In view of the fact that a large number of the deportees must be arrested and placed in special camps and their families settled at special points in distant regions, it is necessary to execute the operation of deporting both the member of his family as well as the deportee simultaneously, without informing them of the separation confronting them. After having made the search and drawn up the necessary documents for identification in the home of the deportee, the administrative worker shall draw up documents for the head of the family and place them in his personal file, but the documents drawn up for the members of his family should be placed in the personal file of the deportee's family.

The moving of the entire family, however, to the station should be done in one vehicle, and only at the station should the head of the family be placed separately from his family in a railway car specially intended for heads of families.

While gathering together the family in the home of the deportee, the head of the family should be warned that personal male articles are to be packed into a separate suitcase, as a sanitary inspection will be made of the deported men separately from the women and children.

At the stations the possessions of heads of families subject to arrest should be loaded into railway cars assigned to them, which will be designated by specific operative workers appointed for that purpose.

6. Manner of convoying the deportees

It is strictly prohibited for the operatives convoying the vehicle-move column of deportees to sit in the wagons of the deportees. The operative must follow by the side and at the rear of the column of deportees. The senior operator of the convoy should periodically go around the entire column to check the correctness of movement.

The convoy must act particularly carefully in conducting the column of deportees through inhabited spots as well as in meeting passers-by; they should see that there are no attempts made to escape, and no exchange of words should be permitted between the deportees and passers-by.

7. Manner of embarking

At each point of embarkation the members of the operative triumvirate and a person specially appointed for that purpose shall be responsible for the embarkation.

On the day of the operations the chief of the point of embarkation together with the chief of the echelon and of the convoying military forces of the People's Commissariat of Internal Affairs shall examine the railway car furnished to see whether they are supplied with all necessities—(bunks, beds, pans, lanterns, railings, etc.) and shall discuss with the commander of the echelon the manner in which the latter will take over the deportees.

Embarkation station shall be encircled by the soldiers of the convoying troop of the People's Commissariat of Internal Affairs.

The senior member of the operative group shall deliver to the commander of the echelon one copy of the list of deportees in each railway car. The commander of the echelon thereupon shall call out the deportees according to the roll and shall carefully check each family and designate their place in the roll and shall carefully check each family and designate their place in the railway car.

The possessions of the deportees should be loaded into the car together with the deportees, with the exception of the small agricultural inventory, which should be loaded into a separate car.

The deportees shall be loaded into railway cars by families; it is not permitted to break up a family (with the exception of heads of families subject to arrest). An estimate of 25 persons to a car should be observed.

After the railway car has been filled with the necessary number of families, it should be locked.

After the people have been taken over and loaded in the echelon train, the commander of the train shall bear responsibility for all the persons turned over to him for their reaching the destination.

After turning over the deportees the senior member of the operative group shall draw up a report to the effect that he has performed the operations entrusted him and address the report to the chief of the county operative triumvirate. The report should briefly contain the name of the deportee, whether any weapons and counter-revolutionary literature were discovered, and how the operations ran.

Having placed the deportees on the echelon of deportees and submitted report of the results of the operations performed, members of the operative group shall be considered free and shall act in accordance with the instructions of the chief of the county branch of the People's Commissariat of Public Security.

DEPUTY PEOPLE'S COMMISSAR OF STATE SECURITY OF THE U.S.S.R.
Commissar of State Security of the Third Rank

----------Signed: (SEROV).

Correct: (signed) MASHKIN.

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2. THE PREPARATORY PLAN FOR THE LIQUIDATION OF IMPORTANT PERSONNEL BELONGING TO "ANTI-STATE" PARTIES IN LITHUANIA, DATED JULY 7, 1940.

(Strictly Secret)

Translation: Confirmed (signed) A. SNIE KUS, Director of State Security Department, 7th day of July, 1940.

PLAN OF THE PREPARATORY ACTIVITIES OF LIQUIDATION AND OPERATIVE LIQUIDATION OF THE LEADING PERSONNEL OF ANTI-STATE PARTIES; NATIONALISTS, VOLDEMARISTS, POPULISTS, CHRISTIAN DEMOCRATS, YOUNG LITHUANIANS, TROTSKYISTS, SOCIAL-DEMOCRATS, ESSERS (SOCIALIST REVOLUTIONARIES), NATIONAL GUARDSMEN AND OTHERS

The operation is to be effected simultaneously in all of Lithuania, the night of July 11 to 12, 1940.

Prior to July 10, information is to be prepared regarding all people who must be isolated. In the "index cards" of all detainable people must be indicated the surname, name, father's name, year and place of birth, nationality, education, social origin, material situation/property/, the last place of employment and position, party membership and party work performed, a short summary of the compromising material, and at the end of the "index card" must be indicated the *verified* address of the place of permanent residence. If residing/or owning/a summer house, include the address of the summer house, and the home telephone number.

Five groups of 1 to 4 persons each are to be made up of the operative personnel of the First Division and Kaunas Circuit workers to prepare the indicated "index cards." The work is to be distributed among them in the following manner:

First group—4 persons—prepares "index cards" for the leading membership of the Nationalists. The group's leader—Krastin.

Second group—2 persons—prepares "index cards" for the leading membership of the Voldermarists. The group's leader—Dembo.

Third group—1 person—Finkelstein, prepares "index cards" of Trotskyists and Essers.

Fourth group—4 persons—prepares "index cards" for Christian Democrats. The group's leader—Komodos.

Fifth group—3 persons—prepares "index cards" for Populists and Socialdemocrats. The group's leader—Macevicius.

Responsibility for the timely submission of the above indicated "index cards" is borne by Todes, chief of the First Division.

Gailevicius, chief of the II Division, must arrange for the timely established and verified addresses of the detainable persons. For this purpose, from July 8th an appropriate number of scouts must be detailed, who must be diligently briefed (instructed) regarding the retention of strictest caution during the work of establishment and verification of the addresses.

For the execution of these operations before the 10th of July must be organized a number of active groups, headed by capable workers. What persons are to be arrested by each group must be settled in advance. In order to strengthen the active groups, the required numbers of officers from the Crime Department and civil policemen must be mobilized. Their chiefs must be made acquainted with the operation beforehand; but they must not be told for what purpose these officers are to be mobilized. Executive: Zdanavicius.

For a smooth and successful execution of the action there shall be issued a special instruction on searches and arrests, and the instruction is to be delivered to the leaders of the groups in the evening before the actions begin. Executive: Gailevicius.

In order to provide the active groups with means of communications, prior to the day of action 30 motor cars must be in readiness. Executive: Snieckus.

In case of necessity to put rooms and flats under seal in the process of operations, the chief of the Police Office, Slavin, has to order 10 seals for wax and these seals must be ready before the 9th of July. For that date Slavin must provide 20 picket lanterns.

For the successful execution of the operations and for securing effective assistance on the spot, operative workers must be sent from Kaunas to the following places:

(1)	to Vilnius	8 men
(2)	to Siauliai	1 man
(3)	to Ukmerge	1 man
(4)	to Mariampole	1 man
(5)	to Panevezys	1 man

The chiefs of all Branches and of the Kaunas District must deliver to the Secretary of the State Security Department full lists of all employees at their Branches, before the 8th of July. Executive: Slavin.

The chief of the Investigation Branch, Razauskas, is to be charged with the duty of preparing before the 10th of July all necessary orders according to lists, put up by the groups in charge.

When the "Information" necessary for arresting the leading persons of the anti-State parties is ready, it must be checked with that in possession of the Minister for the Interior, Gedvilas. Executive: Snieckus.

The chief of the Investigation Branch, Razauskas, with the chief of the Kaunas Prison, Kucinskas, shall organize the housing of arrested persons and articles and documents taken in the course of searches.

In order to ensure strict isolation of persons to be arrested, care must be taken which persons should be located into which cells. They must be classified so that persons indicted on similar charges are not put into the same cells.

For the imprisonment of persons arrested, up to the 11th of July must be emptied the necessary number of cells in the Kaunas Prison, bearing in mind that there would be 200 arrests. For the same date a detachment of proved cell-inpectors must be found.

The chief of the prison, Kucinskas, must see that the prison guards are strengthened from the date of July 12th.

A special group of trial officers (law officers who conduct the preliminary part of a trial) shall be selected, and this group must be charged with the duty of starting at once, the arrests being concluded, with the trial of especially noted persons, the leading staff of the anti-State parties. Executive: Razauskas.

Outside pursuit of specially distinguished enemies of the State must be organized, beginning on July 9th up to the date of their arrest. For that purpose the chief of the 2nd Branch must organize eight local sentry stations.

From July 9th a conference of district chiefs must be convened; they are to hand in their ready material in order to compare the lists of candidates for imprisonment, and they must be given instructions on executing the whole operation. Responsible Snieckus.

At the conference of the district chiefs must be settled in advance who of the arrested persons, after local action, are to be sent to Kaunas and to Vilnius. Executive: Snieckus.

Considering the eventuality that persons who are to be arrested or such as are not yet on the lists, will be attempting to cross the State boundaries, an agreement with the frontier Army must be made in order to fortify the boundary guards from July 8th and to close the frontiers from July 11th to the 16th.

The action of isolating persons to be arrested among the Polish fugitives must begin on July 8th.

All active workers and policemen, who are to take part in the execution of the scheme, must be provided with firearms. Those who are not versed in the use of firearms, must be given special instructions, two academic hours each day, from July 9th to 10th, followed by an excursion to the drill-ground. Executive: Zdanavicius.

This plan must be carried out minutely and energetically. The Director or his deputy, however, considering eventualities, may change or supplement certain points.

JULY 7TH, 1940.

The plan prepared by:

ZDANAVICIUS,
Chief of State Security Police.

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3. LETTER OF MECYS GEDVILA, MINISTER OF THE INTERIOR OF LITHUANIA TO PRESIDENT JUSTAS PALECKIS, ON JULY 16, 1940

TO MR. PRESIDENT OF THE REPUBLIC: For reasons of State security, I hold that it is necessary to deport from the territory of Lithuania, as persons dangerous to the Lithuanian State, and to settle in the Soviet Union, the former Prime Minister of the Republic of Lithuania, A. Merkys, and Minister of Foreign Affairs Urbsys, together with their families.

Mr. President, I ask for your consent.

(signed) M. GEDVILA,
Minister of Internal Affairs.

KAUNAS, *16th July 1940.*

I confirm and consent.

(signed) J. PALECKIS,
President of the Republic.

KAUNAS, *16th July 1940.*

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4. NEGLIGENCE IN ACCOUNTING OF THE ANTI-SOVIET ELEMENTS; AND AN ORDER TO CARRY OUT ORDER NO. 001223 OF THE NKVD

(Strictly Secret)

ORDER [2] OF THE PEOPLE'S COMMISSAR FOR THE INTERIOR OF LITHUANIAN SSR OF YEAR 1940

Contents: About negligence in accounting concerning anti-Soviet and socially alien element.

No. 0054:

KAUNAS,
November 28th, 1940.

In connection with the great pollution of the republic of Lithuania with the anti-Soviet and socially alien element, the account concerning same acquires an especially great importance.

For the operative work it is important to know how many former policemen, white guardsmen, former officers, members and the like of anti-Soviet political parties and organizations are in Lithuanian territory, and where the said element is concentrated.

This is necessary in order to define the strength of the counter-revolution and to direct our operative-agencies apparatus for its digestion and liquidation.

Despite the importance of keeping all such accounts, our operative organs did not seriously undertake this work.

The materials cleared by the agencies-investigative apparatus remain scattered in the cabinets of operative collaborators without proper usage.

Executing the order of 001223 of NKVD of the USSR about the accounting concerning the anti-soviet element and concerning the liquidation of negligence in this work.

I. ORDER

1. Chiefs of operative branches of the Center and of county branches and units to take over within 3 days all files and cases entered on the account of 1st Spec(ial) division—the formulars and persons mentioned therein.

2. Within 10 days to take over into the 1st Specdivision all anti-soviet element, listed in the alphabetical files (index accounting).

3. At the same time to undertake clarification of all anti-soviet and socially alien element on the territory of the republic of Lithuania and to transfer same to the jurisdiction of operative account of 1st Specdivision.

4. The accounts of persons mentioned in agency files, also in the alphabetical files (index accounting), to be concentrated in the Specdivision of NKVD or LSSR, for which purpose special cards must be filled in concerning each transferred person by the county branches and units of NKVD and by the City Council of Vilnius, and said cards must be mailed to the 1st Specdivision of NKVD or the LSSR.

5. The index account must cover all those persons who by reason of their social and political past, national-chauvinistic opinions, religious convictions, moral and political inconstance, are opposed to the socialistic order and thus might be used by the intelligence services of foreign countries and by the counter-revolutionary centers for anti-soviet purposes.

These elements include:

(a) All former members of anti-soviet political parties, organizations and groups: trotskyists, rightists, essers (socialist revolutionists), mensheviks, social democrats, anarchists, and the like;

(b) All former members of national chauvinistic anti-soviet parties, organizations and groups: nationalists, Young Lithuania, voldemarists, populists, christian democrats, members of nationalist terroristic organizations ("Iron Wolf"), active members of student fraternities, active members of Riflemen's Association, Catholic terrorist organization "White Horse";

(c) Former gendarmes, policemen, former employees of political and criminal police and of the prisons;

(d) Former officers of the czar, Petliura and other armies;

(e) Former officers and members of military courts of the armies of Lithuania and Poland;

(f) Former polit(ical) bandits and volunteers of the white and other armies;

(g) Persons expelled from the Communist Party and Comm-youth for anti-party offences;

(h) All deserters, polit(ical) emigrants, re-emigrants, repatriates and contrabandists;

(i) All citizens of foreign countries, representatives of foreign firms, employees of offices of foreign countries, former citizens of foreign countries, former employees of legations, firms, concessions and stock companies of foreign countries;

(j) Persons having personal contacts and maintaining correspondence abroad, with foreign legations and consulates, esperantists and philatellists;

(k) Former employees of the departments of ministries (from referent up);

(l) Former workers of the Red Cross and Polish refugees;

(m) Religionists (priests, pastors), sectants and active religionists of religious communities;

(n) Former noblemen, estate owners, merchants, bankers, commercialists (who availed themselves of hired labor), shop owners, owners of hotels and resturants.

6. For preparation of index accounts of anti-soviet elements all sources must be availed of, including: agencies' reports, special investigative materials, material of party and soviet organizations, statements of citizens, testimony of the arrested persons, and other data. As a rule, statements, testimony and other official materials must first be verified in an agency manner.

7. Operative branches and county branches and units must prepare separate rosters for accountable persons who had departed elsewhere, and must take steps to clarify some. At the same time, cards of sought persons must be filled in and transferred to the 1st Specdivision.

8. Files-formulars must be introduced and transferred into active agency account concerning the former activists of anti-soviet polit-parties and organizations (trotskyists, mensheviks, essers, nationalist associations and the like) counter-revolutionary authorities of religionists (priests, mullas, pastors), responsible collaborators of police, ministries, foreign firms and the like, in accordance with available material about anti-soviet activity.

9. Chiefs of 1st Specdivision of NKVD of the LSSR are to report to me every day about the progress of this order.

10. The order is to be discussed in operative consultations and concrete means for its execution are to be provided for.

(Signed) GUZEVICIUS,
People's Commissar for the Interior of Lithuanian SSR.

The copy is authentic. (Signature illegible)

[Note by translator:]

Above document No. 0054 mentions "Executing order No. 001223 of the NKVD of the USSR about the accounting concerning the anti-Soviet element and concerning the liquidation of negligence in this work . . ." It is evident that Order No. 001223 paved the way

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[2] Taken from Lithuanian Archives—1.(19).

for the mass arrests and deportations of June 13–14, 1940.

A later order printed here, Order 0023 states "existence of a large continent of persons, subject to operative accounting under Order 001223 of the NKVD of the USSR date 11th, October, 1939." It appears that Moscow Headquarters of the NKVD had issued its first order directing the preparations for mass liquidation of "the anti-Soviet and anti-social elements" of Estonia, Latvia and Lithuania on the next day following the signing of the Non-aggression and Mutual Assistance Pact with Lithuania. That Pact was signed October 10, 1940.

Mr. CRANE. Mr. Speaker, the annual observance of Captive Nations Week has become a tradition, commenced in 1959, observed by five Presidents and 10 successive Congresses. The 19th observance of Captive Nations Week has been tarnished this year, however, by the very man who has attempted to identify himself most with the issues of human rights and dignity. This person was lauded not long ago for his leadership in utilizing his office, as the leader of a free nation, to proclaim the U.S. dedication to the causes of human rights and freedom. Yet, for the first time in 19 years, the President of the United States has determined not to proclaim Captive Nations Week. This may seem unimportant to some, but this inaction can only be interpreted by most to mean that President Carter is not willing to put into action what he personally pays lip service to.

In light of the President's inaction, let us in the Congress reflect on what we have done to improve the prospect of human rights and freedom for the peoples of captive nations.

There are questions we must honestly ask ourselves. Questions that must be answered, not by the abundance of statements and speeches we make, but by the laws and stands which we take here in these halls. The answers to these questions are not simple ones. Let us answer them as though someone whether that person is a prisoner in a Soviet jail, a political dissident in a totalitarian state, or a family wanting, but unable, to emigrate in order to join a loved one were asking each of us: how have our actions and most important, our votes, reflected our true dedication and commitment to human rights and freedom.

Have we shown courage in the face of continued Soviet aggression and intervention outside the Soviet dominated world? Have we enhanced our global posture by only fitfully aiding and supporting our allies? Have we turned a passive back on those who ask only for our vigilance and support? Have we advanced the cause of self-determination of newly independent states by allowing Sino-Soviet penetration and pressure to determine a nation's destiny? Have we applied our human rights commitment to all nations equally, or have we singled out a few and selectively ignored the gigantic deprivation of human rights and freedom by the Communist leviathans? Have we accepted Eastern Europe as a sphere of perpetual Soviet domination? Have we turned our back on the aspirations of those countries yearning to be free? Have we shown real leadership and moral rectitude by asking Russian nations to allow a few persons to exercise personal rights to emigrate, while simultaneously helping the Soviet Union to deny human rights by blinding ourselves to their aims and objectives? Are we really helping once free nations break away from totalitarian domination by creating myths about the Soviet Union and ignoring the realities of Eurasia? Have we forgotten that these captive nations were once free and sovereign? Have we forgotten the facts on how totalitarian Russia exercised aggression more than half a century ago and how it continues to do so today?

Have we colored inescapable truths by redefining words like communism, imperialism, aggression, intervention, and totalitarianism to render them acceptable to our consciences? Have we accepted cultural genocide in certain lands and mesmerized ourselves into accepting forceful assimilation and the eradication of diversity among groups as a nation's "internal affairs"? Do we believe that there are no oppressed, exploited classes of nationalities in the Soviet Union? Do we believe that peaceful coexistence and noninterference means that nations should no longer be accountable for their violations of human rights?

I would hope that all my colleagues might ask themselves these questions, and I would also hope that one day these captive nations will be free, aided not by our eloquent and sometimes self-serving speeches, but by the laws we enact and the laws we stand behind.

Mr. KOCH. Mr. Speaker, as we observe Captive Nations Week for the 19th time since it was designated by Congress and approved by President Eisenhower, we must beware lest we forget the meaning of our observance and let our words and ceremonies become perfunctory.

The freedom and affluence of this Nation make it hard for most Americans to imagine what life is like in one of the captive nations. Subjugation by a foreign power, mass exportations, systematic cultural repression, rewritten history, and predatory police action are virtually unknown in this country's experience.

The seductive atmosphere of stability created by détente tends to dull our perception of the fundamental antagonism between the principles that underlie our society and those that underlie the Soviet Union, which is the master of the vast majority of the extant captive nations. Because of the balance of terror and our own mistakes in Vietnam and elsewhere, it is not uncommon today to hear the United States and the Soviet Union jointly described as two superpowers which are basically similar and which differ in little more than societal organization. This viewpoint I fervently reject. Détente may be mistakenly interpreted to be a means by which both countries overcome their differences and become friendly, but in reality it is a strictly pragmatic policy to avoid an unimaginably devastating war by obviating potentially explosive confrontations and by slowing the arms race. It would be tragic if we started fooling ourselves into believing that the Soviet empire is not so bad after all.

The danger of such a development is not a new one. Even as Hitler's armies overran Poland, many voices in this country argued that Germany was bringing order to a chaotic Europe, that Hitler was stern but fair, and that the Nazis' treatment of the Jews was being grossly exaggerated in the press.

The atrocities committed by Stalin's U.S.S.R. were equal to those committed by Hitler's Germany. To this day the Kremlin continues its campaign to eliminate all non-Soviet national and cultural identity in the republics which were forcibly incorporated into the U.S.S.R. and to manipulate the populations of the other Eastern European nations behind the Iron Curtain. Because of the shortness of our memories and the effectiveness of Soviet propaganda and secrecy, most of the atrocities are unknown to the American people today.

I am not concerned whether a society is Communist or capitalist or leftist or rightist. My concern is whether the people in that society are free to choose the kind of society and government they want without outside interference and to run their own lives. The individual rights proclaimed in our Declaration of Independence are not simply "American" values. Rather, they are "inalienable," or "rooted in nature," which means they belong to all human beings everywhere in the world, whether in the United States, in the Soviet Union, in Latin America, or in Southeast Asia.

There are many independent countries such as Chile, Nicaragua, Uganda, and South Africa where these basic, or human, rights are grossly violated. But the captive nations are a unique class in that their sovereignty has been trampled and their independence squelched so that the violations of human rights that take place within their borders are directed from abroad. In many cases such as Poland and Romania there is good reason to believe that democracy and respect for human rights would quickly return should the dominating power recede.

In making note of the plight of the captive nations, it is vital that we not forget the less prominent among them or that we allow longevity to give one iota of legitimacy in our minds to imperial rule. The Ukraine, Byelorussia, Turkestan, Tibet, Latvia, Lithuania, and Estonia were all independent nations not long ago, and we cannot rest our vigil until they and all the other captive nations are once again free.

Mr. WOLFF. Mr. Speaker, this week will mark the 19th observance of Captive Nations Week. Today, when world attention is focused upon the issue of human rights, it is imperative that we remember those who have struggled for years under the yoke of Soviet totalitarian rule. As one concerned about the basic human rights of peoples throughout the world, I would like to take this time to join my colleagues in protesting the intolerable situation that continues to exist in Eastern Europe.

The period of the Second World War witnessed the forced occupation and seizure of Czechoslovakia, Romania, Bulgaria, Poland, and Hungary. The Soviet Union has been ruthless in its efforts to obtain complete control of Eastern Eu-

rope. Sadly, it has been successful in seizing Latvia, Estonia, Lithuania, Byelorussia, and the Ukraine. The occupying Soviet tanks trampled the basic human rights of the peoples of these now-oppressed nations and substituted a totalitarian rule predicated on fear, obliteration of the basic freedoms of speech, assembly, and religion.

When the Final Act of the Helsinki Accords was signed in August 1975, by the United States and the Soviet Union, a standard of basic freedoms and human rights was set out. But the accords also served to recognize Soviet East-European borders—borders established by force. In response to the Soviet tightening of control over the captive nations which followed the signing of the accords, I sponsored House Resolution 864, which stated that it was the sense of the House that the United States continue its policy of nonrecognition of the Soviet occupation of the Baltic Nations.

As the Belgrade Conference progresses, now is the time to call attention to Basket I of the Helsinki Accords which guarantees the principle of national self-determination. Let us remember the proud peoples of Byelorussia and the Ukraine. Let us give top priority in our discussion of human rights to the religious oppression on a horrifying scale that is being practiced by the Soviet Union upon the Ukrainian Orthodox and Catholic churches and those of the Jewish faith. It is anomalous that Byelorussia and the Ukraine, the largest non-Russian nation in Eastern Europe, are not signatories of the Helsinki Accords.

In the captive nations millions have been killed, thousands have been forcibly relocated, harassed, tortured, and held in camps, prisons, and mental institutions. Persecution has been carried out savagely and on a massive scale against intellectuals, religious leaders and their followers, cultural leaders and ordinary citizens. Soldier's graves have been desecrated, churches, libraries and historical buildings have been destroyed.

Yet the ranks of dissenters has continued to grow, with arrests only provoking further antagonism and strengthening the determination of the captive peoples. In the words of Valentyn Moroz, such repression is like a "boomerang," flying back at Russia.

The cause of freedom and human rights for the captive nations must not be abandoned. It has been demonstrated that the Soviet Union will move in response to world public opinion, albeit too slowly. But again in the words of Moroz:

> The new processes are only beginning, and [Soviet] repressions have ceased to be effetcive. What will happen next?

So let us commemorate Captive Nations Week by saluting the determined peoples of the captive nations in their struggle to obtain the human rights guaranteed to them by the Helsinki accords and international law, and let us spare no effort in assisting those peoples to live once more in freedom.

Mr. McCLORY. Mr. Speaker, this is both a time of irony and of hope. Those of us who believe strongly in the cause of the captive nations speak here today about their tragedy, their loss of freedom and, in some cases, even the subversion of the traditions of these once established national entities.

Yet, in Belgrade, Yugoslavia, skirmishing already has begun to prepare for a meeting this fall of signatories to the Helsinki agreement. That agreement, with its underscoring of "Respect for Human Rights and Fundamental Freedoms," has become a beacon of hope to millions who live within those captive nations, and to millions of Americans who view their courage with respect and concern.

Mr. Speaker, I use the word "skirmishing" with forethought. Already the goals of the United States and the Soviet Union are in conflict in Belgrade. Clearly, to some of the 35 signatories of the Helsinki agreement, the very phrase, "Respect for Human Rights" is as alien as our Bill of Rights.

Dr. Lev E. Dobriansky of Georgetown University, chairman of the National Captive Nations Committee, wrote the Members of this Chamber about this 19th observance of Captive Nations Week, July 17 through July 23. In that letter he pointed out that—

> No part of the world represents a graver denial of human rights, including the right to national independence, than the totalitarian world imprisoning the captive nations.

This is not the time to debate the current relationships between ourselves and the Soviet Union nor to argue the rights of national sovereignty and self-determination versus global human rights.

But it is the time to speak of change. The Helsinki agreement represented change. Many of us in the West hoped it would open a crack in the window to the East. Our relationships with Cuba, an economic vassal of the Soviet Union, are changing. This could bring a lessening of restrictions on some who live there—not tomorrow, not next week, or even next year.

But Mr. Speaker, what seems paramount to me today is what has not changed. In 1959, this House and the Senate approved and then President Eisenhower signed Public Law 86–90—a joint resolution providing for the designation of the third week of July as Captive Nations Week.

The commitment of the Congress to the welfare and eventual freedom of these nations has not changed. Our desire that they enjoy the "Respect for Human Rights and Fundamental Freedoms," as it is phrased in the Helsinki pact, is steadfast.

Moreover, this is not rhetoric for distant people unknown. In my own 13th Congressional District of Illinois are American citizens of Albanian, Bulgarian, Czechoslovakian, Estonian, Hungarian, Latvian, Lithuanian, Polish, and Romanian descent.

And in my 13th Congressional District are leaders such as Dr. Kazys Bobelis of Dundee, president of the Lithuanian American Council, and Edward R. Skalisius of Waukegan, vice president of the Lithuanian World Community. Gediminas Damasius of Waukegan is president of the Lake County chapter of Lithuanian American Community. Another friend is Olaf Tammark, president of the Estonian Association of northern Illinois. There are many others, too numerous to name. But what they have brought us enriches America and impoverishes the nations from which they felt forced to flee.

A special week set aside in sorrow once a year is little solace. But the concerns of a great nation unswerving year after year in its devotion to freedom for itself and for others is a reservoir of hope for those who have no other place to seek it.

Mr. Speaker, it is a reservoir that will never be found empty.

Mr. STRATTON. Mr. Speaker, the 86th Congress, by a joint resolution approved July 17, 1959, authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week. I stand here today to reaffirm my commitment made 18 years ago in support of Public Law 86–90, to commemorate the 19th observance of Captive Nations Week, and to pledge my continued support for the legitimate aspiration of those being held behind the Iron Curtain to be free of foreign subjugation.

There has been much talk over the past few weeks and months over the so-called Basket Three provisions of the Final Act of the Helsinki Conference on Security and cooperation in Europe relating to human rights, or more aptly put, the denial of human rights in the Communist nations. The President's campaign on human rights, especially as applied to the Soviet Union, has caught the public imagination and even resulted in the release of several hostages from behind the Iron Curtain, including 8-year-old Maria Atanasov from Bulgaria, daughter of Mr. and Mrs. Basil Atanasov of Schenectady, N.Y. However, there is more to the Helsinki agreement; the so-called Basket One section, the "Declaration on Principles Guiding Relations between Participating States," is very appropriate to our discussion of Captive Nations Week.

Mr. Speaker, we all know that the Ukraine and the Baltic States of Latvia, Estonia, and Lithuania have been forcibly incorporated into the Soviet Union. The United States, however, has never recognized this illegal annexation. In fact, this body went on record in 1975 in House Resolution 864 that the signing in Helsinki of the Final Act did not change in any way the long-standing policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic States. In addition, although the Communist government of the Ukraine occupies a seat at the United Nations, it was not allowed to take part in the Helsinki deliberations and sign the Final Act.

A number of points can be made then about the relationship between Basket One and the status of the captive nations: First, the Helsinki agreement was not a peace treaty and did not establish the final map of Europe; second, the Soviet Union in Basket One reaffirmed its commitment to the United Nations Charter that the occupation or acquisition of territory by force would not be recognized as legal; third, European frontiers

can be changed in accordance with international law, by peaceful means and by agreement; and fourth, as pointed out in subsection VIII of Basket One—

All peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development.

Mr. Speaker, the right to freedom for the captive nations is, indeed, imbedded in international law and agreements, and I urge our delegation now in Belgrade to pursue this matter further. We must insist that these human rights provisions be adhered to by the Soviets and their satellites.

Mr. STEERS. Mr. Speaker, in accord with Public Law 86–90, the third week in July has been set aside as Captive Nations Week, dedicated to the commemoration of the fate of millions of people denied basic human rights by Soviet oppression.

In celebrating this 19th observance of Captive Nations Week, we continue to admire the strength and moral dedication of that portion of our human race held in constant check by the omnipotent arm of the Soviet Union.

The Soviet Union's aim in maintaining a firm hold over the captive nations is not preservation of the heritage, tradition, or culture of these regions, but eradication of them. Yet these vital elements remain, because of the strength of the captive nation peoples, bolstered by the free, self-determined nations of the world and the hope that there will one day be no more captive nations.

Despite the nearly overpowering attempts of the Soviet hierarchy to create a nation of identical automatons, these people are still able to continue the struggle for their right to individuality as single human beings and as societies. It is commendable that these people can continue to speak out for their right to self-determination. They continue to exercise and demand their right to worship, their right to express themselves as they choose. They are able to maintain their heritage, their traditions, and their culture, despite the inhumanity of the force hovering all around them.

It is indeed unfortunate that man did not long ago realize, accept, and automatically adopt the commitment to human rights that has recently surfaced to world attention. However, the captive nations should take heart in that their frustration will be the focus of the Belgrade Conference which convenes this fall.

The Belgrade Conference will examine and assess the status of the Helsinki Declaration, signed by the Soviet Union and many other countries, including the United States. This declaration includes the right of self-determination, which, at present, the captive nations do not enjoy. Basket Three of the declaration also provides for religious and social freedoms presently denied the peoples of the captive nations.

Mr. ASHBROOK. Mr. Speaker, Captive Nations Week is again being commemorated. The purpose of this week is to express our support of the captive nations, and peoples of this world—all those millions who are being held captive and being oppressed by Communist regimes.

In the past several years more countries have fallen to Communist imperialism. The peoples of Vietnam, Laos, and Cambodia have joined the ranks of the millions of others under Communist oppression. In addition, there is speculation that the Carter administration might be abandoning free China in order to get closer relations with the oppressors of 800 million people on the mainland of China. This would be another setback for the hopes of all people throughout the world who love freedom.

While there were some indications that President Carter was not going to issue a Captive Nations Week proclamation, he has done so. Unfortunately, President Carter's proclamation of July 20, 1977, is weak, vague and useless.

In July 1959, Congress passed Public Law No. 86–90 which authorized and requested the President to designate the third week of July as Captive Nations Week. The resolution further provided for a similar proclamation each year "until such time as freedom and independence shall have been achieved for all the captive nations of the world." Like our own Declaration of Independence, the resolution specifically signaled out the source of oppression, Communist imperialism, in denying the captive peoples "of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties."

I first began comparing with Public Law 86–90 the texts of succeeding proclamations from President Eisenhower to the present in July 1961. In his 1959 proclamation, President Eisenhower points the finger at "Soviet communism" as the tyrant:

CAPTIVE NATIONS WEEK, 1959

(A proclamation by the President of the United States of America)

Whereas many nations throughout the world have been made captive by the imperialistic and aggressive policies of Soviet communism; and

Whereas the peoples of the Soviet-dominated nations have been deprived of their national independence and their individual liberties; and

Whereas the citizens of the United States are linked by bonds of family and principle to those who love freedom and justice on every continent; and

Whereas it is appropriate and proper to manifest to the peoples of the captive nations the support of the Government and the people of the United States of America for their just aspirations for freedom and national independence; and

Whereas by a joint resolution approved and requested the President of the United States of America to issue a proclamation designating the third week in July 1959 as Captive Nations Week and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world;

Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby designate the week beginning July 19, 1959, as "Captive Nations Week."

I invite the people of the United States of America to observe such week with appropriate ceremonies and activities and I urge them to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the peoples of those captive nations.

This 1959 captive nations proclamation marks the last of Presidential awareness and recognition of the menace of communism.

Now read President Kennedy's 1961 proclamation and consider if he might just as well have been referring to King George III of England. Could not his nebulous references to "freedom and independence" have been applied to numerous cases in history?

TEXT OF THE PRESIDENT'S PROCLAMATION ON CAPTIVE NATIONS WEEK, 1961

Whereas by a joint resolution approved July 17 1959 (73 Stat. 212), the Congress has authorized and requested the President of the United States of America to issue a proclamation designating the third week in July 1959 as "Captive Nations Week," and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas many of the roots of our society and our population lie in these countries; and

Whereas it is in keeping with our national tradition that the American people manifest its interest in the freedom of other nations;

Now, therefore, I, John F. Kennedy, President of the United States of America, do hereby designate the week beginning July 16, 1961, as "Captive Nations Week."

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities, and I urge them to recommit themselves to the support of the just aspirations of all peoples for national independence and freedom.

Which of the two foregoing statements better reflect the sentiment and purpose of Captive Nations Week when compared with the original resolution? The 1961 Kennedy declaration marked a great victory for State Department appeasers who began their anti-Communist program which muzzled the military, blue penciled references to victory over communism and set us on our present disastrous course. The original resolution made it clear we were talking about Communist domination of free people:

CAPTIVE NATIONS WEEK—PUBLIC LAW NO. 86–90

S.J. RES. 111 AND H.J. RES. 454, 459

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led through direct and indirect aggression to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such people through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

On July 21, 1966, the proclamation of President Johnson for that year was matched with the original resolution in the CONGRESSIONAL RECORD and, not surprisingly, suffered in comparison. It was noted, at that time, that former President of the United Nations, Dr. Charles Malik, reflected most adequately the approach of our Founding Fathers in dealing with oppression. Dr. Malik stated in part in a 1961 speech:

It is most important, therefore, to develop and execute policies and actions that will put the Communists and their friends historically on the defensive. Those who believe in man and his freedom, who know truth, and who trust in God, the guarantee of all freedom and all truth, must therefore, pass to the offensive, not only in thought and conviction, but of that real, decisive, historical action which shall cause the Communists to take to their heels.

The only offensive President Johnson took in his 1966 proclamation was not to be offensive to the Soviets by mentioning the naughty word "communism":

CAPTIVE NATIONS WEEK, 1966—A PROCLAMATION BY THE PRESIDENT OF THE UUITED STATES OF AMERICA

Whereas the joint resolution approved July 17, 1959 (73 Stat. 212), authorizes and requests the President of the United States of America to issue a proclamation each year designating the third week in July as "Captive Nations Week" until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas freedom and justice are the inalienable rights of all peoples; and

Whereas these basic rights are presently denied to many peoples throughout the world; and

Whereas the United States of America, from its founding as a nation, has firmly subscribed tc the principles of national independence and human liberty; and

Whereas, in keeping with this tradition, it remains an essential purpose and a fundamental policy of the United States of America to sustain these principles and to encourage their realization by all peoples:

Now, therefore, I, Lyndon B. Johnson, President of the United States of America, do hereby designate the week beginning July 17, 1966 as Captive Nations Week.

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities, and I urge them to give renewed devotion to the just aspirations of all people for national independence and human liberty.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the City of Washington this 8th day of July in the year of our Lord nineteen hundred and sixty-six, and of the Independence of the United States of America the one hundred and ninety-first.

By the President:

SECRETARY OF STATE.

With the change of administrations in 1968 and as a strong supporter of President Nixon, I, at that time, hoped that we would see forceful and effective pronouncements in the field of foreign relations and a strategic shift in foreign policy. After waiting for 6 months, I had to concede that there was no basic change in our foreign policy or our approach to the captive nations problem. The opportunity of adopting Dr. Malik's firm and moral offensive was frittered away and, even worse, President Nixon's trip to Moscow and Peking tightened the chains of oppression through the aura of free world respectability.

As I noted then, the 1969 proclamation made no mention of Czechoslovakia which had been invaded months before by Soviet tanks, no mention of repressive Communist policies, no mention even of the word "Communist" or the Soviet Union:

CAPTIVE NATIONS WEEK, 1969

(A proclamation by the President of the United States of America)

By Joint Resolution on July 17, 1959, the Eighty-Sixth Congress authorized and requested the designation of the third week of July as Captive Nations Week. Ten years have passed and there have been many changes in international affairs. But one thing that has not changed is the desire for national independence in Eastern Europe.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate the week beginning July 13, 1969, as Capitive Nations Week.

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities, and I urge them to renew their devotion to the high ideals on which our nation was founded and has prospered and to sustain with understanding and sympathy the just aspirations of the peoples of all nations for independence and human freedom.

In witness whereof, I have hereunto set my hand this eleventh day of July, in the year of our Lord nineteen hundred and sixty-nine, and of the Independence of the United States of America the one hundred and ninety-fourth.

RICHARD NIXON.

THE WHITE HOUSE.

President Ford's proclamation of June 27, 1975, continues this history of our captive nations policy and, sad to say, his misguided deference to peaceful coexistence and détente is reflected in his statement. Further demonstrating that the captive nations proclamation is a necessary pragmatic and political exercise with this administration as it has been in the past was the absence of any welcome to Alexandr Solzhenitsyn at the White House. Because of a crowded schedule and admittedly due to foreign policy considerations, the one international figure personifying both oppression and hope for the captive peoples was effectively snubbed by our leadership. Perhaps Mr. Solzhenitsyn would have said at the White House what he was quoted as stating at the AFL–CIO dinner last night in New York:

If you are born free, why do you help our slave owners? When they bury us in the ground alive, please do not send them shovels; please do not send them the most modern, the most contemporary earth-moving equipment.

And perhaps in response, Mr. Solzhenitsyn might have been handed this reassuring message:

CAPTIVE NATIONS WEEK, 1975

(A proclamation by the President of the United States of America, June 27, 1975)

The history of our Nation reminds us that the traditions of liberty must be protected and preserved by each generation. Let us, therefore, rededicate ourselves to the ideals of our own democratic heritage. In so doing, we manifest our belief that all men everywhere have the same inherent right to freedom that we enjoy today. In support of this sentiment, the Eighty-sixth Congress, by a joint resolution approved July 17, 1959 (73 Stat. 212), authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

Now, therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the week beginning July 13, 1975, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the aspirations of all peoples for self-determination and liberty.

In witness whereof, I have hereunto set my hand this twenty-seventh day of June, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

With the election of President Carter some of my captive nations friends may have thought that times would change and that the new President would issue a proclamation with some teeth which would fearlessly recognize the plight of the captive nations. This is not to be. The President's proclamation is as gutless as those of previous Presidents.

CAPTIVE NATIONS WEEK, 1977

(A proclamation)

Since 1959 the Congress by joint resolution (73 Stat 212) has authorized an requested the President to designate the third week in July as Captive Nations Week.

Our own country was established on a profound belief in national self-determination. Throughout our history we have sought to give meaning to this principle and to our belief in liberty and human rights.

In recognition of this commitment, now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate the week beginning July 17, 1977, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, demonstrating America's support for those who seek national independence, liberty and human rights.

In witness whereof, I have hereunto set my hand this 20th day of July, in the year of our Lord 1977, and of the Independence of the United States of America the two hundred second.

JIMMY CARTER.

Missing in the above statement is any recognition of what the captive nations resolution opposes—Communist imperialism that has enslaved millions of people throughout the world. Communist regimes ignore human rights, constantly practice torture and ignore basic concepts of justice. Absent in the President's proclamation is any mention of communism or of the specific enslaved nations.

While the Carter administration has no problem mentioning what it sees wrong in countries that want to be our friends, it seems to be retreating from using the same standard against the Communist countries which are no friends of ours nor of liberty. The old double standard is coming back. As has been said before, if you are an enemy of the United States, you will be treated well; if you are a friend, watch out.

Finally, it must be asked what benefit has accrued in ignoring the slaves while dealing with their slave owners. L. I. Brezhnev, unhampered in 1972 by a crowded schedule of foreign policy considerations in welcoming fellow slave owner, Fidel Castro, to the U.S.S.R., reiterated the "We-will-bury-you" promise of Khrushchev made years before. Quoted in Pravda of June 28, 1972, the Secretary-General, with reference to the Soviet-American summit talks of that year, stressed that—

While working for the affirmation of the principles of peaceful coexistence, we are fully aware that the successes in this important field in no way signify the possibility of relaxation of ideological struggle.

In unmistakable language he added:

On the contrary, we must be prepared for an intensification of this struggle, for it is becoming an increasingly acute form of confrontation between the two social systems. And we have no doubts about the outcome of this confrontation, for the truth of history and the objective laws of social development are on our side.

If one has trouble understanding Brezhnev's message, let him digest the statement of the Soviet's chief "ideologue," M. A. Suslov, before the 20th French Communist Party Congress in 1972:

The establishment of the principles of peaceful coexistence does not in the least mean a weakening of the class struggle on a world scale or "conciliation" between socialism and capitalism. They are irreconcilable.

The treatment of the captive nations issue is a valuable indicator of our Nation's moral and realistic approach to tyranny and oppression. It is possible that our Founding Fathers might have reached an accommodation with British tyranny by cutting out the accusations in the declaration, staying under British rule and issuing a proclamation entitled "A Declaration of Interdependence." That would certainly have brought about a détente or relaxation of tensions with King George but, of course, no freedom and independence.

The sad record of our Presidents since 1959, Democrat and Republican, is one of appeasement to the relentless, uncompromising masters of the Kremlin.

Ms. OAKAR. Mr. Speaker, this week across America is a time of great sorrow and great joy. It is a week that thousands of Americans have designated as Captive Nations Week.

It is a time of great sorrow because millions of people around the world are oppressed in their own countries. Oppressed by a foreign power that does not allow them the freedom that is their God-given right. A freedom to speak, a freedom to practice their religion, but most important a freedom to think and govern themselves.

And this, Mr. Speaker, this lack of self-determination cannot be tolerated, and is not tolerated by these people. On many occasions in the past, they have risen up against their oppressors knowing full well the consequences. Yet they were not and are not afraid. They are not afraid because fear is displaced when truth and justice are sought. And freedom loving people everywhere know, I repeat know, that in the end truth and justice are victorious.

This is why it is also a time of great joy, because this simple fact has not been forgotten, nor will it ever be forgotten until truth and justice have become a reality, not just words.

I thank these fine Americans, who have suffered under the yoke of oppression and have found freedom in America, for not letting us forget. For not letting us forget their families, their friends, and their fellow human beings that continue their struggle to live their lives as it should and must be lived as free men and free women.

This week in the great city of Cleveland, Ohio, hundreds of people will join in the commemoration of Captive Nations Week. I salute these great people, as I do salute all freedom-seeking people throughout the world.

Mr. EILBERG. Mr. Speaker, Captive Nations Week provides an opportunity to demonstrate this Nation's solidarity with the peoples of Eastern Europe, to express our repugnance for the political system that untiringly and deliberately frustrates their hopes, and to reaffirm the American commitment to those fundamental beliefs and ideals that hold paramount the self-evident rights of humankind.

Before the Russian Revolution, Lenin characterized czarist Russia as a "prisonhouse of nationalities." It is one of the great ironies of our time that this description fully fits the current condition of the national minorities in the Soviet Union. And it is tragic that this "prisonhouse" has been enlarged since World War II to embrace the nations of Eastern Europe.

We, in this country, enjoy the fruits of centuries of struggle for human dignity. Thus we find it difficult to imagine the unfree world of totalitarianism that today engulfs the nations of Eastern Europe.

The Soviets, of course, would like America to just unquestionably accept Moscow's assertion that there exists "free" alliance among the Communist-dominated nations of Eastern Europe and the Communist-suppressed nations within the Soviet Union. But conscience never permits easy acceptance of morally repugnant and hypocritical situations. The very promise of America is that right takes precedence over expediency, that some principles are worth more than all the benefits that a less ethical approach might bring. The Soviets tell us, for example, that trade relations and cultural exchange will * * * we abandon our commitment to human rights and if we bow to Soviet tyranny over all of Eastern Europe.

Whatever advantages that might accrue to America through an acceptance of the present human condition in Eastern Europe or through a conspiracy of silence would be inherently incompatible with our own Nation's moral foundation. The United States has an obligation to denounce the degradation of human and national rights all over the world, especially in Eastern Europe, from which millions of our citizens and ancestors came. Exposure and condemnation of the physical, mental, and moral atrocities that are committed in closed societies will help to breech the silence and secrecy on which the survival of closed societies depend.

The voices emanating from the Eastern bloc nations derive support and assistance from Western recognition. The human rights movement in the Soviet Union and Eastern Europe, given new impetus by the Helsinki accords, has been the target of massive suppression by the secret police and by the state-controlled media. Denial of employment, beatings, imprisonment, enslavement in labor camps, and incarceration in psychiatric hospitals are used to crush the human resolve that dares to defy the state.

The defiant rioting of the Polish workers, the courageous signatories of Charter '77 in Czechoslovakia, the uprisings in Hungary and East Germany, and the refusal of the Soviet nationalities to assimilate and forget their heritage and former liberty are sufficient proof of the inviolability of the human mind and the universality of the desire for freedom. These people need our assistance and assurance; we, in turn, need them to remind ourselves of the fragility of our freedom.

Mr. Speaker, the Soviet system of government and social order is the very antithesis of what we have developed in our country and in other Western nations over the last two centuries. The Soviets practice a theory of society that could rightly be labeled one of "counter-enlightenment." The Soviets have

brought back the Dark Ages to Eastern Europe.

Night has descended on half a continent. But if freedom sleeps, it also dreams. We must keep alive that dream; we must reaffirm our belief in the primacy of human dignity; we must provide an example that will continue to lift the aspirations and hopes of the humanity of Eastern Europe. Mr. Speaker, we must arouse freedom from its slumbers, so that the bright day of freedom will once again dawn in Eastern Europe and all over the world.

Mr. DELANEY. Mr. Speaker, this 19th observance of Captive Nations Week, as proclaimed by President Carter, is a most appropriate time to salute the courage and fortitude with which the captive peoples of the Marxist world have maintained their identity and independence of spirit despite all the vicissitudes and attempted dominance to which they have been subjected. It is a time for reflection, a time for thanksgiving for our own freedom, and a time for rededication to the cause of liberty.

Many of those who fought in our own Revolutionary War and helped us gain our independence are heroes of now captive nations—men as illustrious as Pulaski and Kosciusko.

A mockery is daily being made of the Helsinki agreements to which the Soviet Union is signatory. Communist barriers continue to separate the captive nations from the common cultural heritage of their neighbors. Babies die while their parents attempt to smuggle them across sealed borders to freedom. "Dissidents" in the Ukraine are sentenced to harsh camp and exile terms for speaking out on behalf of human rights. The hammer and sickle threatens to extend its shadow over the African continent, adding further to the list of captives.

I join with my colleagues today in praying that these valiant peoples who inspire us with their undying spirit will once again enjoy the liberty which is so rightly theirs.

Mr. MARKS. Mr. Speaker, this week marks the 19th annual observance of Captive Nations Week. Americans throughout the country are observing this anniversary which Congress commemorated in a resolution enacted in 1959, which proclaimed the third week in July as Captive Nations Week.

This historic resolution concentrates American moral and political attention on the captive nations under Communist domination and reasserts American determination to assist in every peaceful way those nations' efforts to achieve freedom and independence.

If détente between East and West is to have a real and lasting meaning, it is imperative that a unified West make clear to the countries of the Warsaw Pact our support for human rights. If these nations are to receive from us needed technology, agricultural products, and political and diplomatic concessions, there must be concomitant recognition on their part of fundamental human rights, national integrity, and independence. This is reaffirmed by the Helsinki accords signed in 1975.

Repressive governments throughout the world must understand that we do not look favorably upon continued enslavement of nations and minority groups. In observation of Captive Nations Week, the United States reiterates its firm stand against any government which prohibits freedom of movement, discourages the reunification of families, and refuses emigration visas to those wishing to leave a country.

Finally, many Americans have involved themselves in various aspects of the international effort for human rights. At this time, I would like to commend the officers and members of those national organizations which are especially active in the field and to the hundreds of devoted men and women who sacrifice their time and resources to carry on the struggle.

Let the people of the captive nations know that we share their legitimate aspirations for freedom and a better life. As the principal advocate for freedom in the world today, our Nation can do no less.

Mr. LENT. Mr. Speaker, after the jubilance of our Nation's birthday, our festive mood turns somber as we again recall the plight of people around the world who are denied the basic rights of self-determination and national sovereignty, two cornerstones upon which our Nation was founded and by which we continue to prosper. Indeed, for those Americans who emigrated from nations now suffering behind the iron bars of Communist imperialism and for those Americans who have families and friends trapped in these captive nations, the word "somber" is inadequate to describe the feelings of despair, loss, and anger. Nations which once chose their own path and their own allies are now forced to follow the path dictated to them by their Communist overlords who are concerned only with profitable exploitation for the benefit of the Communist system.

Since 1959 when the 86th Congress established National Captive Nations Week, the third week of July has been a time when we remind ourselves that the United States can never view with equanimity the oppression and denial of essential human liberties which have become a tragic way of life for millions of people in some two dozen countries under Communist rule.

Since 1940, in Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania, the Government of the Soviet Union, with almost systematic thoroughness, has tyrannized subject peoples with mass deportations to control popular sentiment and has suppressed dissent with the callous deployment of Soviet military hardware.

Perhaps most tragic of all, those who dare speak out against oppression, spokesmen with acuity to see the truth and the courage to voice it, are torn from the midst of their people and exiled thousands of miles away to the frozen wastelands of Siberia, the dehumanizing prisons, or mental asylums which "cure" dissent.

Captive Nations Week reminds us that in contrast to the darkness shrouding the dictatorial regimes of the world, our democracy, in all its imperfections, stands as a beacon for the hearts and minds of millions of people for whom individual freedoms are only an aspiration. Just as the Statue of Liberty has welcomed millions to a new life and new hope, so does the vigorous championing of human rights around the world hold out the promise of a day when nations which guarantee the rights of the individual will be the norm in the world community, not the exception.

Mr. WYDLER. Mr. Speaker, once again we are observing Captive Nations Week, the 19th such annual observance since the Captive Nations Week resolution was signed into law by President Eisenhower back in 1959. None of the captive nations has yet been freed, and indeed the list of nations that have been enslaved by Communist tyranny continues to grow. Yet the picture is not entirely bleak, and the reason for this lies not in any softening or mellowing of the methods and objectives of the Communist oppressors, but rather, in the spirit of the peoples of the captive nations.

In the case of the Baltic nations and the satellite countries of Eastern Europe, it has now been a full generation since these nations lost their freedom and independence. And for many other captive nations, such as the Ukraine, it is closer to two generations since the Soviets came to power. It might be expected that, as the memories of freedom and independence fade, and the younger generation comes of age, having known nothing but the Soviet system, the desire for national independence, human rights, and freedom would diminish. But, in fact, the opposite seems to be the case. Despite all Communist attempts to destroy the sense of national identity, the religion and culture, the freedoms and human rights of the peoples of the captive nations, the desire for freedom and independence is still strong among these peoples.

Since the signing of the Helsinki Final Act, human rights committees have sprung up all over the Soviet empire, including the Ukraine, Lithuania, Poland, East Germany, Czechoslovakia, and Rumania. And let us not forget that, to belong to a human rights committee in these countries does not bring applause and commendation as it does in our own free land and the other democracies of the world. To belong to such a committee in the Communist countries is to jeopardize careers, opportunities for education, housing, and the amenities of life, if not personal liberty itself—not only for the individual who participates in such a human rights effort, but for family and friends as well. Nevertheless, the human rights groups are refusing to be silenced.

Basket Three of the Helsinki Final Act has received most attention, and this is understandable because most discussions of Communist tyranny focus on the violations of personal rights, such as the right to emigrate. But this week we are directing our attention to the subjuga-

tion of entire nations and cultures, and Basket One is particularly relevant to the examination of this aspect of Soviet oppression. Basket One of the Helsinki accords commits the signatories to respect the principle of national self-determination. Indeed, the statement on "equal rights and self-determination of peoples" contained under the "Declaration of Principles Guiding Relations Between Participating States" is so pertinent to the plight of the Captive Nations that I would like to guote this in full:

VIII. EQUAL RIGHTS AND SELF-DETERMINATION OF PEOPLES

The participating States will respect the equal rights of peoples and their right to self-determination, acting at all times in conformity with the purposes and principles of the Charter of the United Nations and with the relevant norms of international law, including those relating to territorial integrity of States.

By virtue of the principle of equal rights and self-determination of peoples, all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development.

The participating States reaffirm the universal significance of respect for and effective exercise of equal rights and self-determination of peoples for the development of friendly relations among themselves as among all States; they also recall the importance of the elimination of any form of violation of this principle.

Of course, the Soviets did not allow any of the captive nations that have been incorporated directly into the U.S.S.R. to be "participating states" at Helsinki. The Baltic former Republics, Latvia, Lithuania, and Estonia, were not allowed to send representatives to Helsinki. For purposes of gaining two extra seats in the U.N., the Soviet Union is willing to say that the Ukraine and Byelorussia are nations. But the Ukraine and Byelorussia were not signatories to the Helsinki accords. Nor were any of the other captive nations that have been incorporated into the U.S.S.R. represented at Helsinki, although the Eastern European satellite countries attended.

According to reports, many of the political prisoners in Soviet labor camps are "guilty of bourgeois nationalism." It is because they will not give up their desire for freedom, their sense of national identity, their religion, and cultural heritage that the heroic "bourgeois nationalists" of the captive nations are being sent to the Soviet Gulags.

At present there is working in my office as an intern a fine young American, Erik Niedritis, whose parents fled their native Latvia when the Communists took over their homeland. Eventually making their way to the United States, they have, after much deprivation and hardship, made a life in the New World. Their son is justly proud of the courage of his parents, and he treasures his Latvian heritage. In this country he can study Latvian history and culture, and freely adhere to the religion of his fathers. In Latvia, similar values and enthusiasms might land him in a labor camp as a "bourgeois nationalist." America is the richer for having freedom-loving peoples from the captive nations in our midst. And today we salute those "bourgeois nationalists" in the captive nations who are continuing the struggle for freedom in the face of continuing oppression.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order on Captive Nations Week.

The SPEAKER pro tempore (Mr. GONZALEZ). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HELSINKI'S UNFULFILLED PROMISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LENT) is recognized for 5 minutes.

Mr. LENT. Mr. Speaker, I am pleased to participate today in the project initiated by my colleague from Massachusetts (Mr. DRINAN), to call attention to the indifference of the Soviet Government to the basic human rights of its Jewish population. This activity is especially important at this time, because of the Belgrade Conference now in progress to review the Helsinki Final Act.

In 1974, I was asked by the Long Island committee for Soviet Jews to work on behalf of a Soviet Jewish prisoner of conscience, Hillel Butman. For the past 3 years, I have been writing on a weekly basis to Hillel; to his wife, Eva, who resides in Israel with their two children; and to various Soviet authorities to urge that Hillel Butman be allowed to join his family in Israel.

The circumstances of Hillel Butman's case are especially tragic, and indicate how brutal the Soviet Government can be in its efforts to stifle the free will of its citizens.

On June 15, 1970, Hillel Butman was arrested while on holiday with his 4-year-old daughter and charged with taking part in the preparation of a plan to flee to Israel illegally by plane with a group of people. In all of these plans there was no actual violation of the law, and, although substantial evidence was presented at Hillel's trial to indicate that he was not an active participant in the plan and actually worked against it, he was convicted in 1971 and sentenced to 10 years in prison. His years in prison so far have been marked by poor health and poor treatment, yet an indomitable desire to survive his captivity. He has survived a year of imprisonment in the most notorious of all Soviet prisons, Vladimir, and several experiences in solitary confinement. Because of his unbreakable spirit, he continually risks a return to Vladimir.

In reality, Hillel Butman's crime was nothing more than a desire to live freely in a place of his choice—Israel. Since 1966, he had been active in a Zionist organization in Leningrad which had the sole aim of fighting against the assimilation of Jews and for the right of emigration to Israel for those Jews who, of their own free will, were interested in this idea.

Unless we continue to express concern for the plight of Hillel Butman and others in similar situations, their cause will be lost. I continue to hope that the Soviet Government, in the name of humanity, will begin to comply with the international agreements to which it is a party, and particularly the Helsinki accords.

TRIBUTE TO SCOTT BEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, too many times we hear of the increase in juvenile crime and the lack of effect most of the programs have on this situation. Today, I would like to commend a youth who has shown that in some cases just the opposite is true. Scott Bear, 16, is on probation in my district in Illinois and is employed through the CETA program with the Rock Island Forest Preserve. Scott and another employee, Bernard Rossi, were involved in moving pipes when the pipes came in contact with 7,600 volts of electricity. Scott was thrown free of the pipes but Mr. Rossi was unable to free himself. Scott, at a great risk to his own life, pulled Mr. Rossi from the electrically charged pipes. Mr. Rossi has been in the hospital over 3 weeks but he is alive and according to the electric company less than 3 percent survive this ordeal. Scott suffered burns from the rescue. I would like to commend Scott and pay tribute to him for his brave actions.

A TRIBUTE TO ALICE PAUL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 20 minutes.

Mrs. HECKLER. Mr. Speaker, this morning the Washington Cathedral held a memorial service for Dr. Alice Paul, founder of the National Woman's Party and author of the equal rights amendment. Dr. Paul died on July 9 at the age of 92 having devoted her life to the women's rights movement. It is an honor to have this opportunity to salute this outstanding woman and to share the highlights of her lifelong dedication to the cause of women's equality.

A biographical sketch follows:

BIOGRAPHICAL SKETCH—ALICE PAUL

(By Elizabeth Chittick)

Alice Paul, best known as the founder of the National Woman's Party and author of the Equal Rights Amendment, devoted her entire life to the fight for equal rights for women.

She was born in Moorestown, New Jersey on January 11, 1885, daughter of Quaker parents, William Mickle and Tacy (Parry) Paul. Pursuing extensive education in both social work and law, by 1928 Alice Paul had earned her B.A. (1905 Swarthmore College), M.A. (1907 University of Pennsylvania), Ph.D. (1912 University of Pennsylvania), LL.B.

(1922 Washington College of Law), LL.M. and D.C.L. (1927–8 American University).

In 1907, after two years as a resident social worker in the New York College Settlement, Alice Paul went to England to study and work at the Woodbrooke Settlement for Social Work in Birmingham. It was during her stay in England that she met Emmeline and Christabel Pankhurst and began her life long advocacy for women's rights. Her connection with the suffrage campaigns led to her imprisonment twice in England and once in Scotland.

Following these experiences, she came to Washington, D.C., in 1912, bringing new life to the ebbing suffrage movement in the United States. The National American Woman Suffrage Association (NAWSA) was at an all time low. Alice Paul asked the NAWSA for authority to set up headquarters in Washington and with their permission did so. She immediately felt the need for some sanction stronger than a local committee. Therefore, she formed the Congressional Union for Woman Suffrage, the sole purpose of which was to work toward a suffrage amendment to the United States Constitution. A rift grew between the parent body (NAWSA) and the new organization stemming from the Congressional Union's decision under Alice Paul's direction, to hold the "party in power" responsible for passage of the national amendment while NAWSA chose to continue working through the states. Subsequently, the Congressional Union for Woman Suffrage became the National Woman's Party with Alice Paul serving as its national chairman until the conclusion of the suffrage campaign in 1921.

Alice Paul was an activist with a flair for the dramatic, organizing parades and demonstrations with banners and costumes. In 1913 a parade of some 5,000 women marched down Pennsylvania Avenue to the White House the night before President Wilson's inauguration. Alice Paul and several of her followers were jailed for their suffrage activities in 1917. While in jail, Alice Paul went on a hunger strike that lasted for over three weeks. As a result she was force-fed. Such severe treatment of the imprisoned women drew angry public response and national recognition of the suffrage issue. More hunger strikes followed and unceasing political pressure was brought to bear just before the 1920 election. Finally, in 1920 the 19th Amendment to the U.S. Constitution, the Susan B. Anthony Amendment guaranteeing equal suffrage, was passed and U.S. women had the right to vote.

In 1923, after winning the struggle for the right to vote and knowing that the struggle for equality was not yet over, the National Woman's Party held a commemoration of the 1948 Seneca Falls Equal Rights Convention. At this anniversary meeting the National Woman's Party passed a resolution to further the rights for women first demanded by Elizabeth Cady Stanton and Lucretia Mott 75 years earlier. The resolution of the National Woman's Party to work for the passage of the Equal Rights Amendment written by Alice Paul resulted in the introduction into Congress in 1923 of the first Equal Rights Amendment to the United States Constitution ever proposed for women. Alice Paul called this Lucretia Mott Amendment. The original version read: "Men and women shall have equal rights throughout the United States and in every place subject to its jurisdiction."

There was much opposition to the Equal Rights Amendment, not only from expected sources, but also from other women's organizations who felt satisfied with the victory that had been won granting the right to vote. These organizations were concerned that the Equal Rights Amendment would render invalid all of the protective state laws governing the rights of women, especially those regarding women's labor.

Alice Paul, who was ahead of her time in perceiving that most "protective legislation only furthered discrimination, worked relentlessly for the passage of the Equal Rights Amendment. Under her leadership, the valiant and courageous women of the National Woman's Party succeeded in getting this Amendment introduced in every Congress for the next 49 years, until its final passage in 1972. Over the years it was the National Woman's Party, led by Alice Paul, who diligently kept the fires burning for the Equal Rights Amendment, educating other organizations, publishing bulletins and maintaining an instant information bureau where anyone interested in the ERA could obtain the exact status of its progress and sponsors day or night.

To date thirty-five states have ratified the Equal Rights Amendment and only three more are required to make it the Twenty-seventh Amendment to the United States Constitution. Passage seems imminent. This Amendment will guarantee the legal rights of women in every respect. The women of the United States should certainly feel indebted to Alice Paul for her foresight and dedication to the cause of women and their rights.

Alice Paul's commitment to equal rights for women was not confined to the United States. In the 1930's she worked with women from many countries in bringing the concerns and status of women to the attention of the League of Nations. In 1938 Alice Paul founded the World Woman's Party for equal rights, which later sent delegates to the convention which drafted the United Nations Charter. These women successfully pressured for affirmation of the principle of equal rights between women and men in the preamble of the Charter and for an equal rights pledge in the United Nations Charter.

In 1928, a delegation from the National Woman's Party presented an Equal Rights Treaty written by Alice Paul to the Conference of American Republics at Havana. At the persistence of the National Woman's Party, the conference resolved to create the Inter-American Commission of Women to work to raise the position of women in the twenty-one American Republics. Throughout 1928 and 1929 Alice Paul worked to establish the Inter-American Commission of Women as an integral part of the Pan American Union (now known as the Organization of American States). The Inter-American Commission of Women is now an international organization of women representatives from South America, North America, and Caribbean countries, to which the United States has appointed a women delegate under our United States Ambassador to Latin-American countries.

Alice Paul, with single minded dedication to equal rights for women, organized women both nationally and internationally. The full impact of her lifelong efforts to secure equal rights for women in the United States Constitution, in the United Nations Charter, and throughout the world has yet to be felt.

EAST TIMOR HEARINGS— JULY 19, 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Florida. Mr. Speaker, I have asked to address the House today on a subject of concern to me because it has involved this body in the machinations of foreign, even hostile interests with regard to an important American ally in Asia. I refer Mr. Speaker to the events of the past several months in a remote corner of the Republic of Indonesia—East Timor, formerly Portuguese Timor. As this last outpost of Portugal's colonial empire finally slipped from Lisbon's weakening grasp, a local struggle erupted in which inevitably the Government of Indonesia had to involve itself. However, by the time matters were put to rights by the Indonesians and their supporters in East Timor the situation has become a catspaw of Communist conspiracy, designed to embarrass and weaken the Government of Indonesia, erode the necessary and peaceful ties between Indonesia and Australia, and finally, to embarrass the current conservative government in Australia. In this last effort, Mr. Speaker, this House of Representatives has been involved.

We have assisted, directly at the behest of the Australian opposition, in elevating the relatively insignificant question of East Timor to an attention it does not altogether deserve. To prove my point, Mr. Speaker, let me explain, briefly, a little history.

The East Timor question began, appropriately enough, with the leftist coup in Portugal in April 1974. Thereafter virulent Marxism, which had been spreading like a low-grade infection through the Portuguese military, expanded rapidly into the Portuguese garrisons in Mozambique, Angola, and Timor. Between April 1974, and December 1975, the Portuguese in effect abandoned East Timor to the armed factions which were emerging among the various village and tribal units. One of the local groups had been adopted by the Marxists in the Portuguese garrison, and under that influence became Marxist. This group, the Fretilin, or Frente Revolucionaria de Timor Leste Independente, enjoyed support of the Portuguese garrison to the extent that when the garrison withdrew it opened its arsenal to them. Armed with these weapons the Fretilin decimated its opponents, raising the prospect of a Marxist state in Timor. Indeed, the Fretilin called the government which they later proclaimed the "Democratic Republic of East Timor."

After considerable fratricidal conflict, during which many tribal and familial feuds were pursued in the name of political struggle, and unknown numbers of Timorese died, the Indonesian Government acted to gain control. On December 7, 1975, Indonesian—and, Jakarta claims, indigenous Timorese—elements invested the capital, Dili, and other coastal towns. In the course of the civil war and the Indonesian action, there were no doubt many casualties. This fact made the matter of Timor a political issue in Australia, and as such fit for exploitation in the press. I quote from a letter from an Australian, Mr. Anthony Staunton of Brunswick, Victoria, Australia:

War is an atrocity and atrocities always occur in war. One of the games played by certain groups is large-scale atrocity stories.

On 1 September 1976 a minor pro-Soviet paper the Socialist reported that 60,000 people had been murdered by Indonesia in East Timor. The story was picked up by the Melbourne daily, The Age, on 19 November 1976. The Age said it had a highly confidential report handed to the Australian Government. The Communist Tribune on 1 December 1976 reported that the document was sent to Australian Foreign Minister Peacock "two weeks

ago" by the church organization which received it and was leaked to The Age. It would seem that the story was planted. The Age repeated the story and anonymous source on 8 December 1976 and The Sun, the major daily in Melbourne, upped the figure to 100,000 on 1 January 1977.

In March of 1977 a group of Australian opposition members of Parliament wrote the chairman of the House Subcommittee on International Organizations, Mr. DONALD FRASER, asking him to hold hearings on human rights in East Timor. The hearings were held the same week, indeed, the same day, as the visit of Australian Foreign Minister Peacock to Washington. Among the witnesses was an Australian Government employee, Mr. James Dunn, a self-appointed publicist for the benighted Timorese, who had permitted himself to be quoted that 100,000 Timorese had died at Indonesian hands.

Over the past several months the opposition party in Australia has made at least two efforts to obtain votes of no confidence against Prime Minister Fraser on the Timor issue. Many interested parties, Mr. Speaker, have sought and still seek to make political and idealogical capital of the unfortunate situation which prevailed for a time in East Timor. There was even a case where Leftist Australians posing as representatives of an Australian philanthropic organization actually assisted the Fretilin to obtain weapons during the civil strife, which the Timorese have not forgotten. The Leftist Fretilin still obtain aid from Communist sources and Leftist sympathizers. How else could a handful of guerrillas maintain an information office in high-priced New York, and send their representatives around the world in search of sympathy and assistance?

Mr. Speaker, all this to me is clearly the result of an operation and I for one am not happy that by having hearings and suggesting the legitimacy of an independent East Timor, the remnants of the Fretilin forces are encouraged to continue killing other Timorese and Indonesians.

In addition, Mr. Speaker, I am also disturbed that this last hearing on the international status of East Timor clearly infringes the jurisdiction of the Subcommittee on Asian and Pacific Affairs. This issue is a case of the wrong hearing by the wrong subcommittee on the wrong subject. There is no right time for such a hearing.

In short, Mr. Speaker, the Congress has been manipulated to further the cause of groups whose purposes are sharply inimical to the interests of the United States. I regret that this has occurred.

Thank you Mr. Speaker.

ANNOUNCEMENT OF HEARINGS ON THE FEDERAL ROLE IN CRIMINAL JUSTICE AND CRIME RESEARCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

Mr. SCHEUER. Mr. Speaker, in continuation of the joint hearings on the Federal role in criminal justice and crime research held by the Subcommittee on Domestic and International Scientific Planning, Analysis, and Cooperation—DISPAC—of the Committee on Science and Technology, and the Subcommittee on Crime of the Committee on the Judiciary, chaired by our distinguished colleague JOHN CONYERS of Michigan, the DISPAC Subcommittee will hold a final hearing on Thursday, July 21 1977 in room 2237 Rayburn House Office Building at 9 a.m. Witnesses appearing will be Martin Danziger former director of the National Institute of Law Enforcement; Peter J. Flaherty, Deputy Attorney General of the United States; James Gregg, Acting Administrator of the Law Enforcement Assistance Administration; Blair Ewing, Acting Director of the National Institute of Law Enforcement and Criminal Justice; and Paul Negelski, Assistant Attorney General of the United States. Those wishing additional information should contact the subcommittee offices in room 3253 House Office Building annex No. 2, phone 53479.

APPOINTING A SPECIAL PROSECUTOR IS NOT THE ANSWER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

Mr. CAVANAUGH. Mr. Speaker, within the last week the calls for the appointment of a Special Prosecutor to investigate the potential criminal violations arising out of South Korean influence buying in the Congress have intensified. Recently, two of my colleagues asked me to be a signatory on a letter to the President urging him to direct the Attorney General to make such an appointment. While I do want to see a thorough investigation and have written to both Mr. Bell and Chairman FLYNT imploring them to proceed with their respective probes vigorously, I do have serious reservations about appointing a Special Prosecutor.

In a letter to the drafters of the letter to the President I describe in detail my objections to the appointment of a Special Prosecutor. I would at this time like to include in the RECORD a copy of the letter that was sent to the President along with my letter to its initiators. I would also like to include in the RECORD the text of an editorial on the subject which appeared in today's New York Times.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 20, 1977.

DEAR MR. PRESIDENT: It troubled us greatly to read recent news accounts that the special counsel for the House ethics committee criticized the pace of the committee's investigation of alleged South Korean influence-buying in Congress.

It was precisely our concern that this very thing might happen that led 51 members of Congress to sign a letter sent last April to Chairman John J. Flynt urging the investigation be accelerated and the committee issue status reports periodically to keep the Congress abreast of its activities.

Chairman Flynt replied that such would be the case. If recent news account are accurate, though, the foot-dragging many of us feared earlier this year seems to be occurring.

Similarly, in February, 34 members of Congress signed a letter to Attorney General Griffin Bell expressing some concern about the pace of the Justice Department investigation into the Korean affair. Again, assurances were given, but still that investigation headed up by Assistant Attorney General Benjamin R. Civiletti is being severely criticized by some Republicans in Congress and some news columnists.

Monitoring the developments and pace of these inquiries, we have come to the conclusion that perhaps this investigation is too sensitive to be carried out by the existing investigatory apparatus of the Congress and the Executive.

How can the American people have confidence in this inquiry when one day there are news accounts of the involvement of more than 115 present and past members of Congress in this scandal, and the next day the front page tells us the special counsel has gone to Europe on vacation and is frustrated with the committee and the pace of the inquiry?

We think it is time we had a special prosecutor look into this matter and we ask you, Mr. President, to direct the Attorney General to appoint one immediately.

In today's political atmosphere there is an urgent need that this investigation, because of the scope of possible involvement by so many elected officials, proceed openly to a just and fair conclusion. We now believe a special prosecutor can better achieve this goal rather than the current approach. We hope you and Judge Bell agree.

Sincerely,

_____ _____.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 13, 1977.

Hon. PETER KOSTMAYER,
Longworth House Office Building.
Hon. RICHARD GEPHARDT,
Cannon House Office Building.

DEAR PETER AND DICK: Your letter of July 12, 1977, expressing your concern for the pace and credibility of the investigations of the House Committee on Standards of Official Conduct Conduct and the U.S. Department of Justice into the matter of the corruption of Members of the U.S. House of Representatives by agents of the government of South Korea is of great concern to me.

I commend you for your very sincere and vigorous pursuit of an expeditious and just resolution of this most erosive scandal. Clearly the most expeditious, exhaustive and comprehensive conclusion of this matter is essential to the honorable conduct of the Congress as well as to restoring the faith of the American people in their institutions of government. Since becoming a Member of the House of Representatives in January, I have actively sought to have the investigation of this matter by both the House Ethics Committee and the U.S. Department of Justice proceed with all possible speed. I have on many occasions joined with you and other of our colleagues in efforts to urge Chairman Flynt and the Attorney General to accelerate the pace and conclusion of the investigation. I am dismayed and disheartened as you are by the lack of diligence demonstrated by the House Ethics Committee to date. I am similarly distressed by the apparent inability of the Attorney General to bring his criminal investigation to a speedy and conclusive conclusion.

However, I cannot agree the solution to these two very real and distressing problems lies in the appointment of a Special Prosecutor by the President.

Two fundamental principles dictate against moving the investigative responsibility in this case from the Department of Justice and the Congress and placing it in the hands of a separate Special Prosecutor. The first principle which I feel would be violated by the appointment of a Special Prosecutor in this instance would be the abrogation of the fundamental responsibility of the Executive Branch through the Department of Justice for the enforcement of criminal laws without an appropriate institutional, political or circumstantial justification. It seems to me that this is a quite different case in circumstance and substance from the one we have recently witnessed in the Watergate scandals. There is a clear institutional weakness in our system when on those rare occasions allegations of criminal acts against the Chief Executive require investigation and enforcement of the laws by the direct institutional subordinate as well as a political ally and dependent. The case is clearly different when the Department of Justice is required to investigate and enforce the laws in regard to possible wrongdoings by Members of Congress. There is neither a structural or institutional subservience by the Attorney General to the Congress nor is there the practical political dependency of the Attorney General upon the Congress. In the instant case, the Attorney General is as free and independent to carry on his law enforcement responsibilities as would any Special Prosecutor.

While the Attorney General has not been successful in bringing his investigation to a swift and conclusive result as both you and I would wish I am not aware of any circumstances from which we could infer that he is either incapable or unwilling to fully, fairly, and thoroughly discharge his obligations of investigation and prosecution of this matter. In the absence of either an inherent structural or institutional impediment as arises in the case of impropriety on the part of the Chief Executive or some other extraneous circumstances which would render or appear to render the Attorney General incapable or indisposed to fully and fairly perform his law enforcement responsibilities I feel we run a clear risk of doing permanent damage to our institutions of justice by removing from them the obligation to exercise their proper responsibilities without just and significant cause.

The second significant principle which I believe would be jeopardized or obscured by the appointment of a Special Prosecutor in this case would be the responsibility of the House to investigate and discipline its members for violations of their constitutional obligations or transgressions against the standards of congressional ethics, regardless of any criminal determination or implication of their acts. While it is not my understanding that you would absolve the House of this responsibility through the appointment of a Special Prosecutor it seems to me that we would run the risk of that becoming the practical effect. As I understand your basic argument in favor of the appointment of a Special Prosecutor is that this is the only instrumentality in which the American people can at this point derive faith and confidence that the proper ends of justice would be pursued and met in the Korean matter.

I believe that this proposition leaves only the conclusion that the House is not willing or capable of dealing appropriately with the wrongful conduct of its members in their association with agents of foreign countries and tends to obscure rather than accentuate the focus of the public upon the obligation of the House of Representatives to demand and enforce the highest standards on its Members. While I am distressed at the pace and nature of the current inquiry being conducted by the House Ethics Committee, I feel it is premature to confess to the American people that their greatest legislative body is unwilling and unable to enforce the highest standards of ethics and constitutional responsibility upon its Members. It seems to me that if we are, indeed, at this point of confession and conclusion the future of this democracy will be gloomy and short.

It is imperative to the future health of this country that we not only reveal all of the relevant facts, and deal justly with the transgressions of the Constitution and Code of Ethics, among the Members of the House of Representatives, but that we do so in a manner and through a method which will for all time strengthen rather than weaken the institution. It is, therefore, essential that the Members of the House direct their energies and abilities in a concerted effort to assure that the House Committee on Standards of Official Conduct make a complete and accurate report to the full House.

I must, therefore, decline your invitation to join with you in urging the President to appoint a Special Prosecutor in this case. I will, however, join with you in redoubling my efforts of putting pressure upon both the House Committee on Ethics as well as the Attorney General to improve and increase their efforts in this investigation.

JOHN J. CAVANAUGH,
Member of Congress.

[From the New York Times, July 20, 1977]

NO SPECIAL PROSECUTOR THIS TIME

In the late 1960's, South Korea devised a perpetual motion machine. It was started with food aid and other assistance to Korea voted by the United States Congress. The Koreans would deal only with American rice merchants who agreed to pay commissions to a chosen agent. The agent, in turn, would use the funds, energetically, to ingratiate himself with members of Congress. And they, in turn, would vote to continue sending assistance to Korea.

For months now, the question of how—and with whom—the agent ingratiated himself over the years has cast a shadow on Capitol Hill. Which Congressmen accepted, unwisely but not unlawfully, entertainment, travel or gifts? Which accepted campaign contributions of questionable propriety? Which accepted payments that were unquestionably illegal bribes? But for the moment, at least, the question of what is the truth has been superseded by the secondary question of how to seek it.

Partison doubts about the investigation undertaken by the House Ethics Committee have been intensified by the resignation of the committee's special counsel, Philip Lacovara, who earned high regard as a member of the Watergate special prosecutor's staff. Many think it has damaged the committee's credibility beyond repair; they now clamor, a la Watergate, for the appointment of another special prosecutor, or of a special House investigating committee. Both proposals are hasty and unwise.

To appoint a special prosecutor is to prescribe strong medicine for the wrong disease. Some of the offenses evidently involved in the Korean affairs will, indeed, require prosecution. Prosecution is not, in any case, a job for Congress but for the Justice Department. A special prosecutor might be in order were there a showing of limpness at Justice, as there was during Watergate. But there has been no such showing about the Justice investigation, run by another former member of the Watergate special prosecuting team. Until and unless there is, the Administration is right to say no.

Meanwhile, there remains a valid, necessary investigative job for Congress. Prosecutors can deal only with the illegal. It is up to the House to deal with the questionable and the unwise—to enforce and inspect its own rules of ethical behavior. The logical place for that is in its Ethics Committee. The damage done there this week is real, but it seems reparable.

The chairman, John Flynt of Georgia, seems to have regarded Mr. Lacovara's behavior as unacceptably impudent for a committee employee. That reflects a serious misunderstanding. Mr. Lacovara was not just an employee. The committee was not just buying his work. It was buying his credibility, his independent judgment, his Watergate reputation for integrity. To attract a successor of equivalent stature, Chairman Flynt will now have to guarantee at least as much independence as he failed to grant Mr. Lacovara. If he does—and that now appears likely—it should substantially reassure the skeptics. And then the notion of starting all over again with a new, special investigating committee would turn sour: What was intended as a demonstration of Congressional virtue would end up looking like just another stall.

WOMEN'S EQUALITY DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 30 minutes.

Ms. HOLTZMAN. Mr. Speaker, on August 26, 1920, the 19th amendment to the U.S. Constitution was ratified. On that historic day, the women of America were granted the right to vote.

I have introduced a resolution calling on the President of the United States to issue a proclamation commemorating August 26, 1977 as Women's Equality Day in commemoration of the granting of suffrage to women.

The ratification of the 19th amendment was an important step in the realization of our country's promise of human dignity and equality for all people. It is important to pay tribute to those women who struggled long and hard for the right to vote and to rededicate ourselves to the objective of full equality under the law.

I urge the speedy passage of this resolution.

The text follows:

H.J. RES. 550

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 26, 1977, is designated as "Women's Equality Day", and the President is authorized and requested to issue a proclamation in commemoration of that day in 1920 on which the women of America were first guaranteed the right to vote.

BUSINESS BELIEVES IN JUSTICE FOR ITSELF BUT NOT FOR CONSUMERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

Mr. ECKHARDT. Mr. Speaker, I would like to continue today discussing the kind of flip-flopping big business is engaging in to defeat the consumer action provision of H.R. 3816. In the past few days I have discussed how lobbyists for Sears, Penney's, NAM, and the Business Roundtable take one position when they are talking about H.R. 3816 and then take a totally different stand when they are discussing other legislation.

The group I would like to discuss today, the Chamber of Commerce, surpasses even these other groups in rhetorical gymnastics. The chamber does not even bother to switch legislation before it flip-flops from one position to another.

In a letter sent to Members earlier this month, the chamber urged opposition to the consumer action provision of H.R. 3816. This section gives consumers cheated by violations of FTC rules and orders the right to go into court, either individually or as a class, to get their money back. The chamber, of course, finds such a prospect unthinkable.

However, in discussing a later section of the bill, the chamber in the same letter claims that—

A day in court is something more than a technical privilege; it is a guaranteed practical right.

I happen to agree with the chamber's statement. I only wish the chamber did. If they did, they would not be working so hard to defeat the consumer action provision of H.R. 3816, for section 7 gives consumers a day in court, no more no less.

Throughout my legislative career, I have consistently worked to see that persons with grievances have an opportunity to redress those grievances. Unlike the chamber, I happen to believe that this right belongs to everyone. I do not think that such a right is the exclusive province of the business community.

There is nothing in H.R. 3816 which denies businesses a fair day in court. Unfortunately, under present law consumers are denied any day in court. This obviously does not bother the chamber. It does bother me, and I think it should bother every fair-minded person in the House of Representatives.

THE IMPACT AND OPPORTUNITIES OF THE PRESIDENT'S ENERGY PROPOSALS FOR BLACK AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 10 minutes.

Mr. DIGGS. Mr. Speaker, recently, at a conference held in Denver, Colo., on energy needs today and in the future, a thought-provoking and insightful analysis was given of the impact of the President's energy proposals on black Americans. This speech, given by Hobart Taylor, Jr., director of the Standard Oil Co. of Ohio, deals with the problem of energy use and planning, critiques our present system of dealing with energy problems, and goes on to suggest the most effective and innovative ways of coping with the problem in the future.

Mr. Speaker, I would like to share with my colleagues Mr. Taylor's remarks, and include them herein for that purpose:

THE IMPACT AND OPPORTUNITIES OF THE PRESIDENT'S ENERGY PROPOSALS FOR BLACK AMERICANS

(Address by Hobart Taylor, Jr.)

Before getting into my specific comments on President Carter's energy proposals, I'd like to take this opportunity to applaud Congressperson Patricia Schroeder, State Senator Regis Groff, Clarke Watson—and the other sponsors of this energy conference. I sincerely hope the rest of the country takes proper note of what you are doing here in Denver to acquaint all of us with the real issues surrounding our energy problem in the United States.

I am particularly pleased to be a participant—not so much because of my activity with The Standard Oil Company (Ohio)—although I view my involvement and association with Sohio with personal pride. No, I'm happy to be here today because of a deep personal concern for what's happening in Washington—and how governmental action affects the very lives of all Americans—including minorities—in Colorado—and in every other state of this nation . . . positively—or negatively.

Ladies and Gentlemen:

We desperately need an energy policy in this country that works!

You've heard a lot of people say that we need an energy policy in this country—giving the implication that we have not had an energy policy until President Carter's proposals a couple of months ago. I don't agree with that We have had an energy policy in this country. It's been an energy policy of high consumption and declining energy reserves.

I don't think it's been written any place—in just those words. But it's existed!

It's an energy policy that has been piecemeal—in many instances—in the indirect result of laws and regulations passed—with good intentions—in other subject areas—and in some cases, because of our failure to pass laws.

In a recent analysis, Sohio found over 100 different Federal laws and regulations which have a "fall-out" effect on energy policy—but which were usually not thought out from an energy standpoint when they were put on the books. In other words Ladies and Gentlemen, our national energy policy for at least 25 years has been, in large part, the result of sporadic decisions on a number of other issues.

The hodge-podge won't work!

What we need now is a national energy policy that will work! We need an energy policy that will cause new supplies to come to market. We need an energy policy that will keep our economy growing so that there will be jobs for all Americans—including Black Americans and other minorities, if we really mean to do something about economic impoverishment. We need an energy policy in this country that will provide for the human needs of all its citizens.

Our United States economy is energy-intensive! It has to be—it is run on machines, and not by animal energy. We can debate at length whether that is good or bad—but it's a fact—and it's not likely to change much and it is the trend in the rest of the world. Business and industry—which employ most of our working population—will continue to be dependent on all kinds of energy to maintain and expand their operations, to meet the needs of the consumer, and to continue and improve our standard of living.

Much has been said about the U.S. consuming the lion's share of world energy. And wasteful though we are, we may not be as bad in this as a first impression might suggest.

While the U.S., with 5 percent of the world's population, does account for 32 percent of the worldwide energy consumption—it also accounts for 31 percent of the world's gross national product. That's nearly one third of the world's total goods. There is, of course, still a need for conservation and for the use of the cleanest possible energy.

Our dependence on energy underlies our very complex society, and—according to government data—there is a very close correlation between our gross national product . . . energy consumption . . . and jobs.

Because of our dependence on energy, and the growth in energy consumption, we no longer produce all the energy we need. The amount we import from other countries gets larger each year. In January and February 1977, the United States imported 9-million barrels of oil per day, half of our domestic consumption. By 1985, that figure could grow to 16-million barrels per day, according to government estimates. Leaving aside the question of how we could pay for all that oil at ever increasing prices, it is clear that there are physical limits to the world supply of this non-renewable resource.

So all Americans should be grateful to President Carter for making us painfully aware of the overall problem. Now let's take a look at some of his specific energy proposals and the impact of his national energy plan.

The President's plan, although complex, is aimed at three objectives—to reduce dependence on foreign oil and the risk of supply interruptions, to reduce the U.S. consumption of oil through a series of conservation measures and, finally, to develop renewable, clean and virtually inexhaustible sources of energy in the long term.

In the short term, the hub of his plan is conservation. Conservation of energy and our natural resources is important—and was badly needed to be emphasized for his program to be a complete—a total energy plan. But conservation, important as it is, is not the total answer to our dilemma—even in short term.

For—important as it is—conservation is not an energy source!

Conservation can help buy us some time . . . time which may be critical. But today, tomorrow, and next year, we need to develop new energy sources, and because most of our equipment is designed to use oil and gas, we especially need to find new oil and gas deposits.

From the standpoint of Sohio, the principal problem with the President's energy proposal—as it now stands—is its implicit assumption that there are no major oil and gas resources still to be found to help solve the problem.

However, a review of Federal forecasts during the last 70 years, reveals that some government agencies on occasion may not have had adequate information . . . or were much too conservative in translating the raw data into fact. For instance, in 1908, officials of the U.S. Geological Survey declared that our "maximum future supply of petroleum is 22.5 billion barrels." The fact is that more than 110 billion barrels have been produced.

In 1939, the Interior Department predicted only 13 years' of U.S. oil supplies; and similar shortages were predicted in 1947 and again in 1949—and in 1977.

Not everyone accepts the idea that we have found all of the oil and gas there is to be found. An analysis of several current studies shows that there is at least another 130 billion—that's right, billion—barrels of undiscovered oil in the United States. That's about 14 times the size of the discovery at Alaska's Prudhoe Bay.

The same case can be made for natural gas. The studies estimate that about 700 trillion cubic feet of natural gas are yet to be discovered in the United States—in addition to the 240 trillion cubic feet of proven reserves.

These undiscovered oil and gas reserves amount to about 60 times the total United States oil and gas production during 1975.

Any national energy plan for this country must have as its central theme the development of adequate oil and gas which account for about 75 percent of our nation's energy requirements and which will continue to be the major source of our energy for the remainder of this century. The Federal Energy Administration estimates that oil and gas will have to supply about 60 percent of our energy needs through 1985.

And so I hope that the plan will provide enough incentives to strongly stimulate this development of our own natural resources. In its present form, I'm not sure that it will. It's a good start, but there is still more to be done.

The national energy plan as it is presently drawn, will work to put a supporting floor under the price of foreign oil. It will do so by imposing a new tax on domestic crude oil that will adjust the market price of that oil here in the United States upward to the present level of foreign oil. My concerns are that the tax provision of the national energy plan will not stimulate all the development of new oil resources in this country that it should, and that it makes no provision to reduce or eliminate this new tax if increased supplies of oil and other forms of energy would normally result in a competitive reduction in prices. This is to say there is no incentive to reduce the price of oil by offering more profit to the more efficient, imaginative, or inventive producer. The entire thrust of this section of the plan at present is to discourage—through prices—the use of a product essential to industrial production and decent living. It deserves further study for, unless major new supplies are brought to market, all of the oil that we use will likely be the subject of round after round of increases in prices.

Even though oil and gas will provide the major portion of our energy supplies for the foreseeable future, the development of our coal reserves should also be an important part of our long-range energy game plan—as President Carter has suggested. There are abundant resources of coal in this country. Certainly the expected growth in this industry provides plenty of opportunities for new jobs and an improved standard of living for all.

However, getting this coal out of the ground and being able to use it in our factories will not be an easy job. The President himself recognizes this problem. He has called for the further development of our coal resources—and he is right to do so. He also has asked for tougher environmental controls on the mining and burning of much of this nation's coal—and, again, he is right to do so. Both are important considerations. In order to move forward on both issues, some middle ground must be reached. The choices are not easy. I suggest to you that where there are tough choices, people needs—jobs and employment—are at least as important as other considerations. And I speak now primarily of the environment. This growing industry must be able to mine coal, transport it to where it can be used, and be allowed to burn it to heat our schools, our factories, and our industrial boilers. And there is no use deceiving ourselves—it is difficult and costly to burn coal cleanly and without any environmental effects.

Please don't misunderstand me. The protection of our environment is very important—and we need to do all that we can to have clear water, clean air, and maintain the natural beauty of our valleys, our plains, and our mountains. And we all share in the dollar cost of protecting and improving the environment.

Since we share in the cost, we need to take a close look at the costs of our environmental programs relative to the benefits received. What I mean is that the money required to get a particular area 98 percent pollution-free may be necessary, worthwhile, and affordable. But that last 2 percent may not be achieved without overtaxing the consumer's ability to pay. Achieving that final 2 percent may just take too much money out of our pocketbooks—money that may be needed for some other necessity. It may defer too long the energy we need—and the jobs that energy development will provide.

There is one other aspect of the President's energy proposal which often gets lost in the discussion. It cuts across all kinds of energy development. If our energy companies are going to be able to find, and develop, and produce new and additional energy sources, they need to be able to have access to those energy deposits. Whether they be coal deposits in some of our western states or oil and gas in our outer continental shelf or the arctic regions of Alaska.

Much of the land and water that contains our energy sources is controlled by our Federal government. In order to have a national energy plan that works, that plan must contain a stepped-up program for leasing these lands to those who are willing to risk the time and money needed to develop additional resources. This needs to be encouraged by all of us.

It will also take large sums of money to find . . . develop . . . and produce the energy we use. Do you know that the cost of finding oil has risen 290 percent in the last ten years? How many people know that if we are to meet President Carter's goal of just maintaining our current level of crude oil production, it will cost at least $180-billion to replace the oil produced during the seven-year period—1978–1985? That's based on 1976 dollars—without considering anything for inflation. If the costs to find oil increase at the same rate they have during the past ten years—then that replacement cost figure will be nearly $400 billion! This figure is especially significant when it's compared with the $14.4 billion spent in 1976—by our entire industry.

I hope that these figures demonstrate the magnitude of the money that's needed for energy investments—money that is assumed to be there, but which won't appear if too many restrictions are placed on those who have to do the work. We need to put them to work—and encourage them to do more. But they can't do it without a fair return on their investment.

Alaskan oil—which is now flowing through the trans-Alaska pipeline—will help to reduce the amount of oil the United States is required to import. But it's expected that the refineries on the West Coast will be unable to handle all of the Alaskan oil, when production is at full capacity. This situation presents some short-term transportation cost problems.

Keeping the oil in the ground is no choice at all, as far as a probable solution.

Approval of a short-term exchange of oil with Japan would reduce the transportation costs of bringing Alaskan oil to market, as opposed to the higher transportation costs involved in shipping any oil to our Gulf Coast markets here in the "lower 48."

It's in the economic interests of the United States to minimize our costs as much as possible, and Sohio has been working for some time on a long-term solution to bring Alaskan oil to markets in the Midwest via a Long Beach-to-Midland, Texas pipeline.

We know that high costs—such as higher costs involved in the transportation of Alaskan oil—have a tendency to be passed on to the consumer over the long haul. Sohio supports any alternative which would reduce costs to the consumer.

What is the impact of what we have been talking about for Black Americans? Here are some of my observations as a director of one major oil company:

First, the energy industry is growing, and considering our country's needs, I think that's healthy. In addition to the continuing major role that oil and gas will play in providing energy for this country—coal, nuclear energy, uranium, oil from shale, and solar energy will all be developed to varying extents in order to satisfy our need for energy. And as each segment grows, I believe there will be plenty of opportunity for Black Americans to be involved at all levels—but probably mostly for those who have some kind of technical background, education, and experience.

At Sohio we've recognized that the greatest employment opportunities are in the areas of engineering. And to help attract Blacks and other minorities to this technical field, Sohio sponsors summer programs and cooperates with industry-sponsored training programs to interest Blacks in engineering careers.

I'm sure that other companies do—or will be doing—the same; and will encourage men and women of all colors to consider these opportunities.

Of course, there are opportunities at all levels. At Sohio 44 percent of the Blacks employed are in sales, 10 percent are officials and managers, and 19 percent are in skilled or semiskilled occupations. Minorities constitute 10 percent of all employees at Sohio. And this figure is growing every day.

It's growing because the energy industry in general and Sohio in particular is involved. The industry is consumer-oriented and that means that every citizen is an important customer. These companies understand that they should and must be socially aware.

This is one aspect of the situation. There is also a negative factor we must understand. I like to think about the positive . . . but we cannot forget the negative aspects.

Blacks are, today, disproportionately employed as hourly industrial workers. This means that they are soldiers on the front lines of an energy crisis. It means that when a company is forced to shut down or to cut down through lack of energy supplies, they are more seriously affected than the general population—and this is not mere speculation. We recall that over a million people were out of work earlier this year due to energy shortages caused by one of the coldest winters on record. We know—from Department of Labor statistics—that there is an approximate 2-to-1 unemployment ratio of Blacks and other minorities to Whites. May 1977 figures show that while only 6.2 percent of the White work force was unemployed; 13 percent of the Black work force was on the unemployment rolls.

If an energy shortage leads to substantial unemployment, minorities tend to lose their jobs at a rate at least double that of the national rate. Likewise. when increased economic activity leads to a substantial growth in the work force, Blacks and other minorities find employment at a rate greater than the national average.

But our basic energy problem is still everybody's problem.

And when we consider the vulnerability of our supply line down the Indian Ocean, around the Cape of Good Hope and all the way across the Atlantic, you can see that we have every right to be concerned for the development of a policy which could lead to energy independence for the United States. And this cannot be done simply through conservation or through policies, which I honestly believe are inadequate to encourage the activity which will insure our national prosperity and viability as we search for new forms of energy.

In conclusion, let me restate what I feel to be the impact and opportunities of President Carter's energy proposals for Black Americans.

A sound energy policy leads to economic growth and increased employment. It is this growth that not only enables people to move up in our society but also enables businesses to furnish real support to those organizations whose purpose is to help blacks and other minorities to take up leadership positions in this country. Groups such as the United Negro Fund, The Urban League and the NAACP are among several that have been supported by Sohio.

It is only in this way these benefits are achieved. The failure to provide for growth condemns the less fortunate to a continuation of their present status.

Shortages of energy will impact the greatest on minorities and on the poor. This is because of the nature of their jobs, their lack of capital and reserves, and the social and economic configuration of our society. Therefore, Black leaders and other interested Americans have a very special need to help work out an effective energy plan which takes into consideration our needs for economic

growth, sufficient energy, and plenty of employment.

Energy is a growing industry and the opportunities to be vitally involved are waiting.

Minorities need to take hold of the opportunities to help make these policies—because they have the most to lose if the wrong decisions regarding an energy plan are made. And the most to gain from a national energy policy that works!

Thank you, very much.

PERSONAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Miss JORDAN) is recognized for 5 minutes.

Miss JORDAN. Mr. Speaker, I was unable to be present during the week of July 11 because of illness. Had I been present, I would have cast the following votes:

ROLLCALL NUMBER, DESCRIPTION, HOUSE VOTE, AND JORDAN VOTE

MONDAY, JULY 11, 1977

No. 403; passage of House Joint Resolution 24 to provide for the designation of a week as "National Lupus Week"; 297–3; yes.

No. 404; passage of H.R. 2960, memorial in honor of the signers of the Declaration of Independence; 301–3; yes.

No. 405; House Resolution 642, the rule for consideration of H.R. 5023; 299–0; yes.

TUESDAY, JULY 12, 1977

No. 406; passage of H.R. 7658, veterans housing; 403–0; yes.

No. 407; passage of H.R. 7345, veterans pensions; 403–0; yes.

No. 408; passage of H.R. 5023, to amend the statute of limitations relating to Indian claims; 331–69; yes.

WEDNESDAY, JULY 13, 1977

No. 409; conference report on H.R. 5970, authorizing appropriations for the Department of Defense for fiscal year 1978; 350–40; yes.

No. 410; amendment to H.R. 4963 (Maritime Authorization) that sought to prohibit the use of operating subsidies for the carriage of grain to the Soviet Union; 143–251; no.

No. 411; passage of H.R. 4963, fiscal year 1978 authorization for certain maritime programs; 355–40; yes.

No. 412; House Resolution 638, rule for the consideration of H.R. 2777, National Consumer Cooperative Bank; 339–55; yes.

THURSDAY, JULY 14, 1977

No. 413; motion that the House resolve into Committee of the Whole to consider H.R. 2777; 349–1; yes.

No. 414; substitute amendment to H.R. 2777 establishing a study of consumer cooperatives; 170–228; no.

No. 415; amendment to H.R. 2777 that terminates all authority under the act on December 31, 1982; 203–196; no.

No. 416; passage of H.R. 2777, National Consumer Cooperative Bank Act; 199–198; yes.

No. 417; passage of House Resolution 658, establishing a Permanent Select Committee on Intelligence; 227–171; yes.

No. 418; House Resolution 682, rule for consideration of H.R. 4287, Mine Safety and Health Act; 358–11; yes.

FRIDAY, JULY 15, 1977

No. 419; motion that House resolve into Committee of the Whole to consider H.R. 4287, Mine Safety and Health Act; 298–3; yes.

No. 420; amendment to H.R. 4287 which sought to transfer administrative authority from Secretary of Labor to Secretary of Interior; 112–227; no.

No. 421; substitute amendment to H.R. 4287 to provide separate administration for coal and noncoal mines; 151–188; no.

No. 422; amendment to H.R. 4287 to allow the States to administer Federal regulations and programs; 165–169; no.

No. 423; passage of H.R. 4287, Mine Safety and Health Act; 244–88; yes.

HEARINGS BEFORE THE SUBCOMMITTEE ON CRIME OF THE HOUSE COMMITTEE ON THE JUDICIARY ON THE TASK FORCE REPORT TO RESTRUCTURE THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime, which I chair, of the House Committee on the Judiciary will hold 2 days of hearings to review the recent report to the Attorney General generated by a study group appointed by the Attorney General, which recommends the restructuring of the Law Enforcement Assistance Administration.

The first day of hearings, August 1, 1977, will begin at 10 a.m. in room 2226 Rayburn House Office Building. The hearings will continue on August 4, 1977, at 1:30 p.m. in room 2237, Rayburn House Office Building. We may complete consideration of the subject at a hearing after the district work period. The witnesses for the 2 days of hearings will be members of the study group, Deputy Attorney General Peter Flaherty, Walter M. Fiederowicz, Blair C. Ewing, Ronald L. Gainer, James M. H. Gregg, Thomas J. Madden, Paul A. Nejelski, and Patricia M. Wald.

Those wishing to testify or submit a statement for the record should address their requests to the Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

UNIVERSAL VOTER REGISTRATION ACT AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

Mr. AUCOIN. Mr. Speaker, when the Universal Voter Registration Act, H.R. 5400, comes to the House floor next Tuesday, I intend to offer two essentially technical amendments that I believe will strengthen this legislation by avoiding potential problems and confusion.

The first amendment would delete section 12 which deals with voter lists. The effect of this amendment will be to preserve the status quo, allowing States and units of local government to continue to make voter registration lists available for those purposes permitted under applicable State and local laws. The reason for the amendment is that in its present form, section 12 restricts the use of registration lists for Federal elections to essentially only political purposes. The committee's intent in section 12 was to cut out commercial uses of these lists. But the committee failed to recognize other valid uses of these lists. In my home State of Oregon, lists are available to nonprofit groups such as the League of Women Voters, Red Cross, and the Oregon Historical Society. In the final analysis, States are capable of passing laws that meet their peculiar needs. This intrusion by Federal law is unwarranted and unnecessary.

My second amendment seeks to clarify the definition of "chief election official" by providing a general description of the duties of such an official. This language would replace language that I believe is subject to misinterpretation. The reference to "primary and immediate responsibility with respect to the "registration of qualified voters" could be seen as meaning election officials or boards in home rule counties. Clearly that is not what is intended and all my substitute language does is to remove that potential ambiguity.

MOSCOW'S MAN IN LUSAKA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. ICHORD) is recognized for 5 minutes.

Mr. ICHORD. Mr. Speaker, for months I have attempted to warn the administration of the folly of our African policy with regard to Zimbabwe. Now I find even the Washington Post has taken up the call. A recent Evans and Novak article, titled "Moscow's Man in Lusaka" describes how the Soviet's are orchestrating the guerrilla operations against Zimbabwe from their embassy in Zambia and how Kaunda has changed his position regarding Zimbabwe from one of moderation to one of radicalism to include favoring Cuban intervention in Rhodesia. It also points out how Kaunda shares the Soviet commitment to Nkomo's military force, a force responsible for the day to day killing of black and white Rhodesians.

Last month this Congress appropriated $100 million in a South African special requirements fund—funds destined to go in part to Zambia and ultimately to finance the guerrilla movement which will force an Idi Amin or Marxist form of government on the citizens of Zimbabwe.

I find it incomprehensible that we are so willing to turn the future of the black Rhodesians and all of the critical resources of that country over to a Marxist government dominated by the Soviet Union.

While my warnings have not been heeded by the administration nor the Congress, I feel compelled to insert in the RECORD the Evans and Novak article

and an editorial "Footnote on Rhodesia" for your edification. Hopefully, at some point before it is too late the true folly of our policy will be understood and that policy changed to conform to our true objectives of peace and stability in South Africa.

MOSCOW'S MAN IN LUSAKA

(By Rowland Evans and Robert Novak)

LUSAKA, ZAMBIA.—The fortress-like Soviet embassy here has become the nerve center for guerrilla operations against Rhodesia (Zimbabwe) and South West Africa (Namibia), undermining persistent Western hopes that Zambia's President Kenneth Kaunda would become the peacemaking moderate for southern Africa.

Behind the embassy's high, heavily guarded walls, a short walk from the Zambian foreign ministry, Ambassador Vasily Solodovnikov is intimately involved in training, supplying and even deploying guerrillas. Moreover, old diplomatic hands see him doing his best to scuttle Western efforts for negotiated settlements in Rhodesia and Namibia. For the Kremlin to cash in on its heavy investment, the guerrillas must win; a genuine free election might well install a non-guerrilla government.

The Soviet aim thus conflicts with popular sentiment in Zambia, possibly shared at heart by Kaunda himself, for a quick, negotiated peace in Rhodesia. Nevertheless, Kaunda publicly takes the hard line and may be trapped in positions not in his nation's best interest. Having mounted the Russia bear, Kaunda cannot easily get off.

Solodovnikov has impressive credentials. An expert at the Soviet Africa Institute with intimate links to the KGB, he was architect of the Kremlin's successful strategy for southern Africa. But the pudgy, smiling Russian is no KGB heavy, frightening off diplomatic colleagues. Rather, he assures everybody of his sincere best wishes for the Anglo-American initiative on Rhodesia.

Veteran diplomats don't believe a word of it. Solodovnikov supervised the quick build-up of Joshua Nkomo's new 3,000-man guerrilla army based in Zambia. Having put their money on this new military factor, the last thing the Russians want is a quick settlement.

Indeed, Solodovnikov has made Zambia a hub of military activity. It is a base for guerrilla raids against both Rhodesia and the long sliver of South West Africa called the Caprive strip. Aeroflot passenger planes land regularly at Lusaka, ferrying Nkomo's guerrillas to and from training in Angola.

But in typical Russian style, Solodovnikov is no gracious guest. While using Zambia as a base for military operations elsewhere, he is not beyond attempting a little subversion here. Some 250 Russian technicians, mainly teachers, are suspected by Zambian officials of proselytizing student radicals against Kaunda as an old fuddy-duddy with insufficient revolutionary fervor.

The matter surfaced when the Zambian government accused a Novosti press representative (undoubtedly a KGB man) of subversive activities and told Solodovnikov there would be no publicity if the agent were quietly returned home. The ambassador refused. The Zambian government then kicked out the Novosti man, announcing it in a brief item buried in Lusaka's government-controlled newspapers.

The Novosti incident is seized upon by Western diplomats as proof that Kaunda runs his own house, but it actually reveals Solodovnikov's arrogance and Kaunda's caution. Certainly, Kaunda is no free agent capable of throwing out the Russians in Egyptian-Sudanese fashion. Besides reliance on Soviet arms by the Zambian army (now deployed on the Rhodesian border), Kaunda is constrained by fellow "frontline" states (Mozambique, Angola, Tanzania) more radical than Zambia.

So, Kaunda's posture has hardened. The agent for Angola's anti-Communist Unita guerrillas, backed by Kaunda in the Angolan civil war, has been thrown out of Lusaka. Although Kaunda once condemned Cuban intervention in Angola, he recently suggested Cuban troops might be used in Rhodesia.

Kaunda's switch from moderate to hawkish rhetoric on Rhodesia is attributed by Western apologists to disillusionment over past failures in negotiations. But beyond rhetoric, he single-handedly pushed the African summit meeting in Gabon to a resolution demanding a military solution in Rhodesia. Western diplomats suspect a recent editorial in the Zambia Daily Mail, criticizing a suggested British Commonwealth peace-keeping force for Rhodesia, was written at the presidential palace. Above all, Kaunda is as committed to Nkomo's military force as are the Russians.

Kaunda's militancy does not fit the national mood, which greeted war posters slapped all over Lusaka with ennui. Although depressed copper prices are mainly responsible for Zambia's economic hard times, closing the border with Rhodesia also hurt. Apart from student radicals, Zambians would rather spend money on Lusaka's wretched shanty-town slums than for more Soviet military hardware. Even back-benchers in parliament are privately cool to the war effort.

Kaunda cannot change course to satisfy public opinion. He will ride the Russian bear until Soviet-backed guerrillas take over Rhodesia. Whether he dismounts at that point, nearly surrounded by leftist neighbors, is something Solodovnikov will have much to say about.

FOOTNOTE ON RHODESIA

With apologies for tardiness, we come forward today in protest against the Carter administration's misguided effort to close down the Rhodesian Information Office in Washington. The effort was undertaken to put pressure on the white-minority government of Ian Smith. But it is an affront to the American belief in the free international flow of information and to the whole idea of fairness, and it conveys to the Third World that the United States shares its conviction that information is properly the servant of politics.

The issue arose late in May when the United States joined a Security Council resolution closing the window by which Rhodesia funds its Washington office (and lesser ones in France and Australia). On Capitol Hill and elsewhere, among critics of Ian Smith as well as among his sympathizers, a clamor arose, but the State Department stuck to its guns. Sens. Clifford Case (R-N.J.) and Dick Clark (D-Iowa) then introduced a resolution saying that "any foreign country should be allowed to maintain an information office in the United States." So Mr. Carter, savvy in tactic if not sound in principle, backed off and decided to suspend putting the U.N. resolution into effect.

Important as is the issue of information, there may be more at stake. The United States is trying to make Mr. Smith form a new democratic government with the black majority of Zimababwe. But it maintains contact with him only through occasional vists to Salisbury by the American ambassador to Zambia. Such calculated detachment is appreciated by the other African states, but does it serve the process of diplomatic communication? Just as it is only fair to let the Rhodesian government, and its rivals, offer their views to the American public, so it could be useful to keep the (professionally staffed) Information Office here open and available for diplomatic exchanges.

SEABROOK: NUCLEAR POWER DELAYS CONTINUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, more than 4 weeks ago the U.S. Environmental Protection Agency Administrator, Douglas Costle, reversed an earlier decision by his Boston Regional Office which had the effect of stopping construction of the Seabrook Nuclear Power Plant.

Despite the fact that the Nuclear Regulatory Commission had previously granted a construction permit, and had revoked it only because of the Boston EPA Regional Office decision, that permit has not been restored despite the passage of more than a month. This unending series of Washington bureaucratic delays is a perfect example of why this country is in the middle of an energy crisis. It is incredible that these agencies are so insensitive to the needs of American working men and women for jobs; the need of this country for electricity; and the need of our people for electric rates that are not pushed up by constant delays and redtape.

There recently was an editorial in the Nashua, N.H., Telegraph on this subject, which states the subject quite well and I commend it to the attention of the House. The article follows:

SEABROOK AND BUREAUCRACY

Any reasonable person might have thought that the recent decision by Environmental Protection Agency Administrator Douglas Costle would have resulted in a prompt action by the Nuclear Regulatory Commission (NRC) to restore the construction permit for the Seabrook generating station. We should have known better.

The Atomic Safety and Licensing Appeals Board of the NRC will consider the issue of alternate sites before any further action is taken on the Seabrook permit. The NRC's memorandum to its Licensing Board is guaranteed to further delay construction at the badly needed Seabrook facility.

Owing to the fact that the federal bureaucracy has become so complex, Public Service Company of New Hampshire (PSCoNH) filed its motion for resumption of construction with three agencies within NRC. Now NRC officials say that the triple filing will further confuse matters. Apparently, it's reached the point where the bureaucracy itself is admitting that it doesn't know what it's doing—something many of us have suspected for years.

And while the bureaucracy plays with its redtape, the cost of construction at Seabrook continues to mount.

Blessed be they who run in circles, for they shall be known as wheels.

CHINA BEHIND THE GUIDED TOUR

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, many of America's top officials and a goodly number of Members of the Senate and House have been to Communist China since President Nixon broke the ice and initiated efforts to "normalize" relations between the two countries. The reports which are made available to the public

after those trips follow a uniform pattern. The visitors generally are impressed with the progress made in China under the Communist government. Everybody works. There appears to be food and clothing for all. There are no signs of discontent. Regimentation is complete and thoroughly applied from the cradle to the grave.

One of the few indications that the tours are just as regimented as the people of China was brought out by Edward N. Luttwak in the April 1977 issue of Reader's Digest. His commentary is entitled, "China Behind the Guided Tour." It gives a glimpse of what the real Red China may be like, and I am pleased to submit it for reprinting in the CONGRESSIONAL RECORD.

CHINA BEHIND THE GUIDED TOUR

(By Edward N. Luttwak)

It was not until we reached the "Sinkiang Uighur autonomous region" in the far northwest corner of China that the elegant stage management of our journey finally broke down. Given the formal character of our tour, which was led by former Secretary of Defense James R. Schlesinger, it seemed natural enough that every detail would be carefully prepared. Riding each in our own car, with an interpreter and a personal escort assigned in strict order of seniority, we would arrive at village, workshop, army base or hospital to be met by the local dignitaries. First came the briefing, given in a reception room decorated with portraits of Marx, Engels, Stalin and Mao. Then we would walk around to observe "the work in progress."

As simulations of real life, these controlled glimpses were comparable to inspection parades by top army brass; except that, in our case, it was not only the shine on the boots and the gleam of rifle barrels that were suspect, but the boots and barrels themselves—as normal issue items, that is. When shown a computer in Tsinghua University, were we seeing the only computer, or one of many, as our guides insisted? But a single item can be revealing. Processions of uncritical Americans had spoiled our hosts, and they had become careless. In the very hospital that an American reporter had praised with such abandon a few years ago, we were all X-rayed by a machine which was recognized by one of our group as dangerously unshielded; another in our party recognized a primitive analog calculator when shown the university's "computer."

RIGGED SHOW

With a population fully controlled, and with very experienced briefing dignitaries who had already performed for dozens of Western delegations, there was a tendency to accept the stage management as part of the stately formalities of our tour. In Sinkiang, however, the stage management could not survive the intrusion of reality. Here, half of the locals are not Chinese; many are Kazak Turkic—proud, tough, and by no means cowed. One day, for example, we flew to the Ili Valley, the remotest corner of this region, quite near the Soviet Union and very far from Peking and China proper. Now all pretense was finally abandoned as our hosts resorted to a nakedly physical insulation to keep us from local contact.

In Kuldja, the only sizable town in the area, newly settled Chinese amount to half the population, but it was not Chinese who lined the streets as we drove around. The local Kazaks, who look much like southern Italians, left their workshops, homes and farms to see the unique sight of people who looked like themselves riding in cars. Normally only high Chinese officials ride in cars. They cheered as no Chinese crowd would do, and their behavior was obviously unauthorized. Our Chinese escorts were soon in a state of panic, as more and more of the locals appeared in the streets during hours in which all were supposed to be at work.

We never did see Kuldja except through the windows of our cars. We went from the airport compound to carpet factory, shoe workshop, and local government compounds. When we said we wanted to go in the streets and photograph the people, our escorts became hysterical, and soon announced that "because of weather conditions," we would have to leave Kuldja at once.

Our one open-air visit to a Kazak horse-raising commune was farcical in the crudity of the simulation. After driving for many miles across the steppe, after passing several genuine nomad camps, we stopped near a meadow in which there stood three multicolored tents. That, we were told, was the commune. Inside, pretty Kazak girls served us food, while we were given a briefing on the commune, of which no evidence was in sight, neither tents nor horses nor barns. Then, someone in our group lifted one edge of the carpet in the polychrome tent (all the many tents we had passed on the road were dirty-brown) and found the grass quite green. The show had been rigged for us.

That night, I read an account of an American journalist who had visited the same commune. The article was written as if the whole thing were real—pretty tents and all. But then the same journalist had taken on faith much more, particularly about the status of women.

Everywhere we went in China, women were part of the reception committees and revolutionary councils of town, province, commune and factory. Hardly ever did we hear one say a word; they smiled and nodded, but did not speak. When asked whether all announcers on Chinese radio were women, one of our senior escorts said that most were, but "important announcements are made by men, of course."

CARDIN AND MAO

Actually, for all the disappointment of our Sinkiang visit, by then we had already seen a great deal of the real China, much more than is normally accessible. In Peking and Shanghai, though the visitor is housed in the center of town, he is part of a very crowded program which normally keeps him from seeing those cities for himself as they really are. In our case, however, things were different: Mao had just died, and our hosts were forced to cancel all tour programs. We were free to explore Peking at our leisure for three days.

Immediately, we discovered that the broad boulevards through which we had driven back and forth and the shopping street near our hotel were utterly different from the rest of the city. Instead of asphalt and concrete, the real Peking was made of mud and sun-dried brick, its people working in narrow, unpaved alleys lined with low buildings. Instead of the neat factories of the tour circuit, we saw that much of urban China really works in miserably ill-equipped shanties. Many are classic sweatshops out of New York in the 1890s, with a roomful of women working elbow to elbow on sewing machines of ancient design.

We could also see how the Chinese lived: one evening, I passed a typical room, illuminated by a naked 30-watt bulb dangling from the ceiling. About six people were preparing to go to bed; there were two wide beds in the room and not much space in between. The only other furniture was a trunk-box, and a large 1930s-style radio.

We were, of course, never invited home by any of the officials we dealt with. But from the apartment of a diplomat friend one could look directly into an apartment house reserved for middle-ranking cadres: they, too, lived in standard three-room apartments, but each housed only a single family. More senior cadres have their own small houses with a bit of garden around, but nobody has ever seen how the top echelon lives, for their housing is hidden behind the high walls of the elite residential compounds.

Perhaps the most transparent of all the simulations of social equality one sees in China is the mock equality of dress. Almost everybody wears the standard boiler suit, the Mao uniform. But some are made of rough cotton and others of delicate gabardine, and still others of good-quality wool. Senior party men would wear their equality in carefully tailored worsted wool, and their Mao suits had much more in common with Pierre Cardin than with the blue-cotton outfits of ordinary people. And yet, in the post-1972 reports on China, it is the theme of visible equality that is most insistently advanced.

"POSITIVE" CONTROL

Why have American journalists failed to convey to us such fundamental Chinese realities? After all, the miserable poverty of the country is everywhere in evidence. Why, moreover, have previous visitors not been revolted by the schoolrooms where children are taught from booklets replete with the brutal images of harsh classwar propaganda? Why have our "Asia scholars" failed to denounce the militarism of a system where the cheapest suit of clothing for little boys is a mini-uniform complete with toy rifle?

And, above all, how could they have missed the central phenomenon of Chinese life: its unique, almost pure totalitarianism? Indeed, the transparency of personal life to the party apparatus in every house and street is total and inescapable. For example, in our walks through Peking, during which we were followed only at a distance, if at all, we did not manage to have even one spontaneous street conversation, however casual. It became evident that in the capital even old women and young boys knew that it was forbidden to speak to any foreigner.

With all the petty martinets and authoritarian characters enrolled in the party, an incredible degree of control can be maintained. In essence, it is a new departure in the totalitarian experience, a system of positive instead of negative control. In the Soviet Union, one can do anything, except for the very long list of forbidden things. In China, there is no forbidden list at all. Instead, all activity is forbidden except that which is specifically permitted and promoted by the party.

ECONOMIC IRRATIONALITY

One would have thought that the total harnessing of popular energies in China would at least result in a high degree of economic effectiveness. But the statistics tell a different story, and even casual travel observation confirms the statistics. It is true that the Chinese economy does not waste resources on automobiles and television sets. But the Chinese have their own forms of waste.

In farm communes, or even in the smaller factories, the Chinese tradition of hard work results in high efficiency. But as soon as the resources are extracted from commune or local industry for investment under the provincial authorities, gross inefficiency and massive waste are commonplace.

One manifestation of the pervasive irrationality of the Chinese system was in evidence at the modern factory we visited in Shanghai. The factory made precision machine tools. Much of its equipment consisted of very elaborate precision machines which had been made in the plant itself, and were being used even for rough work because the factory could not exchange them for cheaper and simpler ones elsewhere. Hence a machine worth, say, $100,000 was doing the work of a machine worth, say, $20,000.

The Chinese consumer pays for economic irrationality by being poor, but China also pays by being militarily weak. Over the last ten years, while the Soviet Union has been modernizing its forces, the Chinese have fallen behind. Again, even the most casual exposure to China is sufficient to disprove the notion that one is dealing with an emergent superpower. China is, of course, a nuclear power in a small way (with less capability than Britain or France), but otherwise it has none of the attributes of a superpower; far from being able to project its military power on the global scene, it could not even defend its own borders. Nor is there anything to suggest that China will become a superpower in 10, 20 or even 30 years. Hence, the right-wing Sinophilia of those who abhor the Chinese system, but who see virtue in Chinese power as a counterweight to Russia, is as flawed as the left-wing Sinophilia of those who see virtue in a society which combines a maximum of unfreedom with a minimum of efficiecny.

NO SECOND VISA

How could so much of this pass unobserved when all the signs are in evidence? Is it perhaps that too many of our scholars and journalists can only recognize repression when it is crude and requires the visible presence of armed men in the streets? Is it that they can recognize inefficiency and weakness only in liberal democracies? How could so many of those who have visited China fail to highlight the fact that they were denied contact with Chinese not specifically instructed to speak to them? Was it because their overriding professional need is to be re-invited?

Perhaps so. After all, that is how the Chinese try to control journalists who have fed us much of what we think we know about China. Resident Peking correspondents rarely file stories offensive to the Chinese because their jobs depend on their visas. Visiting correspondents and academics like to have periodic access. And so it is the newspaperman who makes his own prior decision that he will seek no second visa who can be most counted upon to serve us, and not the Chinese.

STATEMENT OF JAMES H. SCHEUER BEFORE THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

(Mr. SCHEUER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SCHEUER. Mr. Speaker, 2 weeks ago I testified before the Port Authority of New York and New Jersey on the question of public acceptance of the Concorde landing at John F. Kennedy International Airport in the heart of my congressional district.

Printed below is a full text of my remarks before the port authority including an extensive legislative history on noise pollution.

Mr. Chairman and Members of the Panel: Thank you for the invitation to appear before you on the question of public acceptance of Concorde supersonic aircraft operations at John F. Kennedy International Airport.

Kennedy Airport lies in the heart of my Congressional District and many of the small communities perched on the edge of the airport—Howard Beach, Rosedale, Laurelton, Broad Channel, Starret City, and the Rockaways to name a few—are also parts of my Congressional District.

Three burning issues illuminate this long standing controversy:

First, the noise, environmental, fuel efficiency, and safety criticisms of the Anglo-French Concorde;

Second, the various steps proposed by the British and French to meet the noise criticisms; and

Third, the question of discrimination on the part of the Port Authority raised by the Federal Government in its brief to the Circuit Court of Appeals.

I hope to make a compelling case that the British and French should fly their Edsel elsewhere!

BASIC CRITICISMS OF THE CONCORDE

Noise.—The oldest and most basic of the criticisms leveled against Concorde is that it is two to eight times noisier than jet aircraft now in service. Furthermore, the low frequency character of the Concorde's noise allows the sound waves to penetrate buildings more than the noise of other aircraft. I have visited Dulles International Airport and stood outside during takeoffs and landings of the Concorde and, subjectively, I can assure anyone who has not heard the Concorde that the noise it makes is louder and more penetrating than any noise you have ever personally experienced.

In July of 1975 the British released their own Environmental Impact Statement on Concorde. This report concluded that the Concorde was much noisier than the Boeing 707 and that the noise affected people and communities 20 to 30 miles from the airport. Three months later, the British Board of Trade released tests which showed that the Concorde's noise levels exceeded limits now in effect at Kennedy Airport by an average of 800%.

Another British study, by the University of Salford, concluded after reviewing Concorde noise data that "there could well be a significant hazard to the hearing of people living near to Heathrow Airport from the noise of the Concorde." This study continued: "The maximum allowable daily exposure to noise could be reached in one to two hours if the exposed persons were out-of-doors. Young children playing outside their homes will be at risk."

The British studies uniformly denounce the Concorde with respect to its noise problems. Thus, no one should have been surprised when the United States' Federal Aviation Administration Environmental Impact Statement also deounced the Concorde. This 1976 study found that the noise levels of the Concorde would be at least twice as loud as the noise emitted by long range jets such as the Boeing 707 and roughly four times as loud as noise emissions of our newer long range jets such as the Boeing 747.

Additionally, the American studies pointed to the Concorde's emission of low level frequency noise resulting in structural vibrations in buildings five times as great as the vibrations caused by current subsonic jets. In the Port Authority brief to Judge Pollock it was pointed out that the area exposed to noise of the Concorde is much larger than the area exposed to noise by subsonic jets. The area exposed to the noise of a Concorde takeoff is 47.6 square miles, six times the area exposed to a Boeing 707's takeoff and 15 times the area exposed to a Boeing 747's takeoff.

For the past 14 months the Anglo-French Concorde has been flying in and out of Dulles International Airport in Washington. It is safe to say that the noise levels have lived up to their past billing. The 12 month averages from May, 1976 through April, 1977 were as follows:

119.4 EPNdB for takeoff

116.8 EPNdB for landing

These figures are roughly one and a half to two and a half times greater than the 112 EPNdB standard allowed by the Port Authority. Furthermore, the structural vibrations caused by the Concorde have been found to be greater than the vibrations caused by subsonic jets.

In conclusion, the case against Concorde with respect to noise is tough to debate.

In conclusion, the case against Concorde (under normal flight procedures) does exceed the legal limitations on noise for Kennedy Airport.

Energy Efficiency.—But the case against Concorde does not end with noise. The facts of the matter are that Concorde is a massive fuel guzzler. A Concorde uses .065 gallons per seat mile for a trans-Atlantic flight while a Boeing 747 uses only .016 gallons per seat mile, a difference of more than four to one.

Viewed in a different perspective, the Concorde uses 218 gallons of jet fuel for each passenger for a flight between Kennedy Airport in New York and London. The Boeing 747 uses only 63 gallons of jet fuel per passenger. Projected through the eight year life of the Concorde aircraft, each plane would use 100 million more gallons of jet fuel than slower and quieter aircraft. A fleet of 16 Concordes would thus use 1.6 billion more gallons of jet fuel than subsonic jets.

Environmental Effects.—We needn't stop with the two observations that the Concorde is a raucous gas guzzling flying fiasco; studies have also demonstrated that it is an environmental disaster. A 1972 National Academy of Sciences study argued that if a large fleet of SST's were in use 8,000 additional annual cases of skin cancer would result in 300 deaths owing to the ozone depletion caused by supersonic transport.

The FAA Environmental Impact Study assured us that the ozone depletion caused by six daily takeoffs and six daily landings of the Concorde would result in "only" 200 new cases of skin cancer yearly.

Finally, the testing at Dulles has demonstrated that the Concorde emits more carbon monoxide, more hydrocarbons, more nitrogen oxide, more nitrogen dioxide, and more particulate pollution than do normal subsonic jets.

Safety.—As if all of these criticisms were not enough, it turns out that the Concorde is not a very safe plane to fly on. There are at least two major safety issues involved with the Concorde: the fuel inerting problem and the cabin depressurization problem.

For about 12 years the British and French have been trying to get the FAA to certify the Concorde as safe to that it can be sold to American carriers. The FAA's reluctance to classify the plane as safe is based on the fuel inerting problem. Concorde's fuel is kept at extraordinarily high temperatures during flight with an increased risk of fire or explosion. Apparently, the only technology available to make the plane safe in the FAA's eyes is something called a nitrogen inerting fuel system which the Concorde does not have.

The British themselves admit that the Concorde must fly at 60,000 feet (above weather conditions) to operate economically. A depressurization of the cabin at this altitude would render the passengers and crew unconscious within 15 seconds even with 100% oxygen. The maximum height for safety is 44,000 feet. Thus, the Concorde would have to plan to descend 16,000 feet in less than 15 seconds in the event of a sudden cabin depressurization. Experts tell me that this is impossible.

Summary.—The original criticisms of the Concorde remain compelling arguments. Although the noise arguments are the most important, the energy efficiency, environmental, and safety arguments, cannot be ignored.

THE NEW BRITISH AND FRENCH PROPOSALS

The new British and French proposals concern themselves entirely with the noise problems and do not concern themselves at all with the energy efficiency, environmental, or safety problems of the Concorde.

The basic British-French package provides that:

(1) Takeoffs would be limited to two runways at Kennedy Airport which have departure routes mostly over water to reduce noise impact on inhabited areas.

(2) On takeoffs new procedures would be used including steep banked turns at low altitudes and power cutbacks to reduce the noise impact.

(3) On landings approach speeds will be kept very high over inhabited areas to reduce noise impact. This will necessitate very rapid deceleration once the airport is reached.

(4) The Concorde will not travel with full plane loads and will takeoff with 25% less fuel than was originally planned to reduce the weight of the plane and reduce noise.

My basic questions are also probably best presented in list form:

(1) What happens when backlogs exist at the two runways selected for Concorde use? Will a plane designed to cut hours off of a trans-Atlantic flight actually wait hours in a line to take off?

(2) The 25 degree bank turn at 100 feet has been characterized by a pilot in the New York Times as "nothing less than low level acrobatics." Are the new flight procedures as safe as normally used flight procedures?

(3) Once the plane is taxiing down the runway doesn't the pilot have final choice as to what maneuver he will use? If in bad weather (or in good weather for that matter) a pilot refuses to make this sharp turn or refuses to cut back power, what happens? And who monitors the pilots to ensure that they engage in these "acrobatic maneuvers."

(4) Even with some of this pilot gimmickry being used at Dulles on May 25, 1976, why did the Concorde still exceed Kennedy noise standards by 250%?

(5) The British and French acknowledge that air traffic speed requirements will not allow them to keep up speeds over all of the communities. How will this affect their new noise estimates?

(6) What effect will the 25% reduction in fuel load have on the fuel safety margin of the Concorde?

(7) Since many of these proposed adjustments in procedure rely on less than full utilization of the Concorde, who will monitor the adherence to these procedures? Who will count the number of passengers? Who will monitor fuel and cargo weight?

Even when all of these questions are answered there remains a critical question: Why should the Concorde be tested at John F. Kennedy International Airport? What can we learn about the Concorde at Kennedy that we cannot learn at Dulles?

Then Secretary of Transportation William Coleman decided that the subjective characteristics of Concorde noise could best be evaluated through a controlled test. He therefore directed the FAA, as proprieters of Dulles Airport, to permit the Concorde to operate at that airport. At Dulles, less than 1000 residents are included within the noise exposure forecast (NEF) 30 noise impact area and no one resides within the NEF 40 severe noise impact area. The NEF 40 area around airports is ineligible for Department of Housing and Urban Development mortgage loans on the grounds that the land there is unfit for human habitation.

Compare the Dulles figures for noise exposure with the Kennedy figures. The number of people residing within the NEF 30 noise impact area is 485,000 and the number of people residing within the NEF 40 severe noise impact area is 112,000. Just using common sense, why expose hundreds of thousands of people to the Concorde when less than a thousand have to be exposed?

Moving beyond common sense to the legal environment, why should the Port Authority risk damage suits from hundreds of thousands of residents of New York City when they can simply use the test results from Dulles Airport where less than a thousand impacted people live?

I am not the first person to ask these questions. Secretary Coleman himself admitted that the elimination of Kennedy Airport from the test "would greatly diminish but . . . would not destroy the validity of the demonstration . . ." Russell Train, then Administrator of the Federal Environmental Protection Agency remarked in December, 1976 that the arrival of the Concorde at Kennedy Airport would be "undesirable." And most recently, on May 6, 1977, Mr. William Morgan, Region II Director of the FAA (Region II includes Kennedy Airport) under questioning by Congressman Leo Ryan (California) and myself admitted that the test at Kennedy could serve no useful purpose at all. Keep in mind that all three of these men were supporters of the Concorde position.

My position is simple. I do not believe that the new proposals of the British and French solve the noise criticisms. I know they fail to address the environmental, fuel efficiency, and safety criticisms. If the British and French would like to try to convince me of the validity of their position then they can do so at Dulles International Airport. And, from your point of view, there is no reason why the British and French must experiment with their new procedures at your airport where you would be liable for all damage suits.

THE QUESTION OF DISCRIMINATION

The Port Authority has been charged with discrimination in barring the Concorde from Kennedy Airport even though planes like the Boeing 707, which also violate Kennedy Airport noise standards, are allowed to land. This charge was raised in the brief of the Federal Government to the Circuit Court of Appeals last month.

However, the comparison of the Concorde to the Boeing 707 is not valid. The figures upon which the British and French base their comparison are new figures based on the new flight procedures. I have already voiced my doubts as to the validity of these highly speculative and unproven figures. However, even more importantly, the Boeing 707's and indeed all of our older fleet of subsonic jets, are under orders of the Department of Transportation to retrofit so that they can meet the standards promulgated in Federal Air Regulation (FAR) 36 and accepted by Kennedy Airport. Thus, why should we allow the Concorde, a plane we know can never be retrofitted to meet FAR 36 noise standards, to fly into Kennedy Airport when at the same time we are forcing our domestic air carriers to pay billions of dollars to bring the domestic air fleet into conformity with FAR 36?

The British and French may answer that FAR 36 was promulgated in 1969, four years after the manufacturers of the Concorde had received their certification. But the Boeing 707 was also certified prior to the promulgation of FAR 36 and we are forcing that plane to conform. Further, the Concorde was not into mass production until after 1969. And, the prototype Concorde flights in 1974 were with planes which had only 32 seats and which had other load carrying refinements that did not approach the capacities of the commercially produced Concorde. Even this scaled down model did not pass the 112 PNdB requirement of FAR 36. Thus, in 1974, prior to mass production, during prototype testing, and for five years following the promulgation of FAR 36, the British and French knew that they were making a plane that could not meet our noise standards.

In point of fact, the Concorde did not meet British noise standards either. But the British own Heathrow Airport and they decided to allow the plane to land there. And the Federal Government owns Dulles Airport and they decided to allow the Concorde to land there. But the Port Authority operates Kennedy Airport and there is no reason for us to allow the Concorde to land here.

From this perspective, a decision by the Port Authority to ban the Concorde cannot be discriminatory: the British and French knew from the beginning that they were violating United States noise regulations and had no right to expect that they would be allowed to land here in New York.

But there is another perspective as well. This is the perspective I see as a United States Congressman. I see national policies against noise pollution, national policies against environmental degradation, national policies against fuel inefficiency, and national policies towards improving air safety. And then I see the Concorde which flouts each and every one of these national policies.

At the end of the 92nd Congress the Noise Control Act of 1972 was enacted into law. It called for a coordinated attack by the Federal Government on the problems of noise pollution. The Congressional intent is summarized in the Act as follows: "to promote an environment for all Americans free from noise that jeopardizes their health and welfare. . . ."

In the 93rd Congress, four committees held hearings to monitor the implementation of the Noise Control Act. And since 1972 at least six distinct categories of legislation have been proposed to augment the authority of the basic Noise Control Act to achieve the Congressional intent: reduction of noise pollution.

Airport Curfews.—In the 93rd and 94th Congresses, Congressman Benjamin Rosenthal (New York) introduced legislation to establish an Airport Noise Curfew Commission to study the establishment of curfews for non-military aircraft operations over populated areas of the United States during normal sleeping hours. I co-sponsored that legislation.

Retrofit.—Congressmen Charles Wilson (California), Lester Wolff (New York) and myself sponsored legislation and spearheaded efforts to require the retrofitting of the entire domestic fleet so that all planes would meet the noise standards of FAR 36. My basic legislation was followed up by hearings and by a series of letters signed by over 100 of my colleagues in Congress in September of 1975 through April of 1976 to the Federal Aviation Administration and to the Department of Transportation demanding that the FAA promulgate a rule requiring retrofit.

Ironically, in one letter to Secretary Coleman in April, 1976, I commented that the Secretary should require retrofit "to demonstrate to England and France that treatment (of the Concorde) was even-handed and consistent with domestic aircraft noise policy." Finally, late in 1976, our efforts were rewarded as President Gerald Ford and Secretary Coleman promulgated regulations requiring the retrofitting of our planes that were in violation of FAR 36. That rule would apply to 77% of our domestic fleet or 1654 jets. Although we were a little disturbed by the time table proposed (eight years) we were gratified to see another example of the federal intent: reduction of noise pollution.

Sonic Boom.—Representative Benjamin Rosenthal and I separately introduced legislation to prohibit sonic booms by civilian aircraft within the navigable airspace of the United States. The FAA, under prodding by Congress, subsequently promulgated a regulation which accomplished the purpose of this bill.

Local jurisdiction over aircraft noise.—I joined in efforts with Congressmen John Wydler (New York), Teno Roncalio (Wyoming) and Lester Wolff (New York) to ensure that state and local governments could prescribe curfews and other airport noise regulations in their own jurisdictions. This

legislation grew out of the large volume of damage suits being filed against airport proprietors who in many cases were simply bound by federal regulations. The recent Circuit Court of Appeals decision seems to concur with the intent of this legislation.

Sources of noise other than aircraft.—The Congressional battle against noise was not confined to aircraft noise. Ten bills have been introduced in the past five years to combat other types of noise. These proposals include a bill to curb highway noise, a bill to set up an Office of Noise Abatement and Control under the Environmental Protection Agency, and a bill to increase disclosure of noise levels of cars and machinery.

Supersonic Transport.—The final area of legislation deals with Congressional efforts —after 1972—to control noise levels of supersonic aircraft.

An amendment by Senator Alan Cranston to the Noise Control Act of 1972 forbidding the landing of supersonic aircraft in the United States unless they met the requirements of FAR 36 passed the Senate by a vote of 60 to 17 in October of 1972. However, the House floor managers would not accept the amendment and rather than risk a conference committee that late in the session the amendment was killed.

Attempts were made in the 94th Congress to affix similar language to the Department of Transportation Appropriations Bill in 1975. One amendment was defeated narrowly in both the House and the Senate (by margins of 196 to 214 and 44 to 46). Later in the session, the House managed to tack the same language onto the Airport and Airways Development Bill by a vote of 199 to 188. However, the Senate rejected this amendment by a vote of 31 to 50.

Congressman Edward Koch attempted in both 1976 and 1977 to amend the Department of Transportation Appropriations Bill to prohibit any funds for air traffic control to be spent in landing the Concorde in New York. Although his amendment received strong support both years, it failed to pass either time.

In January, 1976 I circulated a letter to Secretary Coleman co-signed by 79 colleagues in Congress arguing that the Concorde was too loud, it degraded the environment, and had too high a level of fuel consumption. The letter argued for banning the Concorde on the grounds that it violated national policies mandating less noise pollution, less air pollution, and more fuel economy.

In the past few years more than 25 bills have been introduced in Congress designed to limit supersonic travel until such aircraft can meet American noise standards. I myself am the sponsor of four of these bills. Add to these pending pieces of legislation the dozens of statements and letters my colleagues and I have produced and the successful legislative initiatives of the 92nd, 93rd, and 94th Congresses and the Congressional intent on this matter is crystal clear. No plane, whether British, French, or American, shall be permitted to fly in the United States unless it can meet our noise standards.

CONCLUSION

In the past I have called the Concorde a flying Edsel and a flying fiasco. The original arguments against Concorde are powerful enough to speak for themselves. If the FAA has the need for esoteric testing, let them use Dulles Airport. You don't have to take my word for that: just ask William Coleman, Russell Train, or William Morgan all of whom happen to be supporters of the Concorde and all of whom happen to believe that testing at Kennedy is not essential.

Finally, on the question of discrimination, the Port Authority should sit tight right where it is. Their original decision was supported by the facts. That position is totally and completely consistent with the intent of the United States Congress. In fact, as the Environmental Protection Agency noted, "permitting the introduction of the Concorde, or any other new aircraft that is noisier than FAR 36, is counter to the thrust of the national noise abatement effort."

Thus, as a member of the Kennedy Airport community and a resident of the NEF 30 noise impact area, and as an elected leader of the Kennedy Airport community, I urge you to keep the Concorde out of our neighborhood.

CONFERENCE REPORT ON H.R. 7932

Mr. SHIPLEY submitted the following conference report and statement on the bill (H.R. 7932) "making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 95–506)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7932) "making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 85.

That the House recede from its disagreement to the amendments of the Senate numbered 59, 62, 63, 64, 65, 66, 68, 72, 73, 77, 81, 83, 84, 86, 88, 89, 90, and 91, and agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert: "130"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,795,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 60, 61, 67, 70, 71, 74, 75, 78, 79, 80, 82, 87, 92, 93, 94, 95, 96, 97, 98, and 99.

GEORGE E. SHIPLEY,
ADAM BENJAMIN, Jr.,
ROBERT N. GIAIMO,
JOHN J. MCFALL,
BOB TRAXLER,
GEORGE MAHON,
W. L. ARMSTRONG,
LAWRENCE COUGHLIN,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

WALTER D. HUDDLESTON,
JOHN L. MCCLELLAN,
JAMES R. SASSER,
WILLIAM PROXMIRE,
RICHARD S. SCHWEIKER,
LOWELL P. WEICKER, Jr.,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7932) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1978, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—CONGRESSIONAL OPERATIONS

Senate

Amendments Nos. 1 through 58: Reported in technical disagreement. Inasmuch as these amendments relate solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs therein without intervention, the managers on the part of the House will offer motions to recede and concur in the Senate amendments Nos. 1 through 58.

House of Representatives

Administrative Provisions

Amendment No. 59: Changes section number as proposed by the Senate.

Joint Items

Contingent Expenses of the Senate
Joint Committee on Printing

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting language that provides that no part of the appropriation for salaries and expenses shall be used to prepare a Congressional Directory for the second regular session of the 95th Congress other than a pamphlet supplement to the Congressional Directory for the first session of such Congress.

Joint Committee on Defense Production

Amendment No. 61: Reported in disagreement. The managers on the part of the House will offer a motion to insist on their disagreement to the amendment of the Senate.

Capitol Police

Capitol Police Board

Amendment No. 62: Appropriates $1,572,000 as proposed by the Senate instead of $1,701,400 as proposed by the House.

Amendments Nos. 63, 64, 65, and 66: Delete sections of language relating to the rank and salary of Metropolitan Police officers detailed to the Capitol force proposed by the House and stricken by the Senate reflecting the retirement of the incumbents referred to.

Capitol Guide Service

Amendment No. 67: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which deletes the language proposed by the House and stricken by the Senate providing that none of these funds may be used to employ more than twenty-eight individuals and that the Capitol Guide Board shall be authorized to hire, on a temporary basis, employees to fill temporary vacancies for a period of not to exceed ninety days for any one position, and inserts language proposed by the Senate to reclassify one position as "Deputy Chief Guide", reinstates the employment ceiling of twenty-eight individuals, and enables the Capitol Guide Board to temporarily employ not more than two additional individuals for not more than one hundred twenty days each.

Office of Technology Assessment

Amendment No. 68: Increases the limitation on the amount of 1977 funds which shall remain available until expended from $600,000 as proposed by the House to $900,000 as proposed by the Senate.

Amendment No 69: Increases the limitation on staff employment to 130 instead of 100 as proposed by the House and 150 as proposed by the Senate.

Amendments Nos. 70 and 71: Reported in technical disagreement. The managers on the part of the House will offer motions to recede

and concur in the amendments of the Senate providing that the limitation on staff employment shall not prevent staff appointments necessary to maintain an operating balance between professional staff skills and support staff, or prevent filling the position of Deputy Director should it become vacant. The Conferees are agreed that this provision does not permit an exception to the limitation of 130 employees, rather it provides flexibility to the Office of Technology Assessment in implementing the staff limitation.

Congressional Budget Office

Amendment No. 72: Appropriates $10,400,000 for salaries and expenses as proposed by the Senate instead of $10,459,000 as proposed by the House.

Architect of the Capitol

Capitol Buildings

Amendment No. 73: Increases the amount to remain available until expended from $24,000 as proposed by the House to $57,500 as proposed by the Senate to cover the cost of replacing certain equipment in the Senate restaurant.

Senate Office Buildings

Amendment No. 74: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $9,102,000 for Senate Office Buildings for fiscal year 1978, of which $200,000 shall remain available until expended, and language increasing the amount made available until expended in the regular 1977 Act from $980,000 to $1,208,000, as well as language relating to the compensation of the Assistant Superintendent, Senate Office Buildings; and appropriating $380,000 for fiscal year 1977 for preliminary planning for modifications and alterations to the Russell and Dirksen Buildings, to remain available until September 30, 1979.

Senate Garage

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $153,500 for the Senate Garage.

Library of Congress

Congressional Research Service

Amendment No. 76: Appropriates $21,795,000 for salaries and expenses instead of $21,745,000 as proposed by the House and $21,845,000 as proposed by the Senate. The conference agreement provides an increase of $50,000 and four additional positions over the House allowance to improve and strengthen the administration and management of CRS staff.

Government Printing Office

Congressional Printing and Binding

Amendment No. 77: Appropriates $71,674,000 as proposed by the Senate instead of $72,102,000 as proposed by the House.

Amendment No. 78: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting language that provides that no part of this appropriation shall be used to print a Congressional Directory for the second regular session of the 95th Congress other than a pamphlet supplement to the Congressional Directory for the first session of such Congress.

Title II—Related Agencies

Library of Congress

Salaries and expenses

Amendment No. 79: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $81,295,000 for salaries and expenses instead of $87,095,300 as proposed by the House and $81,995,300 as proposed by the Senate. The conference agreement provides an increase of $200,000 and 25 positions over the House allowance for automating the cataloging process instead of an increase of $400,000 and 49 positions as proposed by the Senate; an increase of $500,000 over the House allowance for the rental of computer equipment instead of $1,000,000 as proposed by the Senate; and a reduction of $6,500,000 in the House allowance as proposed by the Senate reflecting the inclusion of a provision in the bill making receipts from the sale of catalog cards and other Library publications available for the necessary expenses of the preparation and distribution of this material.

The managers on the part of the Senate will offer a motion to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that not to exceed $6,500,000 of the funds credited to the salaries and expenses appropriation during fiscal year 1978 under the Act of June 28, 1902 (2 U.S.C. 150) shall be available for obligation during such fiscal year.

Copyright Office

Amendment No. 81: Appropriates $7,945,500 for salaries and expenses as proposed by the Senate instead of $10,945,500 as proposed by the House.

Amendment No. 82: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that not to exceed $3,000,000 of the funds credited to the salaries and expenses appropriation during fiscal year 1978 under section 203 of title 17, United States Code (as in effect prior to January 1, 1978), and under section 708(c) of such title (as in effect on and after January 1, 1978) shall be available for obligation during such fiscal year.

Furniture and furnishings

Amendments Nos. 83 and 84: Appropriate $7,030,700, of which $6,214,000 shall be available for the initial outfitting of the James Madison Memorial Building as proposed by the Senate instead of $8,030,700, of which $7,214,000 was for the Madison Building as proposed by the House.

Architect of the Capitol

Congressional Cemetery

Amendment No. 85: Deletes appropriation of $225,000 for maintenance and preservation proposed by the Senate. The Conferees are not unsympathetic to the plight of the Congressional Cemetery. However, under the provisions of the National Cemeteries Act of 1973, the responsibility for maintenance of the Congressional Cemetery comes under the jurisdiction of the Veterans' Administration.

The Conferees believe the Veterans Administration could and should become more active in fulfilling its responsibilities regarding the maintenance of the Cemetery. Last year the Veterans Administration expended only $2,000 for maintenance of the Congressional Cemetery out of a total $26 million budget for National Cemeteries. The Conferees strongly believe that the Veterans Administration should greatly improve its maintenance activities at the Cemetery.

The Conferees are also agreed that the restoration and upkeep of the Congressional Cemetery is not a matter that should be funded in the Legislative Branch Appropriation bill and has denied the request without prejudice.

Government Printing Office

Printing and Binding

Amendment No. 86: Appropriates $12,952,500 as proposed by the Senate instead of $30,127,500 as proposed by the House. The conference agreement reflects savings of $275,000 resulting from the limitation on the number of transferable copies of the Congressional Record available to Senators as well as a reduction of $16,900,000 related to a general provision in the bill requiring agencies to pay the Government Printing Office for the printing and binding costs of the Federal Register program, as proposed by the Senate.

Amendment No. 87. Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which will read as follows:

": *Provided further*, That no part of this appropriation shall be used to furnish more than fifty transferable copies of the daily edition of the Congressional Record to each Senator under section 906 of title 44, United States Code, nor to furnish any such copy to a Senator for transfer other than to a public agency or institution. On or before September 1, 1977, or as soon thereafter as practicable, the Public Printer shall notify each Member of the Senate and House of Representatives of the names and addresses of all those receiving the Congressional Record that are charged to such Member of the Senate and House of Representatives"

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Office of Superintendent of Documents

Amendment No. 88: Appropriates $21,751,000 for salaries and expenses as proposed by the Senate instead of $46,976,000 as proposed by the House.

Amendment No. 89: Appropriates $900,000 for fiscal year 1977 for salaries and expenses for additional expenses of the Consumer Information Publications free distribution program as proposed by the Senate.

General Accounting Office

Amendment No. 90: Appropriates $167,000,000 for salaries and expenses as proposed by the Senate instead of $160,000,000 as proposed by the House.

Title III—Capital Improvements

Architect of the Capitol

Extension of the Capitol

Amendment No. 91: Changes heading to West Central Front of the Capitol as proposed by the Senate instead of extension of the Capitol as proposed by the House.

Amendment No. 92: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment deleting the appropriation of $55,000,000 for extension of the West Central Front of the Capitol as proposed by the House and stricken by the Senate and inserting language proposed by the Senate relating to the conduct of a study of space utilization in the United States Capitol and the preparation of drawings and specifications for restoration of the West Central Front of the Capitol amended to include the preparation of plans and specifications for extension in accordance with the modified plans for extension of the West Central Front approved by the Commission for Extension of the United States Capitol on April 7, 1977, and making unexpended balances under the heading "Extension of the Capitol" available for such study and preparation of such drawings and specifications under the direction of the Commission on the West Central Front of the United States Capitol. The motion to be offered by the House managers is as follows:

The Architect of the Capitol is authorized and directed (1) to conduct a study of the utilization of space in the United States Capitol for the purpose of recommending and reporting to the Speaker of the House of Representatives and the President of the Senate and to the Committees on Appropriations of both Houses, and the Senate Committee on Rules and Administration, those offices which, by virtue of the functions performed therein, should be located in the

Capitol and those offices which could be relocated to the House and Senate Office Buildings and Annexes; (2) to prepare drawings and specifications for restoration of the West Central Front of the United States Capitol in accordance with each of the various plans and alternatives proposed to the Committees on Appropriations during hearings on Legislative Branch Appropriations for 1978; and (3) to prepare drawings and specifications for extension of the West Central Front of the United States Capitol in accordance with the modified plan for extension of the West Central Front approved by the Commission for Extension of the United States Capitol on April 7, 1977; the drawings and specifications to be prepared in such detail as will enable the cost of such restoration proposals and extension proposal to be ascertained. The unexpended balance of appropriations heretofore appropriated under the heading, "EXTENSION OF THE CAPITOL" shall be transferred immediately upon approval of this Act to a Commission on the West Central Front of the United States Capitol which shall be composed of the following: the Vice President of the United States, who shall be the Chairman, the Speaker of the House of Representatives, the Majority and Minority Leaders of the House of Representatives, and the Majority and Minority Leaders of the Senate. Such unexpended balances shall be available for (1) the conduct of such study and (2) the preparation of such drawings and specifications under the direction of the Commission on the West Central Front of the United States Capitol. The drawings and specifications shall be completed by March 1, 1978, and submitted for the approval of the Committees on Appropriations of the Senate and House of Representatives and the Commission on the West Central Front of the United States Capitol prior to the issuance of invitations to bid on the restoration or extension of the West Central Front of the United States Capitol.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Title IV—General Provisions

Amendment No. 93: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment amending 44 U.S.C. 721 to provide for the publication of the Congressional Directory for each new Congress with a supplement printed for the second session instead of reprinting the entire Directory the second session. The provision also restricts the number of hard bound copies and eliminates individual name stamping on covers with certain exceptions.

Amendment No. 94: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amending 2 U.S.C. 150 to permit receipts from the sale of catalog cards and other publications to be credited to the Library of Congress salaries and expenses appropriation for necessary expenses for the preparation and distribution of catalog cards and other publications of the Library rather than being deposited as miscellaneous receipts in the Treasury.

Amendment No. 95: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amending 17 U.S.C. 203 to permit receipts from copyright fees and services to be credited to the appropriation account for the Copyright Office rather than to miscellaneous receipts of the Treasury.

Amendment No. 96: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment amending 44 U.S.C. 906 reducing the number of copies of the daily edition of the Congressional Record available to Senators from 100 to 50 (which may be transferred only to public agencies and institutions) as proposed by the Senate, and reducing the number available to Members of the House from 68 to 34 (which may be transferred only to public agencies and institutions). The amendment which will be offered by the House managers reads as follows:

SEC. 407. (a) The first paragraph of section 906 of title 44, United States Code, is amended

(1) by striking out

"to the Vice President and each Senator, one hundred copies;"

and inserting in lieu thereof

"to the Vice President, one hundred copies; "to each Senator, fifty copies (which may be transferred only to public agencies and institutions);"

(2) by striking out

"to each Representative, and Resident Commissioner in Congress, sixty-eight copies;"

and inserting in lieu thereof

"to each Member of the House of Representatives, the Resident Commissioner from Puerto Rico, the Delegate from the District of Columbia, the Delegate from Guam, and the Delegate from the Virgin Islands, thirty-four copies (which may be transferred only to public agencies and institutions);".

(b) The amendment made by subsection (a) shall take effect on October 1, 1977.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 97: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amending 44 U.S.C. 1509 providing for financing the costs of the Federal Register and the Code of Federal Regulations through the existing Government Printing Office revolving fund and requiring agencies to pay the Government Printing Office for these services as they now do for other printing and binding.

Amendment No. 98: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amending 44 U.S.C. 1708 to allow the Government Printing Office to keep receipts from the sales of publications and apply them to the costs of publication and sale of documents rather than depositing them in the Treasury to the credit of miscellaneous receipts. In agreeing to the change in financing arrangements proposed by the Senate, the conferees are agreed that the amount of additional receipts to be retained by the Government Printing Office shall not exceed $25,000,000 unless prior approval is secured from the Committees on Appropriations of the Senate and House of Representatives.

Amendment No. 99: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that each Senator, Member of the House, and other individual who is authorized by law to be issued a congressional tag for his automobile shall, upon application therefor, be issued a duplicate tag bearing the same number.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for fiscal years 1977 and 1978 recommended by the Committee of Conference, with comparisons to the fiscal year 1977 amount enacted to date, the 1978 budget estimates (as amended), the 1977 supplemental budget estimates, and the House and Senate bills for 1978 follows:

New budget (obligational) authority, fiscal year 1977 (enacted to date)	$976,255,715
Budget estimates of new (obligational) authority (as amended), fiscal year 1978	1,134,721,600
1977 supplemental	23,226,600
House bill, fiscal year 1978	928,335,800
1977 supplemental	10,919,400
Senate bill, fiscal year 1978	[1] 991,268,100
1977 supplemental	[1] 20,520,700
Conference agreement	[1] 990,067,800
1977 supplemental	[1] 20,520,700
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1977 (enacted to date)	+13,812,085
Budget estimates of new (obligational) authority (as amended), fiscal year 1978	−144,653,800
1977 supplemental	−2,705,900
House bill, fiscal year 1978	+61,732,000
1977 supplemental	+9,601,300
Senate bill, fiscal year 1978	−1,200,300
1977 supplemental	−1,200,300

[1] Includes $175,299,500 for fiscal year 1978 and $8,701,300 for fiscal year 1977 for Senate items not considered by the House. Conforming to long practice, funds exclusively for operations and activities of the Senate—including two items jurisdictionally under the Architect of the Capitol—are left for decision and insertion by that body.

GEORGE E. SHIPLEY,
ADAM BENJAMIN, Jr.,
ROBERT N. GIAIMO,
JOHN J. MCFALL,
BOB TRAXLER,
GEORGE MAHON,
W. L. ARMSTRONG,
LAWRENCE COUGHLIN,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

WALTER D. HUDDLESTON,
JOHN L. MCCLELLAN,
JAMES R. SASSER,
WILLIAM PROXMIRE,
RICHARD S. SCHWEIKER,
LOWELL P. WEICKER, Jr.,
MILTON R. YOUNG,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 7553

Mr. BEVILL submitted the following conference report and statement on the bill (H.R. 7553) "making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 95-507)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7553) "making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, and 17.

That the House recede from its disagreement to the amendments of the Senate numbered 9, 10, 11, 13, 14, 16, 19, 20, 21, 22, 29, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 50, 51, 52, 55, 56, 57, 58, 59, 60, 61, 62, 63, and 64, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,359,806,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,601,849,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,525,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$351,600,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,106,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$362,835,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$71,066,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$67,051,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$211,300,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$53,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$281,423,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 6, 7, 12, 15, 26, and 30.

TOM BEVILL,
EDWARD P. BOLAND,
JAMIE L. WHITTEN,
JOHN M. SLACK,
LINDY BOGGS,
NORMAN D. DICKS,
GEORGE E. SHIPLEY,
BILL CHAPPELL,
GEORGE MAHON,
JOHN T. MYERS,
CLAIR W. BURGENER,
VIRGINIA SMITH,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

JOHN C. STENNIS,
WARREN G. MAGNUSON,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
WALTER D. HUDDLESTON,
QUENTIN N. BURDICK,
JAMES R. SASSER
(except as to amendment 4),
JOHN L. MCCLELLAN,
MARK O. HATFIELD,
MILTON R. YOUNG,
CLIFFORD P. CASE,
RICHARD S. SCHWEIKER,
HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The Managers on the part of the House and the Senate at the Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7553) making appropriations for Public Works for Water and Power Development and Energy Research for the fiscal year ending September 30, 1978, and for other purposes, submit the following Joint Statement of the House and the Senate in explanation of the effects of the action agreed upon by the Managers and recommended in the accompanying conference report.

TITLE I—ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Operating expenses

Amendment No. 1: Provides limitation of $15,000 for official entertainment expenses instead of $10,000 as proposed by the House and $25,000 as proposed by the Senate.

Amendment No. 2: Deletes language for the purchase of 10 vehicles.

Amendment No. 3: Appropriates $4,359,806,000 for Operating expenses instead of $4,237,057,000 as proposed by the House and $4,441,516,000 as proposed by the Senate.

The funds appropriated for Operating expenses are allocated as shown in the following table:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

FISCAL YEAR 1978 OPERATING EXPENSES—BUDGET AUTHORITY

Program	Fiscal year 1978 Budget estimate	Fiscal year 1978 Conference allowance
Conservation:		
Electric energy systems	$36,700,000	$36,700,000
Energy storage	48,400,000	48,500,000
Total conservation	85,100,000	85,200,000
Solar energy development:		
Thermal applications:		
Heating and cooling of buildings	93,900,000	93,900,000
Agricultural and industrial process heating	10,300,000	10,300,000
Total thermal applications	104,200,000	104,200,000
Technical support and utilization	9,000,000	9,000,000
Solar electric applications:		
Solar thermal	55,600,000	60,100,000
Photovoltaics	57,200,000	57,200,000
Wind energy	28,300,000	33,300,000
Ocean thermal	25,300,000	35,300,000
Total solar electric applications	166,400,000	185,900,000
Fuels from biomass	19,500,000	20,250,000
Total solar energy development	299,100,000	319,350,000
Geothermal energy development:		
Engineering research and development	15,500,000	15,500,000
Resource exploration and assessment	17,600,000	17,600,000
Hydrothermal technology applications	24,900,000	28,000,000
Advanced technology applications	20,400,000	22,500,000
Utilization experiments	12,000,000	12,000,000
Environmental control and institutional studies	8,100,000	8,100,000
Hydroelectric power program		10,000,000
Total geothermal	98,500,000	113,700,000
Fusion power research and development:		
Magnetic fusion	196,900,000	203,900,000
Laser fusion	101,000,000	104,000,000
Total fusion power research and development	297,900,000	307,900,000
Fuel cycle research and development:		
Uranium resource assessment	59,485,000	59,485,000
Support of nuclear fuel cycle	92,400,000	92,400,000
Waste management (commercial)	153,000,000	158,500,000
Total fuel cycle research and development	304,885,000	310,385,000
Breeder reactor:		
Base program	$304,200,000	$304,200,000
Clinch river breeder reactor	33,000,000	0
Total breeder reactor	337,200,000	304,200,000
Nuclear research and applications:		
Water cooled breeder reactor	38,500,000	38,500,000
Gas cooled thermal reactor	16,000,000	31,000,000
Gas cooled fast breeder reactor	14,670,000	14,670,000
Light water reactor technology	18,800,000	18,800,000
Technology development and special projects	14,842,000	14,842,000
Space applications	31,700,000	31,000,000
Advanced isotope separation technology	43,617,000	43,617,000
Nuclear energy assessments	23,100,000	23,100,000
Total nuclear research and applications	201,229,000	215,529,000
Light water reactor safety facilities and fuel storage	44,000,000	29,000,000
Environmental research and development	186,980,000	191,980,000
Life sciences research and biomedical applications	38,113,000	38,113,000
High energy physics	187,950,000	187,950,000
Nuclear physics	68,444,000	68,444,000
Basic energy sciences	147,060,000	150,000,000
Nuclear materials security and safeguards	37,906,000	37,906,000
Naval reactor development	211,700,000	211,700,000
Uranium enrichment	987,685,000	960,585,000
National security:		
Weapons:		
Research and development	369,800,000	365,000,000
Testing of atomic weapons	229,100,000	229,100,000
Special test detection	17,700,000	17,700,000
Production and surveillance	566,600,000	535,000,000
Total weapons	1,183,200,000	1,146,800,000
Special materials production	416,400,000	405,000,000
Total national security	1,599,600,000	1,551,800,000
Program management and support:		
Program direction	257,100,000	254,100,000
Institutional relations	24,341,000	28,379,000
Supporting activities	54,460,000	51,360,000
International cooperation	5,000,000	3,500,000
Cost of work for others	18,265,000	18,265,000
Total program management and support	359,166,000	355,604,000

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION—Continued

FISCAL YEAR 1978 OPERATING EXPENSES—BUDGET AUTHORITY—Continued

Program	Fiscal year 1978 Budget estimate	Fiscal year 1978 Conference allowance
Change in working capital and inventories	$126,300,000	$111,300,000
Subtotal budget authority	5,618,818,000	5,550,646,000
Revenues applied:		
Enrichment revenues	−845,820,000	−965,820,000
Miscellaneous revenues	−100,720,000	−100,720,000
Total revenues applied	−$946,540,000	−$1,066,540,000
Net budget authority	4,672,278,000	4,484,106,000
Appropriation transfer	500,000	500,000
Change in unobligated balances	−59,300,000	−59,300,000
Net transfers to plant and capital equipment	9,500,000	
Unobligated balance carried forward		−65,500,000
Total operating budget authority	4,622,978,000	4,359,806,000

The following table summarizes the Conferees' recommendations in comparison to the budget estimate on a cost basis:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION—FISCAL YEAR 1978

OPERATING EXPENSES—COST BASIS

Program	Fiscal year 1978 Budget estimate	Fiscal year 1978 Conference allowance
Conservation:		
Electric energy systems	$32,100,000	$32,100,000
Energy storage	39,900,000	39,975,000
Total conservation	72,000,000	72,075,000
Solar energy development:		
Thermal applications:		
Heating and cooling of buildings	88,000,000	88,000,000
Agricultural and industrial process heating	7,600,000	7,600,000
Total thermal applications	95,600,000	95,600,000
Technical support and utilization	6,000,000	6,000,000
Solar electric applications:		
Solar thermal	45,700,000	49,100,000
Photovoltaics	45,000,000	45,000,000
Wind energy	20,800,000	24,500,000
Ocean thermal	17,000,000	24,500,000
Total solar electric applications	128,500,000	143,100,000
Fuels from biomass	11,300,000	11,900,000
Total solar energy development	241,400,000	256,600,000
Geothermal energy development:		
Engineering research and development	13,600,000	13,600,000
Resource exploration and assessment	15,800,000	15,800,000
Hydrothermal technology applications	19,700,000	22,025,000
Advanced technology applications	16,100,000	17,700,000
Utilization experiments	3,500,000	3,500,000
Environmental control and institutional studies	7,100,000	7,100,000
Hydroelectric power program		7,500,000
Total geothermal	75,800,000	87,225,000
Fusion power research and development:		
Magnetic fusion	188,000,000	193,200,000
Laser fusion	94,000,000	96,300,000
Total fusion power research and development	282,000,000	289,500,000
Fuel cycle research and development:		
Uranium resource assessment	51,300,000	51,300,000
Support of nuclear fuel cycle	80,200,000	80,200,000
Waste management (commercial)	113,050,000	117,175,000
Total fuel cycle research and development	244,550,000	248,675,000
Breeder reactor:		
Base program	300,100,000	300,100,000
Clinch River breeder reactor	[1] 162,000,000	[1] 145,000,000
Total breeder reactor	462,100,000	445,100,000
Nuclear research and applications:		
Water cooled breeder reactor	37,600,000	37,600,000
Gas cooled thermal reactor	15,200,000	26,500,000
Gas cooled fast breeder reactor	12,800,000	12,800,000
Light water reactor technology	16,800,000	16,800,000
Technology development and special projects	$13,478,000	$13,478,000
Space applications	26,500,000	25,975,000
Advanced isotope separation technology	40,000,000	40,000,000
Nuclear energy assessments	18,600,000	18,600,000
Total nuclear research and applications	180,978,000	191,753,000
Light water reactor safety facilities and fuel storage	31,600,000	26,600,000
Environmental research and development	175,695,000	179,450,000
Life sciences research and biomedical applications	36,854,000	36,854,000
High energy physics	185,550,000	185,550,000
Nuclear physics	65,840,000	65,840,000
Basic energy sciences	138,397,000	140,597,000
Nuclear materials security and safeguards	33,500,000	33,500,000
Naval reactor development	220,000,000	220,000,000
Uranium enrichment	980,000,000	952,200,000
National security:		
Weapons:		
Research and development	357,800,000	354,200,000
Testing of atomic weapons	225,200,000	225,200,000
Special test detection	16,900,000	16,900,000
Production and surveillance	518,500,000	494,800,000
Total weapons	1,118,400,000	1,091,100,000
Special materials production	394,600,000	386,100,000
Total national security	1,513,000,000	1,477,200,000
Program management and support:		
Program direction	257,100,000	254,100,000
Instutional relations	24,741,000	28,779,000
Supporting activities	51,994,000	49,044,000
International cooperation	4,000,000	2,600,000
Cost of work for others	18,255,000	18,255,000
Total program management and support	356,090,000	352,778,000
Total program	5,295,354,000	5,261,497,000
Increase or decrease in selected resources:		
Goods and services on order	197,164,000	177,849,000
Changes in inventory and working capital	126,300,000	111,300,000
Total, increase or decrease in selected resources	323,464,000	289,149,000
Total gross obligations	5,618,818,000	5,550,646,000
Revenues applied:		
Enrichment revenues	−845,820,000	−965,820,000
Miscellaneous revenues	−100,720,000	−100,720,000
Total, revenues applied	−946,540,000	−1,066,540,000
Total, net obligations	4,672,278,000	4,484,106,000
Appropriation transfer	500,000	500,000
Change in unobligated balances	−59,300,000	−59,300,000
Net transfers to plant and capital equipment	9,500,000	0
Unobligated balance carried forward	0	−65,500,000
Total operating budget authority	4,622,978,000	4,359,806,000

[1] Costs are related to obligations incurred in previous years and in the case of the breeder reactor the costs are higher than the budget authority.

The Conferees agree that within the funds appropriated for Solar Heating and Cooling of Buildings, an additional $1,500,000 and $1,000,000, respectively, are provided over the budget request for high temperature solar collector demonstration and solar retrofit projects.

The Conferees agree that $8,000,000 of the increase is to accelerate near-term OTEC technology which has as its objective the development of a seaborne plant which would produce materials such as ammonia, utilizing OTEC as a power source and that $2,000,000 of the increase is for longer range OTEC programs.

The Conferees are in agreement that the reduction in the research and development program under weapons activities is a general reduction and is not earmarked for any specific research and development item.

The Conferees agree that within the Supporting Activities program, $12,150,000 is for Security Investigations; $14,000,000 is for General Systems Studies and a $1,000,000 increase in the Decontamination and Decommissioning subprogram is for evaluation of the options for the West Valley, New York nuclear reprocessing plant.

The Conferees agree with the Senate Report Language with regard to the Congressional Relations Office of the Energy Research and Development Administration.

The Conferees have fully restored the positions requested by ERDA for 1978.

Amendment No. 4: Deletes earmarking for the Clinch River Breeder Reactor Project.

The Committees on Appropriations have consistently supported the Clinch River Breeder Reactor Demonstration; however,

due to lack of enactment of authorizing legislation the conferees have deleted funding for this item without prejudice with the understanding that funding will be forthcoming by way of a supplemental immediately following enactment of the appropriate authorizing legislation.

Amendment No. 5: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate earmarking $14,000,000 to conduct a study of the Barnwell nuclear fuels plant.

Amendment No. 6: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate earmarking $1,800,000 for financial awards to independent inventors.

Amendment No. 7: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate relating to enhanced radiation weapons.

Plant and Capital Equipment

Amendment No. 8: Appropriates $1,601,849,000 for Plant and Capital equipment instead of $1,615,452,000 as proposed by the House and $1,583,249,000 as proposed by the Senate.

The funds appropriated for Plant and Capital equipment are allocated as shown in the following table:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

PLANT AND CAPITAL EQUIPMENT, FISCAL YEAR 1978—CONSTRUCTION PROJECTS

Project No.	Project title	Fiscal year 1978 budget estimate	Conference allowance
78-1-a	Conservation research and development: High bay addition, Los Alamos Scientific Laboratory, New Mexico.	$800,000	$800,000
78-3-a	Magnetic fusion: Mirror fusion test facility, Lawrence Livermore Laboratory, California.	14,000,000	14,000,000
78-3-b	Fusion materials irradiation test facility, Hanford, Wash.	0	7,500,000
78-4-a	Laser fusion: High energy laser facility (NOVA) Lawrence Livermore Laboratory, California (A-E only).	3,000,000	3,000,000
	Fuel cycle research and development:		
78-5-a	Facilities for the national waste terminal storage program, site undetermined (land acquisition, A-E and long-lead procurement only).	10,000,000	10,000,000
78-5-b	Breeder fuel recycle integrated prototype equipment test facility, Oak Ridge National Laboratory, Oak Ridge, Tenn. (A-E) and long-lead procurement only).	3,000,000	3,000,000
	Breeder reactor:		
78-6-a	Modifications to reactors	8,700,000	8,700,000
78-6-b	Safeguards and security upgrading, Idaho Falls, Idaho and Chicago, Ill.	4,935,000	4,935,000
78-6-c	Safety research experimental facility, Idaho National Engineering Laboratory, Idaho (A-E, long-lead procurement and limited construction only).	8,000,000	14,050,000
78-6-d	Experimental breeder reactor II modification, Idaho Falls, Idaho (A-E and selected long-lead procurement only).	1,500,000	1,500,000
78-6-e	Modifications to facilities, Liquid Metal Engineering Center, Santa Susanna, Calif. (A-E only).	1,600,000	1,600,000
78-6-f	Fuels and materials examination facility, Hanford Engineering Development Laboratory, Washington.	5,200,000	5,200,000
78-7-a	Modifications to utility system 300 area, Hanford Engineering Development Laboratory, Washington.	2,700,000	2,700,000
78-7-b	Test reactor area steam distribution system upgrade, Idaho National Engineering Laboratory, Idaho.	500,000	500,000
78-8-a	Light water reactor safety facilities: Upgrade test area north hot shop facility, Idaho National Engineering Laboratory, Idaho.	3,000,000	3,000,000
78-9-a	Environmental research and development: Modifications and additions to biomedical and environmental research facilities, various locations.	6,000,000	5,000,000
	High energy physics:		
78-10-a	Accelerator improvements and modifications, various locations.	4,500,000	4,500,000
78-10-b	Proton-proton intersecting storage facility, Brookhaven National Laboratory, New York (Isabelle) (A/E only).	0	5,000,000
78-11-a	Master substation reliability and capacity improvements, Stanford Linear Accelerator Center, California.	1,700,000	1,700,000
	Nuclear Physics:		
78-12-a	Accelerator and reactor improvements and modifications, various locations.	1,900,000	1,900,000
78-12-b	High intensity uranium beams, Lawrence Berkeley Laboratory, California.	6,000,000	0
	Basic energy sciences:		
78-13-a	National synchrotron light source, Brookhaven National Laboratory, New York.	5,000,000	5,000,000
78-13-b	Combustion research facility, Sandia Laboratories, Livermore, Calif.	6,000,000	6,000,000
	Uranium enrichment:		
78-14-a	Centrifuge facilities modifications, various locations.	14,000,000	14,000,000
78-14-b	Process control modifications, gaseous diffusion plants, various locations.	12,900,000	12,900,000
78-15-a	Water system improvements, gaseous diffusion plant, Paducah, Ky.	2,500,000	2,500,000
	Weapons activities:		
78-16-a	Cruise missile production facilities, various locations.	18,100,000	18,100,000
78-16-b	Full fuzing option (FUFO) bomb production facilities, various locations.	23,500,000	23,500,000
78-16-c	High explosive flash radiography facility, Lawrence Livermore Laboratory, Calif. (A/E only).	10,900,000	3,000,000
78-16-d	Weapons safeguards, various locations	17,000,000	17,000,000
78-16-e	New weapons production installations, various locations.	5,000,000	2,000,000
78-16-f	Replace 10-inch water main, Bendix Plant, Kansas City, Mo.	2,000,000	2,000,000
78-16-g	Radioactive liquid waste improvement, Los Alamos Scientific Laboratory, New Mexico.	6,800,000	2,800,000
78-16-h	Tonopah Test Range upgrade, Sandia Laboratories, Albuquerque, N. Mex.	$4,000,000	$4,000,000
78-16-i	Laboratory support complex, Los Alamos Scientific Laboratory, New Mexico (A-E only).	2,000,000	2,000,000
78-17-a	Production component warehouse, Pantex Plant, Amarillo, Tex.	4,000,000	2,000,000
78-17-b	Surface water control system, Rocky Flats Plant, Colorado.	2,800,000	2,800,000
78-17-c	Core facilities office building, utilities and roads, Lawrence Livermore Laboratory, California.	12,300,000	3,000,000
78-17-d	Steam plant improvements, Y-12 Plant, Oak Ridge, Tenn.	10,000,000	5,000,000
78-17-e	High explosive machining facility, Pantex Plant, Amarillo, Texas.		5,000,000
	Special materials production:		
78-18-a	High level waste storage and waste management facilities, Richland, Wash.	18,000,000	18,000,000
78-18-b	High level waste storage facilities, Savannah River, S.C.	16,000,000	16,000,000
78-18-c	Fifth set of calcined solids storage bins, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho.	12,500,000	12,500,000
78-18-d	New hydrofracture facility, Oak Ridge National Laboratory, Oak Ridge, Tenn.	5,400,000	5,400,000
78-18-e	Environmental, safety and security improvements to waste management and materials processing facilities, Richland, Wash.	10,000,000	10,000,000
78-18-f	Powerhouse emission control improvements, Richland, Wash.	6,500,000	6,500,000
78-18-g	Fan-house and increased fan capacity, H chemical separations area, Savannah River, S.C.	3,400,000	3,400,000
78-18-h	Plantwide fire protection, Savannah River, S.C.	6,300,000	6,300,000
78-18-i	Improved emergency coolant supply in reactor areas, Savannah River, S.C.	3,500,000	3,500,000
78-18-j	N-Reactor environmental improvements, Richland, Wash.	7,500,000	7,500,000
	Program management and support:		
78-1-b	Chiller modifications for energy conservation, Bendix Plant, Kansas City, Mo.	830,000	830,000
78-1-c	Process waste heat utilization, gaseous diffusion plant, Paducah, Ky.	900,000	900,000
78-19-a	Program support facility, Argonne National Laboratory, Illinois (A-E and long-lead procurement only).	5,000,000	5,000,000
78-21	General plant projects	83,065,000	80,065,000
78-22	Construction planning and design	10,000,000	9,000,000
	Prior-year projects:		
77-3-a	Electron beam fusion facilities, Sandia Laboratories, Albuquerque, N. Mex.	1,900,000	4,400,000
77-4-c	High performance fuel laboratory, Richland, Wash. (A-E only).	5,000,000	5,000,000
77-4-d	Fuel storage facility, Richland, Wash	16,200,000	16,200,000
77-8-d	Conversion of steamplant facility, Oak Ridge National Laboratory, Tennessee.	2,000,000	2,000,000
77-9-a	Expansion of feed vaporization and sampling facilities, gaseous diffusion plants, multiple sites.	19,000,000	18,000,000
77-9-d	Centrifuge plant demonstration facility, Oak Ridge, Tenn.	35,000,000	35,000,000
77-11-a	Safeguards and research and development laboratory facility, Sandia Laboratories, Albuquerque, N. Mex.	4,300,000	4,300,000
77-11-b	Safeguards and site security improvements, various locations.	7,800,000	7,800,000
77-11-c	8-inch artillery fired atomic projectile production facilities, various locations.	12,600,000	12,600,000
77-13-a	Fluroinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho (A-E and long-lead procurement).	5,000,000	5,000,000
77-13-d	High level waste storage and waste management facilities, Savannah River, S.C.	27,000,000	27,000,000
77-13-e	High level waste storage and handling facilities, Richland, Wash.	22,000,000	22,000,000
77-13-f	Waste isolation pilot plant, Delaware Basin, Southeast New Mexico (A-E, land acquisition, and long-lead procurement).	22,000,000	22,000,000
77-13-g	Safeguards and security upgrading, production facilities, multiple sites.	8,700,000	8,700,000
76-2-a	5-megawatt solar thermal test facility	3,000,000	0
76-2-b	10-megawatt central receiver solar thermal powerplant, Barstow, Calif. (A-E and long-lead procurement).	10,000,000	41,000,000
76-5-a	Tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, N.J.	71,000,000	71,000,000

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION—Continued

PLANT AND CAPITAL EQUIPMENT, FISCAL YEAR 1978—CONSTRUCTION PROJECTS—Continued

Project No.	Project title	Fiscal year 1978 budget estimate	Conference allowance
76-8-a	Additional facilities, high level waste storage, Savannah River, S.C.	$10,000,000	$10,000,000
76-8-b	Additional high level waste storage facilities, Richland, Wash.	4,000,000	4,000,000
76-8-e	Conversion of existing steam plants to coal capability, gaseous diffusion plants and Feed Materials Production Center, Fernald, Ohio.	2,950,000	2,950,000
76-8-g	Enriched uranium production facility, site undesignated.	180,000,000	150,000,000
75-1-c	New waste calcining facility, Idaho Chemical Processing Plant, National Reactor Testing Station, Idaho.	18,500,000	18,500,000
75-3-b	High energy laser facility, Los Alamos Scientific Laboratory, New Mexico.	2,900,000	5,000,000
75-6-c	Position-electron joint project, Lawrence Berkeley Laboratory and Stanford Linear Accelerator Center.	29,400,000	29,400,000
74-1-g	Cascade uprating program, gaseous diffusion plants.	$63,900,000	$63,900,000
73-5-h	S8G prototype nuclear propulsion plant, West Milton, N.Y.	13,000,000	13,000,000
71-1-f	Process equipment modifications, gaseous diffusion plants.	143,800,000	143,800,000
71-9	Fire, safety, and adequacy of operating conditions projects, various locations.	37,000,000	37,000,000
67-3-a	Fast flux test facility	45,000,000	45,000,000
	Subtotal, construction budget authority	1,257,680,000	1,240,630,000
	Transfers from operating expenses	−9,000,000	0
	Unobligated balance carried forward from prior year.	0	−4,500,000
	Total, construction budget authority	1,248,680,000	1,236,130,000

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

CAPITAL EQUIPMENT—BUDGET AUTHORITY

	Fiscal year 1978 budget estimate	Conference allowance
Conservation:		
Electric energy systems	$2,800,000	$2,800,000
Energy storage	1,700,000	1,700,000
Total, electric energy systems and energy storage	4,500,000	4,500,000
Solar energy development	7,900,000	7,900,000
Geothermal energy development	2,500,000	2,500,000
Fusion power research and development:		
Magnetic fusion	27,600,000	27,600,000
Laser fusion	13,200,000	13,200,000
Total, fusion power research and development	40,800,000	40,800,000
Fuel cycle research and development	25,300,000	25,300,000
Breeder reactor	29,950,000	29,950,000
Nuclear research and applications:		
Water cooled breeder reactor	3,100,000	3,100,000
Gas cooled thermal reactor	1,000,000	1,000,000
Gas cooled fast breeder reactor	1,330,000	1,330,000
Technology development and special projects	1,280,000	1,280,000
Space applications	3,400,000	3,400,000
Advanced isotope separation technology	8,485,000	8,485,000
Total, nuclear research and applications	18,595,000	18,595,000
Light water reactor safety facilities	800,000	800,000
Environmental research and development	$17,825,000	$17,802,500
Life sciences research and biomedical applications	1,000,000	1,000,000
High energy physics	42,000,000	42,000,000
Nuclear physics	6,725,000	6,725,000
Basic energy sciences	12,075,000	12,075,000
Nuclear materials security and safeguards	2,794,000	2,794,000
Naval reactor development	15,150,000	15,150,000
Uranium enrichment	19,000,000	19,000,000
National security:		
Weapons	81,000,000	79,000,000
Special materials production	36,700,000	36,000,000
Total, national security	117,700,000	115,000,000
Program management and support:		
Program direction	4,000,000	3,150,000
Insitutional relations	755,000	755,000
Supporting activities	400,000	400,000
Total, program management and support	5,155,000	4,305,000
Total, capital equipment obligations	369,769,000	366,219,000
Transfers from operating expenses	−500,000	0
Unobligated balance	0	−500,000
Total, capital equipment budget authority	369,269,000	365,719,000
Grand total, plant and capital equipment	1,617,949,000	1,601,849,000

Geothermal Resources Development Fund

Amendment No. 9: Appropriates $15,000,000 for the Geothermal resources development fund as proposed by the Senate instead of $29,100,000 as proposed by the House.

Amendment No. 10: Provides limitation of $300,000,000 on the indebtedness of the fund as proposed by the Senate instead of $400,000,000 as proposed by the House.

Special Foreign Currency Program

Amendment No. 11: Appropriates $1,500,000 for the Special foreign currency program as proposed by the Senate instead of $1,455,000 as proposed by the House.

TITLE II—DEPARTMENT OF DEFENSE—CIVIL, DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS—CIVIL

General Investigations

Amendment No. 12: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $103,646,000 instead of $100,073,000 as proposed by the House and $88,206,000 as proposed by the Senate.

The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The funds appropriated are to be allocated as shown in the following table:

CORPS OF ENGINEERS—GENERAL INVESTIGATIONS

State and project	Budget estimate, fiscal year 1978	Conference allowance, fiscal year 1978
ALABAMA		
(FC) Brewton and East Brewton	$60,000	$100,000
(N) Little Lagoon at Gulf Shores		50,000
(SPEC) Tennessee Tombigbee Waterway urban study	200,000	200,000
(FC) Village Creek	50,000	50,000
ALASKA		
(N) Homer Harbor		70,000
(FC) Metropolitan Anchorage	325,000	325,000
(FC) Rivers and harbors in Alaska (hydro interim)	198,000	198,000
(N) Seward Harbor	50,000	50,000
(FC) Southcentral Railbelt Area	200,000	200,000
(N) Southcentral Region (deep draft)	120,000	120,000
AMERICAN SAMOA		
(N) Harbors and rivers in American Samoa	215,000	215,000
ARIZONA		
(FC) Gila River and tributaries (Gila Drain), Ariz. and N. Mex	50,000	50,000
(FC) Metropolitan area of Tucson		100,000
(FC) Phoenix metropolitan area	750,000	900,000
ARKANSAS		
(FC) Little Rock metropolitan area	$399,000	$399,000
(FC) Ouachita River Basin	250,000	250,000
(FC) Pine Bluff metropolitan area	334,000	334,000
(COMP) Red River below Denison Dam (Auth. Rpt.), Arkansas, Louisiana, Oklahoma, Texas	95,000	95,000
(N) St. Francis River navigation		25,000
(COMP) White River Basin, Ark. and Mo. (Auth. Rpt)	193,000	193,000
(FC) White River Basin County Line Lake		100,000
(FC) White River Basin Reservoirs	218,000	300,000
CALIFORNIA		
(FC) Alameda Creek Upper Basin	275,000	275,000
(FC) Antelope Valley	170,000	170,000
(N) Bolinas Lagoon		80,000
(N) Coast of northern California	50,000	50,000
(FC) Eel River	85,000	85,000
(FC) Guadalupe River	151,000	151,000
(N) Humboldt Harbor and Bay	130,000	130,000
(FC) Los Angeles County drainage area review	375,000	375,000
(N) Los Angeles-Long Beach Harbors (including San Pedro model)	270,000	270,000

State and project	Budget estimate, fiscal year 1978	Conference allowance, fiscal year 1978
(FC) Northern California streams	$199,000	$199,000
(FC) Novato Creek and tributaries		30,000
(N) Oceanside Harbor	66,000	66,000
(FC) Sacramento River and tributaries bank protection and erosion control	285,000	285,000
(N) Sacramento River deepwater ship channel	20,000	20,000
(FC) Sacramento River-San Joaquin Delta	265,000	265,000
(N) Sacramento Valley navigation	70,000	70,000
(FC) Salinas River including part of Salinas-Monterey metropolitan area	370,000	370,000
(FC) San Diego County streams flowing into the Pacific Ocean	50,000	50,000
(BE) San Diego County, vicinity of Oceanside	50,000	350,000
(N) San Diego Harbor, Sweetwater River (2d entrance)		75,000
(FC) San Francisco Bay and Sac-San Joaquin Delta	50,000	150,000
(N) San Francisco Bay area (in-depth study)	140,000	140,000
(N) San Francisco Harbor and Bay (coll. and disp. debris)	20,000	20,000
(FC) San Joaquin River Basin	310,000	310,000
(FC) San Luis Obispo County	100,000	100,000
(N) San Pedro Bay Ports		150,000
(FC) Santa Ana River Basin and Orange County	350,000	350,000
(BE) Seal Beach Anaheim Bay Harbor		70,000
(N) Sunset Harbor	40,000	40,000
(BE) Ventura County	169,000	169,000
(FC) Whitewater River		200,000
CONNECTICUT		
(N) Bridgeport Harbor		35,000
(COMP) Connecticut River Basin Auth. Report, Connecticut, Maine, New Hampshire	265,000	320,000
(COMP) Long Island Sound Auth. Rpt., Connecticut, and New York	50,000	50,000
(SPEC) Long Island Sound—Dredged material containment study		50,000
(FC) Rippowam River	150,000	150,000
DELAWARE		
(FC) Christina River Basin	90,000	90,000
(N) Delaware River estuary, salinity intrustion		50,000
(N) Indian River Inlet and Bay		25,000
(N) Murderkill and St. Jones Rivers	40,000	40,000
DISTRICT OF COLUMBIA		
(SPEC) Metropolitan Washington, D.C., water supply	610,000	610,00
FLORIDA		
(N) Apalachicola River below Jim Woodruff lock and dam	40,000	135,000
(FC) Brevard County		25,000
(FC) Central and southern Florida:		
(FC) Central and southern Florida water supply	75,000	75,000
(FC) Canal 18, Jupiter Inlet to Loxahatchee River		50,000
(BE) Dade County (north of Haulover Beach Park)		20,000
(N) Fort Pierce Harbor		20,000
(FC) Four River Basins	200,000	200,000
(N) IWW–Fort Pierce to Miami		20,000
(N) Jacksonville Harbor		70,000
(N) Jacksonville Harbor (Mill Cove)	104,000	104,000
(FC) Jacksonville metropolitan area	530,000	530,000
(N) Manatee Harbor	43,000	43,000
(BE) Martin County	60,000	100,000
(BE) Monroe County	80,000	80,000
(N) Okeechobee Waterway (St. Lucie Canal)	100,000	100,000
(N) Pensacola Harbor	70,000	85,000
(FC) Pensacola-Tallahassee metropolitan and other urban areas	250,000	250,000
(BE) Pinellas County		20,000
(BE) Sarasota County		20,000
(BE) Shores of northwest Florida	123,000	150,000
(BE) Volusia County shores	80,000	80,000
GEORGIA		
(FC) Metropolitan Savannah area	420,000	420,000
(FC) Metropolitan Atlanta area	50,000	50,000
(FC) Satilla River Basin	60,000	60,000
(FC) Savannah River Basin	79,000	79,000
GUAM		
(N) Harbors and rivers in the Territory of Guam	225,000	225,000
HAWAII		
(FC) Harbors and rivers in Hawaii	300,000	300,000
(N) Hilo Bay metropolitan area	100,000	100,000
(N) Kaneohe Bay and part of metropolitan Honolulu	50,000	50,000
(FC) Kihei District	50,000	50,000
(FC) Lava flow control, Island of Hawaii	60,000	60,000
IDAHO		
(FC) Big Wood River and tributaries	107,000	107,000
(FC) Columbia River and tributaries, Idaho, Montana, Oregon, Washington, and Wyoming	1,045,000	1,250,000
(FC) Upper Snake River and tributaries (Boise metro), Idaho and Wyoming	152,000	152,000
ILLINOIS		
(FC) Chicago-South End of Lake Michigan, Ill. and Ind	300,000	300,000
(FC) Degognia and Fountain Bluff Drain and Levee District and Grand Tower	155,000	155,000
(FC) Diversion of Lake Michigan water at Chicago		500,000
(FC) East Cape Girardeau, Clear Creek, North Alex, Preston and Miller	150,000	150,000
(FC) Fox River, Ill. and Wis	$250,000	$250,000
(N) Miss. River—Yr-Rnd Nav, Ill., Mo., Ia., Wi., Mn., (funds in R.I.)	100,000	100,000
(FC) Mississippi River, Coon Rapids Dam to Ohio River Ill., Iowa, and Mo	145,000	145,000
(FC) Quad Cities urban study	265,000	265,000
(FC) Rock River at Rockford	135,000	135,000
(N) Saline River and tributaries	20,000	100,000
INDIANA		
(FC) Columbus	65,000	65,000
(FC) Fort Wayne metropolitan area	120,000	
(FC) Tell City		15,000
(COMP) Wabash River Basin Auth. Report, Indiana and Illinois	155,000	155,000
IOWA		
(FC) Des Moines River Bank erosion	140,000	200,000
(FC) Fox River, Iowa and Mo		100,000
(FC) Iowa and Cedar Rivers, Iowa and Minn	130,000	130,000
(FC) Lake Manawa	68,000	68,000
(FC) Metropolitan Sioux City and Missouri River, Iowa, S. Dak., Nebr	400,000	400,000
KANSAS		
(FC) Arkansas River, Great Bend, Kans. to John Martin Dam, Colo	175,000	175,000
(FC) Arkansas River, Great Bend, Kans. to Tulsa, Okla	270,000	270,000
(FC) Kansas River and tributaries	450,000	450,000
(FC) Marysville	87,000	87,000
(FC) Stranger Creek Basin	30,000	30,000
(FC) Verdigris River, Kans. and Okla	250,000	250,000
KENTUCKY		
(FC) Clarks River Basin	40,000	40,000
(N) Green and Barren Rivers	110,000	110,000
(N) Louisville Harbor	20,000	20,000
(N) Lower Cumberland and Tennessee Rivers below Barkley Canal, Ky. and Tenn	95,000	95,000
(FC) Metropolitan Lexington region	200,000	200,000
(FC) Upper Cumberland River Basin, Ky. and Tenn	50,000	50,000
LOUISIANA		
(N) Barataria Bay Waterway (Dupre Cut)	28,000	40,000
(N) Barataria Bay Waterway entrance channel	208,000	208,000
(N) Bayou Manchac and Amite	28,000	28,000
(N) Gulf IWW-Louisiana section, high level highway crossings	40,000	40,000
(N) Gulf IWW-Texas section, Louisiana and Texas	126,000	126,000
(FC) Lake Pontchartrain, west shore	30,000	30,000
(FC) Louisiana coastal area	146,000	146,000
(N) Mermentau, Vermillion and Calcasieu Rivers and Bayou Teche		100,000
(FC) New Orleans-Baton Rouge metropolitan area	400,000	400,000
MAINE		
(N) Eastport Harbor		30,000
(SPEC) Passamaquoddy tidal study	230,000	230,000
(N) Portland Harbor (debris)	50,000	50,000
(FC) St. John River	150,000	150,000
MARYLAND		
(FC) Baltimore metropolitan streams	200,000	200,000
(FC) Beaver Dam Creek and Cabin Branch	80,000	80,000
(SPEC) Chesapeake Bay study, Maryland and Virginia	2,135,000	2,135,000
(N) Chesapeake City Bridge	80,000	80,000
(FC) Monongahela-Youghiogheny River Basin, Md., Pa., W.Va	346,000	346,000
(N) Smith Island	80,000	80,000
MASSACHUSETTS		
(N) Boston Harbor (35 ft)	100,000	100,000
(BE) Cape Cod easterly shores	60,000	60,000
(FC) Hoosic River, Mass., N.Y., and Vt	60,000	60,000
(FC) Housatonic River Basin, Mass. and Conn	75,000	75,000
(N) Lynn Harbor		50,000
(FC) Quincy coastal streams	80,000	80,000
(COMP) Southeastern New England Region Auth. Rpt	50,000	50,000
MICHIGAN		
(N) Grand Haven Harbor and River, small boat	80,000	80,000
(N) Great Lakes connecting channels and harbors	343,000	343,000
(FC) Great Lakes, Ontario and Erie, (Metro. Duluth-Superior), Mich., Minn., N.Y., Ohio, Pa., and Wis	300,000	300,000
(SPEC) Great Lakes-St. Lawrence Swy. Nav Ssn. Est., Mich., Ill., Ind., Minn., N.Y., Ohio, Pa., and Wis	3,077,000	6,043,000
(N) Little Girls Point	80,000	80,000
(N) Monroe Harbor	80,000	80,000
(SPEC) Water levels of the Great Lakes, Mich., Ill., Ind., Minn., N.Y., Ohio, Pa., and Wis	300,000	300,000
MINNESOTA		
(SPEC) Great River resource management study, Minn., Ill., Iowa, Mo., and Wis	700,000	750,000
(FC) Minnesota River Valley	50,000	50,000
(N) Reservoirs at headwaters of Mississippi River	135,000	135,000
MISSISSIPPI		
(N) Mississippi Sound and adjacent areas		150,000
(N) Pascagoula Harbor	42,000	42,000

CORPS OF ENGINEERS—GENERAL INVESTIGATIONS—Continued

State and project	Budget estimate, fiscal year 1978	Conference allowance, fiscal year 1978
(FC) Pascagoula River Basin	$120,000	$120,000
(N) Pearl River	70,000	70,000
MISSOURI		
(FC) Cape Girardeau Jackson metropolitan area	150,000	150,000
(FC) Metropolitan region of Kansas City, Mo. and Kans	305,000	305,000
(FC) Mississippi River old channel mile 111–117	50,000	50,000
(FC) Plattin Creek	75,000	75,000
(FC) St. Genevieve	75,000	75,000
(N) St. Louis Harbor, Mo. and Ill	70,000	70,000
(FC) St. Louis metropolitan area, Missouri and Illinois	150,000	150,000
MONTANA		
(FC) Flathead and Clark Fork River Basins	300,000	400,000
NEVADA		
(FC) Truckee Meadows	130,000	130,000
NEW HAMPSHIRE		
(FC) Connecticut River streambank erosion	90,000	90,000
(N) Portsmouth Harbor	50,000	50,000
(FC) Southeastern New Hampshire		50,000
(FC) Winnipesaukee River	50,000	50,000
NEW JERSEY		
(FC) Camden metropolitan area	250,000	250,000
(FC) Hackensack River, N.J. and N.Y	170,000	170,000
(FC) Raritan River Basin	270,000	270,000
(N) Raritan River, Wash. Canal and South River		25,000
(FC) Third River	100,000	100,000
NEW MEXICO		
(FC) Pojoaque River and tributaries	25,000	25,000
(FC) Puerco River	50,000	50,000
(FC) Rio Grande and tributaries, New Mexico and Colorado	600,000	600,000
NEW YORK		
(N) Big Sandy Creek Mexico Bay	50,000	80,000
(FC) Buffalo metropolitan area (Tonawanda Creek)		150,000
(FC) Delaware River tributaries in New York State	90,000	90,000
(N) Gowanus Creek channel	80,000	80,000
(N) Great Lakes to Hudson River Waterway		100,000
(FC) Irondequoit Creek	95,000	95,000
(FC) Morrisonville and vicinity	80,000	80,000
(N) New Rochelle and Echo Bay Harbors		62,000
(N) Ogdensburg Harbor	50,000	50,000
(N) Olcott Harbor	55,000	55,000
(FC) Oswego River Basin	470,000	470,000
(N) St. Lawrence Seaway, additional locks	150,000	150,000
(COMP) Susquehanna River Basin Auth. Report, New York Pennsylvania and Maryland	430,000	430,000
(FC) Upper Allegheny River Basin, New York and Pennsylvania	162,000	162,000
(FC) Westchester County streams, New York and Byram River, Conn	260,000	260,000
NORTH CAROLINA		
(BE) Bogue Banks and Bogue Inlet	140,000	140,000
(FC) Lumber River, North Carolina and South Carolina	90,000	90,000
(FC) Roanoke River (South Boston and vicinity), North Carolina and Virginia	190,000	190,000
(FC) Sugar Creek Basin, North Carolina and South Carolina	180,000	180,000
(BE) West Onslow Beach and New River Inlet		20,000
(BE) Wrightsville Beach		80,000
NORTH DAKOTA		
(FC) Red River of the North, North Dakota and Minnesota	375,000	521,000
OHIO		
(FC) Central Ohio Survey	300,000	300,000
(FC) Cuyahoga River Basin	75,000	75,000
(SPEC) Lake Erie-Wastewater Mgmt. (Sec. 108A, P.L. 92-500), Ohio, Michigan, New York, Pennsylvania	480,000	480,000
(N) Lorain Harbor		75,000
(FC) Miami River, Little Miami River and Mill Creek	150,000	150,000
(FC) Milton Dam and Reservoir, Mahoning River	125,000	125,000
(FC) Muskingum River Basin	155,000	155,000
(N) Ohio Port Development	70,000	70,000
OKLAHOMA		
(FC) Canadian River and tributaries, Oklahoma, Texas, New Mexico	170,000	170,000
(FC) Tenkiller Ferry Lake	80,000	80,000
(FC) Tulsa urban study	360,000	360,000
OREGON		
(N) Columbia River at the mouth, Oregon and Washington	80,000	80,000
(FC) Crooked River		30,000
(FC) Klamath River Basin		125,000
(FC) Portland-Vancouver metro area	500,000	637,000
(N) Rogue River at Gold Beach		30,000
(FC) Santiam River		20,000
(FC) Squaw Creek		30,000
(N) Siuslaw River and Bar, south jetty	25,000	25,000
(N) Umpqua River mouth to Reedsport	25,000	25,000
PENNSYLVANIA		
(FC) Beaver River Basin, Pa. and Ohio	$90,000	$90,000
(FC) Chester Creek watershed	78,000	78,000
(FC) Delaware River Basin, Pa., N.J., N.Y., Del		75,000
(N) Delaware River dredging disposal study, Pennsylvania, New Jersey, Delaware	75,000	75,000
(FC) Potomac River, north branch (mine drainage), Pennsylvania, Maryland, and West Virginia	300,000	300,000
(N) Schuylkill River review	67,000	67,000
(FC) Susquehanna River Basin, mine drainage, Pennsylvainia, Maryland, and New York	100,000	100,000
RHODE ISLAND		
(FC) Pawcatuck River and Narragansett Bay drainage basin, Rhode Island, Massachusetts and Connecticut	400,000	500,000
SOUTH CAROLINA		
(BE) Folly Beach	64,000	64,000
(FC) Lynches River		40,000
SOUTH DAKOTA		
(FC) Upper Big Sioux River and eastern South Dakota water supply, South Dakota and Iowa	210,000	210,000
TENNESSEE		
(FC) Memphis metropolitan region	320,000	320,000
(FC) Metropolitan region of Nashville	405,000	405,000
TEXAS		
(FC) Bear Creek and tributaries	100,000	100,000
(FC) Brazos River and tributaries	225,000	225,000
(FC) Buffalo Bayou and tributaries	140,000	140,000
(FC) Colorado River and tributaries	125,000	125,000
(N) Colorado River channel to Bay City	40,000	40,000
(N) Corpus Christi ship channel, Hbr. Island	117,000	117,000
(N) Galveston Bay area navigation	171,000	200,000
(BE) Galveston County shore erosion	265,000	265,000
(N) Guadalupe River, channel to Victoria		25,000
(FC) Lake Texoma water supply facilities, Texas and Oklahoma	50,000	50,000
(FC) Linnville Bayou and Caney Creek, Tres Palacios	53,000	53,000
(FC) Lower Sabine River	250,000	250,000
(N) Matagorda ship channel	130,000	130,000
(FC) Nueces River and tributaries	125,000	125,000
(FC) Palo Blanco Creek and Cibolo Creek	60,000	60,000
(N) Sabine-Neches Waterway	79,000	79,000
(N) Sabine River navigation		50,000
(FC) San Diego Creek	75,000	75,000
(FC) San Jacinto River and tributaries	100,000	150,000
(SPEC) Texas coast hurricane	60,000	60,000
UTAH		
(FC) Jordan River Basin	120,000	120,000
VIRGIN ISLANDS		
(FC) Virgin Islands (Crown Bay)	70,000	70,000
(FC) Virgin Islands water supply		70,000
VIRGINIA		
(FC) Chowan River, Va. and N.C	200,000	200,000
(N) Hampton Roads drift removal	100,000	100,000
(N) Norfolk Harbor, Craney Island	100,000	100,000
(BE) Norfolk vicinity Willoughby Spit	100,000	100,000
(FC) Roanoke River, upper basin	160,000	185,000
(N) Wishart Point channel		10,000
WASHINGTON		
(FC) Chehalis River and tributaries	75,000	100,000
(N) Des Moines Sbh. Harbor		20,000
(N) Edmonds Sbh. Harbor		20,000
(FC) Okanogan River and tributaries	40,000	40,000
(COMP) Puget Sound and adjacent waters Auth. Report	180,000	240,000
(FC) Puyallup River		20,000
(N) Seattle Harbor, Duwamish (WW)		100,000
(N) Seattle Harbor, Elliott Bay	108,000	108,000
(N) Tacoma small boat harbor		20,000
(FC) Yakima Valley, regional water management	130,000	130,000
WEST VIRGINIA		
(N) Big Sandy River, W. Va., Ky., and Va		50,000
(FC) Gauley River	250,000	250,000
(FC) Guyandotte River Basin, vicinity of Logan and Mullens	150,000	150,000
(COMP) Kanawha River Basin Auth. Report, West Virginia, North Carolina, and Virginia	200,000	200,000
(FC) Metropolitan region of Wheeling, W. Va. and Ohio	192,000	402,000
WISCONSIN		
(FC) Chippewa River	135,000	135,000
(N) Harbors between Kenosha and Kewaunee	180,000	180,000
(N) Milwaukee Harbor	70,000	70,000
(FC) Wisconsin River portage	75,000	75,000

State and project	Budget estimate, fiscal year 1978	Conference allowance fiscal year 1978
OTHER SPECIAL STUDIES		
(N) Hydropower resources study	$1,000,000	$1,000,000
(N) National waterway study	1,200,000	1,200,000
Total, all States	45,570,000	54,236,000
Coordination studies with other agencies	6,000,000	5,500,000
REVIEW OF AUTHORIZED PROJECTS		
Restudies of deferred projects	175,000	205,000
Review of completed projects (Sec. 216, P.L. 91-611)	800,000	850,000
Review for deauthorization (Sec. 12, P.L. 93-251)	150,000	150,000
Total, review of authorized projects	1,125,000	1,205,000
COLLECTION AND STUDY OF BASIC DATA		
Stream gaging (U.S. Geological Survey)	$515,000	$515,000
Precipitation studies (National Weather Service)	310,000	310,000
International water studies	150,000	150,000
Flood plain management services	8,700,000	8,700,000
Hydrologic studies	335,000	335,000
Scientific and technical information centers	195,000	195,000
Coastal data collection	500,000	500,000
Transportation systems	400,000	400,000
Dam safety program		15,000,000
Total, collection and study of basic data	11,105,000	26,105,000
Research and development	17,400,000	16,600,000
Total, general investigations	81,200,000	103,646,000

The Conferees direct that none of the funds be spent for additional diversion of Lake Michigan waters until a plan is submitted by the Chief of Engineers on the use of the funds provided in FY 1978 and approved by the respective subcommittees.

Amendment No. 13: Appropriates $1,523,820,000 for Construction, general as proposed by the Senate instead of $1,510,572,000 as proposed by the House.

The funds appropriated are to be allocated as shown in the following table:

Construction, general—State and project	Budget estimate, Fiscal year 1978		Conference allowance, Fiscal year 1978	
	Construction	Planning	Construction	Planning
ALABAMA				
(N) John Hollis Bankhead Lock and dam (rehab)	$800,000		$800,000	
(MP) Jones Bluff lock and dam	4,700,000		3,700,000	
(N) Mobile Harbor (Theodore Channel)	4,000,000		4,000,000	
(N) Montgomery to Gadsden Coosa River channel				$500,000
(N) Tennessee-Tombigbee Waterway, Ala. and Miss	157,000,000		172,000,000	
ALASKA				
(FC) Chena River lakes	27,000,000		27,000,000	
ARIZONA				
(FC) Indian Bend Wash	5,950,000		5,950,000	
(FC) Phoenix and vicinity (including new river) Stage 1	7,000,000		7,000,000	
(FC) Phoenix and vicinity (Stage 2 and remaining work)		$1,100,000		1,100,000
ARKANSAS				
(MP) Degray Lake	3,100,000		3,100,000	
(N) McClellan-Kerr Arkansas River Navigation system, locks and dams, Arkansas and Oklahoma	5,000,000		5,000,000	
(FC) McKinney Bayou, Ark., Tex				100,000
(MP) Norfork Lake—Units 3 and 4		219,000		219,000
(N) Ouachita and Black Rivers, Ark. and La	9,300,000		9,300,000	
(FC) Posten Bayou		180,000		
(FC) Red River levees and bank stabilization below Denison Dam, Ark., La. and Tex	2,400,000		2,400,000	
(FC) Village Creek, Jackson and Lawrence Counties		100,000		
CALIFORNIA				
(FC) Alameda Creek (Del Valle Reservoir)			300,000	
(N) Bodega Bay		100,000		100,000
(FC) Corte Madera Creek	250,000		250,000	
(FC) Cottonwood Creek		750,000		750,000
(FC) Cucamonga Creek	12,000,000		12,000,000	
(FC) Dry Creek (Warm Springs) lake and channel	600,000		12,500,000	
(N) Humboldt Harbor and Bay	3,500,000		3,500,000	
(BE) Imperial Beach	100,000		100,000	
(N) Los Angeles—Long Beach Harbors				400,000
(MP) Marysville Lake		150,000		150,000
(FC) Merced County Streams		1,200,000		1,200,000
(MP) New Melones Lake	68,000,000		69,000,000	
(N) Port San Luis, San Luis Obispo Harbor	2,600,000			
(FC) Sacramento River and major and minor tributaries	200,000		200,000	
(FC) Sacramento River bank protection	5,000,000		5,000,000	
(FC) Sacramento River, Chico Landing to Red Bluff	980,000		980,000	
(BE) San Diego (Sunset Cliffs) (seg. A)		100,000		100,000
(N) San Diego River and Mission Bay	100,000		100,000	
(N) San Francisco Bay to Stockton (J. F. Baldwin & Stockton Ship channels)	2,100,000		2,100,000	
(N) San Leandro Marina, Alameda County			215,000	
(FC) San Luis Rey River		400,000		400,000
(FC) Santa Ana River (phase 1)				400,000
(N) Santa Cruz Harbor	110,000		110,000	
(FC) Santa Maria Valley levees	300,000		300,000	
(BE) Surfside-Sunset and Newport Beach	100,000		100,000	
(FC) Wildcat and San Pablo Creeks		300,000		300,000
COLORADO				
(FC) Arkansas River and tributaries above John Martin Dam (phase I)		$472,000		$472,000
(F) Bear Creek Lake	$6,400,000		$6,400,000	
(FC) Chatfield Lake	4,100,000		4,100,000	
(FC) Las Animas	2,705,000		2,705,000	
(FC) Trinidad Lake	1,200,000		1,200,000	
CONNECTICUT				
(FC) New London	750,000		750,000	
(N) New London Harbor (phase I)				30,000
(FC) Park River	18,300,000		18,300,000	
DIST. OF COLUMBIA				
(FC) Potomac Estuary Pilot Water Treatment Plant	5,000,000		5,000,000	
FLORIDA				
(BE) Broward County (reimb)	1,950,000		1,950,000	
(FC) Central and southern Florida	8,000,000		8,000,000	
(FC) Dade County	4,500,000		4,500,000	
(BE) Duval County	3,300,000		3,300,000	
(FC) Four River Basins	7,100,000		7,100,000	
(BE) Manatee County		150,000		150,000
(N) Tampa Harbor (main channel)	15,000,000		15,000,000	
GEORGIA				
(N) Brunswick Harbor (phase 1)				300,000
(MP) Carters Lake	2,000,000		2,000,000	
(MP) Richard B. Russell Dam and Lake, Ga. and S.C			21,000,000	
(MP) West Point Lake, Ga. and Ala	5,500,000		5,500,000	
HAWAII				
(FC) Iao Stream	5,000,000		5,000,000	
(FC) Kaneohe-Kailua area	11,000,000		11,000,000	
(N) Waianae Small Boat Harbor	2,187,000		597,000	
IDAHO				
(MP) Dworshak Dam and Reservoir	5,400,000		5,400,000	
(MP) Lewiston-Clarkston Bridge, Idaho and Wash				600,000
(FC) Ririe Lake	465,000		465,000	
ILLINOIS				
(FC) Columbia Drainage and Levee District No. 3	1,500,000		1,500,000	
(FC) East Moline	2,600,000		2,600,000	
(FC) East St. Louis and Vicinity	1,200,000		1,200,000	
(FC) Eldred and Spankey Drainage and Levee District		100,000		100,000
(FC) Freeport	100,000		100,000	
(FC) Fulton	4,200,000		4,200,000	
(FC) Hartwell D. & L.D				110,000
(N) Illinois Waterway, Dresden Island lock (rehab)	500,000		500,000	
(N) Illinois Waterway, Starved Rock lock (rehab)	1,500,000		1,500,000	
(FC) Kaskaskia Island Drainage and Levee District		213,000		213,000
(N) Kaskaskia River Navigation	5,300,000		5,300,000	
(N) Lock and Dam 53 (temporary lock), Illinois and Kentucky	4,637,000		4,637,000	
(FC) Louisville Lake		190,000		264,000
(N) Mississippi River between the Ohio and Missouri Rivers (regulating works), Illinois and Missouri	3,000,000		3,000,000	
(FC) Moline		275,000		275,000

Construction, general—State and project	Budget estimate, Fiscal year 1978		Conference allowance, Fiscal year 1978	
	Construction	Planning	Construction	Planning
(FC) North Branch Chicago River (phase 1)				$200,000
(FC) Nutwood D. and L.D				110,000
(FC) Rock Island	$500,000		$500,000	
(FC) Rockford	1,000,000		1,000,000	
(N) Smithland locks and dam, Illinois, Indiana and Kentucky	21,000,000		21,000,000	
(N) Sny Island Drainage and Levee District		$60,000		60,000
(FC) South Beloit		60,000		60,000
INDIANA				
(FC) Big Blue Lake		280,000		280,000
(FC) Big Walnut Lake (land acquisition)	500,000			
(FC) Brookville Lake	236,000		236,000	
(N) Cannelton locks and dams, Indiana and Kentucky	323,000		323,000	
(FC) Evansville	4,300,000		4,300,000	
(FC) Levee Unit No. 5	300,000		300,000	
(FC) Little Calumet River (phase I)				150,000
(N) Newburgh locks and dam, Indiana and Kentucky	1,800,000		1,800,000	
(FC) Patoka Lake	12,200,000		11,700,000	
(N) Uniontown locks and dam, Indiana and Kentucky	2,000,000		2,000,000	
IOWA				
(FC) Big Sioux River at Sioux City, Iowa and S.D	2,800,000		2,800,000	
(FC) Clinton	6,500,000		6,500,000	
(FC) Davenport		66,000		66,000
(FC) Evansdale (sec. 201)				30,000
(N) Mississippi River, lock 14 (rehab)	600,000		600,000	
(N) Mississippi River, lock 19 (rehab)	2,000,000		2,000,000	
(FC) Missouri River levee system, Iowa, Kansas, Missouri, and Nebraska	4,800,000		5,500,000	
(N) Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska	4,300,000		4,300,000	
(FC) Saylorville Lake	5,100,000		5,100,000	
(FC) Waterloo	7,200,000		7,200,000	
KANSAS				
(FC) Big Hill Lake	1,300,000		1,300,000	
(FC) Clinton Lake	5,900,000		5,900,000	
(FC) El Dorado Lake	17,600,000		17,600,000	
(FC) Hillsdale Lake			14,000,000	
(FC) Kansas City 1962 modification	5,200,000		5,200,000	
(FC) Lawrence	656,000		656,000	
(FC) Perry Lake area (road improvements)	2,600,000		2,600,000	
(FC) Towanda Lake		200,000		200,000
KENTUCKY				
(FC) Big South Fork National River and Recreation Area, Ky. and Tenn		170,000		1,500,000
(FC) Carr Fork Lake	600,000		600,000	
(FC) Cave Run Lake	4,300,000		4,300,000	
(FC) Dayton Floodwall	2,900,000		2,900,000	
(FC) Falmouth Lake				200,000
(MP) Laurel River Lake	2,453,000		2,453,000	
(FC) Martins Fork Lake	1,463,000		1,463,000	
(FC) Paintsville Lake	7,300,000		7,300,000	
(FC) Southwestern Jefferson County	7,200,000		7,200,000	
(FC) Taylorsville Lake	13,000,000		11,750,000	
(FC) Tug Fork Valley (phase I)		150,000		520,000
(MP) Wolf Creek Dam—Lake Cumberland (rehab)	31,000,000		32,000,000	
LOUISIANA				
(N) Atchafalaya River and Bayous Chene, Boeuf and Black			6,300,000	
(FC) Bayou Bodcau and tributaries			1,200,000	
(FC) Grand Isle and vicinity (sec. 201)				100,000
(FC) Lake Pontchartrain and vicinity	12,400,000		11,300,000	
(FC) Larose to Golden Meadow	3,700,000		3,700,000	
(N) Mississippi River, Baton Rouge to the Gulf of Mexico (southwest pass and bar channel)			2,200,000	
(N) Mississippi River, gulf outlet	700,000		700,000	
(FC) New Orleans to Venice	3,100,000		3,100,000	
(N) Overton—Red River Waterway, La., lower 31 miles			2,000,000	
(N) Red River emergency bank protection, Louisiana, Arkansas, Oklahoma, and Texas	3,300,000		3,300,000	
(N) Red River Waterway, Mississippi River to Shreveport, La	26,000,000		28,000,000	
(N) Red River Waterway, Sheveport, La., to Index, Ark		100,000		200,000
MAINE				
(MP) Dickey-Lincoln School Lakes		1,000,000		1,000,000
(N) Jonesport Harbor (sec. 201)				60,000
MARYLAND				
(N) Baltimore Harbor and channels		440,000		440,000
(FC) Bloomington Lake, Md. and W. Va	24,200,000		24,200,000	
MASSACHUSETTS				
(FC) Charles River Natural Valley storage areas	$3,000,000		$3,000,000	
(FC) North Nashua River		$60,000		$60,000
(FC) Phillips Lake				150,000
(FC) Saxonville	2,300,000		1,600,000	
MICHIGAN				
(N) Ludington Harbor	3,700,000		3,700,000	
(N) Muskegon Harbor (rehab)	1,500,000		1,500,000	
(FC) Red Run drain and lower Clinton River		800,000		800,000
(FC) Saginaw River (1958 Act)	2,800,000		2,800,000	
(N) Tawas Bay Harbor	163,000		163,000	
MINNESOTA				
(FC) Big Stone Lake—Whetstone River, Minn. and S. Dak	607,000		607,000	
(FC) Mankato and North Mankato	8,600,000		8,600,000	
(N) Mississippi River, lock 1 (rehab)	1,000,000		1,000,000	
(FC) Rochester (phase I)		300,000		
(FC) Roseau River	1,000,000		1,000,000	
(FC) Twin Valley Lake		577,000		577,000
MISSISSIPPI				
(FC) Tallahala Creek Lake			5,000,000	
(N) Yazoo River				100,000
(N) Yazoo River, Belzoni Bridge (advance participation)	1,000,000		1,000,000	
MISSOURI				
(MP) Clarence Cannon Dam and Reservoir	43,700,000		43,700,000	
(MP) Harry S. Truman Dam and Reservoir	64,000,000		64,000,000	
(FC) Little Blue River Channel	9,400,000		9,400,000	
(FC) Little Blue River Lakes	8,000,000		8,000,000	
(FC) Long Branch Lake	3,000,000		3,000,000	
(FC) Perry County drainage and Levee Districts 1, 2, and 3	850,000		600,000	
(FC) Pine Ford Lake		800,000		800,000
(FC) Prosperity Lake (phase I)		225,000		225,000
(FC) Smithville Lake	13,400,000		13,400,000	
(MP) Stockton Lake	800,000		800,000	
MONTANA				
(FC) Great Falls			400,000	
(MP) Libby additional units and regulating dam	10,000,000		12,000,000	
(MP) Libby Dam, Lake Koocanusa	9,000,000		10,150,000	
(MP) Libby reregulating dam power units		275,000		150,000
NEBRASKA				
(FC) Papillion Creek and tributaries lakes	300,000		300,000	
NEW JERSEY				
(N) Cape May inlet to lower township (phase I)				50,000
(FC) Elizabeth	4,000,000		4,000,000	
(FC) Liberty Park levee and seawall				300,000
(N) Newark Bay, Hackensack, and Passaic Rivers			1,500,000	
(FC) Passaic River Basin, N.J., N.Y. (phase I)				1,000,000
NEVADA				
(FC) Humboldt River and tributaries				150,000
NEW MEXICO				
(FC) Abiquiu Dam (rehab)			250,000	
(FC) Las Cruces	238,000		238,000	
(FC) Los Esteros Lake	5,300,000		5,300,000	
(FC) Rio Grande and tributaries (Rio Puerco/Rio Salado)				100,000
(FC) Santa Fe River and Arroyo Mascaras				50,000
NEW YORK				
(N) Cataraugus Harbor		60,000		60,000
(FC) Dansville and vicinity		140,000		140,000
(FC) Ellicott Creek		335,000		335,000
(N) Irondequoit Bay	160,000		160,000	
(N) Moriches inlet		100,000		100,000
(N) New York Harbor collection and removal of drift	3,000,000		5,000,000	
(N) Port Ontario Harbor		200,000		200,000
(FC) Saw Mill River at Elmsford and Greenburgh, N.Y		125,000		125,000
(FC) Scajaquada Creek	1,630,000		1,630,000	
(FC) Yonkers	3,500,000		3,500,000	

Construction, general—State and project	Budget estimate, Fiscal year 1978		Conference allowance, Fiscal year 1978	
	Construction	Planning	Construction	Planning
NORTH CAROLINA				
(N) AIWW—Replacement of Federal highway bridges	$4,000,000		$3,000,000	
(FC) B. Everett Jordan Dam and Lake	9,700,000		9,700,000	
(FC) Falls Lake	15,000,000		15,000,000	
(N) Manteo (Shallowbag) Bay		$220,000		$220,000
(N) Masonboro inlet jetties	1,200,000		1,200,000	
(N) Morehead City Harbor (1970 Act)	2,050,000		2,050,000	
(FC) Randleman Lake		500,000		600,000
NORTH DAKOTA				
(FC) Burlington Dam		1,040,000		1,040,000
(MP) Garrison Dam—Lake Sakakawea	650,000		650,000	
(FC) Kindred Lake		340,000		340,000
(FC) Minot	1,465,000		1,465,000	
(FC) Missouri River, Garrison Dam to Lake Oahe	800,000		800,000	
(FC) Williston Water intake modification (phase I)				120,000
OHIO				
(FC) Alum Creek Lake	4,300,000		4,300,000	
(FC) Caesar Creek Lake	5,000,000		5,000,000	
(FC) Chillicothe	2,600,000		2,600,000	
(N) Cleveland Harbor (phase I)				250,000
(FC) Cuyahoga River Basin	290,000		290,000	
(FC) East Fork Lake	3,400,000		3,400,000	
(N) Gallipolis locks and dam replacement, Ohio River, Ohio and W. Va		1,400,000		1,400,000
(N) Geneva on the Lake small boat harbor (sec. 201)				150,000
(N) Huron Harbor	1,195,000		1,195,000	
(BE) Lakeview Park	540,000		540,000	
(FC) Mill Creek	1,000,000		1,000,000	
(FC) Muskingum River Lakes (rehab)	1,000,000		1,000,000	
(FC) Newark	1,000,000		1,000,000	
(FC) Point Place		65,000		65,000
(N) West Harbor		180,000		180,000
(N) Willow Island locks and dam, Ohio and West Virginia	1,400,000		1,400,000	
OKLAHOMA				
(FC) Arcadia Lake		150,000		150,000
(FC) Arkansas-Red River Basins chloride control, Oklahoma, Kansas, and Texas		1,500,000		4,500,000
(N) Big and Little Sallisaw Creeks				50,000
(FC) Birch Lake	616,000		616,000	
(FC) Candy Lake	900,000		900,000	
(FC) Clayton Lake	6,500,000		6,500,000	
(FC) Copan Lake	18,400,000		18,400,000	
(MP) Fort Gibson Lake—Units 5 and 6		110,000		110,000
(FC) Kaw Lake	3,401,000		3,401,000	
(FC) Optima Lake	1,900,000		1,900,000	
(FC) Skiatook Lake	8,000,000		8,000,000	
(FC) Waurika Lake	11,300,000		11,300,000	
OREGON				
(FC) Applegate Lake			7,400,000	
(MP) Bonneville Second powerhouse—Oregon and Washington	76,000,000		76,000,000	
(N) Coos Bay	10,356,000		10,356,000	
(MP) John Day lock and dam—Lake Umatilla, Oregon and Washington	900,000		900,000	
(MP) Lost Creek Lake	7,000,000		7,000,000	
(FC) Lower Columbia River bank protection, Oregon and Washington	1,500,000		1,500,000	
(MP) McNary lock and dam, Lake Wallula, Oregon and Washington	2,000,000		4,400,000	
(MP) McNary second powerhouse, Oregon and Washington (phase I)				1,200,000
(N) Siuslaw River and bar (phase I)				50,000
(MP) Strube Lake and Cougar additional unit		500,000		500,000
(N) Tillamook Bay and bar			5,000,000	
(FC) Willamette River Basin bank protection	1,000,000		1,000,000	
PENNSYLVANIA				
(FC) Blue Marsh	14,750,000		14,750,000	
(FC) Chartiers Creek	2,500,000		1,500,000	
(FC) Clarion River Basin acid mine drainage (phase I)				200,000
(FC) Cowanesque Lake	23,000,000		23,000,000	
(N) Elk Creek Harbor		185,000		185,000
(FC) Hay Creek, Birdsboro (sec. 201)				80,000
(FC) Lock Haven (phase I)				100,000
(N) Monongahela River, lock 3	2,000,000		2,000,000	
(BE) Presque Isle Peninsula	750,000		750,000	
(BE) Presque Isle (phase I)				150,000
(FC) Raystown Lake	3,275,000		3,275,000	
(FC) Tamaqua		300,000		300,000
(FC) Tioga-Hammond Lakes	21,400,000		21,400,000	
(MP) Tocks Island Lake	1,000,000		3,900,000	
(MP) Tocks Island Lake (relocation of Route 209 only)	1,000,000			
(FC) Trexler Lake	1,500,000			
(FC) Tyrone	1,500,000		1,500,000	
(FC) Wyoming Valley Susquehanna River, Luzerne County (phase I)				320,000

Construction, general—State and project	Budget estimate fiscal year 1978		Conference allowance fiscal year 1978	
	Construction	Planning	Construction	Planning
PUERTO RICO				
(FC) Portugues and Bucana Rivers	$7,800,000		$6,300,000	
SOUTH CAROLINA				
(N) Cooper River, Charleston Harbor	4,000,000		4,000,000	
(N) Charleston Harbor (phase I)				$250,000
(N) Murrells Inlet	4,900,000		4,900,000	
TEXAS				
(FC) Aquilla Lake	7,000,000		7,000,000	
(FC) Arkansas-Red River Basins chloride control, area VIII	2,700,000		2,700,000	
(FC) Aubrey Lake	1,000,000		1,000,000	
(FC) Baytown				200,000
(FC) Big Spring (sec. 201)		$85,000		85,000
(FC) Brazos natural salt pollution control (phase I)				100,000
(FC) Buffalo Bayou and tributaries			350,000	
(FC) Carl L. Estes Dam and Lake		500,000		600,000
(FC) Clear Creek		139,000		300,000
(FC) Clopton Crossing Lake (phase I)		220,000		220,000
(FC) Cooper Lake and channels	3,100,000		5,000,000	
(N) Corpus Christi ship channel (1968 act)	2,800,000		2,800,000	
(FC) El Paso	3,500,000		3,500,000	
(FC) Freeport and vicinity, hurricane flood protection	1,700,000		1,700,000	
(N) GIWW—Chocolate Bayou	500,000		500,000	
(FC) Greenville	684,000		684,000	
(FC) Highland Bayou	930,000		930,000	
(FC) Lakeview Lake	8,200,000		8,200,000	
(FC) Lavon Lake mod., and East Fork Channel improvement	1,600,000		1,600,000	
(FC) Lower Rio Grande Basin (phase I)		200,000		200,000
(FC) Millican Lake		180,000		
(N) Mouth of Colorado River		61,000		61,000
(N) Neches River and tributaries saltwater barrier				100,000
(FC) Plainview		130,000		130,000
(FC) Port Arthur and vicinity (hurricane flood protection)	5,000,000		5,000,000	
(FC) San Antonio channel improvement	2,800,000		2,800,000	
(FC) San Gabriel River	14,900,000		14,900,000	
(FC) Texas City and vicinity (hurricane flood protection)	1,300,000		1,300,000	
(N) Texas City channel industrial canal	150,000		150,000	
(FC) Trinity River project		900,000		900,000
(FC) Vince and Little Vince Bayous	1,515,000		1,515,000	
VIRGINIA				
(FC) Buena Vista (phase I)		380,000		
(N) Elizabeth River, southern branch (sec. 201)				100,000
(FC) Fourmile Run, city of Alexandria and Arlington County	10,730,000		10,730,000	
(FC) Gathright Lake	7,400,000		7,400,000	
(FC) Richmond (phase I)				100,000
(FC) Richmond filtration plant				75,000
(FC) Verona Lake (phase I)		300,000		
(BE) Virginia Beach (reimb.)	200,000		200,000	
WASHINGTON				
(N) Blair—Sitcum waterways				100,000
(MP) Chief Joseph Dam additional units	65,000,000		65,000,000	
(BE) Ediz Hook	5,573,000		5,573,000	
(MP) Ice Harbor additional units	1,000,000		1,000,000	
(MP) Little Goose additional units	9,300,000		9,300,000	
(MP) Lower Granite additional units	7,626,000		7,626,000	
(MP) Lower Granite lock and dam	6,000,000		6,000,000	
(MP) Lower Monumental additional units	19,400,000		19,400,000	
(MP) Lower Snake River F. & W.L. compensation, Washington, Idaho, and Oregon				1,500,000
(FC) Skagit River levee and channel improvement		600,000		800,000
(MP) The Dalles additional units	1,800,000		1,800,000	
(FC) Vancouver Lake area		282,000		282,000
(FC) Wahkiakum County consolidated diking district No. 1	1,700,000		1,700,000	
WEST VIRGINIA				
(FC) Beech Fork Lake	2,400,000		2,400,000	
(FC) Burnsville Lake	5,500,000		5,500,000	
(FC) East Lynn Lake	700,000		700,000	
(FC) Oceana local protection				200,000
(FC) R. D. Bailey Lake	9,800,000		9,800,000	
(FC) Rowlesburg Lake		250,000		250,000
(FC) Stonewall Jackson Lake			5,000,000	

Construction, general—State and project	Budget estimate fiscal year 1978		Conference allowance, Fiscal year 1978	
	Construction	Planning	Construction	Planning
WISCONSIN				
(FC) Prairie Du Chien		$127,000		$127,000
MISCELLANEOUS				
(N) Small navigation projects (sec. 107)	$4,500,000		$8,000,000	
(FC) Small flood control projects (sec. 205)	13,000,000		17,000,000	
(BE) Small beach erosion projects (sec. 103)	1,000,000		2,000,000	
(FC) Emergency streambank and shoreline protection (sec. 14)	2,000,000		3,300,000	
Recreation facilities at completed projects	24,150,000		24,150,000	
Small snagging and clearing (sec. 208)	500,000		700,000	
Mitigation of shore damages attributable to navigation projects (sec. 111)	$1,000,000		$1,000,000	
Streambank erosion control evaluation and demonstration (sec. 32, 1974 act)	3,500,000		5,500,000	
Shoreline erosion control demonstration (sec. 54, 1974 act)	1,500,000		1,500,000	
Aquatic plant control (1965 act)	2,300,000		2,370,000	
Employees compensation	3,594,000		3,594,000	
Reduction for anticipated savings and slippages	−92,234,000		−109,799,000	
Total	1,390,919,000	23,366,000	1,485,999,000	37,821,000
Total, construction, general	1,414,285,000		1,523,820,000	

The conferees are agreed that the Congress retains the right to select water resource projects for funding.

All authorized water resource projects will be considered on their merits and each and every authorized project will be considered by the Committees in the deliberations on the 1979 Appropriation bill.

The elimination of funding for certain ongoing projects and the issue of no new construction starts is a policy applied only to the 1978 appropriation.

The purpose of Section 101(c) of the Water Resources Development Act of 1976 (Public Law 94–587) is to expedite the Phase I planning of projects. The conferees therefore believe that the authorization of any project eligible for Sec. 101(c) funds shall not preclude funding under the same section.

The managers are agreed that funding for the proposed Buena Vista Flood Control Project in Virginia was passed over without prejudice because sufficient fiscal year 1977 funding is available to begin Phase II advanced engineering and design of the project in fiscal year 1978.

The conferees are in agreement with the Senate Report language with respect to the Baltimore Harbor and Channels, Md. and Va. project and the Recreation Facilities at Completed Projects item.

Amendment No. 14: Deletes language in House bill regarding the Trexler Lake Project in Pennsylvania.

Construction, General

(Rescission)

Amendment No. 15: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate rescinding $6,550,000 of the 1977 Appropriation for Construction, general as proposed by the Senate.

Flood Control, Mississippi River and Tributaries

Amendment No. 16: Appropriates $253,081,000 for Flood control, Mississippi River and tributaries as proposed by the Senate instead of $246,246,000 as proposed by the House.

The Managers are agreed that the change from the Senate report includes restoration, within available funds, of $700,000 for the West Tennessee Tributaries, Tennessee project.

Alaska Hydroelectric Power Development Fund

Amendment No. 17: Deletes Alaska hydroelectric power development fund proposed by the Senate.

The House Committee has not heretofore considered or had hearings on this item and the Senate conferees reluctantly receded. The Conferees recognize the potential of this proposed new financing mechanism and agree that it is an idea which should be fully pursued. Early hearings and consideration will be given to this proposal in the upcoming budget cycle.

Revolving Fund

Amendment No. 18: Appropriates $21,525,000 for the Revolving fund instead of $2,425,000 as proposed by the House and $22,925,000 as proposed by the Senate.

The conferees direct that none of the $10,100,000 appropriated for the medium class hopper dredge shall be available for obligation before March 31, 1978. These funds shall be available for obligation if the dredging industry has not entered into a contract for construction of a medium class hopper dredge by March 31, 1978.

The Committee of Conference continues to support a public and private mixture of hopper dredges. The Committee wants to encourage and not impede the continued development of industry's new hopper dredging capability. The Committee expects industry to move ahead as rapidly as possible to develop additional capability.

The principal role of the Corps of Engineers should be to manage the dredging program and to maintain and keep fully operational a Government fleet sufficient to provide for immediate response to national defense and emergency requirements and to supplement shortages of industry capability.

Therefore, the Committee endorses the goal of principal reliance on private industry to perform required Federal dredging and agrees with the Corps' intention gradually to reduce the Government fleet toward the minimum size and composition needed to respond in a timely and effective manner to emergency and national defense requirements. This reduction should take place by laying up the older, less efficient Government dredges one by one as it is demonstrated in competitive industry and Government-plant bidding over a reasonable period of time that there is adequate industry capability to perform the same work at reasonable prices and in a responsive manner. However, as this policy is intended to achieve a net increase in the total number of hopper dredges in the combined Government and industry fleets, the retirement of the older Government hopper dredges should be paced so as to achieve this objective.

It is imperative that the Corps retain at least a minimum fleet of technologically modern vessels for emergency and national defense needs. The Committee supports the Corps program, currently underway, to refit or replace necessary plant and equipment so the residual fleet will be as modern as possible.

Flood Control and Coastal Emergencies

Amendment No. 19: Appropriates $18,000,000 for Flood control and coastal emergencies as proposed by the Senate instead of $19,564,000 as proposed by the House.

General Expenses

Amendment No. 20: Appropriates $56,800,000 for General expenses as proposed by the Senate instead of $54,902,000 as proposed by the House.

Special Recreation Use Fees

Amendment No. 21: Appropriates $6,000,000 for Special recreation use fees as proposed by the Senate instead of $5,820,000 as proposed by the House.

Administrative Provisions

Amendment No. 22: Deletes language proposed by the House which would have allowed the purchase of one aircraft for replacement only.

Amendment No. 23: Provides limitation on the total capital of the revolving fund of $351,600,000 instead of $330,500,000 as proposed by the House and $353,000,000 as proposed by the Senate.

TITLE III—DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

General Investigations

Amendment No. 24: Appropriates $25,106,000 for General investigations instead of $25,154,000 as proposed by the House and $24,340,000 as proposed by the Senate.

The funds appropriated are to be allocated as shown on the following table:

General investigations—State and project	Budget estimate fiscal year 1978	Conference allowance fiscal year 1978
ARIZONA		
Boulder Canyon, Hoover powerplant modifications	$450,000	$450,000
CALIFORNIA		
Central Valley:		
Calaveras County division	100,000	100,000
Consumnes River division, reformulation	100,000	100,000
Delta support studies	471,000	712,000
Eastside division, Mid-Valley Canal	50,000	50,000
Friant division, Friant powerplants study	60,000	60,000
Sacramento River division, West Sacramento Canals unit		150,000
Total water management study	239,000	239,000
Trinity division, Whiskeytown powerplant study	60,000	60,000
Energy research and development (geothermal)	210,000	210,000
Geothermal resources investigations	1,800,000	1,800,000
Klamath, Butte Valley division	60,000	310,000
Lahontan Basin total water management study (see Nevada)		
Mojave-Coachella, reformulation	70,000	70,000
Sacramento River drainage and seepage utilization	35,000	35,000
San Joaquin Valley drainage	88,000	88,000
Solano County water	87,000	87,000
Susanville geothermal investigations	400,000	400,000
Ventura County water management	30,000	30,000
COLORADO		
Dominguez Reservoir	18,000	18,000
Energy research and development (pumped storage)	315,000	315,000
Front Range unit (Long's Peak division, P-SMBP	100,000	100,000
Grand Mesa, reformulation	125,000	125,000
Upper Colorado resource study	44,000	44,000

General investigations—State and project	Budget estimate fiscal year 1978	Conference allowance fiscal year 1978
IDAHO		
Boise, Anderson Ranch powerplant, 3d unit	$125,000	$125,000
Minidoka, Minidoka powerplant rehabilitation and enlargement	150,000	150,000
Southwest Idaho water management study	250,000	250,000
Upper Snake River, Oakley fan division, reformulation	160,000	160,000
Upper Snake River water management study	250,000	250,000
KANSAS		
Chikaskia	20,000	20,000
Kansas State water plan—phase II	200,000	200,000
Solomon River Basin water management study (P-SMBP)	106,000	106,000
MONTANA		
Canyon Ferry powerplant	50,000	50,000
Hungry Horse, Hungry Horse Powerplant enlargement and reregulating reservoir	75,000	75,000
Total water management study (P-SMBP) (see South Dakota)		
NEBRASKA		
Crofton unit (Santee division, P-SMBP)	100,000	100,000
Little Blue unit		70,000
Republican River Basin		50,000
Sparks		75,000
NEVADA		
Boulder Canyon, Hoover powerplant modification (see Arizona).		
Lahontan Basin total water management study	70,000	70,000
NEW MEXICO		
Elephant Butte Reservoir-Fort Quitman	88,000	88,000
Gallup	191,000	191,000
Llano-Estacado total water management study	250,000	250,000
Raton water supply	150,000	150,000
NORTH DAKOTA		
Apple Creek unit (North Dakota pumping division, P-SMBP)	70,000	70,000
Garrison diversion unit, M&I water facilities (Garrison division, P-SMBP)	50,000	50,000
Total water management study (P-SMBP) (see South Dakota).		
Versippi alternative, Dickinson unit (Heart division, P-SMBP)	$70,000	$70,000
OKLAHOMA		
Cache Creek	10,000	10,000
Geary	75,000	75,000
Norman modification	75,000	75,000
Oklahoma State water plan	100,000	100,000
Seward	125,000	125,000
Wilburton	75,000	75,000
OREGON		
Klamath, Butte Valley division (see California).		
Rogue River Basin, Grants Pass division	181,000	181,000
Rogue River Basin, Medford Division, reformulation	120,000	120,000
Umatilla Basin	10,000	10,000
SOUTH DAKOTA		
Oahe unit, M & I water facilities (James division, P-SMBP)	130,000	130,000
Total water management study, Missouri River upstream of Gavins Point (P-SMBP)	200,000	200,000
TEXAS		
Elephant Butte Reservoir-Fort Quitman (see New Mexico)		
Lake Meredith salinity study	70,000	70,000
Llano-Estacado total water management study (see New Mexico)		
Texas basins	141,000	141,000
UTAH		
Central Utah, Ute Indian unit	317,000	317,000
CRSP power peaking capacity	51,000	51,000
Upper Colorado resource study (see Colorado)		
WASHINGTON		
Yakima Indian Reservation	87,000	87,000
Yakima Valley water management study	186,000	186,000
WYOMING		
CRSP power peaking capacity (see Utah)		
Minidoka, Minidoka powerplant rehabilitation and enlargement (see Idaho)		
Muddy Ridge area, Riverton unit (wind division, P-SMBP)	100,000	100,000
North Platte River hydroelectric power study (Oregon Trail division, P-SMBP)	$120,000	$120,000
Seminoe Dam modification (Kendrick project)	98,000	98,000
Sublette	125,000	125,000
Total water management study (P-SMBP) (see South Dakota)		
Upper Snake River, Oakley Fan division, reformulation (see Idaho)		
Upper Snake River water management study (see Idaho)		
Wind River Basin		50,000
VARIOUS		
Colorado River water quality improvement	1,980,000	1,980,000
General engineering and research:		
Atomospheric water resources management program	5,700,000	7,550,000
Colorado river augmentation demonstration program		(600,000)
High Plains cooperative program	(3,050,000)	(4,000,000)
Other activities	(2,650,000)	(2,950,000)
General Planning studies	200,000	200,000
Power intertie studies	85,000	85,000
Special investigations:		
Environmental and interagency coordination activities	1,773,000	1,773,000
Fish and wildlife studies	49,000	49,000
Investigations of existing projects	90,000	90,000
Minor work in connection with completed project investigations	837,000	837,000
Print reports	35,000	35,000
Projects not yet identified	25,000	25,000
Wind turbine generating studies		200,000
Water resources planning and engineering research	2,500,000	2,500,000
Total, various	13,274,000	15,324,000
Distributive charges for service facilities unliquidated obligations, etc	−107,000	−107,000
General reduction due to slippage, savings, and carryover balances	−400,000	−1,400,000
Classified pay raise (E.O. 11941)	670,000	670,000
Total, general investigations	23,170,000	25,106,000

Construction and Rehabilitation

Amendment No. 25: Appropriates $362,835,000 for Construction and rehabilitation instead of $384,116,000 as proposed by the House and $362,610,000 as proposed by the Senate.

The funds appropriated are to be allocated as shown on the following table:

Construction and rehabilitation—State and project	Budget estimate, fiscal year 1978		Conference allowance, fiscal year 1978	
	Construction	Planning	Construction	Planning
ARIZONA				
Pacific Northwest-Pacific Southwest intertie	$1,400,000		$1,400,000	
CALIFORNIA				
Central Valley project:				
Allen Camp unit				$225,000
Sacramento River Division	30,875,000		30,875,000	
San Luis unit:				
Westlands distribution and drainage system	22,740,000		22,740,000	
San Luis drain	7,400,000		7,400,000	
All other San Luis unit facilities	5,510,000		5,510,000	
Subtotal, San Luis unit	35,650,000		35,650,000	
Auburn-Folsom South unit:				
Auburn Dam and Reservoir			31,839,000	
Folsom South Canal			1,000,000	
All other Auburn-Folsom South unit facilities			6,871,000	
Subtotal, Auburn-Folsom South unit			39,710,000	
Miscellaneous project programs	17,927,000		17,927,000	
San Felipe division	20,570,000		20,570,000	
Total, Central Valley project	105,022,000		144,732,000	225,000
Pacific Northwest-Pacific Southwest intertie (see Arizona).				
COLORADO				
Fryingpan-Arkansas project	$36,930,000		$36,930,000	
San Luis Valley Project, closed basin division		$500,000		$500,000
IDAHO				
Teton Basin prcject, Lower Teton division	700,000		700,000	
Upper Snake River project, Salmon Falls division		100,000		100,000
NEW MEXICO				
Brantley project	14,054,000		11,054,000	
NEVADA				
Pacific Northwest-Pacific Southwest intertie (see Arizona).				
Southern Nevada Water project	8,600,000		8,600,000	
OKLAHOMA				
McGee Creek project				500,000

Construction and rehabilitation—State and project	Budget estimate, fiscal year 1978		Conference allowance, fiscal year 1978	
	Construction	Planning	Construction	Planning
OREGON				
Rogue River Basin project, Merlin division		$100,000		$100,000
Tualatin project	$4,430,000		$4,430,000	
TEXAS				
Nueces River project	18,710,000		18,710,000	
Palmetto Bend project	12,126,000		12,126,000	
WASHINGTON				
Chief Joseph Dam, Oroville-Tonasket unit				390,000
Columbia Basin project:				
Irrigation facilities	34,501,000		34,501,000	
3d powerplant	26,410,000		26,410,000	
Total, Columbia Basin project	60,911,000		60,911,000	
Yakima project, Kennewick Division		100,000		100,000
VARIOUS				
Drainage and minor construction:				
All American Canal system, Coachella, California	2,000		2,000	
Belle Fourche project, South Dakota	240,000		240,000	
Boise project, Payette division, Idaho	2,060,000		2,060,000	
Buffalo Rapids project, Montana	60,000		60,000	
Gila project, Arizona	129,000		129,000	
Kendrick project, Wyoming	314,000		314,000	
Kalamath project, Oregon-California	2,586,000		3,186,000	
Leadville drainage tunnel project, Colorado	500,000		500,000	
Lower Rio Grande project, Mercedes division, Texas	232,000		232,000	
Minidoka project, American Falls Dam, Idaho	650,000		950,000	
Miscellaneous engineering services, Colorado	10,000		10,000	
Mountain Park project, Oklahoma	708,000		708,000	
Parker-Davis project, Arizona-California-Nevada	1,569,000		1,569,000	
Recreation facilities at existing reservoirs, various States	500,000		500,000	
Rogue River Basin project-Savage Rapids Dam Fishway modifications, Oregon	700,000		700,000	
San Angelo project, Texas	500,000		500,000	
Solano project-Lake Berryessa recreational facilities, California	1,750,000		1,750,000	
Umatilla project, McKay Dam, Oregon	1,000,000		1,000,000	
Ventura River project-Casitas Reservoir open space California	7,700,000		7,700,000	
Washoe project, Nevada-California	1,007,000		1,007,000	
Total, drainage and minor construction	22,217,000		23,117,000	
Rehabilitation and betterment of existing projects:				
Carlsbad project, New Mexico	300,000		300,000	
Central Oregon Irrigation District			400,000	
Crooked River project, Ochoco Irrigation District, Oregon	150,000		150,000	
Minidoka project, Burley Irrigation District, Idaho	730,000		730,000	
Newlands project, Nevada	1,796,000		1,796,000	
P-SMBP, Frenchman-Cambridge division, Nebraska	$700,000		$700,000	
Rio Grande project, El Paso County Improvement District No. 1, Texas	767,000		767,000	
Salt River project, Arizona	1,000,000		1,000,000	
Shoshone project, Garland division, Wyoming	600,000		600,000	
Solano-Bridge rehabilitation, California	577,000		577,000	
Uncompahgre project, Colorado	216,000		216,000	
Yakima project, Snipes Mountain Irrigation District, Washington	58,000		58,000	
Total, rehabilitation and betterment of existing projects	6,894,000		7,294,000	
PICK-SLOAN MISSOURI BASIN PROGRAM, COLORADO				
MONTANA				
Canyon Ferry unit (dust abatement)	3,250,000		2,250,000	
Lower Marias unit, Tiber Dam modifications	5,400,000		5,400,000	
NEBRASKA				
North Loup division	7,015,000		7,215,000	
O'Neill Unit	8,130,000		6,600,000	
NORTH DAKOTA				
Garrison diversion unit	15,260,000		18,660,000	
SOUTH DAKOTA				
Pollock-Herreid unit		$500,000		$500,000
WYOMING				
Riverton unit	3,800,000		3,800,000	
Shoshone extensions unit, Polecat Bench area		300,000		300,000
VARIOUS				
Transmission division	3,661,000		3,661,000	
Drainage and minor construction program:				
Bostwick division, Nebraska-Kansas	1,940,000		1,940,000	
Dickinson unit, North Dakota	1,000,000		1,000,000	
East Bench unit, Montana	50,000		50,000	
Farwell unit, Nebraska	600,000		600,000	
Frenchman-Cambridge division, Nebraska	125,000		125,000	
Owl Creek unit, Montana-Wyoming	70,000		70,000	
Total, drainage and minor construction program	3,785,000		3,785,000	
Total, Pick-Sloan Missouri Basin program	50,301,000	800,000	51,371,000	800,000
Undistributed reduction based on anticipated delays	−13,865,000		−21,255,000	
Total	328,430,000	1,600,000	360,120,000	2,715,000
Total, construction and rehabilitation	330,030,000		363,835,000	

Construction and Rehabilitation

(Rescission)

Amendment No. 26: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate rescinding $2,200,000 appropriated for Construction and rehabilitation in fiscal year 1977.

Upper Colorado River Storage Project

Amendment No. 27: Appropriates $71,066,000 instead of $84,303,000 for the Upper Colorado River Storage Project as proposed by the House and $70,066,000 as proposed by the Senate.

The Managers are agreed that the change from the Senate allowance includes an increase of $1,000,000 for the Bonneville Unit of the Central Utah project.

Amendment No. 28: Earmarks $67,051,000 for the Upper Colorado River Basin Fund instead of $80,408,000 as proposed by the House and $66,051,000 as proposed by the Senate.

Amendment No. 29: Earmarks $4,015,000 for construction of recreational and fish and wildlife facilities as proposed by the Senate instead of $3,895,000 as proposed by the House.

Upper Colorado River Storage Project

(Rescission)

Amendment No. 30: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate rescinding $3,000,000 appropriated for the Upper Colorado River Storage Project in 1977.

Colorado River Basin Project

Amendment No. 31: Appropriates $78,145,000 for the Colorado River basin project as proposed by the Senate instead of $100,051,000 as proposed by the House.

Colorado River Basin Salinity Control Projects

Amendment No. 32: Appropriates $22,675,000 for the Colorado River basin salinity control projects as proposed by the Senate instead of $22,189,000 as proposed by the House.

Operation and Maintenance

Amendment No. 33: Appropriates $157,400,000 for Operation and maintenance as proposed by the Senate instead of $152,678,000 as proposed by the House.

Amendment No. 34: Earmarks $5,327,000 to be derived from the Colorado River Dam fund as proposed by the Senate instead of $5,168,000 as proposed by the House.

Loan Program

Amendment No. 35: Appropriates $27,753,000 for the Loan program as proposed by the Senate instead of $26,924,000 as proposed by the House.

Emergency Fund

Amendment No. 36: Deletes appropriation for the Emergency fund.

General Administrative Expenses

Amendment No. 37: Appropriates $24,445,000 for General administrative expenses as proposed by the Senate instead of $23,712,000 as proposed by the House.

Administrative Provisions

Amendment No. 38: Adds limitation not to exceed $65,000 for services authorized by 5 U.S.C. 3109 as proposed by the Senate.

Alaska Power Administration

General Investigations

Amendment No. 39: Appropriates $864,000 for General investigations as proposed by the Senate instead of $809,000 as proposed by the House.

Amendment No. 40: Earmarks $20,000 for transfer to the Fish and Wildlife Service as proposed by the Senate instead of $19,000 as proposed by the House.

The Conferees are concerned with the significant increase in the rent charged by the General Services Administration and further agree that payment to GSA for standard level user charges should not exceed 70 percent of the GSA bill.

Operation and Maintenance

Amendment No. 41: Appropriates $1,231,000 for Operation and maintenance as proposed by the Senate instead of $1,173,000 as proposed by the House.

Bonneville Power Administration Fund

Amendment No. 42: Makes technical correction.

Southeastern Power Administration

Operation and Maintenance

Amendment No. 43: Appropriates $1,143,000 for Operation and maintenance as proposed by the Senate instead of $1,085,000 as proposed by the House.

Southwestern Power Administration

Construction

Amendment No. 44: Appropriates $4,312,000 for Construction as proposed by the Senate instead of $4,018,000 as proposed by the House.

Operation and Maintenance

Amendment No. 45: Appropriates $8,193,000 for Operation and maintenance as proposed by the Senate instead of $7,831,000 as proposed by the House.

General Provisions, Department of the Interior

Amendment No. 46: Limits services authorized by 5 U.S.C. 3109 to not to exceed $100,000 as proposed by the Senate.

TITLE IV—INDEPENDENT OFFICES

Appalachian Regional Commission

Salaries and Expenses

Amendment No. 47: Appropriates $2,075,000 for Salaries and expenses as proposed by the Senate instead of $2,013,000 as proposed by the House.

Funds Appropriated to the President

Appalachian Regional Development Programs

Amendment No. 48: Appropriates $323,700,000 for the Appalachian regional development programs as proposed by the Senate instead of $318,354,000 as proposed by the House.

Amendment No. 49: Earmarks $211,300,000 for the Appalachian development highway system instead of $211,751,000 as proposed by the House and $211,000,000 as proposed by the Senate.

The Conferees are agreed that the following sums are allocated to the various Appalachian regional development programs:

Area Development	$105,000,000
Research and local development districts	7,400,000
Highways	211,300,000

Delaware River Basin Commission

Salaries and Expenses

Amendment No. 50: Appropriates $87,000 for Salaries and expenses as proposed by the Senate instead of $85,000 as proposed by the House.

Contribution to Delaware River Basin Commission

Amendment No. 51: Appropriates $232,000 for the Contribution to Delaware River Basin Commission as proposed by the Senate instead of $226,000 as proposed by the House.

Federal Power Commission

Salaries and Expenses

Amendment No. 52: Appropriates $42,785,000 for Salaries and expenses as proposed by the Senate instead of $41,502,000 as proposed by the House.

Interstate Commission on the Potomac River Basin

Contribution to Interstate Commission on the Potomac River Basin

Amendment No. 53: Appropriates $53,000 for Contribution to Interstate Commission on the Potomac River Basin instead of $54,000 proposed by the House and $52,000 as proposed by the Senate.

Nuclear Regulatory Commission

Salaries and Expenses

Amendment No. 54: Appropriates $281,423,000 for Salaries and expenses instead of $277,696,000 as proposed by the House and $285,150,000 as proposed by the Senate.

The Conferees agree that not to exceed 133 new full time permanent positions for a total of 2,662 are included for the Nuclear Regulatory Commission.

Susquehanna River Basin Commission

Salaries and Expenses

Amendment No. 55: Appropriates $88,000 for Salaries and expenses as proposed by the Senate instead of $86,000 as proposed by the House.

Contribution to Susquehanna River Basin Commission.

Amendment No. 56: Appropriates $200,000 for Contribution to Susquehanna River Basin Commission as proposed by the Senate instead of $194,000 as proposed by the House.

Tennessee Valley Authority

Payment to Tennessee Valley Authority Fund

Amendment No. 57: Appropriates $138,510,000 for Payment to Tennessee Valley Authority fund as proposed by the Senate instead of $131,823,000 as proposed by the House.

Water Resources Council

Water Resources Planning

Amendment No. 58: Appropriates $13,696,000 for Water resources planning as proposed by the Senate instead of $11,664,000 as proposed by the House.

Amendment No. 59: Earmarks $1,158,000 for expenses to administer the act as proposed by the Senate instead of $1,940,000 as proposed by the House.

Amendment No. 60: Earmarks $3,631,000 for preparation of assessments and plans as proposed by the Senate.

Amendment No. 61: Earmarks $3,006,000 for preparation of plans as proposed by the Senate instead of $3,806,000 as proposed by the House.

Amendment No. 62: Earmarks $2,901,000 for expenses of river basin commissions as proposed by the Senate instead of $3,008,000 as proposed by the House.

Amendment No. 63: Earmarks $3,000,000 for Title III grants to states as proposed by the Senate instead of $2,910,000 as proposed by the House.

The Conferees point out that the Administration has not yet forwarded a proposal for new principles and standards criteria for planning and evaluating water projects to the Congress for consideration.

Section 80 of P.L. 93-251 requires that such a proposal be forthcoming. The report is long overdue.

The Conferees urge the President to transmit his proposals to Congress for consideration at the earliest possible time so that the problems which have arisen on the water projects this year will not occur in the future.

TITLE V—GENERAL PROVISIONS

Amendment No. 64: Deletes Sec. 502 proposed by the House which restricted the application of a general three percent reduction.

Conference total—With comparisons

The total new budget (obligational) authority for the fiscal year 1978 recommended by the Committee of Conference, with comparisons to the fiscal year 1977 amount, the 1978 budget estimates, and the House and Senate bills for 1978 follow:

New budget (obligational) authority, fiscal year 1977	$10,081,453,000
Budget estimates of new (obligational) authority, fiscal year 1978	[1] 10,368,111,000
House bill, fiscal year 1978	10,186,746,000
Senate bill, fiscal year 1978	10,350,669,000
Conference agreement	10,294,414,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1977	+212,961,000
Budget estimates of new (obligational) authority, fiscal year 1978	−73,697,000
House bill, fiscal year 1978	+107,668,000
Senate bill, fiscal year 1978	−56,255,000

[1] Includes $10,000,000 of budget estimates not considered by the House.

TOM BEVILL,
EDWARD P. BOLAND,
JAMIE L. WHITTEN,
JOHN M. SLACK,
LINDY BOGGS,
NORMAN D. DICKS,
GEORGE E. SHIPLEY,
BILL CHAPPELL,
GEORGE MAHON,
JOHN T. MYERS,
CLAIR W. BURGENER,
VIRGINIA SMITH,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

JOHN C. STENNIS,
WARREN G. MAGNUSON,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
WALTER D. HUDDLESTON,
QUENTIN N. BURDICK,
JAMES R. SASSER
(except as to amendment 4),
JOHN L. MCCLELLAN,
MARK O. HATFIELD,
MILTON R. YOUNG,
CLIFFORD P. CASE,
RICHARD S. SCHWEIKER,
HENRY BELLMON,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GUYER (at the request of Mr. RHODES), for July 21, 1977, on account of death of a personal friend.

Mr. MCCLORY (at the request of Mr. RHODES), after 4 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CORCORAN of Illinois) and to revise and extend their remarks and include extraneous matter:)

Mr. LENT, for 5 minutes, today.
Mr. RAILSBACK, for 5 minutes, today.
Mr. KEMP, for 20 minutes, today.
Mrs. HECKLER, for 20 minutes, today.
Mr. ASHBROOK, for 45 minutes, today.
Mr. BURKE of Florida, for 10 minutes, today.

(The following Members (at the request of Ms. OAKAR) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. SCHEUER, for 5 minutes, today.
Mr. CORNELL, for 5 minutes, today.
Mr. CAVANAUGH, for 5 minutes, today.
Ms. HOLTZMAN, for 30 minutes, today.
Mr. ECKHARDT, for 5 minutes, today.
Mr. DIGGS, for 10 minutes, today.
Miss JORDAN, for 5 minutes, today.
Mr. CONYERS, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Mr. ICHORD, for 5 minutes, today.
Mr. LEGGETT, for 60 minutes, July 21.
Mr. CARR, for 5 minutes, July 21.
Mr. BOLAND, for 5 minutes, July 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. RHODES, to revise and extend his remarks immediately following those of Mr. THONE.

Mr. CONTE, to insert his remarks just prior to the vote on the Findley amendment in the Committee of the Whole today.

Mr. GIAIMO, to include extraneous matter in the Committee of the Whole today.

Mr. HAGEDORN, to extend his remarks on H.R. 7171 today during general debate and preceding the vote on the Findley amendment.

Mr. MAHON, to include extraneous matter, in his remarks made today on H.R. 7171.

Mr. SCHEUER, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $805.

(The following Members (at the request of Mr. CORCORAN of Illinois) and to include extraneous matter:)

Mr. SHUSTER.
Mr. KASTEN.
Mr. GRADISON.
Mr. STANGELAND.
Mr. KEMP in two instances.
Mr. COLLINS of Texas in four instances.
Mr. RHODES.
Mr. MADIGAN in two instances.
Mrs. HOLT in two instances.
Mr. BURKE of Florida.
Mr. PRESSLER.
Mr. DORNAN.
Mr. LAGOMARSINO.
Mr. STEIGER.
Mr. ARMSTRONG.
Mr. ASHBROOK in four instances.

(The following Members (at the request of Ms. OAKAR) and to include extraneous matter:)

Mr. EDGAR.
Mr. MINISH.
Mr. VENTO.
Mr. EVANS of Indiana.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. TEAGUE in two instances.
Mr. SISK.
Mr. BENJAMIN.
Mr. SCHEUER in two instances.
Mr. DRINAN in two instances.
Mr. NOLAN.
Mr. WIRTH.
Mr. ALEXANDER.
Mr. DINGELL in two instances.
Mr. PICKLE in 10 instances.
Mr. PHILLIP BURTON.
Mr. CORRADA.
Mr. RODINO.
Mr. JACOBS.
Mr. LONG of Louisiana.
Mr. HAMILTON.
Ms. MIKULSKI in five instances.
Mr. FITHIAN.
Mr. MCHUGH.
Mr. MOSS.
Mr. KAZEN.
Mr. JONES of Oklahoma.
Mr. HARKIN.
Mr. MCDONALD.
Mr. LONG of Maryland in two instances.
Mr. FRASER.
Mr. JENRETTE.
Mr. ZABLOCKI.
Mr. MILLER of California.
Mr. FOUNTAIN.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4088. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes;

H.R. 4975. An act to amend the Public Health Service Act to extend through the fiscal year ending September 30, 1978, the assistance programs for health services research; health statistics; comprehensive public health services; hypertension programs; migrant health; community health centers; medical libraries; cancer control programs; the National Cancer Institute; heart, blood vessel, lung, and blood disease prevention and control programs; the National Heart, Lung, and Blood Institute; National Research Service Awards; population research and voluntary family planning programs; sudden infant death syndrome; hemophilia; national health planning and development; and health resources development; to amend the Community Mental Health Centers Act to extend it through the fiscal year ending September 30, 1978; to extend the assistance programs for home health services; and for other purposes; and

H.R. 7556. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1978, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 2502. To extend certain oil and gas leases by a period sufficient to allow the drilling of an ultradeep well;

H.R. 5970. To authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loads, and to authorize appropriations for civil defense, and for other purposes; and

H.R. 7552. Making appropriations for the Treasury Department, the United States Postal Service, the Executive Office, of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1978, and for other purposes.

ADJOURNMENT

Ms. OAKAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 56 minutes p.m.), the House adjourned until tomorrow, Thursday, July 21, 1977, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1977. A letter from the Assistant Secretary of Defense, transmitting notice of the intention of the Department to transfer appropriated funds within the Department, pursuant to section 733 of Public Law 94–419; to the Committee on Appropriations.

1978. A letter from the Deputy Director of the Office of Management and Budget, Executive Office of the President, transmitting a report on actions taken on recommendations contained in the 1975 annual report of the National Advisory Council on Vocational Education, dated March 1976, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

1979. A letter from the Chairman, Indian Claims Commission, transmitting the Commission's final determination in docket No. 364, the *Ottawa-Chippewa Tribe of Michigan, plaintiff, v. The United States of America, defendant*, pursuant to section 21 of the Indian Claims Commission Act (25 U.S.C. 70t., 60 Stat. 1055); to the Committee on Interior and Insular Affairs.

1980. A letter from the Assistant Secretary of State for Congressional Relations transmitting a report on political contributions made by Ambassador-designate Allard K. Lowenstein, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1981. A letter from the Atttorney General, transmitting a draft of proposed legislation to remove the limitation on payments for consultant services in the Community Rela-

tions Service; to the Committee on the Judiciary.

1982. A letter from the Attorney General, transmitting a draft of proposed legislation to establish fees for services performed by U.S. marshals; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE: Committee of conference. Conference report on H.R. 4991 (Rept. 95–504). Ordered to be printed.

Mr. DANIELSON: Committee of conference. Conference report on S. 1377 (Rept. No. 95–505). Ordered to be printed.

Mr. SHIPLEY: Committee of conference. Conference report on H.R. 7932 (Rept. No. 95–506). Ordered to be printed.

Mr. BEVILL: Committee of conference. Conference report on H.R. 7553 (Rept. No. 95–507). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DRINAN:

H.R. 8429. A bill to amend title VII of the Civil Rights Act of 1964 to provide increased protection to employees' religious observances and practices; to the Committee on Education and Labor.

By Mr. DRINAN (for himself, Mr. BONKER, Mr. D'AMOURS, Mr. FRASER, Mr. JENRETTE, Mr. LUNDINE, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY of Pennsylvania, Mr. PATTERSON of California, Ms. SPELLMAN, and Mr. VENTO):

H.R. 8430. A bill to provide for certain research and demonstration respecting the disposal of sludge, the reclamation of waters damaged by sludge and sewage, assistance to State and local governments for the removal of sludge and other solid waste from waters and shoreline areas, and to provide that grants for waste treatment works shall be made only if such works provide for environmentally sound sludge management; to the Committee on Public Works and Transportation.

By Mr. GOLDWATER:

H.R. 8431. A bill to amend title II of the Social Security Act to repeal the earnings limitation, to provide benefits for husbands, widowers, and fathers on the same basis as wives, widows, and mothers, to eliminate the 5-month waiting period for disability benefits, to provide for the payment of benefits to an individual through the month of his or her death, to provide an optional exemption from coverage for individuals 65 years of age or over, and to provide that a beneficiary's marriage or remarriage will not affect his or her benefits; and to amend title XVIII of such act to authorize direct payments to physicians and other providers at their option under the supplementary medical insurance program; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. GOLDWATER (for himself and Mr. HANSEN):

H.R. 8432. A bill to amend chapter 117 of title 18 of the United States Code, commonly referred to as the Mann Act, to make its prohibitions apply equally with respect to males and females, and to increase the penalties for violations; to the Committee on the Judiciary.

By Mr. HANNAFORD (for himself, Mr. PRITCHARD, and Mr. RYAN):

H.R. 8433. A bill to allow service performed by women as members of telephone operating units of the Army Signal Corps during World War I to be considered active duty in the Army for purposes of all laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. KEMP:

H.R. 8434. A bill to establish the Federal Protective Service police force within the General Services Administration, provide minimum training, pay, and other benefits for such police force, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LAGOMARSINO (for himself, Mr. ROUSSELOT, and Mr. GILMAN):

H.R. 8435. A bill to amend the Tariff Schedules of the United States to increase the value at which personal articles may be entered duty-free by U.S. residents returning from Mexico; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 8436. A bill to repeal the Postal Reorganization Act, to reenact the provisions of former title 39, United States Code, and to make certain amendments to such provisions relating to employee-management agreements; to the Committee on Post Office and Civil Service.

By Mr. MOSS:

H.R. 8437. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to strengthen the provisions relating to remedy of defects and failure to comply with Federal motor vehicle safety standards; to the Committee on Interstate and Foreign Commerce.

By Mr. NOLAN (for himself, Mr. DERWINSKI, Mr. FAUNTROY, Mr. MILLER of California, Mr. ERTEL, Mr. MURPHY of Pennsylvania, Mr. HOLLENBECK, Mr. BOLAND, Mr. BLOUIN, Mrs. HECKLER, Mr. GEPHARDT, Mr. MAZZOLI, Mr. TRAXLER, Mr. VENTO, Mr. HANNAFORD, Mr. WALGREN, and Mr. PATTISON of New York):

H.R. 8438. A bill to enact the National School-Age Mother and Child Health Act of 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. CARTER, Mr. MARTIN, Mr. BURGENER, Mrs. BURKE of California, Mr. CEDERBERG, Mr. EVANS of Delaware, Mr. FISH, Mr. GEPHARDT, Mr. GILMAN, Mr. MANN, Mr. MARLENEE, Mr. MCCLORY, Mr. MOORHEAD of California, Mr. MURPHY of New York, Mr. ROUSSELOT, Ms. SPELLMAN, Mr. STUDDS, Mr. TSONGAS, Mr. WIRTH, and Mr. ZEFERETTI):

H.R. 8439. A bill to direct the Institute of Medicine of the National Academy of Sciences to conduct a 1-year review and evaluation of all available information respecting the toxicity and carcinogenicity of food additives, including information respecting the ability to predict the effect on humans of food additives found to cause cancer in animals and whether there should be a weighing of risks and benefits in making regulatory decisions respecting such additives, and to direct the Secretary of Health, Education, and Welfare to permit the continued use of saccharin as a food, food additive, drug, and cosmetic for 18 months; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL (for himself, Mr. AKAKA, Mr. ANDERSON of California, Mr. BADILLO, Mr. BEDELL, Mr. BURGENER, Mrs. BURKE of California, Mr. DELLUMS, Mr. DRINAN, Mr. FORSYTHE, Mr. HANNAFORD, Mr. HEFTEL, Ms. HOLTZMAN, Mr. KASTENMEIER, Mr. KREBS, Mr. LEHMAN, Mr. LLOYD of California, Mr. MITCHELL of Maryland, Mr. PANETTA, Mr. RYAN, Mr. SIMON, Mr. SISK, Mr. WAXMAN, and Mr. BOB WILSON):

H.R. 8440. A bill to provide for payment by the United States for certain medical services and treatment provided to U.S. citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

By Mr. THOMPSON:

H.R. 8441. A bill to amend the National Labor Relations Act to give to employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries; to the Committee on Education and Labor.

By Mr. VANIK (for himself and Mr. GIBBONS):

H.R. 8442. A bill to improve the operation of the adjustment assistance programs for workers, firms, and communities under the Trade Act of 1974; jointly, to the Committees on Ways and Means, Education and Labor, and Interstate and Foreign Commerce.

By Mr. WON PAT:

H.R. 8443. A bill to require the payment of prevailing rates of wages on Federal public works in Guam; to the Committee on Education and Labor.

By Mr. ASHLEY:

H.R. 8444. A bill to establish a comprehensive national energy policy; to the ad hoc Committee on Energy for a period ending not later than July 27, 1977.

By Mr. FORSYTHE:

H.R. 8445. A bill to amend title 28 of the United States Code, to provide a civil action for damages against the United States and the U.S. Postal Service with respect to tortious conduct of the U.S. Postal Service in the delivery of mail matters, and for other purposes; to the Committee on the Judiciary.

By Mr. SKUBITZ:

H.R. 8446. A bill to provide a punishment of death or life imprisonment for persons who sabotage nuclear facilities, hijack or sabotage vehicles transporting nuclear material, or who coerce others by threatening exposure to atomic radiation, and to provide a procedure for the sentencing of such persons; to the Committee on the Judiciary.

By Mr. WIRTH (for himself, Ms. FENWICK, Ms. HOLTZMAN, Mr. RYAN, and Mr. GORE):

H.R. 8447. A bill to prohibit the use of Federal funds for certain activities designed to support or defeat any legislation or legislative issue on the ballot in any State; to the Committee on the Judiciary.

By Ms. HOLTZMAN:

H.J. Res. 550. Joint resolution designating August 26, 1977, as Women's Equality Day; to the Committee on Post Office and Civil Service.

By Mr. FORSYTHE:

H.J. Res. 551. Joint resolution to authorize the President to proclaim the last Friday of April each year as National Arbor Day; to the Committee on Post Office and Civil Service.

By Mr. CARNEY:

H. Con. Res. 294. Concurrent resolution calling for full freedom and independence for the Baltic States; to the Committee on International Relations.

By Mr. McDADE:

H. Con. Res. 295. Concurrent resolution expressing the sense of the Congress that the U.S. Postal Service should not reduce the frequency of mail delivery service; to the Committee on Post Office and Civil Service.

By Mr. SHUSTER (for himself, Mr. BROOMFIELD, Mr. WHITEHURST, Mr. MURPHY of Pennsylvania, Mr. LUJAN, Mr. HALL, Mr. KINDNESS, Mr. CHARLES H. WILSON of California, Mr. NIX, Mr. MCCLORY, Mr. THONE, Mr. ROBERT W. DANIEL, Jr., Mr. BADHAM, Mr.

WAGGONNER, Mr. WHITLEY, Mr. SEBELIUS, Mr. TEAGUE, Mr. RUNNELS, Mr. D'AMOURS, Mr. APPLEGATE, Mr. MILLER of Ohio, Mr. BOB WILSON, Mr. COCHRAN of Mississippi, Mr. STUMP and Mr. SYMMS):

H. Con. Res. 296. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. SHUSTER (for himself, Mr. ALEXANDER, Mr. HAGEDORN, Mr. LAGOMARSINO, Mr. KEMP, Mr. DEVINE, Mr. DUNCAN of Tennessee, Mr. GUYER, Mr. TRAXLER, Mr. ICHORD, Mr. WALSH, Mr. WALKER, Mr. SNYDER, Mr. BURGENER, Mr. MARTIN, Mr. DAN DANIEL, Mr. CORCORAN of Illinois, Mr. ABDNOR, Mr. ASHBROOK, Mr. BAFALIS, Mr. BROWN of Michigan, Mr. DEL CLAWSON, Mr. EDWARDS of Oklahoma, Mr. FINDLEY, and Mr. HANSEN):

H. Con. Res. 297. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. SHUSTER (for himself, Mr. HYDE, Mr. KETCHUM, Mr. LOTT, Mr. MARRIOTT, Mr. MITCHELL of New York, Mr. JOHN T. MYERS, Mr. QUAYLE, Mr. QUILLEN, Mr. RAILSBACK, Mr. RHODES, Mr. ROUSSELOT, Mr. TAYLOR, Mr. ANDREWS of North Dakota, Mr. ARMSTRONG, Mr. COLLINS of Texas, Mrs. HOLT, Mr. LEACH, Mr. MARLENEE, Mr. SCHULZE, Mrs. SMITH of Nebraska, Mr. STANTON, Mr. STOCKMAN, Mr. TREEN, and Mr. MILFORD):

H. Con. Res. 298. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. SHUSTER (for himself, Mr. BURLESON of Texas, Mr. DAVIS, Mr. SATTERFIELD, Mr. CONABLE, Mr. ROBINSON, Mr. MCEWEN, Mr. MICHEL, Mr. RUDD, Mr. DERWINSKI, Mr. EMERY, Mr. BUCHANAN, Mr. GRASSLEY, Mr. COUGHLIN, Mr. CEDERBERG, Mr. CRANE, Mr. DORNAN, Mr. DICKINSON, Mr. HAMMERSCHMIDT, Mr. QUIE, Mr. MCDONALD, Mr. BAUMAN, Mr. KASTEN, Mr. GARY A. MYERS, and Mr. LATTA):

H. Con. Res. 299. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. SHUSTER (for himself, Mr. KELLY, Mr. CHAPPELL, Mr. ARCHER, Mr. GOLDWATER, Mr. STEED, Mr. MATHIS, Mr. SIKES, Mr. NICHOLS, Mr. MOORHEAD of California, Mr. STANGELAND, Mr. ENGLISH, Mr. MONTGOMERY, Mr. JONES of North Carolina, Mr. FOUNTAIN, Mr. JENRETTE, Mr. HIGHTOWER, Mr. BEDELL, Mr. JACOBS, Mr. VANDER JAGT, Mr. BROWN of Ohio, Mr. FRENZEL, Mr. FISH, Mr. BEARD of Tennessee, and Mr. SPENCE):

H. Con. Res. 300. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. SHUSTER (for himself, Mr. EVANS of Delaware, Mr. WAMPLER, Mr. RUPPE, Mr. RINALDO, Mr. BYRON, Mr. YOUNG of Alaska, Mr. HORTON, Mrs. PETTIS, Mr. JONES of Tennessee, Mr. YOUNG of Missouri, Mr. HUBBARD, Mr. MANN, Mr. LENT, Mr. SAWYER, Mr. BRINKLEY, Mr. GILMAN, Mr. MOORE, Mr. ANDERSON of Illinois, Mr. WIGGINS, Mr. SKUBITZ, Mr. EVANS of Georgia, Mr. BARNARD, Mr. JONES of Oklahoma, and Mr. WATKINS):

H. Con. Res. 301. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. SHUSTER (for himself, Mr. DERRICK, Mr. ANDREWS of North Carolina, Mr. RONCALIO, Mr. GOODLING, Mr. RISENHOOVER, Mr. GINN, Mr. CLEVELAND, Mr. HOLLAND, and Mr. HARSHA):

H. Con. Res. 302. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. FOUNTAIN:

H. Res. 698. Resolution insisting upon retention of undiluted U.S. sovereignty over the Canal Zone and the Panama Canal; to the Committee on International Relations.

By Mr. KEMP:

H. Res. 699. Resolution: a strategy for freedom—an outline for human rights; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. FLOWERS, Mr. CORNWELL, Mr. CUNNINGHAM, Mr. WATKINS, Mr. EVANS of Delaware, Mr. GILMAN, Mr. CARNEY, Mr. WHITEHURST, Mr. SIKES, Mr. WHITLEY, Mr. COLLINS of Texas, Mr. HANNAFORD, Mr. PRICE, Mr. BENNETT, Mr. DAVIS, and Mr. EILBERG):

H. Res. 700. Resolution relative to the U.S. retention of the Panama Canal; to the Committee on International Relations.

By Ms. OAKAR:

H. Res. 701. Resolution to provide for a procedural and financial review of the financial services offered to Members of the House of Representatives by the Office of the Sergeant-at-Arms; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

232. By the SPEAKER: Memorial of the Legislature of the State of California, relative to marine mammal protection; to the Committee on Merchant Marine and Fisheries.

233. Also, memorial of the Legislature of the State of Florida, relative to commercial airline regulations; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Rhode Island:

H.R. 8448. A bill for the relief of Jonathan Joseph Devaux, Donna Marie Devaux, Danielle Jeanne Devaux, Christian Neveda Devaux, Damian Jonathan Devaux; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 8449. A bill for the relief of Lourdes Marie Hudson; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

156. The SPEAKER presented a petition of the Massachusetts Town Clerks' Association, Inc., Chatham, Mass., relative to instant voter registration; to the Committee on House Administration.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5400

By Mr. AUCOIN:

Page 44, strike out lines 17 and all that follows down through page 45, line 3.

And redesignated the following sections accordingly.

Page 25, line 26, strike out "section 13" and insert in lieu thereof "section 12".

Page 26, line 5, strike out "section 17" and insert in lieu thereof "section 16".

Page 38, line 14, strike out "section 17" and insert in lieu thereof "section 16".

Page 39, beginning on line 19, strike out "section 12(a) or under".

Page 22, line 3, strike out "the registration of qualified voters or" and insert in lieu thereof the following: "obtaining and maintaining uniformity in the application, operation, and interpretation of the election laws of any State and".

By Mr. COHEN:

Page 22, after line 8, insert the following new paragraph:

(4) the term "elderly individual" means an individual 65 years of age or older;

Page 22, line 9, strike out "(4)" and insert in lieu thereof "(5)".

Page 22, line 14, strike out "(5)" and insert in lieu thereof "(6)".

Page 22, line 19, strike out "(6)" and insert in lieu thereof "(7)".

Page 22, after line 22, insert the following:

(8) the term "physically handicapped individual" means an individual who needs mechanical or personal assistance to provide for the safety and mobility of such individual;

Page 22, line 23, strike out "(7)" and insert in lieu thereof "(9)".

Page 23, line 3, strike out "(8)" and insert in lieu thereof "(10)".

Page 23, line 6, strike out "(9)" and insert in lieu thereof "(11)".

Page 23, line 13, strike out "and".

Page 23, line 14, strike out "(10)" and insert in lieu thereof "(12)".

Page 23, line 16, strike out the period and insert in lieu thereof "; and".

Page 23, after line 16, insert the following new paragraph;

(13) the term "voting precinct" means the area inhabited by all individuals assigned to one polling place for a Federal election.

Page 31, line 13, insert "and section 6(e)" after "paragraph (2)".

Page 39, line 3, insert "subsections (a) through (d) of" after "provisions of".

Page 39, line 5, insert "if such State is in compliance with the provisions of section 6(e)" before the period.

Page 39, line 9, insert "if such State is in compliance with the provisions of section 6(e)" before the period.

Page 20, line 19, insert ", place," after "time".

Page 21, line 5, insert ", place," after "time".

Page 21, line 10, insert before the semicolon the following: ", and practices which provide physically handicapped and elderly individuals with access to registration and polling places used in Federal elections".

By Mr. VOLKMER:

Page 28, line 19 strike the word "approval" and insert in lieu thereof "review and disapproval".

Page 30, strike out lines 13 through 17 and insert in lieu thereof "(B) The chief election official of any state may exempt any unit or part of a unit of local government from the application of subparagraph (A) with respect to any polling place in said unit of local government at which the chief elec-

tion official considers the separate processing required by such subparagraph to be impracticable or unnecessary."

H.R. 6796

By Mr. DODD:

On page 23, lines 9 and 10, strike "$483,300,000", and insert in lieu thereof "$408,300,000" (and conform the figure on page 20, line 26).

H.R. 7171

By Mr. DE LA GARZA:

Page 130, beginning at line 5, strike out everything down through and including page 131, line 25, and insert in lieu thereof the following:

"INTERNATIONAL AGRICULTURAL RESEARCH EXTENSION

"SEC. 1327. The Secretary of Agriculture, subject to such coordination with other Federal officials and agencies as the President may direct, is authorized to:

"(1) expand the operational coordination of the Department of Agriculture with agricultural research and extension activities around the world by exchanging research materials and results and by conducting joint or coordinated research and extension on problems of significance to agriculture in the United States;

"(2) assist the programs of the Agency for International Development in agricultural research and extension in developing countries;

"(3) work with developed countries on agricultural research and extension, including the stationing of United States scientists at national and international institutions in such countries;

"(4) assist in strengthening research and extension capabilities among United States colleges and universities which are relevant to agricultural development activities overseas; and

"(5) further develop within the Department of Agriculture highly qualified experienced scientists who specialize in international agricultural programs, to be available for the activities described in this section."

By Mr. McHUGH:

Insert the following language after the figure "$75" in section 1205(e)(3) at page 14, line 11: "(adjusted annually to the nearest $5, commencing January 1, 1979, to reflect changes in the shelter and fuel and utilities components of housing in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for the 12 month period ending the preceding September 30)".

By Mr. ROSE:

On page 52, line 5, insert the following:

STANDARD OF QUALITY

SEC. 910. Section 203(c) of the Agricultural Marketing Act of 1946 is amended by inserting immediately before the period at the end thereof the following semicolon: "; *Provided*, That within 30 days of enactment of the Agricultural Act of 1977, the Secretary of Agriculture shall by regulation adopt a Standard of Quality for ice cream which shall provide that ice cream shall contain at least 1.6 pounds of total solids to the gallon, and weighs not less than 4.5 pounds to the gallon, and contains not less than 20 percent total milk solids, constituted of not less than 10 percent milkfat. In no case shall the content of milk solids not fat be less than 6 percent. Whey shall not, by weight, be more than 25 percent of the milk solids not fat. Only those products which meet the standard issued by the Secretary shall be able to bear a symbol thereon indicating that they meet the USDA standard for "ice cream." "

H.R. 7940

By Mr. GLICKMAN:

In section 19 on page 56, line 23, after "patterns." insert the following: "Notwithstanding any other provision of law, the Secretary, in furnishing commodities to summer camps for children may furnish such commodities to any such camp in which the number of adults participating in camp activities as compared with the number of children under 18 years of age so participating is not unreasonable in light of the nature of such camp and the characteristics of the children in attendance."

By Mr. WALKER:

(Amendment to H.R. 7940, as reported and offered as an amendment in the nature of a substitute to title XII of H.R. 7171, as reported.)

On page 29 of H.R. 7940, after line 22, insert the following new subsections:

(e)(1) The Secretary shall determine that a food is of high nutritional value under section 3(g)(1) and under paragraph (3) of this subsection if such food has an Index of Nutritional Quality which is at least 2 for 2 or more of the following nutrients: protein, vitamin A, vitamin C, Vitamin B6, Vitamin D, Vitamin E, Vitamin B12, phosphorus, iodine, magnesium, folacin, niacin, thiamine, riboflavin, calcium, and iron, or if such food has an Index of Nutritional Quality of at least 1 for 4 or more of such nutrients; except that the Secretary, after consultation with the National Research Council of the National Academy of Sciences, the Food Nutrition Board of the National Academy of Sciences, and the President of the National Academy of Sciences, may make specific exceptions to this definition of condiments or food products which have a significant value in the enhancement of palatability.

(2) As used in this subsection, the term "Index of Nutritional Quality" for a particular nutrient means the ratio of the nutrient content of the food sample to the human nutrient requirement as defined by the United States Recommended Daily Allowances, divided by the ratio of the calorific content of the sample to the United States Recommended Daily Allowance of calories.

(3) Food manufacturers, processors, and producers desiring to have their products approved for purchase with food stamps shall submit an application therefor at such times, in such form, and with such information as the Secretary may, by rule, require. The Secretary shall periodically review such applications, shall approve for purchase with food stamps those products which the Secretary determines are of high nutritional value, and shall transmit a list of products so approved to the Congress. The first such list shall be transmitted to the Congress within one year after the date of enactment of the Agricultural Act of 1977, and subsequent lists shall be transmitted at such times as the Secretary may, by rule, determine appropriate.

(4) Annually after products are first approved for purchase with food stamps under this subsection, the Secretary shall review the products approved for such purchase and withdraw the approval of any product which the Secretary determines to be no longer of high nutritional value.

(5) The Secretary shall notify food stamp recipients and retail food stores and wholesale food concerns participating in the food stamp program of products which are approved for purchase with food stamps and of the withdrawal of the approval of any product for purchase with food stamps.

(f)(1) Within 90 days after any product is approved under subsection (e) for purchase with food stamps, the manufacturer, processor, or producer of such product shall indicate the approval in a conspicuous place on the outside container or wrapper of the retail package of such product; except that if the Secretary determines that it is not feasible to so indicate the approval of any product (such as fresh meat, vegetables, and fruit), the approval need not be so indicated, and the Secretary shall notify retail food stores and wholesale food concerns participating in the food stamp program of such products and shall publish in the Federal Register a list of such products.

(2) Within 90 days after the approval of any product for purchase with food stamps has been withdrawn—

(A) the Secretary shall publish in the Federal Register a notice of such withdrawal; and

(B) the manufacturer, processor, or producer of such product shall remove any indication of the approval of such product from the outside container or wrapper of the retail package of such product.

(g) The Secretary shall select the manner by which manufacturers, processors, and producers shall indicate the approval of products for purchase with food stamps under subsection (f).

EXTENSIONS OF REMARKS

THE RENEGOTIATION BOARD: A MASQUERADE IN THE NAME OF THE CONSUMER

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. HANNAFORD. Mr. Speaker, decisionmaking involving the many important issues of our time requires first that problem analyses be based on valid premises. In particular, I raise this with regard to pending legislation concerning the Renegotiation Board, H.R. 5959.

No one in this Congress wants to see the Government taken advantage of. Extending the Renegotiation Board, however, does not mean that the Government will be protected, in some way, from the connivings of supposedly unscrupulous defense contractors. Nor does a continuance of this Board mean that American taxpayers will see millions of dollars rolling back into the Federal Treasury.

What we are faced with is a decision on whether or not a wartime Board can be justified during peacetime. Unfortunately, "borrowed trophies" are now being displayed to support the case for the Renegotiation Board. Specifically, I refer to the recent articles on the Lockheed Corp's alleged overcharge to the Government for steel. As Senator CRANSTON and I pointed out in a June 21 "Dear Colleague" letter, the Justice Department is handling this investigation at the request of the Defense Department, whose auditors detected the discrepancy. The Renegotiation Board did not uncover this case; it is simply laying claim to an investigation which it obviously hopes will secure the Board's continuance.

Let us take a look at the history of

this Board. It was created in 1942 and called the Wartime Contract Price Adjustment Board. It was terminated at the end of World War II. Later, in 1951 it was reinstituted as the Renegotiation Board at the beginning of the Korean war. As a wartime agency, when contract negotiations are hasty and no thorough review of costs and pricing data can be conducted, the Board serves its purpose. But an honest assessment of the Federal Government's peacetime procurement efforts involving 54,000 individuals, including about 9,000 auditors, numerous pricing specialists and cost analysts, at a cost of about $1 billion makes it difficult to imagine that renegotiation, serving as a tail end process and often at a considerable lag, can be viewed as cost effective. As an example, the Renegotiation Board's 21st Annual Report, 1976 claims that "excess" profit determinations totaling $40 million were made in 1976. These profits were acquired during the 8-year period 1966–73. This averages out to $5 million per year before taxes. After taxes, this amounts to about $2.5 million and its costs $5.5 million to operate the Board. Moreover, $36 million of the $40 million is tied up in litigation; and the costs of this litigation to the Government and the taxpayer should not be overlooked.

Mr. Speaker, at this point let me mention that one of the most disturbing aspects about the Renegotiation Board is that a subjective process is followed in determining what "excess" profits really are. The GAO has even testified that in the past the Board has not made such determinations in a uniform or consistent manner and that the whole "excess" profits area is very difficult to define. The American Bar Association has also raised this point in its resolution against H.R. 5959. Therefore, the very heart of the Board's function currently stands on a very shaky foundation.

The proponents of H.R. 5959 insist that they have the best interests of the public and the Government in mind. The opponents, too, have the best interests of the Government and the people in mind. We are as opposed to windfall profits going to defense contractors, or any other contractors, as we are to unnecessarily burdensome and duplicative paperwork requirements. We also realize that in this instance, there is no solid basis to the notion that defense contractors are trying to ripoff the Government en masse. Evidence of ample existing safeguards is difficult to overlook. As an example, I attach the following form showing the procurement environment in 1951 as opposed to the procurement environment in 1977:

PROCUREMENT ENVIRONMENT IN 1951

1. Source List (Degree of Competition):

A. Known to Contracting Officer and Procurement Engineering Group.

B. Practically no financial data or performance data.

2. Request for Proposal:

A. Proposal submitted to Contracting Officer.

B. Engineering evaluation by engineering located with C.O.

C. Prior analysis by procurement activity with advisory report. No required comment by C.O.

D. District Administrative Office was advisor for selection process. Prior contractor performance given limited consideration.

E. District Administrative Office reviewed facilities capabilities, available personnel and contractor ethics.

3. After Negotiation:

A. Award of contract and performance of contract.

B. Periodic review by ACO or C.O. or his procurement team.

C. Preferred type of contract was cost plus fee or redeterminable type.

D. Section 15 of Armed Service Procurement Regulations applicable only to cost type contracts.

PROCUREMENT ENVIRONMENT IN 1977

1. Source List (Degree of Competition):

A. Computerized and filed in data bank.

B. Extensive financial, performance, managerial and facility data available.

2. Request for Proposal:

A. Proposal submitted to Contracting Officer.

B. Briefings to potential offerors.

C. Engineering review with participation by engineering representatives from procurement or developing agency, ultimate user organization and Defense Contract Administration Services.

D. Cost analysis by DCAS, Defense Contract Audit Agency and procurement representatives. C.O. must document reasons for overruling cost analysis findings.

E. Source selection review board with members from all agencies.

F. C.O. team assisted by DCAA and Administrative Contracting Officer/DCAS conduct fact finding operation.

G. DCAA comments on estimating procedures used, manpower rates, applicable operating burdens, purchasing performance, applicability of accounting disclosure statement and operational audit results.

H. DCAS Administrative and Engineering comments on adequacy of facilities and manpower, managerial and technical and schedule performance history and projections.

I. Multiple negotiations with winner selected after completion of several negotiations.

J. Issuance by contractor of Certificate of Current Cost and Pricing (Truth in Negotiations).

K. C.O. has advance estimate of costs and prepares "Should Cost" and weighted guideline profit or fee analysis prior to negotiation.

3. After Negotiation:

A. Award of contract and performance of contract.

B. Post award audit by DCAA.

C. Preferred type of contract is firm fixed price.

D. Review of Certificate of Current Cost and Pricing and DD633 Form by DCAA and DCAS to assure Government rights under Defective Pricing Clause.

E. Performance of contract by contractor with on-site DCAA performing operational audits, monitoring incurred costs, performing audits to assure compatibility with contractor disclosure statement, applicable Cost Accounting Standards regulations and incurred costs.

F. Performance of contract by contractor with DCAS monitoring scheduling and engineering performance. Additional surveillance functions performed are: mobilization; insurance; safety; purchasing; management; pricing policy; salary administration; small business; minority business; quality assurance; property administration; security; and modernization.

G. Changes in accounting practices have been mandated through Cost Accounting procedures as follows:

Cost Accounting Standards (1972).

Cost Accounting Standards Board to issue from time to time Cost Accounting Standards designed to achieve uniformity and consistency in cost accounting problems which are to be followed by Government contractors and subcontractors, complete disclosure of accounting practices in every aspect of the business required. Changes in accounting practices must be followed by full disclosure to the Cost Accounting Standards Board.

CAS 401: Consistency in estimating, accumulating and reporting costs.

CAS 402: Consistency in allocating costs incurred for the same purpose.

CAS 403: Allocation of home office expenses to segments.

CAS 404: Capitalization of tangible capital assets.

CAS 405: Accounting for unallowable costs.

CAS 406: Cost Accounting period.

CAS 407: Standard costs for direct material and direct labor.

CAS 408: Compensation for personal absence.

CAS 409: Depreciation of tangible assets.

CAS 410: Business units of General and Administrative expenses to a single cost objective.

CAS 411: Accounting for acquisition of cost of material.

CAS 412: Pension costs.

CAS 414: Cost of money.

H. Section 15 of Armed Service Procurement Regulations which defines allowable and unallowable costs and requires specific allocations is now applicable to all types of contracts.

As one of the prime supporters of H.R. 5959, Admiral Rickover, a widely respected figure in the nuclear propulsion area, has presented his view that there are millions of dollars of "hidden" profits somewhere. I urge the good admiral to have faith in our private enterprise system. The defense industry is comprised of many small, large, and medium-sized firms. They are just as concerned with problems of inflation and unemployment and overall economic well-being as are other businessmen. There is no more reason to renegotiate defense-related procurement during peacetime than the billions of dollars of other goods procured by the Federal Government, and only some 36 percent of the procurements are subject to review by the Board. Sometimes, in the name of the consumer, in the name of the public, the Government can go too far. What is the use of our efforts to reduce inflation and unemployment if we turn around and create more inflation and unemployment through poor legislation? What is the use of our advocacy of eliminating unnecessary bureaucracy if we refuse to recognize and eliminate an unnecessary Federal agency that is staring at us in the face!

On a legal and economic basis, the legislation contains serious flaws. Numerous constitutional questions are raised in addition to unfounded assumptions of the defense industry.

The Defense Department, for instance, opposes this legislation. In a study of the defense industrial base conducted by the Department in 1976, profitability before taxes on sales to the Government was on average lower than on sales to the commercial sector.

	Percent profit				
Sales:	1970	1971	1972	1973	1974
Commercial	16.0	12.6	17.3	18.6	19.4
Government	4.6	4.7	4.7	5.0	5.2

The annual average during the 1970–74 period of profitability on sales to the Government was 4.7 percent as compared to 17.1 percent in the commercial sector.

In brief, this study concludes that defense industry profits are not exorbitant, that capital formation and invest-

ment in the industry need to be encouraged. As a result of this study, in which the Conference Board also participated, the Defense Department revised its profit policy and other procurement initiatives. In testimony last year before the Joint Defense Production Committee, a Defense Department representative stated:

. . . the new policy provides for consideration of profit on demonstrated unit cost reductions resulting from productivity improvements. This approach emphasizes that it is our objective to reduce contract price and that we are willing to reward productivity when it yields lower prices.

H.R. 5959 would undermine this policy. Another error of major import is that the Renegotiation Board's determination of "excessive profits" fails to take into consideration the degree of risk in the defense industry. In this regard, the Conference Board's study of the defense industry revealed that major financial institutions considered the industry, as compared to average commercial endeavors, highly risky.

Mr. Speaker, in closing let me add that the Renegotiation Board is not synonymous with good government. A careful assessment of our existing peacetime procurement rules and regulations provides a clear-cut case against H.R. 5959. The more than 200 Members who support my position that the Board should be limited to wartime activity have undertaken a rational, factual analysis of this legislation. We refuse to be swayed by emotional appeals and misleading arguments to keep an ineffective Board in business.

CONCERN FOR AMERICA'S FUTURE

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. BROWN of Michigan. Mr. Speaker, on Memorial Day a former Logan County School Superintendent, Mr. John Stanfield, delivered an outstanding speech which I am delighted to share with this body. He discusses the motivating force upon which this country was founded—patriotism. His love for America comes from the heart and is a result of his experience both in this country and from abroad. The concern he has shown for America was reflected in his job as well as in everyday life. I am proud to say this concern for America is typical of the individuals in Ohio's Seventh Congressional District. I would like to have Mr. Stanfield's remarks reprinted here for the benefit of my colleagues:

MR. STANFIELD'S REMARKS

Mr. Brown, Honored Guests, Friends: Each time we take part in a Memorial Day program or attend ceremonies like these; as we watch the American flags wave in the breeze, hear the bands, we try in our hearts to understand and appreciate the trials, heartaches, moments of torment or happiness that those who have made America the country that it is. We are proud of them and thankful for them. Today is a day for remembering those earlier Americans who lived, struggled to build, and died under tremendous hardships to give us our heritage—this country, this community.

We often severely criticize some aspects of our national life, and perhaps it is good to be able to see where we are wrong and try to correct matters. But if you have ever lived for any time abroad you quickly learn that America is a country of which we can be proud. This concept was repeatedly brought home to me when I conducted American farm leaders on tours of Egypt and Pakistan a few years ago. Without exception the participants would say to me, "John, as I leave this country and return to American soil, I will get down on my knees and thank God that I am an American citizen."

Did you ever help a child make a kite and share with him that eager questioning anticipation which is so much a part of the whole fashioning process? Will it fly? Will it gracefully ride the winds? What if a sudden squall comes up? Will it buckle and dart disastrously into a tree? It wasn't the calm and steady breeze that you needed to be concerned about. It was the turbulence that offered the real test of your kite-making skills.

Have you ever said, or heard it said, "I don't want my child to have as hard a time as I did"? We forget that turbulence is the real test of whether or not we can successfully meet the challenges of life. Today we are beginning to see that a hard testing of our unselfish love of country is becoming as we see that the rapid depletion of the world's natural resources will force us to change our lives, no matter where we live.

There are fundamental aspirations that Americans can hold, basic to our lives now, especially in the light of the rapid worldwide changes we are experiencing. Elmer Morgan has summarized those aspirations and ideals that have brought happiness, achievement and fulfillment to many Americans. He listed them as follows:

1. To be a good father, mother, sister, brother, or friend.

2. To be dependable, faithful, a skilled worker in the home, school, office, Church, field or factory.

3. To be an intelligent, honest, useful and loyal citizen, with faith in God and a love of fellowman.

4. To recognize the brotherhood of man and live by the Golden Rule.

Some of these things may appear as common, ordinary . . . little things. But if carefully examined we will find them to be the most important factors for good in our lives!

The common things in life are the things that have made the uncommon American!

Dean Rusk, former Secretary of State, was invited to a New England college campus to lead a discussion on "Values". He talked of little things, small things: Such as honor, love, faith, character, integrity, sacrifice, patriotism. Following the discussion, as Mr. Rusk walked from the room a dead silence fell over the group. Then . . . tremendous applause. They had understood what he said.

Men and women that we remember—as we look at the lives of those people we realize that they lived by values that made their lives more meaningful, and the world in which they lived more liveable! This could be a realistic goal for each of us—A more liveable world in which to live!

While this day is for remembering those who sacrificed their lives in war to preserve our freedoms, we also remember those who returned to pick up the torn threads of their lives and those families at home who also suffered the pangs, doubts and losses of war. All felt loyalty and duty to country and were willing to pay a high price for the privilege of American citizenship.

What is an American citizen?

President Lincoln once said: "Let reverence of the laws . . . become the political religion of the nations." He was saying that laws are needed and it is necessary that we respect and observe them. Law is a great instrument for social justice—when applied evenly and fairly.

Another president, Theodore Roosevelt, said, "No man is above the law, and no man is below it." He was saying "equal justice for all".

Thus both men highlighted the importance and the correct application of law in the American way of life.

Again, I believe that the American concepts of compassion, dignity, honesty, integrity, loyalty, patriotism, and love of fellowman that were woven into our Constitution and national life, by our Founding Fathers whose thinking was based on the Judeo-Christian ethic, are of everlasting value.

Not all believe this to be true! There are many thousands of people, many groups, that are doing all they can to destroy religion, the law, the schools, the family and the Constitution itself!

Let us think for a moment of some events in our national life. As I name them ask yourselves if you think they should become the accepted standards for our state or nation:

1. Graft, greed, lying, stealing and other crime in government circles.

2. The Supreme Court decision sanctioning abortion. How can we rationalize our righteous indignation of Hitler's slaughter of the Jews in the death camps of World War II, and yet accept this decision and the low value it places on human life.

3. The 'Do your own thing' concept—no matter the cost to others or self.

4. Media programming that is contrary to the basic tenets of Christianity.

5. The 'God is dead' movement with its far-reaching consequences on both youth and adults.

6. Food stamp scandals . . . workmens compensation scandals . . . welfare scandals . . . medicare.

7. The modern view of some that the family is out-dated.

8. Lotteries wherein the State exploits the weakness and greed of its citizens to secure funds. Historically, such governments have declined!

9. State-owned liquor stores, acceptance of prostitution, homosexuality, hard-core pornography.

10. Ruling prayer and expression of religion out of our public schools. I would like to enlarge on this subject: a bit later.

Along these same lines Wm. J. Rogers, present Commander of the American Legion, speaks of America as a 'troubled land' and says that many Americans are filled with doubts; too many are asking if we have fallen victims of our own excesses, too many see old standards, old traditions crumbling, with little evidence of strong new standards rising . . . ordinary Americans are worried that values they fought for are slipping away. He continues:

"Terrorists seize hostages, kill innocent people, posture for TV cameras, mock the police and even demand conversation with the President of the United States.

"Discouragement or disillusionment with government at all levels borders on cynicism. Crime has spawned a silent fear that now pervades many once-proud cities.

"Concerned parents are pulling the plug on dubious, if not offensive, TV programs.

"Neighborhood theatres offer 'parental guidance' rated movies that make many parents blush, and X-rated fare that is artistically redeeming only in the eyes of judges wearing blinders!

It is a cliche to say that this is a dangerous moment in our history. The phrase hase been the editorial writer's prerogative for 200 years. But this is a moment of disquiet in America and it troubles many people. (Symptoms of this disquiet are found each day on the front pages of our newspapers and on each day's newscasts.)"

On the matter of ignoring prayer and religion in our public schools:

The Amendment to our Constitution in 1789 reads as follows: "Congress shall make no laws, respecting the establishment of religion or prohibiting the free expression thereof."

In my judgment the founding fathers had no intention of eliminating everything religious from the official life of our nation. As witness to this we note the ff.

1. The existing numerous government documents and statements that recognize God as the Divine leader of our country.

2. Many mayors, Presidents' and governors' calls to prayer and Thanksgiving proclamations.

3. Prayers in the Halls of Congress.

4. In the 1950's Congress added the words 'under God' to the pledge of allegiance following the words 'one Nation'.

5. Oaths of office by government officials taken on the Bible.

There can be no question that our forefathers believed that independence was possible only when there is a 'Firm reliance on Divine Providence.' The above amendment, in my judgment, was to guarantee the separation of Church and State as institutions, wherein government was not to control the church and no church was to control the government. The reason for this was simple . . . the Founders remembered the evils that arose from such things in Europe. The amendment certainly does not eliminate all government controls over religious activities, nor does it eliminate all religious expressions from public life. A nation 'under God' cannot run roughshod over the ideals of justice and honesty that are a part of our religious heritage.

In summary it appears to me that our country is faced with four crises and in the ff. order:

1. A religious crisis! When civilization is built upon technologies and machines that ignore the dignity of man, reject responsibility to God, then a type of Communism is the logical result.

2. A moral crisis! People have come to think they can do anything they want to, and get away with it. But society cannot endure without moral sanctions: It disintegrates!

3. A political crisis: As certain that night follows day, when society fails religiously and morally it is certain to fail politically.

4. Economic crisis: When economic problems are solved by selfish strife, greed, special interests, enslavement and war—at that moment we have created the ultimate moral/religious crisis. So the cycle continues until we destroy ourselves as a nation.

Government cannot provide all things to all people. We give up some right, freedom or independence for every function we turn over to government in return for more paternalistic catering to our many wants.

All the present-day claiming of 'democracy and rights' will be meaningless unless a life worth living, a spiritual life, is achieved by the individual!

Josiah Gilbert Holland gave us these thoughts:

God, give us Men! A time like this demands,
Strong minds, great hearts, true faith and ready hands;
Men whom the lust of office does not kill,
Men whom the spoils of office cannot buy,
Men who possess opinions and a will,
Men who have honor; men who will not lie.
Men who can stand before a demagogue,
And damn his treacherous flatteries without blinking,
Tall men, sun-crowned, who live above the fog,
In public duty and in private thinking.
For while the rabble, with their little deeds,
Mingle in selfish strife, Lo, Freedom weeps,
Wrong rules the land and waiting Justice sleeps.

America has always had such men—men who have risen to many crises. I believe that the true American spirit still burns in many hearts and that her people will meet the challenge of these times.

CARTER'S COKE CONNECTION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. McDONALD. Mr. Speaker, this may not be quite the "Coke Connection" which has been discussed at length in the Spotlight, but it is a suggestive enough conflict of interest not unrelated, in that it involves the Coca-Cola Corp.

William Safire has done a nice job in his July 7 column on "Carter, Coke, and Castro."

[From the New York Times, July 1, 1977]

CARTER, COKE AND CASTRO

(By William Safire)

WASHINGTON, July 6.—The Atlanta-based Coca-Cola Company's long-term investment in Jimmy Carter has begun to pay off.

Campaign contributions from Coca-Cola executives swelled the Carter coffers when he was Governor of Georgia; Coca-Cola corporate aircraft bounded him around the nation, as he picked up political support while ostensibly promoting the state; and Coca-Cola chairman J. Paul Austin hosted a luncheon in New York's "21" to raise a major bundle for the Carter Presidential campaign.

That was the investment; here is the return:

1. Proposed windfall payments benefiting sugar processors. Coke is the biggest buyer of sugar—a million tons a year—and wants prices kept low. Strangely, as sugar prices have dropped, soft-drink prices have risen, a market anomaly that Coke would like to see continue.

But because of sugar-dumping around the world, the price is now too low to produce profitably in the United States. To keep U.S. producers in business and to prevent future price-gouging, the U.S. Trade Commission, after lengthy study, recommended a two-cent duty on incoming sugar.

Coke did not like that. Through the "Sugar Users Group"—a trade lobby run by Coca-Cola vice president John Mount—it sold the Carter Administration a scheme that would save big processors money at the expense of taxpayers.

President Carter rejected the two-cent duty (which would have added money to the U.S. Treasury) and instead proposed a subsidy (taking money from the Treasury). In the name of free trade, Mr. Carter adopted a weird form of protection: instead of raising the price of sugar to Coca-Cola with a duty, he would protect corporations like Coke by paying their suppliers an estimated $240 million a year to cover losses. Although Kansas Senator Bob Dole has blocked this ripoff with an amendment limiting payments to $50,000 per grower, Coke lobbyists can expect to overcome resistance soon.

2. Using the Carter connection. On June 4, Coke's J. Paul Austin went to Havana to meet with Fidel Castro. Upon his return from Cuba, Mr. Austin met in the White House with his friend, recent Coca-Cola stockholder Jimmy Carter.

The Coca-Cola Company refuses to say what Mr. Austin discussed with Mr. Carter or Mr. Castro. The White House also refuses to reveal what Mr. Austin reported.

Couple of questions arise. Whom did Mr. Austin represent in his talk with Mr. Castro? Since Coca-Cola stockholders paid for his trip, and since Coca-Cola has a $27.5-million claim against Cuba for the confiscation of its properties in 1961, one would assume the Coke chairman went on behalf of the Coca-Cola Company.

Why, then, the hush-hush briefing of the President immediately upon his return? The White House insists that Mr. Austin was not sent as an emissary. Coca-Cola stonewalls completely, saying only that Mr. Austin and Mr. Carter did not discuss sugar prices.

Assuming that to be true, logic dictates the answer: Mr. Austin carried the President's personal greetings to Mr. Castro; after talking business with that lubrication, the Coke chairman asked if he could carry a message to his friend, President Carter; and the Cuban leader took him up on the kind offer, just as Mr. Austin and Mr. Carter knew he would.

That was the reason for the Austin-Carter White House meeting immediately upon his return from Cuba. The President now has an "unofficial channel" on matters affecting trade relations between the United States and Cuba—who happens to have a huge economic interest in the outcome.

What's wrong with that? Everything.

First, the unofficial ambassador trick neatly circumvents the Congress, which is supposed to confirm and be able to question ambassadors. The Senate Foreign Relations Committee is still a doormat, but one hopes the House International Affairs Committee—as well as the overseers of foreign trade decisions—will soon question the man who is carrying the word from Mr. Castro.

Second, the President's conscious use of Mr. Austin involves the White House in the most brazen conflict of interest. It is no secret that Coca-Cola is dying to do business with Cuba, especially if the U.S. taxpayer is made to subsidize the U.S. cane, beet and corn sweeteners. In that case, is the Coke boss really the person to use for "reports" or private messages from Cuba's boss?

Partisans with good memories will claim a precedent from the Nixon years with Pepsi president Don Kendall opening the Russian market; but even if the case were the same (which it is not), since when are all the actions of the Nixon Administration to be held up as moral criteria for the Carter men?

If this is an open Administration, let's get some answers: What nonbusiness matters did the Coke chairman discuss with Mr. Castro? What business-related matters did he discuss with Mr. Carter? Should a President send a campaign contributor with "personal greetings" to another chief of state when he knows it is a gambit for a business deal?

The Carter-Coke-Castro sugar diplomacy is not merely a potential conflict of interest. It's the real thing.

ALASKAN NATURAL GAS—PART VI: WHAT ABOUT THE NEW ROUTE?

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. MURTHA. Mr. Speaker, in part V of this series I noted the decision by the National Energy Board of Canada recommending a revised Alcan line project to deliver Alaskan natural gas to the lower 48 States. Upon reviewing that decision, it becomes clear what the Canadian Energy Board really recommended was a new route, with new requirements, that has not been looked at in great detail by American governing bodies.

I would like to insert in the RECORD a

letter from John C. Bennett, of the competing El Paso/Alaskan line, to Presidential Energy Assistant James Schlesinger. The letter well outlines the potential problems and decisions with the new Alcan proposal, and shows how careful consideration of this decision must be to protect the American consumer:

EL PASO ALASKA CO.,
Washington, D.C., July 12, 1977.

Hon. JAMES R. SCHLESINGER,
Assistant to the President,
The White House,
Washington, D.C.

DEAR DR. SCHLESINGER: My purpose in writing this letter is to bring you up to date on some very significant developments which impact on the pending decision concerning how best to market Prudhoe Bay natural gas in the "Lower 48" states. We are in a new ball game, and it is imperative that all concerned understand the recent turn of events.

The decision by Canada's National Energy Board (NEB) on July 4 narrowed the American choices to two: the El Paso project and the new Alcan project. The adjective "new" is fully justified by the NEB's requirements for a new routing in both the U.S. and Canada, a new commingling of Canadian and U.S. gas, an undefined new Canadian corporate structure, a new tax to be borne by U.S. consumers, and requirements for substantially new and different tariffs and plans for financing.

The NEB in effect has advocated the third in a series of proposals which have all been labeled "ALCAN." The first was proposed in 1976 and rejected as unworkable by Judge Nahum Litt on February 1 of this year. The following month (March 8) Alcan introduced a second application. Without calling a single witness to be cross-examined on the alleged costs, environmental studies, etc., of the new proposal, the FPC reversed Judge Litt with two commissioners recommending approval of the new Alcan application on May 1. The latest (third) Alcan project is that revealed by the NEB on July 4. This proposal is literally a combination of assertions by the applicants and as yet unstudied Canadian modifications.

The El Paso proposal, in stark contrast, was examined for more than two years on a sworn record of over 45,000 pages, and has not been modified in any respect since undergoing that exhaustive cross-examination of its costs, schedules, engineering, financing, etc.

Let us now examine what is known about the current proposal which has been recommended by Canada's NEB. Please bear in mind that the following comments accept without question the assertions of the applicant and the NEB, an acceptance which in itself ignores many unknowns about Alcan. The following significant points merit your attention:

To date, the alleged costs (in mid-1975 dollars) of the Alcan project have changed from the originally announced $4.7 billion for facilities only in Alaska and Canada to over $8.5 billion for facilities which include reroutings in Alaska and Canada, a lateral to the Mackenzie Delta along the Dempster Highway, and pipelines in the Lower 48 states.

Additional costs, for which no estimates have even been made, include the costs of the socioeconomic monitoring organization in Canada, the cost of the native claims settlement (if indeed they are settled), the costs of the required new studies and applications for the added legs in Canada, and the costs of the Canadian requirement that gas will be distributed by the applicant to service.

The gas consumption (shrinkage) required by Alcan to deliver Prudhoe gas to U. S. markets has spurted from 6.4% to 11.3%. El Paso's total gas useage (taking no credit for recovery of cryogenic energy) is 10.9%.

The effect of increased capital costs and increased shrinkage will certainly impact the transportation cost of Alcan adversely. We cannot at this point accurately quantify that impact, but hope to have a reliable estimate within two weeks.

The net economic benefits (reported to favor Alcan by the Executive Task Force in its study presented to the President on July 1) are now greater for El Paso than for Alcan, largely because of the increased shrinkage referred to above.

The NEB clearly insists that Canadian political and corporate control be complete. American companies may contribute equity and debt capital, but will have no control over corporate decisions. American consumers will pay bills that are the result of exclusive Canadian political and corporate control.

The NEB requires that the Alcan companies pay up to $200 million for the social services in Canada. This requirement leads inexorably to one of two conclusions:

(a) The hydrocarbon treaty between the U.S. and Canada has been violated by "discriminatory taxation" even before its ratification by the U.S. Senate, OR

(b) If this $200 million tax is claimed not to be discriminatory, then we must conclude that Alcan has already been judged to be a unique pipeline (e.g., the only 48-inch line crossing Canada). If this judgment is accepted, then the hydrocarbon treaty provides no protection for future taxation on the Alcan line across Canada. To put it bluntly, we owe a debt to the Canadian NEB for having clarified this important question before the U.S. decision has been made on which project to approve. What many considered an ambiguity in the treaty has been clearly decided by the NEB. Fortunately, a trans-Canadian pipeline is not yet in the ground; if it were, the American consumer would be helpless against such discriminatory taxation.

The financing of Alcan is almost a "Catch 22" series of decisions. Alcan's original proposal commingled Canadian and American gas, making a private financing unworkable, and thus requiring backstopping by the Canadian and U.S. governments. Alcan's second proposal involved transporting only U.S. gas; Alcan then stated that a private financing was possible and dropped its requirement for government backstopping, although it admitted that legislation would be required. In its July 4 decision the NEB clearly stated that no Canadian taxpayer support would be available, but then modified Alcan back to commingling U.S. and Canadian gas. The combination of a commingled gas stream and the NEB's opposition to Canadian government financial support raises grave doubts as to the financeability of the Alcan proposal.

The decision of the NEB dictating a new route in Canada will necessitate a rerouting in Alaska, which could involve as much as 115 miles outside any established corridors. Until such routing is decided, no EIS can even be prepared. The Alaska Natural Gas Transportation Act of 1976 provides that "the President shall find that any required environmental impact statement . . . has been prepared and that such statement is in compliance with the National Environmental Policy Act of 1969." The rerouting in Canada traverses 363 miles of new territory for which there is no environmental assessment. This, coupled with the 460-mile lateral to the Mackenzie Delta, introduces a total of 823 miles of new routing in Canada for which no environmental data has been examined by the NEB. Thus, the potential for substantial additional delay has been introduced by the NEB decision.

In stating that the native claims in the Yukon "offer more potential for earlier resolution," the NEB threw down the gauntlet to the Council for Yukon Indians.

The NEB decision makes it very clear that the "Canadian content" of the Alcan project will be controlled at the federal level. This control is pervasive, including control of equipment purchases. Canadian policy was vividly illustrated in 1975 by Canadian insistence that Imperial Oil award an engineering contract to a Canadian firm for $20 million, in spite of the fact that the American Fluor Corporation had bid the project for $16 million.

In short, the NEB decision presents the United States with more difficulties—known and "unknown"—than any of the previous Alcan application proposals. Should the United States approve the present Alcan application by the deadline of September 1, it should be done in full realization of the implications of unproven financing, potential aditional delays for a new EIS, greatly increased capital costs, the increased shrinkage in the new system, exposure to future discriminatory taxation, the price of a native claims settlement (if and when it can be accomplished), and the consequences of total Canadian political and corporate control over the next fifty years during which a pipeline across Canada would operate.

The alternative is ready for immediate approval—El Paso's proposal remain the only option over which the U.S. government can exercise meaningful control throughout its years of service.

Prudhoe Bay gas was discovered in 1968, and is needed now in our country. El Paso presents the only timely alternative available to the nation.

Thank you for your continued interest in this impending decision. We are at your call should you require any additional data of any kind.

Sincerely,

JOHN BENNETT.

FRIEDMAN ON FREEDOM

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. COLLINS of Texas. Mr. Speaker, I was recently reading over "Capitalism and Freedom" written in 1963 by Milton Friedman, awarded the Nobel Prize for Economics in 1976. I wish to share some of his thoughts with you:

"Which if any of the great 'reforms' of past decades has achieved its objectives? Have the good intentions of the proponents of these reforms been realized?

"Regulation of the railroads to protect the consumer quickly became an instrument whereby the railroads could protect themselves from the competition of newly emerging rivals—at the expense, of course, of the consumer.

"An income tax initially enacted at low rates and later seized upon as a means to redistribute income in favor of the lower classes has become a facade, covering loopholes and special provisions that render rates that are highly graduated on paper largely ineffective. A flat rate of 23½ percent on presently taxable income would yield as much revenue as the present rates graduated from 20 to 91 percent. An income tax intended to reduce inequality and promote the diffusion of wealth has in practice fostered reinvestment of corporate earnings, thereby favoring the growth of large corporations, inhibiting the operation of the capital market, and discouraging the establishment of new enterprises.

"Monetary reforms, intended to promote stability in economic activity and prices, exacerbated inflation during and after World War I and fostered a higher degree of instability thereafter than had ever been experienced before. The monetary authorities they established bear primary responsibility for converting a serious economic contraction into the catastrophe of the Great Depression from 1929–33. A system established largely to prevent bank panics produced the most severe banking panic in American history.

"An agricultural program intended to help impecunious farmers and to remove what were alleged to be basic dislocations in the organization of agriculture has become a national scandal that has wasted public funds, distorted the use of resources, riveted increasingly heavy and detailed controls on farmers, interfered seriously with United States foreign policy, and withal has done little to help the impecunious farmer . . .

"A housing program intended to improve the housing conditions of the poor, to reduce juvenile delinquency, and to contribute to the removal of urban slums, has worsened the housing conditions of the poor, contributed to juvenile delinquency, and spread urban blight.

"Social security measures were enacted to make receipt of assistance a matter of right, to eliminate the need for direct relief and assistance. Millions now receive social security benefits. Yet the relief rolls grow and the sums spent on direct assistance mount.

"The list can easily be lengthened: The silver purchase program of the 1930's, public power projects, foreign aid programs of the postwar years, F.C.C., urban redevelopment programs, the stockpiling program—these and many more have had effects very different and generally quite opposite from those intended.

"The greater part of the new ventures undertaken by government in the past few decades have failed to achieve their objectives. Government measures have hampered not helped. The central defect of these measures is that they seek through government to force people to act against their own immediate interests in order to promote a supposedly general interest. They substitute the values of outsiders for the values of participants; either some telling others what is good for them, or the government taking from some to benefit others."

His comments are even more enlightening today as our liberal Congress continues to intervene in the daily lives of our people and gradually take away the freedoms that have made our country great.

INTERN IN CONGRESSIONAL OFFICE

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. WHALEN. Mr. Speaker, the experience of an intern is a rewarding and educational one, in which the sheltered classroom is left for the bustling office. For many young people, the role of an intern is the first exposure to the world of the decisionmaking executive. The Executive High School Internships of America—EHSIA—is a national program which promotes this special learning experience.

I came across an article in the Montgomery Journal of July 14, in which a high school intern under EHSIA recounts his experiences working in the office of our colleague, SIL CONTE. I am enclosing the article, which I thought would be of interest to my colleagues:

CAPITOL HILL SCHOOLS CONFLICT, COMPROMISE, REALITY

(By Martin Weinstein)

In the senior year of high school, parties abound, school is abolished, beer flows freely, and nobody but nobody looks for extra work.

Nobody that is, except for 22 predominantly senior-year interns, who by choice and by qualification were nominated for and were accepted in the Executive High School Internships of America (EHSIA) program. If you haven't heard of this program, then you are among the 95 percent majority who believe that an intern is a student who has just graduated from medical school and works in a hospital. But EHSIA is an intern program that puts high school students in working environments with executives.

I found out what EHSIA really is through an internship under the tutelage of Jeffrey Jacobs, chief legislative assistant to Congressman Silvio O. Conte (R.-Mass.) It was on my first day on the Hill that I realized that the protection high school gives its students had evaporated and that this was the real world. The bells were still there (indicating the various procedures on the House floor), but there was no one, with the exception of Jeff, to direct me every minute of the day.

My greatest problem that first day was a basic one: how to deal with the horrendous traffic and the difficulty of finding a parking space. Being a lower peon, I was not entitled to a parking space, except for the one I scrounged up on the street six blocks from where my office was to be. That office, located in the Rayburn House Office Building, turned out to be both modern and well-equipped.

The first job of any high school intern is to integrate himself into office life—to gain acceptance. This is a particularly difficult task when one realizes that a 17 or 18 year-old student with little or no office or technical experience hasn't much in common with an established executive twice or three times his age.

For me this task was considerably easier since my sponsor, Jeff Jacobs, is a young—24-year-old graduate of Williams College who will be returning to the University of Chicago Law School this fall. Furthermore, 99 percent of the interns on Capitol Hill are college or graduate students. But, by donning a jacket and tie every morning, I was able to add a few years to my present age of 18.

My first assignment was to establish the affirmative case for the building of an international airport in Lesotho, a tiny black-African nation, surrounded totally by apartheid South Africa. This case was not hard to make, as the present dirt strip airport is woefully inadequate. No planes large enough to fly through South Africa without stopping can be accommodated at the airport.

In addition, weather and the fact that the airport is constructed on the top of a cliff, make afternoon landings inadvisable at best. All of this and much more was reason enough for Mr. Conte to be in strong support of the construction of a multi-billion dollar international airport in Lesotho. This proposal was to be made in a bill which was assigned to the Foreign Operations Subcommittee chaired by Maryland's Clarence Long, a subcommittee of which Mr. Conte is a member. I learned on that first assignment that the title "Mr." is used only in reference to Congressmen or to committee counsels.

Later, during my first week, I was introduced to compromise, the holy word on Capitol Hill. This particular compromise dealt with an acute problem in this country; the lack of accredited veterinary schools. Just a few years ago, less than 10 accredited schools served the entire nation. One of these schools was located at the University of Pennsylvania in Philadelphia and one at Cornell University in Ithaca, N.Y.

It was then, and is now, no secret that entire regions, such as New England, lacking veterinary schools of their own, contract with schools like Penn and Cornell for spaces to accommodate those students from regions like New England who want to go into veterinary medicine. Those spaces number less than 100 and serve regions with millions of students. Therefore, the competition for a spot in a veterinary school is keen.

Mr. Conte joined forces with Congressman Joe Early (D-Mass.) to try to get a $10 million grant for the construction of a New England veterinary school on the grounds of Tufts University in Medford, Mass.

But, to get the money appropriated, the measure would have to be passed by the Appropriations Committee's Subcommittee on Labor-Health, Education, and Welfare. This subcommittee, on which both Conte and Early serve is chaired by Congressman Daniel Flood (D-Pa.). On the Senate side, where the measure would have to be approved also, the Senate's counterpart subcommittee is chaired by powerful Senator Warren Magnuson (D.-Wash.).

It is a well-known fact that very few pieces of legislation to which the chairman are opposed are reported out of a subcommittee. This is a major reason for the fact that out of the 10,000 pieces of legislation introduced in the House each year, only approximately 800 are finally voted upon on the House floor; about 500 are passed and 300 are rejected.

What appeared imperative in the veterinary case was to have the support both of Congressman Flood and of Senator Magnuson. Flood, a Pennsylvanian, whose school stood to lose New England's top students, wanted the enlargement of the University of Pennsylvania veterinary school. Magnuson, from Washington State, wanted a regional veterinary school for the Pacific Northwest in Pullman, Wash.

In a meeting held in Congressman Early's office and attended by Jeff, Early's legislative assistant, Dean Marschak of the University of Pennsylvania Veterinary School, a medical lobbyist, and me, the final compromise was reached. New England would get its veterinary school at Tufts University, the Pacific Northwest would get its veterinary school at Pullman, Wash., and the University of Pennsylvania Veterinary School at Philadelphia would be enlarged. I said nothing throughout the meeting, observing that democracy, when at work, does work and it works well.

A few days later, I was given the assignment of attending a conference of FEERRAT, in place of Jeff who could not go. Contrary to popular belief, this FEERRAT is not a little animal, but stands for the Friend of Eye Research, Rehabilitation and Treatment organization. Immediately on my arrival at the Mayflower Hotel, where the conference took place, I was mistaken for somebody important, and given a badge that read, "Martin Weinstein-Cong. Conte's Staff."

The director of the conference began to impress upon me the importance of eye research as did the other eminent speakers, who were suffering from identity. In addition, the director asked for my support in

securing the sum of $118 million for eye research. I told him that I too, believe that eye problems warrant considerable study and that I extremely would use my limited (extremely limited) influence to secure that sum for eye research.

Not all days consisted of the excitement of being mistaken for somebody important. Most of my days were taken up reading hearings and reports, followed by writing hearing questions for Mr. Conte's use in the examination of witnesses before the various committees on which he serves.

In fact, attending hearings, reading reports, and learning about economics took up about three-quarters of my time. Only when I begin dealing with raw numbers and individual projects, did I realize just how little I knew about the basics of an economic system. To the average high school student, a "fiscal year" is a year in which there is a lot of body contact. Instead, it is, of course, a period of economic measurement which was recently changed from an initial date of July 1 to October 1.

The average day on the Hill is far from the exciting life and death decision-making that most people believe. For most people in the office, including me, each day consisted of learning as much as we could about as many issues as possible. The pace was hectic, and in my case, the result was a case of mononucleosis.

Although I had left Northwood High School as a full-time student, I still wanted to continue as a Northwood track runner and as the sports editor of the school newspaper, the Red and Black. In addition to journalism, I continued advanced placement American history on an independent study basis

These obligations meant that I would rise at 6:30 a.m. every morning to go running in order that I might leave for the office by 8:00 a.m. I would arrive at the office at about 9:00 a.m. But since I had to be at track practice by 2:30 p.m. I would have to leave the office at about 2:00 p.m. Therefore, all the work which was usually done during a school day now had to be done at night. The result was one month in bed with mononucleosis.

During my brief semester on the Hill, I did manage to explode a number of my misconceptions about the work and the workers on Capitol Hill. Although I had had the opportunity to work for the Senator Jackson for President Committee during the 1976 campaign I had not, up until now, had the chance to observe day to day life in a regular office setting.

First of all, my sponsor, Jeff Jacobs, puts in a work week approaching 80 hours. He works on most Saturdays and seldom leaves the office before 10:00 p.m. on weekdays. In addition, Jeff puts in what are called "all nighters", in which he works through the night. During hearing season, which lasts from January to April, Jeff may put in up to three all-nighters a week.

Like Jeff, the rest of Mr. Conte's staff is highly competent and exhibits none of the laziness or disloyalty which a disillusioned public has come to associate with Capitol Hill staffers. If a staff member cannot measure up to Mr. Conte's standards, then he does not last long. Although my opinion of Mr. Conte's staff is biased, in fact the staff is widely acclaimed both on the Hill and in government as being just what I saw—competent, dedicated and loyal.

Congressman Silvio O. Conte, the man for whom all these people labor, represents his constituency well. If being a good congressman means giving the Berkshire County, Mass. Elementary School Patrols a personal tour of the Capitol, posing for pictures with a visiting nun, and flying home to speak before local audiences almost every weekend, then Silvio Conte is a superior congressman.

Moreover, Mr. Conte votes his conscience on every piece of legislation; whether it means voting for common site picketing or against abortion. Mr. Conte, just like any other man is receptive to suggestions up to a point. At that point, conscience takes over and politics takes a back seat.

Now, one can ask what the EHSIA meant to me to warrant my missing a full semester of school. For the other 21 second semester interns, and for me, this past semester has meant a look into the real world of work; a look that is seldom granted before the end of college or graduate school. This internship has meant to me a realization that in terms of intensity and discipline, Capitol Hill offices function just as do most business offices.

What I learned through thousands of pages of research cannot be measured against a high school curriculum. No high school gives a course in executive-student relations. Nowhere in the Montgomery County Schools can one be molded into the daily discipline.

Originally, I had asked for a Capitol Hill placement in the hopes that my internship experiences might reinforce my career goal of becoming a lawyer. Whether, when I enter Dartmouth College this fall as a freshman, I will be intent on aiming for law school, honestly I cannot be sure. But I am now certain that, as Jim Phalen, Minority Counsel to the House Committee on Small Business says, "Law is learning as much as you can, about as many things as you can."

What should not be overlooked in this program is the social fragmentation and isolation which has been known to result. In many instances, interns from various schools have explained that they now feel as if they have no contact with classmates and friends; that the work day precludes participation in any school activities.

I can see the possibility of such isolation. Although my participation in Northwood track brought me to school daily, it was very difficult to compare a day at the office with, say, a food fight in the school cafeteria.

Last month a luncheon was held in Rockville High School to honor both the first-year interns and their sponsors. At the luncheon, Dr. Charles Bernardo, Superintendent of Montgomery County Schools, stated, "The high school internship program is a viable alternative to classroom education."

AGENCY FOR CONSUMER ADVOCACY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1977

Mr. MARTIN. Mr. Speaker, I would like to share with my colleagues the enclosed article written by U.S. Senator JESSE HELMS of North Carolina. This article illustrates most vividly the folly of such a super agency to protect the consumer, and at the same time the disadvantages inherent in the creation of yet another bureaucratic agency:

ONE AGENCY WE CAN DO WITHOUT!

Self-appointed "consumerists" are becoming increasingly shrill in their demands that the federal bureaucracy "protect" the American people from the business community. They argue that the consumer is a victim of false claims, harmful goods, and deficient services. They propose that we establish a so-called Agency for Consumer Advocacy to eradicate these evils and aid the consumer.

It is true, of course, that businessmen—as well as the "consumerists"—do make mistakes. It is also true that all of us are consumers. As for businessmen, nobody discounts the fact that, through negligence or zeal, they may produce inadequate goods or present a misleading advertisement. Like everyone else, American businessmen are fallible beings, subject to human error. These capabilities for error are rooted in human nature. But we are approaching the point where we may be running the risk of throwing the baby out with the bath water.

What disturbs me is the fact that the advocates of the so-called Agency for Consumer Advocacy overlook the possibility for human error in the Agency for Consumer Advocacy. This Agency will be empowered to issue public statements regarding the quality or safety of a product or service. Because so many products and services will be under the scrutiny of this Agency—and many of these products are extremely complicated from a technical standpoint—we can be certain that the Agency will, sooner or later, make a false public statement about the safety of a product, or its utility, or its general value. Through error, indifference, or negligence, such mistakes are inevitable.

And then what? The consumer will suffer with the producer. Business already knows some of the dangers and costs of federal regulation. Abuses of government power already have occurred; and there is no way in which a company can be compensated under the proposed Consumer Advocacy Agency.

IT CAN HAPPEN TO YOU

These are not remote possibilities arising under this act. They are clear and present dangers. The tragedy of the Marlin Toy Company of Horicon, Wisconsin, is a case in point. This small company, employing eighty-five individuals, has been driven to bankruptcy. How did this happen? Through administrative negligence and/or human error in the Federal Government.

For many years, the Marlin Toy Company manufactured a toy known as the flutter ball. It was a clear, plastic ball, containing a plastic butterfly and plastic pellets. The toy sold well. It was popular with children. But in November of 1972, at the outset of the Christmas season, the Food and Drug Administration notified—notified, I repeat—the Marlin Toy Company that its flutter ball was banned and would have to be withdrawn from the market. The Food and Drug Administration reasoned—and I am certain that the FDA took all reasonable measures that its information was correct—that the ball was unsafe, even though not one injury had been reported. According to the FDA, however, there was a possibility that the ball *might* break, and, if so, that a child might swallow or inhale the plastic pellets.

Marlin suffered a severe financial setback, but proceeded to redesign the toys without the pellets, hoping to regain its losses in the following year. The company submitted the toy to the FDA, and the FDA assured Marlin that the toy was now acceptable. Marlin was back in business—but not for long.

Through administrative oversight, the Consumer Products Safety Commission neglected to remove the product from the holiday list of banned toys. The Commission admitted its mistake and apologized, assuring the Marlin Toy Company that it would issue a corrected list. By this time, however, it was too late. The damage had already been done, and the Marlin Toy Company was financially ruined. As of August 1976, Marlin had suffered a loss of $2,000,000, not counting its losses in future sales and goodwill. The factory is now an empty shell, and all but six of the employees have been laid off.

There are thousands of federal employees already working in the area of consumer interests; and the proposed new Agency for Consumer Advocacy would amount to merely another layer of bureaucracy.

The American taxpayer cannot afford another agency. The American consumer cannot afford the higher prices that new regulations would cause. The American businessman cannot afford more bureaucratic impediments

to providing goods and services needed to keep our economy running.

If you doubt it, ask Marlin Toy Company.

A PENNSYLVANIAN'S "WALK FOR WATER" FOR RABINAL, GUATEMALA

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 20, 1977

Mr. SCHWEIKER. Mr. President, I would like to bring to the attention of the Senate the story of a remarkable young man, Louis Edward "Eddie" Fischer of Newtown Square, Pa. Eddie Fischer has now passed the halfway mark of a unique journey—a 4,100-mile walk from Guatemala City, Guatemala, to suburban Philadelphia.

Eddie Fischer is walking for water—water for the 30,000 people of Rabinal, Guatemala, who have been living with almost none since the devastating earthquake which destroyed most of their town on February 4, 1976. After a post-earthquake trip to Guatemala, during which he became acquainted for the first time with widespread misery and despair, Eddie and his brother Mark decided to return during the summer to assist in the relief effort. Following a summer of constructing buildings—houses, a church, and a clinic—in the village of Concepcion Las Lomas, Eddie decided to stay in Guatemala rather than return to Georgetown University, where he had been a student.

Eddie moved to Rabinal, where he soon learned that the key to reconstruction and the end to the traditional pattern of malnutrition and poverty was water. Although water existed below the surface of the Earth, it had never been tapped. Eddie devised a plan to utilize this water and organized the men of the area to install a water system. But he soon discovered that an effective and permanent water system was too expensive for the citizens of Rabinal to finance, so Eddie decided to "walk for water" in order to publicize Rabinal's plight, and hopefully to raise $300,000.

Eddie began his walk on Easter Sunday, and plans to pass through Washington in early September. After his journey has been completed, he will return to Rabinal to help complete the water system he initiated. In the spring Eddie intends to begin studying for the Jesuit priesthood, and plans to spend his life in Central America as a missionary.

Mr. President, Eddie Fischer's is truly an inspiring story, and he sets an example of service to his fellow man that is more than worthy of emulation. At a time when many problems, both domestic and international, seem overwhelming in their complexity, it is encouraging that people like Eddie Fischer are willing to give so much of themselves to create a better life for many others.

Mr. President, I ask unanimous consent that an article from the Catholic Standard entitled "A 4,100-Mile Walk to Newtown Square," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Catholic Standard and Times, May 26, 1977]

FROM GUATEMALA TO NEWTOWN SQUARE—EDDIE FISCHER'S "WALK FOR WATER"

(By Linda Palmarozza)

Louis Edward Fischer (Eddie to his friends) of Newtown Square is walking from Guatemala. That is what I said. Eddie Fischer left Easter Sunday from Central America and is walking home.

This journey is not a lark. To Eddie it is as meaningful as Siddhartha's spiritual awakening and as pragmatic as a Jerry Lewis telethon. Eddie wants money for a small town in Guatemala that needs water. He is soliciting pledges en route to raise money for that purpose. It is "Eddie Fischer's Walk for Water."

Eddie went to Guatemala in July, 1976 with his older brother, Mark, to join an American effort to re-build the country that had been ravished by an earthquake in February of the same year. They originally agreed to stay six weeks.

The place they worked was Concepcion Las Lomas, a town of 300 families about 10 miles outside of Guatemala City. With the help of Guatemalans, missionaries, and volunteers, the villagers learned how to make cement blocks so they could rebuild their homes.

"After four weeks, Eddie told me he wanted to stay," recalls Mark. He has now also informed his family that he will be entering a Jesuit novitiate in Panama. He has learned Spanish and wants to be a missionary.

"I just think it is great and so does the whole family," says Mrs. Fischer. "He is so happy and so at peace." Mr. and Mrs. Fischer and their other nine children are members of Blessed John Neumann church.

Eddie's walk, however, is not for Concepcion Las Lomas. After that town was organized enough to operate on its own, he adopted another town, Rabinal, about 100 miles outside of Guatemala City with approximately 30,000 people comprised mostly of Indians, which in Guatemalan society are the low men on the totem pole.

According to Mrs. Fischer, who visited Rabinal with her husband, the major part of the town is located at the base of a mountain range, with clusters of villages in the mountains. It has no reservoir and cannot store water during the rainy season. There is also no means of irrigation. "Most of the year everything just blows away in dust." she says.

Eddie's aim is to get enough money to build a reservoir and wells. He got his idea for the walk-a-thon from a Dominican priest he met in Guatemala. Some years back the priest and a friend raised $45,000 in a similar fashion.

The entire Fischer family is helping Eddie achieve his goal. They have started a committee to support him and spread the word of his need in all the states he will walk through in the United States.

Since he is covering about 30 miles a day, the family estimates that he will be at the U.S. border in about two weeks. Mark is driving to meet him and will rendezvous with him in Brownsville, Tex.

From that point, Mark will drive two to three days ahead of Eddie, announcing his arrival and stirring up interest in his project.

Eddie's itinerary is not the most direct route, because he wants to go to Chicago where there is an active Jesuit group, whose services he hopes to enlist, and to Washington, D.C., because of Georgetown University where he, Mark and sister Marian are students. His tentative schedule puts him in Philadelphia around Oct. 3.

"We are hoping that interested people will join him on the way," says Mrs. Fischer, and the entire Fischer family hope for contributions to "Eddie's Walk for Water."

A 4,100-MILE WALK TO NEWTOWN SQUARE

As you read this, somewhere in the southwestern United States a young man is walking.

He is heading north toward his home in suburban Philadelphia, and if things turn out as he hopes they will, he will be there by Sept. 11, his 22nd birthday. His name is Louis Edward Fischer, and he has been on the road since Easter Sunday. By the time he reaches his parents' home in Newtown Square, he will have logged 4,100 miles, every one of them on foot.

Eddie Fischer, who has never in his life known how it felt to be thirsty when relief was more than a spigot away, is walking for water—water for 30,000 people who have none, who have been living with stone age irrigation facilities for all of their lives and with almost no water at all since the massive earthquake that destroyed their town and most of their country on Feb. 4 last year. Eddie is walking to bring the plight of the people of Rabinal, Guatemala, to the attention of Americans, especially American Christians.

Eddie knows the agony of Rabinal first-hand because he has lived with it. He has been living and working with the people of Guatemala for the past year, helping them rebuild their homes and their lives after one of the most devastating natural disasters of modern times.

The events that took Eddie to Central America began last year at a summer conference of the interdenominational Fellowship of Christian Athletes. It was the most decisive experience of his 21 years, for there Eddie gave his life to Jesus Christ.

Eddie is the second oldest child of Gino's president Lou Fischer and his wife, Babs, parents of 10 children, a family which they describe as having been blessed by unity. It becomes quickly apparent in talking with them that their's is also a family blessed with love; for example, that can open its arms and its house to a Vietnamese family of nine for nearly a year. Nine Vietnamese plus nine Fischers (three were away at college) equals some fond and special memories.

Babs Fischer calls her son's experience at the FCA conference "a personal conversion," and says: "I believe he was being prepared for it for some time. Several people there spoke about what Jesus means in their lives, and when one particular person spoke, it just hit Eddie right between the eyes. All of a sudden he could see where God really would forgive him and accept him as he was, and change him. He felt it all the way to his depths."

One of the things people see is Eddie's growing response to suffering. Raised in suburban affluence, a star linebacker on his prep school football squad, Eddie grew up in middle-class American insulation from most of the world's poverty. A trip to Guatemala with his father and brother brought him face to face with the hunger, disease and despair with which countless millions live and die.

In Guatemala, he saw for himself a people whose built-in poverty has been magnified beyond measure by a disaster in which one million were left homeless, 75,000 were injured and 28,000 died. Eddie's response to Guatemala was immediate and personal. He gave all that he had: himself.

With funds raised and donated by their family, Eddie and his brother Mark, both proficient at Spanish, returned to Guatemala to work for the summer in the village of Concepcion Las Lomas. Drawing on skills acquired during three summers of construction work in Philadelphia, and following building plans of a Guatemalan contractor friend, they constructed buildings and installed electrical and water systems. Work-

ing together, they found that they could construct a basic house for a family of four in ten days. They built house after house, then a church, then a clinic. When the clinic was finished, Eddie persuaded the Guatemalan government to equip it.

Finding that organized aid was minimal, Eddie improvised to meet whatever need arose. His solution to the clothing shortage was simple: if someone needed a pair of pants or shoes he gave them a pair of his. The people began to question him, "Why do you do this for us?"

"Because Jesus Christ loves you."

As the time came for Eddie and Mark to return to the United States and their studies at Washington, D.C.'s Georgetown University, Eddie found himself short of cash for building supplies. He raised it by selling his plane ticket home. It was not a snap decision. He had known for some time that he wouldn't be going back to school. He had decided to stay, to spend his life there as a Jesuit priest serving the people of Central America. He hopes to begin his seminary studies next spring.

But there was something he must do first. When work at Concepcion Las Lomas was finished Mark returned to Georgetown and Eddie moved on to the larger town of Rabinal with its cluster of surrounding Indian villages. The 30,000 people who live there have relied for water, as have the generations before them, on a few small creeks and rivers which dry up during the summer. Now even this was gone, most of the water contaminated by the great earthquake that destroyed 98 percent of their homes.

He devised a simple, but effective, incentive plan. The men of the region will install the water system. In return, their homes will be joined to the system. If a man does not participate in the project his home will have no water. Eddie's self-help plan is bringing widespread enthusiastic response.

The project is on-going. When water is installed each family using the system will pay back a small amount of the installation cost. The money will then help another family who, in time, will also repay the fund, with the result that these dollars will be spent not once, but many times.

Eddie's goal is to raise $300,000. With it he will return to Rabinal to continue living and working with the people until their water system is complete.

Meantime, though, he is walking. Through Guatemala, across Mexico and north through the United States toward home. He hopes that American Christians will learn about his walk and the people of Rabinal he's trying to help, and that they will respond with their prayers and gifts.

"When you come from the States with everything we take for granted," Eddie says, "and you go down to a town like Rabinal and you see people who have nothing—I mean nothing at all—it does something to you. I wish I could take every North American Christian down there so they could see it and smell it and feel it for themselves . . . families living in flimsy temporary shacks . . . filth and disease taking over because there's hardly any clean water.

"I can't describe it adequately, but I want to tell everyone I can reach, 'Listen, these people can't help themselves and you have a responsibility, as a Christian, for them. Jesus said that if we gave a drink to the least of his thirsty brothers, we'd be giving it to Him. Maybe you can't go to Rabinal personally and serve these people, but you can send me. I'm walking 4,100 miles because I believe God's people care. Do you care?' "

Every cent he raises, Eddie says, will go directly to the people of Rabinal to help them help themselves. And every penny will go in the name of Jesus Christ.

THE NATIONAL CLIMATE PROGRAM OF 1977

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. WIRTH. Mr. Speaker, I would like to bring to my colleagues attention H.R. 6669, the National Climate Program Act of 1977. Although the bill was reported out by the Science and Technology Committee on May 6, 1977, it has been removed from the floor calendar many times. This legislation is once again scheduled for floor action next week.

The National Climate Program Act is an attempt to coordinate the splintered Federal efforts to predict weather throughout the country. Further information on the act is available in House Report 95–266. I fully support this act and urge that it be considered by the House as soon as possible.

The following article appeared in the Washington Post July 19, and gives on excellent explanation of the National Climate Program Act of 1977:

DOING SOMETHING ABOUT THE WEATHER

(By Marquis Childs)

As Mark Twain is said to have remarked, everybody talks about the weather but no one does anything about it. Just now proposals are in the wind, with heat and drought uppermost in peoples' minds, that could at least make long-range weather prediction more of a science and less of a guessing game.

The House is about to consider a bill, with every likelihood of passage, that would pull together all the widely scattered governmental functions concerned with weather. The bill's sponsor, Rep. George E. Brown, Jr. (D-Calif.), believes that this coordination will make it possible to monitor long-range trends for prediction three months in advance of possible radical changes in weather patterns.

For example, the exceptional cold of last winter might have been predicted if research had been coordinated to make clear the shifts in the upper atmosphere and their significance. With advance prediction, steps could have been taken to mitigate the worst consequences of the cold.

Similarly, the prolonged drought in the West might have been anticipated by a three-month prediction at the outset, showing the shifting patterns in the upper atmosphere over the Pacific. This might have obviated improvised measures and made possible a long-term program equalizing the hardships of the most stricken areas and those not so hard hit.

In the forefront of concern is how much man has contributed to damaging the environment, thereby opening the way to radical changes in the weather. The National Academy of Sciences is completing a voluminous report on the concentration of carbon monoxide that helps to generate the smog hanging over urban areas. According to those who have seen advance copies of the summary of what will be a four-volume study, principal offenders are the automobile exhaust and the smokestacks of industry that burn oil and natural gas.

Changing over to coal, as President Carter has recommended, would create even more serious atmospheric hazards. Coal in combustion releases sulfur dioxide gas and sulfate particles. Inhaling these can cause respiratory diseases such as emphysema and, by one estimate, shorten the life span by as much as 15 years.

The concern is worldwide. A leading climatologist, Eugene Bierly of the National Science Foundation, has just returned from a seminar on climate held in Leningrad. The chief of the Soviet delegation, Prof. Mikhel Budyko, also a noted climatologist, believes that man-made dusts and gases are almost entirely responsible for extremes of weather occurring around the world. While the number of privately owned cars is small as compared with the U.S., smog has developed in Moscow in the past two or three years with a heavy charge of carbon monoxide.

Factors of which we are often blithely unaware are credited with changes in the atmosphere and therefore in the weather. One is the destruction of jungle vegetation. An example in Brazil, where vast forests have been wiped out in the Amazon basin by the slash-and-burn method in a drive to create farm land.

Bierly talks about the naive assumption that the climate is bound to be benign with only occasional temporary aberrations. On the contrary, with the population explosion forcing an ever more persistent drive for food—as in the Amazon basin—the climate is likely to be ever less benign.

One concern of the climatologists is the overheating of the earth's atmosphere due, in no small part, to the release of thousands of tons of carbon dioxide. What this can mean to the polar ice cap has long been a foremost concern of those who follow the long-term trends of climatic change. If the melting of the ice cap is accelerated, the consequences in rising ocean tides could be disastrous. On the Eastern seaboard it could mean wiping out ports and even port cities.

Talking about the heat, the humidity and the water shortage, which has now reached the parched East Coast, is a preoccupation in this torrid summer. At least it helps to relieve the emotions. Even more deserving of discussion—and exploration—is the question of whether advance predictions could have any useful effect.

POTENTIAL U.S. GAS RESERVES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. COLLINS of Texas. Mr. Speaker, in the recent past, there have been so many conflicting studies dealing with the quantification of remaining U.S. reserves of oil and natural gas, that it is almost impossible even for the expert to form a valid opinion on the subject. As it turns out, most of the discrepancies rest on semantic and definitional inconsistencies.

In the various studies, reference is made to reserves as being demonstrated, measured, identified, indicated, inferred, proved, probable, undiscovered, possible, subeconomic, speculative, potential, and recoverable, to name the predominant terms.

Cutting through the semantic jungle and putting the various types of reserves on a comparable basis results in substantial agreement: almost without exception, the different reserve studies indicate that enormous reserves of oil and gas still exist in the United States. Given a proper incentive, these reserves can be developed.

The attached graph shows, for example, that the potential U.S. gas reserves are 3.7 to 5.4 times as large as the

reserves currently under production. These data come from a study that was prepared by the U.S. Geological Survey; that is, from a source whose technical competence and political neutrality is unquestioned.

Additional natural gas in large volume can be produced from these more expensive reservoirs.

REPRESENTATIVE DRINAN INTRODUCES BILL TO PROHIBIT RELIGIOUS DISCRIMINATION IN EMPLOYMENT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. DRINAN. Mr. Speaker, on June 16, 1977, the U.S. Supreme Court, for the first time, decided a case involving religious discrimination under title VII of the Civil Rights Act of 1964. In 1971 the Court had divided equally in a similar matter and thus no opinion was written. Because of the uncertainty and confusion generated by that disposition, the Congress amended title VII in 1972, in part, to clarify the scope of protection for religious minorities.

The 1972 amendment, offered by Senator RANDOLPH, sought to clarify the issue by defining "religion" to include "all aspects of religious observance and practice as well as belief, unless an employer demonstrates that he is unable to reasonably accommodate to an employee's or prospective employee's religious observance or practice without undue hardship on the conduct of the employer's business." (42 U.S.C. 2000e(j).) By requiring employers to accommodate to some degree minority beliefs, such as religious practitioners who celebrate their Sabbath on Saturday, the amendment sought to reconcile religious freedom and equal job opportunity.

In its recent decision, the Supreme Court has misinterpreted the 1972 amendment, striking the balance too far to the side of purported business interests to the detriment of religious liberty. Indeed the opinion of the Court appears to be inconsistent with its decision 10 years ago when it held that a State could not deny unemployment compensation to a person who could not find a job because of her refusal to work on Saturday. *Sherbert* v. *Verner* (374 U.S. 398 (1963).)

In my view the balance should be struck more in favor of religious freedom than the Court did in its recent decision. To accomplish that goal, Congress must once again amend title VII. I am introducing an amendment today which will achieve that end. It would require an employer to respect the religious beliefs, practices, and observances of its employees unless "no accommodation for such employee's religious observances or practice is possible without severe pecuniary or other material loss to such employer."

It should be noted that any such amendment seeking to protect religious liberty invariably raises questions under the constitutional prohibition against establishing religion. The Supreme Court has recognized the "internal tension in the first amendment between the establishment clause and the free exercise clause." *Tilton* v. *Richardson*, (403 U.S. 672, 677 (1971).)

My amendment would require maximum accommodation by employers without infringing the proscriptions of the establishment clause. Chief Justice Burger has said that "the transcendent value of free religious exercise in our constitutional scheme leaves room for play in the joints'." *Norwood* v. *Harrison*, (413 U.S. 455, 469 (1973).) The amendment I propose is consistent with that principle.

A copy of the bill is inserted in the RECORD here:

A bill to amend title VII of the Civil Rights Act of 1964 to provide increased protection to employees' religious observances and practices

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701(j) of the Civil Rights Act of 1964 is amended by striking out "he is unable to reasonably accommodate to an employee's or prospective employee's religious observance or practice without undue hardship on the conduct of the employer's business." and inserting in lieu thereof the following: "no accommodation for such employee's religious observance or practice is possible without severe pecuniary or other material loss to such employer."

THE CENTENNIAL OF THE VILLAGE OF OTISVILLE

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. KILDEE. Mr. Speaker, on March 21, 1877, the Village of Otisville, Mich., was incorporated by the State legislature deep in the pine forests of northeastern Genesee County. This year, from July 16 through July 24, the 725 people of that fine community are being joined by citizens from throughout the area in celebrating the village's centennial. President Jimmy Carter also has commemorated the Otisville centennial with the following message sent to its citizens:

In celebrating this important milestone in your history, you can take pride in the values and ideals that have made your community and our Nation grow and prosper. May the vitality and spirit of your people continue to help build a better America and a better world.

The community was founded in 1840, though it really was not much more than a few houses until 1851 when a sawmill was built there to process the virgin pine timber of the region. A 29-year lumber boon followed, during which time the community received its name in honor of a pioneer resident, Francis Otis; its first school and church were built; early businesses arrived, and settlers began turning the logged land into farms. The village continued to grow and prosper after its incorporation, and on January 17, 1957, its home rule charter was adopted.

Otisville has retained much of its appearance of a half century ago, and the sturdy pioneers who settled the area are reflected today in the warm and industrious citizens of the centennial, rich in civic pride. In addition to more than a week of festivities, the village also is observing its centennial with the publication of a book on the community's history and the issuance of a centennial plate. Newspaper articles commemorating the centennial, many accompanied by fine old photographs of the village and its early residents, have been published over the last few days by the Flint Journal, the Suburban News, the Davison Index, the Millington Herald & LakeVille Aerial, the Clio Messenger, and the Genesee County Herald.

But the full story of Otisville remains to be written, for the significance of observing the past comes in how it helps to build for the future. Otisville is growing at a gradual but steady pace, providing agricultural products and an experienced work force for the economy of the Seventh Congressional District. I am proud to bring to the attention of the Congress the celebration by Otisville of its centennial, as the village looks backward in observance of its heritage before resuming its move forward to build on the community's record of accomplishments and progress.

SCHEUER OPPOSES PAY CUT FOR CONGRESS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. SCHEUER. Mr. Speaker, I rise in opposition to the amendment which would strike funds from the Legislative Appropriations Act that would be used to finance the pay increase recommended by the Quadrennial Commission which went into effect last month.

There are two ways by which Members of Congress may receive pay raises. The first of these was established by the Quadrennial Commission Law of 1967. This law held that a blue ribbon citizen's commission would be convened every 4 years to recommend pay levels for Members of Congress, the Judiciary, and other high governmental officials. The President either accepts these recommendations or modifies them in whole or in part and then submits them to Congress. The recommendations then go into effect automatically unless either house of Congress disapproves them within 30 days.

The second method for salary adjustment was established by the Executive Salary Adjustment Act of 1975. This law provides that Members of Congress, Federal judges, and other top governmental officials shall receive automatic pay adjustment increases at the same rate as the increases granted to Federal civil service workers. This rate is legislatively tied to the rate of increase in salaries in the private sector.

Congress has vetoed four pay increases since these two pieces of legislation went into effect. In 1969 the first Quadrennial Commission recommended a congressional salary of $50,000. At the Congress

urging, President Johnson reduced that figure to $42,500. In 1973, the Second Quadrennial Commission recommended and President Nixon approved, a congressional salary of $53,000 which was vetoed by the Senate by a vote of 71 to 26. In 1976 Congress passed an amendment to the Legislative Appropriations Act barring the use of any funds to pay for a 5-percent salary increase due October 1, 1976 under the Executive Salary Adjustment Act. And just yesterday, the House passed S. 964 which prevents the automatic increase due to Members of Congress on October 1, 1977 under the Executive Salary Adjustment Act.

Since 1969 Members of Congress have received two pay increases totalling $15,000—or 33 percent. In 1975 congressional salaries were increased 5 percent from $42,500 to 44,600 under the Executive Salary Adjustment Act. And, on January 20, 1977, a 29 percent increase recommended by the Quadrennial Commission went into effect raising congressional salaries to $57,500. The Commission recommended that the proposed pay increase be tied to the passage of a strict ethics code which the House approved on March 2.

Overall, the 1977 increase affects more than 22,000 Federal employees and will cost roughly $118 million. The 535 Members of Congress make up only 2 percent of the total number of Federal employees affected by the pay raise and the $7 million cost for congressional increases represents only 6 percent of the total cost.

Mr. Speaker, I have heard many of my colleagues complaining that the pay raise is too large; that a $12,900 pay increase is too great an increase over former salary levels. I disagree.

Congressional salary adjustments appear to be large because they take effect so infrequently. Furthermore, congressional pay raises have lagged far behind pay raises in the private sector. During the entire history of the U.S. Congress, Members have received only 11 permanent pay increases—including the 1977 increase—an average of one every 17 years. Only one of these increases was lower than the 1947 increase of 25 percent and only two were lower than the 1977 increase of 29 percent.

Overall, the 11 increases average only $5,200 apiece. If the total of these 11 pay increases were divided into equal annual amounts Members would be receiving pay raises of less than $300 per year throughout history.

Even more important is the observation that the 1977 29 percent increase is not out of line when compared to increases in the cost of living and pay increases received by other segments of society. According to the Quadrennial Commission:

Since 1969 the cost of living has increased 61 percent. Even with this pay increase congressional salaries will rise only 33 percent. Thus, by accepting this pay increase we are at the same time accepting a 28 percent cut in real salary over the past 8 years.

While congressional salaries have increased by 33 percent since 1969—with this pay increase—the salaries of the news media have increased by 80 percent, the salaries of blue collar workers 70 percent, the salaries of business executives 59 percent, and the salaries of white collar workers increased by 55 percent.

Had the salaries of Congressmen increased at the same rate as most Americans, Members of Congress would have received salary increases of $25,000 to $30,000 since 1969, and would now be earning approximately $72,000.

The pay of Members today, adjusted for increases in the cost of living, is just barely above what Members of Congress received in the 1930's when serving in Congress was only a part-time job. Today's $57,500 salary is the equivalent of only $13,750 in 1935 dollars. In 1935 Members of Congress were paid $10,000 per year, the equivalent of $45,000 in 1977 dollars. Yet we work 10 or 11 months a year at a minimum and in 1935 Congress was in session for less than 6 months a year.

I am not complaining over the heavy workload of the Congress. However, as the session length has increased so has the burden on each and every one of us. The old standard arguments on a Congressman's life still remain. We have kids to send to college. We must maintain two homes—one in the District and one here in Washington.

Being a Congressman is a good and satisfying life, with very real rewards and satisfactions. But it is also a very demanding and expensive life. I do not find the pay raise which has been granted to us by an independent blue ribbon commission overly generous, and I intend to vote against this amendment.

Printed below is a column by John Gardner, the founder of Common Cause, and an arch critic of Congress. He presents a reasoned case in favor of the pay raise for Members of Congress. I commend it to my colleagues' attention.

WE GET WHAT WE PAY FOR

(By John W. Gardner)

I say Congress should have its pay raise. Do you disagree? Read on.

You are not reading the opinion of a great Congress-lover. I have criticized Congress as vigorously and battled with it as frequently as anyone.

But for us to deny Congress its pay raise would be to behave in an idiotic manner. And I'm against that on principle.

Every four years the President is by law required to appoint a Commission on Executive, Legislative and Judicial Salaries. It is made up of serious citizens and they don't like to throw our tax dollars around any more than you do. Toward the end of 1976 they recommended a raise in all Federal salaries—judges and executive branch officials as well as Senators and Representatives.

The pay they recommend for Members of Congress was $57,500. It sounds like a lot of money and many citizens are outraged. But the outraged citizens are wrong.

A recent news report says that the Board Chairman of one major corporation (United Technologies) received $1.6 million in yearly salary. The Board Chairman of General Motors receives $950,000 annual salary. Among the 500 largest corporations (as listed by Fortune), a salary of $57,500 would place you among the lower level vice presidents.

You may say, "Yes, but $57,500 looks huge out here in River City. Most of the people in our Representative's district never see that kind of money."

But the level of salaries in River City isn't the issue. When the voters send a man or woman to Congress they are sending a person who will participate in the most fateful issues determining the future of this planet. That is true no matter how small or remote or humble the Congressional District.

The representative may have a significant role in deciding whether we have peace or war, what we pay in taxes, whether the nation prospers or goes broke. Those are big decisions—decisions to be made by the best people we can assemble. We should demand a lot of them and then we should pay them well.

They work hard. They live a hard life. (I know because I help to make it a hard life.) most of them have to maintain two residences—one in Washington, D.C., one back home. Most have children whose college education is a family expense that's still ahead. Most are the kind of people who could easily get a higher paying job in the private sector. And that's just what the best of them are going to do if they figure the voter doesn't value their services enough to pay them.

One counter-argument says "They should consider it an honor and a patriotic duty. We don't want public servants who are just there because the salaries are high." Sounds plausible, but I can't buy the argument. I want extremely able legislators, and I want to pay them for their competence. Why should I ask them to scrimp and save for the honor of serving me?

If the honor and patriotic duty justify low pay then perhaps we should cut their salaries in half. I leave it to you to judge what the ablest of our Senators and Representatives would do in that case. They'd leave. And people of less ability would succeed them.

When the President's Commission recommended the raise in salary, it recommended that Congress should only receive the raise if they were willing to pass a strong code of ethics. Congress responded by passing the toughest code of ethics in its history.

Now they should have their raise.

SALUTE TO VFW PVT. LEONARD POST JR. POST NO. 6251, OF CHEEKTOWAGA, N.Y.

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. KEMP. Mr. Speaker, I wish to bring to the attention of my colleagues the outstanding accomplishments of VFW Pvt. Leonard Post Jr. Post No. 6251, of Cheektowaga, N.Y. The post has been recognized as the No. 1 VFW post in the Nation for their Bicentennial activities. We in western New York are particularly proud of the accomplishments of this exceptional VFW post. In addition to this year's national recognition, the post has retained the No. 1 ranking for community service in New York State for 8 consecutive years. This honor represents preeminence in a State which is fortunate enough to have 700 VFW posts.

The VFW Pvt. Leonard Post Jr. was organized in 1946 and has since provided the western New York community with 31 years of public service. Their present membership includes over 1,000 veterans, all deeply committed to participation in patriotic and community affairs. Under the leadership of Comdr. A. J. Maciejewski, Post No. 6251 has maintained their remarkable record of sacrifice by the members for the betterment of the community. These concerned veterans are totally unselfish in their charitable con-

tributions and are strongly committed to the post's programs for the disadvantaged. It is a real honor to be able to count these men among my constituents.

The continuing efforts of VFW Pvt. Leonard Post Jr. Post No. 6251, of Cheektowaga, N.Y. are appreciated by all of western New York. I commend them for their dedication and wish them well in this year's competition at the national convention in August.

INDIANA'S HOSPITAL RATES

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. FITHIAN. Mr. Speaker, recently I had the opportunity to meet with the board of directors from Home Hospital and the lay advisory board from St. Elizabeth Hospital to discuss hospital cost containment and solutions to the rising health care costs. I found their briefing an extremely helpful and clearly documented response to cost containment as to how it would actually work out on the hospital level.

The State of Indiana has had a voluntary rate review program for 14 years. This program has been tremendously successful as evidenced by Indiana hospital rates being 20 to 30 percent below the national average. Before this program, Indiana was slightly higher than the national average. Although this approach is recommended publically by President Carter as a means for cost savings, Indiana's program is not acceptable under the new hospital containment program.

I would like to take this opportunity to share some significant statistics which have been brought to my attention by these two hospital groups.

HOSPITAL COSTS, JUNE 17, 1977

Although many of the figures that will be used in the presentation are specific for St. Elizabeth Hospital, I'm sure that Home Hospital and most other hospitals in Indiana could show similar facts and figures for most of the examples we use.

1. St. Elizabeth costs up 104%, 1970–76.

The costs at St. E. have increased 104% since 1970 and yes, hospitalization is expensive. But before we subscribe to the theory that hospitals are inefficient and increasing their prices indiscriminately, let's see where this increased revenue has gone.

2. Percent of increase from 1970 to 1976.

[In percent]

Salaries:	
Wage scale increases	36
New employees	9
Fringe benefits	10
Fuel and utilities	2
Food	3
Drugs	2
Supplies and other	20
Depreciation	3
Bad debts and medicare subsidy	11
Income over expenses (represents only 3 percent of our billings)	4

We also need to look closer at some of these individual factors.

3. Employees.

Hospitals are labor intensive. They must be staffed 24 hours per day, 365 days per year. It takes 5 people to staff a position for 3 shifts, including weekends, holidays, vacations and other time off, and about one out of three has special skills compared to about one out of seven in most industry. 60 percent of our cost is for personnel.

4. Dime.

The minimum wage has increased 130% since hospitals came under the Federal minimum wage guidelines. A. 10¢/hr. increase for each employee adds 200,000 to costs. Wage scale increases alone have increased our operating costs 2.8 million or $28/patient day since 1970. And we're still below the area average.

5. Personnel increases.

HEALTH PROGRAMS EXTENSIONS

[Dollar amounts in millions]

Programs	House	Conference	Percent change from House-passed bill
Health planning	$431.0	$498.5	+15.7
Health services research	27.6	28.6	+3.6
Health services statistics	31.7	33.6	+5.9
Biomedical research	1,499.8	1,640.5	+9.4
Health services	600.6	641.5	+6.8
Community mental health centers	77.6	102.7	+32.3
Maternal and child health	399.9	399.9	0
Home health services and training	12.0	12.0	0
Total	3,080.2	3,357.3	+9.0

Note: Figures may not add to totals due to rounding.

Nine percent of our cost increase is associated with additional personnel but most of this increase is due to increased workload.

As you can see the Emergency and Outpatient Department has increased from 17.5 to 25 employees but this is largely due to having 24-hour physician coverage and people using the Emergency Room as a source of primary care. Personnel in Pharmacy and Cancer Therapy have increased 75 and 100 percent respectively, but in all cases the productivity increase has been greater than the personnel increase.

6. New employees:

	Employees 1970	1976
Utilization review	0	6
Social services	0	2
Patient services	0	6
Pre-admission testing	0	4

Medicare mandated Utilization Review and Medical Social Service.

7. Fringes.

Area Industry, 30 percent.

St. Elizabeth, 25 percent.

Employee fringe benefit package adjustments account for 10 percent of our increase in cost from 70–76. A substantial portion of this increase is due to legislation governing pension plans such as earlier vesting and entry into the plans.

As you can see we are still 5 percent below the area average. To bring our staff up to the county average for wages and fringe benefits today would add about $12 per day to the hospitalization cost.

8. Fuel:

1970–1975, utilities: 1970, $111,982; 1975, $184,422.

9. Fuel:

1975–1976, utilities: 1976, $265,217.

From 70–75 our utility cost increased about $72,000 and from 75–76 it increased an additional $81,000—a 120 percent increase over the 6-year period.

10. Fuel/gas costs.

Based on November 1976 costs, $1.00 would buy fuel oil to produce 345,000 Btu's of heat or natural gas to produce 751,000 Btu's. We were faced with two factors beyond our control this past year. A severe winter and a gas shortage. This forced us to change our boilers from gas to fuel oil and this change added $540.00 per day to our costs during the month of January.

11. Food costs.

Food costs have risen from 240–470,000 (for the same quantities) and comparing the first quarter of 77 with the first quarter of 76, we see our costs increasing at a rate of 12.8 percent per year.

12. Drugs.

Drug costs increased by 14.5 percent from 75–76.

13. Bed sheets up 66 percent.

And moving in to look at supplies and other we see the cost of bed sheets has increased 66 percent and

14. Malpractice insurance up 532 percent.

15. X-ray room 2.

Equipment cost increases have also affected our costs. In 1974 it was necessary to replace X-ray room 2. This is a fluoroscopic room, the equipment was twelve years old and we couldn't get replacement parts. The cost of that replacement was $95,000.

16. X-ray room 3.

In 1975 we had to replace Room 3. Another fluoro room with equipment thirteen years old and again we couldn't get repair parts. That room cost $165,000. In one year the cost of replacing a fluoro room increased $70,000.

Both rooms needed replacement because of utilization. In 1970 4,400 procedures were performed in these rooms and in 1976 6,500 procedures were performed.

Used: 1970, 4,400 procedures; 1976, 6,500 procedures.

17. New hospital.

We all look forward to moving into our new addition but hospital building costs are expensive. We have looked at how hospital costs have increased and we all recognize that they are high. We've looked at some of the efforts we've made to help control these costs and hope that you see we are concerned and are trying to control costs. We also hope you now recognize that with few exceptions, the factors that have caused this increase in cost are not within the span of control of hospitals. And, whether this increase is controllable by hospitals or not, we question whether the health care industry has done as poorly as we are led to believe.

A look at the April 1977 Consumer Price Index shows some interesting figures.

18. Consumer Price Index, April 1977.

[1967=100]

Item:	
Medical care	199.1
Private transportation	176.3
Gas and electricity	209.8
Fuel oil and coal	282.0
Home ownership	201.0
Food away from home	197.5
Fruits and vegetables	203.0
Gasoline	187.0
All items	179.6
All items (excluding medical)	178.4

The effect of medical costs on the CPI for the last ten years has been to increase the CPI by 0.12 hundredths of a point per year.

HOME HOSPITAL OPERATING EXPENSE DATA COMPARED WITH NATIONAL AVERAGES, 1976

	Home Hospital, 1976	National, 1976[1]
Inpatient revenue per patient day	$135.44	$179.36
Percent below national	32.4	
Cost per patient day	$126.78	157.01
Percent below national	23.8	
Cost per stay	$975.41	$1,167.43
Percent below national	19.7	

[1] Information extracted from "Hospital Administrative Services Six-Month Report", December 1976, 300–399 beds.

Lafayette Home Hospital is somewhat unique in the cost performance pattern for the hospital industry. At the present time, our costs are $30.00 per patient day or approximately $192.00 per case below the national average. While this indicates performance that has contained costs in the past, it also emphasizes that H.R. 6575 would penalize Lafayette Home Hospital.

For example, not only does Lafayette Home Hospital operate on $192.00 per case less, it also means that we would not get 9% of that $192.00, or $17.28 per case, or approximately $232,235 annually, simply because we have been efficient in the past. This is a very inappropriate way to reward the past efficiency of Lafayette Home Hospital. Hospitals, faced with revenue restrictions imposed by "admission corridors," "admission load formulas," etc., could have to consider elimination of some services in order to operate within the funds available; services established, incidentally, over the years in complete support of and in compliance with comprehensive health planning regulations.

WHAT EFFECT WOULD H.R. 6575 AND S. 1391 HAVE ON HOME HOSPITAL?

1. There would be limitations on establishing new services and some existing services would need to be re-examined.

2. We would be penalized for growth. In the past, Home Hospital has grown in response to demand for service from the community it serves. During this period, we have increased the quality of health care service and rendered them in a cost-effective manner. The proposed bill would limit our potential to respond to future demands because of its arbitrary volume limitations.

3. Cost-cutting measures under the bill would necessitate future elimination of some positions and reduction in staffing of patient care areas. Quality of care would also be sacrificed by reduction in staffing of non-direct patient care services such as health and patient education, in-service training, maintenance workforce, etc.

4. The quality of hospital personnel would decline. Home Hospital employees expect, and deserve, salaries and increases comparable to their counterparts in other fields. Only in recent years have salaries in the health care field made progress in catching up with industry. This bill would cause us to fall further behind. We would no longer be competitive for the most qualified professionals. Many would leave the field; few would have the incentive to come in.

5. Title II of the bill would place limits on capital expenditures for renovation projects mandated by various state and federal programs. Home Hospital spent $175,000 in 1976–77 to meet requirements of the Life Safety Code, and anticipates spending several thousand dollars to meet requirements of the newly-enacted Section 504 of the Rehabilitation Act of 1973.

6. Home Hospital's planned emphasis on ambulatory care, which will result in less in-patient admissions, will greatly increase the in-patient unit cost because 50–60% of costs are fixed, e.g., insurance, depreciation, debt service and energy.

WHAT ARE POSSIBLE ALTERNATIVES TO H.R. 6575 AND S. 1391?

1. Consideration of the "Medicare and Medicaid Administrative and Reimbursement Reform Act" (S. 1470), introduced May 5, 1977 by Sen. Herman Talmadge.

2. Delegation of hospital controls to states with rate review agencies and evaluation of various rate review systems. Reimbursement should take into consideration the financial requirements of hospitals.

3. Support of legislation that would provide incentives and assistance to hospitals closing or converting unneeded facilities and beds.

4. Public disclosure of hospital financial information by selected public entities to foster better understanding of the nature of hospital costs.

5. A workable program to curtail unjustified malpractice suits would lower insurance rates and eliminate the necessity for "defensive" medicine.

6. Support of legislation designed to eliminate bureaucratic and duplicative regulation. Almost every hospital department is subject to some form of regulation. In New York state there are no less than 164 different agencies which exact some type of control over hospital activities. A study of a "typical" 150-bed hospital in Tennessee showed that each patient paid approximately $4.00 per day just to cover the cost of federal paperwork.

ANNIVERSARY OF DISTRIBUTIVE CLUBS OF AMERICA

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. PRESSLER. Mr. Speaker, this year marks the 31st anniversary of the founding of DECA—the Distributive Education Clubs of America—a growing national organization of young men and women planning business careers in the fields of marketing, merchandising, and management. Firmly based on the ideals of free enterprise, DECA attracts thousands of new members annually in high schools and colleges. Chartered DECA clubs in every State in the Nation, plus the District of Columbia, the Mariana Islands, Puerto Rico, and the Virgin Islands attest to the effectiveness and vitality of distributive education.

DECA encourages the personal development of vocational understanding, civic consciousness, social intelligence, and leadership abilities. As chairman of DECA's congressional advisory committee, I can testify that club members give the realization of these goals more than lip service. Students tour industries and businesses, organize lectures, conduct surveys, and raise thousands of dollars annually to contribute to numerous philanthropies. In my own State of South Dakota, 80 percent of all distributive education students belong to DECA, and South Dakota has been ranked second in the Nation in membership in relation to the State's population.

Recently DECA realized another goal—the completion of a National DECA Center in Reston, Va. In dedicating the center, which was the culmination of 10 years of planning and construction, former Secretary of Health, Education, and Welfare David Mathews had this praise for DECA:

I should think that if there is any group that understands full well the potential in a closer association between work and education, it would be this group. . . . So I have come to acknowledge what I believe is a very good example that you give the country in finding the productive, useful, work that can be done in associating, in your case, the business world and the world of education.

I echo former Secretary Mathews' high regard for DECA, and I am proud to serve as DECA's advisory committee chairman. Their impressive record strongly affirms that the ideals of free enterprise are alive and well and are continuing to grow through DECA.

H.R. 8359—A BILL TO RESTORE EFFECTIVE ENFORCEMENT OF THE ANTITRUST LAWS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. RODINO. Mr. Speaker, H.R. 8359 and S. 1874, its identical Senate counterpart, have as their purpose the overruling of the Illinois Brick decision, so that the Federal Government, the States, and injured businesses and individuals may once again effectively enforce our antitrust laws.

These bills are strongly supported. I should like to insert in the record the press release issued by the U.S. Department of Justice, and a letter received from the Federal Trade Commission, evidencing the support of those antitrust agencies for this legislation.

I am very much heartened by this support, and look forward to prompt action on this measure. The text of the press release and letter follow:

DEPARTMENT OF JUSTICE,
July 15, 1977.

John H. Shenefield, Acting Assistant Attorney General in charge of the Antitrust Division, expressed support of a bill introduced in Congress today intended to restore the right of consumers to recover treble damages from violators of antitrust laws, even though they have not purchased directly from the violators.

A recent decision by the Supreme Court in the *Illinois Brick* case held that only consumers who had purchased directly from a violator could recover treble damages.

The bill, titled "A Bill to Restore Effective Enforcement of the Antitrust Laws," was introduced by Senator Kennedy, Representative Rodino and co-sponsors.

"The Department of Justice fully endorses the goals of this legislation," said Shenefield. "It will restore an essential element of effective antitrust enforcement.

"The ultimate purpose of the antitrust laws is to protect consumers by fostering vigorous competition in American business, and a primary means of obtaining such protection has been the right of victims of antitrust violations to recover damages from the violator, thus removing the profit from the crime.

"Unfortunately, under the recent interpretation of antitrust laws, consumers will in many instances have lost the right to seek treble damages because they have not purchased directly from the violators.

"These ultimate consumers, and other indirect purchasers, are thus stripped of the opportunity to seek private redress for antitrust wrongs.

"This inequity is compounded by the high likelihood of windfall profits from antitrust violations for direct purchasers, who may have passed on to their customers price-fixed overcharges but may nonetheless now sue to recover treble damages for such overcharges.

"We believe that the intent of the antitrust laws will best be served by permitting all victims of antitrust violations to assert

their claims, and to recover their actual damages, trebled, according to proof. The legislation introduced today should accomplish this goal.

"Moreover, the United States is itself frequently an indirect purchaser of goods and services, and participates as a party plaintiff in civil antitrust damages actions.

"Many state and local governments also are indirect purchasers. Unless this legislation is passed, the federal, state, and local governments will not be able to seek damages for antitrust violations that injure indirect purchasers.

"Accordingly," Shenefield concluded, "to promote the effectiveness of the antitrust laws, to provide equity in treble damage awards, and to protect the interests of the United States as a consumer, the Antitrust Division supports this legislative initiative."

FEDERAL TRADE COMMISSION,
Washington, D.C., July 15, 1977.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, House of Representatives, Rayburn Office Building, Washington, D.C.

DEAR CHAIRMAN RODINO: We are writing to you to express our concern over the Supreme Court's recent decision in *Illinois Brick* v. *Illinois*, 45 U.S.L.W. 4611 (U.S. June 9, 1977). Pursuant to the authority conferred by 15 U.S.C. § 6(f), we urge that early consideration be given to enacting legislation to overturn the result in that case. We agree with the position of the National Association of Attorneys General, as expressed by its Washington counsel, that this decision is "bad news for consumers and taxpayers." Wall Street Journal, June 10, 1977, at 16, col. 1.

As you know, the majority in *Illinois Brick* held that "indirect purchasers" may not maintain treble damage actions against antitrust law violators, even when overcharges resulting from the violations have been "passed on" to them. The effect of this decision, if allowed to stand, will be to deny injured consumers a needed right to compensation for illegal overcharges. Further, it will frustrate the intent of Congress and permit many antitrust violations to go unchallenged.

As noted in Justice Brennan's dissent, the major purposes of Section 4 of the Clayton Act are to compensate victims of antitrust violations and to deter others from future violations. The *Illinois Brick* decision, however, would limit recoveries under Section 4 in many instances to middlemen. Since middlemen may not be harmed financially and frequently have longstanding relationships with manufacturers, they have little incentive to pursue their legal remedies. As a result, both major purposes of Section 4 are defeated. This means, in turn, that greater burdens are placed upon the public antitrust enforcement officials.

That Congress intended to grant a right of recovery to "indirect purchasers" is further underscored by the legislative history of the recently-enacted Hart-Scott-Rodino Antitrust Improvements Act of 1976. Indeed, the provisions authorizing state attorneys general to sue as *parens patriae* are premised upon the right of consumers to recover damages for Sherman Act violations.

The majority in *Illinois Brick* appears to be overly concerned with potential dangers of multiple recoveries against guilty defendants. Certainly there is such a risk, but as the dissent points out, existing procedures keep the risk within acceptable bounds. In our view, the greater risk is that antitrust offenders will be permitted to retain illegally-obtained overcharges.

A similar response can be made to the majority's concern with the difficulties in determining damages, should "indirect purchasers" be permitted to sue. While proof of damages may be made more difficult in some instances, the problems created are not insurmountable, and certainly do not justify leaving injured parties remediless.

In its opinion, the majority acknowledged that Congress might disagree with its decision and suggested that Congress could amend Section 4 of the Clayton Act. We strongly urge that this invitation be accepted and that *Illinois Brick* be overruled legislatively. This would make our job at the Federal Trade Commission easier. More importantly, though, this would provide needed assistance to the consumers of this country, who are all too often victimized, without effective recourse, by violations of the antitrust laws.

By direction of the Commission.

(Mr.) CAROL M. THOMAS,
Secretary.

A WASTE OF MONEY

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. STANGELAND. Mr. Speaker, the Davis-Bacon Act is increasingly being recognized as one of the most outdated and inflationary pieces of legislation on the statute books. According to GAO figures, the act contributes an estimated 5 to 15 percent additional cost on all Federal and federally-assisted construction. The taxpayer pays more—approximately $1 to $2 billion annually—while the intended beneficiaries of Government programs wind up getting less for the money. I would like to call to the attention of my colleagues a recent column by William Murchison, editorial staff writer for the Dallas Morning News, who observes that Davis-Bacon is a "major cause of price escalation" and questions the wisdom of legislation the main impact of which is to "subsidize the salaries of workers who already earn far more than the average nonconstruction wage." Mr. Murchison also notes the efforts of my colleague from Minnesota, Representative TOM HAGEDORN, to correct the shortcomings of the Davis-Bacon Act with his Federal Construction Costs Reduction Act. I am pleased to be one of the 38 cosponsors of this legislation. The full text of Mr. Murchison's column follows:

A WASTE OF MONEY

(By William Murchison)

Couple together a pair of terms that seem made for each other, and what you have is a boxcar word.

"Damyankee"—an epithet long cherished by unreconstructed Southerners—is one of these. Another is Huey Long's "lying newspapers." And still a third—surely by now the words are joined forever in unholy matrimony—is "government-waste."

Does the government waste money? Does the sun rise in the East? Do the birdies sing sweetly on a spring morning?

For money—most especially other people's money—the United States government has an attitude of the most cheerful contempt. Money grows on trees, or, more properly, on printing presses. There is always more where it comes from.

That is why the assorted and sore-vexed taxpayers of the Republic have cause to cheer on "The Federal Construction Costs Reduction Act of 1977." Rep. Tom Hagedorn of Minnesota and 24 cosponsors, including Dallas' Jim Collins, have a bill that in one department of life would uncouple "government" from "waste" and send the two boxcars speeding in opposite directions. Sen. John Tower has a companion bill in the upper chamber.

What the gentlemen propose to do is reform the Davis-Bacon Act and thereby start saving the taxpayers some not inconsequential sums of money.

The Davis-Bacon Act is not well-known; nevertheless, its impact is widely felt. It was enacted by Congress in 1931, at the depth of the Great Depression, to protect construction workers from low wages.

The nub of the act is its provision that workmen on federally connected contracts should be paid the wage rate "prevailing" in their geographical area for the kind of work performed. Presently, the act covers no fewer than 72 federally assisted programs. It is, in essence, a minimum wage law for the construction industry.

Is this not a fair and splendid thing? it is asked. The answer can be gleaned from consideration of Davis-Bacon's effects.

In theory, the "prevailing wage rate is that which the local marketplace is setting at a given moment. But in practice, the Labor Department specifies as "prevailing" rates the highest rates being paid by area labor unions.

The building trades unions, whose members are the highest paid manual workers in the world, thus set the pace—usually to the detriment of the taxpayer, whose work could be done cheaper at rates that genuinely "prevail."

Thus a nursing home in Moravia, N.Y., cost $91,000 to build when, as the Associated General Contractors contend, use of the "prevailing" wage rate could have saved the owners 11 per cent.

An interstate highway contract in Johnson County, Kan., the contractors affirm, cost $395,000 when the job could have been done for 10 per cent less.

A building at Southwest Texas State College in San Marcos, at $157,000, cost 3.5 per cent more than it need have cost.

Most horrendous of all is an estimate by the governor of Virginia that the cost of Interstate 66, which carries traffic to Washington, D.C., will be 125 per cent more than it ought to; this because wage rates were pegged to those of rapid transit construction workers in the capital city.

Overall, the General Accounting office estimates, Davis-Bacon drives up construction costs from 5 to 15 per cent.

The extra money comes, of course out of the contractors' pockets. But no one need deceive himself that the passing of the buck stops here. The cost is handed on to the builder of the project, thence to the public. Davis-Bacon is rightly regarded as a major cause of price escalation.

That is where Hagedorn, Tower and the rest come in. They would have the Labor Department henceforth set a single wage rate (presently rates are set for each craft), that rate to be the average for "laborers" on similar jobs in the country where the work is undertaken. This would be the minimum rate. Higher rates would of course be allowed, but only if the laws of competition dictated. No contractor would have to pay a higher rate just because the government said so.

Such a procedure, the sponsors contend, would simplify the wage-setting process, make wage rates more realistic and encourage the use of lower-salaried trainees, apprentices and helpers.

For these reasons, the AFL–CIO will fight the Hagedorn and Tower bills tooth and nail. Labor likes Davis-Bacon just the way it is. It assures high wages to construction workers—and, anyhow, the public will find some way, will it not, to pay the bill.

The public, to be sure, always has. But that is hardly an argument for continuing to subsidize the salaries of workers who already earn far more than the average nonconstruction wage. Government waste is all that the subsidy amounts to. Surely, even if we reform Davis-Bacon, there will be enough of that left to please its many beneficiaries.

FEDERAL CONSUMER PROTECTION AGENCY

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. GRADISON. Mr. Speaker, attempts to create a Federal Consumer Protection Agency have apparently encountered increasing opposition. While some proponents of the Agency have attempted to attribute the opposition to the efforts of special interest groups, the real explanation lies elsewhere. The bill to create a Consumer Protection Agency is in trouble for one simple reason. The American people are fed up with Congress attempts to saddle them with more and more bureaucracy.

The following article which appeared in the Cincinnati Enquirer of June 12 offers some perceptive observations on the consumer agency debate. I commend it to my colleagues' attention:

CONSUMER PROTECTION: DREAM OR NIGHTMARE?

(By Robert Webb)

So desperate is the drive for a federal consumer-protection agency that a national lobbying committee—with Ohio Attorney General William J. Brown at the helm—has been formed to overcome mushrooming resistance in a Democratic Congress.

The agency bill, managing a mere 21–20 approval by the House Government Operations Committee, is in trouble so deep Ralph Nader apparently is having spasms. He pulled out all stops in ripping up one Georgia Democrat, Rep. Elliott H. Levitas (D), for fighting the bill in committee.

"He (Nader) either called the local papers in Georgia or got hold of their Washington correspondents," a Levitas aide said. In a lashing attack, Nader branded Levitas, a former Rhodes scholar, "tricky and shifty" and said he was either "intellectually corrupt or intellectually purchased," according to the aide.

That's one hint of the Nader forces' desperation at having a Democratic President and Democratic Congress unable to assure creation of the consumer agency that was a hallmark of the party's 1976 platform.

Attorney General Brown was summoned to Washington the other day for appointment as cochairman of a newly organized Committee for the Consumer Protection Bill. He was recruited by virtue of serving as chairman of the consumer-protection committee of the National Association of Attorneys General.

Brown met with President Carter June 1, then outlined the proposed agency on a Cincinnati stop as "a watchdog over the federal regulatory boards and commissions—with teeth."

But Levitas said in the committee report on the bill it will create "a brand-new agency of sheltered bureaucrats" of dubious merit. He charged Mr. Carter with inconsistency in backing the proposed agency while calling for government reorganization aimed at streamlining.

The agency would have around 200 employees by Brown's estimate. It would start with a proposed first-year budget of $15 million—but where it would end, nobody knows. Significantly, the bill exempts labor matters, agribusiness and international trade from the agency's purview.

"All consumers believe that it is in their best interests to pay a reasonable price for essentials," Levitas said. "It is a major concern; yet this bill exempts the agricultural sector of our economy from intervention of this new so-called 'agency for consumer protection.' What about the consumers' interest in milk, bread and other prices?"

The new agency would "create a circus-like atmosphere," in his judgment. And he asks: "Can we expect the public to understand why one agency of the President's administration is suing another agency in the same administration to get it to do what the President wanted it to do in the first place?"

Levitas also cited the saccharin issue to exemplify the potential horror of an agency ostensibly representing consumers in their dealings with government. "Some self-styled consumer advocates wanted to take saccharin off the market," he noted, while many consumers clamored for uninterrupted sales of the artificial sweetener. His aide said his office was swamped with 700 to 800 letters from people—diabetics, heart patients and the like—outraged at the prospect of its removal from the market.

Mr. Carter argued the new agency would take over functions of around 180 people spread through 13 agencies in consumer-protection work now. Moreover, he said these 13 have a combined annual budget of $10.4 million. But anyone familiar with the bureaucracy knows the small battalion of consumer protectors might soon become an army.

Mr. Carter is obviously nettled by the campaign against the agency bill. His pique showed in his June 1 declaration that "special-interest groups who are selfish" have put forward "misinformation" about the measure. One wonders if, in fact, such groups are "selfish" simply because they oppose the agency setup.

Legions of onetime Naderites and other "public-interest" advocates populate the Carter administration in sub-cabinet jobs, of course. Many have a years-on-end history of working for creation of the agency. The most notable, perhaps, is Joan Claybrook, former head of Nader's Congress Watch lobby and now administrator of the National Highway Traffic Safety Administration (NHTSA).

Enactment of the agency bill could lead to a bureaucratic comic-opera with the new protectors fighting such agencies as Miss Claybrook's or others staffed by onetime citizen champions of the public interest. For as certain as night follows day, the new official vigilantes eventually would cross swords with those partly responsible, in effect, for getting them their jobs.

Ohio's attorney general, who manages a consumer-protection division in his own office, would appear to have his work cut out to convince Congress it needs to make Nader's longtime dream come true. To many in and out of Congress, that dream is a nightmare.

DRILLING INDUSTRY INCENTIVES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. COLLINS of Texas. Mr. Speaker, in regard to the willingness and ability of the oil and gas industry to respond to rising energy prices with increased exploratory efforts, please consider the following facts:

Fact 1.—In the period 1960–70, the real price of oil and gas, after inflation adjustment, declined from $3.40 per barrel of oil equivalent to $2.70. This same period was marked by a drastic reduction in drilling expenditures.

Fact 2.—When the real price of oil and gas began to rise in the early seventies, drilling expenditures doubled between 1971 and 1975.

Fact 3.—Following the oil embargo of 1973, increased exploratory and production activities and their spill-over effects caused employment in the petroleum equipment supply industry to rise from 25,000 in 1973 to 62,500 in 1977, according to the U.S. Commerce Department.

Fact 4.—Plant capacity currently exists to produce 679 drilling rigs per year without further capital investment. Delivery time for a new land rig is 4 to 6 months.

Fact 5.—Depressed interstate gas prices have kept idle more than 50 superdeep drilling rigs suitable for drilling for gas.

The free enterprise system has always responded to incentives. The oil and gas industry has demonstrated through its past economic history that it possesses a strong capacity for expansion.

BILL TO ENABLE HANDICAPPED WORKERS TO EARN LIVING WAGE

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. NOLAN. Mr. Speaker, I have recently introduced the Wage Supplements for Handicapped Individuals Act amending the Rehabilitation Act of 1973 to provide wage supplements to handicapped individuals working in sheltered workshops or work activity centers. By enhancing the work incentive programs now provided by most sheltered workshops, this bill will enable handicapped workers to earn a living wage, thus contributing vastly to their self-esteem and sense of achievement.

Sheltered workshops such as the opportunity training center in St. Cloud, Minn., currently provide work programs through which handicapped individuals can receive job training and attain a measure of self-sufficiency. Through their work, these individuals contribute a number of valuable services to the St. Cloud community, yet few take home more than $35 a week for their efforts.

The legislation I have introduced would provide for a series of pilot programs to demonstrate the feasibility of wage supplements for handicapped individuals who are employed on a long-term basis. In the demonstration projects, each handicapped worker earning less than 50 percent of the minimum wage would receive a $1 per hour wage supplement in addition to his wage. For wages above that point, the supplement would be reduced 7 cents for each additional 10-cent increment in wages, with the entire supplement eliminated for any

wage in excess of 100 percent of the minimum wage.

This legislation is designed to provide a handicapped worker with a degree of financial independence while retaining an incentive for productivity. In this country, we have always been proud of a heritage which encourages each person to realize his full potential. I believe H.R. 7982 will offer such encouragement to handicapped workers and I hope my colleagues will give it their full support.

ADMINISTRATION'S ENERGY PLAN ENHANCES PROLIFERATION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. TEAGUE. Mr. Speaker, on Monday, July 11, the President announced his support for a $4.5 billion uranium enrichment facility to be constructed at Portsmouth, Ohio. The new facility will be a centrifuge facility.

The building of this facility is in direct conflict with the President's position on nonproliferation. A centrifuge facility offers as much and perhaps more potential for proliferation than a breeder reactor together with its reprocessing plant. For any nation that desires to produce a nuclear weapon, the centrifuge system together with a small research reactor, are actually more preferable to use than the reprocessing facilities which separate plutonium out of spent fuel, and a breeder reactor. The President's concern over proliferation is not directly related to breeder reactors but rather to those facilities, spent fuel reprocessing and fuel fabrication, which are essential to the operation of the breeder.

The centrifuge and a small research reactor cost about a billion dollars less than a small breeder and a reprocessing facility, are less expensive to operate and the small size of these facilities makes them significatly more difficult to detect. A centrifuge system can be purchased commercially and the design for research reactors is unclassified and readily available. In addition, the objective of building the centrifuge plant is not only to increase the fissile content of the uranium for light water reactor fuels but is to teach private contractors how to use and operate a centrifuge separation facility. The knowledge of how to separate or isolate fissile material is also the key to weapons production. During World War II, it was separation, in addition to the transmutation of uranium into plutonium that presented the most difficult technical obstacles and required the most time to resolve.

In fact, you do not even need the research reactor if you have a centrifuge and know how to operate it. A single centrifuge with ancillary systems, as opposed to the mass production facility proposed for Portsmouth, can be used to raise the fissile content of uranium to a level of weapons grade material. Then, without converting the uranium to plutonium, you could make a creditable weapon. Of the two atomic bombs dropped on Japan in World War II, one was fabricated using plutonium and one was fabricated using enriched uranium. Why then is the administration so anxious to cancel the breeder reactor at Clinch River on the one hand and to proceed with an equivalent proliferation threat on the other hand? Proliferation is proliferation is proliferation.

It is obvious at this point that the solution to proliferation of nuclear weapons cannot logically be to halt all technical advancements that might be used to this end but rather to program safeguards into all processes while continuing to work on further international agreements to insure the peaceful use of nuclear material.

All nuclear weapons must be made from a highly enriched fissile material, such as uranium or plutonium. Up to now, enrichment has been accomplished by gaseous diffusion plants. Gaseous diffusion plants could not easily be hidden by any nation who desired to develop nuclear warfare potential because they are both enormous in size and consume vast amounts of electricity. The new centrifuge technology eliminates both the high electrical costs and visibility problems of any nation wishing to clandestinely develop nuclear weapons. A centrifuge facility can be built at modular size and would consume only 4 percent of the electricity of a gaseous diffusion plant.

The Portsmouth plant is necessary to fuel future light water reactors and the centrifuge process promises the most feasible approach to separating uranium, just as the Clinch River breeder reactor is necessary to demonstrate that we can eventually employ breeder technology, if and when we need it, because uranium is as finite as oil and natural gas.

Proliferation possibilities can be enhanced in various ways. However, it seems illogical to prohibit breeder technology because it may offer this possibility while eagerly supporting centrifuge technology which could enable any nation so inclined to make weapons in a simpler, less expensive manner. The facts need to be understood. It is important that we approach the Clinch River decision and all future decisions from the position of solving problems not ignoring them.

RABBI DENNIS C. SASSO AND RABBI SANDY EISENBERG SASSO

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. EVANS of Indiana. Mr. Speaker, next month Congregation Beth-El Zedeck in Indianapolis will have two new rabbis serving their congregation. It is not uncommon to have two rabbis serving the same congregation, but it is highly uncommon for the rabbis to be husband and wife. In fact, Rabbi Dennis C. Sasso and Rabbi Sandy Eisenberg Sasso are the first rabbinic couple in Jewish world history.

Both are 31 years old and both were ordained from the Reconstructionist Rabbinical College. They came to Indianapolis after serving as rabbis in New York.

Mr. Speaker, it is an honor and a privilege to have this husband and wife serve Congregation Beth-El Zedeck. I invite my colleagues to join me in wishing them success.

SERIOUS PROBLEMS IN GOVERNMENT DISABILITY PROGRAMS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. PICKLE. Mr. Speaker, while the Ways and Means Subcommittee on Social Security considers reform of the system, it is my feeling that it needs to scrutinize the disability side of the question. Payments for disability have grown more rapidly than other portions of the social security program, particularly in the military.

Disability has proved troublesome in other areas, too, such as the growing payments to "disabled" Federal employees. Of course, the vast majority of those Federal employees who receive disability are deserving but the following article from the July 6, 1977, Washington Post does indicate that there is some flagrant abuse of the system which must be halted.

"DISABLED" CIVIL SERVANTS—DRAW PENSIONS, HOLD PRIVATE JOBS

(By Brooks Jackson and Evans Witt)

A federal civil servant retired on grounds that he was disabled, yet earned a total of $117,560 in a new private job in 1974 and 1975, an internal Civil Service Commission report shows.

Another disability pensioner held a private job that paid him a total of $100,943 in the same two years.

Two other supposedly disabled federal pensioners earned $76,793 and $66,444 in a single year.

At the same time, all four were drawing disability pensions ranging from $404 to $1,793 per month, paid mostly by the taxpayers. And most of each pension was considered tax-free "sick pay."

The pensioners, whose names were not listed, are among the commission's "top 20"—persons who earned the most in new jobs while drawing pensions granted because they could not perform their old government jobs efficiently.

The system grants disability pensions to federal workers who in many cases still are able to work.

On the average, the 20 earned more than $29,000 a year in 1974 and 1975, while drawing disability pensions of $9,284 per year.

The 20 are a small minority among the more than 279,000 disability pensioners drawing more than $1.5 billion a year. Yet they illustrate features of the system that have drawn criticism:

The definition of disability is so broad and vague that virtually any ailment, including those that are relatively easy to fake, is grounds for a pension. Nearly 98 per cent of

those who apply for disability retirement obtain it.

Monitoring whether disabled pensioners have recovered their earning power depends almost entirely on unverified earnings reports by the pensioners themselves. Officials admit that fraud usually goes undetected, and when it is discovered, seldom is the pensioner prosecuted.

Government agencies, according to the National Association of Retired Federal Employees, often are unwilling to find light-duty assignments for employees with medical problems, instead pushing them onto the retirement rolls.

The system also is relatively stingy when it comes to those who need help the most: young, low-paid federal workers who become totally unable to work. Many of these workers would receive more money if they were covered by Social Security rather than civil service, a report by the General Accounting Office said.

To receive a disability pension, a federal civil servant need only be declared medically unable to perform one or more parts of his job efficiently.

In contrast, the Social Security disability system and most disability programs in private industry pay only when a person is unable to work.

"We've got a liberal disability provision compared to private industry, there's no denying that," said Thomas A. Tinsley, retirement director at the Civil Service Commission.

The vast majority of disability pensioners probably are abiding by the government's liberal rules. The typical disability pensioner retired at age 51 or 52 with a heart condition, arthritis or cancer and gets about $5,500 a year in pension, records show. Disability pensioners have a death rate 5 to 23 times higher than active federal employees the same age.

Only about a third of all disability pensioners report earnings from jobs, including part-time employment. Yet some are able, despite their supposed disability, to earn a good living.

The system attempts to cut off disability pensions to them, but the rule governing such cases is easily manipulated or ignored.

The law requires cancellation of pensions for those who earn, for two years in a row, more than 80 per cent of what their old job is paying.

In all, half the "top 20" kept their pensions by staying within the 80 per cent rule. The other half lost their pensions because their income exceeded the 80 per cent rule. But their pain was eased because commission procedures allow the pension to continue for one more year beyond the two in which excessive earnings were reported.

For the pension losers the average yearly earnings were $31,345 and the average pension was $8,738.

The commission is all but helpless when pensioners break the 80 per cent rule but conceal their income. Pensioners are required to report earned income by means of a postcard questionnaire, but the commission makes no regular attempt to verify the reports.

"There is no way to police that," Tinsley said. "About the only way we get them is when a neighbor gets mad and turns them in."

In one such case, a disability pensioner was found to be hiding excessive earnings by having his private paycheck issued in his wife's name. The pension was stopped, but the pensioner was not prosecuted, a commission lawyer said.

Before 1970, the commission compared some questionnaires with pensioners' federal income tax information. Tinsley said any effort to re-institute such a policy would be "political dynamite" because of concerns about privacy.

Congress has not yet moved to tighten the law or encourage light duty for still-productive employees. But hearings are likely this year and the Civil Service Commission is working on its own recommendations for changes.

SUBSIDIES HAVE WORSENED THE WATER SHORTAGE IN CALIFORNIA

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. EDGAR. Mr. Speaker, a recent article in Barron's on the water shortage in California raises important points on two issues of importance to this House: federally funded water projects and the impact on regional economies of Federal policies. I would like to share the article, and my letter to Barron's in response to it, with my colleagues:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 19, 1977.

Mr. ROBERT M. BLEIBERG,
Editor, Barron's
New York, N.Y.

TO THE EDITOR: I was most interested to read your article on the California water crisis in your June 27 edition ("Liquidity Crisis: Subsidies Have Worsened the Water Shortage in California"). I have circulated copies of it to my fellow Congressmen who share with me membership on the Steering Committee of the Northeast-Midwest Economic Advancement Coalition. Your writer cogently points out the vast national subsidy involved in putting scrub land in California to agricultural use. He does not point out that much of this subsidy is coming from the economically hard-pressed Northeast and industrial Midwest.

The size of this subsidy is such that in Fiscal Year 1975 Pennsylvania contributed $2.4 billion in federal taxes more than it received back in federal spending. In other terms Pennsylvania received only $0.87 on every dollar of its federal taxes. In New Jersey the problem is worse; there the state's return is only $0.66 on every dollar of federal taxes. California, on the other hand, receives $1.13 back for every dollar it contributes to the federal treasury.

The Northeast-Midwest Economic Advancement Coalition is an alliance of 204 Congressmen from the older industrialized portions of the country who have joined together to press for more realistic federal policies toward regional balance and economic development. Your article is an important contribution to our study of the regional impact of federal policies.

Cordially,

ROBERT W. EDGAR.

[From Barron's, June 27, 1977]

LIQUIDITY CRISIS—SUBSIDIES HAVE WORSENED THE WATER SHORTAGE IN CALIFORNIA

(By Michael Brody)

Sacramento.—California's water systems today resemble a strange seabed from which the waters have mysteriously receded. Looming up from the exposed depths are rarely glimpsed bureaucratic monstrosities, like giant squid stranded amidst the dried-out concrete reefs of dams, reservoirs and aqueducts.

These shadowy bureaucracies—federal, state, municipal—have controlled the floodgates of agricultural development and economic growth in California since the turn of the century. The seemingly limitless sea of cheap water they have ruled over has encouraged massive wastage by municipal rate-payers scarcely aware of their existence, and has made the fortunes of turn-of-the-century robber barons, modern agribusiness giants, and not a few crooked property speculators and corrupt politicians in between: But the worst drought in California history—which also has severely affected most of the West Coast and Mountain States—finally is putting an end to the illusion that there is such a thing as a free glass of water.

The federal water bureaucracies and their pork-barrel Congressional allies now are under attack by "fiscal conservative" administrations in both Washington and Sacramento. In the wake of the House of Representatives' vote 10 days ago, approving 16 new dam and irrigation projects by a margin too small to override a threatened Presidential veto, Congress is finally being forced to cut some of the more egregious boondoggles to get the rest through. But the Water Resource Policy Study, headed by Interior Secretary Cecil Andrus and due to report to the President next November, will recommend at most only marginal reductions in the huge federal subsidies on existing water projects—including California's vast Central Valley Project. And it is these very subsidies which, paradoxically, have played a major role in creating the water shortages which now threaten many California farmers and ranchers with ruin.

No paradox, perhaps, to those aware of the disruptive effect of subsidies on the price mechanism's allocation of scarce resources. But neither of the major federal water bureaucracies, the Federal Bureau of Reclamation or the Army Engineer Corps, has ever thought of itself as dealing with a scarce resource requiring efficient use or conservation. They have merely assumed that no matter how much development they planned for, there would always be more water and more money to finance its development. They reckoned without the Pacific High.

STORM BARRIER

The Pacific High is a high-pressure atmospheric ridge which established itself two years ago over the ocean off the north coast of California, encompassing a huge area stretching from Hawaii north-eastward toward Oregon, Washington and the Canadian border. In violation of all meteorological laws it has remained virtually stationary off the Pacific Coast for two years, deflecting storms northward over Northern Canada, and leaving California and much of the Western states high and dry in their second consecutive year of severe drought. In the passes of the Sierra Nevadas, the snowpack last winter lay barely two feet deep, where six-to-seven-foot drifts ordinarily wait to bury the traveler—and the snow that did fall was five times drier than snow ought to be. Run-off in the streams and rivers pouring down out of the Sierras into the long Central Valley and lies between the Sierras and the coastal mountain ranges is down to as little as 13% of average flow. Major reservoirs hold less than half their normal water supply, while hydroelectric power generation has been severely cut.

The state's Department of Water Resources estimates that with huge increases in ground water pumping, supply shortfalls will total only about 600,000 acre-feet (326,000 gallons of water will flood an acre to a depth of one foot), against demand for 7.1 million acre-feet, in the coastal regions stretching down from the north coast's forests and vineyards through the San Francisco Bay area and on down to Southern California, where the bulk of the state's population lives. But in the Sacramento Valley—the northern part of the Central Valley, north of the river deltas emptying into the San Francisco Bay—water supplies are expected to run nearly two million acre-feet short of the nine million re-

quired, most of it for irrigation. And in the San Joaquin Valley—the heartland of California agriculture stretching southward from the delta—there will be an estimated 3.7 million acre-feet shortfall on the 20.7 million acre-feet needed, virtually all of it for agricultural use.

Of the 41 million acre-feet of water which users will need this year, 85% of it for agriculture, an estimated 6.5 million acre-feet won't be available; delivery of the rest will require dangerous reductions in the underground water table which will increase soil salinity and ground subsidence and threaten permanent damage to water-bearing geologic formations. Economist David Auslam of the Department of Water Resources calculates that on a "most likely scenario" basis, the cost of the drought in gross state product this year will run $4.5 billion; alternative optimistics and pessimistic estimates: $2.9 billion and $6.3 billion, respectively. Roughly three-quarters of the loss will be in agriculture, with almost all of the rest accounted for by higher energy costs due to hydroelectric power shortfalls.

BEGGAR THY NEIGHBOR

California's state and federal water bureaucracies, and the powerful interest groups which they both serve and mediate among, are now locked in a bitter warfare to determine how the burden of water shortages and multibillion-dollar losses will be distributed. The State Water Project, the smaller of the two, delivered two million acre-feet of water last year down through 600 miles of reservoirs, pumping stations and aqueducts from Northern to South California. Southern California draws water from the Colorado River Aqueduct and the Owens Valley's Los Angeles Aqueduct as well. But it is also the chief beneficiary of the state's California Aqueduct, and Southern California votes give the State Water Project plenty of political clout.

The Federal Bureau of Reclamation's Central Valley Project last year delivered seven million acre-feet of water to the SWP's two million, most of it to the huge agricultural water-users of the San Joaquin Valley, whose votes are few but whose wealthy and powerful farm lobby is not entirely devoid of influence in Sacramento, especially in the more conservative bastion of the State Senate. The battleground across which the state and the Bureau face each other: the thousand or so square miles of marshy delta where the Sacramento and San Joaquin rivers empty into San Francisco Bay whatever muddy trickles of water are left to them by the two projects' pumping stations and dams.

How much water the Bureau can divert is the point at issue. The Department of Water Resources, which runs the State Water Project, is required by state law to assure sufficient fresh water flow into the Delta to maintain water salinity and other standards demanded both by industrial users of the Delta's water and by environmental groups. The Bureau, which is supposed to coordinate its operations with those of the State, does not consider itself bound by the water quality standards set by state law; hence the extra water it takes out of the rivers flowing into the Delta must be made up by the State.

BREAD, NO WATER

Not surprisingly, farmers are insisting that water for agriculture must take priority over everything—especially the enormously wasteful lawn-waterings and toilet-flushings of municipal water-users. The widely publicized filling of an ornamental lake by a Southern California condominium developer brought calls for secession from the state this spring from north coast farmers and wine-growers, whose untamed rivers and streams now are being coveted by both the state and federal water agencies. In fact, water conservation already is being practiced in most of California's major metropolitan areas: Los Angeles faces a mandatory 10% water-use cutback on July 1, San Francisco is conducting a major voluntary conservation program. Suburban Marin County, north of San Francisco Bay, has been forced to impose severe mandatory water rationing, aimed at reducing usage by 25%; such a shrinkage in urban water use in the state's 11 largest metropolitan areas would save one million acre-feet a year. (Marin County's single largest residential consumer cut water use last year by 45%—but, then, the warden of San Quentin *does* have greater powers at his disposal than county officials.)

Major conservation efforts are apt to become a permanent feature, as the costs of the electric power used to pump water skyrocket. Hydroelectric facilities normally provide one-fifth of the state's electric generating capacity; hydroelectric output in 1977 is expected to total barely one-third of that. Pacific Gas & Electric, the state's largest utility, will be compelled to obtain power from Southern California Edison and other suppliers to meet industrial demand; imports from the Pacific Northwest will be severely curtailed by drought conditions in Oregon and Washington. Massive increases in ground water pumping by farmers are a further drain on power supplies. The greatest part of the cost of state water to the Los Angeles basin represents the cost of power to pump that water up 2,000 feet over the Tehachapi Mountains north of the city; when its power contracts expire in 1983 and the state is forced onto the open market for power, Los Angeles water rates are expected to go through the roof.

But even maximum urban conservation efforts aimed at saving one million acre-feet a year state-wide would not begin to meet the estimated 6.5 million acre-feet shortfall facing California farmers. And, of course, millions of additional acre-feet will be needed to replenish underground aquafers to prevent permanent damage to the water-table and the soil. The Bureau is determined, therefore, to wring all the water it can out of the Delta to minimize as far as possible the multi-billion-dollar losses faced by agricultural users in the San Joaquin Valley.

FOUR-FIFTHS FREE

But there is a fundamental economic difference between the state's largely municipal and industrial consumers of water and the Bureau's largely agricultural users. The customers of the State Water Project—municipal, industrial, and agricultural—are paying water rates which cover 100% of the cost of developing and delivering state water supplies, including dams, reservoirs, pumping stations, aqueducts, and electric power. The Bureau's agricultural users for water are being subsidized by rates which cover less than 20% of the cost of the Central Valley Project.

Water priced at less than a fifth of its cost is cheap enough to subsidize farmers bringing into production marginal scrubland which would never have been irrigated and farmed if it had had to produce an economic return sufficient to cover its true costs. The existence of these massive federal subsidies has turned the San Joaquin Valley into a bottomless pit in terms of water demand; even at the height of the drought, the loud calls are for more water to expand agricultural production into ever more marginal land. No one knows how much uneconomic land federal taxpayers and electric rate-payers are paying farmers to irrigate in the middle of a drought; only the Bureau could put together such a figure, and the Bureau has never wanted to know.

The Bureau has the enormous quantities of rough data to make such an estimate, because its contracts with its customers are priced on the basis of the user's estimated ability to pay, irrespective of the cost of development and delivery of the water. That incredible blank subsidy check to the Bureau's clients was written into the federal Reclamation Project Act of 1939. A depression-era measure, its aim was to rescue small family farmers whose obligation to repay the costs of development projects already had been diluted by stretching repayments out over 50 years—without interest.

Today, Southern Pacific and other major corporate landowners in the San Joaquin Valley's scandal-ridden Westlands Water District are still paying $7.50 per acre-foot for subsidized federal water which may have cost $20–$30 per acre-foot to develop. Neither at the Central Valley Project nor at Federal Bureau of Reclamation headquarters in Washington has any study ever been done of how much efficiency of water use would be heightened, how much water demand would be cut, and how much marginal farmland would be taken out of production, if rates were raised to anything remotely approaching levels which would cover costs.

COST-EFFICIENT FARMING

The closest thing to such a study was a report entitled "Pricing and Efficiency in Water Resource Management," done for the National Water Commission in 1971. It repudiated claims that agricultural demand for water was unresponsive to price changes, noting studies from both the Central Valley and the Imperial Valley (near the Mexican border), which had found a sharp boost in water use efficiency and declines in consumption after significant increases in water rates.

But the report did not place the full blame for such grossly inefficient pricing policies on the Bureau, "Ability-to-pay—not cost—is the sole criterion for pricing Bureau-supplied water. Irrigators never pay the full cost of the water which they use, for they are not expected to do so." (The interest-free subsidy of the government's capital investment, the report noted, at an estimated cost of capital of 7% a year over 50 years, cuts the discounted value of irrigators' repayments to less than 30% of true project cost; further subsidies from power revenues cut their repayment share to less than 20%.)

"Nonetheless, repayment of project costs is still the avowed aim of the Bureau and the chief concern of the Congress; a great deal of time and energy is expended over the complexities of cost allocation and repayment. To reconcile these apparently contradictory purposes, the Bureau is forced to use spurious and misleading cost accounting methods to make projects look acceptable to Congress. This is not to suggest that the Bureau is surreptitiously deceiving the Congress; rather, the Bureau is engaged in a mutually advantageous obfuscation with Congress of the economic reality of reclamation. The alleged local economic gains from reclamation projects have made them politically valuable; few policy-makers have been concerned with the real cost of the projects to the national treasury."

Or, in the words of Jim Cook, the self-styled "country boy from Mississippi" who heads up the Bureau in California, the Central Valley Project "got in the hole financially because people wanted it in the hole"—people in the Interior Department, in the Congress, in the farm lobby. "To the economist I would say don't just jump in there and talk about the ultimate truths, like the newfound geniuses in the Carter Administration want to do; track it through, because you've probably got $6 or $7 or $8 in local economic gains riding on every $1 of government subsidy you've got sunk in that marginal land. . . Everybody raises hell about the CVP, and the federal government's operation of the CVP, but those who are on the outside of it want in so damn bad they can taste it, and those that are in are not going to give up a damn thing to let the others come through. So how can it be so damn bad and such a bust if everybody's fighting so hard to hang on to the piece of it they've got?"

PORK FOREVER

That's probably a fair summary of what new-found Interior Secretary Andrus—Cook's and the Bureau's nominal overlord—will be hearing from the good ol' boys in Congress if President Carter goes along with his proposal to try to raise irrigators' share of Bureau water costs nationwide from 19% at present to 25% and then to 30%. Meanwhile, Cook is battling the state over Delta water-quality standards; he has called for wide-scale damming of the rivers of California's north coast, which environmental groups are fighting to place under the protection of the Wild and Scenic Rivers Program; and he has accused the Brown administration and the state's Department of Water Resources of trying to bring in anti-growth land-use planning through the back door by blocking further water development.

At the moment, the major obstacle to new water development is the review President Carter has ordered of the Bureau's Auburn Dam project—a beautiful piece of design which will look like a thin concrete eggshell, and which Bureau engineers are convinced will stand the strain of being located almost on top of an earthquake fault line, just upstream from the state capital. Unfortunately, confidence in the judgment of the Bureau's engineers has waned somewhat since the collapse of the Teton Dam in Idaho, where Andrus was Governor at the time, and Carter has ordered that construction cannot go forward unless California officials are convinced of its safety.

State officials are looking hard for more water; the State Water Project already has signed contracts for the delivery of twice as much water as it has yet developed. But Ron Robie, director of the state Department of Water Resources, sees California as up against very real limits to growth—and angrily describes Cook's references to anti-growth planners in the Brown administration as "demagoguery of the first order."

He adds: "The federal government has not cooperated fully with the state in Delta water management, in allocations; they have been fighting a rear-guard action to discredit whatever we're doing. There isn't an unlimited supply of water and nobody will face up to that, the Bureau in particular. That's not land-use planning, that's just a simple fact. You can't develop everybody's wish-list if you don't have water and you have to let them know that there isn't water."

"The new dams are getting very expensive; as Secretary Andrus has said, all the good sites are gone; Auburn's not a good site. And the Bureau, because of the funny-money process, doesn't make it clear to people in California that new water is costing $100 an acre-foot to develop at the dam and that there are limits to the subsidies. The Bureau has never cared about how water is used; for them it's simply a question of getting more dams on line."

Dams with no water behind them, built to meet demands for non-existent water—demands created by the very federal subsidies that built the dams. If Carter and Andrus think they're going to talk Congress out of a public works program like that, they've got their work cut out for them.

REVOLUTION ON THE FARM—PART VI

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues the sixth in a series of articles that appeared in the Arkansas Gazette that deal with emerging trends in Arkansas agriculture. I commend this article to my colleagues:

REVOLUTION ON THE FARM—VI: SHARECROPPERS, ONCE BACKBONE OF STATE, NOW ALMOST EXTINCT

(By Tom Hamburger)

In 1950, farm economists say, the sharecropper was the backbone of the Arkansas economy. Now, there are almost no sharecroppers left in Arkansas.

"They were here one day and gone the next," Clay Moore, an agricultural economist with the state Cooperative Extension Service, says.

Black and white sharecroppers in Arkansas provided their labor in Arkansas fields in exchange for a share of the crop they produced using the landowner's equipment.

"The only thing the cropper provided was labor," Moore noted, "Now, when chemicals do the chopping and a picker does the picking, there is very little labor in producing cotton so the whole basis of sharecropping has disappeared."

In 1950, the last year that census officials counted the number of sharecroppers in Arkansas, Crittenden County had 5,900 farms and 44,503 sharecroppers.

By 1959, the number of farms had shrunk to less than 2,000 and "there were no more sharecroppers to speak of," Moore said.

"In St. Francis County, they suffered such a drop in the number of tenants and sharecroppers," Moore said, "that census officials refused to believe it."

The Scott community, a settlement of 350 families located a half hour from Little Rock, lost most of its sharecroppers in the mid-1960s, a little later than the rest of the state. Mrs. Mary Harper, a Scott resident whose family sharecropped, recalled the change.

"It was a shock," Mrs. Harper, who now works with a self-help organization called the Scott Area Action Council, recalled. "We didn't know if we were going to make it. The bossman came and told us there would be no more sharecrop and people would have to find a job. This bit them bad because they didn't know how to get a job."

She estimates that 500 persons have left Scott since that day in 1966, leaving about 350 black families at Scott and with "more leaving every day."

Most residents at Scott will tell you that the changes since the mid-1960s, while difficult at first, probably resulted in higher standards of living for those who left. For those who stayed, the Scott Area Action Council and other agencies have made improvements (they built 11 modern houses recently with plans for nine more), but the residents feel left behind and a bit forgotten.

"It used to be nothing but houses all through here," Mrs. Lee Anna Smith, who lives in a sharecropper shack with her two children, recalled. "I lost all of my friends. Some went up north and some went to Little Rock. It's really sad. I'm here all alone with the kids and no one to visit with."

Mrs. Smith's house has no running water, poor lighting and walls lined with newspaper. There are 11 similar plank houses, some without front doors, left in the community, according to Mrs. Brenda Givens, a member of the Action Council. She estimates that almost of all of the black housing at Scott is substandard.

Mrs. Harper said that nearly all houses occupied by blacks at Scott are former sharecropper houses provided by plantation owners. Today, they still are owned by the plantations and most of the residents stay rent free.

John Barnes, 61, of Scott is saddened by the sudden changes, but says that "no one has starved since they had to quit farming. In a way it really helped the people. People who worked here never thought about owning a car or a home, but after they went out and got a job they got those things."

At Walnut Ridge, Community Service Administration personnel deal with hundreds of impoverished white former sharecroppers and farmworkers.

Mr. and Mrs. Lloyd Vaughn have five children and live in a dilapidated house outside of Walnut Ridge. Mrs. Vaughn says her husband loves to farm and finds work for a few months in the spring of each year.

The Vaughns depend on food stamps and other social services, but they prefer their life to moving to the city where jobs are more available.

The family lived at Chicago for three years while her husband worked as a welder, but they returned to Arkansas. "We left because we were tired of the gangs on our front steps," she said. "We wouldn't go back to Chicago."

RICHARD T. McDOWELL, JR.

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. BENJAMIN. Mr. Speaker, allow me to take this opportunity to ask my colleagues to join with me in commending and congratulating Richard T. McDowell, Jr., 13-year-old son of Richard and Gertrude McDowell of Dyer, Ind., who is receving the God and Country Award this Sunday and the Eagle rank in August for his outstanding record in scouting.

An honor student at Kahler School where he will be in the eighth grade this fall, Richard has compiled an amazing, if not completely miraculous, record in scouting during the past 30 months.

Not only has Richard been awarded 38 merit badges in every discipline and study from atomic energy to safety, but he has also achieved the coveted "Order of the Arrow"—all since his 11th birthday.

Richard also distinguished himself as a Cub Scout where he earned 12 arrows in 2 years. In Weblos, he earned 15 merit badges and his Arrow of Light.

Richard's profundity became apparent in his second- and third-grade years when he entered his school's science fair and won top prizes and further competition in the district division. He has been on the honor roll since the fifth grade and was a member of the newspaper staff and wrestling team last year.

Obviously, Richard has brought laurels to his community and engendered pride in his family. More than that, he is setting a perfect example for his two younger brothers, Rusty and Robert, to emulate.

Richard hopes to enter the Massachusetts Institute of Technology at the appropriate time and major in physics or medical research.

Richard's parents have great reason to be extremely proud of their personable and model son. Likewise, they have great reason to be proud of their contribution to his success because, as we recognized in the adoption Monday of the "National

Family Week" resolution, the continued development and vitality of our Nation are not only dependent upon principled young men like Richard, but also on the love, loyalty, and self-sacrifice of the family which imbues strength and fortitude to its members.

Richard's present accomplishments provide benchmarks from which we will continue to measure his success in the future. I know my colleagues join with me to wish him even greater success in the future and to encourage the McDowell family to persevere in their family inculcation of the values and attitudes cherished in a free and democratic society.

EUROPEAN NATIONS SIGN ACCORDS ON DEVELOPING BREEDER REACTORS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. TEAGUE. Mr. Speaker, as you know, our committee recently returned from an oversight trip where we spoke with European leaders about the issues surrounding the development of breeder reactor technology. We are doing everything we can to publish the report on the trip shortly. As we have stated in the report, we were made aware as part of our oversight activity that the European nations would be signing accords on developing breeder reactors. I am placing in the RECORD today for the attention of my colleagues the following news report on this latest development:

EUROPEAN NATIONS SIGN ACCORDS ON DEVELOPING BREEDER REACTORS

(By Jonathan Kandell)

PARIS, July 5.—France, West Germany and several other Western European nations today signed accords here for further research and development of nuclear breeder reactors and their eventual sale abroad.

Both Western European and United States officials interpreted the agreements as a rejection of President Carter's call for at least a temporary moratorium on breeder development to avoid the spread of nuclear weapons.

The fuel used by the breeder reactor is plutonium, a material that can also be used for the production of nuclear weapons. The breeder theoretically creates more plutonium than it burns, and has thus gathered support among governments worried over the possibility of a shortage of uranium.

Earlier this year, President Carter said he opposed the use of plutonium as fuel in the United States. But lobbying by the nuclear power industry has kept alive the possibility that funding for a demonstration breeder in Clinch River, Tenn., may be approved by Congress.

DISPUTE WITH BONN AND PARIS RECALLED

The United States has already clashed with France and West Germany over their plans to export uranium reprocessing equipment. The French have held back on a deal to supply the technology to Pakistan, and are expected to announce this decision publicly after the military coup today. The West Germans have refused to rescind commitments to supply Brazil with enrichment equipment.

President Carter's objections to these two deals were based on the fact that reprocessing of spent uranium fuel produces plutonium, unusable as a fuel in conventional reactors, but capable of being diverted for use in weapons. The objections to breeders are essentially the same—they produce plutonium.

The accords signed today are of two kinds. The first calls for cooperation between France and West Germany in research and development. The other accords create a company, including French, West German, Dutch, Belgian and Italian interests, to market breeders.

A number of prototype breeders are under construction or in operation in Western Europe. France has a 250-megawatt breeder that operated for about 16 months, then closed down for half a year because of technical problems, and recently resumed its operation. The French have decided to move ahead with a commercial 1200-megawatt breeder.

SOVIET NOT A PARTY TO ACCORDS

West Germany, together with the Netherlands and Belgium, is constructing a 300-megawatt prototype breeder. The British have two research breeders operating in Scotland. The Soviet Union, which was not a party to today's accords, has a 350-megawatt breeder that is also used for desalting of seawater, and is building a 600-megawatt reactor.

Europeans tend to defend breeders for a variety of reasons, including the following:

There are few secure sources of energy for most Western European countries, which must import most of their oil, coal, gas and uranium. The breeder reactor, by producing more fuel than it consumes, thus becomes an attractive source of energy.

A corollary of this argument is that the United States can afford to take a stand against the potential hazards posed by breeders because it has large reserves of coal, uranium, oil, and gas, and what Europeans view as a strong relationship with Middle East oil producers, particularly the Saudis.

Another argument made in favor of breeders is that Western Europe holds a technological lead over the United States. Officials say the Americans will probably come around to accepting the inevitability of breeders and Europe should be prepared to meet its needs and seize a share of the export market.

EUROPEANS DISCOUNT HAZARDS

Europeans have tended to discount the potential hazards posed by the creation of large amounts of plutonium, and have said that it is possible to create strict safeguards against its use for weapons.

While the Europeans see potential long-range economic benefits in breeders, their construction costs run into the billions of dollars. If the European economies continue to show sluggish growth, an expensive breeder program could be a prime candidate in a budget cut.

Domestic opposition to nuclear energy got started later in most Western European countries than in the United States, but it has now burgeoned into an effective movement and breeder reactors are a likely target.

In West Germany, legal victories won by opponents have slowed plans to have 30 nuclear power reactors in operation by 1985. In France, opposition is being mounted against the 1,200 megawatt Superphenix breeder even before the start of construction. In Britain, both economic costs and domestic protests have led to public debate on breeders. Protest movements have also added uncertainty in the Netherlands, Belgium and Italy.

HUMAN RIGHTS IN CUBA

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. CORRADA. Mr. Speaker, the Cuban Committee Pro Human Rights, whose membership is composed of persons from my district, asked me to convey to the membership of the House their concerns regarding the protection of human rights in Cuba.

I should like to state that I am fully in agreement with the position stated by the Cuban Committee Pro Human Rights, and that I fully support their efforts to secure a respect of human rights by the Government of Cuba and by other nations of the world.

A copy of the statement of position of the committee follows:

OUR POSITION

We, the undersigned, in view of the emergence of a new Cuban policy on the part of the government of the United States of America, which indicates a trend to a rapprochment in the relations of both countries, consider it our inescapable duty to bring to your consideration what we deem is our historical position on this matter.

1. We are, above everything, fully aware that we are a people in exile; without a government. We also understand that we cannot impose our criteria nor attempt to influence the foreign policies of the countries in which we gratefully reside. Furthermore, we believe that the United States of America is conscious of its world-wide responsibilities as the undisputed leader of the free world and as a guardian of these freedoms which up to the present moment, in spite of our own differences which enables us to think and take action on that which we feel is proper, continues to be our staunch allies. We are also convinced that our struggle will not cease until we have seen Cuba finally freed, once again independent and a democracy.

2. But farther to our above stated appreciations, and making use of the rights granted us under a democracy, we feel that it is pertinent to express our thoughts so that we can fully support the legitimate aspirations of the Cuban people to the enjoyment of the same freedoms, the same rights and the same protection afforded the citizens of the United States of America.

3. It is a fact that the economic embargo has not achieved anything by itself. We are convinced that the blockade is a myth. If it exists, it is not due to pressure from the U.S.A., but rather it is due to the inoperative realities of the communist system. The blockade is not from without but rather from within. The lack of foreign currency which confronts Fidel Castro is what really prevents him from carrying out foreign commerce with the western world.

4. However, we firmly believe that an unconditional resumption of relations with Cuba would be tantamount to a cruel blow dealt against the oppressed people of Cuba. A coexistence with the communist Cuban regime on the part of the government of the United States of America, without first taking previous necessary measures to eradicate from Cuba the internal evils from which it suffers, would be absurd and extremely dangerous. A typical Latin-American dictatorship does not exist at present. The situation is more complex when you take into consideration the international implications. Under the Fidel Castro regime, the Cuban people are unable to exercise self-determination. Mere disagreement is considered a crime. The regime has consistently trampled on the most elementary rights. Justice is subordinated to the political power. Individual liberties are non-existent. The people of Cuba are currently submitted to personal persecutions, continuous harassment and a police state vigilance. Indiscriminate mass arrests, without legitimate cause and without evident purpose, are commonplace and daily occurrences which have become, due to their frequency, acceptable and normal. There are no religious liberties. No guar-

antees exist for the working class. Freedom of expression has been totally extinguished. The restriction of the freedom of movement has not only been directed at obstructing those who want to flee Cuba, but also to travel within Cuba. Cuba today is an island-prison.

5. And if the situation of the Cuban within Cuba is intolerable, those languishing in the jails and concentration camps of communist Cuba are in an infinitely worse pathetic condition. At only a mere ninety miles from the shores of the United States of America, thousands of Cubans stoically bear the brunt of the most oppressive penitentiary type regime that any country in the American continent has ever suffered. Life in the communist jails and concentration camps is but a constant and refined torture that ranges from the most cruel and barbaric methods of terror, to calculated and institutionalized hunger, so that the process of annihilation is a slow and sadistic one.

6. The impact of the Fidel Castro regime in the international field has also never been equaled in Latin America. Communism, through Cubans has been bombarding the integrity and security of the Americas, the Antilles, specially Puerto Rico, for quite some time. More recently, Fidel Castro's tentacles and those of his marxist-leninist regime have extended themselves to Africa and the Middle East. Angola, Uganda, Ethiopia and Zaire are some of the countries where the presence of regular Cuban army troops are in evidence; a flagrant military intervention on the part of the Havana communist regime with abetment on the part of the Soviet Union. Cuba, since the inception of its communist revolution has, and continues, to constantly provoke disorders, aid and abet military rebellions, infiltrate countries, subvert the established order of the governments of the Americas and in the extracontinental plane, intervene with regular army troops in the internal affairs of those countries.

This deplorable situation not only worries we the exiled Cubans that cherish the rights of others, but it is also a grave cause of concern to all the peoples and governments that desire to live in peace without the constant fear of armed aggression on the part of the Castro regime.

7. These are, in synopsis, the most outstanding features of the Cuban communist regime with which it appears that there are intentions to establish diplomatic relations on the part of the government of the United States of America.

If our appreciations are correct, and if President James Carter has embarked on the path of renewing relations with communist Cuba, we would like to remind him of a phrase from the inaugural speech of the late John F. Kennedy: "Let us never negotiate out of fear, but let us never fear to negotiate".

If the United States of America have decided to parley with the Cuban communist regime, they must do so without fear. Without fear of demanding from the tyrant, Fidel Castro, a rectification of his domestic and foreign policies. In the Cuban domestic area, if the United States of America wishes to continue being the standard-bearer of freedom, it will have to force the Cuban regime to respect said liberties that have been endowed each Cuban as his natural rights in his condition as a human being. It cannot compromise nor give in when it is a matter dealing with the basic human rights of the Cuban people, long sufferers of this pathetic situation. Parallel to the preceding and of equal importance is to demand from the communist Cuban government the release of its political prisoners. It is high time that the government of the United States of America takes it upon itself to formally demand from the government of communist Cuba the release of thousands of political prisoners that live virtually dying in their cells, sustained only by their firm conviction that they die as patriots in the cause of freedom and democracy.

8. If the government of the United States of America makes common cause with the international organizations that have repeatedly demonstrated insensitivity to the suffering and tortures endured by the political prisoners in Cuba, and resumes unconditional relations with communist Cuba, thus giving the moral and material backing which this floundering Caribbean communist regime desperately needs to survive; if you, the Honorable President of the United States of America, being able to act according to your repeated statements in support of human rights, were to opt in the case of Cuba, to continue preaching without adjusting your conduct and actions in favor of the Cuban people, we would have no recourse, with profound sadness, than to recognize the fact that you as well as your government have let us down. And what is worse, that you have dealt a mortal blow to world democracy.

9. We are in a historically decisive moment in the struggle between freedom and slavery. It is up to the United States of America to tilt the delicate balance one way or another. We have faith that all is not lost. We firmly believe that the people of the United States of America share in and defend the democratic way of life and that the thousands of grave markers that dot the war cemeteries of Europe and Asia and which are symbols of the heroism of the young men and women who made the supreme sacrifice in the defense of this ideal are not meaningless monuments to war, but that the blood that was shed in the name of democracy by these young Americans was not shed in vain. We trust that you will not be the first President of the United States of America to unconditionally recognize the first communist regime in the Americas without first firmly stating and demanding unforfeitable conditions. We Cubans have set our hopes on the government of the United States of America and on yourself. We await, hopefully, President Carter, that in the end you will earn the eternal gratitude of the captive Cuba and the Cuba in exile.

THIRD ANNIVERSARY OF THE INVASION OF CYPRUS BY TURKEY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Ms. MIKULSKI. Mr. Speaker, 3 years ago the Turkish Army invaded and occupied 40 percent of the Republic of Cyprus. The basic issues that faced Congress at that time still remain with us today. Turkey violated U.S. law by using American arms for the invasion and occupation of Cyprus and also violated the human rights of the Cypriots by engaging in large-scale murders, torture, and looting of homes and properties. This was followed by the forceful deportation of Greek Cypriots from their homes in the northern portion of Cyprus. These violations have been documented in a report by the Human Rights Commission of the Council of Europe.

The interests of the United States have been seriously impaired by the Turkish invasion and continuing occupation of the Republic of Cyprus. This act has continued to prove to be a major cause of friction between two American allies, Greece and Turkey. The result is a weakening of the stability and effectiveness of the southeastern flank of NATO with ominous repercussions should a war break out between our two allies.

We in Congress, on this third anniversary of the Turkish invasion, should continue to seek a resolution to this conflict in the shortest possible time and in a way that removes the violation of our law and restores human rights to the people of Cyprus.

TESTIMONY OF REPRESENTATIVE PARREN J. MITCHELL BEFORE SENATE BANKING COMMITTEE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. MINISH. Mr. Speaker, Congressman PARREN MITCHELL of Maryland has been one of the foremost advocates of effective renegotiation of defense contracts in the U.S. Congress.

Last month, Congressman MITCHELL joined me in testifying before the Senate Banking Committee in support of the Renegotiation Reform Act of 1977. Mr. MITCHELL makes an eloquent case for the continuation and the improvement of the renegotiation process and I commend his testimony to all my colleagues:

TESTIMONY OF REPRESENTATIVE PARREN J. MITCHELL BEFORE SENATE BANKING COMMITTEE, JUNE 14, 1977

I shall be brief.

Mr. Minish has a prepared statement which was submitted to you and I concur wholeheartedly in that statement.

I support the legislation to strengthen and maintain the renegotiation board. Let me make one or two observations if I may.

I have had the honor and privilege of serving on that subcommittee for almost four years now under the able leadership of Mr. Minish. If there is one thing in America right now which is of great moment and great impact it is the desire of the American people, plain Joe Blow out in the street, to have a system of accountability in all aspects of government.

I think that is good. Wherever I travel around this country people raise the question in one form or another, is my government, is my agency, is my congressman, is my state accountable to me?

And in response to that we have and do demand accountability. If this Congress makes a grant under this legislation to a governor or mayor we demand a strict system of accountability and that is right and proper.

If we make a grant to a local group in Cleveland or Boston to run a health project we demand accountability of those funds and I think that is right and proper.

Even in this Congress recently we have subjected ourselves to a series of rather rigorous requirements, the net result being that we are answering in terms of accountability tc the American people because in effect we are under contract really to the American people because we use federal funds.

Why in the name of God if we demand that kind of an accountability across the board, why then do we attempt to exempt accountability from the defense industries?

I think to do so would open this Congress up to serious questioning by the American public. Of course accountability does create a burden. It is a burden on the government to report back that the funds have been properly used. It is a burden on a local grantee to report back that the funds are being properly used. It is a burden for each and every

member of this Congress to go through the whole series of reports that we have to go through in order to live up to the reforms that we ourselves instituted. It is a burden but it is a justifiable one in terms of accountability.

The argument that this is a burden to the defense industry is a suspicious argument. Number one the requirements are not that stringent and number two it does not weigh more heavily on the defense industry than it does on any member of Congress.

The argument has been raised and Senator Brooke has probed into this area, that the renegotiation board was created during a time of emergency and indeed it was. Then the further argument was that there is no longer an emergency, therefore we no longer need the board.

That is nonsense.

We are spending money as has been indicated early on in the hearing at the rate as if we were almost on an emergency basis. $118 billion-plus is what we budgeted this year for the military. So we are spending money as if it were an emergency. We might as well live up to the emergency conditions associated with that rate of spending.

Should the board be continued I would suggest to all of the members of this committee if you knew of any organization, any agency, any group that had done business with the government and has $150 billion worth of contracts, which have not been reviewed in any form at all, you would take great umbrage and you would become excited and angry about that. That is the situation we have today. $150 billion never even examined in terms of whether or not there is excessive profits.

In the matter of the board, in our hearings I had no hesitancy in calling the board inept. Some of the members of the board had no knowledge of their mission, authority, power, and duty. I called them inept at that time and I have no hesitancy to restate my position that it was inept. Its lack of ability reflected certain other things.

One, it didn't have any powers. It couldn't examine renegotiation by product line. If you take that away that board could not do the job even if it had the will to do it.

It didn't have subpena powers. Without subpena powers there is no way in the world that an effective review of $150 billion in contracts can be made.

The one entity that has the power to review in terms of renegotiation is the Renegotiation Board. The Department of Defense does not have the authority to reclaim any excess profits. All they can do is look at those contracts to see whether they are entered into in good faith, to see whether the timetable is kept up, to follow that line.

They have absolutely no authority to examine a single one of those contracts in terms of excess profit. Under the present law, the only group that is allowed to do this is the Renegotiation Board. That is why I argue for the continuation of the board.

Two last points and then I will quit.

My colleague from California, Mr. Rousselot, mentioned the four or five major agencies that do review of contracts. I have no quarrel with his statement. They do. They are all tied into the Department of Defense except GAO.

With reference to those tied into the Department of Defense their review, I again reiterate, under law precludes possibility of examining for excessive profits. I suggest that the burdens we now place on the General Accounting Office are so enormous that it would e impossible for the GAO to review these contracts, even one-third of the backlog, in terms of excessive profits.

Mr. Chairman, and members of the committee, the act does not accuse anyone. The act is not aimed at saying somebody has committed fraud of some sort. All it says is we will demand the same kind of accountability from the defense contractors, defense industries as we demand from the governors of our several states, mayors of our many cities, as we demand from the Congress itself. That is all it does.

I hope the committee in its wisdom would approve the act and let's get about the business of strengthening accountability in the defense industry sector.

I thank you very much.

A WORTHY PROPOSAL

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. SISK. Mr. Speaker, as those of us representing agricultural areas of this country can attest, this current drought, gripping nearly 30 of our States in one form or the other and to differing degrees, is teaching us some valuable lessons.

Water conservation no longer is reserved solely for the western States nor just for agriculture. It is a national issue. I am pleased to report that water conservation is also an area for innovation and that agriculture, the single largest user of water in California, is in the forefront in developing water saving technology.

Just recently three canneries proposed a unique program of sharing. The canneries will benefit, farmers will benefit, and the consumer will benefit. I am including at this point a copy of the editorial on this from the Modesto Bee:

[From the Modesto Bee, July 12, 1977]

A WORTHY PROPOSAL

The Modesto Irrigation District Board of Directors has reacted with caution to a proposal by three of the area's major food processors to utilize cannery waste water for irrigation.

The response is a proper one at this preliminary stage, because more particulars are needed. The MID has a prime responsibility to maintain the integrity of its irrigation system, and the directors cannot be faulted for moving with caution.

Nevertheless, the careful reaction should not be allowed to obscure the potential of this joint proposal and its basic desirability.

The three processors, Tri/Valley Growers, Del Monte and Tillie Lewis Foods, Inc. discharge substantial amounts of waste water for three months at the height of the growing season—a period which coincides with peak irrigation needs.

The volume is considerable. It would amount to approximately 13 million gallons per day—enough over the period to irrigate 2,000 acres of croplands for a season.

This substantial contribution admittedly commands greater receptivity in the present time of drought. But the fundamental idea of wringing the most out of existing water resources is a good one at any time.

The principal concern of course, is the quality of the water which the processors propose to pump into the MID canal system. Second is the long-range outlook for such a project, since its costs and benefits would not be justified on merely a short-term or interim basis.

The water quality problem may well be the simpler of the two. The proponents of the plan say they are prepared to provide sufficient additional treatment of the water before it is discharged so as to make it fully acceptable for irrigation purposes.

In addition, the Central Valley has now had nearly 20 years of experience with the use of cannery waste water for irrigation. Research and monitoring of these applications since 1970 by the University of California Cooperative Extension have shown that they are, with proper management, a practical alternative to conventional waste water treatment.

The benefits are apparent. Fresh water is conserved for other purposes, yet the waste water used in its place percolates down to recharge ground water supplies. And in this case, the heavy seasonal load on the municipal sewage disposal system would be relieved, permitting the city to accommodate additional industry.

The processors themselves acknowledge that over the years, the project would more than pay for itself in reduced costs of waste water disposal. Good. For it is just this kind of economic stimulation that will do the most to move us toward sensible and beneficial conservation practices.

LEADERSHIP AND THE PUBLIC GOOD

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for July 20, 1977, into the CONGRESSIONAL RECORD:

LEADERSHIP AND THE PUBLIC GOOD

The demand for leadership is a central concern of the American people today.

A constituent asks, "Where are the political superstars?" A friend writes, ". . . we are virtually leaderless, not only in politics and government but in the society as a whole." Many people think their leaders are persons of diminished vision, and believe that the giants of leadership have departed the scene.

One factor that accounts for such feelings is the increasing complexity of the modern world and its problems. Bewildering global crises overwhelm one leader after another who tries to cope with them. Each day more and more issues are thrown into the political arena, overloading the sometimes delicate institutions of government. In every country the problems, but especially the twin specters of unemployment and inflation, continue to erode public confidence.

Of course, there are other contributing factors. The contemporary news media—spurred by recent successes in exposing government scandals—subject all leaders to an intense scrutiny and over-exposure burns up talent quickly. In addition, the events of the past years—most notably Vietnam and Watergate—have generated a deep cynicism, the effects of which no public official escapes Also, institutions have become far more difficult to lead as participation and interest in their work has increased, and their agenda has become more complex.

I would not pretend to be able to resolve these concerns about leadership, but I am persuaded that at this particular time people are especially interested in the moral quality of leadership.

Any sensitive politician quickly identifies this concern of the people because the symptoms are everywhere apparent:

The interest of constituents in the personal character and the ethical conduct of political leaders.

The surprising prevalence of the view that most of us in government are corrupt and have our hand out for a pay off.

The widespread feeling on the part of ordinary people that they have worked hard, lived within the law, struggled to get ahead, but that those in positions of power have not lived by the rules and yet have flourished.

The concern among people about the fairness of public policy, whether it be taxes, jobs, education or welfare.

The decline in respect for law.

The sense of outrage some persons feel about those who break the law and get away with it.

The desire for social programs that meet the needs of disadvantaged people without undermining personal responsibility, the work ethic or self reliance.

The deepest expression of the people's concern for moral leadership is evidenced in their preoccupation with the question of where the country is going and what it stands for. They are also demanding that a person who has the privilege of serving the public should exercise a higher level of honesty and truthfulness than the person who does not bear such a responsibility.

Moral leadership certainly includes the simple virtue of openness to people and to ideas, honesty, simplicity of lifestyle, respect for the democratic process, fairness, and avoidance of false and misleading promises. But perhaps most important, it demands a commitment to the public good. I agree with the observation in a Public Agenda Foundation report that the remedy for the yearning for moral leadership in the country is for each one of us to restore in our lives a sense of the public good. The question is not what is good for Lee Hamilton or for the labor unions or for the business, professional or farm organizations, but what is good for the country.

Perhaps all of us need to be committed more strongly to the common good. We will not always agree about the true nature of the public good, and no one of us will be the permanent interpreter of it. But all of us, as we consider competing interests and demands, must seek to choose the overriding public good.

This search for the common good is vital in a free society. John Adams said, "The public good is the proposed end of all government," and he urged a "distinterested attachment to the public good, exclusive and independent of all private and selfish interest." Thomas Jefferson, in that remarkable first inaugural address in 1801, urged his fellow Americans to "unite in common efforts for the common good."

In the words of that report, our task is to restore to American life an active, urgent sense of the public good.

REVIEW OF CONDOMINIUM LAWS

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. BURKE of Florida. Mr. Speaker, the State of Florida is growing faster than any other area in the United States. To give you an idea of the growth in 1960 the Fort Lauderdale-Hollywood, Fla., metropolitan statistical area had 334,000 people, in 1974 it had 807,000, and today the estimates are right at 1,000,000 people.

The housing for these newcomers is primarily condominiums. In addition to the permanent population that resides in my district—Florida's 12th Congressional District—there are many other people who buy condomiums and use them only for a part of the year.

Because of many injustices and consumer abuses resulting from the sale of condominiums, a new look at the law was necessary, both, by the Congress, and by the various State legislatures where condominiums are popular. Since the first condominiums were built in Florida, the impact of the injustices of the sales by the builders began to crop up in large number. Various Federal agencies, as well as some of our congressional and the State Legislature of Florida moved to pass corrective regulations and laws.

I have made a review of some of the things that have been done so far for my constituents to review. Much more is necessary, and I commend this review for you:

REVIEW OF CONDOMINIUM LAWS

A great deal of activity has taken place within the last year concerning condominium laws. In an effort to be helpful, the following is a summary of action by the following: (1) U.S. Court of Appeals, (2) Federal Trade Commission, (3) U. S. Congress, and the Florida State Legislature.

The U.S. Court of Appeals decision in Imperial Point Colonnades Condominium vs Harry T. Mangurian reversed the District Court decision on April 4, 1977. Unit owners in condominium brought private treble-damage antitrust suit alleging that a requirement that condominium purchasers enter into a 99-year recreation facility lease constituted an illegal tying arrangement in violation of antitrust laws. The United States District Court for the Southern District of Florida granted defendants motion for summary judgment, and plaintiffs appealed.

The Court of Appeals reversed the decision and held that although plaintiffs bought condominium units from defendant corporation and became parties to recreational lease with individual defendant who was president and sole stockholder of corporate defendant, more than four years before commencing treble-damage antitrust suit on claim that requirement that plaintiffs enter a 99-year recreational facility lease constituted an illegal tying arrangement in violation of antitrust laws, individual defendant's collection of rent constituted acts injurious to plaintiffs within four years of commencement of suit, and a new cause of action for conspiracy accrued upon each act of collection, notwithstanding that individual defendant who sold the tied product was not a party to tying agreements.

Federal Trade Commission has been involved for the last several years in an investigation of the condominium industry. That investigation has focused primarily on long term recreation leases and maintenance contracts and the payment escalation clauses that often are included. The Commission's problem has been to devise a remedy that would give relief to all condominium unit owners subjected to unfair contracts and stay within the budget limitations of the Commisson. Since there are approximately 2200 developments in Florida which have recreation leases, this has been a difficult task. At the present time the Commission is involved in litigation with a North Miami Beach developer, Century 21 Commodore Plaza, Inc. The charges in that cause include that the escalation and other clauses of the contracts are per se illegal. Trial of the case began May 2, 1977.

The U.S. Congress has pending before its House Banking and Currency Committee two bills I have sponsored to assist condominium buyers. The first is H.R. 4175, the National Condominium Act. If enacted, this bill would protect purchasers and prospective purchasers of condominium housing units, and residents of multifamily structures being converted to condominum units, by providing for the establishment of national minimum standards for condominiums. The second bill is H.R. 2855 which, if enacted, would insure that financial institutions engaged in the extension of credit to prospective purchasers of condominium units make credit available without discrimination on the basis of age, sex, race, religon, martal status or national origin. It would also establish an Assistant Secretary in the Department of Housing and Urban Development to administer condominium law. The Subcommittee on Housing advises that no action is scheduled at the present time on either of my bills.

The Florida State Legislature enacted the 1977 Condominium Act which contains the following provisions which went into effect July 1, 1977:

(1) Exempts developers covered under a 10-year insurance warranty program issued by a Florida licensed company from warranty provisions of the Act.

(2) Filing fees for the division of Florida Land Sales and Condominium reduced from $25 to $10.

(3) Establishes a rebuttable presumption of unconscionability if a lease:

(a) is signed at a time when unit owners did not have elected representatives on the Board.

(b) requires payment of real estate taxes by unit owners.

(c) requires purchase of fire and hazard insurance by unit owners.

(d) requires payment of rental for a period in excess of 21 years.

(e) requires subsequent purchasers to assume the lease obligations.

(f) requires unit owners to perform maintenance.

(g) provides for a lien on individual units to secure rent.

(h) provides for rental adjustment based upon price index.

(i) returns to the lessor during the first four years of the lease the appraised value of the leased facilities as appraised during the first year of the lease.

For this section to be applicable all 9 points must be present. The law does not automatically void the lease. It transfers the burden of proof to the lessor to prove the lease is not unconscionable.

(4) If there is no provision in the by-laws, a majority of the units shall constitute a quorum.

(5) Meeting notices may be sent by regular mail rather than certified mail as long as a certificate of mailing is obtained as proof of the mailing.

(6) Limits the liability of unit owners or acts or omissions of the Association to the value of the owners' unit.

(7) Reduces the right of a developer to designate a Board member by requiring the developer to own for sale at least 5% of the units in a condominium of 500 or fewer complex, or 2% in a condominium of more than 500 units, to have representation on the board.

(8) Multiple condominiums contained within a single development will now be permitted to merge into a single condominium where 80% of the owners of each condominium agree to do so.

(9) Effective October 1, 1977, public officers or candidates for public office can no longer be denied the right to speak on common elements or recreational facilities. Likewise, unit owners have a right to peacefully assemble, subject to reasonable rules and regulations.

(10) Protection for unit owners who request a certificate from the association showing the amount of unpaid assessment against the unit from liability arising from reliance on the certificate.

MANDATORY AIR BAGS: 151 CONGRESSMEN JOIN FIGHT AGAINST

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. SHUSTER. Mr. Speaker, 151 Members of the U.S. House of Representatives

thus far have cosponsored my resolution to disapprove the Federal order mandating the installation of air bags or other "passive restraints" in all new cars beginning in 1981.

The order was issued by the U.S. Department of Transportation on June 30, 1977, and Congress has 60 working days in which to adopt a disapproval resolution; otherwise, the order takes effect.

Mr. Speaker, I am happy to report that the lineup of cosponsors represents a broad cross section of the Congress, including Republicans and Democrats, liberals and conservatives, junior and senior Members, from all across the Nation. This demonstrates that the air bag issue is not a partisan one; rather, it is a clear signal to those who would regulate our lives that we have had enough.

Mr. Speaker, 2 weeks ago the air bag lobby said there would be little support for my disapproval resolution. They obviously miscalculated since very few legislative proposals attract 151 cosponsors. After talking with most Members of the House, I believe it is clear that the mandatory air bag order will be handily disapproved if the leadership permits the House to vote on it.

Hearings have already been scheduled in the Senate for September 8 and 9 and I have a tentative commitment for hearings in the House on September 12 and 13.

Mr. Speaker, the support for my resolution indicates that Members of Congress recognize what air bag lobbyists apparently do not—that mandating air bags at this time is not in the best interests of the American consumer. Based on the evidence gathered to date, air bags could actually cause more highway deaths than they prevent.

Additionally, the $200 price tag on a factory-installed air bag, coupled with an even greater replacement cost, could escalate into a consumer rip off totaling over $20 billion. And the American consumer will have absolutely nothing to say about it.

I have opposed mandating the air bag, Mr. Speaker, principally on the basis of the lack of hard evidence to prove that air bags are effective. Earlier this week, I reported to the House information taken from National Highway Traffic Safety Administration documents—the same agency that is pushing the air bag mandate—showing that on the basis of actual field experience, safety belts are 5½ times more effective in saving lives and 2½ times better at preventing injuries in serious accidents. NHTSA figures also revealed, surprisingly, that the air bags never deployed in 42 percent of the tow-away crashes investigated. These statistics may not be conclusive but they are the results to date.

I believe that Americans should accept additional regulation of our lives only if a compelling case is made. If the evidence showed that air bags would actually save lives, I would vigorously support this mandate. Until such a case is made, however, I support Government action to encourage the widespread use of safety belts, which are already a proven safety device on the basis of field experience and are equipped in 95 percent of the cars on the road.

Mr. Speaker, I am grateful for the support of so many House colleagues in this important endeavor. I urge all Members of the House to join us in rejecting this air bag mandate—until and unless a better case is made. Following are the names of cosponsors:

COSPONSORS—H. CON. RES. 273

Abdnor, James (R. S. Dak.); Alexander, Bill (D-Ark.); Anderson, John B. (R-Ill.); Andrews, Ike F. (D-N.C.); Andrews, Mark (R-N. Dak.); Applegate, Douglas (D-Ohio); Archer, Bill (R-Tex.); Armstrong, William L. (R-Colo.); Ashbrook, John M. (R-Ohio); Badham, Robert E. (R-Calif.); Bafalis, L. A. (Skip) (R-Fla.); Barnard, Doug (D-Ga.); Bauman, Robert E. (R-Md.); Beard, Robin L. (R-Tenn.); Bedell, Berkley (D-Iowa); Brinkley, Jack (D-Ga.); Broomfield, William S. (R-Mich.); Brown, Clarence J. (R-Ohio); Brown, Garry (R-Mich.); Buchanan, John (R-Ala.); Burgener, Clair W. (R-Calif.); Burleson, Omar (D-Tex.); Byron, Goodloe E. (D-Md.); Cederberg, Elford A. (R-Mich.); Chappell, Bill, Jr. (D-Fla.); Clawson, Del (R-Calif.); Cleveland, James C. (R-N.H.).

Cochran, Thad (R-Miss.); Collins, James M. (R-Tex.); Conable, Barber B., Jr. (R-N.Y.); Corcoran, Tom (R-Ill.); Coughlin, Lawrence (R-Pa.); Crane, Philip M. (R-Ill.); D'Amours, Norman E. (D-N.H.); Daniel, Dan (D-Va.); Daniel, Robert W., Jr. (R-Va.); Davis, Mendel Jr. (D-S.C.); Derrick, Butler (D-S.C.); Derwinski, Edward J. (R-Ill.); Devine, Samuel L. (R-Ohio); Dickinson, William L. (R-Ala.); Dornan, Robert K. (R-Calif.); Duncan, John J. (R-Tenn.).

Edwards, Mickey (R-Okla.); Emery, David F. (R-Maine); English, Glenn (D-Okla.); Evans, Bill Lee (D-Ga.); Evans, Thomas B., Jr. (R-Del.); Findley, Paul (R-Ill.); Fish, Hamilton, Jr. (R-N.Y.); Fountain, L. H. (D-N.C.); Frenzel, Bill (R-Minn.); Gilman, Benjamin A. (R-N.Y.); Ginn, Bo (D-Ga.); Goldwater, Barry M., Jr. (R-Calif.); Goodling, William F. (R-Pa.).

Grassley, Charles E. (R-Iowa); Guyer, Tennyson (R-Ohio); Hagedorn, Tom (R-Minn.); Hall, Sam B., Jr. (D-Tex.); Hammerschmidt, John Paul (R-Ark.); Hansen, George (R-Idaho); Hightower, Jack (D-Tex.); Holt, Marjorie S. (R-Md.); Horton, Frank (R-N.Y.); Hubbard, Carroll, Jr. (D-Ky.); Hyde, Henry J. (R-Ill.); Ichord, Richard H. (D-Mo.); Jacobs, Andrew, Jr. (D-Ind.); Jenrette, John W., Jr. (D-S.C.).

Jones, Ed (D-Tenn.); Jones, James R. (D-Okla.); Jones, Walter B. (D-N.C.); Kasten, Robert W., Jr. (R-Wis.); Kelly, Richard (R-Fla.); Kemp, Jack F. (R-N.Y.); Ketchum, William M. (R-Calif.); Kindness, Thomas N. (R-Ohio); Lagomarsino, Robert J. (R-Calif.); Latta, Delbert L. (R-Ohio); Leach, James A. S. (R-Iowa); Lent, Norman F. (R-N.Y.); Lott, Trent (R-Miss.); Lujan, Manuel, Jr. (R-N. Mex.).

McClory, Robert (R-Ill.); McDonald, Larry (D-Ga.); McEwen, Robert C. (R-N.Y.); Mann, James R. (D-S.C.); Marlenee, Ron (R-Mont.); Marriott, Dan (R-Utah); Martin, James G. (R-N.C.); Mathis, Dawson (D-Ga.); Michel, Robert H. (R-Ill.); Milford, Dale (D-Tex.); Miller, Clarence E. (R-Ohio); Mitchell, Donald J. (R-N.Y.).

Montgomery, G. V. (Sonny) (D-Miss.); Moore, W. Henson (R-La.); Moorhead, Carlos J. (R-Calif.); Murphy, Austin J. (D-Pa.); Myers, Gary A. (R-Pa.); Myers, John T. (R-Ind.); Nichols, Bill (D-Ala.); Nix, Robert N. C. (D-Pa.); Pettis, Shirley N. (R-Calif.); Quayle, J. Danforth (R-Ind.); Quie, Albert H. (R-Minn.); Quillen, James H. (R-Tenn.).

Railsback, Tom (R-Ill.); Rhodes, John J. (R-Ariz.); Rinaldo, Matthew J. (R-N.J.); Risenhoover, Ted (D-Okla.); Robinson, J. Kenneth (R-Va.); Roncalio, Teno (D-Wyo.); Rousselot, John H. (R-Calif.); Rudd, Eldon (R-Ariz.); Runnels, Harold (D-N. Mex.); Ruppe, Philip E. (R-Mich.); Satterfield, David E., III (D-Va.); Sawyer, Harold S. (R-Mich.); Schulze, Richard T. (R-Pa.); Sebelius, Keith G. (R-Kans.); Shuster, Bud (R-Pa.).

Sikes, Robert L. F. (D-Fla.); Skubitz, Joe (R-Kans.); Smith, Virginia (R-Nebr.); Snyder, Gene (R-Ky.); Spence, Floyd (R-S.C.); Stangeland, Arlan (R-Minn.); Stanton, J. William (R-Ohio); Steed, Tom (D-Okla.); Stockman, Dave (R-Mich.); Stump, Bob (D-Ariz.); Symms, Steven D. (R-Idaho); Taylor, Gene (R-Mo.); Teague, Olin E. (D-Tex.); Thone, Charles (R-Nebr.).

Traxler, Bob (D-Mich.); Treen, David C. (R-La.); Vander Jagt, Guy (R-Mich.); Waggonner, Joe D., Jr. (D-La.); Walker, Robert S. (R-Pa.); Walsh, William F. (R-N.Y.); Wampler, William C. (R-Va.); Watkins, Wes (D-Okla.); Whitehurst, G. William (R-Va.); Whitley, Charles (D-N.C.); Wiggins, Charles E. (R-Calif.); Wilson, Bob (R-Calif.); Wilson, Charles H. (D-Calif.); Young, Don (R-Alaska); Young, Robert A. (D-Mo.).

CONGRESSMAN GILLIS W. LONG STATES OPPOSITION TO WATERWAY USER FEES

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. LONG of Louisiana. Mr. Speaker, I offer for the consideration of my colleagues testimony that I recently submitted to the House Public Works and Transportation Subcommittee on Water Resources.

The text follows:

STATEMENT BY MR. LONG

Mr. Chairman. These hearings by the Water Resources Subcommittee on the waterway user charge issue are of extreme importance. The intent of the Senate passed Title III of H.R. 5885, to impose tolls, lockage fees, or other user charges on the U.S. inland waterways, causes me great concern. It violates the fundamentals of national policy and nearly two centuries of American history. It is clear to me that the user charge provisions of Title III are really taxes and therefore constitute a revenue-raising measure which can only originate in the House of Representatives—and more precisely, under the jurisdiction of the House Ways and Means Committee.

The burden of cost-recovery user charges would devastate much of the waterway industry. The water carriers haul an enormous tonnage of freight, but because they charge so little for doing it, the industry is financially very small. Vessels on the U.S. rivers and the Great Lakes carry nearly 12 percent of the nation's freight, but they collect only 1½ percent of the country's total freight bill. The waterways carry a ton of freight for 25 miles at an average charge of only 13 cents—the price of a postage stamp.

The vessel operators cannot charge much more than they do. Shipments have to be not only big, but huge—500 tons and up. Movement is fairly slow and schedules imprecise. For this reason, lake and river vessels move mainly large-volume, bulk commodities such as farm crops, bulk chemicals and fertilizers, crude oil, gasoline and other refinery products, coal, ore, building materials, and the like. Any sharp increase in carrier rates would force shippers and receivers to turn to pipelines, to use higher

cost materials closer to home, and to curtail output. Imports and imported substitutes would displace some of the movements, as in the case of iron ores, steel, and coal. The massive U.S. export of waterborne farm products would be curtailed. In other words, with a big increase in charges, much of the waterway traffic wouldn't live.

With increased rates would come a decline in waterway traffic. The Federal costs to be recovered, however, are fixed and would remain at the original level. With a fixed level of Federal costs to be recovered from a diminished tonnage of freight, a process of rate escalation would be set in motion with no discernable ceiling.

My major concern relates to the probable effects of such changes on on-going waterway projects and other national policy objectives. The concept of waterway user fees is a matter of extreme importance to Louisiana and other water-oriented states. A significant case in point is the impact the user fees will have on the Red River Navigation Project in central and northwest Louisiana. The significance of this project is that it elevates the economic outlook for this area of Louisiana to its highest peak ever.

The imposition of user fees on the Lock and Dam 26 Bill will set a precedent for other water projects. Since the benefit-to-cost ratio of the Red River Project was marginal, the continuance of this project in light of this recent legislation is dubious. If user fees are imposed on waterway traffic to recoup the future construction, maintenance, and operation costs of the Red River Project, navigation costs will escalate and consequently, the benefits from this project will be reduced. Then, this will decrease the benefits of this project in relation to cost. The completion of the Red River Navigation Project will be endangered since there is the possibility that it will not meet economic justification standards established by the federal government.

People of central and northwest Louisiana, after decades of waiting, are looking forward to a water transportation system linking them to the North and South. This section of the State has endured a long history of unemployment and underemployment, yet the advent of this project has produced signs of economic salvation. The navigation project will attract industry to this area which will remedy the situation, but only if the project is completed and navigation costs remain low.

There are approximately 800 barge and towing companies on the Mississippi River and 1800 on the entire Mississippi system. These operations have been highly competitive keeping water transportation costs low. The American spirit of competition has made the consumer the benefactor in this long standing tradition of low transportation costs. If the rate is increased due to the imposition of user fees, it will be nothing more than an out-and-out inflationary move which will pass on higher prices to the American consumer. It is unfortunate that the intent of the user fee concept is to recoup federal costs at the expense of the consumer.

In the face of rapidly rising construction costs, federal appropriations for new work on river navigation throughout the U.S. barely held their own in dollar amount, and actual construction declined drastically. Stated in dollars of actual purchasing power, these appropriations declined from $204 million in 1962 to only $105 million in 1974, a reduction of nearly 50 percent. Far from restraining excess, waterway user charges would bring an already badly retarded program to a virtual halt. The costs to the nation would exceed manyfold the limited sums to be recouped by the Federal Treasury.

CLINCH RIVER COSTS AND BENEFITS—ANOTHER VIEW

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. TEAGUE. Mr. Speaker, in the debate about Clinch River, the administration seems to have changed its main reason for wanting to terminate this plant. On April 20, President Carter said:

There is no need to enter the plutonium age by licensing or building a fast breeder reactor such as the proposed demonstration plant at Clinch River.

The thrust of the reasoning to kill Clinch River was to "signal" other nations not to build plutonium breeding plants. However, other nations were already ahead of us. After hearing this statement, they merely looked back over their shoulder at our "example" and kept right on going.

Now, the administration is telling us "that the Clinch River plant has an unfavorable cost-benefit ratio as an R. & D. experiment."

However, can this be true? Every other country disagrees with that. Furthermore, has the administration considered the biggest advantage of the breeder? That is, the breeder will use a vast resource our country has available now, untapped and sitting in canisters above ground—200,000 tons of depleted uranium tails. This is equivalent to all of our coal resources!

To further explain this, I hope you will read the following article:

PROLIFERATION / BREEDER — COST / BENEFITS—CLINCH RIVER BREEDER REACTOR DEMONSTRATION PROGRAM

(Washington Wrap-up by Craig Hosmer)

There is a United States energy resource that could fuel the Nation for 165 years at our present rate of energy use. It is neatly stored above ground in steel drums and containers at three convenient locations in the Eastern part of the country. Its energy potential roughly equals that of all U.S. coal resources still in the ground.

But President Jimmy Carter has barred access by Americans to this great national resource.

It consists of about 200,000 tons of depleted uranium tailings. This is the material left over after enriched uranium has been extracted to make fuel for nuclear power plants. The separation is done by a still secret process at government plants operated by the Energy Research and Development Administration at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio. The "tails" are at these three locations, government owned and physically available.

Realizing their energy potential would require that they be used in breeder reactors where at least 70 percent of the material would eventually be transmuted into plutonium for use as nuclear fuel. Calculations by Dr. C. S. Winters of the Union Carbide Corporation predict their total power yield at some 11,500 quads of thermal energy. By comparison, today the U.S. uses only about 70 quads per year from all energy sources, including petroleum, coal, uranium and hydropower.

On this basis, these tailings equate to potential energy of 13,300 quads estimated by ERDA for all yet-to-be-mined U.S. coal. Taken with yet-to-be-mined U.S. uranium—around 1.76 million tons—Dr. Winters believes they represent 78,000 quads, or 1,280 years of energy for the U.S. at the rate we now use it.

President Carter's indefinite deferral of breeder reactors places this enormous energy resource as effectively out of reach as if it did not exist.

It is impossible to calculate the cost to Americans in human and economic terms of this abstinence. Its cost may be calculable only in terms of human life to those around the world who depend on United States technology and United States generosity for a minimum subsistence level.

The President declares that plutonium is an ingredient of proliferation and that this monumental act of forebearance is necessary to set an example against the spread of nuclear explosives for others to follow.

But all powers rich enough to wage global war already have armed themselves with nuclear weapons and intercontinental delivery systems. Most of the remaining nations with technical and economic means to go nuclear lack any motivation to do so. The remaining proliferation candidates (including a terrorist) are few in number (6 to 12) and their resources seem to limit them to a potential for regional trouble making as distinguished from a global war making capability. Containing them by military, diplomatic, security and similar means ought to be a readily manageable task.

Thus the issue is raised: Does the danger President Carter wants to contain really warrant the sacrifices called for by his program to manage it?

Other countries almost universally have answered in the negative. It is clearly necessary for Congress to review the President's position in terms of costs-versus-benefits and to consider less costly and more effective anti-proliferation alternatives.

STRENGTHENING GOVERNMENT PENSION RESERVES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. COLLINS of Texas. Mr. Speaker, 3 years ago Congress took it upon itself to try to straighten out all of the private pension inequities in the country. Before Congress even thinks about enacting more standards and regulations for private business, it should establish a model by correcting all of the pension inequities in the Government's own systems. While the bureaucrats were developing more and more restrictions and regulations for private pensions plans, Federal and local governmental pension systems across the Nation have been falling deeper and deeper in insolvency.

Let us review the different governmental pension systems and see what the outlook is for the future. Obviously, social security is the most important and the most extensive financial plan for America's future. It is now conservatively estimated that, on a full reserve actuarial concept, the unfunded liabil-

ity of the Federal Social Security System is nearly $2.6 trillion. The annual social security deficit for fiscal year 1978 will be nearly $7 billion.

All experts agree that the social security insurance program is not an actuarially sound one, but rather is a pay-as-you-go plan. Benefits to retirees are financed not by interest or dividends on real investment, but from taxes on new entrants to the work force. If any private pension fund tried to operate along this type of "pyramid system," it would immediately be prosecuted. Yet the Federal Government continues to deceive its citizens into thinking they are really investing in their futures.

Among the most serious inequities is that retirees on social security can earn only $3,000 a year on their own without losing benefits. We should be encouraging these experienced people to work. I have introduced legislation, H.R. 2569, to remove the outside income limitation, as this will help restore the balance for the retirement needs.

Unfortunately, social security shows no signs of improving. The new supplemental security income—SSI—program totalled $403.8 million in overpayment errors in its first 18 months of existence. The social security system as a whole is now disbursing about $75 billion a year, up from $1 billion as recently as 1950. Under President Carter's proposed social security "reform," annual payments may attain $250 billion by 1984. Who will pay for this? Under the Carter "reform," the maximum per capital tax, which rose from $60 in 1949 to $1,930 in 1977, will rise to $8,380 by 1990. A "reform" system which costs so much that nobody could ever afford to pay for it will never achieve its purpose.

Let us look at the civil service next, which is considered to have the best funded pension plan managed by the Government. Yet a conservative deficiency estimate here would be $108 billion in inadequate reserves. The Government guarantees these funds and ignores the fact that trust funds available now total only $34 billion. 43 percent of pensioners on civil service also receive a social security check.

Railroad pensions are also now coming under the U.S. Government. Two years ago, Congress took special action and passed a supplementary deficiency bill so the general Treasury could back up the defunct railroad retirement system. In the past 5 years, benefit payments have been increased 68 percent but there has been no increase in income for the fund.

Military pensions are another of the responsibilities which now face the Federal Government. U.S. armed services' pensions have zero reserves. Yet, benefits are up 500 percent during the past 10 years while beneficiaries are up only 116 percent.

With all of the focus on the Federal system, people are only beginning to become aware of the deficits in State and local pension plans. Presently, each and every citizen owes approximately $500 in unfunded State pension obligations. New York City residents owe a staggering $1,000 additional for city pensions alone.

Further complicating the national pension system problems is the fact that, despite its record of complete financial mismanagement, the U.S. Government has recently moved in to "guarantee" the private pension sector. If you left social security coverage at age 48, you would get zero cash back from the Government at that time even if you had worked all your life. With every Government plan inadequately vested and funded, the private pension sector has good reason to question what the Government "guarantee" will mean.

It is time that this administration and this Congress face the fact that the Government pension programs are out of balance. Before the Congress even thinks of enacting one more restriction on private pension plans, it should clean up its own house. Current pension reserves must be strengthened. Americans must be assured of their annuity income in the years ahead.

HERBITS ANALYSIS OF THE KING REPORT—PART VI

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. STEIGER. Mr. Speaker, in the past five CONGRESSIONAL RECORDS, I have inserted the analysis done by Stephen E. Herbits of the report prepared by Dr. William King for a Senate subcommittee on the all-volunteer military force and national service. In today's RECORD, and again tomorrow, I am inserting charts used by Steve Herbits as an appendix to his analysis.

The charts include detailed information on these military manpower issues: Manpower costs, absentee and desertion rates, high school diploma graduate content of the enlisted force, attrition and changes in Army manpower data. These statistics provide some excellent insights into the status of and prospects for the Nation's military forces. They will, I know, be of great interest to all who are concerned about our defense force. I commend them to your attention:

APPENDIX

DEPARTMENT OF DEFENSE—ABSENTEE INCIDENT RATE

[Absentee incidents of less than 30 days]

Year	Army	Navy	Marine Corps	Air Force
World War II:				
Calendar year:				
1942	(1)	(1)	(1)	(2)
1943	(1)	(1)	(1)	(2)
1944	(1)	(1)	(1)	(2)
1945	(1)	(1)	(1)	(2)
Korea:				
Fiscal year:				
1951	(1)	28.4	(1)	(1)
1952	181.0	31.9	(1)	62.0
1953	158.0	36.3	(1)	58.4
1954	115.3	37.6	(1)	38.3
Vietnam:				
Fiscal year:				
1965	60.1	26.8	(1)	2.9
1966	57.2	29.2	(1)	3.3
1967	78.0	22.4	(1)	3.6
1968	89.7	14.4	(1)	3.6
1969	112.3	13.5	(1)	4.4
1970	132.5	17.5	174.3	5.9
1971	176.9	19.0	166.6	9.4
1972	166.4	18.3	170.0	17.2
1973	159.0	21.7	234.3	16.1
1974	130.0	53.8	287.5	17.3
1975	95.4	73.0	300.9	13.0
1976	[3] 70.3	77.5	201.8	7.8

[1] Data not available.
[2] Air Force did not become a separate service until 1947.
[3] A slight distortion is present in the Army's figures due to the inclusion of officer incidents, which could not be readily purged from the reported data.

Discussion: Absentee incident rate—Rate per 1,000 average enlisted monthly end strength.
Calendar year (Jan. 1 through Dec. 31).
Fiscal year (July 1 through June 30).

Source: OASD (M. & R.A.) (MPP), Nov. 15, 1976.

DEPARTMENT OF DEFENSE—DESERTION RATE

[Unauthorized absences of 30 days or more]

Year	Army	Navy	Marine Corps	Air Force
World War II:				
Calendar year:				
1942	(1)	5.5	[2] 7.3	(3)
1943	(1)	3.1	[4] 8.8	(3)
1944	63.0	3.0	[4] 6.9	(3)
1945	45.2	3.5	[4] 5.4	(3)
Korea:				
Fiscal year:				
1951	[5] 14.3	3.1	10.1	(1)
1952	22.0	6.2	19.7	(1)
1953	22.3	8.7	29.6	(1)
1954	15.7	6.9	2.2	(1)
Vietnam:				
Fiscal year:				
1965	15.7	6.7	18.8	.4
1966	14.7	9.1	16.1	.4
1967	21.4	9.7	26.8	.4
1968	29.1	8.5	30.7	.4
1969	42.4	7.3	40.2	.6
1970	52.3	9.9	59.6	.8
1971	73.5	11.1	56.2	1.5
1972	62.0	8.8	65.3	2.8
1973	52.0	13.6	63.2	2.2
1974	41.2	21.2	89.2	2.4
1975	26.8	22.4	105.0	1.9
1976	[6] 17.7	24.8	69.2	1.2

[1] Data not available.
[2] Dec. 1, 1941 to June 30, 1942.
[3] Air Force did not become a separate service until 1947.
[4] Fiscal years.
[5] Calendar year.
[6] A slight distortion is present in the Army's figures due to the inclusion of officer incidents, which could not be readily purged from the reported data.

Discussion: Desertion—The term used herein has no legal significance. When an individual has been absent without authority for 30 days or more, he/she is administratively classified as a deserter. Only after an individual is convicted of the charge of desertion can the term "deserter" be applied in the full legal sense.
Desertion rate—Rate per 1,000 average enlisted monthly end strength.
Calendar year (Jan. 1 through Dec. 31).
Fiscal year (July 1 through June 30).

Source: OASD (M. & R.A.)(MPP), Nov. 15, 1976.

DEPARTMENT OF THE ARMY—INFORMATION PAPER, MARCH 1977

Subject: High school diploma graduate content of the enlisted force.

Facts: High school graduate/equivalent content of the enlisted force since December 1971 is as follows:

Period	High school graduate/ higher	General educational development (GED)	Total
December 1971	69.4	NA	69.4
Fiscal year:			
1972	70.1	NA	70.1
1973 [1]	71.3	NA	71.3
1974	60.2	13.3	73.5
1975	61.6	16.3	77.9
1976	64.6	16.5	81.1
197T	65.7	16.5	82.2
1977 (1st quarter)	66.1	16.5	82.6

[1] GED data not available in reports prior to fiscal year 1974.

[From the Department of the Army, March 1977]

ARMY ENLISTED LOSSES IN FISCAL YEAR 1976

Separations prior to Expiration of Term of Service (ETS)—109,035.

Adverse [1]—75,343.

Non-adverse—33,692.

Separations at ETS (including retirements)—95,163.

The statement that more enlisted soldiers separated prior to ETS in FY 76 than left at the end of their normal tour of duty is based upon the above statistics.

What that statement fails to say, however, is that 50,797 soldiers also reached their ETS in 1976 and reenlisted! Therefore, a statement comparing the following figures gives a more meaningful indication of the performance of our enlisted soldiers in FY 76.

Separations prior to ETS—109,035.

Personnel Successfully Completing Enlistment Obligations (including reenlistments and retirements) 95,163+50,797=145,960.

Adverse separations constituted 69 percent of the prior-to-ETS separations in FY 76.

[1] The term "adverse separation" describes a separation which the Army initiates (as opposed to the soldier) because of a soldier's act—or acts—or because of inaptitude or lack of motivation, discipline or the like, which demonstrate the soldier's unwillingness or inability to perform his duties in his unit; or otherwise meet acceptable standards.

DEPARTMENT OF THE ARMY, MARCH 1977

ENLISTED ATTRITION [1] LOSSES BY FISCAL YEAR

Fiscal year:	Attrition losses
1964 [1]	51,744
1965 [1]	50,559
1966 [1]	70,293
1967 [1]	112,868
1968 [1]	128,559
1969	86,389
1970	143,471
1971	162,873
1972	346,142
1973	139,442
1974	113,789
1975	100,549
1976	109,035
Transition quarter	26,260

[1] Estimated based on incomplete data.

ENLISTED [1] FISCAL YEAR COHORT [2] ATTRITION RATES AS A PERCENTAGE [3] OF FISCAL YEAR ACCESSIONS

Accession period [4]	Fiscal year— 1973	1974	1975	1976	Transition quarter
Months of service:					
0 to 3	4.50	10.50	11.15	13.71	12.47
4 to 6	3.12	5.22	4.48	4.15	([5])
0 to 6	7.62	15.72	15.63	17.86	([5])
7 to 12	6.32	5.75	6.71	([5])	([5])
0 to 12	13.94	21.47	22.34	([5])	([5])
13 to 24	12.55	12.75	([5])	([5])	([5])
0 to 24	26.49	34.22	([5])	([5])	([5])
25 to 36	7.02	([5])	([5])	([5])	([5])
0 to 36	33.52	([5])	([5])	([5])	([5])

[1] The term "enlisted attrition" is defined as the number of nonprior service (NPS) enlisted accessions who are separated before the completion of their initial service obligation or 36 mo of service, whichever is less.

[2] The term "fiscal year-cohort" is defined as all those NPS enlisted personnel who entered the Army in the fiscal year being discussed.

[3] May not add due to rounding.

[4] Data not available for fiscal year 1972 and earlier years.

[5] Data not yet available.

CHANGES IN ARMY MANPOWER DATA

1. Manpower management. The variables of force structure planning and predicting are interrelated accessions. NPS losses, prior service accessions, manning levels, authorized end strength reenlistment. As each of these change based on actual performance or outlook, all others must be adjusted. Thus, planning is dynamic, usually changing from month to month. It is reasonable that the picture now bears little resemblance to the estimates of a year and a half ago. All the variables have changed, probably several times since then. Below are figures which show this change.

SELECTED ACTIVE ARMY MANPOWER DATA

[In thousands]

	Budget before Congress [1]					Current Army program			
	Fiscal year 1976	Fiscal year 1977	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979 [2]	Remarks
Faces NPS male accessions	164	49	166	161	167	159	153	158	Requirements driven by total fiscal year losses Down in fiscal year 1978 because of lowe adverse attrition and more reenlistments and prior service accessions. Fiscal year 1979 increase due to increased total losses that year.
Faces NPS male RSDG accessions	(91)	(28)	(94)	(97)	(95)	(89)	(95)	(95)	HSDC level dependent on market and resources. 95,000 is now best estimate of achievable number within reasonably sized budget.
Percent HSDC of NPS males	55	57	57	60	57	56	62	60	
Faces prior service (PS) accessions	13	4	16	6	6	17	8	5	Fiscal year 1978 and fiscal year 1979 decrease is a deliberate constrain of PS accessions except for those who desire to enlist in a shortage skill in the career force. Improved reenlistments are a better solution for Army career force manning. A trade-off of PS for NPS accessions is neither economical (slightly lower training costs do not offset longevity and increased grade costs), nor consistent with the need for retention of good 1st term soldiers. Arbitrarily increasing PS accessions disrupt the desired career/noncareer force balance by aging the force. PS accessions only compliment reenlistments which produce an already trained cost effective soldier.
Faces reenlistments	51	15	67	63	62	70	65	70	Increasing reenlistments in fiscal years 1978–79 reduce accession requirements and provide Army with good, trained soldiers. Increase limited by necessity to balance career/noncareer mix (45/55) and the size of the population eligible to reenlist. Complemented by PS accessions.
Faces adverse losses	74	18	70	76	76	62	63	60	Quality accessions in fiscal years 1975–76 and better analysis of loss data have lowered attrition projection. Recent analysis shows that we have turned the corner in adverse attrition.
Spaces end strength	[3] 779	[3] 782	789	790	790	789	790	789	Decrease in fiscal year 1979 end strength assumes civilianization of 1,000 spaces.
Spaces force structure	[4] 661	[4] 661	665	669	672	665	673	677	Projected force structure increases result from continuing force improvements possible with stable end strength and serve to improve Army readiness posture. These increases cannot be realized with an end strength reduction.
Spaces general purpose force structure	[4] (466)	[4] (467)	(472)	(477)	(480)	(473)	(481)	(488)	
Force structure manning (over/short).									
Faces end year [5]	+2	−6	−9	−6	−9	−14	−7	−6	Depending on summer months for HSDC accessions forces the Army to be either undermanned in units at end year (although total strength is on target) or adequately manned with overmanning after the training base has handled the surge summer load. The 14,000 unit undermanning at end fiscal year 1977 is due to the unwillingness of the Army to sacrifice its yearly HSDC goal despite some shortfalls in HSDC recruiting at the beginning of fiscal year 1977—most probably the result of low resource levels in fiscal year 1977.

It must be emphasized that these figures represent a 1-day snapshot of force structure, not a solid base to draw fundamental conclusions. When the last · scal year to end on June 30 (fiscal year 1976) ended, the structure was

Footnotes at end of table.

SELECTED ACTIVE ARMY MANPOWER DATA—Continued

[In thousands]

	Budget before Congress [1]					Current Army program			
	Fiscal year 1976	Fiscal year 1977	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979 [2]	Remarks
									overmanned by 2,000. At the end of fiscal year 197T (3 mo later), it was undermanned by 6,000. This reflects the annual surge into the trainee account during the summer months—the best recruiting months. Were we still using the old fiscal year end (June 30), the manning for fiscal year 1977 would be +6,000. USAREC is gearing up for a massive summer effort. The true test of our success or failure will come at summer's end. If we fail, then, not now will be the time to assess our ability to recruit required quality in sufficient numbers to man the force. The Army is optimistic. We have the largest delayed entry program (DEP) in our history for the summer months. As of April 30 more than 31,000 or 46.4 percent of NPS male objectives are in the DEP (the total DEP is 36,431) for entry into the Army during the summer months.
Average	−3	−2	+3	+2	+2	+2	+3	+3	This column, average structure manning, is the only true barometer of force structure behavior, as it shows the year-round picture. The slight undermanning in the early years has given way to slight overmanning now and in the future. This overmanning is necessary to assure adequate manning of the force year round (i.e., reduce the undermanning periods to acceptable levels) and to provide manpower for force structure expansion.

[1] Estimates finalized Dec. 15, 1976.
[2] Preliminary data.
[3] Actual data.
[4] As reflected in the fiscal year 1977 MRR.
[5] Fiscal year 1976 as of June 30, all others as of September 30.

Conclusions. In summary, supported by the above figures: The Army is not sacrificing quality for numbers. Adverse losses are not escalating, leading to a "revolving door" phenomenon. In fact, the reverse is true. MPS accession requirements are descreasing. There is no need for continuing the fiscal year 1977 level of PS accessions in fiscal year 1978. Taking more than 8,000 in fiscal year 1978 would cause problems in the management of the desired career/noncareer force balance in fiscal years 1979 and 1980. Arbitrary increases age the force (combat is a young person's profession). Also, 88 percent of all PS accessions require skill training. Going above 8,000 PS accessions is neither necessary nor desirable. The performance of HSDC during the last 2 fiscal years, a trend likely to continue, has produced a disciplined force. Indiscipline indicators are steadily declining. The training base and trainee numbers are now growing steadily fatter and forcing an erosion in force structure. In fact the force structure has been increasing and is programed to increase more while training base and number of trainees are programed to decrease. The Army has not reprogramed its manpower data in order to ward off an end strength cut. Force structure management is a dynamic process with the latest picture being the best picture. Cutting end strength and raising PS accessions do not lead to increased force structure.

NAUTICAL MARCH HONORS COLUMBUS

HON. PETE V. DOMENICI

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Wednesday, July 20, 1977

Mr. DOMENICI. Mr. President, Congresswoman SPELLMAN of Maryland and Congressman RODINO of New Jersey have expressed attributes of the Christopher Columbus March as an enduring honor for the discoverer of America. I too feel that the universal language of music is an ideal media for honoring the great navigator.

In fact, Mr. President, it was my honor to deliver the principal address at the Bicentennial Christopher Columbus Day Ceremonies. Following my talk, the Christopher Columbus March, composed by University of Maryland Professor Charles T. Gabriele, was performed by the Navy Band conducted by former Secretary of the Navy J. William Middendorf II.

Mr. President, although this march was first played in the 1976 National Happy Birthday Bicentennial Parade, its first public performance took place at Annapolis where the U.S. Naval Academy Band, conducted by its leader Lt. John R. Bledsoe, included the march in the Navy Day Concert.

Today's Naval Academy Band is a far cry from the 13 men who reported to Annapolis a century and a quarter ago to provide music as an important part of Academy life. By 1919 the band had increased to 74 members in order to remain proportionate to the Brigade of Midshipmen. Over the next decade the Marine, Army, Navy and West Point bands grew further, and the Naval Academy Band strove to be recognized on equal footing. Legislation was passed in 1931 which placed the Naval Academy Band on the same basis as the other military bands. Under the direction of William R. Sima the new Academy band played a weekly nationwide radio broadcast, and in 1939 represented the State of Maryland at the New York World's Fair.

In recognition of the American Bicentennial Year and the Band's 125th Anniversary Year, the band under the direction of its current leader, Lieutenant Bledsoe, emphasized music by American composers.

Mr. President, I feel that it is most commendable that the U.S. Naval Academy Band perpetuates honoring Columbus by rendering outstanding performances of his march at concerts, christenings of ships, and at other public events.

CAPTIVE NATIONS' WEEK

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. DINGELL. Mr. Speaker, for almost 20 years, the people of the United States have observed Captive Nations' Week. It is a solemn commemoration indeed, Mr. Speaker, as we take time to honor the millions of brave people who, for far too long, have been oppressed in their pursuit of physical and spiritual freedom by the smothering grip of tyranny.

It is beyond belief that today—with the ever present emphasis on human rights—so many nations and people are still denied a meaningful national life. Despite all the advances in education, science, and technology and social and behavioral studies, the world does not reflect progress of the most fundamental nature—progress in expanding man's freedom.

Therefore, Mr. Speaker, we, the people of the United States, symbolic of a free people, must continue to do our best to support such progress, and cannot ever forget those who, in captive societies, continue to live in deprivation of the most basic human rights.

TRIBUTE TO DR. ALICE PAUL

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. VENTO. Mr. Speaker, Adlai Stevenson said a long time ago that "there can be no gains without pains." He could have been speaking about the life of Dr. Alice Paul. Dr. Paul's leadership and dedication to the women's movement helped bring about passage of the 19th amendment, but not without causing her much personal suffering including the indignity and abuse of being jailed in England for trying to win voting rights for women there.

We all mourn the passing of this great

woman, and I am privileged to join my colleagues in paying tribute to her.

It is hard to believe that only a few decades ago women in this country did not have the right to vote. It is hard to believe that in 1977 we have not yet adopted the Equal Rights Amendment to assure social, legal, and economic rights for all persons regardless of sex.

The work begun by Dr. Paul and others in the forefront of the women's movement is far from complete. It is incumbent upon the women and men of this country to continue to strive for the ideals that were exemplified by Dr. Paul's philosophy and life's work.

NEW GAS DEREGULATION FACTS

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. JONES of Oklahoma. Mr. Speaker, with the House due to consider the energy bill in a few short weeks, I think it is imperative that all Members consider certain actions taken in the various House committees dealing with portions of the administration's energy bill.

A recent Wall Street Journal editorial of July 13, 1977, puts into focus the decision of the House Interstate and Foreign Commerce Committee not to deregulate supplies of new natural gas. I am concerned that the legislation before us will not provide adequate incentives to increase our domestic supplies of energy, and for this reason, I will be actively working to bring issues such as the deregulation of natural gas and a plowback of funds collected through the Crude Oil Equalization Tax for a vote by the entire House.

At this time, I insert the text of the editorial:

$48 BILLION ERROR

"When the House Commerce Committee two weeks ago voted 22-to-21 against deregulation of new natural gas, President Carter and his energy people celebrated a victory. The White House had come down to using the argument that deregulation would give producers a 'windfall' of more than $71 billion in revenues. This is over and above what they would get from the $1.75 per thousand cubic feet (mcf) price ceiling in the Carter plan. Perish the thought, even though producers would probably invest almost as much in exploration and production as they receive in revenues.

"Mr. Carter's energy people have been shamelessly playing with numbers like this all year to support their case for continued regulation, scaring people with the idea that deregulation will cost consumers a lot more money. What they carefully avoid mentioning is that continued regulation will cost even more.

"In a careful, conservative study that bends over backward to be fair to the White House, two Republican Congressmen this week estimated that the Carter plan will cost $48 billion more than deregulation between now and 1990. Here is how Rep. David Stockman of Michigan and Rep. Clarence Brown of Ohio came to this conclusion:

"They first reject the incredible White House assumption, implicit in its numbers game, that at a price above $1.75 per mcf zero gas will be produced. The study instead reckons that over the 13-year period, an additional 25 trillion cubic feet (tcf) will be produced as a result of deregulation. Current production is about 20 tcf a year, and the estimate of 25 tcf from deregulation is highly conservative. More production, of course, would mean more savings from deregulation.

"If American consumers are denied 25 tcf of natural gas, they will have to get the energy instead from oil or liquefied natural gas or synthetic gas from naphtha or coal. All are more expensive than gas is likely to be under deregulation. The cost of these fuels adds $168 billion to the energy bill. And by moving 25 tcf less gas through the pipeline system, the distribution charges rise per unit to the consumer. This comes to another $44 billion cumulatively. The administration simply ignored these hidden costs in making its case.

"The 13-year energy costs under deregulation are then calculated by Stockman-Brown at $414.2 billion. The parallel figure under the Carter plan is $461.8 billion with the gap between the two widening every year thereafter.

"If there is any error in these numbers, the Carter plan gets the best of it, considering the length to which Reps. Stockman and Brown went to be fair. For example, they hold OPEC pricing constant through the 13 years. But obviously, if the United States must substitute for 25 tcf of domestic natural gas, it most likely will have to import the energy equivalent. This increase in demand would permit OPEC to increase its oil price by at least $1 per barrel for all oil. This adds an average of roughly $33 billion to the U.S. import bill during the 13 years, and adds $100 billion to the import bill of Europe, Japan and the Third World. The Stockman-Brown $48 billion estimate charitably ignores these costs.

"Even if the increased demand has zero impact on OPEC pricing, it would still mean the United States would have to increase imports of Arab oil by nearly 500,000 bbls. per day when compared to a deregulated scenario. The Stockman-Brown study figures the Carter plan will mean an extra $26 billion in the U.S. import bill over these years even without a price increase.

"The Carter people will no doubt want to quibble with these numbers, if they can't find a way of ignoring them altogether. But there is absolutely no logical way deregulation can cost consumers more than the Carter plan. The only way the President's people can defend their position is by sticking to to their assumption that there is no gas to be found above $1.75. It is hard to see how any serious person can accept such an assumption. Even the most pessimistic of the three estimates in the ERDA MOPPS study, for example, found twice as much gas at a price of $3.25 than at $1.75.

"Mr. Carter is supposed to be good with numbers and logic, and ought to sit down with his own slide rule, taking the administration's gas deregulation position as seriously as the B1 or the neutron bomb. It's inconceivable that a good engineer would make a $48 billion mistake."

STATEMENT ON CYPRUS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. LONG of Maryland. Mr. Speaker, a valued constituent of mine, Mrs. Theodore G. Venetoulis, who was born in Cyprus, has asked me to put the following statement in the RECORD:

STATEMENT ON THE THIRD ANNIVERSARY OF THE INVASION OF CYPRUS JULY 20, 1977

On the third anniversary of the Turkish invasion of Cyprus, it is important to reconsider some of the basic facts and issues which surround the Cyprus problem.

In July and August of 1974, the United States Government failed to prevent or even limit the brutal Turkish invasion of Cyprus, which was carried out with U.S.-supplied weapons in violation of the Foreign Military Sales and Assistance Acts of 1961 and the bilateral agreements with Turkey under those Acts. The Kissinger-Ford Administration failed to uphold the rule of the law in the conduct of our foreign policy by continuing to supply Turkey with arms in the face of Turkey's violation of U.S. laws, the NATO Charter and basic international law.

Today the occupation of Cyprus continues with 28,000 Turkish troops on the island, still armed with U.S. weapons, preventing over 200,000 Greek Cypriot refugees from returning to their homes. And aid to Turkey continues to be provided under two fictions:

1. Such arms are necessary for Turkey's defense capabilities;

2. The arms provided an "incentive" for Turkey to negotiate a settlement on Cyprus.

Such arguments are deceptive and will ultimately work against U.S. and NATO interests. First, these arms are not being used for NATO purposes, but are used to bolster Turkey's military strength against Greece, a NATO ally, and allow Turkey to continue its threats against the territorial integrity of Greece and the Greek Islands. Providing such arms to an aggressor who has flagrantly violated the NATO Charter also raises substantial questions as to the commitment to the noble principles of the Alliance and demeans NATO.

Second, providing arms as an "incentive" for negotiations simply does not work. After the Ford-Kissinger Administration used this argument to lift the arms embargo, Turkey intensified its holding on the island, expelled Greek Cypriots from the north in violation of international law and continued to ship in Turks from the mainland in pursuit of the illegal colonization policy. Appeasement of an aggressor simply does not work. The aggression merely is rewarded and reinforced.

The only way that justice will come to Cyprus is when the United States takes a firm stand against aggression, against the horrendous violations of human rights by the Turkish army and for the restoration of an independent Cyprus founded on Democratic principles, insuring basic human rights of freedom of movement, freedom of settlement, and freedom to be secure in one's home. I genuinely hope that we have resolved to commit ourselves in deeds, not just words, to these fundamental rights which have been tragically lost to the Greek Cypriot people.

COMPLIMENTING ADMINISTRATION FOR LOWENSTEIN NOMINATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1977

Mr. CONYERS. Mr. Speaker, for those of us committed to the domestic and international struggle for human rights, designation of Allard K. Lowenstein as Alternative Representative for Special Political Affairs to the United Nations is one of the administration's most notable appointments.

As a young man, he was the first U.S. student representative to the United Nations Association, working closely with Mrs. Eleanor Roosevelt, the prime mover of the United Nations original Universal Declaration of Human Rights. Mr.

Lowenstein was an activist in the civil rights movement in the South. In the late sixties, he was a tireless organizer in the antiwar movement and one of the most effective architects of the mass groundswelling of public opinion against that senseless and illegal involvement. As a Member of the 91st Congress, his voice was consistently raised on civil rights and antiwar issues.

More recently, Mr. Lowenstein was the U.S. Representative to the United Nations Human Rights Commission in Geneva at which the Commission considered, for the first time, the matter of human rights in the Soviet Union. His history as a defender of human rights at home and abroad enhances the meaning and integrity of the administration's policy.

TROUBLED SOYBEAN FARMERS

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. MADIGAN. Mr. Speaker, since the House is now considering the farm bill, H.R. 7171, I would like to address some problems affecting our soybean farmers. Soybean growers are an independent lot. They generally want as little Government interference or involvement with their soybean crop as possible.

There have been no target prices or disaster payments for soybeans. The only aspect of Government farm programs provided soybean farmers is the loan program, and the loan rate is and has been only about one-half the market price. This means that the possibility of the Government winding up owning any soybeans under nonrecourse loans is virtually nil.

Despite the desire of soybean farmers to avoid Government involvement in their crop, the Government has taken certain actions over the years that have been detrimental to prices and the preservation of foreign markets. These Governmental actions have ranged from embargoes to financial assistance for palm oil development.

I wish to discuss some of these problems.

Recently during hearings held on the research provisions contained in the farm bill, I was taken by surprise to hear some college professor testifying about the scarcity of natural rubber.

I seem to recall, as do many others, that one of the reasons for the international lending institutions, such as the World Bank, financing of palm oil industries in Indonesia, Malaysian, and Africa in the 1960's and early 1970's was the fact that the demand for natural rubber was declining. Now, after years of financing the palm oil industry overseas in direct competition to our own U.S. soybean oil, we are being told that the natural rubber that was being used as an argument for financing palm groves in underdeveloped countries was not a "glut" at all—but was in fact an increasing demand forecast.

Here are some of the key points contained in a USDA, Foreign Agriculture Service study of the world palm oil situation as of January, 1976 which I would like inserted in the RECORD:

KEY POINTS

The data clearly indicate that the impact of International Financial Assistance programs for palm oil have already boosted world production by more than 300,000 tons. This expansion has accounted for more than one-fourth of world palm oil expansion in recent years.

More than two-thirds of the palm oil production added by International Financial Assistance programs is being exported. These expansion assistance programs have expanded world exports by more than 200,000 tons—accounting for about one-fifth of the growth in world palm oil trade in recent years.

The loans were spread over the 1965–75 period. Because oil palm trees require 3 to 4 years before bearing and do not reach their maximum yield potential until 8 or 10 years, the bulk of the impact from the expansion assistance programs will be during the next decade.

During the 1975–80 period, the palm oil expansion assistance programs will account for over 800,000 tons of output or nearly one-half the projected growth in world palm oil output.

Of the palm oil output added during the 1975–80 period, more than two-thirds or about 500,000 tons will be exported.

The export growth projected for palm oil output under assistance programs during the 1975–80 period is expected to account for one-third of the world palm oil export growth.

Beyond 1980, there will be yet a further sizable production and export impact from palm oil expansion assistance made under the 46 loans approved during the 1965–75 period. This reflects the fact that only 20 percent of the loans during the 1965–69 period are for plantings which have reached full production potential. Another 40 percent applied to the 1970–74 period which, for the most part, have only begun to register impact on production and trade. Finally, the remaining 40 percent of the loans will affect plantings in the 1975–79 period. This portion of the expansion will not reach its maximum potential until the late 1980's.

Although two-thirds of the expansion assistance loans were made to African countries, the bulk of the expansion in exports is projected to be from Malaysia and Indonesia. This reflects the fact that African plantations are, in general, less productive per acre as well as the fact that a larger share of the increase in African output will be needed to satisfy indigenous consumption requirements. Thus in a crunch where the law of comparative advantage is being tested, it would be Malaysian and Indonesian producers who would be best able to compete in world markets.

Mr. Speaker, meanwhile, recent studies by the National Academy of Sciences show a demand in natural rubber in this country almost doubling for the period 1965–75 when most of the financing for palm groves overseas was being provided by international financing institutions. And, of course, the U.S. contribution to the international financial institutions was a large portion of the total.

I am not influenced by claims that natural rubber usage increased with the increase in world oil prices in 1974. Supply and demand of natural rubber was working fine until the Government, acting through international financial institutions, started financing the palm oil industry in the 1960's and 1970's.

The foregoing charts a sorry course of governmental interference in generating industries overseas in competition with our own soybeans, while at the same time contributing to the scarcity of natural rubber of which the United States is a principal consumer.

AUTOMOBILE SAFETY DEFECT LEGISLATION

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. MOSS. Mr. Speaker, I am pleased to introduce today a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966, in order to close a serious loophole that exists in that legislation. It is perfectly possible under the law for a dealer to sell a new vehicle to an unsuspecting buyer, even after the dealer has received notice that the vehicle contains, or may contain, a safety defect.

Indeed, we have recently received reports from new car buyers that they were notified of a safety recall only after putting many miles on their new cars even though the recall was officially announced several months before they had accepted delivery of these new cars. This practice subjects unsuspecting car buyers to unreasonable risks and must be expressly prohibited. Therefore, the purpose of this amendment is to require the dealer to correct or cause to be corrected safety defects that have officially been made subject to a safety defect recall before selling the vehicle to a retail purchaser. Other provisions of the law insure that any financial burden resulting from this requirement will fall on the manufacturer, rather than the selling dealer.

The amendment also provides for a citizen right of action in the event of a violation of the provision, to avoid placing consumers in the position of waiting for a Federal agency to take action on their behalf.

I commend this amendment to the attention of the House and urge its passage. The amendment follows:

H.R. —

A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to strengthen the provisions relating to remedy of defects and failure to comply with Federal motor vehicle safety standards.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 154 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1414) is amended by adding at the end thereof the following new subsection:

"(d)(1) If notification is required under section 151 or by an order under section 152 (b) and has been furnished by the manufacturer to a dealer with respect to any motor vehicle or item of replacement equipment which fails to comply with an applicable Federal motor vehicle safety standard or contains a defect which relates to motor vehicle safety, then such dealer shall not sell, offer for sale, deliver, or transfer any interest in such motor vehicle or item of replacement equipment in connection with its first purchase in good faith for purposes other than resale unless the defect or failure

to comply has been remedied in accordance with this section, or, in the case of notification required by an order under section 152(b), enforcement of the order has been restrained in an action to which section 155(a) applies or such order has been set aside in such an action.

"(2) For purposes of this subsection, notification shall be considered to have been furnished to a dealer (i) upon actual receipt of such notification by such dealer or (ii) at the beginning of the sixth day after the date on which a mailing or other means of such notification to such dealer has been accomplished in accordance with section 153(c), whichever occurs first."

SEC. 2. Section 109 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1398) is amended by adding at the end thereof the following new subsection:

"(c)(1) Whoever violates any requirement of section 154(d) or any regulation issued thereunder shall be liable in an amount equal to the sum of—

"(A) three times the amount of actual damages sustained or $1,500, whichever is the greater; and

"(B) in the case of any successful action to enforce the foregoing liability, the costs of the action together with reasonable attorney fees as determined by the court.

"(2) An action to enforce any liability created under paragraph (1) may be brought in a United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction, within two years from the date on which the liability arises."

TAX-SUPPORTED MAYORS GROUP FRONTS FOR GUN CONTROL LOBBY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. ASHBROOK. Mr. Speaker, the U.S. Conference of Mayors, an organization which uses taxpayers' money, is lobbying to take away every citizens' right to own handguns. In their July 1977 annual meeting in Tucson, Ariz., pro-gun moderate mayors worked to remove the gun confiscation policy which had been in effect since 1972. Due to a packing of the committee structure with big city liberals led by Atlanta Mayor Maynard Jackson, the efforts by smaller town mayors were beaten back. Buoyed by Jackson's efforts the conference continues its drive to abolish handgun ownership in the United States, in pursuit of a policy which inaccurately claims that the law allows gun dealers to sell to persons who are mentally ill, criminals, dope addicts, convicted felons, and juveniles. Their entire policy is a fraud. The 1968 Gun Control Act which was passed by the antigunners includes just such a prohibition against the sale to these persons. Violation of the act may result in the gun dealer receiving a sentence of 1 to 10 years in prison and subject him to a heavy fine.

In their political action manual, "Organizing for Handgun Control," the Mayors Conference goes on to say that citizens really do not have the right to gun ownership, even though the Constitution says that the right to keep and bear arms shall not be infringed.

In the same manual, the group goes on to present antigun organizers with a sample fundraising letter which falsely states that two-thirds of the American people want tough handgun control laws.

Surveys conducted by knowledgeable research groups are disproving this notion. In April 1977, the decisionmaking institute released results of a nationwide survey showing an 85 percent approval of private handgun ownership. In the most accurate measurement of public opinion, the ballot box, the voters of Massachusetts upset an antigun referendum by a 69 percent to 30 percent margin in favor of private handgun ownership.

In light of this sentiment of the general public, the mayors of those cities lending tax support to the U.S. Conference of Mayors should take a hard look at their organization.

STATEMENT BY THE HONORABLE JOHN W. JENRETTE, JR., ON PRESIDENT CARTER'S NONPROLIFERATION POLICY

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. JENRETTE. Mr. Speaker, I am pleased to be able to insert in the RECORD today positive confirmation of the President's support of the Barnwell Nuclear Fuel Plant in Barnwell, S.C. Since President Carter issued his energy statement on April 7, progress on commercial reprocessing was indefinitely delayed at the Barnwell plant pursuant to the President's formulation of a nonproliferation policy. In a cooperative spirit, the administration has worked with the Congress to make a concrete advance in the implementation of that nonproliferation policy through a careful research program at the Barnwell facility.

On July 11 the Senate passed an amendment to the Public Works appropriations bill under the leadership of Senator HOLLINGS, earmarking up to $14 million for the Barnwell research program. As the amendment specifies, only "research, assessment and evaluation activities—consistent with the nation's nuclear research and nonproliferation policies" shall be carried out under the parameters of the study at Barnwell. Included in this seminal study shall be an evaluation of nuclear safeguards systems, international management options, and technological controls on the nonpeaceful use of fuel processing facilities.

Identical language was adopted today by House conferees on the Public Works appropriations bill.

The letter which I shall now insert states the clear administration support for this $14 million appropriation. It is incumbent upon Congress to allow President Carter to pursue his goals of eliminating the proliferation of nuclear weapons. It is my belief that the use of the Barnwell facility will enhance our abilities to accommodate the President's nonproliferation goals.

THE WHITE HOUSE,
Washington, July 19, 1977.

Hon. JOHN JENRETTE,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN JENRETTE: Pursuant to our conversation, I am sending you the Senate language on the Barnwell Nuclear Fuels Plant which the Administration supports. It reads as follows:

To. H.R. 7553, an Act making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes, viz:

On page 3, line 9, beginning with the colon, insert in addition "provided further," That up to $14,000,000 of this appropriation is to conduct a study of the Barnwell Nuclear Fuels Plant located in South Caroling to determine if that facility may be utilized in support of the nonproliferation objectives of the United States and for activities contributing to the International Fuel Cycle Evaluation Program to be carried our under the contract at the Barnwell Nuclear Fuels Plant, including only such research, assessment and evaluation activities as the Administrator determines are consistent with the nation's nuclear research and nonproliferation policies and provided that the Plant shall not be used to process spent fuel from nuclear reactors.

Sincerely,

FRANK MOORE,
Assistant to the President
for Congressional Liaison.

COMMEMORATING THE 200TH ANNIVERSARY OF GEN. KAZIMIERZ PULASKI'S ARRIVAL IN AMERICA

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. ZABLOCKI. Mr. Speaker, on July 23, throughout the United States there will be programs commemorating the 200th anniversary of Gen. Kazimierz Pulaski's arrival in America. In light of the great contribution Pulaski made to the fight for American independence, it is only fitting that we reflect on the life of this most extraordinary individual whose career symbolizes the highest ideals of freedom and personal liberty.

In order to better appreciate the spirit that animated General Pulaski and the activity and zeal in the defense of justice and moral rectitude that prompted him to come to a strange land, where he was unknown, and whose language and customs he did not understand, I would like to share with my colleagues and with the American people a brief, historical account of General Pulaski's service to our Nation.

In 1773, after 7 years of militant opposition to Russian intervention in the affairs of the Polish Government, Pulaski was unjustly charged with the crime of regicide and forced to spend the next 3 years in exile in the Balkans. Disheartened by his futile attempts to organize concerted military action against the Russian Government, he arrived in Paris in November 1776, where his dejection

and despair turned into renewed enthusiasm and vigor at the prospect of serving the cause of the American colonies fighting for their independence.

The French court warmly recommended Pulaski to Benjamin Franklin, who was seeking volunteers for the American Revolution. After a brief meeting with him, Franklin gave Pulaski letters of introduction to the Continental Congress and to General Washington, and on July 23, 1777, the former Polish militant arrived in America aboard the ship *Massachusetts*, debarking at Marblehead. Two months later, Pulaski arrived at Washington's headquarters in Wilmington and was introduced to the Commander in Chief by General Lafayette.

The opportunity to prove himself as a superior officer presented itself to Pulaski on September 11, at the Battle of Brandywine, where he exposed himself to great danger by riding close to the British lines and reconnoitering their position. At a critical moment, Pulaski took command of Washington's cavalry detachment and charged the British lines, staying their advance. In addition, Pulaski's attack on the British vanguard under Lord Cornwallis saved invaluable military supplies of the American Revolutionary Army.

The American Military Biography includes a telling account of Pulaski's Brandywine engagement:

> Pulaski, who had been an experienced cavalry officer at home, had a command given him in the light horse unit. He was first engaged in the Battle of Brandywine, in which the young Marquis de la Fayette and many other foreigners were employed. Pulaski, who commanded a party of horses, sustained his reputation for courage; his activity and exertions were conspicuous throughout the engagement and he was particularly noticed by the Commander in Chief, as having distinguished himself.

During the terrible winter at Valley Forge, Pulaski was stationed at Trenton, N.J., where he reorganized his Calvary Corps and issued its first service regulations. On February 25, 1778, Pulaski met again with General Washington at Valley Forge. Dissatisfied with the relatively minor role American military thinking assigned to his cavalry, Pulaski submitted his resignation as the Commander of the Cavalry Corps and presented a plan for the formation of an Independent Corps of Light Cavalry and Infantry. With Washington's endorsement, Pulaski presented this plan to the War Department at Yorktown, and 10 days later, on March 28, Congress authorized the formation of the Independent Corps and retained Pulaski's rank of Brigadier General.

From October 8, 1778, through February 8, 1779, the Pulaski Legion was engaged in minor skirmishes with the British while guarding the frontiers at Egg Harbor at Minising on the Delaware River. But when 2,000 American troops under General James Ashe were defeated by the British under General Provost, Pulaski and his men were ordered to the southern theater of operations to join General Benjamin Lincoln's army.

As British forces invaded South Carolina and marched toward Charleston, Pulaski hastened to the defense of that city. By the time the Pulaski Legion reached Charleston, the city was on the verge of surrendering to the British, but Pulaski, appearing before the city council on May 11, prevailed upon it to reject the British ultimatum. Leaving the council chambers, Pulaski attacked the British, forcing them to abandon the Charleston siege.

The siege of Savannah by American and French forces began 4 months later, on September 23, 1779. Two weeks earlier, Pulaski and his Legion had joined the French forces under the command of Admiral d'Estaing and had made courageous plans for the inevitable battle. Indeed, the unexpected appearances of the French fleet off the American coast and of Pulaski's troops within miles of the city's boundaries greatly alarmed the British forces in Savannah. On the 13th of September, Count d'Estaing landed 3,000 men at Beaulieu who were joined by Pulaski's Legion on the 15th. Within 1 week, the allied armies broke ground for the siege and proceeded with the assault on Savannah.

The attack was conducted as planned, but an officer who deserted the Charleston volunteers communicated details of the scheme to British General Provost, enabling the redcoats to prepare for the assault. When the column of men commanded by Count d'Estaing and General Lincoln was slaughtered by British sharpshooters and the forces led by Count Dillon lost their way in the darkness, Pulaski remained undaunted. The American Military Biography recounts the General's subsequent movements:

> Pulaski, perceiving the danger in which the revolutionary soldiers were placed, made a bold effort at the head of two hundred horses, to force his way through the enemy's works and gain the rear of Mainland . . . but while advancing at the head of his men, exposed to the most tremendous fire, the intrepid Pulaski received a mortal wound, and fell from his horse. The fall of their heroic leader stopped the progress of the squadron, and they immediately retreated.

Pulaski lived 2 days aboard the American brig, *Wasp*, but finally died on the 11th of October at the age of 32. His body was consigned to the sea the next day. On October 14, a symbolic funeral in memory of Pulaski was held in Charleston with the highest civic and military authorities in that sector of military operations participating.

It is only fitting that we pay tribute to this great man, for all Americans today enjoying the blessings of liberty, peace, and prosperity are indebted to him for the courage and valor and strength he demonstrated at the time of our Nation's birth. Pulaski was truly a man dedicated to the spirit of the revolution, and his never ending belief in the great promise of the "American experiment" colored his every decision during the war. With hundreds of other Polish immigrants who fought in the Revolutionary War, General Kazimierz Pulaski stood resolutely by the cradle of American independence and helped to lay the foundation for a new government in the New World, dedicated to the principles of human liberty and justice.

TO PRESERVE TOBACCO PRICE SUPPORT PROGRAM

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. FOUNTAIN. Mr. Speaker, I would like to share with my colleagues copies of two recent letters concerning the important need to preserve the Federal tobacco price support program.

The first letter was sent to the President and is signed by all 13 members of the North Carolina congressional delegation.

The second letter is signed by me and was sent to Health, Education, and Welfare Secretary Joseph Califano.

The letters follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 29, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We, the undersigned members of the North Carolina Congressional Delegation, are deeply concerned about statements in opposition to the Nation's modest, inexpensive tobacco program made by the Secretary of Health, Education, and Welfare last weekend on national television.

We sadly regret the Secretary's use of the word "subsidizing," not only because American tobacco farmers are not subsidized, but also because its use revealed a lack of understanding of national policy on a crop of greatest economic importance to our State and to millions of people throughout the country.

There is, of course, a medical controversy concerning the effects of smoking. On the one side there are epidemiological studies associating smoking with several diseases, and on the other hand there has been no conclusive scientific evidence proving that smoking per se or smoking alone causes any of these diseases.

However, the smoking and health controversy is not really at issue here. What we see here is that Secretary Califano has chosen to take a strong position against the tobacco program—an issue not within his area of responsibility.

A powerful member of your Cabinet has intemperately attacked a program of basic importance to the United States. Consequently, we are extremely uneasy about what course your Administration may follow with respect to the tobacco program.

At the same time, we take comfort in your previous statement: "I personally see no need to do away with a program (the tobacco price support program) that costs the government next to nothing while enabling so many hardworking families to earn a living."

Mr. President, if Secretary Califano's words are translated into action all you are going to do is bankrupt—literally bankrupt—and transfer to welfare, several hundred thousand farmers and place the production of tobacco in the hands of big corporate farmers.

All you are going to do is encourage the importation of tobacco from some of the largest tobacco-producing countries in the world, including Communist China, India, Russia, Turkey, Brazil, Japan, Bulgaria, Greece, Italy, the Republic of Korea, and Poland.

Remember a lot of nations produce tobacco. We are only one of the nations competing for the world tobacco market. In 1975 the major tobacco producing nations were—in pounds; Communist China, 2,160,508,000; United States, 2,118,560,000; India,

837,748,000; Russia, 639,334,000; Turkey, 573,636,000; Brazil, 557,816,000; Japan, 364,244,000; Bulgaria, 319,667,000; Greece, 279,168,000; Italy, 239,419,000; Republic of Korea, 238,996,000; and Poland, 220,812,000.

In the United States over 600,000 farm families today depend on tobacco as a major source of income. It is the fifth largest cash crop we produce. In 1976, the Nation's crop was worth over $2.3 billion.

The cash receipts for the tobacco crop in our own State of North Carolina alone are estimated at $1 billion for 1976.

Twenty-two States and the Commonwealth of Puerto Rico grow tobacco within their borders. The States include North Carolina, Kentucky, Virginia, South Carolina, Tennessee, Georgia, Florida, Connecticut, Maryland, Ohio, Indiana, Wisconsin, Massachusetts, Pennsylvania, Missouri, West Virginia, Alabama, Arkansas, Illinois, Kansas, Louisiana, and Minnesota.

Tobacco and tobacco products provide significant amounts of tax revenues to governments at the Federal, State, and local levels each year. In fiscal year 1976, an estimated $6,153,983,000 were collected in direct taxes on tobacco products. Since 1863, when tobacco products taxed by Government first included cigarettes, over $119.1 billion have been collected.

Of the total tax revenue for 1976, the Federal Government collected almost $2.5 billion. State governments received over $3.5 billion. Local governments took in almost $114 million.

These taxation figures include only the direct taxes received from tobacco products. They do not include the billions and billions of dollars in personal and business income taxes which come from people employed in farming or the manufacture, shipment, and sale of tobacco products, from the many corporations and other businesses which are a direct part of the tobacco industry, from the many wholesale and retail businesses supplying these farmers and companies, and the innumerable industries supplying equipment and products of every kind to those directly engaged in the tobacco industry—supplying everything from trucks to twine to tankcars.

Currently, over 200 factories in this country manufacture cigarettes and cigars, as well as snuff, chewing, pipe, and rolling tobacco. The manufacturers of cigarettes and cigars are located primarily in North Carolina, Virginia, Kentucky, Florida, and Pennsylvania. Manufacturers of the other tobacco products are scattered over several other States.

About 76,400 production workers are engaged in the manufacture of tobacco products. Several hundreds of millions of dollars in wages and salaries are paid to these people each year.

Almost 1.5 million retail outlets in this country distribute tobacco products. Needless to say, these outlets employ millions of people to assist in handling these sales transactions.

In 1976, almost 3,000 tobacco product wholesalers in every State in the Nation traded an estimated $10.7 billion in cigarettes, cigars, snuff, and other smoking related articles such as pipes.

Mr. President, tobacco is indispensable to the economy of the country. In industries which are related to tobacco, the manufacturers and suppliers of farm machinery and materials and supplies, as well as the advertising, shipping, and trucking concerns employ millions of additional people and add many millions of dollars to income taxes and other revenues throughout the United States.

In recent years, over one-third of the Nation's tobacco crop has been exported to foreign countries. Exports last year totaled about $1.46 billion. Our imports were about $316 million, giving the tobacco industry a net contribution of over $1.1 billion to our balance of payments in 1976. Cigarettes alone were exported to about 130 countries. Practically all of the exports of leaf tobacco and tobacco products were from eight major ports on the East, Gulf, and West Coasts—Norfolk, Wilmington, New York, New Orleans, Baltimore, Miami, San Francisco, and Philadelphia.

Who knows what the effects of doing away with the tobacco program would be in the factory, on the loading dock, and in the wholesale and retail outlet? Who knows what the effects would be on the tobacco tax revenues of governments in every one of the 50 States?

Tobacco is a commodity which is considered by many historians to have insured the survival and vitality of the early American colonies. Controversies over tobacco have raged since the 17th century, when those earliest colonies began to be established. The arguments and sermons we hear from the anti-tobacco forces are indeed not new. The fact remains that tobacco is a legal commodity. It is sold around the world. The price support program under attack today does not add significant cost to the American taxpayer. Rather, the return on the investment is substantial enough to justify entirely continuation of the program. It is a responsible program, and it is of low cost.

Tobacco farmers are not looking for a handout. They want to work their crop, market their products, and make a decent living. In order to do this, the tobacco program is necessary to stabilize the production of tobacco and insure fair prices for the crop on a competitive market.

We respectfully urge you to take no action which will in any way undermine the tobacco program.

With kindest regards and best wishes, we are

Sincerely,

Robert Morgan, Jesse Helms, Charlie Whitley, W. G. (Bill) Hefner, Charlie Rose, Richardson Preyer, Jimmy Martin, L. H. Fountain, Lamar Gudger, Steve Neal, Walter B. Jones, Ike Andrews, Jim Broyhill.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 7, 1977.

Hon. JOSEPH CALIFANO,
Secretary, Department of Health, Education and Welfare, Washington, D.C.

DEAR JOE: Having reviewed your recent exchange of correspondence with Dr. Sidney Wolfe and Secretary of Agriculture Bob Bergland on the smoking and health controversy, I feel constrained to make several observations.

Regardless of where one stands on this issue, I am told that as of today there is no conclusive laboratory or clinical evidence that cigarettes cause any human diseases for which they have been statistically related. Thus, we are left with statistical associations. No responsible epidemiologist says that statistical associations alone can establish cause and effect.

I would point out that although releases from the Department of HEW indicate that the medical profession stands united on the cigarette theory, it is conversely a fact that no less than 1 in 5 of all medical doctors and registered nurses in the United States are smokers, according to a paper released by Mr. Laurence Garfinkel, Assistant Vice President of Epidemiology and Statistics, American Cancer Society. It would seem that we have here a familiar homily: "Do as I say, not as I do."

Whether we like it or not, the use of tobacco does remain very much a controversy within the medical profession and I dare say it will remain in this category until research, not statistics, reveals the truth. What is needed is full, free, and informal scientific discussion, not propaganda by any of the agencies of government or any quasi-public organizations such as the American Cancer Society.

The economics of tobacco should by no means be equated with any alleged health effects, but it should be realized that the destruction of the tobacco industry can only bring down on the heads of those responsible, the plight of a poor section of this country equal only to their plight following the War Between the States.

The loss of the tobacco program would put 600,000 to 800,000 farm families on the welfare rolls, according to testimony presented to a House Committee recently by the Secretary of Agriculture, and the fall-out effects would be catastrophic to the financial stability of millions of other people whose lives are so closely intertwined with the industry.

It should be realized that in addition to the farm family livelihoods which are at stake, destruction of the tobacco industry means destruction of the fifth largest cash crop in America, a commodity that is considered by many historians to have insured the permanency of the American colonies. A commodity that today returns to the Federal and State Government annually over $6 billion. A commodity that today adds one billion dollars in United States exports annually to help to offset the deficits in oil importation. A commodity that brings employment to over 80,000 workers across the land in the manufacturing process, and represents millions of dollars in payrolls. A commodity that is distributed through over 1½ million retail outlets by means of vending machines, tobacco stores and tobacco departments of large chain-operated stores. A commodity with related employment numbering in the millions.

Mr. Secretary, the dependence on a complex industrial and service network greatly extends the importance of tobacco in the nation's economy. The need for farm and manufacturing materials, supplies, and equipment as well as services ranging from transportation to advertising gives employment to additional millions and adds hundreds of millions of dollars to personal and business income in almost every state of the nation.

Mr. Secretary, please understand that the average acreage of tobacco allotted to growers amounts to less than one acre in the Burley tobacco area and less than 3 acres in the fluecured areas of the nation. The return from the sale of the minute allotments per farm represent the only cash income many of these farmers receive throughout the year. In aggregate this has meant, in the latest annual reports, over $1 billion to North Carolina, $500 million to Kentucky, $200 million to South Carolina, $165 million to Virginia, $160 million to Georgia, $140 million to Tennessee, with lesser amounts to Connecticut, Florida, Maryland, Ohio, Indiana, Pennsylvania, Wisconsin, Massachusetts, Missouri, West Virginia, Alabama, Arkansas, Illinois, Kansas, Louisiana, Minnesota, and New York.

Federal, state, and local governments collected $5,821,851,000 in direct taxes on tobacco products in Fiscal Year 1975. 98.5 percent represented taxes on cigarettes—some $5,734,390,000. Taxes on other tobacco products totaled about $87,461,000.

The federal government's share was $2,315,090,000 with cigarette taxes, at 8 cents per pack, accounting for 97.7 percent, or $2,261,116,000. About $53,974,000 in taxes were collected, mostly for cigars.

State taxes on all tobacco products totaled an estimated $3,401,408,000. Of the total $3,368,089,000, or 99 percent, represented cigarettes taxes and $33,319,000 was collected from sales of other tobacco products. Three-hundred sixty-five city and county government tobacco taxes came to $105,353,000. Of that amount, $105,185,000, or 99.8 percent, represented taxes on cigarettes. Local governments also collected $168,000 in taxes on other tobacco products.

Since 1863, when cigarettes were added to the tobacco products taxes by the federal government, governments at all levels have

collected almost $113 billion in tobacco taxes. Cigarettes have accounted for 93.4 percent of that figure or about $105.5 billion.

Because of increased sales and higher cigarette taxes in many states, smokers paid 1.8 percent more in state cigarette taxes in 1974. More than half of the proceeds of domestic retail sales of cigarettes to civilians went to federal, state, and local government treasuries in the form of cigarette excises.

Mr. Secretary, the controversy over tobacco is not new, it has raged from the 17th century forward, but the fact remains, tobacco is a legal commodity, it is sold worldwide and to deprive American tobacco growers of a responsible, low-cost price support program would be sheer folly.

In conclusion, I would like to respectfully request that you carefully reconsider your plans about tobacco.

With kind personal regards and best wishes, I am

Sincerely,

L. H. FOUNTAIN.

DR. J. BODENSIECK'S INSPIRING MINISTRY

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. ARMSTRONG. Mr. Speaker, a few days ago my family and I had the privilege of being at our home church, St. Matthew Lutheran Church of Aurora, Colo., for the observance of a very special occasion. On July 3, our congregation celebrated the 60th anniversary of the ordination of Dr. J. Bodensieck.

Dr. and Mrs. Bodensieck came to St. Matthew Lutheran Church in 1965 to serve as visitation pastor assisting his son-in-law, Pastor Leonard Fritschel. The life and witness of these great people has been a source of tremendous inspiration to all who have known them in Aurora and to thousands of people whose lives they have directly influenced in this country and abroad and the millions of persons who have benefited from their ministry.

Dr. Bodensieck was born in Germany, immigrated to the United States in 1910. He returned to Germany to earn his Th. D. at the University of Munster. He taught at Wartburg Seminary, from 1921 to 1930, 1940–47, 1948–49, 1954–64. From 1940–47 he was president of Wartburg.

Following World War II, he was appointed the U.S. liaison between the Allied Forces and the churches of Germany. From 1930–40, he was editor of Kirchenblatt, the official publication of the American Lutheran Church in Germany. He edited the Encyclopedia of the Lutheran Church published in 1965 and was editor of the Lutheran Herald, 1925–30. He served on many boards of the church, the National Lutheran Council and on the Central Committee of the World Council of Churches from 1952–62.

Upon the occasion of the 60th anniversary of his ordination, the president of the American Lutheran Church, Dr. David W. Preus, summed up well our esteem and affection for this great servant of Christ:

There are a few names recognized and respected by the Lutheran Family throughout the world. Bodensieck is one of those. You are honored for your compassion, your dedication to Christ and the Church, your scholarship and your service to people and churches in times of great need. It is a privilege to salute you on this day and convey to you the love and prayers of your Church.

THE NEED TO MAINTAIN AT LEAST MILITARY BALANCE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following column by my constituent, Gen. Henry Huglin. General Huglin is a retired Air Force brigadier general and syndicated columnist. He comments on the need to maintain at least military balance if not superiority in comparison with the Soviet Union:

ASSESSING SOVIET STRENGTHS AND INTENTIONS

(By Henry Huglin)

The headlines trumpet the Soviets' stepped-up propaganda attacks on President Carter's policies and on our country.

These attacks are evidence that relations between the Soviets and us are becoming harsher than at any time since "detente" became a lulling nostrum.

But a major benefit in the growing tensions with the Soviets can be that we—and many abroad—will be shaken out of a dangerous complacency. We will now access more realistically than we have recently the nature of the Soviets' society and their military strengths and intentions and, hence, their on-going threat to us.

An objective view of Soviet Russia is hard to get. Yet, our relations and the power balance with that country now and in the future are crucial to the security of our country, and to most of the rest of the countries of the world as well.

For more than 30 years we have been verbally whipsawn by the super-hawks and the super-doves, with their wholly contrasting views of Russia.

Still, it should now be clear that the Soviets are neither "ten feet tall" nor midgets, and their military power is very formidable and continuously growing.

Despite conflicting views regarding the Soviets, our government, until recently, prudently chose to keep an edge of military superiority over them—in strategic nuclear capability, naval power, and overall weapons technology—to counterbalance the hang of the Kremlin leaders that they must zealously try to expand communism and their influence throughout the world, by any feasible means.

Now, over the last decade, the Soviets have undertaken a startlingly heavy, protracted buildup of armaments. Meanwhile, we—largely because of the malaise over Vietnam—have generally been scaling down our military strength.

Also the Soviets have been stepping up projecting their influence abroad—through political intrigue and delivery of arms, economic aid, advisers, and even surrogate Cuban troops. Vietnam and, more recently, Angola, Mozambique, Somalia, and Ethiopia have been their prime opportunities and successes.

And now there are press reports that the Carter Administration is developing a study of Soviet strengths and weaknesses which rejects as "largely unfounded" the view of the Ford Administration, and of many knowledgeable people, that the global power balance is shifting to the Soviets. This new, optimistic view apparently was arrived at by giving much weight to non-military weaknesses, such as the Soviets' chronic labor problems and backwardness in non-military technology.

But not reported was whether the Soviets' intentions are being well assessed. Yet, this is one of the most vital factors to be considered in the balance—for their expansionist intentions are ominous for our interests and long-term well-being.

As to the Soviets' weaknesses, it is certainly true that they are beset with many at home and abroad. But these may be no curb on further buildup and use of their military strength for political influence, coercion, or actual hostilities.

A similar analysis 40 years ago could have "proved" that Hitler could not go to war because of Nazi Germany's problems of limited resources and manpower.

Now, most likely the Soviets' intention is not war, but expansion by helping power-seeking groups in other countries amenable to the Soviets' influence—and by checkmating us from opposing them, through the coercive effect of military forces superior both strategically and tactically in areas of the world important to them.

Even Hitler tried to achieve his intended expansionism without war—by propaganda, an aura of military superiority, and use of political coercion. But Hitler prepared for and finally resorted to war. And the Soviets' strategic doctrine clearly includes the idea that war is still the extension of politics by military means and also that nuclear war is winnable, by them.

So, what does this situation add up to?

Well, we ought to be highly skeptical of rationalizations of the Soviets' strengths, emphasis on their weaknesses, and equating their intentions with ours.

The Soviets' troubles and problems will cause them to modify the internal repressions of their totalitarian regime and their expansionism abroad only if they do not gain further significant successes in the world. And curbing such successes depends greatly on our continued strengths, constancy, wisdom, and will.

We ought to recognize—and impress on our government leaders—that there is really no easy, riskless, inexpensive way to insure our security in this world with a pushy superpower of Soviet Russia's strengths and intentions.

We have no prudent choice but to continue, generally, the dynamic role in the world that we have pursued for 30 years—and to maintain at least equivalent military strength with the Soviets, and preferably an overall edge.

SUPPORT FOR FAMILY FARMS

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. PRESSLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

I support the Nolan amendment, for I strongly believe in the economic productivity of America's family farms. This amendment clearly exempts corporate family farms which are family owned and family run. Congress must take steps toward insuring that farmland is passed on from family to family

rather than being passed on to real estate speculators and corporations whose primary income is nonfarm.

Farmland is a good investment—indeed, a Library of Congress study pointed out that "farmland values have not experienced a year-to-year decline since 1954." In my home State, South Dakota, land values continue to increase with an 11-percent increase in 1976 alone. Large corporate farming operations have helped drive up the cost of farmland to the point where young farmers are having a hard time getting the money to even consider buying a farm.

Coupled with the attractive investment potential of farmland is the fact that the average American farmer is about 60 years old. That means we will be seeing a lot of farms changing hands within the next 10 to 20 years. While I do not believe it is the business of Congress to make farmland a bad investment, I do believe we must insure the future stability and the continued existence of family farming in the United States. We must provide the incentive to keep families in farming, and I firmly believe the Nolan amendment pending before us is such an incentive.

LAW OF THE SEA CONFERENCE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. FRASER. Mr. Speaker, the Law of the Sea Conference recessed at United Nations Headquarters last Friday and will meet early next year in Geneva.

The Informal Consolidated Negotiating Text, a composite product of the 8-week session, was released today. After reviewing this text Ambassador Richardson will have to assess the progress of this session of the conference. He will report to the International Relations Committee Monday, July 25.

On June 29, 1977 I hosted a luncheon for House and Senate Members, at which two foreign delegates spoke about the Law of the Sea. The chairman of the Seabed Committee, Paul Engo of Cameroon spoke, as did the chairman of the Drafting Committee, Ambassador J. Alan Beesley of Canada.

Congressman McCLOSKEY has already inserted—July 14, 1977—Mr. Engo's statement into the RECORD on my behalf and for BEN GILMAN.

Today, I would like to insert Ambassador Beesley's remarks to Members of Congress about the Law of the Sea Conference and legislation. I hope my colleagues will find them useful and informative. I am therefore attaching on behalf of PETE McCLOSKEY, BEN GILMAN, and myself, the Beesley speech of June 29, 1977.

REMARKS BY J. ALAN BEESLEY, Q.C. (CANADA)

Mr. Chairman, Distinguished Members of Congress, Ladies and Gentlemen:

INTRODUCTION

I am deeply honoured by your kind invitation to meet with you today together with my colleague Paul Engo, Chairman of the First Committee of the Law of the Sea Conference.

I am aware that I am here in my capacity as Chairman of the Drafting Committee of the Conference. However, since I have the dubious distinction of being the only Chairman of a Committee which has never met, I propose to express to you today my purely personal views on the importance of the Conference and the consequences of its success or failure.

IMPORTANCE OF THE LAW OF THE SEA CONFERENCE

It is often said that the Law of the Sea Conference is the most important international conference since that held in San Francisco when the United Nations was founded. Be that as it may, there is no doubt that the Conference is grappling with fundamental issues of tremendous importance to every nation state. It has a mandate so broad that it embraces new questions ranging from the rights of landlocked states with respect to ocean resources to traditional concepts relating to rights of passage through international straits. Thus, there is no state which would remain unaffected by the results of the Conference, whether it succeeds or fails, a basic point to which I shall return.

THE PRE-EXISTING LAW

It is essential to bear in mind the state of the law as it was when we began the Conference in order to attempt an appraisal of the progress made, the prospects of success and the consequences of failure. In simple terms, the pre-existing Law of the Sea was based on two fundamental principles of international law, namely, state sovereignty and freedom of the high seas—the principles established by Grotius nearly 350 years ago. Translated into specific terms, this has meant that for over three centuries the nation states of the world have accepted the concept of a narrow marginal part of the territorial sea over which states assert total sovereignty, subject only to the principle of innocent passage, and that the area beyond has been open to the use of states on the basis of freedom of the high seas. These principles proved adequate for their time, although it has been alleged that the principle of the freedom of the high seas gradually became translated and distorted into the right to overfish, a license to pollute and the "roving sovereignty" of the flag state. One change in the traditional law of particular relevance to our discussion today was the acceptance in 1958 of the "exploitability test" as the outer limit for coastal state jurisdiction over the continental shelf as reflected in the Geneva Convention on the Continental Shelf, another point to which I shall return.

PRESSURES FOR CHANGES IN THE LAW

Since the 1958 and 1960 Law of the Sea Conferences there have been increasing pressures for changes in the Law of the Sea to better reflect the spectrum of interests represented by all those countries which have received independence since 1958. Coincident with these demands have been an increasingly widespread recognition of the need for new rules to conserve the living resources of the sea, to preserve the marine environment and to regulate the exploitation of both the living and non-living resources of the oceans.

BACKGROUND TO THE CONFERENCE

In 1967, two important developments occurred which led directly to the creation of the Law of the Sea Conference as a means for effecting these changes in the law. It is well known that in that year Ambassador Pardo of Malta introduced into the United Nations his progressive and imaginative concept of the common heritage of mankind. It is not so widely known that in that same year the USSR canvassed a large number of countries to solicit support for an agreement upon a 12 mile territorial sea coupled with a high seas corridor through international straits. The significance of these two separate but eventually interrelated developments is as important today as it was in 1967 as indications of the basic preoccupations of the developing countries on the one hand and the major maritime powers on the other.

THE PREAMBLE OF THE CONFERENCE

The "Seabed Committee" created in 1968 as a result of the Malta initiative became transformed in 1970 into a preparatory committee for the Law of the Sea Conference. I had the honour of introducing the resolution which laid down the terms of reference of the Conference, and I can speak from personal experience in attesting to the fact that there was a widespread determination to tackle all of the interrelated issues of the Law of the Sea and a total rejection of any attempt at a "manageable package" approach, limited to a few issues. Criticisms are often made of the decision to embark upon such an ambitious undertaking. A point of fundamental significance to bear in mind in this connection is that it was argued by the major maritime powers that the operation was feasible since the basic trade-off between them and the developing countries would be recognition of resource claims in return for recognition of freedom of navigation. Presumably, no one anticipated at that time that the major developed nations of the world would later be in the forefront in the rush for resources, and, in the process, undercut the whole foundation of their bargaining position. This has already occurred with respect to the 200 mile fishing zones established by the USA, Canada, the USSR and the EEC; an example, we are told, soon to be followed by Japan. It is also proposed, as you know, that some of these same countries should take the lead in asserting unilateral jurisdiction over the resources of the deep ocean seabed in the face of strong opposition from the developing countries. The implications for any state attaching importance to freedom of navigation are obvious, but I should like to elaborate upon this question a little later.

PROGRESS MADE

How does one answer the question: How much progress has the Conference made? The answer is that it has made tremendous progress on a wide range of issues. We are light-years away from where we began. A preoccupation with remaining difficulties should not obscure this fact. Had we been embarked on a mere codification exercise, which is essentially what was entailed in the 1958 and 1960 U.N. Conferences on the Law of the Sea, when we were unable, in spite of great success on a wide variety of questions, to reach agreement on a 6 mile territorial sea and a 6 mile contiguous fishing zone, we should have long since finished our work. What we have been involved in, however, is a basic rethinking and restructuring of the law, a process which must inevitably take much longer, taking into account the number, range and complexity of the issues and the fact that over 150 nation states are involved in the exercise. You are all aware of the radically new concepts which have emerged from the Conference. Of these, amongst the most important are the economic zone; the common heritage of mankind; freedom of transit through straits; and the archipelagic state. Interestingly, the regime of the territorial sea is also being altered in an important respect.

THE ECONOMIC ZONE

The economic zone embraces, in brief, coastal state sovereign rights over fisheries and the seabed resources in an area extending out to 200 miles from shore, coupled with limited and defined coastal state jurisdiction

for the purpose of preserving the marine environment and regulating marine scientific research. The origin of this concept was an attempt to find an accommodation between those countries, mainly the major maritime powers, committed to a narrow territorial sea, and those claiming a territorial sea or patrimonial sea extending to 200 miles.

THE COMMON HERITAGE

The common heritage concept, as developed in the Conference, embodies the creation of an International Authority to regulate and control the exploitation of the deep ocean seabed resources, (including in particular manganese nodules), and the establishment of an "International Enterprise" which would have the right to exploit these resources for the benefit of the "common heritage of mankind". Obviously, the proposed international area begins where national jurisdiction ends, namely, at the outer limit of 200 miles of the economic zone (or the outer limit of the continental shelf, in those cases where the land territory of the coastal state, i.e. the continental shelf, extends beyond). As Paul Engo has pointed out, we have finally achieved what I would not hesitate to call a "break-through" on the common heritage principle at this Session of the Conference. I refer to the widespread acceptance of "guaranteed access" permitting states and private enterprise as well as the proposed international institution to exploit the resources of the seabed.

FREEDOM OF TRANSIT

The freedom of transit concept has been developed as a direct consequence of the impact of the widespread acceptance of a 12 mile territorial sea upon those international straits which would be enfolded by the territorial sea of one or more "strait states". It means exactly what it says, namely, the right of free transit through such straits, a substantive and even radical change of the pre-existing law, based as it was, on the principle of "non-suspendable innocent passage". In brief, the new rule would provide for little or no coastal state control over vessels passing through international straits, thus maximizing freedom of navigation in such areas.

ARCHIPELAGIC STATES

The archipelagic state concept, in essence, comprises recognition by the international community that the waters within straight baselines joining the outermost islands of archipelagic states constitute territorial sea, but subject to provisions relating to freedom of navigation in "sea-lanes" through straits used for international navigation. The point of importance is that the length of the baselines has become a secondary issue and the precise rules relating to passage through sea-lanes have become the important question.

TERRITORIAL SEA

I referred to the fact that the régime of the terriorial sea is, in my view, being altered in a most important respect. At the present time, the USA, the USSR and Canada all have legislation (the USA Port and Waterways Authority Act, in the case of the USA) which permits coastal states to legislate concerning the design, construction, manning and equipment of foreign vessels passing through the territorial sea of the coastal state. No state has ever alleged that this legislation is contrary to existing international law. Yet the provisions of the Revised Single Negotiating Text eliminate this right completely, and do not even permit the coastal state to pass such legislation to implement internationally agreed rules. It seems clear that unless some radical alterations are made in the RSNT, the USA Port and Waterways Authority Act will have to be amended.

If I may speak for a moment as a Canadian, I regret that the USA and Canada appear to have lost this battle to preserve the environment and that we must continue to accept the threats to our respective coastlines posed by sub-standard unseaworthy tankers loaded with oil. Even the "compromise" likely to emerge from any further negotiations is most unlikely to be of the kind which would eliminate the need to amend the legislation of our two countries. All I can tell you on that issue is that I don't intend to give up the fight.

PROSPECTS FOR THE CONFERENCE

I have attempted to give a capsule summary of the background to the Conference and of the nature of some of the changes being proposed in the pre-existing law. I would now like to turn to the question of prospects for success of the Conference and the consequences of failure. The first point I should like to make is that there is an increasing danger in many parts of the world of a loss of interest in the Conference on the part of governments, legislative bodies and the public as a consequence of the widespread establishment of a 200 mile fishing zone, which represented a major objective for many states. The second point I should like to make is that it is no longer accurate to judge the success of the Conference by the stalemate, approaching paralysis, which had pertained for a period in Committee I on the deep ocean seabed régime. Indeed, it might now be said with some accuracy that Committee I has caught up to the work of Committee II, concerned with all the basic jurisdictional issues, and Committee III, concerned with the preservation of the marine environment, the conduct of marine scientific research and the transfer of technology. Yet, nevertheless, pressures are mounting in various countries for unilateral legislation to license deep ocean seabed mining.

What then, against this background, are the prospects for the Conference, the consequences of the success or failure and the relationship to these questions of unilateral legislation on the deep ocean seabed? I had occasion to address these questions recently in a speech I delivered in San Francisco at the Annual Meeting of the American Society of International Law, in which Ambassador Elliot Richardson also participated. The points I made were as follows:

It is impossible to make any firm predictions concerning the fate of the Conference. It seems likely that the Conference will require at least another two years to conclude its work.

No one can say with certainty whether the Conference will succeed or fail. What is certain is that there remains a good chance that the Conference can succeed, provided governments do not refuse to continue with the exercise because of the time it is taking and the costs involved, in terms not only of human and financial resources, but the self-restraint required of states on claims they wish to advance while the Conference continues. It is generally accepted that this (Sixth) Session of the Conference is likely to prove the "make or break" Session. If the basis for agreement is worked out on the seabed régime, then there will be great pressure to conclude the negotiations on the other unresolved issues. Even so, at least one further full substantive session may be required, in addition to considerable work by the Drafting Committee. It seems likely, however, that if visible progress is made at this Session, governments will be willing to continue to commit themselves to pursue the Conference to a successful conclusion.

CONSEQUENCES OF SUCCESS OR FAILURE

I have pointed out in a series of recent speeches that a successful Conference could mean agreement on over 500 treaty articles, including annexes, which would together comprise a comprehensive constitution of the oceans—an area, we are often reminded, consisting of over 70 percent of the earth's surface. These rules of law would not exist in a vacuum. They would bind states to act in new ways. They would elaborate a wholly new regime for the rights of passage through international straits. They would lay down totally new principles concerning the management of ocean space. They would, for example, oblige all states to undertake the fundamental commitment to preserve the marine environment, to conserve its living resources, and to cooperate in the carrying out of scientific research. They would establish a single twelve-mile limit for the territorial sea throughout the world. They would result in a major re-allocation of resources as between distant water fishing states and coastal states, and more importantly perhaps, from developed to developing states. They would give recognition to the concept of the archipelagic state, consisting of sovereignty over the waters of the archipelago, with clearly defined rights of passage and over-flight through sea-lanes. They would bind states to peaceful settlement procedures on most—unfortunately not all—issues. They would, moreover, establish something new in the history of man—an international management system for a major resource of the planet earth—the seabed beyond national jurisdiction. They would reserve this area for purely peaceful purposes. They would subject it to a legal regime governed by an international institution unlike anything known either in the UN system or outside it. The international community would actually become engaged in economic development activities whose benefits would be shared by mankind as a whole. Interestingly, the UN, in the process, could engage in economic competition with states and, perhaps, private enterprise.

These new rules, if accepted by the international community and coupled with binding peaceful settlement procedures, would undoubtedly make a major contribution to a peaceful world. Of equal importance perhaps, they would lay down an essential part of the foundation for a new international economic order, since it would effect a transfer, by consent, of powers and jurisdiction on many issues from the richer and more powerful states to the poorer and less powerful.

What are the consequences of the other alternative—a failure of the Conference? As I have suggested in a series of interventions in a variety of fora, a failed Conference would mean that while the 200 mile limit has come into existence as a fact of international life, none of the safeguards embodied in the draft treaty would necessarily apply. The 200 mile concept, if left to state practice following a failed Conference, is far more likely to become a 200 mile territorial sea than a 200 mile economic zone confined, as in the RSNT, to specific jurisdiction and coupled, as it is in the RSNT, with stringent safeguards. The 12 mile territorial sea is a fact of international life, and is beyond challenge in the International Court, but its application to international straits would not be coupled, as it is in the draft treaty articles, with specific rules concerning rights of passage. That can occur only through acceptance of the treaty as a whole. New proposals concerning the delimitation of marine boundaries could have sufficient legal weight to erode the pre-existing equidistant-median line rules, but they would not be linked to binding third party settlement procedures, without which the new "equitable" approach would have little meaning. The nine years of work on the international regime and institutions to govern the seabed beyond national jurisdiction would be lost. Some developed states would almost certainly take unilateral action authorizing their own nationals and other legal entities to explore and exploit the deep seabed beyond the limits presently claimed by any state.

Certain developing states might well re-

spond by new kinds of unilateral action asserting national jurisdiction over these same areas, basing their action on the "exploitability test" of the 1958 Geneva Continental Shelf Convention—while the developed states prove that the area is exploitable, and thus subject to such claims. Indeed, they have said they would do so. Disputes over fishing rights, environmental jurisdiction, under-sea resource rights, conflicting delimitation claims, rights of passage in straits and claims to the deep ocean seabed could "surface" all over the globe.

The conclusion which follows from the foregoing is obvious. The Law of the Sea Conference has gone too far in developing new concepts and eroding the "old international law" for it to be permitted to fail at this stage. The particular interests of individual states, be they powerful or weak, maritime or coastal, landlocked or geographically disadvantaged, merge and coalesce with the general interest of the international community as a whole in the overriding need for a successful conclusion to the Law of the Sea Conference. This is no longer merely a desirable objective. It is an international imperative.

CONCLUSIONS

As I have been pointing out, in the series of recent speeches to which I have referred, it seems clear that the international community is facing the choice, on the one hand, of a very real danger to peace and security—quite apart from the damage to the UN—should the Conference fail, or, on the other hand, of an opportunity to lay the foundations for a world order of the oceans, and, in so doing, demonstrate the heights to which mankind can rise when we are prepared to look beyond our narrow immediate interests to the broader long-term interests of all. In legal terms, the Law of the Sea Conference presents the opportunity to leave behind us both the narrow 19th century concept of sovereignty, and its faithful companion, the laissez faire principle of freedom of the high seas, and to create new laws in place of each, embodying a totally new concept, an approach reflecting the need to manage ocean space in the interests of mankind as a whole. For far too long, the Law of the Sea has been based on the notion of competing rights, with little or no recognition of the need reflected in even the most primitive systems of law, whereby duties go hand in hand with rights.

Areas of the sea have been treated as subject to the assertion of sovereignty of one state or another, with no corresponding duties concerning the conservation of fisheries in such areas or the preservation of the environment itself. The oceans beyond the territorial sea have been subjected to the principle of first come first served, a régime which tended to benefit the powerful at the expense of the weak, while defended under the name of freedom of the high seas. When coupled, as it has been, with the doctrine of flag states jurisdiction, and further adopted by the device of flags of convenience, it has become a kind of "roving sovereignty" of the flag state, subject to little or no restrictions, except in the cases of piracy, slavery and narcotics control. Freedom of the high seas has meant, increasingly, the freedom to over-fish and the license to pollute. These are the freedoms which must be circumscribed, while the essential freedom of navigation for purposes of commerce and "other internationally lawful uses" (including legitimate self-defense) must be protected.

The difficulties in the way of harmonizing the conflicting uses of the oceans and the divergent interests of states in a comprehensive constitution of the oceans are immense. The dangers of failure are increasingly acute. The benefits of success, however, are tremendous. Whatever the imperfections of the proposed treaty, it offers the possibility of an orderly régime, in place of the chaotic situation which would otherwise pertain.

There is, in my view, a duty upon influential opinion-making groups such as this body to support the efforts of governments to go forward with perseverance and determination toward the resolution of those problems still besetting the Conference. The greatest danger, at this stage, may well be the possibility of unilateral action on the seabed, stemming, admittedly, from years of frustration and mounting impatience. As I see it, it is the duty of every one of us to use our best efforts to encourage our governments and our legislatures not to give up on the Law of the Sea Conference, but to go that last nautical mile, and to make one further effort to reach the objective of a global constitution of the oceans.

In conclusion, I would like to make the following observations. Firstly, if the basis for the trade-off of freedom of navigation in return for resources has been weakened due to the fisheries resource claims already made by many major maritime states, the basis for such a compromise would be completely undermined by new resources claims to the deep ocean seabed by these same countries.

Secondly, it would be a fundamental error to draw conclusions about the consequences of such action based upon the legislation establishing the 200 mile fishing limit. That legislation, while in advance of the Conference, was based on one of the fundamental new concepts emerging from the Conference, namely the 200 mile economic zone. Unilateral legislation on deep seabed mining would be interpreted as being diametrically opposed to the other important new concept emerging from the Conference, namely the common heritage of mankind. Reactions would be quite different. In these circumstances, the legislators in countries with global strategic interest in freedom of navigation should think very seriously about passing legislation advancing additional resource claims which could have the effect of destroying the Law of the Sea Conference.

Thirdly, the situation is well past the point of no return in terms of state practice or, if you prefer, unilateral action. It is no longer possible to go back to the status quo if the Conference fails. The clock cannot be turned back. The 3 mile territorial sea cannot be resurrected. It is worth noting that the 3 mile territorial sea and, indeed, the very concept of the territorial sea—and of the freedom of the high seas—was established by state practice, that is to say, unilateral action in which other states acquiesced. Eighty-six states* have now established a territorial sea of 12 miles or more. It is totally unrealistic at this stage to imagine that such states would be willing to repudiate such legislation except—in the case of claims beyond 12 miles—in the event of a Conference solution.

Fourthly, if the Conference fails, many states can protect their major interests by unilateral action. However, freedom of navigation through straits enclosed by new territorial sea claims and through the 200 mile economic zone or territorial seas established unilaterally by other states cannot be protected by the same kind of unilateral action. Perhaps it can be protected by the use of force or the threat of force or by diplomatic pressure but it cannot be protected by legislation on the part of those states attempting to assert freedom of navigation. It is essential to bear in mind that the objectives seemingly achieved by the results of the Conference to date concerning freedom of navigation cannot be taken for granted should the Conference fail. Obviously the Conference solution is not only the best answer to this problem but may be the only one.

Fifth, the situation is not one in which a state can protect its interests by refusing to ratify the Convention. Thus, even great powers have been overtaken by events—events in which they have themselves participated. I refer primarily to the development of new customary principles of international law through state practice—that is to say unilateral claims—based on the results of the Conference to date. Non-ratification would merely signify non-acquiescence in claims by other states, but it would not eliminate the legislation passed by the vast majority of the existing international community. All it would do is keep open the right to refuse to recognize such claims and dispute them (by such means, for example, as occurred between the United Kingdom and Iceland).

The sixth, and final point, I wish to make is that it is unnecessary and, indeed, counterproductive, at this stage, either to consider contingency plans should the Conference fail, or to consider non-ratification should the Conference agree upon a treaty containing provisions which are not acceptable. The Conference is still underway. The USA has a tremendous influence in that Conference. No state has a greater influence. No state had made a greater contribution to that Conference. No state is more deeply committed to a successful Conference. Surely, the conclusion is obvious.

We all need a successful outcome from the Conference on the Law of the Sea. It is unrealistic that the treaty will be wholly satisfactory to any state. Every state must accept compromises on some issues. We are too far down the pipe, however, to attempt to reverse the flow, to stop the Conference because we want to get off. We have a responsibility to see it through and the responsibility is a shared one: shared by all of the states involved in the Conference and shared by governments and legislators as well as by the public and the press. I know that the U.S. Government is playing an extremely active and constructive role in the Conference and has worked very hard for many years to achieve a successful outcome. I hope I have given you reasons to support this objective.

TERRITORIAL SEA CLAIMS AS OF JUNE 14, 1977

Breadth	*Number of States*
12	60
15	1
20	1
30	4
50	4
100	2
130	1
150	2
200	11
Total	86

*Total number of independent coastal states—128.

VAST SUPPLIES OF NATURAL GAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. COLLINS of Texas. Mr. Speaker, administration spokesmen have stated that natural gas prices above $1.75 per mcf would not produce any significant additions to natural gas reserves, presumably because there is not much gas left to be found in the United States. This assertion is incompatible with observed market bchavior in intrastate gas markets, where supply and demand have been balanced at prices substantially above $1.75 per mcf.

Since 98 percent of prospective sediments remain untouched by drilling, huge quantities of conventional natural

gas remain undiscovered. Even if only 5 percent of the unexplored areas prove productive, the remaining U.S. gas reserves will be more than doubled.

The primary prospects for increased conventional gas production under price incentives are:

First. Low-production areas where wells may produce slowly for many years or require expensive special recovery treatment.

Second. Deep geological basins, at depths below 15,000 feet. In 1976, only 404 such wells have been drilled.

Third. Frontier areas such as Alaska, the Outer Continental Shelf, and areas that are remote from existing pipelines.

To unlock these reserves it is absolutely essential to deregulate new gas prices.

JESUIT COMMUNITY THREATENED IN EL SALVADOR

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. DRINAN. Mr. Speaker, I wish to direct the attention of my colleagues to the urgent situation now confronting the 47 Jesuits residing in El Salvador. On June 20 of this year, these men were threatened with annihilation by the right-wing terrorist group known as the White Warriors Union. Having been given the option of fleeing El Salvador within 30 days or facing possible assassination, the Jesuits decided against deserting the land and the people to which they have devoted so much of their energy. They have chosen instead to remain in El Salvador and continue their work.

The White Warriors Union, calling the Jesuits, among other things, "Communists," has been involved in a seemingly perennial hate campaign against the Jesuit community. Let me briefly review some of the fascist-inspired tactics recently employed by this terrorist group.

In early 1976, the White Warriors exploded six bombs at the Jesuit-run Catholic University in San Salvador, causing extensive damage to one of the few centers of learning in that Central American nation. On March 12 of this year, Father Rutilio Grande, S.J., was ambushed and murdered by machinegun fire while on his way to celebrate Mass. On the same day, the brother of a native diocesan priest was brutally murdered while riding in his brother's automobile.

The persecution of the Jesuits has increased markedly in recent months. In May, the Archdiocesan Criterio Press was bombed by terrorists in order to terminate publication of the Church newspaper, Orientacion. On May 10, the Rev. Alfonso Navarro Oviedo was murdered while worshipping in his church.

This is only a sampling of the harm inflicted by the White Warriors Union on the Jesuit community. Two priests and four laity have been murdered, three priests have been tortured, two have been maltreated, and many religious leaders have been driven out of the country by violence and the threat of violence.

The apparent reason for the White Warriors' campaign of hate and violence seems to lie with the Jesuit community's support for the human and economic rights of El Salvador's impoverished peasants. When the government announced its agrarian transformation program in July 1976, the Jesuit community enthusiastically praised this significant move in the direction of true progress for the people. The program was designed to redistribute the land in a more equitable fashion. The government, however, yielded to pressure from the landowning class and abandoned the reform plan. The Jesuits once again took up the cause of the peasants and issued a strong call for an effort to implement land reform.

The vast majority of the peasants in El Salvador earn barely over 40 cents per day and rarely own any land. Half of the peasant population is unemployed, and the jobs available usually last only a few days, forcing the itinerant laborers to live from day to day at the mercy of the landholders.

Mr. Speaker, the activities of the White Warriors Union recall those of Hitler's Brown Shirts of the 1930's. It is essential that the United States exert all efforts to save the lives of the Jesuit community in El Salvador and secure the human rights of all the citizens of that nation. Accordingly, I have today written to Secretary of State Vance commending him for the efforts he has made on behalf of the Jesuit community in El Salvador and urging continued vigorous action. I insert below the letter to Secretary of State Vance and a recent letter to the New York Times by the Rev. Eamon G. Taylor, S.J., Provincial of the New York Province, Society of Jesus, which lucidly describes the present atmosphere of terror in El Salvador.

The letters follow:

JULY 20, 1977.

Hon. CYRUS R. VANCE,
Secretary of State, U.S. Department of State, Washington, D.C.

DEAR MR. SECRETARY: I wish to express my appreciation for your efforts on behalf of the human rights of the citizens of El Salvador, and in particular, of that nation's Jesuit community.

I also wish to commend you for personally sending Mr. Richard Arellano, the United States Deputy Assistant Secretary of State for Inter-American Affairs, to El Salvador on July 11 to convey to the leaders of that Central American nation the depth of American concern over the threatened mass murder tomorrow (July 21) of the Jesuit community by the right wing terrorist group, the "White Warriors Union."

The perilous situation confronting the El Salvadoran Jesuits is of the utmost concern to Americans of all religious faiths. No one can be completely sure what will ensue tomorrow and in the future in El Salvador. I trust that you will continue to exert all available influence upon the El Salvadoran Government to take appropriate action to protect the lives of the members of the Jesuit community and to provide to all citizens of El Salvador their fundamental human rights. In the future, official public statements concerning the seriousness of the El Salvadoran situation and concrete action such as the reduction or termination of United States economic and technical assistance may be necessary to bring about positive action by the El Salvadoran Government. I trust that you will take all measures needed to protect the lives of El Salvadorans who have been threatened by right wing terrorists, and that you will endeavor to secure for all citizens of El Salvador their basic human rights.

With my appreciation for your attention to this urgent matter and my every best wish, I am

Cordially yours,

ROBERT F. DRINAN,
Member of Congress.

[From the New York Times, July 19, 1977]

JESUITS IN EL SALVADOR: "STAYING AT THEIR POSTS"

TO THE EDITOR:

One week from today, July 20, has been set as execution day for the 47 Jesuits who live and work in the Central American Republic of El Salvador. As reported in The Times June 22, right-wing terrorists calling themselves the White Warriors Union—the Klan by any other name smells as sweet—has vowed to kill immediately and systematically any Jesuits found in the country after that date.

The Jesuits are staying at their posts and are relying on world opinion to shield them not only from the anonymous terror of landowners and industrialists, but also from the El Salvadoran Government's toleration of their outrageous threats.

That the threat must be taken seriously is attested by the following facts, probably unknown to most readers of The Times:

(1) The White Warriors have claimed responsibility for bombing the Jesuit-Salvador directed Catholic University of San Salvador six times in the last semester.

(2) The Warriors have claimed the kidnapping and killing of a diocesan priest, Alfonso Navarro, May 11.

(3) A Jesuit (Father Rutilio Grande), along with two assistants (an old man and a young boy), died in a hail of machine gun bullets as they went to mass in Father Grande's country parish March 12.

(4) Eight foreign-born priests have been expelled from the country.

(5) Three priests have been tortured.

These attacks on the church in general, and now on the Jesuits in particular, are due to the fact that they have become the only persistent proponents of civil rights and land reform. In this most densely populated of Latin American countries, an oligarchy has frustrated the Government's dissident attempts at a redistribution of land; less than 1 percent of the population continues to control 40 percent of the arable lands, and more land is used for export products than for local consumption. One can understand why reform is so necessary and why the corresponding resistance to those who take the part of the poor has become so vicious.

EAMON G. TAYLOR, S.J.,
Provincial.

New York Province, Society of Jesus, Bronx, July 13, 1977.

OTA'S NEW STAFF STUDY ON IMPROVED OIL AND NATURAL GAS RECOVERY IS ALREADY OUT OF DATE

HON. JACK F. KEMP

IN THE HOUSE OF REPRESENTATIVES

OF NEW YORK

Wednesday, July 20, 1977

Mr. KEMP. Mr. Speaker, Congress' Office of Technology Assessment released a new study this past weekend.

The study concentrates on two areas:

First, the prospects for enhanced oil recovery, also known as tertiary recovery.

Second, Devonian gas, which is contained in coal-like shale formations, mostly in the Appalachian region but extending out to parts of the Midwest.

Both are necessary, if our nation is to become energy independent.

Enhanced oil recovery is a method of increasing production from already discovered oil reservoirs by use of advanced technology. In general, only a small percentage of oil in a given reservoir is being recovered under existing economic conditions and available technology. Devonian gas, on the other hand, is locked in shale and requires improved fracturing technology to bring to the surface. The feasibility and costs of such improved technologies have been found by the study to be unlikely, too slow, and too high.

I commend the Members of Congress, House and Senate, who serve on OTA for having directed the study of this question, and I laud their staff for having carried out such an extensive undertaking.

I disagree, however, with the findings of this study. I think, for the most part, they are wrong. I think there may be an understandable reason for it: The advance of technology has been so rapid in this area that it passed the OTA's staff as it was in the process of preparing the study.

Let me be more specific.

OTA's study concludes that enhanced recovery techniques are too complex, too costly, and take too long. Even assuming the most favorable market conditions, OTA calculates enhanced oil recovery would provide only a million barrels a day in 1985 and that the Devonian natural gas production goal of 1 trillion cubic feet could take 20 years to attain. The study calculated that present world prices adjusted for inflation could lead companies to recover an additional 11 billion to 29 billion barrels of reserve oil, and that vastly higher prices of more than $30 a barrel would bring on only 51.5 billion barrels more. The report states it would take 69,000 wells to bring on the 1 trillion cubic feet a year of Devonian gas, and the cost of drilling that number of wells and then transporting the gas through pipelines would require a wellhead price of $2 to $3 per thousand cubic feet.

Those findings and the conclusions which flowed from them may have been accurate when the report was started, but events passed them by. Examined next to changes in technology announced since that report started, next to energy proposals made by the President, and next to alternative costs brought to our attention by economists, these enhanced recovery techniques may well be the very place we should be going.

On May 3, I brought a major new finding of the highly respected Institute of Gas Technology to the attention of the House. I read into the RECORD, of that day the testimony of the senior vice president of IGT, Dr. Frank C. Schora, before the Subcommittee on Interior of the Committee on Appropriations. That testimony addressed itself to the new hydroretorting processes which give energy yields from the Appalachian deposits almost as high as those obtained from western shales. My remarks are found on pages 13279–13281 of that day.

On June 13, there appeared another major story in Chemical and Engineering News. This too addressed itself to improved hydroretorting techniques, finding eastern oil shales now look better than they ever have, and that they do generate as much oil as western shales, when the hydroretorting technique is used. The article concluded, "If present indications are borne out, the U.S. could find itself with an unexpected new source of hydrocarbons and fuels." I will read this new article into the RECORD in a moment.

The conventional wisdom on oil extraction from these shales is based on an assay technique, known as the Fischer assay. That was the assay standard used by OTA and its resources. According to the Fischer assay, Devonian shale yields only 10 gallons per ton. Under those conditions, OTA would be right, as to yield, cost, and time delay.

But IGT has shown on the basis of a specific test, that Devonian shale yields 25 gallons per ton if done through hydroretorting. Under those conditions, OTA is wrong as to yield, cost, and time frame. Enhanced oil recovery from Appalachia alone could outpace the million-barrels a-day-by-1985 estimate of OTA by more barrels and in fewer years. And that does not even include the other oil to be recovered by enhanced oil recovery processes.

OTA's estimate of the Devonian production goal of 1 trillion cubic feet per year taking 20 years to attain is proved wrong by other factors as well. I call their attention to remarks of my colleague from Pennsylvania, Bill Moorhead, found in the RECORD of March 2, at pages 6022–6023, and the chart of U.S. natural gas production contained in those remarks, and to my remarks of May 3, specifically on page 13280, column b, with respect to natural gas reserve additions and production in the Appalachian States for last year. Taken together, plus the work ERDA is committed to carrying out in developing improved fracture and other recovery techniques for Devonian shale, that 20 year period could be significantly reduced.

As a matter of fact, if the energy legislation now being considered by the Select Committee on Energy incorporates the text of H.R. 3664—a bill to exempt sales by small producers of certain natural gas from regulation of the Federal Power Commission and from the requirement of certificates of public convenience and necessity of section 7(c) of the Natural Gas Act—we will meet this 1 trillion cubic feet goal in a few years. That legislation is cosponsored by LUD ASHLEY, the chairman of the select committee, by BILL MOORHEAD of Pennsylvania, by myself, and about 60 other Members of the House.

The OTA study feels it would require a wellhead price of $2 to $3 per thousand cubic feet for producers to make the investments required to assure the 1 trillion cubic feet. Admittedly, that is higher than the $1.45 per Mcf at the present time and the $1.75 being recommended by the President.

But, it is about the same price level as that now being charged for unregulated gas sold within the State of production and look at the States where Devonian gas could be sold in-State: New York, Pennsylvania, Ohio, Illinois, Michigan, Indiana, Virginia, Alabama, Kentucky, Maryland, Mississippi, Missouri, Tennessee, and West Virginia. That is 45 percent of this country's population and also half its industrial production.

When you talk about $2 or $3 per Mcf, it cannot be compared solely to the present $1.45 or the President's proposed $1.75. It must also be compared with alternative gas required because the $1.45 and $1.75 are so low they result in adequate supplies—shortages. Instead of going ahead with a Devonian natural gas project at the highest rate envisioned by the OTA study—$3 per Mcf—the report seems to be saying, since that is too high, do not concentrate on bringing this new domestic gas source on line.

What will the effects of such a policy be? Let us take a look at Massachusetts, for example, the State of Senator EDWARD KENNEDY, the chairman of OTA. It will mean continued inadequate natural gas supply from total domestic sources. That in turn means the supplier for Massachusetts will have to buy foreign natural gas, either pipeline natural gas from Canada or liquefied natural gas from the Arab countries. The cost of that Arab gas? From $4 to $6 per Mcf—twice the rate of going ahead with Devonian production. And this would be true throughout parts of the Northeast and the Midwest.

This would be true for New York State, too. In comparison to the best estimate of what the price level would be next year for completely deregulated natural gas—which is $2 per Mcf—Brooklyn Union Gas Co., the supplier of New York City, imported liquefied natural gas will run $3.25. This is higher than the $3 maximum the OTA report sees as the effective rate at which to increase dramatically the production of Devonian gas. By 1980, just 2 years later, it sees that LNG price at $3.75 per Mcf. And with increased production of Devonian gas, we have less need for imported, higher price LNG, thus enabling us to achieve energy independence sooner.

Mr. Speaker, I do not know the inside reason for why this staff study reached the conclusions it did. I do know things were happening so fast during the period in which it was prepared that the staff, if it recognized that, would have had to start again, using new premises based on new information. That would have delayed the study's release, and it probably would not have coincided with the forthcoming House and Senate considerations of natural gas legislation.

But now that I have spread out on the pages of the RECORD the gist of the new technology which does change the factors in OTA's equation—thus giving Congress a substantially different result—I think it would benefit Congress immeasurably to have a revised report

issued. The one released last weekend is already outdated and of virtually no real use to the House and Senate in their deliberations. Technology supports a conclusion different from that reached by OTA.

Secretary Schlesinger, as recently as the Washington Post interview of July 10, reiterated his support for improving recovery from the Devonian shale. Chairman ASHLEY is on record in support of an immediate deregulation of Devonian stripper wells, as are many other influential Members of the majority party. It seems to me, the majority party's internal politics support a conclusion different from that reached by OTA too.

The article on hydroretoring to which I referred a moment ago follows:

EASTERN OIL SHALES BETTER THAN THEY LOOK

The Institute of Gas Technology (IGT) has adapted its hydroretorting oil shale process to treat eastern Devonian shales. If present indications are borne out, the U.S. could find itself with an unexpected new source of hydrocarbons and fuels.

IGT senior vice president Frank C. Schora notes that eastern shales have long been considered inferior in quality to western shales. But, he says, there is now valid evidence to refute this.

Much of the confusion centers on the significance of the Fischer assay test to rank shales. The test indicates value in terms of oil yield via conventional thermal retorting. Thus, western shales, such as those of the Green River formation, test out typically from 25 to 30 gal per ton of shale; eastern shales test out at about 10 gal per ton. Much of the loss of interest in eastern shales can be attributed to this peculiarity of the Fischer assay. However, Schora points out, recent investigations by IGT show that the Fischer assay is not the only test that should be applied. In fact, the total carbon content of the kerogens in both eastern and western shales is about 13.5%. The inference is that with appropriate processing, yields of both shales would be comparable.

In one test, IGT investigators found that a Kentucky shale with a Fischer assay of 10 gal per ton yielded a hydrocarbon equivalent to 25 gal per ton plus 2000 scf per ton of synthetic natural gas when processed by hydroretorting. The reason for the apparent discrepancy, Shora says, is that the chemical characteristics of eastern and western shales are different, even though actual carbon contents may be the same. The Fischer assay apparently does not distinguish the chemical differences.

This leads Schora to two major conclusions. The first is that the IGT process extracts more hydrocarbons from all types of shale than does thermal retorting, and this is borne out with higher yields from western shales. The second conclusion is that the chemical differences between eastern and western shales are of little or no consequence in the hydroretorting process. It extracts with equal facility from both types of shale.

There are some advantages in being able to process eastern shales effectively. One is the greater availability of raw materials close to the consumers. Another is the extent of the shales with rather low carbonate minerals contents. A typical eastern shale contains about 0.5% by weight minerals, whereas the typical western shale has 15% by weight.

Whether eastern or western shales are used, Schora also believes that the IGT hydroretorting process has unique advantages. It produces about 70% of its oils in the middle distillate range, thereby requiring less finishing. The reaction rates are higher than for conventional thermal retorting, thus permitting smaller plant size for a comparable production capacity. About 90% of the kerogen in all types of shale can be converted by hydroretorting.

The basic feature of the IGT process is retorting under a hydrogen pressure up to 500 psig. This improves the hydrogen-to-carbon ratio of product hydrocarbons and reduces the need for subsequent product upgrading before being accepted by a conventional refinery. A logical step, says Schora, would be to integrate shale extraction and refining in one plant that would produce feedstocks and fuels directly for the market. The hydrogen requirement is achieved through sacrificing some of the product but the penalty is small. The same is true for plant utilities requirement. Hydroretorting can be altered internally within wide limits to yield predominantly liquid or gaseous fuels, or any combination, although the hydrogen requirement for gases (primarily methane) is higher.

Considering that oil yields of up to 250% of the Fischer assay have been obtained in hydroretorting eastern shales, Schora estimates that the actual magnitude of recoverable oil in the eastern shales is as much as 1000 billion bbl. That is roughly eight times the total recoverable reserves of conventional crude oil.

If technical feasibility has been all but demonstrated, there are still a number of obstacles in the path of a major shale oil industry in the east. Most of the deposits in question are found in Illinois, Indiana, Kentucky, Tennessee, Ohio, Michigan, and Pennsylvania, with lesser deposits in Texas, Oklahoma, and Arkansas. Recovery would be limited to those deposits that can be strip-mined unless in-situ methods are developed for the deeper deposits. One problem now being studied is the distribution and composition of the shales. A definitive survey would be required before any extensive mining could begin.

Although the problems of strip mining have been aired thoroughly in recent years, there remains considerable environmental opposition to such mining except under rigorous control. Schora, who considers himself a confirmed friend of the environment, believes that there is no reason why shale recovery, even on a large scale, should mean great environmental damage. However, convincing environmentalists and legislators of that is a formidable task.

The present shale recovery efforts at IGT are being conducted in a 1-ton-per-hour process development unit in Chicago. IGT is considering the various possibilities for financing the next steps, and Schora suggests two possibilities. The first is the conventional approach via a 400 bbl-per-day pilot plant followed by a commercial demonstration plant. Schora told the Senate Subcommittee on Energy Research & Development early in April that this approach would require at least 12 years for completion. If, however, a large pilot plant of 1200 bbl-per-day capacity were built, Schora believes that the demonstration plant could be eliminated and direct commercialization might be achieved in eight years. Any plant built would have to be in close proximity to the shale deposits.

It is too early to project any costs and operating data for commercial plants, although flowsheets are being devised at IGT. Schora believes, however, that an oil value between $15 and $20 per bbl would be a reasonable estimate for hydroretorting with eastern shale.

THE AVERAGE NEW HOME: $53,000

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. KASTEN. Mr. Speaker, the Federal Home Loan Bank Board recently released figures showing that the average new American home sold in June was $53,000, with a downpayment of $13,600. For a used home, the average price was $47,100, with a downpayment of $12,500.

Even more startling to me, the average new home sold in Wisconsin's Milwaukee-Racine area cost $68,800, according to the latest May figures. The average used home sold in May cost $48,400.

Mr. Speaker, millions of Americans—particularly young couples just starting out—cannot afford to buy a new home today. In fact, a recent study shows that three-quarters of the American people have been priced out of the market.

To keep the dream of homeownership within the reach of American families, I have introduced the Young Families Housing Act of 1977, a bill also introduced in the Senate by Senator EDWARD BROOKE of Massachusetts.

The bill would permit first-time home buyers to save up to $2,500 a year for a downpayment on a home through a tax-free savings account.

The bill also provides for graduated monthly mortgage payments, which would reduce payments during the early years of a mortgage and gradually increase them over time, presumably as family income rises.

Thirty-seven Members of Congress—from both sides of the aisle—have cosponsored the bill. I hope that we will be able to secure action on the Young Families Housing Act in the near future.

GOVERNMENT INTERFERENCE IN SOYBEAN TRADE?

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. MADIGAN. Mr. Speaker, recently soybean prices have come under severe pressure and have declined about 50 percent since April. There is much speculation about what caused the decline, but one of the staff writers for the Champaign-Urbana News-Gazette suggests that much of the blame may rest with the Government, more particularly the Commodity Futures Trading Commission. That article appears at the conclusion of these remarks.

What this article suggests to me is that the soybean farmer has been handed another defeat by the Government.

Now we are being told that the U.S. Department of Agriculture wants to amend the farm bill to extract a set-aside from soybean producers for the rather limited loan program offered in the farm bill. I am strongly opposed to any such amendment, and I feel certain that the soybean producers are opposed to any such amendment.

It seems to me that soybean producers have been dealt with rather harshly by their Government in recent years. Rather than further punishing them by imposing a set-aside on soybeans, it seems to me Congress should be investigating the palm oil situation and the Hunt story

surrounding the precipitous drop in soybean prices.

I would appeal to President Carter and Secretary Bergland to withdraw any support for a soybean set-aside and to take whatever action is necessary to withdraw U.S. financial support for the palm oil industry overseas, which is in direct competition with our soybeans:

DID HUNT CASE CAUSE LOWER BEAN PRICES?

(By Phil Brockamp)

Since April, soybean prices have dropped more than $3. Why they have done so is a question no one can positively answer but one reason that has been thrown around is the action the government took to when the Hunt family of Texas started making money hand over foot.

The Hunts were purely speculating with 24 million bushels of old beans and 14 million bushels of new crop.

With that in mind, the Commodities Futures Trading Commission went into federal court on April 14 on an emergency basis to seek an order for the Hunts to divest themselves of their holdings.

Basis of the action was a regulation that no one individual may own more than 3 million bushels of futures stock. No one single member of the Hunt family was in violation but the government charged they were acting in consort with the total number of bushels they owned.

A federal judge heard the case and on April 29 entered an order that the Hunts could accept delivery of no more than 3 million bushels of their May soybeans contracts.

That is when highly respected University of Illinois ag economist Tom Hieronymus got into the act.

Hieronymus filed an affidavit saying that he thought the 3 million restriction should be removed—that the action of the government in the whole Hunt matter was causing additional confusion in an already troubled market. The judge took the restriction off and the case went to trial.

Hieronymus said there was a digression when the attorneys for the Hunts argued the three million rule was capricious and arbitrary and had no basis in law.

The judge agreed that it was arbitrary and capricious but said it was not so arbitrary and so capricious that he could impose his judgment on the CFTC.

The trial that started almost two months ago is still going on said. 'Did they or didn't they act in consort? There's no argument about the postions they had in April. Did they act as one entity or did they act separately? That's the only legal issue involved.

The Hunts have made counterclaims against the government saying that it revealed confidential information but that's another whole can of legal worms," Hieronymus said.

"I think that somewhere along the line they will get to what I think is the principal issue—whether or not the behavior of the Hunts was endangering the market. That is one facet."

DID THE HUNTS INFLUENCE THE MARKET?

"The other facet is what impact the case had on bean prices," he said. "This has been a purely speculative market. There are two or three reasons for it. In September it was apparent we had a shortage of beans—in the context that the availability was less than the then rate of use. The rate of use in the 1975–76 crop year was huge and it wasn't going to be as big in 1976–77 because we didn't have that many beans.

"However, by any other standard it was big. The crux of it comes down to domestic use of soybean meal. The key question was what price do we have to put meal to get a reduction in the domestic use of soybean meal. Meal was abundant in terms of any year except the preceding year. It was a hard market to forecast.

"Farmers were holding beans until the price started up. When it started up, they started selling because they had taken $5 the year before. When they got to $7 they sold the hell out of them. That put an awful lot of beans in the market positions.

"This was the first time since 1971 that we really needed speculators in large amounts in the bean market.

"Forces combined to keep the price of soybeans from rising early, which normally happens with a short crop.

"Put in that context," Hieronymus said, "the Hunts came in. They bought. They were a supporting influence in the market. They were right. Beans had to go higher because we were using them too fast. We used them too fast all the way through May. The longer the decision was delayed, the higher the price had to go.

"I had said all spring, 'I don't know where the top is, but at some point it's going to fall and really fall.'

"If there had been a lot more people like the Hunts and kicked up the price early, it wouldn't have gone as high. In that situation the Hunts were constructive.

GOVERNMENT ACTION ADDED UNCERTAINTY

"I think the government coming into it added a dimension of uncertainty," Hieronymus said.

"Traders understand things like exports, crush rates and weather. But when they are confronted with something they don't understand, they tend to cut and run.

"The break may have occurred in a normal pattern. It may have been triggered by the government action against the Hunts," he said.

"The quick analysis is that the soybean market may have broken so far and so fast that the use will increase and we will have to play the game again in August.

"We can't really sort out what is normal market behavior and what is the result of government action against the Hunts."

I asked Hieronymus if he thought the action against the Hunts prematurely made the market drop and he said:

"It's entirely possible. I think the extent of the decline is probably associated with the triggering. You can't really say though. I think the government action against the Hunts triggered it and probably is associated with it going as far as it has so fast. Traders were confronted with a new dimension of uncertainty.

"Keep in mind that on April 1, there were 616 million bushels of soybeans in the United States. The Hunts didn't drive the price up to $10.75—no way."

Hieronymus filed an affidavit saying that if the Hunts wanted to take delivery of the May beans they owned, they should be allowed to do so. The judge agreed, the deliveries were made and the market stayed stable.

If nothing else comes out of the Hunt case, Hieronymus is hopeful that at least maybe the three million bushels speculative limits will be dropped.

"I've been against them since 1953. I hope to get rid of the damned things," he said.

WHAT NEW YORK CAN DO FOR MR. CARTER

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Ms. HOLTZMAN. Mr. Speaker, the recent power failure which darkened New York City starkly illuminated the problems of urban America. An editorial in the July 19 New York Times eloquently stated the need for Presidential leadership in dealing with the doom that threatens our cities.

The text of the editorial follows:

[From the New York Times, July 19, 1977]

WHAT NEW YORK CAN DO FOR MR. CARTER

With misleading solemnity and precision, President Carter made a place for himself in the news of the New York blackout by demanding a full report from the Federal Power Commission—in exactly two weeks' time. (Nine days remain to deadline.) But that was a press-agent President at work or, at best, a White House that takes too seriously its press clippings about the President's talent as an engineer.

What New York can finally do for Mr. Carter is to broaden his sense of the national defense and Presidential duty. A President does not worry about generator nuts and bolts when the social fabric of the nation's largest city is exposed as inflammable. A President cannot confine himself to tension in Korea or negotiation with Israel when life's losers are rampaging in the streets of America, spreading blight and the disease of racism. Nor does he need yet another commission to discover that half the black and Hispanic youths in his major cities are out of work and out of hope and out of mainstream America.

The President prides himself on his knowledge of poverty in the rural South. But he need no longer pretend, as in his campaign, that this equips him to understand the culture of desperation that makes urban centers unlivable. A President who knows what he does not know about urban America would seize on such dramatic opportunities as the New York looting to inform himself and to rouse a nation. He would meet with looters and their victims and find a way to convey their nightmares to the rest of the world. And he would find ways to lead the nation to take up the burdens that it has unintentionally dumped upon New York and Newark, Detroit, St. Louis and Los Angeles. He would seek ways to have the Federal Government assume responsibility for more of the poorhouse costs that weigh upon these cities. He would struggle urgently to create the proposed national youth service corps and also programs for massive neighborhood rehabilitation, vocational training and job-placement services. (And as James Wieghart observed in yesterday's Daily News, a President seeking to keep in touch with the American people would do better one week after the blackout to visit Brooklyn than the home of a fertilizer manufacturer in Yazoo City, Miss.)

Understandably, this was the year in which President Carter intended to sacrifice almost everything else for the design and adoption of a sound national energy policy. When ne heard about a power failure, it was his energy program that he thought of first. So much depends on it, that the program rightly claims his highest priority. But a President so shrewd at recognizing political opportunity, and so in need of a memorable social program as well, might also seize upon the New York experience to ask whether welfare reform must really wait four years more, to ask whether job-creation and city rebuilding must really remain in the category of primitive and experimental Federal programs.

A lack of money can be a pretext for inaction but not a reason. The causes that Americans embrace in common can be afforded and enacted, whether they are called national security or unemployment insurance. The need in our cities is for both defense of the society and insurance against the unemployable underclass. That is not a noble way of defining our most urgent human problem, but anything would do for a

President who cares to learn and then sets out to teach us to care.

It has been estimated that a National Youth Service Corps to enlist the energies of the idle in social reconstruction and personal rehabilitation might cost $15 billion. The large-scale Federal assumption of more welfare costs might cost $5 billion. Call these figures conservative. Imagine an effort that might cost $30 billion. What price millions of our fellow citizens properly motivated, educated and relocated in jobs? What price conquest of a social disease? What price habitable cities, with hundreds of billions of dollars worth of housing and transit already in existence, that law abiding citizens can find fit places for raising children? The last President's fear of the swine flu cost the Treasury a quarter of a billion dollars and produced damage claims close to a billion. Another recent President's payoff to a single lobby of milk producers cost consumers nearly one billion dollars. The direct cost of the damage done in one night in New York last week is estimated at a billion, and a billion more each year in lost commerce and opportunity and taxes is inevitable if the damage to morale and property is not soon repaired.

But the issue is not what Mr. Carter can do for New York. The crisis exposed so devastatingly in our home city is not a special product of New York mismanagement or fiscal legerdemain. It points up a national danger that threatens dozens of communities, millions of homes and livelihoods. It points to a people waiting to be led.

FUTURE MIDDLE EAST POLITICAL ALINEMENT

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. LONG of Maryland. Mr. Speaker, I bring to the attention of my colleagues an interesting speculation on future Middle East political alinements. The article, which appeared in the July 14 issue of the Baltimore Evening Sun, was written by Stanley A. Blumberg and Gwinn Owens, two Baltimoreans who are at work on a book concerning Middle Eastern peace and war. Some will find the article provocative; others may find it provoking; but all will find it worth reading:

ARTICLE IN BALTIMORE EVENING SUN

(By Stanley A. Blumberg and Gwinn Owens)

"I have no illusions. I believe with all my heart that divine providence has brought you back here, restoring you, a Semitic people who were exiled in Europe, and have shared in its progress, to the Semitic East, which needs your knowledge and initiative."

The year was 1948. The speaker was the late King Abdullah of Jordan. His audience was Golda Meir, later to be Prime Minister of Israel, and Orientalist Ezra Danin. The interview is quoted by Larry Collins and Dominique Lapierre in "O Jerusalem," their epic work on the founding of Israel.

Abdullah was assassinated in 1951 by Arab extremists who read his treasonable thoughts. It may turn out, however, that the little Hashemite king was merely ahead of his time. More and more, an alliance of Egypt, Saudi Arabia, Jordan and—yes—Israel seems logical and possible, even if, at first thought, they would seem to make strange bedfellahs.

The fact is that the currents of history are forcing these four nations to find common cause. Right now they share a dependency on the United States. All are looking over their shoulders toward the Soviet Union, bent on encircling them militarily. And the Soviets are supporting the Palestine Liberation Organization, a profound enemy of both Israel and Jordan.

The traditional motive behind Russian interest in this part of the world has been to control the eastern Mediterranean. Now, however, other alarms ring louder in the Kremlin. The Politburo realizes that by the early 1980's the Soviet Union will have to start importing crude oil. Most of it must come from the Mideast oil sheikdoms.

Toward this end, the Soviet Union has recently acquired access to ports in Libya and Syria and a naval base in Somalia. The Somalian incursion is a part of the systematic Russian effort to control the Red Sea and the Gulf of Aden. Recognizing Ethiopia's potential role along the Red Sea, the Soviets have been courting the new Ethiopian strong man, Lt. Col. Mengistu Heile-Mariam.

Earlier, Moscow had welcomed the PLO's Yassir Arafat, whose official visit was accompanied with chief-of-state protocol, and who received a pledge of Soviet support in his efforts to establish a PLO state in Jordan's former West Bank territory and in the Gaza strip.

A new threat to Jordan, Saudi Arabia, Israel and, especially to Egypt, has come into the picture with the rise of the fanatic Sennusi Muslim leader, Col. Muammar el-Qaddafi of Libya. In 1972, Qaddafi called on Jordanian troops to overthrow King Hussein. The Libyan's plans also included an attempt to assassinate King Hassan of Morocco, and an abortive plot to oust Mohammed Al Numeiry of the Sudan.

But it is Egypt's President Anwar Sadat who has felt the worst sting of Qaddafi's venemous hatred. The Libyan regards himself as the inheritor of the late Gamel Abdel Nasser's role as the natural leader of the Arab world. He has tried several times to have Sadat assassinated. He insults the Egyptian president almost daily. Last October, Sadat was alarmed to the point where he massed 30,000 troops on Libya's border. War did not break out, but it is still a possibility.

Like Arafat and his PLO, Qaddafi has become the foster child of the U.S.S.R. The Russians have cached an estimated $800 million worth of arms in Libya. To Arafat and Quddafi one enemy is, of course, Israel, but other foes are the "conservative" regimes of their fellow Arabs in Egypt, Saudi Arabia and Jordan. Again, Israel faces a common danger with three Arab states.

On March 21 of this year the Palestinian National Council, the policy-making body of the PLO, issued a communique calling on the Arabs to "purge the Zionist presence from Palestine," and advocating "armed struggle." There was an equal threat, however, to Jordan. On March 31, the Dutch newspaper Trouw published an interview conducted by correspondent James Dorsey with Zoheir Muhsin, a leading member of the PLO executive council. Said Muhsin: "After we have attained all our rights in the whole of Palestine, we must not postpone, even for a moment, the reunification of Jordan and Palestine." Thus, in the mind of a PLO leader, were two sovereign states summarily dispatched.

This natural affinity between Israel and the so-called conservative states occasionally results in cooperation that belies the enmity existing on the superficial, or propagandistic level.

After Nasser died on September 23, 1970, both the United States and the Soviet Union immediately attempted to influence the political coloration of the successor regime. The Russians pinned their efforts and hopes on Ali Sabri, a pro-Soviet vice president. The United States quietly backed Sadat. When Sabri and his followers could not suppress Sadat, they attempted a coup to depose the new President. Unfortunately for the plotters, Israeli intelligence learned of their plans and notified the CIA. The CIA, in turn, alerted Sadat and the plotters were arrested, tried and jailed. The Israelis had weighed the situation, made a judgment on their own behalf and, in doing so, probably blocked Communist control of Egypt.

There was another occasion when Israel probably saved King Hussein's throne. On September 20, 1971, the Jordanian government reported that a heavy concentration of Syrian troops, armed with Russian weapons, had crossed the frontier. With the concurrence of the United States, Israel massed her tanks and prepared to intervene in Jordan's defense. The Syrians were not prepared to fight on two fronts. They withdrew, and King Hussein remained in command of his shaky kingdom.

It would be an oversimplification to charge that the Soviet Union is orchestrating all these events. It is clear, however, that she is supplying arms and other forms of support to the PLO and other countries that seek to subvert and overthrow the governments of Israel, Jordan, Egypt and Saudi Arabia. The long-term interests of these countries and the United States tend to coincide. None welcomes Russian dominance in the Middle East; none wishes to extend hospitality to Arafat and the PLO. Significantly, President Carter seems to be backing off from his support of an independent Palestinian "homeland," perhaps because he recognizes that such a homeland would be an implacable foe of Jordan and a base for Soviet expansion.

Certainly it is true that Israel, a modern democracy, has little in common ideologically with the semi-feudal regimes of Egypt, Jordan and Saudi Arabia; little, that is, except survival. In the long run, the United States, competing for a finite supply of oil, could claim a similar bond. It is a powerful incentive that the Carter administration might well recognize as it prepares for the visit of Israel's new Prime Minister, Menahem Begin. King Abdullah, it seems, recognized it nearly 30 years ago.

DOCTORS' MAGAZINE FINDS MARIJUANA HARMFUL EVEN "IN MODERATION"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. McDONALD. Mr. Speaker, as we know, it is fashionable to claim that marijuana is harmless in moderation, by way of commending it as a new habit of the sort we do not need, despite the sorry state of those cultures in which pot-smoking is widespread.

Writing in Private Practice magazine for July 1977, the distinguished Prof. Hardin Jones of the Donner Laboratory, Berkeley, Calif., outlines some of the effects. Dr. Jones outlines 14 changes of the sort commonly seen in marijuana users. While it may be argued that any one of these changes are rather mild, they make a rather dysfunctional combination.

One would think that alcoholism alone provides us with more than we really need in the way of disabling vices. We do not need new courses of woe.

The article follows:

A SHORT GUIDE FOR PARENTS

Many people in the government and the national media seem to be saying that mari-

juana—if used in moderation—is pretty much harmless. But is it? As more and more young people use it, the question becomes urgent.

One of the scientists who have studied the drug the longest—Dr. Hardin Jones, professor of medical physics and physiology at the University of California, Berkeley, and assistant director of the Donner Laboratory, says no. Writing in Private Practice Magazine, a medical journal, he highlights fourteen brain changes exhibited by the average marijuana smoker. These are especially helpful for parents.

Says Dr. Jones:

1. He has shifted from a self-activating interesting, and interested person to one who is withdrawn and given to disordered thinking.

2. Thought formation in the marijuana user tends to be less powerful: conclusions are relatively impetuous, and expressed ideas are often non sequiturs.

3. The marijuana user's attention span and ability to concentrate have been reduced.

4. Memory, especially short-term memory, is shortened.

5. The facial circulation reflexes are impaired; blushing is reduced. The skin tends to be pallid and relatively lacking in blood (except during the marijuana 'high').

6. The conditioned social responses, such as affection for parents and tolerance for their suggestions, are impaired. There is a loss of other conditioned responses; for example, an unkempt appearance is common and a loss of inhibition about urination in inappropriate places. Concern for consequences is reduced, and concern for the rights and well-being of others may be largely absent.

7. The marijuana user does not want to be "hassled." Mild criticism or merely requesting that housekeeping chores be done may be interpreted as hassling.

8. Marijuana is a hypnotic drug, and the hypnotic spell is long lasting. Thus, the user is likely to be talked into many situations that he would otherwise avoid.

9. The young marijuana user tends to remain thin and to be underdeveloped for his age. The trend is more pronounced with heavy use. The daily marijuana user of several years' duration is likely to appear emaciated.

10. The male is deficient in male hormone. He is likely to have a tendency toward paranoia or schizophrenia, or both.

11. He is likely to have an elevated number of broken chromosomes in cultures of his white blood cells.

12. His white blood cell immune response is lowered.

13. The daily cycle of sleep and waking is largely inverted. The marijuana user stays up at night.

14. Sexual functions are often stimulated early in marijuana use, but with regular use, the sexuality is suppressed.

In short, pot is anything but harmless. Parents whose children are smoking this dangerous weed should discuss this with their family doctor. It is a serious health problem.

SUPPORT GROWS FOR STRENGTHENING THE FOOD STAMP SHELTER DEDUCTION

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. McHUGH. Mr. Speaker, I have been very encouraged by the groundswell of support that has developed for an amendment to the food stamp bill that I will be offering on behalf of myself and Mr. JEFFORDS when the bill reaches the floor.

Our amendment would adjust the cap on the shelter deduction to reflect increases in the cost of living. We believe this is necessary to preserve equity over the 4 year life of the program, and I am very pleased that so many groups and organizations agree with our assessment.

To date our amendment has been endorsed by the following organizations:

AFL–CIO.
Amalgamated Meat Cutters and Butcher Workmen.
American Federation of State, County, and Municipal Employees.
Food Research and Action Center.
Industrial Union Department of the AFL–CIO.
Interreligious Task Force on U.S. Food Policy.
Leadership Conference on Civil Rights.
League of Women Voters of the United States.
National Association of Counties.
National Council of Senior Citizens.
National Farmers Organization.
National Food Stamp Campaign.
New York State Office for the Aging.
New York State Washington Office.
Retail Clerks International Association.
U.S. Conference of Mayors.
UAW.

Their support is most gratifying. I should also note that, within the last few days, the following Members have come forward to indicate that they would like to join Mr. JEFFORDS and myself as cosponsors of this amendment:

Hon. Edward Koch.
Hon. James Scheuer.
Hon. William Brodhead.
Hon. Michael Harrington.
Hon. Robert Drinan.
Hon. Frederick Richmond.
Hon. Andrew Maguire.
Hon. Richard Nolan.
Hon. Jonathan Bingham.
Hon. Richard Ottinger.
Hon. Austin Murphy.
Hon. Frank Horton.
Hon. Stanley Lundine.
Hon. Donald Fraser.
Hon. Harold Hollenbeck.
Hon. Charles Rangel.
Hon. Joseph Le Fante.
Hon. Elizabeth Holtzman.

A number of other Members have indicated their support by circulating a letter to Members of the House. The signers of that letter include:

Hon. Parren Mitchell.
Hon. Berkley Bedell.
Hon. Alvin Baldus.
Hon. Richard Nolan.
Hon. Shirley Chisholm.
Hon. William Lehman.
Hon. Donald Fraser.
Hon. Lindy Boggs.
Hon. Charles Rangel.

And, of course, many other Members have told us informally that they will support our amendment and work actively for its adoption. Their support is appreciated very much, and I believe that our amendment will pass because of their efforts.

HERMAN BADILLO

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. HARKIN. Mr. Speaker, being the mayor of New York City has been described as the "second most difficult job in America, next to being the President of the United States." This year there are many candidates for this office in New York City. One of the candidates for this position is my good friend and colleague, HERMAN BADILLO. Because I have worked closely with Congressman BADILLO in the area of human rights, I know of his deep commitment to upgrading the quality of life for all of our citizens, and especially those in our large cities. As the following article points out, HERMAN BADILLO is "exceptionally intelligent." Moreover he combines this intelligence with a rational and human approach to problem solving. He understands that the problems of our large cities are human problems and that they must be solved within a human context and not just with facts and figures on pieces of paper. As the article concludes, HERMAN BADILLO "makes sense." I would like to share with my colleagues a recent article about Congressman HERMAN BADILLO who is a candidate for mayor of New York City.

HERMAN BADILLO: THE MAKING OF A RATIONALIST-REVOLUTIONARY

(By Nat Hentoff)

When Herman Badillo is sworn in as mayor of New York, his immediate priorities will be:

The cashiering of Felix Rohatyn; the restoration of free tuition at City University; waging unremitting battle against Hugh Carey, landlords, and bankers to protect rent control; and initiating an unsparing evaluation of the state of public school education—leading for the first time in city history to every teacher and principal being made accountable for what goes on in those schools.

That's before lunch. In the afternoon Badillo will focus on preventing any further rip-offs of federal housing subsidies in the predatory tradition of Manhattan Plaza ($460 million in federal support over the next 40 years). Instead, such funds would go to rebuilding the slums through economical, low-rise, scatter-site housing. Similarly, the new mayor will remove the projected 7000 luxury apartments from the Westway landfill blueprints—thereby grieving bankers and builders, but again enabling more of the poor in the other boroughs to obtain comfortable housing in which they can take some pride.

There is much more on Herman Badillo's long, precisely annotated, and researched list of mayoral tasks. Provided, of course, he is able to convince the electorate to give him the job.

This is Badillo's third try for City Hall. In Democratic primaries he came in third in 1969 and second in 1973. This time, being even better known, particularly as an acknowledged congressional expert on urban affairs, Badillo expects to be first. He really does. In addition to his own unassailable self-confidence (matched, among public figures, only by that other cool customer, Hyman Rickover), Badillo is a true believer in rationality. How, in logic, he says, can he not be elected? He understands the *details* (a favorite word) of city governance, especially their fiscal dimensions, better than any of the other contenders. And he is way

ahead of the field in his knowledge of the intricacies of that federal urban legislation—some of it pushed through by Badillo himself—which, if used resourcefully and honestly, can greatly help to regenerate the city.

There is one more factor. Even his opponents, including lurking enemies from other campaigns, concede that Badillo is exceptionally intelligent. That he delights in demonstrating that intelligence, suffering fools not at all, causes some to grumble about his "arrogance." And Badillo's wit is more of the mordantly wounding order of Gene McCarthy's than that of the usual cautiously amiable politician. That's another reason some consider him uppity. But again, a rational electorate, according to Badillo, makes its judgment on performance, not personality.

The relationship, however, between rationality and politics is at best accidental. The sainted James Michael Curley of Boston, for instance, carefully hid his considerable intellect, not bothering to more than skimmingly research issues for a campaign. Indeed, as I saw when I was his announcer on radio, Curley often didn't even take the trouble to write out his speeches. He knew the catchwords the voters thirsted for, and he poured them into their eager gullets. So it is thus far in the current mayoralty campaign. Let the citizen be secure in his home and on the streets! (Is there a mugger running on a contrary platform?) A crusade against pornography! (And then will the banks and real estate interests have less of a stifling hold on the city?) Bring discipline back to the schools! (Once the kids are bolted in, teach reading intravenously.)

Away from the gusty sloganeering is Herman Badillo with his figures and analyses and detailed programs. "He's a smart dude," said a waiter watching a recent Badillo press conference. "If Herman's so smart," his colleague snickered, "why isn't he going to be mayor? He ain't nowhere in the polls."

I ask Badillo whether he may have greatly miscalculated the odds against him. I don't know anyone, I add, who thinks he's going to win. Or is this an educational campaign he's running? The cool customer smiles very thinly. "I have never been known as someone who wastes his time," says the congressman from the South Bronx. "I know a lot about numbers, and the odds are not what they seem."

First, Badillo thins the field. Percy Sutton never got up enough steam to run out of it. Ed Koch somehow cannot catch on. Mario Cuomo began with the governor on his back and has been losing ground ever since. Already, then, it is Badillo against two. And of those two, he believes Abe Beame to be a stronger candidate than Bella. "Beame has a more solid constituency that is basically his own," Badillo says. "It's the machine following added to a certain conservative constituency. Furthermore, the incumbent nearly always has an edge."

As for Bella, Badillo casually discounts her early lead in the polls. Primary polls, he notes, are notoriously inaccurate, pointing to their firm 1973 predictions that Al Blumenthal, rather than Badillo, would face Beame in the runoff. Also, at this point, 25 to 30 per cent of the voters remain undecided and September is quite a while away. In addition, Badillo does not believe that Bella's constituency is as solid as it has to be for her to prevail. "Those areas in the city she carried in the senate race last year," Badillo says, "were *my* areas. And I wasn't in that race.

"Bella's support is soft in another way too," Badillo claims. "Once the campaign really does get into issues and programs, people are going to recognize the difference between being a mayor and her kind of legislator. When you're one out of 435, you can come up with a rather wild idea which then becomes modified during public hearings and debate. But when you're the mayor, you're one out of one. Once the mayor makes a decision, that's it—that's what everybody has to go with. As people really start to think about what it takes to be an effective mayor, they'll be looking for different qualities than Bella's." The rational candidate expects a rational electorate.

In Badillo's projection, therefore, the runoff is likely to be between him and the dynamic incumbent. "Beame beat me last time," Badillo says, "but he's weaker now. Last time Beame looked very solid, and then he turned out to be mush. Another reason he beat me four years ago was that the people then were not willing to believe what I was telling them. I predicted the fiscal crisis; I said there'd have to be a wage freeze and an adjustment of pensions. Beame said none of those things. Quite the opposite. So which of us has credibility now?"

Is it possible, after all, that Badillo—who, as Steve Flanders of WCBS put it, "campaigns by using facts and figures like hammers"—can actually win by the force of logic? As when he raises a hammer of lucidity in the direction of Felix Rohatyn. "Although you would never know it unless you read Jack Newfield," says Badillo, "Felix has been consistently working *against* the best interests of the city.

"I'll show you," Badillo begins in the manner of the adjunct professor he is at Fordham's Graduate School of Urban Education. "The city budget, to begin with, has *not* been cut. Today it's over a billion dollars higher than it was in 1975. What have been cut are city services—police, firemen, teachers, sanitation, and hospital workers. But instead of the money from the cuts having been saved, it's gone into debt-service payments. And Rohatyn, along with the Emergency Financial Control Board, is responsible for the fact that these debt-service payments now come to more than *20 per cent* of the budget!"

Badillo pauses to contemplate—with the horror of the certified public accountant he is—all the current talk of New York's "recovery" when the city is so awash in debt. "According to what I find to be the national standard," he says, "a municipality is in trouble if debt payments make up 12 or 13 per cent of the budget. And it is in very deep trouble if the figure goes over 15 per cent.

"The fact is that despite what you read in the papers," Badillo goes on, "New York City is paying scandalous, disastrous interest rates. Sure there was rejoicing on the front page of the Times July 14 when MAC bonds were sold at 7.5 per cent. But even that's much too high a rate, and what wasn't reported is that the interest rates can easily go up again because the new budget is not balanced and because there is a real possibility of further fiscal crisis.

"Meanwhile, Rohatyn and his colleagues admit to an annual debt service outlay of $2.4 billion. But it's more than that because of the Big MAC stretchouts. Every time Felix triumphantly announces another stretchout, the interest rates go up even more. Let me give you an example. A recent deal exchanging $400 million of city notes for Big MAC bonds was also hailed as a great achievement by Felix. But nobody pointed out that in this deal, 6 per cent city notes were being exchanged for 9.75 per cent bonds—an increase in the interest rate of over 50 per cent. If anyone had proposed a 50 per cent increase in the salaries of policemen, firemen, teachers, or other city employees, there would be outraged editorials in all the newspapers. But no comment was made when these huge benefits were given to bond holders. Once again, investors and banks have profited from the city's crisis while vital services keep being squeezed. Now you know why the first thing I'm going to do as mayor is get rid of Felix."

To bring down the grotesque interest rates the city has been bludgeoned into paying, Badillo—the only New York City congressman on the House Committee on Banking, Currency, and Urban Affairs—has introduced a bill which would provide federal loan guarantees to the city through a national development bank that will service both urban and nonurban areas (thereby securing rural votes for the bill). "Once investors know their money is guaranteed," Badillo explains, "we can return to more reasonable interest rates and save from $300 million to $500 million a year in debt service payments."

Would he, as mayor, try to abolish the Emergency Financial Control Board along with Rohatyn? "No," says Badillo, "because as a certified public accountant I have no objection to making the city's books available to the control board so it can certify that the mayor's financial projections are accurate. I don't want my figures to be doubted by anyone. But as mayor, I am going to make sure that the control board stays out of policy making. I was chosen by the New York congressional delegation to be an observer at control board meetings, and I've seen how the board has arrogated the power, for instance, to close hospitals—Morrisania and Fordham. Making policy is none of the board's business. That's up to elected officials, and I'm going to take back that power."

There is indeed little question about Badillo being a strong mayor. With his pride in mastery of details and his conviction, not entirely misplaced, that he knows more than anybody else about everything, Badillo would be a stringent taskmaster, keeping an icy eye not only on the EFCB, but on everyone who is part of or has dealings with city government.

Under a Badillo administration, for instance, the public schools, resolutely resistant for many decades to any change that actually benefits kids, will be resoundingly shaken up. "First," he says, "there'll be no more pushing kids through whether or not they can read or do math. The way it is now, nearly everybody passes; and so we can't really evaluate what's going on in the classrooms. The full extent of the failure is hidden. So I will insist that students not achieving on grade level be flunked. Then we can concentrate a variety of resources on getting them to learn. From Title I funds and poverty money we can develop tutorial programs, starting at the elementary school level. And in other ways we can keep after them until they're legitimately able to pass.

"At the same time, the heat will finally be on those teachers and supervisors under whom kids have been failing to learn. Once the facts are all out in the open, for example, a teacher who continually has sizable numbers of students not being promoted will have to be made accountable for the quality of his or her teaching. The same will be true for principals of those schools in which most of the kids are not learning.

"We have never had real evaluation, and thereby real accountability, in the schools, One way not to get it is by changing the command structure—like this empty Beame plan for a chancellor responsible to the mayor. You only get real change by focusing on educational policy, not structure. My plan, by the way, does not involve firing teachers and principals without due cause and without due process. I'm not interested in mass firings; I'm interested in results, and once the heat is on, we'll get results."

Badillo's fierce interest in education—an issue he underscores more persistently and coherently than any other candidate—comes from his logical perception that it is impossible to have a substantial middle class in this city's future without an educational system capable of teaching middle-class skills. (It is also because of his determination to preserve and nurture a middle class in New York that Badillo is so eager to war on the landlords and their ally, Hugh Carey,

for the preservation of rent control. "Take away controls," he says, "and you'll drive what's left of the middle class out of the city, leaving it to the poor and to those who can afford the luxury housing that brings so much profit to builders and to the bankers who provide them with mortgages.")

With regard to education as a way to create a new middle class, Badillo intends to further energize the schools by recruiting parents. Not just, in the traditional way, to help the kids with their homework, but to go to school themselves. "The educational achievement of a child." Badillo insists, "is related to that of his parents. In this city you'll find that children tend to go to school about two years longer than their parents did. So, if the parent dropped out in the eighth grade, chances are the kid will leave in the 10th grade. What I propose to do is keep the schools open after three as well as in the evenings and on weekends so that parents can earn high school equivalency diplomas."

Who'll do the teaching? "Any regular teacher who wants extra income, and I'll also use people who are now working for the poverty programs. And as the parents stick it out, so will the kids. You see, the only thing that counts, that makes a difference, in planning for the city are programs that are concrete. Like making it possible for parents to finish school. Like insuring that the school system as a whole is accountable for its failures. These are things that are tangible. Either the child or the parent graduates, or he doesn't. And if he doesn't, you must set it up so you're able to find out why."

If Herman Badillo can ever be said to brood—his mind is usually too crowded with hard facts breeding more hard facts to allow for hovering moods—he laments the waste of money on intangibles. When asked, for example, how he intends to implement his pledge to overhaul the city's poverty program, Badillo's answer is much like that of Pierre Boulez when the latter was asked how he proposed to reform German opera. "With dynamite," said Boulez. Badillo's plan for what he considers an utter scam of a poverty program is to just plain abolish it.

"Hundreds of millions of federal dollars," Badillo says, "are going down the drain through all the community action, model cities, youth, drug addiction, and manpower training programs. Nobody evaluates them. The poverticians in charge are running their own patronage systems and have no one's interest in mind but their own. Wherever you look, you can't find anything concrete that these programs are accomplishing. Look at the community corporations. For fiscal year 1976, 36.4 per cent of all our poverty funds went into those corporations. Show me the results. They have block workers. What do they do? Cheer people up? Nobody knows what those block workers do. Whatever is not tangible should not be funded."

Mayor Badillo would scrap all those programs and put all discretionary federal funds—community-action and public-works employment money, grants under the Comprehensive Employment and Training Act—into one massive youth training and construction program. "Take people from 16 to 21 and even a little older," says Badillo, "and put them to work building and rehabilitating housing where they now sit around unemployed. This way we would actually get some improved housing, and the youngsters would be kept busy while being trained in good work habits. This is tangible. The other stuff is baloney."

Another concrete Badillo priority is the restoration of free tuition at City University. As a Puerto Rican paradigm for Horatio Alger, Badillo had to work (dishwasher, pinboy, cook) while still in Haaren High School. He probably would not have been able to go to college had it not been for the "free ticket," as he puts it, to City College (from which he graduated magna cum laude). Badillo still cannot fathom the stupidity—Beame's, Carey's, and that of the Emergency Financial Control Board—that ended New York City's 130-year tradition of providing children of the poor with free tickets to the middle class.

"It was not only a stupid decision," says Badillo. "It was also cruel because it sells out the future of so many young people. And as usual, the poor are being used to bear the brunt of the city's mismanagement. Unless free tuition is restored. New York is going to become a city of endless poverty, for the poor will no longer be able to get the education necessary to become part of a new middle class."

The only other city policy that angers Badillo more than the barring of the gates of City University to the poor is the systematic program of planned shrinkage aimed at making New York smaller by letting its poor neighborhoods wither away.

"In its crudest form, that policy was revealed in Felix Rohatyn's suggestion a while ago that the South Bronx be entirely leveled and an industrial park built there. To get an idea of how planned shrinkage is actually working—for all the denials that it's going on—just look at the slum neighborhoods. The buildings there are not being maintained. The city does not go in with emergency repair work. And then look at the capital budget. There is no money for reconstruction of the slum areas. None at all. But meanwhile, funds are used instead for such ventures as that Richard Ravitch white elephant, Manhattan Plaza, with its huge federal subsidies which should have gone into housing for poor people throughout the city.

"It was Ravitch, by the way who, when he was head of the Urban Development Corporation, closed down UDC projects for the poor in my district in the South Bronx. He said there was no money. But somehow, he found funds to finish other UDC projects in areas with less poverty.

"The poor do not count in this city."

Badillo is almost apologetic for stating the obvious. "The poor have no clout. People like Ravitch have clout. And there is something else about Manhattan Plaza out of which Ravitch, as a private builder, made a fine profit. That's in Bella's goddamned congressional district, and she never paid attention to what was going on. It's a matter of detail again. She did not attend to details. Hardly anybody does.

"Look at Battery Park City. There, the long-range projection is for at least 7000 apartments on landfill. They'll do anything rather than build in the slums. It's the kind of contempt for the poor and just plain greed that could lead them to create landfill all the way to London to build so-called middle-class housing which will have to be subsidized with money that should have gone to the slums. And look at Westway. All the shouting has been about the highway, thereby overlooking the details of 60 acres of landfill that will contain 7000 units of luxury housing which, of course, will have to be subsidized. And then they'll say there's no money left to build housing for the poor."

As mayor, Badillo, not surprisingly, will press for the removal of subsidies for the Richard Ravitches and instead use the funds for citywide low-rise, scatter-site housing. "This way we can build for millions of dollars instead of billions," Badillo says, "and so we can build many more units. The poor would be able to reclaim their neighborhoods, and the middle class would be in a position to revitalize their neighborhoods with the money we save.

Badillo has sheafs of illustrations of tax money being diverted from legions of leaderless plebeians to the already well-favored few: "Yankee Stadium, John Lindsay's mistake, wound up costing $200 million. Can you imagine what could have been done with that money in the South Bronx? Now there's Beame's convention center. He estimates it will cost $171 million. Multiply that by 10. If the center goes through, that will further ensure there will be no rebuilding of the slums because if you use that huge an amount of limited resources for a wholly city-funded project, there's no money left for anything else."

Herman Badillo, the coolly persistent avatar of reason in city politics, brandishing his facts and figures, turns out to be the most radical candidate of all—if radical is defined denotatively as "going to the root" of the noisome ailments that plague New York. His main strength is making tangible sense. But the polls and the political analysts say he cannot possibly win.

"I shan't feel deflated if I lose," says Badillo. "It will not mean I was wrong in anything I said or proposed. This city will be destroyed if planned shrinkage goes on. It will go bankrupt if we continue paying these enormous interest rates. A generation or more of the city's children will be ruined unless we actually make the schools work for them. So if I lose, I will not feel in any way discredited for, unfortunately, I will still be right."

Watching Herman Badillo through the years stubbornly moving up his own ladder of facts, I think occasionally of Dick Reeve's story about the boy from Puerto Rico who was orphaned at five, sent to live with a succession of relatives, and ended up, at 12, with an aunt and uncle in Burbank, California.

"They didn't have anything," Badillo told Reeves, "and they felt it was hopeless having me around because I couldn't speak any English except 'yes' and 'no' and a couple of other words. I knew that schools opened in September. It was a nice middle-class town, and from the house, I watched all the kids going to school the first day. Of course, I couldn't talk to them. The second day I followed the kids and went to the school, and using sign language and a few words, I enrolled. I took care of myself from then on."

So he did, chronically making sense out of whatever went on around him. But the question is whether the electorate of the city of New York can with equal rationality choose Badillo as mayor.

Badillo has no plans to mount an expensive television display. It makes no sense. "By now," he says, "people know who I am. There is no image I'm trying to sell. I just have facts, programs, and a solid record of knowing how to make things work. That should be enough, don't you think?"

IS THE CARTER ADMINISTRATION PREPARING A MASSIVE ATTACK ON GUN OWNERSHIP?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. ASHBROOK. Mr. Speaker, recent reports from gun shops—both pro and con—reveal a high probability of administration-sponsored antigun legislation during this session of Congress. In the July 22 issue of Gun Week newspaper, a Chicago-based antigun group, the Civil Disarmament Committee for Handgun Control was quoted in its June–July 1977 newsletter as saying that its ally, the National Council To Control Handguns "Have lobbied strenuously, have established very good relations with the Carter administration and expect the administration to come out with strong

handgun recommendations sometime in July."

Having held its silence in the early days of its administration, the Carter organization may have developed a game plan for new antigun legislation, at a time when all seems quiet in the rank of the antigunners. In a press conference conducted in Washington, D.C. July 13, a pro-second amendment group, the Citizens Committee for the Right To Keep and Bear Arms cited a White House plan to deprive tens of millions of lawabiding American citizens of their constitutionally guaranteed right to keep and bear arms.

The citizens committee unveiled a proposed White House antigun policy statement which it claims was prepared by the Justice Department and submitted to the White House. Calling for a ban of so-called Saturday night special handguns, the document declares war on private ownership of handguns for personal protection. Purchase of more than two handguns in a year, and more than one handgun in a month by a single individual would be outlawed. It would prohibit the use of sporting guns except under very limited conditions. Citizens would be forced to submit their names to a data bank in a forced gun registration program.

That the Carter administration would harbor this antigun attitude is of no surprise. Morris Dees, Mr. Carter's chief political fund raiser, was the chief organizer of the National Gun Control Center, a vocal antigun group. Gun owners remember well the threat issued last year by chief Carter adviser Hamilton Jordan, who said, "Carter will really go on gun control and really be tough. We're going to get those bastards".

The great surprise is the fact that Mr. Carter would maintain this unfavorable policy in light of the public's attitudes favoring handgun ownership. In a nationwide survey by "Decision Making Information," an independent research organization, 85 percent of those surveyed voiced support for their right to own guns. The public has spoken loudly in favor of private ownership of handguns. Why not follow their wishes, Mr. Carter?

STATEMENT OF CONGRESSMAN GEORGE MILLER BEFORE THE SENATE FINANCE COMMITTEE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. MILLER of California. Mr. Speaker, the issue on which this subcommittee undertakes hearings today is much larger than simply adoption subsidies, or even foster care reform. The purpose of H.R. 7200, and my own "foster care and adoption reform bill" from which much of the House-passed bill was drawn, is to improve the functioning, quality, cost-effectiveness, and humaneness of a system which, during 2 years of review, I have concluded, is failing at its very basic purposes. Sadly, that is an opinion shared by experts in every related field around the country.

Last week, when the administration opened the public testimony on H.R. 7200, Senator MOYNIHAN asked Secretary Califano, "What do you know about foster care and adoption that you did not know one year ago?" I think we can definitively answer that, 1 year ago, we had no idea of the widespread failure of the foster care system, or of the enormous fiscal and human cost involved in that failure.

During this past year, several major, authoritative studies on foster care have been released which have greatly expanded our knowledge of the operation of the system in the States. Late last year, HEW itself released a study entitled, "Foster Care In Five States," which reviewed stated evaluations in California, Arizona, Iowa, Massachusetts, and Vermont. Earlier this year, the General Accounting Office released a study, "Children in Foster Care Institutions" which was commissioned in mid-1975 by Congressman JOHN BRADEMAS and myself concerning conditions in California, New York, New Jersey, and Georgia. Also this year, the Regional Institute of Social Welfare Research of Athens, Ga., released the study "Supply and Demand for Child Foster Care" which examined the program in the eight southeastern States—Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. Most recently, the New York City comptroller, Harrison J. Goldin, who will also testify today, released a major study of foster care in that city.

The conclusions of these studies, dealing with a variety of States in every area of the Nation, are startlingly similar:

Many children are removed from their natural homes needlessly, because appropriate services were not provided their parents;

Many children are kept in inappropriate, overly restrictive foster placements far longer than necessary;

Many children, and their parents, do not receive proper post-separation services which could lead to the reunification of the family;

Existing accountability and due process procedures are extremely vague, and widely ignored, which directly contributes to the maintenance of thousands of children in indeterminate and inappropriate, and costly foster care;

Many thousands of adoptable children remain in foster care because the system is designed to retain them in limbo, and because Federal financing placed a premium on indeterminate maintenance rather than on permanent placement.

As I have stated many times, the skewed Federal program actually subsidizes the breakup of the family rather than concentrating its resources on preserving and improving family life. We will continue to spend hundreds of millions of dollars to retain a child in foster care for years, but spend little on services to avert placement, and virtually nothing on moving the parentless child into a permanent, loving adoptive home.

It is therefore critical that this committee recognize that the continuing crisis in foster care exists not in spite of the Federal role, but largely as a direct result of our financing and lack of providing goals and direction. Simply tacking a new program, such as adoption subsidies, onto the end of a very bad system does nothing to reform the process which creates the situation. Likewise, requiring major reform of the procedures involved in foster care without providing additional Federal funding, and targeting it to preventive and reunification services, cannot alone solve the crisis. The bill which I introduced, and the program as outlined in H.R. 7200, therefore, is a comprehensive approach which should be pursued.

Within the past year or so, we have become aware not simply of the many problems in foster care at present, but of the fact that there exist many workable alternatives to the present crisis which could be sustained with the kinds of direction and funding contained in H.R. 7200. Some of these alternatives have been funded on a demonstration basis by HEW itself.

The comprehensive services program in Nashville, while saving an estimated $68,000 over projected foster care costs during the 4 years of the program, recorded impressive results during the early 1970's: numbers of children removed from home, down 51 percent; institutionalization was cut by 85 percent and eliminated entirely for children under the age of 6; recidivism was cut by 88 percent. These results have been matched by other preventive service programs from New York City to San Francisco, most of which are struggling to continue in spite of the severe lack of Federal funding.

The effectiveness of the impartial, independent, and judicial or quasi-judicial reviews contained in H.R. 7200 have also been shown to be effective in aiding in the appropriate placement of children and in flushing out of the system the thousands of children who do not belong in foster care. The National Council on Juvenile Court Judges has operated the "Children in Placement" project in a number of States, reviewing cases on a periodic and thorough basis. The cost savings of these reviews has been stressed in testimony by project president, Judge John Stekettee of Grand Rapids, Mich., and proven in the results in several States. In reviews in Ohio, Oregon, Texas and Rhode Island, CIP moved substantial numbers of children out of care. For Senator PACKWOOD's benefit, I would mention that 66 percent of the children reviewed in Oregon were moved out of care, 69 percent of whom were placed for adoption. In Oregon, one-fifth of these children were returned to their natural homes, and the study of the eight Southeastern States concluded that one-third of the children should go home.

These are the kinds of programs and procedures which H.R. 7200, and, I believe, the Carter administration's bill, are designed to replicate.

My own legislation, and H.R. 7200, contain sections requiring that, when a child is placed in foster care, that he be placed in the least restrictive setting which most approximates a family and in which his special needs, if any, may be

met—within reasonable proximity to his or her natural home—where appropriate—with relatives. This provision goes to the very heart of much of what is currently wrong with the foster care system.

Every study has concluded that between half and two-thirds of the children in foster care are inappropriately placed, frequently in settings far more restrictive than required by their actual conditions. Children are kept in institutions, when they could be in group homes; group homes are used instead of foster homes. The New York comptroller has estimated that 11,000 children were kept in foster care an average of 5½ years too long, and that the cost to the taxpayer of this inappropriate placement was over a quarter of a billion dollars.

Let me assure you that this appropriateness standard is far from being a minor detail. Senate and House committees have heard of the practice of sending foster children hundreds of miles from their homes, across State lines, to unregulated, fly-by-night ranches for the convenience of an agency and to the severe detriment of the child. We have all read of children being kept in institutions for years unnecessarily. Not only are there enormous human losses, but also financial costs to this inappropriate placement pattern. Maintenance of a child in an institution can cost 10 times the amount required to place a child in a foster home.

It is not enough to point to the reviews contained in this legislation. There must be some standards established for those reviews, and there is major difference between "standards" and "detail." Without such a provision, there is no way to enforce an appropriateness standard in a review.

This appropriateness and proximity standard is very similar to that enacted by Congress in recent legislation, and was embodied in a major suit, Gary W. against Stewart, in Louisiana last year. The U.S. Department of Justice was a coplaintiff in that suit, which resulted in Federal Judge Rubin's issuing a decision including standards very similar to the ones contained in H.R. 7200. Recalling that important decision, the New Orleans Times-Picayune recently endorsed H.R. 7200, saying:

> The sense of it in regard to child care and foster homes is humane and should be kept intact. This would go far toward assuring that never again will any State banish its disturbed and handicapped children.

The issues raised in the Gary W. suit are the same ones upon which my own investigations were launched. In 1975, I became aware of press accounts which documented the frequent shipment of abused, neglected and handicapped children across State lines to institutions and other facilities often located hundreds of miles from their natural homes. In some cases, natural parents fought for years in an attempt to retrieve their children, who had been virtually kidnapped by the State.

Crusading officials, and private citizens in the State of Illinois exposed, in 1975, the widespread shipment of children from the State to Texas and Maine. Indeed, the report, "An Illinois Tragedy," not only sparked my own concern for these children, but led to a major reorganization in the child welfare department in Illinois, and the elimination of the out-of-State placement program.

But unfortunately, this type of placement, which has become known as "banishment," is not unique to Illinois. Nor is it only a matter of interstate shipment. In my own State of California, children are taken from their home communities and placed hundreds of miles away in institutions in another part of the State. The detrimental impact on the child, and the likelihood that such placement will substantially impede the return of that child to his own home, is no less severe than had that child crossed a State border.

The real issues are ones of appropriateness and proximity of placement. Children should not be shunted around from facility to facility at the whim of a social service agency. By the same token, a child placed in foster care because of parental problems, as over 90 percent are, should not be confined in an institution or other highly restrictive setting simply because such a placement is convenient for the placing agency.

The fact is that there is nothing wrong with many of the children in foster care at all. Yet the system into which they are thrown is so lacking in procedure, so devoid in many cases of concern for the child's welfare, that often the system itself produces—in 3, or 5, or 10 years—a candidate for permanent subsidy by government, in jail, on welfare, or in an institution permanently.

I think that we should focus some special attention on Judge Rubin's decision in the Gary W. suit, because it addresses the legal and constitutional questions involved in H.R. 7200 and in the foster care system itself. Judge Rubin stated, in his opinion, that the questions of appropriateness stood "at the heart of the suit." Gary W. against State of Louisiana, opinion, July 26, 1976, Judge Rubin wrote that the phrase "least restrictive setting" is "a convenient way to sum up the standard applicable to all governmental restrictions on fundamental personal liberties," and he concluded:

> What is required is that the State give thoughtful consideration to the needs of the individual, treating him constructively and in accordance with his own situation, rather than automatically placing him in institutions, perhaps far from home and perhaps forever.

As a result of this finding and in agreement with the virtually unanimous support by professionals of noninstitutional, community-based placement procedures, Judge Rubin ordered:

> No child shall be placed in an institution unless the child's treatment plan prescribes this placement on the basis that residence in an institution is the least restrictive setting feasible for that child—the availability in the child's home community of services and programs likely to afford adequate treatment shall be considered—whenever possible, a child shall be placed in his own home or a foster home, and, if that is not possible, within reasonable proximity to his family.

This is the exact standard included in H.R. 7200. It is the most elementary standard which must be made concerning placement, when placement is indeed the best course.

Let us keep one very critical point in mind. Judge Rubin's decision concerned conditions in one State, Louisiana. But those of us who have studied the foster care picture in this country know full well that the conditions he documented are as widespread as should be the application of the standards he issued. Louisiana was not even one of the States studied by HEW, by GAO, or by the New York comptroller. But those studies, and more, all showed that inappropriate placement was a severe problem, that it exacerbates the problems which led to foster care, that it serves to prolong placement and thus drive up costs, and that it creates long-term problems for the innocent child captured by the system.

The impediments to speedy reunification caused by inappropriate placement bring me to one additional point. In response to a questionnaire which I sent to all the States, I have learned that many States report that a substantial percentage of their foster care populations have been in placement over 2 years; several States report that 40 to 60 percent have been in care over 3 years. During the joint hearings chaired by Senator MONDALE in 1975, we were told that a child remaining in foster care 18 months has a better than 80 percent chance of remaining there for the rest of his childhood. HEW's study has documented that children entering foster care for a short period often remain years. How great must be the added impediments to a swift return of the child when that child is placed many hundreds of miles from his parents, and from the agency with responsibility for reviewing and monitoring that child? How many children become locked into this system because they were deposited in a convenient, out-of-State institution far from caseworkers, reviewers, and their parents? And how many of these children could have been helped, could have been reunited with their parents had the simple, basic standard of least restrictive appropriate placement, in proximity to the natural home, been enforced?

The record of inappropriate placement, as documented in the several studies I have cited and in Judge Rubin's decision, make a telling case for retaining this critical provision in H.R. 7200. Without it, the Senate will remain silent on the worse abuse in the foster care system, and will significantly undercut the strength and integrity of this legislation.

We must increase our Federal commitment to preventive services which will take an enormous burden off the shoulders of the State and local governments, where it has disproportionately rested for many years. We must introduce greater accountability and improved due process for those children who do enter our foster care system. In particular, with full knowledge that inappropriate placement, often at great distance from a child's family, is among the most noxious aspects of the system, we must enact a standard like that contained in recent court decisions, to insure that a child will be placed in the least restrictive set-

ting appropriate for that child, not for the convenience of a placing officer. Similarly, we should establish a standard that a child ought to be placed near to his home, with relatives if possible, so as to make the foster care experience as nontraumatic as possible for the child.

I would like to make what I believe is a very critical closing point. Having been involved in the conceptualization, drafting and advocacy of this legislation for over 2 years, on a daily basis, I am well aware of the fact that there are those who view portions of this legislation as too restrictive, too detailed, and difficult to administer. Most often, these accusations are made about those sections which would attempt to protect better the basic rights of children and families whose rights, various studies have well documented, are flippantly ignored at present. I do not believe there is excess detail in this legislation.

Some claim that the reviews would overload the courts. I find it highly significant, therefore, that the 40th convention of the National Council of Juvenile Court Judges last week unanimously endorsed H.R. 7200, and that Judge Steketee, originator of the children in placement project, has been the strongest advocate of the reviews in this bill.

I also asked the Congressional Research Service to inquire about the views of State social service agencies about their views on these provisions. Their review of 14 States in every region of the country failed to turn up an opponent of these provisions. Indeed, several States such as New York, California, Ohio, and Virginia have begun to move in these same directions in anticipation of, or in spite of, the Federal position.

I would like to conclude by adding that, in response to Senator MOYNIHAN's question last week, that we have learned an enormous amount about the foster care system in the last year, and unfortunately, most of it points to the utter failure of that system to reach any of its prescribed goals. We have, in H.R. 7200, legislation which is the product of hundreds of hours of work by national experts in every related field. Its provisions are not theoretically inspired or detailed for the sake of granting additional authority to the Federal Government.

Rather, its provisions are designed specifically to remedy the patricular abuses, shortcomings and tragedies which study after study has revealed to exist in each State's program. They are based upon cost-effective models which have shown a capacity for improving foster care. Failure to enact these standards for the program, given the severe abuses which I have spoken of today, would be to virtually sanction the continuation of such abuses, an unthinkable suggestion. To add Federal dollars to this system, without proscribing rules by which to spend those dollars in a manner more likely to assist children, would be fiscally irresponsible. I have confidence that this committee, and this administration, after considering the record and this legislation, will endorse the provisions of this legislation which I have discussed as being fundamental principles and central features from which a more responsible and more compassionate foster care and adoption system will emerge.

PLEDGE TO NCOA

HON. ABRAHAM KAZEN, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. KAZEN. Mr. Speaker, on July 1, 1977, I had the honor and privilege to address the Noncommissioned Officers' Association international convention in San Antonio, Tex. Also in attendance was our colleague, MENDEL J. DAVIS, who serves with me on the House Armed Services committee. Congressman DAVIS was the convention's keynote speaker June 30, at its annual Awards Night.

The gentleman from South Carolina offered some enlightening remarks that all of us in the Congress should hear. He said:

People who have service under one set of rules shouldn't have those rules changed for the years they have already served.

I certainly agree. Threats of unionization of our military forces would not exist if we stuck to that principle. It is the least we can do for the men and women who man our defense ramparts.

Mr. Speaker, I insert the text of Congressman DAVIS' remarks in the RECORD:

REMARKS OF THE HONORABLE MENDEL J. DAVIS

It is a pleasure for me and a distinct honor to be invited to address such an august gathering as we have here tonight.

My service on the House Armed Services Committee has been a most rewarding experience since I have been in Congress. My interest in enlisted personnel was inherited from my predecessor, the late Mendel Rivers who all of you know was a champion of the enlisted personnel.

I shall discuss briefly with you tonight several points in the field of legislation pertaining to military pay and benefits, medical care, and others which I hope will be of interest to you.

During the first months of the present Congress, there have been a number of actions taken by the Congress in regard to military compensation.

EXTENSION OF AUTHORITY TO PAY ENLISTMENT/REENLISTMENT BONUSES

Of particular interest to enlisted men was the action of the Congress in extending from June 30, 1977, to September 30, 1978, the authority to pay enlistment and reenlistment bonuses.

In this connection I would point out that the House passed a bill in February which would have done all that was necessary to authorize the services to continue to pay enlistment and reenlistment bonuses.

However, the Senate, after a delay of three months, passed the House bill but amended it to authorize recoupment of the unearned portions of the bonus when, in the words of the Senate bill the member "who, voluntarily or because of his misconduct . . . is not technically qualified in the skill" for which he received an enlistment or reenlistment bonus. When this bill came back to the House I was greatly concerned about this authority to require an enlisted man to repay a bonus when somebody decided he was no longer technically qualified in the skill for which he received the bonus. As the result of my insistence, the Department of Defense has clearly stated the circumstances under which recoupment will be authorized and has assured the Congress that the authority will be used sparingly and only when clearly justified.

SURVIVOR BENEFITS

The Committee on Armed Services on March 17, 1977, reported favorably on a bill, H.R. 3702, which will make a number of much-needed improvements in the current Survivor Benefit Plan for military retirees. Among the provisions of that bill are the reduction of the social security offset from 100 percent to 50 percent. In cases where there is a minor child or where the widow is getting social security based on her own employment, H.R. 3702 will eliminate that offset entirely. It will also conform the retired military member's contribution to the Survivor Benefit Plan to the formula applicable to retired civil service employees.

MILITARY RETIREMENT

There has been a great deal of talk, both in the Congress and in the Executive Branch, about the military retirement system's liberality and its cost.

In order to fully evaluate this concern and decide whether changes are in order and if so what those changes should be, the Military Compensation Subcommittee will hold hearings later on in the 95th Congress.

It is likely that preliminary exploratory hearings will be held sometime later this year. However, it is likely that the Committee will defer until early next year consideration of possible changes which may be made. By that time, we expect to have the recommendations of the Blue Ribbon Panel which the President is appointing to review the military compensation system.

I would want to give you one message on the matter of retirement. We may find it necessary to make some changes. At this time I don't know; but one thing is certain. People who have service under one set of rules shouldn't have those rules changed for the years they have already served. This is and will be my position if we decide to change the present system.

I am reminded of the story of the stranger walking down a country lane and he comes upon a farmer who's milking a cow. He stops and he asks the farmer what time it is. The farmer looks at him, and reaches down under the cow and taps the udder several times, and says, "It's 3:45." And the stranger is very impressed with this, and he says to the farmer, "What a magnificent cow you have. How can you possibly tell the time by feeling the udder?" And the farmer replies to him, "Well, the cow has nothing to do with it, but by lifting the udder up, I can see the church steeple and the clock on it says 3:45." I think, as we deal with the challenges or perhaps the legacy of the 70's, it's incumbent upon all of us to keep our eyes on the clock and the steeple and not be diverted by any of the multitude of magnificent cows that are being paraded in front of us as solutions to some of the problems that we all face.

Every member of this association is aware of the attempts over the past three years to eliminate the commissary subsidy. You are even more aware of the impact this decision would have on your pocketbook. The most adverse impact would, of course, be on those military personnel who are most in need of assistance, namely, the young enlisted members and the non-commissioned officers. However, it would have the greatest economic effect on the retired military community, many of whom are in the lower income brackets, since their retirement income is based on the low military pay scales of years gone by.

I have taken a very strong personal interest in this matter and have initiated letters to the members of the House, urging them to oppose any reduction in the subsidy. I have personally talked to members of the House and Senate urging them to defeat any

effort to eliminate the commissary subsidy. So far, over the past three years, against strong opposition, this effort has been successful. However, as late as June 10, the Senate Appropriations Defense Subcommittee approved language to phase out the subsidy over the next three years. I can assure you I will continue my efforts to defeat this proposal when it comes before the full Senate Appropriations Committee for a final vote.

This is a benefit members of our Armed Forces were promised when they retired. I believe the government should keep its promises. I intend to oppose any effort on the part of the Congress to erode those benefits earned by you, the military enlisted personnel of our Armed Forces.

MEDICAL CARE

Our committee is concerned over the deterioration of medical care delivery, and in some cases dental care, in military facilities. We have received reports from various areas around the country indicating that care is being curtailed, or in some instances, discontinued for retired personnel and dependents. To compound the problem, there are reports that in some areas civilian medical care under CHAMPUS is not available as a substitute because of the scarcity of civilian physicians or the remoteness of the military activity.

Our Military Personnel Subcommittee, as well as our Military Compensation Subcommittee, have been looking into these problems for some period of time in an effort to find remedies through the legislative process. As far back as the 92nd Congress, the House Armed Services Committee initiated legislation which was eventually enacted to establish a scholarship program and the Uniformed Services University of the Health Sciences in order to provide new sources of physicians. It was evident after termination of the draft that a shortage of physicians could develop, and the committee, in addition to establishing the medical school and the scholarship program, sought other means of encouraging retention in the services through bonuses, other income benefits, and most recently in the last Congress, malpractice legislation which provides complete coverage for health care professionals in the services.

In the meantime, the physician shortage struck with an impact which has hit dependents and the retired community with a severe blow. The fruits of the physician have not had time to materialize since the first students have not completed their training and the military medical school is in its second year. Nonetheless, we hope to fully support those programs and indeed possibly make them more attractive to encourage greater numbers of people to enter military medicine. We hope to take other initiatives that will further alleviate the problem in the years ahead.

In the meantime, we are also directing our attention to CHAMPUS and hope to see an improvement in the administration of that program, including better claims service, up to date fee schedules, and other initiatives which would make CHAMPUS more attractive to the medical community.

In sum let me assure you that our committee will make every effort to improve the health care situation, both for dependents of active duty personnel, as well as those in the retired community.

MILITARY PERSONNEL

In the area of personnel, the Military Personnel Subcommittee of the Committee will be holding hearings soon on grievance procedures in the military. The focus of these hearings will be to find out whether the existing grievance procedures provide an effective avenue for service personnel to express their concerns.

Many of the Members believe that a major reason behind the interest in unionization in the military is frustration on the part of service personnel with their inability to have their problems aired properly within the system. During these hearings, I would expect that the Subcommittee will be receiving evidence from servicemen and women of all ranks to get their perspective on how the system is working.

I personally think that the major problem existing in this area is that the first-line supervisor—who knows the man and his problems the best—is not being given enough authority to solve the individual's problems. Possibly these hearings will be able to provide assistance in this area.

In another area, the Military Personnel Subcommittee will be looking into the status of Reserve training and overall readiness. I don't have to tell each of you that the viability of the Army as a whole today depends on an effective Reserve force. In the Individual Ready Reserve, which would provide fillers for existing units and replacements in the first days of combat, the present situation is a disaster with a shortage of over 300,000 personnel.

The Selected Reserve is also experiencing severe recruiting and retention problems with the Army Guard and Reserve almost 50,000 short of their authorized strengths. The Committee on Armed Services initiated an incentive program this year in an effort to attempt to offset this deficiency. If incentives are not effective, a more drastic step such as a draft for the reserves may be necessary.

In closing, let me again say what a distinct honor it has been for me to talk to you on subjects I hope have been of considerable interest to you. Thanks again for inviting me.

WHERE COMMUNISM REMOVES ITS MASK

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. DORNAN. Mr. Speaker, a curious masquerade is being performed on the world stage today and it is succeeding in fooling many Americans with the help of the liberal elements in our country.

These Americans are fed a steady diet of pro-Communist pap from the left wings of the press, academe, the State Department, and Congress.

These Americans are told that the Communists mean us no real harm . . . we can all live together amicably.

They are told that communism is merely another life style and that it can exist side-by-side with a free society.

They are told that the bulk of those who live under communism are at peace with their rulers.

They are told that communism has succeeded in bringing a higher quality of life to many backward countries to the benefit of the citizenry.

They are told that there are only a few dissidents who wish to escape Communist domination . . . most people are getting along very well in their day-to-day existence.

And—not suprisingly—the Communists are cooperating with and encouraging this sham. Cultural exchanges are arranged so that the American people can see the "high quality" of entertainment produced in a Communist society. "Amateurs" from Communist countries compete in international sports events to show the calibre of athlete trained under communism often bests that trained in many free nations. Guided tours are given of Potempkin villages to spread the word about the high quality of life under communism.

The charade is very well orchestrated. At least in most places.

There is one place where the wave of people fleeing communism has become such an embarrassment that the Communists have removed their mask of benignancy and exposed their hideous visage of oppression.

That place is the border between Eastern and Western Germany.

The Berlin Wall and the heavily fenced 836-mile frontier are testimony to the failure of communism and the masquerade.

The facts of the Wall and the fence have shattered the mask of communism so completely that the press has been forced to recognize it. The very elements in our own society which tend to depict communism's victims as "happy workers" now report on the "hideous fence system." Time magazine, in its July 18 issue, has even reported on the daily activity of our own servicemen patrolling that fence in their article, "G.I. Watch on a Deadly Border."

We can only hope that this is the beginning of an awakening on the part of all the members of the press to the masquerade of communism and their own role in its perpetration:

GERMANY—G.I. WATCH ON A DEADLY BORDER

Even when hopes for détente have been high—and nowadays they are waning—tensions between East and West have remained all too tangible along the border between the two Germanies. For more than a generation, elite units of NATO and Warsaw Pact forces, the world's two most powerful war machines, have faced each other across this heavily guarded 836-mile frontier. To signal clearly that it remains determined to defend Western Europe, even in the face of a massive Warsaw Pact arms and troop buildup, the U.S. next year plans to base an additional 3,800-man infantry brigade in West Germany, near Bremerhaven. Meanwhile, crack U.S. units continue to patrol more than half the eastern frontier, along with the West Germans who guard the entire border. Two armored cavalry regiments of the U.S. Army, about 8,400 troops in all, keep watch on the ground and aboard helicopters.

Time Bonn Bureau Chief B. William Mader recently joined a squad from the 11th Armored Cavalry Regiment on its dawn-to-dusk rounds along a section of the border. His report:

As our Jeeps moved slowly along a narrow dirt road parallel to the border, the G.I.s kept their eyes peeled for signs of unusual activity, such as East German troop movements or perhaps even the sight of Russian units, which usually keep themselves well hidden. Occasionally we halted directly across from an East German watchtower or work detail; when the G.I.s peered through their binoculars, they could see East Germans peering right back. At some spots we were barely five yards from the Communist troops but exchanged neither word nor gesture with them. Said Major James Steele, a tall, lean Texan: "This is where the action is. We all know exactly what to do if things blow up."

HIDEOUS FENCE

One of the patrol's main tasks was to note the progress the East Germans were making in renovating the hideous fence system they

have built along the frontier to stop their citizens from escaping to the West. At one location, about 30 soldiers—guarded by other troops, in standard East German fashion—were sinking concrete pilings, stretching mesh wiring and installing self-firing explosives. Apparently the old system, consisting of two parallel mesh-wire fences with a minefield in front of each, was not considered deadly enough. Thus "improvements" are being made, at a cost of about $500,000 a mile.

In the new system which has now been completed along roughly one-sixth of the frontier, the first fence has been eliminated, while a deep, concrete-lined ditch has been added. It is intended to thwart would-be escapees trying to crash the border in cars or trucks. West of the ditch is a minefield, then a new close-meshed wire fence that begins 3 ft. underground (to prevent tunneling) and rises 10 ft. above the earth.

Along the fence are antipersonnel mines and automatic-firing machine guns that are triggered by an electronic eye and set up to hit, variously, at knee, head or chest level. One part of the old system remains: hungry police dogs on long wire leashes still roam along the fence. Muttered Cadet Wade Schieber, a West Point third-year man assigned to summer border-patrol duty: "It's hard to imagine the dreadfulness of this until you see it. It sure isn't any New York-New Jersey state line."

Despite the overwhelming odds against success, East Germans still keep trying to beat the fence. Last year some 573 fled over the Berlin Wall and across the frontier; in the first four months of this year, an additional 204 made it to the West. But many fail. American patrols have had to watch helplessly as escaping East Germans have been gunned down by the border guards. Under strict orders not to violate East German territory, the G.I.s cannot do anything to help unless the escapees manage to reach West German soil.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterik to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 21, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 22

8:00 a.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings on constitutional issues associated with negotiations for the disposition of the Panama Canal Zone and of U.S. facilities located therein.
6202 Dirksen Building

8:30 a.m.
Judiciary
Constitution Subcommittee
To continue hearings on S.J. Res. 1, 8, and 18, proposing amendments to the Constitution so as to provide for the direct popular election of the President and Vice President of the U.S.
235 Russell Building

9:00 a.m.
Government Affairs
Federal Spending Practices and Open Government Subcommittee
To resume hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on proposed legislation to amend section 4 of the Clayton Act so as to allow recovery for damages by direct or indirect purchasers of goods.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To continue oversight hearings on the Endangered Species Act of 1973.
4200 Dirksen Building

Special Aging
Closed business meeting.
154 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider the nomination of Robert H. McKinney, of Indiana, to be a member of the Federal Home Loan Bank Board, and H.R. 5675, to authorize the Treasury Department to make short-term investments of any portion of its excess operating cash balance.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1077, to assure that essential maritime transportation is provided to Alaska, Hawaii, and certain U.S. territories.
5110 Dirksen Building

Energy and Natural Resources
To consider pending calendar business.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To receive testimony from Administration officials on the proposed sale of AWACS aircraft to Iran.
4221 Dirksen Building

Government Affairs
Permanent Investigations Subcommittee
To continue hearings on the present status of the Department of Labor Task Force investigation of the Teamsters Central States Pension Fund.
1114 Dirksen Building

Judiciary
To hold hearings on the nomination of Harold L. Murphy, to be U.S. district judge for the northern district of Georgia.
2228 Dirksen Building

Veterans' Affairs
To consider pending calendar business.
412 Russell Building

3:00 p.m.
Joint Economic
Priorities and Economy in Government Subcommittee
To hold hearings on the status and function of women in the military.
5302 Dirksen Building

JULY 25

8:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings on proposed energy conservation amendments to S. 1469, proposed National Energy Act.
3110 Dirksen Building

9:00 a.m.
Environment and Public Works
To hold hearings on the nominations of Joseph M. Hendrie, of New York, and Peter A. Bradford, of Maine, each to be a Member of the Nuclear Regulatory Commission.
4200 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on estate and gift tax problems arising from the Tax Reform Act of 1976.
2221 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Elizabeth E. Bailey, of New Jersey, to be a Member of the Civil Aeronautics Board.
6226 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume oversight hearings on the Railroad Revitalization Act of 1976 (P.L. 94–210) and amendments proposed thereto.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1724, to establish a Neighborhood Reinvestment Corporation.
5302 Dirksen Building

Joint Economic
To receive testimony on a mid-year review of the economy.
1202 Dirksen Building

Select Indian Affairs
To hold hearings on S. 1582, to authorize the Secretary of the Interior to supply water to the Ak Chin Indian community in settlement of that community's claim against the United States.
235 Russell Building

10:30 a.m.
Governmental Affairs
To hold hearings on the President's plan to reorganize the Executive Office of the President (reorganization plan No. 1).
3302 Dirksen Office Building

2:00 p.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 1514, to extend the dates during which the transitional rules of the Tax Reform Act of 1969 postpone the applicability of Section 4941 of the Internal Revenue Code.
2221 Dirksen Building

JULY 26

8:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 1478, S. 1622, and 1857, providing improved authority for the administrtaion of certain National Forest System lands in Oregon.
1318 Dirksen Building

Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To continue hearings on proposed energy conservation amendments to S. 1469, proposed National Energy Act.
3110 Dirksen Building

Judiciary
Hearing Panel
To hold hearings on S. 1503, to provide for the payment of losses incurred as a result of the ban on the use of the Chemical Tris in apparel and fabric.
2228 Dirksen Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

Human Resources
Labor Subcommittee
To hold hearings on bills to amend the Age Discrimination in Employment Act of 1967 to protect the employment rights of older workers (S. 481, 1583, 1768, 1773, and 1784).
4232 Dirksen Building

Select on Nutrition and Human Needs
To receive testimony from representatives of the egg industry concerning a report on "Dietary Goals for the U.S.".
322 Russell Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings to consider financing alternatives for the remaining portions of the Federal Interstate Highway System.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume oversight hearings on the cost of drugs.
Until Noon 6202 Dirksen Building

Joint Economic
To hear OMB Director Bert Lance on a mid-year review of the economy.
318 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume mark up of H.R. 5294, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Commerce, Science, and Transportation
Business meeting to consider pending calendar business.
235 Russell Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To receive testimony from Ambassador Elliot Richardson on the progress of the United Nations Law of the Sea Conference.
1318 Dirksen Building

Foreign Relations
To hold hearings on protocol to the Convention on International Civil Aviation (Exec. A, 95th Cong., 1st sess.), and related protocols (Exec. B, 95th Congress, 1st sess.)
4221 Dirksen Building

Governmental Affairs
To receive testimony on a proposal submitted by the President on July 15, 1977, relative to the reorganization of the Executive Office (Reorganization Plan No. 1).
3302 Dirksen Building

Select on Intelligence
Intelligence and the Rights of Americans Subcommittee
To hold closed hearings on proposal to establish procedures for electronic surveillance in the area of foreign intelligence (embodied in S. 1566).
H-405, Capitol

JULY 27

8:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings on part E (Electric Utility Rate Reform) of S. 1469, proposed National Energy Act.
3110 Dirksen Building

9:00 a.m.
Armed Services
Research and Development Subcommittee
To receive testimony in closed session on S. 1863, DOD supplemental authorizations for fiscal year 1978.
224 Russell Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

Human Resources
Labor Subcommittee
To continue hearings on bills to amend the Age Discrimination in Employment Act of 1967 to protect the employment rights of older workers (S. 481, 1583, 1768, 1773, and 1784).
4232 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on the cost of drugs.
Until noon 1318 Dirksen Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the role of the halfway house in the rehabilitation of alcoholics.
Until noon 1202 Dirksen Building

Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings to examine the erosion of law enforcement intelligence gathering capabilities.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business meeting to consider pending calendar business.
Room to be announced

Select on Intelligence
Intelligence and the Rights of Americans Subcommittee
To hold closed hearings on proposal to establish procedures for electronic surveillance in the area of foreign intelligence (embodied in S. 1566).
H-405, Capitol

JULY 28

8:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To continue hearings on part E (Electric Utility Rate Reform) of S. 1469, proposed National Energy Act.
3110 Dirksen Building

8:30 a.m.
Foreign Relations
Foreign Economic Policy Subcommittee
Closed business meeting.
S-138, Captiol

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

Human Resources
Labor Subcommittee
To hold hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To resume oversight hearings on the Endangered Species Act of 1973.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

Commerce, Science, and Transportation
Business meeting to consider pending calendar business.
Room to be announced

Foreign Relations
To hold hearings on proposed Threshold Test Ban and Peaceful Nuclear Explosions Treaties with the U.S.S.R. (Exec. N. 94th Cong., 2d sess.)
4221 Dirksen Building

Select Indian Affairs
To hold hearings on S. 1214, to establish standards for the placement of Indian children in foster or adoptive homes; S. 1215, to provide grants to Indian-controlled postsecondary educational institutions; and S. 468, to amend the Navajo Community College Act.
318 Russell Building

10:30 a.m.
Judiciary
Criminal Laws and Procedures Subcommittee
To continue hearings to examine the erosion of law enforcement intelligence gathering capabilities.
Room to be announced

JULY 29

8:00 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on constitutional issues associated with negotiations for the disposition of the Panama Canal Zone and of U.S. facilities located therein.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume oversight hearings on the Railroad Revitalization Act of 1976 (P.L. 94-210), and amendments proposed thereto.
5110 Dirksen Building

10:00 a.m.
Budget
To mark up second concurrent resolution on the Congressional Budget for fiscal year 1978.
357 Russell Building

Human Resources
To mark up S. 1391, proposed Hospital Cost Containment Act.
Until noon 4232 Dirksen Building

Select Indian Affairs
To hold oversight hearings on the Bureau of Indian Affairs budget process.
318 Russell Building

AUGUST 1

9:00 a.m.
Human Resources
Labor Subcommittee
To resume hearings in S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

10:00 a.m.
Budget
To continue mark up of second concurrent resolution on the Congressional Budget for fiscal year 1978.
357 Russell Building

Select Intelligence
To resume hearings on a proposal to establish procedures for electronic sur-

veillance in the area of foreign intelligence (embodied in S. 1566).
1202 Dirksen Building

AUGUST 2

9:00 a.m.
Human Resources
Labor Subcommittee
To continue hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcomimttee
To resume oversight hearings on the effectiveness of antitrust laws enforcement
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1664–1669, to amend in several regards the law as it pertains to Federal regulations of financial institutions
5302 Dirksen Building

Budget
To continue mark up of second concurrent resolution on the Congressional Budget for fiscal year 1978.
357 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1792, to amend the Administrative Conference Act.
6202 Dirksen Buiding

AUGUST 3

9:00 a.m.
Human Resources
Labor Subcommittee
To continue hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To hold hearings on S. 1140, to encourage and assist states to develop improved programs for the conservation of nongame species of native fish and wildlife.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue mark up of S. 1664–1669, to amend in several regards the law as it pertains to Federal regulation of finanical institutions.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on Federal Indian Domestic Assistance programs.
Room to be announced

AUGUST 4

9:00 a.m.
Human Resources
Labor Subcommittee
To continue hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1542, to extend to September 30, 1979, the Council on Wage and Price Stability, and S. 1724, to establish a Neighborhood Reinvestment Corporation.
5302 Dirksen Building

AUGUST 5

9:00 a.m.
Human Resources
Labor Subcommittee
To continue hearings on S. 1871, to increase the Federal minimum wage.
4232 Dirksen Building

AUGUST 23

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on the dimension of national debts and payments deficits, and the outlook for the future.
5302 Dirksen Building

AUGUST 24

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on the dimension of national debts and payments deficits, and the outlook for the future.
5302 Dirksen Building

SEPTEMBER 8

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on automatic auto crash protection devices.
511 Dirksen Building

10:00 a.m.
Select Indian Affairs
To hold hearings on the concept of creating an independent Indian Agency.
Room to be announced

SEPTEMBER 9

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on automatic auto crash protection devices.
5110 Dirksen Building

SEPTEMBER 12

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1710, proposed Federal Insurance Act of 1977.
5302 Dirksen Building

SEPTEMBER 13

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1710, proposed Federal Insurance Act of 1977.
5302 Dirksen Building

10 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Donald L. Tucker, of Florida, to be a Member of the Civil Aeronautics Board.
5110 Dirksen Building

SEPTEMBER 14

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1710, proposed Federal Insurance Act of 1977.
5302 Dirksen Building

SEPTEMBER 15

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1594 and H.R. 5959, to revise and extend the Renegotiation Act.
5302 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 364, Veterans' Administration Administrative Procedure and Judicial Review Act.
Until 1 p.m. Room to be announced

SEPTEMBER 28

10:00 a.m.
Veterans' Affairs
To receive legislative recommendations from representatives of the American Legion.
412 Russell Building

CANCELLATIONS

JULY 22

10:00 a.m.
Foreign Relations
Arms Control, Oceans, and International Environment Subcommittee
To receive testimony on the results of the recent Law of the Sea Conference.
4232 Dirksen Building

JULY 27

9:00 a.m.
Veterans' Affairs
Health and Readjustment Subcommittee
To hold oversight hearings on a study by the National Academy of Sciences on health care for American veterans.
6226 Dirksen Building

SENATE—*Thursday, July 21, 1977*

(Legislative day of Tuesday, July 19, 1977)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Reverend Canon Nelson W. Pinder, vicar of the Episcopal Church of St. John the Baptist, Orlando, Fla., offered the following prayer:

Our Father in Heaven, bless this Senate and grant that all the work done may be to the glory of Your great Name and to the benefit of all Thy people.

Give Thy wisdom and grace to all authority, that they may be examples of holiness, simplicity, and self-denial. Bless each one who works here. Take from them all pride, vanity, and self-conceit, and give them true humility. Enlighten their minds, subdue their wills, purify their hearts, and so fill them with Thy spirit and Thy love that their labor here will contribute to the unification and strengthening of our great country.

We praise You for the founders and benefactors of this Senate and pray Your blessings upon them. May we all truly trust in Thee and remain one Nation under God. Amen.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Jour-

nal of the proceedings of yesterday, Wednesday, July 20, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, the Human Resources Committee, in an effort to be responsive to President Carter's priority on hospital cost containment legislation, has developed a timetable which would result in reporting the legislation (S. 1391) before the August recess.

In order to meet that timetable, which is necessary in order for the Finance Committee to complete deliberations by the target October 8 adjournment date, the Subcommittee on Health and Scientific Research, headed by the Senator from Massachusetts (Mr. KENNEDY), has had to schedule a subcommittee executive session for today at 2 p.m. This time was necessitated by the schedules of the majority of the members of the subcommittee.

I therefore ask unanimous consent that that subcommittee may be authorized to meet today at 2 p.m.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. STEVENS. I do object.

The ACTING PRESIDENT pro tempore. The objection is heard.

Mr. STEVENS. It is reluctantly that I do so, but, as I am sure the majority leader knows, we have an objection from our side to a committee meeting at that time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any committees having jurisdiction over energy legislation, and wishing to meet today during the session of the Senate on energy legislation only, may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. STEVENS. Reluctantly, again, I must object to that. I will report back to the majority leader on that limited request. I will, however, have to define the limits of my authority.

The ACTING PRESIDENT pro tempore. Objection is heard at this time.

Mr. ROBERT C. BYRD. I must say for the record that I had not indicated to the distinguished assistant Republican leader that I was going to make that request. I had not had the opportunity to do so. So I fully understand the objection to my request he has put in.

Mr. STEVENS. I will check it out.

Mr. ROBERT C. BYRD. I thank the Senator.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, in order that the Committee on Human Resources may know that it will have the consent of the Senate to meet during the session of the Senate today, I ask unanimous consent that the Committee on Human Resources be allowed to meet during the session of the Senate today for the purpose only of concluding an important hearing on the nominations of nine Presidential appointees to positions in the executive branch.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, is this the subject, the same matter that is the subject, of the letter of July 21 given to us this morning?

Mr. ROBERT C. BYRD. Yes, it is.

Mr. BAKER. Mr. President, I would ask the majority leader respectfully to withhold for just a moment until I can make an inquiry.

Mr. ROBERT C. BYRD. Yes, indeed. I withdraw the request temporarily.

The ACTING PRESIDENT pro tempore. The unanimous-consent request is withdrawn.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Does the assistant Republican leader seek recognition?

Mr. STEVENS. Mr. President, I ask unanimous consent that my staff assistant, Will Browning, be permitted to have access to the floor today. His name is not yet on the list.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. I yield the time of the minority leader to the Senator from Pennsylvania, who wishes, as I understand it, to discuss the problem of the Johnstown flood. He is on his way over. Is there a special order?

SPECIAL ORDERS

The ACTING PRESIDENT pro tempore. The next order of business is the special order for the recognition of the distinguished Senator from North Carolina (Mr. HELMS), who is to be recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the special order of Mr. HELMS there be a brief period for the transaction of routine morning business, with statements therein limited to 10 minutes, and with no resolutions coming over under the rule.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. I thank the majority leader, and I yield back the minority leader's time.

The ACTING PRESIDENT pro tempore. Under the previous order——

Mr. STEVENS. I suggest the absence of a quorum, for just a minute.

Mr. ROBERT C. BYRD. I ask unanimous consent that the time for the quorum call be taken out of the minority leader's time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that a member of my staff, Miss Sarah Simms, be accorded the privilege of the floor during the morning period.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

WHO REALLY REPRESENTS THE VIEWS OF THE MAJORITY OF AMERICAN WOMEN?

Mr. HELMS. Mr. President, I think the title of my remarks today should be, "Who Really Represents the Views of the Majority of American Women?" The subtitle perhaps ought to be, "How Carefully, If At All, Does the Congress of the United States Monitor the Expenditure of the Funds Which Congress Appropriates?" I intend to address myself at some length to both of these questions in my ensuing remarks.

Mr. President, from the beginning of congressional debate on activities surrounding the International Women's Year movement, I have been opposed to Federal funding of the U.S. National Commission on International Women's Year.

As I stated in May of 1976, it was my opinion that the various organizations supporting this Commission did not represent the majority of American women. Nor did I feel that this Commission would represent the best interests of American women.

Mr. President, I make no claim to prophetic power, but in recent weeks some of my deep concerns have become reality.

Mr. President, in the past month my office has received letter after letter from concerned women all across the United States. These women have described their frustrations with and opposition to what they have witnessed at the various State women's conferences conducted under the auspices of the National Commission on International Women's Year—a Commission which received $5 million in Federal tax moneys.

I ask you, Mr. President, to bear with me as I present a rather lengthy report on activities which are being conducted before our very eyes. It is urgent that we take the time to examine carefully meetings held in the name of "justice for American women."

Despite the length of this report, it is by no means complete. When reports of events at the North Carolina IWY meeting began to reach me—about a month ago—I asked my staff to make a preliminary survey of what was happening around the country.

Mr. President, I make no pretense that the result can be considered a thorough-going investigation; it consists only of information that came to hand through inquiries limited by time and facilities.

But even so, enough information has come to light to reveal a widespread pattern and practice of discrimination by IWY and its State affiliates against

those women who do not agree with the narrow and negative ideology and partisan biases of the IWY organizers. In those few instances where a fair vote was forced upon IWY meetings, the IWY program was overwhelmingly defeated. But for the most part, the reports indicate rigged sessions, hand-picked committees, stacked registration, and little or no publicity to women at large. The IWY program to date appears to be a distortion of the intent and purpose of Federal statutes authorizing and funding IWY, and perhaps even may represent a violation of Federal law. At any rate, the IWY program represents a violation of the rights of all women who believe in the positive social and moral values of womanhood.

Today I am calling upon the appropriate committees of both the House and the Senate to investigate how these public funds are being spent and to determine whether the IWY organizers have adhered to the basic principles of fairness, balance, and equity, and to determine whether any Federal laws have been violated. If such be the case, then certainly Congress should take action to halt further spending by IWY, particularly for the proposed National IWY Conference in Houston—which now appears will be a rubberstamp, unrepresentative debacle. Moreover, action should be taken to recover Federal funds already spent from those responsible for any misuse.

Moreover, Mr. President, I am writing to the General Accounting Office today to ask for an accounting of the spending to date of the $5 million appropriated last year for the IWY, and of the IWY's adherence to the requirements set down in the appropriate statutes authorizing and funding the IWY. GAO has already studied lobbying by the National Commission and funding of the Commission by executive branch agencies previous to the 1976 appropriations, and found substantial irregularities even at that time. I believe that Congress and the American people have a right to know whether the National Commission on International Women's Year has been keeping to the ground rules in the spending of the appropriated $5 million.

Mr. President, I ask unanimous consent that my letter to Mr. Elmer B. Staats, Comptroller General of the United States, be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 20, 1977.

HON. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: On July 20, 1977, in a speech delivered on the Senate floor, I cited numerous complaints which had come to my attention with regard to the fairness, balance, equity, and adherence to Federal law by the National Commission on International Women's Year—a Commission established by Executive Order in 1975 and authorized and funded with $5 million by acts of Congress in 1976.

My remarks did not represent a full-scale investigation; but in view of the material which has come to light, I believe that such an investigation is called for. Of particular concern are the areas of lobbying activities, the balance of representation on the National Commission and its state affiliates and at the state women's conferences, and an accounting of the appropriated $5 million.

In both Public Law 94–167 and Public Law 94–303, the National Commission on International Women's Year is prohibited from using appropriated funds for the purpose of lobbying activities. Nevertheless, information received seems to indicate that the intent of the National Commission is to directly influence members of legislative bodies, both State and Federal, with regard to legislation pending before or proposed to those bodies—particularly with regard to the Equal Rights Amendment to the United States Constitution.

In addition, it appears that the National Commission has violated the Federal Advisory Committee Act of 1972—in which the following conditions are stipulted:

Section 5b(2): "The membership of the advisory committee is to be fairly balanced in terms of the points of view represented and the functions to be performed by the advisory committee."

Section 5b(3): ". . . appropriate provisions must assure that the advice and recommendations of the advisory committee will not be inappropriately influenced by the appointing authority or by any special interest."

Furthermore, numerous violations of Federal Rules and Regulations have been alleged concerning voting and financial accounting procedures. Pertinent sections include the following:

1901.12(a): "Complete financial records of grant funds including legible, itemized receipts to support all payments must be maintained by the fiscal officer or agent of the Coordinating Committee. Receipts for all expenditures made by the Coordinating Committee shall be maintained on file and certification of the existence of these receipts shall be submitted with the reports required in 1902.13(a). . . ." (Federal Register, vol. 42, no. 59)

1904.16(c): "The Nominating Committee shall prepare and present a balanced list of nominees for the State's Representatives with name, address, statement of willingness to serve and other data specified by the Commission." (Federal Register, vol. 42, no. 38)

1904.16(d): "The list of nominees shall be presented to the Coordinating Committee not less than 10 days prior to the State Meeting, and shall be made available immediately to any inquiring person or group. . . ." (Federal Register, vol. 42, no. 38)

With $5 million in Federal tax monies involved, I believe that the American public has a right to know whether the National Commission on International Women's Year has adhered to the Federal statutes governing its operations.

I therefore request that the General Accounting Office undertake an audit of the National Commission on International Women's Year to determine whether or not Federal laws have been adhered to. I am enclosing a copy of my report to assist you in your investigation.

Sincerely,

JESSE HELMS.

Mr. HELMS. On July 1, I brought to the attention of my worthy colleagues a strategy—indeed, a battle plan—which the National Organization for Women, the National Women's Political Caucus, the Lesbian Caucus, and other militant feminist groups are implementing at the individual State women's conferences. The purpose of such a plan is to prevent differing viewpoints from being given appropriate consideration.

These conferences, Mr. President, were intended to provide an open forum for women of all persuasions. Ms. Bella Abzug, now the presiding officer of the National Commission on International Women's Year, repeatedly reassured members of the House during its deliberation over Public Law 94–167 that these conferences would indeed be for all women. I quote from Ms. Abzug:

As I stated in my opening remarks, and as is the expressed purpose of this legislation, . . . we expect that the [state] meetings and the [National Women's] Conference will provide a forum for people of opposing views on [the Equal Rights Amendment, abortion legislation,] and many other issues. People who are concerned with women and their role will be welcome without regard to their views on any specific issues.

Now, Mr. President, how do we reconcile the purpose of the Monitoring and Mobile Operation Partnership Plan (MMOPP)—which I entered into the RECORD on July 1— and the above statement by Ms. Abzug? Well, the answer, of course, is that we cannot.

The closing cry of the MMOPP plan, "Never Give Your Enemy an Even Break," is characteristic of a spirit which is most offensive to those of us here and to all citizens who seek to serve the greatest democracy the world has ever known.

It is time, Mr. President, that Congress investigate the performance of the National Commission on International Women's Year. I believe that this report contains enough information to demonstrate that such an investigation is long overdue.

I. THE NORTH CAROLINA WOMEN'S CONFERENCE

Let me begin, Mr. President, by describing to you the situation in my own State of North Carolina. Concerned women from all across my State have written to voice their strong opposition to and frustration with the manner in which the women's conference held in Winston-Salem on June 17–19, 1977, was planned and conducted.

Areas of particular concern are representation of all viewpoints, availability of registration materials to all interested women, the actual planning of the conference, voting procedures employed at the conference, and lobbying activities by the IWY Commission.

An examination of these issues, Mr. President, will reveal the inequities committed in the name of "equal rights" for all women. A more fitting title for such activities would be "absolute power" for a few elitist women's groups who would dictate their desires upon the grassroots woman.

Mr. President, let us look first at the issue of representation. The Federal Advisory Committee Act of 1972—Public

Law 92–463—requires the membership of any advisory committee

to be fairly balanced in terms of the points of view represented . . .

And—

that the advice and recommendations of the advisory committee will not be inappropriately influenced . . . by any special interest. . . .

With that in mind, Mr. President, is it not somehow incongruous that the 32-member North Carolina IWY Coordinating Committee stands 31 to 1 in favor of the equal rights amendment, and that there is no representative of a pro-life group on the committee?

Mr. President, this coordinating committee was appointed in a State which has repeatedly rejected the equal rights amendment as elected legislators voted the conviction of the majority of their constituents. But, of course, we must remember that the National Commission on International Women's Year is also representative only of a well-organized feminist minority. Of its 42 members, only 1 woman represents those millions of women who oppose the ERA and abortion on demand.

Are we then witnesses, Mr. President, to a violation of a Federal law in that special interest groups do have a most decided influence upon the workings and recommendations of the North Carolina IWY Coordinating Committee?

The ramifications of this initial situation are great. Permit me, Mr. President, to turn to the issue of publicity and registration. Ms. Abzug herself uncategorically affirmed that these women's meetings would be widely publicized. I quote from Ms. Abzug:

The state meetings will be widely publicized through the media, through the press, through organizations, through community groups, so that every organization and every woman will know that in her state . . . she will have an opportunity . . . to come together with other women and say: "This is how I feel. This is how I see what has happened in this country. This is what I think should happen . . ."

Mr. President, there must be untold thousands of North Carolina women who look in disbelief at that statement. In addition to having little advance notification, the press—and particularly in Winston-Salem, the location of the Conference—attempted for several weeks prior to the Conference to obtain information from the Raleigh IWY office. Exact information was frequently not forthcoming. Television spots aired in Winston-Salem the week of the Conference—and on which IWY Coordinating Committee members were interviewed—revealed little more than a series of "I don't know's" or "We don't have that information yet."

As you can well imagine, Mr. President, this was a cause of real embarrassment to the interviewer. Can one call such a performance "informative publicity" for such an important meeting?

As I mentioned, Mr. President, I have received many letters from women who had volunteered their time and efforts to the planning of the Women's Conference, but who felt that their help was not wanted. Allow me to take just one example and go into this at some length because it is typical of many other cases.

At a January 13, 1977, planning meeting for the Conference, Mrs. Mary Pegg of Winston-Salem agreed to handle registration. She volunteered her time and efforts and was sincere in wanting to do a thorough and responsible job. At every step along the way, however, her efforts were thwarted or simply overlooked.

After the January 13 meeting, Mrs. Pegg went to the Republican Women's Club of Forsyth County and requested its help with registration. The women voted to so do and would wait for instructions.

Mrs. Pegg went to three local planning meetings in January and February. At each meeting she requested information from State coordinating committee members as to her exact duties and responsibilities, but her requests were brushed aside.

Finally, in February, she received a list of items for which she was to be responsible. Mrs. Pegg, therefore, called a meeting in March to begin the work. Her committee worked up a profile sheet for use in establishing equitable quotas should more than 2,000 women register for the conference. Mr. President, can we not understand Mrs. Pegg's dismay when she learned that the coordinating committee had rejected the profile and that one had been drawn up without the help of the registration committee?

Furthermore, Mr. President, Mrs. Pegg made repeated suggestions as to how costs could be kept down for preparing the convention packets. She was told that these ideas would be looked into.

Nevertheless, as weeks passed, there came no indication that these suggestions were followed up. Time and time again, Mrs. Pegg made the effort to secure information or begin work on her responsibilities. Time and time again she was told not to worry with that. It had already been taken care of.

Can we not well imagine, Mr. President, that Mrs. Pegg became quite concerned as to exactly who was running the show and for what purposes? On May 15, 1977, therefore, she sent in her name stating her desire to serve as a delegate to the Houston National Women's Conference. Not until 4 days before the Winston-Salem Conference did she receive word from the State coordinating committee. The decision to place her name on the official slate came only after a storm of protest from a woman quite concerned about the possible balance of viewpoints among the nominees.

A clue to the usurpation of authority finally came when Mrs. Pegg—who had been duly appointed chairman of the registration committee in February, and who had been vainly trying to fulfill that function—received a form letter dated June 6. It was signed by another person as registration chairman, and it thanked the recipient for volunteering to sit at the registration desk. At this point, Mrs. Pegg felt that her efforts had been completely frustrated, and she, therefore, indicated her intention to resign. The self-appointed clique that was determined to control the convention with an iron hand had won the day.

Such accounts of frustrated efforts are numerous, Mr. President. I have been informed that the program committee, composed of women from Greensboro and Winston-Salem, had already met three times when they received word that the Raleigh office was handling workshop arrangements and that the committee's work was not needed.

Mr. President, I have received reports that important meetings were missed by coordinating committee members. It has also been alleged that vouchers and receipts were not required before reimbursement by the Raleigh office. In general, Mr. President, it appears to have been a classic example of poor administration.

Members of the coordinating committee started arriving in Winston-Salem on June 12, and were housed in the very elegant Hyatt House. They thus had 5 days in comfortable surroundings to organize the preconvention activities.

However, Mr. President, when the opening of formal registration began at 3 p.m. on Friday, June 17, the delegates found that nothing—I repeat—nothing was ready. There were no conference packets. Workship assignments had been printed, but no one was sure who had them. Indeed, workshops had to be conducted without the necessary supplies of paper and pencils.

In short, Mr. President, the situation pointed to an inexcusable waste of taxpayers' moneys. Had not coordinating committee members been in Winston-Salem, across the street from the conference center, for 5 days?

Mr. President, let us consider even another matter. Many organizations in Winston-Salem itself—to which many women contribute and including the Winston-Salem Symphony Guild, the Southeastern Center for Contemporary Art, the Right to Life chapter, and the Winston-Salem/Forsyth County Council on the Status of Women—received no formal notification of the so-called grassroots-oriented women's conference.

It appears to me that an elitist group controlled the access to information and registration materials and that grassroots women were excluded from the planning and indeed notification processes.

Mr. President, I have received numerous other letters charging the North Carolina IWY Coordinating Committee with additional irregularities. Prominent among these charges is one dealing with the process of nominating and electing delegates to the National Women's Conference to be held in Houston, Tex., in November.

Pertinent sections of the Federal rules and regulations governing IWY State meeting organization demand the following procedures:

1904.16(c) The [State] Nominating Committee shall prepare and present a balanced

list of nominees for the state's Representatives with name, address, statement of willingness to serve and other data specified by the Commission.

1904.16(d) The list of nominees shall be presented to the Coordinating Committee not less than 10 days prior to the State Meeting, and shall be made available immediately to any inquiring person or group.

Once again, Mr. President, the reality stands in contrast to the rules. First of all can we possibly expect a stacked State coordinating committee to elect a nominating committee which would be able to prepare a balanced list of delegate nominees? Given all the other facts that have come to light concerning the planning of the Conference, would it not be naive to assume that the nominees truly represented a balanced cross section of North Carolina women?

Moreover, the list of delegate nominees was not completed until 4 days before the Conference and was not available to the public until the time of registration. Then on Saturday morning, June 18, a new list appeared entitled "Women for Women"—the result of a late Friday night caucus of feminists not pleased with several of the names on the initial list. After much confusion among the Conference participants, it was finally announced that the list from Friday was the official delegate nominee list; but the "Women for Women" list remained in circulation.

Mr. President, I live in Raleigh and have a high regard for the abilities of the women of that city. But I do find it difficult to believe that other metropolitan and rural areas apparently lack qualified women to represent their concerns. Of the 32 delegates eventually elected, 16 are from the Raleigh-Durham area alone. In addition, not one of the 32 women elected represents a Right to Life or Stop ERA group.

I suggest that such a group is not representative of the majority of North Carolina women.

In connection with the election, Mr. President, I have been informed that mistakes in voting procedures necessitated a revote. The revote was not called until after midnight Saturday and was scheduled for Sunday, June 19. Without having to point out the fact that the call for a revote was inexcusably late, I would also like to remind my colleagues that June 19 was Father's Day—a day which many of the women wanted to spend with their families.

Such a revote meant that more than half of the convention participants could not take part in the final election. Most of these women never knew that their first ballot was meaningless.

Finally, Mr. President, there is the issue of lobbying. Allow me first to refresh briefly the memory of my distinguished colleagues—or inform them, as the case may be—concerning the history of this issue.

The original legislation directing the National Commission on International Women's Year to convene a National Women's Conference had nothing in it which specifically prohibited the use of funds for lobbying purposes. Because of the great concern expressed by the constituents of many Congressmen that the IWY and its national conference would be used to lobby for ERA, abortion, and other issues, an amendment was accepted which prohibited the use of any authorized funds for lobbying activities.

Bella Abzug further attempted to reassure Congressman BAUMAN, in particular, that he—and I quote—"need not fear that this conference will be used to lobby on those issues that he is concerned about."

I commend Mr. STEIGER of Arizona, however, for his correct assessment of the inevitable outcome. He considered such an amendment a worthy exercise in statutory language and then went on to say:

I know it will be supported by the ladies. It would also be impossible of enforcement, as I am sure the Members of the House are aware. Lobbying is indeed the only result of these conferences.

A truer statement could not have been uttered. Despite the assurances of Ms. Abzug and her followers, despite the written prohibition against lobbying contained in Public Law 94–167 and in the appropriation bill, Public Law 94–303, these conferences are organized and resolutions are passed which are intended to influence State legislatures and the Congress with regard to certain issues.

Allow me to illustrate my point, Mr. President. At the North Carolina Conference, the IWY book "To Form a More Perfect Union . . . Justice for American Women" was given to every registered participant. I will simply quote some of the material found therein.

The ratification of the Equal Rights Amendment is a logical and overdue step toward our historical commitment to 'form a more perfect union' and 'establish justice.' (From the Transmittal Letter)

In another section of the book, we find the following:

Full partnership for the homemaker . . . and for the woman in the work place . . . reproductive freedom, as well as responsible choice, . . . passage of the Equal Rights Amendment—all these and many more are part of the dream. It is the duty of every citizen who cherishes the Declaration of Independence to help it come true. (Page 2)

In another section of the book, we find entire chapter entitled "ERA—Let the Record Speak". In this chapter only pro-ERA arguments and statements appear.

As if we might need further evidence to realize that equality and freedom of speech are reserved only for those who support Bella Abzug's views, let us make careful note of the following statement printed at taxpayers' expense and distributed at each State conference meeting. Once again, I quote from "To Form a More Perfect Union . . .":

A campaign to discredit the Equal Rights Amendment, which has confused the public, has been mounted by ad hoc organizations, such as Stop ERA, Happiness of Womanhood, and Operations Awake. Statements of effects on the law of the Equal Rights Amendment have been circulated. Many . . . are distortions, half truths, or outright misrepresentations. . . . It has been difficult for the press to report on the ERA because the typically short press deadlines make it all but impossible to check out Phyllis Schlafly's systematic misrepresentations. (Pages 29–30)

Now I ask you, Mr. President, does the National Commission on International Women's Year have the corner on the discernment of truth?

According to such statements, it appears that they believe so. And they are using our money to force their convictions on State legislatures and the Congress.

Turning to some of the resolutions passed at the North Carolina Conference, let us remember that these State resolutions will go on for consideration at the National Conference in Houston, and that similar resolutions from the Houston Conference will form the basis of recommendations to the President and to Congress.

With regard to gay rights, the North Carolina Women's Conference resolved that—

The FCC be directed to establish advertising and program guidelines . . . prohibiting the exclusion of . . . people representing diverse lifestyles.

With regard to the equal rights amendment:

Be it resolved that the North Carolina State Women's Meeting urge the State legislature to ratify the Equal Rights Amendment to the United States Constitution."

With regard to abortion:

Be it resolved that government funding should continue to finance abortion for all women . . . as a basic human right.

These resolutions and others, Mr. President, were passed at a meeting controlled by an elitist group of feminists who had $74,388 of Federal tax moneys at its disposal. I do not believe that such a conference is truly representative of the women of North Carolina.

II. A BRIEF HISTORY OF THE INTERNATIONAL WOMEN'S YEAR MOVEMENT IN THE UNITED STATES

Mr. President, in order to understand what is happening this summer, it will perhaps be helpful to review the history of International Women's Year activities in the United States.

Direct U.S. participation in the United Nations observance of International Women's Year began in 1972. In that year the Department of State established an informal interagency group responsible for planning the U.S. observance of International Women's Year in 1975. This group established a U.S. Center for IWY and began urging the creation of a national commission.

The Department of State also established an IWY Secretariat responsible to then Deputy Secretary Robert S. Ingersoll. The purposes of this group were:

First. To prepare materials for the U.S. delegation to the International Women's Year Conference to be held in Mexico City in 1975;

Second. To act as the staff for the national commission.

State Department personnel provided administrative services to the Secretariat and the National Commission on International Women's Year which was established by President Ford on January 9, 1975, through Executive Order 11832. The 35 Commission members from the private sector and its 4 members of Congress were supported by Sec-

retariat staff members, many of whom were on detail from other agencies.

Administrative services provided the Secretariat from the State Department included quarters and budget, personnel, and printing services. Included among the personnel services was advice from Virginia Allan, then Deputy Assistant Secretary of State and Chairman of the 1969 President's Task Force on Women's Rights and Responsibilities.

Mr. President, it is extremely important to note the composition of that first National Commission. This Commission should have been constituted in compliance with rules of the Federal Advisory Committee Act of 1972—Public Law 92-463. The following sections of that act are pertinent:

Section 5B(2): "The membership of the advisory committee [must] be fairly balanced in terms of the point of view represented and the functions to be performed by the advisory committee."

(3): ". . . appropriate provisions [must be made] to assure that the advice and recommendations of the advisory committee will not be inappropriately influenced by the appointing authority or by any special interest."

It is obvious, Mr. President, that no such attempt at balanced representation was made. From the beginning the National Commission on International Women's Year has been dominated by active feminists and used to further their goals.

A sampling of the Commission membership tells the story:

MEMBERSHIP

1. Jill Ruckelshaus—Chairman—pro-ERA/abortion, member of the Advisory Committee on the National Women's Political Caucus.
2. Alan Alda—characterized in ". . . To Form A More Perfect Union . . . as an active feminist
3. Casey Eike—characterized in ". . . To Form A More Perfect Union . . ." as an active feminist
4. Elizabeth Athanasakos—member of the 1969-70 President's Task Force on Women's Rights and Responsibilities, the League of Women Voters, and a local Women's Political Caucus
5. Pat Carbine—publisher/editor-in-chief for Ms. Magazine
6. Audrey Rowe Colom—President of the National Women's Political Caucus
7. Martha Griffiths—former Congresswoman and principal supporter of ERA in the House.
8. Velma Hill—member of the American Federation of Teachers (a teacher union with ties with the AFL-CIO) and the New York Commission on the Status of Women
9. Patricia Hutar—U.S. Representative to the UN Commission on the Status of Women
10. Bella Abzug—Congresswoman from New York
11. Congresswoman Margaret Heckler—a leader in the ERA fight
12. Gerridee Wheeler—member of the National Women's Political Caucus
13. Senator Birch Bayh—a sponsor and leading advocate of ERA
14. Senator Charles Percy—active in the field of legislation for women and a delegate to the 1975 IWY Conference in Mexico City.

Mr. President, there are at least 24 active feminists out of the total 39 members. Biographies of others were not specific enough to be able to determine how many of these might have been pro-ERA. However, none have been prominent in the anti-ERA fight.

Moreover, Mr. President, we all know that an advisory committee composed of nonpaid members cannot be expected to run the day-to-day activities of the office. Because of this, it is important that the deputy coordinator in charge of policies and plans for the National Commission is Mrs. Catherine East. Mrs. East is a veteran from the Council on the Status of Women and is quite outspoken in her advocacy of ERA and abortion.

With these facts in mind, Mr. President, can it hardly be considered surprising that the following resolution was adopted at the Commission's first meeting on April 14-15, 1975?

The National Commission on the Observance of International Women's Year, as its first public action and highest priority, urges the ratification of the Equal Rights Amendment . . .

As our main commitment to the observance of International Women's Year we pledge to do all in our capacity to see that the Equal Rights Amendment is ratified at the earliest possible moment.

Such a resolution, Mr. President, definitely appears to represent the viewpoint of a special interest group and could never have been the result of a Commission of balanced points of view. To accomplish its goals the Commission already had at its disposal about $350,000 of funds and personnel—Federal tax moneys—transferred from other agencies. More funds would continue to be made available.

In addition to the passage of the above resolution, Mr. President, the Commission also established 13 work committees to examine issues important to women. An interdepartmental task force was also created within Government departments to implement IWY projects. This was in accordance with section 4 of the Executive order issued by President Ford on January 9, 1975.

Each agency of the Executive Branch shall designate at least two persons, preferably a man and a woman, to be responsible for planning and implementation of projects and programs within such departments and agencies for the domestic observance of International Women's Year.

A. THE INTERDEPARTMENTAL TASK FORCE

On August 1, 1975, the task force met for the first time and examined the World Plan of Action unanimously adopted at the U.N. Conference in Mexico City. The members of the task force were urged to begin to implement "those parts of the plan which are relevant to our stage of national development."

Such "parts", Mr. President, would call for the passage of the ERA, abortion on demand, Government funded universal child care centers as a means for the Government "to supplement the training and care that children get at home," a so-called more equitable distribution of income by means of more Government regulation, the implementation of a new international economic order, and the birth of a society created by women serving as a "powerful revolutionary social force."

Now, Mr. President, according to the World Plan of Action, it will be necessary in this emerging ideal society to reassess the "functions and roles traditionally allotted to each sex in the family and the community at large." Furthermore, the plan asserts the "necessity of a change in the traditional role of men as well as of women."

These are only some of the worldwide goals established by a Conference controlled by the most militant feminists and revolutionaries. These are only some of the plans, Mr. President—all involving increased governmental control—which would be forced upon the citizens of the United States if the National Commission, in its role as a "revolutionary social force", has its way.

Let me reiterate, Mr. President, that this elitist group of feminists and their viewpoints were being financed with Federal tax moneys.

B. THE THIRTEEN WORK COMMITTEES AND THEIR RESOLUTIONS

The 13 committees also began their work. Needless to say, Mr. President, the results could have been predicted by any astute observer of the feminist movement. The reports and resolutions of the committees and the task force form the bulk of the content of the official report of the National Commission given to President Ford.

Published in mid-1976 and funded by tax moneys, this report—To Form A More Perfect Union . . . Justice for American Women—represents only one viewpoint—that of the feminists. Millions of American women should take great offense that such a report was given to the President and to the people of the United States as a statement on the needs of all American women and as a means by which justice could be brought to "all the unliberated women."

In actuality, Mr. President, does not the entire activity of the National Commission and its use of Federal tax moneys to promulgate the interests of a particular special interest group amount to the historically controversial concept of taxation without representation? Nowhere in this report, Mr. President, is there to be found a viewpoint representative of the woman against ERA, for the life of the preborn child, against increased Federal intrusion into her life and her family's happiness, for the unhindered functioning of the free enterprise economic system, for the independent functioning of the American democratic system, and for the supremacy of our Constitution over any decree issued by the strife-torn and ineffective United Nations.

Indeed, in a strange turn of the tables, these attitudes are characterized as unpatriotic and reactionary. I quote from the report:

Full partnership for the homemaker . . . and for the woman in the work place . . ., reproductive freedom, as well as responsible choice, passage of the Equal Rights Amendment—all these and many more are part of the dream. It is the duty of every citizen who cherishes the Declaration of Independence to help it come true."

Mr. President, consider some of the verbatim resolutions presented in the report, followed by my comments on their long-range impact:

1. The IWY Commission asserts that the Federal Government should assume the major role in directing and providing for universal voluntary child development programs as a valuable service to parents, as essential to a child's best interest, and as society's obligation to avoid the cost of neglect."

Mr. President, here it is assumed that the Federal Government should be responsible for the care of preschool children. But who or what is the Federal Government? How can it have the real interest of each and every child in mind? Would not such control during the formative years of a child's development eventually serve only the interests of the State? What educational philosophy would be adhered to?

A partial answer for these questions is perhaps to be found in one of the topics discussed at a workshop on motherhood held at the Virginia Women's Conference. The subtitle ran: "How To Raise Nonsexist Children."

2. The IWY Commission recommends that the United States Commission on Civil Rights conduct its planned study of "Sex Discrimination in Physical Education and Athletics" without delay, using this study to evaluate the effectiveness of title IX (Education Amendments of 1972) in eliminating sex discrimination in physical education and athletics generally in educational institutions. Furthermore, The IWY Commission recommends that the President and Executive Branch oppose any amendments which would weaken the protections against sex discrimination in education guaranteed by title IX.

Now, Mr. President, this recommendation would require forced sex-integration in every aspect of the educational system, including elementary, secondary, and college, public and private, academic and athletic, and school social functions, regardless of whether the students and parents involved want such sex-integration. These recommendations implicitly state that one should not have any right to attend a single-sex school or participate in any single-sex functions in connection with any school or college. Any amendment which would allow exemptions from the strict mandate against sex discrimination should be repealed or rejected. This would include amendments permitting girls' sororities and boys' fraternities, mother-daughter and father-son school events, and girls' or boys' glee clubs. Mr. President, would not such a state of affairs be tragic, indeed?

3. The IWY Commission supports the series of Supreme Court decisions guaranteeing reproductive freedom to women and condemns any interference, open or subtle, with a woman's right to control her reproduction. Furthermore, the Commission recommends that all State Governments bring their abortion laws into compliance with Supreme Court decisions.

First of all, Mr. President, is there not inherent in the above recommendation an element of lobbying? Let us recall that this would be lobbying with our tax moneys. If such a recommendation is adopted by all States, every woman is given the legal right to kill her preborn child at any time.

Moreover, the Commission's recommendation that "responsible sexuality, including family life and parenthood, be offered at all levels of elementary and secondary education"—coupled with the admonition that all such programs "must take into account changing sex roles and new lifestyles" and that "teachers must recognize and accept the many differences in contemporary family structure"—means that young school boys and girls will come to accept the killing of unborn babies as freely as tonsillectomies and appendectomies.

In my opinion, Mr. President, there is even a more serious implication from the recommendation. And that involves the inherent recognition of the acceptability of homosexual lifestyles.

Mr. President, I submit that these attitudes cannot be construed as being representative of the majority of American women.

4. The IWY Commission recommends the ratification of the equal rights amendment.

Mr. President, many American women have presented arguments against the ERA. Chief among their concerns are the following: First, draft-age girls would be subject to compulsory military combat duty in wartime; second, husbands would no longer be legally obligated to provide the main financial support of their wives and children; third, homosexuals would legally be able to obtain marriage licenses and teach in the schools; and fourth, the Federal Government would have final decision-making power over marriage, divorce. and child custody.

C. FUNDING OF THE NATIONAL COMMISSION

Mr. President, the biased research for and publication of this report was being conducted with operating cash which the IWY Commission was receiving in grants from other Federal agencies. A recent GAO investigation, January 13, 1977, instigated at the request of Representative OLIN TEAGUE of Texas revealed that for fiscal years 1975 and 1976 the IWY Commission received $299,860 in transferred funds and $298,974 in personnel detailed from other Federal agencies. According to this report, $245,000 of the transferred funds were provided without proper legal authority, and one of the staff assignments, costing $21,234, was improper.

With all these resources available to the National Commission and its tremendous efforts on behalf of the ERA, it must have come as quite a surprise when both New York and New Jersey referendums defeated ERA on November 4, 1975. The Commission scrambled to enable itself to function through the 1976 legislative battles on ERA. President Ford must surely have been unaware of the actual reality of the National Commission when he extended the year of IWY to June 30, 1976, through Executive Order 11889 issued on November 25, 1975.

III. INITIAL CONGRESSIONAL ACTION ON THE IWY—PL 94-167

It is against this dramatic backdrop, Mr. President, that the legislative drama produced by then Congresswoman Bella Abzug begins to unfold with the discussion of H.R. 9924 on December 10, 1975. Let us briefly review the specifics of Ms. Abzug's bill.

H.R. 9924 contained provisions, first, to continue the National Commission on IWY; second, to direct the Commission to convene a National Women's Conference to be preceded by State and local conferences; third, to establish a permanent committee of the Conference to follow up on Conference recommendations and hold a second conference in 1985; and fourth, to authorize $10 million for the above purposes.

House debate was intense. Opponents expressed their deep concern that the conferences would result in little else but lobbying for ERA and other issues which were opposed by their constituents.

Mr. HYDE pointed out that these conferences would simply duplicate work already in existence. Every State, he pointed out, has a Commission on the Status of Women which is active in "developing, isolating, delineating, and confronting the problems that face women."

Mr. HYDE reasoned that if Ms. Abzug was serious in her statement that "this is not a bill which projects or requires the conference to project a particular point of view" but that "women will be coming to this Conference who hold opposing viewpoints on all subjects, then he—Mr. HYDE—saw more merit in working with the previously mentioned State commissions than "going through the rather ritualistic and expensive charade of a conference where polarization is unquestionably going to occur."

Would not polarization indeed be the result—even in the most ideal circumstances of mutual respect for other viewpoints—of Ms. Abzug's stated intention that, and I quote:

> The significant thing about this National Conference is that it will afford an opportunity for every kind of woman, representing every viewpoint, in every State of this Nation to make a statement of her concern.
>
> The Conference will provide a forum for people of opposing views on these and many other issues. People who are concerned with women and their role will be welcome without regard to their views on any specific issues.

Mr. President, are we so naive or so fearful of being unjustly accused as anti-women that we could fail to reason that a National Commission controlled by representatives of the most militant of feminist organizations—a Commission which had already spent and would need to continue to expend thousands of dollars to publish the unequivocally feminist-activist report "To Form A More Perfect Union," a report which speaks disparagingly of groups who oppose the pro-ERA, pro-abortion, pro-increased Federal intervention in private lives viewpoints—are we so naive as to believe that a Commission which acted as the catalyst in uniting organizations supporting the ERA under the umbrella of ERAmerica—are we so naive as to believe that such a Commission would be capable of planning and conducting State and national conferences which would not be forums for feminism and which could, indeed, provide a "meaningful setting," in Ms. Abzug's own words, for "truly [examining] the questions addressing American women"?

Mr. President, even if we ignore the composition of the National Commission and its previous track record, a disturbing theme subtly runs throughout many

of the proponents' speeches. The phrase "women with common goals" appears not infrequently in the arguments for Federal funding of a National Women's Conference. Now, Mr. President, I am not saying that there is something wrong with women of common goals wanting to come together to build a sense of unity and to strengthen their fight to achieve equality and justice. What I am saying is that the Conference was touted as one dedicated to equal representation of women with all types of viewpoints and goals. Therefore, Mr. President, I see a disturbing contradiction in the proponents' arguments.

Mr. Albert was careful to say he realized that women are not monolithic human beings, but he continued what has in actuality characterized the purported "multi-philosophical atmosphere" dictated by Federal law at the primarily federally financed women's conference. I quote:

It is necessary that we permit women with common goals to meet locally, on the State level, and on the national level to try to point out the areas where they lack the same rights that belong to their brothers in their own society.

In this statement, Mr. President, I believe that Mr. Albert clearly asserted the monolithic viewpoint and set of goals which the women's conferences were presumed to represent.

Once again, Mr. President, let me reaffirm my belief that various women's groups should be allowed to assemble and promulgate their own ideological identity, but it should not be done at the taxpayers' expense and espousing to represent all American women. As Mr. STEIGER himself said:

Women are not monolithic human beings.

But perhaps the most contradictory of all defenses given for a Federally funded series of monolithic women's conferences is that expressed by Mrs. Mink:

By keying the themes of International Women's Year and the Bicentennial, we will draw a broad cross-section of all women to attend each of the 50 state conferences. . . . We can effectively combine the goal of the IWY's "action" plan and the theme of American women, past and present. . . .

Such a statement, Mr. President, is predicated upon the acceptability of the U.N. World Plan of Action—a plan endorsed by an organization which increasingly ignores all semblance of equality and justice and rarely speaks the desires of the freedom-loving American public.

Furthermore, the philosophies of this Plan of Action and of that behind the Bicentennial celebration stand in diametric opposition to one another. The idea commemorated by the Bicentennial was independence, limited government, personal freedom; the idea espoused by the IWY is subservience to increased Federal regulation, world government, militant radicals, and a value system in which there are no absolutes. Therefore, Mr. President, a conference which truly sought to combine the themes of the IWY and the Bicentennial would be doomed to failure from the outstart. One or the other would triumph.

Mr. President, it saddens me to state that, indeed, strictly monolithic planning has assured the success of the IWY ideals. H.R. 9924 passed the House with 252 to 162 with 1 answering "present" and 19 not voting. It was amended to provide for a termination date for the Commission on March 31, 1978; to reduce the authorized funds from $10 million to $5 million; and to prohibit any authorized funds from being used for lobying activities. On December 23, 1975, Public Law 94–167 went into effect.

IV. LAWSUIT FILED AGAINST IWY COMMISSION

On April 9, 1976, a lawsuit was filed in Federal District Court in Alton, Ill., against the National IWY Commission, charging that it was violating the United States Constitution and the Federal Advisory Committee Act of 1972. Several of the complaints were as follows:

Count 6: The United States Constitution does not permit the Executive Department of the Federal Government to have any part in the proposing or ratifying of amendments to the United States Constitution. It is a violation of Article V of the Constitution for the Executive Department or for a creation thereof, such as the Defendant National Commission to work for passage of the ERA to the United States Constitution Section 9 of said Public Law 94–167 also forbids using funds authorized to it "for lobbying activities."

Count 7: Members of the Defendant National Commission and employees thereof, such as Catherine East, have appeared frequently on television, at State Legislative hearings and in public speeches across the country . . . for the purpose of urging ratification of the Equal Rights Amendment. In addition, the Defendant National Commission has adopted the "Statement of the Reproduction Freedom Committee" supporting abortion-on-demand, Federal financing of abortion facilities for all women, and opposition to any constitutional amendment that would limit abortion. Members of the Defendant are publicly supporting the Federal financing of abortion facilities for all women. Said acts of the defendant constitute "lobbying activities" forbidden by said Section 9 of Public Law 94–167.

Mr. President, the suit is still under litigation.

V. IWY RECEIVES $5 MILLION FROM CONGRESS

On April 13, 1976, Mr. President, debate began in the House on H.R. 13172, an appropriations bill containing the $5 million authorized to the National Commission by Public Law 94–167. Of great concern was the very issue of lobbying on the part of the IWY. Despite the activities of the IWY on behalf of the ERA, abortion and other issues, there were still people who actually believed or wished to believe that a National Women's Conference under the guidance of the National IWY Commission could be called for and conducted "totally separate from the ERA, from abortion, from busing, from any other controversy" that Congress might wish to consider (Mrs. HECKLER). Opponents, realizing that the money would inevitably be appropriated, amended the bill to stipulate "that none of the funds shall be used for the purpose of directly or indirectly influencing the passage or defeat of any piece of legislation before any legislative body including the ratification of any Constitutional Amendment." Mr. President, the specificity of such wording indicates the great concern and intent of the Members of the House.

Debate in the Senate on May 11, 1976, was also intense. Despite the past history of the Commission as a "controversial, special interest group engaged in political activity" which "may well be operating outside of the law"—as I noted in my remarks on the issue—H.R. 13172 was approved. The final version of the bill, worked out in conference, resulted in an apparent weakening of the antilobbying clause. The wording of Public Law 94–303 appropriates $5 million provided that "none of the funds appropriated shall be used for lobbying activities."

During House discussion on the conference report, Mr. BAUMAN, in trying to clarify the term "lobbying activities," received assurances from Mr. MAHON that the new wording "should limit" lobbying activities before Federal and State bodies. And in words which almost give the impression of a wishful hope, Mr. STEED responded:

". . . it is my opinion that it does prohibit any use of this money for lobbying. . . . We have been assured by the chairman and others involved in the work of this Commission that there will be no abuses of the use of this money in the lobbying field. Outside of having their assurance and their word for it, I do not know of anything else at this stage that we can depend on, other than the language of the bill, and that is the way they interpret it."

Public Law 94–303 went into effect June 1, 1976.

VI. PREPARATIONS FOR THE WOMEN'S CONFERENCES

It is time, Mr. President, now that the reassurances of proponents are legislative history, to begin to examine on its own merits the concept of the National Women's Conference as it unfolds at the various State conferences. Apart from its tangible history, the National Women's Conference remains an idea, an idea which perhaps the majority of American women would support if it were carried out in the spirit of true freedom and equality.

But let us return once again to the activities of the National Commission as it appointed State coordinating committees to head up the planning in the individual States. A pattern began to develop and continued into the preparation of workshop materials and debates—a pattern which clearly conflicts with Federal Advisory Committee Act provisions calling for balanced representation and safeguards against inappropriate influence exercised by any special interest. The epitome of such disregard for the principles of a democratic society is evidenced by the sworn testimony of Mrs. Catherine East before Judge Robert Morgan in Federal district court in Illinois. Mrs. East admitted that the National Organization for Women had been invited to participate in the Illinois Women's Conference, but that groups opposing ERA had been excluded "because they are not concerned with women's issues."

On March 29, 1977, President Jimmy Carter specifically directed the National Commission on International Women's Year to organize and convene a National

Women's Conference and increased the Commission to 45 members, amended to 42 members by means of Executive Order 11980. Appointed by President Carter, the Commission presently includes some of the most active and, indeed, even militant feminists:

APPOINTEES

1. Bella Abzug—Chairperson
2. Gloria Steinem—editor of Ms. magazine
3. Jean O'Leary—co-executive director of the National Gay Task Force
4. Eleanor Smeal—President of N.O.W.
5. Audrey Rowe Colom—President of the National Women's Political Caucus
6. Martha Griffiths—former Congresswoman and principal backer of ERA
7. Elizabeth Athanasakos—immediate past chair of the IWY National Commission
8. Liz Carpenter—co-chair of ERAmerica.
9. Seymour Chassler—editor of Redbook and originator of a project designed to publish pro-ERA articles in 35 magazines.
10. Ruth Clusen—President of the League of Women Voters.
11. Mary Anne Krupsak—Lieutenant Governor of New York and leader of ERA fight in 1975.

The following organizations are represented, all of which have come out in favor of ERA:

ORGANIZATIONS

1. National Women's Political Caucus.
2. American Civil Liberties Union.
3. ERAmerica.
4. National League of Women Voters.
5. National Federation of Business and Professional Women's Clubs.
6. National Organization for Women.
7. Citizens' Advisory Council on the Status of Women.
8. National Gay Task Force.
9. Church Women United.
10. American Association of University Women.
11. Women's Action Alliance.
12. Coalition of Labor Union Women.
13. Common Cause.

Of the 42 Commission members from the private sector and the four Members of Congress—Senators BAYH and PERCY, Representatives HECKLER and HOLTZMAN—only one member opposes ERA. Not one member belongs to STOP ERA, the Eagle Forum, or Right to Life—groups which represent the viewpoints of millions of American women. Is such a situation what "justice for American women" is all about?

"To Form A More Perfect Union" has already delineated the issues and chosen sides. If the national Commission is allowed to continue its plans, the recommendations from this report and additional ones from other militant groups will be passed off as the views of the majority of American women.

The question, "How representative of all women are these recommendations?" must be answered quite skeptically, Mr. President, in view of the evidence already presented. In view of the State-by-State account which follows and in view of the implementation by the highly organized feminist minority of the monitoring and mobile operation partnership plan, MMOPP, the answer to the above question becomes even more obvious.

VII. THE STATE WOMEN'S CONFERENCES: ARE THEY OPEN FORUMS?

Turning now to the evidence provided at the various State women's conferences, more pieces of the emerging puzzle begin to take shape. Reference has already been made to the situation in North Carolina. Therefore, permit me, Mr. President, to give highlights from other parts of the country.

A. CALIFORNIA

Mr. President, the California IWY Coordinating Committee received $100,000 in Federal funds for the convening of a California Women's Conference in Los Angeles on June 16–19. The following irregularities and complaints have been filed by women who attended that conference and characterized it as being controlled and conducted by militant radical groups "to promote the ratification of ERA, Federal-financed abortion on demand, Federal child development and baby-sitting services for all children, and other women's lib and gay-lesbian legislative and social goals." Mr. President, the facts are profoundly disturbing.

First. The timing of the meeting was quite inconvenient for many women in California. It was held on the weekend of school graduations and Father's Day. This kept most family oriented women from attending or caused great hardship and sacrifice for those women who chose to attend. In addition, the plenary session to vote on resolutions was held on Father's Day.

Second. Very little publicity was given to the meeting. Ads or articles in newspapers announcing the event were frequently not carried until 2 weeks before the event. Many announcements appeared after the deadline for mailing in applications to become a delegate to the National IWY Conference in Houston.

Third. Prominent church women's groups were not invited to attend nor to aid in the planning of the meeting.

Fourth. There was personal harassment and intimidation to those who did not agree with the feminist viewpoint. A literature table presenting pro-life material was stormed by a large group of lesbians.

Fifth. Registration packets of information were often incomplete. Omissions included the official slate of delegates to Houston and the convention rules.

Sixth. Workshop locations were moved without notice and confusing notices were placed on doors as to the new location of the workshop.

Seventh. In the resolution voting session on Sunday morning, those having grievances were asked by the Chair to go to another part of the building to air their complaints to a committee member. The voting procedure nevertheless continued. When points of order were presented to the Chair concerning this matter, they were ruled out of order.

Eighth. Workshops were changed, eliminated or taken over by an easily identified element which then proceeded to establish its own purposes and select its own moderator. For example, the workshop "health care for all" became the "self-help clinic." In order to vote on proposed resolutions, one had to be in attendance during the workshop discussion. The women thereby were subjected to lesbian films.

Ninth. Floor nominations for delegates to the national conference conducted at the Friday A.M. plenary session were abruptly closed after 36 nominations. After much protest, the nominations were held open for 2 more minutes. At the end of that time, floor mikes were unplugged.

Tenth. During the workshops, the MMOPP plan of stacking workshops was much in evidence. Women were directed by means of monitors and beepers as to the workshops where they were needed for a majority.

Eleventh. Voting boxes were left unattended. The marking of the ballot was done any place by any means.

Twelfth. When the voting results were announced, all 96 delegates to Houston are women who were endorsed by NOW and other feminist groups.

Thirteenth. In a workshop called "Combining Feminist Services with Politics," organized by the Center for Women's Studies and Services, literature was used which contained the following summation:

> Those of us who don't buy the current government know we can't overthrow it tomorrow. But we can begin to undermine it today. As women revolutionaries, this is part of our long haul. Why not use the system to our best advantage? Note the word "use", not "join"!

Mr. President, is there any need for comment?

B. GEORGIA

Mr. President, in Georgia, in preparation for the conference held May 6–7 in Atlanta, only 1 woman opposing ERA was appointed to the 37 member coordinating committee. Indeed, it is quite revealing that one pro-ERA committee member—after witnessing the workings of the committee—made the following remarks and remained "out of town" during the conference:

> The overall thrust of the [IWY] recommendations is to increase government (particularly federal government) involvement in all aspects of American life, to increase uniformity throughout the fifty States and the territories, to increase expenditure of public money, to increase dependency upon public institutions . . . (statment by Eliza Faschall)

In addition to extensive complaints filed by the IWY Citizens' Review Committee with regard to registration and voting irregularities, the following comments and questions demand careful consideration:

First. Keynote speaker was supposed to be "noncontroversial, one who has not made her views on ERA known publicly." This should not be Bella Abzug.

Second. Requests for second keynote speaker presenting opposing viewpoint were repeatedly made and repeatedly denied.

Third. Selection of panelists violated Federal Advisory Committee Act. Of the 100 stated workshops, only 5 presented panelists with opposing views.

Fourth. Blueprint for IWY meetings, "To Form a More Perfect Union" violates Federal Advisory Committee Act. Only one viewpoint is presented.

Fifth. Several times members of the news media were upbraided for covering the press conferences held by opponents of IWY. This is a direct attempt to sup-

press the news and the people's right to know.

Mr. President, can 300–600 people voting for the whole State of Georgia be considered as representative of all Georgia women?

C. IDAHO

The Idaho IWY Coordinating Committee received $25,000 in Federal funds for the Idaho Women's Conference held May 20–22, 1977, in Boise. Mr. President, a dissenting report was submitted by Idaho Stop ERA, Mrs. Susan Hill—chairman, and contained the following points:

First. Idaho Stop ERA, a statewide organization responsible for rescinding ERA in Idaho, was excluded from direct IWY communication and/or invitation to the conference. Other organizations were extended this courtesy as well as direct mailings to their membership.

Second. In order to provide an opportunity for those unable to attend to express their position, absentee ballots were distributed throughout the State by Idaho Stop ERA. These ballots were identical copies of the National IWY resolution questions. Duly qualified Idaho women cast 1,539 absentee ballots, individually signed and complete with address. Said absentee ballots were rejected as far as power to affect the vote on the basis of State rule No. 2–3 which requires that all voting participants be registered at the meeting. We were not allowed to register these women without paying the $5 per person charge even though these women could not be in attendance and wished only to voice their opinions via absentee ballots. This rule and action are definitely discriminatory toward women who were unable to attend, but who desired to express their opinion.

Third. Idaho women were led to believe that the IWY Conference was an effort to obtain grass roots input regarding issues affecting Idaho women. Participants attending the conference found instead highly structured workshops leading to predetermined conclusions supporting the National IWY platform.

Fourth. Further participants were asked to vote on summaries of recommendations already drafted in Washington. The predetermined recommendations clearly show that IWY is not a "grass roots action," but a nationally controlled organization operating on our tax money. Rejection of the 1,539 absentee ballots which were individually signed and addressed, is further evidence that this conference was not concerned with the viewpoints of the majority of Idaho women.

D. ILLINOIS

The Illinois Women's Conference, held June 10–12, at Normal, Ill., received $100,000 in Federal funds. Of the 59-member coordinating committee, Mr. President, only one woman opposed ERA. Registration information was freely distributed only to certain organizations. The IWY Citizens' Review Committee was forced to spend approximately $5,000 to spread registration information to women of the more traditional viewpoint.

I call to the attention of my worthy colleagues a minority report filed by Mrs. Rosemary Thomson, chairman of the IWY Citizens' Review Committee. Her comments are, in my opinion, most disturbing:

1. Times and methods for registration at the Conference fluctuated at the whim of the Illinois IWY Coordinating Committee both before and during the Conference. There was no proof of state residency required at either registration or delegate elections.

2. Workshops were stacked with 49 panelists and 16 moderators representing one viewpoint, to 1 token panelist representing the opposition. Resolutions introduced by IWY officials corresponded to those recommended by the National IWY Commission in their policy manual ". . . To Form a More Perfect Union." Rules for participation and voting established by the conference were repeatedly violated including a directive by a state legislator to bring pro-ERA delegates from another workshop into the ERA meeting after the entry deadline for voting had passed, thus assuring "enthusiastic ratification of ERA" by a slim majority in spite of reported errors in computing votes.

3. The Illinois Conference was used to indoctrinate women with the merits of the Equal Rights Amendment. Keynote speakers Bella Abzug, National IWY Chairperson; Senator Charles Percy, and Eileen M. Schaeffer, International spokesperson, all spoke in favor of ratification of ERA. No opposing viewpoint was permitted. In effect, the Federal Government, by appropriating funds, became the lobbyist for "radical, special interest," group legislation.

4. The right to express various viewpoints or to seek parliamentary information was forcibly violated by tight control over floor microphones. Tactics by IWY facilitators included unplugging, covering by hand and, at one point, breaking the microphone in half to prevent speakers from being heard. The chair refused to allow the one opposing resolution out of 130 to be voted on.

5. Finally, participants were asked to endorse a package of resolutions and were denied the opportunity to hear them read prior to the vote. Resolutions included requests for legislation to provide abortion rights, universal Federal child care, military disarmament, homosexual rights, and ratification of ERA—to name just a few.

At the end of the conference, Mr. President, 530 women walked out when it became apparent to them that their consitutional right to speak out was being repeatedly denied.

During the conference, literature was available from groups such as Common Cause, the Religious Coalition for Abortion Rights, Illinois National Organization for Women, the Illinois Women's Political Caucus, Day Care Crisis Council, Socialist Workers Party, and the Young Socialist Alliance. Furthermore, Mr. President, a film produced by the Socialist Party and shown at the Conference presented, naturally, its own special solutions to the problems of society, especially with regard to feminist issues. The film emphasized revolutionary tactics and spirit and sought to discredit free enterprise and democracy.

Other literature passed out or sold by nonprofit organizations and commercial businesses — with IWY approval — included:

"My Childbirth Coloring Book," "Growing Up Gay," "High School Women's Liberation"—with chapters on Capitalism against Socialism and the Gay Movement, "Our Bodies, Ourselves"—a rather explicit sex manual for women alone, "Demand for Day Care," emphasizing day care's opportunities to revolutionize society.

Fliers were also distributed encouraging the picketing of legislators on Father's Day to protest the ERA defeat in the Illinois State Legislature.

Finally, Mr. President, the resolutions passed included the following:

First. The military budget should be reduced; saved money should be transferred to further women's equality and people's welfare and end the arms race.

Second. The immediate ratification of the ERA is urged.

Third. Federal and State governments are to prohibit sexual—preference—discrimination in employment, housing, public accommodations, and education.

Mr. President, can we possibly consider such a conference to have been representative of a wide spectrum of philosophical viewpoints?

E. MICHIGAN

On June 10–11, 1977, the Michigan Women's Conference was held in Lansing and was funded with $99,327 of Federal tax moneys. In addition to complaints similar to other States as regard the lack of balanced representation on planning committees—only 1 woman representing the Stop ERA movement was named to the 29-member coordinating committee—and the lack of adequate publicity preceding the conference, many irregularities, Mr. President, were cited concerning the nomination of delegates to the National Women's Conference.

Mrs. Bernice Zilly, a member of the IWY planning committee and against the ERA, had received assurances that 1 hour would be granted to nominate women from the anti-ERA forces in addition to the time necessary to present the official slate and receive nominations from feminist groups. At the conference itself, however, only 1 hour total was designated to present all nominees.

Now, Mr. President, I have been told that advance notice to members of the Unity Caucus—an organization of 19 feminist groups—that all those wishing to make floor nominations would need numbers indicating speaking order, enabled these women to control the mikes for 50 minutes. Only 10 minutes, Mr. President, were left for nominating candidates with other than a feminist viewpoint. A motion to extend the nominations for an extra 15 minutes fell less than 20 votes short of the necessary two-thirds majority.

F. NEW YORK

Turning now to New York, Mr. President, we find that $100,000 of Federal funds went to the New York IWY coordinating committee for the purpose of planning the Women's Conference held in Albany on July 8–10, 1977. Attempts made by anti-ERA/pro-life groups to get information were frustrated at every turn by those in control of the meeting.

Mary Tracy, in a press release, related vividly her efforts to locate the IWY headquarters and secure registration information for her groups. Mr. President, her difficulties began as she learned that the New York office of the IWY had an

unlisted telephone number. When she made a special trip to New York, she found no listing for the IWY office on the wall directory in the building for which she had an address. Finally she learned that the IWY did share an office in the building with the National Organization for Women.

After talking with an IWY staffer, Mrs. Tracy requested applications for women in her groups and another meeting with the staffer to share the concerns of the anti-ERA/pro-life women with regard to women's issues. A second meeting was arranged, and applications were promised as soon as they were available.

On May 2, 1977, Mr. President, Mrs. Tracy and three other women made another trip to New York to meet with the IWY staff member. They were told upon arrival that they had made a mistake. The staff member was not there to see them. After waiting for an hour, the women were just about to leave when they ran into the staffer at the elevator. She belatedly agreed to meet with them.

During that meeting, Mr. President, the request for applications was repeated. Once again, the same promise to send them when ready, was given. As of the date of the press release—June 12—no applications had been received. And yet, Mr. President, just prior to the press release, Mrs. Tracy learned through a woman in charge of the Albany IWY office that 75,000 applications had already been mailed.

Furthermore, during that May 2 meeting, Mrs. Tracy was told that only those women filing a statement of destitution would be awarded scholarships to attend the meeting. Mrs. Tracy quickly noted that such a condition eliminated many homemakers who were not destitute, but on whom it would be a hardship to take household funds to pay expenses already funded by their tax money. Mrs. Tracy's conclusion:

> Members of Right of Life and Eagle Forum are being systematically excluded from the Women's Meeting in Albany, July 8–10, 1977, even if they or some of them are ready, willing and able to pay some of their expenses.

Mr. President, let us all make special note of the reply given to Mrs. Tracy's protest by the woman in charge of inviting outstanding women to the meeting. She shouted: "Get your own funds and have your own conference."

At the Albany meeting itself, Mr. President, some of the irregularities reported include:

First. The special busing of pro-ERA women from New York City to Albany for the express purpose of voting—in spite of the fact that they arrived only for Sunday and registration for voting purposes had officially ended on Saturday at 3:15 p.m.

Second. The withholding of workshop information—The locations of the 101 workshops were not listed in the program. Women with walkie-talkies were seen directing selected groups of women to the various workshops.

Third. Irregular and slow voting procedures—Only 30 voting machines had been ordered to handle the 8,000 registered voters. The ballot for delegates to Houston had 200 names listed randomly. Falsified "staff" badges were used to get special groups of women to the front of the lines, causing long waits for everyone else. After 5 hours, only 1,200 participants had voted.

Fourth. Deliberate attempt to ram resolutions through without due consideration at the Sunday plenary session—Only 4,000 copies of the resolutions had been printed; therefore, only selected women received copies. The resolutions were passed as a package and not individually. A motion to take a nose count on that ruling was ruled out of order.

Mr. President, the list could go on ad infinitum, but I believe that these items begin to present a vivid picture of the situation at Albany.

G. OHIO

A Federal grant of $100,000 was given to the Ohio IWY Coordinating Committee to help finance the Ohio Women's Conference held in Columbus on June 11–12, 1977. Of the Ohio women appointed to the coordinating committee by the National Commission, Mr. President, not one woman is publicly identified with a prolife or anti-ERA group. At a later date, however, one woman was chosen as a liaison between the philosophical groups and was eventually appointed as cochairman of the Outreach Committee.

Realizing that they had been excluded from the principal planning group, Mr. President, I am told that more than 20 prolife/anti-ERA women submitted their names to be considered as candidates on the official slate of delegates to the Houston National Women's Conference. When the official slate was announced, 52 nominees and 5 alternates represented the pro-ERA viewpoint and only 4 nominees represented the con-ERA viewpoint. Furthermore, all members of the IWY Coordinating Committee were named to the official slate.

During the conference itself, Mr. President, reports seem to indicate that the 44 workshops were carefully controlled so that profamily/anti-ERA viewpoints were excluded. If minority resolutions did gain workshop approval, they were never presented for a vote at the plenary session.

In addition, Mr. President, the following irregularities have been noted in the minority report filed by the Ohio IWY Citizens' Review Committee:

First. The profamily literature tables were placed so that their position was not an advantageous one. Many profamily participants never found the literature tables, even though they knew that they existed.

Second. Although 221 candidates were nominated, 56 being profamily nominees, when the ballots were distributed, only the official slate was presented in alphabetical order and printed on one side. The remaining candidates were listed according to nomination and their names appeared on both sides of the ballot.

Third. To accommodate 2,278 registered voters, only 12 voting booths were provided while the rest of the voters gathered around tables and exchanged names while voting. This is certainly a far cry from the secret ballot that should be preciously guarded.

Fourth. Cardboard boxes were used as ballot boxes, but women were assured that the boxes would be sealed and that ballot-tampering would be impossible. However, during voting there was no evidence of a seal and although some ballots were placed into the box through the slot, some ballots were placed in the box by lifting the top.

Fifth. In addition, ballots were not numbered; voters were not asked to sign in; and to date it has not been announced concerning the number of votes cast, the number needed for election, and the number of votes that each candidate received.

Sixth. In a conversation and letter on June 11, the IWY Citizens' Review Committee chairman was denied the request to have observers when the votes were tabulated. According to several legal opinions, this request cannot be denied a candidate, and the letter, requesting an immediate reply to this information still remains unanswered.

Seventh. At 4:30 p.m., June 12—the delegates were to be announced on June 13—one of the unsuccessful candidates entered a motion that the delegates to the National Women's Conference be instructed delegates. This motion failed.

The above motion, Mr. President, is perhaps explained by the fact that rumors had been circulating all day that the profamily delegates had won overwhelmingly. And indeed, that was true. Profamily candidates had won 45 out of the 56 delegates and all 5 alternates, indicating that the feminist concept of profamily as being minority thinking is simply not true. With a minimum of expenditure of private funds, Mr. President—approximately $1,000—the profamily women accomplished their objectives against the feminists and their $100,000 of taxpayers' money.

H. UTAH

The Utah IWY Coordinating Committee received $25,000 in Federal funds for the women's conference held June 24–25, 1977, in Salt Lake City. The following complaints have been registered by Utah women:

First. Unfair representation on the official slate for delegates to the National Women's Conference—38 pro-ERA and only 4 against.

Second. Secret registrations—IWY Committee members were allowed to register on the Thursday preceding the official opening of registration on Friday.

Third. Inadequate time allowed for floor nominations—with several thousand women expected, only 28 minutes were allotted for floor nominations to delegates for the Houston meeting.

Fourth. Lack of publicity—at least one newspaper received its first bit of "advance" publicity from the IWY on the final day of the conference.

Mr. President, if it had not been for the last minute efforts of Mormon women, Utah might have had 14 delegates going to Houston claiming to represent Utah women and yet voting for the ERA, abortion, homosexual rights, and many other items which are quite foreign to the real majority of Utah women. With an unexpected crowd of

13,000, the voice of the Utah legitimate majority was ultimately victorious. The 14 delegates elected represent the real majority opinion.

I. VIRGINIA

Mr. President, my office has received the following information with regard to the Virginia Women's Conference held in Richmond on June 10–12, 1977. The Virginia IWY Coordinating Committee received $61,061 in Federal funds to help plan and conduct the conference. Of the 39 members on the coordinating committee, there is not one who belongs to Stop ERA, Eagle Forum, or Right to Life—groups which represent many Virginia women and their concerns. However, Mr. President, the National Organization for Women, the Virginia Women's Political Caucus, the Virginia Equal Rights Amendment Ratification Council, the Woman Activist, Inc., the League of Women Voters, the American Civil Liberties Union, Catholic Women for ERA, the Virginia Commission on the Status of Women, Virginia ERA Central, and the National Black Feminist Organization are represented.

Even prior to the announcement of the 39 members, reports indicate that conservative forces were systematically excluded from the planning processes. The chairman of Virginia Stop ERA was not originally invited to attend a planning meeting held July 24, 1976. When she heard of the meeting, she immediately requested an invitation and received one on July 22, 1976. Had she not been so outspoken, only one point of view would have been represented at such an important meeting. Furthermore, her offer to serve on any committee was rejected.

Mr. President, at a February 19, 1977, meeting in Charlottesville, Va., the IWY Committee proposed a preliminary list of Virginia IWY State Coordinators. Once again, it appears that many women's groups were excluded from this aspect of the planning. On that preliminary list of 30 women, not one woman represented Stop ERA and pro-life women.

On May 29, 1977, the charade of equality continued. The chairman of Stop ERA was informed by the nominating committee that "in its efforts to maintain a balanced slate of nominees to serve as candidates for Delegate to the National Meeting in Houston, Tex.", it was necessary to exclude her name. Letter to Alyse O'Neill, chairman of Stop ERA, from Martha D. Boyle, vice chair, nominating committee, May 29, 1977.

At the conference itself, Mr. President, workshop coordinators represented the feminist viewpoint:

First, Muriel Smith—ERA workshop—member of the Virginia ERA Ratification Council.

Second. Beth Marschak—Sexual preferences in lifestyles workshop—member of the Lesbian Caucus.

Third. Nora Squyres—Women in the world-world plan of action workshop—member of the National Women's Political Caucus.

A workshop on motherhood had as its topic of discussion—"Raising nonsexist children." If it had not been for the inquiries of the chairman of the Virginia Farm Bureau's Women's Committee, the workshop on rural women would have been conducted without a representative for farm women. Furthermore, Mr. President, there was a workshop on witchcraft. This would appear to be in conflict with the rules and regulations issued March 18, 1977—Federal Register, vol. 42, No. 59. Paragraph 1903.3(d) under the "Responsibility for Agenda for State Meeting" states:

> Neither the Coordinating Committee nor the State Meeting shall include as a topic selected for the meeting subjects dealing primarily with religion, or religious institutions, organizations or activities, or women's roles in any of them.

Finally, Mr. President, according to newspaper accounts, resolutions on abortion and sexual preference were not voted on by conference participants until 10:30 p.m. on June 11, 1977. At that time, only 200 of the approximately 1,200 voting participants were present. Can the results of such an election, Mr. President, be called representative of the women attending the conference and also representative of the majority of Virginia women?

J. WISCONSIN

For the Wisconsin Women's Year Meeting held June 3–5, 1977, at Madison, the Wisconsin Coordinating Committee received $57,805 in Federal funds. According to reports, the 28-member coordinating committee, Mr. President, was dominated by women from the Governor's Commission on the Status of Women, the National Organization for Women, and the League of Women Voters.

Two members of the resolutions committee were original founders of NOW. The member in charge of workshop and resource people is the paid executive secretary of the Status of Women. In addition, the coordinating committee used the office of the Status of Women for planning the conference.

Mr. President, I submit to you the following additional complaints which have been filed:

COMPLAINTS

1. Registration was very lax. No identification was required in order to pick up packets for preregistered participants.

2. One method of providing scholarships to needy women was to fill 5 buses from Milwaukee. The scholarship consisted of the registration fee, lunch, and the bus trip. When the voting came up, there were therefore 220 additional people available at the planning committee's command.

3. The displays of books by the lesbians and the Socialist feminists were profoundly disturbing.

4. The officials deadline to submit one's papers to serve as a delegate to Houston was May 23, 1977. In spite of having adhered to the deadline, women whose names did not appear on the official list of delegates selected by the Nominating Committee of the State Coordinating Committee were required to resubmit their nomination papers on Saturday, June 4.

5. After posting, the nominating papers were tampered with. Certain organizational affiliations had been underlined in red. On others, names of the nominees had been circled.

6. At the Saturday, June 4, plenary session, N.O.W. facilitators controlled the mikes. Although questions were still pending on the floor, the meeting was adjourned without a formal motion.

7. Both of the luncheon speakers on June 4 were pro-ERA.

8. Voting procedures on resolutions at the workshops varied from workshop to workshop, and no official parliamentarians were present at the workshops.

9. The distribution of ballots for electing the delegates to the National Conference was uncontrolled. Any number of ballots could be taken by one person. The ballots contained errors in name spelling, the duplication of one name, and one column that had one more name than lines available. Voting was thereby made more difficult.

10. The ink stamp mark on one's hand to indicate that one had voted could easily be wiped off. This was demonstrated to some of the voting clerks, but nothing was done.

11. At the Sunday, June 5, plenary session there were only 300 participants remaining to vote on the resolutions. This cannot be considered as a representative vote for the women of Wisconsin.

12. As an illustration of the one-sided nature of the conference, consider the following: a Chicago Sun Times reporter thought that the conference had been funded by N.O.W.

Mr. President, in Massachusetts—whose meeting has yet to be held—$65,304 Federal moneys have been given to the coordinating committee. Complaints are already being received concerning the committee's constant changes of plans and times, resulting in a difficulty for pro-life, anti-ERA women receiving correct information promptly.

From New Jersey, receiving $72,434 for the conference held June 17–19 at Princeton University—come articles criticizing stacked workshop panels and the fact that resolutions approved in workshops—particularly a human life amendment—were never brought before the general assembly for a vote.

Mr. President, the accounts could go on and on to encompass many more States and many more complaints, including noted absences of the American flag and other patriotic signs of respect for our country. The freedom which allowed certain women's groups to be so vocal has not been shared with all women. Permit me to give one final poignant illustration of this fact. Rosemary Thomson, chairman of the IWY Citizens' Review Committee, received a call one day before the Nebraska Women's Conference from the Chairman of the IWY coordinating committee in that State. The message was short and clear: Women who do not share IWY goals should stay away and not disrupt her meeting by attempting to give their viewpoints.

Mr. President, it is Congress who financed these meetings with $5 million in Federal tax moneys collected from the broadest spectrum of people. And it is Congress, Mr. President, which must now act to halt the further funding of such clearly undemocratic and, even in some instances, anti-American conferences.

VIII. SUMMARY: AN ANALYSIS OF THE INTERNATIONAL WOMEN'S YEAR IN TERMS OF ITS OWN GOALS

In closing, Mr. President, it is perhaps not inappropriate to take a look at the

stated goals of such women's conferences contained in Public Law 94–167. Many of these goals call for an assessment of some aspect of the American woman's life and activities. The evidence presented in this report shows that these assessments are coming from an elitist group of appointed women. Therefore, let us assess this very group in terms of their own mandated goals.

A. Section 3(b)(3) "The Conference shall assess the role of women in economic, social, cultural, and political development."

Mr. President, permit me to address myself first to the Commission's economic understanding and fiscal responsibility. The American public has been taxed without representation and is the victim of a lack of fiscal integrity. Without being representative of all women, the IWY has received money from all taxpayers to promote so-called feminist goals which are offensive to many women and not a few men who are by no means "antiwomen." Money prohibited for use in lobbying purposes has been used for those very purposes. In addition, funds were received and expended without the proper legal authorization.

Mr. President, let us examine the issue of social justice. Can it be termed social justice when a group of feminists exclude their fellow women, who happen to have differing viewpoints, and ram through resolutions which do not represent the majority of women?

Consider now the Commission's political tactics. The Commission is attempting to play politics by means of a tactic—the boycott of the anti-ERA States—which could prove detrimental to many women and citizens of those States. Furthermore, the Commission's desire to set up a quota system for women in all areas of this country's life would result only in reverse discrimination and demonstrate that history has been foolishly ignored; that is, the failure of the quota system in desegregation efforts. Such a system often disregards qualification, and in this specific case, would disregard the very real needs of the male supporter of a family.

B. Section 3(B)(4) "The Conference shall assess the participation of women in efforts aimed at the development of friendly relations and cooperation among nations and to the strengthening of world peace."

Mr. President, let us examine these conferences in light of the above goal. Unfortunately, the Commission's idea of peace is a peace that must follow the birth of a new society and new international economic order created in part by women functioning as a "powerful revolutionary social force"—the World Plan of Action. From the evidence, Mr. President, must we not interpret the IWY's concept of "friendly relations" as applying only to like-minded peoples and nations and not to those who might oppose a new international economic order or the type of society advocated by the IWY?

C. Section 3(B)(5) "The Conference shall identify the barriers that prevent women from participating fully and equally in all aspects of national life, and develop recommendations for means by which such barriers can be removed."

Finally, Mr. President, I ask that we all turn a discerning eye upon the above goal and the resolutions passed at these conferences. I submit that the Commission has identified the following alleged barriers: Antiabortion laws, national defense, private enterprise, community morality standards with regard to homosexuality, the traditional roles of man and woman, and even a person's sex itself. In the media guidelines proposed by the Commission, there is a very real desire to assert that no distinction exists between man and woman. The Commission desires to eliminate references in the media to a person's sex, sexual preference, age, appearance, political affiliation, and religion. Having eliminated these so-called barriers, the Commission has stripped an individual down to the essence of his humanity—his soul. I fear, Mr. President, that the soul of a man or woman is not recognizable to the philosophy which permeates the International Women's Year movement.

I thank the Chair. If I have time remaining, I yield it back.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. HELMS. Mr. President, the distinguished minority leader, I believe, has 10 minutes remaining.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous agreement, there is now to be a period for the transaction of routine morning business, with statements therein limited to 10 minutes.

The Senator from Pennsylvania is recognized.

Mr. HEINZ. I thank the Chair.

THE JOHNSTOWN FLOOD

Mr. HEINZ. Mr. President, I want to take a few minutes to make a report to this body on the Johnstown flood. I announced yesterday, around noon, that I was going to Johnstown and that I would survey the situation. I feel it is my responsibility to report to this body the findings and actions that have been taken by myself, the Governor of our State, and other very concerned and interested parties.

I arrived in Johnstown at close to 2:30 yesterday. I immediately met with the State and local officials—Governor Shapp of our State; the chairman of the County Commission of Cambria County, Mr. Ted Metzger; the mayor of Johnstown, Mr. Herb Phuhl; and a number of other legislators—State senators, and people from the surrounding seven counties that were also affected.

They were affected, as I think has been made clear by newspaper reports, by a storm of extraordinary virulence, torrential rains extending over an 8- or 9-hour period of at least an inch an hour. The result was tremendously powerful flash flooding.

Not only did some of the major waterways, such as the Conemaugh River at downtown Johnstown, overflow its banks and thereby flood Johnstown with, reportedly, up to 9 or 10 feet of water, rivaling the tragic experiences of the 1936 and 1889 floods, but rivulets and streams that have never flooded before erupted with such force and hit in such unexpected places that the effects were most unusual and extremely devastating. Highways were ripped up as if they had been carpet bombed. Automobiles, because of the speed with which the water hit, were stacked up two and three and four on top of each other. Telephone poles were knocked around like toothpicks. Large trucks were taken up and wrapped around buildings. It was a scene of immense devastation.

It is not confined totally to the town of Johnstown, which has a population of some 71,000 people. Many other communities, including the community of Clymer, in Indiana County, which I visited, have experienced extensive property damage. It seems that the loss of life is confined primarily to the Johnstown area, where a dam, the Laurel Valley Dam, apparently broke and inundated a township. I fear that the death toll, which is most recently reported at close to 30 or 35 people, may go far higher as they start digging out. This, obviously, means a great human tragedy. It is one that I suppose we would not have known how to prevent, in part, had we had advance warning.

The fact, though, is that homes have been damaged. There has been a tremendous amount of agricultural damage. There will be massive unemployment extending over many months. For example, Bethlehem Steel, a major steel company and employer employing some 11,000 to 12,000 people up there, is out of action. It will be out of action for quite some time.

I know of dozens of coal mines that have been flooded. These are deep mines. They must be pumped out, then they must be totally checked out by safety inspectors. I imagine a lot of retimbering will have to occur.

The most optimistic forecast is that those mines will not be back in production for 6 months. So we are looking at massive, long-term unemployment in this seven-county area.

Beside this picture of incredible devastation, what did I find to be the most serious and pressing problems?

The first problem, Mr. President, is security. Security against looting so that there is no temptation for people to break the law.

With prompt action by the National Guard and by a very tough attitude taken by the mayor of Johnstown, I think this is going to be under control, but additional National Guard troops may be necessary.

An especially severe problem is that of communications. The telephone system to Johnstown is virtually inoperative. In order to make a phone call from the airport, where one would have

thought the communications would be adequate, I had to get into a helicopter, fly to a golf course, walk up to the television station, WJAC, and only there were two or three lines still operating so I could call Washington.

On the occasion when I did call Washington, I made arrangements so that, when I returned last night, I could go directly to the White House and report my findings to the President and his deputies and the head of the Federal Disaster Assistance Administration, Tom Dunn.

I reported to them, in fact, that not only was there this severe communications problem, not only is there this severe problem with debris and damage so that roads are virtually impassable, but I reported as well that there is a subsequent flooding hazard, because many of the storm sewers are clogged and are potentially going to back up if there is another storm in the area. I regret that I have heard a report that another storm may be approaching the area.

There is also going to be a considerable housing problem. It is very difficult at this point to determine how many people are going to be forced out of their homes, but it will be in the thousands, without doubt, and that will pose a major logistical problem, because trailers will have to be moved and it will take time to do that.

Second, site preparation for temporary housing, with which we experienced considerable problems during Hurricane Agnes in 1972, particularly in the Wilkes-Barre area, has made it very difficult for us to alleviate the housing problem in the prompt way that is really called for.

I made this report to the people at the White House. I think they were very impressed to know that in addition to myself, Governor Shapp of our State and Congressman JOHN MURTHA had toured that area extensively, and that we had made arrangements to insure the regional FDAA people would be on the scene. In fact, Governor Shapp and Mr. Hahn of FDAA are at this moment, touring the seven-county area so that, as required by our 1974 Flood Control Act, there will be an on-site assessment made by FDAA, thus speeding the right kind of aid to the hard-hit areas.

The presentation was eased enormously, I must add, by a film that I was able to acquire from the local TV station, WJAC. It is a 12-minute videotape they had put together, starting around midnight, Tuesday night, stretching into late Wednesday morning, giving first-hand documentary footage of the way the flood actually hit and how it directly affected people, homes, businesses, and the communities.

There is no doubt in my mind that we are faced with a minimum of $1 billion worth of property damage. It may run much higher. It was for that reason I was enormously gratified that the Federal disaster officials and the White House staff indicated there was absolutely no doubt in their minds, having seen the film and having listened to the presentation of myself and my staff, including Susan Howland, and Cliff Shannon, who is also at this moment accompanying FDAA and State disaster teams for the formal assessment. And there is no doubt in my mind, that the President of the United States will declare this seven-county area a major disaster area before noon today. The people of Columbia, Westmoreland, Somerset, Indiana, Clearfield, Jefferson, and Bedford Counties need this help.

This is, Mr. President, absolutely necessary. We need to move the Corps of Engineers in right away to start removing the debris so that the streets are passable. We need those streets passable so we can bring in emergency generators to one of the hospitals that had its power supply knocked out.

There was another, Mercy Hospital, where two floors had to be evacuated.

We need to be able to get extra equipment into those hospitals. We need to move the Small Business Administration in, the Farmers Home Administration in. We need, obviously, to get the U.S. Department of Transportation to work with the State and local people to start repairing roads.

I saw one road, Route 219, built to interstate highway specifications—it is part of the Appalachian highway system—that had been undercut by a stream one could easily step across in normal times. Yet, half of that highway was eaten away, collapsed into a ditch. It was completed only 3 years ago.

This is just some measure of the disaster and why prompt Federal action is necessary.

I have just been handed a message, Mr. President, and I am delighted to announce that President Carter has just signed the disaster proclamation at this very moment.

I want to take this opportunity to commend President Carter and his staff and Mr. Dunne for their prompt action in making sure that the people of Pennsylvania are going to obtain the very prompt and necessary assistance that they are entitled to. It is, indeed, gratifying. I am personally delighted for the President's fast action and for the help this will mean for the people there.

The first step after a disaster declaration has been signed is for somebody to be in charge who will take charge.

The Federal coordinator that will be named, immediately, as I have been assured by Mr. Dunne of the FDAA, is the most important single person.

I do want to be sure, Mr. President, having seen some of the really grievous problems that occurred in 1972 during Agnes where we got square pegs in round holes for a while, that we do appoint somebody who has the know-how and the experience and the get-it-done mentality to make sure they do coordinate the vast number of Federal agencies, ranging from the corps to HUD so we really get this situation under control. I hope we will be able to deliver on the promise of this disaster declaration with force, compassion and urgency.

The ACTING PRESIDENT pro tempore. The time of the Senator from Pennsylvania has expired.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILL

A message from the President of the United States announced that on July 21, 1977, he approved and signed the following bill:

S. 1468. An act to amend the Federal Energy Administration for the 1978 fiscal year, duration of authorities under such Act, to authorize appropriations for the Federal Energy Administrataion for the 1978 fiscal year, and for other purposes.

MESSAGE FROM THE HOUSE

At 6:43 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that:

The House disagrees to the amendments of the Senate to the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MAHON, Mr. SIKES, Mr. FLOOD, Mr. ADDABBO, Mr. MCFALL, Mr. FLYNT, Mr. GIAIMO, Mr. CHAPPELL, Mr. BURLISON of Missouri, Mr. EDWARDS of Alabama, Mr. ROBINSON, Mr. KEMP, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The House insists upon its amendment to the bill (S. 1019) to authorize appropriations for fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MURPHY of New York, Mr. BIAGGI, Mr. METCALFE, Mr. ZEFERETTI, Ms. MIKULSKI, Mr. RUPPE, and Mr. MCCLOSKEY were appointed managers of the conference on the part of the House.

The House agrees to the report of the committee of conference on the disagreeing votes of the Houses on the amendment of the Senate to the bill (H.R. 6714) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in the authorities of that Act, and for other purposes.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6884) to amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorities of that Act, and for other purposes.

ENROLLED BILLS SIGNED

The SPEAKER has signed the following enrolled bills:

S. 1474. An act to authorize certain construction at military installations, and for other purposes.

H.R. 4975. An act to amend the Public Health Service Act to extend through the fiscal year ending September 30, 1978, the assistance programs for health services research; health statistics; comprehensive public health services; hypertension programs; migrant health; community health centers; medical libraries; cancer control programs; the National Cancer Institute; heart, blood vessel, lung, and blood disease prevention and control programs; the National Heart, Lung, and Blood Institute; National Research Service Awards; population research and voluntary family planning programs; sudden infant death syndrome; hemophilia; national health planning and development; and health resources development; to amend the Community Mental Health Centers Act to extend it through the fiscal year ending September 30, 1978; to extend the assistance programs for home health services; and for other purposes.

H.R. 4746. An act to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes.

H.R. 7557. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1978, and for other purposes.

The enrolled bills were subsequently signed by the Deputy President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communications which were referred as indicated:

EC–1703. A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, Docket No. 364, Ottawa-Chippewa Tribe of Michigan, Plaintiff, v. the United States of America, Defendant (with accompanying papers); to the Committee on Appropriations.

EC–1704. A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a report on transfers of amounts appropriated to the Department of Defense totalling $57,532,000; to the Committee on Appropriations.

EC–1705. A letter from the Acting Secretary of the Interstate Commerce Commission transmitting, pursuant to law, notice that the Commission is unable to render a final decision in Docket No. 36491, Wheat, Oklahoma and Kansas to Texas Gulf Ports, within the initially-specified seven month period; to the Committee on Commerce, Science, and Transportation.

EC–1706. A letter from the Vice President for Government Affairs of the National Railroad Passenger Corporation (AMTRAK) transmitting, pursuant to law, a report on itemized revenues and expenses for the month of March, 1977 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1707. A letter from the Vice President for Government Affairs of the National Railroad Passenger Corporation (AMTRAK) transmitting, pursuant to law, a report on the average number of passengers and on-time performance for each train for the month of April, 1977 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1708. A letter from the administrator of the Federal Energy Administration transmitting, pursuant to law, a report on the economic impact of energy actions (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1709. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report on sales of refined petroleum products for the month of March, 1977 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1710. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Anti-recession Assistance is Helping But Distribution Formula Needs Reassessment" (GGD–77–76) (with an accompanying report); to the Committee on Environment and Public Works.

EC–1711. A letter from the Secretary of Commerce transmitting a draft of proposed legislation to amend the Act of June 18, 1934, regarding the submission by the Foreign-Trade Zones Board of annual reports to Congress (with accompanying papers); to the Committee on Finance.

EC–1712. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a supplemental report on the Child Support Enforcement program through September 30, 1976 (with an accompanying report); to the Committee on Finance.

EC–1713. A letter from the Deputy Director of the Office of Management and Budget, Executive Office of the President transmitting, pursuant to law, a follow-up report on the recommendations of the National Advisory Council on Vocational Education (with an accompanying report); to the Committee on Governmental Affairs.

EC–1714. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Pennsylvania Avenue Development Corporation for Fiscal Year ended June 30, 1975, and the 15-Month period ended September 30, 1976" (FOD–77–4(a)) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1715. A letter from the Director of the Community Services Administration transmitting a draft of proposed legislation to extend for three additional years the authorization of Titles I, II, III–B, VI, VII and IX contained in the Economic Opportunity Act of 1964, as amended, and for other purposes (with accompanying papers); to the Committee on Human Resources.

EC–1716. A letter from the Attorney General of the United States transmitting a draft of proposed legislation to remove the limitation on payments for Consultant services in the Community Relations Service (with accompanying papers); to the Committee on the Judiciary.

EC–1717. A letter from the Attorney General of the United States transmitting a draft of proposed legislation to establish fees for services performed by United States Marshals (with accompanying papers); to the Committee on the Judiciary.

EC–1718. A letter from the Commissioner of the Immigration and Naturalization Service, Department of Justice transmitting, pursuant to law, copies of orders entered in 903 cases in which the authority contained in Section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Agriculture, Nutrition, and Forestry:

With amendments:

H.R. 2521. An act to provide for the mandatory inspection of domesticated rabbits slaughtered for human food, and for other purposes (Rept. No. 95–355).

By Mr. STONE, from the Committee on Agriculture, Nutrition, and Forestry:

Without amendment:

S. 91. A bill to amend section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes (Rept. No. 95–356).

By Mr. ROBERT C. BYRD (for Mr. EASTLAND), from the Committee on the Judiciary:

Without amendment:

S. 1765. A bill for the relief of the Federal Life and Casualty Company of Battle Creek, Michigan (Rept. No. 95–357).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

Barry P. Bosworth, of Maryland, to be Director of the Council on Wage and Price Stability.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. ROBERT C. BYRD, from the Committee on the Judiciary:

Hubert T. Taylor, of West Virginia, to be U.S. marshal for the northern district of West Virginia.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. NELSON:

S. 1902. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to strengthen the financing of the social security system, to reduce the effect of wage and price fluctuation on the system's benefit structure, and to eliminate from that system gender-based distinctions; to the Committee on Finance.

By Mr. JACKSON (for himself, Mr. ANDERSON, Mr. KENNEDY, Mr. METZENBAUM, Mr. HART, and Mr. SCHWEIKER):

S. 1903. A bill to amend chapter 55 of title 10, United States Code, to authorize the use of health maintenance organizations in providing health care under such chapter, and for other purposes; to the Committee on Armed Services.

By Mr. BARTLETT:

S. 1904. A bill to amend the Customs Administrative Act of 1938 to prohibit the Secretary of the Treasury from extending the privilege of admission free of duty without entry of their baggage and effects to high officials of the United States Government; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. JAVITS, and Mr. STAFFORD):

S. 1905. A bill to authorize Federal assistance to private, profitmaking agencies and

organizations under title II of the Rehabilitation Act of 1973; to the Committee on Human Resources.

By Mr. CRANSTON:

S. 1906. A bill to establish the Channel Islands and Santa Monica Mountains National Park and Seashore in the State of California, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WILLIAMS:

S. 1907. A bill to amend the Social Security Act to provide medicare benefits for individuals who require total parenteral nutrition (TPN) as a result of intestinal surgery; to the Committee on Finance.

By Mr. WALLOP (for himself and Mr. HANSEN):

S. 1908. A bill to provide for the transfer and conveyance of the silver service of the United States Ship *Wyoming* to the Wyoming State Museum, and for other purposes; to the Committee on Armed Services.

By Mr. ROTH:

S.J. Res. 76. A joint resolution proposing an amendment to the Constitution of the United States with respect to the reconfirmation of Federal judges after a term of ten years; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 256

At the request of Mr. PEARSON, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 256, the Natural Gas Act Amendments of 1977.

S. 708

At the request of Mr. CLARK, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 708, to amend title XVIII of the Social Security Act.

S. 818

At the request of Mr. WILLIAMS, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 818, to end the use of steel-jaw leg-hold traps.

S. 991

At the request of Mr. RIBICOFF, the Senator from Montana (Mr. METCALF) and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 991, to establish a separate Department of Education.

S. 1014

At the request of Mr. DOMENICI, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 1014, to amend the Internal Revenue Code.

S. 1264

At the request of Mr. CHILES, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 1264, the Federal Acquisition Act of 1977.

S. 1393

At the request of Mr. BAYH, the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1393, to authorize actions by the Attorney General to redress deprivations of constitutional and other federally protected rights of institutionalized persons.

S. 1526

At the request of Mr. BARTLETT, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 1526, to establish an Associate Administrator for Women's Business Enterprise.

S. 1675

At the request of Mr. HATHAWAY, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1675, the Social Security Amendments of 1977.

S. 1769

At the request of Mr. CHURCH, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1769, to amend title II of the Social Security Act.

S. 1829

At the request of Mr. JOHNSTON, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 1829, to create the Jean Lafitte National Historical Park.

S. 1854

At the request of Mr. TALMADGE, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 1854, to provide emergency assistance to producers suffering losses due to disastrous drought conditions in 1977.

S. 1866

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1866, to amend section 222 of the Communications Act of 1934, as amended.

S. 1872

At the request of Mr. CHURCH, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 1872, to provide price support for sugar.

S. 1899

At the request of Mr. JAVITS, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 1899, the veterans tuition equalizer bill.

SENATE RESOLUTION 219

At the request of Mr. ROTH, the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Vermont (Mr. LEAHY), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of Senate Resolution 219, to establish in the Senate a senior citizen internship program.

SENATE CONCURRENT RESOLUTION 38

At the request of Mr. DOLE, the Senator from Wyoming (Mr. WALLOP) and the Senator from Oklahoma (Mr. BARTLETT) were added as cosponsors of Senate Concurrent Resolution 38, disapproving Presidential action regarding the sugar industry.

AMENDMENT NO. 499

Mr. STEVENS. Mr. President, I ask unanimous consent that my colleague from Kansas (Mr. DOLE) be added as a cosponsor to my amendment No. 499 to H.R. 7933, making appropriations for the Department of Defense for the fiscal year ending September 30, 1978. This amendment, which restores full funding to our military commissaries, passed the Senate on July 19, 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 520

Mr. METZENBAUM. Mr. President, the distinguished Senator from Indiana, Senator BAYH, was a cosponsor, and active supporter of amendment No. 520 to H.R. 7933, the Defense appropriations bill. The amendment, which Senator CHAFEE and I introduced, requires a complete accounting of Defense Department funds which flow to subcontractors.

I listed Senator BAYH as a cosponsor in my spoken remarks on July 19, but his name was mistakenly not included in the RECORD. I ask unanimous consent that the permanent RECORD show that Senator BAYH was an original cosponsor of amendment 520, which was adopted by voice vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICES OF HEARINGS

LOBBYING REFORM ACT

Mr. RIBICOFF. Mr. President, I am pleased to announce that on August 2, 1977, the Senate Governmental Affairs Committee will hold a hearing on S. 1785, the Lobbying Reform Act of 1977. The witnesses for that hearing will be: Senator KENNEDY, Senator CLARK, and Senator STAFFORD; Congressman DON EDWARDS; Patricia Wald, Department of Justice; Robert Keller, General Accounting Office.

The hearing will begin at 10 a.m. in room 3302 Dirksen Senate Office Building. Additional hearings on lobbying reform will be held in the near future.

TRUST AGREEMENT OF BERTRAM LANCE

Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will meet on Friday, July 22, 1977, at 10 a.m., in room 3302, to consider the request for a modification of the trust agreement of Bertram Lance.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

BLACK LUNG BENEFITS REVENUE ACT OF 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 1538, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 1538) to amend title IV of the Federal Coal Mine and Safety Act to improve the black lung benefits program estab-

lished thereunder, to impose an excise tax on the sale or use of coal, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 2 hours, to be equally divided between and controlled by the Senator from West Virginia (Mr. RANDOLPH) and the Senator from New York (Mr. JAVITS), with 1 hour on any amendment in the first degree—except an amendment by Mr. CHAFEE, on which there shall be 1 hour, and an amendment by Mr. JAVITS, on which there shall be 2 hours, with 30 minutes on any amendment in the second degree, with 20 minutes on any debatable motion, appeal, or point of order, and with the vote on final passage to occur before the Senate completes its business for today.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, but first I ask unanimous consent that the time not be charged against anybody.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have discussed with the distinguished minority leader a proposed unanimous-consent request which I think is absolutely necessary in the light of conversations that have been had with the distinguished manager of the black lung bill, Mr. RANDOLPH; with the distinguished ranking minority member of the committee, Mr. JAVITS; with the distinguished chairman of the committee, Mr. WILLIAMS, and with other Members, in order that we may avoid what otherwise could become a constitutional question. We do not want any constitutional question to endanger the black lung bill. We do not want the Senate to have to do its work twice.

By way of explanation as to why we have the black lung bill up today, may I say that I have urged Members of the other body to get the black lung bill over here as soon as they possibly could; but for reasons that I am sure are good, they have been unable to do that to date.

In yesterday's Washington Post, I noticed a story which caused me to feel that the black lung bill was in trouble in the House. Consequently, I felt constrained to move forward with the bill today, particularly in view of the fact that we do not have anything else we can do today. We do not have available to us on the calendar any other work we can do which is not subject to a 3-day rule or subject to a budget waiver or some other restriction.

Discussing the matter with the distinguished minority leader, we felt under the circumstances we had to go forward with this bill today. Having laid it down and gotten a request to complete it today, then I was reminded by Senator RANDOLPH of the constitutional question about which he wrote some days ago in a letter to Mr. PERKINS on the other side of the Hill, and he was kind enough to send me a copy of that legislation.

The minority leader is fully in accord with me that because of these reasons a unanimous-consent agreement is going to be necessary to avoid the constitutional question and in order to avoid the Senate's having to do its work twice.

So the request is as follows:

I ask unanimous consent that the agreement on S. 1538, the black lung bill be modified so that instead of final passage of the bill before the Senate completes its business today, after third reading of the bill it be returned to the Calendar and the majority leader shall be powered to have the Senate resume its consideration at any time—when I say any time, of course, I am going to consult with the minority leader and the manager of the bill and the ranking member, the latter two of whom will have to manage the bill—without further debate or motions thereon in order.

Mr. President, I further ask unanimous consent that when the Senate receives a black lung bill from the House, it be placed on the Calendar, the majority leader be empowered to have the Senate consider it at any time—with the same consultations—and that no amendment or motion relative thereo be in order other than a motion to strike all after the enacting clause and insert in lieu thereof the text of S. 1538 as amended by the Senate, with no debate in order with respect to the House bill or the substitute therefor.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—the distinguished majority leader and I discussed this matter, and I have, in turn, discussed it with representatives of the distinguished senior Senator from New York, who is the ranking member of the committee and has a deep interest in this subject.

I think the agreement is satisfactory, and I am prepared in a moment to agree to its being entered.

I think, Mr. President, it is important to proceed with this matter. Notwithstanding this difficulty. We have to try to accommodate this disagreement, because the black lung bill is a matter of such consequence and importance to the people of my area, my State, my region of the country, that I think it is important to proceed as promptly as possible.

So I express my appreciation to the distinguished majority leader and the chairman of the committee, to Senator RANDOLPH and to Senator JAVITS, for putting us in a position to act with promptness on the Senate side even though we have to make extraordinary and unusual arrangements to provide for it.

This agreement has been cleared with the distinguished Senator from New York, and I do not object to it.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. RANDOLPH. Reserving the right to object—and I shall not object—I think the procedure as initiated by the majority leader, and in agreement with the minority leader, both Members of the Senate who not only in their leadership capacities but also as Senators who are intensely interested in the subject matter and know the reasons why as quickly as possible we should come to grips once again with the amendment to the law which originally passed in 1969, is, I think, a fair and also satisfactory manner in which we can proceed at this time and be ready for later action.

We are conscious of and, of course, the request made by the able majority leader, Mr. ROBERT C. BYRD, indicates we are attempting to work with the House of Representatives in this matter. We recognize the work that has been done there as well as the work, of course, which has been done here.

This has not been a so-called side issue within the Committee on Human Resources. This has been a very main concern of many of us in the committee.

So I commend the leader of our majority party and the leader of the minority party in this effort. There is no majority and minority, really. We are partners in doing something which I believe is very important. While I am commending the role of the majority leader in this effort, I vividly recall his participation in the development of the black lung benefits program in 1969. Senator BYRD and I together authored the Senate provisions which ultimately became title IV of the Federal Coal Mine Health and Safety Act. I appreciated his efforts then, just as I appreciate them now.

I want to state at this time, and I want to be very clearly understood, that one of the difficulties I think we must find a way to overcome—and it is not for us to do it—to hopefully, through the proper modus operandi within the United Mine Workers Union, to have the disastrous strikes that are wildcat in nature and not approved by the union itself, be minimized so that the production of coal so necessary to our energy supply reserve, and that situation be hopefully remedied as quickly as possible.

The American people have a right to expect that that be done. I think that the majority of coal miners want to be on the job rather than away from their work.

I have no further comment and I thank the majority leader.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the modification of the unanimous-consent agreement propounded by the Senator from West Virginia is agreed to, and rule XII is waived.

Mr. ROBERT C. BYRD. Well, rule XII does not have to be waived, because we are not passing a bill.

The ACTING PRESIDENT pro tempore. The Parliamentarian informs me that when an agreement upon which rule XII had to be waived is modified it has to be again waived.

Mr. ROBERT C. BYRD. The Chair is correct.

Mr. RANDOLPH. Mr. President, because of the unanimous-consent request

which has been granted by the action of the majority leader in concert with the agreement of the minority leader, I ask unanimous consent to have printed in the RECORD a copy of a letter that I addressed to the Honorable CARL PERKINS, the chairman of the Committee on Education and Labor of the House of Representatives, dated July 13. A copy of that letter was sent to the able majority leader, Senator ROBERT C. BYRD. I ask unanimous consent also that a copy of a letter from Representative PERKINS to our majority leader under date of July 20 be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
July 13, 1977.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor, House of Representatives, U.S. Senate, Washington, D.C.

DEAR CARL: Pursuant to your telephone call of yesterday requesting my thoughts on how the House and Senate might proceed in the development of black lung reform legislation, following are my views on this matter.

The Senate Human Resources Committee favorably reported S.1538 on May 16, 1977. It is quite similar to the bill reported last year. Yesterday, July 12 the Senate Finance Committee filed its report on the bill. In general, Finance adds a separate title to the bill to contain the tax provisions (1 percent ad valorem), the trust fund, the so-called Hansen amendment which permits coal companies to set up, with protections, tax-free black lung benefit trusts, and a not-directly germane Nelson provision relating to NIOSH.

The Senate Finance Committee takes very seriously (and broadly) the provision of Article I, Section 7 of the Constitution which requires revenue raising measures to originate in the House. The only ways to meet the Constitution problem, in the absence of House action on H.R. 4544, are: (1) pass S. 1538 and tack it on to a House-passed tariff bill, or (2) pass S. 1533 and sit on it until the House acts.

The first course is risky because Ways and Means would in all likelihood express serious concerns; a germaneness issue could be raised; and that Committee could demand hearings on the legislation, which would result in delays that would eliminate any hope of congressional action this year.

The second alternative is perhaps just as risky, for those who oppose the legislation could attack the bill on constitutional grounds, asserting that Senate passage is Senate action within the meaning of Article I, Section 7. In addition, we could be faced with the specter of having the Senate consider black lung legislation twice: once as described above, and again when the House bill comes over.

As a result of these knotty problems it is apparent to me that the House must act first and act quickly if we are to get the bill to the President this year. Only a little over three (3) weeks remain before the August recess, and September is going to be filled with appropriations and energy measures.

Carl, these are my candid observations in this matter. It seems to me that you must proceed quickly. I have talked with Bob Byrd about this, and am providing him a copy of this letter, not only because of his responsibility for moving legislation in the Senate, but also because of his intense interest in this subject.

With hope for success in our mutual efforts, I am,
Truly,

JENNINGS RANDOLPH.

WASHINGTON, D.C.,
July 20, 1977.

Hon. ROBERT C. BYRD,
Majority Leader, U.S. Senate, Washington, D.C.

DEAR BOB: With further reference to our conversation regarding the Black Lung Benefits Reform Act, I have obtained assurances from the House leadership which will enable us to move in the House next week on H.R. 4544.

In line with our understanding, it would be appreciated if you would continue to hold the Senate bill until the House has acted.

With warm regards,
Sincerely,

CARL D. PERKINS,
Chairman.

ORDER FOR NO VOTES BEFORE 12:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I have cleared this with the distinguished manager of the bill. I ask unanimous consent that, if any rollcall votes are ordered that might otherwise occur before 12:30 p.m. today, they not occur before 12:30 p.m. so as to prevent interruption of committees and conference committees. They are very busy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on the Chafee amendment at this time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CHAFEE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. Who yields time? The Senator from West Virginia.

Mr. RANDOLPH. I yield myself such time as I may desire. I ask unanimous consent that during the consideration of S. 1538, the following staff be granted the privilege of the floor: Robert Humphreys, Michael Goldberg, and Louise Ringwalt.

I also ask unanimous consent in addition to those names that Mark McConaghy, Lawrence Brown, and Richard Ruge be accorded the same privileges.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I make a point of order of no quorum.

The ACTING PRESIDENT pro tempore. On your time?

Mr. RANDOLPH. On our time, yes.

The ACTING PRESIDENT pro tempore. The clerk will call the roll on the time of the Senator from West Virginia.

The second assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SASSER). Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, it is my privilege to bring before the Senate a long-awaited measure, S. 1538, the Black Lung Benefits Reform Act of 1977.

With other members of the Committee on Human Resources of the Senate I have attempted since March 1976, to bring a black lung reform bill into this forum for debate and hopeful passage.

Last year repeated delays resulted in the postponement of H.R. 10760 until, perhaps I can use the word literally, the 11th hour; the 94th Congress adjourned without considering this needed reform legislation.

This legislation has the strong support of the majority leader, my able colleague from West Virginia (Mr. ROBERT C. BYRD), and, hopefully, Senators on both sides of the aisle.

Earlier in connection with the unanimous-consent request, I indicated that I did not think in terms of majority-minority in this matter but, hopefully, a partnership which might permit us, frankly challenge us, to enact helpful well-reasoned legislation.

We have moved in the 95th Congress with relatively prompt dispatch in this matter. We know that the House of Representatives is expected to act soon on its bill, H.R. 4544. And I am certain Congress will be able to present a black lung reform bill to the President prior to the adjournment of the first session of the 95th Congress.

I speak very earnestly to my colleagues when I say that they, as well as I, are aware that our Committee on Human Resources reported favorably S. 1538 as an original bill on May 16, 1977, and that action was taken by unanimous-consent agreement to refer the measure to the Committee on Finance of the Senate for review of tax and trust fund provisions. That committee reported S. 1538 with amendments to the text of the bill on July 12, 1977.

I am gratified that in the Chamber is the articulate and able Senator from New York, and I use those words not as pleasantries, but in a way that expresses my appreciation always to him. We are not always in agreement on matters, but his knowledge and perception bring to our committee and to this subject matter the very best of thought. So, Senator JAVITS is a very active person in connection with what we have done in the committee and what hopefully we can determine in the Senate today.

When the Finance Committee made its revision, it brings to our attention that S. 1538 now consists of two titles, title I, the Black Lung Benefits Reform Act of 1977, which includes except for the Black Lung Disability Fund, all the substantive provisions that were reported by our Committee on Human Resources.

Then, there is title II, the Black Lung Benefits Revenue Act of 1977, which contains the trust fund provisions, a 1-percent ad valorem tax on coal, the authorization of coal operator trusts for future liability for black lung benefit payments under Federal or State programs, and a provision that relates to access by the National Institute for Occupational Safety and Health to mailing addresses of persons exposed to occupational health hazards.

In addition, it is important to note that the Committee on Finance modified one provision of the original bill. That provision is section 424(f), which authorizes the Secretary of Labor to enter into agreements with coal operators to provide what amounts to last resort insurance.

I believe the modifications, to which I shall address myself later, are acceptable to the members of our Committee on Human Resources.

Mr. President, title IV of the Federal Coal Mine Health and Safety Act of 1969, I think, has been both a blessing and perhaps a curse—a blessing because hundreds of thousands of deserving beneficiaries have received and continue to receive compensation income through this worthwhile Federal program. It is also perhaps a curse, because thousands of claimants who have been denied benefits, and thousands of others who have waited for years for their claims to be decided, are not yet brought into the benefits under the original act and the later amendments.

The program has really been harsh to many who have made their claims, submitted the claims and, through administrative or what I call legal quirks—I am not saying maneuvering—they have been determined to be ineligible for benefits.

These and other reasons are compelling, in my thinking, for the enactment of this program of reform legislation. Widows who know to a certainty—there is no dispute about it—that their husbands were totally disabled by black lung, but are barred from receiving benefits, because they have no medical evidence to substantiate their claim, are one group. A second group: Miners who are told they are disabled, and whose chest X-rays are interpreted as positive for pneumoconiosis, but who are denied benefits because the rereaders of the X-rays hired by the Labor Department disagree with the original X-ray interpretation.

Third are those widows whose claims are clearly valid, who would receive benefits except for the passage of time since the miner husband's death.

Then there is a fourth group, that of miners who are ill, but are faced with the dilemma of whether to continue working or whether to stop their labor and file a black lung claim, perhaps taking a chance on the probability of approval of such claims sometime out there in the future.

Finally, there are all the black lung claimants who must wait an average of 630 days for their claims to be processed, I remind my colleagues, only to have such claims, in 97 percent of the cases approved by the Labor Department, controverted by the responsible coal company.

Mr. President, these are some of the reasons that have brought our committee to the point of bringing this measure before the Senate. We have been in the process, always hopefully, of reasoned improvement of this legislative history, through the enactment in 1969 and 1972—passage of that act made necessary, because there is the pulmonary and respiratory disease situation that has been added, of course, in the consideration of approval of the claim, to the X-ray finding itself.

This was a step forward, because the social security system had not taken into account the pulmonary and respiratory ailments, which are very marked in connection with those who labor in the coal mines of this country.

A black lung benefit program has certainly—and I underscore this—worked well and favorably for many; but for many other persons it has been something which causes sleepless nights. Using the language in a metaphorical sense, it has been a quagmire, in some instances, because of the frustrations and the disappointments that have occurred.

S. 1538 will not solve all the problems nor fulfill the wishes of every claimant for black lung benefits. It is, however, expected to, and I think will, necessarily result in dramatic improvement in the program. It is urgently needed, and it can give a certain degree of economic security to thousands of disabled miners, widows, and children, who are now, we believe, denied the benefits of this program.

For the information of my colleagues who are not conversant with the terrible occupational disease which is referred to commonly as black lung—the correct medical term is pneumoconiosis—and for those of my colleagues who are familiar with the destructiveness, the toll which follows, I think it is important that we, to a degree, understand that we have not been able to move as quickly with the modifications in the law, with the changes in interpretation which cause us, hopefully, to act; and for that reason I think it is important that there be in the RECORD a description which I shall briefly give of title IV of the Federal Coal Mine Health and Safety Act of 1969, as amended—popularly known, as I have earlier mentioned, as the Black Lung Benefits Act.

Title IV provides benefits for miners totally disabled by pneumoconiosis, and for their eligible survivors, including the widows, the children, the dependent parents, and siblings.

A miner with pneumoconiosis who worked 10 or more years in the mines is presumed to have contracted the pneumoconiosis in that coal mine employment.

A miner with complicated pneumoconiosis is irrebuttably presumed to be totally disabled. A diseased miner who worked 10 or more years in the mines and died from what I have mentioned, a respiratory disease, is presumed to have died due to pneumoconiosis. A miner with 15 or more years in an underground coal mine or in a surface mine with comparable dust conditions, whose chest X-ray is negative for complicated pneumoconiosis, and who has or had a totally disabling respiratory or pulmonary impairment, which I also mentioned earlier, is presumed to be totally disabled due to pneumoconiosis.

Title IV consists of two separate benefit programs, part B and part C. Part B is administered by the Secretary of Health, Education, and Welfare, a Federal program under which successful claimants who filed on or before June 30, 1973, are entitled to the payment for benefits by the Federal Government for life or for as long as they retain their eligibility or continue it.

Part C is administered by a State workers' compensation agency meeting minimum standards, or by the Secretary of Labor where such standards are not met.

No States as yet met the minimum requirements. The responsible coal operators, and there are many such responsible coal operators, pay the benefits as in traditional workers' compensation programs. Under the law, the coal industry is liable for claims filed after June 30, 1973, for payment on or after January 1, 1974.

The Department of Labor is responsible for paying benefits when the responsible operator cannot be determined, which is the case currently in approximately 75 percent of the approved claims.

The law as amended in 1972, which mentioned previously, terminates employer liability for claims after December 30, 1981.

The 1972 amendments resulted from the inadequacies and the inequities of the law and its administration, as I have earlier indicated. I have reemphasized these points at this juncture. A greater percentage of claims was allowed under part B, as a consequence of the 1972 amendments, and certain injustices were rectified. Yet, as I earlier said, many problems continue to plague the fair administration of the program.

More importantly, these problems translate into this frustration, this delay, this perpetual hardship in many cases, for thousands of disabled coal miners and the widows of those who died producing this vital energy resource for America, who are looking, and properly so, to a just conclusion of the earlier law and the amendments, including the bill pending before us, for affirmative action.

Mr. President, at this point I am going to outline the form and meaning of the provisions contained in the pending bill. For the most part, I will confine my remarks to title I. Because they are so closely interrelated, I will also touch on the provisions of title II, anticipating that the very able chairman of the Committee on Finance (Mr. LONG) subsequently will treat this subject matter at greater length.

Section 102 of the bill amends these definitions: "pneumoconiosis," "miner," and "total disability."

Under current law, pneumoconiosis is defined as "a chronic dust disease of the lung arising out of coal mine employment."

Our bill adds to this definition to include the related complications of the disease, and respiratory and plumonary impairment arising from coal mine employment.

Mr. President, these additions that I have been mentioning substantially mirror the administrative practices, particularly that of the Social Security Administration. I think it is important to incorporate in the law the concept that

pneumoconiosis, as it exists among coal miners, is not an easily identifiable condition, but may be a joining of conditions, which, together, result in the total disability of the miner. A chest X-ray may not conclusively demonstrate the existence of moderate or severe coal workers' pneumoconiosis, but the miner may well be totally disabled by work-related respiratory or pulmonary impairments. I have stressed that which we brought into being in the amendments of 1972.

The term "miner" is redefined to include workers who process and transport coal, self-employed miners, coal mine construction workers are also included, but only to the extent that they worked in conditions substantially similar to conditions in underground mines. Railroad, trucking, bargeline, and coke oven workers are not included in the definition.

"Total disability" is listed as a definition, which I think is fair, but the term is substantive as well as descriptive. S. 1538 propounds several important changes in the law which will affect eligibility for benefits. First, it authorizes the Secretary of Labor to establish medical criteria for determining total disability in coal mines under part C. Currently the Social Security Administration imposes on the Department of Labor its own standards, which are considerably more restrictive than the standards it uses for part B claimants. Second, the bill provides that a miner's employment in a mine at the time of death may not be used as conclusive evidence that the miner was not totally disabled. In the past, miners, frankly, have literally worked themselves to death. Because such miners were working when they died, their widows have not been able to show they were totally disabled. In like manner, the bill also provides that a miner whose work circumstances have changed to indicate reduced ability to perform his usual coal mine work may not be conclusively presumed to be totally disabled.

Section 103 of the bill eliminates in the part B benefit program the offset, or reduction, of black lung benefits in cases in which the beneficiary is receiving State workers' compensation for injuries other than pneumoconiosis. Part C of title IV now has this limitation on the offsetting of benefits; this section conforms part B to part C. If a State award is made for black lung, then the Federal black lung payment should be reduced. The bill does not disturb that principle.

Section 104 prohibits the payment of benefits to working miners, except those conclusively presumed to be totally disabled under section 411(c)(3) of the act, but the provision allows miners to file claims while still working, to have their claims determined, and to receive benefits if their coal mine work terminates within a year after a final determination of eligibility for benefits.

The next section, section 105, contains three important provisions. First, the appropriate Secretary—HEW for part B, and Labor for part C—is required to accept the interpretation of an X-ray submitted by the claimant if certain conditions are met. The interpreting physician must be a board certified or board eligible radiologist· the person administering the X-ray must be a radiologist or qualified radiologic technologist or technician; and the X-ray must be of a quality sufficient to demonstrate the presence of pneumoconiosis. We are taking away the question mark and trying to be very explicit. Further, the Secretary need not accept the interpretation if he has reason to believe the claim is fraudulent. Finally, the Secretary of Labor may by regulation establish standards for the administration of chest X-rays.

Notwithstanding these what I consider to be formidable safeguards, there was substantial sentiment expressed by members of the Human Resources Committee and the Finance Committee that this provision eliminates quality control and ties the hands of the Secretary to the extent that a "bad" interpretation could not be overturned. As a result, presumably, undeserving claims might be allowed. In my opinion—and I believe I have studied this issue more carefully than perhaps any other member of this body—this position is founded on a misunderstanding of the value of the X-ray as a diagnostic tool, on its proper weight as evidence in a black lung determination, and on the relative importance of the X-ray re-reads. I intend to discuss this issue in considerable depth later on, and I intend to show that the provision in the bill relating to X-ray interpretation is sound, appropriate, and necessary.

How much time, now, Mr. President, has been consumed?

The PRESIDING OFFICER (Mr. GLENN). Twenty minutes remain to the Senator.

Mr. RANDOLPH. A second provision of section 105 eases the difficulty encountered by widows in attempting to substantiate claims where medical evidence of the miner's condition is scanty or nonexistent. A survivor's claim is to be approved in cases of no medical evidence or if such evidence is inclusive, when other evidence in the record, including affidavits, taken as a whole establishes that the miner was totally disabled due to pneumoconiosis when he died, or that his death was due to pneumoconiosis.

The provision restates and strengthens the existing law, which has heretofore been largely ignored. Section 411(c)(4) states that—

> In the case of a living miner, a wife's affidavit may not be used by itself to establish the presumption.

For purposes of this 15-year rebuttal presumption therefore it was, and remains the intent of Congress that a widow's affidavit may be used by itself to establish that presumption. The provision in the bill affirms that affidavits are sufficient to establish a claim for benefits in many cases.

The committee further intends that, henceforth, claims examiners must go behind the cause of death listed on a death certificate. Prior to enactment of the 1969 act there was little reason for the coalfield doctor or coroner to diagnose a miner's illness, or certify the cause of death, as anything other than the immediate cause of death—"heart attack" or "heart failure" are most commonly listed, but such terms do not tell much about the underlying causes of the miner's expiration, the cause of the complications of the miner's employment which have led to pneumoconiosis.

Finally, section 105 of S. 1538 requires that each miner claimant be given an opportunity to undergo a complete pulmonary evaluation. In the past, physical examinations often have not included arterial blood gas testing, either because such tests are too expensive, or the facilities for the tests are not readily available. Yet, in many cases the inability of the lungs to transfer oxygen to the blood stream is the major cause of disability.

Each section of the bill is important, but I will not detail more of the matters that will be placed, perhaps by me, as a part of the RECORD.

In the interest of time I will discuss only two others before moving to title II of S. 1538.

Section 107, entitled "Miscellaneous," is a catchall section which includes a number of vital provisions. One of these would provide an entitlement to benefits to the eligible survivor of a miner who was employed for 25 years or more in a coal mine prior to June 30, 1971, if such miner died prior to the date of enactment of the 1977 bill. This entitlement is not automatic; it is a presumption that can be rebutted by establishing that the miner was not partially or totally disabled when he died. Further, such survivors are to provide, on request of the Secretary, any available evidence concerning the miner's physical condition at the time of death.

Current law requires that a claim by a miner be filed within 3 years after the discovery of total disability due to pneumoconiosis, or the date of the miner's death. With respect to a claim filed on the basis of section 411(c)(4)—the 15-year rebuttable presumption—such claim, in the case of a living miner, must be filed within 3 years of last exposed employment in a mine; in the case of a survivor's claim, that must be filed within 15 years from the date of last exposed employment. This provision has resulted in unnecessary and unintended hardship for many claimants, particularly widows of long standing. In all too many cases, the only bar to the approval of a claim has been the passing of time. This artificial and heartless barrier must be removed.

Another provision of section 107 eliminates the termination of payment of part C claims which under existing law is to occur on December 30, 1981. This has the effect of making the program permanent.

The section also makes the amendments of the bill to part B applicable to part C, and eliminates the June 30, 1971, last-date-of-employment cutoff applicable to part C claims filed on the basis of section 411(c)(4).

Other provisions in this section are discussed in the report of the Committee on Human Resources.

Finally, Mr. President, section 110 provides for the expedited processing of

claims previously denied under part B or part C. The denied claimant is to be contacted by the Secretary of Labor, is to be provided a simple postcard type form on which the claimant is to indicate whether he or she wishes to have the claim reviewed, and an affirmative indication will constitute the filing of a new claim. Additional evidence to support a claim may be taken where necessary. Benefits previously denied claimants whose claims are approved following review are to be awarded retroactively. For part B denied claimants, benefits are to be paid as of January 1, 1974. For section 415 and part C claimants, benefits are to be paid as of January 1, 1974, or the date the original claim was filed, whichever is later.

Mr. President, as we think of title II of the bill, that title, as Senator JAVITS knows, is a matter for consideration of the Committee on Finance.

At the outset, I want to express my appreciation to the chairman of that committee (Mr. LONG). We have talked about this matter many times. Also, to the chairman of the Subcommittee on Taxation and Debt Management (Mr. HARRY F. BYRD, JR.), who is knowledgeable on the problem. And to other members of the committee who have been working to expedite the consideration of this important matter.

The Committee on Finance has, with the assistance of the Joint Committee on Taxation, and with its usual high level of professionalism, made a substantial contribution to the development of S. 1538, and there has been a substantial contribution from that section of the Senate to the development of S. 1538.

Although the committee has placed the Black Lung Disability Fund in title II of the bill, there have been no substantial modifications of the fund provisions as compared to the bill originally reported by the Committee on Human Resources.

The tax now contained in the bill is a 1 percent ad valorem tax on all coal other than lignite. This approach simplifies the tax mechanism and, as I understand it, raises essentially the same amount of revenue as the taxes proposed in the original bill. I support this change.

The Finance Committee also modified the "last resort insurance" provision adopted by the Human Resources Committee to provide a number of guidelines for the operation of a fund for the purpose by the Secretary of Labor. I have no objection to this change.

Section 204 of the bill incorporates the substance of the so-called Hansen amendment—the Senator from Wyoming—which amends section 501(c) of the Internal Revenue Code to exempt from taxation trusts established for liability for the payment of black lung benefits. On this matter, I defer to members of the Finance Committee and the Treasury Department for their feeling.

An amendment offered by the Senator from Wisconsin (Mr. NELSON) was incorporated as section 205 of this bill. This provision authorizes the Internal Revenue Service to disclose to the National Institute for Occupational Safety and Health the mailing addresses of persons exposed or who have been exposed to occupational hazards. I mentioned that earlier. Although this provision reaches persons in addition to those in coal mine employment, it is a necessary provision. I support it.

Mr. President, there is one action taken by the Committee on Finance to which I state a strong objection. The tax on coal is limited in duration to 5 years—from October 1, 1977, to September 30, 1982. This limitation, in my conviction, would be manifested in one of two results: either the payment of benefits to disabled miners and survivors would terminate after September 1982 or the Federal Government would again pick up the tab for such benefits. I think either result would be untenable.

In my view—I express this very strongly—it is inappropriate. In a measure, I think it is unkind to provide benefits on which beneficiaries come to rely for support and then subsequently to take them away. It is also wrong, I think, to saddle the Federal Government with it—to saddle the general taxpaying public with this responsibility.

That is one of the principal reasons for the development of this legislation, because it is widely acknowledged that there is a need to shift the burden of black lung disability payments to where it properly belongs at this time, and that is on the coal operators and the coal consumers. As we consider S. 1538, I shall propose an amendment to strike the time limitation on the tax.

Mr. President, the black lung benefits program has had the support of Congress and the President of the United States since 1969. I have said that we came here again in 1972 and amended the law to make it more equitable and just. There are further serious problems which were unanticipated at that time. when the earlier amendments were developed.

This legislation. with that originating in the House of Representatives. has been under consideration for some time, as I indicated earlier. It is legislation reflecting some of the earlier problems in the program, and we have studied them since 1973. We have had the benefit of oversight of the black lung program during the past 5 years. In the course of the last Congress—the 94th and the current one, the 95th—I think we have perfected, in a well-reasoned way, the measure now pending before the Senate. Its general approach is that all parties can and should accept a measure that will aid thousands of people who need help. Some of them need the help desperately—the old and disabled miners, their widows, children of those who have given their lives to produce America's most substantial and vital energy resource.

I trust that the Members of the Senate will consider S. 1538 as a measure deserving of their consideration and of their support.

Mr. President, how much time have I used of the 1 hour?

The PRESIDING OFFICER. The Senator has used 55 minutes and has 5 minutes remaining.

Mr. RANDOLPH. I reserve the remainder of my time.

(The following proceedings occurred during Mr. RANDOLPH's opening statement and are printed at this point by unanimous consent:)

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. RANDOLPH. Yes; I am very gratified to have this interruption by the able Senator from Alabama.

Mr. SPARKMAN. Relief for the black lung disease came into existence and sometime after that we added the red lung disease. Is that still carried? That is for iron ore mines.

Mr. RANDOLPH. This does not touch any problem except the coal mining industry. It does not go into the other matters.

Mr. SPARKMAN. Has any consideration been given to that? It was added.

Mr. RANDOLPH. No, it was not. The bill provides for a study of all these related problems.

Mr. SPARKMAN. I am not talking about just in recent years.

Mr. RANDOLPH. I remember, of course, the problem.of silicosis. That was back in the early 1930's. In the House we had a very extensive program. Hopefully, it did some good in meeting that problem.

Mr. SPARKMAN. I feel quite certain that red lung was added.

Mr. RANDOLPH. To the Coal Mine Health and Safety Act?

Mr. SPARKMAN. It was made a part of the same act. At least, that is my information.

Mr. RANDOLPH. I believe my colleague perhaps is not wrong, but I can only say I have no knowledge of it being included in the 1969 or 1972 act.

Mr. SPARKMAN. No. It was much earlier than that. Would the Senator have his staff check into the iron ore situation? It was called red lung. Black lung came first and then I know we did something about the red lung. I wish the Senator would check into the problem of red lung that the miners of iron ore became subjected to. I would appreciate it if he would have some checking done on that.

Mr. RANDOLPH. I am reminded that the Senator introduced a bill of some type on this subject. I am not familiar with it, but I will check it out. The staff will go into the situation.

Mr. SPARKMAN. I did introduce a bill and I thought it was added. This was some time ago, some years ago. If the chairman would have his staff check into that, I would like to know just what the present situation is.

Mr. RANDOLPH. I have been handed a copy of the Senator's bill, S. 1041. That was introduced this year.

Mr. SPARKMAN. Was it introduced as a bill or as an amendment?

Mr. RANDOLPH. As a bill. It would be, of course, to amend the black lung benefits provision of this law of 1969, which I have mentioned. Did the Senator have an earlier bill, other than the one introduced in the 95th Congress?

Mr. SPARKMAN. I believe so. I would have to do some checking back myself. It does not matter about that. I do hope consideration will be given to this. I would be very glad if it might be added as an amendment to the present bill.

Mr. RANDOLPH. I am recalling now that in view of the legislation introduced by the Senator, for himself and Senator ALLEN, that we did include in the legislation the study of these other types of diseases which might come from a different type of mining, and concerning, of course, silicosis in the iron mines.

Mr. SPARKMAN. I believe the miners just call it red lung.

Mr. RANDOLPH. Just as we call pneumoconiosis black lung.

Mr. SPARKMAN. Yes.

I thank the Senator.

Mr. RANDOLPH. I thank the Senator for his comment. I am hopeful that we can do as he has indicated, perhaps give more prompt attention to this matter. I shall also talk with the Members of the House.

I am reminded also, that it is contemplated by the chairman of our Committee on Human Resources that workers' compensation standards legislation will include such a disease as red lung.

Mr. SPARKMAN. I certainly appreciate that.

Mr. RANDOLPH. I appreciate the opportunity to discuss this matter with the distinguished Senator from Alabama. I commend the Senator for his concern.

Mr. SPARKMAN. I thank the Senator very much.

(This concludes proceedings which occurred earlier.)

Mr. ROBERT C. BYRD. Mr. President, today we have the opportunity to readdress ourselves to a task begun back in 1969 and assure just compensation to our old and sick miners who have been afflicted by the dread black lung disease. Since our first efforts to address this subject over 7 years ago, we have learned much about both the diagnosis and prognosis of this disease. We have discovered that in too many cases those who should have received benefits all too often did not receive them or received them only after long and costly efforts. Despite our attempt to make the working conditions of miners safer, we still have thousands of miners who contract black lung as a result of their occupation. This legislation attempts to offer some degree of recompense for the harm they have suffered in order that the rest of us may benefit from this energy source.

During our discussion of the Mine Safety Act last month I indicated that we must assure adequate protection for our most precious resource, that is, the miner. That same responsibility rests with us today. We must recognize that one of the costs which we must bear in order to enjoy our energy-oriented lifestyle is the social cost we owe to those who make such a lifestyle possible.

Mr. President, no one has been more in the forefront in the fight for black-lung benefits than my able colleague, Senator RANDOLPH. As a matter of fact, no one has been in the forefront as much as he, in my opinion. Once again he has shown his extraordinary leadership in this area.

The bill is not without controversy. It is obvious that it will be thoroughly debated and perhaps amended. This, of course, is the proper way to resolve whatever differences we may have. But as we begin the debate, let us keep in mind our goal, that is, to provide just compensation—and it must be just—to those miners who have sacrificed for all of us and for the Nation.

Mr. JAVITS. I yield myself 10 minutes.

Mr. President, the Senator from West Virginia has been a strong and effective advocate of this legislation. He has outlined the details of the legislation and the arguments for it. I should like to deal, then, with the reservations which I have about this bill and with where they fit into the public policy of the country.

For one, Mr. President, let us understand that black lung is not the only difficult industrial disease. We have asbestosis and many other diseases which result from different types of employment. They include textile workers, asbestos workers, iron workers, painters, and many others.

Our workers' compensation laws and our occupational health and safety laws either are not sufficiently adequate to cover these diseases or have not yet caught up with the sophistication which modern medicine has with respect to detecting these diseases.

Occupational diseases are inadequately unrecompensed, in substance. Black lung is the one exception, which, due to the vigor of the advocacy of those who are interested, especially from coal-mining areas, has resulted in this being selected out as a special industrial disease for this unique Federal compensatory treatment.

I do not object to that. I only point it out because it is critically important, as you can only carry this type of discrimination so far.

The second problem is the price tag, which is extremely high. For this one industrial disease, the U.S. Government already has spent $5 billion, and the program has been in effect since 1970.

Notwithstanding the tax features in this bill—which I strongly favor, but it is the first time we have done it—the prediction is for a shortfall, the difference between what the tax on coal will raise and what is required to finance these various benefits.

To show the size of the obligation which is involved here, I point out that there are now pending in the way of claims under this bill something in the area of 600,000 claims. Those facts are found at page 3 of the committee report. There are 562,000 claimants under part B and 110,000 claimants under part C. That totals 672,000 claimants. How many coal miners are there—working coal miners? 180,000.

So what we have done is literally to have tried to deal, at a big cost to the United States—roughly $1 billion a year—with one occupational disease accumulating the experience of all of those going back for one or two generations.

Now, this is very rarely realized when we discuss black lung. Senator RANDOLPH, with his customary eloquence, has pointed out the need and the difficulty of these workers. But there are needs and difficulties of millions of workers, not just the coal mine workers. The coal mine workers have been selected out for unique treatment and a unique amount of payment by the Federal Government.

An effort is being made in this bill to relieve the Federal Government of that burden by passing it on to the consumer because what is added to the cost of coal is going to be paid by the consumer.

In that regard, Mr. President, I would like to make this clear: I mentioned a minute ago two programs, part B and part C. Part B is paid for exclusively by the Federal Government and covers black lung claimants who have sought payment of their claims on or before June 30, 1973. Part C is black lung claimants who sought payment of their claims after June 30, 1973.

As to part B the Federal Government pays the whole tab out of general revenues. As to part C, it has the power to recover if it can discover the responsible coal mine operator for whom the particular miner worked. Right now the U.S. Government has paid over 97 percent of the claims because those against whom it is claiming over have contested the claims. So, for practical purposes the Government has paid the whole bill.

There are no workers' compensation laws which are sufficient to warrant approval of the Department of Labor, which would displace the Federal program, and the effort by the Federal Government to collect from those operators who would be liable to the miner have been largely unsuccessful. In the meantime, these claims are paid by the Federal Government. The industry is contesting 97 percent of the claims which were filed after June 30, 1973. Up to now, the entire program has been costing nearly $1 billion a year.

The 1-percent ad valorem tax which is contained in this bill, Mr. President, is insufficient to pay future costs. The reason it is insufficient is found at page 7 of the report of the Committee on Finance which dealt with the matter of taxation under this bill, within its jurisdiction. And, it will be noted that the tax, to wit, the 1 percent, which would raise the funds needed to pay the bill for black lung claimants only if two aspects of the black lung bill before us are eliminated. These are: first, the prohibition against reinterpreting X-rays; and, second, the presumption of eligibility after 25 years' work.

The prohibition against reinterpreting X-rays is a particularly egregious part of this bill, which I violently opposed in the committee, and which I sought to strike and was defeated by a divided vote of 6–5. That involves the right of the Federal Government to have the X-ray of the miners' lungs reexamined by a Federal Government expert in order to validate this aspect of a miner's claim. This bill prohibits—I emphasize that, prohibits—that reexamination, an unheard of stultification of justice at a high cost to the taxpayers of the United States.

My colleague and member of the minority of the Committee on Human Resources, Senator CHAFEE, of Rhode Island, will move the same amendment I moved in committee in that regard very shortly, and I hope very much the Senate will sustain that.

Now, if the Senate sustains the amendment it will represent, over the 5-year

period for which the tax is levied, a cut in the bill's cost of roughly $250 million.

I know of no one who is going to move with respect to the 25-year presumption. That is described also, if Members wish to identify it, at page 2 of the report of the Committee on Human Resources, which reads as follows:

A survivor is entitled to benefits if the miner died on or before the date of enactment of the bill, and worked 25 years in mine employment prior to June 30, 1971, unless it is established that the miner was not partially or totally disabled due to pneumoconiosis.

In short, Mr. President, I made that deal. The bill was very much tougher on presumptions before I worked that deal out with Senator RANDOLPH and, hence, I do not wish to call into question my own agreement, and I hope no other Member will.

So the assumption of the Committee on Finance that that item would be excluded is not going to happen, and that is a pretty big cost. That involves $176 million over the 5-year period. So we know that unless the Chafee amendment carries—and I have joined in that amendment with Senator CHAFEE as a cosponsor—there will be a minimum shortfall of $176 million in the tax, and it may come to more than that.

I point out to my colleagues that there is nothing in the Senate bill that calls for an appropriation out of general revenues to make up for that shortfall. It simply is silent on the subject. I can only hope that the House bill looks after it, and it is now known we do not intend to take final action on this matter until the House has passed its bill. So I call to the House's attention, if they go for the 1-percent ad valorem tax, that there has to be a provision which will provide for financing as to any shortfall. Otherwise this will be a bridge too short, by 1 yard or 100 yards, we do not know, depending on what disposition is made of these assumptions of the Committee on Finance, and what disposition is made of the Chafee amendment to which I have just referred.

Mr. President, otherwise, aside from the matters which I have discussed, the bill liberalizes the program pretty much along the lines which we have passed on two previous occasions, and I have no doubt will pass again. But I believe that what this bill highlights very markedly and sensationally is the problem we have in dealing with this kind of an industrial disease in one industry while leaving all other industries uncovered, relatively speaking, because the workers' compensation laws and occupational health and safety law just do not adequately cover occupational diseases.

I appreciate the work which was done by the Committee on Finance. I see Senator LONG is in the Chamber. I wish to reiterate what I have just argued, Senator LONG, so that you may hear it: There were two assumptions upon which your committee based the tax, one of which may be realized by an amendment which Senator CHAFEE and I are proposing, to wit, reexamination of X-rays—that is $250 million over the 5 years. But the other one, the 25-year presumption that a miner had black lung because he worked in the mines for 25 years, I do not think is going to be realized because I worked out that arrangement myself with Senator RANDOLPH in order to deal with a much worse automatic entitlement provision.

So I will not challenge it, and I hope no other Member does because when one works something out, as you and I well know, you had better leave it alone.

Mr. LONG. Mr. President, if the Senator will yield at that point, I applaud the Senator as one who, when he makes a commitment, keeps it. He is that kind of a man, and we all admire him for it.

But I am sure he realizes that not everybody made that commitment.

Mr. JAVITS. That is correct.

Mr. LONG. A lot of other Senators did not make the commitment.

From my point of view I find it very difficult to conclude that a man had black lung just because he worked around a mine for 25 years, when you can find all kinds of evidence to the contrary. He might not have it at all. In other words, there are some people who worked in mines or worked near mines, in situations where they did not have this exposure to the same type of air pollution that causes black lung.

If they do not have it, for the life of me I do not see why we ought to presume somebody had black lung unless we have some medical evidence that he had it.

Mr. JAVITS. In mitigation, may I point out the reasons why I worked this out, and I think it is a fair solution. As finally drafted we only apply this provision to the survivors of such miners after their death, so that the plea of my colleague from West Virginia respecting widows and orphans is a justified one.

Mr. LONG. Mr. President, if the Senator will yield at that point, after his death why not do an autopsy and then you know whether he had the black lung? You do not need to leave it to doubt then. Do an autopsy and find out.

Mr. JAVITS. The other aspect of the provision contained here is that it is a presumption that may be rebutted by the Secretary of Labor with adequate evidence. That may be difficult to obtain, and as the Senator knows autopsies require the consent of the family of the person who is going to be autopsied.

Mr. LONG. The pain is no longer there when a person is a corpse. By my beliefs, the spirit has departed. The person does not feel any pain when the person gets to be a corpse. From my point of view they can do all the autopsies they want on me after my spirit has departed. The family has the body. They have the body right there. So they have the evidence to prove that the man had the black lung or did not have the black lung. All they have to do is just produce the evidence which can be the basis of an autopsy and if the autopsy said a person had the black lung we should pay it.

It seems to me it is exactly the same principle as we were discussing with regard to the X-ray. Someone will go to a family doctor, who represents all these people, is fond of the clients and very much on their side, taking an X-ray. Then someone representing the union will say: "If the family doctor says he looked at that X-ray and he said a person had black lung, that is all there is to it. No one else can look at it."

It is awfully easy to win a debate if the other side is not going to be able to see the evidence or even argue about the evidence. If we put that principle throughout this Government, I think it would give a totally impossible situation. I am glad the Senator sees that. But is not the principle the same? The family has the evidence. There is the corpse. If he has the black lung, the autopsy would show it. How can you contend that when you have the evidence to prove the person had the black lung they should presume it without taking a look at the evidence?

Mr. JAVITS. There are two problems with that. One is that in the arrangement that I worked out with Senator RANDOLPH this applies only to those who had 25 years or more in the coal mines prior to June 30, 1971. So a good many of those are beyond autopsies.

The second point is that, of course, there are many people in our country who for religious reasons or sentimental reasons will not allow a member of their family to be subject to an autopsy.

I did, however, work out with Senator RANDOLPH the following: The presumption may be rebutted because the bill says that eligible survivors shall, upon request by the Secretary, furnish such evidence as is available with respect to the health of the miner at the time of his death.

Again, I repeat to the Senator, it was a much tougher provision before I got it worked out. But I raise it only because it is highlighted in the Finance Committee report as having a substantial price tag over 5 years.

I yield myself 5 additional minutes.

May I say to the Senator that I hope the Senator will prayerfully consider whether or not he should or should not amend that section. I hope he does not for the reasons I have stated, but I think in our debate we have brought out the pros and cons of why I worked it out with Senator RANDOLPH as I did.

Mr. President, I believe I have explained to the Senate that, as is my duty as the ranking member of the minority and I have done it throughout the black lung legislation, it is my job to see that the Senate is fully informed and that what should be contested is contested.

There will be, as far as I know, two amendments. First is the amendment in which I joined with Senator CHAFEE on the rereading of the X-rays, and I hope very much the Senate approves that. Just common due process and justice holds that the Federal Government should have a right to reread these X-rays.

Second, the other amendment that I will have will be to eliminate the fact that this program would, for the first time, operate without any termination point.

The tax has a termination point, which Senator RANDOLPH may move to strike, to wit, September 30, 1982. On the

other hand, if the termination point is removed by the motion of Senator RANDOLPH, then I think it should still follow that we should review this program because it has a shortfall in terms of the amount the tax it raises as against the projected benefit costs. We certainly should review it at the end of 5 years. That amendment will come along in due course. In the meantime, I have outlined to the Senate the issues of cost, and again I do not begrudge anything to the coal miners. God knows, it is a tough enough occupation and a dangerous enough occupation. I only bemoan the fact that we have not caught up with treating others who suffer just as much the way we are treating the coal miners.

Mr. RANDOLPH. Mr. President, will my able colleague yield?

Mr. JAVITS. I yield.

Mr. RANDOLPH. I make this observation. He speaks of other workers who have problems of impairment of their health because of their employment, and that is true. Yet I would remind the Senate, and the Senator from New York, of course, was a part of our programing, in 1969, even though we were thinking in terms of a national bill for occupational health and safety, we realized that it was a matter of priority to bring the Coal Mine Health and Safety Act into being, and so this was done in 1969. Then in 1970, we passed the national Occupational Safety and Health Act with application to other types of employment, not that we did not need to do, as the Senator has indicated, in other occupations or work programs but there was the priority considered very carefully at that time and in 1969, as I have indicated, the coal mining problem was addressed and then 1 year later with the passage of the Occupational Safety and Health Act we gave our attention as a Senate and a Congress to the problems of other industry and employment therein.

Mr. JAVITS. Mr. President, may I reply by saying that I did not agree or subscribe to the theory of a preference for the coal miner. But I put it on the basis of not begrudging justice if it can only be highly partial to those whom it benefits while we must await the full measure of justice to those who are not so benefited. That is the way I felt about this bill.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, will the manager of the bill yield me 2 minutes?

Mr. RANDOLPH. I yield to the able Senator from Kentucky (Mr. HUDDLESTON), the 2 minutes he has requested.

Mr. HUDDLESTON. I thank the Senator.

I shall respond to the allegation made by the distinguished Senator from Louisiana relative to the rereading of the X-rays.

The bill provides, if I understand it correctly, that if the question of fraud enters into the picture, the Government does, of course, have the opportunity to correct that. It requires also that if the quality of the X-ray itself is not sufficient then the Government can go behind that picture.

The suggestion seems to be that we are not able to trust a physician if he is a local physician, even though he may be just as qualified as a Government physician. As a matter of fact, the bill requires that he be qualified; that he be either certified by the board as a competent radiologist or eligible for certification.

Why should we assume that we can trust a Government radiologist, no better qualified, just because he happens to be on the Government payroll? This has been one of the very serious problems with the black lung program—one that has caused great delay in approving applications, and one that has denied benefits to many people who are entitled to them.

I think we ought to bear in mind that we are not asking that carte blanche authority be given to the local physician. He has to be certified. He has to have an X-ray that is of sufficient quality to justify the reading that he makes; and if there is any evidence of fraud at all, of course, proper measures can be taken.

Mr. RANDOLPH. Mr. President, I appreciate the comments of the Senator from Kentucky, because it is important that what he says be understood by all Members of the Senate. I stressed that in my formal statement on the provisions of the bill. The Senator's stressing of the aspects of fraud and competence is very important to the consideration of this bill.

The PRESIDING OFFICER. Who yields time?

UP AMENDMENT NO. 693

Mr. CHAFEE. Mr. President, I have 1 hour, I believe, on my amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAFEE. I would like to take 15 minutes of that time, Mr. President.

Before starting, I ask unanimous consent that Don Zimmerman and John Rother of Senator JAVITS' staff, and Lee Verstandig and Nancy Barrow of my staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendments are not in order until the committee amendments have been disposed of.

Mr. CHAFEE. Mr. President, I ask unanimous consent that it be in order to consider my amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment.

The second assistant legislative clerk proceeded to read the amendment.

Mr. CHAFEE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 5, line 13, strike out through line 11 on page 6.

On page 6, line 12, strike "(b)" and substitute "Sec. 105.".

Mr. CHAFEE. Mr. President, I think it would be well if we started at around zero to examine this unique provision in the bill that comes before us today.

We are dealing with the matter of black lung disease. Under the law as it presently exists, a physician in the community where the miner resides makes an examination of the X-ray and sends it in to Washington, D.C. with his comments, saying that black lung disease exists.

It then comes to the Government, with its readers—and these are called B-readers; they are experienced, trained lung X-ray readers, they are not generalists, they are people who have gone through a special course at Johns Hopkins University to read lung X-rays.

I might say reading X-rays is a particular science, and it is particular for whatever section of the body a man is reading X-rays for. A man who is an expert at reading X-rays for the head, skull, or the limbs is not necessarily an expert at reading X-rays for the chest.

Under present circumstances, the X-ray comes in and the Government B-reader examines it. He can make a determination whether he concurs with the finding made in the local community, or whether he does not.

I might point out that the Government reader does not always find that there is no black lung disease there. As a matter of fact, according to the latest study, made in 1975, some 18 percent of the cases were upgraded. In other words, they found the existence of a more serious case of black lung than was previously thought to exist, or, for instance, they may have found black lung where none was previously found. So the Government, in these 18 percent of the cases, found more.

Furthermore, Mr. President, in some 40 percent of the cases, the Government expert readers detected unforeseen, unrecognized diseases, which accrued to the benefit of the miner in giving him warning, perhaps, of some other disability. They detected, for example, lung cancer, tuberculosis, and emphysema.

What is proposed in this bill, I think we will all agree is an extraordinary provision. What is proposed here? That now the local reader of the X-ray—and it is true he must be a qualified—let us get the exact language—he must be a qualified radiographic technologist or technician. He is a local boy, a local man; he sends in his X-rays, Mr. President, and says there is black lung disease, and there is no way that the Federal Government can have another reading.

Why, this is an open door to the Treasury. It is amazing that they do not just send it in and say, "Send us the check." The Government has no chance to read it and say, "Yes, there is" or "No, there is not."

The distinguished Senator from Kentucky has observed that this would not apply in cases of fraud. But fraud means that when you are sending in an X-ray for miner X, it is really an X-ray of miner Y. It does not really go into the definition of whether or not there is black lung disease there.

The local doctor—and I must say I admire the distinguished Senator from Kentucky when he says that we are overly-suspicious to assume that a physician could, perhaps, not be right; but many physicians are not always right. I suggest that lawyers are not always right, and doctors are not always right, and maybe even Senators are not always right—although I seriously doubt that.

[Laughter.]

I yield to the distinguished floor manager of the bill.

Mr. RANDOLPH. And that is why——

Mr. CHAFEE. On his time.

Mr. RANDOLPH. Yes. That is why I say, with all respect, that I want this amendment defeated, because I think the Senator from Rhode Island is wrong.

Mr. CHAFEE. Well, that may be. That is what makes the world go around.

Mr. President, I really, in a way, have to admire people with a lot of brass. I mean, they find an opening and they drive a truck through it. Begrudgingly enough, you have to hand it to them. To come in with a provision like this is really something. The Government has no defenses whatsoever.

Sitting up here in the gallery we have taxpayers of the United States, and we are saying to them, "You are not entitled to be represented in this instance." The only person who has a say is the examiner of the X-ray down in the local community. The man from Wheeling, W. Va., sends in the X-ray and says: "Black lung is here," and, by golly, they can send along a self-addressed envelope with the message: "Please send us our check." It is amazing that they have not put in a provision that they can request a blank check and say: "Let us fill in the amount."

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. CHAFEE. Yes.

Mr. LONG. In a different sort of situation, I had a dear friend who went to a well-known, well-thought-of doctor, a man who was president of the medical society in the State capital, Baton Rouge, a very dear friend of his and a respected member of the medical fraternity, both before and afterward.

This friend of mine went to see this very good doctor, good man, highly thought of in every respect, and the doctor diagnosed his complaint as being diverticulitis.

Later on he went down to the Ochsner Foundation in New Orleans, and those people said, "This looks like cancer to us."

Then they asked would the doctor in Baton Rouge send them the X-rays that he had taken. He insisted that his diagnosis was right, that the man had diverticulitis.

They said, after examining the X-rays, "In our opinion the man has cancer, and better get the growth out of his intestine or he is going to die in short order." They performed an operation, and found the man had cancer, just as they had suspected.

Under this provision, those more qualified experts in the field would not even have the right to say, "That is a good picture" or "That is a clear picture."

Well, why not let them tell the rest of it: Yes, that is a clear picture and what the picture says is that the man does not have black lung, he has cancer, which is an entirely different disease. Rather than treat him for black lung, he ought to remove the lung for cancer.

To me, that makes no sense at all, to say that somebody could take a look at an X-ray and say, "Yes, it is a clear X-ray," and not proceed to say what the X-ray says, that the man has cancer, not black lung at all.

Mr. CHAFEE. Mr. President, I would like to discuss briefly with the floor manager of the bill how we are going to proceed. As I understand, there will be no votes before 12:30. That does not necessarily mean that there will be no vote, but no votes before 12:30.

The PRESIDING OFFICER. No rollcall votes.

Mr. RANDOLPH. Except on the Senator's amendment.

Mr. CHAFEE. No, no rollcall votes. The yeas and nays have been ordered on my amendment.

Mr. RANDOLPH. I am sorry. I might have been moving around at the time of the request of Senator BYRD.

What is the situation as to the first rollcall vote?

The PRESIDING OFFICER. The order is that there be no record rollcall votes before 12:30.

Mr. CHAFEE. So, the way I envision it is that, any time after 12:30, I could call up and ask for a vote on my amendment. I guess there are no other amendments on the desk, are there?

The PRESIDING OFFICER. There are other printed amendments that have not been called up yet, and there are committee amendments to be disposed of, also.

Mr. CHAFEE. Perhaps I should just proceed on the remainder of my time. How much time do I have? I said 15 minutes.

The PRESIDING OFFICER. The Senator has used 9 minutes. He has 6 minutes remaining.

Mr. CHAFEE. Mr. President, there is a problem that was mentioned by the distinguished Senator from Kentucky, in his brief remarks, and the distinguished Senator from West Virginia. That is the problem of delay. We have a real problem here and I think we all acknowledge it.

Under the current system, the X-ray comes in and there is a long delay between the reading of it and the payments. First, let me briefly ask, is it all on the Government's side? Not at all. The way it works now, Mr. President, is that the X-ray comes in from the field. Accompanying it is a statement by the local physician. The Government B-reader then reads it.

Let us assume that the B-reader finds no black lung disease. Does that end the situation; the big bad Government has had its say and the miner is denied his compensation? Not at all.

It then goes to an administrative law judge. He is a third party. He then can call in more expert witnesses, ask for further X-rays. The claimant can present expert testimony. Then a decision is made.

Now, let us say, Mr. President, that the administrative law judge decides in favor of the Government. Does the miner lose? No, sir, he does not lose. He has a chance of an appeal to the so-called Benefits Review Board.

The complaint is this, Mr. President, that all of this takes a long time and, in some instances, has taken over 600 days. That is nearly 2 years. That is wrong. I agree that is wrong. The manager of the bill agrees that that is wrong. I suppose the Senator from Kentucky undoubtedly agrees that that is wrong.

But what is the solution? Is the solution to throw open the gates to the Treasury and say, "Come in and help yourself; no delay, no waiting; six chairs"? Not at all. The solution is to improve the administrative process. If we in the U.S. Senate, the Congress of the United States, cannot improve that process, then we ought to throw up our hands in despair.

There are different ways we can improve the process. For example, we can have the reader, this B-reader, down in the local communities. Another example is to have more B-readers.

The present man in the Labor Department, Donald Elisburg, Assistant Secretary of Employment Standards, has testified that he is going to improve this process. I think we ought to watch over his shoulder and see that it is speeded up. If it is not, that is our prerogative, to get on his back and get him going.

The solution, Mr. President, is not to say that there is a delay therefore, let us deprive the Government of any defenses it might have.

Mr. President, I point out another interesting provision of this act. Oddly enough, it deprives the Government of its defenses, but it does not deprive the owner of the mine of his defenses. In those instances where there is a known mineowner who employed the claimant, and the claimant comes in for his claim, in that case, there can be a rereading, a second reading, under this act, to protect the owner of the mine. To me, it is incongruous and I just do not understand it, that we are depriving the Government of a defense that we are not depriving the owner of the mine of. I suppose that, under the U.S. Constitution, we could not deprive the owner of the mine of that defense, but we are going much farther in protecting the owners of the mine than we are the U.S. Government and the taxpayers of the United States.

Mr. President, I supported this overall bill, but this amendment or this provision in the bill just went too far. I think, as the able Senator from New York previously pointed out, we are doing for this group of citizens of the United States, mainly mineworkers—and, by the way, the classification of a mineworker is very, very broad. It does not go quite so far as to include anyone who has ever seen a mine, but it goes pretty far: working around a mine.

So we are treating this group in a special way.

Mr. RANDOLPH. Will the Senator yield at that point?

Mr. CHAFEE. Yes.

Mr. RANDOLPH. It is not just going around the mine, but we specifically say where the dust conditions would be of the same category. We make it very plain.

Mr. CHAFEE. Yes. So we are treating this special group of citizens of the United States in a very special way. The taxpayers of the United States are treating these miners, this group—never mind textile workers, never mind people who work around other dangerous substances like asbestos—they are treating this special group in a very special way. We support it; but let us not throw open the doors of the Treasury and say, "Come on in and help yourselves," on the basis of one local doctor's reading.

Mr. HUDDLESTON. Will the Senator yield on that point?

Mr. CHAFEE. Yes.

Mr. HUDDLESTON. The Senator is concerned about using taxpayers' money to this large extent on the basis of one competent, qualified physician's judgment. It is not unlike what we are doing now with hundreds of millions of dollars of the taxpayers' money in the medicaid and medicare programs throughout the country.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. CHAFEE. I yield myself 5 more.

Mr. HUDDLESTON. The Federal Government does not review all those decisions made by physicians to determine whether or not payment is justified. Why impose that penalty on the black lung sufferers?

Mr. CHAFEE. May I say in response, there are all kinds of review of medicare and medicaid programs. There are utilization review committees; there are all kinds of reviews. As we all know, however, one of the great problems with these programs is the scandals that have developed because there is inadequate review. It seems to me that the Senator is citing not only a situation that is not quite as described, because there are checks, but, furthermore, the very programs that are in trouble because there are not adequate checks.

Finally, Mr. President, I point this out: This provision in this act is not supported by the administration. The administration came in and contested, spoke against this. I read the language of Mr. Elisburg:

> We feel it is appropriate for the Government to provide for medical experts to read X-rays and X ventilatory tracings, even if other medical personnel have already interpreted them. The Government role in assuring validity and consistency in interpretation is basic to the integrity and equity of the program and must be continued.

Mr. President, let me just say finally, I have supported this bill. I have great admiration for the sponsor of the bill because, personally, I serve on two committees under his distinguished leadership.

It always amazes me, when somebody has something that is pretty good, why they overreach. To me, this is one bridge too far. It just stretches the credulity and, I believe, the good judgment of the Senate, if we go this far.

That is why I have supported the amendment that has been proposed.

The PRESIDING OFFICER (Mr. HUDDLESTON). Who yields time?

Mr. RANDOLPH. Mr. President, has the amendment been offered?

The PRESIDING OFFICER. Yes, the amendment is pending.

Mr. RANDOLPH. Then the time is controlled on the amendment?

The PRESIDING OFFICER. That is correct.

Mr. RANDOLPH. And that is 30 minutes to the proponents of the amendment?

The PRESIDING OFFICER (Mr. NELSON). The Senator from West Virginia has 30 minutes on the amendment.

Mr. RANDOLPH. Mr. President, I yield such time as I may desire.

I wish to call attention to a letter that has been sent by Senator CHAFEE to all Members of the Senate. I presume they have the letter and I have in recent minutes been able to look at its language.

I know that he, of course, feels very strongly on this matter. With good humor, however, I am sorry he is shocked because I do not want any shock waves running through our colleagues in connection with this debate.

Senator CHAFEE has described the amendment he proposes, but, with due respect to my colleague, whom I admire and esteem, I must indicate that the Senator from Rhode Island, I believe, is not completely informed of the effect of section 105(a) as contained in the bill.

First, the letter asserts that the Department of Labor will be denied the opportunity to reread X-rays.

Now, this is not the case. The Department is not precluded from rereading X-rays, but the Secretary is precluded from interposing an additional opinion as to the existence or stage of advancement of pneumoconiosis under certain conditions.

That is quite a difference from what has been stated.

The letter also indicates, and I quote:

> Once an X-ray is filed and disability is claimed, benefits are paid.

Mr. President, for the sake of so many disabled miners, I only wish that statement were true. I state unequivocally that it is not true, as I have tried earlier to point out in my opening statement, and this is the very heart of section 105(a).

The X-ray is an imperfect tool. It cannot be used, save in cases of complicated pneumoconiosis, to be the sole determinant of eligibility.

I quote from a document submitted to the Department of Labor by a respected pulmonary specialist, Dr. Donald Rasmussen.

As I make this quotation, I would like the Senator to listen, and I know he will carefully, to Dr. Rasmussen's words.

> Chest films of good quality should be obtained on all applicants primarily to exclude imperfections, malignant or other diseases, or conditions of the lungs or thorax. There is little or no reason for the elaborate system of multiple readers.

I underscore what he said by repeating that there is little or no reason for the elaborate ssytem of multiple rereaders, since the presence or absence of pneumoconiosis per se is pertinent only in cases who have worked less than 15 years in the coal industry.

Then he says something that I think is very valid:

> Even in these cases there is no relationship between the X-ray findings and the presence or absence of impaired function.

I agree that the executive branch must be able to reread X-rays for the purpose of discovering disease. That is a proper function in an illness. But that is not the issue here, as I see it, in the amendment.

The issue, I think, is whether rereaders hired by the Government should be allowed to second-guess the coalfield radiologist who is much more knowledgeable about the individual miner—and I stress that very much as we discuss the subject of the matter of rereaders.

In connection with the Senator's amendment, I think the rereading of X-rays by the so-called B or expert readers hired on a consulting basis by the Department of Labor and by the Social Security Administration has been bitterly opposed by miner claimants and their union.

We have been assured that the B-reader is better qualified to determine the presence of pneumoconiosis and its stage of advancement than the coalfield doctor, whether or not he is a radiologist. Yet the B-reader can interpret only what is presented to him. He has but one X-ray to review for the most part—a two-dimensional and imperfect representation of the condition of the miner.

American College of Radiology representatives acknowledge that the X-ray is a useful test, but that it is only a fragment of the whole body of evidence that should be considered. Dr. Russell Morgan of Johns Hopkins University, which administers the B-reader testing program, agrees that, to be properly read, X-rays should be of good quality, and further that there should be both an AP, or anterior-posterior, film and a lateral, or side-view film.

In the light of the admitted imperfection of the X-ray as a determinant of impairment due to pneumoconiosis, greater reliance should be placed on the assessments of those who are familiar with the conditions of disabled coal miners and who deal with their health problems on a regular basis—the coal field doctors.

To limit the re-reading of X-rays, as this committee did in last year's reported bill and as it is recommended in the pending bill, is not an adverse reflection on the capabilities of B readers, nor does it cast aspersions on the X-ray as a useful tool in medical diagnosis.

It is, however, intended to support the proposition that the X-ray is not a definition tool, and that the initial reader is more competent to judge impairment and disability in the whole man than is the reviewing reader.

One recent study found that, on comparing British and American readers—all of the American readers in this study were those regulatory used by the Social Security Administration in their determination of eligibility for claims—Amer-

ican readers agreed with British readers as seldom as 45 percent of the time and among each other as seldom as 48 percent of the time. After noting the disturbing results of this study, the researcher quipped, "Clearly, coal workers pneumoconiosis, like beauty, is in the eye of the beholder."

It is important, in order to avoid misconceptions about the value of the X-ray, to be aware of the fact that a chest X-ray does not relate to lung disability. It can. but sometimes does not, identify coal workers' pneumoconiosis. It does not identify other disabling lung diseases associated with underground coal mining. In 1972, these limitations on the value of the X-ray were recognized, and the policy with respect to their use was modified. Nevertheless, both Social Security and the Department of Labor have continued to place undue reliance on the X-ray in the determination of black lung claims. The Committee on Human Resources has been told that fully 60 percent of the X-rays initially interpreted as positive for pneumoconiosis have been re-read by department contract radiologists as negative.

As a matter of policy, Mr. President, we should not sanction a "battle of the experts" in this area. Black lung victims and their widows have been the only casualties of this battle in the past. As we strongly urged in 1972, the disabled miner and the widow must be given the benefit of any doubt surrounding their disability. X-ray interpretation in this field is not an exact science. Medical knowledge to determine to what extent coal mining relates to disability in a specific miner is woefully inadequate. Again, it is the miner who suffers as a result of this defiiciency.

Mr. President, I think all Senators understand that I am very earnest in my opposition to this amendment. I recognize, of course, that there are those who feel otherwise, and certainly Senator CHAFEE and Senator JAVITS, who cosponsor the amendment, feel otherwise. I think it would be wrong for the Senate to accept the amendment. Its acceptance would be severely detrimental to the disabled miners and widows. It would sanction the existing practice, which even those who are engaged in it acknowledge is not determinative and is far from perfect.

Mr. President, how much time do I have remaining on the amendment?

The PRESIDING OFFICER. The Senator from West Virginia has 16 minutes remaining.

Mr. RANDOLPH. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

If no time is yielded, it will be charged equally to both sides.

Mr. CHAFEE. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 12 minutes.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair for his indulgence. I suggest the absence of a quorum with the time being charged to both sides on the bill.

The PRESIDING OFFICER (Mr. NELSON). Without objection, it is so ordered and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON CHAFEE AMENDMENT AT 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the amendment by Mr. CHAFEE occur at 2 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 694

Mr. ALLEN. Mr. Presdent, I send to the desk an amendment introduced on behalf of myself and my distinguished senior colleague, Mr. SPARKMAN, and I ask that it be stated.

The PRESIDING OFFICER. Does the Senator seek unanimous consent?

Mr. ALLEN. Yes, I ask unanimous consent.

The PRESIDING OFFICER. There is an amendment pending.

Mr. ALLEN. I ask unanimous consent that this amendment might be considered at this time.

Mr. JAVITS. What is the unanimous-consent request?

The PRESIDING OFFICER. The Senator from Alabama asked unanimous consent that the amendment he sent to the desk be considered at this time. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Is the pending amendment temporarily set aside?

The PRESIDING OFFICER. It is temporarily set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself and Mr. SPARKMAN, proposes unprinted amendment No. 694.

Mr. ALLEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add new section to bill as follows:

That section 401 of the Federal Coal Mine Health and Safety Act of 1969 is amended by inserting the subsection designation "(a)" after "401." and by adding at the end thereof the following new subsection:

"(b) Congress finds and declares that there are a significant number of iron miners living today who are totally disabled due to pneumoconiosis or silicosis arising out of employment in one or more of the Nation's iron mines; that there are a number of survivors of such miners whose deaths were due to these diseases; and that few States provide benefits for death or disability due to these diseases to such miners or their surviving dependents. It is, therefore, the purpose of this title to provide benefits, in cooperation with the States, to iron miners who are totally disabled due to pneumoconiosis or silicosis and to the surviving dependents of miners whose death was due to such diseases; and to assure that in the future adequate benefits are provided to iron miners and their dependents in the event of their death or total disability due to pneumoconiosis or silicosis.".

SEC. 2. (a) Section 402(b) of the Federal Coal Mine Health and Safety Act of 1969 is amended to read as follows:

"(b) The term 'pneumoconiosis or silicosis' means a chronic dust disease of the lung arising out of employment in a coal or iron mine.".

(b) Section 402(d) of such Act is amended by striking "underground coal" and substituting "coal or iron".

SEC. 3. Parts B and C of title V of the Federal Coal Mine Health and Safety Act of 1969 are amended by inserting "or silicosis" after "to pneumoconiosis" each time it appears and by inserting "and silicosis" after "for pneumoconiosis" each time it appears.

SEC. 4. (a) Section 411(c)(2) of the Federal Coal Mine Health and Safety Act of 1969 is amended by striking out "underground coal" and inserting in lieu thereof "coal or iron".

(b) Section 422(a) of such Act is amended by striking "and underground coal" and inserting in lieu thereof "a coal or iron".

(c) Section 422(1)(1) of such Act is amended by striking out "coal".

Mr. ALLEN. Mr. President, this amendment offered by Mr. SPARKMAN and myself has the very same provisions as S. 1041, which we introduced on March 18, 1977. What it does is to make the same provisions for iron ore miners who develop silicosis that are made for coal miners who develop pneumoconiosis.

We have given a great deal of attention to the plight of coal miners, but practically no attention to iron ore miners who suffer a disease just as debilitating.

Senator SPARKMAN and I have had this bill and other bills introduced here in the Senate and, thus far, there has been no hearing on our bills.

The purpose of this amendment is to call attention to this situation which seems to work a hardship on the iron ore miners, and the purpose of the amendment is to put the iron ore miners on the same basis as the coal miners. Senator SPARKMAN and I have supported all of the black lung legislation, and we support the bill under consideration, but we just feel that with so many iron ore miners suffering from silicosis, which is just as injurious and just as deadly as the pneumoconiosis, we feel that it is unfair to neglect any longer the plight of the iron ore miners.

We have literally thousands of employees in the iron ore mines in Alabama who have been or may yet become afflicted with silicosis. We would like for some similar provision to be made for the iron ore miners that is being made for the coal miners. We would hope that they would be treated on the very same basis. We hope that the chairman of the committee, the manager of the bill, and the ranking minority member of the committee, are willing to accept this amendment.

I yield to my distinguished colleague, Mr. SPARKMAN.

Mr. SPARKMAN. I thank my colleague.

Mr. President, I might say I had an exchange with the chairman who is handling this bill earlier with reference to that, and I told him that we do have this

trouble there and it is called red lung to distinguish it from black lung.

Mr. ALLEN. Yes.

Mr. SPARKMAN. But they undergo exactly the same conditions, and I have had assurance from the chairman that it will be studied. In fact he tells me there are several different categories that are going to be studied and this is included among them.

Mr. ALLEN. I am sure my distinguished colleague would agree with the legal axiom that "Justice delayed is justice denied." So we are hopeful that some action can be taken on this in the very near future.

Mr. SPARKMAN. Of course, I wish to see it, also. I had a colloquy with the chairman a short time ago, and he did assure me that it was undergoing study, was included in several categories, and a study is provided for in the bill.

Mr. RANDOLPH. Mr. President, will the able Senator from Alabama yield at this point?

Mr. ALLEN. Yes, I am delighted to yield to the distinguished chairman.

Mr. RANDOLPH. The concern of the two Senators from Alabama on this subject, as indicated in their introduction of the bill, which had been presented during the 95th Congress and on previous occasions in one form or another, is certainly proof positive of their desire that the occupational disease study of red lung or other diseases that are associated with types of mining be matters of consideration in the Human Resources Committee and that we attempt to cope with these problems as expeditiously as possible.

We felt at this time as we were amending the original Coal Mine Health and Safety Act of 1969, which was amended in 1972, in this legislation, amending those earlier acts of 1969 and 1972, we do just the job here in connection with the coal mining problem. We think this will conclude the problems which have been very complex in connection with the payment of claimants. But we have felt the necessity and in fact we have recognized the arguments that are being made here, and in the legislation on page 25 of the pending bill we have a section entitled "Occupational Disease Study." I ask unanimous consent at this point that language be printed in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

OCCUPATIONAL DISEASE STUDY

SEC. 112. (a) The Secretary of Labor, in cooperation with the Director of the National Institute for Occupational Safety and Health, shall conduct a study of all occupationally related pulmonary and respiratory diseases, including the extent and severity of such diseases in the United States. Such study shall further include analyses of (1) any etiologic, symptomatologic, and pathologic factors which are similar to such factors in coal workers' pneumoconiosis and its sequelae; (2) the adequacy of current workers' compensation programs in compensating persons with such diseases; and (3) the status and adequacy of Federal health and safety laws and regulations relating to the industries with which such diseases are associated.

(b) The study required by subsection (a) of this section shall be completed and a report thereon submitted to the President and the appropriate committees of the Congress within eighteen months after the date of enactment of this Act.

Mr. RANDOLPH. We are saying that we will cooperate through the Secretary of Labor with the Director of the National Institute for Occupational Health and Safety, and that there shall be a study of all occupationally related pulmonary and respiratory diseases, including the extent and the severity of those diseases.

I will not state what that study would do, but it would be very thorough and very detailed.

We will look into the adequacy of current workers' compensation programs in connection with those persons with such diseases.

And we will look into the status of the laws that are now upon the books relating to the industries and the diseases which come from working within those businesses or industries.

We ask that the report be submitted to the President and to the appropriate committees, and we have allowed 18 months for the completion of that work and report to the President and to Congress.

I hope that, in this instance, fully recognizing the intent which is proper of the Senator from Alabama, the amendment not be a matter of vote because, in the purpose we are with the Senator, but having recognized it and knowing that we are coming to it, I trust that we can be given the opportunity to take care of it at a later time.

I remember standing in the well of the Chamber in 1965 when we brought up the Appalachian Regional Commission program, which now, of course, embraces 12 parts of States and the State of West Virginia as a whole. At that time there were Members very properly saying, "What about the other sections of the country that have these common problems?" I recognized them, and I pledged in the well of the Chamber that we would produce legislation for those other areas of the country.

I want to say that we kept that pledge, and now there are seven areas of the country and the Appalachian Commission, eight in all, where these programs have been rebuilding, where there is the thrust of common problems to areas of this country. This has been a matter that was not unduly delayed, but we had been studying the subject for 2 years. We were ready to act on the Appalachian problem, and then it took further study to get ready so that we could act properly on these other areas of the country. We did it, and it is somewhat a similar situation, as I see it, in connection with the request being made, and I leave it to the good judgment, of course, of my colleagues as to pressing the amendment. Or, with the assurance from the manager of this bill, we will be having this study and it will only take 18 months and the report will come then as to what we believe should be done.

Mr. ALLEN. I thank the distinguished Senator.

He is certainly well recognized for his fairness and his compassion. I call his attention to the situation that Senator SPARKMAN and I find ourselves in with our constituency that possibly we would have a coal miner in Birmingham living next door to an iron ore miner, both suffering from similar diseases caused under the same circumstances but in different mines.

The coal miner having black lung receives compensation, which is fair and which we approve of, but his neighbor, because he works in an iron ore mine, receives no compensation. We are pleased that the chairman has a study underway, and we are hopeful that that will show the necessity of enacting legislation in other fields as well as the field of black lung.

We would like to ask the distinguished chairman if it would be his purpose and his thought to wait until the study has been completed before we have a hearing before the committee. Would the Senator give us an indication if possibly we might have a hearing prior to the completion of this 18-month study.

Mr. RANDOLPH. The Senator is very persuasive, of course. Why does he not just trust the Senator who is now speaking to move these matters, with which he is very understandably concerned, as quickly as possible?

Mr. ALLEN. We certainly have full confidence in the distinguished Senator from West Virginia. We will accede to his request. Certainly we will be delighted——

Mr RANDOLPH. I think it is possible we could have what the Senator is requesting, but we would rather not be committed.

Mr. ALLEN. I would like to have an expression also from the distinguished Senator from New York on that point.

Mr. JAVITS. Certainly, Mr. President, I concur with the distinguished Senator from West Virginia as to the timetable question. I know of the great esteem with which we all hold him; I think his confidence is well trusted by the Senator from Alabama.

For those Senators who were not in the Chamber, they will recall or see in the RECORD that I called attention to that very problem. There is a problem of red lung for ironworkers, a problem of brown lung for textile workers, and a problem of white lung for talc miners.

The NIASH, the research agency of the National Institute of Safety and Health, is conversant with these matters. We have had some hearings already, and I am confident that within a reasonable time, a proximate time, we can afford a hearing to the ironworkers.

Senators may be interested to know that I am working very hard with Senator WILLIAMS, with the cooperation of Senator RANDOLPH, on workmen's compensation. We had the finding of a commission about 3 years ago that one deficiency in workmen's compensation was the failure to take account of these lingering diseases, which often take years to develop, but when they do develop are lethal in their character.

I shall persevere in that effort. There will be a bill introduced in September, I hope, by Senator WILLIAMS and myself, joined with others, to extend the workmen's compensation coverage to include those diseases, including the red lung which I have mentioned here. I hope we will have an opportunity to have the Senators from Alabama give us the facts and details on those things before then, whether in the hearings or outside them. But I can assure both Senators I am passionately devoted to their cause, and I am confident we will get abreast of them. I believe they feel as I do, that the coal miners' situation having been so bad, we do not begrudge them their relief, but we wish to bring the others up to the same kind of justice; and I pledge to both Senators to make every effort, with hearings, bills, and everything it takes to accomplish it.

Mr. ALLEN. Mr. President, I thank the distinguished managers of the bill. I believe the offering of this amendment has been highly productive, in that it has focused attention on the plight of other miners and other industrial workers who do contract these diseases in the performance of their duties.

The assurances that we have been given by the chairman of the committee and the ranking minority member are most reassuring, and we are hopeful that we can make progress in this area at an early date.

With these splendid assurances, for which are grateful, we ask that we be allowed to withdraw the amendment.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. SPARKMAN. We appreciate the assurances given to us both by the Senator from West Virginia, with whom I had an exchange several months ago, and by the Senator from New York (Mr. JAVITS).

I might say that if the subcommittee to which he refers, or the full committee, has a hearing at some time in the near future, we would like an opportunity to appear as spectators.

Mr. ALLEN. Again I thank the distinguished Senator from West Virginia.

Mr. RANDOLPH. I am very conscious of the concern of the Senators from Alabama. It is a concern which is shared by the members of our committee, as indicated by Senator JAVITS, and earlier by me, in reference to remarks we made in colloquy with Senator SPARKMAN and now with Senator ALLEN.

The PRESIDING OFFICER (Mr. STONE). Does the Senator from Alabama withdraw his amendment?

Mr. ALLEN. I do withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 695

Mr. RANDOLPH. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment submitted at this time?

Mr. JAVITS. And temporarily displacing the Chafee amendment?

The PRESIDING OFFICER. Temporarily displacing the committee amendment and the amendment by the Senator from Rhode Island (Mr. CHAFEE). Is there objection? Without objection, it is so ordered. The Clerk will state the amendment.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an unprinted amendment numbered 695:

On page 33, beginning on line 18, strike out "and before October 1, 1982.".

Mr. RANDOLPH. Mr. President, the report of the Committee on Finance states that the tax on coal imposed pursuant to section 202 of the bill is to terminate on September 30, 1982, and by implication, the trust fund.

The report, however, does not disclose why the tax is to be imposed for this limited 5-year period. I can appreciate that Finance Committee members might feel that a tax should not be imposed on a permanent basis if the level of benefits, over time, will be steadily reduced; for the following reasons, I judge it imperative to establish the tax with no termination date.

As in part B of the black lung benefits program, and as with other disability compensation programs, benefit payments are made for the duration of the disability. If the tax is terminated, then the program is also terminated. It follows that benefits, too, will be terminated. It is not fair or appropriate to provide benefits for 5 years and suddenly cut them off.

Proponents of a "sunset" tax provision may suggest that State workers' compensation programs will pick up the benefits after the Federal program is terminated. This is, I respectfully suggest, wishful thinking. It is not realistic to expect States to assume millions of dollars of liability voluntarily.

The alternative, I submit, is equally unacceptable. If the tax terminates, the benefits will have to be paid out of general revenues. If this is what is contemplated, it is merely a continuation of the existing system, only the situation is worse. With the reform provisions of S. 1538, and with the assumption by the trust fund of considerable liability which under existing law attaches to individual coal operators, the amount of general revenues required will be far greater than is currently the case.

One of the major reasons for the development of S. 1538 was to transfer the burden of paying black lung benefits from the Federal Government to the coal industry, where, we believe that burden belongs. If the tax is terminated after 5 years, this sound policy will be entirely nullified.

Mr. President, I oppose the termination of the tax on coal, and I ask that my amendment be approved.

Mr. JAVITS. Mr. President, first, to regularize the procedure, and I hope that my colleague from West Virginia will agree, I ask unanimous consent that the committee amendments, those made by the Committee on Finance, may be considered en bloc and treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, the reason that the Committee on Finance limits the operation of the tax is twofold. First, they want to take another look at this program if they are going to continue a tax that is going to produce, over 5 years, what they estimate as almost a billion dollars—$930 million.

Second, this tax that is to be levied will not pay for all of the part C claims. It falls short, and they say it falls short, unless two assumptions are made: one, that there will be a strikeout of the provision in the bill relating to the reinterpretation of X-rays; and, two, that there be an elimination from the bill of the presumption of eligibility after 25 years of work.

Between them, these provisions account for about $426 million of anticipated expenditure over the next 5 years, so the amount of the shortfall is going to be evident when there is final action on this bill. Hence, the Committee on Finance wants to take another look at it.

Mr. President, I shall move, as soon as this amendment is laid aside temporarily, to put a terminal date in the bill in respect of the financing of new claims roughly contemporaneous with the date the Finance Committee has set to terminate the collection of the tax.

I believe that it is high time that there be an end to this drain on the Federal Treasury for the benefit of one particular set of victims. We have just heard from the Senators from Alabama of another set, and there are many more sets than that, equally deserving. So, Mr. President, the action of the Senate on this amendment, which Senator RANDOLPH, with his customary fairness, has interposed before mine so that the Senate could act on that first, becomes critically important. I hope very much that the Senate will reject that amendment and leave the terminal date for the tax in the bill.

ORDER FOR NO ROLLCALL VOTES BEFORE 2 P.M. TODAY

The PRESIDING OFFICER. There is an amendment pending.

Mr. JAVITS. Mr. President, I ask unanimous consent that the amendment of Senator RANDOLPH may be temporarily laid aside.

Mr. RANDOLPH. I shall not object, but I wish to make this request, and it may already have been done: that no rollcall votes occur before 2 p.m.

The PRESIDING OFFICER. There has not been a unanimous-consent request or order barring votes before 2 p.m. There has been a consent agreement to vote on the amendment by the Senator from Rhode Island (Mr. CHAFEE) at 2 o'clock.

Mr. RANDOLPH. I make that unanimous-consent request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from New York that

the amendment of the Senator from West Virginia be laid aside?

Without objection, it is so ordered.

AMENDMENT NO. 530

Mr. JAVITS. I call up amendment No. 530.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes amendment No. 530.

On page 20, lines 5 through 9, strike section 7(g) and redesignate the succeeding subsections accordingly, and, at the end of title I, add a new section as follows:

"PROGRAM TERMINATION

"SEC. 116. No new claims for benefits under this part shall be accepted after December 31, 1982.".

Mr. JAVITS. Mr. President, this bill has no terminal date. The Act which it amends had a terminal date of 1981 for any new claims to be filed. I do not want to inhibit the recognition of claims filed up to December 31, 1982, but I do not want new claims to occur thereafter with no tax to cover them. Obviously, that is what is going to happen unless Senator RANDOLPH'S amendment is carried. Even if it is carried, I would still insist on my amendment, for the same reason that the Senate fixed a 1981 date in the bill as it stands today.

This is a very expensive program. We already see, even under the Finance Committee tax, that there is going to be a shortfall to meet the terms of the bill which we have to finance. All our arguments about economy go out the window unless we have a time when we can review this bill in order to stem the flow of Federal funds into it.

Mr. President, we have distributed to every Member a letter outlining the case, which I really think is irrefutable, for ending this program so that Congress may review it by January 1, 1983. If the amendment of Senator RANDOLPH to the Finance Committee's part of this bill fails to carry and the trust fund, based upon the tax rate, only operates until the end of 1982, it seems to me irrefutable that there has to be a terminal date for the substantive part of the bill itself. If, on the other hand, the Randolph amendment should carry, we still have to have a terminal date, because the tax falls short of paying the amount which will be required to be paid due to the provisions relating to the rereading of X-rays and to the 25-year presumption for deceased miners whose employment terminates before 1971. Therefore, we should have an opportunity to review the shortfall and determine whether or not we wish to continue or modify the program.

For all of those reasons, Mr. President, I believe that this amendment is an appropriate one and should be carried.

Mr. President, I ask unanimous consent that the letter addressed to my colleagues, describing in detail the situation that demands a terminal date on the substantive aspect of the bill may be printed in the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 21, 1977.

DEAR COLLEAGUE: When the bill to amend the Black Lung Benefits Program (S. 1538) is considered by the Senate today, I will propose an amendment to delete the provision which, for the first time, would make this program a permanent Federal responsibility. Instead, my amendment will authorize the Department of Labor to continue to accept new benefit claims for five more years through December 31, 1982. The amendment will retain the Congressional intent expressed in the original 1969 Act, and reaffirmed in the 1972 amendments, that this temporary Federal benefits program should last only until State workers' compensation systems provide coverage of coal miners who are disabled by black lung disease.

Under current law, all benefits under the Department of Labor program will cease, and no new claims will be accepted, after 1981. Under the amendment, all beneficiaries who qualified prior to that date will continue to receive benefits, and only new claims after January 1, 1983 would have to look to the applicable State workers' compensation agency. This will allow the States time to improve their workers' compensation programs and also will require Congressional review of the Black Lung program within five years.

Under the bill, the Congress will have to review the financing mechanism of the Black Lung Benefits Program within five years in any event. This is because, as reported by the Finance Committee, upon referral from the Human Resources Committee, the one percent ad valorem tax on the sale of coal to be used to pay most future benefit costs out of a new trust fund will be levied only through September 30, 1982, and no provision is made to resume general revenue financing thereafter.

In fact, as stated on page 7 of the Finance Committee report, the tax "revenue is likely to be insufficient, by almost $300 million, to meet the expected obligations of the trust fund for the next 5 years." Accordingly, my amendment terminating new claims after 1982 coincides with the exhaustion of the trust fund's financing under the terms of this bill itself.

It is also important to know why the States have not already assumed complete responsibility for black lung compensation claims and how other provisions in this bill deal with this previously unresolved issue. Under current law, the Secretary of Labor as to Black Lung is authorized to certify State workers' compensation programs that meet certain criteria. The Federal program is not applicable with respect to claims filed by residents of certified States. But, to date no States have seriously attempted to get Federal certification.

The major impediment to certification, which this bill overcomes, has been the understandable unwillingness of the States to assume retroactive liability for the thousands of claims of coal miners who contracted black lung disease before the State laws were amended to provide black lung coverage as a compensable disability. Two features of this bill resolve this problem. First, a trust fund is created to finance past and current claims. Second, as I proposed to the Human Resources Committee, the bill (in Sec. 102 (c)(2)) explicitly relieves any State applying for approval from retroactive liability by providing that no benefits would be required where the miner's last coal mine employment terminated prior to the Secretary of Labor's certification of the State law.

Equitable and adequate compensation of victims of occupational disease requires continued improvement of State workers compensation systems, not the perpetuation for decades to come of stop gap Federal compensation programs like Black Lung. Making the Black Lung program permanent will inevitably invite increased demands for comparable Federal compensation programs for other categories of employees disabled by occupational diseases—textile workers, asbestos workers, iron workers and many others—who can legitimately complain that the Federal Government has discriminated against them by singling out only one group of workers for special treatment. That is the purpose of the amendment I have proposed, to which I urge you to lend your support.

With best wishes,

Sincerely,

JACOB K. JAVITS.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that it not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS, Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I have consulted Senator RANDOLPH'S staff, and and it is based upon that consultation that I make the following unanimous-consent request:

I ask unanimous consent that, in lieu of any time remaining on the Chafee amendment, there may be 10 minutes before the vote on the Chafee amendment, to commence at 2 o'clock, for further debate on the Chafee amendment, the time to be equally divided—5 minutes to the proponent of the amendment, 5 minutes to the opponents—the vote to occur upon the completion of that debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that with respect to the Randolph amendment pending at the desk, there also be a comparable 10-minute debate—5 minutes to the proponent, 5 minutes to the opponents—the debate to commence immediately after the vote on the Chafee amendment has been completed, and that second debate to be followed by a vote after its completion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent for the same arrangement exactly on my own amendment, which follows the Randolph amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I again ask unanimous consent that I may call for a quorum without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:00 P.M.

Mr. JAVITS. Mr. President, I move that the Senate stand in recess until 2:00 p.m.

The motion was agreed to, and at 1:31 p.m., the Senate recessed until 2:00 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MUSKIE).

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I ask unanimous consent that Martin Franks, of my staff, be accorded the privilege of the floor during debate and votes for the rest of this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Are there 10 minutes for debate now on the amendment of the Senator from Rhode Island, which is pending?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Five minutes to a side?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Mr. President, I suggest that the Senator utilize his time.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

UP AMENDMENT NO. 693

Mr. CHAFEE. Mr. President, this amendment was discussed, to some degree, this forenoon. I might explain to the Members present the gist of it.

The current law is that when an X-ray comes in from the coal mine area, indicating that a miner has black lung disease, it then goes to a section in the Department of Labor where the Government has an opportunity to read the X-ray again. This is read by what is known as a B reader. These men are specially trained, having gone through the course at Johns Hopkins University. They are specially trained, not just to read X-rays, but to read X-rays of the lungs.

ORDER OF PROCEDURE

Mr. JAVITS. Mr. President, will the Senator yield for a moment?

Mr. CHAFEE. Yes.

Mr. JAVITS. Mr. President, I ask unanimous consent that it may be in order to ask for the yeas and nays on the Javits amendment at this time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that it may be in order to ask for the yeas and nays on the Randolph amendment at this time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. JAVITS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 693

Mr. CHAFEE. In the event that the Government reader should determine that, based on his reading, there cannot be a determination of black lung disease, the situation does not end, Mr. President. Instead, the claimant has a right to appeal to an administrative law judge. The administrative law judge can call in expert witnesses, can ask for further X-rays, can seek whatever additional information he needs in connection with the reading of that X-ray.

Let us take a step further, Mr. President. Let us assume that the administrative law judge determines that the claimant, based on this X-ray, does not have a case. That does not end it. It then goes to the Benefits Review Board.

The principal reason, I believe, Mr. President, that this is a most extraordinary change in the law is that the change in the law proposed in this amendment is that the Government has no reading of the X-ray. The X-ray comes in from the coal mine area, with a statement by the reader there, the local doctor, who examines it and determines that there is black lung disease. That settles that point. The Government has no chance to read the X-ray. We are thereby depriving the Government of its opportunity to determine that, in the Government's view, there is no claim. It seems to me that that is a most extraordinary deprivation of the Government's right to protect the taxpayers of this Nation.

I further point out, Mr. President, that oftentimes, when the Government gets the X-ray under the present situation, it upgrades the award. In other words, it determines that the black lung disease is more serious than the original reader had expected.

There is a further protection for the claimant in that, in 40 percent of the cases that were examined in 1975 under a study, the Government's second reader found that there was previously undetected evidence of lung cancer, tuberculosis, and emphysema. What my amendment does is go back to the situation where we are now. In other words, it protects the Government's right to have a second reading and changes the proposed law, which would eliminate the right of the Government, the taxpayers of this Nation, the citizens of this Nation, to have its second reading made prior to any benefit being paid.

Mr. JAVITS. Will the Senator yield?

Mr. CHAFEE. Yes.

Mr. JAVITS. Mr. President, I support this amendment. I think it is inconceivable that the Government should not have that right. I moved it in the committee. It was defeated by a very narrow vote. I hope very much that it carries in the Senate.

Mr. CANNON. Mr. President, I ask unanimous consent that William Kroger of my staff may have the privilege of the floor during debate and vote on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. I further point out that this amendment was defeated in the committee, 6 to 5. The amendment is supported by the administration, as the Assistant Secretary for Employment Standards stated in his letter.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. RANDOLPH. I yield myself the remainder of the time. Is that 5 minutes on the majority side?

The PRESIDING OFFICER. The Senator is correct.

Mr. RANDOLPH. Mr. President, I have discussed this very thoroughly during debate earlier today. I really regret—and we cannot, I am sure, have it otherwise—that Members of the Senate were not present. So often, we find ourselves coming in and voting on a subject which is rather complex, such as this subject. I know that Senator CHAFEE and the manager of this bill went into this subject very thoroughly.

I submit that Dr. Donald Rasmussen is a man who understands this problem. I am afraid that Mr. CHAFEE, the able Senator from Rhode Island, really does not understand the importance that I attach to the position I hold of, frankly, defeating this amendment.

Dr. Rasmussen said:

> Chest films of good quality should be obtained on all applicants, primarily to exclude infectious, malignant or other diseases or conditions of the lungs or thorax. There is little or no reason for the elaborate system of multiple readers, since the presence or absence of pneumoconiosis per se is pertinent only in cases who have worked less than 15 years in the coal industry.

Then he said:

> Even in these cases, there is no relationship between the X-ray findings and the presence or absence of impaired function.

Mr. President, the Labor Department admits that, in the vast majority of the cases, X-ray rereading results in the reversal of positive findings of pneumoconiosis. The GAO, in its recent report on the administration of the black lung program, points out that the rereading of X-rays results in significant delays in claims processing. The provision in the committee bill gives the Secretary adequate means of assuring the quality of the X-ray. The rereading prohibition applies only if all the factors are present: that the X-ray was taken by a qualified technician; that the original interpretation was made by a certified radiologist or a radiologist who is eligible for certification by the Board of Radiologists; that the X-ray is of sufficient quality to show pneumoconiosis; that there is no evidence of fraud.

I agree that the executive branch must be able to reread X-rays for the purpose of discovering illness.

This is not the issue in the vote here on the amendment. The issue, as I have

indicated earlier today, is whether rereaders hired by the Government should be allowed to second-guess the coal field radiologist, the man who is there where the mining is taking place, who is far more knowledgeable about the individual miner.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back or having expired, the question is on agreeing to the amendment of the Senator from Rhode Island. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Minnesota (Mr. HUMPHREY), are necessarily absent.

I further announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Mississippi (Mr. STENNIS), are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), would vote "nay."

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. THURMOND), and the Senator from North Dakota (Mr. YOUNG), are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS), is absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND), would vote "yea."

The result was announced—yeas 41, nays 49, as follows:

[Rollcall Vote No. 311 Leg.]

YEAS—41

Bartlett	Glenn	Morgan
Bellmon	Goldwater	Muskie
Brooke	Gravel	Nelson
Bumpers	Griffin	Packwood
Byrd, Harry F., Jr.	Hansen	Proxmire
	Hatch	Roth
Case	Hathaway	Schmitt
Chafee	Hayakawa	Scott
Chiles	Helms	Stafford
Curtis	Javits	Stevens
Danforth	Laxalt	Talmadge
Dole	Leahy	Tower
Domenici	Long	Wallop
Garn	Lugar	Zorinsky

NAYS—49

Abourezk	Hart	Nunn
Allen	Haskell	Pearson
Anderson	Hatfield	Pell
Baker	Heinz	Percy
Bayh	Huddleston	Randolph
Bentsen	Inouye	Ribicoff
Biden	Jackson	Riegle
Burdick	Johnston	Sarbanes
Byrd, Robert C.	Kennedy	Sasser
Cannon	Magnuson	Schweiker
Church	Matsunaga	Sparkman
Clark	McGovern	Stevenson
Cranston	McIntyre	Stone
Culver	Melcher	Weicker
Durkin	Metcalf	Williams
Eagleton	Metzenbaum	
Ford	Moynihan	

NOT VOTING—10

DeConcini	Mathias	Thurmond
Eastland	McClellan	Young
Hollings	McClure	
Humphrey	Stennis	

So Mr. CHAFEE's amendment was rejected.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 695

The PRESIDING OFFICER. The question recurs on amendment No. 695, offered by the senior Senator from West Virginia (Mr. RANDOLPH).

The Senate will be in order. The Senate will not proceed until the Senate is in order. Senators will clear the aisle and clear the well and will continue their conversations in the cloakroom.

On this amendment there will be 10 minutes of debate, to be equally divided between the sponsor of the amendment and the Senator from New York (Mr. JAVITS).

Who yields time?

Mr. RANDOLPH. Mr. President, a question: What is the status of the pending amendment? Has there been debate on this amendment in any degree?

The PRESIDING OFFICER. The Chair understands that there has been debate—a few minutes less than 10 minutes.

Mr. RANDOLPH. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator is recognized.

Mr. RANDOLPH. Mr. President, it has been asserted by the Senator from New York in reference to the report of the Committee on Finance that a substantial shortfall in revenues in relation to benefits will result from passage of this bill. That assertion is based on a series of cost and revenue assumptions. The sources are the Joint Committee on Internal Revenue Taxation and the Department of Labor staff.

On the other side of the question the Congressional Budget Office, directed by Dr. Alice Rivlin, has determined in a July 11 cost estimate that the shortfall of revenues will be only in the amount of $35 million over a period of 5 years, or $7 million a year.

Our bill, in fact, requires the trustees of the fund to report on the condition of the fund and to recommend to Congress any requirement for changes in the tax. This is to be done annually. Thus there is no need, as I see it, for a termination date on the tax.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, I yield 3 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I would think we could all agree that much remains to be seen about what the cost of this program is going to be. For example, the Senate just gave its approval to a rather controversial provision in the bill which says that the Government does not have the right to have its experts pass judgment on what those X-rays show. So if someone goes to his family doctor and the family doctor says he has black lung disease, the Government cannot have one of its specialists testify what, in his judgment, that X-ray shows.

The Department of Labor, of course, opposed the Committee on Human Resources on that item and, frankly, those of us on the Committee on Finance were inclined to feel that it is not how you ought to do business, where the Government is precluded from having its witnesses testify on behalf on the Government's position.

But that was the judgment of the Senate and, I dare say, most Senators, I do not think, had the opportunity to fully appraise themselves of what the problem here was that will raise the cost of the program.

We also have a problem here with regard to the presumption created by the bill that a person who worked in the mines for 25 years is presumed to have black lung, for the benefit of his widow or his heirs.

From the point of view of most of us, when a person is dead why can you not have an autopsy and see if he has black lung? Well, we are not going to have the right to have the autopsy. We are going to presume he has black lung because he worked in a mine for 25 years.

These things are going to increase the cost of the program. The view of the Committee on Finance and the view of the Senator from New York (Mr. JAVITS), is, that being the case, we ought to provide a tax to pay for this matter for 5 years, and then after 5 years we ought to take another look at it and see what it is costing and have a chance to pass judgment on what our program should be.

I heard the argument of the Senator from West Virginia, and I suppose I cannot quarrel with his views, he representing coal miners, and they ought to have everything that can be recommended. But I would think, in view of the fact that the costs of this matter may wind up being a great deal more than anybody anticipates, where the costs wind up being anywhere from 2 to 10 times what anybody estimated they would wind up being, it would seem we ought not to be so liberal and we should be cautious. We should wind up with this being the cost for 5 years, and then we should take another look at it.

I would like to ask is this an amendment offered by the Senator from West Virginia or is it the Committee on Finance amendment we would be voting on?

The PRESIDING OFFICER (Mr. CHILES). The amendment offered by the Senator from West Virginia.

Mr. LONG. Then I hope the Senate will not agree to the amendment.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, it seems to me if anything is open and shut, this is it. Here is a time limitation on a tax, an ad valorem tax, which is going to be passed on to the consumer, and we ought to have a time limitation to review what we are spending.

This program has cost the Government $1 billion a year. Now future costs are going to be transferred to the coal

consumer. Do we just want that program to go on forever without implementing it into workers' compensation or requiring some other evidence of responsibility? I almost cannot understand ourselves if that is the way we feel.

Now, we have a limitation of 1981 in the present act. This is not of meaning to me; it is of meaning to our country and to the consumers of coal. We have a limitation of 1981. We are willing to push that up to 1983. Not to review this program at all, not to take another look at the tax when the time expires in 5 years, seems absolutely beyond me, especially as the estimates of money will fall short, whether it is $35 million or $400 million, they are going to fall short. Therefore, we should end them at a given time.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. LONG. Basically what this amounts to is that we have here a $1 billion tax to finance what by any standard is an exceedingly generous program and, frankly, there are going to be situations where we are going to pay a lot more than anybody ever dreamed of for some cases which, to say the least, will be controversial.

Now, the view of the Committee on Finance and the view of the Senator from New York in this matter is that we ought to take another look at it in 5 years' time and see what it is going to cost.

Mr. JAVITS. That is the course of basic responsibility, and I see that as the point of view of the Committee on Finance, and I argue to sustain the position of the Committee on Finance.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CURTIS. I just want to add my support to the position of the Senator from New York and my distinguished chairman, Senator Long.

There are many unknowns in this bill. It is a new tax. It came to us on an excise tax basis. We effected a change. We think it will work out equitably, but it is a new program so far as this tax arrangement is concerned, and I would feel much better if it had a termination date so that another Congress could look at it.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. JAVITS. I yield 2 minutes on the bill.

Mr. RANDOLPH. Mr. President, I would remind my able chairman of the Committee on Finance, Mr. LONG, that the surface mining bill provides a tax for 15 years. Now, that is a fact. How can you reason or how can the members reason that we should do any less for those persons in a bill that is people-oriented, very frankly. I recognize that. The miner and the program, as I see it, need a continuity, and that is why I take the position that I do.

I understand in part the reasoning, but I cannot, of course, agree with the situation as stated by those, including the Senator from Louisiana, who want a so-called termination date of this type.

Mr. JAVITS. I yield a minute to the Senator from Colorado.

Mr. HART. Mr. President, first of all, if we apply a sunset principle to this tax, then I think we should do so in all tax subsidies on an experimental basis just to see how it works, just to be fair.

Second, under the present program 90 percent of the miners in Colorado are having trouble getting their benefits because they are delayed and the applications are stacked up, and the presumption is they do not have black lung until they prove they do.

I think the medical evidence is quite to the contrary. I think the presumption should be on those who say they do not have black lung to prove they do not. I think the presumption should operate in favor of the person who has been under the ground for 25 years. That is what I take it the purpose of the Senator's proposal is, and I think we should support him.

Mr. JAVITS. Mr. President, I yield myself 1 minute to reply.

The difficulty is we picked out one industrial illness, and we favored it. If we were doing it across the board, I would be sympathetic with my colleague. I am the last person who is going to stand against some form of compensation. I have made fair treatment of workers my whole life's work.

I feel, having picked it out specially, we have really gone pretty much overboard with it and at least we should have some review process.

We have this amendment relating to the tax, and then we have my own amendment relating to the new claims after 1982. We have to get it back into the State workers' compensation system or at least do it for the others who are similarily affected at one and the same time.

For those reasons, I hope very much the Senate will reject the amendment.

I yield the floor.

Mr. RANDOLPH. Mr. President, I say to the Senator from New York that if the tax is terminated then the program, as I have said earlier today, is also terminated. It follows that benefits also will be terminated.

I do not believe that it is fair or appropriate to provide benefits for 5 years and then, frankly, very suddenly cut them off.

Mr. JAVITS. In answer to that, I believe that we should stop taking new claims after the end of 1983 and review this whole program. This is an element in that determination which I believe is a prudent one for the Senate in view of the way this program has rolled up the costs at the same time that it has been restricted to one industrial illness. I am very sympathetic to it. But we have to have some controls and some restraints.

Mr. RANDOLPH. Mr. President, will my able colleague yield again?

Mr. JAVITS. I yield.

Mr. RANDOLPH. I have said earlier today that the alternative which I have indicated I think is equally bad. If the tax terminates, the benefits will have to be paid out of the general revenues, as the Senator has just said.

If this is what is contemplated, it is merely a continuation of the existing system. Only I think it is making the system worse.

I hope that we realize that one of the major reasons for the development of this bill was to transfer the burden of paying black lung benefits from the Federal Government to the coal industry.

I also wish to add, with the permission of my colleague——

Mr. JAVITS. Of course.

Mr. RANDOLPH (continuing). That in this legislation we require that the trust fund report on the condition of the fund, and then we recommend to Congress any requirement for changes in the tax, and I remind Senators that this is done on an annual basis.

Thus, I repeat. I think it is unwise to have the termination date as the opponents believe on the tax itself.

Mr. JAVITS. Mr. President, I think it is time to end the debate on this.

Mr. LONG. Mr. President, will the Senator yield a minute?

Mr. JAVITS. I yield.

Mr. LONG. Mr. President, there are two things in here we should take a look at. Both of them have to do with people who might not have black lung at all.

The Senate just went along with the proposition that the Government is to be denied the right to let those Government witnesses testify what those X-rays mean. So, if the Government is not permitted to call its witnesses you might say the doctor for the claimant has the first, last, and only say on what that X-ray means. So that just sets the stage, and the Labor Department itself that is very friendly toward labor and sympathetic toward labor recommends against that.

The Senate went along with this proposition that the Government witnesses cannot testify for the Government. That is No. 1.

No. 2, in this bill we have also a presumption that if a person worked in the mines 25 years he had black lung even though the person is dead. You have the body right there and an autopsy could very well prove that he does not have black lung. The Labor Department is against that also.

I note that we may find that we have a great deal more cost in this program than we ever anticipated.

In view of the Finance Committee having to worry about where all the money is going to come from to pay for this, I say let us provide the $1 billion tax to pay for it for roughly 5 years but then let us take a look to see if we can really afford all this generosity.

Clearly we are going to be paying black lung benefits to a great number of people who do not have black lung. How far do we wish to go with it?

So the suggestion of the Finance Committee is to put the tax on to pay for it for 5 years and then give ourselves the right to take a look at it 5 years from now to see if we wish to be that generous.

Obviously all those who have black lung wish us to continue the benefits. However, as to those who do not have black lung, should we not have another look at this thing 5 years from now? In

that case, the judgment of the Finance Committee majority, as was the judgment of the Senator from New York, who served on the Human Resources Committee, was that in that event we should take a look at it after 5 years to see how the costs are comparing to the estimates.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired.

The question occurs on agreeing to the amendment of the Senator from West Virginia. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

I further announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Mississippi (Mr. STENNIS), and the Senator from South Carolina (Mr. HOLLINGS) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 47, nays 45, as follows:

[Rollcall Vote No. 312 Leg.]

YEAS—47

Abourezk	Glenn	Metzenbaum
Anderson	Gravel	Morgan
Baker	Hart	Pell
Bayh	Haskell	Percy
Biden	Hatfield	Proxmire
Bumpers	Hathaway	Randolph
Byrd, Robert C.	Heinz	Ribicoff
Cannon	Huddleston	Riegle
Case	Inouye	Sarbanes
Clark	Jackson	Sasser
Cranston	Kennedy	Schweiker
Culver	Matsunaga	Stevenson
DeConcini	McGovern	Stone
Durkin	McIntyre	Weicker
Eagleton	Melcher	Williams
Ford	Metcalf	

NAYS—45

Allen	Goldwater	Nunn
Bartlett	Griffin	Packwood
Bellmon	Hansen	Pearson
Bentsen	Hatch	Roth
Brooke	Hayakawa	Schmitt
Burdick	Helms	Scott
Byrd, Harry F., Jr.	Javits	Sparkman
	Johnston	Stafford
Chafee	Laxalt	Stevens
Chiles	Leahy	Talmadge
Church	Long	Tower
Curtis	Lugar	Wallop
Danforth	Magnuson	Young
Dole	Moynihan	Zorinsky
Domenici	Muskie	
Garn	Nelson	

NOT VOTING—8

Eastland	Mathias	Stennis
Hollings	McClellan	Thurmond
Humphrey	McClure	

So Mr. RANDOLPH'S amendment was agreed to.

The PRESIDING OFFICER. There will now be 10 minutes of debate before the vote on the Javits amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JAVITS. I would like Members to stay here to listen to this debate. I believe one of the things we have suffered from is the fact that Members do not hear the debate. They come in and vote and, on the exhortation of a friend, vote yea or nay as the case may be. I hope very much they will just stay for 10 minutes and attend to their duty and vote their conscience.

This amendment coming up is the most important vote of all.

Now I will yield.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, the President wants to swear in certain nominees before 5 p.m. today. I ask unanimous consent to proceed for not to exceed 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations of the calendar.

Mr. BAKER. Mr. President, I rise only to advise my friend, the majority leader, that we have cleared on the Executive Calendar items on the first and second page, which I understand he is going to present to the Senate for confirmation at this time. We have no objection to proceeding.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of James J. Gillespie, of Washington, to be U.S. attorney for the Eastern District of Washington.

The PRESIDING OFFICER (Mr. DECONCINI). Without objection, the nomination is considered and confirmed.

THE JUDICIARY

The second assistant legislative clerk read the nomination of Edward L. Filippine, of Missouri, to be U.S. district judge for the Eastern District of Missouri.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of Joseph F. Dolan, of Colorado, to be U.S. attorney for the District of Colorado.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Charles E. Graves, of Wyoming, to be U.S. attorney for the District of Wyoming.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF DEFENSE

The second assistant legislative clerk read the nomination of Hans Michael Mark, of California, to be Under Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Walter Barber LaBerge, of Virginia, to be Under Secretary of the Army.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Antonia Handler Chayes, of Massachusetts, to be an Assistant Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. AIR FORCE, U.S. ARMY, U.S. NAVY—NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, NAVY, AND MARINE CORPS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remaining nominations, all of which have been cleared on both sides of the aisle as indicated by the distinguished minority leader, be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, they are considered and confirmed en bloc.

(All nominations considered and confirmed today are printed at the conclusion of the Senate proceedings.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to move to reconsider the votes by which all the nominations were confirmed.

The PRESIDING OFFICER. Without objection, the motion is in order.

Mr. ROBERT C. BYRD. Mr. President, I make that motion.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from New York.

BLACK LUNG BENEFITS ACT OF 1977

The Senate continued with the consideration of S. 1538.

AMENDMENT NO. 530

Mr. JAVITS. Mr. President, I will confine my remarks to 5 minutes. Unless there is a compelling reason, I will not yield any more than 5 minutes in opposition, so we should vote in 10 minutes.

Mr. President, this amendment proposes to put a termination date for new claims on this whole bill, and every argument which has been made on both sides of the question leads up to this conclusion: This is a discriminatory law which this bill would perpetuate indefinitely, and we need to give ourselves 5 years in which to try to include other occupational diseases somewhere, whether in this or any other statute. This is certainly a reason for placing a termination date.

If the amount raised by the tax, now without a termination date, falls short materially, not $35 million but $400 million or more, then we should certainly have another look at the whole program as to new claims.

We have had a termination date in the law, 1981. When that question came before the committee previously objection to retaining that termination date in this law was voiced. I am proposing now that it be 1983.

Mr. President, will all respect for my colleagues who favor this bill, they are really pushing it too far. This has no right to be a permanent program of the United States. Many people may benefit from it. A lot of people in my community would benefit if we give some special reward to those who have been unemployed for a year. There are plenty of those. Or some other special class could be singled out for favored treatment.

Now, Mr. President, there are equities, but I think they are more than fully satisfied by what we are doing. Now we are levying a tax on the public, roughly $1 billion in this 5-year period. Mr. President, it seems to me that we certainly ought to review the bidding at the end of 5 years in respect to any new claims which are then to be filed. I hope very much that we will not defy reason in this matter and that we at least will continue the policy we, ourselves, inaugurated, of not creating a permanent program.

We have had a cap, a termination date. Let us continue to have a date. That, it seems to me, is the only fair way in which to proceed in this matter. I have recommended to the Senate by this amendment that December 31, 1983, is a more than adequate time to see what ought to be done about this program; should we continue it, work it out by State workmen's compensation reform, or take some other direction. But to just build in the United States a permanent program for one occupational disease cannot be justified by any standard of justice or reason to the consumers or the taxpayers of the United States.

I hope very much that we will act decisively at least on this, the final amendment which will tell the whole story as to whether we intend to be provident about this matter. This black lung legislation was originally estimated to cost, at the most, $300 million. It now costs $1 billion a year.

Members may raise their eyebrows at me arguing about economy, but I am not arguing about economy. I am arguing about justice and prudence; justice to others who are subject to occupational disease and prudence in terms of the personal responsibility for dealing with the peoples' money.

I had hoped very much that Senator RANDOLPH would accept this amendment. But I hope that the Senate will sustain at least this amendment, for reasons of justice and prudence if no other.

Mr. GRAVEL. Will the Senator yield?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAVEL. Who has time so I may speak?

The PRESIDING OFFICER. The Senator from West Virginia has 5 minutes.

Mr. RANDOLPH. I yield 3 minutes to the distinguished Senator from Alaska.

Mr. GRAVEL. I was one of the persons who were not here for the debate and got bits and pieces of it, as normally happens when we come to the floor. As I understand it, this is a tax on coal. Is that the case?

Mr. JAVITS. That is correct.

Mr. GRAVEL. In my rudimentary knowledge, if we are taxing coal and the mining of coal creates a health hazard to the people who mine, it would seem proper to me that the element of society that consumes the coal should bear the cost of that health hazard that is created in mining the coal.

Is that an improper deduction, in the Senator's thinking, of what should be the case as we clear the accounts in our society?

Mr. JAVITS. My answer is decidedly yes, in this case, because there are just as great equities for the miners of iron and the miners of talc and the knitters of the textiles as there are for coal miners. The coal miners happen to be first at the trough. That is OK. I am not arguing against that, and I am going to vote for this bill. But I do not believe we ought to shut off all these other equities by having no terminal date at all when we can take another look at this thing and see what is just for others as well.

Mr. GRAVEL. There is probably something in this bill that I am not acquainted with that shuts off people who mine iron or mine other products. I do not know what that would be. But the fact that we move affirmatively to set the accounts straight in our society, from an economic point of view, on a health hazard from black lung should not preclude us from coming back and setting the account straight on iron ore and setting the account straight on any mining activity that creates a health hazard for those people who pursue that way of life.

When we diffuse this health hazard into the total tax base, we indirectly subsidize that kind of activity. Maybe we want to do that. But I think it is better for society to recognize where the costs are and pay them there. That is what we do environmentally, when we make the steel mills clean up the dirty water, and the chemical plants clean up the dirty water. We put more cost on selling their chemicals and selling their steel. That is part of the pollution. Black lung is a human pollution.

As I understood it when I voted for the amendment of the Senator from West Virginia, I was committing myself to vote to pay for the cost of black lung where it should be paid for, on a pound of coal. So if I consume a pound of coal and somebody has black lung as a result of it, I am paying enough to pay for that cost, which is a real cost. We have been walking away from these costs.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. GRAVEL. I think I have made the point I wanted to make. I thank my colleague.

Mr. RANDOLPH. Mr. President, how much time do I have?

The PRESIDING OFFICER. Two minutes.

Mr. RANDOLPH. Mr. President, the amendment now being considered was considered very carefully in our Committee on Human Resources. The proposal of Senator JAVITS was defeated by a vote of 7 to 4. There was, I think, a full discussion of that amendment.

Certainly, my colleague and friend has preserved his right to offer the amendment here. I strongly believe that the amendment should be defeated, just as it was earlier defeated in the committee.

No one can offer assurance that there will be no compensable black lung cases 5 years hence. Pneumoconiosis is a progressive disease. A miner who is not disabled today may well be totally disabled 5 or 10 years from now. This is possible even if the miner terminates his coal mine employment today.

While there is reason to hope that workmen's compensation programs will fully cover black lung and other occupational diseases, that date, that millennium, has not yet arrived. There is no ironclad assurance that the situation can or will change within 5 years. There is no justification for allowing the program to terminate, even for new claims. If miners continue to be disabled by pneumoconiosis, as the able Senator of Alaska (Mr. GRAVEL) said, from their coal mine employment, they should be compensated, no matter what that year of compensation is.

I yield back my time.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

I further announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Mississippi (Mr. STENNIS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana

(Mr. LONG) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), would vote "nay."

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS), is absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND), would vote "yea."

The result was announced—yeas 42, nays 49, as follows:

[Rollcall Vote No. 313 Leg.]

YEAS—42

Allen	Goldwater	Pearson
Bartlett	Griffin	Percy
Bellmon	Hansen	Roth
Bentsen	Hatch	Schmitt
Biden	Hayakawa	Scott
Brooke	Helms	Stafford
Byrd, Harry F., Jr.	Javits	Stevens
	Laxalt	Stone
Chafee	Leahy	Tower
Chiles	Lugar	Wallop
Curtis	McIntyre	Weicker
Danforth	Muskie	Young
Dole	Nelson	Zorinsky
Domenici	Nunn	
Garn	Packwood	

NAYS—49

Abourezk	Glenn	Metzenbaum
Anderson	Gravel	Morgan
Baker	Hart	Moynihan
Bayh	Haskell	Pell
Bumpers	Hatfield	Proxmire
Burdick	Hathaway	Randolph
Byrd, Robert C.	Heinz	Ribicoff
Cannon	Huddleston	Riegle
Case	Inouye	Sarbanes
Church	Jackson	Sasser
Clark	Johnston	Schweiker
Cranston	Kennedy	Sparkman
Culver	Magnuson	Stevenson
DeConcini	Matsunaga	Talmadge
Durkin	McGovern	Williams
Eagleton	Melcher	
Ford	Metcalf	

NOT VOTING—9

Eastland	Long	McClure
Hollings	Mathias	Stennis
Humphrey	McClellan	Thurmond

So Mr. JAVITS' amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. RANDOLPH. Mr. President, I state this for the information of Senators: We know of only one amendment that is to be offered. I hope that Senator JAVITS and I can be in agreement as to the amendment to be offered by the able Senator from Kentucky (Mr. FORD).

UP AMENDMENT NO. 696

Mr. FORD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. FORD) proposes an unprinted amendment numbered 696:

On page 24, line 21, strike the quotation marks.

On page 24, insert between lines 21 and 22 the following:

"(d) any individual whose claim for benefits under this title is denied shall receive from the Secretary a written statement of the reasons for denial of such claim, and a summary of the administrative hearing record, or, upon good cause shown, a copy of the transcript thereof.

Mr. FORD. Mr. President, I commend the leadership and the distinguished floor manager, Senator RANDOLPH, for recognizing the need to bring this measure up for the consideration of the full Senate.

As an elected representative of the country's leading coal-producing State, I have very strong emotions about this issue, and I can assure my colleagues of the extreme importance of this legislation to thousands of miners who are suffering from black lung and attendant illnesses.

These men and their families have, for far too long, suffered from the inadequacies of a program that neither understands nor satisfactorily addresses their medical condition, and there should be no doubt among any of us here today that reforms in our present black lung benefits program are needed, and, in fact, long overdue.

Mr. President, it is a fact that if you work in the mines long enough, 9 chances out of 10 are that you will contract black lung. Medical evidence shows beyond a doubt there is an overwhelming probability that lung disease is a risk that goes with working in the mines.

It is becoming increasingly evident that dust standards in the mines are not being met and miners are still subjected to the daily risks of contracting black lung. Naturally, our obligatioin is to do all we can to prevent unhealthy and unsafe working conditions, and it is hoped that the mine safety legislation that this body approved earlier this year will result in significant improvements in miners' working conditions. Until we succeed in this goal, however, we have an obligation to insure satisfactory compensation for the risks inherent in this vocation, which is so very essential to helping this country meet its present and future energy needs.

Certainly, part of the problems associated with the black lung benefits program are compounded by internal administrative procedures in the Department of Labor. However, under the new administration I have been encouraged by a change in attitude accompanied by a sincere desire to take a close look at how the program can be improved through changes in administrative procedures.

In fact, last month at my request the new Assistant Secretary of Labor, Donald Elisburg, sent several of the top officials involved with administering the black lung benefits program to Kentucky to meet with concerned groups and individuals and see firsthand the problems which are being experienced by those who are intended to be the beneficiaries of this program. These officials spent 2 days in eastern Kentucky and now have a better understanding of the many frustrations experienced by those miners and their survivors who apply for black-lung benefits.

I am confident that as a result of this visit a reevaluation of the Department's administrative procedures will be made, and I feel certain that improvements will be implemented.

To further improve the program's administration—and quite possibly reduce the ever-growing number of court challenges of claim denials—I am offering an amendment to this bill which would require the Secretary of Labor to provide to a denied claimant specific reasons for the denial. In addition, my amendment would also require that the claimant be provided with a (see amends) his claim determination, without the necessity of court action.

I urge this amendment's inclusion as part of this bill.

Finally, Mr. President, I point out that while no piece of legislation can ever satisfy all segments of society, this bill represents more than a reasonable compromise in relation to providing benefits due individuals who contract black lung and in its cost to society. Most important, it is the best hope—the only hope—for remedying the many shortcomings and inequities of the present law at this time.

Mr. President, I understand that the leadership on both sides have agreed to this amendment.

I yield back the remainder of my time.

Mr. JAVITS. Mr. President, we have worked out this amendment with Senator FORD, and I am perfectly agreeable to take it to conference.

Mr. RANDOLPH. Mr. President, the Senator from New York (Mr. JAVITS) is correct. We have worked with the Senator from Kentucky (Mr. FORD) on the proposed amendment. It is acceptable to us.

We do know that black lung claimants currently are not told the specific, detailed reasons for the denial of their claims. Thus, often they have little to go on to determine whether or not they would desire to appeal the denial. This amendment would permit the claimant, as we understand, to have the reasons for his denial. It would provide him an opportunity to review the full record of his case, without the necessity of going to court.

Mr. FORD. The Senator is correct. This amendment, it is hoped, will cut down on the backlog of claims in the courts and will help expedite matters.

This body has added a number of judges to eastern Kentucky in order to help eliminate the backlog, and I believe this will be a step in the right direction.

Mr. RANDOLPH. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 697

Mr. GRIFFIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. GRIFFIN) proposes an unprinted amendment No. 697:

On page 6, line 11, at the end of section 105(a), which precludes the Government from even questioning an X-ray determination by a certified radiologist, change the period to a semicolon and insert the following:

"Provided, however, That this section shall be effective when and if the Commissioner of Internal Revenue determines and proclaims that it is no longer necessary to examine and audit the income tax return of any taxpayer whose return is certified to by a certified public accountant."

Mr. GRIFFIN. Mr. President, this is a simple amendment which should be supported. There was logic in the Chafee amendment, which would have given the Government merely the right to question the evidence upon which a determination of black lung was based.

If the language in the bill is left to stand, as is, this would be the first situation I am aware of, after 20 years of service in Congress, in which the Government would be absolutely barred from even looking at the evidence in cases where the taxpayers will have to foot the bill. Consumers and taxpayers of this country will be required to pay out billions of dollars under this legislation, and they have a right to assurance that those who benefit really do have black lung.

I have offered this amendment, with tongue in cheek, as a way of giving my colleagues another opportunity to vote on the Chafee proposal. I hope that six or seven of them may now realize the mistake of their earlier vote.

I am submitting this amendment, and I will ask for the yeas and nays, which I do now——

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. I want to be sure that Senators really knew what they were doing when they voted earlier.

I believe it would be just as illogical and as irrational to say that the Commissioner of Internal Revenue should never question or examine the tax return of any taxpayer whose return is certified to by a certified public accountant. It seems to me that it is the same principle.

Of course, it would be a cold day in hell before the Commissioner of Internal Revenue would ever issue a proclamation like the one described in the amendment. Obviously, I do not want this particular provision in the bill to become effective, and it will not become effective if my amendment is adopted.

I ask for a vote, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. Mr. President, there is no time needed. I think the matter, regardless of whether men knew what they were voting on in the prior amendments, they certainly have the opportunity here to vote again. I believe in the theory of fairness, and my position has been made known on the Chafee amendment, and there is no need to restructure the situation from the standpoint of the Senator now speaking.

It is agreeable with me if it is desired to have a rollcall, so let us proceed.

Mr. GRIFFIN. I yield back the time.

Mr. RANDOLPH. Of course, as we were against the Chafee amendment, which was defeated, we, of course, are against the amendment now offered.

Mr. GRIFFIN. Let me say again that anyone who does not want the language in the bill to become effective, of course, should vote for this amendment.

Mr. RANDOLPH. I yield back my time.

The PRESIDING OFFICER. All time yielded back? The question is on agreeing to the amendment of the Senator from Michigan. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

I further announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Mississippi (Mr. STENNIS), the Senator from Louisiana (Mr. LONG), and the Senator from South Carolina (Mr. HOLLINGS) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "nay."

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE), the Senator from New Mexico (Mr. SCHMITT), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 22, nays 68, as follows:

[Rollcall Vote No. 314 Leg.]

YEAS—22

Bartlett	Goldwater	Roth
Bellmon	Griffin	Scott
Chafee	Hansen	Stevens
Curtis	Hatch	Tower
Danforth	Hayakawa	Young
Dole	Helms	Zorinsky
Domenici	Laxalt	
Garn	Lugar	

NAYS—68

Abourezk	Ford	Moynihan
Allen	Glenn	Muskie
Anderson	Gravel	Nelson
Baker	Hart	Nunn
Bayh	Haskell	Packwood
Bentsen	Hatfield	Pearson
Biden	Hathaway	Pell
Brooke	Heinz	Percy
Bumpers	Huddleston	Proxmire
Burdick	Inouye	Randolph
Byrd, Harry F., Jr.	Jackson	Ribicoff
	Javits	Riegle
Byrd, Robert C.	Johnston	Sarbanes
Cannon	Kennedy	Sasser
Case	Leahy	Schweiker
Chiles	Magnuson	Sparkman
Church	Matsunaga	Stafford
Clark	McGovern	Stevenson
Cranston	McIntyre	Stone
Culver	Melcher	Talmadge
DeConcini	Metcalf	Wallop
Durkin	Metzenbaum	Weicker
Eagleton	Morgan	Williams

NOT VOTING—10

Eastland	Mathias	Stennis
Hollings	McClellan	Thurmond
Humphrey	McClure	
Long	Schmitt	

So Mr. GRIFFIN's amendment was rejected.

The PRESIDING OFFICER. Is there further amendment to be proposed?

Several Senators addressed the Chair.

Mr. JAVITS. Mr. President, how much time do I have remaining on the bill?

The PRESIDING OFFICER. The Senator has 29 minutes remaining.

Mr. JAVITS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the role.

The legislative clerk proceeded to call the role.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, let us have order, please, in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

UP AMENDMENT NO. 698

Mr. CHAFEE. Mr. President, I send to the desk an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE) proposes an unprinted amendment numbered 698:

On page 5, line 16, insert after the word "that" the following:

"In the case of a miner who was employed in one or more coal mines for 25 or more years, and where there is other evidence of pulmonary or respiratory impairment."

Mr. CHAFEE. Mr. President, this amendment provides that there be no requirement of a second reading, of any reading of the X-ray by the Government official, in the case of any miner who has worked in the mines for 25 years or more and has other evidence of pulmonary problems.

In other words, what we are doing, Mr. President, is saying that in that category there can be no reading of the X-ray by the Federal Government.

However, in the other cases, where a miner has worked less than 25 years, then the Government is permitted to read the X-ray, and that, of course, as Senators know, is the situation that exists now. This proposal would partially eliminate the Government's rights.

Mr. President, I would just like to say this: No one here who would support this amendment, particularly the Senator from Rhode Island, objects to any miner receiving what he should receive. But we do object to the Federal Government having no protection whatsoever. This proposal would permit the Federal Government to read the X-ray in other cases, and if there is objection, if there are problems, if we do not see what the local doctor sees, then it can go through the regular appeal process.

I might say this, Mr. President: One of the great objections to having the Government read the X-ray is the delay, and the claim that this takes a long time. Maybe it does. But the solution to that, Mr. President, is not to eliminate all the safeguards that the Government has, but to approach the problem from another direction: Have more so-called B readers. Have more readers, and speed up the process in other innumerable ways. As a matter of fact, Mr. Elisberg, who is the Assistant Secretary for Em-

ployment Standards, has testified that he wants to speed up the process, and we think that is right.

Mr. President, this is a very understandable amendment. It is, as Senators know, similar to the amendment we voted on earlier today, but it eliminates, that is, it does not pertain to, those miners who have been in the mines for 25 years or more. There is no second reading on their X-rays, no challenge by the Government except in those extraordinary cases of fraud, or where a certified radiologist did not submit the X-ray. For the others, it provides the Government, which is making the payments, some protection by providing for this second reading.

Mr. President, I do not really understand how this amendment can be seriously opposed. I would be delighted to hear the counterarguments. I think we can set aside the argument on 600 days, and all that contention that they make on all the other approaches.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a question?

Mr. CHAFEE. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. As I understand the amendment of the Senator from Rhode Island, it represents a compromise between his original amendment and the committee bill?

Mr. CHAFEE. That is right. I look upon it as a compromise. The floor manager of the bill, of course, will have to speak for himself; but this amendment provides that as to those miners with 25 years in the mines, their X-rays cannot be rejected, but for the others, their X-rays can be reread, and then there are the challenge procedures that the Senate has provided.

I yield to the Senator from Michigan.

Mr. GRIFFIN. Mr. President, I preferred the Senator's original amendment which would have allowed the Government to examine X-rays in any case, whenever there is a question—and that was the intent of the amendment I offered, as well. However, since neither the Senator's original amendment nor my amendment was adopted, I shall certainly vote now for this amendment offered by the Senator from Rhode Island. I hope the Senate will come to its senses and adopt it.

Mr. CHAFEE. I thank the Senator from Michigan.

Mr. GARN. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. GARN. I certainly strongly support the amendment of the Senator from Rhode Island. There have been a lot of issues that have come before this body since I have been here, and on first reading of this amendment, I could not imagine how anyone cannot be for it.

In the committee bill, we make a presumption that all doctors are honest. If that were true, if we knew every doctor would look at the X-rays honestly, there would be no objection. But, my goodness, looking at the medicare and medicaid scandals that have gone on recently, with doctors making a half million dollars a year right here in Washington for illegally filling out medicare and medicaid forms, it seems to be absolutely and totally unreasonable to assume that all of the situations would be properly certified by a doctor.

Certainly to be able to have a medical expert of the Government look at those X-rays seems entirely reasonable to me. I wish there were more Senators here. I wonder how many Senators knew exactly what they were voting for on the last amendment. We have an empty Chamber as usual. But I would hope that at least to a certain extent, we could protect the taxpayers of this country from fraud, and that is all we are talking about.

I certainly have no objection to anyone getting benefits to which he is medically and legally entitled. But there is no corner on honesty among M.D.'s, CPA's, attorneys, or otherwise. Unfortunately, in any line of endeavor, there are some people who are not honest. Most CPA's would submit only honest tax returns. Unfortunately, there are some who would not, and the Internal Revenue Service has a right to audit returns. It seems to me we can make an assumption that some doctors would not make an honest analysis and diagnosis of a case, and those cases the Government doctors ought to have a right to check into.

I support the amendment.

Mr. FORD. Mr. President, who has control of the time?

Mr. CHAFEE. Mr. President, since I have control of the time in support of the amendment, assuming the Senator from Kentucky will speak in support of it, I yield him 1 minute.

Mr. FORD. No; if the Senator from West Virginia will yield 1 minute, I would like to answer the Senator from Utah.

Mr. RANDOLPH. Mr. President, I yield the Senator from Kentucky 2 minutes.

Mr. FORD. Mr. President, the Senator from Utah made the assumption that all the doctors for the Government were honest. That is his assumption. He assumed that all doctors on the other end were dishonest. The Senator is saying they are all dishonest down in your home town and my home town, but that those doctors employed by the Federal Government are totally honest. I want the Senator to know that I object to his assumption.

Mr. GARN. I am not assuming by any means that all private doctors are dishonest, Governor. I certainly do not believe that. I would suppose that the proportion in the Government or in the private sector would be about the same, just like the proportion of mayors or Governors.

I do not think it makes too much difference, what kind of training we have had. But the point I want to make is what happens to this is neither one is the final one if there is a dispute. It goes to an administrative decision, but maybe the lawyers have the same problem. I do not know.

The PRESIDING OFFICER. Who yields time?

Mr. SCOTT. Will the Senator yield briefly?

Mr. CHAFEE. I yield 2 minutes.

Mr. SCOTT. I just want to pose a question. Would there be anything that would prevent a miner from shopping around for a physician who would approve his claim? If he went to one and received a reading that was unfavorable, could he go to another one to get a reading and keep shopping until he received a reading which would prove his claim? If somebody needs a physician's certificate in order to take sick leave, his private physician will give him a certificate. I would address my question to the Senator from Rhode Island, asking if he can comment on that.

Mr. CHAFEE. In answer to the question, there is nothing in the bill which would prevent a claimant from going to any doctor or a series of doctors to seek the opinion that he would approve of. When he gets whatever opinion he seeks, he then sends it in with the X-rays to the Federal Government.

Under the system as proposed, that ends it. The Government cannot check that X-ray unless, of course, there is a fraud, a fraud situation, as I mentioned earlier this morning, where an X-ray in theory is for miner X where actually it is for miner Y, or something of that nature. But as to the determination of the reading of the X-ray, that cannot be challenged by the Government.

Mr. SCOTT. I would say to the distinguished Senator that I intend to support his amendment. I did support his other amendment. I represent coal miners and have a lot of sympathy for miners who do obtain black lung. I heard one of our colleagues refer to this as a ripoff. If it should pass in its present form, I think that would be a good terminology to use. I would think it would be a ripoff of the Government to permit any such thing, any such potential for fraud, to be enacted into law. I cannot support a bill which would do anything like that.

I appreciate the Senator yielding.

Mr. CHAFEE. Mr. President, there is another point I would like to make. We are talking about a trust fund. I think the key point is that we should do everything we can to protect the trust fund for the legitimate claimants. Under the predictions which have been made, unless something is done this trust fund will fall short of the necessary funds by some $300 million. I believe we have all had experience is seeing trust funds run short of money. This amendment I have proposed would save that trust fund some $250 million. In other words, it would see that the money went to the legitimate claimants, the claimants who really require it, rather than having it go to claimants who, in fact, present no valid cases.

I feel this is not imposing a restriction on miners. I believe anybody who votes for the amendment I have proposed is striking a blow for the legitimate claimants. I urge Members of the Senate to support what I believe to be a very sensible amendment which does so much for those who really require the funds.

Mr. RANDOLPH. Mr. President, I rise in opposition to the amendment. I want it understood in good humor that I admire the persistence of my friend from Rhode Island. If he cannot approach his objective by one route, he will attempt to approach it by another. That certainly is

his prerogative, and he speaks, of course, always with persuasiveness.

The trouble with the amendment now pending is that my opposition to his prior amendment, which was defeated, I now have because this is not an amendment which changes the concept in the amendment which earlier was defeated. The concept is just the same now as in the earlier amendment.

Mention has been made by the able Senator from Virginia (Mr. HARRY F. BYRD) that this is a compromise amendment. It is not a compromise amendment. It continues what the Senator, understandably, is attempting to do.

I have a high regard, of course, for both Senators from Virginia. Senator SCOTT has indicated that he would be unable to support this legislation without the Chafee amendment in it. That is my understanding.

Mr. SCOTT. The Senator is correct.

Mr. RANDOLPH. And he has indicated that he could not support the bill because, in a sense, it is a ripoff. I want to be very careful in my language.

Mr. SCOTT. Let me ask the distinguished Senator from West Virginia the same question asked of the Senator from Rhode Island: would it be possible for a claimant to shop around from physician to physician until he found one who would approve his claim? Would there be a prohibition against his going to more than one physician?

It just seems to me that if that is true, it is a ripoff. I do not hesitate to use this phrase. It did not originate with me. It was said in private conversation by another Member, a colleague of ours. I agree with him.

Mr. RANDOLPH. I would not want to inadvertently use a word someone else had used and the Senator is repeating. Now since the Senator is perhaps glad to have a joint authorship of the word, if I understand it, I would like to make reference to the question the Senator has asked.

Mr. SCOTT. Could the Senator respond to the question? I would appreciate it.

Mr. RANDOLPH. I will do so.

In the bill, on page 5, is section 105, evidence required to establish claim. I will read a portion of that language:

> The Secretary shall accept a board certified or board eligible radiologist's interpretation of a chest roentgenogram which is of a quality sufficient to demonstrate the presence of pneumoconiosis submitted in support of a claim for benefits under this title if such roentgenogram has been taken by a radiologist or qualified radiologic technologist or technician, except where the Secretary has reason to believe that the claim has been fraudulently represented.

I hope that language, at least in degree, is somewhat an answer to the concern of my friend, who does look into these matters very, very carefully.

Mr. SCOTT. If the Senator will yield briefly, let me say I am sure the distinguished Senator from West Virginia does not want to be the author of legislation which could reasonably be used in a fraudulent manner. Yet the portion he has just read does not indicate anything that would prohibit a miner wanting to get affirmative relief from shopping from physician to physician until he obtained one who would permit him to receive black lung benefits.

(Mr. HARRY F. BYRD, JR. assumed the chair.)

Mr. SCOTT. I know I am not using the technical language that the distinguished Senator referred to, because I, too, would stumble over a few of these words that they are using. We are talking about physicians with a specialty and we are talking about miners that, in popular terminology, get black lung disease. Just as anyone might shop around to find an expert witness that would testify in favor of his claim, I see nothing that would prevent a miner from shopping until he got an affirmative opinion.

I appreciate the Senator's indulgence.

Mr. RANDOLPH. Mr. President, I do not look upon it as an indulgence. I am here, of course, to try to understand the position of those who oppose the position or positions that I take.

I must say that even the American Medical Association has suggested that persons go from one physician to another. I do not call it shopping around to have one physician and to check with another physician. I do not think that is a shopping-around process. I think that that is an intelligent way for a person to act, back home or somewhere else, or in Washington, D.C., who is troubled by a feeling that he just wants to know what another doctor might say.

I do not think it is trying to receive a favorable report from someone. I think it is an effort to feel a certain security or a certain, let us say, positive feeling by the person who is ill that he is having the best advice possible. That is the theory on which I have mentioned the matter in reference to shopping around.

I have a very great affection for the Senator from Utah (Mr. GARN). I listened very carefully to him as he spoke this afternoon. I have patterned my life, I hope, on believing that, in whatever profession, there are more good people than bad people in that profession. I know that is his thinking. If we go on the theory that there are more people that are dishonest than there are people who are honest, the Founding Fathers of this country were wrong, and now, when we begin the third century, we shall be working on a premise that I think could cause a deterioration of the Nation. Even at such times as now, although there are differences between us, I have great faith in the American people as a whole.

I hope—and I do not want to imply that he said anything other than what I am saying. I just want to stress that I am positive, I am not negative. I believe that, in this program to help the miners of the United States of America, frankly, we are dealing not so much in statistics; we are dealing in the lives of people. It is a people program. I think that, sometimes, we may forget, looking at the expenditure of money, whether it comes from the Federal Government or some fund or is paid by a tax on coal or comes from the mine operators themselves, that this program, in the long look, will be an indication that the Congress of the United States—beginning in 1969, carrying through with amendments in 1972, and now, with the further, hoped-for passage of this act—will have brought about an investment in a belief that we have. In the inherent fairness and justice of the Congress and the Government of the people of the United States of America, we believe that, when there is a proved case by those who have fueled the Nation and have provided us with a mobility that we enjoy, when those persons have valid claims, they will be honored and not be delayed for a year or 2 years.

Mr. GARN. Will the Senator yield?

Mr. RANDOLPH. Yes, I shall yield in just a moment.

If I wanted to be shocked at some amendment, as Senator CHAFEE was shocked, and used the word in his letter—frankly, I have great fondness for the Senator from Michigan (Mr. GRIFFIN) but that is an amendment that I think deserved exactly the vote it got. There were only 22 votes in this body for the amendment and 68 against it. It was in no wise a matter of partisanship. It was in no wise because Members were not on the floor. Members have been here during the afternoon, going and coming. That, to me, was an amendment that had, frankly, not the substance that I think an amendment should have. I do not think the result was one that was helter-skelter. I think the Members knew exactly how they were voting when they voted, 68 against the amendment and only 22 for it.

I do not think we can attribute any lack of knowledge to the membership when it votes on these amendments. I hope that this further amendment by Senator CHAFEE will not prevail.

I want to add that an X-ray does not establish eligibility for benefits. The claimant must still prove his case. We must remember that. The Government can still, in any case, dispute the miner's claim of the disability for which he is to be awarded compensation.

Mr. GRIFFIN. Will the Senator yield to me, since he used my name?

Mr. RANDOLPH. Yes, and I used it, I hope, in a very acceptable way.

Mr. GRIFFIN. I want to say that I cannot argue with the Senator. There was a very solid vote against the amendment. I thought that Senators did not understand what they were doing when they voted on the first amendment by the Senator from Rhode Island.

Mr. RANDOLPH. I know that.

Mr. GRIFFIN. I wanted to give them another chance, because the effect of my amendment was intended to be the same as the first Chafee amendment; in other words, the language of the bill would not have gone into effect. I am very disappointed, and, naturally, I think a majority of my colleagues were wrong.

Let me ask a question of the distinguished chairman. Am I correct in my assumption that the mine union has a lot to do with the processing of many claims by union members for black lung?

Mr. RANDOLPH. I know of no action, frankly, direct or indirect, that the union has in connection with the processing of a black lung claim.

Mr. GRIFFIN. Does the union have clinics in which their doctors examine the claimants?

Mr. RANDOLPH. Yes.

Mr. GRIFFIN. They certainly have something to do with it, then, do they not?

Mr. RANDOLPH. There are, of course, hospitals. There have been miners' hospitals.

Mr. GRIFFIN. Are there union-run clinics?

Mr. RANDOLPH. There have been from time to time.

Mr. GRIFFIN. Do they employ their own doctors?

Mr. RANDOLPH. There are some, yes. There are some. I do not see, though, that this has anything to do with it.

Mr. GRIFFIN. I just want to ask the Senator if he feels, then, with regard to a worker who happens to be nonunion, in a small mine, somewhere far removed, is the Senator satisfied and assured that such an individual is going to get the same treatment under this law as would be the case of a union miner who would go to a union clinic and be examined by a union doctor?

Mr. RANDOLPH. Yes, he will.

Mr. GRIFFIN. I thank the Senator very much.

Mr. RANDOLPH. I could point to the Senator from Kentucky on that situation. I expect there are more nonunion miners in the State of Kentucky than in any other State. I have conferred with Senator FORD, but I hope he would agree with me.

Mr. GRIFFIN. Of course, the certificate of any doctor, including an unpaid doctor in a union clinic, once he determined the X-ray showed black lung, that could not be questioned by the Government under this bill as submitted by the distinguished Senator from West Virginia, is that correct, unless it proved wrong?

Mr. RANDOLPH. I have to come back to the X-rays. I have said it over and over, it is a small part of the program. That is why we came in 1972 to amend the original act. We came with the pulmonary and respiratory disease program as proof of the black lung condition, the disease which has struck down literally—I am hesitant to use figures—but hundreds of thousands of persons have contracted black lung in the mining of coal.

Very frankly, I say that if there is any error to be made, I will make it on behalf of the person rather on the dollar involved.

Mr. GRIFFIN. What is the average benefit of the person who receives benefit under the black lung law?

Mr. RANDOLPH. $205 to $410.

Mr. GRIFFIN. Is the Senator talking about a month or a year?

Mr. RANDOLPH. A month.

Mr. GRIFFIN. What does that translate into, $4,000 a year?

Mr. RANDOLPH. Fifty percent of the GS–2 on total disability.

Mr. GRIFFIN. And that would be, of course, in addition to social security?

Mr. RANDOLPH. It could be, if he had social security.

Mr. GRIFFIN. I mean, there is no setoff?

Mr. RANDOLPH. No, there is not, not under part B. There is an offset under part C, the program we are considering.

Mr. GRIFFIN. I thank the Senator very much.

Mr. RANDOLPH. I thank my colleague.

Mr. GARN. Will the Senator from West Virginia yield?

Mr. RANDOLPH. Yes.

Mr. GARN. I wish to clarify one point. The Senator said he would like to make a positive assumption most people in the professions were honest. I did not want my remarks misinterpreted. I thought I said the same thing. The vast majority of doctors—I say the vast majority, not just the majority—are honest, but I think we would be naive if we did not recognize some are not.

The only point I tried to make before is that there will be some who would certify, just like when abortions were illegal there were some doctors who would do illegal abortions.

I do not think it is a matter of doctor shopping. I think it would be that miners would learn which doctors would be willing to certify they had it.

That is the only reason I think we ought to have a check at Government level.

I agree with the distinguished Senator that the vast majority are honest and would not be participating in that.

Mr. HATCH. Will my colleague from West Virgina yield?

Mr. RANDOLPH. Yes, in just a moment.

I believe Senator CHAFEE has 18 minutes. I believe I have 7 minutes. I am trying just to think in terms of perhaps Senator CHAFEE giving his time, if he would.

I do not say that I have been too generous. I have been delighted to yield.

Mr. CHAFEE. I will do that.

Does the Senator want to continue now and I will give him time later?

Mr. RANDOLPH. No, he may continue.

The PRESIDING OFFICER. The Chair states that the Senator from Rhode Island has 18 minutes, the Senator from West Virginia has 7.

Mr. CHAFEE. This is on my time.

Mr. HATCH. Would my distinguished colleague from West Virginia give me his attention?

Mr. CHAFEE. Mr. President, I wonder if we could interrupt a minute, I would like to ask for the yeas and nays on this.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHAFEE. I thank the Chair.

Mr. HATCH. If my dear friend from West Virginia will consider a couple of comments I have to make, I have for many years fought for working people. I have tried all kinds of FELA cases in the railroad business. I think this is setting a very dangerous precedent. Because I have tried cases on the plaintiff's side, I have tried cases on the defendant's side. I think it would be a safe estimate to say I have been involved in thousands of cases—not tried, but I have been involved in thousands, have tried hundred.

I can say now, the railroad companies have railroad clinics, and this is a dangerous precedent because that could just as easily swing around to the point where those clinics will make final determinations with regard to injuries in the railroad business, which is a very dangerous business.

Also, I think anybody that thinks that union doctors or railroad doctors do not find what they want to find—and I am not necessarily calling them dishonest—but they are there to find certain things and certain conclusions.

It is like in the automobile negligence business.

I have seen a lot of defense doctors come in with the same reports in every case against the injured plaintiff and I have seen a lot of plaintiffs' doctors come in with reports that are just as much for the plaintiffs as the defendants' doctors were for the defendants.

Frankly, it did not take long for either side to find out where they were, who they were, and how they could get the very best benefits and, in essence, shop for medical help.

I think it really is absurd to not allow the Government to do this and to ask the taxpayers of this Nation to foot the bill.

I agree, it is a bill I support. I want the distinguished Senator, my friend from West Virginia, to know I support it, because I realize the effect of pneumoconiosis and the dangerous work these men do in the mines, and I think it is important work for this country.

But I think it is a dangerous thing and a very bad thing. And I think it is an absurd thing to expect the taxpayers of this country to pay all of these benefits without having at least the privilege of doublechecking on any roentgenologist's report and reading the X-rays.

My experience has been that for the most part, roentgenologists are accurate doctors. For the most part, they do a good job. But I have also seen instances where we have had wide disparities between two roentgenologists, both of whom were decent and honorable and wonderful doctors.

I think in those situations the Government ought to have the benefit of the doubt of at least looking at them. I want to protect the men, too. But my goodness, I can guarantee that if this particular amendment is not granted—and I would have prevented it in the original form also because it would have been fairer to the taxpayers and to all concerned if it is not granted—then we will find every case that is brought is going to be automatically granted, because what is there to check medically other than the X-rays in pneumoconiosis?

I think that may be an oversimplification, but the fact of the matter is that it is the most crucial aspect of the examination and of the whole matter.

I would like my distinguished friend, my dear friend from West Virginia, to really consider accepting this particular amendment because it is a compromise, one I think a lot of us feel should not have been compromised, and I think a reasonable compromise at that, and one

that really is not going to hurt anybody and does protect the taxpayers, at least to a degree.

This is going to cost millions and millions of unnecessary dollars and the taxpayers will know, they are going to know it is costing them, and unnecessarily.

Mr. SCOTT. Will the Senator yield?

Mr. HATCH. Certainly.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. SCOTT. One minute.

Mr. CHAFEE. Yes.

Mr. SCOTT. I appreciate the Senator from Rhode Island yielding.

But the Senator from Utah has referred to his experience as a trial lawyer.

Is it not a fact that one can generally get an expert witness to testify to his point of view—if I could have the attention of my colleague from Utah——

Mr. HATCH. I am sorry.

Mr. SCOTT. The Senator has referred to his experience as a trial attorney. Is it not a fact that in the field of expert witnesses, generally, you can get an expert witness who will testify to the point of view of the individual who is paying his fee?

As I recall, the Supreme Court, in a decision involving expert witnesses in land appraisal cases, made a statement to the effect that it was common knowledge that a land appraiser, a professional appraiser, did color his opinion to fit the views of the person who was paying his fee. Is there not a danger in being able to shop around? I use the phrase "shop around" advisedly, because I think that is what would be done. Does the Senator from Utah share this thought?

Mr. HATCH. I agree with the distinguished Senator from Virginia. I prefer to believe that most medical practitioners are honest and decent men, trying to do a good job. But it does not take too long for either side to find a doctor who is going to come through for them on every issue, and there are those in every major metropolitan area in this country.

I think the Senator has hit upon a very good point.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CHAFEE. Mr. President, I ask the floor manager of the bill a question.

I have trouble understanding why we are departing from the existing system. The best I can understand it is that there is too much delay. There are 300 days; there are 600 days. If that is so, I say to the distinguished Senator from West Virginia, let us tackle that problem. Let us get in more readers. Let us feed the system. Let us have these so-called B-readers out in the community.

I have great difficulty understanding why the solution should be to deprive the Government of its possible defense. I reiterate that when we are depriving the Government of its defense, we really are depriving the other miners of their defense; because this trust fund is going to have only x dollars in it, and the drain upon the fund is anticipated to be x plus $300 million. So unless we guard the fund cautiously and see that it goes to the people who are deserving, the fund will be disappearing, and the people who are really entitled to it will not get their benefits.

If that is the thrust, to cut down delay, why are there not other ways to approach this, rather than eliminating this step?

(Mr. ZORINSKY assumed the chair.)

Mr. RANDOLPH. I will be delighted to comply with the request, and we will do it on my time.

How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator from West Virginia has 7 minutes remaining.

Mr. RANDOLPH. How much time does my colleague have?

The PRESIDING OFFICER. Eleven minutes.

Mr. RANDOLPH. Then, I guess I had better withdraw my generosity. [Laughter.]

Mr. CHAFEE. I yield 2 minutes.

Mr. RANDOLPH. I thought it was the reverse.

I say to my colleague from Utah that fraud occurs. I am sure it occurs. An unscrupulous doctor can even send in an X-ray which shows complicated pneumoconiosis and the B-reader can readily agree, of course, with the first interpretation. We know that.

However, I say to the Senators who are in the Chamber that that is not the only problem. Sixty percent of X-rays originally read as positive are being reread as negative. Let us see about that situation. Sixty percent originally read as positive and reread, under the type of program the Senator wants of rereading, as negative.

I must repeat, very quietly but earnestly: I say that the coalfield radiologist knows the miner and his condition. The "B" reader, the rereader, does not. I do not say the facts side completely on either the coal field radiologist or competely on the rereader. But the balance will be with the radiologist in the field.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. CHAFEE. We are on my time, are we not?

Mr. RANDOLPH. I will yield on my time. I am a generous man.

Mr. HATCH. The only question, I say, is this: I venture to make the prediction that if this bill is passed in its present form, everyone will be found to have pneumoconiosis, or almost everyone.

If 60 percent have been questioned and found negative rather than positive, perhaps there are some legitimate reasons for that.

That is all I think Senator CHAFEE's amendment is requesting: let us at least not bar the Government from making out its own case. If the Government is abusing that or if there is a time factor here, let us amend the bill to take care of that. Let us not take away and change the whole system of law in this country simply because we want to protect the men.

I believe this is a reasonable amendment. It is a dangerous precedent if we pass this bill in its present form, and in the end the men are going to be hurt, because the trust fund will go faster. We either will have to increase the trust fund or, in the end, many men in other industries, who presently could be taken serious advantage of, could be hurt because we have tried to make an exception in this industry. I think that is basically wrong.

Mr. RANDOLPH. I do not understand this to be a precedent. Of course, there is always the innovative, the creative, the resourceful approach to any problem.

In 1942, I offered the constitutional amendment to give 18-, 19-, and 20-year-old youth the opportunity and responsibility to participate with the ballot. It happened in 1971, when my resolution was passed.

We had no support in 1942 for an innovative, creative, and proper approach to the problem, no support whatever in the hearing. Practically no one was present, only one member of the committee. But in 1971, its time had come. Ninety-four Senators joined in that legislation which I proposed for the constitutional amendment.

That is not to say that this is on all fours, but I am only saying that I do not get excited because we have something unusual here. We have it because black lung is a highly unusual disease. It is attached to coal mining, as my friend knows. That is why we have special attention for it, a special program.

Just this thought, and I hope it will not be misunderstood: a transplant specialist said, "I must perform an operation immediately. What hearts have I available?"

He was told by his aides that he had the heart of a beautiful young woman, the heart of a celebrated athlete, and the heart of a banker. He said, "Give me the heart of the banker."

The operation was performed, apparently successfully.

A few days later, the aide said to him, "Why did you use the heart of the banker?"

"Well," he said, "that's understandable. It had never been used." [Laughter.]

I did not tell that story simply to interrupt what might be the continuity of debate. I think it is very important for us to realize that everyone—the banker, the doctor, the Member of the Senate, the miner, the storekeeper; I could run the list—are all part of America, and they all fit together. It is a good America. It has shortcomings; mistakes and errors are being committed. But there will be no error today if this measure is passed without the amendment of my able friend from Rhode Island.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield the Senator 2 minutes on the bill.

Mr. GRIFFIN. Mr. President, it strikes me that if 60 percent of the cases in which the Government examines the X-rays result in rejection by the Government of the claim, that is mighty strong and powerful evidence that there are at least some claims in there that are not valid.

The distinguished chairman indicated that he did not see this as a precedent. Well, I do see it as a precedent, and that is one of the reasons why I am so concerned. It is not that I lack compassion for coal miners. I understand and share the deep feeling the chairman has.

But it would be ridiculous, and certainly not in the public interest, if the Commissioner of Internal Revenue were to say, "We will never examine any tax return that it is certified by a certified public accountant."

I think it would be equally ridiculous if the Commissioner of Social Security were to say, "We are going to grant disability benefits under social security to anybody who can get a certificate from a doctor saying he is disabled." The Government would not be in a position to examine or question the certification.

I find it necessary to ask the Senator from West Virginia whether he has thought about that, and what would be his position if an amendment were offered here in the Senate to give a social security claimant the same kind of a right as he is giving to those who are making claims under this particular act? I wonder if the Senator from West Virginia heard the question?

I asked the question because he says he does not see any precedent here. I am concerned that it does establish a precedent.

I wonder what the Senator's position would be if a Senator came in with an amendment providing the same kind of a guarantee to any claimant who is seeking disability benefits under social security? He shops around and finds a physician who will say he is disabled. I can foresee such an amendment here in the not too distant future arguing, "If that is good enough for coal miners it ought to be good enough for people who want social security disability benefits."

I wonder what the position of the Senator from West Virginia would be?

Mr. RANDOLPH. I would give it a sympathetic hearing.

Mr. GRIFFIN. In other words, this would be a precedent.

Mr. RANDOLPH. I do not understand precedent. The way I discussed it black lung was a highly unusual occupational disease, and I say we take extraordinary, perhaps, if you want to use that, means to compensate those who have that disease.

Mr. GRIFFIN. Well, being disabled is highly unusual and unfortunate for any individual, whether he is a coal miner or not.

Mr. RANDOLPH. I doubt if that is a statement my friend would like to stand on.

Mr. FORD. Mr. President, will the Senator yield?

Mr. RANDOLPH. Yes, I yield.

Mr. FORD. I am not as articulate as other Senators, and I do not have the ability to paint the word picture I would like to paint, but I want to bring up a point, and I have not been in court and argued a thousand cases. I am not a good lawyer because I am not a lawyer. Probably if I were, I would not be a good one. But the point that is being made in opposition to the committee here is that the X-ray is the only thing. The X-ray is not the only thing, so I would like for you to think of the other items that this miner has to comply with in order to secure his claim.

We are asking for one item, and one item only, to help. We have backlogs of going to court. Where do the 60 percent go? I think the lawyers who are arguing against this over there are trying to help lawyers in eastern Kentucky get more cases, because if the Government denies 60 percent of the claims then we go to court.

What I have been trying to do, and the amendment was accepted, was so we might help expedite these claims that are turned down.

So I would suggest to the Senators on the other side that we are losing the total picture of what we are trying to do here and zeroing in on one little item and, of course, you can ask questions of any Senator here he cannot answer. That is simple. All you have to do is ask a question, think up something, dream up something.

But the point here is, we are trying to help people, and the X-ray is not the sole question we are involved in this afternoon.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

Mr. President, I support this amendment. I am a lawyer, and I do sit on the other side, but I will yield to no one in this Chamber as to my ardent defense of the rights of labor for three decades. So, with respect, sir, I will speak.

I think due process is the essence of the American system, and whether you deny it in one little thing or you deny it in a big thing, a denial of due process runs contrary to the American system.

These people are going to go to court anyhow, and there are plenty of other procedural things that can be raised. Any able lawyer will find you 50 not just this 1. But I feel very uncomfortable in the presence of an effort to cut around the due process of law to which every American, whether it is a corporation or whether it be an individual, is entitled. Always there is that adage "There but for the grace of God go I."

It sounds right to those who advocate this position in this matter. Tomorrow it may prove very, very wrong, indeed, because it puts us on a path of cutting around what is the process of proof, and probative proof, which, in my judgment, is very unwise.

The Nation will not collapse if this is legislated into this bill. But let us remember it was put into this bill in order to produce claims. That is why it is here. It is not here for any other reason but to produce more claims, to make it easier to approve claims, and I do not think that is the purpose of this statute.

The purpose of this statute is to do justice to people who are hurt, not just to produce claims and, therefore, I believe the amendment should be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. I take exception to the distinguished Senator from Kentucky. The reason I stood and recited some of the experiences I have had as an attorney is because I fought for these people. I fought for the railroad workers in our society who are in just as dangerous a profession as the miners, and I have great sympathy for and I am going to support this bill.

But the precedent it is setting, if it passes in its present form without at least some amendment like this, is a bad precedent, and that is the point. Over the long run, the people of this country are not going to like it because it is wrong.

I would like to just aline myself with the remarks of the distinguished ranking member of the Committee on Human Resources, Senator JAVITS. I think he has hit the nail right on the head, as usual, in a very cogent and very well-reasoned way, and I think it basically sums up the position. I appreciate his remarks.

Mr. CHAFEE. Mr President, just one contribution here. The suggestion was that under the present system if a claim is denied, then you go into the courts. Now, that is not quite accurate. Under the present system it goes to a so-called administrative law judge, a single person, not shrouded, not circled, with all the normal laws that apply to a court proceeding.

Further testimony can come in, further X-rays, and then if the claimant loses before this administrative law judge it then goes to the so-called Benefits Review Board.

I think everyone in this Chamber and everyone interested in this act believes there should be greater speed than presently exists. There are many ways of achieving greater speed than throwing out the baby with the bath water as we are doing here today.

Mr. President, I yield the remainder of my time.

Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia has 1 minute.

Mr. RANDOLPH. Mr. President, due process is not really the issue, as I understand it. Due process is wholly preserved through the hearing process in this bill.

The argument of the Senator from New York would seemingly apply in any situation where we have a presumption. I hope the amendment offered by the Senator from Rhode Island will not be approved by the Senate, and I think the action earlier taken is an indication of our feeling within this body.

I, of course, recognize always the conviction and the votes of the Members of this body as we come to face our decision on this matter.

I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. HANSEN. Mr. President, regular order.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further anonunce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. LONG), and the Senators from Mississippi (Mr. EASTLAND and Mr. STENNIS) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "nay."

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 48, nays 42, as follows:

[Rollcall Vote No. 315 Leg.]

YEAS—48

Allen	Garn	Nunn
Bartlett	Glenn	Packwood
Bellmon	Goldwater	Pearson
Bentsen	Gravel	Proxmire
Brooke	Griffin	Roth
Bumpers	Hansen	Schmitt
Burdick	Hatch	Scott
Byrd, Harry F., Jr.	Hathaway	Sparkman
	Hayakawa	Stafford
Case	Helms	Stevens
Chafee	Javits	Talmadge
Chiles	Laxalt	Tower
Church	Leahy	Wallop
Curtis	Lugar	Young
Danforth	McIntyre	Zorinsky
Dole	Muskie	
Domenici	Nelson	

NAYS—42

Abourezk	Hart	Morgan
Anderson	Haskell	Moynihan
Baker	Hatfield	Pell
Bayh	Heinz	Percy
Biden	Huddleston	Randolph
Byrd, Robert C.	Inouye	Ribicoff
Cannon	Jackson	Riegle
Clark	Kennedy	Sarbanes
Cranston	Magnuson	Sasser
Culver	Matsunaga	Schweiker
DeConcini	McGovern	Stevenson
Durkin	Melcher	Stone
Eagleton	Metcalf	Weicker
Ford	Metzenbaum	Williams

NOT VOTING—10

Eastland	Long	Stennis
Hollings	Mathias	Thurmond
Humphrey	McClellan	
Johnston	McClure	

So Mr. CHAFEE'S amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, as far as I know there are no further amendments.

The PRESIDING OFFICER (Mr. CULVER). The Senator will please suspend for a moment. The Senate is not in order. The Senate will be in order.

The Senator from New York may proceed.

Mr. JAVITS. Mr. President, as far as I know we have no further amendments on this side.

UP AMENDMENT NO. 699

Mr. RANDOLPH. Mr. President, there are certain technical amendments that come from the Finance Committee, and in the absence of Senator LONG, who of necessity is unable to be here at this time, I present these amendments in his behalf. They are, as I say, technical and clarifying amendments, and Senator JAVITS and I have agreed that it is proper to have them included.

The PRESIDING OFFICER. The clerk will state the amendments.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) for Senator LONG, proposes an unprinted amendment numbered 699.

The amendment is as follows:

On page 34, line 7, strike out "Amendments" and insert in lieu thereof "Amendment".

On page 35, line 10, strike out "subsection (d) of this subsection" and insert in lieu thereof the following: "subsection (a) of section 424 of the Federal Coal Mine Health and Safety Act of 1969".

On page 36, line 2, strike out "subsection (e)" and insert in lieu thereof the following: "subsection (b) of section 424 of the Federal Coal Mine Health and Safety Act of 1969".

On page 37, line 7, strike out "(b) Operation Liability" and insert in lieu thereof the following: "(d) Payments from Fund".

On page 37, line 23, strike out "and".

On page 38, line 10, after "subsection (b) (2)" insert the following: "of section 203 of the Black Lung Benefits Revenue Act of 1977."

On page 40, line 1, strike out "section 424 (e)" and insert in lieu thereof the following: "section 424(b)".

On page 40, line 5, strike out "section 424 (e)(2)" and insert in lieu thereof the following: "section 424(b)(2)".

On page 41, line 7, strike out "Secretary" and insert in lieu thereof the following: "Secretary of Labor".

On page 42, line 3, strike out "(c)" and insert in lieu thereof "(e)".

On page 42, lines 3 and 4, strike out "amendment made by subsection (a)" and insert in lieu thereof the following: "amendments made by subsections (a), (b), and (c)".

On page 42, line 5, strike out "(b)" and insert in lieu thereof the following: "(d)".

On page 42, line 6, strike out "until" and insert in lieu thereof the following: "before".

On page 44, lines 9 through 11, strike out "section 424 of the Federal Coal Mine Health and Safety Act of 1969" and insert in lieu thereof the following: "section 203 of the Black Lung Benefits Revenue Act of 1977".

On page 47, line 18, strike out "Claims" and insert in lieu thereof the following: "Claim".

On page 48, line 4, insert a comma after "Expenditures".

On page 54, line 16, strike out "(G)" and insert in lieu thereof the following: "(H)".

On page 54, line 20, strike out "(E)" and insert in lieu thereof the following: "(F)".

On page 55, line 1, strike out "(D)" and insert in lieu thereof the following: "(E)".

On page 55, line 3, strike out "(F), and (G)" and insert in lieu thereof the following: "(G), and (H)".

On page 55, line 10, strike out "(D)" and insert in lieu thereof the following: "(E)".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. RANDOLPH. I also ask unanimous consent to have printed in the RECORD the Congressional Budget Office cost estimates.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., July 11, 1977.

Hon. RUSSELL LONG,
Chairman, Committee on Finance, U.S. Senate, Washington, D.C.

DEAR SENATOR LONG: In response to a request from the staff of your Committee, the following represents our most recent estimate of the total trust fund costs, including current law, in S. 1538 ($ in millions):

1978	213.1
1979	274.2
1980	338.3
1981	158.0
1982	163.2
5-year total	1,146.8

The above numbers differ slightly from those submitted by the Department of Labor in their recent reestimate submitted to your Committee. In recent discussions with the Labor Department, we have been able to reconcile the differences in our respective cost estimates of this bill for all but one provision: the costs of Section 2(c) relating to the application of medical standards to determine total disability.

CBO's original estimate for this Section was based upon data provided to us by the Department of Labor. More recent information that they have compiled would, according to them, significantly increase the approval rate for claims filed. Since CBO had no independent means of estimating the number of claims that would be affected by this Section, we cannot dispute this reestimate prepared by the Labor Department as it relates to Part C claims. However, included in their estimate are an additional 7,250 claims denied under Part B which would, in their opinion, be approved as a result of this provision. Some of these claims were already included in our estimate in Section 4, the removal of the current employment bar. The rest of these claims are assumed to be primarily individuals who were denied under Part B because of filing after June 1973. We assume that approximately 2,100 of these miners are already counted under the Section 4 provision and, of the remainder, we would project that only half as many claims would actually now be eligible. Thus, CBO would estimate an additional 2,500 approvals of Part B claims under Section 2(c). Based upon this reduction in the Labor Department's projected number of approvals from 7,250 to 2,500, the following represents our estimate of the costs of this Section ($ in millions):

1978	81.2
1979	151.8
1980	210.6
1981	91.1
1982	95.8
5-year total	630.5

We hope this information will be helpful to you and would be pleased to be of further assistance to you in this matter.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., July 11, 1977.

Hon. RUSSELL B. LONG,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974,

the Congressional Budget Office has prepared the attached cost estimate for S. 1538, the Black Lung Benefits Revenue Act of 1977.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 1538 (Finance Committee)

2. Bill title: Black Lung Benefits Revenue Act of 1977

3. Purpose of bill: S. 1538 was originally reported by the Committee on Human Resources (S. Rept. 95–209) on May 16, 1977. That bill provided for modification in the eligibility criteria of the Black Lung Benefits program by reducing and clarifying some of the evidentiary requirements for entitlement, thus expanding the number of potential beneficiary to this program. The bill also made all of these new beneficiaries eligible under the Department of Labor (Part C) program and created a trust fund to pay all claims under Part C except where a responsible mine operator can be identified. The Finance Committee version of S. 1538 creates, through a one percent ad valorem tax on all coal (except lignite), a mechanism to raise funds to support the trust fund. Under current law, benefits paid under Part C are financed through general revenues.

4. Cost estimate: ($ in millions)

Fiscal year:	*Total receipts*
1978	137.7
1979	169.0
1980	185.8
1981	204.3
1982	224.7

5. Basis for estimate: Revenues were calculated using data from the Joint Tax Committee on projected 1977–1982 tonnage for anthracite, bituminous, and sub-bituminous coal and the price per ton for each type of coal over the same period. Because of the effective date of October 10, 1977 as mandated in the bill, revenues in Fiscal Year 1978 reflect only 11⅔ months of collections. Further, a one month lag in collecting revenues was also assumed. Lastly, because data was provided on a calendar year basis, it was assumed that equal amounts would be collected in each month during the calendar year and collections for four months of the previous fiscal year and eight months of the current year were added to calculate revenues. Four months from the previous fiscal year was used (as opposed to the three in the fiscal year) in order to take into account the one month lag in collections.

Total receipts collected over the five year period would be $921.5 million. Total trust fund liabilities are calculated to be $1,146.8 million or $225.3 milion more than revenues. However, the trust fund liabilities include $145.0 million in Part C liability under current law and a $45.2 million payback of prior claims from the trust fund to general revenues. Thus, the total new appropriations needed to support the trust fund will be $35.1 million over the five year period.

6. Estimate comparison: Not Applicable.

7. Previous CBO estimate: None.

8. Estimate prepared by: Jeffrey Merrill (225–7766).

9. Estimate approved by: C. Muckols, for James L. Blum, Assistant Director for Budget Analysis.

Mr. RANDOLPH. Mr. President, under the unanimous——

The PRESIDING OFFICER. Will the Senator please suspend? The Senate is not in order.

The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, under the unanimous-consent agreement which was proposed by the able majority leader and agreed to by the minority leader, who has worked in partnership on this legislation, we would not be voting on the final passage of this measure, going to third reading, as we understand, but the House, presumably, will vote on next Tuesday. There is this matter of a constitutional problem.

I understand from the leader that we feel the unanimous-consent agreement preserves the position of the Senate and preserves the position of the House. We will not vote but wait until the House takes action. Is that correct?

Mr. ROBERT C. BYRD. The Senator is correct. The Senate will proceed to third reading and then the measure will be left on the Calendar.

Mr. RANDOLPH. Returned to the Calendar for the moment, yes.

Mr. HARRY F. BYRD, JR. Will the Senator yield for a question?

Mr. RANDOLPH. I yield.

Mr. HARRY F. BYRD, JR. Is the understanding of the Senator from Virginia correct that if and when the House acts affirmatively on similar legislation and that is reported to the Senate, then a vote will be taken on the Senate bill and not the House bill?

Mr. RANDOLPH. The able Senator from Virginia is correct.

Mr. HARRY F. BYRD, JR. I shall support the Senate proposal, but I wanted to be clear as to whether it was a Senate bill or a House bill on which we would be voting.

Mr. RANDOLPH. The Senate measure. I thank my friend for the inquiry.

Mr. HASKELL. Mr. President, I want to voice my strong support for S. 1538, the Black Lung Benefits Reform Act of 1977. In so doing I also want to commend the distinguished senator from West Virginia, Mr. RANDOLPH, for his dedication in guiding this important legislation through the Human Resources Committee, and the distinguished majority leader for his commitment to bringing this bill to the floor as expeditiously as possible. Both have performed an invaluable service, and I deeply hope that the House of Representatives can now be persuaded to act quickly so that these badly needed and long delayed changes in the black lung benefits program can at last become law.

The ravages of black lung disease are all too well known to the coal miners of this Nation who perform a physically demanding task in surroundings that are nearly always dangerous and often debilitating and deadly. Hundreds of thousands of coal miners have been disabled as a result of this incurable and irreversible disease. In testimony before the Labor and Public Welfare Committee last year I noted that among the some 10,000 active and retired miners in my own State of Colorado, almost 1,300 black lung claims were being processed in 1976.

The evidence is overwhelming that various debilitating degrees of black lung disease afflict the vast number of miners after numerous years in the mines.

We have taken belated steps to make mines safer and cleaner. We must now take the steps necessary to insure that those who have suffered from past inattention to these problems are dealt with fairly and compassionately.

In the 94th Congress I introduced S. 3183, with the cosponsorship of 21 of my colleagues, to remedy many of the ills which have been found to exist in the present black lung benefits program. We were nearly able to secure enactment of that legislation into law, but failed in the closing hectic days of the 94th Congress.

I am deeply gratified that the substance of my previous legislation has been incorporated into original legislation reported this year by the Committee on Human Resources, and that we are acting on this legislation in adequate time to secure House passage and finally see these needed reforms become law.

The Black Lung Benefits Reform Act of 1977 is responsible legislation, containing adequate safeguards against potential abuse. It is neither a "give-away," nor a "boondoggle" for coal miners. It is rather a major step toward securing elemental justice for those who have suffered from society's inattention to coal mine safety.

I urge my colleagues to support this important and badly needed legislation.

Mr. HART. Mr. President, I would like to express my strong support for S. 1538, which will amend title IV of the Federal Coal Mine Health and Safety Act to improve the black lung benefits program.

Mr. President, prior to the 20th century, most Americans lived and worked in agricultural communities. During the industrial revolution, however, more and more people gravitated to the cities to work in factories. Initially, concerns for worker safety, wages, hours and compensation benefits were ignored. However, as the public began to demand safe and equitable working conditions, the Federal Government moved to help protect workers in a variety of different ways.

In 1908, Federal workers first received compensation for job-related injuries. Since that time, government involvement in the workplace has resulted in provisions of workmen's compensation insurance; unemployment insurance; social security retirement benefits; as well as the assurance of a relatively safe working environment in many industries. In general, we have made considerable progress in protecting worker health and safety. However, many reforms are still needed, and in terms of individuals, none are now more in need of assistance than those who work in the coal mines.

As oil and gas supplies diminish, our country will become even more dependent on coal as a basic energy resource. Our annual consumption of coal is extracted by less than two-tenths of 1 percent of the American work force—about 180,000 miners.

These miners work in conditions that most of us would not tolerate, risking their lives to keep this country running and to earn a living for themselves. We have all heard of gruesome incidents where mine walls collapse; critical mine safety equipment fails; explosions occur

from accumulations of methane gas and coal dust; and so forth. And yet even when "safer" conditions prevail, a miner is constantly surrounded by a cloud of coal and rock dust. If a miner works in this dust for a period of years, the odds are almost absolute that he will suffer the respiratory impairment known as black lung disease or coal workers' pneumoconiosis. Pneumoconiosis is a progressive disease—once a minor has it, his health begins to deteriorate.

To date, some 500,000 victims of pneumoconiosis are receiving benefits under the black lung program established by title IV of the Federal Coal Mine Health and Safety Act. Approximately $5 billion in benefits have been distributed since the program began in 1970.

However, while the program has benefited many individuals, a large number of miners have had claims denied. S. 1538 will remove certain eligibility restrictions and expedite claims for the victims of black lung disease and their survivors. Moreover, this legislation will assure that coal mine operators will at least assume substantial financial responsibility for the black lung program. In sum, the bill will go a long way toward eliminating some of the difficulties encountered by thousands of disabled miners and their widows in their efforts to obtain what are well deserved compensation.

Mr. CURTIS. Mr. President, S. 1538, the Black Lung Benefits Reform Act of 1977, was referred to the Committee on Finance after having been reported by the Committee on Human Resources. Because the bill, as reported by that committee, establishes a coal tax and trust fund to finance the black lung benefits program, the bill was referred to the Committee on Finance.

Under the present law and under S. 1538, as reported by the Committee on Human Resources, a part of the cost of black lung benefits is charged directly against the former employer of the beneficiary when liability can be established under certain statutory criteria. Where this is not possible, the present law provides for the costs of benefits to be financed out of Federal general revenues. The Human Resources Committee bill would impose an excise tax on the producer's sale of coal, at a rate determined by the coal's British thermal unit (Btu) value. Revenues from this tax would be automatically appropriated to a trust fund, which would pay benefits in cases where there is no "responsible operator" and with respect to all claims in which the miner's last coal mine employment was before January 1, 1970.

The Committee on Finance has modified the excise tax and trust fund provisions of the bill, converting the tax into a tax on coal—other than lignite—at the rate of 1 percent of the price for which it is sold, and terminating the tax and trust fund provisions after 5 years. In addition, the Finance Committee has added provisions amending the tax status of operators' self-insurance trusts.

Mr. President, I have two serious reservations with the bill as reported by the Committee on Human Resources:

The first change would prohibit the Department of Labor from challenging the intrepretation of an X-ray submitted by a claimant in support of the claim if read by a Board-eligible or Board-certified radiologist.

The second change in S. 1538 would create a presumption of eligibility for survivors of miners who worked for 25 years or more in coal mining prior to June 30, 1971 and who die on or before the date of enactment of the bill. Benefits would be payable to such survivors unless the Department of Labor establishes that the miner, at the time of his death, was neither totally disabled nor partially disabled from black lung disease. This provision has an estimated average annual cost of $35 million over the next 5 years.

I am hopeful that changes, especially the later, which converts the program to a pension plan, will be deleted by my colleagues.

Mr. MUSKIE. Mr. President, S. 1538, the Black Lung Benefits Reform Act of 1977, has an admirable goal—to place the burden for compensating miners disabled by pneumoconiosis, or black lung disease, on the coal industry rather than the taxpayer. Since 1969, almost the entire burden of black lung compensation has rested with the general fund of the Treasury, which will have paid out a total of $5.6 billion in black lung benefits by the end of this fiscal year. Under S. 1538, while the general funds would continue to pay benefits to those who applied prior to June 30, 1973, benefits to those applying after that date, where the Department of Labor is unable to identify a single operator responsible for the working conditions which caused black lung, would be paid from a newly established trust fund financed through an excise tax assessed against coal operators. Through this mechanism, then, much of the financial responsibility for black lung benefits would be assumed by the coal industry.

The Human Resources Committee, in its section 302(b) allocation of budget authority and outlays among its programs, found room to allocate $306 million in budget authority and $137 million in outlays for this legislation. The new costs added by S. 1538 are $149 million in budget authority and outlays.

Thus, the bill is consistent with the committee's budget authority allocation, but it does exceed the outlay assumptions slightly. Thus this bill, when viewed alone, can be accommodated by the 1978 First Budget Resolution except for the small outlay increase.

However, Mr. President, I must point out that First Budget Resolution also assumed savings due to legislation in other programs in the income security function of the budget. These savings were assumed to occur in programs under the jurisdiction of the Finance Committee and were expected to total $50 million in budget authority and $827 million in outlays. Both Presidents Ford and Carter recommended such savings in their fiscal 1978 budgets. The Finance Committee in its March 15 letter to the Budget Committee, suggested that most of these savings be assumed in the budget resolution, and the Finance Committee assumed all these savings in its section 302(b) allocation under the First Budget Resolution. Nonetheless, to date no action has been taken on legislation to achieve these savings in either the House or the Senate.

It goes without saying that without these savings the targets for the income security function will be breached, even if the black lung bill or other legislation is not enacted. As chairman of the Budget Commitee, we are bound to attempt to enforce the spending targets of the congressional budget.

Therefore, if the Finance Committee is unable to take prompt action to bring about the savings assumed in the first budget resolution, we must make an effort to achieve those savings on the floor of the Senate by amending the next appropriate legislation.

I shall not attempt to attach my savings amendment to the black lung bill now before us, because the savings would be achieved in programs unrelated to the black lung benefits program, and because the black lung bill was initiated by the Human Resources Committee and not the Finance Committee. However, I understand that the Finance Committee will soon report H.R. 7200, a bill pertaining to various programs under the Social Security Act. If the savings suggested by the Finance Committee are not contained in that measure, I, along with other Senators, shall sponsor an amendment to H.R. 7200 which would achieve those savings.

We understand that the Finance Committee has had a heavy schedule of legislation this year. But the savings suggested by the Finance Committee and assumed in the first budget resolution have not been achieved. We must do all in our power to achieve these savings in order to maintain the fiscal discipline of the congressional budget and see that the budget policy we adopted in May is not thwarted.

In regard to S. 1538, the bill before us today, I will vote for this bill to improve the financing of black lung benefit payments. However, I do plan to support amendments to eliminate certain benefit liberalizations contained in this bill in order to assist the Congress in living within its budget. I urge my colleagues to consider carefully these amendments in the context of the huge budget deficit we face for fiscal year 1978 and vote to live within our budget so that a larger 1978 deficit will not be necessary.

Mr. CLARK. Mr. President, the passage of S. 1538, the Black Lung Benefits Reform Act of 1977, would significantly improve the administration of the black lung benefits program. I strongly support this legislation so that we can provide relief to tens of thousands of former coal miners and their dependents and restore integrity to the program.

Among the major provisions are:

First, the financial burden of the program will be shifted from the Government to the coal industry. The cost of claims prior to January 1, 1970, will be financed by an excise tax on coal;

Second, chest X-rays must be accepted as evidence, as long as they are of good quality and are taken and interpreted by qualified persons;

Third, affidavits shall be accepted as evidence where no medical evidence exists or where it is insufficient;

Fourth, the term "total disability" is broadened to permit benefits for those who were employed as miners at the time of death;

Fifth, a survivor is entitled to automatic benefits if the miner worked 25 years in mine employment prior to June 30, 1971; and

Sixth, prompt consideration of claims and appeals will be required.

These and other provisions of S. 1538 would do much to streamline the black lung benefits program and make it more responsive to the needs of miners, their dependents, and their survivors.

Last year, my staff calculated that, on the average, claimants in Iowa waited 2 years and 2 months before their claims were processed. Some of my constituents have been waiting 3 or 4 years, with no word about whether their claims have been approved.

The letter below, which I ask unanimous consent be printed in the RECORD, is representative of the type of correspondence I receive from Iowans regarding the black lung program. Mrs. Louis Valentine of Mystic, Iowa, writes:

I and many of us have been very frustrated by the constant delays, denials, appealing over and over, test after tests and hearings year after year.

The time has come for Congress to relieve these individuals and their families of their financial strain, their disillusionment, and their frustration. I urge my colleagues to approve S. 1538.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MYSTIC, IOWA, *May 11, 1976.*

Hon. DICK CLARK,
U.S. Senator of Iowa,
Washington, D.C.

DEAR SIR: In reply to your letter of May 6, 1976, I beg of you to try your utmost to get my husband, (Louie Valentine S.S. No. 485–10–7456). Black Lung Benefit Claims passed, as I need help now.

My husband, after working in the underground coal mines for 32 years, and undergoing nearly six years of tests, trips and hearings, even though his own Doctor, E. A. Larsen, M.D. testified that Louie Valentine had to quit work in the mines in 1944 because of Miners Lung and respiratory conditions, despite this was denied his claim. Even then my husband worked in the coal fields, hauling coal until the age of 68 (for 24 years now).

After spending over 50 years in the coal fields, I think that he or any man well deserves the Black Lung Benefits without test after test and Hearings at the age of 77 years, which is be-meaning and confusing to people of that age, as if they were asking for something they did not deserve.

Now my husband suffered a stroke on March 17, 1976, was entered in the St. Joseph's Hospital and from there had to be taken to the "Golden Age Manor" as I can not possibly take care of him, my own health being very poor, as I suffer from Atherosclerosis and had open heart surgery in April 1, 1975.

We truly need the Black Lung Benefits now, and Louie Valentine filed his claim on January 20, 1971, being denied, he kept appealing his claim to date.

I talked to Ms. Lois B. Schaefer, Claims Examiner from the U.S. Department of Labor and she did have all the records and reports which the Social Security office of Ottumwa was to forward to Ms. Schaefer at once. (I personally called them to send all records of when Louie first filed for Black Lung). To date I have heard no more and I do pray that she has gotten these records by now and with your help that we will now receive the Black Lung Benefits my husband so richly deserves.

I and many of us have been very frustrated by the constant delays, denials, appealing over and over, test after tests and hearings year after year, when I know this is a legitimate claim and feel that surely action will be taken now, under the new bill H.R. 10760 approved by the House of Representatives and co-sponsored Bill S. 3183 which you approve and you will give us prompt consideration.

I thank you for your interest and any help you can and will give us to hasten the action on our appeal for the Black Lung benefit claim filed by Louie Valentine.

Sincerely,

MRS. LOUIE VALENTINE.

Mr. HUDDLESTON. Mr. President, as the Nation looks to coal to pull us through the energy shortage, we must be constantly aware of the high price of that coal in terms of the health, and often the lives, of our miners. If a miner escapes a roof fall, an explosion, or one of the many other types of accidents all too prevalent in the mines, he still faces a near guarantee of lung and breathing impairments caused by coal workers' pneumoconiosis—a progressive irreversible, and seriously debilitating disease caused by the inhalation of coal mine dust. According to medical authorities, in many cases respiratory damage is present after only 1 year underground; in at least 52 percent of all underground miners there is X-ray evidence of pneumoconiosis after 11 years; and at least 88 percent of the coal miners who have served in the mines for 15 years or more can successfully establish under present criteria that they suffer from black lung.

Ideally, we should clean up the mines and end the cause of the disease. We are making progress in that direction and, with strict enforcement of the law, eradication of new black lung cases should be accomplished. But, in the meantime, the very least we can do for the victims of this insidious disease is to try to assure them of some compensation for their hardship and suffering.

In 1969, the Congress enacted a program to compensate miners disabled by black lung and the families of miners killed by it. Clearly, that program has had its successes—monthly payments ranging to a maximum of $410.80 are going to over 500,000 miners or their families. But, unfortunately, the record is full of cases of inexcusable delays in processing claims, seemingly endless and expensive appeals, and denials which at times appear inexplicable. And, each and every one of these cases means that some disabled miner and his family are suffering severe and unnecessary hardship.

The bill before us today is designed to correct some of the deficiencies in the black lung program and bring some relief from the bureaucratic redtape, delays, and outright inequities which have become so closely identified with the current system.

First, as reported, it eliminates the 1981 termination date of the current black lung law, leaving no doubt that we fully intend to permanently honor our commitment to our disabled miners.

At long last, the responsibility for financing the program is put where it belongs—on the coal mine employers, and not on the Federal Government.

It amends the terms "pneumoconiosis" and "miner" to assure that all respiratory and pulmonary impairments arising out of coal mine employment, and all coal workers exposed to these impairments, are compensable.

It eliminates unnecessarily strict time limits under present law which often have prevented the consideration of claims on their merits.

It ends the terrible practice of forcing a miner to leave his job, and gamble with his family's future, before he can file a black lung claim and receive a determination of eligibility.

The rereading of X-rays, which have resulted in so many delays and so many denials, is ended.

Survivor's claims are facilitated.

Field offices to assist claimants in filing and expediting their claims are authorized, and both HEW and the Department of Labor are required to provide information and assistance to potential beneficiaries.

Claimants who have had their claims denied under the old program will be able to have their claims reviewed under a simple refiling procedure.

And, a permanent $10 million annual authorization is provided for black lung clinical facilities.

Mr. President, disabled miners and their widows should not face an uphill battle to secure benefits which they deserve and for which they have paid so dearly. This bill is in no way a giveaway, but it should at least give claimants their rightful opportunity to have their claims decided equitably and quickly.

Mr. WILLIAMS. Mr. President, coal workers' pneumoconiosis, or black lung disease is a truly dreadful disease. It is a progressive, irreversible respiratory ailment which robs its victims of vitality and energy by making it increasingly difficult for them to obtain oxygen from the air they breathe. Eventually, it robs its victims of life itself.

Anyone who has seen the ravages of this disease, the agony of its victims, cannot help but be touched by the terrible suffering it causes to miners and their families. The sight of active miners used to the most physical of work, who are unable to even walk without great suffering is truly a pathetic picture.

Black lung disease is perhaps a truly classical occupational disease. It is caused by one thing, and one thing only; the inhalation, over a period of time, of coal dust.

In 1969, when we passed the Federal Coal Mine Health and Safety Act, we set upon a course to eliminate the scourge of black lung. We were to have made our

mines less dusty, and by doing so, we were to have eliminated the risk that a miner would get black lung disease.

We know now, that to a large extent, we have been unsuccessful in doing this. As a result, the problem of black lung is still with us. And it will be with us for years to come.

That is why, Mr. President, it is imperative that we reform the black lung program.

That program has, since its inception, been fraught with administrative and statutory problems which have rendered it a hollow promise to hundreds of thousands of our Nations' miners and their families. Under the current program, the victims of this dreadful disease are made to wrestle futilely with a faceless bureaucracy and with Byzantine procedures while their lives slowly ebb away.

This bill corrects many of the injustices which have developed in the administration of the black lung program. It streamlines the procedures by which the black lung program is administered, and eases the burden of establishing a claim. These burdens have frustrated eligible and deserving claimants in the past.

We must streamline procedures, because they are currently out of control. The Labor Department's own internal task force reported that in fiscal year 1976, processing time for claims within the Department had increased to an average of 630 days. The General Accounting Office, in its recent report to the Committee on Human Resources, indicated that there are more than 50,000 claims backlogged in the Department of Labor. Nearly one-third of these have been there for more than 2 years.

We must also ease the unfair burden of proof which the program currently places on claimants. Through fiscal year 1976, the Labor Department had received more than 92,000 black lung claims. It had approved only 3,233 claims. In addition to the complex administrative procedures currently in force, a reason for this low claim approval rate is that often it is all but impossible for legitimate claimants to establish their eligibility. Medical evidence is often imprecise and difficult to evaluate. Symptoms can be confusing. Often, and especially so in cases of older miners, doctors are not sufficiently skilled in diagnosing black lung. In many cases the illness or death of a miner due to black lung has been attributed to some other cause. Then, when the miner's widow went to file her claim, she had insufficient medical evidence to establish her eligibility.

And yet, we know that black lung has been, and continues to be a serious problem in our coal industry. A study done by the National Institute of Occupational Safety and Health indicates that, based on autopsies, more than 90 percent of the deceased miners studied had the disease.

This bill would ease some of the burdens on claimants and would also eliminate many of the administrative bottlenecks. It would require the Secretary of Labor to establish effective medical criteria. It would recognize the continuing prevalence of the disease among our Nation's coal miners. It would eliminate unfair statutes of limitations which work to the disadvantage of those claimants who are most in need.

Finally, Mr. President, this bill would shift the cost of this program to the coal industry. In 1969, when the Congress established the black lung program, we intended that the industry would pay benefits for claims filed after 1974. So far, this has not been the case. Very few of these claims have been allowed. Fewer still have been assigned to responsible operators. The operators have contested more than 90 percent of the claims which were issued to them. The rest are still being paid by the Government.

This bill established a trust fund, funded by a tax on coal, which will pay the claims which are now being paid by the Government, but which we intended to be paid by the industry.

This is an important step toward encouraging the industry to finally clean up our mines.

And, we must clean up our mines. The President of the United States has sent up his energy proposals. They rely on increased production and use of coal as an energy source. Mr. President, if we are to increase our coal production, it cannot be at the cost of the health, well-being, and the very lives of our Nation's miners. We must eliminate the scourge of black lung, and we must fairly and adequately compensate the victims of this dreaded disease.

This bill is a giant stride toward the accomplishment of both of these goals. I urge the Senate to pass this bill, and to keep the promise we made to our coal miners in 1969.

Mr. HATCH. Mr. President, I intend to support the final passage of S. 1538, the Black Lung Benefits Reform Act of 1977.

I do so as a part of my concern for the working people in our country and the thousands of Utah coal miners who have courageously labored in our Nation's coal mines at great personal risk to themselves and their dependents. I believe we are in a new era of concern for the welfare of America's coal miners by virtue of the passage of the Federal Coal Mine Health and Safety Act of 1969 and my concern is continuing.

Since passage of that act, many constructive improvements have been made in the miners' inherently hazardous work environment, although the coal miners of America are not yet as safe and healthful as we would wish them to be. We in Congress and the coal mine industry are working toward this goal.

Until we have reached the stage where mine operations have made the work environment as safe as can be achieved, it is our obligation to insure that victims of black lung disease and their survivors are fairly and timely compensated for disabling pneumoconiosis. This bill is a continuing link in support of the chain of events triggered by the enactment of the Federal Coal Mine Safety and Health Act.

Title IV of that act provides a mechanism for compensating miners totally disabled due to black lung, or pneumoconiosis, the dependents of such miners, and the eligible survivors of such miners. Part B is administered by the Social Security Administration for claims filed from the date of enactment of the act—December 30, 1969—through June 30, 1973. Beneficiaries are paid from the general funds of the Treasury for life. Some 375,000 claims, out of about 550,000 filed, have been approved, and 180,000 have been denied. Current appropriations for part B are about $850 million.

Part C is administered by the Department of Labor for claims filed after June 30, 1973. Beneficiaries are to be paid, according to the statute, by responsible coal operators through State workers' compensation systems which meet benefit standards set by the Secretary of Labor. Where there is no responsible operator, the Department of Labor pays the claim.

Out of approximately 109,000 claims filed, 4,100 have been approved and 56,000 have been denied. The remaining 49,000 undecided claims form the backlog resulting in large part from an average claim processing time of 630 days. Of the claims approved, coal operators are paying only 200; the industry is controverting 97 percent of the claims for which a responsible operator has been identified by the Secretary of Labor.

Because of the few claims being paid by mine operators, a Federal Government-administered trust is created which is designed to shift part C benefits payments to the coal industry as originally intended by Congress in the 1972 amendments to the Coal Act.

In fact the industry has gone on record as commending the trust fund and tax amendments made by the Senate Finance Committee as a constructive approach toward financing black lung liability under part C. In fairness, however, I must say that it opposes some of the other provisions of the bill.

I am somewhat disturbed by the provision which allows widows an automatic entitlement to benefits based solely on years of coal mine employment. Current law provides no compensation on this basis. While I am opposed to the precedent here, I believe that my concern is overriden in this case because of the extreme difficulty widows experience in providing medical evidence to support a claim, and due to the pervasive financial hardship of most coal miners' widows.

In summary, Mr. President, while I am not totally happy with all aspects of the bill, I believe that on balance it is a fair and constructive approach to compensating those gallant miners who have sacrified their health and become totally disabled in consideration of the Nation's demanding energy needs.

Mr. HEINZ. Mr. President, last year the Congress failed to enact a black lung reform bill, despite the fact that there are over 51,000 pending claims filed by miners who have risked their health and lives to provide all of us with much needed energy resources.

I have been a strong supporter of black lung reform legislation because I am aware of the very real problems encountered by thousands of old and

disabled miners and their families in their efforts to obtain what they believe are their well deserved benefits. My office receives hundreds of requests by miners to help them with the bureaucratic tangles that they must cope with in order to achieve benefits. Unfortunately, in our efforts to provide assistance to those who suffer from black lung disease, we have created mechanism which often results in frustration and denial of benefits for many deserving miners.

If this Nation ever expects to increase production of its vast coal resources, we must assure that we will have the manpower to mine and move our coal. As long as people think that mining is a job that dooms people to ill health with improper care and no economic security, we cannot recruit the manpower we need.

So the future demands that we develop reasonable assurance of security for those who risk their health to help this country achieve energy independence. Without a workable black lung program the incentive for coal mine manpower will be reduced and our goals of increasing coal production will be delayed.

Today we will consider the Black Lung Benefits Reform Act of 1977, a bill designed to eliminate some of the delays in the present system and create a funding mechanism that will finance the benefits program. The bill also creates field offices to assist black lung benefits claimants with their claim filing and processing in the areas where they live. As the Committee on Human Resources points out, we now know that the number of disabled miners far exceeds earlier estimates. Currently, there are about 562,000 claims on file under part B of the program, which includes those who filed on or before June 30, 1973 and are entitled to the payment of benefits for life or as long as they remain eligible. There are also over 110,000 claims on file under part C which was designed to be administered by State workers' compensation agencies meeting minimum standards, or by the Secretary of Labor where such standards were not met. Unfortunately, no States have yet been able to meet the minimum requirements and as a result the Department of Labor has administered the entire part C program.

This evidence clearly demonstrates an overwhelming need for changes to be made in the existing program and I urge my colleagues to join me in voting in favor of S. 1538.

(This concludes additional statements submitted.)

Mr. ROBERT C. BYRD. Third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the order, the bill will be returned to the calendar.

The Senator from West Virginia.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider Calendar No. 3 on the Calendar of Treaties.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, there is no objection on this side.

There being no objection, the Senate proceeded to the consideration of executive business.

TREATY WITH MEXICO ON THE EXECUTION OF PENAL SENTENCES

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Calender No. 3, Executive D, 95th Congress, First Session. Treaty with Mexico on the Execution of penal Sentences, reported favorably, with a declaration.

The Senate, as in Committee of the Whole, proceeded to consider the following treaty, which was read the second time:

TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES ON THE EXECUTION OF PENAL SENTENCES

The United States of America and the United Mexican States, desiring to render mutual assistance in combatting crime insofar as the effects of such crime extend beyond their borders and to provide better administration of justice by adopting methods furthering the offender's social rehabilitation, have resolved to conclude a Treaty on the execution of penal sentences and, to that end, have named their plenipotentiaries Joseph John Jova, Ambassador Extraordinary and Plenipotentiary by the President of the United States of America and Alfonso Garcia Robles, Secretary of Foreign Relations by the President of the United Mexican States,

Who, having exchanged their full powers and having found them in proper and due form, have agreed on the following Articles:

ARTICLE I

(1) Sentences imposed in the United Mexican States on nationals of the United States of America may be served in penal institutions or subject to the supervision of the authorities of the United States of America in accordance with the provisions of this Treaty.

(2) Sentences imposed in the United States of America on nationals of the United Mexican States may be served in penal institutions or subject to the supervision of the authorities of the United Mexican States in accordance with the provisions of this Treaty.

ARTICLE II

This Treaty shall apply only subject to the following conditions:

(1) That the offense for which the offender was convicted and sentenced is one which would also be generally punishable as a crime in the Receiving State, provided, however, that this condition shall not be interpreted so as to require that the crimes described in the laws of the two States be identical in such matters not affecting the character of the crimes such as the quantity of property or money taken or possessed or the presence of interstate commerce.

(2) That the offender must be a national of the Receiving State.

(3) That the offender not be a domiciliary of the Transferring State.

(4) That the offense not be a political offense within the meaning of the Treaty of Extradition of 1899 between the parties, nor an offense under the immigration or the purely military laws of a party.

(5) That at least six months of the offender's sentence remains to be served at the time of petition; and

(6) That no proceeding by way of appeal or of collateral attack upon the offender's conviction or sentence be pending in the Transferring State and that the prescribed time for appeal of the offender's conviction or sentence has expired.

ARTICLE III

Each State shall designate an authority to perform the functions provided in this Treaty.

ARTICLE IV

(1) Every transfer under the Treaty shall be commenced by the Authority of the Transferring State. Nothing in this Treaty shall prevent an offender from submitting a request to the Transferring State for consideration of his transfer.

(2) If the Authority of the Transferring State finds the transfer of an offender appropriate, and if the offender gives his express consent for his transfer, said Authority shall transmit a request for transfer, through diplomatic channels, to the Authority of the Receiving State.

(3) If the Authority of the Receiving State approves the request, it shall promptly so inform the Transferring State and shall initiate the necessary procedures to effect the transfer of the offender. If it does not approve the request, it shall so notify promptly the Authority of the Transferring State.

(4) In deciding upon the transfer of an offender the Authority of each Party shall bear in mind all factors bearing upon the probability that the transfer will contribute to the social rehabilitation of the offender, including the nature and severity of his offense and his previous criminal record, if any, his medical condition, the strength of his connections by residence, presence in the territory, family relations and otherwise to the social life of the Transferring State and the Receiving State.

(5) If the offender was sentenced by the courts of a state of one of the Parties, the approval of the authorities of that state, as well as that of the Federal Authority, shall be required. The Federal Authority of the Receiving State shall, however, be responsible for the custody of the transferred offender.

(6) No offender shall be transferred unless either the sentence which he is serving has a specified duration, or such a duration has subsequently been fixed by the appropriate administrative authorities.

(7) The Transferring State shall furnish the Receiving State a statement showing the offense of which the offender was convicted, the duration of the sentence, the length of time already served by the prisoner and any credits to which the offender is entitled, such as, but not limited to, work done, good behavior or pretrial confinement. Such statement shall be translated into the language of the Receiving State and duly authenticated. The Transferring State shall also furnish the Receiving State a certified copy of the sentence handed down by the competent judicial authority and any modifications thereof. It shall also furnish additional information that might be useful to the Authority of the Receiving State in determining the treatment of the convict with a view to his social rehabilitation.

(8) If the Receiving State considers that the documents supplied by the Transferring State do not enable it to implement this Treaty, it may request additional information.

(9) Each Party shall take the necessary legislative measures and, where required, shall establish adequate procedures, to give for the purposes of this Treaty, legal effect, within its territory to sentences pronounced by courts of the other Party.

ARTICLE V

(1) Delivery of the offender by the authorities of the Transferring State to those of the Receiving State shall occur at a place agreed upon by both parties. The Transferring State shall afford an opportunity to the Receiving State, if it so desires, to verify, prior to the transfer, that the offender's consent to the transfer is given voluntarily and with full knowledge of the consequences thereof, through the officer designated by the laws of the Receiving State.

(2) Except as otherwise provided in this Treaty, the completion of a transferred offender's sentence shall be carried out according to the laws and procedures of the Receiving State, including the application of any provisions for reduction of the term of confinement by parole, conditional release or otherwise. The Transferring State shall, however, retain the power to pardon or grant amnesty to the offender and the Receiving State shall, upon being advised of such pardon or amnesty release the offender.

(3) No sentence of confinement shall be enforced by the Receiving State in such a way as to extend its duration beyond the date at which it would have terminated according to the sentence of the court of the Transferring State.

(4) The Receiving State shall not be entitled to any reimbursement for the expenses incurred by it in the completion of the offender's sentence.

(5) The Authorities of each party shall, every six months, exchange reports indicating the status of confinement of all offenders transferred under this Treaty, including in particular the parole or release of any offender. Either Party may, at any time, request a special report on the status of the execution of an individual sentence.

(6) The fact that an offender has been transferred under the provisions of this Treaty shall not prejudice his civil rights in the Receiving State in any way beyond those ways in which the fact of his conviction in the Transferring State by itself effects such prejudice under the laws of the Receiving State or any State thereof.

ARTICLE VI

The Transferring State shall have exclusive jurisdiction over any proceedings, regardless of their form, intended to challenge, modify or set aside sentences handed down by its courts. The Receiving State shall, upon being advised by the Transferring State of action affecting the sentence, take the appropriate action in accordance with such advice.

ARTICLE VII

An offender delivered for execution of a sentence under this Treaty may not be detained, tried or sentenced in the Receiving State for the same offense upon which the sentence to be executed is based. For purposes of this Article, the Receiving State will not prosecute for any offense the prosecution of which would have been barred under the law of that State, if the sentence had been imposed by one of its courts, federal or state.

ARTICLE VIII

(1) This Treaty may also be applicable to persons subject to supervision or other measures under the laws of one of the Parties relating to youthful offenders. The Parties shall, in accordance with their laws, agree to the type of treatment to be accorded such individuals upon transfer. Consent for the transfer shall be obtained from the legally authorized person.

(2) By special agreement between the Parties, persons accused of an offense but determined to be of unsound mental condition may be transferred for care in institutions in the country of nationality.

(3) Nothing in this Treaty shall be interpreted to limit the ability which the Parties may have, independent of the present Treaty, to grant or accept the transfer of youthful or other offenders.

ARTICLE IX

For the purposes of this Treaty—

(1) "Transferring State" means the party from which the offender is to be transferred.

(2) "Receiving State" means the party to which the offender is to be transferred; and

(3) "Offender" means a person who, in the territory of one of the parties, has been convicted of a crime and sentenced either to imprisonment or to a term of probation, parole, suspended sentence, or any other form of supervision or conditional sentence without confinement.

(4) A "domiciliary" means a person who has been present in the territory of one of the parties for at least five years with an intent to remain premanently therein.

ARTICLE X

(1) This Treaty is subject to ratification. The exchange of ratifications shall take place in Washington.

(2) This Treaty shall enter into force thirty days after the exchange of ratifications and shall remain in force for three years.

(3) Should neither contracting party have notified the other ninety days before the three-year period mentioned in the preceding paragraph has expired of its intention to let the Treaty terminate, the Treaty shall remain in force for another three years, and so on every three years.

Done at Mexico City in duplicate, this twenty-fifth day of November, one thousand nine hundred seventy-six, in the English and Spanish languages, each text of which shall be equally authentic.

The PRESIDING OFFICER. Without objection, the treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The assistant legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty between the United States of America and the United Mexican States on the Execution of Penal Sentences which was signed in Mexico City on November 25, 1976 (Ex. D, 95–1), subject to the following declaration:

That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in article IV has been enacted.

Mr. ROBERT C. BYRD. Mr. President, there is a 4-hour limitation on this treaty, but I am advised by the very distinguished chairman of the Foreign Relations Committee (Mr. SPARKMAN) that in his judgment it will not require over an hour. I am sure the distinguished minority leader would like to say something on this point because he and I have also discussed the matter.

Mr. BAKER. Mr. President, I have inquired of Members on this side, and it seems to me that while there are speakers who wish to address themselves to this treaty, it will not take a long time, and certainly not the full 4 hours. We are agreeable to proceeding to its consideration at this time. I would estimate that it will take much less time.

Mr. ROBERT C. BYRD. Mr. President, I wonder if I could ask the minority leader whether or not, so that Senators may be able to plan for dinner at home, the time could be reduced to 1 hour.

Mr. JAVITS. Mr. President, reserving the right to object, I happen to think 1 hour is too short. I was going to ask the majority leader a question.

We have a conference report which really should come up. It has passed the House by an overwhelming vote. It is the Youth Employment Act. As far as I know, it has no opposition or controversy here. I think we can finish it in minutes, if we can take it up first, or, if the Senator wishes me to, I am willing to wait until after the Mexican treaty discussion. I just ask the Senator in order to determine what I ought to do about this matter.

Mr. ROBERT C. BYRD. I will be glad to respond to the distinguished Senator from New York. We are attempting to find the manager of the conference report on this side of the aisle. I would be very glad to take it up following the vote on the Mexican treaty. I understand there will not be a vote necessitated on the conference report. Am I correct?

Mr. JAVITS. That is what I assume. Senator BELLMON and Senator DOMENICI are both present.

Mr. DOMENICI. I want 5 minutes to exchange views about it with the distinguished Senator from New York, but I do not insist on a yea and nay vote.

Mr. BELLMON. I would like to have 2 minutes.

Mr. JAVITS. Mr. President, could we agree on a half-hour debate on the conference report after the disposition of the Mexican treaty? Is that agreeable to the leader?

As to the 1-hour limitation on the treaty, I would want about 5 minutes. It sounds all right to me.

I will say this to both leaders: This was a very controverted hearing. Grave questions of constitutionality were raised. I only submit that to them, not that I want more time but in the interest of the dignity of the Senate if they feel they want to limit it to 1 hour, I will certainly not object. I give the Senator that information.

Mr. BAKER. Reserving the right to object, I have checked with the distinguished Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan, who is on the Foreign Relations Committee, and with Senator TOWER, who has expressed a very serious interest in this matter. All of them are agreeable to a 1-hour limitation on the treaty.

Mr. GOLDWATER. Five minutes is all I need.

Mr. LUGAR. I would like to have 5 minutes, also.

Mr. BAKER. I believe we can cover it in 1 hour. I would not object to a unanimous-consent request for 1 hour.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader and all Senators who have participated in the colloquy.

TIME-LIMITATION AGREEMENT—TREATY

I ask unanimous consent that the unanimous-consent request on the treaty to be changed to provide that 1 hour instead of 4 hours be the limitation.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—CONFERENCE REPORT ON H.R. 6138

Mr. BAKER. Mr. President, I advise the majority leader that I believe that, on this side, we are probably in a position to offer a unanimous-consent agreement for a time limitation on the youth employment conference report if he wishes to do that now.

Mr. ROBERT C. BYRD. Very well.

Mr. President, I ask unanimous consent that, on the youth employment conference report, H.R. 6138, there be a time limitation of not to exceed 30 minutes, to be equally divided between Mr. NELSON and Mr. JAVITS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make that request as in legislative session.

Mr. BAKER. Mr. President, I direct one further question to the distinguished majority leader. We have ordered the yeas and nays now on the ratification vote on this treaty. We have a time limitation on the youth employment conference report. It appears to me that there will be only one more rollcall vote and that no rollcall will be asked on the conference report. Will the majority leader give us his views in that respect?

Mr. ROBERT C. BYRD. I am under the same impression. However, I am not sure that we can assure Members of that until we find out from Mr. JAVITS and Mr. NELSON. I think the Senator is correct, but before we can assure him, I think I should like to ascertain from my manager if that is his feeling.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD. Before the vote on the treaty, I am sure we can assure Members one way or the other.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD subsequently said: Mr. President, earlier there was a colloquy between the distinguished minority leader and myself with respect to the possibility of a vote on the conference report on youth employment. I have checked on my side. The manager of the conference report on my side has indicated he would not expect a rollcall vote. Therefore, I would be willing to state for the information of the Senate that the rollcall vote on the treaty will be the last rollcall vote today.

TREATY WITH MEXICO

Mr. BAKER. Mr. President, might I inquire of the majority leader if it might not be appropriate to ask for the yeas and nays on ratification?

Mr. ROBERT C. BYRD. We should have the yeas and nays on ratification of the treaty.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations has examined thoroughly the treaty with Mexico on the execution of penal sentences and as a result of this examination recommends that the Senate give its advice and consent to the ratification of this treaty. The Senate, on July 19, by a vote of 95 to 0, gave its advice and consent to a similar treaty with Canada.

The purpose of this treaty is to achieve the effective social rehabilitation of Americans presently in Mexican jails and Mexicans in U.S. jails. Individuals incarcerated in a foreign jail face overwhelming obstacles to rehabilitation and re-entry into society upon their release. In the case of Mexico and the United States, these prisoners have to deal with language barriers in addition to such problems as distance from family and inability to participate in work release, parole and counseling programs.

The United States has a definite interest in the rehabilitation of its citizens held in Mexican jails since eventually most of these individuals will return to the United States. The majority of the Americans in Mexico are young, first offenders who deserve the best possible chance for rehabilitation. These young men and women will come back to the United States, and it would only add to our problems and theirs if they were released into society as hardened criminals or without the ability to find employment. The United States would also be able to deal with its citizens with its own parole laws.

Another worthwhile benefit that will result from the ratification of the treaty will be a lessening of the friction in our bilateral relations that has resulted from incarceration of so many of each nation's citizens in the prisons of the other. This friction has been heightened by numerous news accounts about the plight of Americans imprisoned in Mexico. We have all heard from our constituents or from newspaper accounts about the conditions in Mexican jails and the charges that have been made about the Mexican criminal justice system by Americans who have become involved in that system. Although the Mexican Government has taken commendable steps to improve these conditions, these actions will not solve the problem of rehabilitation addressed by the treaty.

Since the treaty involves new legal concepts for the United States, the committee carefully examined the constitutional and legal questions arising from the transfer of individuals to U.S. prisons to serve out Mexican sentences. The committee determined that a strong case for the constitutionality of the treaty and the legislation necessary to implement it could be made. The committee solicited the opinions of a number of legal scholars, and all these opinions indicated that the treaty was constitutionally defensible. The Committee on the Judiciary, during its consideration of the implementing legislation, has taken additional steps to bring the transfer program into line with our constitutional system and to protect the rights of the prisoners to be transferred.

The committee recommends that the Senate give its advice and consent with a declaration that the instrument of ratification not be deposited until the implementing legislation has been enacted. This will prevent a situation in which we have a valid treaty, but no means of executing the transfer process. This declaration will also avoid raising the hopes of Americans imprisoned in Mexico and then destroying their morale should the implementing legislation not be enacted promptly.

I ask unanimous consent that an article-by-article analysis of the treaty be printed in the RECORD along with the committee statement of comment on the treaty.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE COMMENTS

Individuals imprisoned in a foreign nation face large obstacles to rehabilitation: language barriers; distance from family; differences in culture; inability to participate in educational, work-release or counseling programs; and difficulty in receiving parole. Parolees also have problems, such as securing suitable employment in a foreign nation, once they are paroled. The transfer of these prisoners or parolees to their home countries to finish out their sentences or to receive parole would greatly increase the prisoners' chances of making a successful reentry into society. Taking the case of Mexico, for example, most of the U.S. prisoners in jail there are young Americans who are first-time offenders. Their ability to readjust would undoubtably be enhanced if they could participate in job training, counseling and other programs available in penal institutions in the United States.

Since most of the prisoners will eventually return to their home countries after completing their sentences all three nations have an interest in the penal conditions of their citizens incarcerated abroad. The Treaties would also have a beneficial effect in reducing the tension between the United States and Mexico and the United States and Canada arising from the imprisonment of each others' citizens.

These Treaties involve concepts and legal issues new to the criminal justice system of the United States. The Committee recognizes that legitimate constitutional issues are raised by these treaties and the implementing legislation. The ultimate test of constitutionality may, of course, come before the Supreme Court of the United States. But the Committee has carefully considered these issues and has concluded that a case for the constitutionality of the Treaties can be made.

All the legal opinions received by the Committee concur in the constitutionality of the treaties. Under the terms of the Treaties, collateral attacks on the sentences of the foreign nations can only be made in the courts of that nation. These provisions would have the effect of denying to an American citizen who is transferred to the United States an opportunity to petition for a writ of *habeas corpus* for the purpose of challenging the validity of his Mexican or Canadian sentence or conviction. The Committee has determined that any constitutional questions involved in this preclusion of a writ of *habeas corpus* can be resolved by a valid waiver made at the time of the prisoners' consent to transfer. If the consent is to constitute a waiver, then the prisoner must be made fully aware of the consequences of his consent and the attendant waiver. The Committee understands that procedures will be established under the implementing legislation to provide full coun-

seling, legal assistance and information to prisoners eligible for transfer. The families of prisoners, to the extent possible, should be informed of these conditions and of the status of their family member.

In considering the question of waiver, the Committee notes that the prisoner in a foreign jail would not have access to the courts of the United States to attack his conviction or sentence. It is only upon transfer to the jurisdiction of the United States that a transferee could claim any access to U.S. courts. As a practical matter, the prisoner is thus not waiving a right held prior to transfer. It would place the United States in a paradoxical posture to insist that the writ of *habeas corpus* be available to transferees to contest the judgments of foreign courts when the result would be that the Americans would remain in foreign jails with no access to the courts of the United States for any purpose dealing with their confinement.

Although the implementation of the transfers will benefit several hundreds of Americans imprisoned in Mexico and Canada, the Treaties should not be viewed as a final solution to the problems of all U.S. citizens imprisoned in those countries. Some will not be eligible for transfer and others will not become eligible until they have been convicted, received definite sentences, and appealed these convictions and sentences. Therefore, the Committee feels that the Government of the United States should continue to assist fully those prisoners not transferred. Particularly important are improved consular services, including more consular offices where needed, and insistence, through appropriate diplomatic channels, on respect for the rights of the accused. These steps should not be confined to the two nations with which we have negotiated these treaties, but should be taken in all countries where significant numbers of Americans have been arrested and imprisoned.

The purposes of these Treaties are worthwhile. Their provisions are in accord with the Constitution. Their subject matter is within the area appropriate for a Treaty. Accordingly, the Committee on Foreign Relations recommends that the Senate give its advice and consent to their ratification.

SECTION-BY-SECTION ANALYSIS OF THE TREATY WITH MEXICO ON THE EXECUTION OF PENAL SENTENCES

PREAMBLE

The Mexican treaty to transfer offenders to their native country to finish their sentences has for its purpose the goal of rendering mutual assistance to combat international crime, to provide better administration of justice and to further the social rehabilitation of offenders.

Article I

The first section of Article I gives authority for sentences imposed on U.S. nationals by Mexican courts to be served in the United States. The second section provides the same authority as it relates to sentences of Mexican nationals imposed by U.S. courts.

Article II

This article imposes six conditions for a transfer as authorized in Article I:

(1) The crime must be one punishable under the laws of both states. The crime need not be identical in matters not affecting the character of the crime.

(2) The offender must be a national of the Receiving State and,

(3) Not a domiciliary of the Transferring State.

(4) The offense is not a political crime or an offense of the purely military or immigration laws of the parties.

(5) At least six months remain on the offender's sentence, and

(6) No appeal or other proceeding affecting the sentence be pending in the Transferring Nation and the time for appeal has expired.

Article III

This article states that each State designate an authority to perform the functions provided in the treaty.

Article IV

Section 1 provides that transfer shall be initiated by the Transferring State, but also allows the prisoner to petition the Transferring State.

Section 2 provides that if the prisoner expressly consents, the request for transfer will be forwarded through diplomatic channels.

Section 3 establishes procedures for the acceptance of the request for transfer by the Receiving State.

Section 4 sets up the criteria to be used in determining the suitability of the transfer. The basic question is how will the social rehabilitation of the prisoner be best served.

Section 5 stipulates that if the offense involved was a state crime under the laws of either nation, the permission of the individual state is required before transfer.

Section 6 requires that the sentence of the transferee be a definite one.

Section 7 details the information to be supplied by the Transferring State to the Receiving State.

Section 8 allows the Receiving State to request additional information that may be required.

Section 9 requires the adoption of the necessary implementing legislation.

Article V

Section 1 provides that the place of exchange shall be mutually agreed upon. It also follows a Receiving State to verify the validity of a prisoner's consent.

Section 2 states the sentence shall be carried out according to the laws of the Receiving State, including those dealing with parole and reduction of sentence. Reserves to the Transferring State the power to grant amnesty or pardon.

Section 3 prevents a Receiving State from extending the sentence beyond time set by Transferring State.

Section 4 prevents reimbursement to Receiving State for costs of incarceration.

Section 5 provides for exchange of reports on transferred prisoners every six months.

Section 6 protects a transferred prisoner from the loss of any civil rights that would not have occurred as a result of his conviction in the Transferring State.

Article VI

This article gives to the Transferring State exclusive jurisdiction over any appeal or any other proceeding intending to challenge the sentences imposed by its courts. If a sentence is set aside or otherwise modified, the Transferring State will notify the Receiving State so it may take appropriate action.

Article VII

This article protects a transferred prisoner from double jeopardy, or in other words from being tried for the same offense in the Receiving State.

Article VIII

This article provides that youthful offenders and those determined to be mentally unsound may also be exchanged.

Article IX

This article gives definitions of terms used in the treaty.

Article X

This article sets Washington as the place of exchange of ratifications and sets the term of the treaty at three years. The treaty will automatically be renewed for additional three-year periods unless either Party gives notice 90 days prior to the termination of such a three-year period.

Mr. SPARKMAN. Mr. President, I have sent word to Senator CASE, who, I understand, is still down in the Committee on Foreign Relations. I hope he will be here momentarily.

Mr. GRIFFIN. Mr. President, the minority leader has asked me to take charge of the time on this side. If the Senator from New Jersey (Mr. CASE) comes in, I shall immediately defer to him. In the meantime, maybe I can get recognition and use some of the time on this side.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. GRIFFIN. I thank the Chair.

Mr. President, I voted to report this treaty out of the Committee on Foreign Relations. I did so with a good deal of concern and reluctance, because I think there are serious constitutional questions involved. But I did vote that way and I shall vote now in the Senate for the resolution of ratification because it contains this language:

That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in article IV has been enacted.

In other words, we are not taking a final action here. We are approving it, but our Government will not actually deposit the instrument of ratification until after certain legislation required to implement the treaty is enacted. The legislation in question will be considered by the Committee on the Judiciary, which is particularly equipped to examine further these constitutional questions.

The Committee on Foreign Relations was concerned about these matters. Constitutional experts were examined and testified. While I must admit that some of these questions still trouble me, I think that the Foreign Relations Committee has done a good job. It makes sense now to take this step and allow the Committee on the Judiciary to go further into the constitutional problems.

I submitted some individual views to the Foreign Relations Committee's report on this treaty analyzing the constitutional issues as I see them. Rather than ask the Senate to listen to my discussion at this late hour, I ask unanimous consent, Mr. President, that my views be printed in the RECORD at this point.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

CONSTITUTIONALITY OF THE TREATY WITH MEXICO ON THE EXECUTION OF PENAL SENTENCES

INDIVIDUAL VIEWS OF U.S. SENATOR ROBERT P. GRIFFIN

The Committee has considered certain constitutional issues associated with the Treaty with Mexico on the execution of penal sentences. In particular, Article VI of the Treaty, which purports to deny American courts jurisdiction to review the sentences of American transferees, was closely examined. The Committee heard testimony from a number of constitutional law experts, including Professor Herbert Wechsler of the Columbia Law School. All concluded that the Treaty is constitutionally defensible. I respect the opinions of such experts but I continue to be concerned.

There is little doubt that American prisoners who are transferred from Mexican prisons will attempt, in our courts, to challenge the constitutionality of their convictions. The Treaty purports to forbid Ameri-

can courts from entering such challenges. Thus, the crucial questions are, first, whether an individual has a colorable due process claim to attack the constitutionality of his Mexican conviction, and second, whether he can validly consent or waive this claim.

It may be argued that imprisoning American transferees raises no constitutional questions but is merely a conflicts of law situation. Because the offender's trial and alleged denial of constitutional rights occurred in a foreign country through the sole conduct of foreign authorities, the United States' judiciary has no jurisdiction to entertain suits brought on foreign judgments. Therefore, it can be argued, the role of this country under the Treaty is merely to assume custody over the offender. This assertion, however, entirely ignores the historic fundamental principle that before an accused may be imprisoned in this country he must be afforded a trial which comports with basic fairness. This principle is embodied in the Fifth Amendment's guarantee of due process of law.

Thus, it can be argued that the Treaty, by denying the prisoner's right to challenge the reliability of his conviction, presents a cognizable due process violation. As Professor Alan Swan of the University of Miami Law School stated: "Certainly, if our system imprisons people wholly on the strength of a foreign proceeding without any intervening trial according to constitutional standards, it would be anomalous indeed if 'fairness and decency' in those proceedings was a matter to which our constitution was indifferent."[1]

It must be emphasized, however, that the prisoner should have a colorable due process claim only when the alleged deprivation impinges upon the reliability of the truth-finding function. When the alleged misconduct involves an invasion of individual integrity, there is no persuasive reason to permit the prisoner to collaterally attack the Mexican judgment. This situation will most frequently arise when a prisoner challenges, under American constitutional standards, the propriety of a Mexican search and seizure. It is well recognized that the primary purpose underlying our exclusionary rule is to deter police misconduct. When American officers neither conduct nor in any way participate in the transgression, it would be difficult to perceive what purpose would be advanced by refusing to recognize the validity of the Mexican judgment. Certainly, excluding evidence seized by Mexican officers would not deter those officers from conducting similar searches in the future. In such a case, ordinarily, the prisoner's guilt is not really in question. Under such circumstances, American courts should refuse to recognize the asserted validity of such a claim.

Thus, as stated by the authors of a Harvard Law Review Note, so long as the reliability of the truth-finding function is the only issue, "(t)he Treaty's prohibition of collateral review of Mexican convictions appears to be unconstitutional unless each prisoner waives all access to such review as a condition of his transfer."[2] Under controlling Supreme Court authority, in order to have a valid waiver, there must be "an intentional relinquishment or abandonment of a known right or privilege" that was made "voluntarily after proper advice and with full understanding of the consequences."[3] Hence, the crucial question that is presented here is whether the prisoner's consent not to assert his due process rights can be deemed voluntary, considering the conditions of his Mexican imprisonment. Or, phrased in different terms, are the conditions prevailing in Mexican prisons so unbearable that any consent or waiver given in such circumstances is inherently involuntary?

In confronting this question, it is useful to draw upon the plea-bargain negotiation process in our criminal justice system. In pleading guilty, the defendant waives various constitutional rights, including such guarantees as the right to a speedy trial, to confront adverse witnesses, and to trial by an impartial jury. At the same time, however, the accused gains a substantial benefit, namely, the possibility of a reduced sentence or other tangible benefit relating directly to the conditions of his confinement (e.g., incarceration in a medium rather than maximum security institution). This aspect of the plea bargaining process was recognized by the Supreme Court in *Brady* v. *United States*.[4]

At first glance, the Treaty with Mexico comports with this waiver-benefit analysis. In return for foregoing any claims challenging the constitutionality of his Mexican conviction, the transferee gains the benefit of serving his sentence in this country. There is one critical distinction, however, which separates this situation from the plea-bargaining process. In determining whether to plead guilty, the accused is faced with two viable alternatives, namely, whether to stand trial with the attending constitutional safeguards, or to acknowledge his guilt with the possibility of a more lenient sentence. The prisoner in Mexico, however, is denied such freedom of choice. His alternatives are incarceration in this country or continued confinement in Mexico. The alternative of remaining in Mexico is so unattractive to most prisoners that in reality these individuals are left with but one choice—incarceration in this country. To deprive an individual of his right to challenge his Mexican conviction under such circumstances conflicts with fundamental notions of fairness.

Some commentators contend that this deficiency may be overcome by surrounding the consent or waiver process with various procedural safeguards which include a hearing before a United States Magistrate, right to counsel, and that the proceedings be recorded.[5] It is difficult to perceive, however, how the implementation of these procedures will render the consent or waiver voluntary. In fact, such discussion obscures the crucial issue. If the consent or waiver is deemed inherently involuntary, then it is invalid no matter what procedures are employed.

Thus, I believe the Treaty raises grave constitutional concerns. It is important that the Judiciary Committee, to which the implementing legislation has been referred, will carefully consider these issues. It is well to keep in mind that if the Treaty subsequently should be declared unconstitutional by the courts, our relations with Mexico, and the treatment of American prisoners there, could be significantly worsened.

Mr. GRIFFIN. I do think it should be noted that, although perhaps to a lesser degree, these issues also apply with respect to the prisoner exchange treaty with Canada. As far as I am concerned, it is unfortunate that we have rather routinely approved a similar treaty with Canada while we seem to be focusing in more detail on the treaty with Mexico.

The terms are quite similar. Many of the same questions are involved, although it is true that the legal system of Canada is more similar to ours and there would be less likelihood that these questions would be raised with respect to Americans held in Canadian prisons.

The key problem is that in these treaties we agree to deny American citizens who are transferred to American prisons the right to raise questions about their guilt. They must waive any right to appeal their conviction under this treaty in order to receive the benefit of it.

We have all heard stories about prison conditions in Mexico. And if even some of these accounts are accurate, I think we must ask ourselves whether a waiver would be a truly voluntary act, or whether the conditions of imprisonment in Mexico make such a waiver inherently coercive.

This is the kind of question that concerns me.

No one could take issue with the desirability of bringing Americans held in Mexican prisons back to the United States. But I would certainly hope that this could be done without compromising too many civil rights of the people involved.

As I have said before, I hope the Judiciary Committee will take more time and will examine in more detail the fundamental constitutional questions that are raised by this treaty.

I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I do not propose to speak long on this.

I think it is a good treaty. I think it will accomplish what it intends to accomplish.

Mr. President, as one who has lived his entire life on the Mexican border, I would just like to say that in Mexico we find a little different approach than we have in this country to law and order.

The Mexicans do not treat drug abuse lightly, and I would say that many of our American nationals who are incarcerated in Mexico have been incarcerated for drug abuse.

The Mexican Government does not treat automobile accidents or automobile violations lightly, while we do. And some of our Americans have been arrested for violations there.

But one area that we in Arizona have had quite a bit of a problem with has been the question of airplanes belonging to citizens, not only of our State, but other States—I think at one time there were over 180 involved—being held by the Mexican Government for supposed violations that Americans find it very difficult to understand.

I will say that if we enforced our aviation rules the same way the Mexican Government enforces them, we probably would have fewer accidents and, certainly, would have fewer missing aircraft.

I do not want to oppose this treaty in any way. I will not, because I want to vote for it. But I do not want the impression left that because we saw fit to pass this treaty in cooperation, I must say, with the Government of Mexico, that we in any way are condemning Mexico.

I have had occasion, many occasions, to try to intercede on behalf of Arizon-

[1] Statement by Alan C. Swan before the Committee on Foreign Relations, U.S. Senate, at 10 (June 16, 1977).

[2] Note. Constitutional Problems in the Execution of Penal Sentences. The Mexican-American Prisoner Transfer Treaty, 90 Harvard Law Review 1500, 1526 (1977).

[3] *Johnson* v. *Zerbst*, 304 U.S. 458, 464 (1938).

[4] 397 U.S. 742, 756 (1970).

[5] See, e.g., Note, 90 Harvard Law Review at 1523–26.

ians and others in jail in Mexico. I found, in the majority of the cases, the person involved had every right to be in jail.

Mr. President, I want to defend Mexico, if that defense is necessary, and not have this made out like we have a bunch of people, U.S. citizens, in jail in Mexico because of some capricious action on the part of the Mexican officials.

When you are arrested in Mexico, you are arrested, and there is no way of any hanky-panky in getting out. You serve the term. As I indicated, the offense for which most people are in jail in Mexico, those people from other countries, are offenses which I think the Mexican Government had every right to be concerned with.

I thank the Chair. That is all I have to say.

The PRESIDING OFFICER. Who yields time?

The Senator from Indiana.

Mr. LUGAR. I thank the Senator.

Mr. President, four Members of this body, the Senator from Texas (Mr. BENTSEN), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. GARN), and I were the senatorial delegation for the 17th Interparliamentary Conference recently held in Mexico in which this was a subject of great concern to our counterparts in the senate of Mexico and to a President of Mexico.

As we know, the initiative for this treaty came from the Government of Mexico, and reports of the Foreign Relations Committee, in fact, reflect the thought that Secretary Kissinger found the idea congenial and began to approach the idea here, and to proceed to ratification in Mexico in the latter part of December, last year.

Our delegation was asked with some pointedness by the Mexican delegation why we had not proceeded.

Clearly, from the standpoint of the Government of Mexico, the protest with regard to our 600 or more prisoners has been a source of embarrassment. The Mexicans who met with us in the 17th Interparliamentary Conference mentioned that they, as Mexican legislators, have taken considerable action to alleviate some of the conditions which we have complained against.

Clearly, the item of greatest concern for us in this body is a compassionate concern for Americans who are incarcerated there in Mexico presently. Many of them are, in fact, a product of the crackdown on drug enforcement that our Government impelled, and the Mexicans were very successful and very helpful in this respect.

The Mexicans have pointed out that their social services budgets, their budgets of local governments, are not as extensive as ours.

It is customary, for example, for prisoners in Mexican jails to be supported frequently by their families with clothing, food, and other support, as opposed to the support of prisoners in jails in our country.

However, clearly to alleviate this difficulty which has arisen in the relationships between our countries, the Mexicans have proceeded, through the previous President of Mexico, Echeverria, to move this treaty.

I support the treaty with all the potential reservations that the distinguished Senator from Michigan has mentioned, and which I think have been acknowledged freely by the committee in its consideration and have been given considerable due in the report of this bill.

There are potential problems, but constitutional lawyers have offered substantial testimony that these should not overcome support of the treaty.

I suspect, taking the worst case, even if constitutional points were raised that provided immediate freedom or freedom after various court appeals to some Americans involved in this, I still would be prepared to support the treaty, not only because of what I think is a sense of justice in regard to the Americans involved but also with regard to our relationships with the Government of Mexico.

I am simply impressed, after the 17th parliamentary meeting, that this entire area is one that offers a demonstration of good faith on the part of this body; that, in fact, very considerable concessions have been made by the Mexicans in proposing it and implementing it rapidly; but that they are looking to us for equal interest and equal timeliness of our activity.

For all those reasons, I encourage very substantial and enthusiastic support by this body and then very thoughtful concern about the implementing legislation, which is still to come down the trail.

These elements of that implementing legislation will be important for the reasons that the Senators have pointed out. We are working through the rocks and shoals of potentially difficult constitutional territory, and the situation is a grave one. However, having said that, I hope we will proceed to the ratification, and it will be a pleasure to support this treaty.

Mr. GRIFFIN. Mr. President, I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I support the ratification of these treaties, and I believe that the legal and constitutional questions are answered in the committee report.

I carefully considered the legal opinions on the issue of constitutionality, and I believe they are weighty enough to deserve ratification of the treaty. The two constitutional questions involved are these:

First, what is the authority of the United States to imprison an individual not convicted of a crime against the United States?

Second, can we preclude a transferred prisoner from using the writ of habeas corpus in order to test his incarceration?

On the first issue, we have excellent legal testimony which equates this with a judgment of a foreign court to which we give due faith and credit. It is felt that this extends this practice to foreign criminal judgments under the proposed treaties. When I say "treaties," I mean the treaty with Mexico and Canada.

As to the habeas corpus argument, it is felt that there can be a valid waiver of constitutional rights, and the treaty calls for such a waiver by any prisoner transferred.

Mr. President, the things I should like to be emphasized are these: First, at my insistence—and I am delighted that I did insist—the committee made it clear that we are acting in complete good faith in this matter in recommending the ratification of these treaties and that we had every reason to believe that the issues were settled and that we should ratify the treaties but that, naturally, we could not predict what the courts would do.

We asked our Mexican colleagues who were entering into this treaty with us to understand that we are acting in complete good faith; that we had done everything we could to sustain in good faith the commitments undertaken by the treaty; and that if our courts took some other action, we were laying on the table all the considerations that motivated us, so that there might be no question with the Government of Mexico that we had done all we could to see the treaties enforced exactly as agreed to.

Second, it is a fact that not all U.S. prisoners will be transferred under these treaties. Some will not be eligible for transfer. Others will not become eligible until they have been convicted and received definite sentences—perhaps appeal the conviction and the sentence—because this applies only to prisoners serving a term.

There was tremendous complaint—and I have to run into it personally in Mexico and out of Mexico—from families in my State. We had testimony to the effect that conditions were really quite inhuman; that various nefarious practices were exercised upon Americans—extortion and other impositions.

Hence, the committee wrote a letter to the President of the United States urging that representation should be made to the Government of Mexico on this subject as to those prisoners who remain in Mexican hands; and, second, that an adequate number of consular officers should be appointed so that these cases might be followed through—the visits to prisoners, the situation inquired into and so forth.

Mr. President, knowing the Mexican situation as I do, I considered that representation to the President as being almost equal in importance to the ratification of the treaty. I know, from the character of my colleagues on the committee and from my own determination in the matter, that we will follow through and do all we humanly can to see that this treaty is carried out in good faith as to some several hundred U.S. citizens who are imprisoned there, but also that these very serious conditions which have been so bitterly complained about are alleviated by our own action in having the necessary consular officers and by the most urgent representations to the Government of Mexico.

I urge and recommend the Senate to ratify the treaty.

Mr. GRIFFIN. Mr. President, Senator TOWER has remarks to deliver in this matter, and he wants to be called to the floor. If there are no other speakers, perhaps we can have a brief quorum call and give him a chance.

Mr. SPARKMAN. I suggest that we have a quorum call and get word to him in the meantime.

Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. WILLIAMS). Without objection, it is so ordered.

Mr. TOWER. Mr. President, I laud the objectives and purposes of the treaty with Mexico. There is no question but there are a number of American citizens languishing in Mexican jails who are there as a result of legally judicial processes that we consider alien in this country, possessed of a system based on Anglo-Saxon theories of law and right, and we place a high premium on due process of law.

I think it is far better for these Americans to have the kind of treatment we have come to expect as a minimum standard in the penal institutions of the United States rather than those of Mexico which are, of course, markedly different, to say the least, from our own.

I think there are a number of us who have some concerns about the treaty from the standpoint of its impact on the Bill of Rights and the provisions for due process that are contained therein.

I do not think any of us wants to be a party to ratifying a document which is tantamount to a waiver of those rights. These questions have been raised by a number of outstanding constitutional lawyers in this country.

I intend to vote for this treaty out of humane considerations.

I still have lodged in my own mind some concerns about the impact on the Constitution insofar as it applies to due process of law, and I hope the Senate will be very careful in framing the implementing legislation for this treaty, and that due attention will be paid to the constitutional implications.

Of course, I reserve the right that I possess as a Senator to review very closely the provisions of that implementing legislation, and to vote either positively or negatively on it, depending on the manner in which the constitutional questions are met.

Therefore, Mr. President, I will support the ratification of this treaty.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, let me say to the Senator from Texas that we have done our best to make this, shall I say, airtight, and I would like to just read a brief statement here that tells some of the things we have done to protect the rights of American citizens in Mexico, and those who may be transferred to the United States.

Mr. TOWER. May I say to my distinread a brief statement here that tells guished friend from Alabama before he reads that statement that I am aware it is the abrogation of rights as they are understood and applied here in the United States that prompted us to seek this treaty in the first place, and that I do understand that. What our citizens have been subjected to there is certainly not due process by our standards.

Mr. SPARKMAN. That is correct, and we have recognized that fact. Let me just read this brief statement I was going to read.

Should the United States insist that we cannot approve this treaty since it involves a limited relinquishment of the right to petition for a writ of habeas corpus, we would be in fact denying Americans imprisoned in Mexico other important rights under our system. A transferred prisoner could contest the validity of his conviction and sentence only in a Mexican court, but he could petition for a writ of habeas corpus on any other ground concerning his continued imprisonment in the United States. Our failure to approve this treaty would mean that the prisoners would remain in Mexico with no access to our courts for a writ and with none of the benefits of the laws of the United States, such as our parole system. This treaty does not take away a right presently held by an American in a Mexican prison, but it does allow them the greater protection of our laws and an improved chance successfully to re-enter society.

Mr. TOWER. I understand what the Senator from Alabama is saying, and I think his remarks are certainly not inconsonant with what my own views are.

As I say, I do support the treaty. I just want to make sure that, once having made the exchange, Americans do not fall short of access to due process when they get back to this country as a result of the treaty arrangements we have made with Mexico, and that is my only concern.

I fully understand they cannot expect due process by our standards where they are now. I want to make sure they can expect it once they get home.

Mr. SPARKMAN. I tried to make that clear. I say that the treaty will put them under the protection of the laws of the United States when they get back here, and it will give them an opportunity to apply for any rights to which they may be entitled, including parole.

I certainly think their opportunity will be greatly enhanced if this treaty is ratified.

Mr. TOWER. I concur with my distinguished friend from Alabama.

I have never spent any time in a Mexican jail myself, but I have friends who have, and they tell me that they did not exactly relish the experience of some of them which they have had when they had the opportunity to spend time in both Mexican jails and Texas jails, and they find the Texas jails far superior in terms of the cuisine, the quarters, and all of the other accommodations that go along with it.

Mr. SPARKMAN. Well, it does give them an opportunity to reestablish themselves in this country. They will have the benefit of parole, for instance, and other rights to which they might be entitled under our laws. We have tried to make certain that we have given them every protection we can.

Does the Senator wish to yield to anyone?

Mr. GRIFFIN. I believe we are ready. The Senator from Texas wishes the floor.

Mr. SPARKMAN. I yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, will the Senator yield 5 minutes? I would like to say to my colleague from Texas I was born and reared along the Mexican border, and I have had those calls at midnight from friends who were on the other side in one of those jails, and in getting them released I found it a very expensive process.

Mr. President, this May I was privileged to serve as chairman of the Senate delegation to the 17th Mexico-United States Interparliamentary Conference. I came away from our meetings in Hermosillo, Sonora, deeply impressed by the importance of this Prisoner Exchange Treaty as an issue in Mexican-American bilateral relations.

The presence of some 600 American citizens in Mexican prisons, most of them on drug-related charges, has been a sore point between Mexico and the United States for several years, and the source of much unfavorable publicity directed at the Mexican Government.

In an honest effort to redress this situation, while at the same time preserving the integrity of the judicial process, Mexico and the United States have negotiated an innovative, precedent-setting prisoner exchange agreement. This treaty was ratified by the Mexican Government in December, and I can report from firsthand experience that our counterparts in the Mexican Legislature are anxiously awaiting Senate action.

As a Senator from a State that shares an extensive border with Mexico, a State that is home to many of the 600 American citizens presently incarcerated in Mexican facilities, I am also acutely aware of the anguish, the problems and the desperation these young people and their families have lived with for years.

I must assume that being in prison, even in the best circumstances, is a frightening and degrading experience. But to be held for long periods in a foreign country, far from home, friends and family; to subsist in an environment with different customs, language, a different criminal code and procedures, must be doubly disheartening and frustrating.

While in Mexico this spring we were shown a film in which many of the American prisoners stated their desire to return home and begin to rebuild their shattered lives. The prisoners urged prompt Senate ratification of the prisoner exchange treaty, and one could not help but sympathize with their situation.

Today the Senate has an opportunity to help remove a major political issue in Mexican-American relations and to temper justice with mercy. I think we must

assume that most of the American citizens held in Mexican prisons are guilty of some criminal offense—in many cases the odious offense of trafficking in narcotics. And I recognize that there are those who will say, "Let them rot. They deserve what they are getting."

I cannot accept this view. Few of these young people, most of them in their mid-twenties, have made a life or career of crime. They can still be rehabilitated, and their prospects for rehabilitation can be improved by allowing them the opportunity to return to this country where they will be subject to our judicial procedures.

These people deserve to be punished; they have been punished, and many will continue to be punished in American facilities. A vote in favor of the Prisoner Exchange Treaty is not a vote in favor of amnesty for drug offenders. Rather, it is a vote in favor of permitting American citizens, most of whom are guilty of a criminal offense, to return to this country and be punished in accordance with our laws.

The Prisoner Exchange Treaty with Mexico is a creative response to difficult international situation; it raises some novel issues in international law. Nevertheless, the basic legal issues are identical to those contained in a companion agreement with Canada, a treaty that recently received the unanimous approval of the Senate.

I urge the same prompt and strong support for the Mexican treaty.

I thank the distinguished chairman for moving on this piece of legislation.

Mr. SPARKMAN. May I say I appreciate greatly the remarks of the Senator from Texas.

Let me say that, in the testimony before the committee dealing with this problem, we had some pitiful stories, as the Senator related, and the witnesses had some terrible experiences with their loved ones in the Mexican jails and the conditions that were reported there. We had some very fine testimony. Naturally, it was concerned testimony, as it rightfully should be.

But I think the big thing is that this provides a method for many of them to be repatriated, shall I say, and rehabilitated and to have the benefit of American laws that they could not get in Mexico, such as the parole system, as I mentioned.

By the way, let me say that just within the last day or two we ratified a similar treaty with Canada.

Mr. BENTSEN. By unanimous vote too?

Mr. SPARKMAN. What is that?

Mr. BENTSEN. By unanimous vote?

Mr. SPARKMAN. That is correct.

I think it would be a great thing, and I hope that the Senate can ratify this treaty with a unanimous vote as it did the Canadian treaty.

I thank the Senator from Texas. Does the Senator from Michigan have any additional remarks?

Mr. GRIFFIN. No.

Mr. SPARKMAN. I have no additional requests for time, Mr. President.

Mr. CHURCH. Mr. President, the treatment of U.S. citizens imprisoned in Mexico has become a major issue in the normally amicable relations between our two countries. The pending treaty with Mexico on the execution of penal sentences represents a new approach in dealing with a situation in which mainly young Americans find themselves imprisoned, rightly or wrongly, for long periods of time, where their treatment is often harsh and sometimes brutal.

During the course of the hearings on the treaty, the Foreign Relations Committee was disturbed by the reports it received from former prisoners in Mexico and the families of prisoners still there regarding such abuse. These witnesses told of torture, extortion, and a denial of basic rights.

For example, a letter has come to me from a young man whose parents live in Idaho. It gives an account of how he and his wife were arrested, how he pleaded guilty, under coercion, with the understanding that if he did so, his wife would be released. After his wife was released, he undertook to renounce the declaration that he had made in order to secure his wife's return to the United States.

He sets out the facts as he claims they occurred, which constitute a case of entrapment. He has not been charged nor tried. Yet he has been held in prison for months in violation of the laws of Mexico. Riots have occurred in the prison where the Americans have been singled out, beaten, and brutally treated.

If the facts are as he relates them, he would not be in jail at all in the United States. I hope, through ratification of this treaty, we may secure the cooperation of Mexican authtorities in cases of this kind.

But beyond the treaty, the Foreign Relations Committee believes that our diplomatic representatives abroad should take additional action to protect U.S. citizens, not only in Mexico but in Bolivia and other countries where numbers of Americans are being held in prison. That is why I suggested language in the Foreign Relations Authorization Act which was approved by the committee expressing the sense of the Senate that the Secretary of State "shall make every effort to seek the early release of American citizens unjustifiably held in foreign jails, and that he shall direct the appropriate consular officers to redouble their efforts for the protection and welfare of imprisoned American citizens abroad." The amendment also directs the Secretary of State to "report to the Committee on Foreign Relations annually on the number of American citizens in foreign jails, the charges against them, and what measures have been taken to assist these individuals."

Mr. President, it is my hope that the Senate will ratify this treaty and that the enabling legislation it calls for will soon be enacted into law.

Mr. BAYH. Mr. President, the treaty with Mexico on the execution of penal sentences represents a somewhat unique and, I believe, beneficial development in American diplomacy. The treaty would allow citizens of our country and Mexico who have been convicted of crimes in a foreign jurisdiction to serve their prison sentences in their home country. This procedure should assist in the rehabilitative efforts of confined individuals and relieve the special hardships which confinement abroad imposes.

The very uniqueness of this treaty and the Canadian treaty ratified earlier this week, however, raises a number of difficult constitutional issues which, as chairman of the Subcommittee on the Constitution, I feel deserve particular attention. I am pleased to note that a considerable portion of the hearings on the treaty conducted by the Foreign Relations Committee as well as the hearings on the implementing legislation held by Senator BIDEN'S Penitentiaries Subcommittee, was devoted to a review of these constitutional concerns.

Much of the attention engendered by this treaty and legislation has been focused on the several hundred Americans currently serving sentences in Mexico. I hope that our legislative process can work expeditiously to return these citizens to America. At the same time, however, our concern for human rights both at home and abroad requires us to seek methods by which the procedures established by the legislation are consistent with the constitutional values we espouse. We must do our best to see that neither our constitutional fabric nor the rights of returning Americans will be damaged by the process which we will develop to implement the provisions of the exchange treaty.

The constitutional issues presented by this treaty arise from the simple, but essential, fact that our criminal justice system in America differs from many of those found in other countries. Mexico, for example, operates on a civil law system, while much of our procedural and substantive law arises out of the traditions and developments of the common law as interpreted in light of our Bill of Rights. One of the essential questions presented by this treaty therefore, is whether the American Government can confine persons in this country based on a conviction secured in a foreign country through procedures that may not have been consistent with American notions of due process.

Obviously, this presents a difficult question; one that can be disposed of at this point with absolute certainty only by either abandoning this project and leaving our citizens in foreign jails or by insisting that foreign prosecutions of Americans be conducted under procedures consistent with our view of due process. Neither of these alternatives is viable or realistic.

I believe one of the best methods for resolving these issues in a manner consistent with our constitutional heritage is to insure that Americans currently in foreign jails who wish to return to the United States do so voluntarily and with a clear and intelligent understanding of the consequences of this decision. The choice of returning to America or staying in a foreign jurisdiction is an important one for these prisoners and we must do all we can to insure that it is an informed choice, made without coercion or intimidation. Establishing procedures to facilitate an informed choice will, I believe, go a long way toward resolving

some of the constitutional issues presented by this unique treaty.

I believe, therefore, that the implementing legislation for this treaty must establish clear procedures to determine if an American serving a sentence in a foreign prison is making the decision to return voluntarily and with an awareness of the consequences to such a choice. The right to counsel in these proceedings is especially helpful and I hope that this right will be stringently observed. Additionally, it might be helpful to have the person designated to verify the consent of an American desiring a transfer to be an attorney in order to insure that the prisoner will be able to have any questions about the consequences of his or her transfer answered in full. I know that Senator BIDEN's hearings have considered these matters and I have presented the subcommittee with my views on them.

I also wish to compliment the Mexican Government on the recently announced decision to forego imprisonment of Americans for simple possession of small amounts of marihuana. This new policy should help avoid in the future some of the problems which the treaty and implementing legislation are designed to alleviate.

Obviously, we are embarking on a course which raises constitutional questions of first impression. Some of them are unanswered and will have to await a definitive solution until such time as they are addressed by our courts. Nevertheless, the need for this treaty is apparent and its foundation in the humanitarian spirit of this country is firm. I look forward to an expeditious return of these citizens to the United States.

I ask unanimous consent that if Senator CASE, who is the ranking minority member on the committee, desires to make an insertion in the RECORD it be admitted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I might advise the distinguished manager of the bill that I talked to Senator CASE a moment ago. He is occupied in an important conference with the Foreign Relations Committee.

Mr. SPARKMAN. I know. I should be there myself.

Mr. BAKER. And he indicated that he did not have any further requirement for time now and was willing for us to go ahead on passage of this resolution this afternoon.

Mr. ROBERT C. BYRD. Has all time been yielded back?

Mr. SPARKMAN. Anyone else?

Mr. President, I yield back such time as I have.

Mr. GRIFFIN. I yield back the time I have remaining.

The PRESIDING OFFICER. The first question is on agreeing to the declaration of the resolution of ratification.

The declaration to the resolution of ratification was agreed to as follows:

That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in Article IV has been enacted.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification on Executive D, 95th Congress, first session, treaty with Mexico on the execution of penal sentences. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. LONG), and the Senator from Mississippi (Mr. STENNIS) are absent on official business.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The yeas and nays resulted—yeas 90, nays 0, as follows:

[Rollcall Vote No. 316 Ex.]

YEAS—90

Allen	Glenn	Muskie
Anderson	Goldwater	Nelson
Baker	Gravel	Nunn
Bartlett	Griffin	Packwood
Bayh	Hansen	Pearson
Bellmon	Hart	Pell
Bentsen	Haskell	Percy
Biden	Hatch	Proxmire
Brooke	Hatfield	Randolph
Bumpers	Hathaway	Ribicoff
Burdick	Hayakawa	Riegle
Byrd, Harry F., Jr.	Heinz	Roth
	Helms	Sarbanes
Byrd, Robert C.	Huddleston	Sasser
Cannon	Humphrey	Schmitt
Case	Inouye	Schweiker
Chafee	Jackson	Scott
Chiles	Javits	Sparkman
Church	Kennedy	Stafford
Clark	Laxalt	Stevens
Cranston	Leahy	Stevenson
Culver	Lugar	Stone
Curtis	Magnuson	Talmadge
Danforth	Matsunaga	Tower
DeConcini	McGovern	Wallop
Dole	McIntyre	Weicker
Domenici	Melcher	Williams
Durkin	Metcalf	Young
Eagleton	Metzenbaum	Zorinsky
Ford	Morgan	
Garn	Moynihan	

NAYS—0

NOT VOTING—10

Abourezk	Long	Stennis
Eastland	Mathias	Thurmond
Hollings	McClellan	
Johnston	McClure	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, there is a nomination reported earlier today, which has been cleared on both sides of the aisle. While the Senate is in executive session, I ask unanimous consent that the 1-day rule be waived and that the Senate proceed to the immediate consideration of the nomination.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the matter has been cleared and I am happy to report to the majority leader there is no objection to proceeding to the consideration and confirmation of this nomination.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of Hubert T. Taylor, of West Virginia, to be U.S. marshal for the northern district of West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have been asked by my senior colleague to request unanimous consent to waive the 1-day rule. I thank the minority leader for agreeing to that waiver. I yield now to my distinguished senior colleague Mr. RANDOLPH.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, I thank the very able majority leader. I express appreciation also to the distinguished minority leader. This position that Hubert Taylor of Martinsburg, W. Va., will be called upon to fill is that of U.S. marshall for the northern district of West Virginia. The position of U.S. marshal is in all of our States, a very important law enforcement assignment.

I have felt for many years that we need to give very careful attention—those of us who are in the Senate—to any endorsement of a candidate for such a position, and to the approval procedure once the nomination has been forwarded from the President to the Senate. This nomination has worked its way through the Justice Department, the White House, and the Judiciary Committee. And now it is before the Senate.

I have known Hubert Taylor for more than 25 years. He is, as I have noted, a native of Martinsburg, W. Va., in the eastern panhandle of our State.

I know that Senator BYRD and I have an obligation always to support those candidates who we believe will discharge their duties in an effective and responsible manner. In this regard, it should be stressed that Hubert Taylor has had 19 years of Federal law enforcement experience, including an assignment to the White House Police detail as a member of the U.S. Secret Service. He has worked in private industry as well as in Government, as a law enforcement officer.

It is my desire to indicate that he is a gentleman of character, a man of citizenship responsibility, and an individual who is industrious, personable, and very qualified for the important duties which he will assume as U.S. marshal.

I know that the Federal judge for the northern district of West Virginia, the Honorable Robert E. Maxwell, of Elkins, W. Va.—a man in whom Senator BYRD and I have great trust—wants always to have a marshal, as well as deputy marshals, who will serve with him in the best interests of the people of that district. Hubert Taylor meets this test.

I thank my colleague for giving me the opportunity to speak these words in behalf of the nominee for U.S. marshal for the northern district of West Virginia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I join my distinguished colleague in the words that he has stated.

I move to reconsider the vote by which the nomination was confirmed.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RANDOLPH. I ask unanimous consent that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

YOUTH EMPLOYMENT—CONFERENCE REPORT

Mr. NELSON. Mr. President, I submit a report of the committee of conference on H.R. 6138 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. WILLIAMS). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6138) to provide employment and training opportunities for youth, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 19, 1977.)

Mr. NELSON. Mr. President, I ask unanimous consent that the following professional staff members of the Committee on Human Resources have the privileges of the Senate floor during the consideration of the conference report on H.R. 6138, the Youth Employment and Demonstration Projects Act of 1977: Richard Johnson, Scott Ginsburg, Martin Jensen, Jim O'Connell, and Babette Polzer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, the conference agreement on the Youth Employment and Demonstration Projects Act of 1977 was signed unanimously by all the conferees on the part of both the Senate and the House of Representatives. The conference report passed the House of Representatives on July 19, by a vote of 356 to 58.

The Senate version of this legislation passed the Senate on May 26 by a vote of 80 to 3.

The conference agreement embodies the principal elements of the bill that the Senate passed, and also includes several significant elements contained in the House-passed bill. The conference agreement contains four major youth employment programs:

Title I of the bill establishes a Young Adult Conservation Corps, to provide work for unemployed youths in the Nation's parks and forests, by adding a new title III to the Comprehensive Employment and Training Act—CETA—with a 3-year authorization of such sums as may be necessary through fiscal year 1980 for such title.

Title II of the bill amends CETA by adding at the end of title III thereof a new part C, entitled "Youth Employment Demonstration Programs," with a 1-year authorization of appropriations through fiscal year 1978. This new part C contains three subparts: Subpart 1 authorizes "Youth Incentive Entitlement Pilot Projects" to test the efficacy of guaranteeing part-time work for youths who return to or remain in school. Subpart 2 authorizes "Youth Community Conservation and Improvement Projects" to provide work on rehabilitation of public facilities and low-income housing and on local conservation projects. Subpart 3 authorizes "Youth Employment and Training Programs" to provide a broad variety of employment and training opportunities for youths in local communities throughout the Nation.

President Carter's economic recovery program sent to Congress on January 31 of this year included budget requests totaling $1.5 billion for the programs authorized by this legislation, to be spent through the end of fiscal year 1978.

Of this total, $1 billion has already been appropriated by the Economic Stimulus Appropriations Act (Public Law 95-29). The administration will obligate these funds soon after the signing of this legislation. The remaining $500 million which the President has requested for the youth employment program will be considered by the Appropriations Committee in a supplemental appropriations bill for fiscal year 1978.

The administration estimates that the funds appropriated to carry out the purposes of this legislation will support 200,000 employment and training opportunities for youths. Of the total, $350 million will be made available for carrying out the Young Adult Conservation Corps, supporting approximately 35,000 enrollees in the Corps under the new title VIII of CETA added by this legislation. The remaining $1,150,000,000 budgeted for the purposes of this legislation would support about 165,000 employment and training opportunities throughout the Nation under the programs authorized in the new part C of title III.

YOUNG ADULT CONSERVATION CORPS

The conference agreement establishes a Young Adult Conservation Corps, to provide useful work to unemployed youths from ages 16 to 23—inclusive—in our parks and forests. The Corps is open to all unemployed youths, whether economically disadvantaged or not.

The conference agreement authorizes the appropriation of such sums as may be necessary for each of fiscal years 1978 through 1980 for carrying out the Young Adult Conservation Corps under the new title VIII of the Comprehensive Employment and Training Act—CETA.

The Corps would be administered by the Secretary of Labor, who would enter into interagency agreements with the Secretaries of the Interior and Agriculture. The day-to-day operation of Corps projects—the work to be done on the projects and the centers where the youths would reside and be based—would be under the control of the Departments of the Interior and Agriculture. The Secretary of Labor would refer eligible youths who wish to enroll in the Corps to the Secretaries of the Interior and Agriculture, who would make the final selection of the youths to be enrolled in the Corps. The maximum enrollment period will be 12 months for each youth—or three or fewer periods which total 12 months.

The conferees accepted the provision of the Senate bill providing that, in referring candidates for enrollment in the Corps, the Secretary of Labor shall undertake to assure that an equitable proportion of candidates shall be referred from each State. However, the House conferees insisted upon deleting the provision that no less than one-half of 1 percent be referred from each State, and that provision is not in the conference agreement.

While most of the Young Adult Conservation Corps projects will be carried out in national parks and forests, the conference agreement reserves 30 percent of the funds for the Young Adult Conservation Corps to be made available for projects to be carried out by States and local agencies. The conference agreement provides that such funds be allocated to each State on the basis of youth population within that State.

While the activities of enrollees in the Young Adult Conservation Corps are primarily focused upon work on public lands, Corps members could be used in emergency situations on private lands for such purposes as fighting forest fires and other natural disasters when failure to do so endangers public lands in the area.

The Senate prevailed in the conference deliberations in its position that the Department of Labor will serve as the "umbrella" agency for the Young Adult Conservation Corps. The Senate bill and the conference agreement are in accord with the President's proposal in this respect.

The conferees have made clear, in the joint explanatory statement, the intent of the conferees that the two land man-

agement agencies, the Departments of the Interior and Agriculture, have the responsibility for the day-to-day operation of the program. In addition, the conferees emphasize that, as provided in the conference agreement, these agencies will participate in the development of the pool of candidates to be referred for enrollment in the Corps and that the Secretaries of the Interior and Agriculture have the responsibility for final selection of any candidates referred by the Department of Labor. The transfer of funds provision is intended to insure that the Departments of the Interior and Agriculture will have the necessary funds readily available for prompt implementation of this program. The conferees expect that the funds appropriated for the purposes of this program which are necessary to carry out the Interior and Agriculture Departments' responsibilities will be transferred to those Departments expeditiously.

Section 802 of the new title VIII specifically provides that the Young Adult Conservation Corps program is to be administered through interagency agreements between the Secretary of Labor and the Secretaries of the Interior and Agriculture. The interagency agreements will cover all aspects of the administration of the program, consistent with the delineation of responsibilities spelled out in the legislation. The interagency agreement will therefore set forth the procedures to be used in the development of lists of candidates for referral to the Secretaries of the Interior and Agriculture. Although the bill does require that the list of referrals only come from the Secretary of Labor, the process for making up that list and referral of candidates should be made pursuant to interagency agreement. This would also include the specific qualifications for youths eligible for placement in the Young Adult Conservation Corps. The Secretary of Labor would carry out his responsibilities for referring youths as provided in the interagency agreements; and, likewise, the Secretaries of the Interior and Agriculture would carry out their responsibilities with respect to the location of centers and employment conditions on the projects in accord with the interagency agreements.

YOUTH EMPLOYMENT DEMONSTRATION PROGRAMS

Title II of the conference agreement amends title III of CETA by adding a new part C which establishes youth employment and training programs authorized in the Senate and House versions of this legislation—other than the Young Adult Conservation Corps.

The new part C is entitled "Youth Employment Demonstration Programs." The purpose of the new part is to establish a variety of employment, training, and demonstration programs to explore methods of dealing with the structural unemployment problems of the Nation's youth.

Subpart 1 of the new part C creates a program called "Youth Incentive Entitlement Pilot Projects." A limited number of pilot projects will be funded for the purpose of demonstrating the efficacy of guaranteeing employment opportunities to youths who resume or maintain attendance in a secondary school or a high school equivalency program. Economically disadvantaged youths between the ages of 16 and 19—inclusive will be eligible for part-time work during the school year and full-time work during vacation periods. These pilot projects were authorized in the House bill, which earmarked 25 percent of the part C funds for such projects. Under the conference agreement, youth incentive entitlement pilot projects will receive 15 percent of the part C funds.

Subpart 2 of the new title III–C authorizes "Youth Community Conservation and Improvement Projects," the Stafford-Randolph proposal contained in the Senate bill. Unemployed youths between ages 16 and 19—inclusive—would be provided work opportunities on community improvement projects in the rehabilitation or improvement of public facilities, repair to low-income housing—including weatherization and other energy conservation techniques, and conservation, maintenance, or restoration of natural resources on non-Federal public lands. All unemployed youth, whether economically disadvantaged or not, would be eligible to participate on work projects under this subpart.

The conferees accepted the community improvement program without any substantial change. The Senate bill had authorized such sums as may be necessary for this program, but the conferees decided to earmark 15 percent of the part C funds for the community improvement programs.

Under subpart 2, funds are to be allocated to the statewide level in such a manner that 75 percent of such funds are allocated on the basis of the relative numbers of unemployed persons within each State as compared to all States, with no State receiving less than one-half of 1 percent of the funds so allocated.

Project applications would be submitted to each prime sponsor by public and private nonprofit agencies within the prime sponsor's area. Project application's approved by the prime sponsor would be submitted to the Secretary of Labor, who would select project applications for approval within the total funding level allocated for use within each State.

The remaining 25 percent of the funds under subpart 2 would be available as the Secretary deems appropriate, except that not less than 2 percent would be used for Native American youth projects and 2 percent for projects for migrant and seasonal farmworker youths.

Subpart 3 of the new part C provides financial assistance for programs for a variety of employment opportunities and appropriate training and supportive services for eligible participants. It is the purpose of this subpart to enable local communities to develop programs designed to make a significant long-term impact on the structural unemployment problems of youths, to enhance the job prospects and career opportunities of young persons. The goal of such programs is to enable participants to secure unsubsidized employment in the public and private sectors of the economy.

Unemployed and underemployed youths from ages 16 to 21—inclusive—are eligible to participate in such programs, as well as in-school youths ages 14 and 15, to the extent authorized by regulations issued by the Secretary of Labor. Youths are not eligible if they are members of households whose family income exceeds 85 percent of the lower living standard income level.

The Bureau of Labor Statistics lower living standard budget for a family of four is $10,000, so the eligibility level of 85 percent of the lower living standard budget means that a youth who is a member of a family of four persons could participate if family income does not exceed $8,500. The conference agreement is a compromise between the eligibility level specified in the Senate bill of 70 percent of the lower living standard budget, and the eligibility level specified in the House bill of 100 percent of the lower living standard income level.

The Secretary may provide by regulation for participation in certain supportive services of persons who do not meet the income eligibility requirement. In addition, the conferees accepted a provision in the House bill allowing 10 percent of the funds available for subpart 3 to be used for programs which include youths of all economic backgrounds, without regard to family income.

Under subpart 3, 75 percent of the funds available for this subpart would be made available for CETA prime sponsors, with the remainder made available to the Governor for special statewide services, Native American programs, migrant programs, and the Secretary's discretionary projects.

The funds made available to prime sponsors will be allocated among prime sponsors by a formula based 37.5 percent on relative numbers of unemployed persons, 37.5 percent on relative numbers of unemployed persons residing in areas of substantial unemployment—6½ percent or higher unemployment rates, and 25 percent on the number of persons in low-income families. The House conferees insisted upon deleting the provision of the Senate bill which provided that not less than one-half of 1 percent of such funds be allocated to each State, and that provision is not in the conference agreement.

The conference agreement includes provisions to assure that services for youths in the regular training programs under title I of CETA will not be reduced, because of assistance available under subpart 3. Any modification in the plan for the use of title I funds will be approved by the Secretary of Labor, who would base his action upon a determination in each case that there is no reduction of regular training opportunities for youths, because of the new funds available under this subpart.

The conferees accepted the provisions in the Senate bill providing that each prime sponsor establish a youth council under the prime sponsor's CETA plan-

ning council. The council would consist of representatives of educational agencies, business and labor, agencies serving youth, and youths themselves. It would be responsible for planning and review of activities under both subparts 2 and 3, and for making recommendations to the prime sponsor's planning council with respect to youth employment and training activities.

The conferees accepted the Senate bill's provision requiring that the Secretary and prime sponsors give special consideration to community-based organizations which have demonstrated effectiveness in the delivery of employment and training services, such as Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, Mainstream, Community Action Agencies, union-related organizations, employer-related nonprofit organizations, and other similar organizations. This requirement applies both to the prime sponsor's use of allocated funds, and the Secretary's use of discretionary funds. This provision was sponsored by Senator SCHWEIKER.

Under the conference agreement, not less than 22 percent of each prime sponsor's allocation is to be used to carry out arrangements to serve in-school youths pursuant to joint agreements entered into by the prime sponsor and a local educational agency or agencies. Under this provision—sponsored by Senators JAVITS and HUMPHREY—employment opportunities and other training and supportive services are to be provided to eligible participants enrolled in a program leading to a secondary school diploma, a junior or community college degree, or a technical or trade school certificate of completion.

Out of the funds available for subpart 3, the conference agreement provides for several special funding set-asides.

The conference agreement provides that an amount equal to 5 percent of the amount available for part C shall be made available to Governors for special statewide services, including employment and training opportunities for eligible youths who are under the supervision of the State—such as those in correctional programs—as well as for other model programs involving coordination among various agencies within the State.

The conference agreement also provides that an amount equal to not less than 2 percent of the funds available for part C shall be made available for programs for Native American eligible youths; and an amount equal to not less than 2 percent of the funds available for part C shall be made available for programs for eligible youths in migrant and seasonal farmworker families.

The remainder of the funds under subpart 3 is available for the Secretary's discretionary projects. With these funds, the Secretary of Labor is authorized to make arrangements—either directly or by contractual arrangements with prime sponsors, public agencies, and private organizations—to carry out innovative and experimental programs to test new approaches for dealing with youth unemployment problems.

The conference agreement retains the Senate requirement that the Secretary of Labor consult with the Secretaries of Commerce; of Health, Education, and Welfare; of Housing and Urban Development; and of Agriculture; and the Directors of the ACTION Agency and the Community Services Administration. The Secretary's discretionary funds may be transferred to other Federal departments and agencies to enable them to carry out functions delegated to them by the Secretary of Labor.

The conferees accepted the Senate bill's provisions, sponsored by Senators JAVITS and HUMPHREY, providing that the National Occupational Information Coordinating Committee give special attention to the problems of unemployed youths, by such means as working to develop State occupational information systems, to make job information more accessible to local schools. The conference agreement also retains the Senate bill's provisions providing that the Secretary of Labor transfer between $3 and $5 million annually from his discretionary funds to enable the National Occupational Information Coordinating Committee to carry out its functions under this legislation.

The conference agreement provides that, in carrying out youth employment programs under the new part C, appropriate efforts are to be made to develop new and restructured occupations and job classifications. Both the Senate and House bills contained such language. In addition, the Senate-passed bill contained an amendment introduced by Senator DOMENICI designed to make applicable to jobs for youths the "prevailing rates of pay for occupations and job classifications of individuals employed by the same employer," instead of prevailing rates of pay "in similar occupations."

The conference agreement retains Senator DOMENICI's language, and further clarifies the procedures to be used by the Secretary of Labor in determining appropriate rates of pay for youths to be employed in jobs supported under this legislation.

The conference agreement provides that youths shall be paid no less than the applicable Federal or State minimum wage. Nevertheless, if a young person is hired to fill an existing occupation or job classification, the prevailing wage for that occupation or job classification would apply. But if the prime sponsor, the employer, and the labor organization representing employees engaged in similar work in the same area have entered into an agreement to pay a lower wage for the job to be filled by a youth, then the wage would be that specified in the agreement.

However, as I pointed out, the conferees expect prime sponsors to make appropriate efforts to create new and different or restructured jobs for eligible youths. The conference agreement provides that, whenever an existing job is reclassified or restructured, youths employed in such jobs shall be paid not less than the applicable minimum wage; if a labor organization represents employees engaged in similar work in the same area, such youths shall be paid at the rates specified in an agreement entered into by the appropriate prime sponsor, the employer, or the labor organization with respect to such reclassified or restructured jobs. If no agreement is reached within 30 days of the initiation of the agreement procedure, the labor organization, prime sponsor, or employer may petition the Secretary of Labor, who shall establish appropriate wages for the reclassified or restructured positions, taking into account wages paid by the same employer to persons engaged in similar work.

In the case of "new or different" job classifications or occupations, the Federal or State minimum wage would apply, but any dispute as to whether a job is actually new or different from an existing, restructured, or reclassified job could be submitted to the Secretary of Labor for a decision within 30 days. If the Secretary finds that the job is not new or different, the provisions relating to existing, restructured, or reclassified jobs would apply.

The aim of these provisions is, therefore, to assure that if a youth is employed in an existing job, with respect to which there is a prevailing rate of pay, that will continue to apply to any individual filling that position. While a mere change in the title of an existing job would be the kind of action which could be appealed to the Secretary of Labor, the creation of new and different jobs for youths to be employed under this legislation would be subject only to the applicable minimum wage law.

The special veterans provisions contained in the Senate bill were accepted by the conferees. The conference agreement provides for the Secretary of Labor to take appropriate steps for the increased participation, in CETA public service employment programs and job training, of qualified disabled veterans and Vietnam-era veterans who are under 35 years old.

Under the conference agreement, individual prime sponsors would develop local goals for veterans' participation in public service employment programs, taking into account the number of qualified eligible veterans and the number of qualified persons in other significant segments of the population in the area served by such prime sponsors. In addition, the conference agreement provides that appropriate veterans organizations or groups be invited to serve as temporary members of prime sponsors' planning councils, State manpower services councils, and the National Commission for Manpower Policy.

The conference agreement retains the Senate bill's provisions requiring that, in using public service employment funds under titles II and VI of CETA, prime sponsors shall give special consideration, in filling elementary and secondary school teaching positions, to unemployed persons with previous teaching experience who are certified by the State.

NEED FOR YOUTH EMPLOYMENT LEGISLATION

Mr. President, the need for this youth employment legislation is compelling. The unemployment rate for youths 16

to 24 years old is 14 percent—twice the rate for the labor force as a whole. In fact, youths 16 to 24 years old account for close to half of all the unemployed persons in the Nation.

Even when general economic conditions improve, the structural unemployment problems facing youths entering the labor force do not significantly improve.

The chronic youth unemployment problem is the reason that this legislation is so important. It will provide financial resources for testing a variety of programs to help youths move out of the ranks of the unemployed and into useful employment in our Nation's communities.

Many members of this body made important contributions to this legislation.

Senator JAVITS, the ranking minority member of both the full Human Resources Committee and the Subcommittee on Employment, Poverty, and Migratory Labor, sponsored several important provisions in the legislation, and as always worked closely with the majority of the committee on all aspects of the legislation.

Senator HUMPHREY joined with Senator JAVITS in sponsoring provisions in the legislation designed to strengthen in-school youth programs and occupational information systems.

Senator JACKSON was the sponsor of the Young Adult Conservation Corps, to provide year-round work in the Nation's parks and forests for unemployed youths ages 16 to 23.

Senators STAFFORD and RANDOLPH authored the youth community and conservation improvement program, to provide work for unemployed youths, ages 16 to 19, in improving and rehabilitating community facilities and conserving natural resources on non-Federal public lands in urban and rural communities.

Senators CRANSTON and KENNEDY proposed several provisions which were originally contained in the Youth Intiatives Act of 1977 (S. 20) which they introduced on January 10 of this year.

Senator SCHWEIKER sponsored the provisions requiring that, in carrying out youth employment and training programs, special consideration be given to community-based organizations of demonstrated effectiveness.

The broad bipartisan basis for this youth employment legislation is demonstrated by the fact that one of the bills on which the legislation was based is the Youth Employment Act (S. 503), introduced by Senators MCCLURE, BELLMON, DOMENICI, BAKER, DANFORTH, GARN, HANSEN, HATCH, HAYAKAWA, JAVITS, LAXALT, LUGAR, SCHMITT, STEVENS, and WALLOP on January 28 of this year.

Mr. President, this legislation, which was requested by President Carter in his March 9 message on youth employment, was supported and developed in both the Senate and House of Representatives by Republicans and Democrats, by conservatives and liberals. I know of no piece of legislation with broader support than that contained in this conference agreement, which is designed to provide the legislative base for the beginning of a concentrated attack upon youth unemployment in this Nation.

The legislation combines the very best features of the Civilian Conservation Corps—CCC—program of the 1930's, putting youths to work on useful conservation projects in both national and State parks and forests, with education and training programs leading to better employment opportunities for young people as they pursue their adult careers.

Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, I am pleased today to join my colleague from Wisconsin, (Mr. NELSON), the distinguished chairman of the Senate Employment Subcommittee, in urging the Senate to approve the conference report on the youth employment bill.

The youth unemployment problem continues to be one of the more vexing we face in this country. While the national unemployment rate moved down in May to 6.9 percent of the labor force, the unemployment rate of youths aged 16 to 24 remains around 15 percent, because almost half of the total unemployed—3.2 million out of 6.7 million—are youth in this age group. And in some areas of our country, especially in the central cities, nonwhite youth unemployment approaches the shocking rate of 50 percent.

The bill the House-Senate conferees have agreed to will establish programs which will begin to relieve the disproportionate burden of joblessness borne by our young people by creating up to 200,000 job and training slots at a 2-year cost of $1.5 billion. Basically, the conferees have agreed upon the following legislative principles, to wit:

One, that youth employment programs need to be targeted at low income youths and at high unemployment areas of our country;

Two, that linkages need to be established between education and work, in order to improve the transition of youths from school to employment;

Three, that work experience programs must include a significant component of training, counseling, guidance, and so forth in order to upgrade the long run employability of youth. Short-term "make work" approaches are not only futile but are wasteful of taxpayers' money and demeaning to the youth participants themselves.

Four, that innovative and experimental programs and projects must be tested in order to demonstrate which employment and training programs offer the best hope for removing the competitive disadvantages that often characterize the labor market experience of young people.

As Senator NELSON has explained, the agreed upon bill includes several imaginative and innovative ideas based upon these four underlying principles.

The bill would authorize a Young Adult Conservation Corps, which would involve up to 35,000 youths 16 to 23 years old from all States in conservation and maintenance jobs in Federal and non-Federal parks and forests. The Corps is to be administered by the Secretary of Labor, through interagency agreements with the Secretaries of the Interior and Agriculture. The conferees have agreed upon an appropriation recommendation of $350 million for the period ending September 30, 1978, for the Conservation Corps.

Second, the conferees agreed to the youth incentive entitlement program contained in the House bill and proposed initially by Congressman SARASIN of Connecticut, the ranking Republican on the Employment Opportunities Subcommittee. This program of pilot demonstration projects, described in subpart 1 of part C, would guarantee part-time jobs to poor youths who attend school. The so-called Sarasin program will test among other concepts the proposition that youths can be encouraged to remain in school and complete their studies if they are given the opportunity to have gainful employment. An appropriation of $172 million has been contemplated for this new program which will operate in approximately 20 prime sponsor areas selected by the Secretary of Labor.

Third, and to accentuate the importance the conferees accorded to programs to facilitate the transition of youth from school to work, the bill includes provisions authored by myself and Senator HUMPHREY which were contained originally in our youth bill—S. 170—and in our amendment to the President's youth bill. These would require the 442 or so prime sponsors in the United States to set aside 22 percent of the subpart 3 funds allocated to them by formula in order to operate programs for in-school youth. These provisions break important new ground by requiring every CETA prime sponsor for the first time to operate in-school youth programs jointly with local education agencies.

I hasten to add that this is not intended to be a categorical program, because prime sponsors and local education agencies are free to agree to undertake any one of a combination of the employment, training, or supportive services enumerated in section 342. I should emphasize the understanding of the conferees, however, that these programs are to be administered jointly by prime sponsors and local education agencies and are to be undertaken pursuant to agreements between them which describe in detail the programs to be operated. If the prime sponsor local government and the education agency or agencies in its jurisdiction are unable to reach agreement in respect of the programs to be undertaken, the earmarked 22 percent set aside cannot be expended.

In order to clarify one point regarding the size of the set-aside, I might add that the dollar amount contemplated by the conferees is the same as in the Senate bill—approximately $135 million. The percentage has been raised to 22 percent, from the 15 percent contained in the Senate bill, because of the structural change agreed to by the conferees. Jointly administered in-school youth programs are now included as 22 percent of the amounts allocated to prime sponsors in subpart 3 of the new part C amendment to title III, in contrast with their inclusion in the Senate bill as 15 percent of the total part C funds. In both the conference agreement and the Senate

bill, therefore, 22 percent of the total amounts allocated to prime sponsors is to be utilized for jointly administered programs for inschool youth.

This program is intended to bring work study or cooperative education, as well as a host of other important programs and services to low-income, inschool youth through the establishment of collaborative processes between local manpower agencies and local education agencies.

Fully one-third of the 16- to 24-year-old labor force and over half of the 16- to 19-year-old labor force is enrolled in school, and Congress intends for this cohort to receive top priority in being served.

It is my hope, and I am sure that of Senator HUMPHREY as well, that prime sponsors and local education agencies will work closely with one another in the design, development, and operation of programs of work experience, training, counseling, vocational exploration, career education, and so forth, for inschool youths. Up to the present, competition between prime sponsors and local education agencies has been the rule, while cooperation has been the exception. There is a need to nudge these two competing systems closer together, so that the inschool youth labor force can be served in a more efficient and sensible manner.

As the Senate report stressed,

> The Committee believes it is essential that cooperation take place between prime sponsors and local education agencies in providing employment opportunities and training and supportive services for youths enrolled in school. In the absence of such linkages, inschool youths may continue to be served by two separate and competing delivery systems, which bifurcate their labor market experience at a critical stage of their transition between school and work.

We in the Senate will be watching closely to see how this program evolves in the coming months and expect prime sponsors and local education agencies in the public interest to put aside any jurisdictional rivalries they may have in operating these programs.

The set-aside concept, which has been coauthored by Senator HUMPHREY and myself, can begin to improve the entire process of transition from school to work by strengthening the linkages between education and employment through such programs as those which are designed to familiarize youths with the labor markets they are about to enter. Indeed, this concept has been endorsed by the Government's own manpower advisory body, the National Commission for Manpower Policy, which stated in its October 1976 report, "A range of policy and program thrusts are possible for improving the transition process from school to work which involve both the education system and the labor market. New linked approaches appear necessary between the schools and the labor market agencies including CETA." This is precisely what we had in mind when initially we proposed the set-aside provision, and we are so pleased that Congress, in its wisdom, has seen fit to ratify it.

Time and time again, it is said that we need to build better bridges between the world of education and the world of work if we are to eradicate the shocking problem of structural unemployment and underemployment in our country. Congress is now about to enact a bill which provides the authority to begin construction of those bridges. I am counting on our Nation's prime sponsors and local education agencies to work together to build those bridges from both sides; indeed, the futures of a generation of American youths may well depend upon their collaboration.

Mr. President, two recent publications are suggestive of the salutary effects of strengthening the linkages between education and work. The first is an excellent publication of the U.S. Government Printing Office developed for the Office of Manpower, HEW, by Urban Management Consultants of San Francisco, Inc. It is entitled "Education and CETA" and I ask unanimous consent to have printed in the RECORD at the end of my statement a few brief excerpts. I found the publication to be useful particularly for its analysis of coordination agreements between prime sponsors and local education agencies.

The second is a publication of the Work in America Institute, in New York, and describes the success of high school work-study programs undertaken by the Continental Illinois Bank of Chicago. I ask unanimous consent to have this article printed in today's RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. A fourth element contained in the conference agreement is the so-called "Stafford Program," proposed by the distinguished Senator from Vermont (Mr. STAFFORD). This program of community conservation and improvement projects will involve the employment of some 20,000 16-to-19-year-olds in small community rehabilitation programs. When the public works bill was on the floor early this year, it contained a title II youth employment program similar in most respects to subpart 2 of this bill. Senator STAFFORD, Senator RANDOLPH, and other cosponsors stayed their hands, as it were, and agreed to strip the bill of that title because they wanted to give the Human Resources Committee a chance to consider the program. I am so pleased the full Senate and the House conferees have seen the great merit of this program and I commend the Senator from Vermont (Mr. STAFFORD) and the Senator from West Virginia (Mr. RANDOLPH) for their wisdom in developing it.

In the Youth Employment and Demonstration Projects Act of 1977, we have provided for greater targeting than has been achieved heretofore. We have done this in two ways, to wit: (1), at low-income youths, by limiting participation in the subpart 3 programs to youths from families who earn less than 85 percent of the lower living standard budget and, (2), at high unemployment areas, by distributing 37½ percent of the subpart 3 allocated funds to areas of substantial unemployment. This should help us focus what are really very tiny amounts, in relation to the magnitude of the youth unemployment problem, at the individuals and areas of greatest need.

In respect of the wage provisions, which were the subject of considerable debate in this body, I believe the conference agreement contains provisions which all can agree to. As our colleagues will recall, we faced a dilemma in this bill: Either we provide for prevailing wages for the job classifications in which youths were employed—and thereby perhaps unduly limit the number of positions that could be made available with the sums contemplated—or we provide less than the prevailing wage—and thereby perhaps displace existing civil servants or impede the rehire of employees on layoff. Some thought that the language in the Senate bill which allowed below-prevailing rates of pay for "restructured" jobs, was likely to cause far too much displacement of adult workers, since the question of "Who decides?" was not spelled out and, therefore, jobs could be called "restructured" rather unilaterally.

Similarly, the Senate bill language mandating the prevailing wage "for similar occupations," was thought by some to be far too broad, since really anything can be made similar, so the creativity in respect of the job opportunities provided for youths would be reduced.

For this reason the Senate adopted an amendment proposed by Senator DOMENICI and others which basically placed the Secretary of Labor in the position of making the determination as to whether youths were placed in jobs for which the prevailing rate of pay was required.

This principle of secretarial determination was accepted by House conferees when I proposed it be made a part of the language proposed by Mr. QUIE, the ranking Republican on the Education and Labor Committee. The conference agreement provides, therefore, first, that youths be paid the prevailing wage when they are placed in existing jobs, unless a union makes an agreement respecting the below-prevailing rates of pay; and, second, that youths placed in restructured jobs receive the wage stipulated in an agreement between the union and the employer, except that if no agreement is reached after 30 days, the union, the prime sponsor or the employer can petition the Secretary of Labor to make a determination as to the appropriate wages which are to be paid youths in the restructured positions.

Furthermore, the conference agreement permits youths to be paid the minimum wage or higher if they are placed into new jobs. If a dispute arises as to whether the jobs are truly "new," the union may petition the Secretary of Labor to determine whether or not the jobs are "new." If he determines they are, the wage stands. If he determines they are not new, the agreement procedure for restructured jobs goes into effect.

Mr. President, I believe Senate and House conferees have brought back to their respective bodies an acceptable conference agreement. We need to begin as soon as possible to implement all the innovative and imaginative programs

provided for in this bill. I urge my colleagues in the Senate to approve this conference report so we can get on with the job of improving the opportunities for those who are, at one and the same time, our most precious national treasure and our future; our youth.

EXHIBIT 1

EDUCATION AND CETA

FIND OPPORTUNITIES

This guide offers insights into an approach designed to help you find attractive opportunities to work together with CETA. This approach consists of the following steps:

Acquiring knowledge about CETA;

Assessing your program's own needs or unmet objectives;

Analyzing areas of commonality where CETA might fit your program's needs;

Discovering possible opportunities to coordinate with CETA;

Weighing the costs and benefits of coordination; and, if applicable,

Negotiating and implementing a joint project.

The chapters in this guide follow this approach.

WHY COORDINATE WITH CETA?

Adult education, vocational education and CETA programs are intended to serve highly complementary purposes. Each is directed toward preparing individuals with the appropriate basic knowledge, skills and awareness needed to cope in the world of work. Vocational education is further concerned, as is CETA, with providing job-related training, and securing and retaining permanent employment consistent with an individual's capabilities, capacities and interest. Adult education includes this within the broader scope of providing opportunities for undereducated adults to acquire skills and information needed to become more employable, productive, and responsible citizens and to assist such persons to improve their problem-solving and decision-making skills.

Education and CETA programs serve overlapping target groups. Common constituents include adults and youth who are unemployed, underemployed, or economically disadvantaged. Adult education and vocational education programs demonstrate complementary strengths with CETA in several service delivery areas, particularly formal instruction and training. Furthermore, adult education, vocational education and CETA programs currently face a number of program issues which affect and are affected by coordination. Ideally, through coordination, each program can better meet its objectives, avoid duplication of services or participants, capitalize on program strengths, and address program concerns. A discussion of each of these areas appears in Chapter 2.

THE IMPORTANCE OF LEADERSHIP

Interprogram coordination represents a significant challenge to the management skills of program leadership. First, coordination initiatives imply change, and organizations typically do not change comfortably without the exercise of leadership. Second, coordination initiatives with the potential for substantial gains almost always involve substantial risk; some in the organization may perceive this risk as being intolerably high. If both education and CETA leadership prepare properly, however, experience has shown that the risks associated with contemplated coordination arrangements can be identified early and openly discussed. Where the risks are acceptable to both education and CETA leadership, there remains a third challenge: gaining consensus among the counterpart staffs in acknowledging the risk, taking steps to reduce it, and viewing the residual risk as acceptable in relation to potential advantages.

Open and unequivocal commitment of the leadership of all agencies or programs is absolutely essential for the success of any coordination strategy.

The opportunities, problems and issues of interprogram coordination as they are identified and discussed in this guide are framed as leadership concerns. The approach proposed for searching out mutually appealing coordination arrangements assumes from the outset that the focus is on ways to preserve agency strengths, to improve agency performance, to enhance agency services, and to keep exposure to risk within tolerable limits. Of course, these are also primary concerns of CETA leadership.

THE FEDERAL ROLE

Adult education, vocational education, and CETA programs all receive Federal dollars. Even though agency autonomy in each program is high, Federal support can enhance coordination initiatives. In certain cases, Federal officials can be of value in removing obstacles to success, such as the granting of formal waivers or informal approval of a use of funds. Early assessment of the potential benefits and/or problems that the Federal sector can bring to the effort will enable deliberate actions to take advantage of the benefits and minimize the problems.

The HEW Regional Director's manpower coordination unit, headed by the Regional Manpower Coordinator, exists for just the purpose of assisting state and local program operators and CETA Prime Sponsors to work together more effectively. This staff has in recent months conducted detailed analyses of the operation of HEW programs in each state and is accordingly well-versed on the basic issues.

The Regional Manpower Coordinator will not attempt to deal with individual program issues, which are properly the responsibility of state and national agencies, Prime Sponsors, or the Department of Labor, but will be available to assist where requested with the analysis, design or implementation of coordination opportunities.

REDUCING THE RISKS

Each potential coordination arrangement will include certain risks as a part of its design. These risks are real and cannot be ignored in developing a successful agreement to implement the arrangement. The illustrative coordination arrangements in Chapter 3 specify major risks likely to be perceived by adult education, vocational education and CETA staffs, and the actions that could be taken to reduce each risk. Similar analysis by education administrators for other coordination options will generate similar indications of likely risk areas.

Early identification of potential risks can assist in making a final decision whether to proceed. It can also identify immediate actions that can be taken to reduce the risk. Once the arrangement is underway, however, the most significant risks will develop: those operating problems which may cause failure through lack of communication or absence of mutual agreement. A thorough written operating agreement (about which more later) will do much to prevent these occurrences. Identified risks can be addressed in the agreement and specific actions to prevent their occurrence laid out.

The benefits of coordination must be as clearly perceived by CETA as they are by the education program. If either organization does not believe that it will gain, the proposal will fail.

The more individuals actively involved in negotiating a coordination agreement, the higher is the probability that progress will break down before agreement is reached.

Early support of individuals in key decision-making capacities can make the process easier but it is essential that the merits of the proposal be argued convincingly while risks are presented in proper perspective.

Resistance to change will occur within both the education and the Prime Sponsor's organizations, but realistic strategies can be developed to overcome it. Habit, tradition, and fear for one's role in a new system are powerful deterrents to cooperation. If you anticipate them, you can deal with them on an individual-by-individual basis. If you ignore them, the resistance can gather momentum and severely compromise the goals of the proposal.

When planning to implement a coordination proposal, be as realistic as possible about what can be controlled or influenced and what is beyond current agency capability or capacity.

At this point, discussions with a counterpart in the other organization can begin with realistic chance of success. Initial discussions seldom result in immediate agreement, though. The individual with whom you are dealing will need time for internal assessment of the benefits and risks from his/her perspective. Therefore, it is important in first discussions to:

Introduce the proposal logically and as simply as possible, stressing the benefits to both agencies and to both agencies' clients;

Minimize premature discussions of organizational implications, budgets, authority, or other issues that involve "turf";

Try to view the initial reactions of the counterpart from that program's perspective. Remember a person is not convinced merely because his/her objectives have been silenced.

If the initial discussions are successful, there should be basic agreement as to the value of proceeding further. The first step therein should be the development of specific, mutually agreeable, realistic results for the project. In determining what is realistic, both education and CETA staff should together:

Review all original expectations for the project and modify them as necessary to be satisfactory to each organization;

Agree on the specific results that are expected from the coordination proposed; when this is achieved, put them in writing;

Exchange frank views on what constraints and obstacles to the proposal exist from the point of view of each agency, based on both internal and external analyses.

Once there is agreement on the results that both parties expect and the issues each thinks will arise as those results are pursued, it is necessary to design the operating details of the project and to record them in a written agreement. Developing the project plan is critical in one very special way—it is the initial test as to whether or not both programs can work together toward a common purpose.

Key officials of the agencies involved should agree on:

Specific actions/decisions that must take place prior to the signing of an agreement. This should include items such as procedural waivers, legal opinions, authority to enter into financial arrangements, broad organizational requirements, etc.

Specific individuals or other agencies that will need to be involved. These should be those individuals in a position to approve the specific actions or decisions listed above.

Strategy and timing for involving key individuals, particularly the Chief Elected Official, if required, or other highly placed individuals. Plans should include identification of issues that should be resolved prior to soliciting support and identification of arguments that will be most persuasive in gaining their support.

A schedule for completing the agreement. This should detail the schedule on which each action item or decision should take place and should specify individuals responsible for accomplishing each item.

NEGOTIATING A WRITTEN OPERATING AGREEMENT

Two steps remain in putting the coordination arrangement into operation:

Finalizing a written agreement that will specify the way coordination will take place;

Working together to carry out elements of the plan.

Both steps will probably move forward concurrently. In many cases the agreement will not (and need not) be a formal *contract* between agencies. Rather, the written agreement serves as a document which ensures that all staff participants in the project, particularly those who were not a part of its development, understand the results to be achieved and the various assignments that will ensure their accomplishment.

Note: An unwritten agreement is not an agreement at all—it is an understanding and understandings are easily misinterpreted as time goes by. If programs have something worth doing together, then it is worth taking the time to record the details properly. Everyone will have invested far too much time and energy by the time actual coordination activities are scheduled to start to base success on memories, impressions, or prior perceptions of what was agreed.

A written operating agreement is very different from a legal enabling agreement between the agencies. Because, in the eyes of many, detailed "agreements" are synonymous with contracts, they are frequently avoided as unnecessary or restrictive. In other cases, agencies sign agreements establishing the legal basis for coordinating but omit the necessary detailed description of how that coordination will take place. In either case, the result is usually confusion and misunderstanding at the operating level, requiring considerable time to discuss what was supposed to happen and in what way. In fact, absence of a written operating agreement can cause coordination to begin wrong or too late, dooming it from the start. It only takes limited experiences of this nature before both parties are ready to concede that it is easier to work alone.

Although they may vary widely in format and language, all good agreements state, at a minimum:

1. Precisely what is to be accomplished between the two parties (purpose, reason for coordinating).
2. The situations in which the agreement will apply.
3. A summary of the agency activities that are affected by coordination and the way in which these activities will be expected to serve the coordination project.
4. Who, in each organization, is responsible for the specific activities listed.
5. What will constitute service standards, response time, etc.
6. Administrative procedures (reporting procedures, supervision, etc.).
7. How and how often service standards will be reviewed.
8. Modification procedures.
9. Financial arrangements.

An agreement that covers the above items leaves little room for debate on what was intended, what was supposed to occur, when it was supposed to occur, or who was responsible. Although it is more difficult to agree on that kind of detail than it is to wait and "work things out" once coordination begins, your work in putting together a good agreement will be more than offset by the strengthened, predictable nature of the results.

An example of a complete operating agreement is included as Appendix I.

WORKING TOWARD SUCCESS

Once the coordination arrangement is underway, the challenge to all participants is keeping the initiative moving forward despite whatever obstacles may arise. If major obstacles have been anticipated the task will be easier, but under no circumstances will a new and different experience such as this be easy. Offered below are some tips on keeping the initiative on track.

1. Expect problems and budget enough time (both calendar time and person-hours) to deal with them. Even the most thorough planning cannot account for all contingencies.

2. When lack of progress in any one specific area threatens the undertaking, review the original agreement on benefits, particularly those accruing to clients, and the agreement to date, emphasizing where the ability to resolve issues has already been demonstrated.

3. Keep in mind that individuals in both organizations have the same kinds of concerns (political, personalities, regulations) and that both must decide how and with what speed to deal with internal issues.

4. If unable to resolve an issue that is critical to the success of coordination, don't move ahead until it is resolved (see item 1 above). There is almost never a reason to expect that resolution will become easier in the future.

5. Don't let individuals involved in implementing a coordination strategy get so involved in the process of accomplishing it that they forget why they wanted it in the first place.

6. Plan the work with a view toward conflicting or competing time requirements. If, for instance, the major activity in preparing for coordination must occur simultaneously with final preparation of the yearly program plan or an agency reorganization chances are coordination will come in second—and last.

7. Once it has been decided that coordination will in fact take place, internal staff of both programs should be thoroughly oriented on what this means for them and what will be expected of them. If staff is involved at the proper time, they are likely to have more of an interest in and commitment to the success of the effort.

EVALUATING THE PROCESS AND PROJECT RESULTS

If agencies agree to proceed on a coordinated approach to service delivery, they should make certain that both agencies profit from the experience and, if successful or not, learn why.

To gain this knowledge, which will be very valuable in designing future activities, evaluation of the results of the arrangement and the processes that took place will be needed. It is clear that whatever form the evaluation takes (simple or complex, formal or informal, quantitative or qualitative) the written operating agreement will provide the basic record of what the coordination effort set out to do. From this, any intentional or unintentional deviations can be measured and analyzed.

APPENDIX I

ILLUSTRATIVE AGREEMENT [1]

The following agreement is an adaptation of an actual agreement which illustrates the principles set forth in Chapter 4. The agreement relates to the cooperative situation described in Case No. 11: *Providing Work Experience and Youth Employment to School Dropouts.*

[1] With minor editing changes this agreement is one which was signed in August 1975, by the Minnesota Urban Comprehensive Employment and Training Consortium and the Suburban Hennepin County Area Vocational Schools, District 287 (supported by the Distributive Education Clubs of America and the Division of Vocational-Technical Education, Minnesota State Department of Education).

I. PURPOSE

Because increasing emphasis is to be given in the State of _____ to targeting Federally-supported vocational education for employment and for training of young people, particularly high school dropouts between the age of 16 and 21, and further because those persons are a significant segment of the unemployed, under-employed and/or economically disadvantaged population of _____, the _____ Department of Vocational Education and the _____ in District ____ in which _____ and _____ agree to cooperate in the provision of services to individuals eligible for assistance under both the Comprehensive Employment and Training Act of 1973, and the Vocational Educational Education Act of 1973, as amended, according to the terms and conditions which follow.

II. EXPECTED RESULTS

The parties hereto contemplate service as specified herein to approximately one hundred and twenty-five (125) individuals over a twelve month period commencing on the date this agreement is last signed. Enrollment will be on a quarterly basis.

Projected accomplishments are that:

At a minimum, 75 are anticipated to be placed on a job (60 per cent of total enrollees);

With close cooperation among all the available resources an estimated 85 to 100 enrollees will be placed in a job before the funding year is out (70–80 percent);

The percentage of enrollees placed in unsubsidized employment 90 days after entrance into employment is anticipated to be 70–80 percent as above;

The average wage over the funding year in unsubsidized employment is anticipated to be approximately $2.50 to $3.25 per hour for all enrollees.

Because the program is experimental in nature the parties agree to exercise flexibility as appropriate to changing conditions and as indicated upon review of experience. Problems will be discussed as encountered and addressed rapidly.

The participating agencies expect this joint activity to accomplish the following:

Significantly increase the number of school dropouts served and found employment for by the CETA Prime Sponsor.

GED classes along with pre-GED work, if necessary, to be conducted by the local vocational technical school at least twice a week.

The 70,001 *Individual Instructional Program* designed to teach pre-employment counseling (job application, good grooming etc.) through sales techniques. It is completely individualized so as to give maximum flexibility to the client and the coordinator.

Supervised Youth Activities Program. A DECA 70,001 Chapter will be formed to participate in the local, state, regional and national DECA competitive activities. This structured program is designed to teach vocational skills while providing a strong motivational tool for developing personal achievement and self-confidence in the client. In addition, a wide variety of civic, social and leadership development activities will be conducted by the Chapter members.

Liaison established with all community support services to meet the needs of the clients.

Liaison established to the entire range of educational opportunities offered by the community.

Public relations activities designed to build community support, particularly that of the business groups for the client's activities will be ongoing. A local advisory committee will be established to assist the District in this endeavor.

Provide immediate full time employment/supervised on-the-job training, related occupational and academic instruction and a

program of supervised, civic, vocational and other sound activities for the participants.

Provide the enrollee with both the capacity and the opportunity for a productive career in the field of retail sales and distribution.

III. THIS AGREEMENT WILL APPLY IN THE FOLLOWING SITUATIONS

Where a Voc Ed and/or CETA counselor agree that services to a specific youth, who has dropped out of school and been out of school six months, will be of benefit to that individual.

Where appropriate authorities of each participating agency agree on the desirability of shared funding of a service to clients of both agencies.

Where individuals contact both agencies on their own initiative and are found to be eligible to participate in the project.

IV. SERVICE TO BE PROVIDED

The vocational technical school, with assistance from Distributive Education Clubs of America's advisory committee, will provide CETA Prime Sponsor cliens:

On-the-job training in the field of retail sales and distribution. 100 placements will be effected on a 52-week basis and employees (CETA clients) will be paid directly by the employers with no subsidies by the CETA Prime Sponsor.

On-the-job and after work job counseling by a trained coordinator in the discipline area.

V. SPECIFIC RESPONSIBILITIES WITHIN EACH PARTICIPATING AGENCY

Intake interviewers in both vocational education and CETA will be responsible for flagging youth potentially eligible for these programs and reporting such information to the appropriate counselor or caseload manager within 2 days.

Once the individual is enrolled in the program he/she will be the responsibility of the vocational technical school until the course of the program is completed.

It will be the responsibility of the CETA Prime Sponsor to conduct follow-up evaluations at regularly scheduled times (3 months, 6 months and 1 year) after placements.

VII. ORGANIZATION AND ADMINISTRATION

Program Organization:

The basic plan to be used for managing and operating the program is as follows:

Staffing:

The project manager and program coordinator duties are included in the addendum. A secretary is employed to maintain necessary records, provide clerical assistance to staff and enrollees and act as a receptionist. Program coordinators will be paid up to $15,000 annually, the program manager up to $4,800 annually (20% of the time), and the secretary up to $8,000 annually.

The project manager will devote 20% of his time to the program in order to minimize administrative costs. This time is felt sufficient due to the National Task Force, National 70,001 staff, State Department of Education staff, and District central office staff involvement. The four program coordinators will devote full time to the program. One of the four will serve as department chairman. The program manager and coordinators will be vocationally certified according to the State Board of Education criteria.

Administration:

Supervision and service personnel activity in each agency will follow policies and procedures established for that agency.

All status changes, completions, placements, terminations or interruptions in service will be reported by the local vocational agency responsible for the activity to the CETA agency within 5 days.

Each agency will be responsible for costs of services provided directly or by subcontract in carrying out their portion of the youth employment program. Any limitation on costs to either agency must be specified at the time the service plan is negotiated. Additional services or extension of services not included in the original youth services plan will be negotiated by the appropriate agencies and must be mutually agreed upon.

Internal Monitoring System:

In order to identify and correct problems plus strengthen the program's effectiveness, an internal monitoring system will be established. In addition to the District administrative office staff, a local program advisory committee will be formed consisting of business, labor and concerned agency representatives. This committee will meet no less than four times yearly to review and advise program direction, services and results. In addition, the existing six district-wide marketing and distribution advisory committees will be involved. A form of an internal/external monitoring system will be the State Department of Education staff plus the National 70,001 Task Force.

VII. DEFINITIONS AND SERVICE STANDARDS

Enrollee:

This means an individual of either sex who meets the requirements set forth below and who is selected by the local education agency and the CETA Prime Sponsor to participate in its program and who, in fact, does join and enroll in such program, regardless of the length of time such individual remains in the program. The parameters for those people to be included in such a program are those who need such skills and motivation.

Participation in the Program:

This shall mean that any enrollee is considered to be participating so long as he or she:

a. receives assistance in his or her on-the-job training;

b. participates in any phase of the instructional program offered.

Graduate:

This shall mean the individual who has successfully completed, as defined by the local education agency, the program in which such individual was enrolled.

Graduation from the Project:

This shall mean when one or more of the following has been achieved:

a. when the immediate supervisor, coordinator and enrollee agree that the enrollee is a valued member of that firm and has achieved the necessary skills and attitudes to make him or her a desirable employee;

b. substantial promotion within his or her company, as defined by the coordinator and immediate supervisor;

c. entrance into a Management Training Program, designed to lead to substantial promotion, available at the enrollee's place of employment;

d. entrance into any of the military services of the United States.

State:

This shall mean the state or territory in which the Agency is located.

Coordinator:

This shall mean an individual who by reason of education, training or other experience or ability is deemed by the Agency to be a coordinator, and who shall work either part-time or full time and have major responsibility for the program.

Immediate Supervisor:

This shall mean the individual responsible for a project enrollee at his or her place of employment.

Month:

For the purposes of this agreement, if an enrollee has participated in the program for fifteen days or more, he or she shall be considered as having participated in the program for one month.

Services:

Services delivered must be precisely as specified in the plan.

Timing:

The date for the commencement of the program is from ------ to ------ (a date one year later).

The average enrollee should complete the program in 6 months to one year after entrance into the program.

Reports or status of activities will be provided the CETA Prime Sponsor according to the following schedule:

The Monthly Enrollment and Termination Report will be submitted no later than ten (10) working days after the close of each reporting month.

The Monthly Summary of Participant Characteristics will be submitted no later than ten (10) working days after the close of each reporting month.

The Monthly Enrollment and Expenditures Report will be submitted no later than three (3) working days after the close of each reporting month.

The Monthly Report of Cash Transactions, Monthly Invoice and Detailed Statement of Costs (Form C–100) will be submitted no later than five (5) working days after the close of each reporting month.

An Intake Form (Number 02) will be submitted for each new enrollee no later than Monday following the close of the reporting month.

A Termination Notice (Number 03) will be submitted on each terminated client no later than Monday following the close of the reporting week.

A Client Status Change Notice (Form Number 04) will be submitted weekly on all clients who transfer into other Consortium CETA-funded activities, no later than Monday following the close of the reporting week.

The reports cited above are to be submitted in weekly batches with a transmittal document (Form Number 01).

A Sub-Grant Close Out Package will be submitted no later than sixty days following the termination date of this Agreement.

VIII. REVIEW OF STANDARDS

Individual client progress will be jointly reviewed by Voc Ed and CETA staff at 1 month intervals.

Termination data (placement, dropout, completions) will be reviewed jointly at 3 month intervals.

Youth services plans and associated costs may be modified by mutual agreement by both the local education agency and the CETA Prime Sponsor.

Program changes which require budgetary modifications in excess of twenty (20) percent of any line item contained in the Sub-Grantee's On-the-Job Training Program budget must be approved in writing by the Prime Sponsor.

This Agreement may be terminated by either party hereto by written notice to the other given at least thirty (30) days prior to the date of desired termination. In the event of such termination, no further reimbursements by the Prime Sponsor shall be due except for past-due obligations hereunder.

The Prime Sponsor reserves the right to reopen negotiations within thirty (30) days following the execution of the Sub-Grant for the purpose of negotiating program performance standards.

IX. FINANCIAL ARRANGEMENTS

The CETA Prime Sponsor shall reimburse the Sub-Grantee for the Sub-Grantee's On-the-Job Training Program upon receipt of a monthly itemized invoice from the Sub-Grantee specifying the costs incurred by the Sub-Grantee for the operation and administration of the program during the previous month. Such itemized monthly invoices shall be due and payable by the Consortium to the Sub-Grantee at intervals specified in the invoice provided; however, the Consortium shall not reimburse the Sub-Grantee for any costs incurred by the Sub-Grantee which are not in accordance with the Sub-Grantee's

program planning summary and budget information summary.

The Sub-Grantee shall certify in writing to the Prime Sponsor a statement of fiscal responsibility which shall:

1. designate the title of an atuhorized officer or agent of the Sub-Grantee who shall be responsible for the proper accounting and management of the On-the-Job Training Program funds received by the Sub-Grantee from the Consortium; and

2. designate a special account for the deposit of training funds received by the Sub-Grantee from the Prime Sponsor in instances where the Sub-Grantee is not a governmental unit.

[From World of Work Report, June 1977]

CONTINENTAL BANK, YOUNG WORKERS MARK SUCCESS OF WORK-STUDY PLAN

Continental Illinois Bank in Chicago has just completed a very positive evaluation of its last three years' experience in employing about 500 youths, age 16 to 21, in a halftime split between school and work.

The bank found that young, permanent part-time employees, when compared to two control groups (other employees in the same age categories, and other employees in the same salary grades), showed these results:

The work-study employees had a higher retention rate, as compared to regular hires, both full-time and part-time.

The work-study employees were somewhat superior in job performance ratings, again compared to full-time and part-time regular hires.

The cooperative education employees also had better attendance rates.

For those in the cooperative education program who later transferred to full-time work at the bank, the costs per hire were somewhat lower than for regular "off-the-street" hires.

Owen C. Johnson, Vice President of Personnel for Continental, says the bank has concluded that "this system also benefits the company by permitting a close look at these cooperative education employees before they were hired fulltime. On their part, the employees had a much better knowledge of our company's methods and working environment, and also a much clearer idea of what kinds of full-time jobs to aim for."

Mr. Johnson feels that work-study programs, involving high school and college students, are not nearly large enough compared to the need for them. He asserts that cooperative education programs might be considerably expanded if employers would create more parttime positions, and if school systems would give higher priority to these programs. To do so, Mr. Johnson feels that the schools would have to become more flexible organizationally.

About 9,000 Chicago public school students take part in a variety of cooperative education programs; this is only about 2% of all the students. Continental Bank is employing 140 students this year, and is thus the largest employer of those in the Office Occupations category of work-study programs.

Mr. Johnson, together with other personnel managers, is urging the Chicago Board of Education to promote more flexible class schedules in the schools. The aim is to enable more students to work mornings and go to school in the afternoon. At present, over 90 percent of the high school students come to work at the bank after morning classes. If a second shift of students could be developed, two students could share one full-time job, and many more students could be hired.

Brenda Russell, a Continental personnel officer who coordinates the program, states that work-study "allows business to share in the development of the student. These youths become better performers when they shift to full-time because they don't have the same adjustment problems. They have a remarkably better absentee rate than young regular hires, and while they are here, they perform better. So we win all three ways."

Kery McIntosh, a 17-year-old high school senior who works half-time at Continental as a typist, says that "I am a step ahead in seeing if I like the business world. Sometimes, I feel older than the kids at school. I work in personnel here, and am thinking of going to college to train in personnel work."

Rick Simonton, another 17-year-old senior in the personnel department, says that "work attitudes are most important—like not turning down any new assignment, and feeling that you can do it."

The Continental Bank's experience with work-study employees is contrasted with a study entitled "Business Views Education in Chicago," which was commissioned by Chicago United and published in the May 1975 issue of Phi Delta Kappan. The study reported on a survey of 20 chief personnel managers of 17 Chicago United companies. It found that:

When asked to estimate the proportion of high school graduates interviewed who are ready for employment with their present educational background, only three respondents felt more than 40 percent were ready. Six said that less than 20 percent of the graduates were ready, and nine said that 20 percent to 40 percent were ready. Two gave no response.

Two strong work-study recommendations from the report were that:

1. The schools must provide children with basic skills: reading, writing, spelling, speaking, listening, and computing.

2. The schools must introduce children to the world of work, so they have reasonable exposure to a variety of career options, and know the amount and kind of training and education needed to reach a career goal. Many businesses are already participating in some form of career education, and are willing to do more.

Mr. JAVITS. Mr. President, I strongly commend this conference report to the Senate, and express my gratitude to the majority leader and to the minority leader for facilitating its consideration tonight. We ascertain that there was no opposition to this action. It carried by an overwhelming vote in the other body, and it is to be remembered that this particular measure was worked out as almost an example of cooperation between the Senate and the Executive.

We had differences of opinion, but they were resolved.

Second, it is not too usual that the handiwork of individual members is so clearly evident, Mr. President, as it is in this particular measure. It is really broken into fairly identifiable parts.

The first part relates to the young Adult Conservation Corps, which bears, essentially, the stamp of the Senator from Washington (Mr. JACKSON). He worked with Congressman MEEDS in the other body.

It sets up a Young Adult Conservation Corps which will involve 35,000 youths, 16 to 23 years of age. The Corps will be administered by the Secretary of Labor. The conferees have agreed on $350 million for the period ending September 30, 1978.

I must say parenthetically that I heard so many observations in my native city of New York last weekend, where we have had this catastrophe of looting and burning, in which people literally prayed for such an agency as the one I have described.

It is not happy for us that we are limited to 35,000 youths. I think an agency like this could probably stand 350,000—and they could stand it, too, and it would make a major difference in the social climate of our country.

The second measure which is encompassed in this conference report relates to a very fine initiative by Congressman SARASIN of Connecticut, endorsed by the House. This seeks a series of pilot plant operation with a guarantee of part-time jobs to poor youths who attend school in order to test, among other concepts, the proposition that youths can be encouraged to remain in school and complete their studies. if given the opportunity to have gainful employment.

The $72 million is contemplated for this new program and we hope to try it out in 20 cities and some 440 prime sponsor areas.

The third program is one which Senator HUMPHREY and I had the honor to author. It seeks to facilitate the transition of youth from school to work.

We now find a great deal of the unemployment is attributable to the fact that youth does not have work experience, and such simple things as getting up in the morning, how to brush their teeth, dress and get on the bus and report for work on time, seem to be things people have to learn.

Our ideas were contained originally in S. 170. We implemented our ideas into the aggregate youth bill upon which we agreed with the administration. This measure requires the 442 prime sponsors in the United States to set aside 22 percent of the funds allocated to them by formula under a particular aspect, subpart 3 of this bill, essentially for in-school youth.

The estimate is that there will be about $135 million which will be attributable to that particular setaside.

I would like to pay tribute to our beloved colleague, Senator HUBERT HUMPHREY, who stoutly fought for this concept and coauthored it with me and helped very much to bring it into being.

The fourth element of our program constitutes a very gifted element, introduced by our colleague from Vermont (Mr. STAFFORD). This program, especially designed for 16- to 19-year-olds, concentrates on small community rehabilitation, that is, area and physical rehabilitation programs.

It will provide employment, it is fully funded for 20,000 and comes out of the public works bill which was on the floor earlier this year and contained a youth employment program similar in many respects to the one which is incorporated in the conference report.

I would like to pay a great tribute to Senator STAFFORD and to his associate, Senator RANDOLPH, and their cosponsors, who held up the opportunity to get enacted their particular part of the public works bill because all of us felt, who were deeply interested, that there would be preempted the opportunity to get a comprehensive youth employment bill, and they relied upon us to see that their part of it was ruled into the youth employment bill, as indeed it was.

It is a splendid program and both men demonstrated a splendid degree of cooperation with the Senate and with their colleagues in bringing it into being.

Mr. President, I am going to include everything I had to say in the record without repeating it here. But I would like now to pay a tribute to three others of my colleagues on the Republican side of the aisle, Senator BELLMON, Senator DOMENICI, and Senator MCCLURE, who in the most enlightened way, worked with us to bring in their concepts.

They had been the author of a very gifted, progressive youth employment bill themselves, and they worked with us intimately and closely in working out our agreements with the executive department. They worked amendments into the bill and finally came through the committee stage and on the flood.

Each of them deserve the highest praise and the highest public thanks for their role in this total effort which I herewith extend.

Mr. President, I believe this is really a criterion for the way in which a legislature should work, in and of itself, and with the executive.

I highly commend the conference report to the approval of the Senate.

I yield such time as the Senator may require.

Mr. WILLIAMS. Mr. President, it is a pleasure to join my colleagues on the Human Resources Committee in urging adoption of the conference report on H.R. 6138, the Youth Employment and Demonstration Projects Act of 1977.

This comprehensive and far-reaching legislation is the product of extraordinary cooperation between Congress and the Carter administration, between the Senate and the House of Representatives, and between majority and minority Members of both bodies.

We owe a particular debt of gratitude to the Senator from Wisconsin (Mr. NELSON), chairman of the Subcommittee on Employment, Poverty and Migratory Labor, and to the Senator from New York (Mr. JAVITS), the ranking minority member of the subcommittee, for their tireless efforts and adroit management of this bill.

The result, Mr. President, is an amalgam of programs for helping American young people develop the skills and the experience that can lead them to a satisfying place in the nation's work force.

The bill draws upon the proven blueprints of the past, as well as ideas for the future. A mainstay of this legislation is the modern equivalent of the Civilian Conservation Corps of the 1930's, giving jobless youth the opportunity to work at reducing the backlog of conservation work in the Nation's parks and forests.

The National Young Adult Conservation Corps, created by title I of the bill, provides unemployed youth from every segment of society the opportunity to know the exhilaration of building the physical foundation of tomorrow's land, water, and transportation resources. Participants will be gaining valuable experience in such fields as forestry, wildlife management, recreation development, and combating natural disasters in wilderness areas.

Careers and new commitments to conservation are founded on such experience. Both are indispensable to the Nation's future.

Mr. President, the dimensions of the predicament in which jobless youth find themselves cannot be underestimated. The number of unemployed teenagers has increased dramatically over the last decade to the level of 18 percent of the unemployed work force—nearly three times the rate for unemployed adults. Their lack of experience and skills, combined with an unprecedented increase of youth entering the job market, has precluded a meaningful job for them under current economic conditions. The programs in this bill are specifically designed to strike at the roots of the structural disadvantage among youth—their lack of skills and experience when looking for their first full-time job.

Youth unemployment is not a simple problem, and the bill does not propose a simple answer. It authorizes the Secretary of Labor to implement a variety of innovative employment programs and demonstration projects to determine the most effective design for relieving youth unemployment using limited Federal assistance.

The bill is a multifaceted manpower effort that mobilizes the resources of local communities, States, and Federal agencies. The Secretary of Labor is the coordinating arm of the entire youth manpower effort under this act.

The Young Adult Conservation Corps program would become a new title VIII under CETA, and would have a 3-year authorization. As a year-round program, the Corps will be administered by the Secretaries of Agriculture and the Interior through interagency agreements with the Secretary of Labor.

The national YACC program contains important provisions for State and local funding to allow work on non-Federal public lands and waters. Thirty percent of the program funds are reserved for grants to the States.

The balance of the act is devoted to testing a wide variety of employment and demonstration programs. They include youth incentive entitlement pilot projects, youth community conservation and improvement projects, and youth employment and training programs. These will comprise a new part C under title III of CETA.

Youth incentive entitlements would, in areas selected for pilot programs, guarantee a 20-hour work week during normal school sessions and full-time jobs during the summer, encouraging youth to stay in school. In a time when private employers expect a measure of experience and competence in prospective employees, these graduates will be able to approach employers with both a diploma and job experience.

Youth community conservation and improvement projects offer full-time employment to jobless youth, who have finished school, in locally developed projects near their homes. It enables communities to join forces with their unemployed young people to rehabilitate housing and public facilities, upgrade neighborhoods, and begin the long struggle to weatherize and repair energy wasting structures. This kind of incentive-oriented work based on community self-help will put tangible results up front for both youth and the community.

Mr. President, these local conservation and improvement projects can be of special value if funds to support them can be distributed down to the neighborhood level. There is a strong suggestion of this in the report of the Committee on Human Resources with respect to these community conservation and improvement projects. Our report said:

> The program encourages broad community participation which is vital in the development of good projects. Any private or public nonprofit group, including private citizens' voluntary groups, can participate and submit project applications. Needs for community or neighborhood improvements cut across a wide spectrum of community affairs and interests, and community groups must be encouraged to develop programs.

In administration of subpart 2 projects, it may prove difficult to target the funds to specific neighborhoods where they can be of immense value. The application procedure, involving local governments, prime sponsors, and the Secretary of Labor, will undoubtedly seem awesome and forbidding in the eyes of many local neighborhood groups, both voluntary and otherwise. Throughout the consideration of this bill, the committee and the conferees recognized this potential problem, and because of it, the bill provides very broad discretion for the Secretary of Labor in utilizing his discretionary funds under subpart 2.

The Secretary of Labor should be—and will be, I am sure—alert to other avenues for channeling funds to the neighborhood groups and associations. For example, the Office of Neighborhood Voluntary Associations and Consumer Protection of the Department of Housing and Urban Development has exceptional resources for mustering the neighborhood organizations that have deep commitments to community development and restoration.

In formulating programs to be funded with his subpart 2 discretionary funds, the Secretary of Labor should explore with this HUD office and other similar officers in Federal agencies with strong contacts in the neighborhoods the possibility of funding projects under their auspices.

Employment and training programs under subpart 3 of the act are designed to have a significant impact on high unemployment among youth, through locally planned and administered programs. Twenty-two percent of the employment and training funds will be used in programs jointly planned by CETA prime sponsors and local education agencies. Their purpose will be to provide not only work and training, but basic job-related services such as counseling, occupational information, and placement. The counseling and training services will be career oriented, and based upon the continued development of labor

market information that is comprehensive and reliable.

Funds for these employment and training programs are distributed under a formula that targets additional funds to areas where joblessness is worst and youth have greater difficulty finding work. The bill targets 37.5 percent of the subpart 3 authorization to areas which suffer substantial unemployment; 37.5 percent is allocated on the basis of numbers of unemployed, and 25 percent is allocated on the basis of the number of low-income families within each State. As a result, States like New Jersey will have additional resources to overcome the disadvantage of a severe job shortage.

Mr. President, I am particularly pleased that the House of Representatives has accepted the recommendations of our committee that special consideration should be given both to exceptionally disadvantaged youth and to community-based organizations that have a long history of proven effectiveness in skill development, job development, and placement.

The bill earmarks a portion of the funds to be spent only to help Native Americans, including Hawaiian natives, and members of migrant and seasonal farmworker families.

The bill also provides for making greater use of the inadequately tapped resources of community-based organizations across the Nation. Organizations such as Opportunities Industrialization Centers—OIC—the Urban League, community action agencies, Jobs for Progress—SER—and recruitment and training program have, over the past decade, demonstrated their effectiveness in working with youth.

These agencies operate in the heart of the ghettos and barrios of the inner city, the hollows of Appalachia, and the rural pockets of poverty and despair. They are an accepted institution in these areas of great need and have an uncommon degree of communication with those young people most in need of help. They are a ready resource for utilization by Governors, mayors, and county officials as they develop their programs to deliver services to youth in their communities.

Mr. President, the wage provisions of H.R. 6138 were developed specifically for these programs. These provisions recognize the need for new and different kinds of jobs and job classifications for the unskilled and inexperienced among the young people who will seek out the opportunities created by this legislation.

In general, youth participants in any of the bill's activities are guaranteed the applicable Federal or State minimum wage, except when they are placed in jobs that threaten the employment of workers in similar jobs. It is not the purpose of this bill to reduce unemployment among youth by creating unemployment among older workers

To avoid such displacement, youth employed in similar jobs with the same employer would be paid the prevailing rate for that occupation or job classification, unless the CETA prime sponsor, the employer, and the labor organization that represents employees doing similar work in the same area reach an agreement to pay another wage. Where new jobs have been created for youth, or existing jobs have been restructured, and no prevailing rate of pay can be identified, the Secretary of Labor is empowered to settle disputes that cannot be resolved by prime sponsors, employers and labor organizations at the local level.

By building in such flexibility, Mr. President, I believe we have minimized the likelihood that wage levels will interfere with the general purposes of this legislation. At the same time, we will avoid the kind of low-paying jobs that neither culminate in a carrer nor motivate young people to strengthen their attachment to the work force.

Mr. President, the future well-being of this country will be undergirded by the innovative programs we are beginning. These programs and what they generate will be a means to break the bottleneck of high unemployment.

Since last October, 2.2 million Americans found work, yet over seven million Americans still remain jobless. Youth unemployment has been the center of unyielding joblessness. Last month, youth unemployment bounced back up seven-tenths of 1 percent to 18.6 percent, a level just two-tenths below that recorded in early 1976. Black teenage unemployment remains at a tragically high 40 percent.

We have come to a crossroads on the question of youth unemployment and have found a new determination to transform the problem into a force upon which this Nation can base its hope for improved economic health.

The bill presents an enormous challenge to Congress and seems to be a way of testing our national pride—whether we intend to give young people who are without opportunity a chance to make their mark on the American heritage.

Few legislative proposals have reflected, as realistically as this one, a human need so evident on every street corner and in every rural community across the country. Youths might now be able to gain new opportunities to fulfill their aspirations in meaningful jobs.

I am pleased to have been part of this legislative effort. It signals our reluctance to mortgage the future for a foreshortened present. And it demonstrates our commitment to the right of every able American, who wants a job, to contribute his labor and achieve his goals.

I strongly urge my colleagues to support this first significant step in that direction.

Mr. STAFFORD. Mr. President, I appreciate the Senator yielding.

I rise simply to state that, of course, I am in support of the conference report.

I appreciate the gracious words of the senior Senator from New York and I want to say how much I have appreciated all of his help in getting the part of the bill Senator RANDOLPH and I offered through the Senate and through the conference.

Mr. President, I join the distinguished ranking minority member of the committee in what he said about our colleagues who have participated in the formulation of this legislation.

Mr. President, I was privileged to serve as a conferee for the Senate on this important legislation, and I support the conference agreement. The final bill includes proposals from both the House and Senate measures and represents a strong step forward in meeting the serious employment problems affecting the youth of this country.

The extremely high rates of unemployment prevailing among young people is recognized as a serious national problem, requiring a specific, tailored strategy to deal with the situation. A commitment was made by the Congress and the administration early in the session to develop a comprehensive youth employment program. That commitment has been honored.

The Manpower Subcommittee, under Senator NELSON's leadership, held hearings and reported legislation which passed the Senate in May. The House Committee on Labor and Education also gave very early consideration to a youth employment measure, permitting us to go to conference in June. The conferees met in a spirit of cooperation to enact a program this year. I commend the House and Senate Members of the conference for their work.

The conference agreement includes sections from both the Senate-passed measure and the House bill. The youth incentive entitlement program, introduced by Congressman SARASIN and one of the principal new approaches in the House bill, is part of the final legislation. The section authorizes an experimental program to test an entitlement concept in meeting employment and training needs of youth.

The inschool program, authored by Senator JAVITS, is included in the conference agreement. The inschool program will strengthen linkages between educational institutions and manpower activities.

The conferees also adopted the community improvement program as authorized in the Senate bill. This program is patterned on a proposal introduced earlier this year by Senator RANDOLPH and myself.

Each of these proposals brings a different perspective to youth employment problems and I am pleased they all could be included in the conference report. In the coming months, each of these ideas can be tested and evaluated as we develop employment policies for young people.

The principal value of the legislation is its innovative character. It breaks new ground and moves into new areas, expanding our understanding of youth employment problems and the way we deal with them. I view this bill—as I know the other conferees do—as a means to implement and test new ideas and new ways of serving the needs of young people. This is particularly true under the community improvement program. In implementing the authority, the Secretary should encourage and reward the new ideas and new approaches. The framework of the program places the responsibility and authority with the Secretary.

The programs authorized in this bill are not a substitute, or a new funding source, for ongoing youth manpower programs. In fact, I do not know of any existing program which has as its primary objective the creation of jobs for teenagers, ages 16 through 18, on community improvement projects. To realize the full potential of this legislation, the Secretary must seek to insure, as far as possible, that there is no substitution of the activities authorized in this bill for other ongoing youth efforts.

I am pleased the conference report includes the community improvement program. Throughout discussions and deliberations on this legislation, there have been three ideas which have remained consistent: The idea that this program is to provide jobs for young persons who are in need of initial employment experience; the idea that these jobs will be created on projects which serve the community in a tangible, constructive way; and the idea that the initiative for meeting the needs of these young people should be in the hands of local citizens who best know their needs and aspirations. The conference agreement is identical to the Senate measure, maintaining this approach as a separate, identifiable program.

Strong participation of local groups is necessary if we are to focus on community needs. Although the program is included as part of the Comprehensive Employment and Training Act, it is not a traditional CETA program. It is designed to use the in-place mechanism of CETA to facilitate the handling of applications and avoid creating a new Federal bureaucracy but it is not simply a pass through of funds to local CETA sponsors. The program is designed to create jobs on community improvement projects and extends beyond the traditional manpower training efforts. The community or neighborhood improvements cut across a wide spectrum of community affairs and interests and community groups are encouraged to bring programs forward. I anticipate that most of the projects will be designed and carried out by those local groups even though the applications will pass through the CETA mechanism.

I am glad the conferees retained the flexibility for funding of equipment and supplies as provided in the Senate bill. As noted in the conference report, the Secretary of Labor will monitor the use of funds for this purpose. Exercising judgment and commonsense, the Secretary of Labor can avoid abuses of the authority while assuring adequate funding of worthwhile projects.

I consider the flexibility in funding for materials and supplies a crucial part of the program. We have no experience with this type of program and need to be able to conduct a full, fair test of the concept. The jobs are there, they only need to be identified and organized. Young people, like their elders, have little respect for make-work, makeshift activities which result from too little preparation and too little funding for needed materials. The problems should not arise under this program.

During the conference, concern was expressed that these funds, without some limit, could be used to fund expensive machinery. This program is not designed for communities to subsidize their heavy equipment needs. I believe there are sufficient restraints in the bill, including the Secretary's oversight, to avoid abuses.

Discretionary funds are made available for the Secretary so he may explore new ideas and further the purposes of the community improvement program. The Secretary should seek to reward worthwhile projects, or projects which are national in scope or cut across jurisdictional lines. The Secretary may also use these funds to initiate proposals and develop the linkages and relationship between groups and institutions which will assure a sound program, one that charts new areas. While the Secretary can determine the mechanism to use, it is the intent of the conferees that the discretionary authority is not simply another way to distribute funds but, as far as possible, a means to do something extra in this program. Effort should be made to focus these funds—rather than spreading them too thinly—so that meaningful, measurable projects can be undertaken.

The administration has been committed to the development of youth employment legislation and has been instrumental in the progress of the legislation. I am hopeful the administration will implement these new programs in an innovative manner and with a strong commitment to their success.

It is important that the administration move ahead as quickly as possible so the new programs can get underway by the end of the year. This is only a 2-year bill, through fiscal year 1978, and we need to gain as much experience as possible with the new programs in order to evaluate them. I understand the young adult conservation corps program will be operating this summer. This speedy action is commendable. I hope the other new programs will also be given the attention needed to get them started this year.

Mr. President, I endorse the intent and direction of the youth employment bill. I think it is good legislation, responding to a serious need and I urge its adoption by the Senate.

Mr. JAVITS. I thank my colleague and I yield such time as the Senator may desire.

Mr. DOMENICI. I thank the distinguished Senator from New York.

Mr. President, the passage of the Youth Employment and Demonstration Projects Act is an event of great importance. The managers of the bill, my esteemed colleague from Wisconsin, Senator NELSON and the distinguished Senator from New York, Mr. JAVITS, for whom I have great respect and admiration, are to be congratulated for producing this fine piece of legislation. Congress has acted quickly and decisively to ameliorate the problems of the youth of this Nation. While this act will not serve all of the 4 million unemployed youths, it is a sizable step toward solving the youth unemployment problem.

With the exception of the portion of the act which creates the Youth Conservation Corps, the act is authorized for only 1 year. This fact should not be misinterpreted as a limited commitment on the part of the Congress. There is widespread support for youth employment legislation, and I am certain that this support will continue until the problem is eliminated. The 1-year authorization will allow for a year of experience under the program so that improvements can be made. The committee was wise to structure this new initiative in such a manner.

I spent last week in New Mexico meeting and talking with constituent groups. In Albuquerque, I met with business and civic leaders and city and educational officials to encourage their participation in this act. All were very excited at the prospect of Federal support to address the pressing problem of youth employment. I would like to pass on two of their major areas of concerns.

I am convinced that if the youth employment program is to be successful that the private sector must be heavily involved. While representatives of the private sector in New Mexico were anxious to cooperate with CETA prime sponsors, they were disappointed that flexibility for private sector involvement is limited. I believe before this act is reauthorized next year, that we in Congress should look for more and better ways to bring the private sector into the program in order to combine local initiative, private sector investment and Federal support.

Another concern centered on the eligibility criteria for participation in the program. The youth employment and training funds which flow by formula to CETA prime sponsors are to be used primarily for youths from poor families. While any unemployed youth is eligible for certain educational and supportive services under the act, actual jobs created under subsection (a) (1) and (2) of section 342 are limited to those who meet the poverty criteria. My constituents in New Mexico objected to this provision pointing out that youth unemployment is a problem for middle class youth as well as those whose families meet the poverty criteria.

I note in the conference report the adoption of a House provision which allows 10 percent of the funds to be used for any unemployed youths regardless of family income. I am pleased that this provision is part of the final bill. I intend to devote further study to the nature of the youth unemployment problem and the needs of middle class youth before next year's reauthorization.

Another issue of concern to me is the need for prime sponsors to cooperate with all other Federal, State, and local agencies which either offer similar services or serve the same clientele. I note in the conference report that the conferees expect that the Secretary of Labor will consider using funds for demonstration projects which coordinate the delivery of manpower and social services. It is my hope that the Secretary of Labor will give priority to such projects.

I would like to take this opportunity to point out the progress that the Albuquerque prime sponsor has made in coordinating services with the local and State education agencies and with the

employment services. I am proud of OCETA, the Albuquerque/Bernalillo consortium for their efforts in this regard. I am impressed with OCETA for everything from their automated data system which is one of the finest in the country to the administrative arrangements which promote sensitive responses to the needs of the area's unemployed. Visiting the Albuquerque/Bernalillo prime sponsor gives me confidence in the entire CETA system nationwide.

There is one final issue in this Youth Employment Act that I feel compelled to mention. The debate over the prevailing wage provision which took place when the bill was before the Senate on May 26, is only a prelude I believe to debate over the same issue in regard to welfare reform. The final bill does contain the compromise language that jobs created should be restructured and thus not subject to the prevailing wage provision. I still believe very strongly that jobs created under this act and any jobs created under welfare reform should be subject only to minimum wage requirements and not to prevailing wage rates.

I would like to reiterate my support for this bill and to promise my continued attention to authorization and budgetary support for youth legislation.

Mr. President, I join Senator STAFFORD in thanking Senator JAVITS for the leadership he exhibited in bringing together with others, but primarily from our side, through his effort, the diverse views and approaches into one youth bill. I believe that but for this effort, we would have had numerous bills before us, and there would be little chance that we would have set ourselves on the path on which this bill sets us, which is a concerted and specific effort in connection with the problems of youth employment.

I should like to share two observations with the Senator from New York and ask him to comment.

The first comment is this, and I ask the Senator whether he agrees: We have only a 1-year bill here, as I understand it, and it is nonetheless a bill with substantial resources, all concentrated at youth—a first, as I understand it, in terms of a concerted youth effort; and certainly when you consider that it is a first, it has a rather tremendous commitment by Congress in terms of resources which have been followed up by an appropriation.

Does the Senator agree with those observations to this point?

Mr. JAVITS. I thoroughly agree.

First, the bill is exclusively targeted at low-income youth and targeted at high unemployment areas of the country.

Second, it links education and work, which is really a breakthrough concept.

Third, it emphasizes and implements the concept of work experience.

Fourth, it makes room for experimental programs. It is really a breakthrough.

Mr. DOMENICI. The Senator is well aware of my two areas of concern. The reason I make the point that this is a 1-year bill is that I have received assurance from a number of Senators on the committee that we really are going to use the year to evaluate and consider other approaches as we move into a permanent and lasting bill.

In that regard, I want to share with the Senator two areas that disturb me.

The first is best explained this way: In my home city of Albuquerque, I believe we have almost an exemplary agency. In fact, historically, the record will reflect that the notion of CETA came from Albuquerque's efforts to pool our previous employment programs, employment training programs. At a public hearing, those who are running the program indicated one very serious area of concern, and it was that many of the people who need help do not come from poor families as defined by our guidelines. There was a genuine concern as to why we had not done more and whether we understood their concern.

I understand that in this bill we have adopted a provision that will permit 10 percent to be used by agencies such as that in my home city for youth who are not from the poverty level, and that we will be looking collectively and as committees at what the adequacy of this 10 percent is and what kind of problems remain to be solved that we do not address for the middle-income youth, who also have a serious problem.

Does the Senator have any observations and thoughts to share with me on that subject?

Mr. JAVITS. I thought the concept of 10 percent was a very gifted beginning. I consider it a beginning. I consider it subject to evaluation.

We are trying to make fine Americans here. If it proves that the admixture of Americans of a somewhat higher economic level will give us better Americans than the 90 percent who are under that level and some greater proportion will do it, I will be all for it and quite ready to be convinced.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I think there was a half hour on the conference report.

The PRESIDING OFFICER. The other side has 14½ minutes remaining.

Mr. JAVITS. I know of no opposition. I wonder whether the majority leader might give us some of that time.

Mr. ROBERT C. BYRD. Yes, indeed. I will be delighted to yield whatever time the Senator desires. I yield it to the minority leader, and he may yield it.

Mr. BAKER. I yield to the Senator from New York such time as he requires.

Mr. DOMENICI. Mr. President, I ask unanimous consent to have printed in the RECORD the statement I made before business and civic leaders and government officials at Albuquerque, N. Mex., on July 5, 1977.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR PETE V. DOMENICI

Ladies and Gentlemen, the purpose of this meeting is to discuss the serious and severe problem we have in these United States with Youth Unemployment.

One-half of all unemployed persons in this country who are seeking work are youths aged 16–24. *One-half of the unemployed.* This figure is particularly startling given the fact that youths make up only one-fourth of the labor force.

The youth employment rate is high compared to historical rates in the United States, and it is high compared to youth unemployment in most other industrial nations.

Four million youths walk the streets of this country looking for work. Twenty-thousand of these young people live in New Mexico. Between 6 and 7 thousand unemployed youths who are seeking work live in the Albuquerque area. For these youths, prolonged periods of unemployment result in lost opportunities to develop skills and work habits. Unemployment is literally endangering the future of many of our young people.

The lifetime implications for these youths, many of whom have never worked, is not only a serious problem for the individuals concerned, but is a societal problem as well. There is growing concern among those who have studied the problem that many of those youths who are cut off from the labor market through unemployment will go through the teenage and young adult period without making the necessary transition from school to work. Those youths who emerge from this period as adults with no employment history and few marketable job skills may carry their unemployment into their middle years. These youths then represent a potential loss to society of great magnitude. Not only will their productivity and their contribution be lost to society, but continued unemployment poses a drain on the resources of the society as well.

Another serious aspect of the problem which cannot be overlooked is the relationship between those who are unemployed and those who commit crimes. For every 1 percent increase in unemployment, there is a 4 percent increase in the number of persons sent to prisons. An estimated 45–50 percent of all persons entering prison were not regularly employed in the year preceding incarceration. It is obvious that our soaring crime statistics are partially a result of increased unemployment.

The magnitude of the youth unemployment problem makes it imperative that we act quickly and decisively. The nature of the problem is such that a solution depends on concerted action by both the private and public sectors. Early in this legislative session, in January, I introduced a bill along with Senator McClure of Idaho, Senator Bellmon of Oklahoma, and Senator Javits of New York, and 11 other co-sponsors, which recognized that the youth unemployment problem is national in scope but depends on local labor markets for solution. My bill, The Youth Employment Act, funneled funds through the decentralized CETA program. As you know, CETA, The Comprehensive Employment and Training Act, provides comprehensive manpower services including training and counseling programs, work experience, and actual public service jobs. My youth bill provided for additional authority and funding for CETA prime sponsors to address the needs of youth.

A critical component of this bill was that it provided incentives for private sector involvement. It is my strong belief that labor market problems must be solved in the market place.

Several other youth bills were introduced in the Senate which sought to address the problem through various delivery systems. As you know, introduction of a bill in Congress may represent weeks and months of study. This was the case for my bill as well as for most of the others. However, introduction is only a first step toward passage.

Because the Congress has now passed a youth bill, which was reported out of conference on June 22, I think you may be interested in some of the behind-the-scenes

work and negotiation which led toward passage.

While several senators had become convinced that youth unemployment was a serious problem, many other Senators were unaware of the severity of youth unemployment. Education of the Senate on this issue was an early order of business. Because of the variety of approaches, the youth bills were referred to three different committees. Senator Jackson's bill, which I will describe later in more detail, sought to create a national youth conservation corps, and was referred to the Committee on Energy and Natural Resources, a committee on which I serve. Senator Stafford's bill, which will also be described later, provided jobs for youths in public works projects, and was referred to the Public Works Committee, another committee on which I serve. My own bill and four others were referred to the Human Resources Committee. In addition, the issue was considered in detail in the Budget Committee on which I serve also, since it is up to the Budget Committee to include in its budget targets money to fund all legislation. Funding for a new youth employment program was included in the Budget Resolution ceiling. The fact that youth bills were before three different authorizing committees as well as the Budget Committee, hastened the education process. Many more senators became involved in the issue, and it became apparent by late February that three bills, one from each committee, were headed for passage.

I now found myself in a very interesting situation. As one of the leading advocates of youth legislation serving on 2 of the 3 committees, with my own bill receiving favorable treatment from the third committee, I was very pleased at the progress we had made in a very short time. However, from my vantage point on several of the committees, I became concerned that we needed to establish a comprehensive youth policy that would embody several of the suggested approaches.

Negotiations were begun between the Budget Committee and the three authorizing committees to consider the bills in relation to each other. Up until this time, the White House had not shown particular interest in the youth unemployment problem, and the President did not include a bill aimed specifically at youth in his economic stimulus proposal. When it became apparent that the Senate was intent on passage of youth legislation, the President asked Congress to delay action on any of the bills until he could prepare an administration position on youth unemployment. The Senate agreed and negotiations began between the President and the committees involved. The White House Domestic Council and the Department of Labor took several of the Senate bills, including my own, and combined them into one bill. The President then sent his bill, which was an amalgam of several Senate bills, to the Congress.

The Human Resources Committee in the Senate and the Education and Labor Committee in the House of Representatives, held hearings on the bill in March. Although a portion of the Administration's program was modeled after my bill, I was not totally happy with it and felt it was necessary to testify before the Committee and to work with Senators on the Committee. I was particularly concerned that while my bill and the Humphrey-Javits bill had both made provision for public school involvement and for services to in-school youth, the Administration's bill addressed neither of these areas.

The formula for distribution of funds was also a problem. In addition to actual numbers of unemployed, I favored a factor in the formula tied to the unemployment rate. This will benefit New Mexico where the actual number of unemployed persons is smaller than many states but the percent of unemployed is relatively high. Fortunately, the Committee incorporated these and other suggestions.

All of the bills introduced in the Senate provided that youths who were placed in actual jobs under the various programs would be paid the minimum wage of $2.30 an hour. The bill the Administration sent to Congress raised the amount to be paid to the prevailing wage rate, which as you know, is often much higher than the minimum wage. This position endangered the workability of the entire bill. It would have meant that a youth who had never worked would be paid higher than minimum wages while employed in a job created to give him entry level experience. This would have lowered considerably the number of youths to be served and would have resulted in a wage push inflationary spiral. I offered an amendment on the floor and was able to modify the prevailing wage provision so that prime sponsors are directed to create restructured, re-classified jobs for youths to which prevailing wage rates do not apply.

The Senate bill was passed in early June, as was a slightly different House version. The conference ironed out the differences between the two bills, and the Youth Employment and Training Act of 1977 now awaits the President's signature. The bill is not perfect, as one might expect of a bill that combines several different approaches, but it is an important and significant piece of legislation.

The Act adds a new title VIII to the CETA legislation and also amends Title III of CETA. While the legislation authorizes such sums as are necessary to carry out the program, the Budget Committee has allowed in its budget resolution for $2.0 billion which could be appropriated for youth.

The Appropriations Committee has already appropriated $1.0 billion for this purpose, and the funds will be distributed as soon as the bill is signed into law. While I expect additional funds to be appropriated later, as I describe the bill and the amounts available for each part, I will be referring to the billion which has already been appropriated and will be available immediately.

FEDERAL APPROACHES

Young Adult Conservation Corps

Several provisions of the bill are national in scope. The National Young Adult Conservation Corps, originally proposed by Senator Jackson, is authorized for three years and will become a new Title VIII of CETA. The program will provide work for unemployed youths in the nation's parks and forests. The corps would be administered by the Secretary of Labor through interagency agreements with the Secretaries of Interior and Agriculture. $350 million of the $1 billion is set aside for this purpose. $245 million will be used for projects on Federal lands and the remaining $105 million will be available for projects on public lands which are under State and Local jurisdiction. Any unit of general local government, any public agency or any private non-profit agency which has been in existence for at least two years will be eligible to compete for these grants which will provide jobs for youth in conservation and maintenance of public parks and forests.

The 35,000 youths who will be served in the program will be referred to the Secretary of Labor by CETA prime sponsors, and to be eligible for the program, a youth must be between the ages of 16 and 23 and be unemployed. In-school youth will not be considered for this program, and each job will last for only one year.

I expect New Mexico to benefit from this program in three ways. First, many New Mexico youths will be eligible to be served in the program. Second, because of the large amount of Federal land in New Mexico, I expect the Federal government will establish one or more of its conservation projects here. I am also hopeful that New Mexico will be successful in competing for part of the $105 million for state or local projects. In order to enhance our chances in this competition, I recommend that local and state officials work jointly on a proposal or that they propose projects which complement each other so that each project can be endorsed by both levels of government.

Public Works

"The Youth Community Conservation and Improvement Project" is a provision modeled after a bill originally introduced by Senator Stafford of Vermont which I cosponsored. Approximately 20,000 youths aged 16–19 will be put to work on the rehabilitation or improvement of public facilities, including weatherization. Prime sponsors may apply to the Secretary of Labor for such grants and 97.5 million dollars is available nationally. Prime sponsors will compete for these monies but at least one-half of a percent of the total is guaranteed for each state. New Mexico's minimum guarantee will be $480,000. I hope we can get more than this minimum allotment.

Pilot projects

Representative Sarasin, a Republican in the House of Representatives, authored the "Youth Innovative Demonstration Projects Program". Prime sponsors can compete for $97.5 million under this program also. In-school youths from disadvantaged families are eligible for service in this program.

An additional amount of close to $100 million will be available for special projects under discretionary grants provided by the Secretary of Labor to prime sponsors.

The total amount available then for all competitive programs is approximately $400 million. I would like to see New Mexico get several million dollars of those funds.

State and local programs

I've saved the provision of the legislation most important to you, the state and local programs section for last. This component of the bill is modeled after the bill which I introduced and the Humphrey-Javits bill. This program will provide for comprehensive manpower services for youth to be administered by state and local governments through the CETA prime sponsors. The bill authorizes a broad variety of program approaches similar to those already provided for adults under CETA, including work experience and appropriate training and services such as outreach, counseling, occupational information, institutional and on-the-job training, and transportation and other supportive services. It also requires that in-school programs be carried out by agreement between the prime sponsors and the local education agencies. Fifteen percent of the funds under the program are set aside for in-school youth.

This program also requires youth councils under the prime sponsor planning council. The membership for this council includes adults who work with youths and youth themselves. The provision for the council and youth participation, which also was in my original bill, is important, I believe, to the planning process.

Funding

Of the $1 billion dollars already appropriated for youth, $373 million will go by formula to CETA prime sponsors for state and local programs. (The additional appropriation expected for youth will be directed primarily at this component. If $500 million additional dollars are appropriated for youth $288 million additional will go to state and local programs for a total of $661 million.)

New Mexico's share according to the formula, will depend on the final appropriated level. Of the $1 billion already appropriated, the Albuquerque prime sponsor will receive approximately $700,000. The New Mexico bal-

ance of state prime sponsor will receive approximately $1.4 million for a state total of $2.1 million. Obviously, this amount would increase significantly if additional funds are appropriated. (These are unofficial figures worked out by my staff without the aid of the Department of Labor computers.)

Private sector involvement

While the provision for private sector involvement in this program is not as strong as in my original bill, there is authorization for private sector participation in the program. Job sampling, including vocational exploration in the private sector and on-the-job training in the private sector are permissable activities under this program. The prime sponsor can also work with the private sector in job development and direct job placement and can provide supportive services for youths placed in private sector jobs.

It is my belief that the answer to the youth unemployment problem lies in the private sector. Let me give you an example that illustrates this point.

Let's say for the sake of discussion that over the next year, the Albuquerque prime sponsor receives a total of $1.4 million. Now, if the prime sponsor chose to take the entire grant award and create public service jobs, only 175 youths could be served per year. At the end of the year, new youths would be placed in the jobs and those youths turned out of the jobs would be back on the streets again, looking for work.

On the other hand, let's assume that the Albuquerque prime sponsor decides on a more creative approach working in cooperation with business, industry, schools, and non-profit organizations. If each of these groups, recognizing not only an immediate benefit, but the long-term necessity of driving down the high youth unemployment rate, will make a commitment to get involved, will make an investment of time and money, then we can eliminate this problem. The prime sponsor can provide the organization, the money to get started, and supported services. Instead of serving 175 of Albuquerque's 6–7 thousand unemployed youth, I believe this year we can serve as many as a thousand or more of these youths, a 600-percent increase.

We have large and small business and large and small industry represented in this room. If each one of you will look at your own operation, I am sure you can come up with a way to help. Are you working one or more employees a considerable amount of overtime? A part-time job at the minimum wage will cost you less than time and a half for overtime, and you'll be providing an opportunity for an unemployed person. Call Robert Sanchez over here who is in charge of the Albuquerque youth project, and he'll help you structure a part-time job and place a youth in it. If the youth needs supportive service, the Albuquerque prime sponsor can provide that also.

The economy is improving and your business should improve with it. Do you foresee that you will be able to add one or ten or one hundred new jobs in the next year? Then take on the responsibility now for training those people. You provide part-time or full-time on-the-job training. You bear the training costs and the prime sponsor will pay a stipend to you. Or do it just the opposite—you contract with the prime sponsor who will pay for training costs and you pay a wage to the youth.

I see school administrators here who can certainly help by providing outreach. Get some of these kids back in school, and then provide meaningful relevant training that will help them get jobs. We need to coordinate CETA and vocational education programs as well. I could go on with examples, but the creative approach that meets your situation needs to come from you. If each of you will consider what you can do, if you'll work with each other and with the prime sponsor, then the combination of local initiative, private sector investment and Federal support will solve this pressing problem.

I believe we can do it, and I want Albuquerque and New Mexico to demonstrate to the nation that it can be done. The investment that we make now will save much greater costs in the future. The youth of New Mexico, our youth, are counting on you.

Mr. DOMENICI. I yield the floor at this time. I thank the Senator.

Mr. JAVITS. I thank my colleague.

I yield to Senator BELLMON.

Mr. BELLMON. I thank the distinguished Senator from New York.

I congratulate the Senator from New York and Senator NELSON for the work that went into this measure and for the very innovative approaches they are taking to one of the most serious problems we have in our country.

Those of us who are involved in this matter are interested in targeting a program to evaluate unemployment among the young people of the country, the group most affected, and I believe this conference report reflects as good an approach to that problem as could possibly be made.

Mr. President, I am happy to vote today for final passage of the Youth Employment and Demonstration Projects Act of 1977. I am particularly pleased that the conference did accept Senate provisions for providing programs for in-school youth through cooperation with local education agencies. In May, at the time this bill was before the Senate, I referred the managers of the bill to a bill to provide jobs in rural areas which I introduced in a prior session. Both Senator NELSON, the distinguished chairman of the Employment and Poverty Subcommittee and Senator JAVITS, the distinguished ranking minority member assured me that on-the-job training under part C could be carried out in rural areas on farms and ranches. It was also pointed out that jobs could be provided in rural areas under part B for rehabilitation and repair or weatherization of housing.

Mr. President, I mention this discussion because I believe that the CETA system has become very urban in its outlook. By providing jobs primarily in urban areas, prime sponsors actually are encouraging migration of youth from rural areas to the city. I do not believe this is desirable. The percent of rural youth who are unemployed is high. It has been well established that the youth unemployment problem is as severe in rural areas as in cities. Yet, I fear that most jobs and training programs provided by prime sponsors will focus on the city. Most county, consortia, and balance-of-State prime sponsors serve rural as well as urban areas. I want to urge these prime sponsors to plan programs for these rural areas. There are many jobs that youth can do in smaller communities and farms and ranches. I urge prime sponsors to work with rural employers in order to provide training, on-the-job training, and jobs as their legislation contemplates.

Mr. President, I particularly call attention to the fact that the legislation as finally approved by both the House and the Senate does make provision for providing jobs for young people in rural areas.

The problem of youth employment is often thought of as being primarily a problem of the urban centers, but the fact is that in many cases that problem begins in rural areas, where young people simply cannot find employment; therefore, they move into the cities, where they become a major problem. However, if we were able to alleviate the difficulties in the rural areas, that outmigration never would occur in the first place.

So I am very appreciative of the fact that the conference report does make possible the use of CETA by prime sponsors and other groups in small communities where many opportunities exist and where many of the problems have their origin. I believe sincerely that this is one of the better features of the bill.

I again express my appreciation to both the author and the ranking minority member for having incorporated this provision in the legislation. I am sure it will prove to be one of the better features of the bill.

Mr. JAVITS. I thank my colleague very much for his very kind statement. I completely endorse and validate everything he said about his own participation in it.

I yield to the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I support the conference report on the Youth Employment and Demonstration Projects Act of 1977 and would like to comment in particular on the agreement of the conferees with regard to the role of community-based organizations in the delivery of employment and training services under this bill.

As passed by the Senate, S. 1242 required the Secretary of Labor and prime sponsors to give special consideration to community-based organizations in carrying our certain programs under part C of the bill. I am very pleased that the House conferees recede to the Senate position on this matter, with only a minor amendment.

Under the conference agreement, programs receiving assistance under paragraph (1) of subsection 343 are required to give special consideration to community-based organizations which have demonstrated effectiveness in the delivery of employment and training services, such as opportunities industrialization centers, the national urban league, SER-jobs for progress, mainstream, community action agencies, union-related organizations, employer-related nonprofit organizations, and other similar organizations, in providing employment, training, and supportive services authorized under section 342.

In addition, under section 348, the Secretary and prime sponsors, as the case may be, are required to give special consideration to community-based organizations in carrying out innovative and experimental programs.

Mr. President, I believe these provisions should insure an active and prominent role for community-based organizations in the delivery of comprehensive employment and training services to

youths. Although many prime sponsors currently utilize community-based organizations in carrying our programs under other titles of CETA, these new provisions require sponsors and the Secretary to give special consideration to these groups under subpart 3 of the new part C of title III.

I believe prime sponsors and the Secretary should observe this requirement diligently and should note that it is deliberately stronger than current law with respect to the role of community-based organizations in the delivery of manpower services. In this light, I expect that the Secretary and prime sponsors will provide an increased role for community-based organizations in the delivery of employment and training services to youths.

I ask the distinguished Senator from New York (Mr. JAVITS) if he shares my interpretation of the conference agreement and agrees with my assessment of the impact of these new provisions?

Mr. JAVITS. Mr. President, I certainly share the fundamental thrust of what the Senator has said, and I would like, if I could, to put it in my own words as follows: The Senator recognizes that our need in this colloquy is to give specific definition and emphasis to the words "special consideration." That was the rubric which we decided on.

Now, "special consideration" means a strong impact—I think those were the words the Senator used—it means a very open door. It means a case for the community-based organization as a right to require consideration of what it has to offer in these particular youth employment activities, and a good reason why what the community-based organization is offering is rejected if the prime sponsor finds that it needs to be rejected. In other words, we had to avoid priority because that is a straitjacket.

But we certainly wanted the spirit of priority incorporated. So unless there was a good reason, unless there was some other competing way to do it which was demonstrably better, it was our desire to see that the community-based organization was given the opportunity to render the services it was capable of rendering.

I would like to point out when we adopted CETA in October of 1976, the report language relating to title VI said the following:

> The conferees expect prime sponsors to provide a substantial portion of the project funds to nonprofit agencies.

At that time we had nothing in the law that said that. Now we have in the law the requirement for special considerations to community-based agencies, and that is why I have given those words the strong definition which I just have to the Senate.

In short, I want to repeat that, we expect that community-based agencies will be favored unless there is demonstrably a better way.

Our purpose is to see that their services are the services which are used, and that, I think, fully expresses, and I developed the words "special consideration" myself, as Senator SCHWEIKER has noted, in the committee as a way of trying to reconcile the views of those who, like Senator SCHWEIKER, fought hard for priority, and those who could not quite go the priority route.

Senator SCHWEIKER himself realized that we had a problem. It was too much of a straitjacket. So we went as far as we could. But in my judgment the spirit is that community-based organizations shall be used, and they shall be the ones whose services are employed unless there is a demonstrably better way.

Mr. SCHWEIKER. I certainly appreciate very much the remarks of the distinguished Senator from New York. I think he has very ably and very articulately expressed the intent and my understanding of what we are trying to do.

Those provisions, as he mentioned, are an outgrowth of an amendment I offered in committee to add as an additional title to the bill a revised version of S. 175, the Opportunities Industrialization Centers Skills Training and National Community Based Organizations Job Creation Employment Act of 1977.

As was indicated, Senator JAVITS played a very key role in arriving at a resolution of this issue with the "special consideration" language. I find this a very good approach to resolving this situation.

I certainly want to pay tribute to him for his support and help.

In addition I would like to thank the distinguished chairman of our full committee, Senator WILLIAMS of New Jersey, for his help and support in this effort, and also the chairman of the subcommittee, the Senator from Wisconsin (Mr. NELSON). I thank the Senator very much.

Mr. JAVITS. I thank my colleague very much.

Mr. President, we are about to close on this report. I would like to pay a special tribute and give public thanks and appreciation to Senator STAFFORD's assistant, Judy Parente; to the young woman who worked closely with Senators BELLMON, DOMENICI, and MCCLURE, Letitia Chambers; to my own assistant, Jim O'Connell, who has rendered a herculean service here; and in respect of the OIC, and the special consideration privilege of the law to which Senator SCHWEIKER has referred, to Ned Kelly, his assistant.

Mr. President, I move the approval of the conference report. I yield back my time.

ADDITIONAL STATEMENTS SUBMITTED

Mr. KENNEDY. Mr. President, today's final passage of the Youth Employment Act begins a comprehensive effort to deal with chronic unemployment among our Nation's young people. This bill will provide hope to the over 3 million young Americans who have been dealt the cruel blow of joblessness.

The bill establishes a National Youth Adult Conservation Corps to put youth to work in our parks and forests. Others will be hired for community improvement projects, such as renovating low-income housing and weatherizing homes. Most important, the bill provides funds for programs, many to be coordinated with local schools, to give youth the training and skills necessary to get and keep full-time jobs. These programs will facilitate that difficult transition between the classroom and the workplace. They will also encourage our young people to stay in school.

The legislation was designed to provide the Secretary of Labor with considerable discretionary funds. The Secretary must be willing to use these funds to explore new concepts, new techniques of dealing with youth unemployment. These include outreach programs, OJT, vocational counseling, skill training, and job sampling.

I wholeheartedly support provisions in the bill which will encourage cooperation between local prime sponsors and educational institutions. Senators HUMPHREY and JAVITS must be commended for incorporating this concept into the bill. Indeed, this type of cooperation is absolutely essential if we are to provide youth with the skills needed to secure meaningful, long-term employment.

I am also pleased that the legislation recognizes the important role of community-based organizations. Many of these organizations, including opportunities industrialization centers, OIC, the National Urban League, SER-Jobs for Progress, and Mainstream, have been highly successful in local employment and training activities. The Secretary is directed by the legislation to give special consideration to these groups in order to insure an active and prominent role for community-based organizations.

Mr. President, $1.5 billion will be spent on this program, a program which represents a major commitment to our Nation's youth. I want to commend the distinguished Senator from Wisconsin and the committee for their quick action on this legislation, and I urge my colleagues to join me in support of this vital program.

Mr. HUMPHREY. Mr. President, the Senate's favorable action on the Youth Employment and Demonstration Projects Act of 1977 today provides a ray of hope for the more than 3 million unemployed youth of America. The passage of this landmark legislation represents the first step in the development of a comprehensive effort to break the vicious cycle that denies jobs to youth because they lack job skills or job experience. This bill represents a major new commitment by Government to provide young people with the help they need to enter the job market and it is representative of this Government's dedication to meeting the needs of youth.

This bill is an extremely timely piece of legislation that has been developed through the close cooperation of the administration with the Congress. I am pleased to have been a cosponsor of the Youth Employment and Training Act, the Senate version of the bill, and to have worked in developing some of that bill's key provisions. Many of its provisions were adopted from the Comprehensive Youth Employment Act of 1977, S. 170, which I introduced with Senator JAVITS earlier this year. I hope that the effort put into this bill by the administration and by many of us in Congress indicates continuing cooperation between

Congress and the administration toward eradicating unemployment.

It is now clear that not all segments of our society are benefiting from the general economic recovery. This fact is most clearly supported by youth unemployment. The plague of unemployment continues to strike the hardest at our youth, destroying their hopes, creating disillusionment, and breeding disenchantment. In May of this year, the unemployment rate among teenagers 16 to 19 years old was 17.9 percent while the unemployment rate for adults 25 years and older was 4.8 percent. The rate for people 20 to 24 years old, many of whom have family responsibilities, is now 10.7 percent. The unemployment rate now stands at 38.7 percent for black teenagers and it approaches an appalling 60 percent in some of our central cities. Almost half of all unemployed Americans are under the age of 25. That has been true every month this year.

It is a crime and a national shame that so many of our youths are wasting their time, energy, and resources when there are so many national needs that have to be met. It is a tragic waste of one of our Nation's most valuable resources. It is clear that the most direct and rapid way of alleviating youth unemployment is through specifically targeted youth employment programs. Economic recovery alone will not provide enough job opportunities to satisfy the nearly 3.2 million youths who want jobs, who want to be productive, who want to earn a living, who want a fighting chance, but who are turned away at the door by potential employers.

The Youth Employment and Demonstrations Projects Act specifically addresses itself to the structural unemployment problems confronting youth. The Young Adult Conservation Corps and the youth community conservation and improvements projects created by the bill will provide unemployed youth with the opportunity to become productive wage-earning members of society. It will provide them with an opportunity that they would otherwise never have had. The jobs they will have will not be make-work jobs. They will be jobs which teach them a skill and work habits—jobs like range management improvement, erosion control, recreation development, rehabilitating public facilities, and repairing low-income housing.

The youth employment and training program set up by the bill will supplement the other provisions of the bill by insuring a long-term attack on the structural unemployment problems of youth. They will reenforce the bill's other programs by providing such services as counseling, activities promoting the education to work transition, bilingual, and other important support services.

I am particularly pleased the bill provides that a significant portion of the funds allocated to each prime sponsor are to be used for in-school youth programs. Under part C, subpart 3, Minnesota will receive $6 million, of which $1.3 million will be for in-school programs. It is critical that youths who are still in school have the same access to jobs and training as youths who are out of school and the bill now insures that will happen. Of course, given the size of the problem, this program is extremely modest.

Yet, Mr. President, the enactment of this legislation will provide innumerable benefits to unemployed youth. I strongly support it and I am pleased to have taken an active role in developing it.

Mr. CRANSTON. Mr. President, I rise in support of the conference report on H.R. 6138, the "Youth Employment and Demonstration Projects Act of 1977", which was agreed to in conference on June 16 and which the House passed on Tuesday by a 356 to 58 vote. This bill adds a new title VIII and a new part C of title III to the Comprehensive Employment and Training Act of 1973 (CETA), as amended, to provide job and job training opportunities for young people. This legislation, which is based on a proposal submitted by the administration on April 6, represents the basis for undertaking a long overdue, major effort to deal with the problems of youth in the labor market. This conference agreement is the result of a carefully worked out compromise between the House-passed bill, H.R. 6138, the "Youth Employment and Innovative Demonstration Projects Act of 1977," and the provisions of S. 1242, the "Youth Employment and Training Act of 1977", as passed by the Senate on May 26.

Mr. President, on January 10, joined by Senator KENNEDY, I introduced S. 20, the "Youth Initiatives Act of 1977." That bill, which is designed to stimulate the creation of employment opportunities for youth in the public and private sectors would establish a national youth service program and an opportunities in private enterprise program. Through these initiatives young people would be provided with meaningful work experience, an appropriate income, and opportunities to develop a better knowledge of their career interests and aptitudes, further their education and training, and develop their employment skills for entrance into the labor market.

As S. 1242 was considered by the Senate, I worked closely in the Subcommittee on Employment, Poverty, and Migratory Labor and in the Committe on Human Resources to blend into the proposal a number of critical elements of S. 20 which I believe are important to include in any initiative which attempts to meet the needs of youth.

At this time, Mr. President, I would like to discuss briefly those elements which were accepted in conference and have been interwoven into this legislation.

YOUNG ADULT CONSERVATION CORPS

Mr. President, title I of the conference bill adds a new title VIII to CETA for the establishment of a Young Adult Conservation Corps—YACC. This program would provide useful work for unemployed youths—ages 16 to 23—on projects on Federal and non-Federal public lands and waters. It is authorized through fiscal year 1980.

The bill provides, as did the Senate-passed version, that the Secretary of Labor will administer the Corps through interagency agreements with the Secretaries of Agriculture and the Interior. The Secretary of Labor would be responsible for making arrangements to refer candidates for enrollment in the Corps from the public employment service, CETA prime sponsors, and other appropriate agencies, including the Departments of the Interior and Agriculture. The Secretaries of Agriculture and the Interior would be responsible for management of the Corps' centers on public lands and waters under their respective jurisdictions.

Importantly, Mr. President, the bill contains a 30-percent earmarking for State and local programs and special projects on State and local parks and forests. This is based on a provision which was included in the Senate bill, at my request, for not less than 30 percent of the title I funds to be provided for such State and local projects; the House-passed bill contained only an authorization—limited to not more than 30 percent—of the title I funds for these projects.

This earmarking for State and local programs could be utilized for such initiatives as are underway in California, Michigan, and Wisconsin. For example, California is operating a very innovative and exciting program, designed by Gov. Gerry Brown, the California Conservation Corps—the CCC—which provides residential employment and training opportunities for young people on State lands. This earmarking will provide additional resources for ongoing and future initiatives along these lines, avoid duplication, and promote coordination of efforts among Federal, State, and local authorities.

YOUTH EMPLOYMENT DEMONSTRATION PROGRAMS

Title II of the bill, Mr. President, adds a new part C to title III of CETA, authorizing a variety of employment, training, and demonstration programs through fiscal year 1978 to explore methods of dealing with the structural unemployment problems of the Nation's youth.

The new part C contains three subparts, as follows:

Subpart 1. "Youth Incentive Entitlement Pilot Projects"—to demonstrate the efficacy of guaranteeing part-time employment to economically disadvantaged youth who are between the ages of 16 and 19, inclusive, who resume or maintain enrollment in programs of secondary education.

Subpart 2. "Community Conservation and Improvement Employment Projects"—to establish employment opportunities for young people, aged 16 to 19, inclusive, on labor-intensive community improvement projects which have lasting and beneficial community impact such as rehabilitation of housing, weatherization, neighborhood improvements, and conservation or restoration of natural resources on public lands.

Subpart 3. "Youth Employment and Training Programs"—to establish comprehensive youth employment and training programs under which a variety of employment and training opportunities would be carried out to meet the needs of young persons ages 16 to 21, inclusive—and, as the Secretary may authorize, youths 14 and 15 years of age.

Mr. President, the bulk of opportunities available under this legislation is in

subpart 3. These opportunities would include meaningful work experience, as well as training and support services for youth such as outreach, counseling, occupational information, transportation, and placement assistance. These opportunities, as well as other opportunities available under the new part C, would be channeled through the prime sponsor system already in place under CETA.

There are a number of particular items related to subpart 3 of which I would like to make special note.

INCOME LIMITATIONS

First, Mr. President, while employment opportunities under the new title VIII and subpart 2 of title III–C are open to youths of all economic backgrounds, and opportunities under subpart (C)(1) are restricted to economically disadvantaged youth, employment opportunities under subpart (C)(3) are targeted on those youths who are members of families whose family income does not exceed 85 percent of the BLS lower living standard budget—about $8,500 for an urban family of four on a national average. However, the conferees accepted a provision, which I had revised in the Senate-passed bill, from the administration's version, that allows certain limited participation, as authorized by the Secretary, of noneconomically disadvantaged young people in otherwise ongoing support and training activities such as those noted above. Additionally, the conference agreement contains a House-passed provision which allows prime sponsors to use up to 10 percent of their funds for work experience and employment opportunities for noneconomically disadvantaged kids. The conferees did not intend that these funds would be used to establish segregated programs for youths from families with greater economic resources, but rather envisioned "mixing" youths from all economic backgrounds in employment programs conducted under this subpart.

I believe that these are crucial elements since, while our major emphasis should be on those who are most in need of services—and will be as a result of the income targeting provisions—we must also be cognizant of the fact that the phenomenon of youth unemployment is not restricted to just those who are poor. In reality, the structure of our labor market makes it difficult for any youth—regardless of his or her economic resources—to find a meaningful job.

YOUTH COUNCILS

Second, Mr. President, the conferees accepted a provision which is based on a provision contained in my bill, S. 20, as well as drawing on concepts in a provision contained in S. 170, the "Comprehensive Youth Employment Act of 1977," introduced by Senators JAVITS and HUMPHREY and others and contained in an amendment (No. 184) which they offered to S. 1242 in the Senate.

This provision requires that prime sponsors establish youth councils which are to function as subcouncils of the prime sponsors' planning council established under title I of CETA. These youth councils are to be responsible for planning and reviewing activities under subparts 2 and 3 of title III–C, and making recommendations with respect to these programs to the full planning council.

Each youth council would be composed of representatives of local educational agencies, vocational education advisory councils, postsecondary institutions, businesses, unions, the public employment service, local government and nongovernment agencies, and organizations which are involved in meeting the special needs of youth, the community, the prime sponsors' planning council, and most importantly, youths themselves.

Mr. President, I believe that it is not possible to overstate the importance of having representation by reasonable numbers of young persons on the council. This membership by youths will insure their input into the planning of activities designed to benefit them and their peers. This contribution to the advisory council is fundamental to meeting the needs of youth in an effective, comprehensive manner that will assist in attempting to assure that programs are truly responsive to their needs.

STATE ROLE

Third, Mr. President, is the provision in the conference bill which is based on a suggestion I made along with other members of the Senate and House Committees for a set-aside for the States under subpart 3. The conference agreement provides that 5 percent of the total funds available under title III–C be made available to the Governors for such statewide services—or about $57.5 million based on a $1.5 billion appropriation.

These funds are to be used for special statewide youth services, such as joint projects to coordinate efforts of State services, special programs to meet the special needs of the youth population, such as youths in fostercare programs or young criminal offenders, and special model employment and training programs. I am hopeful that this provision for a State role will enhance the quality of services afforded youth and complement and supplement the programs of prime sponsors within the individual States.

TARGETING SERVICES ON YOUTH IN SPECIAL NEED

Fourth, Mr. President, the conference agreement contains my amendment to require that efforts be made to insure that youths participating in activities under subparts 2 and 3 shall be youths who are experiencing severe handicaps in obtaining employment. This includes youth who lack credentials—such as a high school diploma—or who require substantial basic and remedial skill development in order to compete more effectively in the labor market. In addition, these categories of youth could include women and minorities, those who are veterans of military service, offenders, those with handicaps, and those who have dependents, as well as those with other special needs.

Mr. President, with respect to these categories of individuals who would benefit from involvement in job opportunities, I would like to make specific mention of young veterans. Historically, this group suffers disproportionately high rates of joblessness, much of which has been theoretically accounted for by the fact that these individuals enter the labor force for the first time at an older age than high school graduates, and very often, while having obtained considerable skills training in the service, find such skills inapplicable to civilian jobs. The rate of unemployment for young male veterans aged 20 through 24 in the first quarter of 1977 was 16.5 percent, while the rate for male nonveterans of the same age group was 10.8 percent. The June rate for 20- through 24-year-old veterans was 18.1 percent as compared to 8.9 percent for comparable nonveterans.

Undoubtedly, Mr. President, the kind of training and employment opportunities under these programs would be invaluable to these young veterans, as well as to those individuals who have not spent time in the service.

Later in this statement, Mr. President, I will describe section 305 of the bill which deals with veterans participation in CETA as a whole, and which would apply with equal force to the new youth programs.

Mr. President, this severe-hardships targeting provision is based on my belief that programs established under this or any other youth employment and training authority should be tailored to meet the special needs of those groups of young people who are least likely to receive services under other programs. We need to avoid the "most bang for the money" approach that results in "creaming" the target population—placing those young persons that would find it relatively easy —as compared with their most disadvantaged peers—to compete in the labor market. Even though it is vital that we equip all youths with adequate skills to make an effective transition from the world of education to the world of work, we need to make sure that the more difficult cases, as well as the easy ones, are provided service. This provision attempts to insure that those most in need are involved in efforts carried out under these programs.

COUNSELING AND PLACEMENT SERVICES

Fifth, Mr. President, is the provision in the bill that requires that in all activities conducted under the new part C of title III there be provision for appropriate counseling and placement services designed to facilitate the transition of youth from participation in these activities to permanent jobs in the public or private sector or to further education or training programs which would improve the quality of their lives. In addition, under subpart 3, youths are to be provided appropriate job skills and be given necessary basic education and training. Procedures are to be established in order to document the competencies derived from the individual's participation in the program.

Mr. President, these provisions, too, incorporated from the Senate bill, derive from S. 20, I believe that young persons who participate in these new programs must gain something more than just the experience of 1 year of wages and work. It is imperative that youths be better off in terms of their job potential after

participating in these programs than they were before, and these provisions are an attempt to insure, through counseling, placement, and job development services, that these youths obtain substantially greater and more lasting assistance.

Mr. President, the bill as reported from committee contains a "such sums" authorization through fiscal year 1978. The Economic Stimulus Appropriations Act—Public Law 95–29—which was signed by the President on May 13, contains an appropriation of $1 billion for youth employment initiatives. This means that as soon as this authorizing legislation is enacted these efforts can get underway and we can begin immediately to provide job and job training opportunities to young people. It is anticipated that at least another $500 million will be made available through fiscal year 1978.

Mr. President, this is just the beginning—but one of the most important beginnings we have had in years in the area of youth employment and one that represents a true spirit of commitment to solving the problem. I will be working closely with the administration and the Congress as we begin to implement this legislation and as we develop more than a 1-year program and to make any expansion, extension, or modification of these provisions necessary to insure the full success of our efforts to provide jobs for as many young people as we possibly can.

VETERANS PROVISIONS

Mr. President, as I indicated, I would like to make special note of the provisions of section 305 of this bill, which relate to employment and training opportunities for veterans.

The need for these provisions are underlined by the continuing disproportionately high rates of Vietnam-era veteran unemployment. During June, and for each of the 2 previous months, rates of unemployment for Vietnam-era veterans were higher in every single age category, as well as overall, than rates for comparable categories of nonveterans. For instance, the rate for Vietnam-era veterans ages 30 through 34 in June was 4.5 percent; for nonveterans of the same age, the rate was 4.0 percent. Veterans aged 25 through 29 suffered an unemployment rate of 7.1 percent; nonveterans had a 6.3 percent rate of unemployment. As I stated earlier, in describing the targetting provision for youth employment and training programs under subparts 2 and 3 the statistics are particularly outrageous in the case of young veterans ages 20 through 24: 18.1 percent. For nonveterans in that age group the rate was 8.9 percent.

On January 27, following his swearing in, Secretary of Labor Marshall announced the administration's commitment to make the plight of the jobless disabled and Vietnam-era veterans a high priority. At that time, the administration unveiled a three-part program designed to help bring these veterans back into the mainstream of America's economic life.

The first part of the administration's proposal is Project HIRE—Help through Industry Retraining and Employment. This program is designed to enlist the Nation's largest corporations to make private-sector job and training opportunities available to disabled and Vietnam-era veterans. The "kick-off" of this long awaited program took place at the White House on June 14. The administration anticipates that 92,000 new jobs for veterans will be created over the life of this program through fiscal year 1978.

Second, the President's program established the disabled veterans outreach program whereby outreach units staffed by disabled Vietnam-era veterans, would be established within employment service offices around the country. These temporary paraprofessionals are to concentrate on identifying disabled veterans in need of services and bringing them into the mainstream of the labor market through jobs, job training, and related services to which they are entitled. This program is to provide 2,000 jobs for disabled veterans outreach workers, and over the 18 months life of the program is expected to place over 40,000 other disabled veterans.

Mr. President, thus far, this initiative has enjoyed considerable success and has been favorably received across the country. I ask unanimous consent that a letter which I recently received from Martin R. Glick, director of the employment development department of the State of California, outlining the success of the program there, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EMPLOYMENT DEVELOPMENT DEPARTMENT,
Sacramento, Calif., June 7, 1977.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: I thought you might like to see the attached update of the Disabled Veteran Outbreak Program in California. We are very pleased with the early results. Thanks for your support of this effort.

Regards,

MARTIN R. GLICK, *Director.*

DISABLED VETERANS OUTREACH PROGRAM—DVOP

California was allocated 172 DVOP positions on February 28, 1977 with instructions to hire Viet Nam Era veterans by July 1, 1977. The first DVOP participant was hired on April 1, 1977 and a total of 169 were hired as of April 12, 1977. These individuals immediately received training and orientation to the functions of the Employment Development Department and were providing direct services to veterans by May 15, 1977. The following is a breakdown of the individual characteristics of those hired with regards to veteran status, sex and ethnic background: 165 Disabled Vietnam Era Veterans; 4 Vietnam Era Veterans; 166 Males; 3 Females; 92 Caucasians 41 Blacks; 28 Spanish; 5 Native American; and 3 Asian.

California was subsequently allocated 36 additional DVOP positions to be hired starting June 1, 1977. The Department will hire the newly allocated positions plus the remaining 3 positions of the initial allocation prior to June 30, 1977. On or before that date we will have 208 DVOP participants working on the veteran outreach program.

During the month of April the DVOP participants placed 286 veterans in jobs, referred 139 to training openings which resulted in 42 entering training programs, and developed 365 job openings. The program has been very helpful in highlighting the department's services in local communities. Articles such as the one in the Orange County edition of the Los Angeles Times with the caption "Hunt Staged for Disabled Vietnam Era Veterans", described the program and highlighted the role of the department in meeting the employment needs in the community.

One disabled veteran was hired just at the time the local veteran employment representative was hospitalized. The newly hired participant, a native American and the student body president of an Indian Community College, took over the promotion of "Hire a Veteran Week". As a result of his endeavors he was able to find jobs for 10 Vietnam Era Veterans, 3 were disabled veterans. He also placed 2 other veterans in jobs.

In another community we were able to hire a Vietnam disabled veteran who had worked at a community college as a veterans service representative. This veteran has done a tremendous job in gaining the confidence and cooperation of employers in the area. Some of these employers had not previously used the department's employment services. This same individual, on a number of occasions, has talked to unemployment insurance claimants while they were in the office, found some of them jobs and motivated others to take a more active part in looking for work.

My initial impression is that we have been able to select a group of outstanding Vietnam Era veterans as DVOP participants. I feel confident that in the months ahead we will be able to appoint many of these participants to regular civil service positions in the department.

Mr. CRANSTON. Mr. President, this excellent report about progress in California under this innovative and promising program is most encouraging, and I am eagerly awaiting important gains for seriously disabled service-connected veterans in the job market when this program has been fully operational for 6 months or so.

Mr. President, the third element of the President's proposal is the provision of increased opportunities for disabled and young Vietnam-era veterans in public service jobs under CETA. The President proposed that, in filling new public service job opportunities under titles II and VI of CETA, there be established a national goal that 35 percent of all new CETA PSE hires be veterans, and submitted legislation to provide a hiring preference for young and service-connected disabled veterans. The preference concept was rejected by the House in its consideration of the 1-year CETA extension legislation.

In response to this action by the House and in close cooperation with the other members of the Committee on Human Resources and the administration, I worked out with the administration a substitute for its preference proposal. This substitute provisions was passed by the Senate as part of the youth employment legislation on May 26.

As accepted by the conference, this provision directs the Secretary of Labor to take appropriate steps to increase the participation of certain veterans in CETA job and job training opportunities. These veterans are defined as those men and women who served during the

Vietnam-era who are under 35 years of age and those veterans with 30 percent or more service-connected disabilities arising out of any period of service—regardless of age. As passed by the Senate, the amendment was targeted on disabled veterans and Vietnam-era veterans under the age of 27. In conference, an amendment offered by Congressman WEISS of New York—which I supported—was accepted increasing the age of eligible Vietnam-era veterans to those under 35.

The provision specifically includes two steps that the Secretary will take to serve the employment needs of these veterans. This list, however, is not inclusive and any steps which the Secretary determines are appropriate may be implemented, such as those required by present law which were spelled out in the Senate provision.

The two steps included in the provision are:

First, the development by the individual prime sponsors of local goals for the participation of these veterans in their P.S.E. programs. These goals would be keyed to the needs of veterans and other significant segments of unemployed persons within the individual areas served by the prime sponsors. Clearly, this provision does not provide a statutory preference about which many reservations have been expressed. It is designed to provide ample latitude and flexibility—without hamstringing prime sponsors or others involved in the delivery of job and job training opportunities—while at the same time giving the Secretary a clear mandate to serve the needs of especially hard-hit groups of unemployed veterans.

Second, the invitation to representatives of veteran groups and organizations to serve as temporary members of the prime sponsors planning councils, the State manpower service councils, and the National Commission for Manpower Policy established under CETA. Presently, there is nothing to preclude the representation on these entities by veterans and in the case of some prime sponsors they are already onboard. This is an attempt, however, to give visibility to and make the prime sponsors aware of the needs of veterans.

Mr. President, the provision also requires that the Secretary report to the Congress within 60 days of enactment on the funds and personnel he has made available for carrying out these efforts.

In carrying out these and all other employment efforts related to veterans, the Secretary is directed to consult and cooperate with the Administrator of the Veterans' Administration in order to better meet the needs of veterans.

The conferees deleted, as redundant, the provision which required the Secretary, in carrying out these provisions, to consult with the Deputy Assistant Secretary of Labor for Veterans' Employment—DAS—but noted that since the DAS is by law the principal adviser to the Secretary on all matters relating to veterans' employment, this would be a matter of routine procedure with respect to this or any other provision of law affecting veterans.

This post of the DAS was created by Public Law 94–502, the Vietnam-Era Veterans Education and Employment Assistance Act of 1976, which was enacted last year. The first Deputy Assistant Secretary, Roland Mora, is expected to be confirmed shortly. He has appeared for confirmation hearings before the Senate Human Resources and Veterans' Affairs Committees. I am hopeful that he will play an active role in the implementation of this provision.

Mr. President, as I indicated, the conference agreement did not retain references in the Senate-passed bill to steps which the Secretary should take in carrying out existing statutory programs to serve the employment needs of veterans. These provisions included:

First. The full implementation of the Secretary's responsibilities with respect to the conduct of a public information and outreach program to maximize employment opportunities for veterans. This is already required under Public Law 93–567.

Second. The full implementation of the Secretary's responsibilities under title 38 of the United States Code relating to job counseling, training, and placement services for veterans, mandatory listing, veterans' reemployment rights, and other provisions relating to veterans' employment.

Third. The full utilization of the provisions within existing CETA law which define certain groups of veterans as significant segments of the population and require "special consideration" for veterans of Indochina and Korea service. These provisions have been in CETA since its enactment in 1973.

However, Mr. President, it is not intended that these current provisions of the law should not be complied with or utilized as a means of meeting the needs of these veterans. Hence, the conferees noted, at page 48 of the conference report Joint Statement (H. Rept. No. 95–456), that "such provisions of the law have not been adequately carried out in the past."

Indeed, the weight of the evidence is that these provisions have been poorly enforced and laxly implemented by prior administrations. The Senate Human Resources Committee report on the 1-year CETA extension (S. Rept. No. 95–174) to which this provision was initially attached—contains a 7-page discussion of the failure in the implementation of these laws already on the books to improve significantly the plight of the jobless veteran.

And, Mr. President, while it has been suggested that veterans are being served adequately under CETA, the statistics do not bear this out.

For instance, using fiscal year 1976 unemployment data for the purposes of comparison with the most recent CETA participation figures, the rate of unemployment for Vietnam-era veterans was 8.7 percent—up from the fiscal year 1975 rate of 7.5 percent. For younger veterans, those aged 20 through 24, the fiscal year 1976 rate was 18.9 percent in fiscal year 1976—up from the fiscal year 1975 rate of 15.7 percent by more than three percentage points, and more than twice the fiscal year 1974 rate of 9 percent. And the unemployment rates for young minority group veterans are nothing less than tragic—29.9 percent of young black and other minority group veterans were unemployed in fiscal year 1976.

Statistics are not collected on disabled veterans or on handicapped persons, but it is a fact that there are more than 197,800 service-connected disabled veterans who served during the Vietnam-era alone who are rated at 30 percent or more disabled, and more than the 986,000 with 30-percent-or-more service-connected disabilities from all conflicts.

Turning to the participation rates, Mr. President, the inadequacy of efforts to meet the needs of veterans—especially in light of these high rates of unemployment—become quickly apparent.

Under titles II and VI, "special Vietnam-era veterans," recently discharged veterans, and service-connected veterans are required to receive "special consideration."

However, under titles I, II, and VI, Mr. President, in each case and overall, the record for special Vietnam-era veterans—those who served in Indochina or Korea during the Vietnam era—was worse in fiscal year 1976 than it was in fiscal year 1975. While the unemployment rates rose, their enrollment rates declined. Overall, 5.3 percent of those enrolled in these three CETA titles in fiscal year 1976 were special Vietnam-era veterans.

During fiscal year 1976, the Department of Defense advised that there were 2,741,014 enlisted persons who fell into the category of "recently discharged veterans"—those who have been out of the service for less than 48 months. Out of this "pool," only 71,595 individuals were enrolled in any of the three titles of CETA—constituting less than 3 percent of the total enrollments. In fiscal year 1976, only 10,425 disabled veterans were enrolled in any CETA program. This was only four-tenths of 1 percent of the total enrollments.

Mr. President, we cannot afford to be satisfied with this—which is only an example of the poor performance record—and continue to have these laws inadequately carried out. In this regard, I want to make special note of the language which appears at page 48 of the conference report, as follows:

> The conferees expect that such provisions will be fully enforced and implemented by the Secretary in attempting to meet the employment needs of veterans. The conferees believe that the interests of Vietnam-era veterans would be served by improving the coordination of CETA services with existing readjustment and other veterans benefit programs such as those authorized under title 38, U.S.C. Accordingly, the conferees expect the Secretary to provide the necessary technical assistance and other resources needed to improve prime sponsors' awareness of existing veterans programs, to utilize more effectively current CETA services for veterans, and to increase prime sponsors' understanding of the unique readjustment problems of Vietnam-era veterans.

The conferees also accepted an amendment which requires the Secretary of Labor to take all reasonable precautions

to insure that, in preparing reports on the client characteristics of CETA participants, veterans are not counted more than once. In the past, the statistics have been questionable since a service-connected, recently separated, Vietnam combat veteran could appear in three categories—making the participation rate for veterans appear to be higher than what it is in reality.

Mr. President, I think it is unforgiveable that veterans who bore the brunt of the most unpopular war this country has ever known and those who still bear the scars of battle, are precisely those persons who bear and have borne the brunt of most of the heaviest unemployment rates in the labor market.

Mr. President, the need for this provision is clear. The statistics and the performance record both require the enactment of a greater statutory mandate in this area. It is time for those of us in the Congress to renew our commitment to serve those who have served, and I am hopeful that the implementation of this new provision, and the response to the mandate to fully carry out the existing law conclusion will be prompt and forceful.

Mr. President, in closing, I would like to pay tribute to the members and staff of the Senate Human Resources Committee and the House Education and Labor Committee for the Cooperation, dedication, and hard work that has resulted in this legislation. In particular, I want to express my appreciation to Senators NELSON and JAVITS and Congressmen HAWKINS, PERKINS, QUIE, and WEISS and their staffs for their outstanding efforts in developing this legislation.

In addition, on what is for myself and my staff a sad note, I'd like to express my sincere and deepest appreciation to Dick Johnson who will today be leaving his position as counsel to the Senate Subcommittee on Employment, Poverty, and Migratory Labor. His assistance to me and my staff over the past years has been invaluable. His expertise and ability are unsurpassed in the employment and training and poverty areas. His performance has been of the highest professional caliber.

We will miss Dick greatly, but I want to extend my best wishes to him in all his future endeavors. And we are delighted that he will be continuing to work closely with us in the very important new responsibilities he will be undertaking at the Labor Department in the welfare reform and employment programs. This conference report is a fine tribute to him, and we look forward to his help from downtown when we take up youth employment legislation next year.

Mr. President, I am hopeful that this legislation will be just the beginning and that it will provide us with the basics and the experience necessary to make a full-fledged national commitment to youth a reality before the end of the 1970's. I urge the Senate to take favorable action on this legislation.

(Conclusion of additional statements submitted.)

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. I thank the Chair.

Mr. BAKER. Mr. President, will the Senator yield to me just for a brief moment just so I can take this opportunity to express my appreciation to the Senator from New York for his handling of this measure at this time, this late in the evening, and to the other Senators on this side who participated.

Mr. JAVITS. I thank the Senator.

Mr. BAKER. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader. I would like to add my compliments to those of the distinguished minority leader, which have been tendered to the distinguished Senator from New York (Mr. JAVITS), and the same to the Senator on this side of the aisle, Mr. NELSON.

Mr. JAVITS. Mr. President, I think GAYLORD NELSON is one of our real stars here, and he showed it in the way he handled it.

Mr. ROBERT C BYRD. He is something; he is a remarkable man.

Mr. JAVITS. Mr. President, as I walked out the door I realized that I had not said anything about the father of all, Senator WILLIAMS of New Jersey, the occupant of the chair. His chairmanship and my partnership with him have been one of the great joys of my service, and the tact and freedom which he gives those who work with him, including Senator NELSON and myself, are an enviable example to every committee chairman, and he showed it superbly in this very matter of the youth employment bill.

I thank my colleague.

Mr. ROBERT C. BYRD. I thank the Senator. Mr. President, a word fitly spoken is like apples of gold in pictures of silver. I share the distinguished Senator of New York's views with respect to the present occupant of the chair, Mr. WILLIAMS.

RICHARD E. JOHNSON

Mr. NELSON. Mr. President, I wish to make a brief statement, particularly while the chairman of the Committee on Human Resources is in the chair, the senior Senator from New Jersey.

Mr. President, today I want to take a moment of the Senate's time to pay tribute to Richard E. Johnson.

Since 1969, Dick has served as counsel to the Senate Subcommittee on Employment, Poverty, and Migratory Labor. He will soon be leaving Capitol Hill to assume a position in the Labor Department. When he leaves, he will be taking with him our friendship, as well as our gratitude for having served the Senate brilliantly and diligently for over 8 years.

During this time, Dick has been the primary staff person responsible for a wide array of legislation, including the Economic Opportunity Act Amendments of 1969, 1972, and 1974, the Legal Services Corporation Act, the Comprehensive Employment and Training Act of 1973, the Emergency Jobs and Unemployment Assistance Act of 1974, and the Youth Employment and Demonstration Projects Act of 1977.

Dick has not received, nor sought, credit for these enactments, but those of us who have worked closely with him know that he has played a vital role in the passage of these major pieces of social legislation.

Throughout the years, first in the Office of General Counsel, Department of Health, Education, and Welfare, then in the Office of Legislation, U.S. Office of Education, at the Subcommittee on Poverty, and now at the Department of Labor, Dick has devoted his energy and talents to help this Nation's poor and underprivileged. And his work has made a difference. The litany of legislation he has helped develop is witness to that.

Dick Johnson is one of those rare individuals whose commitment, judgment, and counsel could always be depended upon to help guide us in the most difficult of times toward the right solutions. His presence shall be missed, but we are indeed fortunate to have had the opportunity to be associated with him.

To our friend and colleague, Richard E. Johnson, goes our sincere appreciation for a job well done. We extend to him, his wife, Carol, and their three children—Mark, Scott, and Susan—our prayers and wishes for a happy future.

Mr. JAVITS. Mr. President, I, too, would like to pay tribute to Dick Johnson. When one is a public servant, one does not often realize that those professional staff members in the minority and majority counsel positions, themselves, serve the people and require not only a degree of expertise, but a conscience and a sense of responsibility which is almost equivalent to our own. Though they are employees of the Senate, they are very much an element of what we are able to do for the people.

I have often pointed to my professional staff members, and said, "There are my brains." I am not notoriously known to be stupid myself, but, nonetheless, I have felt that way because of the unbelievable dedication and hard work, beyond what anybody ever imagines—weekends, Sundays, nights—given unstintingly. The giving of themselves to us for what we need to know and have crammed into our heads in unbelievably short time, we owe to the Dick Johnsons of the Senate. I wish to pay him my tribute.

Mr. NELSON. Let me say to the distinguished Senator from New York that everyone who has worked with Dick Johnson in the executive branch before he came here, those who recommended that he come to our subcommittee, and those of us on both sides of the aisle who have worked with him, have all been tremendously impressed by his dedication, his great intelligence, his great thoughtfulness, and his great competence.

Having said that, I think that, really, the most important thing to be said

about Dick Johnson is that he is a man of absolute integrity. On those occasions when a member of the minority would inquire of me whether the particular provision that they were interested in was adequately covered in the bill as drafted, and I assured them, without qualification, that it was, they would then ask, "What does Dick Johnson think?"

I would say, "Well, he says it is adequately covered," and the Member of the minority would say, "That is good enough for me."

Mr. JAVITS. I thank the Senator for putting so eloquently what I was trying to say. That is the same thing we have found of him. I am delighted to join in the wonderful tribute which my colleague from Wisconsin has paid to his own assistant.

AUTHORIZATION FOR A STAFF INVESTIGATOR TO APPEAR AND TESTIFY

Mr. ROBERT C. BYRD. Mr. President, I send to the desk, at the request of Mr. JACKSON, a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 227) to authorize a staff investigator of the Senate Permanent Subcommittee on Investigations of the Committee on Governmental Affairs to appear and testify.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered .

Mr. JACKSON. I report today a resolution to permit a staff investigator of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs to testify at a pretrial hearing.

By letter of July 8, 1977, the office of the U.S. attorney, central district of California, requested that the subcommittee make Mr. John Walsh, a staff investigator, available in California to appear and testify at a pretrial hearing scheduled for July 25, 1977, in the matter of *United States* v. *Elko, et al.* (CR 77–739–ALS). Mr. Walsh will be testifying about matters developed in the course of his investigation into the Federal guaranteed student loan program pertaining to the transactions of certain individuals, which transactions are pertinent to a seven-count indictment in the central district of California against these individuals.

Pursuant to rule XXX of the Standing Rules of the Senate, and the privileges of the Senate, such testimony is prohibited without a resolution of the Senate.

Accordingly I report the following resolution, approved by the Committee on Governmental Affairs, and ask that the resolution be adopted.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 227), together with the preamble, is as follows:

Whereas the United States Attorney for the Central District of California has formally requested in writing, by letter dated July 8, 1977, that John J. Walsh, a staff investigator of the Senate Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to appear and testify at a pretrial hearing in the matter of *United States* v. *Elko, et al.* (CR 77–739–ALS);

Whereas the subject matter of the testimony pertains to information obtained by Mr. Walsh in the course of his employment as a staff investigator for the Senate Permanent Subcommittee on Investigations; and

Whereas by the privileges of the Senate of the United States and by rule XXX of the Standing Rules of the Senate, no information secured by staff employees of the Senate pursuant to their official duties may be revealed without the consent of the Senate: Therefore, be it

Resolved, That John J. Walsh, a staff investigator of the Permanent Subcommittee on Investigations, be authorized to appear and testify at a pretrial hearing in the matter of *United States* v. *Elko, et al.* (CR 77–739–ALS).

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to William D. Keller, United States Attorney, Central District of California, 312 North Spring Street, Los Angeles, California 90012, attention: David R. Hinden.

AUTHORIZATION TO MAKE TECHNICAL AND CLERICAL CORRECTIONS—S. 701

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 701.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF S. 1613 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, there is a measure on the calendar which I would like to call up tomorrow, and I ask unanimous consent that, following the recognition of the two leaders, on tomorrow, if there are no orders for the recognition of Senators—and I am informed there are none—that the Senate then proceed to the consideration of calendar order No. 318, S. 1613, a bill to improve access to the Federal Courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes.

Mr. BAKER. Mr. President, reserving the right to object, I would only say to the majority leader this matter has been cleared on this side for consideration tomorrow, and we have no objection to its consideration in that way.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on S. 1613 of 1 hour to be equally divided between Mr. DECONCINI and Mr. THURMOND; that there be a time limitation on any amendment, debatable motion or appeal or point of order, if such is submitted to the Senate for its decision or if discussion is entertained by the Chair thereon, of 20 minutes to be equally divided, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I guess about all I can say at the moment is that on tomorrow the Senate will convene at 11 a.m. and following the two leaders or their designees under the standing order the Senate will take up S. 1613 under a time agreement. As far as I know, there is likely to be a rollcall vote on passage of that measure.

Following the disposition of that measure, I am not at the moment in a position to state what will occur. But I can say I think with certitude that the Senate will not be in late tomorrow and that there will not be late votes tomorrow. And on that point, I think I can say that because of the fact on next Monday and Tuesday the Senate will be debating the public financing bill during both days, there will not be late sessions on Monday and Tuesday, and there will not be late votes on Monday and Tuesday.

Mr. BAKER. Mr. President, I thank the distinguished majority leader for that information which I am sure will be most helpful to Senators in arranging their schedules.

Mr. President, I expect that next week will be a busy week, that there will be much debate, but I am especially pleased the majority leader made that prediction for us.

Mr. ROBERT C. BYRD. I thank the able minority leader.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 a.m. tomorrow morning.

The motion was agreed to; and at 7:22 p.m. the Senate recessed until tomorrow, Friday, July 22, 1977, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate July 21, 1977:

AMBASSADOR

Peter R. Rosenblatt, of New York, for the rank of Ambassador during the tenure of his service as Personal Representative of the President to conduct negotiations on the future political status of the Trust Territory of the Pacific Islands.

DEPARTMENT OF STATE

The following-named Foreign Service officer for promotion from class 4 to class 3:

Edward P. Djerejian, of Maryland.

For appointment as a Foreign Service officer of class 5, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

James Irvin Gadsden, of South Carolina.

For promotion from Foreign Service officers of class 7 to class 6:

Bernard Alter, of Colorado.
William G. Black, of Arkansas.
Kenneth C. Brill, of California.
Bruce G. Burton, of New York.
George M. Caldwell, of Virginia.
Thomas L. Chittick, of Indiana.
Joseph M. Chudzik, of New Jersey.
Jo Ann Hardee Collinge, of Florida.
Maryke Cramerus, of Texas.
Kenneth B. Davis, of Maryland.
Bohdan Dmytrewycz, of Ohio.
James J. Egan, of California.
Robert Bruce Ehrnman, of New Jersey.
Leslie Ann Gerson, of California.
Anne M. Hackett, of California.
Jerzy J. Hauptmann, of Virginia.
Kevin F. Herbert, of New York.
David E. T. Jensen, of Wisconsin.
J. Douglas Koelemay, of South Carolina.
Daniel Charles Kurtzer, of New York.
Marisa R. Lino, of Oregon.
Peter Vincent Londono, of Colorado.
William C. McCahill, Jr., of Massachusetts.
Daniel J. McDade, of California.
Edward McGaffigan, Jr., of Massachusetts.
William W. Millan, of Virginia.
John Holmes Miller, of California.
Thomas Joel Miller, of Illinois.
Jerry K. Mitchell, of Illinois.
Thomas J. Morgan, of California.
Leigh A. Morse, of Minnesota.
Edward B. O'Donnell, Jr., of Tennessee.
Thomas F. Opila, of Virginia.
Jack P. Orlando, of New York.
John Anthony Parker, of California.
W. Robert Pearson, of California.
William E. Primosch, of the District of Columbia.
Peter A. Quandt, of New York.
David E. Randolph, of Arizona.
Michael E. Ranneberger, of Maryland.
Sheldon J. Rapoport, of Connecticut.
Eleanore McGroarty Raven, of California.
Robert Thomas Raymer, of California.
Joseph P. Richardson, of South Carolina.
R. Ross Rodgers, of Washington.
Deborah Ruth Schwartz, of Maryland.
Nicholas A. Sherwood, of Maryland.
Mary C. Shoemaker, of Virginia.
Donald E. Stader, Jr., of Pennsylvania.
Russell J. Sveda, of New York.
Stephen H. Thompson, of Arizona.
David Goforth Wagner, of Pennsylvania.
Neal A. Waldrop III, of Michigan.
Richard G. Watkins, of Ohio.
Gary Williams, of Florida.
Richard C. Wood, of Illinois.
Henry C. Zimerowski, of Massachusetts.

For promotion from a Foreign Service information officer of class 7 to class 6:

Alice C. LeMaistre, of Alabama.

For appointment as a Foreign Service officer of class 6, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Allan Vincent Ellsbury, of Wyoming.

For promotion from Foreign Service officers of class 8 to class 7:

Gary Roy Alexander, of California.
Lewis R. Atherton, of the District of Columbia.
Bruce Allan Brown, of New York.
William E. Craft, Jr., of Connecticut.
Thomas C. Ferguson, of Michigan.
Sandra Jean Gust, of Wisconsin.
Carolyn I. Heskin, of North Dakota.
Kenneth R. Jernigan, Jr., of Tennessee.
Marianne Matuzic Kunkel, of New York.
Michael Ben Libenson, of Pennsylvania.
G. Nicholas Mauger III, of Arizona.
Robin Ritterhoff McKeon, of the District of Columbia.
Patricia A. McMahon, of Maryland.
Edward Joseph Michal, of Colorado.
James F. Moriarty, of Massachusetts.
Allen E. Nugent, of New Jersey.
Howard T. Perlow, of Virginia.
Lawrence George Rossin, of California.
Jerel Keith Sandvick, of California.
Curtis A. Stone, of Washington.
James Webb Swigert, of Vermont.
David Dale Trechter, of California.
Janet L. Van Every, of Washington.
Steven J. White, of Georgia.
Mark W. Willis, of Massachusetts.
Joseph Charles Wilson IV, of Washington.

For appointment as Foreign Service officers of class 7, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Angelo Maria Codevilla, of California.
Paul Brennan Daley, of New York.
Dattan Scott Dattan, of Florida.
Brian VanStone Evans, of Virginia.
Michael J. Gavin, of California.
Barbara J. Griffiths, of the District of Columbia.
Dennis Patrick Halpin, of Illinois.
L. Bradley Hittle, of Washington.
Stephen Paul Hoffmann, of Indiana.
James Franklin Jeffrey, of Virginia.
Edward David Keeton, of Connecticut.
Steven G. Leach, of Illinois.
Deborah Lyn Linde, of Connecticut.
Jeffrey John Lunstead, of Pennsylvania.
John R. Nay, of Michigan.
Michael Eleazar Parmly, of Florida.
Charles S. Shapiro, of Georgia.
Trevor Andrew Snellgrove, of Alabama.
David Michael Stockwell, of Texas.
Robert Earl Sorenson, of Ohio.
Christopher White Webster, of Maryland.
David Alan Weisz, of Maryland.
C. David Welch, of Massachusetts.
Prescott Pabst Wurlitzer, of Wisconson.

For appointment as Foreign Service information officers of class 7, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Stephen L. Akers, of Connecticut.
Kathleen Brucatti, of Massachusetts.
Peter DeShazo, of Wisconsin.
Thomas J. Delaney, of New York.
Cynthia Lee Grissom, of Michigan.
William L. Harwood, of Illinois.
Michael McCarry, of Illinois.
William G. Murphy, of Michigan.
Stephen R. Rounds, of New Hampshire.
Dale Mary Silva, of Massachusetts.
Gary D. Smith, of California.
Lorraine Toly, of Washington.
Sydnee L. Tyson, of California.

For appointment as Foreign Service officers of class 8, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

John Charles Boehm, Jr., of Texas.
Lawrence James Goodrich, of Michigan.
Laurie A. Johnston, of Virginia.
Robert C. LaMont, of California.

For appointment as Foreign Service information officers of class 8, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Marianne Craven, of Vermont.
Robert A. Hershman, of Ohio.

Foreign Service reserve officers to be Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

Demetrios C. Assuras, of Virginia.
Leonard K. Barrett, of Maryland.
John B. Beck, of Washington.
Robert A. Bryan, Jr., of Virginia.
Luis G. Chirichigno, of Texas.
James L. Corrigan, of the District of Columbia.
Walter I. Floyd, Jr., of Virginia.
James W. Gamble, of Virginia.
McGregor Gray, Jr., of Maryland.
George K. Hall, Jr., of Arizona.
John P. Horgan, of Florida.
Russell F. King, of California.
N. Richard Kinsman, of New York.
Frank M. Knott, of Virginia.
Michael V. Kostiw, of Virginia.
Robert Marrero, of Maryland.
Judith M. Mudd, of the District of Columbia.
James C. Newman, of Florida.
Kenneth M. Sapp, of Florida.
Robert Wayne Spruell, of Virginia.
Rex S. Wilson, of Virginia.

Foreign Service reserve officers to be Secretaries in the Diplomatic Service of the United States of America:

Edward E. Heiser, of New York.
Clifton G. Metzner, Jr., of Maryland.

Foreign Service staff officer to be a Consular Officer of the United States of America:

Stephanie A. Smith, of Florida.

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, section 3442 and 3447.

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Smith, Carlton H., xxx-xx-xxxx
Smith, Charles F., xxx-xx-xxxx
Smith, Charles R., xxx-xx-xxxx
Smith, Clay R. Jr., xxx-xx-xxxx
Smith, David B., xxx-xx-xxxx
Smith, Emmett W., xxx-xx-xxxx
Smith, Harry V., xxx-xx-xxxx
Smith, James A., xxx-xx-xxxx
Smith, James K., xxx-xx-xxxx
Smith, Lonnie S., xxx-xx-xxxx

Smith, Randolph L., xxx-xx-xxxx
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Sneed, Thomas A., xxx-xx-xxxx
Snipes, Grover E., xxx-xx-xxxx
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Snyder, Charles R., xxx-xx-xxxx
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Spencer, Wilbur P., xxx-xx-xxxx
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Sprague, Harold E., xxx-xx-xxxx
Stack, Robert C., xxx-xx-xxxx
Stafne, James A., xxx-xx-xxxx
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Stanley, Warner D., xxx-xx-xxxx
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Thomas, Everett R., xxx-xx-xxxx
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Walker, Thomas M., xxx-xx-xxxx
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Washington, Thomas, xxx-xx-xxxx
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Weitzel, Kenneth P., xxx-xx-xxxx
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West, Kenneth M., xxx-xx-xxxx
Westbrook, James P., xxx-xx-xxxx
Wharton, Richard R., xxx-xx-xxxx
Wharton, Richard W., xxx-xx-xxxx
Whipple, William B., xxx-xx-xxxx
Whitaker, Bobby V., xxx-xx-xxxx
Whitaker, Chester J., xxx-xx-xxxx
White, David E., xxx-xx-xxxx
White, Howard J., xxx-xx-xxxx
Whitley, Lee R., xxx-xx-xxxx
Whitmore, Stanley E., xxx-xx-xxxx
Whitworth, William, xxx-xx-xxxx
Wigger, Lones W., xxx-xx-xxxx
Wilcox, John G., xxx-xx-xxxx
Wilder, John D., xxx-xx-xxxx
Wilhelm, Alfred D., xxx-xx-xxxx
Wilkins, George H., xxx-xx-xxxx
Willard, William B., xxx-xx-xxxx
Williams, Buford M., xxx-xx-xxxx
Williams, Donald L., xxx-xx-xxxx
Williams, John C., xxx-xx-xxxx
Williams, Robert T., xxx-xx-xxxx
Williams, Terrell R., xxx-xx-xxxx
Williams, Wade J., xxx-xx-xxxx
Williams, Warren B., xxx-xx-xxxx
Williamson, John G., xxx-xx-xxxx
Willis, Deral E., xxx-xx-xxxx
Willis, Mary C., xxx-xx-xxxx
Willis, Wayne D., xxx-xx-xxxx
Willis, William M., xxx-xx-xxxx
Wills, Edward L., xxx-xx-xxxx
Wilson, Dan M., xxx-xx-xxxx
Wilson, Edward E., xxx-xx-xxxx
Wilson, Lee B., xxx-xx-xxxx
Wilson, Ronald D., xxx-xx-xxxx
Wilson, Roy W., xxx-xx-xxxx
Windom, David L., xxx-xx-xxxx
Withers, Bruce A., xxx-xx-xxxx
Withers, Geoffrey D., xxx-xx-xxxx
Wolf, Robert L., xxx-xx-xxxx
Wood, Smythe J., xxx-xx-xxxx
Woodbury, Paul W., xxx-xx-xxxx
Woods, Sanderson A., xxx-xx-xxxx
Woodward, James K., xxx-xx-xxxx
Word, Larry E., xxx-xx-xxxx
Wright, James A., xxx-xx-xxxx
Wright, Wayne W., xxx-xx-xxxx
Wykle, Kenneth R., xxx-xx-xxxx
Yamashita, Ted K., xxx-xx-xxxx
Yankoupe, Roger F., xxx-xx-xxxx
Yates, Carl W., xxx-xx-xxxx
Yates, Walter H., xxx-xx-xxxx
Yearout, Robert D., xxx-xx-xxxx
York, Steven W., xxx-xx-xxxx
Young, Alvin D., xxx-xx-xxxx
Young, Frank R., xxx-xx-xxxx
Young, Robert A., xxx-xx-xxxx
Young, Thomas F., xxx-xx-xxxx
Youngblood, David T., xxx-xx-xxxx
Zachar, Frank, xxx-xx-xxxx
Zeamer, Aaron C., xxx-xx-xxxx
Zelez, Gordon N., xxx-xx-xxxx
Zenker, Ernest G., xxx-xx-xxxx
Zetterberg, Robert, xxx-xx-xxxx
Zike, John E., xxx-xx-xxxx
Zimmerman, Guy G., xxx-xx-xxxx
Zmuida, Paul T., xxx-xx-xxxx
Zugel, Raymond J., xxx-xx-xxxx
Zwicker, Gary L., xxx-xx-xxxx

CHAPLAIN CORPS

To be lieutenant colonel

Acker, Raymond A., xxx-xx-xxxx
Anderson, Joseph K., xxx-xx-xxxx
Autry, Jerry D., xxx-xx-xxxx
Beeson, Donald C., xxx-xx-xxxx
Bindner, Charles J., xxx-xx-xxxx
Breland, Don C., xxx-xx-xxxx
Bykowski, Norbert H., xxx-xx-xxxx
Carmichael, Galvin, xxx-xx-xxxx
Carter, William T., xxx-xx-xxxx
Chance, Ernest L., xxx-xx-xxxx
Confroy, Thomas J., xxx-xx-xxxx
Conroy, Charles A., xxx-xx-xxxx
Craig, James M., xxx-xx-xxxx
Davis, Donald R., xxx-xx-xxxx
Dawson, Donald R., xxx-xx-xxxx
Dombrowski, Robert, xxx-xx-xxxx
Dyba, Anthony, xxx-xx-xxxx
Ellsworth, Arnold T., xxx-xx-xxxx
Gardner, Elijah H., xxx-xx-xxxx
Harbour, William D., xxx-xx-xxxx
Hunt, Henry L., xxx-xx-xxxx
Ivey, Billy F., xxx-xx-xxxx
Johnson, Howard W., xxx-xx-xxxx
Jones, Emlyn H., xxx-xx-xxxx
Kent, David W., xxx-xx-xxxx
Keutzer, Walter J., xxx-xx-xxxx
King, Wayne C., xxx-xx-xxxx
Lamb, Eugene V., xxx-xx-xxxx
Magruder, Joseph W., xxx-xx-xxxx
Maness, Tracy A., xxx-xx-xxxx
McCormick, Joseph D., xxx-xx-xxxx
Miller, Thomas L., xxx-xx-xxxx
Nass, Bernard F., xxx-xx-xxxx
Nygaard, Spencer M., xxx-xx-xxxx
Peterson, David P., xxx-xx-xxxx

Rakestraw, John A., xxx-xx-xxxx.
Roberts, Archie T., xxx-xx-xxxx.
Rogers, Malcolm W., xxx-xx-xxxx.
Schmidt, Ardon O., xxx-xx-xxxx.
Schneider, Harold D., xxx-xx-xxxx.
Schumacher, John W., xxx-xx-xxxx.
Shackelford, Edgar, xxx-xx-xxxx.
Shea, Donald W., xxx-xx-xxxx.
Smith, William T., xxx-xx-xxxx.
Steffey, Chester R., xxx-xx-xxxx.
Stock, Joseph E., xxx-xx-xxxx.
Webb, Arthur M., xxx-xx-xxxx.
White, Donald E., xxx-xx-xxxx.
Williams, David W., xxx-xx-xxxx.
Wolcott, Charles H., xxx-xx-xxxx.

JUDGE ADVOCATE GENERAL CORPS

To be lieutenant colonel

Aldinger, Robert R., xxx-xx-xxxx.
Armstrong, Henry J., xxx-xx-xxxx.
Beans, Harry C., xxx-xx-xxxx.
Berry, Robert H., xxx-xx-xxxx.
Brookshire, Robert, xxx-xx-xxxx.
Carroll, Bartlett J., xxx-xx-xxxx.
Craig, David B., xxx-xx-xxxx.
Cundick, Ronald P., xxx-xx-xxxx.
Deka, David J., xxx-xx-xxxx.
Franks, Mitchell D., xxx-xx-xxxx.
Herkenhoff, Walter, xxx-xx-xxxx.
Kieffer, Joseph S., xxx-xx-xxxx.
McHardy, John A., xxx-xx-xxxx.
McNeill, Robert H., xxx-xx-xxxx.
Nydegger, Neil K., xxx-xx-xxxx.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Alba, Ricardo, xxx-xx-xxxx.
Amos, William H., xxx-xx-xxxx.
Arkinson, Thomas E., xxx-xx-xxxx.
Augsburger, Wilson, xxx-xx-xxxx.
Baldwin, Kenneth, xxx-xx-xxxx.
Barbour, Martin W., xxx-xx-xxxx.
Bell, George T., xxx-xx-xxxx.
Bellinger, Henry R., xxx-xx-xxxx.
Beman, Charles E., xxx-xx-xxxx.
Bennett, Winston R., xxx-xx-xxxx.
Berry, Walter L., xxx-xx-xxxx.
Betasso, Joseph J., xxx-xx-xxxx.
Biggs, Barry L., xxx-xx-xxxx.
Bowen, Gail O., xxx-xx-xxxx.
Cammarata, Frank A., xxx-xx-xxxx.
Candelaria, John J., xxx-xx-xxxx.
Casey, Thomas D., xxx-xx-xxxx.
Childers, Leon W., xxx-xx-xxxx.
Clark, Jerald D., xxx-xx-xxxx.
Cloke, Robert R., xxx-xx-xxxx.
Colbert, Bill N., xxx-xx-xxxx.
Collins, Robert P., xxx-xx-xxxx.
Colvin, John D., xxx-xx-xxxx.
Conner, Johnny L., xxx-xx-xxxx.
Craft, Jimmie L., xxx-xx-xxxx.
Deck, Howard R., xxx-xx-xxxx.
Dorsey, Philip L., xxx-xx-xxxx.
Gayagas, Edwin J., xxx-xx-xxxx.
Gilliam, Frank H., xxx-xx-xxxx.
Gordon, Thomas J., xxx-xx-xxxx.
Grimes, Thomas F., xxx-xx-xxxx.
Hacker, Helmut F., xxx-xx-xxxx.
Halvorson, Gerald W., xxx-xx-xxxx.
Hammond, George E., xxx-xx-xxxx.
Harrington, Jack O., xxx-xx-xxxx.
Hausler, George W., xxx-xx-xxxx.
Hays, Walter R., xxx-xx-xxxx.
Heimendinger, Richard, xxx-xx-xxxx.
Herber, William E., xxx-xx-xxxx.
Hilliard, Robert W., xxx-xx-xxxx.
Hood, Ronald N., xxx-xx-xxxx.
Hunsaker, Ronald T., xxx-xx-xxxx.
Iber, Peter K., xxx-xx-xxxx.
Johnson, Michael L., xxx-xx-xxxx.
Johnson, Reginald D., xxx-xx-xxxx.
Judy, Richard B., xxx-xx-xxxx.
Kearns, James R., xxx-xx-xxxx.
Kishimoto, Richard, xxx-xx-xxxx.
Kovach, Frank J., xxx-xx-xxxx.
Kullbom, Merrill C., xxx-xx-xxxx.
Lacey, Donald A., xxx-xx-xxxx.
Laible, James P., xxx-xx-xxxx.
Lelesch, John H., xxx-xx-xxxx.
Loucks, James R., xxx-xx-xxxx.
Lynch, James N., xxx-xx-xxxx.
Lynch, Jeffrey G., xxx-xx-xxxx.
Martin, Mathis G., xxx-xx-xxxx.
McEntire, Ferd W., xxx-xx-xxxx.
McGarry, Joseph J., xxx-xx-xxxx.
McKinster, Lowell, xxx-xx-xxxx.
McNeill, Douglas W., xxx-xx-xxxx.
Meade, William C., xxx-xx-xxxx.
Montgomery, Gordon, xxx-xx-xxxx.
Myles, Donald A., xxx-xx-xxxx.
Newberry, Willis M., xxx-xx-xxxx.
Norris, Lawrence J., xxx-xx-xxxx.
Obarr, Billy J., xxx-xx-xxxx.
Oppenneer, Keith D., xxx-xx-xxxx.
Palmer, William W., xxx-xx-xxxx.
Parsons, Ray E., xxx-xx-xxxx.
Pedersen, Carl E., xxx-xx-xxxx.
Pinson, Robert H., xxx-xx-xxxx.
Reinert, John F., xxx-xx-xxxx.
Rexrode, Robert W., xxx-xx-xxxx.
Robinson, Jack M., xxx-xx-xxxx.
Rose, Robert D., xxx-xx-xxxx.
Rose, Walter E., xxx-xx-xxxx.
Rosenbleeth, Milton, xxx-xx-xxxx.
Roussin, Robert D., xxx-xx-xxxx.
Rowlette, Lemuel A., xxx-xx-xxxx.
Sawyer, James R., xxx-xx-xxxx.
Schiefer, Bernard A., xxx-xx-xxxx.
Severson, Joel S., xxx-xx-xxxx.
Shannon, Sam, Jr., xxx-xx-xxxx.
Shelton, Edward J., xxx-xx-xxxx.
Silverstein, Herman, xxx-xx-xxxx.
Smart, William F., xxx-xx-xxxx.
Soberg, David A., xxx-xx-xxxx.
Soule, James L., xxx-xx-xxxx.
Strachan, Richard J., xxx-xx-xxxx.
Stutz, Douglas R., xxx-xx-xxxx.
Svoboda, Benjamin D., xxx-xx-xxxx.
Thomas, Charles E., xxx-xx-xxxx.
Thompson, Dale L., xxx-xx-xxxx.
Thompson, Sarah V., xxx-xx-xxxx.
Thornton, Joseph A., xxx-xx-xxxx.
Trick, George J., xxx-xx-xxxx.
Truscott, James J., xxx-xx-xxxx.
Turner, Milton E., xxx-xx-xxxx.
Wade, Douglas E., xxx-xx-xxxx.
Walker, James O., xxx-xx-xxxx.
Waters, Henry J., xxx-xx-xxxx.
Weiss, James W., xxx-xx-xxxx.
Whitehouse, Roy L., xxx-xx-xxxx.
Williams, Jewel L., xxx-xx-xxxx.
Wilt, Chester F., xxx-xx-xxxx.
Woods, Lawrence R., xxx-xx-xxxx.
Yoder, William G., xxx-xx-xxxx.

ARMY MEDICAL SPECIALISTS CORPS

To be lieutenant colonel

Braswell, Leroy J., xxx-xx-xxxx.
French, William C., xxx-xx-xxxx.
Gilbert, Bobby L., xxx-xx-xxxx.
Haley, Donald L., xxx-xx-xxxx.
Lewis, Gerald H., xxx-xx-xxxx.
Lopez, Sarah D., xxx-xx-xxxx.
Lott, Merjoery P., xxx-xx-xxxx.
Miller, Sharon L., xxx-xx-xxxx.
Ong, Harry M., xxx-xx-xxxx.
Richard, Ida, xxx-xx-xxxx.
Sudduth, Dora M., xxx-xx-xxxx.
Swanson, John A., xxx-xx-xxxx.

VETERINARY CORPS

To be lieutenant colonel

Brown, John L., xxx-xx-xxxx.
Ervin, John T., xxx-xx-xxxx.
Goldsboro, Jerome A., xxx-xx-xxxx.
Hall, Robert D., xxx-xx-xxxx.
Lupton, Harold W., xxx-xx-xxxx.
McSweeney, Richard, xxx-xx-xxxx.
Mellick, Paul W., xxx-xx-xxxx.
Montrey, Richard D., xxx-xx-xxxx.
Peace, Theopolis, xxx-xx-xxxx.

ARMY NURSE CORPS

To be lieutenant colonel

Ashjian, Ann N., xxx-xx-xxxx.
Brice, Betty, xxx-xx-xxxx.
Cherrington, Raymond, xxx-xx-xxxx.
Clutter, Leanna M., xxx-xx-xxxx.
Coggin, Laura J., xxx-xx-xxxx.
Cohen, Marsha H., xxx-xx-xxxx.
Crowell, Harold R., xxx-xx-xxxx.
Croy, Gail, xxx-xx-xxxx.
Cusick, Judith M., xxx-xx-xxxx.
Dunphy, William J., xxx-xx-xxxx.
Ferington, Felicitus E., xxx-xx-xxxx.
Finn, Elizabeth P., xxx-xx-xxxx.
Flechaagosto, Maria, xxx-xx-xxxx.
Foley, Mary D., xxx-xx-xxxx.
Gabbert, Kenneth K., xxx-xx-xxxx.
Gensler, Ivonna B., xxx-xx-xxxx.
Gibbons, Jack E., xxx-xx-xxxx.
Golden, Raymond L., xxx-xx-xxxx.
Goldsmith, Marie L., xxx-xx-xxxx.
Gordon, Jacqueline, xxx-xx-xxxx.
Gortner, A. Elizabeth, xxx-xx-xxxx.
Grubb, Melvin W., xxx-xx-xxxx.
Guynn, Horace W., xxx-xx-xxxx.
Jorgenson, Shirley, xxx-xx-xxxx.
Kral, Thomas E., xxx-xx-xxxx.
Kuhn, Patricia A., xxx-xx-xxxx.
Land, Margaret A., xxx-xx-xxxx.
Lary, Maurice H., xxx-xx-xxxx.
Massimono, Joseph J., xxx-xx-xxxx.
McDunnah, Carlyle D., xxx-xx-xxxx.
McKinney, Janet L., xxx-xx-xxxx.
McQuail, Claire M., xxx-xx-xxxx.
Nooney, Nancy N., xxx-xx-xxxx.
O'Neil, Marie R., xxx-xx-xxxx.
Palmer, Monica B., xxx-xx-xxxx.
Scoville, Beverly V., xxx-xx-xxxx.
Snell, Frank W., xxx-xx-xxxx.
Snyder, Helen R., xxx-xx-xxxx.
Strieper, Gerard E., xxx-xx-xxxx.
Sylvester, Marilyn, xxx-xx-xxxx.
Umphenour, Jo H., xxx-xx-xxxx.
Washington, Lawrence, xxx-xx-xxxx.
Wonpat, Jacqueline, xxx-xx-xxxx.

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Alonzo Lowry McDonald, Jr., of Connecticut, to be a Deputy Special Representative for Trade Negotiations, with the rank of Ambassador, vice William N. Walker.

IN THE NAVY

The following-named Air Force cadets to be permanent ensigns in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Joseph M. Carwile.
Thomas J. Beauclair.
John T. Gwynn.

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Monecia R. Enos
Charles W. Mallory
Richard H. Payne
John B. Rafto
Thomas D. Samford IV

The following-named Navy enlisted scientific education program candidate to be a permanent ensign in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Michael A. Shaw.

The following-named temporary chief warrant officer to be appointed a permanent chief warrant officer, W–2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

*CWO2 James R. Roles, U.S. Navy.

The following-named (chief warrant officer (retired)) to be reappointed from the temporary disability retired list as a permanent chief warrant officer, W–4, in the U.S. Navy, subject to the qualifications therefor as provided by law:

CWO4 William C. Hollingsworth, U.S. Navy (retired).

The following-named temporary chief warrant officer to be appointed a lieutenant (junior grade) in the U.S. Navy, for limited duty, for temporary service, in the classifi-

*Appointment sent out ad interim (during the recess of the Senate) May 28–June 5, 1977.

cation indicated, subject to the qualifications therefor as provided by law:

*CWO2 James R. Roles, U.S. Navy Avionics.

The following-named enlisted candidate to be appointed a chief warrant officer, W–2, in the U.S. Navy, for temporary service, subject to the qualifications therefor as provided by law:

*HMCM Gayle H. Damstrom, U.S. Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 21, 1977:

DEPARTMENT OF JUSTICE

James J. Gillespie, of Washington, to be U.S. attorney for the eastern district of Washington for the term of 4 years.

Joseph F. Dolan, of Colorado, to be U.S. attorney for the district of Colorado for the term of 4 years.

Charles E. Graves, of Wyoming, to be U.S. attorney for district of Wyoming for the term of 4 years.

Hubert T. Taylor, of West Virginia, to be U.S. marshal for the northern district of West Virginia for the term of 4 years.

DEPARTMENT OF DEFENSE

Hans Michael Mark, of California, to be Under Secretary of the Air Force.

Walter Barber LaBerge, of Virginia, to be Under Secretary of the Army.

Antonia Handler Chayes, of Massachusetts, to be Assistant Secretary of the Air Force.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Edward L. Filippine, of Missouri, to be U.S. district judge for the eastern district of Missouri.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Charles A. Gabriel, xxx-xx-xxxx xxx-...FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Robert E. Buechler, xxx-xx-xxxx xxx-...GG, Air National Guard of the United States

To be brigadier general

Col. Ervin H. Bucher, xxx-xx-xxxx FG, Air National Guard of the United States

Col. James E. Darst, Jr. xxx-xx-xxxx FG, Air National Guard of the United States

Col. Donald W. Forney, xxx-xx-xxxx FG, Air National Guard of the United States

Col. Orlando Llenza, xxx-xx-xxxx FG, Air National Guard of the United States

Col. Ralph A. Skowron, xxx-xx-xxxx FG, Air National Guard of the United States

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen., Sam Sims Walker, xxx-xx-xxxx, Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Thomas Howard Tackaberry, xxx-xx-xxxx U.S. Army.

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general

Maj. Gen. Richard H. Thompson, xxx-xx-x... xxx-... Army of the United States (colonel, U.S. Army).

Maj. Gen. William E. Eicher, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. Richard L. Harris, xxx-xx-xxxx, Army of the United States (colonel U.S. Army).

Brig. Gen. James G. Boatner, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Lt. Gen. Edward C. Meyer, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. William R. Richardson, xxx-xx-x... xxx-... Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward A. Partain, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. Roscoe Robinson, Jr., xxx-xx-x... xxx-x... Army of the United States (colonel, U.S. Army).

Maj. Gen. Alexander M. Weyand, xxx-xx-x... xxx-x... Army of the United States (colonel, U.S. Army).

Maj. Gen. Robert G. Yerks, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. James M. Rockwell, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Brig. Gen. Albert B. Akers, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. Ernest D. Peixotto, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. Morris J. Brady xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. Wesley E. Peel, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Brig. Gen. Benjamin L. Harrison, xxx-xx-xxxx xxx-x... Army of the United States (colonel, U.S. Army).

Brig. Gen. Donald E. Rosenblum, xxx-xx-xxxx xxx-x... Army of the United States (colonel U.S. Army).

Maj. Gen. Charles C. Rogers, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. Paul S. Williams, Jr., xxx-xx-xx... xxx-... Army of the United States (colonel, U.S. Army).

Maj. Gen. Richard E. Cavazos, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. John N. Brandenburg, xxx-xx-x... xxx-x... Army of the United States (colonel, U.S. Army).

Maj. Gen. Oscar C. Decker, Jr., xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. John K. Stoner, Jr., xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Maj. Gen. Emmett W. Bowers, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Brig. Gen. William I. Rolya, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Brig. Gen. Story C. Stevens, xxx-xx-xxxx, Army of the United States (colonel, U.S. Army).

Brig. Gen. Sampson H. Bass, Jr., xxx-xx-x... xxx-... Army of the United States (colonel, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Frank Ambler Camm (age 55), xxx-xx-xxxx Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. John Royster Thurman, III, xxx-... xxx-xx-x..., U.S. Army).

IN THE NAVY

Adm. David H. Bagley, U.S. Navy (age 56), for appointment to the grade of admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Shannon D. Cramer, Jr., U.S. Navy (age 55), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

IN THE AIR FORCE

Air Force nominations beginning Maj. Gene A. Budig, to be lieutenant colonel, and ending Maj. Patricia A. Chalcraft, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 11, 1977.

IN THE NAVY

Navy nominations beginning Timothy M. Aspery, to be ensign, and ending John R. Dooley, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 23, 1977.

IN THE MARINE CORPS

Marine Corps nominations beginning Vincent P. Andaloro, to be colonel, and ending Frank W. Ziegler, Jr., to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 11, 1977.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. NELSON:

S. 1902. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to strengthen the financing of the social security system, to reduce the effect of wage and price fluctuation on the system's benefit structure, and to eliminate from that system gender-based distinctions; to the Committee on Finance.

SOCIAL SECURITY FINANCING

Mr. NELSON. Mr. President, today I am introducing President Carter's proposal to restore the financial soundness of the social security system. Secretary of Health, Education, and Welfare Joseph Califano requested that I introduce this bill on behalf of the administration.

On May 9, 1977, President Carter sent a message to Congress containing a number of proposals to solve the financing problems of the social security system.

This legislation—the "Social Security Financing, Benefit Indexing, and Equal Rights Amendments of 1977"—embodies the President's legislative package.

Right now, the social security trust funds are not in balance. Expenditures from the social security trust funds outpace the amount of income to them.

There are, in fact, two shortfalls in the cash benefits programs: a short-term deficit caused by recent economic conditions—excessive unemployment and high inflation—and a long-term deficit caused by changing economic and demographic projections used for the actuarial estimates and by an unintended over-adjustment for inflation approved by Congress in 1972.

According to the 1977 social security trustees report, income to the old age and survivors trust fund and to the disability insurance trust fund is inadequate to meet future benefits. When the reserves in these trust funds run out, there will not be adequate amounts of income to these trust funds to meet obligations to beneficiaries. The reserves in the old age and survivors insurance program will be depleted by 1983, and the disability insurance reserve will be exhausted by 1979.

Expressed another way, $83 billion in additional funds are needed by 1982 to maintain the present social security program on an actuarially sound basis.

These immediate financial shortfalls are compounded by the projected long-term deficits. In the 75-year period ending in 2051, the long-run average deficit for the cash benefits programs is estimated at 8.2 percent of taxable payroll. This is equivalent to $66 billion a year if based on 1977 constant dollars.

Mr. President, the social security system touches the lives of virtually every American family. Presently 33 million Americans receive social security benefits, and some 107 million Americans pay taxes to support the trust funds. It is imperative that Congress take swift action to restore public confidence in the social security system—support that has been shaken by reports of mounting deficits.

The social security system cannot afford to have the American people, who are contributing or have contributed their hard-earned dollars every payday, question the soundness of the program. The social security system cannot afford to have millions of older Americans and disabled persons worry about whether their monthly checks will arrive on time and in the amounts to which they are entitled. The social security system cannot afford to have American workers doubt whether they and their families can depend upon receiving social security benefits when they retire, become disabled, or die leaving dependents.

The administration's legislative program is a comprehensive package of proposals that deals with the immediate financing problems, as well as with the long-term deficits, confronting the social security system. It is a plan that goes to the very heart of the problems threatening the future stability of one of this Nation's most important and enduring institutions. This legislation would restore the financial soundness of the social security system by:

Instituting a counter-cyclical system of financing from general revenues which would replace the social security taxes that are lost when the national unemployment rate exceeds 6 percent.

Removing the ceiling on the amount of an individual's wage or salary on which the employer pays social security taxes. The wage base would be increased in three annual steps beginning in 1979.

Restoring the basic old age, survivors and disability insurance—OASDI—social security tax that is paid by the self-employed to the traditional rate of 1½ times the tax on employees.

Making shifts in funds among the Hospital Insurance and OASDI trust funds.

Imposing increases in the amount of wage or salary on which an employee must pay social security tax. The increase would be $600 in each of 4 future years, 1979, 1981, 1983, and 1985.

Changing the test of whether an individual may claim social security benefits as a dependent, in conformity with recent Supreme Court decisions requiring men and women to be treated equally.

Correcting the excessive adjustment for inflation which was inadvertently applied to future social security benefits.

Advancing to 1985 one-quarter of the 1 percent increase in the OASDI tax which is currently scheduled to go into effect in 2011 and advancing the remaining three-quarters of 1 percent to 1990.

Of these various proposals, two are of particular significance: Using general revenues to help finance the social security trust funds during periods of excessive unemployment and removing the ceiling on the amount of an individual's wage or salary on which the employer pays social security taxes. These two proposals, more so than any of the others, would establish landmarks in the social security law if adopted by Congress.

Until this time, general revenues have not generally been used to finance the social security cash benefits programs, nor the hospital insurance program. And the wage base upon which employers pay social security payroll taxes thus far has been equal to the wage base upon which workers contribute their share of the payroll tax. This legislation would modify the traditional method of financing the social security benefits programs.

Mr. President, the social security system has been the subject of a great deal of debate over the past few years. Some people have questioned the effectiveness of the social security programs in satisfying the needs of our population, while others have concentrated on both the immediate and long-term financial problems of maintaining the programs now in effect. But these two issues cannot be discussed alone, one without the other, because each is a crucial part of the problem as well as the solution. A discussion of financing the social security trust funds is inextricably linked to a discussion of the adequacy and amount of benefits to be provided.

The administration's bill has comprehensively addressed each of these issues, and it would make the following assurances to the American people:

Revenues taken into the social security trust funds would exceed expenditures from them beginning in 1978.

The exhaustion of the disability insurance trust fund, which would otherwise occur in 1979, would be prevented.

The depletion of the OASDI trust fund, which would otherwise occur in 1983, would be prevented.

There would be no immediate tax rate increases—beyond those already written into the law—on an employee's wages.

The threat of impairing economic recovery this year and next would be averted by postponing any form of increased social security tax until 1979.

Adequate balances in the trust funds would be achieved by 1982.

The social security program would be placed in full actuarial balance through the beginning of the next century.

The remaining deficit facing the social security system in the next century would be manageable so as not to place an inordinate burden on future generations.

Benefit payments to retired persons, disabled workers, and dependents would be safeguarded from any threat of reductions or late payments.

The Senate Finance Subcommittee on Social Security, of which I am chairman, thus far has held 5 days of hearings on the President's social security package. Administration witnesses, including the Secretary of Health, Education, and Welfare and the Commissioner of Social Security, have presented testimony to the subcommittee, and witnesses representing a wide diversity of interests—business, labor, the insurance industry, small businesses, social security experts, State and local governments, and public interest groups—also have testified. Additional hearings may be necessary to complete consideration of the administration's refinancing plan.

One thing is very certain. No matter what mechanism is used to compensate for the social security deficits, any proposal or set of proposals which impose new taxes or change the status quo inevitably will be extremely controversial. The administration has proposed a plan that will assure that the social security trust funds will not go bankrupt. Those who oppose the program, or who seek modification of it, bear the responsibility of meeting the objectives sought by President Carter.

Action should be taken this year to assure American workers and beneficiaries of a secure and solvent system, which can be relied upon to meet its obligations now as well as in the future. As chairman of the Senate Finance Subcommittee on Social Security, it is my intention to move forward on a bill this year.

The legislation I am introducing today is organized into three titles:

Title I of the bill—the Social Security Financing Amendments of 1977—increases the income to the trust funds over the short- and long-term.

Title II of the bill—the Social Security Benefit Indexing Amendments of 1977—stabilizes the rates at which social security benefits replace income that is lost because of retirement, death, or disability.

Title III of the bill—the Social Security Equal Rights Amendments of 1977—eliminates gender-based distinctions from title II of the Social Security Act.

Mr. President, the Department of Health, Education, and Welfare has prepared a sectional analysis of this legislation, and I ask unanimous consent that this summary be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTIONAL SUMMARY OF SOCIAL SECURITY FINANCING, BENEFIT INDEXING, AND EQUAL RIGHTS AMENDMENTS OF 1977

SHORT TITLE OF DRAFT BILL

Section 1 of the draft bill would provide the short title of the bill—the "Social Security Financing, Benefit Indexing, and Equal Rights Amendments of 1977."

TITLE I—PROVISIONS TO IMPROVE THE FINANCING OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAMS

SHORT TITLE OF TITLE I

Section 101 of the draft bill would provide the short title I—the "Social Security Financing Amendments of 1977".

CONSTRUCTION FROM THE GENERAL FUND OF THE TREASURY OF THE SOCIAL SECURITY TRUST FUNDS FOR YEARS OF EXCEPTIONALLY HIGH UNEMPLOYMENT

Section 102 of the bill would amend section 201 of the Social Security Act to provide for compensating the social security trust funds for social security tax receipts lost as a result of unemployment rates in excess of 6 percent.

The new subsection 201(j) would provide that on or before July 1 of each calendar year immediately succeeding a calendar year in which the average rate of unemployment has exceeded 6 percent, the Secretary of the Treasury would transfer to the Old-Age and Survivors Insurance, Disability Insurance, and Hospital Insurance Trust Funds an amount equal to three times the amounts appropriated and/or deposited in the three funds in the preceding calendar year, multiplied by the number of whole one-tenth percentage points, divided by one thousand, by which the average rate of unemployment exceeded 6 percent in the preceding calendar year. (The multiplier is derived from what is known in economic theory as "Okun's law," which relates each percentage point increase in unemployment to a 3 percent decrease in the gross national product.)

The amounts so transferred would be apportioned among the trust funds in the same proportions as the amounts appropriated to and deposited in the trust funds in that preceding the new subsection would be deemed effective on January 1, 1976. Transfers that would have been made in calendar years 1976 or 1977 are to be made in three equal installments, the first within 30 days after enactment, the second by June 30, 1979, and the third by June 30, 1980. No transfers could be made under the subsection with respect to unemployment for any calendar year after 1982 (i.e., no transfer could be made after 1983).

APPLICATION OF EMPLOYER EXCISE TAX TO WAGES IN EXCESS OF CONTRIBUTION AND BENEFIT BASE

Section 103 of the bill would amend section 230(c) of the Act, and sections 3111(a), 3111(b), 3121(a), and 3221(a) of the Internal Revenue Code gradually to impose the employer portion of the Federal Insurance Contributions Act tax on the entire compensation of employees in covered employment (including employment covered by the railroad retirement acts). For these purposes, the taxable earnings base would be increased to $23,400 and $37,500 with respect to remuneration paid during calendar years 1979 and 1980, respectively, and would be removed as a limit, with respect to employer contributions in regard to annual compensation of their employees, for years after 1980.

INCREASE IN CONTRIBUTION AND BENEFIT BASE FOR EMPLOYEES

Section 104 of the bill would increase the current $16,500 contribution and benefit base for employees, above what it would otherwise be after automatic increases expected in future years under current law, by $600 in each of the four calendar years 1979, 1981, 1983, and 1985.

ADVANCE OF PLANNED EMPLOYMENT TAX INCREASE; INCREASE IN SELF-EMPLOYMENT TAX; REALLOCATION AMONG TRUST FUNDS

Section 105 would amend current law as follows:

OASDI tax rates for employees and employers (sections 3101(a) and 3111(a) of the Internal Revenue Code of 1954):

[Percent]

	Current rate	New rate
1977	4.95	4.95
1978–80	4.95	5.05
1981–84	4.95	5.15
1985–89	4.95	5.40
1990–2010	4.95	6.15
2011 and after	5.95	6.15

Hospital insurance tax rates for employees, employers, and the self-employed (sections 3101(b), 3111(b), and 1401(b) of the Internal Revenue Code of 1954):

[Percent]

	Current rate	New rate
1977	0.90	0.90
1978–80	1.10	1.00
1981–85	1.35	1.15
1986 and after	1.50	1.30

OASDI tax rates for the self-employed (section 1401(a) of the Internal Revenue Code of 1954):

[Percent]

	Current rate	New rate
1977	7.00	7.00
1978	7.00	7.10
1979–80	7.00	7.60
1981–84	7.00	7.70
1985–89	7.00	8.10
1990 and after	7.00	9.20

Allocation of wage tax rate to Disability Insurance Trust Fund (section 201(b)(1) of the Social Security Act).

[Percent]

	Current allocation	New allocation
1977	1.15	1.15
1978–80	1.20	1.50
1981–82	1.30	1.60
1983–85	1.30	1.70
1986–89	1.40	1.85
1990–2010	1.40	2.30
2011 and after	1.70	2.30

Allocation of self-employment tax rate to Disability Insurance Trust Fund (section 201(b)(2) of the Social Security Act).

[Percent]

	Current allocation	New allocation
1977	0.815	0.815
1978	0.850	1.055
1979–80	0.850	1.130
1981–82	0.920	1.200
1983–85	0.920	1.270
1986–89	0.990	1.390
1990–2010	0.990	1.720
2011 and after	1.000	1.720

TITLE II—STABILIZATION OF INCOME REPLACEMENT RATES IN THE OLD-AGE AND DISABILITY INSURANCE PROGRAMS

SHORT TITLE OF TITLE II

Section 201 of the draft bill provides for it to be cited as the "Social Security Benefit Indexing Amendments of 1977".

COMPUTATION OF PRIMARY INSURANCE AMOUNT

Section 202(a) of the bill would amend section 215(a) of the Social Security Act as follows:

Section 215(a)(1) of the Act, as so amended, would establish the formula for computing the primary insurance amount of individuals (described in section 215(a)(3)) to whom the amended section applies. Here is the formula:

Subparagraph (A) of Section 215(a)(1) would set the primary insurance amount (hereinafter "PIA") as the sum of three amounts: 94 percent, 34 percent, and 16 percent of different portions of an insured individual's "average indexed monthly earnings" or AIME.

Subparagraph (B)(i) would establish these AIME portions for 1979: The first portion (to which the 94 percent applies) would be $180; the second portion (to which the 34 percent applies) would be the next $895 of AIME; and the third portion would be the remainder of the individual's AIME.

Subparagraph (B)(ii) would index these 1979 AIME portions to subsequent year increases in the national average wage. This indexing would be accomplished by multiplying the 1979 AIME portions, set out in subparagraph (B)(i), by a fraction whose numerator is the national average wage for the second calendar year preceding the calendar year for which the determination is made, and whose denominator is the national average wage for calendar year 1977. (The final amount would be rounded, by subparagraph (B)(iii), to the nearest $5.00.)

Subparagraph (b)(iv) would specify that the AIME portions to be used in determining an individual's PIA are those established under subparagraph (B) for use in the year in which the individual initially becomes entitled to an old-age insurance benefit, or (if earlier) becomes disabled or dies. In all cases that year, as provided by subparagraph (B)(ii)(I), that year will be the second calendar year preceding the calendar year for which the determination is made.

Subparagraph (C) would establish minimum PIA's. In substance, these are to be the minimums of current law, *i.e.*, $9.00 multiplied by the individual's years of coverage in excess of 10 (the present section 215(a)(3)), and the current minimum benefit amount increased to $120.60 in anticipation of cost-of-living increases to 1979. This latter minimum, like its present-law counterpart, would be subject to adjustment by changes in the Consumer Price Index. The subparagraph's definition of "years of coverage" for purposes of the $9.00 minimum is that of existing law.

Subparagraph (D) would direct the Secretary to publish in the Federal Register, on or before November 1 of each calendar year after 1978, the PIA computational formula (to be applied to AIME, established by subsection (b), infra, for indexing wages) that is to be effective for the following year, and the average wages on which it is based. With the initial publication of that information, the Secretary would also publish all average wage data for years after 1950

Section 215(a)(2) conforms to the new section 215 structure a portion of current section 215(a), applicable to certain disability beneficiaries, but with modifications. In substance, current law provides that an individual entitled to a disability insurance benefit prior to his death, his entitlement to old-age insurance benefits, or his attainment of age 65, continues after any of those

events to retain the PIA used to determine his disability benefit or, if greater than that PIA, the special minimum PIA (which, in the future, would be computed under the previously described paragraph (1)(C)(i)(III)). As modified, the provision would convert a disability beneficiary's PIA into a PIA for OASI purposes if the beneficiary had been entitled to disability benefits for any of the 12 months before the month of his OASI entitlement, DI reentitlement, or death. The converted PIA would be increased by intervening cost-of-living increases. Also, with respect to all disability cases, an individual's disability PIA would be established as the minimum PIA that would be determined with respect to the individual's future entitlement to old-age insurance benefits, disability insurance benefits based upon a new period of disability, or death.

Section 215(a)(3) would establish the categories of individuals to whom the new PIA computation applies, as follows:

Subparagraph (A)(i) of section 215(a)(3) would apply the new computation to every insured individual who was not eligible for an old-age insurance benefit (as the term "eligible" is defined in subparagraph (B), infra) prior to January 1979 and who in that month or thereafter becomes eligible for that benefit, a disability benefit, or dies.

Subparagraph (A)(ii), read in conjunction with paragraph (4)(A), would make clear that the new computation applies to an individual who had been eligible for disability insurance benefits during a disability period that had closed at least 12 months prior to the earlier of the individual's eligibility for an insurance benefit or death, after 1978.

Subparagraph (B) of section 215(a)(3) defines the meaning of the term "eligible" as used in this title. An individual would be deemed to be "eligible" for a benefit if he would be entitled to the benefit but for his failure to file an application for it. In the case of a disability benefit, an individual so deemed eligible for it is also deemed eligible for it during the disability waiting period established by section 223(c)(2), that is, from the onset of the disability (as described in section 216(i)(2)(C)).

Section 215(a)(4) would carve out, from the categories made eligible for the new PIA computation by section 215(a)(3), the the groups to whom the new computation does not apply. These are as follows:

Subparagraph (A) of section 215(a)(4) would exclude individuals who were eligible for or entitled to disability insurance benefits prior to 1979, unless, prior to their death, or their becoming entitled to old-age insurance benefits or a renewed disability benefit, there intervenes a 12-month period during which they were not entitled to disability insurance benefits.

Subparagraph (B) would exclude individuals who would be subject to the new computation by virtue of becoming first eligible for old-age insurance benefits after 1978 and before 1984, but whose PIA would be greater if computed under pre-existing (i.e., current) law. This comparison—between what an individual's PIA would be under wage-indexing and what it would be under current law—would be made by comparing a trial wage-indexed computation with a trial computation that uses the table of benefits in section 215(a) immediately prior to the effective date of these amendments, i.e., December 1978. For these purposes the 1978 table would not be updated by cost-of-living increases that occur from 1979 up to the first year of eligibility or death, and earnings could not be used in and after the first year of eligibility. In addition, the special present law computation involving earnings before 1951 would be used for individuals who become eligible or die after 1978 if a higher PIA would result.

Section 215(a)(5) would preserve the current section 215(a) for application to individuals to whom the new computation does not apply. For this purpose, the table for determining PIA's and maximum family benefits contained in the section will continue to be revised to reflect cost-of-living and earnings base increases after 1978.

Section 202(b) of the bill would amend section 215(b) of the Social Security Act as follows:

Section 215(b) would establish the formula for computing the individual's average indexed monthly earnings or AIME. Here is the computation:

Paragraph (1) of section 215(b) would establish the AIME as the total of the individual's covered wages and self-employment income credited to his benefit computation years, divided by the number of months in those years. These wages and income would first be adjusted, however, to current wage levels, as described in paragraph (3), infra.

Paragraph (2)(A) would, like the current section 215(b)(2)(A), provide that the number of an individual's benefit computation years shall equal the number of "elapsed years", reduced by five. An individual may never have less than two benefit computation years.

Paragraph (2)(B)(i) would, like the current section 215(b)(2)(B), define "benefit computation years" to mean those "computation base years", equal in number to the years determined under the preceding subparagraph, for which the total of the individual's wages and self-employment income is the largest. For the purposes of making this determination, however, wages and self-employment income would be adjusted to current wage levels, as described in paragraph (3), infra.

Paragraph (2)(B)(ii) would define "computation base years" substantially as it is defined by the current section 215(b)(2)(C), modified, however, to take into account the new PIA computational method. Computation base years would, as in present law, be calendar years after 1950 and prior to the year in which the individual becomes entitled to old-age insurance benefits or the year following the year of his death (excluding calendar years entirely included in a disability period).

Paragraph (2)(B)(iii) would re-enact the current section 215(b)(3) definition of "elapsed years", i.e., the number of calendar years after 1950 (or, if later, the year in which the individual attained age 21) and before the year in which the individual died, or if it occurred after 1960, the year in which he attained age 62. The term would continue to exclude any calendar year any part of which is included in a disability period.

Paragraph (3) of section 215(b) would establish the formula for indexing covered wages and self-employment income. Here is the formula:

Subparagraph (A) of paragraph (3) would deem those earnings, for each of an individual's benefit computation years, to be equal to the product of those earnings for that year multiplied by a wage-indexing fraction. That fraction consists of a numerator that is the national average wage for the second calendar year (after 1976) preceding the earliest of the year of the individual's initial entitlement to old-age insurance benefits, initial eligibility for disability insurance benefits, or death; and a denominator that is the national average wage in the benefit computation year being indexed.

Subparagraph (B) would exclude from wage-indexing any earnings credited to a benefit computation year that occurs after the second calendar year referred to in the preceding subparagraph, or that becomes a benefit computation year by virtue of a recomputation. Only the actual earnings in these years would be included in the AIME computation.

Paragraph (4) of subsection 215(b) would preserve the current law provisions applicable to determining average monthly wage for purposes of computing the PIA of individuals to whom wage-indexing is not applicable. However, because an individual to whom wage-indexing is not applicable because of the guarantee provision (section 215(a)(4)(B), supra) would be entitled only to a PIA computed on the basis of the table under section 215(a) as in effect in December 1978, without the benefit of cost-of-living increases that occurred after that date and prior to the year in which the individual attains age 62, the paragraph redefines computation base years as including only years prior to initial eligibility for old-age insurance benefits.

Section 202(c) of the bill would amend section 215(c) of the Act, which deals with PIA computations under prior provisions of the tables now in the law, so as to continue to apply to individuals not eligible for wage-indexing.

Section 202(d) of the bill would wholly revise section 215(d) of the Act, which deals with PIA computations (so-called "empirical old-start" cases) under prior provisions of law. Current law, enacted in 1967, was designed to allow computers to figure out old-start computations for workers who reached age 21 before 1937. The bill would establish an empirical old-start computation for individuals who reached age 21 after 1937 and before 1951.

Essentially, instead of applying the current method of allocating wages established by section 215(d)(1)(B), the wages of such an individual would be allocated equally to each of the years elapsing after the year in which the individual attains age 21 and prior to the earlier of 1951 or the year of the individual's death. No more than $42,000 could be credited during the period.

The individual's PIA would be 40 percent of the first $50 of average monthly wages plus 10 percent of the next $200, increased one percent for each "increment year". Increment years would be equal to a number (not more than 14 nor less than 4) obtained by dividing the total of the individual's earnings credited from 1937 through 1950, by $1,650. This formula is intended to approximate the level of PIA's obtained under the current old-start provisions.

Section 202(e) of the bill would make conforming changes in section 215(e) of the Act, which pertains to exclusion for PIA computational purposes of amounts earned in excess of the contribution and benefit base.

Section 202(f) of the bill would amend section 215(f) of the Act, which deals with recomputations, as follows:

Paragraph (2)(A) of section 215(f) would restate the current recomputation rule under the wage-indexed system: an individual who has wages or self-employment income for a year after 1978 for any part of which he is entitled to old-age or disability insurance benefits will receive a recomputation, subject to the other requirements of the subsection. The addition of entitlement to disability insurance benefits as the basis for a recomputation is new.

Paragraph (2)(B) would provided that the formula to be applied to recomputations will be, in the case of individuals who were not eligible for old-age or disability insurance benefits prior to 1979, the formula in effect for the initial computation of their PIA. That is, increases (on account of indexing) in the AIME portions to which the percentages established by subsection (a)(1)(A) (described supra) apply, that occurred between the time of the individual's initial eligibility for benefits and his recomputation, are disregarded.

Paragraph (2)(C) would restate the current-law rule that the recomputation year is treated as the last year of the individual's computation base years.

Paragraph (2)(D) would restate the current-law rule that makes a recomputation with respect to any year effective beginning with benefits for January of the following year or, in death cases, benefits beginning with the month of death.

Paragraph (3) of current law which is executed, would be repealed.

Paragraph (4), which now provides that a recomputation is effective only if it results in a higher PIA, would be amended to conform to the new structure.

Paragraph (7) would be added to preserve the application of current recomputational law to individuals who become entitled to benefits after December 1978, but under current law (i.e., individual's eligible for benefits prior to 1979 and guarantee cases under new section 215(a)(4)(B)) for a PIA computed under section 215(a) as in effect in December 1978. For guarantee cases, however, the individual's earning in the year of initial eligibility for old-age insurance benefits, or succeeding years, would be disregarded.

Section 202(g) of the bill would amend section 215(i) of the Act, dealing with cost-of-living increases, as follows:

Paragraph (2)(A)(ii) of section 215(i) would be amended primarily to conform to the new benefit structure. The paragraph would preserve the application of the Consumer Price Index to PIA's and family benefits whether computed under wage-indexing or pre-existing law. As under current law, the minimum PIA now contained in section 215(a)(3) and which would be contained in new section 215(a)(1)(C)(i)(III) (described *supra*) would not be indexed.

Paragraph (2)(A) would be further amended to add a new clause (iii) to provide that individuals are to receive any cost-of-living increases in their PIA's provided in the year in which they become eligible for old-age insurance or disability insurance benefits or, if earlier, died. (In subsequent years, cost-of-living increases would be provided in accordance with paragraph (2)(A)(ii).)

Paragraph (2)(D) would be amended to retain cost-of-living indexing for the current-law minimum benefit contained in the present section 215(a) benefit table, and which would be contained in paragraph (1)(C)(II) of the restructured section 215(a) (described *supra*). With respect to other individuals this amendment, read in conjunction with a new paragraph (4), would "decouple" the PIA computation used for individuals coming on to the benefit rolls from the computation of benefits payable to those individuals, resulting from cost-of-living increases, after they are in benefit status, except for individuals who are eligible for benefits prior to 1979 and who become entitled or die thereafter, and guarantee provision cases.

Paragraph (4) would preserve the applicability of section 215(i), as now in effect, to section 215(a), as now in effect. In other words, the table contained in section 215(a) in December 1978 would continue to be adjusted by cost-of-living increases, and would reflect earnings base increases. The adjusted tables would continue to be published in the Federal Register for use in the case of individuals whose PIA is computed after December 1978 under pre-existing law.

MAXIMUM BENEFITS

Section 203(a) of the bill would amend section 203(a) of the Act as follows:

Section 203(a) of the Act, as so amended, would establish the formula for computing the maximum benefit to which individuals may be entitled for any month in respect of the PIA of an insured individual. Here is the formula:

Paragraph (1) of section 203(a) would set the maximum benefit as the sum (rounded to the next higher multiple of $0.10) of four amounts: 150 percent, 275 percent, 130 percent, and 175 percent of different portions of an insured individual's PIA.

Paragraph (2)(A) would establish these PIA portions for 1979: The first portion (to which the 150 percent applies) would be $245; the second portion (to which the 275 percent applies) would be the next $95; the third portion (to which the 130 percent applies) would be the next $115; and the fourth portion would be the remainder of the individual's PIA.

Paragraph (2)(B) would index these 1979 PIA portions to subsequent year increases in the national average wage. This indexing would be accomplished by multiplying the 1979 PIA portions, set out in paragraph (2)(A), by the same fraction used to index the AIME portions under subparagraph (B)(i) of section 215(a)(1), described *supra*. Amounts would be rounded to the nearest $5.00.

Paragraph (2)(C) would direct the Secretary to publish in the Federal Register on or before November 1 of each calendar year after 1978, the maximum benefit formula that is to be effective for the following year.

Paragraph (3)(A) would restate section 203(a)(1) of current law, pertaining to the application of the maximum benefit to individuals entitled to child's benefits on the basis of earnings of more than one worker, except in one respect. Whereas the total benefits in those cases may not now be reduced for any month below the smaller of two amounts, one of which is "the last figure in column V of the table appearing in section 215(a)", the new paragraph would substitute for that amount, in the case where it is based upon the PIA's of wage-indexed insured individuals, an amount equal to the product of 1.75 and the PIA that would be computed under the new section 215(a)(1) for that month with respect to AIME's equal to one-twelfth of the highest contribution and benefit base determined for that year under section 230.

Sections 203(b) through 203(f) would make conforming changes in the remainder of section 203(a) of the Act and would eliminate matter held by the courts to discriminate against illegitimate children in violation of the Constitution. Section 203(g) of the bill would add a new paragraph (6) to section 203(a). The paragraph would preserve the current section 203(a) in effect with respect to insured individuals to whom wage's indexing does not apply. Also, in the case of benefits payable on account of two or more PIA's, where at least one PIA was computed under the wage-indexed system and one was computed under pre-1978 law, the maximum benefit based on those PIA's would be the product of 1.75 and a PIA computed under the wage-indexed system using an AIME equal to one-twelfth of the highest contribution and benefit base determined for the year under section 230.

Section 203(g) of the bill would also add a new paragraph (7) to section 203(a) which (subject to the new paragraph (6)) would preserve the applicabilty of section 203(a), as in effect in December 1978, to primary insurance amounts computed under the tables that will be published under section 215(a), as then in effect. However in guaranteed provision cases, the family maximum will be governed by the amended section 203(a).

CONFORMING CHANGES

Section 204 of the bill contains numerous conforming changes to various sections of title II of the Act and to section 1839(c)(3)(B) relating to the computation of the SMI monthly premium rate. Subsection (d) of this section of the bill would establish a new category of beneficiaries for hospital insurance benefits under part A of title XVIII: individuals who would meet all current criteria for eligibility except for the filing of an application for title II benefits. The purpose of this category is to permit individuals who are not actually retired to file for Medicare entitlement only without thereby fixing the benefit computation years subject to wage-indexing in the computation of their AIME.

EFFECTIVE DATE PROVISIONS

Section 205 of the bill would make the bill, with one exception, effective with respect to monthly benefits and lump-sum death payments under title II of the Social Security Act payable for months after December 1978. The exception is the amendment to section 215(d), allowing the use of the empirical method to determine a PIA based on earnings before 1951 for those who attained age 22 between 1937 and 1951. This section, section 202(d), is effective for monthly benefits for those eligible or who die after 1977.

TITLE III—ELIMINATION OF GENDER-BASED DIFFERENCES IN STATUTORY PROVISIONS OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

SHORT TITLE

Section 301 of the draft bill would provide the short title of the title—the "Social Security Equal Rights Amendments of 1977".

BENEFITS FOR DIVORCED MEN

Section 302 of the draft bill would provide social security benefits to aged divorced husbands and aged or disabled surviving divorced husbands of covered female workers. Currently, benefits are provided to aged divorced wives and aged or disabled surviving divorced wives but benefits are not provided for identically situated men.

REMARRIAGE OF SURVIVING SPOUSE BEFORE AGE 60

Section 303 of the draft bill would make the remarriage rule for widowers the same as it now is for widows. Currently, widows and widowers who remarry before age 60 are treated differently with respect to their eligibility for benefits based on their deceased spouses' earnings. A woman may qualify for benefits as a surviving spouse even though she has remarried, so long as she is not married at the time she applies for benefits. A man, on the other hand, currently loses forever his eligibility as a surviving spouse of a covered female worker if he remarries before age 60.

ILLEGITIMATE CHILDREN

Section 304 of the draft bill would modify the rules applicable to benefits for illegitimate children so that such children will be eligible for benefits based on their mothers' earnings as they are currently for benefits based on their fathers' earnings. In general, the determination of one's status as a parent or child for purposes of the social security program is based upon the interstate succession laws of the State in which the insured individual is domiciled. However, an illegitimate child may be eligible for benefits based upon a man's earnings, without regard to the appropriate State interstate laws, if, among other things, the man has been decreed by a court to be the father of the child, or the man is shown by evidence satisfactory to the Secretary to be the father of the child. These provisions do not currently apply when an illegitimate child claims a benefit based upon his mother's earnings.

TRANSITIONAL INSURED STATUS

Section 305 of the draft bill would apply to husbands and widowers certain social security eligibility provisions which currently apply to wives and widows. Under current law, certain workers who attained age 72 before 1969 are eligible for social security benefits based upon fewer quarters of coverage than would ordinarily be re-

quired. Wives and widows of eligible male workers who reached 72 prior to 1969 also are eligible for benefits under this provision, but husbands and widowers of eligible female workers are not. The amendment which would be made by section 305 would extend "transitional insured status" to such husbands and widowers.

EQUALIZATION OF BENEFITS UNDER SECTION 228

Section 306 of the draft bill would amend the section of the Social Security Act which authorizes benefits for certain uninsured individuals who attained the age of 72 prior to 1972. In order for a couple to receive payments under this section, both spouses must have attained age 72 prior to 1972. However, even though each spouse must meet the same eligibility requirements he or she would have to meet if not married, once the eligibility of each is determined, the couple is treated as if the husband were the retired worker and the wife were the dependent. The amount of the special payment for the couple is not divided equally between husband and wife. Rather, the payment, which comes largely from general revenues, is allocated so that the husband is paid two-thirds of it and the wife is paid one-third. Section 306 of the draft bill would require that the payment be divided evenly.

FATHER'S INSURANCE BENEFITS

Section 307 of the draft bill would provide social security benefits to a father who has in his care an entitled child of his retired, disabled, or deceased wife (or deceased former wife). Currently under the statute, a mother who has in her care a child of such a spouse receives a benefit for both herself and her child based upon the earnings of her husband. As a result of a Supreme Court decision in *Weinberger* v. *Wiesenfeld*, 420 U.S. 636 (1975), a similar situated widowed father can qualify for father's benefits based on his deceased wife's earnings. Benefits are not provided for the husband of a retired or disabled worker (or the surviving divorced husband of a deceased worker) who has an entitled child in his care. Section 307 would amend the statute to conform to the *Wiesenfeld* decision, and would provide benefits for a husband or surviving divorced father with an entitled child in his care.

EFFECT OF MARRIAGE ON CHILDHOOD DISABILITY BENEFICIARY

Section 308 of the draft bill would terminate the benefits of a childhood disability beneficiary, regardless of his sex, when his spouse is no longer eligible for benefits as a childhood disability beneficiary or disabled worker beneficiary. A childhood disability beneficiary is a person with a severe disability that began before age 22 who is entitled to benefits as the son or daughter of an insured worker who is entitled to social security benefits (or who has died). In general, the social security law provides for termination of dependent's or dependent survivor's benefits at the time of marriage, since it is presumed that the dependency situation necessitating the benefits no longer exists. An exception is made when one social security beneficiary marries another, since it cannot be presumed that either one is able to support the other. Thus, in general, when a childhood disability beneficiary marries another social security beneficiary, none of the benefits are terminated by reason of the marriage. However, when a childhood disability beneficiary is married to another childhood disability beneficiary or to a disabled worker beneficiary, and the spouse of the childhood disability beneficiary has his benefits terminated because he recovers or engages in substantial work, the continued eligibility of the childhood disability beneficiary depends upon his sex. A woman's childhood disability benefits end when her husband's disability benefits end. However, a man's childhood disability benefits are not terminated when his wife's disability benefits end. The amendments made by section 408 would be effective with respect to terminations of benefits of childhood disability or disabled worker beneficiaries occurring after the month of enactment.

EFFECT OF MARRIAGE ON DEPENDENTS' OR DEPENDENT SURVIVORS' BENEFITS

Section 309 of the draft bill would terminate social security payments to an individual, regardless of his sex, who is receiving dependents' or dependent survivors' benefits, when his spouse is no longer eligible for childhood disability benefits or benefits as a disabled worker. Currently, in general, if a childhood disability or disabled worker beneficiary marries a person getting certain kinds of social security dependent or survivor benefits, the benefits of each individual continue. If the disabled beneficiary is a male and he recovers or engages in substantial work and his benefits are terminated, his wife's benefits also end. If, however, the disabled beneficiary is a woman, her husband's benefits are not terminated when her benefits are. The amendments made by section 309 would be effective with respect to terminations of benefits of childhood disability or disabled worker beneficiaries occurring after the month of enactment.

TREATMENT OF SELF-EMPLOYMENT INCOME IN COMMUNITY PROPERTY STATES

Section 310 of the draft bill would permit self-employment income of a married couple in a community property State to be credited for social security purposes to the spouse who exercises the greater management and control over the trade or business. Currently, in community property States, all income from a business owned or operated by a married couple is deemed, for purposes of social security, to be the husband's, unless the wife exercises substantially all management and control. In all other States, such self-employment income is credited to the spouse who owns or is predominantly active in the business. The amendment made by section 309 would be effective with respect to taxable years beginning after the month of enactment.

CREDIT FOR CERTAIN MILITARY SERVICE

Section 311 of the draft bill would apply to widowers a provision of the social security law which currently permits a widow, under certain circumstances, to waive the right to a civil service survivor's annuity and receive credit (not otherwise possible) for military service prior to 1957 for purposes of determining eligibility for, or the amount of, social security survivors' benefits.

REVISED TEST FOR DEPENDENT'S BENEFITS

Section 312 of the draft bill would modify the test currently provided by the Social Security Act to determine whether a man was dependent upon his wife. The statute requires that to be dependent a man must have received at least one-half his support from his wife at the time the event occurred which gave rise to the entitlement to benefits. In the case of a woman, the statute provides no test; rather, a woman is presumed dependent upon her spouse. This gender-based distinction in determining one's eligibility for dependents' benefits was held to be unconstitutional in *Califano* v. *Goldfarb* (March 2, 1977). The modified test which would be established by section 312 would be applicable to both wives and husbands, widows and widowers, and mothers and fathers. Under the test which would be required by section 312, to be deemed a dependent, either spouse would have to show that his income, for the three years preceding the event giving rise to social security eligibility, was less than that of his spouse. The amendments by section 312 would be effective with repect to benefits for months after the month of enactment. However, the new dependency test provided by the section would not apply to a person who is entitled (or who, upon application, would have been entitled) to wife's, husband's, widow's, widower's, mother's, or father's benefits for the month of enactment until such time as he is not entitled to any such benefits. Standards for determining eligibility for dependents and survivors benefits under the Railroad Retirement Act will not be modified by this amendment.

CONFORMING AMENDMENTS

Section 313 of the draft bill would make a number of conforming changes in provisions of title II of the Social Security Act which are required on account of the substantive changes which would be made by the preceding sections of title III of the draft bill.

EFFECTIVE DATE

Section 314 of the draft bill would provide that the amendments made by sections 302, 303, 304, 305, 306, 307, 311, and 313 of the draft bill would be effective with respect to benefits under title II of the Social Security Act for months after the month of enactment of the draft bill.

By Mr. JACKSON (for himself, Mr. ANDERSON, Mr. KENNEDY, Mr. METZENBAUM, Mr. HART, and Mr. SCHWEIKER):

S. 1903. A bill to amend chapter 55 of title 10, United States Code, to authorize the use of health maintenance organizations in providing health care under such chapter, and for other purposes; to the Committee on Armed Services.

HMO OPTION FOR CHAMPUS BENEFICIARIES

Mr. JACKSON. Mr. President, today I am introducing legislation to revise the civilian health and medical program for the uniformed services—CHAMPUS—by authorizing the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, to contract with qualified health maintenance organizations for the purpose of providing health care to CHAMPUS beneficiaries.

This legislation is similar to S. 2934 which I introduced in the 94th Congress; however, I believe that some important improvements have been developed which will help to make CHAMPUS a better run and more cost efficient program if enacted.

First, my bill provides for the establishment of an enrollment program for CHAMPUS eligible persons. The lack of a defined enrolled population is one of the most basic deficiencies of the CHAMPUS program. The absence of this data severely impairs the ability of the Department of Defense to administer this program. The Department has no idea exactly how many eligible beneficiaries there are, where they live, where they are likely to seek benefits, whether they have coverage under some other medical insurance program, and so on. It is simply impossible for the Department to eliminate the inefficiencies and abuses which exist in CHAMPUS unless it first develops basic information about who is eligible for the program.

The second major provision of the bill would authorize the Secretary of the

Department of Defense to contract with health maintenance organizations to provide CHAMPUS benefits if several conditions are met. First, the Secretary must be able to certify that the per capita costs of providing benefits through an HMO will not exceed either the per capita cost of providing benefits through the existing fee for service system to those beneficiaries who would enroll in an HMO or the existing per capita rate which the HMO in question charges its non-CHAMPUS enrollees. The Secretary would also have to certify that the existing military medical facilities in the area to be served under the contract cannot meet the medical needs of the CHAMPUS population without overburdening those facilities.

The purpose of these provisions is to allow HMO's into the CHAMPUS program and to assure that this will result in cost savings to the Government. It would not be permissible to contract with an HMO if it would cost the Government more per capita to do so than to continue the existing system; and, it would not be permissible for the Government to get into a position where it was paying an HMO to provide health care while military facilities are underutilized.

My bill would limit eligibility for this program to HMO's currently approved by the Department of HEW under the Public Health Services Act or by the Civil Service Commission under the Federal employees health benefits program. It would also require the Department of Defense to monitor the effectiveness of HMO's at providing health care benefits pursuant to contracts authorized by the bill and to report its findings to the Congress.

By Mr. BARTLETT:

S. 1904. A bill to amend the Customs Administrative Act of 1938 to prohibit the Secretary of the Treasury from extending the privilege of admission free of duty without entry of their baggage and effects to high officials of the U.S. Government; to the Committee on Finance.

Mr. BARTLETT. Mr. President, until recently, Members of Congress returning to the United States from travels abroad were accorded certain privileges not available to other U.S. citizens. Specifically, I am referring to the privilege of bringing various articles into this country without having to pay the customs duty that would otherwise have applied to those articles.

This exception to our customs laws was based on a Treasury Department ruling issued many years ago. No specific statutory authorization for this exception has ever existed. Fortunately, this early Treasury Department ruling was withdrawn by Secretary Simon late in 1976, by Treasury decision 76–325. Since the effective date of that decision, Members of Congress have been required to pay the same customs duties as apply to other returning citizens.

While this inequity in the application of the customs laws has been remedied administratively at least for the present, I think it is important that Congress make it quite clear that no such special allowance for Members of Congress should be allowed in the future. I am therefore introducing today legislation which, if enacted, would foreclose some future Secretary of the Treasury from reopening this particular loophole.

This bill would amend the Customs Administrative Act of 1938 (19 U.S.C. 1321). It provides that the Secretary of the Treasury may not extend the privilege of admission free of duty without entry of baggage and effects to any officer or employee of the U.S. Government under terms or conditions other than those under which such privilege is extended to all U.S. citizens returning from travels abroad.

Mr. President, absent some legitimate reason for treating Congressmen differently from other citizens, it seems to me that we should be treated like every other citizen. This bill would accomplish that objective. I urge that Congress give favorable consideration to it.

By Mr. DOLE (for himself, Mr. JAVITS, and Mr. STAFFORD):

S. 1905. A bill to authorize Federal assistance to private, profitmaking agencies and organizations under title II of the Rehabilitation Act of 1973; to the Committee on Human Resources.

Mr. DOLE. Mr. President, I am pleased to introduce today legislation which would make private agencies and organizations eligible to apply for research and training money under the Rehabilitation Act. As you may know, this landmark act created the Rehabilitation Services Administration within HEW, and instructed it to promote the development of advanced medical technology and information for finding solutions to rehabilitation problems of the handicapped.

The RSA funds research and training projects working to discover new ways of serving the disabled in order to meet their legislative directive. Although this organization is only a few years old, it has become a pacesetter in providing assistance to the handicapped, in spite of the limited resources and restrictions with which it has had to cope with.

Growth has been restricted in part because of legislative language which permits RSA to contract with only public or nonprofit organizations for research and training projects.

The omission of private agencies clamps a heavy restriction on the RSA, for it does not allow them to tap the knowledge and experience of private industry. Some of these target groups have no interest in spending money to conduct research on rehabilitation programs. Why? Because the handicapped market is numerically too small to justify this expenditure.

However, if such research can be contracted through RSA, this incentive should make private groups more receptive to conducting research for rehabilitation. Many of these businesses have equipment and laboratories that would cost millions of dollars to duplicate. It is the handicapped individual who loses if RSA is not allowed to benefit from existing technology.

This problem also affects small business enterprises that are interested in addressing rehabilitation needs of the handicapped, yet they are forced to operate within the confines of a small budget. Often, these small businesses are run by handicapped persons who are trying to earn a living and who know from personal experience how few manufacturers care to serve handicapped consumers. These small operations are eager to work on research projects for special needs persons, but they lack the financial assistance to do so. Businesses employing one, two, or three persons simply do not have sufficient capital to finance this research.

There are examples of this situation all across my State of Kansas. Small business enterprises are still operated from a personal vantage point. The owner or manager may be handicapped, or there may be a handicapped employee, or a handicapped friend or relative. These concerned persons are familiar with the needs in this area, yet don't have the money for research. Kansas businesses have contacted me asking about Federal assistance. I have to tell them that because they are not nonprofit. RSA cannot even consider their proposal, regardless of its merit.

I do not see the rationale for this provision—and certainly it is inconsistent with Federal policy in other programs. For example, the Bureau of Education for the Handicapped has the option of contracting with private agencies, and many successful educational programs have resulted. It should be recognized that some private organizations have resources, equipment, and experience that are not duplicated in the nonprofit sector.

A similar bill to mine has been introduced in the House of Representatives by Congressmen TEAGUE and BRADEMAS. I am pleased that Senators JAVITS and STAFFORD have joined as cosponsors to my bill, and I am hopeful that this provision will be accepted as an amendment to the Rehabilitation Act.

By Mr. CRANSTON:

S. 1906. A bill to establish the Channel Islands and Santa Monica Mountains National Park and Seashore in the State of California, and for other purposes; to the Committee on Energy and Natural Resources.

CHANNEL ISLANDS AND SANTA MONICA MOUNTAINS NATIONAL PARK AND SEASHORE

Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to establish the Channel Islands and Santa Monica Mountains National Park and Seashore. The bill is nearly identical to H.R. 7264 introduced in the House by Congressman ANTHONY BEILENSON.

Mr. President, the Channel Islands and Santa Monica Mountains comprise the last major undeveloped recreational resource in the Los Angeles metropolitan area. But continuing pressures of urbanization are threatening the region. Roads are being built, mountains scarred, and subdivisions developed eliminating valuable potential parkland. Unless we act now, by creation of a national park and seashore, we will lose this open space forever.

Today, the Los Angeles Basin with its 10 million people has less open space for public recreational and cultural use than

any other major city in the United States, including New York. At the same time, the strain on existing open space and recreational facilities is intensified by the influx of over 8 million visitors to southern California each year.

The Santa Monica Mountains contain about 210,000 acres of open space, stretching from the Pacific Ocean to the heart of downtown Los Angeles. Placing the mountains in the national park system would create a park of national significance and high recreational value. The beaches, coastal bluffs and canyons, high mountain meadows, and hillsides covered with sage, yucca and chapparel would be opened up to hikers, picknickers, and beachgoers. When added and connected to the 40,000 acres of existing State, county and city parks, it would be possible to establish a hiking and equestrian trail system on public lands throughout the entire mountain range.

Thirty miles offshore are the Channel Islands—including Santa Cruz and Santa Rosa, now devoted to ranching; San Miguel, under the jurisdiction of the Department of the Navy; and Anacapa and Santa Barbara, which are designated as a national monument.

The national monument islands are characterized by high sea cliffs and rocky terrain where succulents and desert cacti grow. Sea lions, sea otters, sea elephants and the Guadalupe fur seal are found on the small sandy beaches of both islands. Santa Cruz Island, 97 square miles, has extensive acreage of grasslands, numerous streams, forests of pine and beautiful wooded areas of oak, holly and ironwood. The 86-square-mile Santa Rosa Island has lush fields of grass and unique varieties of wildflowers. San Miguel, the westernmost island of the chain 22 square miles, is covered with space vegetation. But the island is of interest with one of the largest known colonies of sea elephants, six other species of pinnipeds, a distinct variety of island fox, and rookeries of sea birds.

Mr. President, I have previously sponsored separate bills to protect and preserve the Channel Islands and Santa Monica Mountains. This legislation would put them under joint management of the National Park Service. The Channel Islands and Santa Monica Mountains are part of a single mountain range 125 miles long, which is mostly submerged beneath the Pacific Ocean. In addition to this geologic tie, the mainland mountains are linked to the islands historically and culturally. Remains of the earliest known inhabitants of California, the Chumash Indians, have been found on Santa Cruz Island. Altogether over a thousand archeological sites exist on both the islands and the mountain range. The islands, more protected over the centuries from development by man, also display unique flora and fauna providing insight into the natural history of the southern California coast.

Mr. President, the bill I am introducing today designates the Channel Islands and Santa Monica Mountains National Park and Seashore, authorizes $150 million for land acqustion and $50,000 for development, and calls for the completion of the acquisition of park lands within 5 years. The Channel Islands National Monument would be abolished.

Because of the fragile nature of the islands, the legislation stipulates that they be administered on a limited-entry basis as a scientific resource, while more intensive public recreation would be located in the Santa Monica Mountains. The bill specifically provides that San Miguel, Santa Rosa and Santa Cruz would not be opened to the public until the Secretary of the Interior approves a park management plan which insures permanent protection of the islands. In addition, in view of the fact that Santa Rosa and Santa Cruz Islands are presently protected under private ownership, the bill provides that no Federal funds can be expended for their acquisition against the wishes of the owners unless the present use changes and the islands become threatened.

The bill also creates a Citizens Advissory Commission to work with the Interior Department. The Citizens Advisory Commission would be composed of members of the public as well as individuals representing the various State and local governmental units in the area.

Mr. President, I am aware that other proposals have been put forward to protect the Channel Islands and Santa Monica Mountains. While I believe that national park designation is the best way to preserve these areas, the Senate Energy and Natural Resources Committee may wish to examine alternative approaches. I am eager to work with the committee to develop a final bill.

Mr. President, there is strong local public support for the creation of the Channel Islands and Santa Monica Mountains National Park and Seashore. An article recently appeared in the Los Angeles Times making the case for immediate Federal acquisition of these parklands. Mr. President, I ask unanimous consent that the article appear in the RECORD following my statement.

I also ask unanimous consent that the text of the bill appear at this point in the RECORD.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 1906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSE

SECTION 1. In order to protect and preserve in public ownership an area in the State of California possessing significant scenic, wilderness, recreational, public health, educational, scientific, natural, and archeological values, and in order to provide for the maintenance of recreational open space necessary to the urban environment, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall establish the Channel Islands and Santa Monica Mountains National Park and Seashore (hereinafter referred to as the "park and seashore"). In the management of the park and seashore, the Secretary shall utilize the park and seashore resources in a manner which will preserve its scenic, natural, and historical setting and its public health value as an airshed for the Southern California metropolitan area while providing for the recreational and educational needs of the visiting public. In order to preserve their delicate habitat, the Channel Islands and the channel waters shall be managed in a manner consistent with their status as a fragile resource area.

LAND ACQUISITION

SEC. 2. (a) The park and seashore shall consist of the lands and waters and interests therein generally depicted on the map entitled "Boundary Map, Channel Islands and Santa Monica Mountains National Park and Seashore, California", numbered , and dated , which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior, Washington, District of Columbia, and in the offices of the General Services Administration in the Federal Office Building in West Los Angeles, California, and in the main public libraries in Ventura, and Santa Barbara, California. After advising the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, in writing, the Secretary may make minor revisions of the boundaries of the park and seashore when necessary by publication of a revised drawing or other boundary description in the Federal Register.

(b) Within the boundaries of the park and seashore the Secretary, after consultation with the Governor of the State of California and the California Coastal Commission and the Santa Monica Mountain Comprehensive Planning Commission, may acquire lands, improvements, waters, or interests therein by donation, purchase with donated or appropriated funds, transfer from any Federal agency, exchange, or otherwise. Any lands or interests owned therein, as well as any lands hereafter acquired, by the State of California or any political subdivision thereof (including any park district or other public entity) may be acquired only by donation or exchange. Notwithstanding any other provisions of law, any Federal property located within the boundaries of the park and seashore area shall, with the concurrence of the head of the agency having custody thereof, be transferred without transfer of funds to the administrative jurisdiction of the Secretary for the purposes of the park and seashore.

(c) The Channel Islands National Monument (52 Stat. 1541) is hereby abolished and any funds available for purposes of the monument shall be available for purposes of the National Park and Seashore.

(d) With respect to Santa Cruz and Santa Rosa Islands, the Secretary shall not acquire the property by condemnation unless the Secretary finds that the lands are being used, or are threatened to be used, for purposes which are detrimental to the purposes of the park and seashore.

(e) With respect to improved properties, as defined in this Act, the Secretary may acquire scenic easements or such other interests as, in his judgment, are necessary for the purposes of the park and seashore. Fee title to such improved properties shall not be acquired unless the Secretary finds that such lands are being used, or are threatened to be used, for purposes which are detrimental to the purposes of the park and seashore, or unless each acquisition is necessary to fulfill the purposes of this Act.

(f) When any tract of land is only partly within the boundaries of the park and seashore, the Secretary may acquire all or any portion of the land outside of such boundaries in order to minimize the payment of severance costs. Land so acquired outside of the boundaries may be exchanged by the Secretary for non-Federal lands within the boundaries. Any portion of the land acquired outside the boundaries and not utilized for exchange shall be reported to the General Services Administration for disposal under the Federal Property and Administrative Services Act of 1949, as amended: *Provided*, That no disposal shall be for less than the fair market value of the lands involved.

(g) For the purposes of this Act, the term "improved property." means (i) a detached single-family dwelling, the construction of which was begun before January 1, 1978 (hereafter referred to as "dwelling"), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures necessary to the dwelling which are situated on the land so designated, or (ii) property developed for agricultural uses, together with any structures accessory thereto which were so used on or before January 1, 1978. In determining when and to what extent a property is to be considered an "improved property", the Secretary shall take into consideration the manner of use of such buildings and lands prior to January 1, 1978, and shall designate such lands as are reasonably necessary for the continued enjoyment of the property in the same manner and to the same extent as existed prior to such date.

(h) The owner of an improved property, as defined in this Act, on the date of its acquisition, as a condition of such acquisition, may retain for herself or himself, her or his heirs and assigns, a right of use and occupancy of the improved property for noncommercial residential or agricultural purposes, as the case may be, for a definite term of not more than twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or the death of her or his spouse, whichever is later. The owner shall elect the term to be reserved. Unless the property is wholly or partially donated, the Secretary shall pay to the owner the fair market value of the property on the date of its acquisition, less the fair market value on that date of the right retained by the owner. A right retained by the owner pursuant to this section shall be subject to termination by the Secretary upon his determination that it is being exercised in a manner inconsistent with the purposes of this Act, and it shall terminate by operation of law upon notification by the Secretary to the holder of the right of such determination and tendering to him the amount equal to the fair market value of that portion which remains unexpired.

(i) In exercising the authority to acquire property under this Act, the Secretary shall give prompt and careful consideration to any offer made by an individual owning property within the park and seashore to sell such property, if such individual notifies the Secretary that the continued ownership of such property is causing, or would result in, undue hardship.

SEC. 3. (a) Within six months after the date of enactment of this Act, in connection with the description of the boundaries of the park and seashore pursuant to the second section of this Act, the Secretary shall identify the areas within such boundaries which must be acquired and held in public ownership for the following critical purposes: Preservation of beaches and coastal uplands; protection of undeveloped inland stream drainage basins; connection of existing State and local government parks and other publicly owned lands to enhance their potential for public recreational use; protection of existing park roads and scenic corridors, including such right-of-way and adjacent or related sites as are necessary for the development of the Mulholland Scenic Parkway Corridor; and development and interpretation of historic sites and recreation areas in connection therewith, to include, but not limited to, parks, picnic areas, scenic overlooks, hiking trails, bicycle trails, and equestrian trails.

(b) The Secretary may from time to time revise the identification of such areas, and any such revisions shall become effective in the same manner as herein provided for revisions in the boundaries of the park and seashore.

(c) Within one year after the date of the enactment of this Act, the Secretary shall submit, in writing, to the Committee on Interior and Insular Affairs of the House of Representatives, the Committee on Energy and Natural Resources of the Senate, and the Committees on Appropriations of the House and the Senate a detailed plan which shall indicate:

(i) the lands and areas identified in subsection (a),

(ii) the lands which he has previously acquired by purchase, donation, exchange, or transfer for the purpose of this recreation area, and

(iii) the annual acquisition program (including the level of funding) which he or she recommends for the ensuing five fiscal years.

(d) It is the express intent of the Congress that the Secretary shall substantially complete the acquisition program contemplated by this Act within five years after the date of its enactment and shall substantially complete the acquisition of the lands, improvements, waters, or interests therein identified for the critical purposes referred to in subsection (a) within three years after the date of enactment of this Act, and during such three year period funds appropriated for the acquisition of property within the park may be used only for acquisition of the lands, improvements, waters, and interests therein so identified.

ADMINISTRATION

SEC. 4. (a) The Secretary shall establish the park and seashore by publication of a notice to that effect in the Federal Register at such time as the lands, improvements, waters, and interests therein have been acquired in an amount sufficient in the determination of the Secretary to be administered efficiently for the purposes of this Act. Such notice shall include a map and a detailed description of the boundaries of the park and seashore.

(b) The Secretary shall administer the park and seashore in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1 et seq.). In the administration of the park and seashore, the Secretary may utilize such statutory authority available for the conservation and management of wildlife and natural resources as he or she deems appropriate to carry out the purpose of this Act. The islands and the fragile resource areas of the mainland portion of the park and seashore shall be administered on a low-intensity, limited-entry basis.

(c) San Miguel, Santa Cruz, and Santa Rosa Islands shall not be opened to the public until the Secretary has approved a park management plan which insures permanent protection of unique island species and provides for continued scientific research.

(d) The Secretary may enter into cooperative agreements with the State of California, or any political subdivision thereof, for the rendering, on a reimbursable basis, of rescue, firefighting, and law enforcement services and cooperative assistance by nearby law enforcement and fire preventive agencies.

(e) Notwithstanding any other provision of law, the Secretary is authorized to accept donations of funds, property, or services from individuals, foundations, corporations, or public entities for the purpose of land acquisition and providing services and facilities which he or she deems consistent with the purposes of this Act.

(f) The Secretary may, on his or her own initiative, or at the request of any public agency or local government having jurisdiction over land located within or adjacent to the park and seashore, assist and consult with the appropriate officers and employees of such public agency or local government in establishing zoning laws or ordinances which will assist in achieving the purposes of this Act. In providing assistance pursuant to this subsection, the Secretary shall endeavor to obtain provisions in such zoning laws or ordinances which—

(1) have the effect of prohibiting noncompatible use of all real property adjacent to the park and seashore;

(2) aid in preserving the character of the park and seashore by appropriate restrictions on the use of real property in the vicinity including, but not limited to, restrictions upon building and construction of all types; signs and billboards; the burning of cover; significant modifications of natural habitat types; removal of topsoil, sand, or gravel; dumping, storage, or piling of refuse; or any other use which would detract from the aesthetic character of the recreation area; and

(3) have the effect of providing that the Secretary shall receive notice of any hearing for the purpose of granting a variance and of any variance granted under, or of any exception made to, the application of such law or ordinance.

(g) The Secretary shall give full consideration to the recommendations of the California Department of Parks and Recreation, the Santa Monica Mountains Comprehensive Planning Commission, and the California Coastal Commission.

TRANSPORTATION STUDIES

SEC. 5. (a) The Secretary, in cooperation with the State of California and the affected political subdivisions thereof, local and regional transportation agencies, relevant advisory groups, and the Secretary of Transportation, shall plan a coordinated public and private transportation system to and within the mainland portions of the park and other units of the National Park System in Los Angeles and Ventura Counties. This system shall include but not be limited to the Mulholland Scenic Parkway with its roadway and its bicycle, equestrian, and hiking trails.

(b) The Secretary shall make and submit to the Congress a study as to the design, construction, and operation of a public scenic transportation system to and from the mainland and the Channel Islands. The Secretary shall implement the construction and operation of such transportation system, unless within thirty calendar days of continuous session of Congress after the report has been submitted to it, either House passes a resolution stating in substance that that House does not favor the construction of such system. Such transportation system shall be consistent in all respects with the more stringent of environmental standards established by the State of California and the United States.

ADVISORY COMMISSION

SEC. 6. (a) There is hereby established the Channel Islands and Santa Monica Mountains National Park and Seashore Advisory Commission (hereinafter referred to as the "Advisory Commission"). The Advisory Commission shall terminate ten years after the date of establishment of the park and seashore.

(b) The Advisory Commission shall be composed of seventeen members to serve for terms of five years as follows:

(1) The fourteen members of the Santa Monica Mountains Comprehensive Planning Commission; or the successor regional agency. After the termination of the Santa Monica Mountains Comprehensive Planning Commission, the Secretary shall appoint fourteen members with approximately the same representation of local areas and interests.

(2) One representative appointed by and who is a member of the South Central Coast

Regional Coastal Commission of California or if there is no such commission, one representative appointed by the California Coastal Commission.

(3) One representative appointed by and who is a member of the South Coast Regional Coastal Commission of California or if there is no such commission, one representative appointed by the California Coastal Commission.

(4) One representative appointed by and who is a member of the Citizens Advisory Committee on the Mulholland Scenic Parkway.

The Advisory Commission shall designate one of its members as Chairperson and any vacancy shall be filled in the same manner in which the original appointment was made.

(c) Members of the Commission shall serve without compensation as such, but the Secretary may pay expenses reasonably incurred by the Commission and reimburse members for reasonable expenses incurred in carrying out their responsibilities under this Act on vouchers signed by the Chairperson.

(d) The Secretary, or his or her designee, shall from time to time but at least semiannually, meet and consult with the Advisory Commission on matters relating to the development of this recreation area and with respect to carrying out the provisions of this Act.

SEC. 7. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, but not more than $150,000,000 for the acquisition of lands and interests in lands.

(b) For the development of essential public facilities there are authorized to be appropriated not more than $500,000. Within one year from the date of establishment of the park and seashore pursuant to this Act, the Secretary shall, after consulting with the Advisory Commission, develop and transmit to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a final master plan for the development of the park and seashore consistent with the objectives of this Act, indicating—

(1) the facilities needed to accommodate the health, safety, and recreation needs of the visiting public;

(2) the location and estimated costs of all facilities;

(3) the projected need for any additional facilities within the area;

(4) any additions or alterations to the boundaries of the park and seashore which are necessary or desirable to the better carrying out of the purposes of this Act.

(c) For the design and study of the transportation system referred to in section 5 of this Act there are authorized to be appropriated not more than $500,000.

SANTA MONICA MOUNTAINS ARE NOT OUT OF THE WOODS

(By Mary Ellen Strote and Susan Nelson)

The Santa Monica Mountains have been "saved," haven't they? The creation of three state parks in the mountains and the City of Los Angeles' commitment to preserve the Mulholland Parkway all seem to assure that the mountains will be set aside for the public's enjoyment.

A nice thought, but unfortunately it isn't true. Even though they take in 28,000 acres, the three state parks—Topanga, Malibu Creek and Pt. Mugu—are relatively small green spots in a region now threatened by speculators with subdivision maps and blueprints rolled under their arms. Every day bulldozers scrape more chaparral from the sides of the Santa Monica range's steep hills; every day ancient sycamores are uprooted and high ridges leveled to make way for building pads.

Despite these pressures, much of the Santa Monicas remain, at least for now, a valuable and unique wilderness which long has been discussed as the obvious site to become Southern California's first national park. The introduction of legislation by U.S. Rep. Anthony Beilenson (D-Los Angeles) in May is the latest in a series of attempts in Congress achieve this aim.

Stretching west from the crowded picnic tables of Griffith Park, the Santa Monica is a picturesque range of mountains which divides the cultural and business centers of Los Angeles' mid-Wilshire district from the suburban San Fernando Valley. Along the way the mountains take on other names—Hollywood Hills, Beverly Hills—but they continue west in an uninterrupted upthrusting, passing rocky streams in Topanga Canyon and fern forests near Malibu.

They tower over oak-studded, straw-colored grazing lands in Calabasas and Agoura and finally ease down into the coastal marshes of Ventura County. Thirty miles offshore, they rise again, this time as isolated mountaintops known as the Channel Islands—including Santa Cruz and Santa Rosa, now devoted to ranching; San Miguel, owned by the U.S. Navy, and Anacapa and Santa Barbara, which have been designated as national monuments.

Beilenson's bill, would create the Channel Islands and Santa Monica Mountains National Park and Seashore, would enable the acquisition of land to tie together existing city, county and state facilities in the mountains and bring the offshore islands into the chain. Hikers, cyclists and pleasure drivers would be able to follow an uninterrupted path of parks, greenbelts and scenic traffic corridors all the way from the densely populated heart of the city to the shores of the Pacific. But if land acquisitions are not made now, the opportunity to preserve this open space will be lost forever.

The idea of linking the mountains with the offshore islands as a national park is a new one, but efforts to protect the islands date back 20 years in Congress, and conservation groups have been seeking a national park in the Santa Monicas for 14 years.

The reasons for such a long delay in winning approval remain a mystery. Horace Albright, an early director of the National Park Service, offered one explanation recently when he said that "had the Santa Monicas been located in any other part of America, they would long ago have been set aside in the national interest. Only in California, which boasts such an abundance of spectacular scenery, has it been possible to ignore them."

We have scenery, yes, but not enough of it is open to the public for recreation. For many reasons, the park is a necessity:

Southern California is one of the most park-poor areas of the country. Only 2 percent of the City of Los Angeles is reserved for open space, parks and beaches. In contrast, San Francisco has set aside 14 percent and New York 18 percent of their land for parks.

Recreation needs in Southern California are growing even faster than the population. More than 10 million residents of metropolitan Los Angeles are increasingly demanding more space for hiking, bicycling and camping; 8 million visitors a year also place strains on existing facilities.

Smog in Los Angeles is bad, but it could be worse. The Santa Monicas sit squarely in the path of our fresh-air flow from the ocean. Developed, the mountains would be an additional source of pollution. Reserved as open space, they are a lifeline to the city's major source of clean air.

Southern California *deserves* a national park. Northern California has five, including Yosemite and Sequoia, and within the last decade acquired the Pt. Reyes National Seashore as well. Southern California has none. During the federal Legacy of Parks program of the early 1970s, new urban parks were created near San Francisco, New York and Cleveland—but not Los Angeles. Delegates at a recent Washington conference sponsored by the Urban Environment Foundation rated the Santa Monicas national park as one of the four most needed such projects in the country.

Both islands and mountains are truly unique and must be protected. The Channel Islands contain important archeological sites in addition to plants and animals found nowhere else in the world. These are threatened by uncontrolled contact with man. In addition, waters around the islands offer an unusual opportunity for development of marine sanctuaries. The Santa Monica Mountains are unmatched anywhere for providing the beauty of a wilderness in the middle of a metropolis.

Certainly the state has made an excellent beginning in establishing three state parks in the mountains. In addition, the new state Coastal Commission and the Santa Monica Mountains Comprehensive Planning Commission are working on land use plans for the area. Officials of Los Angeles' city and county governments are being pressured to preserve the mountain land, much of it along Mulholland Drive and Mulholland Highway, under their control.

The critical need now is for land acquisition, particularly along the seashore and around the state parks, which are threatened by development on all sides. The federal government is in the best position to make these acquisitions. The Beilenson bill provides $100 million for land purchases in the mountains and $50 million for the islands, three of which are already federally owned.

Private landowners would be compensated. The great parks of America's past were carved out of vast tracts of federal land containing few private holdings. Today, it is much harder to acquire desirable land in urban areas, but the government has worked out a whole new process for dealing with the problem.

Nor would a national park crowd out all private development. Land zoned for private recreation and agricultural use often serves as a valuable buffer for such parks.

The Santa Monica Mountains bill has been referred to the House Interior and Insular Affairs Committee's national parks and recreation subcommittee and has the support of several key Congressmen and government agency heads. In addition, public support has reached such a level that the Department of the Interior reported recently that it had received more mail on the Santa Monicas than any previous park proposal.

Thus Los Angeles now stands a chance of getting its own national park *and* seashore. The opportunity will not last a decade or so this time, however. We are looking at a classic case of now or never.

By Mr. WILLIAMS:

S. 1907. A bill to amend the Social Security Act to provide medicare benefits for individuals who require total parenteral nutrition, TPN, as a result of intestinal surgery; to the Committee on Finance.

TOTAL PARENTERAL NUTRITION

Mr. WILLIAMS. Mr. President, in recent years an innovative medical procedure has offered a promising alternative to a growing number of Americans who had previously been faced with certain hospital confinement. I am referring to the home treatment known as total parenteral nutrition—TPN—a technique involving the infusion of liquid nutrients into patients who are not able to take

nourishment any other way. These patients, victims of diseases which necessitated the removal of the major part of their intestinal tracts, must be fed for the rest of their lives through a tube implanted in a major blood vessel. The nutrients are mechanically administered with the assistance of a specially trained relative or friend. Although the TPN process requires a considerable amount of time each day, the patient is free to pursue a normal, productive existence in his hours away from the treatment. It is estimated that there are 500 to 600 citizens in our country who are undergoing this method of feeding in their homes.

Unfortunately, the expenses of this technique are enormous. In addition to the surgery needed to prepare a patient for the TPN process and the machinery involved in the treatments, the cost of the nutrients alone can range from $10,000 to $20,000 a year for each patient. This expense usually far exceeds the financial resources of the patient; yet, in many cases, the moderate income of the patient's family prevents entitlement to public assistance programs which could help pay for this care.

The TPN process is similar to renal dialysis, the blood cleansing treatment for persons with severe kidney disorders: both procedures utilize expensive machinery; they must be performed on a periodic basis; and they accrue costs which, in almost all cases, quickly outstrip the patient's ability to pay for continuing treatment. Unlike dialysis, however, TPN is not covered by the special provisions of the medicare program that provide for payment of dialysis treatments without regard to the age of the patient. My legislation, therefore, seeks to include TPN treatments under medicare in the same manner as dialysis, with an added provision that coverage begin in the month in which treatment is initiated.

It is believed that the cost to medicare of such home treatments would run about $10 million a year. I might point out that TPN treatments performed in an institutional facility would cost over $50 million a year. This modest investment in the survival of a significant number of our citizens is a most humane and worthwhile application of the principles embodied in the medicare program.

The need for such legislation is immediate. Our citizens whose lives depend on this treatment need financial relief now. Their needs cannot wait for a national health insurance plan to be enacted, or for a comprehensive reform of our welfare system. These Americans must not be forced to make the choice between financial disaster for their families or death. Mr. President, I urge immediate action on this legislation.

By Mr. ROTH:

S.J. Res. 76. A joint resolution proposing an amendment to the Constitution of the United States with respect to the reconfirmation of Federal judges after a term of 10 years; to the Committee on the Judiciary.

Mr. ROTH. Mr. President, I send to the desk a joint resolution proposing a constitutional amendment to limit the tenure of Federal judges to 10 years.

This legislation is essential to halt the continuing erosion of one of our most sacred principles—the separation of legislative, judicial, and executive powers.

This state of affairs was unacceptable to the distinguished writers of "The Federalist" two centuries ago, and it is unacceptable to the people of this Republic today.

In recent years the Federal judiciary has moved away from its traditional role of curbing abuses in the legislative and executive branches to the force drafting of wholesale social change. Federal court judges have sought to rewrite the Constitution in the guise of interpreting it. In the process they have usurped prerogatives properly belonging to the elected Representatives of the people. By decreeing "enlightened" social policy rather than the law, the "new" judiciary has become a super-legislature responsible to no one. They have become a continuing constitutional convention without elected delegates and, in a very real sense, a judicial oligarchy decreeing to the States and Congress what they must do. This situation must be brought to a rapid conclusion for it violates the very principles upon which this Nation has grown and prospered since its inception.

Today's "new judiciary" includes within its purview education policy, highway standards, mental health, and auto safety. The members of this body have been handed decisions which affect hospital administration, penal institutions, child support, voting registration, and natural resource allocation. The judiciary has even gone so far as to seek to limit the size of college football squads, ban smoking in public places, and set school tax rates.

Regardless of the merits of these cases, judges are not social planners, they are legal theorists. They have neither the resources nor most importantly, the mandate to intervene in the policy development and implementation functions of the executive and legislative branches.

Supreme Court Justice John M. Harlan wrote that—

> The Constitution is not a panacea for every blot upon the public welfare; nor should the court, ordained as a judicial body, be thought of as a general haven for reform movements.

Well, the judiciary never took Judge Harlan's words seriously. To the extent any court perceives its functions as one of making fundamental value choices for society, while ignoring traditional constitutional values, then to that extent the court is exercising its power illegitimately.

Judicial restraint is an implied condition of the authority of judicial review. While legislative overreaching may result in the sacrifice of individual protections secured by the Constitution, judicial overreaching may sacrifice the right of the people to govern themselves.

Many believe the courts should act whenever Congress either has not done so or when Congress passes a law with which they disagree. Those who hold these views are intoxicated by the quick, simple way in which the courts can decree what they deem to be desirable social ends. Recourse to the courts avoids the often slow and frustrating effort necessary to analyze the problems, devise precise solutions and develop the political coalition to advance their cause.

In addressing this issue, Chief Justice Burger recently stated:

> This (recent significant change brought about by litigation) has given rise to the alluring prospect that our world can be changed in the courts. I confess it is an intriguing idea. Federal judges in particular need not be troubled by constituents or elections and can therefore concentrate on problems without regard to public opinion. . . .
>
> Those who would look to judges, and especially tenured federal judges, to innovate and reshape our society will do well to ponder what remedy is available if the world shaped by the judicial process is not to their liking. I suggest that this approval be considered against the background of our traditions and history which began with a revolution instituted to overthrow a government that was beyond recall by the votes of the people.

The Chief Justice went on to conclude that—

> It was never contemplated in our system that judges would make drastic changes by judicial decision.

And it is this departure from the traditional role and responsibility of the courts that we must correct.

I believe that by limiting Federal judgeships to a period of 10 years, we can insure that the President and the Congress have an opportunity to evaluate judicial performance and insure that it reflects the needs and mores of our society. At the same time, the length of the judicial term—more than twice that of the President's—would insure the independence and separate nature of our judiciary.

The country urgently needs judges who reflect the tradition of judicial self-restraint as envisioned by the Founding Fathers. Only in this manner can the judiciary maintain its proper role in our constitutional system.

By reducing the tenure of Federal judges from lifetime appointments to a period of 10 years, we can insure that this is done. If, at the end of any 10 year term, a judge is found to be exercising his role as adjudicator in an exemplary manner, the President may reappoint and the Senate may then reconfirm that judge for another 10-year term.

This amendment would apply to any person holding such office prior to ratification of this article.

Mr. President, I ask unanimous consent that the text of my resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 76

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within 7 years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Notwithstanding the provisions of the second sentence of section 1 of Article

III of the Constitution of the United States each judge of the Supreme Court and of the inferior Courts of the United States shall hold such office during good behavior, but for a term of not to exceed ten years, unless, at the end of such term the Senate gives its advice and consent to such judge continuing in office for another such term. This article shall apply to any person holding such office prior to ratification of this article by the legislatures of three-fourths of the several States.

"SEC. 2. Judges holding office under section 1 of Article III of this Constitution on the date of ratification of this article shall continue in office until their successors have been appointed and have qualified for office under this article.

"SEC. 3. The Congress shall have the power to enforce this article by appropriate legislation.".

ADDITIONAL STATEMENTS

SEALED BIDDING AND THE BUTTER-VALLEY TIMBER SALE

Mr. DOMENICI. Mr. President, within the next several days, the Senate will consider S. 1360 which is intended to return bidding on national forest timber sales in the West to the traditional oral auction system that has been the practice for some 30 years.

This will correct a chaotic situation in that part of the Nation resulting from the way in which the Forest Service of the U.S. Department of Agriculture has interpreted requirements of the 1976 National Forest Management Act in applying sealed bidding on nearly all its timber sales.

This application is certainly not what Congress intended when this provision was inserted at the last minute in the 1976 act. Western communities and mills dependent on national forest timber are suffering because of the present Forest Service interpretation of this provision and they need relief promptly.

An example of how sealed bidding requirements for national forest timber sales have affected local mills is found in a timber sale recently sold in New Mexico; the Butter-Valley sale on the Carson National Forest. The sale was advertised and bid on February 14 of this year, and involved 9.9 million board feet of timber.

This sale was significant since it represented about half of the regular timber sale program in the Carson National Forest for the 6-month period October 1, 1976, through March 31, 1977.

The Butter-Valley sale was sold by sealed bids, and the high bidder was a firm in far-off Kelso, Wash., which won the contract by bidding more than $150,000 over the Forest Service's appraised value of the timber. The Duke City Lumber Co. in Albuquerque, which needed the sale for its mill in Espanola, N. Mex., also bid on the sale but, of course, was not successful.

Since sealed bids were the method of sale, Duke City had no opportunity to raise its bid to meet the competition, even if it could economically justify such a high bid.

On May 23, Duke City received a letter from the Forest Service advising that "it has been determined not to be in the public interest to award the contract to the apparent high bidder." Duke City was offered the sale but only if it would match the bid by the Washington State operator—at more than $150,000 over the appraised value of the timber. I think it is important to note here that timber in New Mexico is shorter and much thinner than timber in the Northwest, therefore, people who are familiar with our timber crop would know to take this into account in their bid. Duke City was not able to justify paying this high price because the timber was not worth the amount originally bid by the out of State firm.

The Butter-Valley sale is an illuminating example of what can happen in the West when timber is sold by sealed bids. There is no way a dependent local company can protect its employees or its investment in plant facilities under that sale system. Jobs in a local area are jeopardized because timber can be sold, removed, and manufactured at some distant location. As a result of sealed bidding on the Butter-Valley sale, some 135 employees, both direct and indirect, will be adversely affected at the Espanola sawmill operated by Duke City Lumber Co.

The same kind of situation is now magnified many times over throughout the West. It is the little guys—the small sawmills and independent operators that are the backbone of hundreds of small western communities—who are left with no way to protect their plants and communities. With sealed bids they get only one crack at a timber sale they must have to stay afloat. There is no chance to increase their bids to meet the competition—in many instances competition from outside the normal operating area.

Sound legislation to relieve this untenable situation has been approved by the Senate Energy and Natural Resources Committee and the Agriculture Committee. The bill approved by these committees would modify the language of the National Forest Management Act by giving the Forest Service flexibility to return to traditional oral auction methods in parts of the West where it has been used historically. The amendment provides adequate safeguards to handle any cases of suspected collusion, which can occur under either oral or sealed bidding methods.

This bill may seem unimportant to easterners, where sealed bidding for National Forest timber has been the historic pattern. But it is highly important in the West where the National Forests are frequently the only source of timber supply and individual timber sales are large. The bill in its present form has the support of labor and both large and small buyers of National Forest timber. I urge my colleagues to support it when it comes before the Senate for a vote.

U.S. SUPPORT OF ADMISSION OF VIETNAM TO UNITED NATIONS

Mr. THURMOND. Mr. President, it was with a great deal of shock and dismay that I have read in the newspapers of the decision by the Carter administration to support the admission of Vietnam to the United Nations.

To actively support the admission of this Government is a diplomatic and moral blunder. Rather the United States should use its veto power to block admission until there was some evidence that South Vietnamese citizens were being treated humanely.

The Government of Vietnam, and previously the Vietcong and North Vietnam, have repeatedly violated agreements with our Government. Officials in Hanoi continue to hold the remains of U.S. personnel missing in action despite promises over the past years and months that all such remains have been returned.

Furthermore, this Government's record in the area of human rights is a flat zero. This Government murdered citizens of South Vietnam throughout the Vietnam war, as well as some U.S. and allied military and civilian personnel captured during the defense of South Vietnam.

Since seizing South Vietnam by force, reliable reports published in the U.S. and foreign press have revealed that many citizens of our former ally have been murdered, tortured, or imprisoned. Thousands of others have been placed in indoctrination camps to be stripped of all human dignity and free thought.

My confidence in our current Government leaders is greatly shaken by this decision to take positive action in supporting Vietnam's entry into the United Nations. This action tells the world our Nation has placed a seal of approval on the new government in Vietnam, despite the known record of the illegality of that government. This action is also totally inconsistent with President Carter's human rights policy.

The hundreds of thousands of citizens of our country whose sons, husbands, brothers, and other kin died or suffered wounds or served in attempting to help South Vietnam defend itself, must be sick at this development. One year our country asks them to make the supreme sacrifice in the field of combat, several years later we support the admission to a world body of the enemy we asked them to fight.

Mr. President, I deplore this action by the Carter administration which was totally unnecessary and ill-advised. How it is consistent with the President's human rights position I fail to understand.

The one factor that makes the United States of America a beacon to the world is our position on individual freedom that runs throughout our system of government. This position which Americans have fought and died for since our Declaration of Independence is tarnished by such actions as our support of the admission of Vietnam to the United Nations.

Mr. President, I ask unanimous consent that the following newspaper articles on this subject be printed in the RECORD: "United States to Back Seat in U.N. for Vietnam," in the July 19, 1977, issue of the Washington Post; "U.S. Voices Restrained Support for Entry of Vietnam in the U.N." in the July 30, 1977, issue of the New York Times.

There being no objection, the articles

were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 19, 1977]

UNITED STATES TO BACK SEAT IN U.N. FOR VIETNAM

(By Murrey Marder)

The United States will support Vietnam's admission to the United Nations in a Security Council recommendation that may come today as a sign of the Carter administration's desire to "put the past behind us," administration officials said yesterday.

After North Vietnam's conquest of South Vietnam in 1975, the United States repeatedly vetoed U.N. membership for the unified Vietnam, primarily on grounds that the Hanoi government was failing to account for American servicemen missing in action.

At a meeting in Paris last May with Vietnamese diplomats, the United States said Hanoi was responding with information on MIAs, and it would no longer veto Vietnam's application for membership in the United Nations. Left open was the question of whether the United States would abstain when the issue reappeared or take more positive action.

At the United Nations yesterday, the United States and all other Security Council members, meeting as an admissions committee, recommended Vietnam's acceptance into the world organization. Some reports describe the intended action, to be taken by consensus, as a mean of enabling the United States to avoid a vote in the Security Council.

An administration official, however, said the consensus procedure is not novel, and the fact is that "we joined in a recommendation that Vietnam be admitted" when the U.N. General Assembly convenes in September. Congressional committee chairmen involved had been informed in advance of the administration's intention.

Rep. Lester L. Wolff (D-N.Y.) chairman of the House International Relations Asian and Pacific Affairs Subcommittee, said of the decision on Vietnam: "It may bring them closer to the community of nations."

Wolff has scheduled a hearing today with former Secretary of State Henry A. Kissinger about the disputed postwar reconstruction aid of up to $4.75 billion promised by then-President Nixon to North Vietnam in 1973. Nixon and Kissinger say Hanoi's violation of the 1973 cease-fire in Vietnam wiped out any U.S. aid commitment.

Philip C. Habib, under secretary of state for political affairs, said on Saturday that the United States has told Hanoi it wants "to put the past behind us and make a start on normal working relations."

Speaking to the National League of Families of American Prisoners and Missing in Southeast Asia, Habib said that in the Paris talks conducted in May and June the United States ". . . proposed to the Vietnamese that we proceed at once to normalize our relations, including the exchange of ambassadors. We offered to drop our trade embargo, contingent on the opening of embassies in our two capitals. And we told the Vietnamese we would withdraw our opposition to their membership in the United Nations."

Habib said, "We believe that opening an American mission in Hanoi would further facilitate progress" in getting additional information on MIA accounting and returning the remains of prisoners, beyond agreements reached in May in June.

"Vietnam has not accepted this proposal thus far, on the ground that it fails to provide a U.S. contribution or reconstruction aid for their country, which they claim was envisioned by past agreements."

He said U.S. negotiators have repeatedly told the Vietnamese that the U.S. view is "that we have no obligation to aid them, and that congressional restrictions specifically bar U.S. aid to Vietnam."

He said, "We continue to hope Vietnam will set aside its demand for such assistance and agree to proceed without conditions based on an interpretation of the past which we cannot, and will not accept."

[From the New York Times, July 20, 1977]

U.S. VOICES RESTRAINED SUPPORT FOR ENTRY OF VIETNAM INTO U.N.

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., July 19.—The United States voiced restrained support today for Vietnam's admission to United Nations membership, declaring in the Security Council that it looked forward to a "new era of peace, cooperation and friendship."

However, the United States also used the occasion, the beginning of debate on Vietnam's application, to remind the Hanoi regime that membership also involved duties, such as responsibility to promote respect for human rights.

The statement underscored once again the change in the Vietnam policy of the United States, which for two years had used its veto to block Hanoi's entry.

Approval of Vietnam's admission has been assured, since the United States announced in May that it would no longer oppose membership after Hanoi promised to provide data on American servicemen still listed as missing in the Vietnam war.

However, American officials in Washington in recent days have indicated that the Carter Administration was prepared to go further than simply dropping the veto and to make a good will gesture toward Hanoi by agreeing to support its admission.

"It is another step toward putting the Vietnam War behind us," a United States official here remarked. But he said he would not characterize the statement in the Security Council as having "welcomed" Hanoi's admission.

Delegates, including some of Hanoi's close allies, seemed satisfied with the tone of the American statement, considering the long and bitter conflict that was waged in Indochina, ending in 1975 with Vietnam's defeat of the United States-supported South Vietnam regime.

Donald F. McHenry, the deputy American representative, delivered a 90-second speech in the absence of Andrew Young, the chief delegate, who was in Europe. Mr. McHenry expressed gratification that the entry of another country helped promote universality—a neutral and much-used comment—but he went on to say:

"We look forward to working with Vietnam, as with all other members in this body, to bring about a new era of peace, cooperation and friendship, not only in our bilateral relations but in our work together in the United Nations."

Some observers noted that the American speech, brief as it was, pointedly declared that Vietnam also would be assuming responsibilities as a member to promote peaceful settlement of disputes and to advance human rights. The Hanoi Government has been criticized by private groups and in Congress for its record on human rights. However, American officials seemed to stress instead the speech's emphasis on future improvement in relations.

The United States has had two rounds of talks in Paris with Vietnamese officials and it was at the last meetings, last month, that Hanoi pledged to return the remains of 20 missing Americans within 60 to 90 days. There has been no further development, however, and no date for another round has been set, according to American sources.

The talks have been stalled on other points, with the Vietnamese insisting on an immediate end of the American trade embargo and calling for assistance to heal "the wounds of war."

THE TIME-TESTED FORMULA: THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the number of paths open to this Government for supporting human rights are countless. During the past few months, new proposals have been presented.

Just recently, Roger Fontaine, the director of Latin American Studies at Georgetown University's Center for Strategic and International Studies, urged Congress to go beyond President Carter's human rights statements to make specific demands. He suggested, for example, that the United States ask for the names and places of incarceration of Cuba's estimated 20,000 political prisoners. He further suggested that the administration demand the admission of a neutral group into Cuban prisons to insure that elementary standards of treatment are maintained. Pressuring the Castro regime to release longtime prisoners when their terms expire and tying the normalization of trade relations to the improvement of civil liberties in Cuba were also included among Mr. Fontaine's suggestions.

Another possibility for the United States to defend the cause of human rights is currently under investigation by the State Department. The Department has suspended an $11 mililon grant to Chile by the Agency for International Development for 1 to 2 months, during which time Chile's human rights record will be reviewed. At the end of this review, the State Department should have a clearer understanding of both the domestic situation in Chile as regards civil liberties and whether action on the part of the United States can influence that situation.

While these new inquiries into how the United States can promote universal freedoms are interesting, it is important that we do not neglect vehicles which are presently available.

The Genocide Convention is just such a vehicle.

It not only allows this Nation to commit itself to the support of fundamental human rights, but it does so with a formula that has been carefully studied for over 25 years. The Genocide Convention has been scrutinized by civil rights groups, by every President since Harry Truman, by the American Bar Association, by the State Department, and by the Department of Defense. It has been the subject of extensive hearings before the Senate Foreign Relations Committee. All agree that the Genocide Convention should be ratified by the Senate

Mr. President, let us continue our search for new ways of improving social conditions around the world, but let us not forget a proposal which has stood the test of years of scrutiny. I urge my col-

leagues to join me in supporting ratification of the Genocide Convention.

AMATEUR RADIO OPERATORS AGAIN RESPOND TO CALLS FOR HELP

Mr. DOMENICI. Mr. President, countless times American citizens have been the recipients of assistance during times of emergency and crisis by the selfless, dedicated amateur radio operator. At a time when our newspapers and television screens are filled with stories of man's inhumanity to man, and we scramble for example's of genuine compassion for our fellow citizen, it is always refreshing to find another instance when the men and women of America rise to meet the challenge of a natural disaster.

Such a case arose several weeks ago when the costly La Mesa fire near Los Alamos, N. Mex., destroyed thousands of acres of land and timber, and threatened residential areas in and around Los Alamos. I would like to bring to the attention of my colleagues portions of a recent letter received from Mr. Barry S. Newberger, a member of the Los Alamos Amateur Radio Club, concerning the club's response to the plea for assistance during the 8 days of this catastrophic disaster:

In the spirit of the Communications Act of 1934 and the FCC's test of public interest, convenience and necessity which all radio services must meet, we wish to call your attention to the communications service provided by the Los Alamos Amateur Radio Club through its club station W5PDO and repeaters WR5AFP, WR5ARO and WR5AEQ (the last three belonging to the Santa Fe VHF Society, Jemez Mountain Repeater Association and the Caravan Club of Albuquerque, respectively).

For over eight days, the club and its volunteer members and friends provided continuous round-the-clock communication service for all the agencies involved in this emergency. The agencies served included the U.S. Forest Service, weather service and the military. All the Forest Service administrative traffic was handled through the radio club, including 145 pieces of priority traffic. In addition, approximately 565 health and welfare phone patches were handled for the firefighters, many of whom had come from California, Idaho, Washington, Oregon, Montana and South Dakota and other states. These men and women, in not a few instances, had to leave pressing personal problems at home to help fight the fire and many would have found it difficult to resolve them without our phone patch service.

We were told by many of the firefighters that they had never before had such a service provided for them and were given a substantial boost in morale for having it.

In all, fifty-five people were involved for a total of nearly 1900 man hours, using their own personal equipment.

I am certain my colleagues will join with me in commending the Los Alamos Amateur Radio Club and the many volunteers who provided this valuable and urgently needed assistance. We are, indeed, fortunate to have this body of competent, disciplined, and dedicated amateur radio operators in times of distress. Our heartfelt thanks go out to all who responded to the call for help.

THE TRANSPORTATION APPROPRIATIONS BILL

Mr. BIDEN. Mr. President, the Senate has adopted the conference report on the Department of Transportation and Related Agencies appropriations bill for fiscal year 1978. This bill will provide funding for many programs of high national priority which I support. In particular it provides financial support for many of the important railroad lines in this Nation including those so vital to the economic stability of the Northeast. It also provides funds for assistance to local mass transit programs that offer one important solution to both our energy and our air pollution problems. And it contains money for many other important national programs as well.

I have one concern about the action we have taken. It does not involve large dollar amounts. It does involve equity. And it involves issues of the fiscal integrity of Federal grant programs. Specifically, I am referring to a provision for funding what are known as railroad-highway crossings demonstration projects. Under this program the Federal Government has provided funds to improve safety where roads cross railroad lines. One area of particular emphasis has been the separation or other improvement of rail-highway crossings for high speed trains in the Northeast corridor. This is an important program for the improvement of high speed rail service and an important program for the safety of those who must cross railroad tracks on which those trains run.

The Federal Government has provided generous financial support for the elimination of grade crossings and I am pleased that my State of Delaware has done its part to carry out this program in Delaware.

However, I am deeply concerned about a provision in this appropriations bill that would authorize the Secretary of Transportation to waive the requirement for local financial participation in this grade-crossing program. The Federal Government would pay all the costs. I believe this represents unsound fiscal policy and an unwise trend in State-Federal fiscal relations. There was a time when grant programs were intended to assist and encourage States and localities to carry out their responsibilities. More and more, when the State fails to meet those responsibilities there is a tendency for the Federal Government to step in and take over.

I am willing to recognize that there may be extenuating circumstances in this case. Certainly the matter of a rapid and efficient interstate rail system is a matter of vital concern to the whole Nation and is not a matter of concern only to the State in which the tracks are located. On the other hand, the basic responsibility for the safety of its citizens rests with the State and should prompt some response from it.

I did not oppose this legislation for two reasons. First, there are too many worthwhile programs in it that need to go forward. Second, I believe that if some city or State is in such dire financial straits that it cannot contribute to grade-crossing problems, then the needs of the interstate rail system are such that the Federal Government should step in and pay for the entire job.

However, I am concerned about how this law will be administered. There are no standards in the bill itself as to the conditions for waiving local contributions. The Secretary of Transportation may waive local contributions "if he determines such action would serve a public purpose." That is a very broad delegation of authority. I hope that as a minimum the Secretary would use the following criteria in making a finding of public purpose:

That the railroad-highway crossing project in question is essential to the development of a safe and rapid national rail transportation system;

That no local unit of government concerned has the financial ability to support the project;

That his decision for complete Federal financing of a project is not inequitable in the light of the many contributions already made toward such projects by some States.

I realize that there may not be many projects that could meet such criteria. There should not be many. I intend to communicate my concern to the Secretary and to request that I be furnished with information about the projects that are totally funded under this provision and the criteria used. If the authority granted him is well used, then the law will have worked. If not, then the Congress should review the issue next year.

RICCARDO VIEWS THE FUTURE OF THE AUTO INDUSTRY

Mr. GRIFFIN. Mr. President, last week the chairman of Chrysler Corp., John Riccardo, delivered a notable address before the Automotive News World Congress in Detroit.

So that his thoughtful observations will be readily available to many who ought to read them, I ask that the text of his remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY JOHN RICCARDO

I'm glad so many people from around the country and from overseas had this opportunity to come here to Detroit for this meeting. It gives you a chance to see our city, and to learn how Detroit is meeting the challenges facing many of America's large industrial cities. The place we're meeting in today, Renaissance Center, is one of many examples of the new vitality and spirit alive in Detroit. This complex represents vast amounts of private capital committed by 51 separate corporate investors, and speaks a lot louder than I can about a conviction that Detroit and the industry that built it are here to stay.

I'm proud of this industry and what it means to the country. Today, three-quarters of a century after the business of building motor vehicles got started, we provide the nation's largest single market for basic raw

materials. We provide a job, directly or indirectly, for one out of every six men and women in the American labor force. We generate 20 percent of the gross national product—head and shoulders above the contribution of any other industry in the country.

Precisely because we're so large and so central to the nation's economy, we're deeply involved in many of the most important issues facing the country today. Because many of these issues are controversial, we get more than our share of the blame for such problems as air pollution, urban sprawl, the energy crisis, and public safety.

As the chorus of criticism has become louder in recent years, it has also become fashionable to suggest that we are seeing the end of America's love affair with the automobile. It has been said that we will have to get the public out of their automobiles, and get the automobiles out of the cities. A consultant to Congress said last month that "Detroit has no place in the 1980's." The Administrator of the EPA said in May that "the automobile . . . will continue to be a noose around the necks of our urban economy." A major bank said the long-run outlook for the auto industry is "clouded", and that "the auto market is pretty well saturated." A stock market analyst said our industry is "coming to the end of an era." Add together enough comments of this type, and the average person begins to believe that the automobile can't meet the needs of a modern technological society.

I'm here to tell you that nothing could be further from the truth. The fact is that the American automobile industry is, and will continue to be, one of the world's great growth industries, and one of the great forces for social good.

Anyone who doubts the vitality and basic strength of this industry should take a look at the events of the last few years.

Pretend for a few minutes that you were a visitor from another planet, and that you were given the assignment to prepare a scenario for undermining the American automobile industry. I have a hunch you might look at the history of what has already been imposed on Detroit and decide that you wouldn't change a thing. But let me just go through the scenario you might prepare.

First—you would pass a series of regulations on our industry that go beyond common sense. You would make the administrative cost of complying with those regulations add $200 to the price of a new car. That's on top of the cost of the hardware.

You would pass an overly stringent emissions law you knew couldn't be met. And then you'd tell the world we were dragging our feet when we said we couldn't meet it.

You'd require us to install an ignition interlock system so you had to buckle up a bag of groceries before you could back out of the garage—and when the public outcry forced Congress to remove it, you'd accuse us of a conspiracy to set back the safety movement.

Then you'd mandate air bags, which your own studies showed were the second-best safety system, and in a prime example of bureaucratic double-think accuse us of callous disregard when we suggest using lap and shoulder belts, which are the best system available.

You would mandate so-called safety bumpers that weighed 130 pounds, had no safety value, and cost too much to repair—and you'd criticize the industry for higher repair costs.

After we were well along on a multi-billion dollar product program to double our fuel economy in 10 years, you'd change the rules in the middle of the game, and propose gas-guzzler taxes that could disrupt an orderly transition towards the goals of the fuel economy law already on the books.

You would have the oil exporting countries slap an embargo on exports and scare people out of the market by threatening gas rationing and shortages, and vastly higher gasoline prices.

You would order up the worst economic slump since the Great Depression. Together with this slump you would bring a high rate of inflation to further destroy confidence, and watch automobile sales nosedive in the sharpest drop in 30 years, as they did in 1975.

You'd make it unpatriotic to buy a family-size car, under the banner of conserving petroleum.

You'd have the person designing New York City's transportation plan say: "My plan was a tool for social change. Very few people grasped that my crusade is not air pollution; it is the (bleeping) automobile and what it is doing to the country."

And when you'd done all this, when you'd prepared your scenario, when you'd put in place roadblocks unprecedented for any other industry, you would have an exact year-by-year description of what we've seen actually happen over the past few years.

And what's happened? The fact is that despite a series of obstacles unmatched in any other period, the American people bought more than 10 million passenger cars in 1976—one of the best years in the industry's history. 1977 is even better, and the long-range outlook is excellent.

The reason is clear—our products meet a fundamental public need. Cars and trucks give men and women, poor and wealthy alike, a freedom of choice, freedom of personal mobility, more equality of opportunity unmatched in history. *Public Interest* magazine, the prestigious magazine of national affairs, summed it up this way: "America has the best mass transportation system in the world. This mass transit system moves people with a speed, convenience, comfort and flexibility quite beyond comparison with other systems. Nearly every country envies us our system, and attempts to imitate it . . . It is the auto-highway system with benefits so manifold they are often forgotten. Every other method of moving people in or between cities is trivial by comparison."

That's why we're such a growth industry, and why we're going to keep on growing in the years ahead.

There's another fact that's often obscured from public view. No other industry has been as responsive in meeting national goals as ours.

We're *for* clean air. We've removed 83 percent of tailpipe emissions, and we're supporting legislation to remove 90 percent.

We're *for* energy conservation. We've increased fuel economy by 40 percent since 1974, and we're working to double it by 1985.

We're *for* public safety. The United States has the lowest auto fatality rate per mile traveled in the industrial world. The major reason is because of innovations like safety door locks, energy-absorbing steering columns, lap and shoulder belts, and safety windshields—all of which were introduced in our cars before they were required by law. We could save an additional 12,000 to 16,000 lives a year starting right now if the government would mandate use of safety belts already in our cars.

We have an enviable record in fighting inflation. The general cost of living in the last 10 years has gone up almost twice as much as the price of new cars.

And we have successfully held more than 80 percent of our market against foreign competition with no trade barriers. The wonder is that more people aren't asking how we've managed to be so successful.

For the past 75 years we've been running ahead of the times anticipating public need and developing the technology to meet that need. That's not going to change. The automobile will continue to be the mainstay of our transportation system and the backbone of our country's economy.

The automobile spreads the gifts of economic growth and mobility through all levels of society. Perhaps that's one of the reasons every developing country wants a car industry of its own. If any mechanical device could ever be called an Engine of Democracy, it would most surely be the automobile.

Most Americans know that the product we make is very much in the public interest. For three-quarters of a century Americans have voted with their dollars, and what they've said is that our product is basic to many of the values of civilization in North America. But they should also know that every time the government adds another item to the automobile, it's the customer who pays. In our judgment, he deserves full value for his money, and we have a responsibility to insist that he gets the value he pays for in government regulation.

Right now, this industry is moving full-speed ahead on the most drastic product change in history. We're committed to meet mileage standards which will double the average fuel economy of our 1974 fleet. We're going to continue to make cars even safer. We're going to eliminate the automobile from the pollution problem in the United States. We're developing new powerplants and new kinds of vehicles to meet new social needs. That sounds to me like an exciting challenge unmatched by any other industry in the world—a challenge with tremendous opportunities for growth.

This industry has a great future, and I for one am proud to be a part of it.

A DEPARTMENT OF EDUCATION

Mr. RIBICOFF. Mr. President, we are all aware of the administration's plans to reorganize the Federal Government.

One particular Department is most in need of reorganization—the Department of Health, Education, and Welfare. It has more than 300 programs and spends more than $160 billion—nearly one-third of the entire Federal expenditures.

One consideration for reorganization of HEW has been the creation of individual secretaries of health, education, and welfare under the umbrella of a "super-secretary." This concept was recently opposed by Senators MAGNUSON and PELL and myself in a letter to Vice President MONDALE, who is considering education reorganization.

Only a separate Department of Education would give education the importance and recognition education deserves. It would improve the coordination and manageability of present Federal education programs.

For over 10 years, various bills have been introduced in the Senate to establish such a Cabinet-level Department. The bill I have introduced this Congress to establish a separate Department, S. 991, has a total of 45 sponsors. Certainly the time has come to remove edu-

cation from the maze of the HEW bureaucracy.

Mr. President, I ask unanimous consent that a copy of the letter to Vice President MONDALE and also an editorial which appeared in Tuesday's Washington Star, entitled "Breaking up HEW," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BREAKING UP HEW

Proposals for breaking up the Department of Health, Education and Welfare have come from two senators within the past several days.

Sen. Hubert Humphrey told a National Education Association convention that a new department of education is "long overdue." He argued that a secretary of education would not be "bogged down with the crushing problems of health and welfare, too" and that providing cabinet status would "signify the importance" the administration attaches to education.

Maryland's Sen. Charles Mathias introduced a bill for a department of health. "We need a spokesman for health and health alone in the President's Cabinet, he said. "The nation's health care system is rushing toward economic collapse as a result of uncontrolled health costs. But nowhere in the government today is there a source of knowledgeable, credible leadership that might gain the cooperation of the private health sector in devising a health strategy and a sound regulatory framework for the benefit of the public and the health care system itself."

The new secretary of HEW, Joseph Califano, is against breaking up his department. He thinks it's "manageable" despite its huge size, a position contrary to a good many others in and out of government. One who thinks the department is too big for a single mortal to manage is Sen. Abraham Ribicoff of Connecticut, himself a former secretary of HEW.

Strong arguments for breaking education away from HEW were made last year by Rufus E. Miles, Jr., a former director of administration for HEW, who has been described as possibly the nation's leading expert on HEW's structure. In a study initiated by the American Council on Education and financed by a grant from the Ford Foundation, Mr. Miles said:

"Educational issues are of low priority within a department concerned with the development of complex new health insurance legislation, bringing under control the widespread and costly abuses in the Medicaid program, devising new legislation to federalize welfare or create a new income maintenance program, determining what to do about the excessively rapid growth in the cost of Social Security, coping with interminable problems of food, drug and vaccine regulation, and dealing with scores of difficult civil rights issues. No HEW secretary can devote much time to the exercise of leadership in respect to educational issues, and nobody at lower levels has the leverage to have significant effect. . . . Creating a 'Secretary of Education' in the President's Cabinet would open the opportunity for a higher level of leadership in respect to educational issues than has heretofore been possible."

HEW spends more than a third of the federal budget. It has approximately 130,000 employes. It is involved in nearly every facet of American life. A House Government Operations subcommittee said in a report last year that it took more than five months for the department to provide an accurate count of the number of programs it administers.

Mr. Califano, a chief architect of President Lyndon Johnson's multitudinous "Great Society" programs, likes to have his hands on a lot of handles. He's doing some tinkering with HEW structure but we suspect that even a person of Mr. Califano's capacity and enthusiasm doesn't have enough hands to keep a handle on the bureaucratic giant that HEW has become.

WASHINGTON, D.C.,
June 14, 1977.

The VICE PRESIDENT,
Old Executive Office Building,
Washington, D.C.

DEAR MR. VICE PRESIDENT: We know you are now in the process of considering several proposals to reorganize the education functions of the Federal government, and we congratulate you on your efforts towards seeking to improve the present condition of American education.

We have long recognized the need to reorganize the immense Department of Health, Education and Welfare (HEW) into manageable proportions, especially to give education the priority it deserves and to save controllable education budget functions from an otherwise uncontrollable health and welfare budget.

Your support last year for a separate, Cabinet-level Department of Education was welcomed by educators and students across the country as a pledge that the Federal government would finally provide American education the direction and high priority it rightly deserves.

A separate Department of Education would give education this badly needed attention by consolidating the entire Education Division of HEW and a number of education-related programs scattered throughout the Federal government into a single, effective framework. It would provide a sound organizational mechanism for education policy direction and leadership.

The new Department's budget would be larger than that of the existing Departments of Interior, State, Justice, and Commerce, and the proposed Department of Energy.

Strong support now exists for the concept of creating a separate Department. The bill we have introduced, S. 991, now has 45 sponsors.

As you know, some thought has also been given to restructuring HEW internally and modeling it instead after the present structure of the Department of Defense, with its subcabinets and individual secretaries. However, after careful study, we believe this alternative would be unworkable when applied to the Department of Health, Education and Welfare.

Patterning HEW after the DOD subcabinet model would be little more than a simple facelift, and in the end, do much harm to the overall Federal education effort. Such a reorganization would drastically increase and centralize the HEW Secretary's powers and duties. A Secretary of Education within HEW would only serve as an Administrator—not a policymaker.

The education functions could even be further buried in unnecessary layers of bureaucracy. If the present Department of Defense organization is any indication of what we could expect, the Education "subsecretary" would probably be relegated to a lower position within HEW, under as many as nine assistant secretaries and a deputy secretary in the Office of the Secretary.

Furthermore, the Education Division's budget would continue to be outnumbered, 18 to 1, by HEW's massive health and welfare program expenditures. The HEW Secretary, out of necessity, would continue to be preoccupied with pressing health and welfare concerns. Education would take a back seat, as it has always taken.

An Education Secretary, outside of the present HEW structure, would clearly have more access to the President, and his or her position alone would signify the importance this Administration attaches to the education of the 60 million persons enrolled in public and private education institutions today. Educators would see that they truly have a spokesperson at the highest levels of government, an individual in a position to give constructive policy input on the use of the more than $14 billion the Federal government spends on education every year.

We welcome your support of our efforts to create a Cabinet-level Department of Education. We plan to hold hearings on this issue in the very near future, and we stand ready to work with you on this important project.

Sincerely,

WARREN MAGNUSON,
ABE RIBICOFF,
CLAIBORNE PELL.

COMMUNITIES MISS CLEAN WATER DEADLINE

Mr. STAFFORD. Mr. President, the Senate Committee on Environment and Public Works is continuing to work to present to this body before the August recess our midcourse corrections for the Federal Water Pollution Control Act.

Among the many important and difficult issues before us is the task of improving our Nation's efforts to provide clean water in rural America.

During hearings in Washington and in field hearings across the country, the Subcommittee on Environmental Pollution heard testimony on the problems facing Americans who live in nonurban areas as they strive to develop new ways to treat waste waters.

I chaired one such subcommittee field hearing in Burlington, Vt., earlier this month. Testimony received at that hearing highlighted the special problems faced by rural Americans attempting to achieve clean water under the present law.

An excellent report on the Burlington hearing was written by Chris Braithwaite, of the Barton Chronicle, in the July 14, 1977, issue of that newspaper. I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMUNITIES MISS CLEAN WATER DEADLINE

(By Chris Braithwaite)

BARTON. July 1, 1977, was an important deadline for communities all across this country. According to a federal law called the Clean Water Act of 1972, that was the day all municipalities were to stop polluting the nation's waterways with raw sewage.

The voters of Barton Village celebrated the occasion two days early, on June 29, by soundly defeating a $450,000 bond issue which would have covered their share of a $2.8-million sewage treatment plant.

And so on July 1 the residents of Barton went on flushing their toilets into the Barton River. So, for that matter, did the people of Orleans and Glover Village. West Glover residents sullied Roaring Brook, and those of Albany Village further blackened the Black River. All these villages missed the deadline.

Barton's lapse was the most serious, however, because the village was operating under an agreement called an "enforcement compliance schedule letter" which it had signed with the state Agency of Environmental Conservation and the federal Environmental Protection Agency. That schedule called for a favorable bond vote by July 1. Barton missed the deadline by a vote of 39 to 104.

Barton's Village Trustees, the likely target of any state or federal effort to enforce the law, seem to be waiting for the pollution to hit the fan with typical stoicism. Trustee Kenneth Elliott did comment glumly at a recent meeting that the problem isn't like a headache—"it isn't just going to go away."

If voters turn down a second try at a bond vote, state officials warn, the village could face stiff daily fines, or find itself in contempt of court.

In Boston, an EPA official said his agency takes action "if we feel a communnity is thumbing its nose at us." He didn't say exactly what that meant, but prudent Barton residents might keep their hands in their pockets for a while.

LESS PRESSURE ON OTHER VILLAGES

Other villages are under less pressure. Under its "enforcement compliance schedule," Orleans must pass a bond vote by this December 1. Glover and Glover Village have let their projects languish so long, an engineer with the Randolph firm Dubois and King reported this week, that its designs have "lapsed into obsolescence," and will have to be done yet again.

Meanwhile Albany's Selectmen have said "no thank you" to more than $500,000 in state and federal grants, and quietly told some 40 households in Albany Village that they must install septic tanks. Cost of these tanks, according to an informal local estimate, is running as low as $700 each, installed.

Albany's case is instructive, because it points up the enormous cost of the federally-mandated clean-up program. Because there would be so few users, Albany's engineering firm proposed a municipal septic system, rather than the generally prescribed sewage treatment plant. The "cheaper" septic system would have cost an estimated $581,000 or $10,000 for each household on the system.

Between them, the state and federal governments were willing to foot all but $80,000 of this cost. State engineers with the Agency of Environmental Conservation urged the town to adopt the municipal system.

But the local share, plus annual operating and maintenance costs estimated at $3,100 a year, would have cost the villagers $166 a year per household, presumably for ever.

At that rate, an Albany homeowner could pay for a $1,000 private septic system in just over 6 years.

Albany's case also points up an ironic twist in the federal program, where small rural systems are involved. In return for saving state and federal taxpayers half a million dollars, Albany's residents have been left on their own. As long as the Selectmen see to it that household tubs, sinks and toilets are disconnected from the old village sewers that drain into (or close to) the Black River, the state environmental agency is no longer interested in the village. Its regulations deal only with pollution of state waters. A malfunctioning septic tank would come under the jurisdiction of the town health officer.

Indeed there is apparently no agency with any power to insure that Albany's septic systems are adequate, and properly installed. Nor is there any money available to help pay for them. Hypothetically, the environmental agency could dedicate, say, $1,000 per household to help with the systems, and still save hundreds of thousands of dollars.

But from Boston, Ralph Caruso, who is the EPA co-ordinator for Vermont, said that would be out of the question. To qualify for federal grants, he said, any septic system must be municipally owned, and it must serve at least two households. To subsidize an individual homeowner's septic system, he added, "would be almost like welfare."

This suggests a further irony. If Albany's individual septic systems ultimately malfunction, causing problems with seepage and odor, a chorus of "I told you so" will be heard in Montpelier.

At a hearing on the community tank proposal in February, a state engineer warned that Albany's soils aren't suitable for septic systems. They could fail, he added, creating public health problems.

WARNS AGAINST ALTERNATIVES

This attitude seems to pervade the agency. At a U.S. Senate hearing on the Clean Water Act in Burlington last Saturday, Bill Brierley, a senior engineer with the agency, warned against "excessive emphasis on alternatives, sub-surface systems: of sewage disposal. If such alternatives are imposed on small towns, he added, the state may fail to meet its goal of clean water.

Are individual septic tanks an inadequate or unsafe option for rural communities? State and federal laws and regulations appear to beg that question, rather than answer it.

In Albany, the state was willing to spend an astounding $140,000 just on the design of the community septic tank system. With no funds available either to design or build private systems, it should not be surprising if they sometimes fail to work.

Home septic systems did have their supporters at Saturday's hearing, at which Vermont Senator Robert Stafford gathered information and opinion for what he termed a "mid-course correction" in the Clean Water Act. Among them was Michele Frome, who heads a study on alternate community treatment systems for the Vermont Natural Resources Council.

Among her conclusions, Ms. Frome said, are that conventional treatment facilities are too expensive for small communities, and that on-site (or at-home) treatment can be a viable and permanent alternative.

The current clean-up program favors central treatment facilities over on-site systems, she maintained. Environmental officials tend to view septic systems as "temporary," she suggested, because they are too often improperly installed and maintained. Federal funds should be available to share the cost of individual septic tanks, Ms. Frome urged.

PROBLEM OF TIMING

She also touched on the problem of timing. Worried that federal funds now available for conventional treatment systems may dry up, she said, state officials are pushing towns to obey the law. Meanwhile promising alternatives are being developed. But by the time cheaper alternatives are thoroughly tested and approved, communities may have already bought conventional systems.

"We make a mistake if we say there are no alternatives," she told Senator Stafford. "We need to step up research and demonstration projects."

In the meantime, she supported a suggestion from Robert Stewart, executive director of the Vermont League of Cities and Towns, that the deadline be extended until July 1, 1982.

Mr. Stewart's testimony made it clear that Barton is not alone. In Vermont, he said, 63 municipalities are now without the secondary treatment required by the Clean Water Act. Across the country, he added "more than 70 per cent of the municipalities in the United States, most of them rural, are now in violation of the law."

In Vermont, Mr. Brierley said, there are 92 communities which have or need central sewage collection systems. Of these, 49 already have secondary treatment plants, 16 have primary treatment and need secondary, and 27 small communities have no treatment at all.

(The remaining 200 municipalities in the state don't need central collection systems, he added, and would be wise to avoid developing in a way that would make one necessary.)

Most of the 27 communities who don't treat their sewage at all are small, the state engineer said, with under 1,000 households. Many of their residents live on limited incomes, "with economic strains tugging at their elbows." If the systems proposed for such communities carry an annual user cost of more than $150 (Barton's was $156), he said, "it is very difficult to get a positive bond vote."

He warned Senator Stafford against proposed changes in the federal regulations which would make it much tougher to get federal funds for sewer lines, or for any excess capacity designed into a new plant to handle growth. If adopted, he warned, these could push average annual user costs from $150 to $240.

He urged that the planning process be simplified. He noted that there are no funds available to help homeowners hook onto new sewer lines—a process that can cost between $200 and $500. And he urged the EPA to push for installation of new water-saving plumbing devices which would cut down sewage flows, and thus reduce the initial cost and lengthen the life of treatment plants. If the federal share was increased from 75 to 80 per cent in towns where water-saving devices are installed, he noted, the EPA could save money, and the local share could be cut in half.

Mr. Stewart called for more research: "The beginning assumption is made by EPA and by the private consultants seeking to make a living in the field that the only solution to waste water systems is to build a bigger and better treatment plant and lay a lot of lines and develop a great capital expense. . . . Isn't it time that we more seriously considered alternatives?"

RADICAL NEW APPROACH TO SEWAGE TREATMENT

Saturday's most startling testimony came from Maxwell Small, a fast-talking, chain-smoking engineer from Brookhaven National Laboratory on Long Island. He presides over a radical new approach to sewage treatment developed at Brookhaven over the past five years. His testimony is worth quoting at length:

The system consists of a sloping grass meadow, and man-made marshes and ponds. "Raw, unsedimented sewage is spread across the head-end of the sloped meadow; flows down and through the sealed-off grass and root systems into the marsh; through the marsh into the pond; through the pond to its overflow to either re-use or recharge through a vegetated plot."

On its way to the meadow, the sewage is ground and screened, and aerated as much as necessary to eliminate odor.

"The objective is to apply all the degradable parts of sewage, both liquid and solid, into the systems where all of it will be broken down; to create no sludge for separate disposal; and to discharge potable water from the ponds. Both Brookhaven systems have met these objectives, operating on-line, 24 hours a day, seven days a week, continuously for the past two years."

He went on to describe the treatment area as free of flies, odors and disease. The ponds are stocked with fish, the meadow yields immense crops of hay.

Mr. Small estimates that a system big enough to handle 250,000 gallons per day would cost $375,000 to build, and about $37,-500 a year to operate.

Senator Stafford was impressed. He told Mr. Small he would like to send a professional staff member of the Senate subcommittee on environmental pollution to Brookhaven to study the system, a proposal to which Mr. Small readily agreed.

The Brookhaven design is revolutionary from several standpoints. No plant is involved. The only energy required, Mr. Small noted, is the heat from the sun and the force

of gravity. There is no sludge to lug away. (The proposed Barton plant would produce a strongly chemical sludge which would have to be trucked off and buried on a weekly basis.)

Senator Stafford asked how such a system would fare in a severe winter climate. Mr. Small replied that the bacteria which make the system work functioned at 80 per cent efficiency during the rough winter just past.

In the corridor outside the federal courtroom where the hearing was in progress, state Environmental Secretary Martin Johnson was asked if such a system might be worth trying in a place like Barton.

His reply was terse: "The state health board would not permit it—and with good reason." Some things work in some places, and not in others, Mr. Johnson added.

STATE'S ATTITUDE PUZZLING

In the context of Saturday's hearing, the state's attitude to sewage treatment is puzzling. Its key bureaucrats and its staff of sanitary engineers seem to push for local adoption of complex and expensive systems that were really developed for densely-populated cities. Or, as in Albany's case, they push for high-cost municipal septic systems. A handful of engineering firms prescribe these systems for confused town fathers, and claim enormous fees for their design. In Barton's plan, design and supervision costs come to almost $400,000. It would cost federal, state and local governments $150,000 to have Dubois and King engineers supervise the construction of the plant. The firm would charge $8,000 for the plant's operating manual. Similar fees would be extracted by the firm for an almost identical plant, five miles down the road in Orleans.

Meanwhile advocates of simpler, smaller, or less conventional systems seem to wander in a wilderness, without either moral or financial suport.

One is moved towards paranoid speculation. Earlier in this decade, Vermont's pioneering effort in state-wide land use control went down to political defeat. If the attack was orchestrated by developers, it was supported by many Vermonters who saw in the proposal a return towards fuedalism. The natives would live in the villages, and the picturesque Vermont countryside would be preserved for those able to afford 10, 25, even 100-acre parcels.

With the failure on the land use proposition, the state's best handle on a slow, helter-skelter exodous from the towns and villages out on to small country lots is its health regulations.

It is these regulations, not Act 250, which must be satisfied by an individual who seeks to build on an unserviced lot of less than 10 acres. The buyer (or seller) must demonstrate that the lot is suitable for septic sewage disposal, and has an adequate water supply. On most lots—and all lots under 3 acres—that means hiring a soils engineer to make tests and draft a report.

SOIL MUST BE SUITABLE NO MATTER WHAT

The soil must be judged suitable for a septic system, regardless of the method of sewage disposal contemplated. As one environmental agency employee put it, John D. Rockefeller couldn't get a permit to build on an acre of solid ledge if he promised to fly his sewage out by helicopter.

A state-financed program to subsidize the design and installation of good septic systems for homeowners would undermine this control. So would the broad acceptance of composting toilets which use no water, and thus pollute no water.

But if a given Vermont hamlet has an expensive investment in sewage treatment, and if septic and other on-site systems continue to be personally expensive and environmentally unsavory, then it will make sense to concentrate growth in town and leave the countryside alone.

This may be an admirable social goal, or it may not. But if Barton residents are to pay $156 a year for the duration, they should know what they're paying for.

Setting paranoia aside, Vermont is under pressure from the federal government, and it may be sensible to tap the federal purse while it's open.

But Barton's stubborn voters may have shown considerable wisdom at the polls on June 29. If they keep dragging their feet, there may emerge a solution that costs less money, uses less energy and—perish the thought—even turns all that organic matter they produce to good use.

Nate Tufts, a visiting expert from Massachusetts, commented at the hearing that a tremendous quantity of high-priced soil nutrients flow in from California to Yankee patrons in the form of food. "If we can put this high-priced, well-travelled resource back on our rocky fields and sandy forest floors," Mr. Tufts said, "that would be Yankee ingenuity, indeed."

TODAY'S COURTS—ADJUDICATORS OR LEGISLATORS?

Mr. BARTLETT. Mr. President, one of the most disturbing tendencies which I have seen developing in this country is the tendency of some of our Federal judges to involve themselves in making decisions that are properly the province of elected officials. My own State of Oklahoma has been affected recently by Federal court decisions regarding our State penal system and the hiring and admission practices of our State system of higher education. While I certainly do not condone violations of the law or of the Constitution, I think both of these decisions are illustrative of instances in which Federal judges have been all too willing to impose their own view of what is good public policy, rather than leaving such questions to the appropriate executive or legislative branch officials.

Mr. President, one of our colleagues, Senator ROTH of Delaware, recently wrote an article for Trial magazine which is an excellent discussion of the trend toward Federal judicial involvement in legislative policymaking. The article sets out some considerations that we should all keep in mind as we in the Senate consider the nominations of various persons to be Federal judges, that is, the need to assure that our Federal judges are persons who are willing to set aside their personal views of what is best for society and to confine themselves to interpreting the law in accordance with its clear and intended meaning. Senator ROTH's reminder of the need for judicial self-restraint is indeed timely. I, therefore, ask unaminous consent that Senator ROTH's article. "Today's Courts—Adjudicators or Legislators?" be printed in the RECORD for the benefit of all Members of the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TODAY'S COURTS—ADJUDICATORS OR LEGISLATORS?

(By Senator BILL ROTH)

The judicial review of legislation has long been considered a crucial function of our nation's courts. This function historically has been confined to inquiries into whether legislation complies with the mandates of the Constitution. Today, however, we find that with increasing frequency and boldness, judges in our judicial system are intervening into social and political affairs once thought either to be non-justiciable or reserved to the legislature.

The ability of a judge to make law is widely acknowledged. Justice Oliver Wendell Holmes once stated that judges "make law only interstitially." Today the federal bench dictates law wholesale and in rapid order.

In the past 25 years judicial responsibility has vastly expanded. Courts today are involved in decisions that were once thought to be unfit for adjudication. Judicial business now includes educational policy, highway standards, mental health, and auto safety. Courts have handed down decrees which affect hospital administration, penal institutions, child support, registration, and natural resource allocation.

The federal judiciary, by its activist approach to judicial decision-making, has played a major role in eroding our system of federalism and in the reduction of legislative authority. Over the past quarter century there have been many indications that the courts have evolved into an undemocratic and elitist branch of government. This is an alarming signal to a society that was established on and cherishes its democratic traditions. The courts do perform a vital function by curbing abuses in the legislative and executive branches. In addition, they furnish a suitable forum for the resolution of individual conflicts. However, our judicial system was not created to dictate policy to the legislatures of this country or to its citizens, as it now does.

Federal court judges have continued to rewrite the Constitution in the guise of interpreting it. In the process, they have usurped prerogatives properly belonging to the elected representatives of the people. By ruling on the basis of their view of "enlightened" social policy rather than the law, the courts have become a super-legislature responsible to no one. They have become a continuing constitutional convention without elected delegates and, in a very real sense, a judicial oligarchy decreeing to the states and Congress what they must do.

COMMON INTRUSION

The unwarranted judicial intrusion into every facet of our daily life is now common. For example, the real governor of Alabama in many respects is Federal District Court Judge Frank M. Johnson, Jr., an unelected lifetime appointee who can and does regularly defy the legislature and public opinion. By his own court orders Judge Johnson has taken charge of the state's mental health and prison systems, its overall hiring practices, the property tax levy, voting registrations, school desegregation efforts, and even the system of legislative representation.

In Boston, Judge W. Arthur Garrity, Jr., found that certain schools were racially segregated and ordered that a high school be placed in federal receivership. This was an unprecedented move. In the ensuing months, Judge Garrity took unusual interest in the Boston school system even to the point of ordering the school board to pay moving costs for a new principal and determining the quality of tennis balls to be ordered for South Boston High.

Supreme Court Justice John M. Harlan wrote that the "Constitution is not a panacea for every blot upon the public welfare; nor should [the] court, ordained as a judicial body, be thought of as a general haven for reform movements." The judiciary apparently never took Judge Harlan's words seriously. To the extent any court perceives its functions as one of making fundamental value choices for society, while ignoring traditional Constitutional values, then to that extent the court is exercising its power illegitimately.

Judicial restraint is an implied condition of the authority of judicial review. Legislative over-reaching may result in the sacrifice of individual protections secured by the Constitution. Judicial over-reaching, however, may result in the sacrifice of the most fundamental right of the people to govern themselves.

The historical antecedents of judicial restraint are found in the common law on one hand and the constitutionally mandated separation of powers on the other. The Constitution not only separates the three parts of government into separate branches, but also establishes our federal system of separate national and state governments. The concepts were formulated to prevent abuse and concentration of power. James Madison in the *Federalist* papers explained the doctrine as follows:

"The great security against a gradual concentration of the several powers in the same department consists in giving to those who administer each department the necessary constitutional means and personal motives to resist an encroachment of the others . . . Ambition must be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place. It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself but the greatest of all reflections on human nature? If men were angels, no government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself."

There is no single course of judicial conduct which reflects an abrupt departure from past traditions. There are, however, several features, taken as a whole, which make today's judiciary contrast sharply with the more stable exercise of judicial function in the past.

The recent loosening of requirements of jurisdiction, standing, and ripeness have enabled courts to focus on issues involving great principles. A court need not decide a case on the facts before it, but instead may make broad sweeping generalities which affect society as a whole.

In its rulings and decisions on abortion, the Supreme Court imposed such severe limitations on permissible legislation that no abortion law in the United States remained valid. In these cases, the court did not address the rights or responsibilities of the parties before them but concentrated instead on giving substantive content to the term "liberty" in the 14th Amendment. For example, instead of simply declaring the Texas Criminal Abortion Statute unconstitutional in *Roe v. Wade*, the Court dictated terms to every legislature in the country.

In the *Wade decision*, Justice Blackmun found that the 14th Amendment concept of liberty is "broad enough to encompass a woman's decision whether or not to terminate her pregnancy." A complex timetable followed resembling an intricate piece of legislation detailing at what stages of a woman's pregnancy a legislator could or could not interfere with an abortion. In dissent, Justice Rehnquist stated that the decision "partakes more of judicial legislation than it does of a determination of the drafters of the 14th Amendment." Justice Holmes probably would have agreed for he once wrote, "I think the proper course is to recognize that a legislature can do whatever it sees fit to do unless it is restrained by some express prohibition in the Constitution. . . ."

BROAD POWER

A court has always had the power to compel the performance of affirmative acts. This is not a new principle. But the scope of judicial decrees in affirming the principle has expanded to the point that often remedies prescribed by today's judiciary require the kind of supervision that legislated government programs do. Much judicial activity is sparked, independent of congressional and bureaucratic action, and in many cases contrary to announced policies and laws. Courts have ordered employers to hire persons refused for jobs and in some cases awarded back pay. Government agencies have been ordered to change employment policies to eliminate alleged discrimination. In Chicago, U.S. District Judge Prentiss H. Marshall decreed that the city's police department set up racial quotas in future hiring of officers. Elsewhere in the country, judges have dictated higher property taxes, have reorganized local government agencies, and expanded the rights of the criminal while restricting the rights of the victims. In recent months they have defied executive branch prerogatives by ordering the continuation of the Food Stamp Program and defied Congress by ordering the continuation of federal payments for non-therapeutic abortions.

Alexander Hamilton wrote that the judiciary was "the least dangerous" branch of government. Hamilton conceived the courts as having "neither the force nor will but merely judgment." A benchmark for a proper judicial role in Hamilton's time and in our time is discretion. Judicial restraint consists in the refusal of the judge to substitute will for judgment.

Many believe the courts should act whenever Congress either has not done so or when Congress passes a law with which they disagree. Those who hold these views are intoxicated by the quick, simple way in which the courts can decree what they deem to be desirable social ends. Recourse to the courts avoids the often slow and frustrating effort necessary to analyze the problems, devise precise solutions, and form a political majority to help press their cause.

In addressing this issue, Chief Justice Burger recently stated:

"This [recent significant change brought about by litigation] has given rise to the alluring prospect that our world can be changed in the courts. I confess it is an intriguing idea. Federal judges in particular need not be troubled by constituents or elections and can therefore concentrate on problems without regard to public opinion.

"Those who would look to judges, and especially tenured federal judges, to innovate and reshape our society will do well to ponder what remedy is available if the world shaped by the judicial process is not to their liking. I suggest that this approval be considered against the background of our traditions and history which began with a revolution instituted to overthrow a government that was beyond recall by the votes of the people."

The Chief Justice went on to conclude that "it was never contemplated in our system that judges would make drastic changes by judicial decision." That is, of course, what the legislative function and the rulemaking function is all about.

JUDICIARY LIMITS

The judiciary should not make policy or attempt social change. It can't be held accountable to the people for whom the policy for change is made. Unlike the other two branches of government, the judiciary does not have to face the voters for the decision it reaches. Although this secures some independence for the courts, it does not allow the people for whom the judiciary was fashioned to have a direct input into the decision-making process. Simply stated, the absence of popular control or accountability is antidemocratic because it is a denial of self-rule.

Recent indications point to the continuation of judicial activism. However, lately there have been a number of congressional attempts to limit judicial abuse. Congress in Article III, Section I of the Constitution could curb courts of limited jurisdiction. If it is the considered sense of the Congress that the courts are exercising "will" instead of "judgment," Congress could strip them of this jurisdiction as simply as it established them. If the courts continue their present interference there may be no alternative course other than to limit jurisdiction, to ensure the separation of powers conceived by the founding fathers.

For a judge to become a legislator is repugant to the fundamental tenets underlying our democratic form of government; yet much of the revolutionary change in American law has come from the courts, not the legislatures. This has resulted in a situation where Congress—the elected representatives of the people—has been virtually excluded from the process of decision-making in many areas of profound impact on the nation and the lives of our people.

The country urgently needs judges who are disciplined in the tradition of judicial self restraint—and who have the ability to set aside their personal views of what is best for society and perform their duty in interpreting our laws according to their clear and intended meaning.

CAPTIVE NATIONS WEEK STILL HAS SIGNIFICANCE

Mr. DOLE. Mr. President, I was pleased to learn yesterday that the President had agreed to issue a 1977 Captive Nations Week Proclamation, in line with a tradition established by his predecessors. Earlier this week, I had sent a telegram to the White House urging that President Carter continue this tradition, which was initiated by joint congressional resolution in 1959, and which has been observed annually during the third week in July by every President since Dwight D. Eisenhower.

When the third week of July 1977 arrived, there was no indication from the White House that the proclamation would be issued this year, expressing concern for nations dominated by Communist control. In my opinion, this would have been a particularly poor time to break ths longstanding tradition of encouragement to oppressed nations, as preparations are underway in Belgrade for the conference to review compliance with the Helsinki accord. In my telegram to the President, I suggested that there would be no more propitious time than now to reaffirm his strong commitment to human, religious, and national rights.

PROCLAMATION TEXT DISAPPOINTING

While I am glad that the President responded favorably to the requests for a proclamation this year, it is somewhat disappointing that the proclamation text was not more affirmative in its reference to the plight of Communist dominated nations. President Carter's proclamation, which appeared to be issued more or less as an afterthought, was much more terse and reserved in tone than those issued in previous years. We can hope that this does not signify any lessening of concern for the captive peoples of those nations. Three countries—Laos, Cambodia, and Vietnam—have come under complete Communist domination within the past 3 years. With the continuing threats to peace and freedom in Africa and elsewhere, it is as important as ever before that the United States extend moral support to those who would resist the yoke of Communist oppression.

Mr. President, I ask unanimous consent that the full texts of the Captive Nations Proclamations issued by President Gerald R. Ford in 1976, and by President Jimmy Carter in 1977 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA, CAPTIVE NATIONS WEEK, 1976

This year we mark the beginning of our third century as an independent nation. Two hundred years ago our Declaration of Independence declared that "all men are created equal." It did not say "all Americans" but embraced all men everywhere. Throughout our history we have repeatedly demonstrated our conviction and concern that men and women throughout the world should share the full blessings of liberty.

As we celebrate our Bicentennial, it is important that we let the world know that America still cares, that the torch in the Statue of Liberty still burns brightly. The world should know that we stand for freedom and independence in 1976, just as we stood for freedom and independence in 1776.

For two centuries, the fundamental basis of American policy toward other nations has remained unchanged: the United States supports the aspirations for freedom, independence and national self-determination of all peoples. We do not accept foreign domination over any nation. We reaffirm today this principle and policy.

The Eighty-Sixth Congress, by a joint resolution approved July 17, 1959 (73 Stat. 212), authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

Now, therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the week beginning July 18, 1976 as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the aspirations of all peoples for self-determination and liberty.

In witness whereof, I have hereunto set my hand this second day of July in the year of our Lord nineteen hundred seventy-six, and of the Independence of the United States of America the two hundredth.

GERALD R. FORD.

CAPTIVE NATIONS WEEK 1977

(By the President of the United States of America)

A PROCLAMATION

Since 1959 the Congress, by Joint Resolution (Statute 73.212) has authorized and requested the President to designate the third week of July as Captive Nations Week.

Our own country was established on a profound belief in national self-determination. Throughout our history we have sought to give meaning to this principle and to our belief in liberty and human rights.

In recognition of this commitment, now, therefore, I Jimmy Carter, President of the United States of America, do hereby designate the week beginning July 17, 1977 as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, demonstrating America's support for those who seek national independence, liberty, and human rights.

In witness thereof, I have here unto set my hand this 20th day of July in the year of our Lord 1977 and the independence of the United States of America the 202nd.

MENNINGER STATEMENT BEFORE PRESIDENT'S MENTAL HEALTH COMMISSION HEARING

Mr. PEARSON. Mr. President, on June 21, Dr. Walter Menninger presented a statement by his brother, Dr. Roy Menninger, at a hearing of the President's Commission on Mental Health in San Francisco dealing with the vital importance of cooperative relations between private institutions and the Government in providing quality mental health care. This statement is based on the great experience of the Menninger Foundation. The observations and recommendations of the statement are most significant, and I ask unanimous consent that it be printed in the RECORD along with a general statement about the overall mission of the Menninger Foundation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Statement for President's Commission on Mental Health, Public Hearing—21 June 1977—San Francisco, CA.

On behalf of The Menninger Foundation, Topeka, KS, Roy W. Menninger, M.D., President.

By W. Walter Menninger, M.D., Clinical Director, Topeka (KS) State Hospital, Senior Staff Psychiatrist, Menninger Foundation.

Regarding Coordination of Private and Public Resources in the Mental Health Field.

INTRODUCTION

It is a privilege and honor to present to this Commission our perspective on the coordination of private and public resources in the mental health field. We are indeed proud of our remarkable liaison of private, local, state and federal institutions in Topeka committed to treatment, training, research and prevention of mental illness.

If your experience is parallel to that of the Presidential Commission upon which I served nine years ago, you are receiving much advice about what government ought to be doing to enhance mental health services. You hear much less what individuals and non-governmental organizations are prepared to do. Yet there are clear roles for both.

THE EXPERIENCE OF THE MENNINGER FOUNDATION

My father, Dr. Will Menninger, observed that during the first 20 years of the Menninger Clinic, "We were in private practice as any group of doctors you might know. We had done a little training. . . . It was part of the fun of practice, and we had done a little research work, such as it was, in between times." The situation was changed as a result of World War II, where the loss manpower because of emotional problems exceeded all other lost manpower put together.[1]

Following that war, the Veterans Administration was faced with the reality that 55 per cent of all VA patients were psychiatric, and they did not have the staff to care for them. The VA thus approached the Menninger Clinic with a proposition to establish a model training facility for psychiatrists. Drs. Karl and Will Menninger and their colleagues felt they could hardly say "no" to that proposition, despite the fact it meant giving up private practice as they had known it.

In 1946, that collaboration of a private institution and the federal government created the Menninger School of Psychiatry, the largest training program of its kind ever established.

Two years later, there was a "revolution" in the state mental health system in Kansas. It was prompted, in part, after a state legislator visited the Topeka VA Hospital and wondered, "If you can do this for the federal government, why can't you do this for the State of Kansas?" Thus, the state joined in the collaboration, with an initial objective of "brains before bricks." The result was a substantial improvement in the quality of mental care in Kansas, raising the state from 47th of the then 48 states to the top rank in indices of mental health services. At the request of other states, Dr. Will Menninger then carried the message of the Kansas experience to nearly half of the state legislatures of the United States.

Over the past 30 years, the private-federal-state cooperation in our community has not only been sustained, but expanded. Now some 20 other institutions are also involved, including a state center for delinquent youths, a state penal reception and diagnostic center, the county juvenile court, the city police department, a United-Way-funded Family Service and Guidance Center, local public schools and a county-federal-state supported community mental health corporation.

My own clinical work exemplifies that commitment to collaboration. For the past nine years, I have worked primarily at the Topeka State Hospital, a 433 bed public mental hospital serving 31 counties in central and northeast Kansas. Currently, I oversee the clinical services in that institution as well as the psychiatric residency training.

The staff of the Menninger Foundation have considered it both an honor and a responsibility to respond when government calls upon us for help. And the staff have frequently been called upon to participate in a wide range of local, state and national advisory panels.

SOME LESSONS LEARNED ABOUT COLLABORATION

What have we learned from this collaborative experience? First, *despite problems of meshing systems*—private, state, federal—which operate with different regulations and which sometimes appear to be marching to different drums, *it is possible to develop an effective liaison.* With a common goal of the best quality of care and training, not only can institutions work well together; *the programs of one often supplement and strengthen those of the others.* Indeed, *this is perhaps the strongest reason for developing and maintaining such relationships.*

This is not to say we have always avoided problems. Misunderstandings are inevitable. Successful collaboration takes a commitment of time and effort and a recognition of the benefits which are possible. You must provide for an adequate exchange of information and communication between the institutions. Further, there is a constant need to keep key officials, to whom the institutions are accountable, educated and informed—federal officials in Washington, state administrators and legislators, trustees of the private Foundation.

A second lesson which the private sector has had to face is that the liaison is expensive. Rarely has the government fully paid its own way. The Menninger Clinic had to change its organization in 1946 to become a non-profit foundation, so it could seek help from private philanthropy to cover costs which could not be charged to patients. In recent years, it has been necessary to raise nearly one million dollars annually from private sources to support the educational programs.

Also, we have to accept that the efforts of the private sector are not always appreciated or understood by those in government. In

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[1] Menninger, William C. *A Psychiatrist for a Troubled World* New York: Viking Press, 1967 "Brains Before Bricks" p. 772.

part, this reflects a reality that taxpayers are not really prepared to pay for mental health care at the level expected as a matter of course in private practice. We are aware that the collaborative contribution of private institutions over the country is less that it might be. However, we remain committed to a cooperative effort, since *the magnitude of the task of mental health services is so great that no single system has sufficient resources to meet the challenge alone.*

ROLES TO BE PLAYED BY DIFFERENT SECTORS

The major contributions of *the private institutions* are *innovative leadership and the role of the conscience, with a commitment to the highest quality of care.* At the same time, the private institution must mobilize private philanthropy to support a fare share of the costs of training and research.

In the 1950's and 1960's, the federal government played a substantial role through the National Institute of Mental Health in support of training and research. Regrettably, this support has declined in the past several years. *Because there is no other substantial resource available to fund training and research, these activities remain an important area to be underwritten by the federal sector.* Presently, there is a reluctance in all quarters to fund training programs. Yet without a continued commitment to sustained top notch educational programs, these programs will atrophy; and other services which depend upon professional personnel will ultimately suffer.

The states have had a long standing commitment to care of the mentally ill in institutions. More recently, states have been asked to assume an increasing role of funding community mental health centers which were initiated with federal support. For those persons who do not have the capacity to pay, *it is reasonable and appropriate to expect service costs to be borne by the state and local governments,* although it is most unfortunate if not impossible when this is expected in the absence of any substantial increase in state and local tax appropriations for mental health care. At the same time, we recognize the significant role played by health insurers in guaranteeing coverage for mental health care, and we urge your careful study of this area, to assure access of all Americans to adequate mental health care.

SOME CLOSING THOUGHTS

From my work as a member of the Violence Commission, I know that the expectations of a national commission must be kept in perspective. While you may have a mandate to prepare certain recommendations to the President, your main task may well be simply one of education about needs and potential directions in this field, to increase the visibility and credibility of mental health issues.

We would hope that *your recommendations take note of the great potential of private-governmental cooperation and encourage increased liaisons between these organizations.* You should recognize that there must be some quid pro quo. While all of us have a responsibility to improve governmental operations in any way we can, it should not be assumed that private institutions can do this strictly as a charitable or altruistic endeavor. Also, there must be a readiness on the part of governmental agencies to keep rules and regulations realistic and not so hidebound or limiting that liaisons are deterred.

Further, we strongly advise against a monolithic management of these affiliated resources. And patients should have a freedom of choice as to their utilization of these facilities.

Finally, may I share with you one additional commitment—that of supporting all institutions in their efforts to expand programs of prevention. As stated by Dr. Roy Menninger, in his "Statement of Our Mission as We Enter Our Second Half-Century," [2]

"The next several decades will witness continuing growth in our work in the applications of psychiatry to a variety of social ills. This is a focus that in turn is based upon the strength and quality of our work in treatment of the mentally ill, in research and in education.

"In a sense, our past is prologue, yet it is our future as well. Our clinical practice, education and research activities must grow—not larger, but stronger, wiser, and more skillful—for it is from these intense areas we derive our knowledge.

"With this strong base from which to work, we will have the resources of talented, skilled people wtih extensive knowledge to reach into communities—into every segment of society—to offer knowledge and understanding which will help people manage their lives and worlds in more effective ways so that individuals may experience a greater sense of their own worth and significance. It is a task worthy of our total commitment."

IN SUMMARY

1. Your recommendations should take note of the great potential of private-governmental cooperation and encourage increased liaison between these organizations. Perhaps the strongest reason for developing and maintaining such relationships is that the programs of one often supplement and strengthen those of the others, and the magnitude of the task of mental health services is so great that no single system has sufficient resources to meet the challenge alone.

2. The private sector should be looked to for innovative leadership and a commitment to the highest quality of patient care. It can serve as a conscience. It can also mobilize the support of private philanthropy.

3. Because there is no other substantial resource available to fund training and research, the financial support of these activities remains a primary responsibility of the federal sector.

4. It is reasonable and appropriate to expect service costs to be borne by state and local governments for those persons who do not have the capacity to pay and who are not adequately protected by health insurance coverage in this area.

STATEMENT OF OUR MISSION AS WE ENTER OUR SECOND HALF-CENTURY

April 21, 1977.

(NOTE.—"The unique thing The Menninger Foundation really accomplished as a clinic was to show that mental hospitals are places where you can get well—not places where you are sent for the rest of your life. Today, The Menninger Foundation is showing people that what has been learned in the mental hospital will help people find out how not to get sick at all—not being sick and getting well, but how not to get sick.

"In this country things flower when groups of people take the responsibility to innovate. Now we are in one of those periods when all over the country we need centers of innovation. That is The Menninger Foundation—a center of innovation." Dr. Margaret Mead, 1976.)

MISSION OF THE MENNINGER FOUNDATION

1. Improving the quality of life by developing, utilizing and disseminating psychiatric knowledge to help people who are ill as well as those who are not ill find greater personal fulfillment and satisfaction through personal autonomy and enhanced capacity to cope with the stresses of life.

2. Continuing professional leadership in the diagnosis and treatment of the mentally ill; educating mental health professionals, front-line caregivers (other physicians, nurses, lawyers, clergy, etc.) and managers of institutions, organizations and government; psychiatric research; applications of psychiatry to social and organizational needs.

3. Promoting better public understanding of the nature of mental illness and its treatment; approaches to the improvement and maintenance of mental health and the management of stress and distress in healthy people who are not patients, for whom this knowledge may function preventively; mental health issues and problems through public advocacy.

The Menninger Foundation is an institution of professional helpers and patients, teachers and students, scientists and scholars, but it is more than a hospital and more than a university. It is a unique American institution.

In its 50-year history The Menninger Foundation has been noted for: willingness to question and innovate; emphasis on quality service; commitment to the discovery and dissemination of knowledge.

Our past is one of accomplishment and pride. We have created an institution that today offers the American people a range of services that is unique in the nation.

The Menninger Foundation maintains a standard of professional excellence in our hospitals for treating the mentally ill that I believe is unexcelled. For many persons who have not been helped at other institutions the Menninger Clinic has proven to be a "court of last resort."

Our research and educational commitments are diverse and extensive—making our institution a national resource.

We are dedicated to developing and sharing—with every segment of society—our knowledge of the nature of mental illness and the qualities of good mental health.

As The Menninger Foundation begins its second fifty years, the environment in which we must work is vastly different from that experienced by our founders.

The Menninger Sanitarium was created in a time when there were few institutions to which people with emotional problems could turn. Psychiatry was little known, and the public mental hospitals of the day were places to which people were committed with little hope of ever leaving. It was a time in which private institutions such as ours had freedom to innovate, to question, to experiment, to change.

While freedom and flexibility still exist in our status as a private institution, developments in the environment have created constraints that will severely limit health care institutions in future years. In the next decade, the health field will find institutional autonomy and flexibility increasingly diminished as the government assumes a dominant role in financing delivery of health services. Historically, The Menninger Foundation has been successful in winning private financial support for our work, so that our institution could remain relatively free of the need for government funds. We believe that true centers of innovation, like The Menninger Foundation, must have freedom to question and experiment, to take a step ahead, to point the way in the mental health field. It may prove comfortable for some institutions to settle for being told how to use their resources as preconceived and directed by the bureaucracy. The Menninger Foundation prefers the challenging, probing question, "How can we best use our resources to help our fellow man?" and to have the freedom to respond with the best that is in us.

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[2] The full text of Dr. Roy Menninger's statement is appended to provide the Commission with some elaboration on the full scope of activities and goals of The Menninger Foundation.

I. Quality of treatment

From its very beginning, The Menninger Foundation has set the highest standards in treating the mentally ill.

As we enter our Second Half Century, this commitment to excellence continues. It continues in the face of contemporary trends toward short-term treatment and brief hospitalization, largely created by current economics of medicine. We are convinced, however, of the continuing need for longer-term intensive treatment for the severely ill.

The work in the 50-year history of The Menninger Foundation has focused on the value and the worth of the individual. The Foundation's pioneering efforts in the 1930s and the 1940s to apply a sophisticated understanding of human behavior to the treatment of the severely ill patient led to developments in a dynamic hospital psychiatry—using the total environment as a part of treatment—which have become standard practice in psychiatric hospitals throughout the United States, and, indeed, throughout the world. The capacity to develop these unique helping strategies depends upon the maintenance of superior clinical services with people skilled in the treatment of persons with severe emotional illness. We are proud of our reputation for effective treatment of the severely ill. We have demonstrated that timely and skillful therapeutic intervention in the lives of troubled patients in an atmosphere of optimistic expectation and caring can produce results. An active commitment to this philosophy has not only changed many state hospitals around the country from snake pits of earlier years to modern therapeutic institutions, but it has contributed to a reduction in the number of hospital patients. A basic tenet of this philosophy is the absolute necessity of developing a treatment plan that fits the needs of the troubled person, not one that is primarily designed to fit a government bureaucratic directive or to fit the insurance dollars to pay for it. We regard it important to emphasize our commitment to this philosophy in the face of strong economic and political pressures to minimize the need for skillful intensive treatment.

For these reasons, superior clinical psychiatric and neurological services for both children and adults is and will remain the core of our Foundation activities. Our goals will be:

To provide the finest diagnostic and therapeutic care with the highest possible standards of quality; to demonstrate new directions in the care of the mentally ill; to care for patients who have not been helped at other institutions or in private treatment forms by offering intensive hospital experience and psychiatric evaluation not available at other institutions; to maintain an emphasis on a caring environment consistent with our humanistic value systems as opposed to an over-emphasis on technique and method; to be open to incorporating new ideas into established treatment forms, to utilize a broad range of proven treatment modalities, and to seek alternative services and treatment approaches for the less affluent and less severely ill; to encourage shared knowledge of many disciplines—psychiatry, biology, neurology, psychology and sociology.

II. Research

A strong research program contributes to an atmosphere which encourages clinical curiosity and inquiry. The Menninger Foundation is committed to a continuing search for new knowledge in the field of human behavior, for application in Foundation programs and more broadly throughout society.

Research must be a vital part of all of our programs because of our emphasis on learning from what we do. An organization as knowledge-dependent as The Menninger Foundation must have sophisticated methods for developing new knowledge. There is not sufficient understanding of psychological processes to permit us to say we know enough.

Our current research projects are extensive, reflecting our wish to contribute to psychiatric knowledge and to society at large. Our projects underway include research in:

Genetics, to explore whether behavior can be passed genetically from one generation to another;

The nature of mental illness, specifically *schizophrenia;*

Alcoholism—the personality of alcoholics and the relationship between alcoholism and homosexuality;

Brainwave training for mental health, working to develop a non-drug therapeutic technique that may shorten the treatment process in mental hospitals and outpatient clinics;

Child rearing and *child care* practices;

Biofeedback as a method for controlling migraine headache, hypertension, and other *psychosomatic* illnesses;

Hospital treatment follow-up studies.

Our goals in research are:

To emphasize the multidisciplinary, scientific study of mental illness, in order to contribute to the understanding of the causes, the natural history and the treatment of mental illnesses;

To undertake an expanding program of research activities in clinical investigation and program evaluation on a foundation of basic research of relevance to our central focus on mental illness.

III. Education

Training mental health professionals traditionally has been a part of the mission of The Menninger Foundation. The Menninger belief that the mentally ill can and should be helped has been transmitted far beyond the boundaries of Topeka through our graduates, who themselves have assumed prominent roles in universities, institutions and the government. The Foundation's training programs have produced a substantial percentage of the total mental health manpower available in the United States today and our commitment to education continues.

The Menninger Foundation offers a setting and unique program that is a national educational resource. Other institutions offer training in psychiatry and other disciplines, but few institutions match the range of opportunities the Foundation offers in learning to use knowledge in practical settings—consulting in non-clinical agencies and organizations such as industry, schools, churches, civic groups, courts and prisons—where human problems cut across the traditional distinctions between health and illness.

Financing these programs is becoming more difficult; education in general—and certainly specialty training such as ours—face economic hard times. Inflation, the changing patterns of government support for education, and the national demands for philanthropic dollars all contribute to the pressure that holds institutions like ours in a financial vise. We will have to adjust, but our goal of providing quality education will not be diminished.

If we are to have a greater impact on the major social ills in our society, a vast organization of professional talent will be required that will dwarf anything we have yet seen in the social sciences. In the future, psychiatric education will take on broader meaning. It has become increasingly clear that psychiatry is not only a medical specialty but also a part of a whole spectrum of nonmedical professions and disciplines with which its work is coordinated for both practical and theoretical reasons. Sometimes the word "psychiatry" is used loosely and nonprofessionally as a collective name for all the professions, disciplines, methods and programs dealing with the mentally ill, fostering mental health, and improving the lot of man by predominantly psychological methods. Much practical work in psychiatry is done by teams of various specialists; much thinking in psychiatry is influenced by psychology, sociology, anthropology, administrative science and basic research in many different fields. Over the years new applications of psychiatry have occurred to such fields as education, religion, law, and public affairs, and, with each new application, viewpoints and principles derived from these fields in turn influence the theories and practices of the psychiatric professions.

This integrated view of psychiatry—a field with a bio-social-psychological perspective—is under attack by those who insist on a narrow, biologically-based definition of psychiatry as exclusively medical. This view has the virtue of recognizing the importance of our medical origins and biological foundations, but its denial of the psychological and social determinants of illness and health is seriously regressive and must be resisted. Psychiatry is in a unique position to provide this broad perspective to the whole of medicine, itself a prisoner of a narrow, illness-oriented perspective. As so bluntly stated by a respected medical clinician, "Psychiatry now is the only clinical discipline within medicine concerned primarily with the study of man and the human condition." (*Science*, G. Engel, 196–134, 8 April 1977.)

The challenge before us is to bring the mental health professionals from their variety of fields of study together for a part of their training. Beyond this is the larger task of bringing social psychology, anthropology and even political science and economics into the relationship with the mental health sciences.

This is a formidable task, but with programs of special study, an extensive visiting professor program, arrangements for special scholars from other fields of study through our Spencer Foundation grant, we hope to develop affiliations with universities and other centers with parallel interests. Out of this effort may come joint ventures, shared student-faculty exchanges, degree programs, continuing education programs, significant national conferences and other means for expanding our opportunities for collaboration between fields of science.

Our goals in education are:

To provide quality training for a variety of mental health professionals;

To strengthen our affiliations with medical schools and universities to offer a bio-psycho-social view of the needs of patients in medical and psychiatric settings;

To strengthen our clinical affiliations with related institutions in the mental health and medical fields;

To promote dissemination of knowledge by expanding programs of inviting scholars in many other academic disciplines to learn from us and to teach us;

To expand our continuing educational programs for mental health professionals, to become a national center for recertification and relicensure; and

To develop training opportunities for selected students in such fields as leadership, consultation, systems management, psychoanalysis, etc.

IV. Applications of psychiatry: Our work to improve the quality of life

Psychiatry aspires to an understanding of human behavior. Our discipline has acquired a great deal of knowledge in the past 50 years—knowledge that should be shared as

widely as possible through public education about ways to prevent mental illness, to develop positive qualities of mental health and to maintain it.

The Menninger Foundation is uniquely capable in this area of public education because of our experience with public concerns for much of our 50 years. In the 1950s, when the Foundation initiated its seminars for business executives, these were innovative attempts to offer industry an understanding of human nature, knowledge about human motivations, the qualities of leadership and how people can deal better with stress. Today, our work with public groups includes:

Continued alliance with industry through the seminars on a growing scale through unique services: organizational and individual consultations in understanding and managing conflicts; helping industry to develop policies dealing with alcoholism, personnel changes, adjustments to overseas assignments and other human problems.

Our seminars as a means of communication and education have been expanded to reach representatives of many other professions: law enforcement officers, correctional officers, city managers, state and federal government executives, social action agency personnel, nursing home personnel and others. We have established programs within school systems to train school teachers, counselors and principals and instructors in mental health principles, and in pre-school and special education, within the legal system, consulting with law enforcement agencies, courts and attorneys; with religious groups and institutions to train clergy and to offer special programs to lay leaders and entire congregations; for mental health professionals seeking training in family therapy, treatment of alcoholism, group therapy, emergency care, psychopharmacology, mental health administration, mental health and the law, aftercare services, hospital residential treatment of children and adolescents, and a variety of other topics; training sessions for physicians and mental health professionals in biofeedback for control of migraine headaches, and other psychosomatic illnesses; training programs for government personnel and rehabilitation agency employees to work with the hard-core unemployed and prison inmates.

Recently, The Menninger Foundation assumed a leadership role in developing a national model program of group living homes for dependent and neglected children which we hope will replace the outmoded and failed system of placing these children in detention centers and foster homes. There are an estimated one million children classified by the courts as dependent and neglected and assigned to foster care homes; another 400,000 children are in detention centers and jails for such offenses as truancy, stubbornness and smoking in class—assigned to institutions because there was no other way to care for them. Working in partnership with the Community Services Administration of the federal government, the Foundation—supported by a $1.2 million federal grant—will develop the model project, establish the homes in cities across the nation, train the personnel and supervise their operation. It is a very large task, indeed, but an important one that may revolutionize the way Americans care for children in need.

Two other projects of national importance will give the Foundation an opportunity to train hundreds of persons who in turn can help thousands. One project is to train *nursing home employees*—administrators, nurses, physicians and social workers—in the psychological aspects of caring for the infirm. The whole concept of the training is to demonstrate for nursing home personnel that institutional long-term care focusing on the quality of life and living is better than custodial care aimed at death and dying, and how to achieve it. The training project is in partnership with the U.S. Department of Health, Education, and Welfare. The second project, also in partnership with the federal government, intends to develop training for psychologically and physically *handicapped persons* and employers and to place handicapped persons in jobs. Again, this project reflects a unique contribution The Menninger Foundation can make in developing programs which acknowledge and deal with the psychological problems of the handicapped that usually defeat ordinary rehabilitation services.

An important goal at The Menninger Foundation is to contribute to the development of a caring society; one in which people in key community service roles—the "care givers"—have the knowledge and skills to broaden the base of care and prevention of psychological problems caused by the stress of living.

The Menninger Foundation has the unique experience of years of working with a variety of professions, organizations and institutions in identifying problems and in developing specific training and educational programs to deal with them. Our work is to serve as a complementary resource—on a national scale—to the government, to business, to education and to the social agencies to create a caring society.

Specifically, our goals to apply our knowledge in society are:

To continue to expand our consultation, teaching and seminar programs for community care-givers (lawyers, clergy, other physicians, nurses, school teachers and counsellors, law enforcement personnel, etc.) who are society's primary frontline service-providers;

To expand our work with business and industry through seminars and additional metal health maintenance services for employees of major corporations; and

To seek other opportunities to apply psychiatric knowledge to the solution of social organization problems.

V. Conclusion

From the beginning, The Menninger Foundation has set as its goal to be a respected contributor to our society, to offer our unique talents to improving the quality of life for our fellow man. We have remained flexible, absorbing new ideas, meeting the changing times, responding to society's needs and—when necessary—standing our grounds against the tide when we believe that our philosophy was the correct one and therefore there were occasions when we were ahead of our time.

Initially there was Dr. C. F. Menninger's desire to break free of the isolation of the country physician and establish a group practice so the knowledge and skills of many physicians could be combined for the patient's benefit. The decision to purchase a farmhouse for our own hospital, the early emphasis on the importance of thorough diagnosis, the efforts to make a psychiatric hospital a place of treatment, not asylum—all contributed to public acceptance that mental illness is treatable. It was not by chance that following the institution's first decade, Fortune magazine termed it "the outstanding private mental hospital west of the Alleghenies."

In later years, the Foundation developed responses to national needs:

Milieu therapy—use of the patient's environment as part of his treatment—which became the basis for most treatment planned in the nation's mental hospitals.

The Menninger's advocacy of treatment for mental disorders growing out of World War II resulted in the Topeka Veterans Administration Hospital's training program for psychiatrists established by The Menninger Foundation. At the time it was the world's largest psychiatric residency training program, and it became the basis for the Menninger School of Psychiatry.

The Menninger School of Psychiatry became a model for psychiatric training by producing seminars and courses in the social sciences in addition to supervising clinical experiences. Over the years, our educational programs have expanded to include postgraduate training for child psychiatrists, clinical psychologists, social workers and clergy. Currently there are more than 1,400 graduates of the school practicing in 43 states and 22 foreign countries.

Early in the Foundation's development, staff members assumed an advocacy role in promoting positive mental health in a variety of settings. The application of psychiatric principles in industrial settings was of particular interest to Dr. Will Menninger. Dr. Karl Menninger focused public and professional attention on the potential role of psychiatry in rehabilitating criminal offenders.

Until the 1960s, the bulk of inpatient psychiatric services was provided in large state hospitals, remote from the population centers they served. Dr. Will Menninger appeared before over 20 state legislatures to focus public attention on the fact that many public institutions were outdated and unsafe. Dr. Will stressed that changes in the provision of services should be emphasized in addition to replacement of facilities. He argued that debilitating effects of institutionalization could be prevented, supplanting custodial care with active treatment by qualified personnel. Over the next decade, this goal of enabling patients to return to their communities to live as normal lives as possible gained wider acceptance and contributed to the development of community based facilities.

In the 1970s we have worked to share our knowledge and make our services available to a wide range of segments of the society with notable success. Our programs of consultation with industry have tripled.

This is a record of achievement and social involvement of which we are proud. In many ways, however, our work has just begun.

Since the 1920s, when The Menninger Foundation was founded, there have been substantial improvements in health of the American people—but the causes of illness have changed. Gone or greatly reduced are such dreaded diseases as tuberculosis, smallpox, measles, polio, but replacing them have been increased incidence of heart attacks, cancer, accidents, strokes and lung disease. In some ways, America has become a much unhealthier place in which to live. Death rates for cancer, alcoholism, suicide and homicide have risen and more accidents occur than ever before. Our life styles of smoking, poor diet, physical inactivity, alcohol and drug abuse reflect emotional insecurities and contribute directly to illnesses and premature death.

The pressures of living in America today seem much more stressful. At least 10 per cent of the population suffers from some form of mental illness. Only one seventh of these people are receiving psychiatric care. Approximately 80 per cent of the complaints the American people take to their doctors—colds, stomach upset, back pains—are not physiological problems, they are psychological—psychosomatic—reactions to stress. One out of four people are anxious or emotionally tense, complaining of loss of appetite, insomnia, fatigue and difficulty in coping with everyday stress.

It seems we have been programmed by an affluent society—by advertising bombardment, by easy availability of drugs—to seek instant relief for whatever ails us by popping a pill, by running to the doctor for the slightest complaint with a request for a prescription. Just as we are finding that our national gluttony in energy is going to force us to change the way we live, we also will find future availability of health care and the sky-rocketing health costs will force us to take some individual responsibility to change our life-styles to avoid illness. A valuable by-product may be that we can lead happier, more productive, mentally healthy lives. Instead of reaching for a tranquilizer to ease stress that was causing a physical pain, we must learn better coping strategies to relieve or manage the stress that caused the problem. This public education of how to prevent mental illness, how to maintain good mental health, how to lead more fruitful, more fulfilling lives is a goal of The Menninger Foundation for the future.

The next several decades will witness continuing growth in our work in the applications of psychiatry to a variety of social ills. This is a focus that in turn is based upon the strength and quality of our work in treatment of the mentally ill, in research and in education. In this sense, our past is prologue, yet it is our future as well. Our clinical practice, education and research activities must grow—not larger, but stronger, wiser and more skillful—for it is from these intense areas we derive our knowledge. With this strong base from which to work, we will have the resources of talented, skilled people with extensive knowledge to reach into communities—into every segment of society—to offer knowledge and understanding which will help people manage their lives and worlds in more effective ways so that individuals may experience a greater sense of their own worth and significance. It is a task worthy of our total commitment.

S. 1901—BASE CLOSURES

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the text of S. 1901, a bill I introduced yesterday with Senator RIEGLE, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Defense Economic Adjustment and Recovery Act".

ESTABLISHMENT OF GRANT PROGRAM

SEC. 2. (a) To assist local communities in recovering from the adverse economic impact of military base closures, the Secretary of Defense (hereinafter in this Act referred to as the "Secretary") shall establish a program to make grants in accordance with this Act to units of local government in any area the economy of which is adversely affected by the closure or major realignment of a military base.

(b) The Secretary shall determine within 180 days after the closure or realignment announcement the unit or units of local government eligible to receive a grant under this Act with respect to the closure or realignment of a particular military base. In making such determination, the Secretary shall take note of areas identified in the final environmental impact statement filed with respect to such base closure under the National Environmental Policy Act of 1969 as being areas the economies of which are adversely affected by such closure.

(c) The Secretary of Defense shall carry out the provisions of this section through existing Federal programs. The Secretary is authorized to supplement funds made available under such Federal programs to the extent necessary to carry out the provisions of this section, and is authorized to provide financial assistance to communities described in subsection (a) of this section to help such communities pay their share of the costs under such programs.

(d) The heads of all departments and agencies concerned shall cooperate fully with the Secretary of Defense in carrying out the provisions of this section. The Federal agencies shall give priority attention to applications from authorized defense impact areas for priority funding within their annual agency appropriations.

APPLICATIONS; ECONOMIC RECOVERY PLAN

SEC. 3. (a) There shall be included as part of any application submitted under subsection (c) of section 2 a comprehensive local economic recovery plan developed by the unit of local government submitting such application. Such plan shall describe the steps being taken or planned to be taken by the local community to recover from the economic impact of the closure and shall include a detailed description of the programs for which the grant will be used. For the application to be approved, the Secretary must find that such use will—

(1) improve opportunities for the establishment or expansion of industrial or commercial activity in the community;

(2) creation of new jobs in the community; or

(3) otherwise alleviate specific economic problems in the community which limit the effective economic recovery from the base closure or realignment.

(b) Eligible units of government may submit an application or applications to the Secretary through the cooperating department and agencies in subsection (c) of section 2 at any time after the final closure announcement.

(c) The Secretary shall review and act upon applications submitted by eligible units of government within 90 days of the date of submission.

AMOUNT OF FUNDS

SEC. 4. (a) The amount of funds made available under this Act with respect to the closure or realignment of a military base shall be ten percent of the total projected savings to be realized by the Department of Defense in the first ten years after the closure or realignment of such military base, as determined by the Secretary at the time of final announcement of such closure. In making such determination, the Secretary shall take note of findings in the final environmental impact statement filed with respect to such closure under the provisions of the National Environmental Policy Act of 1969.

(b) The Secretary of Defense shall submit annually such budgetary requirements for community economic adjustment and recovery, separate from the normal appropriations of the Department of Defense.

(c) The funds authorized to be appropriated shall be available for a period not to exceed 10 years.

ANNUAL REPORTS

SEC. 5. (a) Any unit of local government receiving a grant payment under this Act for any fiscal year shall, not later than 90 days before the end of such fiscal year, submit a report to the Secretary concerning the progress of the local community in recovering from the effects of the base closure and the purposes for which grant money received under this Act was used during such fiscal year. The report shall include—

(1) a revision of the comprehensive local economic recovery plan included in the application submitted under section 3; and

(2) a statement of all expenditures of grant money received under this Act during such fiscal year.

(b) If the Secretary finds that a report submitted under subsection (a) for any fiscal year discloses that the use during such fiscal year of grant money received under this Act by the unit of local government submitting such report was not consistent with the purposes of this Act, the Secretary may suspend any remaining grant payments and terminate grant application eligibility under this Act to such unit of local government until the Secretary receives satisfactory assurances that the use of such grant money in the future will be consistent with the purposes of this Act.

REGULATIONS

SEC. 6. The Secretary shall prescribe general regulations covering the eligibility of units of local government for grants under this Act, the order of priority in approving applications, the terms and conditions for approving applications, determinations of the amounts of grants, and such other regulations as he finds necessary to carry out the provisions of this Act.

DEFINITIONS

SEC. 7. For purposes of this Act: (a) The term "military base" means any camp, post, station, fort, base, yard, facility, or other installation under the authority of the Department of Defense—

(1) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

(2) at which there are authorized to be employed not less than 500 direct-hire or contracted permanent civilian employees of the Department of Defense or at which the total military and civilian personnel loss constitutes more than 2% of the total military and civilian work force for the impacted area.

(b) The term "unit of local government" means, a general purpose unit of local government or other subdivision of a State designated for the purposes of achieving economic recovery in the area impacted by a base closure or realignment.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated, beginning in this fiscal year 1979, such sums as may be necessary to carry out the purposes of this Act.

EFFECTIVE DATE

SEC. 9. This Act shall apply with respect to the closure or realignment of any military installation which is first officially announced on or after January 1, 1977.

CRUISE MISSILE—PRO AND CON

Mr. GOLDWATER. Mr. President, when the President of the United States said that he would not add the B–1 to our strategic inventory, he placed extreme reliability and dependence on the cruise missile. Now the cruise missile is not a new weapon. It is quite old, but while the new cruise missile, in fact, both of them that we are making will fly and fly well, they still have some way to go before we can call them even partially dependable. For example, we have to

have terrain contour matching guidance. This system is not complete. We have to miniaturize warhead technology that we are just beginning to make approaches to. In my opinion, in my long study of this weapon, we are at least 5 years away from achieving these goals and some experts claim 10. There was a good article in "Aviation Week & Space Technology" of July 18 entitled, "Cruise Missile—Pro and Con," which I think should be read by Members of the Congress and for that reason I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRUISE MISSILE—PRO AND CON

(By Robert Hotz)

Anyone relying solely on the daily newspapers and television these days would think the cruise missile was a new wonder weapon that has suddenly popped up over the technical horizon. It is neither new nor a wonder weapon that will solve all defense problems at miniscule cost.

The cruise missile first appeared in 1944 with the German V–1 or "buzz bomb," nicknamed for the odd sound of its pulse jet engine. The U.S. Air Force carried on the cruise missile in the post-war years with the subsonic Northrop Snark that eventually flew from Cape Canaveral to Brazil and the North American supersonic Navaho boosted by rockets with a ramjet cruise engine. The Navy developed the Vought Regulus turbojet-powered cruise missile series for submarine deck launch. But all cruise missile development went into eclipse when ICBM technology took over in the late 1950s. The only U.S. cruise missile survivor in the 1960s was the North American Hound Dog launched by Strategic Air Command Boeing B–52s to knock out air defense systems in the path of the penetrating bombers.

SOVIETS SLOWER TO MOVE

The Soviets were much slower to move into the cruise missile business, starting out in the 1960s with turbojet-powered drones slung under the wings of their longer-ranging bombers and folding-wing, canister-launched cruise missiles designed for launch from submarines and surface ships.

The Soviets have several thousand short-range cruise missiles currently in service, most of which carry nuclear warheads.

The current U.S. revival of the cruise missile is based on major technological strides, many of them the outgrowth of ICBM technology. These include:

Terrain contour matching guidance (Tercom), which makes it possible for the cruise missile to navigate accurately at extremely low altitudes for long ranges and achieve extremely accurate target impact.

Miniaturized propulsion, which provides an extremely lightweight, low-volume, highly efficient turbofan engine that can burn either standard jet fuels or specially thickened mixtures for longer range.

Miniaturized warhead technology that enables a nuclear weapon 10 times more powerful than the Hiroshima bomb to be contained in the small-diameter nose of the new type cruise missiles. Combined with the extreme terminal accuracy, the new cruise missile warheads can do the military mission of much larger ICBMs, albeit at much slower time to target.

All of this combines to produce a weapon that can be procured cheaply and in such affordable numbers that it poses tremendous problems for any new defensive system. The new type cruise missiles, such as the General Dynamics Tomahawk and Boeing ALCM B, would be deployed from land, sea and air platforms in the thousands, compared with the few hundred penetrating bombers SAC has now with the aging B–52 fleet or with the B–1 had it been produced and deployed.

But the cruise missile is still in the early stages of flight testing and will not be ready for deployment in any medium before 1980, with the longer-ranging versions following later in the decade. And it is not a "wonder weapon" that will solve all defense problems. Like all weapons, it has some vulnerability and must operate according to the laws of probabilities. The Soviets are already extending their air defense network with CW radar atop towers several hundred feet high so they can look down on low-flying vehicles and spot them against ground clutter. They have developed a hypersonic interceptor missile to use against the subsonic speed of the cruise missiles. The subsonic attack speeds of cruise missiles also give them much longer exposure to defense systems than ICBM trajectories.

The cruise missile launching platforms are also vulnerable, particularly in the high-altitude air-launch mode. It will be well into the 1980s before standoff range permits launch well outside Soviet territory. To achieve maximum range, the cruise missile must fly at the high altitudes of turbofan efficiency for much of its penetration and during that period is exposed to even current Soviet air defense. Its guidance system must be preprogamed, leaving it vulnerable to a mobile defense system, and it has no electronic countermeasures to confuse an enemy detection and missile guidance system.

SUPPORTING WEAPONS LACKING

The cruise missile originally was designed to be part of a multi-weaponed attacking force, with the rocket-powered supersonic SRAM short-range attack missile to hit heavily defended targets, the cruise missile lightly defended targets and the penetrating bomber following with its massive ECM and heavy megatonnage gravity bombs. Stripped of its supporting weapons, the cruise missile also loses considerable effectiveness.

The modern cruise missile on which President Jimmy Carter is basing so much of this country's future strategic power is still in an early development stage and has many test, production and deployment problems to solve before it is fully effective. In the meantime, we think it extremely wise for President Carter to continue to test and evaluate the B–1 technology as a prudent hedge against the future.

THE SOCIAL SECURITY SYSTEM AND MANDATORY RETIREMENT

Mr. DOMENICI. Mr. President, on Saturday, July 9, the New York Times carried an article by Jess Altman entitled "Social Security: The Worst Is Yet To Come." I found this article to be extremely interesting because it touched upon the interrelationship between two important issues confronting older Americans. The first issue revolves around the fiscal viability of the social security program, and the second is mandatory retirement. According to the 1977 annual trustees report:

Outgo from the combined trust funds (Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds) exceeded income in calendar year 1975 by $1.5 billion and in calendar year 1976 by $3.2 billion.

The report goes on to say that—

Unless legislation is enacted to provide additional financing, the assets of the disability insurance trust fund are expected to decline until the fund is exhausted in 1979. . . . The assets of the old-age and survivors insurance trust fund are also expected to decline, in the absence of additional financing, until that fund is exhausted in the early 1980's.

Mr. Altman estimated that the abolition of mandatory retirement would "drop" $2.25 billion a year "into the lap of the hard-pressed social security system at no cost to the taxpayer." Mr. President, we all know that $2.25 billion per year would not solve all of the fiscal problems of the social security trust fund, but it would ease the burden.

In addition, the abolition of mandatory retirement would open job opportunities to thousands of older persons who want to continue working. Today our Nation is suffering a substantial loss of wealth from the waste of skill and experience that results from involuntary retirement at an arbitrary chronological age. In addition, there is clinical evidence that forced retirement actually accelerates the aging process in many individuals. Thus we first render a person nonproductive and then increase his or her dependence upon public programs such as social security, SSI, food stamps, medicare, medicaid, welfare, and so forth. This entire process strikes me as an incoherent way of shaping sound humane public policies.

A related but equally important aspect of the relationship between mandatory retirement and social security can be seen in the way it impacts on older women in the work force. Many women do not enter the work force on a permanent full-time basis until their children are grown or they have been widowed or divorced. Compulsory retirement limits the working life of these women and reduces their ability to build up sufficient pension and/or social security benefits.

Mr. President, I am very encouraged by the increased interest in both the House and the Senate for legislation designed to curtail mandatory retirement. I applaud the recent action of the House Education and Labor Committee which approved a bill that will, if enacted, end mandatory retirement in the Federal civil service and protect employees in the private sector of our economy from involuntary retirement below the age of 70. Next week the Senate Human Resources Committee's Subcommittee on Labor will be holding 2 days of hearings on age discrimination in employment legislation. I plan to testify on behalf of my bill, S. 481, at that time. I hope the 95th Congress will act promptly to abolish mandatory retirement at a fixed arbitrary chronological age.

Mr. President, I ask unanimous consent that the text of Mr. Altman's article "Social Security: The Worst Is Yet to Come" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 9, 1977]

SOCIAL SECURITY: THE WORST IS YET TO COME

(By Jess Altman)

A saving of nearly $2.25 billion a year is waiting to drop into the lap of the hard-pressed Social Security system at no cost to the taxpayer. All that needs doing is for Congress to act on a bill that has been kicking around in the legislative hopper for years. The bill, sponsored by Representative Paul Findley, Republican of Illinois, and other Congressmen, would put an end to the widespread practice of mandatory retirement at 65.

The windfall consists of the money Social Security would not have to pay out in benefits to those persons who would be enabled, under the Findley bill, to continue working after reaching the age of 65. Each year, 60,000 workers lose their jobs because of their company's policy of mandatory retirement at 65. According to the Social Security Administration, more than half—34,000 to be exact—would continue working if they had any say in the matter. As of July 1st, the average benefit for a married worker amounts to $361 a month, and for a single worker it is $245 a month. Since 85 percent of the workers who start collecting benefits at 65 are married, the average benefit for all workers entering the Social Security rolls comes to about $340 a month.

If mandatory retirement were abolished, then Social Security would not have to pay benefits to the 34,000 workers who each year choose not to retire. Thus, Social Security would save about $140 million in the first year. Each succeeding year the saving would increase by that amount. At the end of five years, the annual saving would run to $2.1 billion a year. Assuming that most workers would want to retire at age 70, the saving for Social Security would continue at that figure each year.

Furthermore, with benefits due to go up by 5.9 percent annually (whenever the cost of living rises by 3 percent or more), there would be an added saving at the end of five years of $130 million.

Obviously, a reduction of more than $2.2 billion a year in Social Security's operating costs would not end its fiscal crisis. But it would be a big help. Congress should welcome this windfall as a means of avoiding, or at least cutting down on, one or more of the draconian measures proposed by President Carter to rescue Social Security from its financial dilemma.

The question is whether Congress will see fit to end mandatory retirement at 65. Until the current crisis in Social Security, there had been insufficient pressure to get legislative action. Arguments that mandatory retirement was a form of discrimination, that it performed major surgery on a worker's income, that it demoralized unwilling retirees, as well as other charges have failed to pack enough weight to make Congress act. A poll taken by the Louis Harris organization in 1975 showed that 86 percent of Americans between the ages of 18 and 64 favor an end to mandatory retirement. Still, Congress paid no heed. The principal support for mandatory retirement has come from business.

But business now finds itself in a dilemma as the result of President Carter's proposal that Congress remove the wage ceiling on the Social Security tax paid by employers. It is conceivable that, rather than be saddled with this open-end tax, business may consider it more expedient and much less costly—if it is actually costly—to give up mandatory retirement.

The fact is that sooner or later mandatory retirement must bow before the inescapable pressure of demographic change. Today, with a work force of 90 million and a senior citizen population of 33 million, the benefits for each retiree have to come out of the tax on every three workers, and since the current tax is not providing enough revenue, Social Security is in trouble. But the worst is yet to come. By the next century, because of the static birth rate and the growing number of the elderly, the ratio will be two workers to each retiree. If three can't support one today, how can two do it tomorrow? Obviously, drastic measures must be taken to keep Social Security solvent. One such measure, inevitably, will be to increase the work force, and that can only be done by doing away with mandatory retirement. If it has to happen eventually, why not now—and enable Social Security to pick up an annual windfall of approximately $2.25 billion?

Ironically, if mandatory retirement at 65 had been illegal in the 40 years of its existence, Social Security today would fiscally be hale and hearty—and sitting on a hefty nest egg.

THE B–1 BOMBER

Mr. GOLDWATER. Mr. President, there are many reasons why I believe that President Carter made a serious mistake when he decided that the cruise missile would provide this Nation with a cheap alternative to the B–1 bomber. Perhaps the most important reason is that the cruise missile, for all of its value, is strictly a missile. It is unmanned and it has no crew aboard to think or make on-the-spot decisions. It is important to understand that, unlike a manned bomber, the cruise missile cannot be recalled once it is launched. Thus, it can never be launched in anticipation of an enemy attack which might not materialize.

Mr. President, many of the arguments for the B–1 bomber are extremely complex and difficult for the general public to understand. But one of the clearest and most concise arguments for the B–1 was published recently in the Chicago Tribune. The article was written by Peter Reich, a member of the Tribune staff and an acknowledged top expert on aviation and missiles. I ask unanimous consent that Mr. Reich's article, entitled "The B–1 Offers Advantages a Cruise Missile Can't Match," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE B–1 OFFERS ADVANTAGES A CRUISE MISSILE CAN'T MATCH

(By Peter Reich)

I believe President Carter made a serious mistake when he killed the B–1 bomber. I think history will show him penny-wise and pound-foolish.

The President, you'll recall, justified his decision by declaring the B–1 to be too costly and unnecessary to the nation's defense.

He said the cruise missile—a small, pilotless jet plane that is computer-guided to its target—has become an effective, cheaper alternative to the B–1.

I think the President is confusing apples with oranges. Here's why:

The cruise missile is a great new weapon—small, cheap, accurate, and, presumably, reliable.

Flying at 500 miles an hour, some 300 feet above the ground, it can duck in below most radar coverage, following the contours of the terrain, employing the natural cover and concealment of mountains, hills, and valleys.

Antiaircraft guns or missiles would be hard pressed to draw a bead on it.

But the cruise missile is a missile. It's unmanned. It has no crew aboard to think, or make on-the-spot decisions.

You can't call a cruise missile back once it is launched.

A manned bomber, on the other hand, can be called back up to the moment it releases its bombs or missiles. It can be launched in anticipation of an enemy attack—not just in response.

Again, the cruise missile flies at only about 500 m.p.h.—slower than many commercial airliners. The B–1 flies at up to 1,650 m.p.h.

And the cruise missile's range is limited. It can hit targets no more than 2,000 miles away.

The B–1 can hit targets twice that far away, and, with air-to-air refueling, anywhere on this globe.

The cruise missile carries a thermonuclear warhead big enough to destroy almost any target. But the B–1 can carry 24 SRAMs [short range attack missiles], each of which has a thermonuclear warhead the size of the warhead on a cruise missile.

In fact, the B–1 could carry 24 cruise missiles.

There's another point worth considering: A missile is of little value without a nuclear warhead. Ergo, it is not much good in a nonnuclear war.

But a manned bomber is a handy weapon even in a conventional war—as was proven by the B–52, which was designed to carry two huge thermonuclear bombs and wound up carrying regular bombs in the Viet Nam War.

Indeed, the B–52 became the single weapon most feared by the enemy in that conflict.

However—and this is an important consideration—the B–52 first flew in 1954 and the newest B–52 built came off the production line in 1962.

In other words, good as it is, the B–52 is old. Few people feel safe driving a 15-year-old car on the highway. Is it fair to expect our airmen in a future conflict to fly a 15-plus-year-old plane against defenses an enemy has had more than a decade and a half to perfect?

Advances in air defenses come rapidly. For the first several years of the Viet Nam War, not a single B–52 was lost to enemy action; in the final month of B–52 raids against Hanoi, 15 B–52s were shot down.

To think of the aging B–52 as a first-line weapon capable of dealing effectively with the new, sophisticated defenses an enemy will have available during the 1980s, is deluding ourselves.

The low-flying, faster B–1, with its advanced electronic countermeasures equipment, would be capable of dealing with such defenses; the venerable B–52 probably would fare no better than the outmoded American Brewster Buffalo fighter did against the Japanese Zero fighter in the early days of World War II.

In sum, I think the B–1 bomber offers a number of advantages—speed, range, versatility, electronic countermeasures, payload, manned crew—that even the cruise missile, good as it is, can't match. I think our nation would be ill-advised to put all of its eggs in the cruise missile basket.

The stakes in the nuclear deterrence game are too high to take the risk that not building the B–1 involves.

Once the radioactive mushrooms start sprouting (God forbid!) it will be too late to say, "Gee, we should have built the B–1."

The Russians, it is worth noting, are not holding back.

Although they now have many more intercontinental ballistic missiles than we do, and even though they now have many more submarine-launched ballistic missiles than we do, they still are building a supersonic jet bomber called the Backfire.

It looks a lot like the B–1.

VIETNAM IN THE UNITED NATIONS

Mr. DOLE. Mr. President, yesterday the Communist Government of Vietnam scored a major symbolic victory in gaining the U.N. Security Council's approval for membership in the United Nations. The active participation by our own U.N. delegation in the approval is the latest step in the Carter administration's efforts to normalize relations with Vietnam. The significance of that move lies in its departure from previous U.S. policy opposing United Nations membership for Vietnam until it cooperated in accounting for missing American servicemen.

I have no objection to "putting the past behind us," as President Carter so often phrases it. But when it comes to cooperation in accounting for American MIA's, the Vietnamese seem intent upon perpetuating the past. I have seen no efforts on their part to put the past behind them. Instead, they continue to hammer upon a U.S. aid "obligation" stemming from our involvement in the recent war.

In an appearance Tuesday before the House International Relations Subcommittee on Asian and Pacific Affairs, former Secretary of State Henry Kissinger referred to Vietnamese claims as "an absurdity" and "an insult." I fully agree with his assessment that Vietnamese Communist officials forfeited whatever hope they might have had for reconstruction aid when they violated the 1973 peace agreement and launched the invasion of the Republic of Vietnam. Secretary Kissinger maintained that he "would not even consider reconstruction aid until we have a full accounting" for missing Americans in Southeast Asia, and I believe the majority of our citizens feel the same way.

LITTLE PROGRESS IN ACCOUNTING

In the last 2 years, the Vietnamese have accounted for 35 missing Americans within their territory, of the several hundred still listed by the Defense Department as missing in action there. The House Select Committee on MIA's reported late last year that it is reasonable to believe the Vietnamese could account for more than 150 of the missing. Yet we seem to be proceeding "full speed ahead" in our normalization efforts, without due regard to progress on the accounting issue.

Secretary Kissinger, who had numerous contacts with the Vietnamese during his tenure with the Department, advised that Hanoi's leaders "could not believe that the Congress was not a docile instrument of the administration." Their understanding of American Government was naive and simplistic. Yet, it is sometimes easy to see where they get that impression. It is frustrating to me to see congressional efforts blunted which seek to hold Vietnam responsible for an accounting of our servicemen.

Recently, an amendment I offered to discourage aid to Vietnam, Laos, or Cambodia by international monetary organizations passed the Senate on a strong vote of 58 to 32. It would have required U.S. delegates to those organizations to vote "no" on loan applications by these countries, and would have authorized a reduction in U.S. contributions to a monetary organization which granted such aid over our objections. The intent was to keep some pressure on the Vietnamese, the Laotians, and the Cambodians to cooperate in further accounting efforts. A similar amendment had passed the House of Representatives, attached to a different measure.

The amendment was reported from conference committee on Tuesday of this week in a substantially modified form that does not really reflect the will of either the Senate or the House. It directs the monetary institutions to "consider" the responsiveness of the Asian governments on the accounting issue when loan requests are reviewed. This modification, of course, deletes any real force from the measure.

Mr. President, I am convinced that the Vietnamese can do better in their accounting efforts. I am convinced the U.S. Government can do better in persuading the Vietnamese to cooperate. With each additional provision of aid or recognition, the Vietnamese have less incentive to cooperate. For this reason, I regret American participation in approving Vietnam's U.N. membership at this time, and I will continue to oppose formal recognition or aid of any kind until we see much better success in accounting for our MIA's.

INTERLOCHEN: MICHIGAN'S GIFT TO THE MUSIC WORLD

Mr. GRIFFIN. Mr. President, 50 years ago at Interlochen, Mich., near my hometown of Traverse City, the late Dr. Joseph Maddy founded the National High School Orchestra Camp to train promising young symphony orchestra musicians.

The National Music Camp, as it became known, has given many thousands of talented young people the opportunity to study and perform with other similarly gifted young musicians from around the country and the world, under the tutelage of accomplished artists.

Today Interlochen alumni perform with every major and community symphony orchestra throughout the country—and include principals in groups such as the Cleveland Orchestra, the Atlanta Symphony, the Minnesota Orchestra, and the New York Philharmonic.

Interlochen's faculty has included such notables as conductor Guido Ajmone-Marsan, a former camper who now leads the World Youth Symphony; and pianist Van Cliburn, who is an annual participant and has been a member of the board of trustees since 1961. In fact, Van Cliburn will be performing at Interlochen this weekend.

From its modest beginnings, the National Music Camp has grown to accommodate 1,500 students yearly during the 8-week summer session—including some as young as 8 years of age as well as many college students who are earning undergraduate or graduate credits at the University of Michigan.

Once exclusively devoted to music, the curriculum has been broadened to include drama, dance, and the arts.

So successful has been the summer camp that in 1962 the Interlochen Arts Academy was begun to provide full-time instruction in the arts and academic subjects during the school year. The academy is a fully accredited high school, with a current enrollment of about 400 students.

In its half-century, Interlochen has trained thousands of young people from 46 of our 50 States and from 22 foreign countries. I have had the pleasure of assisting in this cross-cultural development by sponsoring legislation that generated foreign student scholarships. And I have had the pleasure of attending concerts performed by these students. Based on the quality of these performances, it is no wonder that the National Music Camp has produced musicians who, at the tender age of 20, already are performing in nationally acclaimed orchestras.

To celebrate its important role in developing symphony orchestra talent over the past half-century, Interlochen has planned a special 50th anniversary celebration which began with the opening of the 1977 National Music Camp season in June and will continue to the end of the summer season. This celebration will feature performances by Interlochen students, guest performances by renowned alumni, appearances by other noted artists, as well as premiers of new compositions.

Mr. President, recently, the Senate paid tribute to Henry Ford by marking the 75th anniversary of the automobile company he founded that did so much to change the course of American society.

Michigan is proud to be the home of Henry Ford and the automobile. But it is altogether appropriate, I suggest, to point out that Michigan is more than automobiles; that leadershp in music and other performing and visual arts is among Michigan's many gifts to our Nation.

My eldest son, Paul, is among the thousands of young people who have been enriched by training at Interlochen—and no doubt the children of many of my colleagues in Congress have also benefited from this unique educational experience.

On this—the 50th anniversary of Interlochen—I would like to say "thank you" to those whose vision made the National Music Camp possible and to the generations of gifted artists who, by benefiting from this training, are filling our land with music.

U.S. NEWS & WORLD REPORT PROPOSES CORRECTION OF SOCIAL SECURITY EARNINGS LIMIT

Mr. GOLDWATER. Mr. President, it is always encouraging to me when one of the most widely read news magazines in the country endorses a proposal that I happen to have been working toward for many years, especially when these editorials appear to be signs that the time has finally arrived for a particular issue.

Today, I am delighted to say that a prominent publication has recently published an editorial supporting correction of the earnings limit on social security

benefits. The call for a change in the earnings ceiling appears in the July 11, 1977, issue of U.S. News & World Report, which explains that many older persons need to receive both their full social security check and to continue working in order to maintain a decent standard of living.

Mr. President, I only note that the editorial places too high a figure on the estimated cost of repealing the earnings limit because it does not distinguish between a repeal only for persons reaching age 65, the traditional age of entitlement to full benefits, and repeal of the test for everyone, including the 11 million persons under age 65.

Actually, repeal of the test for workers 65 and over would be virtually self-financing because most of the persons who would be induced to return to work already are drawing maximum benefits and would not cost the system a penny more. They would, however, pay additional social security and income taxes into the system.

Mr. President, I ask unanimous consent that the editorial entitled "Time for a Fairer Shake" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"TIME FOR A FAIRER SHAKE"

(By Marvin Stone)

Only a trusting few really believe that Washington has the wisdom to straighten out all the pension inequities in the country, but at least it should try to adjust those it has created. These inequities penalize millions of people. It's a familiar story: Once government takes on responsibility, it seems incapable of resisting the temptation to seize more. The result often is sheer idiocy.

President Carter, having looked at the welfare mess and come away temporarily baffled, deserves credit for now tackling the pension mess. He'll find it rivals welfare in complexity.

On the face of it, is a shame that, if two citizens have rendered equally devoted service to society, one may pass his last days in affluence and the other in want—through no cause except the accidents of our bureaucracy. The problem is to find some approach to equality between military and nonmilitary retirees, government and private employes, persons working in retirement and those not working, husbands and working wives, husbands and homemakers, and endless combinations of these and others.

The President has indicated that his coming surveys will delve not only into federal, but into State, city and private retirement plans. It's an ambitious undertaking.

Most of the flaws in pensions will persist for a long time before remedies are achieved. One that is getting a lot of publicity is "double dipping," by which military retirees draw their pensions and take salaried jobs—even government jobs—as well. The President mentions "quadruple dipping." A beneficiary conceivably can wind up with several pensions. New curbs on this practice are being advanced in Congress.

Opposition to multiple dipping does not stem from hostility to the military, as such, but from adverse comparisons with workers in private life. Retirees on Social Security can earn only a limited amount without losing their SS checks. Since the average Social Security payment is close to the official poverty level, this restriction poses a bitter handicap for low-income retirees still able to work. If they also get company pensions, they come closer to the level of the double dippers; but some 60 per cent or more do not have pensions.

Middle-bracket Americans about to retire feel that they, too, will get it in the neck. They are not going to starve, but if they expect to maintain a decent standard of living by finding part-time work, they are in for a hard time. After the permitted first $3,000 a year of earnings, they may find that the next $3,000 is virtually wiped out by further Social Security taxes; federal, State and city income taxes, and loss of benefits.

A sensible solution would seem to be to let Social Security pensioners earn unlimited amounts. That is not going to happen, principally because it would cost workers and employers an extra 7 billion dollars a year to finance the additional benefits.

Waiting in Congress are more than 100 bills to change Social Security rules. Several would raise earnings limits. In these days of high prices, some increase would not be unreasonable. At the same time, the Administration proposes to save money by knocking out the "monthly test," which lets retirees earn far more than the annual limit in a few months, then quit work and draw Social Security the rest of the year.

This change would hurt the high earners, but they might find it palatable, if not pleasing, if the annual limit were raised somewhat above the present $3,000.

These proposals only ripple the surface of the pension pond. They will be debated in hearings before the House Social Security Subcommittee. Careful attention should be given, because the pension scene is a sorry one and this Administration and this Congress should start cleaning it up.

COMMUNIST CHINA'S DRUG WAR AGAINST THE FREE WORLD

Mr. GOLDWATER. Mr. President, with all the attention being given by this administration and the news media to the issue of human rights, I believe it is of fundamental importance that the American people and those Government officials who are formulating U.S. policy, should concentrate on one of the most vile attacks on human dignity and individual liberty that has ever occurred in the recorded history of civilization. I am referring to the conscious and deliberate effort by Communist China to subvert the physical, mental, and moral fiber of peoples in the Free World by peddling and pushing narcotics.

Mr. President, there has been virtually official silence within the U.S. Government on this subject, but from time to time, documented evidence has arisen which cannot be suppressed confirming the drug war which is being mounted against the Free World by mainland China.

For example, Dr. Harry Anslinger, Commissioner of the former U.S. Federal Bureau of Narcotics, charges in his book, "The Murderers," that: "The use of drugs as a political weapon by the communist forces in America, the Orient, Europe, and Africa is well documented."

Occasionally, reports become known of the capture of opium in the process of being smuggled out of Communist China, and unchallenged facts of this kind, combined with reports by refugees leaving the mainland, prove beyond any question that Red China is the major source of the world's hard drugs. These reports indicate that at a minimum, Communist China's annual income from drug smuggling is $500 million annually.

Mr. President, it is a tragedy that American officials who find it easy to think about the policy of so-called normalization of relations with Communist China, and who at the same time profess to hold a devout and unequivocal concern with human rights, are ignoring the Chinese Communist drug war. Indeed, in this and every other area, Communist China and human rights are as far apart as anything can be.

Mr. President, I would call the attention of my colleagues to a recent booklet on this subject written by Patricia Young, who is a noted Canadian author, lecturer, and syndicated columnist. Patricia Young has collected extensive documentation of the scope of Communist China's activities in hard drug production and smuggling, and I commend her report to the Senate.

Mr. President, so that Senators may judge for themselves the importance of her booklet on this subject, I ask unanimous consent that excerpts from "The Death Peddlers" by Patricia Young be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From: "The Death Peddlers—Communist China's Opium War on the West" (1973) By Patricia Young]

PART 1—CHARGES AND COUNTERCHARGES

Of all the billions of words which have been printed throughout the world on the subject of narcotics, opinion appears to fall into two distinct categories. One segment, invariably led by a variety of New Left intellectuals and radical students, will endeavour to make a case for the "legalizing" of drugs (in order to remove the profit motive), for the relaxation of penalties or at least for more programs of "education" and the "treating" of addicts at taxpayers' expense.

At the other end of the scale, the "conservative," "hawk" or "Redneck" will call for tighter laws, and more particularly, for the enforcing of those laws already on the books, which they believe to be grossly abused.

Then there are those who feel that it makes more sense to tackle causes rather than effect; that it is more important to expose the source of the evil rather than expending ourselves in futile battle against epidemic effects. For this reason, the news media has become something of a battleground—not so much for stamping out the horrors of drug addiction—but for "proving" or "disproving" the inherent dangers and just who is behind the vicious drug war upon the Free World. Thus, for upward of twenty years, the will of millions of young people has been slowly sapped and subverted, leaving them ripe for false propaganda, subversion, sloth and even treason.

For example, Dr. Robert Baird, a New York drug expert for the past twenty-four years, testified before a U.S. Congressional Committee hearing in July 1971 that the Chinese Communists were preparing a new offensive to use narcotics to demoralize the North American population, especially the young. He said: "We are being misled into thinking that Turkey is the primary source of narcotics . . . but Communist China produces fifty-five to sixty percent of the world's hard drugs!"

On September 13, 1964, Pravda accused the Chinese Communists of growing and smuggling heroin and opium into the West, netting a profit of $500 million dollars annually. Dr. Harry Anslinger, Commissioner of the U.S. Federal Bureau of Narcotics,

claims, in his book, The Murderers: "The use of drugs as a political weapon by the communist forces in America, the Orient, Europe and Africa is well documented." Charles Airagusa, chief assistant to Commissioner Anslinger, supported this premise and was quoted in the Melbourne Herald of Australia on March 17, 1962, as having said: "The Chinese Communists have launched a plan to turn North America into a race of drug addicts!"

Sean O'Callaghan, whose book, The Drug Traffic was published as far back as 1967, writes: "The Chinese Communist drug ring, with headquarters in Peiping, has become more sinister, more lucrative and more dangerous than the Mafia!"

The Soviet correspondent stationed in Japan whose findings were published in *Pravda* of September 13, 1964, stated: "The Mao regime is the biggest producer of opium, morphine and heroin in the world!"

Fearless journalist Victor Reisel, in his Labor Column in the *Philadelphia Inquirer* of June 21, 1951, reported on large quantities of hereoin being processed in Tiensen for smuggling into North America. He told of the International Confederation of Free Trade Unions (including the AFL and CIO) joining in the fight to unionize plantation workers in the Orient as an anti-communist Labor Federation. He wrote: "These communists are professional killers, working out of official headquarters on North Han Min Road, Canton. Besides smuggling heroin into Hong Kong, the hundred and fifty man operation is used to terrorize anti-communist labor leaders in Hong Kong, Singapore and Macao."

The Fire and Police Research Association of Los Angeles bulletin of November 1971 notes that until five years ago, official records clearly pointed to Communist China as the main source of the world's opium and opium products.

As far back as December 9, 1956, *The Philadelphia Inquirer* reported on the smashing of an international drug smuggling ring at the Canadian-U.S. border in New England which cited a Chinese resident of Boston as being part of the ring which brought narcotics from Communist China via Hong Kong.

Allen C. Brownfield, in his book *The Peking Connection* charges the U.S. "Establishment" with refusing to name Communist China either as a suspect or participant in the heinous narcotic traffic. These charges were read into the *Congressional Record* of the U.S.A. (No. 113, Part 2) of August 17, 1972, by Congressman Waggoner. Yet for all the continuing documentation and photographic evidence from around the world; for all the continuing stories of a "death addicted" generation and the crimes rising out of it, many U.S. Government agencies, while mouthing a commitment to fighting drug abuse, continue to dismiss as "arrant nonsense" any idea of Communist involvement!

For instance, Louis J. Link, Chief of the Public Inquiries Division of the U.S. Department of State, replying to a query on October 27, 1971, stated that the U.S. Government, being made aware of world-wide stories of Communist Chinese drug production and trafficking, had investigated their authenticity and found "no reliable evidence" that the Chinese Communists ever had engaged in or sanctioned the illegal export of opium or its derivatives!

A U.S. citizen, after reading *The Drug Traffic* by Sean O'Callaghan (published in Britain in 1967) wrote to the Strategic Intelligence Office of the U.S.A., only to be told in writing by John W. Parker, Acting Assistant for Strategic Intelligence, that: "Simply stated, in spite of everything that is said, we do not have evidence of Communist Chinese involvement in international naroctic traffic". It should be noted that the head of this Department was none other than William O'Sullivan, fired from the Federal Bureau of Investigation by J. Edgar Hoover after the former had travelled the nation coast to coast contradicting his boss regarding any danger from the communists!

Arthur C. Egan Jr., reporting October 14, 1971, on a Washington Conference on Crime and Justice, states that President Nixon's high government administrators had produced "conflicting" statements concerning Administration suppression of information concerning Communist China's supplying of sixty-five percent of all opium and heroin smuggled into the U.S.A.! While two former commissioners of the Bureau and the former Director of a Washington Research Bureau, charged that Communist China had been heavily involved in subverting North American youth from as far back as 1952, John Finlator, deputy director of the U.S. Bureau of Narcotics and Dangerous Drugs, denied any Communist Chinese involvement, as did Attorney General John Mitchell. Similarly, William D Blair Jr. another Nixon Administration official, said on June 30, 1971: "As far as we are aware, opium is not legally grown in the 'People's Republic of China'—note the official "status" given officially to the illegal regime—"and none is exported by the Chinese Communist authorities!"

While other Bureau of Narcotics officials contacted appeared to squirm with mild embarrassment, one admitted that orders from the White House were that Communist China was not to be criticized! The official was quoted in Arthur Egan Jr.'s report as saying: "I would lose my job in twenty-four hours" if his name were publicly disclosed. Other key narcotic bureau officials connected with the enforcement of laws against drug traffic, charged that they had been "gagged" by the Administration and had been ordered to make no public admissions concerning Communist China's role in exporting opium and heroin to the Free World, especially to the U.S.A! He said: "We cannot even refer to them as Communist China or Red China. We must now say the 'People's Republic of China' because President Nixon wants to establish relations with the Red Chinese!"

And as the youth of North America continues to be swept into the vortex of a man-made hell, so "political expediency" and personal ambition for power and prestige continue to sacrifice the youth of the nation and the heritage of freedom that is their birthright. While crime stalks the street in search of the wherewithal to buy heroin, so the over-burdened taxpayer is forced to dig into his pocket to provide more rehabilitation centres, more jails, more police and more discussion forums which debate everything *except* who is behind the vicious drug war and why it is being directed largely against the Free World!

Yet above the official silence, the voices of angry concern continue to be heard around the world. Stanton Candin, former senior intelligence officer with the British Ministry of Defence, in an interview with *United Press International* on February 9, 1972, following an extensive tour of the Far East, accused the Chinese Communists of smuggling illegal drugs into the United States as a form of "psychological chemical warfare". He adds: "I think the Chinese Communists regard the U.S.A. as an enemy country!"

Candin, who linked the Chinese Communists with the underworld of the Far East, Europe and North America, commented on enormously increased poppy production in the Southern Province of Yunnan noting that while increasing its opium production for illegal export to North America and the Free World, the Peiping regime had "virtually wiped out drug addiction among the Chinese people on the mainland."

Louis J. Link, Chief of the Public Inquiries Division of the U.S. State Department, in a letter to a United States citizen dated October 27, 1971, in response to a query addressed to Secretary Rogers, in effect stated that "investigations" indicated that the drug traffic in Southeast Asia was carried out by "individuals" intent upon financial gain rather than political considerations!

He concludes blandly: "The People's Republic of China has no drug problem of its own. Chinese Communist authorities have for years strictly forbidden private production, consumption and distribution of opium and its derivatives." While admitting that the Chinese Communist authorities authorized "limited" amounts of opium to be produced under strict government control for medical purposes, Mr. Link apparently discounts the massive documentation of Communist China's major foreign export—opium! To be sure, it is not produced "privately". In a Communist State all production is controlled by the State! To be sure drug addiction is controlled in Communist China. Whoever heard of an arms manufacturer encouraging his employees to turn the guns on themselves?

By the same token, Kenneth de Courcy, in the *British Intelligence Digest* of June 1962, revealed that there were forced labour camps in each of Communist China's 2,000 hsien or counties. *The Central News Agency* of Hong Kong reported on December 7, 1972, that a new arrival from Canton on the Chinese mainland told of how some 6,700 convicts had been put to work in one of these camps planting poppies in the mountainous areas of Kwantung (83.5 acres) where tin and granite were once mined! Oddly enough, while the evidence continues to mount around the world, the Chinese Communists continue to protest their innocense. For instance, *The Vancouver Sun* of January 8, 1973, carried a U.P.I. news story out of the Hong Kong Chinese Communist News Agency which called Soviet charges that Red China made a FIFTEEN BILLION DOLLAR-a-year profit of smuggling illegal drugs a "preposterous slander."

And while the "establishment" in the United States appears reluctant to point the finger at the Communists, the evidence continues to pour in. *The Toronto Star* (Ontario, Canada) stated June 23, 1972: "Drug officers are becoming concerned about the increase in the amount of cocaine available across North America. American Intelligence officers in Washington say that they have traced much of the cocaine to the Far East, including Mainland China!"

In his book *Dope International*, author Charles Wighton claims, "The drug trafficking is carried out by a criminal conspiracy and promoted by a political conspiracy closely associated with international communism and centered in Communist China!" Valedin Chu, Hong Kong correspondent for the Australian magazine *Time and Tide*, reported in the January 1963 issue that 65% of the world's illegal drugs originated in Communist China! He further charged that Communist China grossed ONE BILLION dollars annually in gold and currency from drug smuggling to the U.S.A. alone! He added, as have other writers around the world, that the opium was grown and refined in Communist China and then smuggled into the Free World by way of Burma, Thailand, Hong Kong, Cuba and the Philippines.

In 1972, an A.F.C.C. report disclosed that Red China produced over TEN THOUSAND tons of heroin annually, netting a profit of close to $800,000,000 annually!

From Britain comes a report put out by James H. Turnbull, Conservative M.P. for Belper and, as reproduced in the *British Foreign Affairs* booklet titled *Chinese Narcotics*. Documented with photographic evidence of Red Chinese shipments of opium on their way to refineries and raids by the Hong Kong police, Turnbull claims that the Communist Chinese have more than 137,480 acres of land under poppy cultivation which yields more

than TWO THOUSAND TONS of opium annually at a profit of more than FIVE HUNDRED MILLION dollars annually!

This figure is borne out in the *London Weekly Review* of September 20, 1972, which reports on the capture of two caravans smuggling opium out of Peiping. Apprehended on the northern border of Thailand the cargo of opium was estimated as being worth two hundred and fifty million dollars on the streets and that confidential documents confiscated revealed that Communist China's annual income from drug smuggling was upward of FIVE HUNDRED MILLION dollars annually; that Peiping's purpose was to corrupt the morals of the West. The secret document also exposed one Lo Tsing-han as the opium King of Asia, who operated out of Yunnan province close to where the borders of Thailand, Burma and Laos met. The British *East-West Digest* of April, 1972 charges those who defended the use of drugs by Britain's young people as being "stooges" of a foreign power—namely Communist China!

Free China Weekly of September 10, 1972, released figures put out by the Government Information Office of the Republic of China which determined the Chinese Communists as having 9530 acres of land under poppy cultivation with 72 refineries located throughout the entire mainland. Eight major cities of Communist China were used as centres for the exporting of some 10,000 metric tons of opium and opium products annually and which netted the Communist Chinese a profit of $800 MILLION U.S. dollars. L.Z. Chen, also writing in *Free China Weekly* (September 3, 1972 issue) points up the disparities involved in trying to estimate Communist Chinese poppy production. He attributes this to the manner in which the communists intersperse their poppy crops with other, taller crops, thus making it more difficult to detect the opium growing crops from the air. Mr. Chen concludes, as others, that the Chinese Communists have embarked on a cruel and vicious scheme of attempting to destroy the Free World by way of narcotics!

Yet still, an apathetic public allows itself to be lulled to sleep by pseudo-intellectuals, political perverts and Maoist manipulators.

John Chamberlain, writing in *Human Events* of August 8, 1972, charged: *"U.S. should reveal extent of Red China Drug trade"* and compared the "cover up" of Communist China's narcotic smuggling with the "cover up" of the Soviet massacre of Polish soldiers in Katyn Forest near Smolensk during World War II. He referred to an Australian report which corroborated facts contained in *The Peking Connection: Communist China and the Narcotic Trade* by Allan Brownfield.

Human Events of September 30, 1972, asks editorially: "Why Press Blackout on Drug Hearing?" In question was the Senate Internal Security Hearing Subcommittee, during which former Marine General Lewis Walt and Dr. Olav J. Braenddn, Director of the United Nations Narcotic Laboratory, testified on the subject of Communist China's peddling of heroin on the Free World market. *Human Events* charged that General Walt's ten-page report was given only scant and incomplete coverage by the nation's news media. Among other things, General Walt told of the strict measures enacted by Japan when that country first became aware of their problem. That problem became manifest when between 40,000 and 50,000 citizens were found to be addicted to heroin. Japanese authorities promptly instituted a ten year to life imprisonment for convicted drug traffickers!

Yet despite the mounting evidence of a colossal and murderous attack upon North America by the political drug pushers, an alarming number of journalists, politicians and professional do-gooders, sensitive to the "smear" treatment, back off from their duty to investigate, challenge and expose. Instead, they would agonize over the newest drug addiction statistics, putting "society" on the rack for not spending more money on "rehabilitation" centres; for not "legalizing" narcotics so as to take the profit out of pushing and protect their children from being hauled into court for possession! Like lemmings intent upon our own destruction, we would squeal about our plight while refraining from wondering who was driving us into oblivion!

Typical of this attitude was a feature story in *Playboy Magazine* of September 1972, which, while detailing the number of heroin and marijuana users in the U.S.A., together with a full color chart on the names, types, dosage and effects, gave no indication of the main source of the drugs! Indeed, the *Playboy* feature article gave the long term, continued, excessive use of opium and heroin as resulting in: "lethargy, constipation, weight loss, sterility and impotence"!

When thirty-six nations took part in a United Nations Conference on Drugs in Geneva in order to sign a narcotics control agreement, the New York *Times* of March 26, 1972, made a note of the fact that India, Burma and the U.S.S.R. had refused to sign the agreement. What *Time Magazine* failed to point out was that Communist China, the world's biggest opium producer, did not sign the agreement, either!

A March 10, 1970, BNDD Report given before the Appropriations Subcommittee of the U.S. Department of State, Justice and Commerce and the Judiciary and Related Agencies, stated: "The countries of Burma, Thailand, Laos and China (mainly Yunnan Province) are sources of opium which moves to Bangkok, Macao and Hong Kong to be made into heroin which then enters the West Coast of the U.S.A.! There are two main currents of illicit drug traffic in opium and opiates to North America. The Middle East and the Far East, directed to the U.S.A. via Hong Kong and Japan".

Oddly enough, at a December 29, 1971 Press Conference (reported in *The Wanderer* of May 4, 1972) Nelson Gross, senior coordinator for Internal Narcotic Affairs for the U.S.A., told reporters: "We have no evidence that any opium is coming from China at all!" Yet only a few months earlier, Michael Parks, reporting from Vietaine, Laos for the *Baltimore Sun* of March 7, 1972, claimed that U.S. Intelligence operations probing the opium cultivation in Yunnan Province in Communist China had been mysteriously "de-emphasized" by the C.I.A.; that teams of C.I.A. operators had been "reassigned" to merely "tracking" the opium caravans after they left Yunnan Province! This report was given credence by the New York *Times* of July 28, 1971, when it was reported that the U.S. Administration had suspended flights over Communist China by manned and unmanned reconnaissance drones (SR 71's) lest the Chinese Communists find them "provocative"! That thousands of North American parents find the narcotic peddlers, pushers and promoters "provocative" has apparently not got home to the Administration, paid by taxpayers to protect them from those who would destroy them!

However, Nelson Gross's "no evidence" statement to the Press did not go unchallenged. Representative John M. Ashbrook (Republican from Ohio) read into the *Congressional Record*, the U.S. Bureau of Narcotics and Dangerous Drugs report regarding Communist China being a prominent source of illegally smuggled drugs. Similar charges were made before the House Foreign Affairs Committee on February 17, 1972, by Representative Seymour Halpern (Republican from New York). At that time, the U.S. delegate to the U.N. was asked to bring the question to the floor of the U.N.

Yet for all the charges and counter charges—from Hong Kong, Japan, Britain, Australia and the U.S.A.—a *United States Information Service Bulletin* of September 18, 1972, carried a further statement by Nelson Gross, this time based on an appearance before the Internal Security Subcommittee hearing on International Narcotics, held on September 15, 1972. This time, while talking about "co-operation" between Canada and the U.S.A. on drug research, Gross declared: "Most of the heroin entering the United States in recent years has been processed from Turkish opium and morphine bases in Southern France, primarily around Marseilles." He goes on to admit that while West Germany is neither a producer nor processor of opiates, the country is an "important transit country" used as a staging, storage and transit area for hard drugs. In outlining how small quantities of opiates are peddled from Turkey to Hungary, Poland, Czechoslovakia and East Germany (all Communist countries) and in allowing that Turkey is not the world's largest producer of opium, that the 1967 production of opium was not more than 350 tons, decreasing to 210 tons by 1971 (due to government phasing out of opium production). Gross nowhere points to the Number 1 drug smuggling operation—Communist China!

Naming Vancouver on the West Coast of Canada as a "major trans-shipment point" along with the city of Montreal in Eastern Canada, Gross apparently appears reluctant to mention the 10,000 tons of opium grown annually by the Communist Chinese, and as reported by the U.S. Bureau of Narcotics.

In his "cooperation" with Canadian authorities on drug trafficking, one is tempted to wonder just how far this "cooperation" goes; whether Mr. Gross read the statement of Lyle Hawkins, Canadian Immigration Director in Vancouver who is quoted in The Toronto Star of July 22, 1972, as reporting a record number of Chinese seamen from Red China as jumping ship in the Western Canadian seaport of Vancouver. He further charged: "Heroin is being delivered to some members of the Chinese community by the ship jumpers. The drugs then find their way across the Canadian border." (Into the U.S.A.)

Pinpointing Vancouver as Canada's most heroin-addicted city, Readers Digest of July 1972 estimated British Columbia's sales of illegal heroin to gross 150 MILLION dollars annually for 1970 and 1971. The British Columbia Medical Association has estimated the Province's population of 2,247,000 to have 15,000 hard core heroin addicts. Canada's alarm was reported in The Toronto Sun of June 23, 1972, in a news story which concluded: "Drug officers are becoming concerned about the increase in the amount of cocaine available to (drug) users across North America. American Intelligence officers in Washington say they have traced much of the cocaine to the Far East, including Mainland China!"

Who, then, is fouling up the lines of communication—between narcotic agencies in various countries and within departments in the same country? In view of some twenty years of world-wide reports and photographic evidence why the seeming "cover-up" job by so many government officials and the left-leaning liberal press? Why would Life Magazine put out a special supplement in 1962 by publisher John K. Jessop and his Editors titled: Communism: Know Your Enemy, yet remain silent in the face of Communist China's growing drug war upon the Free World?

As far as can be estimated, at the time of the U.N. condemnation of Communist China for its drug smuggling in 1952, the Red death peddlers exported some 2000 TONS of narcotics illegally. By 1958, this was expanded to 8000 TONS a year. By 1971, the figure was estimated at 10.000 TONS annually. The net profit to the Chinese Communist govern-

ment? FIVE HUNDRED MILLION DOLLARS ANNUALLY! This figure has been re-iterated in most concerned nations—including the U.S.S.R. Sovyetkaya Russia of October 19, 1972, (quoted on North America's wire services) which made the charge among others.

Little wonder that a 1970 Senate Report on narcotics addiction among American troops then serving in Vietnam, claimed that the communists had backed up their guns and cannon with hypodermic needles and pills filled with narcotics far more insidious than bombs or bullets!

PART 2—FREE WORLD NARCOTIC ADDICTION

While both doves and hawks agree that we have peaked a "decade of drugs" the debate continues as to the major source of cultivation, the extent of danger to humans using it and methods of coping with the problem in order to stamp it out.

As far back as 1957, the United Nations Commission on Narcotics recognized the problem of opium and its by-products as a potential weapon of genocide, although at that time all that appeared known was that there were refining plants in Turkey, Syria, Lebanon, Italy and France. During the next fifteen years, reports emanating from various commissions and world-wide narcotic agencies have provided much additional information.

Oddly enough, many researchers appear reticent of being accused of "looking for communists under the bed"! *Time Magazine* of September 4, 1972, while publishing a cover story on *The Global War On Heroin* which pointed up international police measures being used to fight the evil, gives little or no indication of the Communist Chinese cultivation of areas of opium poppies or the seventy-two refineries on the Chinese mainland! Instead, *Times* names Turkey, Burma, Laos and Thailand as the main production areas! Even while reporting on a U.S. Narcotic Squad raid which uncovered a twenty-pound cache of pure white heroin worth ten million dollars, the "source" of supply is vaguely referred to as "South East Asia"!

Time Magazine does reveal some 560,000 citizens of the U.S.A. as being enslaved to drugs—ten times higher than in 1960 and double the number addicted in 1970! *Time* estimated the U.S. drug addict as spending $8,000 a year supporting his habit; that there is a drug-oriented community in New York City alone, with fifty percent of all crimes in New York being related to narcotics! New York City recorded 1205 deaths from narcotics in 1971, 237 of them being teenagers. *Countdown* (Canada) of January 1973 recorded 550 babies in New York hospitals as suffering narcotics withdrawal after birth, although officials estimate that a more accurate count might go over 2000. Additionally, while two-thirds of New York hospitals are set up to give special care to babies suffering from heroin withdrawal, more than half of the hospitals release such babies to the care of their heroin addicted mothers! As *Countdown* concludes: "One wonders whether this society is capable of any lower form of barbarism!"

In 1971, the U.S. Bureau of Narcotics and Dangerous Drugs seized $920,200,000 worth of illegally smuggled drugs—a THREE HUNDRED PERCENT increase over 1970. Far from controlling or cutting down on the importation of smuggled drugs, U.S. authorities have noted an increase from 2000 tons annually from 1952 to 1957 to 8000 tons annually from 1957 to 1964 and to over 10,000 tons seized annually from 1964 to 1972.

Yet despite statistics, such publications as *Playboy Magazine* of September 1972 will make light of the situation by lumping sedatives and stimulants together with hard drugs! *Playboy* estimates THIRTY-FIVE MILLION Americans to be in some degree on drugs—ten million of them being regular users of marijuana and between 200,000 and 400,000 on heroin. *Playboy* claims the heroin user requires $50 a day to feed his habit, for which (unless quite wealthy) he would need to steal $100 worth of merchandise daily. Even on the basis of *Playboy's* lowest figure for heroin addicts this would require $7.3 BILLION a year in order to feed their monstrous habit!

In a somewhat "soft-soap" approach to the problem, *Time Magazine* points up that there has been a Hashish Club in London, England, since 1850; that two hundred million people throughout the world use marijuana and that 36 out of 100 educational films on drugs were "inaccurate".

"Accuracy" notwithstanding, the emergency wards of our hospitals are filled daily with the broken minds and bodies which result from drug abuse. Dr. Hardin Jones, professor of Physiology and Medical Physics at the University of Berekely in California, writing in the *National Education Program* bulletin of May-June 1971—more than one year *before* the *Playboy* article—gave almost double the number of Americans hooked on Marijuana—estimating the figure as closer to E GHTEEN MILLION, with two and a half million hooked on barbiturates—one million of them suffering permanent brain damage and another 100,000 who experience recurring hallucinations and mental confusion brought on by drugs.

Canada

While *Time Magazine* claimed Western Europe to have a comparatively small drug addicted population of about 10,000 and Canada to have only 14,000 addicts, the Royal Canadian Mounted Police have estimated the figure to be closer to 50,000 because of the national unregistered addicts.

In October of 1971, Dr. William Craig, one time director of the Non-Medical Use of Drugs Directorate in the federal Health and Welfare Department of the then existing Liberal government of Canada, became so alarmed at Canada's growing drug problem that he called a national symposium on heroin. The 80 delegates recommended that a national advisory board be set up to develop a heroin educational program.

From the outset, the Liberal Government appeared to "shy away" from the committee's recommendations, arguing that they preferred to await the findings of the LeDain Commission, due to be made public in September of 1972 and which (as of February 1973) had not yet been issued.

Meanwhile, the nation's popular magazine writers continue to publish their inadequate pieces, which, while alarming in scope, invariably fail to name the kingpins in the new Opium War on the West—Communist China. For instance *The Canadian Magazine* of February 10, 1973, claims Canada to have some 10,850 heroin addicts, the main drug centres being Vancouver on the West Coast with 5,000 addicts. Toronto with 3,000 and Montreal—another deep-sea shipping port with 1,000.

In 1968, the Royal Canadian Mounted Police estimated there were only 500 heroin addicts in Canada. By 1973, their modest estimate was 10,000 addicts plus 100,000 other "weekend users" who would eventually become completely hooked. In the same article, the Children's Aid of Vancouver, British Columbia was quoted as saying that more than one hundred of their wards would be on heroin at any given time.

Edmonton police authorities have claimed they have had as many as sixteen hundred high school students in the area on heroin, with the figure continuing to mount alarmingly. Toronto in Eastern Canada, with 3000 known addicts, have often found thirteen year old children on heroin.

And while author Paul Grescoe quotes "official" U.S. government sources as saying that much of the drugs "originate" in Thailand, Laos and Burma, he adds that three-quarters of Canada's heroin is Oriental White, brought in from Asia, by passengers on ships and planes as well as by Chinese sailors. Canadian Immigration authorities had added to this, saying that as much as a quarter of a Chinese ship's crew has been known to jump ship, apparently delivering heroin to Chinese contacts in Vancouver for smuggling across the Canadian-U.S. border.

H. F. Hoskins, former director of the B.C. Narcotic Addiction Foundation in Vancouver, in his May 12, 1972, report *Year of Decision* indicated that Canada's massive upswing in narcotic addiction became most obvious in 1964. By 1972, there were 6696 "registered" addicts in the Vancouver, British Columbia area alone.

Reader's Digest of July 1972 re-affirmed Hoskins' figures, outlining how the Western Canadian Province of British Columbia, and particularly the City of Vancouver, had the largest drug addiction problem of all Canada netting the drug pushers some $150,000,000 a year!

Contrary to *Time Magazine's* estimate of 14,000 heroin users throughout Canada, The British Columbia Medical Association itself estimates there to be 15,000 drug addicts in British Columbia alone, most having a $100 a day (or $36,500 a year) habit which is largely supported by way of shop-lifting, prostitution, bank and store hold-ups, break-ins, street muggings and petty larceny!

The *Hoskins Report* further points up Vancouver Police statistics as identifying between thirty and forty new heroin addicts per month in that city! The Vancouver Police discovered a scant 24 new users of marijuana in 1962, 411 more in 1966, 5157 in 1969 and 12,045 new users in 1971!

Commensurate with the increase in drug usage in Vancouver have been the amounts of narcotics seized in police raids, the number of drug deaths, murder of pushers due to internal double crossing, robberies, drug suicides, parole violations and drug smuggling into Vancouver jails.

Between July 1, 1971, and March, 1972, more than thirty pounds of heroin was seized in Vancouver along with 1472 pounds of hashish and 554 pounds of marijuana—all amount to 16,385 individual dose units. In 1971, Vancouver's coroner recorded 111 deaths due to narcotics plus 24 suicides attributed to narcotics. Police reported 3034 individuals having to undergo emergency treatment in hospital due to drug abuse, 335 of them being known users and 65% of them being under the age of twenty-five! Although children under the age of ten have been admitted to Vancouver hospitals because of drug abuse, no figures are recorded because of the inability to identify the type of drug taken and whether the overdose was accidental or intentional.

Needless to say, with Canada's recognition of Communist China in October of 1970 and the opening up of Western ports to ships from Communist China, the smuggling of illegal narcotics into the West became that much easier. Between so-called "diplomatic immunity", trade, cultural and sports missions, not to mention special "selected" visitors to Communist China, narcotic detection authorities could only find their work increased. Between pro-communist "travel bureaus", "arts and crafts" fronts, Maoist bookstores and Canadian-Chinese "Friendship" Associations—not to mention the "China Lobby" within Canadian Universities, keeping track of narcotic smuggling from Communist China became that much more confusing and difficult!

The Royal Canadian Mounted Police, however, were not to be daunted, deterred or frustrated for too long. On October 12, 1972, *The Vancouver Sun* carried a front page story of the smashing of a nationwide drug smuggling ring. In five major undercover operations in Canadian cities, more than 242 traffickers were picked up and held without

bail with other arrests expected. Drugs confiscated in the raids would have had a $96,000 street value if diluted with milk sugar and sold at the Vancouver going price of $15 per capsule!

The expose revealed that as far back as July of 1971, the R.C.M.P. had disclosed that "the majority of heroin distributed locally in Vancouver was arriving from the Orient via Hong Kong, and not as in the past from the Middle East via France and Montreal." Chief Constable John Fisk of the Vancouver police, in claiming that the narcotic problem had reached "epidemic proportions" throughout the entire Province of British Columbia, stated that a total of 617 persons had been charged with the possession of heroin in the first nine months of 1972 and another 151 charged with trafficking—"a huge jump from the 258 possession charges and 93 trafficking charges laid in 1971". Arrests included a number of Chinese accused of "pushing".

From Canada, Japan, Hong Kong, the Philippines and Australia, reports run parallel, inasmuch as they record drug addiction increase and more seizures of narcotics.

Vietnam

One of the cruelest hoaxes in the whole history of military strategy and international conflict was the futile, "no-win" war in Vietnam. Its cruelty was obvious not only by way of the betrayal of those in the South who fought for their survival against the onslaught of the Communist North and Viet Cong infiltrators, but in the manner in which cadres in the Free World were permitted to organize protest marches, meetings and the disruption of troop trains—all cynically in the name of "self-determination" while waving the flag of the Viet Cong and giving the clenched fist salute of international communist solidarity.

The insidiousness of the lengthy no-win conflict was further evidenced by way of the "behind-the-scenes" involvement of both the Soviet and the Communist Chinese blocs. Foremost in the Communist Chinese involvement was the supplying of arms (often disguised as American-made weapons but bearing a "made in China" stamp). More deadly was the Chinese Communist "drug war" upon U.S. soldiers. For instance, the Pacific issue of *Stars and Stripes* of November 7, 1971, quoted the Central Intelligence Agency of the U.S.A. as saying that the Communist Chinese smuggled some ONE BILLION dollars worth of heroin into the South Eastern Asian area between 1966 and 1971 and from which they netted a profit of FIVE HUNDRED MILLION DOLLARS!

Dr. Gabriel G. Nahas, professor of Anesthesiology at the College of Physicians and Surgeons of Columbia University, in his new book *Marihuana—Deceptive Weed*, writing on chemical warfare points out that the abuse of drugs among troops in Vietnam was the most overwhelming psychiatric problem.

In the Fall of 1969, he claims that 50% of the 550,000 soldiers in Vietnam had experimented with *Cannabis* preparations. He reports: "The use of opium and heroin was associated with that of marijuana in a significant number of cases." According to J. H. Kaplan, commanding officer of a neuropsychiatric team in Vietnam in 1971, the standard progression was from marijuana to *Cannabis* dipped in opium and finally to intravenous opiates and methadrine. Drug usage in Vietnam rose from 13 per thousand in 1968 to 24 per thousand in 1969.

The October 30, 1970, issue of the Argentine-English language daily *The Herald*, carried an extensive documentation of drug addiction among U.S. servicemen, which was later submitted to the U.S. Senate Committee investigating the narcotic problem among U.S. servicemen.

In effect, the story not only named Communist China as a source of opium cultivation, but revealed the appalling statistic that some 30 percent of all American officers and troops in Vietnam had used drugs and were addicted in one degree or another!

In revealing the heroin to be between 99 percent and 100 percent pure, the *Herald* documentation indicated that U.S. servicemen were sold the drugs by communist agents in Vietnam for as little as $20 an ounce. It revealed that while an average of two American soldiers died each month from the abuse of heroin throughout 1969, casualties had leapt to two soldiers dying from heroin abuse *each day* between January and October of 1970!

The newspaper claimed that while some 30 percent of all U.S. troops used drugs in 1970, the figure increased to 50 percent by 1971, with a 70–80 percent addiction in some units. The U.S. Defense Department in a December 3, 1970, release to U.P.I., stated that Bangkok was invariably used as a clearing house for the Far East drug trade directed at U.S. servicemen and channelled through Thailand at extremely low prices.

The U.S. Defense Department report revealed how "leftist" elements had infiltrated the management and staff of those hotels frequented by U.S. servicemen. One of the subversive techniques used by these "procurers" was to sell morphine-loaded cigarettes to unsuspecting soldiers who invariably became hooked through no fault of their own.

As had been charged by so many other authorities, the U.S. Defense Department report named Yunnan Province in Communist China as being the ultimate source of the opium which was then smuggled to the communist Pathet Lao or Thailand for transmission to South Vietnam by way of Xieng Khouang. As of 1971, it was claimed by this official source that some 40,000 U.S. servicemen were addicted to drugs—or twelve to fifteen percent of the total number of U.S. troops in Veitnam!

Finally, as if U.S. Defense Department news releases were not sufficient "evidence", North American television viewers of an October 13, 1970, C.B.C. newscast, were able to watch in stunned horror as a group of U.S. soldiers openly used morphine in front of the cameras!

Japan

Before World War II, drug addiction in Japan was comparatively unknown. Today, Tsuxia Sugawara of the Japanese Narcotic Control Committee reveals that the Chinese Communists, as the world's largest opium producers since 1964, smuggle 3000 TONS of opium and opium products into Japan each year! On the streets of Japan, this is worth more than 60,000,000 *yen* (One million, nine hundred and twenty-three dollars).

This charge is further documented in *Red China's Dirty Drug War* by Richard L. G. Deverall. His research was obtained while Deverall was a representative of the A.F.L.'s Free Trade Union Committee visiting Asia. The charge is also found in the Congressional Record of June 18, 1970, (page E5741) when Commissioner Angslinger spoke before a U.S. Senate Judiciary Committee giving evidence of Communist Chinese drug smuggling into both Japan and the U.S.A.

Australia

Stuart Griffin, in a report from Tokoyo to *The Australian* of May 24, 1965, titled Opium War On The West, claims that Australians provide the Communist Chinese with 225 million pounds sterling annually for narcotics smuggled into the country! He claims that much of the money is channelled to local communists, providing them with funds for spying, infiltration, antigovernment demonstrations, propaganda and other subversive activities. Griffin details how Chinese Communist shipments of narcotics have been found packed in wooden cases labelled: "Important Export—Inspection Forbidden!" These are shipped direct from Communist China by The Special Local Products Sales and Transportation Bureau—which is listed in Chinese Communist directories as an agency of the Chinese Communist Government!

Africa

Free China Weekly of December 31, 1972, quotes the *Weekly Review* as reporting quantities of opium and other drug derivatives being distributed in various parts of the African continent by Communist Chinese working on the Tan-Zam railway line linking Tanzania with Zambia. Although African leaders are reticent to speak out, the *Weekly Review* reports on the "undeniable" evidence which is causing many Africans alarm. *Free China Weekly* quotes *Human Events* as also reporting a "sudden" increase in Chinese Communist drug smuggling into Amsterdam and other ports of Holland!

European correspondent Dewitt Copp of *Human Events* is quoted as reporting that the flow of Communist Chinese drugs into Amsterdam and Holland tripled during the last six months of 1972. The December 24, 1972, *Human Events* story described Amsterdam as being a popular spot for U.S. troops stationed in Europe where heroin, morphine and codeine were readily available. The increase in drug availability and addiction was said to be parallel with the sudden increase in the number of Chinese seamen picked up by the Amsterdam police for drug smuggling. These Chinese deck hands were largely from the large Dutch merchant fleet. They were members of the Chinese Seamen's Union in Hong Kong, a strongly pro-communist union.

Hong Kong

The Chinese Communist network of drug production and drug smuggling is, needless to say, denied by Communist Chinese and their dupes and collaborating cadres throughout the Free World. Indeed, with Oriental aplomb, they will protest their innocence by declaring that there is no drug addiction in Communist China! Indeed, with opium growing a major government export; with cultivation of the poppy fields carried out by prison camp labor, the Communist Establishment would hardly encourage any measure of addiction of its own slave masses. To the contrary, a later chapter will describe the strict controls imposed upon those farmers and consumers involved in poppy growing.

Hong Kong and Japan, because of their close proximity to the China mainland, continue to provide much valuable information on Communist Chinese drug production to narcotic authorities in the Free World as well as to official committees of the U.N. Both Japanese and Hong Kong authorities have revealed that the Communist Chinese ship narcotics worth 60 BILLION *yen* into Japan via Hong Kong. Additionally, Hong Kong authorities have revealed the extent to which the drug peddlers go to cover their trails—often shipping to the U.S.A. by way of Europe, Africa and Latin America. In addition to this traffic making wide use of seamen, airline crews and military personnel, the Chinese Communist Yunnan Trading Company illegally ships an estimated 800 TONS of narcotics into Burma annually worth over 120 MILLION dollars U.S. With Rangoon as a major distribution centre it is often erroneously assumed that the opium product is grown in Burma rather than in Communist China! Similarly a Vancouver C.B.C. "documentary" on drugs showed Hong Kong as the "source" of the drug market—apparently oblivious of the size of Hong Kong which in no way could grow a fraction of the amount of drugs being peddled in North America!

From Rangoon, the Communist Chinese narcotics are smuggled into Bangkok, Singapore, Kuala, Lumpur and Djakarta for further shipment to Australia and New Zealand. The shipping route between Communist China and Cuba is another vital link in the

transmission belt as shipments are made to Cuban Communists and organizations for re-shipment and sale to pushers in Central South America. Funds raised in this manner are often channeled to revolutionary groups in Latin America. One such shipment was uncovered off the coast of Mexico early in 1972. An Indonesian language newspaper in Djakarta claimed that 10,000 TONS of Communist Chinese opium was produced annually—half of it distributed via Burma, Hong Kong and South East Asia and the other half by way of Cuba to North and Central America.

Because of the sensitive proximity of Hong Kong to Communist China and the touchy political climate existing between British and Chinese Communist officials, Hong Kong authorities know full well the extent of drug smuggling from Communist China to Hong Kong and nearby Macao. While extremely vigilant, they deal with drug smugglers only on the level of ordinary local crime. In practical effect, this means they basically deal with the narcotic receivers and peddlers rather than the Chinese Communist smugglers from the mainland.

According to a recent survey out of Hong Kong, more than 100,000 Hong Kong drug addicts spend $365,000,000 annually supporting their drug habit. Additionally, drug addiction in Hong Kong is reported to have tripled in only two years!

In the *Hong Kong Star* of January 5, 1971, Police Inspector Teng Ning, gave a more conservative figure of over 80,000 Hong Kong citizens as suffering from drug addiction. He estimated the annual amount of narcotics being smuggled into Hong Kong as ten tons of opium and four tons of heroin. Throughout 1971, Hong Kong police seized 12,500 pounds of opium, 760 pounds of Barbiton, 75 pounds of marijuana and 660 pounds of morphine—all smuggled from the Communist mainland.

The Hong Kong Bureau of Narcotics recently estimated the number of narcotic addicts living in Hong Kong to be around 180,000—more than four times the number addicted in 1955 with only 3% of them being women! In noting that only 11.8% of Hong Kong's drug addicts were under the age of 25 in the 1965 period, youth addiction in Hong Kong leaped to 49.8% in 1968—almost half of the total number addicted!

Dr. Donald F. Louble, assistant professor at Cornell University and head of The New York Drug Rehabilitation Centre, claims that 10,487 inmates in Hong Kong prisons are addicted to drugs.

While the Hong Kong Bureau of Prisons voices alarm at the growing number of young people becoming addicted to hard drugs, the August 1970 annual report of the Hong Kong Police Department indicates that many Chinese Communists living in Hong Kong are known to earn in excess of $1,500,000 EVERY MONTH for their part as narcotic pushers and vital links in the transmission belt which pours the illegal drugs out into the Free World.

The 1970–1971 work report of the Hong Kong Anti-Drug Society states that of 14,033 narcotic charges laid in Hong Kong in 1970, three quarters of them involved heroin pushing and the remainder opium. Drugs confiscated and destroyed by Hong Kong police included 8352 pounds of raw opium, 89 pounds of refined opium, 325 pounds of morphine, 18 pounds of heroin and 15 pounds of barbituates. Of the 14,033 narcotic charges brought before the Hong Kong courts, 12,584 individuals were found guilty as charged.

Typical of the charges brought was that of Tsueng Yim-ng, writer for three Communist newspapers in Hong Kong, the *Ta Kong Pao*, the *Wen Hui Pao* and the *Hsin Wan Pao*. The 1972 news release out of Hong Kong reported on members of the Hong Kong narcotic squad visiting Tsueng at his lodgings. They found a large paper tube containing morphine powder along with quantities of other narcotics wrapped in foil. Further investigation revealed that Tsueng actually was not a journalist but an active agent of the Communist Chinese!

While Shih Teih-pi, chief of the Hong Kong Narcotics Investigation Bureau, estimates that slightly less drugs were smuggled into Hong Kong in 1970 than in 1969, he reckoned that more than eleven million dollars worth of drugs have been smuggled into Hong Kong in recent years. And while drug smuggling into Hong Kong from the mainland appeared to abate during the first half of 1971 due to the combined efforts of the Hong Kong Police, the Narcotics Investigation Bureau and the Hong Kong Anti-Smuggling Squad of the Office of Commerce and Industry, the Chinese Communists soon changed their tactics and began smuggling drugs into Hong Kong via Bangkok at the rate of 100,000 pounds of brand "999" heroin per month!

Today, Hong Kong police authorities estimate that Marxist drug pushers in Hong Kong deposit more than half a million dollars a month in the Hong Kong branch of the Communist Bank of Hong Kong. The funds are used to purchase machinery from the Free World; to pay Chinese Communist agents located throughout the Free World and to fund subversive "fronts" throughout the Free World. More recently, Jolly Buganin, Chief of the Philippines National Bureau of Investigation, reported to the Philippines Congress (September 1972) that the international drug trafficking operation (of Communist China) planned to shift its major distribution centre from Hong Kong to Manila.

Additional evidence was presented at the 23rd meeting of the U.N. International Narcotics Control Board held in Geneva, Switzerland when delegates from the Republic of China (Taiwan) produced photographs published in the Hong Kong *Chen Li Pao*, a communist newspaper. Taken from a Chinese Communist movie being shown in Hong Kong movie houses, the background of several scenes showed vast areas of poppy cultivation!

The Philippines

Philippine authorities, at elsewhere throughout the Far East, have indicated growing alarm at the extent of Communist Chinese drug smuggling and a growing addiction problem among young people.

On April 30, 1966, the Philippine Senate Commission on Labor and Immigration charged that 7.2 million pesos worth of opium, heroin and other narcotic derivatives were being smuggled into the Philippines every year from Hong Kong and Singapore. The Commission reported that a special branch of a Hong Kong narcotic smuggling ring was involved exclusively with smuggling narcotics into Taiwan to corrupt the morals of the Taiwanese people and undermine the national economy and spirit.

Customs officers in Singapore were involved in a drug raid on September 19, 1972, which uncovered an illegal cache of more than 1000 kilograms of opium valued at over eight million dollars! This was discovered to be Communist Chinese grown opium smuggled into Singapore via Yunnan, Burma, Thailand and the Strait of Malacca. Singapore authorities estimate that more than 1,000 tons of illegal drugs are smuggled into Singapore and Malaysia annually—producing some 1,000,000,000 individual injections of heroin, morphine or tablet drug!

The extent of the Philippines "get-tough" policy on drug smugglers and pushers was revealed in a news story from Manila carried in the Vancouver *Daily Province* of January 16, 1973. The U.P.I. story carried a picture of a Chinese businessman living in Manila undergoing public death by firing squad because of his crime of drug traffiking. Lim Seng was one of five people found guilty of being part of an international drug syndicate operating behind the "front" of a Manila printing firm. Lim had moved from China to the Philippines prior to World War II and was a major receiver of drugs smuggled in from Communist China via Hong Kong, Singapore and Bangkok. A crowd of 8000 indignant citizens watched the public execution while others watched on national TV. In delivering a broadside against the "sick society", President Ferdinand Marcos said: "Let this be a warning to all".

While *Time Magazine* lists Burma, Laos and Thailand as the "source" of narcotics, the fact is Chinese raw opium is supplied to the Communist Parties in those countries for as little as $30 a kilogram. Besides their job of transmitting the drugs to contacts in the Free World, the funds raised are used to win support of groups and tribes who can be used in revolutionary activities.

The world then is slowly beginnig to recognize the *Communist Chinese drug war* and its devastating effects upon upon the Free World. According to a January 26, 1972, report by Dr. Peter Chapple of the National Drug Administration and Research Centre in London, England, heroin produced in Communist China is also flooding the cities of London, Liverpool, Glasgow and elsewhere throughout the British nation.

Indonesia

The Indonesian Central Intelligence Agency broke an international drug smuggling ring early in 1972 which had been supplying all of Indonesia's narcotics directly from Communist China. In October of 1972 and January of 1973, Canada's Royal Canadian Mounted Police smashed countrywide drug smuggling rings while confiscating huge quantities of narcotics believed to have come from Communist China.

If, in the face of mounting evidence, any further proof of Communist China's drug war upon the Free World is required, it can perhaps be found in the biography of the late President Gamel Abdel Nasser of Egypt by his close friend Mahammed, Editor of *Al Ahran*, Cairo's most influential newspaper. As reviewed in the Canadian *Toronto Star* of January 15 and 18, 1972, author Heikal, in quoting from Nasser's diary, tells of a Cairo meeting June 23, 1965, between Nasser and visiting communist big-wig Chou En-lai during which the latter told Nasser: "Some of them (U.S. troops) are trying opium, and we are helping them. We are planting the best kind of opium especially for the American soldiers in Vietnam."

When even Nasser indicated his surprise and perplexity, Chou En-lai continued with cynical cold-bloodedness: "Do you remember when the West imposed opium upon us? They fought us with opium. And we are going to fight them with their own weapons. We are going to use their own methods against them. The effect which this demoralization is going to have will be far greater than anyone realizes." Chou En-lai's reference was to the British East India Company trading opium for Chinese goods and services during the 1830's.

That such hatred for the West should have been nurtured for more than one hundred and fifty years is eclipsed only by the nature of the "revenge" being perpetrated upon the Free World, particularly upon young people. To understand this story then, we should perhaps investigate the history of opium in China from the beginning.

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PART 5—THE FREE WORLD FIGHTS BACK!

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Throughout the Korean and Vietnam wars, conclusive evidence became apparent that Communist China actively supported the communist side of those conflicts not only by way of arms and "military advisors" but by using narcotics to destroy the minds, will and

physical stamina of U.S., Canadian, Australian and South Korean servicemen.

Part and parcel of this psychological warfare has been the soft-pedalling of the effect of drugs; the endless commissions, studies and lectures by liberal-leftist University professors demanding that narcotics be taken out of the criminal code. Add to this the glamorization of the drug cult through the news media, plays, movies and TV programs and one realizes to just wh..t extent the Cold War has intruded into the lives of millions of people throughout the world—particularly in North America where Communism sees its most powerful enemy.

In effect, this twentieth century psychological struggle is more vicious and far reaching than even the atom bomb since its victims are unaware of their involvement in the "cold war" and the slow technique of genocide being perpetrated upon them.

Thus, while the evidence continues to become more and more apparent, so the "doves" of the world continue to sing their duets of concession and accommodation. While the American taxpayer finds himself having to support massive programs to help the unfortunate servicemen addicted in Vietnam, so they also find themselves taxed further in order to repair the damages of bombing in Vietnam!

Rather than calling for the full implementing of existing laws and recommendations of the world's narcotic bureaus and enforcement agencies or Articles 55, 56 and 57 of Chapter IX of the United Nations Charter—all of which, if adhered to properly are adequate to take firm action against all drug pushers—the "bleeding hearts" of the "permissive" society would continue to make a case for the "legalizing" of narcotics; for lighter sentences for addicts and for the "rehabilitation" of criminals as being more to be sought than the protection of society as a whole.

* * * * *

Basically, we know that international treaties and cooperation concerning the production and distribution of narcotics have existed since as far back as 1925, and we know, too, that the major opium growing countries and the U.S.S.R. have consistently refused to sign any of the Treaties. These International Treaties outline measures each signing country ostensibly is committed to through its national legislative system and administration. Agencies established under such Treaties must review and publicize any instances of where the obligations are not carried out.

Obviously then, since these International controls are world-wide in nature and theoretically represents a concern for all humanity—regardless of membership in the Organization—steps should be taken by the International body and its governments to expose and condemn any nation which does not comply with the world-wide ethic concerning the evils of narcotics. Certainly, if the United Nations feels that it has the right to condemn nations such as South Africa and Rhodesia and impose embargos because of their internal policies, it should equally condemn and impose embargoes for reasons of drug smuggling!

The former League of Nations and the current United Nations have the capability and structural organization to carry out such measures if operated in good conscience for the benefit of mankind—rather than as a political arena for power, pressure and prestige. Just as Article 23 of the Charter of the old League of Nations gave that body the right and authority to overrule even the economic interest of members in the name of world opinion and the betterment of mankind, so the United Nations must be re-organized and strengthened so that it might be able to uphold the highest of ideals and ethics rather than being subject to the pressures of blocs of nations.

Along with INTERPOL (The International Criminal Police Organization) which has a highly organized special department to deal with international drug smuggling, the United Nations has several international agencies concerned with the smuggling of narcotics. There are, most importantly, the U.N. Commission on Narcotics Drugs (which replaced the old League of Nations Supervisory Commission on opium and other drugs) and the International Narcotics Control Board. Of these, the U.N. Commission on Narcotics currently has twenty-four members who are elected to a rotating term of four years. Along with submitting detailed reports on all drug production, the 1925 Treaty stated that abuse of the specific ruling called for embargoes to be placed upon the offender. This ruling has never been implemented.

The 1925 Opium Treaty was followed in 1931 by an Opium Limitations Treaty (ratified by twenty-five nations—including five opium-growing nations) and which applied to non-Treaty countries in some instances.

The United Nations International Narcotic Control Bureau (which operates under the ruling of both the 1925 Treaty and 1931 Treaty) could and should bring pressure to bear upon any country abusing the rulings of the International body. If, however, International Drug Treaties are to be abused or cynically disregarded by Treaty members or those designated to the protection of mankind, then the International Narcotics Bureau must be taken out of the ultra political atmosphere of the United Nations, the World Health Organization and all other partisan influences! Only then, working closely with INTERPOL and Narcotic Agencies throughout the world, could members cooperate with one another to control narcotic smuggling free from political pressures.

Certainly, with the seating of Communist China in the U.N. in October of 1971, in place of Nationalist China, the work of the Narcotic Agency became further frustrated, particularly since the chief delegate of the Chinese Communists was one Chiao Kuan-hua, deputy Minister of Foreign Affairs. Since the drug-smuggling Special Trade Bureau of the Chinese Ministry of Finance is directly under the command of the Ministry of Foreign Affairs, it finds Chiao Kuan-hua involved with both drug production and smuggling as well as the world body intent upon controlling it! Here, if you like, is a case of conflict of interest on a monumental scale. According to the February 1972 Report of The World Anti-Communist League, the role of the Chinese delegation at the U.N. is to infiltrate and influence the three vital U.N. agencies who are attempting to control international narcotic smuggling!

It cannot be argued that the U.N. International Narcotics Control Board is unaware of Communist China's vast opium poppy cultivation and smuggling. This was clearly and emphatically brought out at the 23rd Meeting of the Board in Geneva, Switzerland, when two Republic of China delegates, Liang Chi-kuel and Wu Yung-fa, presented photographic evidence taken from the Hong Kong newspaper *Chen Li Pao* which in turn had taken it from a Chinese Communist movie being shown in Hong Kong. The movie scene clearly showed a field of poppy flowers under cultivation—indicating that opium cultivation in Communist China was so extensive and open as to have become a common background for movie making!

That Communist China is the key to halting the world's drug addiction problem was further illustrated by Secretary-General Jean Neope of INTERPOL at a news conference in 1971 when he revealed that INTERPOL had seized 572 pounds of illegal heroin throughout 1971, most of it emanating from Communist China via Hong Kong and Thailand. A strong warning was issued to Communist China by the U.N. in 1952. Today, with Communist China officially seated in the U.N. drug smuggling has increased rather than decreased!

And so the public at large continues to grope and stumble through a fog of of confusion and cross purposes, unprotected by the people and organizations in places of highest responsibility to serve the public interest internationally. It cannot find its way through the wordy wilderness where everything and everyone is blamed for the evils of heroin—except the Chinese Communists! For instance, while an Editorial in *Time Magazine's* cover story on heroin on September 4, 1972, stated that *Time* writer James Willworth had accompanied U.S. narcotic agents on a New York drug raid involving a high level drug transaction between several Chinese Drug traffickers and a U.S. undercover agent carrying $200,000 in cash for a prearranged purchase of drugs, the magazine made no further comment or observation on this particular "connection" which resulted in New York's biggest heroin haul in 1972.

Additionally, while "researcher" Willworth claims to have travelled to Turkey to interview Turkish opium poppy growers, he makes no mention of ever having travelled to Hong Kong to interview their police or narcotic agents who have published information concerning the hundreds of tons of opium heroin being smuggled into Hong Kong for pushing in North America and other areas of the Free World. Instead, *Time's* two published maps indicate the route of the drugs as coming by way of Italy and France and as originating in the "opium producing" areas of Burma, Laos and Thailand. Neither map indicates any Chinese Communist involvement. Neither does the lengthy article contain any information obtainable from narcotic agents in Japan, Australia, Taiwan, Britain or the Philippines. Indeed, even as *Time* writer Willworth observes one of the pushers of 20 pounds of pure white heroin (worth ten million dollars on the street) he labels its source merely as South East Asia!

The Time Magazine article estimated the U.S. heroin addicted population at 560,000—ten times the level of 1960 and double the level of 1970! And while Time gives Turkey as a major opium growing area, Stefan T. Possony, Senior Fellow at the Hoover Institute on War, Revolution and Peace, points out that in recent years Turkey has reduced its poppy cultivation from 21 to 9 provinces and that all poppy cultivation was forbidden by law in June of 1971. Similarly, Iran has imposed strict bans on opium poppy cultivation, with the death penalty for violation of the nation's drug laws.

When the Australian Citizens For Freedom organization presented a brief, Trafficking in Death at a November 11, 1971, Regional Conference of the Australian United Nations Association, the report was widely distributed to appropriate organs, committees, the Federal and State parliaments of Australia, delegates to the U.S., overseas ministries, press, radio and TV, not to mention contacts in North America.

Unfortunately, the doves and dupes of the liberal-left who appear ensconced solidly in much of the news media, have successfully managed to ignore the story. Just as the truth of the Hungarian Uprising in 1956 was successfully glossed over; just as the communist uprising at Havana University was lauded as a struggle for agrarian reform, with long-time communist Fidel Castro as their knight in shining armor, so they have managed to ignore or bury Communist China's drug war upon the West.

Certainly, the news media, rather than sensationalizing the effects and results of heroin addiction and pushing, would serve the public better by identifying the sources and exposing the motives of those who would wage a secret and horrifying war upon mil-

lions of unsuspecting citizens. If the free press of the western world continues to avoid the facts behind the surface manifestations of the drug trade, the Free World can only flounder helplessly while the foundation of its society is slowly destroyed. Parents will continue to see their sons and daughters change from keen students to dull-eyed freaks devoid of ambition, hope or dignity. Degradation of youth of the democracies will go on to serve the Communist end of ultimate triumph using weapons more deadly than those of violent war.

In the final analysis, only a vast public outcry and effectual action by the political leaders of the United States and Canada and action by the designated agencies of the United Nations can change the course of North America's internal destruction by narcotics and their hideous accompanying evils. Only public indignation and full cooperation with police authorities will bring to bear the necessary exposure of the source and cause of our current drug problem. If we don't, the evil can only spread like a fatal, fast-spreading cancer.

PART 6.—TYPES AND BRANDS OF CHINESE COMMUNIST NARCOTICS

OPIUM

138, Sun-feng, Hung-tiao, Red Star, South Pole, Silver Tripod, 139, Laopeikou, Kang-fu, Golden Pheonix, Golden Elephant, Earth, Ginseng, Ta-chen, Sung-po, Sailboat, Red Gold, Race Dog.

MORPHINE

Tsai-feng, Chin-yin, 999, Red Lion, Silver Dragon, Black Chicken, Huang-shang-huang, Golden Deer, Lung-tzu, Camel, Hsiung-chi, White Dragon Pearl.

HEROIN

North Pole, Lion Ball, Goldfish, OK, Red Gold, Champagne, Hsiang-nan, White Rose, Ying-ting, Golden Deer, AAA, Tsai-huang.

Opium growing areas and refineries in Communist China

Province, number of farms, and refining factories:

Sinkiang, three, one.
Kirin, one, one.
Tsinghai, four, _____.
Sikang, two, one.
Ninghsia, three, _____.
Szechwan, seven, two.
Kansu, twelve, _____.
Chahar, three, _____.
Kweichow, three, one.
Yunnan, twenty-five, two.
Kwangsi, eight, _____.
Hainan, four, one.
Shensi, sixteen, one.
Shansi, six, one.
Hopeh, five, ten.
Honan, six, two.
Hupeh, seven, two.
Hunan, eight, _____.
Kwangtung, twenty-nine, four.
Kiangsi, six, one.
Chekiang, six, two.
Kiangsu, five, four.
Anhwei, eleven, _____.
Jehol, three, three.
Liaoning, eleven, five.
Antung, ten, one.
Heilungkiang, one, _____.
Total, two hundred seven, forty-six.

Points of exit for drugs from Communist China

(from West, South, East and North China)

Loshan, Tingri Dz, Wanting, Yulin, Shechuan, Wenchow, Wusungkou, Weihaiwei, Wahan, Yatung, Cheli, Samkong, Swatow, Ningpo, Lienyun, Dairen, Gartok, Lungchow, Pinghsiang, Chungshan, Amoy, Shanghai, Tsingtao, Moho.

HOW TO BE ETHICAL IN AN UNETHICAL WORLD

Mr. LUGAR. Mr. President, during the 95th Congress there has been much attention focused by this body and by our colleagues in the House of Representatives on the subject of ethics—personal and public.

To contribute to this important dialog, may I call our attention to a fine address by Walter F. Beran, a partner in Ernst & Ernst, one of America's major accounting firms. Mr. Beran's remarks were delivered at the town hall meeting in Los Angeles, and I feel they deserve wide recognition for their perceptive analysis of an issue that is crucial to the future of the Republic.

I ask unanimous consent that portions of Mr. Beran's address—entitled "How To Be Ethical in an Unethical World"—be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HOW TO BE ETHICAL IN AN UNETHICAL WORLD

(By Walter F. Beran)

How to be ethical in an unethical world? Perhaps no question more deserves the concerned attention of thoughtful people today, for indeed the stakes are high! Our cities are dimmed by human tears, by violence, crime, corruption, pollution, smog, blight, and fiscal bankruptcies. Our entertainment and much of our literature have become corrupting influences. Our national life is poisoned by sewers of pornography. Indictment and imprisonment have visited the highest officeholders in the land.

Businessmen engaged in clandestine corporate payments . . . lawyers violating the laws and going to jail . . . accountants making unreal business transactions look real . . . doctors dishonoring their Hippocratic oath by experiments with dangerous drugs on unsuspecting patients . . . the catalog is endless, and it is pervasive, touching both young and old, rich and poor, the leader and those led.

Certainly, the need for an ethical imperative is primary. So, let's see what that ethical imperative might be.

In an editorial on June 6, 1975, entitled "The Ethics of Business," the Los Angeles Times stated, "American citizens have chosen to make corporate enterprise the economy's prime vehicle for growth, income, and jobs, and they have ample right to expect the best conduct from corporations in return for this broad commitment."

This point of view was reinforced by SEC Commissioner John R. Evans in an address entitled "Truth Or Consequences": "It is argued that even though a corporation detests and condemns such conduct, it becomes a necessary evil because, if the corporation does not engage in such activities its competitors will, and thus the corporation will lose the business. If such an attitude pervades the corporate community and dictates methods of doing business, it results in a situation where the competitor who engages in the most unethical or immoral conduct thereby sets the business standards at the lowest common denominator."

Price-fixing, payoffs, deceit, white and blue collar crime, surreptitious and clandestine acts, shoddy products, sloppy and slothful effort are inimical to a free society.

Yet, I find it most grievous that corporations and corporate executives are vilified, indicted, and imprisoned for violation of laws long ago enacted, but never enforced until enforcement became fashionable and politically expedient. To enact a law and lack the will to enforce it is a fraud upon the citizenry. For, it is not the law, but what is permitted under the law, that becomes the practice of the average citizen. If illegal payments aren't prosecuted, they become accepted as permissible, and soon almost everyone makes them.

When politicians, public officials, and regulators decry illegal political payments, not only when such payments were obvious to them all along, but indeed when many of them were the very recipients of such payments; when the practice of using foreign agents and consultants has had not only the implicit and explicit approval, but also the encouragement, of agencies of the government—I find such masquerading, such Pharisaical, self-righteous, political pontifications, such retroactive judgments, a hollow mockery of the tenets of responsible government. Except for the dances of the young, it still takes two to tango—and so it is with political payments.

While business and businessmen had better get down to the serious business of building a better mousetrap and providing a superior service—and doing it devoid of deceit—politicians and public officials likewise had better accept their servanthood responsibilities and recognize that political expediency is inimical to public service.

If the family, the schools, society, and the church aren't going to issue a call for high moral or ethical standards, then business must. Otherwise, commerce will become a veritable jungle and so will the rest of society.

Indeed, as a matter of self-interest we need to be our brother's keeper. We have reached the point of economic and other limits. Certainly our geographical frontiers are gone, our spaceship earth is becoming overcrowded, and everyone is rightfully wanting to improve his place under the sun. Certainly, the consequences of being ethical or unethical with one person to an acre are quite different from those of 1,000 to an acre. Indeed, the last frontier available to us is the frontier of ethical reserve.

No longer is it—if it ever was—a matter of when in Rome doing as the Romans do. It's a matter of our personal ethics—yours and mine—for in the final analysis, ethics is a matter of what we are, all the time; not where we are, and not what the other person's ethics might be.

There is no escaping the fact that the essence of an individual is his ethics. The more he seeks an ethical path, the more he mirrors the genius of his Creator—the potential of his humanity—of one who is fearfully and wonderfully made. On the other hand, the more he treats ethics with scorn or indifference—with a Cain type of rationalization—the more like the jungle animal he becomes.

To suggest that Americans and American business must submit to less-than-desirable practices in order to do business in foreign countries, while submitting to ethical conduct at home, is totally inconsistent, absurd, and beneath comment. Ethics transcends circumstances. An ethical man is on his good behavior when he is away and not just when he is at home; and so it must be in business and in whatever and wherever humans deal with one another—and that includes the halls of government.

Let's recognize that there is no such thing as a close tolerance between the acceptable and the unacceptable, between what's permissible and what's preferable; that 2 plus 2 still add up to 4, not only in accounting, but in your business and mine, and in everything else in life; and that it's doubtful that anyone will ever come up with a substitute

for the Ten Commandments as a fundamental guide for business or personal ethics.

Even if we can't gain an agreement on a standard of ethical behavior, we can at least generate understanding that illegal and unethical actions are not only wrong—but that they are counter-productive.

But the question is: Where does this leave you and me as individuals? How can one be ethical in what seemingly is an unethical world? Let me suggest what I would do.

I would perceive the moment. Perceiving the moment has always met with an enlightened response by private enterprise. It has always filled the gap by meeting the need demanded of it. Today the primary demand is one of moral expectations. Hence, I would recognize that, while society's passion for dedication may be contaminated by selfishness, laziness, and inconstancy, its ardor for the other fellow's dedication is pure and undefiled, and that today it expects a high standard of conduct from all who would serve it.

So, I would perceive the moment. The natives are restless and they are ready to fry anyone dealing in hanky-panky.

I would believe. For what people believe to be true and important determines the quality of their lives as individuals and as organized groups . . . and that's not rhetoric; that's the gospel truth.

I would believe in the reality of God. Unless a man believes that there is a reality beyond himself to whom he owes the ultimate responsibility, his life will be fraught with ethical compromises. Believing in the reality of God, I must then believe in another fundamental; namely, that all men are of one family, that the highest reaches of mutual concern and respect cannot be achieved unless there is a prior acceptance of kinship. Embracing this, then any act which would put another human being at a disadvantage would be strongly inconsistent and despicable as well.

And, if I believe that men are of one family, then it follows that *I would empathize,* for in the deepest sense ethics are the attitudes and rules we follow in dealing with one another.

And, empathizing includes a disposition toward helping each other.

Somehow in the urbanization of America, in the institutionalization of welfare, we've lost the sense of helping. But it need not be so—we can still reach across—stretch out—and find our greatness, and we can do it short of dulling our competitive edge or compromising on excellence.

Periodically, *I would re-examine myself.* I would get away to the mountains, or the beach, or the garden, or the quiet of my own room, and I would contemplate my values: "Who am I, what am I doing, where am I going?" Search out what your values will be. You'll be prepared to make the ethical choice when the tough decision has to be made. Don't wait until the moment demands it to decide what your value will be. That's too late! And, if you don't have a garden where your house is, then steal away to the garden of your mind.

I would maintain viability. I would keep my options open. Keeping one's options open requires distinctiveness in personal attributes and vocational ability; it requires a constant modifying, a readiness to change and move with the current. It's deciding where one goes from here. And, keeping our options open means fitting ourselves for the constant reeducation necessary to play continuing, changing, useful roles—that we don't find ourselves pressed into an unethical decision because of the insecurity of having no other job or role in life to play.

I would avoid compromising situations and seemingly innocent beginnings. There are many: gambling, conflict-of-interest possibilities, keeping up with the Joneses, romantic peccadillos, highly leveraged investments, to name but a few. The garbage dump is littered with the wreckage of tax shelters which mirror the avarice and greed of most of us—which now leave us holding the economic bag that needs refilling. But how is that bag to be refilled? From what source? Too often, the temptation is to find a quick remedy which puts at risk our personal ethics.

I would avoid becoming an economic parasite. I would be involved in the issues of the greater society, those beyond the immediate confines of my business or profession, those in which the public-at-large has an interest. I would not be a Pharisee, caught up in the repetition of the profit creed, without relating it to what the public conceives as its interest. To do so is simply to be fanning the wind. And if I am not going to be an economic parasite, I can't be running to society—to the government—to bail me out simply because things get tough. For, as Dr. Rhodes Boyson, British member of Parliament and author of several books on classical liberalism, said in a press interview: "Trying to have a free enterprise system without bankruptcy is like trying to have Christianity without hell."

If we are in the business of producing goods and services, and our income is dependent upon people who seek out the best buy they can get, and who are free to choose who gets their patronage and their money, then income becomes a pretty good measuring stick of how well we meet the needs and demands of society.

And if we're proud of profit, let's communicate the economics process to *all* the members of society, so that they understand that "the economic process is what transforms the limited resources of society into goods and services; that the foundations of productivity cannot be taken for granted; that companies are mortal—many die each year; that technological programs and fluctuating consumer needs are relentless taskmasters which punish companies and whole industries that do not keep pace; that business vigilance, perpetually exercised, is essential to the survival and nourishment of economic productivity, to social improvement, and to world stability."

In a similar fashion, I would strive to effect a partnership between government and business. For, if ethics is our primary imperative today, then government-business cooperation is a close second. If we believe greatly in ourselves, in what we do, and how we do it, then it's imperative that we take the time and devote the energy to finding a common vehicle for resolving the great issues and problems of today.

Lastly—it is last because it is so poignant—it may well be the only effective deterrent to unethical behavior . . . lastly, *I would keep uppermost in my mind the historical reality of revelation.* Good deeds may go unnoticed by everyone except God, but bad ones always seem to have an uncanny way of surfacing, of being found out—and certainly the conscience of our mind never lets us forget. The Watergate burglaries, which some might have viewed as mere minor political peculations, once revealed, crumbled a powerful president at the moment of his greatness. If that can happen to presidents, then certainly it can happen to lesser mortals such as we. We should therefore want to avoid doing anything in secret that would be embarrassing or harmful if revealed.

Can we be ethical in an unethical world? I believe we can.

Despite the morass some depict us in, there are conscientious doctors, businessmen of integrity, accountants who "call 'em as they see 'em," lawyers who serve justice, honest public servants, devoted teachers, happy marriages, loyal and industrious employees, clean-living young people, and communities living in peace and order. They are the many, not the few.

Despite corruption, and compromise, and conspiracies seemingly in every corner, I believe we can!

I don't hold with those prophets of doomsday who claim people are no good and that we're rapidly approaching Armageddon. I don't hold with those cynics of despair who say, "It doesn't really matter."

. . . To the contrary, I hold with those who say, "It really *does* matter"—that we must and can find a way to resolve the greater issues of life; that *one can be ethical in an unethical world.*

TRIBUTE TO DR. ALICE PAUL

Mr. BAYH. Mr. President, I rise in tribute today to a very special courageous woman who passed away on July 9. Alice Paul was a special symbol to the women in America. As an early feminist, her fight for women's suffrage and equal rights for women left a legacy which will not soon be forgotten. Many of those who wished to honor this great woman gathered yesterday at the National Cathedral to pay tribute to her memory.

Alice Paul and her work had a very special meaning for me, Mr. President, since I was the Senate sponsor of the equal rights amendment. As the original author of the equal rights amendment, Dr. Paul died sadly before she could witness the last three States ratify the 27th amendment to the Constitution.

Dr. Paul's early life was dedicated to women's suffrage, the results of which gave women the right to vote with the ratification of the 19th amendment on August 26, 1920.

During the 1920's Dr. Paul earned three law degrees from American University, quite an accomplishment for women in that era. She also earned a master's degree and a doctorate at the University of Pennsylvania. A relentless advocate of women's suffrage, Dr. Paul moved to Washington in 1912 where she organized parades and demonstrations to bring to the attention of the Government and the general population that women were being treated as second-class citizens. As a result of her efforts she was imprisoned, went on a hunger strike and was force fed while in prison.

These experiences did not deter her efforts as she founded the National Women's Party in 1913. It has been the National Women's Party that has made sure that the equal rights amendment was introduced in each session of the Congress from 1923 until its passage in 1972. It was the National Women's Party, under the direction of Dr. Paul, which organized the silent vigils outside the White House to urge President Wilson's support for women's suffrage.

Dr. Paul was not only a leader in the women's movement in the United States but in the worldwide women's movement. She was certainly ahead of her time when she lobbied the League of Nations to include a reference to sex in the preamble to the United Nations Charter, which commits member nations to:

Save succeeding generations from the scourge of war . . . to reaffirm faith in fundamental human rights, in the dignity and

worth of the human person, in the equal rights of men and women and of nations large and small, and . . . to promote social progress and better standards of life in larger freedom.

Although the women's movement, and those of us working for women's equality, will miss Dr. Paul, not only as moral support but as a living symbol that progress can be made. We will go on, as she would have done, working and striving for the day when women will receive the equality of treatment.

CAPITAL FORMATION: A BUSINESSMAN'S VIEWS

Mr. PERCY. Mr. President, Reginald H. Jones, chairman of the board of the General Electric Co., made an address to the American Assembly of Columbia University that should command our attention.

We have heard a great deal from economists and politicians in recent months about the existence or nonexistence of a capital formation shortage, but considerably less from those whose day-to-day work is affected by this factor. Mr. Jones also serves as chairman of the Business Roundtable Committee on Taxation and as a vice chairman with AFL-CIO President George Meany on the President's Labor-Management Advisory Group, both of which give him added insight into this problem. His speech, "Capital Formation: A Businessman's Views" gives us this perspective, in straightforward and concise terms.

Earlier this year, the distinguished Senator from Minnesota, Senator HUMPHREY, and I introduced the Investment Policy Act of 1977. The purpose of this legislation is to lift our Nation's capital needs to the same level of attention and concern given other major factors in our economy. The fact that we are unable even to agree that a capital formation problem exists is one of the single greatest arguments in support of this proposal. As Mr. Jones points out:

> The problems that require increased business investment—unemployment, inflation, energy problems, international competition, cities in trouble—these problems are here now, and we cannot forever postpone the changes that will improve the climate for investment.

Mr. President, I ask unanimous consent that the full text of "Capital Formation: A Businessman's Views" be printed in the RECORD and I commend it to my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CAPITAL FORMATION: A BUSINESSMAN'S VIEWS

(By Reginald H. Jones)

We are all grateful to the American Assembly of Columbia University for the initiative that put together this distinguished symposium on capital formation. And of course I am honored by the invitation to be one of the evening speakers.

Reading the background papers, I noticed that there was wide disagreement among the economists as to the nature of the problem, or whether there really is a problem; and everyone seems to have his own pet solution to the problem or non-problem, as the case may be.

So I think it best to present my qualifications and limitations right at the beginning. I am a businessman, not an economist. And like many of you here tonight, my view of the issue is a highly pragramatic one, growing out of the need to make investment decisions affecting our company—and our country—five, ten, or twenty years from now.

CAPITAL NEEDS

The question is this: Will business in the United States be able to make the investments required to meet the nation's needs and aspirations? And if not, how can we restore the climate for vigorous and productive business investment?

Many studies have been made by respectable economists of many persuasions, to examine this problem. Some, including General Electric's, see the needs outrunning the ability of business to fund them, unless we have changes in national policy. Some say we can meet our capital needs—just barely—provided we reach full employment and federal surpluses in the next three or four years.

Still others say there may be nothing to worry about. Our market system always provides the funds for projects that are really worth doing, and lets the rest go undone. The question, of course, is what we want to leave undone. What national objectives are we willing to forego: full employment? environmental clean-up? greater energy independence? expansion of our basic industries? expansion of our export trade? productivity improvement? restoring the cities? All these require *increased business investment*.

Some economists point to the notoriously unreliable figures on unused capacity and say that we may even have overinvested in the past. This is a temporary illusion. As any businessman can tell you, much of that so-called unused capacity is obsolescent and noncompetitive. Much of it was built in the days of cheap energy, and will have to be replaced by energy-efficient equipment. Much of it will not meet today's stiff environmental standards and will have to be modified or replaced. All this takes capital.

Furthermore, there seems to be no recognition that our energy and raw materials supplies are becoming much more capital intensive as we use up the richer and more easily available sources. It takes far more tons of ore to produce a ton of metal these days, and that takes capital. It takes far more capital to bring oil out of the Arctic than it does to drill a hole in Texas. It takes far more capital to build a nuclear power plant than a simple oil-fired plant. And we haven't even considered the capital costs of developing synthetic fuels or solar power or the hydrogen economy. As our technology develops, we need materials that do not exist in nature—engineered plastics and materials with special characteristics. These require huge capital investments. The world can solve its limitations of energy and raw materials, but this will require capital.

Regardless of what our more optimistic economists may say, businessmen know from daily experience that our capital needs are increasing and the means and the incentives to meet those needs are declining. So there is a growing consensus that something must be done to assure a high and sustained level of business capital investment. This can no longer be taken for granted.

Rather than take you through one more set of projections into the 1980's—these are all subject to legitimate question and debate—let me, instead, deal with three topics tonight.

First, the universality of this problem of capital formation. It is not confined to the United States, but is common to all the industrial democracies.

Second, the problems facing business executives today when they try to make their capital investment decisions.

And third, the basic options available to this country with respect to capital formation.

PROBLEMS OF INDUSTRIAL DEMOCRACIES

First, the universality of the problem.

The world is emerging from the worst inflation and recession in the past quarter century. We made it—but not without damage. In spite of the good pace of recovery, virtually all the industrial democracies are now plagued by relatively high rates of inflation and unemployment.

This is very perplexing because the stimulative policies by which governments traditionally reduce unemployment would only make the inflation worse; and inflation, as we know, stunts investment and growth, and produces even worse unemployment. So governments are obliged to walk a very narrow tightrope with inflation on one side and unemployment on the other—and an angry public threatening to cut the rope and drop them out of office if they don't come up with solutions.

What can be done? Some governments have clamped controls on the economy, trying to nullify the laws of economics and force wages and prices to hold still. Our experience with economic controls in the United States, most recently in the early 1970's, indicates that this is counterproductive. Pressures built up and distorted the economy in many damaging ways, and most people feel that the ensuing inflation and recession were actually intensified by President Nixon's ill-fated program of controls. Let's hope we do not again resort to such destructive controls, or their innocent-appearing equivalent, an "incomes policy."

The most effective way to combat inflation and unemployment is to encourage business investment in new technology, new equipment, and new business ventures. This fights inflation by increasing productivity and industrial capacity, so that supply can match demand. And it increases employment by stimulating the whole economy, making it more productive in real terms, and providing the added capital equipment that is a necessary prerequisite for industrial jobs.

THE LAG IN CAPITAL INVESTMENT

Most government policy-makers know this, and they are hopefully waiting for the capital investment boom that normally follows a consumer spending boom—the traditional sequence of events in a recovery period. But it's not happening. Businessmen around the world are not investing.

An article in *Business Week* last month reported that, "In the United States, capital spending is still running some 9 percent below the peak reached more than 2½ years ago, in the second half of 1973. In Japan, capital spending is some 24 percent below the rate of this later 1973 period. In the four major industrial countries of Western Europe—Germany, Britain, France, and Italy—the shortfall is some 11 percent. And if the United States seems to be mounting the most successful capital spending recovery of any of the advanced countries, growth in *it* is slower this year than in any of the five earlier postwar recoveries."

Why is this?

Businessmen are not holding back out of cantankerousness. They are not investing because they do not have, under today's conditions, either the confidence or the incentives to invest.

DECLINING PROFITABILITY

Consider the prospects that face the U.S. businessman today. (See Chart 1.) The profit figures this year look very encouraging compared with the depths of the recession, but there has been a basic, long-term decline in corporate profitability. Reported profits *after* taxes fell from 5.4 percent of GNP in 1965 to

3.7 percent in 1975. Bad enough, but Chart 1 shows what happens when you adjust for inflation. Removing phantom inventory profits and underdepreciation, we see that profits after taxes have actually dropped from 5.3 percent of GNP in 1965 to a disheartening 1.6 percent in 1975. Preliminary indications are that this ratio will rise to about 2 percent this year, a year of strong profit recovery. Hardly enough to trigger a capital investment boom.

Or consider the incentive aspect. Chart 2 shows how return on investment has deteriorated. Adjusted after-tax profits expressed as a percentage of the *replacement* cost of the stock of plant, equipment, and inventories have plummeted from 9.9 percent in 1965 to 2.4 percent in 1975. This is the real return on new investment in industry today, and it is not much of an incentive for further investment.

Underdepreciation has also been a major depressant of the funds available for investment. Because capital recovery allowances are based on historic original costs rather than the inflated cost of replacing obsolete plant and equipment, the Commerce Department estimates that industry was shortchanged by as much as $21 billion in 1975.

With internally generated funds declining, industry has turned to outside sources for capital funds. There, as you know, the choice is either to issue new equity shares or go into debt.

DEBT VS. EQUITY

As indicated on Chart 3, over the past twenty years, new equity shares have provided only 3.5 percent of the total new funds raised by non-financial corporations. New debt, on the other hand, has been used to meet a growing share of corporate financial needs, averaging 42 percent during the past five years compared with 33 percent during the first half of the 1960's. Why the preference for debt?

For one thing, with profit margins and return on investment declining, savers prefer to lend their money instead of risking it in equities that offer a small and uncertain return. But there is also strong bias in the tax structure. Interest and dividends are both costs of capital—fees paid to people for the use of their savings. But interest is tax-deductible, and dividends are not. Hence the tax structure is pushing corporations into debt.

As the result of the excessive debt and the drying up of internally generated funds, corporate balance sheets place greater restraints on corporate investment. Chart 4 shows that in 1955, the liquid financial assets of the non-financial corporations were 63 percent of their current liabilities. By 1965 that ratio had fallen to 41 percent, and by 1975 it was down to 32 percent. The recovery in profits this year and next is going to improve that picture temporarily. But in 1978 to '80, as profits level off or even fall, and capital spending continues under prior commitments, we can expect the long-term liquidity problem to reassert itself.

WILL NEEDED INVESTMENTS BE MADE?

In these circumstances, can we expect that corporations are going to make the risky long-term capital investments that some economists so confidently expect? Inflation has eaten into their real capital and reduced their real return on investment to very uninspiring dimensions. Debt capital is available today, but most executives and directors remember the recurrent periods of tight money supply. Will they be willing to risk their bond ratings and go even deeper into debt, when they should—in all prudence—keep some cushion in their debt-carrying capacity, to get through future credit crunches and liquidity crises? And with the threat of above-normal inflation and further adventures into price controls, can they count on recovering the costs of a risky investment in new technology or expanded facilities? Or can they hold off, and make do with what they've got? These are the real questions faced by businessmen today, and their individual decisions just might not add up to the level of capital investment so confidently expected by our more optimistic economists.

This is why we say that, regardless of the theoretical arguments presented to prove that there is no capital formation problem, a problem does exist because the individual business managers simply do not have sufficient means or incentives to make the needed investment decisions.

One is reminded of that wonderful bit of nonsense:

"As I was going up the stair
I met a man who wasn't there.
He wasn't there again today.
I wish, I wish he'd stay away."

The problem is there, appearing and disappearing in the dips and rises of the economic cycle, and it will not go away until some changes are made.

OPTIONS

Let's examine the options.

Can we let things drift, and settle for a low-investment, low productivity economy if the needed investment is not forthcoming? That might satisfy our zero-growth advocates, but it would not satisfy a public that rightly expects advancing standards of living—particularly those who are still in the back of the economic bus.

Can we count on the old Keynesian formula—stimulation of the economy through increased government spending and putting more people on the public payroll? No, we are too far down that road already.

Hudson Institute Europe recently completed a study of 19 industrialized nations in Europe, North America, and the Pacific, and the conclusion is this: the larger the public sector of the economy, the slower its real growth. There are other factors besides this to account for differences in growth rates, but this study strongly supports the proposition that large and growing public spending actually causes slower economic growth. The reason is basically that government growth crowds out productive private investment. This and other studies suggest that the toll taken by the expanding government sector in Western industrialized countries has been massive—cutting attainable growth rates by as much as one-third in the past fifteen years.

One would hope that these lessons will not be ignored, and we will have the courage to reverse the tide toward ever-increasing government takeover of the economy.

From those who accept the seriousness of the capital formation problem—and I believe these are in a majority today—there have been many proposals for action. Some have been quite utopian, looking to a drastic and revolutionary revision of our tax system. These proposals deserve thoughtful study, but besides the political problems involved, I think it would be best to look before we leap. There may be unexpected side effects that would nullify the original intention, and just possibly overwhelm the world's most productive—and most intricately balanced—economic system.

MODEST PROPOSALS

To improve the climate for investment quickly—in time enough to help solve the problems facing our country in the years immediately ahead—we might take a few modest, politically practical steps.

First we should try to restore some of the purchasing power that has been lost by both individuals and business firms.

Individual families are boosted, by inflation, into ever higher income tax brackets. The government is getting an unlegislated tax increase every year. That money should not be spent on new or expanded government programs. It should be returned to the working people who earned it, in the form of further individual tax cuts. This will provide economic stimulus where it is needed—in the private sector.

And business also has had its purchasing power cut and its effective tax rate increased, through the effects of underdepreciation. This money, too, should be returned to the businesses that earned it rather than provide an annual windfall for our tax-hungry government. The Congress should legislate a capital cost recovery program which will allow producers to adjust their depreciation or capital allowances to compensate for the ravages of inflation. This has already been done for inventories by allowing LIFO accounting, so why not also for capital cost recovery?

Another step is to eliminate the bias against new equity by making dividends deductible to the corporations, just as interest is deductible today. This too would have to be phased in to minimize the revenue impact, but it would have a powerful effect in stimulating our equity markets, and would bring the debt-to-equity ratios of American business back into a much more healthy balance.

Other changes would be helpful. We should have more rapid cost recovery for government-mandated pollution control expenditures. The threat of economic controls, a source of great uncertainty in investment decisions, should be decisively removed. Regulatory bodies should concentrate on ways to accelerate, not slow down, the use of new technology. Inflation—the greatest single source of business and consumer uncertainty—must be brought under control at its source, which is excessive government spending.

But most important of all is the will to address this challenge of capital formation. The problems that require increased business investment—unemployment, inflation, energy problems, environmental problems, international competition, cities in trouble—these problems are here now, and we cannot forever postpone the changes that will improve the climate for investment.

For too long, the nations of the West have been eating their seed corn. Now it is time to replenish our stock of capital, build up our productive resources, and take thought for the morrow.

If our leaders have the courage to ask this of the people, I am sure they will respond—with a fervent and resounding, "Yes!"

LAW OF THE SEA CONFERENCE

Mr. STEVENS. Mr. President, Ambassador Elliot L. Richardson delivered an address yesterday following the conclusion of the current negotiating session of the Third International Conference on the Law of the Sea. Ambassador Richardson's remarkably candid statement documented the gloomy prospects for a successful conclusion of that conference.

The description which Ambassador Richardson portrayed of the new Law of the Sea text is most distressing to those of us who have followed the Law of the Sea Conference for many years. In Ambassador Richardson's words:

The substance of the text on this issue (deep sea bed mining) and the lack of fair and open process in its final preparation (meaning the text) require me to recommend that the United States undertake a

most serious and searching review of both substance and procedures of the conference.

The failure of the Law of the Sea Conference to resolve the contentious issues related to deep seabed mining should not be taken as a reflection of Ambassador Richardson's prowess as a diplomat. To the contrary, Mr. President, Ambassador Richardson has provided the United States with the finest representation that we have ever had at the Law of the Sea Conference.

Ambassador Richardson's statement has provided the American public with its first open and candid assessment of the progress made at the Law of the Sea Conference. It is self-apparent from Ambassador Richardson's statement that the United States must reevaluate its position on that international negotiation. It is time the Congress of the United States met this contentious and difficult situation head on. We must assess the problem of deep seabed mining and pass unilateral legislation which would allow American industry to exploit the resources of the deep ocean bottom. An American deep seabed mining industry which landed its ore in the United States would reduce the reliance of the American economy and our defense systems upon the importation of strategic minerals from foreign nations. Deep seabed mining is an issue of strategic national importance, as well as economic freedom of the seas.

The newest Law of the Sea Conference text, according to Ambassador Richardson, would not give the United States a "reasonable assurance of access" to deep seabed mining resources when it is needed. The United States cannot accept a Law of the Sea Treaty in which we are not guaranteed access to strategic minerals which we vitally need. Further, the present treaty could be interpreted to mandate joint ventures with Third World nations. If the United States is to spend billions of dollars developing a capability to mine the deep seabed's strategic minerals, we cannot place ourselves in the position where we will be forced to conduct our mining operations in cooperation with foreign nations, who could prohibit the landing of those resources in our country. We must have the right to mine, and control the disposition of, strategic resources of the deep seabed.

The new text also provides that an artificial limit on seabed production may be established. Not only would this make financing of operations difficult for artificial control of mining operation, will reduce profit levels to the point where investors would not care to participate in deep seabed mining, but it is also antithetical to the United States defense interests. If the United States is to rely upon deep seabed mining operations as a source of supply for strategic minerals, we cannot allow a cartel of lesser developed nations to dictate to us how much of that strategic mineral we can mine. Minerals needed to maintain the defense readiness of the United States cannot be placed under the control of a cartel of foreign nations.

Mr. President, to date no deep seabed mining bill has been filed in the Senate. Congressmen MURPHY and BREAUX, however, have seriously been evaluating deep seabed mining legislation in the House. I would commend Congressmen MURPHY and BREAUX for their foresight and urge the Senate to develop, as soon as possible, unilateral deep seabed mining legislation, which would allow deep seabed mining corporations to conduct their operations under conditions which are economically sound and consistent with the defense needs of the United States.

Mr. President, we all share a great concern for the future of the Law of the Sea Conference. That negotiation has the potential to be one of the greatest achievements of modern international diplomacy. It is obvious, however, from Ambassador Richardson's statements that progress at the conference is at a standstill. I would urge each of my colleagues here in the Senate to carefully evaluate their past positions on deep seabed mining legislation in light of Ambassador Richardson's new report. It is time the United States took the unilateral action which we now find to be necessary.

I ask unanimous consent that Ambassador Richardson's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY AMBASSADOR ELLIOT L. RICHARDSON

The Informal Composite Negotiating Tax resulting from this session of the U.N. Law of the Sea Conference evidences real progress on vital issues relating to international security and freedom of navigation. At the same time it substantially sets back prospects for agreement on an international regime for the conduct of seabed mining. Both the substance of the text on this issue and the lack of fair and open processes in its final preparation require me to recommend that the United States undertake a most serious and searching review of both the substance and procedures of the Conference.

It is with a sense of considerable frustration that I make this accounting. For true progress was made during the past session:

New provisions were negotiated to clarify the legal status of the new 200 mile economic zone. They seek to safeguard traditional high seas freedoms within this zone except for specific resource-related rights accorded coastal states by the Convention. These provisions are a marked improvement over previous texts and may help prevent erosion of high seas freedoms by coastal state attempts to extend their sovereignty over ocean space.

We successfully retained the generally satisfactory previous texts on passage of straits which a determined minority sought to change. At the same time we found a way to accommodate the real need for environmental protection in straits, particularly in areas such as the Straits of Malacca.

The provisions of the text dealing with sceintific research were improved. An effort by some delegations to increase the degree of coastal state control of scientific research in the economic zone was defeated. In the new text, the conditions for conducting scientific research are set out clearly, and are likely to be copied into national laws, thus regularizing what has until now been a capricious situation. Also, we successfully eliminated a clause that could have obliged the U.S. to restrict publication of scientific data after the fact and without the consent of scientists, which was highly offensive to our concepts of free science and free speech. Now the coastal state, in granting consent, must indicate in advance if it wishes to impose such a restriction, and if so the scientist can decide whether he wishes to proceed with the project under such circumstances.

We were successful in eliminating texts that could have prevented us from imposing rules in our territorial sea to prevent pollution from foreign ships. At the same time, we retained our right to fix strict environmental conditions—including construction, manning, equipment and design regulations—for entry into U.S. ports. These changes bring the text into full harmony with the Administration's anti-pollution program.

Continued progress was made in the design of a comprehensive system for peaceful settlement of disputes relating to ocean uses.

Under the fair and judiciary's leadership of Minister Jens Evensen of Norway a responsible and effective discussion of seabed issues took place. This discussion and the texts formulated by Minister Evensen offered real prospect that the impasse on seabed mining issues could be resolved on terms acceptable to both the developed and developing nations.

Regrettably, however, the new "composite" text concerning the system of exploitation and governance of the deep seabed area (Part XI) is now fundamentally unacceptable. It deviates markedly from the proposed compromise text which had been prepared on the basis of full, fair and open discussion under Minister Evensen's leadership.

The Evensen text, although not without problems, was generally viewed as a useful basis for further negotiation. The newer text—produced in private, never discussed with a representative group of concerned nations, and released only after this session of the Conference terminated—cannot be viewed as a responsible substantive contribution to further negotiation. Indeed, the manner of its production—treating weeks of serious debate and responsible negotiation as essentially irrelevant—raises an equally serious procedural problem: whether the Law of the Sea Conference can be organized to treat deep seabed issues with the seriousness they, and the Conference which depends upon their satisfactory resolution, demand.

Among the serious points of substantive difficulty in the latest deep seabeds text, and the system it would define, are the following:

It would not give the reasonable assurance of access that is necessary if we and others could be expected to help finance the Enterprise and to accept a "parallel system" as a basis of compromise.

It could be read to make technology transfer by contractors a condition of access to the deep seabed—subject, at least in part, to negotiation in the pursuit of a contract.

It could be read to give the Seabed Authority the power effectively to mandate joint ventures with the Authority as a condition for access.

It fails to set clear and resonable limits on the financial burdens to be borne by contractors; indeed, it simply combines a wide range of alternative financial burdens, as if such a combination could be a compromise—when, in fact, it is likely to prove a compound burden sufficient to stifle seabed development.

It would set an artificial limit on seabed production of minerals from modules—which is not only objectionable in principle; it is also far more stringent than would be necessary to protect specific developing country producers from possible adverse effects, and is incompatible with the basic economic interests of a developing world generally.

It would give the Seabed Authority extremely broad new, open-ended power to

regulate all other mineral production from the seabed "as appropriate."

It would appear, arguably, to give the Authority unacceptable new power to regulate scientific research in the Area.

It would fail adequately to protect minority interests in its system of governance and would, accordingly, threaten to allow the abuse of power by an anomalous "majority."

It would allow the distribution of benefits from seabed exploitation to peoples and countries not party to the Convention.

It would seriously prejudice the likely long-term character of the international regime, by requiring that—if agreement to the contrary is not reached within 25 years—the regime shall automatically be converted into a "unitary" system, ruling out direct access by contractors, except to the extent that the Authority might seek their participation in joint ventures with it.

With this unfortunate, last-minute deviation from what had seemed to be an emerging direction of promise in the deep seabed negotiations, I am led now to recommend to the President of the United States that our Government must review not only the balance among our substantive interests, but also whether an agreement acceptable to all governments can best be achieved through the kind of negotiations which have thus far taken place.

THE BALTIC STATES

Mr. DECONCINI. Mr. President, an anniversary has quietly come and gone—the anniversary of two tragic events in the history of the Baltic States of Estonia, Latvia, and Lithuania. The independence of these three republics was destroyed in mid-June of 1940 when they were invaded and occupied by the Soviet Union—the first step of what became their forceable annexation to the Union of Soviet Socialist Republics.

One year later began the first of many mass deportations of these peoples to wastelands of Siberia. Only in the late fifties were some of those who survived the ordeal allowed to return to their homelands. Some are still the victims of involuntary exile from their native lands. Since that time there have been numerous and wide reports of exploitation, deportation, and the suppression of human rights and national freedoms.

The United States has never recognized the Soviet Union's occupation of the Baltic States. As recently as 1976, in Senate Resolution 319, the Senate affirmed that notwithstanding any interpretation which the Soviet Union or any other country may give to the Helsinki agreement of 1975, the U.S. policy of nonrecognition of the illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania has not changed. The House passed a similar resolution.

On the eve of the Conference on Security and Cooperation to be held in Belgrade this October, I believe the history of these Baltic States offers us food for thought. I encourage our negotiators to relay the message of our strong and unshakeable commitment to the basic values of human rights and urge further that all possible steps be taken to insure that all signatories of the Helsinki Accord comply with both its spirit and its written word.

PLANNING FOR THE RETIREMENT YEARS

Mr. PERCY. Mr. President, the average American is living a longer and healthier life than ever before in the history of our Nation. This social phenomenon—an aging population that is enormously vigorous and ambitious in anticipating the opportunity to enjoy the rewards of retirement years—demands our immediate attention.

As a democratic people, we are currently in the process of reexamining not only our laws, but also our attitudes about older citizens as well. A great deal of effort must be focused on recognizing the needs, abilities, and desires of this newly emerging political, social, and economic force in our society. Both the Government and private industry must address themselves to understanding the significance and the issues concerning this transition.

According to U.S. Commerce Department estimates, the total U.S. population is expected to increase 22 percent by the turn of the century. The over-35 age group will increase by almost 50 percent, and the over-65 age group will climb by 34.4 percent. In contrast, the 20 to 24 age group will increase by a mere 1.9 percent.

As a nation, we can be proud of the social progress that leads to these longevity statistics. Improved nutritional standards, widely available health care, improved labor conditions, social welfare programs, and availability of broad educational opportunities are all contributing factors to our increased vigor as individuals.

However, this increased life expectancy has brought with it challenging new problems. Among the less advantaged, these concerns are obvious. The issues of available health care to the senior citizen, inadequate housing, and fear in the cities continues to occupy much of our thoughts. These problems are well covered by the media and will continue to be the targets of our efforts for improvement of the lives of senior citizens.

The current debate on the subject of enforced retirement, on the financing of the social security system, and additional programs for the aged are also of great concern.

It is important to realize that, while statistically the actual strength and good health of individuals continues well into the retirement years, it has been found that a significant number of people consider the retirement years as a time of weakening health and ability.

Further, the very subject of retirement can be fraught with anxiety. After a lifetime of work-oriented days, the thought of time stretching endlessly, unstructured, into the future may bring on enormous tension.

Among the problems confronting senior citizens are the stresses that come with the loss of good feelings about oneself when one is no longer productive in the old, established ways; the fear of boredom; the possible loneliness as one no longer chooses among coworkers for friendship; and the difficult transition of relocation often chosen by retirees.

In recognition of these problems, a rapidly increasing number of publications and organizations have come into being in response to the needs of the elderly.

One such organiaztion is the National Retirement Council. Inc., which is located in New York. The goal of the council is to focus attention on the complex areas of retirement planning. Its primary function is to provide a forum where pre- and post-retirees can gather to discuss, explore, receive guidance, and otherwise resolve some of the problems they face regarding retirement.

The first "How, When, and Where To Retire Show," sponsored by the council, was held at the Palmer House in Chicago, Ill., from May 12 to 16, 1976. The late Mayor Richard J. Daley performed the opening ribbon-cutting ceremony for the event, which represented a joining of industry and local, State, and Federal agencies with public service organizations for the purpose of dealing with retirement problems. More than 29,500 people attended the show.

This year's "How, When, and Where To Retire Show." will be held at Chicago's McCormick Place, from September 7 to 11. It will once again combine exhibits with representatives from public service agencies to provide many answers to retirement problems. Besides films, seminars, and panel discussions, the show will feature a health fair at which attendees may receive various diagnostic testing and health information; craft and hobby exhibits in which they may actually participate, and a "retirement and information center" where they can get practical answers to their personal questions about retirement. The show is expected to attract more than 100,000 people.

It is appropriate that in the week following Labor Day we should celebrate pre- and post-retirement years, for they are but another aspect of the total labor picture, another emphasis for the fully experienced life.

OLYA MARGOLIN: A VERY FINE HUMAN BEING

Mr. PERCY. Mr. President, I would like to draw the attention of my colleagues to the fact that our friend Olya Margolin, the Washington representative of the National Council of Jewish Women, has been presented the Hannah G. Solomon Award for outstanding community service by the council's District of Columbia section.

Those of us who know Olya Margolin personally can attest to her outstanding service on behalf of the members of the council and, in a broader sense, to all Americans. For Olya Margolin's dedicated efforts in the development and promotion of social legislation have been remarkably successful for over two decades. She is a thinker as well as a doer. Her work is a credit to the National Council of Jewish Women and a blessing to the disadvantaged people of this Nation.

It is a pleasure to work with Olya Margolin whose ideas are practical,

prudent, and sound, and who brings to her work the seasoning of great experience and the concern of a very fine human being.

DISASTER AVERTED IN SHERIDAN, WYO.

Mr. WALLOP. Mr. President, today I would like to draw the attention of the Senate to the brave and outstanding performance of the Forest Service, the Sheridan County Sheriff's Office, Wyoming Game and Fish Department and numerous private citizens in Sheridan, Wyo. Early Monday morning tragedy struck the Sheridan area when a large twin engine DC-3 involved in grasshopper spraying crashed into a steep canyon. The plane burst into flames as it crashed into Big Goose Canyon, killing the pilot and copilot.

Amidst the shock and sadness of this tragedy, nearby ranch hands, the Forest Service and the sheriff's office reacted quickly to avert another disaster. Ranch hands rushed to the scene of the crash hoping to rescue the pilots. They discovered that there was no hope of saving the victims and turned their attention to the fire that began raging around the scene of the crash. As men from the sheriff's office and the Forest Service joined the effort, it became apparent that the men were encountering another danger in addition to the flames and deadly smoke of the forest fire. The plane had been carrying a load of the insecticide malathion which burned amid the wreckage and timber to form a poisonous gas. Many ranch hands had been overcome by the smoke from the fire and were hospitalized.

The insecticide not only endangered those fighting the fire, but it was feared that a heavy rain storm could have washed large quantities of this chemical into the nearby Sheridan water intake system. The agencies and men involved with this situation had little information regarding the nature of malathion, and moved to coordinate information with the Wyoming and U.S. Departments of Agriculture, the Environmental Protection Agency and the Wyoming Insecticide Agency. The forest supervisor, Jack Booth, and the sheriff in Sheridan, Bill Johnson, did an outstanding job of coordinating this information and organizing their men and resources to put out the flames and treat the chemicals before they affected the city water system. I think that this is an example of how the Nation's public servants, Federal, State, and local, can work together in an emergency situation to the benefit of us all. I would like to express my thanks to these men and women who met this challenge and worked diligently to prevent any further harm to the environment or the people of Sheridan.

DR. DANIEL BOORSTIN: A LOOK AT HIS TWO YEARS AS LIBRARIAN OF CONGRESS

Mr. PERCY. Mr. President, in July of 1975, I had the pleasure of introducing Dr. Daniel Boorstin at the Rules Committee hearing for his confirmation as Librarian of Congress. At that time his nomination had generated a great deal of controversy.

A recent Washington Star article demonstrates that the charges made were unfounded. Dr. Boorstin has proven that he merits the confidence that many, including myself, expressed in him at that time. At his confirmation hearing I said:

> Just as Dr. Boorstin brought his particular brand of energy and creativity to the Directorship of the Smithsonian's Museum of History and Technology, making it an especially vital and accessible place; so, he will tap the full potential of the 175-year old institution that is the Library of Congress, establishing it as never before as a center of culture, learning and enlightenment for the nation.

I feel that my faith in Dr. Boorstin has been justified and I would like to share with my colleagues the article from the Star which underlines some of the highlights of his 2 years as Librarian.

I ask unanimous consent that the Washington Star article by Ruth Dean, "A New Look at the Library, and the One Who's Leading It," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW LOOK AT THE LIBRARY, AND THE ONE WHO IS LEADING IT

(By Ruth Dean)

The green-domed Library of Congress, sitting with stately, perhaps forbidding grace, across the park from the U.S. Capitol, suddenly has a new look.

It's inviting. It has activity.

Flowers sprout from boxes leading up the grand stairway to the library's great main doors, now open for the first time in years. Wooden tables and benches are a new sight on the plaza and stair landing. Striped green-and-white umbrellas provide shade for people chatting, eating lunch, catching up on the latest paperback, or just listening to the water splash in the Neptune Fountain, turned on after long disuse.

An even more startling sight awaits the visitor entering the great doors. The Great Hall, with its beautifully inlaid marble floor and muraled ceiling, now looks like a gigantic drawing room. Gold draperies are swagged back from the tall, arched windows. Small potted trees soften the severity of the hall's classic architectural lines. Velvet settees afford a place to rest. At a prominently-placed information desk, a library staffer welcomes visitors and ascertains whether they are tourists who'd like a look at the reading room from the second floor gallery, or scholars seeking use of the reading room directly in front of them.

Down a private corridor just off this scene of public activity, in a quiet, spacious, gold-carpeted, high ceilinged office festooned with murals at the cornices and floor-to-ceiling bookshelves, sits the man responsible for this change.

He is Daniel J. Boorstin, 12th Librarian of Congress, historian, Rhodes scholar, prolific author. His trilogy, "The Americans," won numerous awards, including a Pulitzer Prize for the last segment, "The Americans: The Democratic Experience."

He knows his subject. He writes of it well—in eloquent cadences that sweep the reader through pages of engrossing historical detail. At intervals, he punctuates his recitative with kudos for the go-getters. His father, who as a child was brought to this country by Russian-Jewish immigrant parents, was one—a self-made man who worked his way through the University of Georgia, and practiced law in Atlanta before moving his family to Tulsa, Okla.

Dan Boorstin is a go-getter too: degrees from Harvard and Oxford; teaching assignments at Yale Law School, Harvard, Harvard Law School and the University of Chicago, where he was on the history faculty for 25 years; visiting lecturer, four years director, then senior historian of the Smithsonian's National Museum of History and Technology; author of 17 scholarly works.

He's also a paradox—a dash of contradictions and a smidgen of controversy have followed him right up the library steps. He is quizzically amused when you tell him so.

You remind him of the Senate Rules Committee hearings two summers ago, when his White House nomination to succeed L. Quincy Mumford engendered much heat before winning final approval. The heat then centered around his qualifications for the job, which now pays $50,000 a year, and came from three directions: the library community, which felt one of its own should have the job because of the complex computer technology to which the world's largest library is converting its archival and retrieval systems; senators and congressmen, who wondered if the esteemed scholar would give the maximum of his working time to the library when past performance (at the Smithsonian) indicated a conflict between his job and his writing; and union representatives of the library employes, who expressed apprehension about the "racist" views in some of his books.

The hearings also made passing mention of his brief and youthful flirtation with the Communist Party and his subsequent recanting of its principles, a fact that's been a matter of public record since 1953 and has been bulwarked by the security clearances he's gotten for other high government positions.

"I've forgotten all the things that were said against me; in fact I think the hearings were a great experience, although I think newspaper accounts of them were out of focus," he says, looking sharply at his visitor through horn-rimmed glasses.

"Yes," he says emphatically, as if recalling only too well the senators' admonition that he use no Library time or personnel (as he did at the Smithsonian when writing his last prize-winner), "I am doing all my writing on my (new) book at home.

"Yes, I'm at my typewriter by 6 a.m., and into the office around 8:30 a.m.—earlier if I have a breakfast scheduled with members of Congress."

And yes, he acknowledges, he uses the Library's research materials "like any other American citizen," exercising his library staff member privilege to check books out for home use.

He recalls with some amusement the conversation he had with former Librarian of Congress and poet Archibald MacLeish (whose nomination as first scholar/librarian also generated much heat), when the latter called to congratulate Boorstin on his getting the job.

"How much sleep do you need?" MacLeish asked. "I need eight hours."

"Did you get any writing done?" Boorstin asked. "Not a word," replied MacLeish. That, Boorstin later learned turned out to be a modest understatement: "I looked up the record, and he published three volumes of essays while he was here."

At least one fellow historian, Lawrence W. Towner, director of the Newberry Library in Chicago, thinks the government restriction that Boorstin confine his writing to his own time is "ridiculous." It's "a grave error by Congress to say he can't," Towner argues,

"because it's his scholarly qualifications that give (him) the job clout."

According to Towner, scholars who use the Library are already seeing the effects of that clout. "He's shaking up the place, and we're heartened the library is taking a leading role in preservation of library materials—the rapid deterioration of books printed since 1840 is one of our major worries in the library field everywhere."

Dr. O. B. Hardison, director of the Folger Shakespeare Library just across the street, also thinks Boorstin is doing "a superb job." He noted the Library of Congress has shown an interesting pattern, in its leadership, of alternating between "people immersed in the library world and scholars of international distinction" like Boorstin. It is a pattern Hardison believes works to the Library's advantage.

The American Library Association has gotten over its initial opposition to Boorstin's appointment, and a new era of cordial relations has been ushered in. This peaceful coexistence has been prompted, in part, by Boorstin's initiatives to make the library a more welcome place for librarians, including plans for "a common room" for their exclusive use.

Boorstin also considers congressional contact an important adjunct of his job. "The Librarian's relationship to Congress should be frequent and constant," he says. "They're one of the most unappreciated and misunderstood branches of government." After all, he stresses, all 535 members of Congress are literally the library's trustees and should be treated as such. "It gives democracy emphasis. I think it's good, though I can't say it never creates problems."

He swells with pride on learning of a new perk to his job. "I only found out the other day I have the privilege of both floors of Congress. I'm part of their staff. I didn't know that when I took the job. I'm the Librarian of Congress"

He leans forward intently and gestures as he describes the plans he has for expanding the library's reputation and resources as a national cultural center, an international mecca for scholars, and, just as importantly to him, a reading and study home for the public. He administers approximately 5,000 employees and an annual budget in the millions—$160 million for fiscal 1978, as finally approved by Congress this week. The newly voted expenditure is $18.5 million more than last year and reflects inflationary increases.

The Library's collections are incredibly diverse. According to the latest published figures, the library has more than 18 million books (two-thirds of which are in foreign languages), 30 million manuscripts, a quarter of a million phonograph records, 100,000 reels of motion pictures and endless cases of maps, photographs, volumes in Braille, rolls of microfilm, payroll, magnetic tape and every other form of preserved thought. To accommodate this mammoth mass of material, 12 rented locations off Capitol Hill are required.

The tendency in the past was to keep the public out, Boorstin says. Now "we want them to come in, to welcome them, to share our treasures because they belong to them." he says, with quickening enthusiasm. Hence, the opening of the great doors ("you wouldn't invite guests into your own home through the back door, would you?"); and the refurbishing of the Great Hall.

But what impact has all this had on the library staff, whose quiet efforts are now interrupted by the babble of tourists' voices in the hall? How will they react to the changes that are expected to come from a reorganization, now being spurred by a 73-page task force report, drawn from a year's study of 500 employe suggestions made at the librarian's request?

The winds of change—or more accurately, *expected* change—have caused turmoil, anxiety, morale problems and, as might be expected, rumors.

The librarian bridles with indignation when asked about two of these: Does his wife have an office at the library to do research, and does the fact that McGraw-Hill held a private party in the Great Hall portend the opening of a book store like the Smithsonian's, contracted to the same publishing house?

"My wife does *not* have an office in the library," he says flatly, adding, "I don't say she doesn't come to the library as any other American citizen, because she loves libraries. She was a docent at the Folger long before I took this job. She is my lifelong intellectual companion as well as my wife and mother of my children. She's never been my researcher or typist; she's my collaborator and editor." But not, he concedes, co-author: "She doesn't write; I'm a better writer," he answers matter-of-factly. Then: "She has a probing, poetic mind, with a wonderful feeling for words. I've been very lucky. She's one reason why I believe in God. We've shared our life very intimately." The dedication of his last book is to her. It reads simply, "For Ruth."

As to the book store rumor, he says "the innuendo is scandalous and entirely without foundation. The truth of the matter about the Smithsonian book store is that we offered it to at least three other publishers and they wouldn't take it. McGraw-Hill was the only one willing to do it."

But the use of the Great Hall for receptions has become a symbol of discontent to some library employes. Their dissatisfaction is evidenced in a recent professional employes union publication contrasting pictures of the refurbished hall with others showing peeling ceiling plaster and overcrowded working conditions in the Jefferson annex building—a situation which the eventual move into the not-yet-completed Madison Building is expected to ameliorate.

Other employes think the library is a better place in which to work. A GS-7 in the new acquisitions department voiced a typical observation. "They've gotten rid of the dead wood, and appointed imaginative administrative personnel whom everyone likes. And where else could you get the equivalent of the free tuition program the library offers so you can advance to higher job positions and pay?"

A veteran custodial employe, who greets the librarian every morning when he pulls up in his yellow Volvo, said he and his family have enjoyed the monthly folk concerts on the library steps—another Boorstin innovation.

Boorstin, given a rundown on the complaints, will say your sampling is "highly impressionistic and a rather skewed view," not an accurate barometer of employe morale.

"My impression is that the morale has improved," he said. "We're giving them a sense of participation, a sense that what they say makes a difference. Certainly a number of people are going to be unhappy. I can't say that the morale when I came in was at an all-time high. I think we've done pretty well. Consider the existence of the unions. We never had them before. That's an improvement right there, even if they don't agree with the (library's) administration. We'd have no need for democracy, for unions, if everyone agreed. It gives people a chance to express their opinions." (The American Federation of State, County and Municipal Employes has had representation in two unions at the library for the last five years, according to a union spokesman.)

Through his task force, chaired by John Y. Cole, Boorstin said he is very much aware of overcrowding, and dead-end jobs. "This library is like a supermarket of ideas. There are nearly 80 million items here. Yes, I realize there are very unrewarding jobs like alphabetizing the catalog. But we're trying to reduce these through the computer. I can't make every job interesting, but I have the power to help people get more education, vary jobs. We're trying."

Boorstin is also proud of the fact he's set in motion the library's first administrative reorganization in 40 years—the first since MacLeish's overhaul in the Roosevelt era. This includes the library's first planning office, headed by veteran staffer Charles Goodrum, and appointment of the library's first outside advisory groups in 25 years.

And what of his much-publicized "racist" views? "We have absolute, ruthless equality here," he says adamantly. "No one will be discriminated against in the library while I'm here. That's what I've written about. That's what I believe in."

He reiterates, however, his opinion about quotas. "Quotas are illegal; they're against the law. I don't believe in quotas, for white, for blacks, for men or for women. That's what made this country great."

NATIONAL FOREST TIMBER SALES

S. 1360

Mr. WALLOP. Mr. President, the issue of whether the bidding method for sale of national forest timber in the West should be by sealed or oral auction has been clouded by considerable rhetoric. Proponents of sealed bidding have alleged that it is more difficult to prove collusion when the oral auction method is used than when sealed bidding is the mode. This allegation is untrue.

I think it would be helpful to review the litigious history on this issue. Oral bidding methods have historically been the practice in most parts of the West for national forest timber sales for 30 years. In all these years, there has only been one conviction for collusive bidding. In this case, United States against Champion International Corp., the Department of Justice obtained its only criminal conviction for collusion in the timber industry. Advocates of sealed bidding argue that, since this case involved bids at oral auctions, the conviction shows that oral bidding causes or promotes collusion. The court's opinion shows quite the opposite to be true. The court found that the defendants made tacit and illegal agreements concerning their conduct at upcoming timber sales at meetings held prior to the sales. The collusive activity that took place in this case could also take place in a sealed bid setting by competitors meeting before sales and agreeing on bidding behavior. It is apparent that those people inclined to collude will do so under any bidding mechanism.

Proponents of sealed bidding contend that collusive bidding is very difficult to discover and prove in court, because it is necessary to have an informer or other direct evidence of a conspiracy. This is untrue. Since the 1939 case, Interstate Circuit Inc. against United States, it has been clear that circumstantial evidence rather than direct evidence, is sufficient to sustain a finding of an unlawful conspiracy to violate the antitrust laws. In the Champion case, the Ninth Circuit Court of Appeals ruled that no direct evidence of a collusive agreement is necessary for conviction.

The court of appeals noted that it is not necessary for the Government to show that the defendants knowingly entered into a conspiracy or that they had a specific intent to restrain trade. This directly refutes allegations that it is necessary to have an informer or direct evidence of a conspiracy in order to obtain a conviction.

It should also be noted that the Forest Service closely monitors timber sale bidding patterns to help identify possible collusion. The Chief of the Forest Service, John McGuire, testified on May 18 at hearings held by the Senate Energy and Natural Resource Committee's Public Lands Subcommittee that collusion in the timber industry is "relatively rare and isolated."

I think these points have important bearing on the bill, S. 1360, that the Senate will consider shortly. The law on this issue is precise and the legal history is clear. I urge my colleagues to vote for enactment of S. 1360.

ATTORNEY GENERAL GRIFFIN BELL

Mr. PERCY. Mr. President, Columnist Carl T. Rowan recently assessed the job being done by Attorney General Griffin Bell and concluded that he was increasingly satisfied with his original decision not to oppose Judge Bell's confirmation. As one who did vote against confirmation, and who has formally commented on some of the Attorney General's achievements since he has been in office, I am pleased to bring Mr. Rowan's comments to the attention of my colleagues.

Mr. President, I ask unanimous consent that the text of the column, which was published in the Washington Star, be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

GRIFFIN BELL STILLS SOME CRITICS

(By Carl T. Rowan)

The more I see of Atty. Gen. Griffin Bell, the more I like the man. And the happier I am that I refused to join in efforts to deny him Senate confirmation.

I like the fair-minded way in which he listens to Drew Days III and Solicitor Gen. Wade McCree before the department takes a position on school busing controversies in Dayton, Ohio, Wilmington, Del., and other cities. It is significant that in this regard Bell has won praise from the NAACP, which so vehemently opposed his nomination.

I like the way Bell has pushed to get blacks of unquestioned ability into key slots in the law enforcement machinery. In a long interview with him the other day, he said: "I figure that if I can get some minorities into top slots, they'll see that justice is done in handing out lower jobs."

He confided that he is about to name a black to the second-ranking job in the Law Enforcement Assistance Administration and that he had recommended to President Carter the appointment of a black federal judge in the South and of two black U.S. attorneys, one in the South.

"I think you'll be surprised by at least one of these appointments," he said in his soothing Georgia drawl.

But more than the appointments of blacks, I like the following two things most about Bell:

1. He has moved vigorously to rein in the FBI and other elements of the nation's police network so as to provide reasonable assurances that we will not again have the abuses of the 1960s and early 1970s.

2. He has proposed or endorsed some far-reaching changes in our laws to give the unprivileged something close to equal justice with the privileged.

Judge Bell knows that sentencing procedures in America are so discriminatory as to be a national disgrace. He wants any recodification of federal criminal statutes to include clear guidelines for sentencing, with rights to appeal any sentence where a judge violates those guidelines.

Bell knows, also, that the second level of egregious unfairness relates to the parole system. The wealthy, educated inmate with political clout and powerful friends has a far greater chance of gaining early parole than does the average citizen. Bell has proposed that, once the laws are changed so as to bind judges to give fair sentences, paroles be abolished.

You commit your crime, you get a proper sentence and you serve your time. Period! No matter who or what you are!

That's easier wished for than achieved, but it makes one hell of a lot of difference when an attorney general of the U.S. who has the ear of the President is demanding it.

Griffin Bell is one of the most disarmingly candid persons ever to hold a powerful post in this town. Ask him a question and he answers—unless it's about a pending court matter where it is obviously inappropriate for him to sound off.

I asked him whether he ever harbored resentment over the efforts to deny him confirmation.

"Yes," he said. He resented them forcing him to give up membership in those lily-white clubs in Atlanta. He figures they were imposing a double standard on him because he is a Southerner.

"But I thought about it, Bell said, "and I knew that an attorney general has no business belonging to clubs that bar blacks or any other Americans. So I stopped being resentful."

My kind of man.

ERDA FUNDING FOR THE CLINCH RIVER BREEDER REACTOR

Mr. BROOKE. Mr. President, this week I voted in support of the President's policy of closing out the Clinch River liquid metal fast breeder reactor demonstration project. Of course, my primary reason for so doing was that I felt the Congress should send a signal to foreign nations that the American people support President Carter's goal of nuclear nonproliferation. Like many of my colleagues, I have some doubts as to whether the method the administration has chosen to express this country's firm commitment will, in fact, be effective. But I feel we must give the President the tools, powers, and bargaining ability he says he requires so that his proposed strategy may be fully tested.

However, I could not have voted to cut our funds for this demonstration had I not felt that we have technologically sound alternatives to the construction of this particular breeder reactor at this time. Clearly, several forms of breeding technologies should continue to be pursued. And the nearly half-billion dollars the Senate has voted for basic breeder reactor research and development will pay for real progress along these lines.

I am persuaded that there is a good chance of discovering breeder innovations which stretch our future fuel supply while producing fuels more resistant to the threat of proliferation and use as weapons than the proposed LMFBR. The denatured uranium-thorium fuel cycle clearly deserves immediate study for example.

Second, the administration has made a strong case that the technology that Clinch River would demonstrate is not sufficiently advanced to proved the needed answers to tough questions about the feasibility of breeder commercialization.

And, finally, I believe the United States has the potential to control and moderate the growth of our demand for energy by vastly increasing the efficiency of our present use of fuels. I expect that by so doing we can give ourselves a great deal more time than estimated in the pessimistic projections on which ERDA initially based the breeder program timetable.

Of course, the defeat of the administration's move to end the Clinch River demonstration effectively means that we will pursue all breeder program options simultaneously. After the defeat of the administration's position, I supported the amendment to reduce the program budget to $75 million both because of my opposition to the full program and because I am sure the funding can produce some new knowledge that will doubtless be useful as we start to move to alternative programs.

In the long run, Mr. President, we all fervently hope we can move to nonnuclear technologies which pose no threat of global destruction. But for the present period of transition from a petrochemically fueled economy I intend to keep supporting research and development of a wide variety of nuclear fission technology options.

PRIME FARMLAND RECLAMATION

Mr. PERCY. Mr. President, I would like to express my sincere appreciation to the conferees on the Surface Mining Control and Reclamation Act for their final approval of the amendment I cosponsored with Senator CULVER and others requiring the restoration of prime farmlands used for mining purposes.

This amendment was designed to reconcile the legitimate need to increase our domestic coal production with the equally pressing need to protect prime farmlands—one of our most valuable natural resources. I believe that both purposes will be adequately met by the final draft of the bill.

The bill originally enacted by the House of Representatives contained a provision to require certain soil separation and reclamation procedures to be carried out by mine operators following any mining activity on "prime agricultural lands." I supported the intent of this provision without hesitation, but found three problems with the precise language of the legislation.

First was the inconsistency between the bill's definition of "prime agricultural lands" and the Department of Agriculture's longstanding "prime farmlands" designation.

Our amendment incorporated the Department's definition into the bill. The definition is based on such factors as moisture availability, temperature regime, chemical balance, permeability, surface layer composition, susceptibility to flooding, and erosion characteristics. This definition is published in the Federal Register.

The second major drawback was the limited effectiveness of the reclamation measures required by the House bill. Soil separation procedures alone provide no guarantee of meeting the objective of restoration to full productivity potential.

Under the provisions adopted by the House, conversion of prime farmland to nonfarm uses subsequent to mining would have been permissible, although this process effectively destroys such land's potential for agricultural use.

Our amendment required that prime farmland be restored "to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining."

A study by the Office of Management and Budget indicates that 12 million acres of prime farmland in 14 major agricultural States are potentially affected by strip mining, because they are underlain with strippable coal reserves. These 12 million acres are a substantial share of the 28 million acres of prime farmland in these 14 States.

Without the additional protection afforded by this amendment, we run a high risk of losing permanently a substantial portion of one of our most precious natural resources, simply because it is cheaper to reclaim land for other uses.

Finally, neither the reclamation requirement itself nor the performance bond required by the House bill provided sufficient assurance that the soil separation procedures would be carried out when the mining operation was terminated.

Our amendment required that mine operators demonstrate that they do have the capability, in terms of technology, equipment, and financial resources, to restore the land to its original condition before a surface mine permit can be issued. Once the land has been damaged, a requirement that a company pursue various reclamation procedures is of no use if the company does not have this capability.

We do have the technology to comply with this safeguard. We are not imposing an undue burden on mining companies by requiring that they demonstrate that they are capable of applying effective land reclamation technology. We have not placed a moratorium on surface mining, but the value of prime farmland to the Nation's future food production is too great for us to allow for any possibility of its irresponsible destruction.

In short, Mr. President, I believe that the provisions of the amendment, as contained in the final bill, will be of the greatest possible benefit to the American public. We have avoided a tradeoff between two of our highest priority needs, energy supplies and food production, by designing a system to service both needs from the same land.

I again thank the conferees and Members of both Houses for their support for this important provision.

EUROCOMMUNISM, DÉTENTE, AND HUMAN RIGHTS

Mr. JAVITS. Mr. President, during the period of May 27 to June 4, I was a U.S. delegate to three international conferences in Western Europe: the North Atlantic Assembly in Brussels; the Conference on International Economic Cooperation—CIEC—in Paris; and International Labor Organization—ILO—annual meeting in Geneva. The first part of this report focuses on the deliberations at the North Atlantic Assembly, supplemented by additional conversations in London and Paris on the themes of Eurocommunism, détente, and human rights which were the preeminent political theme at the North Atlantic Assembly. The second part of this report deals with the ILO.

There will be a report separately to the Senate concerning the Conference on International Economic Cooperation—CIEC—jointly with Senator RIBICOFF and Representative BINGHAM who were the other congressional members of the U.S. delegation to that historic "North-South Dialogue." Also, I have already discussed here on the Senate floor the economic situation as it developed in the CIEC Paris meetings, on June 16, 1977, CONGRESSIONAL RECORD, page 19432.

NORTH ATLANTIC ASSEMBLY

The North Atlantic Assembly of the parliamentarians of the NATO nations, held its annual spring meeting in Brussels May 26–28. I participated in the meeting of the assembly's political committee on May 27 and, as the alternate U.S. member of the assembly's standing committee, or governing body, I also participated in the standing committee meeting on May 28. Following this, I had meetings with British leaders of both parties in London on May 29 and 30.

I attended the CIEC meeting in Paris from May 31 to June 3 and then flew to Geneva on June 3 to attend the ILO conference and to receive a briefing on the SALT negotiations from Ambassador Earle.

EUROCOMMUNISM

The political topic of greatest interest and controversy at this year's meeting of the North Atlantic Assembly was "Eurocommunism." In this regard attention was focused particularly on the situation in Italy, France, and Spain, in the general context of the implications of Eurocommunism for the North Atlantic Alliance and the East-West balance.

In the North Atlantic discussions there were marked differences of opinion about the real nature of Eurocommunism and its significance and implications in the broader west European and global contexts.

There was considerable interest in U.S. attitudes respecting the Eurocommunism question, particularly as to differences in emphasis and tone between that of the Carter administration and the previous Ford-Kissinger policy. The April 6, 1977, pronouncements of the State Department spokesman had been studied and were commented upon. Subsequently, on June 9, former Secretary of State Kissinger gave a major speech on the subject in Washington entitled "Communist Parties in Western Europe: Challenge to the West." The State Department spokesman again addressed the subject on June 10, in response to the speech of Dr. Kissinger, and on June 18 the State Department released the text of Secretary of State Vance's remarks on Eurocommunism in an interview with the Washington correspondent of Il Tempo, an Italian newspaper published in Rome. The text of the April 6 and June 10 remarks of the State Department spokesman and Secretary Vance's Il Tempo interview, together with the text of Dr. Kissinger's speech of June 9 are provided in full as appendices to this report. In addition, there is also provided as an appendix the text of an astute paper on Eurocommunism presented to the political committee of the North Atlantic Assembly on May 27, 1977, by Dr. Heinz Timmermann of the Federal Republic of Germany.

The position of the Carter administration on Eurocommunism, according to the June 10 remarks of the State Department spokesman, "might be regarded as some change in tone" from the position previously articulated by then Secretary of State Kissinger and reiterated by him on June 9. The Kissinger position is a clear and forceful statement of U.S. opposition to the participation of West European Communist parties in the governments in NATO and other democratic nations of Europe. It is based upon the belief that the so-called Eurocommunist parties—particularly of Italy, France, and Spain—have not given up their historic allegiance to Moscow and their antidemocratic methods and objectives.

The position which has been spelled out by Secretary Vance is characterized by an attempt to balance a posture of U.S. "noninterference" in European elections with a clearly stated "preference" for governments there without Communist participation. Moreover, according to the view expressed by Secretary Vance, the difficulties that would be posed to the Atlantic Alliance by Communist participation in a NATO government might be offset by the " schismatic" effect of Eurocommunism within the Soviet bloc.

Differences within Europe, as evidenced by the discussions at the North Atlantic Assembly, are even sharper and more pronounced than in the United States on the issue of Eurocommunism. As a rough generalization, I found a sharp dichotomy of view between the Democratic-Socialist parliamentarians of Scandinavia, Benelux, and France, and the Conservative parties' parliamentarians. The views of the British and West German Socialist parties tended to fall somewhere in the middle.

The emphasis of the "socialist view" is on the changes which have taken place within the Eurocommunist parties of Italy, France, and Spain on the issues of independence from the Soviet Union and adherence to democratic norms of

conduct and organization. This view sees the Eurocommunist parties as passing the point of no return on the path of evolution toward democratic socialism. Moreover, this view perceives the rapid Eurocommunist evolution as having highly portentous implications for the Communist parties and peoples of Eastern Europe and perhaps the Soviet Union itself. In this context of radical evolution, the threat posed by Eurocommunist electoral victories to the security and integrity of democratic Europe are perceived to be small in comparison to the potential gains.

The "conservative view" is one of deep suspicion and alarm over the growth of Communist party electoral strength in Italy and France and over what it views as complacent and naive attitudes respecting the true nature and objectives of the so-called Eurocommunist parties. The conservative view sees a direct threat to the integrity of NATO and the European community being posed by the potential advent to power of the Communist parties of Italy or France, where the issue is ripest. This has led some advocates of the conservative view to call for a coordinated campaign against the electoral efforts of the so-called Eurocommunist parties within the NATO countries.

The situation in France is perhaps even more ambiguous than in Italy where the minority Christian Democratic government remains in power through the abstention of the Italian Communist Party in parliament where it holds the second largest bloc of seats. In France, the Communist Party is the junior partner in an electoral alliance with the Socialist Party. The victory of the Socialist-Communist alliance in the recent French municipal elections, and current public opinion polls, have made the Socialist-Communist alliance the frontrunner in the parliamentary elections scheduled for March of 1978.

The sincerity of the self-professed conversion of the Communist Party of France—CPF—to the tenets of Eurocommunism is more widely suspect than that of the Italian Communist Party—CPI. However, it is clear that the CPF is the weaker, junior partner of its electoral alliance with the French socialists and many observers believe that the Socialists are continuing to gain at the expense of the Communists through the perpetuation of the alliance. Confidence that the Socialists are more than a match for the Communists has contributed to the rallying of significant numbers of middle class white collar workers and professionals to the Leftist alliance.

Leaders of the Gaullist movement in France do not believe that the Socialist Party could maintain its dominance over its Communist partners once in office. They cite the superior organization and discipline of the Communist Party, its strength in the labor unions and its capacity—and penchant—for conspiratorial subversion. Moreover, the Gaullist leadership believes that a Socialist-Communist government—in their view inevitably dominated by the Communists—would extinguish democratic freedoms and terminate free elections. Accordingly, the electoral strategy of the Gaullists, under the leadership of M. Jacques Chirac, is to convince the voters of France that the issue in the parliamentary elections is a choice between French freedom and tradition, or communism.

Some overt tensions have developed within the leftist alliance between the Socialists and the Communists, while M. Chirac appears to be bringing unity, organization and enthusiasm to his organizationally rejuvenated Gaullist movement. Moreover, under the peculiarities of the French electoral law it is possible for the Gaullists to win a parliamentary majority with about 48 percent of the vote. Nonetheless, public opinion polls show the Leftists Alliance as commanding about 53 percent of the vote, and professionals and white-collar workers, eager for social and economic reforms, are claimed to be supporting the Leftists Alliance in greater numbers than ever before.

The attitude of the Soviet Union to "Eurocommunism" has been somewhat ambivalent. However, in a major article in New Times, a Soviet periodical with wide international distribution, the Soviets unleashed a venomous attack on Eurocommunism, under the guise of a review of a book extolling Eurocommunism by the leader of the Spanish Communist Party. To assure that the article would get the attention desired, it was carried in full and disseminated by Tass, the Soviet news agency. The article harshly denounces Eurocommunism as a betrayal of international Communist discipline and unity. The test of the New Times article as distributed by Tass is enclosed as an appendix.

Clearly, the Eurocommunist phenomenon is a reality and as such it must be addressed by U.S. foreign policymakers. In its potential implications—posing as it does profound risks for the Soviet system of hegemony over European communism—are varied, subtle and portentous. Inasmuch as Eurocommunism seeks to express itself in parliamentary form, the Congress of the United States has, in my judgment, an obligation to inform itself in detail about this new political-ideological phenomenon. Accordingly, I am writing to the chairman of the Senate Foreign Relations Committee to request that a comprehensive hearing on "Eurocommunism" be scheduled at an early date.

DÉTENTE AND HUMAN RIGHTS

The related issues of détente and human rights commanded equal attention to Eurocommunism in the political discussions among the NATO parliamentarians at the North Atlantic Assembly meeting. I found that European attitudes on détente and its relationship to the human rights offensive of the Carter administration to be similar in substance to attitudes in the United States. Nonetheless, there were perceptible differences in tone between the predominant attitude among the Europeans and those prevalent in the United States. There are reservations in Europe about the tone and tactics that have been adopted by the President and his spokesmen.

Concern over the Carter administration's human rights posture is probably most pronounced in the Federal Republic of Germany. The FRG leadership has been engaged in delicate diplomatic exchanges with the U.S.S.R., Poland and East Germany concerning human rights questions and in particular the emigration to the West of ethnic Germans. There is concern that what is seen as the aggressiveness of the Carter human rights offensive will have the reverse effect of hardening the human rights attitudes and policies of the Soviet bloc governments and jeopardizing emigration opportunities. There is a significant degree of feeling in Western Europe and Germany in particular, that more in actual practice could be accomplished by a moderation of public statements on the issue.

There are misgivings in Europe over what is perceived to be a hardening of East-West relations across the board. In the military field, the predominant attitude is one of firm response through a greater NATO effort. Nonetheless, in the political realm, I detected a preference for some tempering of Western public diplomacy. The upcoming Belgrade Conference to review the working results of the Helsinki "Final Act" accords has provided a focus for NATO political attitudes. The European preference appears to be for firm but more low key insistence upon Soviet compliance with the "basket three" human rights provisions of the Helsinki agreements. The European approach seems to stress the pragmatic and practical over the ideological.

Notwithstanding the differences in emphasis respecting tone and tactics, and notwithstanding the palpable misgiving over the risk of straining détente "too far," I detected in Western Europe a favorable attitude toward President Carter personally and an acceptance of his leadership in the Western alliance. The emphasis which President Carter has placed upon the "European connection" in U.S. foreign policy is particularly welcomed. Strong U.S. leadership in the fields of energy policy and Western economic and monetary coordination is regarded as essential. President Carter's spring visit to London and Brussels was a popular triumph.

Prevalent in European attitudes is a self-image sense of vulnerability, particularly in the economic sphere but also in political and social institutions. The Western European democracies do not seem to be overconfident. Indeed, there is an undertone of brooding over the possibilities of a breakdown in the economic system, which could quickly place heavy stresses on the political and social balances which prevail now and which are precarious in some countries.

This apprehension of vulnerability on the part of the Western European democracies undoubtedly is a factor in Western Europe's more cautious approach to the human rights question as it bears on relations with the Soviet bloc. Moreover, perceptible Western European uneasiness over deterioration in détente, and the threat of heightened East-West tensions in Europe, can be traced to the same source.

Successful U.S. leadership of the West-

ern position on human rights and détente obviously must take into consideration the attitudes and preferences of our NATO allies based on a sympathetic understanding of the European posture. This does not mean that President Carter should jettison the positions and statements he has already adopted. Rather, it requires a sensitivity to the nuances of the situation in Europe, and rethinking of tactics to assure the greatest success in practice of the joint goals respecting human rights which we share with our European partners.

INTERNATIONAL LABOR ORGANIZATION (ILO)

At the ILO I met with Francis Blanchard, the director general, deputy director General John McDonald, Francis Wolf, legal advisor of the ILO and Daniel Horowitz, special assistant to the secretary of labor for ILO matters and chief U.S. delegate to the ILO. Since this meeting early in the annual conference this year, I continued to monitor the progress of events at the ILO to its conclusion on June 25.

The events of this year's conference are critical in that they represent the culmination of U.S. efforts during the past 2 years to restore the ILO to its fundamental purposes of improving working conditions throughout the world and developing international labor standards. On November 5, 1975, then Secretary of State Kissinger formally gave notice of the intention of the United States to withdraw from the ILO. In that letter he said:

> Rather than express regret at this action, I would prefer to express confidence in what will be its ultimate outcome. The United States does not desire to leave the ILO. The United States does not expect to do so. But we do intend to make every possible effort to promote the conditions which will facilitate our continued participation. If this should prove impossible, we are in fact prepared to depart.

This letter went on to recite the fundamental concerns of the United States which gave rise to the notice: the erosion of tripartite representation by workers, employers and governments; the selective concern for human rights through a practice of setting double standards based on political factors on such key issues as freedom of association for workers and forced labor; disregard for due process, particularly in the practice of condemning governments for alleged violations of basic human rights without regard to due process under the ILO constitution; and the increasing politicization of the organization reflected by consideration of political issues beyond the competence and stated purpose of the organization.

The U.S. position expressed in the letter of November 5, 1975, was reaffirmed by the Secretaries of State, Labor and Commerce on February 16, 1977 and by President Carter on May 27 of this year. Secretary of Labor Marshall personally conveyed these views, and expressed his hope that the ILO would reestablish its basic purposes, in an address to the conference on June 13, 1977.

Now that this year's ILO conference has concluded, and no further action by the organization will take place between now and the effective date of the withdrawal notice on November 5, 1977, the U.S. Government is in a position to review the events of that conference as they affect the decision on whether to withdraw the notice or allow it to take effect on schedule. That record, in my judgment, regrettably permits no other conclusion than that the U.S. efforts to see reform in the ILO during the past 2 years has been deeply disappointing.

Every point raised by Secretary Kissinger in the withdrawal notice, despite short term gains during the 2 years before this year's conference, was essentially rejected last month on every important issue considered.

Two issues, in particular, warrant this judgment:

First, the conference considered a recommendation of the ILO Governing Body to amend article 17 of the standing orders of the conference to withhold conference action on any resolutions which condemn or criticize member States for allegedly pursuing policies in violation of ILO standards which have not been investigated under established ILO procedures. The intent of this amendment was to screen out resolutions which condemn nations without meeting fundamental elements of due process. The committee of experts on the application of ILO conventions and recommendations, an independent quasi-judicial body which investigates and reports on the extent to which ILO standards have been complied with among all member States should be referred all charges of violations before any action by an ILO conference is taken. Normally, when violations are found by the committee of experts, the matter is taken up by the ILO conference on the application of conventions and resolutions—CACR. Particularly offending nations are included on a "special list" of nations not in compliance with conventions.

In 1974 a particularly egregious flaunting of ILO due process occurred when the conference adopted a "Resolution Concerning the Policy of Discrimination, Racism and Violation of Trade Union Freedoms and Rights Practised by the Israeli Authorities in Palestine and in Other Occupied Arab Territories." The adoption of this resolution was clearly motivated solely by political considerations. Just so, also, was the granting of observer status to the PLO in 1975—which prompted the U.S. delegation to walk out. This blatant failure to follow its own procedures had a great deal to do with the decision of the United States to issue its notice of intent to withdraw.

We must, of course, expect a certain amount of polemics in any international organization which deals with sensitive economic and social issues. It has become clear, however, that actions in the ILO conference have reached such completely unjust and discriminatory levels as to be totally unacceptable.

In this context, the proposed amendment to article 17 stood as a key test of the willingness of the ILO to eschew rampant politicization in the future. On June 3, the conference failed to adopt the article 17 amendment by failure to receive sufficient votes to constitute a quorum—a technique all too often used by opponents to reject proposed resolutions.

In March of this year, the ILO governing body attempted to bring an end to the continuing problem caused by the 1974 anti-Israeli resolution by relieving the director general of the responsibility imposed by that resolution to investigate and report on Israeli labor practices in the occupied territories. In effect, the governing body's action meant that alleged violations by Israel would be left to investigation by the committee of experts under established ILO procedures.

Although the original advocates of the 1974 resolution did not directly attempt to pass another resolution undoing the governing body's decision, a "compromise" was attempted by which director-general Blanchard, in a letter to the President of the conference, suggested that the committee of experts would pursue the investigation, but confirmed that he also would report in 1978 and 1979 "on steps taken to give effect to the resolution adopted in 1974 . . ." So once again the ILO failed to take steps to resolve its own principles of due process.

The Freedom of Association Convention is generally regarded as one of the most important of all the ILO conventions. Its key provision is article 2, which provides:

> Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation.

Each year the conference on the application of conventions and resolutions—CACR—selects cases from the comprehensive report of the committee of experts for presentation to the conference. In prior years it has been the selective drawing of only certain nations for inclusion in the report that has given rise to the charge of the ILO's using a double standard in judging member nations. At first, this year's action by the CACR was encouraging; it included particular criticism of eight nations representing governments across the political spectrum: Argentina, Bolivia, Chile, Czechoslovakia, Liberia, Ethiopia, Uganda, and the U.S.S.R. Only Ethiopia was singled out for inclusion on the special list and remarkably light-handed criticism of the U.S.S.R. was expressed. In fact, the strongest sentence to be found in the committee's report states that the committee "asked the [U.S.S.R.] government, when reviewing the new draft constitution, to examine the points made by the committee of experts and the conference committee to see whether changes could be made to bring the legal position more closely into conformity with the convention."

The report of the CACR could also have been commended for recommendations with respect to investigations of alleged Israeli violations of ILO convention No. 111 on discrimination in employment, to wit, that the committee of experts, and not the director general, review and assess the detailed Israeli reply to the 1974 resolution, that it continue

to investigate the situation and that the government of Israel continued to cooperate and answer any further inquiries. But, despite the encouraging action by the CACR, the ILO conference in plenary session again demonstrated its refusal to accord due process to member nations by failing to adopt the report by a vote of 135 to 0, and 219 abstentions. The quorum requirement is 227 votes, so the resolution was not adopted.

These failures present the United States with a difficult decision as to whether to carry out its letter of intent to withdraw at the end of this year. Although not generally appreciated in the United States, the ILO has the capacity for improving working standards and promoting human rights worldwide. The ILO has made a major effort to provide human rights assistance for the developing countries, not only to raise standards of living, but also to establish basic skills necessary for industrialization.

Moreover, the ILO's many conventions and resolutions have had demonstrable effects on legislation in both developing countries and developed countries in such diverse areas as human rights, labor administration, minimum wages, occupational health and safety, and social security.

The United States could not lightly abandon pursuit of these important goals and principles through the one international organization available to pursue them. The consequences of withdrawal are difficult to assess: Without the United States the organization may continue its present trend for many years to come, or it may dissolve itself in a sea of political debate and abdication of its original purposes.

On the other hand, to contemplate remaining in the ILO in view of the events of the past 2 years, and particularly of last June, would call into question U.S. credibility not only in the ILO, but in all of the other specialized agencies of the United Nations, as well. Perhaps 1 more year of continued membership and pressure from within would produce some progress, but this unfortunately is not possible under the ILO constitution. The United States must either carry out its withdrawal on November 5 of this year or remain and serve still another 2-year notice of intent to withdraw. During the weeks remaining to resolve this issue we in the Congress, the President, the employers—represented by the Chamber of Commerce, and the workers—represented by the AFL–CIO, must give serious consideration to the basic U.S. purposes served by membership in the ILO and to the fact that fair play and equal treatment—due process—are being outraged by the majority in the ILO making it extremely difficult for us to stay in the organization even after all these years of membership and activity.

Mr. President, I ask unanimous consent that the various items of material referred to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS TAKEN AT NOON BRIEFING, APRIL 6, 1977

Q. When was the last time a ranking Embassy officer in Rome was in contact with a ranking member of the Italian Communist Party?

A. It is the custom in Italy for a new Ambassador to call on the President of the Senate and the President of the Chamber of Deputies, among others. The latter is now a member of the Communist Party. Ambassador Gardner paid a courtesy call on him in his official capacity and the meeting had no political significance.

Q. Is there a change in the policy enunciated by former Secretary Kissinger that "until a Communist Party actually comes to power in Europe, there would be no contact with it"?

A. Most of our embassies in Europe have maintained contact in various ways and at various levels depending on the local situation. Our embassies in Paris and Rome, for example, have maintained working level contacts with the communist parties for some years.

Q. What is the U.S. view of "participation" of a communist party in a western European government as opposed to "domination" of a government by that party?

A. It is impossible to answer this question in the abstract. Our view would depend on future developments which cannot now be accurately read or predicted.

Q. What does our statement mean by "traditions" of a party; does this mean that a party cannot change its mind?

A. It refers to the ideological bases and governing practices of a communist party. We do not intend to address situations which have not arisen.

DEPARTMENT OF STATE DAILY BRIEFING, APRIL 6, 1977—COMMUNIST PARTICIPATION IN WESTERN EUROPEAN GOVERNMENTS

A. Our position on the question of the Palestinian matter—PLO and Palestinian—remains the same as in our last formulation.

Q. You were going to provide that for us.

A. Marvin, that is on its way to you, the request. It's coming down and it will be provided to you.

Q. There has been a report in an Egyptian paper this morning that President Sadat and President Carter have agreed upon the establishment of a Palestinian state, the need for the establishment of a Palestinian state. Can you confirm that?

A. I have not seen the article and I have nothing on that whatsoever, but I think that in President Sadat's remarks this morning and in the joint statement yesterday, there was absolutely no reference to anything of the sort.

Q. Hodding, do you have anything to say today about the American position toward the prospect of communist participation in friendly Western European governments?

A. Yes, I do. We believe that the position of a communist party in a particular country is a matter to be decided by the people and government of the country concerned. We do not propose to involve ourselves in the processes by which they reach their decisions on it. This does not mean that our attitude is one of indifference. We attach great importance to our ability to work with the countries of Western Europe on matters of vital interest.

Our ability to do so could be impaired if these governments came to be dominated by political parties whose particular traditions, values, and practices are alien to the fundamental democratic principles and common interests on which our relations with Western Europe are based.

Q. Is that the end of the statement?

A. That is the end of the statement.

Q. May I ask a question about it? You talk about "political parties whose particular traditions . . .", does this rule out the possibility, then, that a communist party in Western Europe might now say that it has taken a different viewpoint from what its traditions had been concerning the possibility of pluralistic government in changes of future governments by free elections?

A. Henry, I'm not prepared to go beyond the statement.

Q. One point of clarification: You speak about the domination of these governments by such parties. Well, the question in many places is participation, not domination.

A. Again, I'll have to refer to the statement itself.

Q. Hodding, are there any new guidelines for U.S. diplomats overseas on whether or not to have contact with Communist officials?

A. In so far as I know, the same procedures are in effect as have been in effect before.

Q. And before this Administration came into power?

A. I know of no changes.

Q. Hodding, on both Henry's question and Roy's, can you take those questions and get us answers rather than just simply refer us to these words that need clarification in our minds?

A. What I will do is, I will attempt to do it without suggesting that I can, but I'll be glad to try, and I will.

Q. Hodding, on your last response on the guidelines, recently something was made of the fact that the Ambassador to Rome met with Ingrao. Could you research the last time a U.S. Ambassador in Rome, or any ranking member of the Embassy in Rome had contact with a ranking member of the Communist Party? Would you?

A. Yes, I will.

Q. Just as a point of interest, Hodding, is it a matter of policy now to provide visas to members of Communist parties who want to visit the United States?

A. I don't have anything on that.

Q. Will you take that, because President Carter has, on a number of occasions, said that he is removing those restrictions.

A. I know that our entire policy in this area is under review and I do not believe that that review has been completed. And I think until it is, we don't have anything on that.

Q. Hodding, if you will excuse me, there seems to be—this statement of yours seems to be basically, internally contradictory:

On the one hand you say that we are not going to do anything about it. On the other hand, you say: It is a matter of great importance to this country.

If it is, indeed then, a great matter of importance what is the United States going to do about it?

A. I believe that the statement, in itself, answers your question. We are indicating that our attitude is not one of indifference, and we are indicating that we believe that it would be—our ability to continue to work with the countries of Western Europe would be impaired if these countries came under domination of political parties and so forth, as it says.

Q. Yes. And that being the case, and you are not going to involve yourself, the Government, in the process—what, then, are you going to do about it?

A. Well of course the statement that we are not involving ourselves in the process is a statement of national policy and is a reiteration of what this Administration has said a number of times.

What we are doing is indicating that our attitude is not one of indifference to the possibilities raised.

Q. Of domination?

A. Of domination.

Q. But can you take the question of: Is there indifference to just participation? Be-

cause as someone said earlier, that is where the big debate was, last year in this country. Not on domination. Everyone was against Communist domination.

A. I will see if I can get any further clarification on the statement.

Q. In that context, Hodding, also, it appeared to be a policy, at least unwritten, perhaps, that there would be no contact between officials of this country and members of the Communist parties in Italy, France and so on. Has that policy changed?

Q. At the Ambassadorial level?

A. I think that I have already—

One question may answer that. I have already taken a question of: When was the last time there was contact?

Insofar as policy goes, I will check into that.

Q. Hodding, would it be the policy of our Ambassadors, say, to deal with the members of the Communist parties?

A. I understand.

Q. In the background we are working against is a statement by Kissinger, on several occasions—[request to speak up.]

The background we are working against, is a statement that Kissinger made on several occasions; that until Communists actually came into power, there would be no contact with them; and I would like to find out whether that has been changed.

A. All right, I will find out.

Q. Can you find that?

Q. Hodding, did this question come up in the meeting this past weekend, between President Giscard and the Secretary?

A. I don't know.

Q. The previous Administration followed the practice of warning potential governments—quietly. You seem to have adopted the opposite policy by warning them here.

Is it a fair inference to draw that what you have read constitutes a warning?

A. What this constitutes is what it says.

Q. Hodding is this being conveyed in any other way, apart from this room, today?

A. This message has been made known, and will be made known to our various Embassies.

Q. Change the subject?

I noted in the transcript yesterday—I was somewhere else during the briefing—I noticed you answered my question about the public Soviet commitment on discussing SALT in Geneva. I appreciate the answer.

I also noted in one of the dispatches from Moscow published this morning, a statement that diplomatic sources, I believe it said Western diplomatic sources in Moscow, said in fact there is no Soviet commitment.

What you have said previously—what Vance has said previously on the subject—seems to contradict this directly, but I would like to raise the question again whether you feel there is a Soviet commitment to discuss SALT at Geneva next month.

A. Yes, I will stand on what I said yesterday.

Communist Parties in Western Europe: Challenge To The West

(Remarks by the Honorable Henry A. Kissinger)

Ladies and Gentlemen: The cohesion of the industrial democracies of Western Europe, North America, and Japan has been for thirty years the bulwark of peace and the engine of global prosperity.

This unity has been the keystone of our foreign policy in every Administration from President Truman to President Carter. The first permanent peacetime security alliance in American history was with the democratic nations of the Atlantic Community; it was soon followed by our commitment to the security of Japan. Since then, the agenda of cooperation among the industrial democracies has spread from collective defense to common action on energy policy, economic recovery, the international economic system, relations with the Communist countries, and with the Third World. This cohesion rests not simply on material considerations of wealth and power but on a common moral foundation as well—on the shared conviction that the consent of the governed is the basis of government and that every individual enjoys inalienable rights and is entitled to constitutional liberties.

It is ironic that at the moment when the industrial democracies are most cohesive in their opposition to external threats, at a time when our cooperative efforts cover a broader range than ever, the unity developed with so much effort and imagination over a generation should be jeopardized by an internal danger—the growth of Communist Parties and the danger of their accession to power in some of the countries of Western Europe.

In Italy, in the parliamentary elections of June 1976, the Communist Party obtained 34% of the vote, strengthening its position as the second largest party and as a powerful rival of the Christian Democratic Party which has governed Italy throughout the post-war period. The Communists' growth since the 1972 election has been primarily at the expense of the democratic socialist groups, and is part and parcel of an increasing and dangerous polarization of Italian politics. The Communists have already achieved a virtual veto over government programs in the Italian Parliament.

In France, in the Presidential election of April 1974, a coalition of the Communist and Socialist Parties came wtihin one percentage point of victory on the final ballot. A majority for this coalition in the parliamentary elections which must take place by March 1978 would bring Communist leaders into key ministerial positions. It would do so, moreover, in conditions of constitutional crisis, for the Constitution of the Fifth Republic has not yet faced the test of a President and a Prime Minister from different parties.

In the Iberian peninsula, where hopeful steps are being taken towards democracy, Communist Parties have fought with ruthlessness and disciplined organization to increase their already considerable influence. Portugal is a member of NATO; Spain is strategically crucial and tied by special agreements to the United States. Communist participation in the government of either country would have serious consequences for Western security.

And these Communist challenges do not exist in isolation from each other. There is no doubt that a Communist breakthrough to power or a share in power in one country will have a major psychological effect on the others, by making Communist Parties seem respectable, or suggesting that the tide of history in Europe is moving in their direction.

Most of the causes of this phenomenon are indigenous to the individual countries. And by the same token, the response to this challenge must come in the first instance from European leaders and voters who are persuaded that democracy is worth the effort. America cannot make their choices for them or decide the outcome of free elections.

But America must recognize the significance of what may lie ahead. We must not delude ourselves about what the accession of Communist leaders to executive power will mean to the most basic premises of American foreign policy. We must not confuse either our own people or those in allied countries who take our judgments seriously about the gravity of the threat. We must not weaken their resolve either by treating a Communist victory as inevitable—which it is not—or by imagining that a Communist electoral victory would be an accidental, transitory or inconsequential phenomenon. The ultimate decisions are for the voters of Europe to make. But they—and we—would be indulging in wishful thinking if we all did not acknowledge now:

That the accession to power of Communists in an allied country would represent a massive change in European politics;

That it would have fundamental consequences for the structure of the post-war world as we have known it and for America's relationship to its most important alliances;

And that it would alter the prospects for security and progress for all free nations.

THE COMMUNIST PARTIES AND WESTERN DEMOCRACIES

Those who take a less grave view of these prospects often claim that the European Communist Parties are independent of Moscow, that they have been effectively democratized and assimilated, and that they therefore pose no international issue in the broader East-West context.

It is true enough that the centrifugal and polycentric tendencies in the Communist world are one of the most striking developments of our age. These schisms, moreover, are made doubly intense by the passions of a quasi-religious battle over what is true dogma and what is heresy. Symptomatic is the fact that the Soviet Union has used military force in the post-war period only against other Communist countries—in East Berlin, in Hungary, in Czechoslovakia, and on the Sino-Soviet border. The Sino-Soviet conflict may indeed be the most profound and potentially explosive current international conflict. Nor is there a serious observer who disputes that the Communist Parties in Western Europe have in fact occasionally demonstrated some degree of independence from the Soviet Union.

But this hardly exhausts the issue. For we must ask: In what sense and on what issues are they independent? And what are the objective consequences for the West of their policies and programs?

We are entitled to certain skepticism about the sincerity of declarations of independence which coincide so precisely with electoral self-interest. One need not be a cynic to wonder at the decision of the French Communists, traditionally perhaps the most Stalinist Party in Western Europe, to renounce the Soviet concept of dictatorship of the proletariat without a single dissenting vote among 1700 delegates, as they did at their Party Congress in February 1976, when all previous Party Congresses had endorsed the same dictatorship of the proletariat by a similar unanimous vote of 1700 to nothing. Why was there not at least one lonely soul willing to adhere to the previous view? Much was made of this change as a gesture of independence. Now it turns out that the new Soviet Constitution, in preparation for years, drops the phrase as well.

Throughout their existence, the guiding principle of the Communist Parties has been their insistence that a minority had to seize power as the vanguard of the working class and impose its views on the rest of the population. This disdain for democratic procedures—whether it is presented in the traditional form of the "dictatorship of the proletariat" or wrapped in Gramsci's more elegant phrase, "the hegemony of the working class"—is precisely what has historically distinguished the Communist from the Socialist Parties. I find it hard to believe that after decades of vilifying Social Democracy and treating it as their mortal enemy, especially in every Communist country, Communist Parties have suddenly become Social Democrats. Whether or not they are independent of Moscow, Communists represent a philosophy which by its nature and their own testimony stands outside the "bourgeois" framework of Western constitutional history; they are a movement that appeals to a different tradition and uses a largely misleading vocabulary.

To be sure, the French, Spanish, and Italian Communist Parties have all recently declared their resolve "to work within the pluralism of political and social forces and to respect guarantees and develop all individual and collective freedoms." Enrico Berlinguer and Georges Marchais pledged their devotion to national independence and political pluralism at a conference of Communist Parties in East Berlin in June 1976.

But can we take these declarations at face value? After all, Marchais has listed Bulgaria, Poland, and East Germany as countries having a "pluralistic" party system. As recently as 1972, French Communist doctrine was that "there can be no return from Socialism to Capitalism." And a few weeks ago, to the great irritation of their Socialist allies, the French Communists estimated the cost of the economic program of the two parties at over 100 billion dollars. The Communist program—by definition—calls for the radical transformation of society; by the very nature of their beliefs Communists will be driven to bring about institutional changes that would make their ascendance permanent.

Moreover, are these professions of the national road to Communism and of devotion to democratic principle really so new? Let me read some quotations from European Communist leaders:

First: "The crux of the matter, and we Marxists should know this well, is this: every nation will effect its transition to Socialism not by a mapped-out route, not exactly as in the Soviet Union, but by its own road, dependent on its historical, national social, and cultural circumstances."

That was from a speech by Georgi Dimitrov, leader of the Bulgarian Communist Party, in February 1946.

Second: "We take the view that the method of imposing the Soviet system on (our country) would be wrong, since this method does not correspond to present-day conditions of development. . . . We take the view rather that the overriding interests of the . . . people in their present-day situation prescribe a different method . . . namely the method of establishing a democratic anti-Fascist regime, a parliamentary democratic republic with full democratic rights and liberties for the people."

That is from a proclamation of the (East) German Communist Party in June 1945.

Third: "The great national task facing the country cannot be solved by either the Communist Party or by any other party alone. The Communist Party holds that it does not have a monopoly, and it does not need the monopoly, to work among the masses for the reconstruction of the new (nation). The Communist Party does not approve of the idea of a one-party system. Let the other parties operate and organize as well."

That is a statement by Erno Gero, Communist Party leader of Hungary, in November 1944.

Fourth: "In (our country) there is a division of functions, and State power is based on parliamentary democracy. The dictatorship of the proletariat or of a single party is not essential. (Our country) can proceed and is proceeding along her own road."

That is from a speech by Wladyslaw Gomulka, Communist Party leader of Poland, in January 1946.

Fifth: "The Communist Party seeks to attain Socialism, but we are of the opinion that the Soviet system is not the only road to Socialism. . . . The coalition of the Communists with other parties is not opportunistic, a temporary limited coalition, but the expression . . . of all strata of the working people. . . . We seek at present to make certain that our new democratic parliamentary methods . . . be expressed in constitutional law. If you want the view of the Communists, I can only say that they will be the strictest guardians of the new Constitution."

That is a statement by Klement Gottwald, Communist Party leader of Czechoslovakia, in January 1947.

Sixth: Marchais speaks of "Socialism in the colors of France." But in 1938, George Orwell described French Communist strategy as "marching behind the tricolour."

In short, what the leaders of the Western Communist Parties are saying today about their affection for the processes of democracy is not significantly different from what East European Communist leaders declared with equal emphasis in the 1940's—before they seized the total power which they have never relinquished since.

Certainly Communist Parties are willing to come to power by democratic means. But could they permit the democratic process to reverse what they see as the inevitable path of "historical progress?" Would they maintain the institutions—press, parties, unions, enterprises—that would represent the principal threat to their power? Would they safeguard the freedoms that could turn into instruments of their future defeat? No Communist Party that governed alone has ever done so, and the vast majority of those democratic parties which entered coalitions with European Communists are now in the indexes of history books rather than in ministries or parliaments.

The Italian Communist Party, to be sure, left the government following its disastrous defeat by the Christian Democrats in 1948. But the situation today is greatly changed. In 1948, the Communists were a far smaller party, with little regional or municipal power. They had to contend with a younger and more united Christian Democratic Party, a strong Socialist Party, and a determined Western Alliance alarmed by Stalin's adventures in Greece and Czechoslovakia. Today, Italian Communists participate in the governments of most major cities and regions, have enormous trade union strength, substantive support from intellectuals and the popular culture, and have reduced the strength of the Socialists to a fraction of what it was three decades ago.

The French Communists were similarly removed from the government in 1947, following the intensification of the cold war. But, just as in the Italian case the following year, the popular revolt against the Communists took place within the framework of a united West with a clear perception of an external and internal threat to its survival. By contrast there are now many people on both sides of the Atlantic who have permitted themselves to be convinced that European Communism is only Social democracy with a Leninist face.

We cannot know, with certainty, whether a fundamental change has occurred in these parties' traditional goals and tactics. But their internal organization and management speak against such a view. It is not democratic pluralism but the stern Leninist precept of "democratic centralism" which continues to guide the internal structure of all European Communist Parties. This is a doctrine of iron discipline, not a principle of free and open dialogue. It is a system of dogma, of a "party line", of authority and obedience, of suppression of dissent and purge of dissenters. There are too many recent instances of resorts to violence, attempts to censor newspapers and broadcasting, and efforts to control the functioning of universities to be optimistic about their character.

Only in Western Europe and the United States are there still illusions about the nature of Communist Parties. In Eastern Europe, boredom, intellectual emptiness, inefficiency, and stultifying bureaucratism have been obvious for decades. Countries which used to be leading industrial powers have been reduced to mediocrity and stagnation; nations with long democratic traditions have seen the destruction of civil liberties and democratic practices. The countries of the West would mortgage their future if they closed their eyes to this reality. Societies that try to avoid difficult choices by making comforting assumptions about the future win no awards for restraint; they only speed their own demise.

COMMUNIST PARTIES AND THE ATLANTIC ALLIANCE

It is sometimes asked: If the United States can deal with Communist governments in the Soviet Union, China, Eastern Europe, and even Cuba or Vietnam, why can we not accept and learn to deal with Communist Parties seeking power in Western Europe? Is not the Soviet Union uneasy about the prospect of new Communist regimes that they may not be able to control?

These questions miss the central point. There is a crucial difference between managing conflict with the adversaries and maintaining an alliance among friends, particularly when the prospects for stable East-West relations depend vitally on the cohesion of the Western Alliance. And even if some West European Communist Parties should prove more difficult than the better disciplined satellites of East Europe, and thus pose new problems for Moscow, they would pose far more serious problems for the West.

For the key issue is not how "independent" the European Communists would be, but how Communist. The dynamics of the Communist Parties and the program on which they would be elected suggest that their foreign and domestic policies are not likely to be consistent with the common purposes of the Atlantic Alliance.

The solidarity of the great industrial democracies has maintained global security for thirty years. Western collective defense provided the shield behind which the United States, Western Europe and Japan developed the institutions of European unity and the progressive world economic system. All these relationships would be severely jeopardized if Communists came to power in allied governments.

Specifically:

The character of the Alliance would become confused to the American people. The signatories of the North Atlantic Treaty pledged in 1949 that "they are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law." If Communists entered governments in allied countries, the engagement to help maintain the military balance in Europe would lack the moral base on which it has stood for a generation. The American people would be asked to maintain their alliance commitment on the basis of two highly uncertain, untested assumptions: that there is a new trend of Communism which will in time split from Moscow, and that the West will be able to manipulate the new divisions to its advantage.

Both of these propositions are open to the most serious doubt. No major Communist split has ever been generated or maintained by deliberate Western policy—in fact the Soviet Union's disputes with Yugoslavia and with China had been festering for months and even years before the West became aware of them.

But even such a split—which would surely take years to develop—would hardly diminish the danger to current Allied relationships. By the time it occurred, the damage to the NATO structure would probably have become irreparable. And the character of the Atlantic relationship would be totally transformed, even should the United States, for its own reasons, eventually decide to support a revisionist Communism. While the United States can never be indifferent to the extension of Soviet hegemony to Western Europe,

the permanent stationing of American forces in Europe could hardly be maintained for the object of defending some Communist governments against other Communist governments. Such a deployment could be justified only on the crudest balance of power grounds that would be incompatible with American tradition and American public sentiment.

This is not a personal recommendation as to a desirable policy, but a judgment of stark reality. Significant participation by Communist Parties in West European governments will over time undermine the moral and political basis for our present troop deployment in Europe.

The effect on Alliance cohesion generally would be disastrous. The Western Alliance has been held together by a system of close consultation based on shared goals and compatible philosophies. President de Gaulle cherished France's independence from the United States, but in major crises, over Berlin or Soviet missiles in Cuba, he stood firmly with his allies. By the same token, Communist governments in Western Europe, however independent of Moscow they may be on intraparty issues, can be expected to demonstrate their basic Communist convictions on major international issues.

If Communist Parties come to power in Western Europe, significant divergences on foreign policy would be bound to develop between Europe and the United States, and between European states in whose governments Communists participate and the others.

In February 1976, Italian Communist leader Berlinguer stated to a London Times interviewer that "the Soviet Union's peace policy is in the general interest of mankind." The Italian Party newspaper denounced NATO last year as "one of the fundamental instruments for American manipulation of the politics and economy of our country and Western Europe," and urged that "the relations between the countries of Western Europe and the two superpowers must be rediscussed." A leading member of the Italian party's Central Committee was asked in a recent interview with Radio Free Europe: If the French and Italian Communist Parties were in power, what would you do in the event of "a grave international crisis between the Soviet Union and the West?" He answered: "We would choose the Soviet side, of course." Such "support" of NATO as is expressed is explicitly tactical, and rests upon a distortion of detente. It is coupled with the proposition that a Soviet threat against Western Europe is inconceivable. No European Communist Party suggests that it wishes to be part of a Western Alliance to withstand Soviet expansion. And, indeed, how could Leninist parties dedicate themselves with any conviction to a military alliance whose primary purpose was and remains to counter Soviet power?

To be sure, these parties have had their differences with the Soviet Union, but in practically every case it has been on a matter of relations within the Communist movement. They have rarely, if ever, diverged from the Soviet position on an international issue. The Italian Communist Party has hailed the Cubans in Angola as "freedom fighters," condemned the Israeli rescue of hostages at Entebbe as an "intolerable violation of Uganda's national sovereignty," applauded Soviet policy in Africa and denounced America's diplomatic efforts in Southern Africa as an attempt to "save the neocolonial and military-strategic interests of imperialism."

At best, West European Communist Parties can be expected to steer their basic policies closer to the so-called nonaligned bloc and in an anti-Western direction. Yugoslavia—whose independence from Moscow on East European issues is by now traditional—has emerged as a champion of anti-Western and anti-American positions on most international issues outside of Eastern Europe. Why should we expect that Communist parties in Western Europe would be more friendly to us than the most independent East European state which has been engaged for nearly three decades in an open dispute with Moscow and whose government the Kremlin has sought repeatedly to undermine?

The strong role our allies play in defending Western interests in many regions of the globe—such as President Giscard's courageous actions in Zaire—could not be expected from a nation where Communists share power. In the Middle East, in Southern Africa, in relations with the third world, on Berlin, on arms control and European security, the parallelism of views that has existed between the United States and its European allies would almost certainly be eroded. On the contrary, active opposition especially in regions of traditional European cultural and political influence is probable. In our common efforts to improve the world economy and stimulate progress in both the developed and developing worlds, in the OECD, in the Paris Conference on International Economic Cooperation and at Heads of Governments Summits, divisions would soon be apparent. How could Atlantic unity possibly be maintained in such circumstances, even on the security issue?

The military strength and unity of NATO would be gravely weakened. The Communist Parties of Western Europe pay lip service to NATO. In fact, it is hard to visualize how the present NATO structure could continue, with its exchange of highly classified information, its integrated military planning and political consultation, if Communists had a significant share of power.

The participation of Communist Parties in West European governments would force a major change in NATO practices, as occurred temporarily with Portugal, which had to exclude itself from classified discussions within the Organization when its own political future was in doubt. These parties are unlikely to give NATO defense a high budgetary priority. Communist Parties would surely use their power to diminish the combined defense effort of Western Europe and inevitably sap our own will to pay the costs of maintaining U.S. forces in Europe.

Furthermore, if Communists participate in a significant way in the governments of key European countries, NATO may turn by default into a largely German-American alliance. This specter could then be used in other West European countries to undermine what remains of Atlantic cohesion. With NATO thus weakened, while the Soviet Union continued to increase its strategic and conventional strength and maintained its grip on the Warsaw Pact, the essential equilibrium of power between East and West in Europe would be fundamentally threatened. The freedom of many European countries, allied or neutral, to chart their own future would be diminished in direct proportion as the fear of Soviet power grows. Eventually, massive shifts against us would occur, not because a majority freely chose such a course, but because the upsetting of the overall balance left them no alternative.

The hopeful progress toward European unity would be undermined. The French and Italian Communist Parties opposed the creation of the European Common Market as a conspiracy of monopoly capitalism. Until quite recently, they have consistently fought progress toward European unity. Lately they have come to accept the European Community as a fact of life; they now say they seek to make it more "democratic" and to transform it, by "a process of innovation . . . in the spheres both of institutions and of general orientations," as Berlinguer expressed it. They can be counted on to re-orient the Common Market towards closer relations with the state economies of Eastern Europe and toward the more extreme of the Third World's demands for a "new international economic order." It can be assumed that they will not encourage European political unity to foster cooperation with the United States; rather they will urge it, if at all, to encourage Third Force tendencies. And over time either governments with Communist participation will pull the others towards them, or deep fissures will open up between the traditional Atlanticists and the "New Left" in the European Community. Either outcome would be destructive of European unity and Atlantic solidarity.

Thus whatever hypothesis we consider, Communist participation in governments of Western Europe will have a profound impact on the international structure as it has developed in the post-war period. We cannot be indifferent or delude ourselves that the advent of Communists to a significant share of power in Western Europe would be less than a watershed in Atlantic relationships.

THE AMERICAN RESPONSE

The attitude of the United States towards such developments must of necessity be complex. The crucial role must be that of European governments; the final decision must be that of the European voters. We cannot substitute for either.

In the end, the Communist Parties in Western Europe find their opportunities less in their inherent strength than in the demoralization, division or disorganization of their opponents; they succeed only when the democratic system seems unable to solve the social problems of the day; when the center does not hold and societies become polarized. Violence—such as that currently tormenting Italy—drives many to support Communism in desperation, convinced that drastic remedies are required to end a state of siege which has now spread to the press and other media.

The basic causes of Communist gains thus go deep and are not easy to remedy. In many European countries disillusionment with democratic government and democratic leaders is pervasive. In an era of peace, in a world of bureaucracy and mass production, there is no galvanizing crisis and little opportunity for heroic performance. A relativist age debunks authority and puts nothing in its place as an organizing principle of society. Massive impersonal bureaucracy disillusions the citizens with the responsiveness of his government, and simultaneously makes the task of elected officials more difficult. In too many democratic countries the young are offered too little inspiration; their elders too often have lost confidence in their own values. Too frequently democratic leaders are consumed by winning and holding office and are unable to demonstrate the force of conviction and philosophical self-assurance of their radical opponents.

The very success of Western societies in maintaining prosperity at a level undreamt of even forty years ago sometimes contributes to their malaise. Intellectuals condemn society for maternialism when it is prosperous and for injustice when it fails to insure prosperity. The widespread economic difficulties of the last four years—recession and inflation unparalleled in a generation, to a large extent induced by the extraordinary increase in oil prices—fuel the frustration of all whose hopes for economic advancement are rebuffed. The interdependence of economies causes inflation and recession to surge across national boundaries, compounding the sense of individual impotence.

And yet, with all these difficulties, the democratic forces of the West have it in their power to determine whether the Communist Parties have opportunities to succeed. They

have the capacity to put their economies on the path of steady non-inflationary expansion. They have the intellectual capital and the resources to usher in a new period of creativity. Anti-Communism is not enough; there must be a response to legitimate social and economic aspirations, and there must be a reform of the inequities from which these anti-democratic forces derive much of their appeal. With able leadership—and Western cohesion—the democracies can overcome their challenges and usher in a period of dramatic fresh advance.

In this process it is vital that the United States encourage an attitude of resolve and conviction.

First of all, we must frankly recognize the problem that we will face if the Communists come to power in Western Europe and we must understand the practical decisions this will impose on us as a nation. We must avoid facile projections which seek to escape difficult choices by making the most favorable assumptions about what might happen. We must have a program for encouraging the forces of moderation and progress in this critical period and for rallying them should a Communist Party nonetheless prevail.

Second, we must avoid giving the impression that we consider Communist success a foregone conclusion by ostentatious association or consultation with Communist leaders or by ambiguous declarations. Communist success is not a foregone conclusion; United States hesitation or ambiguity can, however, contribute to it. Communist Parties are riddled with weaknesses and internal strains, and marked by a fundamental flaw: parties that do not speak for the humane values which have inspired the peoples of the West for centuries are unlikely to appeal to a majority in a Western nation except in a moment of unsettling crisis. In no Western European country has the Communist Party ever fairly won more than about a third of the vote. Their most powerful weapons are fear, distrust and discouragement; their principal asset is the myth of their inevitability. Therefore, we do our friends in Europe no favor if we encourage the notion that the advent of Communists and their allies into power will make little or no difference to our own attitudes and policies. I am talking less of formal statements—which depend on tactical judgments difficult for any outsider to make—than of a clear and unambiguous U.S. attitude.

Some have argued that such a policy would be counterproductive, that it would encourage Communist protest votes. I believe the opposite to be true. On balance, I consider it important that Europe know of America's interest and concern. Many voters in allied countries value the friendship of the United States and appreciate the security supplied by the Atlantic Alliance. We should not ignore them, or demoralize them, or undercut them. The gradual gains scored by the Communist Parties over the past years occurred—by definition—at the margin, among voters who had not voted Communist before; who did not vote by anti-American reflex; who for one reason or another were persuaded that the Communists have now become acceptable or indispensable.

There is no evidence that voters are influenced to vote Communist by American attitudes. On the contrary, the real danger may well be the other way; many usual opponents of the Communist Parties may be lulled by voices, attitudes and ambiguities in this country implying that our traditional opposition has changed. Paradoxically, we even weaken whatever moderate elements may exist in Communist movements by settling too eagerly for verbal reassurances.

If the United States has a responsibility to encourage political freedom throughout the world, we surely have a duty to leave no doubt about our convictions on an issue that is so central to the future of the Western Alliance and therefore to the future of democracy. Human rights is not an abstraction concerned only with judicial procedures and unrelated to basic questions of political and geopolitical structure. We cannot fail to reckon the setback to European freedom that will result if Communist minorities gain decisive influence in European politics; we must not close our eyes to the effect on freedom throughout the world if the global balance tips against the West.

Thirdly, the United States should conduct its policies toward its allies in a way that strengthens the moderate, progressive and democratic governments of Western Europe. We must, on the one hand, avoid demands or lecturing which, whatever the intrinsic merit, magnify domestic fissures in European countries or the sense of impotence of European governments. At the same time, the United States can contribute to a sense of accomplishment by offering vigorous cooperation in joint efforts to solve common problems in the fields of diplomacy, arms control, energy and economic growth. This was the purpose of the economic summits among Western leaders begun by President Ford at Rambouillet and Puerto Rico, and continued so successfully in London by President Carter.

The unity and cooperative action of the democracies is crucial to all that America does in the world. Western unity defends not only our security but our way of life and the most basic moral values of our civilization. On this we cannot be neutral. To foster these principles deserves the same dedication and commitment that inspired the most imaginative periods of American diplomacy.

The stagnant societies of the East to which I have referred serve as both a warning and a hope. They remind us that the West's latent intellectual and political vitality, even more than its material prosperity, is the envy of the world. The winds of change are ultimately blowing from the West. The men and women of Eastern Europe are certainly aware that the West, for all its doubt and sense of spiritual dilemma, is the vanguard of modernization, the vital source of learning and of much of modern culture, and the haven of the free human spirit. The developing countries yearning for progress also turn to the West, not the East, for assistance, support, and the measure of what man can achieve when he aspires. Our technology, our creativity, our unequaled economic vigor, not some bureaucratic doctrine of economic determinism, are the forces that will shape the future if we mobilize the energies of free peoples.

This is not the time for resignation or acquiescence. It is a time for confidence, determination and hope. The power of free men and women and free nations acting in concern, confident of their strength and of their destiny, cannot be matched by any totalitarian regime or totalitarian movement. The spirit of freedom can never be crushed. But freedom can be lost gradually. Such a danger exists today in Western Europe, and that threat could have consequences not only in Europe but throughout the community of democracies and the world.

If we cherish freedom, we will face the peril, marshal joint efforts to overcome it and begin a period of new fulfillment for our peoples. Western Europe, our closest partner and the cradle of much of our civilization, is too precious to us for us to do otherwise.

Thank you.

DEPARTMENT OF STATE: TRANSCRIPT OF DAILY NEWS BRIEFING FRIDAY, JUNE 10, 1977, 12:35 P.M.

Mr. CARTER. Good afternoon. For your information, the camera crew in the briefing room today is shooting silent film of you hardworking correspondents at hard work.

I notice from the wires that Ken Freed, a regular correspondent here, is going to be a Neimann Fellow this year at Harvard, enjoying academe's sweet caresses for nine months. And my congratulations on that. [Applause.]

Q. Whose cameras are shooting?

A. Whose cameras are shooting?

Mr. MEDEIROS. ABC's.

Mr. CARTER. ABC's.

We have a press release on Lawrence S. Eagleburger being sworn in as United States Ambassador to the Socialist Federal Republic of Yugoslavia.

Available today in the Press Office is a statement by Philip Habib, Under Secretary for Political Affairs, before the International Security and Scientific Affairs and the Asian and Pacific Affairs Subcommittees of the House International Relations Committee.

We also have a statement of Louis Nosenzo, Deputy Assistant Secretary for Nuclear Energy and Energy Technology Affairs before the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources.

Both of these June 10th.

I have an announcement.

A survey team will leave for Havana on Sunday, June 12th, headed by Mr. Bob Gershenson, the Executive Director for Management of the Inter-American Bureau. The team will remain in Havana about one week. The purpose is to survey the buildings and look at housing requirements in preparation for establishing our interests section.

Q. Is that Robert?

A. Robert.

Q. Is a Cuban survey team coming in?

A. The team will have seven members—ours will have seven members, most of them engineers and architects. All of them are from the Department of State. Unfortunately, I don't have anything on the Cuban survey team at this time.

Q. Maybe you have done this, Hodding, but how many people are they going to be surveying for?

A. As I recall, it is going to be a dozen or less. It is a max of a dozen. This is the projection we have right now.

There is a press release from ACDA, which you may or may not have seen, that was posted and that I will read.

"Pursuant to agreement reached in the course of the talks during the visit of Secretary of State Cyrus Vance to Moscow in March 1977, bilateral consultations on comprehensive nuclear test ban issues will be held in Washington beginning June 13, 1977.

The U.S. team will be headed by Paul C. Warnke, Director of the U.S. Arms Control and Disarmament Agency. The Soviet team will be headed by Dr. I. D. Morokhov, first Deputy Chairman of the State Committee on Atomic Energy of the U.S.S.R.

These bilateral consultations will also consider non-proliferation issues."

I, unfortunately, do not have beyond this press release a list of other participants on our side in the negotiations. I think that ACDA could and would provide them for you.

I have a little more information on this subject, since there are other working groups, to try to give you some idea of where we are coming on that.

Working group meetings on chemical warfare and radiological warfare were held in Geneva from May 9 to May 16, and we have been through that. A meeting on a comprehensive test ban will begin, as I have just announced, on June 13.

As for the other groups, work is proceeding on getting them underway, and these working groups include those on pre-notification of missile launches, civil defense, anti-satellite systems, conventional weapons transfers and the Indian Ocean. But I have no further information about the times or the places for those working groups to commence.

Q. Hodding, I'd like to ask you about what is now called Eurocommunism—

A. Yes.

Q. —having in mind Henry Kissinger's speech last night and also having in mind the paper you people put out April 6th or 7th.

A. 6th.

Q. Would you say there is a divergence in views between this administration and the last one on the threat that communists might post to the Alliance and to the structure of France, Italy, et cetera?

A. I think that we have repeatedly stressed our view that we believe that the coming to power of parties which do not share our democratic values and traditions and our adherence to certain democratic principles would be just the opposite of a cause for indifference, that we would, as the President has said, "We prefer that the governments involved in our many contacts in Western Europe continue to be democratic, and that no totalitarian elements become either influential or dominant." I am, in fact, quoting directly from the President's statement on the subject. "We prefer that the governments involved continue to be democratic, and that no totalitarian element become either influential or dominant, and I would hope that the democratic parties would prevail during the coming years in the struggle for political authority." Or as the State Department statement of April 6th said, "We attach great importance to our ability to work with the countries of Western Europe on matters of vital interest. Our ability to do so could be impaired if these governments came to be dominated by political parties whose particular traditions, values and practices are alien to the fundamental domocratic principles and common interests on which our relations with Western Europe are based. Our attitude is not one of indifference."

Q. What's the answer to the question?

A. The answer is that we do not feel that there is substantial disagreement between our positions at this time on Eurocommunism—

Q. Well,—

A. And, getting more specific, since this is not prompted by a vacuum but by an event, we do not view former Secretary of State Henry Kissinger's remarks as in any way marking a sharp departure or difference of opinion with the approach that we have to Euro-Communism. And I would be glad to match you text for text on what he had to say as opposed to what we say.

Q. With your good journalism background and your late government training, it is evident in your remarks, because you talk about a sharp change and you talk about "substantial agreement," but I'd rather you attack or address the subject of subtle differences. Is there—take away "substantial"——

Do you feel there is any disagreement at all, I mean, any hesitation by this administration to speak out? I know you both wish that communists didn't come to power in Western Europe. It would be amazing if you did wish them to come to power. But do you disagree in the tactics and the strategy?

A. I think you have to view both approaches, that enunciated by the former Secretary last night and by the Administration in the total context. Mr. Kissinger said last night precisely what we say in the first half of our policy. "The response to the challenge of Euro-Communism must come, in the first instance, from European leaders and voters who are persuaded that democracy is worth the effort." He went on to say, "America cannot make their choices for them or decide the outcome of free elections."

I might also add what he also said, which is almost a direct paraphase one way or another of our own policy. "In the end, the communist parties in Western Europe find their opportunities less in their inherent strength than in the demoralization, division, or disorganization of their opponents. They succeed only when the democratic system seems unable to solve the social problems of the day, when the center does not hold and society becomes polarized."

The President of the United States, speaking on the same subject: "I believe that the best way that we can prevent the enhancement of communist political strength in Europe is to show that democratically controlled governments can function effectively and openly and with humaneness, and a genuine and continuing comprehension of what people need and expect from government. To the extent that we fail as democracies, as democratic leaders to live up to the ideals that exemplify our own commitments, to that extent we open the opportunity for communist parties to be more successful."

I would suggest to you that that half of the statement is almost identical, and insofar as the second half is gone, I repeat, "This Administration does not view with indifference," and is concerned about, as we have said, the accession of power of parties which do not share our democratic background, heritage and commitments.

Q. Let me ask one last thing and I will give up.

Last April when you did put out your statement it was generally interpreted as a change of tone and as a statement of a hands-off policy.

Leaving the second part away, if you like, didn't that represent a change in tone or a change in approach from the previous administration? Isn't Henry Kissinger back now restating what it is that you have veered away from?

A. I think the former Secretary effectively dealt with what he viewed as a number of counsels and a number of viewpoints, none of which he identified with this administration, calling for indifference to Eurocommunism, calling for an acceptance of it as inevitable. Well, none of that is in Administration policy to begin with and they were not straw men, but for the sake of this discussion, the issues that he raised do not have to do with the Administration policy. The basic concerns that he had simply have nothing to do with the policy that we have enunciated.

I am not interested in going into a discussion of that, although it is an interesting subject.

But as far as our policy is concerned, I think that to answer your question fairly, the emphasis is on balance. That is, on the one hand, we cannot interfere in the internal affairs of another nation and, on the other hand, we are not indifferent to what happens there, might be regarded as some change in tone, but I think our basic concern about this matter is not changed.

Q. Maybe the question or a question that can be put is: are you less worried about the advent of Eurocommunism than perhaps the former Secretary?

A. Ken, I don't think I can deal with that because I don't know everything that is in his mind. I can only at this point go back—I think I have to go back at this point and simply restate what we have said: that we are not indifferent to the question, that we place great value on our ability to deal with parties that share our viewpoints and, as the President said—and the sequential here—that we prefer that the governments involved continue to be democratic and that no totalitarian elements become either influential or dominant.

That is a statement that is then followed by, "I believe the best way we can revert the enhancement of communist political strength in Europe is to make sure that our system works."

Now, I think that is pretty clear.

Q. Hodding, in Secretary Kissinger's remarks he was criticizing the practice of having high-level consultations and contacts between this government and communist leaders in Europe, rather than just the idea in general. I don't know if it was specifically directed. He said we must make our attitudes clearly known and understood not necessarily through formal statements but by practice.

Now, wasn't this directed at the administration because there was some criticism of the embassy in Paris, for example.

A. Yes. I think at that point.

That what?

Q. There was some criticism of the embassy in Paris, for example.

A. For having low level contacts.

Q. For having contacts with the French.

A. Yes. I think you would have to ask the former Secretary whether he meant that to be a direct criticism of this administration.

Q. But, you do not take it as such?

A. I do not consider the former Secretary's speech to be a criticism of this administration's policy.

Q. Can you tell us the status of the Panama negotiations?

A. To the extent that there is one at this point, Ken.

We are at this point without a negotiating session scheduled. I don't know when we are going to have a new one scheduled.

I am not suggesting that the thing has collapsed. I simply don't have any information on the next negotiations.

Q. Are the Panamanians still in Washington?

A. I understand that they are, but I am not positive.

I notice that the Panamanian Ambassador is coming in this afternoon which, as a matter of fact, is not sequential to what you are asking me. He is paying a courtesy call because Mr. Vance was not in the country when he first presented his credentials here.

Q. I am sorry I asked.

A. Yes. That makes two of us, as a matter of fact, since I don't have very much to give you.

Q. Is there a press conference Monday?

A. No. There is not a press conference Monday.

There will probably be a press conference down in Grenada, I think on Thursday morning.

Q. Will you pipe it in on the only telephone you have?

A. We will make sure that there is some kind of distribution on it.

Q. I have heard that the Secretary's speech to the OAS is going to be closed to the press.

Is that true?

A. That is true.

These meetings have operated traditionally both informally and in closed meeting, but the text, however, of any remarks he makes will be made available.

I am not so sure, Ken, that it is all that formal a speech, if you want to know the truth, at this point.

Q. Well, in the past at least, some of the OAS Meetings, the Secretary's—the American Secretary's speech has been open.

A. Yes, I would say that if it is possible for it to be open, we would certainly like it to be open. It is simply an understanding, as I have learned, that these things are generally held in what they consider to be informal and closed sessions.

Q. Hodding, can I take you back to the Euro-Communism for a second?

A. Yes.

Q. Kissinger last night talked about the need for European countries to be able to count on the moral and political support of the United States as they resist communistic political advances. What do you itemize, from the Carter Administration's point of view, as some of the moral and political support elements?

A. I think that what is integral for this question is the efforts that we were making to see that:

(1) The economic system in which we are

all jointly bound is effective and efficient and healthy. And that that was the major purpose of our participation in the London Economic Summit.

(2) That the alliance, through NATO, be kept vigorous and, where necessary, improved. And we have dedicated a great deal of time and have pledged a great deal more to that end.

We have worked extremely closely, as you know, and consulted actively with the leaders of Western Europe on almost every initiative we have undertaken—to the end that we have a common policy, and where we have differences that they can be resolved with something less than public acrimony.

I think that in every way we can devise we are in the process of strengthening the institutions that bind us and improving the conditions, both economic and political, in which we all live.

Q. Hodding, can there be a vigorous alliance if there are communists sharing power in France and/or Italy?

A. I think we have said before that we would find that—to repeat the policy which I have been reading here—that we think that it would be more difficult, obviously, to have to work with parties or governments which do not share our principles and our commitments.

Q. Hodding.

A. Yes, sir.

Q. Could you elaborate on, let's say on the extent of the eventual domination or influence of the totalitarian elements?

A. I don't really think there is any elaboration necessary there.

I have noted that the President has also said in this context that we are extremely happy to see that all the nations in NATO today are in fact run by democratically elected governments. And we are committed to a system in which democratic rule is a predominant thing.

I think that the President's statement also deals with the heritage and assumptions of parties as well as their public professions.

I can talk about what "totalitarian" means at some length, but I don't know if it would be very useful.

Q. Well, does this mean that you regard the Italians, the Spanish, the French Communist Parties as totalitarian or aiming at the totalitarian system in their respective countries?

A. I think that in this respect I can only point you to two things, which is what the parties say they are aiming for and what the philosophical underpinning of their philosophy says they are aiming for—and not go beyond what the President said.

Q. Hodding, something else?

A. Yes.

Q. The Moyers report on CBS tonight says that the Cuban exiles who have been operating out of Miami are now using Nicaragua as some sort of base. There was an interview with General Somoza.

Is the State Department concerned that people will be going from Miami to Nicaragua in order to promote anti-Cuban terrorists or other campaigns? Do you know anything about it?

A. Well now wait, why don't you ask me a different question because, Juan, I don't know anything about Cubans going from Miami to Nicaragua.

If you want to ask me whether we are cancerned about terrorism——

Q. Well, are you concerned about a new connection—a Nicaraguan connection to the——

A. Well since I don't have anything on the Nicaraguan connection, I——

Q. Well what do you have?

Do you have anything on——

A. I simply——

Q. Wait a minute. Wait a minute. Don't ask yourself your own questions.

A. I am simply telling you that I have nothing on a Nicaraguan connection, and that's an interesting story. I am sure that when we get to watch it tonight we will have some comment on it. But we haven't had a preview showing.

But insofar as a question of terrorism is concerned, particularly the question of whether or not the terrorists use American bases for terrorist activities elsewhere, we have expressed our concern to the Justice Department about that and there is no secret that we have.

Q. Have we had any contact with the Costa Ricans, since the President of Costa Rica said he wants Mr. Vesco to leave? Can we still extradite him, or——

A. I saw that story and was expecting something on it which I don't have.

I do not know of a contact that we made directly with them since that speech that he gave.

You are talking about that fifteen minute speech that he gave yesterday?

Q. Yes.

A. I don't have anything on any further contacts. We were interested in what he had to say.

Q. Do you have anything on a decision as to what the Department is going to do about the Rhodesian Information Office?

A. I have nothing beyond where we were when I was gone, and the Deputy Spokesman dealt with this issue.

Do you have something new on it?

Mr. TRATTNER. Murrey, if you want to see me afterward I think I can give you some answers.

A. Well, do you have it?

Mr. TRATTNER. I don't have it with me, no.

A. In that case, if we have something that is postable, we will post it. And if not, we will try to put it in a form that is.

Q. Thank you, sir.

INTERVIEW OF THE HONORABLE CYRUS R. VANCE, SECRETARY OF STATE

QUESTION. First of all, I appreciate your attempt to strike a balance. I see that the United States gets to be accused of many things, as I have seen for many years. But it is a little bit ironic that you get accused, on one side, of intervention in the internal affairs of countries and accused of indifference to the internal affairs of other countries. It's a political moral dilemma. Sort of squaring the circle. My question is, how do you deal with this dilemma in the United States policies?

Secretary VANCE. Well, do you want to take it, say in a specific country, or how would you like to—

QUESTION. Well, obviously the accusation of intervention came from the East with respect to human rights, whereas some western countries which are threatened by "Eurocommunism", by the ascendence to power of the communists, would like to have some sort of American interest in a more tangible way—a more tangible fashion. How do you view this dilemma?

Secretary VANCE. Let me start and talk about the question of "Eurocommunism" and then move into the question of American policy with respect to the Eastern bloc and how we deal with that.

Insofar as Eurocommunism is concerned, we have tried to make clear from the outset that we believe it is not for us to tell any country who they should elect in the way of their political leaders. That is their responsibility and their right. On the other hand, that does not mean that we are indifferent to who is elected and who serves in the government of any country. As we have said on a number of occasions, we would obviously prefer those who have the same kind of views with respect to fundamental values and precepts; and therefore we clearly prefer those who have a democratic backdrop. And we would believe that this is clearly preferable from our standpoint.

But again, you have to draw the balance between this and the right of any country to elect whom they choose. Now I think that by expressing our views in this way—namely, clearly—that we do have a preference. On the other hand, we think that the fundamental, ultimate decision has to be made by the people of the country. It is a reasonable way of dealing with this very, very difficult problem.

QUESTION. Senator Church said the other day that he shares the pessimistic view, this scenario so to speak, of profound consequences in the relationship between the United States and Europe should the communists have a degree of participation. I think much of the quibbling now is over whether it should be significant or decisive—these are two terms used.

Secretary VANCE. Yes, we have used those terms.

QUESTION. Your spokesman on April 6 told us that the ability of the United States to work together with European democracies would be impaired by the coming to power of the communists in a dominant way. So this was taken as a change of tone.

Is it really a matter, therefore, of tactics rather than strategy?

Secretary VANCE. No, I don't think it's a question of tactics. I think it's a question of strategy, basically, because the question of dominance is a fundamental question because it really does affect the basic structure and therefore the ultimate policies which will be developed by a particular country. So I would not call the issue a tactical issue. I would call it one of fundamental or strategic importance.

QUESTION. We face the graduality of accession to power of communists in some countries today. Take the Italian Communists. They have said that they will not take power altogether, even if they had a 51 percent majority. So it would have to be a gradual process. Where does the indifference end when, say, they move from a subcabinet level post to a higher cost, to greater participation in the government. How would you erect a wall in the cabinet, vis-a-vis a Communist member of the cabinet?

Secretary VANCE: Again, there I think you are crossing the line. Because for us to suggest what the wall should be, would be inappropriate. That would be interfering with the internal affairs of the given country. That is for a particular country to decide for itself. But that does not mean that we should be indifferent to the result.

QUESTION. In other words, there would be consequences. For instance, as to the question of stationing of American troops—do you think that the presence of communists in some governments would erode the moral basis for the presence of American troops in Western Europe? Would it have such a consequence?

Secretary VANCE. Let me say, I think it could.

QUESTION. It could.

The question also has been raised as to what the United States could do in terms of moral support, and President Carter said that he would go to France to meet with President Giscard d'Estaing, with a view to helping him. Do you see this as a practical way of making your concern felt in France and elsewhere in Europe?

Secretary VANCE. I had forgotten the precise words that he used in that connection, but was this in the interview that he had with the European correspondents?

QUESTION. No, this was after London when it was announced that he would go and would pay a state visit to France. My implication is—do we have to assume that he will be there at a time when his presence as a moral show would have the maximum benefits for democracy in France and elsewhere?

Secretary VANCE. Well, I think we're getting into something there which is not yet de-

finite enough to comment on with respect to timing and the like. Therefore, I would not like to get into that at this point because I think that would give implications.

QUESTION. Some people have found the juxtaposition between the position of the previous administration and your administration a bit relevant. Perhaps, it has been pointed out, it is simply a change of tone. You have discussed this before. What would you think in terms of the contacts that you should have with European communists, whereas before there was a very low-level type of communication with communists in Europe? Do you think that a way could be found to communicate with the communists without altering or jeopardizing your basic principles and fundamental attitudes?

Secretary VANCE. I think we should continue generally along the lines that we've been using in the past, and that is the way I would expect that we would be moving in the future.

QUESTION. You were not quoted, but it was reported that you felt that perhaps the rise in Eurocommunism implied some advantages for the democratic nations insofar as it would create problems in the Eastern bloc and that perhaps these problems would more than outweigh the damage that Eurocommunism could bring to the NATO structure. Are you still of this opinion?

Secretary VANCE. I would say that I think that this is a possibility. I think it depends on how Eurocommunism develops. I think one has to watch and see what the development of the process is in the various countries of Western Europe. And so, therefore, it is too early to draw any final conclusion with respect to this.

QUESTION. The point, however, has also been made that we are not really in the best position to take advantage of turmoil and problems in the Eastern world. It took us a long time to find out about the Chinese-Russian split and that pertained to state relations. Do you think that we would be in a position to better profit out of the continuing apparent discussion among Eastern European countries? Would we really be able to benefit in terms of a schism or series of small schisms within the Soviet-communist bloc?

Secretary VANCE. I think that this could have a meaningful effect, yes.

QUESTION. If I can turn to Belgrade, you said that the U.S. objective in Belgrade is to avoid polemics. And yet you also said that the West would be ready to subject the Eastern countries to a critique on issues like human rights. Do you see incompatibility between these?

Secretary VANCE. No, not at all.

QUESTION. Could you expand on that?

Secretary VANCE. Yes, I'll be delighted to expand on this. It seems to me that our principal task—and when I say "our," I mean all of the participants to the Belgrade conference—is to review the implementation of the Final Act of Helsinki. One of the areas in which we would be conducting this review is that of Basket 3. This of course raises the question of human rights. I think what we have to have is a frank and straightforward review of what has taken place. We will find, in my judgment, some progress in certain areas, lack of progress in others and in others there will be some retrogression.

And I think it's in the interests of all of us that we do in a straightforward way. Now, if one, on the other hand, went into this process with the objective of ending up in confrontation, that, I think, could affect the benefit that could be derived from this review process. And, I think, in the end, all of us would be the losers if that were the case.

Therefore, I say that we will eschew polemics but will insist upon a straightforward and frank review of the facts, whatever they may show.

QUESTION. What is at issue here is really the principle of accountability of nations.

Secretary VANCE. That's right.

QUESTION. Where does, however, the moral and justified concern of one nation end and interference begin?

Secretary VANCE. Well, this is obviously a very difficult question. One has to take a look at the document itself. The Helsinki Accords indicate that human rights is one of the fundamental issues for the nations which were signatories to the Helsinki document. Having recognized this as a critical and important area, it is therefore incumbent upon us to determine how well each of us has lived up to the principles which are set forth there. And accordingly, I think that each one of us should be willing and prepared to have our own conduct scrutinized.

QUESTION. On a general plane, do you think it is realistic to draw conclusion that some kind of linkage exists between political and strategic questions on one side and moral questions on the other?

Secretary VANCE. Well, I think that basic moral questions like the questions of human rights are intertwined within the strands of foreign policy. And this is clear from documents such as the United Nations Charter, the Helsinki Accords and other international documents. And therefore, to that extent, obviously there is a connection between political and economic and moral. I think the use of the word "linkage" is probably not a good choice of words because linkage has been used in a different sense, so I would shy away from using that word.

QUESTION. Should we say connection? Some people obviously put the choice very squarely and I think in unrealistic terms, between a showdown and a backdown with the Soviet Union. But they also seem to fear that you are on a collision course. What is your feeling on this?

Secretary VANCE. I don't think it's necessary to have things in such stark black and white terms. I don't think it has to be either a showdown or a backdown. I think that both of us can approach this in a constructive way which can lead to a result which is useful to the world community, and therefore I do not accept these stark contrasting approaches and think the answer lies more in the middle.

QUESTION. On SALT, some people also feel that it is going to be nearly impossible to reach an agreement by October. So the question is, what will you do? I would like to ask you another thing. In this negotiation, something seems to be missing. The United States and the Soviet Union go on improving their land-based missiles. Have you come to an understanding with the Soviet Union on the concept of strategic deterrence? Do the doctrines mesh on this? At one point, somebody said, "What in the name of God is strategic superiority?" What about an understanding with the Russians on strategic deterrence as the build-up of land missiles continues and becomes a destabilizing factor?

Secretary VANCE. Well, you've asked a very broad question. Let me try and answer it. And if I haven't done it completely, why then, please ask me additional clarifying questions.

I think that both of us recognize that the concept of a nuclear war is unacceptable to either of us as a nation. A nuclear war could result in the destruction of the world as we know it, and therefore it is something that both the Soviet Union and we will obviously do everything within our power to seek to avoid.

As to whether or not we agree on such refinements as strategic deterrence as opposed to counterforce and the like, those are much more difficult questions. But I think the broad important point to make is that both of us recognize that we must do everything within our power to avoid nuclear war, and therefore, we must take the necessary steps to stop the arms spiral and to begin to move along the road toward real nuclear disarmament. And that is the reason that we came forward in our trip to Moscow with our proposal for a so-called comprehensive plan. The objective of this was to try and take a major step forward in moving toward real disarmament.

Prior to now, agreement has been reached with respect to certain matters such as putting a cap upon the total number of strategic delivery vehicles and such as limiting any ballistic missile systems. These were necessary and important first steps. But it seems to us that from here on forward we really have got to take major steps that not only look to reducing the number of strategic weapons that each has in its arsenal, but also beginning to get a grip upon the qualitative problem as well.

It is only when we start moving in this direction that we will really be taking significant steps along the road.

QUESTION. How would you assess this movement at the current stage? Are you optimistic that it will go on to a successful conclusion before October?

Secretary VANCE. I don't want to put any guesses as to time on the table because I simply don't know the answer to that. I would say, however, that the most important thing is not the time at which an agreement is reached, but whether it's a good agreement.

And therefore I don't think we should feel ourselves under any specific time pressure to complete an agreement by a given date. The important thing is that we try and reach a good agreement—an agreement that really advances us along the road of nuclear deterrence and disarmament.

QUESTION. A quick change to China. You are about to go to China. Do you see any real possibility for a significant change in the relationship between the United States and the People's Republic of China?

Secretary VANCE. As the President has indicated, our conduct with respect to the People's Republic of China is and will be governed by the principles of the Shanghai Communique.

Our objective is normalization of relations, but the questions of pace and the modalities still have to be worked out. And this would obviously be a very important subject that has to be discussed with the leaders of the People's Republic. And that will be one of the main items, obviously, that we will wish to discuss when we sit down together.

QUESTION. The time frame has not changed substantially, then?

Secretary VANCE. Well, as I said, the questions of time and modalities are both things which will have to be discussed between us and it is too early before we've sat down to talk to them about this to make any predictions.

QUESTION. You have long been involved in Cyprus negotiations. Do you see a new initiative now on the horizon as a result of the Turkish political elections?

Secretary VANCE. Well, let me say I hope very much that progress can be made in Cyprus. I think it's of great importance that that long-festering problem can be resolved. I think we have to wait and see what kind of a government is formed as a result of the recent elections. I still believe that it is possible to make progress in the matter of Cyprus and I hope that this can be and will be an item of importance and high priority on the agenda once the new Turkish government comes to power.

QUESTION. Is there a possibility that the United States will take again an initiative in resolving the dispute?

Secretary VANCE. Well, what we've said on this is something that perhaps I should repeat. This problem is a problem that has to be resolved by the parties. We are willing to do whatever we can to assist, should they

wish us to do so, within the framework of the overall negotiations which are being conducted under the auspices of the Secretary General. We are not going to intrude ourselves into those discussions, but we stand ready and willing to help the parties should they wish us to do so.

QUESTION. One question about Andy Young, Ambassador Young. Do you think that in some ways he is hurting the cause of American diplomacy?

Secretary VANCE. I think Andy has made great contributions to foreign diplomacy. I think there is a much better understanding of the United States in the Third World as a result of Andy's work. I know that this is the case in Africa, and I believe it is also the case in other parts of the world as well. So therefore, I would say that I think Andy has made a major contribution and will continue to make major contributions to our diplomacy.

QUESTION. To conclude, one more question, if I can go back one second to the hard question of the American presence. Isn't it true that sometimes when the United States abstains from doing something, that is also a form of intervention? How do you really strike the balance in moral terms of American presence in the world—not only in Europe where we do have a large peril, but all over the world?

How would you see this question of America abstaining from doing certain things, and therefore practically intervening in a negative sense in foreign affairs?

Secretary VANCE. Well. I'm not sure I accept your premise, and I think stated that broadly, I would not agree with the premise. But if you have in mind any specific case, I would be delighted to discuss that specific case.

QUESTION. The specific case could be, for instance, a country in Europe with a communist problem, where a large part of the people who are democrats, who are concerned, look at the United States as the source of some encouragement, of moral support, in a more concrete, tangible way. Obviously, non-intervention is a basic principle that we accept. So, how would you think that the United States could go about maintaining credibility, maintaining the hope and the trust of people who look at the United States for moral leadership and for support should things go wrong?

Secretary VANCE. Well, I would say that you do this by the conduct that one demonstrates in the way that we handle ourselves both at home and abroad.

I think we'll be judged by the actions that we actually carry out. Therefore, I think that people will be watching what we say and do, and many times what we say will be of great importance. But we have to balance that, as you indicated earlier, by non-intervention. And I would say that in a given situation that depends upon the particular facts of that situation and it, as in so many cases, is a mistake to try and over-generalize and apply rather complex general principles without putting them in a factual framework. I'm afraid if one tries to draw, overly draw generalizations, sometimes this leads to mistakes in this interpretation.

QUESTION. A pragmatic policy and the proof of the pudding of course would be in real situations.

Secretary VANCE. That's right.

QUESTION. I appreciate this. Finally, I know that when President-elect Carter introduced you, he said that your amount of traveling would be fairly minimal, if I remember correctly. You have been traveling a great deal. Are you now beginning to slow down?

Secretary VANCE. It is an interesting and difficult thing. For a number of reasons, it has really become almost expected that foreign ministers will participate in a great variety of international meetings. In fact, if the foreign minister does not appear, it is considered to be a slight on the other participants in the meeting.

As a result of that, it is being, I think, generally accepted that foreign ministers are going to have to travel much more than they ever did in the past. And I think this comes about because more and more as the global problems and the regional problems become more complex and more difficult, it's necessary to deal with them in regional or in global forums.

This requires more and more international meetings and, whether we like it or not, the foreign minister is going to have to participate.

QUESTION. I hope we'll have your trip to Italy and to Europe by the end of the year, perhaps.

Secretary VANCE. Well, I hope so, too, because I have a great affection for Italy and its people. I have been there many times.

QUESTION. You are confident about the political choices that they will make?

Secretary VANCE. I have great confidence in the Italian people. I really do. I have a great admiration for them and I have confidence that their ultimate judgment will be wise.

QUESTION. Thank you very much, Mr. Secretary. It's been a pleasure to talk to you.

EUROCOMMUNISM

(By Dr. Heinz Timmermann)

In recent years the "Eurocommunists"—that is the Communist Parties of Italy, France, and Spain—have been developing new outlooks, at least as far as the declared contents of their programmes are concerned. The essence of this new trend is that the Eurocommunists have been emancipating themselves more and more from the ideological and political conceptions held by Moscow and orientating themselves more and more towards the specific conditions and traditions prevailing in their own countries and in the Western European region. The following points were at the centre of this development:

1. The Eurocommunists refuse to accept Soviet Socialism as the model on which to base the new social order which they are striving to achieve. For them, Soviet Socialism is the result of specific historical conditions peculiar to the USSR and is not a valid solution for the countries of Western Europe.

2. The Eurocommunists are no longer prepared to accept internationalism in the traditional Soviet version of "proletarian internationalism" because, in effect, the CPSU associates this concept with a claim by Moscow to a position of ideological-political leadership within the world Communist movement and also links this indistinguishably with the interests of Soviet reason of state. For the Eurocommunists, internationalism is conceivable only as "comradely, voluntary co-operation and solidarity" between all forces struggling for national and social emancipation.

3. The Eurocommunists accept the pluralism of political and social forces; they no longer reject the basic rights and political freedoms of bourgeois democracy as being merely "formal", but now credit them with a certain basic value and regard them as an integral part of their own model of Socialism. Furthermore, the Eurocommunists want to obtain the support of a wide consensus of the population at every stage along the road to Socialism—an intention based on the lessons they have learned from the course of events in Chile and Portugal, but also in Eastern Europe. Member of the politburo of the CPF Kanapa even went so far as to describe the form of society envisaged by his party expressly as a "democratic Socialism", to distinguish it from Soviet Socialism which was marked by "serious misrepresentations of the past" and by "continued shortcomings in democratic progress".

4. Recently, the Eurocommunists' foreign policy concepts have also been detaching themselves more and more from their traditional internationalist system of reference and have been taking on a dimension of their own, orientated towards their national interests and towards the conditions prevailing in the region. The concepts of policy towards the EEC and NATO now held by the CPI, for example, can hardly be reconciled with Soviet policy at all.

We in the West may look upon these developments as presenting dangers, or, perhaps, opportunities—according to whether we regard them only as subtle maneuvers skillfully engineered to cover up for the Eurocommunists' designs to seize power, or as a long-term strategy with which they intend to build up a democratic Socialism. I, for my part, would call for caution against thinking in such extreme alternatives—categories of thought which do not do justice to the dynamic nature of the transformation process which the Eurocommunists are going through, nor to the complexity of the problems involved.

II

However, we are not concerned today with the Western but with the Eastern and, in particular, the Soviet reaction to the transformation in the ranks of the Eurocommunists. For this process of change presents opportunities and dangers to Moscow and its followers, too, whereby, in my view, the Soviet side feels that the dangers are on the increase and the opportunities are on the decrease. How does the Soviet leadership account for this course of events, what defensive strategy has it developed to combat it, and in what perspective does it view its relations with the Eurocommunists?

As far as an analysis of the causes for this transformation amongst the Eurocommunists is concerned, the Soviet politicians and ideologists have proved themselves to be unable, and probably not even willing, to undertake a thorough and realistic appraisal of the motives involved. They prefer to look for apparent but fictitious reasons in their attempts to evade a realistic analysis with its ideological and political implications.

The Soviet analysts proceed on the assumption that the transition amongst the Eurocommunists is not rooted amongst the parties themselves but is something which is imposed upon them by external factors. The motive behind this approach is the intention—directed primarily at the public in their own sphere of influence—of emphasising the inviolability of the nucleus of Marxist-Leninist ideology, strategy and tactics ("universal laws") and of imputing that only certain unreliable elements within these parties are susceptible to the "softening-up" policies followed by the West. The Soviet politicians use a number of different, arbitrarily permutable argument patterns along these lines. They maintain for example:

1. The vacillations among the Eurocommunists can be attributed to a large extent to the fact that the rapid growth of these parties has swelled their ranks with forces of primarily petty-bourgeois origin—forces which have not yet been ideologically and politically consolidated and which are now putting pressure on their party leaderships to further their reformist concepts.

2. The Eurocommunists have succeeded, in the wake of détente, in consolidating their national foothold; they are assuming more national responsibility. In this situation they are tempted to give national interests priority over international considerations.

3. The difference in outlook between the governing parties of Eastern Europe, on the one hand, and the Eurocommunists, on the other, are occasioned by the time lag between the two groups in the transition from capi-

talism to socialism and disappear when seen from a historical perspective. The fulfillment of the historic mission of the working class and its Communist Party are based on identical universal laws, which, admittedly, are not all developed and applied at the same time.

The Soviet view concedes that there can and will be differences of opinion between and non-governing Communist Parties on a number of specific questions. However, these differences must not be allowed to go beyond a certain limit. There are three main provisos on which Moscow makes the continuation of normal relations with the Eurocommunists conditional:

1. The Eurocommunists must not look upon their own specific conceptions as a long-term strategy with which they intend to build up a democratic Socialism, but must regard them merely as a tactical approach towards the seizure of power. For, in Moscow's eyes, as we have seen, the fulfillment of the historic mission of the working class lies in identical universal laws—which have attained their most advanced state of development in the Soviet society.

2. The Eurocommunists must refrain from offensively trying to exert their own concepts upon the USSR and its Eastern European forefield. For it would be absurd to attempt to turn a society such as the Soviet one, which in the opinion of the Secretary of the CPSU and candidate member of the Politburo Ponomarev embodies "in a concentrated, generalized form, the essential nature and the living countenance of mature socialism", back to the level of stages of development which it has long surmounted.

3. The Eurocommunists must support Soviet foreign policy in its basic lines, even when this demands certain sacrifices from them in the short term. For in Moscow's eyes the strengthening of the Soviet Union and the Socialist Community is an essential precondition if the policy of détente, to which the Eurocommunists owe their present room to manoeuvre in the field of domestic policy in the first place, is to be continued, indeed, Soviet strength is essential to the strengthening and propagation of Socialism throughout the world.

When the Soviet leaders compare all this with the central points in the re-orientation of the Eurocommunists, as we discussed in our introduction, they must ask themselves whether these three provisos for their dealings with the Eurocommunist parties are still being met in their entirety. They consider the effects of Eurocommunist conceptions on their Eastern satellites to be particularly dangerous, especially since reformist communist forces in these countries are pointing to the Eurocommunist example more and more frequently and, together with the large circle of the civil rights movements, are increasingly receiving moral support from the Eurocommunists.

Moscow rightly fears that this, in conjunction with the potential effects of Basket 3 of the Helsinki agreement and with economic straits in some countries of the Eastern bloc, could, in the long term, bring the system into jeopardy. At any rate, as Helsinki and East Berlin showed, the two conferences were unable to fulfil the function which Moscow had originally envisaged for them—that of securing and legitimating Soviet predominance in important fields of international politics.

How is Moscow reacting to the Eurocommunist challenge? On the one hand, nobody in the Kremlin appears to have any intention of making any concessions to the Eurocommunists in fundamental matters of ideology, for this would have unforeseeable consequences for its own sphere of hegemony in Eastern Europe and even in the Soviet Union itself. On the other hand, there are many indications to the effect that there are differences of opinion within the Soviet leadership as regards the better tactical approach towards the Eurocommunists—differences between advocates of a hard line (Suslov, Ponomarev, Saradov) and supporters of a more flexible course (Brezhnev himself and his confidants such as Sagladin).

Thus the reaction of the Soviet leadership in the face of the new challenges is typical of its behaviour in complicated situations: it tries to keep all its options open for as long as possible and tries to evade decisions on matters of principle again and again, especially since this could mean breaking with the Eurocommunists, a step which, for a number of reasons, Moscow would be reluctant to take, at least for the time being. On the other hand, a further disintegration of the Communist movement would, in the long run, undermine the CPSU's legitimation basis in its own country and in its Eastern European sphere of hegemony and would vindicate those (for example the Chinese) who describe Soviet policy as Great Power politics. Indeed, according to Brezhnev it is precisely the "comradeship-in-arms of the Marxist-Leninist parties" which forms the "sound foundation" and the "cementing force" of the Socialist community.

There is also the fact that any Soviet plans for a break with the Eurocommunists would probably meet with serious reservations or even opposition from some of their sister parties in Eastern Europe. For the Hungarian and the Polish—and, to a certain extent, even the East German—communists are interested in countering a one-sided integration into the Soviet-dominated Eastern system by cultivating relations with their strong Western sister parties, in order to maintain a line of communication with the West, one which is becoming increasingly important.

On the other hand, there are foreign-policy reasons which keep the Soviet leadership's interest in maintaining relations to the Eurocommunists alive. For it still lays great store by the support which the Eurocommunists continue to give to Soviet foreign policy in a number of fields of central importance. Here the Soviet leadership is counting primarily on being able to employ these parties as a pressure group in favour of Moscow's policies of state interests in the field of East-West relations, and to use them as political factors in its policy of "peaceful co-existence" and détente, which is thought of as a dynamic process and is designed as an aid to extending Soviet influence in Western Europe. Thus the prime aim of the Communist Conference held in East Berlin in June 1976 was, in Moscow's eyes, "to link up the peace policy of the Socialist states with the movement of the working class, its parties, and the widest masses of the peoples" of the world (Ponomarev).

This, of course, is where the classic dual nature of Soviet foreign relations—simultaneous cultivation of good relations both on an inter-party and on an inter-state level—takes on a new dimension for the CPSU, a dimension which is becoming increasingly difficult to control, since this duality now also affects its relations with the parties themselves. On the one hand, the CPSU has no choice but to take steps to combat the ideological revisionism of the Eurocommunists and to prevail upon them to follow the fundamental laws of Marxist-Leninist thought. On the other, some of these parties are already so strong on the national level that the Soviet leadership is obliged to recognise their importance as serious factors affecting Soviet relations with other states and to treat them accordingly, i.e. with due consideration. It is in this multi-level Moscow approach that we find the explanation for the CPSU's, at first glance, remarkable combination of ideological attacks on and political concession towards the Italian communists.

IV

It is not surprising, in the light of the complexity of the Eurocommunist problem which Moscow, too, has trouble in unravelling, that the Soviet leadership should have no finite and consistent overall strategy and should be more or less at a loss as to how to tackle the whole affair. Contrary to widespread opinion, the Soviet communists and their satellite parties in Eastern and Western Europe are ideologically on the defensive rather than on the offensive.

The revolutionary impetus and the ideological attractivity of the early years of Soviet power are gone, and the hopes of the Khrushchev era and the days of the first sputniks, hopes of catching up with and even overtaking the West economically and technologically, have not been fulfilled. The only instrument left open to Moscow with which to consolidate its influence in Eastern Europe and, if possible, to extend it to Western Europe, too, is, in the end effect, political power built upon military strength—a political power which, like every imperial entity, depends on ideological trimmings and backing to legitimate its rule.

Nevertheless, Soviet replies do reveal a number of common basic feaurtes:

1. The Soviet leadership is sparing no effort to make the ideological-political integration of the Socialist community under the domination of the USSR more complete and to intensify it still further. It is in this context that we should see the restoration to acclamation of Andrei Zhdanov, a development which must have been nothing less than a provocation to the Eurocommunists, since it was Zhdanov, a man with a Russian nationalist tinge, who, by order of Stalin, had stood godfather to the Cominform in 1947—an institution which was encharged with the missions of welding together the Socialist states under the banner of the "Two Camp Theory", of taking offensive countermeasures against attempts by the "bourgeois ideology" to gain influence, and of re-converting the CPI and CPF into pro-Soviet propaganda parties.

False as the conclusion might be that Moscow intended with this step to signal its reversion to the Cominform policy of totally screening off eastern Europe and of confrontation with the West, it is probably true to regard this measure as expressing an increased desire for security on the part of the Soviet Union, as well as its intention to safeguard Eastern Europe more reliably against ideological-political influences from the West. A series of conferences with these aims, which had begun in December 1973 with the meeting in Moscow of the Secretaries responsible for international and ideological affairs in the Central Committees of the ruling parties of the USSR, Poland, the GDR, Czechoslovakia, Hungary, Rumania, Bulgaria, the Mongolian People's Republic, and Cuba, was also continued and intensified.

Politicians from these countries have met twice in the course of the past few months in Sofia: first leading Party ideologists and social scientists on 16th and 17th December 1976 and then, on 2nd and 3rd March, 1977 (parallel, by the way, to the Eurocommunists' Madrid summit), the Secretaries of the Central Committees responsible for Ideology and International relations. In both cases, the agenda of these meetings included the appraisal of the extent to which the "Eurocommunists" were jeopardizing the Eastern European system and the elaboration of a co-ordinated counter-strategy.

2. The Soviet leadership has been sharpening its tone towards the Eurocommunists. Thus the Bulgarian head of State and Party Zhikov characterised Eurocommunism to-

wards the end of 1976, no doubt in close consultation with Moscow, as an attempt to replace the "inherent laws and universal characteristics of revolutionary experience by local peculiarities" and thus as pursuing a "basic line of ideological diversion against proletarian internationalism". The leadership of the CPSU took the CPF even more vehemently to task by singling out the Party historian Elleinstein, a close associate of the Party leader, Marchais, as representing the whole reform-orientated fraction of the leadership of the CPF, and accusing him of casting doubts on "the revolutionary doctrine of Marxism-Leninism and its significance for Communism" and of defaming the Socialist democracy and the political system of the Socialist countries. His writings were hardly distinguishable in parts "from that that which obviously reactionary journalists" write.

3. All this does not by any means imply that East-West relations must also automatically take a turn for the worse. On the contrary: both sides are interested, beyond the realms of ideological differences and processes of internal transformation, in preserving the policy of détente and co-operation. Both the USSR and the USA (cf. the Sonnenfeldt doctrine) seem to show a certain understanding for the other Power's desire to keep developments in its own sphere of influence under control.

There are, however, three cases in particular in which an alteration to this situation could not be completely excluded. Firstly, if a Communist Party were to become a dominant factor in a Western government, reversing the traditional "philosophy" of European integration and admitting more influence for Soviet power policy. This could be true especially if the leftists were to win in France, and, above all, if the French communists who are opposed to integration were to take a leading position in a government of the left.

Such a development would have adverse consequences for East-West relations in general, for it would impel the West to submit its relations to Moscow to critical scrutiny. Secondly, if Eurocommunist conceptions had so strong an influence on Eastern Europe that the Soviet Union found it difficult to keep control over its Eastern European forefield: in this case Moscow would submit its relations to the west to critical scrutiny. Both cases are conceivable, thougn not very likely.

Nevertheless, the Soviet leadership will continue its endeavours to find a modus vivendi with the Eurocommunists on the basis of mutual non-interference in internal affairs for as long as at all possible. These tactics have proved successful to date insofar as the leaders of the Eurocommunists refrained at their summit conference in Madrid in March 1977 from incorporating a direct condemnation of measures taken by Eastern European countries to suppress civil rights movements into their concluding statement. To be sure, this meant, on the one hand, giving way, to some extent, to Soviet pressure. On the other hand, it gave those parties in Eastern Europe which would like to see European Communism come to rest the opportunity of preventing open criticism of the Eurocommunists being voiced at the parallel meeting in Sofia, as had been the intention of the CPSU and its Bulgarian and Czechoslovak followers.

Finally, it is certain that the determination not to provide ammunition for those who have been using the violation of human rights in some countries of Eastern Europe as an excuse to polemize against the policy of détente also played a certain role. For as sharply as they have come out against such violations on a number of occasions, the Eurocommunists are just as vitally interested in seeing détente policy continued, the policy which paved the way for their emergence from isolation in the first place.

For the rest, the CPSU and most of the other Communist Parties of Eastern Europe appear to be of the opinion that the real test for the Eurocommunists and for the holding capacity of their conceptions will not come until they have taken over governmental responsibility. Only "practical experience" was the "test of the rightness or wrongness of this or that thesis", as Brezhnev stated at the summit conference of the Communist Parties in East Berlin. Moscow is obviously of the opinion that the realities of day-to-day government will eventually force the Eurocommunists to take recourse to the traditionalist inherent laws and action patterns of Marxism-Leninism—for example to the dictatorship of the proletariat in one form or another—and to draw on the solidarity and material aid of the Socialist community.

Should the dynamic forces inherent in the transformation of the Eurocommunists, as described in our introduction, continue to act, and perhaps even gain further strength, after a Eurocommunist party had assumed governmental responsibility, i.e., should the CPSU one day realise that the Eurocommunists' conceptions and activities were, in the long run, more detrimental than beneficial to Moscow's interests, e.g., as a result of intensified emanation towards Eastern Europe, then the Soviet leadership could reconsider the situation.

It could, for example, endeavour to "Finlandize" the Eurocommunist parties, i.e., to support groups loyal to Moscow within the ranks of the Eurocommunists, as it has already done in Finland, in order to exercise pressure on the party leaderships or even to force these to resign. That this is more than mere speculation is proved not only by experience in Finland but also by the events in the CP of Greece (the split in 1968, the CP of Spain (various Soviet attempts to split up the party since 1969), the CP of Norway (the replacement of a reform-orientated leadership by one loyal to Moscow in 1975) and the Left Party Communists in Sweden (the split in 1977).

Admittedly: apart from the fact that the CPSU regards such a step only as an ultima ratio measure—it is nevertheless far from certain that the Soviet leadership is still in a position to use such a lever on the Eurocommunists at all (if so, then most probably in the case of the CPF). It is possible that such a measure would have precisely the opposite effect to the original intention with which it was taken.

New Times Editorial Refutes Carrillo on Eurocommunism

Concerning the book "Eurocommunism and the State" by Santiago Carrillo, general secretary of the Communist Party of Spain:

Ours is a time of momentous social change. The process of the transformation of society is moving ever forward to the benefit of all mankind. More and more countries, peoples and social groups are taking their place under the banners of socialism, democracy and national liberation.

The motive force of this epochal evolution today is plain for all to see. It is the socialist countries, the international working class, and the fighters for national and social emancipation, among them the participants in the non-aligned movement in Asia, Africa and Latin America. Of paramount importance for successful struggle for peace, democracy and socialism is the alliance of these three basic revolutionary forces, and of that alliance the international communist movement is the embodiment and the moving spirit.

Clearly, the greater the unity and cohesion of this movement, the more effective a factor it is in bringing together all the anti-imperialist, revolutionary forces. "From the sum total of the experience of class struggle the communists of all countries draw the conclusion that the most important precondition of the solution of the difficult, multiform problems facing them is the strengthening of the comradeship, unity and active cooperation among all the fraternal parties of the world," Leonid Brezhnev has stressed. "Only by acting as a united international movement can world communism attain its great goals."

Basic to this is unity between the communist parties that have already achieved the overthrow of the capitalist system and have taken the lead in the construction of the new society and the fraternal parties functioning in the non-socialist world. That durable alliance and cooperation between these two groups of parties is a powerful force in the defense of the workers' interests and of peace and progress has been demonstrated time and again over the past sixty years.

This is vividly evident also in European developments. The important changes that have taken place on our continent are the direct result of cooperation between the communists of both the Eastern and the Western parts of Europe.

Recall if only [as received] the militant union of Europe's communists in the struggle against fascism during World War Two; the active, effective support rendered one another by the communist and worker's parties during the cold war; the joint actions in support of Vietnam; the resolute joint struggle waged by the communists of both parts of the continent for detente and co-operation among all the countries of Europe, and the broad, truly world-wide campaigns of solidarity with the victims of imperialism and reaction.

It must be noted, however, that the more the political positions of monopoly capital are shaken and the more influential the communist and workers' parties become, the more insidious and cunning the actions of the enemies of communism aimed at disuniting the anti-imperialist forces and splitting and undermining the communist movement.

The imperalist strategy of division of course meets with a vigorous rebuff on the part of the fraternal parties. Of cardinal significance in this respect was the Berlin Conference of the Communist and Workers' Parties of Europe, which reaffirmed the communists' fidelity to the principles of internationalist solidarity.

Regrettably, however, views essentially running counter to these principles have been voiced even by members of the communist movement. A case in point is the public pronouncements of Santiago Carrillo, general secretary of the Communist Party of Spain, and primarily his book "Eurocommunism and the State," which appeared in April this year.

The problems dealt with in Carrillo's book could be classified in two groups. The first relates to the strategy and tactics of the West European communists.

There is no doubt that there are indeed interesting and serious problems here which it is the communists' direct duty thoroughly to study. Considering that these problems are complex, multi-faceted and have both theoretical and practical implications, exchanges of views on these issues between representatives of different communist parties are unquestionably of great interest. But they are a subject in themselves and we shall not go into them in the present article.

The second group of problems relates to the present international situation, characterization of the socialist countries and their policy, and the unity and cohesion of the communist movement.

These questions have a direct bearing on the interests of practically all the fraternal parties, including, naturally, the Communist

Party of the Soviet Union. Consequently, we consider it our right and duty to state our views on these questions.

First, about "Eurocommunism."

To begin with, it should be noted that in the matter of "Eurocommunism," as, incidentally, in many respects, Carrillo has undergone a truly staggering metamorphosis. Only a year ago, at the Berlin conference, he said that there was no such thing as "Eurocommunism." Today he proclaims himself not simply a Eurocommunist, but something of an apostle of this new concept and sets out to formulate its basic dogmas for the benefit of the whole world. And it must be said that he makes his understanding of "Eurocommunism" quite plain.

Objective analysis of what Carrillo says in his book on this subject leads to the inevitable conclusion that he uses and propounds the term (or concept) for the following purposes.

First, in order to counterpose the communist parties of the European capitalist countries to the communist parties of the socialist countries.

Second, in order to discredit existing socialism, that is, the countries that have already created the new society, and primarily the Soviet Union.

Third, in order to renounce all the conclusions jointly drawn by the communists of Europe and the aims they have set themserves in the struggle for the interests of the working class and all other sections of the working people, for peace, democracy and social progress. Against these conclusions and aims he sets an altogether different programme, one that essentially leads not only to the perpetuation of the division of Europe into opposing military blocs, but, moreover, to the strengthening of the aggressive NATO bloc.

That this approach accords neither with the interests of peace nor with the interests of socialism is surely self-evident.

But before going into Carrillo's concepts, it is perhaps in place to dwell briefly on the term "Eurocommunism" itself and its different interpretations.

The term first cropped up comparatively recently. It was originally coined by bourgeois political theorists and since then has been bandied about in one form or another depending on who uses it and what interpretation is placed on it.

Our interpretation originates among the left, including the communist parties. Some, while pointing out as a rule that the term is not a communist one, that it was not thought up by the communists, using it in reference to the common features characteristic of the present strategy of the communist parties of the developed capitalist countries, the strategy of their struggle for democracy and socialism.

True enough, the strategies of a number of West European parties, and on a broader plane, of the parties of the capitalist countries at a high level of socio-economic development, do have common basic premises. This is a widely known fact that was recognized long ago. Ever since Lenin's time, the CPSU has always underscored the need to take into account, when working out the strategy of revolutionary struggle, the specific conditions in which a party functions. The communist parties of the developed capitalist countries, as all other communist parties for that matter, naturally seek to take account of the national and historical context in their countries.

But even this interpretation can be objected to on the following grounds:

First, the developed capitalist countries are not only European. They include the United States, Japan, Canada and Australia, which means that from this standpoint "Eurocommunism" is too narrow a concept.

Second, lumping together all the communist parties, even if only the West European, is an over-simplification of the actual state of affairs. After all, even the West European countries are by no means identical, not only as regards natural conditions but above all economically and socially. Britain is one thing and Spain is another; Greece is one thing and Norway is something entirely different. Greater still is the difference between their historical traditions, customs, etc. Hence, with all the similarity of some, even basic approaches to the struggle for socialism, the strategies of the various West European parties differ substantially in many respects.

Last but not least, the concept of "Eurocommunism" is erroneous also because it affords grounds for assuming that what is in question, as has been rightly underscored in many documents of communist parties, is not some specific features of the strategy of the communist parties of some countries, but some sort of specific brand of communism.

Yet there is only one communism—if we speak of true, scientific communism—namely, that whose foundations were laid by Marx, Engels and Lenin, and whose principles are adhered to by the present-day communist movement.

There is, however, another rather widespread interpretation of "Eurocommunism" given it from the very outset by spokesmen of the capitalist world. For instance, the Italian journal L'EUROPEO, in an article in its April 25, 1976, issue, made it quite plain that "Eurocommunism" is, first, an instrument for the "pluralization" of communism, i.e., for splitting communism into separate parts opposed to one another. Second, it is a political trend according (for these very reasons) with the interests of "international political stability," i.e. maintenance of a political status quo consonant with the aims of imperialism, in particular, the United States.

Bourgeois ideologues of different countries have on more than one occasion explained what they mean by "Eurocommunism." In the final analysis all these explanations have boiled down to a very simple thing. What they want is that the communist and workers' parties in Western Europe should cease to be communist parties, that they should come out against the scientific communism founded by Marx, Engels and Lenin, and—more important still—that they should sever all ties with the communist and workers' parties of the socialist countries of Europe and enter into confrontation with them.

It should be mentioned that roughly the same line has been adopted by spokesmen of a number of social democratic parties. For instance, Austrian Socialist Party Chairman Bruno Kreisky, addressing a meeting of functionaries of his party in Alpbach last year, set forth his views on what "Eurocommunist parties" should be like. His advice amounted to this: These parties should renounce socialist revolution and working-class power, renounce proletarian internationalism and primarily friendship and solidarity with the Soviet Union and other socialist countries.

Writing not long ago in the Hungarian NEPSZABADSAG, Ference Varnai rightly said: "Making the concept of 'Eurocommunism' an issue in political struggle is obviously a maneuver aimed at diverting attention away from the anti-monopoly struggle, at presenting those West European communist parties which are labelled 'Eurocommunist' as being anti-Soviet, stirring up a controversy between fraternal parties, in particular between those in power and those still fighting to win power."

Reading Carrillo's book, it might seem at first that what is in question are differences between the strategy and tactics of communist parties of different countries. He treats of rather widespread views on certain specific features of communist strategy in developed countries, etc. In Carrillo's opinion, "Eurocommunism is an independent strategic concept" applicable, he maintains, to "any developed country," although it is based primarily on European experience.

But that is only the initial impression. Further on the book strikes a very different note, as Carrillo proceeds to expound an interpretation of "Eurocommunism" that coincides precisely with the meaning attached to it by the imperialist opponents of communism.

Indeed, Carrillo's "discovery" is that "Eurocommunism" could exercise a "decisive influence" on the creation of a "united Europe" capable of "playing an independent role in a balanced world now broken up into regional groupings." Further it turns out that essentially the reference is not to Europe, but only to Western Europe.

Judging by the book, the concept of "Eurocommunism", as Carrillo sees it, is a concept of setting the West European countries apart as a "force" opposed primarily to the socialist countries.

The author may object that nowhere in his book does he say anything of the kind. True enough, so as not to come out as an open protagonist of Atlanticism and an opponent of socialism, he does speak of socialism, at time even advocating the building of socialism in the West European countries. But how does this tally with some of his other statements, as, for instance, when he talks about a "definite stage in the organization of defence on the European level"? Everybody knows what "organization of defence on the European level" implies. It means the continuation of the imperialist policy of arming Western Europe against world socialism, a policy of alliance between European and American reaction. Surely it is clear that ideas of this order are very remote indeed from the building of socialism.

It will be in place here to recall that only a short time ago Carrillo favoured the entry of Spain into NATO, that most aggressive bloc, whose main purpose it is to prepare for war against the Soviet Union and the other socialist countries.

There is no mention in the book of this more than strange stand. But what there is in it is quite enough. For it makes it plain the underlying idea is the "union" of Western Europe on what is in effect an anti-Soviet platform. No wonder Carrillo's projections of this kind meet with approbation on the part of bourgeois propagandists and ideologues.

The idea of establishing a "united Europe," a Europe "independent of the USSR and the U.S.A.," has also another angle. It implies the division of the democratic forces and the communist movement on the continent into two parts, a division that would channel the West European democratic and communist movement to some highly dubious "third" or "middle" road, somewhere between capitalism and socialism. One cannot but note that this is very reminiscent of the ideas voiced by leaders of the socialist international in Geneva last November.

It must be said that the idea of division in the European communist movement, the idea of splitting it, is evidently very dear to Carrillo's heart. At any rate, he propounds and expounds it with a tenacity worthy of a better cause. For instance, as far back as December 1975 he told an interviewer from the Italian LA STAMPA that "there can be no common line between the communist parties of the capitalist countries and the parties of the countries of Eastern Europe . . . We (who?—ed.) are thinking of revising the principles of internationalism so as to base it on the coordination of our actions with the actions of the other forces of the labour movement in Western Europe. Contacts, relationships of cooperation, may be preserved with the parties of the countries of Eastern Europe, but the West must come first."

Needless to say, it is not only the right but probably the duty of the communist parties of Western Europe to coordinate their actions if only because the West European capitalists have long been waging an offensive against the working-class movement in what is essentially a united front. But what is unclear is why in order to give effect to such coordination of action, it should be necessary to renounce cooperation with the communist parties of the socialist countries, and, more than that, to revise the principles of internationalism"? After all, hitherto—and for many years—cooperation among the communist parties of the Western part of the continent has developed successfully alongside all-European communist cooperation.

There can be no doubt that Carrillo's interpretation of "Eurocommunism" accords solely with the interests of imperialism, the forces of aggression and reaction. If applied in practice, it would have serious negative consequences, the full impact of which would be felt primarily by the communists in the capitalist countries, including, of course, Spain. It would, lastly, lead to a split in the international communist movement, i.e., the very goal the reactionary, imperialist forces have aspired to for so many decades.

In Carrillo's postulations "Eurocommunism" is closely linked with his escalating anti-Sovietism. In characterizing the policy of the Soviet Union and the activity of the CPSU, he has latterly spoken of our country and our party in terms which even the most reactionary writers do not often venture to use. In this respect too Carrillo has gone through an astounding "evolution" in recent years.

There was a time he stood on positions of solidarity with the party of Lenin and the world's first socialist country and the tenor of his pronouncements was altogether different. In his report to the 6th Congress of the Communist Party of Spain in January 1960 he said: "We are guided by the principles elaborated by Marx, Engels and Lenin taught us by the experience of struggle and drawn from the example of the great Communist Party of the Soviet Union."

At the 7th congress of the party in August 1965 he said: "The strongest pillar of strength for the peoples in their movement towards liberation is the Union of Soviet Socialist Republics born of the Great October Socialist Revolution."

In September 1970 he declared at a plenary meeting of the Central Committee of the Communist Party in Spain: "It is impossible to conceive of socialists who would regard the USSR and, even more so, the Soviet form of socialism as their enemy."

It is perhaps in place in this connection to recall the communique published on the talks held in Moscow in October 1974 between a delegation from the Communist Party of Spain led by Santiago Carrillo and a delegation of the CPSU.

"The delegation of the Communist Party of Spain," the communique read, "expressed profound satisfaction with the achievements of the Soviet Union and welcomed the growth of the prestige of the USSR in the world arena. The CPS supports the Soviet policy of peace and peaceful coexistence of states and of assistance to the peoples fighting against imperialism and for national independence. It gives a high appraisal of the role of the CPSU in the implementation of this policy and its important contribution to the development of the world revolutionary process."

One cannot help but ask: Do all the present statements made by Carrillo signfly that he is now officially and completely disavowing what the delegation of the Communist Party of Spain he headed only a little more than two years ago officially and fully endorsed? To any unbiased observer it is plain that Carrillo has revised many of the assessments made by his party only recently.

The fact is that in the course of 1976 Carrillo repeatedly declared that the Communist Party of Spain "has no connection with the USSR as a state or with its policy." And in an interview he gave to the American UPI agency in January this year, Carrillo, continuing his "evolution," added:

"We are not in solidarity with the present policy of the Soviet Union." This is a complete departure from what he said only recently.

It is precisely these new views that are developed further in the book "Eurocommunism and the State." How does he characterize the Soviet Union in it? In his opinion what has been accomplished in the USSR does not accord with the ideas of Marxism-Leninism. Carrillo contends that the October Revolution gave rise to a state of a type which "while not being a bourgeois state, at the same time cannot be considered a workers' democracy where the organized proletariat is the ruling class."

This is said of a country where the working class is the leading force in society, where it wields, together with the peasantry and intelligentsia, the totality of power. This is said of a country where more than half of the state administration are people who directly belong to the working class; of a country where political leadership is exercised by the CPSU, a party that was created by the working class, reflects its views and interests, and is leading the country toward communism; of a country whose every step is oriented on the interests of the working people, and above all, the working class; a country that places all its activity at the service of the workingman's interests.

Is Santiago Carrillo not aware of all this? He of course knows all this full well, just as do the thousands of Spanish communists living in the Soviet Union who, together with the Soviet people, fought against Hitlerism and through the years since then have been taking part in the building of a communist society.

As regards Carrillo's recommendations to "Soviet comrades," for transforming the Soviet state, it should be noted, first, that he contradicts himself in urging in effect the weakening of the Soviet Union, the might of which, as he himself has to concede in earlier passages of his book, played so important a role in combating imperialism and in changing the world balance of strength. Second, such recommendations can only be qualified as interference in the internal affairs of another party, all the more so since they are accompanied by assessments that are not only erroneous but insulting to the Soviet people.

No, it is not because he does not know any better that Carrillo castigates socialism, our country. It is rather a matter of conscious anti-Sovietism.

This is particularly evident from his latest public pronouncement—an interview to the West German DER SPIEGEL in which he not only denies our state the right to be called a socialist democratic state, but actually demands its "transformation," calls for struggle against the existing system of government. That these disquisitions are profoundly hostile towards our country is obvious.

How, other than anti-Soviet, can one qualify Carrillo's monstrous statement that the Soviet Union is the "superpower" to blame for the arms race and that it pursues great power objectives? What other interpretation can be given to his slanderous allegations that the Soviet Union makes use of the class struggle and internationalism as an instrument for the achievement of precisely such aims?

The record of all the sixty years of the existence of the Soviet land conclusively gives the lie to such allegations. Never in all these six decades has the Soviet Government or the party leadership used the strength of the USSR in pursuit of egoistic objectives to the detriment of the cause of peace and socialism or the national interests of other countries. Never in all this time has the Soviet Union evaded its internationalist obligations. On this score there is the weighty evidence given for the whole world to hear by the leaders of countries such as Vietnam and Laos, Cuba and Angola, the leaders of national liberation movements in southern Africa and Latin America, and the patriots of Chile and Uruguay. More, there is the witness borne by the Spanish patriots, the Spanish communists, whose own experience demonstrates the Soviet Union's fidelity to internationalism.

The question naturally arises: Why has Santiago Carrillo chosen to take such a stand towards socialism, towards the Soviet Union? Where do the roots of this stand lie? Perhaps in time the answer to this question can be formulated more precisely, but some of the angles have already been made quite clear by Carrillo himself.

We have cited above what he says about his intention to "revise the principles of internationalism." Moreover, he has repeatedly declared that internationalism is a "hangover." In February 1976 he went even farther, declaring that he would "revise Marxist-Leninist theory." A somewhat curious occupation for a communist? Carrillo himself threw light on the subject in July last year when a U.S. newsman asked him why, considering his views, he called himself a communist. Carrillo replied without hesitation: "It's only a name."

No person in possession of his facilities could, on reading a statement like this (and as far as we know Carrillo has not denied it), interpret it as anything but a renunciation of Marxism-Leninism, of the basic principles of the revolutionary teaching of scientific communism.

Seeking somehow to vindicate his unsavory position, Carrillo devotes several pages of his book to a rather clumsy attempt to prove that to be a revisionist is nothing short of an honour. To be able to draw this paradoxical conclusion, he had to make it appear as if Marx, Engels and Lenin too were revisionists. Carrillo apparently assumes that his book will be read by simpletons unable to distinguish between creative development of Marxism-Leninism and revisionist repudiation of its fundamental, basic ideas. Let him think so. The likelihood, however, is that his readers will see through his ideas to their true character.

If Carrillo considers the lofty title of communist to be "only a name," that is his private affair. But it ceases to be that when he begins to exhort all Europe's communists to follow his example.

It is noteworthy that bourgeois propaganda is giving wide publicity to Carrillo's views. Not infrequently the view is expressed that the ideas he has put forward latterly have been prompted by a desire to win at all costs "respectability" in the eyes of the Spanish bourgeoisie, to persuade them magnanimously to accept him as one of their "own," as not presenting any threat to their domination and privileges. However, life has demonstrated time and again, as was pointed out at the 25th Congress of the CPSU, that "a concession to opportunism may sometimes yield some temporary advantages, but will utimately be damaging to the party."

To renounce internationalist positions and, for the sake of temporary tactical advantages, to jettison principles and adopt positions obviously unfriendly to the world's first socialist country is to do a good service to the class enemy, who, incidentally, actively coordinates his anti-Soviet actions on international scale.

Who gains by this? Santiago Carrillo would do well to give thought to this question,

bearing in mind the weighty warning given by Lenin as far back as 1904 in his classical "one step forward, two steps back." Stressing that the enemies of the working-class movement always welcomes "every swing towards opportunism, even the slightest and most temporary," he wrote: "You can tell a man's mistakes by the people who praise him."

The bourgeois press readily gives space to Carrillo's pronouncements, and this once again shows whose interests these pronouncements serve.

The Communist Party of the Soviet Union and the Communist Party of Spain were linked for many years by bonds of friendship and solidarity, mutual aid and support. The memory of those who sealed the friendship of our parties and peoples with the blood they shed on the fields of the Asturias and in the trenches of Stalingrad will be cherished forever, both by Soviet people and, we are confident, by our Spanish comrades.

Today too the Soviet people and the Communist Party of the Soviet Union stand in solidarity with the struggle waged by the communists and all the left forces of Spain for democratic reforms in that country, for the rights and interests of its people. Today too the CPSU holds that the highroad of relations between our parties is the road of friendship, cooperation and joint struggle. However, Carrillo's crude anti-Sovietism is plainly causing considerable damage to these relations. Responsibility for this rests fully with him.

The world communist movement, including the communist movement on the European Continent, has achieved much in recent years. From the positions it has now reached it will be able confidently to move forward to new victories in the struggle for peace, security, cooperation and social progress. Realizing this, the imperialist forces are doing everything in their power to halt the steady advance of the forces of democracy and socialism. But at this stage of historical development, too, defeat awaits the enemies of socialism and communism.

Needless to say, no victories in the class struggle come about of themselves. So it is in the given case as well—victory will be won in struggle against both the bourgeois carriers of division and those who would insinuate divisive ideas into the communist movement. That victory is sure to come, for the communists of Europe, who have gone through so many severe trials in the past, will be able to cope also with the latest attempts to split their ranks.

Closely co-operating with another, building international solidarity while refraining from all interference in one another's internal affairs, truly respecting one another, creatively applying Marxism-Leninism and elaborating new ways and means of revolutionary transformation consonant with our epoch and taking into account the specific national features, the communist parties of our continent are successfully working towards their jointly defined aims in the struggle against imperialism, for a Europe of peace and social progress.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

James K. Robinson, of Michigan, to be U.S. attorney for the eastern district of Michigan for the term of 4 years, vice Philip M. Van Dam.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, July 28, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Edward F. Harrington, of Massachusetts, to be U.S. attorney for the district of Massachusetts for the term of 4 years, vice James N. Gebriel, term expired.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, July 28, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

HOUSE OF REPRESENTATIVES—*Thursday, July 21, 1977*

The House met at 10 o'clock a.m.

The Reverend Herman C. Frankland, pastor, Bangor Baptist Church, Bangor, Maine, offered the following prayer:

Almighty God, as we bow in Your presence, how cognizant we are of our need of Your leadership. How our hearts are stirred and challenged as we consider the blessings and benefits You have bestowed upon our beloved America. We do not deserve them and only because of Your beneficence can we have the liberties that are ours today.

We beseech Thee, in Jesus' name, to guide our leaders and turn their hearts withersoever Thou will. Cause each one to realize life's ultimate goal is to know God and accept Him as Saviour. Place within our hearts the earnest desire to put God first in all our decisions.

If it be Thy sovereign will, please grant us continued freedom and the privilege of life, liberty, and pursuit of happiness. For we ask these things in Jesus' matchless name, and for His sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 291. Concurrent resolution to authorize certain corrections in the enrollment of H.R. 6138.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2) entitled "An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4746) entitled "An act to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7557) entitled "An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1978, and for other purposes," and that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 13, 34, and 39 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1474) entitled "An act to authorize certain construction at military installations, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7933. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7933) entitled "An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. STENNIS, Mr. MAGNUSON, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. EAGLETON, Mr. CHILES, Mr. SASSER,

Mr. YOUNG, Mr. CASE, Mr. STEVENS, Mr. SCHWEIKER, and Mr. BROOKE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 658. An act to designate certain lands for inclusion and potential inclusion in the National Wilderness Preservation System;

S. 1859. An act to amend the Act of July 31, 1946, as amended, relating to the United States Capitol Grounds; and

S. Con. Res. 39. Concurrent resolution authorizing technical corrections in the enrollment of H.R. 2.

THE REVEREND HERMAN C. FRANKLAND

(Mr. COHEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COHEN. Mr. Speaker, it is with a strong sense of local pride and personal thanksgiving that I joined Rev. Herman C. Frankland in prayer as he opened this morning's session of the House.

Reverend Frankland is a friend and constituent of mine, who has come to Washington from my hometown, Bangor, Maine, to lead us in prayer. Reverend Frankland is the pastor of the Bangor Baptist Church, a parish he founded in 1967. In the decade since he established his congregation, Reverend Frankland's church has flourished. It is today the largest Baptist church in all of New England.

Reverend Frankland is a great spiritual and moral leader whose influence extends far beyond his own community and State. He organized the Northern New England Baptist Bible Fellowship, an organization of independent Baptist churches across our region, and served as president of the group for 4 years. He also organized the Bangor Christian Schools in 1970, now one of the largest Christian schools in New England.

I am very proud that such a distinguished Maine clergyman has been given the opportunity to lead the House in prayer. I want to thank you, Mr. Speaker, and the House Chaplain, Edward G. Latch, for your generous cooperation in making Reverend Frankland's appearance here today possible.

Reverend Frankland's charge to us should guide us all as we proceed with our legislative mission in this Chamber. We in the House are signally honored to have been able to hear Reverend Frankland deliver the opening prayer today.

PERMISSION FOR SUBCOMMITTEE ON NATIONAL PARKS AND INSULAR AFFAIRS OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO MEET TODAY

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that the Subcommittee on National Parks and Insular Affairs of the Committee on Interior and Insular Affairs may be permitted to meet this morning.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. CEDERBERG. Mr. Speaker, reserving the right to object, has the gentleman cleared this with the ranking minority member of the subcommittee?

Mr. PHILLIP BURTON. No; I have not, because I have not seen him as yet today. I will not proceed immediately. At any point, when he tells me that he does not desire it, I would not proceed. I would prefer to get the authority, but I will not go forward if the ranking minority member tells me that I should not.

Mr. CEDERBERG. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 7558, AGRICULTURE AND RELATED AGENCIES APPROPRIATION ACT, 1978

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill H.R. 7558, making appropriations for Agriculture and related agencies for the fiscal year ending September 30, 1978, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 7933, DEFENSE DEPARTMENT APPROPRIATION ACT, 1978

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ADDABBO. Mr. Speaker, reserving the right to object, I take this time to ask the chairman of the full Committee on Appropriations and the Subcommittee on Defense a question in reference to the funding for the B–1 bomber. The Senate has deleted the funds. The House, by a narrow margin, defeated my motion to delete the funds. Is it the chairman's intention that if the House conferees cannot agree with the Senate provision, the matter will be brought back to the House in disagreement so that there will be a separate vote in the House on that question?

Mr. MAHON. Mr. Speaker, if the gentleman will yield, we have, of course, appointed conferees, and we have not conferred; but it seems to me inescapable that the House will have an opportunity to vote on the B–1 matter. In what form, I have not considered it personally, and I have not discussed it with any member of the subcommittee, but I would think the House would have an opportunity to work its will.

Mr. ADDABBO. Mr. Speaker, on that basis, I withdraw my reservation of objection on the appointment of conferees.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. MAHON, SIKES, FLOOD, ADDABBO, MCFALL, FLYNT, GIAIMO, CHAPPELL, BURLISON of Missouri, EDWARDS of Alabama, ROBINSON, KEMP, and CEDERBERG.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Chairman, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves, pursuant to rule XXVIII 6(a) of the House rules that the conference committee meetings between the House and the Senate on H.R. 7933, the fiscal year 1978 Department of Defense appropriation bill, be closed to the public at such times as classified national security information is under consideration, provided however, that any sitting Member of Congress shall have the right to attend any closed or open meeting.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. MAHON) for 1 hour.

Mr. MAHON. Mr. Speaker, the object here is to comply with the rules and procedures of the House. The conference will be open if the motion is agreed to, except for the consideration of classified material. Classified material may arise from time to time in the conference. It will be possible to arrange for the classified material to be discussed under circumstances which will permit most of the conference to be an open conference.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. I thank the gentleman for yielding.

Mr. Speaker, I would like to explore this just a bit with the chairman of the committee, because this is a serious matter. It is a new rule under which we are operating. The thrust of this is to have open conference meetings, whenever possible, particularly in the area of defense, where there is a great deal of give and take—I will not say "logrolling," but it has been known to happen in the past—except in areas where national security requires a closed conference. In the past, to my recollection, there have always been totally secret conferences on the defense appropriation bill.

Is it the gentleman's intention to change this procedure substantially so that we will in fact have open conferences, except for those areas where because of the real needs of national security we will require closure of the conferences? And would the gentleman explain to us the manner in which he intends to conduct this conference?

Mr. MAHON. Mr. Speaker, it would be my purpose, as the head of the House conferees, to work out an arrangement in the conference whereby it will be agreed that wherever there are classified

materials we can try to discuss them at one particular time and not have classified material intermingled constantly with the discussion otherwise on the bill. I think that can be done and should be done. In the past, I know of nothing improper that has ever taken place in the conference with the Senate on a defense bill, and I have had considerable experience in that area. But as a matter of convenience, we have moved to close the conferences because there is so much classified material, and we cannot always tell when the material may arise for discussion.

But if we are forewarned, as we are, about what the situation may be, then we can consolidate the classified items and conduct the conference in an orderly way. As has been pointed out, any Member of the House can attend any of the conference sessions.

So I would hope this would be completely acceptable to my friend, the gentleman from Connecticut (Mr. GIAIMO), and to the Members of the House generally.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield further?

Mr. MAHON. I yield to the gentleman from Connecticut.

Mr. GIAIMO. So it would be the gentleman's intent to try to conduct the conference in a segmented fashion? In other words, those portions which would require closure of the meetings or of the conference sessions would be handled at one point and those that did not require closure for national security reasons could be conducted in the open and in the sunshine?

Mr. MAHON. That would be our intent. We have never had any experience previously in this field.

Mr. GIAIMO. I know that.

Mr. MAHON. But, for example, if we are discussing the National Guard and the Reserves or questions involving operations and maintenance—and this would include many other subjects—there would be no need whatever to have a closed meeting.

So, Mr. Speaker, I think we will have no problem whatever. The gentleman from Connecticut (Mr. GIAIMO) will be a member of the conference committee and will have an opportunity to express his views.

Mr. GIAIMO. I understand that, but it is because we have never conducted a conference in this fashion in the past that I am concerned that we abide by the spirit of this House rule, which provides that we have openness wherever possible so the public will know what we are doing in our conferences.

Mr. MAHON. I will say further to my friend, the gentleman from Connecticut, that we will have a preconference meeting, at which time all members of the committee will have an opportunity to exchange ideas, and we can make plans for the posture we will assume when we meet with the Senate conferees.

Mr. DODD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Speaker, I thank the gentleman for yielding.

I merely intended to echo the concerns of my colleague, the gentleman from Connecticut (Mr. GIAIMO), and I am delighted to hear the comment of the committee chairman that he will conduct this conference in the open and in a segmented fashion and in such a way that Members of the House would have the right to participate in the conference, at least as observers.

Mr. MAHON. The right of the membership to attend the meetings has been there in recent years.

Mr. DODD. Mr. Speaker, if the gentleman will yield further, I would point out that over the years that right has not always been extended in every case. But I am delighted to hear the chairman of the committee say he feels strongly that the membership ought to be allowed at least to observe the proceedings of the conference. I think this is a fine step forward.

Mr. Speaker, I thank the gentleman for yielding.

Mr. MAHON. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

Mr. FLYNT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Under the provisions of rule XXVIII, clause 6(a), the yeas and nays are considered as ordered on this motion.

The vote was taken by electronic device, and there were—yeas 376, nays 0, not voting 57, as follows:

[Roll No. 446]

YEAS—376

Abdnor	Brodhead	Danielson
Addabbo	Brooks	Davis
Akaka	Broomfield	de la Garza
Alexander	Brown, Mich.	Delaney
Allen	Brown, Ohio	Derrick
Ammerman	Broyhill	Derwinski
Anderson, Calif.	Buchanan	Devine
Anderson, Ill.	Burgener	Dicks
Andrews, N.C.	Burke, Calif.	Diggs
Andrews, N. Dak.	Burke, Fla.	Dodd
Annunzio	Burleson, Tex.	Downey
Applegate	Burlison, Mo.	Drinan
Archer	Burton, John	Duncan, Oreg.
Armstrong	Burton, Phillip	Duncan, Tenn.
Ashbrook	Byron	Early
Ashley	Caputo	Eckhardt
Aspin	Carney	Edgar
AuCoin	Carr	Edwards, Ala.
Badham	Carter	Edwards, Calif.
Bafalis	Cavanaugh	Edwards, Okla.
Baldus	Cederberg	Emery
Barnard	Chappell	English
Baucus	Clausen, Don H.	Erlenborn
Bauman	Clawson, Del	Ertel
Beard, R.I.	Cleveland	Evans, Colo.
Beard, Tenn.	Cochran	Evans, Del.
Bedell	Cohen	Evans, Ga.
Benjamin	Coleman	Evans, Ind.
Bennett	Collins, Tex.	Fary
Bevill	Conable	Fascell
Biaggi	Conte	Fenwick
Bingham	Conyers	Findley
Blanchard	Corcoran	Fish
Blouin	Corman	Fisher
Boland	Cornell	Fithian
Bolling	Cornwell	Flood
Bonior	Cotter	Florio
Bowen	Crane	Flowers
Breaux	Cunningham	Flynt
Breckinridge	D'Amours	Ford, Tenn.
Brinkley	Daniel, Dan	Forsythe
	Daniel, R. W.	Fountain
		Fowler
		Fraser
		Frenzel
		Frey
		Fuqua
		Gammage
		Gaydos
		Gephardt
		Giaimo
		Gibbons
		Ginn
		Goldwater
		Gonzalez
		Goodling
		Gore
		Gradison
		Grassley
		Gudger
		Hagedorn
		Hall
		Hamilton
		Hammer-schmidt
		Hanley
		Hannaford
		Hansen
		Harkin
		Harris
		Harsha
		Hawkins
		Hefner
		Heftel
		Hightower
		Hillis
		Hollenbeck
		Holt
		Horton
		Howard
		Hubbard
		Huckaby
		Hughes
		Hyde
		Ichord
		Ireland
		Jacobs
		Jeffords
		Jenrette
		Johnson, Calif.
		Johnson, Colo.
		Jones, N.C.
		Jones, Okla.
		Jones, Tenn.
		Jordan
		Kasten
		Kastenmeier
		Kazen
		Kemp
		Ketchum
		Keys
		Kildee
		Kindness
		Kostmayer
		Krueger
		LaFalce
		Lagomarsino
		Latta
		Le Fante
		Leach
		Lederer
		Leggett
		Lent
		Levitas
		Lloyd, Tenn.
		Long, La.
		Long, Md.
		Lott
		Lujan
		Lundine
		McClory
		McCloskey
		McCormack
		McDade
		McDonald
		McEwen
		McFall
		McHugh
		McKay
		Madigan
		Maguire
		Mahon
		Mann
		Markey
		Marks
		Marlenee
		Marriott
		Martin
		Mathis
		Mattox
		Mazzoli
		Meeds
		Metcalfe
		Meyner
		Michel
		Mikulski
		Milford
		Miller, Calif.
		Miller, Ohio
		Mineta
		Minish
		Mitchell, Md.
		Mitchell, N.Y.
		Moakley
		Moffett
		Mollohan
		Montgomery
		Moore
		Moorhead, Calif.
		Moorhead, Pa.
		Moss
		Mottl
		Murphy, Ill.
		Murphy, N.Y.
		Murphy, Pa.
		Myers, Gary
		Myers, John
		Myers, Michael
		Natcher
		Neal
		Nedzi
		Nichols
		Nix
		Nolan
		Nowak
		O'Brien
		Oakar
		Oberstar
		Obey
		Panetta
		Patten
		Patterson
		Pease
		Pepper
		Perkins
		Pettis
		Pickle
		Pike
		Poage
		Pressler
		Preyer
		Price
		Pursell
		Quayle
		Quie
		Quillen
		Rahall
		Railsback
		Rangel
		Regula
		Reuss
		Rhodes
		Rinaldo
		Roberts
		Robinson
		Rodino
		Roe
		Rogers
		Roncalio
		Rooney
		Rose
		Rostenkowski
		Rousselot
		Roybal
		Rudd
		Runnels
		Ruppe
		Russo
		Ryan
		Santini
		Sarasin
		Satterfield
		Sawyer
		Schroeder
		Schulze
		Sebelius
		Sharp
		Shipley
		Shuster
		Sikes
		Simon
		Sisk
		Skelton
		Skubitz
		Slack
		Smith, Iowa
		Smith, Nebr.
		Snyder
		Spence
		St Germain
		Staggers
		Stangeland
		Stanton
		Stark
		Steed
		Steers
		Steiger
		Stockman
		Stokes
		Stratton
		Studds
		Stump
		Symms
		Taylor
		Thompson
		Thone
		Thornton
		Traxler
		Treen
		Trible
		Tsongas
		Tucker
		Udall
		Ullman
		Van Deerlin
		Vanik
		Vento
		Volkmer
		Waggonner
		Walgren
		Walker
		Walsh
		Wampler
		Watkins
		Weaver
		Whalen
		White
		Whitehurst
		Whitley
		Whitten
		Wiggins
		Wilson, Bob
		Wilson, C. H.
		Wilson, Tex.
		Winn
		Wirth
		Wright
		Wydler
		Wylie
		Yatron
		Young, Fla.
		Young, Mo.
		Zablocki
		Zeferetti

NAYS—0

NOT VOTING—57

Ambro	Dickinson	Kelly
Badillo	Dingell	Koch
Beilenson	Dornan	Krebs
Boggs	Eilberg	Lehman
Bonker	Flippo	Lloyd, Calif.
Brademas	Foley	Luken
Brown, Calif.	Ford, Mich.	McKinney
Burke, Mass.	Gilman	Mikva
Butler	Glickman	Murtha
Chisholm	Guyer	Ottinger
Clay	Harrington	Pattison
Collins, Ill.	Heckler	Pritchard
Coughlin	Holland	Richmond
Dellums	Holtzman	Risenhoover
Dent	Jenkins	Rosenthal

Scheuer	Teague	Wolff
Seiberling	Vander Jagt	Yates
Solarz	Waxman	Young, Alaska
Spellman	Weiss	Young, Tex.

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1019, MARITIME APPROPRIATION AUTHORIZATION ACT FOR FISCAL YEAR 1978

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1019) to authorize appropriations for fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York? The Chair hears none, and, without objection, appoints the following conferees: Messrs. MURPHY of New York, BIAGGI, METCALFE, and ZEFERETTI, Ms. MIKULSKI, and Messrs. RUPPE and Mr. MCCLOSKEY.

There was no objection.

REQUEST FOR PERMISSION FOR AD HOC COMMITTEE ON OUTER CONTINENTAL SHELF TO SIT TODAY DURING 5-MINUTE RULE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Ad Hoc Select Committee on the Outer Continental Shelf may be permitted to sit this afternoon during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, I reserve the right to object, and I yield to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, several members of the Ad Hoc Select Committee are vitally interested in amendments that will be before the House in the course of the consideration of the Agriculture bill and feel they should be here and not have their time divided.

I would appreciate it, if the objection is about to be made, if we could have 10 of my colleagues stand as I make this objection.

Mr. ROUSSELOT. Mr. Speaker, I have the time.

Mr. Speaker, I reserve the right to object.

Can the gentleman from New York tell us why this is so crucial that we have to divide ourselves between the consideration of the Agriculture bill and this committee?

Mr. MURPHY of New York. Mr. Speaker, if the gentleman will yield, that is not what I want to do. What I want to do is congratulate the minority on their cooperation this year and I hope we will have their cooperation in marking up the Outer Continental Shelf Lands Act bill before the August recess.

Mr. ROUSSELOT. Mr. Speaker, I further reserve the right to object and yield to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I just want to make the record straight that in the past week the chairman of the ad hoc committee has canceled three markup sessions.

Mr. ROUSSELOT. My goodness, that is difficult to believe that the chairman canceled the committee meeting three times.

Mr. Speaker, I further reserve the right to object.

Mr. MURPHY of New York. Mr. Speaker, if the gentleman will yield further, the reason for the cancellations of those sessions was to effect some compromises with the minority and other members of the committee to expedite the markup of the OCS bill.

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER pro tempore. The Chair will advise the House it takes 10 Members to object.

Mr. FISH. Mr. Speaker, I object.

Mr. LUJAN. Mr. Speaker, I object.

Mr. BAUMAN. Mr. Speaker, I object.

Mr. ASHBROOK. Mr. Speaker, I object.

Mr. DEVINE. Mr. Speaker, I object.

Mr. SYMMS. Mr. Speaker, I object.

Mr. SAWYER. Mr. Speaker, I object.

Mr. FINDLEY. Mr. Speaker, I object.

Mr. JOHNSON of Colorado. Mr. Speaker, I object.

Mr. STEERS. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

CONFERENCE REPORT ON H.R. 6714, INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1977

Mr. ZABLOCKI. Mr. Speaker, I call up the conference report on the bill (H.R. 6714) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in the authorities of that act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. BOLAND). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 14, 1977.)

Mr. ZABLOCKI (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from Michigan (Mr. BROOMFIELD) are recognized for 30 minutes each.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on H.R. 6714, the International Development and Food Assistance Act of 1977, is relatively the same as the bill passed by the House in May.

The bill authorizes $1.6 billion for U.S. bilateral economic assistance abroad in fiscal year 1978, and institutes a number of improvements in Public Law 480, the Food for Peace program.

It is a measure which focuses on helping poor nations and the poor populations within those countries. It promotes the interests of the United States by providing a means for aiding our relationships with the nations of the Third World and by helping to reduce causes of tension due to their poverty. At the same time, by assisting in raising their economic levels, it increases their ability to buy American exports.

Technically there were about 60 issues of difference between the House and Senate versions of H.R. 6714. The Senate measure, however, was comparable to the House version in its basic respects and the conferees were able to resolve all differences essentially in two sessions.

Mr. Speaker, the major resolutions reached by the conferees are as follows:

The total authorization in the House bill was $1.681 billion for fiscal 1978, while the Senate figure was $1.606 billion. The $1.647 billion in the conference report is approximately half way between the two, slightly closer to the House total than the Senate's.

The largest reduction was in the food and nutrition amount, for which the House bill had provided $613 million with the intent of allowing some $61 million of this authorization for a resumption of U.S. bilateral assistance to India. The conferees agreed to a food and nutrition amount of $33 million below the House figure, but adopted a Senate provision requesting the President to commit up to $60 million for storage facilities and other food and nutrition assistance for India. This reflects, of course, the approval expressed by Members of both Houses over the recent restoration of democratic principles and political freedoms in India.

The largest single monetary increase over the House bill in the conference report is in the item for relief and rehabilitation for the victims of the recent earthquakes in Italy. The House figure for this purpose was $20 million. The Senate had $35 million. The conferees agreed to $30 million for disaster assistance for Italy.

Both provisions in the House bill encouraging greater integration of women into the national economies of developing countries were accepted by the Senate conferees.

On human rights, the conferees agreed to a Senate provision requiring the Ad-

ministrator of AID to consider specific actions which have been taken relating to multilateral or security assistance because of human rights violations, and to strengthen the existing reporting requirement. The conferees also adopted the House provision earmarking $750,000 for encouraging increased adherence to human rights in developing countries.

In the field of energy, compromise language was adopted incorporating both House and Senate for promoting renewable and nonnuclear energy sources in developing countries. Also, an executive branch study looking toward further options in this field was authorized, for submission to the Congress by next January 31.

The House managers accepted several Senate provisions which were not in the House bill. These included extension of the existing housing guaranty program for Israel, Portugal, and Lebanon; a $42.5 million ceiling on the U.S. contributions to the United Nations Relief and Works Agency for Palestinian refugees in fiscal 1978; and a provision against "double dipping" by AID consultants. Mr. Speaker, your conferees believed these provisions would be acceptable to the House membership.

The Senate managers agreed to a number of House provisions not in their bill, including the provision abolishing the Office of Inspector General, Foreign Assistance.

In title II of H.R. 6714, which deals with the food-for-peace program, the House and Senate versions had very similar provisions providing for liberalization of the 75/25 percentage formula on Public Law 480 sales to developing countries and on the application of human rights criteria to the food aid program.

On provisions to encourage the use of food for development purposes in poor countries, the conferees agreed to the Senate provision to establish the Food for Development program as a new title III of Public Law 480, and to the House provisions setting minimum percentages for this program and for granting waivers under this program for the very poorest countries.

The conference report adopts the House version for raising Public Law 480 title II humanitarian grant program annual minimum from 1.3 to 1.6 million tons in fiscal 1978, with the Senate increases which raise the minimum to 1.7 million tons by 1982.

The Senate conferees were strongly opposed to the House provision banning tobacco from Public Law 480 title I shipments, insisting instead on the Senate provision which gives priority to food and fiber commodities while not specifically prohibiting tobacco.

Finally—and this provision covers the whole act, both for economic aid and for Public Law 480—the conferees agreed to a combination of the House and Senate provisions prohibiting aid to certain countries.

The House had voted to prohibit the use of funds under this act for aid or trade with Cuba or Vietnam. The Senate had voted to bar aid or reparations to Vietnam, Cambodia, or Laos.

Since trade with these countries is already prohibited under other statutes, the conferees took the Senate amendment and strengthened it by adding Cuba to the list. We also agreed to a provision directing the President to continue to take all possible steps to obtain a final accounting of all Americans missing in action in Vietnam.

Mr. Speaker, the House managers on H.R. 6714 believe that the overall result of the conference report is to maintain the principal features of the bill as originally passed by the House and, in some respects to improve it by including modifications that will be favored by this body.

I urge that the conference report be approved.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 6714, the International Development and Food Assistance Act of 1977. The agreement reached by the House and Senate conferees on our respective differences is a sound one.

The conference report would authorize a total of $1,646,800,000 for the various important U.S. development and food assistance programs. This figure is a reasonable compromise. It is $34.4 million below the total amount originally provided in H.R. 6714 as it passed the House, but it is some $40.7 million more than the amount contained in the Senate amendment.

The funds authorized in this legislation will provide for the operation in fiscal year 1978 of U.S. assistance programs to the neediest countries in the general areas of food and nutrition, population planning, health, education, and human resources and technical assistance. The conference agreement also authorizes funds for international disaster assistance in general as well as providing specific authorizations for relief, rehabilitation, and reconstruction assistance for the victims of recent earthquakes in Italy and Turkey. Similarly, the legislation authorizes funds for the U.S. share in commencing the long-term, multidonor aid program for the impoverished people of the drought-stricken Sahel region in Africa.

The conference agreement on H.R. 6714 makes some administrative policy improvements in U.S. development assistance programs. The conference text provides for abolishing the position of Inspector General, Foreign Assistance, in the Agency for International Development, a largely redundant office whose functions overlap substantially with those of the Inspector General, Foreign Service. The legislation also permits limited transfers of program funds by the Agency for International Development to its operating expenses account. More importantly, perhaps, from the standpoint of general policy on U.S. foreign assistance efforts, this legislation substantially revises section 640B of the Foreign Assistance Act of 1961, as amended, to require a comprehensive and coordinated review and report on the effects of all our policies and programs which have a major impact on the developing countries. Specifically, this coordinated review will seek to analyze the effects of these programs and policies on the quality of life for the poor majority of the people in these recipient countries, those at whom U.S. bilateral assistance was to be particularly targeted under the "new directions" policy which Congress adopted for our foreign aid programs in 1973. Additionally, this review would assess the effects of our development assistance programs on the U.S. economy.

Lastly, the conference agreement on H.R. 6714 amends the food for peace program, Public Law 480. Among other things, this legislation would increase the minimum amount of commodities for distribution under the Public Law 480, humanitarian grant programs. This bill would also continue the recent inclination of the House to insist on consideration of human rights conditions in countries receiving U.S. assistance. In this regard, human rights requirements would now apply to concessional sales of commodities under title I of Public Law 480. The conference agreement, moreover, provides for an essentially new "food for development" program in Public Law 480 to further encourage self-help development projects in recipient countries directed at agricultural and rural development, nutrition, population planning, and health.

This is by no means an exhaustive explanation of this significant legislation. I have rather touched on a number of important aspects of the conference agreement on H.R. 6714 which I considered particularly worthy of mention. I can assure my colleagues that the House and Senate conferees thoroughly scrutinized every provision of this legislation and I urge the House to adopt the conference report on H.R. 6714.

Mr. Speaker, at this point I yield such time as he may consume to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Mr. Speaker, I would also urge the House to approve the conference report on H.R. 6714, the proposed International Development and Food Assistance Act of 1977. As most of us are well aware, this legislation authorizes funds for U.S. development assistance for fiscal year 1978 to fund programs intended to help the poor majority of the people in the less developed countries to meet their basic human needs in the fundamental areas of nutrition, health, population planning, and education, for example. This legislation also makes substantive revisions, reforms, and amendments to certain policy aspects of U.S. development assistance programs and our Public Law 480, food for peace programs.

After thorough discussion and consideration of the differing authorization levels in the House and Senate bills for the various functional development assistance programs, the conferees reached what I feel most of us will concede are reasonable and appropriate compromise funding levels. The total authorization provided for fiscal year 1978 in the conference agreement is $1,646,800, slightly less than the level in the original House bill, and somewhat more than the Senate's original figure.

In the interests of saving time, I would

merely like to note a few of the significant provisions in this legislation. Recognizing the persistent problem of continuing energy shortages in most of the world, the bill provides for up to $18 million for cooperative programs for developing appropriate renewable and unconventional energy sources and for energy conservation. In particular, decentralized, small-scale, renewable energy sources suitable for rural areas will be emphasized.

The conference report contains language which would add a new section to the Foreign Assistance Act of 1961, as amended, authorizing the use of U.S. assistance to help recipient countries to develop and strengthen their capacity to protect and manage their environments and natural resource bases. Particular attention is intended to be given to resources necessary for the economic growth of those countries and the well-being of their people.

This legislation further recognizes the importance which Congress attaches to human rights considerations. It strengthens the human rights requirements and reporting provisions in existing law which relate to U.S. development assistance programs.

The bill likewise applies human rights requirements to Public Law 480, title I, concessional commodity sales.

Of course, the bill authorizes funds for well-established U.S. aid programs to increase the agricultural productivity of the many small farmers in recipient countries, to help provide integrated health care and family planning programs, and educational and technical assistance. In addition, the conference report reemphasizes AID's mandate to give attention to its programs, projects, and activities which tend to integrate women into the national economies of their developing countries.

Lastly, the conference report contains several prohibitions or restrictions applicable to our foreign aid program. Significant among these is the prohibition on the use of any assistance to fund involuntary sterilizations or to coerce or provide any financial incentive for such practices. A second notable restriction prohibits the use of any funds authorized in H.R. 6714 for assistance or reparations to Cuba, Vietnam, Cambodia, or Laos.

Certainly there are a number of other important provisions in this legislation equally worthy of mention if time permitted. In conclusion, let me merely say that the compromises reached by the conferees after diligent efforts have resulted in a sound and balanced piece of legislation. I therefore recommend that the House adopt the conference report on H.R. 6714.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank my colleague for yielding to me. I think it is time to ask some questions of the chairman, my good friend from Wisconsin, and head of the managers on the part of the House.

Mr. Speaker, I would like to inquire as to information regarding the amendments which were placed in the bill last May which related to the prohibition of aid to Vietnam and Cuba. I will say that I believe the conferees endeavored to prevent aid to Vietnam and Cuba, but I am just wondering, and I ask for the record and the history of this legislation, whether or not, under the existing language which was adopted in the conference report, indirect aid could go to Vietnam, Cuba, or Laos through multilateral organizations.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, the limitation on the use of funds states that none of the funds authorized to be appropriated by this act may be used for assistance to or reparations for the Socialist Republic of Vietnam, Cambodia, Laos, or Cuba. I interpret that to mean that not even indirectly could any of the funds provided for in this conference report be used for aid or assistance to Vietnam, Cambodia, Laos, or Cuba.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for his reply. It was my hope that that is what he would indicate, but I was not certain, under the language, whether this would be the case. So, for the record, it is the understanding of the conference committee bringing this bill back to this body that, even though the language was changed substantially from that which we adopted on May 12, the purpose, as the gentleman understands it, is still carried out by the Senate by the language which the gentleman agreed to, and that is to prevent direct or indirect aid to these countries.

Mr. ZABLOCKI. If the gentleman will yield, that is my understanding.

Mr. Speaker, I will advise the gentleman that I think the conferees strengthened the gentleman's amendment which was adopted in the House.

Mr. ASHBROOK. I thank my colleague. I know the gentleman indicated on the floor what the position was, and I think he has held true to those convictions, even though once we ran up against some problems in dealing with the other body.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Texas.

Mr. HALL. I thank the gentleman for yielding.

Mr. Speaker, on May 12, of this year, the gentleman from Wisconsin (Mr. ZABLOCKI) and I engaged in a colloquy—and I am referring to the CONGRESSIONAL RECORD of that date, on page 14483—concerning a $25 million amount that would be set aside for voluntary sterilization programs for certain foreign countries. Does the gentleman recall that?

Mr. ZABLOCKI. The gentleman is reading from page 14483?

Mr. HALL. Yes, sir.

I believe at that time I asked the chairman a question.

Mr. ZABLOCKI. The set aside for voluntary and involuntary sterilization?

Mr. HALL. Yes, sir. I asked the question of the chairman:

> Mr. Chairman do I understand from the gentleman from Wisconsin that one-fifth of the $25 million is set aside for voluntary sterilizations?

And the chairman's answer was:

> The $25 million is the worldwide, total amount for this program, including the voluntary sterilization program. Of that $25 million, $5,900,000 is for development and support of voluntary surgical contraceptive programs, including training of surgeons, biomedical research, and information and education.

Then this follows:

> Mr. HALL. We are setting aside $5 million for contraceptives in foreign countries?
>
> Mr. ZABLOCKI. No, more than that.

My question, Mr. Speaker, is this: When the conferees met concerning this problem, was anything done toward reducing that amount that was being spent by the U.S. taxpayers to purchase contraceptives for people in foreign countries?

Mr. ZABLOCKI. In conference we did not reduce that amount which could be used for contraceptives specifically although the overall authorization for population programs was reduced below the authorization that was included in the House bill. Furthermore, the issue of contraceptives was not a conference issue.

However, I do want to point out that not any of this money can be used for the involuntary use of contraceptives or involuntary sterilization.

In the conference report, on page 27—and I am reading from the report—this language appears concerning the contraceptive supply program:

> The committee of conference therefore expects that any reallocations of the population account caused by appropriations lower than the authorized amount will be made by reducing AID's centrally managed contraceptive distribution service. The committee of conference does not intend that AID reduce, below the amounts programmed in AID's fiscal 1978 presentation, its grants to either the U.N. Fund for Population Activities or to private groups working in the population field.

But I do want to point out that not any of the funds can be used for programs where the recipients would be coerced or where involuntary sterilization would be practiced.

Mr. HALL. Mr. Speaker, looking at page 27 of the conference report, it appears that where we were talking about $25 million back in May, the conference report, at the top of page 27, indicates that:

> More than $40 million has been proposed by AID for the contraceptive delivery program for fiscal year 1978, despite evidence that in some cases contraceptives are piling up in warehouses abroad and many are not being distributed to or used by people in developing countries.

Let me ask the committee chairman, do I understand that this is the situation that exists today in foreign countries or in warehouses, and that money like this is being spent for this type and character of activity?

Mr. ZABLOCKI. I am sure there may be circumstances where this does occur. That is one reason we reduced the amount for population planning programs. The $40 million that the gentle-

man refers to is what the AID agency had programed for the contraceptive delivery program in fiscal year 1978. The conferees did reduce the authorization for population programs. For example, the House bill provided for $181 million, and the Senate bill provided for $160 million. The agreement of the conference was that the amount for population programs be reduced to $167 million or $14 million below the amount authorized by the House in May.

Mr. HALL. Mr. Speaker, if the gentleman will yield further, I notice further on page 27 of the conference report the last sentence of that first paragraph is as follows:

> The committee of conference does not intend that AID reduce, below the amounts programed in AID's fiscal 1978 presentation, its grants to either the U.N. Fund for Population Activities or to private groups working in the population field.

So I take that to mean the $40 million as proposed by AID is the amount the conferees agreed upon?

Mr. ZABLOCKI. That is the amount that AID has requested for the contraceptive delivery program, but it may not necessarily use the entire amount. Rather, the conferees showed their intent that any valuations in appropriations for the population account be applied against the contraceptive delivery service. This particular language in the statement on the part of the managers or the agreement of the conferees was the Senate language, and I want to point out to the gentleman that what we are providing for is far better than to have any of our money used for abortion, for example, or for less desirable population control programs.

Mr. Speaker, I think the conferees did an excellent job in carrying out what the gentleman had intended in the colloquy that we had in May when the bill was before us.

Mr. HALL. Of course, the intent of my colloquy in May was that the conferees, would stop it altogether because I do not believe that the people of this country favor the U.S. Government spending money to purchase contraceptives for people in foreign countries.

Mr. ZABLOCKI. If the gentleman will yield further, the gentleman from Wisconsin is in agreement with the gentleman. However, I am sure the gentleman realizes as well as I do that our views are not that of the majority of this Congress.

Mr. HALL. I would hope not.

Mr. Speaker, I thank the gentleman.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Speaker, I thank the distinguished gentleman for yielding this time.

I want to say that I strongly support our efforts at population control. Actually, I believe it is the best form of foreign aid we could have. It actually means that there are fewer mouths to feed and that there are fewer starving children in the world as a result of our efforts toward contraception.

Mr. Speaker, I want to compliment the distinguished chairman and the ranking member for including this program in the bill. In the future it might be wise for us to rely upon the use of contraceptives or methods such as this to contain population. As we well know, in Africa and also in South America the population is growing by leaps and bounds; and youngsters are starving. This effort will help to prevent that.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. WATKINS).

Mr. WATKINS. Mr. Speaker, I thank the gentleman for yielding.

I want to ask a question: Is this the bill which finances water projects for foreign countries? The agency which gives out the money to build water projects in foreign countries, is it?

Mr. ZABLOCKI. Mr. Speaker, if the gentleman will yield, the funds in this program could be used for wells in areas where the people have a lack of water.

Mr. WATKINS. And for dams?

Mr. ZABLOCKI. There have been some in the past, but the larger programs are no longer being continued.

I would say to the gentleman that where there is a need, a very small portion of this amount which the gentleman is concerned about would be provided.

Mr. WATKINS. This is the bill that actually funds the agencies that provide the $50 million for water projects such as in Romania; is it not?

Mr. ZABLOCKI. No. There is no money in this bill for Romania.

Mr. WATKINS. I know that there is not any money for any particular country directly, but the money goes to the agencies which provide for the water projects; does it not?

Mr. ZABLOCKI. There is nothing programmed for Romania, as I understand it, not in this bill.

Mr. WATKINS. The question is with respect to the funds provided to the agencies under this bill.

Mr. ZABLOCKI. If it were a fund, for example, under the United Nations, or if we had an authorization, that might be so; but we do not have any in this bill for that purpose.

A project of the type which the gentleman talks about, in Romania, could be funded under the Ex-Im Bank program or under some other lending program. However, I must reiterate that there are no funds in this bill for any existing program for Romania.

Mr. WATKINS. Mr. Speaker, I thank the chairman for yielding.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding.

I would like to inquire of the chairman of the committee with respect to the question of population control. How many of these agencies will be supporting the use of abortion or will promote abortions for population control?

Mr. ZABLOCKI. If the gentleman will yield, there is not a dime in this program for abortion.

Mr. YOUNG of Florida. That was not my question. My question was, How many of these agencies that we will be supporting do promote abortion and suggest abortion as a method of population control?

Mr. ZABLOCKI. There are agencies that are promoting abortion as a population control method and using their own funds. We have no control over their own funds, but none of these funds can be used for that purpose.

Mr. YOUNG of Florida. However, is it not true that some of these funds are going to the very same organizations that, in fact, promote abortion, so what the gentleman is saying is that U.S. dollars are over here and somebody else's dollars are over here; but it is really sort of phony, as we know, because we are, in fact, supporting these agencies with dollars; are we not?

Mr. ZABLOCKI. It is impossible, of course, to prohibit any agency, voluntary or foreign governmental agency, from promoting abortion if they so desire.

As long as these particular funds are not used for that purpose, there is no way of prohibiting that sort of use.

Mr. YOUNG of Florida. But our funds are going into the same pot that other funds are going into, and the abortion funds are coming from that pot; is that not so?

Mr. ZABLOCKI. It is my understanding that if an agency benefits from these funds, they must use them for the purpose we intended they be used.

Mr. YOUNG of Florida. This is very much like the World Bank. In spite of the fact that most of the money comes from the United States, U.S. dollars are not used for their employee loans; they use somebody else's money.

In all these international agencies and these multi-lateral banks, and all these agencies promoting population control—which I support, by the way—we are finding it very difficult to get an accounting of what is being done with the American dollars. We are finding that American dollars are being put in a pot with somebody else's money, and that money is then being used to perform certain functions that many of us do not like, and then we are told, well, it is not U.S. dollars that are being spent but some other country's money.

I believe these international agencies and banks owe us a better accounting for our dollars.

Mr. ZABLOCKI. I agree.

Mr. CARTER. Mr. Speaker, if the gentleman will yield, I have visited many of these birth control clinics throughout these countries and I have never seen abortions being performed or any proposed performance of abortions, rather they were using the IUD and the so-called pill for population control. I strongly support their efforts in this direction.

Mr. ZABLOCKI. I might state in reply to the statement of the gentleman from Kentucky (Mr. CARTER) that we have requested a report and the General Accounting Office has advised us that they have no evidence that the U.S. funds are being used for abortions.

Mr. YOUNG of Florida. Mr. Speaker, I respond by reading from page 469 of part 2 of the hearings before the Appropriations Subcommittee on Foreign Operations.

> Mr. YOUNG. Are you saying IPPF does participate in pregnancy termination with other funds?

Mr. FURMAN. They are providing funds from other countries to some organizations and countries where such programs are permitted.

Mr. YOUNG. Doesn't that get a little phony to say they are not using our funds for the purpose of abortion but they are using other funds?

Mr. ZABLOCKI. As I said before, none of the funds in this bill can be used or are being used for abortions.

Mr. GRASSLEY. Mr. Speaker, I see on page 38 of the conference report that the amendment I submitted which was unanimously accepted by the House was left out of the final Senate-House agreement.

That surprises me because it was an inclusion of language previously in law and supposedly left out by oversight by the original committee bill.

It merely called for a congressional review of a Presidential determination that more than 25 percent of the food for peace ought to go to the more affluent nations.

This was put in when we had a Republican President by a Democratic Congress which argued there ought to be congressional involvement in Presidential decisions of that nature and to guarantee this program was used for humanitarian, and not political purposes.

The situation is no different in 1977 than it was in 1975. Or is it? Could it be that we have a Democratic President today and the Democratic Congress is willing to trust their own more willingly?

In fact the situation is no different. The circumstances and need calling for such review in 1975 are prevalent today. The constitutional involvement of the Congress in a question like this is as demanded today as then. Whether there is a Republican President or a Democratic one should make no difference. What is good for the goose should be good for the gander.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill H.R. 6714.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 254, nays 158, not voting 21, as follows:

[Roll No. 447]

YEAS—254

Addabbo	Frenzel	Oberstar
Akaka	Gephardt	Obey
Alexander	Giaimo	Ottinger
Ammerman	Gibbons	Panetta
Anderson, Ill.	Gilman	Patten
Annunzio	Glickman	Patterson
Ashley	Gonzalez	Pattison
Aspin	Gore	Pease
AuCoin	Gradison	Pepper
Baldus	Hamilton	Perkins
Baucus	Hanley	Pettis
Beard, R.I.	Hannaford	Pickle
Bedell	Harkin	Preyer
Beilenson	Harris	Price
Benjamin	Hawkins	Pritchard
Biaggi	Heckler	Pursell
Bingham	Heftel	Quie
Blanchard	Hillis	Railsback
Blouin	Hollenbeck	Rangel
Boggs	Holtzman	Reuss
Boland	Horton	Rhodes
Bonior	Howard	Richmond
Bonker	Hubbard	Rinaldo
Bowen	Hyde	Rodino
Breckinridge	Jacobs	Roe
Brodhead	Jeffords	Rooney
Broomfield	Jenrette	Rose
Brown, Mich.	Johnson, Calif.	Rosenthal
Buchanan	Johnson, Colo.	Rostenkowski
Burke, Calif.	Jordan	Roybal
Burlison, Mo.	Kastenmeier	Ruppe
Burton, John	Keys	Ryan
Burton, Phillip	Kildee	Santini
Caputo	Koch	Sarasin
Carney	Kostmayer	Sawyer
Carr	Krebs	Scheuer
Carter	Krueger	Schroeder
Cavanaugh	LaFalce	Sebelius
Clay	Lagomarsino	Seiberling
Cohen	Le Fante	Sharp
Coleman	Leach	Simon
Collins, Ill.	Lederer	Sisk
Conable	Leggett	Smith, Iowa
Conte	Lehman	Solarz
Conyers	Lent	Spellman
Corman	Lloyd, Calif.	St Germain
Cornell	Long, La.	Staggers
Cornwell	Long, Md.	Stanton
Cotter	Lundine	Stark
Coughlin	McClory	Steers
D'Amours	McCloskey	Steiger
Danielson	McEwen	Stokes
de la Garza	McFall	Stratton
Delaney	McHugh	Studds
Dellums	McKay	Thompson
Dicks	Madigan	Thornton
Diggs	Maguire	Traxler
Dingell	Mann	Tsongas
Dodd	Markey	Tucker
Downey	Marks	Udall
Drinan	Mazzoli	Ullman
Duncan, Oreg.	Meeds	Van Deerlin
Early	Metcalfe	Vanik
Eckhardt	Meyner	Vento
Edgar	Mikulski	Volkmer
Edwards, Calif.	Mikva	Walgren
Eilberg	Miller, Calif.	Waxman
Erlenborn	Mineta	Weaver
Ertel	Minish	Weiss
Evans, Colo.	Mitchell, Md.	Whalen
Evans, Ga.	Mitchell, N.Y.	Wiggins
Fary	Moakley	Wilson, Bob
Fascell	Moffett	Wilson, Tex.
Fenwick	Mollohan	Winn
Findley	Moorhead, Pa.	Wirth
Fish	Moss	Wolff
Fisher	Murphy, Ill.	Wright
Fithian	Murphy, N.Y.	Wydler
Flood	Myers, Gary	Wylie
Florio	Myers, Michael	Yates
Foley	Natcher	Yatron
Ford, Tenn.	Nedzi	Young, Mo.
Forsythe	Nix	Zablocki
Fowler	Nolan	Zeferetti
Fraser	Nowak	

NAYS—158

Abdnor	Bauman	Chappell
Allen	Beard, Tenn.	Clausen, Don H.
Anderson, Calif.	Bennett	Clawson, Del
Andrews, N.C.	Bevill	Cleveland
Andrews, N. Dak.	Breaux	Cochran
Applegate	Brinkley	Collins, Tex.
Archer	Brooks	Corcoran
Armstrong	Brown, Ohio	Crane
Ashbrook	Broyhill	Cunningham
Badham	Burgener	Daniel, Dan
Bafalis	Burke, Fla.	Daniel, R. W.
Barnard	Burleson, Tex.	Davis
	Byron	Derrick
	Cederberg	Derwinski
	Devine	Kelly
	Dornan	Kemp
	Duncan, Tenn.	Ketchum
	Edwards, Ala.	Kindness
	Edwards, Okla.	Latta
	Emery	Levitas
	English	Lloyd, Tenn.
	Evans, Del.	Lott
	Evans, Ind.	Lujan
	Flowers	McCormack
	Flynt	McDade
	Fountain	McDonald
	Frey	Mahon
	Fuqua	Marlenee
	Gammage	Marriott
	Gaydos	Martin
	Ginn	Mathis
	Goldwater	Mattox
	Goodling	Michel
	Grassley	Milford
	Gudger	Miller, Ohio
	Hagedorn	Montgomery
	Hall	Moore
	Hammer-schmidt	Moorhead, Calif.
	Hansen	Mottl
	Harsha	Murphy, Pa.
	Hefner	Myers, John
	Hightower	Neal
	Holt	Nichols
	Huckaby	O'Brien
	Hughes	Oakar
	Ichord	Pike
	Ireland	Poage
	Jenkins	Pressler
	Jones, N.C.	Quayle
	Jones, Okla.	Quillen
	Jones, Tenn.	Rahall
	Kasten	Regula
	Kazen	Risenhoover
		Roberts
		Robinson
		Rogers
		Roncalio
		Rousselot
		Rudd
		Runnels
		Russo
		Satterfield
		Schulze
		Shipley
		Shuster
		Sikes
		Skelton
		Skubitz
		Slack
		Smith, Nebr.
		Snyder
		Spence
		Stangeland
		Stockman
		Stump
		Symms
		Taylor
		Thone
		Treen
		Trible
		Vander Jagt
		Waggonner
		Walker
		Walsh
		Wampler
		Watkins
		White
		Whitehurst
		Whitley
		Whitten
		Young, Alaska
		Young, Fla.
		Young, Tex.

NOT VOTING—21

Ambro	Chisholm	Holland
Badillo	Dent	Luken
Bolling	Dickinson	McKinney
Brademas	Flippo	Murtha
Brown, Calif.	Ford, Mich.	Steed
Burke, Mass.	Guyer	Teague
Butler	Harrington	Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts for, with Mr. Teague against.

Mr. Brademas for, with Mr. Steed against.

Mr. Ford of Michigan for, with Mr. Murtha against.

Mrs. Chisholm for, with Mr. Butler against.

Mr. Badillo for, with Mr. Dickinson against.

Mr. McKinney for, with Mr. Guyer against.

Until further notice:

Mr. Dent with Mr. Flippo.

Mr. Ambro with Mr. Luken.

Mr. Charles H. Wilson of California with Mr. Harrington.

Mr. Brown of California with Mr. Holland.

Mr. JONES of North Carolina and Mr. BROOKS changed their vote from "yea" to "nay."

Mr. McCLORY changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. KELLY. Mr. Speaker, this morning when the House took up the vote on rollcall No. 446, I was not present because of being unavoidably detained on official business. Had I been here, I would have voted "aye."

ANNOUNCEMENT OF HEARING ON DIPLOMATIC PRIVILEGES AND IMMUNITIES IN SUBCOMMITTEE ON INTERNATIONAL OPERATIONS OF COMMITTEE ON INTERNATIONAL RELATIONS

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, I just wanted to announce that the hearing on diplomatic privileges and immunities in the Subcommittee on International Operations of the Committee on International Relations will continue right after the vote on the next conference report.

PERSONAL EXPLANATION

Mr. OTTINGER. Mr. Speaker, on rollcall No. 446 I was absent, unavoidably detained at a meeting with Prime Minister of Israel Begin. Had I been present, I would have voted "aye."

CONFERENCE REPORT ON H.R. 6884, INTERNATIONAL SECURITY ASSISTANCE ACT OF 1977

Mr. ZABLOCKI. Mr. Speaker, I call up the conference report on the bill (H.R. 6884) to amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorities of that act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 15, 1977.)

Mr. ZABLOCKI (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from Michigan (Mr. BROOMFIELD) are recognized for 30 minutes each.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on H.R. 6884 authorizes the appropriation of funds to finance U.S. international security assistance programs for fiscal year 1978. It is a measure which the committee of conference recommends to the House without reservation.

As agreed to by the conferees on June 29, the report authorizes an appropriation for international security assistance for fiscal year 1978 of $3,195,900,000. This is a reduction of slightly less than $7 million from the $3,202,085,000 authorized by the House on May 24. The amount authorized also represents an increase of $1.2 million in the Senate figure and a reduction of over $53 million in the amount requested by the executive branch.

The specific authorizations contained in the bill are as follows: $228.9 million for grant military assistance; $31 million for military education and training; $1 billion, 890 million for security supporting assistance programs; $677 million for foreign military sales financing. This amount will finance the sale of $2,102,035,000 worth of defense articles and defense services during fiscal year 1978, $5 million for the contingency fund; $25 million for the Middle East special requirements fund; $300 million for a loan to the Government of Portugal; and $39 million for international narcotics control programs.

In addition, the conference report:

Authorizes the assignment of military personnel to perform military advisory duties as defined in section 7 of the conference report in 15 countries. Military personnel assigned to Iran, Kuwait, and Saudi Arabia, however, are to be on a fully reimbursable basis;

Authorizes the assignment of three- to six-man teams to perform accounting and other management functions in those countries where management teams are not specifically authorized;

Limits the number of personnel to perform these duties to 865 in fiscal year 1978; and

Permits defense attaches to perform overseas management duties if the President determines that the use of such personnel is the most economical and efficient means of performing such functions.

Mr. Speaker, H.R. 6884 is an important piece of legislation because the programs to be carried out under its authorities will contribute to the security of the United States and to the peace and economic well-being of people in all parts of the world—particularly in the Middle East and in Africa.

With respect to Africa, the bill retains the House approach to the southern Africa special requirements fund, although the authorization was reduced from $100 to $80 million. Nevertheless, it will be possible for the President to implement assistance programs in this critical area of the world, particularly in Botswana, Lesotho, and Swaziland.

Furthermore, these funds can also be used to provide assistance to African refugees and persons displaced by war and internal strife in southern Africa.

The House prohibition on assistance to Mozambique, Angola, Tanzania, and Zambia was retained.

Mr. Speaker, perhaps the most volatile region in the world today is the Middle East.

Nevertheless, the prospects for a lasting peace seem to be better today than at any time in the last 25 years.

In an effort to help in this process toward peace, the conference committee recommends the use of $1,738 million.

Of this amount $785 million is earmarked for Israel, $750 million for Egypt, $93 million for Jordan, $90 million for Syria, and $20 million for Lebanon.

Furthermore, to insure that Israel continues to have access to the defense articles and defense services needed to survive, the bill contains a policy statement that U.S. policy restraints on arms transfers shall not impair Israel's deterrent strength or undermine the military balance in the Middle East.

Mr. Speaker. H.R. 6884 also contains limited authority for the President to sell defense articles or defense services to Turkey in fiscal year 1978. By extending the partial lifting of the embargo on the sale of arms to Turkey, the committee of conference hopes to encourage the Government of Turkey to pursue a less rigid negotiating position with respect to Cyprus.

Mr. Speaker, this is a good conference report. In the judgment of the conferees, it combines the best features of both H.R. 6884 as it passed the House and the amendments which were made by the Senate during its consideration of the bill.

I urge my colleagues to approve the conference report.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, during the debate on this legislation the gentleman and I discussed the general prohibition against aid to Communist countries which already exists in statutory law. When the House considered this bill, and again in the conference report, we have a provision that pretends in its language to ban aid to Mozambique and Angola, among other countries, but allows the President, upon notice to the Congress, based on foreign policy interests of the United States, to waive this prohibition and to give aid to these countries.

The gentleman and I have discussed this privately. My question to the gentleman is: Are we not in fact repealing, insofar as these named countries are involved, the general prohibition against aid to any Communist country, in the sense that we let the President determine whether aid will go to such countries. Does not this weaken the basic law?

Mr. ZABLOCKI. That is not the interpretation that I would give to the provisions which are contained in this conference report and the bill which we passed in the House in May. I believe it is H.R. 6884, as I stated earlier, which prohibits any assistance to Mozambique, Angola, Tanzania, and Zambia. By having this provision, I do not believe that it in any way alters the existing basic language with respect to the prohibition on aid to Communist countries.

Mr. BAUMAN. But the gentleman will concede that the language which is now before us in the conference report allows the President to waive that prohibition on his own will? The point I want to make is that this language weakens the general prohibition already in the stat-

ute which forbade any aid to Communist-dominated countries.

Mr. ZABLOCKI. There is a provision in the basic law which permits the President to waive the restrictions if he finds it is in our national security interest, but he still would have to report to the Congress that he is waiving the prohibitions on assistance to a Communist country as contained in section 620 of the Foreign Assistance Act.

Mr. BAUMAN. The gentleman is refering to section 620(f)?

Mr. ZABLOCKI. That is correct.

Mr. BAUMAN. I do not read the impact as the gentleman does, but I appreciate the gentleman's response.

Mr. MILFORD. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Texas (Mr. MILFORD).

Mr. MILFORD. I thank the gentleman for yielding.

Mr. Speaker, when H.R. 6884 was on the floor, I introduced, and the House approved, an amendment instructing the President to undertake a review of regulations relating to arms control for the purpose of defining and categorizing lethal and nonlethal products and establishing the appropriate level of control for each category.

When the other body had this bill before it, the Senator from Georgia (Mr NUNN), introduced, and the Senate passed, a similar amendment, but with more specific directions to the President, and specifying a deadline of 120 days for the President to issue new regulations.

The conference committee adopted my language that was in the House bill.

Mr. Speaker, I now direct the chairman's attention to page 31 of the conference report, with special attention to the last paragraph. It reads, in part, as follows:

> The committee of conference adopted the House provision. The committee of conference understands that the purpose of this review is to determine the feasibility of establishing a distinction between lethal and non-lethal products and appropriate levels of control and procedure for each. Further, the explanation of the purpose of the review in the provision is not intended to presuppose the results of the review.

My first question is this: Where did the conference committee get the idea that the language in either the House or the Senate versions of the original bills in any way asked the President to "determine the feasibility of establishing a distinction between lethal and nonlethal products"?

Mr. ZABLOCKI. Mr. Speaker, I may say to the gentleman that proviso is not in the conference report; it is in the statement of the managers.

I can understand the gentleman's concern. I want to emphasize to him that the conferees indeed retained his amendment entirely and intact. The gentleman's amendment will become law if this bill is signed. But as the gentleman has stated, the Senate introduced an amendment, and the problem the conferees faced was one of how to accommodate the different provisions in the two versions.

The conferees adopted the gentleman's amendment, with the understanding that certain Senate concerns would be taken into account, and those concerns are included in the statement of managers. The conferees, for example, used the opportunity provided for in the explanatory statement to declare their expectations that the President would make every effort to comply with the Senate's desire that the report be made expediently to Congress, that is, within 120 days.

This statement again will not be binding in law, as will the language as proposed by the gentleman from Texas (Mr. MILFORD). The gentleman's language will be binding, but the Senate language will not. The Members of the other body insisted that the Senate language be included in the report, although that is not necessarily binding. Therefore, it does to some extent preserve an intention of the Senate.

Any conference between the Senate and the House has to consider conflicting views, and a compromise must be made to accommodate them. In this case the Senate insisted that their acceptance of the Milford amendment was conditioned upon a compromise to allow for the inclusion in the joint statement of the language. That is why the paragraph on page 31 of the conference report to which the gentleman refers was included, and it was insisted upon by the Senate conferees.

Mr. MILFORD. Mr. Speaker, will the gentleman yield further?

Mr. ZABLOCKI. I yield to the gentleman from Texas.

Mr. MILFORD. So that we may pursue this further, my second question concerns the language in the conference report which says in part:

> Further, the explanation of the purpose of the review in the provision is not intended to presuppose the results of the reviews.

Since the language of the amendment clearly states that the "President shall undertake a review of all regulations" and further describes what he shall review and what he shall establish, how, then, can the conference committee justify the statement in the report that the law is "not intended to presuppose the results of the review"?

Mr. ZABLOCKI. Again, this was included in the report at the insistence of the Senate conferees. Certainly we cannot presume to determine what the Presidential report or finding will contain, and, therefore, the Senators insisted that the explanation of the purpose of the review in the provision is not intended to presuppose the results.

Mr. MILFORD. Mr. Speaker, since there appeors to be some purpose to interpret the intent of the amendment and since I am the author of the amendment, I would like to register clearly for the record the intent of the amendment to H.R. 6884 concerning the review of arms sales controls on nonlethal weapons.

Mr. ZABLOCKI. Mr. Speaker, I join with the gentleman in his intent.

Mr. MILFORD. Mr. Speaker, I would like to clearly register, for the record, the intent of my amendment to H.R. 6884 concerning review of arms sales controls of nonlethal weapons. The amendment was passed unanimously by this House. A similar amendment was passed by the Senate as presented by Senator NUNN.

My amendment clearly expressed its intent:

> SEC. 21. The President shall undertake a review of all regulations relating to arms control for the purpose of defining and categorizing lethal and non-lethal products and establishing the appropriate level of control for each category.

Senator NUNN submitted and the Senate passed:

> SEC. 27. In defining and providing regulations for the control of exports of major defense articles and significant combat equipment and defense articles the President shall in categorizing such exports consider whether the subject items are lethal or non-lethal, and the President shall develop methods and procedures for the expeditious consideration of request for exports of items determined to be non-lethal. The President shall submit to the appropriate committees of the House and Senate within 120 days of date of enactment of this act a report setting forth the procedures and regulations that shall be applied to those systems determined to be non-lethal.

I believe that these two clearly establish the need and intent of both Houses to direct the administration to produce some commonsense rules for Government and industry that will relieve the impasse in foreign trade that threatens the entire industrial structure. In turn, it offers the administration the avenue to sensibly pursue its arms control policy.

Now the House/Senate conference committee report in its words of explanation goes far outside the mandate of these amendments.

The House amendment was adopted and became the letter of the legislation under consideration. The conference report—page 31, last paragraph—states:

> The committee of conference adopted the House provision. The committee of conference understands that the purpose of this review is to determine the feasibility of establishing a distinction between lethal and nonlethal product and appropriate levels on control and procedure for each. Further, the explanation of the purpose of the review in the provision is not intended to presuppose the results of the review.

I take strong exception to this interpretation as totally thwarting the intention of the amendment in the legislation.

For the record, the argument and intent of both Houses was to direct the President to review the arms control regulations for the purpose of defining and categorizing lethal and nonlethal products and establishing appropriate levels of control for each category.

I take exception to the idea of "feasibility" as a result and I take exception to the device that the provision does not presuppose the results.

There is no question and the evidence is overwhelming that the arms control regulations and their implementation have far exceeded the intent of Congress. I have said again and again on this floor that many products not designed and produced for destructive intent are being blocked for export under the guise of

arms control. The burden on industry is becoming a major deterrent.

I insist upon this House pondering this thought:

Because of the inappropriate method of assigning products to the munitions list, we have falsely labeled this country as the leading arms merchant of the world.

That is just not the truth. The National Security Council reports that, in arms, Russia is by far the leading exporter. The bulk of what this administration lays on our back as "merchants of death" are peaceful goods and services in keeping with our role of benefactor.

I must register my resentment in behalf of every thoughtful American at being a victim of a false bureaucratic definition of "arms." My amendment clearly states and instructs the administration to right this wrong and bring some American commonsense to our common cause.

The United States could make a lot of headway toward repairing its reputation as "arms merchant of the world" if we would stop calling navigation systems we use on our domestic airliners "lethal weapons" when we sell them overseas, much of our so-called "arms sales" are not really arms, because of Government regulations they are classified as arms by our own Government.

For example, it is my understanding that perhaps only one-third of what we classify as "arms" sold overseas are actually lethal weapons designed to cause death and destruction.

Perhaps another one-third is in the form of spare parts for these weapons or in the form of services which might or might not be for weapons.

A final third would come in a gray area of commercial items which have both military and nonmilitary uses.

I believe we got ourselves into this situation for two reasons:

One is our good intentions.

Since the enactment of the Mutual Security Act of 1954, Government regulations controlling the export of munitions have been repeatedly amended in a piecemeal fashion, to the point where they are obscure and are no longer directly responsive to the central issue. I think all of us in Congress are acutely aware that once a regulation is promulgated, it is awfully difficult to get it depromulgated.

A second reason we face this problem is the rapid rate of our development of technology. Today's high technology item is often old fashioned tomorrow, literally. Many of these technical items should be taken off our "sensitive lists" long before they are, but the listkeepers are bureaucrats with little, if any, technical expertise.

My amendment very simply asks that we mean arms when we say "arms," to keep from unfairly identifying ourselves as "merchants of death" when so much of our so-called arms exports are truly useful, nonlethal, peaceful goods. Providing a country with those items which strengthen their economy and stabilize their position in the international community is a peaceful and humanitarian endeavor.

I submit that we need many definitions in this sphere: What are arms? What is advanced technology? Who defines the legitimate needs of a sovereign nation?

Let me give you a good example where our humanitarian enthusiasm has boomeranged and burdened good, peaceful, safe, humanitarian products in common use around the world with the "arms" stigma.

Inertial navigation systems in common use by the world's airlines are now classified as munitions and require special State Department license when they are sold as a part of commercial aircraft. Inertial navigation contributes enormously to the safe and efficient flow of peaceful civil traffic. By what tortured reasoning do we inhibit or deny free access to that technology?

There are other dramatic examples of this same kind of reasoning:

The C–130 transport aircraft sold for any use whatsoever is considered a lethal weapon under current practice.

Satellite communications systems built in this country and launched from this country under contract to a foreign country, but never physically delivered to that foreign government, are on the munitions list.

It is these items and many others like them which I sincerely hope could be reclassified off the "lethal weapons" list and on to some other list where they more truly belong.

Mr. Speaker, I must insist that the language in the conference report, found in the last paragraph of page 31 is the private opinion of the 18 members of the conference committee and not the opinion of the House or the Senate.

The wording of the law clearly speaks to the intent of the law. Should anyone have remaining doubt, the content of this speech should make the matter clear.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I fully endorse the comments of my distinguished colleague, Mr. ZABLOCKI. The conference report on H.R. 6884 preserves the principal provisions of the security assistance legislation initially passed by the House and warrants our support.

The results of the conference reflect a compromise and a concern for reducing the amount of the initial House authorization for fiscal year 1978. The conferees, for example, lowered the initial House authorization by almost $7 million. Moreover, the conference authorization is $53 million less than the amount requested by the executive branch.

The conference sustains the Congress desire to reduce grant assistance and grant military training wherever possible. Although the conferees accepted five other countries as eligible for military assistance advisory groups on a 1-year basis, three of these five—Kuwait, Iran, and Saudi Arabia—will be fully reimbursable and will cost the American taxpayer nothing. By allowing for these oil-rich countries to pay for American military services, the Congress can better allocate its resources for other programs, while at the same time saving the taxpayer considerable money.

As for security supporting assistance, the conferees agreed to meet "new directions" objectives—that is, involving the poor in development while at the same time avoiding large-scale assistance projects requiring substantial capital such as highway building and improvement. In particular, the committee of conference reduced the southern African special requirements fund from $100 to $80 million. The conferees also retained the prohibition on the use of the funds in the southern African countries for military and paramilitary purposes. Just as importantly, the conference sustains the initial House prohibition on the use of African special requirements funds for certain countries with Marxist or Socialist governments. Furthermore, the conference prohibits any military assistance to Ethiopia. As for the Zimbabwe development fund, the committee on conference supports U.S. participation, but deletes any reference to specific amounts of money that the United States may contribute to the fund.

Through various conference provisions including several that were added by the Senate, the Congress will be able to seek new and better ways to provide for national and international security. In particular, the conference sustains an initial House provision providing for a comprehensive interagency review of the implications of international transfers of technology. The committee of conference also included the Senate suggestion of a report requirement on the impact of U.S. arms sales and transfers to U.S. defense readiness and national security. Just as importantly, the conference also provides certain initiatives for the maintenance of international security. In particular, the conferees adopted a Senate amendment, which had no counterpart in the House, that would terminate the sale of defense articles and services to any country granting sanctuary to international terrorists.

In conclusion, I believe that the committee of conference retains a majority of provisions initially voted upon and passed by the House while at the same time providing for the achievement of important national and international security objectives. For these reasons, I urge my colleagues to approve the conference report to H.R. 6884.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise in support of this conference report.

Mr. Speaker, I would like to point out that over the years the military assistance program, the grant military assistance, the military sales provision, military training, and many other programs have been gradually cut. Of the funds in this bill of approximately $3.2 billion, 40 percent are earmarked for the State of Israel, which is a practical commentary on the situation in the Middle East. There are substantial sums for Egypt, and that investment, we hope, is an investment for peace.

So this particular program is, I point out, one which has been cut. It has been brought under tight control.

I support it, since I feel it is essential

to our conduct of foreign policy and our international defense obligations.

I would like to point out that as I understand the issue to be involving the southern Africa special requirements fund. As the chairman properly noted, we took the other body's figure of $80 million, as opposed to the House figure of $100 million, and we keep the specific restrictions.

It is certainly the intent of Congress that none of these funds be provided to Mozambique, Angola, Tanzania, or Zambia. That is clearly the intent of Congress, and clearly the intent of the conferees as indicated in this section of the bill.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Mr. Speaker, I thank the gentleman from Michigan (Mr. BROOMFIELD) for yielding.

Mr. Speaker, with respect to this conference report on H.R. 6884, I again want to compliment the chairman, the gentleman from Wisconsin (Mr. ZABLOCKI), and the ranking Republican, the gentleman from Michigan (Mr. BROOMFIELD), for the many hours they put in.

Mr. Speaker, the conference report to H.R. 6884, which we have before us today, maintains many of the provisions of the security assistance legislation initially approved by the House in late May.

The conferees expressed a concern for compromise on several issues, including the conference authorization, which is $7 million less than the initial House authorization. Overall, the conferees agreed on many issues by which the United States can better provide for not only worldwide security but also its own national security.

The conference report reflects many of the concerns that the Congress has expressed in relation to "give-away aid programs" and the transfer of technologies vital to U.S. national security. For these reasons, I urge my colleagues to adopt the conference report to H.R. 6884.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding.

I wanted to ask the distinguished chairman a couple of questions.

How much in military assistance does this conference report provide for Israel?

Mr. ZABLOCKI. If the gentleman will yield, there is $1 billion for military sales credits, of which $500 million is to be forgiven; and then there is $785 million for Israel for security supporting assistance.

Mr. ALLEN. How much is there for Egypt?

Mr. ZABLOCKI. There is $750 million for Egypt.

Mr. ALLEN. How much for Jordan?

Mr. ZABLOCKI. As I had stated earlier in my remarks, there is, I believe, $93 million for Jordan; $90 million for Syria; and $20 mililon for Lebanon.

Mr. ALLEN. Does that include all of the money appropriated for the Arab nations?

Mr. ZABLOCKI. It does not. This is an authorization bill and not an appropriation.

Mr. ALLEN. For military assistance?

Mr. ZABLOCKI. For security assistance.

Mr. ALLEN. For security assistance?

Mr. ZABLOCKI. This is not only military assistance. This bill authorizes funds for other international security assistance programs.

As the gentleman knows, security assistance consists of three elements that is, grant military assistance, security supporting assistance, and funds for the foreign military credit sales program. Security supporting assistance is not military assistance, but economic assistance designed to support economic and political stability in the recipient country.

I should also point out that although there are no funds in this bill for any assistance to Saudi Arabia and Iran that cash sales of defense articles to those countries can be made under the authority of the Arms Export Control Act.

Mr. ALLEN. Mr. Chairman, what I am trying to get at is, How many American taxpayers' dollars will be used for military aid or security assistance, or call it what you will, for Israel, as compared with all the American taxpayers' money that will be used for security assistance and military aid for the other various Arab nations?

Mr. ZABLOCKI. Mr. Speaker, as the gentleman I am sure knows, we have military sales, or so-called cash on the barrelhead sales which do not cost the taxpayers anything. But, the total authorized in this bill, as I said before, is $3,202,085,000. If we take the entire amounts earmarked and programed for assistance to the countries in the Middle East, the total would be $2,849,500,000. Of this amount, $1,785,000,000 is for Israel and $1,064,500,000 would be for Egypt, Jordan, and Syria. As far as the taxpayer's dollar being expended, the gentleman from Tennessee must understand that the bulk of this program is under the military sales credit program. Therefore, the U.S. Government will be reimbursed for the credit sale of defense articles.

Mr. ALLEN. We are extending the credit of the U.S. Government?

Mr. ZABLOCKI. That is right.

In the case of Israel we not only extend credits but we also make a forgiveness on those credits.

Mr. ALLEN. How much is the total amount it will cost the American taxpayers for military assistance and military sales to the Arab nations?

Mr. ZABLOCKI. To the Arab nations alone?

Mr. ALLEN. That is correct.

Mr. ZABLOCKI. Jordan is the only country to which the United States sells defense articles. And that amount is $75 million in military credits for fiscal year 1978.

Mr. ALLEN. Did not the gentleman say there was something else?

Mr. ZABLOCKI. One billion for Israel.

Mr. ALLEN. And a large amount also for Egypt?

Mr. ZABLOCKI. Egypt receives security supporting assistance, it is not military sales.

The gentleman from Tennessee must understand that the cash sales are not in this bill. What is in this bill is the foreign military sale programs under credit terms or a security supporting assistance program which is in part economic assistance. It does not, however, include cash sales.

Mr. SOLARZ. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Speaker, I think I might be able to clarify this for my good friend, the gentleman from Tennessee (Mr. ALLEN). As I understand it, in this bill there is about $1.785 billion for Israel, military and economic assistance, and for the Arab countries, and this includes Egypt, Jordan, Syria, and Lebanon, there is approximately about $1 billion in economic and security supporting assistance.

Mr. ALLEN. That would be either appropriated or authorized to be appropriated out of the taxpayers' pockets?

Mr. SOLARZ. Authorizing and credits, precisely.

Mr. ALLEN. Or credits, in which we are underwriting the credits?

Mr. SOLARZ. That is right.

Mr. ALLEN. I thank the gentleman.

Mr. BROOMFIELD. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, earlier in the debate the distinguished chairman of the committee, the gentleman from Wisconsin (Mr. ZABLOCKI) referred, glancingly, to the Southern Africa Special Requirements Fund which this bill establishes. It is worth noting, before we vote on this conference report, the full implications in the establishment of this fund, both for the United States and its future involvment in Africa.

It is this Member's opinion that, just as the Balkans prior to World War I and Southeast Asia in the last decade were tinderboxes of potential world conflict, Africa has that potential now.

During the debate on the creation of this fund it has grown to $80 million. It has been improved somewhat by the language added by the other body, but in fact, its establishment could mean that substantial American taxpayers' aid will be going to Communist dominated countries in Africa if the President of the United States so decides. The assurances given me by the gentleman from Wisconsin (Mr. ZABLOCKI) and others, stated that they were quite certain that the President and the State Department would not abuse the discretion that this bill creates for the funds use in Africa.

I am told by my colleagues that I should have faith that the President will use this fund wisely and well. But faith on this issue is impossible to have in a President who is willing to retain Andrew Young as United Nations Ambassador, embracing by implication his radical views.

And what countries might benefit from this fund? In Angola, which virtually was turned over to the Communist dictator Neto by this Congress refusal to act, we see a Cuban base of operations for the entire African continent. In Mozambique, another Communist dictator, Machel, with his own citizens in concentration camps, allows Soviet weapons to be shipped in for attacks against Rhodesia. All of the black leaders in southern Africa have put aside the future best interests of their own people and instead have endorsed bloodshed and guerrilla warfare as the only solution to the future of Rhodesia and South Africa. And by our support of these regimes we cast our lot with these same Communist dictators and endorse that bloodshed.

Only, yesterday, we had a Department of State official, John Trattner, admitting that Fidel Castro over the last month has increased the number of Cuban armed forces in Angola by 5,000 men to a level of approximately 19,000. There can only be one reason for that. It is not just to maintain the dictatorship that the Communists have established in Angola, but it is far more likely that these troops will be used to attack Rhodesia as part of the concerned guerrilla warfare that could throw all of southern Africa into war within a matter of months.

So what are we doing today in this pending conference report? We are handing a blank check to the President of the United States to aid these very countries that will be attacking Rhodesia, countries that have already sided with the Communist Patriotic Front forces as opposed to the moderate black Nationalist forces in Rhodesia. We might very well in the next few months see American aid going for purposes described in the bill, refugee relief, transportation links, and so on. But just as my good colleague, the gentleman from Florida (Mr. YOUNG), remarked a few moments ago, while we are told it will go only for these purposes, that will allow other funds to be diverted for the military guerrilla. So we are financing war.

I think we are fading into very deep and dangerous waters. This will only encourage the most radical forces in southern Africa. It is a mistaken view of what ought to be done in the area, and it will certainly not bring about rights to the majority of the people black and white, whom we say we wish to assist.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

I think we should listen very carefully to what my colleague, the gentleman from Maryland, has said. I think every one of us down deep knows that what he has indicated is exactly right. I think many of us in this body are often inclined to point the finger to someone else. Many times we have a double standard in this body. We take a very strong position. Then it is watered down by allowing the President to waive our position if he deems it in the national interest. He waives it, and then legislators travel around and say, "Isn't it awful what the President did?"

I think the American people know better. They know the President's actions are rooted in the laws we pass. He cannot accomplish any of his objectives without the approval of the Congress. Yet most of us are looking for an escape. We want someone else to do it. We want someone else to pull the trigger. We want someone else to light the fuse. Then we can say, "Oh, no, we had nothing to do with it."

I think what the gentleman from Maryland (Mr. BAUMAN) is indicating is that the Members of this body are in effect pulling the trigger, are lighting the fuse, the moment we agree to this bad provision in the conference report. I do not say this in a partisan sense because I think we have done precisely the same thing regardless of the administration, whether it is a Republican or Democratic administration.

Mr. BAUMAN. I certainly agree with the gentleman's estimates of the situation. I would just note that the proof of what he has said here is contained in this conference report. When this bill left the House, there was no provision in it, as there is in this conference report, for a million-dollar study of what the needs of southern Africa really are. We are providing a million dollars to study what the United States ought to do in southern Africa to protect American interests in the future; yet we go right on and establish this multimillion-dollar fund and prejudge what that study will show. We do not know apparently—at least, I do not think this administration does—what the best course is in this area. But it is incomprehensible to me that we should side with the Communists in southern Africa and attempt to bribe them away from the Communist orbit, which already is giving them not only money, but guns, troops, and tanks to assure dictatorships in that unfortunate part of the world.

It is absolutely incomprehensible to me and for that reason, although I support some other parts of the conference report, including aid to Israel, I must oppose it.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Utah (Mr. MCKAY).

Mr. MCKAY. Mr. Speaker, I rise in support of the conference report.

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 262, nays 147, not voting 24, as follows:

[Roll No. 448]

YEAS—262

Addabbo	Gammage	Oberstar
Akaka	Gaydos	Obey
Alexander	Gephardt	Ottinger
Ammerman	Giaimo	Patten
Anderson, Ill.	Gibbons	Patterson
Annunzio	Gilman	Pattison
Archer	Glickman	Pease
Ashley	Gonzalez	Pepper
Aspin	Gore	Perkins
Bafalis	Gradison	Pettis
Baldus	Hamilton	Pickle
Baucus	Hanley	Preyer
Beard, R.I.	Hannaford	Price
Beard, Tenn.	Harris	Pritchard
Beilenson	Hawkins	Pursell
Benjamin	Heckler	Quie
Biaggi	Heftel	Railsback
Bingham	Hillis	Rangel
Blanchard	Hollenbeck	Regula
Boggs	Holt	Reuss
Boland	Holtzman	Rhodes
Bolling	Horton	Richmond
Bonker	Howard	Rinaldo
Bowen	Hughes	Risenhoover
Breaux	Hyde	Rodino
Breckinridge	Ireland	Rogers
Brodhead	Jeffords	Roncalio
Brooks	Johnson, Calif.	Rooney
Broomfield	Jordan	Rose
Brown, Mich.	Kasten	Rosenthal
Buchanan	Kemp	Rostenkowski
Burgener	Keys	Roybal
Burke, Fla.	Kildee	Ruppe
Burlison, Mo.	Koch	Ryan
Burton, John	Kostmayer	Santini
Burton, Phillip	Krebs	Sarasin
Caputo	Krueger	Sawyer
Carney	LaFalce	Scheuer
Cavanaugh	Lagomarsino	Seiberling
Cederberg	Le Fante	Sharp
Cohen	Leach	Sikes
Collins, Ill.	Lederer	Simon
Conable	Leggett	Skelton
Conte	Lehman	Smith, Iowa
Corcoran	Lent	Solarz
Corman	Levitas	Spellman
Cornwell	Lloyd, Calif.	St Germain
Cotter	Long, La.	Staggers
Coughlin	Long, Md.	Stanton
Cunningham	Lujan	Steers
D'Amours	Lundine	Steiger
Daniel, Dan	McClory	Stockman
Danielson	McCloskey	Stokes
de la Garza	McDade	Stratton
Delaney	McEwen	Thompson
Derwinski	McFall	Thornton
Dicks	McHugh	Traxler
Diggs	McKay	Tsongas
Dodd	Madigan	Tucker
Downey	Maguire	Udall
Drinan	Markey	Ullman
Duncan, Oreg.	Marks	Van Deerlin
Duncan, Tenn.	Mattox	Vander Jagt
Early	Mazzoli	Vanik
Eckhardt	Meeds	Vento
Edgar	Metcalfe	Walgren
Edwards, Calif.	Meyner	Walsh
Eilberg	Michel	Waxman
Erlenborn	Mikulski	Weiss
Evans, Colo.	Mikva	Whalen
Evans, Del.	Milford	White
Fary	Mineta	Whitehurst
Fascell	Minish	Wilson, Bob
Fenwick	Mitchell, Md.	Wilson, C. H.
Findley	Mitchell, N.Y.	Wilson, Tex.
Fish	Moakley	Winn
Fisher	Mollohan	Wolff
Fithian	Moorhead, Pa.	Wright
Flood	Moss	Wydler
Florio	Murphy, Ill.	Yates
Foley	Murphy, N.Y.	Yatron
Ford, Tenn.	Murphy, Pa.	Young, Fla.
Forsythe	Myers, Gary	Young, Mo.
Fowler	Myers, Michael	Young, Tex.
Fraser	Nedzi	Zablocki
Frenzel	Nix	Zeferetti
Frey	Nowak	
Fuqua	O'Brien	

NAYS—147

Abdnor	Andrews, N.C.	Ashbrook
Allen	Andrews, N. Dak.	AuCoin
Anderson, Calif.	Armstrong	Badham
		Barnard

Bauman	Hall	Panetta
Bennett	Hammer-schmidt	Pike
Bevill	Hansen	Poage
Blouin	Harkin	Pressler
Bonior	Harsha	Quayle
Brinkley	Hefner	Quillen
Brown, Ohio	Hightower	Rahall
Broyhill	Hubbard	Roberts
Burke, Calif.	Huckaby	Robinson
Burleson, Tex.	Ichord	Rousselot
Byron	Jacobs	Rudd
Carr	Jenkins	Runnels
Carter	Jenrette	Russo
Chappell	Johnson, Colo.	Satterfield
Clausen, Don H.	Jones, N.C.	Schroeder
Clawson, Del	Jones, Okla.	Schulze
Clay	Jones, Tenn.	Sebelius
Cleveland	Kastenmeier	Shipley
Cochran	Kazen	Shuster
Coleman	Kelly	Sisk
Collins, Tex.	Ketchum	Skubitz
Conyers	Kindness	Slack
Cornell	Latta	Smith, Nebr.
Crane	Lloyd, Tenn.	Snyder
Daniel, R. W.	Lott	Spence
Davis	McCormack	Stangeland
Dellums	McDonald	Stark
Derrick	Mahon	Studds
Devine	Mann	Stump
Dornan	Marlenee	Symms
Edwards, Ala.	Marriott	Taylor
Edwards, Okla.	Martin	Thone
Emery	Mathis	Treen
English	Miller, Calif.	Trible
Ertel	Miller, Ohio	Volkmer
Evans, Ga.	Moffett	Waggonner
Evans, Ind.	Moore	Walker
Flowers	Moorhead, Calif.	Wampler
Flynt	Mottl	Watkins
Fountain	Myers, John	Weaver
Ginn	Natcher	Whitley
Goldwater	Neal	Whitten
Goodling	Nichols	Wiggins
Grassley	Nolan	Wirth
Gudger	Oakar	Wylie
Hagedorn		Young, Alaska

NOT VOTING—24

Ambro	Chisholm	Holland
Applegate	Dent	Luken
Badillo	Dickinson	McKinney
Bedell	Dingell	Montgomery
Brademas	Flippo	Murtha
Brown, Calif.	Ford, Mich.	Roe
Burke, Mass.	Guyer	Steed
Butler	Harrington	Teague

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts for, with Mr. Teague against.

Mr. Brademas for, with Mr. Guyer against.

Mr. Harrington for, with Mr. Dickinson against.

Mr. McKinney for, with Mr. Butler against.

Mr. Murtha for, with Mr. Steed against.

Ms. Chisholm for, with Mr. Montgomery against.

Until further notice:

Mr. Badillo with Mr. Holland.

Mr. Ambro with Mr. Luken.

Mr. Flippo with Mr. Roe.

Mr. Dingell with Mr. Dent.

Mr. Ford of Michigan with Mr. Bedell.

Mr. Applegate with Mr. Brown of California.

Mr. DUNCAN of Tennessee and Mr. CORNWELL changed their vote from "nay" to "yea."

Messrs. GRASSLEY, EVANS of Georgia, BEVILL, and STARK changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 7589, MILITARY CONSTRUCTION APPROPRIATION ACT, 1978

Mr. McKAY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill (H.R. 7589) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

TAX EXEMPTION FOR WORKMEN'S COMPENSATION FUND ASSOCIATIONS

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, I am today introducing a bill to amend section 501 of the Internal Revenue Code of 1954 to provide tax exemption for an association operated exclusively to provide workmen's compensation for State and local employees. I am introducing this bill to encourage other States to follow Texas' lead, although I want to make it clear that I do not want any inference drawn that such associations would be taxable today.

Texas was the first State to establish the Texas Municipal League's Workmen's Compensation Joint Insurance Fund. This unique plan went into effect after the Texas State Legislature in 1973 passed some of the most far-reaching and comprehensive amendments to the workmen's compensation law of Texas that had ever been enacted and included for the first time coverage of all governmental employees in one form or another. In order to provide a fund for payment of benefits under these statutes, it was decided that if several political subdivisions joined together they could share the cost and reduce the reinsurance costs. Since only political subdivisions can belong to the joint insurance fund, all of the members of the fund are tax-exempt participants. Accordingly, any savings are being returned only to the tax-exempt participants.

Larger cities around the country have already successfully self-insured for workers' compensation. This method has worked for municipalities too small to individually self-insure. By joining together they have accomplished the same result and saved the taxpayers money. My bill would simply make clear that these associations are tax exempt.

AGRICULTURAL ACT OF 1977

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7171) to establish more responsive programs for the benefit of farmers and consumers of farm products; to extend and improve the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, as amended; and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further cnsideration of the bill H.R. 7171, with Mr. EVANS of Colorado in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, July 20, 1977, title I of the bill had been considered as having been read and open to amendment at any point. Pending was an amendment offered by the gentleman from Indiana (Mr. FITHIAN).

AMENDMENT OFFERED BY MR. FINDLEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. FITHIAN

Mr. FINDLEY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY as a substitute for the amendment offered by Mr. FITHIAN: In lieu of the language proposed by the gentleman from Indiana (Mr. Fithian) insert the following:

Page 2, line 3, insert "SUGAR," immediately after "FEED GRAINS,";

Page 2, line 13, add a new paragraph as follows:

"(2) The total amount of annual payments which a producer may receive under any program established under the Agricultural Act of 1949, as amended, for sugar shall not exceed $50,000."

Mr. FINDLEY. Mr. Chairman, last night the amendment offered by my good friend, the gentleman from Indiana (Mr. FITHIAN), was the subject of considerable discussion, and in the process the intent of the amendment became quite garbled. My purpose in offering this substitute is to clarify the intent that I believe the original Fithian amendment had, and that is to establish a limitation of $50,000 on payments that can be made to a single sugar producer in any year. That, I believe, was the intent of the Fithian amendment. It became so garbled that I think this clarification is needed.

In the debate yesterday the gentleman from Hawaii (Mr. HEFTEL) told us about the AMFAC "family farm" in the State of Hawaii.

I would like to tell the Members a little bit about the AMFAC "family farm."

According to Standard & Poor's, AM FAC owns hotels, restaurants, machinery facilities, drugs, and financial services, as well as sugar production facilities.

If AMFAC wants to "grow" commodities like banks, restaurants, and hotels, more power to them. I am all for it. But I am not for giving that firm a multi-

million-dollar subsidy to make its bank account a little bit fatter. According to Standard & Poor's Register, AMFAC had a total revenue of $1.13 billion in the last year for which information is available.

A corporation doing $1 billion worth of business, under the payment program which the administration recently announced would have been eligible for payments of $14 million.

Mr. Chairman, I am not opposed to corporations. I am not opposed to big corporations. I just do not think that farm subsidy programs should benefit such operations.

The issue is clear, in my opinion. If the Members vote against this substitute, they will be voting to keep the road clear or, in effect, to authorize big multimillion-dollar payments if a new payment program should come forward from the administration.

Mr. Chairman, according to Congressional Research Service, just 40 of these giant corporations would eat up 40 percent of all payments, whatever the nature of the payment program as set up by the administration. I cannot imagine that this committee would elect to authorize payments in excess of $50,000 to any producer.

My good friend, the gentleman from Washington (Mr. FOLEY), suggested that the Fithian amendment was mischievous. I suppose his reason was that we do not presently have in the Federal Register a payment program for sugar producers. That is true, but I would submit that what is mischievous is what the administration has been saying and doing about sugar during the past few months. It seems to me mischievous for the administration to consider a payment program of $230 million a year that has not been the subject of any hearings whatsoever.

To add to my concern, Mr. Chairman, I read that Mr. Strauss, the chief trade negotiator, said yesterday that he does not know what new program for sugar will be proposed by the administration.

Then I noted that on the same date, yesterday, Secretary Bergland said, and I quote from a wire service dispatch, the following:

> Secretary Bergland tonight reaffirmed the Carter Administration's commitment to assure domestic sugar producers 13.5 cents a pound, but made it clear we do not need legislation to accomplish this goal.

Mr. Chairman, where are they going to turn for a means of guaranteeing the 13.5 cents a pound, to a negotiated trade agreement, perhaps, or some other plan they may draft.

Mr. Chairman, that sort of thing requires a great deal of cooperation from a lot of different nations, which may not be forthcoming.

What surprise then will the administration propose with respect to a new payment program or subsidy program?

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

(By unanimous consent, Mr. FINDLEY was allowed to proceed for 1 additional minute.)

Mr. FINDLEY. To continue, Mr. Chairman, we do not know what is ahead. We have the assurance of the Secretary of Agriculture that the Administration does not want nor need new legislation. We have the statement of Mr. Strauss today that he does not know what the administration is coming up with as far as a new program is concerned, so I think it is prudent for this committee to establish a $50,000 limit on payments under any sugar program that may be forthcoming. That sum, surely, is enough money in any one year for any producer of sugar.

Mr. BLOUIN Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Iowa.

Mr. BLOUIN. Mr. Chairman, I would like first to commend the gentleman from Illinois (Mr. FINDLEY), as well as the gentleman from Indiana (Mr. FITHIAN), for their efforts jointly to create equity in a segment of agriculture that very desperately needs it.

I do not think it is any great secret that the corn syrup industry is in trouble as well as the sugar industry, and I believe that the amendment which both the gentleman from Illinois (Mr. FINDLEY) and the gentleman from Indiana (Mr. FITHIAN) cooperatively are proposing, or their combination of amendments, goes a long way toward creating that equity.

Therefore, Mr Chairman, I would urge the adoption of the gentleman's amendment.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman.

Mr. CONTE. Mr. Chairman, I move to strike tne last word, and I rise in support of the amendment offered as a substitute by the gentleman from Illinois (Mr. FINDLEY) for the amendment offered by the gentleman from Indiana (Mr. FITHIAN).

Mr. Chairman, the substitute seeks to set a limit of $50,000 for the producers of sugar. I submit that this is a far better approach to the problems of the sugar segment than the administration-supported proposal of paying a subsidy of 2 cents per pound to domestic producers through the processors. I oppose this program for several reasons: First, it discriminates against the corn sweetener industry to the tune of about $150 million annually; second, it will cost taxpayers $240 million a year and will provide no relief to consumers; third, it is of questionable legality; fourth, it is not budgeted and has not even been the subject of congressional hearings; fifth, it will not solve the long-term problems of U.S. producers and may in fact make problems worse by creating artificial incentives to increase sugar production at a time of world surplus; sixth, it could aggravate the Nation's balance-of-payments problem by restricting the market potential of corn sweeteners worldwide; and seventh, it is destructive of the family farm and may have a serious anticompetitive effect within the sugar industry by helping to finance the demise of small sugar farms at the hands of gigantic grower-processors. If the Congress adopts the proposal of the administration, there are five major grower-processors in the States of Hawaii and Florida who will be especially grateful. These five majors will stand to pocket over 20 percent, or $50 million of this amount. In addition, the 2-cent proposal will benefit an additional 43 growers and processors to the tune of at least $1 million each.

The Members of this body should realize that these payments are a "bailout" of the sugar industry. The industry, riding high on the record prices for their product 3 years ago, embarked on a massive program of expansion. However, the laws of supply and demand prevailed, and the hoped-for demand never materialized. Now the industry is asking the Congress to "make good" their faulty judgments, and provide the required money. I do not believe the Government should be in a position of bailing out each industry that falls into this predicament. Further, I believe that it is up to the Congress to restore some rationality to this situation. For this reason, I am supporting the amendment offered by my good friend from Indiana, as a better alternative than the 2-cent subsidy approach.

Mr. Chairman, the amendment seeks to limit these Federal payments to $50,000 annually. This is a concession on the part of the sponsors to the unique financial situation that the sugar producers face as compared to other crops. It also is a recognition of the fact that the corporate farming practice is gaining control of our sugar production. This amendment will benefit the small producer of sugar, whose livelihood is directly dependent on the annual receipts rather than falling back on the accumulated income reaped from the "good years" of the past. This amendment will limit the amounts the major producers and growers will receive and also afford the small producer a competitive edge from this ever-growing threat to his existence. I do not believe this payment limitation will, in itself, save the small farmer from this threat, but it is an important step for the Congress to take in recognizing their particular plight.

Mr. Chairman, I have heard the pleas of the large growers and processors that this amendment will cripple their industry, that unemployment will skyrocket, and that the economic status of several key States will suffer. However, I am not convinced that the majors will simply "close up shop" and go to another product if this amendment is adopted, rather I believe that the adoption of this amendment will serve as a signal to this industry and others that the Congress is not in a position of bailing out bad judgments. And for this particular segment, I believe the sugar prices of 60 cents per pound, that the consumer was forced to pay a few years ago, should have provided ample financial cushion to carry them through this current, but transient situation.

Mr. Chairman, in the interest of fiscal responsibility and rationality, I urge the adoption of this amendment.

Mr. Chairman, not once—not once—

did I see any of those people who were reaping that fantastic harvest, at the price to the consumer of 60 cents a pound, ever come forth and say, "Look, you are really carrying a heavy load, little housewife. We are going to give you back some of that money." They stuffed it in their pockets, and now they are hurting, and now they want the taxpayers to come in and bail them out. I say No! No! No!

Mr. KINDNESS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

I would like to associate myself with the gentleman's remarks and express my appreciation for the clear comments which he has made on the substitute. The gentleman from Indiana and he both deserve our support, and I hope the Members support them.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentleman for yielding.

Is this an attempt to make this $50,000 limitation also apply to loans?

Mr. CONTE. No; it does not.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. TRAXLER. I thank the gentleman for yielding.

I have the greatest respect for the gentleman in the well. We serve on the committee together. Let me say I would not want him to think that this 2-cent program is worth 2 cents. To my growers it is not. The solution to the sugar problem lies more in the approach that the de la Garza amendment will be taking tomorrow when we amend title IX. I appreciate the gentleman's comments, and I will ask him for his support of the de la Garza amendment.

Mr. CONTE. I thank the gentleman, and I will say that we will cross that bridge when we come to it and find out what the final effects of the amendment are.

Mr. HEFTEL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, what we were saying yesterday has not changed today, and for the people whose jobs would be absolutely eliminated, it matters little what the terminology of the amendment reads like. But I think most important of all, the Members of this august body, who were somehow convinced on June 4, 1974, that the Members should discontinue the 40-year-old Sugar Act, are the same individuals who are trying to tell us we should have a ceiling on sugar payments per producer. Ironically, that 60-cent price was a product of the elimination of the Sugar Act.

What we are talking about today is guaranteeing a future price for the consumer of 60 cents a pound. When the domestic production of sugar in America goes from its present 57 percent to 40, when we eliminate Hawaii, and down from there, we then become dependent upon the foreign sugar market. We do not have to have anyone tell us what happens to the price of any commodity when we are dependent upon a foreign market.

This idea that some giant companies are going to put money in their pockets is untrue and fallacious. We are talking about the difference between losing $65 million and $25 million. These payments would make the difference between a loss of $65 million and $25 million. There is no profit involved or available, but again if we are worried about profits, it would be so simple to enact legislation which stipulates that if we accept any support payments from the Federal Government, we will be obligated to earn no more than a 5-percent return on invested capital, subject to a 90-percent excess profits tax.

And so we are really talking about a program which if decimated would mean that we would go back ultimately to the 60-cent price for that individual pound of sugar bought by the consumer.

It is also interesting to note that the point was made that this limit applies only to payments, not to loans. What devastation we would bring about in the agricultural community of America if we now try to apply this same philosophy and concept to the loan program. None of us wants to devastate any of us and I do not believe we will ever help each other in any manner that makes sense if we try now to come up with programs which incorporate the total destruction of the agricultural community.

I am hoping that my colleague, the gentleman from Hawaii (DAN AKAKA) will speak to us today because I would like to have him talk about those people in Hawaii who will just simply have no way to become anything but burdens on society if we go ahead with this kind of crop limitation.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I yield to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I commend the gentleman from Hawaii (Mr. HEFTEL) for his remarks.

I would like to have my colleagues think about what the welfare costs will be to the people of America in the State of Hawaii whose economy is based upon this industry and think about what the welfare costs would be to the taxpayers of America for the Commonwealth of Puerto Rico and other States if this limitation goes through.

They do not have family farms in the State of Hawaii but they do have a situation where the workers share in the profits of the crops over there.

As was stated yesterday by my colleague, the gentleman from California, the gentleman from San Francisco, they have worked without a contract for more than a year, I believe, because the industry was in such bad shape.

If we want to deal with this on a dollars and cents basis and say this program is going to cost, I think my friend, the gentleman from Massachusetts, said it would cost $245 million or something, think about what the welfare costs are going to be in dollars, if not what welfare costs as against the dignity of working and earning a wage means to the human family fabric.

I would urge a "no" vote on the substitute amendment and on the amendment.

The CHAIRMAN. The time of the gentleman from Hawaii (Mr. HEFTEL) has expired.

(By unanimous consent, Mr. HEFTEL was allowed to proceed for 2 additional minutes.)

Mr. HEFTEL. Mr. Chairman, I would like to quickly point out that the income from sugar to the United States is $187 million. The cost differential is actually $53 million. But more significant, the cost of unemployment for 1 year for 10,000 workers would be $40 million and for 30,000 workers it would be $120 million.

So my colleague has made a very apt point concerning the fact that there are no savings available to us in this amendment—only losses, losses in many different directions.

Mr. AKAKA. Mr. Chairman, I rise in opposition to the substitute amendment and I move to strike the requisite number of words.

Mr. Chairman, I stand here today as the first native Hawaiian to have a vote in Congress. I stand here also as a person who feels greatly the honor that has been bestowed upon me. And I stand here to appeal to the Members of this House to help the people of Hawaii continue to live in dignity and in good support of their families.

My colleague, Mr. HEFTEL, mentioned me, because the gentleman is a person who has lived in Hawaii for 12 years. In the time the gentleman has been there, he has come to understand the problems of Hawaii.

We both understand that we cannot carry on the sugar industry with small farms. The producing unit for Hawaiian sugar cane must be large to be efficient. Under Hawaiian conditions, many millions of dollars of capital investment have been required to prepare land for cultivation, to install irrigation systems, to build roads, to build raw sugar mills, to provide equipment needed for cultivation and harvesting. In most of Hawaii it is simply not feasible to grow sugar cane in small units. The structure that the Hawaiian sugar industry has developed, can you imagine, over a period of 140 years, since 1837. Long before Hawaii was annexed as the Hawaiian territory it had been established that large production units were required in Hawaii for efficient operation. The existing pattern of production existed when Hawaii was given statehood. The large producing units which are found in Hawaii are a Hawaiian solution for Hawaiian problems.

Hawaii, as we know, is an isolated community. It is subtropical in character. It has a limited population, which makes it necessary for Hawaiian agricultural products to be shipped to the mainland for sale. The cultivation of sugar cane is one of the very few crops which Hawaiian agriculture is able to produce on an economic basis.

Mr. Chairman, no one will get rich from this program. It will, however, allow the domestic sugar industry in Hawaii, as well as the continental United States, to exist until the market price reaches 13½ cents per pound. It will keep our country's sugar industry in business, so that thousands of workers will not be laid off—and I repeat, thousands of workers will not be laid off.

If the Fithian amendment, and also the substitute by the gentleman from Illinois (Mr. FINDLEY) passes, it will have the effect of destroying the President's program completely and it will force one of our Nation's largest domestic industries into bankruptcy and cause the rolls of Hawaiian unemployment to grow.

Any payment limitation will work a particular hardship on one particular State, and that is Hawaii. Without assuming payment of the full 2 cents per pound for a full year, Hawaiian producers would receive $40 million. A $50,000 ceiling would limit the Hawaiian total to $750,000. Almost all Hawaiian sugar is produced by only 15 producers. Hawaii's unique situation, being 2,400 miles away from the nearest market, requires large corporate farming. A $50,000 payment, whether to the producers or to the processors, which may assist a family farmer to stay in business, will be of no benefit to the corporate farm.

The CHAIRMAN. The time of the gentleman from Hawaii has expired.

(By unanimous consent, Mr. AKAKA was allowed to proceed for an additional 2 minutes.)

Mr. AKAKA. Mr. Chairman, as a result, they will no longer be able to stay in business, and tens of thousands of workers will have to be laid off. Passage of the substitute and the amendment would be devastating, as I said, to the State's economy, since the sugar industry, now losing money, is the third largest industry in Hawaii.

We cannot accept a $50,000 ceiling, whether it is for the producers or for the processors, as in Hawaii we have a unique setup for the sugar industry. Payments finally go to the workers.

Mr. Chairman, I urge my colleagues to defeat the substitute and the amendment.

Mr. KINDNESS. Mr. Chairman, will the gentleman yield?

Mr. AKAKA. I yield to the gentleman from Ohio.

Mr. KINDNESS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I do not quite understand the process that is involved in reasoning this thing out as to why the workers would be unemployed. Could the gentleman explain that? There has been a reference to bankruptcy. Is the gentleman contending that all 15 producers would go bankrupt in the absence of this program?

If so, I think I can understand the argument. But otherwise, could the gentleman explain the process by which the unemployment occurs?

Mr. AKAKA. Yes. The producers in Hawaii are considered to be the growers, and of the growers, we have 500-plus independent growers. They plant and cultivate the sugarcane. The processors are those who come in to harvest the cane and mill the cane into raw sugar. The raw sugar is then transported, in our case, to the mainland. It is refined there by refiners into marketable products.

The CHAIRMAN. The time of the gentleman from Hawaii has again expired.

(On request of Mr. KINDNESS and by unanimous consent Mr. AKAKA was allowed to proceed for 2 additional minutes.)

Mr. AKAKA. After it is refined into a marketable product, it is sold here on the mainland, and even in Hawaii. And so, the payments that would be received from this program then would go to the refiners, processors, to the producers, and the sugarworkers.

Mr. KINDNESS. Would the gentleman yield for another question? Is the gentleman contending, then, that the producers are all so capitalized that they do not have the resources to survive 1 bad market year?

Mr. AKAKA. Well, let me put it this way: If the processors were to go out of business, the producers would too. They would have no place to send their sugarcane.

Mr. KINDNESS. Is it the gentleman's contention that the processors, all 15, would be out of business on the basis of 1 bad year?

Mr. AKAKA. That would be true. They would be out of the sugar business.

Mr. KINDNESS. That is without exception?

Mr. AKAKA. That is right.

Mr. KINDNESS. I thank the gentleman for his answer.

Mr. HUCKABY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the proposed amendment. I think we need to look at what is happening to the American sugar industry. And why is it happening?

We are importing nearly 50 percent of our sugar today. This sugar is being dumped into the United States at costs far below what it costs to produce it in those countries that we are importing from, because we no longer have sugar agreements. This country, since the first of the year, has been trying to negotiate new sugar agreements, without any success. Secretary of Agriculture Bergland stated earlier this week that if something is not done, our entire sugar industry will probably collapse within 2 years.

Think what will happen to us. It should be perfectly obvious that a sugar cartel will be formed, just as an oil cartel has been formed. The price of soft drinks will, in 2 years, be 50 or 75 cents instead of the 30 cents it is today. It is time that Congress recognized what is happening to the sugar industry.

The President has proposed a 2-cent supplement—and it is up in the air now—whether or not the 2-cent supplement can be implemented. If this approach is used—and I do not believe it is the best approach, but I surely believe we should keep the opportunity open to us to maintain that flexibility, we are going to have a 37-percent reduction, if the Findley amendment is adopted, in the Government payments going to the sugar industry. Simple laws of economics tell us that if you cannot cover your variable costs, you cease operations. And, this is what is going to happen to the sugar industry after this year's crop if something is not done.

Hopefully, if we could enter into trade negotiations to prevent dumping, the price of sugar will probably go up to around 15 cents, and the industry could continue to survive. In lieu of this, I think the de la Garza amendment is a much better approach. But if that fails, I would certainly like to have open this third option. I think the Fithian amendment significantly reduces the third option and we would promptly go ahead and see the demise of the sugar industry.

Mr. Chairman, for these reasons I must urge the defeat of this amendment.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute amendment.

Mr. Chairman, the gentleman from Illinois (Mr. FINDLEY) has said that the substitute does clarify some of the issues involved in the amendment offered by the gentleman from Indiana (Mr. FITHIAN). But the same problems exist with reference to the operation of the substitute and the original amendment with respect to, for example, the production of sugar in Hawaii, as both gentlemen from HAWAII (Mr. AKAKA and Mr. HEFTEL) have explained to the House.

What we are trying to do is look at a condition of the American sugar industry which has reached a disastrous state, in terms of low prices. The gentleman from Illinois (Mr. FINDLEY) pointed out that it was not too long ago, a couple of years ago, that American consumers were paying 60 cents for sugar. We were paying 300 percent more than we are paying today. And we had that situation because we were dependent on international sugar supplies that were in tight condition.

Almost every country in the world has some form of sugar production program; and we had one, indeed, from 1934 until 1974. But after that, we became dependent upon an open world market where there is a relatively small so-called free market. When that so-called free market becomes short, sugar prices rise dramatically. When there is a surplus condition, prices dip dramatically. Therefore we have seen both enormously high sugar prices and then sugar prices below the cost of production, which we are now experiencing. The administration is presently negotiating at the International Sugar Meetings in Geneva right at this very time. There is no sugar legislation in this bill. I would hope that we would at least give the administration an opportunity to carry on these negotiations and put in place any program that is available to them, without amendments which would make the flexibility of that program severely limited and would actually make it totally inoperative with respect to major sugar-producing States, such as Hawaii.

The $50,000 payment limitation will simply not work in the State of Hawaii, and I do not think anyone here would contend that it would. Thousands of Hawaiians are going to lose their jobs when their industry is destroyed, unless some temporary help can be found through a broader international program or through some domestic legislation.

Although the substitute clarifies some of the issues, it is in itself a wrong direction for this House and this Congress to take, as is the basic amendment for which it is offered as a substitute. I would hope that the committee would reject both of them and we could proceed to attempt to resolve one of the most serious agricultural problems facing any sector of American agriculture today, the problem of the American sugar industry.

Mr. BLOUIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there are two points I want to make.

There has been talk about the unfairness of the $50,000 limitation. There is a $35,000 limitation on corn and other grains; that is in the bill already. If there were a question of equity involved, I would think that $50,000 in terms of a payment to the producer himself is more than fair.

On the question of jobs; the loss of jobs and the impact of this on the economy of Hawaii is a real problem, and I am concerned about that. But there is also the other side of the coin, and that relates to the fact that prices are depressed today. The cost of the depression, if you will, in the price of sugar and the spinoff effect on the corn syrup industry has the unemployment of a tremendous number of people all over this country.

I have one plant in my district that has already closed and not just temporarily. It has not rolled back just for a few months or effected a cutback on production; it has closed its doors. The impact on the economy of that community is devastating, with 400 or 500 families out of work.

There is also the impact felt from another corn syrup plant in another section of my district that is on the brink of considering layoffs, and that will be devastating to the economy of that area.

That is just one section of one State. So there is an economic problem, no matter where we look.

I would say that probably the fairest way to approach this problem is to eventually adopt the de la Garza amendment which will be offered later on during this debate. However, we are now confronted with what well might be considered a fair compromise between what has yet to be debated and where we find ourselves right now. I would think that the compromise we should accept is a combination of the Fithian and Findley amendments. That is by far the fairest balance we could ask for as we approach the problems of the sugar and corn syrup industries and try to minimize economic loss and improve economic conditions wherever possible.

Mr. Chairman, I think it makes eminent sense to move in that direction.

Mr. MOORE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a moment ago the gentleman from Indiana (Mr. FITHIAN) asked me on the floor if there would be any problem with Louisiana sugarcane growers if we accepted the Findley substitute imposing a $50,000 limitation on payments to producers. That set me to thinking. I have done some figuring.

The answer is: yes, it would do damage. I would like to explain that now and explain why I cannot support the amendment.

First of all, we have to realize that $50,000 sounds to the average consumer and taxpayer in this country like a lot of money. I certainly agree with that. But that figure must be considered in relation to what it is we are trying to protect and what it is we are trying to accomplish.

Fifty thousand dollars means nothing if a farmer is going to lose $200,000; it means that he is just $50,000 less in bankruptcy, but still out of production and in bankruptcy. Fifty thousand dollars might mean something if that is about all he is going to lose, or if that is about 80 percent or 90 percent of what he is going to lose.

So we must consider the $50,000 figure in relation to what can happen and what we are trying to accomplish. What we are trying to accomplish with the administration's proposal and later, in a better way, with the de la Garza amendment which I cosponsor, is some sort of protection for sugar growers so that we can keep them from going out of business and so we can prevent this country and its consumers from being subject to the international sugar market. I think that is a laudable and a worthwhile goal.

This $50,000 limitation would, I think, hurt or limit the ability of the administration's program to accomplish that goal, and let me explain why.

Right now in Louisiana, according to a July 1977 Louisiana State University report, the rock-bottom cost of production to a cane farmer—and let us remember that Louisiana is second only to Hawaii in the production of cane—is 14.82 cents a pound. The administration is talking about supporting sugar farmers up to 13.5 cents a pound.

Therefore, if the payment the administration anticipates is made, a Louisiana cane farmer will still lose 1.32 cents a pound, no matter what the administration pays him, since the cap is 13.5 cents a pound.

What I am about to show now is that the $50,000 limit causes a further loss. Right now the price of sugar has dropped well below the administration's figure. When they consider the 2-cent payment, which is what it would have then taken to bring the average producer up to 13.5 cents. The price of sugar today has been hitting around 9 to 9.5 cents. It is believed by many that the price may well hit 8 cents a pound this year.

If the administration then determines that it still wants to pay the difference between 8 cents and the 13.5 cents it states it wants to get the payment up to, then we are going to find that the average cane farmer in Louisiana who has 300 acres of sugar cane, should get a payment well over the $50,000 limit. A 300-acre farm produces 1,275 pounds of raw sugar at 5.5 cents per pound price support results in a total in excess of $70,000. Therefore, he loses on two counts. He loses because it costs him 14.82 cents, not 13.5 cents, as the administration estimates; and second we hit him because we are cutting off the figure at $50,000 when his losses have been greater than that.

So we get back to the original proposition of what are we trying to accomplish? If we do not want to keep sugar growers in business then vote for this limit as we will not be helping them stay in business. If we want to try to help farmers, we do not need this limitation. If we really do not want to help the sugar farmer, but we just want to look good to the taxpayers, then let us put the $50,000 limit on; and we will see many of the sugar farmers, not only in Hawaii, go out of business.

Mr. FITHIAN. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Indiana

Mr. FITHIAN. Mr. Chairman, I thank the gentleman for yielding.

I would ask the gentleman if he is aware of the cost of production of corn in the corn belt, which is something in excess of $2, $2.10, or something of that nature. Is the gentleman aware that we are talking about something around $1.75 for the remainder of this crop year in terms of yield level and price supports?

I would suggest that the gentleman can see the inequity of what we are doing here. The gentleman can see that we are treating one sweetener at the disadvantage of another.

Mr. MOORE. Mr. Chairman, I would like to reclaim my time.

I understand the gentleman's arguments. I have been supportive of corn and wheat in the full committee and will be on the floor. However, it is not a valid reason to injure the sugar industry simply because we feel that corn has been mistreated.

Mr. WAMPLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have just been handed a CNS wire story dated July 21, Washington, D.C.; and I will read it into the record because it is applicable to the debate on this amendment. It is as follows:

ADMINISTRATION OPTS FOR OPEN-ENDED SUGAR PAYMENT

WASHINGTON, July 21.—Administration officials have decided to do away with their proposed maximum 2 cent sugar payment to domestic producers and institute an open-ended subsidy plan instead, to assure producers 13.5 cents per pound for their sugar, according to Government sources.

The administration's approach to sugar payments was changed Wednesday in order to draw support from congressional efforts to

include sugar payment provisions in omnibus farm legislation now being debated in the House, according to sources.

Administration officials' decision to implement an open-ended subsidy was evident late Wednesday following a top-level White House meeting when Agriculture Secretary Bob Bergland announced the administration is committed to assuring domestic sugar producers 13.5 cents per pound. A Government source said, however, that President Jimmy Carter did not attend the meeting, and the new payment plan is still subject to his approval. Attending the meeting were the U.S. special trade representatives, members of the domestic council staff and representatives of the Council of Economic Advisers and the Departments of State, Treasury, and Agriculture.

According to a source, the open-ended payment plan means, for example, if sugar prices drop to 8.5 cents per pound, the Federal Government would provide a 5 cent subsidy, the difference between 8.5 and 13.5 cents.

In his Wednesday statement, Bergland said: "The administration still believes that the best long-term solution to sagging sugar prices is an international agreement with other producing countries." He urged Congress not to impose sugar policy on the U.S. Government without the benefit of thorough study and public hearings.

Mr. Chairman, we have heard a great deal of debate on subsidies for sugar producers. As the distinguished chairman of the Committee on Agriculture has said, there is perhaps no segment of American agriculture that finds itself in more dire financial straits than do the domestic sugar producers.

Mr. Chairman, I was among those who stood in the well of the House in 1974 and urged an extension of the then existing Sugar Act; but the House chose not to do so. Since that time we have had nothing but chaos in the sugar industry.

I believe consumers, by and large, have suffered from that action. We are relying more heavily on the importation of foreign sugar, or at least if we see the continuing price deterioration on domestic sugar, we will have to rely more heavily on imports of foreign-produced sugar.

Mr. Chairman, I would respectfully ask the Members to vote against the Findley substitute and the Fithian amendment. There will be other amendments offered during the debate of this bill that will address this very serious situation affecting domestic sugar producers.

I point out that this is a matter of urgency—a matter of survival for many domestic sugar producers. It seems to me that while the amendment offered by my friend the gentleman from Illinois (Mr. FINDLEY) is designed to achieve worthwhile purposes, I believe it will be counterproductive. We have an opportunity here today to give at least some temporary relief to the domestic sugar producers until we have an opportunity for full hearings and can proceed in a more orderly manner.

Moreover, as the CNS wire story indicates, the Carter administration is intent on helping the sugar producers and on the surface of the situation it appears that help is warranted because of the devastation that is occurring to domestic producers and U.S. sugar prices because of foreign "dumping" on our market.

I thought that we should have extended the Sugar Act in 1974. It had worked well for nearly 40 years, it guaranteed adequate supplies of sugar to the United States, it provided sugar at reasonable prices to consumers, and it did not cost the taxpayers any subsidy costs but gave some support to domestic producers. I say let us give some support to producers this year and then hold hearings to determine whether or not to have a Sugar Act in the future.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to my colleague the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, the distinguished ranking member, the gentleman from Virginia (Mr. WAMPLER), has just confirmed by this dispatch that he read, what I was describing in a hypothetical form a moment ago that could happen and would make the Findley-Fithian amendments unworkable. Now we see the administration today saying that they acknowledge the price of sugar may go as low as 8 cents a pound and that they will pay the difference to 13.5 cents. Therefore, the average sugar farmer in Louisiana with 300 acres should get a payment if this program goes through, as suggested by the administration, of well over $50,000, and he will still be losing money because he is spending 14.8 cents now to produce it and the Government is going to give him a payment of 13.5 cents, so he will lose on both ends, and you will see them going out of business. The whole point of the program will be circumvented by this amendment and we will have done nothing to keep them in business.

Mr. WAMPLER. Mr. Chairman, I believe that the example of the gentleman from Louisiana is correct.

I would urge the Members to vote down the amendments.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment offered as a substitute by the gentleman from Illinois (Mr. FINDLEY) to the amendment offered by the gentleman from Indiana (Mr. FITHIAN).

Mr. Chairman, I must respectfully disagree with the chairman of the Committee on Agriculture, my distinguished colleague, the gentleman from Washington (Mr. FOLEY). I rise in support of the Findley substitute because I believe that a no vote favors some of the most expensive Washington lawyers hired to lobby on behalf of the sugar interests. A no vote would make the sugar interests the beneficiaries of a multi-million-dollar windfall in the domestic sugar industry, whereas an aye vote, on the other hand, is a vote to halt this abuse and still afford adequate protection to the families of the sugar farmers.

So, Mr. Chairman, I am going to vote aye, and I hope my colleagues will do likewise.

Mr. FITHIAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Findley substitute.

Mr. Chairman, I realize that this debate has gone on quite long enough. I believe that we only need to underscore the main portions that we have under consideration.

I believe the gentleman from Iowa (Mr. BLOUIN) probably said the most important thing that has been said in the entire debate, and I would like to underscore that.

We are, my friends, talking about equity versus inequity. We are talking about the support of one sweetener at the expense of another. We are talking about a farm bill which in one case limits corporations who might have a little corn and wheat operation, and there are many, to a $35,000 limit on payment. This will affect some of the Kansas wheat farmers and this will affect some of the Washington wheat farmers.

The point is, if we are going to establish the concept that we limit the amount of taxpayers' dollars that go out, irretrievably go out this year and do not return, then we ought to apply it with some basis of equity.

Therefore, Mr. Chairman, I welcome the Findley amendment because it has clarified the legal mumbo-jumbo which was created on the floor yesterday, brought on through a lot of the arguments which had nothing to do with the basic issue contained here.

I must say also that as we go down through this bill it will become patently clear to those of you who follow the debate that we are treating one commodity after another very differently in comparison to the basic commodities of corn and wheat.

If we are to argue that sugar producers must have their cost of production back, why should we not argue that the corn producers should have their cost of production back? Yet, as I pointed out to the gentleman from Louisiana, we are not willing to do that in this bill. If we are going to argue a guarantee of a profit for peanuts, why, then, are we not going to argue at least for the cost of production for the wheat growers? We could go on and on.

I walked out of this Chamber last night, and I was very disturbed. I had to stumble my way through more sugar lobbyists than I thought existed.

Mr. Chairman, we can vote for this amendment and support the de la Garza amendment, if that is the Members' choice. We are simply saying that when we pay the money to the producer, AMFAC, or whatever the processor is, they cannot pay it out in individual chunks to individual growers at greater than $50,000. That is all this amendment means.

If I read correctly what the distinguished ranking minority member of the committee just shared with us, I would like to say that my figures for yesterday are not correct. With this new open-ended commitment by the Secretary last night that the payments will be whatever are necessary to hold the price of sugar at that level, then what we are talking about is not a $14 million payment to AMFAC, of which they will keep a certain percentage, but we are talking about a $35 million to $40 million payment. Where is the equity in that?

I would point out to the Members again that not long ago, as the distinguished chairman said, sugar was selling in this country for 60 cents a pound. What, I ask the Members, were they doing with the profits during that time? Look at the holdings they picked up during that time. Look at the growth of the conglomerates. One can go back for 100 years in the history of this country and look at what the sugar trusts have done to and with this country. The fundamental reason why we have a Sherman Antitrust Act is that people before us a century ago stood in the well of this House and argued that public interests ought not to manipulate the people's Treasury. We are in exactly the same position today.

I will support my friend, the gentleman from Hawaii, if he is concerned about keeping them afloat with a loan rate. I would be the first one in the House to support the gentleman from Hawaii (Mr. HEFTEL) if he says they need a loan rate of 15 cents, because a loan is to help them over these tough times. We are not laying it out at no return. I would support a loan rate if it is necessary for the sugar industry. But I urge the Members to join us in not laying out money irretrievably that cannot ever come back.

As the gentleman from Massachusetts (Mr. CONTE) said, we did not see anybody rushing into the public domain and arguing that they ought to return some of the 60-cent profits. If they had done that, I could have some sympathy.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman for yielding.

I hope the members of the committee listened when the gentleman from Virginia (Mr. WAMPLER) read the Commodity News Service Report on what the administration has in mind for sugar. Let me read just the first paragraph.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. FINDLEY, and by unanimous consent, Mr. FITHIAN was allowed to proceed for 2 additional minutes.)

Mr. FINDLEY. If the gentleman will yield further, CNS is a reputable news service. It does not engage in gossip. I have never heard it charged with such. Let me read the first paragraph of the CNS report just off the wire:

> Administration officials have decided to do away with their proposed maximum 2-cent sugar payment to domestic producers and institute an open-ended subsidy plan instead, to assure producers 13.5 cents per pound for their sugar, according to government sources.
>
> * * * * *
>
> According to a source, the open-ended payment plan means, for example if sugar prices drop to 8.5 cents per pound, the Federal Government would provide a 5 cent subsidy. The difference between 8.5 and 13.5 cents.

This means there surely is nothing mischievous in this amendment. We are dealing with the reality. The administration has already cooked up a payment plan to which a limitation must be affixed.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. FOLEY and by unanimous consent, Mr. FITHIAN was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Washington.

Mr. FOLEY. I will say to the gentleman from Illinois (Mr. FINDLEY) that I think exactly the opposite point is the one to be taken. If the administration carries out a program of more than 13.5 cents a pound raw value on sugar, as the gentleman believes this news report indicates, then the $50,000 payment limitation that the gentleman from Illinois wants to impose will cripple that program, because for every cent of support the Government has to pay, a $50,000 payment limitation interferes with the goal of 13.5 cents.

The gentleman knows that. So we are back to what I was saying last night. The first amendment offered by the gentleman from Indiana means that this is not a payment limitation in terms of the program. If this story on the wire is correct, this is a crippling amendment to destroy the administration plan.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, what will happen if this new payment program becomes effective will be a swift reorganization of the sugar holdings in Hawaii. They will be broken up into small units, and we will at long last have a farm family situation in Hawaii which will deserve support. AMFAC will get not $13 million but $50 million annually and I think that is an outrage.

Mr. FITHIAN. Mr. Chairman, I would like to respond by saying that those Members who were on the floor last evening will recall the chairman said he had assurances no payment would be made unless a legal foundation were found for it. When I walked out Secretary Bergland was at the bottom of the stairs and he handed me a release of his assuring that one way or another they would support the 13½-cent payment.

What has now just been released said the very opposite of the chairman, which is, yes, of course it is going to limit payment and going to be more harmful to the large conglomerates, and if you need a low loan rate then let us arrange that.

But what is really happening here, what this statement really says is that following a White House meeting yesterday the decision has been made to implement an open-ended subsidy. I ask the Members to remind themselves. An open-ended subsidy simply means all the arguments we were making yesterday about the amounts of money are by the boards in one way or another, despite the Comptroller General's ruling yesterday, one way or another the administration is going to support sugar at 13½ cents. That is the way it has got to be read and Secretary Bergland's statement last night was to that effect.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(On request of Mr. FOLEY, and by unanimous consent, Mr. FITHIAN was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I will not take much time. The reason I do that is because I know the Members want to vote and I am sure the gentleman would not want to leave a misapprehension with the House and with the Committee. The open ended is modified by 13½ cents. It is not open ended to any figure. It is open ended to 13½ cents.

I am sure the gentleman understands the commitment of the Secretary that no such program will go forward until the final form of the program is approved, in the full range of the law, by the Attorney General of the United States. That statement still holds.

Mr. FITHIAN. And if I may add, they are going to find a way to do this regardless of what the Attorney General of the United States said. That is where we are.

I urge support of this amendment as the only way in which we could take just one way to reach reality and I challenge the gentleman from Hawaii to offer a better amendment.

Mr. CORNWELL. Mr. Chairman, family farms have long been the backbone of American agriculture. In recent years, giant corporate farms have begun to seriously threaten these smaller farms. If we are to encourage and promote family farms, the U.S. Government must begin to limit payments to individual producers. One clear place to begin is with the payments to sugar producers.

The amendment introduced by Congressman FLOYD FITHIAN will limit payments to $50,000 to individual sugar producers. By instituting this $50,000 limit, we will stop the large payments to a few major corporate sugar producers. The agriculture legislation we are considering today should assist the average farmer and not enrich a few sugar producers through multi-million-dollar payments. Furthermore, by limiting payments to sugar producers, we will not be affecting most sugar producers because they do not even start to approach the size of corporate producers.

I strongly urge the House to act favorably on this amendment.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the substitute and the amendment.

Mr. Chairman, I would like to urge the Members of the House who have been confused on this question, and anyone who thinks that $50,000 is a legitimate ceiling, to consider a little basic mathematics with respect to this subject. At a subsidy of 4 cents per pound, which is about what it would be today for sugar beet growers, a farmer raising sugar beets on 320 acres would be losing money under this substitute or the amendment.

That is, he would be entitled to more than the $50,000.

In other words, 320 acres, which is a common size of a typical reclamation farm in the West, producing 20 tons of beets per acre, yields 6,400 tons of beets, which would produce more than the 625 tons of sugar. At 4 cents a pound, this would call for a subsidy more than $50,000, the limit under the substitute and the amendment. At a higher sugar yield, which is likely, or a higher cost of production, which is likely, this average farmer would be losing money raising sugar beets.

I certainly sympathize with those who are concerned with huge billion-dollar conglomerates. They present a problem, but a $50,000 limit will lead farmers on reclamation land throughout the West to not raise sugar beets, further exacerbating the shortages we have experienced in this country. The substitute, and the amendment, gut the bill. If we are serious about keeping the price of sugar down for the people of this country, we will vote against the substitute and the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY) as a substitute for the amendment offered by the gentleman from Indiana (Mr. FITHIAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FITHIAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 167, noes 241, not voting 25, as follows:

[Roll No. 449]

AYES—167

Abdnor	Crane	Keys
Addabbo	D'Amours	Kildee
Allen	Delaney	Kindness
Ammerman	Derwinski	Koch
Anderson, Calif.	Devine	Kostmayer
	Diggs	Latta
Anderson, Ill.	Dingell	Leach
Andrews, N. Dak.	Dodd	Lent
	Downey	Levitas
Archer	Drinan	Long, Md.
Ashbrook	Early	Lujan
Aspin	Edwards, Ala.	McClory
Bauman	Erlenborn	McDade
Beard, R.I.	Evans, Del.	McDonald
Benjamin	Evans, Ind.	Madigan
Bennett	Fenwick	Maguire
Bevill	Findley	Markey
Bingham	Fish	Martin
Blanchard	Fithian	Mattox
Blouin	Florio	Mazzoli
Boland	Fowler	Michel
Bonior	Gibbons	Mikva
Brodhead	Gilman	Milford
Broomfield	Glickman	Miller, Ohio
Brown, Mich.	Goodling	Minish
Brown, Ohio	Gradison	Moakley
Buchanan	Grassley	Moffett
Byron	Hagedorn	Myers, Gary
Caputo	Hamilton	Myers, John
Carney	Hanley	Neal
Carr	Harkin	Nedzi
Cederberg	Harris	Pike
Clawson, Del	Heckler	Pressler
Cleveland	Hillis	Price
Cohen	Holt	Pursell
Coleman	Holtzman	Quayle
Collins, Tex.	Howard	Quie
Conte	Hughes	Railsback
Conyers	Hyde	Regula
Corcoran	Jacobs	Reuss
Cornell	Jenkins	Rinaldo
Cornwell	Kastenmeier	Rodino
Cotter	Kemp	Runnels
Ruppe	Stockman	Weaver
Russo	Stratton	Whalen
Sarasin	Studds	Wiggins
Sawyer	Symms	Wolff
Schulze	Taylor	Wydler
Sharp	Thone	Wylie
Shipley	Traxler	Yates
Simon	Tsongas	Yatron
Snyder	Vander Jagt	Young, Fla.
Solarz	Vanik	Young, Tex.
St Germain	Volkmer	Zablocki
Stanton	Walgren	Zeferetti
Stark	Walker	
Steers	Walsh	

NOES—241

Akaka	Gephardt	Oberstar
Alexander	Giaimo	Obey
Ambro	Ginn	Ottinger
Andrews, N.C.	Goldwater	Panetta
Annunzio	Gonzalez	Patten
Applegate	Gore	Patterson
Armstrong	Gudger	Pattison
Ashley	Hall	Pease
AuCoin	Hammer-schmidt	Pepper
Badham		Perkins
Bafalis	Hannaford	Pettis
Baldus	Hansen	Pickle
Barnard	Harsha	Poage
Baucus	Hawkins	Preyer
Beard, Tenn.	Hefner	Pritchard
Bedell	Heftel	Quillen
Beilenson	Hightower	Rahall
Biaggi	Horton	Rangel
Boggs	Hubbard	Rhodes
Bonker	Huckaby	Richmond
Bowen	Ireland	Risenhoover
Breaux	Jeffords	Roberts
Breckinridge	Jenrette	Robinson
Brinkley	Johnson, Calif.	Roe
Brooks	Johnson, Colo.	Rogers
Brown, Calif.	Jones, N.C.	Roncalio
Broyhill	Jones, Okla.	Rooney
Burgener	Jones, Tenn.	Rose
Burke, Calif.	Jordan	Rosenthal
Burke, Fla.	Kasten	Rostenkowski
Burleson, Tex.	Kazen	Rousselot
Burlison, Mo.	Kelly	Roybal
Burton, John	Ketchum	Rudd
Burton, Phillip	Krebs	Ryan
Butler	Krueger	Santini
Carter	LaFalce	Satterfield
Cavanaugh	Lagomarsino	Scheuer
Chappell	Le Fante	Schroeder
Clausen, Don H.	Lederer	Sebelius
	Leggett	Seiberling
Clay	Lehman	Shuster
Cochran	Lloyd, Calif.	Sikes
Collins, Ill.	Lloyd, Tenn.	Sisk
Corman	Long, La.	Skelton
Coughlin	Lott	Skubitz
Cunningham	Lundine	Slack
Daniel, Dan	McCloskey	Smith, Iowa
Daniel, R. W.	McCormack	Smith, Nebr.
Danielson	McEwen	Spellman
Davis	McFall	Spence
de la Garza	McHugh	Staggers
Dellums	McKay	Stangeland
Derrick	Mahon	Steiger
Dicks	Mann	Stokes
Dornan	Marks	Stump
Duncan, Oreg.	Marlenee	Thompson
Duncan, Tenn.	Marriott	Thornton
Eckhardt	Mathis	Treen
Edgar	Meeds	Trible
Edwards, Calif.	Metcalfe	Tucker
Edwards, Okla.	Mikulski	Udall
Eilberg	Miller, Calif.	Ullman
English	Mineta	Van Deerlin
Ertel	Mitchell, N.Y.	Vento
Evans, Colo.	Mollohan	Waggonner
Evans, Ga.	Moore	Wampler
Fary	Moorhead, Calif.	Watkins
Fascell		Waxman
Fisher	Moorhead, Pa.	Weiss
Flood	Moss	White
Flowers	Mottl	Whitehurst
Flynt	Murphy, Ill.	Whitley
Foley	Murphy, N.Y.	Wilson, Bob
Ford, Tenn.	Murphy, Pa.	Wilson, C. H.
Forsythe	Myers, Michael	Wilson, Tex.
Fountain	Natcher	Winn
Fraser	Nichols	Wirth
Frenzel	Nix	Wright
Frey	Nolan	Young, Alaska
Fuqua	Nowak	Young, Mo.
Gammage	O'Brien	
Gaydos	Oakar	

NOT VOTING—25

Badillo	Burke, Mass.	Dent
Bolling	Chisholm	Dickinson
Brademas	Conable	Emery
Flippo	Ichord	Murtha
Ford, Mich.	Luken	Steed
Guyer	McKinney	Teague
Harrington	Meyner	Whitten
Holland	Mitchell, Md.	
Hollenbeck	Montgomery	

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts for, with Mr. Teague against.

Mr. Dickinson for, with Mr. Harrington against.

Mr. Guyer for, with Mr. Montgomery against.

Mr. Hollenbeck for, with Mr. Mitchell of Maryland against.

Mr. McKinney for, with Mr. Brademas against.

Messrs. HOWARD, GLICKMAN, and STRATTON, Mrs. HOLT, and Messrs. BROWN of Michigan, BRODHEAD, YOUNG of Texas, and BROWN of Ohio changed their vote from "no" to "aye."

Mr. LEHMAN changed his vote from "aye" to "no."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. FITHIAN).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GRASSLEY

Mr. GRASSLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRASSLEY: Page 2, after line 13, insert the following new section:

"SEC. 102. Section 101 of the Agricultural Act of 1970, as amended, is amended by adding at the end thereof the following new paragraph:

"(5) The Secretary shall obtain from each recipient of payments made under sections 101(g), 103, 105, and 107 of the Agricultural Act of 1949 which apply with respect to the 1978 through 1981 crops of rice, cotton, feed grains, and wheat, respectively, the following information:

"(A) the citizenship and country of permanent residence of the recipient, and, if applicable, the status of such recipient under the provisions of the Immigration and Nationality Act;

"(B) the status or capacity in which the recipient receives each such payment, including, but not limited to, receipt of payments as—

"(i) an individual;

"(ii) a member of a partnership, joint venture, tenants-in-common, joint tenants, or similar arrangement;

"(iii) an estate, a trust, or a person or other entity acting in a fiduciary capacity on behalf of individuals, partnerships, corporations or other entities;

"(iv) a club, society, fraternal or religious organization, or similar group or organization; or

"(v) a corporation or similar entity;

"(C) the nature and type of any recipient corporation and the purpose for which it was organized, and if available—

"(i) the number of stockholders of the corporation;

"(ii) the information described in subparagraph (A) of this paragraph with respect to each stockholder of the corporation;

"(iii) the status or capacity in which such stockholder owns the stock of such corporation, including, but not limited to the categories delineated in clauses (i) through (v) of subparagraph (B) of this paragraph; and

"(iv) the number of such stockholders actively engaged in the production of crops to which payments are related;

"(D) the nature, type and purpose of any recipient estate, trust or similar entity or arrangement acting in a fiduciary capacity or serving as an intermediary, on behalf of heirs, beneficiaries or beneficial owners of such estates, trusts or similar entities or arrangements, and, if available—

"(i) the number of heirs, beneficiaries or beneficial owners of such estates, trusts or similar entities or arrangements;

"(ii) the information described in subparagraph (A) of this paragraph with respect to each heir, beneficiary or beneficial owner of such estate, trust or similar entity or arrangement;

"(iii) the status or capacity of each such heir, beneficiary or beneficial owner in terms of the categories delineated in clauses (i) through (v) of subparagraph (B) of this paragraph; and

"(iv) the number of such heirs, beneficiaries and beneficial owners actively engaged in the production of crops to which payments are related;

"(E) the information described in subparagraph (A) of this paragraph with respect to the owner or owners of the land on which the concerned crop is produced, and the status of such owner or owners in terms of the categories delineated in clauses (i) through (v) of subparagraph (B) of this paragraph;

"(F) the interest of the recipient in the land and the crop involved; and

"(G) whether the recipient is actively engaged in the farming operations to which the payments are related.

The Secretary shall summarize the information obtained under this paragraph, including amounts of payments, remove identification of specific persons or entities, and present such summary in an annual report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry."

Mr. GRASSLEY (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. FOLEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk concluded the reading of the amendment.

Mr. GRASSLEY. Mr. Chairman, following the reading of this long amendment it might appear to be very complicated. The point is that it asks for information and requires that that information be summarized and the information be submitted to the Congress.

If you would harken back to the debate yesterday on the Nolan amendment, for those members who were present in the Committee of the Whole, and, additionally those members of the Committee on Agriculture, if you would remember some of the debate we had on an amendment that I offered in the Committee on Agriculture dealing with denying government payment to aliens, you will realize, in both instances, that the arguments were brought forth that we really do not know what impact these amendments will have and how far reaching they might be, and without our knowing that at the time we vote against them.

The point of the matter is simply this. Let me say, parenthetically, that this amendment was drawn up more than a week ago prior to the debate on the Nolan amendment yesterday, and I was going to offer it regardless of what happened to the Nolan amendment. But if the Members will remember, back at the time of yesterday's debate the points were made that we do not know the impact of some of these amendments, and I think some of us are willing to admit that point of view, hence, the reason for my amendment to gather information so that when we do want to make public policy in this area, we will have some basis in fact, for doing it.

One of the difficulties is the lack of information as to the extent to which large corporations, nonresident aliens, investment trusts, and other nonfarm interests are moving into agriculture. If we are to deal with this problem in a meaningful way, we must have better information than is now available.

I might say as an aside that I am trying to avoid a lot of the issues that were raised yesterday on the Nolan amendment so that we will not have to repeat those and take a lot of time of the House. But it seems to me that if we are going to provide commodity program payments to these nonfarm interests, we should have more adequate data on how extensive they are. We should be able to find out, for example, how many nonresident aliens will receive deficiency or disaster payments. We need to know how many trusts and corporations will get payments, and what kind of trusts and corporations these are, what type of members, and what their numbers are. We need to know just how many recipients of commodity program payments act in a fiduciary capacity for others, and what kinds of entities these others are. When we have this kind of information, we will have a better base from which to shape our farm programs to focus on the people whom we are really trying to help—the family farmer and the folks who depend on agriculture as a source of income.

We should also have a better understanding of what is happening to the structure of agriculture generally throughout this country and perhaps a better justification for asking that other laws be changed to help prevent U.S. agriculture from becoming something that would not be in the best interests of either the farmers or the consumers.

The amendment I offer would require the U.S. Department of Agriculture to compile this information and make it available to the Congress in annual reports. In order to avoid making anyone a public target, the reports would not identify specific persons or entities but would be summaries of the detailed information collected by the Department. In closing, I would remind the chairman of the committee, the gentleman from Washington (Mr. FOLEY) as well as other people who heard his point of view expressed yesterday, that on three occasions he suggested that we did need a study in this area.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Kansas.

Mr. SEBELIUS. I thank the gentleman for yielding.

On the subject of having any reservations, looking at this 3-page document, I would say to the gentleman that as a farmer he should have written more of it and not had some lawyer put so many requirements in it because they would scare anyone off. I think the information the gentleman is seeking is good. As far as the recipients of payments, they can surely take a little time to provide who is going to receive the money. I commend the gentleman for his amendment. If we go to conference on this, we can certainly simplify it a little bit.

Mr. GRASSLEY. Let me add that it is not as complicated as it looks, and some of this information is already being required.

Mr. SEBELIUS. If the gentleman will yield further, there is no question about that. We do need it if we are going to intelligently respond to such as the Nolan amendment that was before us yesterday and defeat it.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

I just wondered if there is anything in this amendment that would prevent any Federal employee from receiving any of these Federal agricultural subsidies.

Mr. GRASSLEY. There is nothing in this amendment that would prevent anybody from receiving any subsidies.

Mr. JOHN L. BURTON. A Member of Congress would be able to receive agriculture subsidies?

Mr. GRASSLEY. This amendment has nothing to do with qualifications for or denying benefits to anybody under any law in this country. It requires the giving of some information at the time of qualifying for payments. That is all. It is an information gathering amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I commend the gentleman from Iowa for giving the gentleman from California some long overdue education on farm issues.

Mr. JOHN L. BURTON. I was worried about congressional pay raises.

Mr. FOLEY. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I rise in opposition to this amendment.

I want to say first to my friend, the gentleman from Iowa (Mr. GRASSLEY), that I did not object to his request, to consider the amendment as read, out of any discourtesy to him, and I feel very close to him as a member of our committee. Frankly I wanted to demonstrate that it took 5 minutes and three pages of text merely to describe—merely to describe—the kinds of information that every farmer would have to give when he becomes eligible for any payments under this program.

Many of us talk about how much pa-

perwork the Federal Government is involved in. We have a Commission designed to reduce the level of Federal paperwork. And every business and small business that I know complains about the forms that have to be filled out to get the simplest decision out of the Federal Government.

Now what the gentleman from Iowa would have us do is require every single farmer or rancher who participates in any of these programs to fill out a whole series of information about his personal family, with whom he might be in a family trust, about who the stockholders are in any corporation of which he is part, and what their business is. It goes on and on. We could not design a form with less than 50 pages, in my judgment, to even touch the questions that have to be answered by the amendment offered by the gentleman from Iowa.

I am in favor, and I said it yesterday, of a study to determine the impact on some of our programs from participation by corporations. But this amendment is not a study. This is a census of the most involved kind which I am sure would cause many people to go to family lawyers for help in answering the questions.

I think to impose on every American farmer or rancher who participates in Government programs this kind of multipage questionnaire for personal information for insertion into computers is unreasonable. The gentleman said the Government would sanitize the information and eliminate the names in the summary, but the Secretary of Agriculture will be accumulating all of this personal data in his files and computers under this gentleman's amendment. I think some of us on both sides of the aisle and each side of the political spectrum, whether conservative or liberal, have raised some questions about how many Government computers ought to be delving into personal information about American citizens. This amendment if carried out will require everyone as a condition of payment to give the Secretary of Agriculture, who does not want to have it in the first place, the kind of detailed personal family financial information that only the IRS gets in the collection of taxes.

I would be amazed and surprised if Members, whether they consider themselves conservatives or liberals, would want to give that kind of power, indeed mandate it, to an agency of the Federal Government.

This is at least the kind of harassment that will be forced on the farmers when they go into the county ASCS offices to get the loan payments and they will have this requirement put on them by mandate of the Congress.

We can get this information by samples. We do not have to ask every American to give this kind of basic information as a condition of receiving any payment.

I am in favor of doing studies, but this is not a study. Every single recipient must provide this as a condition of receiving payments. We do not do that in any other Government program of which I know. We do not demand that kind of personal information for a small business loan. We do not require it for any other Government programs. This amendment would require it only of the farmers and ranchers of America.

I am amazed that anyone coming from a rural area would want to single out farmers and ranchers for this kind of information.

Mr. THONE. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Nebraska.

Mr. THONE. Mr. Chairman, I would like to associate myself with the remarks of the chairman. Of all the people to be asking another Federal report from, the rural people are certainly the ones who object the most strenuously. The farm census is a good case in point.

Mr. Chairman, I would strongly oppose this amendment.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for an additional 2 minutes.)

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I tend to agree with you, but I would like to remind the chairman that on the vote yesterday on the Nolan amendment there was great resounding feeling by this body against corporate ownership of land. I do, however, sense some agreement about this horrendous paperwork obligation. How specifically can we get this information, by committee hearings in our committee on the subject? Is there a workable, positive way to get the kind of information we need to make these judgments?

I might personally feel we ought to vote against this amendment because of the immense paperwork; but I would like to get the information somehow, because I think it is serious. I commend the gentleman from Iowa for at least bringing up the issue.

Mr. FOLEY. Well, to respond to the gentleman, I think there is a critical difference again between the method of getting it. I think there are ways of getting the information by samples, by voluntary cooperation. There is a lot of information the Government would like to have. There are a lot of agencies that will tell us they can do a lot of good if they know every single relevant fact about every American, because we would know, for example, how many very serious problems exist in every family. That touches on social-politicism. I do not want to get into that in this amendment. I think we can do it by hearings, by other ways, but not by census.

Mr. GLICKMAN. Mr. Chairman, if the gentleman will yield further, I would ask the gentleman if in the future the gentleman would hold such hearings?

Mr. NOLAN. Mr. Chairman, I want to ask the gentleman from Iowa (Mr. GRASSLEY) a couple questions. I would like to ask the gentleman from Iowa (Mr. GRASSLEY), if this reporting legislation is similar to some of the reporting legislation that has been adopted by a number of States throughout the country in an effort to get the information they need to know to pass the strong anticorporate farm legislation?

Mr. GRASSLEY. Yes; it has been done in some States.

Mr. NOLAN. Mr. Chairman, I thank the gentleman for that information. That is also my understanding. There are a good half dozen States around the country that have good strong anticorporate farm legislation, simply because they support the family farm system. Because they believe in the important economic, social and ecological values that go with the family farm system we need this reporting amendment to answer the questions asked by the distinguished chairman of the committee and other questions raised in committee and the floor of this House.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Iowa.

Mr. GRASSLEY. In answer to one of the comments made by the chairman, Mr. FOLEY, 98 percent of the people would get by with answering just the first question.

Second, I would say that there are several people in this House, I am sure, whether farmers or not, who have gone in under old programs to sign up to qualify for certain payments, and they are asked questions each time they go in, depending upon what information the Department wants in a certain year.

Third, much of this information is already asked for by the Department, required by Congress under the limitations of payments provision and the rules and regulations adopted thereto. A lot of the language in this amendment is existing language that is already in the departmental rules and regulations, so there is not a lot of new jargon we are throwing out here for consideration by the Department.

Mr. NOLAN. I think the gentleman is quite correct. Quite frankly, I am a little bit surprised that some of the people in the committee and here on the House floor who have consistently raised questions about peculiar corporate arrangements and ask what impact an anticorporate farm bill would have on them, now rise in opposition to the very vehicle we need to find out that information.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Iowa.

Mr. HARKIN. I am just wondering that perhaps an easier and better way to get this kind of information might be to have all the corporations in the United States file these kinds of reports on how much agricultural land they have.

Mr. NOLAN. If the gentleman is prepared to offer such an amendment, I am prepared to support it, but we have to have some kind of amendment to get this knowledge and information we need. Practically everyone on the floor yesterday said that they were in tune with the spirit and purpose of my amendment to prohibit farm payments to nonfarm corporations. Most who said they supported the concept but opposed the amendment because of uncertainties about some of the implications of it.

Mr. GRASSLEY gives us a way to find out about those uncertainties, and some of the same people now rise in opposition. I am quite surprised.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield.

Mr. FOLEY. I think that in fairness the gentleman would not suggest that everybody who spoke against the Nolan amendment was only opposing it because of uncertainty. There were arguments that because there would be reduced set-aside compliances it would defeat the purposes of the program with respect to overall production controls. There were several other reasons as well.

Mr. JOHNSON of Colorado. Mr. Chairman, I move to strike the last word. I rise to speak against the amendment.

I would like to point out to the Members of the House that every time a farmer dies, and he has his land thrown into an estate or a trust, the estate people who are working on it have to go through this form. It is going to require an additional amount of cost in the probating of an estate or the handling of a trust, affecting small farm estates.

If we look at the kind of information required, such as name and address, type, purpose, the trust goes on and on and on. A corporation has to provide the number of stockholders, the citizenship and permanent residence of each shareholder. Think of the detailed information we are requiring corporations to provide to the Department of Agriculture.

And, what will we possibly do with it? What possible interest is it? It is going to be buried away and we are not going to pay any attention to it. We will accumulate miles of paperwork. This will cost a lot of money to prepare and we are going to ignore it after it is collected.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. FOLEY. As I read the amendment, it requires the Secretary to obtain from each recipient of payments under sections 101(g), and so forth, with respect to the 1978 to 1981 crop years. That means that every year from 1978 to 1981, all the farmers in the country participating in the program are going to have to go through this same form on every little crop on which they receive a payment.

Mr. JOHNSON of Colorado. Every little trust department and every little bank will be spending time on it.

Mr. FOLEY. The suggestion is that there is no way to find out how much corporate farming there is in the country unless we do this. There are many ways of trying to get a judgment on that question. One of the most simple would be for us to make some requirement on corporations, but we are requiring every recipient, whether a corporation or an individual, to go through this long list of questions.

I have visions of what the form is going to look like once the department is involved. I do not say this with any disrespect, but once the department lawyers draft a form and the regulations are in place, I think it will horrify Members who vote for this amendment to see what they are imposing on citizens.

Mr. JOHNSON of Colorado. I agree with the chairman.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentlen an from Kansas.

Mr. SEBELIUS. Mr. Chairman, I want to comment on the subject of estates and heirs. As we know, when the gentleman comes in to collect the check and the estate owns it, you can name who the heirs are. We all know it. We are country lawyers. The language in here was drawn up by city lawyers, not by country lawyers. I admit that. If we find out a few facts, from the recipient when he comes to get the check I think that can be done. I hate paperwork as much as the gentleman does, but I do not think it is that rough.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, I just want to say that big brother is getting bigger every year. If you are for big brother, vote for this; if you are against big brother, vote against it.

Mr. PANETTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not think there is any disagreement with regard to the need for additional information in this area. We really do not know how much nonfarm corporate investment has gone on in this country. It is essential to try to develop information in that area if we are going to develop the protection for family farmers. So I think there should not be any disagreement to the thrust of getting more information. But there is a legitimate concern as to how we get that information and how it is used. Having worked in the Department of Health, Education, and Welfare. I can tell the Members that forms were developed which were stuck in boxes in rooms and never used, or information was gathered which was totally unrelated to the problems we were dealing with.

Hopefully, this year we will have a series of eight hearings in the Subcommittee on Family Farms and Rural Development, and we intend to look at this problem and, hopefully, one of the conclusions we will make is what kind of information we need, how to assemble it and what use the Department makes of it.

For those reasons, I oppose the amendment. But I certainly am not against the eventual attainment of relevant information which will help our family farmers.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Chairman, I would like to echo the remarks of the gentleman. I think if this amendment passes that there will be a revolution among farmers. The argument has been made before that since Food Stamp recipients also have to comply with these horrendous kinds of forms, that this is another reason why we should place this burden on farmers. Ridiculous. The American people will not stand for more paperwork. There also has been mention made that we can clean this up in conference. We should not vote on legislation which must be cleared up in conference. It should be cleared up here on the floor of the House. I agree that we should conduct full and detailed hearings on this subject this year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GRASSLEY).

The amendment was rejected.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 2, line 4, insert "(a)" after "Sec. 101."

Page 2, after line 13, insert the following new subsection:

(b) Section 101 of such Act is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(2) by inserting "or loans" after "payments" each place such term appears in paragraph (4), as redesignated in paragraph (1) of this subsection;

(3) by striking out "earned" each place such term appears in paragraph (4), as redesignated in (1) of this subsection and inserting in lieu thereof "obtained";

(4) by striking out "payment reduction" in paragraph (4), as redesignated in paragraph (1) of this subsection, and inserting in lieu thereof "payment or loan reduction";

(5) by inserting "and loans" after "payments" in paragraph (5), as redesignated in paragraph (1) of this subsection; and

(6) by inserting after paragraph (2) the following new paragraph:

"(3) The total amount of loans which a person obtains under one or more of the annual programs established under the Agricultural Act of 1949 with respect to the 1978 through 1981 crops of wheat, peanuts, feed grains, soybeans, rice, and cotton, respectively, shall not exceed $100,000 with respect to each of the 1978 through 1981 crops of such commodities.

Mr. HARKIN. Mr. Chairman, what this amendment does is this: It addresses itself to a limit on the amount of loans any producer can get in any year on one or more crops that he may raise.

I know that this body yesterday turned down the Findley amendment that provided payment limitations of $20,000. However, we do have a payment limitation provided in the House bill, and we have one a little higher than that that was put in the Senate bill. So the principle is established. We have the principle of setting some type of limit on the amount of money the Government puts out to producers. My amendment covers only loans.

Let me make it very clear at the beginning that this amendment says that a producer can receive a maximum of $100,000 per year on one or more crops. That does not mean that he can only receive a maximum of $100,000.

In other words, if a farmer produced a crop of grain and put it in storage after the first year, he could get $100,000 on that. If he resealed it the next year and he grew another crop the next year, he could get $100,000 the next year. This provides for just an annual limitation on any one or more crops.

I believe this amendment will have the following effects: No. 1, I believe it will aid small farmers indirectly because the large producers can only get $100,000 in annual loans. Right now large producers can borrow millions of dollars a year from the Government—and I wish the Members would listen to this—at 6 percent interest and turn around and use that money for whatever purpose they wish.

If anybody wants to give me $1 million a year at 6 percent, I will take it any time they want to offer it to me.

Another thing this amendment will do will be to limit these large producers, again in the amount of loans they can get, so we can use the Government's money that we have for loans to go more to benefit the smaller and medium-sized farmers. In other words, the large producer will either have to dip into his own reserves to grow his grain or he will have to go out to the private banks.

That could afford another benefit. We are going to spur some economic activity among our local banks, our small banks out in the countryside. So I believe this will give a boost to private-sector lending.

Mr. Chairman, the second effect this will have is that the Government is going to save money. How is the Government going to save money? Because there will not be as many loans going out as there would be under the present bill, so we will reduce our loan outlays. That in itself will not save the Government money because those loans are repaid. But then, under this bill and perhaps later under the grain reserve amendment, if that is carried, after the first year a producer can reseal that grain, and at that time the Government will begin to pay the producer storage rates of 1 cent per bushel of grain per month and waive the interest charges.

In other words, a large producer can get $1 million 1 year, he pays 6 percent on the money that year, and at the end of that first year he reseals the grain and he pays no further interest rate on it. He has free money from the Government for the next year, and he gets that for 1 year beyond that under the present situation in the bill.

Is this loan limit too low? I do not believe so. I will give the Members an idea of the number of acres that would be covered for each of the commodities.

For wheat, at a loan rate of $2.35 an acre, at 28 bushels an acre, this $100,000 loan will cover all the wheat that can be grown on 1,509 acres. That is a much larger average wheat acreage than the normal wheat farmer in America has.

On corn, it is 566 acres; on soybeans, 896 acres; on peanuts, 191 acres; on rice, 342 acres; and on cotton, 439 acres.

Remembering that this is for just one year, let me point out that in the second year he can get another $100,000 loan on that same amount of acreage.

So I think that the $100,000 loan is well within the ballpark if we are to keep this geared again really toward the large producers.

Two arguments are going to be raised against this amendment. No. 1, some are going to say that this amendment will discourage compliance by large producers with the set-aside program, if we have a set-aside. I do not believe that argument washes, because if the market price is so low that we have to move to a set-aside, the large producers will probably not go to all-out production. They have enough money and wherewithal that they can go into something else; they can plant another crop or not plant at all. They are very much unlike the small producers who have to plant every year.

The second argument that may be used is that this will destroy the Commodity Credit Corporation and force market prices below loan rates.

Again, I do not think this argument will wash because, No. 1, this will affect only a small part of the total production in the United States. That is the first reason.

The second reason is that the large producers will not be forced to dump their grain all at the same time. They are, No. 1, going to have the amount of money in their own reserves to store it and market it later on or, No. 2, they can go to the local lender for money.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has expired.

(By unanimous consent, Mr. HARKIN was allowed to proceed for 1 additional minute.)

Mr. HARKIN. As I was saying, Mr. Chairman, they could either dip into their own reserves and pay for their own storage, or they could go to their local bank and borrow the money at going interest rates and use that money to store their grain. They are not going to be forced to dump it all at one time to drive the market price below the local rates.

Therefore, Mr. Chairman, I think if we are going to have some meaningful amendments in this farm bill to limit the amount of money that goes to the really big operators, this is the one place at which we can really have an effect.

I urge the adoption of the amendment.

Mr. HAGEDORN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the amendment of the gentleman from Iowa (Mr. HARKIN). As with target price payments, I believe that a reasonable ceiling is appropriate on the commodity loan program. H.R. 7171 does not establish such a ceiling, in my opinion. The ceiling set by this amendment, $100,000, is sufficient to cover the production of a family farm while placing limitations upon the ability of the largest farms to avail themselves of Federal loan payments.

In my own district, one in which acreage yields are substantially above national averages, a farmer would still be able to produce in a crop year 476 acres of corn, 888 acres of wheat, or 714 acres of soybeans before the $100,000 ceiling would be approached—assuming that the loan level is the floor price on the commodity. Based upon national acreage yields, a farmer would be entitled to produce at least 588 acres of corn, 1,430 acres of wheat, and 416 acres of cotton before losing further eligibility for payments.

Mr. Chairman, a $100,000 limitation, I think, is a fair figure in a program to help the needy and not the greedy.

I would urge the House to adopt this limitation and to try to do something that would set an economic and social policy for rural America which would give the younger people and the family farm operators a chance.

If these bigger operators continue to grow and continue to take over the whole countryside, the Government does not have the responsibility of assisting them in the cost of production or even of guaranteeing them the world market price.

Mr. Chairman, a $100,000 limitation, in my opinion, sets a reasonable balance between the legitimate needs of the large and small farmer, as well as those of the taxpayer. I urge that the House accept this figure and provide some reins on this program.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think of all of the amendments that could do serious damage to an orderly agriculture program, the gentleman from Iowa (Mr. HARKIN) has the distinction of offering one of the most effective disturbers of the peace in terms of an effective agricultural program that has so far been offered.

Mr. Chairman, this is not just an amendment to limit loans to $100,000. It is an amendment that effectively destroys the coordination of a variety of important programs in agriculture. It would weaken the set-aside program authority that the Secretary of Agriculture has, which may be announced this year for wheat and possibly even for feed grains. The set-aside regulations authorize that when any kind of limitations are imposed, the producer has a lesser requirement under the set-aside than he did before and because the eligibility for loans and payments will be the chief means by which the set-aside is effected.

Second, any price-support programs are dependent upon loans and purchases, and limitations on loans weaken the effectiveness of the price-support system.

Finally, Mr. Chairman, it seems to me, surprisingly, that some of my colleagues think that small farmers are helped, on the theory that big farmers are harmed. There is not going to be a dollar more available to the small farmer if we cut off the opportunity not for large farmers, but for moderate-size farmers to utilize the loan program to help in financing their production of crops.

It does not take a very big farm in the commercial sense these days to obtain and need a $100,000 loan. There are some people who are living a little bit in the past with respect to that.

I think that this amendment would be extremely damaging from that standpoint.

Also with respect to the reseal program, where we have a kind of reserve in the bill as well as a more orderly marketing situation, the farmer would be hampered by the $100,000 limit from participating in the reseal.

I also cannot quite understand how one who is a small businessman can be-

come eligible for a $500,000 loan from the Small Business Administration, but a small farmer is cut off at $100,000.

I do not understand how we can have virtually an unlimited loan for a small businessman, when it is a disaster loan or a regular loan, where it can go to half a million dollars before you are a big businessman, but you are automatically a big farmer if the amount of the loan is over $100,000. I think that is discrimination against the American farmers, and they are businessmen fully as much as the small businessmen are. I cannot quite understand the logic that sets up a standard that gives a small businessman five times the amount of a loan as a farmer. I think it is an insult to the farmers when we deny them equal treatment.

I would hope this amendment would be categorically and absolutely defeated.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I might state to the gentleman from Washington (Mr. FOLEY) that recently the Small Business Administration regulation has been changed and the farmer just as the small businessman is now eligible for those SBA loans.

I just wanted to clear that up that they are eligible for those SBA loans.

Mr. FOLEY. If that is true, then why should we not suggest that our small farmers in this country go to the SBA with the additional price of an SBA loan, those who want to, in addition to their agricultural loans that they normally would get, their $100,000?

Mr. HARKIN. Because they cannot get an SBA loan for storing crops like from the Commodity Credit Corporation.

Mr. FOLEY. Mr. Chairman, the other gentleman suggested in his colloquy that maybe it would be nice for some of these farmers to go to their commercial banks and get a loan, and maybe this would stir up a little activity in the local banks.

I have had discussions with the commercial banks in small towns and they tell me that there is a credit crunch in the farming country, and that we will have banks collapsing because they do not have any money to loan. The only way they can loan money is by setting up a government loan program in order to do it, and this would put more pressure on the fragile situation in the rural areas than what we are trying to resolve by this bill.

Mr. MOORE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to echo the statements expressed by the chairman of the full committee, the gentleman from Washington (Mr. FOLEY). The gentleman from Iowa in his argument presented from the well of the House showed a decreasing amount of acreage that would be covered by the $100,000 limit as he talked about different commodities. When he got down to rice there was less acreage covered there than was in his first example of wheat.

There is a reason for that because there is a different cost factor involved in producing different crops. For instance, wheat costs $139 an acre to produce, soybeans $164, corn $221, and rice $387 an acre to produce.

That is what is wrong with these CAP figures of $100,000 because it is ignoring the fact of what it costs to produce a crop. We are simply saying that those who will have over $100,000 in debt to the Federal Government are not eligible to continue business. But the average rice farmer in Louisiana does not have 377 acres, it is more like 1,000 acres. That is what it takes to make a living. They are family farmers, not corporate farmers. And what you are telling them is that if you have a 1,000-acre farm and it costs $325 an acre to put in the crop, that all the Federal Government will allow you to borrow is the $100,000 limit of the $325,000 needed and then if small rural banks could not loan you the rest of the money, which they probably could not, then you just plant less or go out of business.

So one plants the 387 acres, in rice, or whatever it is the gentleman from Iowa figures that his amendment would allow, and one cannot make money growing rice being small, so one just does not grow rice. We have in fact discriminated against that crop and put it out of business.

Another example is I have dairy farmers in my district. An operational loan for 1 year on a 400-acre farm is $100,000. We are going to put them out of business if they cannot get money from another source. These are small family operated dairy farms with the kids doing the milking—no hired hands.

These caps are totally unrealistic when one considers the reality of what it costs to farm. This is not the way to go about it. If the gentleman is disturbed that we have got millionaire farmers or corporate farmers getting money from the Federal Government, let us have hearings and look into it. Let us not adopt an amendment on the floor to hurt family farmers and discriminate against certain crops.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

The reason the figures come out this way is because the amount of money that it takes to have an economic unit of that size differs with different crops. I understand the average rice farm in the southern part of the United States is less than 342 acres. The gentleman from Louisiana can correct me if I am wrong. I am sure there are rice farmers larger than that, just as I said corn would be 566 acres. Certainly I have farmers in my district that have more than 566 acres of corn, but the average corn farm in my district is way below that, just as I think the average rice farm in the gentleman's district would be way below 342 acres.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

Mr. Chairman, I hate to see divisions in agriculture based upon different crops, but the fact of the matter is that this amendment would have a severe impact on many commodities such as wheat, rice, and others. It has less impact on the corn area because they do not often market corn as a grain; they market it as livestock. They feed it to livestock and market it as livestock. So for many corn farmers in the Midwest who market it as livestock, the need for these loans is reduced.

I think the gentleman from Louisiana stated very well what the problem is. The family farm is no longer an institution that can be described in terms of 100 acres or 200 acres. When we talk about family farms, we mean farms operated by a single farm family, and many of those have gotten to a size where a $100,000 loan actually is normal. These are not enormously large and rich farms as sometimes they have been described on the floor. So I hope the Members will reject this amendment.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. FOLEY, and by unanimous consent, Mr. MOORE was allowed to proceed for 1 additional minute.)

Mr. FOLEY. If the gentleman will yield further, it seems to me it proceeds again from the unusual theory that somehow taking a whack at what is supposed to be the big guys is going to help the small farmers. Exactly the opposite occurs, because to the degree that we put additional pressure on credit, to the degree that we deny compliance with various set-aside programs and reseal programs to our larger producers, we make the program less effective for the smaller producer.

Mr. BOWEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the Harkin "boom and bust" amendment. Certainly that is precisely what it is, because it certainly will throw massive quantities of crop on the market at the harvesttime of the year, exactly when it should not be thrust into the marketplace, when it should be placed in warehouses and bins for sale at a later time in order to moderate a boom-or-bust cycle, which we are addressing in this legislation.

The fact of the matter is that in certain key crops, for example, in the case of rice, in the case of cotton, about one-half of the national production of these crops will be outside of the area of loan coverage. These massive amounts of production would be ineligible for the CCC loan and therefore would have to be dumped on the marketplace at the time of harvest. This is certainly not in the interest of the small growers. If we throw the product on the market at harvesttime, when the price is under pressure already, we are going to push the price down. We are going to depress it for the small grower as well as for the large. We are going to create a far greater likelihood of deficiency payments. We are going to cost the Government a great deal more in deficiency payments if we put this kind of artificial ceiling on the loan.

The loan after all is a marketing tool and involves repayment by the farmer. He is paying the Government back for this. The crop is being sold and the cost of the loan is covered. This amendment would result in a situation in which possibly some of the biggest of the growers can obtain the credit they need through private banking sources but the middle-sized grower is the man who is caught in the squeeze. Just as the distinguished chairman of the committee has pointed out, we have a national farm credit crunch; private credit facilities are not available to vast numbers of our farmers. The only way they can finance their crop and hold it off the market until they get a better price for it is to use the Commodity Credit Corporation loan. It is there to facilitate orderly marketing, moderate market fluctuations, and minimize the cost of the farm program to the taxpayers of this country.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I will be happy to yield to the distinguished gentleman from Texas, the vice chairman of the committee.

Mr. POAGE. Mr. Chairman, I wonder if the gentleman would agree that the loan is not the tool we use to guarantee farmer income. The loan is the tool we use to protect the Government from unnecessary losses. The target price assures the farmer of his return. The loan in every instance is below the target price but it is there to keep the market from going too low because the Government has to take the loss below that figure.

Mr. BOWEN. The gentleman is quite right.

Mr. POAGE. And is it not true that to the extent we keep agriculture crops out of the loan that we force that production on to the market and drive the price down. If a large producer cannot get a loan on the crops of more than $100,000 will that not force commodities onto the market and depress the market to the extent that that commodity comes on the market, whether it is cotton or corn or wheat?

Mr. BOWEN. The gentleman from Texas is quite correct. It is a depressant on the market.

For some who might have for some reason voted to limit deficiency payments yesterday, this amendment has nothing to do with saving the Government money. This is a loan mechanism for orderly marketing. If we put an artificial ceiling on of this kind it will cost the Government more because it will depress the price and we will have more deficiency payments to make, and certainly the price drop will hurt the small grower more than anybody else.

It is certainly an unreasonable amendment and I urge all the Members to vote against it.

Mr. NOLAN. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from Minnesota (Mr. NOLAN).

Mr. NOLAN. Mr. Chairman, we learned in our studies that a lot of the big oil companies and banks and investment corporations were moving into agriculture and usually what they do is write their losses off against their other income and they gain appreciably from the increase in the value of the farmlands that is taking place. They are getting a million dollar loan under this guarantee loan program at subsidized rates like a small farmer could.

Mr. BOWEN. The program is designed so that anybody who qualifies to borrow money is eligible to do so. We are in trouble when we start setting ceilings and cutoff points and say we will penalize farmers of this size and act against farmers of that size. The issue is not to look after the well being of a particular farmer or group of farmers but after the well being of the economy, and if we attempt to favor the small farmers and sock it to the large ones, we penalize the whole economy in my opinion. This attempt to punish and penalize larger farmers does not help small and middle-sized farmers, just the opposite. It hurts them, it hurts the taxpayers, and it hurts the consumers of this entire Nation.

Mr. NOLAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to point out that a company could come in and get a million dollar loan and while they are writing whatever losses they may have off on other profitable areas of operation they may have, they are gaining from the acceleration and appreciation that is taking place in the land values.

I think this amendment provides us one more way—I know we have been defeated on a number of efforts—but this amendment provides us one more way of taking away the benefits and incentives that large wealthy corporate enterprises in this country have for getting into farming and agriculture. It is the small farmer who needs the price protection. These disastrously low prices are catastrophic for them. It forces them out of business. And every time someone is forced out of business there is another wealthy entrepreneur or big corporation that is just waiting at the door and ready to snap up and buy the land and maybe move in and get some subsidized low-interest loans from the Federal Government.

They are making money, but by farming the land, they are milking our price support programs. They are milking our tax structure and they are milking the American people. We have an opportunity to take just one more of those benefits we have away from them.

Mr. Chairman, I hope that the amendment is passed and adopted by this committee.

Mr. KREBS. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, my good friend from Minnesota (Mr. NOLAN) in his articulate remarks just a few minutes ago made a pitch against large corporate farming. I joined my friend from Minnesota (Mr. NOLAN) yesterday afternoon when we voted on the gentleman's amendment. I share his concern with reference to the large corporate farming and I have tried to support the concept of the family farm. There is nothing in this amendment that I can see, and maybe my friend, the gentleman from Minnesota, could point out, where this amendment is limited to corporate farming. It is not. It starts out with the idea or concept that a $100,000 loan in today's agricultural economy involves large corporate farming and nothing else. This is not true. It may be true in some parts of the country, but it is not true in many other parts of the country.

Mr. Chairman, I would appreciate if the gentleman from Minnesota could point out where in the amendment this restriction proposed is limited to corporate farming.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. KREBS. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Chairman, could the gentleman describe the impact that a corporation that farms 10,000 acres has in a small community, in comparison to a partnership of two brothers that farm the same amount of land? The result is many young farmers will not have an opportunity to farm.

I think the impact is the same. Would the gentleman agree?

Mr. KREBS. First of all, I want to make clear that I share the gentleman's concern, as I pointed out earlier, about the need to let young people get into agriculture and about keeping large corporate entities out since such entities really have no concern for the future of agriculture in this country; but what I feel the amendment really does is throw the baby out with the bath, and for that reason I am opposed to it.

Mr. HAGEDORN. Mr. Chairman, if the gentleman will yield further, it seems to me when we bankroll these large operations, it does not make any difference whether they are a corporation or an individual, they are forcing young people off the farms by bidding up the rent because they have a Government guarantee on the loan level which approaches the cost-of-production level, consequently we encourage this whole thing.

There have been many farms bought in my part of the country simply due to Government support programs where farmers have stored grain for years and collected the storage payment.

Mr. KREBS. Mr. Chairman, I agree with the thrust of the gentleman's remarks, with one basic exception the chairman articulated; namely, that a $100,000 loan today in today's agricultural economy in many parts of the country no longer represents the large farming operations, forgetting about corporations, that I think my friend from Minnesota has in mind.

Mr. HAGEDORN. Mr. Chairman, if the gentleman will yield further, does the gentleman from California have a figure in mind that the gentleman thinks would be appropriate to protect the family farmers?

Mr. KREBS. I am sure we could develop this in hearings.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. KREBS. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, the

assumption that there is a way to help the small farmers by putting a limit on loans is, in my judgment, basically wrong. The reason I am opposed to this amendment is that it hurts the small farme rbecause it hurts the ability of programs to function and denies not only the moderate size farmer in many States from operating, but also makes it impossible to carry on the operation of the set-aside, the reseal programs and others that we are trying to develop. To associate the $100,000 farmer with the program does not help the small farmer. It hurts him. I think this amendment would damage the small farmer. That is not the intention of the sponsor of the amendment, but that is what is happening.

Mr. WATKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to state that farming is big business today. The family farm is a big business.

I agree with the Chairman here that if we want to damage the farmer today, we put a $100,000 limit on him. Then, we have nearly driven him completely out of business.

I know the farmers in the State of Oklahoma, instead of trying to have just a limit on the loan, they are trying to search adequate loans in order to do business, just to stay in business. I truly believe that if we place a $100,000 loan limit on the farmer, a lot of them would be out of business tomorrow. So, I rise in opposition to this amendment because I truly think that if we want to harm the family farmer today, we tie his hands at a time, Mr. Chairman, when they are hurting worse economically than ever before since the 1930's.

I think we should be looking at a method of trying to ease the means of making loans so that they can stay in business.

Mr. POAGE. Mr. Chairman, I move to strike the last six words.

Mr. Chairman, again I want to call attention to the philosophy behind this bill. These loans are not the device by which we maintain farmer income. The target price is the device that maintains farmer income. If the target price on cotton is, say, 55 cents, it does not make much difference to the farmer what the loan price is, because he gets the difference between the market and his 55 cents. The loan can go down to 5 cents and the farmer's income is not changed.

The loan is there to protect the U.S. Treasury. The loan is there to keep these programs from becoming too expensive to the United States. The loan is there to attempt to hold up—it is not a perfect device—but to attempt to hold up the market price. It takes off of the market a surplus that otherwise would break the market and cause the market price to go down.

When the market price goes down, the cost to the Government to pay the target price becomes greater. So, all this proposed amendment does is to add to the cost of the U.S. Government, and it does not add a dime to any farmer's income.

Now, I do not question but what those who have supported this do so in good faith, but I do suggest that if they are acting in good faith, they have not studied the philosophy on which the farm program is based. The farm program works by guaranteeing an income to the farmer in the form of a target price.

Now, it does not make any immediate difference to the small farmer what that loan is, but if we take away from some of the large producers the opportunity to put that crop in the loan, there is not but one place their crop can go. It has to go on the market. It cannot go on the market without breaking the market. When the largest producers in the United States put their products on the market, they are going to break the market.

That is going to cost the U.S. Government hundreds of millions of dollars, and we are not going to add a thing in the world to the income of our farmers.

Mr. WATKINS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. WATKINS. I thank the gentleman for yielding.

Mr. Chairman, the private market is more nervous today than ever before because of the problems we are having in the agricultural industry today and the problems the farmers are having.

Mr. POAGE. Mr. Chairman, certainly I think if we look at the market—I do not keep up with the daily market—but every day this debate goes on, we will find the market for cotton, wheat, and corn going down because of what this Congress is doing. Such amendments as the one we have before us right now are already costing the American farmers a decline in the American market, and if this amendment is adopted—and I am sure it will not be—it would cost the U.S. Government hundreds of millions of dollars to make up that difference.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to title I? If not, the Clerk will read title II.

The Clerk read as follows:

TITLE II—DAIRY AND BEEKEEPER PROGRAMS

DAIRY BASE PLANS

SEC. 201. Section 201(e) of the Agricultural Act of 1970, as amended, is amended to read as follows:

"(e) The provisions of this section shall not be effective after December 31, 1981, except with respect to orders providing for class I base plans issued prior to such date, but in no event shall any order so issued extend or be effective beyond December 31, 1984.".

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS

SEC. 202. Section 20 of the Agricultural Act of 1959, as amended, is amended by striking out "1977" in subsections (a) and (b) and inserting in lieu thereof "1981".

DAIRY INDEMNITY PROGRAM

SEC. 203. The Act of August 13, 1968 (Public Law 90-484; 83 Stat. 750), as amended, is amended as follows:

(a) Section 1 is amended by adding after the first sentence the following: "The Secretary is also authorized to make indemnity payments for milk, or cows producing such milk, at a fair market value to dairy farmers who have been directed since the date of enactment of the Agricultural Act of 1977 to remove their milk from commercial markets because of the presence of products of nuclear radiation or fallout if such contamination was due to no fault of the farmer.

(b) Section 3 is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1981".

DAIRY PRICE SUPPORT

SEC. 204. Section 201 of the Agricultural Act of 1949, as amended, is further amended as follows:

(a) Subsection (c) is amended by striking out the second sentence and inserting in lieu thereof the following: "Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agricultural Act of 1977, and ending on March 31, 1981, the price of milk shall be supported at not less than 80 per centum of the parity price therefor.".

(b) A new subsection (d) is added as follows:

"(d) Effective for the period beginning with the date of enactment of the Agricultural Act of 1977 and ending on March 31, 1981, the support price of milk shall be adjusted by the Secretary at the beginning of each semiannual period after the beginning of the marketing year to reflect any estimated change in the parity index during such semiannual period. The Secretary is further authorized to adjust the support price of milk at the beginning of each remaining quarter in the marketing year to reflect any substantial change in the parity index during such quarterly period. Any such adjustment shall be announced by the Secretary not more than thirty days prior to the beginning of the period for which it is applicable.".

BEEKEEPER INDEMNITY PROGRAM

SEC. 205. Section 804(f) of the Agricultural Act of 1970, as amended, is amended by striking out "December 31, 1977" and inserting in lieu thereof "September 30, 1981".

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. Are there amendments to title II?

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 5, strike out lines 5 through 7 and insert in lieu thereof the following new section:

SEC. 205. Effective December 31, 1977, section 804 of the Agricultural Act of 1970 is repealed.

Mr. CONTE. Mr. Chairman, I rise in support of my amendment to kill the sweetest subsidy of them all, the beekeepers indemnity program. Ever since it was created, this program has been a honey of a rip-off for a select swarm of beekeepers, while the taxpayers have been getting stung. To put it short and sweet, the question now before us is, to bee or not to bee.

Back in 1906, A. W. Mitchell wrote the "Song of the Bumble Bee and the Maid", which serves as an apt allegory of this program. The song goes like this:

A bumble bee once left his hive, to be a robber bold,
And on the way, he met a maid upon a lonely road,

Said he to her, "Hold up your hands, and give to me your money,"
Said she, "Just kiss my lips instead, you'll find them sweet as honey,"
And as the bee, kissed her sweet lips, where once he'd thought to sting,
This strange young pair, they fell in love, and she began to sing,

(Chorus)

Don't leave me my honey bee, let's linger in love's bow'r,
I know a fairy, who'll change me in to your favorite flower,
In May I'll be your hyacinth, in June I'll be your rose,
I'll be the flower you love the best, the fairest one that grows.

The image of the bumble bee as a robber, is a good way of looking at this beekeepers indemnity program, since so far we have been held up to the tune of $19.8 million. This legalized robbery by only 1.8 percent of the Nation's beekeepers, has set me buzzing with waspish dismay, and I suspect my colleagues' constituents would have bees in their bonnets, as well if they knew what was going on.

Out of more than 211,000 beekeepers in the United States, only 1,191 or 0.6 percent received an indemnity payment in 1976. Only 48 keepers made a beeline for this payment of $20,000 or more in a single year, between 1973 and 1976. Between 1973 and 1976, those 48 beekeepers collected almost $4 million, and have received about 35 percent of the total program's payments, over the years.

That little song I mentioned earlier, also illustrates the relationship between the beekeepers and the administrators of the program.

In the song, the maid seduced the bee with sweet words of endearment and a kiss of honey, and that is exactly what has happened in this program.

We have examples of scandalous relationships between beekeepers and inspectors, including one instance where an inspector not only falsified reports, but assisted beekeepers in devising ways of deceiving behaving behive inspectors into believing pesticide damage had occurred. The program lends itself to this sort of sweetheart relationship, and it is time we stopped it.

Mr. Chairman, back in 1970, this program was created to reimburse beekeepers who lost bees through no fault of their own, due to massive Government sponsored pesticide programs. That crisis has long since passed, and the program has become simply a subsidy to offset the normal costs of doing business, or as one beekeeper told me, they will die at the drop of a hat, or as in this case, at the drop of a Federal subsidy. But they are also dying of old age, arthritis, too much high living, bent stingers, and the too-frequent ingestion of the sweet nectar of fermented clover blossoms. No matter the cause of death, the taxpayer is getting stung.

When you look at the list of major recipients of these funds, you have to wonder why the same 50 or so beekeepers keep losing so many bees year after year. The only possible conclusion is that their poor bees have become more valuable dead than alive. We have placed a bounty on their fuzzy little heads.

Mr. Chairman, we should be encouraging beekeepers to keep their bees alive, rather than let them die. Let us get the sticky fingers of the beekeepers, out of the Federal honey jar. The administration supports the objectives of this amendment. I urge the adoption of this amendment.

Mr. ROSE. Mr. Chairman, I rise in opposition to the amendment.

In my brief three terms in this body, I believe that I have heard this speech by my distinguished friend, the gentleman from Massachusetts (Mr. CONTE), at least twice. He has improved it somewhat from the last version that I heard; but as chairman of the Subcommittee on Dairy and Poultry, I think what he has had to say is utter nonsense.

Mr. Chairman, in the Subcommittee on Dairy and Poultry we have jurisdiction over the beekeeper indemnity program; and in May of this year we held extensive hearings into the impact of certain regulations and certain pesticides on the dairy, poultry, and honeybee industry. We discovered, to the contrary from what the gentleman from Massachusetts (Mr. CONTE) has said, that there is a very new crisis facing the beekeepers of this country.

Mr. Chairman, the gentleman from California (Mr. KREBS) will, in a few minutes, refer to some of the more pertinent points of the beekeeper indemnity program and about those who keep bees in his State of California.

Mr. Chairman, there are some 60 crops in this country that must be pollinated by honeybees. There are some 90 other crops that are partially pollinated by honeybees.

We had testimony in our subcommittee from Roger Morse, professor of agriculture in the department of entomology of Cornell University, who told us that in 1976 a new formulation of a new pesticide has produced a crisis within the beekeeper industry, and that crisis is because of microencapsulated methyl parathion.

Pesticides are being produced in tiny pellets which are being used in the fields of this country. The honeybees are picking up these small capsules of methyl parathion on their fur, which my colleague finds very humorous, and bringing it back into the hives, killing off the entire family of bees.

Mr. Chairman, bees are an important part of agriculture. The almond industry could not exist if it were not for bees.

In our subcommittee we are trying to encourage more and better research into ways to keep pesticides from injuring the honeybee colonies of this country. The honeybees are necessary. The honeybee indemnity program is necessary.

Mr. Chairman, I urge my colleagues to join me in defeating this amendment because we are carefully watching this program. I can assure all of my colleagues that my subcommittee will engage in careful oversight over the way the program is administered.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I want to commend the gentleman from North Carolina (Mr. ROSE) for his remarks and I want to associate myself with them.

I think this is a very serious question, not to be made light of in the way the gentleman from Massachusetts (Mr. CONTE) has done through the years.

Mr. Chairman, it is a tribute to this Congress that the majority of the people here understand the role of the bee in agriculture.

Again, Mr. Chairman, I commend the gentleman for his remarks.

Mr. ROSE. Mr. Chairman, I thank my distinguished colleague, the gentleman from Texas (Mr. KAZEN).

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I too rise in opposition to this amendment. I believe the good gentleman from Massachusetts, Mr. CONTE, really did not take it far enough as to what we are going to kill off here if we do away with bees, as the gentleman seems willing to do. What would we do to replace these bees that result in 90 percent of the flowers of this world through seed production in California. With no bees consequently we will have no flowers. With no flowers we would have no birds. With no birds and no bees, I do not know where we would be, or what we would have to talk about.

So it is not a light matter that the gentleman from Massachusetts, Mr. CONTE, likes to talk about. We are talking about a serious matter here.

Bees are important, bees are necessary. I suppose that there are other alternatives, like running from flower to flower and pollinating them. I suppose some might suggest this as a solution to the youth unemployment program. But, I do not believe that that is an economical way to handle this life necessity when we can do this very simply and very reasonably just by trying to keep the bees in production. This program to protect bees costs only one-twentieth of a percent of the good work they they do. There is an $8 billion business that these bees actively pollinate and are responsible for.

The importance of this rather small but highly essential beekeeping industry to the rest of the agricultural economy cannot be overemphasized. Many major fruit, nut, and seed crops are entirely dependent on honey bees to provide the pollination necessary for production of economically sound yields. From the lists of these crops set forth below you will readily determine that unless the beekeeping industry is maintained in a viable and effective position our Nation will soon be relegated to a diet of grains and fish. While a healthy beekeeping industry providing adequate pollination will not only assure a continuing supply of essential fruit, nut, and seed crops, it can also be an important factor in lowering basic food costs by substantially increasing the yield of many other crops which may not be entirely dependent on insect pollination.

During the 1960's and continuing up to the present time, the ever increasing use of herbicides and pesticides has eliminated for the most part, many of the wild natural pollinators and their nesting sites. Other modern agricultural practices such as the trend to larger acreages by farm operators have, by elimination of fence lines and more intensive cultivation, further reduced nesting places and habitats of these natural pollinators and honey bees. Growers of many major crops are forced to rely on honey bees for their pollination requirements.

Those crops dependent on pollination have an estimated value of nearly $4 billion with those benefiting from pollination having an almost equal value. The total value of agricultural production totally or partially dependent on pollination would therefore approach $8 billion. USDA scientists have conservatively estimated that presently, due to the above mentioned factors—pesticides, herbicides and other modern agricultural practices, honey bees perform 85 percent of the total pollination service provided to the agricultural arena.

This very vital beekeeping industry has suffered a serious decline in colony number nationwide, from 5.1 million colonies in 1962 to a low of 4.1 million in 1972. From 1972 through 1976 there has been a small increase in colony numbers, reaching a 4.3-million-colony level in 1976. This small increase may be at least partially attributed to "indemnity" payments which have encouraged some beekeeping operations to restock colonies previously destroyed by pesticides.

Specific instances to point up the low colony count seriousness of this include the State of Washington where more than 100,000 acres of apples, pears, and cherries of bearing age are dependent on honey bees for pollination. There are an additional several thousand acres of recent plantings. There were only 95,000 colonies available for pollination services in 1976, far short of the two colonies per acre recommended. Honey bees are also used in California to produce 75 percent of the Nation's vegetable seed and 90 percent of the world's flower seeds. Acreage of crops requiring bees for pollination is increasing and growers are using more colonies per acre to assure adequate pollination of crops. The number of colonies in California declined to a low of 500,000 in 1974, a reduction of 65,000 colonies in the short period between 1970 and 1975 while the pollination requirements have been steadily increasing.

The need for pollination service is increasing while the expanding use and application of pesticides and herbicides is a major factor in the number of available honey bee colonies as pollinators. This ever-increasing use and application therefore continues to pose a serious threat to the welfare of the industry and discourages the expansion needed to provide adequate pollination.

Beekeepers have no control over the application or use of pesticides or herbicides or the foraging habits of their bees, thus presenting a very complex problem. Some relief in a few areas on specific crops has been provided by the newer pest management control programs. For the most part, they are successful in reducing colony losses where they operate, yet the total acreage under such control programs is so small that no major impact is visible toward increased colony count. Expansion of the pest management control program and research on other less harmful methods of insect control, as well as additional assistance from EPA, where they are in a position to be helpful, has and should be urged.

Estimates are that outlays are decreasing from 4.2 billion in 1976 to under 4 billion in 1977 and 1978 fiscal years.

Every beekeeper in this country would rather have his bees alive, healthy, and serving as effective and efficient pollinators of the many crops involved and producing honey rather than have them damaged or destroyed. At the same time there are relatively few areas where their colonies may be placed without being exposed to the hazard of pesticide application at some time during the growing season.

Undoubtedly, expansive and extensive research into the many facets of pesticide application and methods of protecting colonies of bees, along with a forceful educational program would be helpful in alleviating the serious losses encountered in so many areas.

The indemnity program, in operation now for a 7-year period, has provided some relief to this perplexing problem at a very nominal cost to the Government. These payments have enabled some beekeepers, who for all practical purposes were bankrupt, to revitalize their operations, to repair badly deteriorated equipment and to restock part of the colonies destroyed by pesticides. We are hopeful the declining colony count in progress through 1972 has been at least slightly reversed and with continuation of the "indemnity program," as an industry aid, more pollination service can be made available to supply that ever-growing need.

The program can in no way be alluded to as a handout or giveaway. The regulations as now set up are stringent and require absolute proof and documentation of losses, as well as proof of application on fields adjacent to the apiary site, where the losses occurred, to the extent that in most cases, claims for major losses only will be filled.

Beekeepers in most cases are not aware of pesticide application until they arrive at the apiary site and find their colonies damaged or destroyed. There is very little they can do to minimize their losses. Several methods of protection have been tried with little apparent success.

Honey bees are the only major pollinator for more than 60 important fruit, nut, and seed crops. Increased acreages and the use of more colonies per acre to provide adequate pollination require substantially more colonies while the total number available has declined from over 7 million colonies in 1958 to the present 4.3 million colonies with the low point in 1972 being 4.1 million colonies.

Pesticide use is increasing and poses a continuing hazard to the viability of the industry.

In summary, I realize that the indemnity program is not the solution to the problem but until other effective means and methods can be devised and put into practice to alleviate the losses, the beekeeping industry desperately needs this program. I feel the program has been a benefit to the beekeepers of the United States, providing some relief for sustained losses.

I feel the funds needed are a very small price to pay to help insure the continuation of this industry which is all important to the entire agricultural economy and ample food supplies at the most efficient and economic level. Adequate pollination is one of the keys to lower food prices and abundant production.

I urge my colleagues to maintain the beekeeper indemnity program section 205 of H.R. 7171, the Agricultural Act of 1977.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I do not want anyone in this chamber to think that this is a facetious amendment. After 19 years in this Congress some things are so ridiculous that the only way we can defeat them, if you can not do so by being serious, is to try to use satire. That is what I have done here .

Furthermore, Mr. Chairman, indeed the payments have not gone down. In fact, in 1975 they were $2.8 million and in 1976 they were $3.5 million. That is not going down.

Furthermore, Mr. Chairman, I do not want anyone to take this lightly. Let me say that when we get back into the House I will put things into the RECORD, items from the newspapers on this bee situation, newspaper articles on the scandal between some inspectors of these bees and the beekeepers relative to some of these payments.

Furthermore, I might say to the gentleman from Vermont that I have a farm in Massachusetts, and my son-in-law has beehives there, so I know something about bees and their value. If you look at the payments you wonder, you wonder why some of these same people can keep getting payments year after year, the same people in the same part of the country.

Mr. JEFFORDS. I can only say that if we should do away with every program in this country that is subject to some sort of abuse that we would have to do away with every program in this country and we could go home. I believe some of my colleagues on this side of the aisle would approve of that.

But, I consider that this is an important matter, and if there is an issue of future abuses then I believe that we should take after those people, ferret

them out, but not to say that we should eliminate the program because there are instances of abuse, or abuses in certain areas. That is not a correct approach and that is not a responsible approach. The question here is whether the program performs a legitimate and worthwhile function and this one has proven to be one that does just that. So, the fact that some people may take advantage of it or try to, then I say we should ferret those people out and prevent them from destroying this program.

Mr. CONTE. Mr. Chairman, will the gentleman yield further?

Mr. JEFFORDS. I yield further to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, will the gentleman from Vermont agree on the fact that I presented that the program was initiated back in 1970 because of certain bans that we made on certain pesticides, and the consequent use of certain other pesticides, and therefore we did have a problem at that time?

Mr. JEFFORDS. The answer is yes, and I still believe we do have a similar problem. We are still experimenting with various pesticides. I will certainly agree that some of the problems are not as dramatic now as they were then. But we still must prevent the destruction of our farmers' crops by insects and we do this through the use of pesticides. Yet when those crops are nearby or on the other side of the beekeeping neighbor they kill the bees.

Yet it encroaches upon the rights of neighbors and kills bees. If it is no fault of the beekeeper, then he gets reimbursed. If there is a way to go back and get reimbursed by the neighbor, then he can go after him or the department if his use was improper. It is a good program. The amendment should be defeated.

Mr. SISK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I hesitate to take the time of the Committee, but my good friend, the gentleman from Massachusetts (Mr. CONTE)—if I could have his attention—has really become the outstanding comedian in the House. I always enjoy his speeches. He seems to be improving in connection with his poetry and some of the material that he is digging up. I have great respect for my colleague, the gentleman from Massachusetts, but let me say as one of the original cosponsors of the honeybee program, along with the very distinguished Congresswoman and former Member from the State of Washington, Catherine May—and I believe it is Catherine Bedell now—this program started as a very serious program. It is still, as far as I am concerned, a very serious program. It is serious because of the fact that there are hundreds of millions of dollars at stake in connection with commodities that are totally dependent upon an adequate supply of honeybees.

The certified seed industry, which is a multihundred-million-dollar industry in this country, is totally dependent upon an adequate supply of honeybees. In my own particular area—and I understand my colleague, the gentleman from California (Mr. KREBS) will be speaking on the subject because we do share some of the areas—we are totally dependent upon the fact that we can keep an adequate supply of honeybees. Because of the rules and regulations outlined by EPA, and in connection with the limitation of use on pesticides, insecticides, and rodenticides, we really were facing a crisis. I recognize the concerns many of us have had through the years about DDT. There was a funny thing about DDT. As long as we used it, we used it rather extensively on many things. The bees thrived on it. I still sometimes get a little concerned with some of my scientific friends, because this was a peculiar situation. As long as we were using DDT on the fields and on the crops, the bees got along fine on it. They seemed to love DDT. In spite of that, of course, we know that DDT has been generally outlawed. Those pesticides and insecticides that have come along to take its place have been of a type that have literally destroyed in many cases not only millions but I suppose billions of bees, if we take them individually, and it certainly has destroyed thousands of hives.

Let me conclude, Mr. Chairman, only on this note, because this is a very small program. In fact, the figures cited by my colleague, the gentleman from Massachusetts, are infinitesimal in comparison with the amount of good they do, the very small amount. I think the highest figure he quoted for an annual cost of the program is something like $3 million, and that is literally a drop in the bucket compared to the amount of good that they do and the fantastic industry that is dependent upon an adequate supply of honeybees.

If there is a misuse of funds, if there are those who have abused this program, then let us do something about it. Certainly the law should be so enforced as to take care of that. But let us not destroy what otherwise is a good program.

Mr. Chairman, I urge that this amendment be defeated.

Mr. KREBS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all I was not here during some of the past performances of my good friend, the gentleman from Massachusetts (Mr. CONTE). I do however in his defense have to say that in my opinion he has one of the better senses of humor in the House. I am however bitterly disappointed that although he repeatedly off the floor of the House in the past few days promised he would sing, I am indeed disappointed we were not given an opportunity to watch that performance.

Mr. CONTE. The gentleman has been spared.

Mr. KREBS. Let me point out to members of the Committee that the information our friend from Massachusetts gave us about the 48 beekeepers who benefited during 1976 simply, with all due respect to him, is not accurate to say the least. We just checked with the Department of Agriculture in the last few minutes to make sure we were on solid ground and were told that in fiscal year 1976, the last year for which we had the information, a total of 1,191 beekeepers received indemnity payments. If we round out the figures this would come to approximately $3,000 per beekeeper in indemnity payments.

Let me say I am not a farmer. I am indeed privileged to represent an agricultural district which happens to be an agricultural district that has not only one of the highest productions in this country but also happens to be highly diversified and so for that reason we have all sorts of agricultural commodities requiring pollination.

It is for this reason that I have had an opportunity to become rather familiar with the need for bees in our agricultural economy.

Beyond this, however, I also practiced law for 17 years before I came to the House and I handled any number of crop loss cases involving bees. I can therefore assure the Members there is no more tragic case than that of a beekeeper who was unfortunate enough to have lost his beehive overnight because of insecticide activity in close proximity to where he had to place the bees in order for them to do their job.

We furthermore have this year a new factor introduced in California and I assume this is true in other parts of the country, and that is the element of the drought. In my district the beekeeper can no longer remove his bees to the foothills of the San Joaquin Valley where he removed them to in the past because of the drought conditions. As a result the susceptibility to loss from insecticides has increased dramatically.

Mr. Chairman, I certainly hope that I do not have to belabor the point. I certainly appreciate the concern that my friend, the gentleman from Massachusetts, has shown. I certainly admire his tenacity. I frankly do not know what stung him but I do want to give him an opportunity for rebuttal.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. KREBS. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I did not hear the gentleman's last statement, I am sorry.

Mr. KREBS. I was just saying that I did not know what stung the gentleman.

Mr. CONTE. What stung me is that the poor old taxpayer is getting stung and if somebody does not fight for him out here he will wind up with empty pockets.

I said there were 48 beekeepers who received $20,000 or more and in 1976 they received $1,280,278 of the $3,535,248 program payment.

Mr. KREBS. I certainly agree with the gentleman's last figure of $3.5 million. I disagree or differ with him on his figure of participation, because that is not the figure of participation we received.

Mr. CONTE. I got it from the USDA and I will submit it for the RECORD and I will hand the gentleman a copy when he gets through speaking.

Mr. Chairman, the material I referred to is as follows:

BEEKEEPERS RECEIVING PAYMENT OF $20,000 OR MORE, 1973–76

Name	1973	1974	1975	1976
Wright Bee Farm, Ala			$23,655	
Bechtel Apiaries, Ariz	$20,220	$35,025	22,650	$19,155
Beckner, Guy, Ariz	11,710	21,630	16,387	21,780
Emmons, Chas., Ariz	39,745	40,380	37,102	36,697
Safford Honey Co., Ariz	11,400	25,537	24,225	20,520
Smith, James R., Ariz	49,165	71,047	76,380	57,195
Dickinson, Wm. H., Ark	10,710	17,265	21,262	19,402
Harrison SDA, Church, Ark	10,755	22,762		
Wilson, Vaughn, Ark	2,280	21,562	14,277	
Clement Apiaries, Calif	14,035	17,295	5,880	26,970
Fairchild, Clarence, Calif	5,220	16,012	12,607	26,085
Hall, Aaron & Sons, Calif	27,965	31,575	6,202	7,357
Nachbaur, Anton, Jr., Calif	3,940	4,080	5,130	26,587
Parkinson, Jay J., Calif	36,930	38,460	33,472	43,312
Solarzona, Arnulfo, Calif	5,300	10,342	17,812	23,467
Barriscklow, Dewit, Ga	7,005	26,167	11,677	12,592
Jackson, C. R., Ga	3,305	16,417	36,367	28,335
Jackson, Paul, Ga	8,380	18,135	23,070	17,955
Rossman Apiaries, Ga	13,425	37,995	29,857	25,800
Willbanks, Warren, Ga	8,100	13,905	20,137	13,830
York, H. F., Jr., Ga	11,985		21,165	16,687
Mundell, Orie, Idaho	4,260	8,970	12,127	31,462
Powers Apiaries, Idaho	22,005	49,995	61,370	51,817
Robinson, R. I., Idaho	26,050	32,985	11,940	18,682
Mitchell, Otis, La	12,480	25,245	3,442	5,265
Overby Apiaries, La	15,265	28,027	25,207	21,105
Rays Honey Co., Minn			29,085	
Stover Apiaries, Miss	35,900	65,535	61,590	62,265
Halbgewachs, Harold, Nebr			8,302	28,725
Knoefler, Harold, Nebr	5,055	25,170	16,230	
Knoefler Honey Farms, Nebr				48,060
Marquette, Raymond, Nebr	22,285	12,217	6,577	51,217
Marquette, Richard, Nebr		20,062	16,402	
McKeone, Joe, Nebr			12,360	31,252
Bade, Fred G., Oreg		16,965	25,402	
Grigg, Donald, Oreg	27,115	28,440	20,775	49,837
Lyon, Archie, S. Dak		28,565		
Lyon, Charles, S. Dak		28,447		
Golden Bee Apiaries, Wash		4,792	15,367	21,937
Haueter Apiaries (Rex), Wash		12,757	16,245	22,912
Hiatt Honey Co. (Sid), Wash	27,455	40,230	58,072	76,560
Hibbard, Massey & Hibbard, Wash	20,570	36,847	38,745	38,805
Holt, Joe, Wash	32,985	51,045	43,620	43,095
Jim's Valley Apiaries, Wash				142,042
Sires Beeline Honey, Wash	8,345	22,035	23,122	22,207
Sires, Warren, Wash	11,365	22,012	19,867	18,030
Smith, Bob, Wash	9,575	20,505	29,760	31,275
Vanderford Blackwell Apiaries, Wash	3,220	16,335	16,927	20,002
Total	586,945	1,082,772	1,031,848	1,280,278
Total program payments	1,890,347	3,069,453	2,805,254	3,535,248
Payments to major recipients as percent of total program	31	35	36	36

[From the Yakima (Wash.) Herald-Republic, Feb. 6, 1976]

DISCOVERED: MASSIVE BEE INDEMNITY ABUSE

(By Mike Merritt)

A Yakima Herald-Republic investigation has uncovered evidence of massive abuse of the federal Beekeeper Indemnity Program, a program that has paid Yakima County apiarists more than $2 million since 1971.

False indemnity claims over the past five years could total hundreds of thousands of dollars in addition to three earlier years, 1967–70, when retroactive payments were made.

The program, designed to reimburse beekeepers for bees killed by pesticide spraying, instead prompted some beekeepers to intentionally damage hives and kill bees to boost indemnity payments.

The Herald-Republic's investigation was aided by student reporters of the Campus Crier at Central Washington State College who first heard reports of the abuses.

It was also learned that a Washington State beekeeper, owner of one of the nation's largest apiaries, is under investigation by the U.S. Department of Agriculture involving his claims under the indemnity program.

The beekeeper's claims are involved in a civil suit stemming from the government's refusal to pay portions of the apiarists' claims.

One beekeeper received more than $200,000 in annual indemnity claims for several years.

U.S. Agricultural Stabilization and Conservation Service officials charged with administering the program, admit the program was open to abuse in its early years—from 1971 until last year.

But the officials also say use of Washington State bee inspectors—many of whom were friends, relatives and former employes of beekeepers they were assigned to inspect—has been eliminated. Since last year, officials said, full time federal inspectors have been hired.

Troy Monholland Jr., a Washington State bee inspector during the summer of 1972, told the Herald Republic he "doctored" hundreds of spray-damage reports for one Washington beekeeper. Estimates of indemnity claims submitted over Monholland's signature range as high as $200,000 for that summer.

Monholland detailed his experiences with the beekeeper.

"In the summer of 1972, I was working as a beekeeper . . . I talked with Gene Bregden (the state's chief apiary inspector) and he said he needed inspectors. It was hard to find people experienced in the business. My first job for the beekeeper took me down to Klickitat County.

"There I found a bee yard located in a cherry orchard. He had spray damage, there was no doubt. This was the 27th of June. By the middle of June you should be set up in the honey producing areas . . . A beekeeper knows that an orchard has to be sprayed, yet the bees continued to sit right there. It was a chance for the beekeeper to see what type of an inspector I was.

"Well, on my charts I marked up 168 hives severely killed. But I marked, no, I didn't feel the beekeeper had taken reasonable care of his bees."

"Under the inspection program, a beekeeper would receive no indemnity payments if he failed to properly protect his hives against pesticides.

"In a day or two I had a frantic call from him. He wanted to know why I had put down 'no reasonable care.' He came over to my house, we drove all the way down there for a reinspection. This never did go through proper channels . . . We stopped and had dinner in Goldendale, had a couple of drinks . . . So I changed my inspection sheets. The copy where I had put 'no reasonable care' was destroyed and in return replaced with another copy."

From that day in June until August, Monholland said, hundreds of inspection reports were made without actual examination of hives.

"I saw real thin splits (non-productive bee colonies). You wouldn't set up your equipment like that. No, these things were set up for the indemnity," Monholland said.

"But I didn't want to put that down, not for him, not for any beekeeper."

Monholland said he didn't receive a share of the beekeeper's indemnity payment—although he admitted the beekeeper paid him mileage and inspection fees for trips in the Yakima Valley and Columbia Basin he never took.

According to normal procedure, Monholland forwarded the fees and mileage payments paid by the beekeeper to the state Department of Agriculture and was later reimbursed.

The inspector said on one Sunday afternoon in August he falsified reports covering perhaps 12,000 hives, most of them marked as severely killed and eligible for $15 per hive indemnities.

Monholland said he was not asked by other beekeepers to falsify their inspection reports.

"There was no asking for doctored reports, but all were hoping for a favorable report," he said.

All beekeepers needed help. They were getting torn apart by spray damage . . . I thought I was doing it for the beekeepers," Monholland said.

Prior to becoming a bee inspector under contract to Washington State, Monholland said he and some other beekeepers tried to devise methods of deceiving inspectors into believing spray damage had occurred.

"I know other inspectors went through the same thing I did. But I think the other inspectors were a little scared of what might happen if it were found out. But I think overall the inspectors gave the benefit of the doubt to the beekeeper," Monholland said.

The indemnity program—approved by Congress to help beekeepers survive losses caused by pesticides—instead forced a reliance on government programs. Officials acknowledge this.

"It just destroyed the business. It was a business of strongly independent people but this just shook the foundations," Monholland said.

The admissions of Monholland have been confirmed by ASCS officials.

"We think there were cases, definite cases, where beekeepers were taking advantage of the program," said Keith Townsend, Yakima County ASCS director.

"When the program first came out it was very, very, poorly put together. Legislation was passed, retroactive payments were made without proof—it was just a fright to administer. I've never seen anything like it in 20 years," Townsend said.

"We got tossed with it, and most of us didn't know anything about bees. We were wide open to be taken for a ride," he said.

Federal legislation authorizing the program—which has paid more than $18 million in claims nationwide since 1971—was vague and provided few guidelines for administrators, Townsend said.

Washington State contracted with independent bee inspectors, Townsend said, because local ASCS officials couldn't perform inspections. The inspectors were drawn from Yakima Valley beekeepers, a tightly knit group of mostly family operations.

"We could see we weren't controlling the inspectors. But we were paying out hundreds of thousands of dollars on somebody's signature that we had no control over, he said.

"It took us two or three years to get on top of the program and see some of the loopholes," he said. "The first thing we did was to get rid of the state inspectors.

"We heard rumors and rumbles for years. We have a lot of honest beekeepers. But they don't want to do anything that will jeopar-

dize the program. They try to police their own ranks," Townsend said.

Townsend said he and other state ASCS officials complained about the laxity of the program's guidelines to USDA officials—without much results.

"I tell you. I got up on my high horse and wrote letters to Washington and screamed like mad on this. It was about two years before I could get anybody to listen to me," he said.

Robert Deife, state ASCS administrator, was asked whether his agency was satisfied with Washington State's inspectors. His reply was: "We hired our own inspectors."

Kenneth Frick, ASCS head in Washington, D.C., admitted the program "was a very difficult thing to handle," adding the USDA resisted passage of the program in 1971 and is still opposed to continuation of indemnities.

"We're sorry we didn't listen a little more carefully to Yakima," Frick said. "I'm sorry they didn't push a little harder."

[From the Yakima (Wash.) Herald-Republic, Feb. 22, 1976]

GRAND JURY TO HEAR EX-BEE INSPECTOR

(By Mike Merritt)

A former Washington State bee inspector who admitted falsifying hundreds of federal Beekeeper Indemnity Program reports has been called to testify before a federal grand jury, the Yakima Herald-Republic has learned.

Troy Monholland Jr., whose admissions of abuse in the indemnity program were reported earlier by the Herald-Republic, was subpenaed to testify before the grand jury next month in the Tri-Cities.

Monholland told the Herald-Republic that during the summer of 1972 he "doctored" hundreds of indemnity claims at the request of a Washington State beekeeper—claims that led to more than $200,000 in payments to the beekeeper.

Assistant U.S. Atty. Robert Linnell declined to name others who might testify before the grand jury during the session.

The disclosures of abuse in the program, designed to reimburse beekeepers for bees killed by pesticide spraying, brought admissions from federal officials that the program was vulnerable to abuse.

Federal Agricultural Stabilization and Conservation Service officials, charged with administering the bee program, said the program was poorly designed. And ASCS authorities were saddled with a program affecting an industry they knew little about, officials admitted.

ASCS officials also said the long suspected abuses led to severing a contract with Washington State for the use of apiary inspectors and hiring full-time federal inspectors.

Despite program abuses, however, state beekeepers have defended the program. They said beekeepers—hit hard by agricultural spraying that's destroying up to a third of their hives—were able to survive only because of indemnity payments.

"We had gotten to the point where we were just hanging on by our fingernails," said Elwood Sires, a Union Gap apiarist and vice president of the state beekeepers association.

"If it hadn't been for the advent of the indemnity program we would have been out of business," Sires said.

In the 1960s and early 1970s, beekeepers said, the market price for honey was depressed. At the same time, increasing use of pesticides was destroying hundreds of hives and weakening thousands of others, beekeepers said.

"The money I got from the indemnity has gone right back into my business," said Sires, who has been echoed by most other state beekeepers.

"For the first time in 30 years it's finally a sound operational business," he said "I feel it is necessary. I'm not a bit ashamed of being involved."

But Sides also acknowledged he had suspicions of abuse in the program from its earliest days.

"In 1973 or so I heard that some other beekeepers were operating an indemnity type of operation. But this was not in any way true of the majority," Sires said.

Estimates of false claims filed under the indemnity program total hundreds of thousands of dollars since the program was approved in 1971. Retroactive payments extending to 1967 also were made.

The Herald-Republic also has learned Washington State's program for certifying bees as disease-free is under criticism from California agricultural officials.

"We do not trust out-of-state certificates from Washington because of past problems," said one California county agricultural commission official who asked that his name not be printed.

"It would appear that, from my point of view, the state allows the beekeeper to do his own inspecting. I have seen the certificates—signed certificates—where it appears the beekeeper's own handwriting is on there. Anytime a man gets to do his own inspecting there's bound to be hanky-panky," the commissioner said.

In a 1974 incident, more than 140 colonies of Washington bees rented for California almond orchard pollination were found to be infected with American foul brood. The colonies, which were destroyed, had been certified as healthy by Washington State.

Mike Tanner, a Merced County bee inspector who discovered the infested bees, said, "I don't see how it could have been missed."

Leo Vanderpool, head of California's agricultural disease control agency, said his state is concerned about importation of diseased bees. Stronger nearby bee colonies will rob hives weakened by disease—thus carrying the foul brood to other hives.

Shasta County Commissioner Bruce Wade said the practices of one large Washington beekeeper—who had shipped his bees into the state in a manner making * * * beekeepers to make the hives more accessibe for inspections.

"I don't intend this as an indictment of all beekeepers," Wade said.

Transporting bees to California was rare until recently for Washington State beekeepers because of the high shipping expense. Local apiarists increasingly are traveling to California, however, because Northwest winter conditions are taking a heavy toll on bee colonies weakened by pesticide spraying.

Colonies gain strength in the milder California winters, although the cost of transporting barely is met by California pollination fees.

Gene Brogdem, Washington's chief apiary inspector, rejected charges that local beekeepers are allowed to inspect their own bees before shipment.

But he acknowledged beekeepers sometimes are able to avoid the inspections—because of a lack of state manpower to inspect the more than 180 state commercial beekeepers.

"That is the problem, it's a lack of money," Brogden said. "We should have a man in each area of the state."

His agency's budget of less than $20,000 allows only about $4,000 to hire part-time inspectors for all state beekeepers, he said. Brogden, 65, said he personally inspected more than half the 29,000 colonies examined by state authorities last year.

Stewart Bledsoe, director of the state Department of Agriculture, also admitted "there could be some slippage" in the state's inspection programs, but he agreed with Brogden that the problem is mainly financial.

"Is our program adequate? No," he said. "We have made requests of the legislature, but with the fiscal crunch in Olympia right now the money wasn't there."

Bledsoe said, however, the state is making efforts to increase the number of its bee inspectors.

[From the Sunday Oregonian, Feb. 8, 1976]

FALSE INDEMNITY REPORTS SAID MADE FOR BEES "KILLED" BY PESTICIDES

YAKIMA.—State bee inspectors aided beekeepers in filing false indemnity claims for reimbursement under a federal assistance program, the Yakima Herald has reported in a copyrighted story.

The Herald said false indemnity claims over the past five years could total hundreds of thousands of dollars in addition to three earlier years, 1967–1970, when retroactive payments were made.

The program, designed to reimburse beekeepers for bees killed by pesticide spraying, prompted some beekeepers to intentionally damage hives and kill bees to boost indemnity payments, the paper said.

U.S. Agricultural Stabilization and Conservation Service (ASCS) officials, charged with administering the program, admit the program was open to abuse from its inception through last year.

But these officials say the problem should be eliminated because inspections are now performed by full-time federal employes instead of local state employes. The newspaper said many of the former state employes were friends, relatives and former employes of beekeepers they were assigned to inspect.

Troy Monholland Jr., a state bee inspector during the summer of 1972, told the newspapers he "doctored" hundreds of spray-damage reports for one Washington beekeeper. Estimates of indemnity claims submitted over Monholland's signature range as high as $200,000 for that summer.

Monholland gave this description of the summer:

"My first job for the beekeeper took me down to Klickitat County. There I found a bee yard located in a cherry orchard. He had spray damage, there was no doubt. This was the 27th of June. By the middle of June, you should be set up in the honey producing areas. A beekeeper knows that an orchard has to be sprayed, yet the bees continued to sit right there. It was a chance for the beekeeper to see what type of an inspector I was.

"Well, on my charts I marked up 168 hives severely killed. But I marked, no, I didn't feel that beekeeper had taken reasonable care of his bees."

Under the inspection program, a beekeeper would receive no indemnity payments if he had failed to properly protect his hives against pesticides.

"In a day or two I had a frantic call from him. He wanted to know why I had put down 'no reasonable care.' He came over to my house, we drove all the way down there for a reinspection. This never did go through proper channels. We stopped and had dinner in Goldendale, had a couple of drinks. . . . So I changed my inspection sheets."

From that day in June until August, Monholland said hundreds of inspection reports were made without actual examination of hives.

"I saw real thin splits (nonproductive bee colonies.) You wouldn't set up your equipment like that. No, these things were set up for the indemnity," Monholland said. "But I didn't want to put that down, not for him, and for any beekeeper."

Monholland said he didn't receive a share of the beekeeper's indemnity payment—although he said the beekeeper paid him

mileage and inspection fees for trips in the Yakima Valley and Columbia Basin he never took.

According to procedure, Monholland forwarded the fees and payments paid by the beekeeper to the state Department of Agriculture and was later reimbursed.

He said beekeepers didn't ask for false reports. "But all were hoping for a favorable report."

He said that prior to becoming a bee inspector he had worked with beekeepers to devise methods of deceiving inspectors into believing spray damage had occurred.

"I know other inspectors went through the same thing I did," he said. "But I think the other inspectors were a little scared of what might happen if I were found out. But I think over-all, the inspectors gave the benefit of the doubt to the beekeeper."

"We think there were cases, definite cases, where beekeepers were taking advantage of the program," said Keith Townsend, Yakima County ASCS director.

When the program first came out it was very, very poorly put together. Legislation was passed, retroactive payments were made without proof—it was just a fright to administer. I've never seen anything like it in 20 years, Townsend said.

[From the Yakima (Wash.) Herald-Republic, Feb. 7, 1976]

INVESTIGATION REVEALS BEE INDEMNITY ABUSE

(By Mike Merritt)

A Yakima Herald-Republic investigation has uncovered evidence of massive abuse of the federal Beekeeper Indemnity Program, a program that has paid Yakima County apiarists more than $2 million since 1971.

False idemnity claims over the past five years could total hundreds of thousands of dollars in addition to three earlier years, 1967–70, when retroactive payments were made.

The program designed to reimburse beekeepers for bees killed by pesticide spraying, instead prompted some beekeepers to intentionally damage hives and kill bees to boost indemnity payments.

The Herald-Republic's investigation was aided by student reporters of the Campus Crier at Central Washington State College who first heard reports of the abuses.

It was also learned that a Washington State beekeeper, owner of one of the nation's largest apiaries, is under investigation by the U.S. Department of Agriculture involving his claims under the indemnity program.

The beekeeper's claims are involved in a civil suit stemming from the government's refusal to pay portions of the apiarists claims.

One beekeeper received more than $200,000 in annual indemnity claims for several years.

U.S. Agricultural Stabilization and Conservation Service officials, charged with administering the program admit the program was open to abuse in its early years—from 1971 until last year.

But the officials also say use of Washington State bee inspectors—many of whom were friends, relatives and former employes of beekeepers they were assigned to investigate has been eliminated. Since last year, officials said, full time federal inspectors have been hired.

Troy Monholland Jr., Washington State bee inspector during the summer of 1972, told the Herald-Republic he "doctored" hundreds of spray-damage reports for one Washington beekeeper. Estimates of indemnity claims submitted over Monholland's signature range as high as $200,000 for that summer.

Monholland detailed his experiences with the beekeeper:

"In the summer of 1972, I was working as a beekeeper . . . I talked with Gene Brogden (the state's chief apiary inspector) and he said he needed inspectors. It was hard to find people experienced in the business. My first job for the beekeeper took me down to Klickitat County.

"There I found a bee yard located in a cherry orchard. He had spray damage, there was no doubt. This was the 27th of June. By the middle of June you should be set up in the honey producing areas . . . A beekeeper knows that an orchard has to be sprayed, yet the bees continued to sit right there. It was a chance for (the beekeeper) to see what type of an inspector I was.

"Well, on my charts I marked up 168 hives severely killed. But I marked, no, I didn't feel the beekeeper had taken reasonable care of his bees."

Under the inspection program, a beekeeper would receive no indemnity payments if he'd failed to properly protect his hives against pesticides.

"In a day or two I had a frantic call from him. He wanted to know why I had put down 'no reasonable care.' He came over to my house, we drove all the way down there for a reinspection. This never did go through proper channels. . . We stopped and had dinner in Goldendale, had a couple of drinks. . . . So I changed my inspection sheets. The copy where I had put 'no reasonable care' was destroyed and in return replaced with another copy."

From that day in June until August, Monholland said, hundreds of inspection reports were made without actual examination of hives.

"I saw real thin splits (nonproductive bee colonies). You wouldn't set up your equipment like that. No, these things were set up for the indemnity," Monholland said.

"But I didn't want to put that down, not for him, not for any beekeeper."

Monholland said he didn't receive a share of the beekeeper's indemnity payment—although he admitted the beekeeper paid him mileage and inspection fees for trips in the Yakima Valley and Columbia Basin he never took.

According to normal procedure. Monholland forwarded the fees and mileage payments paid by the beekeeper to the state Department of Agriculture and was later reimbursed.

The inspector said on one Sunday afternoon in August he falsified reports covering perhaps 12,000 hives, most of them marked as severely killed and eligible for $15 per hive indemnities.

Monholland said he was not asked by other beekeepers to falsify their inspection reports.

"There was no asking for doctored reports, but all were hoping for a favorable report," he said.

"All beekeepers needed help. They were getting torn apart by spray damage . . . I thought I was doing it for the beekeepers," Monholland said.

Prior to becoming a bee inspector under contract to Washington State, Monholland said he and some other beekeepers tried to devise methods of deceiving inspectors into believing spray damage had occurred.

"I know other inspectors went through the same thing I did. But I think the other inspectors were a little scared of what might happen if it were found out. But I think overall, the inspectors gave the benefit of the doubt to the beekeeper," Monholland said.

The indemnity program—approved by Congress to help beekeepers survive losses caused by pesticides—instead forced a reliance on government programs. Officials acknowledged this.

It just destroyed the business. It was a business of strongly independent people but this just shook the foundations," Monholland said.

The admissions of Monholland have been confirmed by ASCS officials.

"We think there were cases, definite cases, where beekeepers were taking advantage of the program," said Keith Townsend, Yakima County ASCS director.

"When the program first came out it was very, very, poorly put together. Legislation was passed, retroactive payments were made without proof—it was just a fright to administer. I've never seen anything like it in 20 years," Townsend said.

"We got tossed with it, and most of us didn't know anything about bees. We were wide open to be taken for a ride," he said.

Federal legislation authorizing the program—which has paid more than $18 million in claims nationwide since 1971—was vague and provided few guidelines for administrators, Townsend said.

Washington State contracted with independent bee inspectors, Townsend said, because local ASCS officials couldn't perform inspections. The inspectors were drawn from Yakima Valley beekeepers, a tightly knit group of mostly family operations.

"We could see we weren't controlling the inspectors but we were paying out hundreds of thousands of dollars on somebody's signature that we had no control over," he said.

"It took us two or three years to get on top of the program and see some of the loopholes," he said. "The first thing we did was to get rid of the state inspectors.

"We heard rumors and rumbles for years. We have a lot of honest beekeepers. But they don't want to do anything that will jeopardize the program. They try to police their own ranks," Townsend said.

Townsend said he and other state ASCS officials complained about the laxity of the program's guidelines to USDA officials—without much results.

"I tell you, I got up on my high horse and wrote letters to Washington and screamed like mad on this. It was about two years before I could get anybody to listen to me," he said.

Robert Dette, state ASCS administrator, was asked whether his agency was satisfied with Washington state's inspectors. His reply was. "We hired our own inspectors."

Kenneth Frick, ASCS head in Washington, D.C., admitted the program "was a very difficult thing to handle," adding the USDA resisted passage of the program in 1971 and is still opposed to continuation of indemnities.

"We're sorry we didn't listen a little more carefully to Yakima," Frick said. "I'm sorry they didn't push a little harder."

GRAND JURY TOLD OF BEE $ FRAUD

(By Mike Merritt)

A former Washington State bee inspector has told federal grand jurors he falsified hundreds of Beekeeper Indemnity Program claims for a large Washington beekeeper.

Troy Monholland Jr., who was employed under federal contract to make inspections for the indemnity program in the summer of 1972, repeated in grand jury testimony details of false claims reported earlier by the Yakima Herald-Republic.

During that summer, Monholland told the newspaper, he "doctored" claims totaling an estimated $200,000 for the beekeeper.

Also testifying under subpoena before the grand jury this week in Richland was Vinay Sheel Pandey, a longtime employe of Jim Bunch, owner of Jim's Valley Apiaries in Sunnyside.

Bunch, whose beekeeping operations are among the nation's largest, has filed suit to claim $219,000 in indemnity claims the government has approved but not paid.

Bunch has received more than $1 million under the indemnity program since the program's birth in 1970, according to government sources.

The Beekeeper Indemnity Program was

begun to reimburse beekeeper for bees killed by pesticide spraying. More than $18 million has been paid nationwide to beekeepers for bee losses.

Monholland, in his admissions to the Herald-Republic, said hundreds of claims made over his signature were filed without the required inspections of hives for spray damage.

And at the request of the beekeeper, Monholland said, he changed reports that the beekeeper had not adequately protected his hives from drifting sprays as required under the indemnity program.

The U.S. Department of Agriculture is conducting an investigation of indemnity program abuses.

Federal Agricultural Stabilization and Inspection Service officials said that since evidence of abuses in the program was uncovered, claim procedures have been tightened. Those program changes include hiring full-time federal inspectors to replace Washington State Department of Agriculture apiary inspectors formerly hired under contract.

Federal officials would make little comment on the grand jury proceedings.

Mr. KREBS. Mr. Chairman, I appreciate that. But even if the gentleman's figures are correct, and I do not concede that they are, it really does not make any difference because basically we are talking about an indemnification program designed to indemnify somebody against loss.

Mr. PRESSLER. Mr. Speaker, I move to strike the requisite number of words.

Mr. Chairman, let me say that there are excellent reasons for continuing the beekeeper indemnity program. In fact, the need for this program is greater now than in the past.

A current trend in pesticide technology is threatening honey producers' colonies with contamination and destruction. This trend is capsulization of pesticides which provides a timed release of these chemicals into the ground. Unfortunately, the capsules are so minute that they are similar to pollen in size.

Bees pick up the encapsulated pesticide, carry it back to the hive and store it. The stored pesticide is then eaten by newborn bees, and death results. Or the capsule melts inside the hive, thus fumigating the colony.

These new encapsulated pesticides have come on the market within the last 2 years, and I can assure the gentleman from Connecticut that these new pesticides are far more of a threat to the honey industry than DDT ever was.

The cost of this program—$3.5 million per year—is minimal when one considers that bees are responsible for pollinating an estimated $8 billion worth of crops each year. Fruit, nut, and vegetable crops are dependent on pollination, and milk and meat production benefits from pollination as well.

American beekeepers have few of the advantages other agricultural producers enjoy. They do not have price supports for their product; the Government has not been buying surplus honey, and honey does not have the import protection extended to other agricultural products.

I oppose my colleague's amendment, and hope that it is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CONTE. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will read title III.

The Clerk read as follows:

TITLE III—WOOL AND MOHAIR

SEC. 301. Section 702 of the National Wool Act of 1954, as amended, is amended to read as follows:

"SEC. 702. It is hereby recognized that wool is an essential, strategic, and energy-efficient commodity which is not produced in the United States in sufficient quantities and grades to meet the domestic needs; and that the desired domestic production of wool is impaired by predatory animals and by depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and to promote the general economic welfare, a positive balance of trade, and the efficient use of the Nation's resources, to encourage the continued domestic production of wool at prices fair to both producers and consumers in a manner which will assure a viable domestic wool industry in the future.".

SEC. 302. Section 703 of the National Wool Act of 1954, as amended, is amended as follows:

(a) Subsection (a) is amended by striking out "1977" and inserting in lieu thereof "1981".

(b) Subsection (b) is amended by striking out "1977" and inserting in lieu thereof "1976", and by inserting immediately before the period at the end thereof the following: ": *And provided further*, That for the marketing years beginning January 1, 1977, and ending December 31, 1981, the support price for shorn wool shall be eighty-five per centum (rounded to the nearest full cent) of the amount calculated according to the foregoing formula".

(c) Subsection (c) is amended by striking out "1977" and inserting in lieu thereof "1976".

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. Are there amendments to title III? If not, the Clerk will read title IV.

The Clerk read as follows:

TITLE IV—WHEAT

SEC. 401 Effective for the 1977 through 1981 crops of wheat, section 107 of the Agricultural Act of 1949, as amended, is amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law:

"(a) The Secretary shall make available to producers loans and purchases on each crop of wheat at such level, not less than $2.25 per bushel for the 1977 crop and $2.35 per bushel for the 1978 through 1981 crops, nor in excess of 100 per centum of parity, as the Secretary determines will maintain its competitive relationship to other grains in domestic and export markets.

"(b) If a set-aside program is in effect for any crop of wheat under section 379(c) of the Agricultural Adjustment Act of 1938, as amended, payments, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program.

"(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (i) the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop

is less than the target price per bushel times in each case (ii) the allotment for the farm for such crop (but in no event on a greater acreage than the acreage actually planted to wheat), times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. The target price shall be $2.65 per bushel for the 1977 crop, $3.00 per bushel for the 1978 crop, and for the 1979 through 1981 crops the target price shall be the target price for the previous year's crop adjusted to reflect any change in (i) the average adjusted cost of production for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of such information and data as he finds necessary and appropriate for the purpose and shall be limited to (i) variable costs; (ii) machinery ownership costs; and (iii) general farm overhead costs allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. If the Secretary determines that because of drought, flood, or other natural disaster, or other conditions beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 50 per centum of the projected yield established by the Secretary for the farm for such crop during the current year times the acreage planted to harvest for such crop in such year, the Secretary shall make a farm disaster payment at a rate equal to 80 per centum of the target price for the crop to the producers of such crop for the deficiency in production below 50 per centum of the projected yield on the acreage planted to harvest for the crop. If the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, he shall make a prevented planting payment on the smaller of (1) the acreage intended to be planted to wheat or (2) the average acreage planted to wheat for harvest (including any acreage which the producer was prevented from planting to wheat or other nonconserving crop), in the immediately three preceding years, multiplied by 75 per centum of the projected yield established by the Secretary for the farm for the current year times a payment rate equal to 20 per centum of the target price per bushel for wheat. In the case of the 1977 crop, disaster payments for wheat shall be computed as provided in this section as amended for the 1974 through 1977 crops by the Agriculture and Consumer Protection Act of 1973. The total quantity on which a target price payment is due a producer for any crop shall be reduced by the quantity on which any disaster payment is paid to such producer for the crop. The Secretary

shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.".

ALLOTMENT AND SET-ASIDE

SEC. 402. Section 379b (a), (b), (f), and (h) of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1974 through 1981 crops of wheat.

SEC. 403. (a) Section 379b (c), (d), (e), (g), and (i) of the Agricultural Adjustment Act of 1938, as amended, effective for the 1974 through 1981 crops of wheat.

(b) Effective for the 1978 through 1981 crops, section 379b(c) of such Act is further amended by—

(1) in subsection (c)(1), striking out the second and third sentences and inserting in lieu thereof the following: "If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on wheat, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage (i) planted to wheat (including any set-aside or diverted acreage) in the preceding crop year, as adjusted by the Secretary to correct for abnormal factors affecting such acreage in the preceding year, or (ii) planted to wheat in the current crop year. The Secretary may limit the acreage planted to wheat on the farm to a percentage of the wheat planted to harvest in the previous crop year. Such limitation shall be applied on a uniform basis to all wheat-producing farms."; and

(2) in subsection (c)(3), striking out "1974 through 1977" and inserting in lieu thereof "1974 through 1981".

SEC. 404. Effective for the 1978 through 1981 crops, section 379c of the Agricultural Adjustment Act of 1938, as amended, is further amended to read as follows:

"SEC. 379c. (a) The Secretary shall proclaim the national wheat acreage allotment and any set-aside program not later than August 15 of each calendar year for the crop harvested in the next succeeding calendar year. The national wheat acreage allotment for such crop shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that he estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks are excessive or an increase in stocks is needed to assure desirable carryover, he may adjust the national wheat acreage allotment by the amount he determines will accomplish the desired increase or decrease in carryover stocks.

"(b) The Secretary shall determine farm acreage allotments by allocating the national wheat acreage allotment to farms producing wheat on the basis of an allocation factor. Such allocation factor shall be determined by dividing the national wheat acreage allotment by the number of harvested acres as determined by the Secretary each year for such crops: *Provided*, That in no event shall such allocation factor be more than 100 per centum or less than 80 per centum of the acreage of wheat harvested on the farm in the current crop year. The farm acreage allotment for wheat shall be determined by multiplying the allocation factor by the acreage of wheat harvested on the farm in the current crop year. An acreage shall be considered harvested on the farm if it was planted to wheat but not harvested because of a drought, flood, or other disaster or condition beyond the control of the producer.".

NONAPPLICABILITY OF PROCESSOR CERTIFICATE REQUIREMENTS

SEC. 405. Sections 379d, 397e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period July 1, 1973, through May 31, 1982.

SUSPENSION OF MARKETING QUOTAS AND CONFORMING AMENDMENTS

SEC. 406. Sections 331, 332, 333, 334, 335, 336, 338, and 339 of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1978 through 1981 crops of wheat.

SEC. 407. Sections 378, 379, and 385 of the Agricultural Adjustment Act of 1938, as amended effective for the 1971 through 1977 crops of wheat, are amended to be effective for the 1971 through 1981 crops of wheat.

SEC. 408. Public Law 74, Seventy-seventh Congress (68 Stat. 905) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1978 through 1981.

YIELD CALCULATIONS

SEC. 409. Section 708, Public Law 89-321 (79 Stat. 1211), as amended, effective for the 1974 through 1977 crops of wheat, is amended to be effective for the 1974 through 1981 crops of wheat.

SEC. 410. Section 301(b)(13)(K) of the Agricultural Adjustment Act of 1938, as amended effective for the 1974 through 1977 crops, is amended to be effective for the 1974 through 1981 crops.

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

SEC. 411. Section 408(k) of the Agricultural Act of 1949, as added by the Agricultural Act of 1970, as amended effective for the 1971 through 1977 crops, is amended to be effective for the 1971 through 1981 crops.

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDMENT OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY: Page 7, line 23, strike out $2.65 per bushel for the 1977 crop" and insert in lieu thereof "$2.90 per bushel for the 1977 crop".

Mr. FOLEY. Mr. Chairman, the effect of this amendment would be to increase the level of the target price for wheat from $2.65 to $2.90 for the crop year of 1977 only.

The Committee on Agriculture adopted an amendment which increased the earlier proposed levels of the committee bill to $2.65 for wheat and made other changes in the provisions of corn and wheat for the crop years 1977 to 1981.

The overwhelming character of that amendment, offered by the gentleman from Texas (Mr. POAGE), has my full support. Indeed, I think that those levels of the committee reported bill for the years 1978 to 1981 are crucial in obtaining administration support for any final bill that we might present. I intend personally to resist any changes in the committee reported bill for the crop years 1978 to 1981. I say that with the greatest emphasis.

I do not think there is a more important work for this committee to do than to sustain the Committee of Agriculture with respect to the crop years 1978 to 1981; but the committee bill provides for a tagret price of $3 for wheat in 1978. The gap between the 1977 crop target price and the 1978 crop price is a 35-cent gap, from $2.65 in the present committee bill to $3 next year.

I have been persuaded for some time that the gap needs closing. The amendment that I have offered makes the bill parallel to the Senate figure for 1977.

I want to repeat, that there are strong and overwhelming reasons why we should not accept the Senate figures for the crop years 1978 to 1981; but in this instance, I think a 1977 $2.90 target price is justified. The price of wheat has fallen 40 percent in the last year. The income needs of wheat farmers are desperate in many parts of this country. The cost of this amendment is not insignificant, but the need is not insignificant, either. The cost of this amendment I am offering is about $470 million. I realize that that is a significant item in the budget; but we also have to consider the plight of wheat growers in the United States that are suffering from disastrously low prices and, in some cases, disastrous crop conditions as well.

I will also say so that when we reach title V, I intend to offer an amendment to raise the target price on corn to $2 for the 1977 crop and to raise the loan rate on corn to $2 in 1977.

Thus that amendment, along with this one, will comply with the proposed amendments so far as 1977 is concerned that I think have been discussed on the floor by Members. They are often identified as the English amendment, the English-Sebelius-Thone-Harkin amendment, and a number of other Members have been associated with it.

But, I believe we do need an adjustment for the target price of wheat in 1977 and target in loans in 1977 on corn. I believe the adoption of this will go a long way for providing some real income help to American farmers this year. Later on in the discussion of this bill, I intend to support an amendment which will be offered by the gentleman from Illinois (Mr. FINDLEY) with respect to adjustments on the loan rate under certain circumstances. We will reach that later, but I hope all Members who have expressed concern, a very justified and real concern, about the income for grain farmers in 1977 will give overwhelming support to this amendment.

I hope that by doing that, by adopting the amendment, we can close the gap on what is a serious, disastrous income problem for thousands of our farmers.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(On request of Mr. HARKIN and by unanimous consent Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the committee chairman for yielding to me. I am just wondering, since the gentleman in the well, the chairman of the committee, is going to be introducing the same amendment on feed grains, I am wondering if we could not get unanimous consent to consider that amendment and this amendment en bloc, and save a lot of time. They both do basically the same thing. I am wondering if we could not get unanimous consent to do that.

Mr. FOLEY. I am a little concerned, I tell the gentleman, about opening up different titles of the bill, but I give him my assurance that if this amendment is adopted, as I believe it will be, I will offer the amendment he mentioned on the corn section. That is the first amendment to the corn section, the feed grain section.

Mr. HARKIN. I thank the gentleman.

Mr. ENGLISH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to thank Chairman Foley for the opportunity to speak for my amendment. On behalf of myself and the other cosponsors of this amendment, I am honored to accept the distinguished chairman of the Agriculture Committee as a sponsor of this effort.

Two years ago, the Congress enacted the emergency farm bill of 1975. That legislation was considered by the Agriculture Committee to be absolutely essential if we were to avoid wholesale bankruptcies among farmers in ensuing years. As most of my colleagues are aware, the farm legislation adopted in 1975 set the target price for the 1975 wheat crop at $3.10 per bushel—when wheat was selling for $3.75 per bushel. Under the provisions of the same bill, target prices for 1977 would have been $3.82 per bushel. Unfortunately, President Ford did not heed the warnings of many Members of this body, and vetoed the emergency farm bill.

Now the predictions of 1975 are becoming the realities of 1977, and thousands of farmers are on the verge of financial ruin. This disaster can be averted if my colleagues see fit to adopt my amendment raising the target price on the 1977 wheat crop to $2.90 per bushel—a level far below the price approved by this body in 1975.

Mr. Chairman, if it was right for the Congress to pass the 1975 emergency bill, think how wrong it will be if the Congress rejects this modest amendment in 1977.

Secretary of Agriculture Bob Bergland, then a Member of the House of Representatives felt so strongly about farm problems in 1975 that he filed additional views in the Agriculture Committee's March 11 report to accompany the 1975 farm bill, and I quote Mr. Bergland:

> Current law provides price protection at levels far below current production costs, and if grain markets continue to tumble, wholesale farm and agribusiness bankruptcies will follow.
>
> In no way will the grain sections increase food costs. To the contrary, ample food supplies can only be assured if there is some minimal protection against financial ruin and the resulting economic backlash.

In my opinion, Congressman Bergland was right in 1975—but little did he realize that the wholesale farm and agribusiness bankruptcies he forecast might occur in his first year as Secretary of Agriculture. But Bob Bergland obviously did recognize that 72,000 farmers could be in severe financial trouble today and that 24,000 of those could be bankrupt before the end of 1977, as projected by his own Department.

Mr. Chairman, the reason Bob Bergland was able to so accurately forecast this problem is due to the fact that Earl Butz called on farmers to plant fence to fence and guaranteed them the foreign markets to consume all they could produce. After the farmers responded, they did not find the markets to buy their product because the Federal Government imposed embargoes and moratoriums on foreign grain sales, causing domestic markets to become glutted, and prices to plummet.

In requesting your vote for this amendment, I ask not only that you give food producers a chance to survive—and a chance is all this $2.90 target price will provide—but that you also give the Nation a chance to avoid the second half of Bob Bergland's 1975 forecast—an economic backlash which can wreck our total economy.

Mr. Chairman, I am fortunate to be joined by a bipartisan group of 48 of my colleagues in offering this amendment. This group includes a broad crosssection of the House of Representatives, and I include a list of additional sponsors of my amendment to be printed in at this point in the RECORD:

COSPONSORS OF THE ENGLISH-SEBELIUS-HARKIN-THONE AMENDMENT

Glenn English, Keith Sebelius, Tom Harkin, Charles Thone, Richard Nolan, Jack Hightower, Dan Glickman, James Abdnor, Mark Andrews, Max Baucus.

Edward Beard, Berkley Bedell, James Blanchard, Bob Carr, John Cavanaugh, Thad Cochran, David L. Cornwell, Butler Derrick, John Duncan, Mickey Edwards,

Frank Evans, Hamilton Fish, Charles Grassley, Tennyson Guyer, Tom Hagedorn, George Hansen, Ken Holland, Carroll Hubbard, Jim Johnson, Jim Jones,

Martha Keys, Bob Krueger, Marilyn Lloyd, Ron Marlenee, William Natcher, Stephen Neal, James Oberstar, Larry Pressler, Frederick Richmond, Ted Risenhoover, Neal Smith,

Virginia Smith, Arlan Stangeland, Tom Steed, Ray Thornton, Bruce Vento, William Wampler, Wes Watkins, Jim Weaver, and Ed Jones.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from Oklahoma (Mr. ENGLISH) for the work he has done on what I consider to be a survival amendment. We voted many times here on the floor of the House to help the elderly people pay their utility bills because it was survival. The issue is the same here. We have a ground swell in this Congress that believes that higher target prices are necessary for the survival of American agriculture, particularly in wheat producing areas, and we have witnessed coalition of consumer, labor, business and farm support. It is to the gentleman's credit, as well as to my colleague from Kansas (Mr. SEBELIUS), particularly, that we have succeeded in this.

The CHAIRMAN pro tempore. The time of the gentleman from Oklahoma (Mr. ENGLISH) has expired.

(On request of Mr. HIGHTOWER and by unanimous consent, Mr. ENGLISH was allowed to proceed for 1 additional minute.)

Mr. HIGHTOWER. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Texas.

Mr. HIGHTOWER. I thank the gentleman for yielding.

Mr. Chairman, the target price for wheat has been one of the most controversial aspects of this legislation. To farmers in Texas and other wheat producing States, it is by far the most vital. With the country elevator price often running under $2 per bushel, we are seeing the worst farm credit crunch in years. A special survey of 400 bankers in 9 States conducted this April showed a desperate situation. Income and credit at that time were major problems for over one-third of the farmers borrowing from those banks. This translates into about 73,000 farmers in trouble.

The situation has gone downhill since then. The near record harvest and low, low, prices have clearly indicated to producers and bankers alike the severity of the problem. In my State of Texas alone, it was found that over 11,000 family farmers would have to refinance, sell part of their assets, or just could not repay their current loans.

These are not just statistics, as I pointed out to you in my opening remarks on this bill. These are people, families that are going broke because of rapidly increasing production costs and dropping prices in the marketplace.

I have compromised on this subject more than a lot of my people feel I should have gone. To most of the farmers in the 13th Congressional District of Texas the figures in the Senate bill represent levels far below what it costs them to produce a bushel of wheat.

I agreed to try and raise only the 1977 target price because I felt it was an attainable goal. Farmers in my district need help today. Many of them will not be in business in 1978 if we do not help now. The $2.90 target price we speak of here is close to a dollar below the cost of production. It will put some added cash flow into the farmers pockets. It will buy some time for farmers and their creditors to work out of this situation.

We are not giving anyone anything. We are preserving a continuing supply of food and fiber for this country. By keeping some of our people in business, we are assured that our family farm system will continue. I have said before,

this bill must speak to the needs of our farmers during the times when they need help. We cannot turn away just because that is the time when the bill may cost some money. I only hope the target price we pass will be enough to keep these families in the business they love, producing food and fiber for this country and the world. The country cannot afford to push the wheat farmer over the brink. I believe this amendment will help save many who otherwise would be lost.

Mr. SEBELIUS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I really appreciate this opportunity to stress my strong support for what would have been the English-Sebelius amendment.

First, let me say I appreciate the bipartisan effort by those in support of this amendment. I suspect those of us who have been trying to alert Washington and this body to the economic crisis now taking place in farm country and working to provide enough assistance to enable wheat producers to stay in business will feel a kinship to Gen. George Custer at Little Bighorn by the time farm bill deliberations have been completed.

I have a very special interest in this amendment other than being a coauthor. I am privileged to represent 57 rural counties in Kansas, a district that produces more wheat than any other State. We just harvested our third largest wheat crop on record. As a member of the House Agriculture Committee, I have been saying for the past 6 months that we have had two problems facing us in farm country.

Back during the month of March, in remarks before this body, I warned that if emergency action of some sort was not taken, we could face an agri-tragedy in wheat producing country. I said the House Agriculture Committee should take immediate action on several proposals and then we could proceed with deliberation in writing a good, long-term farm bill.

Mr. Chairman, we have certainly deliberated. We have just about deliberated the farm bill to death. And, now we face a situation where the economic situation in high plains wheat producing country is such that it takes precedence over establishing farm policy over the next 4 years. Simply put, if the farmer cannot earn at least the cost of production and goes out of business, this new farm bill will be academic.

I cannot stress enough to my colleagues the seriousness of our current economic situation. In a survey conducted in my behalf, 309 Kansas banks reported that 45 percent of their farm customers are in serious trouble. A new report from the Kansas Department of Revenue shows 1 month retail sales have dropped over $4 million this year from last in 25 southwest Kansas counties. The attitude of farmers, farm organizations, farm wife groups and now our businessmen and women and financial institutions has turned from concern to fear.

This amendment, Mr. Chairman, represents the best and most practical way to assist these folks: to signal to their financial lenders that help is on the way; to allow them to stay in business and weather the current price and surplus problem and to enable them to do the job they do best—produce food for this Nation and a troubled and hungry world.

I mentioned I have a special interest in this legislation. Let me also stress that contrary to what many may think, raising the target price for 1977 wheat is not special-interest legislation. To be sure, this amendment is parochial in terms of assistance but in terms of effect we are talking about the national interest. When farm income declines it effects the rest of the economy as well. The farmer's income dollar represents a tremendous catalyst to the rest of our economy. Conversely, if he can no longer stay in business, not only do we lose that production capability but in turn the economic activity within our transportation, processing, packaging, manufacturing, wholesaling and retailing industries also goes into a tailspin. This is happening throughout farm country today.

Mr. Chairman, this amendment failed by only one vote in committee. It failed because the leadership has stated it will be vetoed by President Carter due to budgetary concerns.

The point that I would like to make is that while the President's figures may look good on a budget chart down at the Office of Management and Budget, wheat and grain producers are in their hour of greatest need. We budget billions to finance a growing social welfare state and $20 billion for an economic stimulus program. This amendment represents a bare minimum level of support that we should provide for farmers. What sense does it make to increase spending for food stamps and deny assistance to the man whose job it is to produce food?

A little over 2 years ago, 259 Members of this body supported a farm bill that would have pegged the target price for wheat at $3.73 today. Since that time, three things have happened:

The wheat farmer's cost of production has escalated.

The price of wheat has dropped 44 percent and the farmer's annual income has dropped a shocking 57 percent.

And, we have a surplus of wheat that represents 944 loaves of bread for every man, woman, and child in America.

Since that time we have had 2 years of inflation and 2 years of declining farm prices. In introducing this amendment, we are simply asking our colleagues to approve a target price that is actually lower than the target price that was approved back in 1975.

Mr. Chairman, this amendment can be justified in term of need, expenditure, and the positive contributions that will result throughout our economy. To prove this point, I only need to remind this administration what President Carter said when he was a candidate; that crop support prices at least equal to the cost of production will give the determined farmer a chance to stay in business. I would remind my colleagues the $2.90 figure we are recommending falls below the cost of production for wheat.

Our former colleague and present Secretary of Agriculture said two years ago that farmers cannot bear the enormous risks being forced upon them by the administration's policy. Secretary Bergland was arguing in behalf of legislation that would have pegged the target price today at $3.73. This bill provides much less to farmers and represents a much lower cost for taxpayers than what Bob Bergland advocated in 1975.

Let me also point out our esteemed colleague, the chairman of the House Agriculture Committee, urged this body back in 1975 to approve a more generous farm bill saying it was bipartisan in nature. So is this amendment. Chairman FOLEY stated the bill would not raise prices to consumers; neither will this amendment. Mr. FOLEY stressed the bill would provide protection for full production and revise the target price so that farmers would be within the range of the cost of production. That is precisely what this amendment would do. I am glad that the chairman can now join us and offer the amendment. I urge its adoption.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, this is obviously not the time when it is necessary to recount the plight of the wheat farmer. I will not try to do that, but I think a few words of commendation are in order for my good friend, the gentleman from Washington (Mr. FOLEY), the chairman of the committee.

This proves once again that the gentleman is not only a perceptive politician but that he can count, and that is good. The wheat farmers are going to be very happy about this amendment.

I think a pat on the back is in order also for my good friend, the gentleman from Kansas (Mr. SEBELIUS). I have been joining the efforts of Members on both sides of the aisle, including the gentleman from Iowa (Mr. HARKIN), and Members of the Subcommittee on Livestock and Grains. There has been a whole host of meetings held in different places around here in this building during the past 5 or 6 days, but those meetings would not have resulted in success for the American wheat farmer if my colleague, the gentleman from Kansas (Mr. SEBELIUS), had not voted a solid band of Republicans for a better price for wheat in the committee.

Although they were beaten by a bunch of proxies from the other side of the aisle and lost by a one-vote margin, the gentleman from Kansas kept the heat on in the committee. We continued to put the heat on to tell the story of the Amer-

ican farmer's needs and obviously the administration, through the chairman of this committee, has just now accepted it. We are grateful for that, and I want to congratulate my friend, the gentleman from Kansas, for keeping the pressure on, and I want to congratulate my colleagues on the other side of the aisle for coming around to our way of seeing things.

Mr. Chairman, this action is going to serve the wheat farmer and the consumer very well in the months ahead.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the chairman of the committee.

Mr. FOLEY. Mr. Chairman, I do not wish in any sense to bring a mood of discord and disagreement into this, because I agree with 99.44 percent of what the gentleman from North Dakota (Mr. ANDREWS) has said, but I want to point out that this is not the amendment that was offered in committee.

The amendment that was offered in committee would have changed the target prices and set loan rates for the entire 4-year period of the program. Again I repeat that I would not want to do that. I am trying through this amendment to deal with the very severe problems of this crop year.

Mr. ANDREWS of North Dakota. But, Mr. Chairman, if the gentleman will yield further, my colleague knows that the administration bill had nothing in it for 1977, and certainly this amendment speaks with the flavor of the effort that we have been carrying on for the American wheat farmer.

Again I want to congratulate my friend, the gentleman from Kansas (Mr. SEBELIUS) for the hard work he has done.

Mr. THONE. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Nebraska.

Mr. THONE. Mr. Chairman, this is the administration of the born-again Christian, and with that in mind, frankly, I would like to say to our beloved and respected chairman of the committee, the gentleman from Washington (Mr. FOLEY), welcome back. Praise the Lord and welcome back.

I congratulate the gentleman for offering this amendment, which is essential to American agriculture, if it is to survive.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I believe it is said that the Lord praised the one who returned more than the 99 who were lost.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I certainly want to commend the gentleman from Kansas (Mr. SEBELIUS). He has fought all the way in this effort. This has been an ongoing effort for the past 4 months.

The gentleman from Kansas is my neighbor to the north, and I thank him for his assistance and for the bipartisan support we have had for this amendment. Without that effort, I do not believe this would have been possible today.

Mr. SEBELIUS. Mr. Chairman, I thank the gentleman from Oklahoma (Mr. ENGLISH).

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I associate myself with the remarks made by the gentleman from Oklahoma (Mr. ENGLISH). I, too, want to congratulate the gentleman in the well.

This has been one of the very few nonpartisan efforts that we have had, with a lot of Members getting together in the House.

If it had not been for the diligent efforts of the gentleman in the well and certainly of my neighbors, the gentleman from Nebraska (Mr. THONE), as well as the gentleman from North Dakota (Mr. ANDREWS), and others, we would not be in the position that we are today. So I commend the gentleman from Kansas (Mr. SEBELIUS) for what he has done. It has been truly a magnificent effort on his part.

Mrs. KEYS. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentlewoman from Kansas.

Mrs. KEYS. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Iowa (Mr. HARKIN) and the gentleman from Kansas (Mr. SEBELIUS) and thank him for all of his efforts. I also thank the gentleman from Oklahoma (Mr. ENGLISH) for his efforts, as well as the gentleman from Kansas (Mr. GLICKMAN) and all the rest of the Members.

Mr. Chairman, I do not want us to forget many of the people from the grain belt, from Kansas and from other States, who found their way to Washington to sit endlessly in our offices and in the offices of the administration to make the true plight of the wheat farmer known. I believe we should thank them today, too, for their efforts in this matter.

Mr. SEBELIUS. In closing, Mr. Chairman, I want to extend heartfelt thanks to the chairman, the gentleman from Washington (Mr. FOLEY), and to all of the others who have worked so hard on this bill.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. SEBELIUS) has expired.

(On request of Mrs. SMITH of Nebraska and by unanimous consent, Mr. SEBELIUS was allowed to proceed for 1 additional minute.)

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise to commend the gentleman in the well, the chairman, Congressman THONE, and all those out in our congressional districts who have worked so diligently to bring the plight of farmers to the attention of Washington. Those of us who represent farming districts have been trying all year to impress upon the Congress the necessity of addressing both the short-term and the long-range needs of the agricultural economy.

There are sections of this economy, especially the wheat farmers, who have their backs to the wall. They are suffering from what some people have descriptively called the "double whammy"—low commodity prices and high inflationary costs.

In economic terms, the economist-writer, Elliott Janeway, describes the situation thus:

> The Farm Belt credit crunch is the result of a double pinch. Inflation of costs is accounting for only half of the damage; deflation of incomes for the other half. This one-two punch from cost inflation and income deflation takes a crueler toll of its victims than the familiar rhetoric of "stagflation" would suggest.

It seems ironic that the 5 percent of the people who provide the food and fiber for the 95 percent are the ones who are taking it on the chin. But that is exactly what is happening. The credit crunch which Janeway and other economists talk about is very real.

A Department of Agriculture survey conducted earlier this year among bankers from a nine-State area—Nebraska, Kansas, Oklahoma, Texas, Colorado, South Dakota, North Dakota, Minnesota, and Montana—confirmed what the Members of Congress from these States have been discussing over the past few months—there are many farmers who are unable to pay their debts, and many more who either have had to refinance or dispose of assets.

Since the survey was published, further deterioration has set in. As many as 40 percent of the farmers cannot make payments on their operating loans. Many rural banks are carrying loads up to 80 percent of their limits and are experiencing liquidity problems. Some farmers who have purchased land in recent years cannot generate enough income to service their debts and are falling farther behind. Even farmers in the most favorable situations and with the very best management practices are making barely enough to pay the interest on their loans.

What we do in the farm legislation before us can be the key in making it possible for them to weather the crisis. Assistance is needed in 1977 before we even think of 1978 and the other years covered by the bill.

This morning, the elevator price for wheat in my hometown of Chappell, Nebr., is $1.79 per bushel. This is far below the cost of production, and the costs involved in determining the farmer's cost of production continue to escalate. No wheat farmer can be blamed for not selling his wheat at these prices. He hopes to hold on and survive until prices are better.

In addition to a price problem, we have a storage problem. With prices as low as they are, most of this year's crop will go into storage. Present storage programs are designed to encourage a farmer-held

national wheat reserve. It is vitally important to farmers that any reserves be kept in their own hands and under their control.

This sentiment was made clear to me in the results of the special questionnaire for farmers I included as part of my annual opinion poll this year. The following is the question and the responses on storing surplus grain: Do you favor maintaining supplies of surplus grain:

	Percent
(a) In the hands of farmers without government controls	89
(b) Under control of U.S. government	9
(c) Under control of international organizations	2

In debating this farm legislation, then, Mr. Chairman, we must keep in mind the current crisis which faces the farm economy. It is a situation which cries out for immediate help. We cannot play politics with it. We have the obligation to deal with it effectively and forthrightly. We must help improve the cash flow of the farmer and get him through this credit crunch. If we fail, the consequences will be felt through the entire economy. We know what happens when the farm economy starts to slack off. Almost everything starts to slack off as well. We have been through this kind of situation several times in the Nation's history. Because so many people get hurt, we should not let it happen again. We can do something about it by passing the right kind of a farm bill. I urge all my colleagues to support the English-Sebelius amendment.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Chairman, I would like to commend the gentleman from Kansas (Mr. SEBELIUS) for his diligent work. I also commend my colleague, the gentleman from Oklahoma (Mr. ENGLISH), and I certainly want to praise the chairman of the committee for his wisdom in accepting this amendment today so that we can move forward to the grain amendment later.

Mr. Chairman, I rise in strong support of the Foley amendment to increase 1977 target prices to $2.90 per bushel for wheat and $2 per bushel for corn. The amendment would only affect crops already planted this year and would not affect House figures set for the remaining 3 years of this bill. Despite the relatively limited impact, it is an amendment critical to the well-being of a large segment of American agriculture, and ultimately to the American consumer.

In 1975, when wheat was selling for nearly $4 per bushel and corn at nearly $3 per bushel, both down from earlier highs, the House Agriculture Committee proposed target price levels of $3 and $2.25 for wheat and corn respectively, essentially the same as in 1973. Two years later, during which wheat prices have dropped by nearly 50 percent and corn prices by about one-third, the committee proposes to reduce target prices just enough so that farmers will continue to receive nothing from this program.

The strategy seems to be to call for high target prices when farm prices are high and low target prices when they are low, so that target prices are established just high enough to insure that no farmer will need their protection. I am sympathetic to the need to reduce Federal spending wherever possible—although many supporters of the committee figures seem to focus almost all their cost-cutting attentions on the farmer—but it is a hoax on farmers to adjust target prices in the manner that this bill does. Farmers, and indeed any beneficiaries of Federal insurance programs, should be entitled to an expectancy that the rules of their game will not be changed in midstream, and that eligibility standards will not continually be adjusted whenever program beneficiaries threaten to satisfy those standards.

While farm prices, particularly wheat and feed grain prices, have fallen precipitously in recent years, farm production costs have continued to soar. The current prices for wheat and corn are well below their costs of production. In effect, this means that the more wheat or corn farmers produce, the more money they lose. The huge surpluses of wheat that we are currently experiencing are not affecting only wheat prices, of course; they are having a severely depressive effect upon all grain prices. If we are going to forestall accelerating trends in this country toward concentration of farm holdings and protect thousands of small family farms from financial ruin, I believe that an emergency measure such as the English amendment is necessary.

It is necessary to give the farmer an opportunity to adjust his plantings, the Government an opportunity to analyze shortcomings in its supply management policies, and an opportunity for exporters to develop new markets.

Mr. Chairman, the farmer cannot continue to lose $1 to $1.50 per bushel of wheat and remain in business. While this amendment is going to result in slightly increased costs, the long-term benefits to the country in keeping these farmers in existence will far outweigh this. The wheat farmer is currently facing the worst economic crisis in nearly four decades, and extremely vulnerable to erratic world grain supplies and demand. By increasing target prices simply to levels established by the Senate, and below levels proposed by the administration during its preadministration days, we can at least give the farmer a fighting chance to keep his head above water.

Mr. POAGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not rise to make a political speech or to claim that either party is responsible for the language that has been brought before us because I do not believe that is true. I think this has been worked out on a bipartisan basis. I do not think that it was, as some Members have suggested, the work of either of the parties.

I think we have seen the gentleman from Oklahoma (Mr. ENGLISH), the gentleman from Kansas (Mr. SEBELIUS), the gentleman from Nebraska (Mr. THONE), the gentleman from Texas (Mr. HIGHTOWER) and a dozen others from various States and representing various political parties all working to try to do something to meet the immediate needs of our grain farmers. I congratulate these Members. They have each exhibited intelligent and effective leadership.

Mr. Chairman, I am one of those who have felt that we must not make this program too expensive, that we must not offer a bill that would invite a veto, because I do not think that a vetoed bill ever helped anybody except in a political way. In order to help the farmers, I think that we have to have a bill passed and signed. We have for some time understood, and I think properly understood, that the President felt he could not go to the figures that the other body has used. We now recognize that the problem is immediate. It is on our doorstep this year; and this amendment takes care of this year and does not add to the cost of future years.

Therefore, Mr. Chairman, I think that there is no reason to expect that this amendment would meet with executive disapproval. I have no commitment from the President, but I think that this amendment can meet with his approval.

For that reason, I expect to support the amendment; but I do want to call attention to the fact that we cannot load this bill down with 4 years of expense greater than our ability to pay and expect to get anything out of it.

I hope, Mr. Chairman, that we will go along, take care of the problem which confronts us in the year 1977, and then hold fast on a reasonable set of figures for the succeeding years.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I gladly yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, those of us who are the "outlaw 50" are delighted that we have made it possible for those of you who have not always been with us to join with us today.

I hope we will have a big vote in favor of it.

Mr. POAGE. I appreciate the gentleman's welcome. I accepted, and in turn I am delighted to nave the gentleman from Cklahoma and his distinguished associate join with those of us who have long recognized that we must keep the cost of the total program low enough to secure Presidential approval else we will have done no more for our farmers than all of nothing.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I believe we have seen here in the last few minutes how the poor old taxpayer has gotten stung and now all of the honey is flowing all over the floor of this chamber. And zappo for the poor taxpayer.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. FOLEY and by unanimous consent, Mr. POAGE was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to my chairman the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, let me state to the gentleman from Massachusetts that I do not wish to deny to the gentleman that this amendment has a heavy cost. As I said before, the corollary amendment which I intend to offer to the corn section, the feed grain section, which raises the target price for corn will have a budget saving, at least it will reduce the exposure of the budget with respect to the corn program. So the package is not all risk to the budget.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I would inquire of the gentleman from Washington, my good friend (Mr. FOLEY) did the gentleman oppose this amendment up until today?

Mr. FOLEY. I am sorry, I did not hear the question of the gentleman from Massachusetts.

Mr. CONTE. The gentleman did oppose this amendment up until today, did he not?

Mr. FOLEY. No, I did not ever speak in opposition to this amendment.

Mr. CONTE. Did the gentleman ever speak in favor of it?

Mr. FOLEY. I said I was in favor of adjusting the target prices and the loan prices for corn and wheat at some stage of the legislative development.

Mr. CONTE. Will the gentleman tell us what this is going to cost in dollars and cents?

Mr. FOLEY. The cost is estimated to be $470 million for this amendment. I will also tell the gentleman something further.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. FOLEY and by unanimous consent, Mr. POAGE was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, if the gentleman will yield still further, I would tell the gentleman from Massachusetts that the committee bill has a $1.75 loan rate for corn and the $1.85 target price. If we should have a disastrous drop in corn prices that could, in fact, result in a $600 million payment on corn. The amendment that I am going to offer, which is an amendment sometimes known as the Harkin amendment, would raise the target price and loan rate up to $2.

Mr. POAGE. Mr. Chairman, I would like to point out that by emphasizing the importance of following the philosophy of this farm bill under which the farmer's income is guaranteed by the target price, so that the loan price is there to protect the Government and does not change the farmer's income.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. QUIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to engage the chairman of the committee, the gentleman from Washington (Mr. FOLEY) in a colloquy.

The gentleman indicates that by raising both the loan rate and the target price on corn to $2, it will not cost the taxpayer any money. What about the target price on wheat?

Mr. FOLEY. In deficiency payments?

Mr. QUIE. In deficiency payments.

Mr. FOLEY. It will result in some taxpayer costs, but most of these costs, of course, are returned with interest.

Mr. QUIE. The gentleman is talking only about this fiscal year?

Mr. FOLEY. That is correct.

Mr. QUIE. What if there is another 6 billion bushel corn crop next year? We would have a large carry-over, so that the cost to the taxpayer will then start going up because of keeping all of that grain in storage. The wheat program with a $2.25 loan and $2.90 target price will be expensive in this year but the crop will move because of the lower loan and not remain to glut the markets and hold down prices in future years.

Mr. FOLEY. I think the problem the gentleman addresses as to whether we have another 6 billion bushel corn crop, and another 2 billion bushel plus wheat crop, will have to be considered very shortly after the crop reports of August are available in terms of some possible set-aside on those crops. I think it is relatively necessary to have a set-aside on wheat if we are going to continue to have these 2 billion bushel plus wheat crops as we did in 1975 and in 1976. We will have to adjust to it.

Mr. QUIE. I would say, Mr. Chairman, that we would have a better feed grain program if the Chairman had done something similar with feed grains as he is going to do now with wheat in that the target price would be higher than the loan price.

Mr. FOLEY. If I may tell the gentleman what is contemplated in the committee bill, in 1978, starting next year, the target price on corn in the House committee was $2.10 and the loan price was $2.

Mr. QUIE. That is right.

Mr. FOLEY. The $2 target price and $2 loan rate would apply to 1977. Next year it would be $2.10 in corn on target and $2 on loan.

Mr. QUIE. I would say we would have a better program in the gentleman's proposed amendment if they had gone to a $2 target price and let the loan be at, say, $1.90.

Mr. FOLEY. That is an item that could be considered in conference when we get to the conference committee, because the Senate provision in this respect in 1977 has a target price of $1.70 and a loan rate of $1.75. They have a rather interesting situation with the target price lower than the loan rate. There will be sufficient opportunity for some adjustment in conference.

Mr. QUIE. Mr. Chairman, I will say that I will not disagree with that amendment when it comes up, but I just want to leave this note of caution with the members of the committee that they may be causing severe trouble in the future by taking this way out now, not to cost the taxpayers any money this year on the feed grains could cause major budget and market problems in the years ahead.

Mr. WATKINS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to stand and commend my colleague, the gentleman from Oklahoma (Mr. ENGLISH), for the tremendous hard work and effort he has made in organizing a lot of people to put in a lot of long hours, along with our colleagues on the other side who also provided a tremendous amount of energy to see that this amendment was adequately presented here today. I say "adequately presented" but I would like to say to our chairman, the gentleman from Washington (Mr. FOLEY), that he surely changed the tone of debate today, because a lot of us have gone to a lot of work—and it was not in vain—but I would like to say it did change.

Also I would like to commend the Members of this House, because as I visited with the wheat farmers in my district of Oklahoma, I recognized that many of them were discouraged and many of them were bitter. Many of them had refinanced their land, and many of them had outright auctioned and sold their land off. I commend this House for having a feeling and realizing that the farm community of this Nation was in a crisis, a crisis that was developed by a farm program that encouraged the farmer to plant from fence row to fence row. Then there was the decision made by the Government to place embargoes and not provide adequate markets for the wheat. Then when they produced another wheat crop, it not only filled the bins but ran them over, and they still did not have the market which was promised them.

I think that we have heard the cry from the people in our farming communities expressing their concern, and I think today that the action of this House has restored a great deal of faith in the Members of this House. It is great to see Members who will listen and who will heed the words of people who need their help.

I want to commend the chairman, the gentleman from Washington (Mr. FOLEY), for his position, and also the Members on the other side of the aisle, and also our colleague, the gentleman from Oklahoma (Mr. ENGLISH), for the tremendous job he has done.

Mr. BAUCUS. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I yield to the gentleman from Montana.

Mr. BAUCUS. Mr. Chairman, I thank the gentleman from Oklahoma for yielding.

I too want to thank the chairman, the gentleman from Washington (Mr. FOLEY). He has demonstrated his commonsense and wisdom by recognizing what is possible here today.

Second, I would like to say a few words to the gentleman from Connecticut (Mr. GIAIMO), the chairman of the Budget Committee, whom I see lurking in the wings and whom I suspect will be

giving us some words of doom in a few moments. I want to pass on a story about a little red hen in my State:

Once upon a time, this little red hen found some kernels of grain in the barnyard. The little red hen decided it would be nice to grow some wheat and make some bread for all the other animals in the barnyard.

So the little red hen asked, "Who will help me plant?"

"Not I," said the cow.

"Not I," said the duck.

"Not I," said the pig, "but when you do plant, be sure to plant fence to fence."

So the little red hen planted her wheat fence to fence. She went to great expense to make sure she grew only the finest wheat for all the other animals. They, meanwhile, enjoyed a steady stream of income, and grew fat, for the little red hen bought all of her equipment from them, even fuel oil.

When the wheat was ripe, the little red hen went to harvest. And she asked, "Who will help me harvest my wheat?"

"Not I," said the cow.

"Don't know how," said the duck.

"Just let me inspect it when you're done and make sure it conforms to my regulations," said the pig.

So the little red hen harvested her wheat all by herself in the hot sun. When she was done she had a bumper crop and should have been very proud. But she had produced so much wheat that she couldn't even get back her cost of production. So she came to the other animals as they were enjoying a loaf of bread made from her scrumptious wheat and she asked, "Who will help me sell my wheat?"

"Anti-Consumerist!" bellowed the cow.

"Fiscal Junky!" quacked the duck.

"Budget buster!" oinked the pig.

And they all slapped an embargo on the little red hen so that she couldn't sell any of her wheat outside of the barnyard.

The little red hen soon went out of business. She was replaced by a big gruff rooster named General Mills. And the next year food prices in the barnyard soared, the cow and the duck grew thin, and the pig lost his job.

If you have followed this parable up to here, then the moral is obvious. No one gets the fruit of another man's or woman's labor without paying for it—sooner or later.

We can save some tax dollars this year by keeping the target price for wheat at $2.65. Of course, by doing so, we will be putting several thousand family farmers out of business. But we will be saving money. Or will we?

I can say to you, with absolute certainty, that as efficient family farms sell out to inefficient conglomerates, food prices will rise. I can say, with absolute certainty, that unemployment will rise, and not just in rural districts. And I can say, with absolute certainty, that as a result of rising food prices and growing unemployment, the loss to the Federal Treasury will be much greater than any increase in spending we pass today.

The only vote for cheap food, for the consumer, and for balanced budgets, is a vote for this amendment.

Again I thank the chairman, the gentleman from Washington (Mr. FOLEY). I think the President, too, has seen the wisdom of this amendment.

Mr. NOLAN. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I yield to the gentleman from Minnesota.

Mr. NOLAN. Mr. Chairman, I rise in support of the amendment. While I believe the support prices should be higher to fulfill the needs of farmers and keep faith with the President's campaign promise to support wheat and feed grains at cost of production levels. This amendment is nevertheless a substantial improvement over the committee bill and will stand a very good chance of becoming law by avoiding the veto that has been threatened by the President.

Mr. Chairman, I want to close by thanking the chairman, Mr. FOLEY, for supporting this amendment and compliment Mr. ENGLISH, Mr. HARKIN, Mr. BAUCUS, Mr. SEBELIUS, and Mr. THONE for many hours of hard work and determination that have made passage of this amendment possible.

Mr. FITHIAN. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I yield to the gentleman from Indiana.

Mr. FITHIAN. Mr. Chairman, I thank the gentleman for yielding.

I commend the chairman and all the Members on both sides of the aisle who have worked for this.

Mr. Chairman, I think that it is appropriate for us to examine today, as we grind our way through deliberations on the omnibus farm bill, what direction this legislation will take us in our Nation's agricultural policy.

Agriculture is truly the United States greatest industry, employing 2 out of 10 people in the private sector. The productivity of our 2.8 million farms is admired worldwide, for only in America can a farmer produce enough to feed himself and 55 other people. We are, indeed, the world's breadbasket.

Yet, for all that agriculture means to our Nation and the world, we face a number of problems in farm production today—problems which may dramatically alter what we now take for granted as a part of the agricultural scene.

We have been unable to solve the puzzle of the proper role of Government in agriculture. I, for one, believe deeply in free market agriculture, and I believe that our farm economy thrives when the functioning of the marketplace without restraint is permitted. But because of the pressures of the world economic scene, we have been forced to accept the necessity of limited Government involvement in supporting commodity prices and assuring that American farmers will not go broke. It appears that the legislation which we now have under consideration succcessfully walks the fine line between overinvolvement in agriculture by the Government—which has been shown to produce only economic chaos—and total withdrawal from agricultural policy by the Government, a tactic which in tough times on the farm such as now is simply impossible to defend.

This summer is a difficult time for the average farmer. Corn and wheat prices are plummeting, and the outlook is bleak. USDA estimates that we will have a record corn crop of 6.3 billion bushels and a wheat harvest of 2.04 billion bushels, the third largest on record. This tremendous grain glut will continue to depress prices, meaning that we must take action immediately in this Congress to assure American farmers that they will not utterly fail financially in the marketplace. Action to raise price support levels through this farm bill will temporarily shore up prices and enable thousands of farmers who otherwise would go broke to survive. But it is not a long-term solution to the crisis facing American farmers today.

I believe that the future stability of the farm economy and future farm produ tion can only be assured through an aggressive agricultural export policy on the part of the U.S. Government. Let a bit of history speak of the importance of farm exports:

Not too many years ago, farm programs cost the Government $3.4 billion annually, as we tried to keep land out of production to keep our markets from being depressed by a glut of grain. The farmer's income was "stabilized" at a level two-thirds that of urban citizens. By last year, that situation had changed.

In 1954, American farmers harvested 346 million acres. Of that amount, we exported only 17 million tons of grain—the produce of 37 million acres. In 1975, however, American farmers harvested approximately the same number of acres, but we exported more than 103 million tons of grain—more than one-third of the crop, representing the produce of 100 million acres. With that type of demand for our agricultural produce, is it any wonder farm income increased over that time?

Today, world demand for our grain has diminished. We no longer have the great volume of grain going to the Soviet Union or China that we had in recent years due to crop failures and drought in other parts of the world. Too much grain remains in this nation. And that means trouble on the farm.

One job in eight in this Nation depends on farm exports, in terms of indirect income to the economy. Every dollar in farm exports creates another 90 cents of ouptut, sending a series of widening ripples throughout our economy. As farm exports fall off, our entire economy is hurt.

What our Government must commit itself to today is a new, more aggressive agricultural export policy. Only then can we restore health to our farm economy.

First, we need to assure federal assistance to all commodities with export potential—not just the limited number of commodities involved in our farm exports today.

Second, the Government should make matching assistance available to any organization—large or small—which completes certain approved market development activities. Currently we have too few private organizations working in cooperation with the Government to develop overseas markets for our farm products.

Third, we must strengthen our market intelligence and marketing assistance efforts. This can be done by stationing more Food and Agricultural Service per-

sonnel abroad to expand the reporting of export opportunities, and by adding FAS personnel in this Nation to assist exporters in taking advantage of those possibilities. I am heartened in this regard by the fact that we succeeded in adding $3 million to the FAS budget this year—in the Agricultural Appropriations Act which is now in conference committee—for this very purpose.

Fourth, we should extend market development to additional nations, instead of limiting our contacts to relatively few big markets. That will involve a major commitment of manpower to parts of the world where our farm markets are not now developed, but I think that the money we spend on this will be well worth it.

Fifth, we should step up our highly successful "buyer visit" program, by which foreign buyers come to America to become acquainted with our market system and the high quality of agricultural produce which is available here.

And finally, we need tough enforcement of grain inspection regulations, as contained in the law passed by the last Congress, to assure foreign buyers of the integrity and quality of U.S. farm products. We must do this to guarantee that we will never again face the dangers that confronted us last year, when foreign buyers were seriously questioning whether or not they could count on the United States to supply adequate quantities of good-quality food and feedstuffs.

I believe that all of this is possible. And I believe that the Congress and this administration will be remiss in our responsibilities to the American farm community if we fail to act in this direction.

Mr. Chairman, the farm bill that we act upon this week is a beginning. It addresses itself to the immediate problems facing American agriculture, but our work is cut out for us if we are to shape an agricultural policy that will keep our domestic market free of interference and keep our foreign markets strong and healthy as we move toward the next century. I urge my colleagues to join me in accepting the challenge we face in this area.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hate to cast a sour note here in this love feast, but I think I should. We ought to know what we are talking about, in terms of money, because we are talking about billions of dollars that the American taxpayers are going to pay.

Let me just say this to the Members. I recognize the problem affecting agriculture this year. I believe there is an obligation and a commitment on our part in the Congress to concern ourselves with the problem, particularly with the problem of bumper crops in wheat and corn.

But I think there is a line beyond which we should not go. The reason is that what we are going to be doing is encouraging additional production and additional storage costs and additional costs for American consumers and taxpayers.

We started out this year with a budget proposal by the President on February 22 of $2.3 billion for agricultural outlays. We in the Congress knew there was a crisis at that time. In the following months, we cooperated with the Agriculture Committee and added an additional $2 billion for agriculture in our budget resolution. We added an additional $2 billion in outlays for fiscal year 1978, bringing it up to $4.3 billion. And, if the Members will abide a pun, that is not hay we are talking about; that is $4.3 billion.

Things then got a little worse. And the Agriculture Committee, under the able leadership of the gentleman from Washington, Congressman FOLEY, came out with a bill which went beyond that by, I believe, an additional $360 million, putting us about $2.3 billion over the President's budget, for a total for fiscal year 1978 of about $4.6 billion.

To that, we must add a new entitlement program for sugar, which will cost about $200 million; an additional $70 million for agricultural research; and reestimates under existing law of about $300 million. Now, an amendment on wheat that will cost $475 million. Later, we will get an amendment on sugar. May I ask what that will cost?

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, the gentleman is correct and, as I said before the gentleman took the well, the estimated cost of the amendment I offered on wheat, raising the target price to $2.90 is $472 million in fiscal year 1978. The gentleman is right on that.

Mr. GIAIMO. For the 1977 year crop?

Mr. FOLEY. For the 1977 year crop. On the other hand, it cannot encourage more production, as the gentleman said, because the wheat crop is already planted in 1977.

Next year the target price on wheat goes to $3.

The amendment I intend to offer on the feed and grain section raises both the target price and the loan rate, to $2 and has a potential saving of $600 million, if the corn price were to drop to the loan level of $1.75. It will result in additional outlays for loans, but it will save, in my opinion, at least $300 million, because there would be no deficiency payments on the 1977 crop.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for an additional 4 minutes.)

Mr. GIAIMO. Mr. Chairman, what I am trying to stress here is that we must understand the magnitude of the funds we are putting into agriculture at this time. I think the gentleman from Washington will agree that it is mere speculation to predict what will happen to corn prices; whether, in fact, we will save money; or what in fact, this amendmnet will cost. It is conceivable that there could be huge outlays in this area. We are really not sure at this time, because it is a particularly volatile situation; but if we add all of this up, what we are going to have is an agricultural function with outlays of approximately $5.5 billion in fiscal year 1978.

I submit that while the argument is made that this amendment will not encourage additional production, because the crops are already planted, the fact is that when we advise people, whether they are in agriculture or business, that they are going to be bailed out, there is not as much incentive for farmers to rationalize their efforts. I suspect we are going to have additional problems in subsequent years.

I want to see the votes of this House when we have the city of New York and its problems come up; I want to see the votes when our urban people come up here with their very pressing problems. It is all well and good to talk about the romance of agriculture and the agricultural way of life. We understand that and we are trying to be reasonable and we are trying to be helpful.

I just think we have gone a little too far. I am not saying we should not do anything about the problems that are facing people with the present crop; but I am saying I think we have gone a little too far with this amendment. We are adding roughly about half a billion dollars more to an agriculture budget that is going to be well in excess of $5 billion in outlays. When we bring the next budget resolution up, I want to see how this House votes when we present these huge deficits, which are going to be somewhere in the neighborhood of $60 billion. I will be very interested in what happens at that time.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I think we need to put some of the figures that have been mentioned into perspective. The gentleman has suggested that we could approach something near $5 billion in this program.

Mr. GIAIMO. Sure, we are.

Mr. BURLISON of Missouri. Mr. Chairman, if the gentleman will yield further, let me point out to the gentleman that way back in 1969 we spent $5.7 billion on farm programs and here we are, 8 years later, complaining about a program that may cost a billion or $2 billion or $2.5 billion less than that, while during these 8 years we have seen the defense budget, for instance, balloon to over $110 billion.

We have in this bill before us almost $6 billion for food stamps alone.

The CHAIRMAN pro tempore. (Mr. RONCALIO). The time of the gentleman from Connecticut has expired.

(On request of Mr. BURLISON of Missouri and by unanimous consent Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Not in the $5 billion I am talking about.

Mr. BURLISON of Missouri. We are speaking of the farm commodity programs.

Mr. GIAIMO. Right.

Mr. BURLISON of Missouri. And we

are getting to the food stamps later, and food stamps alone come to approximately $6 billion. That is a miniscule segment of the welfare program in this country. Here we are now, this year, in the farm commodity programs of 1977 with expense to the Government less than $2 billion when we have got a $5 or $6 billion food stamp program.

So, I sympathize with the point the distinguished chairman of the budget committee is making, but I think we have got to keep in mind, and the President has got to keep in mind, that we have got a segment of our society now, of our economy now, that is in desperation. Let me say to my friend that in recent years when we were spending less for a farm program, we were in a highly prosperous period for many commodity farmers. We do not have that prosperity now. We have a recession, and we ought to be able to change our outlook in order to confront that problem.

I appreciate my friend yielding.

Mr. MARLENEE. Mr. Chairman, I rise in support of the Foley amendment. I know it has been mentioned here before about the hundreds, indeed thousands, of people who made the long trek here to Washington to try to tell this Congress about the financial problems of the wheat farmer. I, myself, visited with hundreds of these farmers and some of them had to wait outside my office for considerable periods of time before I could see them.

I had hoped, Mr. Chairman, that we could have settled this matter in committee so those proud men and women could have been reassured that this Congress was not going to abandon them. We knew before we heard the testimony that our wheat farmers were in trouble. Throughout the testimony one thing was certain, if financial help is not provided for the 1977 crop, nearly one-third of the farmers will be bankrupt by 1978. Nothing has changed since the committee hearings, except that the price of wheat has continued to drop and is now below $2 a bushel. Action cannot be delayed for another day, or another hour. The wheat farmers of America must know that we will help them in 1977. Even this week, delegates from my State of Montana were visiting Washington trying to assist in efforts to pass what would have been the English-Sebelius amendment.

Thinking back to the amendment in the full Agriculture Committee to raise target prices and loan rates, which was defeated by a vote of 23 to 22, I recall that every Republican on the committee lined up on the losing side—that of favoring higher prices. We knew that with a target price of $2.65 for 1977, that the real losers would be our wheat farmers.

I have been laboring for many weeks under the impression given me by the chairman that the President would veto any price over the $2.65 per bushel voted out of committee. And I have been working extremely hard with my colleagues to insure passage of what was then the English-Sebelius amendment.

I wish that we had known earlier that the chairman was going to offer this amendment so our hard-pressed farmers could have saved their money spent for trips and phone calls to Washington. However, I commend my colleague, Chairman FOLEY, for not abandoning our wheat farmers and for offering this amendment.

Mr. KRUEGER. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, recently one of my constituents went to the grocery store with a bushel of wheat. He was unable to trade it for a pound of coffee, because the price of wheat had descended to such an intolerably low level.

We realize that a person in agriculture is in a very peculiar position compared with any other kind of business. The person in agriculture has no control, basically, over the time at which his product is ready for sale, whether it be wheat or animals. He simply has to bring his product to the market, and cannot really effect the price that he receives for his product. A businessman judges his inventory, and has flexibility to enlarge or lessen his inventory as he estimates what the market may be. A farmer has no such flexibility. He usually must accept the price offered. But that price, we hope, will be one that will allow him to stay in business.

What we now find is that our wheat farmers in this country are faced, having been encouraged earlier to produce the maximum levels, with prices far below their own production costs. They were advised by the Department of Agriculture, several years ago to plant large crops for export. They took that advice. Having taken it, they now find that at the same time they are facing higher local taxes because of very substantial increases in land values, increases related not to the productive capacity of the land, but to value of land to speculators, they are unable to meet their bank loans on their crops. Some of the most productive people in this country, and one of the most productive and capable areas of our whole economy, wheat farmers and agriculture, are faced with possible financial ruin. It is for that reason, it seems to me, that the amendment offered by the distinguished chairman to raise the price of wheat to a tolerable level is in the long-run interest of all the citizens of our country.

It is going to be in the long-run interest of consumers, because the farmer only gets about 5 cents for his wheat out of that cost of the price of a loaf of bread. If we do not have those farmers continuing, all of us in this country are going to suffer.

This is not a long-term program. It is an attempt at a short-term, one-time price increase, and this increase is intended to help keep solvent our wheat farmers so that they can help feed our citizens today, and will be able to produce for tomorrow. I urge that the committee support the Foley amendment by a decisive margin.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Line 16, page 9, after the words "disaster payments" insert the words "for prevented planting."

Line 19, page 9, strike out the period and insert the following: "and disaster payments for low-yield shall be made as provided in this section: *Provided*, That no disaster payments for low-yield for such crop shall be made under this section prior to October 1, 1977: *Provided, further*, That in the event any producers have received disaster payments for low-yield for the 1977 crop under prior law, they may retain such payments and if such payments are less than the amounts to which they are entitled under this section, the Secretary is authorized and directed to pay to such producers such additional amounts as may be due them under this section."

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer another conforming and similar amendment to the amendment just read. I ask unanimous consent that the amendments may be considered en bloc.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Line 25, page 17, after the words "disaster payments" insert the words "for prevented planting."

Line 3, page 18, strike out the period and insert the following: "and disaster payments for low-yield shall be made as provided in this section: *Provided*, That no disaster payments for low-yield for such crop shall be made under this section prior to October 1, 1977: *Provided, further*, That in the event any producers have received disaster payments for low-yield for the 1977 crop under prior law, they may retain such payments and if such payments are less than the amounts to which they are entitled under this section, the Secretary is authorized and directed to pay to such producers such additional amounts as may be due them under this section."

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HARKIN. Mr. Chairman, in the words of Secretary Bergland, the present disaster program, which has been operating for the past few years, is a disaster in itself. There are total inequities in the present program. But the new farm bill which we passed out of committee is a quantum leap forward in making the disaster program more equitable and more fair.

Mr. Chairman, right now there are at least three inequities in the present program. No. 1, there is a snapback provision. If you get less than 66⅔ percent, for example, of your established yield, then you get full payment back up to 100 percent of your yield. But if you get one bushel over that 66⅔ percent, you do not get anything. That is a total inequity.

Also, in the present program the disaster payments only go to alloted acres.

Third, the disaster payments are made at the rate of one-third of the target price.

And fourth, as a result of these inequities, the fact is that the more one plants and the larger disaster he has,

the more he is penalized. It is just absolutely opposite to what it ought to be.

For example, if one plants twice his allotment, he will get no disaster payment at all until his disaster reduces his yield to at least one-third of the total yield.

This new bill is good, and it changes these provisions. No. 1, there is no snapback provision.

Second, the payments are made not on the basis of one-third of the target price but 80 percent of the target price.

Third, the payment is made not on allotted acres, but it is made on all planted acres.

There is one difference, however. Under the old program one had to have less than two-thirds of the established yield to qualify for the disaster program; under this program one has to have less than 50 percent. But under this program one can have less than 50-percent yield, as applied to his established yield for that farm, and he is paid at the rate of 80 percent of the target price from that disaster level up to 50 percent of the established yield.

Let me give the Members an example of just how this would work, as compared to the old program. Under the old program, for example, let us take a farmer who has a 100-acre base and he has 135.4 acres planted. Now I use that figure because the national average of overplanting above the allotment is 35.4 percent. So if one had 100 acres and he had planted 135.4 acres, and then if he had a yield, let us say, of 30 bushels per acre, under the current system his total payment for that disaster would be about $4,358.

Under the new system, if he had that same yield, 30 bushels on that same farm, his payment would be about $5,139. There is not a heck of a lot of difference right there, but as the disaster becomes worse, under the new program the payments go up at a faster rate.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the chairman of the committee.

Mr. FOLEY. Mr. Chairman, I want to say that I think the amendments are good amendments. Speaking personally, I would accept them and urge the Members to vote for the amendments considered en bloc relating to both the wheat and feed grain sections.

I might say also that the Department of Agriculture supports the adoption of the gentleman's amendments. They will not disadvantage any farmer, and they will assist many farmers with more meaningful and relevant disaster payments for 1977.

Mr. Chairman. I hope we can adopt these amendments.

Mr. HARKIN. Mr. Chairman, I thank the chairman of the committee.

Mr. EVANS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Georgia.

Mr. EVANS of Georgia. Mr. Chairman, I rise in support of the amendment. I commend the gentleman from Iowa and the chairman for introducing this amendment which I also sponsor.

During the July district work period I traveled extensively throughout my district surveying the condition of the crops. While all crops were suffering from lack of moisture, the corn crop in particular was devastated. All 26 counties in my district have been declared emergency drought impact areas eligible for Federal assistance. Credit to farmers by local lending institutions is at full capacity.

The emergency condition that exists on this crop extends to parts of Iowa as well as areas in most of the Southeastern States, and perhaps other areas.

Mr. Chairman and my colleagues, the occupation of farming is particularly unique and full of great risk. Requiring tremendous investments in land, equipment, fertilizers, pesticides, herbicides, and labor, the farmer faces the elements and produces our food and fiber. Once produced, the farmer would have to accept what he could get for his harvest but for our various Government programs.

In the farmer's constant fight against the uncertainties involved in his vocation, he often loses. This year, the corn farmers in the affected areas have lost.

The need to insure that they remain on the farm to fight another day—another crop year, is imperative when we look at the trends in this country.

At the turn of the century 29.9 million people lived on farms representing 42 percent of our population. In 1950 this figure had dropped to 23 million people representing 15 percent of our population. The latest figures in 1975 reflected that 8.9 million people lived on farms representing 4.2 percent of our population.

I talked to Secretary Bergland about this amendment this morning. In stating his support of this amendment Secretary Bergland stated that there was no reason not to extend the corn program included in this bill to the 1977 corn crop.

Mr. Chairman, this relief in no way approaches full compensation for the $150 to $250 per acre invested by the farmer. It may be the margin that permits him to remain on the farm for another crop season. I urge your support.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I would be glad to yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I would like to state my support for the amendments as to both wheat and feed grains, and I commend the gentleman for offering them.

Mr. HARKIN. Mr. Chairman, I just wish to state that the gentleman from Georgia (Mr. MATHIS) has done a lot of work with me on these amendments. I know that the gentleman has seen a severe drought in his area.

The farmers who have been hit by this severe drought in the gentleman's area can be very thankful for the diligent efforts the gentleman from Georgia has put forth on these amendments.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Missouri.

Mr. COLEMAN. Mr. Chairman, I support the gentleman's amendments.

All of us in the Midwest know of the tremendous drought that has been going on. Our farmers cannot wait until next year. We have worked on this in committee, and I am glad to see that the full committee is agreeable to adopting these amendments. I thank the gentleman for his work and his efforts in working out this critically needed amendment.

Mr. HARKIN. Mr. Chairman, I thank my neighbor to the south, the gentleman from Missouri (Mr. COLEMAN).

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

I just want to ask one question. What will this cost?

Mr. HARKIN. Mr. Chairman, I will be glad to respond to that question by reading a portion of a letter from the Department of Agriculture.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has expired.

(By unanimous consent, Mr. HARKIN was allowed to proceed for 2 additional minutes.)

Mr. HARKIN. Mr. Chairman, the letter to which I referred says in part:

It is difficult to estimate the additional cost under provisions of this amendment. Although payment is based upon planted acres rather than allotment and the payment rate would be increased from one-third to 80 percent of target price, this may be offset by the fact that a substantial smaller number of producers would be eligible for payment and payment would be made on only the difference between actual yield and one-half the farm yield rather than on 100 percent of the farm yield.

I do not think the cost would be too much different from that in the present program. What we are doing is targeting this to the farmer who is hurt by the drought.

Mrs. FENWICK. How does it happen that a fewer number of farmers will be eligible?

Mr. HARKIN. That is because under the present program, in order to be eligible all one would have to have would be less than 66⅔ of his established yield to qualify for the disaster funds. Under this program one would have to have less than 50 percent to qualify for the disaster funds.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for his answer.

Then we have no estimate of the cost?

Mr. HARKIN. No, we do not.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman.

Mr. HARKIN. Mr. Chairman, at this point I include the letter from the Department of Agriculture to which I referred previously. I include also a list of corn disaster payments per planted acre for the 1977 crop.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 19, 1977.

Hon. JOHN W. JENRETTE, Jr.,
House of Representatives.

DEAR MR. JENRETTE: This is in response to your request for the Department's analyses and position on your proposal to amend H.R. 7171 to provide that the low yield disaster

payment provisions of H.R. 7171 apply to the 1977 crop of feed grains.

Although implementation of the provisions of this amendment for the 1977 crop of feed grains would, of course, result in considerable additional administrative workload by county ASCS employees, the Department has no objection to adoption of this amendment to H.R. 7171.

This amendment would provide that low yield disaster payments for the 1977 crop of feed grains be made on the basis of planted acres rather than on the basis of feed grain allotments. The production level at which producers would be eligible for crop loss compensation would be reduced from 66⅔ percent to 50 percent of the established farm yield times planted acres, but the rate of payment would be increased from one-third of the target price to 80 percent of target price. This amendment would also provide that payment be made only on the difference between harvestable production and one-half the farm yield times planted acres. This amendment provides that in the event a producer has received a disaster payment on a 1977 crop loss prior to enactment of this amendment he shall be entitled to receive the higher of payment computed under this amendment or provisions of prior law.

It is difficult to estimate the additional cost under provisions of this amendment. Although payment is based upon planted acres rather than allotment and the payment rate would be increased from one-third to 80 percent of target price, this may be offset by the fact that a substantial smaller number of producers would be eligible for payment and payment would be made on only the difference between actual yield and one-half farm yield rather than on 100 percent of the farm yield.

Therefore, the only additional cost may be those cases where claims already paid prior to enactment are larger under provisions of prior law.

Feed grain disaster payments made through July 14, 1977 totaled about $40,000.

Sincerely,

DALE E. HATHAWAY,
Assistant Secretary.

Corn disaster payments per planted acre—1977 crop

(Assume $1.85 target price and Iowa average ASCS program yield of 111.3 bu./acre and that the farmer has overplanted his allotment by 35.4 percent—the average in Iowa.)

Yield (Bu./A.):	Current system	Harkins amendment
0	$50.69	$82.36
10	44.52	67.56
20	38.36	52.76
30	32.19	37.96
40	26.03	23.16
50	19.86	8.36
54	17.39	2.44
55	0	0.96
56	0	0

Mr. STANGELAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

I, too, would like to commend the gentleman from Iowa (Mr. HARKIN) for this amendment.

It is very similar to an amendment I have, which I intended to offer. However, I defer to his amendment.

Mr. Chairman, I would like to point out to the body that when I first arrived here on the first of March, one of the first bills I introduced was a piece of legislation dealing with the disaster program, eliminating the historic allotments as the guide for disaster payments.

As the gentleman has stated, the disaster program for the American farmer is a disaster. The Department recognizes it, the farmers recognize it.

Mr. Chairman, part of my district has gone through 3 years of drought. Parts of the district had a year of flood followed by a year of drought. We are facing further disaster there because of the high cost of production of our farm products and the price that we are receiving.

It is absolutely essential that we have this kind of disaster program to assure that the farmers, the people responsible for production on the land, are protected when these severe weather disturbances occur.

Mr. JENRETTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I want to take a minute to thank the gentleman from Iowa (Mr. HARKIN) for his very fine work.

Mr. Chairman, there are a few things we should keep in mind regarding the amendment offered by TOM HARKIN and myself:

First. The USDA has been consulted and does not oppose administration of the new provisions for 1977. We have the letter from the administration.

Second. The budgetary impact will be minimal.

Third. The new crop disaster provisions are more equitable and more responsive to today's agriculture; there should, therefore, not be any opposition to implementing them a year earlier. More equitable, the current provisions are based on allotments. Any young farmer who does not have an allotment does not get any disaster coverage. Also, a farmer who overplants totally dilutes any payment he might deserve. More responsive, farmers have been encouraged to plant fencepost to fencepost, thus overplanting allotments. The new provisions are based on planted acreage, and will not go into effect until the producer has at least 50-percent crops loss.

Fourth. Computation of disaster payments. One must note that under the current system, a producer can collect payments if he has a one-third shortfall. Some have criticized this figure as being a bailout for marginal producers, which led the House Agriculture Committee to place the crop loss figure at 50 percent before payments are computed. Furthermore, a producer will be paid 80 percent of his loss below 50 percent, which means those most at the bankruptcy stage will receive emergency relief.

Example: A producer lost 60 percent of his corn crop. He will receive 80 percent of the loan rate on that portion of his loss which is under 50 percent, or in this case, 10 percent. On that particular 10 percent he will only get disaster payments, not target price payments as well, thus further insulating the system from abuse.

Fifth. The Senate differs on the computation system. However, Senator TALMADGE inserted a bill making new disaster provisions applicable to the 1977 crop. If the House passes this amendment there is virtual assurance that it will be accepted in conference

Sixth. There is already severe crop loss in Alabama, Georgia, Florida, and the Carolinas as well as all of the Midwest. We, therefore, need not wait, we know what the results are.

Seventh. To avoid budgetary problems, your amendment requires that no payments be made to producers until after the beginning of the 1978 fiscal year, October 1, 1977. This corresponds to the normal payment schedule for corn—normally in the fall.

Eighth. One hangup which might be brought up is that the feed grain provisions in H.R. 7171 applies to both low yield and to prevented plantings. Payments for prevented plantings have already begun and may imply recomputation by the USDA. According to ASCS in Columbia, there is only one such case in South Carolina, and that was for cotton. The USDA cannot see that this will be an overwhelming problem, as evidenced by their position on the amendment.

Ninth. There are producers in South Carolina and elsewhere who did not know they would be eligible for any payments such as proposed. Remember, the biggest change advocated is to apply crop disaster payments to planted acreage rather than to allotments.

With these basic facts I think it very important to the American farmers that this very helpful amendment be passed.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I made a gross omission when I was in the well.

The gentleman from South Carolina (Mr. JENRETTE) indeed was one of the first persons to go into this matter and, in fact, to make a query of the Department of Agriculture as to whether or not they would support it. He has worked very closely with me on this amendment.

Mr. Chairman, I regret the omission, but I want to thank the gentleman from South Carolina for the help he has given on this amendment.

Mr. JENRETTE. Mr. Chairman, I thank the gentleman.

Mr. FUQUA. Mr. Chairman, right now there are 35 counties in Florida which have been declared eligible for feed crop drought relief aid. There are also numerous counties in Georgia, Alabama, and West Virginia that have qualified and I understand assistance will be requested for South Carolina, North Carolina, Virginia and, perhaps, other States as well. Farmers in these areas have turned to us in Congress to assist them in recovering from the ravages caused by the recent drought and we must not let them down.

Feed grain farmers need our help but, unfortunately, under the existing law any help we may provide will be too little, perhaps too late.

The present structure of the relief program was established using allotments created in the 1950's. Almost all farmers today plant more than the 1950's allotment and many plant double or triple that figure. They will only be able to receive assistance based on the allotment and this works a severe hardship on all farmers, especially the young farmer who may not even have been

around to receive an allotment at the time.

The Agriculture Committee is to be commended for recognizing the problem and reporting out legislation that will change and better the existing law. The only drawback is that this change will not come in time to help with relief for the 1977 crop drought.

Mr. HARKIN and I have proposed an amendment to remedy this problem. Under the amendment, the standards established for 1978 crops will be applied to 1977 feed grain crops. Procedurally, the payments will not be made until the beginning of the 1978 fiscal year. This is a relatively minor change in the bill but it will mean so much to these farmers.

Recently, Senator CHILES, Senator STONE, and I viewed firsthand the drought conditions in Florida. The devastation is, in some counties, complete. No one could witness the withered crops and not be moved by the plight of these farmers and I, for one, feel very strongly about the need to modify this legislation.

Secretary of Agriculture Bergland, on a visit to my district, indicated the support of the administration for efforts to provide this relief and I feel certain that if we provide the funding, the Agriculture Department will move swiftly to help these farmers.

The need for this feed crop drought relief assistance is immediate and it is real. Anyone who has seen the destruction wrought by the drought knows the drastic situation facing these farmers. We have it within our power to help them and I truly hope that the House of Representatives will not turn its back on these people.

Mr. SPENCE. Mr. Chairman, I rise to urge the adoption of this amendment. It will mean the difference between "hanging on" and "selling out" for many corn producers in my district.

Estimates by local agriculture officials indicate that one county in my district alone—Orangeburg—has already suffered upward of $7.5 million in corn crop losses. Losses for the State of South Carolina as a whole are estimated now at over $100 million on this year's corn crop, and those losses are increasing at the rate of $1 million per day. Total crop losses for the State are currently estimated at more than $300 million.

Mr. Chairman, corn allotments were made in South Carolina at a time when corn production was substantially more limited than it is today. In recent years corn growing in my district has expanded rapidly on acreage which has no history of corn allotments.

This is especially true for many young farm families who have found it impossible to earn an adequate living on the acreage that once sustained their parents. They have had to diversify and expand their operations or go out of the farming business entirely. I believe it is in the very best interests, not only of the farmers of South Carolina and the Southeast, but of the corn producing areas throughout the country and, perhaps most importantly, of the consumers of America in general that we not allow the present unusual and severe drought conditions to drive these folks off the farm.

Under the provisions of the bill, it is my understanding that we will go to a planted acreage basis for determining deficiency payments next year anyway. I am sure some of you take the position that going to planted acreage formula this year is just too costly, but I ask you to consider the cost to the economy and to your own consumers in the long run if large numbers of food producers are driven out of business. If we were talking about damage to one of our metropolitan areas from a major earthquake, no one would be counting the cost. What is more important, today's farmers have not been able to prepare in advance for the possibility of drought—as we always expect them to do—because the profits of recent "good years" have been eaten up by Government fueled inflation. Production costs continue to spiral, out of all proportion to crop price increases.

Mr. Chairman, all seven of the counties in my Second District have recently been declared disaster areas. The farmers in these counties need emergency assistance, and I am confident they will get it. But they need and want more than relief. They want an agriculture policy on the part of Congress which will enable them to produce their commodities and market them at a reasonable profit within the framework of our free enterprise system. And in this age of great prosperity at home and great demand for food both at home and abroad, our farmers need and want—and, indeed, have a right to expect that—their Government will assume a role in mitigating the boom and bust cycle to which the agriculture industry has by its very nature always been especially susceptible, without imposing upon them regulations and controls that reduce them to economic captives or servants of the state.

In an era when farmers have been peculiarly victimized by Government-fueled inflation we in Congress cannot sit by in a time of natural adversity and say, "Isn't it too bad about the weather?"

The farmers of our country may need substantial help to overcome the effects of this drought, coming as it does atop an era of increasing but as yet unaccomplished economic stability in agriculture. Much was accomplished during recent administrations to restore agriculture to a profitable, free enterprise basis, but, I repeat again, rampant inflation, for which Congress must assume major responsibility, has negated much of the benefit of these policies. It is simply imperative that action be taken now to relieve the plight of our Nation's farmers.

I am hopeful that the legislation now before us will move us further down the road toward the goal of stable, profitable, free enterprise agriculture. I am convinced that the amendment just offered to permit grain producers, this year, to count planted acreage, rather than allotted acreage, as the basis for obtaining disaster relief will serve that purpose. It will do so by countering the disruptive effects of a drought that is rapidly taking on the proportions of a national calamity.

Mr. Chairman, cattlemen in my district are already selling out, because they cannot obtain feed supplies. The pastures are drying up, peanut plants are blistering, much of the watermelon crop is finished when it should be at its peak and, if the dry weather pattern continues, the substantial soybean crop could be wiped out. More help is desperately needed than is represented in this amendment, but it is an important first step. I strongly urge its adoption.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Iowa (Mr. HARKIN).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 7, line 2, delete the period after the word "markets" and insert in lieu thereof the following: ": *Provided*, That if the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for wheat, the Secretary shall reduce the level of loans and purchases for wheat for the next marketing year by the amount necessary to maintain domestic and export market for grain."

Page 8, line 7, delete the period after the word "made" and insert in lieu thereof the following: ": *Provided*, That in the event the Secretary adjusts the level of loans and purchases for wheat in accordance with the proviso in section 107(a) of this Act, the Secretary shall provide emergency compensation by increasing the target price for wheat by such amount as may be necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made; *Provided further*, That any such increase in the target price shall not be included in the payments subject to limitation under the provisions of title I of the Agricultural Act of 1970, as amended."

Mr. FINDLEY. Mr. Chairman, this amendment deals with a critical problem of foreign market access for wheat.

In 1962 President Kennedy said we must trade or fade. That wise statement should ring in our ears today.

The amendment I have offered will enable the United States to keep trade, keep selling grain abroad, keep earning the foreign exchange so essential to our very lifelines.

In the last 10 years our exports of farm products have risen from $6 billion to $22 billion. Without that grain market expansion, the United States would today be in a terrible depression.

We must keep these market doors open. We must keep selling grain at undiminished levels.

Unfortunately this bill fixes loan rates high enough to threaten these markets because they make our grain uncompetitive in world markets. Ever since President Ford raised loan rates last October to $2.25, overseas selling of wheat has been sluggish, and under this bill, House or Senate version, either way, the situation may get worse.

The United States now has an alltime record high supply of wheat. The excess supply is partly due to the loan rate being too high for world markets. Unless

an amendment of this sort is adopted the situation will get worse, wheat will pile up at great cost to our Government—probably for years—hang over markets, depressing prices for years to come.

Corn faces about the same prospect. A 6-billion-bushel crop is in prospect. It is already apparent that a $2-loan rate will make corn uncompetitive in the near future. Corn will pile up at great cost to the Government—probably for years—hang over markets, depressing prices for years to come.

Few Members of this body have been here long enough to remember the agony of getting the Government out of the grain business. Only three members of the committee—BOB POAGE, BILL WAMPLER, and myself—served on the committee even 12 years ago.

This amendment will correct the problem for wheat, and a comparative amendment will solve the problem for feed grains. This amendment will assure that wheat remains in a competitive position, no matter what happens to world market prices

It will do so without hurting farmer income 1 single cent.

Here is how it works:

At the end of each marketing year the Secretary will examine the relationship of the loan rate to world market prices. If the loan rate is within 5 percent of the market price, he will adjust the loan downward enough to keep grain competitive in domestic and world markets. How much, of course, will be up to the Secretary. It will be his responsibility.

He will also be directed to take measures to protect the products fully against income loss in the event of loan rate reduction.

This protects the farmer's income and at the same time guarantee that his produce will remain competitive.

We have heard repeated references to the importance of international markets for U.S. agricultural products. The levels of the price support loans for our commodities are the key factor in our continued competitiveness in these markets. An inflexible, legislatively mandated price support loan structure could prove extremely detrimental to U.S. agriculture in the future.

We have had two consecutive favorable weather years for production of crops in this country and the world, generally. We cannot predict the weather for any year in the future. We could conceivably have continued favorable weather in the near future resulting in continued abundant production.

If these conditions should obtain, we run the very real danger of again creating the chronic conditions we experienced in the 1950's and 1960's. Legislatively specified formulas for loan level adjustments or relatively high specified minimums could easily result in levels above world market prices. Continued abundant production and loan levels above world market prices could result in—

Decreased competitiveness of U.S. exports in world markets. As our loan levels are above world prices, we would again become the residual supplier for wheat and would be effectively supporting the world market price for feed grains. This would encourage expanded production of feed grains in competitor countries and a further erosion of our markets.

Increased domestic production of crops already in excess supply as producers respond to the misleading loan levels rather than to market prices. This would tend to produce a chronic situation of overproduction and severely depressed farm incomes.

Presently, with wheat and feed grains competitively priced, we are seeing record rates of wheat feeding. Loan levels that are inflexible will lead to an artificial price spread between grains and eliminate this market for wheat, much needed when it is in excess supply.

A mechanism adjusting loan levels consistent with world supply and demand conditions would preclude occurrences as noted above.

At the same time my amendment will hold harmless producers from any income loss if the loan is reduced.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am happy to yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, speaking only personally, I think this is a good amendment and I support it. I compliment the gentleman from Illinois (Mr. FINDLEY) for offering it. I believe it does offer some flexibility in the administration of the loan program to avoid situations where a too high loan rate might actually inhibit the marketing of crops and diminish the Nation's full capacity.

The gentleman also has incorporated in his amendment recognition that the farmer will be compensated, in effect, on the target price adjustment, if the loan rate is reduced.

I hope the amendment is adopted by the committee.

Mr. Chairman, I would suggest further that perhaps the gentleman from Illinois (Mr. FINDLEY) would wish to make the same request that he has already made on this amendment with respect to a similar amendment to title V. If so, I would not object to a similar application to title V.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman for yielding, and I wish to commend the gentleman from Illinois (Mr. FINDLEY) for offering his amendment. It recognizes that regardless of what we do here to increase the loan and target price nothing is going to improve the world marketplace for wheat and feedgrains and help our ability to sell these commodities except to get to the fundamental reason on why we cannot sell wheat overseas. This amendment will assist in doing so.

Further, Mr. Chairman, some people in my district have asked me a question.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. GLICKMAN, and by unanimous consent, Mr. FINDLEY was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Mr. Chairman, if the gentleman will yield further, they have asked me if this is equivalent to an export subsidy, in terminology or in semantics.

Mr. FINDLEY. It has the same ultimate effect, in that it assures access to foreign markets. It is far preferable from the standpoint of the executive branch in negotiating with other countries on reduction of trade barriers. It holds harmless the producer from any loss of income if, under this provision, the Secretary reduces the loan rate. But it assures that the price of our commodities will be competitive in world markets and we will be able to continue to compete and to hang on to this $22 billion overseas market and hopefully expand it.

Mr. GLICKMAN. I think it is an excellent amendment.

ADDITIONAL AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I ask unanimous consent that the committee consider en bloc at this time an identical amendment to the feed grain section, identical except for the substitution of the word "corn" for "wheat" as it occurs in the amendment now pending.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Clerk will report the second Findley amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 14, line 22, delete the period after the words "United States." and insert in lieu thereof the following: ": *Provided*, That if the Secretary determines that the average price of corn received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for corn, the Secretary shall reduce the level of loans and purchases for corn for the next marketing year by the amount necessary to maintain domestic and export markets for grain."

Page 16, line 13, delete the period after the word "made" and insert in lieu thereof the following: ": *Provided*, That in the event the Secretary adjusts the level of loans and purchases for corn in accordance with the proviso in section 105(a)(1) of this Act, the Secretary shall provide emergency compensation by increasing the target price for corn by such amount as may be necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made: *Provided further*, That any such increase in the target price shall not be included in the payments subject to limitation under the provisions of title I of the Agricultural Act of 1970, as amended.

Mr. FINDLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Chairman, may I ask my friend, the chairman of the House Committee on Agriculture, the gentleman from Washington (Mr. FOLEY), if his attitude is the same on the corn, that is the feed grain amendment, as he just expressed in regard to the wheat amendment?

Mr. FOLEY. If the gentleman will yield, the gentleman is correct.

Mr. FINDLEY. I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois (Mr. FINDLEY).

The amendments were agreed to.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENTS OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On line 11, page 12, delete the period, insert a colon and add the following proviso: *"Provided,* That the wheat acreage eligible for payment shall not be further reduced by application of the allocation factor if (i) the producers reduced the planted acreage of wheat on the farm from the previous year by at least the percentage recommended by the Secretary in announcing the national wheat acreage allotment, or (ii) if a set-aside program is in effect for wheat, the producers on the farm have complied with the provisions of such program. In carrying out the foregoing provision the Secretary shall provide fair and equitable treatment for producers on farms on which the acreage planted to wheat is less than for the preceding year, but the reduction is insufficient to exempt the farm from the allocation factor. In establishing the national allocation factor for wheat, the Secretary is authorized to make such adjustment as deemed necessary to take into account the extent of exemption of farms under the foregoing provisions."

Mr. GLICKMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, this is an amendment to the wheat section. I also have an identical amendment to the feed grains section that I am going to make the similar request on that the gentleman from Illinois (Mr. FINDLEY) did. It concerns the issue of set-asides. The department has expressed support for this amendment.

The Secretary of Agriculture must announce by August 15 the national wheat acreage allotment for next year. Similar announcements on feed grains would be announced. He is also required to announce by August 15 any set-aside for the next year, and farmers must comply if they are to qualify for target-price payments.

After the harvest for next year is known, the Secretary then computes what percentage the national wheat acreage allotment announced the previous August 15 is of the actual bushels harvested. That percentage is what becomes the individual farm's allocation factor for determining what percentage of the wheat crop will qualify for target-price payments. It is similarly true for target-price payments on feed grains.

This amendment, which is again recommended by the administration, would insure farmers—that is, it is a protective amendment at no cost whatsoever—that if they voluntarily reduce their planted acreage based on the August 15 announcement of the national wheat acreage allotment, or comply with the set-aside that might have been announced on August 15, they will receive target payments on 100 percent of what they actually planted.

So without this amendment, farmers who complied with the set-aside or voluntarily cut back planting would be further penalized by receiving target payments on only a certain percentage of their harvest based on their allocation factor. This is a protective amendment, and for that reason I offer it at this time.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

I think this is a good amendment. I am happy to support it personally. I want just for the record to indicate that the Department has some question about the inclusion of the language given in the set-aside. This is a matter that is not contained in the Senate bill. It is a matter we could consider in conference. I am glad to support the gentleman's amendment in its complete form. But just for the record, the Department does not communicate its support for that particular portion of the gentleman's amendment. But I hope it will be adopted.

Mr. GLICKMAN. I thank the Chairman.

Mr. Chairman, there is also a similar amendment on page 19, line 12, which is entitled title V of the bill, which has similar and actually identical provisions for feed grains, except it applies to feed grains as opposed to wheat.

Mr. Chairman, I ask unanimous consent that the amendment be considered with this amendment en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: Page 19, line 12, delete the period, insert a colon and add the following proviso: *"Provided,* That the feed grain acreage eligible for payment shall not be further reduced by application of the allocation factor if (i) the producers reduced the planted acreage of feed grains on the farm from the previous year by at least the percentage recommended by the Secretary in announcing the national feed grain acreage allotment, or (ii) if a set-aside program is in effect for feed grains, the producers on the farm have complied with the provisions of such program. In carrying out the foregoing provision the Secretary shall provide fair and equitable treatment for producers on farms on which the acreage planted to feed grains is less than for the preceding year, but the reduction is insufficient to exempt the farm from the allocation factor. In establishing the national allocation factor for feed grains, the Secretary is authorized to make such adjustment as deemed necessary to take into account the extent of exemption of farms under the foregoing provisions."

Mr. GLICKMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, I urge the amendment be adopted.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN: H.R. 7171 is amended as follows:

Title IV, section 401, is amended by striking the word "If" as it appears on page 8, line 15, and page 9, line 2, and insert in lieu thereof the following: "Effective only with respect to the 1978 and 1979 crops of wheat, if";

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois (Mr. MADIGAN)?

There was no objection.

The CHAIRMAN. Does the gentleman's amendment confine itself to title IV?

Mr. MADIGAN. Mr. Chairman, it does. The same amendment also applies to titles V, VI, and VII, and it is my intention at this point to make the unanimous-consent request that those amendments be consider en bloc. It is a very simple amendment and it applies in all the sections.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. MADIGAN:

Title V, section 501, is amended by striking the word "If" as it appears on page 16, line 23, and page 17, line 10, and insert in lieu thereof the following:

"Effective only with respect to the 1978 and 1979 crops of feed grains, if";

Title VI, section 602, is amended by striking the word "If" as it appears on page 26, line 20, and page 27, line 1, and insert in lieu thereof the following:

"Effective only with respect to the 1978 and 1979 crops of cotton, if"; and

Title VII, section 704, page 32, line 5, immediately after the semicolon, insert the following new paragraph (6) and redesignate existing paragraph (6) as paragraph (7):

"(6) striking the word 'If' in the third and fourth sentences in paragraph (4) and insert in lieu thereof 'Effective only with respect to the 1978 and 1979 rice crops, if' ".

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendments be dispensed with and that they be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADIGAN. Mr. Chairman, the amendment applies to wheat and feed grains and cotton equally and of course

the rice crop by terminating at the end of the 1979 crop year the present disaster programs that we have.

This afternoon and again yesterday as well everybody who has made any reference to the disaster programs has referred to them as being disasters in and of themselves. Secretary Bergland also referred to them in that way when he appeared before the Agriculture Committee.

It is my intention along with the gentleman from Tennessee (Mr. JONES), the chairman of the Conservation and Credit Subcommittee, to see ultimately, and we hope within the next 2 years, adoption of an all-crop, all-risk insurance program that will take the place of the present disaster programs. I believe we are going to be able to do that. The gentleman from Tennessee (Mr. JONES), the chairman of the Conservation and Credit Subcommittee, has introduced a bill which I am cosponsoring, which has the support of the Department of Agriculture as well as the major farm organizations; the purpose of which is to write an all-crop, all-risk Federal crop insurance program.

I think that continuation beyond 1979 of the present disaster program is not necessary. To change this bill as I would change it by these amendments will make the bill exactly the same in this regard as the bill produced by the other body. In their action they took this position because they said it would provide the necessary incentive to see that within the next 2 years we would do away with these disaster programs and write an all-crop, all-risk insurance program.

I think we are going to be able to do that. It provides the incentive to do that and, hopefully, to do away then with this terrible program we have had, I have offered this amendment. I would very much appreciate the support of the committee.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I agree with the gentleman's remarks and certainly I agree if we could go to an insurance program, as in our present disaster program, that would be preferable. I presume the gentleman would hate to see us eliminate all types of aid for disaster. I presume if we have this amendment and if there is not adequate legislative activity or for some reason we cannot pass an insurance program to cover it, we could then come back and renew this for another 2 years, if it seems necessary to have another program; is that correct?

Mr. MADIGAN. Mr. Chairman, no problem could exist during the 1979 crop as a result of this amendment. Because we have bipartisan agreement working very well on a new crop insurance program, I do not think there will ever be a problem; but if there would be, let me say this to the gentleman from Iowa, another thing we would have done here would be to create a situation where we have to after the 1979 crop year take a look at the disaster program and that in itself would be a very good exercise, because if they are going to be contingent, they could be improved in major ways.

Mr. BEDELL. Mr. Chairman, if the gentleman will yield further, I think the gentleman has offered a constructive amendment and I certainly support it.

Mr. STANGELAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if the gentleman from Washington, the chairman of the Committee on Agriculture, would anwser a few questions. Would the gentleman agree that the problem of wheat right now is overproduction of wheat and that is why we are suffering depressed prices?

Mr. FOLEY. Mr. Chairman, it is either overproduction or undermarketing, whichever way we look at it.

Mr. STANGELAND. Mr. Chairman, the way it appears to me, it is overproduction.

Is this bill at all intended to help the farmer curb that overproduction?

Mr. FOLEY. The bill contains authority that was in the existing law for a set-aside program by the Secretary and gives additional authority to the Secretary to extend loans and regional programs.

I personally believe it is almost inevitable that the Secretary would call for a wheat set-aside next year. The bill does contain that authority for such a set-aside.

Mr. STANGELAND. I would anticipate we will have a set-aside.

The bill also provides the Secretary will set an allotment for wheat in August.

Mr. FOLEY. The time for the Secretary to set the allotment for wheat is August 15.

Mr. STANGELAND. August 15?

Mr. FOLEY. Yes.

Mr. STANGELAND. In setting the allotment, I would like to give the gentleman some figures and have the gentleman tell me whether I am correct or incorrect on these; these are just round figures for easy figuring.

Supposing for this year we have 1 million acres planted in wheat and by all projections at this time that we are looking at, we have a 1.1-billion-bushel carryover now. Very well, after this harvest season is over we will have in the neighborhood of 1.6 or 1.7 billion bushels for a carryover to next year.

We have 1 million acres, so the Secretary determines that the allotment for next year should be 800,000 acres and the law says he can go no lower than 80 percent of this year's harvested acres, is that correct?

Mr. FOLEY. No. It does not say he can impose a set-aside of more than 80 percent. That is not correct.

Mr. STANGELAND. I am not talking about a set-aside. I am talking about national allotment. When he determines the national allotment, it says he can go no higher than 100 percent and no lower than 80 percent.

Mr. FOLEY. He can adjust the national allotment according to the projected needs for domestic and import purposes.

Mr. STANGELAND. But no lower than 80 percent of this year's harvested acres.

Mr. FOLEY. There is no 80-percent limit on establishing the national allotment.

Mr. STANGELAND. What does it mean where it says on page 12, line 6:

Provided, That in no event shall such allocation factor be more than 100 per centum or less than 80 per centum of the acreage of wheat harvested on the farm in the current crop year.

Mr. FOLEY. What you have read provides the basis for factoring of the harvested acreage of wheat for deficiency payment purposes.

The adjustment of the allocation of the farmer's entitlement to target price or agency payments on his harvested acreage can be no lower than 80 percent.

Mr. STANGELAND. Let us suppose he sets 800,000 acres as the needed number of acres, and then his allocation factor would be 20 percent. Would that be correct? Then, that allocation factor is to be placed on next year's harvested acres. But, suppose for an example we have an average farm growing 200 acres of wheat and say 5,000 farms raise 200 acres of wheat. That is a million acres this year. So, next year the farmers plant, in round figures, 400 acres of wheat as an average. Now, we have 2 million acres planted. The allocation factor is 20. Is it not conceivable that the cumulative total of those farm allotments could substantially exceed the Secretary's national wheat allotment?

Mr. FOLEY. Yes, that is conceivable.

Mr. STANGELAND. And so this bill is not really doing much, then, to help the farmer try to curb——

Mr. FOLEY. The national allotment, I would say to the gentleman, a set-aside is possible. A specific set-aside can be announced by the Secretary.

Mr. STANGELAND. Well, I understand the point of the set-aside. The problem of the set-aside is that generally we get the poorest land set aside. The farmer leaves his poorest land idle. He is not going to be paid for the set-aside. As a result, really that set-aside does not do all that much in reducing production.

Mr. FOLEY. I will tell the gentleman that there are inducements to meet the set-aside requirement because that is the condition for receiving loans or payments, and if the producer does not comply with the set-aside, he is not going to get any target price payments at all. He is not going to get any loan authority payments or loan authorizations at all.

Second, the Secretary has the additional authority to apply the set-aside requirement against last years seeded acreage.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(On request of Mr. FOLEY and by unanimous consent Mr. STANGELAND was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Those farmers who voluntarily comply with the national allotment, will be eligible for full payments. If a farmer does not comply, he does not

get protected. I think the combination of those programs will give some production control emphasis to this program.

Mr. STANGELAND. Well, I question perhaps that price will have a greater factor in production than the bill will. I thank the gentleman for yielding.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois (Mr. MADIGAN).

The amendments were agreed to.

The CHAIRMAN. Are there further amendments to title IV?

If not, the Clerk will read.

Mr. FOLEY. Mr. Chairman, I ask unanimous consent that notwithstanding the passing of the reading of title IV, when that occurs, and the presumption of consideration of title V, the gentleman from Iowa (Mr. BEDELL) may be authorized to offer an amendment to title IV.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, that is very unusual procedure.

Mr. FOLEY. Mr. Chairman, I withdraw the unanimous-consent request.

The CHAIRMAN. The Chair will state that title V has not been read, so title IV is still open to amendment.

AMENDMENTS OFFERED BY MR. BEDELL

Mr. BEDELL. Mr. Chairman, I offer amendments, and I ask unanimous consent that they may be considered en bloc, inasmuch as they apply to both title IV and title V.

The Clerk read as follows:

Amendments offered by Mr. BEDELL: Page 12, line 5, after the word "year", insert: "'or in such previous years as determined by the Secretary."

Page 12, line 11, after the word "year", insert: "or in such previous years as determined by the Secretary".

Page 19, line 6, after the word "year", insert: "or in such previous years as determined by the Secretary".

Page 19, line 12, after the word "farm", insert: "in the current crop year or in such previous crop years as determined by the Secretary".

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BEDELL. Mr. Chairman, what these amendments do is simply give the flexibility to the Department in regard to the determination of the allotments. As it is worded in the bill, it requires that the allotments be determined by the current year's plantings, and these amendments simply say that they may be determined by the current year's plantings or they may be considered from past years' plantings.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I think the gentleman has correctly stated that it just adds a little more flexibility to the Department in this area. I have no objection to the amendments, and I think the amendments do provide a little more flexibility.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, we have examined the amendments. I think, as the chairman of the committee has indicated, they do provide the Department with more flexibility, and I have no objection to them.

Mr. THONE. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Nebraska (Mr. THONE).

Mr. THONE. Mr. Chairman, I do not know whether I fully understand the implication of these amendments. In other words, USDA can go with historical averages here as well as current plantings; is that the thrust of the gentleman's amendments?

Mr. BEDELL. Yes, it is. The previous amendment mandated that they have to go to current year's plantings. These amendments say that they may go to current year's plantings or previous years' plantings, in their discretion.

Mr. THONE. If the gentleman will yield further, does this amendment have the support of the Department?

Mr. BEDELL. That is correct. That is one reason we are a little bit late. We wanted to be sure the Department did not object to it, and they do not object to it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Was this bill ever before a committee? I am beginning to wonder.

Mr. BEDELL. It certainly was.

Mr. ASHBROOK. I am beginning to think it is the Education and Labor Committee.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Chairman, I know that in committee the gentleman was very interested in having a 3-year average. Is the gentleman's amendment opening it up so we can have allotments figured out over a much longer period of time than the 3 years the gentleman was thinking about?

Mr. BEDELL. The problem is this: There was great concern, and I had the concern, too, that if we go to current year's plantings, there could be some serious problems. The Department plans to go by current year's plantings. That is their definite plan. That is what we expect them to do.

The purpose of these amendments is simply this: If they find themselves in a jam, as they may well do because of this mandate, it gives them the flexibility to go to previous year's plantings.

Mr. GRASSLEY. If the gentleman will yield further, I would like to know, in the gentleman's own mind does he anticipate that the depth would spread out their figure over a longer period of time than 3 years?

Mr. BEDELL. I absolutely do not. I question whether they will even go to previous year's plantings. But if they find themselves in trouble, it seems to give them a safety valve.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding.

The fact of the matter is that without this amendment, and being required to take only one year's plantings, it will work a hardship on those persons who happen to have had an unusual year. If they have a lower acreage that year than normal, they will find they cannot plant as much the next year and participate in the program. If they find that to be the case, they will probably stay out of the program completely and plant fence to fence, which could result in increased production at the very time we want reduced production.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Iowa (Mr. BEDELL).

The amendments were agreed to.

The CHAIRMAN. Are there further amendments to title IV?

If not, the Clerk will read title V.

The Clerk read as follows:

TITLE V—FEED GRAINS

LOAN RATE AND TARGET PRICE

SEC. 501. Section 105 of the Agricultural Act of 1949, as amended effective for the 1974 through 1977 crops, is amended to be effective for the 1974 through 1981 crops and such section is further amended—

(a) effective for the 1977 through 1981 crops, by amending subsections (a) and (b)(1) to read as follows:

"(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.75 per bushel for the 1977 crop and $2.00 per bushel for each of the 1978 through 1981 crops, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley, computed by multiplying (1) the payment rate, times (2) the allotment for the farm for such crop (but in no event on a greater acreage than the acreage actually planted to such feed grains), times (3) the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. The payment rate for corn shall be the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop

is less than the target price per bushel. The target price for corn shall be $1.85 per bushel in the case of the 1977 crop, $2.10 per bushel in the case of the 1978 crop, and for the 1979 through 1981 crops the target price shall be the target price for the previous year's crop adjusted to reflect any change in (i) the average adjusted cost of production for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of such information and data as he finds necessary and appropriate for the purpose and shall be limited to (i) variable costs; (ii) machinery ownership costs; and (iii) general farm overhead costs allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. If the Secretary determines that because of drought, flood, or other natural disaster, or other conditions beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 50 per centum of the yield established by the Secretary for the farm for such crop during the current year times the acreage planted to harvest for such crop in such year, the Secretary shall make a farm disaster payment at a rate equal to 80 per centum of the target price for the crop to the producers of such crop for the deficiency in production below 50 per centum of the established yield on the acreage planted to harvest for the crop. If the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, he shall make a prevented planting payment on the smaller of (1) the acreage intended to be planted to feed grains or (2) the average acreage planted to feed grains for harvest (including acreage which the producer was prevented from planting to feed grains or other nonconserving crop) in the immediately three preceding years multiplied by 75 per centum of the yield established by the Secretary for the farm for the current year times a payment rate equal to 20 per centum of the target price per bushel for feed grains. In the case of the 1977 crop, disaster payments for feed grains shall be computed as provided in this section as amended for the 1974 through 1977 crops by the Agriculture and Consumer Protection Act of 1973. The total quantity on which a target price payment is due a producer for any crop shall be reduced by the quantity on which any disaster payment is paid to such producer for the crop.".

(b) Effective for the 1978 through 1981 crops, by amending subsection (b) (2) and (3) to read as follows:

"(2) The Secretary shall proclaim the national feed grains acreage allotment for each feed grain crop not later than December 30 of each calendar year for the crop harvested in the next succeeding calendar year. The national feed grains allotment for such crops shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that he estimates will be utilized domestically and for export during the marketing year for such crops. If the Secretary determines that carryover stocks are excessive or an increase in stocks is needed to assure desirable carryover, he may adjust the national feed grains acreage allotment by the amount he determines will accomplish the desired increase or decrease in carryover stocks.

"(3) The Secretary shall determine farm acreage allotments for each crop of feed grains by allocating the national feed grains acreage allotment to farms producing feed grains on the basis of an allocation factor. Such allocation factor shall be determined by dividing the national feed grains acreage allotment for each crop of feed grains by the number of harvested acres as determined by the Secretary each year for each crop: *Provided*, That in no event shall such allocation factor be more than 100 per centum or less than 80 per centum of the acreage of each feed grain harvested on the farm in the current crop year. The farm acreage allotment for feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains harvested on the farm. An acreage shall be considered harvested on the farm if it was planted to feed grains but not harvested because of a drought, flood, or other disaster or condition beyond the control of the producer.".

(c) Effective for the 1978 through 1981 crops, amending subsection (c) by—

(1) in paragraph (1), striking the second and third sentences and inserting in lieu thereof the following: "Any such set-aside shall be proclaimed by the Secretary not later than February 15 of the year in which the crop is harvested. If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghum, and if designated by the Secretary, barley, respectively, the producers on a farm must set-aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage (i) planted to such crops (including any set-aside or diverted acreage) in the preceding crop year, as adjusted by the Secretary to correct for abnormal factors affecting such acreage in the preceding year, or (ii) planted to such crops in the current crop year. The Secretary may limit the acreage planted to feed grains on the farm to a percentage of the feed grains planted to harvest in the previous crop year. Such limitation shall be applied on a uniform basis to all feed grain producing farms."; and

(2) in paragraph (3), striking out "1974 through 1977" and inserting in lieu thereof "1974 through 1981".

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. FOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY: Page 14, line 18, strike out "$1.75 per bushel for the 1977 crop" and insert in lieu thereof "$2.00 per bushel for the 1977 crop";

Page 16, line 4, strike out "$1.85 per bushel in the case of the 1977 crop" and insert in lieu thereof "$2.00 per bushel in the case of the 1977 crop".

Mr. FOLEY. Mr. Chairman, this is the amendment of which I spoke with respect to corn when I offered the amendment to change the target price on wheat from $2.65 to $2.90.

This would have the effect of increasing the target price on corn from $1.85 per bushel, which is the figure in the committee bill, to $2 a bushel and increasing the loan rate on corn for 1977 from $1.75 to $2 a bushel.

The impact of this amendment on the budget is probably that it will result in a saving of budget outlays, since we have in the committee bill a 10-cent spread between the target price and the loan rate on corn, and this amendment would make them identical.

This increases the target price and the loan rate, but it reduces to zero the variance between those two. We could, if we had a very large corn crop and if we had a very soft price for corn, possibly incur as much as $600 million obligation to the Treasury.

The gentleman from Illinois (Mr. FINDLEY) has offered an amendment which I supported and which has been adopted by the committee. That amendment authorizes the reduction of loans in certain circumstances where the loan rate is considered by the Secretary to result in building up stocks or inhibiting exports. I would hope that we could accept this amendment, which does increase the loan rate on corn somewhat substantially, with the understanding that the Findley amendment also applies.

I believe that we do need to strengthen the loan rate on corn, considering the possibly very large corn crop that is coming on.

I am not going to engage in extended debate on this amendment, except to say that the amendment is popularly known in the halls and the cloakrooms of this House as the Harkin amendment. I think all the Members who have recognized it in that form and have agreed to support it will support this amendment, which is identical in language.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the chairman of the committee for yielding. I want to congratulate the gentleman for offering this amendment.

I know there is a deep feeling toward the corn farmers and a recognition of the plight they are in this year. This modest increase in loan rates and target prices will insure that these corn farmers are indeed able to weather the lowest prices this year that they have seen in almost 7 years.

Mr. Chairman, I want to thank the gentleman in the well, the chairman of my committee, and I commend all the Members who have supported this amendment, especially my neighbor to the west, the gentleman from Nebraska (Mr. THONE), who also gave this amendment a great deal of support.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chair-

man, I thank the committee chairman for yielding.

There ought to be some discussion about this proposal, which is a departure from our traditional target price-loan level approach; we have always had a spread between the target price and the loan level.

There has always been a purpose in having the spread. Now that the gentleman is bringing the two together, I think there should be some discussion about this so that we do not inadvertently lead ourselves into a trap later on that, in effect, does away with the target price-loan level spread which will, in effect, do away with the target price concept which I support.

I agree with the $2 figure as the target price. As a matter of fact, as the gentleman knows, I offered those figures originally in subcommittee; but I do have some qualms about the $2 loan level at the same time that we have that kind of target price.

I believe there should be some record made as to the justification for this and as to what the chairman's intention is with respect to bringing them together.

Mr. FOLEY. Mr. Chairman, I think the gentleman from Iowa (Mr. HARKIN) would like to respond to that question.

Mr. HARKIN. Mr. Chairman, if the gentleman will yield, I would like to respond to the gentleman's remarks.

Number one, this is for the year only. Next year, under the present bill, the target price impact will move up; and there will be a spread.

This is just for this year. Therefore, it will have no effect on the plantings or anything else this year because everything is already in the ground.

Mr. JOHNSON of Colorado. I understand that, but I would like to have the chairman comment on his attitude toward the traditional spread between the target price and the loan level.

Mr. FOLEY. The traditional spread is not always followed. The Senate bill, for example, had $1.70 target and a $1.75 loan rate. The target price is below the loan rate.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has expired.

(On request of Mr. JOHNSON of Colorado and by unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. Mr. Chairman, as I was saying, the target price is below the loan rate.

There are some problems with raising the loan rate on wheat. In fact some people would like to see the wheat loan at $2.90 or higher. However, at that point, I think the gentleman would agree, we would have severe problems in marketing wheat, and we would wind up with acquiring stocks.

I do not think that is going to occur with a $2 corn loan rate. The corn export market is dominated more by the American corn price than is the international wheat market by the American wheat loan rate, so I think there are differences between these two corps. They are not actually always symmetrical in the way that they relate one to the other, especially in the international market.

I do not think there is anything particularly harmful in having a loan rate identical with the target price; but there is, inferentially, a benefit to the Treasury if they are identical.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I would like to ask the gentleman for a little clarification of what he said about the effect of the amendment that I offered on loan rates.

Am I correct in understanding that the gentleman feels that the formula of my loan rate amendment could be applied to the 1977 feed grain corp?

Mr. FOLEY. No; I am not in agreement with that. I beg the gentleman's pardon. The amendment that the gentleman offered related to the 1978 crop and the crop of successive years.

Mr. FINDLEY. The further question I would ask is: What effect will this have on the Government's owning the feed grain?

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has expired.

(On request of Mr. FINDLEY and by unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FINDLEY. To continue, Mr. Chairman, there seems to be in prospect a $6 billion corn crop. The blazing sun out in the Midwest may change that, but I just talked to the Department; and there is concern that there might be almost a total takeover of the corn crop if the loan rate is $2, the Government being the merchant of the entire corn crop.

Will the gentleman comment on that prospect and the possibility that we might require some adjustment of the loan rate level when we go into conference.

Mr. FOLEY. I would say to the gentleman that I would personally be concerned if I thought that the $2 loan rate was going to result in the Government taking over the entire corn crop. I do no believe that. I can assure the gentleman that when we go to conference, if this amendment is adopted, we will have flexibility between the House and Senate figures on the 1977 loan rate. There will be a flexibility of between $1.75 and $2 on the loan rate on corn, which, I think the gentleman would agree, is to our benefit.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for his reassurance.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, just to continue on with the colloquy I had with the gentleman earlier, I am pleased that the chairman of the committee will look at this problem when he goes into conference.

I hope he will be as sympathetic with the idea of a difference between the target price and the loan rate as possible under the constraints of what we have adopted here. I am going to vote for the gentleman's amendment because I do not believe we can resolve it here, and in order to give the gentleman as much latitude as possible in the conference.

Let me point out that at a $1.75 loan rate a lot more corn will get fed up, I am not talking about overseas, but here, that if we have a $2 rate. So if we look at it for longer than this year, and the problem this year, I believe one would be disposed to have a lower loan rate than $2 in order that more of this corn might be fed up.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. FOLEY and by unanimous consent, Mr. QUIE was allowed to proceed for 1 additional minute.)

Mr. QUIE. As I was saying, that more of the corn might be fed up and not be a glut on the market in subsequent years. Every year all corn that is not fed up is carried over to the next year and this adds on to the depressant on the price in the next year's crop.

Mr. FOLEY. Mr. Chairman, I understand the concern of the gentleman from Minnesota (Mr. QUIE).

I would like to point out, also, as I said to the gentleman from Illinois (Mr. FINDLEY) that it will be before the conference, and we will discuss it. Next year the target price goes to $2.10 per bushel and the loan rate to $2 per bushel and the spread between the two rates is maintained in both the House and Senate bills.

Mr. QUIE. You will have less likelihood next year to have this opportunity if the corn is fed up in this marketing year rather than next year.

Mr. HARKIN. Mr. Chairman, I move to strike the last word.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Chairman, I rise in support of the Foley amendment. I thank the good chairman of the Agriculture Committe for offering this amendment in the spirit of compromise, but also in recognition of the real desperate needs of the feed grain producers of America. Parenthetically, I would like to add that I feel it is also recognition on Mr. FOLEY's part as to the groundswell of support that was building for this move being made by other Members.

Most farmers in my district will support these higher loan rates. A few will feel they are not high enough.

But there is one faction of farmers—and it is probably a higher percentage than most Congressmen realize—who would oppose higher feed grain loan raises out of fear the Government will be encouraging overproduction and that it—the Government—will be getting back into the grain storage business. This faction obviously remembers the decades of the fifties and sixties and the low grain prices—albeit stable the prices were that accompanied the Government ownership of grain since that oversupply was a constant depressant on the market.

I listen to this faction, because I, too,

do not want to return to the days of the fifties and sixties with their stable, low prices and Government bins full of corn when bureaucrats in Washington had more to do with farming than they should. Our markets oriented farming of the seventies is much preferred by me.

But, I would like to relieve some of these people's fears by saying I do not feel a $2 loan rate will return us to those days, because $2 corn would not encourage anyone to overproduce—there is no profit at $2 a bushel.

Consequently, support for this amendment is support for the philosophy that the farm program should protect farmers against catastrophic drops in prices. This amendment will do no more than that.

Mr. HARKIN. Mr. Chairman, I rise in strong support of this amendment. However, I must admit that I am somewhat disturbed by some of the implications that may have been left by my distinguished chairman, the gentleman from Washington (Mr. FOLEY).

Do I understand the chairman that with the $2 loan and the $2 target price, we are going to find that it is his intention to go lower than that in the conference? There was a strong implication left in your remarks as to that.

Mr. FOLEY. Mr. Chairman, if the gentleman will yield, let me say that no, I have no intention of going lower, personally, and at this time let me say that I do not have something else in mind for the conference. I fought for the amendment and I certainly mean that seriously and I will hope to sustain that in the conference unless there are some circumstances or facts that develop that we do not have before us today.

Mr. HARKIN. In other words the chairman will give us his assurances that he will fight strongly in the conference for the $2 target price and the $2 loan price?

Mr. FOLEY. I will certainly support my own amendment.

Mr. HARKIN. I thought there was a strong implication otherwise.

Mr. FOLEY. I do not want the gentleman to imply that. I want to make it clear that the $2.90 target price which was adopted for wheat is not in the conference. The Senate has the same position. The gentleman from Illinois (Mr. FINDLEY) and the gentleman from Minnesota (Mr. QUIE) have asked if there was any possibility of considering the corn supports in conference. Of course it is possible to have it brought up in conference.

Mr. HARKIN. But I would point out to the chairman that the conference is locked in on the target and loan rates on wheat.

Mr. FOLEY. The gentleman is right.

Mr. HARKIN. That is absolutely correct. The ratio between wheat and corn ought to be maintained. If that corn price is dropped down then this ratio will be thrown out of kilter and we will see a great disturbance in the market place ratio between corn and wheat.

Mr. FOLEY. Mr. Chairman, I want the gentleman from Iowa to know I am not opposing this amendment. I have no ulterior motives of going to the conference and trying to reduce it. I am one of the conferees. I am not able to say what the conference will do. But I tell you that, personally, it is my present intention to stand by the amendment that I have just offered.

Mr. HARKIN. I thank my chairman for his assurances. I again want to support this amendment.

Further, I want to thank especially my colleague, the gentleman from Nebraska (Mr. THONE) who worked so diligently and hard on this issue. It was again truly a bipartisan effort on both sides of the aisle.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I will be glad to yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

I share with the gentleman those expressions of congratulation. I would just like to say that I made a mistake, I think—at least my counsel indicates we may have made a mistake—in my response to the gentleman from Illinois (Mr. FINDLEY), when I said that the Findley amendment to adjust the loan rates did not apply to 1977. I am told by counsel that it appears that the amendment does apply to 1977, as well as 1978, 1979, 1980, and 1981. I want to make that clear in the record. I thank the gentleman.

Mr. HARKIN. I thank the gentleman.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

I hope the gentleman from Iowa will give serious consideration to what the carry-over of corn at $2, with no difference between the target price and the loan price, is going to do to the year thereafter. I have agreed with the gentleman that we need to raise the price so that the farmer can get a better income. Conceivably he is going to get his income with the target price. I believe he is going to have that protection. I would ask him to look seriously again at that.

Mr. HARKIN. I think since it only applies to this one crop year, what it enables these farmers to do is to be able to store that grain and to be able to market it in an orderly fashion when the prices go up, instead of dumping it in the fall. I think that is going to be the benefit at this $2 loan rate this fall. I also hope that in subsequent years the target price will be higher than the loan rate, and I am sure it will be because of the market figures that are present in both the Senate bill and the House bill.

Mr. QUIE. If the gentleman will yield further, I would also add that when we look at the loan on wheat next year as compared to the $2 loan that was placed in the House bill on feed grain, that we also look at that in comparison with the $2.25 this year in wheat and what the loan ought to be.

Mr. HARKIN. I understand.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. HARKIN at the request of Mr. SMITH of Iowa was allowed to proceed for an additional 2 minutes.)

Mr. FOLEY. Mr. Chairman, may I say that unless we can conclude this vote in 2 minutes at which time I will move that the Committee rise, I would have to object. I have a commitment to the leadership, and I will have to ask that the Committee rise at that time. I will let this request for these 2 minutes stand. Unless we can reach a vote at that time, however, I am going to move that the Committee rise.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. If the gentleman will yield, I just want to point out that just because more corn is fed when it is $2 than when it is $3 does not mean more will be fed at $1.75 than at $2. The economists tell us when it is so low, an even lower price does not increase feeding. What it would do, if we have $1.75 on corn, would be to cause the substitution of more corn in place of wheat. Total tonnage of feeding would probably be about the same. With corn at $2 compared to a $2.25 loan on wheat would result in more wheat being fed where it is located nearer to the feeder.

Mr. HARKIN. I appreciate the dean of our delegation for clearing that matter up, and I appreciate the comments of my colleague, since he is the real expert in this body on that subject.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY).

The amendment was agreed to.

Mr. DICKS. Mr. Chairman, I want to take this opportunity to extend my compliments to the distinguished chairman of the House Agriculture Committee, my colleague, Mr. FOLEY.

As a fellow member of the Washington delegation I know the difficulty of his decision on the target price for wheat. Perhaps more than any other Member of this body he sincerely desires the Agriculture Act signed into law. He has worked long and hard in negotiating with the administration on this issue and has exerted extraordinary effort to reach a mutually acceptable compromise.

I also know that the distinguished chairman is extremely sensitive to the needs of this Nation's farmers. The plight of the wheat farmer across the United States is well known to the Members of this body. I will not recite the figures on the decline in prices and the tens of thousands of farmers facing bankruptcy. Numerous other Members have done an ample and admirable job of this during debate on the bill.

Each and every American is dependent on the health of the agricultural sector of our economy, whether it is through food processing, transportation, or marketing. In offering the amendment to raise the target price for wheat to $2.90 for the 1977 crop year the chairman performed a service not only to farmers but to the Nation as a whole. It was a

courageous decision and it was the right one.

It is my hope that the President will again reexamine his position on this issue. I recognize and support his strong efforts to balance the Federal budget and I commend him for his efforts. It is my belief, however, that this is not the place to make cuts in the budget, and in the long term inadequate levels of target prices will come back to haunt us.

Mr. FRENZEL. Mr. Chairman, H.R. 7171, the omnibus farm bill, is a piece of legislation badly in need of repair. It does not provide necessary assistance to the most hard pressed of our agricultural producers, but it furnishes overgenerous support to others.

The signal injustice in H.R. 7171 is the target price of wheat. For some reason the committee and the administration have singled out wheat producers as whipping boys. The bill's target price for this crop year is $2.65, well under the cost of production.

I applaud the administration's desire to reduce expenses, and to balance its budget by 1981. I will make all reasonable efforts to help the administration reach that goal. But, we cannot be silent while the administration showers benefits on other segments of our society, yet invokes fiscal responsibility as an excuse for injustice to wheat producers.

I shall support the amendment to raise wheat target prices for this year to $2.90. It will be expensive—perhaps as much as $500 million. But we encouraged these producers to expand their production. They did so and are now being penalized. They deserve some special assistance.

Politically, this is a strange situation. Two years ago, this Congress laid on the desk of a Republican President a bill calling for a wheat target price of $3.10. After 2 years of severe inflation and rising costs, this Congress, at the request of the Democrat President, is considering a $2.60 figure. Somehow, perhaps magically, a change in the Presidency has made $2.60 a fair target, when $3.10 was fair 2 years ago.

One can only wonder at a situation in which wheat producers have become mere pawns in some large political drama. The wheat producers will wonder, too, since they were promised target prices equal to their cost of production by the current President during the last campaign.

It is sometimes said that increasing the costs of wheat simply increases the price of bread for all American consumers. I am advised that the wheat in a loaf of bread cost just a little over 2 cents. Since the wrapper on a loaf of bread costs more than the wheat in it wheat prices would seem to be insignificant compared to the total cost of the loaf. Two years ago, when wheat was selling at nearly twice its current price, the cost of bread was lower than it is today. Obviously there is not much correlation.

Also, opponents of farm subsidies worry that the price supports may be the cause of over production. Since the amendment to raise the target price of wheat to $2.90 applies only to this year's crop, which is already planted, and since it is well under the cost of production, the target price can hardly be an incentive to anybody to overproduce.

In general, I am not a great fan of agriculture subsidies. I much prefer a free-market approach. But, unfortunately, we are in one of those difficult situations in which there is no other alternative. Equity demands the $2.90 target price.

One of my objections to this bill is inclusion of the food stamp section. I voted against the rule partly because of the inclusion of that generally nongermane food stamp section, and partly because of the various waivers that were required by the rule. Food stamps is a disorderly program. The USDA has proved its ineptitude in managing this welfare program. It should be cashed out and made part of our regular welfare program.

One other aspect of this bill is important to me. That is the section dealing with sugar. With world sugar supply far exceeding demand, domestic producers have been put in great jeopardy. President Carter, I think, has reacted sensibly by refusing to set sugar quotas, which would be extremely disruptive to our entire trade situation. I think the Congress would be well advised to give a little more help to our sugar producers so that they can either ride through the low-demand period, or, preferably, begin to switch to other crops.

I strongly support the increased funding under title 13, the National Agriculture Research, Extension and Teaching Act. If our farms and farming methods and equipment are to remain the best in the world, our research and development programs must not lag behind, as they have in recent years. I also feel our food for peace program deserves the committee's suggested improvements, although I still question the need for the inclusion of tobacco in this program.

In the past, I have felt that a world food reserve was an idea whose time had come. I still do. However, I fear the United States may take on the role of world food banker and warehouseman without commitments from other countries for participation in the program. Also, I would oppose a plan in which the Government, instead of the individual farmer, would hold the grain. With total crops yields expected to reach new highs this year, I support the international reserve in the Senate bill, with the hope that a small program, with Presidential support, will encourage other nations' participation, and that from that base can grow a truly worldwide food reserve.

Mr. LEGGETT. Mr. Chairman, I would like to take a minute to address provisions in this bill dealing with disaster assistance to rice producers. As you are undoubtedly aware, the recent drought in California has had a debilitating affect on all agricultural production in my State. The severity of this situation demonstrates conclusively the need to retain disaster assistance measures with regard to all major crops.

Congress has long been concerned with the plight of the small farmer. Although the farming population of the United States is only a small segment of the population as a whole, the fact remains that agriculture is our largest industry. Taking into consideration all the industries, firms, and individuals to whom farmers sell and from whom they buy, every segment of our society is affected by agriculture. Consequently, the economic well-being of our farming population is of importance to all Americans.

In recent years, soaring production costs and increased competition with domestic and foreign agribusiness have seriously limited and threatened the economic stability of our family farms. The adverse weather conditions experienced throughout the Nation, and California in particular in the past year, have further compounded this already disastrous situation. In California alone, economists are predicting a gross loss of $1.3 billion for 1977 in the agricultural sector due to the continuing drought. Directly associated with the dire agricultural problems is a corresponding decline in the revenues of many small businesses that support the family farmers in the State. A recent survey of these businesses indicated a 50–percent decline in sales in the last 2 years. These are only two of many devastating examples of California's drought. Today we face an agricultural disaster, the effect of which will be a general depression of the economy as a whole. Only by continuing to extend disaster payments to these stricken farmers can we hope to avert such a trend.

As evidence of the need to continue disaster assistance programs, I would like to briefly address my comments to the situation in California with regard to rice production. California rice is instrumental in Federal export programs such as the food for peace program, Public Law 480. As much as 50 percent of the rice exported through the Public Law 480 program is grown in California. Many growers in California depend almost 100 percent on export to disperse their crops. The recent drought, however, is decreasing California's rice exportation abilities, affecting not only the producer, but the State and national economies as well.

According to USDA figures, acreage planted to rice in my State has decreased 19 percent this year—345,000 acres in 1977 as compared to 421,000 acres in 1976. This decrease in planting is only one of the factors affecting a projected low yield for 1977. An unexpected cold spell at the beginning of the rice planting season prevented proper germination of the crop, further reducing yield probabilities. Present estimates of the Rice Growers Association of California reveal a projected 25- to 30-percent reduction in yield as a direct result of the drought and cold weather conditions.

In 1976, disaster payments to California ricegrowers totaled $281,917 as compared to a national total for rice disaster payments of $462,789. Due to the increased severity of the drought, these figures are expected to increase notably for 1977.

We all hope, of course, that the drought situation will be alleviated this winter. Should this be the case, large-scale disaster assistance will not be necessary. However, the possibility of a continued drought cannot be ignored. California ricegrowers must be assured of a rea-

sonable rate of compensation against such a natural disaster in order to be able to continue production of this vital commodity. Such assurance has been available to the ricegrower since the passage of the Rice Production Act of 1975, and must be maintained in the legislation now under consideration.

I also support the only modification of the previous disaster assistance provision for rice, which would allow a grower to receive disaster assistance for land on which he is unable to plant as a result of a natural disaster. Due to the methods of production common only to rice, it is virtually impossible for a ricegrower to plant acreage to other crops if a natural disaster prevents planting of rice. For this reason, growers unable to plant their acreage should be afforded comparable compensation to those who suffer a depressed yield.

I would like to commend the Agriculture Committee, under the chairmanship of Mr. FOLEY, for its careful deliberation of this bill. It is encouraging that the committee has taken the uniqueness of rice production into consideration in determining disaster assistance provisions. I support and applaud the committee's decision to maintain disaster assistance provisions for rice, as well as all major crops. The continued existence of our small family farms depends to a large extent on the future availability of disaster assistance. I urge my colleagues' support of the distinguished Agriculture Committee and the small farmers of this country in retaining this vital aspect of the measure under consideration.

Mr. FOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BROWN of California) having assumed the chair, Mr. EVANS of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7171) to establish more responsive programs for the benefit of farmers and consumers of farm products; to extend and improve the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, as amended; and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. CORCORAN of Illinois. Mr. Speaker, I ask unanimous consent that all Members may nave 5 legislative days in which to revise and extend their remarks on the Agricultural Act of 1977, H.R 7171.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4544, BLACK LUNG BENEFITS REFORM ACT OF 1977

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 95-512), on the resolution (H. Res. 702) providing for the consideration of the bill (H.R. 4544) to amend the Federal Coal Mine Health and Safety Act to improve the black lung benefits program established under such act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6951, COUNCIL ON WAGE AND PRICE STABILITY ACT OF 1974 EXTENSION

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 95-513), on the resolution (H. Res. 703) providing for the consideration of the bill (H.R. 6951) to amend the Council on Wage and Price Stability Act to extend its termination date, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION TO ESTABLISH A SELECT COMMITTEE ON POPULATION

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 95-516), on the resolution (H. Res. 70) to establish a Select Committee on Population, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, AND INTERNATIONAL LAW OF COMMITTEE ON JUDICIARY TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary may be permitted to sit tomorrow during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONFERENCE REPORT ON H.R. 2, SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977

Mr. UDALL. Mr. Chairman, I call up the conference report on the bill (H.R. 2) to provide for the cooperation between the Secretary of the Interior and the States with respect to regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 12, 1977.)

Mr. UDALL. Mr. Speaker, this today will end I hope the legislative action on a bill that has been before us for 6 long years now. This is a good sound bill that we bring back from conference. The basic provisions of the House bill are in order. We made the necessary compromises with the Senate on a number of matters that are explained in the joint statement.

To those who say this bill is not needed, to those who have learned from the slick television and newspaper ads of Mobil, ARCO, Exxon and the rest, that strip mining is not a problem any more, let me say this—If you ask the people who must live with strip mining you will get a different message. Here are petitions to the President signed by citizens from all over the country—over 6,000 citizens and if you look at their addresses you will see that they live in areas affected by strip mining; places like Pennington Gap, Va., Huntington, W. Va., Hancock, Md., Barbourville, Ky., Big Stone Gap and Jonesville Va., and they are from States like Ohio and Tennessee and Utah. These people care about jobs, and a strong local economy and the other concerns expressed by the foes of this bill. But these people do not merely want to impose strong reclamation standards on strip mining, they want to ban strip mining because they have lived with inadequate State laws all these years and they do not believe that you can strip mine coal and still protect the land. I do not agree with them, I believe that reclamation can be achieved, but if you want to know if this bill is needed you can listen to the oil companies and the coal associations who are still calling for defeat of H.R. 2 or you can listen to these people who live with strip mining who have quite a different view.

I am inserting here in the RECORD a copy of one of these petitions. Also, I am sending copies of all the petitions to the President so the administration can feel the degree of concern that many citizens still have about strip mining and the need for substantially improved regulation:

To: The Honorable Jimmy Carter, President of the United States of America:

We, the undersigned, Citizens of these United States of America, hereby declare our opposition to strip mining of our land for coal. We ask that the massive rape of the earth for profit and the accompanying destruction of human health and welfare be brought to an end. It is time that Citizens recognize the shortsightedness, the recklessness, the unnecessary destruction of the land for a few years of so-called "cheap" energy.

It has been shown that the vast bulk of our coal reserves can only be mined by underground methods. It is in the national interest to intensify efforts to mine these vast deep reserves thereby stopping the ruination of valuable land. Underground mining provides more jobs, cleaner and better quality coal and is virtually non-destructive to surface land. The time for action to stop strip mining is NOW. We are saying no to strip mining and ask for your supportive action in our behalf.

SUMMARY OF CONFERENCE ON H.R. 2

Following is a summary of the major changes in H.R. 2 made during conference along with related legislative history:

MAJOR CHANGES DURING CONFERENCE AND LEGISLATIVE HISTORY

ALLUVIAL VALLEY FLOORS

H.R. 2 stated that no mines were to be located on "alluvial valley floors" in the West, nor were such mines to materially damage the quantity or quality of water in grounds surface systems which supply the valley floors. However, surface coal mine operations producing coal in commercial quantities in the year preceding enactment of this act and were located on or adjacent to an alluvial valley floor were exempt from this constraint. Similarly, those mines which already obtained specific permit approval to conduct mining in an alluvial valley floor were also excluded.

The Senate passed the "Melcher" amendment which provided for new mine operations on alluvial valley floors under limited circumstances. Mines that would interrupt, discontinue or prevent farming on alluvial valley floors when such farming is part of the farm's agricultural production would not be approved. Undeveloped rangelands are excluded as well as those developed or farmed lands which are so small as to have a negligible impact on the farm's agricultural production. The exemption to this provision for existing or permitted mines is essentially the same as that in H.R. 2.

The Senate also passed the "Wallop" amendment which provided authority for the Secretary of Interior to lease Federal coal deposits as an exchange of a Federal coal lease for coal underlying an alluvial valley floor which could not be mined. Such an "exchange" would be limited to those operators who had made a "substantial legal and financial" commitment to mine such coal prior to January 1, 1977. Similar exchange authority under section 206 of the Federal Land Policy and Management Act of 1976 was granted the Secretary with respect to privately owned coal under alluvial valley floors. Both of these authorities are discretionary on the part of the Secretary.

The House receded to the Senate provision with a few changes. The phrase "not interrupt, discontinue or prevent farming" was modified to "not interrupt, discontinue or preclude farming" in order to assure that farmable lands that may or may not be farmed at the time of permit application would be covered by this amendment. Further, the conferees did not want a change in surface use of valuable agricultural lands to qualify an area for surface mining. Thus, we do not allow a coal company to buy alluvial valley floor farmable lands, take them out of production; then qualify for a permit to surface mine. If developed lands on alluvial valley floors were "of such small acreage as to be of a negligible impact on the farm's agricultural production" they may be included in a mine plan. The phrase "not adversely affect" with respect to off-floor operations was changed to "not materially damage." The conferees also stipulated that the Secretary develop and carry out a coal exchange program for fee coal located in alluvial valley floors under the provisions of section 206 of the Federal Land Policy and Management Act of 1976. Conferees also recognized that if developed lands on alluvial valley floors were of "such small acreage as to be negligible impact on the farm's agricultural production" and are to be included in a mine plan, that farming on the mine site must be temporarily interrupted during the mining and reclamation process.

PRIME FARMLANDS

The conferees worked long and hard to come up with a workable and meaningful provision to protect prime farmlands. The provision in the conference report is a good, workable provision. It is not a moratorium. All existing operations are grandfathered. New permits can be issued for mining prime farmland provided that the regulatory authority make a written determination—based on existing data, past operator performance, and agricultural studies or experimentation with comparable soils—that the operator has the technological wherewithal to restore the land to levels of yield which equal those found on nonmined farmland. This provision does not impose an undue burden on State regulatory agencies.

The language in the conference report is intended to insure that prime farmlands will not be mined without some assurance that the operator has the ability to restore the land to full productivity after mining. The provision is reasonable, protective, and workable.

Concern has been expressed about the impact of the permit approval or denial test pertaining to prime farmlands on existing operations.

The exclusion pertains to existing mines, permits or renewals thereof after the date of enactment.

This is a different type and extent of exemption than that granted in section 506(d)(2) which pertains to boundary extension of existing mines operating on alluvial valley floors.

A specific summary of the prime farmland provisions in H.R. 2 follows the summary of H.R. 2.

SMALL OPERATORS

The House bill provided assistance to small operators through authorizing State regulatory agencies to have developed, at no cost to the operator, some of the hydrologic and geologic information necessary for mine permit applications. Small operators also were to comply with interim standards within 9 months of enactment.

The Senate bill provided this same authority concerning hydrologic and geologic data as well as granting a 24-month period for complying with interim standards.

The conferees agreed that some small operators be given some additional time, 9 months, for compliance with all of the interim program. However, this extension of time does not apply to the interim provisions pertaining to spoil handling and operators are prevented from continuing to push spoil downslope below the mine bench during the interim program.

Retaining the downslope spoil prohibition provision and requiring all operators to comply with it within 9 months after the date of enactment will substantially reduce the environmental impacts from mountain strip mining. Siltation, landslides, unstable slopes—all of these impacts of present mining will be mitigated. If the operator can not push the spoil over the mountain edge, he will have to transport it laterally along the mine bench. This may require significantly more energy and equipment and thus the operator will probably tend to backfill the material immediately adjacent to where he is removing the coal. This should result in backfilling the highwall.

I further understand that the small miner exemption in section 502(c) may be interpreted by some as a potentially broader exemption than was contemplated during the conference markup.

The exemption states, in part, the following:

Provided, however, That surface coal mining operations in operation pursuant to a permit issued by a State before the date of enactment of this Act, issued to a person as defined in section 701(19) in existence prior to May 2, 1977 and operated by a person whose total annual production of coal from surface and underground coal mining operations does not exceed one hundred thousand tons. . . .

"Person," as defined in the report, means "an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization."

Therefore, a "person" may have five coal companies under his ownership, or control five corporations, each producing 90,000 tons of coal each. The aggregate total of coal produced by that "person" may be 450,000 tons annually, but each company—the definition of "person"—produced less than 100,000 tons, and is exempted.

In the case of providing an exemption from requirements set forth in the interim program, the term "person" is not taken to mean a coal company but refers, instead, to an individual who owns or controls or has controlling interest in coal mining operations whose aggregate production does not exceed 100,000 tons of coal annually. I realize that an individual may control more than one coal company and still be producing less than 100,000 tons. He would be considered a small operator whom the conferees intended to help by providing additional time in which to come into compliance. However, those persons whose coal companies produce an aggregate of more than 100,000 tons would not have the right to such an exemption.

The conferees deliberated this provision and adopted it with some reluctance among the House conferees. The debate was always focused on small operators which Senator FORD reminded us, would suffer hardships if the compliance deadline were not extended. However, small operators were looked upon as individuals who have invested their life savings in mining equipment in order to open a small mine or several small mines to produce coal. It was never intended that this exemption apply to individuals who own more than one company or control or have controlling interest in more than one company if the aggregate production from all those companies exceeded 100,000 tons annually. That individual

would not qualify for an exemption under this act.

The production must be combined, regardless of the business forms an operator chooses. If, for example, an individual owns or controls corporation A, which, in turn, owns or controls corporation C and corporation D, their separate production must be combined; and if together they produce more than 100,000 tons, none of the three corporations, or the individual, are entitled to the exemption.

There are many combinations and permutations of ownership and control: part ownership, partnership and joint ventures. In this area of concern, we expect the Secretary, as we stated in the conference report, to adopt regulations for the qualification of small operators based on the principal of tracing the patterns of ownership, control or corporate relationship to insure that only genuinely independent operators whose total production is under 100,000 tons annually, are qualified.

VARIANCE TO APPROXIMATE ORIGINAL CONTOUR

Both the House and Senate bills provided for regarding to approximate original contour including the complete backfilling of the highwall.

The Senate bill however provided a variance to the approximate original contour and backfilling highwalls completely for a wide range of post mining land uses. In addition, if "sound engineering technology" indicated that the highwall cannot be completely backfilled, then the operator would have been required to reduce the highwall to the maximum extent consistent with "sound engineering technology" and develop a revegetation plan that is "reasonably calculated" to screen the remaining highwall within 5 years.

The conference report includes a modified variance to the approximate original contour standard which requires however that in every instance all highwalls are to be completely backfilled. This amounts to a variance from the "configuration" aspects of the approximate original contour regrading standard. This gives an opportunity for a potential range of postmining land uses from those operations which would result in a very wide bench accommodating both the stable and complete backfilling of the highwall as well as additional areas for the planned land uses. This variance however is only for developed land uses such as industrial, residential or commercial sites. Agricultural, open space and similar types of land uses do not qualify. This variance procedure in section 515(e) contemplates only one variance procedure for the entire subsection which is conditioned by the constraints discussed above including the complete backfilling of all highwalls.

SPOIL ON THE DOWNSLOPE

The Senate amendment to H.R. 2 contained the provision from H.R. 25 pertaining to spoil placement downslope from the bench on steep slope mining operations. S. 7 stated that—

. . . no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed on a limited and specified area of the downslope below the initial cut if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met.

In consideration of H.R. 2 at the committee level the House modified this provision by deleting the capability of placing spoil from the initial short cut below the bench and the H.R. 2 provision reads as such:

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, spoil material or waste mineral matter be placed on the downslope below the bench or mining cut: *Provided,* That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraph 515(b)(3) or 515(d)(2) or excess spoil from a surface coal mining operation under subsection 515(c) may be permanently stored pursuant to section 515(b)(11).

The committee noted that downslope spoil placement is one of the major sources and causes of landslides, siltation, erosion and unstable fill areas.

Since the committee adopted specific standards pertaining to surplus spoil disposal it was decided that these standards would apply to all spoil that was not to be kept on the mine bench. It should be noted that the surplus spoil disposal standards do not allow the dumping or pushing of spoil downslope of the bench. These standards require controlled placement of the spoil. Spoil must be transported—hauled by truck or other vehicle—placed and compacted at the exact location of its permanent disposal. This controlled placement concept is essential to the long term stability of the spoil.

The conferees adopted the House approach with strengthening amendments, specifically rejecting the approach in S. 7.

I, nor did the other conferees, intend that this provision be used or interpreted to allow the continuation of dumping spoil downslope below the mountain mine bench. Suitable disposal areas must be found. It would seem that solid portions of old mine benches would be most suitable since they would offer the best foundation for stability. Basic to the bill though is the understanding that if the environmental protection standards cannot be met in one site, then mining should be shifted to sites where such standards can be met.

Let me include here as part of my remarks the following summary of the bill as approved in conference:

SUMMARY OF H.R. 2—SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977

TITLE I—STATEMENTS OF FINDINGS AND POLICY

This title sets forth a number of the principles upon which the bill is based.

TITLE II—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

This title establishes a special Office in the Department of Interior with the responsibility of implementing the regulatory and reclamation program provisions of the bill.

TITLE III—STATE MINING AND MINERAL RESOURCES AND RESEARCH INSTITUTES

This title establishes an eight year program for funding mineral resource research institutes at a number of qualified public colleges or universities. The training of mineral engineers and scientists are the primary purposes of the Institutes and the research funded by the program complements this activity. Funds are provided on a matching basis for establishing and supporting the institutes. Research funds are also provided in addition to these institutional support grants.

TITLE IV—ABANDONED MINE RECLAMATION

This title creates a mined land reclamation program. Funds for this program are derived from a reclamation fee on every ton of coal produced starting upon enactment of the legislation. The fee is 35c/ton for surface mined coal; 15c/ton for underground mine coal; and the lesser of 10c/ton or 2% of the value of lignite mined in any way.

Lands eligible for reclamation are those mined for coal and inadequately reclaimed prior to the date of enactment and for which there is no continuing legal responsibility for reclamation. Waters impacted by such mining are also eligible. After coal mined lands have been reclaimed in a state, some of those funds can be used for reclamation of non-coal mined lands. Funding of energy development impact assistance is subsequently possible, but this is discretionary on the part of the Secretary and also would depend on the availability of other funds to meet the impacts. Thus, coal mined lands in any state are eligible. Non-coal mined lands are eligible only in states where reclamation fee revenues are being derived.

States may develop their own reclamation program and when approved by the Secretary 50 percent of the funds resulting from the fee derived in that state will be allocated to that state for its program. State programs are only funded if the state has an approved permanent regulatory program for active surface coal mine operations (Title V).

The Secretary of Interior is to administer the balance of the program and direct funds to areas of greatest concern or need. These reclamation projects can be funded directly by the Secretary or as a supplement to an approved state program.

The Secretary of Agriculture is provided a rural lands program. Up to 20 percent of the total funds generated by the fee can be allocated to this program.

Both private and public lands can be reclaimed, however expenditures on private lands under the Interior and state programs will result in a lien on the property for the increased value due to reclamation expenditures. Liens are to be payable to the federal reclamation fund.

Indian tribes have the same status as do states in programs authorized by this title.

TITLE V—CONTROL OF THE ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

This title establishes a program administered by the Secretary of Interior and the several states to regulate surface coal mining and the surface impacts of underground coal mines in an environmentally acceptable fashion.

An interim program is provided which addresses the most critical environmental problems and includes standards on: planning; regarding to approximate original contour; prohibition of pushing spoil downslope below the mine bench; hydrology; blasting; top soil segregation; and revegetation. These standards apply to all new mines six months after the date of enactment. Small operators (up to 100,000 tons/yr from all coal operations) may be extended an additional nine months for compliance on existing permits depending upon state law, with the exception of the prohibition of dumping spoil

downslope. Enforcement during the interim program is by both state and federal officials. Federal inspections of each mine are at least once every six months or when otherwise triggered by successive violations during state inspections or by citizen request.

States are encouraged to develop a permanent regulatory program within 24 to 30 months containing at a minimum all of the environmental standards and other provisions of this title. Such a program would include specifications for: application for mining permit; reclamation plan requirements; criteria and authortiy for permit approval or denial; environmental protection standards; inspections and monitoring; penalties; bonding and phased release of bonds and operator liability; enforcement; administrative and judicial review; public notice and hearings; citizen suits; and authority to designate areas unsuitable for mining. The detailed environmental protection standards include: planning criteria; post-mining land use specifications; regarding to approximate original contour; complete and stable backfilling of all highwalls; top soil segregation; soil reconstruction of highly productive soils; engineering criteria for impoundments; controls on auger mining; full protection of surface and subsurface waters; surface disposal of mine waste; regulation of surface and underground mines in close proximity; blasting controls; access roads; revegetation and differing periods for operator responsibility; surplus spoil disposal; protection of fish and wildlife resources; and control of mountaintop and contour mining. The standards also apply to the surface impacts of underground mines with appropriate modifications to assure compatibility with the protection of the health and safety of underground miners.

Citizen participation

The procedures and processes established by H.R. 2 include citizen participation in every major step and such citizen involvement is essential to the successful implementation of this Act. Major citizen participation provisions include: participation in the development regulations for the interim and permanent programs participation in the permit approval or denial process as well as the reclamation review and bond release activities; participation in enforcement of the environmental protection provisions during the interim and permanent programs; and participation in citizen suit activities if necessary.

This title also includes authority for a Federal lands program which makes the provisions of this Act applicable to all Federal lands.

TITLE VI—DESIGNATION OF LANDS UNSUITABLE FOR NON-COAL MINING

This title provides authority to the Secretary of Interior for the designation of some Federal lands as unsuitable for all or certain types of mining. This designation of authority is provided in order to protect existing surface uses and values pertaining to residential and related purposes. Procedures concerning the development of information, hearings, designation, and appeals are provided. The designation process can be initiated by the Secretary, requested by a Governor or triggered by a citizen with submission of a factual petition.

TITLE VII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

This title includes a number of items such as: definitions, relation to other Federal laws, employee protection, research studies, authorization for appropriations, Indian lands authorities; experimental practices; and surface owner protection.

Authorization for the administration of the regulatory program includes: reprogramming up to $2 million for the current fiscal year; $30 million for fiscal year 1978; $40 million for fiscal year 1979 and 1980 and whatever funds are needed in subsequent years. In addition, $10 million is provided for developing hydrologic and geologic data to be used in mine applications by small mine operators.

The Indian lands program includes a study of the jurisdictional and administrative problems of implementing a full regulatory program on such lands. However, the environmental standards identified in the interim program in Title V apply to surface coal mine operations on Indian lands during the conduct of the study.

Surface owner consent for strip mining is required prior to additional leasing of federal coal if the surface is in private ownership and the owner qualifies since his principal source of income is from agricultural use of the land.

TITLE VIII—UNIVERSITY COAL RESEARCH LABORATORIES

This title authorizes the creation of 10 coal research laboratories, one in each of the major coal provinces. Research projects at these laboratories are to focus on the development of coal resources, coal conversion and related environmental problems. Authorizations include up to $5.5 million to establish each laboratory (facility construction and equipment) and $7.5 million for research. This program is administered by ERDA.

TITLE IX—ENERGY RESOURCE GRADUATE FELLOWSHIPS

This title establishes a fellowship and research program in applied science and engineering related to the production, conservation and utilization of fuels and energy. Up to 1,000 fellowships per year for FY '78 through FY '83 are authorized. Fellowships may be for a two-year period. Allowances to both the school and the applicant are provided. Annual authorizations are set at $11 million. This program is administered by ERDA.

This title also includes a program for research and demonstration of alternative coal mining technologies which will also result in reduced environmental impacts. Both surface and underground technologies are included. This is a five-year program, administered by the Secretary of Interior, funded at $35 million per year.

SUMMARY OF PROVISIONS TO PROTECT PRIME FARMLANDS, H.R. 2

Mine Application Requirements: Sec. 507 (b) (16).

This provision requires that the applicant conduct a reconnaissance of the area to be included in the application and if such inspection suggests the existence of prime farmlands, then a detailed soil survey must be conducted to confirm the exact location of such lands.

Mine Reclamation Plan Requirements: Sec. 508(b) (5).

This provision states that the reclamation plan must contain a plan for the soil reconstruction, replacement and stabilization of prime farmlands.

Permit Approval or Denial: Sec. 510(d).

This provision pertains only to permits issued after the date of enactment for new mining operations. The provision states that if the application contains prime farmlands, then the permit can only be granted if the regulatory authority finds in writing that the operator has the technical capability to restore such mined areas, within a reasonable time, to equivalent or higher levels of yield as non-mined prime farmlands in the surrounding area and can meet the soil reconstruction standards of the Act. This is in addition to the more general tests in Sec. 510(b) which also require that the operator can "affirmatively demonstrate" that the reclamation required by this Act can be accomplished.

Environmental Protection Performance Standards: Sec. 515(b) (7).

These provisions specify:

(a) segregation of A horizon and stockpile separately and protect from erosion;

(b) segregation of B horizon, or combinations of the B and C horizons, so that sufficient subsoil is available to create in regraded areas a root zone comparable in depth and quality to pre-mine conditions. This must also be stockpiled separately to protect against erosion.

(c) replace seperately the root zone material and top soil with appropriate degrees of compaction to meet pre-mining conditions.

(d) if the applicant can show that other material from the mine operation is more suitable for the soil reconstruction and meeting the various tests including that of productivity, then the regulatory authority may allow such a substitution.

Release of Performance Bonds: Sec. 519 (c) (2)

This provision specifies that the remaining portion of the performance bond cannot be released until soil productivity for prime farmlands has returned to equivalent levels of yield as comparable non-mined farmlands in the same area under equivalent levels of management practices.

ROLE OF SECRETARY OF AGRICULTURE

The Secretary of Agriculture is to establish standards for the soil survey required in Sec. 507. The rules and regulations issued by the Secretary of Interior concerning Sec. 510 and 515 will include the Secretary of Agriculture's concerns with respect to prime land protection provisions.

The Secretary of Agriculture is to publish in the Federal Register the definition of prime farmlands as required in Sec. 701(20) of H.R. 2.

ADDITIONAL LEGISLATIVE HISTORY

The Conferees have reduced some of the administrative burdens on the regulatory authority in H.R. 2. Mandatory public hearings are no longer required for every single permit, or for every frivolous or whimsical objection. Informal conferences may now be held when requested by interested parties who have filed written objections. This procedure does not prejudice the appeals or hearings rights of any objector. The informal conference procedure contemplated by the Conferees is not intended to be a private, closed-door "back room meeting", but rather a serious public forum, similar to Congressional hearings with full notification accorded the public, which addresses all objections and questions, and whose proceedings are recorded and made an open public record. This compromise takes away the expense and overkill of a public hearing at every turn, but preserves the rights of objectors and retains a necessary forum for public involvement.

Another point should be made about the nature of the public hearings pursuant to 521(a) (5) in or near the mine after the issuance of a cessation order and this public hearings' relationship to the formal adjudicatory "public hearing" to which the operator is entitled. The public hearing provided for in 521(a) (5) may be an informal hearing akin to a management review by an inspector's supervisor of the order closing part or all of the mine. Section 525(b) provides for a formal adjudicatory hearing and a final Secretarial decision within 30 days of receipt of the application for review where the appeal is from a cessation order. This right makes a formal mine-site review clearly unnecessary. I might add that it was our intent in adjusting the various hearing requirements in conference that the regulatory authority have the flexibility to structure the hearing procedures to provide for less formality than formal adjudication unless the Act specifically requires such formal adjudication.

A question has been raised about possible overlap between Sec. 515 performance stand-

ards, which are a part of the interim program, and performance standards which are only part of the permanent program. A specific example is whether the bill requires the Secretary of Interior to deal with the hydrologic consequences of roads on the mine site, a source of serious disturbance to the hydrologic balance, in the interim program under Sec. 515(b)(10) even though the more extensive regulations dealing with roads in Sec. 15(b) (17) and (18) are only part of the permanent program.

The answer is that Sections 501 and 502 were designed to expedite the issuance of regulations during the "interim period" to control the more serious, adverse, environmental impacts of mining, both deep and surface. These impacts may fall into more than one of the categories we have established in Sec. 515(b). Thus, there may be overlap between standards in the interim program and those in the permanent program. In the case of such overlap we expect the Secretary of Interior to implement fully the interim standards, regardless of whether by doing so the interim regulations have an impact on areas of concern reserved for the permanent program. The example I gave is appropriate. It will be necessary for the Secretary to address the hydrologic impacts of access and haul roads and any other activity associated with mining in the context of Sec. 515(b)(10) in the interim program.

As the House knows, H.R. 2 in this Conference Report addresses the surface impacts of underground mining and the interim program applies to surface impacts of underground mining in States that regulate any such impact. Section 502 requires compliance with the interim regulations by "coal surface mining operations" which is defined to include the surface impacts of underground mining. If a State presently regulates any surface impact of underground mining, then the interim regulation adopted under Sec. 501 and the program under Sec. 502 would apply in that State.

I should also mention the concept of State-Federal cooperation has been basic to the entire bill throughout the legislative history. We expect full cooperation from the implementation of the interim program through the permanent program and this cooperation may well take many forms. I expect the States and the Secretary will exchange information, inspection reports and share those administrative services, such as aircraft or aspects of program implementation where legal and appropriate.

I reserve the balance of my time.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today marks the final step in what has been a long struggle for the proponents of this all-too-familiar piece of Federal strip mine legislation. It has been long because it has taken nearly 7 years and costly because it has already cost the American taxpayer over $150,000 in printing costs alone during this time. The cost to the American taxpayer, however, is not over but instead is just beginning.

I have been asked whether this bill is indeed better than its predecessors. I have to respond that several improvements have been made since this bill's introduction at the beginning of this Congress. Some of these improvements have made it less onerous. However, I remain convinced that this bill will undoubtedly violate States' rights, destroy many small businesses, invite endless litigation, increase the Federal bureaucracy many times over, increase consumer electric costs, and in the short-term will bring about a reduction in coal production as well as employment.

The proponents of this measure have in the past, and continue to do so even today, taken exception to the potential adverse impacts of this type of Federal legislation. For example, they would argue that this bill will create a net increase in jobs.

I doubt that this is true but one should look closely at the type of jobs that will be created. First, because of the numerous regulations that will be promulgated, an army of Federal bureaucrats will be employed for the purpose of drafting these regulations.

Second, the bill requires Federal inspections of surface mining operations wherever they occur. Keep in mind that these inspections will require the hiring of new Federal inspectors that will be in addition to the 1,500 Federal inspectors presently employed by the Mining Enforcement and Safety Administration.

Third, the abandoned mine reclamation program provided for in this bill will be carried out by the U.S. Corps of Engineers and require the hiring of even more Federal employees. The estimated cost of this modest project will range from a low of $7 billion up to a high of $10 billion. The funds for accomplishing this project will be derived from a fee levied on every ton of coal produced in the United States. The reclamation fee along with the other costs imposed by this bill will be borne by the coal producers who will then pass them along to the electric utility companies who will ultimately pass them on to the individual consumer.

Fourth, the Secretary of Agriculture, through the Soil Conservation Service, will have the responsibility of implementing the rural lands program as provided for in this bill. Thus, more Federal bureaucrats will have to be employed to accomplish this program.

Last, but not least, are the Federal bureaucrats that will be employed to staff the new Office of Surface Mining Reclamation and Enforcement in the Department of the Interior. This will include not only those actually based in the Interior Department but the vast number that will be located in its regional, district, and field office tentacles throughout the United States. So again I would say to the American taxpayer—the cost to you is just beginning.

To the small coal mine operator and his family I would simply say that when you lose your present job, do not despair because you may qualify for one of the new Government jobs created by this measure.

To the members of OPEC, the unidentified absentee cosponsors of this measure, I would simply say—keep those oil tankers coming. This will certainly be necessary in the short-term as a result of production losses inherent in this bill.

The proponents of this measure also argue that there will be no losses in production but the ICF, Inc., report of January 24 tells us that there probably will be significant losses in production as well as future coal reserves. ICF predicted that an immediate coal production loss of 54 million tons in Appalachia alone, assuming the increased reclamation costs this bill imposes. Furthermore, the ICF report projects that Federal coal reserves on the order of magnitude of 800 million to 8½ billion tons may be removed from future production by the surface owner consent provision of this bill alone. Significant losses are likely to result from the citizen suits provision, the provision for designating lands unsuitable for surface coal mining, the steep slopes provision, and the losses that are likely to result from litigation that will be necessary to resolve the numerous ambiguous features of this bill.

In a recent draft analysis of the proposed national energy plan prepared by the Office of Technology Assessment, the statement is made:

> The Plan's goal of expanded coal use is not likely to be reached. Utilities and industries are not likely to convert to coal to the extent the Plan expects because of stringent environmental standards, and uncertainties about the reliability of pollution-control equipment.

I believe that if the provisions of this bill were factored into the analysis of the national energy plan, the OTA would agree that the goal of expanded coal use will not be met.

When all these factors are considered objectively, how can any of us return home and explain that we voted in favor of a bill that will severely hamper coal production and will remove billions of tons of coal from ever being mined? This would be sheer hypocrisy and your constituents who need heat, light, and jobs, I believe will share my view.

Make no mistake, I want to protect the environment as I know all conscientious Americans want to do. In the absence of this bill, strip mining will still have to take that proper and important concern into full account because of existing Federal and State law. I urge my colleagues to join me in voting against this measure.

I include at this point in my remarks a statement from the American Mining Congress and the National Coal Association.

[Mailgram]

MIDDLETOWN, VA.,
July 20, 1977.

HON. ROBERT E. BAUMAN,
House Office Building,
Washington, D.C.

Many Members of the House and Senate labored long and hard in trying to produce a workable surface mining bill. Clearly the diligent and untiring efforts of Members of both Houses to obtain a workable formula are deserving of high commendation.

The American Mining Congress and the National Coal Association continue to have serious doubts as to the need for Federal legislation, because the States are doing the job. Thirty-eight States have moved aggressively to insure that surface mining is done in an environmentally sound fashion, and existing Federal regulations cover Federal lands, so that virtually all surface coal mining is currently regulated for reclamation.

The differences between the States and their regulatory formulas are proper and are consistent with the differences between the mining circumstances found in the various States.

We continue in the view that the States are and remain the logical place for the administration of a workable surface mining formula which will help insure the availabil-

ity of the coal, meet the needs of the differing climate, terrain, and geology of the coal mining areas, and help prevent the imposition of unnecessary restrictions without significant environmental benefit.

Despite the labors of both the House and the Senate to come up with a bill that is workable within the 50 States, the result has been legislation which still contains prohibitions in the guise of regulation. The Federal formula is not workable in the 50 States and the prohibitory provisions coupled with the invitation for unlimited litigation and the opportunity for bureaucratic stagnation will seriously impair the industry's ability to provide the increased coal production which the Carter administration has asked the coal industry to produce.

It is the belief of the National Coal Association and the American Mining Congress that this surface mining legislation and the regulations to be promulgated thereunder, together with the constraints of the Clean Air Act will seriously jeopardize this Nation's ability to achieve its energy objectives.

We are, therefore, impelled to urge you to vote to reject the conference report on H.R. 2, the Surface Mining and Reclamation Act of 1977.

J. ALLEN OVERTON, Jr.,
President, American Mining Congress.
CARL E. BAGGE,
President, National Coal Association.

Mr. UDALL. Mr. Speaker, I yield to the distinguished gentleman from Ohio (Mr. SEIBERLING) 2 minutes.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman from Arizona for yielding.

Mr. Speaker, I would like to congratulate the chairman of the Interior and Insular Affairs Committee, who also acted as chairman of the conference on this bill. It has been a real privilege to work with him over the long years it took to get a meaningful, workable strip mining law. His leadership, skill, and patience through numerous hearings, markup sessions, two Presidential vetoes, and three House-Senate conferences are finally bearing fruit in an outstanding piece of legislation. While it represents the collective effort of many people, if it is a monument to any one person, that person is the gentleman from Arizona, our distinguished colleague, MO UDALL.

Mr. Speaker, I would like to address a question to the gentleman from Arizona to clarify what I believe could be a misleading impression created by the explanatory statement accompanying the conference report.

Subsection 510(b)(6) of the bill contains an important provision covering situations where land is in private ownership but the surface is owned by one person and the subsurface coal is owned by another. In many cases, subsurface rights were purchased for a pittance, generations ago, when strip mining of coal was hardly known. The result has been much injustice, hardship, and inequity to the owners of the surface, who have been ousted from their farms or homes and their land laid waste by huge earthmovers. Many others have found themselves unable to sell land on which they have paid taxes over the years.

Let me quote from a letter I received from a resident of Stoney Fork, Ky., shortly after the conference committee completed its work. It graphically illustrates the kind of situation that has arisen for hundreds of small property owners:

DEAR SIRS: I wholeheartedly applaud your stand in the "Broad-Form" deed issue.

We have some property in Harlan Co. Ky. that's been in my family since 1853, through grants from the then governor. Unfortunately, great grandfather sold the mineral rights around 1897.

That old deed didn't mean much up until recently and now we find ourselves in the strange position of owning a few hundred acres of land that we've paid our taxes on (I don't think the mineral owners have ever paid any) and yet we find that we don't really "own" it; we are afraid to improve any part of the land or build a house since you never know which way the bulldozer might come.

We have a housing shortage in Harlan Co. but I can't sell anybody a house seat, they too are afraid of the uncertain future under the broad-form deed.

I just hope and pray that enough of your honorable colleagues will understand the logic you are trying to establish. We will in the meantime continue to pay our property taxes and hope that the rights of the surface owner are made equal to the rights of the mineral owner prior to the coming of the bulldozer. Best regards.

To remedy this kind of situation, I offered the amendment that was incorporated in the House version of section 510(b)(6), the purpose being to require the owner of the subsurface coal, before he could get a permit to strip mine, to show that he had the express written consent of the surface owner or an instrument clearly evidencing that the deed under which he owned the coal was intended to permit mining of it by the strip-mining method.

In the conference, I agreed, after considerable debate, to modify subparagraph (C) of this subsection to incorporate the language shown on page 42 of the conference report which reads as follows:

(C) if the conveyance does not expressly grant the right to extract coal by surface mining methods, the surface-subsurface legal relationship shall be determined in accordance with State law.

I understand this to mean that conveyance will be construed in accordance with State law. However, the explanatory statement on page 106 of the conference report does not follow the terminology of the bill. Rather, it states that in such cases, "the determination of whether or not the private mineral estate owner or a successor-in-interest has the right to mine the coal by surface methods shall be made in accordance with applicable State law."

By not mentioning the word "conveyance," the explanatory statement places an unfortunate gloss on the language of the bill and implies that the right to mine by the subsurface method need not be based on the construction of the conveyance but only on the general law of the State. While the conferees did not intend to override State law as to the effect of such instruments, I believe that they did intend to require a showing that there is a deed or other instrument of conveyance and that, under the applicable State law, it is construed to authorize surface mining.

Does the chairman agree with my statement of the intention of the conferees on this point?

Mr. UDALL. Yes, the gentleman has made a correct interpretation and, while it may not make any practical difference in many cases, the language of the explanatory statement does lend itself to an interpretation different from the intent of the conferees on this one point.

Mr. SEIBERLING. I thank the Chairman, and am gratified that his understanding accords with my own on this point. I would like to note, however, that the language in question could make a significant difference. In the case of *Commerce Union Bank* v. *Kinkade*, 540 S.W. 2d 861 (1976), the Supreme Court of Kentucky concluded that conveyances which granted the right to mine coal under the land and gave grantees the right to such surface space as necessary for mining did not grant the right to mine by the surface mining method nor did they indicate that it was intended by the parties to the conveyance that the mineral owner's right to use the surface would be superior to any competing rights of the surface owner.

As pointed out by Justice Stephenson in a concurring opinion, the court's decision constituted a basic departure from an earlier Kentucky Supreme Court ruling, *Buchanan* v. *Watson*, 290 S.W. 2d 40 (1956), even though the decision did not formally overrule the Buchanan case. Justice Stephenson states that Buchanan was part of a line of cases basing the right to surface mine on a doctrine of dominance of the subsurface or mineral estate. He states, "Buchanan clearly holds that if strip mining is the only feasible means of removing the coal, then the mineral owner has the right to strip unless the mineral deed prohibits strip mining," 540 S.W. 2d 861 at page 865.

It is apparent, in view of the conflicting approaches exemplified in these Kentucky Supreme Court opinions, that the language on page 106 of the explanatory statement, if construed so as to refer to general State law rather than to the State law governing mineral conveyances, might, in some cases, make a significant difference. That is why I feel it important to point out that the intent of the conferees was more precise than the language of the explanatory statement seems to imply.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Speaker, the principal virtue of my observation will be brevity; but I would like to engage the chairman of the full committee in colloquy.

I should like to inquire of the chairman of the House committee whether the conferees' version of the surface owner consent provision, which is section 714, has any effect on the right of the holder of a prospecting permit to the issuance of a Federal coal lease by the Secretary.

Mr. UDALL. Mr. Speaker, my answer, if the gentleman will yield, is that it does not. As the gentleman no doubt is aware, in amending the Mineral Leasing Act last year by the Coal Leasing Act amendments, Congress put an end to the prospecting permit system which had obtained under section 2(b) of the Mineral

Leasing Act of 1920. One who has obtained such a permit was, as the law read prior to its amendment, "entitled to a lease" if he found coal in commercial quantities within the limits of the permit area and during the permit's life. In terminating that system by amending section 2(b) of the Mineral Leasing Act, Congress preserved "valid existing rights" that might have arisen under then outstanding permits.

In reporting out H.R. 25 in the 94th Congress, the strip mine bill which President Ford vetoed and which we fell only 3 votes short of overriding, our committee stated in its report (H. Rept. 94-45) at page 123, that the surface owner consent provision was not intended to deprive the prospecting permittee of any property right if such right existed as a matter of fact and of law.

The surface owner consent provision adopted by the House in H.R. 2 was, in that respect, unchanged. The conferees' version likewise effected no change in that aspect, but deals solely with the offering of Federal coal for lease, in circumstances where the prospecting permits, to the extent that they did confer rights under the old system, are not involved.

Mr. SANTINI. I thank the distinguished chairman for his explanation.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. RAHALL), who played a very important part in this legislation and really distinguished himself and who is a member of the conference committee.

Mr. RAHALL. Mr. Speaker, I rise in strong support of this conference report on H.R. 2. I also would like to commend the distinguished chairman of the full committee, the gentleman from Arizona (Mr. UDALL) for the excellent job he has done in the 6 or 7 years he has been involved in this legislation.

As a freshman member of the Conference Committee, I thoroughly enjoyed my work. I want to commend the other members of the Committee on Interior and Insular Affairs, both the minority and the majority, for their work with this bill. I find the bill to be an excellent one; a strong bill, requiring the return of our land to its approximate original contour after strip mining; yet, realizing that there are better post mining uses that sometimes can be developed. This bill allows that to occur.

The problem of the small operator is also addressed. A percentage of reclamation funds is set aside to provide cash assistance to him to allow the small operator to meet the requirements of this bill. States are allowed to administer and enforce their own programs if they are found to meet the minimum guidelines of this bill.

Mr. Speaker, since the conferees completed consideration of H.R. 2 on June 30 and the subsequent filing of the conference report on July 12, several mining industry newsletters have summarized the resolution of the differences which existed between the two bills.

While much of this reporting is accurate and credit is due the compilers of the newsletters, it is difficult to accurately report on each and every provision without the benefit of having the printed conference report at hand.

In one instance, both the newsletters of the major mining associations erroneously described the substance of the conference report provision pertaining to reclamation and backfilling of highwalls. Both newsletters reported that in instances when postmining land uses are to be residential, commercial, industrial or recreational that "highwalls must be reduced to the maximum extent consistent with sound engineering technology."

This is just not the case. The conference report provides that a variance to the concept of "approximate original contour" may be granted but even in these instances all highwalls must be completely backfilled in every instance. As discussed in the joint explanatory statement of the committee: "This gives an opportunity for a broad range of postmining land uses on those operations which would result in a very wide bench accommodating both the stable and complete backfilling of the highwall as well as additional areas for planned land uses."

The joint statement further went on to state, "conferees did not adopt the 'sound engineering technology' provision of S. 7." Thus the reference to and intent of the provision in the Senate bill and reportedly included in the conference report, was in fact specifically rejected by the conferees.

Overall, I am very pleased with this bill and was very happy to have been a conferee and to have had the opportunity to play a significant role in its development this year. Again, I want to commend the distinguished chairman for his excellent work and the long years he has put in, and I am happy that we do have a President who has said that he will sign this bill.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I would just like to say that even though he was a new member of the committee and a new member of the conference, the gentleman from West Virginia made some very, very excellent contributions to our deliberations and to our work, and added a great deal to our success in developing a workable bill. I appreciate very much the help he gave us.

Mr. RAHALL. I thank the gentleman from Ohio, and commend him for his excellent work.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I want to associate myself with the remarks the gentleman from Ohio (Mr. SEIBERLING) just made.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. TSONGAS), also a member of the conference committee.

Mr. TSONGAS. Mr. Speaker, I would like to address the chairman of the full committee.

As a member of the conference committee responsible for H.R. 2, I would like to make some additional and clarifying remarks pertaining to H.R. 2 and the accompanying managers statement.

The conference provision for evaluating operator capability for mining in prime farmland areas is a good provision. The final language for this provision was subject to much careful debate during conference. It was certainly contemplated by the conferees, as indicated in the managers statement, that the regulatory authority would play a crucial role in evaluating whether a particular operator had the technological capability to restore prime farmlands to their full productive potential. The decision of the regulatory authority in making its determination in regard to this provision was never contemplated by the conferees to be a discretionary or arbitrary evaluation, but rather, one founded on fact, past operator performance, and existing agricultural studies, data, and experimentation—all of which clearly support, and provide the factual basis for a positive written finding.

The "expert opinion of the regulatory authority" indicated in the managers report, and the written finding required of the regulatory authority, are those formulated and founded upon the expert, substantive information and fact relevant to the question of a technological capability to restore prime farmland. And, as indicated in the managers statement, "This does not mean that mining and restoration must have taken place in the surrounding area, but simply that the operator show"—and I might add, that the regulatory authority affirmatively find in writing—"by agricultural school studies, or other data for comparable areas, that equivalent levels of yield can be obtained after mining."

A second point of clarification pertains to the prime farmlands grandfather provision. While the conferees agreed "to assure continued operation of ongoing mines" by exempting "permits issued prior to the date of enactment of this Act, . . . revisions or renewals thereof, or . . . existing surface mining operations for which a permit was issued prior to the date of enactment of this Act . . .", the conferees never contemplated that such grandfathered operations would be given the right of contiguous or noncontiguous expansions that were not specified or authorized in the originally approved and grandfathered permits. If such were the intent of the conferees, they would have included and enumerated such operations in section 506(d)(2) of H.R. 2. No such action was ever taken by the conferees. In addition, ancillary permits—those not pertaining to the actual approval and beginning of the mining activity itself—were not specified in either the conference or managers report as being included under this grandfather proviso.

Mr. UDALL. I believe your understanding is correct and is also shared by the majority of House conferees. The

conference report is clear on this matter and the explanatory statement on the part of the managers is accurate.

The exclusion pertains to existing mines, permits or renewals thereof after the date of enactment. This so-called "grandfather" is different than the one conferees adopted for mining on alluvial valley floors.

Mr. TSONGAS. I thank the gentleman.

Mr. UDALL. Mr. Speaker, I have no further requests for time.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, I would only say that we know of the proverbial bad day at Black Rock. This era in our history will probably be remembered as a bad day for Black Rock. It is amazing and incredible to me and to many people that for those who have access to as much technology as we have, we have an administration that says it would like to help the American people solve the energy crisis, so its solution is that we will not use the technology we have in nuclear power. The Secretary of the Interior is trying to interfere with offshore oil leases. The administration refuses to deregulate the price of oil and natural gas. The solution is to ration gasoline, which leaves a lower standard of living for all.

Now, when it comes to coal, that is going to be the big lifesaver. We are going to burn coal. We are going to make it harder to mine it. We will have much more redtape and much more cost. As the gentleman from Maryland pointed out, it is going to cause the consumers to pay a higher cost for every piece of coal they burn.

It is incredible to me. And I know that the little green men in the army of the environmentalists feel that they have scored a significant victory today. I only hope they are as happy when they are freezing to death in the dark as they are today.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I rise in opposition to the conference report on H.R. 2, the Surface Mining Control and Reclamation Act of 1977. Acceptance of this proposal will take hundreds of thousands of tons of readily available coal out of our energy supply and fossil fuel inventory. I cannot understand how, in all good conscience, we can take such action at this critical point in our Nation's need for energy and the fuel to supply this need.

A vote for the conference report is a vote for higher fuel costs, and higher costs to the consumer of the numerous products depending upon coal or derived from coal. It is also a vote in favor of increasing our dependence on oil, which we can hardly afford in our current economic situation.

I realize the conferees have spent many long hours trying to compromise on this legislation, and I admire their efforts in struggling with this regulatory measure that seems destined to become a bureaucratic nightmare.

In title V of this measure, the conferees agreed on language to allow surface mine operations permitted in a State prior to the date of enactment of this act until January 1, 1979 to meet the interim Federal environmental standards, except for the prohibition of pushing spoil below the bench on the downslopes. However, this is only for those operators who annually produce not more than 100,000 tons from surface and underground mines combined. While it would appear that this language gives the small operator a break, the production limit is not large enough, nor the time extension long enough to include the majority of small operators and allow them sufficient leeway. It will merely give them some extra months in which to arrange for the liquidation of their operations. Tonnage and time limits aside, the prohibition of spoil on the downslope from the first cut itself will raise the basic question of how such operations can begin. What are the operators supposed to do with the spoil from the first cut? I have received suggestions for answers to this question, but I feel it would probably violate the rules of the House to list them here due to their nature.

The prohibition of spoil on the downslope, and the prohibition against any exposed highwall after reclamation are sufficient in themselves to severely curtail, if not completely eliminate the surface mining industry in the Appalachian area, notably the small operators who produce the majority of the percentage of surface coal mined.

If this measure is approved, we are committing a grave injustice to producers and consumers of coal and coal products alike, and the results will be deeply felt through the resulting employment and economic situations of our surface coal mining regions.

I ask for your responsible and reasonable consideration of the impact of this conference report, and I urge its rejection.

Mr. Speaker, I am certainly no prophet, but I predict—and I think I am on sound ground when I make this prediction—it will not be too many years when this committee or some committee of the Congress will be back before us asking us to undo much which we have done today, which, in my opinion, is going to make it virtually impossible for this Nation to achieve self-sufficiency in energy, certainly, at any time in the future.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. MURPHY), who played a very valuable role as a member of the committee in developing this legislation.

Mr. MURPHY of Pennsylvania. Mr. Speaker, I thank the chairman of the committee for yielding me these 2 minutes.

Mr. Speaker, I would like to allay the fears of my colleagues from Idaho, from Virginia, and from some of the other States who are in opposition to this conference report.

From 1961 through 1963, when I was a young member of the Pennsylvania Legislature. I heard many of these arguments. I live in a coal area; I live in a part of Appalachia; I live in the mountains.

I want to tell the Members that there is more coal being stripped in western Pennsylvania today than at any other time in the history of the State of Pennsylvania. That includes the free-wheeling days of strip mining in the 1940's when they used the excuse of winning World War II to desecrate many sections of Pennsylvania, Ohio, and West Virginia.

This mining today is being conducted by large and small operators. It is being conducted at a profit. The land is being backfilled to the high wall; it is backfilled to contour. We have no more high wall in Pennsylvania. I invite the Members to come and see our reclaimed areas in Pennsylvania today.

The only thing that is causing us a problem is a result of strip mining operations of past years. The reclaiming of these stripped lands costs millions and millions of Pennsylvania taxpayer dollars that are needed to reclaim our land. That we are doing.

But today strip mining in Pennsylvania is regulated, and yet it is more profitable than ever, and coal is more plentiful than ever.

Mr. Speaker, I urge my colleagues to support this conference report.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 2, Surface Mining and Control Act of 1977, and I intend to vote for it.

However, I must say that I am deeply disappointed by the failure of the conferees to retain the language in section 610, title VI, designation of lands unsuitable for noncoal mining, that I supported in that committee.

That language, which was included in the bill as passed by the House, would have permitted the Secretary to set aside lands containing noncoal minerals if such lands are unique.

That precedent would have helped to prevent in the future what is now threatened by the application of D. S. Gypsom Co. to strip mine for phosphate in the Los Padres National Forest near Djai, Calif.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I want to compliment the gentleman from Arizona (Mr. UDALL) for bringing us this conference report, and I urge its support.

The gentleman from Arizona is going to get a lot of satisfaction from seeing this bill passed and signed. However, he is going to get even greater satisfaction in the years ahead when he can see the fruits of his labor in terms of good reclamation practices, in terms of restored orphaned lands, and in terms of the land that will be stripped and put back into a useful purpose for society.

I think we tend to overlook the fact that in establishing uniform rules for the national development of our coal reserves we are going to encourage greater production. People will now know what kind of equipment to buy, and they will know what kind of operations to develop. The establishment of the rules embodied

in this legislation, with the uncertainty that will be removed by the signing of it, is very vital to the increased production of coal.

As the gentleman from Pennsylvania (Mr. MURPHY) pointed out, there were arguments against regulation in Pennsylvania, and I heard all the same arguments in the Ohio Legislature some years ago when we developed a bill that is very similar to what we are passing today. Yet when one drives through Ohio today, we find that we do have increased mining, and that the land is being restored to a useful purpose. Certainly the Ohio results have been gratifying, and I am confident that this bill will be achieving the same results at the national level.

Mr. Speaker, one other other thing should be pointed out, and that is that the reclamation fund that will be generated by this bill will restore orphaned lands, and the benefits of this will be immeasurable. This is going to remove a lot of the sources of water pollution that are today fouling streams throughout our country. This will afford the opportunity to return many of these orphaned lands to a useful recreational purpose while at the same time solving the problems of pollution that result from a failure to restore lands in past years.

Mr. BAUMAN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. MCDADE).

Mr. MCDADE. Mr. Speaker, I rise in support of the conference report.

To a lot of Members on this floor, this seems like the end of a long dream come true.

I want to associate myself with the comments of my friend, the gentleman from Ohio (Mr. REGULA), and I want to commend especially my friend, the gentleman from Arizona (Mr. UDALL), who has worked so long and so hard to see this day come true. I wish to commend all the Members who have worked for the adoption of this bill.

I think this is a great day for America. I would like to have seen a few changes in the bill, and the Members will recall that I have discussed that feature many, many times in the past.

Mr. Speaker, I hope that this conference report is agreed to overwhelmingly.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ), the ranking minority member on the Committee on Interior and Insular Affairs.

Mr. SKUBITZ. Mr. Speaker, I rise in support of this conference report for two basic reasons: First, this legislation is superior to any previously considered by Congress; and second, this administration has represented to this Congress that passage of this legislation will not adversely affect its stated goal of increasing coal production.

Although there are aspects of this legislation which are still bothersome, I do not intend to belabor you with them because I have been granted every courtesy and I have availed myself of every opportunity to be heard during the markup of this legislation, in subcommittee, full committee, on this floor and in the conference.

In some respects, this vote today, is almost anticlimactic. For 11 years I have sought legislation which would not only prevent the scarring of our lands in the process of removing this most abundant and important resource, but would also restore the previously scarred lands. As a result of these past 11 years, although personally frustrating for me in this respect, we have not only produced a better, more well thought-out piece of legislation, the passage of time has allowed the coal industry to perfect its reclamation processes to the extent that some lands may be made more productive after strip mining than before they were disturbed.

My recommendation of this legislation, is further supported by the fact that this administration has clearly said passage of this legislation will not hinder its reliance on increased coal production to address this country's present and future energy needs. Although there are still those among us who are fearful that the constraints in this legislation will retard coal production, I am willing to accept the representation of this administration, and I am confident the American public will hold them accountable if they are not correct in their representation.

I would like to join Chairman UDALL, in his commendation of the staff, some of whom have almost made a career out of this one piece of legislation. The subcommittee and full committee members are also to be commended for not only their competence but their patience and persistence.

Mr. Chairman, The conference managers, although faced with many emotionally laden issues worked tirelessly for 13 days on an average of 4 hours per day to produce this product, and I am proud to be associated with them and join them in presenting and recommending this legislation for your favorable consideration.

Mr. RUPPE. Mr. Speaker, I rise in support of the conference report on H.R. 2.

As a manager on the part of the House for this bill and as a member of the Committee on Interior and Insular Affairs, I want to compliment the gentleman from Arizona (Mr. UDALL) who, as chairman of the conference committee, has so ably guided this legislation to the final stage of congressional action. This is a proud moment for many of us who have worked for five sessions of Congress to develop a strong Surface Mining Control and Reclamation Act. I want my colleagues to be aware of the long hours of hearings, briefings, field trips, markup sessions, floor actions, and conference committee deliberations that the gentleman from Arizona has devoted to this piece of legislation. At all times he has been fair, patient, and receptive to the many demands on his time that this legislation has required. I personally feel that the final product favorably reflects our chairman's commitment to hear all points of view and to seek an equitable resolution of the many controversial issues generated by consideration of this bill.

The Interior Committee has struggled for 5 years to develop surface coal mining legislation which would strike a reasonable balance between achieving our energy goals and enhancing the quality of our environment. The committee has reported similar legislation four times in the last 3 years. The House has considered similar conference reports twice in the last 3 years. While I have supported previous efforts to enact a surface mining bill, I believe H.R. 2 to be, on the balance, a more carefully drafted and a better reasoned product of congressional consideration than its predecessors.

The conference report on H.R. 2 contains many compromises, both major and minor, which will permit a more orderly implementation of the regulatory program and which should assuage the fears of those who have predicted massive production losses and increased unemployment resulting from the provisions of previous bills.

Mr. Speaker, the conference committee faced many difficult decisions and I believe the House conferees have succeeded in bringing back a conference report that the House can wholeheartedly endorse.

One of the most controversial issues to be resolved by the conference was the protection to be afforded to prime farmlands. The House bill contained a carefully designed set of environmental protection standards that provided for soil surveys, productivity statements, and soil reconstruction standards. The standards of section 515(b)(7) required segregation, stockpiling if not utilized immediately, replacement, and regrading of the "A", "B", and "C" horizons of the natural soil. The "B" and C" horizons can be mixed together if an equal or better root zone can be obtained.

The Senate amendment contained a special test, effective on the date of enactment, with respect to the protection of prime farmlands. Any mine application whose area in prime farmlands exceeded 10 percent of the total area included in the application would have to demonstrate that such lands would be restored to full productivity. The granting of such a permit would be discretionary on the part of the regulatory authority. Permits and coal surface mine operations existing on the date of enactment would not have to meet this test.

The House bill had no such provision.

The conferees agreed to accept the standards contained in the House bill, delete the special test contained in the Senate amendment, and add a revised provision which stipulates that such a permit shall be granted if the regulatory authority finds that the applicant has "the technological capability to restore such mined area, within a reasonable time, to equivalent or higher levels of yield as nonmined prime farmland soils in the surrounding area under equivalent levels of management."

The conference report on H.R. 2 states that—

It is the intention of the conferees that the written finding that the regulatory authority is required to make before a permit is granted to mine on prime farmland can be based in part on the expert opinion of the regulatory authority that the operator has the technological capability to perform the soil reconstruction standards of section 515 (b)(7) and the performance of those stand-

ards will result in the restoration of the mined area to equivalent or higher levels of agricultural yield as nonmined prime farmland in the surrounding area under equivalent levels of management. This does not mean that mining and restoration must have taken place in the surrounding area, but simply that the operator can show by agricultural school studies, or other data for comparable areas that equivalent yields can be obtained after mining.

It is my understanding the above-quoted language makes clear that the permit applicant will not be required to demonstrate the technological capability to restore the mined land by developing a test plot in the surrounding area but rather the regulatory authority can make a finding of technological capability by noting the success of reclamation practices in other regions of the country, by examining relevant agricultural school and soil conservation agency studies, and by reviewing the methodology the permit applicant is proposing to comply with the soil reconstruction standards.

Section 510(d)(2) provides that the special requirements prescribed in that subsection for mining on prime farmland shall not apply to any permit issued prior to the date of the act, or to any revisions or renewals thereof, or to any surface mining operations for which a permit was issued prior to the enactment of this act.

The conference report explains that this exclusion for existing mine permits or renewals thereof after the date of the enactment was designed to assure continued operation of ongoing mines.

It is my understanding that the exclusion will apply to continued operation of an ongoing mine beyond the acreage and time covered in the existing permit at the time of the enactment of the act, just so long as the continuance does, in fact, constitute a continued operation of an ongoing mine.

I wish to point out that while the House receded to the Senate's definition of "prime farmland," the conferees included the House requirement that land subject to prime farmland protections must "historically have been used for intensive agricultural purposes."

It is my hope that the provisions that the conference committee adopted for the protection of prime farmland will insure that this valuable resource will be brought back to full productive use within a reasonable amount of time and yet will not be an impediment to the continuation and expansion of coal mining in the Midwest and the Northern Great Plains. It is certainly not the intention of the conferees to prohibit the future production of coal from these areas.

Another issue which historically has been difficult for conferees to resolve is the question of surface owner consent to the mining of federally owned coal in the West.

The House bill contained language which I offered in subcommittee that required the Secretary to obtain the written consent of the surface owner—as defined—before leasing any Federal coal deposits underlying the surface owner's land for surface mining. The Senate amendment allowed the Secretary to override the surface owner's objection to leasing Federal coal under his land if the Secretary found that such leasing was in the national interest. Compensation to the surface owner was limited to twice the value of the surface estate under the Senate amendment.

The Senate receded to the House position. Yesterday, the Senate upheld the conference committee's decision to accept the House language by a vote of 52 to 43 on a motion to recommit the conference report so that the surface owner consent issue could be reopened.

It is my firm belief that the House language will facilitate the development of Western coal and, at the same time, encourage the ranchers and farmers to stay on their land instead of selling out lock, stock, and barrel to large energy corporations. The language that the Senate amendment contained and the language that previous conference reports contained never took into account the fact that the surface owner would either say "no" to strip mining or sell his entire interest in the land. It is very unlikely that he would avail himself of any legislative formula limiting the value he could receive for leasing his land. It is important to realize that the Senate amendment in no way restricted the surface owner's prerogative to sell his land. The language contained in this conference report encourages both coal development and the retention of surface ownership by Western farmers and ranchers.

Finally, Mr. Speaker, I would like to comment on the treatment of alluvial valley floors in this conference report. The language that was agreed to is substantially similar to the approach recommended by the House Interior Committee. This approach was superseded on the House floor by an amendment which placed a total ban on mining on alluvial valley floors subject to certain grandfather rights.

The House receded to the Senate provision with few changes. The phrase "not interrupt, discontinue or prevent farming" was modified to "not interrupt, discontinue or preclude farming" in order to assure coverage of those lands which may be taken out of agricultural production in order to qualify for a new mine start on an alluvial valley floor. The conferees did not want this type of change in land use to qualify an alluvial floor for mining. The phrase "not adversely affect" with respect to off-floor operations was changed to "not materially damage." The conferees also stipulated that the Secretary develop and carry out a coal exchange program for fee coal located in alluvial valley floors under the provisions of section 206 of the Federal Land Policy and Management Act of 1976. If developed lands on alluvial valley floors were of "such small acreage as to be of negligible impact on the farm's agricultural production" they may be included in a mine plan. The conferees recognize that farming on the mine site must be interrupted during the mining and reclamation process. Therefore, the language quoted above is not intended to apply to such temporary onsite interruptions but is limited solely to such interruptions of offsite farm activities.

The language added by the conferees to the Wallop amendment of the Senate version is designed to make it clear that the Secretary should actively implement the coal exchange program. This program would apply to all those private coal deposits, regardless of any previous financial or legal commitments, which the Secretary determines cannot be mined because of the provisions of section 510(b)(5). The program would not apply to privately owned coal which might have been mined in the same operation but which can still be mined.

Mr. Speaker, I feel that the conference committee actions I have discussed above represent fair and wise compromises and I urge the adoption of the conference report.

Mr. BAUMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. UDALL. Mr. Speaker, before I yield back the balance of my time and before I put the previous question, I want to thank my colleagues on the other side of the aisle. Not all of the proponents of this bill were over here on this side. Indeed, not all of the opponents were on the other side of the aisle. Members like the gentleman from Kansas (Mr. SKUBITZ); the gentleman from Ohio (Mr. REGULA), who was on our committee for a while; the gentleman from California (Mr. LAGOMARSINO); and the gentleman from Michigan (Mr. RUPPE) all worked diligently on this legislation. We even had some helpful amendments offered by the gentleman from Maryland (Mr. BAUMAN), from time to time.

Therefore, Mr. Speaker, we have had a good staff and a good job has been done by a lot of people. I think it is a good day for the country.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BROWN of California). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 325, nays 68, answered "present" 1, not voting 39, as follows:

[Roll No. 450]

YEAS—325

Abdnor	Annunzio	Benjamin
Addabbo	Applegate	Bennett
Akaka	Armstrong	Biaggi
Alexander	Ashley	Bingham
Allen	Aspin	Blanchard
Ambro	AuCoin	Blouin
Ammerman	Baldus	Boland
Anderson, Calif.	Barnard	Bolling
	Baucus	Bonior
Anderson, Ill.	Beard, R.I.	Bonker
Andrews, N.C.	Beard, Tenn.	Bowen
Andrews, N. Dak.	Bedell	Breaux
	Beilenson	Breckinridge

Brinkley	Hawkins	Pettis
Brodhead	Heckler	Pickle
Brooks	Hefner	Pike
Brown, Calif.	Heftel	Pressler
Brown, Mich.	Hightower	Preyer
Brown, Ohio	Hillis	Price
Broyhill	Holtzman	Pritchard
Buchanan	Horton	Pursell
Burgener	Howard	Quayle
Burke, Calif.	Huckaby	Quie
Burke, Fla.	Hughes	Rahall
Burlison, Mo.	Hyde	Railsback
Burton, John	Ireland	Rangel
Burton, Phillip	Jacobs	Regula
Caputo	Jeffords	Reuss
Carney	Jenkins	Richmond
Carr	Jenrette	Rinaldo
Cavanaugh	Johnson, Colo.	Rodino
Cederberg	Jones, N.C.	Roe
Chappell	Jordan	Rogers
Clausen, Don H.	Kasten	Roncalio
	Kastenmeier	Rooney
Clay	Keys	Rose
Cleveland	Kildee	Rosenthal
Cohen	Kostmayer	Rostenkowski
Coleman	Krebs	Roybal
Collins, Ill.	Krueger	Russo
Conable	LaFalce	Ryan
Conte	Lagomarsino	Santini
Conyers	Leach	Sarasin
Corcoran	Lederer	Sawyer
Corman	Leggett	Scheuer
Cornell	Lehman	Schroeder
Cornwell	Lent	Schulze
Coughlin	Levitas	Seiberling
D'Amours	Lloyd, Calif.	Sharp
Danielson	Lloyd, Tenn.	Shipley
Delaney	Long, La.	Simon
Dellums	Long, Md.	Sisk
Derrick	Lujan	Skelton
Derwinski	Lundine	Skubitz
Dicks	McClory	Smith, Iowa
Dingell	McCloskey	Smith, Nebr.
Dodd	McCormack	Snyder
Dornan	McDade	Solarz
Downey	McEwen	Spellman
Drinan	McFall	Staggers
Duncan, Oreg.	McHugh	Stangeland
Duncan, Tenn.	McKay	Stanton
Early	Madigan	Steed
Eckhardt	Mann	Steers
Edgar	Markey	Steiger
Edwards, Ala.	Marks	Stockman
Edwards, Calif.	Marlenee	Stokes
Eilberg	Martin	Stratton
Emery	Mattox	Studds
Erlenborn	Mazzoli	Thone
Ertel	Meeds	Thornton
Evans, Colo.	Meyner	Traxler
Evans, Del.	Michel	Treen
Evans, Ga.	Mikulski	Tsongas
Evans, Ind.	Mikva	Tucker
Fary	Miller, Calif.	Udall
Fascell	Mineta	Ullman
Fenwick	Mitchell, Md.	Van Deerlin
Findley	Mitchell, N.Y.	Vander Jagt
Fish	Moakley	Vanik
Fisher	Moffett	Vento
Fithian	Mollohan	Volkmer
Flood	Moore	Walgren
Florio	Moorhead, Calif.	Walker
Foley		Walsh
Ford, Tenn.	Moorhead, Pa.	Waxman
Forsythe	Moss	Weaver
Fountain	Mottl	Weiss
Fowler	Murphy, Ill.	Whalen
Fraser	Murphy, Pa.	White
Frenzel	Myers, Gary	Whitehurst
Fuqua	Myers, John	Whitley
Gaydos	Myers, Michael	Wiggins
Gephardt	Neal	Wilson, Bob
Gibbons	Nedzi	Wilson, C. H.
Gilman	Nichols	Wilson, Tex.
Ginn	Nix	Winn
Glickman	Nolan	Wirth
Goodling	Nowak	Wolff
Gore	O'Brien	Wright
Gradison	Oakar	Wydler
Gudger	Oberstar	Wylie
Hagedorn	Obey	Yates
Hamilton	Ottinger	Yatron
Hanley	Panetta	Young, Alaska
Hannaford	Patten	Young, Fla.
Harkin	Patterson	Young, Mo.
Harrington	Pattison	Young, Tex.
Harris	Pease	Zablocki
Harsha	Pepper	

NAYS—68

Archer	Carter	Daniel, R. W.
Ashbrook	Clawson, Del	Davis
Bauman	Cochran	de la Garza
Bevill	Collins, Tex.	Devine
Burleson, Tex.	Crane	Edwards, Okla.
Butler	Daniel, Dan	English
Flynt	Kemp	Robinson
Gammage	Ketchum	Rousselot
Goldwater	Kindness	Rudd
Gonzalez	Latta	Runnels
Grassley	Lott	Satterfield
Hall	McDonald	Sebelius
Hammer-schmidt	Mahon	Shuster
	Marriott	Slack
Hansen	Mathis	Spence
Holt	Milford	Stump
Hubbard	Miller, Ohio	Symms
Ichord	Natcher	Taylor
Johnson, Calif.	Perkins	Trible
Jones, Okla.	Poage	Waggonner
Jones, Tenn.	Rhodes	Wampler
Kazen	Risenhoover	Watkins
Kelly	Roberts	Whitten

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—39

Badham	Flippo	Metcalfe
Badillo	Flowers	Minish
Boggs	Ford, Mich.	Montgomery
Brademas	Frey	Murphy, N.Y.
Broomfield	Giaimo	Murtha
Burke, Mass.	Guyer	Quillen
Byron	Holland	Ruppe
Chisholm	Hollenbeck	Sikes
Cotter	Koch	St Germain
Cunningham	Le Fante	Stark
Dent	Luken	Teague
Dickinson	McKinney	Thompson
Diggs	Maguire	Zeferetti

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Teague.
Mr. Zeferetti with Mr. Montgomery.
Mrs. Boggs with Mr. Flippo.
Mr. Murtha with Mr. Diggs.
Mr. Cotter with Mr. Badham.
Mr. Brademas with Mr. Byron.
Mr. Cunningham with Mr. Badillo.
Mr. Dent with Mrs. Chisholm.
Mr. Flowers with Mr. Broomfield.
Mr. Frey with Mr. Dickinson.
Mr. Giaimo with Mr. Ford of Michigan.
Mr. Hollenbeck with Mr. Guyer.
Mr. Le Fante with Mr. Holland.
Mr. Minish with Mr. Koch.
Mr. McKinney with Mr. Luken.
Mr. Murphy of New York with Mr. Maguire.
Mr. Quillen with Mr. Metcalfe.
Mr. St Germain with Mr. Stark.
Mr. Thompson with Mr. Sikes.

Mr. VOLKMER changed his vote from "nay" to "yea."

Mr. GONZALEZ changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table

GENERAL LEAVE

Mr. UDALL. Mr. Chairman, I ask unanimous consent that I may revise and extend my remarks and that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill H.R. 2.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AUTHORIZING CLERK TO MAKE TECHNICAL AND CONFORMING CHANGES IN ENROLLMENT OF H.R. 2

Mr. UDALL. Mr. Speaker, I call up from the Speaker's table the Senate concurrent resolution (S. Con. Res. 39) authorizing technical corrections in the enrollment of H.R. 2 and ask unanimous consent for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, what are we doing here?

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I am glad to yield to the gentleman.

Mr. UDALL. Mr. Speaker, in connection with the adoption of the stripmining conference report in the Senate yesterday, the Senator from New Mexico was worried about some language in regard to interpretation of the effect of the jurisdiction of these Indian lands. In order to accommodate the Senator and the Speaker, this passed the Senate. It simply directs the Clerk in enrolling the finally engrossed bill to make technical changes.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, how many technical changes are we making? Are we rewriting the bill?

Mr. UDALL. Mr. Speaker, I would be glad to explain to the gentleman. It was in the RECORD yesterday on the Senate bill (S. 1244), and there were some improper section references. At the end there is a proviso that nothing in this act is to change the existing jurisdiction of Indian claims. The minority on the Senate side sought this. It was not our problem. It was their problem and we agreed to it.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, would the gentleman be willing to make some amendments to this in areas other than just the Indian lands? I did not have a copy of this.

Mr. UDALL. Mr. Speaker, I apologize to the gentleman from Maryland. I thought the staff had given a copy to the gentleman from Maryland.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 39

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives is authorized and directed, in the enrollment of H.R. 2, an Act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of service coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, to make the following technical and conforming changes:

(1) in section 406(1) strike out "303(c)" and insert in lieu thereof "401";

(2) in section 701(4)—

(A) strike out "715" and insert in lieu thereof "714"; and

(B) strike out "712" and insert in lieu thereof "715"; and

(3) in section 710 add at the end thereof the following:

"(h) The Secretary shall analyze and make recommendations regarding the jurisdictional status of Indian Lands outside the exterior boundaries of Indian reservations: *Provided*, That nothing in this Act shall change the existing jurisdictional status of Indian Lands.".

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate concurrent resolution be dispensed with, and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 6370, INTERNATIONAL TRADE COMMISSION AUTHORIZATION, 1978

Mr. VANIK submitted the following conference report and statement on the bill (H.R. 6370) to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the chairman and vice chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 95–518)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6370) to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the chairman and vice chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

Subsection (e) of section 330 of the Tariff Act of 1930 (19 U.S.C. 1330 (e)) is amended—

(1) by inserting "(1)" immediately before "For"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year 1978 an amount not to exceed $11,522,000.

"(3) There are authorized to be appropriated to the Commission for each fiscal year after September 30, 1977, in addition to any other amount authorized to be appropriated for such fiscal year, such sums as may be necessary for increases authorized by law in salary, pay, retirement, and other employee benefits.".

SEC. 2. APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN.

(a) Subsection (c) of section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) is amended to read as follows:

"(c) CHAIRMAN AND VICE CHAIRMAN; QUORUM.—

"(1) The chairman and the vice chairman of the Commission shall be designated by the President from among the members of the Commission not ineligible, under paragraph (3), for designation. The President shall notify the Congress of his designations under this paragraph.

"(2) After June 16, 1978, the terms of office for the chairman and vice chairman of the Commission shall be as follows:

"(A) The first term of office occurring after such date shall begin on June 17, 1978, and end at the close of June 16, 1980.

"(B) Each term of office thereafter shall begin on the day after the closing date of the immediately preceding term of office and end at the close of the 2-year period beginning on such day.

"(3)(A) The President may not designate as the chairman of the Commission for any term—

"(i) either of the two commissioners most recently appointed to the Commission as of the beginning date of the term of office for which the designation of chairman is to be made; or

"(ii) any commissioner who is a member of the political party of which the chairman of the Commission for the immediately preceding term is a member.

"(B) The President may not designate as the vice chairman of the Commission for any term any commissioner who is a member of the political party of which the chairman for that term is a member.

"(C) If any commissioner does not complete a term as chairman or vice chairman by reason of death, resignation, removal from office as a commissioner, or expiration, of his term of office as a commissioner, the President shall designate as the chairman or vice chairman, as the case may be, for the remainder of such term a commissioner who is a member of the same political party. Designation of a chairman under this subparagraph may be made without regard to the limitation set forth in subparagraph (A)(i).

"(4) The vice chairman shall act as chairman in case of the absence or disability of the chairman. During any period in which there is no chairman or vice chairman, the commissioner having the longest period of continuous service as a commissioner shall act as chairman.

"(5) No commissioner shall actively engage in any business, vocation, or employment other than that of serving as a commissioner.

"(6) A majority of the commissioners in office shall constitute a quorum, but the Commission may function notwithstanding vacancies.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to the designation of chairmen and vice chairmen of the United States International Trade Commission for terms beginning after June 16, 1978.

SEC. 3. ADMINISTRATION OF COMMISSION.

(a) Subsection (a) of section 331 of the Tariff Act of 1930 (19 U.S.C. 1331) is amended to read as follows:

"(a) ADMINISTRATION.—

"(1) Except as provided in paragraph (2), the chairman of the Commission shall—

"(A) appoint and fix the compensation of such employees of the Commission as he deems necessary (other than the personal staff of each commissioner), including the secretary,

"(B) procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and

"(C) exercise and be responsible for all other administrative functions of the Commission.

Any decision by the chairman under this paragraph shall be subject to disapproval by a majority vote of all the commissioners in office.

"(2) Subject to approval by a majority vote of all the commissioners in office, the chairman may—

"(A) terminate the employment of any supervisory employee of the Commission whose duties involve substantial personal responsibility for Commission matters and who is compensated at a rate equal to, or in excess of, the rate for grade GS–15 of the General Schedule in section 5332 of title 5, United States Code, and

"(B) formulate the annual budget of the Commission.

"(3) No member of the Commission, in making public statements with respect to any policy matter for which the Commission has responsibility, shall represent himself as speaking for the Commission, or his views as being the views of the Commission, with respect to such matter except to the extent that the Commission has adopted the policy being expressed.".

(b) Section 331 of such Act (19 U.S.C. 1331) is amended—

(1) by striking out "approved by the Commission" in subsection (c) and inserting in lieu thereof the following: "approved by the chairman (except that in the case of a commissioner, or the personal staff of any commissioner, such vouchers may be approved by that commissioner)", and

(2) by striking out subsection (d) and redesignating subsections (e), (f), and (g) as (d), (e), and (f), respectively.

(c) The amendments made by this section take effect on the date of enactment of this Act.

SEC. 4. HARMONIZATION OF TRADE STATISTICS.

Section 484 (e) of the Tariff Act of 1930 (19 U.S.C. 1484 (e)) is amended by striking out "production," and inserting in lieu thereof the following: "production and programs for achieving international harmonization of trade statistics,".

SEC. 5. CONTINUATION OF REPORTS WITH RESPECT TO SYNTHETIC ORGANIC CHEMICALS.

The International Trade Commission is hereby directed to make, for each calendar year ending before January 1, 1981, reports with respect to synthetic organic chemicals similar in scope to the reports made with respect to such chemicals for the calendar year 1976.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

AL ULLMAN,
CHARLES A. VANIK,
SAM GIBBONS,
DAN ROSTENKOWSKI,
JAMES R. JONES,
BARBER B. CONABLE,
WILLIAM A. STEIGER,
Managers on the Part of the House.

RUSSELL B. LONG,
HERMAN TALMADGE,
ABE RIBICOFF,
W. V. ROTH, Jr.,
BOB PACKWOOD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6370) to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the chairman and vice chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the

action agreed upon by the managers and recommended in the accompanying conference report:

AUTHORIZATION OF APPROPRIATIONS TO THE U.S. INTERNATIONAL TRADE COMMISSION FOR FISCAL YEAR 1978

House bill.—The House bill authorizes appropriation of $11,522,000 to the U.S. International Trade Commission for Fiscal Year 1978.

Senate amendment.—The Senate amendment authorizes appropriation of $12,187,000 to the U.S. International Trade Commission for Fiscal Year 1978.

CONFERENCE AGREEMENT.—The conference agreement follows the House bill. The conferees noted that the conference report on H.R. 7556, H. Rept. No. 95-476, provides for appropriation of $11,500,000 to the Commission for Fiscal Year 1978.

LIMITATION ON USE OF APPROPRIATIONS FOR COMMISSIONERS' PERSONAL STAFF

House bill.—The House bill limits each Commissioner's personal staff to four persons of all categories (professional and support), except that the Chairman of the Commission may have six persons.

Senate amendment.—The Senate amendment deletes the House provision.

CONFERENCE AGREEMENT.—The conference agreement omits this provision of the House bill. The Conferees expect the Commissioners to keep the number of individuals on their personal staffs at approximately the current levels.

QUALIFICATIONS FOR APPOINTMENT AS A COMMISSIONER

House bill.—The House bill requires that any person appointed as a Commissioner be a United States citizen and be knowledgeable about United States international trade problems. It also requires that persons be appointed as Commissioners on the basis of their maturity, experience, integrity, impartiality, good judgment and objectivity.

Senate amendment.—The Senate amendment deletes the House provision.

Conference agreement.—The conference agreement omits this provision of the House bill. This agreement retains present law which requires that an appointee possess qualifications requisite for developing expert knowledge of international trade problems and efficiency in administering the duties and functions of the Commission. (19 U.S.C. 1330(a)).

REMOVAL FROM OFFICE OF COMMISSIONERS

House bill.—The House bill provides that the President may remove a Commissioner from office for inefficiency, neglect of duty, or malfeasance.

Senate amendment.—The Senate amendment deletes the House provision.

Conference agreement.—The conference agreement omits this provision of the House bill as unnecessary because the Commission is an independent agency with quasi-legislative and quasi-judicial responsibilities and removal of the Commissioners is subject to the standards set down by the Supreme Court (e.g., *Humphrey's Executor v. United States*, 295 U.S. 602 (1935), *Wiener v. United States*, 357 U.S. 349 (1958)).

DESIGNATION OF CHAIRMAN AND VICE-CHAIRMAN

House bill.—The House bill provides for the appointment of the Chairman and Vice-Chairman of the Commission by the President, by and with the advice and consent of the Senate. The Chairman and Vice-Chairman could not be members of the same political party. When there is no Chairman or Vice-Chairman, the senior Commissioner in terms of continuous service acts as Chairman.

Senate amendment.—The Senate amendment deletes the House provision.

Conference agreement.—Under the conference agreement, the President will designate one Commissioner as the Chairman and one Commissioner as the Vice-Chairman of the Commission. The President may not designate an individual to be Chairman who has the same party affiliation as the individual whom he succeeds as Chairman. The conferees intend that the first Chairman designated after June 16, 1978, not have the same party affiliation as his predecessor as Chairman. Nor may the President designate as Chairman either of the two Commissioners who were most recently appointed to the Commission, including an individual whom the President appoints to the Commission at the time he designates the Chairman. This requirement does not apply when the President designates an individual to fill the unexpired term of a Chairman. The Vice-Chairman of the Commission may not have the same party affiliation as the Chairman of the Commission. The President must notify the Congress of any designation of a person to be Chairman or Vice-Chairman. Designation as Chairman or Vice-Chairman by the President is not an appointment requiring the advice and consent of the Senate. This provision of the conference agreement will apply with respect to the designation of the Chairman and Vice-Chairman for terms beginning after June 16, 1978.

TERM OF OFFICE OF CHAIRMAN AND VICE-CHAIRMAN

House bill.—The House bill provides for three-year terms for the Chairman and Vice-Chairman. No Commissioner may be appointed Chairman if he has served two full terms in such position nor may he be appointed Vice-Chairman if he has served two terms in such position.

Senate amendment.—The Senate amendment deletes the House provision.

Conference agreement.—Under the conference agreement the terms of office of the Chairman and Vice-Chairman will be two years, respectively.

ADMINISTRATIVE AUTHORITY OF THE CHAIRMAN

House bill.—The House bill provides that the Chairman is responsible for all administrative matters of the Commission except that actions he initiates relating to the employment and discharge of key personnel, external relations, and the budget of the Commission are subject to the approval by a majority vote of the Commission.

Senate amendment.—The Senate amendment provides that the Chairman is responsible for all administrative matters of the Commission subject to disapproval by a majority vote of the full Commission.

Conference agreement.—Under the conference agreement, the Chairman shall exercise and be responsible for all administrative functions of the Commission, subject to disapproval by a majority vote of the Commission. However, two kinds of actions by the Chairman are subject to approval, by a majority vote, of the Commission: (1) Termination of employment with the Commission of an employee (A) with responsibility for supervising personnel, (B) whose duties involve substantial personal responsibility for Commission matters, and (C) who is a G.S. 15 or above, and (2) formulation of the annual budget of the Commission. In addition, no member of the Commission, including the Chairman, may speak for the Commission on policy matters unless the Commission has adopted the policy in question.

The conferees expect the entire Commission to retain responsibilty for administrative matters in the area of external relations involving liaison and relations with the Congress, with the President, and with the Executive Branch agencies. In the field of public relations, the entire Commission must also be in the position to protect the reputation of the Commission as an objective, nonpartisan, fact-finding body. In this respect, it is necessary that the Commission as a body be in a position to discipline individual members who may undertake action which would tend to discredit the Commission.

It is the intention of the conferees in agreeing to this provision to enable the Commission to devote all its energies to substantive matters within the jurisdiction of the Commission, leaving responsibility for administration of the Commission to the Chairman and his delegates. The conferees believe that ending full Commission debate of administrative matters should result in more definitive majority decisions on matters of substance.

By repealing section 331(d) of the Tariff Act of 1930, the conferees do not intend that the Commission may not rent office space or purchase furniture, equipment, and necessary supplies. The conferees intend these administration functions to be carried out by the Chairman.

HARMONIZATION OF TRADE STATISTICS

House bill.—The House bill provides that the Secretaries of the Treasury and of Commerce and the U.S. International Trade Commission, in establishing a program for the comparability of statistics for imports and exports, should also seek to establish the comparability of import and export statistical programs with programs for achieving international harmonization of trade statistics, for example, the program now under discussion in the Customs Cooperation Council.

Senate amendment.—The Senate amendment deletes the House provision.

Conference agreement.—The conference agreement follows the House bill.

SYNTHETIC ORGANIC CHEMICAL REPORTS

House bill.—No provision.

Senate amendment.—The Senate amendment provides for continuation of the present reports by the U.S. International Trade Commission covering the period until January 1, 1981, on synthetic organic chemicals.

Conference agreement.—The conference agreement follows the Senate amendment.

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MR. CARTER CAN SAVE THE CACHE

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. TUCKER. Mr. Speaker, reports from one source or another keep trickling in that President Carter in the end will compromise with Congress and accept funding for several of the 17 water projects that he originally opposed flatly. One of those projects on the compromise list, it is said, is the Cache River-Bayou DeView channelization in east Arkansas.

The compromise, so the story goes, would include assurances to Mr. Carter that the House will stand by its position against funding the Clinch River nuclear

breeder reactor, thus negating the support the breeder has in the Senate and killing the project.

Certainly the only puzzling thing about all this is why the President should feel that a compromise is necessary at all, especially in light of the fact that he has made a persuasive case against all of the 17 water projects on environmental, economic and safety grounds. And the case for the breeder is totally without merit. Mr. Carter does not have to compromise, to back down on the promise for fearless decisionmaking that was given so magnificently earlier on the B–1 bomber.

For him to back down on his opposition to ditching on the Cache in Arkansas, certainly, would be for him to stand aside and allow the destruction of an important free-flowing stream. It would be, in short, a cop-out—an unnecessary sacrifice simply to serve a short-term political purpose.

This would be especially so now that a reasonable and attractive alternative to ditching the Cache and DeView has been presented to the State Game and Fish Commission. The commission is one of three sponsors—the others are the Arkansas Wildlife Federation and the Rockefeller Foundation—of the alternative study done by a Louisiana consulting firm after it became painfully clear that the Army engineers were committed inflexibly to a plan that would relieve flooding on the upper part of the basin by moving it downstream in a ditch. It is the ditch plan that would be furthered by the new funding now before the Congress.

Findings and recommendations of the consultants were outlined Monday by Dr. Sherwood Gagliano, the firm's head, adding to a preliminary recommendation that a moratorium be placed on channelization of the river basin. Unlike the engineers, the private consultants considered the special situations that attach to the upper, middle and lower sections of the basin as well as the overall impact on the environmental quality of the entire basin. Thus, the list of recommendations is long and detailed, but it is by far the best outline for saving the environmental qualities of the Cache basin while providing a reasonable measure of flood control to be placed on the public agenda.

Supporters of the Cache ditching like to argue that the only way to save the remaining woodlands along the river from clearing—and more soybean production—is through the mitigation program that is supposed to be a part of the project. Otherwise, say these supporters, private landowners will strip the forests bare and do great damage to the environmental qualities of the region. The plan calls for the engineers to acquire 70,000 acres in mitigation; at last accounting, a few days ago, however, options had been obtained on only 150 acres! The Engineers may be tigers when it comes to digging a ditch, but they have proved to be tamer than pussy cats on acquiring mitigation lands.

The consultants, in any case, recommend that all land within the 10-year floodplain of the middle and lower Cache basin be bought by the public or placed under floodplain leases. The purchase would include from 100,000 to 130,000 acres, preserve woodlands and reduce flooding pressures that are increased by clearing of land.

The immediate course that should be followed on the Cache project is clear. President Carter should hold to his insistence, including veto, that funding not be provided for ditching the next segment of the Cache, regardless of what proposition reaches his desk from Congress. This done, the Engineers should be directed to develop environmentally acceptable alternatives for controlling flooding in the upper basin, perhaps using some or all of those developed in the private consultants' study. In the meantime, there is no apparent obstacle to the Army Engineers continuing the acquisition of woodlands in mitigation, to blunt the movement for needless clearing. All this may not be the simplest way to approach the issue, but it is a sensible way that is workable, and Mr. Carter in the past, especially in the B–1 decision, has illustrated that he can analyze and act on such a commendable basis.

[From the New York Times, July 21, 1977]

THE PORK-BARREL CHALLENGE

(By John B. Oakes)

If the public-works appropriations bill emerges from conference with the traditional string of political-grease projects that have already been approved by Senate and House, President Carter will have only the choice of vetoing the measure, as he has threatened, or of surrendering on both his principles and the clear-cut public interest.

For what the old-timers in Congress have done has been to scrape the bottom of the pork barrel once again, just as though there was no inflation and no budgetary squeeze on Federal expenditures to meet urgent social needs.

To the President's demands that Congress eliminate an irreducible minimum of 18 water-control projects (ultimately costing over $2.5 billions), each one of which is "economically or environmentally unsound," the House has approved all but one and the Senate approximately half.

This despite the fact that the President had previously capitulated on a number of equally harmful and extravagant projects, including the $1.6 billion Tennessee-Tombigbee Waterway.

As a careful study by the Environmental Defense Funds shows, this project will be of benefit primarily to barge operators carrying coal for export to Japan, at the cost of destroying 30,000 acres of hardwood timber and 17,000 acres of farmland, of degrading the water system, and of disrupting both the economy and the landscape without benefit to the people of several adjacent rural counties in Alabama and Mississippi.

Of the nine projects that the Senate is now trying to push through for full funding over Mr. Carter's objection, no less than eight are located in states whose Senators happen to be on the Appropriations Committee (seven of them on the public works subcommittee), which gives a pretty good idea of the criterion of judgment used by the Senate in making its evaluation.

One of the nine, the Atchafalaya channelization in Louisiana, is (as charged by various environmental experts and the White House itself) for the primary benefit of two large and highly profitable oil-rig construction companies, J. Ray McDermott International and Avondale (subsidiary of the Ogden Corporation), to enable them to float their super-rigs more expeditiously from Morgan City, La., out to the Gulf of Mexico. This will be at the cost of over $20 million in public funds and destruction of irreplaceable wetlands, and interference with major shrimp and shell fisheries.

"Do I have a parochial interest in this?" says Senator J. Bennett Johnston Jr. of Louisiana, a member of the subcommittee. "You bet I do." But does anyone else in the United States except the two shipyards?

Another such project, estimated to cost at least $93 million in public funds, is to increase the yields of large-scale soybean and rice growers in Arkansas, at the cost of over 200 miles of stream channelization, clearing over 100,000 acres of forested bottomland and swamp, with devastating effect on water quality, on existing fishery resources, and on one of the most important migratory-waterfowl areas in America. But Cache Basin is in Arkansas, home state of Senator John L. McClellan, chairman of the committee.

Then there is the Columbia Dam in Tennessee, a huge $142-million empire-building proposal of the Tennessee Valley Authority, to create jobs (about as expensively as it can be done) and to promote recreation in an area that needs new lakes and lake frontage about as badly as the Sahara needs sand.

This one would eliminate more than 20,000 acres of productive farmland and would destroy or modify another 25,000 acres of forest and upland habitat, but it will bring some temporary dollars to the state of Senator James B. Sasser, a member of the subcommittee.

Appelgate Lake, Ore., is to cost $81.5 million mainly for flood control for future floodplain development in the River Rogue Basin, "in contradiction," the White House points out, "of established Federal policy for flood plain management," not to mention "potential contamination of fish and drinking water from the mercury deposits which the project would inundate." But Senator Mark O. Hatfield of Oregon is on the subcommittee.

To keep the peace with Congress, President Carter will doubtless be asked by his political advisers to accept the bill containing these and similar extravaganzas.

If he does so, it will be a sad and crippling retreat. For he is the first President in generations to have faced up to the political and moral corruption inherent in so many of these projects.

To back down now would be a severe defeat for the public, the economy and the environment, not to mention the surprisingly large number of members of Congress (especially the younger ones) who are sick and tired of pork-barrel venality and who are looking for a way to escape from it.

WHALING COMMISSION REDUCES WHALING QUOTAS BY 36 PERCENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 60 minutes.

Mr. LEGGETT. Mr. Speaker, the International Whaling Commission recently concluded its 29th annual meeting after reducing the whaling quota by 36 percent. This meeting, probably more than any other in recent history, affirmed the importance of scientific management of whale populations and continued scientific control over the determination of annual quotas.

The Commission accepted every major recommendation of the Scientific Committee on appropriate harvest levels for the upcoming season. When the Scientific Committee divided on the appropriate quota, the IWC adopted either the

majority position or the most conservation-oriented recommendation.

The IWC approved a quota of 17,839 whales for the upcoming whaling season. This is a 36-percent reduction from the 28,050 quota approved for last year. The actual reduction in whaling over the last few years is even greater when you consider that the whaling nations have been forced to shift much of their activity from large to small whales.

The new quota included a precipitious drop in the quota for North Pacific sperm whales. The IWC approved a quota of zero males and 763 females. Last year, the IWC adopted a quota of 4,320 males and 2,800 females. The drastic reduction resulted from a more detailed analysis of sperm whale population and catch data and the application of that data to the new management procedure. Despite the fact that this quota may well end the commercial viability of this fishery, the Commission had little difficulty supporting the recommendation of the Scientific Committee.

Following is a comparison of the whaling quotas for 1977 and 1976:

IWC quotas

Species/stock	1977–78	1976–77
Southern hemisphere:		
Sperm whales:		
Males	4,538	3,894
Females	1,370	897
Total	5,908	4,791
Sei whales	771	1,863
Minke whales	5,690	8,900
North Pacific:		
Sperm whales:		
Males	------	4,320
Females	763	2,880
Total	763	7,200
Bryde's whales	524	1,000
Minke whales	400	541
North Atlantic:		
Fin whales	459	455
Sei whales	84	132
Minke whales	2,555	2,483
Sperm whales	685	685
Grand total	17,839	28,050

BACKGROUND

The International Whaling Commission—IWC—was established in accordance with the 1946 International Convention for the Regulation of Whaling. The main duty of the IWC is to keep under review and revise, as necessary, the measures prescribed in the schedule to the Convention governing the conduct of whaling. These measures at present provide for the complete protection of certain species of whales; set the maximum catches of whales which may be taken in any one season; prescribe open and closed seasons and areas for whaling; fix size limits below which certain species of whale may not be killed; prohibit the capture of suckling calves; locate females and females accompanied by calves; provide for the compilation of catch reports and other statistical and biological reports, and provide for the appointment of observers on factory ships and land stations.

There are currently 17 member nations of the IWC: Argentina, Australia, Canada, Brazil, Denmark, France, Iceland, Japan, Mexico, Netherlands, New Zealand, Norway, Panama, South Africa, United Kingdom, U.S.S.R., and the United States. Commercial whaling is carried on by six member nations: Australia, Brazil, Iceland, Japan, Norway, and the U.S.S.R. Not all whaling nations are members of the IWC. Chile, Korea, Peru, Portugal, Somalia, and Spain also engage in whaling, often in contravention of the IWC schedule.

The Commission meets once a year in June. The IWC has three committees: the Scientific Committee, the Technical Committee, and the Finance and Administration Committee. The Scientific Committee meets in the 2 weeks immediately before the main Commission meeting. The Scientific Committee, composed entirely of scientists, provides data and recommendations to the Technical Committee which form the basis for the annual whaling quotas. All quotas are contained in the schedule to the Convention which can only be amended by a three-quarter majority of the Commissioner's voting.

Perhaps the greatest single weakness in the Convention is the provision allowing member nations to object to any IWC regulation within 90 days and, thereby, prevent application of the regulation to the objecting nation.

Over the years, the IWC has been notably unsuccessful in conserving whales in a commercially viable state. Nearly all of the largest species of whales subject to commercial harvesting have been reduced to very low levels. Only one of these species, the gray whale, has recovered to any significant extent.

The IWC changed significantly in 1975 with the adoption of the "New Management Procedure." Under this management scheme, all whale populations are classified into one of three categories—protected, sustained management, and initial management—depending on the size of each population. Populations classified as protected are not to be subject to any whaling. Sustained management populations are subject to harvesting to maintain them at or near maximum sustainable yield levels. Initial management stocks are subject to harvesting which reduces them to their estimated maximum sustainable yield levels.

The importance of the new management procedure is that it places the Scientific Committee in firm control over the designation of annual quotas. Recommendations of the Scientific Committee can be rejected by the Technical Committee or the Plenary, but there have been few changes in the recommendations over the last few years.

BOWHEAD WHALES

The IWC voted unanimously, the United States abstaining, to remove the aboriginal exemption in the schedule which allows a subsistence harvest of bowhead whales. Although the bowhead whale has been protected from commercial exploitation for 40 years, the population remains at a dangerously low level. The Scientific Committee estimated the Alaskan bowhead population to be as small as 6 to 10 percent of its initial population, and the entire bowhead population to be 2 to 3 percent of its initial level. Despite the fact that the bowhead continues to be the most endangered of all whales, the Alaskan harvest continues at about 5 percent of the current Alaskan population size. The Scientific Committee noted that such a high kill rate is only endorsed for those stocks in the initial management stock category.

The Scientific Committee and the IWC severely criticized the United States for failing to control the Eskimo bowhead harvest. The United States was put in the embarrassing position of appearing to be very concerned about all whaling except its own. Last year, the IWC had noted the bowhead problem and called for controls on native harvests. The action this year, removing the native exemption and prohibiting any take, appeared to grow out of a realization that the United States failed to do anything in the past year to limit the native harvest. In fact, the Scientific Committee noted that the level of kill increased by 200 percent in 1976, and that the number of whales struck and lost this year increased dramatically over last year.

The bowhead issue clearly weakened the U.S. position as the leading conservationist voice within the IWC. Several other nations have aboriginal fisheries. None of them share our difficulty in controlling native whale harvests. The Russians noted in the Scientific Committee that they had overcome a high loss rate in their aboriginal fishery by replacing aboriginal methods with a special catcher. The Russians have killed only one or two bowheads a year over the last 3 years. The Commissioner for Denmark severely criticized the United States for its allegedly inconsistent position and noted that native Greenlanders have taken only one bowhead in the last 5 years. Alaskan Eskimos, in contrast, killed 56 bowheads in 1976 and struck and lost another 35. In the first half of 1977, the Eskimos killed 26 bowheads and struck and lost 77. These are dangerously high kill levels for a population that is estimated to be as small as 1,000 animals.

The United States abstained on the vote removing the native bowhead exemption from the schedule on the grounds that it was not entirely clear that the IWC prohibition on taking bowheads could be fully and immediately implemented. The U.S. Commissioner, Dr. William Aron, announced to the Commission that while the United States agreed with the Scientific Committee's decision on bowheads, provisions of domestic law made it unclear whether the United States could succeed in reducing the bowhead kill to zero.

Both the Marine Mammal Protection Act of 1972 and the Endangered Species Act of 1973 include a native exemption to the normal prohibition on taking depleted or endangered species. Both acts limit the native exemption to harvests for subsistence purposes. The Marine Mammal Protection Act provides that

the Secretary may regulate native hunting if he determines the target species to be depleted. The Endangered Species Act permits the Secretary to regulate native subsistence hunting if he determines that the hunting "materially and negatively affects" the species—section 10(e)(4).

Over the last few years, the United States has been the most strident voice within the IWC for the conservation of whales. As a result of our strenuous efforts, the whaling quotas have been progressively reduced and the recommendations of the Scientific Committee have been given preeminent consideration by the Commission. All of this progress could be jeopardized by United States inaction on the bowhead issue. The United States cannot continue to press for further reforms within the IWC unless we ourselves are willing to abide by determinations of the Scientific Committee and the Commission.

SCIENTIFIC PERMITS

A major issue at the meeting involved the misuse of scientific permits to avoid IWC regulations. Article VIII of the Convention gives contracting governments the authority to permit the killing of whales for scientific purposes without regard to other limitations contained in the Convention or the Schedule. Last year, Japan issued a scientific permit permitting the taking of 240 bryde's whales. The U.S. delegation considered this permit to be an abuse of the authority granted by article VIII.

The United States proposed a change in the IWC rules of procedure to allow the Scientific Committee to review the scientific permits and to prepare a list of minimum data collection requirements. The IWC adopted this proposal after accepting conforming amendments offered by Japan.

Restrictions on import of whale products from nonmembers nations: Several nonmember nations continue to harvest whales and the IWC has consistently urged them to join the IWC. In some cases, the whale products of these nonmember nations are subsequently imported by member nations.

The United States proposed and the IWC adopted a resolution providing that all nations shall actively seek to encourage membership by nonmember nations, and shall take all necessary steps to prevent the importation of whale products from nonmember nations.

Restrictions on transfer of whaling equipment to nonmember nations: The significant reduction in the whale quotas over the last few years has forced the whaling nations to reduce the number of vessels employed in whaling operations. There is concern, however, that as some nations abandon whaling other non-IWC nations will enter the whaling industry.

The IWC adopted a U.S.-proposed resolution to discourage the entry of new whaling nations by prohibiting the transfer of whaling equipment by member nations to nonmember nations.

Revision of the International Whaling Convention: For the past several years, the United States has urged the IWC to call a meeting of Plenipotentiaries to redraft the Convention, changing the IWC from an industry-oriented body to a conservation commission concerned with all cetaceans. It appears that for the first time this Conference may become a reality. The IWC agreed to convene early next year to work out the details for such a conference.

In summary, Mr. Speaker, I am very pleased with the reformation of the International Whaling Commission. We have more to accomplish, of course, but the decisions of the IWC this year amount to an important step in the effective conservation of all cetaceans.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. At this point I yield to the gentleman from California (Mr. McCLOSKEY), a member of the U.S. delegation. I would certainly be pleased to hear whatever observations the gentleman cares to make.

Mr. McCLOSKEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to echo the remarks of my colleague from California (Mr. LEGGETT) and point out that the decision of the International Whaling Commission on the bowhead whale faces us with a very real dilemma because in both our Endangered Species Act and our Marine Mammal Protection Act we made specific provision to exempt Alaskan Natives for the taking of this species for subsistence purposes. We are faced with this historic problem between preserving the momentum of our leadership in the conservation of the last great mammal species in the world and our historic concern for the Native Alaskan, who originally took this species for subsistence and may still do so today to some extent.

I know that the distinguished gentleman in the well, who is the chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, joins me in the belief that we must extend full due process to the Alaskan Natives in this process of perhaps prohibiting any further taking of the bowhead whale. The Alaskan Natives are entitled to a full hearing on the circumstances they face, and with respect to any expert evidence they can offer on the true state of the remaining bowhead population off their coasts.

We hope that in August, during the congressional recess, we can visit personally the Alaskan area where the bowhead has been taken and afford a full hearing to the Alaskan Natives who have been engaged in this activity.

Nevertheless, I think it is incumbent upon us to state to the administration, which is now faced with the question as to whether or not to except to the findings of the International Whaling Commission on the bowhead, that it is essential that our country not make an exception as we are entitled to do under the Whaling Commission treaty. If we should say that the hardship to our Eskimos is such that we must except to the complete prohibition, then we cannot expect the Soviets or the Japanese to agree to reduced last year's whaling quota of 28,000 to the figure of roughly 18,000, which is a reduction of one-third, the reduction that the Commission imposed.

There is a square dilemma between our leadership position in protecting the fast-diminishing stocks of great whales and our duty of sensitivity to the needs of one of our earliest native populations.

Mr. LEGGETT. If the gentleman will yield back to me at that point for a question, does not the gentleman think—and of course, the gentleman was there—that there was so much decisiveness at the IWC on this bowhead at this point, and considering the fact that they did make the decision which they did, and considering the fact that we have reduced the overall kill of whales by these tens of thousands over the past several years, that it would be an extremely poor precedent for the United States at this point to except, unless we absolutely have to, on any particular issue?

Mr. McCLOSKEY. I frankly think that we would destroy our entire credibility as a leader in the whole conservation effort of this species if we were to except.

I know the chairman has brought this point home to the Assistant Secretary of State, who faces this decision and this dilemma, Mrs. Mink, our former colleague from Hawaii. I have informed her likewise that I think it would be a tragedy if we were to except.

Mr. LEGGETT. As we grope for a decision in this area, obviously in order to effectuate U.S. internal law in this area, we would need to promulgate new regulations respecting the Aleut and aboriginal taking under both the Endangered Species Act and the Marine Mammal Act.

I would anticipate that we would give everybody a fair hearing on those reductions that might be effected as a result of the promulgation of regulations under those acts.

Would it not be a fact that if we did reduce for the coming year in compliance with the IWC suggestion and mandate, more or less, that we could come back, say, next June or sometime next year with new statistics and new information and a new program for taking some bowhead, but perhaps not as many as we have taken in the past, which would allow for some type of management regime that would be acceptable to the conservationists in the IWC?

Mr. McCLOSKEY. That is a possibility.

The most important aspect of the progress that the International Whaling Commission has made has been the complete adherence of the Commission's political representatives to the recommendations of the Scientific Committee. This year, when the Scientific Committee meeting considered all available evidence on the bowhead whale. there was no evidence that the United States could produce that it was not a depleted species within the meaning of our own law. We had the problem in Canberra that despite the fact that the bowhead situation had been called to our attention at last year's International Whaling Commission meeting, we could demonstrate no real progress by the Department of

Commerce toward holding the hearings to reduce the taking of bowhead whales by the native Alaskans. That may have played a part in the decision of the Commission to impose an absolute prohibition rather than a reduction that would be consistent with the needs of the Alaskan Natives; but we had no evidence as to what the Alaskan Eskimos truly needed. We had no evidence of our own to question the admitted depletion of the bowhead species.

Clearly, it is now incumbent upon the Department of Commerce to initiate thorough hearings, not only so that the Alaskan Natives can fully present their case, but so that we can supplement to every extent possible the scientific knowledge on the bowhead whale so that if we absolutely prohibit the taking next year, in compliance with the Whaling Commission's mandate, we will at least be able to make a case for our Alaskan Natives, if a case can be made, at the next meeting of the Commission.

These hearings should serve both to further educate us on the precise situation of the bowhead whale, as well as on the situation of the natives.

Mr. LEGGETT. I am sure our committee will take an informal, and perhaps a formal, look at this next month when the committee is in Alaska. I am sure we will have some reply to this colloquy on the floor today. I am sure the gentleman from California realizes that merely because we are down to 1,000 bowheads does not mean that the species is in danger but means undoubtedly that it is depleted by the definitions we have used under the Marine Mammal Act. We have been down below that on the Tule elk, and we have determined that it was not endangered but that it was an appropriate species to perpetuate in certain areas in California.

I believe we have some discretion in this matter, but I think it is incumbent that the United States take every action possible, and oriented in a conservation vein, to implement and support the recommendations and the regulations of the International Whaling Commission.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield further?

Mr. LEGGETT. I yield further to the gentleman from California.

Mr. McCLOSKEY. Mr. Speaker, if I can add one point to the comments of the gentleman, and that is that this has been a real success story of the U.S. delegation to the International Whaling Commission in the past several years, because this Commission after all is a voluntary organization of some 17 nations. Each year when it determines the reduction of taking of whales, it is by a voluntary acquiescence by each country involved, each of which have 90 days after the Commission's meeting to file exceptions that they decline to go along with that year's determination.

Further, there are nations such as Peru and Spain and South Korea who continue to whale who are not members of the IWC. The only pressure on these nations to engage in a voluntary reduction in the taking of whales is the public opinion which the United States has been successful in engendering, and which has been led by the United States since the 1972 Stockholm International Conference on the Environment.

It would be a tragedy if we were to give up this leadership at this point for the sake of 150 bowhead whales.

I might say further that the Russians who similarly have a native population on the north coast of Russia have answered this problem by diverting whale meat taken by their whaling fleet to these natives for subsistence purposes. That is their answer to the cultural problem involved, the problem of a native population which has been engaged in whaling as a very basic part of their culture for many years. But that is a question we must also face up to at this time.

Again I thank the gentleman for yielding.

Mr. LEGGETT. Again I want to commend the gentleman from California (Mr. McCLOSKEY) for his comments, and for the work he has done and that of our colleagues out in Canberra, and particularly the work of the special deputy counsel in charge of whales, Mr. Bob Thornton, who did an excellent job, as well as the other members of our staff who were there.

Mr. McCLOSKEY. Mr. Speaker, if the gentleman will yield further, let me say that I, too, was impressed that this was a particular case where the congressional staff present really did assist the delegation in achieving an excellent result. And I am impelled to say that, as usual, I think executive branch agencies will always do a better job under careful congressional staff scrutiny and oversight. Mr. Thornton did a superb job in Canberra, for the Nation as well as for the Congress.

Mr. Speaker, supplemental to the remarks of the gentleman from California (Mr. LEGGETT), I would like at this time to formally report to the House on the International Whaling Commission held in Canberra, Australia, on June 19–25.

It was my privilege to attend the Commission's meeting as the Congressional Representative, and to offer opening remarks on behalf of the Congress at the first day's session.

The International Whaling Commission was established in accordance with the International Convention for the Regulation of Whaling, signed in Washington, D.C., in 1946 and entering into force in 1948. For many years the Commission served primarily to encourage, rather than regulate, the continued depletion of the remaining great whale population.

In recent years, however, there has been a significant evolution of this Commission from an organization dominated by industry and working toward management of populations to a strong, independent body, committed to act solely on the basis of scientific evidence and dedicated to the conservation of whales.

This year the Commission was able to reduce whale quotas for the 1977–78 whaling season by approximately one-third to 17,839, compared to the 28,050 quota established last year. Also, a full moratorium on the taking of the bowhead whale in the North Pacific was adopted. This represents, in the words of Dr. William Aron, U.S. Commissioner to the IWC, "a victory for conscientious protection of the world's whales, based on sound science."

The Commission also considered several other whale-protection provisions, including the banning of imports from a number of smaller nations who continue to whale and are not members of the IWC, and thus not subject to the sanctions of that agreement. Although this provision was not agreed upon, the fact that it was even considered is an indication of the sincerity of the Commission's commitment to the protection of the whale.

Both the administration and the House Merchant Marine and Fisheries Committee are considering steps to implement the so-called polly amendment against non-IWC nations who fail to comply with IWC quota restrictions. As I have mentioned, the Commission adopted a full moratorium on the killing of the bowhead whales, which brings me to the important problem which this Congress must face in the near future.

Although the Marine Mammal Protection Act makes the killing of any whales by a U.S. citizen illegal, this act and the Endangered Species Act, which also protects the bowhead, provide exemptions for native peoples, that is, aboriginal Alaskans, who kill whales for their subsistence. With the United States abstaining, the Commission unanimously adopted a moratorium on the killing of the bowhead whales in the North Pacific by Native Alaskans and other aboriginal peoples. Although the bowhead has been protected from commercial exploitation for 40 years, this is the first time the Commission has eliminated the native peoples' exemption from bowhead-taking. In recommending the moratorium on the bowhead harvest, the scientific committee of the Commission noted that the population of the bowhead may be as little as 6 percent of its original population size, or approximately 600 to 1,000 animal total.

Despite the Commission's strong recommendations last year that the United States begin to curtail the taking of the bowhead, and the assurance by the U.S. delegation that indeed something would be done, the number of bowheads killed and lost by Alaskan Natives has actually increased over last year, and I can find no record that an executive branch took any action whatsoever in response to the IWC's warning.

The welfare of the Native Alaskans must be of great importance in our consideration of this matter. It was not the Native Alaskans, after all, whose whaling activities depleted this species essential to their historic culture. But the U.S. position as an international conservation leader must also be fully considered. Since 1972 the United States has pressed for a complete moratorium of the commercial taking of all whales. Although we have not been successful in this endeavor, our efforts have resulted in the progressive lowering of commercial whale quotas, from approximately 45,000 in 1973 to 18,000 in 1978. The Japanese and Soviet whaling industries have been

devastated by this continual lowering of quotas, particularly this year's quota of zero on the male sperm whale in the Northern Pacific. If the United States were to ignore the Commission's moratorium on the bowhead, or worse yet, file on objection with the IWC, it would totally undermine our position of strength in the conservation of all whales and effectively negate the substantial progress made by the Commission thus far. As the Danish delegation stated:

The U.S. has been conservative in all whaling matters except its own.

I am recommending to Secretary of State Vance and Assistant Secretary Mink that we not file an objection with the IWC. I am further recommending to Secretary of Commerce Krebs that she initiate immediate hearings in Alaska to give full audience to the problems of the Alaskan Natives as the administration pursues the procedures provided for in tne Endangered Species and Marine Mammal Protection Act.

Mr. FORSYTHE. Mr. Speaker, the 29th annual meeting of the International Whaling Commission was concluded on June 24, 1977. I take the floor at this time to voice my support of the quotas on whaling established at that meeting, including the moratorium on the taking of one species, the bowhead whale.

As a member of the U.S. delegation to the International Whaling Commission in 1975, I was privileged to take part in this country's successful effort to change that organization from a club of whaling nations into a responsible, conservation-oriented one. In the last 5 years, quotas on the take of the various species of whales have been drastically reduced. The reductions have been brought about by the U.S. commitment to the development of a broad base of information on whale populations and strict IWC adherence to the quota recommendations of the IWC Scientific Committee which are derived from that data base. With dogged determination, the United States has insisted in case after case that the quota recommended be strictly adhered to, even if it meant that some quotas were cut in half and many people were put out of work in the whaling nations. There is no question in my mind that the continued success of the Whaling Commission depends on our continued adherence to the principle of scientifically set quotas.

Those species or populations which are endangered, such as the California gray whale and the bowhead, have been protected by a moratorium on commercial taking. Only aboriginal people were exempted from the moratorium and allowed to take animals for subsistence purposes only. During its most recent meeting, the Whaling Commission voted unanimously to remove the aboriginal exemption due to scientific evidence of the extremely endangered position of the bowhead population. Its present Bering Sea population is estimated at as low as 6 to 10 percent of its initial level.

Although the Bering Sea population may be as low as 600 animals, Native taking last year exceeded 100 animals. According to statistics supplied by the National Marine Fisheries Service, 27 animals were harpooned and landed, 77 were harpooned and lost, and 1 animal was killed but sank. That is a total of 105 animals. This Native taking has risen in recent years, although the United States has assured the Whaling Commission that we would take steps to keep the catch down.

Although the situation of the Alaskan Natives is a difficult one, neither the Marine Mammal Protection Act nor the Endangered Species Act provide any citizen an unqualified right to avoid the application of the law. This Nation must maintain its strong legal and moral position in the international arena. We cannot ask other nations to continue to suffer serious economic and social dislocations by our insistence on adherence to quotas on whales which are not in the endangered category while we fail to enforce a moratorium on a species which is getting close to extinction. The bowhead has not shown any signs of population recovery despite 40 years' protection from commercial fishermen. It's only hope is in adherence to the scientifically valid moratorium the International Whaling Commission voted a month ago. I strongly urge the Secretary of State Cyrus Vance refrain from filing an objection to the IWC action.

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

STATEMENT OF INTRODUCTION, UNEMPLOYMENT COMPENSATION REFORM ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

Mr. CARR. Mr. Speaker, the Unemployment Compensation Reform Act, which I introduce today with the cosponsorship of Messrs. DIGGS, FORD of Michigan, BRODHEAD, HARRINGTON, MURPHY of Pennsylvania, FARY, TRAXLER, BONIOR, EILBERG, SCHEUER, and BLANCHARD is intended to immediately strengthen the weakened Federal-State unemployment insurance system, and to insure that the system will be able to function effectively in future periods of prolonged and excessive unemployment.

The economic recession of the last 2 years has threatened the financial viability of this system, and exposed its inability, during periods of deep and prolonged economic decline, to provide benefits of sufficient duration for workers who have lost their jobs through no fault of their own.

The recession wreaked havoc on many States unemployment insurance programs. During the past 2 years, a total of 23 States have entirely exhausted their unemployment insurance funds. Most of these States ran out of unemployment compensation moneys prior to this year and during a period of peak stress upon the entire unemployment insurance system. In order to replenish these unemployment insurance funds, States were forced to borrow from the Federal unemployment fund. Currently, the total outstanding debt of these States is over four and a half billion dollars.

The recent economic decline has also weakened the Federal unemployment insurance trust fund, which was forced to borrow $8.8 billion from the Treasury in order to provide extended and emergency jobless benefits.

Clearly, these debts must be repaid if the unemployment insurance system is to avoid the threat of collapse. The system is now weak enough that it could not endure another period of severe unemployment. We must be prepared to face another recession, though that may be an unthinkable prospect.

Currently, the funds to pay for unemployment benefits and the funds necessary to replenish the depleted unemployment insurance reserves must both be raised from State and Federal payroll taxes. If a State has borrowed Federal funds for its unemployment programs, these debts must also be repaid by means of a payroll tax.

State payroll tax rates currently average about 2.6 percent, but are as high as 6 percent on some employers. In addition to this, many States which have outstanding loans from the Federal trust fund must levy a Federal penalty tax upon employers in order to begin repayment of the loan. This penalty tax begins at 0.3 percent in the first year, and increases by that amount every year until the loan is fully repaid. In the State of Michigan for example, whose outstanding debt is $624 million, this penalty tax is expected to rise as high as 1.5 percent before the loans can be repaid. Some States may also have to levy similar additional taxes in order to replenish their own depleted trust funds.

On top of all these State payroll taxes comes the Federal payroll tax, currently levied at a rate of 0.7 percent of the payroll base for all employers. The base of this tax is presently the first $4,200 in wages paid to each employee, but it will rise next year to the first $6,000 in wages per employee.

In sum, the total tax on an employer from a region which experienced or is experiencing severe unemployment could in some cases rise to as much as 8 percent of his total taxable payroll, perhaps remaining there for several years. Such crippling tax levels could result in bankruptcy and in cancellation of planned expansions. In general, high payroll taxes on employers are a serious threat to our Nation's fragile economic recovery.

We need a way to strengthen the unemployment compensation system and to restore the reserves of unemployment insurance funds without having a detrimental effect upon economic recovery. We must also buttress the system so as to enable it to withstand any future periods of excessive unemployment.

These are the two central goals of the Unemployment Compensation Reform Act of 1977.

The bill would create a cost equalization and reinsurance program to insure that the burden of prolonged unemployment is equitably shared. Under this new program, a State may qualify for a reinsurance grant to pay a portion of its unemployment insurance benefits during prolonged periods of excessive unemployment. The program would be implemented retroactively to 1975, so as to help States restore their already-depleted reserves, and would be funded from general revenues. It would benefit the States now in debt, and would also directly affect another 15 States that have suffered rampant joblessness.

The bill would also enable the unemployment compensation system to withstand future periods of high and prolonged unemployment by establishing a permanent, two-tiered, standby program of extended benefits. This program of extended and supplemental extended benefits would be automatically activated during periods of severe joblessness. The importance of this step was dramatized during the last recession when only the rapid action of Congress in enacting and twice renewing the Emergency Unemployment Compensation Act saved millions of workers from exhausting their benefits before they could find new work. The Unemployment Compensation Reform Act would eliminate the need for such last-minute ad hoc legislation.

In summary the bill would insure that unemployment benefits will be available for those workers who have lost their jobs through no fault of their own and that such benefits will be of sufficient duration in times of rampant unemployment to permit unemployed workers to find new jobs. I sincerely hope that my colleagues will join me in supporting the Unemployment Compensation Reform Act of 1977.

A title-by-title summary of the bill, which was also introduced in the Senate, can be found in the statement of Senator WILLIAMS on pages 22806–22809 of the CONGRESSIONAL RECORD of July 13, 1977. The full text of the bill appears on pages 22813 of the same issue.

TRIBUTE TO WAYNE ALDERMAN, DISTINGUISHED WESTERN MASSACHUSETTS CITIZEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BOLAND) is recognized for 5 minutes.

Mr. BOLAND. Mr. Speaker, I take this opportunity to pay tribute to Wayne Alderman of South Hadley, Mass., a man who has devoted his life to public service in western Massachusetts. Mr. Alderman recently announced his retirement as chairman of the board of Community Savings Bank, which is headquartered in Holyoke, Mass. He will be honored by many of his friends, colleagues, and admirers at a banquet on July 23, 1977.

The story of Wayne Alderman's business career has been one of success. The story of his public life has been one of service. It has now been 42 years since Wayne Alderman entered the banking profession as a messenger of Hadley Falls Trust Co. He did not remain a messenger for long and was savings department manager when he resigned in 1945 to join the Brooks Bank and Trust Co. of Torrington, Conn. In 1959, he began his career with what we now know as Community Savings Bank. In those days the bank was known as Mechanics Savings Bank and he became its president in 1961. Community Savings Bank was formed in 1967 when Mechanics Savings Bank merged with Chicopee Falls Savings Bank. Since then the assets of the Community Savings Bank have more than tripled. He retires as chairman of the board of this valuable community savings institution.

The success of the Community Savings Bank is a fine tribute to the hard work of Wayne Alderman. Despite the long hours that his career in banking has required, however, Mr. Alderman has always found the time to devote himself to public service. A list of his activities in community service organizations would fill several pages. From his service as an alderman in the city of Holyoke in the early 1940's to his work as chairman of the 1977 special gifts division of the United Way's annual drive, Wayne Alderman has kept active in valuable community groups. A past president of the Holyoke Rotary Club, he is also a past director of the Holyoke Chamber of Commerce, United Fund of Holyoke, Holyoke Credit Bureau, Holyoke Building Committee, the Salvation Army, and the Springfield Chamber of Commerce. Along with his work on several banking organizations, Mr. Alderman was the cofounder of the New Holyoke Corp. and a trustee of the First Congregational Church of South Hadley. He is currently serving as: a member of the Pioneer Valley Savings Bank "Low Interest for Expansion" Loan Committee, a trustee of American International College, director of the Springfield Area Development Corp., a member of the Boston District Advisory Council of the Small Business Administration, a member of the South Hadley Industrial Development Finance Authority and as a corporator of the Holyoke Public Library. In 1968, Mr. Alderman received the Dwight Distinguished Service Award.

This list of accomplishments and service organizations is quite impressive, yet it does not adequately represent the spirit and devotion that Wayne Alderman brings to his work in the community. Perhaps his work on the problems associated with the gradual reduction of military activity at Westover Air Force Base best represent his ability to serve his area. The economy of an area can be drastically affected by the removal of a major military facility and Mr. Alderman has been working on lessening the impact of the Westover phaseout since the start. He served in 1973 as the Westover Task Force chairman and in 1974 he became chairman of the Westover Metropolitan Development Corp. This year the WMDC received an award for its role in helping the development of surplus Government land for civilian uses. The award was presented by the Defense Department to Wayne Alderman on March 1.

Mr. Speaker, with the retirement of Wayne Alderman, the banking community is losing one of its finest executives. The people of western Massachusetts will continue to benefit, however, from his many ongoing commitments. I congratulate Wayne Alderman on his many successes in his career and thank him for his many years of service to western Massachusetts. I also would like to wish him the best of luck in all future endeavors and hope that his retirement years are fruitful ones.

Mr. CONTE. Mr. Speaker, I want to thank my colleague and dear friend, the gentleman from Massachusetts (Mr. BOLAND) for requesting this special order so that those of us who have witnessed the good that Mr. Wayne Alderman has done for the people in our districts can take a few minutes to congratulate him on his years of service and wish him all the best as he retires as president of the Community Savings Bank.

Wayne Alderman's story, as my colleague has just recounted it, reads like a page out of a book by Horatio Alger. Forced by the Depression to leave college, he took a job as a bank messenger, rose to be bank president and now will assume the position of chairman of the board.

Wayne Alderman has worked hard to get to the position of professional esteem and community leadership that he now occupies. And, over the years, many people have learned that they can put their trust in Wayne Alderman.

The people of Holyoke, Mass., Wayne Alderman's hometown, put their trust in him when they elected him to their board of aldermen.

A share of the well-being of the community was entrusted to his care as president of Holyoke Hospital.

Into his trusteeship has been placed a part of the educational activities of the area through his position on the board of trustees of American International College, as a member of the panel of "Tribunes" of channel 57, the area's public broadcasting station, and as a corporator of the Holyoke Public Library.

That his colleagues in banking have trusted his judgment is certainly demonstrated through his being named to responsible positions in professional organizations such as the National Association of Mutual Savings Banks—director— and the Savings Banks Association of Massachusetts—president—and his appointment to the Small Business Administration's Boston District Advisory Council and the Special Legislative Committee on Demand Deposits.

As my colleague has mentioned, when the community was faced with the loss of an important and long-standing segment, Westover Air Force Base, it was Wayne Alderman who was commissioned by his fellow area residents to work to cushion that blow and to recoup and rebuild. In recognition of the fine work

he did in that regard, as my colleague has also pointed out, he was recently named as the recipient of an award by the U.S. Defense Department.

That is not the only honor that Wayne Alderman has culled in his career. In 1968, Wayne Alderman was named the recipient of the William G. Dwight Award for Distinguished Public Service, given to persons who have long participated in community service. It is an honor that seems to run in the Alderman family, as his sister, Mrs. Donald P. Cooke, is also a past recipient.

Three years ago, Wayne Alderman was also honored as the recipient of Holyoke's St. Patrick's Day Parade "Outstanding Citizenship Award."

But lest you are led by my remarks to believe that all of his activities have brought public recognition, I hasten to add that there are many, many personal kindnesses of Wayne Alderman's that will never go sufficiently recognized, nor will it ever be known all of the people he has aided. There are, for example, the youngsters he encouraged through his work with the Holyoke Boys' Club and the Golden Gloves activity of that organization, and the handicapped who have been assisted through his generous donation of time as director of the local Salvation Army. A devoted family man, the father of five, including four daughters, he has also been active as a director of the Ox-Bow Chapter of the Girl Scouts of America. The list of charitable, fraternal, and civic organizations that have benefited through his membership go on and on—the YMCA, the Red Cross, and following consolidation, the United Way. My colleague has mentioned others.

In all of these positions, through these many years, Wayne Alderman has never betrayed the trust of his friends, neighbors, or colleagues. He has never let us down. This weekend, we will have the opportunity to express our gratitude to him for his unselfish devotion to public service and community betterment. Prior to that date, I am pleased to join my colleague, Mr. BOLAND, in saluting Wayne Alderman and wishing him the best of health and happiness in his retirement.

THE NATURAL GAS PRICING DEBATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MARKS) is recognized for 15 minutes.

Mr. MARKS. Mr. Speaker, seldom has there been an issue before Congress with more agreement on the end to be sought and less agreement on the means to be used than there is in the case of natural gas pricing. Who would argue that our goal is other than maximum development of our natural gas resource base through appropriate incentives to natural gas producers on the one hand, and maximum protection for consumers both from drastically higher prices and shortages of natural gas on the other?

Yet despite a common purpose, there has been a strong polarization of views as to the best means of reaching this end.

The world oil and gas industry began in our area of Pennsylvania, a little more than 100 years ago. From the technologies and ideas pioneered here in our rolling land has developed the industry and the source of energy on which we today rely. Representing this area in Congress, I cannot help feeling a special poignancy when the energy crisis is debated; when the decline of our domestic production of oil and gas is discussed.

We still produce substantial amounts of oil and natural gas in our region. In 1974, for example, more than 1.5 billion cubic feet of natural gas was produced from wells in Erie, Crawford, and Mercer County. Nor is this merely the residue of our former production. We drilled 39 new wells in 1974, 17 of which were successful natural gas producers. In the sands and shales underlying our district, I am sure that there is still a great amount of oil and gas to be located and tapped. I want that to happen. And I recognize that it can only happen if it is profitable.

Despite our significant production, we consume much more oil and natural gas in our region than we produce. And this is the crucial fact, because it applies to most States across the Nation. We have developed a national appetite for energy that exceeds our current ability to produce and discover energy. Indeed, we have put our independence at risk by allowing imports of energy from overseas to become a central prop of our economy.

No one, as far as I have been able to learn, anticipates that we can increase conventional recovery of our oil and gas production enough to end or even seriously reduce our vulnerability to another import embargo, regardless of what pricing or regulatory policies we adopt here at home. We can increase our findings over what they have been in recent years. We can slow the decline of production of oil and gas. We may even, if we are lucky, be able to increase our current domestic production through the development of promising, but still to-be-proved, technologies. But it is doubtful that even under the best circumstances will we be able to increase production even to the peak levels we have enjoyed in the past—and of course our over-all energy requirements have grown substantially since we passed our peak production of oil and gas.

In the case of natural gas, for example, our peak annual production, according to the American Gas Association, was 22.6 trillion cubic feet in 1973. Since then production has fallen to 19.5 trillion cubic feet in 1976 and will probably be less this year. The American Gas Association has published a report on how production levels would be affected by deregulation. AGA, of course, is one of the most vigorous supporters of deregulation, and one could not assume that their estimate would be conservative. Yet even at a deregulated price of $3.25, a price AGA considers higher than likely, the supplies of gas anticipated to result from deregulation do not attain last year's levels until 1980, and by 1985 reach only 20 trillion cubic feet. In 1990, the anticipated production is 20.1 trillion cubic feet—still 2½ trillion cubic feet short of our historic peak—and in what AGA considers the best of all possible worlds.

Similarly, the Project Independence Blueprint prepared by the Federal Energy Administration in the wake of the oil embargo assumed deregulation and estimated that gas production in 1985 would reach 19.114 trillion cubic feet if the price were 80 cents per thousand cubic feet, and 19.141 trillion cubic feet—virtually the same—if the price were $2.00 per thousand cubic feet. Unfortunately, the supply of natural gas is not directly related to its price.

I do not dispute the evidence that natural gas remains to be found, perhaps more than we have already found. But what makes the crucial difference to our society is how much we can economically produce. It is clear that we are going to have to make do with reduced supplies of natural gas regardless of our pricing and regulatory policies.

I should also note that our drilling efforts to find natural gas have risen dramatically over the past few years, primarily in response to the high unregulated prices of the producing States' own gas markets. And although there are prospects where this price incentive has not applied—offshore, where the lands are leased by the Federal Government, and in States where production has not been sufficient to warrant an intrastate system, for example—the very meager supply response to this rush of new drilling in the major onshore producing regions has not left much room for optimism. Today we are finding half the natural gas per foot drilled than we did just a decade ago, and 25 percent of what we found in the 1950's.

Recently Senators HENRY JACKSON and ERNEST HOLLINGS and Congressman JOHN DINGELL released a summary report prepared by the Congressional Research Service entitled "Project Interdependence: U.S. and World Energy Outlook Through 1990." The study, representing the work of more than 20 CRS energy specialists plus a dozen outside energy consultants, noted the alarming decline in natural gas production, notwithstanding increases in prices:

> In spite of the substantial increases in drilling rates in recent years—in response to higher interstate prices—finding rates in the lower 48 States traditional areas continued their general downward trend. Drilling productivity has continued to decline from 536,000 cubic feet of gas per foot drilled in 1966 to 220,000 cubic feet per foot drilled in 1975. In 1976, reserve additions were again substantially below 1975 reserve additions, in spite of the higher price allowed for interstate gas.
>
> Natural gas production is almost certain to decline in the lower 48 States onshore and even assuming successful exploration and development of the frontier areas offshore Atlantic, Pacific, and Alaska, the trend in the direction of lower production is not likely to be reversed. Successful exploration and development in the frontier areas could at best stabilize production, probably during the period from the middle 1980's to the early 1900's.
>
> This forecast may be considered optimistic for the following reasons: It assumes that

additions to reserves in the traditional producing areas in the lower 48 States will increase substantially above the 1968–76 annual average of 8.6 trillion cubic feet; and, that between now and 1990 about 90 percent of the maximum undiscovered recoverable natural gas resources in the Atlantic and Pacific OCS as quoted in the USGS circular 725, will in fact be found. Moreover, these projections assume a most favorable political and economic climate.

So we are going to have a continuing natural gas shortage in comparison to our historic production. Obviously, the smaller that shortage can be, the better.

But we must take into account the factor of diminishing returns. The supply will not double when the price doubles; in fact, there is less additional supply for each addition to the price. The price for new natural gas has risen from 19 cents to $1.42 since 1970. Even discounting inflation, that is a mammoth price increase. Production has fallen, nonetheless, and additions to our reserves have stagnated at a fraction of the amounts we would need to maintain current production. The realities of nature cannot be altered by paying increasing billions for a diminishing fuel.

I see no evidence that deregulation would permit us to break this law of diminishing returns—the price may double from its current levels, but the increase in production would be marginal at best, and only then if we assume a complete reversal of our existing fortunes in findings. Even in the deregulated intrastate market, increasing prices have still resulted in declining production. Natural gas production peaked in Texas in 1972, and peaked in Louisiana and Oklahoma in 1973. Thus, in those States which should be proving that deregulation will increase natural gas production, we find instead that deregulation has failed to reverse a trend of declining production.

Even if the extraordinarily high deregulated price could be specifically and exclusively focused on new natural gas, which I question that any definition adequately does, the amount of new natural gas for which there would be adequate incentive at prices up to $1.75 would far exceed the amount for which there would be insufficient incentives at prices from $1.75 to $3. In other words, I am persuaded that we can get most of the available return for just under half of the investment.

The Office of Technology Assessment recently completed an analysis of the national energy plan. That report applied a well-developed model to estimate the supply-price elasticity for 13 offshore areas at various prices. The elasticity between $1.45 and $1.75 was a very high 1.0. Above $1.75 the elasticity drops to a very low .13. That sharp differential proves the point that the bulk of new conventional gas supply can be produced at moderate ceiling prices and the remaining portion can be produced at special higher prices.

Our economy is now fairly well recovered from the drastic slowdown that was caused when energy prices went through the roof thanks to OPEC. We must, in my opinion, do whatever we can to preserve this recovery from additional energy price shocks. Based on studies by the Congressional Budget Office, the Library of Congress, and the Office of Technology Assessment, the actual cost of the incremental quantity of natural gas we would obtain from deregulation has been calculated to range from $71 billion to $150 billion. On the low side, that is the equivalent of $116 per barrel of oil. I think this probably overstates the cost, because the supply predictions in these studies tend to be conservative, and we would at least offset a barrel of foreign oil at $13. But the basic point appears valid: It would be folly to threaten our economy with a massive energy price hike occasioned by the cost of a marginal small quantity of high-cost natural gas, when we can obtain the greatest part of the potential increase at a far smaller cost. It is interesting to note that Alice Rivlin, director of the Congressional Budget Office, made the following observation in a letter to Congressman DONALD FRASER in response to his request for additional information at a hearing of the Task Force on Distributive Impacts:

On the basis of these estimates we calculate that if natural gas were deregulated, as opposed to being priced in accordance with the schema proposed by the Administration, consumer costs for natural gas would rise by about $80–$85 billion (in 1977 prices) over the period 1977–1985 *for the same volume of gas*. (Emphasis Ms. Rivlin's.) Since producer costs are not expected to vary significantly as a result of deregulation, it is anticipated that industry profits would also rise by about $80–$85 billion.

Even the AGA supply projections show exactly the same amount of production of new gas as of 1990 for a deregulated price of $2.75 versus $3.25. In either case, AGA estimates 12.5 trillion cubic feet of new gas for 1990 production, yet the 50 cents difference in price means $6.25 billion in that year alone in higher fuel prices, not to mention the billions of extra dollars spent in the intervening years. In my opinion, we cannot afford to allow this kind of massive transfer of wealth from consumers to producers that would accompany deregulation. Representative JOHN DINGELL, the distinguished chairman of the Subcommittee on Energy and Power, in a statement on long-term natural gas issues printed in the CONGRESSIONAL RECORD of March 21 outlined the following scenario concerning the economic impact of deregulation.

The price and supply concerns underly my greatest concern—the potential economic dislocation which may result from natural gas deregulation. A recent study by the General Accounting Office assesses the potential effects of deregulation and concludes that within five years, deregulation would raise the cost of energy to natural gas consumers by $27 billion per year. This would amount to an increase of approximately $200 per year over 1975 levels in residential natural gas bills.

An increase in natural gas prices of this magnitude might reduce real GNP by as much as $12–$15 billion and add .5% to the prevailing inflation rate. Total consumer disposable income for purchasing goods and services, other than natural gas, would be adversely affected. Higher operating costs for many industries and lower consumer demand for their products would raise the unemployment rate to roughly 0.4 percentage points above the unemployment rate that would otherwise prevail. This represents a potential loss of 400,000 jobs.

If deregulation is unwise because we are so far along the road of diminishing returns, then what can we do? I do not like Government regulation any better than anyone else. In fact, it is Government regulation that is to blame for the fact that 55 percent of our most precious fuel is priced under long-range contracts at 32 cents per Mcf. It is this outrageously low price that makes deregulation so dangerous, since gas-starved interstate pipelines will be able to bid $4 or $5 or maybe even $6 per Mcf for deregulated gas that they can roll-in with their 32-cent gas and still sell at prices competitive with foreign fuels. That is why as much as we may admire the marvelous mechanism we call the free market, it really cannot work in this setting. Only after we gradually bring natural gas supply and demand back into balance can we then rely on the market to price natural gas.

Neither is the solution to give up and say that we ought to freeze gas prices—we cannot get all we need, let us forget what we might be able to get—that would be tragic. No, we need a middle ground.

We need to adopt a general price for natural gas that will give us the greatest part of the available discoveries, while we move toward a more balanced market that avoids pricing all of our new gas at the level necessary to secure production of only a small part of it. In my opinion, President Carter's proposed natural gas policy, setting a wellhead natural gas price at the equivalent of the average refiners' acquisition cost of domestic crude oil, or about $1.75 to begin with, does that. The Congressional Budget Office, in its working paper entitled "President Carter's Energy Proposals: A Perspective," came to a similar conclusion:

But the plan has, however, been criticized by producers for not adequately stimulating new production. CBO analysis of these proposals does not concur with this criticism. Although prices for new gas are controlled under the plan, the proposed level of the controls (a cap of $1.75 per thousand cubic feet, at current prices) appears to be high enough to encourage exploration and new production, and it is unlikely that production would be much higher if prices were not controlled. Moreover, if the prices were not limited, new gas prices could go as high as $4–5 per thousand cubic feet, and producers could reap large windfall profits.

Ron Calhoun expressed the point a bit more colorfully in his column in the June 27 edition of the Dallas Times Herald:

Of course, drilling, transmission and distribution costs have soared since 1955 (and I hope Lone Star laborers are making more than the $1.15 per hour I was earning), but you ask any gas production man privately and he will tell you $1.75 per thousand cubic feet at the wellhead is a damn good price, well worth the risk of capital for deep drilling.

Under the President's plan, the $1.75 price will rise steadily and gradually over the years, and that is as it should be, because the costs of finding conventional new gas supplies will rise also. It is a

substantial increase over the prevailing price under which over-regulation has discouraged new drilling efforts. In addition to the new escalating incentive price, it also frees producers from the cumbersome control requirements of FPC interstate jurisdiction, and does away prospectively with the vintaging of gas contracts that has resulted in the large quantities of under-priced 32 cent per Mcf gas.

That is not to say we should ignore the higher cost gas even if we must insure that it does not determine the selling price for lower cost gas. President Carter's proposal does not ignore this critical hope for the future. The proposal contemplates that gas from super-deep wells or other high cost new sources can be priced at the equivalent of deregulated prices. The long-term projections—including those of the industry—rely for substantial new supplies principally upon the more exotic, high cost sources, such as Devonian Shale and geo-pressurized methane. The President's program provides for special higher pricing to enable development of those supplies without allowing higher prices for lower cost conventional supplies. I am not of the opinion that the President's version of natural gas pricing policy has no need for corrections—there will probably be refinements that I will support. But on balance, I think it is the appropriate policy at this time. That is why I voted in the Interstate and Foreign Commerce Committee to keep that policy in the comprehensive energy plan we are working hard to enact. Its pricing program, together with the incremental pricing provision which protects the home gas consumer from price increases by first passing these increases on to large industrial users, is a prescription for moving toward workable deregulation someday in the future, while protecting consumers and providing adequate incentives for producers.

It is going to be a very hard job to break our society away from oil and gas to alternate forms of energy while increasing our overall energy supply along the way. We would not help ourselves if we let the enormous potential price increases for oil and gas, which are latent in an inevitable production decline, wreck the economy we are trying to save. The days of cheap energy are over. That we must all learn to recognize. But to the extent that we can prudently and carefully moderate our inevitable transition to a more efficient future of high cost energy while nurturing our economy, the better off we will all be.

SUBSISTENCE WHALING IN ALASKA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, I would like to take this opportunity to reply to the remarks made by my distinguished colleague from California (Mr. LEGGETT). While I recognize my colleague's concern for the great whales of the world, I do take exception to his suggestion that the United States comply with the International Whaling Commission decision to ban subsistence hunting of whales.

When the International Whaling Convention was signed in 1946, it was obvious from the references in articles I and II that the regulations were designed for commercial whaling. Article I of the protocol to that convention, signed in 1956, reinforced this definition. The Congress of the United States further recognized the special importance of subsistence whaling when it passed the Marine Mammal Protection Act in 1972. Section 101 of that act specifically exempts Alaskan Natives from the permitting process. In spite of these previous actions, we now hear cries for a complete moratorium on the taking of bowhead whales by Alaskan Natives for subsistence purposes. These misguided attempts are not based on scientific knowledge, but on a sort of emotional myopia that dictates saving every single whale in the ocean, even though it may cause the starvation of 5,000 Americans.

Let us examine the body of scientific knowledge first. We all know that the bowhead whale no longer exists in the great numbers that it used to. However, this decline was caused by commercial whaling, not subsistence hunting. Commercial whaling on bowheads has not been conducted for many years. In spite of low population levels and continued subsistence hunting, the bowhead seems to be slowly increasing in numbers. My colleague stated during hearings on the Japanese fishing agreement yesterday that there are only 1,000 surviving bowheads. I would like to point out that the National Marine Fisheries Service has determined that the minimum number is 800 and a conservative maximum is 3,000. My distinguished colleague further stated that 120 whales had been killed this year. Again, according to Fisheries Service scientists, the number taken as of May 31, 1977, was 27 whales. If the number of whales is increasing, and the number taken remains at such small levels, what is the reason for ignoring past actions and banning subsistence hunting entirely?

Aside from the simple facts and figures of modern science, there is another reason for continuing subsistence whaling. The Eskimos of Arctic Alaska have for centuries considered the whale and the act of whaling as an integral part of their culture. The prestige of the traditional hunter was more closely tied to whaling than to any other form of hunting. The ritual surrounding whaling not only affected the hunt itself but also everyday life. To this day, whaling crews in some villages still return the skull and jawbones of bowhead whales to the sea as part of the ritual practice. To sum up, let me quote from the statement made by one whaling captain in 1968:

> Whaling is the thing of total importance—jobs, the outside world, time and school can wait.

Ladies and gentlemen, I have no desire to see all the whales of the world slaughtered by massive mechanized commercial whaling fleets. I certainly will defend the reduced commercial quotas proposed by the International Whaling Commission. I will not, however, stand idly by and watch the culture, the lifestyle, and the very existence of 5,000 Americans be destroyed.

SMOKEY ATOMIC BOMB BLAST-CONNECTED DISABILITIES MUST BE COMPENSATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. CARTER) is recognized for 15 minutes.

Mr. CARTER. Mr. Speaker, I have a very serious problem in my district. A wonderful young fellow, a veteran of the Army, Donald Coe, was diagnosed earlier this year as having hairy-cell leukemia. On August 31, 1957, he was at Camp Desert Rock in Nevada, at which time an atomic bomb called Smokey was exploded. Actually he was exposed to several such explosions during his temporary-duty assignment there.

Today Donald Coe was denied service-connected compensation for his leukemia, a condition which in my mind undoubtedly was related to his exposure to the atomic blasts.

The Army has been reluctant to release the names of the men who participated in observing this particular explosion. But of the 2,232 men at Smokey, we know that 3 have come down with leukemia.

There has also been a case of bone cancer reported from these men who were exposed to Smokey, and the four confirmed cancer victims are from among less than a quarter of the number known to have been exposed to Smokey.

I want to point out further that Dr. Glyn G. Caldwell of the Center for Disease Control in Atlanta is doing an extensive epidemiological study on the Smokey blast but has been hampered by not having the names of the men at Smokey.

Since the names of these men have not been released, and the Army is reluctant to release them, it is my feeling that the Army is hiding behind the Privacy Act and that the Veterans' Administration is also, and that they are afraid that many more cancer cases will show up. I feel quite certain that they will, and that the cost of compensating them will be great. However, I submit, Mr. Speaker, that we owe it to the men who were there and who have come down, and will come down with leukemia that they and their families be compensated as other men who have service-connected disabilities have been.

During another atomic bomb explosion, an underground test called Bainberry in 1960—an underground test that blew its top—900 men were exposed. Of these men, 145 were so contaminated that they had to undergo decontamination procedures. Two of these 145 men have come down with leukemia, and a third case is suspected. This works out to be an incidence of 1,300 per 10,000 as against the expected 2 per 10,000 normally expected.

Since the Veterans' Administration and the Army have been reluctant to release the names of the men exposed,

and also have been reluctant to compensate them for the illnesses incurred as a result of the different blasts which have taken place, I shall submit a resolution of inquiry based on section 855 of the Rules of the House of Representatives to force the Veterans' Administration and the Army to name those men who were exposed so that we can further the CDC study and so that the men who come down with leukemia or other forms of cancer can be adequately compensated or, in case of death, that their widows and orphans can be adequately cared for.

Mr. Speaker, I insert for the RECORD a letter from Dr. Caldwell and yield back the remainder of my time.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE, CENTER FOR DISEASE CONTROL,

ATLANTA, GA., *May 19, 1977.*

Hon. TIM LEE CARTER, M.D.,
House of Representatives, Rayburn Building, Washington, D.C.

DEAR DR. CARTER: After discussing Mr. Coe's situation with Ms. Johanna Schrambling, she requested that I forward to you information about hairy cell leukemia and some of the data on leukemia incidence derived from the Hiroshima and Nagasaki experiences. Enclosed are xerox copies of a number of reprints concerning both of these subjects for your information.

Also enclosed is a list of the units known to be present at Camp Desert Rock during the test in which Mr. Coe participated. We at the Center for Disease Control are attempting to identify all men present in the field from these units and to determine whether or not their risk of developing cancer or leukemia is increased. I have consulted with the Surgeon General of the Army, General Taylor; Colonel Still; and Colonel Stromberg of the Armed Forces Radiobiologic Research Institute, who are helping us identify these men from various sources of data, both classified and unclassified, so that we may try to follow-up on them and determine their current health status.

At the present time, the known information indicates that there were 2,232 men present in the field at the detonation of Smokey; 457 were observers, 1,195 in the troop units, and 583 were involved with special projects. Assuming that the average age of all of these men was 22 years, then the expected number of cases of leukemia over the past 20 years would have been most likely 2, although 0, 1, 2, 3, or 4 would represent no significant difference from expected. However, since we have not completely identified all men and do not know that we have complete ascertainment of cases, any estimate of risk at this time is highly speculative. In order to refine the data, we need to know the health status of all men in the field, their precise age at time of exposure, whether living or dead, what they died of, and to follow them in the future to see if their risk of leukemia remains high.

The primary reason for undertaking this study is to determine if this suspected increase is due to low-dose radiation and consequently that our accepted standard of safety, 5 rads per year, is appropriate; or if these men somehow received a higher amount of radiation than the records indicate. Certainly if we complete this study and do find an increased risk, the information would be forwarded to all individuals who have contacted the Center for their personal use. In addition it would, in all likelihood, require that we confirm the results by evaluating men present at other years and with other tests.

I hope the above information is useful to you, and should you require either further information or have information about men that I might not know of, I would appreciate hearing from you.

Sincerely yours,

GLYN G. CALDWELL, M.D.,
Deputy Chief, Cancer Branch, Cancer and Birth Defects Division, Bureau of Epidemiology.

CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Florida. Mr. Speaker, I rise to speak in observation of Captive Nations Week, a week set aside in accordance with Public Law 86–90 which was signed into law by President Dwight D. Eisenhower 18 years ago this week.

We honor this occasion, Mr. Speaker, because in this land which is blessed with political freedom we are mindful of other lands where there is no freedom—only the dictates of alien overlords or of regimes which slavishly visit draconian and soulless measures on their countrymen. Some 30 nations among the peoples of the world are governed by Communist masters, from Armenia to Laos, from the Baltic to the China Seas.

Mr. Speaker, freedom is indivisible. If another man is in chains, I am not free. If another country suffers slavery, the U.S. freedom is impaired. The people of the North American colonies, in breaking their ties with Britain in 1776, appealed to a universal value which is as valid today as it was 201 years ago—that all men are equal before God and that their governments must have their consent to be legitimate. Our freedom was founded on the right of people everywhere to freedom. We cannot see that freedom denied, cannot acquiesce in freedom's denial, without destroying our own right to freedom.

Mr. Speaker, today the worst offenders against freedom are the Communist states of Europe and Asia and, certainly Cuba. Millions of people are enslaved, taught to revere men as gods, taught that only tomorrow is real, and sacrifice on the altar of Russian expansion or mere political opportunism in the name of communism. Souls are perverted and the spirit denied. Hearts are quenched and dissent ruthlessly suppressed, all in the name of "socialism" and historical progress.

The freedom loving peoples of the Baltic States are a case in point, Mr. Speaker. They have had proud but brief histories as independent countries, and were then successively raped by Nazi Germany and the Soviet Union. Hitler's forces are no more, but the proud Republics of Lithuania, Estonia, and Latvia have not so quickly been free of the Soviets. To this day, and without recognition by the United States, the Baltic States suffer under Russian imperialism. In H.R. 864, which I voted for along with 406 other Members on December 2, 1975, this body affirmed its refusal to have the United States recognize or accept the forcible incorporation of Lithuania, Latvia, and Estonia into the Soviet Union. We expressly made this point because of the Conference on Security and Cooperation in Europe, and the Helsinki Accords. We wanted there to be no doubt that the House of Representatives honored the victims more than the victors.

It was in recognition of captives like these that the Congress created a Commission on Security and Cooperation in Europe, to oversee the results of the Helsinki accords. I voted for that measure also. Mr. Speaker, along with a vast majority of my colleagues. Measures like these are the very least we can do to hold up the torch of freedom.

The number of captive nations, however, is not shrinking. If the list is changing at all it is growing, not diminishing. Angola might be added to the numbers, and there are efforts to bring still other nations under Communist domination.

Does the pestilence spread because our resolve is weak? Mr. Speaker, there are those who depend on our resolve as a measure of the value of freedom—on us as leaders in a battle worth fighting. Have we become so smug and so uncaring that we dare to relax our vigilance against the persistent enemies of freedom? There are those who don't care about the lesson to be learned from the fate of the captive nations. We seek relations with Communist Vietnam and Cuba, ignoring our own proclamations about human rights. We need, Mr. Speaker, to be honest with ourselves and those who depend upon us. If we do not stand firm on vital issues, we can only lose the vitality of our beliefs and ultimately of our institutions themselves. We dare not lose our resolve.

Mr. Speaker, in this day when overuse and political opportunism cheapen the currency of concern of human rights, it is easy to become cynical about the fate of others. It is attractive to say that we must be selective about applying our human rights prescriptions. But, we must realize that having appealed to the very heart of our national honor, we dare not abandon that principle, at cost of abandoning the honor itself.

Captive Nations Week, 1977, Mr. Speaker, is an occasion for us to recognize that our beliefs truly link us to other peoples everywhere who love freedom. We can only say, we have not forgotten you. We do not countenance your captivity. To do so would be to diminish our right to freedom. We will remain firm in our concern for the fate of nations everywhere which struggle with the chains imposed by political opportunism and alien imperialism cloaked in communism. To be true to ourselves we can do nothing else.

NEW YORK BLACKOUT LOOTING PROVES NEED FOR CRIME INSURANCE STILL EXISTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the loot-

ing that took place during the blackout in New York City last week is a clear indication that there still exists in this country a need for Federal crime insurance.

As the author of the legislation establishing the Federal crime insurance, I am dismayed that only some 30,000 policies have been sold and that the program is available in only Alabama, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Iowa, Kansas, Maryland, Massachusetts, Minnesota, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, Virginia, and the District of Columbia.

I have maintained that the main reason more policies have not been sold is that under the sales plan adopted by the Department of Housing and Urban Development, the insurance industry, the very industry that fought against passage of the legislation, is responsible for selling the policies. That industry has made certain that as little information as possible about the Federal crime insurance program gets into the hands of homeowners and businessmen; particularly small businessmen.

I am certain that every American who saw the television news stories of the looting was shocked by the mob action of the looters. What was pathetic was the realization that most of those looted stores were not covered by insurance. Most of the store owners indicated that they could not obtain insurance from private sources, and virtually every store owner said that he did not know about the Federal program. It may well be that most of those looted and burned stores will not receive a penny back on their losses and will have to go out of business.

There is a push on now to drop the crime insurance program, and it is argued that one of the reasons we do not need the crime insurance program is that we are past the riot era. The television scenes of looting, of burning, and of firemen being pelted with bottles and rocks when they attempted to put out fires, indicates that the riots are still very much with us. Even without riots there is a need for Federal crime insurance, but the riots make the policies even more important.

While it is true that the crime insurance program has not been totally self-supporting, I can tell you that without it the Federal Government would lose millions of dollars a year in tax revenue. Try to estimate how much money in Federal income tax will be lost because stores looted during the blackout will never reopen. For every dollar we spend on Federal crime insurance we receive $1,000 back in tax revenues.

It is unfortunate that crime insurance is not available in more States. It is disappointing to me when I receive letters from small businessmen in States without the program wanting to know why they cannot get the coverage. Under the law, the Governors of each State must determine that adequate crime insurance is not available through private sources in that State before the Federal program can go into effect. It is unfortunate that provision is in the law, but the insurance industry is so powerful, that was the only way we could get the bill passed.

I am extremely disappointed that HUD has not used more of its powers to focus attention on the availability of crime insurance. Time and time again I have suggested methods for making more policies available and each time no action has been taken on my suggestions.

Mr. Speaker, HUD must share the blame for the results of looting in New York City. True, HUD was not a part of the looting, but that agency could have provided protection for hundreds of small businessmen who now may be forced out of business.

Let us not blame the Fedreal crime insurance program, let us blame those who are trying to kill the program and in doing so are killing small business in this country.

INTRODUCTION OF TRADE ADJUSTMENT LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, yesterday I introduced a bill (H.R. 8442) cosponsored by my colleague, SAM GIBBONS, of the Subcommittee on Trade, to improve the operation of the adjustment assistance programs for workers, firms, and communities under the Trade Act of 1974.

For a number of months, the Trade Subcommittee has been considering the lack of effectiveness in the existing adjustment assistance programs. In addition, in response to the President's announcement of April 1 that the administration would develop a broad new program of adjustment assistance, the subcommittee has been preparing for early hearings on this matter.

Recognizing the difficulties any new administration has in developing a broad set of proposals in a program area as difficult as adjustment assistance, I have delayed introducing the bill that Congressman GIBBONS and I have developed. However, the Subcommittee on Trade and the Committee on Ways and Means have a very limited period of time within which to consider adjustment assistance in this session of the 95th Congress. Therefore, the Honorable SAM GIBBONS and I have decided to introduce a bill in order to provide a focal point for the subcommittee hearings on this matter. In introducing the bill, I am hopeful the administration will indicate those provisions of the bill which it could support, those provisions to which it would object, and those provisions which at this time it has been unable to study thoroughly. We also have invited testimony from the private sector and I welcome their analysis and statements on the bill.

The provisions of this bill are based on the problems in the adjustment assistance program which have been brought to the attention of the subcommittee through its hearings earlier this year and through its staff's study. The bill has been developed by the staff of the subcommittee for discussion purposes.

It is my feeling that to delay further objective, specific discussions of the needed improvements in the adjustment assistance program can only result in no legislative action. As has been recognized by the administration, an effective adjustment assistance program is a vital and necessary aspect of a balanced trade program.

WE MUST SPEAK OUT AGAINST REPRESSION AND RELIGIOUS PERSECUTION IN EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, recently, I have expressed my concern about the need to emphasize human rights in U.S. foreign policy, most notably in the cases of Uruguay and Nicaragua. I would like to draw attention to oppression and religious persecution taking place in El Salvador. Today I had the opportunity to hear testimony on this issue before the International Organizations Subcommittee of the House International Relations Committee, chaired by Congressman DON FRASER. Jesuit priests, both Salvadoran and American, spoke of the bombings, beatings, and rampant terrorism that the Jesuit Order is being subjected to in El Salvador. In fact, today is the day that the White Warriors Union, a right-wing terrorist group, has threatened to begin a campaign of extermination against Jesuits in El Salvador.

Why has the Jesuit Order been subjected to such repression? Tragically, it is because of the good work that the Jesuits have done in El Salvador. The Jesuits have pledged to serve the poor, and have honored that pledge by advocating a progressive land reform program—at one time supported by the government—and by substantially improving the educational system of that underdeveloped country. The Jesuits have made every effort to work within the legal and constitutional system of El Salvador.

In the last year, however, right-wing terrorism has escalated against the Jesuits. The White Warriors Union, whose activities are tacitly approved by the government and openly supported by the country's oligarchy, have claimed credit for 6 bombings at the Jesuit University and for the killing of Father Navarro, and have now sworn to exterminate the Jesuits if these 48 priests do not leave the country. Because they serve the poor and defend their basic rights, the Jesuits are labelled "Communist" and "subversive" by the right-wing terrorists. These right-wing terrorists are under the direction of the nation's oligarchy, which also supports the military government. That link between the White Warriors Union and the military government is an abomination. The fact that, to date, the Government of El Salvador has done nothing to protect the Jesuits is an outrage.

I believe that if the Government of El Salvador does not make bona fide efforts to protect these priests and uphold law and order in that country, the United States should disassociate itself from that government. For if a government does not make every effort to protect its citizenry from such vicious, rampant terrorism, that government abdicates its responsibilities and ultimately forfeits its legitimacy to govern. We should surely not provide military aid to such a government. One must also question whether U.S. economic aid in such a situation is really reaching the poor, as it is supposed to.

It was revealed during the testimony that on July 19, the Government of El Salvador did issue a statement that it will protect the Jesuits. These are only words at this point, without any proof of action. Apparently, State Department officials, at the urging of Members of Congress and others, have communicated our great concern in this matter to President Romero of El Salvador. I am hopeful that the United States can have a positive impact on this situation. Certainly, if former U.S. Ambassador to El Salvador, Ignacio Lozano—who testified candidly about repression in El Salvador—is any indication of State Department sentiment, we can be assured that the human rights issue is being pressed strongly.

However, I will not be satisfied until we receive solid assurances that the Government of El Salvador will make every effort to protect the Jesuits. The Jesuits are truly doing God's work and they will not be intimidated. We should support them, through every appropriate means, in their courageous defense of basic human rights.

I was particularly moved by the testimony of Father Jose Inocencio Alas, an El Salvadorean Jesuit priest who has been expelled from his country after numerous threats and bombings of his house. His story needs to be told. I, therefore, append it to my statement for the information of my colleagues:

TESTIMONY OF FR. JOSÉ INOCENCIO ALAS BEFORE A HEARING OF THE SUBCOMMITTEE ON INTERNATIONAL RELATIONS, CONCERNING PERSECUTION OF THE CHURCH IN EL SALVADOR, JULY 21, 1977

I. INTRODUCTION

My name is José Inocencio Alas. I am 42 years of age, a Salvadoran by birth and a Roman Catholic priest in good standing.

I did my graduate studies in El Salvador, Canada, Rome, Belgium and Ecuador. Ordained a priest in Rome in 1959, I then worked for fifteen years in my country, six years primarily with middle and upper class Catholics and then nine years with the peasants, especially in Suchitoto, an agricultural zone in an area of 45,000 inhabitants.

I wish to testify to you, gentlemen, about the violation of human rights in my country, something which goes on all the time, but is right now particularly serious. I make this testimony in order that the whole world can find out what is going on in El Salvador. Beyond the frontiers of any single country is the good of each and every person. Where there is one human who suffers, there ought we all to be.

II. WHAT WE HAVE DONE

My work, like that of many of my fellow priests, has had as its goal to present the vision of Christian faith through questioning the real situation in which the people, especially the peasants, live . . . without either land or work. This, of course, presupposes some understanding of the situation in which our people live and a search with them for some solutions.

Surely the most pressing problem in El Salvador is the problem of land distribution.

In the face of this situation we have struggled to make possible agrarian reform which has now been accepted by the Government of El Salvador. To make agrarian reform a reality we have organized at both the local and the national levels, courses of information on agrarian reform (which, I emphasize, is *now* a program of the government) and we have come to see the need of peasant organizations. I personally founded a School of Agriculture where, besides teaching agricultural techniques, we informed the students about the agrarian reform and how to organize themselves to achieve its ends.

III. CONSEQUENCES OF OUR ACTION

The consequences of this section have been the following:

In 1969: The city of Suchitoto was twice placed under siege by security forces in order to oblige me to abandon it; the peasants demanded that I stay with them and I did.

In 1970 (January 8): I participated as a delegate of the Church in the first National Congress of Agrarian Reform convoked by the Legislative Assembly in El Salvador. Because I spoke out forcefully there in favor of the peasants I was arrested by Government agents and, only on the way to prison, did I overhear that the order for my assassination had been revoked. But, after forcing me to drink a full quart of pure alcohol, mixed with some drug, they left me abandoned, stripped, on a high mountain in the country. For nine days I was unconscious in the "Emergency Center," fighting for my life.

1971–1977: Many threats of death against me; continuous propaganda against me in the press, on radio and television; an appearance in a court before a municipal judge charged with inciting the peasants against the President (I was acquitted); deliberate destruction of my parish house by a fire set by an arsonist; partial damage to my house from a bomb explosion; I was twice captured (once by National Police and once by the National Guard) and then released thanks to the timely action of two bishops, the clergy and the peasants. Several times I have had to take refuge in the Archbishop's house and finally in the House of the Papal Nuncio, from where I came to the United States and am now here as a refugee, thanks in part to the gracious help of Dr. Ignacio Lozano.

My case is not unique. Many of my companions have been captured for the same reasons. The most serious case is that of Fr. Rafael Barahona: captured in 1976 and again this year, we fear for his mental health since he was brutally beaten and for a long time, in the General Headquarters of the National Guard.

Many priests, my friends, were expelled from the country after being interrogated: Fr. William Denaux (Belgian), Fr. Bernard Survil (United States), Fr. Jorge Sarsaneda (Panamanian). Some others were expelled from the country, and yet others were abandoned on the Guatemalan frontier without identity documents and then were imprisoned by Guatemala for not possessing their documents.

The most serious events have been the assassinations of Fr. Rutilio Grande and Fr. Alfonso Navarro with both of whom I worked for some years. Fr. Navarro was with me just an hour before he was assassinated. He came to see me at the Archbishop's House, where I had taken refuge, after he had spoken with the private secretary of the President of the Republic. I was the first to receive the news of his death. His admitted assassins were the White Warriors Union, an extreme rightist clandestine organization which is becoming more and more powerful. The Government of El Salvador has a responsibility to protect the lives and well-being of its people against such terrorist organizations. Fr. Navarro had worked, among other things, for civil rights, especially that democracy may live in my country.

Summing up, we present the following table of attacks on the people and the church of El Salvador:

2 priests assassinated.
5 priests tortured.
8 priests expelled.
7 priests denied re-entry.
3 priests obliged to flee their country.
parish assistants, catechists, sacristans of parishes assassinated.
clergy of San Salvador and San Vicente accused and calumnicated in a mass-media campaign which began seven months ago and still continues.
many priests threatened with death and Bishop Rivera Damas forced to hide himself many times.
peasants and priests afraid to sleep in their own houses.

In the successive massacres (for example, in 1977 alone: San Salvador, Feb. 28–Mar. 1; San Salvador, May 1; Aguilares, May 19) at least 200 persons have died. To give you a final ideas of what persecution against the church means, it is enough for me to quote from some flyers distributed and also broadcast on the radio: "Serve your country, kill a priest." This became translated by the White Warriors Union into a concrete threat under which 47 Jesuits are now suffering. If they do not abandon El Salvador today, July 21, they will be systematically executed.

IV. WHY IS THE CHURCH PERSECUTED?

There is but one answer to this question: for locating itself, out of our belief in evangelical charity, on the side of the poor who make up 92% of the population. This situating of oneself on the side of the poor . . . what does it mean? It means helping them articulate in their minds and in their actions the content of human rights. This process can be and is called "conscientization." This is what we Bishops and priests in El Salvador have been doing since 1969. Our point of departure has been the Bible, the Word of God, and we have made use of all the human sciences to carry out the task. The goods of creation belong to all people. To monopolize these goods in the hands of a few people is against divine law, no matter what human laws may say. We have supported the agrarian reform because we consider it good for everybody, and the same goes for any project whatever which means liberty for our people, which means enjoyment of human and civil rights. For this we are persecuted.

FORTY FRESHMEN COMMEND SPEAKER O'NEILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

Mr. CAVANAUGH. Mr. Speaker, for the benefit of all the Members of the House I would at this time ask to have

printed in the CONGRESSIONAL RECORD the text of a letter that was sent to you today and signed by 40 of the Democratic freshmen.

As a class, we came to the Congress hoping to find that the institution, and its leadership, was capable of policing itself. Public knowledge of past abuses of the allowance accounts and staff as well as conflict of interest charges made congressional ethics a central issue in our election. The actions which you have taken to insure a conclusive investigation on the Korean matter will contribute immeasurably to rekindling respect for the Congress within our people.

The text of the letter and a list of signatories follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 21, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives,
U.S. Capitol,
Washington, D.C.

DEAR MR. SPEAKER: We wish to commend you for the outstanding leadership you have displayed over the last several days in your handling of the Korean investigation question.

Your swift and decisive action in the wake of Mr. Lacovara's resignation was essential to the restoration of the confidence and faith of the American people in the willingness and ability of the Congress to impose upon itself the highest standards of ethics and constitutional responsibility.

Your selection of Leon Jaworski as Special Counsel to the Select Committee on Ethics was an essential step toward accomplishing these goals.

Your continued vigorous leadership is vital to a final exhaustive and satisfactory conclusion of this investigation.

We wish to assure you of our continued efforts and desire to achieve a resolution of this matter in a manner which will restore the faith and confidence of the American people in the institution of the Congress of the United States and their political process.

Edward J. Markey, Bruce F. Vento, Andy Ireland, Jim Mattox, John J. Cavanaugh, Raymond F. Lederer, Ike Skelton, Allen E. Ertel.

Norman D. Dicks, Peter H. Kostmayer, Lamar Gudger, Richard Gephardt, Albert Gore, Jr., Nick Joe Rahall, Dale E. Kildee, Billy Lee Evans.

Robert A. Young, Doug Barnard, Joseph A. Le Fante, Harold L. Volkmer, Donald J. Rease, Thomas A. Luken, Leon E. Panetta, Jerry Huckaby.

Doug Walgren, Michael O. Myers, Bob Gammage, Bob Stump, Wes Watkins, Charles Whitley.

Daniel K. Akaka, Dan Glickman, Douglas Applegate, Wyche Fowler, Anthony C. Beilenson, Ed Jenkins, Adam Benjamin, Jr., Cecil Heftel, Barbara A. Mikulski, Jim Guy Tucker.

A VETERAN'S FLAG FOR THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

Mr. SCHEUER. Mr. Speaker, last month, it was brought to my attention that the United States has no official flag commemorating our veterans. This point was raised by a valued friend and leader in my community, Commander Irwin Bronstein of the Jewish War Veterans.

In order to correct this situation I am today introducing legislation that directs the Administrator of Veteran's Affairs to select a design for a flag commemorating U.S. veterans. The bill sets up a citizens advisory panel of seven members to advise the Administrator in his choice.

Mr. Speaker, this legislation is designed to fill a void that has remained vacant too long. I hope that this legislation can be moved expeditiously through the Veterans' Affairs Committee back to the floor.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 5 minutes.

Mrs. BOGGS. Mr. Speaker, on Wednesday, July 20, I was granted a special order to honor the memory of Dr. Alice Paul, a leader of the women's suffrage movement.

During my remarks, I included in the RECORD a statement by Mr. MCKINNEY who was out of the city recuperating from a recent illness.

Mr. MCKINNEY's statement was printed during the special order as if he had actually delivered it.

Therefore, I would like the record to show that Mr. MCKINNEY's statement was inserted as part of my remarks, rather than delivered.

WHY REFORM OF THE NATIONAL LABOR RELATIONS ACT IS NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, it has been suggested by some opponents of the Thompson-Williams bill, H.R. 8410, for reform of the National Labor Relations Act that the law as it presently exists is in proper "balance" between labor and management, and that such reforms are unnecessary. Some of these opponents have gone so far as to suggest that my proposals are a concoction of what they call the "labor bosses" and are designed merely to enhance their own positions of power.

Well, I recently came across a newspaper article which responds to these allegations and which I would like to share with all of my colleagues. This article tells it like it is and explains exactly why we need a thorough overhaul of the NLRA to expedite its processes and to strengthen the remedies available to the National Labor Relations Board to deal with employer resistance.

I only recite the relevant portions of the article:

Companies seem increasingly willing to incur the remedial penalties they risk by flouting federal labor laws. And to stall organizing, the expertly use delays that are usual in National Labor Relations Board procedures. For example, consider how Florida Steel Corp., Tampa, has kept the United Steelworkers union at bay for four years.

The union's strategy was to organize Florida Steel's three mills first, presuming that its eight other plants would "fall into line." It won organizing elections at two of the mills in 1973.

During the campaigns the company fired 12 workers at its Charlotte, N.C., plant. The NLRB later said the firings were made illegally to keep workers away from the union. It also found to be illegal a company move to withhold certain wage and benefit increases from the two unionized plants while giving them to its other plants.

In late 1975, the NLRB ordered the dozen fired workers rehired. The company filed two years' worth of appeals before offering to rehire the workers early this year. Also, in September 1975 the board ordered the company to pay the wage and benefit raises it withheld. The company appealed, and when that failed, it complied—with increases the union claims were too small.

Meanwhile, the union hasn't been able to win organizing campaigns at the third mill that existed in 1973, or at a new one that has been started up since then. It hasn't even been able to negotiate contracts at the plants where it won organizing elections. Florida Steel still is in essence a nonunion company.

Such tactics inevitably hurt organizing. For instance, the 12 employes fired at the company's Charlotte plant were all entitled to return to Florida Steel, but only three chose to. "It doesn't help (a union sympathizer) who has been fired illegally . . . to be told two years later he can have his job back," says Betty Southard Murphy, a member of the NLRB.

Indeed, some union and government officials point to figures on firings as evidence of increased industry flouting of U.S. labor laws. Last fiscal year, the NLRB ordered 4,400 workers reinstated because they were illegally fired during organizing. That was up 16% from the number ordered reinstated in 1970.

Even when a union wins an election, the delaying maneuvers often simply move from one arena to another. That has been the case at J. P. Stevens. After 11 years of trying, what is now the Amalgamated Clothing and Textile Workers union persuaded employes at the company's plant in Roanoke Rapids, N.C., to vote in the union in August 1974. But the union still hasn't been able to win a contract. The NLRB has repeatedly charged the company with refusing to bargain.

Now, I am sure that most of you have immediately assumed that this statement is from one of those union newspapers put out by those "labor bosses." The fact is that it cmes from an article which appeared June 24 in the Wall Street Journal, which is not quite the labor press.

THE DROUGHT RELIEF AND WATER CONSERVATION ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, (Mr. MILLER) is recognized for 15 minutes.

Mr. MILLER of California. Mr. Speaker, I am introducing today the Drought Relief and Water Conservation Act of 1977. Today, while much of the Nation suffers through one of the worst droughts in our history, some are talking of the need for bigger and more expensive water projects. I suggest that the drought of 1977 should have taught us

already that, before we initiate the construction of costly and environmentally intensive projects, we should fully explore the potential for conserving the water which we have today, but which we utilize extravagantly because we never thought that it would run out.

In many parts of this country, unfortunately, that myth has been proven false. Farmers, industries, private citizens, and our environment, too, are realizing, in Interior Secretary Andrus' words, that "water is a finite resource, just like energy." The administration has wisely taken the position that a total review of water projects, water needs, and water use is necessary in order to rapidly develop a more realistic water policy. This legislation, which I am introducing today, is my own contribution to the development of that program.

This bill would do several things, both of an immediate, and of a long-range planning nature. The first portion of the bill authorizes the Secretary of the Interior to make loans to drought-stricken water districts which, because of the reduction in water use by their customers, are facing serious economic hardships. In California, where personal conservation has been far more successful than we had contemplated, some of these districts are actually urging their customers to consume more water in order for the district to avert economic loss. The insanity of this policy, in a year when our reservoirs are at an all-time low, is of truly stunning proportion.

I would much rather provide those districts with loans to help them survive this year without raising prices or encouraging additional use. We have made money available to help drought-stricken farmers. I believe that we should similarly make funds available on a loan basis to hard-hit water suppliers, because otherwise the consumer will be the one most affected.

The bulk of this bill establishes programs and rules which will place the Federal Government in a leadership position in the area of water conservation. Much of the Federal effort in the past has gone into constructing gigantic water projects which have fostered the idea that water is a boundless resource, and that with enough dams and aqueducts, we will never again know drought. This year, we have learned the falsity of that belief.

As Secretary Andrus has said, "Water projects don't create water, they just store it and move it around." I have often noted that, had some of these very questionable projects been on line this year, they would be just as depleted as the ones which currently exist, because we have put all of our energy into building them and nothing into developing sound water management techniques. Most importantly, we have minimized the need for conservation. I suggest that, before we again commit billions of future dollars to the construction of questionable projects, we explore ways to more adequately use the water which we have available to us already.

My legislation would encourage and, in some cases involving the supply of Federal water, mandate conservation in homes and on the farm. It would establish a loan program whereby a local unit of government could acquire funding for a conservation program to retrofit homes in its jurisdiction. The legislation specifies the kinds of inexpensive, nontechnical kinds of retrofitting—toilet tank displacement devices, flow restrictors, aerators—which can be employed in this program. Communities accepting a loan would be required to have on their books legislation mandating the use of water conservation devices in future construction.

This bill would also make the development of a conservation program mandatory for water districts, either municipal or agricultural, which are recipients of Federal water. The Bureau of Reclamation delivers billions of gallons of water annually. Yet a recent General Accounting Office study concluded that only about one-half of that water is used directly on crops. Moreover, there are many cases where irrigation is still conducted by means of open-trough, dirt trenches, which results in a loss of 25 percent of all water to evaporation or seepage. This bill would require that each contractor for Federal water have in place before a contract is signed or extended an approved conservation program.

Failure to enact such a program would prohibit that district from receiving surplus Federal water, as many currently do. If a district refused to participate in such a program, the Secretary also could not renew a contract at more than 85 percent of the amount of water the contractor was already receiving, thus imposing conservation. To assist agricultural contractors in meeting the conservation requirements of this bill, my legislation would authorize a loan program to help them meet the cost of installing irrigation pipes, drip irrigation devices, and such equipment.

Admittedly, this is a tough program. But the drought is also very serious, and failure to push water conservation into the forefront will insure that, in future years, we will be confronted with the precise same crisis which we face today, regardless of how many water projects we have built. Let me assure my colleagues that there exists a substantial body of information which demonstrates the effectiveness of water conservation. Indeed, the remarkable voluntary cutbacks by Californians in recent weeks, which necessitate the first section of my bill, demonstrate that the drought is recognized as a catastrophe. Moreover, the people have demonstrated their willingness to cooperate to overcome the crisis.

The California Department of Water Resources, which has been a leader in the development of conservation programs, has estimated that it would cost about $14 million to retrofit the entire State. Yet listen to the effect of that rather minor program: Simply retrofitting one-third of the State would result in an annual saving of 109,500 acre-feet of water, which is close to 40 million gallons, at a financial saving of $4.38 million. And, since water heating constitutes 4 percent of our national energy consumption, that reduction in water use would result in a saving of 1.67 million barrels of oil annually, a saving of $25.1 million.

The metropolitan water district which serves southern California cities has estimated that, between voluntary conservation and retrofitting, as much as 1 million acre-feet of water could be saved annually. Applying this same kind of effort nationwide could have major impacts on reducing future drought and improving water planning and management. Nationally, it has been estimated that, over 10 years, residential water users could save $22.5 billion through conservation and retrofitting, and water and wastewater industries could save $52.3 billion. The individual homeowner who puts a flow restrictor on his shower at a cost of $2, would realize an annual return on his investment of 270 percent.

There is another important facet of the national conservation program—job creation. Some have argued that the construction of these enormous water projects is good for labor. But they produce rather few long-term jobs, and, in some cases, they have such major environmental impact that residential and industrial growth is restricted or agricultural land is destroyed. In California, a goal was set in 1975 to create some 37,000 new jobs in water conservation related fields. Only 2 years later, 26,000 jobs have already been created, and the program managers have estimated that they will exceed their original projections.

I would like to congratulate the Carter administration, and especially Secretary Andrus, for emphasizing the need for a national water policy, including conservation. He has rightly drawn the analogy between the energy crisis and our situation concerning water:

> With the drought and with environmental degradation, the people recognize that they are going to have to conserve water and use it in a different way than we have in the past. The wasteful methods of the past are going to have to be done away with in energy. They are also going to have to be done away with in water.

The bill which I am introducing today establishes that policy. It says that the Federal Government, as a major supplier of water, is going to require strict conservation. And it says that the Government is going to assist cities, water districts, and farmers to overcome their current crisis and modify their water uses to assure that we can avert such catastrophies in the future.

A synopsis of the bill follows:

SYNOPSIS OF THE DROUGHT RELIEF AND WATER CONSERVATION ACT

Section 1: Short title.

Section 2: (a) Loan program for water suppliers likely to suffer financial loss because of drought in order to alleviate the need to either raise prices or encourage consumption.

(b) Loan rate (5% annually) and duration (up to 10 years).

(c) Technical-approval procedure.

Section 3: (a) Prohibition on Secretary entering into new water contracts unless

contractor has adopted an approved water conservation program. Without such a program, an existing contract could be extended at 85% its current rate.

(b) No surplus water may be sold to a federal water contractor failing to adopt an approved water conservation program.

(c)(d) Technical.

Section 4: (a) Secretary of the Interior is authorized to make loans to water districts and units of local government to finance approved water conservation programs such as the installation of retrofitting devices in homes and improved agricultural irrigation devices.

(b) Terms of loans.

(c) Technical.

(d) Requires that entities applying for loans have enacted mandatory conservation standards for new construction after January 1, 1979, and also have adopted a plan for the retrofitting of facilities owned or administered by that jurisdiction.

(e) Installation of devices need not be done by public employees.

(f) Conservation loan program may be on demonstration basis.

Section 5: Monitoring requirements.

Section 6: Certification of water conservation devices by Secretary.

Section 7: Report to the Congress.

Section 8: Definitions.

H.R. 8468

A bill to establish a loan program to provide financial assistance to drought-impacted water districts, to provide Federal assistance to water districts for acquisition and installation of residential and agricultural water conservation devices and equipment, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Drought Relief and Water Conservation Act of 1977".

DROUGHT IMPACT RELIEF LOANS

SEC. 2. (a) The Secretary of the Interior is authorized to make loans to any local water district, unit of local government, or other public agency which supplies agricultural or municipal water to consumers if such water district, unit of local government, or other public agency has sustained or is likely to sustain a substantial reduction in income due to a reduction in water consumption caused by drought. The Secretary shall by rule prescribe standards for determining which local water districts, units of local government, and other public agencies are eligible for loans under this section.

(b) Loans under this section shall be made at rates of interest not to exceed five percent per annum and shall be made for periods not to exceed ten years. Repayment of loans under this section shall be made at such times, in such manner, and subject to such conditions as the Secretary may prescribe.

(c) A loan under this section shall be made upon approval of an application submitted by a local water district, unit of local government, or other public agency which supplies water to consumers. Such application shall be in such form and manner, and shall provide such information, as the Secretary may by rule require.

WATER CONSERVATION PLAN REQUIREMENT FOR FEDERAL WATER PURCHASERS

SEC. 3. (a)(1) The Secretary may not enter into a new contract, or (except as provided in paragraph (2)) extend or renew an existing contract, for the sale of water from any Federal reclamation project unless the purchase of such water under such contract has adopted a water conservation program approved by the Secretary.

(2) The Secretary may extend or renew a contract in effect on the date of enactment of this Act for the sale of water from any Federal reclamation project if under such extension or renewal the Secretary will not provide more than 85 percent of the amount of water provided under the terms of such contract as in effect on the date of enactment of this Act.

(b) The Secretary may not sell any surplus water to any contractor for water from any Federal reclamation project if such contractor has not adopted a water conservation program approved by the Secretary.

(c) Subsections (a) and (b) shall not apply in any State in which loans under section 4 are not available.

(d)(1) Subsections (a) and (b) shall take effect at the end of the one-year period beginning on the date of enactment of this Act.

(2) During such one-year period, any contract for the sale of water from any Federal reclamation project entered into by the Secretary, and any extension or renewal of any such contract, shall not be for a period of more than five years unless the purchaser of water under such contract has adopted a water conservation program approved by the Secretary.

WATER CONSERVATION LOAN PROGRAM

SEC. 4. (a) Upon the approval of an application of any general purpose unit of local government or of any local water district, the Secretary may make loans to such unit or water district for purposes of acquisition, distribution, and installation of certified residential water conservation devices and certified agricultural water conservation devices and certified agricultural water conservation equipment to be installed in residences or for agricultural purposes within the jurisdiction of such unit or water district, and for related technical and educational information. An application for a loan under this section shall describe—

(1) the number of residential units or the agricultural area in which such devices or equipment, as the case may be, will be installed;

(2) the types and quantities of certified water conservation devices and equipment to be purchased, in whole or in part, with money received under this section;

(3) the amount of water which the entity submitting the application estimates will be conserved following installation of such devices and equipment; and

(4) such other information as the Secretary may by rule require in order to carry out the purposes of this Act.

(b) Loans under this section shall be made at rates of interest not to exceed five percent per annum and shall be made for periods not to exceed ten years. Repayment of loans under this section shall be made at such times, in such manner, and subject to such conditions as the Secretary may prescribe.

(c)(1) No loan under this section shall be approved unless the Secretary has determined that the entity receiving the loan has established such procedures and requirements respecting a program for the distribution and installation of water conservation devices and equipment to be acquired with money received from the loan as the Secretary considers appropriate to carry out the purposes of this Act in an effective, fair, and equitable manner.

(2) Such procedures and requirements shall provide appropriate priorities for the distribution of such devices and equipment, considering the area in which such entity is located and the amount of water available in such area.

(d) No loan under this section shall be made to any general purpose unit of local government unless such unit has—

(1) adopted a regulation or ordinance requiring that all new construction begun after January 1, 1979, within the jurisdiction of such unit shall be required to include appropriate water conservation devices; and

(2) adopted a plan for the retrofitting of existing facilities owned or administered by such unit with appropriate water conservation devices.

(e) Nothing in this section shall be construed to require that distribution or installation of water conservation devices or equipment be carried out by officers or employees of a local government agency.

(f) The Secretary may initiate the loan program authorized by this section on a demonstration basis in not less than five States, such States to be selected on the basis of the acuteness of their water shortages in the previous two years and the likelihood of such a program having a significant effect on the residential consumption of water within such States.

MONITORING

SEC. 5. (a) The Secretary shall monitor the operation of entities receiving loans under sections 2 and 4 of this Act through on-site inspections and such other means as may be effective to assure that the requirements of this Act are met.

(b)(1) Each entity receiving a loan under this Act shall maintain such records as the Secretary may require.

(2) The Secretary and the Comptroller General of the United States shall have access, for purposes of examination and audit, to any book, document, paper, information, and record pertaining to any loan made under this Act.

CERTIFICATION OF DEVICES

SEC. 6. The Secretary shall, upon application of any manufacturer of a residential water conservation device (such as low flow showerheads and flow restriction and toilet tank displacement devices), or of any item of agricultural water conservation equipment (such as materials for lining or enclosing irrigation conveyances and drip irrigation equipment), certify such device or item for purposes of section 4 if the Secretary determines that such device or item—

(1) is effective in reducing the consumption of water in residential units or in agricultural use, as appropriate; and

(2) meets such other requirement (including requirements with respect to cost and quality) as may be prescribed by the Secretary.

REPORT

SEC. 7. The Secretary shall submit a report to the Congress on the operation of the loan programs authorized by this Act not later than July 1, 1979.

DEFINITIONS

SEC. 8. As used in this Act:

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "residences" means private homes, apartment buildings, hotels, motels, and institutional, retirement, and hospital facilities.

(3) The term "State" means any of the fifty States and the District of Columbia.

UNDERSTANDING HOW FEDERAL FUNDS ARE DISTRIBUTED

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, today I am introducing legislation to make it easier for Congress and the public to understand how Federal funds are distributed to State and local governments.

My bill would require that information be provided on the formulas and statistical assumptions used under Federal

programs. This would make it possible to analyze and verify the accuracy of Federal assistance, and help to determine whether the funds are being spent wisely.

Under the existing system, many billions of dollars in Federal funds are distributed every year on the basis of formulas. These formulas set forth in general terms how eligibility for grants or other assistance may be decided.

As an example, a Federal program to reduce unemployment may provide funds to areas with high jobless rates. Those States and cities with most unemployment would receive the most funds.

Many such formulas are quite complicated and include numerous factors such as population, per capita income, State and local taxes, and other matters. Often, data on the various factors is fed into a computer, and the results determine how much money each State or local government or other recipient will receive.

Due to the increasing complexity of the formulas, and the inadequacy of the data that may be available, assumptions frequently must be made on how to "program" the computer. If no specific data is available on unemployment rates in towns of 10,000 or less, for example, the government may have to estimate the rates based on statewide data.

With so much money at stake, the arbitrary assumptions made in this manner can have a great impact on the amount of funding made available to each State and local government. Some jurisdictions may receive more than they should under an ideal distribution, and some may receive less.

Recently, it was discovered that the Commerce Department adopted an arbitrary policy with respect to data used that resulted in the exclusion of thousands of smaller communities across the Nation from the $4 billion public works jobs program that had been adopted by Congress. In ruling that no State or local data on joblessness would be accepted for inclusion in the computer programs, the Department overruled a specific instruction by Congress.

According to a Labor Department official, an estimated $30 billion a year changes hands automatically on the basis of statistics compiled by the Bureau of Labor Statistics. For some data, it has been reported, statisticians sometimes make adjustments "on the basis of their subjective judgments."

Imperfections in the distribution can be particularly harmful when they deny funds to areas with critical needs, and provide excess funds to places which do not really want them. This is a wasteful use of Federal moneys which should not be tolerated.

While we may not be able to immediately correct all shortcomings in the availability of data, I believe that more information should be made available on the assumptions and subjective decisions made by those who implement Federal programs. This would enable Congress, recipients, and other interested parties to examine more closely how well our Federal assistance programs are meeting their original intent.

Under my bill, the Director of the Office of Management and Budget would be responsible for assuring that detailed information is available on the way funds are distributed under Federal programs. This information would include the nature and source of each data element, any assumptions or projections made, and the probable percentage of error.

This information would enable the public, congressional committees, local communities, or others to duplicate the computer programing and test how well programs are carrying out their mandate. It would also make it more possible to experiment with different factors in an attempt to improve the efficiency and economy of Federal programs.

We must not continue to permit technicians in the governmental agencies to make subjective decisions on how billions of dollars are given out, with no review or guidance from elected officials or the public. My bill will permit a start toward improving our distribution systems. I am hopeful that Congress will act on this legislation as soon as possible.

At this point in the RECORD, I would like to include the text of my bill and news articles which tend to support the need for remedial action by Congress:

H.R. 8458

A bill to require the Office of Management and Budget to provide information on the formulas and assumptions used in the distribution of domestic assistance

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. For the purpose of this Act, the term—

(1) "assistance" refers to the transfer of money, property, services, or anything of value; the principal purpose of which is to accomplish a public purpose of support or stimulation authorized by Federal statute. Assistance includes, but is not limited to, grants, loans, loan guarantees, scholarships, mortgage loans, insurance, or other types of financial assistance; provision or donation of Federal facilities, goods, services, property, technical assistance, and counseling, statistical and other expert information, and service activities of regulatory agencies; but does not include provision of conventional public information services; and

(2) "Federal domestic assistance program" means any function of a Federal agency which provides assistance or benefits for a State or States, territorial possession, country, city, other political subdivision, grouping, or instrumentality thereof; any domestic profit or nonprofit corporation, institution, or individual, other than an agency of the Federal Government.

SEC. 2. The Director of the Office of Management and Budget shall identify all existing Federal domestic assistance programs and make available to the public, information describing, as to any domestic assistance program which provides for the distribution of funds on the basis of any distribution, allocation, or other formula—

(1) the formula and assumptions under which program funds are distributed, including—

(A) a narrative statement of the formula;

(B) a mathematical statement of the formula;

(C) an annotated listing of any computer program used in the application of the formula; and

(D) as to each of the items listed in clauses (A), (B), and (C), a statement of the nature and date of any revision; and

(2) the data and assumptions used in the application of the formula, including—

(A) the definition of each data element, and the nature and date of any revision of such definition;

(B) the source of data, the method of data collection, and the cost of such collection;

(C) the period of time covered by the data, or for which the data is accurate;

(D) the imputation techniques used to supply missing elements of data; and

(E) the statistical properties of the data, including sampling error rates if known, as to each class or size of beneficiary.

[From the New York Times, July 17, 1977]

ADMINISTRATION BARS PUBLIC WORKS FUNDS FOR SMALLER TOWNS

(By Martin Tolchin)

WASHINGTON.—The Carter Administration ignoring a Congressional mandate, has adopted a policy that has resulted in the exclusion of thousands of smaller communities from the $4 billion public works job program.

This has generated a new dispute between the President and members of Congress, some of whom have encouraged communities in their districts to take legal action to compel the Administration to comply with the intent of Congress.

"We're getting a lot of flak from the Hill on this program," acknowledged George T. Karras, the Commerce Department's Deputy Assistant Secretary for Economic Development.

The dispute focuses on a directive in the conference report of the bill, the centerpiece of President Carter's economic stimulus package, which was intended to distribute Federal funds on the basis of local unemployment. The directive provided that when the Bureau of Labor Statistics lacked unemployment data on a community, "the Secretary [of Commerce] shall accept state or local data."

COMMUNITIES EXCLUDED

The Commerce Department, which administers the program, has decided, however, to provide funds only to those communities for which the Federal Government had unemployment data. This excluded smaller communities for which the Bureau of Labor Statistics had compiled no such data.

"This alternative was adopted as being the most fair considering the time constraints on the program," Robert T. Hall, Assistant Secretary for Economic Development, said in a letter to all members of Congress.

Mr. Karras contended in an interview that compilation of local unemployment data would have led to delays that would have thwarted the program, through which communities receive Federal funds to build schools, hospitals, police stations and other facilities.

"We had to get the money into the ground this construction season," said Mr. Karras, who is a Nixon-Ford holdover—a fact that upsets some Democrats in Congress. "We have until Sept. 30th to allocate the money."

"That's preposterous," retorted Representative Charles Rose, Democrat of North Carolina and chairman of the House Administration Committee's policy group on information and computers. "I knew that the bureaucracy was inefficient, but with even a modest amount of pre-planning, state employment security agencies could have been asked to provide the data. It shouldn't have taken more than two weeks.

"If I had known that small communities were going to be trampled in the stampede to get this money out, I never would have supported the program," Mr. Rose added.

Representative James J. Florio, Democrat of New Jersey, called today for a Government Accounting Office investigation of the

Economic Development Administration's System used to distribute the funds. He called the distribution "the biggest bureaucratic bungle" that he had seen since his election to Congress.

"The result of this fiasco is that many, many of our towns have gone to the expense of having engineering plans drafted for projects that will never be initiated," he said.

Mr. Hall's letter was in response to a letter sent to all members of Congress by Mr. Rose, who charged that the agency's use of incomplete data had violated the law.

DIFFERENT TREATMENT

Mr. Rose said that the situation had been called to his attention by uneven treatment of three communities in his district, each with about the same number of unemployed persons. Data on those communities, Hope Mills and Steadman, were not in the computer. They were therefore ineligible for funds.

The third community, Spring Lake, adjoins Fort Bragg, an Army base, and perhaps that is why it was included in the Bureau of Labor Statistics unemployment data. The bureau certified that Spring Lake had 147 unemployed persons, and the community was awarded $1,880,000.

Similarly, in the New York metropolitan area, several Long Island communities were automatically disqualified for funds because of lack of Federal unemployment data. They include East Meadow, Elmont, Merrick, North Bellmore, Hicksville, Plainview, Port Washington and Bayport. Westchester communities automatically excluded from the program included Armonk, Chappaqua, Cortlandt, Eastchester, Harrison, Hawthorne, Mamaroneck, Shrub Oak and Yorktown Heights.

* * * * *

"GONE AGAINST INTENT"

Mr. Rose's concern is shared by many representatives from rural districts.

"I'm very disappointed in the way they've implemented the bill," said Representative John Paul Hammerschmidt, Republican of Arkansas, the ranking minority member of the economic development subcommittee of the Public Works Committee.

"They've gone against Congressional intent and they've gone against the explicit language of the conference report," Mr. Hammerschmidt continued. "I've talked to a number of members who have communities with the worst unemployment, and they're not even being considered for grants.

"I'm not sure that they're not subject to lawsuits by those communities," Mr. Hammerschmidt said.

Representative Robert A. Roe, a Democrat from Wayne, N.J., who is chairman of the Economic Development Subcommittee of the Public Works Committee, said that he was chagrined by the Administration's policy.

"What's in the law is in the law," Mr. Roe said.

$75,000 LOWER LIMIT

The Administration also has decided, on its own initiative, not to provide communities with funds unless they were entitled to $75,000 or more. Some members of Congress believe that that policy also discriminates against smaller communities.

"This is a program designed to put construction workers to work," said Mr. Karras. "If you're dealing with less than $75,000, you're not dealing with public works, you're dealing with beautification."

Some Congressmen noted, however, that those funds could be used for such work as repaving roads and repairing sewers.

[From the Washington Star, May 26, 1977]

THERE'S A LOT OF MONEY RIDING ON THE JOBLESS RATES

(By Lee M. Cohn)

Like generals plotting a military campaign, Congress and the Carter administration study maps as they deploy federal money for public works, manpower training, public service employment and the other programs enacted to create jobs and spur economic growth.

Guided by computer runs of finely tuned formulas, they allocate shares of the money to states, metropolitan areas, cities and towns—minimum amounts where unemployment rates are below the national average, large sums to places with high unemployment.

If a city's unemployment rate is higher this month than a year ago, it may qualify for a bonus. If unemployment has declined, the payments may shrink.

Members of Congress who draft the formulas and administration officials who write the checks act as if they know what they're doing, disbursing the money exactly where it will do the most good. Julius Shiskin, who provides the data cranked into the computers, knows better.

"This legislation is really years ahead of BLS (Bureau of Labor Statistics) ability to produce required statistics at reasonable levels of accuracy," says Shiskin, commissioner of labor statistics.

"Some of these figures, we shudder when we think how inaccurate they may be."

BLS statistics on employment and unemployment are very accurate at the national level, and fairly accurate for large states and metropolitan areas, Shiskin says. But the potential errors grow as statistics are calculated for smaller groups and areas, he says, admitting: "When you get to these very small areas we're talking about, we worry about whether we're giving any better than random numbers."

That's a polite way of saying that unreasonable demands by Congress and the administration compel Shiskin to pull numbers out of his hat.

Shiskin freely acknowledges the shortcomings in his statistics, and he keeps warning Congress against relying so heavily on flimsy data in paying out billions of dollars. But Congress needs something to lean on, and BLS is available.

"When we don't have facts to make our decisions on, we turn to statistics," Rep. Elliott H. Levitas, D-Ga., told Shiskin at a House Government Operations Committee hearing.

Shiskin loves numbers, so he is thrilled by the growing BLS role—even though it worries him.

"When I started my career, statistics were used only in dealing with academic, abstruse questions," he says. "Now it's a different world."

Besides the money disbursed for employment programs, figures cranked out by BLS trigger cost-of-living wage increases and other big effects. All told, Shiskin says, "I estimate that $30 billion a year changes hands automatically on the basis of BLS indicators. That's sort of sensational."

State and local statistics on unemployment determined allocations of $8 billion to $10 billion of federal money last year, and the total will increase by $5 billion this year, he estimates.

Shiskin is proud of the national data. A thousand Census Bureau interviewers, under contract to BLS, ask standardized questions once a month on the employment status of residents of 55,000 households, which is considered a large sample.

To avoid slanted responses, the interviewers never use the word "unemployed" in finding out whether members of the household are working, are looking for jobs or are outside the labor force. The sample covers 923 counties and independent cities in every state and the District of Columbia.

BLS says the sampling error for the national figures is very small. The agency calculates that chances are 90 out of 100 that the monthly estimate of unemployment is within 185,000 of the total that would be reported by a complete census of every household in the country. In April, when the estimated unemployment rate was 7 percent of the labor force, the actual rate was between 6.8 and 7.2 percent.

The band of potential error widens as smaller groups than the total population are measured. For example, the April unemployment rate for blacks was estimated at 12.3 percent, and BLS calculates that the true rate was between 11.5 and 13.1 percent.

BLS publishes monthly unemployment estimates for 4,300 places—states, metropolitan areas, cities and towns. The accuracy rate declines rapidly as members are reported for smaller and smaller places. As a rough rule of thumb, Shiskin says estimates are close enough to the mark to be useful for areas with populations over 50,000, but very questionable for places with smaller populations.

Although estimates for some of the 4,300 places are iffy, laws allocating billions of dollars on the basis of unemployment rates require data for about 25,000 locations. These estimates are so "synthetic" that the margin of error cannot be calculated, BLS says.

State and local unemployment figures are estimated monthly by state agencies under supervision by the federal government, using a procedure called the 70-step method, which is as complicated as the name suggests. They start with unemployment insurance statistics, which cover only about 60 percent of jobless workers, and extrapolate to estimate—or guess—total unemployment in each locality.

Once a year, BLS measures the statewide figures against benchmarks derived from its national household survey and issues revised state numbers. The national sample had been sufficient only to provide reasonably reliable estimates for 19 big states, but it has been enlarged from 47,000 to 55,000 households to provide data for all 50 states and the District of Columbia.

BLS calculates that chances are two out of three that its annual average unemployment rate estimates for the states are within 10 percent of the rates that would be reported by a full census count. Local estimates derived from the state data are much less accurate than that.

State and local monthly estimates for 1976 must be revised on the basis of the BLS annual benchmark figures, which were released in February 1977. Tentative monthly estimates this year will be based on the 1976 BLS benchmarks, subject to revision when the 1977 benchmarks are issued next year.

Shiskin ducks his head when BLS publishes the annual revisions. "An awful lot of money is riding on these figures, so people get mad and scream at us, and I can't blame them," he says.

The special world of federal grantmanship is upside down. Good news is viewed as bad, and bad news is good.

State officials assail BLS—sometimes suing the agency—when their unemployment rates are lowered, because that may mean reductions of federal payments. When estimates are raised, state officials happily rub their hands in anticipation of extra money.

Maryland is suing BLS is an attempt to void previous reductions in its unemployment rate, although the latest figures raise the state's 1976 rate from 6.3 to 6.8 percent. Rep. Parren J. Mitchell, D-Md., told Shiskin this was a "very commendatory" revision.

The D.C. rate for 1976 was raised from 7.4 to 9.1 percent, one of the biggest changes, and the Virginia rate was increased from 5.5 to 5.9 percent.

Nationwide, BLS raised rates for 26 states and the District, lowered rates for 23 states and left Alabama unchanged.

Local unemployment data never will be as accurate as Congress apparently assumes when it votes to pay out billions of dollars, but there are ways to make the statistics somewhat more reliable.

"This is probably the most important im-

mediate policy issue" facing the National Commission on Employment and Unemployment Statistics, says Sar A. Levitan, the manpower expert who is in line to be commission chairman.

Levitan suggests that state and local statistics could be made substantially more accurate by improving the underlying unemployment insurance data and by enlarging the BLS survey sample from 55,000 households to perhaps 70,000 or 100,000.

This would be costly, he admits, but "such huge amounts are at stake that it is not unreasonable to spend a few million dollars for better data to assure that the money (for public works and other job programs) goes to the right places."

Shiskin and Levitan both say federal aid formulas should take account of income as well as unemployment. Levitan is a leader of efforts to revise job statistics to measure hardship and need.

Apart from issues of accuracy, BLS job statistics do not mean exactly what they say. The agency reported early this month that 90,023,000 workers had jobs in April, 6,737,000 were unemployed and the unemployment rate was 7 percent of the labor force. Careful study of the report revealed that the actual figures were 89,258,000 employed, 6,568,000 unemployed and 6.9 percent for the unemployment rate.

BLS was not fudging the figures. The statistics that received most of the attention were seasonally adjusted in an effort to spotlight underlying trends

Because of cold weather and other factors, unemployment almost always rises substantially between December and January. Seasonal factors are reversed in April, so unemployment almost always declines.

If unemployment increases by a "normal" amount in January, that does not indicate that the situation really has worsened, so the seasonally adjusted total of unemployed workers and the unemployment rate are reported as unchanged. If joblessness increases more than usual for that time of year, a seasonally adjusted rise is reported. If unemployment rises less than usual, that indicates improvement, so it is reported as a seasonally adjusted decline.

Between March and April, the number of unemployed workers declined by an estimated 988,000, from 7,556,000 to 6,568,000, which reduced the unemployment rate from 7.9 to 6.9 percent of the labor force. That was partly seasonal and partly a real improvement. Seasonally adjusted, unemployment declined by 327,000, from 7,064,000 to 6,737,000, and the unemployment rate fell from 7.3 to 7 percent.

A few economists contend that seasonal adjustments are misleading and actual figures should be used. The great majority of economists believe that seasonal adjustments are essential for monitoring the economy. Purely seasonal factors account on average for about 90 percent of the month-to-month changes in unemployment. Without seasonal adjustment, wide fluctuations from month to month would mask real changes, and valid comparisons could be made only from year to year.

Although there is broad agreement that seasonal adjustments are necessary, economists fiercely dispute the formulas. There are many different ways to adjust the figures for seasonality, and Shiskin pubishes 11 versions.

In April, when the actual unemployment rate was 6.9 percent and the official seasonally adjusted rate was 7 percent, the various formulas yielded rates ranging from 6.9 to 7.1 percent. The range last September was wider, from 7.6 to 8 percent.

Confusion is compounded every January, when BLS updates its formulas to take account of the most recent seasonal patterns, and issues revised figures for the preceding 12 months.

Seasonal adjustment arguments are behind much of the suspicion that BLS may manipulate the data to help one party and hurt the other.

The AFL-CIO research department charged early last year that BLS was using "seasonal adjustment gimmickry" in changing the formula for 1976. The change was lowering the unemployment rate early in the year, making the job picture look brighter than it really was, and would raise it in later months, the memo said.

If BLS wanted to help the incumbent Republican administration, Shiskin replied, it would have made more sense to lower the unemployment rate later in the year, just before the election. In fact, the Ford administration's Council of Economic Advisers complained after the election that BLS adjustment methods raised the unemployment rate unduly in the fourth quarter of 1976.

For some economic statistics, seasonal adjustment formulas are chosen to fit the circumstances of each month or quarter, and statisticians sometimes make further adjustments on the basis of their subjective judgments.

Shiskin says the employment and unemployment data would be more accurate if the formulas could be revised each month, but he realizes that the figures are too politically sensitive to permit that. Therefore, he says, BLS announces the formulas it will use at the start of each year and sticks with them for 12 months, "to preclude the possibility that ad hoc current adjustments would be interpreted as manipulation."

Most of the suspicion arises among those who are not familiar with BLS operations. Specialists have confidence in the agency's integrity, whichever party is in power, even if they disagree with the statistics it issues.

"The operation is totally professionalized," says W. Willard Wirtz, secretary of labor in the Kennedy and Johnson administrations, and now president of the National Manpower Institute, a research organization. "Any political officer of the government would try to influence it at personal peril"

Some White House officials in the Nixon administration suspected that Democrats in BLS were manipulating the statistics, or at least were interpreting them to make the administration look bad. BLS career officials were ordered to stop holding press conferences after their interpretations clashed with the White House line, and a few were squeezed out of the agency.

Sen. William Proxmire, D-Wis., moved to fill the gap by calling Shiskin to testify before the Joint Economic Committee each month on the day of the employment report. This practice continues, with Shiskin interpreting the figures but cautiously avoiding policy recommendations and remarks that might sound political.

Shiskin, a government economist and statistician since he went to work for the War Production Board in 1942, recalls that he fielded "a lot of questions about the integrity of the BLS" in the first few months after Richard Nixon appointed him commissioner in 1973.

"The controversy about political interference has died out," he says. "I don't think I've heard such a question for at least two years. The TV people tell me my appearances (at Joint Economic Committee hearings) help—they say 'people believe you'."

Shiskin says he was picked for the job because it was realized that BLS needed someone who was "not a political type," and his long career put him in that category. Now 64, he is waiting anxiously to hear whether President Carter will reappoint him when his four-year term expires at the end of July.

FALSE CHARGES AGAINST ANATOLY SHCHRANSKY

(Mr. BUCHANAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BUCHANAN. Mr. Speaker, I am today introducing with my colleague from Connecticut (Mr. DODD), a resolution expressing our concern over the blatantly false charges brought by the Soviet Union against Anatoly Shchransky.

Our resolution calls upon the Soviet Union to fulfill its own promises to its own citizens with regard to basic human rights and freedoms. It urges the release of Mr. Shchransky and calls on the Soviet Union to permit him to be reunited with his family. It also expresses the sense of Congress that the Soviet Union ought comply, with regard to all its citizens, with international and Soviet documents which it has signed.

Anatoly Shchransky may face the death penalty because he dared to speak out against Soviet violations of human rights.

He is a member of the Group to Promote the Observance of the Helsinki Agreements in the U.S.S.R., otherwise known as the Orlov Group. In recent months many members of this group have been arrested, sentenced, or exiled in an effort to silence their pleas for freedom and basic human rights promised by the Soviet Constitution.

He is a Jew and has been a courageous, outspoken defender of religious rights. For this he has been subjected to harassment and has been prohibited from emigrating.

It appears that the Soviet Government cannot tolerate Mr. Shchransky and his embarrassing references to their violations of human rights. Thus, they have decided to try him on the ludicrous charge of treason for allegedly working with the CIA.

The Soviets know this is a false charge. The resolution which we are introducing today underlines President Carter's statement that Mr. Shchransky "has never had any sort of relationship to our knowledge with the CIA."

The Soviet treatment of Anatoly Shchransky reflects a litany of abuses.

Article 9 of the International Covenant on Civil and Political Rights states:

> Everyone has the right to liberty and security of person. No one should be subjected to arbitrary arrest or detention. Anyone who is arrested shall be informed, at the time of arrest of the reasons for his arrest and shall be promptly informed of any charges against him.

The Soviet Union ratified this Covenant, yet blatantly violated it with respect to Mr. Shchransky by arresting him and refusing for months to state the charges.

Chapter 6, Article 34 of the Soviet Constitution says that "citizens of the U.S.S.R. are equal before the law irrespective of their attitude toward religion." Yet, Anatoly Shchransky's problems began when he became an outspo-

ken leader on behalf of Soviet Jews who were denied permission to emigrate.

Article 50 guarantees freedom of speech, press, assembly, street procession and demonstration, yet Shchransky's voice in support of the Helsinki Final Act have been silenced by the selfsame Soviet Government pretending to guarantee rights outlined in the Final Act.

Article 18 of the Universal Declaration of Human Rights provides for the right to leave one's country. Yet the Soviet Union, which signed the Universal Declaration, has denied not only Mr. Shchransky, but thousands of other Soviet citizens this basic human right. His wife was permitted to emigrate 4 years ago, but he continues to be prohibited from doing so.

Basket III of the Final Act of the Commission on Security and Cooperation in Europe, which the Soviet Union signed and which will be reviewed in a very few months, commits all signatory nations to basic human rights and to "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family." The Soviet Union's response in Mr. Shchransky's case and in the cases of many other Soviet citizens, but particularly Jews, has not been positive. It has been anything but humanitarian.

If the world is to take the Soviet Union even partially seriously when it seeks to negotiate treaties or other agreements with nations outside its boundaries, it must demonstrate that it intends to comply with its own laws within its own borders.

The Soviet Union can express its good faith intentions by complying with the international agreements which I have just mentioned and by releasing Anatoly Shchransky and permitting him to be reunited with his family.

The text of our resolution follows:

Whereas the Soviet Union is a signatory to the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinki, Finland, on August 1, 1975, which provides for basic human rights including freedom of conscience, religion and emigration;

Whereas the Soviet constitution provides for freedom of conscience and religion;

Whereas the Soviet Union is a signatory to the Universal Declaration of Human Rights and the subsequent International Covenant on Civil and Political Rights which provides for specific protections concerning freedom of conscience, religion and emigration;

Whereas Anatoly Shchransky has been denied an exit visa so that he may be reunited with his family and whereas he currently faces unwarranted charges of treason based on false allegations of his being connected with the CIA; and

Whereas President Carter has publicly stated that Anatoly Shchransky has never had any relationship with the CIA: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), that it is the sense of Congress that the Government of the Union of Soviet Socialist Republics should comply with the Final Act of the Conference on Security and Cooperation in Europe, the International Covenant on Civil and Political Rights, and the Soviet Constitution, with respect to all of its citizens, and, in order to so comply, should release Anatoly Shchransky from custody and should allow him to emigrate from the Soviet Union so that he may be reunited with his family.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I was meeting with State Department officials this morning, and was not present to vote on rollcall No. 446, the motion to close the conference on H.R. 7933. Had I been present, I would have voted "aye."

STATEMENT OF CHAIRMAN AL ULLMAN WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF TITLE II OF H.R. 6831, NATIONAL ENERGY ACT

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ULLMAN. Mr. Speaker, on July 13, 1977, the Committee on Ways and Means favorably reported to the House a committee amendment in the nature of a substitute for title II of H.R. 6831, the National Energy Act. Title II of H.R. 6831 embodies the tax aspects of President Carter's energy proposals.

I take this occasion to advise my Democratic colleagues in the House as to the type of rule the Committee on Ways and Means will request for consideration of title II of H.R. 6831 on the floor of the House. The Committee on Ways and Means instructed me to request the Committee on Rules to grant a closed rule which would provide for amendments to be offered by the Ad Hoc Energy Committee and the Committee on Ways and Means—which would not be subject to further amendment—and which would provide for motions to strike any section of title II, which would provide 4 hours of general debate on title II, to be equally divided, which would waive all points of order with respect to title II, and which would provide for one motion to recommit as to the total bill with or without instructions.

The committee report on title II of H.R. 6831 was filed on July 13, 1977.

PERSECUTION OF JESUIT PRIESTS IN EL SALVADOR

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, I call to our attention the continuing persecution in El Salvador—now a persecution of Jesuit priests. The upheaval in that small country revolves around land occupancy, and age-old problems relating to political reform.

Thirty days ago, a rightist group calling itself the White Warrior Union sent a warning to the Jesuit priests in El Salvador warning them that they must be out of the country by July 20—today—or they will be systematically executed.

The situation in El Salvador is yet another example of the inhumanity which surfaces when people are oppressed. I want to bring to the attention of my colleagues an excellent column by Colman McCarthy. We must recognize the agony of countries in Central America, if possible, without injecting ourselves into their internal problems or forcibly imposing our own beliefs on them; but all the while fostering the growth and stability of free and Democratic governments.

Following also is a copy of War Order No. 6, commanding the Jesuits to leave El Salvador. I think my colleagues will be interested to read this:

LATIN AMERICA'S OUTSPOKEN CHURCH

(By Colman McCarthy)

Terrorists in El Salvador have said that 47 Jesuits must leave that country by today or they will be gunned down. This latest death threat is one more sign that violence has replaced law in El Salvador and that the Catholic Church is seen as subversive. Two priests have already been slain; several have been tortured. Others have been expelled. The government claims that the Jesuits are meddling in politics and riling the people.

That is the standard defense made by those Latin American governments in which thuggery is the main political force. The significance of El Salvador, though, is that the Church is not backing down. In a country of four million in which 70 per cent of the land is held by one per cent of the people, and 90 per cent of the peasants are landless, bishops and priests are refusing to be pressured into silence. They are insisting that such papal encyclicals as *Pacem in Terris* and *Populorum Progressio* are liberation documents meant to defend the weakest and poorest. Last December, El Salvador's Archbishop Chávez y Gonzáles attacked the government's fear of dissent by stating that "to proclaim the gospel's demands . . . is not communism; it is a commitment to the Christian faith. . . . What will the country's answer be to the misery of the common people, especially the *campesinos*? If we love God but our neighbor suffers, is hungry, has no work or land to cultivate, if his future is uncertain and his present also, we who think we are Christians must act."

As the confrontation unfolds in El Salvador, the Church elsewhere is offering support. The president of the National Conference of Catholic Bishops, the Most Rev. Joseph L. Bernardin, stated that "the landless peasants and the ministers of the Church" are on one side in El Salvador and "the national security forces and the landed oligarchy" on the other.

What is to be tested in this small country where over 90 per cent of the rural children are undernourished is less the future of strong-arm politics than the role of the Church as an instrument for social change throughout Latin America. Except for Costa Rica and perhaps Venezuela, citizens throughout the hemisphere are victimized by social and economic structures that a 1968 conference of bishops called "institutionalized violence." Military governments systematically torture their political opponents. Security forces hunt down and imprison "subversives." Amnesty International states that in Latin America "police brutality and harsh prison conditions have long been a traditional and largely accepted part of the social structure."

Catholicism is embedded in the history of Latin America, so much so that the current terror could not have grown over the decades without its blessing or at least its complicity. Today's turnabout is striking, because the same religion that was once used to subdue

the poor is now used to rally them. The militarists and dictators running the Latin American governments have been able to suppress the labor unions, if any existed at all, and the press. But these are local institutions. The Church is international, led by a figure in Rome whose voice has been regularly raised in behalf of human rights and the fair distribution of wealth. A few priests can be murdered and some bishops sent into exile. But how can the entire organization be stamped out? And how can the *campesinos* be stopped from turning to the Church when they see it suddenly concerned with economic development rather than merely dispensing the sacraments?

Latin American governments can create martyrs, but history shows that the Church only grows stronger when its members are willing to die for it. The irony of Latin America is that, as its generals and dictators attack the Church in the name of national security and in defense against communism, they are imitating and even surpassing the brutality of Eastern European and Asian regimes that truly are Communist. From Gen. Augusto Pinochet in Chile to Gen. Alfredo Stroessner in Paraguay to Gen. Carlos Romero in El Salvador, Latin America is all but an armed camp that is fenced in by the culture of poverty. Latin American theologians, backed by the bishops and invoked by the priests and nuns who go among the poor, are telling the victims to reject fatalism. Religion has use in this life, too, is the message: to end hunger, unemployment, sickness and anything else that degrades human beings.

TRANSLATION OF THE WARNING RECEIVED FROM THE WHITE WARRIOR UNION ORDERING JESUIT PRIESTS TO LEAVE EL SALVADOR BY JULY 20, 1977

WAR ORDER NO. 6

SAN SALVADOR, JUNE 21, 1977.

The Supreme Command of the White Warrior Union (Union Guerrera Blanca—U.G.B.) in the face of the criminal persistence of those groups that through the bloodying of our fatherland plan to enslave it to international Communism orders:

1) All Jesuits without exception must leave the country forever within 30 days of this date. These miserable supporters of the murderous Popular Forces of Liberation have no reason to continue poisoning our people.

2) The religious orders and priests who are not agents of international Communism have nothing to fear from us and can continue their work in complete tranquility. Our struggle is not against the Church but against Jesuit guerillaism (el guerillerismo jesuitico).

3) If our order is not obeyed within the indicated time, the immediate and systematic execution of all Jesuits who remain in the country will proceed until we have finished with all of them. Further: We warn A) all neighbors, B) parents and students, C) employees that if as of the indicated date there is disobedience, all Jesuit installations and places frequented by them will be considered military targets. Since this warning has been made with sufficient anticipation, we will not be responsible for the death of third persons as a consequence of our operations.

4) According to the circumstances, the U.G.B. reserves the initiative to effect operations before the deadline.

Long live the Commandos of Liberty!
War to the death with international Communism!
The Fatherland to Power!
White Warrior Union
W. W. U.

The deadline is July 20, 1977.

CLARIFICATION ON ARCO COAL CREEK PROPERTIES

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, during the April 28, 1977, House floor debate on H.R. 2, Mining Control and Reclamation Act of 1977, I included at page 12639 a tabulation captioned "Occurrence of Alluvial Valley Floors in Areas of Proposed Surface Coal Mines With Federal Involvement: Montana, Wyoming, Colorado, and New Mexico." Included therein was Atlantic Richfield Co.'s Coal Creek, Wyo., mine. Relying on an unpublished surficial geologic map put together by D. A. Coates, 1975, the tabulation reflected that the size of the alluvial valley floor in the proposed mine area was 0.19 of a square mile which translated to 2.0 percent of the proposed mine area classified as an alluvial valley floor.

In fact, Atlantic Richfield Co.'s Coal Creek mine does not contain an alluvial valley floor as that term is defined in our recently completely H.R. 2. Nor is any portion of this mine considered to be in an alluvial valley floor by the Environmental Protection Agency's Region VIII January 1977 final draft report on alluvial valley floors in the Great Plains entitled "Alluvial Valley Floors: A Reconnaissance Analysis of Their Occurrence on Coal Lease Tracts in the Interior Western United States."

Upon further analysis, it seems to me that the Coal Creek mine mentioned in the tabulation I referred to was one with that name in Montana rather than the Coal Creek mine in Wyoming. I would like the record to reflect this change.

WHITE HOUSE MEETING OF HOUSE SELECT COMMITTEE ON AGING WITH PRESIDENT CARTER—JULY 15, 1977

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on Friday, July 15, the House Committee on Aging, which I have the privilege of serving as chairman, met with President Carter at the White House to discuss ways that the Congress and the President can work together to improve the lives of this Nation's elderly.

I would like to thank the entire committee for participating and particularly our subcommittee chairmen and ranking minority members who made fine presentations: Representative WILLIAM WAMPLER, ranking minority member of the full committee as well as its Subcommittee on Retirement Income and Employment; Representative EDWARD ROYBAL, chairman of the Aging Subcommittee on Housing and Consumer Interests; Representative JOHN PAUL HAMMERSCHMIDT, ranking minority member on that subcommittee; Representative FRED ROONEY, chairman of the Subcommittee on Retirement Income and Employment; Representative MARIO BIAGGI, chairman of the Subcommittee on Federal, State, and Community Services; and Representative WILLIAM COHEN, ranking minority member of the Subcommittee on Health and Long-Term Care.

During the meeting, we discussed with the President the legislation and executive actions which would implement the recommendations that our committee has developed thus far.

I was most encouraged that the President noted in his remarks that at the same time that we need his help, he needs ours.

I was particularly pleased that the President said he was committed to the principle of legislation to end mandatory retirement.

In addition, he indicated his support for home health care.

Finally, President Carter advocated containment of hospital costs, quick action by the Congress to ward off the bankruptcy of the social security system, and Government reorganization to eliminate the widespread fragmentation in the delivery of services to the elderly. The President commended our committee's efforts to reorganize the proliferated service delivery system of benefits to the elderly and said this could well fit into the current Government reorganization which is being developed. Specifically, he expressed support for our suggestion for direct White House involvement in interagency agreements.

I would like to insert in the RECORD the statements made by the committee members and the agenda for this important meeting:

AGENDA—MEETING OF HOUSE SELECT COMMITTEE ON AGING WITH PRESIDENT CARTER, JULY 15, 1977

(Items I–VIII are broken down in the attached materials)

A. Recommendation of House Select Committee on Aging.
B. Statement of President Carter concerning recommendation.
C. Legislation which would implement recommendation.
D. Executive action which would implement recommendation.
E. Cost to federal government.
I. Mandatory Retirement/Age Discrimination.
II. Alternatives to Institutionalization: Home Health Care, Senior Centers, Outpatient Clinics, and Day Care.
III. Income Security/Jobs.
IV Housing.
V. Transportation.
VI. Medical Appliances and Prescription Drugs.
VII. Crime.
VIII. Nursing Home Fires.
IX. Other Issues of Concern to the Select Committee on Aging:
A. Better Coordination of Services to the Elderly.
B. White House Conference on Aging.
C. Long-Term Financing of Social Security.
D. Increase in Social Security Benefits.
E. Hypertension Screening in Preventive Health Services for the Elderly.
F. Standards for Home Health Agencies, Nursing Homes and Adult Care Homes.
G. Meals for the Homebound Elderly.

*Items I–VIII reflect reports adopted to date by the House Select Committee on Aging.

I. MANDATORY RETIREMENT/AGE DISCRIMINATION

A. Recommendation of House Select Committee on Aging: In September 1976, the Committee recommended that "Legislation to eliminate the upper age limit of 65 in the Age Discrimination in Employment Act of 1967 and to end mandatory retirement solely because of age be enacted as soon as possible."

B. Statement of President Carter has said: "We force millions of older people to retire abruptly at age 65, but people don't suddenly lose their skills or their desire for a steady income and a full life on their 65th birthday. Age should not be the only standard for work. We need to change the laws and policies that force retirement on older people who are willing and able to work."

C. Legislation which would implement recommendation: H.R. 5383, as reported out by the Education and Labor Subcommittee on Employment Opportunities, would be a first step toward ending mandatory retirement. This bill would (1) abolish mandatory retirement and extend the protection of the Age Discrimination in Employment Act (including hiring and advancement) to all federal workers 40 or above; (2) raise the upper age limit for protection of other covered workers, public and private, from age 65 to 70; and (3) clarify the pension exemption.

D. Executive action which would implement recommendation: The Committee has recommended "full funding" of the $5 million authorized for enforcement of the Age Discrimination in Employment Act by the Department of Labor. This could be accomplished through legislation, or internal action by the Department of Labor. In addition, the Committee recommended "close review and evaluation of efforts to enforce the Age Discrimination in Employment Act's provisions in the federal sector". This could be carried out administratively by an agency and, or the Office of Management and Budget or a joint effort with the Congress through the General Accounting Office.

E. Cost to federal government: Difficult to determine because of lack of experience and data as well as because of offsetting costs and savings; e.g., savings to pension plans, costs to health and other insurance benefit plans, increased taxes from elderly, continued higher wages to older workers rather than their being replaced by younger workers, impact on unemployment benefits, etc.

II. ALTERNATIVES TO INSTITUTIONALIZATION: HOME HEALTH CARE, SENIOR CENTERS, OUTPATIENT CLINICS, AND DAY CARE

A. Recommendation of House Select Committee on Aging: In a recent report, the Committee recommended that "Legislation should be enacted to expand home health benefits under medicare and medicaid, providing eligibility to more people in need of health services as necessary to provide a comprehensive alternative to often inappropriate and costly full-time institutionalization." In addition, the Committee recommended that "the establishment of multipurpose senior centers providing basic service assistance in health, nutritional guidance, recreation, and social endeavors should be encouraged by a variety of Federal statutory and program options," and that "outpatient clinics specializing in geriatrics" be established and expanded. Finally, the Committee recommended that "medicare and medicaid be amended to authorize reimbursement for health and supportive services for the elderly received in elderly day care centers".

B. Statement of President Carter concerning recommendation: President Carter reflected these recommendations in speeches in Pittsburgh and Miami and in position papers during the campaign, saying: "We do not need to wait for the enactment of a national health insurance program to improve health services for older people. One important reform we can begin immediately would be to shift the focus of our programs away from institutions and toward outpatient and home health services."

C. Legislation which would implement this recommendation: H.R. 1116 (would remove the limit on medicare home health visits and the prior hospitalization requirement. This bill would also add coverage of health and supportive services furnished in day care centers under medicare).

H.R. 1123 (would authorize an additional $80 million per year for senior centers).

H.R. 1122 (would amend the Internal Revenue Code to allow a tax deduction for donations to senior centers).

D. Executive action which would implement recommendation: Under current regulations one percent of medicaid expenditures is for home health care for the elderly. In contrast, 70 percent of medicaid's over $3 billion for the elderly goes to nursing homes. This continues despite the fact that home health care is a requirement under State medicaid plans.

E. Cost to federal government: The Congressional Budget Office has determined that the total cost of "modifying" medicare and medicaid by "Liberalizing coverage of home health services" and adding coverage of day care would be a maximum of $800 million to $1.5 billion a year. In addition, savings could result through the reduced institutionalization that would be brought about by the implementation of this recommendation.

The cost of expanding senior centers above the FY 77 level ($20 million a year) to the $100 million recommended by the Committee, would be an additional $80 million per year.

Outpatient clinics specializing in geriatrics could be financed by providing special emphasis in the neighborhood health center program for geriatric care. There are now only 162 Neighborhood Health Centers under the current $247 million authorization under Public Law 94–63.

III. INCOME SECURITY/JOBS

A. Recommendation of House Select Committee on Aging: The Committee has recognized the very close causal relationship between employment in later years and income security both before and after retirement. The Committee has recommended: (1) revisions in Social Security Act to provide individually maintained earnings records with married couples allowed to share social security credit for covered employment: (2) establishment of training, counseling and placement programs for displaced homemakers; (3) liberalization of $3,000 earnings limitation under social security; (4) restoring the position of an Assistant to the Secretary for Older Workers within the Department of Labor; (5) earmarking of funds under Title III of the Comprehensive Employment and Training Act (CETA) for economically disadvantaged older workers; (6) amending regulations for the CETA program to require CETA sponsors to include precise provisions in their "manpower plans" and "employment plans" to meet the special needs of low-income older workers; (7) establishment of a separate, adequately staffed administrative unit with responsibility only for the Title IX (Older Americans Act) employment program; (8) changing policies and practices in the U.S. Employment Service so that older worker applicants receive more proportional share of services provided.

B. Statement of President Carter concerning recommendation: In the campaign, President Carter said, "We should remove the remaining traces of sex discrimination from the (social security) system." In addition, President Carter said, ". . . we should, as revenues permit, move toward liberalization of the social security earnings test, which currently penalizes retirees who earn more than $3,280 per year." In speeches in Miami and Pittsburgh, he said that he supported action "to give more work opportunities to the elderly."

C. Legislation which would implement recommendations 1 through 8, as listed above: (1) H.R. 3247 (earnings record for couples); (2) H.R. 4266; (3) large number of bills, including H.R. 1134. For recommendations 4–8, see "D" below.

D. Executive action which would implement recommendations: (1) Legislation needed; (2) Some efforts in this area could probably be done administratively prior to legislation; e.g. a) the Commissioner on Aging's (HEW) providing model project or discretionary funding under Title III of the Older Americans Act, b) Secretary of Labor providing discretionary funds for training under the Comprehensive Employment Training Act, c) the Commissioner on Education's (HEW) providing discretionary funds for second careers under the Vocational Education Act. For recommendations 4–8, most would involve primarily administrative action with a minor amount of legislative action (e.g., slightly increased appropriations and re-creation of an Assistant to the Secretary for Older Workers).

E. Cost to federal government: (1) This should not be significant since it is meant to be a restructuring within the present benefit structure; (2) The cost is subject to levels of authorization and appropriation. H.R. 28 would authorize $10 million for FY '79; (3) The costs will vary tremendously depending on the amount selected and the type of beneficiary covered. For example, total elimination for all would cost about $7 billion (total elimination for 65 and over would be about $2.9 billion); (4) An Assistant Secretary for Older Workers might be established at a cost of about $350,000 for a staff of 15 plus. Some of this cost may not be new since it could involve consolidation of existing part-time persons now involved with older workers; (5) Earmarking should cause little or no increase in present level since it involves more a shifting of priorities within the area of discretionary funds and there seems to have been a surplus in FY 1977 level (see Economic Stimulus legislation); (6) Regulation changes should have minimal, if any, cost impact at Federal level. Again, this requires a change in priorities or emphasis; (7) Presently about 10 staff-years at a cost of $250,000 are allocated to the Title IX program within the Office of National Programs. Judging from other specialized programs under Title III, a staff of about 30 would seem needed at a cost of about $750,000; (8) Presently those age 55 and over represent about 6.5% of the applicants and about 3.9% of those receiving services from the U.S. Employment Service. Approximately $700 million is spent annually on employment services by USES. Based on percentages, those 55 and over receive an estimated $29 million (3.9%), but would receive closer to $47 million (6.7%) if our recommendation were implemented. This may necessitate an increase in federal expenditures of about $20 million if services to other groups remained unchanged and less if priorities are partially changed.

IV. HOUSING

A. Recommendation of House Select Committee on Aging. In March, 1976, the Committee recommended that "Congress should provide a new authorization for the Section 202 housing program to provide new monies for the next three years." Congress authorized $3.3 billion for three years. However, HUD policies and decisions have created problems that have delayed or slowed the full implementation of this program.

B. Statement of President Carter concerning recommendation. In the campaign, President Carter said, "I am committed to a rapid increase in the section 202 housing program for the elderly."

C. Legislation which would implement recommendation. An Assistant Secretary for the Elderly should be established at HUD. The Secretary would have authority to plan and control use of funds available for housing and related facilities for the elderly (i.e., nursing homes, etc.), responsibility for developing policies and procedures, supervising the operation of elderly facilities, preparing legislation as appropriate, and serving as an advocate, problem solver and administrator in all matters within HUD relating to the development and operation of all facilities and services for the elderly.

D. Executive action which would implement recommendation: (1) Adopt "total development cost plus the cost of the land" in the determination of Section 202 mortgage amounts, in lieu of Section 231 mortgage limits; (2) Have flexible guidelines in order to make good projects work. For example, the maximum size of 100 dwelling units is too small and forces high unit costs ruling out many excellent sites; (3) Revise requirements which hamper the development of feasible congregate housing, such as the prohibition of infirmaries; (4) Permit more local administrative discretion in modifying fair market rents to a local situation; (5) If the program is to be decentralized, it should be only to the Regional Office level. In addition, elderly housing specialists should be developed for each Regional Office. These specialists would be expeditors, problem solvers, advocates. They would have line authority in resolving problems involving specific projects. They would coordinate and expedite the review of each application by Regional Office technical staff. They would have authority to settle differences, subject to the concurrence of the Regional Administrator; (6) Finally, HUD needs to develop realistic unit cost data and data on rentals and service costs for projects designed to serve the elderly and establish guides which can be modified by the Regional Administrator.

E. Cost to federal government: None, since this is a loan program.

V. TRANSPORTATION FOR THE ELDERLY

A. Recommendations of House Select Committee on Aging: In a May 1976 report, the Committee recommended providing increased transportation opportunities to the elderly, millions of whom have severe problems of mobility, through better tax deductions to promote volunteer drivers and tax-exemptions for providing non-profit transportation of the elderly. In addition, the Committee recommended legislation to allow reduced airfares for the elderly. That legislation passed Houses of Congress last year but narrowly missed conference agreement on the last day of the session. It was passed again by the House in the first weeks of the 95th Congress but, as of yet, there has been no action in the Senate.

B. Statement of President Carter concerning recommendation: President Carter reflected many of these recommendations during the campaign, saying: "Many Older Americans cannot drive automobiles because of physical problems or because they cannot afford them. One way we might help solve this problem would be to provide subsidies through the Urban Mass Transit Association to cities that provide free transit services to older people during off peak hours. We might also encourage reduced airfares for the elderly such as we now have for military personnel."

C. Legislation which would implement recommendations: H.R. 1131, 1132, 1133, and 5010.

D. Executive action which would implement recommendation: The Department of Transportation has mandated that "Transbus", a vehicle accessible to elderly and handicapped persons, be made the exclusive standard transit bus beginning in late 1979. This is a major step forward, but many years will pass before normal replacement in bus fleets brings about major improvements in mobility for the elderly and handicapped through this device alone. Therefore, existing Department regulations requiring planning and "special efforts" to meet the needs of the elderly and handicapped should be monitored closely, and tightened if necessary.

E. Cost to federal government: Reducing airfares paid by the elderly would not cost the federal government any money. Neither the IRS or OMB has been able to estimate the cost of the tax exemptions, but both agreed it would be a tiny fraction of the $5 billion deducted each year for charitable contributions.

VI. MEDICAL APPLIANCES AND PRESCRIPTION DRUGS

A. Recommendation of House Select Committee on Aging: In September, 1976 the Committee concluded that "Presently the massive needs of the elderly for appliances like eyeglasses, dentures, and hearing aids are unmet because in many cases, the elderly cannot afford the devices and because public and private health benefit programs have provided only limited help in this area. Extending the optional Part B section of medicare so that it would cover the cost of hearing aids, eyeglasses and dentures is imperative in attempting to solve the problems of the high costs paid by the elderly for health care in general and medical appliances in particular." The Committee has also recommended adding under medicare "medical supplies, including prescription drugs."

B. Statement of President Carter concerning recommendation: President Carter, in campaign speeches in Pittsburgh and Miami discussed the "urgent needs" of the elderly for "eyeglasses, dentures, and hearing aids" and cited the "high cost" of these devices.

C. Legislation which would implement recommendation: H.R. 1127 would extend medicare to include coverage of eyeglasses, hearing aids, dentures, and related medical care and provide safeguards against abuse of people purchasing these devices.

H.R. 453 Sec. (2)(a)(5) would extend medicare to include coverage of prescription drugs.

D. Executive Action which would implement recommendation: The Committee found conclusive evidence of the waste of 10 million taxpayer dollars per year because Medicare allows excessive payments (as opposed to cheaper methods of acquisition e.g. leasing) for hospital beds, crutches, wheelchairs, and dialysis equipment, that are covered by Medicare. Five years ago legislation was passed authorizing HEW to take the necessary steps to end that waste. Yet the Department has progressed only to the point of beginning a test of a "design of an experimental concept".

E. Cost to federal government: For Medical Appliances—$1.9 billion per year during the first year of the program, but this amount would decline drastically (by as much as $1 billion per year) in succeeding years because the enormous backlog of elderly people who presently need these devices will be reduced.

The cost of providing prescription drugs under medicare (with $50 deductible) would be $2.4 billion according to the office of the Social Security actuary.

VII. CRIME

A. Recommendation of House Select Committee on Aging: In its most recent report, "In Search of Security: A National Perspective on Elderly Crime Victimization", the Committee recommended (1) Congress enact legislation that would provide assistance to states which operate programs to compensate victims of crime. Legislation should provide assistance for personal injury, and loss of essential property to low income elderly victims; (2) Congress should enact legislation to create a Central Office of Criminal Justice Statistics within the Department of Justice that would be responsible for compiling and analyzing all data regarding crime nationally (including that gathered by the FBI and LEAA). In addition, this office would require the FBI to record, through the Uniform Crime Report, the age of all crime victims; (3) Congress to amend Title XX of the Social Security Act, Title II of the Economic Opportunity Act of 1964 and Title III of the Older Americans Act of 1965 to provide for the installation of security devices and minor structural modifications in the homes of elderly residents; (4) Congress give full consideration to employment bills that have specific provisions of education, training, and jobs for teenagers.

B. Statement of President Carter concerning recommendation: President Carter has said, "We need federal programs that work with state and local law enforcement agencies to get rid of the street criminals who prey on older people, and we also need enforcement against swindlers and con-men who take advantage of older people."

C. Legislation that would implement recommendations 1 through 4, listed above: (1) H.R. 6607, compensation to elderly victims of crime; (2) Legislation to create a Central Office of Criminal Justice Statistics is presently being developed and will be introduced within a few weeks; (3) The following three bills provide for the installation of security devices and minor structural modifications in the homes of elderly residents: H.R. 6605 (amends Title II of Economic Opportunity Act of 1964); H.R. 6606 (amends Title III of Older Americans Act of 1965), and H.R. 6608 (amends Title XX of Social Security Act); (4) There are a number of bills before the House and Senate which contain special provisions for education, training and jobs for teenagers. At least one of these bills should be given full consideration and passed by Congress.

D. Executive action which would implement recommendation: While recommendations 1, 3 and 4 would require legislation, a Central Office of Criminal Justice Statistics could be created by executive action. In addition, the Federal Bureau of Investigation could be required without legislation to record the age of crime victims through the Uniform Crime Report.

E. Cost to the federal government: (1) Preliminary cost estimate for assistance to elderly victims. The table below presents the five-year costs:

[In thousands of dollars]

High costs:	
Fiscal year 1978	28,200
Fiscal year 1979	31,700
Fiscal year 1980	35,600
Fiscal year 1981	40,000
Fiscal year 1982	45,000
Low costs:	
Fiscal year 1978	7,500
Fiscal year 1979	8,400
Fiscal year 1980	9,500
Fiscal year 1981	10,000
Fiscal year 1982	12,000

(2) The consolidation of 53 statistics-gathering units would not involve any costs. The savings, in the long run, would probably be substantial; (3) Monies for these acts are appropriated annually, and at the present time seem to be sufficient to cover these amendments. In the future, however, minimal increases may be necessary; (4) It is not possible to determine costs at this time because the scope of the program has not been determined, e.g., the number of participants, whether or not the program is in the public sector, private sector or a combination of both, and the length and scope of the training.

VIII. NURSING HOME FIRES

A. Recommendation of House Select Committee on Aging: In a recent report, the Committee, noting that three multiple death nursing home fires in 1976 had resulted in the deaths of 34 elderly residents and injuries to 50 others, recommended that "the Congress should immediately enact legislation which will require that all nursing facilities participating in medicare or medicaid be fully protected with automatic sprinkler systems." The Committee found that currently only half of the nation's nursing homes have sprinklers and that the existing fire safety standards were clearly inadequate. The special urgency of this recommendation is pointed out by the most recent nursing home fire which took place in Zion, Illinois, and killed two elderly people while seriously injuring eleven others.

B. Statement of President Carter concerning recommendation: In a speech to the American Public Health Association in October, President Carter said that he supported "encouraging nursing home standards of safety."

C. Legislation which would implement recommendation: H.R. 1129 (which has been cosponsored by 107 Members of Congress).

D. Executive action which would implement recommendation: On May 24, 1977, the Department of Housing and Urban Development issued regulations to implement the HUD loan-insurance program for the installation of fire safety equipment in health care facilities. The HUD regulations completely removed the Department of Health, Education and Welfare from involvement in the HUD loan insurance approval process. The previous joint HUD–HEW program was complex and led to a very long application processing time. As a result, no loans were ever approved under the program.

While the May 24 regulations are a welcome step, the Department should go a step further and approve applications for loan insurance within a reasonable time after work has begun. The General Accounting Office has determined that the current HUD prohibition on providing loan insurance after work has begun results in a hardship on owners who enter into contracts and begin work in order to meet HEW certification requirements. The GAO has determined that the Department is not precluded by law from approving applications for projects which already have been started.

E. Cost to federal government: None, since this is a loan program. The cost to facilities themselves has been estimated by the General Accounting Office to be between $250 and $400 million (which is the equivalent of 10–19¢ per patient per day).

IX. OTHER ISSUES OF CONCERN TO THE SELECT COMMITTEE ON AGING

A. Better Coordination of Services for the Elderly: Fragmented, confusing service delivery systems serving the elderly, documented in virtually all the Committee's hearings, must be rectified. Detailed recommendations are being prepared, but will certainly include calls for improvements in such areas as staffing of area agencies on aging, federal grants application procedures, visibility and authority of officials with responsibility for aging-related programs, Presidential-level approval of interagency agreements, and experiments and demonstrations of alternative (coordinated) service delivery systems.

More recent hearings by the Committee revealed that federal disaster relief for older persons is a creaking mechanism, and the need exists for redesigning the relationship between state and federal disaster agencies; for greater participation in relief planning by all people in the area, particularly the area agency on aging; and more liberal replacement of property lost by disadvantaged older people.

B. White House Conference on Aging: The Committee would like to offer its experiences and services in the preliminary planning of the next Conference, if there is to be one (as there was in 1950, 1961, and 1971). Legislation to provide the President the authority to call such a Conference has been introduced by Chairman Pepper and by Rep. John Brademas, Chairman of the Education and Labor Subcommittee on Select Education (which has jurisdiction).

C. Long-Term Financing of Social Security: Recent and future demographic changes have been characterized as "the Graying of America", (Newsweek, Feb. 28, 1977). A decreasing number of younger workers will have to support an increasing number of older retirees. This will cause greater and greater deficits in the Social Security trust fund. Options the Committee has considered to meet this change are: funding the deficit out of general revenues, or raising the wage base on which social security taxes are paid. The Committee is well aware of the President's plan, which should serve as a focus for prompt action.

D. Increase in Social Security Benefits: A general increase in Social Security benefits would certainly be desirable. The short run and long run difficulties of the trust fund, however, make maintenance of the trust fund's fiscal integrity a priority issue by increasing the revenues of the trust fund in a manner that does not increase the Social Security tax rate for wage earners and by resolving the "decoupling" problem in a manner that assures constant replacement rates. Several steps could be taken that would have minor or no cost impact on the trust funds but which would make Social Security benefits more responsive to the needs of older persons; namely, a consumer price index for the elderly that would be used for cost-of-living increases and a semi-annual cost of living adjustment for Social Security as has been done for civil service annuitants. The sub-poverty benefit levels for SSI are of great concern to the committee and steps to increase the benefit at least to the poverty level should be undertaken even if only on a gradual basis. The removal of the purchase price requirement under the food stamp program (which has been approved by the Senate and is pending in the House) would be of great benefit to the elderly.

E. Hypertension Screening in Preventive Health Services for the Elderly: Almost half of all Americans between the ages of 65 and 74 have high blood pressure. Hypertension is a principal cause of cardiovascular disease, strokes, heart disease, which, with cancer, account for almost three-quarters of all deaths in the United States each year.

Hypertension screening and treatment should be an integral part of regular physical examinations, and special emphasis should be placed on this aspect of health care in the course of treatment of the elderly in hospitals, outpatient clinics, nursing homes and intermediate care facilities, and in the delivery of home health care. Careful consideration should be given to providing Medicare and Medicaid coverage for diagnosis and treatment of hypertension.

F. Standards for Home Health Agencies, Nursing Homes and Adult Care Homes: (1) *Standards for Home Health Care:* Few will argue the desirability of home health care as an appropriate means to meet many health care needs of the elderly while allowing them to remain independent in their own homes. It appears, however, that home health agencies are facing the same dilemma nursing homes faced in 1967. We want to avoid the problems that developed in the nursing home field during an accelerated growth period by developing and enforcing standards for providers of these services. Recently, both the House Ways and Means Committee and the House Interstate and Foreign Commerce Committee adopted an amendment to H.R. 3, the Medicare and Medicaid Anti-Fraud and Abuse bill, which directs the Secretary of HEW to conduct an in-depth study of home health care with respect to the utilization control, quality assurance, and prevention of fraud and abuse. The secretary would be required to submit a report to the appropriate committees of the Congress analyzing, evaluating and making recommendations within one year. The intent of this amendment is to set specific, enforceable standards in titles XVIII, IX, and XX of the Social Security Act to assure high quality home health services and the protection of the health and safety of recipients of such services. (2) *Nursing Homes:* Committee hearings and investigations have revealed that current Medicare and Medicaid programs do not adequately guarantee residents of nursing homes an acceptable level of care as mandated by Congress. Contributing factors include: failure of federal and state agencies to effectively enforce standards; failure to formulate regulations that emphasize nursing care more than building construction; and failure to prevent unnecessary and inappropriate admissions. HEW must move to assert a more significant federal influence and assure effective quality control. (3) *Adult Care Homes:* Recently the Committee uncovered the development of yet another, and to date, essentially unregulated component of the health care-housing continuum. Known variously as Adult Care Homes Boarding Homes, sheltered care homes and the like, these facilities are providing services at a level below licensed Intermediate Nursing Care and just above independent living. These facilities offer room, board, 24–hour oversight and access to medical and social services to hundreds of thousands of elderly SSI recipients, neglected hospital dischargees, and (the) handicapped. Widespread allegations of fire-trap conditions, food of poor and unsanitary quality, physical abuse and theft have punctuated the growth of this industry. Immediate federal and state action is required to enact and enforce standards to protect against unscrupulous entrepreneurs profited from human misery. At the same time, we must encourage the controlled growth of this industry—a potentially vital part of the human services system.

G. *Meals for the Homebound Elderly:* The Committee has investigated the need for a National Meals-on-Wheels Program. Less than 1 percent of the 4 million homebound elderly receive meals from the federal government. It is estimated that 25 percent of the one million persons in nursing homes are there because of an inability to maintain a proper diet. Their cost to the taxpayer is between $300 and $400 million. To provide these same persons with homebound meals would cost less than $200 million.

Passage of such a bill would be consistent with campaign statements in support of promoting deinstitutionalization of the elderly, as well as reducing government spending.

REMARKS TO PRESIDENT CARTER BY REPRESENTATIVE CLAUDE PEPPER, CHAIRMAN, HOUSE COMMITTEE ON AGING AND SUBCOMMITTEE ON HEALTH AND LONG-TERM CARE, DURING WHITE HOUSE MEETING BY AGING COMMITTEE WITH THE PRESIDENT, JULY 15, 1977

Mr. President, we are grateful for this opportunity to meet with you. We appreciate your concern and that of Mrs. Carter for the elderly, and we applaud the appointment of Nelson Cruikshank as a Special Counselor to the President.

Since its inception, in 1974, the House Committee on Aging has heard from over 2,000 witnesses, published 85 hearings and reports, developed over 15,000 pages of testimony, and maintained communication with 4,000 organizations and individuals dedi-

cated to the cause of the elderly. Today, before introducing the ranking majority and minority member of each of the committee's subcommittees I would like to single out for special attention six legislative proposals which I consider particularly worthy of your consideration.

1. During your campaign you opposed mandatory retirement. Our findings after 7 days of hearings suggest that mandatory retirement severs productive persons from their livelihood, squanders their talents, scars their health, strains an overburdened social security system and drives many elderly persons into poverty and despair. Yesterday the Education and Labor Committee by a 33–0 vote reported to the floor our bill, H.R. 5383, banning mandatory retirement in the Federal sector. I ask you to endorse that bill.

2. Institutionalization of the elderly is costly and often needless. Our written agenda offers some specific suggestions for changes in the governmental approach to health care. Let me stress three obstacles that force needless institutionalization: The prior hospitalization requirement, the 100 home visit limit, and the requirement that the services be "skilled". I urge you to support the committee's recommended legislation which would abolish these obstacles. I would point out, however, that as you have also said, we need not and should not wait for enactment of full national health insurance to make these improvements.

3. We should also provide medical appliances which the elderly sorely need including eyeglasses, hearing aids, dentures, and prescription drugs, and cost-effective services, such as preventive check-ups, including hypertension screening. I urge you to endorse these measures.

4. After 32 elderly persons died needlessly in nursing home fires last year and 50 were injured, we recommended legislation mandating sprinkler systems in nursing homes funded by medicaid and medicare. GAO endorsed the proposal after finding that "federal fire safety requiremnts do not insure life safety in nursing homes." Nursing home safety is the special concern of all persons who will grow old and whose loved ones will grow old and will face the possibility of care in such a facility. Yet, HEW opposes this legislation. I urge you to reverse that unfortunate decision before another elderly person dies needlessly in a nursing home fire.

5. Our committee's hearings have revealed fragmented, confusing service delivery systems serving the elderly. Improvements desperately needed include—(1) improved staffing for area agencies on aging and local coordinating bodies; (2) simplified and standardized application procedures for federal grants; (3) representation of the interests of the elderly at sub-cabinet level in appropriate departments; and (4) presidential approval of interagency agreements concerning older persons to give special emphasis on the need for interagency cooperation.

6. In addition, I urge you to sign the labor-HEW bill which includes a significant increase for programs for the elderly over last year's levels. I urge you to call a White House conference on aging and offer the help of this committee in preparing such a conference.

I was very pleased to note your pollster Patrick Caddell's recent finding that the American people support "aid to the elderly" first, over all other possible government program increases. This confirms the important findings of our committee and the need for action.

To conclude my own statement, Mr. President, may I make this suggestion: that you send to the Congress a Presidential message on the elderly, listing the ingredients of a major program which could be accomplished in legislation and executive action. By submitting a Presidential message on the elderly to the Congress, you would highlight your commitment and give major impetus to needed solutions.

We cannot speak of human rights without recognizing the right of the elderly to work as long as they are willing and able, the right of the elderly to safety in the marketplace, on the streets and in nursing homes, the right of the elderly to a decent and humane standard of living. Good intentions will not assure adequate health care, adequate nutrition, safety, and a decent standard of living for the elderly. We offer our help and ask yours in assuring that the ledger ultimately balances in favor of the nation's 23 million elderly persons.

REMARKS BY REPRESENTATIVE WILLIAM WAMPLER, RANKING MINORITY MEMBER OF SELECT COMMITTEE ON AGING AND SUBCOMMITTEE ON RETIREMENT INCOME AND EMPLOYMENT AT MEETING WITH PRESIDENT CARTER

EARNINGS LIMITATION

1. Senior citizens suffer most from the discrepancies in our social security system.

2. Under the earnings limitation provision of the social security act, an individual under 72 years of age is permitted to earn only $3,000 before he must forfeit social security benefits.

3. Example of possible financial stress facing such a person: After the initial $3,000 is earned, the next $3,000 of earned income is almost totally wiped out by federal, state and city income taxes, other social security taxes and the loss of benefits.

4. Incentive or choice for an elderly person to return to work on a full time or part-time basis is virtually non-existent because of the financial burdens likely to result.

5. Loss of valuable skills, productivity & experience may result for the employer as well as for the employee when older workers are discouraged from working.

6. President's Commission (to study the financial well-being of the public and private retirement programs) may also find it beneficial to review all of the innovative retirement income programs as they exist in both the public and private sectors (i.e. gradual retirement, voluntary retirement, part-time work, flexitime, second career training, vocational training, etc.)

PENSION COMMISSION

1. Commend President on intention to appoint commission to study the financial well-being of both public and private retirement programs (long overdue opportunity to solve the long-time myriad of problems associated with pension inequities).

2. Change needed because of huge proliferation of retirement systems which duplicate and overlap one another. (Federal Government: 65 pension plans, Private pension system: close to 500,000 plans).

3. Need for a discernible Federal retirement income policy to coordinate the multitudinous system toward common retirement goal. Must determine the proper blend and role that public, private and individual retirement plans should play.

4. Need to determine if existing retirement systems are beyond coordination.

INCOME MAINTENANCE/INFLATION

1. 16 percent of all persons aged 65 and over were living *below* the poverty line in 1975 ($3,232 for older couples, $2,572 for individuals).

2. At beginning of 1971, the dollar purchased more than 40 percent over what it does today.

3. Effect of inflation felt most by low income persons such as the elderly. The costs of food and medical care (which comprise a larger portion of their budgets than for the general population) have risen at a faster rate than the consumer price index.

4. Even if inflation continues at the rate of 5 or 7 percent, the dollar will be worth 51 cents in 10 years.

SOCIAL SECURITY

1. Federal Government is not immune to the effects of inflation.

2. Estimated that by the year 1980 or 1981, the social security trust "fund" will be entirely depleted.

3. 60 percent of the American elderly population depends on social security income as the major source of their income.

4. Commend President Carter for taking lead in solving short-term problems (e.g. use of general revenue funds to finance the shortfalls of the trust "fund" which may make the system's tax structure less regressive and would lessen the burden on the press).

5. We must also investigate solutions to long-term financing problems. Over the next 75 years, the Trustees estimate that expenditures will exceed revenues by an average of 7.96 percent of the taxable payroll.

MANDATORY RETIREMENT

1. Need to look at mandatory retirement as an option rather than as a directive.

2. Physical and mental problems may arise when an individual is forced to retire, as well as financial difficulties. AMA states "arbitrary retirement and denial of work opportunity—whether the work is for pay or the pleasure of giving—seriously threatens the health of the individual concerned."

3. Revisions in mandatory retirement policies must be complemented with considerations of the impact upon public pension systems, ERISA, social security, existing employment practices, collective bargaining agreements, Federal income tax laws and the provisions of the Age Discrimination in Employment Act.

FRAGMENTATION

1. Comprehensive overview of priority service needs of elderly could be enhanced by giving aging more visability within the Federal Government.

2. Consideration should be given to White House Conference on Aging Recommendations (Creation of central office on aging within Executive Office of the President, naming Assistant Secretaries on Aging within all Executive Departments.

3. Mention of letter which was sent with Cong. Pepper to Secretary of Labor, Marshall. (Support that an Assistant for Older Workers be restored at a high level within the Department.).

4. Inter-agency agreements between AoA and various Federal agencies and depts. should be strengthened in order that older Americans receive an equitable portion of Federal resources.

RURAL NEEDS

1. Rural areas are particularly susceptible to difficulties posed by fragmentation and inaccessibility to the various social services scattered throughout large geographical areas.

2. Resource allocation often favors areas with concentrated populations, therefore, rural services are often fewer and the distances between people and services are greater.

3. Need for continued suport of Title V (senior centers, delivery of social services).

REMARKS BY REPRESENTATIVE EDWARD R. ROYBAL, CHAIRMAN OF SUBCOMMITTEE ON HOUSING AND CONSUMER INTERESTS, AT MEETING WITH PRESIDENT CARTER

Mr. President, as you know, Section 202 is the only housing program that specifically provides housing for the elderly. Basically the program is sound, however, since its reinstatement in 1974, actual construction has moved slowly. This is due in part to the previous administration's reluctance to fully

implement the program. However, research conducted by my Subcommittee indicates that some of HUD's policies are also responsible for hindering the full implementation of Section 202.

I would like to briefly outline some measures which I believe would strengthen this program and make it more responsive to the needs of the elderly:

1. An office of the Assistant Secretary for the Elderly should be established at HUD. The Assistant Secretary should have the authority to plan and control funds for housing and related facilities for the elderly. In addition, this person should be responsible for developing policies, establishing procedures, and preparing and reviewing legislation pertaining to housing for the elderly. Further, the Assistant Secretary for Elderly Housing would be responsible for supervising the operation of elderly facilities and the supportive services provided within these facilities.

2. The need for Congregate housing (A residential environment which includes services such as meals, housekeeping, health and transportation to assist elderly tenants to maintain a semi-independent life style and avoid institutionalization) continues to grow. Section 202, as presently structured, hampers the development of feasible congregate facilities. Therefore, Section 202 requirements, such as those that prohibit infirmaries, should be revised.

3. The Fair Market Rental System should be more flexible, HUD should permit more local administrative discretion in modifying fair rents to local situations.

4. Mr. President, I was alarmed to read in yesterday's paper, that the Office of Management and Budget has recommended that the level of new subsidized housing commitments be reduced to 50,000 units a year. I believe that this drastic cut back would have an adverse impact on the neighborhood revitalization effort. Therefore, I strongly urge you to maintain your previous commitment of 400,000 units. The Housing and Consumer Interests Subcommittee, which I chair also undertook a study of criminal victimization in response to the anxiety expressed by Older Americans across the nation. Just recently the subcommittee published the first national report on criminal victimization of the elderly. This comprehensive report makes 20 recommendations to the Congress, Federal Agencies and Local Units of Government. I will briefly discuss two of the major recommendations:

1. The study indicates that the elderly are more frequently victims of property crimes than victims of violence. In addition, 50 percent of the elderly are poor. Thus, it is imperative that any victim compensation legislation compensate the elderly for the loss of essential property.

2. Home security is of vital importance to the elderly since burglary is the predominant crime committed against them. Mr. Hammerschmidt and I have introduced bills that would amend three public laws to provide for the installation of security devices and minor structural modification in the homes of elderly residents.

In closing, I would like to say that I am very fortunate to have Mr. Hammerschmidt as the ranking minority of the subcommittee. He has been a strong advocate for the elderly and has strongly influenced the direction of the subcommittee. He will further elaborate on the subcommittee recommendations.

REMARKS BY REPRESENTATIVE JOHN PAUL HAMMERSCHMIDT, RANKING MINORITY MEMBER OF SUBCOMMITTEE ON HOUSING AND CONSUMER INTERESTS, AT MEETING WITH PRESIDENT CARTER

Mr. President, I would like to begin by expressing my support for the viewpoints and recommendations stated by our fine subcommittee chairman, Mr. Roybal. Our subcommittee is an example of bipartisan cooperation, and the excellent report on Elderly Crime Victimization (which he has just given you) attests to the results of such cooperation.

I share Mr. Roybal's concern with the implementation of the Section 202 housing program. I would like to add one further recommendation with regard to the selection criteria for Section 202 projects. Priority is presently being given to the larger projects containing one hundred units. Although rural communities have only thirty percent of the nation's population, they have seventy percent of the country's substandard housing. It is necessary that we fund smaller Section 202 projects to meet the needs of the less populated rural communities. The lack of adequate housing in rural areas forces older people to seek housing in other communities and adds further to the breakdown of the American family.

One of the most cost-effective uses of housing funds for the elderly are low-interest loans and grants for home repairs. Often the elderly are prematurely forced into adult care homes and institutions because they do not have the funds to maintain their homes. To minimize unnecessary moves and increased costs of institutionalization, we recommend an expansion of home repair programs under Community Services Administration, the Older Americans Act and Farmers Home Administration.

Like Mr. Roybal, I wish to express my concern over any possible decreases in the construction of new subsidized housing units. Since the demand for decent, safe, and sanitary housing far exceeds the supply in many communities throughout the country, I believe that any cutback in the construction of subsidized housing would have a detrimental effect on the elderly poor.

In regard to the issue of crime and the elderly, I stand firmly with Mr. Roybal in the belief that any victim compensation bill considered by Congress must include compensation to the elderly for loss or damage to essential property.

We know that a lot of these recommendations are not new to a man who has frequently expressed his concerns and sensitivity to the problems of older Americans. We appreciate the opportunity to work with you to make these recommendations realities.

REMARKS BY REPRESENTATIVE FRED B. ROONEY, CHAIRMAN, SUBCOMMITTEE ON RETIREMENT INCOME AND EMPLOYMENT, AT MEETING WITH PRESIDENT CARTER

Mr. President, as you know, 22 million retired Americans and their dependents are collecting Social Security benefits at the rate of $84¼ billion a month. The Social Security fund may be depleted by 1980 or 1981. We applaud your efforts to secure the financial soundness of the Social Security System and want to see your proposal pass the Congress. I think we all recognize the critical nature of this problem in view of the fact that we have a population which, on the average, is growing older, retiring earlier and living longer.

The record of the hearings before my Subcommittee on Retirement Income and Employment in this session of Congress shows that—

"The proportion of older Americans at or below the poverty livel is rising. About one fifth of all persons in poverty are 65 or older.

"Increased numbers of elderly people are either unemployed or in the category of "discouraged workers" (people who have abandoned their unsuccessful job searches) who are not even included in the unemployment statistics.

"About 5 million older people in this country who are retired or unemployed want to work.

"Older workers encounter many impediments to employment which are not experienced by younger people. These barriers range from mandatory retirement policies to disincentives inherent in Social Security and private pension plans to blatant age discrimination."

Mr. President, under these circumstances, I think we should begin to rethink our notions of work and retirement and formulate some kind of a comprehensive national policy which is realistically attuned to the employment and income needs of our senior citizens.

Very briefly, I would like to recommend at least three courses of action which I believe would bring us closer to the goal of equal employment opportunity and adequate incomes for older Americans:

1. Eliminate, or at least liberalize, the $3,000 a year Social Security earnings limitation and any other provisions in the Social Security Act which discourage continued employment beyond age 65.

2. Provide incentives to both public and private employers to introduce greater flexibility into their personnel practices to better accommodate the needs of older workers. Part-time jobs, flextime and job sharing are examples.

3. Include "age" in Title VII of the Civil Rights Act and consolidate the Civil Rights enforcement mechanism in one agency. (At the present time, Title VII is enforced by the Equal Employment Opportunity Commission. The law covers race, religion, sex and national origin, but not age. The Department of Labor is charged with the enforcement of the Age Discrimination in Employment Act).

Mr. President, with an overall unemployment rate of 7.1%, I would not go so far as to say that the Government should insist upon preference in employment for senior citizens. But I do believe very strongly, especially in view of the ravages of inflation on the fixed incomes of the elderly, that any older person in this Country who wants to work, should be assured an equal chance for a job. With you and your Administration and the Congress all working together, I think this is an area in which we can make some real progress in the coming months.

Thank you, Mr. President.

REMARKS BY REPRESENTATIVE MARIO BIAGGI, CHAIRMAN OF SUBCOMMITTEE ON FEDERAL, STATE, AND COMMUNITY SERVICES, AT MEETING WITH PRESIDENT CARTER

Good morning Mr. President:

As chairman of the Federal, State and Community Services subcommittee, I am concerned with the development of programs to guarantee delivery of important services to the elderly.

Good transportation is essential. Without transportation, the aged cannot reach doctors—visit family and friends—participate in senior center activities—or even worship. Inaccessibility to public transit promotes isolation and depression. Transportation provides mobility—mobility means freedom.

In 1970, I authored an amendment declaring it national policy that the elderly and handicapped have the same rights to public transportation as all others. After 6 years of inaction—your administration has taken a giant step forward in implementing my amendment. Secretary Adams announced that effective 1979, all buses purchased with federal funds will be fully accessible. Buses comprise more than 70 percent of all public transportation and the impact of this regulation is therefore highly significant. All remaining systems must do the same.

Inaccessibility to transportation is not only physical—it is economic as well. Federal subsidies to expand free and reduced

fare programs should be increased. We also urge support of legislation, already passed by the House, providing reduced air fares for the elderly.

We seek the establishment of a national meals on wheels program. Less than one percent of our four million homebound elderly are now served by Federal meals on wheels programs. Twenty-five percent of the one million in nursing homes today are there because they cannot maintain proper diets. This costs $400 million a year—for less than $200 million, these same people could receive homebound meals.

Elderly have been made prime targets for crime—hence we recommend strict penalties for those found guilty of such acts. Further, we support legislation to provide Federal assistance to states with crime victim compensation programs.

We also endorse the abolition of mandatory retirement. We feel a provision to stop this form of discrimination should be included in your social security reform proposal. Each year, 60,000 workers are forced to retire. A recent social security study reported that more than half of them wished to continue working. To allow them to work, would add some $140 million in contributions to the system in the first year. Contributions would total $2.1 billion after five years. We have submitted this proposal to Mr. Eisenstadt for review.

We also urge that funding for the title X elderly employment program be made permanent, as those employed by title X gain a sense of self-worth as well as economic security.

I would like to briefly mention two other issues of concern to our subcommittee.

The elderly Indian population in this Nation has numerous and complex problems. They merit the attention of both the Congress and the adminstration.

The recently published regulations for title V of the Older Americans Act, establishing multi-purpose Senior centers precludes leasing as a form of acquisition. Individual merit and need should be the primary criteria—not whether the facility will be leased or purchased.

REMARKS BY REPRESENTATIVE WILLIAM S. COHEN, RANKING MINORITY MEMBER, SUBCOMMITTEE ON HEALTH AND LONG-TERM CARE, AT MEETING WITH PRESIDENT CARTER

Mr. President, it is a privilege to be here.

The illnesses of the elderly tend to be chronic, not acute. Yet, we have attempted to treat these afflictions within a costly, acute-care model. We have promoted this method of health care delivery through government sponsored programs such as Medicare and Medicaid. Not only is this care often inappropriate, but its soaring costs threaten the availability of care.

My own observations have lead me to believe that we need to develop innovative options to complement our existing medical care system. We urgently need to emphasize social care as a necessary component for the care of the chronically ill. Likewise, we need to maintain the role of the family in protecting the health of its members.

I believe one important initiative we can and should undertake is the expansion of health care in the home. Mr. Pepper has mentioned legislation which seeks to increase the portion of Federal health expenditures allotted for home health care. Studies indicate that between 15 and 40 per cent of the 1 million patients in American nursing homes could live at home if alternate forms of care were made available. In addition, one out of every six Americans who are not institutionalized need direct social and health services to manage their own affairs within their own homes and communities.

Before the Federal government agrees to pay the bills for any new programs, however, steps should be taken to ensure the quality of care provided. I have introduced legislation which seeks to set standards for training, review and certification of the providers of home health care. This legislation, as a forerunner of the sorely needed legislation to expand these necessary services, is an essential step in the evolution of a more uniform, coordinated, and rational approach to the Federal financing of home health care.

Recently, the House Ways and Means and Interstate and Foreign Commerce Committees approved an amendment to H.R. 3, the Medicare and Medicaid Anti-fraud and Abuse Act, which incorporates the basic elements of my proposal. I was pleased that members of the Carter Administration contributed to the working of the amendment. I hope that this active participation is a sign of your support for a prudent, planned expansion of government support for home health care.

CONFERENCE REPORT ON H.R. 7558

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 7558) making appropriations for the agriculture and related agencies programs for the fiscal year ending September 30, 1978, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 95–520)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7558) "making appropriations for the Agriculture and Related Agencies programs for the fiscal year ending September 30, 1978, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 5, 6, 7, 8, 13, 14, 15, 21, 22, 23, 24, 32, 33, 34, 40, 42, 43, 44, 56, 61, 63, 69, 76, 77, 79, 86, 97, 100, and 101.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 20, 26, 35, 45, 47, 48, 49, 50, 51, 52, 55, 57, 62, 66, 67, 68, 70, 73, 74, 82, 83, 84, 85, 87, 88, 89, 90, 94, and 96, and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following: "$20,-204,000, and in addition, $8,231,000 shall be derived by transfer from the appropriation, "Food Stamp Program" and merged with this appropriation".

And the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,450,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$324,859,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following: "8.5"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,750,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$441,204,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following: "8.5"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$109,066,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$9,500,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,388,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$143,150,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$176,031,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$251,024,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,877,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$36,996,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amend-

ment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$29,864,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$46,484,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,370,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,379,000,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,330,000,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$620,000,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$550,000,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$825,000,000"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$5,000,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following: "$185,184,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$156,492,000"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following: "For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751–1761, and 1766), and the applicable provisions other than section 3 of the Child Nutrition Act of 1966, as amended (42 U.S.C. 1773–1785, and 1787); $2,422,901,000, of which $934,557,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, That of the foregoing total amount there shall be available $28,000,000 for the nonfood assistance program, $1,000,000 for nutrition education projects pursuant to section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787), and $13,675,000 for the State administrative expenses: *Provided further*, That funds provided herein shall remain available until expended in accordance with section 3 of the National School Lunch Act, as amended: *Provided further*, That an additional $80,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, as amended."

And the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following: "$155,000,000"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$45,665,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,196,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 17, 71, 75, 78, 91, 93, 98, and 99.

JAMIE L. WHITTEN,
FRANK E. EVANS,
BILL D. BURLISON,
MAX BAUCUS,
BOB TRAXLER,
BILL ALEXANDER,
ROBERT L. F. SIKES,
WILLIAM H. NATCHER,
GEORGE H. MAHON,
MARK ANDREWS,
J. KENNETH ROBINSON,
JOHN T. MYERS,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

THOMAS F. EAGLETON,
JOHN C. STENNIS,
WILLIAM PROXMIRE,
ROBERT C. BYRD,
DANIEL K. INOUYE,
BIRCH BAYH,
LAWTON CHILES,
QUENTIN N. BURDICK,
JOHN L. MCCLELLAN,
HENRY BELLMON,
MILTON R. YOUNG,
MARK O. HATFIELD,
TED STEVENS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7558) making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1978, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—AGRICULTURAL PROGRAMS

Office of the Secretary

Amendment No. 1: Appropriates $2,496,000 for the Office of the Secretary as proposed by the Senate instead of $2,440,000 as proposed by the House.

The conference agreement restores the House reduction of $56,000 for GSA space rental costs.

The conferees direct that the General Accounting Office shall conduct a review of the space rental rates charged the Department of Agriculture by the General Services Administration. The review shall be completed and a report submitted to the House and Senate Appropriations Committees no later than January 1, 1978.

Amendment No. 2; Reported in technical disagreement. The managers on the part of the House will move to concur in the amendment of the Senate with an amendment as follows: "; in addition to appropriations provided herein, the Secretary may transfer up to $1,500,000 for salaries and expenses of personnel on detail to his office".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides a transfer of up to $1.5 million from other appropriations explicitly provided in the bill (not from any transfer authority or CCC borrowing) in order to properly align the funding for personnel on detail. The Senate proposed a limitation of $2 million.

The conferees will expect the Department to notify appropriate Congressional committees regarding the amount and sources of the transfers, as well as the types of personnel on detail. The conferees will also expect the Department, in the fiscal year 1979 budget, to request those funds and personnel deemed to be necessary to the Office of the Secretary directly under this appropriation item.

Departmental Administration

Amendment No. 3: Earmarks $3,568,721 for Budget, Fiscal and Management as proposed by the House instead of $3,572,721 as proposed by the Senate.

Amendment No. 4: Earmarks $1,670,217 for General Operations as proposed by the House instead of $1,673,217 as proposed by the Senate.

Amendment No. 5: Earmarks $2,146,127 for Personnel Administration as proposed by the House instead of $2,149,127 as proposed by the Senate.

Amendment No. 6: Earmarks $1,444,600 for Equal Opportunity as proposed by the House instead of $1,446,600 as proposed by the Senate.

Amendment No. 7: Earmarks $5,245,000 for Information Services as proposed by the House instead of $5,249,000 as proposed by the Senate.

Amendment No. 8: Appropriates $14,276,000 for Department Administration as proposed by the House instead of $14,292,000 as proposed by the Senate.

Office of the Inspector General

Amendment No. 9: Appropriates $20,204,000 for the Office of the Inspector General instead of $20,093,000 as proposed by the House and $28,458,000 as proposed by the Senate.

The conference agreement provides that the transfer of $8,231,000 from the Food Stamp Program be continued, and the conferees will expect that at least that amount be used for activities relating to food stamps.

The conference agreement restores the House reduction of $111,000 for GSA space rental costs.

Office of the General Counsel

Amendment No. 10: Appropriates $9,450,000 for the Office of the General Counsel instead of $9,383,000 as proposed by the

House and $9,461,000 as proposed by the Senate. The conference agreement restores the House reduction of $67,000 for GSA space rental costs and deletes the Senate restoration of $11,000 for the annualization of pay costs.

Federal Grain Inspection Service

Salaries and Expenses

Amendment No. 11: Appropriates $11,000,000 for salaries and expenses of the Federal Grain Inspection Service instead of $10,944,000 as proposed by the House and $13,595,000 as proposed by the Senate. The conference agreement restores the House reduction of $56,000 for GSA space rental costs and deletes the Senate restoration of $2,595,000 for Washintgon personnel.

Agriculture Research Service

Amendment No. 12: Appropriates $324,859,000 for the Agricultural Research Service instead of $304,495,000 as proposed by the House and $362,812,000 as proposed by the Senate.

The conferees agreed to $1,100,000 in planning funds for the proposed North Central Regional Dairy Forage Research Center instead of $10,000,000 in planning and construction funds as proposed by the Senate. The conferees will expect the Department to design a facility that will not duplicate the work carried on at the other 56 locations where dairy/forage research is now conducted and that will not exceed $9,000,000 to construct and equip.

The conferees agreed to $3,500,000 for the construction of an addition to the Human Nutrition Lab at Grand Forks, North Dakota and $375,000 for replacement of a greenhouse facility at the Northern Great Plains Research Station at Mandan, North Dakota as proposed by the Senate.

The conferees have agreed that funds proposed for reprogramming by the Agricultural Research Service may be used for the construction of the Soil and Water Lab at Beckley, West Virginia, instead of a direct appropriation of $1,509,000 as proposed by the Senate.

The conferees have also agreed to a sum not to exceed $400,000 for planning a Soil and Water Lab at Purdue University. The conferees will expect this laboratory to coordinate its activities with the National Soil Sedimentation Laboratory at Oxford, Mississippi. The conferees will also expect the Department to maintain a regularly scheduled flow of work through the National Soil Sedimentation Laboratory rather than scheduling work on an intermittent basis

The conference agreement includes $1,500,000 for the replacement of the feed mill at El Reno, Oklahoma instead of $2,000,000 as proposed by the Senate.

The conferees have agreed to $2,000,000 in planning funds for the establishment of an adult human nutrition research facility at Tufts University in Massachusetts. In planning the new facility, the conferees will expect the Department to provide for a facility that can serve as a center for nutrition research available not only to USDA but to the local university and to leading nutrition scientists and the Food and Drug Administration.

The conferees have agreed to delete without prejudice the appropriation of planning funds for the establishment of a pediatric human nutrition research facility at the Baylor School of Medicine in Texas.

The conferees have also agreed to delete without prejudice the planning funds for moving the Denver Lab to Ft. Collins, Colorado. The conferees will expect the Department to review this proposal and report to the Committees with respect to the scheduling of the relocation of this laboratory.

The conferees have agreed to the Senate increase of $100,000 for a feasibility study of the need for a plant and moisture stress laboratory.

The conferees have agreed to an increase of $300,000 for the Appalachian Fruit Research Station at Kearneysville, West Virginia, instead of an increase of $375,000 as proposed by the Senate.

The conferees have not agreed to the proposed increase of $1,500,000 for staff for the North Central Dairy Lab since the Lab will not be completed during the fiscal year 1978.

The conferees have agreed to an increase of $1,000,000 for laboratory maintenance instead of an increase of $2,000,000 as proposed by the Senate.

The conference agreement provides $15,000,000 for a competitive grant program as proposed by the House instead of $27,600,000 as proposed by the Senate. Of this amount, $5,000,000 shall be reserved for human nutrition research. The grants will be awarded the most qualified scientists in colleges, universities, Federal agents and other public as well as private organizations. The eligible individuals would include, among others, scientists in the Agricultural Research Service at Beltsville, Maryland; Grand Forks, N. Dak.; and other locations, and also scientists at universities such as Tufts and Baylor.

The conferees have agreed to $74,900 for filbert research as proposed by the House instead of $64,900 as proposed by the Senate.

For mint research the conferees have agreed to a total of $137,100 instead of $91,100 as proposed by the House and $196,100 as proposed by the Senate.

Also included in the agreement is $1,086,800 for sunflower research as proposed by the House instead of $886,800 as proposed by the Senate.

For english walnut research the agreement includes $66,700 as proposed by the House instead of $16,700 as proposed by the Senate.

For soybean research the agreement includes $11,000,000 instead of $10,000,000 as proposed by the House and $11,350,000 as proposed by the Senate.

The agreement also includes $50,000 for guayule research as proposed by the House. The Senate had proposed to delete the House increase for this item.

The agreement includes a $100,000 increase over the budget request for the National Sedimentation Laboratory as proposed by the House.

Also included in the agreement is an increase of $60,000 over the House for stem rust research instead of an increase of $120,000 as proposed by the Senate.

The agreement provides an increase over the House of $173,000 for research on the Lone Star Tick instead of $345,000 as proposed by the Senate.

The conferees have agreed to $23,250,000 for research on beef cattle instead of $22,730,000 as proposed by the House and $23,770,000 as proposed by the Senate. The $520,000 in additional funds are to be utilized for work on methods of livestock management, including animal transportation work, as well as forage research. The Department is directed to undertake an accelerated research program in this area to the extent possible within available funds.

The agreement includes an increase of $1,000,000 for a study of the nutritional impact of USDA feeding programs, rather than an increase of $3,000,000 as proposed by the Senate. The conferees will expect the Department to pay particular attention to the impact of the food stamp program, the elderly feeding program, the food donations program, and the school lunch program with special attention to plate waste.

For cucumbers, onions and carrots the agreement includes $881,800 instead of $731,800 as proposed by the House and $1,181,800 as proposed by the Senate.

For citrus blackfly research the agreement includes $500,000 instead of $271,000 as proposed by the House and $971,000 as proposed by the Senate.

For tanning research the agreement includes $1,537,000 instead of $852,000 as proposed by the House and $2,222,000 as proposed by the Senate. Also included in the agreement is an increase over the House bill of $82,000 for GSA space rental costs and $144,000 for the restoration of a general reduction.

The conference agreement includes an increase of $1,000,000 over the House figure for brucellosis research. The conferees will expect the Secretary to present to the Committee a timetable for development of an effective adult vaccination program for eradication of brucellosis. This should include an accelerated research program of sufficient scale to bring about timely eradication of brucellosis in those remaining problem states.

The conference agreement maintains the contingency fund at $1,000,000 instead of $2,000,000 as proposed by the Senate.

The conferees also agreed to the House bill with respect to the annualization of pay costs rather than the restoration of $1,012,000 as proposed by the Senate.

Amendment No. 13: Limits the cost of constructing any one building to $65,000 as proposed by the House instead of $70,000 as proposed by the Senate.

Amendments No. 14 and 15: Allow for the construction of 8 buildings at a cost of $125,000 as proposed by the House instead of 10 buildings at a cost of $135,000 as proposed by the Senate.

Amendment No. 16: Limits the cost of altering any one building to 8.5 per centum of the current replacement value of the building instead of 7.5 per centum as proposed by the House and 10 per centum as proposed by the Senate.

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will move to concur in the Senate amendment with an amendment as follows:

That $8,975,000 of this appropriation shall remain available until expended for plans, construction, and improvement of facilities without regard to the foregoing limitation: *Provided further,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Scientific Activities Overseas

(Special foreign currency programs)

Amendment No. 18: Appropriates $5,750,000 for Scientific Activities Overseas instead of $5,000,000 as proposed by the House and $6,500,000 as proposed by the Senate.

Animal and Plant Health Inspection Service

Amendment No. 19: Appropriates $441,204,000 for the Animal and Plant Health Inspection Service instead of $429,225,000 as proposed by the House and $471,420,000 as proposed by the Senate.

The conference agreement includes $53,000,000 for brucellosis eradication instead of $46,331,000 as proposed by the House and $69,831,000 as proposed by the Senate. Additional funds for brucellosis research were agreed to under Amendment No. 12.

The conferees concur with the House position that funds requested for a trial boll weevil eradication program be held in reserve until the Director of boll weevil research at the Boll Weevil Laboratory certifies to appropriate Congressional committees that a substantial and sufficient scientific breakthrough has been achieved, and that he recommends the program be initiated; and, that each of the three States to be involved has passed and implemented the necessary legislation and has demonstrated to appropriate Congressional committees that they are legally and financially prepared to fulfill their responsibilities under the program.

The conferees agreed to $3,927,000 for witchweed as proposed by the House, instead of $6,927,000 as proposed by the Senate.

The conference agreement restores the House reduction of $1,150,000 for GSA space rental costs, as proposed by the Senate, and also maintains the decrease of $294,000 in pay costs annualization as proposed by the House. The conferees agreed to retain the reduction of $1,000,000 in travel, transportation, supplies and materials, equipment and other services as proposed by the House.

The conferees have agreed to $500,000 for range caterpillar control, instead of $2,000,000 as proposed by the Senate and no funding as proposed by the House.

The conferees are of the opinion that further research would be helpful to any control program, and funds for such research were agreed to under Amendment No. 29.

The conference agreement provides an additional $1,000,000 to continue a fire ant quarantine program, instead of an increase of $7,541,000 as proposed by the Senate. In addition, a reserve of $4,460,000 is provided under Amendment No. 21, as proposed by the House.

For citrus blackfly the agreement includes $4,712,000 as proposed by the Senate instead of $3,202,000 as proposed by the House. The conferees will expect these funds to be provided to States in proportion to whatever the needs may be at the time.

The conferees agreed to $200,000 for horse protection instead of $100,000 as proposed by the House and $500,000 as proposed by the Senate.

The conferees have agreed to $1,000,000 for pseudorabies control, instead of $1,550,000 as proposed by the Senate and no new program as proposed by the House. These funds are available for use, if needed, subsequent to the review and determination referred to by the Secretary in his letter of July 15, 1977. The conferees will expect the Department to make special efforts to apply the same control measures for pseudorabies to all segments of the swine industry including swine for slaughter and swine for breeding purposes. The conferees are of the opinion that additional research would be helpful to any control program and included in the conference agreement is $300,000 for the conduct of such research.

For activities under the recent amendments to the Animal Welfare Act the agreement includes $508,000 instead of $208,000 as proposed by the House and $808,000 as proposed by the Senate. The increased funds are for transportation-related activities. The conferees will expect the Department to review, prior to the fiscal 1979 budget hearings, the license fee structure under this activity to determine whether fees are in proper proportion to the costs of inspections.

For Japanese beetle the agreement includes $100,000 for spot checks as proposed by the House, instead of no funding as proposed by the Senate.

Amendment No. 20: Provides a contingency reserve of $2,500,000 as proposed by the Senate instead of $2,750,000 as proposed by the House. The conferees will expect nonearmarked contingency funds to be available if needed in regard to Japanese beetle control.

Amendment No. 21: Provides that $4,460,000 "may" be used to repay the Commodity Credit Corporation at the end of the fiscal year if not needed for the fire ant program, instead of "shall" be used for repayment as proposed by the Senate.

Amendment No. 22: Provides a limitation of $62,500 on the cost of constructing any one building as proposed by the House instead of $70,000 as proposed by the Senate.

Amendments No. 23 and 24: Provide limitations to allow for the construction or improvement of 3 buildings at a cost not to exceed $120,000 as proposed by the House instead of 4 buildings at a cost not to exceed $135,000 as proposed by the Senate.

Amendment No. 25: Provides a limitation on the cost of altering any one building of 8.5 per centum of the current replacement value of the building instead of 7.5 per centum as proposed by the House and 10 per centum as proposed by the Senate.

Cooperative State Research Service

Amendment No. 26: Deletes the words "grants for" as proposed by the Senate since McIntyre-Stennis funds are apportioned to the States on an administrative basis rather than by grant award.

Amendment No. 27: Appropriates $109,066,000 for payments to agricultural experiment stations under the Hatch Act and for penalty mail instead of $106,066,000 as proposed by the House and $116,066,000 as proposed by the Senate.

Amendment No. 28: Appropriates $9,500,000 for grants for cooperative forestry research instead of $9,000,000 as proposed by the House and $10,712,000 as proposed by the Senate.

Amendment No. 29: Appropriates $21,388,000 for contracts and grants for scientific research instead of $19,688,000 as proposed by the House and $21,509,000 as proposed by the Senate.

The conferees have agreed upon $100,000 for fever tick research as proposed by the Senate and $1,500,000 for range caterpillar research as proposed by the Senate.

The conference agreement also includes $450,000 for the STEEP program instead of $350,000 as proposed by the House and $571,000 as proposed by the Senate.

The Committee has been advised that the Extension Service is extremely concerned over the possibility of GSA classifying them as grantees and thereby eliminating the current program of Federal excess property utilization by State and County Extension Offices.

The Committee feels that because of the unique relationship which exists between the Department and the Land-Grant Universities in carrying out Cooperative Extension Programs that this program should not be considered the same as other programs financed by Federal grants for the purpose of establishing uniform or standard procedures for administering such programs. Therefore, it is the desire of the conferees that the Extension Service continue to obtain Federal excess property for assignment to State and County Extension Offices for use in approved Extension programs considered the official business of the Department. Likewise, State Cooperative Extension Services should be eligible to utilize GSA supplies and contracts.

In view of disturbing occurrences of "boxwood decline", a progressive disease of English boxwoods not yet adequately differentiated and for which no reliable arresting agent has been identified, and as spread of this disease would threaten invaluable plantings of English boxwoods of great age around historical homes and shrines and cause significant economic damage to boxwood nursery operations, the conferees recommend that the Department undertake intensified support of current investigations of "boxwood decline".

Amendment No. 30: Provides a total of $143,150,000 for the Cooperative State Research Service instead of $137,950,000 as proposed by the House and $151,483,000 as proposed by the Senate.

Extension Service

Amendment No. 31: Appropriates $176,031,000 for cooperative extension work under the Smith-Lever Act instead of $172,781,000 as proposed by the House and $179,281,000 as proposed by the Senate.

Amendment No. 32: Appropriates $50,560,000 for nutrition and family education for low income areas as proposed by the House instead of $49,060,000 as proposed by the Senate. Included in the agreement is the full amount proposed by the House for the 4–H program.

Amendment No. 33: Appropriates $3,000,000 for urban gardening as proposed by the House instead of $1,500,000 as proposed by the Senate.

Amendment No. 34: Appropriates $9,333,000 for the 1890 Colleges and Tuskegee Institute as proposed by the House instead of $8,833,000 as proposed by the Senate. The conference agreement provides an increase of $500,000 for the purchase of equipment as proposed by the House.

Amendment No. 35: Appropriates $2,500,000 for rural development education as proposed by the Senate instead of $1,500,000 as proposed by the House.

Amendment No. 36: Provides $251,024,000 for the Extension Service instead of $246,774,000 as proposed by the House and $250,774,000 as proposed by the Senate.

National Agricultural Library

Amendment No. 37: Appropriates $6,877,000 for the National Agricultural Library instead of $6,819,000 as proposed by the House and $6,880,000 as proposed by the Senate.

The conference agreement restores the House reduction of $58,000 for GSA space rental costs.

Statistical Reporting Service

Amendment No. 38: Appropriates $36,996,000 for the Statistical Reporting Service instead of $36,600,000 as proposed by the House and $37,508,000 as proposed by the Senate. The conference agreement restores the House reduction of $396,000 for GSA space rental costs.

Economic Research Service

Amendment No. 39: Appropriates $29,864,000 for the Economic Research Service instead of $28,642,000 as proposed by the House and $30,905,000 as proposed by the Senate. The conference agreement restores the House reduction of $222,000 for GSA space rental costs and also provides $1,000,000 for the direct distribution to farmers of an annual commodity analysis, supplemented by periodic newsletters, covering current production and marketing data.

Agricultural Marketing Service

Marketing Services

Amendment No. 40: Restores language deleted by the Senate which provides for the administration and coordination of payments to States.

Amendment No. 41: Appropriates $46,484,000 for Marketing Services instead of $46,379,000 as proposed by the House and $50,927,000 as proposed by the Senate. The conference agreement restores the House reduction of $105,000 for GSA space rental costs.

Amendment No. 42: Restores language deleted by the Senate which provides for payments to States and Possessions under the Agricultural Marketing Act of 1946 in the amount of $1,600,000.

Funds for strengthening markets, income, and supply

(Section 32)

Amendments No. 43 and 44: Restore language deleted by the Senate which provides for the transfer of $4,443,000 from Sec. 32 funds to the Agricultural Marketing Service for the formulation of Marketing Agreements and Orders.

Packers and Stockyards Administration

Amendment No. 45: Appropriates $6,252,000 for the Packers and Stockyards Administration as proposed by the Senate instead of $6,146,000 as proposed by the House. The conference agreement restores the House reduction of $6,000 for GSA space rental costs and adds $100,000 as proposed by the Senate for increased investigation of payoffs and commercial bribery.

Farmer Cooperative Service

Amendment No. 46: Appropriates $3,370,000 for the Farmer Cooperative Service instead of $3,048,000 as proposed by the House and

$3,770,000 as proposed by the Senate. The conference agreement restores the House reduction of $22,000 for GSA space rental costs and adds $300,000 over the House bill for studies of export markets.

Farm income stabilization

Agricultural Stabilization and Conservation Service

Salaries and expenses

Amendment No. 47: Appropriates $161,838,000 for salaries and expenses for the Agricultural Stabilization and Conservation Service as proposed by the Senate instead of $161,019,000 as proposed by the House. The conference agreement restores the House reduction of $819,000 for GSA space rental costs.

Federal Crop Insurance Corporation

Federal Crop Insurance Corporation Fund

Amendment No. 48: Provides a limitation of $11,413,000 for the Federal Crop Insurance Corporation Fund as proposed by the Senate instead of $11,283,000 as proposed by the House.

The conference agreement restores the House reduction of $130,000 for GSA space rental costs.

Commodity Credit Corporation

Limitation on administrative expenses

Amendment No. 49: Deletes a specific amount of funds for the Office of the General Sales Manager as proposed by the Senate.

Amendments No. 50 through 52: Delete references to Public Law 480 as proposed by the Senate. The deletion of the House language allows the Secretary discretion as to the organizational location of the P.L. 480 program.

TITLE II—RURAL DEVELOPMENT PROGRAMS

Rural development assistance

Farmers Home Administration

Rural housing insurance fund

Amendment No. 53: Provides $3,379,000,000 for insured loans as authorized by Title V of the Housing Act of 1949, as amended, instead of $3,284,000,000 as proposed by the House and $3,504,000,000 as proposed by the Senate.

The increase over the House amount provides for an additional $70,000,000 in low-income loans and $25,000,000 in moderate-income loans.

Amendment No. 54: Earmarks $2,330,000,000 for subsidized interest loans to low-income borrowers instead of $2,260,000,000 as proposed by the House and $2,430,000,000 as proposed by the Senate.

Amendment No. 55: Provides $900,000,000 for unsubsidized interest guaranteed loans as proposed by the Senate instead of $1,000,000,000 as proposed by the House. These funds are to be provided in accordance with the authorization of the guaranteed loan program. In no event shall they be utilized for providing loans to persons with incomes in excess of $20,000 or who can obtain credit elsewhere.

Amendment No. 56: Deletes language added by the Senate which provided that not less than $400,000,000 of the amount provided for guaranteed loans shall be for above-moderate income borrowers.

The conferees will expect the Department to review its definition of "moderate income" and make appropriate changes in the ceiling so as to reflect the impact of inflation.

Amendment No. 57: Deletes House language which provides "such amounts as may be necessary" for the rental assistance program and adds Senate language which provides "not to exceed $17,000,000 in fiscal year 1978" thereby placing a fixed limitation on the size of the program.

Agricultural Credit Insurance Fund

Amendment No. 58: Provides $620,000,000 for insured real estate loans instead of $520,000,000 as proposed by the House and $670,000,000 as proposed by the Senate.

Amendment No. 59: Earmarks $550,000,000 for farm ownership loans instead of $450,000,000 as proposed by the House and $600,000,000 as proposed by the Senate.

Amendment No. 60: Provides $825,000,000 for operating loans instead of $750,000,000 as proposed by the House and $900,000,000 as proposed by the Senate.

Very Low-Income Housing Repair Grants

Amendment No. 61: Restores House language which limited the Very Low-Income Housing Repair Grants "to the elderly". The conferees intend to monitor the use of funds under this program closely during the coming year.

Rural Development Insurance Fund

Amendment No. 62: Deletes House language limiting this program to guaranteed loans. The conferees were advised that guaranteed industrial development loans are not practical for Indian tribes since in many cases clear title to the collateral is not available. However, with the exception of some loans to Indian tribes, all other loans are to be guaranteed. In addition, the $1,000,000,000 provided in the conference agreement is the ceiling on total amount of loans to be made under this program.

Housing Technical and Supervisory Assistance Grants

Amendment No. 63: Deletes language added by the Senate which would have appropriated $1,000,000 to fund Sec. 525(a) Housing and Technical Assistance Grants.

Rural Development Planning Grants

Amendment No. 64: Appropriates $5,000,000 for Rural Development Planning Grants instead of $10,000,000 as proposed by the Senate.

Salaries and Expenses

Amendment No. 65: Appropriates $185,184,000 for salaries and expenses for the Farmers Home Administration instead of $182,600,000 as proposed by the House and $201,184,000 as proposed by the Senate. In addition, the conference agreement deletes House language which provided that the Rural Development Service be absorbed by the Farmers Home Administration. The conferees agree that the Rural Development Service should be under the direct supervision of the Deputy Secretary of Agriculture so that they may receive better direction.

The conference agreement also provides for 300 additional permanent positions instead of 1000 as proposed by the Senate. All of the additional positions are to be located outside of the Metropolitan Washington area.

Rural Development Service

Amendment No. 66: Appropriates $1,663,000 for the Rural Development Service and maintains it as a separate organizational entity as proposed by the Senate.

Rural Electrification Administration

Salaries and Expenses

Amendment No. 67: Appropriates $22,567,000 for salaries and expenses for the Rural Development Administration as proposed by the Senate instead of $22,551,000 as proposed by the House. The conference agreement restores the House reduction of $16,000 for GSA space rental costs.

Conservation—Soil Conservation Service

Conservation Operations

Amendment No. 68: Appropriates $229,060,000 for Conservation Operations as proposed by the Senate instead of $226,051,000 as proposed by the House. The conference agreement restores the House reduction of $3,009,000 for GSA space rental costs.

Amendment No. 69: Restores language deleted by the Senate which allows up to $1,000,000 to be used to relocate endangered species to other suitable habitats.

River Basin Surveys and Investigations

Amendment No. 70: Appropriates $15,506,000 for River Basin Surveys and Investigations as proposed by the Senate instead of $15,420,000 as proposed by the House. The conference agreement restores the House reduction of $86,000 for GSA space rental costs.

Watershed Planning

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will move to concur in the Senate amendment with an amendment. The conference agreement appropriates $11,847,000 for Watershed Planning instead of $11,778,000 as proposed by the House and $10,647,000 as proposed by the Senate. The conference agreement restores the House reduction of $69,000 for GSA space rental costs and the Senate reduction of $1,200,000 for new planning starts. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Watershed and Flood Prevention Operations

Amendment No. 72: Appropriates $156,492,000 for Watershed and Flood Prevention Operations instead of $148,677,000 as proposed by the House and $158,992,000 as proposed by the Senate. The conference agreement restores the House reduction of $315,000 for GSA space rental costs and adds an additional $7,500,000 for new construction starts under P.L. 566 instead of $10,000,000 as proposed by the Senate.

Amendment No. 73: Earmarks $26,044,000 for watersheds authorized under the Flood Control Act of 1936 as proposed by the Senate instead of $25,981,000 as proposed by the House. The Senate increase reflects the pro rata share of GSA space rental costs restored by Amendment No. 72.

Resource Conservation and Development

Amendment No. 74: Appropriates $31,033,000 for Resource Conservation and Development as proposed by the Senate instead of $30,964,000 as proposed by the House. The conference agreement restores the House reduction of $69,000 for GSA space rental costs.

Agricultural stabilization and conservation service

Agricultural Conservation Program

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will move to concur in the Senate amendment with an amendment which reads as follows: "of which $25,000,000 shall be available immediately upon enactment,".

The conference agreement provides that $25,000,000 would be available in fiscal year 1977 to liquidate contracts entered into during fiscal year 1977 instead of $75,000,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 76: Deletes language added by the Senate which would have had the effect of converting the Agricultural Conservation Program from a contract authority program to a direct appropriation program.

Amendment No. 77: Restores the House language which provides for $190,000,000 in contract authority for fiscal year 1978.

Amendment No. 78: Reported in technical disagreement. The managers on the part of the House will move to concur in the amendment of the Senate which reads as follows: : *Provided further*, That for an additional amount to carry out the Agricultural Conservation Program, $50,000,000, to be immediately available upon enactment, to incur obligations for the period ending September 30, 1977, and to liquidate such obligations

for soil and water conserving practices in major drought or flood damaged areas as designated by the President or the Secretary of Agriculture: *Provided further,* That, not to exceed 5 per centum of the amount herein may be withheld with the approval of the State committee and allotted to the Soil Conservation Service for services of its technicians in the designated drought or flood damaged areas

The conferees agree that monies appropriated for this program be for reimbursement to farmers for expenditures incurred beginning on the date of the Presidential disaster declaration as authorized by law.

Forestry Incentives Program

Amendment No. 79: Appropriates $15,000,000 for the Forestry Incentives Program as proposed by the House instead of $7,500,000 as proposed by the Senate. The conferees will expect the Department to fully utilize carryover funds.

TITLE III—DOMESTIC FOOD PROGRAMS

Food and Nutrition Service

Child Nutrition Programs

Amendment No. 80: Appropriates $1,488,344,000 and provides a transfer of $1,014,557,000 from Section 32 for Child Nutrition Programs instead of an appropriation of $1,488,344,000 and $1,014,557,000 by transfer as proposed by the House and an appropriation of $1,183,901,000 and $1,319,000,000 by transfer as proposed by the Senate.

The conference agreement includes $1,000,000 for a new program of nutrition education grants to schools, as proposed by the Senate.

The conference agreement deletes the limitation of $13,504,000 on Federal Operating Expenses and provides a separate appropriation for Food Program Administration as proposed by the Senate (see Amendment No. 91).

Included in the Conference agreement is a transfer of $242,725,000 in commodities to States from Section 32 as proposed by the House, instead of a direct cash transfer as proposed by the Senate.

It is the intention of the conferees that the general level of commodity support provided per child not be decreased below the level authorized, and for the Department to purchase surplus commodities with Section 32 funds. However, Section 32 balances should not be drawn below $300 million, unless they are needed to stabilize prices.

Purchases of surplus commodities eligible for support with Section 32 funds will continue to receive first priority by AMS in the use of the funds transferred to the Child Nutrition Programs. Second priority will be to supply other commodities or cash in lieu of commodities to meet the required and traditional level of commodity support for donation to eligible persons and outlets. Third priority will be to use Section 32 funds in lieu of direct appropriations to supply required cash reimbursement, primarily to schools under the requirements of the Child Nutrition Act of 1966, as amended, and the National School Lunch Act, as amended.

Special Milk Program

Amendment No. 81: Appropriates $155,000,000 for the Special Milk Program as proposed by the House instead of $168,000,000 as proposed by the Senate.

The conference agreement deletes the limitation on Federal Operating Expenses and provides a separate appropriation for Food Program Administration as proposed by the Senate (see Admendment No. 91).

Special Supplemental Food Program (WIC)

Amendment No. 82: Appropriates $247,000,000 for the Special Supplemental Food Program (WIC) as proposed by the Senate instead of $250,000,000 as proposed by the House.

The conference agreement deletes the limitation on Federal Operating Expenses and provides a separate appropriation for Food Program Administration as proposed by the Senate (see Amendment No. 91).

Amendment No. 83: Deletes the limitation on the employment of consultants, as proposed by the Senate. An overall limitation is provided under Food Program Administration (see Amendment No. 91).

Food Stamp Program

Amendment No. 84; Appropriates $5,627,000,000 for the Food Stamp Program as proposed by the Senate instead of $5,673,804,000 as proposed by the House.

The conference agreement deletes the limitation on Federal Operating Expenses and provides a separate appropriation for Food Program Administration as proposed by the Senate (see Amendment No. 91).

Amendment No. 85: Deletes the limitation on the employment of consultants, as proposed by the Senate. An overall limitation is provided under Food Program Administration (see Amendment No. 91).

Amendment No. 86: Provides a 7 per centum reserve as proposed by the House instead of no reserve as proposed by the Senate.

Food Donations Program

Amendments No. 87 and 88: Appropriate $31,400,000 for the Food Donations Program as proposed by the Senate instead of $31,726,000 as proposed by the House.

The conference agreement deletes the limitation on Federal Operating Expenses and provides a separate appropriation for Food Program Administration as proposed by the Senate (see Amendment No. 91).

Elderly Feeding Program

Amendments No. 89 and 90: Appropriate $30,000,000 for the Elderly Feeding Program as proposed by the Senate instead of $30,830,000 as proposed by the House.

The conference agreement deletes the limitation on Federal Operating Expenses and provides a separate appropriation for Food Program Administration as proposed by the Senate (see Amendment No. 91).

The conferees agree with the Senate proposal that funds for the elderly feeding program shall be available for donation of foods or the making of cash payments in lieu thereof to States which elect to receive cash, in accordance with the provisions of the Older Americans Act of 1965, as recently amended by Public Law 95-65.

Food Program Administration

Amendment No. 91: Reported in technical disagreement. The managers on the part of the House will move to concur in the amendment of the Senate with an amendment as follows:

Food Program Administration

For necessary administrative expenses of the Domestic Food Programs funded under this Act, $64,951,000 to remain available until expended: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $64,951,000 for Food Program Administration as requested in the budget, instead of $65,853,000 as proposed by the Senate and instead of the House proposal to earmark specific amounts for Federal Operating Expenses in each food program appropriation.

The conference agreement restores the House reduction of $387,000 for GSA space rental costs.

This new appropriation item will include the necessary funds to administer the domestic food programs of the Food and Nutrition Service, and will facilitate intensified congressional review of the operating activities associated with those programs. The conferees will expect the Department in the 1979 budget to provide specific and detailed justifications for every activity included within this account. Particular emphasis should be given to actions taken to improve the performance of the enforcement and financial management aspects of these programs. In preparing to justify the 1979 budget, the Department will be expected to complete a rigorous examination of information, personnel, and other similar overhead activities of the Food and Nutrition Service.

TITLE IV—INTERNATIONAL PROGRAMS

Foreign agricultural service

Amendment No. 92: Appropriates $45,665,000 for the Foreign Agricultural Service instead of $43,100,000 as proposed by the House and $47,040,000 as proposed by the Senate.

The conference agreement restores the House reduction of $190,000 for GSA space rental costs.

Also included in the conference agreement is $22,835,000 for Foreign Market Development instead of $20,835,000 as proposed by the House and $23,835,000 as proposed by the Senate.

In addition, the conference agreement includes $4,928,000 for Foreign Commodity Analysis instead of $4,553,000 as proposed by the House and $5,303,000 as proposed by the Senate.

U.S. agricultural exports in 1976 amounted to $24 billion. It is our most important trade sector in maintaining a sound balance of trade position. USDA has the principal role in assuring the continued growth in U.S. agricultural exports and has fostered a vigorous program of developing a strong agricultural attache network around the world. This actvity cannot be neglected, but as has been demonstrated in the recent past, the data and intelligence collecting capability of FAS has now outstripped the agency's ability to fully analyze and utilize this information on a timely basis.

Already included in the bill is $250,000 added by the House for a study on a country-by-country basis of restrictions to U.S. agricultural exports. $375,000 added by the Conference Agreement will complement this study by buttressing the in-house capability of FAS to do regional market analyses.

Food and Drug Administration

Salaries and Expenses

Amendment No. 93: Reported in technical disagreement. The managers on the part of the House will move to concur in the amendment of the Senate with an amendment appropriating $276,243,000 for Salaries and Expenses instead of $273,019,000 as proposed by the House and $275,743,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Included in the conference agreement is a reduction of $500,000 from the budget request in non-regulatory travel as proposed by the House.

The conference agreement restores the House reduction of $3,224,000 for GSA space rental costs.

The conference agreement also includes $1,000,000 for artificial sweetener research, as proposed by the House.

In keeping Congressional Committees fully advised of matters pertaining to the use of antibiotics in animal feed, as directed in the Senate Report, the Conferees expect notice and explanation to be given to the Com-

mittees on Appropriations and other appropriate committees of the Congress at least 15 days prior to the agency's publishing any notice of intended action in the Federal Register or other governmental publication.

The hearings and other evidence indicate that under the present procedures of the Food and Drug Administration, the American people may have been deprived of beneficial drugs available in other countries. Part of this problem may be because applications for registration originate with the manufacturers. There are often unnecessary delays in making drug applications and, worse, sometimes no drug approvals are requested by the drug companies. Members have had their attention called to drugs available for migrane headaches, epilepsy, or other ailments or diseases, which are in common use in various countries but not readily available here. It is to be noted that the question of saccharin and the determination of that question has been delayed waiting on tests by Canada.

The conferees believe that this entire matter should be fully explored by the appropriate legislative committees.

Amendment No. 94:

The conferees have agreed to delete, as proposed by the Senate, the House language which would have prevented any imposition by FDA of a saccharin ban prior to September 30, 1978.

The saccharin bills of the House and Senate legislative committees have progressed in Congress since the House action on this appropriations bill. The subcommittee chairmen of those committees have given their personal assurances to the conferees that the bills will be promptly brought to the House and Senate chambers in order that Congress may work its will on this issue. The conferees have also been informed of the assurances given by the FDA Commissioner that FDA will not issue a ban on saccharin prior to October 1, 1977.

The conferees have confidence in these pledges and assurances, and have based the conference agreement upon them.

Commodity Futures Trading Commission

Amendment No. 95: Appropriates $13,196,000 for the Commodity Futures Trading Commission instead of $13,096,000 as proposed by the House and $14,521,000 as proposed by the Senate.

The conferees have agreed to an increase of $100,000 for a study regarding the development of regulatory methods to protect participants in forward contracts. The study should be completed and transmitted to appropriate Congressional committees by January 1978.

Farm Credit Administration

Limitation on Administrative Expenses

Amendment No. 96: Provides a limitation on administrative expenses of $9,509,000 as proposed by the Senate instead of $8,776,000 as proposed by the House.

TITLE VI—GENERAL PROVISIONS

Amendment No. 97: Provides a limitation of $54,000,000 on the Working Capital Fund as proposed by the House instead of $55,061,000 as proposed by the Senate.

Amendment No. 98: Reported in technical disagreement. The managers on the part of the House will move to concur in the amendment of the Senate with an amendment as follows:

(A) None of the funds provided in this Act may be used to reduce programs by establishing an end-of-year employment ceiling on permanent positions below the level set herein for the following agencies: Farmers Home Administration, 7,440; Agricultural Stabilization and Conservation Service, 2,473; and Soil Conservation Service, 13,955.

(B) The Secretary of Agriculture is authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided for "Domestic Food Programs" in this Act: *Provided*, That such transferred balances shall be available only for the same purposes, and for the same periods of time, for which they were originally appropriated.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendments No. 99 and 100: Amendment No. 99 is reported in technical disagreement. The managers on the part of the House will move to concur in the amendment of the Senate with an amendment as follows:

"Notwithstanding any other provision of law, employees of the agencies of the Department of Agriculture, including employees of the Agricultural Stabilization and Conservation County Committees, may be utilized to provide part-time and intermittent assistance to other agencies of the Department, without reimbursement, during periods when they are not otherwise fully utilized."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have agreed to delete House language related to the payment of GSA space rental costs and to delete Senate language related to the grading of Hard Red Winter wheat. In the place of House and Senate language deleted, the conferees have inserted the Senate language contained in Amendment No. 100 and the Senate has receded from same. Conference action related to Amendment No. 100 is technical in nature.

The conferees deleted a provision added by the Senate which would have prohibited the use of appropriated funds to administer a program which provided sub-class grading of Hard Red Winter wheat. The conferees are very concerned that the so-called "yellow sub-class" may be an unreliable and obsolete means of gauging Hard Red Winter wheat grain quality and one which may be inappropriate for Federal regulatory use. Therefore, in light of pending legislation on this issue the conferees agreed to delete the provision.

Amendment No. 101: Deletes language added by the Senate which would have limited payments to any one sugar producer to $50,000.

Conference total—With comparisons

The total new budget (obligational) authority for the fiscal year 1978 recommended by the Committee of Conference, with comparisons to the fiscal year 1977 amount, the 1978 budget estimates, and the House and Senate bills for 1978 follow:

New budget (obligational) authority, fiscal year 1977	$13,339,731,000
Budget estimates of new (obligational) authority, fiscal year 1978	12,917,017,000
House bill, fiscal year 1978	12,658,830,000
Senate bill, fiscal year 1978	[1] 12,569,514,000
Conference agreement	[1] 12,749,378,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1977	−590,353,000
Budget estimates of new (obligational) authority, fiscal year 1978	−167,639,000
House bill, fiscal year 1978	+90,548,000
Senate bill, fiscal year 1978	+179,864,000

[1] In addition, $50,000,000 was provided for fiscal year 1977.

JAMIE L. WHITTEN,
FRANK E. EVANS,
BILL D. BURLISON,
MAX BAUCUS,
BOB TRAXLER,
BILL ALEXANDER,
ROBERT L. F. SIKES,
WILLIAM H. NATCHER,
GEORGE H. MAHON,
MARK ANDREWS,
J. KENNETH ROBINSON,
JOHN T. MYERS,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

THOMAS F. EAGLETON,
JOHN C. STENNIS,
WILLIAM PROXMIRE,
ROBERT C. BYRD,
DANIEL K. INOUYE,
BIRCH BAYH,
LAWTON CHILES,
QUENTIN N. BURDICK,
JOHN L. MCCLELLAN,
HENRY BELLMON,
MILTON R. YOUNG,
MARK O. HATFIELD,
TED STEVENS,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CORCORAN of Illinois) and to revise and extend their remarks and include extraneous matter:)

Mr. MARKS, for 15 minutes, today.

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. YOUNG of Alaska, for 10 minutes, on July 22.

Mr. CARTER, for 15 minutes, today.

Mr. BURKE of Florida, for 10 minutes, today.

(The following Members (at the request of Mr. LEDERER) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. KOCH, for 10 minutes, today.

Mr. CAVANAUGH, for 5 minutes, today.

Mr. SCHEUER, for 5 minutes, today.

Mr. ASPIN, for 5 minutes, today.

Mrs. BOGGS, for 5 minutes, today.

Mr. MINISH, for 5 minutes, today.

Mr. THOMPSON, for 5 minutes, today.

Mr. MILLER of California, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PHILLIP BURTON, and to include extraneous matter.

Mr. CORNWELL, to extend his remarks immediately following the closing remarks of Mr. FITHIAN on the Fithian amendment in the Committee of the Whole today.

Mr. JENRETTE, to revise and extend his remarks immediately after those of Mr. HARKIN in the Committee of the Whole today.

Mr. ENGLISH, and to include extraneous material in his remarks made today in the Committee of the Whole.

Mr. CONTE, to include extraneous matter during debate on agricultural bill, H.R. 7171.

Mr. PEPPER, and to include extraneous matter notwithstanding the fact that it exceeds five pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,932.

Mr. FUQUA, to revise and extend his remarks during the consideration of the amendment by Mr. HARKIN today relating to corn disaster payments.

Mr. HARKIN, to revise and extend his remarks on provisions of agricultural bill and to include extraneous material.

(The following Members (at the request of Mr. CORCORAN of Illinois) and to include extraneous material:)

Mr. CEDERBERG.
Mr. PURSELL.
Mr. SARASIN in two instances.
Mr. COLLINS of Texas in two instances.
Mr. TREEN.
Mr. ASHBROOK in three instances.
Mr. CARTER.
Mr. FREY.
Mr. CRANE.
Mr. ROBINSON.
Mr. DORNAN in two instances.
Mr. CONTE.
Mr. WHALEN.
Mr. DERWINSKI in two instances.
Mr. LOTT.

(The following Members (at the request of Mr. LEDERER) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. KOCH in six instances.
Mr. SCHEUER.
Mr. TEAGUE in 10 instances.
Mr. ASPIN in 10 instances.
Mr. MINISH.
Mr. BREAUX.
Mr. MAZZOLI in three instances.
Mr. EILBERG in two instances.
Mr. OBEY.
Mr. MOORHEAD of Pennsylvania.
Mr. NOWAK in five instances.
Ms. OAKAR.
Mr. MAGUIRE.
Mr. EDWARDS of California.
Mrs. KEYS.
Mr. ST GERMAIN.
Mr. RODINO.
Mr. MILLER of California.
Mr. STOKES in five instances.
Mr. CARNEY.
Mr. GINN.
Mr. NICHOLS.
Mr. BENJAMIN.
Mr. ALLEN.
Mr. OTTINGER in two instances.
Mr. GORE.
Mr. EVANS of Indiana.
Mr. OBERSTAR.
Mr. ULLMAN in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 658. An act to designate certain lands for inclusion and potential inclusion in the National Wilderness Preservation System; to the Committee on Interior and Insular Affairs; and

S. 1859. An act to amend the Act of July 31, 1946, as amended, relating to the U.S. Capitol Grounds; to the Committee on Public Works and Transportation.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4746. An act to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes; and

H.R. 7557. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1978, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1474. An act to authorize certain construction at military installations, and for other purposes.

ADJOURNMENT

Mr. LEGGETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p.m.) the House adjourned until tomorrow, Friday, July 22, 1977. at 10 o'clock. a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1983. A letter from the Director, Community Services Administration, transmitting a draft of proposed legislation to extend for 3 additional years the authorization of titles I, II, III–B, VI, VII and IX contained in the Economic Opportunity Act of 1964, as amended, and for other purposes; to the Committee on Education and Labor.

1984. A letter from the Secretary of Interior, transmitting a report on the addition of the Kittanning Path to the National Trails System, pursuant to section 5(b) of Public Law 90–543 (H. Doc. No. 95–190); to the Committee on Interior and Insular Affairs and ordered to be printed.

1985. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the fifth annual report on his administration of the ocean dumping permit program for calendar year 1977, pursuant to section 112 of Public Law 92–532; to the Committee on Merchant Marine and Fisheries.

1986. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of June 18, 1934, regarding the submission by the Foreign-Trade Zones Board of annual reports to Congress; to the Committee on Ways and Means.

1987. A letter from the Comptroller General of the United States, transmitting a report on the impact that Federal antirecession assistance payments have had on selected governments and the need for an improved formula for distributing funds (GGD–77–76, July 20, 1977); to the Committee on Government Operations.

1988. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Pennsylvania Avenue Development Corporation for the fiscal year ended June 30, 1975, and the 15-month period ended September 30, 1976 (FOD–77–4(a), July 20, 1977) (H. Doc. No. 95–191); jointly, to the Committees on Government Operations, and Interior and Insular Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER: Committee on Rules. House Resolution 702. Resolution providing for the consideration of H.R. 4544. A bill to amend the Federal Coal Mine Health and Safety Act to improve the black lung benefits program established under such act, and for other purposes (Rept. No. 95–512). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 703. Resolution providing for the consideration of H.R. 6951. A bill to amend the Council on Wage and Price Stability Act to extend its termination date, and for other purposes (Rept. No. 95–513). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 70. Resolution to establish a Select Committee on Population; with amendment (Rept. No. 95–516). Referred to the House Calendar.

Mr. JOHNSON of California: Committee on Public Works and Transportation. House Concurrent Resolution 282. Concurrent resolution making apportionment of funds for the National System of Interstate and Defense Highways; with amendment (Rept. No. 95–517). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee of conference. Conference report on H.R. 6370 (Rept. No. 95–518). Ordered to be printed.

Mr. STRATTON: Committee on Armed Services. S. 1372. An act to amend titles 10 and 5, United States Code, to disestablish one of the positions of Deputy Secretary of Defense and establish an Under Secretary of Defense for Policy, and for other purposes; with amendment (Rept. No. 95–519). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee of conference. Conference report on H.R. 7558 (Rept. No. 95–520). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 1939. A bill for the relief of Meda Abilay Florin; with amendment (Rept. No 95–508). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 2758. A bill for the relief of Carmen Prudence Hernandez; with amendment (Rept. No. 95–509). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 2759. A bill for the relief of Sealie

Von Kleist Hernandez; with amendment (Rept. No. 95–510). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 5555. A bill for the relief of Adelida Rea Berry (Rept. No. 95–511). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 3618. A bill for the relief of Martha Castro Fitz Maurice (Rept. No. 95–514). Referred to the Committee of the Whole House.

Mr. HARRIS. Committee on the Judiciary. H.R. 5928. A bill for the relief of Miss Coralia Raposo; with amendment (Rept. No. 95–515). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 8450. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. BRODHEAD:

H.R. 8451. A bill to amend the Equal Credit Opportunity Act to prohibit discrimination against any applicant for credit on the basis of the geographic location of the applicant's residence or the applicant's occupation or title; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. BURGENER (for himself, Mr. TREEN, Mr. KETCHUM, Mr. MOORHEAD of California, Mr. LOTT, Mr. RHODES, Mr. HYDE, Mr. ROUSSELOT, Mr. DERWINSKI, Mr. THONE, and Mr. RUDD):

H.R. 8452. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and for other purposes; jointly, to the Committees on the Judiciary, Education, and Labor, and Ways and Means.

By Mr. CARR (for himself, Mr. DIGGS, Mr. FORD of Michigan, Mr. BRODHEAD, Mr. HARRINGTON, Mr. MURPHY of Pennsylvania, Mr. FARY, Mr. TRAXLER, Mr. BONIOR, Mr. EILBERG, Mr. SCHEUER, and Mr. BLANCHARD):

H.R. 8453. A bill to provide for equalizing the costs of unemployment compensation, revising the extended benefits program, and for other purposes; to the Committee on Ways and Means.

By Mr. COCHRAN of Mississippi:

H.R. 8454. A bill to authorize the Secretary of the Army to carry out a flood control project for flood control and related purposes on Hatcher Bayou and Durden Creek, Warren County, Miss.; to the Committee on Public Works and Transportation.

By Mr. COTTER:

H.R. 8455. A bill to make specific provisions for ball or roller bearing pillow block, flange, take-up, cartridge, and hanger units in the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. EDWARDS of California:

H.R. 8456. A bill to amend title II of the Social Security Act to provide that a woman divorced from an insured individual may qualify for wife's or widow's insurance benefits on such individual's wage record if she had been married to him for a total of 20 years, whether or not such years were consecutive; to the Committee on Ways and Means.

By Mr. EDWARDS of California (for himself, Mr. BUTLER, and Mr. DODD):

H.R. 8457. A bill to amend the Bankruptcy Act to provide for the dischargeability of certain debts; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 8458. A bill to require the Office of Management and Budget to provide information on the formulas and assumptions used in the distribution of domestic assistance; to the Committee on Government Operations.

By Mr. FLORIO (for himself, Mr. SCHEUER, Mr. WALGREN, Mr. MURPHY of New York, Mr. EILBERG, Ms. OAKAR, Mr. LEGGETT, Mr. VAN DEERLIN, Mr. BEDELL, and Mr. CORNWELL):

H.R. 8459. A bill to amend title XIX of the Social Security Act to require States to reimburse health facilities on a preestablished all-inclusive rate for comprehensive routine maternity services provided by nurse-midwives; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 8460. A bill to provide for the imposition of waterway fuel taxes and to authorize the replacement of locks and dam 26 on the Mississippi River at Alton, Ill.; jointly, to the Committees on Ways and Means, and Public Works and Transportation.

By Mr. GAYDOS:

H.R. 8461. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. HARRIS (for himself and Mr. UDALL):

H.R. 8462. A bill to provide for the referral to the Committee on Post Office and Civil Service of the House of Representatives of bills, resolutions, and other matters under which authority is granted to establish executive level positions, to limit the number of such positions which may be created, and for other purposes; jointly, to the Committees on Post Office and Civil Service, and Rules.

By Mrs. HECKLER (for herself, Mr. BADHAM, Mr. BAFALIS, Mr. BOWEN, Mr. BURKE of Massachusetts, Mr. CAPUTO, Mr. CLEVELAND, Mr. COLLINS of Texas, Mr. CONTE, Mr. CRANE, Mr. DAN DANIEL, Mr. FISH, Mr. GILMAN, Mr. GUYER, Mr. HORTON, Mr. KINDNESS, Mr. LENT, Mrs. LLOYD of Tennessee, Mr. LUKEN, Mr. MCDADE, Mr. MURPHY of Pennsylvania, and Mr. PATTERSON of California):

H.R. 8463. A bill to amend the Internal Revenue Code of 1954 to provide certain corporate income tax reductions and to increase the amount of the surtax exemption; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 8464. A bill to amend the Equal Credit Opportunity Act to prohibit discrimination against any applicant for credit on the basis of the geographical location of the applicant's residence; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LATTA:

H.R. 8465. A bill to prohibit the use or expenditure of Federal funds for the conversion of weather information to the metric system without a direct authorization by the Congress; to the Committee on Science and Technology.

By Mr. LEACH (for himself and Mr. CORCORAN of Illinois):

H.R. 8466. A bill to amend title 28 of the United States Code to provide for the appointment of a Special Prosecutor to investigate alleged improper foreign influence in the Federal Government; to the Committee on the Judiciary.

By Mr. MANN:

H.R. 8467. A bill to extend the authority of the President to authorize emergency purchases of natural gas under section 6 of the Emergency Natural Gas Act of 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of California:

H.R. 8468. A bill to establish a loan program to provide financial assistance to drought-impacted water districts, to provide Federal assistance to water districts for acquisition and installation of residential and agricultural water conservation devices and equipment, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OBERSTAR (for himself, Mr. FRASER, Mr. FRENZEL, Mr. NOLAN, QUIE, Mr. STANGELAND, Mr. VENTO, and Mr. HAGEDORN):

H.R. 8469. A bill to amend part A of title IV of the Social Security Act to permit a State to pay aid to families with dependent children, with respect to a child in school, until the child reaches any age between 18 and 21 which the State may select; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 8470. A bill to amend section 501 of the Internal Revenue Code of 1954 to provide tax exemption for an association operated exclusively to provide workmen's compensation for State and local employees; to the Committee on Ways and Means.

By Mr. RONCALIO:

H.R. 8471. A bill to provide for the transfer and conveyance of the silver service of the U.S.S. *Wyoming* to the Wyoming State Museum, and for other purposes; to the Committee on Armed Services.

By Mr. RUPPE (for himself, Mr. BLANCHARD, Mr. BONIOR, Mr. BRODHEAD, Mr. CARR, Mr. COHEN, Mr. DINGELL, Mr. EILBERG, Mr. ERTEL, Mr. FLOWERS, Mr. FORD of Michigan, Mr. GEPHARDT, Mr. HOWARD, Mr. LEDERER, Mr. LENT, Mr. MITCHELL of New York, Mr. MICHAEL MYERS, Mr. NIX, Mr. PURSELL, Mr. SIMON, Mr. STOCKMAN, and Mr. VANDER JAGT):

H.R. 8472. A bill to provide that a portion of the savings which are realized by the Department of Defense as a result of the closure or realinement of a military base in a community shall be returned to the community for economic recovery and adjustment; to the Committee on Armed Services.

By Mr. RUSSO:

H.R. 8473. A bill to establish a Department of Education; to the Committee on Government Operations.

By Mr. RUSSO (for himself, Mr. ABDNOR, Mr. MADIGAN, Mr. SANTINI, and Mr. SMITH of Iowa):

H.R. 8474. A bill to amend the Department of Transportation Act and the Regional Rail Reorganization Act of 1973 to extend the eligibility for financial assistance under the rail service assistance programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHEUER:

H.R. 8475. A bill to direct the Administrator of Veterans' Affairs to select a design for a flag commemorating U.S. veterans; to the Committee on Veterans' Affairs.

By Mr. SEIBERLING:

H.R. 8476. A bill to amend the Internal Revenue Code of 1954 to encourage the modernization of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby plants; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. BEDELL, Mr. BALDUS, Mr. DRINAN, Mr. EDGAR, Mr. EILBERG, Mr. JEFFORDS, Mr. LEHMAN, Mr. MAZZOLI, Mr. MOLLOHAN, Mr. MURPHY of Pennsylvania, and Mr. PEASE):

H.R. 8477. A bill to amend title II of the Social Security Act to reduce the effect of

wage and price fluctuation on old-age, survivors, and disability insurance benefits, with such benefits being computed on the basis of the worker's 10 or less years of highest earnings; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 8478. A bill to amend title 18, United States Code, to make a crime the willful destruction of any interstate pipeline system; to the Committee on the Judiciary.

By Mr. GAYDOS:

H.J. Res. 552. Joint resolution relating to the publication of economic and social statistics for Americans of Balto-Slavic origin or descent; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. BUCHANAN (for himself and Mr. DODD):

H. Con. Res. 303. Concurrent resolution expressing the sense of Congress that the Soviet Union should comply with the Helsinki Final Act, the International Covenant on Civil and Political Rights, and the Soviet Constitution, with respect to all its citizens, and on that basis should allow Anatoly Shchransky to emigrate from the Soviet Union; to the Committee on International Relations.

By Mr. WYDLER:

H. Con. Res. 304. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. BENNETT:

H. Res. 704. Resolution expressing the sense of the House of Representatives with respect to the establishment of a national telecommunications policy; to the Committee on Interstate and Foreign Commerce.

By Mr. LEACH (for himself and Mr. WALKER):

H. Res. 705. Resolution expressing the sense of the House of Representatives that a special council be appointed and given a charter of independence to conduct an inquiry into efforts by foreign governments to influence Members of Congress; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

234. The SPEAKER presented a memorial of the Legislature of the State of Arkansas, relative to the U.S. jurisdiction of the Panama Canal; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORNAN:

H.R. 8479. A bill for the relief of Algirdas Brazinskases; to the Committee on the Judiciary.

H.R. 8480. A bill for the relief of Pranas Brazinskases; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 8481. A bill for the relief of M. Sgt. George C. Lee, U.S. Air Force; to the Committee on the Judiciary.

By Mr. JONES of Oklahoma:

H.R. 8482. A bill for the relief of Magdalen F. Martin of Broken Arrow, Okla.; to the Committee on Veterans' Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5400

By Mr. FRENZEL:

Page 30, after line 17, insert the following new paragraph:

(8)(A) Each State which desires to receive financial assistance under section 7 shall establish a procedure under which challenges may be made against the qualifications of any individual who desires to register to vote and vote under subsection (a)(1). Any such procedure shall—

(i) specify who is eligible to make any such challenge;

(ii) indicate the grounds upon which such challenge shall be based;

(iii) establish methods and procedures through which such challenge may be made;

(iv) provide for the separate counting of any ballot which is subject to such challenge; and

(v) ensure that such challenge is resolved within a reasonable time after the election involved.

(B) Each State which proposes to establish a procedure under subparagraph (A) shall submit such procedure to the Commission for review and approval for such procedure takes effect. The Commission shall approve any such procedure which meets the requirements of subparagraph (A).

Add at the end thereof the following new sentences:

In any case in which a unit of general local government establishes more than one polling place under this subparagraph, such unit of general local government shall ensure that—

(i) the boundaries of each such polling place are established to coincide with the boundaries of voting districts or other voting jurisdictions in the jurisdiction of such unit of general local government; and

(ii) each such polling place serves the same number, or approximately the same number, of such voting districts or other voting jurisdictions.

Any individual who desires to vote under this subsection shall vote at the polling place established under this subparagraph which serves the jurisdiction in which is located the polling place at which such individual would have been permitted to vote if such individual reigstered to vote before the date of the election involved.

Add at the end thereof the following new sentence:

Any unit of general local government which establishes any polling place under this subparagraph may require, in its discretion, that any individual who registers to vote under this subsection shall—

(i) register to vote at the registration place at which such individual would have been required to register if such individual desired to register to vote before the date of the election involved; and

(ii) vote at a polling place established by such unit of general local government under this subparagraph.

H.R. 7171

By Mr. BROWN of California:

Page 142, line 2, after the world "radiation" insert the following: ", including but not limited to, energy from wind, water, anaerobic digesters, biomass, and combustible solid wastes".

Page 142, line 22, after the word "radiation" insert the following: ", including but not limited to, energy from wind, water, anaerobic digesters, biomass, and combustible solid wastes".

Page 144, line 18, after the word "radiation" insert the following: ", including but not limited to, energy from wind, water, anaerobic digesters, biomass, and combustible solid wastes".

Page 156, line 18, after the word "radiation" insert the following: ", including but not limited to, energy from wind, water, anaerobic digesters, biomass, and combustible solid wastes".

By Mr. DERRICK:

Page 52, immediately after line 4, insert the following:

SEC. 910. Effective for the 1978 through 1981 crops section 301 of the Agricultural Act of 1949, as amended, is amended by adding the following at the end thereof: "The Secretary is authorized to make price supports available under this title for the 1978 through 1981 crops of soybeans, flaxseed, dry edible beans, sugar, and gum naval stores, for any other non-basic commodity not designated in title II, except that such authority shall terminate with respect to any commodity, other than those listed in this provision, at the end of any crop year in which the net outlays exceed $50 million."

By Mr. JONES of Tennessee:

Page 64, immediately after line 16, insert the following:

"AUTHORITY TO MAKE DEFERRED LOAN PAYMENTS

"SEC. 1013. The Consolidated Farm and Rural Development Act, as amended, is amended as follows:

"(a) Section 309 is amended by adding in subsection (f)(3) between the words 'any' and 'defaulted' the words 'deferred or'.

"(b) Section 309 A is amended by adding in subsection (g)(3) between the words 'any' and 'defaulted' the words 'deferred or'."

EXTENSIONS OF REMARKS

CAPTIVE NATIONS WEEK 1977

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. SARASIN. Mr. Speaker, this week from July 17 to July 23 marks the 19th commemoration of Captive Nations Week. It is quite appropriate that this observance should coincide with the continued deliberations at the Belgrade Conference over compliance with the Helsinki accord. Renewed interest and concern over the fate of captive peoples should be trumpeted to free nations all over the world, and hopefully, the 35 participatory nations at Belgrade will take heed.

President Carter has made concern over human rights the hallmark of his foreign policy. In no case is human rights more applicable than it is to the plight of the captive nations. Dr. Lev E. Dobriansky of Georgetown University and chairman of the National Captive Nations Committee wrote Members of Congress about this important issue. In his letter he stated:

. . . the captive nations issue has always been prominently and inextricably intertwined with that of human rights. Indeed, in the agrregate, no part of the world represents a graver denial of human rights, including the right to national independence, than the totalitarian world imprisoning the captive nations.

In this regard, Dr. Dobriansky identi-

fies basket I provisions of the Helsinki accord as more important and fundamental than basket III provisions for the principle of national self-determination is what human rights are all about. Accordingly, I would like to mention that on March 24, 1977, I introduced House Concurrent Resolution 177, a resolution calling for the freedom of the Baltic Nations. The resolution calls upon the President to take all necessary steps to bring the Baltic States question before the United Nations and to urge that the United Nations request the Soviet Union to withdraw all Russian troops from the Baltic Nations and to return all Baltic exiles from Siberia and from prisons and labor camps in the Soviet Union. Moreover, the resolution states that the United States should not agree to the recognition, by any international conference, of the Soviet Union's unlawful annexation of Lithuania, Latvia, and Estonia, and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic States by the Soviet Union. I welcome my colleagues to join me in support of this resolution.

As free Americans, the plight of the captive nations continues to concern us all deeply. This year, with the Soviet Union quite chagrined over our insistence on human rights, and with the upcoming fall conference on the Helsinki accord, we have invaluable opportunities to press our concerns for the plight of the captive nations. Let us not allow 1977 to pass without our having sustained the hopes for freedom of the peoples of the captive nations with tangible progress.

CONTAINING HOSPITAL COSTS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. CARTER. Mr. Speaker, I recently announced my intention to introduce legislation on hospital cost containment in the near future. In developing this legislation, I have found an excellent report prepared by the Government Research Corporation to be most helpful. The report, entitled "A Proposal for State Rate-Setting: Long Range Controls on Institutional Health Services," was brought to my attention by the National Conference of State Legislatures, which has subsequently prepared a statement on the report. The conference's statement is supportive of the general approach of the legislation I plan to introduce, and I am therefore including the statement in the RECORD in the interests of broadening the discussion on this important issue:

STATEMENT OF THE NATIONAL CONFERENCE OF STATE LEGISLATURES

The National Conference of State Legislatures commends the Administration's willingness and initiative to enact an interim program for restraining the unacceptable growth in hospital costs. Since hospital costs are the most rapidly rising component of health care costs and since they account for 45 percent of personal health expenditures, cost containment in the hospital sector deserves a high priority. Such an emphasis is particularly desirable because hospital care is the most expensive form of care; hence policies which encourage economizing on hospital services and substitution of other forms of care will almost certainly reduce costs of treatment.

The clear strategy of the Administration by the introduction of the Hospital Cost Containment Act is to provide something of a "dull meat ax" approach to containing hospital costs until a more sophisticated cost control system can be put in place. There is no dispute that a sensible cost control strategy or system must precede the implementation of a national health insurance program. Substantial disagreement is likely to occur, however, over what kind of cost control system will prove effective and what level of government should be responsible for administering and operating the system.

Given the fact that cost containment is still largely an art, not a science, flexibility and experimentation should be key to the eventual discovery of a system or systems that will function properly. The assumption that the solution to cost inflation in the hospital sector lies in a single approach is a faulty one and, if allowed to guide our policy, is likely to lead us into a system of extreme rigidity and inequity. The NCSL is therefore concerned that the present bill fails to provide real incentives for states to develop alternative hospital cost control programs within the parameters of reasonable revenue restraints. Recognizing that the development of sound regulatory controls on hospital costs is still in its infancy, states should be encouraged to experiment with several approaches or combinations of approaches to hospital cost control within the context of minimum federal criteria. NCSL is worried that the Administration's bill as presently drafted would set a precedent for precluding states from meaningful participation in hospital reimbursement policy under a national health insurance program. It is essential, therefore, that the bill be amended to allow interested states some opportunity to develop alternative statewide hospital cost containment programs.

AN ALTERNATIVE PROPOSAL

We feel that the encouragement of state rate-setting programs, is highly preferable to the complicated and inflexible regulatory system that would likely evolve at the federal level under the administration's program.

The National Conference of State Legislatures endorses a federal initiative of interim restraints on increases in hospitals' revenue, applicable to each state until that state enacts and implements an effective hospital cost containment program. Once the state program becomes operative, the Department of HEW should monitor the state system and be prepared to assume the functions if it is clear the state is not performing effectively.

We would suggest that an effective state hospital cost containment system should have the following characteristics:

Budget and rate review and approval should be mandatory for all institutional health care providers and shall apply to the rates charged to all payors;

The budget and rate review authority should be either an independent commission or an agency located within an appropriate department of the state;

The commission or agency should be organizationally related to other state agencies in such a way as to facilitate coordination of the various types of health care regulation.

Aside from enacting an interim program of restraints on increases in hospital revenues which would be waived for states operating effective cost containment programs, Congress should be willing to provide financial assistance to states for the initial start-up costs of the hospital commissions. Consideration of state requests for medicare and medicaid participation in the systems should be given the most expeditious consideration by the Department of HEW. HEW should exercise a monitoring function to ensure that the state commissions are performing satisfactorily. A national policy review board should be created to establish guidelines by which the performance of the state systems will be measured.

The case for state participation in hospital cost containment rests not only on the argument that states are good experimental "testing grounds"; many other arguments are equally compelling:

The protection of the citizenry's health has traditionally been within the recognized police powers of the state;

States shall continue to make large contributions to the health care system through medicaid and as purchasers of health care for state employees; therefore, they have a financial stake in the success of the program.

States are in the best position to view individual hospitals' needs, priorities, budgets, and operations in the context of statewide needs, priorities and resources for health care.

States can most easily assure the coordination of rate review and other forms of regulation, such as, certificate-of-need review.

THE 19TH ANNUAL OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. FREY. Mr. Speaker, this Saturday I will address a rally in Miami, Fla., commemorating Captive Nations Week.

I would like to insert my remarks in the RECORD:

REMARKS BY CONGRESSMAN LOUIS FREY, JR.

It is indeed a pleasure to be among you today and I thank you for inviting me to share in your activities during the 19th annual observance of Captive Nations week.

Coming as it does at the twilight of our bicentennial celebration this year's demonstration is especially emotional. As we meet today, a year later, in the shadow of the "freedom game," let us consider for a moment the meaning and promise of the Declaration of Independence, which decreed not just Americans—but all men—as free.

Most of you know first hand the blessings this new land has extended to the millions who have come here in search of a new life, and new opportunities to be enjoyed in freedom—the freedom to build lives in accordance with abilities, the freedom to work in dignity, to seek justice, to form families and build communities, and to worship in accordance with the dictates of individual consciences.

But this country represents far more than the sum total of the blessings you and I have been privileged to enjoy and we owe a loyalty and a duty to that larger meaning of America.

For America represents something far more important and fundamental than a particular economic order or system of government. The Declaration of Independence changed the course of history not because it was a political manifesto, but because it proclaimed certain moral principles of universal importance.

This great document affirmed that man is endowed not by government, not by a written Constitution, but by his Creator with certain inalienable rights that no majority however large, and no government however strong, has the moral authority to diminish or destroy.

It was this ringing affirmation of the primacy and dignity of the individual that was

our revolutionary message to the world two hundred and one years ago. It was this declaration of fundamental human rights that sent sparks flying eastward across the Atlantic to ignite the fires of liberty throughout the old world.

Over the next one hundred and fifty years, it was this revolutionary message, and the American example, that sustained scores of millions in their struggles to emancipate themselves from age-old tyrannies. And for a long while, it seemed that we had let loose a tidal wave of freedom that would ultimately liberate the world.

But today we know that liberty is in retreat around the globe.

America's revolutionary message is being challenged by a new and dynamic totalitarian force that is pledged to stamp out every vestige of individual freedom, and to destroy every humane and civilizing value for which we stand.

As I mentioned earlier, our meeting today is especially emotional. Two events since our bicentennial celebration have heightened and sharpened the focus of today's march.

First, the election of a President committed to the cause of human rights; and second, the favorable overtures that same President has made toward the nation most of you still call "home".

The President has made it absolutely clear that he intends to make significant gains in the area of human rights. His main target has been enslaved Eastern Europeans behind the Iron Curtain. The cost has been high, and may go higher, yet he moves on. He moves toward Europe and Africa however, and not toward the Caribbean.

With his left hand he has encouraged resumption of trade and diplomatic relations with Cuba. He has asked the State Department to conduct exchanges of "middle level" personnel with Cuba under neutral nation auspices. For the first time since I have been in Congress, Americans are free—perhaps encouraged—to travel to Castro's Cuba.

Why? Did the President misread the presence of 10,000 Cuban troops in Angola? Does the President think those troops journeyed to Africa on a one-time mission? Does the President believe Cuba has something the United States needs . . . sugar or citrus, maybe? Does the President believe Americans want to visit Havana?

Does the President not realize that with 20,000 political prisoners in jail, Cuba, on a prisoner-per-thousand basis, is one of the world's leading police states?

I don't know. I can't answer those questions. But I can tell you what I do and do not believe. I don't believe we can condone—either diplomatically, economically or morally—Castro's Cuba. I don't think we can afford it, but by the same token, I don't think Castro can afford for us not to.

It seems almost too simple . . . Castro's reign in Cuba. A man ousts an unpopular dictator and establishes a totalitarian state with a marxist economic order. He is supported by a super-power anxious for a foothold in our hemisphere. He arranges very favorable trade agreements with that superpower, and with other totalitarian regimes around the world. In addition the superpower freely gives him economic and military aid—a terrific amount.

For many years the super-power continues to provide aid while the economy of the state falters. Finally the super-power has economic troubles at home and begins to make noises about cutting the aid or renegotiating the trade agreements. And so the man takes his cause to another super-power, this one democratic and capitalist, and he is warmly received. He begins to see a way out of his economic hole.

And now it is time for the people of the democratic super-power to say "no" to a bailout of Castro's Cuba. If we break, if we resume diplomatic relations and trade relations, what do we gain? Nothing.

If Castro is successful, what does he gain? Everything. He has a market for sugar and citrus, at a great cost, I might add, to the economy of our state. He can export his agricultural products and receive in return technology—machinery and computers to help him move his country into modernity. He has an opportunity to make Havana the tourist capital it once was. He will gain American dollars with which to deal with other free nations. He will have a powerful new ally. He will be more secure at home and therefore more apt to export his brand of trouble.

And the Cuban people . . . what will they gain? Nothing. They will remain enslaved.

A man who is a patriot of the world, Alexandr Solzhenitsyn, warns us that we are locked in a mortal struggle between good and evil, and that in such a struggle there can be no compromise.

And an American President, speaking more than a hundred years ago, noted that no nation can survive half slave and half free. Today, with the global family a reality, can the world survive half slave and half free?

I submit that it cannot. That the people of Cuba, as well as the people of Europe and Africa and Asia deserve only the most intense support we can give them. That support must be unyielding, uncompromising, and consistent in every way. We must not pick and choose among those nations whose citizens' human rights we will go to bat for.

Let us resolve to remain true, to keep this torch of freedom burning with brillance that will penetrate every barrier, and sustain the courage and the hope of men and women everywhere who, like our forebears, are "yearning to breathe free."

POOR GENERAL SINGLAUB

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. ASHBROOK. Mr. Speaker, a lot of tears have been shed over Gen. John K. Singlaub. General Singlaub was summarily withdrawn from his command in Korea by his Commander in Chief and that architect of appeasement masquerading as our Defense Secretary, Harold Brown. General Singlaub should have known better than to suggest the sheer logic that withdrawal of American troops in Korea would lead to a takeover by the North Korean Communists.

Poor man, he certainly should have known better. How could the general have missed the finely tuned treachery of our catastrophic policy of surrender to communism in Southeast Asia? How could he have missed our policy to force Africa under the control of Moscow-Cuba communism and our transfer of the Panama Canal to a leftwing pro-Communist pipsqueak dictator?

He certainly must understand that this administration will allow Communist Vietnam to go into that international circus, the U.N., with no U.S. objection. He certainly must have watched those who want to give most favored nation trade status to our enemy, the Soviet Union, and those businessmen who hug Castro tight to see if a few dollars drop out of his pocket which they can gobble up in trade.

He certainly must know that our "human rights" initiatives are largely pointed at our friends with nary a peep at the enslaved people under Communist domination. He had to know that our disarmament experts have sold us out at SALT and look the other way as the Soviet Union forges ahead of us in the arms race in both Republican and Democratic administrations, I hasten to add.

Did it escape his attention that our administration cozies up to those Chinese Communists who have murdered more than 15 million of their own countrymen while kicking the Free Chinese in the shins? Or that we seem bent on destroying the only solvent, friendly, responsible governments in Africa, Rhodesia, and South Africa, while encouraging the Marxist dictatorships there?

In light of this record of perfidy, appeasement and disaster, why would General Singlaub or any honest, patriotic decent American like the general, think that the leftists in the State Department would allow the U.S. Army to stand in the way of Communist North Korea's "liberation" of South Korea?

Poor man, he was only telling the truth and putting his country's interests first. His only failure was in embarrassing the sellout artists who are endangering our country's future.

NINETEENTH OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. ZABLOCKI. Mr. Speaker, I am pleased to join my colleagues in the 19th observance of Capitive Nations Week.

Since my basic position on this issue is well known and has been expressed on many similar occasions in the past, I will not take up the time of the House to repeat it at this time. I would, however, like to make several brief observations which I believe are relevant to the current deliberations of this body in the human rights field:

First of all, I think it is important to recognize that a clear articulation of the U.S. concern about the denial of personal and civil liberties in much of the world today is by no means inconsistent with our attempts to negotiate agreements with other governments, friendly or unfriendly, on a variety of issues involving our national security and our overriding national interest.

As chairman of the Committee on International Relations, I fully support this administration's efforts to conclude a mutually acceptable arms control accord, to stem the proliferation of nuclear weapons and to work out an international treaty on the law of the sea. There are many other areas in which progress is both attainable and, I believe, desirable.

Our commitment to these goals does not mean, however, that we accept or condone Soviet oppression over its own minorities or over the peoples of Eastern Europe or the denial of human rights by

governments in all parts of the world, and I commend President Carter for having made that distinction clear. It is the cornerstone of his foreign policy.

Captive Nations Week, moreover, affords us the opportunity to draw public attention to violations of principles which the Soviet Union freely undertook to uphold when it signed the Helsinki accords. There is no reason whatever for this country to apologize for seeking reasonable implementation of those accords—and that is precisely what the Belgrade Conference is all about.

Second, it is worthwhile noting that the Soviet leaders themselves have unfortunately repeatedly proclaimed that the "ideological struggle" will continue—whether there is détente or no détente—agreement or no agreement. Their attitude on this subject is no secret and it is best to take them at their word.

Two points can be made: First, the record indicates that Communist ideology and propaganda have their strongest appeal—one might say their only appeal—in those regions in which the Communist totalitarian system of control has not yet been imposed; and second, in any "ideological struggle" which may ensue, there is no concept which fulfills basic human needs and aspirations as does that of freedom. It is also a concept which we cannot afford to disregard, except at our peril.

That, Mr. Speaker, is the message we should proclaim to all nations which are not free—not only at this time, or throughout this year, but at all times—until freedom, self-determination, and human dignity are restored to all people.

CAPTIVE NATIONS WEEK

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. CONTE. Mr. Speaker, as you know, in 1959, President Eisenhower signed the first proclamation designating the third week of July as Captive Nations Week. On this, the 19th anniversary, I wish to underscore our support for the oppressed and persecuted peoples of the world.

The United States was founded on the principles of liberty and democracy. Our beliefs are derived not from dusty tomes but live and organic documents such as the Constitution and the Declaration of Independence. With our freedom comes an obligation, a duty, to use our valuable liberty to support those suffering under the oppression of totalitarian governments.

There are certain human rights which transcend political ideologies and geographical boundaries. These freedoms are inherent in human nature; they are as inseparable from man as an arm or a leg.

We have enumerated these inalienable rights in the texts of the United Nations Charter, the United Nations Universal Declaration of Human Rights and the Helsinki accords. These compacts reflect the global acceptance of the basic liberties of freedom of thought, religion and self-determination.

While agreeing to abstract ideas on paper is one thing, bringing them to realization is quite another. Since 1920, over 30 nations have come under totalitarian rule despite righteous declarations of human rights and freedoms.

We must do what we can to reverse this deplorable condition. Détente is a step in the right direction. It has opened up closed Communists societies to the democratic influence of the Western political tradition. Knowledge is tryanny's worst enemy.

Partly because of our support, dissidents in captive nations have become more and more vocal in their denunciation of governmental oppression. The Sakharovs and Orlovs have spoken out, but they cannot go it alone.

Captive nations and peoples of the world need our support. At this time when the Soviet Union is cracking down on dissident groups, the ardent support of some of us who are committed to freedom gives renewed hope and strength to these courageous men and women.

We must hold the Soviet Union and all nations accountable to the Helsinki accords. As President Carter said in his inaugural address, "because we are free we can never be indifferent to the fate of freedom elsewhere." Silence in the face of oppression is acquiescence. We must not fail to speak out against human rights violations wherever they occur.

Other nations may say that we are interfering with their internal affairs, that we are foisting our ideology upon their citizens. But we must continue to live up to our obligations as a free people, to speak out as long as others cannot.

As we commemorate Captive Nations Week, let us remember as free men to continue our support of all those who are deprived of their full rights and liberties.

SALUTE TO FRANKLYN D. SPRINGER, PRESIDENT OF THE NATIONAL FARM AND POWER EQUIPMENT DEALERS ASSOCIATION

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. MITCHELL of New York. Mr. Speaker, it is with great pleasure and pride that I call to your attention and to the attention of my colleagues, the record of service and leadership established by Mr. Franklyn D. Springer, of Richfield Springs, N.Y., who will on August 3 become the president of the National Farm and Power Equipment Dealers Association.

As the son of a dairy farmer he organized with his father a J. I. Case Co. farm equipment dealership in 1933 terminating it in 1937 to allow him to become employed by the J. I. Case Co. as a territory supervisor in New England. After meritoriously serving his country during the Second World War he returned to New York State and became active with his brother in the local dealership which was now handling in addition to J. I. Case, DeLaval New Holland, Badger-Northland, and other varied lines of farm machinery. In 1961 J. I. Case was replaced with Ford.

Through the dealership, having been a member of the New York Farm Equipment Dealers Association since 1947, he served as president of the New York Association in 1957 and was elected to serve as New York's national director to the national association in 1968. In 1973, he became a member of the national executive committee.

In addition to these responsibilities he was elected to the Richfield Springs Central School Board in 1958 and served for 4 years as president. He is also a member of the advisory board of the Richfield Springs Branch of the State Bank of Albany. He joined the local Rotary Club in 1950 and has had a record of perfect attendance for 24 years, serving as president between 1960 and 1961. Additionally, he served 3 years on the advisory board of the agricultural engineering department of the Cobleskill Ag and Tech College in Cobleskill.

Mr. Springer's dedication and diligent work for the association is commendable. His service to his community is deserving of the highest praise. His entire career has been marked with dedication, honesty, integrity, and fairness. His dealership is regarded by other dealerships and customers alike as one of the best in the country.

I ask you and my colleagues to join me in congratulating and giving our best wishes to Mr. Springer in his new and important position as president of the National Farm and Power Equipment Dealers Association.

OUTSTANDING JOURNALISTIC CAREER OF JOHN FUSTER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. STOKES. Mr. Speaker, I rise on this occasion to bring to your attention and to the attention of my colleagues in the U.S. House of Representatives the outstanding journalistic career of John Fuster of Cleveland, Ohio. As former sports editor of the Cleveland Call and Post, he is truly one of the great contributors to the challenging field of sports reporting.

Mr. Speaker, John Fuster has also distinguished himself in other areas of the newspaper business. He has been a managing editor and women's editor for the Call and Post as well as an advertising executive. Unfortunately, the years have passed much too rapidly and the time for retirement has approached. But even though John Fuster has turned in his press card, he has by no means laid down his pen. In fact, Mr. Speaker, he is eagerly awaiting the publication of three short stories in the very near future.

At this time, Mr. Speaker, I would like to submit for the RECORD an article which appeared in the Saturday, July 2, 1977, edition of the Cleveland Call and

Post highlighting events from Mr. Fuster's notable career. I am certain that my colleagues will share my admiration for this talented and courageous individual. The article follows:

JOHN FUSTER EXEMPLIFIED THE BLACK PRESS CREDO

(By Mary Lynn)

Seventy one years ago, in Calhoun, South Carolina, John Fuster was born to the union of Mr. and Mrs. John Fuster, Sr. Little did the parents or townspeople know that this little boy would have such an impact on the field of journalism.

Before he was a year old, the family moved to Columbus, Ohio, the place and surrounding circumstances which would mold his life.

At the age of nine, he took a paper route distributing the Chicago Defender in Columbus. This was during a time of racial, social, and economic unrest when lynchings were rampant in the south.

No other black newspaper in the country prior to this time had ever attempted to lash out and display the injustices and sheer murder of blacks as did the Chicago Defender.

As a child, Fuster had wanted to become a lawyer, but the influence of racial bigotry and his deep interest in the Defender's headlines led him into the area of journalism.

The Chicago Defender was the first major American institution to start a civil rights movement in Chicago. Not only were they the only paper to report lynchings, they also sent reporters to witness and write about them. This further impressed Fuster.

Lynchings and murders of blacks were not of interest to the white publications; nor were the harassments of blacks all over the country. In preparation for his new career, Fuster studied journalism at Ohio State University.

Later, with assets totaling $157.00 he founded the Ohio State Press. He and a friend Eddie Johnson, ran the paper and it became the first black oriented one in Columbus, Ohio to share controversial views with the readers.

This was back in the 30's and when the depression struck the paper was short lived. Eventually, he joined the staff of the Call which merged with the Post and his first experience with the Call and Post was initiated.

He worked steadily until being drafted into the military but returned in 1945 and has been with the publication ever since.

He has served in the capacities of general newsperson, sports editor, women's editor, and editor of all three publications (Cleveland, Columbus and Cincinnati).

While serving as women's editor, the circulation soared. He consulted with students at Western Reserve University who were studying prenatal needs of expectant mothers. This drew much public interest and added a new dimension to the weekly. He may have been the first man ever to serve as women's editor at a newspaper.

Of all his experiences, he loved being sports editor the most and speaks of it fluently. The Call and Post he recalled, was instrumental in bringing blacks into the major leagues in Cleveland.

Fuster recalls that in 1947, when he was state sports editor, the paper was directly responsible for bringing the great Larry Doby to the Indians.

He was the first black signed by owner-manager Bill Veeck and was signed upon the recommendation of then city sports editor Walton C. Jackson.

Fuster and Jackson had always been persistent in their questions concerning the lack of blacks in the Indian's team. Finally, Veeck, after a heated argument that took place at Kent State University, conceded and said (in jest), that if Jackson could find a black player who could play, he'd sign him.

Jackson referred Veeck to Doby, a talented second baseman with the Newark Eagles. Veeck put scouts on Doby for three days and then he was signed.

The persistence of Fuster and Jackson, broke the color line in the American Baseball league.

Another monumental accomplishment by Fuster was the desegregation of the Indian's training camp in Tucson, Arizona.

Revelations like this, although many years ago, are still vivid in his mind. His pleasant memories in the field of sports also revert to 1940, when the Cleveland Buckeyes, a Negro American League baseball team won the national championship.

Owners of the team, Wilbur Hayes and Ernie Pope wanted to keep the team all black.

Fuster worked diligently against bigotry in reverse. Hayes and Pope blocked the efforts of two white men to try out for the team.

As a result, Fuster discontinued to print articles about the team unless the owners opened the tryouts. Realizing that the Call and Post was the only paper to print black sports news, the owners consented and the two whites tried out and made the team.

This gesture shows Fuster to be a man who used journalism to strive for the rights of all.

The newspaper business has filled the great majority of John Fuster's life.

Until 1951, he had worked in every capacity except advertising. In 1951 he entered the field. His dynamic personality and public relations finesse again caused him to make great strides.

He brought in the ads of the big white-owned business establishments who previously did not advertise with the paper.

Today, although retired, from the company, he still writes. Presently, he is working on three short stories (soon to be published) and endeavoring into journalistic "cartoonism."

Of late, he has been lonely due to the recent demise of his lovely wife, Maryette, a former public school teacher and concert pianist of great educational wealth. John Fuster is wealth in many ways—and always has been.

He looks back with great pride on his first professional interview with Adelaide Hall and her dance troupe. He recalls the warmness of comedian Jack Benny and his wife Mary Livingston.

He remembers the excitement with which he interviewed Joe Louis, whom he hails as the best fighter who ever lived.

He also remembers Paul Brown, the founder-manager of the Cleveland Browns and his blindness to skin colors where his team was concerned.

And he also remembers Connie Mack, owner-manager of the Philadelphia Athletes who never had a black on his team and when questioned about it always answered "No comment"

He also reminisces about interviews with some of the top entertainers of his day such as Duke Ellington, Count Basie, Dorothy Dandridge, and Dinah Washington.

You may never see a picture of John Fuster hanging in the Baseball Hall of Fame—but he is there in the persons of the great blacks who benefitted by his persistence that the major league doors become opened and segregation in sports be kept a thing of the past.

SYRIA TEMPLE OF SOUTHWEST PENNSYLVANIA CELEBRATES 100 YEARS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, May 19 of this year was a landmark date for Syria Temple of southwestern Pennsylvania. It was on this day that the temple celebrated its 100th year of charitable existence. Although the temple's record of continued life and learning speaks for itself, I feel that a word or two on the subject is in order during this special anniversary year.

Day in and day out the good men and women of the Ancient Arabic Order, Nobles of the Mystic Shrine, act as a powerful force for charity and good in the United States and other countries. While the temple's financing of crippled children's hospitals and burn facilities is their best known contributions to the community, it is their extraordinary dedication and concern for their fellow men that truly sets them apart. I am sure that Americans everywhere join me as I salute Syria Temple of southwestern Pennsylvania and its current potentate Frederick T. Hiller.

THE MORAL SIDE OF THE NEUTRON BOMB ISSUE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. MAZZOLI. Mr. Speaker, as the Senate attempts to decide the fate of the neutron bomb, I feel that it is imperative that we all seriously consider the consequences of having such a weapon at our disposal. This is not merely a pragmatic question concerned only with appropriation of funds, but a moral question as well. An editorial in the Louisville archdiocesan newspaper, the Record, addresses the moral questions posed by the neutron bomb debate:

NEUTRON BOMB DEBATE POSES MORAL QUESTIONS

A new Pandora's box is being juggled in the U.S. Senate. It is a bill to provide the funds to produce the latest in a long line of superbombs.

The measure touched off a heated controversy in the Senate, at one point bringing about the clearing of the gallery for a secret session that lasted nearly three hours. With opponents of the bill threatening a filibuster, the senators postponed a vote until after the holiday recess.

What is this new weapon that is being so hotly debated? It is the neutron bomb, known as the "death ray" bomb during the developmental stages in the 1960s, because it is designed to kill people with lethal doses of nuclear radiation. It incapacitates its victims, bringing as much as six days of torment and finally death. Except for the immediate area of impact, property suffers little damage.

To bring into relative focus the immensity of the potential of this proposed new addition to our arsenal of war-deterrent weapons, consider the following data:

The atom bomb, dropped on Hiroshima Aug. 6, 1945, had a destructive force equivalent to 13,000 tons of TNT. The final toll of destruction of that one bomb has yet to be summarized at this time, nearly 32 years later, not because of negligence to the detail of recording statistics, but because the extent of its effects are yet to be discovered. The morality of the decision to use that first atom bomb remains a source of considerable debate. It was an act that opened a new chapter on "man's inhumanity to man."

Nov. 1, 1952 made history with the test explosion of the first hydrogen bomb—a

bomb with destructive force equal to 12,000,000 tons of TNT as opposed to 13,000 tons of TNT of the atom bomb.

Just two years later, the world experienced its first nuclear test explosion of a bomb with a destructive force of 15,000,000 tons of TNT.

All nuclear explosions produce four lethal effects: blast, heat, radiation and fall-out. A one-kiloton neutron bomb with destructive force equal to "only" 1,000 tons of TNT can devastate an area of approximately one-third of a mile with heat and blast and approximately a mile and a fraction with radiation. A conventional nuclear device big enough to spread lethal radiation over a mile and a fraction would expand the blast and fire area to over 12 miles.

Neutron weapons would replace nuclear weapons that destroy civilians and homes far beyond the battlefield area to which the effects of the neutron weapon would be confined. Pentagon spokesmen cite the fact that the neutron warhead would pinpoint a column of Soviet tanks known to be impervious to heat and blast effects and that ". . . the radiation from a neutron bomb penetrates tanks and lasts only a few seconds, allowing allied troops to move into a target area soon after an explosion." According to proponents "this is considered a more humane type of weapon because it is more precise in its target."

The opponents led by Senator Mark Hatfield (R. Ore), maintain that the precision might encourage use of the neutron bomb. Defense officials disagree claiming use would be limited to "only . . . times of desperation." They press their case by saying that the primary value would be the safety it will afford U.S. troops and allied forces and territory. "The Soviets know we may be reluctant to use nuclear warheads because of the devastation to allied territory. The precision of the neutron warhead would be a deterrent the Soviets would respect, knowing it to be a force decreasing their chances of surviving an assault." Critics of this view argue that the U.S. cannot assume that the Soviet Union would not retaliate against the neutron bomb by using conventional nuclear weapons. (Though the reaction of the Soviet Union indicates it has not perfected a neutron bomb to date, there is no certainty that they have not.) On July 7, 1977, the Soviet news agency Tass reported on America's test of the neutron bomb: ". . . prospects for a new arms race has brought new liveliness to ultra right organizations in the U.S." The Soviet newspaper Pravda has denounced the warhead as ". . . practically a chemical-warfare weapon."

According to Senator Hatfield, who has led the fight against appropriation of funds for the production of the neutron bomb, the development of the weapon has been shrouded in secrecy. "Everything up to this point has been more by discovery than by information. We discovered that it was in the budget. We discovered that no president had ever approved it. This whole thing has stumbled into our life." (Tests of the neutron bomb are continuing beneath the Nevada desert. The Pentagon spokesmen declined to give details about it.)

Secrecy might be the Defense Department's idea of control of the neutron bomb. For some individuals in the Defense Department, secrecy for the sake of national security might justify shrouding its mind-boggling destructive potential. But even within this context, what can justify burying the funding for production of the neutron bomb in the public works budget (where it was "discovered") instead of including it in the more appropriate budget for the Defense Department? This is gross misrepresentation of the total figure of funds appropriated for defense spending. It is a pertinent question that calls for some answers before forming any judgment about the neutron bomb.

We are not directly concerned here with the strategic value of the neutron bomb, nor even the secrecy shrouding it. Rather our serious question and very real concern is the morality of using weapons of such awful magnitude as the atom, nuclear and neutron bombs. The strategists seem to be more concerned with the preservation of property than with the destruction of life. This is even more awesome when one considers the possibility of the neutron bomb coming into irresponsible hands. One must pose the question: does the end, that of preserving property, justify the means designed to destroy human life on an unprecedented scale?

The new Defense Secretary Harold Brown is a nuclear physicist who helped perfect the neutron bomb. Reportedly he could not speak without emotion when he revealed some of the visions that drive him. He said he was on hand to observe "between 10 and 30 nuclear explosions including 10 of megaton or more"—equivalent to "only" 1,000,000 tons of TNT. "When you've seen those, you don't forget easily. It has a big effect on your estimate of what a nuclear war would be like."

As defense secretary, his responsibility is to restructure the nation's weapons and strategy, and to maintain sufficient military strength to be a deterrent to war. But reportedly he fervently believes that both the U.S. and the Soviet Union have far too much nuclear power for their own good. A proposal for big reductions in the U.S. and Soviet nuclear arsenals—not just a ratification of current ceilings which he thinks are too high—was put before the Strategic Arms Limitations Talks (SALT) in March. Mr. Brown was the President's most influential advisor on the proposal. In his five months in office he has shown he is not averse to pressuring the Soviets to sign an arms agreement by deploying new weapons.

Perhaps our hope rests with the defense secretary as President Carter's advisor who is acknowledged to have "the full faith of the President." Obviously he has not been able to dissuade the President from approving the neutron bomb and requesting funds for its production. But with his acute awareness of the awesomeness of nuclear warfare, perhaps the Defense Secretary can use his influence to encourage President Carter to lead the heads of all nations to the conference table. There, perhaps, an agreement can be reached to outlaw war by international law and to use technology in striving for peace and harmony among nations instead of using it for outdistancing one another on a collision course for the complete destruction of mankind.

STATE DEPARTMENT HARASSMENT OF IRISH AMERICAN COMMUNITY CONTINUES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. BIAGGI. Mr. Speaker, for some time I have been concerned over the practices and policies of the U.S. State Department with respect to refusing visas for leading Irish politicians to visit America. I personally visited Ireland in April of 1975 to discuss this matter with senior American officials.

The harassment continues. Most recently, the Department of State refused to grant a visa to Mr. Ruairi O'Bradaigh, president of the legally sanctioned Sinn Fein political party in Ireland. They cite a rarely used and outdated portion of the Immigration Act which bars persons whose associations in their nation make them a possible threat to our Government and security. They used an unfounded allegation that Mr. O'Bradaigh was a member of the Irish Republican Army to deny him his visa. Mr. O'Bradaigh has repeatedly denied that charge yet was not even given a chance by the State Department to refute it.

I have written to the President on this matter. I pointed out to him that very recently, a visa was granted to the Italian Communist mayor of Florence, Italy.

My letter continued—

You have championed the very just cause of human rights and made it an integral part of our foreign policy. It is clear that the actions of the State Department are in direct conflict with the spirit of this policy. I urge you to examine this situation at once.

It is my hope that the House International Relations Committee will also become involved in examining this and other facets of the Irish question. Such hearings have been requested by myself and other concerned Members. I intend to continue my efforts to get hearings on this critical issue.

I now wish to insert into the RECORD a copy of an interview conducted recently between noted New York City radio personality Bob Grant and Ruairi O'Bradaigh:

INTERVIEW

On Monday night last, July 11, Mr. Bob Grant of WOR Radio, made a prearranged trans Atlantic telephone hook-up to Mr. Ruairi O'Bradigh, President of Sinn Fein, in Ireland.

INTRODUCTION

Mr. GRANT. Rory O'Bradaigh, President of one of the political organizations in Ireland was invited to speak at Niagara Falls at the A.O.H. Convention. The A.O.H. is the largest Catholic organization in the United States—the grounds given were that Mr. O'Bradaigh was refused a visa to enter the United States, the grounds given were that Mr. O'Bradaigh was a member of the Provisional I.R.A., an accusation he says is untrue.

While many are claiming that this may be part of a larger issue, the selectivity discriminating against those who may enter this country to speak.

Mr. GRANT. Mr. O'Bradaigh, what organization are you President of, and what is its goal?

Mr. O'BRADAIGH. I am President of the Sinn Fein organization which exists for more than seventy years, since about 1905. It is entirely a political organization and its goal is to remove British rule from Ireland and to establish majority rule in Ireland with due respect for minorities through a Federal arrangement.

Mr. GRANT. Are you a member of the I.R.A.?

Mr. O'BRADAIGH. This question doesn't arise at all, and I would like to point out that when I applied for a visa on the 8th of June I wasn't asked any political questions. I have in front of me here a copy of the form I filled on that occasion, and in answer to the question: "What is the purpose of your trip?" I wrote in, "To advocate solutions to the Irish Problems to Irish-American societies and to Congressmen." I wasn't asked any political questions whatever, and I wasn't given any reason when I was told that such a visa would not be available. I was told that some weeks later. I was given no reason whatever. I was just told that the State Department declined and in fact, the reason you have mentioned yourself is news to me.

Mr. GRANT. Once again the question, Mr. O'Bradaigh, which for some reason you have failed to answer, are you a member of the I.R.A.?

Mr. O'BRADAIGH. No! I'm not a member of the I.R.A.

Mr. GRANT. Isn't Sinn Fein closely associated with the IRA?

Mr. O'BRADAIGH. Sinn Fein, historically, has been associated with many organizations in Ireland and it is a political organization and its object is to secure the removal of British rule from Ireland by political means. It is as clear as that and there is a comprehensive program which I intended to put before the New York State Convention of the A.O.H. at Niagara Falls, at the invitation of the President, Mr. John Keane.

Mr. GRANT. Well O'Bradaigh, I want to assure you that whether you are or are not a member of the I.R.A. is at this point, in my opinion anyway, even if you were, I think it would be immaterial at this point. I think the relevant question is: Why do you feel you have been denied entry into the U.S.?

Mr. O'BRADAIGH. Well, because I am opposed to British rule in Ireland, and I believe that the British Government and the Dublin Government which rules a part of Ireland and which is in collaboration with British policy, because they both have used influence with the American State Department to have me denied entry, and I would say that at this it is a violation of the human rights of the A.O.H. and also of my own right to travel, to deny me entry to the United States at this time. Now, much has been made of the Helsinki Agreement as I'm sure your listeners are aware and much has been made also of the rights of Jews within the Soviet Union to have liberty to travel, and at the same time an Irishman is denied the right to enter the U.S. to advocate a peaceful solution to the Irish problem. I think this is a very grave situation. It's true that I am a political dissident! That is so, but I understand that President Carter has said that if necessary, the U.S. would have to change its laws to conform with the Helsinki Agreement. Now, all this coming up for review in the Fall at Belgrade, Yugoslavia, and the Helsinki Agreement is being looked at again and its progress reviewed, and I believe that this refusal of a visa to me without hearing my case; without accusing me and giving me a right to defend myself that is in violation of the spirit and of the letter of the Helsinki Agreement.

Mr. GRANT. You mentioned the President, I hear that he has indicated that he would allow you to enter the country. Did you hear that also?

Mr. O'BRADAIGH. No, I haven't heard that at all. That's news to me.

Mr. GRANT. Well, this was something we had heard from an individual who asked us not to use his name on the air, but it might very well be that he is only guilty of some wishful thinking.

Mr. O'BRADAIGH. Well, I just used to say in respect of the Helsinki Agreement International Arrangement and is of great interest to President Carter who expressed his great concern for human rights, not alone in the U.S. but throughout the world, and I would submit that Ireland, and the conflict in Ireland, provides a threat to human rights.

Mr. GRANT. Mr. O'Bradaigh, let me just say this to you, sir. With some of the incredible types of people they have been allowing to come into this country, I certainly think there should be room for you. I really don't understand why you should be denied entry into this country for the purposes you've stated. I think it is an outrage, and I want to extend to you an invitation to appear on this program when, and if some sanity prevails in the State Department and you are allowed to come in and visit us.

Mr. O'BRADAIGH. Well, thank you very much Mr. Grant, and I'll be looking forward to that. I would like to make a final point and say, that I have in the past negotiated with the British Government. My life has been dedicated to finding a solution to this interminable problem of British rule in Ireland and I look forward very much to having any visa restored to me and traveling to America advocating a peaceful solution to the Irish problem and appearing on your show, and for that invitation I'm very grateful to you.

Mr. GRANT. And I am sure Mr. O'Bradaigh, it wouldn't bother you one bit that the Governor of this state, Mr. Hugh Carey, wouldn't come over to say 'hello'?

Mr. O'BRADAIGH. Well, no, but I do know that many Congressmen would. I have met them in the past and the last time I was in America I was at Washington testifying before a Human Rights Committee of the International Affairs Committee of Congress, chaired by Congressman Donald M. Frazer and in the course of my visit to America and their visits to Ireland I have met Congressman Biaggi, Lester Wolff, Joe Moakley, and so forth, so that even if Governor Carey would not say "hello" I know very many Congressmen who did in the past and would indeed, in the future, all good friends of Ireland.

Mr. GRANT. Thank you very much, sir.

Mr. O'BRADAIGH. Thank you indeed, Mr. Grant.

The Irish people, on behalf of all our readers, wish to sincerely thank Mr. Bob Grant and WOR Radio for their courage, effort, and consideration in bringing the voice of Mr. Ruairi O'Bradaigh to their Radio listeners.

GOING UP IN SMOKE

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. MAGUIRE. Mr. Speaker, once again we have an opportunity to incorporate our national commitments to improved health and environmental quality into our farm subsidy program. It strikes me as the height of hypocrisy that we continue Federal subsidies to tobacco farmers at the same time as the Department of Health, Education, and Welfare, through both its Secretary and the Center for Disease Control, has pledged to educate the public on the serious health consequences of smoking, both for smokers and those exposed to smoking by others. As President Carter has pointed out, the national commitment to health is difficult to reconcile with Congress annual payouts of millions of dollars to tobacco growers. I believe it is up to us to reexamine these policies, and to shift the balance in favor of protecting the public's health.

Let us look for a moment at the health effects our tax dollars buy when we subsidize tobacco farming. For example, we know that children have a higher incidence of respiratory infections than adults, and are most sensitive when exposed to tobacco smoke and other airborne pollutants. There is also statistical evidence that demonstrates a clear relationship between parental smoking and respiratory illness in children. For years scientists have shown strong correlations between smoking and diseases such as lung cancer and heart and respiratory diseases. Now we are beginning to hear about the deleterious health effects that tobacco has on those involuntarily exposed to smoking by others.

For these reasons, I strongly favor an end to tobacco subsidies, and to the policies that underlie them. We as a nation literally cannot afford to support industries that damage our health. Tobacco payments represent only one side of the equation; how much does the subsidy really amount to when the so-called external costs are taken into account? Such costs include lost man-hours, a drain on health insurance funds, and intangible, yet very real, psychological costs to families faced with the agonies of tobacco-induced disease.

For those who argue that the subsidies are keeping small tobacco farmers afloat, let me say that I am sympathetic to the problem. But we cannot compromise on an issue as important as our national health. I therefore concur with Mr. JOHNSON of Colorado in recommending that the Agriculture Committee prepare an impact statement on tobacco desubsidization, along with a report on economic options for those farmers for whom desubsidization would create financial adversity. In the long run, the policy shift I have enunciated is sure to have beneficial consequences for this body, and for the health of our people—consequences that will far outweigh the temporary problems posed for tobacco farmers. In short, the question I put to my colleagues is this: Do we want federally subsidized lung cancer, heart disease, and respiratory disease, or would we rather go on record as supporting an end to America's tobacco addiction?

ROUND TWO ON VINYL CHLORIDE: INDUSTRY CRYING WOLF AGAIN?

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. OBEY. Mr. Speaker, in 1974 the Department of Labor instituted strict regulations to protect workers from exposure to vinyl chloride, an extremely dangerous carcinogen. At that time industry spokesmen said that the strict regulations would cripple the plastics industry and that they would cost too much in view of the small number of workers involved. But the regulations went into effect anyway and as the Wall Street Journal reported a year later, the industry had not been crippled but instead was prospering.

Now the Environmental Protection Agency wants to place restrictions on the level of emission of vinyl chloride in the air and water. It is now feared that people living and working in a 5-mile radius of places which emit vinyl chloride may be adversely affected. Once again the industry is saying that the regulations are useless and too costly to implement.

I am inserting an article from the Washington Post which explains the EPA and industry arguments regarding the new regulations and the Wall Street Journal report from 1975 in hopes that Members of Congress will remember that industry complaints about the cost of implementing regulations to protect workers and the general public may sometimes be unrealistic:

[From the Washington Post, July 20, 1977]

VINYL CHLORIDE TRIGGERING ANOTHER ENVIRONMENTAL FIGHT

(By Bradley Graham)

Vinyl chloride, the cancer-causing chemical which menaces the plastics industry, again has roused industrialists and environ-

mentalists to fierce debate over when enough is enough.

In open hearings yesterday, industry spokesmen angrily denounced as unnecessary, usless and too costly strict new standards to limit the emission of vinyl chloride.

But an attorney for the Environmental Defense Fund, the leading proponent of federal action, claimed the new regulations—the second set of emisison standards to be strapped on the industry in nine months—are necessary to jolt plastic manufacturers into developing more efficient clean-air technology.

Until 1974, vinyl chloride was accepted as a cheap and almost innocuous gas used as a propellant for insecticides and hair sprays and as a base ingredient in a common plastic (polyvinyl chloride) found in flooring, car upholstery, wrapping, pipes, phonograph records, film and other products.

In recent months, however, the chemical has been blamed for the cancer death of at least a dozen industrial workers. Several studies suggest prolonged exposure to vinyl chloride can cause a rare and fatal form of liver cancer in the hundreds of employees who work in, and 4.6 million people who live within five miles of, the nation's 58 manufacturing plants.

Standards proposed by the Environmental Protection Agency would reduce the acceptable amount of chloride from 10 to 5 parts per million in air or water discharges.

Though the reduction appears significant, Ralph Harding, president of the Society of the Plastics Industry, complained it would do little to improve air quality because of the relatively larger amount of gas that would continue to escape through uncontrolled points in the manufacturing process.

LABOR LETTER—A SPECIAL NEWS REPORT ON PEOPLE AND THEIR JOBS IN OFFICES, FIELDS AND FACTORIES

Crying wolf? Vinyl chloride plants keep humming under new federal rules.

A year ago, makers of vinyl chloride and its many plastic derivatives were saying that adoption of proposed rules cutting workers' exposure to the cancer-causing gas would force the industry to "close down immediately." But, six months after tough new rules took effect, no plant has closed because of them, four new plants have opened and prices are below 1974 highs.

U.S. output of vinyl chloride plastic is way down this year, but the industry concedes that's due to the recession. The Society of the Plastics Industry, the trade group that foresaw doom last year, claims compromises over details of the rules averted disaster; but it concedes the industry "surprised itself" by being able to comply.

One company, Tenneco, even takes ads to hail its progress in cutting worker exposures; Robintech boasts of a cheap new method for cutting in-plant emissions.

KENNEDY'S CENSORSHIP

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. DERWINSKI. Mr. Speaker, one of the contradictions of our legislative activity are Members who, claiming to help some aggrieved section of society, wind up imposing a greater Government burden on the entire public or segments of society.

In my judgment, the saccharin debate, caused as it is by an overbenevolent bureaucracy, could well result in the legislative cure compounding rather than solving the problem. This seems to be the case with the senior Senator from Massachusetts, which is properly commented on in an editorial broadcast by WBBM-TV in Chicago, which I insert in the RECORD at this point:

Censorship of broadcast advertising has been tried before, of course, with cigarettes. And look what happened. Cigarette smoking increased to record levels. And so did cigarette advertising in other media.

So, Senator Kennedy's attempt to prohibit broadcasters from airing certain commercials will solve no problems. It will only create problems—bad problems, government censorship problems.

KENNEDY'S CENSORSHIP

(By Gary Cummings)

Senator Ted Kennedy wants to censor television and radio. He wants to order us not to broadcast certain material.

Kennedy's misguided censorship involves the saccharin controversy. He's pushing a bill to allow you the right to continue buying products containing saccharin, provided they warn of saccharin's health hazard. That's fine. You should have that right.

What's not so fine is that Kennedy's proposal would effectively ban all broadcast advertisements for such products—diet drinks, diet foods, even toothpaste and chewing gum.

Kennedy isn't trying to muzzle the other media—magazines or newspapers. He either doesn't dare or he can't get at them. But because broadcasters are regulated by the government, he can put the screws on us. And he's trying to do so.

AMERICAN DEFENSES

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. ASPIN. Mr. Speaker, one of the major issues in last year's campaigns revolved around then President Ford's suggestions that the "Democrat-controlled Congress" had crippled American defenses by chopping more than $32 billion from Republican defense requests in the previous 6 years.

I requested the Library of Congress to analyze just what Congress had done and released the results last fall.

The Library of Congress study concluded:

Congressional reductions to the defense budget between fiscal year 1971 and fiscal year 1976 were less critical than might be supposed by a superficial presentation of the total reductions. . . . Congress has exercised only a limited influence on U.S. defense policy and the military force structure.

The Library analysis found that:

Thirty-five percent of the cuts were illusory or simply financial adjustments such as the elimination of aid for Saigon after Saigon fell;

Nine percent of the cuts were in noncritical areas such as reductions in the number of servants assigned generals and a cutback in the size of the military's public relations force;

Twenty percent were not cuts but simply postponements where Congress, for example, noted a program was having difficulties and dropped funds for procurement until a later year when the teething problems were resolved;

Thirty-six percent of the cuts, or a mere 2 percent of the defense funds requested, were in areas that might possibly be considered to effect defense policy in some manner.

The study, entitled "An Analysis of Congressional Reductions in the Defense Budget: Fiscal Years 1971–1976," was published as Congressional Research Service multilith No. 76–205F, September 16, 1976.

Mr. Speaker, subsequently I asked Mr. Richard P. Cronin of the Library staff to update his study by making the same analysis of the congressional actions on the fiscal year 1977 defense request—the request that was moving through Congress while the debate on the Ford charges was going on.

Mr. Cronin has now submitted his analysis. The raw figures indicate that Mr. Ford's attacks may have had some impact: the total reductions in the defense budget request last year were proportionately the lowest in 6 years. Mr. Speaker, I enter in the RECORD at this point the analysis and three tables that comprise Mr. Cronin's report:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., July 11, 1977.

To: Honorable Les Aspin, Attn: Warren Nelson.

From: Richard P. Cronin, Analyst in National Defense.

Subject: Analysis of Congressional Reduction to the FY 1977 Defense Budget.

In response to your request we have evaluated final congressional action on the FY 1977 Department of Defense budget request in accordance with the methodology employed in a September 16, 1976, report to you covering the fiscal years 1971–1976.

The present analysis consists of tables 1 and 2 from the earlier report as updated to accommodate the FY 1977 data, and table 3 as modified to display the FY 1977 data only. Since the original report was keyed to Department of Defense data referring to a specific total of congressional funding cuts for the period FY 1971–76, we have not included summary totals for all years in the revised tables.

Congressional cuts in the FY 1977 Department of Defense budget amounted to $4,056 million, or about 3.5 percent of the total $114,426 million requested by the Administration. This includes funding in the regular Department of Defense Appropriation Act, the Military Construction Appropriation Act, the Second Supplemental Appropriation and funding for foreign assistance and civil defense programs. Based on the categorizations employed in our earlier report to you, the FY 1977 reductions break down as follows: "substantive"—62.1%; "non-critical"—6.4%; "postponements and deferrals"—16.2%; and "adjustment"—15.2%.

The proportion of FY 1977 reductions falling into the substantive category is considerably higher than that found in the analysis of the period FY 1971–76. The significance of this divergence, however, is questionable. In dollar terms the substantive reductions for FY 1977, some $2.5 billion in all, are smaller than for any year since FY 1973. Substantive reductions as a proportion of the total dollar request are 2.2 percent for FY 1977 versus an average of 2.6 percent for the period FY 1971–76.

One explanation for the high proportion of substantive type reductions is the fact that the FY 1977 picture did not include the kind of large postponement and deferral and adjustment actions which characterized some earlier years. Large postponement and deferral actions were especially prevalent during action on the FY 1973 and FY 1974 budgets, while FY 1975 and FY 1976 budget action fea-

tured large and atypical adjustment items, notably a "windfall" from the abrupt demise of South Vietnam and the denial by Congress of anticipatory funds for cost growth and inflation in approved shipbuilding programs. (see p. 12 of the earlier report.)

If you have any questions regarding the attached tables or the analysis employed please call 426-5060.

TABLE I.—CONGRESSIONAL REDUCTIONS IN DEFENSE BUDGET REQUESTS,[1] FISCAL YEAR 1971-76

[Appropriations[2]—Dollar amounts in millions]

	Fiscal year—						
	1971	1972	1973	1974	1975	1976	1977
DOD request	$75,346	$79,883	$84,999	$90,262	$94,160	$106,470	$114,426
Congressional action	−2,507	−3,917	−6,160	−5,825	−6,719	−8,218	−4,056
Appropriated	72,839	75,966	78,839	84,437	87,441	98,252	110,371
Percent reduction	3.3	4.9	7.3	6.5	7.1	7.7	3.5

[1] The figures cited in this and subsequent tables refer to funds appropriated to or managed by (military assistance) the Department of Defense. Excluded are other programs which make up the total national defense functional category of the budget such as ERDA atomic energy defense activities, the Selective Service System, defense stockpile materials transactions etc. The DOD military and military assistance programs account for more than 95 percent of the total national defense functional category of the budget.

[2] Appropriations are provided in the form of new obligational authority (NOA). This is nearly, but not completely synonymous with the term budget authority (BA). The Department of Defense also uses a term total obligation authority (TOA) which excludes the financing and trust fund adjustments which in some cases distinguish budget authority from new obligational authority.

TABLE II.—CONGRESSIONAL REDUCTIONS BY CATEGORY, FISCAL YEAR 1971-77[1]

[Dollar amounts in millions]

Fiscal year	Substantive		Noncritical		Postpone and deferrals		Adjustments		Total
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
1977	−$2,517	62.1	−$261	6.4	−$659	16.2	−$620	15.2	−$4,056
1976	−3,446	41.9	1,477	18.0	−471	5.7	−2,824	34.4	−8,218
1975	−3,081	45.8	−487	7.3	−1,036	15.4	−[2]2,115	31.5	−[2]6,719
1974	−2,608	44.8	−172	3.0	−1,950	33.4	−1,096	18.2	−5,825
1973	−1,839	29.9	−159	2.6	−1,610	26.1	−2,551	41.4	−6,160
1972	−1,681	42.9	−70	1.8	−351	9.0	−1,815	46.3	−3,917
1971	−903	36.0	−125	5.0	−512	20.4	−967	38.6	−2,507

[1] Number may not add due to rounding.

[2] Includes $183,000,000 in rescissions.

TABLE III.—SUMMARY BY APPROPRIATION ACCOUNT AND CATEGORY

Appropriation account	Substantive reduction	Percent of total request	Noncritical reductions	Percent of total request	Postponements and deferrals	Percent of total request	Adjustments	Percent of total request	Total reductions	Percent of total request	Total request fiscal year 1977
Military personnel	−73	0.3	−95	0.4					−168	0.6	26,392
Retired military personnel							−112	1.3	−112	1.3	8,493
Operations and maintenance (including civilian pay)	−557	1.7	−176	.5					−734	2.2	33,016
Procurement	−1,273	4.2	−60	.2	−426	1.4	−427	1.4	−2,185	7.1	30,601
R.D.T. & E	−435	3.9	−45	.4	−188	1.7	+4	0	−664	6.0	11,102
Total DOD-military	−2,338	2.1	−375	.3	−614	.6	−534	.5	−3,862	3.5	109,541
Military construction and family housing			+114	+3.2	−45	1.3	−86	2.3	−17	.5	3,590
Civil defense	+16	+2.2							+16	+2.2	72
Military assistance	−195	16.0							−195	16.0	1,222
Grand total	−2,517	2.2	−261	.2	−659	.6	−620	.5	4,056	3.5	114,426
Percent	62.1		6.4				15.2		100.0		

CAPTIVE NATIONS WEEK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. ANDERSON of California. Mr. Speaker, another Captive Nations' Week has come and almost gone. Nearly every year, I address myself to the occasion, as do many of my colleagues. Skeptics sometimes say that these are only hollow words that do no good. I would, and do, respond that indeed, they are only words. But this is Capitive Nations' Week, and they are words, words that help us to focus our attention on lands and people of the world who have lost those freedoms that we in this country so easily take for granted.

The point that the critics are driving at, of course, is that we must not restrict ourselves to speaking these words once a year, while the people are denied their human rights on a daily basis. Letters should be written, and protests filed, indicating that Americans deplore the conditions existent in too many nations. And in Congress, we have the opportunity and responsibility to see that U.S. policy reflects the views of these people whom we represent.

It saddens me to look at a globe and see in it the faces of millions of people in captive lands. I can cast my memory back and remember days when these lands, and these people, were free. So I am surprised from time to time, when I speak with groups of young people and they ask me to continue pressing for action to free these lands.

It surprises me, because they cannot remember the day when these lands were free, but they do remember some film clip they saw, or article they read, commemorating Captive Nations' Week.

CAPTIVE NATIONS WEEK

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 20, 1977

Mr. OTTINGER. Mr. Speaker, Captive Nations Week is a time we have set aside to reflect upon the terrible enslavement of thousands of fellow human beings. We, in the United States, have minimal understanding of the intense suffering which is the inevitable result of being denied the most basic and fundamental human rights.

Extending our deepest sympathy to those oppressed peoples behind the Iron Curtain is only part of our responsibility. It is also imperative that we strongly protest the illegal annexation of Latvia, Lithuania, and Estonia by the Soviet Union. These nations under Soviet tyranny and domination look to us for

support and inspiration. Captive Nations Week was established as an indication of our firm and unyielding devotion to the democratic ideals of liberty, justice, and freedom for all.

In honor of Captive Nations Week let us rededicate ourselves to helping restore to these nations their freedom.

SUGAR AMENDMENT TO GENERAL FARM BILL

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. BREAUX. Mr. Speaker, the sugar situation has been thoroughly studied by the U.S. International Trade Commission. They concluded that the domestic sugar industry is seriously threatened by imported sugar. The Commission recommended administrative action to reduce the level of imports, but their recommendation was not carried out due to ongoing negotiations aimed at achieving an International Sugar Agreement. The International Sugar Agreement negotiations ended May 27, with no relief provided to American sugar producers. The President has, in the meantime, proposed a 2 cents per pound subsidy as an interim stop-gap measure. The inadequacy of such a proposal is obvious in light of the fact that sugar prices have dropped to below 10 cents per pound. Secretary of Agriculture Bergland, on May 4, placed the minimum cost of production at 13.5 cents per pound. I consider it imperative to this Nation's sugar industry that a more substantial means be found to prevent the total destruction of domestic producers.

This can only be accomplished if Congress takes immediate action to provide relief to sugar producers in a manner similar to that which other U.S. farmers enjoy, through Federal crop loans or purchases. The industry will not be sufficiently assisted by the President's program and cannot survive on the hope that an international agreement to protect our producers will be reached sometime in the future.

The approach which will save the industry and which has been recommended to me by my good friend and colleague Congressman DE LA GARZA of Texas, would add sugar beets and sugarcane to the list of "designated nonbasic commodities" in section 201 of the Agriculture Act of 1949. This amendment, if adopted, would provide mandatory price supports to sugar beet and sugarcane producers in the same manner as now provided to milk and honey producers.

The amendment will not guarantee producers a profit. It will simply extend to more than 15,000 farm families who grow sugar crops the treatment given to producers of other commodities. It will allow sugar producers to regain at least the bare minimum cost of production and help preserve approximately 27,000 union jobs connected with the sugar industry.

In addition to offering economic protection to farmers, processors, and their employees, the amendment will protect American consumers from being totally dependent on foreign suppliers. It will help assure consumers of a reliable sugar supply and avoid the possibility of international scheming toward a sugar cartel.

I believe the amendment will also have the effect of encouraging our foreign trading partners to come to an equitable agreement in the international negotiations. We must demonstrate that we will not sit idly by and watch the destruction of an important U.S. industry.

I urge my colleagues to come to the aid of a seriously threatened segment of our economy and support Congressman DE LA GARZA'S amendment to title IX of H.R. 7171.

SIMON SPEAKS ON ENERGY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. CRANE. Mr. Speaker, a recent review of former Treasury Secretary William Simon's comprehensive tax refrom proposal speaks in glowing terms of "what good civil servants—also known as bureaucrats—can do when their pure expertise is enlisted in a challenging cause. It—the tax refrom study—is analytically rigorous, free of ideological taint, and laced with commonsense." These comments are equally appropriate when Bill Simon writes on energy matters, owing to his stint as the first Federal Energy Administrator. Thus, I commend his fine article on President Carter's national energy plan, which appeared in the July 23, 1977, issue of Human Events, for your reading and study:

CARTER'S NATIONAL ENERGY PLAN IS FOUNDED ON FALLACIES

(By William Simon)

"Our National Energy Plan is based on 10 fundamental principles," President Carter soberly announced. "The first principle is that we can have an effective and comprehensive energy policy only if the government takes responsibility for it. . . ."

From that statement onward, it's all been downhill for the President's proposals. Why? Fundamentally because the President and his advisers, although acting with the best intentions, have chosen the worst of the solutions. Instead of relying upon the dynamism of a free market and a free people, they have nominated the government as our national energy savior.

Let's look at 10 basic fallacies that, in my judgment, lie at the foundation of this 10-part plan.

Fallacy No. 1: The country has no comprehensive policy for dealing with energy.

Contrary to the President's frequent assertions, the country has long had a comprehensive energy policy. It's just been the wrong policy.

For more than 20 years the government has increasingly tried to regulate the energy industry so that prices were artifically held below market levels. Consumers, the intended beneficiaries, have naturally increased their demands, but producers have gradually curtailed their output.

Demand for natural gas, the most clearcut example, has risen spectacularly since the Phillips decision of 1954 (legalizing wellhead price regulation of natural gas), but drilling for new domestic wells peaked in 1961 and production has been sliding downward since 1970.

Fallacy No. 2: More governmental control is the only solution to the current crisis.

History shows that the more the government has tinkered with the intricate marketplace machinery, the worse things have become. Quotas, tariffs, price controls, taxes, regulations—each has taken a toll. It is folly to believe that the same people who created this mess can now improve the situation by tightening their grip over every single energy resource.

The only sensible answer is to begin dismantling existing controls, beginning with price controls over oil and natural gas and including repeal of the energy bill that President Ford, in a tragic error, signed in December 1975.

Fallacy No. 3: The United States has almost exhausted its supplies of fossil fuels.

The President is crying wolf the same way that other governmental agencies have in the past. In 1914, 1939 and again in 1949, responsible governmental officials predicted a quick end to domestic oil supplies, and every time they were wrong.

What we have learned over time is that increases in demand, when allowed to work in the marketplace, have brought increases in supply.

Between 1950 and 1970, for example, the known oil reserves of the U.S. increased by over 500 per cent. Even now, as the National Academy of Engineering has pointed out, we have only recovered by relying on low-cost technologies; with higher prices and greater return on investment, it should be possible to recover much of the remainder.

To hold prices below market levels as we have in the past, will only increase reliance on OPEC and leave us more vulnerable to foreign blackmail. We can impose a windfall profits tax on funds that aren't plowed back into new investment. It may not be popular to support higher profits, but it makes no sense to continue pouring our money into OPEC so that we can withhold it from our own producers.

Fallacy No. 4: Because our fuels are almost exhausted, we must rely primarily upon rigid conservation.

Conservation is critical, and in recent years the U.S. has made important progress in that direction. Recent FEA figures show that from November 1973 to November 1976, energy consumption dropped by 6 per cent in the industrial sector. While some of that drop may be due to economic conditions, there is also some evidence that energy/GNP ratios have improved, indicating significant conservation. Further progress can and should be made through better home insulation, more efficient auto engines and the like.

Conservation alone, however, is only half an answer; the other half must be a determined national effort to increase production and accelerate development of new technologies.

Even Prof. Lawrence Klein, the President's chief economic adviser during the 1976 campaign, has said that "the energy package is very negative in being so wholly concentrated on restricting demand. . . . It might have been better to tailor it more to increasing supply."

Fallacy No. 5: The President's program contains ample incentives for new oil and natural gas production.

By permitting higher prices for newly obtained oil and natural gas, the NEP does indeed represent a step forward. But if this is deregulation, as proposed by candidate Carter, then understanding the proposal requires more imagination than I possess.

Consider the position of the producers. In the case of "new, new oil," the price is to be raised over three years to the world price and thereafter tied to domestic inflation. If

the recent past is any guide, however, energy production costs will rise more rapidly than the national inflation rate, so that the government will once again be artificially depressing prices.

In the case of natural gas, the new price proposed by Mr. Carter is still below the market price and the price controls he wants to extend to intrastate natural gas would bring its prices down—and provide a disincentive for producers.

Fallacy No. 6: On questions of energy and the environment, it is possible to have our cake and eat it, too.

It is misleading for the Administration to pretend that our energy goals can be met without some relaxation of overly strict existing environmental and pollution standards.

Stripmining legislation, non-degradation standards for air pollution and a generally activist approach to environmental issues will all inhibit production of new coal, which is the keystone of the President's production plan. How can industries and utilities be expected to switch to coal if they can't burn it because of pollution restrictions, and producers can't produce it because of environmental restrictions?

It is clearly necessary to protect the environment, but it is also imperative to strike a sensible balance between economic and environmental tradeoffs.

Fallacy No. 7: The President's program will introduce greater certainty into energy production.

In view of the regulatory explosion of the past decade, this claim is baffling. By definition, more bureaucracy means more uncertainty. In just three years' time, the FEA has tied producers and consumers in knots. They can never be certain what they can do and what they can't. The petroleum industry already must file about 600,000 forms a year with the FEA.

Fallacy No. 8: The President's program will be equitable to consumers.

Where is the equity in a program in which consumers of heating oil get rebates but other home owners do not? Where consumers of natural gas continue to receive governmental subsidies but electricity users do not? Where larger industrial users of gas and oil are heavily taxed but small firms are not? And where industries and utilities pay widely different taxes depending on how well they fare in extracting exemptions, exceptions and special permissions from a GS–15 in Washington?

Moreover, the Administration has signified that it intends to put the $70 billion or more of rebates to other purposes—perhaps to pay for welfare reform, tax reform, or just to balance the budget. It would be more honest if it admitted this could be the biggest tax increase in U.S. history.

Fallacy No. 9: Adoption of the Carter plan will have only minor economic impact. There is a gathering consensus that the NEP would mean higher inflation, lower productivtiy, a cutback in energy usage and more stagflation. Indeed, those who have recognized the similarities between the recommendations of the NEP and a Ford Foundation study earlier in the '70s think that the NEP will inevitably bring the same result envisioned by the Ford Foundation study: an era of "no growth."

Fallacy No. 10: The free market cannot be expected to overcome the energy crisis.

Of all the mistaken notions underlying the President's program, none is more egregious than this one, for it assumes that our country no longer has the ingenuity or the dynamism to work its way out of crisis. This view, timid and cramped, is fair neither to our past nor our future.

Our recovery from the whale oil crisis a century ago and breakthroughs in electricity and then in petroleum are striking examples of what the U.S. can accomplish in relying upon individual initiative and private enterprise. We can do it again today if we reject this unhapy vision of America and affirm once again our commitment to a free, dynamic society.

On one point, at least, I find myself in agreement with the National Energy Plan. The President has predicted a calamity in energy. By adopting this program, that's exactly what we'll get.

IS THE CARTER ADMINISTRATION PREPARING A MASSIVE ATTACK ON GUN OWNERSHIP?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. ASHBROOK. Mr. Speaker, as the ranking member of the Judiciary Subcommittee which considers all gun control legislation, I have endeavored to keep a daily alert to the activities of our adversaries who seek registration and confiscation of firearms in this country. While legislative activity has been dormant for the first 6 months of the 95th Congress; the efforts of our enemies outside the Congress have been frantic. The White House is a key target where my information points to an all out effort to win support of President Carter and Attorney General Bell for antigun measures.

The Civic Disarmament Committee for Handgun Control, one of the front groups for antigun legislation, had an interesting item in its June–July newsletter. That liberal group noted that its ally, the National Council to Control Handguns—NCCH—has, listen to this:

Lobbied strenuously, have established very good relations with the Carter Administration and expect the Administration to come out with strong handgun recommendations sometime in July.

I attended a press conference of NCCH on the hill a few months ago and they are aggressively on the attack. The National Mayors Conference recently had a symposium in Washington on the exclusive subject of gun control. It was conducted during the time the House of Representatives was in session and while I could not attend that meeting, I had a staff member sit in on their entire session. As you know, that group is dominated by the big city, liberal mayors and the small city mayors who generally support our position, are shunted aside.

From every strategic base I have checked, the information assembled is the same. The focal point is the Carter administration. Hold up the congressional campaign until Mr. Carter signals full speed ahead.

We saw how important the Carter influence is to public opinion on issue after issue in past months so we cannot sit back on this one. Aid to Communists, upgrading discharges of draft dodgers and deserters, the list could go on and on.

The draft dodger and deserter issue is a travesty. Mr. Carter repeatedly says "Let us put the past behind us." He then uses that pretext to suggest taxpayer aid to Vietnam or Laos and to bring new relations with Communist countries which are our enemies. It was bad enough to upgrade the discharges of the draft dodgers but it should stop there. I know most veterans feel the same way. Forgive, maybe but forget, never. Forgive maybe, but reward, never.

Having held its silence in the early days of its administration, the Carter organization may have developed a game plan for new antigun legislation, at a time when all seems quiet in the rank of the antigunners. In a press conference conducted in Washington, D.C., July 13, a pro-second-amendment group, the Citizens Committee for the Right To Keep and Bear Arms cited a White House plan to deprive tens of millions of lawabiding American citizens of their constitutionally guaranteed right to keep and bear arms.

The citizens committee unveiled a proposed White House antigun policy statement which it claims was prepared by the Justice Department and submitted to the White House. Calling for a ban of so-called Saturday night special handguns, the document declares war on private ownership of handguns for personal protection. Purchase of more than two handguns in a year, and more than one handgun in a month by a single individual would be outlawed. It would prohibit the use of sporting guns except under very limited conditions. Citizens would be forced to submit their names to a data bank in a forced gun registration program.

That the Carter administration would harbor this antigun attitude is of no surprise. Morris Dees, Mr. Carter's chief political fund raiser, was the chief organizer of the National Gun Control Center, a vocal antigun group. Gun owners remember well the threat issued last year by chief Carter adviser Hamilton Jordan, who said, "Carter will really go on gun control and really be tough. We're going to get those bastards".

The great surprise is the fact that Mr. Carter would maintain this unfavorable policy in light of the public's attitudes favoring handgun ownership. In a nationwide survey by "Decision Making Information," an independent research organization, 85 percent of those surveyed voiced support for their right to own guns. The public has spoken loudly in favor of private ownership of handguns. Why not follow their wishes, Mr. Carter?

JAWORSKI TO SERVE AS SPECIAL COUNSEL

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. NOWAK. Mr. Speaker, it is very gratifying to learn that Leon Jaworski will be serving on the House Committee on Standards of Official Conduct as special counsel for the South Korean lobbying investigation.

His integrity, impartiality, and intelligence were demonstrated vividly in his

role as Watergate Special Prosecutor, and those qualities should bring new impetus to the House inquiry into charges of Korean influence-buying.

It is unfortunate—but true—that as long as these individual allegations are unresolved, a cloud of suspicion hangs over the entire Congress. Public confidence must be regained by a vigorous, thorough investigation, followed by legal or in-house action in appropriate cases.

The stringent Code of Ethics adopted by the House this year should deter future incidents like the ones connected with the South Koreans, but we must clear up these pending charges and concentrate on our legislative duties. Leon Jaworski can provide the necessary competent staff direction for the job.

WHAT NEW YORK CAN DO FOR MR. CARTER

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. BINGHAM. Mr. Speaker, up to now no action or statement by President Carter or his administration on the subject of what happened during New York City's blackout last week has revealed any degree of the underlying significance of those events.

Last Tuesday, July 19, the New York Times in its lead editorial, made a wise and compassionate statement on the subject. I hope President Carter has read and pondered this editorial or that, if not, he will do so.

The editorial follows:

WHAT NEW YORK CAN DO FOR MR. CARTER

With misleading solemnity and precision, President Carter made a place for himself in the news of the New York blackout by demanding a full report from the Federal Power Commission—in exactly two weeks' time. (Nine days remain to deadline.) But that was a press-agent President at work or, at best, a White House that takes too seriously its press clippings about the President's talent as an engineer.

What New York can finally do for Mr. Carter is to broaden his sense of the national defense and Presidential duty. A President does not worry about generator nuts and bolts when the social fabric of the nation's largest city is exposed as inflammable. A President cannot confine himself to tension in Korea or negotiation with Israel when life's losers are rampaging in the streets of America, spreading blight and the disease of racism. Nor does he need yet another commission to discover that half the black and Hispanic youths in his major cities are out of work and out of hope and out of mainstream America.

The President prides himself on his knowledge of poverty in the rural South. But he need no longer pretend, as in his campaign, that this equips him to understand the culture of desperation that makes urban centers unlivable. A President who knows what he does not know about urban America would seize on such dramatic opportunities as the New York looting to inform himself and to rouse a nation. He would meet with looters and their victims and find a way to convey their nightmares to the rest of the land. And he would find ways to lead the nation to take up the burdens that it has unintentionally dumped upon New York and Newark, Detroit, St. Louis and Los Angeles. He would seek ways to have the Federal Government assume responsibility for more of the poorhouse costs that weigh upon these cities. He would struggle urgently to create the proposed national youth service corps and also programs for massive neighborhood rehabilitation, vocational training and job-placement services. (And as James Wieghart observed in yesterday's Daily News, a President seeking to keep in touch with the American people would do better one week after the blackout to visit Brooklyn than the home of a fertilizer manufacturer in Yazoo City, Miss.)

Understandably, this was the year in which President Carter intended to sacrifice almost everything else for the design and adoption of a sound national energy policy. When he heard about a power failure, it was his energy program that he thought of first. So much depends on it, that the program rightly claims his highest priority. But a President so shrewd at recognizing political opportunity, and so in need of a memorable social program as well, might also seize upon the New York experience to ask whether welfare reform must really wait four years more, to ask whether job-creation and city rebuilding must really remain in the category of primitive and experimental Federal programs.

A lack of money can be a pretext for inaction but not a reason. The causes that Americans embrace in common can be afforded and enacted, whether they are called national security or unemployment insurance. The need in our cities is for both defense of the society and insurance against the unemployable underclass. That is not a noble way of defining our most urgent human problem, but anything would do for a President who cares to learn and then sets out to teach us to care.

It has been estimated that a National Youth Service Corps to enlist the energies of the idle in social reconstruction and personal rehabilitation might cost $15 billion. The large-scale Federal assumption of more welfare costs might cost $5 billion. Call these figures conservative. Imagine an effort that might cost $30 billion. What price millions of our fellow citizens properly motivated, educated and relocated in jobs? What price conquest of a social disease? What price habitable cities, with hundreds of billions of dollars worth of housing and transit already in existence, that law abiding citizens can find fit places for raising children? The last President's fear of the swine flu cost the Treasury a quarter of a billion dollars and produced damage claims close to a billion. Another recent President's payoff to a single lobby of milk producers cost consumers nearly one billion dollars. The direct cost of the damage done in one night in New York last week is estimated at a billion, and a billion more each year in lost commerce and opportunity and taxes is inevitable if the damage to morale and property is not soon repaired.

But the issue is not what Mr. Carter can do for New York. The crisis exposed so devastatingly in our home city is not a special product of New York mismanagement or fiscal legerdemain. It points up a national danger that threatens dozens of communities, millions of homes and livelihoods. It points to a people waiting to be led.

INCREASING DEPTHS OF WELLS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. COLLINS of Texas. Mr. Speaker, Freestone County, Tex., is another example of the price responsiveness of natural gas reserves. Shallow oil and gas were originally discovered in the county during the wildcatter era 1920–30, at depths ranging from 1,500 to 3,000 feet. Many such 50-year-old fields are signposts to deeper deposits.

In the wartime 1940's and the fuel-hungry expanding economy of the early 1950's, deeper, more expensive horizons were penetrated in the 8,500-foot range. In the mid-1950's, price controls on natural gas stifled exploration. Drilling activities declined and the United States began to draw down existing reserves, a process that was ultimately to lead to the energy crisis.

Decontrolled intrastate gas prices led to a revival of exploratory activities in Freestone County in the early 1970's. Six new deep gas reservoirs were discovered in the county at depths of approximately 13,000 feet, and active exploration and development drilling is underway. The six fields have proved reserves of 350 billion cubic feet, with an estimated reserve potential in the area of 3 TCF.

This historical development confirms what the latest MOPPS study postulates: Decontrolled gas prices will provide substantial new gas reserves in the United States.

LIKE IT OR NOT, IT IS THE PLUTONIUM AGE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. TEAGUE. Mr. Speaker, in reviewing the ERDA authorization bill for fiscal year 1978, H.R. 6796, and the issues surrounding breeder technology, our committee has become convinced that the nuclear age brings with it proliferation risks which can only be successfully dealt with by international agreements and cooperation. We feel the U.S. policy must be to work together with other countries and begin to build a framework for cooperation with those countries who share our common interests.

I am inserting in the RECORD excerpts from a thoughtful and most informative speech made recently by Senator CHURCH in which he points out the status of nuclear technology today and why we must continue to grapple with the issue of nuclear proliferation rather than deny its existence:

[From the Washington Post, July 1, 1977]

LIKE IT OR NOT, IT IS THE PLUTONIUM AGE

(By Senator FRANK CHURCH)

Sen. Frank Church (D-Idaho) has become a leader of the campaign to build a breeder reactor on a commercial scale at Clinch River, Tenn. President Carter vehemently opposes it. The chief reason for canceling the Clinch River project is to slow down the movement toward commercial use of plutonium fuel, from which nuclear weapons can rather easily be made. Sen. Church laid out his dissenting view in a June 18 speech in England, from which these excerpts are taken:

The question is no longer whether the world should enter the plutonium era; that era is upon us now.

Given this perspective, it is not surprising that the Carter administration's proposal to

guarantee supplies of enriched uranium as a substitute for the plutonium-fueled breeder has fallen on deaf ears. Countries that are now dependent upon one depletable resource, oil, controlled by the OPEC cartel, are unlikely to opt for a new dependence upon a second depletable resource, uranium, controlled by a different, but also foreign, group of nations.

It is unrealistic to believe that other fuel-deficient governments are going to confine themselves to multibillion-dollar conventional reactor programs while relying upon a future supply of natural uranium that is unsure in quantity and susceptible to drastic price manipulation.

It is equally unrealistic, in my judgment, to expect fuel-deficient countries to forego the reprocessing of spent fuel rods from their nuclear reactors. Not only can they squeeze out an extra 30 per cent in energy by recycling the rods, but densely populated countries like Japan and West Germany see reprocessing as at least a partial answer to the acute problem of storing radioactive wastes.

One must add to this the fact that the oncoming breeder, whether eventually fueled by some new thorium-based cycle or, as I believe much more likely, by the plutonium-based cycle now underway, will require reprocessing as an integral part of the cycle.

So it is not surprising to find experimental reprocessing plants already operating in France and Great Britain, or to see Japan insisting on opening its own reprocessing facility at Tokai Mura, over which a serious trilateral confrontation is now developing.

Thus, we are left with the unfortunate but ineluctable conclusion that the nuclear age, in whatever form it takes, brings with it proliferation risks that we must deal with on an international scale. Unilateral acts of abnegation are unlikely to be emulated. That is why I oppose the Carter administration's abandonment of reprocessing and proposed termination of the U.S. fast-breeder program. Instead of advancing the effective control of nuclear-weapons proliferation, our self-imposed denial runs the grave risk of leaving an international vacuum, which is an invitation to nuclear anarchy. In short, the plutonium genie is out of the bottle. The better part of wisdom is to recognize this rudimentary truth rather than bemoan it.

I, therefore, believe that we have no alternative but to begin now to build upon the existing international system of safeguards, working with the International Atomic Energy Agency-member countries to devise a framework for living with plutonium. The IAEA is perhaps the only international institution where the United States and the Soviet Union find that their interests run parallel and where they have been able to work together in relative harmony.

The number of nations that are capable of supplying nuclear plants and technology on a commercial scale is still small—seven or eight. And for the next generation, the number of countries in the developing world that can realistically contemplate a sizeable nuclear-energy program is limited—not more than 12 to 16. So if we put our mind to it and apply ourselves at this still-early stage to constructing a durable framework for managing the risks inherent in the plutonium era, we have a reasonable chance of success.

The elements of an international framework are discernible. They encompass two basic principles: first, an international system of safeguards and physical security that minimizes the risk of diversion of plutonium to weapons purposes. Second, a system that offers developing countries an assured access to enrichment and reprocessing services.

More specifically, we could advance the first objective by adopting the following proposals suggested by Manson Benedict, professor emeritus of nuclear engineering at the Massachusetts Institute of Technology:

First, fuel reprocessing plants should not be permitted to produce plutonium in pure form, but should produce only a decontaminated mixture of uranium and plutonium. This so-call "coprocessing" operation is technically feasible, and the product, though unsuitable for bombs, can readily be fabricated into new fuel elements.

Second, fabrication of plutonium-enriched fuel should be permitted only at the same well-guarded site as the reprocessing plant, to minimize the number of places at which plutonium is processed and to eliminate unnecessary shipments.

Third, before delivering reprocessed fuel, it should be irradiated to around one per cent of the design burnup. This will make the elements so radioactive as to require the same heavy casks for shipment as are now used for spent fuel, and will provide the same kind of deterrence to diversion of reprocessed fuel as we now accept for spent fuel containing plutonium from light water reactors. Recent reports indicate that the Carter administration is now negotiating with the Japanese precisely such an arrangement to clear the way for them to start operating their reprocessing facility.

I do not mean to suggest that what I am proposing is in any way a panacea. Far from it. I see nothing but agonizing choices ahead. Speaking personally, I agree with the observation of Bernard Baruch that the splitting of the atom was the greatest act of pollution in history. I wish, in a way, it had never happened. I would much prefer to wake up each morning in a world unburdened with nuclear warheads, and free of worry about how to contain nuclear wastes for 20,000 years.

But this is the world as it is, not as we would wish it to be. The hard truth is that we are dealing not with a future threat to be avoided by timely action but with conditions that are presently upon us. In designing an effective international system to harness the energy atom to peaceful uses, the United States should take the lead.

TRIBUTE TO GUAM LIBERATION DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. ANDERSON of California. Mr. Speaker, it is with great pleasure that I join our colleague, and my good friend, from Guam, the Honorable ANTONIO BORJA WON PAT, in celebrating Guam's liberation.

Today marks the anniversary of Guam's liberation from Japanese forces on July 21, 1944. President Harry S. Truman signed into law the Organic Act, Public Law 81–630, on August 1, 1950. This finally made the native residents of Guam, American citizens. We salute this historic document and the people who implemented the statute so effectively.

It is very pleasing to look back at an act of Congress after 27 years of operation and to see that it has worked in a positive manner. The approximate 600 Guamanians living in California's Harbor Area have contributed to the ethnic diversity there. These individuals have proven themselves to be productive American citizens.

I believe that it is in the best interest of our Nation to expand our friendship and alliance, and I am honored to offer congratulations to my fellow countrymen on the anniversary of Guam's citizenship. Along with their brothers and sisters of California's 32d Congressional District, I wish the people of Guam congratulations and success in the years to come.

THE TRUTH ABOUT THE BLACK LUNG DISEASE BILL: FAILURE TO READ THIS REPORT COULD BE INJURIOUS TO YOUR CONSTITUENCY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. SARASIN. Mr. Speaker, we shall undoubtedly have before us some time soon in this Chamber the Black Lung Benefits Reform Act of 1977. Supporters of this bill would have us believe that it simply "reforms" and improves our earlier efforts to provide some relief to the many coal miners who have been seriously handicapped by lung damage suffered from years of inhaling coal dust.

If this were true, I would be urging my colleagues to support this measure, but nothing could be further from the truth. What this bill, H.R. 4544, would do is to set up a special pension fund, in the guise of black lung disease benefits, for every individual who worked a certain number of years as a coal miner, regardless of any evidence, medical or otherwise, of actual disability.

The rationale for this incredible precedent is the contention that "everyone gets black lung" after a specified time in the mines. This argument is specifically and convincingly refuted by the following report, issued just last year by the National Academy of Sciences. The glossary alone refutes many of the arguments of the supporters of the act, but anyone who votes on the question of H.R. 4544 in its present form without reading this report risks casting a highly uninformed, expensive and dangerous vote:

COAL WORKERS' PNEUMOCONIOSIS—MEDICAL CONSIDERATIONS, SOME SOCIAL CONSIDERATIONS

GLOSSARY

A brief glossary is provided to assist the reader. It is important for the reader to distinguish between Coal Workers' Pneumoconiosis (CWP), a medical entity, and Black Lung Disease (BLD), a legal entity; and between disability and impairment or dysfunction.

CWP denotes a precise clinical entity. CWP may be defined as accumulation and retention of coal mine dust in lungs, coupled with the tissues' reaction to this dust.[1] An appreciable coal dust burden must be present before any tissue reaction occurs; the mere presence of dust in the lungs does not constitute pneumoconiosis. This definition of CWP is accepted by the International Labor Organization (ILO) and by most medical scientists.

By contrast, Black Lung Disease, as commonly used, is any chronic respiratory dis-

ease experienced by a coal miner, including CWP as defined above. It may be non-specific and pleomorphic. In many instances the "blackness" is indistiguishable from that present in the lungs of elderly inhabitants of industrial cities like Pittsburgh or New York.

Impairment signifies reduced or defective function. In the case of the lung, the impairment may involve any of the following processes: ventilation occurring between the lung and external environment, distribution of ventilation within the lung, and exchange of gases (oxygen and carbon dioxide) between the lung and circulation. In contrast, disability denotes incapacity for work or performance which may be partial or complete. Disability is determined by complex interrelations among the amount and type of work that is attempted, the amount and type of functional impairment that is present, and the person's perception of discomfort. Dysfunction, if severe, may be the principal cause of disability. Nonetheless, the same level of dysfunction in two persons is not necessarily accompanied by the same degree of disability. For example, ordinarily the loss of hearing would produce total disability in a musician, while barely affecting a proofreader, at least as far as earning capacity is concerned. Virtually all cigarette smokers, including those who are young adults, have some functional impairment of the lung, yet relatively few are disabled. A mild functional respiratory impairment of a coal miner does not imply inability to work.

CHAPTER 1: COAL WORKERS' PNEUMOCONIOSIS (CWP)

This chapter summarizes some relevant features of CWP, a well studied distinctive entity.

Classification

CWP exists in two forms—simple and complicated. Simple CWP is caused by dust alone, and is recognized by the presence of small opacities in the chest X-ray. It is divided into categories 1, 2, and 3 according to the extent and profusion of these opacities. There is a direct relation between the coal mine dust content of the lung and radiographic category (Rossiter 1972). Accordingly, the chest X-ray is the most effective way of monitoring dust exposure and retention occurring over long period of time.

The second form of the disease, complicated pneumoconiosis or Progressive Massive Fibrosis (PMF), is recognized by the presence on X-ray of one or more opacities greater than 1 cm in diameter. PMF is divided into categories A, B, and C according to the number and size of these opacities. A fairly heavy dust burden plus other unknown factors appear to be necessary antecedents before PMF occurs. PMF usually arises from categories 2 or 3 of simple CWP. Lee (1971) reported that approximately 2 percent of the cases of simple CWP develop PMF annually. Unlike simple CWP, PMF may progress in the absence of dust exposure, it may also develop after a coal miner has stopped working.

Pathology

The essential pathological lesion of simple CWP is the coal macule. Macules develop around the smallest air passages, called respiratory bronchioles, that lead directly into the air spaces or alveoli. When enough coal dust particles have aggregated around the respiratory bronchioles, the muscle tissue in the wall of the airway atrophies, the passages show irregular dilation, and some scarring (fibrosis) may appear (Heppleston 1963). Involvement of a cluster of bronchioles is often referred to as "focal emphysema," but unlike the emphysema seen following cigarette smoking, the focal variety is not associated with significant functional impairment.

The pathological findings in PMF, the more advanced form of CWP, are those of large conglomerate black fibrous masses (Morgan 1971). PMF is sometimes a misnomer since the lesions are not always massive or progressive. In some miners (20 percent to 40 percent) there is progression of category A to B and C (Cochrane et al. 1961). The large fibrous masses may distort or obliterate airways and more importantly, blood vessels, causing severe functional impairment of the heart as well as the lung.

Diagnosis: Reliance on X-ray

The diagnosis of CWP is based on a history of occupational exposure, X-ray findings, in some circumstances, direct examination of the lung by surgical biopsy or autopsy. The radiographic findings are not unique to CWP. Similar, occasionally indistinguishable findings may be seen with other occupational diseases, including silicosis, berylliosis, aluminosis, talc pneumoconiosis, and benign conditions such as silver polisher's lung and stannosis.

It is estimated that at least 10 to 15 years of underground mining are required to produce CWP. The occurrence of the disease after only 8 to 10 years of underground exposure is exceptional, probably occurring in less than 1 percent of miners (Gilson 1968, Lainhart 1969). If a miner has abnormal radiographic findings after working less than 5 years underground, it is unlikely that coal mine dust is the cause.

The chest X-ray is not a useful means of assessing the functional status of the lung nor of determining disability. Its value is in helping to determine the coal mine dust burden of the lungs, and to provide one of the essential ingredients for the diagnosis of CWP.

The previously described macules are radio-opaque, appearing as small rounded opacities on X-ray. The more dust retained, the greater the number of opacities and, hence, the more advanced the classification of simple CWP. Post-mortem studies have shown that the coal mine dust content of one lung (one side) having a diagnosis of category 1 (simple CWP) is usually 4 to 8 grams, of category 2, 8 to 12 grams, and category 3, 10 to 15 grams (Rossiter 1972).

The interpretation of X-rays for diagnosing CWP is acknowledged to be imperfect. Observers, upon reexamining the same film, may disagree with their earlier interpretation and propose a different category ("within observer variability"). Differences in interpretation among observers are also encountered ("between observer variability") (Peters et al. 1973, Reger and Morgan 1970). Moreover, the appearance of the film and its interpretation may be affected by a number of extraneous factors, including: how the X-ray is taken and developed, the girth of the subject, and the presence of non-related diseases. In spite of such limitations, the chest film remains the best available index of retention of coal mine dust. It is vital to large-scale studies designed to assess the prevalence of CWP.

With careful training and standardized X-ray techniques that rely on films of good quality, it is possible to achieve agreement among observers on X-ray categories of simple CWP in better than 8 out of 10 films. With a large mining population that includes many normal films, the measure of agreement is usually much higher.[2]

Dissatisfaction with the X-ray, even distrust, has found expression among coal miners and officials of the United Mine Workers of America (see Appendix, Section II.5). The charge has been made with justification that the program of X-raying coal miners is neither uniform nor efficient, and that on occasion the interpretation of X-ray is biased. Before 1972, miners whose applications for disability benefits were denied because their X-rays did not support the diagnosis of CWP were frustrated and angered. In a sense, an unfair burden was being placed on the X-ray. It could not be used to judge either the presence or degree of disability (other tests are needed for this), but only to determine if CWP was present and might serve as a basis for disability. With the passage of the Black Lung Benefits Act of 1972, the requirement of an abnormal chest X-ray for awarding disability was abolished.

Functional changes

Simple CWP may cause minor functional impairment (Lyons et al. 1967, Morgan 1972, Morgan et al. 1974, Seaton et al. 1972 a and b). For example, X-ray categories 2 and 3 (simple CWP) may be associated with: (a) reduction of the maximal ventilatory rates the subject can achieve owing to narrowing of the airways; (b) abnormalities in the distribution of inspired air; (c) slight diminution in the level of oxygen in arterial blood resulting from the uneven distribution of inspired air.[3]

None of these functional abnormalities is sufficient to cause disability. They do not impair the miner's capacity for work or reduce his life expectancy. Indeed, cigarette smoke probably causes more functional impairment among miners than does exposure to coal mine dust (Kibelstis et al. 1973). In the latter study, the association between smoking and narrowing of the tracheobronchial tree was over five times stronger than that between exposure to coal mine dust and airway narrowing; the subjects were coal face workers and surface workers.

PMF, especially categories B and C, is likely to be associated with serious functional impairment. In these advanced categories, the work of breathing is considerably increased due to airway obstruction (see Appendix, section III.2). In addition, the lung becomes a less efficient diffusing surface for oxygen, and arterial oxygen levels fall significantly. A proportion of the pulmonary vascular bed is destroyed, pulmonary blood pressure rises, and the right side of the heart is subjected to increasing stress. Eventually the right ventricle enlarges and fails. Miners with categories B and C are commonly short of breath on exertion and may even be short of breath at rest. There is no effective treatment for PMF, although relief can be provided for some of the symptoms.

Whereas PMF decreases life-expectancy, longevity of coal miners is not influenced by simple CWP nor by the number of years spent underground. (While the increased risk of deaths from accidents related to years spent underground might be expected to reduce longevity, this effect appears to be offset by a lower coronary artery disease and lung cancer incidence among coal miners. (Cochrane 1973, Ortmeyer et el. 1973, Ortmeyer et al. 1974). It should be noted, however, that this conclusion reached in the Ortmeyer studies cited above was based on data from the larger unionized coal mines, where accidents are probably fewer than in smaller, non-unionized mines.)

Prevention

CWP can be prevented through adequate dust control. Furthermore, if categories 2 and 3 of simple CWP can be prevented, complicated CWP (PMF) should virtually disappear. Studies in Great Britain (Rae 1971) suggest that the present U.S. respirable dust standard of 2 mg per cubic meter of air established by the Federal Coal Mine Health and Safety Act of 1969 should, if enforced, lower the incidence of simple CWP to less than 3 percent in all miners working underground as long as 35 years. German studies (Ulmer 1975) show that the long-term risk of developing CWP (X-ray category 1 or more) at 4 mg of respirable coal dust per cubic meter of air (current German standard) is less than 10 percent. The British and German studies employed meticulous techniques in correlating the progression of X-ray changes with the prevailing dust levels in mines over periods of 15 to 20 years. A sim-

ilar study is currently underway in selected U.S. coal mines under the joint sponsorship of the Public Health Service and the Mining Enforcement and Safety Administration. Some observers (see Appendix, Section II.5) have criticized this study, questioning both the validity of the measurements of dust levels and the objectivity of the medical assessments. The criticism appears to have some justification. While standardization of the techniques of taking and interpreting X-rays is vital to the study, a deliberate effort to achieve this end was started only two years ago and it may still be inadequate.[4]

Prevalence

The National Institute of Occupational Safety and Health (NIOSH) recently completed the first part of an extensive survey of working coal miners to determine the prevalence of CWP (Morgan et al. 1973). Between 1969 and 1971, 9,076 miners from 29 bituminous and 2 anthracite mines were examined. The overall prevalence of CWP was found to be nearly 30 percent; 2.5 percent of the miners had PMF.[5] The work force was divided into 5 groups according to a declining order of dust exposure: face, transportation, maintenance, miscellaneous underground tasks, and surface.

The relation between the prevalence of CWP and the geographic regions included in the study is shown in Figure 1. There was a decline in prevalence of CWP from East to West, the highest rate being found in Eastern anthracite miners. The reasons for these regional differences are not understood. Among the factors which might be responsible are undefined regional differences in both chemical composition and size-distribution of the coal mine dust. There is no evidence that systematic differences in working conditions play a role.

The relation between the prevalence of CWP by region to years of underground exposure is shown in Figure 2. Without exception, the prevalence increased with the duration of exposure to coal mine dust.

The most striking implication of the study is that controlling the respirable dust levels is the most effective means of reducing the incidence of CWP.

The relation between job category and predilection for CWP is shown in Figure 3. The prevalence of CWP was highest among workers at the face and least among those at the surface. Many of the miners in the category of miscellaneous underground tasks had duties involving work at the face which may account for their high rate of disease.

Finally, the relations between X-ray category, age, and years spent underground are shown in Table 1.

MAYOR "MIKE" OF NORTHVILLE

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. PURSELL. Mr. Speaker, there are many levels of public service, and many public officials who have served their communities with dedication and distinction. But there are some individuals who have exceeded the superlatives like outstanding and dedicated. In this superior order of public officials I rank the Mayor of Northville, Mich., Mayor A. Malcolm "Mike" Allen. Mayor Mike is one one of my oldest friends, and his wisdom and personal character make him one of the people I most respect.

Mayor Mike Allen has decided to retire as mayor Northville, a post he has held since 1958, capping a 25-year career in public service. I greet his decision with sadness, but also the satisfaction of seeing a fine man conclude a job well done.

Because of my deep respect for Mike Allen, and to express my personal thanks for all he has done for his community and State, I would like to acquaint my colleagues with this outstanding citizen.

The following article is reprinted from the Northville Record of July 6, 1977. This article outlines the career and some of the many accomplishments of Mayor Mike.

The article follows:

MAYOR ALLEN TO END POLITICAL CAREER

He was a 36-year-old businessman in Northville when at the last minute he decided to take a crack at running for public office.

That decision by A. Malcolm Allen, known by friend and foe alike simply as "Mike", proved to be a lasting one. Today, a quarter-century later, he still holds public office.

When he steps down as mayor in November, he will have served longer than any public official—village, city, township or school—in Northville's 150-year history.

Next to Dearborn's Mayor Orville Hubbard, he is acknowledged as the dean of Michigan's municipal leaders. He is only the second mayor to serve in this city's history.

In the span of those 25 years, Allen has never been seriously challenged for office. He has been consistently among the election favorites in the even dozen times he has run for office.

Allen has been so closely identified with the progress of this community over the years that the city council has named the new senior citizens apartment complex, under construction here now on Northville's historic Buchner Hill, in his honor.

That facility is expected to open about the time Allen officially steps down as mayor.

In March of 1952 when Allen decided to run for an unexpired two-year term on the then village commission, Northville was faced with a dying downtown section, primarily, studies showed at the time, because of inadequate parking accommodations.

That issue—off-street parking—became Allen's battle cry, and he has continued to champion that issue throughout his 25 years of service. It won him friends and enemies as he led the efforts to acquire all of the property for today's municipally-owned parking facilities.

The late Conrad Langfield was president of the village when Allen first ran for office.

Mary Alexander was clerk, A. Russell Clarke was treasurer, James Little was attorney, Joseph Denton was police chief, William McGee was fire chief, Herman "Bud" Hartner was superintendent of public works and water commission, Dr. George Chabut was health commissioner, and Stanley Waterloo was the building inspector.

Russell Amerman was superintendent of schools, and Mollie Lawrence was township supervisor.

As a village, Northville was still part of the township. As such, its citizens elected their own municipal leaders and, together with the remainder of the township, elected township board members as well.

Although he mounted no rigorous campaign—a characteristic of all of his election bids, Allen easily won his seat on the commission, defeating Levi M. Eaton by a vote of 226 to 118. Eaton had been appointed earlier to fill the seat of George Locke who moved to Marquette.

Also newly-elected in that race was Edward M. Bogart, assessor.

The year 1952 saw the late Oscar Hammond being elected as the American Legion commander, renovation of the post office on North Center Street, movement toward construction of a community building, annexation of more country school districts to the growing consolidated Northville district.

The new Northville State Hospital was dedicated that year, Northville joined the nation in electing General Dwight D. Eisenhower as their new president, and the late Edward Cardinal Mooney, archbishop, dedicated OLV's new school.

Besides Allen and Mr. Langfield, other members of the village commission in 1952 were John (Jack) Stubenvoll, Gerald Woodworth, the late Claude N. Ely, and Alton F. Peters.

Allen, who at the time lived at the northwest corner of Main and Griswold, retained his position as superintendent of Rural Hill Cemetery and was appointed to the fire commission by Langfield.

Re-elected to the commission in 1954, this time to a four-year term, Allen was joined by new commissioners Earl L. Reed and Ed C. Welch. The new president was the late Claude N. Ely, replacing Langfield who decided to retire from public office.

That was the year huge oil reserves were discovered in the vicinity, when Seven Mile Road—from Northville Road to Rogers Street—was extended, when the average teacher salary was raised to $3,000, when construction of the community building began, and when construction of Amerman Elementary School began.

Allen was among those leaders who spearheaded the incorporation of Northville as a city the following year.

In 1958, Allen was appointed mayor of Northville by fellow council members upon the death of Mayor Ely. Mr. Ely was the last village president and the first city mayor.

At the time of his appointment, Allen had been serving as mayor pro tem of the city—the senior member of the council, having led the ticket in each of his three elections. Thus, at the age of 43, he began the job he has held ever since.

The Record, at the time of his appointment, called him "a self-made businessman". Owner of Allen Monument Works, he had started learning his trade in Flint in 1932. He launched his business here in 1935, buying an interest in the Milford Granite Works the same year.

By 1958 he also owned Travers and Allen monument sales firm north of Flint.

As mayor, Allen began serving on the Wayne County Board of Supervisors—a position he held for years before it was reorganized as the present Wayne County Board of Commissioners.

During his long tenure on the village commission and city council and then, since 1958, as mayor of the city, he has been directly involved in most of the changes that have occurred here—ranging from city incorporation and annexation of properties on the north side of Base Line to construction of today's city hall.

His efforts, in many cases, were not without controversy. But despite the sometimes heated public resentment, he somehow has maintained a friendly relationship with even those who disliked his actions most.

Perhaps more than any other, he is either directly or indirectly responsible for—

Acquisition of property from Wayne County the land at the curve of East Main Street at Cady, which was used in part for private industrial development.

Acquisition from Wayne Couny the property near the Northville Spring, known as the Jaycee Park.

Acquisition from Wayne County property at the corner of River Street and Seven Mile to facilitate expansion of Northville Downs.

Transfer of Center Street jurisdiction from Wayne County to the city.

Acquisition of land off Gerald Avenue for a landfill and later for development of the Department of Public Works center.

Spearheading installation of major sewer and water lines through Northville by the county and Detroit, and acquisition of a well site on Novi Road which later was sold for private development and establishment of park lands.

Development of Joe Denton Park, the Fish Hatchery Park, and park lands and open space in the Maplewood area and elsewhere in the city.

Locating of Anger Manufacturing in Northville.

Paving of Randolph Street.

Property acquisition and development of Northville Square.

Establishment of sites for Kroger and Chatham stores.

Acquisition of properties for the extension of Griswold Street.

Development of the Eight Mile and Seven Mile cutoffs through Northville.

The razing of unsightly buildings in the alleys of the Central Business District.

Maintenance, enlargement and improvement of Rural Hill Cemetery and construction of the new cemetery drive bridge.

And construction of the city hall, Scout Building, the DPW garages and office, and the senior citizens apartment complex that bears his name.

THE 25TH ANNIVERSARY OF THE COMMONWEALTH OF PUERTO RICO

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. ULLMAN. Mr. Speaker, on July 25, 1977, the people of Puerto Rico will be celebrating the 25th anniversary of the establishment of Commonwealth status.

The relationship between Puerto Rico and the United States, based upon the principles of interdependence and free association, has been a fruitful one, and the people of Puerto Rico can be proud of their achievements.

Since 1950, GNP has increased from $755 million to $7.7 billion; life expectancy has risen from 46 to 68 years. Per capita income is $2,000, and 90 percent of the population of Puerto Rico is literate.

Although the island's industrialization program has undergone a temporary setback since the shock of the 1973 oil price increase, and Puerto Rico continues to struggle against combined inflationary and recessionary pressures, the concept of the Commonwealth form of government has withstood the test of time, and the United States will continue to look upon Puerto Rico as a close partner, friend and neighbor.

I would like to share with my colleagues an article by Jonathan Evan Maslow which appeared recently in the New Republic:

[From the New Republic, July 2, 1977]

PUERTO RICO, THE 51ST STATE?

Americans who only read of Puerto Rico in travel brochures— or when a terrorist bomb shatters skyscraper glass—must have greeted last New Year's headlines with some bewilderment. For it was on New Year's Eve that Gerald Ford came off the Vail slopes and proposed Puerto Rican statehood. Were we really offering this Caribbean commonwealth a place in the Union, a star on our flag? Then Jimmy Carter returned the Puerto Rican status issue to its long-held spot in oblivion. Congress should take no action, said Carter, "until the Puerto Rican people express a preference"—to remain a commonwealth, join the Union as a state, or become an independent republic. Now this was more like it: Puerto Ricans have been arguing their island's political status preference ever since the U.S. Army invaded in 1898. Seventy-nine years later they have still come to no conclusion and under the Carter plan they will undoubtedly be debating the issue 79 years from now.

Ford's apres-ski remarks coincided with the advent in San Juan of a pro-statehood administration under the New Progressive party of Governor Carlos Romero Barcelo. His election marks the first time in Puerto Rican history that the statehood forces—allied with the mainland's Republicans—won an electoral majority against the Popular Democrats, counterpart of the mainland Democrats. The lameduck President's statement paid a political debt—the Puerto Rican delegates to the Republican national convention had delivered their four votes to Ford in expectation of his backing statehood. But, Ford spoke before consulting a single Puerto Rican, and no one in Congress took his statement the least bit seriously. And though Ford may have intended to assist statehood forces, actually he embarrassed and irritated the new Puerto Rican administration. Romero had campaigned on a pledge to strenuously avoid the status issue until he could improve the horrendous economic conditions prevailing on the island for the past four years.

Until 1973, Puerto Rico was a model of Caribbean progress. The island's industrialization program, known as Operation Bootstrap, dates from the postwar era when the father of modern Puerto Rico, four-term Governor Luis-Munoz Marin, began luring American corporations to the island. At that time, rapid modernization seemed the only way to save Puerto Rico from the curses of high population, a plantation agricultural system and its despairing colonial mentality. In two decades, Operation Bootstrap transformed Puerto Rico from the poorhouse of the Caribbean to "a showcase of democratic development."

Few Puerto Ricans seriously question the material benefits the island has gained from its postcolonial economic association with the mainland. GNP has increased from $755 million in 1950 to $7.7 billion last year. Life expectancy has risen from 46 to 68 years in the same period, and 90 percent of the population is literate. Per capita income is $2000, far above any Latin nation, though only two-thirds of Mississippi's average income.

More than 2000 American companies have hustled south to take advantage of Operation Bootstrap's corporate tax exemptions and the seemingly limitless supply of willing factory hands. Pharmaceutical companies have moved to Puerto Rico in such great numbers that islanders often refer to their native land as "the pill capital of the world." Furthermore, a booming construction industry has blanketed the island with housing developments and condominiums; the bond market has buzzed with Puerto Rican issues as the commonwealth built an infrastructure of roads, docks, water and power facilities to service the industrial sector. A billion dollars worth of American food products are imported annually, along with enough automobiles and television sets to satisfy a voracious internal consumer market; and—at least through 1973—a three-billion-dollar petrochemical industry was all set to refine that "cheap foreign crude" which was supposed to serve as an artificial resource base for a century of economic growth in plastics and textiles.

But, the OPEC price surge staggered the petrochemical industry. Imported food prices soared. The construction industry collapsed, and the jittery bond market downrated Puerto Rican notes to prevent a "New York situation." Reeling under the simultaneous inflation and recession, Puerto Rico suddenly lost its attractiveness for new American investment. Two years ago, the Popular Democratic administration of Governor Rafael Hernandez Colon braked the economy sharply to restore investor confidence. The austerity measures, including new taxes, government cutbacks, and a wage freeze in the public sector, spawned massive labor unrest, sending rank and file workers straight to the arms of Mr. Romero and his New Progressives.

Today the slump remains intractable. Fully half the 3.7 million natives are calculated as living below the federal poverty line. Two thirds of the island's families subsist on federally supplied food stamps, a $593 million annual transfusion from Washington, which, as former Governor Luis Ferre told me, "saved the island from complete economic collapse." Government economists estimate that 40 percent of the labor force may be out of work. But the despair of ordinary Puerto Ricans is best demonstrated not by the statistics, but by the very fact that they have turned, at the bottom of this depression, to—of all people—the Republicans.

Governor Romero, formerly the mayor of San Juan, is the man generally credited with having convinced the Nixon administration to extend the food stamp program to Puerto Rico. He made this accomplishment a centerpiece of his election campaign, and he argued that he could pull off the same feat with other US social programs. The new governor promises more federal public works funds, countercyclical federal stimulus, federal housing programs, federal grants, stamps and increased unemployment compensation. In essence, the governor's economic recovery program is based on the very un-Republican theory that federal spending is the best bootstrap for Puerto Rico.

The new administration's economics have a direct connection to its statehood ambitions. In the most recent island plebiscite on status, in 1967, 60 percent of the electorate favored the present commonwealth arrangement and only 39 percent favored statehood; the independence movement boycotted the plebiscite. Governor Romero signaled his strategy in a book entitled Statehood is for the Poor. As former Governor Ferre puts it, "Once Puerto Ricans are getting food stamps, social security, federally guaranteed home mortgages, and unemployment benefits, statehood becomes inevitable. To become independent under those circumstances would be a return to the beautiful era of the Indians." Washington's financial support of Puerto Rico, exclusive of defense costs, now amounts to two billion dollars a year. Before calling for a new status plebiscite the Romero administration hopes to double that aid over the next four years. Ironically, the American subsidy of Puerto Rico far outdoes Russia's one million-dollar-a-day support of Cuba—and one certainly doesn't hear the Cubans threatening independence from the Soviets.

Nevertheless, this "locking-in" strategy by no means guarantees a pro-statehood majority at the next plebiscite. Although Puerto Rican political alignments have generally followed the status question, islanders readily abandon status politics when it's in their economic interest to do so. The statehood movement, in fact, gained its first adherents shortly after the American invasion when local anarcho-syndicalists promoted entrance into the Union as a means of

winning the eight-hour day. The independence movement, on the other hand, has never had a credible economic program and has never won more than 10 percent of the vote. Traditionally, advocating independence for Puerto Rico was a parlor game for the island's intellectual elite. In the '30's, the pro-independence Nationalists wore black shirts and borrowed a strange semi-mystical ideology from the Irish Republicans and the Spanish Falangists. The '60's wed the independence and student antiwar movements, but their neo-Cuban socialism lacked any appeal whatsoever for the Puerto Rican masses, and the movement soon fragmented. Extremist remnants such as the FALN are now "carrying the struggle" to the mainland with their pipe bombs.

The Popular Democrats were the first party to declare explicitly that a social-economic program took precedence over the long and stultifying status debate. Accordingly, Luis Munoz Marin created the Commonwealth as a means of industrializing the economy and raising living standards. Only in the past 10 years since Munoz's retirement has the Commonwealth been thought of as a permanent status option. But by this time commonwealth status is strongly identified with Bootstrap economics and this relationship was a major reason for the Popular Party's debacle at the polls last November.

Puerto Ricans now criticize Operation Bootstrap on two counts. Complete dependence on investment and imports from the mainland have left Puerto Rico highly vulnerable to the US business cycle, and created a pseudo-American lifestyle centering around the automobile, the ranch house, the hamburger, and, of course, television. Little public or private capital has been employed to modernize farming. As Governor Romero protested in his first State of the Commonwealth address: "While we import most of our food, most of our land is cultivated inefficiently or lies abandoned."

Dependence on the mainland has also left the island without an indigenous entrepreneurial class, so crucial to the success of industrial revolutions in underdeveloped lands. Local capital formation is practically nonexistent and Puerto Ricans are far more likely to put their money into real estate speculation or bank it abroad. In addition, the Commonwealth has never required American companies to train Puerto Ricans to improve their lot in the industrialized economy. In the studies made prior to the Commonwealth's purchase of the Puerto Rican Telephone Company in 1974 it came to light that after 60 years of operation on the island, ITT's subsidiary was still run by an all-white, all-male, continental management team. Not a single Puerto Rican had ever held a top executive position.

The island might still have survived the recession had it not been for Operation Bootstrap's second and grosser failure—the failure to resolve the island's profound population problem. Even in the heyday of economic growth Puerto Rico exported surplus population at a frightening rate. Two million Puerto Ricans presently live on the mainland, but even so the island's population density is 925 people per square mile, higher than India's. Until the onset of recession, the mainland barrios served as a spillover for Puerto Rican migrants. Now, however, the mainland recession has reversed the flow of migration back to the island. Last year, Puerto Ricans streaming homeward accounted for a two percent population increase. The great tragedy is that prodigal Puerto Ricans find themselves as redundant in San Juan and Ponce as they are in New York and Chicago. Worse, the world recession has driven a wave of legal and illegal Latin aliens to Puerto Rico—140,000 in the last three years. Operation Bootstrap simply can't provide jobs for these people. As Teodoro Moscoso, Bootstrap's director for 25 years, frankly admits: "There's just no way. The unemployed of 20 years from now were born yesterday." Moscoso not long ago outraged the island's Catholic majority by publicly suggesting that birth control pills be poured into the water supply. He retired from office shortly thereafter.

Governor Romero has assumed the post of Operation Bootstrap's chief critic, but his designs on the US Treasury do not assure a revived economy. For one thing, Congress may tire of the costly pump-priming operation. Last year, Representative Albert Quie (R, Minn.) introduced legislation to make Puerto Ricans pay Federal income taxes like ordinary Americans (under the Commonwealth compact, Puerto Ricans escape the 1040). The Quie legislation was roundly defeated by congressional liberals. But with Republicans now in power in San Juan, mainland liberals will be under pressure from island Democrats to thwart Governor Romero's efforts to achieve statehood by maximizing dependency on Washington.

Statehood is also made a doubtful prospect by Puerto Rico's connection to American multinationals. US corporations have provided 150,000 new jobs for Puerto Rico, but they are there because Puerto Rico is neither a country nor a state. Independence would place Puerto Rico outside the American tariff, making it unprofitable for US companies to carry on their export manufacturing. Statehood would render the islands corporate tax exemption illegal. So both status options are seen as precipitating a devastating flight of American capital. The presence of five billion dollars in American fixed investment favors the status quo Puerto Ricans cannot afford to throw the Yankees out, but neither can they afford to become Yankees.—Jonathan Evan Maslow.

INTELLIGENCE COMMITTEE HAS A SECURITY LAPSE

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. TREEN. Mr. Speaker, last Thursday the House passed House Resolution 658, which established a permanent Select Committee on Intelligence. Based on our recent experience with another House Select Committe on Intelligence, the success or failure of this new committee may well depend on the ability of the committee and its members to implement effective and workable procedures for the control of classified information.

The provisions of House Resolution 658 seem to me to be completely inadequate in this regard. During debate, specific questions were raised with regard to several provisions of the resolution which deal with disclosure and control. The answers of the gentleman from Missouri, the manager of the resolution, and of the majority leader, were unresponsive and revealed their apparent uncertainty over these provisions.

Even though the resolution has been passed, I think it is important, as a matter of public record, to inform the Members of the House of these apparent defects. If my interpretation is incorrect I will gladly stand corrected. If not, I hope that the leadership will take prompt corrective action.

The resolution adds a new rule XLVIII to the current rules of the House. Clauses 6 and 7 of the new rule deal with disclosure and control of classified information.

Clause 6 allows the committee to prevent the disclosure of information which violates the privacy or constitutional rights of individuals. This concern for individual rights is well taken. However, on its face the resolution does not make any comparable provisions for the control of information, based solely on security classification and considerations of national security.

Clauses 7(a) and 7(b) establish a procedure where the committee may disclose publicly any information in its possession. Allowance is made for objection by the President, and for the committee, subsequent to and not withstanding the objections of the President, to vote to recommend that the issue of disclosure be considered in a closed session of the House.

Clauses 7(c)(1) and 7(c)(2) appear to direct the committee to disclose information in its possession to other Members and committees of the House, under regulations which the committee shall prescribe. Clauses 7(d) and 7(e) provide that the Committee on Standards of Official Conduct shall investigate, and report on, unauthorized disclosure of intelligence or intelligence-related information.

However, the Catch 22 in these provisions is that they apply only to information which is classified and which the committee has determined shall not be disclosed under paragraph (b)(2) of clause 7.

Clause 7(b)(2) is an integral part of the procedure whereby the committee may disclose publicly any information in its possession, allowing for the objections of the President, and action by the committee and the House, in spite of those objections. Clause 7(b)(2) provides:

> The select committee may disclose publicly such information after the expiration of a five-day period following the day on which notice of such vote is transmitted to the President, unless, prior to the expiration of such five-day period, the President, personally in writing, notifies the committee that he objects to the disclosure of such information, provides his reasons therefor, and certifies that the threat to the national interest of the United States posed by such disclosure is of such gravity that it outweighs any public interest in the disclosure.

In other words, the only explicit provision in the resolution for making classified information held by the committee available to other Members and committees applies only to information where the President has objected to public disclosure, under procedures which were designed to deal with extraordinary questions of public disclosure, and which have no logical or necessary relationship to the question of disclosure to other Members and committees.

Similarly, the authority given to the Committee on Standards of Official

Conduct, under clauses 7(d) and 7(e) of the new rule, to investigate unauthorized disclosure of classified information, is limited to classified information which has been subject to the procedures for public disclosure, and Presidential objection, in clause 7(a)(2).

The resolution makes no explicit provision for the committee to disclose, or decline to disclose, other classified information in its possession which has not been subject to the clause 7(b)(2) procedure.

Of course the House operates under other rules and laws which relate to the disclosure of information. House rule XI (2)(e)(2), which the resolution applies to the select committee, provides in part that:

All committee hearings, records, data, charts, and files . . . shall be the property of the House and all Members of the House shall have access thereto, except that in the case of records in the Committee on Standards of Official Conduct. . . .

During debate, it was asked to what extent this rule would be modified by the provisions of House Resolution 658. The majority leader replied—H. 7116—that the committee would be able to establish procedures for the control of "classified information." Similarly, the committee report (95–498) on House Resolution 658 states on page 3:

The committee would be required to prescribe regulations to protect the confidentiality of any information which may be made available to any other committee or any Member of the House. The Committee on Standards of Official Conduct would investigate and report to the House any unauthorized disclosure of intelligence information by a Member, officer, or employee.

However, the resolution extends the authority of the committee, and of the Committee on Standards of Official Conduct, only to information which has been classified, and which has been subjected to the procedures in clause 7(b)(2). All other classified information in the possession of the committee would be available to any Member of the House under rule XI(2)(e)(2).

Current security regulations are established by Executive order, and do not apply to the Members or staff of the Congress. The only restraints on the Members and staff of the Congress are limited in application, and have been shown to be largely ineffective.

The espionage statutes—18 U.S.C.A. et seq.—are generally restricted to disclosure to enemy agents with the intent to injure the United States or assist a foreign nation, and do not effectively apply to general public disclosure of classified information.

The protection provided by the speech and debate clause, in article I, section 6 of the Constitution, does not extend to proceedings within the Congress, and under article 5, section 5 of the Constitution, each House may determine the rules of its own proceedings, and may punish and expell a Member. Senate rule XXXVI establishes procedures for the control of classified information, and provides sanctions for violations. The House has no comparable procedure, and on the basis of a careful reading, House Resolution 658 does not provide one.

GOVERNMENT AND EDUCATION

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. GINN. Mr. Speaker, Dr. Rufus C. Harris, internationally acclaimed educator and President of Mercer University in Macon, Ga., recently presented a most eloquent statement to his board of trustees regarding Government regulation of private colleges. He points out that the private college in America should be included on the endangered species list as a result of the onslaught of regulations and guidelines.

Dr. Harris makes his point more effectively than I could ever relate it to the House, and I insert his statement in the RECORD at this point:

GOVERNMENT AND EDUCATION

Telling administrative officers of colleges and universities that they are operating in a quagmire of government regulation and interference is hardly big news to them. The professional journals and conferences, their mail, their daily routine all overflow with tidal waves of activities, regulations and legislation that threaten to wash away our freedom. On all sides, we are being told that the sophisticated, experienced administrator must recognize that increasing control is inevitable; that we must learn to swim or sink. We are no longer asked if we can cope with the regulatory environment. We are told we must.

It seems time to ask, it is regulation or strangulation? The private college, as we know it today is an endangered species, due to overdoses of regulation and guidelines. We are suffering through a most dangerous crisis. Businesses bigger than colleges have crumbled when decisions that affect solvency are made by bodies that bear little if any of the financial responsibility.

Every area of college management and operation today is influenced in some measure by government regulations pending or in effect. Our practices of employing or discharging personnel from the lowest to the highest ones; paying them; how we release them or pay them, are now controlled. Permits and licenses must cover everything. Our premises are subject to inspection from agencies that govern the ways we dispose of waste, the ways we protect against fire, the ways we make secure the campus, the ways we maintain sanitary conditions.

Other promised regulations seek to restrict us in the matter of the students which we can and we cannot accept, the persons and percentages of those whom we may employ. The bureaucrats do not care whether we employ competent teachers and scholars, so long as we employ the percentages they prescribe in sex and color. With it all, we have become the nation's whipping boy, flailed for our "inability to contain costs" when indeed our regulators are a major part of that problem.

It has been estimated by one of America's leading economists, Dr. Murray Weidenbaum, that it costs taxpayers $4 billion a year to support the agencies that ride herd on business. No one, to my knowledge, has isolated the funds that colleges must generate to comply with the government bodies we must answer to, funds that must in turn be retrieved in charges if we are to remain solvent. The controls are profuse and are inseparably entwined through our entire fabric.

Some regulation would be expected in quality preparation. No one could oppose adequate wages for personnel, good working conditions, financial aid for the indigent, or the goal of equal access for all to quality education at reasonable cost. But should the main direction of regulation encompass only students and employed personnel? As the organization which provides education, it seems our needs have been largely getting lip service, where in many instances support was promised in full.

It seems difficult to understand how political agencies can regulate so much of the college endeavor when they are not charged with the financial responsibility of them. In another year or so, it may be too late to get out from under this blanket of bureaucracy. But it will not go away by itself. We need muscle behind our objections. We need to make them known in every way we can. In the guise of assisting the colleges, in many instances what HEW is obviously attempting to determine is the admitting practice of the colleges and whether their practices are discriminatory. We should become weary of reaffirming over and over and over again that we voluntarily desegregated this college.

"Discriminate" means more than acting on the basis of prejudice. It also means the ability to make a clear distinction, and in modern education that distinction must remain in the hands of those best qualified to do so. We understand that some advice is needed and can be helpful, but we are proceeding beyond the point of no return. It would be unfortunate if we should become so inured that we become passive, accepting control as inevitable without objection or resistance. If the public is not aware of the cost or consequences, it is time we made everyone aware. By speaking out—and loudly—now, we may not change the past, but hopefully we may slow down some controls in the future.

SUPPORT OF PASSIVE RESTRAINTS IN NEW CARS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. MAZZOLI. Mr. Speaker, I want to go on record strongly in support of our former House colleague Secretary Brock Adams' decision to require airbags or other passive restraints in new cars beginning for many models in September 1981.

My only reservation with Brock's decision is that I wish an earlier deadline for mandatory airbags could have been ordered.

There are those who argue that this decision is an encroachment on the individual freedoms of American citizens. But that, Mr. Speaker, is simply not the case.

This decision gives an individual freedom: the freedom to get in one's car and drive off without unnecessary fear of being killed. As Colman McCarthy wrote in a recent Washington Post: "Such a freedom is worth preserving."

I have written Secretary Adams praising his decision and urging him to consider accelerating the airbag timetable.

For the benefit of my colleagues, I am inserting into the RECORD the McCarthy column which makes some excellent contributions to the discussion of the important public-safety issue:

THE FREEDOM TO CHOOSE SAFETY

(By Colman McCarthy)

As a listener to nearly every meaningful syllable uttered in the current debate on air bags, I have yet to hear from the one citizen I've been waiting for: a crash victim saved by an air bag but who is against air bags. I have listened to other opponents, from those who see the Department of Transportation's favorable ruling on this passive restraint system as Big Brotherism on the march again to others who believe air bags are being imposed as unproven and costly gimmicks that represent still another theft of what one congressman calls "our individual freedoms."

Many have been persuaded by these arguments, but for myself nothing would be more convincing than the words of a man who should be dead but who lives to denounce the federal government for denying him the individual freedom to be killed in his car. I would be persuaded by a man who walked away from a head-on collision livid that he had to pay $100 or even $200 to have his life saved.

If we haven't heard from this person, assumption can be safely made, as our cars are not, that he doesn't exist. It is hard to imagine the automobile industry—the air bag's most stubborn opponent—not searching out, and then gleefully exploiting, at least one negative reaction from the one group of motorists whose knowledge of air bags is experiental, not theoretical.

This group is not large but it is alive, well, and has seen the gore in crashes from Mercer, Pa., to Needles, Calif. Although no air bag cars are currently on sale, about 12,000 vehicles so equipped—mostly General Motors cars from 1974 to 1976—have been on the highways. As of July 1, 153 crashes have occurred, involving 219 front-seat occupants.

Of the 219 crashers, 215 survived, and nearly all of those without major injuries. From a sampling of the survivors' sentiments, an ardency for air bags is evident.

The most recent partisan is C. W. Beck, a state senator from Port Orchard, Wash. On June 18, he wrote a letter to his friend Brock Adams, the Secretary of Transportation, who was then in the process of deciding favorably on air bags and hoping his decision would not be vetoed by Congress. Beck reported the details of his crash:

"On Tuesday, June 7, 1977, I was involved in a two-car collision on a perfectly clear, warm, dry day at the intersection of two Kitsap County arterials in which the lady who was driving the other car was killed. I am able to be sitting here today writing to you without a scratch, bruise, ache or pain because my car was equipped with an ACRS [air cushion restraint system]. I'm sure I owe my life to this device.

"You may not recall the car, but you rode in it about two years ago for a short distance in Seattle to the Olympic Hotel. It was a gray Cadillac Eldorado and was new then. It now has about 49,000 miles on it. It is no more, both cars were totaled out . . .

"I was driving in a 40 mph speed zone with my cruise control set at 39 mph. Only two cars were visible to me, one coming towards me and the one which I hit. It had pulled up to a boulevard stop sign and made what looked to be a legal stop.

"When I was about 50–75 feet from the intersection, the other car suddenly darted out, fast. I applied my brakes and swerved to the right but could not prevent the impact. I hit the right side of the other car head-on with my brakes set and skidding to swerve to the right.

"After the impact, both cars were diverted, mine to the right and the other to the left. My car had a multiple impact; it hit a telephone pole and sheared the pole off at the ground level.

"The sudden explosion and puff from the inflator assembly was heard and the bag inflated before I felt the impact and sudden stop of the vehicle. The inflation of this air bag was astounding. I worked as an engineer during the war and for many years with tools as an instrument maker and I couldn't believe the sensors from the bumper could actuate the inflators so fast.

"Normally, I wear seat belts, but this time I neglected them. This did not impair the air bags from performing their duty. The lap belt would have prevented me from being thrown around in the front seat.

"The bag in the steering wheel was the most effective; the passenger air cushion inflated and prevented me from being thrown to the floor on the passenger side. In fact, it shoved me back into an upright position behind the wheel. I was protected by both bags . . .

"At no time was my vision impaired by any part of the [air bag]. Rolling around with the lower part of my face in the steering wheel bag, I knocked my glasses off and they fell to the floor but they were not broken and I put them on before I got out of the car."

Similar testimony has come from other survivors, including a movie stunt man. He told the Department of Transportation last year that "when you look at a 44-ton brick wall and you know it is coming at you, you think of a whole lot of things, but the least of which is how much this air bag costs you."

For me, these voices are the most credible, and therefore the most persuasive. But even then, a judgment on air bags can be made in the area of the debate in which its opponents are most comfortable, the so-called "individual freedom" issue. The individual motorist must be free of the government's excessive power to restrict his liberty, even if government officials mean to keep you from danger. A Pennsylvania congressman, Bud Shuster, says "this air bag edict is a very small piece of a heavy and dark blanket, gradually being lowered over a free people by their paternalistic government."

Put that way, the question becomes even broader. Whom do we choose to trust and believe: Big Brother in Washington or Big Cousin in Detroit? Both relatives have their nasty habits, but if I had a choice to disown either, it would be Big Cousin. Not only have automakers repeatedly resisted safety innovations but they have raised the cost of cars by heavily promoting those pictures of their products that do nothing at all to protect motorists.

When pressed by the gory consequences, auto executives plead their case with the argument of innocence: Don't blame us, we just give the customer what he wants. If that's the case, the showrooms of America are jammed with customers clamoring for cars that are incessantly being recalled fo safety defects, that poison the air and can cost up to $686 in repairs for a front-end crash at 10 mph.

One who trusted Detroit more than the pro-air bag advisers in his own department was former Transportation Secretary William E. Coleman Jr. Last December, when he decided not to decide on air bags, Coleman struck an agreement with GM, Ford and Mercedes to offer air bags as options on a small number of cars. The agreement was a curious one, in light of earlier industry promises.

In 1970, General Motors said, as quoted in a recent report from the Insurance Institute for Highway Safety, "In the fall of 1974, the air cushion would be made standard equipment on all 1975 GM passenger cars . . ." Chrysler said, "We hope to be in a position to provide passive restraint systems in volume production by Jan. 1, 1975." Ford said in 1970 that "air bags for the front right and center occupants could be installed in all 1975 model cars . . ."

Now it is 1983 before citizens can buy air bags as standard equipment on all cars. Tens of thousands of men, women and children will be killed before then. Few of these potential victims are likely to have strong ideological feeling one way or the other about air bags and the moral responsibility of government or industry to provide them. Most people probably assume that whatever is in the marketplace has to be safe or else it wouldn't be there. We have safety laws, don't we? And isn't there competition?

But the carnage occurs daily. The emotional cost to bereaved families is beyond counting. Estimates of other costs are more easily figured: Nationwide Insurance says air bags would mean an annual reduction of $2.5 billion in insurance premiums. The hospital care for citizens crippled in car crashes exceeds $1 billion a year.

Neither I nor anyone I know expects to be killed or maimed in a car crash, either today, this year or this century. But this is an expectation of the heart, not the head, because somewhere in America more than 100 people die every day in car crashes. The issue is less whether the government should protect lovers of liberty like Rep. Shuster than what it should do about the safety of countless citizens. Cars have become love objects, dream fulfillments, as well as common transporters, but who except the rare citizen suspects them of being potential exterminators? The air bag is merely the best system yet devised to give an individual the freedom to get in his car and drive off without suspecting that he may be killed. Such a freedom is worth preserving.

YOUNGSTOWN VINDICATOR SUPPORTS NO-FAULT

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. CARNEY. Mr. Speaker, the following editorial appeared in the Youngstown Vindicator on Tuesday, July 19, 1977, regarding the need for national no-fault insurance legislation.

I agree with the Vindicator that the time has come to enact no-fault insurance legislation. Victims of automobile accidents must get prompt and fair compensation for losses resulting from injury or death, without the need to decide who is to blame for the tragedy. No-fault motor vehicle insurance can accomplish this.

I commend the Vindicator for taking a stand on this controversial issue, and I would like at this time to share this editorial with my colleagues:

CARTER SUPPORTS NO-FAULT

Congress has been considering no-fault insurance legislation for six years, but has always defeated it by a narrow margin, largely because of opposition from the Nixon and Ford administrations. Now a federal standard for auto insurance that pays accident victims automatically has unprecedented support from the White House, and prospects are looking up despite the powerful opposition of the American Trial Lawyers Association, representing lawyers who try auto accident personal injury cases.

The Department of Transportation recently concluded from a study of the 16 states that already have no-fault systems that victims of auto accidents in those states get faster and fairer compensation than those in other states. Under the plan proposed in both the Senate and the House, car owners would have to buy insurance. In the event of an accident, all reasonable medical and rehabilitation bills up to $100,000 for driver and passengers would be paid automatically no matter who caused the accident. The car owner could buy extra coverage up to $1 million.

Lost wages up to $12,000 and the costs of replacement services for housewives for one year would be paid, as would funeral expenses up to $1,000. Victims could still sue for economic losses beyond those amounts and could sue for pain and suffering in cases of wrongful death, disablement for more than six months and gross disfigurement or permanent injury.

Supporters of no-fault maintain that by eliminating the cost of litigation, the no-fault system provides larger benefits for the same insurance premiums. Records compiled by the insurance companies in the 16 states with no-fault legislation support this argument. In most cases, but not all, premium rates are lowered by no-fault plans, depending on the extent of the no-fault coverage.

In 1972, the Senate voted down no-fault 49 to 46, but in 1974 passed it, 53 to 42. There was no action in either instance by the House. In 1976, the Senate defeated it again, 49 to 45. Considering the fact that a good many legislators are trial lawyers who have a vested interest in preserving the tort, or fault system, it is significant that so many of them support no-fault. Enough time has been spent determining the facts. Both the House and Senate should go ahead with the bill.

IN PRAISE OF TELEPHONES AND THE NEW YORK TELEPHONE CO.

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. KOCH. Mr. Speaker, on July 13, 1977, at about 9:30 p.m. the lights of the city of New York went out. The city did not grind to a halt, it halted. It is not my intention at this time to discuss the failures of Con Ed or the looting which ensued in some parts of our city. Rather, I would like to dwell on one of the few positive aspects that made it possible to get through a long hot night. It was the telephone system. Yes, the telephones continued to work, and it was possible for people who were terribly worried about their relatives and friends to call and to be reassured. The same continued telephone service which operated during the power failure of 1965 was repeated in the power failure of 1977.

I have been to a number of other countries, including Mexico and the Soviet Union to cite just two, and it was always remarkable to discover how poor their telephone systems were to say nothing of the paucity of telephones available to the citizens of those countries. Here in the United States, telephone service is deemed to be an essential service encompassing the poor as well as the rich and not the prerogative of the upper or middle class. In the past I have had a number of disagreements with the New York Telephone Co., for example, on rates and the substitution of numbers for letters on the telephone exchanges. And there was a time when the telephone company sought to hire as operators welfare recipients and individuals without adequate education, which, although it was an admirable policy, caused extreme difficulties in obtaining a telephone number from an information operator.

Indeed, on one occasion I read in Pete Hamill's news column that he had sought to get my telephone number, which is listed, from the information operator. He reported his conversation with the information operator, as I recall it, as follows: "I would like the number of Congressman KOCH." The reply from the operator after she had apparently studied the records was "there is no KOCH with the first name Congressman listed in our records." That does not happen any more and it is because the telephone company has trained its operators well.

I asked New York Telephone to provide me with some facts concerning its activities during the night of July 13 and I am appending that report to this statement. Since I have never hesitated to criticize the telephone company when I thought criticism appropriate, I am delighted to be able to praise it. Its performance on the night of July 13 and thereafter was superb.

STATEMENT OF NEW YORK TELEPHONE COMPANY

On July 13, 1977, New York City was plunged into darkness by a massive power failure. The lights of the city flickered off at 9:35 p.m., and with the loss of electricity, most of the normal activities of Manhattan and the rest of the city came to a halt. A principal exception was the telephone system.

As happened in the great blackout of 1965, New York Telephone and other Bell System subsidiaries took immediate steps to make sure there was no break in vitally needed communications.

All telephone switching centers in the affected area were able to use emergency power generating equipment maintained by the telephone company. A total of 106 New York Telephone Company equipment buildings and six long distance centers operated by AT&T's Long Lines division were involved.

Although there were periods of network congestion throughout the first night and following morning because of the heavy volume of calls, there was no interruption of either local or long distance service.

Using an emergency plan coordinated by New York Telephone's Emergency Control Center, the Bell System was able to handle 80 million outgoing calls as opposed to 36 million on an average day. By limiting the number of incoming calls, customers in blacked out areas were assured that their own calls would get through. In some cases, the entire nationwide network was brought into play. Calls from New Jersey to New York, for example, were routed by way of Long Beach, California, in order to avoid overloading certain New York switching offices. Round-the-clock communications with other Bell System companies made sure that special network controls were in effect throughout the blackout.

The special needs of the stricken city were also handled promptly. Within two hours after receiving a request from the Mayor's office, for instance, New York Telephone had installed 24 lines to the City's emergency communications center.

Throughout the emergency, other Bell System companies including Western Electric and New Jersey Bell came to the assistance of the New York Telephone Company. Local telephone people also demonstrated unusual dedication to duty. Despite limited transportation during the early part of the blackout, 85 percent of New York Telephone employees reported for work.

The fact that the communications network continued to operate well made it easier for New York City's citizens to live through the emergency.

SALUTE TO NATIONAL MUSIC CAMP

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. CEDERBERG. Mr. Speaker, for many of us, when you mention the words "summer camp" and "musical instruction," we conjure up two different, perhaps incompatible, images. But the combination of these two concepts has proven very successful for the National Music Camp in Interlochen, Mich., which is located within the 10th Congressional District.

This summer begins a 2-year celebration for the camp marking their 50th season—1977 and their 50th anniversary—1978. Their first half century has seen them grow to the extent that this summer some 1,500 individuals, ranging from grade school to college students, from approximately 46 States and 20 other countries will participate in their 8-week program. This figure is augmented by another 1,000 Michigan students who will participate in their four 2-week programs.

More impressive, however, are the graduates of the National Music Camp who number among the most prominent musicians in the world. Included in this elite group are pianist Van Cliburn, an annual participant in a special summer concert, and conductor Guido Ajmone-Marsan, an Interlochen alumni who now leads the World Youth Symphony.

None of this, however, would have been achieved without the guidance and determination of Dr. Joseph E. Maddy, the founder of the camp. A man of vision, Dr. Maddy established the camp in 1928 to train promising young high school musicians. The support for this undertaking originally came from the Carnegie Foundation, which donated to the University of Michigan funds for the furtherance of the fine arts. And the University of Michigan, recognizing the promise of Dr. Maddy's ideas, gave him $6,000 a year for 5 years with which he was free to do as he pleased and travel where he saw fit—as long as he promoted good music. This official stamp of approval by the University of Michigan was the beginning of a close affiliation which immeasurably enhanced the prestige of the National Music Camp in those fledgling years. And rough they were.

Just when Dr. Maddy seemed to have the means at hand to achieve his goals, the depression hit. The record of his efforts in the intervening years between

1932 and 1940 to keep the camp solvent are a credit to the tenacity of his character. Never losing sight of his dream to establish the arts as a separate field of study, he gave everything he had to the continuation of the camp.

The results of his labors are a living testimonial to his dream. Not only did the National Music Camp continue to flourish and grow, but in 1962 the Interlochen Academy for the Arts was also established. Unique in its emphasis on the arts, especially music, it provided year round academic instruction to high school students.

It is thus in recognition of the past 50 years of achievements of the National Music Camp that I ask my colleagues to join me in saluting the contributions that Interlochen has made to music and the arts.

Recognized throughout the world, Interlochen is a realization of Dr. Maddy's original charge: to promote good music. Providing gifted musicians the opportunity to realize their potential, it has given us all something of immeasurable value that would never have been achieved otherwise. For this we offer our sincerest congratulations on this memorable occasion.

AMERICAN BAR ASSOCIATION SECTION RECOMMENDS GRAND JURY REFORM

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. EILBERG. Mr. Speaker, I have recently obtained a copy of recommendations by the American Bar Association's Section of Criminal Justice regarding grand jury reform.

This report will be presented to the ABA House of Delegates next month.

As the following indicates, these recommendations are similar to the provisions of H.R. 94, the Federal grand jury reform bill of 1977. This bill is now under consideration by the House Judiciary Subcommittee which I chair.

Because of the importance of this issue, I commend the report to the attention of my colleagues:

[The attached presently represents only the policy of the ABA Section of Criminal Justice, and not the position of the American Bar Association. This report will be presented to the ABA House of Delegates in August 1977]

AMERICAN BAR ASSOCIATION, REPORT TO THE HOUSE OF DELEGATES, SECTION OF CRIMINAL JUSTICE

RECOMMENDATION

The Section of Criminal Justice recommends adoption of the following resolution:

Be it resolved, That the American Bar Association support in principle grand jury reform legislation which adheres to the following principles:

1. Expanding on the already-established ABA policy, a witness before the grand jury shall have the right to be accompanied by counsel in his or her appearance before the grand jury. Such counsel shall be allowed to be present in the grand jury room only during the questioning of the witness and shall be allowed to advise the witness. Such counsel shall not be permitted to address the grand jurors or otherwise take part in proceedings before the grand jury. The court shall have the power to remove such counsel from the grand jury room for conduct inconsistent with this principle.

2. No prosecutor shall knowingly fail to disclose to the grand jury evidence which will tend substantially to negate guilt.

3. A prosecutor should recommend that the grand jury not indict if he or she believes the evidence presented does not warrant an indictment under governing law.

4. A target of a grand jury investigation shall be given the right to testify before the grand jury, provided he/she signs a waiver of immunity. Prosecutors shall notify such targets of their opportunity to testify unless notification may result in flight or endanger other persons or obstruct justice; or the prosecutor is unable with reasonable diligence to notify said persons.

5. The prosecutor shall not present to the grand jury evidences which he or she knows to be constitutionally inadmissible at trial.

6. The grand jury shall not name a person in an indictment as an unindicted co-conspirator to a criminal conspiracy. Nothing herein shall prevent supplying such names in a bill of particulars.

7. A grand jury should not issue any report which singles out persons to impugn their motives, hold them up to scorn or criticism or speaks of their qualifications or moral fitness to hold an office or position. No grand jury report shall be accepted for filing and publication until the presiding judge submits *in camera* copy thereof to all persons named or identifiable and such persons are given the opportunity to move to expunge any objectionable portion of said report and have a final judicial determination prior to the report's being published or made public. Such motion to expunge shall be made within ten days of receipt of notice of such report. Hearings on such motions shall be held *in camera*.

8. The grand jury should not be used by the prosecutor in order to obtain tangible, documentary or testimonial evidence to assist the prosecutor in preparation for trial of a defendant who has already been charged by indictment or information. However, the grand jury should not be restricted in investigating other potential offenses of the same or other defendants.

9. The grand jury should not be used by the prosecutor for the purpose of aiding or assisting in any administrative inquiry.

10. Witnesses who have been summoned to appear before a grand jury to testify or to produce tangible or documentary evidence should not be subjected to unreasonable delay before appearing or unnecessarily repeated appearances or harassment.

11. It shall not be necessary for the prosecutor to obtain approval of the grand jury for a grand jury subpoena.

12. A grand jury subpoena should indicate the statute or general subject area that is the concern of the grand jury inquiry. The return of an indictment in a subject area not disclosed by the grand jury subpoena shall not be a basis for dismissal.

13. In any case in which a subpoenaed witness moves on proper grounds to quash a grand jury subpoena, the prosecutor should be required to make a reasonable showing *in camera* (which may be *ex parte* at the court's discretion) and on the record before the court convening the grand jury that the evidence being sought is:

(a) likely to be relevant to the grand jury investigation;

(b) not sought primarily for an improper purpose.

14. A subpoena should be returnable only when the grand jury is sitting.

15. When the circumstances place a hardship on the witness, motions to quash or modify subpoenas may be brought at the place where the witness resides, the documents sought are maintained, or before the court which issued the subpoena at the election of the witness. Such motion should be heard *in camera* and on the record.

16. All matters before a grand jury, including the charge by the impaneling judge, if any; any comments or charges by any jurist to the grand jury at any time; any and all comments to the grand jury by the prosecutor; and the questioning of and testimony by any witness, shall be recorded either stenographically or electronically. However, the deliberations of the grand jury shall not be recorded.

17. The prosecutor should not make statements or arguments in an effort to influence grand jury action in a manner which would be impermissible at trial before a petit jury.

18. Expanding on the already-established ABA position favoring transactional immunity, immunity should be granted only when the testimony sought is in the public interest; there is no other reasonable way to elicit such testimony; and the witness has refused to testify or indicated an intent to invoke the privilege against self-incrimination.

19. Immunity shall be granted on prosecution motion *in camera* by the trial court which convened the grand jury, under standards expressed in Principle No. 18.

20. The granting of immunity in grand jury proceedings should not be a matter of public record prior to the issuance of an indictment or testimony in any cause.

21. A lawyer or lawyers who are associated in practice should not continue multiple representation of clients in a grand jury proceeding if the exercise of the lawyer's independent professional judgment on behalf of one of the clients will be or is likely to be adversely affected by his or her representation of another client. If the court determines that this principle is violated, it may order separate representation of witnesses, giving appropriate weight to an individual's right to counsel of his or her own choosing.

22. The confidential nature of the grand jury proceedings requires that the identity of witnesses appearing before the grand jury be unavailable to public scrutiny.

23. It is the duty of the court which impanels a grand jury fully to charge the jurors by means of a written charge completely explaining their duties and limitations.

24. All stages of the grand jury proceedings should be conducted with proper consideration for the preservation of press freedom, attorney-client relationships, and comparable values.

25. The period of confinement for a witness who refuses to testify before a grand jury is found in contempt should not exceed 6 months.

26. The court shall impose appropriate sanctions whenever any of the foregoing principles have been violated.

REPORT

Background

The Section of Criminal Justice urges House of Delegates approval for 26 legislative Principles to which it believes grand jury reform legislation should adhere. The Section has spent more than three years studying the grand jury. In August 1975—at Section urging—the House of Delegates approved a policy addressing one grand jury bill (H.R. 1277) in the 94th Congress. That policy is a limited one, but includes Association support for such key elements of grand jury reform as allowing counsel in the grand jury room, transactional immunity, and strengthened penalties for unauthorized disclosure of grand jury information. Since 1975, the Section's Grand Jury Committee has analyzed a number of pending bills, including H.R. 2986 and S. 3274 (94th Congress), both with a broader focus than H.R. 1277, on which the current ABA policy was formulated. New

legislation, including H.R. 94, H.R. 3736, and S. 1449, has been introduced in the 95th Congress; hearings are already being held on these proposals.

Based on its continued study of this issue since 1975, the Criminal Justice Section now asks House of Delegates adoption of Association policy addressing a broader range of grand jury issues. This is timely not only because of the increasing public, press and professional attention being focused on this issue, but also because action is anticipated in the 95th Congress on the pending legislation. Further, a number of states are now considering—and some have already enacted into law—similar bills.

In February, 1977, the Section asked the House of Delegates to approve a package of 23 legislative principles. At the personal request of Attorney General Bell, the Section asked the House to defer action until the August Annual Meeting. Since February, the Section has revised several Principles to clarify intent; has added 3 new Principles concerning prosecutorial conduct; and has met with Honorable Benjamin Civiletti. Assistant Attorney General in charge of the Criminal Division, U.S. Department of Justice, and other Department representatives to discuss the Principles. Mr. Civiletti has expressed support for some 15 of the Principles, and noted that the Department would take no position on an additional five. On several additional Principles, Mr. Civiletti said that some rephrasing might moot Department objections. In an attempt to reach compromise in as many areas as possible, the Section's Grand Jury Committee held a special meeting in early June, made additional amendments to a number of the Principles, and gained Council approval for these changes via a special mail ballot.

It should be noted that proposed Principles were drafted by a Committee composed almost entirely of present and former prosecutors. It is chaired by Richard E. Gerstein, State Attorney for the greater Miami area for more than 20 years, and former President of the National District Attorneys Association. The Committee also included members with state and federal prosecutorial experience (including the last Watergate Special Prosecutor, Charles Ruff), judges, law professors and members of the defense bar. The Principles further represent a consensus of the Criminal Justice Section Council, which includes a similar mix of persons from all parts of the criminal justice system. Most of the Principles were approved by the Council unanimously.

In recent years, the grand jury as an institution has come under increasing criticism for a number of reasons and from a number of sources. It has been accused of an absence of procedural safeguards. Reflecting these and other concerns, England—where the grand jury originated—abolished the institution in 1933; the majority of states in our country allow prosecution either by indictment or by information. However, it remains a part of the federal system and in many state systems because of constitutional provisions. The ABA House of Delegates in 1975 went on record opposing amendment of the United States Constitution to eliminate the requirement for indictment by a grand jury. That position of the ABA should not be changed, but a comprehensive effort is needed to correct existing abuses The Section believes that its proposed legislative Principles will go a long way towards remedying the ills of the grand jury as an institution.

CONCLUSION

When the grand jury was created in 12th Century England, it was intended to serve as a shield between the citizen and the Crown. In recent years, the grand jury has come under increasing attack: observers charge that the grand jury system is riddled with abuse, and is no longer a shield for the citizen but a shield for the government. Critics declare that it has departed from its proper Constitutional function of protecting citizens from unwarranted prosecutions.

The Section of Criminal Justice, based on the work of its Grand Jury Committee, chaired by experienced prosecutor Richard E. Gerstein, believes that reforms are needed to insure fairness—but without undercutting the grand jury's legitimate functions or destroying it as an institution. While legitimate objections to these Principles have been raised, resistance to change from those within the criminal justice system cannot in itself be sufficient reason to reject well-considered—and needed—proposals.

The Section urges the House of Delegates to support the 26 legislative Principles. The Congress and many states legislatures are now acting on grand jury reform proposals; professional, media and public focus on this subject cannot be expected to abate. The Association—as in its landmark Standards for Criminal Justice project—has long been in the forefront of criminal justice improvement.

ABA leadership is now needed to help fashion well-reasoned, workable and effective grand jury reform legislation.

Respectfully submitted,

B. JAMES GEORGE, Jr.,
Acting-Chairperson.

SECRET POLICE IN CHICAGO MURDER?

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. DORNAN. Mr. Speaker, the recent murder of an editor of a Chicago anti-Communist newspaper and his 9-year-old daughter give hint to a new and frightening aspect of the spread of world communism. In a commentary which appeared in the News World newspaper on June 21, inferences are drawn about the involvement of the Yugoslav secret police in the murder.

The agents of the Yugoslav secret police have allegedly committed a number of assassinations of political opponents in Western Europe during the last 10 years. The murders of Dragisa Kasikovich and Ivanka Milosevich have all the markings of being similarly motivated. Mr. Kasikovich has been an outspoken critic of the Tito regime and of the Soviet domination of his homeland, Serbia. It is believed in some circles that this was the reason for his murder. His hapless daughter was stabbed and shot because she was a witness to her father's death.

If the inferences drawn from the facts are true even in part, the United States can no longer consider herself to be the asylum of freedom-loving people. If the Yugoslav secret police can murder their opponents within the United States with impunity, then the time has come for this Congress and the State Department to reevaluate our policy toward Tito and the activities for foreign Communists within our borders.

The article follows:

BEYOND THE MURDER OF A SERB ANTI-COMMUNIST IN CHICAGO

CHICAGO—An editor of the anti-Communist newspaper *Liberty* and his 9-year-old step-daughter were found murdered in the newspaper office about 4 a.m. on Sunday, June 19.

According to the police officers investigating the murder, Dragisa Kasikovich, 44, and Ivanka Milosevich, 9, were each repeatedly stabbed with knives and finally shot once in the head and once in the chest, sometime after 11:30 p.m., Saturday, June 18.

Mr. Kasikovich was placed in the chair behind his working desk with his face beaten beyond recognition with the dead girl on his lap. This is the position in which they were found by his wife at 4 a.m.

The murder case of Dragisa Kasikovich has two distinct aspects: the first one is criminal and individual. At this time when the police have not yet finished their investigation so we do not know the identity of the murderer or the details.

But there is a second aspect which may be even more important and that is the political aspect. There is speculation that the murder was politically motivated and that the perpetrators is/are agents of the Communist regime of Josef Broz Tito of Yugoslavia.

Ever since the Communists came to power in Yugoslavia (owing to Stalin who sent Soviet Marshall Tolbunin to install Tito in power in Belgrade on October 20, 1944) the free Serbian anti-communists have been an embarrassment and a thorn in the side of the Yugoslav Communists.

In the past decade, the agents of the Yugoslav secret police, UDBA, have allegedly committed a number of assassinations of political opponents in Western Europe.

To name some of the most prominent cases: Andra Loncaritch in Paris, Sava Cubrilovich in Sweden, Ratko Obradovich in Munich, Borda Blagojevich in Brussels, Jasha Lyotich in Munich, Pierre Valich in Brussels.

Last year in Washington, D.C. a hired Yugoslav agent surrendered to the Federal Bureau of Investigation, turned over the special poison which she received from the legal counsel in the Yugoslav embassy in Washington and admitted that her assignment was to poison five members of Serbian political emigration in Washington, D.C.

One of the most eminent members of the Serbian community in the Free World, Dr. Slobodan M. Draskovich, former professor at the University of Belgrade, and president of the Serbian Cultural Club St. Sava of Chicago, Ill. made the following statement: "I had the occasion several years ago to bring this to the attention of the then Attorney General John Mitchell, predicting that unless these criminal activities of the Yugoslav Secret Police UDBA were stopped they would spread to the United States."

Dr. Draskovich also commented, "I think that the most important aspect of the murder of Dragisa Kasikovich is precisely that—emboldened by the unconditionally friendly policies of our State Department—the Communist regime of Josef Broz Tito has decided to cross the ocean to silence by terror the anti-communist Serbs in the United States."

Dr. Draskovich continued, "For not only that, no attention at all was paid to the machinations of Tito's agents in the United States, but their infiltration into the Serbian Orthodox Church has gone unhindered and was even facilitated."

The Communists also allegedly caused a split in the Serbian Orthodox diocese of the United States and Canada in May 1963, which was known to oppose the Communist rulers in Yugoslavia.

The free Serbs in the United States rallied in defense of their diocese against the dictates of the Religious Commission (known as the arm of the Yugoslav Communist regime for religious affairs).

The litigation before various U.S. courts of justice lasted for 14 years.

The Serbs feel the most damning single

event was the majority opinion of the Supreme Court of the United States of June 21, 1976, which deprived the American Serbs of the protection under the First Amendment of the U.S. Constitution, and ruled that U.S. Courts are forbidden to examine and pass judgment on the rulings of the ecclesiastical courts under Communist control in Yugoslavia.

In a letter to Chief Justice Warren Burger on July 19, 1976, Dr. Draskovich predicted that such a majority opinion would entail very grave consequences, among which would be to give green light to the Communist terrorists from Yugoslavia and he claims this has now come to pass.

The Serbs feel it is beyond the details of the murder of Dragisa Kasikovich. The most ominous aspect to them is the Communist regime of Tito.

They claim they must fear for their lives like the Serbian editor and his step daughter.

HEARINGS ON SOUNDNESS OF SOCIAL SECURITY SYSTEM

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. WHALEN. Mr. Speaker, this week the Ways and Means Committee's Subcommittee on Social Security has undertaken an important series of hearings concerned with the financial soundness of the social security system and with other problems which plague this valuable program. I was privileged to testify on the first day of hearings regarding legislative proposals aimed at both the projected long-range deficit and the short-term crisis. I would like to share with my colleagues the remarks which I presented to the subcommittee.

REMARKS BY REPRESENTATIVE CHARLES W. WHALEN, JR.

Mr. Chairman, I appreciate this opportunity to appear before your subcommittee to discuss proposals addressing the financial ills besetting the social security system.

The fiscal soundness of the social security system is of crucial importance to all Americans. Yet, a distressing imbalance between expenditures and income has occurred during the past two years and is predicted to become worse in the future.

The current decline in the Social Security Fund, from $45.9 billion in 1974 to an expected $35.5 billion by the end of this year, stems from two principal sources: a higher than average rate of unemployment and serious inflation.

A projected long-range problem is expected to result from action taken by the Congress in 1972 and the subsequent invalidation of the economic and demographic assumptions upon which the 1972 Social Security Amendments were predicated.

Representative Berkley Bedell and I have introduced legislation—H.R. 7154 and H.R. 8368—dealing respectively with both sets of problems.

1. SHORT-RANGE ISSUES

When our nation's social security program was originally conceived, 95 percent of covered workers paid taxes on all of their wages. In recent years this has shrunk to 85 percent of eligible employees. H.R. 7154 increases to $30,000 over a three year span, the ceiling on the amount of earnings which may be counted for social security benefit and tax purposes.

If enacted, H.R. 7154 would accomplish two objectives:

First, it would raise once again to about 95 percent the number of covered employees whose entire wages are subject to social security taxes. By exposing higher salaries to taxation, this measure reduces somewhat the system's regressivity.

Second, by producing increased annual revenues H.R. 7154 forestalls the depletion of the Social Security Funds which, under present circumstances, should occur by 1982. Instead, this proposal will rebuild the system's assets of $58.4 billion by December 31, 1983.

A word of caution is in order, however. As more and more high-bracket wage earners (up to $30,000) retire, benefit outlays will increase. Therefore, if H.R. 7154 becomes law, by 1984 yearly social security expenditures again will exceed annual receipts. Consequently, in addition to a stop-gap approach, the Congress must develop a long-term solution if erosion of the trust fund is to cease.

2. Long range problem

One half of the future social security deficit is attributable to the double indexing or "coupled" benefit formula adopted by the Congress in 1972 when it revised the Social Security Act. Until that time social security benefits were raised on an ad hoc basis. The 1972 amendments were designed to protect both present and future recipients against the ravages of inflation by: first, providing that current benefit levels rise automatically to correspond to increases in the Consumer Price Index; and, second, adjusting the maximum earnings base, on which social security taxes are levied, to conform to increases in average earnings.

Unfortunately, since 1972 two situations have developed which have contributed greatly to the financial dilemma confronting the social security system.

First, the future cost projections made in 1972 were based on an obsolete set of demographic assumptions which bore little relationship to our recent, sharply declining birth rates. Population estimates developed in the 1960's were not revised until 1974—hence the alarming and radically different computations released in 1975 by the Advisory Council on Social Security. Indeed, the actual birth rate in 1972 was 30 percent lower than the assumed rate. Obviously, since support for future costs (benefit outlays) depends crucially upon the number of available contributors (taxable workers), any decline in that figure requires that alternative income sources be considered.

Second, in the 1972 Amendments, Congress legislated an indexing method that overcompensates for inflation. Under this plan if inflation occurs in a given year, present workers (retirees of the future) receive a double benefit. First, their wages undoubtedly are adjusted to compensate for the cost-of-living increase. Second, a higher benefit percentage is ascribed to their actual average monthly wage.

These automatic cost-of-living increases affect both current and future retirees. Permit me to elaborate by using two examples.

(A) Mr. Smith is retired after forty years of employment. During these four decades his average monthly wage was $200. He now receives a benefit equal to 50 percent of his average monthly wage, or $100 per month. If inflation in a given year reaches 10 percent, under the 1972 Act Mr. Smith's benefits automatically increase by 10 percent. Mr. Smith, therefore, would be entitled to $110 monthly benefits. This procedure correctly adjusts for inflation for retired workers.

(B) Mr. Jones, age 50, has been in the labor force for thirty years. His average monthly pay during this period is $200. If consumer prices advance 10 percent in Mr. Jones thirty-first year of employment, he will receive two compensation adjustments. First, his employer undoubtedly will increase his wages to offset the ten percent inflation rate. Second, provisions of the 1972 Act will boost the ratio of his present earnings in relation to his future retirement benefits. Thus, Mr. Jones, upon retirement, will obtain a much greater percentage of his average monthly wage than did Mr. Smith. And, of course, he also will receive the annual cost-of-living adjustment after he leaves the work force. As Hobart Rowen noted in his column which appeared in yesterday's Washington Post "As a result, many retirees would get benefits far above the best pay they ever earned."

H.R. 8368 eliminates the provision of the 1972 Act which mandates an automatic adjustment to the benefit percentage figure. Instead, it incorporates a progressive three-step benefit formula with average earnings based on the highest ten years of the contributor's work life.

Enactment of this measure would achieve two objectives.

First, it would reduce by almost one-half the estimated seventy-five year social security trust fund deficit.

Second, while replacing an erroneous benefit formula, the Whalen-Bedell decoupling proposal also simplifies the system significantly, bringing it within the understanding of the more than 33 million citizens who participate in the social security program. The present method of determining one's benefit entitlements is incomprehensible. The new retiree is presented with a blue pamphlet which illustrates the first eight steps he must take to estimate his first benefit check. After arriving at step eight, he then is referred to the benefit tables established every year or so by law. This table, in turn, is based upon a nine-step formula. Is it any wonder that our respective offices are swamped with social security cases?

There is a lot of simplicity attendant to the computation of the benefits provided by the "top ten" Federal Retirement systems. Five of these base benefits on a high-X number of years. The others are based on wages at the time of retirement. Only social security benefits are determined on an average of a lifetime of earnings, often including years of part-time or minimum-wage employment. Social security participants deserve the same considerations as federal employees.

Perhaps the best summary of the long-range financial problem facing the social security system, and its possible resolution, is contained in a recent Congressional Research publication.* I would like to close my remarks by quoting from this excellent analysis.

"Under the present law, the period over which wages are averaged depends on the year in which an individual reaches age 62 or dies. For example, an individual who becomes 62 in 1978 will require 22 years and so on until the maximum averaging period, 35 years, is reached in 1981. This lengthening, averaging period is one of the factors which seems to complicate proposals to change the benefit computation in a way which would be both equitable and reduce long-term costs. On the other hand, if benefits were to be based on the present benefit formula (or an approximation of it) with wages averaged over a high-X number of years of earnings (the X could be equal to as few as one or two years or as high as the present level), a significant reduction in long-term costs could result. In fact, conversations with various actuaries have indicated that one can develop a high-X formula which would provide equitable benefits with relatively stable

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*Crowley, Francis J., Social Security Cash Benefits—Indexing, Decoupling, and the Long-Term Deficit, Library of Congress, February 2, 1977.

replacement ratios for the next decade or so and which could have a long-term surplus under actuarial estimates based on the economic and demographic assumptions used for the 1976 report of the trustees."

APPENDIX

1. Wage Base Proposal, Payroll tax for different income levels under 3 proposals.
2. Wage Base Proposal, Projected income under Wage Base proposal.
3. Diagram of Over-Indexing.
4. Comparison between automatic adjustments for retired workers and for employed workers under present law.
5. Benefit Computation Formulas for the Ten Major Federal Retirement Systems.
6. Highlights of The Social Security Benefits Decoupling Act.
7. Section-by-Section Analysis of H.R. 8368.

(Congressional Record, page 23390, July 15, 1977.)

RENEGOTIATION REFORM ACT

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. MINISH. Mr. Speaker, in recent months Members of Congress have received many communications regarding H.R. 5959, the Renegotiation Reform Act of 1977.

Unfortunately, virtually all this intense lobbying has been from special interests who would rather not see a fair system of renegotiation operating in the public interest.

In order to give my colleagues the benefit of a less biased and more professional perspective on this issue, I am today inserting into the RECORD excerpts from the testimony of the General Accounting Office on the Renegotiation Reform Act:

STATEMENT OF RICHARD W. GUTMANN, DIRECTOR, PROCUREMENT AND SYSTEMS ACQUISITION DIVISION BEFORE THE SUBCOMMITTEE ON GENERAL OVERSIGHT AND RENEGOTIATION OF THE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE

Mr. Chairman and members of the Subcommittee:

We are here today at the request of your Subcommittee to present our views on the proposed legislation to revise and extend the Renegotiation Act of 1951. As you know, the General Accounting Office has maintained an interest in the renegotiation process through its continuing audits and varied assistance to the Subcommittee.

In testimony before this Subcommittee in June 1975 we outlined and discussed the findings and recommendations of our study of the operations and activities of the Renegotiation Board. Several of our recommendations have been considered by the Subcommittee for inclusion in your proposed legislation on renegotiation.

We have reviewed H.R. 4082 and, as before, want to express our strong support for this legislation. We believe it is constructive and should lead to major improvements in the renegotiation process. We welcome the opportunity to provide our views on the major issues in the current bill.

METHOD OF REPORTING CONTRACTS

We support the provision in Section 4 that the percentage of completion method of accounting no longer be used for contracts which are subject to renegotiation. One of the problems we see with the percentage of completion method of accounting is the lack of a precise method of estimating percentage of completion. Engineering estimates are frequently involved that are largely subjective. There are opportunities for such estimates to be manipulated to improperly minimize the possibility of an excess profits determination. However, we do not know whether such manipulation has actually taken place. We believe that elimination of the use of the percentage of completion method of accounting and the required use of a "units delivered" or "completed contract" method of accounting for renegotiation purposes would add necessary objectivity to the process. We recognize that for projects of long duration with a single unit to be delivered, costs and related revenues will need to be excluded from renegotiation until the project is completed.

The principal advantage of the completed contract method is that it is based on results as finally determined, rather than on estimates of cost to be incurred on uncompleted work. In our opinion, excessive profits can be determined with reasonable certainty only when units are delivered or at contract completion.

PRODUCTION LINE RENEGOTIATION

Section 4 of the bill also requires contractors to report renegotiable business on the basis of division and product line. We believe this is a much needed reform in the Renegotiation Act. The current method of renegotiation appears to favor large diversified corporations because they can offset the results of high profit activities against the result of low profit or loss activities. We believe this constitutes an advantage over smaller single product line firms. Use of a product line approach would be more effective in minimizing the number of firms that are now escaping renegotiation and place both large and small firms on a more equal footing.

We do not believe that the requirement for division and product line reporting will create an administrative burden. Most contractors maintain their accounting records on a divisional basis and the incidence of multiple product lines within divisions is generally not high. We believe that reporting procedures could be worked out by the Renegotiation Board with the contractors that would minimize or prevent any additional administrative or reporting burden for contractors. We believe that provision should be made to give the Board the necessary flexibility to work out these procedures.

STANDARD COMMERCIAL ARTICLES

We found that it is not possible to determine, on the basis of information available to the Board, the extent to which a contractor may have excluded standard commercial articles and services sales with high profits and included sales with low profits in its report on renegotiable sales because of the absence of cost and profit data on exempted items. Though the Board has recommended that the Congress repeal this exemption, it lacks the data showing that substantial profits escape renegotiation due to the exemption.

It is apparent that a significant amount of sales has escaped renegotiation in recent years due to this exemption, but the amount of profits escaping is indeterminate. Moreover, if the rationale for the exemption assumes that competition exists for all standard commercial items thus insuring reasonable prices and profits, it may not be valid in all cases. For example, a commercial item which is produced by a sole-source supplier and which qualifies for the exemption has not necessarily been subject to competition, and the price quoted in a contractor's catalog may include an unusually high profit margin. Yet the existence of effective competition is assumed. It is for these reasons we have recommended that the Congress require the Board to obtain and analyze profit and cost information relating to standard commercial articles and services to determine whether large amounts of excessive profits and cost information relating to standard commercial articles and services to determine whether large amounts of excessive profits are escaping renegotiation.

In view of the above we are pleased to see a provision in Section 5 for a comprehensive study of the standard commercial articles and durable productive equipment exemptions by the Board.

OIL AND GAS WELL EXEMPTION

It is our understanding that the present raw materials exemption was enacted by Congress in 1942. As explained in previous hearings, the provision was included in the original act to recognize the fact that the world market gives the Government immediate access to price information. This rationale was formulated long before the present era of multinational oil companies, boycotts, etc.

As the Committee previously recognized, the creation of international cartels, which control all facets of production, has distorted the world market price for oil where it no longer reflects the true costs of production. Simple reference to the world commodity market, therefore, gives no assurance that contracts for unrefined oil or gas are not providing the contractor with excessive profits.

The theory that the raw materials exemption would encourage exploration and production of crude oil or gas was an additional rationale for the exemption at the time it was enacted by Congress. In light of currently high oil and gas prices and the scarcity of these materials, this rationale appears questionable. Therefore, we concur with the elimination of the oil and gas well exemption.

KNOWINGLY FAILING TO FILE, AND KNOWINGLY SUBMITTING FALSE INFORMATION

We have advocated civil penalties aimed at discouraging delinquent filings and for failure of contractors to furnish data or information required by the Board. The penalties now included in Section 7 of the proposed legislation, in our opinion, should increase compliance with the act's filing requirements.

INTEREST ON EXCESSIVE PROFITS

Section 8 provides that interest on profits found to be excessive shall begin to accrue on the day following the end of the fiscal year in which the excessive profit was made. We support the provision for interest charges. Since penalties cannot be applied to late filers and nonfilers unless their actions are proven to be wilful, there is no inducement for them to file on time. Rather, contractors stand to gain financially by not filing with the Board or by delaying their filings as long as possible. Contractors should not be allowed to utilize excessive profits without paying interest on those funds.

SUBPOENA POWER

Section 10 authorizes a majority of the Board to issue subpoenas requiring the production of any records, books, or other documents required under this act. We concur in the provision. The Board has been faced with the problem of obtaining accurate and complete information to make its analyses. At the present time, the Board has no practical means of requiring contractors to provide timely information which it deems necessary. Although the penalty provision of the act may be imposed when the contractor refuses to furnish adequate data, the Board must prove that the contractor's refusal was willful.

ETHICS IN BUSINESS

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. ROBINSON. Mr. Speaker, despite the many matters in which we may differ, in varying degrees, in our thinking and actions as Members of this House, all of us continue to subscribe, I am confident, to the concept of a free enterprise system.

Unfortunately, the mechanics of the system are not comprehended adequately by many citizens. In particular, we are not doing enough in our educational process, to explain the concept to young people.

We have to acknowledge, as well, that, the defects of human nature being as they are, the free enterprise idea becomes tarnished from time to time by the excesses and indiscretions of some individuals and groups having roles of responsibility in the day-to-day operations of the system.

Free enterprise obviously cannot function effectively when adversary relationships develop between management and employee, or between a business and its customers. Responsible business people—and most in business are such, or they do not survive—recognize this.

As an excellent example of such awareness, I take the liberty of bringing to the attention of the House a circular letter directed to the members of the Virgina State Chamber of Commerce by its president and the chairman of its education committee, together with the suggested elements of a code of ethics for officers and employees of a business, as follows:

VIRGINIA STATE CHAMBER OF COMMERCE,
Richmond, Va., June 14, 1977.

To: Members—Virginia State Chamber of Commerce.

Re: Chamber action on ethics.

The members of the Virgina State Chamber, at their Annual Meeting at The Homestead on May 13, voted unanimously to amend the constitution of the Chamber by inserting a paragraph under Article II, Section I, adding to the purposes of the Chamber, the following:

(e) Encourage the dedication to and the application of the highest standards of ethical conduct by Virginia associations, business firms and individuals.

Recognizing that abuses of the public trust and the public interest in business activities will undermine our highly valued private enterprise system by both inviting more government regulation and by giving aid and comfort to those who seek a government controlled society, we hope that all Chamber members will take this Chamber action very seriously. At its quarterly meeting on October 21–22, 1976, the Chamber board passed a resolution calling on the members to act toward this end, upon adoption of the constitutional change, as follows:

Resolved: The Virginia State Chamber of Commerce, having taken action to modify its constitution calling for the dedication to and application of the highest standards of ethical conduct, does urge each of its members to adopt a code of ethics and emphasize its application in the conduct of its business.

In furtherance of this board resolution, we call on all of you who have not as yet adopted a formal code of ethics for the conduct of your business, to construct such a code applicable to your particular enterprise. It would give added weight to your resolve if you have your board of directors go on record as adopting this code as a standard for management to follow. We urge you, further, to publicize the fact that your code is applied in all your business dealings and to display a summary of the code, suitably framed or in plaque form, in those places in your company where the public is received.

To assist you to develop a code of ethics for your business, the Chamber's Education Committee has drafted a statement (copy enclosed) that incorporates a number of points that should be covered. This is not suggested as a code for your business, but only as a guideline. If you have questions about how you might proceed in this important and urgent venture, contact the Chamber and we will help in any way we can. Write or call Edwin C. Luther, III, who is Secretary for the Education Committee, and he will transmit your requests for assistance to the Education Committee.

In today's world it is not enough to in fact deal honestly and openly with all of our contacts; it is imperative that we communicate our attitudes and actions to the general public. We must refute false charges as energetically as those who create them to discredit us and convince the public of the basic values that exist only in a free society. We must effectively fight the growing flood of propaganda that seeks to portray business as heartless, inhumane, dishonest and abusive of public interest. If we cannot do this successfully, those who adamantly and persistently push for a government run economy and society will surely emerge the victors, and humanity at large will have lost its most important bulwark, the private enterprise system, protecting individual freedom of action, individual self-determination.

We urge you to join with us in this fight. Do your part to portray a more accurate picture of the beneficial role played by businessmen both in meeting human needs in a more efficient, effective and progressive way than is possible under any other system and forestall those who would seek to impose more and more controls upon us.

WILLIAM F. MOHR,
President.

R. PIERCE LUMPKIN,
Chairman, Education Committee.

Enclosure.

CODE OF ETHICS

SUGGESTED POINTS FOR COVERAGE

Whereas, it is essential to the survival of a free society that all of its members transact their affairs with due regard to and respect for the rights of others, and

Whereas, the private enterprise system is an essential ingredient of a free society and must deserve and achieve the respect, confidence and support of the public for its survival, and

Whereas, only by the strict self-enforcement of high ethical standards can businessmen justify the continued privilege of freedom of private enterprise,

Therefore be it resolved, that the Board of Directors of ---------- adopts the following Code of Ethics and calls on its officers and employees to be guided by it in the conduct of this company's business:

We pledge to deal fairly, equitably, openly and honestly with:

I. Customers—by representing our products clearly and factually, standing fully behind our warranties, direct or implied, responding to our customers' needs, and in all other ways justifying their respect and confidence;

II. Employees—by clearly explaining their duties and responsibilities and our obligations to them, dealing with each employee on the merits of individual performance as it relates to the overall conduct of the company's business, and in all ways seeking to establish a cooperative, safe and satisfying work environment;

III. Creditors and Stockholders—by managing our affairs to fully meet all financial obligations and seeking a profitability that will assure our equity investors an adequate return on their investment;

IV. Governmental Units and Agencies—by complying with applicable legislation and regulations while also being constantly and actively involved in efforts to affect legislation and regulations in a manner that best serves the basic principles of our free enterprise system;

V. The Community—by seeking to conduct our affairs in a manner that is consistent with the public interest and that contributes to an environment that is conducive to healthful and pleasant living conditions for this and future generations.

THE HIDDEN COSTS IN THE ADMINISTRATION'S URANIUM RESOURCE FIGURES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. TEAGUE. Mr. Speaker, one of the most controversial aspects of the debate over the Clinch River breeder reactor demonstration project is the amount of domestic uranium resources. The breeder was first justified because it will replace our dwindling uranium supplies with renewable resources—the fuel produced in a breeder. Our estimates of electrical growth and uranium resources also showed us that the program on breeders needed to be given a high priority.

As can be seen, the amount of uranium resources available is significant in this debate. If there is more uranium than originally thought, then the date of commercialization can be pushed back. Unfortunately, much confusion reigns over the amount of domestic and foreign uranium reserves and the extent to which they can support U.S. nuclear power plants in the future.

ERDA's estimates of reserves and probable additions are 1.9 million tons. Their possible and speculative reserves are 3.5 million tons. On the other hand, the National Research Council study estimates that there are 1.8 million tons—with a 97-percent probability that the United States has less than 3.8 million tons—all figures are $30 per pound.

However, all of these arguments are somewhat mooted because a present light-water reactor can use less ore by simply enriching its fuel more. After examining his proposal, one can see that this is what the President does to make the U.S. reserves supply the 380 LWR's predicted by the national energy plan in the year 2000.

By more thoroughly processing the 1.9 million tons of domestic ore—that is, reducing the tails assay from the present 0.25 to 0.10 percent—ore consumption in

LWR's is reduced by about 30 percent. However, to build the extra enriching capacity to do this would cost at least an additional $9 to $10 billion, according to ERDA.

This startling additional cost was never discussed as part of the President's decision to terminate the Clinch River breeder reactor. Yet if the Congress goes along with the President's idea to stretch our supplies by enriching the ore we have that much more thoroughly, the taxpayers of this country will have to pay $10 billion more for additional enrichment capacity. What is important to remember is, this is in addition to all of the capital investment that will be necessary for the powerplants themselves.

To further explain this, I have included the portion of our hearing record which deals with this added cost:

Mrs. LLOYD. Dr. Schlesinger, in his testimony to us on Tuesday, assumed that one-tenth percent tails assay would be reached. This will certainly increase our uranium supply sufficiently to arrange for delay of the breeder program.

What does this mean in terms of enrichment capacity necessary, and what kind of costs would be undertaken for us to attain this capacity? What is this going to mean in terms of more enrichment capacity? What is this going to mean in terms of cost? The only thing that I've ever heard is that the most is two-tenths as a pie-in-the-sky estimate, and Dr Schlesinger referred to one-tenth percent tails assay. How are we going to do this?

Mr. NININGER. Madam Chairman, I'm in the unusual position of being backed up by my boss, Bill Voigt, who is in charge of both resources and enrichment.

Mrs. LLOYD. I'd like to refer it to Mr. Voigt at this time.

Would you please state your name?

Mr. VOIGT. My name is William Voight, and I'm Director of Uranium Resources and Enrichment for ERDA.

The statement made by Jim Schlesinger really related to the possibility or the practicability of going to a one-tenth tails assay in subsequent enrichment plants to be built between now and, say, the turn of the century.

With respect to the three existing plants, the three existing difusion plants, and with the add-on centrifuge plant, this would enable ERDA to operate and fulfill its existing commitments of 323,000 megawatts at a tails assay at about .25 percent. The additional enrichment capacity to be added beyond these four plants, say, the fifth, sixth, seventh or eighth plant, could permit us to operate at a much reduced tails assay. But that is really in relationship, then, to a tradeoff of feed versus separative work.

Mrs. LLOYD. Would you repeat that, please?

Mr. VOIGHT. It's a tradeoff of feed versus separative work. In other words, it would require more separative work to go down to a one-tenth tails assay. In fact, if we were to operate our complete complex at one-tenth it would require the addition of 18 million separative work units above and beyond the 28 million that will be coming out of the three existing plants, plus the 9 million that would be added by the centrifuge plant.

Mrs. LLOYD. I'm going to ask you to go slowly with me on that. I don't have the background you do. Let's start with 18, okay?

Mr. VOIGHT. Let me start from where we are today and then add up to what would be required to get to the one-tenth tails assay.

Mrs. LLOYD. All right.

Mr. VOIGHT. The three existing plants when fully improved by the Cascade Improvement and Cascade Upgrading Programs will produce 28 million separative work units. In addition to that, we would add the 9 million separative work units that would come from the add-on centrifuge plant, giving a total of 37 million separative work units within the existing complex. That is the number I referred to in the context of operating at a .25 tails assay. To get to the one-tenth in the existing complex would require an additional 18 million separative work units, and that in total, then, would permit us to operate at the one-tenth.

But Dr. Schlesinger wasn't really referring to the existing complex. He was looking at future increments of enrichment sometime between after the fifth plant and then, say, the turn of the century.

Mrs. LLOYD. Could you give me an estimate on the cost of this, a rough estimate? We're making rough estimates today anyway.

Mr. VOIGHT. If we were to use 1978 dollars, we are presently estimating that the add-on plant would cost somewhere of the order of $4.5 billion. So if you were to add two additional increments above and beyond that you're talking of the order of 9 to 10 billion.

Mrs. LLOYD. 9 to 10 billion dollars?

Mr. VOIGHT. Yes.

JOHN KRUPA ELECTED AS AMERICAN LEGION DEPARTMENT COMMANDER

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. BENJAMIN. Mr. Speaker, the State of Indiana, national headquarters of the American Legion, and the Indiana Department of American Legion are excited and joyous over the recent election of John G. Krupa of east Chicago as department commander.

Commander Krupa, long known as "Mr. Patriot" in northwest Indiana, has been active in service to the American Legion for the past 34 years and has held office and assignments at the post, district and State levels for most of these years to include outstanding service as the department congressional delegation liaison officer for 3 years.

Commander Krupa has had an illustrious career of service in Government and in community civic activities. For 8 years, he distinguished himself as the clerk of the Lake County Superior and Circuit Courts and served as president of the Indiana Clerks' Association. During that same period, he managed an equally brilliant career as chairman of the Lake County Central Democratic Committee.

To recount all of the positions of leadership and responsibility he has enjoyed and successfully discharged since his World War II military service would require a full-length book. Suffice, representative and illustrative is his work of recent years which includes chairmanship of the Lake County Bicentennial Committee; Easter Seal Parade Volunteers; fund raiser for the Trade Winds Rehabilitation Center; chairman of the American Cancer Society Drive, March of Dimes and Indiana Football Hall of Fame; Lake Area United Way Division Chairman and founder and promoter of the American Polish Federation of Lake County Annual Dyngus Day.

Commander Krupa has also been extremely active in clean up drives, Boy Scouts, National Council for Encouragement of Patriotism, East Chicago Elks, Knights of Columbus, Kiwanis, Moose and preservation of the Lake County Courthouse.

He has been cited on numerous occasions by almost every civic organization in Lake County as well as his home post, American Legion Post 369 of east Chicago.

It would be difficult to determine which of his many accomplishments stand above the others as most memorable. I am sure he is honored by being continuously listed in Who's Who in the United States as well as being honored as "Mr. America" for Americanism, receiving a citation from the American Security Council for his eloquent and articulate editorial on "What's Right About America" and his recent citation from the Lithuanian-American Council of Indiana for patriotic activities and encouragement of anti-Communist activities. I am also convinced that he was thrilled in being named Outstanding Legionnaire for the State of Indiana last year. I also know that he is overwhelmed with love for his wonderful wife, Lee Ann, and his children, Kathleen, Marilyn Ann, and Sandra Lee as well as his granddaughter, Lisa. But if we were able to conduct an introspective search, I think these loves and honors would be overshadowed by his great love of the United States and the honor of being an American, both of which he defended in time of war.

Commander Krupa is affectionately known as "John" in Lake County. His praise has been echoed countless times by the thousands of people he has helped from the priests at St. Stanislaus to Boy Scouts, immigrants, and senior citizens he has fostered and aided without request, and many times without acclaim.

Mr. Speaker, John G. Krupa will be a great Indiana department commander for the American Legion because he believes in and exemplifies the best in America. His leadership, untiring efforts, and effective communication will build and revitalize the Indiana department as well as the entire organization. I ask that you join with me to congratulate John G. Krupa for his willingness to continue his fight for a better America—internally, internationally, and forever. I know that his recognitions and laurels will continue to grow because he will never stop growing as long as there is a person in need, his community to improve, or his country to defend.

STATE OFFICIALS OPPOSE UNIVERSAL VOTER REGISTRATION BILL

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. LOTT. Mr. Speaker it is fortunate that the U.S. House of Representatives

did not act with speed in passing H.R. 5400, the Universal Voter Registration Act of 1977. Since this measure was first introduced on March 22, 1977, it has become evident that this bill would create more problems than it would solve.

The measure would not merely make it easier for individuals to vote. It would open up a whole series of problems—especially voter fraud and mass manipulation of the electorate.

Recently, the American Conservative Union took a poll by mail of the secretaries of state of the 50 States to get their opinion on this proposal. The secretaries of state opposed this measure by almost 3 to 1. Thirty opposed this proposal, 12 favored it, and 8 took no position.

The letters received by Vice President MONDALE from the secretaries of state also revealed strong opposition to H.R. 5400.

Fortunately, some of these officials took the time and effort to discuss the major defects of universal voter registration.

I enter into the CONGRESSIONAL RECORD letters by: Secretary of State Robert F. Burns of Rhode Island; Secretary of State Ernestine D. Evans of New Mexico; Secretary of State Heber Ladner of Mississippi.

The letters follow:

DEPARTMENT OF STATE,
OFFICE OF THE SECRETARY OF STATE,
Providence, May 2, 1977.

MR. JAMES C. ROBERTS,
Executive Director, the American Conservative Union, Washington, D.C.

DEAR MR. ROBERTS: I am replying to your letter of April 26, 1977 in which you ask my views on how Universal Voter Registration would work in practice. I can only answer for the State of Rhode Island. After conferring with scores of people who bear a responsibility to administer elections in Rhode Island, the answer is almost unanimous—terrible!

If Universal Voter Registration becomes national policy in Federal elections, the possibility of fraudulent voting is obvious. What is not so obvious is the fact that this bill, if enacted, would destroy the present electoral process used in Rhode Island's state and local elections. Our state election laws as they pertain to registration, residency and signature identification at the polls, would be rendered meaningless.

In my view, the proposal for instant voting in Federal elections is a disaster looking for a place to happen. I trust that it does not happen here. If some states want this type of registration procedure, by all means give it to them. However, Congress should not force the plan on states who do not want Universal Voter Registration—states like Rhode Island who can back up their opposition to the bill with a solid performance of voter turnouts in past elections. The plan should be optional, or not at all.

Rhode Island had 68% of its voting age population go to the polls last November—and we have safeguards built into the electoral process to protect those voters against fraud. I believe that record speaks for itself, and Rhode Island does not need the Congress to tell it how to run elections, whether Federal, state or local.

Universal Voter Registration would create more problems than it would solve. The bill should either be defeated, or Congress should allow states to opt in or out of the program.

Sincerely,

ROBERT F. BURNS,
Secretary of State.

STATE OF NEW MEXICO,
OFFICE OF THE SECRETARY OF STATE,
Santa Fe., May 2, 1977.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR SENATOR CANNON: The Secretary of State, as the chief election officer of the State of New Mexico, is opposed to the concept of voter registration on election day.

The primary purpose of voter registration systems is to provide rosters containing the names of those who are qualified and eligible to vote according to law. They establish that the persons offering to register are United States citizens and meet all established residency criteria. Voter registration systems were originally initiated to safeguard the electoral process by preventing multiple voting. Election day registration would make it administratively difficult to detect such fraud and, once committed, the secret ballot makes nullification of the fraudulent votes impossible.

Since 1969, the State of New Mexico has had a comprehensive voter registration system in which numerous categories of persons may be appointed deputy registration officers. The system has been liberalized to the extent that one may call at an individual's home to register him to vote. Voter registration drives are conducted by civic groups and organizations with materials provided on request by the Secretary of State, and voter registration booths are available in supermarkets, shopping centers, high schools and colleges prior to the registration deadline.

It may also be mentioned that election day registration is not a statistically valid solution to voter apathy. In the State of New Mexico alone, 165,123 registered voters out of a total of 504,197, chose not to go to the polls for the general election of 1974. Yet, these same people, when contacted prior to the purge of non-voters, followed up on procedures required to remain on the registration books.

Since there is no means by which the validity of affidavits of registration can be determined on election day, and since the after-election procedures for verifying the eligibility and qualifications of those who utilized this system would be time consuming and costly, we oppose the Universal Voter Registration Act of 1977, as financially extravagant and conducive to fraud.

The Secretary of State of New Mexico does, however, support the Congress in its efforts to suggest ways of coping with the problem of voter apathy. We have been involved for a long time in combatting this phenomenon, and have achieved some impressive results. There is, however, always room for improvement and such new and imaginative procedures as may from time to time be developed, will be enthusiastically evaluated.

Sincerely,

ERNESTINE D. EVANS,
Secretary of State.

STATE OF MISSISSIPPI,
SECRETARY OF STATE,
Jackson, Miss., March 31, 1977.

Hon. WALTER F. MONDALE,
Vice President of the United States, Washington, D.C.

DEAR MR. VICE PRESIDENT: This is to acknowledge receipt of your letter of March 19th together with copy of an act proposing to establish a Universal Voter Registration Program.

Having consistently opposed even post card registration and having read the universal voter proposal wherein a person through an identification card can register and vote on election day, I can see no justification for such an act.

I believe that one who decides to participate in the election process should put forth some effort to qualify as an elector, and I am sure that the Supreme Court of the United States had this in mind when it held that one must be registered at least thirty days prior to an election.

I am also of the opinion that such legislation as proposed would further compound the duties and responsibilities of the election officials throughout the country, and in addition thereto, would be an invitation for fraud.

Sincerely yours,

HEBER LADNER,
Secretary of State.

NEW YORK LOOTING—A PROPHECY FULFILLED

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. OTTINGER. Mr. Speaker, the New York Times recently carried an excellent column by Tom Wicker—"A Prophecy Fulfilled." Mr. Wicker asks: Why was there so much looting this time when in the last great blackout in 1965 virtually no looting or extraordinary violence resulted? I believe he offers a depressingly accurate assessment. Urban neglect, total lack of promise for improvement of the lot of the poor and, soaring unemployment of urban youth have resulted in a sense of smoldering hostility and their feeling they have no stake in society.

Sadly, Mr. Wicker concludes our Nation has now realized the warning of Father Theodore Hesburgh, chairman of the National Advisory Commission on Civil Disorders set up to assess the violent urban disorders in the 1960's:

Our nation is moving towards two societies, one black, one white—separate and unequal.

As Mr. Wicker properly concludes, our highest priority must go to addressing the dreadful problems of our cities and the tensions caused by a 40 to 65 percent unemployment rate among black youth, with more than half our unemployment rate among all youths under age 25.

A PROPHECY FULFILLED

(By Tom Wicker)

For all its other fascinating aspects, the 1977 blackout of New York City will be remembered primarily for the looting and burning that erupted as soon as the lights went out and which ultimately resulted in the arrest of more than 3,700 persons, as well as untold property damage and heartbreaking losses for innocent merchants.

About the only redeeming circumstance of this orgy of violence and pillage was the restrained manner in which the New York police responded. Despite much violence directed against them, heavily outnumbered and as much in the dark as the rest of us, the police still did not resort to indiscriminate shooting, yet appear to have done as much to restore order as could reasonably have been expected. Since many of the looters appear to have been little more than children, a truly tragic outcome may well have been averted by police courage and good sense.

Whether the city can effectively prosecute all those arrested remains to be seen. So overwhelmed was the criminal justice system at first that bail was not even set for most of those arrested, even though most couldn't

have met it anyway; they were simply remanded for trial under a court rule that prevents bail in felony cases if the suspect has no fingerprint record.

This shortcut procedure was not a particularly auspicious beginning for the necessary prosecution. Nevertheless, the city must speedily sort out at least the most serious and sustainable cases, bring them to trial and mete out proper sentences. Legal order all but vanished in some sections of the city in the hours following the blackout, and if the criminal justice system now finds itself unable to deal effectively and fairly with the looters and burners, probably nothing so drastic as a blackout will be needed to set off the next round of pillage.

Even so, prosecution is only a small part of the problem and—unfortunately—probably the easiest of the needed responses to make. Why, for example, was there so much looting this time when in the last great blackout in 1965 virtually no looting or extraordinary violence resulted?

The answer has to be more than the contrast in temperatures of the hot summer night of July 13, 1977, and a chill November evening in 1965. For one thing, it was after the 1965 blackout that most of the great urban riots of the 60's took place, and scenes of looting and burning became a commonplace of city life in America. What was uncommon, to many unthinkable, 12 years ago has become part of the peculiar lore of the ghetto.

The riots of the 60's, moreover, elicited a fateful, paradoxical response—at first, concern, effort, investment, promises, programs by government, business, social agencies, affluent whites, all determined to bring the urban ghetto more nearly into the national mainstream; then disappointment, shock, frustration, at the depth and complexity of the problem, the degree of sacrifice and discomfort that the task required of the white community; finally, resentment and retreat.

Meanwhile, to all its other ravages, the Vietnam War was adding a voracious consumption of resources that might have been directed into social and economic investment in the black, Hispanic and poor white communities. Glittering promises had been followed by shattering disappointment, smoldering hostilities.

Worse—as the nation plunged in the 70's into the worst recession since the Great Depression, those at the bottom of the economic ladder suffered the most. And as the slow recovery began and continues, those at the bottom of the ladder have benefited the least. The administrative and technological development of the American economy, moreover, has meant the loss of many of the entry-level or non-specialized jobs through which the disadvantaged used to get a chance to better themselves; thus, economic growth, that ancient American panacea for anything that ails us, will no longer suffice as a means of extending to the poorest and worst-equipped among us at least a small share of the pie. They aren't needed.

More than half of the nation's unemployed are less than 25 years old. Even officially, black teen-age unemployment is near 40 percent with some estimates ranging as high as 65 percent. President Carter's fixation on balancing the Federal budget means economic policies that will not bring unemployment below 5 percent by 1980—and that in turn means youthful unemployment in the ghetto will remain above 30 percent. Rather than investigating Con Ed, Mr. Carter would do well to look into his own economic priorities.

Surveying the urban chaos of the 60's, the National Advisory Commission on Civil Disorders issued a plain warning. "This is our basic conclusion: Our nation is moving toward two societies, one black, one white—separate and unequal."

That was 1968. Briefly, the warning seemed to be heeded. Then interest waned, hope died. On the night of July 13, 1977, in Brownsville, Harlem and Bedford-Stuyvesant, prophecy was fulfilled. We are two societies, separate and unequal.

THE PORK-BARREL CHALLENGE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. MAZZOLI. Mr. Speaker, in today's New York Times, John B. Oakes, senior editor, has written a very perceptive piece on the challenge facing President Carter when the public works appropriations bill hits his desk.

The final version of the bill will apparently retain 9 of the original 17 water-control projects Mr. Carter termed "economically or environmentally unsound."

One such project reportedly retained is the Richard Russell Dam in the district of our colleague, BUTLER DERRICK. He took a courageous stand against "business as usual" politics by sponsoring the amendment to kill these 17 projects.

BUTLER carried President Carter's water very effectively. Now, he seems to be getting a bath as his reward.

I hope the morning line is wrong. I hope President Carter has not given his imprimatur to the compromise the House-Senate conferees have reportedly settled upon.

More is at stake here than the fate of 17 water projects.

What is at stake here is a profoundly important political question. How Mr. Carter answers this question has implications all across the legislative board and deep into the future.

The question: Will the "pork barrel" continue to dominate Capitol Hill? Will it remain politics-as-usual around here?

I hope Mr. Carter displays his abundant good sense and courage by vetoing the "pork barrel." If he does, I predict his veto will be sustained in the House and we will have made a significant and auspicious break with the past.

The article follows:

THE PORK-BARREL CHALLENGE

(By John B. Oakes)

If the public-works appropriations bill emerges from conference with the traditional string of political-grease projects that have already been approved by Senate and House, President Carter will have only the choice of vetoing the measure, as he has threatened, or of surrendering on both his principles and the clear-cut public interest.

For what the old-timers in Congress have done has been to scrape the bottom of the pork barrel once again, just as though there was no inflation and no budgetary squeeze on Federal expenditures to meet urgent social needs.

To the President's demands that Congress eliminate an irreducible minimum of 18 water-control projects (ultimately costing over $2.5 billions), each one of which is "economically or environmentally unsound," the House has approved all but one and the Senate approximately half.

This despite the fact that the President had previously capitulated on a number of equally harmful and extravagant projects, including the $1.6 billion Tennessee-Tombigbee Waterway.

As a careful study by the Environmental Defense Funds shows, this project will be of benefit primarily to barge operators carrying coal for export to Japan, at the cost of destroying 30,000 acres of hardwood timber and 17,000 acres of farmland, of degrading the water system, and of disrupting both the economy and the landscape without benefit to the people of several adjacent rural counties in Alabama and Mississippi.

Of the nine projects that the Senate is now trying to push through for full funding over Mr. Carter's objection, no less than eight are located in states whose Senators happen to be on the Appropriations Committee (seven of them on the public works subcommittee), which gives a pretty good idea of the criterion of judgment used by the Senate in making its evaluation.

One of the nine, the Atchafayala channelization in Louisiana, is (as charged by various environmental experts and the White House itself) for the primary benefit of two large and highly profitable oil-rig construction companies, J. Ray McDermott International and Avondale (subsidiary of the Ogden Corporation), to enable them to float their super-rigs more expeditiously from Morgan City, La., out to the Gulf of Mexico. This will be at the cost of over $20 million in public funds and destruction of irreplaceable wetlands, and interference with major shrimp and shell fisheries.

"Do I have a parochial interest in this?" says Senator J. Bennett Johnston Jr. of Louisiana, a member of the subcommittee. "You bet I do." But does anyone else in the United States except the two shipyards?

Another such project, estimated to cost at least $93 million in public funds, is to increase the yields of large-scale soybean and rice growers in Arkansas, at the cost of over 200 miles of stream channelization, clearing over 100,000 acres of forested bottomland and swamp, with devastating effect on water quality, on existing fishery resources, and on one of the most important migratory-waterfowl areas in America. But Cache Basin is in Arkansas, home state of Senator John L. McClellan, chairman of the committee.

Then there is the Columbia Dam in Tennessee, a huge $142-million empire-building proposal of the Tennessee Valley Authority, to create jobs (about as expensively as it can be done) and to promote recreation in an area that needs new lakes and lake frontage about as badly as the Sahara needs sand.

This one would eliminate more than 20,000 acres of productive farmland and would destroy or modify another 25,000 acres of forest and upland habitat, but it will bring some temporary dollars to the state of Senator James B. Sasser, a member of the subcommittee.

Applegate Lake, Ore., is to cost $81.5 million mainly for flood control for future floodplain development in the River Rogue Basin, "in contradiction," the White House points out, "of established Federal policy for flood plain management," not to mention "potential contamination of fish and drinking water from the mercury deposits which the project would inundate." But Senator Mark O. Hatfield of Oregon is on the subcommittee.

To keep the peace with Congress, President Carter will doubtless be asked by his political advisers to accept the bill containing these similar extravaganzas.

If he does so, it will be a sad and crippling retreat. For he is the first President in generations to have faced up to the political

and moral corruption inherent in so many of these projects.

To back down now would be a severe defeat for the public, the economy and the environment, not to mention the surprisingly large number of members of Congress (especially the younger ones) who are sick and tired of pork-barrel venality and who are looking for a way to escape from it.

EQUAL TREATMENT AND SOCIAL SECURITY

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mrs. KEYS. Mr. Speaker, I wish to insert for the RECORD the following remarks made by Congressman FRASER today before the Social Security Subcommittee:

Mr. Chairman and Members of the Committee, I appreciate the opportunity to testify before you. I address my remarks to Title III of H.R. 8218, "Social Security Equal Rights Amendments of 1977," that purports to eliminate gender-based distinctions in the social security system.

The Supreme Court compelled the Administration to include an "equal treatment" section by recent rulings that old-age survivor and spouse benefits must be available to widowers and husbands on the same basis they are currently available to widows and wives. The Administration "solution," however, is no solution at all. It will deny benefits to many women who, under current law (with or without the Supreme Court decisions), are entitled to them and it fails to address the full range of inequity permeating the system.

My remarks will review the assumptions of the program as it was developed in the '30's and '40's and point out how these now out-dated assumption create questions of fairness. Secondly, I'll review the actions of the Supreme Court, identifying the population affected and the cost of bringing them into the system. Thirdly, I'll describe how the Administration attempts to revise the system to exclude this new population of beneficiaries and then identify the actual victims of their plan. Finally, I'll discuss earnings-splitting as the most comprehensive and practical alternative.

SOCIAL SECURITY AND DEPENDENCY

Social security was originally developed as a family protection program. The system's architects assumed that most workers were men with dependent wives and children and that most marriages lasted through lifetimes.

In the 1930's and '40's, when protection for dependents was added to the list of those insured, these assumptions were reasonable. Today, they are out-of-date. The system of the '30's fits neither the world of work nor contemporary economic relationships between spouses in the 1970's.

Between 1940 and 1975, the labor force participation rate for married women rose from 15% to over 40%. Half of all married women under age 60 were in the labor force in 1975. Presence of children does not stop married women from working either: in 1975, 52% of wives with school-age children, and 37% of those with pre-school children were in the labor force. Their earnings kept their families out of poverty by contributing over one-fourth to the total family income which did not exceed an average of $11,400 in 1975 for two-earner couples. Clearly, dependent wives are a norm of the past.

Most marriages no longer last forever. In 1940 the ratio of divorces to marriages per year was about 1 to 6. In 1975 it was 1 to 2.

A system grounded in the assumption that wives don't work and marriages last forever runs awry in the reality of today.

Example: the current system disregards the social security contributions of married working women by entitling working and non-working wives to a Wife's Benefit regardless of their past earnings. One woman works and makes contributions for the same benefit the woman next door is getting "free."

Example: under the current system a woman loses all rights to dependent benefits if she divorces her husband before 20 years of marriage. The 20-year rule disregards the contribution of a homemaker to the economic unit during child-rearing years, which are usually the early years of a marriage. The increase in the number of divorces during the first 20 years of marriage leaves many homemakers without access to social security through their husband's wage record, even though they may have spent their prime wage-earning years working in the home raising children. On the other hand, a married woman need only 1 year of marriage behind her before she is entitled to wages from her new spouse's record.

Example: the "recency of work" requirement for entitlement to Disability Benefits excludes working women who generally move in and out of the labor force and may not accrue the necessary 20 quarters of coverage out of the 40 preceding the disability.

Example: entitlement amounts are based on average monthly earnings computed for quarters elapsing after the worker (or non-worker) turns age 21. Zero-earning years of women working in the home pull the average down and along with it, their benefit amounts.

Example: the present system prevents a wife from receiving her dependent benefit entitlement (Wife's Benefit) until her husband applies for his Old-Age Benefit. If he continues to work after he reaches entitlement age, his wife cannot collect her dependent benefit, reinforcing the notion that a homemaker role is a dependent, secondary role from which one need not retire.

These examples demonstrate how the present system is "dated" by changing patterns of work and family life. *None* of these situations are addressed by either the Supreme Court or the Administration's H.R. 8218.

ACTIONS OF THE SUPREME COURT AND THEIR CONSEQUENCES

Prior to a Supreme Court ruling in March 1975 (*Weinberger* v. *Wisenfeld*) a husband of a fully insured woman was not entitled to a father's benefit upon the death of his wife while a wife of a fully insured man *was* entitled to a Mother's Benefit if her husband died. Since *Wisenfeld*, a father is able to receive Mother's Benefits, if his wife dies. However, unlike mothers, fathers still are not entitled to Mother's Benefits if their wives retire or become disabled. Since the Court ruling in 1975, 14,000 widowers applied for Mother's Benefits, adding $17 million to the cost of Survivors Insurance.

Prior to Supreme Court decisions in March 1977 (*Califano* v. *Goldfarb* and *Califano* v. *Silbowitz*, referred to hereafter as *Goldfarb*) a husband or widower had to prove he was receiving at least one-half of his support from his fully insured wife (or contributing less than ¼ to their combined income) to become entitled to Husband's or Widower's Benefits derived from his wife's wage record. This "dependency test" was not imposed on a wife or widow who is 'automatically' entitled to Wife's or Widow's Benefits if her spouse is fully insured.

The dependency test was administered generally by looking at the income of both spouses over the 12 month period preceding the event that caused the entitlement, i.e. her retirement, death or disability.

Theoretically, *Goldfarb* shouldn't affect too many men: an individual can receive only one benefit even if entitled to more than one. Most men who, with *Goldfarb*, became entitled to a dependent benefit from their wife's wages, were already entitled to an Old-Age Benefit themselves. No doubt their own Old-Age Benefit would be higher than a dependent benefit (because women's wages are lower) so *Goldfarb* should have little impact.

The only population affected by *Goldfarb* would have to be men with *no* entitlement to social security prior to the decision because (1) they did not have the required number of quarters to qualify for their own Old-Age Benefit, and (2) they failed the dependency test to qualify from their wives' records. Almost without exception, this group is male government employees married to women fully insured under the social security system.

The Office of the Actuary estimated that *Goldfarb* would create 520,000 new beneficiaries; 300,000 men entitled to Husband's Benefits and 220,000 men entitled to Widower's Benefits. They also anticipated that half of these men would apply for benefits in FY '77. Actual applications, however, through July 13, 1977, total only 45,000, significantly less than the number estimated by the Actuary. The Office of the Actuary is currently under-going considerable downward revision of their original estimates that *Goldfarb* would cost the system $220 million in 1977 and $540 million in 1978.

One might note that costs are held down because husbands generally don't survive wives—there are fewer widowers than widows and women's wages are generally low—a dependent benefit derived from a low wage will be a very low benefit.

ADMINISTRATION SOLUTION AND ITS CONSEQUENCES

Goldfarb creates a problem by providing access to social security to government workers married to women covered by social security. The obvious solution is social security coverage of government employees. Obvious or not, it isn't likely to happen.

The Administration proposes to re-establish a variation of the dependency test for Widower's and Husband's Benefits and extend it to Wife's, Widow's and Mother's Benefits. Extending the test to Mother's Benefits is intended to limit the number of fathers taking advantage of *Wisenfeld*.

Instead of looking at income over the *12 month* period immediately preceding the event that causes entitlement, the new test would consider income over a *3 year period*. An individual would "pass" the dependency test if s/he were found to be *earning less* (instead of ¼th) than the spouse upon whom s/he was claiming dependency.

"Dependency" is an artificial concept in today's work world and an arbitrary method of limiting participation in the social security system. A 3 year period plucked from entire life-times will not reflect a couple's economic relationship.

In addition, women's work lives have always been more fluid than men's. The accepted work role for men is stable and long-term. A woman moves in and out of the labor force depending on her own and family needs. If she makes the wrong move into the labor

force 3 years prior to her husband's retirement, death, or disability, (of which only retirement is predictable) she may risk her dependent benefits.

The real culprits to catch with this dependency test are male government employees. However, following are some of the possible victims of the plan:

"1. Husband (H) worked his entire life in covered employment until age 61 when he lost his job. His wife (W), the same age, worked periodically at part-time jobs but most of the time stayed home raising their three children. When H lost his job, W luckily found a full-time job to keep them going for 4 years until they turned 65.

"Looking 3 years back to test the "dependency" of W on H, we find that W did, in fact, earn much more than unemployed H. She fails the test and, because she does not qualify for a benefit from her own limited earnings, has no retirement income at all and no dependent benefit when H dies a few years later.

"2. Thirty-five year old H worked 10 years in covered employment when he decided to go back to school to finish two years left on a college degree. W went to work to support H and their 2 small children. Three years later, H dies and W applies for a Mother's Benefit.

"W fails the dependency test because during the three year period prior to her husband's death, she earned more than he. She won't be entitled to a Widow's Benefit when she reaches age 60 either, as she would be under present law.

"3. H and W are divorced at age 55 after 30 years of marriage. During most of 30 years, W worked in the home so has only a few quarters of covered employment. H worked his entire life in covered employment. After the divorce, W lives on alimony for a few years and then, at age 58, takes a part-time job.

"At retirement age, W still doesn't have enough quarters to qualify for her own social security benefit. She files for a divorced Wife's Benefit. The Administration plan makes no provision for how the dependency test would apply to W. What three years would be viewed? Three years prior to retirement age when there was no economic relationship between the two at all?

"4. Anticipating reduced income, 3 years before H reaches age 65 his younger wife (of 4 years) goes in to real estate. W does well and earns as much as H for the 3 years before his retirement and continues working in the business for another 4 years until she reaches retirement age.

"W does not have enough quarters to be entitled to her own Old-Age Benefit. She applies for a Wife's Benefit and fails the dependency test because during the 3 years prior to H's retirement, W did not earn less than H."

In all of the above situations, the people denied benefits under this dependency test are *not* denied benefits under present law and were *not* denied benefits before either *Goldfarb* or *Wisenfeld*. *None* of them are male government employees. *All* of them are women. In none of the examples is a 3 year dependency test relevant to the life-time economic relationship of the couple.

The Court in *Goldfarb* classified "dependency" in the social security system as an "old notion" and "archaic." People simply aren't economically dependent on each other for whole life-times anymore. Workers of both sexes move in and out of the labor force: couples exchange child-rearing and breadwinner roles, they put each other through school, they face unemployment, or they both work side-by-side to keep from sinking into poverty.

As the Justice Department's Task Force on Sex Discrimination notes, "the fundamental problem with the current social security system is its inability to cope with the employment patterns of the majority of women, who are neither full-time homemakers nor full-time employees." The Administration plan exacerbates a problem it purports to alleviate.

ALTERNATIVE: EARNINGS-SPLITTING

The Task Force further finds that, "the current social security system treats the worker as an individual for the purpose of building an earnings record, and as part of a family unit with "dependents" for the purpose of paying benefits. Almost all of the inequities in the current system can be traced directly to this approach, and almost all of these inequities can be eliminated by treating the family as a unit for the purpose of building earnings records, as well as for the purpose of paying benefits." This can be accomplished through earnings-splitting.

Earnings-splitting is based on the fundamental assumption that marriage is an economic partnership. Each partner contributes to the economic stability of the unit and both enable the income to be earned. Both should have access to the benefits associated with that income.

Various earnings-splitting plans are under study right now in the Departments of HEW and Justice. The Urban Institute has undertaken research in the area of equal treatment, concluding preliminarily that earnings-splitting is the most equitable direction to follow in ridding the system of its sex bias.

My wife, Arvonne, and I developed our own earnings-splitting plan which we first introduced in the 94th Congress. My colleague, Congresswoman Martha Keys, has found our plan constructive and joined me last February when the bill was introduced in the 95th Congress. Since then, 56 other House colleagues have expressed their support of this concept by their co-sponsorship. My office has been flooded with mail from throughout the country requesting information about our plan and offering encouragement and support.

The Fraser/Keys plan credits each spouse annually with an equal portion of the wages earned by the couple. Through the years they are married, a couple will have identical wage records. For the years homemakers are not working in covered employment they would maintain wage records through the earnings of spouses who were. Our plan creates portability in social security. Partners may marry, be widowed, divorce or remarry without losing benefits. Wage records belong to individuals, not to marriages. Following are examples of how our plan would work in various situations.

"Case 1: The Social Security benefits of a woman who was married and a homemaker for 19 years and then divorces.

"Current System: The woman loses any entitlement to Social Security benefits from her husband's wages because she was not married for 20 years.

"During her 19 years working in the home she developed no wage record of her own from which she could derive her own Old-Age Benefit. She is left with nothing. If she had lasted in her marriage another year she would have been entitled to a Wife's Benefit from her former husband's wage record when she reached retirement age.

"Fraser/Keys: The woman, during her 19 years as a homemaker, would have been developing her own wage record through the wages of her spouse working in covered employment. When she retired (or became disabled) she would be entitled to benefits from her own wage record, developed during her 19 years as a homemaker."

"Case 2: The Social Security benefits of a homemaker who becomes disabled.

"Current System: A homemaker is not entitled to disability benefits unless she has worked in covered employment at least 5 of the last 10 years. The family is not insured against the loss of her homemaker services.

"Fraser/Keys: A disabled homemaker may be entitled to benefits if she has contributed to her wage record—either from her own earnings or through the earnings of her spouse during 5 of the last 10 years."

"Case 3: A woman works in the home, raising children for several years and then, in mid-life, begins to work in covered employment.

"Current System: Upon retiring, the woman's Old-Age Benefit level will be computed by averaging her earnings per year since 1950. Since she has several zero earning, child-rearing years, her average will drop considerably and drag her benefit level down with it.

"Fraser/Keys: If, during her years in the home, the woman's husband worked in covered employment, she would build her wage record through his earnings. She would not have zero earning years reflected on her wage record but a portion of her husband's earnings instead."

Our plan rids the system of a dependency concept in adult benefits. When fully implemented, each spouse will have his or her own wage record on which to collect benefits, obviating dependency-based benefits.

The Fraser/Keys plan would be relatively inexpensive. We don't create a whole new class of beneficiaries. Rather, we redistribute benefits equitably. Last February your Committee requested department reports on the Fraser/Keys bill from Treasury and HEW. The reports with cost analyses are not back from those agencies. However, we do have some idea of where the costs would arise.

First, as a transition feature, Fraser/Keys lowers the age at which a widow or widower could collect Survivors Benefits from 60 to 50. The provision is primarily for the benefit of a woman who becomes a "displaced homemaker" from losing her breadwinner spouse.

Currently, a woman is entitled to Mothers' Benefits if her spouse dies and she has a child less than 18 years of age. When the last child turns 18, the woman loses benefits and has no entitlement until age 60. Benefits are lowered in the Fraser/Keys plan to age 50 because a woman's youngest child would turn 18 when the (average) woman was 50.

After a period of disorientation it is likely this woman would go to work. These benefits would be subject to the earnings limitation so would be phased out as her participation in the labor force became more intense.

This provision is a transition feature. As noted earlier, after full implementation, all adults would have their own Social Security wage records built upon their own life experiences of working in covered employment or being married to someone who has a work-life in covered employment.

The cost of this provision could be estimated by computing the number of widows between the ages of 50 and 60 (1.4 million in 1970) who also are not disabled, not entitled to benefits under the present system and have no children under age 18. The group's average income could be used to estimate the degree to which they would use Survivor's Benefits. We do know that the median income of widowed women between the ages of 35 and 64 in 1975 was $13,700.

earnings too high to withstand the earnings test.

Second, Children's Benefits are also affected. Under the present system, children are entitled to benefits if an insured parent retires, becomes disabled, or dies. The present system prevents any beneficiary from receiving more than one benefit regardless of the number of entitlements.

The Fraser/Keys bill lifts this prohibition to allow children to receive benefits from both parents' records. Since families with both spouses present will have been income splitting, their wage records will be similar.

If both parents either die, retire, or become disabled, each child would receive a benefit from both wage records. Total benefits would still be subject to the Family Maximum.

Cost of this provision can be determined by computing the number of children less than age 18 (or students less than age 22) who have parents who both are either retired, deceased, or disabled.

Finally, Disability protection would be extended to homemakers. Under the present system, a woman working in the home, though married to a man working in covered employment, is not entitled to Disability Benefits.

Cost of this provision could be estimated by learning the number of disabled homemakers less than 65 years of age with spouses protected by Disability Insurance. We anticipate there would be few.

CONCLUSIONS

Mr. Chairman, the Administration method of "desexing" social security is destructive. It won't work, it defies reality, it avoids the range of issues that need be addressed by equal treatment plans. I believe it is senseless to set up the complicated and costly administrative mechanism this dependency test requires, only to dismantle it a few years from now in favor of another more thorough and thoughtful approach.

Instead, I urge the Committee to consider the merits of earnings-splitting. I realize such a reform is beyond the scope of H.R. 8218. However, the limited reform proposed in the Administration plan further entrenches dependency in a system that has out-grown the concept. Accepting the Administration plan is a retreat from progress.

I urge you to require, in place of the "Revised Test for Dependent's Benefits" in H.R. 8218, that the Department of Health, Education and Welfare establish a Task Force to study earnings-splitting and develop recommendations with the Justice Department's Task Force on Sex Discrimination. Both agencies have already developed favorable analyses of earnings-splitting, leading each to intensify their preliminary work. The Task Force could report findings back to the Committee in six months.

The Administration anticipates a cost of $70 million to administer their dependency test in its first year of operation. The Office of the Actuary estimates the savings from the test will be less than $100 million in its first year, not considering the administrative costs. *Net* savings then, will be less than $30 million, only .03% of total OASI benefits paid in one year!

While I do not want to undermine the seriousness of the system's diminishing base, I suggest that the relative miniscule savings and devastating effects of the plan leave us better off doing nothing in the interim between now and sound reform.

I encourage you to demonstrate your willingness to address equal treatment problems in the social security system by suspending action on *Goldfarb* and *Wisenfeld*. An HEW study of earnings-splitting anticipates substantive Committee action on equal treatment in the near future.

NINTH CENTENARY OF BAYEUX, FRANCE

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. EVANS of Indiana. Mr. Speaker, I would like to take a moment to report to the Congress of the United States that my participation in the Ninth Centenary of Bayeux, France, truly indicated to me that our country has a devoted ally in France and true friends in the people of Bayeux, Normandy. As the first city in Europe to be liberated after D-day, June 6, 1944, the residents of Bayeux are freedom-loving supporters of the American people.

The near-by American cemetary at Omaha Beach is a most moving site for almost a half million visitors per year. The thousands of American soldiers buried on this piece of American soil are all valiant men who fought and died to preserve freedom in its hour of greatest need. I was humbled to have participated in a wreath laying ceremony to honor those soldiers. Everywhere I went and at each event in which I was honored to participate there were French people who honor freedom and who are friends of this Nation.

I would like to share with my colleagues a part of an address I delivered to representatives of France, England, and Germany who were present in Bayeux:

I am pleased to be here this evening as the Representative of the United States Congress. There is a familiar phrase which I feel is most appropriate tonight, "Everyone has two countries, his own and France." Especially, this is true in view of the historical significance of Bayeux to freedom-loving people throughout the world, and also since it is a location where so many American soldiers gave their lives to preserve freedom for all the people of Europe.

It is most fitting that today, July 14, is your day of national liberty, and that we give it proper recognition. It is also proper that we recognize, today, the important role of the Church in French history as we especially honor your own Cathedral.

I see here, now, the similarities of yesterday and today between our two countries. We all take pride in our friendship of today and that past history. There are also diversities, however, between our different countries in certain policies which we advocate today. But we still remain friends and allies and that is important and necessary while we work out our difficulties.

Even within my own country of the United States there are differences between our new President and the Congress, but it is recognized that there must be a relationship and that it must be one of cooperation. So, too, must the international relations of our countries be based on mutual recognition of similarities and differences. Apart and without that needed understanding our nations are less great and less secure and the free world suffers more than when we are united in purpose.

The most important goal upon which our nations are agreed today is that goal which is illustrated so well by the statue on top of the Colonne de Juillet, the "Genie de la Liberte." The United States Congress salutes the Cathedral of Bayeux, the City of Bayeux, and the spirit and nation of France.

FEDERAL FUNDS FOR ABORTIONS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. EDWARDS of California. Mr. Speaker, I wanted to call to the attention of my colleagues an excellent article by David S. Border on the subject of Federal funds for abortions. The article appeared in the Washington Post on July 20.

Mr. Broder points out the inherent inequity of placing restrictions on the use of Federal funds for abortion. Denial of access to safe, legal abortions will have tragic consequences for low-income women.

I hope my colleagues will carefully consider Mr. Broder's comments on this sensitive issue.

The article follows:

[From the Washington Post, July 20, 1977]

THE UNFAIRNESS OF SAYING, "LIFE IS UNFAIR"

(David S. Broder)

Like most politicians who were on their way up in the early 1960s, Jimmy Carter has a well-developed case of Kennedy envy. It turns up in everything from his hairdo to his speech. So it was not altogether surprising that when pressed for his views on the equity of recent abortion decisions by Congress and the Supreme Court, President Carter fell back on Kennedy's famous observation that "life is unfair."

Judy Woodruff of NBC, referring to the legislative and judicial actions against Medicaid payments for abortion, asked: "How fair do you believe it is that women who can afford to get an abortion can go ahead and have one and women who cannot afford to are precluded from this?"

Carter replied: "Well, as you know, there are many things in life that are not fair, that wealthy people can afford and poor people can't. But I don't believe that the federal government should take action to try to make these opportunities exactly equal, particularly when there is a moral factor involved."

Carter did more than borrow John Kennedy's words; he wrenched them out of context. When Kennedy said "life is unfair," he was responding to the complaints of Army reservists mobilized during the Berlin crisis. He was not talking about the 350,000 poor women—one-third of them teenagers—who last year sought government aid in ending unwanted, sometimes dangerous, pregnancies.

A nation—or a President—that cannot distinguish between the inevitable inequities in a military mobilization and the deliberate decision to deny help to a pregnant teenager is a nation that has lost its way.

Some members of the House tried to say just that, in arguing unsuccessfully against the Hyde amendment, which denies federal funds for abortion, even in the case of incest or rape or to save a mother's life.

Rep. Parren J. Mitchell (D) of Baltimore, the head of the Black Caucus, told of visiting a patient at Brownsville State Hospital for the mentally ill, the victim of a rape who went through an illegal, back-alley abortion. "She is still there," he said, "paranoid, detached, alienated, not even a woman, because we permitted an illegal abortion to take place, a brutal, vicious assault on her."

Others were not so sympathetic. Rep. Eldon Rudd (R) of Scottsdale, Ariz., few of whose constituents need help from the government, found it as easy as Carter to dismiss the concern about "discrimination against the poor."

"By that logic," he said, "taxpayers can be forced by Congress to pay for poor people to have faceliftings, hair transplants, expensive cars and tickets to the Kennedy Center."

If "a woman has a right to control her own body," Rudd said, "let her excercise control—before she gets pregnant."

It was such comments as these that caused Rep. Elizabeth Holtzman (D) of Brooklyn to remark that the Hyde amendment would not prevail if the House had 417 women and 18 men, instead of the reverse, as is the case today.

Ironically, a few days after this debate, Holtzman's district was one of those ravaged by looters in the New York blackout, a reminder to Carter and the rest of us that the social consequences of unwanted, uncared-for children are felt by everyone—not just their mothers.

The comment that capsuled my own reaction to the debate came from Rep. Charles Rose (D) of Fayetteville, N.C., where Carter's sister lives.

Rose is just about as radical as you would expect the head of the congressional Rural Caucus to be. But after listening to the House debate, he said: "I cannot believe what I have heard . . . If your religious convictions tell you abortion is wrong, honor them. But do not impose on the poor women of this nation this kind of strapping discrimination."

Like Rose, I believe one must honor the deep convictions of those who oppose abortion on moral grounds. One must respect the holding of the Supreme Court that there is no clear constitutional mandate requiring federal- or state-financed abortions.

But one must also remember what we are talking about. The amount of money involved here is $45-million—exactly what the taxpayers provided last fall to finance Carter's and Gerald Ford's general election campaigns.

Those campaign funds were not there because everyone in America thought that was a good idea. They were available because Congress provided a voluntary checkoff on the tax form—which less than one-third of the taxpayers used.

Jimmy Carter is in the White House today because of those funds. And from that position, he says it is no business of his to help find a way—a constitutionally permissable and morally acceptable way—for equivalent funds to be used to help programs, needy women.

Life is unfair, all right. But, as Carter also used to say in the campaign, "It is not the people in positions of power who suffer when the government makes a mistake."

DEAD CAMBODIANS AND HUMAN RIGHTS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. DORNAN. Mr. Speaker, one would think from reading the major newspapers and listening to the evening news that there is a dearth of news in Southeast Asia. The strategic peninsula is rarely mentioned. It is as if nothing is happening behind the new Bamboo Curtain.

It is tempting, given the trauma of the collapse of Indochina, to lapse into the negativistic assumption that because our allies were defeated, both we and they were wrong and bygones should be bygones. It is also easy, in the absence of the constant and critical media coverage to which our allies were subjected during the fighting to forget about those countries today—about their citizens, and their lives and well-being.

To many who would like to pretend that this Nation was never involved in Southeast Asia, this may be convenient. It is also, however, an abrogation of our responsibility—both as a nation which was long at the center of Southeast Asian developments, and as a nation which is today seeking to reassert its moral leadership in the world. Our history and our present status require that, at the very least, we closely monitor events in that part of the world and criticize the excesses and brutalities of the Communists.

On Thursday, July 21, a very revealing and, I think, disturbing article appeared in Jack Anderson's column in the Washington Post. It is title is "Cambodia: Most Brutal Dictatorship," and it deals with the current situation in a nation which was once a close friend of the United States. The magnitude of the genocide being perpetrated in Cambodia is only now coming to light, and as of today still has not received the coverage and publicity it deserves.

This is murder and repression on a massive scale; it is brutal, it is systematic, it runs counter to every fundamental human value. Much is said today, particularly in Washington, criticizing the human rights policies of nations friendly to the United States. Why is there such anominous silence when dealing with the monumental mass murder which is taking place in a formerly allied nation?

At least in part, this is an embarrassed silence—because what is happening in Cambodia today is a profound embarrassment to those in this country who hailed the Khmer Rouge as righteous, nationalistic liberators, rather than the mass-murderers they are.

We can ignore this, and other cases of totalitarian repression, only at our own peril. If we are indeed to be the moral leaders of the world, then we must keep both eyes open to the world around us, and not turn a blind eye to those situations which are embarrassing or which we would otherwise like to ignore.

Mr. Speaker, I insert Mr. Anderson's column in the RECORD. I ask the Members to take 5 minutes of their time to read this piece, and thereby become more aware of the true nature of the foes which this country faces:

CAMBODIA: MOST BRUTAL DICTATORSHIP

(By Jack Anderson and Les Whitten)

The uproar over human rights has ignored the world's most brutal dictatorship. Adolf Hitler at his worst was not as oppressive as the Communist rulers of tiny Cambodia.

In a nation of 7 million people, an estimated 1 million have already died from mistreatment and executions. But the entire populace has been enslaved in a fashion that violates every international standard of human conduct. Only the Communists have any rights in Cambodia.

They have tried, with frightening success, to hide their horrors from the world. They have sealed off their country tightly. The borders are mined and patrolled.

Only nine nations have opened embassies in the capital city of Phnom Penh. Yet these diplomats, most of them Communists from friendly countries, are restricted to a street about 200 meters in length. When they wish to conduct official business, they are picked up in a government car and escorted to their destination.

Yet a few refugees managed to escape, some of them after harrowing experiences. They told essentially the same story about the conditions they had left behind. Some even brought out bootleg photographs of the atrocities.

We picked up their stories from intelligence sources and began publishing them as early as June, 1978. But U.S. intelligence agencies were hesitant to accept the word of refugees. All other intelligence channels had been effectively cut off.

But the reports can no longer be dismissed. Too many independent witnesses have now reached the outside. The story of the brutal Cambodian repression, therefore, can be told with authority.

It began even before the Communists swept to victory in April, 1975. Some of the last classified cables out of Cambodia reported that the Communist guerrillas had turned upon the civilian population with a sudden savagery.

The last American ambassador, John Gunther Dean, gave Washington this secret assessment of the Communist ruthlessness: "Inquiries as to motives of the KC [Communists] have produced a similarity or response, with the answers varying only in degrees of sophistication.

"The refugees express the view that the KC forces control most of the land area but need more people. The attacks are seen by the refugees as enemy punishment inflicted on them for rejecting KC offers to come over to the KC side."

Many of the Khmer Rouge soldiers were young, illiterate and so unsophisticated, according to refugee accounts, that they were frightened of food that came in bottles and tin cans. They were also consumed with uncontrollable hatred.

Within hours after they swarmed over Phnom Penh on April 17, 1975, the wholesale slaughter began. These were not the ravages, however, of undisciplined troops gone wild. On the contrary, they were part of a deliberate, disciplined campaign to remake the society from the ground up.

First, the civilian populace was ordered out of the cities. Hestitation brought instant death. The people were herded into death marches, without food or water, into the countryside.

At the end of the death marches, the harassed people were organized into small villages called "peasant cooperatives" and were put to work planting rice, building dikes and digging canals. Families were separated and marriages forbidden.

The Khmer leaders, meanwhile, grimly began purging every trace of the old culture and foreign influence. Orders went out to execute doctors, teachers, anyone with an education, anyone who could read or write. Every soldier above the rank of private in the old army was sentenced to death.

By the thousands, Cambodians were dragged out of their villages to be shot, stabbed or bulldozed alive into mass graves.

The number of executions, apparently, has now fallen off. People are given verbal reprimands for stepping out of line or failing to show the proper "enthusiasm", for the revolution. After three such reprimands, according to refugee reports, the errant citizen simply disappears.

Rice is rationed; the current measure is half a tin can per person each day. Families are still kept separated. Marriages are now permitted, but a love affair can be a capital offense.

There is no monetary system, everything is obtained by barter. There is no education system, no telephones, no newspapers. Three short propaganda messages are broadcast daily.

The cities remain virtually empty. Phnom Penh, once a bustling city of 3 million before the Khmer Rouge came, now has a population around 50,000.

CHRISTIANS AND JEWS IN PHILADELPHIA HOLD VIGIL FOR SCHARANSKY

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. EILBERG. Mr. Speaker, this morning in Philadelphia, which I am privileged to represent in Congress, a coalition of Christians and Jews began a 2-day vigil to protest the imprisonment by the Soviet Government of Jewish activist Anatoly Scharansky.

Mayor Frank L. Rizzo has proclaimed the period of July 21–22 as Anatoly Scharansky Freedom Days to help focus public attention on the plight of this courageous young man.

For me, Mr. Speaker, the vigil has a deep personal meaning, because I had the honor of meeting Anatoly nearly 2 years ago when members of the House subcommittee which I chair traveled to the U.S.S.R.

Anatoly served as one of our translators, and my colleagues and I were tremendously impressed by the bravery he demonstrated in meeting with us to tell us of the latest harassment against Soviet Jews.

Since that time, I have met Anatoly's wife, Natalia, who lives in Israel. They have been cruelly separated for some 4 years now by an arbitrary Soviet policy which forced Natalia to leave for Israel without her husband.

I came away from these meetings, Mr. Speaker, convinced more than ever that we Members of Congress must continue to raise our voice against the violations of human rights guaranteed by international law to the Scharanskys and their fellow activists.

And so today, although I am unable to join the vigil in Philadelphia, I add my voice to the concerns being raised by the Christians and Jews of conscience who gather in the shadow of Independence Hall to demonstrate their outrage against government policies which have forced the tearing apart of many families such as the Scharanskys.

Taking part in the Philadelphia vigil are the Reverend Richard Firster, director of Judeo-Christian relations for the American Baptist Churches of Pennsylvania and Delaware; Rabbi Richard Levine, president of the Board of Rabbis of Greater Philadelphia; I. Jerome Stern, president of the Federation of Jewish Agencies; Sol Fisher, president of the Jewish Community Relations Council; my wife, Gladys Eilberg, a member of the executive committee of the Soviet Jewry Council of JCRC; and Sister Gloria Coleman, director of ecumenical and interreligious affairs for the cardinal's commission on human relations of the archdiocese of Philadelphia.

FATHER GENE R. WILSON: MAN OF THE PEOPLE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. STOKES. Mr. Speaker, I rise on this occasion to pay tribute to one of Cleveland's outstanding religious and community leaders, Father Gene R. Wilson, pastor of Saint Adalbert-Our Lady of the Blessed Sacrament Church. Father Wilson has devoted so much of his time and energy to the social and economic advancement of Cleveland's inner-city neighborhoods. In both secular and religious affairs, he has provided the type of guidance and thoughtful leadership which is so sorely needed in our city.

Mr. Speaker, Father Wilson will be leaving St. Adalbert's Parish after 11 years of dedicated service. This comes as a great loss to Cleveland. So that my colleagues in the U.S. House of Representatives can familiarize themselves with Father Wilson's notable career, I would like to relate to you some of the highlights of his life.

Father Gene Wilson was born on May 18, 1928, in Charleston, W. Va., the son of Luther Lee Wilson and Hilda Lawson. In 1928, the Wilson Family moved to St. Clairville, Ohio and then on to Cleveland in 1929. As a youngster, Father Wilson was educated in the Cleveland public school system and spent time studying for the religious life at Collegeville, Minn. and also with the Graymoor Friars in Garrison, N.Y. In 1950, he began his studies with the Society of the Precious Blood at Brunnerdale Seminary in Canton, Ohio. During this time, he also attended St. Joseph College and received a B.A. in liberal arts from the University of Dayton. On May 28, 1960, he was ordained into the priesthood, the first black person to achieve this position from the city of Cleveland.

Father Wilson continued his scholarly pursuits, having attended both Detroit University and Purdue University. He has also completed a masters degree in library science at Catholic University in Washington, D.C.

His assignments as a priest in the Society of the Precious Blood included the assistant pastorship at St. Adalbert from August 1961 to August 1963, Instructor and librarian at Brunnerdale Seminary in Canton, Ohio from 1964 to 1969, and copastor and pastor at St. Adalbert's since 1969.

As I mentioned earlier in my remarks, Father Wilson has been extremely active in community affairs. He has served on the Board of the Catholic Inter-Racial Council of Cleveland, the Commission on Alcoholics, the Board of Trustees for Ohio Boys Town, and is a member of the Fairfax Foundation. He is also the vice president of the Interdenominational Ministerial Alliance, chairperson for the C.P.P.S. Inner City Black Caucus, dean and diocesan consultor to the Bishop of Cleveland and spiritual director of the Black Lay Catholic Caucus of Cleveland.

Mr. Speaker, on Friday, July 29, 1977, a dinner will be held in Father Wilson's honor in the grand ballroom of the Cleveland Plaza Hotel. Parishioners, friends, associates, and leading citizens of Cleveland will be on hand to pay tribute to Father Wilson in recognition of the exceptional role he has played in the life of our city. Mr. Speaker, I feel that it would be fitting for you and my colleagues in the House to join with me in lauding Father Wilson and congratulating him for his years of devoted service. As a man of God and a man of the people, we are grateful to have had him by our side. I am sure that I can speak for thousands of citizens in Cleveland when I say not "goodbye" but "farewell for now" for we all feel confident that he will return to continue his excellent work in an even greater ecclesiastical capacity.

OIC OF RHODE ISLAND, INC.

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. ST GERMAIN. Mr. Speaker, on July 19, it was my privilege to vote with an overwhelming majority of my colleagues for the conference report on H.R. 6138, youth employment and demonstration projects.

Passage of this bill has particular significance for me and for Rhode Islanders because it allows a program which has brought so much benefit to our State to continue and to grow.

The Opportunities Industrialization Center of Rhode Island, Inc., established

in 1968, has brought new life into youth training and diversionary programs, so that those young people who had for so long been excluded from the mainstream of life in terms of employment and involvement can now feel a part of the system and share in the possibilities for success.

OIC, in a relatively short time, has accomplished the impossible in bringing together those from the business and professional communities with members of the disadvantaged and poor communities within our society, to the mutual benefit of all.

Under the enthusiastic leadership of Michael Van Leesten, executive director, and Rev. Arthur L. Hardge, chairman of the board of OIC, this organization has never ceased to amaze and cannot help but earn the admiration of all citizens of Rhode Island in the creativity, care and genuine devotion with which each of the counseling, education, and training programs has been implemented.

I am proud of the success of OIC of Rhode Island, and I am sure this pride is shared by the Rhode Island delegation and all of Rhode Island's citizens. As long as programs like OIC continue to provide this necessary service, I hope we will also continue to provide the funding which these programs need and deserve.

H.R. 8359 A BILL TO RESTORE EFFECTIVE ENFORCEMENT OF THE ANTITRUST LAWS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. RODINO. Mr. Speaker, I should like to insert for the record the court of appeals decision in the Illinois Brick litigation. H.R. 8359 is designed to reinstate the analytical approach and the equitable policies of this decision.

As a result of the Illinois Brick decision in the Supreme Court, a first purchaser of price-fixed goods may now recover damages even though he was not injured because he passed the overcharge on to his customers. On the other hand one of those customers who was indeed injured could not sue—simply because he was not the first purchaser. This is neither logical nor fair.

I am hopeful that we will be able to take action on this measure as soon as possible, and I shall tomorrow introduce this remedial legislation in a cosponsored version.

The text of the seventh circuit's decision in Illinois Brick follows:

STATE OF ILLINOIS, ET AL. v. AMPRESS BRICK CO., INC., ET AL.

U.S. Court of Appeals, Seventh Circuit, No. 75-1561. Decided June 22, 1976. Appeal from U.S. District Court, Northern District of Illinois, Eastern Division.

SHERMAN ACT

Private Suits—Concrete Block Price Conspiracy—Suit by Ultimate Consumers—Public Building Projects—Standing of State to Sue.—The State of Illinois, as a purchaser of buildings and structures containing allegedly price-fixed concrete blocks, had standing to sue the producers of the blocks even though the State had made no direct purchases from them. In private suits seeking to vindicate rights conferred by Congressional enactment, the State had to show an injury in fact that was "arguably within the zone of interests to be regulated by the statute." Whatever difficulty the State might have in proving injury did not require that the suit be dismissed. Furthermore, appropriate means could be found to avoid double recovery by both the State and building contractors, who made direct purchases from the concrete block producers.

For plaintiffs: Lee A. Freeman, Sr. and Lee A. Freeman, Jr., of Freeman, Rothe, Freeman & Salzman, Chicago, Ill. For defendants: Edward H. Hatton, of Jenner & Block, Chicago, Ill., John Edward Burke, of Ross, Hardies, O'Keefe, Babcock & Parsons, Chicago, Ill., Thomas W. Johnston, of Chadwell, Kayser, Ruggles, McGee & Hastings, Chicago, Ill., Richard L. Reinish, of Keck, Cushman, Mahin & Cate, Chicago, Ill., Gary Senner, of Sonnenschein, Carlin, Nath & Rosenthal, Chicago, Ill., Thomas F. Carey, of Carey, Filter & White, Chicago, Ill., Samuel J. Betar, of Schippers, Betar, Lamendella & O'Brien, Chicago, Ill., George B. Collins, of Collins & Amos, Chicago, Ill., James P. Morgan, Chicago, Ill., and Michael J. Guinan, of Griffin, Guinan & Griffin, Chicago, Ill.

Before: Fairchild, Chief Judge, Cummings and Pell, Circuit Judges.

Opinion

CUMMINGS, Cir. J.: This treble damage antitrust action was brought by the State of Illinois on its own behalf and on behalf of various governmental entities in the Greater Chicago area. Except for the American Brick Company,[1] the eleven defendants are manufacturers of concrete block. In Count 1 of the complaint Illinois charged that the defendants violated Section 1 of the Sherman Act (15 U.S.C. § 1) by conspiring to fix the price of concrete block, allegedly resulting in overcharges of "an amount in excess of $3 million." Because of the treble damage provision contained in Section 4 of the Clayton Act (15 U.S.C. § 15), plaintiffs apparently sought in excess of $9 million in damages.[2]

The present lawsuit was filed after the United States had filed similar criminal and civil cases against eleven manufacturers of concrete block used in building construction in the Greater Chicago area. Pleas of *nolo contendere* were accepted in the criminal case and a consent decree was entered in the civil action. Comparable private treble damage actions brought by masonry contractors, general contractors and private builders were settled with the payment of agreed-upon sums of money. The settlements were without prejudice to this suit.

Public projects

Plaintiffs assert that the defendants sold large quantities of concrete block to masonry and general contractors for incorporation in public buildings and structures. Most of the building project contracts were awarded pursuant to competitive bidding based on plans and specifications setting forth the amount and type of concrete block required. The bids submitted included the cost of the concrete block purchased from the manufacturer or masonry contractor. Thus the plaintiffs were not the first purchasers of the concrete block although they alleged that the cost of the product was passed on to them.

Ultimate consumers

Defendants moved for summary judgment against all plaintiffs that were not direct purchasers of concrete block from defendants.[3] In its memorandum opinion (67 F.R.D. 461), the district court first noted that the plaintiffs did not purchase concrete block indirectly pursuant to cost-plus contracts but instead purchased buildings of which concrete block was a component part. As Judge Kirkland put it, the critical issue before him was "whether parties more remote than the direct purchaser from an alleged anti-trust violator have standing to sue under Section 4 of the Clayton Act * * *." 67 F.R.D. 464.

Citing *Hanover Shoe, Inc. v. United Shoe Machinery* [1968 TRADE CASES ¶ 72,490], 392 U.S. 481, the district court held that an immediate consumer or direct purchaser unquestionably has standing to use the antitrust violator, 67 F. R. D. 466. However, relying upon our decision in *Commonwealth Edison v. Allis-Chalmers Mfg. Co.* [1963 TRADE CASES ¶ 70,725], 315 F. 2d 564, 567 (7th Cir. 1963), certiorari denied, *sub nom. Illinois v. Commonwealth Edison Co.*, 375 U.S. 834, the court held that "as to *ultimate* consumers [such as plaintiffs], their injuries are too remote and [in]consequential to provide legal standing to sue against the alleged antitrust violator." 67 F. R. D. 468. Therefore, summary judgment was granted as to this phase of defendants' motion.[4]

Zone of interests

In private actions seeking to vindicate rights conferred by Congressional enactment, to establish standing the plaintiffs must show an injury in fact that is "arguably within the zone of interests to be regulated by the statute." *Association of Data Processing Service Organizations, Inc. v. Camp* 397 U.S. 150, 153; *Malamud v. Sinclair Oil Co.* [1975-2 TRADE CASES ¶ 60,442], 521 F. 2d 1142, 1151-1152 (6th Cir. 1975). The district court held that plaintiffs' interests as ultimate consumers were not protected by the antitrust laws. We disagree and therefore reverse.

Statutory language

Our holding that ultimate consumers may recover for violations of the Sherman Act is motivated by the broad language of the treble damage provision in Section 4 of the Clayton Act. It provides in pertinent part:

Any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor * * * and shall recover threefold damages by him sustained * * *. (15 U.S.C. § 15; emphasis supplied.)

The broad reach of a treble damage action under the Sherman Act was stressed in *Mandeville Island Farms, Inc. v. American*

[1] American Brick Company was sued on the theory that it was a purchaser of concrete block for resale primarily from its production affiliate, Carey Brick Company.

[2] In Count II, plaintiffs were two named hospitals suing also on behalf of all Chicago area private hospitals (in part supported by private funds) that were damaged by purchases of concrete block. No set damages were claimed in Count II. Summary judgment was also rendered for defendants with respect to that Count.

[3] Defendant also moved for summary judgment as to direct purchasers from nondefendants. The denial of this motion is not involved in this appeal. As a result of the partial summary judgment, the claims of only four governmental entities remained in the suit.

[4] Final judgment was subsequently entered thereon pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

Crystal Sugar Co. [1948–1949 TRADE CASES ¶ 62,251], 334 U.S. 219, 236, where the Supreme Court noted that the Sherman Act "does not confine its protection to consumers or to purchasers, or to competitors, or to sellers * * *. The Act is comprehensive in its terms and coverage, protecting all who are made victims of the forbidden practices by whomever they may be perpetrated."[5] No subsequent decision of that Court has confined the treble damage remedy to direct consumers. The sweeping language of the statute and the policy encouraging private enforcement of the antitrust laws persuaded us that if plaintiffs can prove a violation which resulted in an injury to them, they ought to recover. See *Hawaii v. Standard Oil Co., supra*, 405 U.S. at 262; *Zenith Radio Corp. v. Hazeltine Research, Inc.* [1969 TRADE CASES ¶ 72,800], 395 U.S. 100, 130–131.

Precedent

Although the Supreme Court has not decided the issue presented here, the two courts of appeals that have squarely considered the problem have held that ultimate consumers are within the reach of the treble damage statute. In *In re Western Liquid Asphalt Cases* [1974–1 TRADE CASES ¶ 75,081] 487 F. 2d 191 (9th Cir. 1973), certiorari denied *sub nom. Standard Oil Co. v. Alaska*, 415 U. S. 919, the Ninth Circuit noted that Congressional policy favors the allowance of recovery to plaintiffs who can prove both the occurrence of an antitrust violation and that they thereby incurred substantial damage. The Court refused to confine standing under Section 4 of the Clayon Act to first-line purchasers or more remote consumers who bought goods subject to a cost-plus contract. Similarly, in *Armco Steel Corporation v. State of North Dakota* [1967 TRADE CASES ¶ 72,058], 376 F. 2d 206 (8th Cir. 1967), the court held that because unlawfully fixed prices could injure the ultimate consumers, North Dakota should be permitted to recover $258,255 on its indirect purchases of metal products eventually used in state highways.

The District of Columbia, Second, Fourth, Fifth and possibly the Sixth Circuits also seem hospitably inclined to the rule that ultimate purchasers may sue under Section 4 of the Clayton Act to recover damages incurred as a result of a price-fixing conspiracy.[6]

Analysis of defendants' cases does not lead to a different conclusion. Defendants rely primarily on *Hanover Shoe, Inc. v. United Shoe Machinery Corp.* [1968 TRADE CASES ¶ 72,490], 392 U. S. 481. In that case, the Court held that first-line purchasers could recover for antitrust violations even if the purchaser passed on the cost of the product attributable to the anti-competitive practice. 392 U. S. at 488. However, the Court did not enshrine privity as a requirement of recovery under the antitrust laws. See *In re Western Liquid Asphalt Cases, supra*, 487 F. 2d at 196–198; *Boshes v. General Motors Corporation, supra*, 59 F. R. D. at 592–596. Although the Court noted that more remote purchasers might have difficulty in establishing the relationship between the antitrust violation and the injury suffered, we do not believe *Hanover Shoe* precludes those purchasers from ever recovering.

The Third Circuit's *per curiam* opinion in *Mangano v. American Radiator & Standard Sanitary Corp.*, [1971 TRADE CASES ¶73,477], 438 F. 2d 1187 (1971), is cited by defendants in favor of the summary judgment below. However, a careful reading of *Mangano* shows that the affirmance was based on "the district court's sound discretion to dismiss the actions of the present appellants solely for inexcusable failure to answer interrogatories" (438 F. 2d at 1188). More significantly, the failure to answer the interrogatories revealed plaintiffs' inability to show that the alleged antitrust violations were the proximate cause of the injury to the plaintiffs.[7]

Our decision in *Commonwealth Edison Co. v. Allis-Chalmers Mfg. Co., supra*, is distinguishable on an identical rationale. In part, that decision was based on *Keogh v. Chicago & North Western Railway Co.*, 260 U. S. 156, which held that complaints against legally established regulated rates must first be addressed to the regulatory agency. 315 F. 2d at 567. See *United States v. Radio Corporation of America*, [1959 TRADE CASES ¶ 69,284], 358 U. S. 334, 346–347. However, like *Mangano*, the decision in *Commonwealth Edison* also rests on the failure to prove that the violations damaged the plaintiffs. Because the rates were set by an independent regulatory agency, plaintiffs could not show that the allegedly inflated prices for the generators resulted in higher prices for the electricity produced. In the next consideration of Commonwealth Edison's antitrust claim, the author of our previous opinion approved the rule of *Clark Oil Co. v. Phillips Petroleum Co.*, [1944–1945 TRADE CASES ¶ 57,358], 148 F. 2d 580 (8th Cir. 1945), certiorari denied, 326 U. S. 734, that the Clayton Act permits ultimate consumers to recover from antitrust violators, thereby refuting defendants' interpretation of our prior holding. *Commonwealth Edison Co. v. Allis-Chalmers Mfg. Co.*, [1964 TRADE CASES ¶ 71,197], 335 F. 2d 203, 208 (7th Cir. 1964); see also *Boshes v. General Motors Corporation, supra*, 59 F. R. D. at 597, n. 10.

Proof of Injury

The error in defendants' reading of *Hanover Shoe, Mangano*, and *Commonwealth Edison* is that they view the failure to show that antitrust violations caused plaintiffs' injury as an element of standing. It is not. Rather, the question is one of fact (*Perkins v. Standard Oil Co.*, [1969 TRADE CASES ¶ 72,822], 395 U.S. 642, 648; *In re Western Liquid Asphalt Cases, supra*, 487 F.2d at 199), and any decision thereon is an adjudication on the merits. *Cf. Sierra Club v. Morton*, 405 U.S. 727, 741. Although in *Mangano* and *Commonwealth Edison* the facts were sufficiently clear early in the litigation to permit resolution of the case on a motion to dismiss or for summary judgment, in the instant case they are not.

Double Recovery

We do not believe that the difficulty plaintiffs might have in proving the injury requires us to dismiss the suit. Nor do we believe that dismissal is warranted because both the immediate purchasers and the plaintiffs in this case might recover damages from the defendants. As Judge Carter pointed out in *In re Western Liquid Asphalt Cases, supra*, 487 F. 2d at 200–201, according standing to ultimate purchasers need not result in double recovery because appropriate means can be found to apportion any damages that might be assessed.

To the extent that the district court held that these plaintiffs, as opposed to ultimate consumers in general, lack standing, we disagree. The plaintiffs here have alleged an injury in fact and are within the target area of the Sherman and Clayton Acts. They have shown that they were "within the area of the economy which [defendants] reasonably could have or did foresee would be endangered by the breakdown of competitive conditions." *In re Western Liquid Asphalt Cases, supra*, 487 F. 2d 199.

The judgment below is reversed insofar as it grants summary judgment on Counts I and II against indirect purchasers of concrete block with costs to plaintiffs-appellants.

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[5] See also *Hawaii v. Standard Oil Co.* [1972 TRADE CASES ¶ 73,862], 485 U.S. 251, 262; *Minnesota Mining & Mfg. Co. v. New Jersey Wood Finishing Co.* [1965 TRADE CASES ¶ 71,449], 381 U.S. 311, 318: *Radovich v. National Football League* [1957 TRADE CASES ¶ 68,628], 352 U.S. 445, 454.

[6] See *State of Illinois v. Bristol-Myers Co.* [1973–1 TRADE CASES ¶ 74,262], 470 F. 2d 1276, 1278, n. 4 (D. C. Cir. 1972); *In re Master Key Antitrust Litigation* [1975–2 TRADE CASES ¶ 60,648], 528 F. 2d 5, 12, n. 11 (2d Cir. 1975); *South Carolina Council of Milk Producers, Inc. v. Newton* [1966 TRADE CASES ¶ 71,742], 360 F. 2d 414, 417–418 (4th Cir. 1966), certiorari denied, 385 U. S. 934; *Lehigh Portland Cement Co. v. City of North Bay Village* (Misc. No. 2364, 5th Cir. 1972), denying appeal in *Southern General Builders, Inc. v. Maule Industries, Inc.*, 1973–1 CCH TRADE CASES ¶ 74,484 (S. D. Fla. 1972); *Dailey v. Quality School Plan, Inc.* [1967 TRADE CASES ¶ 72,153], 380 F. 2d 484, 487–488 (5th Cir. 1967). In a different context, the Sixth Circuit seems to lean the same way in *Malamud v. Sinclair Oil Corporation* [1975–2 TRADE CASES ¶ 60,442], 521 F. 2d 1142 (6th Cir. 1975). The split among the district courts was noted in *Boshes v. General Motors Corporation* [1973–1 TRADE CASES ¶ 74,483], 59 F. R. D. 589, 592–593, n. 5 (N. D. Ill. 1973) and in the opinion below, 67 F. R. D. at 464, n. 1. We approve of those district court decisions permitting ultimate consumers to sue antitrust violators.

[7] To the extent that there is dicta that only the first consumers in a chain of distribution may sue under Section 4 of the Clayton Act, we respectfully disagree with the Third Circuit.

LET'S GIVE THE FBI A CLEAR MANDATE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. DERWINSKI. Mr. Speaker, all Members should be concerned with the problems that face our intelligence agencies. Of course, a major complication is that facing the FBI. In my judgment, much of the criticism of the FBI is exaggerated and unfair. The noted columnist Bob Wiedrich addresses this point most effectively in his column which appeared in the Chicago Tribune on July 19.

The article follows:

LET'S GIVE THE FBI A CLEAR MANDATE

(By Bob Wiedrich)

It is the nature of man to call the fire department when his house is burning.

However, once the flames have died, he blames the firemen for not having gotten there soon enough. Or for having used too much water. Or for not having used enough.

For you see, second guessing also is the nature of man.

And that, in essence, is the plight in which the Federal Bureau of Investigation finds itself today.

It has done its job as the fireman of American national security. But now it is being criticized for having used too much water.

Whenever things go up for grabs in this country, the public, Congress, and the White House all holler for the FBI, the "firemen" of

the United States Department of Justice.

Over the last 60 years, the FBI has been called on to repel all manner of threats to the nation:

The German Menace of World War I, the Red Menace of the 1920s, the Nazi and Japanese Espionage Menaces of World War II, and the Radical Menace of the 1960s.

In hot wars and cold wars and in between, the men of the FBI have pretty much been left to their own devices without any clearly defined guidelines from the folks hollering for help to prevent the agency from getting caught in post-crises switches.

And now that the FBI is catching hell for having overreacted during the battle with the more radical antiwar groups of a decade ago, some of the same people who hollered for help when their cities were being bombed are hollering for the FBI's scalp.

"For too long," says FBI Director Clarence M. Kelley, "the FBI has been compelled to draw authority from presidential directives and executive orders originally intended to meet urgent, specific needs at a given time of national crisis, particularly in the area of domestic security.

"The history of the FBI's involvement in intelligence matters is closely interwoven with peaks and valleys in the national mood toward domestic security."

During World War I, the FBI's predecessor agency, the Bureau of Investigation, was haphazardly handed foreign and domestic security responsibilities by Congress.

A citizens auxiliary group called the American Protective League [APL] was formed with the approval of the U.S. attorney general to give the under-manned, fledgling agency a hand.

In no time, other ad hoc citizen groups were taking it upon themselves to investigate what they perceived to be un-American activities. Thus, despite the best of intentions of many Americans, mass deprivation of constitutional rights occurred.

In 1918, raids on deserters and draft dodgers in New York and New Jersey were carried out without warrants or sufficient probable cause for arrest by 35 agents assisted by 2,000 APL members, 2,300 military personnel, and several hundred police officers. Some 50,000 men were rounded up.

Constitutionally, it was rough. But nobody raised a stink because it was wartime.

After World War I, the bureau and the U.S. Department of Labor again were tossed into the soup when an aroused public cried out to be saved from the Red Radical Scare during which violence and anarchy had Washington uptight.

"If the advocates of civil liberties were speaking out, no one was listening," Kelley said.

In 1919 and 1920, raids were conducted against suspected Red radicals.

"But once the radical fires had been put out, the passion for resolute government action also cooled," Kelley said. "The Red raids generated a storm of criticism, including an investigation by the Senate Judiciary Committee."

Again, the agents had been caught in a bind carrying out the mandates of a thoroughly frightened government. And the people who had hollered for the firemen, now were hollering criticism.

The same happened during the 1930's as World War II approached.

The White House ordered the FBI to investigate the Nazi movement in the country. That later was broadened to include Communist and Facist activity as well.

As the years passed, President Roosevelt's directives were reinforced by those of Presidents Truman and Eisenhower as the nation moved from a world war to a Korean War and into the Cold War.

By the time the rioting and bombings of the 1960s arrived, the Justice Department again was instructing the FBI to conduct vigorous intelligence operations against suspected radicals.

And just as before, the FBI got caught in the switches once the public and political ardor for vigorous action cooled.

As Kelley says, "Never again should FBI agents be placed under such tremendous pressure to act in the absence of explicit lawful authority."

Once and for all, Congress, the American people, and the executive branch of government should tell the FBI what they want done, how they want it done, and spell it out in legislation that clearly defines what they mean.

That would be far fairer than changing the rules in the middle of the game and making them into a retroactive pillory for FBI agents who thought they were doing the right thing for their country.

PUBLISHER FINALLY GETS HIS FBI FILES, OR SOME OF THEM

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. GORE. Mr. Speaker, the FBI has played an absolutely essential role in law enforcement in this country during its 50-year history. Besides its important work in enforcing Federal laws, it has also made a valuable contribution in professionalizing law enforcement throughout the country through its cooperative programs with State and local law enforcement agencies.

In order to further strengthen the FBI, this Congress must continue to exercise its oversight responsibilities. In a free nation, public support of law enforcement agencies depends upon recognition and correction of excesses. In recent years, there has been a great deal of concern about charges that the FBI has apparently sometimes gathered derogatory information about private individuals—uncorroborated rumors, raw data, and pure gossip—and kept this information in the individual's file where it could cause unforeseen embarrassment or damage in the future. In response to this concern, the Congress enacted—and the FBI has implemented—a law guaranteeing a citizen access to his or her FBI files.

Mr. John Seigenthaler, the publisher of the Nashville Tennessean, has recently written an account of his efforts, pursuant to this law, to obtain access to his FBI files. His account points out the lengthy delay in the FBI's decision to release his files, the fragmentary nature of the information finally released, and the kind of information placed in his files to begin with. I hope my colleagues will find this article informative and useful in our continuing effort to insure that the FBI remains a strong law enforcement agency, responsive to the need to protect individual rights as well as to the need to work for vigorous enforcement of the Nation's laws.

The article follows:

PUBLISHER FINALLY GETS HIS FBI FILES, OR SOME OF THEM

(By John Seigenthaler, Tennessean publisher)

"Allegations of Seigenthaler having illicit relations with young girls . . ."—Report of Memphis FBI to FBI Director Clarence Kelley, May 6, 1976.

I have been reporting and writing for this newspaper, The Tennessean, for most of the last 28 years—and this is the most difficult assignment I have undertaken.

This is a story about myself. It is personal. It is painful.

The allegation cited in the FBI communication printed above, dated May 6, 1976, are not true. But they were repeated, in substance, in another communication to FBI Director Kelley four days later, on May 10, 1976.

I found out about it two weeks ago—when, after more than a year of denial and delay, Director Kelley finally complied with provisions of federal laws and sent me my FBI files. At least he sent me some of my files.

I have now been assured by ranking officials of the Justice Department that the words cited in the May 6 and May 10 "telexes" will be purged from my records.

But as of this moment they are part of the "official" FBI files. I have been given access, under law, to some FBI reports mentioning my name. But nothing I have received from the federal Bureau explains how such information could get into my files, why it was sent on May 6 to Director Kelley, or why it was repeated in another message to him a few days later.

The law which allows citizens the right to examine their files also allows the FBI to decide arbitrarily what records will not be shown. I am appealing Kelley's decision in my own case to try to get more information.

Like most Americans, I grew up believing completely in the integrity of the FBI. I know many agents I like and admire. The hard work of agents like them gave the Bureau a reputation which was unblemished for decades. I am aware that disclosing the mere fact that this material is in my files will raise doubts about me in the minds of some people. It will raise the inevitable questions: "If there is smoke isn't there fire? If the FBI had it in the files isn't it true?" That realization is why I would prefer not to write this.

But I appeared before a Congressional Committee May 20, 1976 and stated under oath that if I could get access to my FBI files I would publish what was there, no matter how scurrilous or scandalous or false.

I then wrote a letter to FBI Director Kelley. I told him I was convinced that his agency had collected defamatory gossip about me. I demanded access to my FBI records. I told Kelley that I was going to publish that material if I could get it.

Then, recently, I was honored in New York by the Sidney Hillman Foundation and given an award for "courage in publishing."

Having accepted that award, and having told Kelley I would publish what was in my files, and having sworn before a committee of congress to do so, I can hardly lock it up in a filing cabinet now and forget it.

For years the FBI has engaged in a "vacum cleaner" approach to intelligence gathering. That means the some FBI agents will

solicit or accept any information, even hearsay, remove or gossip, and put it into Bureau's "raw files."

At the time I testified before Congress I had a idea that if I would voluntarily expose the "vaccum cleaner" method of information gathering that it might help stop that corrupt practice.

For some time it has been clear that J. Edgar Hoover, when he was FBI Director, collected titillating tid-bits of gossip about high-ranking officials in Washington—members of congress, senators, cabinet officers, even presidents.

But nobody ever thinks the FBI is collecting common gossip about them; nobody realizes that the "vacuum cleaner" is always turned on, possibly sucking up information about them. Before May, 1976, I did not suspect that the FBI had collecting damaging or discrediting information about me. I didn't want to think that about myself; I didn't want to think it about the FBI.

Then, on May 13 last year an FBI official named Homer Boynton, while visiting the Washington offices of the New York Times, made disparaging comments to members of the Times' staff about me and the Tennessean.

Boynton said "Seigenthaler . . . is not entirely pure."

I don't know why he said it. I can't prove what he meant.

But for more than a year I have suspected the worst; now, having received my FBI records—or some of them—I know the worst. I know that in the week before Deputy FBI Director Boynton made those comments about my "purity" the FBI in Memphis sent two messages to Director Kelley which included false allegations that "Seigenthaler involved in having illicit relations" with young girls.

If this is a difficult story for me to relate, it also may be difficult for the reader to follow. It involves complex events and confusing relationships with the Federal Bureau of Investigation.

The job of a journalist is to make complexities simple and confusion easy to understand. Because of my personal stake in this story, I may fall short of doing the reporter's job.

My conflict with the FBI dates back more than a year—to May 5, 1976, the day before the first Memphis FBI telex was sent off to Kelley.

It was on that day that Mrs. Jacque Srouji, then a part-time copy editor for The Tennessean was separated from the newspaper.

On May 3, 4 and 5 I had talked at length with her about what the FBI has since described as her "special relationship" with the Bureau. I was concerned about how that special relationship affected our newspaper's staff. On May 5 I made the difficult decision to dismiss Mrs. Srouji.

There was no public controversy about why Mrs. Srouji was fired. Ultimately, I am confident, that controversy will be resolved. That will be another story for another day.

What is pertinent to this story is the date of her firing: May 5, 1976. It was the day before the first FBI telex went from Memphis to Director Kelley in Washington. Her dismissal became public knowledge in news accounts published in The Tennessean and other newspapers on May 8. Two days later the second FBI telex was shot off from Memphis to Kelley in Washington.

Three days later I appeared at the Department of Justice in Washington to file a formal complaint with Justice officials about the FBI developing a "special relationship" with a member of the staff of The Tennessean. It was on that day—in fact at the very hour while I was filing the complaint—that Deputy Director Boynton showed up at the office of the New York Times and made his "not entirely pure" crack about me and The Tennessean.

The files I now have received from the FBI are maddeningly incomplete. For example, the May 5 and May 10 telexes have been heavily censored and excised by either Kelley or agents who make the decision as to what in my records I may not read.

Consider the May 6 "document." It appears to be a two-page telex. It has been so heavily censored that nothing appears on the first page but the notation that a "coded" "nitel" was sent to the "Director" from "Memphis" at 7:15 p.m.

Everything else on that first page has been deleted by the FBI. Kelley, in a letter that came with these documents, said this was to protect the privacy of others, including the source of the information.

On the second page of this "nitel" every word has been deleted by the FBI except what appears to be the last two and a half lines. Starting in what surely is the middle of a sentence, those lines read as follows:

"allegations of Seigenthaler having illicit relations with young girls, which information source obtained from an unnamed source."

When I first read that I wondered how I would write this story. I was tempted to try to soften the blow by beginning: "The Federal Bureau of Investigation says I'm a dirty old man."

But it isn't a laughing matter to me—although I am sure that some of my friends—and some who are not my friends—are going to chuckle and chortle about my discomfiture at having to publish such a thing about myself.

I concluded there was no way to begin this account other than to repeat the worst of the damaging lines as the first words of this article.

What is there to conclude from the May 6 "nitel" to Kelley? It shows that sometime prior to May 6 the FBI "vacuum cleaner" turned in my direction and ingested this derogatory information. Some "source"—unnamed in the FBI documents I have received—had sucked up this gossip from some other source. The second source is "unnamed" according to that telex.

That means not even the FBI knows the original source who started the rumor about me.

I had waited for more than a year for a look at my FBI records. It was a year of frustrating exchanges of letters with Kelley and Justice Department officials in which I would regularly demand immediate access to my files, Kelley would deny those demands, I would appeal to other Justice Department officials, and then there would be interminable delays.

When I finally read the few words included in the May 6 telex I was reminded of a letter I had written to the FBI Director exactly one year ago, on July 9, 1976. In that letter I stated that I was convinced "your agency solicits and files common gossip and rank character defamation, under the guise of 'investigating'. . ."

On July 21 Kelley wrote me: "I can assure you that the FBI does not solicit common gossip and rank character defamation."

When he wrote me those words he had in his possession the message sent him from Memphis May 6 quoting a "source" who quoted an "unnamed source."

He also had in his possession the telex sent him from Memphis on May 10. This one is three pages in length. Once again, as I read it I feel that I have been ripped off because either the FBI director or some of his agents have censored most of what it contained.

In addition, the copying machine used by the FBI in reproducing the document is a sad commentary on the technical equipment of the world's greatest investigative agency. Some of what I received is barely legible.

In the May 10 telex the FBI, once again, has blanked out everything that was on page one—except the fact that it was addressed to the "Director" from "Memphis" and that the teletype was "immediate," rather than a "nitel" as the May 6 communication had been. The rest of what was contained on that first page is blank—censored by the FBI. Most of the second page is blank. It is reproduced elsewhere as part of this story. On what appears to be the third line from the bottom one word appears: "volunteered".

The next line is mostly blank but it does contain three words, "heard rumors that".

What seems to be the last line on that page is mostly blank but near the end of the line is my name, "Seigenthaler"—followed by a comma.

Now, it is impossible to tell what those three lines really say. But the FBI official who censored those lines obviously wants me to know—or perhaps believe—that somebody "volunteered" that there were "rumors" around about "Seigenthaler."

Whether that came from "source" or "unnamed source" isn't spelled out quite as clearly in this message.

And what were rumors heard about Seigenthaler? Turn to page three. The first line is complete: "involved in having illicit relations with young females."

I am at a loss to explain the difference between "young girls" as set out in the May 6 communication and "young females" as included in the May 10 telex. It hardly sounds like a correction. Perhaps the agent in Memphis who sent the news to Kelley on May 10 thought it sounded less as if I had violated the age of consent if "young females" rather than "young girls" were involved in the "rumor," I hope that anonymous agent will understand if I fail to send him an anonymous note of appreciation.

The next sentence in the telex says: "Inasmuch as the information furnished by the source concerning Seigenthaler was unfounded rumor, since it could not be corroborated (and then there is a blank space), no record of this information was made in Memphis files."

But somebody kept it in Washington FBI files. And from there, after more than a year of denial and delay, I finally got access to it. The language of the FBI message on May 10 leaves no doubt that it was "unfounded rumor" which could not be corroborated. As I read the telex it is obvious to me that the FBI actually tried to corroborate it, and failed.

And after more than a year that unfounded, uncorroborated rumor has remained in my FBI files in Washington—where it rests today. And there it would remain forever were it not for current officials of the Justice Department who agree with me that it should be purged.

Still, Kelley wrote to me that he could assure me "the FBI does not solicit common gossip and rank character defamation."

In that same letter Kelley said "I am confident the records will speak for themselves."

Well, the documents are so heavily censored that they hardly speak at all. But insofar as they speak they leave no doubt in my mind that the FBI, even today, solicits—and keeps in its records—"common gossip and rank character defamation."

Last November, after I had protested the

actions by the FBI and the statements by Boynton I received a letter of apology from the Department of Justice. In December, a second letter came from Justice. Kelley and Boynton joined in this apology, this letter said.

Having now read my files I have a better idea of why that apology was forthcoming. I have difficulty understanding why it took from May until December.

But still the information I received is inadequate and incomplete. I suspect that means months of more appeals to get more information.

As I re-read the May 6 and May 10 telexes I have several random reactions:

The federal privacy act bars the FBI from providing me any information about any other person whose name is in my files. That, I think, is a sensible provision designed to let me know what the FBI says about me, but protects others from my finding out what the FBI says about them. At the same time, as long as the Bureau continues to use a "vacuum cleaner" process of information gathering and allows unnamed sources to feed in false rumors, this provision will encourage bureaucratic abuse. It also will prevent those who are victims of that abuse from their accusers.

This same provision that permits the FBI to determine what it will excise from documents will lead, inevitably to the suspicion that the Bureau is covering up its own misdeeds in the process of censoring documents.

There are many Americans who, I now am sure, have similar stuff in their files. There is no way for them to know how or when this may adversely affect their interests, or the interests of persons close to them. In one letter to Director Kelley, while appealing for immediate access to my records, I pointed out that there was another "John Seigenthaler"—my son—who might be damaged by such information in my files.

My hope that publishing the derogatory information about me might help cure the FBI practice of picking up such gossip and rumor has been dimmed by the tedious, tiring effort required to get even part of the records. Kelley sent a letter accompanying the documents he provided me, listing the provisions of the law which permit him to withhold information in my records in order to protect others. His letter never even acknowledges that it was improper for the FBI to gather such material. He never bothers to explain his letter of a year ago in which he said his agency does not solicit gossip. He did tell me that the information was never used in an investigation against me. If he was trying to make me feel good, he failed.

President Carter is now considering five names recommended to him by a presidential commission to replace Kelley. Whoever is selected, I cannot help but hope that it is a person with a background in solid law enforcement who understands the difference between legitimate police intelligence and slander. I also hope that the appointment comes soon. Very soon.

My wife is outraged by what was in my FBI files. Outraged at the FBI and not at me, I am happy to report.

While the two telexes in May, 1976 are the items in my FBI files which I found of the greatest interest, there were other documents which were intriguing.

Kelley actually forwarded me 78 pages of documents—the vast majority of them relating to the routine employment investigation done on my background in when I went to work as an official of the Justice Department.

I had read that material when I became the Administrative Assistant to the Attorney General. It is made up of page after page of statements from people I knew who invariably said nice things about me. In files I received from Kelley their names have been deleted to "protect" them. I remember most of them very well. They need no protection from me. I had known them in my neighborhood, at school, at work or at church. Some exaggerated my virtues beyond belief.

Among other documents are two letters included from J. Edgar Hoover—one praising me for being named to the U.S. Advisory Commission on Information in 1962 and another expressing gratitude for some good things I said about the FBI in a 1963 speech. On both copies Kelley sent me there is this notation at the bottom of each letter: "Mr. Seigenthaler is on the Special Correspondent's list."

I don't know what the special correspondent's list is, when I was put on it or when I was taken off it—if I was. My appeal includes an effort to find out.

There is a letter, dated March 10, 1970, addressed to Alexander Butterfield, then Special Assistant to President Nixon, presumably from Director Hoover. It says that he is writing in response to Butterfield's request for "name check" investigations on a number of individuals. There is a blank space of two or three lines where the other names were listed. I don't know who they were or what it was about.

I suspect that this was a "list" other than a "special correspondent's" list.

Then, in April, 1975 there is another communication sent to the White House about my wife and me in response to another "name check" investigation. It mentions that there was a similar check made on both of us in 1972. It doesn't say why, and there is nothing in the documents reflecting anything more on the 1972 inquiry. Again, I am appealing for more details.

There is a highly interesting document showing the Bureau was interested in what was going on in our newspaper office in November, 1967. At the top my name is listed, followed by a semi-colon. About half the one-page memo has been excised. The bottom half reads as follows:

"Toward the end of the conversation (here there is a blank where the name of the source has been blanked out) remarked that he had seen a memorandum from John Seigenthaler, Editor of The Tennessean, addressed to the staff of The Tennessean, regarding the feasibility of attempting to have some individual penetrate the security of government bases."

I remember the matter well. I had made a speech at Huntsville's Redstone Arsenal and thought the security there was lax. I suggested to our City Editors that we try to get a reporter to slip through security, live for awhile on the base, then write a news story about it. The story never developed. But somebody told the FBI about it.

I suggested that we also should check other military bases to see whether security was lax. I mentioned AEDC at Tullahoma and Fort Campbell. These are also mentioned in the FBI document. The unnamed spy accurately told the Bureau that the purpose of it all was to "write an article" about security on these bases.

I don't remember writing any such memo to members of the staff. There is no such memo written by me in our files.

There was also in the FBI records sent to me a derogatory note: as a young serviceman I once turned up at home in Nashville when I should have been at MacDill Air Force Base in Tampa, Fla. The FBI reports that for this indiscretion I was consigned to "hard labor." Actually, I was restricted to barracks and given three weeks of "K.P." duty. Once again, this report is accurate. Kitchen Police duty is hard labor.

Director Kelley has denied my request to meet with him face to face and discuss the details of my files. I regret that. He did mention to me that I owe the FBI $7.80—or ten cents a page—as a copying fee for sending me the 78 pages of my FBI records.

The check will be in the mail shortly—but I don't like to pay. The quality of the "copying" was just too bad.

JULY DAYS OF 1977

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 21, 1977

Mr. MILLER of California. Mr. Speaker, July 21 marks the centennial anniversary of the labor riots in San Francisco which served as the catalyst for the rejuvenation of the labor movement in that city.

These demonstrations, which began as peaceful protests against the depression which had gripped the Nation for the preceding several years, rapidly escalated into looting and arson. Out of the days of violence, however, were born a number of new labor unions and city federations of unions which were the forerunners of the strong labor movement in California today.

But the labor movement which emerged immediately from the so-called July Days of 1877 was not identical to the labor movement we know today. In 1877, the future course of American labor was undecided as to questions of political action, craft versus trade versus industrial organization, capitalism versus socialism, and other issues. During the course of the following 25 years, up to the San Francisco general strike of 1901, these competing ideologies and strategies were in constant conflict.

Also emerging from the riots which began 100 years ago were some of the most astute and unusual labor leaders in our history. They may never have reached the historical importance of a Samuel Gompers, but they were critical individuals in shaping the development of the working class movement of California and the United States:

Frank Roney—the immigrant molder who emerged from the riots as a key union organizer, helping to put the fledgling Coast Seaman's Union on a sound basis, and then going on to lead the Trades Assembly, the first strong city-wide federation of trade unions;

Charles Burgman—the brilliant organizer who became San Francisco's representative to the early national meetings of the American Federation of Labor;

Burnette G. Haskell—the erratic publisher of Truth, the radical labor weekly, whose views ran the gamut from revolutionary syndicalism—including the lib-

eral use of dynamite—to utopian communalism—which he realized in the Kaweah Cooperative Colony in the late 1880's—and whose organizational talents helped create many of the city's unions in the early 1880's and the Federated Trades of San Francisco.

Between the riots of 1877 and the general strike of 1901, there were many peaks and failures for the workers of San Francisco. The record of those triumphs and failures form the history of the labor movement and the working class in that city, and affected the development of the organized labor movement throughout the Western States. The "sand lot" demonstrations of July 1877, should be recalled as the spark which generated two generations of labor activity which culminated in the labor movement as we know it today.